

Reactions and remedies

Supply Chain Outlook

S&P Global Market Intelligence

Q1 2025



Agenda

- **Rivalries and friendships:** Trump 2.0; Trump's tariffs not the only game in town
- **Finding a logistics balance:** Trade growth is expected to slow and shipping capacity will rise
- **Deploying the playbook:** We've been here before, but the cost-cutting imperative leads the way

Rivalries and friendships

Trump 2.0

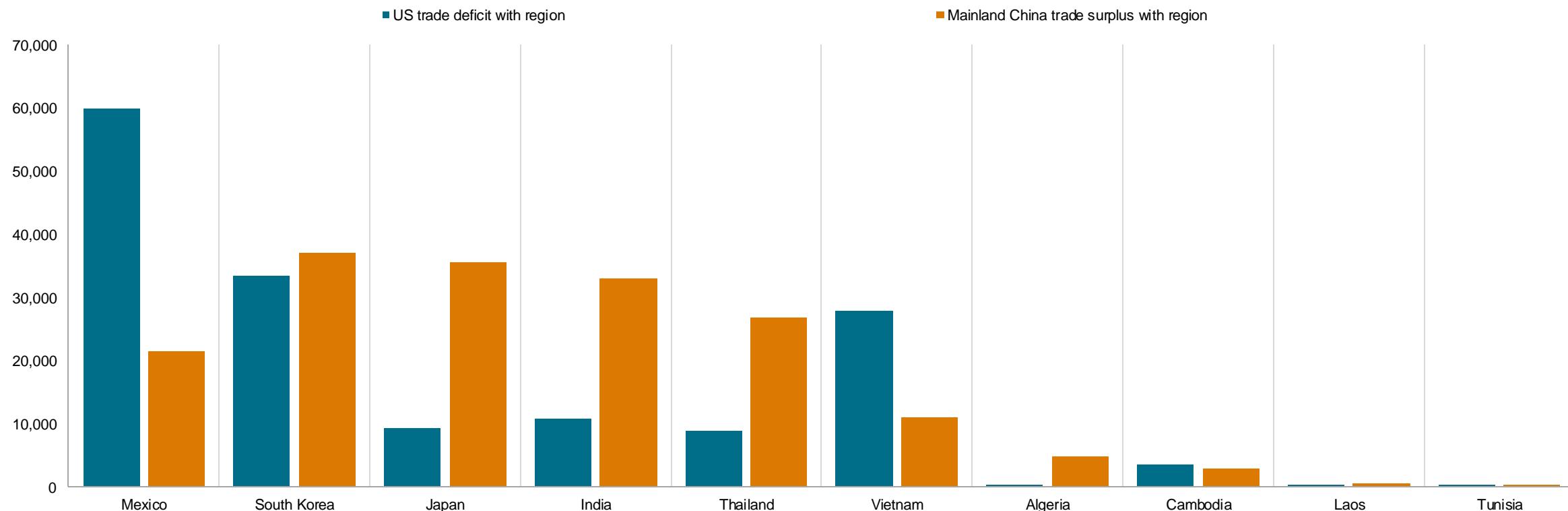
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Trade protectionism is set to be the defining factor of 2025

President Trump's targeting driven by trade deficits; transactional approach

US trade deficit building at same time as China trade surplus

Change in net merchandise trade position, US\$M in 12 months to Sep. 30, 2024 versus 2021



Data compiled Nov. 11, 2024.

Source: S&P Global Market Intelligence.

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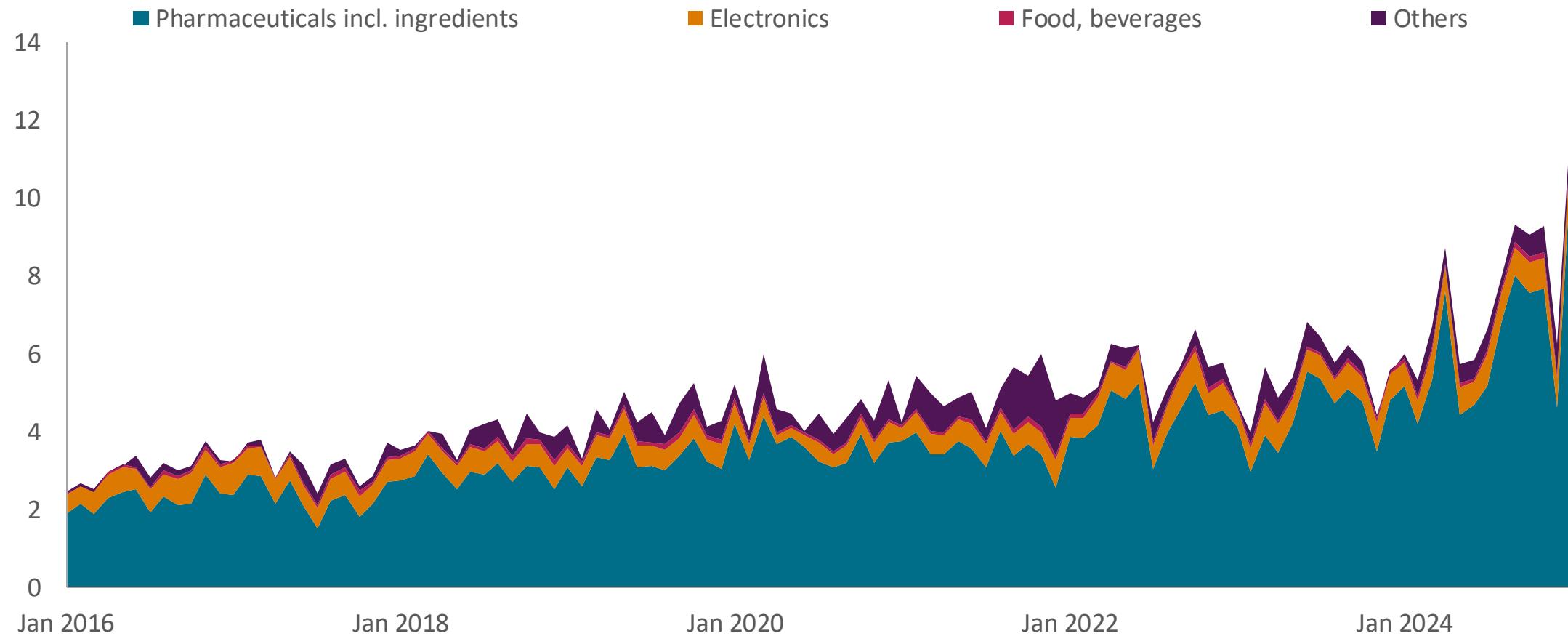
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Ireland particularly exposed thanks to diet drug shipments

US trade deficit with Ireland reaches US\$93B, up by 54% since 2021

Diet drugs drive US trade deficit with Ireland to record high

US trade-in-goods sector deficit with Ireland, US\$b



Data compiled Mar. 21, 2025.

