October 2025

Industrial Trade Report

By GCP Industrial Products

Report Highlights

- U.S./China trade tensions escalated after China imposed new export controls on rare-earth materials and the U.S. responded with threats of up to 155% tariffs effective November 1.
- U.S./India relations improved, with negotiations advancing toward a deal to reduce tariffs from 50% to 15-16%, marking the first major de-escalation since 2024.
- Global manufacturing growth slowed, though remained in expansion territory; business sentiment and employment levels weakened slightly heading into Q4.
- Raw material prices rose for the 12th straight month, up 11.6% year-over-year, driven by continued increases in steel and aluminum costs.
- Natural rubber prices stabilized around 170 U.S. ¢/kg amid stronger supply from Southeast Asia and softer automotive demand.
- Global basic-materials sectors returned to growth, signaling renewed momentum in upstream industrial activity, even as overall confidence stayed subdued.
- Trade flows grew more volatile as companies diversified supply chains to avoid tariff exposure.
- Canadian exports to the U.S. declined, reflecting weaker demand for metals, machinery, and forestry products.
- U.S. port volumes fell 6.8% year-over-year, with container traffic from China down 23%, underscoring the continued impact of tariffs and cautious importer sentiment.
- Freight markets remained uneven, ocean reliability improved marginally, while trucking capacity stayed soft but stable, with limited holiday-season spikes expected.

Contents

U.S. Tariffs on China & India

China

- On October 9th, China's Ministry of Commerce announced new export-control rules requiring licenses for the export of rare-earth minerals, processing technologies, magnets, and related products, including items containing even trace amounts of Chinese-origin rare earths or manufactured using Chinese rare-earth technology.

- On October 10th, President Trump responded announcing plans to impose a 100% tariff on all Chinese imports "over and above any tariff they are currently paying," effective November 1. That means goods could rise to 155% combining the 10% baseline reciprocal duty, a 20% "fentanyl" tariff, and a 25% Section 301 tariff imposed during his first term.

- On October 15th, U.S. Treasury Secretary Scott Bessent and Trade Representative Jamieson Greer publicly condemned China's export-control regime, characterizing it as "economic coercion." The U.S. also signaled possible retaliatory moves beyond tariffs, including export-controls on software, technology, and possibly items made with U.S. software.

- On October 19th, reports confirmed that the next round of U.S.–China trade negotiations would take place in Kuala Lumpur, Malaysia, from October 24 to 27, led by Chinese Vice Premier He Lifeng and senior U.S. officials. The talks were framed as a preparatory step toward the anticipated Trump–Xi meeting at the APEC Summit in South Korea later in the month.

- Despite the warning, Trump reaffirmed his intention to meet President Xi at the upcoming APEC Forum, saying, "I expect we'll probably work out a very fair deal with China," suggesting continued willingness to negotiate despite the hardline rhetoric.

India

- On October 15th President Trump announced that India would stop importing Russian oil, signaling a possible easing of U.S. trade tensions if India aligned more closely with U.S. sanctions policy.

- Shortly after the two countries resumed talks on reducing tariffs and restoring market access for key sectors such as textiles, pharmaceuticals, and auto components.

- Most recently, reports indicate the two sides were close to finalizing a new trade deal that would cut U.S. tariffs on Indian exports from 50% to about 15-16%, marking the first major de-escalation since 2024. Negotiations also cover agricultural and energy cooperation, with India expected to phase out Russian crude purchases in return.

- Follow-up reports mention the tariff cut would be part of a broader plan to double bilateral trade to $500 billion by 2030, with a framework expected by early 2026.

Raw Material Pricing

Institute for Supply Management (IMS®) Price Index					
Month	Prices Higher	Prices Same	Prices Lower	Net	Index
Sep 2025	32.5%	58.8%	8.7%	+23.8	61.9
Aug 2025	33.5%	60.4%	6.1%	+27.4	63.7
July 2025	35.4%	58.8%	5.8%	+29.6	64.8
June 2025	45.6%	48.1%	6.3%	+39.3	69.7
May 2025	45.1%	48.5%	6.4%	+38.7	69.4
Apr 2025	49.2%	41.1%	9.7%	+39.5	69.8
Mar 2025	46.0%	46.7%	7.3%	+38.7	69.4
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
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	
Price index above 50 means prices are increasing	

Key Takeaways:

- In September, the Prices Index fell by -1.8% compared to the previous month, indicating raw materials prices increased for the 12th straight month (though at a slower rate compared to August).

- The index has increased 11.6% over the past 11 months. In the last eight months, the index reached its highest levels since June 2022.

- The increase continues to be driven by higher steel and aluminum prices affecting the entire value chain as well as tariffs applied to many imported goods. Higher prices were reported by 32.5% of respondents in September.

- In September, 13 of the 18 industries reported paying increased prices for raw materials, in order, they are: Textile Mills; Wood Products; Primary Metals; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Fabricated Metal Products; Nonmetallic Mineral Products; Transportation Equipment; and Chemical Products. The only industry that reported paying decreased prices for raw materials in September is **Plastics & Rubber Products**.

