



Client Advisory 2/25

U.S. Port Fees Targeting Chinese-Built Ships

April 2025

Overview

A recent U.S. policy proposal to impose significant port fees on ships with ties to China has caused widespread concern in the global shipping industry. The original plan suggested cumulative fees of up to USD \$3.5 million per port call for vessels that are:

- Built in Chinese shipyards
- Owned or operated by Chinese companies
- Subject to future shipbuilding orders in China

Following intense industry feedback, the U.S. Trade Representative (USTR) has clarified that not all proposed fees will be implemented, and fees will not be cumulative.

However, the policy remains live, and the shipping industry should still prepare for potential disruption.

Global Impact – Why This Matters

- China builds over 70% of the world's commercial vessels
- More than half of the world's active fleet is Chinese-built
- Globally, shipowners from Taiwan, Singapore, Japan, Korea, to Greece all rely heavily on Chinese-built tonnage
- Vessels with any China-related exposure may face commercial limitations in the U.S. trade

Even if the most extreme version of the proposal is dropped, some level of cost or compliance burden is expected.

Latest Developments

- The USTR confirmed on April 8th that the fees are a set of “proposed actions”, not finalized policy
- Feedback is still being assessed from shippers, industry groups, and U.S. lawmakers
- Implementation, if it occurs, is likely delayed until later in 2025
- U.S. agricultural exporters, energy companies, and domestic port operators have voiced strong opposition, warning of serious supply chain consequences
- Support for the proposal remains strong among U.S. steelmakers and shipbuilding unions

Commercial Risks for Shipowners and Charterers

Shipowners and charterers with Chinese-built fleets must now prepare for contractual, financial, and operational uncertainty, particularly in relation to the U.S. Gulf and East Coast trades.

Potential outcomes include:

Area	Risk
Operational	Reduced port flexibility – carriers may limit calls to single U.S. ports
Charterparty	Disputes over who bears the cost – owners or charterers
Valuation	China-built ships may trade at a discount if U.S. access is penalized
Freight Rates	Possible “China Surcharge” added to U.S. trades

Key Considerations for Time-Chartered Vessels

- Most standard time charterparty forms allocate port charges to charterers
- These new U.S. port fees, however, may be argued to relate to vessel characteristics, not traditional port dues
- Owners should seek to include protective clauses in new time charters:
 - Stating that China-linked port fees are for the charterer's account
 - Providing substitution rights for non-Chinese tonnage on U.S. routes

Recommendations for Clients

- Audit your fleet for exposure to Chinese build or ownership structures
- Review charter contracts to assess liability for new U.S. port fees
- Engage with charterers early to clarify commercial responsibilities
- Monitor U.S. policy updates closely ahead of potential implementation
- Maintain flexibility in U.S. voyage planning and pricing

Final Thought

While the tone from Washington has softened, the political intent behind this proposal remains clear: to challenge China's dominance in global shipbuilding and reshape the economics of U.S. port access.

ShorelineHudson continues to monitor developments closely and will provide ongoing updates. In the meantime, we recommend clients prepare for a range of outcomes, from minor compliance issues to significant commercial restructuring in U.S. trades.

For further guidance, or to speak with one of our policy or charterparty experts, please contact your ShorelineHudson representative.

Insurance

8 Par-la-Ville Road
Mintflower Place
Hamilton HM08
Bermuda

T: +1 441 296 2324
F: +1 441 295 8504

Risk Management

1800 Chapel Ave W Suite 360
Cherry Hill
NJ 08002
United States of America

T: +1 856 342 7500
F: +1 856 342 8888

Client Sales and Liaison

4, Skouze Str. (7th floor)
Piraeus 18536
Greece

T: +30 210-4510856
F: +30 210-4510856