



Trade Currents Navigator



June 2024

In Partnership With

AAPA



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Introduction

Significant uncertainties are likely to continue affecting U.S. container trade volumes in 2024 and beyond, including U.S. economic developments and global conflicts. However, there may also be some return to pre-COVID long-term trends in 2024 and thereafter. The Navigator highlights these long-term trends for commodities that have represented large growth or declines in volumes and notes how projected volumes may be expected to return to long-term trends. The June 2024 edition of the Trade Currents Navigator examines U.S. containerized trade, focusing on:

- 1) Economic indicators that drive trade demand (from U.S. Bureau of Economic Analysis data)
- 2) The top commodities that have contributed to increases or decreases in containerized imports and exports (from U.S. Census Bureau data reported through April 2024)

The granular data used to measure real containerized trade volumes by commodity is in weight terms as reported by the Census Bureau. Commodities are defined by Harmonized System codes (see Appendix). Recent trade volumes are compared with historic trends and seasonal patterns to offer insights into how they may return to those trend levels and seasonality through 2024.

Trade Currents

Trade Currents was created to improve the understanding of U.S. international goods trade. The founding partners include internationally recognized economists and trade analysts Walter Kemmsies, Andrei Roudoi, and Scudder Smith. Trade Currents is a partner with AAPA in support of its Port Statistics Program to benefit ports, as well as the broader trade and logistics industry, research community, policymakers, and private institutions. Contact us at Walter.Kemmsies@tradecurrents.com, Andrei.Roudoi@tradecurrents.com, or Scudder.Smith@tradecurrents.com.

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Executive Summary

Macroeconomic Factors:

- Consumer spending has remained strong despite the Federal Reserve (Fed) hiking interest rates in 2023. Construction has not held up as well except for expenditures on new manufacturing facilities, which in the first quarter of 2024 were more than double the quarterly average from 2019 to 2022.
- It is likely that real consumer spending on goods will gradually approach the long-term growth trend and residential and non-residential investment in structures will continue recovering, driving demand for imported housing fixtures, furniture, construction materials, and manufacturing equipment.

Imports:

- In 2023, containerized import volumes declined 11.9% from 2022, with furniture and wood accounting for almost a quarter of the total decline.
- However, volumes have been rebounding. They trended upward month-on-month between March and October 2023. In April 2024, containerized imports were 3% below the October peak. However, this decline was not as high as typically seasonal. Year-over-year, volumes grew 8.9% in January-April 2024.
- Volumes of solar panels, the highest growth commodity in 2023, increased relatively little in the first four months of 2024. In contrast, containerized import growth was mainly driven by a rebound in commodities whose volumes declined in 2024 – plastics, furniture, and articles of iron and steel. Falling containerization was the main factor behind significant drops in several commodities, such as cement.
- In 2024, a 7.5% increase in volumes is expected, with plastics, furniture, and electrical machinery growing in double-digits during 2024 as a whole. Growth will likely slow in 2025.

Exports:

- In 2023, annual containerized export volumes fell 3.7%, continuing a negative trend that started in 2019. Waste paper was the main contributor to the decline.
- However, exports grew on a month-by-month basis beginning in July 2023, except in January and April 2024, when they fell due to seasonal factors. In January-April 2024 exports rose 6.1% year-over-year.
- Polyethylene in primary forms remained the top containerized export growth commodity in the first four months of 2024. Exports of food industry residue and waste also continued strong expansion. At the same time, several commodities with sharp declines in 2023, such as kraft paper and forage, strongly rebounded. Waste paper again posted the most substantial decline.
- Higher containerization rates added about four percentage points to growth in January-April 2024.
- In 2024 as a whole, exports are projected to increase by a moderate 3.9%. Polyethylene in primary forms, food residue, ferrous scrap, and kraft paper exports are expected to grow at double-digit rates. Waste paper exports will likely fall significantly, though not as much as in 2023.

Key Risk Factors:

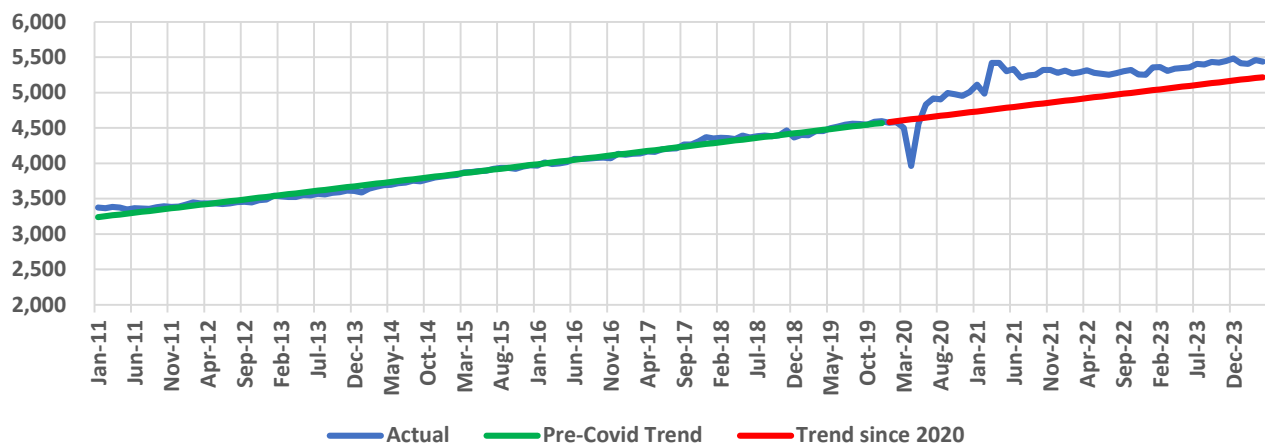
- A worsening geopolitical situation, such as a possible spread of the Middle East conflict, could lead to imported volumes below projections. Such declines could occur due to added costs resulting from trade route relocations or higher security and insurance costs, possibly leading to increased domestic sourcing.
- Monetary policy may be loosened in 2024 but persisting inflation will likely slow the Fed's reduction of interest rates. On the other hand, quicker easing of inflation or a threat to economic growth coming, for example, from significantly aggravated geopolitical instability, could prompt the Fed to relax monetary policy more quickly.
- Volatility in containerization rates is also a risk to volume projections, both positive and negative, with exports more likely to switch between bulk and containerized shipment than imports.

Macroeconomic Developments

Consumer Spending:

- As a result of stimulus funding and changes in consumer spending patterns, real consumer spending on goods has been consistently above the long-term pre-COVID trend since June 2020. The gap above the trend decreased from 5% in March 2024 to 4% in April.
- The U.S. labor market added 272 thousand jobs in May 2024, substantially above economists' projections. Barring significant growth in unemployment, spending on goods will likely gradually approach the trend without a substantial drop.
- In addition, a revival in spending on services could boost imports of food and beverages for restaurant consumption, as well as goods related to travel.

Real Consumer Spending on Goods, billions of 2017 dollars, seasonally adjusted at annual rates



Sources: Bureau of Economic Analysis, Trade Currents estimates

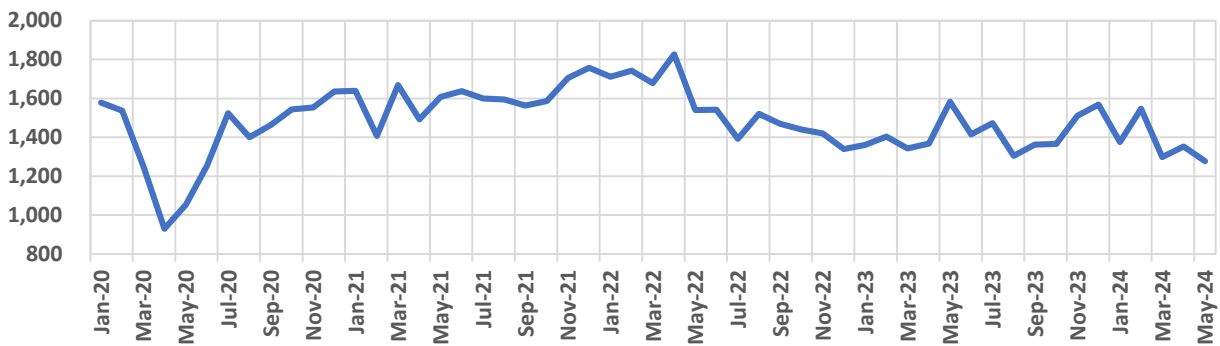
Fixed Investment:

- While the Federal Reserve's monetary policy has not reduced consumer spending to pre-pandemic trend levels, it has had a major negative impact on fixed investment.
- Real residential investment boomed during the COVID pandemic. The boom lasted through the first half of 2022, but residential investment then dropped steeply. By the first quarter of 2023, residential investment fell to a level not seen since 2015. It grew sluggishly in the second half of 2023 but rose a robust 5% year-over-year in the first quarter of 2024.
- There was no pandemic-related boom for real non-residential investment.
- Following a drop in the first half of 2020, non-residential investment in equipment grew slowly, reaching an all-time high in the third quarter of 2022, but volumes have since stabilized. Non-residential investment in equipment increased just 1% year-over-year in the first quarter of 2024.
- Real non-residential investment in structures fell sharply during the pandemic. By the third quarter of 2022, this investment contracted to the lowest level since 2013. However, since the third quarter of 2022, it has been rising, including an increase of 9% year-over-year in the first quarter of 2024.
- Residential investment in structures has substantial growth potential that could be limited if interest rates remain high, but potential for investment in equipment is more problematic.



- Seasonally adjusted housing starts increased every month between August and December 2023, but by May 2024, they fell 13% compared to December. Nevertheless, the residential investment outlook is favorable, depending on monetary policy relaxation.
- The prospects of growth in non-residential investment in structures have increased primarily due to increases in construction of manufacturing facilities, as the U.S. seeks to repatriate production, including the manufacturing of autos, computer components, and healthcare-related products.
- A recovery in investment in structures would positively affect imports of building materials, appliances, furniture, and other furnishings.
- Total real non-residential investment in equipment has been stagnating, even though investment in two major equipment categories – computers and light trucks - increased significantly year-over-year in the first quarter of 2024. While quarter-over-quarter growth of investment in light trucks has stalled, momentum for increases in investment in computers remains strong.

