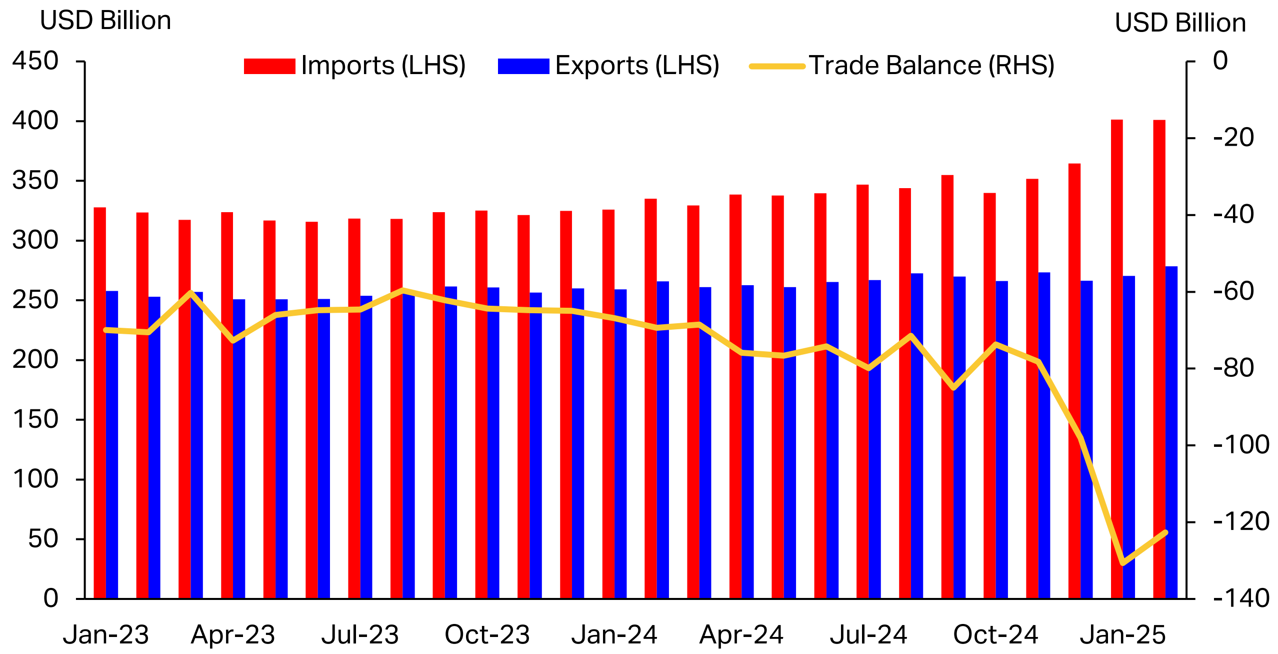
Chart of the Week

17 April 2025

US Imports Surge Ahead of New Tariffs

US imports, exports, and trade balance



Source: IATA Sustainability and Economics, using data from MacroBond.

- US imports surged in the first two months of the year, in anticipation of the Trump administration's new tariff regime (voiced in the America First Trade Policy Memorandum published on 30 January 2025). Total imports jumped by more than 20% in January and February year-on-year (YoY), far exceeding the 2024 average growth in imports of just 6.5%. Exports rose only around 5% YoY in January and February, pushing the trade deficit to new highs of USD 131 billion in January and USD 123 billion in February. The sharp deterioration in the trade balance will subtract from GDP growth in the first quarter of 2025.
- The increase in imports has been felt on the operational front as well. Congestion has increased at some US ports. This has favored air cargo as more firms have rushed to beat tariff deadlines. The US will remove the de minimis tariff exemption effective on 2 May 2025. This exemption previously allowed low-value parcels, notably from Asia, to enter the US duty-free. Its impending demise has contributed to a 37% increase in air cargo yields on shipments from China to the US between early March and early April. Yields may remain elevated through April, while volumes tied to de minimis shipments, which constitute 5% to 10% of this trade lane, are expected to decline significantly once the exemption expires.
- This exceptional increase in imports to the US reflects one-off front-loading rather than a sustained rise in demand. The associated revenue boost for air cargo carriers might not be able to offset longer-term headwinds. The blanket 10% tariff on all imports, along with a series of steeper, targeted duties on specific countries and product categories, will slow the imports in the coming months, dampening global trade flows, disrupting supply chains, and weighing on economic growth.

IATA Sustainability & Economics
economics@iata.org