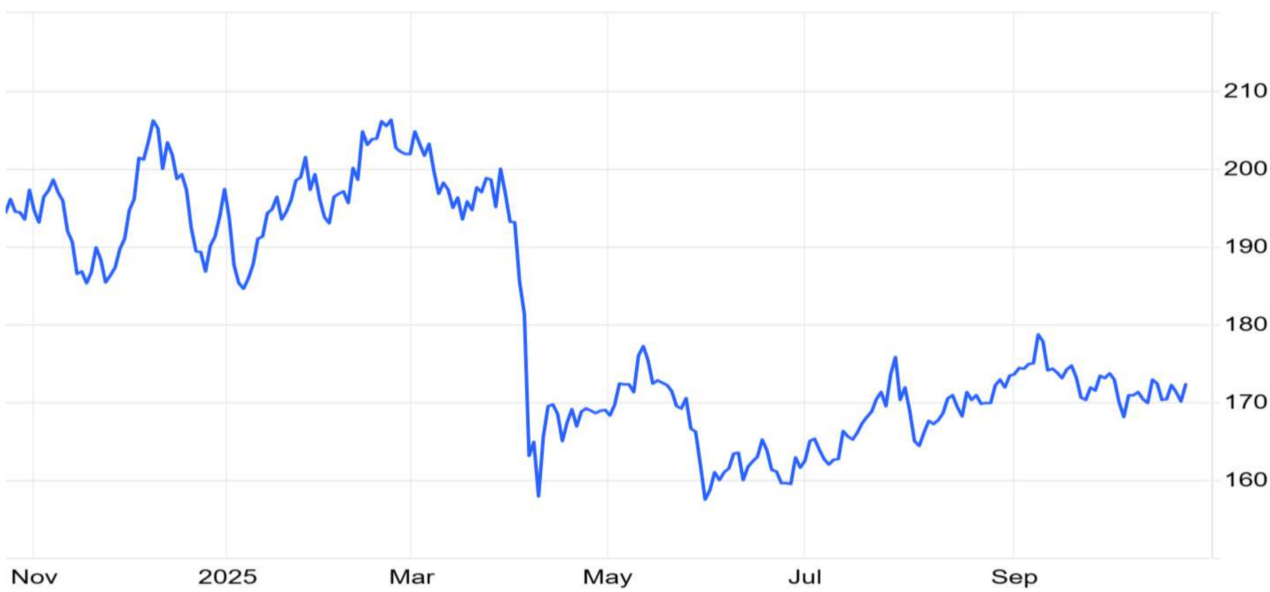
Commodity Pricing

IMS® Commodity Price Change	
Prices Up	Prices Down
Aluminum (22) Copper (3) Copper Products (3) Corn Corrugate Electrical Components (8) Electronic Components Metal Based Products Steel* (8) Steel - Stainless (7) Steel Products (7)	Polypropylene Resin Steel* (2)

IMS® Commodities in Short Supply
Electrical Components (3) Electronic Components (7) Labor Rare Earth Magnets Semiconductors

*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)

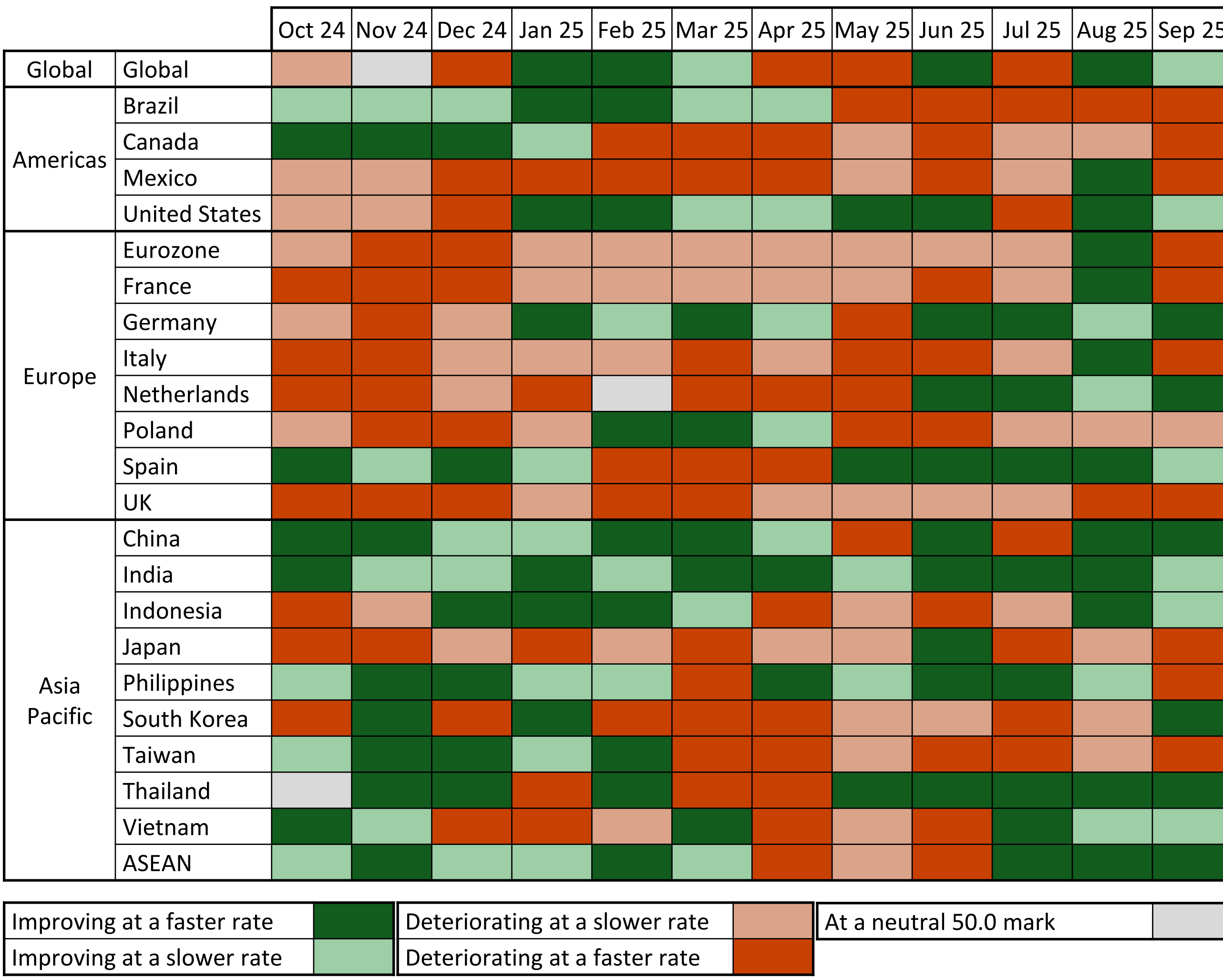


Key Takeaways:

- Natural rubber prices continue to trend around the 170 U.S. cents per kilogram, as the market weighs the outlook for higher supply against subdued demand. On the supply front, improved weather in major Southeast Asian producing regions raised expectations of increased fourth-quarter supply amid ongoing seasonal harvests. Meanwhile, weak car sales and ongoing chip supply constraints linked to growing trade frictions are adding further uncertainty to rubber demand from the automotive industry.

