December 2025

Industrial Trade Report

By GCP Industrial Products

Report Highlights

- In 2025, the average U.S. tariff rate reached approximately 11.2%, the highest level seen since the early 1940s.
- Between January and August 2025, U.S. tariffs generated $101.2 billion in government revenue, equating to an estimated $1,100 in additional costs per U.S. household.
- Raw materials prices increased for a 14th straight month (and at a faster rate compared to the pervious month).
- Global business activity was positive, with manufacturers reporting continued growth in new orders and output, albeit at slower rates than in October.
- Inflationary pressures remained relatively muted; however, signs of rising cost pressures and higher selling-price inflation in the U.S. warrant close monitoring.
- U.S. exports of industrial supplies and materials surged 12.1% month-over-month (MoM), while import growth remained subdued, increasing by less than 1% from the prior month.
- U.S. ports processed 1.91 million TEUs, representing an -11.6% year-over-year (YoY) decline and the lowest monthly volume of the year.
- China's share of total U.S. imports declined to 32.7% in November, down from 34.9% in October.
- Ocean freight rates are expected to remain under pressure through December, with both Asia/West Coast and Asia/East Coast lanes hovering just above their 2025 lows.
- Truckload spot rates are surging as demand spikes amid rising tender rejections, with winter weather eliminating the typical early-December lull.

Contents

**Due to the U.S. government shutdown, Sep. 2025 is the latest data available for U.S. stats*

***Due to the U.S. government shutdown, Sep. 2025 is the latest data available*

2025 Tariffs Roundup

- U.S. trade policy went through one of its biggest changes in over 230 years in 2025 as the Trump administration significantly expanded the use of import tariffs.

- The tariff policy exercised by the president under powers granted by Congress was intended to serve a combination of revenue generation and trade defense objectives.

- These actions pushed the average U.S. tariff rate to roughly 15.8%, with the effective rate (after accounting for how businesses adjusted their behavior) landing around 11.2%, the highest levels since the early 1940s.

- The tariffs extended deep into industrial supply chains, affecting autos, trucks, steel, aluminum, lumber, machinery components, semiconductors, copper, raw materials and other core inputs used across manufacturing and construction.

- Economically, the tariffs amounted to a substantial tax increase on imports, adding an estimated $1,100 per household in 2025, with costs likely to rise further in 2026 as more tariffs take effect.

- New tariffs have raised $101.2 billion in revenue between January and August before accounting for income and payroll tax offsets.

- Monthly customs duties increased from $7 billion in January to $30 billion in September. As of September 2025, total tariff collections reached $195 billion, representing an increase of $118 billion, or 150%, compared with duties collected in 2024.

- In aggregate, the tariff expansion represented one of the largest tax increases relative to GDP in decades, amounting to roughly 0.47 percent of GDP in 2025.

- These higher costs were largely absorbed by businesses and consumers rather than foreign producers, leading to increased prices for raw materials, intermediate goods, and finished products throughout the economy.

- The combined effect of U.S. tariffs and foreign retaliation placed additional strain on global supply chains, increasing uncertainty and contributing to sourcing disruptions across multiple industrial sectors.

- Although the tariffs generated substantial federal revenue and are projected to raise significant funds over the next decade, economists continue to caution that these gains came at the cost of slower economic growth and reduced long-term investment.

- The extensive and rapidly changing use of tariffs/duties is set to continue in 2026.

Raw Material Pricing

Institute for Supply Management (IMS®) Price Index					
Month	Prices Higher	Prices Same	Prices Lower	Net	Index
Nov 2025	27.2%	62.6%	10.2%	+17.0	58.5
Oct 2025	27.3%	61.4%	11.3%	+16.0	58.0
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
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 November, the ISM® Prices Index registered 58.5%, increasing 0.5% compared to the previous month's reading, indicating raw materials prices increased for the 14th straight month (and at a faster rate compared to October).

- The Prices Index has increased 6% over the past 12 months and continues to be driven by increases in steel and aluminum prices that impact the entire value chain, as well as tariffs applied to many imported goods.

- In November, the 12 of 18 industries that reported paying increased prices for raw materials are: Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Primary Metals; Machinery; Wood Products; Transportation Equipment; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Fabricated Metal Products; Computer & Electronic Products; Miscellaneous Manufacturing; and Chemical Products.

- The two industries that reported paying decreased prices for raw materials in November are: **Plastics & Rubber Products**; and Petroleum & Coal Products.

