March 2025

Industrial Trade Report

By GCP Industrial Products

Report Highlights

- President Trump announced an additional 10% tariff on China in March increasing the total to 20% since the start of 2025.

- It is being anticipated that only 15% of the countries with a U.S. trade imbalance and tariffs on U.S. goods will be assigned reciprocal tariffs starting April 2nd.

- The President has also signed an executive order taking effect April 2nd, which applies a 25% tariff (on top of all existing tariffs) on all goods from any country that buys oil from Venezuela.

- The ISM® Prices Index registered 62.4% in February, indicating raw materials prices increased for the fifth straight month.

- Rubber futures have dipped below 200 U.S. cents per kg, as the industry balances the effects of ongoing trade tariffs and demand concerns of over supply.

- Global economic expansion slowed for a second successive month in March with employment falling for the first time in three months and business confidence sinking to a seven-month low.

- Global ocean schedule reliability (measuring 60+ carriers) dropped by -2.3% to 51.5%.

- Ocean container rates have been falling steadily since the start of the year.

- In February U.S. ports processed the second-highest number of containers for the month, trailing only February 2022.

- The U.S. Trade Representative (USTR) is drafting a proposed fee structure targeting Chinese-built ships and operators. The fee would impact every major ocean carrier with ships calling U.S. ports, ultimately increasing costs for U.S. consumers.

Contents

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Tariffs

Trump Tariff Threats and Actions			
Target	Tariff	Status	Retaliation
“Secondary Tariff" Venezuela	Any country that buys oil or gas from Venezuela would face an additional 25% tariff in the U.S.	Take effect on April 2	No retaliation mentioned yet but a list of impacted countries include China, India, Singapore, Vietnam
Some Countries	Reciprocal tariffs	Reciprocal tariff rates to take effect on April 2	Pledged by EU and other economies
Most Nations	25% on steel and aluminum	Took effect March 12	Canada imposed new duties on $20 billion of U.S. goods
China	An additional 10% on all goods	Took effect March 4	China responded with up to 15% duties on U.S. farm goods
Canada & Mexico	25% on most goods, 10% on Canadian energy	Delayed to April 2	Canada targeted $107 billion worth of U.S. goods; Mexico pledged unspecified retaliation
China	10% on all goods	Took effect Feb 4	China imposed $14 billion worth of tariffs on U.S. goods
Colombia	25% on all goods, 50% after a week	Threatened and then resolved Jan. 26	Colombia threatened 25% tariffs on U.S. goods

Key Takeaways:

- President Donald Trump announced a 10% tariff on goods from China in February, then in March increased the amount by another 10% to reach a total of 20%.

- A 25% tariff on goods from Canada and Mexico first announced in February was enacted then delayed until April 2nd for goods compliant with the U.S.-Mexico-Canada Agreement trade pact signed during Trump’s first administration.

- The Trump administration is planning to announce a single, country-specific tariff rate for each of its top trading partners on April 2.

- It seems only 15% of the long list of countries with a U.S. trade imbalance and tariffs on U.S. goods will be assigned reciprocal tariffs.

- Imports from all trading partners could also be affected by a new fee being considered by the Office of the USTR. The toll proposal would range between $1 and $1.5 million for each time a Chinese-built ship docks at a U.S. port.

Reciprocal Tariffs

- Reciprocal tariffs are expected to be announced and potentially applied on April 2nd.

- Significant uncertainty and confusion surrounding reciprocal tariffs remain as the April 2nd deadline quickly approaches.

- The Trump administration has indicated that it will narrow the scope of reciprocal tariffs initially proposed for all U.S. trade partners which have tariffs or other trade barriers on U.S. exports or businesses.

- Now it seems only 15% of the countries with a U.S. trade imbalance and tariffs on U.S. goods will be assigned reciprocal tariffs

- The 15% or "Dirty 15" as they have been called by the White House account for most of both total imports to the U.S. and U.S. trade deficit.

- The levels of these tariffs will vary depending on the foreign tariff rates for U.S. exports.

- The list of the top 15% (aside from China, Mexico, Canada and the EU) is thought to include other sourcing partners like India and Vietnam as well.

- Some recent reports indicated that certain planned sectoral tariffs would be postponed, however, President Trump recently stated that global duties on automotive and pharmaceutical imports would be announced soon, possibly even before April 2nd.

- The president also signed an executive order that will take effect April 2nd. The order applies a 25% tariff – on top of any other applicable tariffs – on all goods from any country that purchases oil from Venezuela. In addition to China, this list could include Singapore, Vietnam and India.

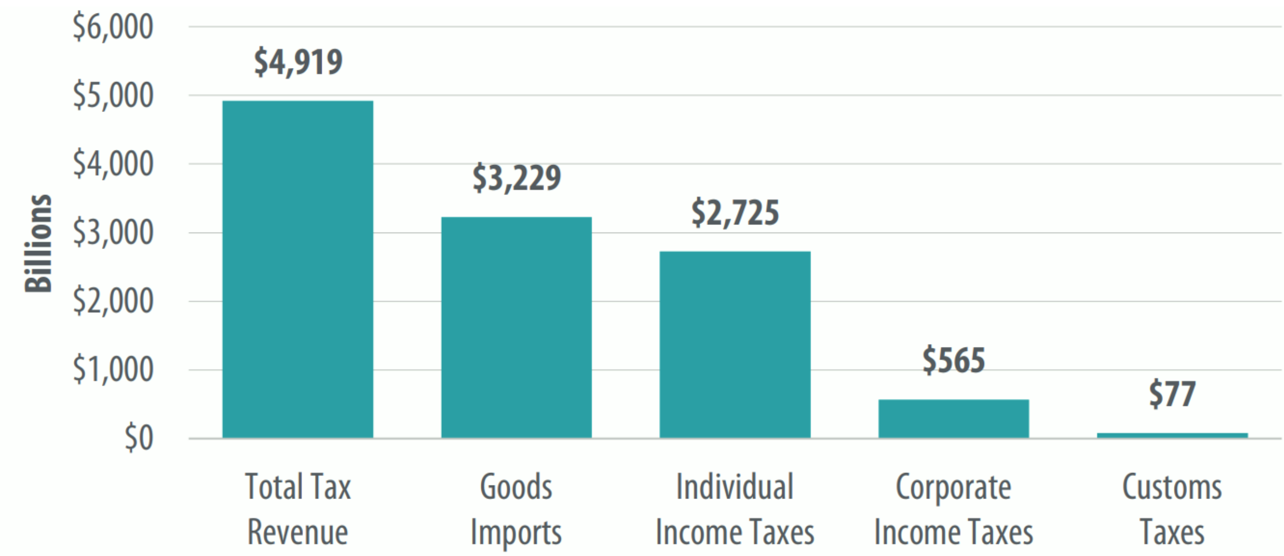
- As with many policy processes under Trump, the situation remains fluid, and no decision is final until the president announces it.

- A presidential aide mentioned internal 'negotiations' on how to roll out the tariff program, with some of the most aggressive signals coming directly from Trump, highlighting his focus on significantly increasing import taxes as a source of revenue.

- "April 2nd is going to be liberation day for America. We've been ripped off by every country in the world, friend and foe," Trump said in the Oval Office Friday Mach 21st. It would bring in "

- Trump added, tariffs would bring in "tens of billions," while another aide said the tariffs could bring in trillions of dollars over a decade.