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.

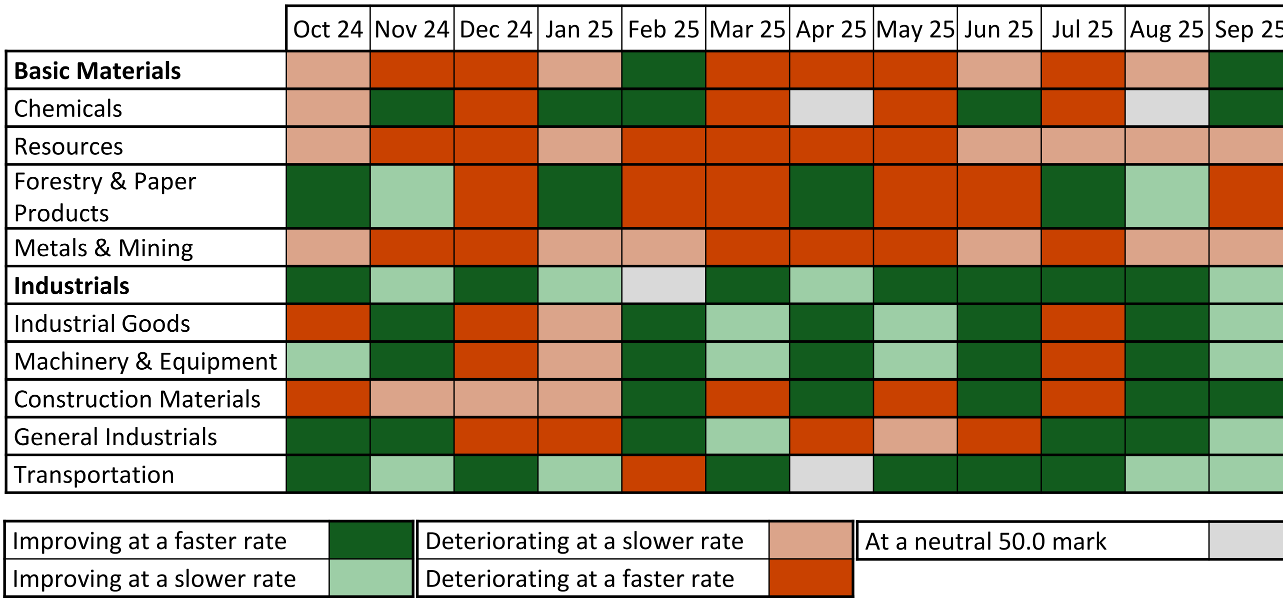


Key Takeaways:

- September's data revealed that global growth continued at a solid pace despite slowing from August. This extends a continual sequence of growth that commenced in February 2023.

- Worldwide manufacturing survey showed that the global factory expansion slowed at the end of the third quarter. Subdued business sentiment and headcount reductions suggest more moderate conditions ahead.

Global Sectors Heatmap

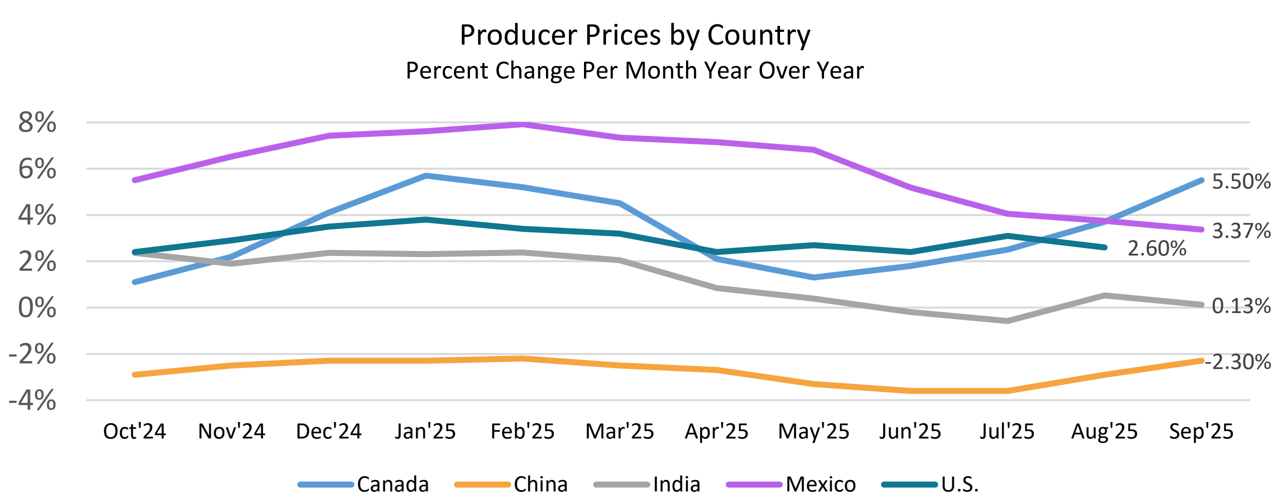


Key Takeaways:

- The basic materials sectors reversed course from the previous month moving into expansion territory. This is a positive sign for the goods-producing side of the economy. It hints that raw material extraction/processing industries are seeing some upturn.

