

# Industrial Trade Report

By GCP Industrial Products

## Report Highlights

- Commodity prices continue to be volatile, especially crude oil, aluminum and plastics. 24% of companies surveyed by Institute for Supply Management (IMS<sup>®</sup>) reported higher raw material prices, compared to 18% last month.
- Global economic conditions improved in March across a broad set of sectors and regions, thereby quelling recession concerns (for now). Forward-looking indicators hint at further improvements, though employment growth has remained muted despite rising confidence.
- U.S. producer prices rose by 2.1% year-on-year (YOY) in March, the highest since April 2023. That said, the gain was less than expected.
- In 2017, a year before trade frictions between the U.S. and China started, Mexican products represented 13.5% of the U.S. import market. In 2023, it was 15.4%, today it is 16.3%.
- For the U.S. total trade continued to climb, rising substantially by 13.1 billion from the previous month. Specifically, the export of industrial supplies and materials increased \$2.9 billion while imports also increased by \$129 million.
- U.S. ports handled 1.96 million twenty-foot equivalent units (TEU) in February. That was down 0.3% from January but up 26.4% from the same month last year.
- Asia-North America rates remain 90% higher than in 2019 to the West Coast and 60% higher to the East Coast, as Red Sea diversions continue to absorb capacity.
- An imbalance of truck freight supply and demand continues, pushed by the surge of carriers who entered during the Covid period. This is keeping rates lower as the pace of carrier exits from the market remains gradual.

# Contents

Raw Material Pricing	3
Commodity Pricing	4
Rubber Pricing	4
Global PMI Manufacturing Heatmap	5
Producer Prices	6
Exports to the United States	6
Total Trade Volume	7
U.S. Rubber Import & Export Stats	8
Port Operations	9
Ocean Freight	10
Trucking Freight	11
GCP Delivery Times	12
GCP Production Times	13
Resources	14

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## Raw Material Pricing

Institute for Supply Management (IMS®) Price Index					
Month	Prices Higher	Prices Same	Prices Lower	Net	Index
Mar 2024	23.6%	64.4%	12.0%	+11.6	55.8
Feb 2024	18.3%	68.3%	13.4%	+4.9	52.5
Jan 2024	19.5%	66.7%	13.8%	+5.7	52.9
Dec 2023	14.4%	61.9%	23.9%	-9.7	45.2
Nov 2023	16.0%	67.7%	16.3%	-0.3	49.9
Oct 2023	11.0%	68.1%	20.9%	-9.9	45.1
Sept 2023	12.9%	61.7%	25.4%	-12.5	43.8
Aug 2023	16.4%	63.9%	19.7%	-3.3	48.4
July 2023	13.9%	57.4%	28.7%	-14.8	42.6
June 2023	11.2%	61.1%	27.7%	-16.5	41.8
May 2023	15.4%	57.5%	27.1%	-11.7	44.2
April 2023	26.3%	53.7%	20%	+6.3	53.2
2023 Index Average Jan.-Dec.					46.6
2022 Index Average Jan.-Dec.					64.7
2021 Index Average May-Dec.					82.8

Price index under 50 means prices are decreasing	
Price index above 50 means prices are Increasing	

### Key Takeaways:

- Raw material prices increased in March for the third month in a row after eight consecutive months of decreases.
- March's index reading is its highest level since July 2022. Commodity prices continue to be volatile, especially crude oil, aluminum and plastics.
- 11 industries reported paying increased prices for raw materials: Apparel, Leather & Allied Products; Printing & Related Support Activities; Textile Mills; **Plastics & Rubber Products**; Chemical Products; Miscellaneous Manufacturing; Nonmetallic Mineral Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; and Machinery.
- Four industries reported paying decreased prices for raw materials, they are: Furniture & Related Products; Primary Metals; Transportation Equipment; and Fabricated Metal Products.
- Four industries reported no change in input prices raw materials: Paper Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Wood Products.

## Commodity Pricing

IMS® Commodity Price Change	
Prices Up	Prices Down
Aluminum* (4)	Aluminum* (10)
Corrugated Boxes	Copper
Corrugated Sheets	Natural Gas (4)
Crude Oil	Packaging Materials (4)
Gasoline	Road Freight
Hydraulic Components	Steel* (2)
Maintenance, Repair, and Operations (MRO) Supplies (2)	Steel - Hot Rolled (5)
Ocean Freight (3)	Steel - Scrap
Plastic Resins (3)	Steel Products (2)
Polyethylene Resins	
Polypropylene (6)	
Solvents	
Steel* (9).	

