

US retailers ramping up year-end imports ahead of strike, tariff threats



It takes several months from the placement of purchase orders with factories (an electric fan assembly line in Jiangxi, China, pictured), until the arrival of the cargo at US ports. Photo credit: shumphery / Shutterstock.com.

Bill Mongelluzzo, Senior Editor | Nov 8, 2024, 3:56 PM EST

US retailers in November and December plan to import 350,000 TEUs more than they had expected a month ago as they rush to bring merchandise into the country ahead of a possible strike in January by East and Gulf coast dockworkers and billions of dollars in new tariffs proposed by President-elect Donald Trump.

Retailers revised their import projections for November to an increase of 13.6% year over year from the previous forecast of a 0.9% increase just one month ago, according to the latest Global Port Tracker (GPT) report, published monthly by Hackett Associates and the National Retail Federation (NRF). The November GPT report forecasts a 6.1% increase in US imports in December, up from a projected 0.2% increase in the previous report.

The possibility of a second strike by the International Longshoremen's Association (ILA) when its tentative contract extension expires on Jan. 15 and huge tariff increases promised by Trump bode ill for the US economy, according to Jonathan Gold, vice president for supply chain and customs policy at the NRF.

"Neither of these developments is good for retailers, their customers or the economy," Gold said in the November GPT report.

US imports from China have been strong all year, rising 15.4% in the first nine months of 2024, according to PIERS, a sister product of the *Journal of Commerce* within S&P Global.

Retailers have frontloaded imports for much of the year in anticipation of a possible strike by the ILA during the union's contentious contract negotiations with employers at East and Gulf coast ports. The ILA struck for three days in October before reaching a tentative settlement on wages. Both sides agreed to extend the contract until Jan. 15 to address thorny issues such as automation.

Trump's threat of imposing tariffs of as much as 200% on US imports from China turned real with his election to a second term earlier this week. Because it takes several months from the placement of purchase orders with factories in China until the arrival of the cargo at US ports, retailers are expected to fast-forward imports of spring merchandise ahead of the Lunar New Year on Jan. 29, when many factories in China will close for a week or two.

GPT upgraded its January forecast for US imports to a 2.5% increase from last month's forecast of a 0.8% gain and its February projection to a 9.3% year-over-year decline from the previous forecast of an 11.2% drop.

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