Source: S&P Global Market Intelligence.

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Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Something for everyone

Trump Administration's Announced Tariff Plans Since Jan 20, 2025					
Plans announced or defined threats identified					
Measure Regions	Mechanism	Rate	Date applied	Imports, US\$B 2024	% US imports Notes
Canada	IEEPA	25%	Mar 4 2025	412.7	12.6%USMCA products free until April 2, 10% on energy products; De minimis shipping rights removed
Canada	TBC	25%	Mar 12 2025	11.5	0.4%Steel and aluminum products
Mexico	IEEPA	25%	Mar 4 2025	505.9	15.5%USMCA products free until April 2 De minimis shipping rights removed
Mainland China	IEEPA	10%	Feb 04 2025	438.9	13.4%
Mainland China	IEEPA	10%	Mar 04 2025	438.9	13.4%
Mainland China	IEEPA	na	Delayed	na	naDe minimis shipping rights removed subject to systems review
European Union	tbc	25%	tbc	605.8	18.5%
Colombia	tbc	25%	Suspended	17.7	0.5%Deal reached on immigration
Russia	tbc	tbc	tbc	3.0	0.1%Threatened as part of peace talks
BRICS	tbc	100%	tbc	na	naThreatened with regards to currency
Products					
Steel, derivatives	232	25%	Mar 12 2025	85.3	2.6%Includes full value of derivatives
Aluminum, derivatives	232	25%	Mar 12 2025	120.1	3.7%Includes full value of derivatives
Copper, derivatives	232	tbc	25 2025	15.8	0.5%Standard case up to 270 days before report
			Review: Mar 1		
Forestry products	232	tbc	2025	46.3	1.4%Standard case up to 270 days includes all wood furniture
Semiconductors	tbc	>= 25%	tbc	40.2	1.2%Includes packaging
Pharmaceuticals	tbc	>= 25%	tbc	263.6	8.1%Includes APIs
Autos	tbc	25%	tbc	439.6	13.5%Includes vehicles, parts, could leverage prior 232 case
Digital services	tbc	tbc	tbc	na	naCould leverage prior 301 case
Chinese shipping	301	tbc	Mar 24 2025	na	naVaries by shipowner and portfolio
			From Apr 02		
Fair and Reciprocal Plan	tbc	tbc	2025	na	naCould include VAT as well as tariff assessment
IEEPA = International Emergency Economic Powers Act; tbc = to be confirmed; NA = not available.					
Data as of Mar. 11, 2025					
Source: S&P Global Market Intelligence					
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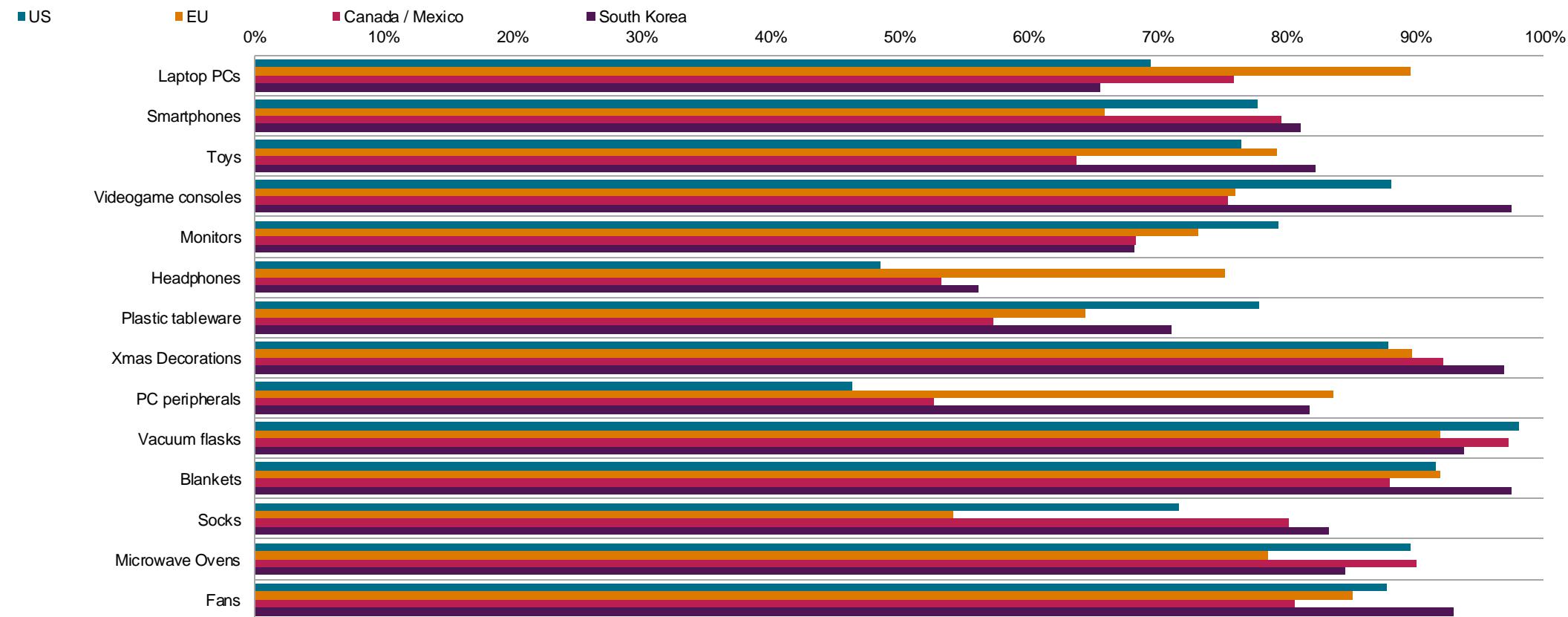
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Trump's early actions to be followed by deeper dives in April

20% China tariff hike causes potential for price pressures

Mainland China's existing dominance leaves few other markets if US tariffs rise

Share of imports accounted for by mainland China, 12 months to June 30, 2024



Data compiled Nov. 18, 2024.

Source: S&P Global Market Intelligence.