IMS® Commodities in Short Supply
Electrical Components (42)
Electrical Equipment (2)
Hydraulic Components
Plastic Resins
Semiconductors

*The number in brackets after each item indicates the number of consecutive months the commodity has been listed up or down.*

*\* Indicates those commodities both up and down in price.*

## U.S. Rubber Pricing (Cents/kg)

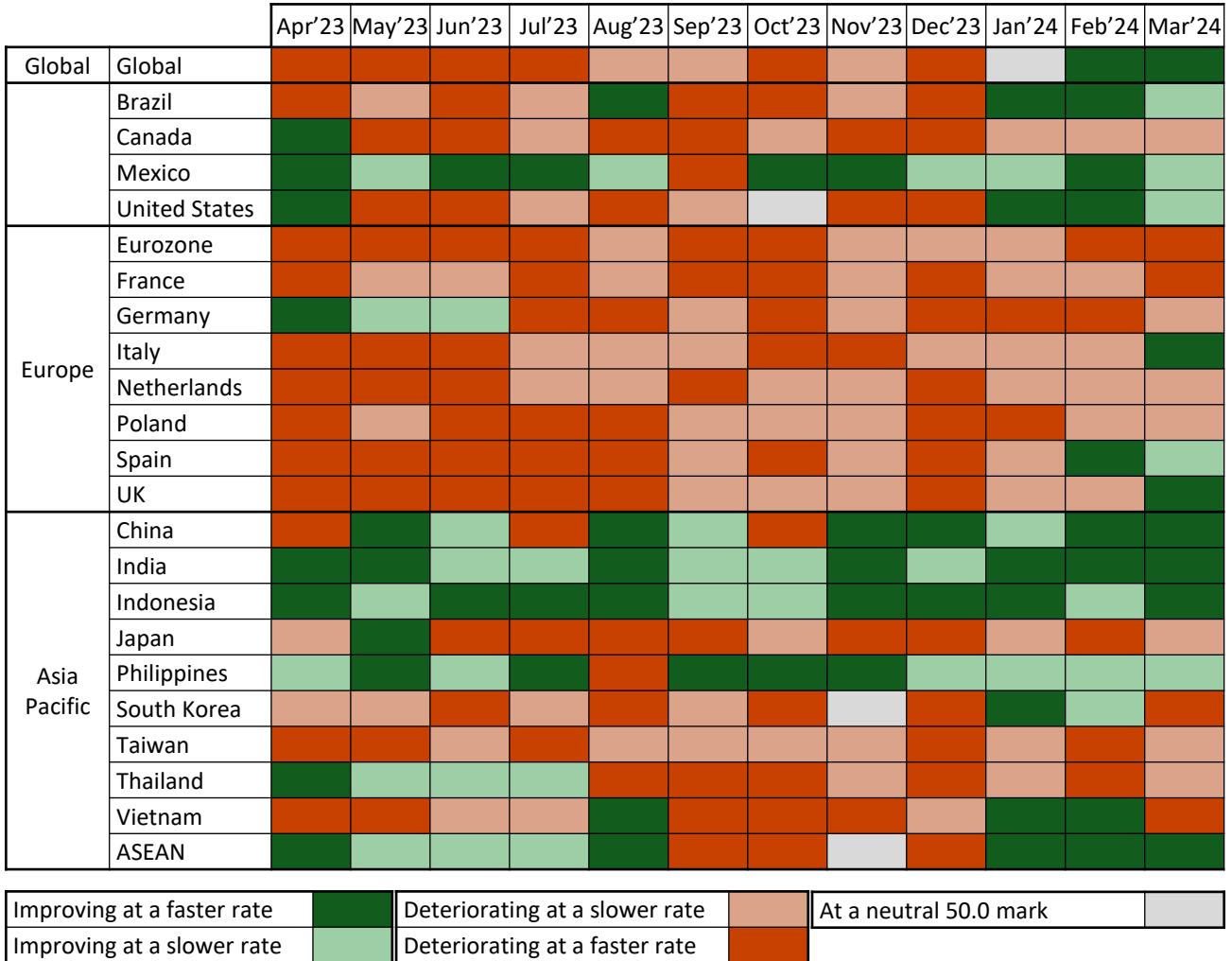


### Key Takeaways:

- Rubber futures are off their nine-month high due to lower oil prices and the resumption of tapping activities in rubber-producing areas. Additionally, the rise in rubber tapping in China’s Yunnan and Hainan regions, coupled with decreasing raw latex prices in Thailand, is contributing to a bearish outlook in the market.

## Global PMI Manufacturing Heatmap

Included components for calculating the manufacturing conditions of each country are; Production output, new orders, new export orders, backlogs of work, employment, input prices, output prices, future expectations, quantity of purchases, suppliers' delivery times, stocks of purchases, stocks of finished goods.

