WPS Intel

Logistics and Supply Chain

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The July 2025 edition of WPS Intel examines the growing complexity across global supply chains. Tariff hikes on copper, steel, pharmaceuticals, and cross-border trade with Canada and China are reshaping logistics flows and forcing a strategic rethink. Policy shifts in the U.S., from carbon credits to de minimis reforms, are prompting companies to reassess their entire operations, from sourcing structures to customs handling.

For leaders navigating trade-linked volatility, this edition offers critical updates to inform strategy and risk planning.

New Tariffs on Canadian Imports Raise

Cross-Border Uncertainty 35 percent tariffs to go into effect August 1 as U.S.–Canada tensions rise

The U.S. will raise tariffs on most Canadian imports to 35 percent starting August 1, citing fentanyl-related security concerns. Though USMCA-covered goods remain exempt, the move signals broader trade volatility ahead. Canada has pledged to negotiate a new agreement while defending domestic industries. Canada is the U.S.'s second-largest trade partner, with $57 billion in two-way commerce in May.

What's Shaping the Shift?

- 35 percent tariffs effective August 1
- USMCA-covered goods remain exempt
- 50 percent tariff on copper imports also set for August
- Canada is the U.S.'s second-largest trading partner, with $57B in two-way commerce in May

Lessons & Actionables

Targeted tariffs are straining high-volume trade corridors and introducing uncertainty into established cross-border logistics and sourcing strategies.

Assess operational and material exposure to Canadian imports and prepare contingency plans for cost, routing, and compliance impacts.

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Copper and Pharma Face Steep Tariff Hikes as U.S. Reshapes Import Strategy

Trade priorities refocus on domestic production and strategic reserves

The U.S. is implementing a 50 percent tariff on copper imports and considering a 200 percent tariff on pharmaceuticals. These actions follow earlier hikes on steel and aluminum and reflect a broader push to encourage onshore production. Copper, widely used in electronics, EVs, and infrastructure, is primarily imported via major U.S. ports and distributed inland.

What's Shaping the Shift?

- 50 percent tariff on copper imports may begin August 1
- 200 percent tariff on pharmaceuticals under consideration
- Copper imports totaled $17B in 2024 from Chile, Canada, Peru, and Mexico
- Logistics routes include New Orleans, Los Angeles, Houston
- Tariffs follow steel and aluminum increases announced in June

Lessons & Actionables

Material-level tariffs are pressuring cost structures and freight planning for high-volume sectors such as electronics, medical, and EV supply chains. Review copper-intensive product portfolios and inland freight dependencies to plan for cost pass-through and logistics realignment.

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India’s Carbon Credit Trading Scheme Raises Efficiency and Scope

Questions Concerns emerge over ambition and sector coverage under new CCTS framework

India’s carbon credit trading system, launched in 2023, targets eight energy-intensive sectors but has faced criticism for lacking ambition. The current annual emission intensity reduction target of 1.68 percent falls below industry forecasts and global net-zero pathways. Key sectors like power and transport remain excluded.

What’s Shaping the Shift?

- Targets eight sectors including steel, cement, and aluminum
- Current target: 1.68 percent annual reduction through 2027
- Power sector target for net-zero alignment: 3.44 percent
- Major exclusions: power, transport, MSMEs, agriculture
- Recommendations include tighter targets and expanded sector scope

Lessons & Actionables

Without bolder targets and broader inclusion, India’s CCTS may fall short of aligning supply chain emissions with global climate mandates. Factor emerging carbon cost exposure into long-term sourcing from India and track regulatory expansions that may affect shipping and materials inputs.

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