Replacing Income Tax with Tariffs



Source: Office of Management and Budget, Census Bureau, First Trust Advisors. Fiscal year data for 2024.

Key Takeaways:

- With a renewed push to protect American industries, Donald Trump's administration is ramping up import tariffs, reigniting debate over their economic impact.
- Supporters see them as a catalyst for domestic manufacturing and a potential windfall for government revenue, while critics warn of rising costs, supply chain disruptions, and retaliation from key trading partners.
- In 2024, individual and corporate income taxes raised $3.29 trillion, while U.S. imports totaled $3.23 trillion. This means to replace income taxes with tariffs, over a 100% effective tariff rate would need to be applied on all imported goods entering the U.S.
- However, if this were to happen, imports would become prohibitively expensive, demand would drop, forcing even higher tariffs to make up for the shortfall, well exceeding 100%.
- If this were to take place it would likely devastate businesses reliant on global supply chains, burden businesses/consumers with much higher costs, and spark trade wars and retaliation.
- The result would be slower economic growth and ultimately, less tax revenue not more.
- Tariffs are taxes on imports mostly paid by end users, meaning businesses/consumers will pay more as long as they are in place.

Raw Material Pricing

Institute for Supply Management (IMS®) Price Index					
Month	Prices Higher	Prices Same	Prices Lower	Net	Index
Feb 2025	31.4%	61.9%	6.7%	+24.7	62.4
Jan 2025	20.7%	68.3%	11.0%	+9.7	54.9
Dec 2024	14.4%	76.1%	9.5%	+4.9	52.5
Nov 2024	12.2%	76.1%	11.7%	+0.5	50.3
Oct 2024	19.8%	69.9%	10.3%	+9.5	54.8
Sept 2024	12.9 %	70.7 %	16.4 %	-3.5	48.3
Aug 2024	21.4%	65.2%	13.4%	+8.0	54.0
Jul 2024	22.6%	60.5%	16.9%	+5.7	52.9
Jun 2024	20.2%	63.8%	16.0%	+4.2	52.1
May 2024	25.5%	63.0%	11.5%	+14.0	57.0
Apr 2024	30.8%	60.1%	9.1%	+21.7	60.9
Mar 2024	23.6%	64.4%	12.0%	+11.6	55.8
2024 Index Average Jan.-Dec.					53.6
2023 Index Average Jan.-Dec.					46.6
2022 Index Average Jan.-Dec.					64.7
2021 Index Average May-Dec.					82.8

Price index under 50 means prices are decreasing	(green)
Price index above 50 means prices are increasing	(red)

Key Takeaways:

- The ISM® Prices Index registered 62.4% in February, indicating raw materials prices increased for the fifth straight month.
- This is the largest month-over-month (MOM) increase in the Prices Index since an increase of 7.7% in January 2024; there was an 11.5% gain in March 2022.
- The increase was primarily driven by the dramatic increase in commodity prices because of new and potential tariffs.
- The 14 industries that reported paying increased prices for raw materials, are: Wood Products; Textile Mills; Primary Metals; Fabricated Metal Products; **Plastics & Rubber Products**; Electrical Equipment, Appliances & Components; Chemical Products; Transportation Equipment; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Machinery; Furniture & Related Products; Paper Products; and Computer & Electronic Products.
- The only industry that reported paying decreased prices for raw materials in February was Petroleum & Coal Products.

Commodity Pricing

IMS® Commodity Price Change	
Prices Up	
Aluminum (15)	Plastic Resin
Cocoa Beans	Polypropylene Resin
Copper	Solvents
Electrical Components	Steel
Electronic Components	Steel - Carbon
Labor - Temporary	Steel - Hot Rolled
Natural Gas (5)	Steel - Scrap (2)

IMS® Commodity Price Change
Prices Down
Ocean Freight

IMS® Commodities in Short Supply
Electrical Components (53)

*The number in brackets after each item indicates the number of consecutive months the commodity has been listed up or down. * Indicates those commodities both up and down in price.*

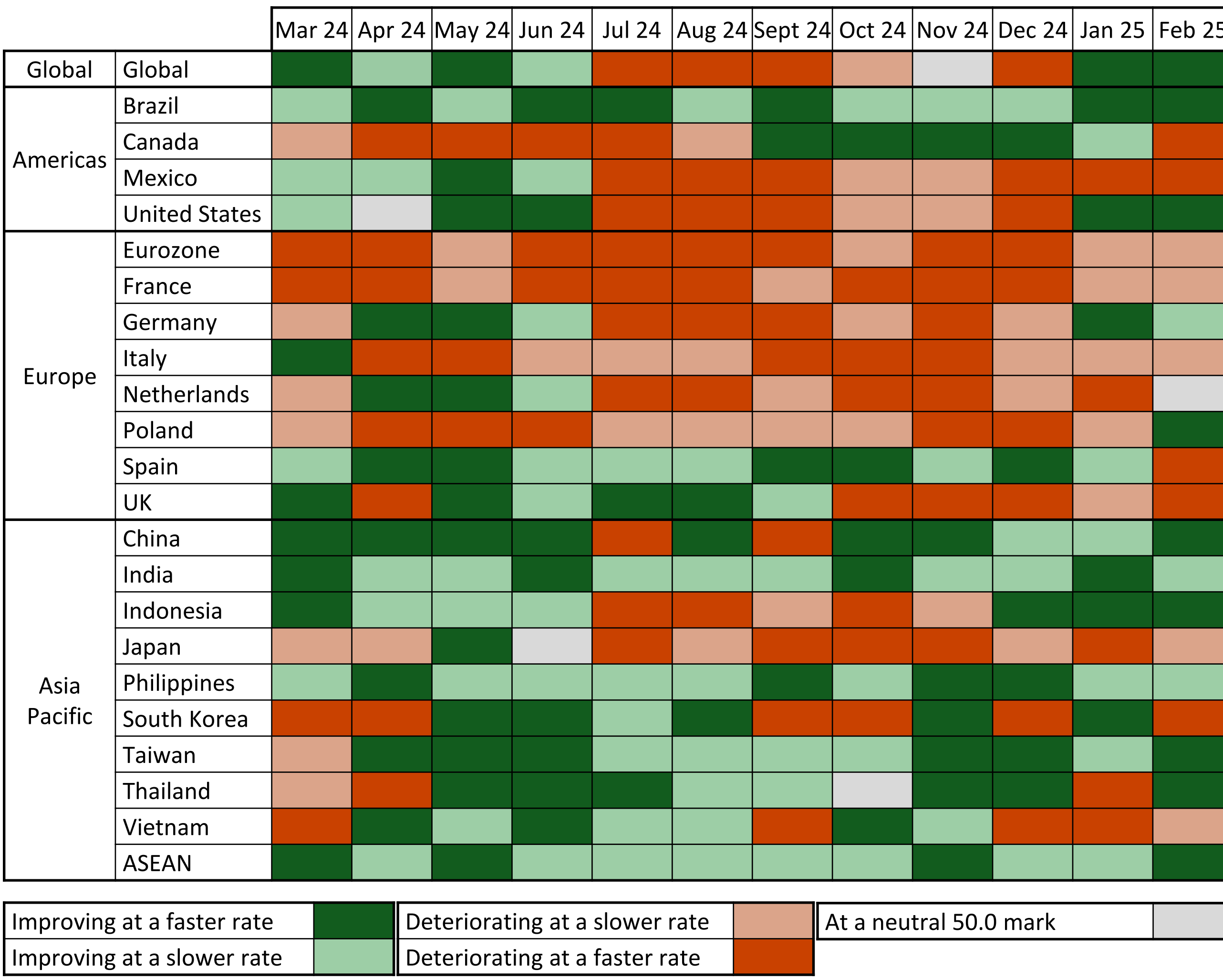
U.S. Natural Rubber Pricing (cents/kg)

Key Takeaways:

- Rubber futures have dipped below 200 U.S. cents per kg, as the industry balances the effects of ongoing trade tariffs and demand concerns of over supply.
- Longer term, the Association of Natural Rubber Producing Countries (ANRPC) predicts global rubber output will fall short of demand for the fifth consecutive year in 2025, with production rising just 0.3% to 14.9 million metric tons, while demand grows 1.8% to 15.6 million metric tons.

