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# New US tariffs forcing shippers to recalculate supply chains on the fly

**Eric Johnson, Senior Technology Editor | Apr 3, 2025, 3:05 PM EDT**

The broad and varied tariffs announced this week by the Trump administration that affect US imports from virtually every country around the globe have sent shippers scrambling, forcing a rethink of supply chain strategy within a market so cloaked in uncertainty that one stakeholder likened it to the early days of the COVID-19 pandemic.

Some US-based shippers are, incredibly enough, racing to beat the April 9 imposition of new tariffs on most goods, while others are holding back product in Asia on the chance the levies will be reduced by US President Donald Trump, whose tariff implementation strategy in recent weeks has been marked by a large dose of impulsiveness.

April 9 is the date country-specific tariffs take effect. Baseline 10% tariffs on countries that avoided the specific, so-called "reciprocal" rates are due to go into effect April 5.

"It looks to me like we are witnessing a sudden global slowdown akin to COVID," a forwarder who did not want to be identified told the *Journal of Commerce*. "It's starting to look like the collective response will be to stop, kind of like what we saw when COVID started. The question is, for how long?"

The source said some major customers are "deciding to store product in Asia and essentially cutting off the flow."

"They are looking at using air or other modes but in more of a 'batch' sequencing versus the normal flow models," the forwarder said.

Another forwarder who also did not want to be identified said shippers are using a range of tools ahead of the tariff increases.

"Customers are shifting volume from [full containerload] to [less-than-containerload] to get goods here before April 9," the source said. "Some are booking air to get ahead of the tariffs. Some are pulling back orders. Some vendors are pulling back on DDP [delivery duty paid] shipments to renegotiate on price. Some want to change the Incoterms to change the responsible party for duties."

DDP occurs when the seller is responsible for paying duties.

The forwarder added that some customers that were eyeing an exit from China to other sourcing locations in Asia are now rethinking those plans. That's because those alternative sourcing locations have been nailed with new tariffs, too, most notably Vietnam at 46%.

Robert Khachatryan, CEO of Los Angeles-based forwarder FreightRight, said he isn't seeing a rush to expedite bookings that would not have ordinarily moved this week.

"Clients that have bookings in place are pushing to make sure they depart as planned," Khachatryan said. "However, there are no new orders rushing in."

**'Structural change' to supply chains**

The Trump tariff plan, which was far more extensive than observers expected, is forcing a wholesale reconsideration of individual supply chains.

"With the new tariffs and the end of the de minimis exemption, many importers are being forced to rethink how they manage cost, visibility, and compliance across their supply chains," said Jim McCullen, chief technology officer at Century Supply Chain Solutions. "What we're seeing is that this moment isn't just about logistics, it's about risk management, planning, and structural change."

In some ways, the race for vessel capacity has been on since before Trump took office for the second time. Aggregate import volumes into the ports of Los Angeles and Long Beach in January and February exceeded even the peak COVID-19 years of

2021 and 2022, and were even 24% higher than pre-pandemic January–February volumes in 2019 when frontloading occurred to beat Trump's initial tranche of 25% tariffs on Chinese imports.

The new tariffs are designed to reinvigorate the US manufacturing sector, Trump said during a White House event Wednesday. But they come amid a slowing manufacturing sector in North America that showed weakness in part because of the long-threatened tariffs.

US factory output fell in March, according to Purchasing Managers' Index survey data compiled by S&P Global, parent company of the *Journal of Commerce*. Respondents attributed the slowdown to falling demand and the waning impact from the cargo frontloading that occurred earlier in the year as importers moved to beat the imposition of tariffs

"Manufacturing output fell across North America in March at one of the steepest rates seen over the past two years … with broad-based production loses in the US, Canada and Mexico," Chris Williamson, chief business economist at S&P Global Market Intelligence, wrote in a research note Thursday. "Prices paid for inputs also rose sharply. US factory input cost inflation, in fact, exceeded that seen in all 33 economies surveyed by S&P Global for the first time since 2008."

**Consumer goods in crosshairs**

Early research into which commodity categories might be most impacted by the tariffs highlights the effect on finished consumer goods from high-tariff nations.

"Notable examples include toys and video games [average duty rate increase of 30.4%], computer parts [29.6%], clothing [28.3%, with some as high as 36.9%] and smartphones [27%]," Chris Rogers, head of supply chain research at S&P Global Market Intelligence, wrote in an analysis Thursday. "Many of the products that are excluded from these new duties will face their own tariff reviews and may end up with duties of around 25%, including copper, lumber, pharmaceuticals and semiconductors, after the reviews are completed in a few months."

The hit would be $458 billion to US importers' costs in a full year, based on 2024 import levels, Rogers added.

"The full impact on supply chains will also be a function of how other governments react — for example, the EU and mainland China have been more hawkish — and how firms choose to incorporate the new tariffs into their pricing and sourcing strategies," he wrote. "Given the wide-ranging nature of the duties and focus on consumer goods, price increases may be a main strategy followed."

UBS, meanwhile, said it expects the tariffs announced Wednesday, in addition to previously announced 25% tariffs on all imported automobiles, to drive pressure on international trade volumes and weaken domestic freight activity. In a research note Thursday, the bank said it estimates that 33% of rail and 25% of truck ton miles in the US are directly tied to international trade.

Whether US Customs and Border Protection (CBP) has the capacity and sufficient technology infrastructure in place to enforce the new tariffs is another open question. Some forwarders said the agency can handle the changes, while others were doubtful given disruptions caused by previous tariff implementations.

"Customs is almost guaranteed not to be ready," Khachatryan said. "Even with the previous, less sweeping tariffs, CBP was woefully unprepared. Aluminum tariffs alone took over a week to work properly in different [automated brokerage interface] systems, with many shipments stuck in storage at airline terminals. Guidance for customs brokers is even slower to come. Something of this magnitude will almost certainly be a lot more disruptive, not least because of all the overlapping tariffs and confusing exclusions."

More broadly, the tariffs could well lead to choppier decision-making for logistics operations personnel, with decisions on whether to import goods or hold them back determined by Trump's seemingly day-to-day policy changes.

"This will be a good example of honing skills to strategically manage based on daily information versus quarterly cycles, and I doubt many will be able to do this," a forwarder said.

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