2025 North American Industrial Outlook

NEWMARK

Introduction

The North American industrial real estate market – a combined 21 billion square feet (BSF)[1] supporting more than 500 million consumers – stands at a critical juncture in 2025 as complex geopolitical and economic currents reshape the landscape.

Since 2020, businesses have increasingly shifted manufacturing operations away from China, motivated by its rising labor costs, evolving U.S. trade policy, global supply chain vulnerabilities exposed by the COVID-19 pandemic and other geopolitical, labor-related and environmental disruptions. This diversification helped to bolster North America's industrial base through expanded domestic manufacturing and foreign direct investment (FDI), including Chinese companies establishing operations in North America to access its lucrative consumer market.[2] Chinese FDI has accelerated since 2020, flowing not just into North America but through the broader global economy[3] in part to circumnavigate evolving geopolitical and trade realities. These have included tariffs imposed on Chinese imports by many Western economies, a policy response that has only intensified under the current U.S. administration.[4]

As global production diversifies, the shifting balance of nations exporting to North American countries has impacted industrial markets. There is a strong correlation between major Chinese FDI transactions – overwhelmingly greenfield investments – and the increase in U.S. import market share for those countries. Simply put, China's growing presence in Mexico through greenfield investments, alongside a rise in Chinese imports, is strongly correlated with Mexico's increased exports to the United States.[5] Mexico surpassed China as the U.S.'s largest trading partner in 2023, with heightened cross-border trade fueling the demand for inland intermodal logistics across North America.

[1] Statistically tracked inventory
[2] North America is a near-unparallelled consumer market and in particular the U.S. is second globally only to China in purchasing power
[3] China's Ministry of Commerce FDI Statistics, 2024
[4] See Tariff Tracker in Appendix
[5] International Monetary Fund

However, trade relations among North America's economic partners face new challenges. The rapidly changing and expanding nature of U.S. tariff implementation in the first four months of 2025 has created a miasma of uncertainty across North American markets. These actions impact industries dependent on long-standing and previously expanding cross-border supply chains, such as the automotive industry and other manufacturing sectors. Furthermore, these protectionist measures stand to impact the all-important North American consumer, for whom – ultimately – this global movement has been in service.

Despite these headwinds, North America's industrial market is positioned for long-term growth. Initiatives such as proposed deregulation, tax cuts, and increased energy production could offset the inflationary effects of trade policies by delivering reductions in other logistics and consumer cost buckets. A "make-where-you-sell" strategy and new trading opportunities beyond the continent may further strengthen individual member nations and therefore grow the overall industrial market. While a mantle of uncertainty makes decisive actions difficult for businesses and consumers, the global shift away from Chinese manufacturing dominance will continue – despite prevailing questions about its pace and geographic distribution.

This report provides an overview of industrial markets across North America, alongside an outlook for industrial demand amidst ongoing and evolving uncertainties that present unique challenges.

At a Glance:

North America's Industrial Market

2024 KEY INDUSTRIAL MARKET FUNDAMENTALS				
	U.S.	Canada	Mexico	North American Totals
Inventory	18B SF	1.9B SF	0.9B SF	21B SF
Annual Net Absorption	154M SF	9.5M SF	4.5M SF	168M SF
Development Pipeline	322M SF	39M SF	39M SF	400M SF
Vacancy	6.90%	3.70%	3.50%	6.40%
Annual Sales Volume	USD $102B	USD $7.3B	USD $4.7B	USD $114B

2024 KEY LABOR, DEMOGRAPHIC & ECONOMIC CONDITIONS				
	U.S.	Canada	Mexico	North American Totals
Total Population	340.1M	41.5M	126M	507.6M
Civilian Labor Force	170.7M	20.7M	60M	251.4M
Average Citizen Age	38.5	40.3	28.7	36.2
Unemployment Rate	4.00%	6.60%	3.50%	–
Benchmark Interest Rate	4.50%	3.00%	9.00%	–

Sources: Newmark Research, CoStar, Esri, World Bank, respective Central Banks

167

Land Ports of Entry

1,000+

Maritime Ports

5+ Million

Miles of Roadways

Including the Pan American Highway, a ~19,000 mile network of roads that span the Americas and make up the "longest drivable road in the world".

