# Dutch maritime industry not awaiting American port fees

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### In the grip of a trade war

Globally, the stock markets and politics are in the grip of a trade war sparked by the United States. President Trump regularly stated during his campaign that he views the introduction of import tariffs as the key measure to boost the American economy.

# "I always say 'tariffs' is the most beautiful word to me in the dictionary,"

#### DONALD J. TRUMP

Since his inauguration in January, President Trump has been doing everything possible to fulfill this promise, with announcements for new import tariffs rapidly following one another. But it seems that this trade war is not only going to be waged with import tarrifs on various goods and products but also with a potential introduction of port fees up to 1.5 million dollars on China-built ships, ships with a Chinese interest, and ships sailing under the Chinese flag. This not only has enormous consequences for China but also greatly impacts international maritime shipping, including Dutch shipowners.

Impact on Dutch maritime industry



# **Port Fees**

The idea for the port fees originates from the unions in the U.S., and a first attempt had already been made under President Biden for these port fees for ships with a Chinese interest. Trump is now swiftly following through, and the proposal was published on February 27. This proposal is part of a broader package, called "Make Shipbuilding Great Again".

It seems that this broader proposal will be financed with these port fees. The even broader Executive Order signed by Trump on April 9 does not beat around the bush when it comes to the overall objective: <u>'Restoring America's Maritime Dominance'</u>. In this decree, the USTR + must develop a maritime action plan within 210 days. The port fees will be part of this, the rates in the proposal from 27 February 2025 are not included in the final Executive Order signed by the president.

# EN - USTR Proposal on Port Fees (07/02/2025)

#### Fees on Services

A vessel operator of China to be charged a fee on the international maritime transport being provided:

• At a rate of up to \$1,000,000 per entrance of any vessel of that operator to a U.S. port; or

• Per entrance of any vessel of that operator to a U.S. port, at a rate of up to \$1,000 per net ton of the vessel's capacity.

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# Service Fee on Maritime Transport Operators with Fleets Comprised of Chinese-Built Vessels:

# Upon the entrance of a Chinese-built vessel to a U.S. port, a fee to be charged to that vessel's operator on the international maritime transport provided via that vessel:

- At a rate of up to \$1,500,000;
- Based on the percentage of Chinese-built vessels in that operator's fleet: for operators with 50 percent or greater of their fleet comprised of Chinese-built vessels, the operator will be charged up to \$1,000,000 per vessel entrance to a U.S. port; for operators with greater than 25 percent and less than 50 percent of their fleet comprised of Chinese-built vessels, the operator will be charged a fee up to \$750,000 per vessel entrance to a U.S. port; for operators with greaters with greater than 0 percent and less than 25 percent of their fleet comprised of Chinese-built vessels, the operators with greater than 0 percent and less than 25 percent of their fleet comprised of Chinese-built vessels, the operators with greater than 0 percent and less than 25 percent of their fleet comprised of Chinese-built vessels, the operators with greater than 0 percent and less than 25 percent of their fleet comprised of Chinese-built vessels, the operators with greater than 0 percent and less than 25 percent of their fleet comprised of Chinese-built vessels, the operator will be charged a fee up to \$500,000 per vessel entrance to a U.S. port; or
- Based on the percentage of Chinese-built vessels in an operator's fleet: an additional fee of up to \$1,000,000 will be charged to a vessel operator per vessel entrance to a U.S. port if the number of Chinese-built vessels in the operator's fleet is equal to or greater than 25 percent.

#### Service Fee on Maritime Transport Operators with Prospective Orders for Chinese Vessels:

#### An additional fee based on the percentage of vessels ordered from Chinese shipyards:

- For operators with 50 percent or greater of their vessel orders in Chinese shipyards or vessels expected to be delivered by Chinese shipyards over the next 24 months, the operator will be charged up to \$1,000,000 per vessel entrance to a U.S. port; for operators with greater than 25 percent and less than 50 percent of their vessel orders in Chinese shipyards or expected to be delivered by Chinese shipyards over the next 24 months, the operator will be charged up to \$750,000 per vessel entrance to a U.S. port; for operators with greater than 0 percent and less than 25 percent of their vessel orders in Chinese shipyards or expected to be delivered by Chinese shipyards over the next 24 months, the operator will be charged up to \$750,000 per vessel entrance to a U.S. port; for operators with greater than 0 percent and less than 25 percent of their vessel orders in Chinese shipyards or expected to be delivered by Chinese shipyards over the next 24 months, the operator will be charged up to \$500,000 per vessel entrance to a U.S. port; for operator will be charged up to \$500,000 per vessel entrance to a U.S. port; or
- A fee of up to \$1,000,000 per vessel entrance to a U.S. port will be charged to a vessel operator if 25 percent or more of the total number of vessels ordered by that operator, or expected to be delivered to that operator, are ordered or expected to be delivered by Chinese shipyards over the next 24 months.