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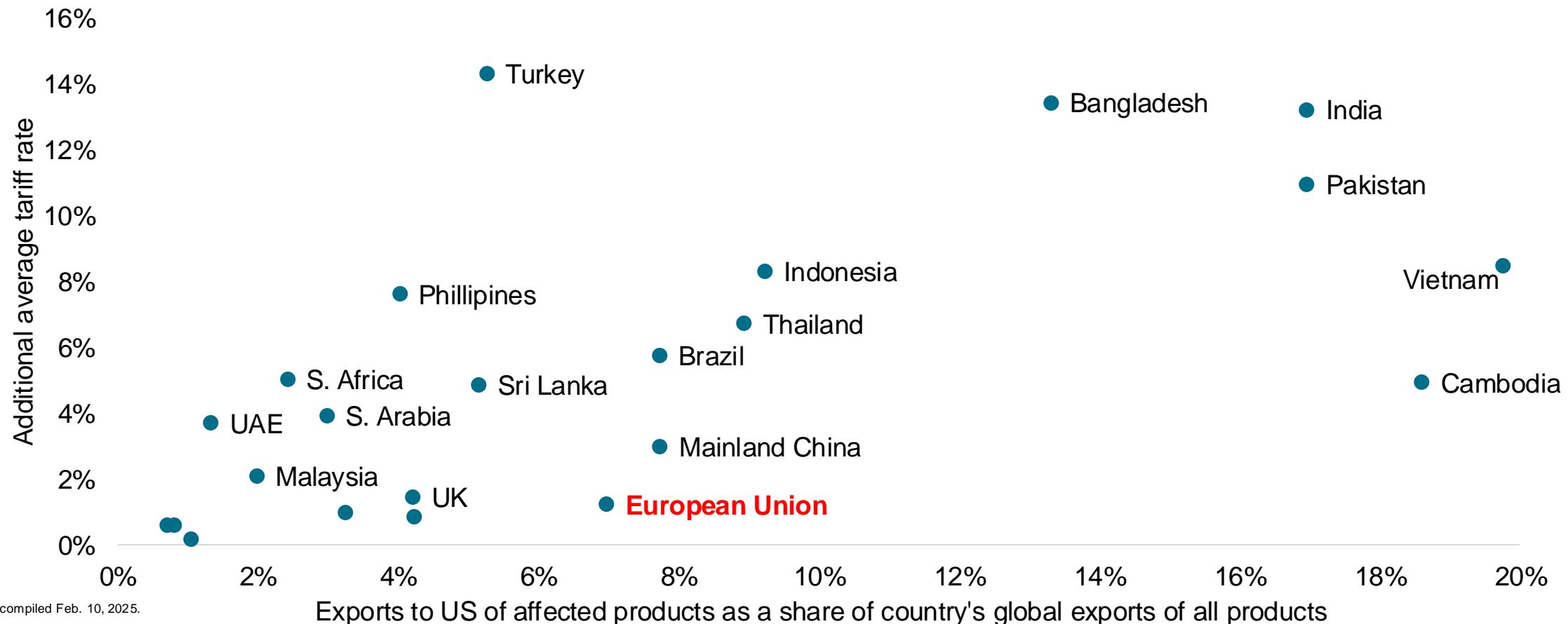
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Reciprocal tariffs put everything on the agenda, but potentially at low rates

Style of targeting matters critically, leaves room for country-by-country deals

Vietnam, Cambodia and south Asia most exposed to reciprocal tariffs

Merchandise trade with the US where country's import tariff is higher than US's, last 12 months



Data compiled Feb. 10, 2025.

Source: S&P Global Market Intelligence.

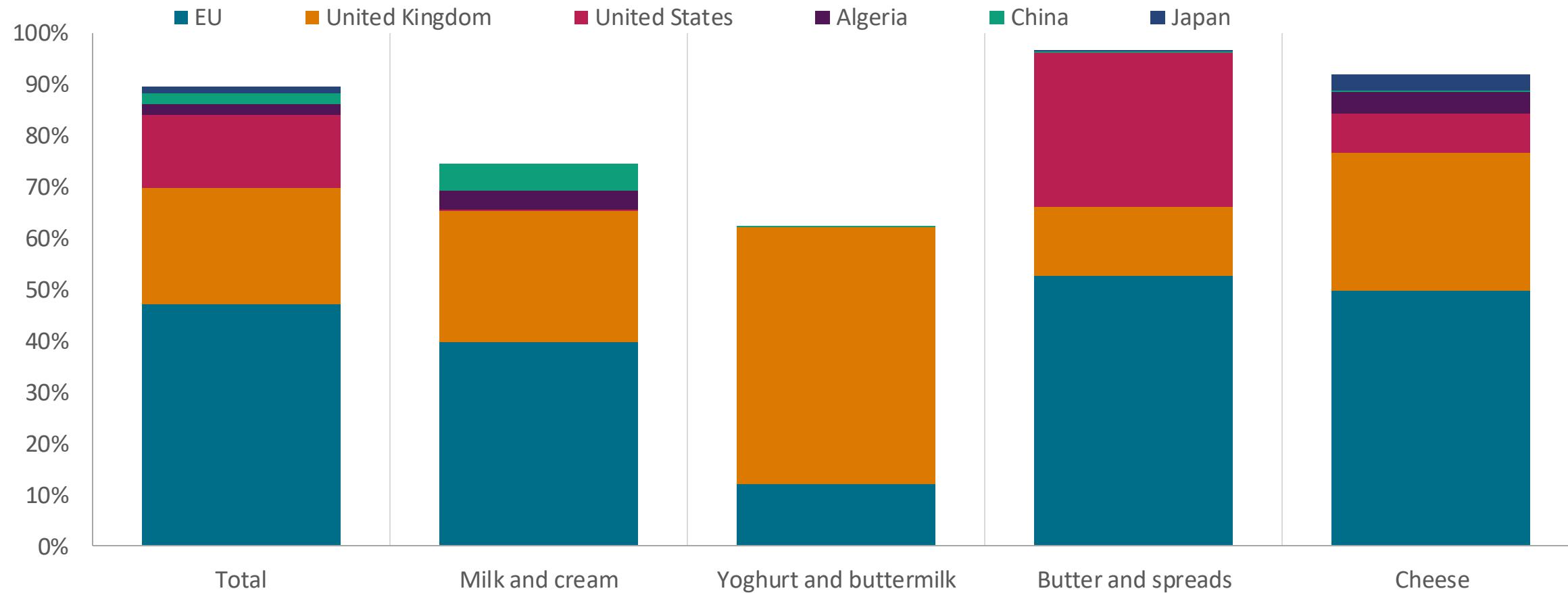
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Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Irish dairy industry heavily exposed to the US as key market outside Europe

US the most important market after Europe, focused on butter

Share of Irish exports, 2024, denominated in euros



Data compiled Mar. 21, 2025.

Source: S&P Global Market Intelligence.

