

# Blowing the Doors off: The U.S. Government's Proposals to Curb Shipbuilding in China

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PRACTICES Shipping, Shipping Dispute Resolution

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“You’re only supposed to blow the doors off!”

In the eternally popular 1969 British comedy, the Italian Job, Michael Caine’s character, Charlie Croker’s, exasperated exclamation to his “explosives expert”, who had just demonstrated how he was going to blow the doors off the bullion van (and had blown up the whole van), has become a catchphrase for plans which have excessive consequences.

The phrase sums up the concerns of many in the global shipping industry to The Proposed Action of the United States Trade Representative (USTR) suggesting the imposition of substantial port fees on vessels entering U.S. ports that were built in China, operated by Chinese companies or even operated by non-Chinese companies that have *other* vessels either built or on order in China. The proposals also contain minimum quotas for U.S. exports to be carried on U.S.-built ships.

The key question is – if implemented as suggested, would the Proposed Action achieve the U.S. government’s aim of reducing China’s dominance in global shipbuilding and shipping and increasing the U.S.’s market share of the global shipbuilding market, and what would be the other consequences?

The importance to the U.S. administration of the U.S.’s commercial shipbuilding capability was highlighted in the U.S. President’s address to Congress on Tuesday, 4 March 2025. The President committed to resurrecting the U.S. commercial and military shipbuilding industry. For that purpose, the U.S. government would create a new office of shipbuilding in the White House and to offer special tax incentives, so that the U.S. would build vessels “very fast, and very soon”.

## Background

On 12 March 2024, a “Section 301 petition” was filed under the U.S. Trade Act of 1974 by five labour unions. This alleged “unreasonable” acts, policies and practices of China to dominate the maritime, logistics, and shipbuilding sector which burdened/restricted U.S. commerce, and requested action pursuant to Section 301(b). Pursuant to Section 301(b), actionable matters include acts, policies and practices of a foreign country that are unreasonable or discriminatory and burden or restrict U.S. commerce. The Trade Act goes on to set out examples of what such acts, policies and practices may involve.

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