187,000+

Miles of Rail

Including CPKC, the first transcontinental freight railroad, a 20,000 mile network.

Spotlight on Mexican Rail Infrastructure Expansion

1 TRAIN MEXICO – QUERETARO

Est. Investment: $7.5B USD

Start of Work: April 2025

Three stations will be built.

2 TRAIN MEXICO – PACHUCA

Est. Investment: $2.6B USD

Start of Operations: 1Q 2027

Preliminary studies began Oct 2024

3 INTEROCEANIC CORRIDOR OF THE ISTHMUS OF TEHUANTEPEC

Investment: $7.5B USD

A trade route project to compete with the Panama Canal, also including:

- Potable water supply project
- Power supply project
- Gas supply project

4 TRAIN MAYA

Investment: $25B USD

Length: 1,554 km

- 5 States
- 20 stations in operation

Source: Newmark Research, various news articles and press releases.

Continental Connectivity Has Driven Industrial Market Expansion

Decades of investment in transportation networks between North American countries has driven substantial investment in cross-border industrial integration. The automotive sector epitomizes North American industrial interdependence, representing the largest share of trade among North American partners and accounting for 22% of total trade between the three nations.[6] Intermediate goods frequently cross borders multiple times before reaching final assembly, as illustrated in the journey of a piston detailed below.

One Car Part's Journey Through North America

1. Raw aluminum to manufacture a piston is shipped from Michigan to Ontario.
2. Piston is cast and premachined, and then sent to Michigan.
3. Piston is sent to Mexico to be finished.
4. Piston is sent back to Wisconsin, where it gets assembled with rods and rings, and then sent to an engine plant in Michigan.
5. Piston is put into an engine in Michigan, which is then sent to a vehicle assembly plant in Ontario.
6. Vehicles are shipped to the U.S. and Mexico as Canadian exports.

Sources: Wall Street Journal, Eduardo Solis Consulting analysis of Mexican Auto Industry Association, Canadian Vehicle Manufacturers' Association and Transportation Border Working Group Data

The North American Auto Industry in Flux

U.S.-levied 25% tariffs on all imported vehicles (effective April 3) and parts (effective May 3) are disrupting the automotive supply chain and pressuring costs. Imported car prices are forecast to rise by $3,000 per vehicle[7] with insurance, parts, maintenance and repair costs also expected to rise. Within North America, Canada has responded thus far with 25% tariffs on U.S. vehicles with carve-outs for United States–Mexico–Canada Agreement (USMCA)-compliant auto parts. In addition, the Canadian government announced a new tariff remission plan on April 15 for auto manufacturers that would encourage them to maintain manufacturing in Canada by granting them relief from retaliatory Canadian tariffs on U.S. vehicle imports. However, this relief could be cut if manufacturers reduce production or investment in Canada. Since levying tariffs on imported vehicles, the U.S. President suggested he may

[6] ScotiaBank Global Economics
[7] Cox Automotive, Goldman Sachs

temporarily exempt the auto industry to give automakers time to adjust supply chains, another potential reversal that perpetuates industry uncertainty.

To mitigate disruption, some major automakers are adjusting operations, including the following announced over March and April 2025:

- **Idling some plants (temporarily stopping production):** Stellantis idled plants in Windsor, Canada and Toluca, Mexico and temporarily laid off 900 workers in U.S. plants
- **Shifting/increasing production in the U.S.:** GM is boosting production at Fort Wayne, IN plant; Nissan reversed plans to cut shifts at Smyrna, TN plant while halting new U.S. orders for Mexican-built Infiniti SUVs
- **Investing in new U.S.-based manufacturing projects:** Hyundai announced a $21 billion investment in U.S. onshoring between 2025 and 2028 including a new $5.8B steel plant in Louisiana

Along with these recent changes are numerous reinforcements of North American automotive supply chain strength. For example, Nissan announced it would move production of the Frontier pickup from Argentina to Mexico in a broader strategy to improve operational efficiency and address global cost pressures.

