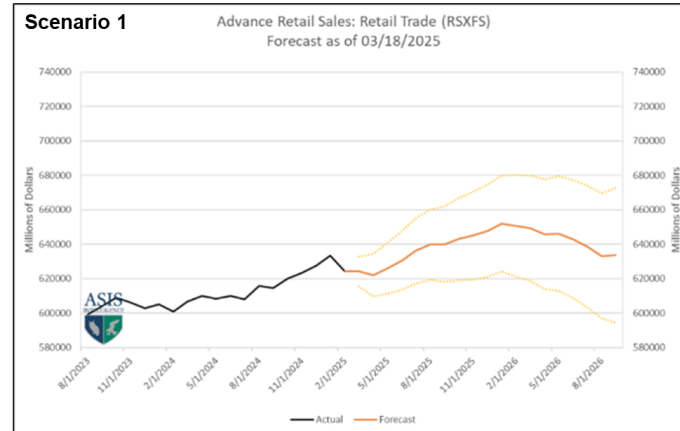
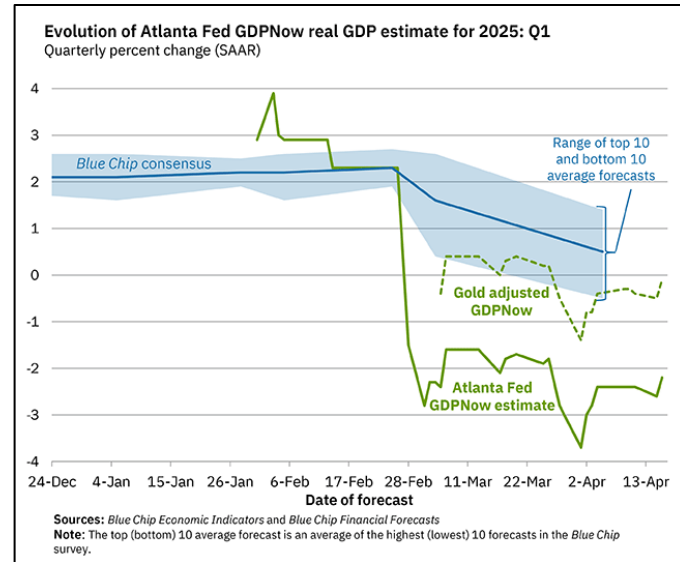


Factors Shaping Supply Chain & Logistics

Q1 GDP Sends Mixed Messages. The Atlanta Fed GDPNow estimate in April (still for the first quarter) was at an adjusted -0.1%. If the impact of gold imports is included, the real reading shows a drop of 2.4% for the quarter. Surging gold imports skewed the first quarter data since it creates a more pronounced trade imbalance and detracts from GDP. Most of the categories that create the underpinning for GDP were still stable through March. Jobs, wage growth, consumer spending, nonresidential investment, and residential fixed investment was still positive in the first quarter. Ultimately, tariff risk (specifically with China) is creating an economic wildcard with estimates swinging in both directions (+/-).

Tariffs Weigh on Outlooks. Tariffs are creating a Black Swan event for the economy and many analysts are now forecasting significant impacts from this pressure. Armada modeled what the reciprocal tariffs would do to retail spending, and the chart shows that scenario. It pulled nearly \$2 billion off spending expectations for the rest of the year and created some mild retail contraction in Q2. There are also some discussions about product delays that could hamper everything from assembly lines to construction projects as buyers allow inventories run out rather than reload at high tariff rates amid uncertainty.