- Although the industrials sector continues to grow, business confidence remains weak, and employment across manufacturing and goods-producing segments has stagnated.

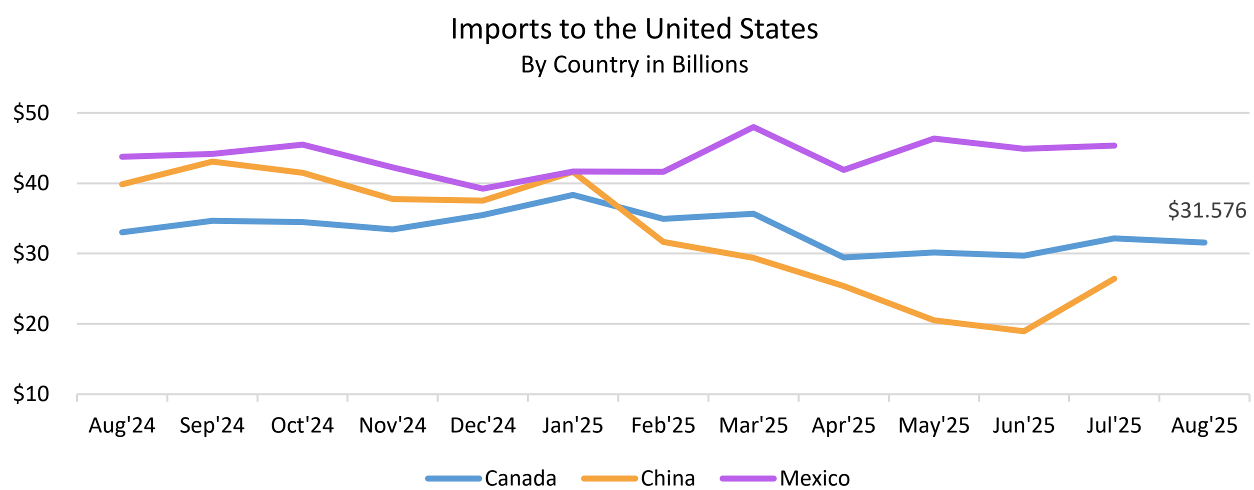
Producer Prices by Country



Key Takeaways:

- There is no U.S. Producer Price Index (PPI) data available this month due to the ongoing federal government shutdown.
- China's producer prices fell -2.3% year-on-year (YoY) in September, extending their contraction into a third consecutive year. The latest result, which came in line with market forecasts, reflected Beijing's stepped-up efforts to curb excess capacity and pre-holiday activity ahead of the Golden Week.
- India's wholesale prices rose by 0.13% YoY for the month, falling short of market expectations for a 0.5% increase. The slowdown coincided with moderating manufacturing costs, with manufacturing inflation easing to 2.33%, down from 2.55% in August.

