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WPS Intel

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In this month's WPS INTEL edition, we focus on a seismic moment in global trade: after nearly two years of continuous growth, U.S. imports are bracing for a sharp and sudden contraction. Tariff turbulence is reshaping sourcing decisions, freight routes, and bottom lines at unprecedented speed.

Inside this edition we dig deep into

The 20%+ import tariff projected from May 2025, and why the pre-tariff stockpiling rush may have masked the storm ahead.

A critical Executive Order that redefines how tariffs are applied (and refunded) across autos, aluminum, and steel.

FedEx's bold freight pivot via a new Singapore-U.S. direct cargo route, offering a strategic edge for time-sensitive industries.

And finally, a global heatmap of retaliation and escalation as Trump's tariffs redraw the lines of international trade diplomacy.

Each story connects to a broader insight: supply chain resilience in 2025 demands not just logistics agility, but policy fluency and forecasting foresight.

As always, WPS Intel is built for action. Read deep, share forward, and be prepared to rewire strategies on the move.

Sharp Import Drop Expected as U.S. Tariff Uncertainty Escalates

The Gist :

After 19 months of uninterrupted growth, U.S. imports are projected to enter a steep decline starting May 2025, driven by the rising impact of “reciprocal” tariffs, primarily involving China, and compounded by an inability to reroute sourcing quickly.

Analysts now forecast a 20%+ year-on-year drop in imports for the second half of 2025, marking a stark reversal from the record import volumes of 2024.

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What's Changing

- Retailers had accelerated shipments in early 2025, anticipating new tariffs—but the mitigation window has now closed.
- Monthly container volumes (TEUs) show a dramatic downward shift starting May:
  - May: 1.66M TEUs (↓20.5% YoY)
  - June: 1.57M TEUs (↓26.6% YoY)
  - July: 1.69M TEUs (↓27% YoY)
  - August: 1.70M TEUs (↓26.8% YoY)
- For context, pre-tariff forecasts had anticipated May volumes at 2.14M TEUs (↑2.8%)—highlighting a massive downward revision.

Recent Surge (Pre-Tariff Stockpiling)

- February 2025: 2.06M TEUs (↓7.5% from Jan, ↑5.2% YoY) – busiest February in 3 ye
- March Forecast: 2.14M TEUs (↑11.1% YoY)
- April Forecast: 2.08M TEUs (↑3.1% YoY) – includes final wave of pre-tariff imports

Industry Reaction

- NRF and Hackett Associates are urging the adoption of non-tariff trade strategies to stabilize supply chains.
- Businesses unable to pivot away from China are expected to bear the brunt of cost and availability disruptions.
- Forecasting reliability has eroded, with potential

INSIGHTS

- Tariff volatility is reshaping logistics strategy – Firms relying on pre-2025 projections must retool forecasts and contingency plans urgently.
- Early 2025 was the calm before the storm – Inventory pulled forward in Q1 masks the severity of the drop expected from May onward.
- Diversification and policy foresight are now business-critical – Companies must proactively explore alternate sourcing and regional buffers.

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Tariff Stacking Curbed: New Executive Order Clarifies U.S. Duty Rules on Auto, Aluminum, and Steel Imports

What's This About?

A new Executive Order signed on April 29, 2025, by President Trump limits the double- or triple-charging of tariffs—known as "tariff stacking"—on imports from Canada and Mexico. This move retroactively applies from March 4, 2025, and directly impacts automobiles, auto parts, aluminum, and steel, which have been subject to overlapping duties under various trade and national security measures.

This order streamlines tariff application, avoiding undue cost burden on importers by ensuring that Section 232 duties (initially imposed for national security) are not compounded with IEEPA-based sanctions. However, in cases where both aluminum and steel tariffs apply under Section 232, stacking may still occur.

Key Numbers and Details

Category	Affected Tariffs	Exempt From Additional Duties If...
Autos/Auto Parts	Section 232 Auto (Proclamation 10908)	Already subject to 232 Auto → Exempt from IEEPA + 232 Steel/Aluminum
Aluminum	Section 232 (Proclamation 9704)	If already under Section 232 Auto → Exempt from IEEPA
Steel	Section 232 (Proclamation 9705)	Same as above; **BUT** stacking still allowed for dual classification

Refunds: Importers who overpaid duties will receive retroactive refunds via U.S. Customs & Border Protection (CBP).

