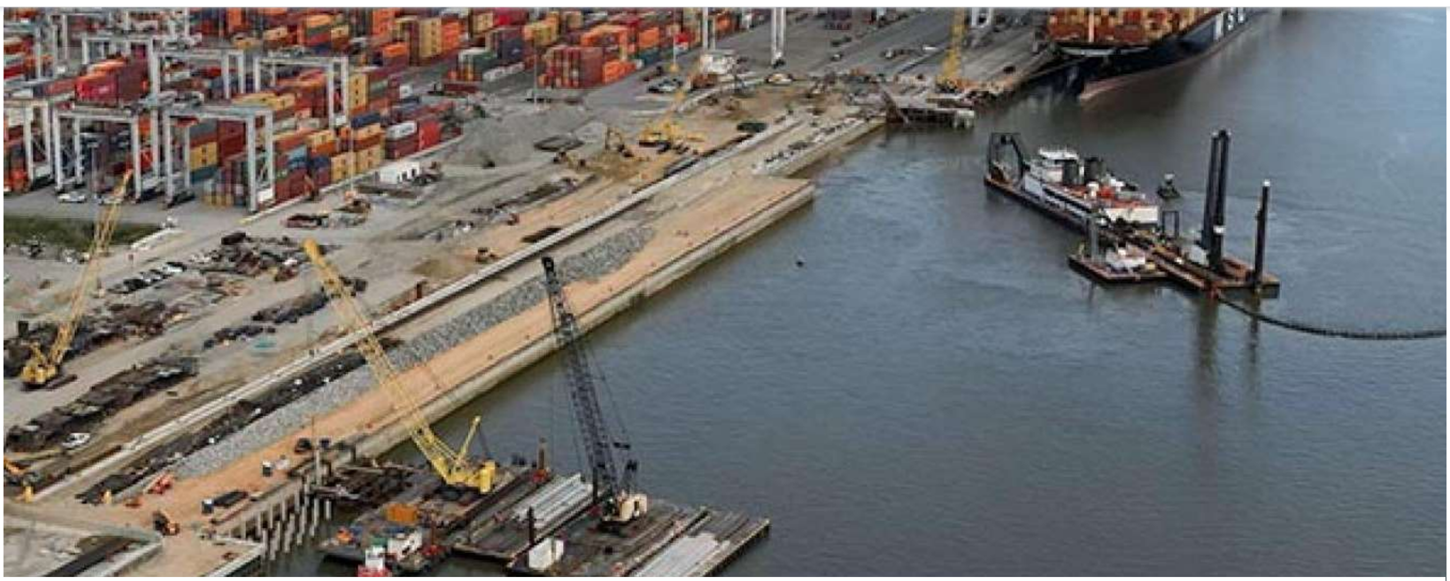
US imports to begin recovery, but remain well below 2022: retailers



It will be July before US imports are mostly on a par with 2022, with the month projected to be down just 2.5 percent from the year-earlier period. Photo credit: Georgia Ports Authority.

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Bill Mongelluzzo, Senior Editor | Mar 8, 2023, 3:52 PM EST

US imports will begin to climb this month — after experiencing their lowest level since May 2020 last month — but the year-on-year comparisons will remain well below 2022, a major retail group said Wednesday.

The month-on-month gains will continue at least through midsummer, the National Retail Federation (NRF) and Hackett Associates said in their monthly Global Port Tracker (GPT) for March.

“There are many uncertainties about the economy, but we expect imports to show modest gains over the next several months,” Jonathan Gold, NRF’s vice president for supply chain and customs policy, said in a statement.