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Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Reciprocal tariffs put everything on the agenda, but potentially at low rates

Retaliation, appropriation, cooperation all options – not mutually exclusive

Top 17 buyers account for 80% of US exports of all products

Share of top 50 most valuable US exports by destination, 12-months to Sep. 30, 2024

	CA	MX	CN	EU	JP	UK	SK	BR	SG	TW	IN	AUS	HK	SWZ	UAE	VN	PN
All exports	17.0%	16.2%	7.1%	13.6%	3.8%	3.7%	3.3%	2.3%	2.3%	2.0%	2.0%	1.7%	1.4%	1.3%	1.3%	0.6%	0.5%
Aircraft	6.8%	4.7%	8.4%	25.0%	3.8%	7.8%	2.1%	7.5%	5.3%	1.8%	2.6%	1.9%	1.3%	1.0%	3.0%	0.2%	0.5%
Crude oil	8.7%	0.0%	6.7%	20.0%	1.0%	6.4%	12.0%	1.4%	6.4%	5.6%	5.0%	0.4%	0.0%	0.0%	0.1%	1.0%	
Refined oil	11.1%	29.1%	0.3%	4.9%	0.6%	3.1%	0.4%	3.2%	1.1%	0.1%	0.6%	0.1%	0.0%	0.1%	0.1%	0.0%	3.6%
Cars	26.9%	7.6%	9.5%	19.3%	1.6%	1.5%	3.5%	0.6%	0.0%	1.3%	0.1%	2.1%	0.1%	0.1%	6.7%	0.0%	0.1%
Natural gas	2.9%	11.1%	9.1%	19.6%	14.3%	3.4%	6.9%	1.7%	1.3%	1.4%	2.2%	0.2%	0.0%	0.1%	0.0%	0.1%	0.4%
Vaccines	4.5%	2.8%	12.8%	35.6%	8.3%	2.9%	1.9%	2.1%	0.6%	0.6%	2.9%	0.3%	4.5%	0.6%	0.2%	0.4%	
Auto parts	32.1%	43.4%	3.2%	5.6%	0.9%	0.5%	0.4%	1.3%	0.3%	0.1%	0.9%	2.0%	0.1%	0.0%	0.7%	0.1%	0.1%
Semiconductors	1.9%	24.6%	15.8%	4.9%	0.8%	0.6%	5.1%	2.6%	1.5%	9.0%	0.4%	0.1%	6.1%	0.1%	0.0%	5.3%	0.0%
Pharmaceuticals	11.0%	4.1%	7.9%	25.1%	9.4%	13.4%	2.8%	3.1%	1.5%	0.7%	0.6%	2.1%	0.3%	1.5%	1.4%	0.2%	0.4%
Gold	2.0%	0.3%	0.0%	1.3%	0.0%	32.8%	0.0%	0.0%	10.9%	0.3%	4.9%	4.1%	3.0%	35.5%	2.6%	0.0%	0.0%
Computers	16.8%	11.9%	2.6%	10.8%	5.4%	3.1%	1.1%	1.8%	4.2%	3.5%	2.5%	2.8%	2.5%	0.3%	4.3%	0.4%	0.3%
Comms equipment	11.8%	12.5%	2.5%	8.8%	2.0%	2.7%	0.9%	2.3%	3.1%	1.3%	1.4%	3.0%	10.3%	0.3%	5.6%	2.0%	0.3%
Medical instruments	8.7%	12.5%	9.4%	18.6%	7.4%	1.6%	2.2%	1.8%	2.2%	1.2%	1.7%	3.1%	0.7%	0.9%	0.4%	0.2%	0.1%
Commercial vehicles	72.4%	8.6%	0.6%	1.4%	0.0%	0.0%	0.1%	0.8%	0.0%	0.0%	0.0%	6.0%	0.0%	0.2%	1.0%	0.0%	0.1%
Soybeans	0.5%	10.1%	53.6%	9.2%	4.6%	0.2%	1.3%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%	1.6%	0.1%	
Computer parts	3.1%	54.9%	2.7%	5.8%	0.6%	0.5%	1.0%	0.8%	1.7%	12.0%	0.5%	0.3%	2.9%	0.1%	0.7%	0.1%	0.1%
Semiconductor equipment	0.2%	0.6%	24.2%	9.5%	8.2%	0.4%	19.8%	0.0%	7.7%	14.8%	0.1%	0.0%	0.3%	0.1%	0.0%	0.1%	0.0%
Polyethylene	9.3%	15.1%	15.9%	13.5%	0.5%	1.0%	0.9%	10.3%	1.7%	1.4%	1.5%	0.2%	0.2%	0.3%	0.4%	1.4%	0.1%
Valves	19.9%	17.7%	6.4%	14.1%	3.3%	4.7%	2.3%	3.5%	2.9%	1.7%	1.4%	2.0%	0.5%	0.4%	2.3%	0.2%	0.3%
Coal	4.8%	0.0%	9.6%	16.2%	9.3%	0.3%	2.1%	9.1%	0.6%	0.0%	24.2%	0.0%	0.0%	0.0%	0.1%	0.3%	0.0%
Corn	5.5%	40.7%	3.9%	1.8%	18.3%	0.2%	4.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
Power switches	15.2%	38.7%	4.5%	8.8%	1.9%	2.9%	2.3%	1.2%	1.9%	1.5%	1.7%	0.9%	2.0%	0.3%	0.5%	0.5%	0.1%
Centrifuges	22.7%	16.5%	7.9%	13.7%	3.6%	2.8%	2.6%	2.5%	2.9%	1.8%	1.5%	2.6%	0.4%	0.4%	1.5%	0.1%	0.2%
Fiber optics	22.5%	35.0%	3.3%	8.2%	1.4%	2.7%	1.0%	1.7%	1.8%	1.0%	1.1%	1.4%	1.0%	0.2%	0.8%	0.3%	0.1%
Diamonds	1.1%	0.6%	0.4%	17.7%	0.5%	3.2%	0.0%	0.1%	0.3%	0.6%	19.9%	0.2%	20.1%	5.2%	6.7%	0.3%	0.0%
Jet engines	9.3%	9.5%	2.0%	25.4%	4.7%	3.4%	4.2%	2.7%	6.0%	2.1%	0.4%	2.7%	0.3%	0.6%	3.1%	0.3%	0.0%
Jewelry	6.4%	3.6%	4.3%	6.5%	6.1%	5.5%	1.9%	0.5%	2.1%	2.0%	5.2%	1.3%	19.9%	11.4%	3.7%	0.3%	0.1%
Medical devices	9.1%	5.6%	7.0%	21.1%	7.1%	1.3%	1.5%	1.2%	3.1%	1.1%	1.1%	3.3%	1.0%	5.2%	0.4%	0.2%	0.1%
Diagnostic agents	8.2%	3.4%	13.0%	29.8%	7.6%	3.4%	2.9%	2.8%	2.9%	1.3%	2.1%	2.9%	1.0%	0.5%	0.2%	0.3%	0.1%
Hormones	0.3%	0.0%	2.9%	95.6%	0.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Chemistry equipment	7.6%	5.5%	14.0%	20.7%	5.4%	3.2%	3.9%	2.9%	6.5%	2.1%	2.8%	1.4%	1.2%	0.9%	0.6%	0.6%	0.1%
Transmission shafts	27.0%	17.9%	7.2%	14.2%	2.4%	3.5%	1.2%	5.5%	2.6%	0.5%	1.3%	2.7%	0.3%	0.5%	1.1%	0.1%	0.1%
Batteries	21.6%	40.5%	0.9%	6.3%	1.8%	2.7%	2.6%	0.8%	0.4%	1.6%	0.2%	12.1%	0.3%	0.1%	0.3%	0.1%	0.2%
Plastics, other	16.5%	36.4%	5.9%	10.0%	2.6%	3.0%	2.1%	1.5%	2.1%	1.3%	1.1%	1.5%	0.5%	0.5%	0.9%	0.2%	0.2%
Water pumps	24.5%	16.4%	5.3%	11.7%	2.2%	3.8%	2.6%	2.9%	2.1%	0.7%	1.8%	3.1%	0.2%	0.2%	2.2%	0.2%	0.2%
Unrecorded media	8.5%	52.2%	3.9%	10.0%	2.2%	1.5%	1.2%	1.7%	1.8%	2.0%	1.2%	0.9%	1.9%	0.3%	0.6%	0.1%	0.0%
Art	1.0%	1.0%	1.4%	28.7%	1.9%	22.4%	3.1%	0.5%	2.1%	0.5%	0.8%	0.5%	12.0%	19.2%	0.5%	0.0%	0.0%
Petrol engines	53.1%	31.3%	1.2%	4.1%	1.7%	0.3%	0.3%	1.0%	0.9%	0.0%	0.1%	1.1%	0.1%	0.0%	1.2%	0.1%	0.0%
Measuring device parts	8.1%	9.8%	23.5%	12.3%	7.4%	2.2%	8.3%	1.4%	3.8%	7.9%	1.8%	12%	0.8%	0.6%	1.2%	0.4%	0.1%
Diesel engines	17.1%	49.8%	4.0%	5.7%	0.9%	2.1%	0.3%	2.8%	0.9%	0.2%	1.5%	4.0%	0.2%	0.1%	0.7%	0.2%	0.0%
Scrap precious metals	55.0%	0.0%	0.0%	21.7%	3.9%	7.5%	0.0%	0.0%	0.8%	0.0%	0.0%	0.1%	1.0%	0.0%	0.0%	0.0%	0.0%
Power switch parts	21.3%	21.4%	5.6%	15.8%	2.3%	5.0%	1.9%	3.6%	2.5%	1.5%	1.4%	1.9%	0.6%	0.4%	1.4%	0.3%	0.1%
Tractors	60.6%	6.0%	0.5%	8.8%	0.5%	1.0%	0.0%	2.3%	0.0%	0.1%	0.0%	11.1%	0.0%	0.0%	0.2%	0.1%	0.0%
Nuts, other	3.9%	3.3%	11.9%	23.5%	3.5%	2.2%	2.9%	0.2%	0.8%	13.3%	0.5%	1.9%	0.1%	6.0%	3.0%	0.0%	
Power transformers	20.6%	29.1%	4.4%	9.9%	2.0%	2.3%	2.3%	1.6%	2.7%	1.6%	1.1%	1.5%	1.4%	0.3%	0.8%	0.2%	0.2%
Machine parts	18.9%	26.7%	4.0%	11.6%	3.9%	2.8%	1.7%	2.6%	2.4%	0.7%	1.3%	2.4%	0.3%	0.5%	1.6%	0.4%	0.1%
Vacuum pumps	20.9%	31.2%	3.6%	10.0%	2.2%	4.8%	1.7%	1.6%	2.7%	0.8%	1.4%	2.4%	0.2%	0.2%	1.2%	0.1%	0.2%
Plastic packaging	33.8%	41.4%	1.5%	7.8%	2.4%	1.5%	0.7%	0.6%	0.6%	0.5%	0.6%	0.6%	0.1%	0.3%	0.1%	0.1%	0.2%
Steel, other	15.5%	53.4%	2.6%	8.2%	2.2%	2.1%	1.0%	1.2%	1.1%	0.4%	0.8%	0.9%	0.2%	0.2%	0.5%	0.3%	0.1%
Acyclic hydrocarbons	7.9%	5.7%	17.7%	13.0%	3.8%	1.6%	6.7%	1.1%	1.2%	0.7%	3.6%	0.0%	0.2%	0.0%	0.0%	0.3%	0.1%