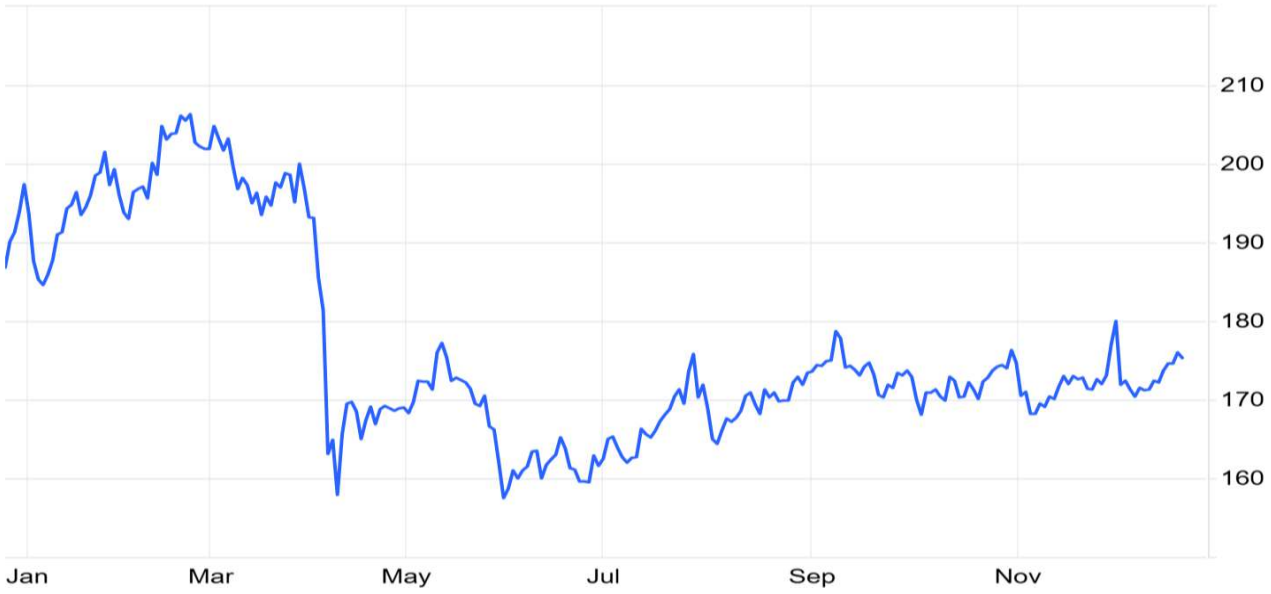
Commodity Pricing

IMS® Commodity Price Change	
Prices Up	Prices Down
Aluminum (24) Copper (5) Critical Minerals Electrical Components Electronic Components (3) Natural Gas Steel* Steel - Hot Rolled	Freight Packing Materials Gasoline Polypropylene Resin (3) Steel* (4)

IMS® Commodities in Short Supply
Electrical Components (5) Electronic Components (9) Labor (3) Rare Earth Components Rare Earth Magnets (3)

*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)

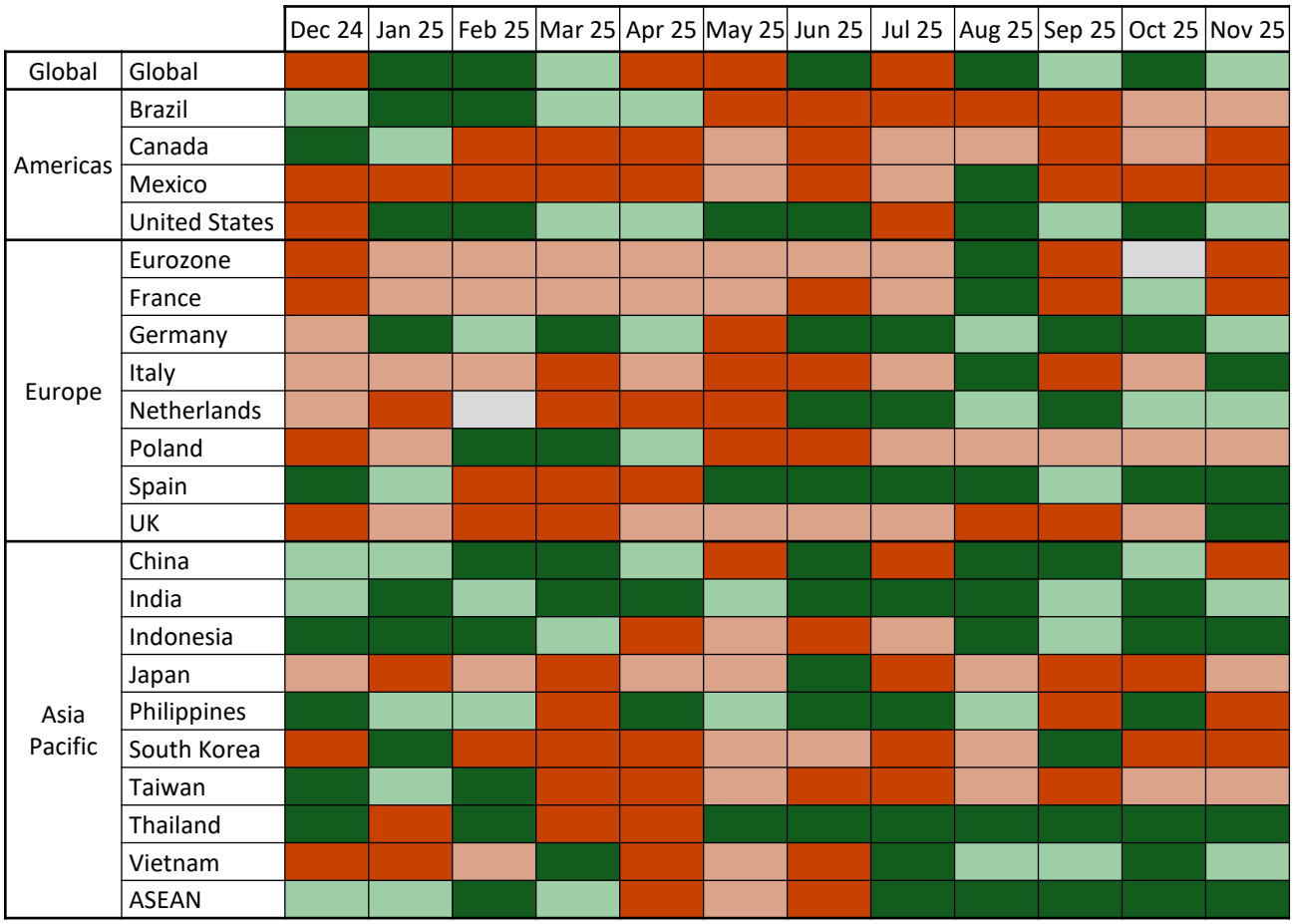


Key Takeaways:

- Natura Rubber prices climbed to 175 U.S. cents per kilogram, driven by supply concerns in major producing countries. Thailand has suffered heavy rain fall for much of December, which could cause further output disruptions. At the same time, ongoing border tensions between top producer Thailand and emerging exporter Cambodia add potential logistics challenges. Meanwhile, soft economic data from top consumer China has continued to weigh on natural rubber demand.

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 business activity was again positive, with manufacturers reporting continued growth in new business and output, albeit at slower rates compared with October.
- Business optimism remained subdued, reflecting the ongoing divide between actual output growth and weak business sentiment as the year ends.
- Inflationary pressures stayed relatively muted; however, signs of mounting cost pressures and higher selling price inflation in the U.S. warrants close monitoring.