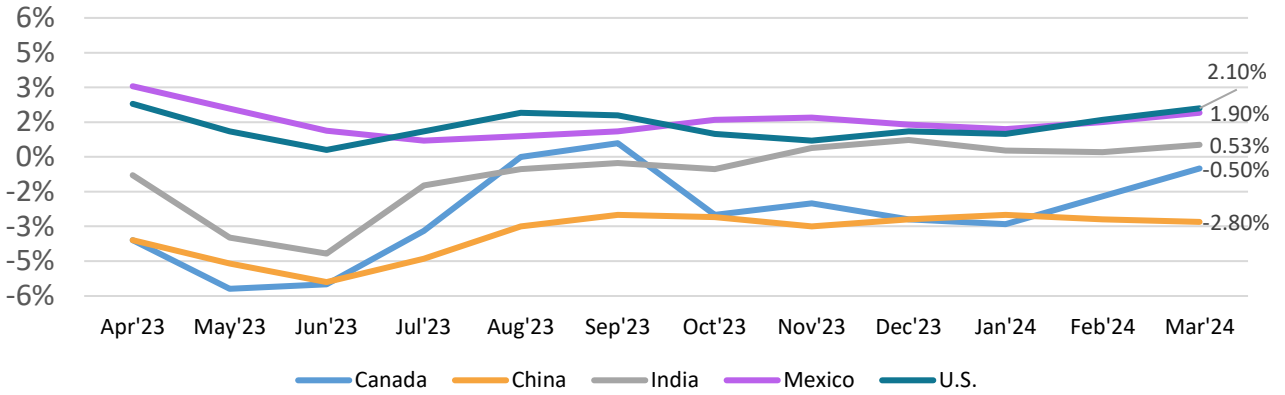


### Key Takeaways:

- Global economic conditions improved in March across a broad set of sectors and regions, thereby quelling recession concerns (for now). Forward-looking indicators hint at further improvements, though employment growth has remained muted despite rising confidence.
- Once again average selling prices have increased alongside the acceleration in global growth. The rate of inflation has risen to a ten-month high and is showing signs of being sticky which complicates the path for easing interest rates worldwide.

## Producer Prices

Producer Prices by Country  
Percent Change Per Month Year Over Year

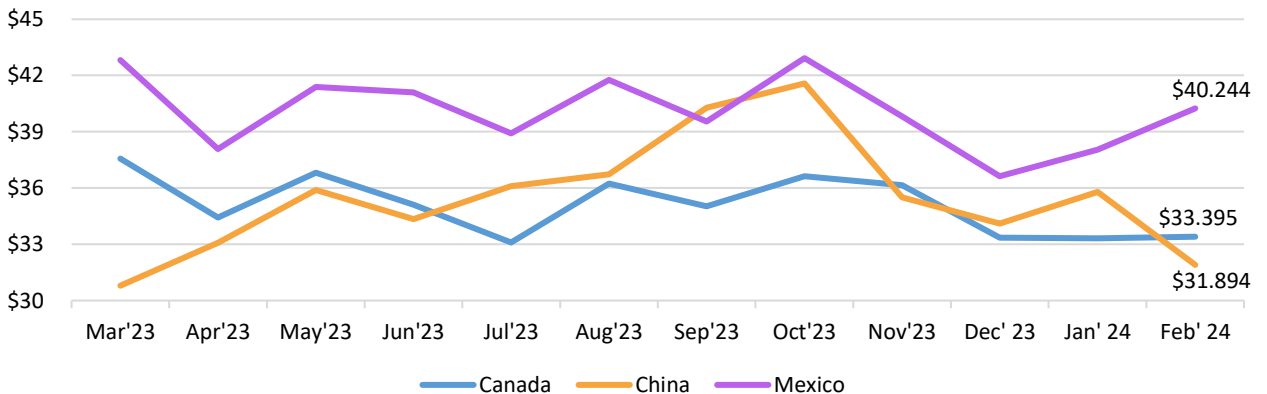


### Key Takeaways:

- U.S. producer prices rose by 2.1% YOY in March, the highest since April 2023. That said, the gain was less than expected.
- China's producer prices shrank by 2.8% YOY, it was the 18th straight month of contraction in factory-gate prices and the steepest decrease since last November.
- India's producer prices advanced by 0.53% YOY, marking the fifth consecutive period of wholesale inflation and the fastest pace since last December. This despite declines in manufacturing and fuel prices.

## Exports to the United States

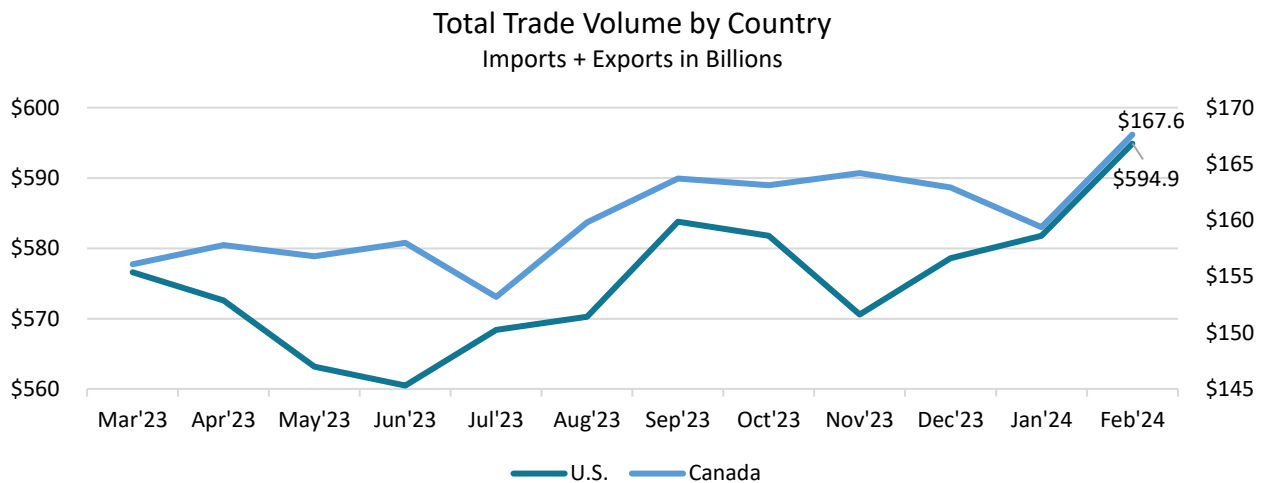
Largest Exporters to the United States  
By Country in Billions



## Key Takeaways:

- In 2017, a year before trade frictions between the U.S. and China started, Mexican products represented 13.5% of the U.S. market. In 2023, it was 15.4%, today it is 16.3%.
- However, it seems Mexico's growth is largely coming by way of Chinese capital. Chinese companies are relocating to industrial parks in northern Mexico, so much so, that the Industrial Parks Association of Mexico has said every site due to be built in the country by 2027 has already been bought up.
- Given the trade war between the U.S. and China does not look like it will diminish any time soon, Mexico is finding itself in a strategic foothold between the two superpowers.