Data compiled Jan. 20, 2025

Source: S&P Global Market Intelligence

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Rivalries and friendships
Trump's tariffs not the only game in town

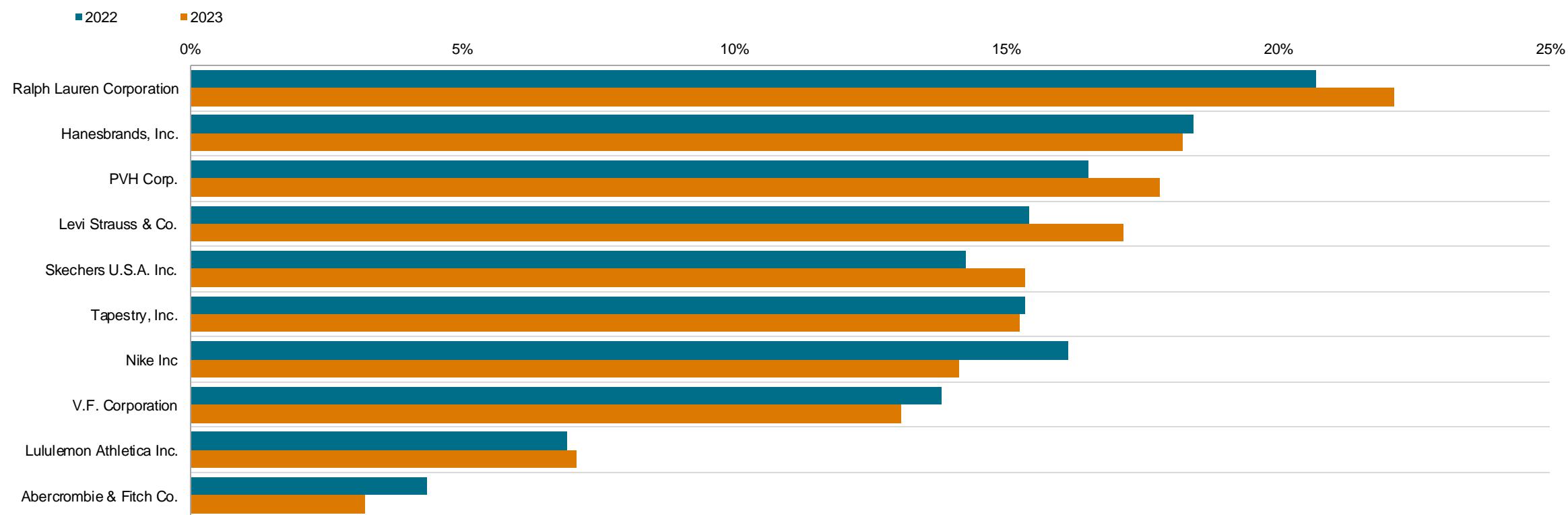
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Mainland China's government is becoming more strident

Unreliable Entities List to limit abilities to work both in and with China

American-domiciled apparel firms' exposure to Asian markets

Share of revenues in Asia Pacific or China



Data compiled Sep. 30, 2024.

