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Industrial National Report

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Whiplash Continues at Ports

- Shipping ports in the U.S. endured a turbulent 2025, with rapid changes to trade policy leading to declining container volumes. That uncertainty looks poised to continue in 2026.

- Proposed tariffs of 100% on Chinese-made port cranes were postponed late last year, but the mere prospect has already begun to disrupt investment and upgrade plans. China produces roughly 80% of U.S. port cranes, leaving few viable alternatives. With the large cranes taking two years to deliver, ports remain hesitant to place new orders.

- A January ruling from the Panamanian Supreme Court invalidated the longstanding port-operation concession held by Hong Kong-based CK Hutchison at the Balboa and Cristóbal terminals, citing irregularities in the 2021 extension of the agreement. Danish firm A.P. Moller–Maersk will assume temporary control until a new concession is awarded. The move is widely believed to be beneficial for the U.S., which has been aiming to reduce Chinese influence at the canal. While not much will change at the port in the short term, the long-term implications could be meaningful. Roughly 40% of U.S. containerized imports pass through the canal, and any shift in operations is certain to ripple through supply chains.

- A much more consequential decision for ports was recently made by the U.S. Supreme Court, which issued a ruling that struck down many of the Trump Administration's "Liberation Day" tariffs. The court ruled that the International Emergency Economic Powers Act (IEEPA) does not give the president authority to impose unilateral tariffs, marking a major legal setback for the administration's trade strategy. The administration responded by announcing a global 10% tariff, which was quickly raised to 15%, in an effort to reestablish its trade policy.

- While the ruling may come as a relief to U.S. ports, especially those along the West Coast that handle the bulk of the containers from China and other Asian trading partners, it is yet another twist in a year of tariff-whiplash. Supply chains and logistics rely on stability and certainty, both of which have been in short supply in the past year. While the ruling will help somewhat in that regard, the global tariff and the potential for future tariff maneuvers linger. The aforementioned proposed tariffs on Chinese-made port cranes were not created by the IEEPA, leaving ports still facing increased costs for modernization and upgrades. Further complicating matters, it is not certain whether the Treasury Department will issue refunds on tariffs that have already been paid.