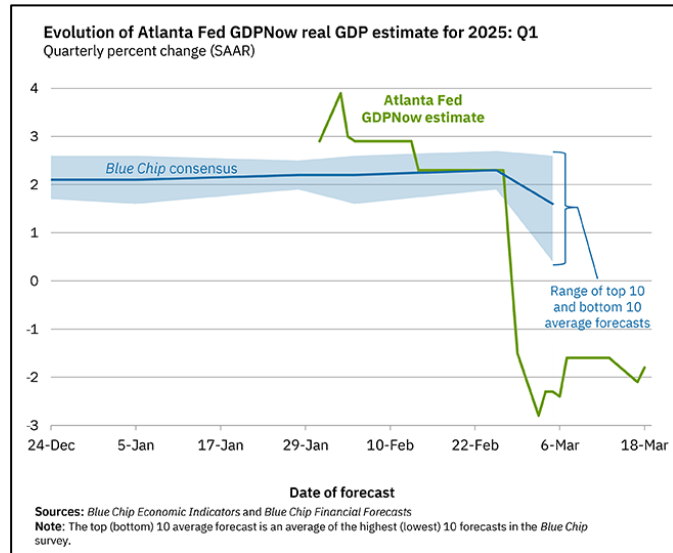


Factors Shaping Supply Chain & Logistics

Q1 GDP Sends Mixed Messages. The Atlanta Fed GDPNOW estimate in March dove to -1.8%, but there are a lot of footnotes on the data. The estimate dove because of some record imports of Gold, which skewed the trade balance. Fundamental aspects of the economy such as consumer spending, nonresidential and residential investment and spending, and other factors that create freight volumes were still trending positive in the quarter. The “down signal” is not to be ignored however, there are pockets of unexpected weakness in some economic metrics, especially those that are sentiment driven. Concerns over tariff risk are flowing through the marketplace.



Reciprocal Tariffs Loom, Could Be Both Positive and Negative. After April 2nd, the US will impose a variety of reciprocal tariffs on countries that levy higher tariff rates on the US. But the ability for countries to lower their base tariff (to match the US rate) could create growth for US exports (because lowered global tariffs make US products more affordable). But it could also work in the opposite direction, and if the US matches foreign tariffs (if the source country is unwilling to lower their rates), it could push import prices higher. It will be on a case-by-case basis and will come down to negotiations on or before the 2nd.

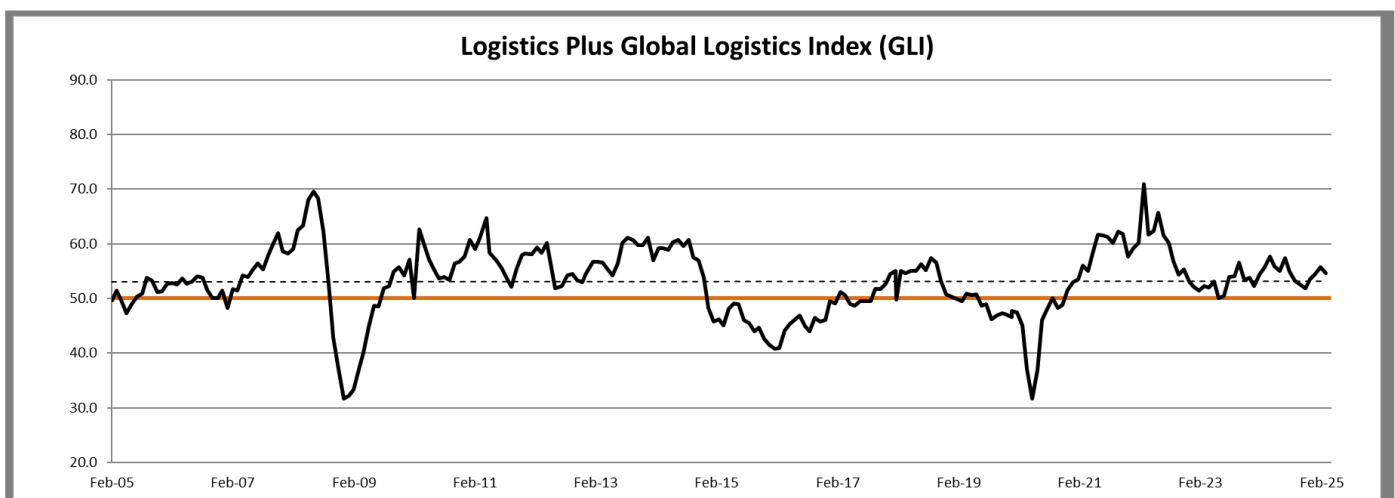
Product Category	Country	Foreign Tariff on U.S. Goods	U.S. Tariff on Imports	Tariff Gap (%)
Agricultural Products	South Korea	~13.5%	~2%	~11.5%
Semiconductors	South Korea	~8-10%	~0-2%	~6-8%
Automobiles	European Union	10%	2.5%	7.5%
Pharmaceuticals	European Union	8-10%	~2%	~6-8%
Steel	China	15%	10%	5%
Agricultural Products	China	15% (e.g., wheat, corn)	10%	5%
Dairy Products	Canada	~200-300% (supply-managed)	~0-2%	~198-298%
Lumber	Canada	~12-15%	~0-2%	~10-13%
Beef and Pork	Japan	38.5% (beef); 20% (pork)	~2-4%	~34.5%-36.5%

