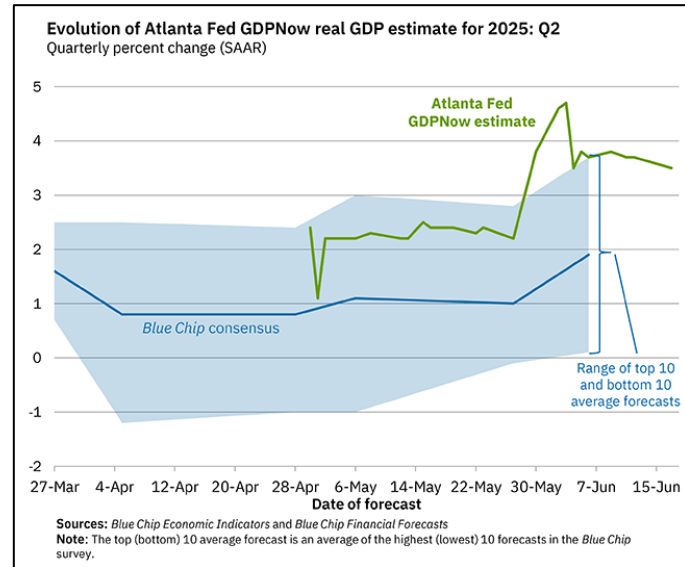


## Factors Shaping Supply Chain & Logistics

**Q2 GDP Estimates Jump Higher.** The Atlanta Fed GDPNOW estimate for Q2 is currently trending at a strong 3.5% growth rate, which is much higher than expectations. Even Blue-Chip estimates have risen from 1% to nearly 2%. There are some mild hints of softening among a few key economic metrics. Layoff data shows some mild acceleration and retail sales were declining M/M between April and May by 0.9% (despite remaining 3.3% higher Y/Y). Manufacturing activity was mixed; output was stronger in the month while new orders were sluggish.

**Federal Reserve and 2025 Rate Cuts.** The Federal Reserve is likely to cut at least twice between now and the end of the year. Most estimates predict a September and December cut of a quarter-point each. This is important because it suggests that the labor market gets more difficult in the coming months and economic growth is sluggish under the weight of trade and conflict uncertainty. A wave of inbound US freight (in the wake of easing tariff tension between the US and China) is expected to be followed by sluggish volumes thereafter. Even without economic sluggishness, the pressure from AI adoption and job losses tied to that are significant and will be difficult to offset with new job growth over the next 3 years.



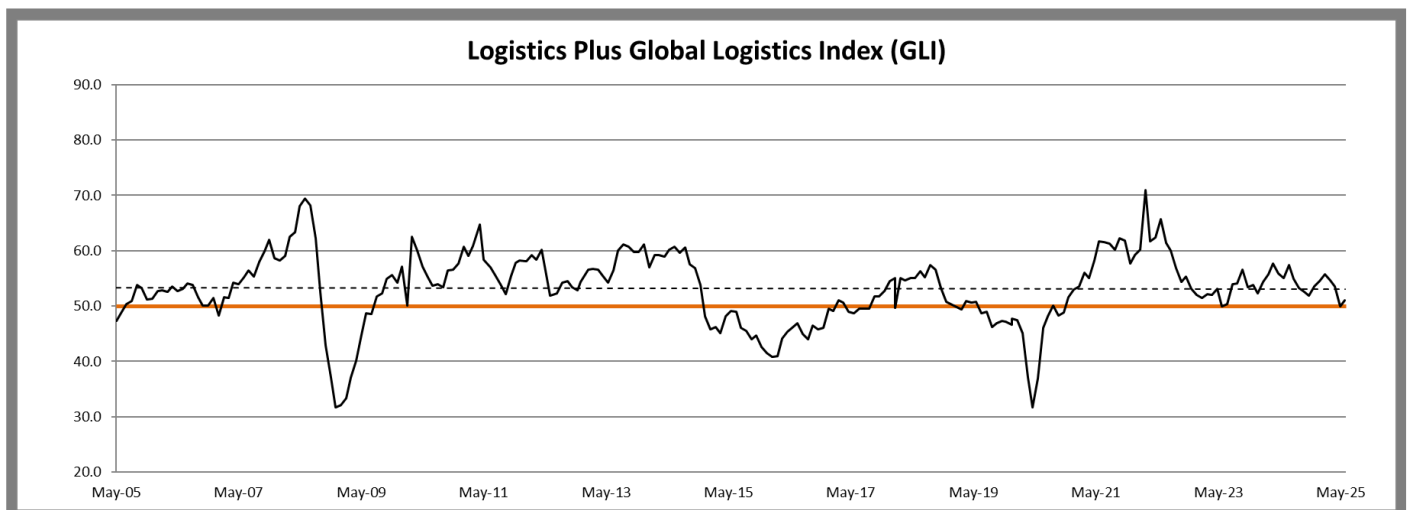
| Timeframe      | Estimated US Jobs Lost to AI |
|----------------|------------------------------|
| Past 6 months  | 300,000–350,000              |
| Next 6 months  | 400,000–600,000              |
| Next 12 months | 1–1.2 million (cumulative)   |
| Next 3 years   | 4–5 million (net)            |