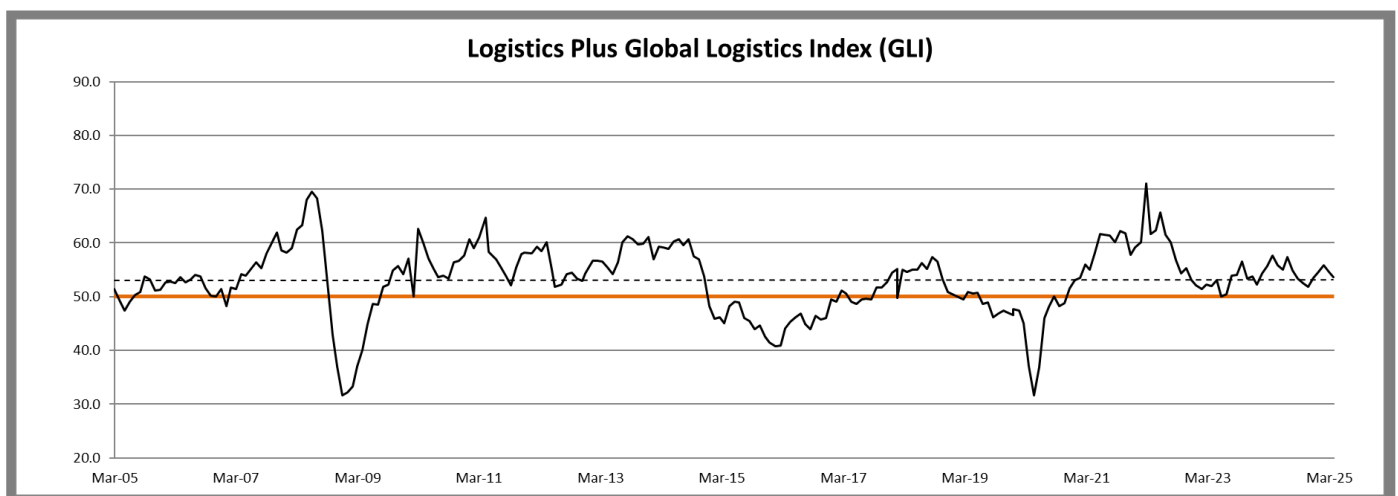


The LogisticsPULSE Global Logistics Index

The GLI Slips Again in March

The LogisticsPULSE Global Logistics Index (GLI) came in at **53.6 in March, down 1.0 point from 54.6 in February (-1.7%)**. It was still in expansion territory and is still above the long-term trendline. The index was softer by 6.5% Y/Y (it was 1.8% 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?

Some Weak Signals in E-Commerce Sales

The latest retail sales data came in better than expected in March, except for e-commerce sales. The annual rate of growth for e-commerce slowed to just 4.8%, after averaging 7-10% growth rates over the past decade. Many questions are still circling, wondering if the new tariff risk to de minimus shipments (less than \$800 per shipment) is impacting inbound shipment volumes. Otherwise, it could signal a more worrisome signal, that consumer spending is decelerating perhaps amid some weakening of certain economic signals.

Oil Prices Lower – Is Oversupply a Real Risk?

Diesel prices are largely in-line with the long-term average price – but that is largely because refinery capacity is limited. Oil prices have fallen significantly by 11.25% since the beginning of the year and are 18.8% lower Y/Y. The current price per barrel was \$62.73, below the EIA projection for prices this year already. Some concerns that global economic weakness could push OPEC members to put more oil on the global market could lead to an oversupply of oil, and push prices into the \$50's. That would eventually pull diesel prices lower, especially with sluggish freight volumes.

Full Truckload (FTL) Price Index:

