

WELCOME TO THE IANA BUSINESS MEETING

MAY 5 - 7, 2025
The Kansas City Marriott

Intermodal Market Trends

TUESDAY, MAY 6, 2025
IMPERIAL BALLROOM
THE KANSAS CITY MARRIOTT

Our Speaker



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Hello!

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***INTERMODAL MARKET
TRENDS***

For: IANA Business Meeting

May 6, 2025

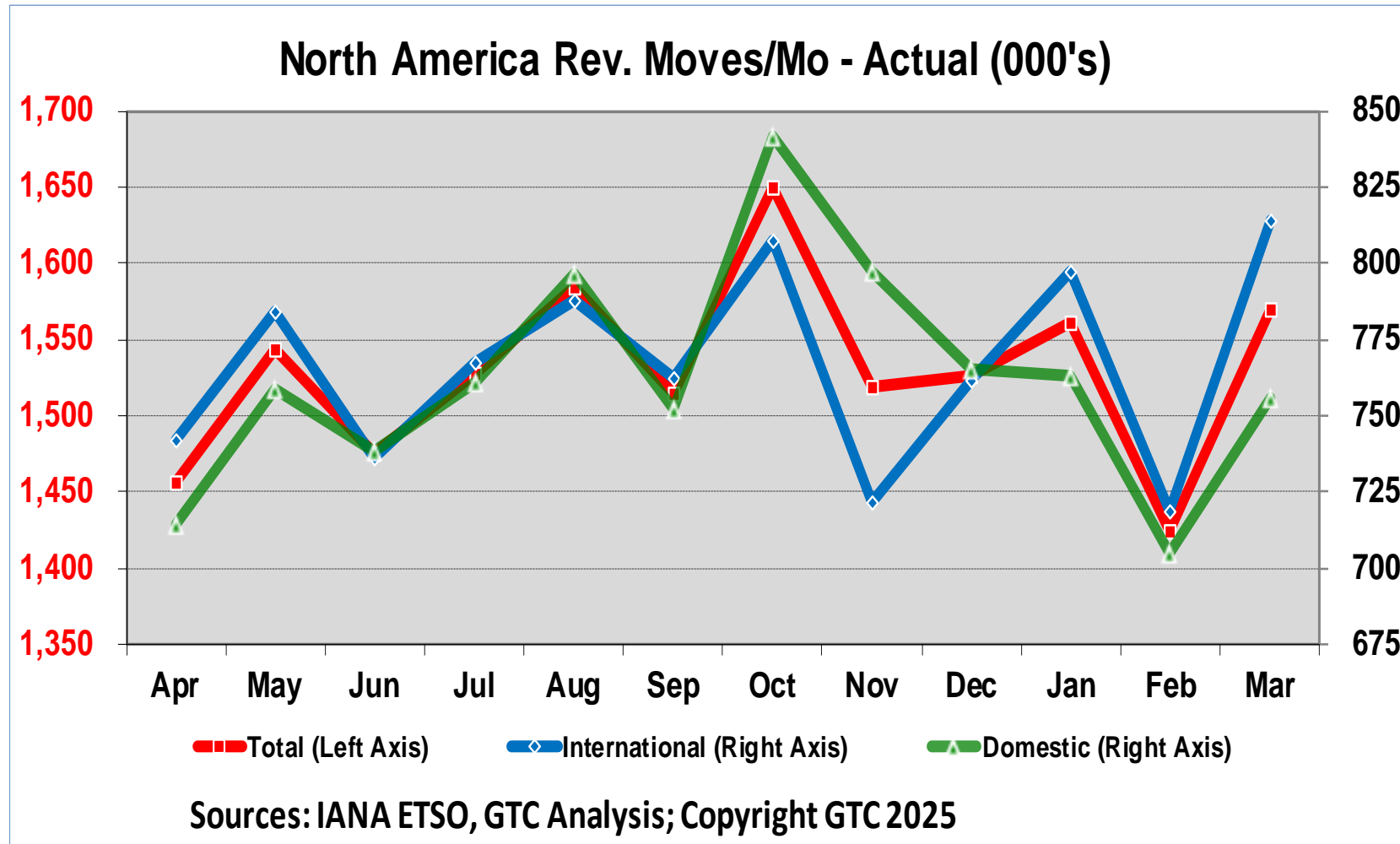
INTERMODAL IN DEPTH REPORT



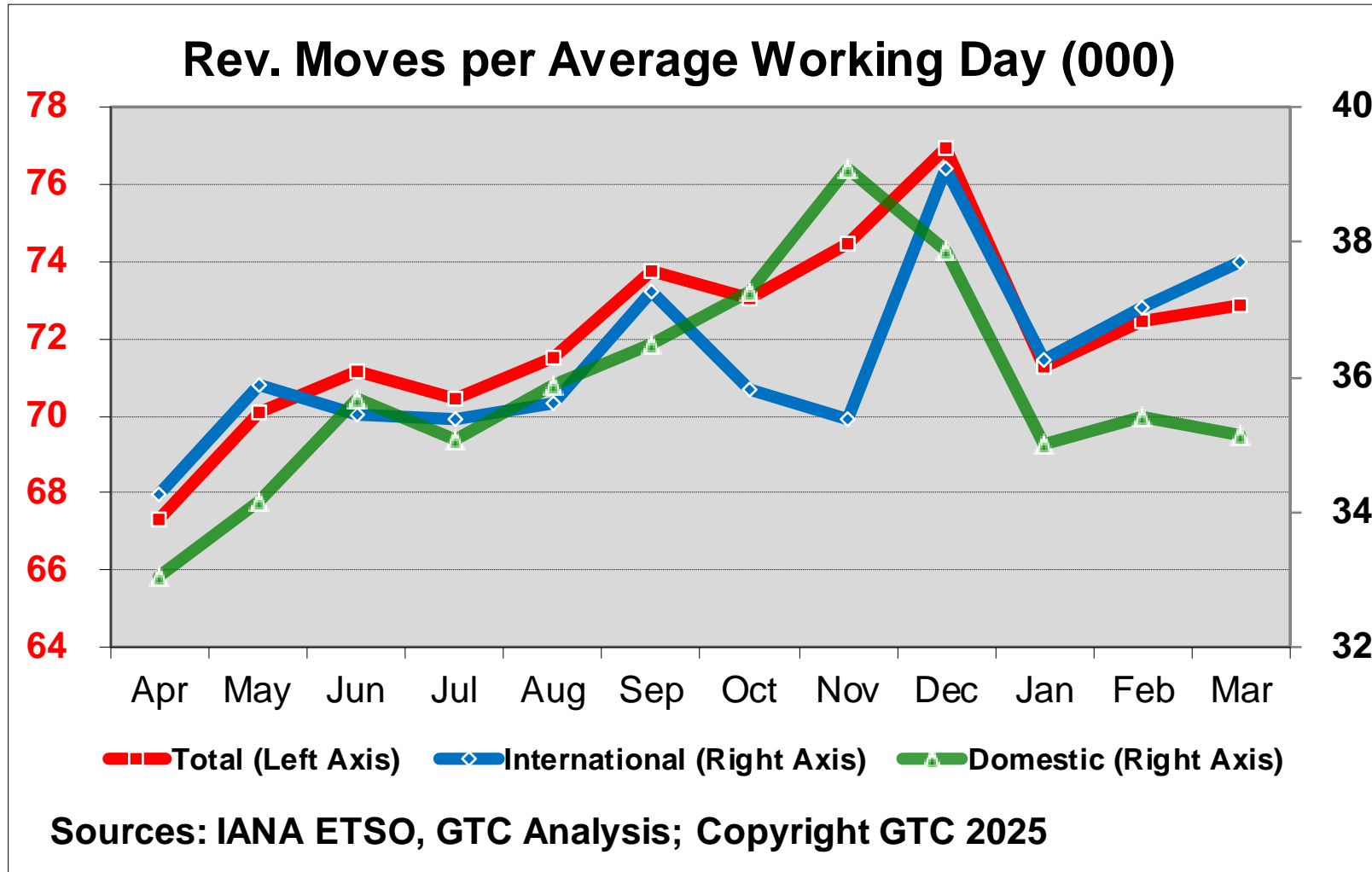
- *In partnership with IANA*
- *Monthly “deep dive” report*
- *Weekly Flash Updates with latest numbers*