## Total Trade Volume

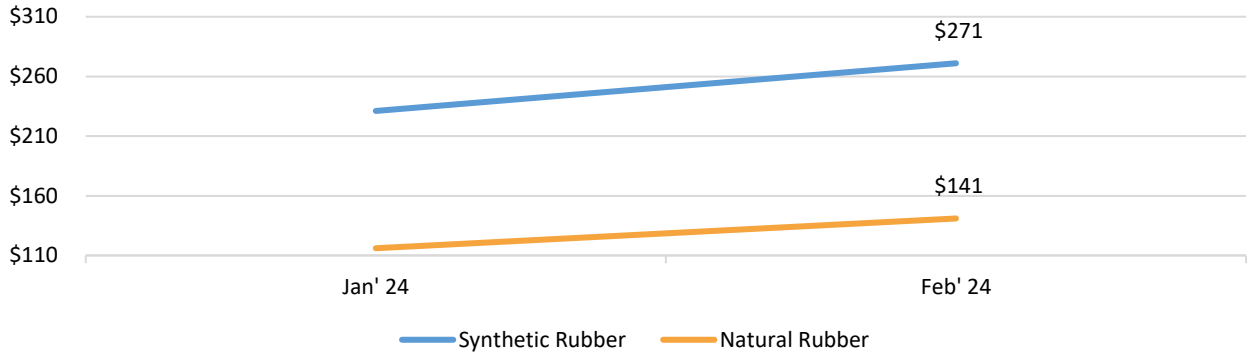


## Key Takeaways:

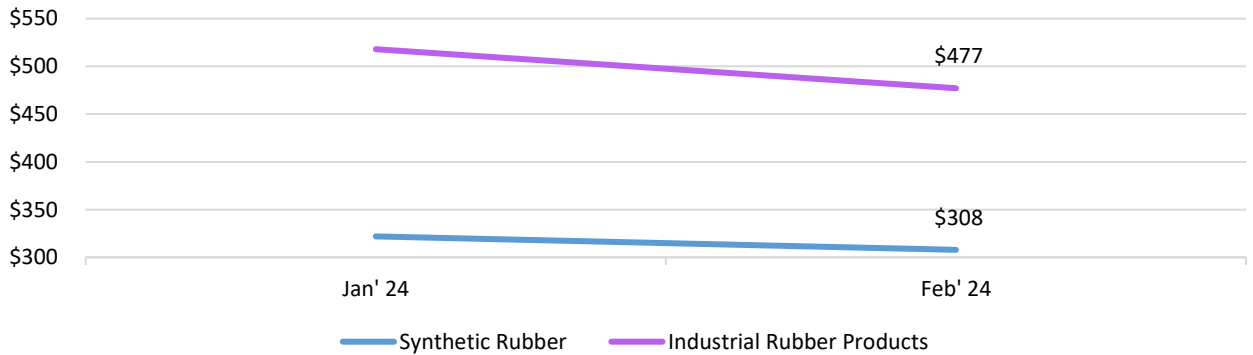
- Combining both imports and exports provides a comprehensive view of a country's total business and consumer interactions beyond its borders. An increase in both exports and imports signifies a flourishing and robust economy.
- For the U.S. overall trade continued to climb, rising substantially by 13.1 billion from the previous month. Specifically, the export of industrial supplies and materials increased \$2.9 billion while imports also increased by \$129 million.
- For Canada there was also a strong rise in trade gaining \$8.2 billion. Specifically for the industrial chemical, plastic and rubber products sector, exports grew 6.8%, while imports grew 6.0% for the month.