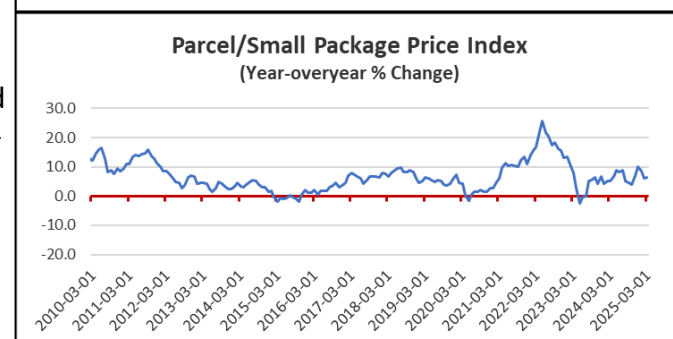
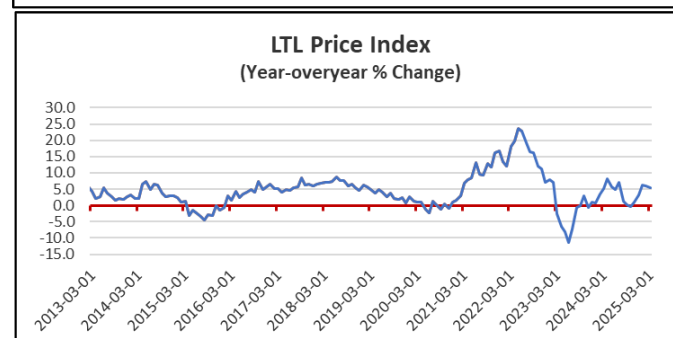
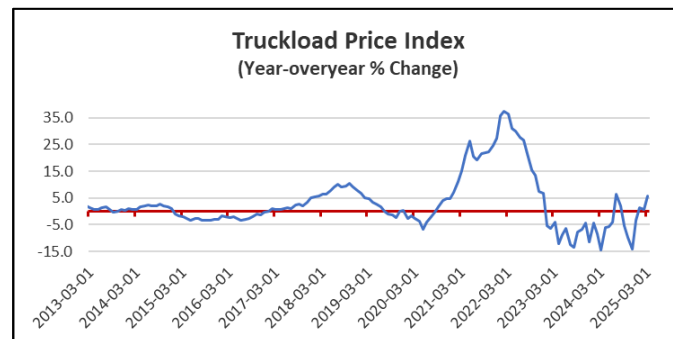
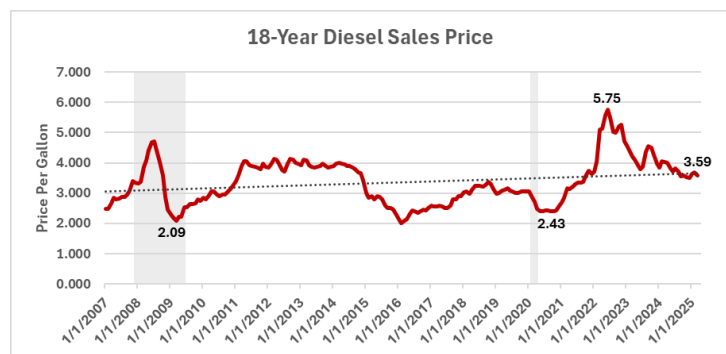
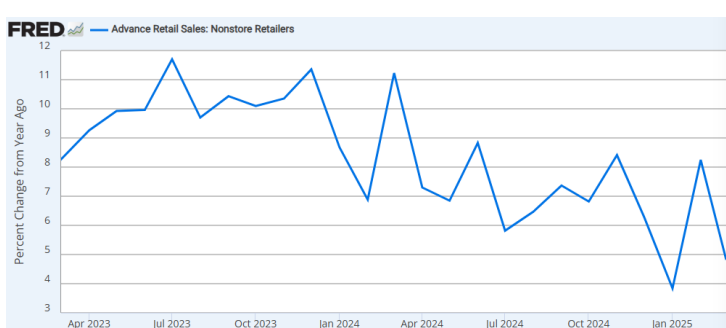
Truckload prices were up 1.6% M/M (-1.0% last month) in March (latest available) according to the Producer Price Index (includes both contract and spot rates). They were up 5.6% Y/Y (-0.8% adjusted from last month). (PCU484121484121)

Less-Than-Truckload (LTL) Price Index:

LTL prices were down marginally in March by 0.1% month-over-month (latest available) and were up sharply by 5.5% Y/Y (up 6.1% last month). There are still some concerns that much of this activity through March may be part of the pulled-forward trend. Many purchasing managers were attempting to get ahead of tariff risk which may have been fueling this activity. (PCU4841224841221)

Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services surged by 6.3% Y/Y (6.2% higher last month); but were lower month-over-month in March by 0.3%. E-commerce sales were 4.8% higher Y/Y (6.5% last month) and were higher by 0.1% month-over-month in March (latest available and not seasonally adjusted). (PCU492110492110201)



What's New & Important with International Supply Chains?

