



Parsing the August 2019 TEU Numbers

Please note: The numbers here are not derived from forecasting algorithms or the partial information available from U.S. Customs and Border Protection but instead represent the actual TEU counts as reported by the major North American seaports we survey each month. The U.S. mainland ports we monitor collectively handle over 90% of the container movements at continental U.S. ports. Unless otherwise stated, the numbers in this portion of our analysis do not include empty containers.

Import Traffic

An early peak importing season definitely failed to materialize in August at Southern California's maritime gateway. While the Port of Los Angeles posted a respectable 4.1% (+17,040 TEUs) increase over August of last year, that gain was more than offset by a 5.9% (-20,249 TEUs) drop at the Port of Long Beach. Together, the two ports – which constitute the nation's busiest maritime gateway – saw the volume of inbound loaded TEUs slip by 0.4% (-3,209 TEUs) from the previous August.

The Port of Oakland fared better with a 3.7% (+3,157 TEUs) increase in inbound loads. The numbers from the Northwest Seaport Alliance Ports of Tacoma and Seattle were not so good, as import loads declined by 2.6% (-3,050 TEUs) from last August.

Collectively, inbound loads through the five major USWC ports were down 0.3% (-3,102 TEUs) from August 2018.

Exhibit 1	August 2019 - Inbound Loaded TEUs at Selected Ports					
	Aug 2019	Aug 2018	% Change	Aug 2019 YTD	Aug 2018 YTD	% Change
Los Angeles	437,613	420,573	4.1%	3,174,317	3,078,779	3.1%
Long Beach	322,780	343,029	-5.9%	2,449,939	2,683,019	-8.7%
San Pedro Bay Totals	760,393	763,602	-0.4%	5,624,256	5,761,798	-2.4%
Oakland	88,323	85,166	3.7%	653,066	629,612	3.7%
NWSA	112,267	115,317	-2.6%	927,530	911,771	1.7%
USWC Totals	960,983	964,085	-0.3%	7,204,852	7,303,181	-1.3%
Boston	14,047	13,853	1.4%	99,959	96,233	3.9%
NYNJ	342,541	333,567	2.7%	2,525,575	2,413,224	4.7%
Maryland	44,878	44,141	1.7%	354,706	342,006	3.7%
Virginia	121,542	117,042	3.8%	920,478	866,969	6.2%
South Carolina	103,221	90,569	14.0%	716,337	664,133	7.9%
Georgia	217,017	182,883	18.7%	1,489,719	1,356,241	9.8%
Jaxport	30,484	28,519	6.9%	239,791	208,034	15.3%
Port Everglades	24,407	31,408	-22.3%	282,201	302,207	-6.6%
Miami	37,787	38,335	-1.4%	291,117	276,330	5.4%
USEC Totals	935,924	880,317	6.3%	6,919,883	6,525,377	6.0%
New Orleans	11,906	11,057	7.7%	92,354	83,332	10.8%
Houston	110,318	105,937	4.1%	826,167	766,140	7.8%
USGC Totals	122,224	116,994	4.5%	918,521	849,472	8.1%
Vancouver	145,819	135,398	7.7%	1,152,494	1,132,894	1.7%
Prince Rupert	71,453	38,355	86.3%	437,108	364,037	20.1%
BC Totals	217,272	173,753	25.0%	1,589,602	1,496,931	6.2%
US/BC Totals	2,236,403	2,135,149	4.7%	16,632,858	16,174,961	2.8%
US Total	2,019,131	1,961,396	2.9%	15,043,256	14,678,030	2.5%
USWC/BC	1,178,255	1,137,838	3.6%	8,794,454	8,800,112	-0.1%