Critical to the auto industry (and other high-tech sectors), raw material supply chains lag behind U.S. onshoring momentum. According to the 2024 Mineral Commodity Summary by the U.S. Geological Survey, the U.S. is 100% net-import reliant for 16 critical minerals, including graphite. China, the world's largest producer of rare earths by a wide margin, has suspended exports of rare earth minerals and magnets in response to U.S. tariffs, and now requires special export licenses for shipments. With companies maintaining varying stockpile sizes, production disruption timelines are hard to predict but potentially severe.[8] The U.S., Canada and Mexico form an integrated mineral trading network, with the U.S. serving as a dominant exporter to both neighbors. Canada serves as a primary U.S. import source for minerals such as magnesium, nickel, and zinc, and Mexico is an important exporter of fluorspar and graphite to the U.S. This evolving raw materials situation again highlights the interconnected North American supply chain and opportunity to deepen regional cooperation and advance shared economic goals.

While cross-border trade is essential to the automotive industry, it also has widespread importance across many sectors of the three economies. Estimates vary, but some studies indicate the average manufactured product from Mexico contains 40% U.S. content, while the average manufactured product from Canada contains 25% U.S. content.

Continental Connectivity Now Challenged by U.S. Trade Policy

Conflicts over tariff policies in North America threaten to weaken this mutually enriching ecosystem of production and slow North American industrial real estate demand.

Leading up to 2025, North American industrial real estate demand registered substantial growth, fueled by record pandemic-era logistics requirements and a broader structural reconfiguration of manufacturing and supply chains toward geographical and economic allies. In 2024, manufacturing drove an impressive 54% of industrial leasing activity in Mexico. Manufacturing led all industrial leasing sectors in Canada as well, capturing about one-third of activity in the same year. In the U.S., third-party logistics providers (3PLs) and logistics users reigned supreme in leasing activity and have for years, but manufacturing leasing activity also saw its market share expand to 18.5% in 2024 from 12.6% in 2021 amid generational investment in domestic American manufacturing.[9]

[8] New York Times
[9] Newmark Research

Industrial Leasing Breakdown by Country

U.S. TOP INDUSTRIAL LEASING ACTIVITY BY SECTOR, 2024

29.7%	20.2%	18.5%	17.7%	6.3%	6.3%
Logistics & Distribution / 3PLs	Consumer Goods / Retailers	Manufacturing	Other	E-Commerce	Food & Beverage

MEXICO TOP INDUSTRIAL LEASING ACTIVITY BY SECTOR, 2024

53.8%	37.8%	7.5%	0.9%
Manufacturing	Logistics & Distribution / 3PLs	E-Commerce	Other

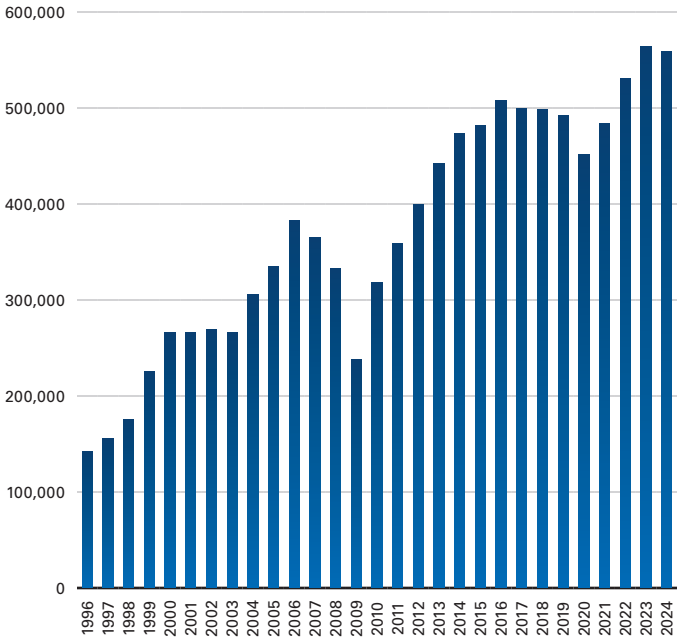
CANADA TOP INDUSTRIAL LEASING ACTIVITY BY SECTOR, 2024