www.IntermodalinDepth.com

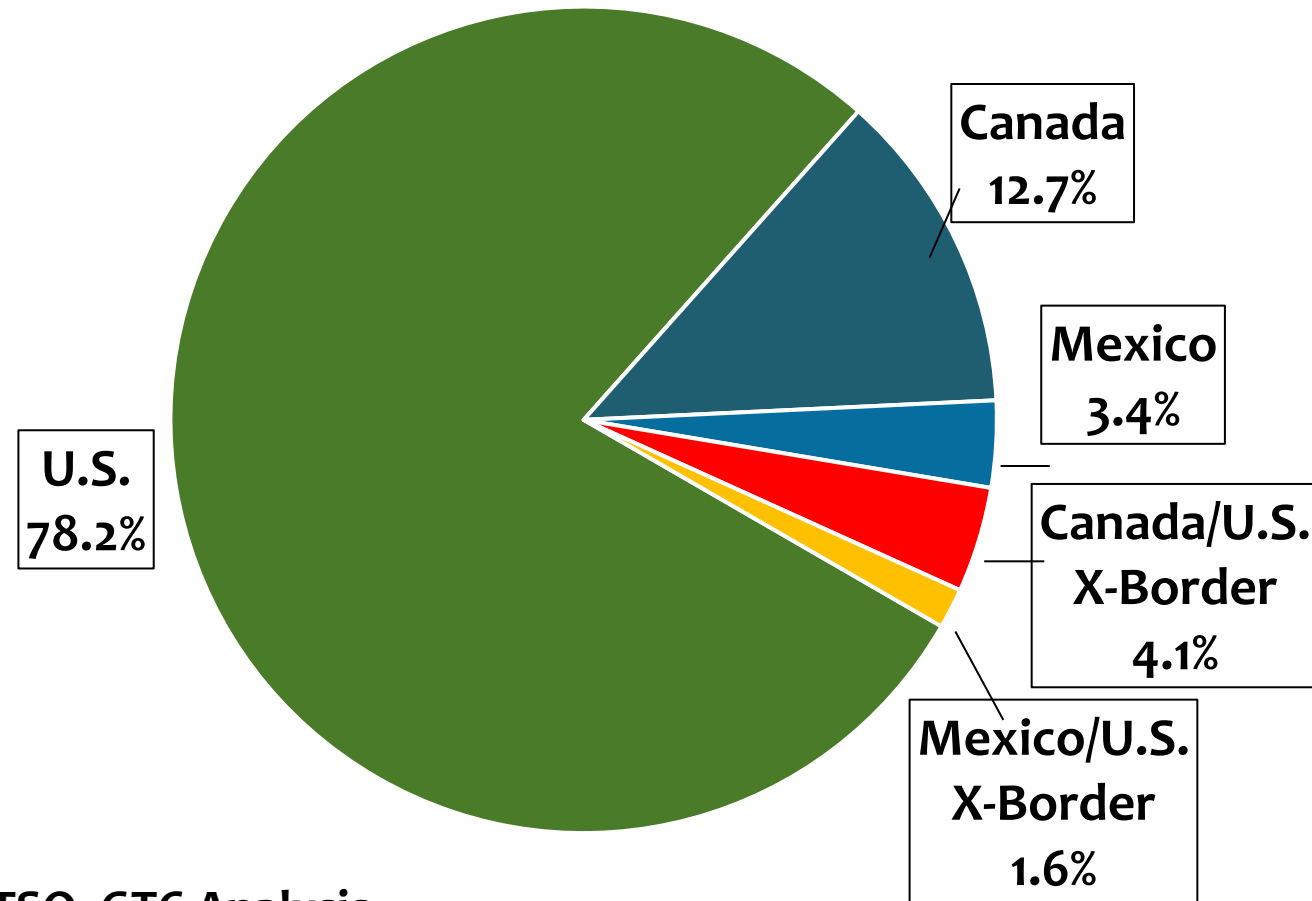
NORTH AMERICA ACTIVITY – LAST 12 MONTHS



NORTH AMERICA ACTIVITY – ADJUSTED FOR WORKING DAYS



NORTH AMERICA 2024



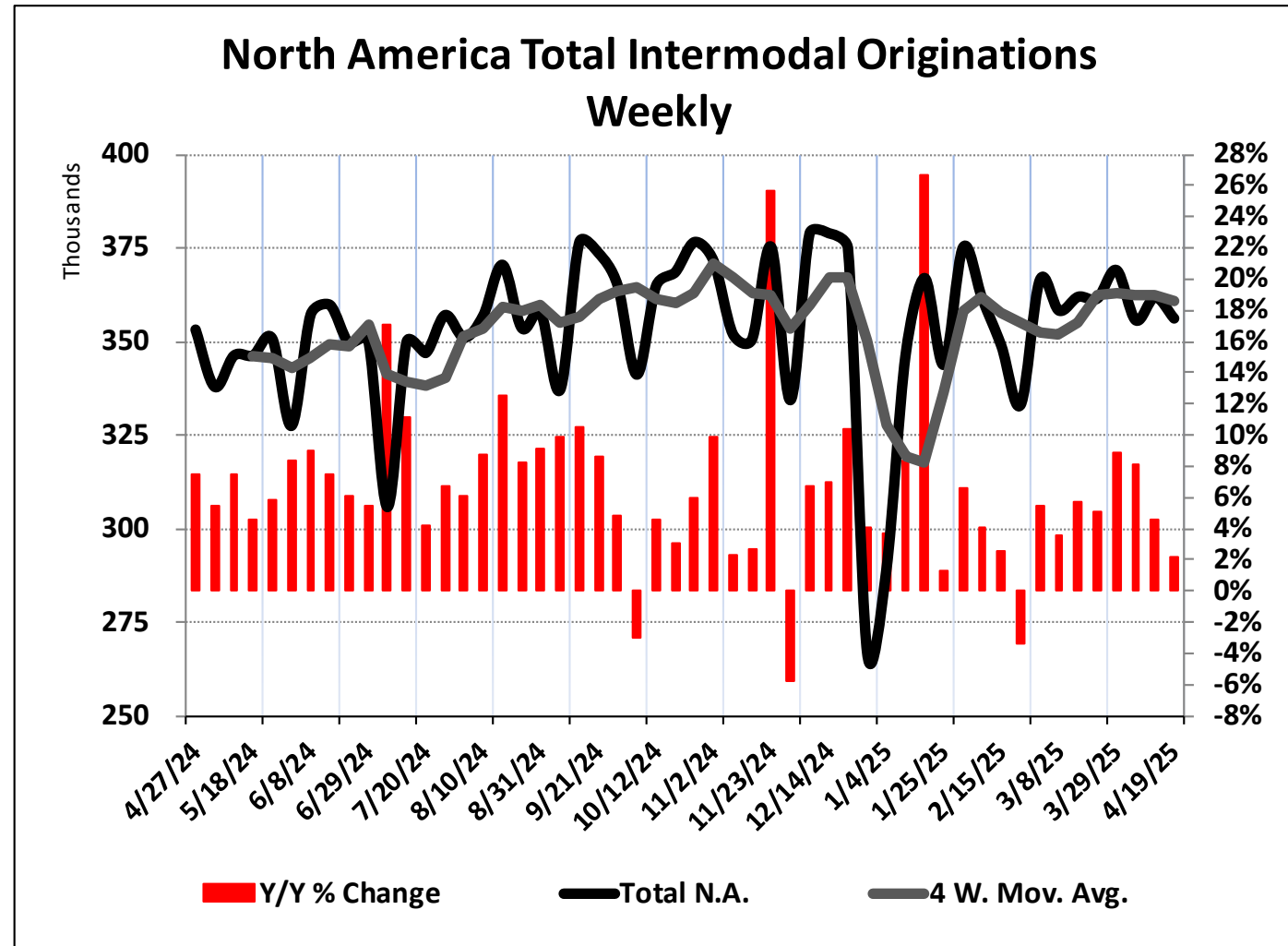
Sources: IANA ETSO, GTC Analysis

INTERMODAL MARKETS AT A GLANCE

MARCH RESULTS – Y/Y % CHANGE

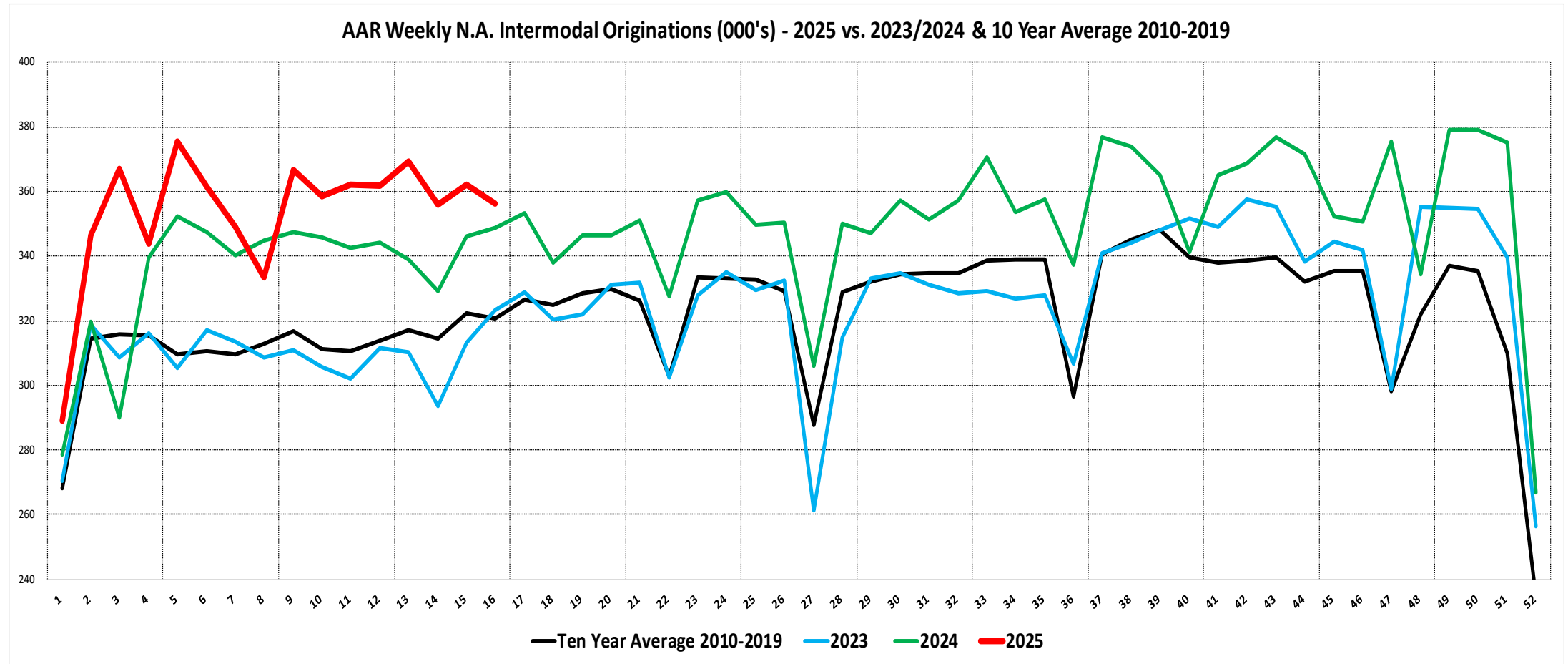
March 2025	North America	U.S.	Canada	Mexico	Canada X-Border	Mexico X-Border
International	11.4%	14.0%	19.0%	-2.8%	-16.2%	439.3%
<i>Private Domestic Container</i>	3.9%	2.6%	1.0%	52.6%	-1.3%	18.2%
<i>Rail Domestic Container</i>	8.1%	9.9%	3.5%	5.1%	28.5%	4.3%