Global PMI Manufacturing Heatmap

Included components for calculating the manufacturing conditions of each country are; Production output, new orders, new export orders, backlogs of work, employment, input prices, output prices, future expectations, quantity of purchases, suppliers’ delivery times, stocks of purchases, stocks of finished goods.

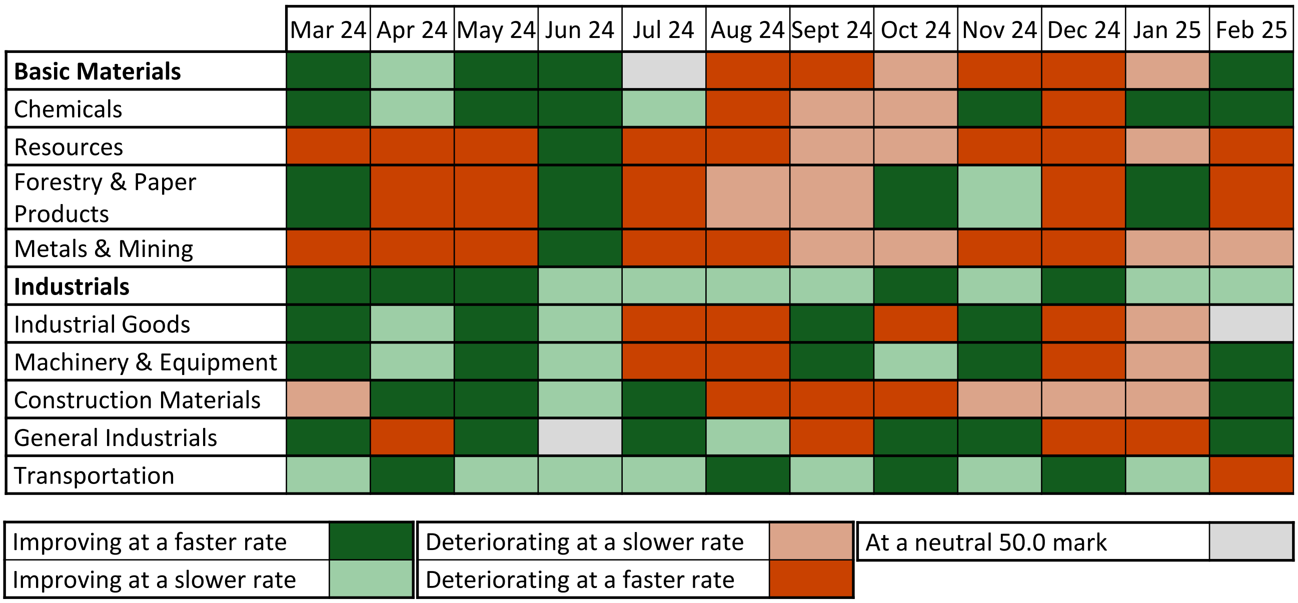


Key Takeaways:

- Global economic expansion slowed for a second successive month in March with employment levels falling for the first time in three months and business confidence sinking to the lowest in seven-months. Cost pressures intensified with input cost inflation touching a seven-month high prior to fresh injections of global tariffs in the early March.

- By region, the slowdown in growth was limited to developed economies, with the U.S. notably losing momentum to expand at the softest pace since last April.

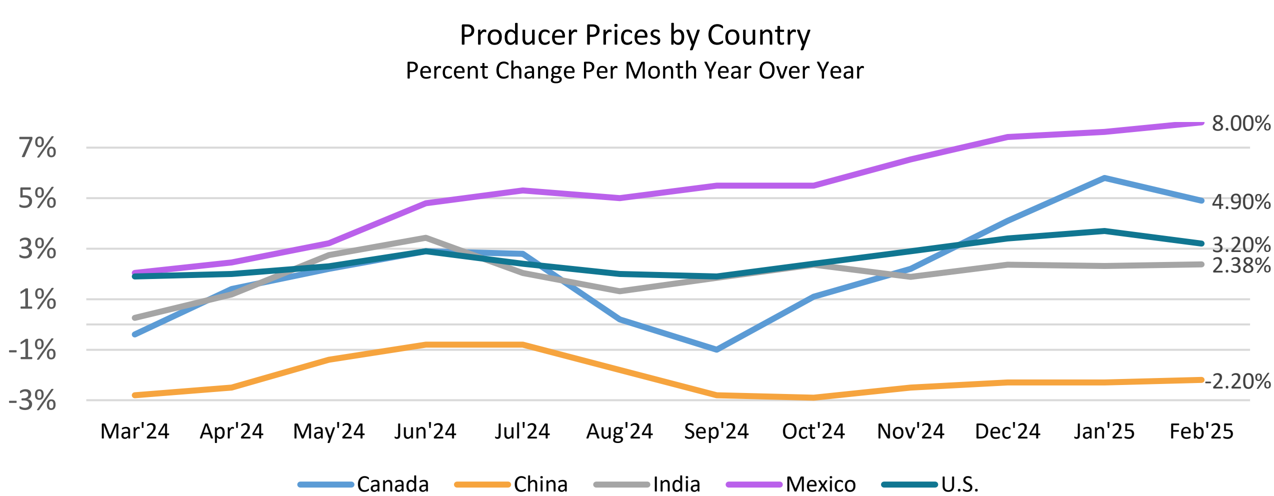
Global Sectors Heatmap



Key Takeaways:

- The latest S&P Global Sector data reversed trend from January with basic materials returning to growth, while industrials activity stalled.
- Also, in a flip from January's reading, 4 of the 9 detailed sectors recorded accelerating output for February. The fastest growth areas were recorded in chemicals, machinery & equipment, construction materials and general industrials.