33.3%	24.1%	17.1%	14.6%	10.9%
Manufacturing	Consumer Goods / Retailers	Transportation & Utilities	Other	Wholesale Trade

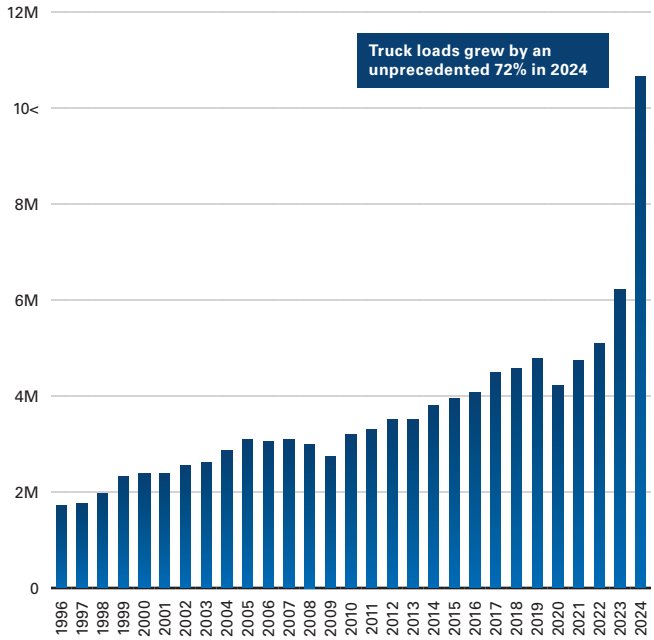
Note: Based on top leasing activity in markets tracked by Newmark. Manufacturing sector includes automotive, aviation, industrial machinery industries as well.
Source: Newmark Research, February 2025.

The past four years have seen substantial logistics leasing demand in North American secondary and intermodal markets that supported a north-south trade flow. The annual average net absorption in Laredo, Texas from 2021 to 2024 was nearly 90% higher than its pre-2020 four-year average (in comparison, the U.S. total average annual absorption was 40% higher). North American cross-border trade, especially between the U.S. and Mexico, has been significantly boosted by nearshoring efforts, a rise in foreign goods for U.S. consumers passing through Mexican seaports and the recent frontloading of inventory in anticipation of tariff decisions. These factors supercharged Mexican truck exports to the U.S. to the remarkable levels recorded in 2024.

Loaded Rail Containers Crossing from Mexico to U.S.



Loaded Truck Containers Crossing from Mexico to U.S.



Source: Dept. of Transportation, February 2025

In 2025 thus far, some free trade protections under the USMCA have been rolled back, notably in increased tariffs on autos, steel and aluminum, which could sap profitability, capital deployment and hiring across supply chains (while increasing prices). On the other hand, in the post-April 2 landscape, U.S. tariffs were more heavily targeted at Asian countries, especially China (145% total tariff). Other Asian countries that were initially targeted with higher tariffs, like Vietnam (46%), were granted a 90-day pause on implementing tariffs as of April 9, effecting a universal baseline 10% tariff in the meantime (from which Mexico and Canada are excluded and China remains tariffed at 145%). Many of the rates proposed and subsequently paused are much higher than what the U.S. has levied on non-USMCA-compliant goods from Canada and Mexico, while USMCA-compliant goods are still subject to 0% tariffs. If this gradient persists, then it could accelerate production relocation to North America. Of course, this is all subject to change, but the essential fact remains that the North American tariff environment is substantially higher now than it was at the beginning of 2025, and this is likely to persist to some degree alongside increased business uncertainty.

If tariffs render the U.S. market less economically viable for Canadian and Mexican companies, another geographic recalibration of trade flows becomes increasingly probable. The complex trans-continental rail network may facilitate increased trade and cooperation between Canada and Mexico, bypassing the U.S. and driving industrial demand in rail-served Mexican and Canadian markets. For example, CPKC recently announced it has begun handling shipments of Canadian aluminum, refined fuels and plastics to customers in Mexico. Canada may further reorient trade along an east-west axis, with a renewed focus on supplying Asian and European markets if U.S. trade diminishes. This shift could stimulate investment in Canadian transportation infrastructure and boost domestic manufacturing to compensate for the loss of formerly U.S.-supplied goods. Similar shifts are already manifesting in Mexico, as the federal government has announced a program that aims to stimulate domestic consumption and attract investments from other countries by strengthening certain productive sectors and offering tax incentives.