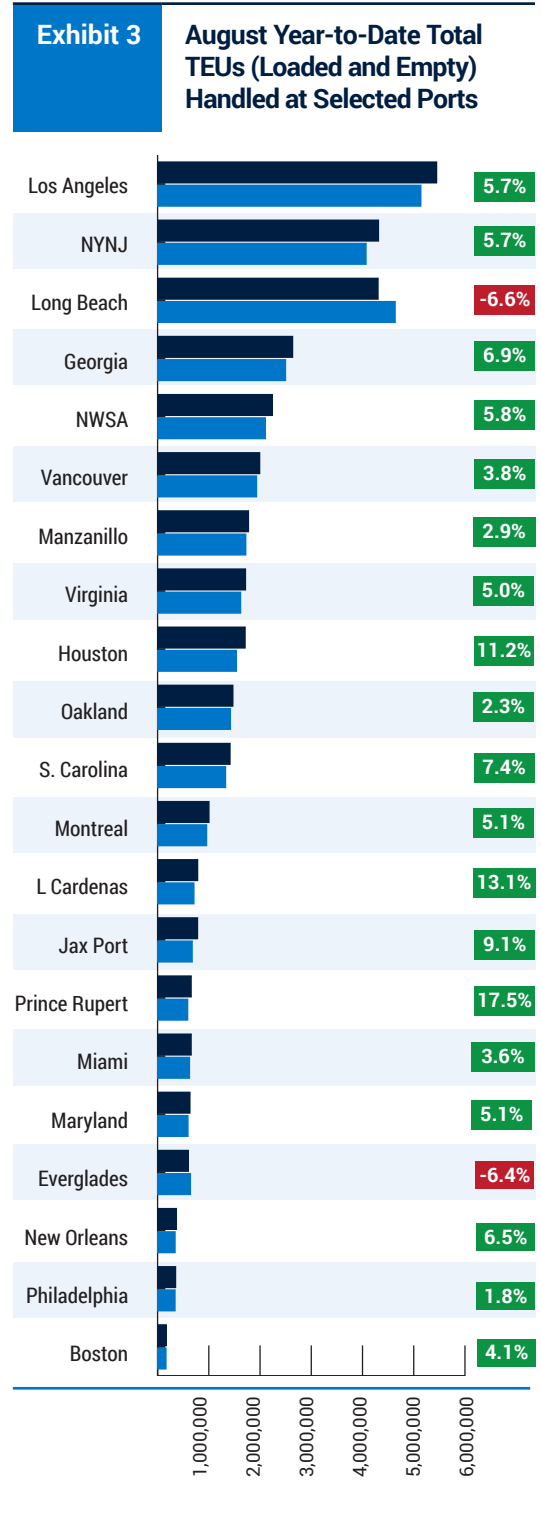
Source Individual Ports



Parsing the August 2019 Loaded TEU Numbers Continued

	August 2019 - Outbound Loaded TEUs at Selected Ports			August Year-to-Date Total TEUs (Loaded and Empty) Handled at Selected Ports		
	Aug 2019	Aug 2018	% Change	Aug 2019 YTD	Aug 2018 YTD	% Change
Los Angeles	146,284	162,466	-10.0%	1,216,304	1,282,739	-5.2%
Long Beach	124,975	119,546	4.5%	968,852	1,052,510	-7.9%
San Pedro Bay Totals	271,259	282,012	-3.8%	2,185,156	2,335,249	-6.4%
Oakland	75,080	74,173	1.2%	615,145	596,185	3.2%
NWSA	74,852	74,158	0.9%	602,408	621,966	-3.1%
USWC Totals	421,191	430,343	-2.1%	3,402,709	3,553,400	-4.2%
Boston	8,220	6,160	33.4%	54,837	54,293	1.0%
NYNJ	127,237	125,115	1.7%	986,770	997,945	-1.1%
Maryland	19,924	18,715	6.5%	154,392	156,169	-1.1%
Virginia	80,655	83,512	-3.4%	655,460	675,415	-3.0%
South Carolina	73,927	66,739	10.8%	560,782	561,438	-0.1%
Georgia	125,558	121,582	3.3%	1,003,980	1,003,935	0.0%
Jaxport	42,934	44,117	-2.7%	332,578	324,149	2.6%
Port Everglades	37,602	38,354	-2.0%	282,201	302,207	-6.6%
Miami	32,980	37,214	-11.4%	274,187	269,187	1.9%
USEC Totals	970,228	971,851	-0.2%	4,305,187	4,344,738	-0.9%
New Orleans	26,034	26,013	0.1%	199,783	195,785	2.0%
Houston	109,388	89,345	22.4%	836,350	719,868	16.2%
USGC Totals	135,422	115,358	17.4%	1,036,133	915,653	13.2%
Vancouver	93,232	87,210	6.9%	766,821	730,424	5.0%
Prince Rupert	15,144	14,257	6.2%	132,187	138,211	-4.4%
British Columbia Totals	108,376	101,467	6.8%	899,008	868,635	3.5%
US/Canada Total	1,635,217	1,619,019	1.0%	9,643,037	9,682,426	-0.4%
US Total	1,526,841	1,517,552	0.6%	8,744,029	8,813,791	-0.8%
USWC/BC	529,567	531,810	-0.4%	4,301,717	4,422,035	-2.7%