New Privately-Owned Housing Units Started, thousands, seasonally adjusted at annual rates

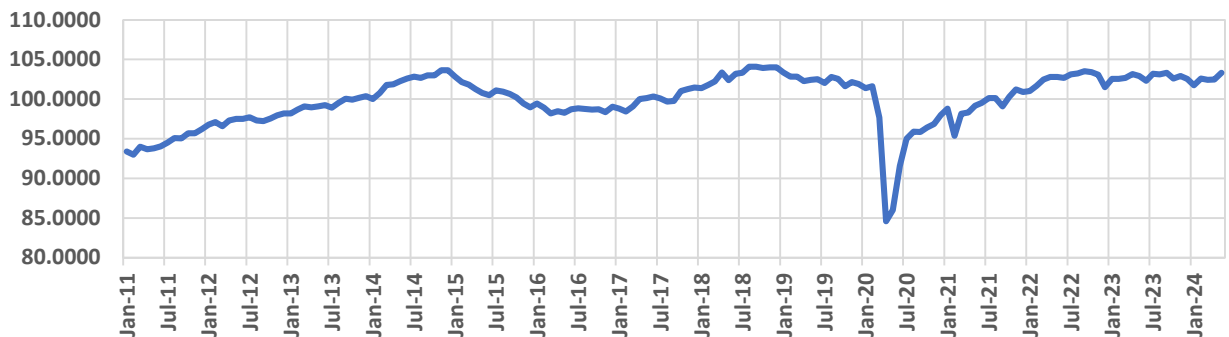


Source: Federal Reserve Bank of St. Louis Economic Database (FRED)

Industrial Production:

- Real industrial production was on a slight downward trend that started in the fall of 2022, following a long recovery from the slump at the beginning of the COVID pandemic. However, despite the recovery, industrial production remained below the peak levels of the end of 2018.
- On the positive side, in April 2024, production grew to the highest level since October 2022. It will likely trend upward, boosted by recent investment and retailers’ inventories being trimmed back to more sustainable levels compared to sales.

Real Industrial Production, index numbers (2017 = 100), seasonally adjusted



Source: Federal Reserve Bank of St. Louis Economic Database (FRED)

Containerized Imports

Outlook:

- Following normal seasonal patterns, containerized import volumes are likely to trend upward in 2024 through July and August, the typical peak season.
- Volumes fell 11.9% in 2023 but will likely grow 7.5% in 2024. Growth is expected to slow in 2025.

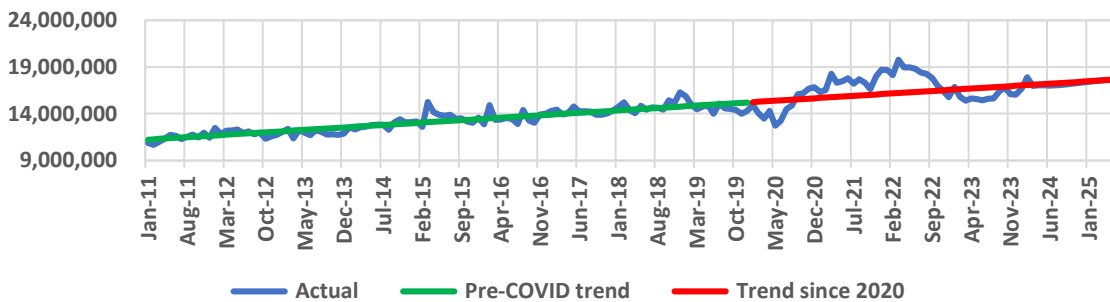
Outlook Background:

- Containerized imports declined in the second half of 2022, as the stimulus funding impact diminished and monetary policy tightened. However, volumes have been rebounding. In the first four months of 2024, they increased 9% year-over-year.
- The gap below the long-term pre-COVID import trend stabilized at 7%-8% during the summer of 2023 and then narrowed to 0.5% in April 2024.

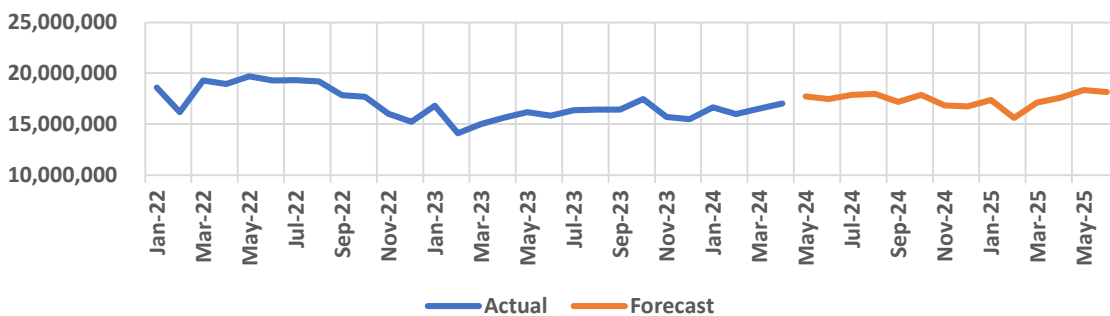
Key Risks:

- Geopolitical instability is the main risk factor. This includes the Red Sea crisis, which has created a significant risk of major disruptions for imports from South Asia. Containerized imports from that region were unchanged in April versus March, while total containerized imports increased.
- China accounted for 40% of the total containerized import increase in January-April 2024. China's economic woes and tensions with the U.S. could lead to import volumes lower than expected.
- The pace of monetary policy relaxation may have an impact on imports, either positive or negative.
- Containerization volatility and changes in competition with overland shipments from Canada and Mexico could reduce or increase containerized import volumes from current projections.

Total Containerized Imports, seasonally adjusted, metric tons



Total Containerized Imports, not seasonally adjusted, metric tons





Principal Commodities - Import Volumes

- Plastics contributed the most to the containerized import increase in the first four months of 2024. The other top commodities with year-over-year growth include furniture; articles of iron or steel; machinery (electrical and non-electrical); motor vehicle parts; and toys, games, and sports equipment.
- Except for electrical machinery, the top growth commodities in the first four months of 2024 rebounded following sharp drops in 2023.
- Import growth was relatively broad-based. Year-over-year growth was registered for 740 four-digit HS commodities versus 473 commodities that posted declines. However, the top three commodities, whose share in total U.S. containerized volumes was just 17% in the first four months of 2023 played a disproportionately significant role, accounting for almost 40% of the year-over-year increase in total containerized imports in the same period of 2024.
- Solar panels, which had the most significant containerized import increase in 2023, did not contribute much to U.S. containerized import growth in the first four months of 2024. Imports of lithium-ion batteries, another commodity that drove containerized imports in 2023, declined in January-April 2024.
- Commodities with major volume declines in the first four months of 2024 included gypsum, wood, continuously shaped; and cement. For these commodities, the declines this year followed drops in 2023.
- China was the most significant contributor to containerized import growth in the first four months of 2024, accounting for 40% of the rise in total U.S. containerized imports. The main commodities that contributed to the growth of imports from China were the same that drove growth in total U.S. containerized imports.

Containerized Imports

Commodity	Thousands of metric tons			Year-over-year growth rates			
	Jan-Apr 2023	Jan-Apr 2024	Difference	2023	Jan-Apr 2024	2024	2025H1
Total commodities	60,763	66,157	5,393	-12%	9%	8%	3%
Top growth commodities in January-April 2024							
Plastics	3,944	4,802	858	-10%	22%	12%	-2%
Furniture	3,693	4,396	703	-18%	19%	11%	9%
Articles of iron or steel	2,718	3,216	498	-12%	18%	9%	1%
Machinery, excl. electrical	4,704	5,139	435	-8%	9%	7%	2%
Electrical machinery	4,037	4,468	432	6%	11%	15%	2%
Motor vehicle parts	1,621	1,897	276	-16%	17%	9%	-1%
Toys, games, and sports equipment	1,071	1,224	153	-15%	14%	7%	-2%
Commodities with major volume declines in January-April 2024							
Gypsum	463	388	-75	-25%	-16%	-16%	18%
Wood, continuously shaped	420	292	-128	-60%	-30%	-14%	-3%
Cement	573	330	-244	-7%	-42%	-56%	-4%



Plastics

Outlook:

- Monthly plastics imports (primary forms and plastic articles combined) likely rose to a seasonal peak in May 2024. They are then expected to trend downward through February 2025 due to seasonality.
- Despite the monthly declines in the second half of 2024, imports will likely grow at a double-digit rate overall in 2024. Volumes are projected to drop slightly in early 2025 because of a high base in early 2024.

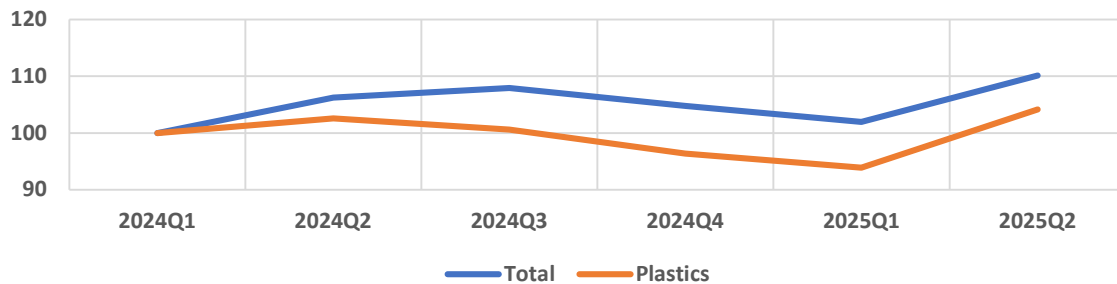
Outlook Background:

- Plastics was among the worst performing containerized import commodities in 2023, but it became the main contributor to import growth in January-April 2024.
- Despite a significant decline in 2023, plastics imports remained above the pre-COVID trend, unlike many other commodities for which imports declined sharply year-over-year. The gap above the trend was a very high 9% in April 2024. Volumes will likely stay above the trend in 2024 and 2025.