Source: S&P Global Market Intelligence.

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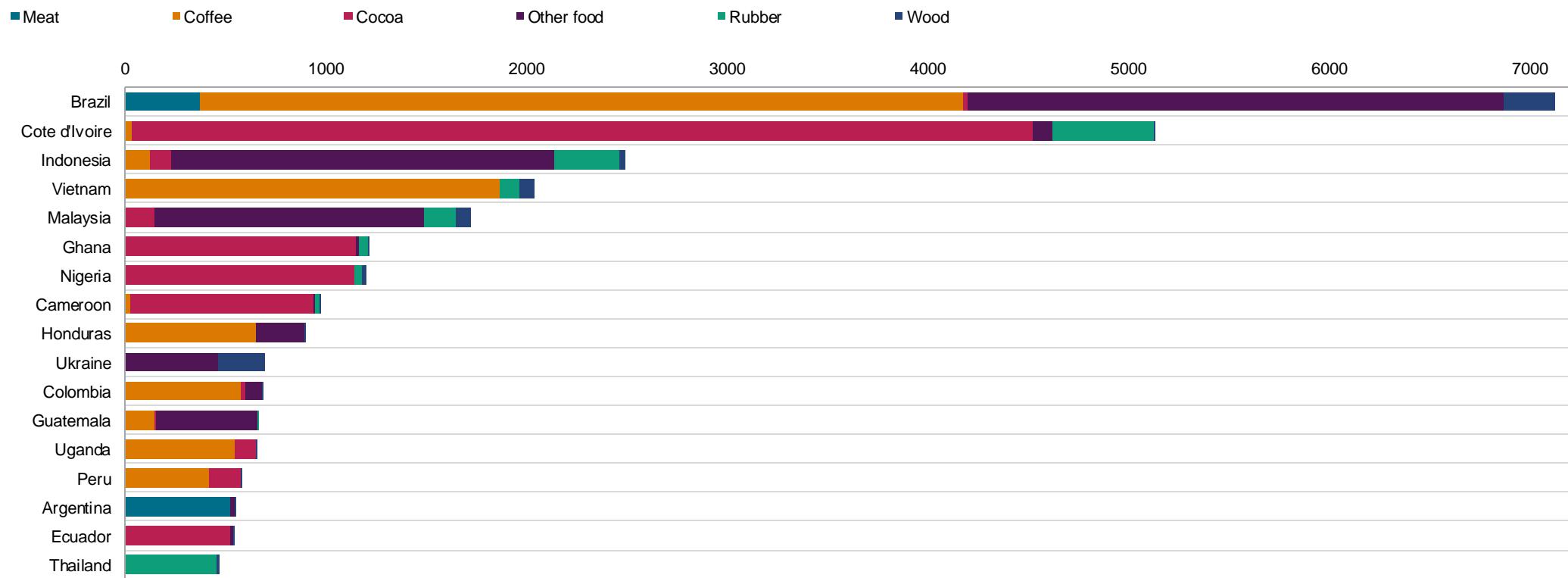
Rivalries and friendship: Environmental regulatory risks and opportunities

EU regulations to become clearer during the year

EUDR, CS3D delayed due to complications; CBAM under review; ETS proving less than effective

Lots of ground to cover in EUDR classifications

EU imports of products covered by Deforestation Regulation, million euros



Data covers 12 months to Aug. 31, 2024.

Data compiled Dec. 17, 2024.

Source: S&P Global Market Intelligence.

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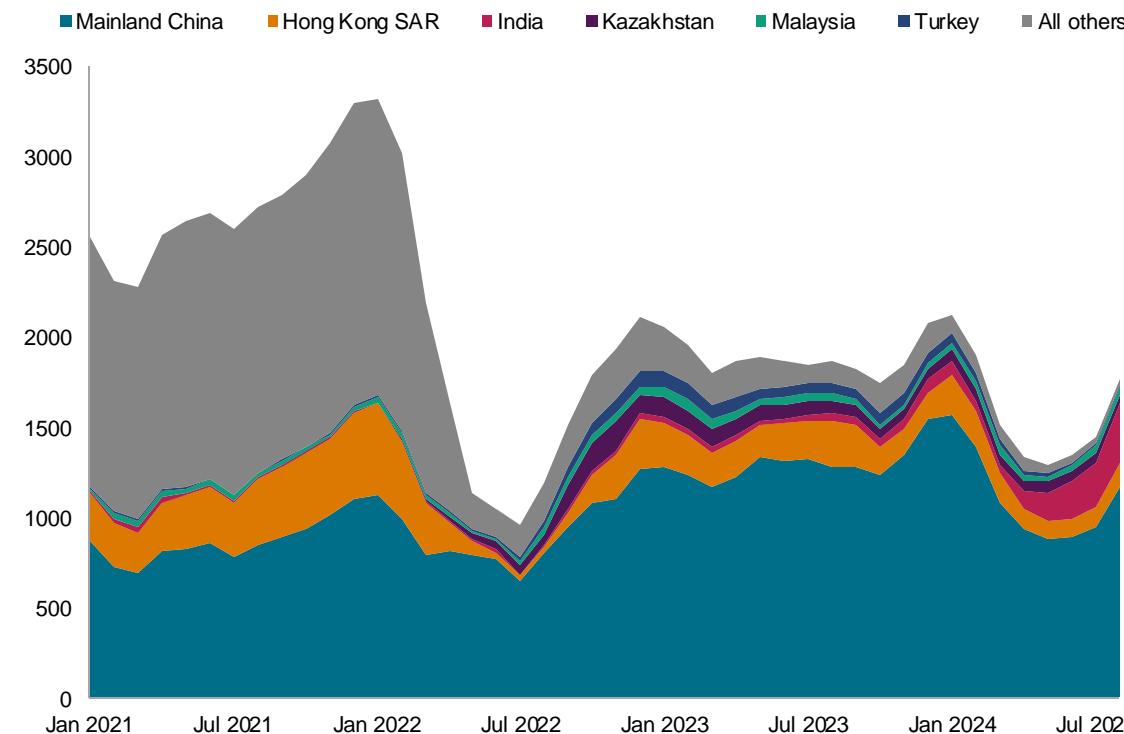
Rivalries and friendships: Protectionism casts a shadow, creates opportunities

