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Shipping Rates Rise as Surge

By TERRY LANE Published May 21, 2025 12:21 PM EDT



Container ships are among the few unloaded and loaded at the Port of Los Angeles on May 9, 2025.
Credit: Gina Ferazzi / Los Angeles Times / Getty Images

KEY TAKEAWAYS

- Ocean freight bookings from China to the U.S. are surging after the two countries agreed to scale back tariffs for 90 days.
- After ratcheting tariffs on China's goods to 145%, Trump issued a 90-day pause that reduced the tariff rate to 30%.
- As volumes increase, so do shipping rates, which could pressure consumer prices.

After a trade deal with China cooled tensions with the U.S., [importers](#) are now preparing for a surge in cargo that could lead to higher shipping rates and consumer costs.

Shipping executives report a surge in shipping volumes that will likely lead to higher rates. That comes after President Donald Trump put a [90-day pause](#) on steep tariffs on China, reducing [import taxes to 30%](#) from 145%.

“Ocean freight bookings from China to the U.S. are up 275% this week over last week. There won’t be enough ships for all this cargo. Get ready for surge pricing,” said Ryan Petersen, CEO of shipping firm Flexport, in a post on X. ^[1]

Uncertainty Means Higher Costs

Shipping rates are already rising. The World Container Index from supply chain firm Drewry showed that rates for the week ending May 15 were up 8% from the prior week. The report also showed that rates for freight shipping from Shanghai to New York jumped by 19% and rates from Shanghai to Los Angeles increased by 16%. ^[2]

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The increase is a rebound for volumes that dipped at the beginning of the month as the [145% tariff on Chinese goods](#) slowed demand.

“Volume in the first week of May here at the Port of LA was down more than 30% on the import side of our ledger,” said Gene Seroka, executive director of the Port of Los Angeles. ^[4] “What probably comes out of this are lower inventory levels across the board, less selection for American consumers, and maybe higher prices.”

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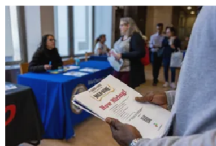
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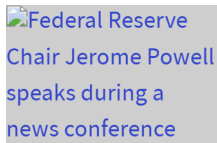
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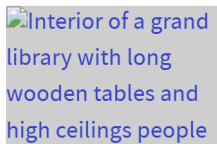
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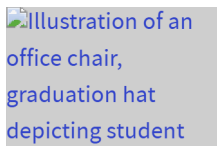
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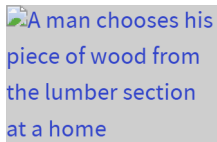
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