The LogisticsPULSE Global Logistics Index

The GLI Slips in February

The LogisticsPULSE Global Logistics Index (GLI) came in at **54.6 in February, down 1.2 points from 55.8 in January (-2.0%)**. It was still in expansion territory and is still above the long-term trendline. The index was softer by 1.8% Y/Y (it was 2.5% higher Y/Y last month).

The GLI measures transportation demand across 22 global economic metrics and has been measured over twenty years of collected data.



What's New & Important with North American Supply Chains?

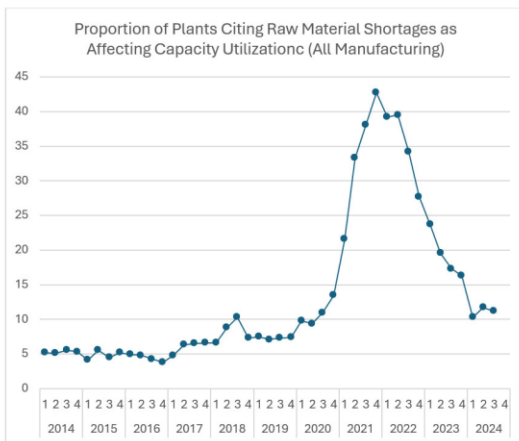


Proposed Ship Docking Tax on Chinese Vessels Under Review

The Trump Administration has proposed a tax of up to \$1 million per port call or \$1,000 per net ton of a vessel's capacity on Chinese-Built or Chinese operated vessels. The new rule would be open for public comment and debate on March 24th, and a number of organizations have opposed the rule. The World Shipping Council estimated that it could add between \$600 and \$800 per container if the taxes are not moderated. It could also disrupt capacity distribution as Chinese vessels shift to alternative markets and tighter European capacity shifts to US trade lanes. The likelihood of the rule being implemented as proposed without modification is seemingly low, given industry push-back.

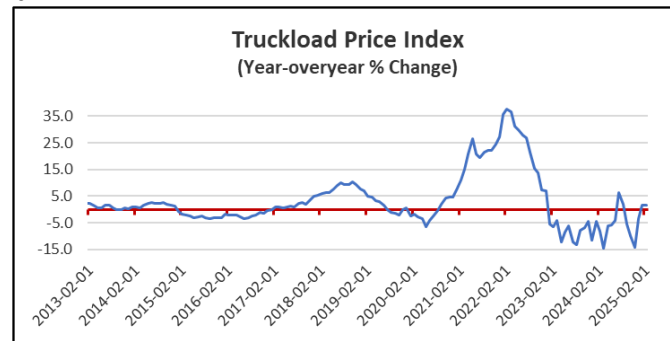
Battle for Raw Materials to Heat Up in the Coming Years

It may seem cliché, but analysts believe that raw material scarcity and shortages could be the top topic in supply chain management over the next five years. Evidence is already showing up in rare earth material challenges, copper prices (which are up more than 22% YTD), and many materials that have few sources. Many of the problems with shortages are economic related, domestic supplies are available, but US firms need protections from Congress to prevent foreign dumping and the subsequent price plummet that is associated with it.



