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US retailers downgrade import forecast through January amid sufficient inventories

The National Retail Federation is forecasting that US imports in 2023 will be 13.5% lower than in 2022. Photo credit: John McAdorey / Shutterstock.com.

Bill Mongelluzzo, Senior Editor | Oct 10, 2023, 3:33 PM EDT

US imports peaked in August and are forecasted to edge lower into the new year as retailers are well-stocked with holiday merchandise and consumer spending, while still strong, is not growing at the rate it did this summer, a major retail group said Tuesday.

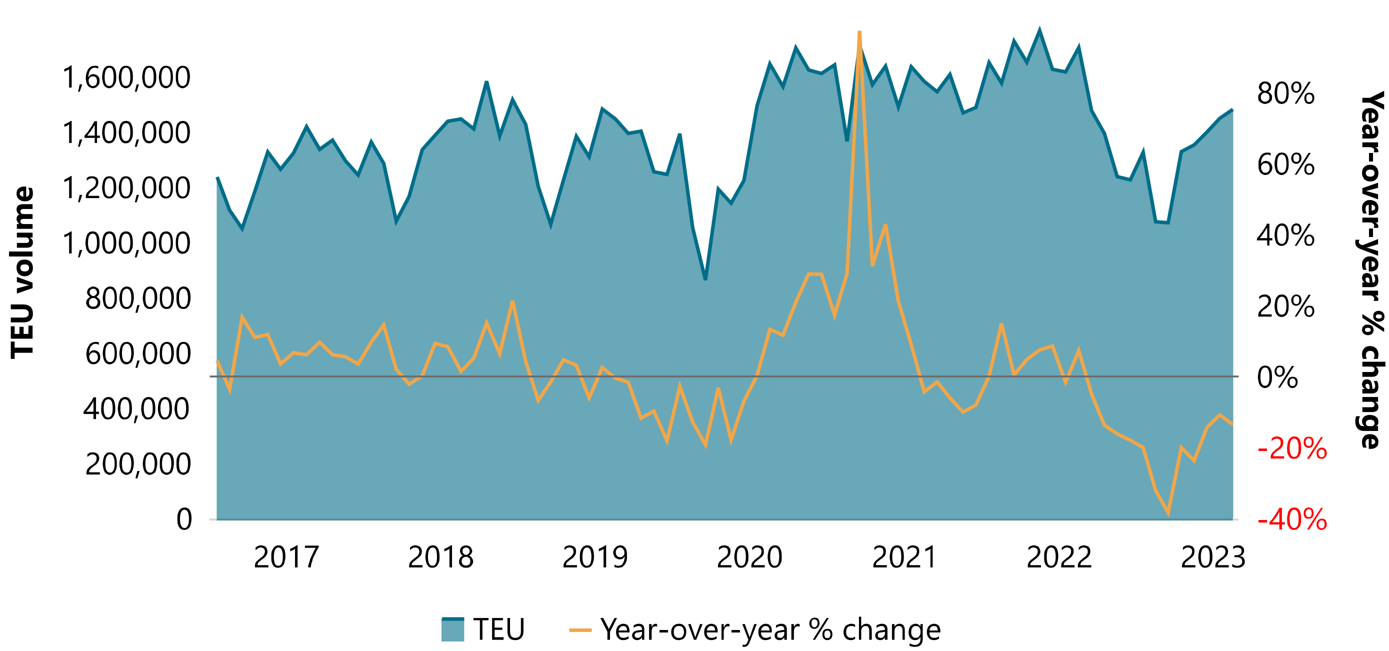
The latest import forecast in the Global Port Tracker (GPT), published monthly by the National Retail Federation (NRF) and Hackett Associates, shows a downgrade from September's report.

"Cargo volumes will be strong the rest of the year, but not as high as we expected a month ago," Jonathan Gold, vice president for supply chain and customs policy at the

NRF, said in the new GPT.

Trans-Pacific volumes remain well below 2022 levels

Containerized US imports from Asia, in laden TEUs, with year-over-year change



Source: S&P Global

3M 6M 1Y 2Y YTD MAX

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Amid concerns about the impact of inflation and high interest rates, discretionary spending growth is slowing and therefore retail merchandise imports are expected to decline, said Ben Hackett, founder of Hackett Associates. He said retail sales for 2023 could come in at the low end of the NRF forecast of 4 to 6% year-over-year growth.

Carriers reducing capacity as cargo volumes soften

Actual containerized imports from Asia have fallen 21.2% year over year in the first eight months of 2023, according to the latest available data from PIERS, a sister product of the *Journal of Commerce* within S&P Global, and carriers are responding by reducing effective capacity in the trans-Pacific trade.

"We are already seeing this in the operational decisions carriers are making," Hackett said. "They have slowed down their ships in an attempt to cut capacity without having to take vessels out of service as new, larger ones ordered when demand was higher are delivered. Even so, ships are not sailing fully loaded and freight rates are declining as a result."

GPT's new forecast shows October imports declining 3.1% year over year, compared with a gain of 0.1% in last month's report. November imports are projected to increase 7.5% from November 2022, down from the 10.4% increase forecasted last month. Imports in December are forecasted to increase 8.9%, down from 12%, while January imports are now expected to be up 4.2% year on year, compared with the 5.4% increase in last month's GPT.

Retailers are now forecasting that US imports in 2023 will total 22.1 million TEUs, down 13.5% from 2022. Last month, GPT forecasted that 2023 imports would total 22.3 million TEUs, which would have been a decrease of 12.5% from last year.

Retailers this year shipped holiday merchandise early to avoid supply chain bottlenecks, so imports in October, normally one of the busiest months of the year, will not be as robust as in previous peak seasons in the trans-Pacific.

"Retailers stocked up early this year as a safeguard against supply chain labor issues and are well-situated to meet consumer demand," Gold said.

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