## The LogisticsPULSE Global Logistics Index

### The GLI Stabilizes in May

The LogisticsPULSE Global Logistics Index (GLI) came in at **51.1 in May, up 1.1 points from 50.0 in April (+2.0%)**. It is slightly above the breakeven point but remained slightly below the long-term trendline. The index was still softer by 6.5% Y/Y (it was 9.7% lower Y/Y last month). The GLI should continue to inch upward in the coming months as we slip into the peak season, even if overall volumes remain sluggish compared to last year.

*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?

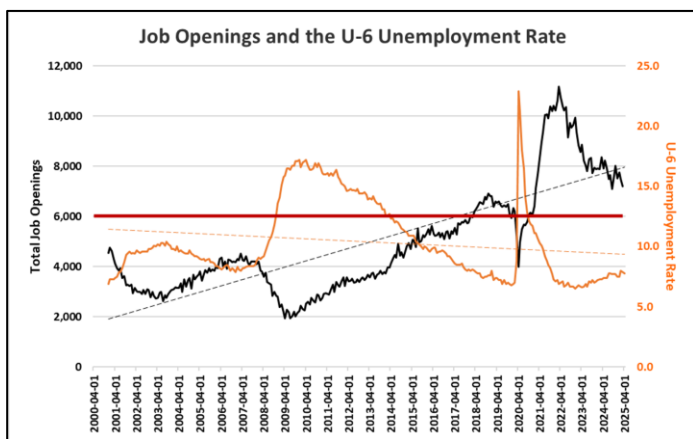
### Inventories Remain "Underweight" for Most Sectors

One of the key datapoints that will set the stage for the second half of the year is the inventory-to-sales-ratio. Many expected it to surge as purchasing managers attempted to get ahead of tariff risk, but real data is showing an active consumer market continues to eat inventories as quickly as companies can build them. Most primary sectors are still underweighted on a historical basis and total business inventories are in-line. Automotive and retail inventories are still well under the pre-pandemic 10-year average and retail inventories are 12% lower than they were in 2019. Despite what "sounds" like overbuilding of inventories, data doesn't show that. This could create a stockout risk later in the 2H of 2025.

### US Labor Market Sends Mixed Consumer Signals

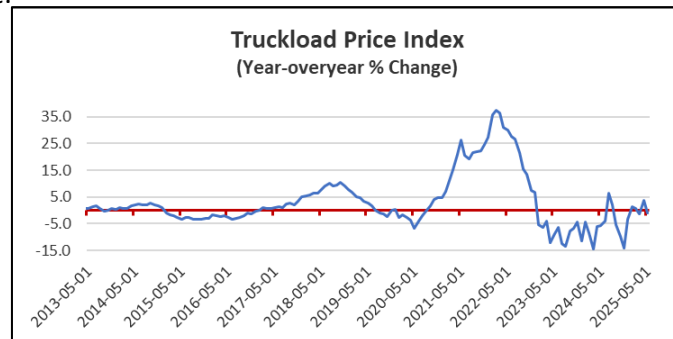
Overall, the US consumer remains strong, but there are some signals that some stress has formed. US job openings continued to be 7.4 million (6 million is balanced) and wage growth was 3.9%. This wage growth rate is well above inflation of 2.6%, giving most households some income relief – which typically translates into more vacations and services spending, better retail activity, and generally better overall economic growth. The unemployment rate is also still near historically low levels, despite some slight upticks in the overall rate.