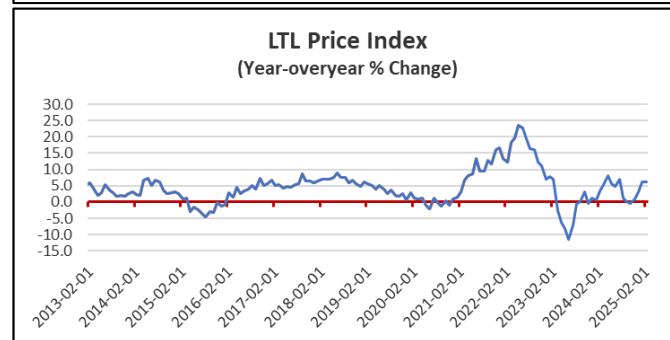
Full Truckload (FTL) Price Index:

Truckload prices were down 0.3% M/M (0.8% last month) in February (latest available) according to the Producer Price Index (includes both contract and spot rates). They were up 1.5% Y/Y (-2.3% adjusted from last month). (PCU484121484121)



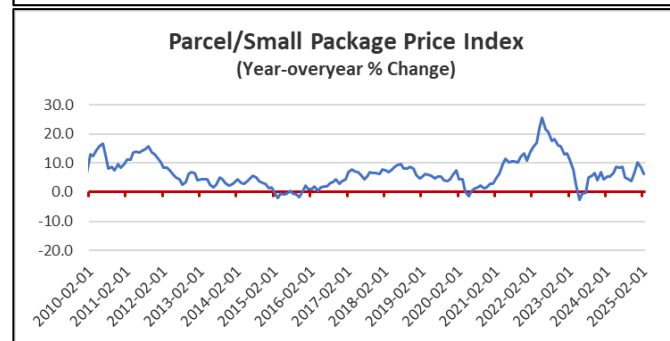
Less-Than-Truckload (LTL) Price Index:

LTL prices were up in February by 0.7% month-over-month (latest available) and were up sharply by 6.1% Y/Y (up 6.2% last month). A single month does not make a trend and watching this data for another month or so (if it holds) would start to suggest that the Yellow exit was beginning to be felt in the industry and tighter capacity earlier in the growth cycle is taking place. (PCU4841224841221)

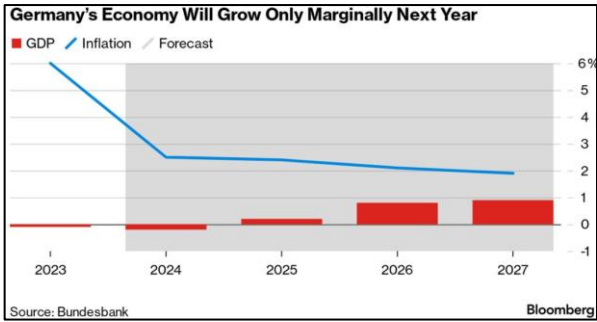


Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services surged by 6.2% Y/Y (8.4% higher last month); but were lower month-over-month in February by 1.2%. E-commerce sales were 6.5% higher Y/Y (4.7% last month) and were higher by 2.4% month-over-month in February (latest available and not seasonally adjusted). (PCU492110492110201)

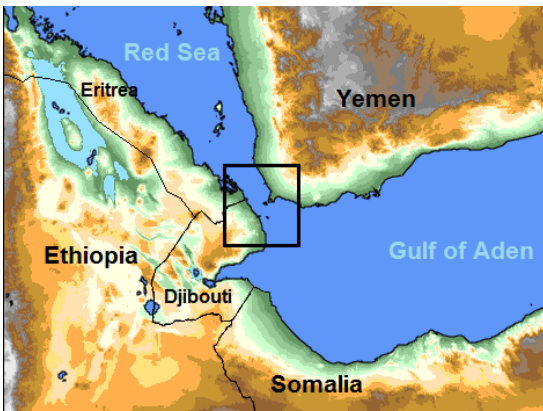


What's New & Important with International Supply Chains?



Germany Attempts to Stimulate Economy

The German Parliament has authorized a lifting of the “debt brake rule” to allow some deficit spending to try and stimulate the economy. Germany is one of the economic anchors of Europe and it has proposed to invest more than 500 billion euros in an infrastructure package (it will be disbursed over 10 years) and more than 11 billion annually in increased defense spending. These are still in the proposal stage at the time of writing because they require a constitutional amendment. But this stimulus from Germany would be a key stimulus throughout Europe, and other countries could follow. This would help boost activity across many sectors after nearly 4 years of sluggish activity.