Source: Individual Ports



■ 2019 YTD
■ 2018 YTD

Source: Individual Ports



Parsing the August 2019 Loaded TEU Numbers [Continued](#)

The USWC numbers pale in contrast to ports elsewhere in the country. On the East Coast, Savannah recorded an 18.7% (+34,134 TEUs) jump, while Charleston saw a 14.0% (+12,652 TEUs) gain. The Port of New York/New Jersey enjoyed a 2.7% (+8,974 TEUs) increase in inbound loads. Altogether, the nine U.S. East Coast ports we track boosted their inbound trades by 6.3% (+55,607 TEUs) over last August. The two Gulf Coast ports we monitor saw a combined 4.5% (+5,230 TEUs) increase year-over-year.

The two British Columbia ports we track posted dramatically higher numbers for August, with the relentlessly expanding capacity of Prince Rupert driving its import volume up by 86.3% (+43,519 TEUs) over the same month a year earlier (which, admittedly, was not one of the port's best months for imports). Vancouver, meanwhile, posted a respectable 7.7% increase (+33,098 TEUs).

The seven major Pacific Coast ports in Canada and the U.S. therefore saw a 3.6% (+40,417 TEUs) rise in import loads as the USWC ports' share of the Left Coast containerized import trade dropped to 81.6% from 84.7% a year earlier.

Focusing now just on the sixteen mainland U.S. ports we track, import loads in August totaled 2,019,131 TEUs, an increase of 2.9% (+57,735 TEUs) from the same month in 2018. The Big Five USWC ports accounted for 960,983 loaded import TEUs for a 47.6% share, down from their 49.2% share in August of last year.

Export Traffic

Outbound container traffic was predictably down in August. At the two San Pedro Bay ports, 10,753 fewer loaded TEUs (-3.8%) sailed abroad than in the same month a year earlier. Other USWC ports fared better, however. At Oakland, outbound loads edged up by 1.2% (+907 TEUs), while the NWSA ports saw their outbound volumes rise by 0.9% (+694 TEUs). Overall, the Big Five USWC ports reported a 2.1% (-9,152 TEUs) decline in outbound loads from last August.

Outbound trades were mixed among the USEC ports we

track. Charleston posted a 10.8% (+7,188) jump, and Baltimore and Savannah enjoyed upswings in export loads, but Virginia and the three Florida ports saw smaller totals than they reported a year earlier. PNYNJ was up 1.7% (+2,122 TEUs). Overall, however, the nine USEC ports we track saw outbound load numbers slip by 0.2% (-1,623 TEUs) from last August.

Along the Gulf Coast, Houston's outbound box trade soared by 22.4% (+20,043), but New Orleans managed just a 0.1% (21 TEUs) increase. Still, the two posted a combined gain of 17.4% (+20,064) TEUs over last August.

The two British Columbia ports recorded nearly uniform rates of growth. At Prince Rupert, outbound loads rose by 6.2% (+887 TEUs), while Vancouver posted a 6.9% (+6,022 TEUs) bump. Combined, the two gateways posted a 6.8% (+6,909 TEUs) year-over-year export gain in August.