Global Sectors Heatmap

	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25
Basic Materials												
Chemicals												
Resources												
Forestry & Paper Products												
Metals & Mining												
Industrials												
Industrial Goods												
Machinery & Equipment												
Construction Materials												
General Industrials												
Transportation												

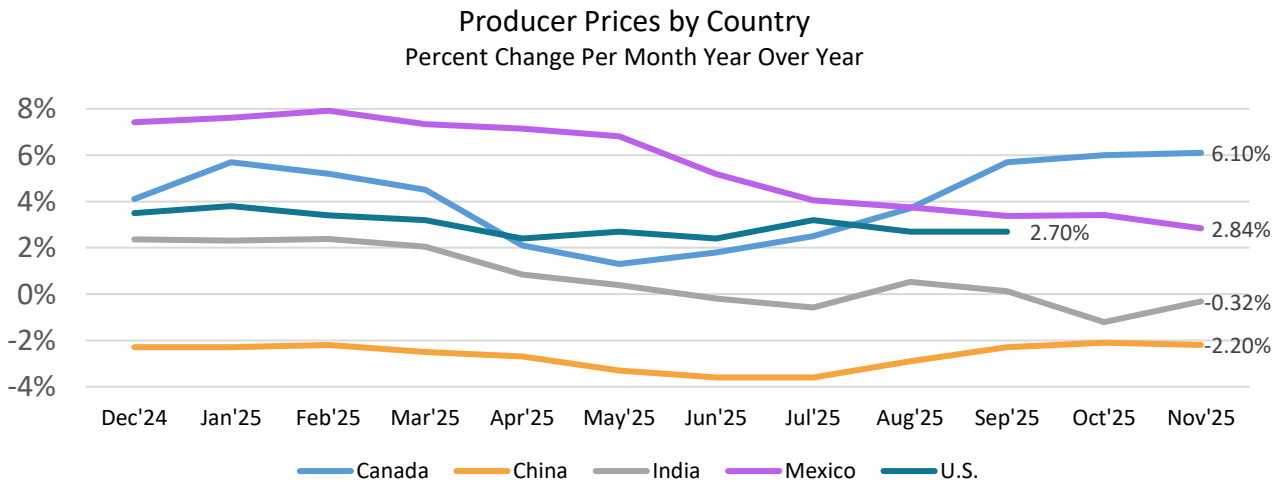
Improving at a faster rate		Deteriorating at a slower rate		At a neutral 50.0 mark	
Improving at a slower rate		Deteriorating at a faster rate			

Key Takeaways:

- The basic materials sector showed softening growth as new orders and global manufacturing output slowed. When this occurs, it typically results in reduced basic materials activity since new orders are closely tied to goods production and raw material demand.

- The industrials sector remains resilient, with all categories reporting global growth. Service and consumer-oriented segments outperformed heavy manufacturing, while overall conditions were positive for the month.

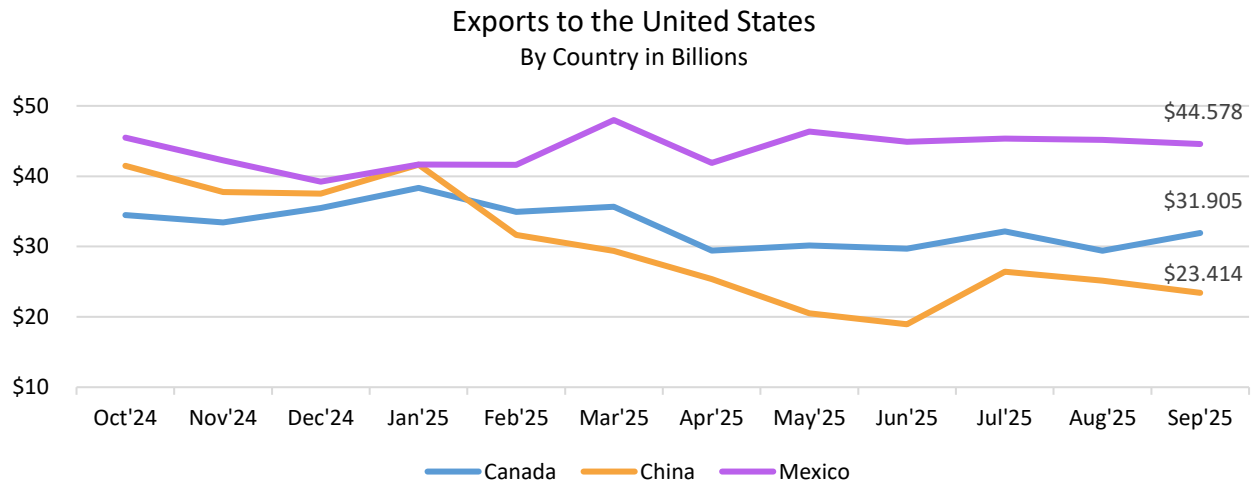
Producer Prices by Country



Key Takeaways:

- There is no U.S. Producer Price Index (PPI) data available this month due to the federal government shutdown. October's data is due out January 14, 2026.
- China's producer prices fell -2.2% YoY in November, marking the 38th consecutive month of contraction. This reflects the ongoing price competition and persistently weak domestic demand. Production material prices remained weak (-2.4%), coupled with persistent declines in raw materials (-2.9%), and processing (-1.9%).
- India's wholesale prices dropped -0.32% YoY, marking the second consecutive monthly decrease, though at a softer pace, after the previous month recorded the steepest fall since July 2023. Positively, manufacturing inflation eased to 1.33% from 1.54%, marking the softest pace since September 2024.

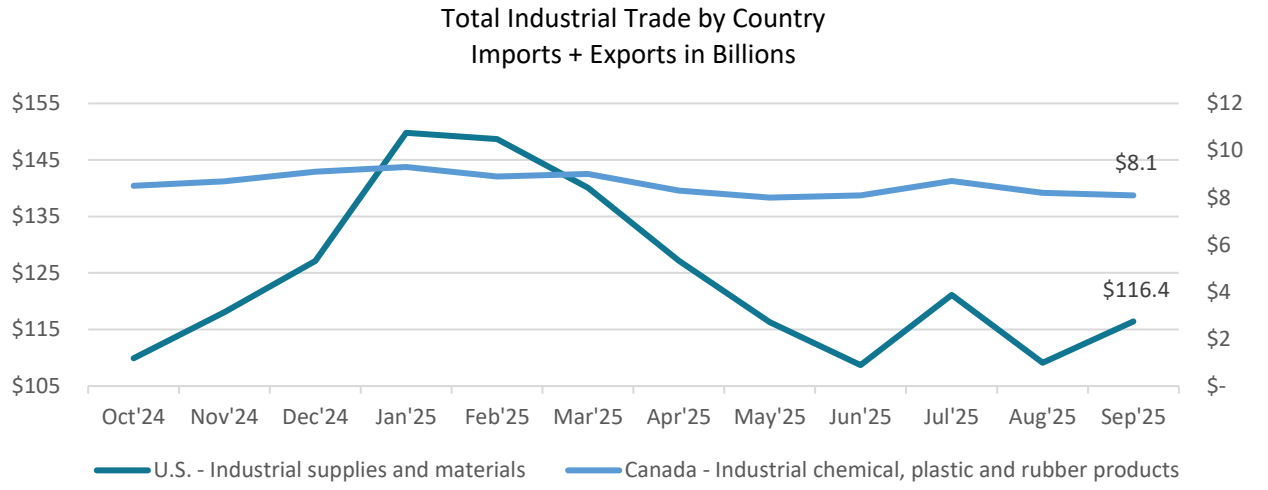
Exports to the United States



Key Takeaways:

- Canadian exports to the U.S. rose 8.5% MoM but remain weak relative to historical norms. This reflects reduced energy and commodity shipments, slower U.S. industrial demand, and continued volatility in oil and resource exports.
- Mexican exports remained strong, as U.S. manufacturers, particularly in automotive, machinery, and intermediate goods, continue to deepen their reliance on regional supply chains amid persistently elevated global trade uncertainty.
- Chinese exports to the U.S. declined again, driven by ongoing tariffs, trade policy uncertainty, and continued supply-chain diversification away from China toward other countries and regions.

Total Trade Volume



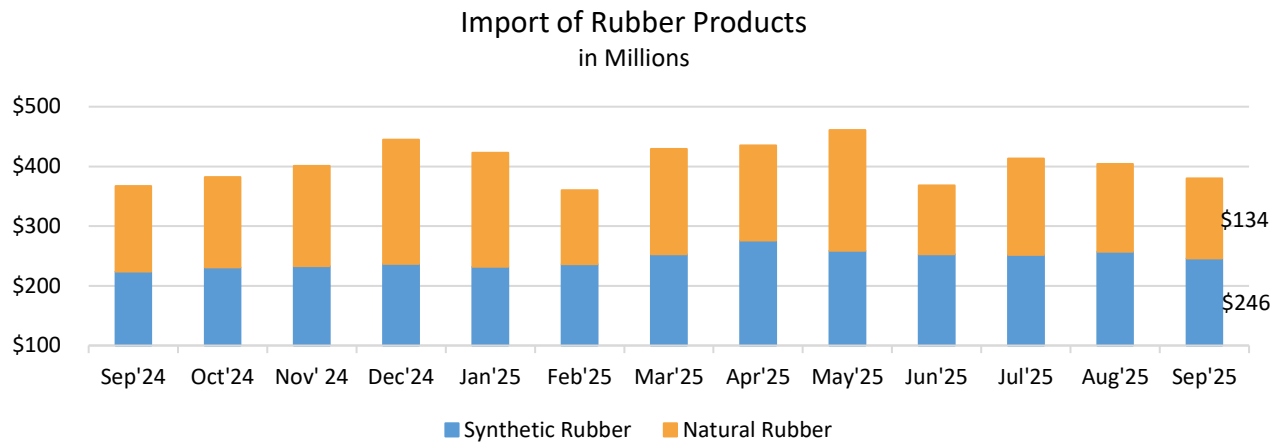
Key Takeaways:

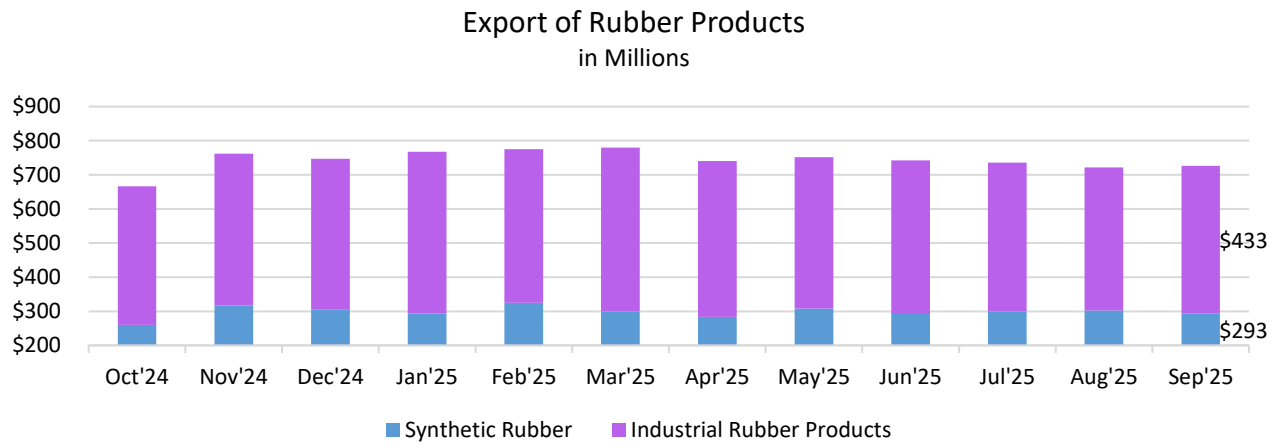
- Combining both imports and exports provide insights into the overall health and dynamics of that country or sector. If the totals are growing, it indicates a healthy, expanding economy or marketplace benefiting from both strong domestic and international markets.