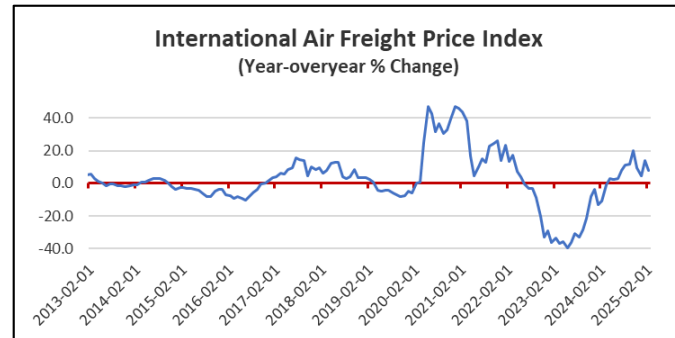


US Engages Houthi Rebels in the Red Sea

The US is going on offense and has vowed to stop the disruption of commercial maritime service through the Red Sea and Suez Canal. Some estimates suggest that this could free up more than 10-15% of maritime capacity and could shave \$6 of geopolitical premiums off oil prices. It could also shave 11 days of transit time off Asia/EU trade lanes and would theoretically reduce maritime operating costs, reduce insurance premiums, etc.

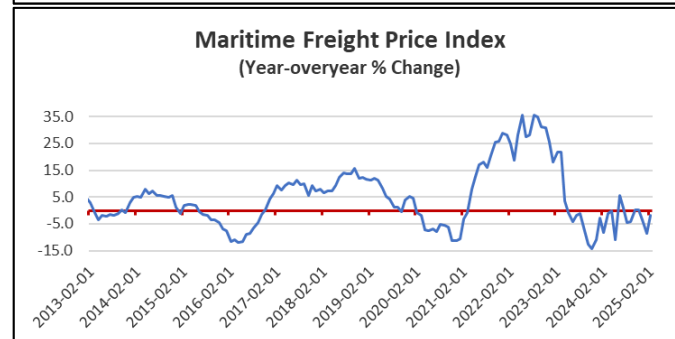
Airfreight Price Index:

The airfreight price index was lower by 7.2% M/M in February (not seasonally adjusted and the latest available / down 5.1% last month) but was sharply higher on a Y/Y basis, rising by 7.9% (up an adjusted 13.8% last month). Perhaps some firms still getting ahead of tariffs boosted shipments in February. (IC131)



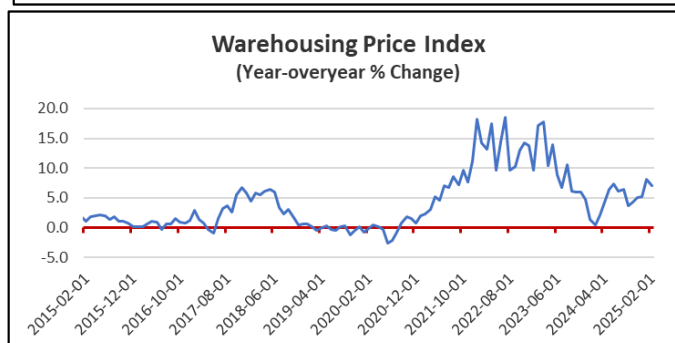
Ocean Freight Price Index:

The blended PPI for maritime service in February was 1.8% lower Y/Y (8.5% lower last month), but it was up 4.7% M/M (-2.4% last month and not seasonally adjusted). (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data. The Drewry World Container Index (see next page) tracks global spot container prices.*



Warehousing Price Index:

Warehousing prices were improving in February (latest data available) with rates up by 1.6% M/M (3.4% higher last month) and was higher Y/Y by 7.0% (8.1% last month). (PCU49314931)



Global Maritime and Air Cargo Observations

Maritime Capacity Balanced Across All Critical Trade Lanes

DHL expects all trade lanes to be balanced or to have slack capacity through May. The world is still watching the Red Sea situation and potential for a resolution there (by force). That could add more than 10-15% additional capacity into the global market. Drewry's Composite Spot Container Index was down 25% vs last years' levels through March 13th.