Total Domestic Container	4.7%	3.7%	2.3%	34.5%	13.2%	13.6%
<i>Short Trailer</i>	8.6%	8.8%	NA	-81.5%	NA	-100.0%
<i>53' Trailer</i>	-31.5%	-31.3%	-72.0%	-100.0%	NA	NA
Total Trailer	-21.2%	-21.0%	-72.0%	-91.7%	NA	150.0%
Domestic	3.0%	1.8%	2.2%	42.9%	13.2%	13.6%
Grand Total	7.2%	7.2%	14.2%	10.2%	-13.6%	14.7%

AAR DATA SHOWS ACTIVITY IS BEGINNING TO EASE – BUT NO DRAMATIC FALL-OFF



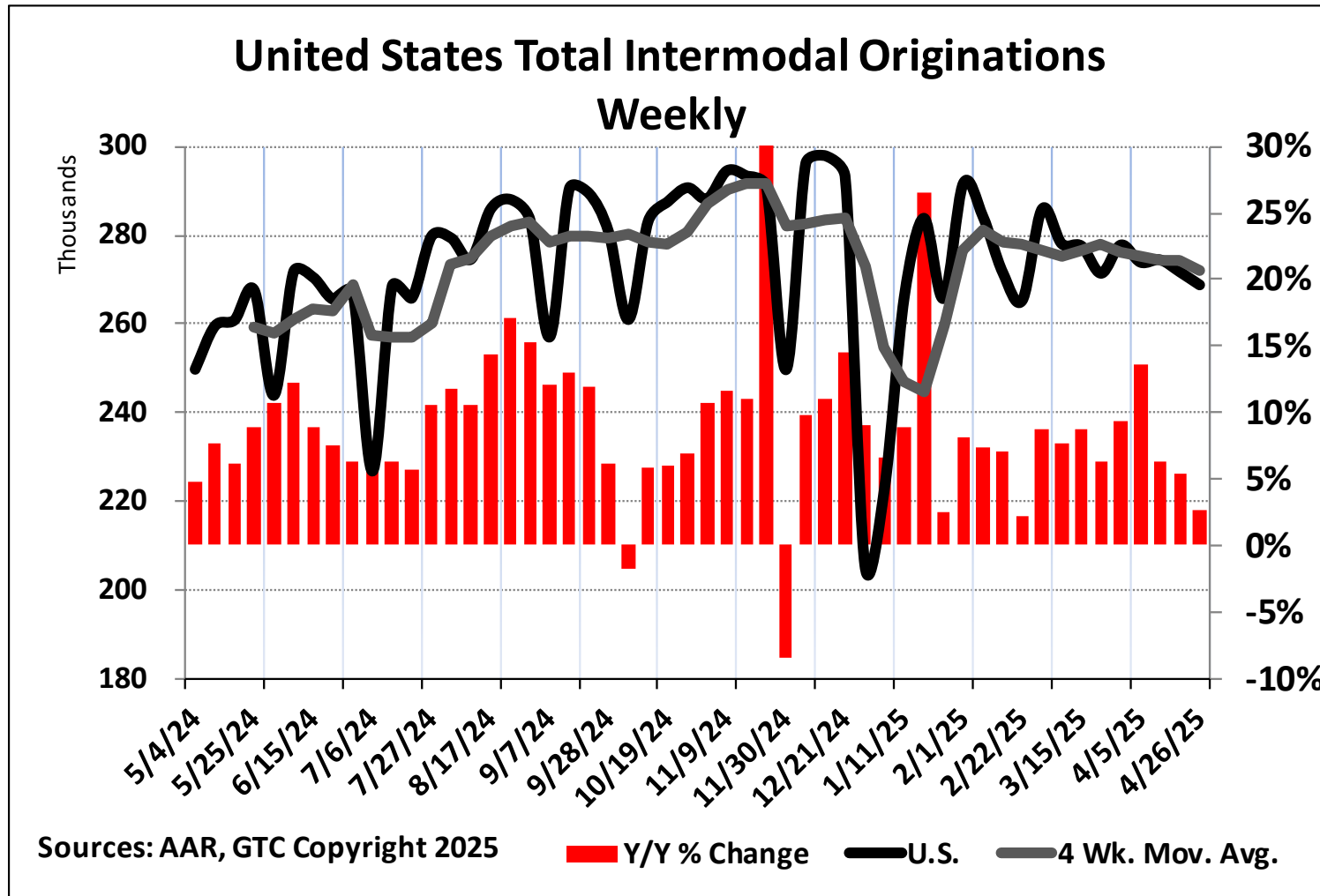
Sources: AAR,
GTC Analysis

NEVERTHELESS, 2025 IS OFF TO A GOOD START



Sources: AAR,GTC Analysis

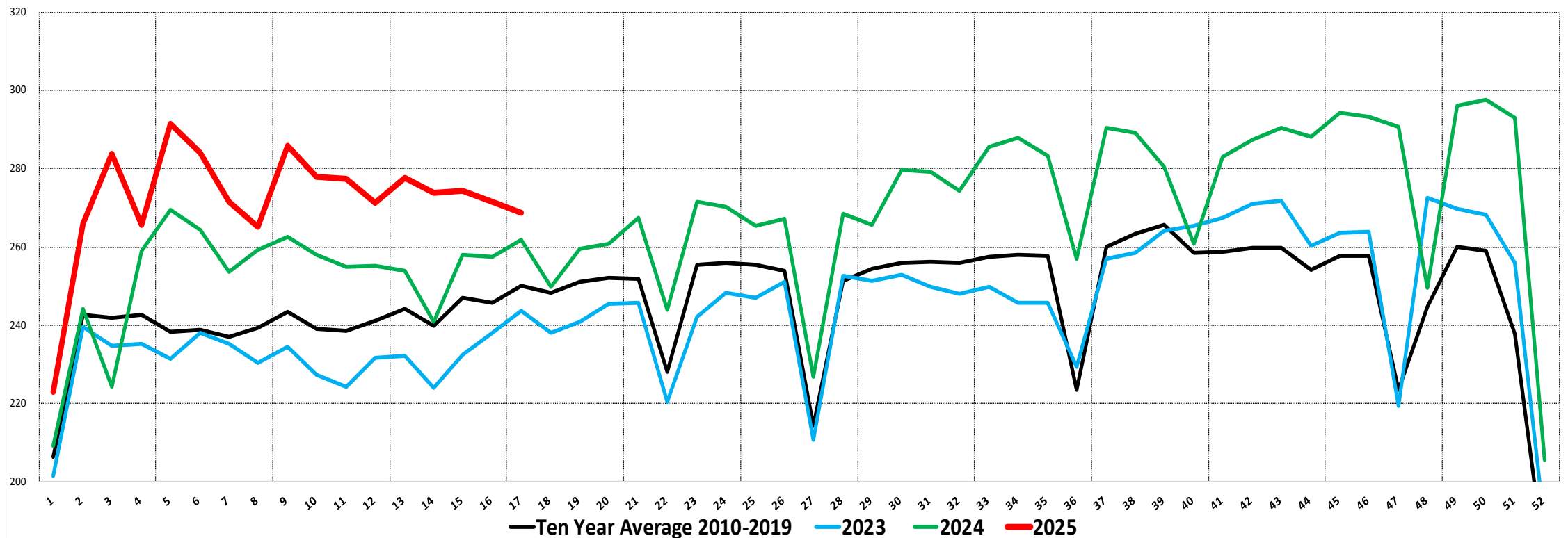
AAR DATA FOR U.S. BIG FOUR SHOWS DECLINING TREND