| Inventory to Sales Ratio (ISR) Analysis |                       |                                      |
|---|-----------------------|--------------------------------------|
|   | Sector                | ISR Percent Above/Below Pre-pandemic |
|   | <b>Total Business</b> | <b>0.0%</b>                          |
| 1                                       | Automotive            | -48.6%                               |
| 2                                       | Retail                | -9.8%                                |
| 3                                       | Merchant Wholesalers  | 0.8%                                 |
| 4                                       | Manufacturing         | 7.4%                                 |



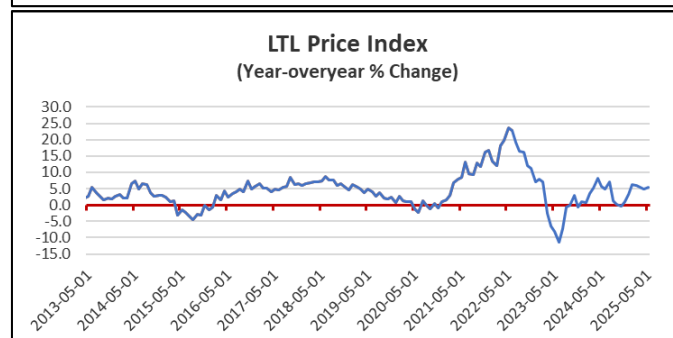
### Full Truckload (FTL) Price Index:

Truckload prices were up 0.1% M/M (+5.3% last month) in May (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 1.0% Y/Y (+3.8% adjusted from last month). (PCU484121484121)



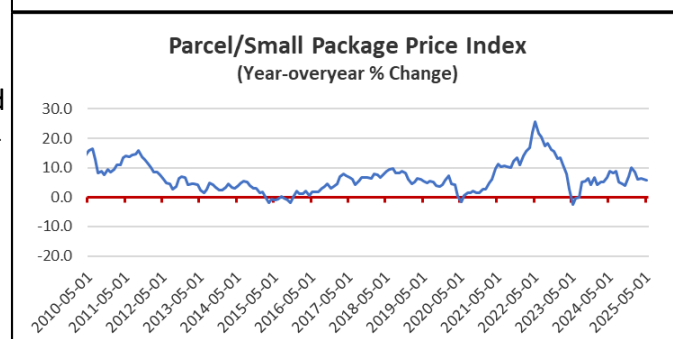
### Less-Than-Truckload (LTL) Price Index:

LTL prices were higher in May month-over-month (latest available) rising by 5.4% Y/Y (up 4.9% last month). Some softening of domestic volumes M/M was evident in May, but they remained stronger year-over-year as mentioned. (PCU4841224841221)



### Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services surged by 5.7% Y/Y (6.1% higher last month); but were lower month-over-month in May by 0.2%. E-commerce sales were 8.3% higher Y/Y (8.7% last month) and were higher by 0.9% month-over-month in May (latest available and not seasonally adjusted). (PCU492110492110201)



## What's New & Important with International Supply Chains?

| Country  | Y/Y % Change in US Imports In May 2025 |
|----------|--|
| China    | -28.5%                                 |
| Vietnam  | 18.1%                                  |
| India    | 10.4%                                  |
| Thailand | 11.1%                                  |
| Mexico   | 5.0%                                   |
| Taiwan   | 4.4%                                   |

### Update on Tariffs

At the time of writing, reciprocal tariffs were still in place. Chinese tariffs are averaging more than 55% on most products and an estimated 73% of supply chain managers are actively shifting more than 38% of their Chinese sourced products to alternative markets. As evidence of this, growth rates in other markets have significantly increased over the past 60 days. Chinese sourced exports to the US were down 28.5% Y/Y through May but Vietnam was up 34%, India up 10.4%, Thailand up 11.1%, and Mexico was about 5% higher. Some products sourced in China, if they have most of the material with steel or Aluminum components have tariff rates that could reach 87.6% or higher.