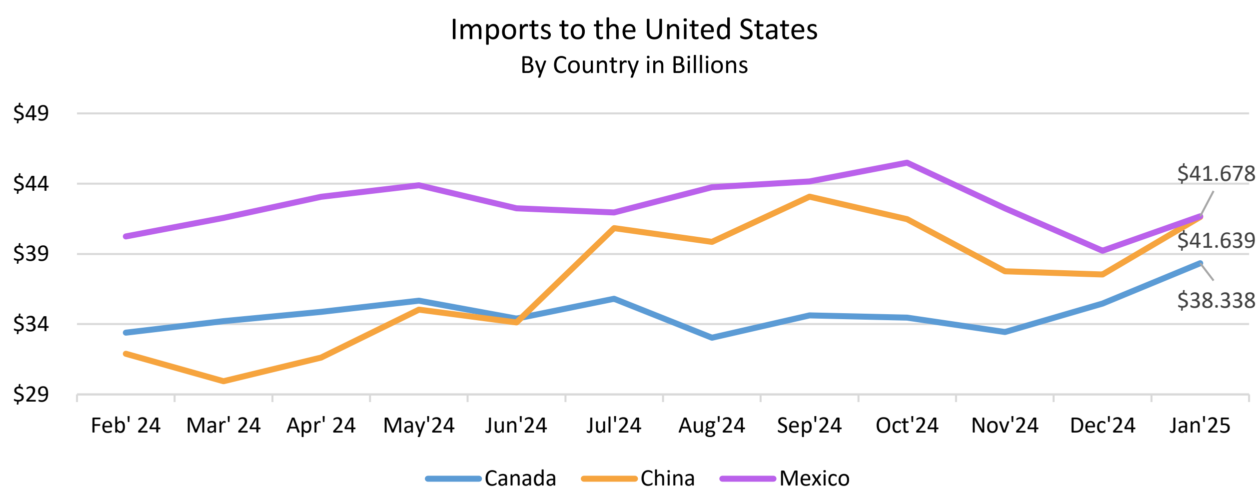
Producer Prices by Country



Key Takeaways:

- U.S. producer prices took a breather in February following back-to-back months of rising at an outsized pace. Producer prices are up 3.2% in the past year, and the pace of inflation is still accelerating over the past three and six-month time periods.
- China's producer prices shrank by -2.2% in February, marking the slowest drop since August 2024, as Beijing continues its efforts to spur demand. Producer deflation has now persisted for 29 straight months.
- India's wholesale prices increased by 2.38% YOY, marking the 16th consecutive month of wholesale inflation. Manufacturing prices accelerated to a two-year high rising 2.86% vs 2.51% the pervious month.

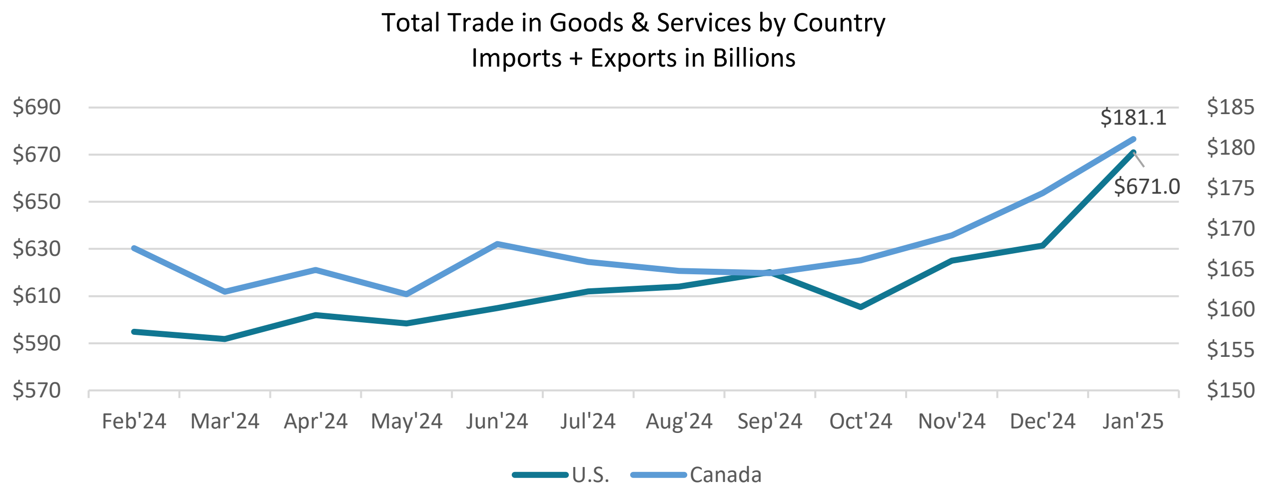
Imports to the United States

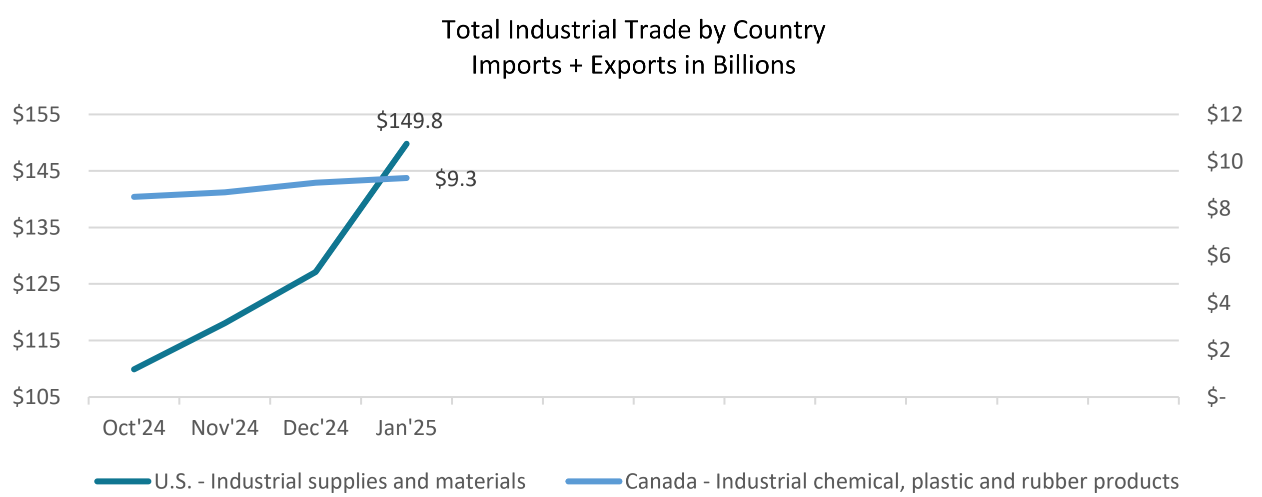


Key Takeaways:

- U.S. President Trump's tariffs are reshaping North American trade and overhauling decades of free-trade agreements within the continent.
- On March 12th, a 25% U.S. tariff on imports of steel and aluminum from all countries took effect. Canada is the country mostly impacted by the tariff as roughly 90% of Canada's steel and aluminum products are exported to the U.S. For its part, Canada retaliated to the steel and aluminum tariffs with new duties on about $20 billion of U.S. goods.
- On March 4th, Trump's 25% across-the-board tariffs on Canada and Mexico went into effect. Just two days later, however, the tariffs were paused tariffs on goods and services compliant with the United States-Mexico-Canada Agreement (USMCA) until April 2.