Additional fees on the maritime transport services charged to an operator addressed in this section, may berefunded, on a calendar year basis, in an amount up to \$1,000,000 per entry into a U.S. port of a U.S.-builtvessel through which the operator is providing international maritime transport services.

The US Trade Representative had then opened the proposal for comments until 24 March 2025. A total of 523 responses were submitted, including responses from our umbrella organisations such as:

- International Chamber of Shipping (ICS) +
- European Shipowners (ECSA) +

But also from organisations such as:

- Baltic and International Maritime Council (BIMCO) +
- The World Shipping Council (WSC)
- <u>Chamber of Shipping of America</u> (CSA)

These responses were coordinated among themselves, which also involved the KVNR and its members. The European Union also submitted a submission. Hearings were held on 24 and 26 March in Washington D.C. ICS, WSC and CSA had registered for these and were given the opportunity to explain their reactions to the proposal.

### What now?

Currently, the USTR is studying the submitted responses. It appears that the proposal regarding port fees is being adjusted. The adjusted proposal is expected to be published on April 17th.

Given the complexity of the measures and the potentially significant consequences for maritime shipping, it is wise to closely follow developments and, as far as possible, prepare for the different scenarios.



# Impact on the Dutch maritime industry

A large number of seagoing vessels are built in China, accounting for even <u>half of all ships</u>. Countries worldwide thus sail with vessels built in China. If we look at the Netherlands, data from the KVNR shows that of the seagoing vessels sailing under the Dutch flag, 67% are built in Europe (half of which in the Netherlands) and 15.8% in China. Additionally, Dutch shipowners also operate many ships under other flags. These are often larger vessels deployed outside of Europe, typically built in Asia.

It might seem a simple solution to ban vessels built in China. However, it's not that straightforward. Seagoing vessels are not easily interchangeable due to the ship's specifications, the type of cargo they carry, and the ports they serve. The proposal only considers that the seagoing vessel has or had a link with China.

Even operators, regardless of the precise meaning of this term, operating fleets comprised of 0% to 25% Chinese-built ships might expect fees of up to \$500,000 per U.S. port visit.

We are closely following developments and will keep you informed of updates.

## Get in touch with...

Author



Lodewijk Wisse LEGAL, FINANCIAL AND FISCAL BUSINESS CLIMATE



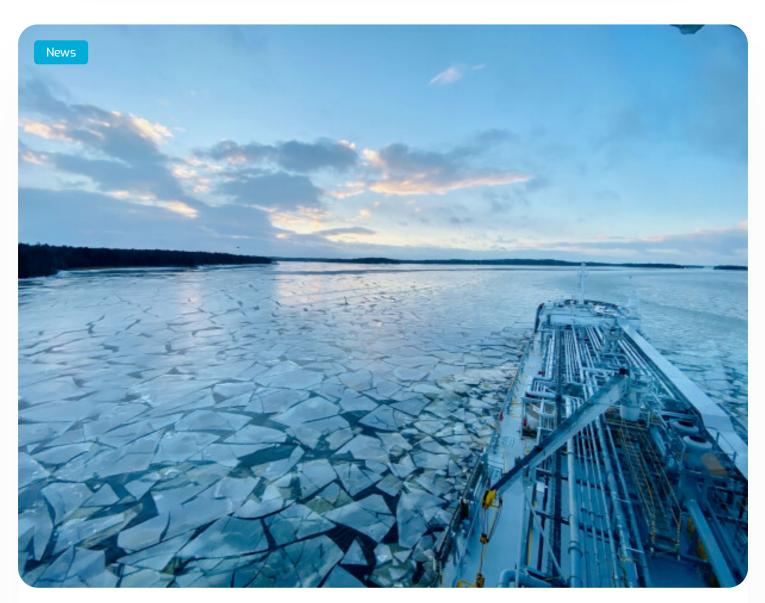
+31 (0)6 8397 8355 wisse@kvnr.nl



Nathan Habers DIRECTOR COMMUNICATIONS AND EXTERNAL AFFAIRS

+31 (0)6 5200 0788 <u>habers@kvnr.nl</u>

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### Port Fees the Adjusted Proposal

For some time now, potential port fees from America have grabbed the attention of maritime shipping. On February 27, the first proposal for these port fees was published....

18-04-2025