Conflict in Ukraine and Middle East might end, effects may not

Efficacy of sanctions in question, implementation under Trump uncertain

China maintains CHPI shipments to Russia; India building up supplies

Exports of CHPIs to Russia, US\$M, three-month trailing total



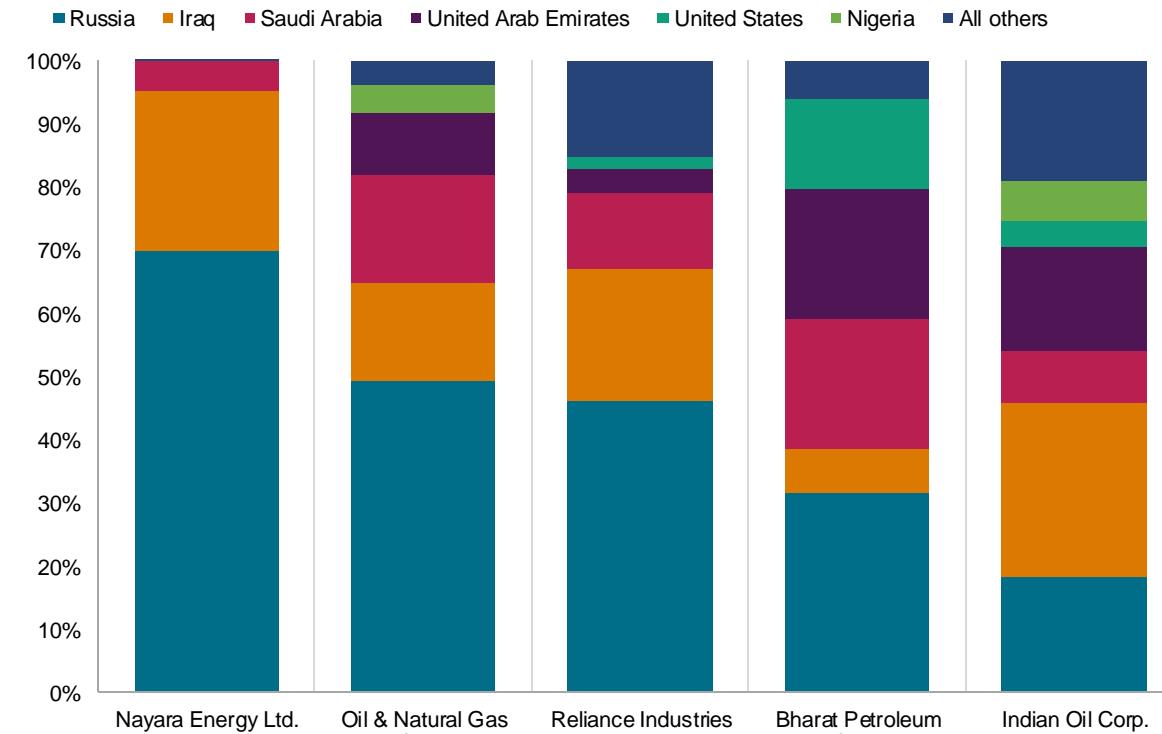
Data compiled Dec. 16, 2024.

Source: S&P Global Market Intelligence.

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Russia has become the leading supplier for most Indian crude oil importers

Share of Indian imports of crude oil by origin, three months to Nov. 30, 2024



Data compiled Jan. 14, 2025.

Source: S&P Global Market Intelligence.

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Finding a logistics balance

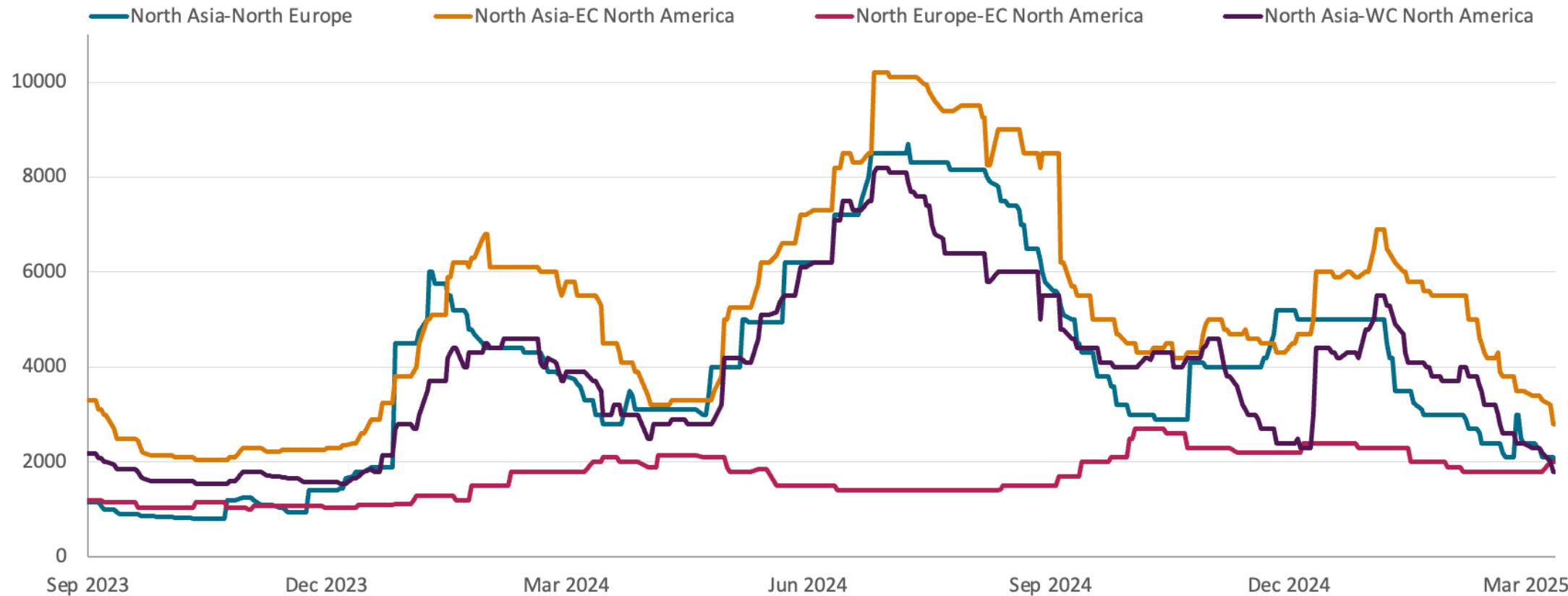
Finding a logistics balance: Slow demand, fast capacity, more disruptions

Supply chain decision-makers beset by volatile shipping rates

Downside risks from Red Sea access, fleet set to grow 6% annually in next three years

Shipping rates balance capacity availability, weak demand, exogenous shocks

Container shipping rates, US\$ per forty-foot equivalent unit



Data compiled Mar. 13, 2025.

Source: S&P Global Market Intelligence.