**Sources: AAR,
GTC Analysis**

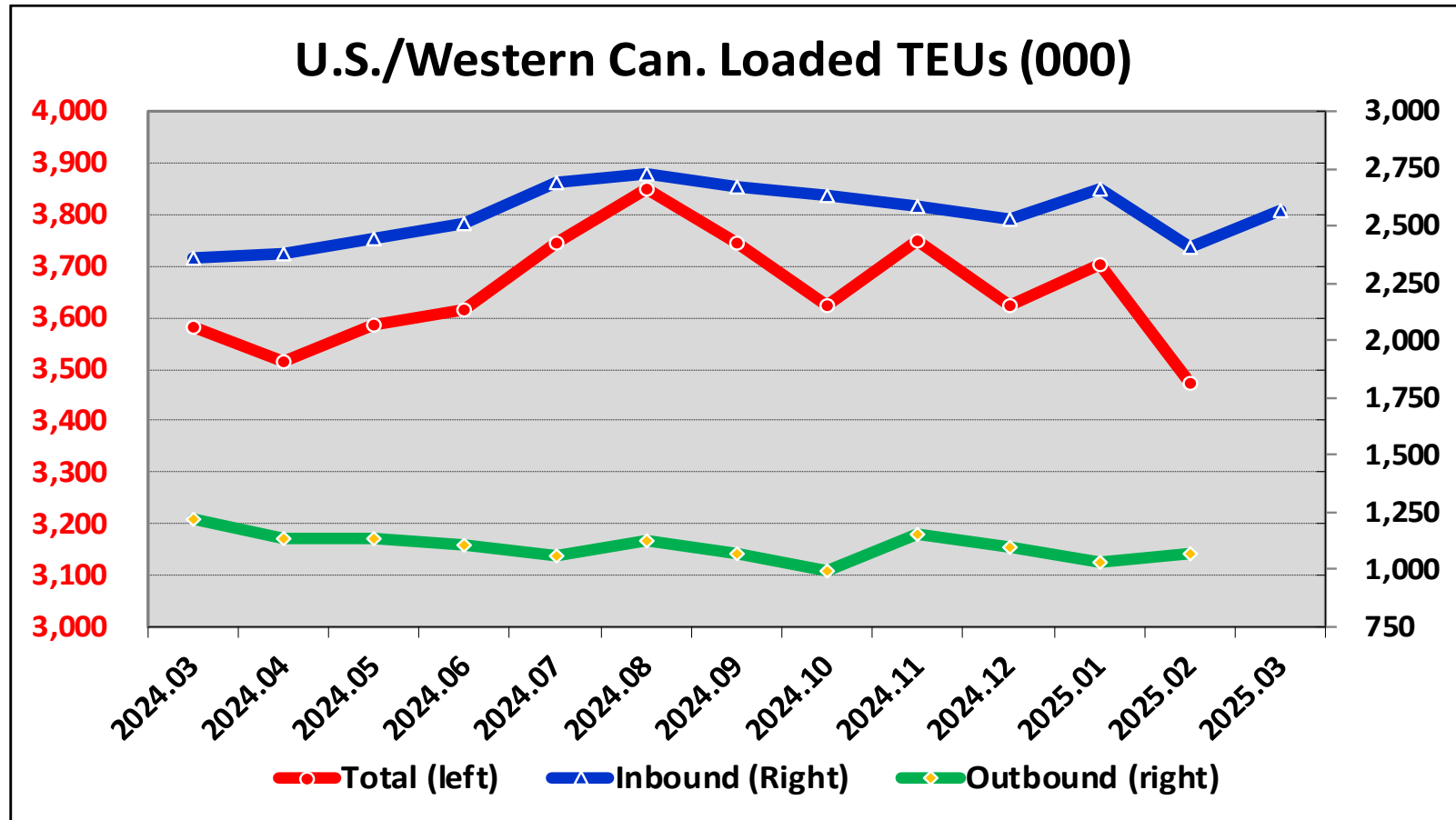
U.S. BIG FOUR YTD VERSUS PRIOR YEARS

AAR Weekly U.S. Big Four Intermodal Originations (000's) - 2025 vs. 2023/2024 & 10 Year Average 2010-2019



Sources: AAR,GTC Analysis

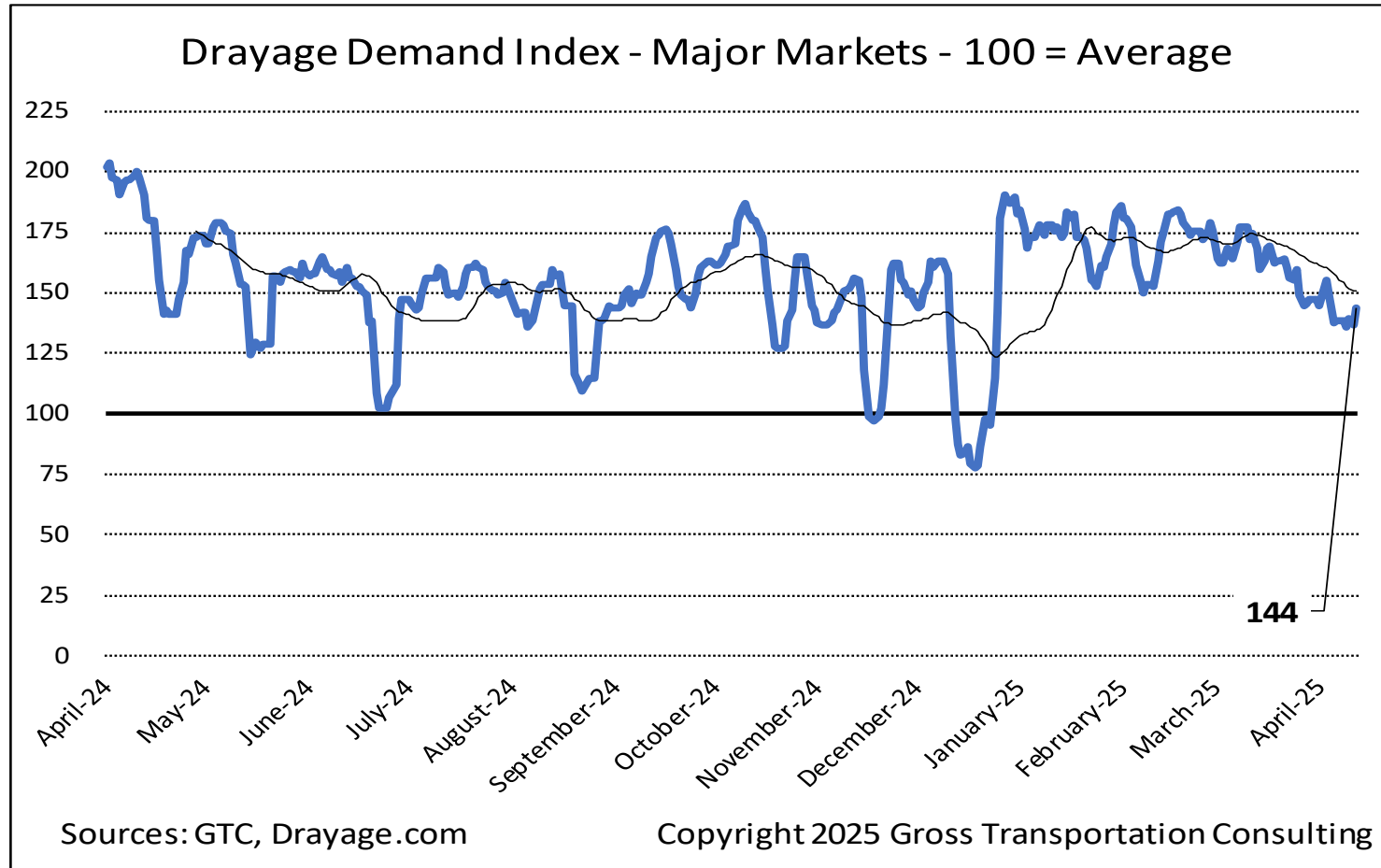
THE IMPORT SURGE IS OVER BUT VOLUME HASN'T YET DROPPED OFF A CLIFF