## U.S. Rubber Import & Export Stats

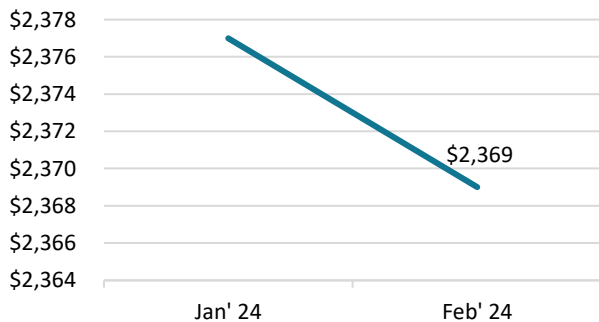
Import of Rubber Products  
in Millions



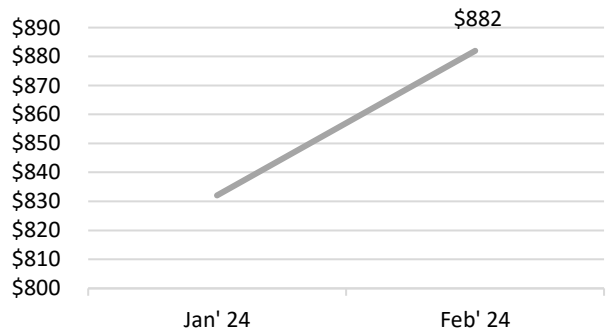
Export of Rubber Products  
in Millions



Import of Rubber  
Manufactured Goods  
in Millions






Export of Rubber  
Manufactured Goods  
in Millions





## Port Operations

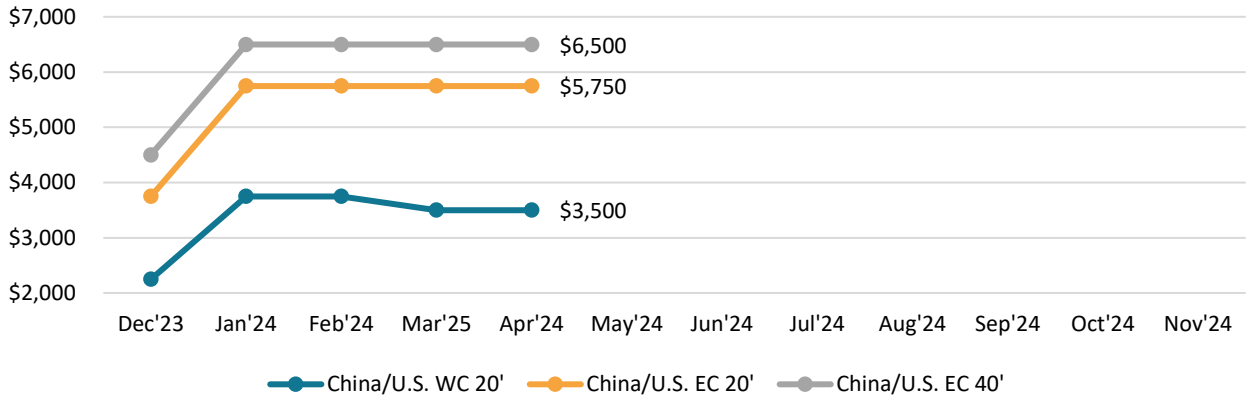
Current North America Vessel Dwell Times					
Region	Port	Vessels Waiting	Average Wait for Birth	Rail Dwell Times	
U.S. West Coast	LA/LB	3	0 days	6 days	
	OAK	5	N/A	6 days	
	SEA/TAC	0	N/A	5 days	
Canada West Coast	Van	1	1 day	9 days	
	PRR	0	2 days	7 days	
U.S. East Coast / Gulf Coast	NY/NJ	4	1 day	4 days	
	BAL	N/A	N/A	N/A	
	NOR	0	N/A	3 days	
	CHS	2	N/A	3 days	
	SAV	6	N/A	2 days	
	HOU	2	1 day	4 days	
Improving over last month		Consistent over last month		Deteriorating over last month	

### Key Takeaways:

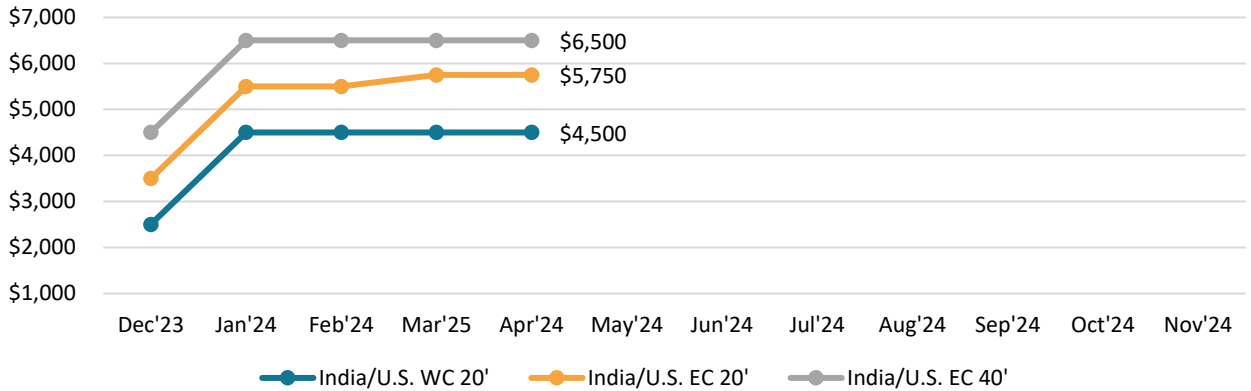
- In the early hours of March 26, 2024, a vessel collided with the Francis Scott Key bridge, resulting in significant damage and tragic loss of life.
- Alternative ports continue to handle the rerouting away from the Port of Baltimore without reports of significant congestion. Now, several weeks post the accident, it is unlikely that congestion or disruptions will materialize.
- To that point, officials in Baltimore plan to open a deeper channel for commercial ships to access the city's port starting April 25, marking a step toward reopening the major maritime shipping hub that has remained closed since the tragic incident.
- Overall, U.S. ports handled 1.96 million twenty-foot equivalent units (TEU) in February, the latest month for which final numbers are available. That was down 0.3% from January but up 26.4% from the same month last year.
- Ports have not yet reported March's numbers, but projections for the month are at 1.8 million TEU, down 7.8% from February because of Lunar New Year's impact, but up 11% YOY.