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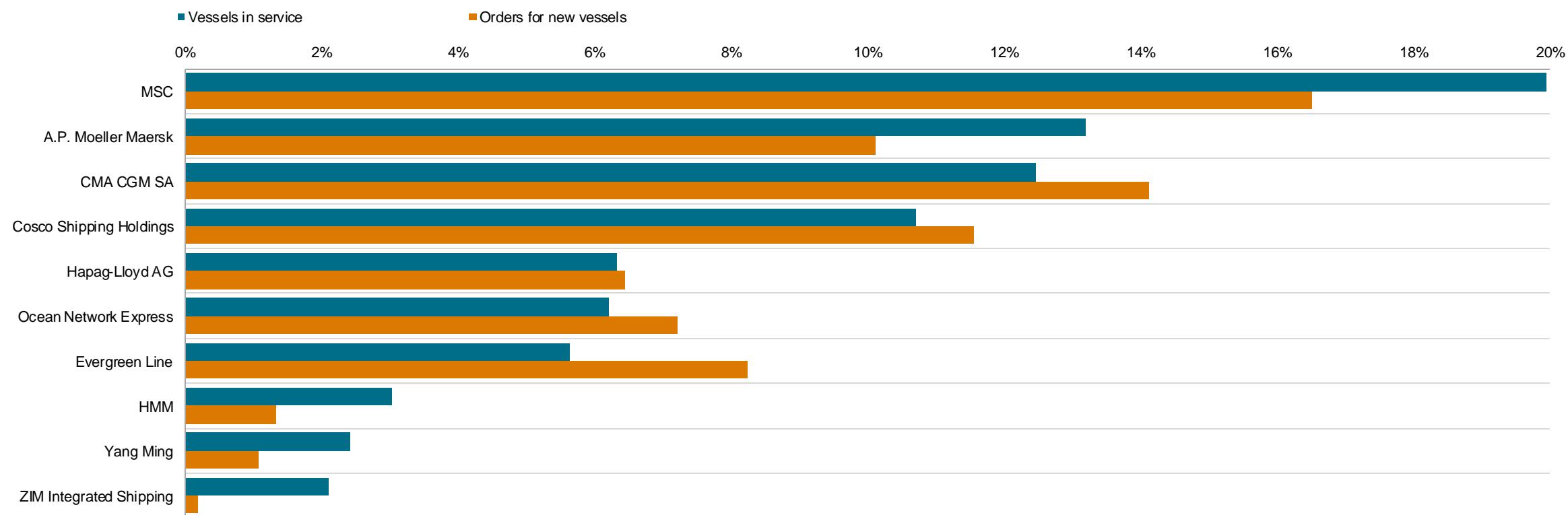
Finding a logistics balance: Slow demand, fast capacity, more disruptions

Structure of container shipping services is changing

Choice of network construction, regulatory uncertainty

MSC largest stand-alone liner, set to retain position as orderbooks are rolled out

Global container shipping fleet, 2024



Data compiled Dec. 16, 2024.

Source: S&P Global Market Intelligence.

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Deploying the playbook

Deploying the playbook: Corporate supply chain strategies

Supply chain decision-makers revisit tariff-mitigation and resilience playbooks

Less negative thanks to tactics of price/cost negotiations, inventory control and reshoring

Worries about tariffs less pronounced than prior tariff implementation period

Balance of positive and negative mentions of "tariffs" in corporate earnings calls



Data compiled Feb. 13, 2025.

Source: S&P Global Market Intelligence, ProntoNLP.

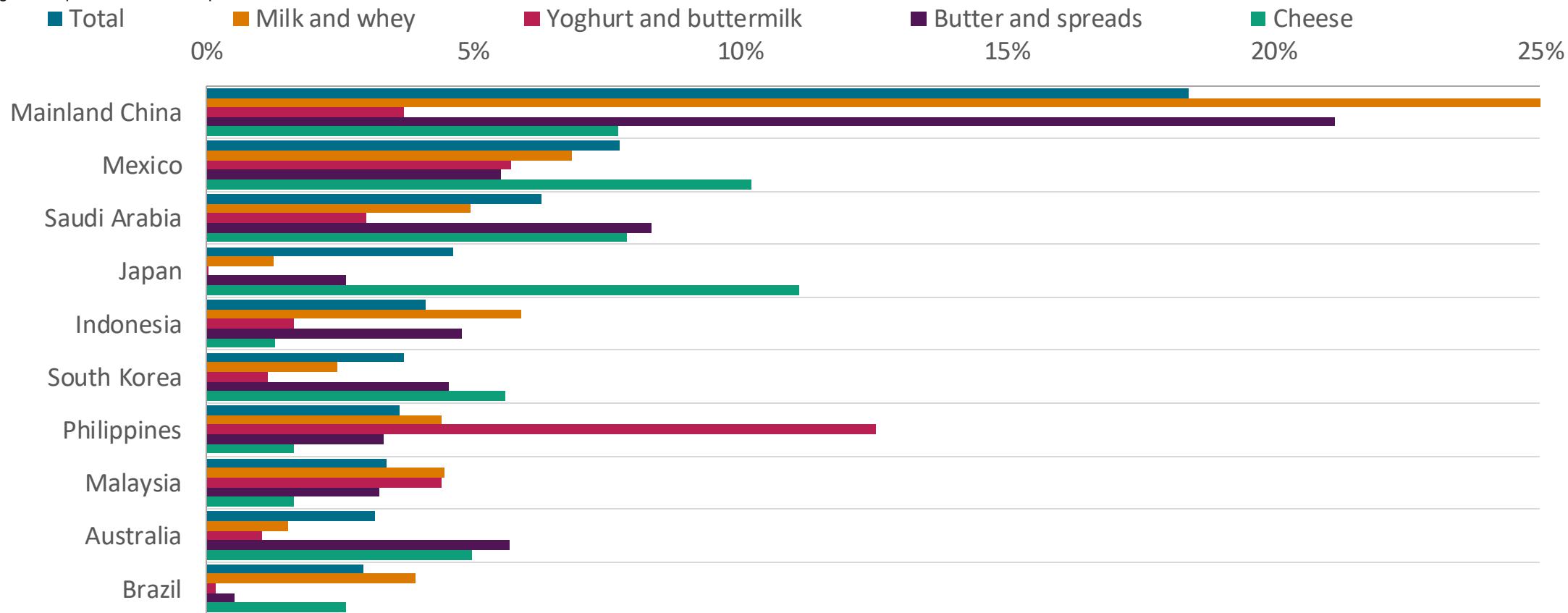
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Deploying the playbook: Corporate supply chain strategies

Finding alternative markets a challenge need to access Suez Canal for most large export markets

Asia-Pacific markets dominate global imports of dairy outside Europe, US

Share of global imports of milk-based products, 2024 denominated in US\$



Data compiled Mar. 21, 2025.

Source: S&P Global Market Intelligence.

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In conclusion

- **Rivalries and friendships:** Protectionism rules the roost, but free trade deals will still happen
- **Finding a logistics balance:** Trade growth is expected to slow and shipping capacity will rise
- **Deploying the playbook:** We've been here before, but the cost-cutting imperative leads the way

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