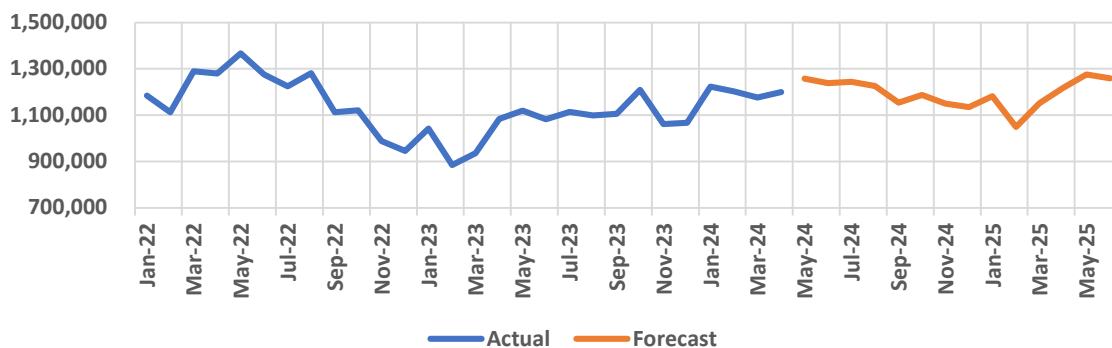
Key Risks:

- Competition with overland imports from Canada and Mexico could dampen containerized imports. These countries' share of total plastics imports rose from 27% in 2020 to 32% in March-April 2024.
- Competition with domestic plastics production could lessen demand for imports.
- China, which accounted for almost half of the volume increase in the first four months of 2024, is a risky origin because of the large volumes and geopolitical uncertainties.

Containerized Imports, 2024Q1 = 100



Plastics, Containerized Imports, metric tons



Furniture

Outlook:

- Year-over-year containerized furniture imports are expected to grow significantly faster than total containerized imports in 2024 and the first half of 2025.
- The volume most likely rose in May 2024, but volumes are then likely to stay relatively flat month-over-month until the end of 2024. January and May are expected to be peak months in 2025.

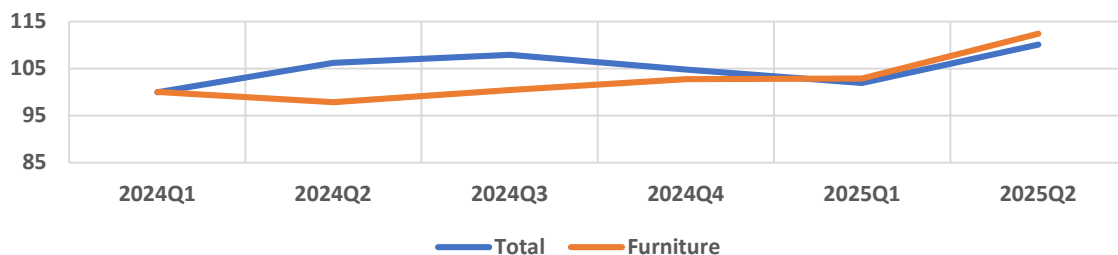
Outlook Background:

- Furniture was a major contributor to the U.S. containerized import decline in 2023, but it became a key contributor to growth in the first four months of 2024.
- After a boom during the pandemic, furniture imports dropped sharply. The gap below the pre-COVID trend then narrowed from 28% in March 2023 to 9% in March 2024. However, in April imports declined even though March is typically a seasonal trough. The main reason was a drop in imports from Vietnam. As a result, the gap below the trend widened to 20%.
- The share of furniture imports from Canada and Mexico (almost exclusively overland) increased from 22% in 2021 to 30% in 2023. But in the first four months of 2024, these countries' share shrank to 28%.

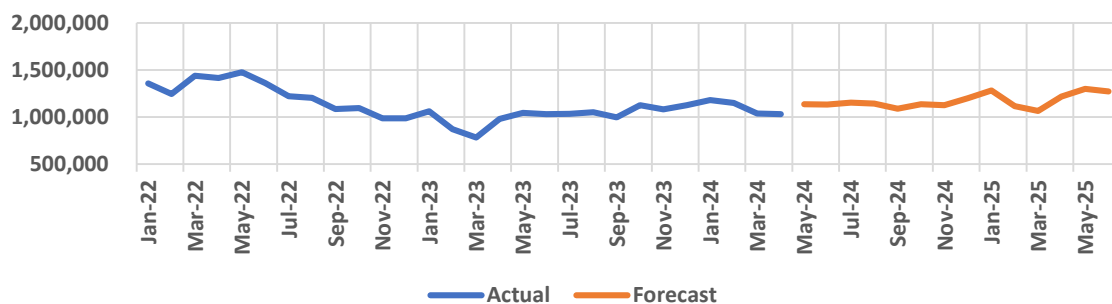
Key Risks:

- China accounted for 45% of the U.S. containerized furniture import increase in the first four months of 2024, However, the growth of furniture imports may be dampened by rising U.S.-China tensions.
- If inflation is persistent and tight monetary policy is relaxed too slowly, this could cause a decline in residential and office investment, and therefore lower furniture sales and import volumes.

Containerized Imports, 2024Q1 = 100



Furniture, Containerized Imports, metric tons





Articles of Iron or Steel

Outlook:

- Containerized imports of iron or steel articles likely rose in May 2024, which is typically the peak import month. They are expected to trend downward through February 2025.
- On a quarterly basis, volumes will likely be the lowest in the fourth quarter of 2024.

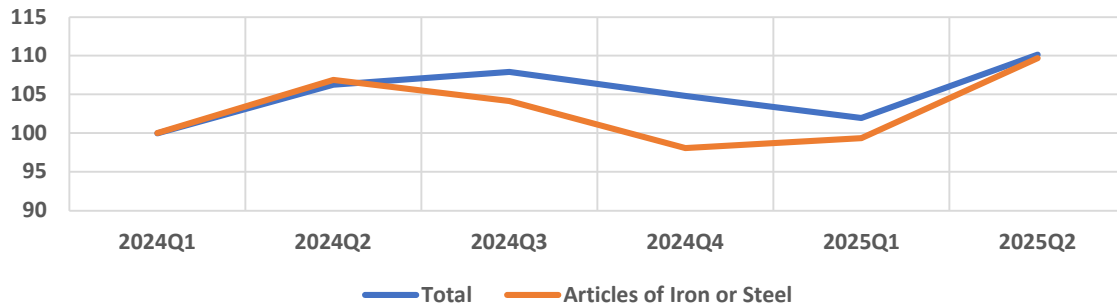
Outlook Background:

- Articles of iron or steel was among the commodities with the largest declines in containerized imports in 2023, but it became a key contributor to import growth in the first four months of 2024.
- After a boom during the pandemic, imports of iron or steel articles dropped sharply. The gap below the pre-COVID trend was 17% in March 2023. However, the gap narrowed to 1% below the trend in April 2024. Volumes are likely to stay close to the trend through mid-year 2025.
- In the first four months of 2024, containerization surged to 77% from 63% a year earlier, which was the main reason for an increase in containerized imports, as total seaborne volumes fell.

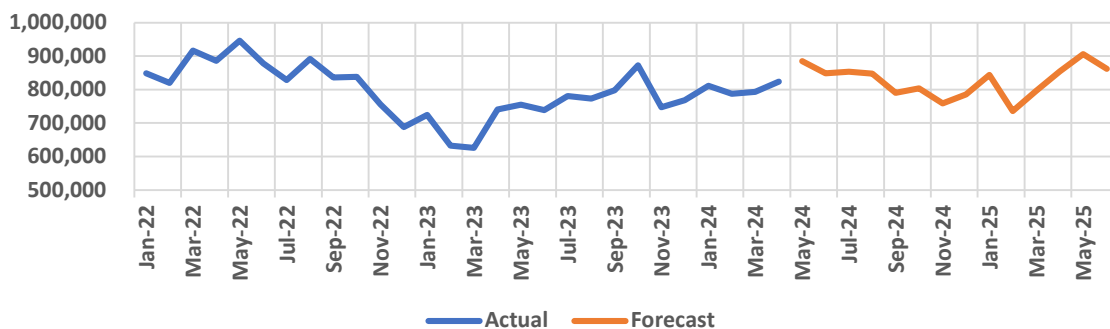
Key Risks:

- China, which accounted for over half of the volume rise in the first quarter of 2024, is a risky origin for geopolitical reasons. Red Sea transportation disruptions may also suppress volumes.
- Rising imports from Mexico and Canada (mostly overland) could dampen containerized imports. These countries' share of total import value increased from 25% in 2022 to 27% in 2023 and April 2024.

Containerized Imports, 2024Q1 = 100



Articles of Iron or Steel, Containerized Imports





Machinery (excluding Electrical)

Outlook:

- Due to seasonal factors, machinery import volumes will likely decline through September 2024, stay relatively flat through February 2025, and then rise by May 2025.
- Year-over-year growth is expected to be relatively strong before slowing in the first half of 2025.

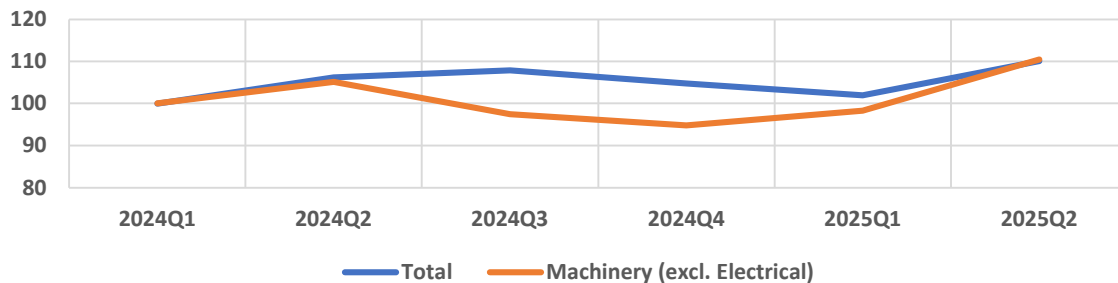
Outlook Background:

- From 2010 to 2022, machinery import volumes grew faster than total containerized imports.
- After a boom during the pandemic, volumes fell sharply. However, significant declines appear to be over. Machinery imports have been trending upward since December 2023.
- *Air and vacuum pumps*, jointly with *refrigerators and freezers*, contributed almost 40% to containerized machinery import growth in the first four months of 2024, rebounding from a slump in 2023. Construction machinery import volumes, that increased strongly in 2023, were also an important contributor to increases in machinery import volumes, accounting for 20% of the total.