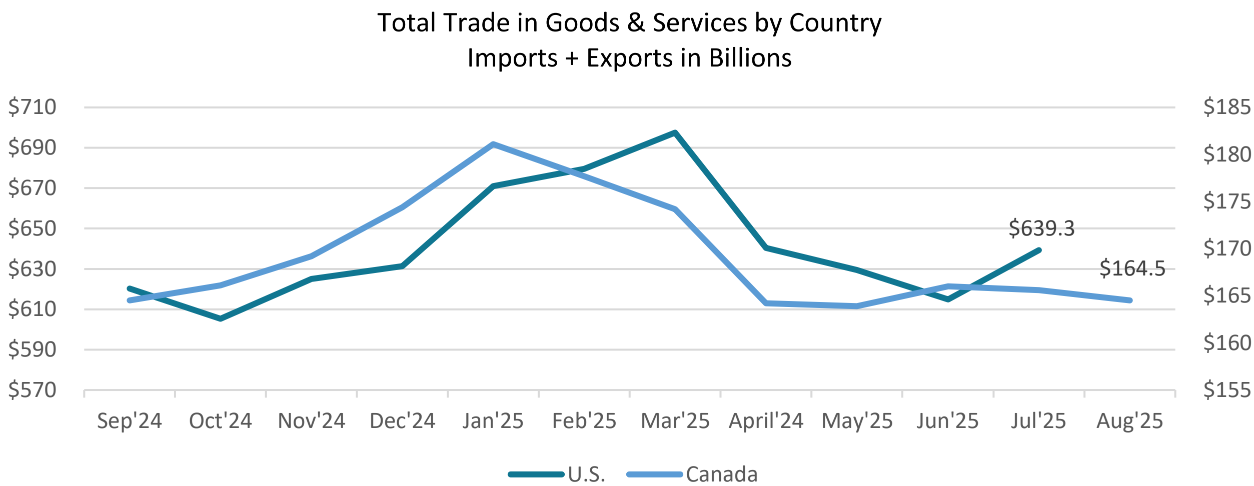
Imports to the United States

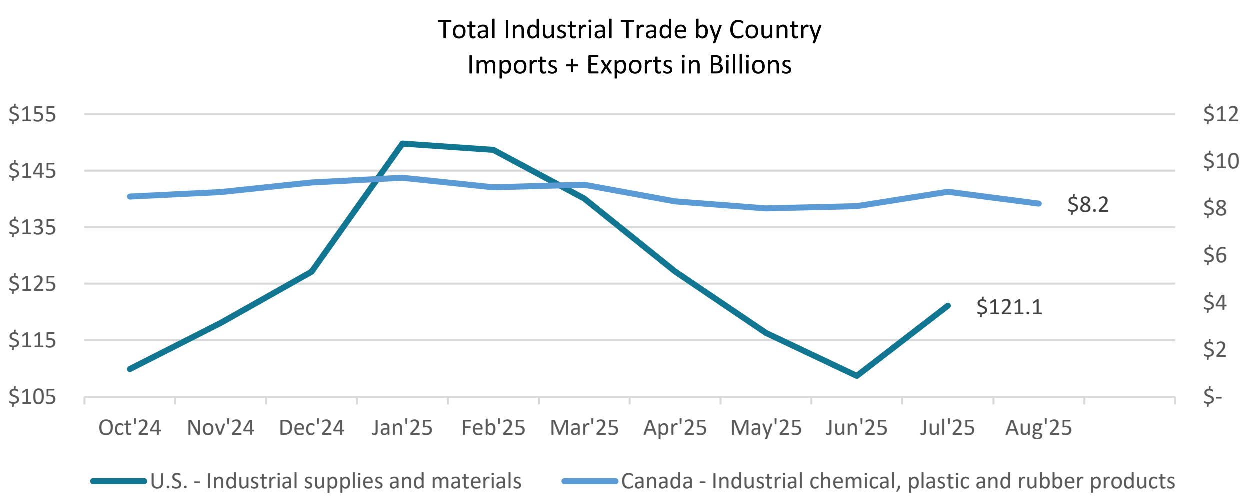


Key Takeaways:

- Canadian exports to the U.S. declined reflecting weaker demand for key goods such as metals, machinery, and forestry products. The drop followed several months of volatility in cross-border trade, partly influenced by softer industrial activity and new trade-related tariffs.
- Due to the ongoing U.S. government shutdown, comparable import data to U.S. Census from China and Mexico could not be verified, and therefore these figures have not been updated.

Total Trade Volume

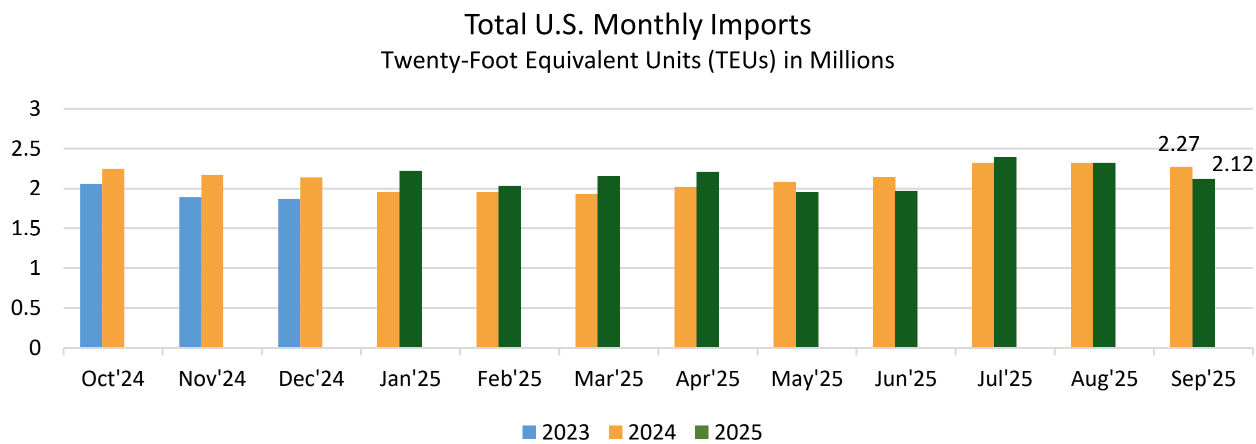




Key Takeaways:

- 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., there is no data available this month due to the ongoing federal government shutdown.
- In Canada, exports of the industrial chemical, plastic and rubber products sector, shrank -0.5% month-over-month while imports rose 3.2% for the month.

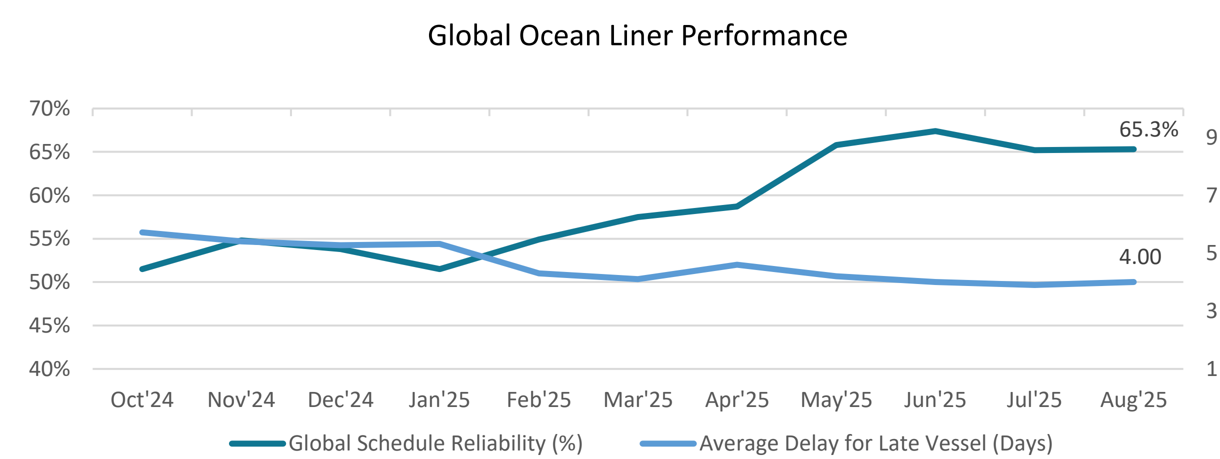
Monthly U.S. Imports



Key Takeaways:

- In September, U.S. ports processed 2.12 million TEUs, down -6.8% YoY. While the falling monthly totals are related to tariffs, the YoY percentage declines are both because of this year's early peak season and because imports in late 2024 were elevated by concerns over port strikes.
- With most holiday merchandise already on hand and tariffs continuing to rise, monthly import cargo volume is expected to fall below the 2 million TEUs mark for the remainder of the year.

