

LEGAL UPDATES

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Retail Imports Surge to Beat Tariffs and Labor Disputes

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The National Retail Federation (NRF) reports that containerized imports will continue their unseasonably high volumes through the end of the year, as both November and December imports are projected to be up nearly 15% from last year's volume. Freight experts and retail industry leaders point to the coming Trump administration's broad-based approach to tariffs as a likely cause for the higher-than-normal freight volume. President-elect Trump has indicated that, effective January 20, 2025, his administration would impose an additional 10% tariff on all Chinese imports and a 25% tariff on goods from Mexico and Canada. As a result, many importers are frontloading cargo to avoid the increased costs those tariffs would impose.

In addition, the risk of a full-scale strike resuming on the East and Gulf Coasts continues to loom. The International Longshoremen's Association (ILA) broke off negotiations with the East and Gulf Coast port employers, claiming that the employers are proposing increased automation at the ports that would eliminate union jobs. Absent a new agreement, the ILA strike that stopped work for three days in early October is set to resume on January 15, 2025. In addition to the threat of increased costs due to tariffs, importers are moving additional freight to avoid any stoppages or delays that would result from yet another strike.

What this means to you

While container import volume is uncharacteristically high at this time, the data suggest that the ports are managing the volume well at this time. Shippers should continue to strategically plan their import activities to ensure they can react flexibly to developments set to take place in early 2025.

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If you have questions regarding how trade law might impact transportation and logistics or questions related to a potential ILA strike, contact Julie Maurer, James Duncan, or your Husch Blackwell attorney.