## Ocean Freight

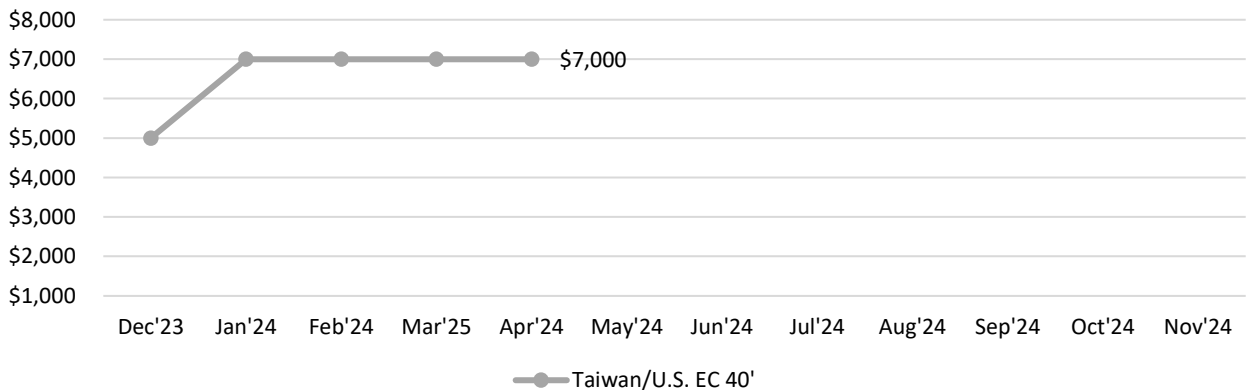
Average GCP/China Container Cost, U.S. Dollars