China Tariff and Trade War Weighing on Purchasing Decisions

The biggest international story of the past decade could be the current tariff war between the US and China. The volatility in the negotiations is unprecedented, and at the time of writing, some products sourced in China were facing a 245% tariff from the US (essentially preventing them from being imported into the US). Negotiations were also not yet taking place between the countries, placing the entire ~\$440 billion in annual US imports at risk and likewise shutting down US exports of \$143 billion. Many purchasing managers have shut down new orders until certainty is found, and some products will face supply shortages if this situation lasts much longer.

Most Likely "Deals" to Get Done

There is a risk in trying to predict geopolitics. But python modeling has taken the various sticking points in negotiations, geopolitical tensions, economic risk, and other factors to create a score of most likely to least likely on a range of 1-10 and based on how quickly a deal will be struck. Based on that, the chart at left shows those countries most likely to get a trade deal with the US quickly. China being low on that list. For reference (although not on the table) the UK scored an 8 and Vietnam was 6.

Category	Calculation	Effective Rate
General Imports	125% (Reciprocal) + 20% (Fentanyl)	145%
Targeted High-Risk Products	125% + 20% + 100% (Pre-Existing)	245%

Country/Region	Likelihood to Reach Agreement First (Scenario Score 1-10)
South Korea	9.0
Japan	8.5
European Union	7.5
Mexico	7.0
Canada	6.5
China	4.0

Airfreight Price Index:

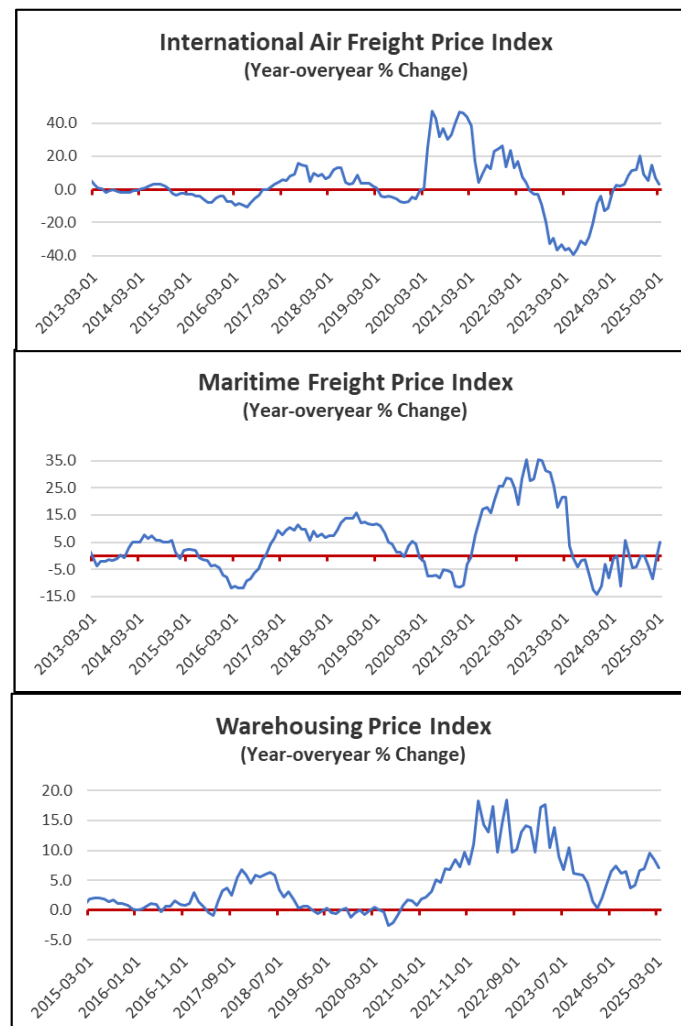
The airfreight price index was higher by 1.6% M/M in March (not seasonally adjusted and the latest available / down 8.4% last month) but was higher on a Y/Y basis, rising by 2.9% (up an adjusted 7.2% last month). Perhaps some firms still getting ahead of tariffs boosted shipments in March. (IC131)

Ocean Freight Price Index:

The blended PPI for maritime service in March was 5.0% higher Y/Y (1.0% lower last month), and it was up 3.0% M/M (5.6% 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 March (latest data available) with rates up by 0.2% M/M (1.6% higher last month) and was higher Y/Y by 7.1% (8.4% 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 June. The tariff shock from April 2nd and subsequent tariff battle that has erupted between the US and China was weighing on future demand expectations.