In the U.S., firms are citing supply chain diversification (including domestic sourcing) as their primary tariff mitigation strategy. Inland intermodal and manufacturing-ecosystem markets in the South, Midwest and Southeast will continue to outperform in development and absorption volume as production ramps up. Newmark Research is tracking more than $141 billion in major manufacturing investment announcements in the U.S. during just the first quarter of 2025, with the South seeing the largest share of these investments. This is in addition to more than $500 billion in major manufacturing investments made in the U.S. since 2020. Despite this momentum, manufacturing site selection remains constrained by access to skilled labor pools, affordable energy, and available land—with the most successful projects targeting markets that offer the optimal balance of these critical factors.[10] Establishing new manufacturing plants in the U.S. can take years, but with the current administration's emphasis on deregulation and accelerated approvals for megaprojects, these timelines might be reduced. This growth is a tailwind for infrastructure investment and related transportation and equipment companies' industrial expansion needs.

Tariff Playbook: Mitigation Strategies Recently Mentioned on Corporate Earnings Calls

Less time needed for implementation → *More time needed for implementation*

	Pricing Power	Redirect Products	Stockpile Inventory	Diversify Supply Chains
Autos	●			●
Biopharma				●
Energy	●	●		
Freight Transportation		●		
IT Hardware	●	●	●	●
Leisure Products	●			●
Machinery	●		●	●
Metals & Mining	●	●	●	
Multi-Industry	●		●	●
REITs				●
Restaurants & Food Distributors	●			●
Retail Hardlines	●			●
Softline Retail & Brands				●

Source: Morgan Stanley Research

[10] Newmark Research, Manufacturing Momentum: Scaling for Success in Key Markets

The Administration's tariff policies as they stand will reduce U.S. import volumes in the near term, particularly from East Asia.[11] Adding further complexity to the import outlook, the U.S. Trade Representative (USTR) announced phased fees on vessels built in China or operated by Chinese companies calling at U.S. ports. This new plan, an effort to stimulate American shipbuilding and counter China's dominance in maritime fleets, excludes previously proposed measures such as the $1M to $1.5M flat fee per port call, yet still means higher costs for Chinese-flagged vessels.[12]

West Coast seaport-serving industrial markets are most exposed to this tariff trade shock and are likely to experience weaker demand growth and potential industrial occupancy declines, should lower import volumes persist. Conversely, seaport-serving industrial markets in Canada and Mexico could see improved demand performance as they diversify their trading partners and increase domestic investment in expanding port and cargo-handling infrastructure.

This remarkable increase in tariffs will disproportionately affect some industries, such as apparel and electronics. Corporate bankruptcies, which were at a 14-year high in 2024, are thus likely to remain elevated in part because of this new tax regime, a headwind for overall industrial occupancy levels. Some degree of tariff retaliation has already occurred and is assured to continue if tariffs persist. For example, China has levied a 125% "reciprocal" tariff on U.S. imports. A de-globalized U.S. manufacturing sector could become less competitive on the global market due to higher production costs and reduced export volumes.

WEIGHTED EFFECTIVE TARIFF RATE

Major U.S. Ports

Oakland	**47.4%**
LA / LB	**45.9%**
Seattle	**35.7%**
Norfolk	**29.3%**
Houston	**26.9%**
Charleston	**25.2%**
Savannah	**24.5%**
JAX	**24.2%**
NY / NJ	**23.0%**
Miami	**22.1%**
Baltimore	**15.5%**

Source: Newmark Research, Trademo, USA Trade Online, the White House.

Tariffs as of 4/14/25 representing China at an effective113% (see Tariff Tracker in Appendix) and other countries at a baseline 10%. Calculations based on 2024 annual shipment values.

