

Q2 SHIPPING READINESS CHECKLIST



CURRENT MARKET CONDITIONS — AS OF MARCH 11, 2026

Strait of Hormuz effectively closed (Feb. 28, 2026): IRGC declared the strait closed following U.S.-Israel strikes on Iran. Maersk, MSC, Hapag-Lloyd, CMA CGM & COSCO have all suspended transits. ~150 vessels are stranded; tanker traffic down ~90%+ and near total halt; effectively closed to all non-Iran-linked traffic. War risk coverage withdrawn March 5, now available at 1%–3% of vessel value, up from ~0.25% pre-crisis; U.S. government \$20B DFC reinsurance facility activated IEEPA tariffs struck down (Feb. 20, 2026 — Learning Resources v. Trump, 6-3): All IEEPA-based tariffs ended Feb. 24. Replaced by Section 122 (10% effective Feb. 24 – July 24, 2026). Section 232 (steel & aluminum, copper, autos, trucks) and Section 301 (China-origin goods) remain fully in force. De minimis exemption remains suspended for all countries.

1 LANE PLANNING & CAPACITY

URGENT

- Confirm all Q2 origin ports and primary lanes**
Jebel Ali and Khor Fakkan are back to normal operations. Bahrain's main port remains suspended. Kuwait Shuaiba and Qatar ports are operating with restrictions.
- Verify supplier production schedules and lead times**
Gulf-region suppliers may face energy and logistics disruptions. Lead times are currently unpredictable.
- Review carrier booking windows (capacity on key trades is shifting fast)**
Maersk, MSC, Hapag-Lloyd, CMA CGM & COSCO have all suspended Hormuz transits.
- Identify Cape of Good Hope routing options for Middle East lanes**
Cape reroutes add about 10 to 14 transit days and are estimated to increase freight cost 15 to 25%
- Assess any Middle East Gulf cargo currently in transit**
~150 vessels are stranded near the strait; ~170 containerships (~450,000 TEU) are inside the gulf.

2 TARIFF & DUTY LANDSCAPE

CRITICAL

- Review HTS classifications across Q2 purchase orders**
The tariff landscape changed significantly on Feb. 24, 2026. Prior landed cost models may no longer be accurate.
- Understand the current Section 122 surcharge applicability**
A 10% global surcharge (Section 122, Trade Act of 1974) applies Feb 24, 2026. Section 232 goods are exempt.
- Identify Section 232 exposure in your product mix**
Steel & aluminum tariffs apply. Copper, autos, trucks, and many derivative products also carry Section 232 duties.
- Identify Section 301 exposure on China-origin goods**
Section 301 tariffs on Chinese-origin goods (7.5%–25%) were unaffected by the IEEPA ruling and remain in effect.
- Note that De minimis treatment remains suspended**
Duty-free De minimis (under \$800) is still suspended for all countries per executive order, independent of IEEPA ruling.

3 RISK & INSURANCE

HIGH IMPACT

- Review war risk and cargo insurance coverage**
War risk premiums have surged to 1%–3% of vessel value (from ~0.25% pre-crisis). Coverage was withdrawn March 5 but has since returned at sharply elevated rates. Verify current coverage terms with your broker before any Gulf booking.
- Verify cargo insurance covers extended reroute transits**
Cape of Good Hope reroutes extend transit time significantly. Policies should be reviewed for adequacy of coverage.
- Understand carrier force majeure and liability positions**
Multiple carriers have declared force majeure for Gulf sailings. It is important to understand your rights before disruptions occur.
- Review supplier contracts for applicable force majeure language**
The Hormuz closure may trigger force majeure provisions in supply agreements; terms vary widely by contract.
- Identify supply chain exposure to Gulf-sourced commodities**
Aluminum, fertilizers, LNG, jet fuel, sugar, and many chemicals transit or originate in the Gulf region.

4 COST & COMPLIANCE

ACTION ITEMS

- Document all entries subject to IEEPA tariffs paid since February 2025**
The Supreme Court ruling in Learning Resources v. Trump may create a path for refunds. CIT ordered CBP to process refunds (March 4); CBP mechanism still being established. Preserve all entry records.
- Understand Section 122 stacking and exemption rules**
Sec.122 stacks on top of Section 301 but not Section 232. USMCA-qualifying Canadian and Mexican goods are exempt.
- Recalculate Q2 landed costs using current tariff conditions**
The combination of Section 122 (10%), Section 301, Section 232, and elevated freight costs may substantially change unit economics.
- Review fuel surcharge exposure across Q2 carrier contracts**
Brent crude surged over 40% from pre-crisis levels, briefly exceeding \$100/barrel (March 8); trading ~\$87–94/barrel as of March 11 following the Hormuz disruption; FSC pass-throughs typically follow within 30-60 days.
- Monitor developments in Section 301 investigations**
The administration has signaled new Section 301 investigations to replace Section 122 after its July 24 expiration.

Disclaimer: This checklist is provided for general informational and planning purposes only. It does not constitute legal, financial, regulatory, or customs compliance advice. Tariff regulations, trade policies, and geopolitical conditions referenced herein are subject to rapid change.

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