Y/Y % Change:
March: +8.6%
YTD: +8.1%

Source: Port Reports, IHS PIERS, GTC Analysis

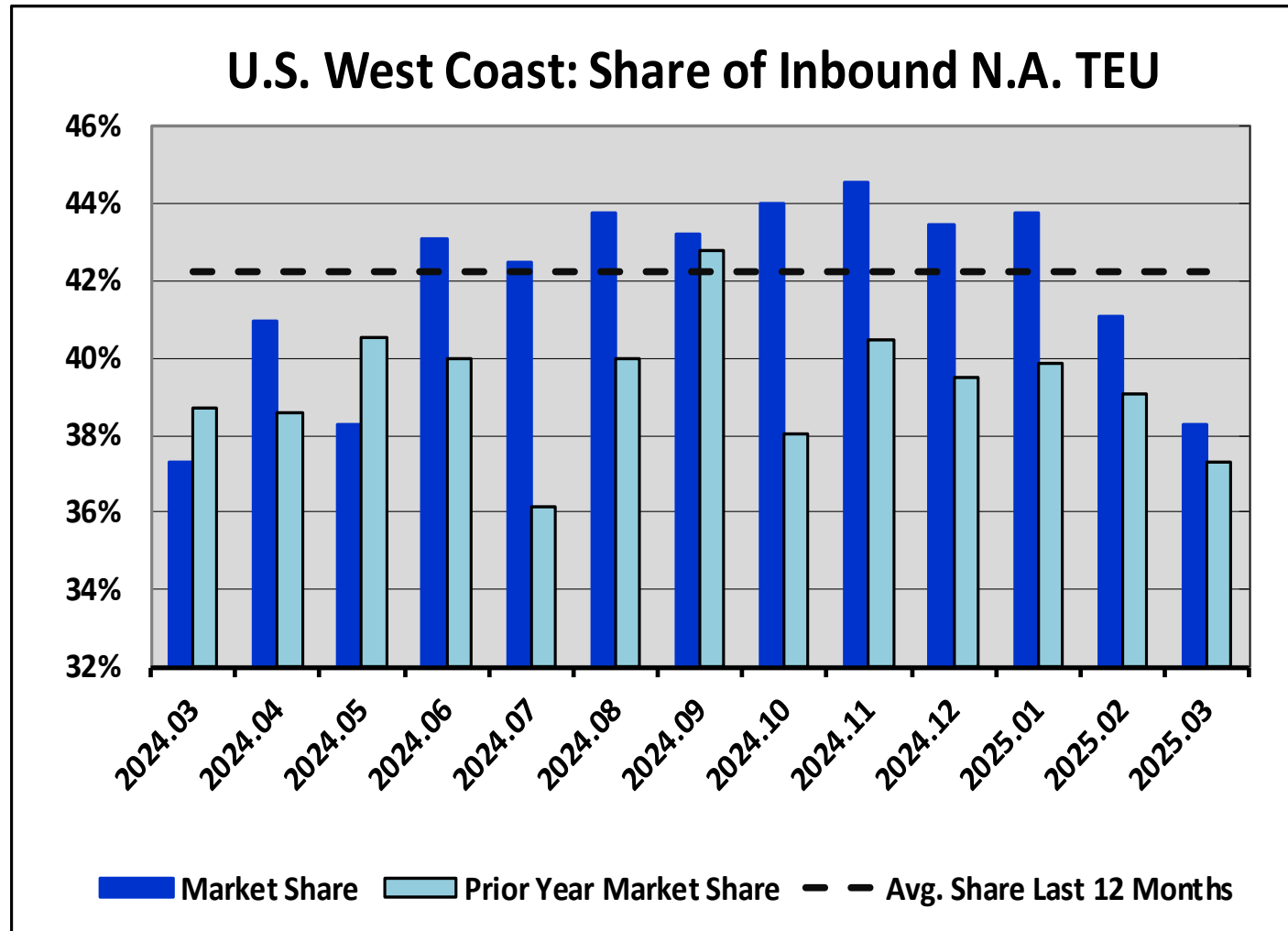
DRAYAGE DEMAND INDEX SHOWS THINGS ARE SOFTENING



Chicago at 72!