### Iran/Israel Conflict: Impact on Business Conditions

Aside from the terrible impact on citizens, the business community is closely watching petroleum supplies and the impact on oil prices. Thus far, oil prices are 17% higher than their May 30<sup>th</sup> levels (WTI is also up 20.7% in the same time frame). At the time of writing, the US had not yet directly entered the conflict (some speculation holds that the US could help strike nuclear facilities in Iran). Iran in retaliation has threatened to close the Strait of Hormuz which carries 20 million barrels a day, 14 million of which have no overland route for exports. Again, prices will remain volatile but have resisted a "super spike" thus far.

West Texas Intermediate



### Airfreight Price Index:

The airfreight price index was lower by 2.2% M/M in May (not seasonally adjusted and the latest available; up 5.2% last month) and was higher on a Y/Y basis, rising by 9.1% (up an adjusted 6.9% last month). (IC131)

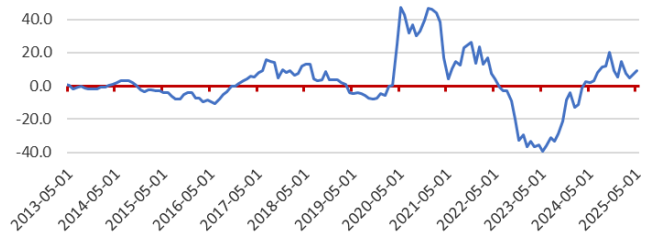
### Ocean Freight Price Index:

The blended PPI for maritime service in May was 10.1% lower Y/Y (3.3% lower last month), and it was down 3.9% M/M (-5.3% last month and not seasonally adjusted). (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data.*

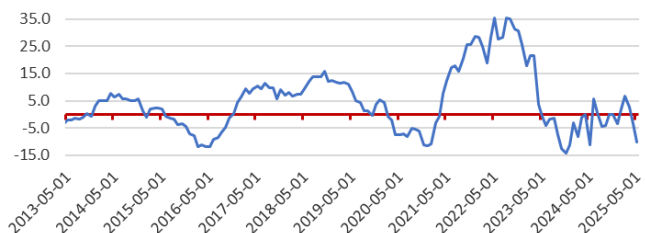
### Warehousing Price Index:

Warehousing prices were lower by 3.7% in May (latest data available and unchanged last month after adjustments) but was higher Y/Y by 1.7% (4.7% last month). (PCU49314931)

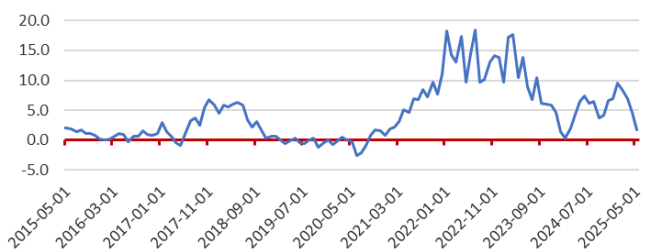
International Air Freight Price Index  
(Year-over-year % Change)



Maritime Freight Price Index  
(Year-over-year % Change)



Warehousing Price Index  
(Year-over-year % Change)



## Global Maritime and Air Cargo Observations

### DHL Expects Capacity to Tighten in Asia-US Lanes

DHL expects tightening between Asia and the US between now and through August. An early rush of orders are getting released now, but new order demand is sluggish, which could loosen capacity in the traditional peak season.

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

R

 Demand > Capacity

A

 Demand, Capacity balanced

G

 Demand < Capacity

Source: DHL



















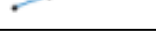
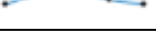
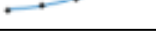
### Air Cargo Spot Rates 1% Lower Y/Y in Week 23

Average global air cargo spot rates were down 1% Y/Y while total tonnage was unchanged Y/Y despite being down by 6% week-over-week. The tariff uncertainty in China was heavily weighing on overall anticipated trade volumes. Expedited shipments out of Asia were among the fastest growing trade lanes, European lanes were among the weakest. Rates remained higher however, except in Middle East and South Asia trade lanes.