Looking solely at the sixteen U.S. mainland ports that we monitor, August's container export trade inched up by 0.6% (+9,289 TEUs) from a year earlier. The Big Five USWC ports in August accounted for a 27.6% share of all loaded outbound TEUs shipped out of U.S. mainland ports, down from a 28.4% share a year earlier.

Focusing now on outbound loads from the seven major container ports on the Pacific Coast in the U.S. and Canada, export traffic slipped by 0.4% (-2,243 TEUs) from last August. The USWC share of the binational Pacific Coast container export trade in August amounted to 79.5%, down from 80.9% a year ago.

Totals to date. The 11,283,281 loaded and empty TEUs the two San Pedro Bay ports handled in this year's first eight months was down 0.1% (-6,991 TEUs) from last year at this point. As a result, their collective share of total container traffic through the sixteen mainland U.S. ports we survey declined to 33.9% from 35.1% at this juncture in 2018.

Weights and Values. Although the TEU is the preferred unit of measurement in the container trade, we present two alternative metrics – the declared weight and value of the goods contained in those TEUs – in hopes of further illuminating recent trends in the container trade along the USWC.



Parsing the August 2019 Loaded TEU Numbers *Continued*

Exhibit 4 USWC Port Regions' Shares of U.S. Mainland Ports Worldwide Container Trade, August 2019

	Aug 2019	Jul 2019	Aug 2018
Shares of U.S. Mainland Ports Worldwide Containerized Import Tonnage			
LA/LB	27.3%	28.1%	29.0%
Oakland	4.3%	4.1%	3.9%
NWSA	5.4%	5.2%	5.3%
Shares of U.S. Mainland Ports Worldwide Containerized Import Value			
LA/LB	34.6%	35.8%	37.1%
Oakland	3.9%	3.7%	3.5%
NWSA	7.3%	6.9%	6.5%
Shares of U.S. Mainland Worldwide Containerized Export Tonnage			
LA/LB	20.8%	20.5%	23.4%
Oakland	5.9%	5.8%	5.8%
NWSA	8.4%	7.7%	8.8%
Shares of U.S. Mainland Worldwide Containerized Export Value			
LA/LB	20.2%	20.5%	21.8%
Oakland	6.1%	6.2%	5.4%
NWSA	4.6%	4.4%	4.7%

Source: U.S. Commerce Department.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 documents the steady decline in the volume of containerized imports at USWC ports. The two San Pedro Bay ports saw their combined share of containerized import tonnage through mainland U.S. ports slip in August to 27.3% from 29.0% a year earlier. The two experienced a parallel drop in the declared value of containerized imports to 34.6% from 37.1% last August. Oakland and the NWSA ports fared better by increasing their import weight and value shares.

On the export side, the Southern California ports continued to lose market share, whether measured in tonnage or dollar value. Oakland's shares grew in both

Exhibit 5 USWC Port Regions' Shares of U.S. Mainland-East Asia Container Trade, August 2019

	Aug 2019	Jul 2019	Aug 2018
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	42.5%	44.8%	44.7%
Oakland	4.5%	4.5%	4.3%
NWSA	7.6%	7.6%	7.7%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	49.7%	52.5%	53.1%
Oakland	4.4%	4.1%	3.9%
NWSA	10.3%	9.8%	10.1%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	36.1%	35.7%	37.2%
Oakland	9.0%	9.2%	8.6%
NWSA	14.0%	13.2%	14.0%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	41.7%	41.4%	45.4%
Oakland	10.8%	11.1%	10.1%
NWSA	9.7%	9.1%	9.3%

Source: U.S. Commerce Department.

weight and value terms, while the NWSA ports' export shares trended downward in both measures.

Exhibit 5: USWC Ports and the East Asia Trade. Turning now to the August figures on containerized imports arriving at U.S. mainland ports from East Asia, the Ports of Los Angeles and Long Beach saw their combined share of import tonnage continue to edge lower to 42.5% from 44.7%, while their collective share of import value declined to 49.7 from 53.1%. Elsewhere along the coast, Oakland improved its East Asia import tonnage and value shares, while the NWSA ports saw a drop in their tonnage share but an increase in their value share.