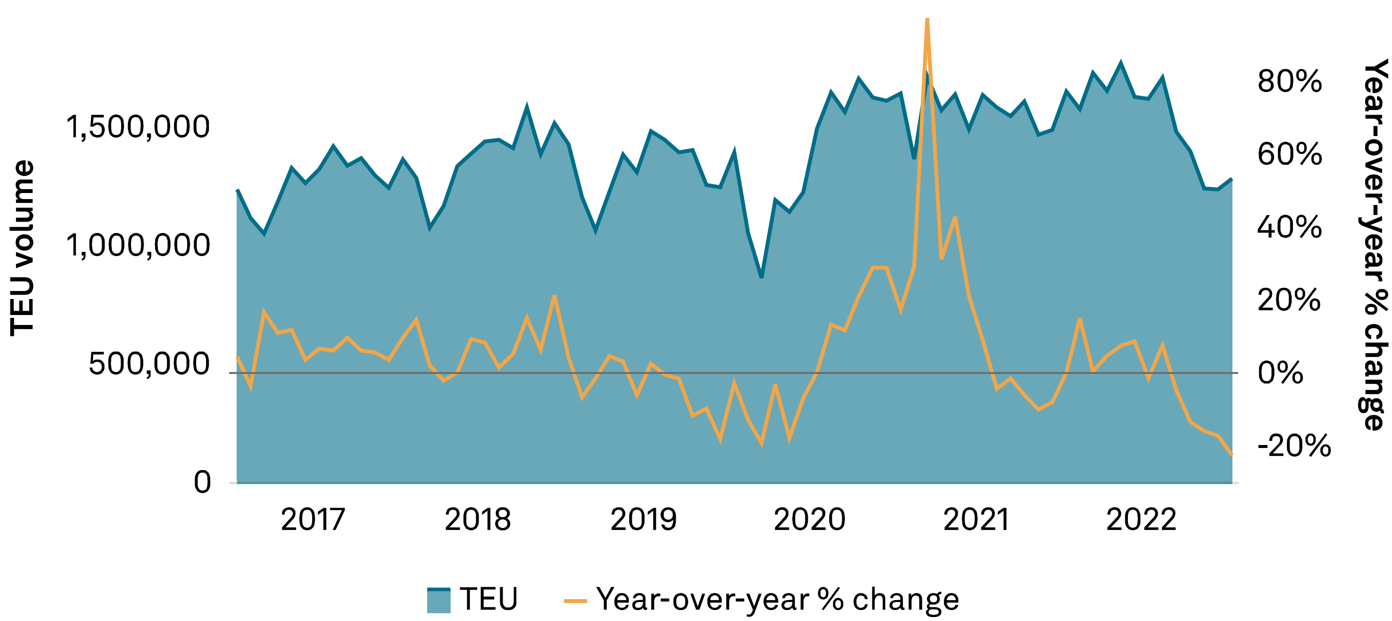
February 2023 imports are projected at 1.56 million TEU, down 13.6 percent from January, 26.2 percent lower than February 2022, and the lowest import level since the pandemic-driven demand crash in May 2020.

GPT forecasts that import volumes for March will come in at 1.74 million TEU, then gradually rise to 1.87 million TEU in April, 1.92 million TEU in May, 2 million TEU in June, and 2.13 million TEU in July. But the year-on-year comparisons for 2023 will be well below last year — down 25.9 percent in March, 17.2 percent in April, 19.7 percent in May, and 11.5 percent in June. Those figures are largely unchanged from last month’s GPT forecast.

It will be July before imports are mostly on a par with 2022, with the month projected to be down just 2.5 percent from the year-earlier period.

Asia imports to US remain near three-year low

Total monthly US imports from Asia with year-over-year change



Source: PIERS, S&P Global

3M 6M 1Y YTD MAX

Demand, inventories key to H2 orders

Retailers say their main concern right now is to avoid over-ordering product from factories in Asia until they get a better handle on consumer demand later this summer. That discipline would help avoid a repeat of the past two years, when retailers quickly rebuilt inventories to levels that exceeded consumer demand.

“While import volumes remain low, the tight labor market and strong wages are helping consumers absorb the impact of inflation and continue to spend,” Ben Hackett, founder of Hackett Associates, said in the statement.

A transportation industry consultant who worked as a logistics manager for several national retailers told the *Journal of Commerce* Wednesday it’s not only the level of inventories, but the type of products retailers are carrying over that will determine how much they order from Asian factories in the coming months. Retailers have to replenish certain merchandise and have a good handle of how much redundant product to order, but are still trying to determine how much seasonal merchandise to order, according to the source.

“The key is what type of inventory they have,” the source said. “That begins to tell the story.”

GPT surveys the ports of Los Angeles/Long Beach, Oakland, and Seattle and Tacoma on the West Coast; New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami, and Jacksonville on the East Coast; and Houston on the Gulf Coast.

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