Market Development on Key Regional Tradelanes		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Asia	→ Intra	R	A	R	R	R	R	R	R	A	A	A	A
	→ N. America	R	A	A	A	R	R	R	R	A	A	A	A
	→ Europe	R	R	A	R	R	R	R	R	A	A	A	A
	→ Middle East	R	R	R	R	R	R	R	R	A	A	A	G
	→ S. America	G	G	G	R	R	R	R	G	A	G	G	A
	→ Africa	R	R	A	R	R	R	R	R	A	G	G	G
	→ Oceania	R	R	A	R	R	R	R	R	A	A	A	A
	→ East MED	R	R	A	R	R	R	R	R	A	A	A	A
East MED	→ Europe	R	R	R	R	R	R	G	R	A	A	A	A
Europe	→ N. America	G	G	G	G	G	G	A	R	R	A	A	G
	→ Asia	G	G	G	G	A	A	A	A	G	G	G	G
N. America	→ Asia	A	G	G	G	G	G	G	G	G	G	G	G
S. America	→ N. America	G	G	G	G	G	G	A	R	A	A	A	A

Source: DHL

R Demand > Capacity A Demand, Capacity balanced G Demand < Capacity

Air Cargo Spot Rates 8% Higher Y/Y in Week 10

Average global air cargo spot rates were up 8% Y/Y while total tonnage was rising by 2% Y/Y. Many shippers appear to be using smaller orders of merchandise to fill-in high tariff risk items to get them into the US prior to the tariff deadlines. That could have been one of the catalysts to help boost volumes. The other factor is the timing of coming out of the Lunar New Year.



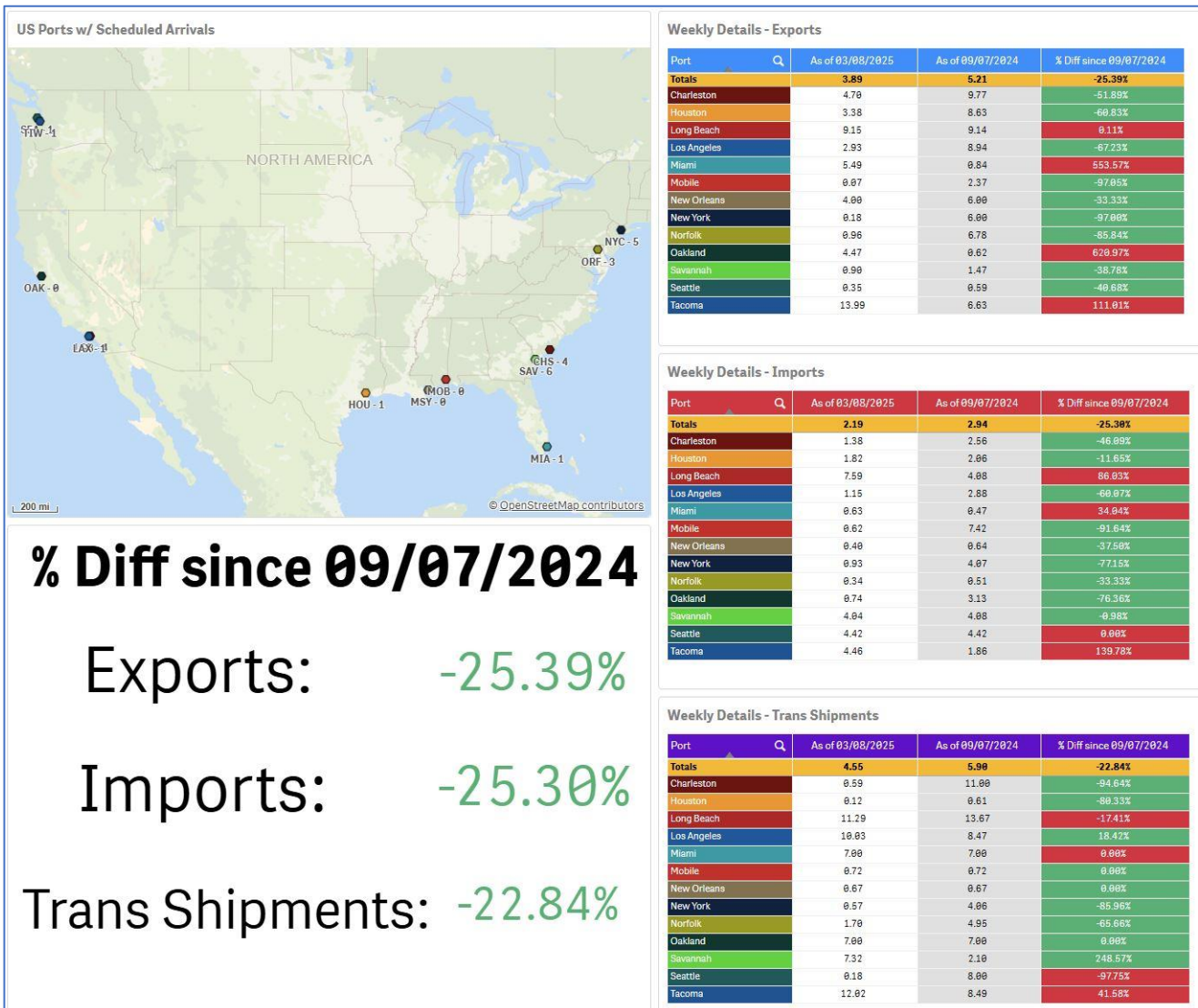
The LogisticsPULSE Port Congestion Index