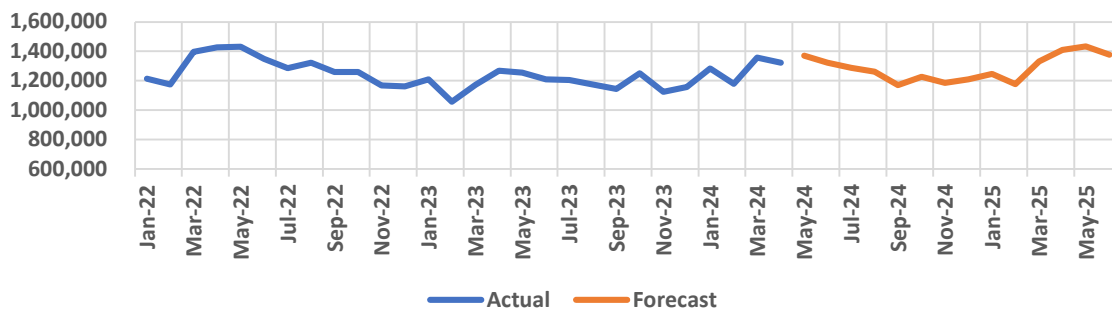
Key Risks:

- Persistent inflation and a delayed relaxation of monetary policy could suppress investment in equipment and, therefore, demand for machinery.
- Competition with imports from Canada and Mexico (mostly overland) could impact containerized imports. For example, containerized *refrigerator and freezer* imports have been gaining compared to overland volumes, as Mexico’s share in total imports shrank to 29% In January-April 2024 from 37% a year earlier.

Containerized Imports, 2024Q1 = 100



Machinery (excl. Electrical), Containerized Imports, metric tons





Electrical Machinery

Outlook:

- Monthly volumes will likely increase steadily through October 2024, a typical seasonal peak month, and then drop sharply by February 2025, a seasonally normal trough.
- Year-over-year growth will likely be in double-digits in 2024 and then slow in 2025.

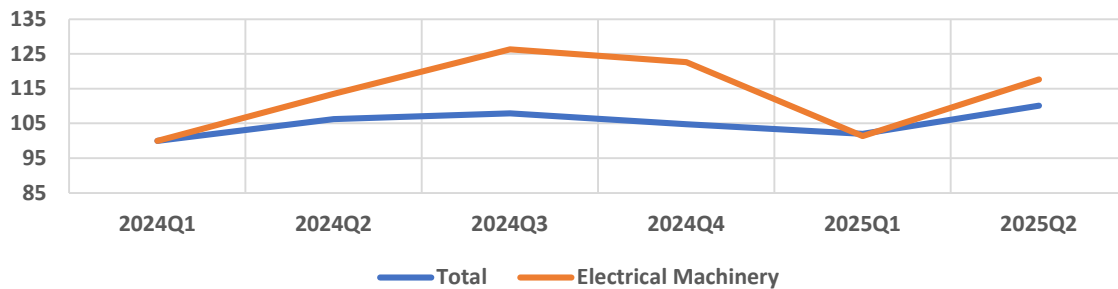
Outlook Background:

- Electrical machinery is a strong import growth commodity. Volumes increased every year starting from 2014. Growth was especially strong beginning in 2020. In 2023, electrical machinery imports were 55% higher than in 2019. Monthly volumes grew steadily from March 2023 through October and then dropped due to seasonal factors.
- In 2020-2023, *photosensitive semiconductor devices (mostly solar panels)* and *lithium-ion batteries* accounted for almost two thirds of the volume increase, but the growth commodity mix has changed in 2024. While *solar panels* remained the main growth commodity, several other commodities, e.g. *lead-acid batteries* also posted major increases. Meanwhile, *lithium-ion battery* imports declined.

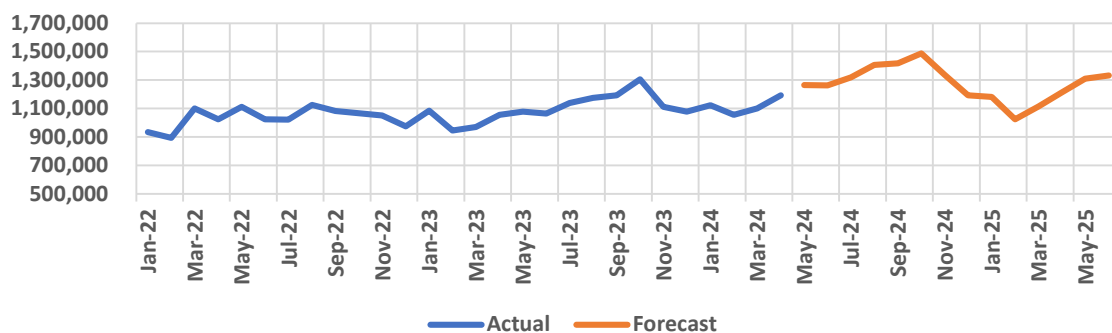
Key Risks:

- Over 40% of the increase in the first quarter of 2024 was due to imports from China, a risky origin for geopolitical reasons.
- New tariffs on *solar panels* from the main countries of origin introduced in June 2024 will likely dampen import volumes, but possible exemptions create significant uncertainty for the scope of the impact.

Containerized Imports, 2024Q1 = 100



Electrical Machinery, Containerized Imports, metric tons





Motor Vehicle Parts

Outlook:

- Import seasonality of motor vehicle parts¹ is relatively flat. Nevertheless, monthly volumes will likely trend downward through February 2025 before rising by May 2025 due to seasonal factors.
- On a year-over-year basis, volumes are expected to strongly rebound overall in 2024 but fall slightly in the first half of 2025 because of a high base in early 2024.

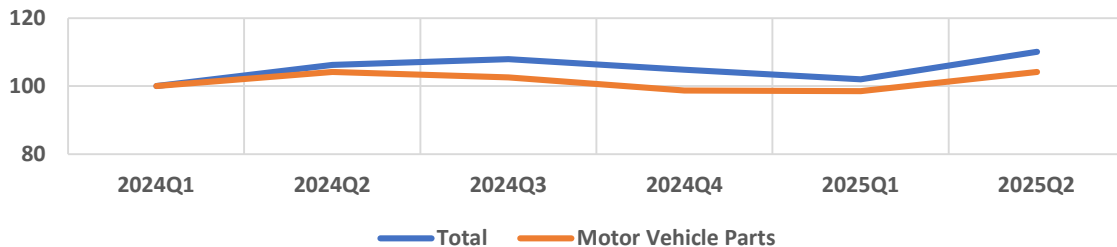
Outlook Background:

- Motor vehicle parts imports grew a little faster than total containerized imports before the COVID pandemic. After a plunge in 2020, volumes skyrocketed, and in May 2022, they were 48% above the long-term pre-COVID trend.
- As the stimulus funding faded, they fell to 13% below the trend, but then quickly rebounded. Monthly volumes have been rising since early 2023. In April 2024, they stood at 8% above the trend.

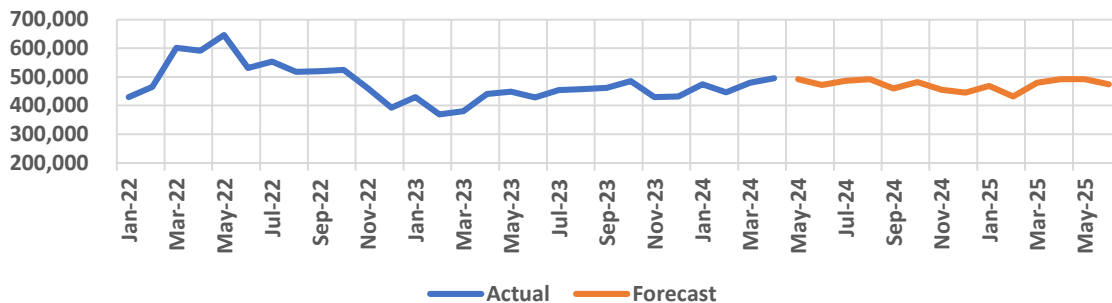
Key Risks:

- Imports from China, a risky origin for geopolitical reasons, accounted for 40% of the containerized volume rise in January-April 2024.
- Shipments from Canada and Mexico are mostly by land. Swings in the shares from these countries, which rose from 50% in 2022 to 54% in early 2024, may strongly impact containerized import volumes.

Containerized Imports, 2024Q1 = 100



Motor Vehicle Parts, Containerized Imports, metric tons



¹ HS code 8708, which includes bumpers, windshields, windows, brakes, axles, road wheels, gear boxes, steering wheels, airbags, suspension shock absorbers, radiators, mufflers, etc. for tractors, buses, cars, and trucks.

Toys, Games, and Sports Equipment

Outlook:

- Containerized imports of toys, games and sports equipment are highly seasonal, with July through November the peak months. Volumes are, on average, almost 2.5 times higher in October than in March, the typical trough month.
- Overall growth in 2024 will likely be strong compared to 2023, but volume growth may then fall in 2025 compared to a relatively high base in early 2024.

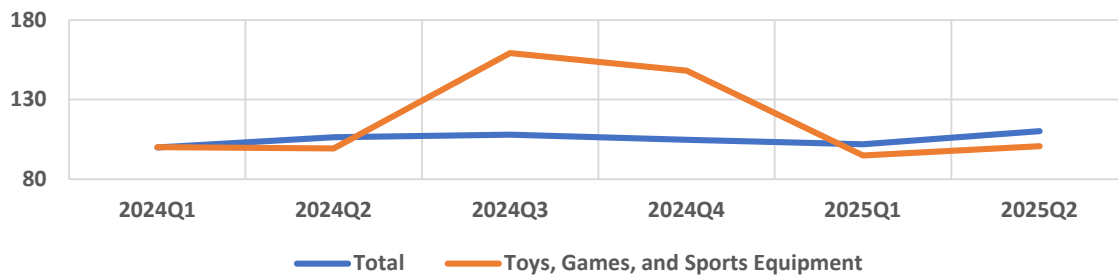
Outlook Background:

- Imports skyrocketed during the first two years of the COVID pandemic. In March 2021, the volume was more than double the long-term pre-COVID trend. Imports then plunged in 2022 and 2023.
- However, year-over-year growth resumed in November 2023. In the first four months of 2024, imports grew significantly, and in April, they were 5% above the long-term trend.

