

## 23<sup>rd</sup> Annual General Meeting (AGM) of the Singapore Business Federation

### Questions Received and Responses

#### Question 1:

We are interested to find out how the reciprocal tariffs imposed by the USA are affecting the volume of TEUs in Singapore hub on a global scale.

Would more vessels be calling in Singapore, anticipating a congestion, or will it be the other way round?

#### Response:

The current U.S. tariff developments, including the temporary pause in reciprocal measures, are contributing to heightened uncertainty across global trade routes. While it is still early to establish a direct and sustained correlation with TEU flows into Singapore, we are observing a few evolving dynamics:

- **Shipping alliances and network shifts** are playing a more immediate role in driving transshipment activity in Singapore.
- **Some carriers are increasing calls at PSA** to reposition cargo, either in anticipation of policy changes or to adapt to new alliance structures. These moves are partly strategic, using Singapore's hub status to buffer against global disruptions, and partly operational due to ongoing congestion at regional ports, particularly in North Asia. Our ports can handle up to 50 million TEUs and are currently operating below this threshold. They have the operational ability to accommodate fluctuations above normal cargo volumes.

That said, **Singapore's fundamentals as a trusted, neutral, and well-connected transshipment hub** continue to underpin its resilience. Carriers may adjust frequency or call patterns based on tariff outcomes in the U.S.–China corridor, but we expect Singapore to remain a key node for cargo flow recalibration, particularly during periods of supply chain volatility.