

# Rising Trade Uncertainties and Material Costs Threaten Marine Manufacturing Growth, NAM Q1 Survey Finds

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The latest [National Association of Manufacturers \(NAM\) Q1 2025 Manufacturers' Outlook Survey](#) outlines a rising tide of concerns among manufacturers—especially those in the recreational marine industry. Trade uncertainties have surged to the top of industry challenges, cited by **76.2% of respondents**—a **20-percentage-point jump** from Q4 2024 and **40 points higher** than Q3 last year. Meanwhile, **increased raw material costs (62.3%)** are making it more difficult for marine manufacturers to maintain profitability.

The survey conducted Feb. 11–28, underscores growing industry-wide caution. While **69.7% of manufacturers remain optimistic** about their company's outlook, that figure has dipped from **70.9% in Q4 2024**—reflecting growing economic uncertainty. If Congress fails to extend the Tax Cuts and Jobs Act, manufacturers warn of major investment slowdowns, including:

- **69.35% delaying capital equipment purchases**—impacting shipbuilding and production upgrades.
- **45.23% postponing hiring**—limiting workforce expansion.
- **44.72% stalling operational growth**—putting facility expansions and upgrades at risk.
- **41.71% curbing R&D investments**—slowing innovation in propulsion, sustainability, and technology.
- **40.20% restricting wage and benefits increases**—affecting workforce retention.

Manufacturers expect **product prices to rise by 3.6%** over the next 12 months—the highest increase since Q3 2022. Meanwhile, **raw material costs are projected to climb by 5.5%**, the steepest increase since mid-2022, further pressuring supply chains.

Export sales projections are equally concerning. Expected to rise by just **0.1%**, this is the **lowest forecast since Q2 2020**, when global trade nearly collapsed due to the pandemic.

As Frank Hugelmeyer, President and CEO of NMMA, [said](#) following the President's Joint Address in early March:

"President Trump is right to focus on strengthening American manufacturing, and we appreciate the administration's commitment to fair trade. However, it's essential that tariff and trade policies are structured in a way that support U.S. industries rather than creating unintended challenges. The recreational boating industry is a prime example of American success, but global competitiveness depends on policies that enhance—not hinder—growth."

As discussions on trade policy evolve, NMMA urges industry stakeholders to stay informed and involved. NMMA members are encouraged to contact Clay Crabtree, Senior Director of Public Policy at NMMA, at [ccrabtree@nmma.org](mailto:ccrabtree@nmma.org), to share feedback on the evolving trade landscape.