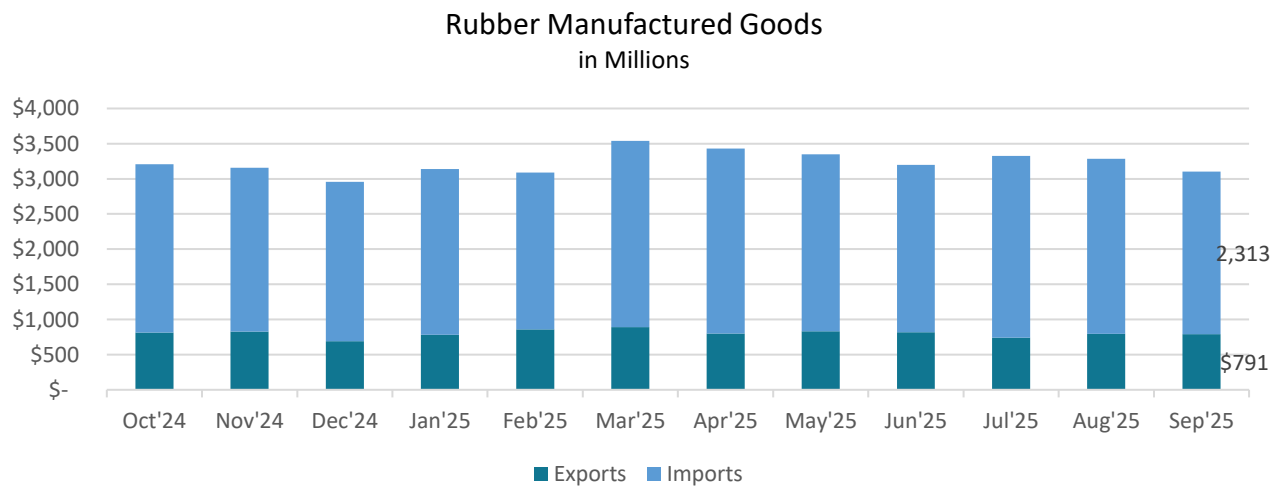
- U.S. exports of industrial supplies and materials surged 12.1% MoM, while import growth remained subdued, rising by less than 1% compared with the previous month.

- In Canada, exports of the industrial chemical, plastic and rubber products sector, rose 3.5% MoM while imports contracted -3.1% for the month.

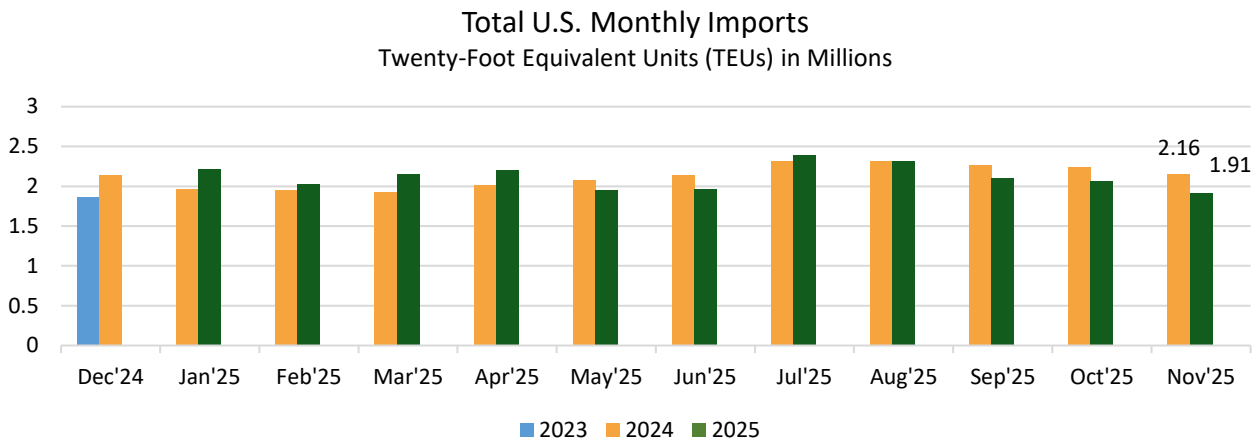
U.S. Rubber Import & Export Stats







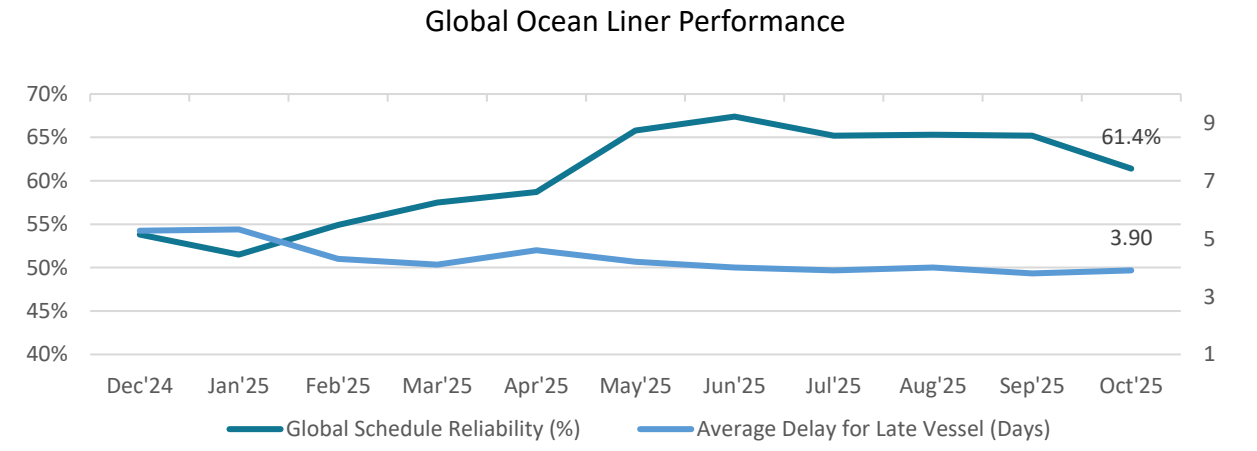
Monthly U.S. Imports



Key Takeaways:

- In November, U.S. ports processed 1.91 million TEUs, down -11.6% YoY, the lowest level this year. The full year is forecast at 25.2 million TEUs, down 1.4% from 25.5 million TEUs in 2024.
- Amid the impact from tariffs and ongoing trade policy uncertainty, YoY declines in import cargo volume seen at the nation's major container ports in recent months are expected to continue in 2026.