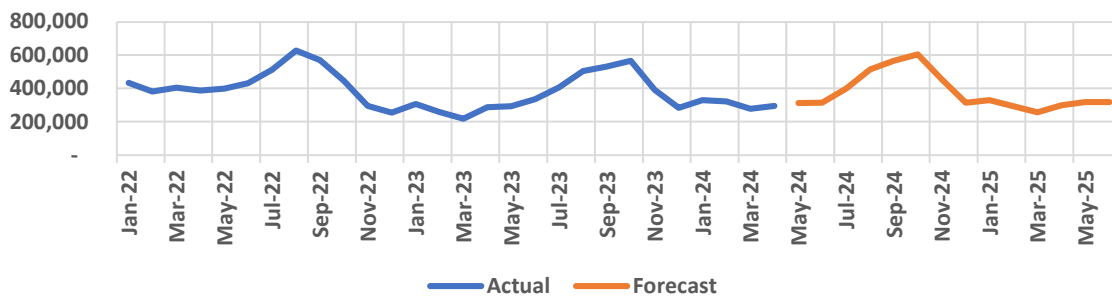
Key Risks:

- China dominates U.S. containerized imports. Its share declined from 91% in 2018 to a still extremely high 88% in 2023 and 87% in January-April 2024. This concentration is risky, especially given rising U.S.-China tensions.
- The share of imports from Mexico and Canada is small, but quickly rising. It was 4% in 2022, 5% in 2023, and 8% in March and April 2024. Since almost all imports of toys from these two countries are overland, a significant shift from China to Mexico may result in containerized import volumes below currently projected volumes.

Containerized Imports, 2024Q1 = 100



Toys, Games, and Sports Equipment, Containerized Imports, metric tons



Gypsum

Outlook:

- Import volumes will likely decline overall in 2024 but strongly rebound year-over-year in 2025.

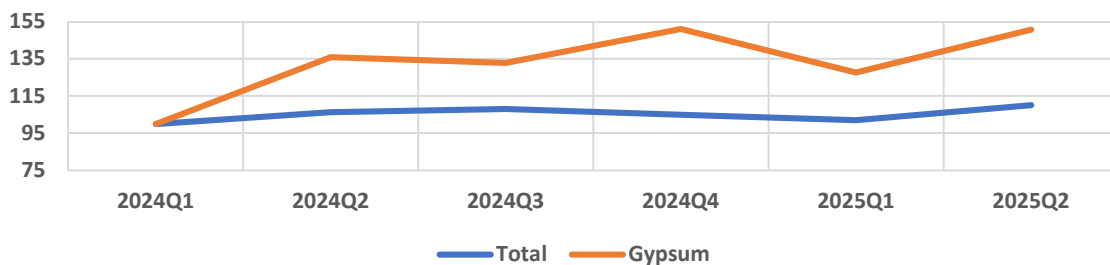
Outlook Background:

- Origins of total gypsum imports are highly concentrated. In 2023, almost all imports were shipped from three countries: Spain (41%), Mexico (28%), and Canada (27%). Almost all gypsum imports were seaborne.
- Total gypsum imports grew every year between 2012 and 2023 except 2020, but volumes have declined so far in 2024. Unlike total gypsum imports, containerized imports were highly volatile due to sharp shifts in containerization. Containerized imports grew from 57 thousand tons in 2016 to 2.7 million tons in 2021, but then plunged to 1.6 million tons in 2023. In the first quarter of 2024, containerized imports fell 16% year-over-year, more than total imports. Volumes surprisingly dropped in April, a typical peak month.
- The main cause of the containerized import decline in the past two years was that imports from Canada, which accounted for almost two thirds of containerized imports in 2021, switched to bulk transport. Containerization of imports from Mexico significantly declined between 2021 and 2023, and there were no containerized gypsum shipments from Mexico in the first four months of 2024. Containerization of shipments from Spain grew between 2021 and 2023 but shrank significantly in January-April 2024. Nevertheless, containerization of imports from Spain is still relatively high and may decline further.

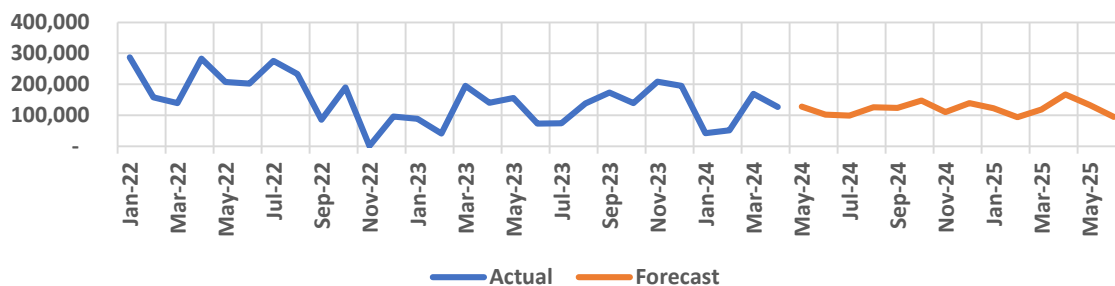
Key Risks:

- Containerization volatility is the most significant risk factor for containerized gypsum imports. Containerized gypsum imports from Mexico may resume later in 2024.
- A delayed monetary policy relaxation could suppress investment and gypsum imports.

Containerized Imports, 2024Q1 = 100



Gypsum, Containerized Imports, metric tons



Wood, Continuously Shaped

Outlook:

- The usual peak import season for wood, continuously shaped is from July-August, while February is typically the lowest volume month.
- Imports will likely grow through August 2024 on a month-over-month basis. Nevertheless, overall, in 2024, volumes are expected to decline by double-digits from a year earlier.

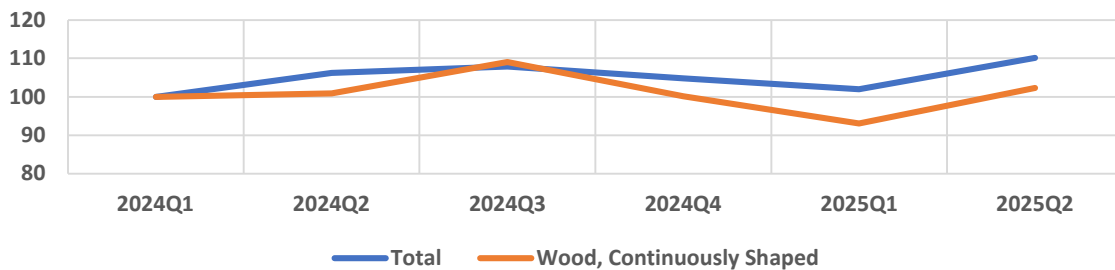
Outlook Background:

- In 2010-2019, imports of wood, continuously shaped grew faster than total containerized imports.
- Volumes surged almost fourfold between 2020 and 2022, but then plummeted 60% in 2023 and 30% year-over-year in the first four months of 2024. Imports from Brazil were primarily responsible for these sharp fluctuations.
- In April 2022 import volumes were significantly above the long-term pre-COVID trend, but by April 2024 imports fell to 5% above the trend. It is likely that volumes will, on average, stay a little above the long-term trend through mid-year 2025.

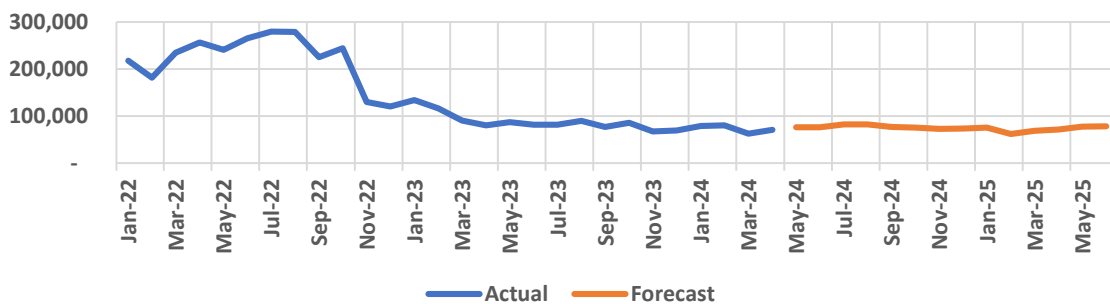
Key Risks:

- Persistent inflation and a delayed relaxation of monetary policy could cause a decrease in investment demand for wood.
- Rising competition with imports from Canada and Mexico (almost all overland) may dampen containerized import volumes. These countries’ share of total import value rose from 15%-16% immediately before the COVID pandemic to 19% in 2023 and 20% in March and April 2024.

Containerized Imports, 2024Q1 = 100



Wood, Continuously Shaped, Containerized Imports, metric tons



Cement

Outlook:

- Containerized cement import volumes in 2024 will likely peak in June before declining to a seasonal low in December. During 2025 volumes are expected to increase to a new seasonal peak in June.
- Containerized cement import volumes will likely decline more than 50% year-over-year overall in 2024. Year-over-year growth is projected to start in the spring of 2025.