Global Ocean Schedule Reliability



Key Takeaways:

- Global ocean schedule reliability (measuring 60+ carriers) improved 0.1% for the month. On a YoY level, schedule reliability is 12.7%. Additionally, the average arrival delay of late vessels rose slightly by 0.1 to 4.0 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	1	0 days	5 days
	OAK	3	0 days	4 days
	SEA/TAC	0	0 days	5 days
Canada West Coast	Van	5	4 days	5 days
	PRR	5	7 days	4 days
U.S. East Coast / Gulf Coast	NY/NJ	4	0 days	3 days
	BAL	4	0 days	6 days
	NOR	4	1 day	3 days
	CHS	0	0 days	4 days
	SAV	3	2 days	2 days
	HOU	3	4 days	9 days

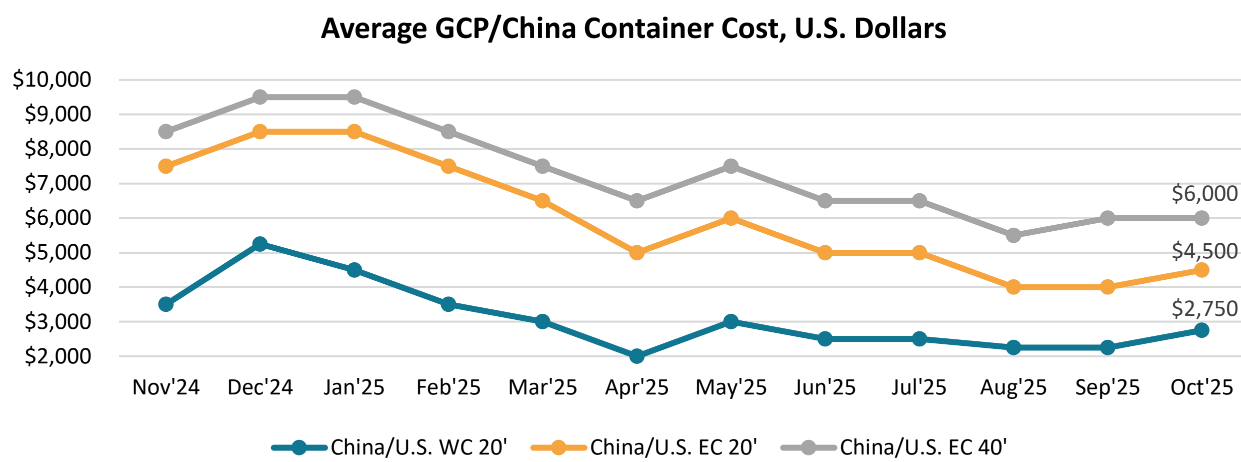
Improving over last month	Consistent over last month	Deteriorating over last month

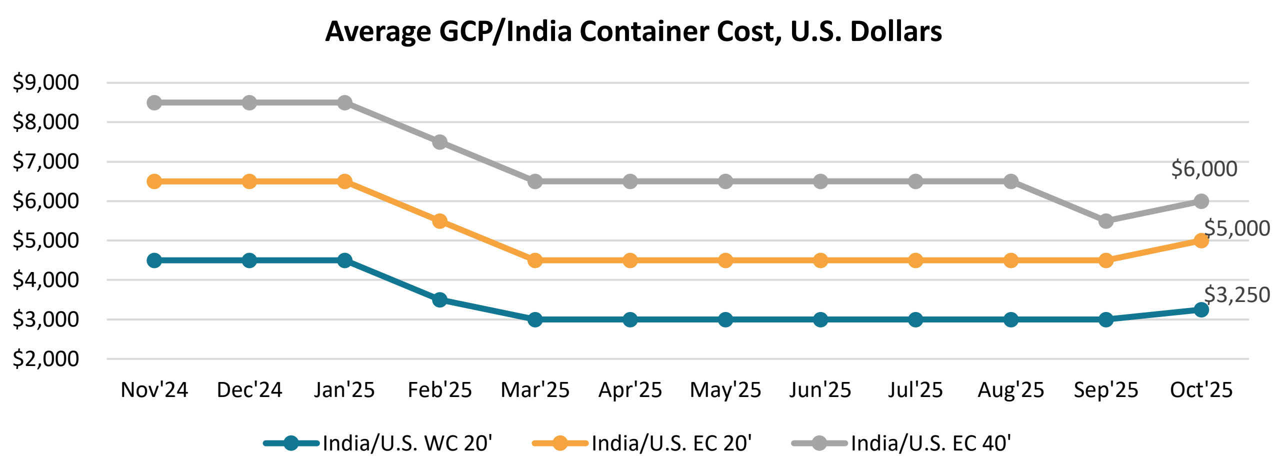
Key Takeaways:

- On a year-to-date basis, volumes through September are tracking 1.9% ahead of the same period in 2024, underscoring the potential impact of frontloading earlier in the year and relatively resilient demand despite persistent policy and economic uncertainty.
- China-origin imports fell to 762,772 TEUs, down -12.3% month-over-month (MoM) and 22.9% YoY, reversing the short-lived rebound observed in July and August.
- September's decline reflects broad-based weakness across nearly major categories, underscoring the combined impact of seasonal softening and tariff-related caution.
- With the 90-day tariff truce set to expire in mid-November, China's share of U.S. imports remains sensitive to both policy outcomes and underlying market dynamics.
- Port transit delays showed mixed results in September with a modest, overall improvement, indicating that U.S. ports continue to manage throughput effectively.
- In September 2025, container volumes at the top 10 U.S. ports declined by -7.9% MoM, with a combined loss of 169,455 TEUs.