Total Trade Volume

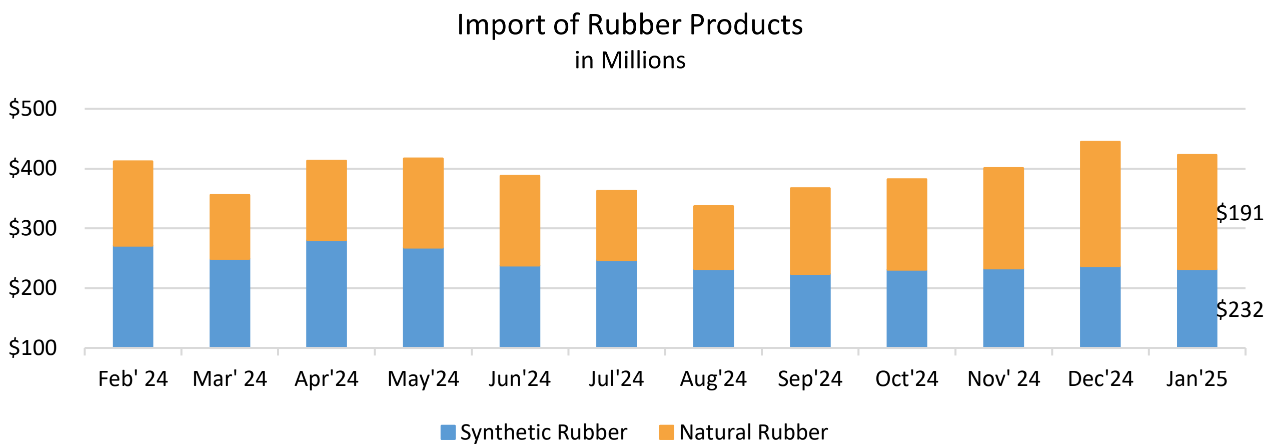


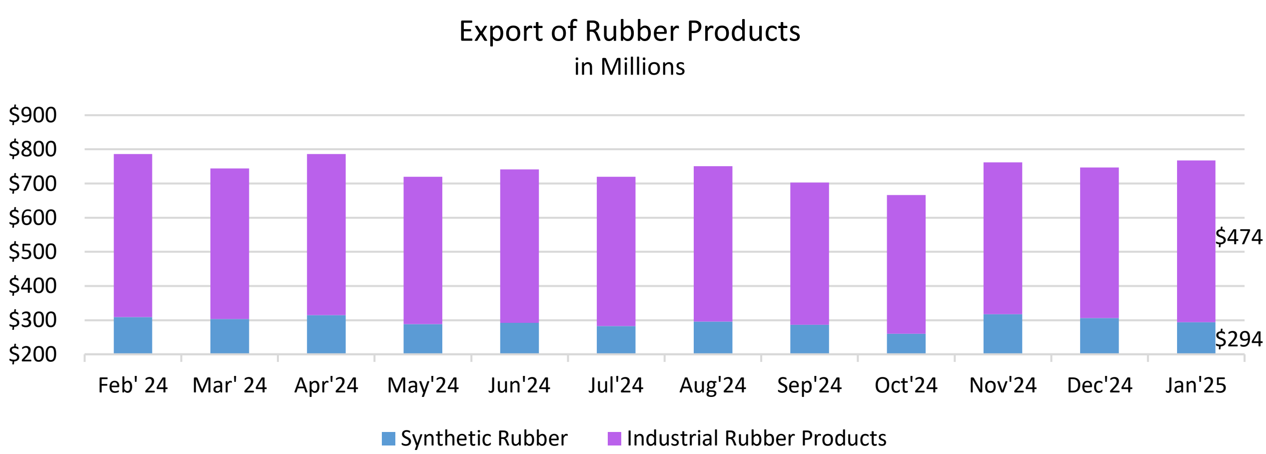


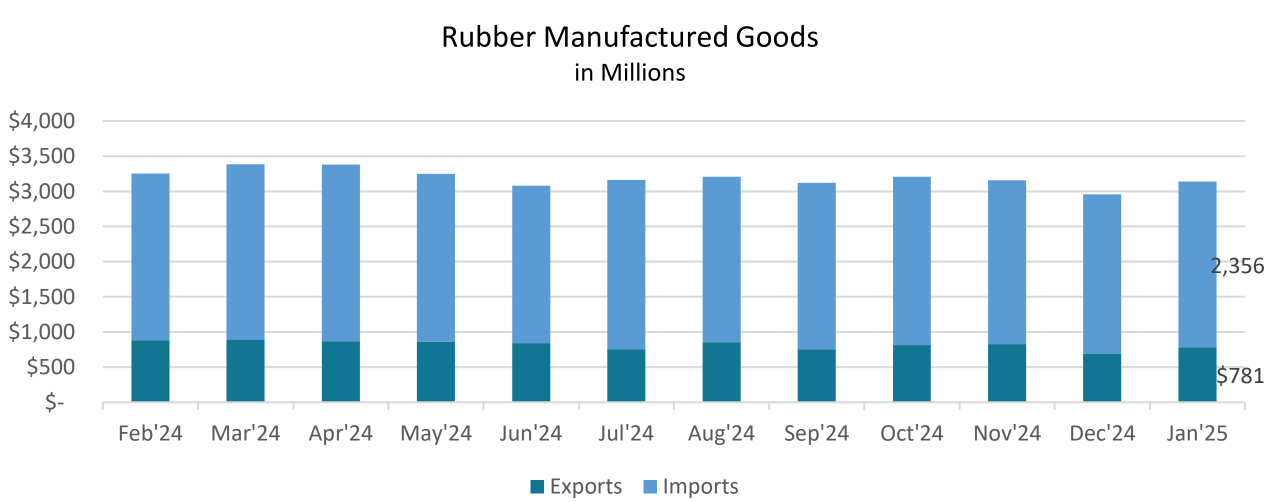
Key Takeaways:

- Combining both imports and exports provide insights into the overall health and dynamics of that country or sector. If the totals are growing, it indicates a healthy, expanding economy or marketplace benefiting from both strong domestic and international markets.
- For the U.S., the export of industrial supplies and materials shrank -$403 million, while imports skyrocketed $23.1 billion over Januarys totals.
- In Canada, exports of the industrial chemical, plastic and rubber products sector, decreased -2.0% while imports grew 4.5% for the month.