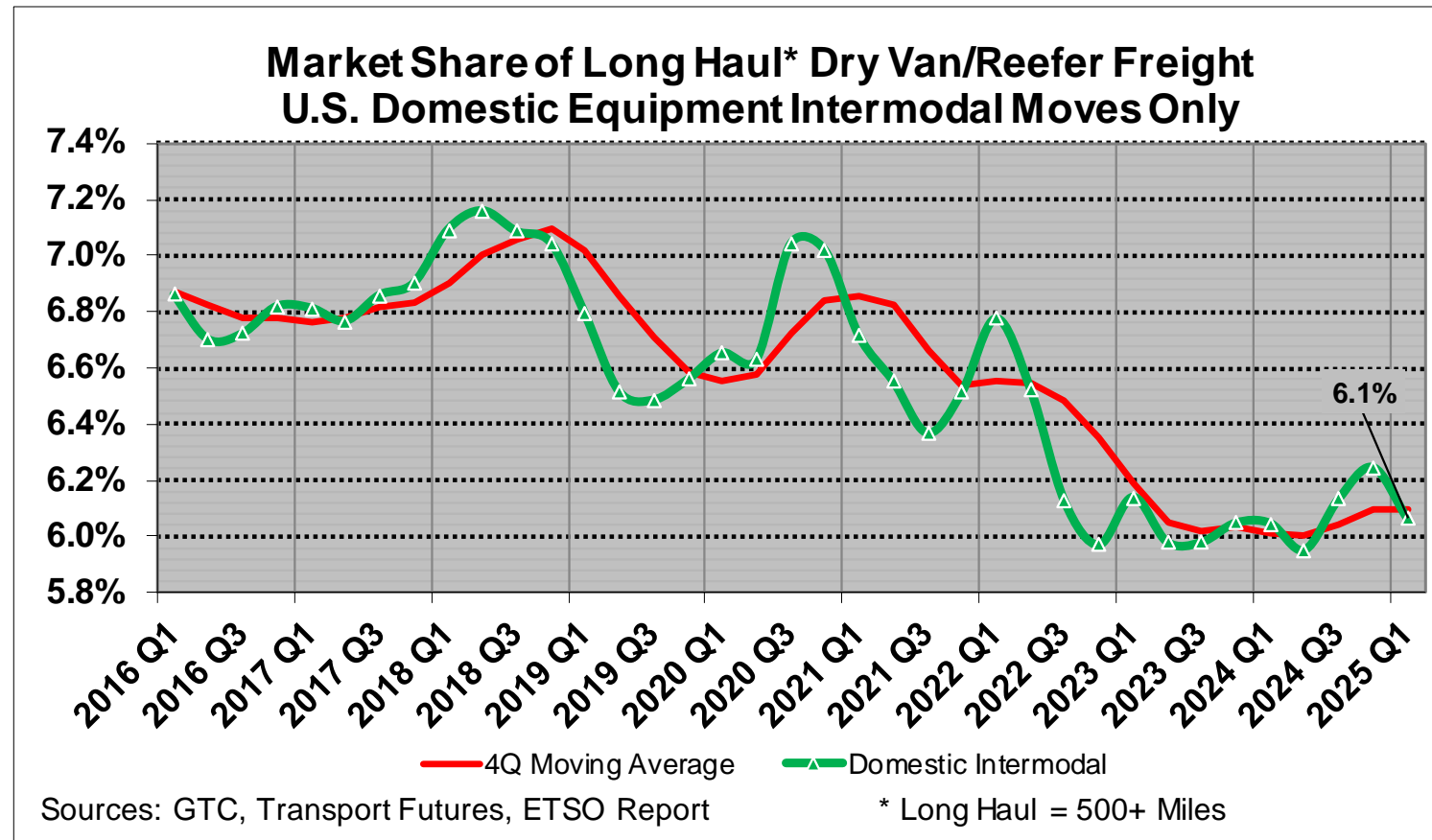
Sources: Drayage.com, GTC Analysis

WEST COAST IMPORT SHARE NUMBERS SHOW VOLUME BEGINNING TO RETURN TO THE EAST



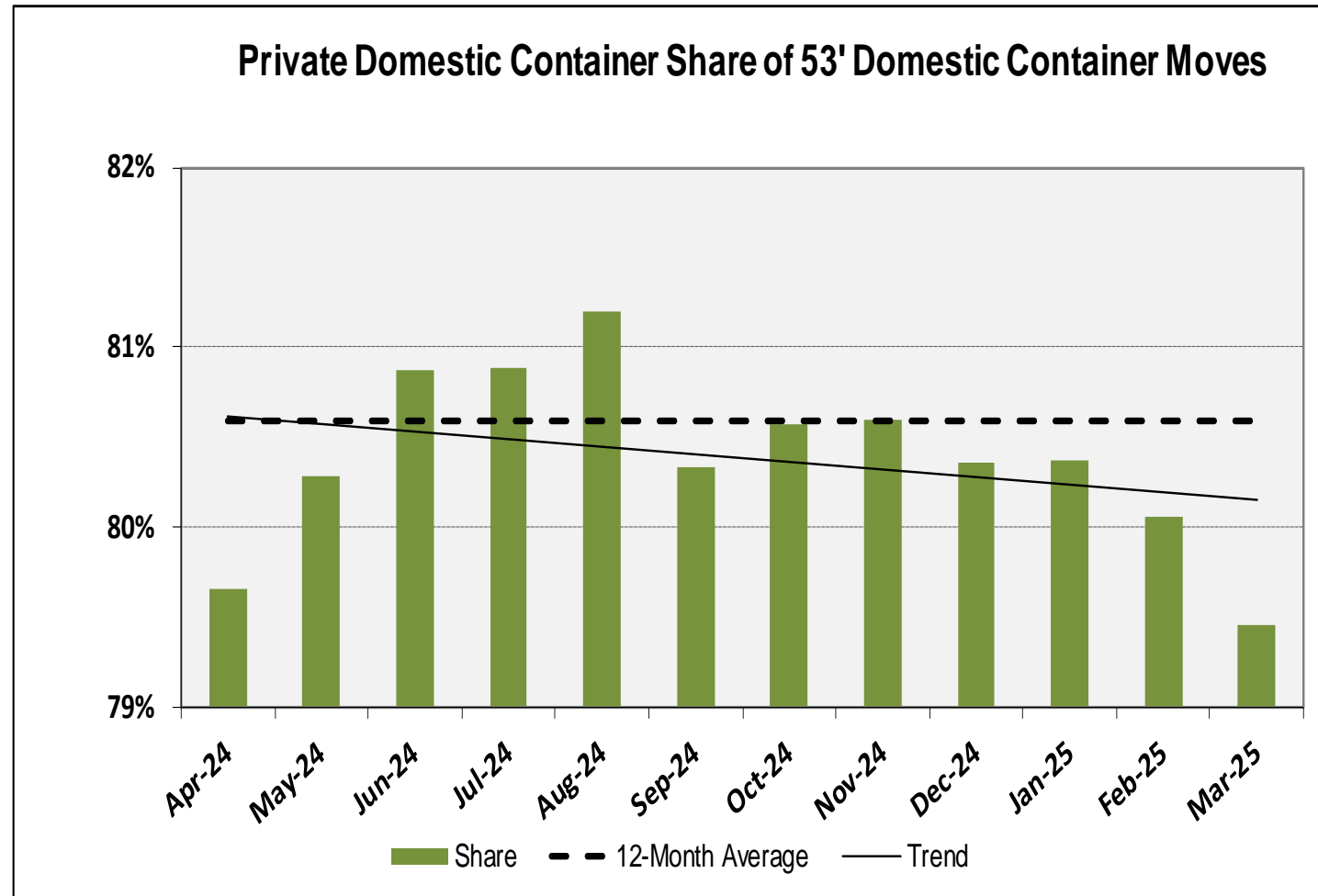
Sources:
Port Reports, S&P Global
PIERS, GTC Analysis

DOMESTIC SHARE RECOVERY TREND WAS NOT SUSTAINED IN 2025 Q1



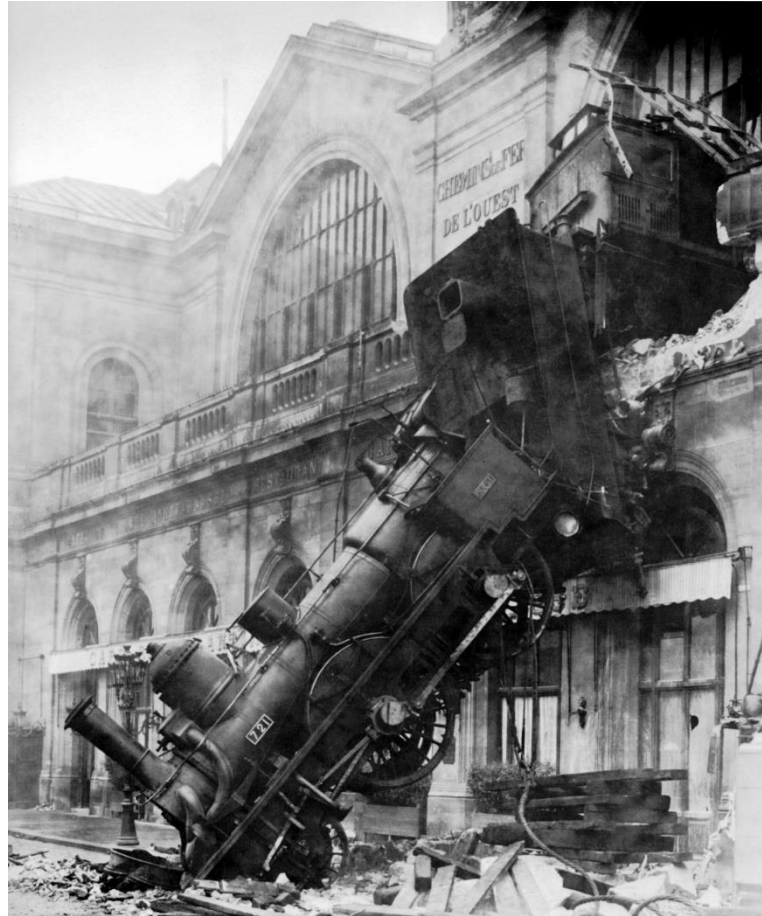
Sources: IANA ETSO, Transport Futures, GTC Analysis

LATELY, RAIL-OWNED DOMESTIC CONTAINERS HAVE BEEN OUT-PERFORMING PRIVATES



Sources: IANA ETSO, GTC Analysis

WHERE ARE THINGS HEADED?