U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

Port congestion can have a big impact on supply chains. The **LogisticsPULSE Port Congestion Index (PCI)** is a data-driven tool that calculates how much congestion there is at critical U.S. ports.

- Since early September 2024, there has been a substantial improvement in the processing times at US Ports. For containers Imported into the USA, the Container Processing Time (in days) is 25% better, almost a whole day, than as it was in September 2024. The processing time for Exports is also 25% improved, from 5.2 days to 3.8 days. The processing time for Trans Shipments have also decreased by a like amount over this time period.
- The US Ports with the greatest amount of Imported TEU's currently are in Savannah, New York and Norfolk and are processed in about 1.77 days. The highest volume of Exported TEU's are New York, Savannah and Oakland and they are completing the export process in about 1.85 days.
- The ports with the greatest number of scheduled vessel arrivals are Savannah and New York whereas New Orleans, Oakland and Mobile have the fewest.

(data shown below is container processing time, in days, by port)



Special Topics in Supply Chain & Logistics:



Special Area of Focus: Thailand

The US is Thailand's largest export destination, accounting for more than 18% of all Thai exports in 2024, but are only expected to grow by 2% this year. Exports are expected to struggle under potential US tariffs and trade war pressures. That could slow the Thai economy back into the low 2.4% range, despite the Thai Government's efforts to use stimulus efforts to hit 3% this year.

Thailand's top export goods in 2025 are expected to include office machine parts, integrated circuits, vehicles, and other manufactured items. It continues to be one of the countries that firms are using as part of their "China +X" strategy (sourcing from China and more than one additional trading partner).

Reciprocal tariffs pose a risk for Thailand. The country imposed 6.2% tariffs on US products on a weighted average basis while the US has a 0.9% net tariff rate on Thai products. That differential, if it continues at that rate (assuming Thailand doesn't adjust its tariff rates), would increase tariffs on Thai products by 5 percentage points. Estimates suggest that this could cut Thailand's GDP by 0.2 percentage points.

Thailand continues to be an emerging manufacturing tiger, and many companies are looking at it as a key trading partner. Its location also provides a simple risk avoidance for potential trade bottlenecks in the South China Sea.

What's New at Logistics Plus?

Derek Berlin Discusses Ukraine on The Briefing with Steve Scully

Senior Vice President, Global Government Solutions Derek Berlin was featured this week on an episode of The Briefing with Steve Scully on SiriusXM. Derek shares insights from his travels across Ukraine over the past year, reflecting on his experiences and more. [Listen to Podcast](#)



Ryan McGregor Talks Business Intelligence on Business Spotlight

Ryan McGregor, Director of Business Intelligence for Logistics Plus (LP), was featured on the Business Spotlight program, produced in partnership with WPSE Money Radio. Ryan discusses his evolving role and explores how Business Intelligence has revolutionized the logistics industry. [Listen to Podcast](#)



Logistics Plus Opens New Warehouse in Honolulu, Hawaii

Logistics Plus is pleased to introduce the opening of its newest warehouse located near Sand Island at 2280 Alahao Place in Honolulu, Hawaii. The 75,000+ square foot facility is managed by Troy Pagaduan. [Read More](#)



In the wake of recent supply chain disruptions, check out and subscribe to the logisticsplus.com/globalalerts page.