Global Ocean Schedule Reliability



Key Takeaways:

- Global ocean schedule reliability (measuring 60+ carriers) declined for the second consecutive month, falling -3.5% MoM. On a YoY basis, schedule reliability in October 2025 was up 11.1%. Meanwhile, the average delay for late vessel arrivals worsened slightly, up 0.1 days to 3.9 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	5	0 days	6 days
	OAK	1	0 days	4 days
	SEA/TAC	0	0 days	5 days
Canada West Coast	Van	3	1 days	4 days
	PRR	2	5 days	4 days
U.S. East Coast / Gulf Coast	NY/NJ	1	0 days	4 days
	BAL	7	0 days	8 days
	NOR	4	0 days	3 days
	CHS	0	0 days	4 days
	SAV	4	1 day	2 days
	HOU	1	4 days	7 days

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

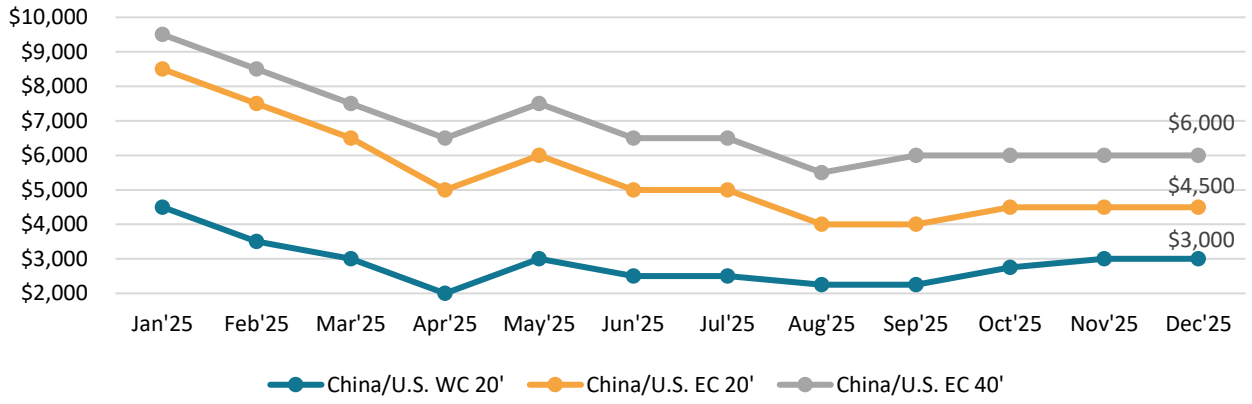
Key Takeaways:

- U.S. container imports post seasonal decline in November. This decline points to the effects of early-year frontloading, a cooling economic backdrop, with softer consumer demand.
- Following October's relatively steady performance, November container volumes across the top 10 U.S. ports fell by 106,401 TEUs, a 5.4% MoM decrease.
- Container imports from China fell to 713,131 TEUs for the month of November, down -11.3% MoM, down -19.7% YoY, and down -30.3% below the record set in July 2024 of 1,022,913 TEUs.
- China's share of total U.S. imports eased to 32.7% in November, down from 34.9% in October.
- Port shares shifted modestly in November, but West Coast ports remained the largest share of U.S. containerized imports at 42.6% (down from 44.2%). East and Gulf Coast ports accounted for 41.1% of total volumes (up from 40.7%).
- Port transit time delays increased slightly at most major U.S. gateways compared to October. However, on a macro level major U.S. ports continue to handle throughput efficiently, with no signs of widespread systemic congestion.

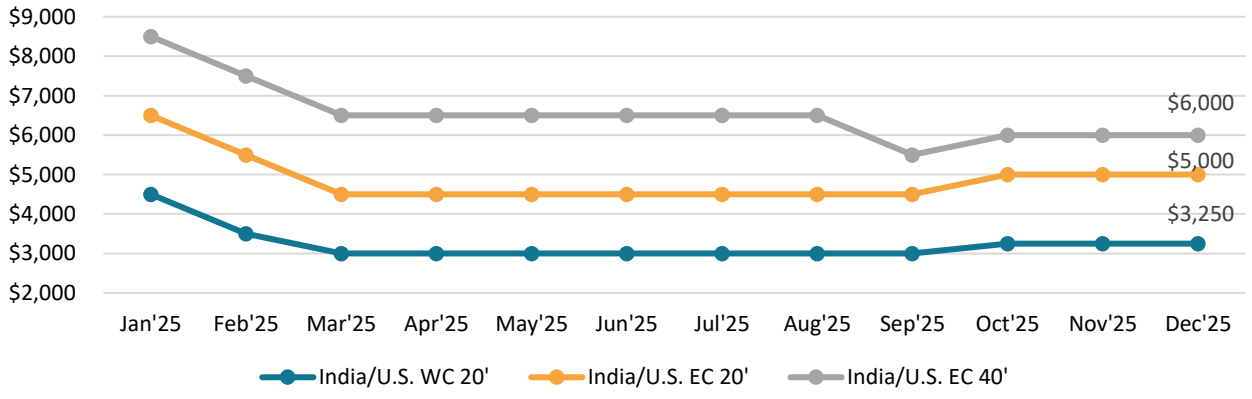
Ocean Freight

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

Average GCP/China Container Cost, U.S. Dollars



Average GCP/India Container Cost, U.S. Dollars



Key Takeaways:

- Ocean rates are expected to remain under pressure through December, with both United States West Coast (USWC) and United States East Coast (USEC) lanes hovering jut above their 2025 lows.
- Freight rates on both trade lanes remain under significant pressure as carriers maintain capacity despite weak demand.
- December capacity has been robust, with fewer blank sailings than usual for the early winter season. Historically, carriers reduce capacity 15-20% heading into winter to match seasonal demand, but current deployments show minimal reductions thus far.

- Going forward, carriers are expected to use selective blank sailings to manage capacity and limit rate declines.