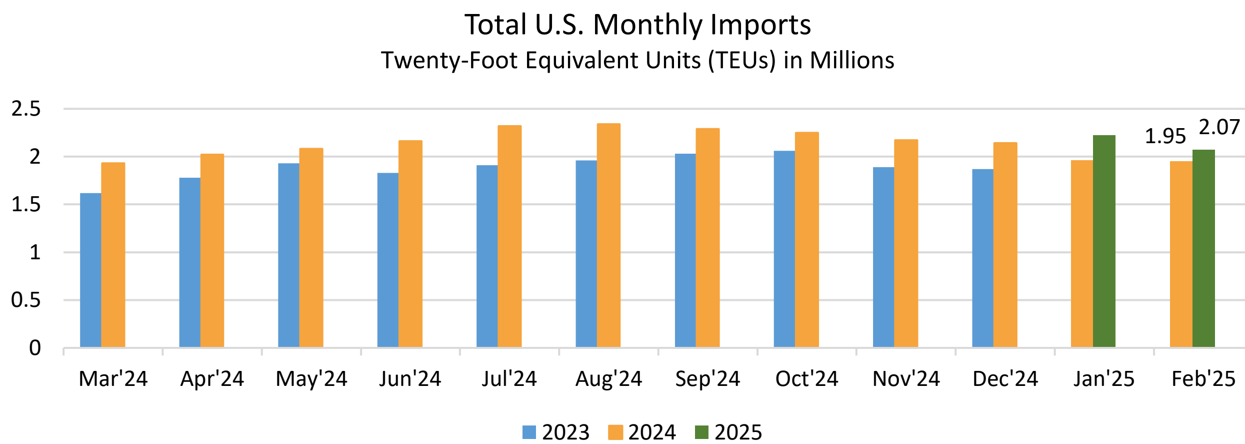
U.S. Rubber Import & Export Stats







Monthly U.S. Imports

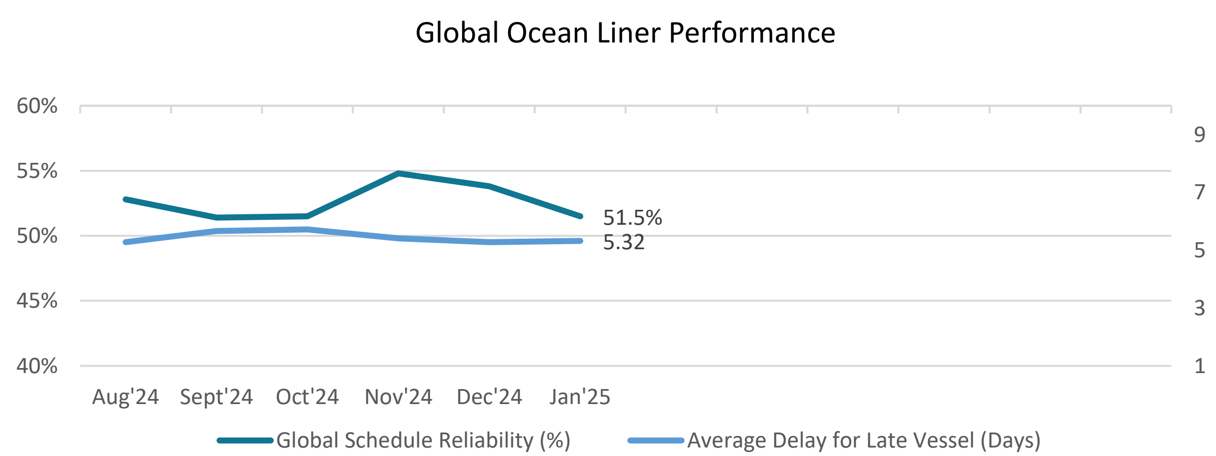


Key Takeaways:

- Amid continuing tariff turmoil, companies are continuing to bring as much merchandise ahead of any potential rising tariffs as possible. Major container ports are expected to remain elevated through this spring, but volume could see YOY drops starting this summer.

- February's numbers are up 6.1% YOY. This is the busiest February (traditionally the slowest month of the year because of China's Lunar New Year factory shutdowns) in three years.

Global Ocean Schedule Reliability



Key Takeaways:

- Global ocean schedule reliability (measuring 60+ carriers) dropped by -2.3% to 51.5%. January's YOY reading was coincidently the exact same as January 2024. The average delay for late vessel arrivals ticked up 0.04 days.

Port Operations

Current North America Vessel Dwell Times				
Region	Port	Vessels Waiting	Average Wait for Birth	Rail Dwell Times
U.S. West Coast	LA/LB	0	0 days	10 days
	OAK	5	1 days	6 days
	SEA/TAC	1	0 days	6 days
Canada West Coast	Van	5	10 days	10 days
	PRR	2	4 days	9 days
U.S. East Coast / Gulf Coast	NY/NJ	2	0 days	4 days
	BAL	7	2 days	8 days
	NOR	4	3 days	3 days
	CHS	2	1 days	5 days
	SAV	10	3 days	3 days
	HOU	3	4 days	8 days

Improving over last month	Consistent over last month	Deteriorating over last month

Key Takeaways:

- February saw U.S. container imports declined -10% from January but increased by 4.7% compared to the same month last year. MOM results were expected to be smaller as February was a shorter month by three business days this year and because of the long-standing seasonal decline in container imports from January to February.

- At 2,238,942 twenty-foot equivalent units (TEUs), February 2025 posted the second-highest container processing volume for the month, trailing February 2022 by just 73,341 TEUs.

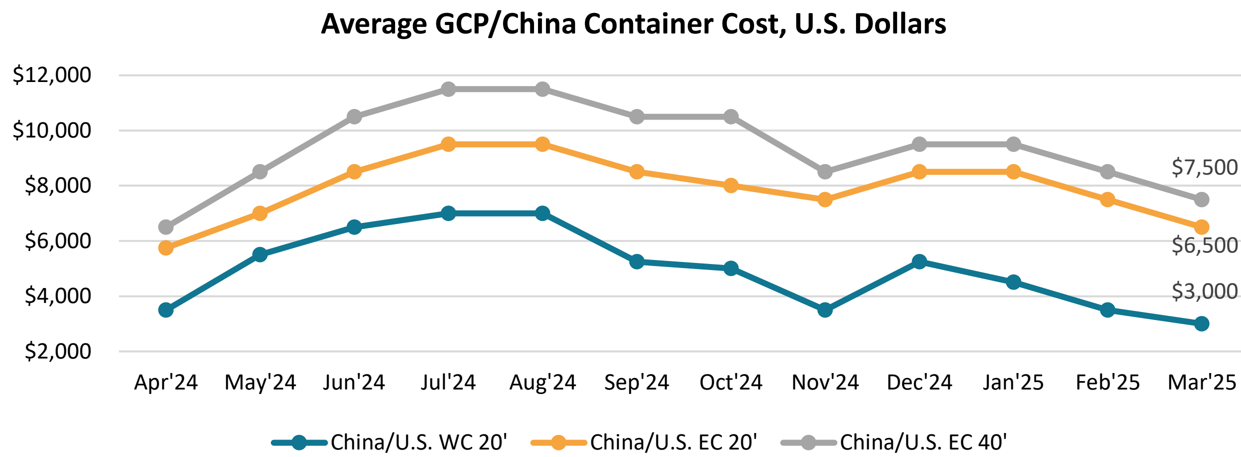
- February imports from China saw a notable decline of 12.5% from January, reaching 872,779 TEUs. This decline may be due to the Chinese Lunar New Year (January 29-February 12) and the shorter month.

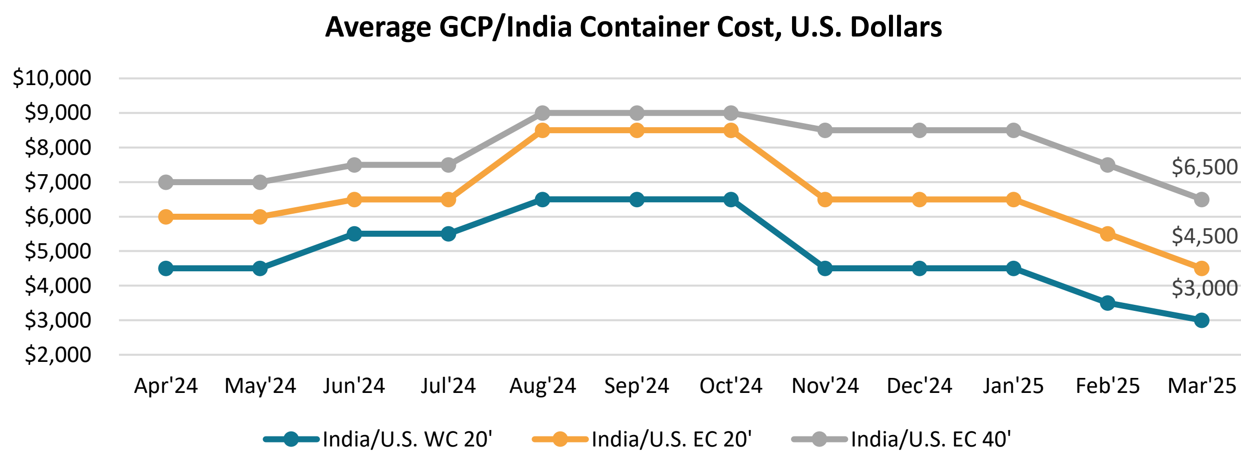
- YOY China volumes, however, have increased by 7.9% from February 2024, reflecting the continuing demand for Chinese imports.