Looking Beyond Tariffs

While tariffs and the immediate impacts of their implementation are generating the greatest amount of uncertainty, the "panorama of the proposed" also stands to shape industrial real estate demand. Tariffs have and will continue to play a smaller role in total business logistics costs compared with other outlays, like fuel. According to CSCMP, total U.S. business logistics costs in 2023 amounted to $2.3 trillion, representing 8.1% of U.S. nominal gross domestic product (GDP). The tariff system in place that year[13] generated $80.3 billion in annual revenue or 0.28% of nominal GDP. A variety of estimates suggest that the total revenue that could be generated by the full "reciprocal" tariff system proposed on April 2 – now on pause – is equivalent to ~1.0% of 2024 nominal GDP. While tariffs irrefutably raise prices, the analysis suggests the sheer uncertainty may be more significant than the impact of the tariffs themselves on how businesses operate and consumers spend. Of course, tariffs will hit some industries – like apparel and the continentally enmeshed auto industry – much harder than others. Even more substantial impacts on business logistics costs and consumer demand may potentially emerge from two key policy sectors that may also be accompanied by additional considerations. These are explored on the following page.

[11] National Retail Federation Global Ports Tracker
[12] Office of the United States Trade Representative
[13] See Tariff Tracker in Appendix

TAX POLICY:

The U.S. Congress is considering legislation to extend and expand provisions of the Tax Cuts and Jobs Act (TCJA), which enacted lower corporate tax rates and other tax reforms during the first Trump administration, incentivizing increased investment in the U.S. Key provisions are set to expire by the end of 2025. The U.S. President has proposed reducing the corporate tax rate to as low as 15% to generate further growth. A range of studies, including a recent study by the NBER, finds corporate tax cuts are associated with increased capital investment and growth in the number of local firms.[14] In Canada, a previously proposed hike in the capital gains inclusion rate was cancelled in late March 2025. Due to a federal election campaign called March 23, 2025, a myriad array of tax cuts, investment incentives and capacity-building measures in response to U.S. tariff threats have been proposed in the run up to Canada electing a new prime minister on April 28, 2025. In January 2025, the government of Mexico unveiled "Plan Mexico," a comprehensive investment plan aimed to attract up to US$277 billion in foreign investment with a raft of additional tax incentives for companies that invest in the country. The extent of potential tax cuts and incentives – be it corporate, capital gains or for consumers – in each North American member country is yet unknown, but each poses upsides to industrial-market growth through lower occupier costs and more consumer spending power.

ENERGY POLICY:

Energy policy is highly important to industrial market expansion. As widely reported[15], manufacturing growth and the pace of innovation in North America, particularly in the U.S. and Mexico, could be stymied by power constraints. Canada is less exposed with access to more abundant power resources, which it has historically supplied to the U.S. Both public and private sectors in the U.S. and Mexico are urgently working to expand generation, capacity and transmission, actions that will likely influence costs. The U.S. is currently expanding its domestic power generation capacity to achieve a more diverse energy mix, though such projects often take years to become operational. In late 2024, the government of Mexico announced an investment of $23.4 billion for the generation, transmission and distribution of electric power in Mexico. The plan also aims to open the sector to receive private investments in electric energy, accompanied by an improvement in the investment rules.

Changes to energy policy can have a wide range of implications:

- For Manufacturers: Power costs are an input price for production; if power costs decline, there is a deflationary ripple effect across the value chain.
- For Logistics Occupiers: Transportation costs are the largest expense. If transportation costs drop, occupiers have more breathing room in terms of location and may be more willing to accept higher rents, which are a slim portion of overall logistics costs.
- For Consumers: Even relatively small movements in income influence consumption significantly. If retail gas prices go down, there is a direct relationship to a commensurate amount of disposable income consumers have to make other purchases.[16]

The U.S. Energy Information Administration forecasts a modest decrease of 3% in the cost of gas during 2025 and 2026, with the average price per gallon down 10 cents in total from 2024 to 2026, though potential impacts of tariffs were not reflected in the outlook and may have mixed effect on pricing in the short to mid-term. According to the Dallas Federal Reserve, the oil and gas industry is seeing the immediate impacts of steel and aluminum tariffs. An increase in the cost of steel in particular, which is essential for everything from drilling rigs and pipelines to refineries and storage tanks, is making industry expansion costlier and more challenging. On the other hand, deregulation is