### Origin Regions

last 2 to 5 weeks



|                   | Capacity <sup>1</sup>   |       |     | Chargeable weight <sup>1</sup>  |       |     | Rate <sup>1</sup>   |       |      |
|-------------------|---|-------|-----|---|-------|-----|---|-------|------|
|                   | Last 5 wks  | 2Wo2W | YoY | Last 5 wks  | 2Wo2W | YoY | Last 5 wks  | 2Wo2W | YoY  |
| Africa            |  | +4%   | +8% |  | -7%   | -2% |  | +1%   | +7%  |
| Asia Pacific      |  | -0%   | +3% |  | -4%   | +5% |  | +5%   | -2%  |
| C. & S. America   |  | -1%   | -1% |  | -5%   | +3% |  | +1%   | -1%  |
| Europe            |  | -1%   | +2% |  | -10%  | -4% |  | +2%   | +1%  |
| M. East & S. Asia |  | +1%   | +6% |  | -5%   | -6% |  | +4%   | -10% |
| North America     |  | +1%   | +0% |  | -5%   | -2% |  | +0%   | -1%  |
| Worldwide         |  | +0%   | +2% |  | -6%   | +0% |  | +4%   | -1%  |



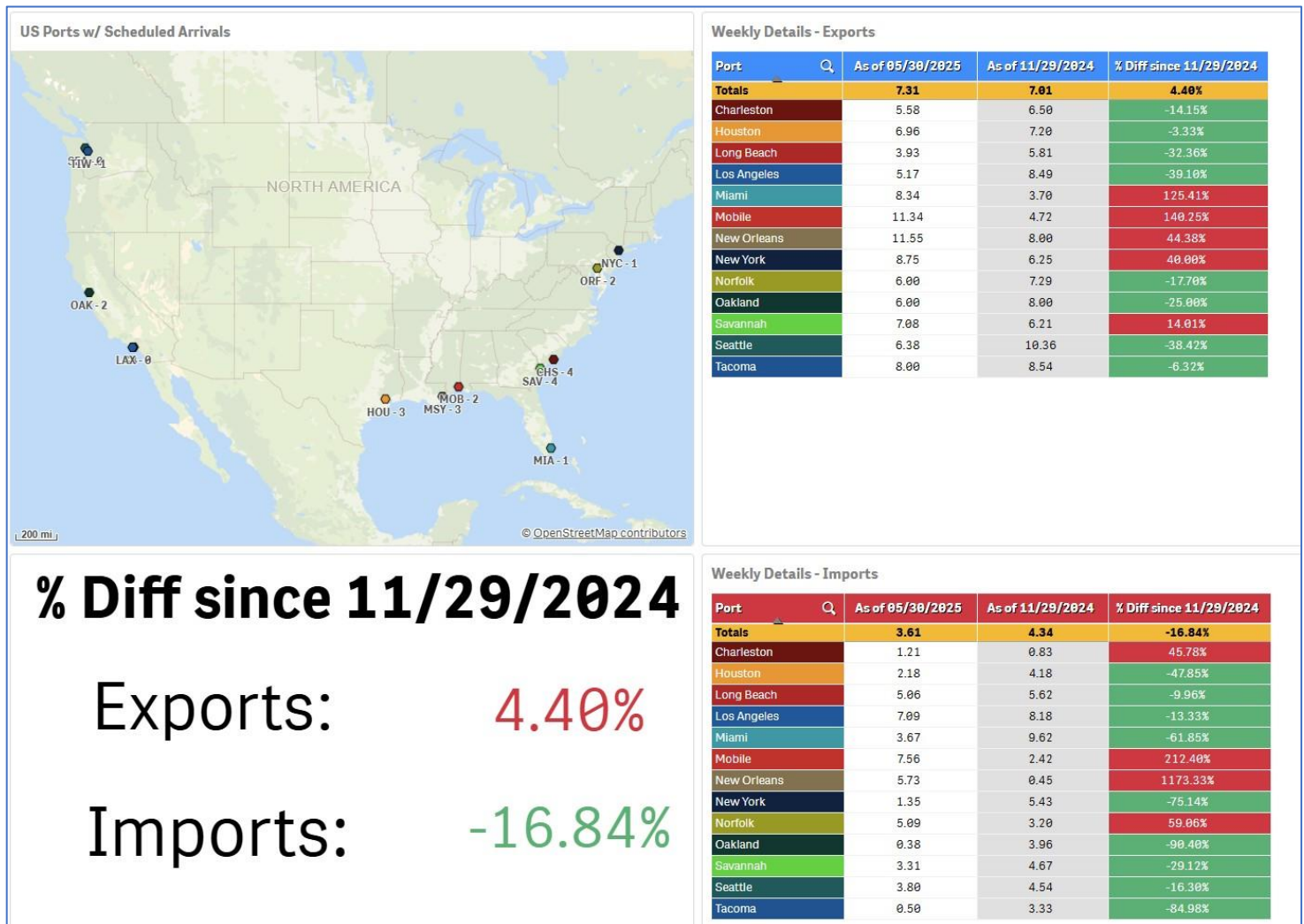
## The LogisticsPULSE Port Congestion Index