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

Source: DHL

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

Forecast (Apr-Jun)

Air Cargo Spot Rates 3% Higher Y/Y in Week 14

Average global air cargo spot rates were up 3% Y/Y while total tonnage up by 6% Y/Y despite being down by 7% week-over-week. The tariff uncertainty in China was heavily weighing on overall anticipated trade volumes.



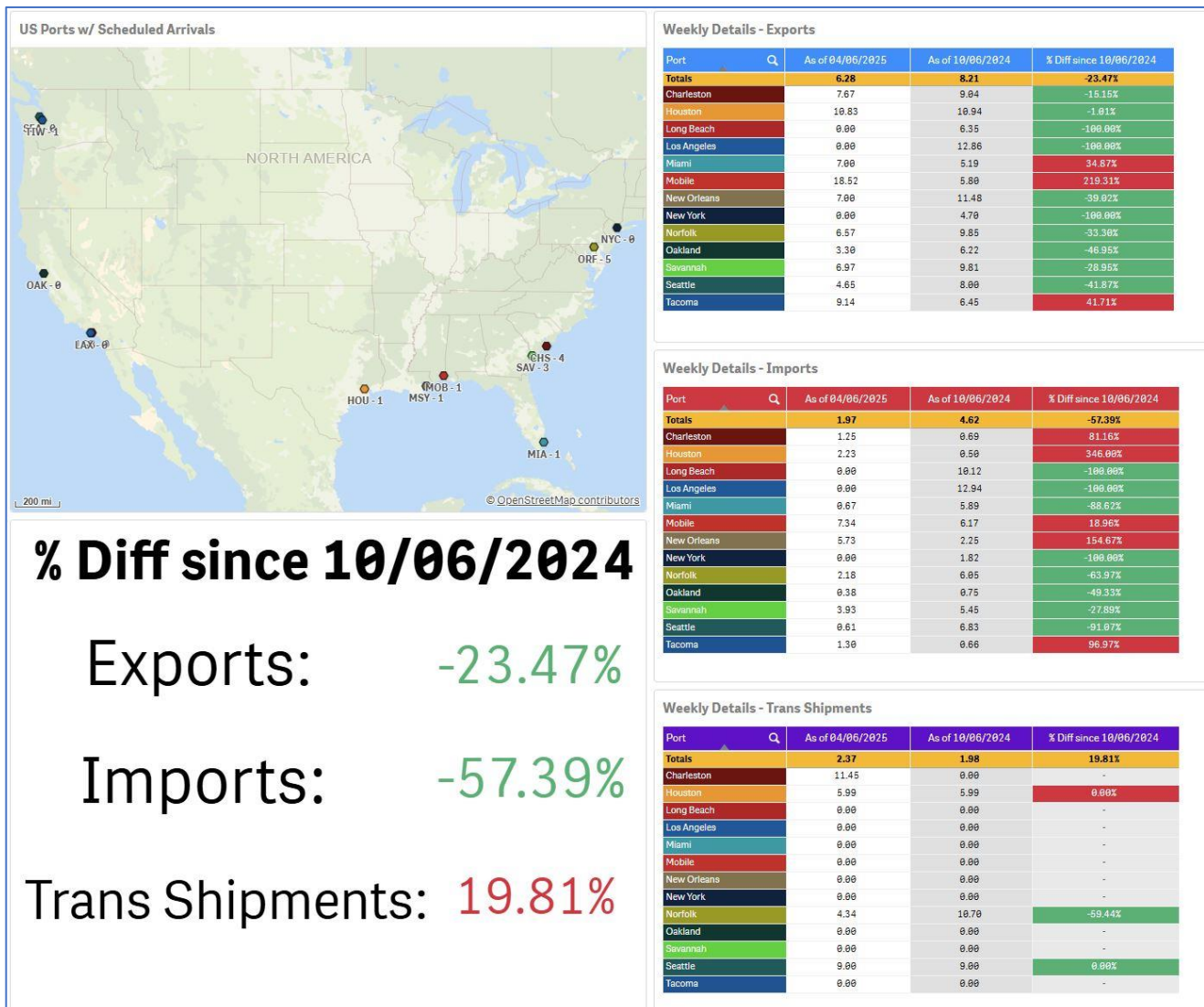
The LogisticsPULSE Port Congestion Index