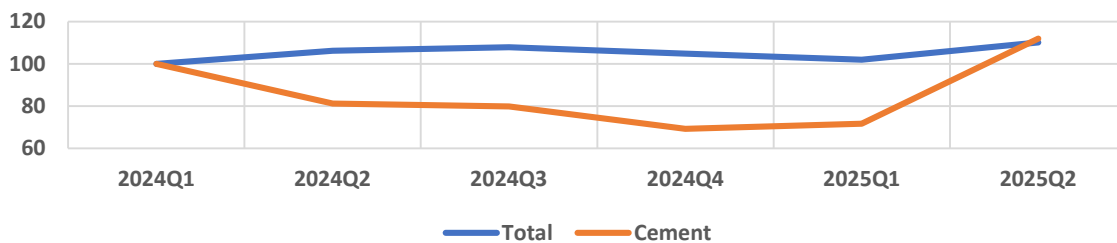
Outlook Background:

- Containerized cement imports increased just 11% between 2010 and 2019. Growth was sluggish because of a drop in containerization rates from 17% to 7%. However, containerized imports more than doubled during the COVID pandemic by 2022, to some extent boosted by a rise in containerization to 9%.
- Containerized volumes peaked in January 2023. In the first four months of 2024, they plunged 42% year-over-year, mostly because containerization rates shrank to 5% from 12% in the first four months of 2023. However, the long-term trend for total seaborne cement imports is positive, and containerization rates will likely rise from their current lows.

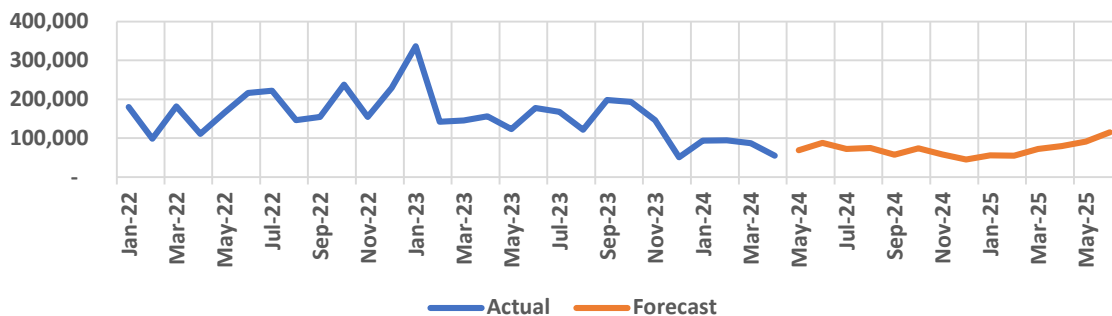
Key Risks:

- Volumes of containerized cement imports are more dependent on highly volatile containerization rates than on U.S. demand or production capacity abroad.
- Persistent inflation and a delayed relaxation of monetary policy could cause a decline in construction.
- The share of imports from Canada and Mexico (overland or seaborne non-containerized) rose from 21% in January-April 2023 to 22% in the same period of 2024 and may grow further.

Containerized Imports, 2024Q1 = 100



Cement, Containerized Imports, metric tons



Containerized Exports

Outlook:

- March is the typical peak month for containerized exports, and volumes will likely trend downward through September 2024 due to seasonal factors. January 2025 will likely be another low volume month.
- Containerized exports fell 3.7% in 2023 but will likely grow 3.6% in 2024 and stay flat in January-June 2025.

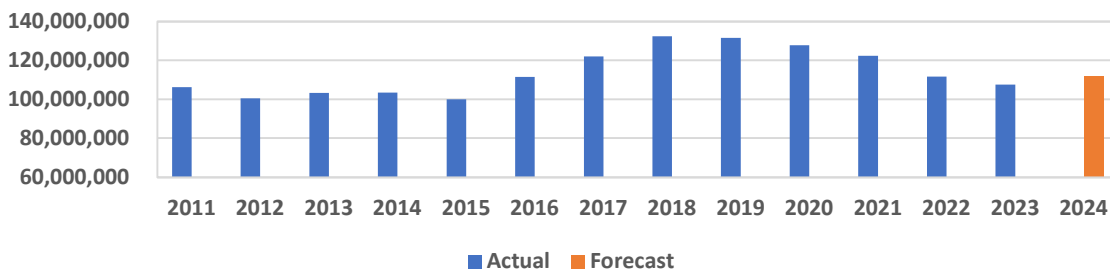
Outlook Background:

- U.S. containerized exports peaked in 2018 but declined each year through 2023. Unlike containerized imports, for exports there was no boom related to the COVID stimulus.
- In 2023, a broad-based decline in waste paper exports accounted for almost half of the total containerized export volume contraction. Waste paper volume declines accelerated in the first four months of 2024.
- However, containerized exports grew on a month-by-month basis beginning in July 2023, except in January and April 2024, when they fell mostly due to seasonal factors. Compared to a year earlier, they rose 6.1%. Polyethylene in primary forms and food industry residue and waste were the main growth commodities.

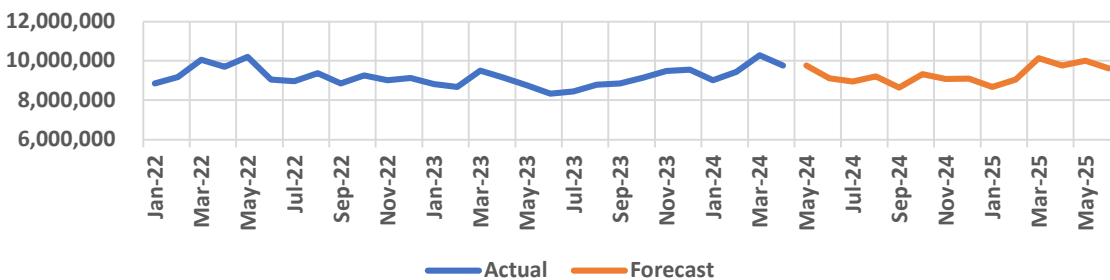
Key Risks:

- Containerized exports are more vulnerable to containerization volatility than imports since many exported U.S. commodities have significant bulk and break bulk shares.
- Policies in developing countries aimed at improving environmental protection and utilization of domestically produced waste could dampen global demand for a large portion of containerized exports.
- Containerized exports to India, the second largest destination, declined year-over-year in the first four months of 2024. Shipments to India may be at risk due to Red Sea route disruptions.

Total Containerized Exports, metric tons



Total Containerized Exports, metric tons





Principal Commodities - Export Volumes

- Polyethylene in primary forms was the top commodity with containerized tons increasing in the first four months of 2024. Other top growth commodities so far in 2024 include starch manufacture residues, etc.; kraft paper; ferrous scrap; forage; soybean oilcake; and kaolin coated paper.
- Plastics in primary forms, starch manufacture residues, etc., and soybean oilcake were also the strongest growth commodities in 2023. Volumes of kraft paper and forage rebounded from major declines in 2023.
- In the first four months of 2024, containerized exports increased mostly due to higher containerization, which added almost four percentage points to growth. Ferrous scrap, as well as starch manufacture residues, posted especially strong increases because of higher containerization.
- Year-over-year growth occurred in 568 four-digit HS commodities versus 645 commodities that declined in volume. Even though the number of declining commodities exceeded the number of increasing commodities, commodities with increases had higher volumes and rates of change than those decreasing, which led to overall export growth.
- Export growth was highly concentrated. The seven high-growth commodities shown in the table below, which accounted for 22% of containerized export volume in the first four months of 2023, rose by 2.4 million tons, 200 thousand more than the increase in total containerized exports.
- Waste paper was the main commodity declining in volume in 2023 and in the first four months of 2024. Other commodities with major volume declines included waste paper, pulp fibers, and polyvinyl chloride.
- In the first four months of 2024, containerized exports to Turkey grew more than exports to any other country, primarily due to volume increases in ferrous scrap and starch manufacture residue.

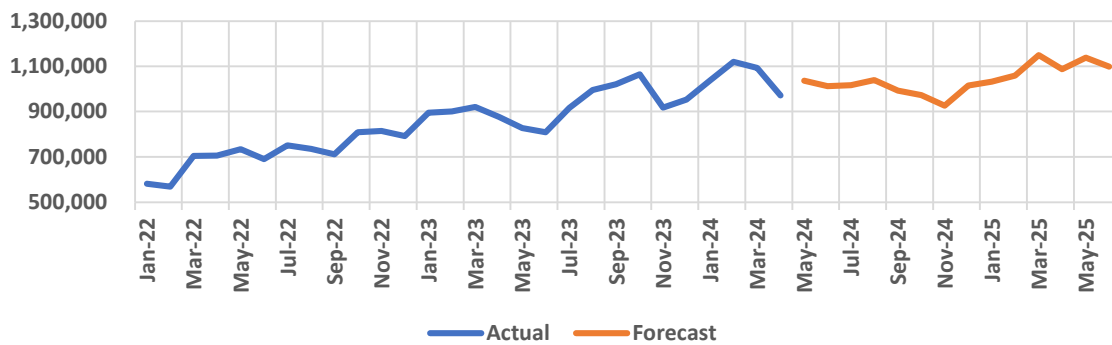
Containerized Exports

Commodity	Thousands of metric tons			Year-over-year growth rates			
	Jan-Apr 2023	Jan-Apr 2024	Difference	2023	Jan-Apr 2024	2024	2025H1
Total commodities	36,281	38,511	2,230	-4%	6.1%	3.9%	0%
Top growth commodities in January-April 2024							
Polyethylene in primary forms	3,590	4,220	630	29%	18%	11%	8%
Starch manufacture residues, sugar manufacture waste, etc.	1,354	1,871	517	32%	38%	26%	-5%
Kraft paper	575	931	356	-8%	62%	35%	-6%
Ferrous scrap	1,196	1,512	316	-2%	26%	13%	-2%
Forage	978	1,253	275	-24%	28%	15%	4%
Soybean oilcake	209	425	216	71%	103%	21%	-2%
Kaolin coated paper	125	250	125	27%	100%	34%	-5%
Commodities with major volume declines in January-April 2024							
Polyvinyl chloride in primary forms	926	815	-111	35%	-12%	6%	1%
Pulps of fibers from waste paper	137	31	-106	-55%	-78%	1%	2%
Waste paper	3,909	3,040	-870	-16%	-22%	-12%	-5%

Polyethylene in Primary Forms

- Polyethylene in primary forms has reemerged as one of the main contributors to containerized export growth. However, growth decelerated from 29% in 2023 to 18% year-over-year in the first four months of 2024, in large part due to slowing growth of exports to China, the main contributor to total growth in 2023.
- Other exports of plastics in primary forms declined so far in 2024 reversing increases in 2022 and 2023.
- Volumes are expected to stay relatively flat between May and August 2024, before falling by November, a seasonal trough. Annual growth is projected to be significantly less in 2024 and 2025 but remain strong.
- Exports to China have been volatile historically and may start falling due to Chinese economic woes.