Implementation Timeline:

o March 4, 2025: Effective start date for the retroactive exemption.

o May 16, 2025 at 12:01 a.m. EDT: Official updates to the Harmonized Tariff Schedule (HTSUS) take effect.

INSIGHTS

- Tariff simplification lowers import costs: Especially critical for industries relying on cross-border supply chains like autos and heavy industry.
- Legal clarity reduces compliance risk: Reduces ambiguity for importers navigating multiple overlapping trade actions.
- Partial stacking still possible: Companies dealing with dual-qualifying steel and aluminum imports should stay vigilant.

FedEx Launches First-Ever Direct Singapore – U.S. Cargo Service

What's This About?

In a major move signalling its pivot toward general air freight, FedEx has launched its first direct cargo flight route from Singapore to the United States, with a stopover in Anchorage, Alaska. This new route, operational as of this week, is designed not for express parcels, but specifically for heavier, palletized cargo—a significant departure from FedEx's traditional parcel focus.

This is FedEx's latest step in expanding its deferred air cargo network, aimed at serving traditional freight-forwarder clientele and industries such as semiconductors, healthcare, aerospace, and high-tech manufacturing.

Key Numbers and Details

Element	Details
New Flight Route	Singapore → Anchorage, Alaska → U.S.
Aircraft	Boeing 777 Freighter
Flight Frequency	6 flights/week Singapore to Anchorage
Element	Details
	1 flight/week Anchorage to Singapore (to expand to 5/week in summer)
Target Cargo	Heavier, palletized cargo
Transit Advantage	Saturday cargo from Malaysia, Singapore, Thailand reaches U.S. by Monday

INSIGHTS

- FedEx's entry into direct Singapore-U.S. freight lanes signals its readiness to challenge conventional forwarders on long-haul routes.
- Saturday departures serving Southeast Asia (SG, MY, TH) offer a strategic weekend advantage, enabling faster Monday deliveries in the U.S.
- The service shows how network design and fleet utilization can be turned into a competitive edge in the evolving cargo landscape.

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Trump's Tariffs Escalate: A Global Trade Reset in Motion

What's This About?

President Trump has ramped up tariff-related executive actions in recent weeks, reigniting global trade tensions and introducing a new layer of complexity for businesses and foreign governments. These shifts mark an aggressive continuation of his first-term trade agenda—with new reciprocal tariff policies, blanket global tariffs, and particularly steep penalties on China.

The result? A volatile and reactive global trade environment where retaliation is building, exemptions are limited, and sector-specific reviews are underway that could disrupt major supply chains by year-end.

April 2

Rollout of **reciprocal tariff policy.**

April 3 25% auto tariffs
on all foreign-made cars effective.

April 5 Global 10% baseline tariff
implemented; higher rates delayed 90 days.

April 9 China tariffs raised to 125%
stacking to 145% total.

April 9 15% Venezuela tariffs
initiated; secondary tariffs of up to 25%.

May 3 Auto parts tariffs
to take effect.

July 14 End of EU's 90-day
Retaliation delay window.

Tariff Landscape & Retaliation Status

China

125% retaliatory tariffs on U.S. goods, effective April 12.

Canada

$59.8B in tariffs; includes 25% on U.S. vehicles.

EU

90-day retaliation delay, expires July 14.

Mexico

No retaliation yet—pursuing negotiation.

Venezuela

Targeted with 15% tariffs; secondaries up to 25% on related importers.

Sector-Specific Tariffs & Pending Reviews

Steel & Aluminum

25% tariffs since March; includes cans and derivatives.

Automobiles

25% on foreign cars (April 3); auto parts hit May 3.

Semiconductors

Exempt for now, but under consideration for future tariffs.

Pharmaceuticals Currently exempt.

Copper & Wood

Under federal review decisions to be taken year end

EU Imports

Subject to 10% baseline tariffs

INSIGHTS

- The 145% total tariff on Chinese goods marks a new high in trade aggression, and China's proportional retaliation sets the stage for a prolonged standoff.
- U.S. allies like Canada have responded firmly, while others like Mexico are betting on diplomacy—showcasing a divided global reaction.
- Fed reviews on key materials like copper and wood suggest future supply chain risks beyond current headlines.
- The blanket 10% global tariff introduces a new “floor” in international trade costs—even before sector escalations kick in.

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For inquiries & market intelligence:

info@webpackagingsolutions.com

11200 Westheimer Rd #505,
Houston, TX 77042, United States

+1 832-341-1222

info@webpackagingsolutions.com

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