

# Shipping News Gives Insight Into the Impact of Tariffs on China

After a surge in American buying in China to beat the tariffs before they took effect, the shipping news in April and May reveals the significant downside.

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A China Shipping cargo container sits stacked at the Port of Long Beach in Long Beach, Calif., on April 10, 2025. Patrick T. Fallon/AFP via Getty Images



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5/14/2025

Updated: 5/14/2025

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*Commentary*

President Donald Trump's tariffs were so well-advertised that their initial effect was the opposite of what was intended. Beginning in last year's fourth quarter, American importers tried to get ahead of the tariffs, ordering heavily in China to secure an inexpensive inventory before costs rose with the tariffs. Imports of China-made goods surged.

Now that the tariffs are in place, orders have fallen off precipitously, because buyers already hold huge inventories from that earlier buying, because costs are now higher, and because hopes for future tariff reductions have prompted American buyers to wait as long as they can to avoid buying at today's high levies. Although official statistics on this most recent period have yet to emerge, the shipping news tells the story.

From last November through this past March, imports from China had a wild ride. No one knew where all the tariffs would land or how high the White House would set them, but everyone knew that they would raise future costs, especially in China, a special target of Trump's efforts.

Americans who source in China ordered heavily to secure a large inventory before the tariffs raised the price of Chinese-made goods. Flows of Chinese exports to the United States surged almost 11 percent between November 2024 and January 2025. Because imports count as a negative in the U.S. gross domestic product (GDP) accounting, this huge flow alone was responsible for dragging down real growth for the first quarter, albeit by a modest [0.3 percent](#).

But now that tariffs are in place, the getting in China, as the saying goes, is no longer so good. American buyers have cut back orders dramatically. Not only do they not want to pay tariffs that the recent agreement has reduced from the originally mooted [145 percent](#), though still high by past standards, but the inventory buildup of prior months has filled warehouses. What is more, talk of joint tariff reductions at a future date has also discouraged buying in the moment.

Though official import-export figures for this most recent period are not yet available, shipping information and commentary tell the tale of these cutbacks. The Port of Long Beach, California, where many Chinese products enter the United States, reports a 30 percent drop in container arrivals in just the last few weeks. Large container operators have confirmed the 30 percent figure in their accounting of east-bound trans-Pacific shipments.

Though few such operators have cut scheduled shipping as yet, many have announced that they are using smaller vessels. Smaller operators have already cut back on voyages, cancelling some 24 from China to the U.S. West Coast in just the opening days of May. Bookings from

Southeast Asia have picked up, largely from Chinese-owned operations in these other countries, but these hardly make up the slack left by reductions in direct China shipments.

In yet another sign of tariff pressure, Chinese e-commerce platforms have seen increased activity. These operators send Chinese products directly to buyers in the United States and elsewhere, and by keeping each shipment small, they can get around the new tariffs that their larger commercial competition must pay.

Shipments under \$800, for instance, pay a tariff of 120 percent or \$100 on each item. That is a steep charge compared to earlier years, but still less than the 145 percent on larger shipments. The tariff on small shipments is scheduled to rise after June 1, but that increase has been paused. For now, it is an attractive alternative, and these platforms have accordingly seen increased business. They have even developed apps to break up shipments into smaller amounts so that buyer and seller can still secure the so-called small-package exemption.

For now, such subterfuges and the heavy inventory built up earlier can tide over American buyers of Chinese products. Time, however, is running out for such strategies. For American retailers to meet the back-to-school and holiday shopping seasons, importers will have to order by June to get passage for their goods during the seasonally busy summer shipping season. They can hope that negotiations between Washington and Beijing can bring down tariffs quickly, or they must find sources outside China. And they must act fast. Either way, China's economy is facing a day of reckoning.

*Views expressed in this article are opinions of the author and do not necessarily reflect the views of The Epoch Times.*

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