- For the ninth consecutive month, the top five West Coast ports maintained their lead in U.S. container processing. East and Gulf Coast ports saw a 2.9% increase in market share, rising from 37.7% to 40.6%, while the West Coast's share declined by 4.0%, from 46.8% to 42.8%.

Ocean Freight

All rates stated on this page are GCP's port to door rates, fully delivered, inclusive of all fees.





Key Takeaways:

- Ocean container rates have been falling steadily since the start of the year as demand slips, capacity grows and the impact from the new carrier alliance services are still moving into place.
- With most carriers changing their service partners, there are several short and long-term impacts. In the short-term schedule reliability is anticipated to get worse, blank sailings to increase, port omissions to rise as vessels are redeployed and traditionally direct services become indirectly routed leading to rate volatility.
- In the long-term, discontinued individual port calls, direct services to get reworked as indirect and overall transit times to extend.

- With the alliance reshuffling underway, contract negotiations in March, and a fresh round of tariffs coming in April, carriers are seeking to hold up spot rates as much as possible.

- The U.S. Trade Representative (USTR) is drafting a proposed fee structure targeting Chinese-built ships and operators which could cost the shipping sector over $106.9 billion annually.

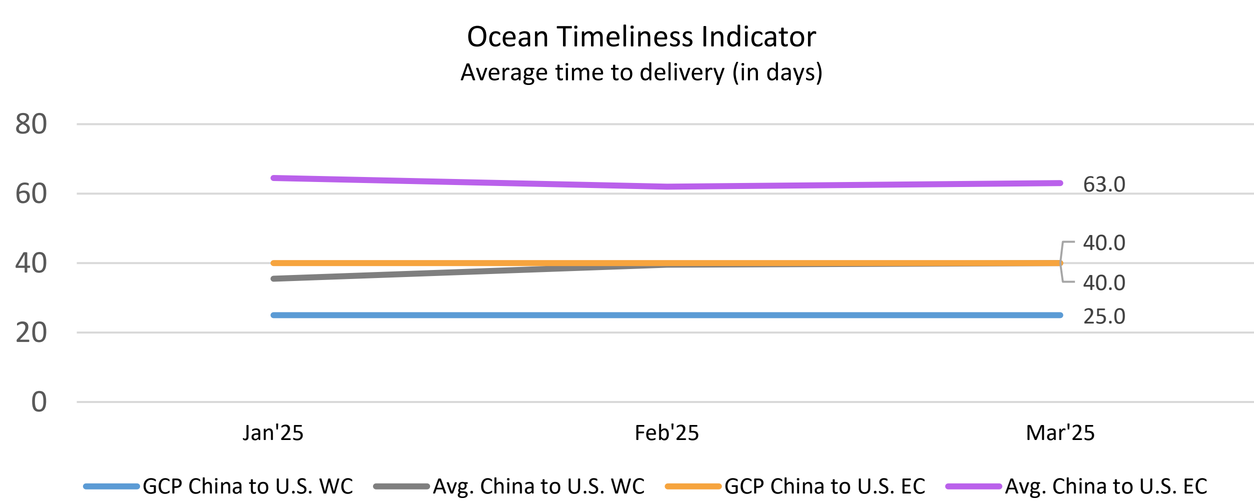
- The proposed action includes fees of up to $1.5 million per port entrance for Chinese-built vessels and $1 million for operators with Chinese-built ships in their fleets or on order.

- The fee structure would impact every major ocean carrier with ships calling U.S. ports, ultimately increasing costs for U.S. consumers.

- Over a third of the global trading fleet has been built by Chinese yards, with U.S.-made vessels accounting for just 0.4%. An estimated 83% of box carriers calling at U.S. ports last year would have been subject to the fees.

- While the fees could generate significant revenues for the U.S. government, trade flows could see permanent rerouting away from regional U.S. hubs to ports in Canada and Mexico.