TARIFF TRACKER

MAY 1, 2025, 10:00 AM

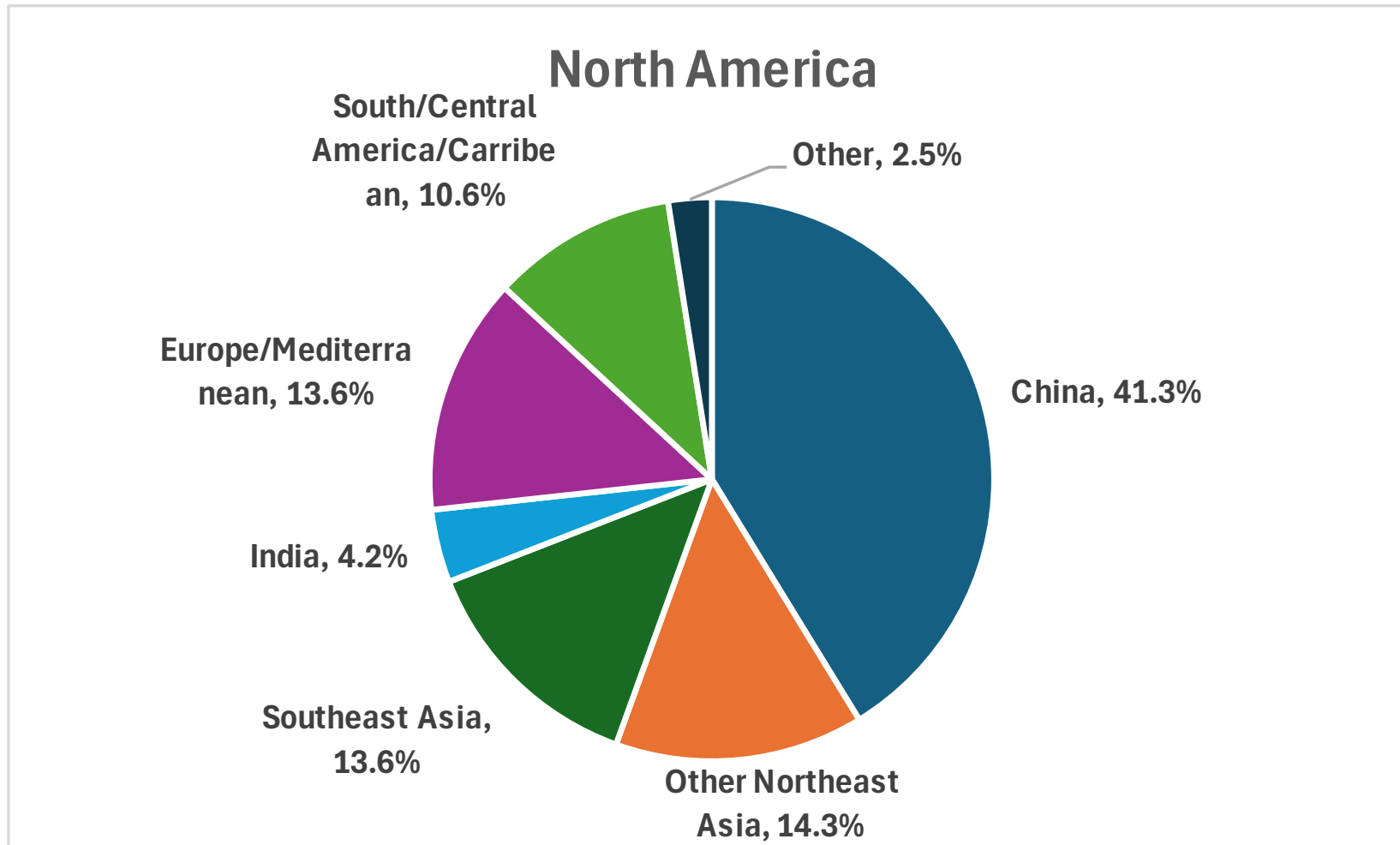
- 145% tariff on China
- 25% tariff on steel and aluminum
- 25% tariff on automobiles & parts
- 25% tariff on Canada/Mexico (USMCA non-compliant)
- 10% Global tariff (except Canada/Mexico)
- Reciprocal tariffs (varies by country, suspended until July 9)

TARIFFS

LIKELY NEAR-TERM EFFECTS

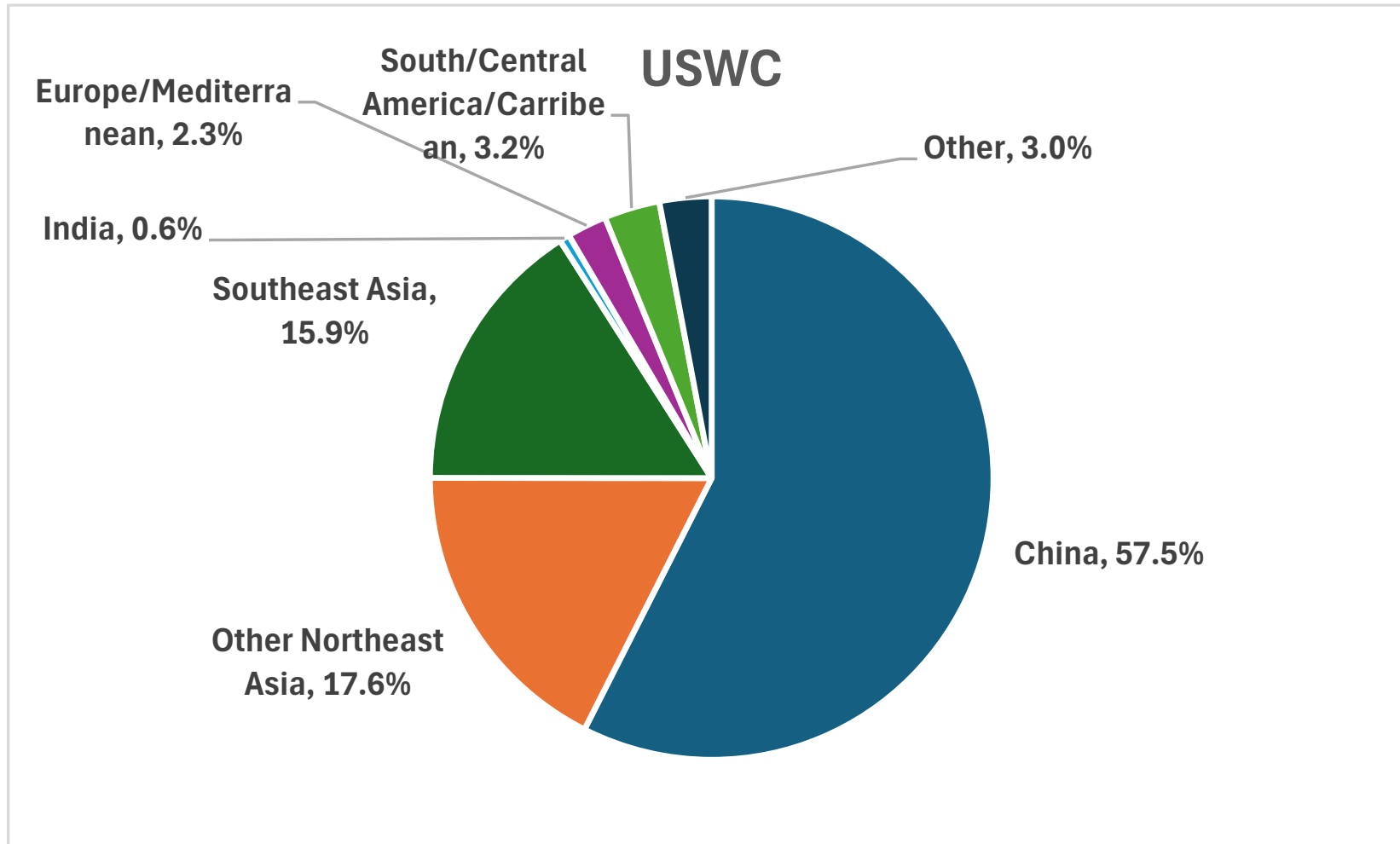
- Dramatic drop-off in China-originating imports arriving as soon as this week. Blanked voyages & smaller ships.
- Corresponding drop in exports to China
- Higher volumes from other nations to beat the 90-day reciprocal tariffs
- Empties stacking up on the coasts, shortage of empties in places like Vietnam