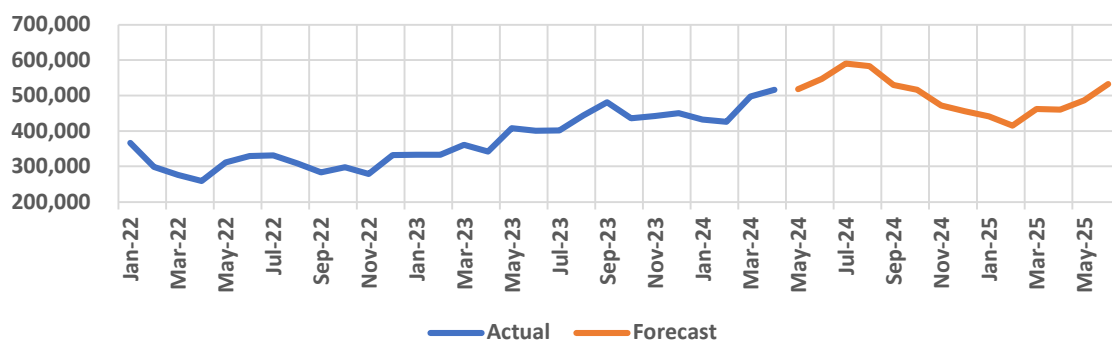
Polyethylene in Primary Forms, Containerized Exports, metric tons



Starch Manufacture Residues, Sugar Manufacture Waste, Etc.

- Containerized export growth accelerated from an already outstanding 32% in 2023 to 38% year-over-year in the first four months of 2024, largely due to higher containerization rates, which rose from 42% in 2022 to 54% in 2023 and 61% in January-April 2024.
- Summer is typically the peak season for containerized exports. Volumes will then likely trend downward due to seasonal factors through February 2025. Total seaborne export volumes, which increased in 2023 and January-April 2024, are expected to resume a long-term decline later in 2024, dampening containerized 2024 export growth. There is also a significant risk that containerization will fall to historically normal rates below 50%. Nevertheless, growth will likely be in double-digits in 2024 as a whole compared to 2023.

Starch and Sugar Manufacture Residues and Waste, Containerized Exports, metric tons

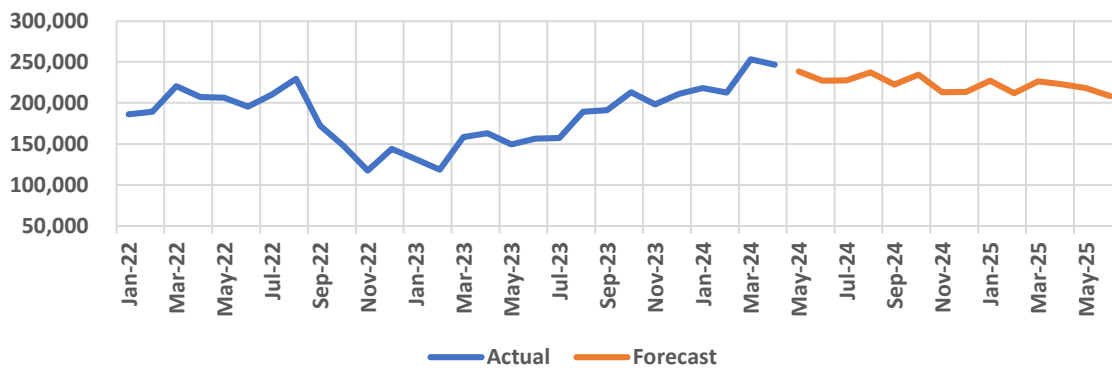




Kraft Paper

- In year-over-year terms, kraft paper was among the worst performing commodities in U.S. containerized exports in 2023, but it became a key contributor to growth in the first four months of 2024. On a monthly basis, volumes have been trending upward since early 2023.
- Kraft paper export volumes are expected to decline in the long term. In 2023, they were almost 40% below the peak volumes reached in 2011. While the negative trend is expected to resume, for 2024 as a whole kraft paper containerized export volumes are projected to be significantly higher than in 2023.
- Rising shipments to Latin America may result in higher volumes than currently expected.

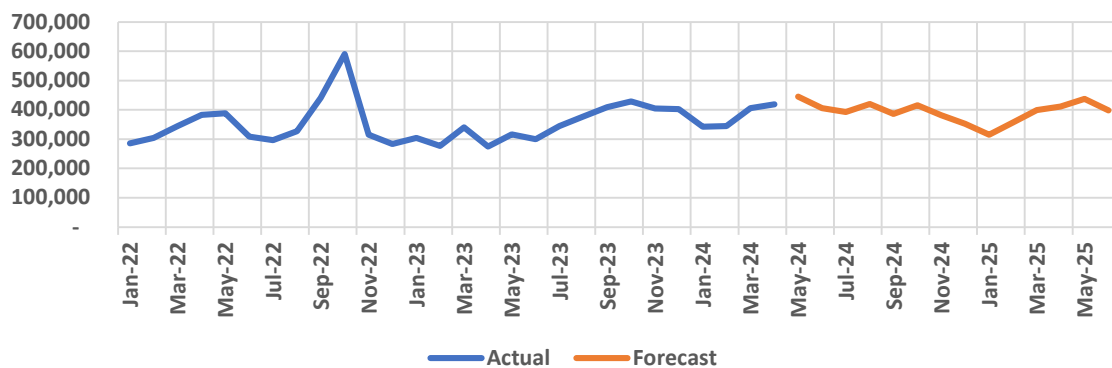
Kraft Paper, Containerized Exports, metric tons



Ferrous Scrap

- After three years of decline, containerized ferrous scrap exports grew 26% year-over-growth in the first four months of 2024 due to a rise in containerization to 39% from 27% a year earlier. Total seaborne ferrous scrap exports declined 11% during the same period. Turkey was the main destination that contributed to growth, accounting for about two thirds of the total increase.
- Due to seasonality, volumes are projected to stay relatively steady through October 2024, before falling by January 2025, a typical seasonal trough. On a year-over-year basis, growth will likely slow for 2024 as a whole compared to early 2024 due to a high base in the second half of the year. In the first half of 2025 volumes are expected to decline.

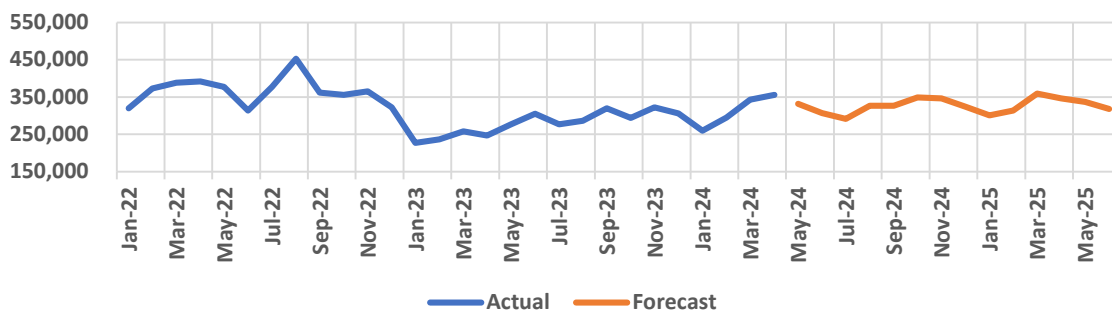
Ferrous Scrap, Containerized Exports, metric tons



Forage

- Forage was among the commodities with the largest declines in U.S. containerized exports in 2023, but in the first four months of 2024 it became a key commodity driving growth. Forage export volumes have been trending upwards since early 2023. Due to seasonal factors, volumes will likely fall by mid-2024, before recovering by October. For 2024 as a whole and in the first half of 2025 volumes will likely increase.
- Historically, forage has been a growing export commodity. However, the increase in seaborne exports between 2010 and 2022 occurred exclusively due to exports to China, which also accounted for two-thirds of the decline in 2023. In the first four months of 2024, growth was broad based, led by shipments to South Korea and Japan, with exports to China also recovering. In addition, a significant increase in containerization of forage exports to the United Arab Emirates was an important growth factor.

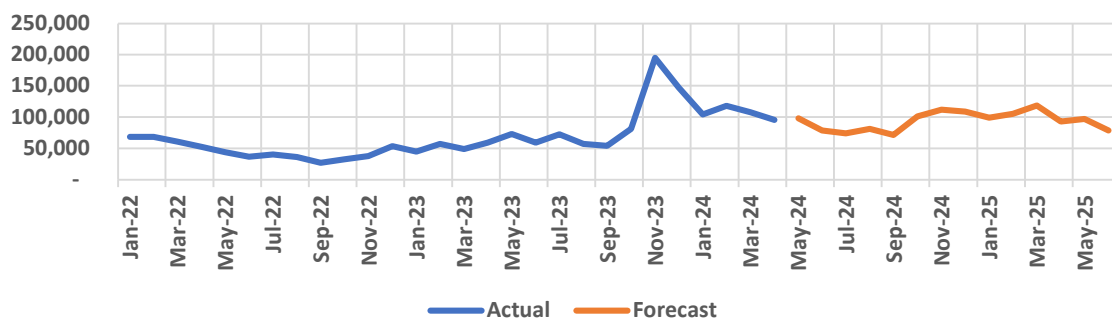
Forage, Containerized Exports, metric tons



Soybean Oilcake

- Soybean oilcake containerized export volumes grew strongly between 2010 and 2019, but this growth was interrupted by the COVID pandemic. However, export growth resumed in the fourth quarter of 2022 and continued in 2023. In the first four months of 2024, export volumes more than doubled year-over-year.
- Soybean oilcake containerized exports surged almost 2.5 times in November 2023 compared to October in large part due to an increase in containerization. However, between November 2023 and April 2024, exports declined 51% primarily because of falling containerization rates.
- Containerized export volumes will likely trend downward month-on-month through September 2024, a typical low volume month, before an expected recovery caused largely by seasonal factors in the fourth quarter of 2024. Overall growth in 2024 will likely be in double-digits, but significantly slower than in 2023.