Average GCP/India Container Cost, U.S. Dollars



Average GCP/Taiwan Container Cost, U.S. Dollars

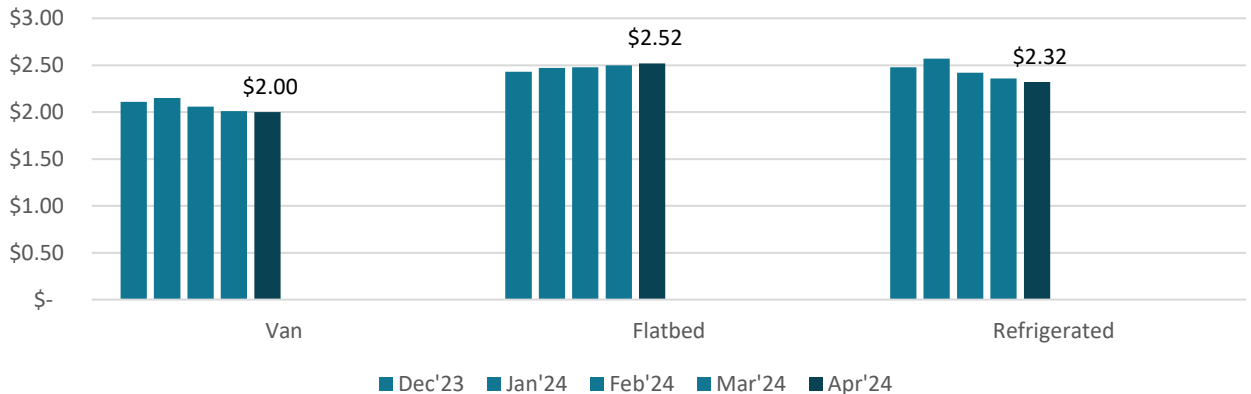


**Key Takeaways:**

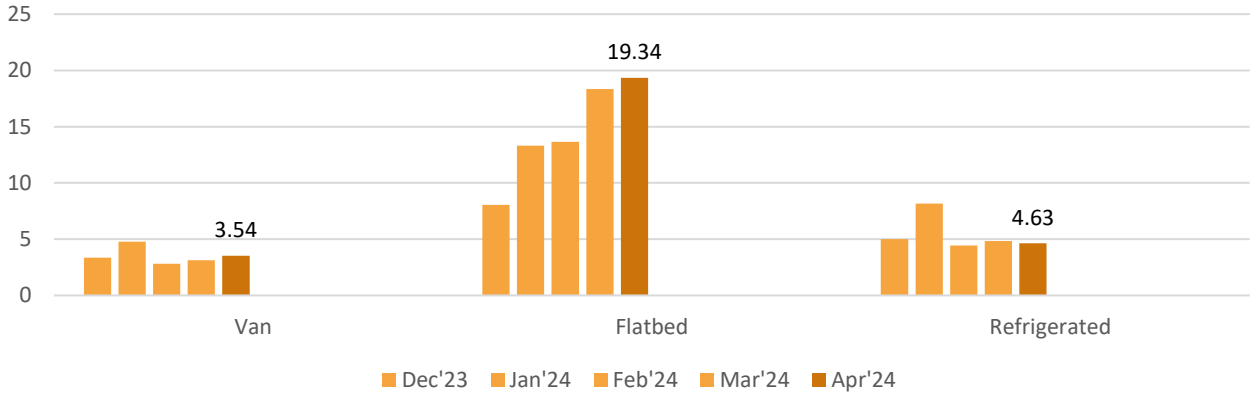
- All rates stated on page 9 are GCP’s port to door rates, fully delivered, inclusive of all fees.
- The Red Sea situation continues to impact the ocean freight market. Vessels continue to reroute via the Cape of Good Hope and vessel schedules continue to fluctuate.
- In a latest development, Iran sized an MSC-operated vessel and its crew, impacting Indian and European cargo. So far, ocean rates beyond the Middle East and S. Asia have not been impacted by this latest disruption.
- In terms of shipping times, some normalization has ensued. This was reflected in the February 2024 global schedule reliability score, which improved by 1.7% to 53.3% month-over-month. On a YOY level however, schedule reliability is down -6.9%.
- Asia-North America rates remain 90% higher than in 2019 to the West Coast and 60% higher to the East Coast, as Red Sea diversions continue to absorb capacity.
- With incentives high for shipping companies to book as much cargo as possible at current elevated rates, Asia-North America East Coast routes have seen a sharp drop-off in blanked capacity. The same can be said for Asia-North America West Coast routes, as a systematic trend in the gradual reduction in blank sailings is now approaching zero.
- In some good news, the Panama Canal Authority will increase the number of daily crossings permitted from 24 to 32 in two stages starting May 16, 2024.

**Trucking Freight**

**North American Trucking Rates**  
Average Spot Rate/Mile, U.S. Dollars



**North American Load-to-Truck Ratio**  
Average Number of Loads Posted for Every Truck Posted

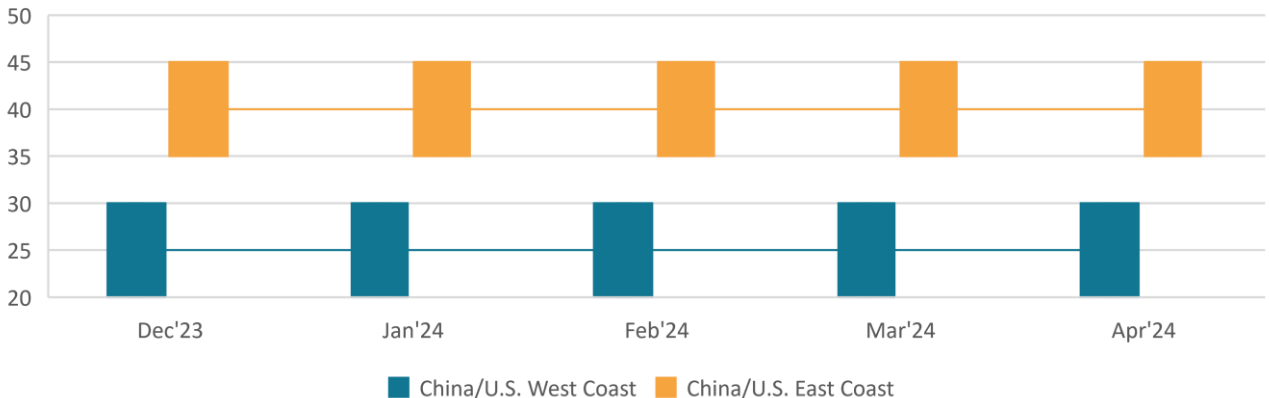


**Key Takeaways:**

- There continues to be an imbalance between carrier supply and demand, driven by the surge of carriers who entered during the Covid period. This is keeping rates lower and, in some instances, below breakeven for carriers.
- It is expected spot rates will begin to increase as carrier supply returns to more normalized levels; however, the pace of carrier exits from the market remains gradual.
- Economic uncertainty, increased driver wages and rising insurance premiums are top concerns for carriers. As a result, the industry is seeing shift from owner operators to company drivers as fewer drivers wish to be an independent due to the state of the market.