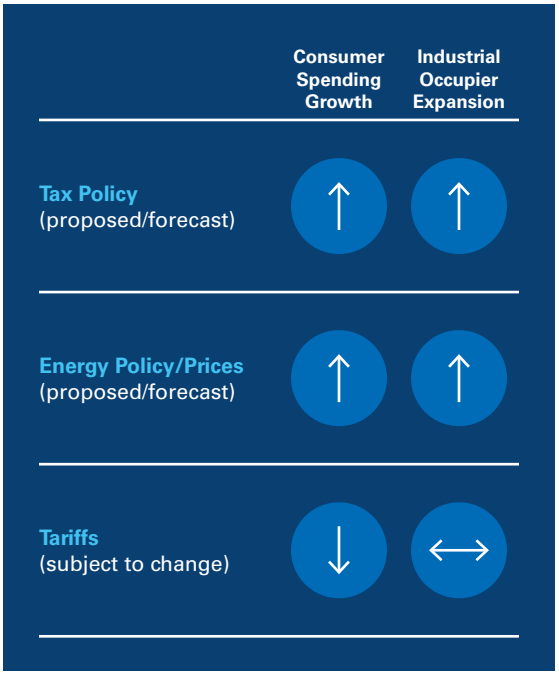
[14] Rate Coalition
[15] Newmark Research
[16] NBER
[17] Forbes

impacting energy production favorably.[17] Tariffs that potentially lead to reductions in the delivery of Canadian heavy crude to U.S. refineries could idle some U.S. refining capacity, particularly in the Midwest, and potentially trigger increases in gas prices, impacting transportation costs for goods and creating further inflationary pressure.

Additional considerations beyond trade, energy and tax policy include labor availability, which is shaped in part by immigration reform in the U.S. Potential labor shortfalls could impact construction costs, already facing pricing pressure due to tariffs on steel and aluminum. This could have a salutary impact on vacancy in the U.S. industrial market by creating further discipline on new warehouse starts. It could also positively impact domestic wage growth, but it is uncertain if that would cancel out the inflationary pressure on the cost of goods. Mexico will continue to remain a strong contender for global manufacturing diversification due to its skilled, low-cost and relatively young labor pool.

Outlook for Industrial Demand

Industrial occupier demand depends on the consumer first and foremost. Changes in income affect consumption, which in turn affects industrial occupancy. There is a nearly 1:1 correlation between industrial occupancy and real disposable income as the consumption economy runs through North American warehouses.[18] Changes to come via tax and energy policies may have notable positive effects on disposable income (and industrial expansion), but they have not occurred yet. Major and disruptive tariffs, all subject to change, will have a more immediate impact on consumer spending. While tariffs could slow industrial expansion by some retailers, they may drive expansion in other sectors like electronics and auto manufacturing, albeit after a multi-year process before the "halo effect" is felt on the industrial market. Before companies commit to reshoring, they must conduct comprehensive feasibility studies that account for tariff implications, market demand, supply chain considerations, talent requirements and other critical factors. Additionally, financial models must evaluate the impact of potentially writing off capital investments in foreign markets against the benefits of domestic production.



The U.S. tariff enactments through April 9 pushed the average tariff rate to the highest level since the early 1900s with analysis by the Yale Budget Lab pointing to an average U.S. household consumer loss of $4,900 in the short run as a result. U.S., Canadian and Mexican economists are generally aligned in increasing the odds of a recession this year in each respective country. While a recession would drive greater occupancy declines due to tenant credit loss, the baseline industrial net absorption forecast for the U.S., Mexico and Canada this year is positive, if substantially lower than average. Each country's market expects to see vacancy rise by year-end as supply is forecasted to outpace demand.

[18] Newmark Research, U.S figures for occupancy and disposable income analyzed.

Conclusion

As the world's largest economy and one of its most highly diversified, the U.S. possesses a formidable industrial market that has the capacity to absorb major changes to trade policy – although not without friction.

Total U.S. trade from Canada and Mexico represents 7% of its GDP. Mexico and Canada's total trade with the U.S. is 45% and 34%, respectively, which means any lasting changes to U.S. trade policy will have more outsized impacts to these smaller national economies.[19]

Yet opportunities exist as described in this paper.