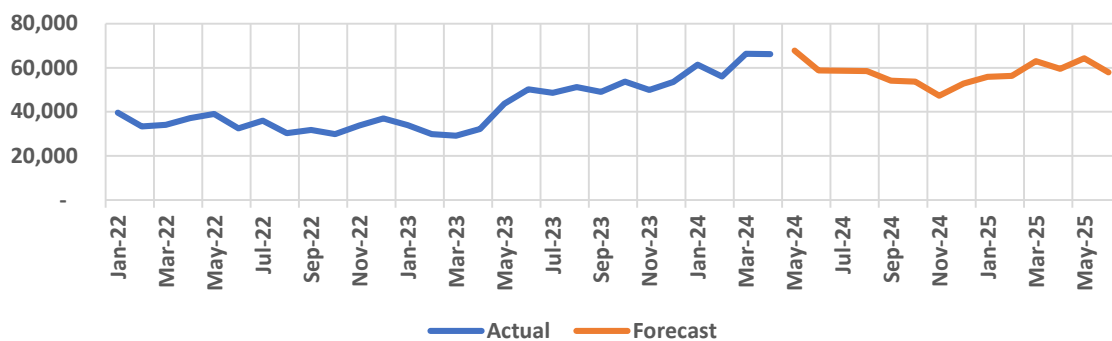
Soybean Oilcake, Containerized Exports, metric tons



Kaolin Coated Paper

- Total seaborne exports of kaolin coated paper trended downward starting in 2009. In contrast, containerized exports trended upward beginning in 2017 due to rising containerization rates.
- The containerization rate rose from 22% in 2016 to 49% in 2022. Since May 2023, exports have been almost completely containerized. As a result, in January-April 2023 containerized exports doubled from a year earlier, while total seaborne imports increased just 10%.
- Monthly exports will likely decline by November, a typical trough month, but then rise to a seasonal peak in May 2025. Year-over-year growth is expected to significantly decelerate during the remainder of 2024 due to a higher base in the second half of 2023.

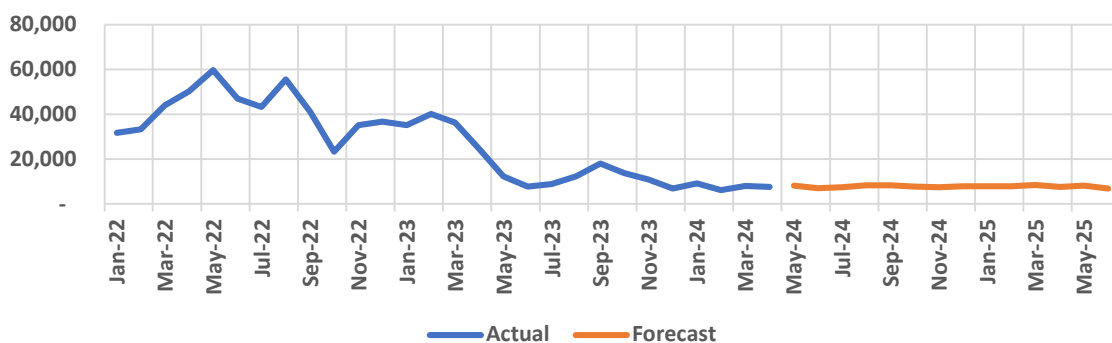
Kaolin Coated Paper, Containerized Exports, metric tons



Pulps of Fibers Derived from Waste Paper

- Containerized exports of pulps from waste paper fibers are highly volatile. After fluctuating between 50 to 200 thousand tons in 2005-2018, volumes surged to 500 thousand tons in 2022 due to shipments to China. However, total containerized volumes of waste paper pulps plummeted 55% in 2023 and 78% year-over-year in the first four months of 2024 as exports to China collapsed.
- Monthly volumes peaked at 60 thousand tons in May 2022, but then fell sharply before stabilizing at between 6 and 9 thousand tons a month starting in December 2023. Exports likely fell in June 2024 due to seasonality, but overall in 2024 they are expected to remain relatively stable at about 7 thousand tons a month. This translates to a year-over-year decline of about 60%.

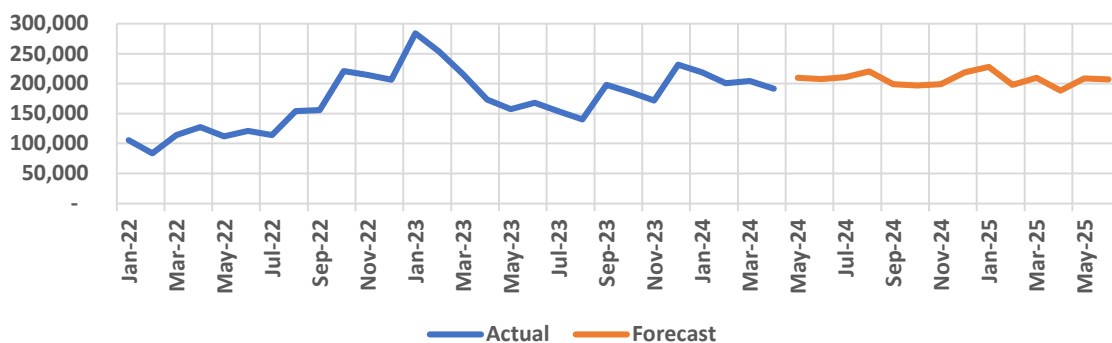
Pulps of Fibers Derived from Waste Paper, Containerized Exports, metric tons



Polyvinyl Chloride in Primary Forms

- Exports of polyvinyl chloride in primary forms plunged more than 50% between 2019 and 2021, but then recovered, almost reaching the 2019 level in 2023. On a month-over-month basis, volumes fell sharply from a peak in January 2023 through August 2023. Volumes increased again by the end of 2023, but then contracted both year-over-year and month-over month.
- The 2024 decline was concentrated in two countries, India and China, with shipments to India possibly affected by the Red Sea route disruptions.
- Monthly volumes will likely stay relatively steady at or a little above 200 thousand tons through mid-2025. They are expected to increase year-over-year overall in 2024 because of a low base in May-August of 2023.

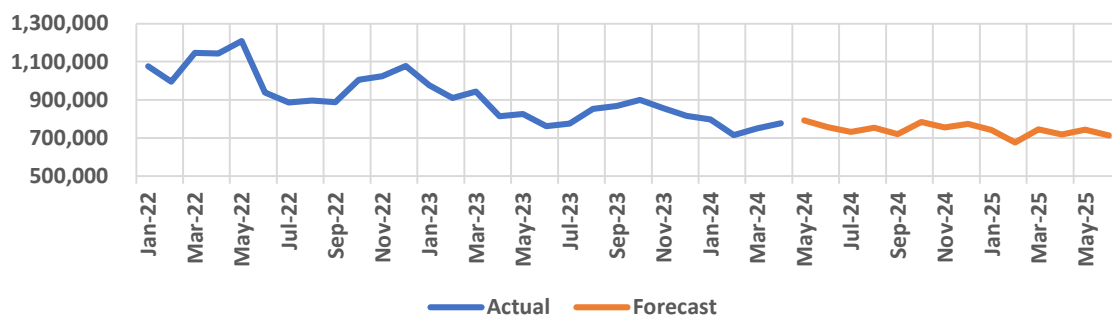
Polyvinyl Chloride in Primary Forms, Containerized Exports, metric tons



Waste Paper

- Waste paper exports dropped sharply between the end of 2022 and June 2023. After some recovery between July and October 2023, volumes continued to trend downward. On the plus side, a month-over-month April 2024 increase was 7 percent more than seasonally normal.
- On a month-over-month basis, volumes are expected to decrease through September 2024, before recovering in the fourth quarter. Overall, in 2024 they will likely decline again year-over-year, though not as much as in 2023. Declines are expected to slow further in 2025.
- Policies in developing countries aimed at improving environmental protection and utilization of domestically produced waste represent a major risk to waste paper exports. Shipments to India, the main destination for U.S. waste paper exports in 2023, may be vulnerable to Red Sea route disruptions.

Waste Paper, Containerized Exports, metric tons



Appendix - Commodity Definitions

Commodity	HS Codes	Harmonized System Commodity Description
Imports		
Articles of Iron or Steel	73	Articles of iron or steel
Cement	2523	Portland cement, aluminous cement (cement fondu), slag cement, supersulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers
Electrical Machinery	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers, parts and accessories of such articles
Furniture	94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, n.e.c.; illuminated signs, illuminated name-plates and the like; prefabricated buildings
Gypsum	2520	Gypsum; anhydrite; plasters (consisting of calcined gypsum or calcium sulphate), colored or not, with or without small quantities of accelerators or retarders
Machinery, excl. Electrical	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
Motor Vehicle Parts	8708	Motor vehicles; parts and accessories, of heading no. 8701 to 8705
Plastics	39	Plastics and articles thereof
Toys, Games and Sports Equipment	95	Toys, games and sports requisites; parts and accessories thereof
Wood, Continuously Shaped	4409	Wood (including strips, friezes for parquet flooring, not assembled), continuously shaped (tongued, grooved, v-jointed, beaded or the like) along any edges, ends or faces, whether or not planed, sanded or end-jointed
Exports		
Ferrous Scrap	7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel
Forage	1214	Rutabagas (swedes), mangolds, fodder roots, hay, alfalfa (lucerne), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets



Kaolin Coated Paper	4810	Paper and paperboard, coated one or both sides with kaolin (china clay) or inorganic substances, with binder or not, no other coating, surface colored or not, surface decorated or printed, in rolls or rectangular (including square) sheets, of any size
Kraft Paper	4804	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 4802 or 4803
Polyethylene in Primary Forms	3901	Polymers of ethylene, in primary forms
Polyvinyl Chloride in Primary Forms	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms
Pulps of Fibers Derived from Waste Paper	4706	Pulps of fibers derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material
Soybean Oilcake	2304	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soybean oil.
Starch Manufacture Residues, Sugar Manufacture Waste, Etc.	2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets
Waste Paper	4707	Recovered (waste and scrap) paper and paperboard