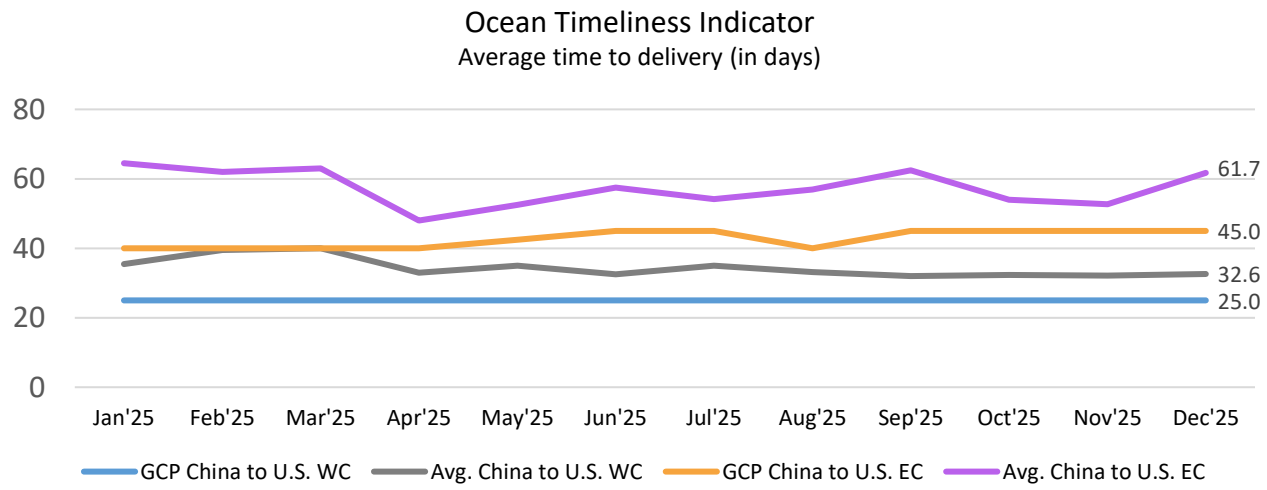
- There are indications that part of the current slump in demand reflects U.S. businesses pausing imports in anticipation of a potential Supreme Court decision invalidating IEEPA tariffs, which could lead to lower duties.

- Though the White House maintains that, if IEEPA is struck down, it is ready to quickly restore tariffs by other means. On the other hand, some are speculating the administration (due to pressure from cost-of-living concerns) could use a court decision as a tariff off-ramp instead.

- If weak demand persists into 2026, as currently projected, it will coincide with continued capacity growth, driven by deliveries of new, larger vessels deployed on the main trade lanes.

- These new deliveries will also create a knock-on effect. As these new large vessels are introduced, the older vessels are being shifted to secondary lanes increasing capacity on these lanes but also leading to an aging smaller-vessel fleet, which could set up a shortage of right-sized ships for these lanes even as total capacity grows.

Ocean Timeliness Indicator

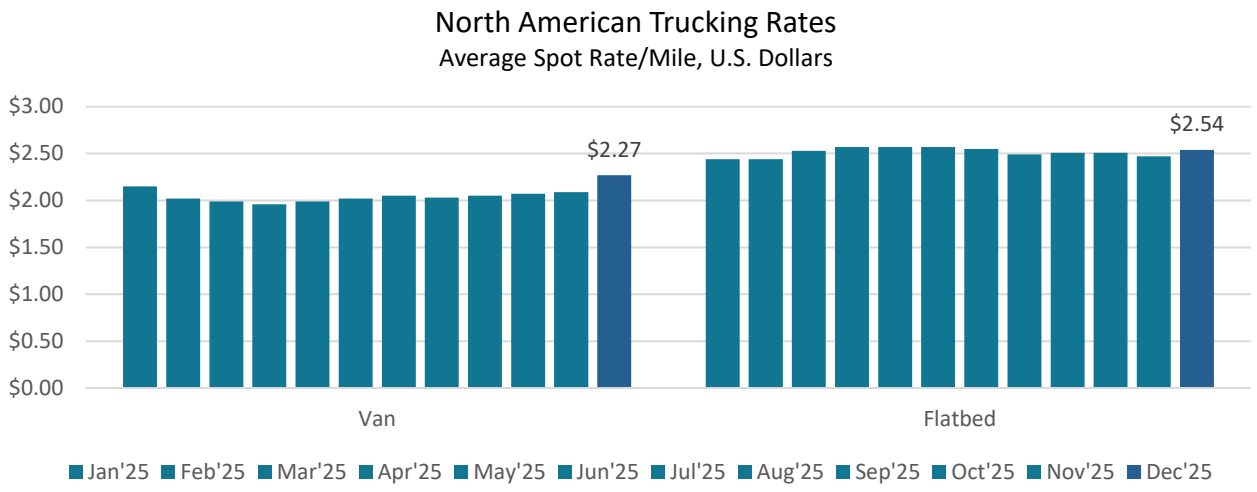


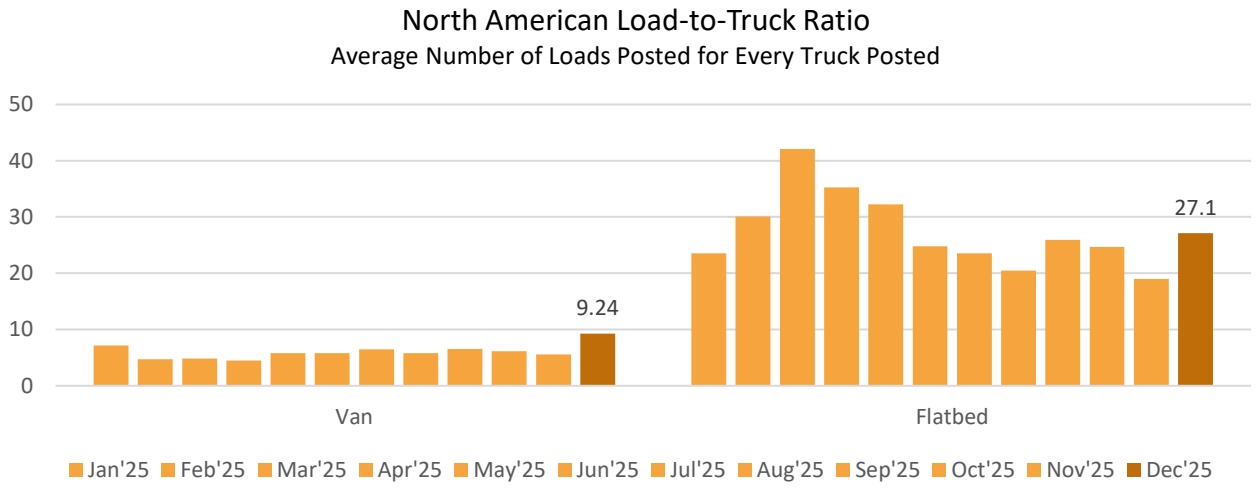
Key Takeaways:

- 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

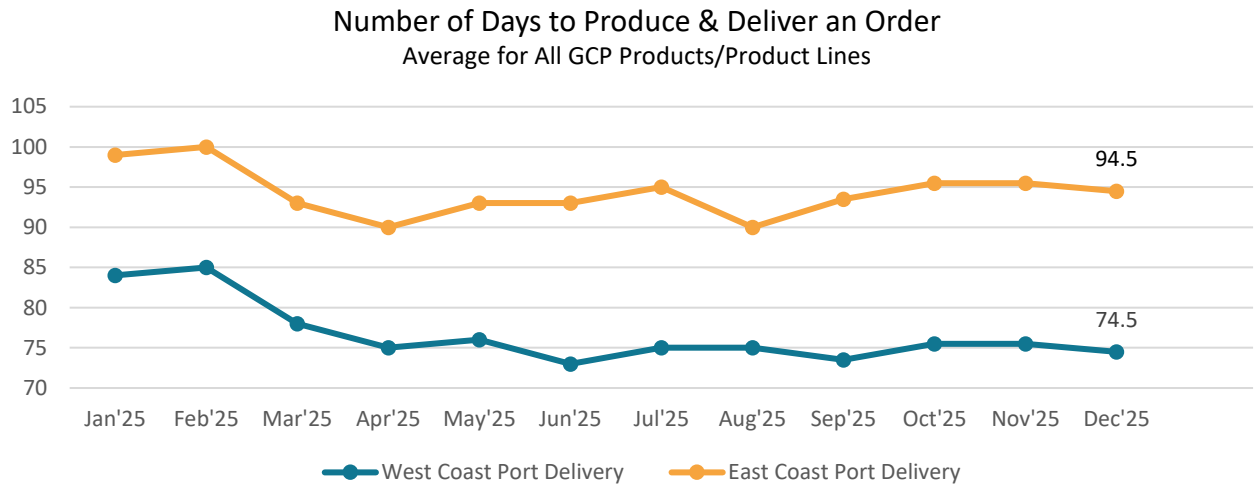




Key Takeaways:

- Macro demand indicators remain weak, but recent seasonal and weather-related disruptions have driven a surge in spot market activity.
- Spot rates are surging as demand spikes amid rising tender rejections, with winter weather eliminating the typical early-December lull. Seasonal demand and holiday driver time off could further tighten capacity and extend rate volatility into late December and early January.
- Trade policy will be the key trend to watch as 2026 begins, especially as to when restocking efforts begin. Beyond the holidays, rates are likely to settle back to an elevated floor, but any further meaningful increases remains unlikely until volumes make a sustained recovery.

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 December 2025 production index. (View here)

Resources

Tariffs
- https://taxpolicycenter.org/features/tracking-trump-tariffs
- https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/
- https://budgetmodel.wharton.upenn.edu/issues/2025/11/24/effective-tariff-rates-and-revenues-updated-november-24-2025
- https://www.cbo.gov/publication/61877
- https://www.crfb.org/blogs/tariff-revenue-soars-fy-2025-amid-legal-uncertainty

Raw Material Prices/Commodity Pricing
- https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/pmi/november

Natural Rubber Pricing
- https://tradingeconomics.com/commodity/rubber
- https://businessanalytiq.com/procurementanalytics/index/natural-rubber-price-index/

Global PMI Manufacturing/Global Sectors Heatmap
- https://www.spglobal.com/marketintelligence/en/mi/research-analysis/monthly-pmi-bulletin-december-2025.html
- https://cdn.ihsmarkit.com/www/pdf/6129997_6130011_0.1.pdf

Producer Prices
- https://tradingeconomics.com/canada/producer-prices-change
- https://tradingeconomics.com/china/producer-prices-change
- https://tradingeconomics.com/india/producer-prices-change
- https://tradingeconomics.com/mexico/producer-prices-change
- https://tradingeconomics.com/united-states/producer-prices-change

Exports to the United States
- 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

Total Trade Volume
- https://www150.statcan.gc.ca/n1/daily-quotidien/251204/dq251204b-eng.htm
- https://www150.statcan.gc.ca/n1/en/daily-quotidien/251211/dq251211b-eng.pdf?st=ygQqOVfm
- https://www150.statcan.gc.ca/n1/daily-quotidien/251211/t002b-eng.htm
- https://www.bea.gov/news/2025/us-international-trade-goods-and-services-september-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
- https://nrf.com/media-center/press-releases/with-shelves-stocked-imports-should-see-slowdown-in-november-and-december

Ocean Schedule Reliability
- https://www.sea-intelligence.com/press-room/360-global-schedule-reliability-drops-to-61-4-in-october-2025
- https://mykn.kuehne-nagel.com/news/article/seaexplorer-schedule-reliability-report-oct25

Port Operations
- https://www.flexport.com/global-logistics-update/december-18-2025-eu-duties-on-low-value-parcels/
- https://www.descartes.com/resources/knowledge-center/global-shipping-report-november-us-container-imports-dip-amid-seasonal-slowdown-and-weakening-china-imports
- https://mykn.kuehne-nagel.com/news/article/port-operational-updates-from-18-12-2025
- https://www.maersk.com/news/articles/2025/12/03/north-america-market-update-december
- https://www.hapag-lloyd.com/en/services-information/operational-updates/north-america.html

Ocean Freight
- https://www.jmrodgers.com/freight-market-update-december-2025/
- https://www.chrobinson.com/en-us/resources/insights-and-advisories/north-america-freight-insights/dec-2025-freight-market-update/ocean/
- https://www.sea-intelligence.com/press-room/363-the-collapse-of-network-stability-in-2025
- https://www.wsj.com/articles/u-s-manufacturers-slow-orders-ahead-of-supreme-court-tariff-ruling-e8b78eaf
- https://theloadstar.com/us-says-it-will-find-other-tools-to-tax-imports-if-tariffs-are-ruled-illegal/
- https://www.freightos.com/logistics-technology-insights/industry-updates/global-freight-year-in-review-and-2026-lookahead-december-2025/

Ocean Timeliness Indicator
- https://www.flexport.com/blog/flexport-ocean-timeliness-indicator/
- https://www.gcpindustrial.com/production-times-updates/

Trucking Freight
- https://www.dat.com/trendlines
- https://www.ryantrans.com/news/december-2025-industry-update
- https://www.chrobinson.com/en-us/resources/insights-and-advisories/north-america-freight-insights/dec-2025-freight-market-update/na-truckload/
- https://www.arrivelogistics.com/insights/december-2025-freight-market-update/

GCP Production Times
- https://www.gcpindustrial.com/production-times-updates/

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