This period of time may demonstrate how regional economies can grow while creating space for national priorities and the promise of stronger future co-operation potentially to come with renegotiated USMCA terms.

The decades-long legacy investment in the integration of North America's member economies, comprising very substantial and tangible road, rail and marine linkages, will endure – regardless of shifting trade policies.

[19] PMFA, U.S. Census Bureau, World Bank. As of YE 2023.

APPENDIX

U.S. Tariff Tracker

Estimates based on 2024 Annual Trade Levels; Billions of USD

Country	Date Effective	Effective Tariff Rate	Tariff Details	Tariff Revenue	Dutiable Share of U.S. Imports
IMPLEMENTED					
Various	Jan-2018	1%	15% Solar Panels	0.2	1%
Various	Mar-2018, Mar-2025	25%	25% Steel	6	1%
Various	Mar-2018, Mar-2025	25%	25% Aluminum	4.6	1%
China	2018 & 2019, Sep-2024, Feb, Mar, Apr-2025	113%	25% Intermediate Inputs & Capital Equipment, 7.5% Consumer Goods, 125% Reciprocal Baseline Tariff, Additional 20% All Goods	496.9	10%
Mexico	Mar-2025	9%	25% All Non-USMCA Goods, ex Autos	46.2	6%
Canada	Mar-2025	12%	25% All Non-USMCA non-energy Goods, ex Autos, 10% on Energy Goods	48.2	4%
Various	Apr-2025, May-2025	20%	25% Autos & Parts, non-USMCA	68.7	8%
Various	Apr-2025	10%	10% Baseline All Countries	112.1	34%
Average U.S. Trade-Weighted Tariff Rate, Total Annual Tariff Revenue Collected and Share of U.S. Imports:		**24.80%**		**$783**	**65%**
PROPOSED					
Various	Jul-2025	28%	11–50% Reciprocal Baseline Tariffs	$208.50	28%
Mexico	Apr-2025	7%	25% All USMCA Goods, ex Autos	$35.70	4%
Canada	Apr-2025	4%	25% All USMCA non-energy Goods, ex Autos	17.2	2%
Various			Copper		1%
Various			Lumber Articles		
Various			Pharmaceuticals		
IMPLEMENTED AND PROPOSED					
Avg. U.S. Trade-Weighted Tariff Rate, Total Annual Tariff Revenue Collected and Share of U.S. Imports:		**32.80%**		**$1,044.40**	**72%**

Source: U.S. Department of Commerce, Wells Fargo Economics, Newmark Research
As of 4/14/25 and subject to change

Notes and Comments:

Estimates represent upper bounds as they rely on 2024 trade data and do not account for future change in trade flows. Dutiable share of imports represent estimated share of 2024 total U.S. imports subject to tariffs. Sectoral tariffs (Steel, Aluminum, Autos, etc.) per country fall within the sectoral tariff line and are removed from the individual country calculations. Individual country calculations also exclude products detailed in Annex II of the April 2, 2025 White House Executive Order and those detailed in CSMS #64724565 (April 11, 2025).

(1) Wells Fargo estimates 38% of Mexican goods imports (ex autos/parts) were compliant with USMCA in 2024. Inclusive of autos, a range of sources cite ~49% of U.S. imports from Mexico qualified for USMCA duty exemptions in 2024, with up to 41% more potentially eligible if supply chains align with USMCA rules of origin.

(2) Wells Fargo estimates 30% of Canadian goods imports (ex autos/parts) were compliant with USMCA in 2024.

(3) 41% of autos & parts imports came from MX and CA in 2024, of which 92% of MX/CA autos and 68% of MX/CA parts were USMCA compliant in 2024. The tariff is also set to apply to non-US content in USMCA autos/parts. AAPC estimates that ~35% of MX autos and 50% of CA autos have US content, which in addition to non-USMCA compliant autos, suggests ~64% of MX/CA autos will be tariffed. For now, assume all USMCA parts are duty free.

(4) 10% baseline applied to all countries other than Mexico, Canada, and China. Products detailed in Annex II and CSMS #64724565 (April 11, 2025) are excluded from the calculations.

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