Ocean Timeliness Indicator

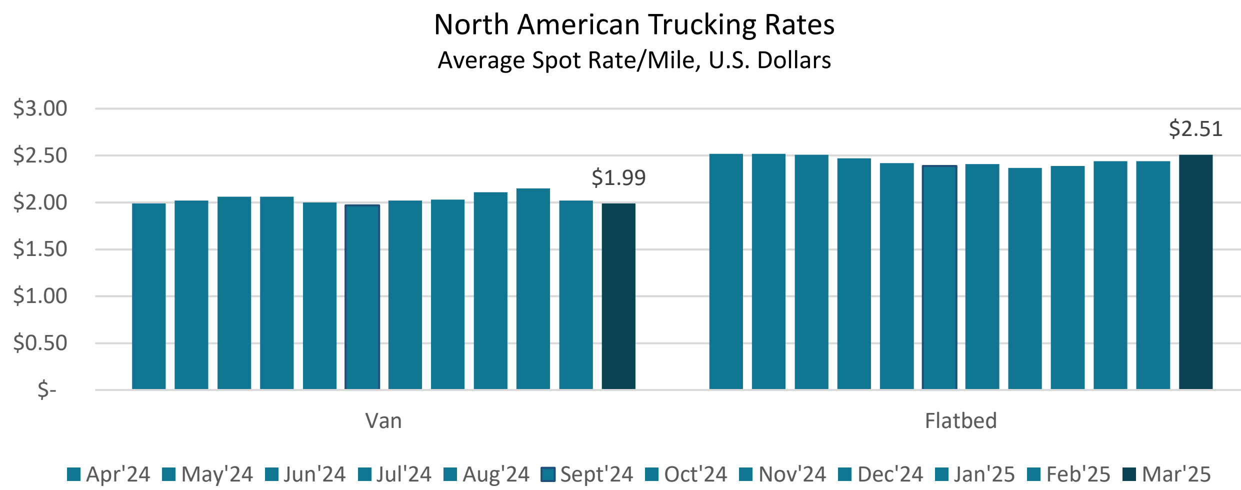


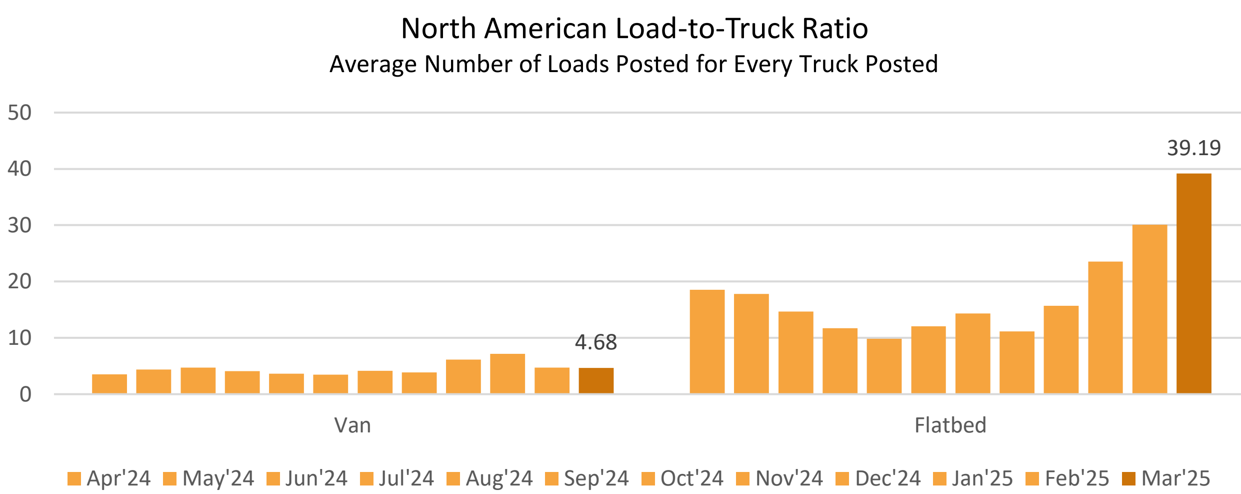
Key Takeaways:

- For the average calculations we use the Flexport's Ocean Timeliness Indicator (OTI), which tracks transit time from the cargo ready date at the exporter's factory or facility to departure from the destination port (EC - NY/NJ or WC - L.A./Long Beach).

- GCP's delivery time uses our port-to-door transit time, tracking the days an average order takes to ship and be delivered to your location, including ocean and all other intermodal transit.

Trucking Freight





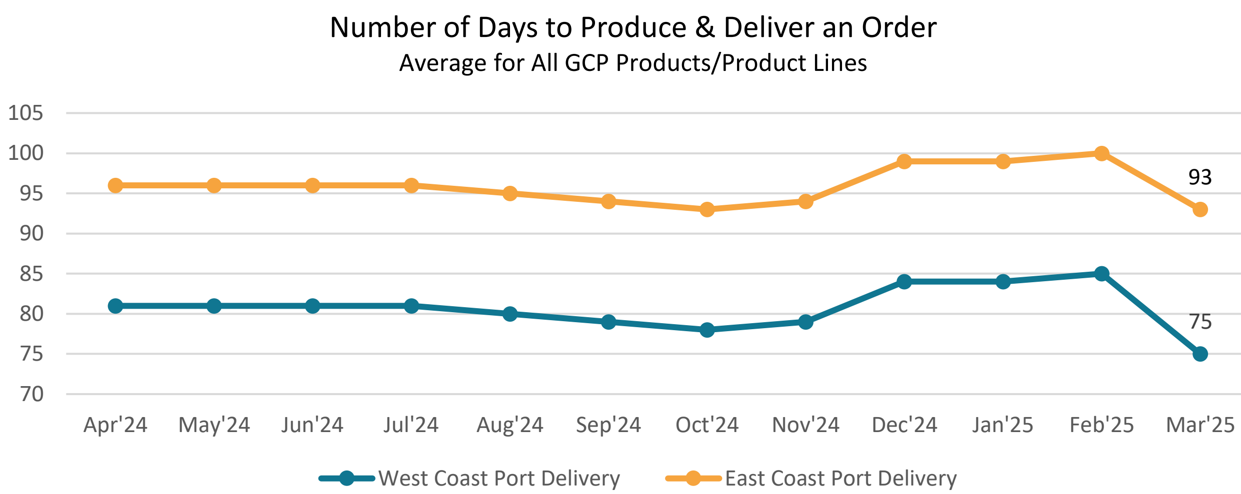
Key Takeaways:

- Spot rates are expected to continue to say depressed in the first quarter. The large decrease in spot rates to start the year was mostly due to coming off peak rates from the holidays and winter storm impacts. With these events behind us, rates should begin to normalize as they hit a floor.

- The floor in early 2025 is expected to be near 2024 levels but slightly higher due to there being approximately 12,000 fewer carriers in the market than this time last year.

- Ongoing supply contractions have resulted in a tighter market compared to years past but still remain elevated compared to demand.

GCP Production Times



Key Takeaways:

- The chart above represents the aggregated time it takes for an average GCP order to be fulfilled, from submission of the purchase order to the delivery of the product. It consolidates data from all facilities into a single figure, including the time required to book a container—currently averaging 10.5 days—along with ocean shipping and all other transit times.

- For specific production times on each of our product lines and products, please see our March 2025 production index. (View here)

Resources

Tariffs
- https://www.reuters.com/world/us/countries-can-avoid-trumps-april-tariffs-by-cutting-trade-barriers-bessent-says-2025-03-18/
- https://nrf.com/media-center/press-releases/import-cargo-levels-continue-to-rise-among-uncertainty-over-tariffs
- https://www.politico.com/news/2025/03/24/trump-car-pharma-tariffs-announcement-soon-00245379
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- https://www.ftportfolios.com/Commentary/EconomicResearch/2025/2/27/can-tariffs-replace--the-income-tax
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Raw Material Prices/Commodity Pricing
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Natural Rubber Pricing
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- https://businessanalytiq.com/procurementanalytics/index/natural-rubber-price-index/
- https://www.chemanalyst.com/Pricing-data/natural-rubber-1327

Global PMI Manufacturing/Global Sectors Heatmap
- https://www.spglobal.com/marketintelligence/en/mi/research-analysis/monthly-pmi-bulletin-march-2025.html
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Producer Prices
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- https://tradingeconomics.com/china/producer-prices-change
- https://tradingeconomics.com/india/producer-prices-change
- https://countryeconomy.com/prices/producer/mexico
- https://tradingeconomics.com/united-states/producer-prices-change

Imports to the United States
- https://www.census.gov/foreign-trade/statistics/highlights/topyr.html#imports
- https://www.census.gov/foreign-trade/balance/c1220.html
- https://www.census.gov/foreign-trade/balance/c5700.html
- https://www.census.gov/foreign-trade/balance/c2010.html
- https://finance.yahoo.com/news/live/trump-tariffs-live-updates-no-steel-aluminum-tariff-exemptions-coming-trump-says-191201285.html
- https://www.cbc.ca/news/canada/steel-aluminum-tariffs-roundup-1.7455706

Total Trade Volume
- https://www150.statcan.gc.ca/n1/daily-quotidien/250306/dq250306a-eng.htm
- https://www150.statcan.gc.ca/n1/en/daily-quotidien/250306/dq250306a-eng.pdf?st=EKGJdRKd
- https://www.bea.gov/news/2025/us-international-trade-goods-and-services-january-2025
- https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf

U.S. Rubber Import & Export Stats
- https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf

Monthly U.S. Imports
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Ocean Schedule Reliability
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- https://www.descartes.com/resources/knowledge-center/global-shipping-report-february-imports-strong-amid-trade-tensions
- https://gcaptain.com/trump-port-levies-on-chinese-ships-could-mean-billion-dollar-trade-apocalypse-industry-executives-say/

Trucking Freight
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678 Belmont Ave W #202
Kitchener | Ontario | Canada | N2M 1N6
Toll: 888-893-5427 | Phone: 519-893-8207
Fax: 866-527-1983
Web: www.gcpindustrial.com