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.

- For containers Imported into the USA, the Container Processing Time (in days) is taking a little less than two days, or 57% quicker than what it was in mid-October 2024. The processing time for Exports from these same ports is also improved by 23%, now taking a little more than 6 days to complete compared to the 8 days it was in mid- October 2024.
- The US Ports with the greatest amount of Imported TEU's currently are in Savannah, Houston and Norfolk and are processed in about 2.78 days. The highest volume of Exported TEU's are also found in Savannah, Houston and Norfolk and they are completing the export process in about 8.12 days.
- The ports with the greatest number of scheduled vessel arrivals are Norfolk, Savannah and Charleston, whereas Seattle and Oakland have the fewest

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



Special Topics in Supply Chain & Logistics:



Special Area of Focus: Vietnam

In 2024, Vietnam's total merchandise trade reached a record high of \$786.3 billion, with exports rising 14.3% to \$405.5 billion and imports up 16.7% to \$380.8 billion, resulting in a trade surplus of \$24.8 billion. This marked the **ninth consecutive year the country posted a trade surplus**, underscoring its growing competitiveness and integration into global supply chains.

The United States is Vietnam's largest export market, with bilateral trade totaling \$149.6 billion in 2024. U.S. imports from Vietnam reached \$136.6 billion, making Vietnam the **sixth-largest source of U.S. imports** and resulting in a record trade surplus of \$123.5 billion in Vietnam's favor. Key Vietnamese exports to the U.S. include electrical machinery, furniture, footwear, apparel, and machinery. Vietnam has also become an essential manufacturing hub for global brands like Nike, Adidas, and Apple, thanks to its relatively low labor costs, improving infrastructure, and business-friendly policies.

Vietnam's strengths in global trade are rooted in its role as a "China Plus One" destination, attracting investment from multinational corporations seeking to diversify supply chains. The country has seen surging investment in electronics assembly and high-tech manufacturing, with major firms like Samsung and Hon Hai (Foxconn) expanding operations.

While tariff risks and global economic uncertainties present hurdles, Vietnam's robust manufacturing base, skilled workforce, and strategic trade policies position it well to remain a key player in the evolving landscape of international commerce.

What's New at Logistics Plus?

Logistics Plus Global Logistics Alerts Provide Critical News Updates

Tariffs, pandemics, wars, droughts, labor strikes ... when the world changes, Logistics Plus® delivers! Not only solution, but critical news and alerts to keep you abreast of issues affecting the world of logistics. Read our latest news and subscribe to emailed alerts at logisticsplus.com/globalalerts.



Troy Pagaduan Discusses LP Hawaii on WPSE Business Spotlight

Troy Pagaduan, Director of Operations for Logistics Plus (LP) Hawaii, was featured on the Business Spotlight program, produced in partnership with WPSE Money Radio. Troy provides an update on the company's Hawaiian-based operations, new warehouse and solutions offered by LP Hawaii, supply chain challenges on the islands, unique projects, and more. [Listen to Podcast](#)



LP Receives Plastic Neutrality Certification for a Fifth Consecutive Year

Logistics Plus is proud to announce that it has received the official Ocean Integrity Plastic Neutrality Certification for 2024 – a fifth straight year. Last year, Logistics Plus reduced its plastic footprint by supporting the collection of over 81 thousand pounds of marine plastic and waste. [Read More](#)

