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# Retailers Continue to Front-Load Imports Prompting Cut in Q2 Forecast

Container import volumes are elevated but expected to fall as Trump's tariffs impact retailers (Port of Los Angeles file photo)

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Retailers are continuing to front-load their imports into U.S. ports due to the uncertainty over U.S. tariffs and the potential that the Trump administration will move to impose fees on Chinese-built ships reports the National Retail Federation. While the trade group expects volumes to remain elevated through the spring, its Global Port Tracker is reducing the forecast for second quarter imports versus last month's outlook.

The group highlights the concerns among members and the elevated import levels so far in 2025 as seen for example on the reports of strong monthly volumes at the port of Los Angeles and Long Beach. However, after separately reporting declines in monthly consumer sales in both January and February, the NRF is now saying import volumes could see year-over-year drops this summer.

The National Retail Federation's Port Tracker rallies container volumes at the major U.S. ports. The group raised its forecast by 3.5 percent for the first quarter while lowering its second quarter projection by 2.5 percent. It now expects possible year-over-year declines in import volumes to start in June and July, noting it would be the first decline since September 2023.

"Retailers are continuing to bring as much merchandise into the country ahead of rising tariffs as possible," said Jonathan Gold, Vice President for Supply Chain and Customs Policy at the NRF. "The on-again, off-again tariffs against Canada and Mexico won't have a direct impact on port volumes because most of those goods move by truck or rail. But new tariffs on goods from China that have already doubled from 10 to 20 percent are a concern, as well as uncertainty over 'reciprocal' tariffs that could start in April."

The trade group notes that retailers have been working on supply chain diversification, but that doesn't happen overnight. In the meantime, it says tariffs are taxes on imports ultimately paid by consumers, not foreign countries, and American families will pay more as long as they are in place. Economists have echoed this concern while Donald Trump this week dismissed talk of an impending recession due to his trade policies.

The NRF is projecting more than 6.4 million TEU for imports in the first quarter of 2025 noting that levels were up 4.4 percent in January over December and 13.4 percent year-over-year. It projects the momentum continued into February with a 6.1 percent increase, making it the busiest February in three years, a month that is traditionally slower as factories close in Asia during the Lunar New Year celebrations. It is forecasting a 10.8 percent increase year-over-year for March and a 5.7 percent increase year-over-year for April.

The retailers however are projecting the momentum will end with just a 2.8 increase in May followed by monthly year-over-year declines. June they project could be down 3.2 percent year-over-year and increasing to a 13.9 percent year-over-year decline in July. The forecast also shows container import volumes below 2 million TEU in July 2025 which would be the first time it has fallen below that level since March 2024.

The NRF is now forecasting a total of 12.78 million TEU for the first half of 2025. That would be up 5.7 percent versus last year.

The group notes if the Trump administration moves ahead with port fees on Chinese-built ships, that carriers might move to larger vessels. They expect the major lines would seek to consolidate calls at major ports rather than making multiple stops at smaller ports. Others have speculated that shippers might route move volumes through the Canadian and Mexican ports to reduce exposure to the proposed port fees.

The NRF believes the growing uncertainties and continuing "tariff turmoil" are increasing concerns and are likely to be reflected in import volumes as the year progresses.