### 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 almost one full day, or 16.84%, better than what it was in mid-November 2024. The processing time for Exports from these same ports is taking about a quarter of a day more, or 4.4% longer, than it was in mid-November 2024.
- The US Ports with the greatest amount of Imported TEU's currently are in Long Beach, New York and Oakland and are processed in about 2.26 days. The highest volume of Exported TEU's are found in Houston, Long Beach and New York and they are completing the export process in about 6.55 days.
- The ports with the greatest number of scheduled vessel arrivals are Charleston and Savannah, whereas Los Angeles and Seattle have the fewest

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



## Special Topics in Supply Chain & Logistics:

### Special Area of Focus: UK/Ireland



Source: [Geology.com](https://www.geology.com)

The UK and Ireland represent the 8<sup>th</sup> and 12<sup>th</sup> largest trading partners with the United States. For the UK, its top 5 trading partners by rank is the US (\$409B), Germany (\$183B), Netherlands (\$138B), France (\$130B) and China (\$123B). For the UK, it is highly exposed to tariffs that would impact automotive and machinery exports to the US, and that sensitivity was already showing in trade data. UK exports of automotive products were down 33% M/M in April – and that was a key component of the US/UK trade bill.

Ireland's top trading partners were (ranked in order), the US (\$85.6B), UK (\$48.6B), Germany (\$44.1B), Belgium (\$37.3B), and the Netherlands (\$34.8B). Ireland has also been impacted by the tariff and trade war battle; pharmaceutical exports were down 61% M/M between March and April.

The UK (after Brexit) negotiated its own trade agreement with the United States and just ratified that agreement this week. That agreement would set the stage for tariff-free steel and aluminum imports into the US (which could significantly boost imports of machinery and other products that have heavy steel and aluminum content – especially when the rest of the world is currently paying a 55% tariff on those items).

Ireland is still negotiating its trade agreement with the US under the EU agreement, which could get volatile and is expected to be “far off” according to the US Administration.

## What's New at Logistics Plus?

### The Journey of Logistics Plus: A Story of Grit, Vision, and a Little Bit More

In the world of supply chains and global logistics, a few companies manage to stand out. Fewer still can trace their success to a story as personal — and unlikely — as that of Logistics Plus. [Read More](#)

### Introducing Logistics Plus Chile

The Logistics Plus Chile (aka LP Chile) team officially began operations in Santiago in May 2025. As Logistics Plus aims to strengthen and expand its global network, the new LP Chile office will offer both domestic and global logistics services. [Learn More](#)

### The Benefits of Using an Importer of Record

Navigating the complexities of international shipping can be a daunting task for businesses, especially when it comes to understanding customs regulations and legal requirements. This is where the role of an Importer of Record (IOR) becomes invaluable. [Read More](#)