Ocean Freight

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





Key Takeaways:

- There are no reports of vessels paying U.S. Trade Representative (USTR) port call fees yet. Earlier this year, the USTR announced that, effective October 14, 2025, a service fee will be assessed on maritime transport services provided by Chinese operators and shipowners

- Despite this regulatory change, all major carriers have committed to maintaining current capacity levels without imposing additional fees on shippers.

- Only one China-built vessel has arrived at the Port of Los Angeles since the fees started taking effect.

- A U.S.-flagged container ship was charged $1.7 million to dock in Shanghai as China's reciprocal fees also went into effect. Like on the transpacific eastbound lane, carriers are shifting their deployment of liable vessels to other lanes to avoid the surcharges at China's ports.

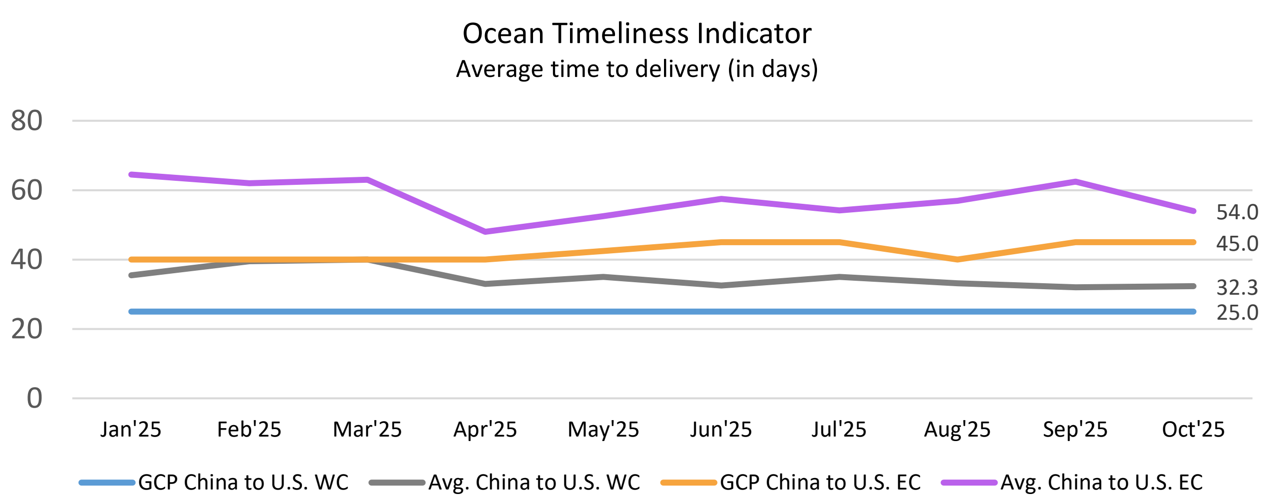
- The 145% US tariffs on Chinese goods from early April to mid-May drove a sharp drop in China-U.S. ocean volumes, and a November 1st 100% tariff would likely do the same. But with frontloading to date and November a slow month for ocean freight, there would likely be a smaller volume drop compared to April-May.

- As the U.S. container market moves into an early slow season, carrier mid-month GRI introductions, helped by tighter capacity reductions, are pushing Asia - N.A. rates up.

- These rate increases have pushed prices back to about May levels. But rates climbing during low-demand period has many observers skeptical that prices will remain elevated, though carriers will attempt November GRIs as well.

- North American importers should prepare for volume volatility throughout Q4, with the strongest impacts anticipated for November and December.