WHERE ARE NORTH AMERICAN IMPORTS COMING FROM – 2024 TEU DISTRIBUTION



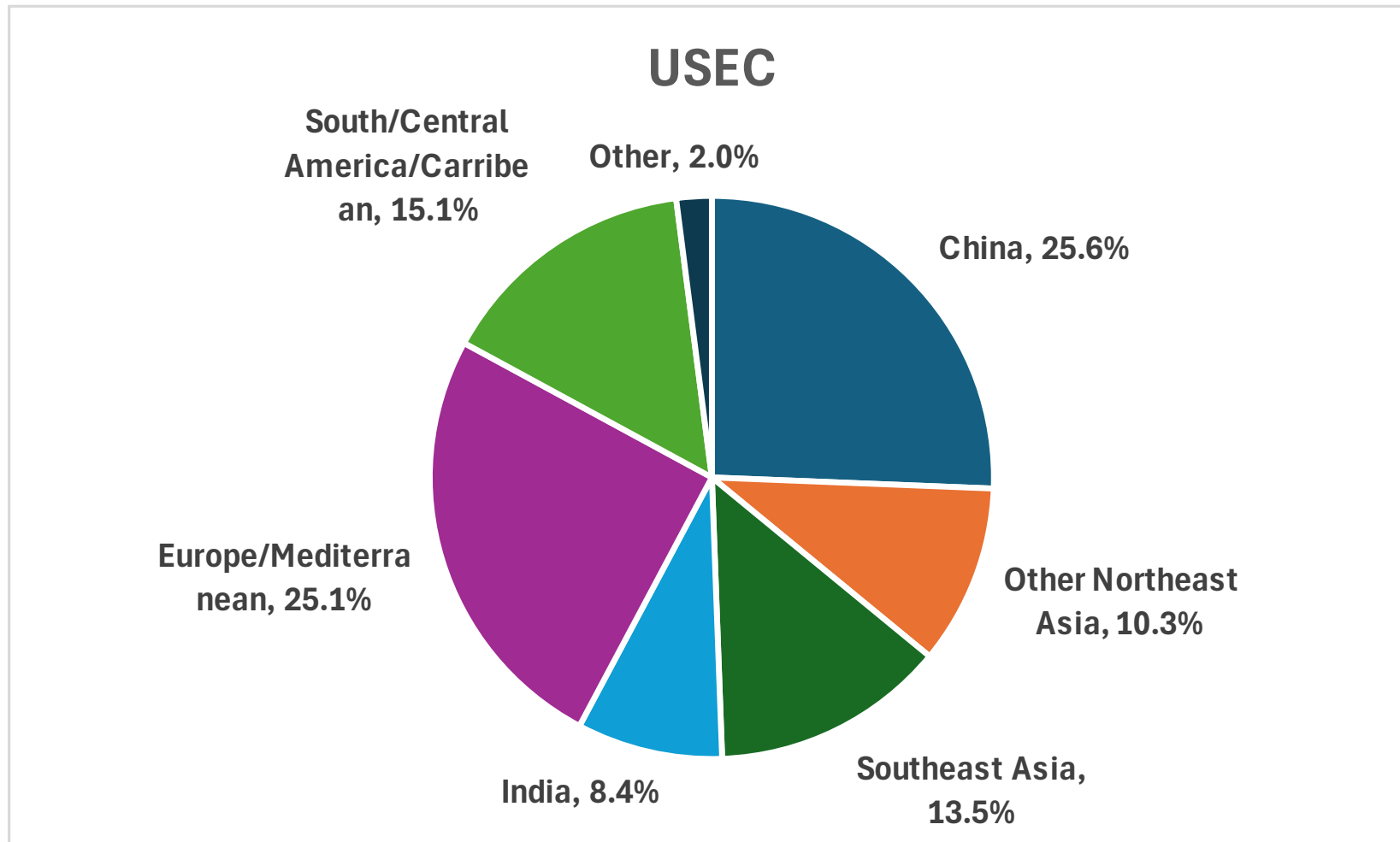
**Source: S&P
Global PIERS**

WHERE ARE U.S. WEST COAST IMPORTS COMING FROM – 2024 TEU DISTRIBUTION



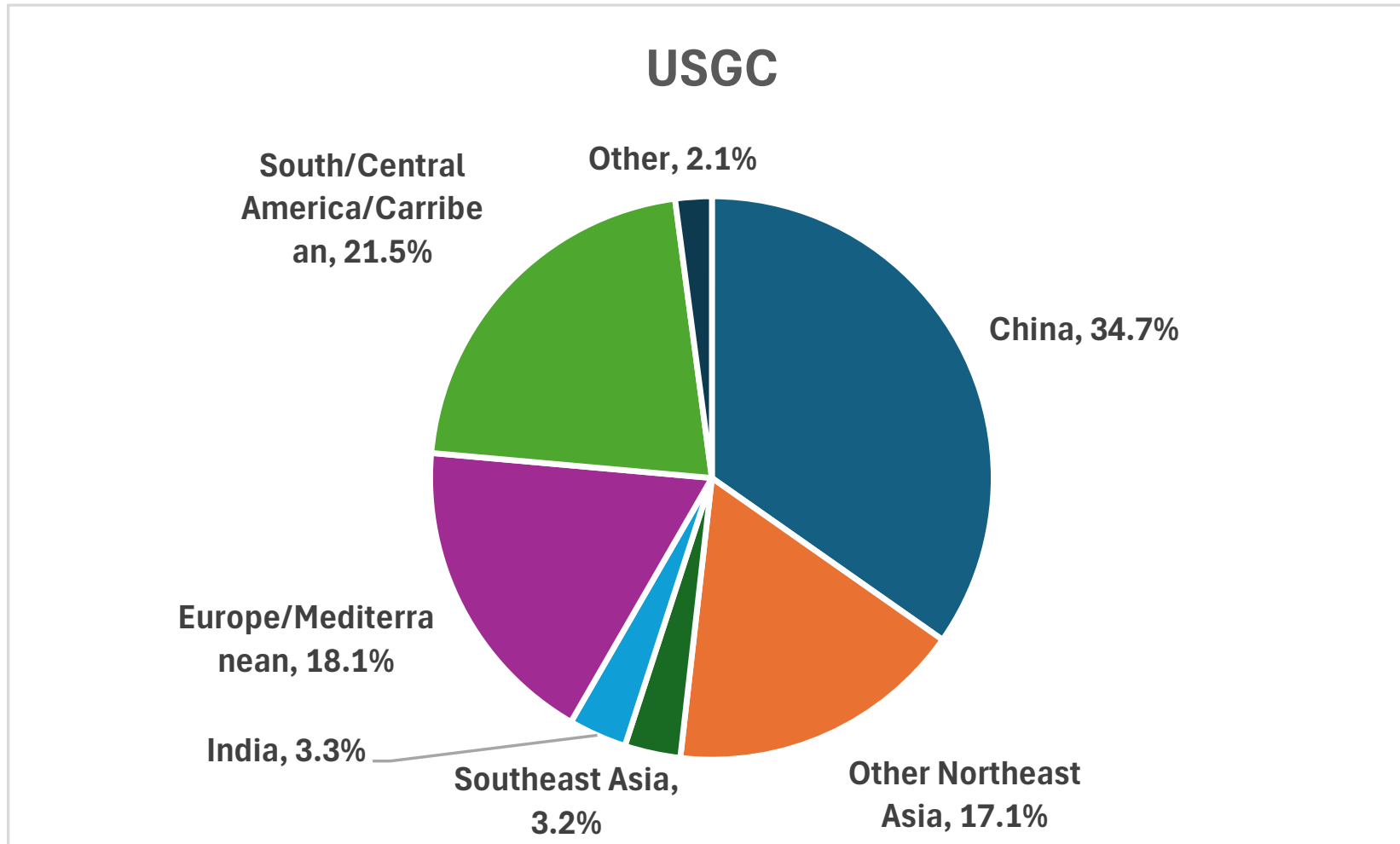
Source: S&P
Global PIERS

WHERE ARE U.S. EAST COAST IMPORTS COMING FROM – 2024 TEU DISTRIBUTION



**Source: S&P
Global PIERS**

WHERE ARE U.S. GULF COAST IMPORTS COMING FROM – 2024 TEU DISTRIBUTION



**Source: S&P
Global PIERS**

TARIFF QUESTIONS AND OBSERVATIONS

- What is the ultimate goal? More revenue/deficit reduction or more balanced trade? It can't be both.
- “Shock and Awe” strategy of levying tariffs first and then walking them back may result in better final outcomes but entails huge interim costs.
- Not clear who is speaking for the administration. Inconsistent messaging.
- Lack of clarity on tariff details. For example, does the current 90-day window on reciprocal tariffs apply to when goods ship or when they arrive?
- Does the administration have any idea just how long it takes to reset supply chains?
- When is a deal a “done deal”?
- Where's Congress?

TARIFF COMMENTS

- Uncertainty is the enemy of economic growth. Lack of visibility is freezing shipments, planning and investment.
- Many small employers will lack the staying power to make it through the period of chaos.
- Prices will rise.
- Future modifications, roll-backs, postponements will create huge surges and troughs in freight volumes, imposing substantial congestion costs.

OUTLOOK – MOST LIKELY OUTCOMES

- It will not be possible to make individual agreements with 90 countries in 90 days. A few deals will be announced within the window, but further extension likely.
- Who will blink first, USA or China? Odds are, we will.
- Previous USMCA experience provides useful guidance for likely end game.

USTR SECTION 301 PORT FEES AND EXECUTIVE ACTIONS

- Initial USTR proposal was very problematic. But going through a process yielded an improved outcome.
- Fees on Chinese vessel operators/owners and Chinese built vessels, but with numerous exceptions.
- Executive Order: Fees on IPI boxes via Canadian/Mexican ports for Harbor Maintenance tax + ???. Includes 10% surcharge + interest.
- Executive Order: Truck drivers must be able to speak English.

OUTLOOK – OTHER HOT SPOTS

- Trump's desire to re-take the Panama Canal remains an open issue.
- Renewal of Gaza hostilities and U.S. attacks on Houthis makes reopening of the Red Sea/Suez Canal routing a distant dream. This will help the West Coast retain at least a portion of diverted East Coast volume.

OUTLOOK – THE BIG PICTURE

- Investment/planning activities frozen awaiting some clarity on tariffs – undoubtedly slowing economic growth.
- Consumer and business sentiment.
- Slowing growth plus tariff-fueled inflation is a toxic combination – “stagflation”?
- Imports will come down. That would have happened even without tariffs, but tariffs will super-charge the trend.
- Longed-for trucking recovery recedes once again.
- Risks of a downturn this year rising by the day.

OUTLOOK - INTERMODAL

- West Coast will be hit by a “double whammy” of lower imports plus the end of strike-related diversions from the East Coast. Both aspects will be intermodal headwinds. NOTE: SoCal transloads = 15% of domestic intermodal.
- The prospect for even modest recovery in domestic truckload demand may have been killed in the cradle.
- Substantial downside risk in the forecast.
- Domestic growth will likely depend chiefly on continued market share gains. The Q1 share retreat has tempered my optimism on this.

Thanks! Questions?

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