**GCP Delivery Times**

**Port to Door Transit Time**  
Average Number of Days for All China/U.S. Shipments

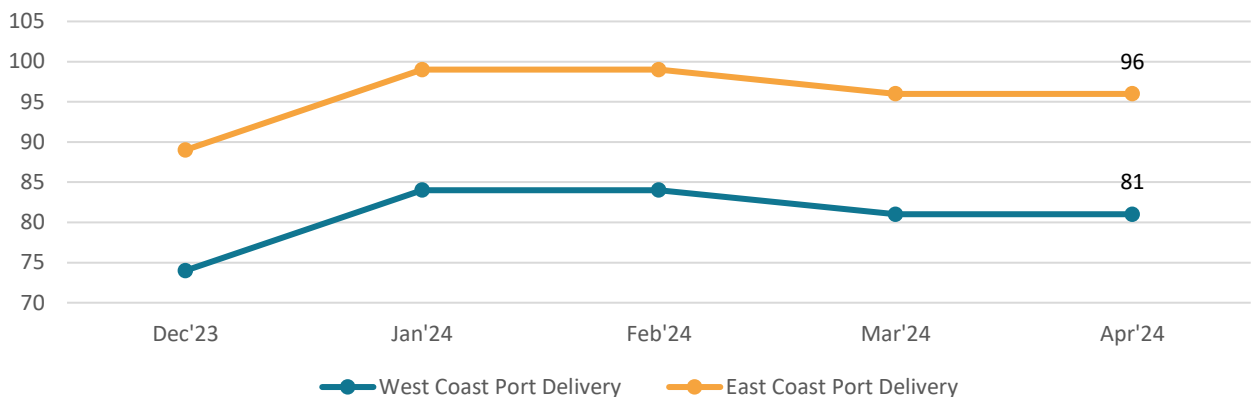


**Key Takeaways:**

- Our port-to-door transit time tracks the change in days an average GCP order will take to cross the ocean, including all other intermodal shipping, and be delivered to your location.
- Despite the many disruptions (Red Sea, Panama Canal, Port of Baltimore) impacting the industry, our delivery times have remained consistent since the start of the year.

**GCP Production Times**

Number of Days to Produce & Deliver an Order  
Average for All GCP Products/Product Lines

**Key Takeaways:**

- The chart above is an aggregated measure of the change an average GCP order will take to supply from the time a purchase order is submitted to the time it is delivered. It combines all products from all facilities to create one number. This includes the time it takes to book a container, which currently stands at an average of 10.5 days, as well as ocean shipping and all other transit times.
- For specific production times on each of our product lines and products, please see our April 2024 production report. ([View here](#))

## Resources

### Raw Material Prices/Commodity Pricing

- <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/pmi/march/>

### U.S. Rubber Pricing

- <https://www.selinawamucii.com/insights/prices/united-states-of-america/natural-rubber/>
- <https://tradingeconomics.com/commodity/rubber>

### Global PMI Manufacturing

- <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/monthly-pmi-bulletin-april-2024.html>
- [https://cdn.ihsmarkit.com/www/pdf/0424/PMI\\_monthly\\_bulletin\\_2404.pdf](https://cdn.ihsmarkit.com/www/pdf/0424/PMI_monthly_bulletin_2404.pdf)

### Producer Prices

- <https://tradingeconomics.com/country-list/producer-prices-change>
- <https://tradingeconomics.com/canada/producer-prices-change>
- <https://tradingeconomics.com/china/producer-prices-change>
- <https://tradingeconomics.com/india/producer-prices-change>
- <https://tradingeconomics.com/mexico/producer-prices-change>
- <https://tradingeconomics.com/united-states/producer-prices-change>
- <https://www.ceicdata.com/en/indicator/mexico/producer-price-index-growth>

### Exports to the United States

- <https://www.ceicdata.com/en/united-states/imports-by-country-census-basis/imports-customs-canada>
- <https://www.ceicdata.com/en/united-states/imports-by-country-census-basis/imports-customs-mexico>
- <https://www.ceicdata.com/en/united-states/imports-by-country-census-basis/imports-1digit-china-cn>
- <https://www.thinkchina.sg/china-mexico-us-trade-relations-remain-evermore-interdependent>
- <https://www.bbc.com/news/business-68825118>
- <https://www.census.gov/foreign-trade/statistics/highlights/topcm.html>

### Trade Volume

- <https://www.bea.gov/news/2024/us-international-trade-goods-and-services-february-2024>
- <https://publications.gc.ca/site/eng/9.894830/publication.html>
- <https://www150.statcan.gc.ca/n1/daily-quotidien/240404/t002a-eng.htm>
- [https://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/ft900.pdf](https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf)

### Port Operations

- <https://www.flexport.com/market-updates/freight-market-update-april-25-2024/>
- <https://abcnews.go.com/US/wireStory/baltimore-port-open-deeper-channel-enabling-ships-pass-109533789>
- <https://www.hapag-lloyd.com/en/services-information/operational-updates/north-america.html>
- <https://nrf.com/media-center/press-releases/import-cargo-hit-2-million-containers-first-time-last-fall>
- <https://theloadstar.com/other-east-coast-ports-can-handle-baltimore-cargo-in-the-short-term/>
- <https://www.maersk.com/news/articles/2024/04/08/north-america-market-update-march>

### Ocean Freight

- <https://www.chrobinson.com/en-us/resources/insights-and-advisories/global-forwarding-insights/>
- <https://pancanal.com/wp-content/uploads/2024/01/ADV12-2024-Increase-in-the-Number-of-Booking-Slots-and-Increase-in-the-Maximum-allowable-draft.28.pdf>
- <https://theloadstar.com/carriers-look-to-short-term-gains-over-blanking-as-red-sea-crisis-props-up-rates/>
- <https://www.sea-intelligence.com/press-room/260-sharp-drop-in-blank-sailings>

### Trucking Freight

- <https://www.dat.com/trendlines>
- <https://www.chrobinson.com/en-us/resources/insights-and-advisories/north-america-freight-insights/april-2024-freight-market-updates/>
- <https://resources.coyote.com/download/freight-market-cheat-sheet>
- <https://www.ryantrans.com/news/april-2024-industry-update>
- <https://www.freightwaves.com/news/the-great-freight-recession-has-now-last-ed-longer-than-the-covid-bull-market>

### Production & Delivery Times

- <https://www.gcpindustrial.com/april-2024-production-times/>



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