Ocean Timeliness Indicator

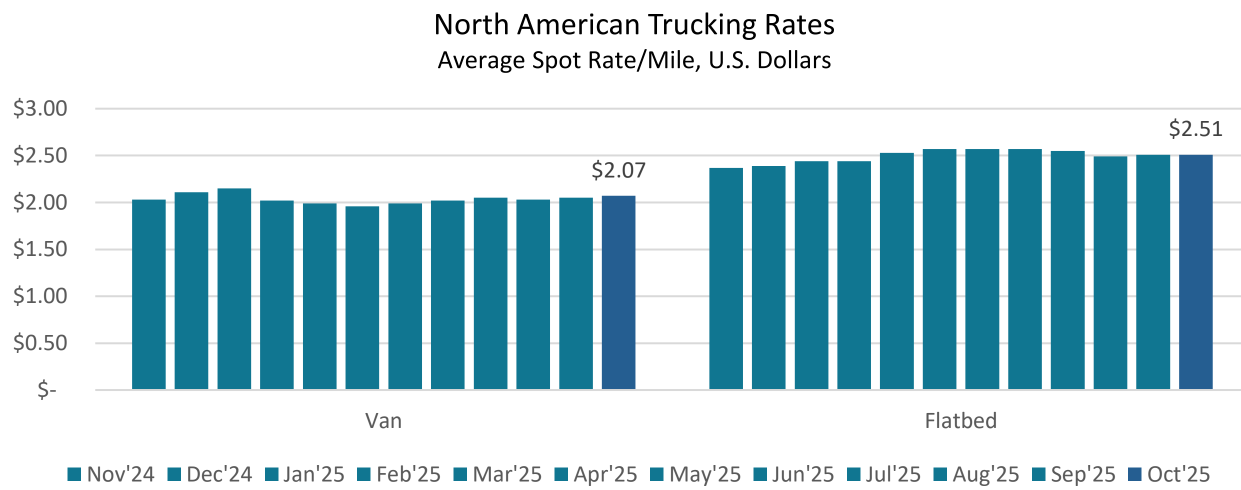


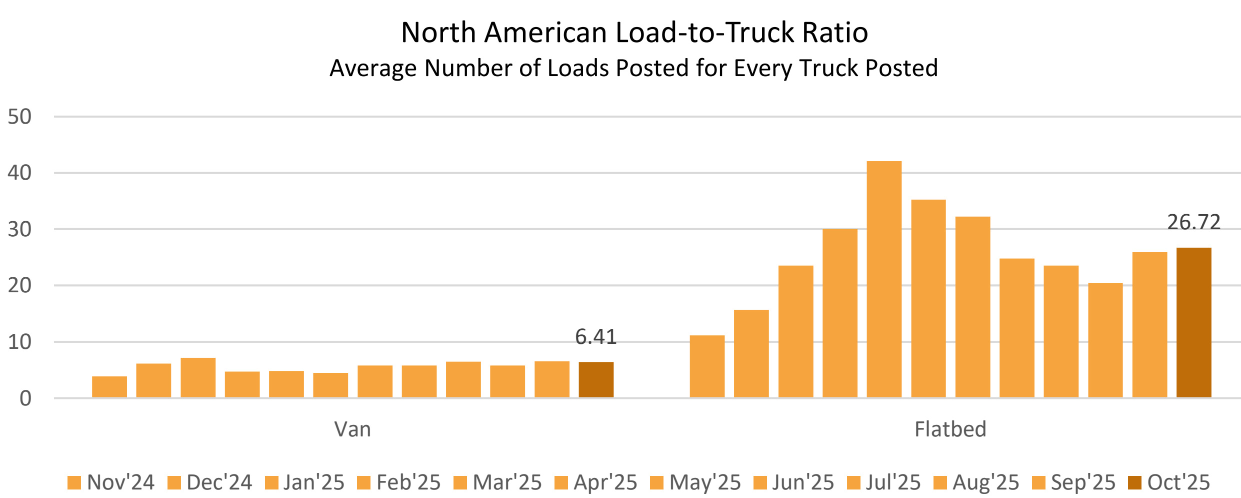
Key Takeaways:

- 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

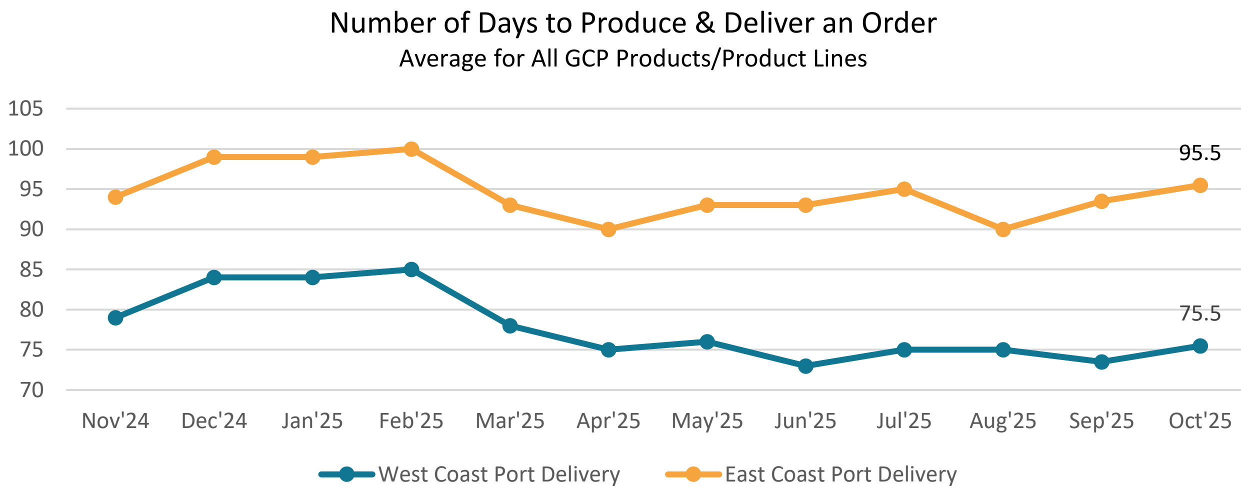




Key Takeaways:

- Market conditions remained largely subdued in September. Truckload rates edged slightly higher despite ongoing demand weakness, while excess capacity continued to constrain pricing power.
- Through the rest of this year, truckload demand is likely to remain soft with muted seasonal spikes around the holidays.
- Capacity is expected to remain stable or contract slightly through the end of the year. However, if low equipment orders persist amid a shrinking fleet base and aging equipment pool, available capacity will become increasingly vulnerable to future demand shocks.

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 October 2025 production index. (View here)

Resources

Tariffs

- https://www.politico.com/news/2025/10/15/trump-india-will-stop-buying-russian-oil-00610439
- https://timesofindia.indiatimes.com/business/india-business/india-us-trade-merchandise-exports-to-washington-drop-after-trumps-50-tariff-shipments-to-other-countries-rise/articleshow/124684395.cms
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Raw Material Prices/Commodity Pricing

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Natural Rubber Pricing

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Global PMI Manufacturing/Global Sectors Heatmap

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Imports to the United States

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Total Trade Volume

- https://www150.statcan.gc.ca/n1/daily-quotidien/251007/dq251007a-eng.htm
- https://www150.statcan.gc.ca/n1/en/daily-quotidien/251007/dq251007a-eng.pdf?st=rya-kQJd
- https://www150.statcan.gc.ca/n1/daily-quotidien/251007/t002a-eng.htm

Monthly U.S. Imports

- https://nrf.com/media-center/press-releases/monthly-imports-expected-to-drop-below-2-million-teu-as-tariffs-continue-to-rise

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- https://www.sea-intelligence.com/press-room/348-global-schedule-reliability-stable-at-65-68-since-may-2025
- https://mykn.kuehne-nagel.com/news/article/seaexplorer-schedule-reliability-august25

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- https://theloadstar.com/uncertainty-for-shippers-as-rates-are-boosted-by-gris-and-port-fees-loom/
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- https://www.flexport.com/blog/flexport-ocean-timeliness-indicator/
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GCP Production Times
- https://www.gcpindustrial.com/production-times-updates/

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