Parsing the August 2019 Loaded TEU Numbers [Continued](#)

On the export side, San Pedro Bay's share of containerized exports to East Asia slid to 36.1% from 37.2%, while their combined share of the value of those containerized imports shrank to 41.7% from 45.4%. Oakland's numbers improved. The NWSA ports held their tonnage share while improving their value share.

Who's #2?

The Port of New York and New Jersey appears to have consolidated its position as the nation's second busiest container port. Its YTD tally of loaded and empty boxes through August came to 4,995,420 TEUs, some 24,013 TEUs more than the 4,971,407 TEUs handled at Long Beach. Neither port is close to toppling the Port of Los Angeles from its status as the nation's busiest container port, which handled 6,311,873 total TEUs through the year's first eight months.

What's this we're hearing about soybeans?

Apparently, there was a trade accord reached earlier this month with China that, at least according to the White House, involves a Chinese commitment to significantly increase their imports of American agricultural goods, most notably soybeans and pork. The exact terms of the agreement remain elusive. President Trump seems to believe that China has promised to import \$40-\$50 billion from American farmers and ranchers in the next couple of years. The Chinese said they would let market demand and prices determine their level of purchases. What seems likely, therefore, is that any new Chinese food orders are likely to fall short of the volumes of agricultural exports seen before President Trump started to wage a tariff war with Beijing. Adding to the misapprehensions of certain pundits is the widespread assumption that, when China responded to U.S. tariffs last year by raising tariffs on U.S. soybeans, the trade collapsed entirely, prompting the administration to pump about \$28 billion in subsidies to growers. In reality, though, the China trade did not entirely dry up. Even though no U.S. soybeans were shipped to China in September and November last year, exports have been piling up this year. Indeed, through August, 12,982,448 metric tons of soybeans have been exported to China. The Port of Kalama handled 21.1% of

that volume, while the NWSA Ports of Tacoma and Seattle handled another 14.1%. The Washington State Port of Vancouver had a 6.8% share of the trade, while the nearby Port of Longview had a 5.1% share.

The Portlands

Oregon's once vibrant container port on the Columbia and Willamette Rivers has seen better days. In 2003, the Port of Portland handled 339,571 TEUs. Last year, its box trade amounted to 1,104 TEUs. Through August of this year, that number is down to 26 TEUs. Meanwhile, across the country in the other Portland (the one for whom the Oregon town was named), the Maine International Marine Terminal processed 22,325 TEUs last year and is on track to handle nearly 30,000 TEUs this year. That's what happens when you're in a place where the politics are more congenial...and the seafood is fresher.

First Glimpse at September's Numbers

The Port of Los Angeles was first to post September box counts, and the results were uninspiring. America's premier maritime gateway saw a 2.9% fall-off in inbound loads and an 11.0% drop in outbound loads. Including empties, total container traffic at the port was down 2.7% from a year earlier. Long Beach actually fared somewhat better, with import loads off by just 0.7% (-2,382 TEUs) in September. Together, the San Pedro Bay ports handled 14,393 fewer loaded inbound TEUs (-1.9%) than they had in the same month a year earlier. On the export side, outbound loads from the two ports were down 5.4% (-14,577 TEUs) from last September.

The Port of Oakland also stumbled in September. Import loads were down 0.9% from a year earlier, while export loads fell by 3.0%. Owing to sharper declines in empties moving through the port, total TEU traffic fell by 10.7%.

Further up the coast at the Northwest Seaport Alliance, container volumes turned south. Import loads were down 12.9% from last September, while export loads were off by 7.1%.

Collectively, the five major USWC ports reported a 3.2% decline in import loads and a 5.1% dip in outbound loads compared with September of last year.



Jock O'Connell's Commentary: Betrayed by the Census Bureau

This commentary might conceivably have taken the form of one of those Dear Diary entries in which the aggrieved party lays out just how badly he or she was betrayed by someone they had come to trust implicitly.

Now I appreciate the story of disappointment I'm about to relate is not in the same category as that time Santa failed to leave a Lionel electric train set under the Christmas tree despite a firm promise made just days earlier at the Porteous, Mitchell and Braun department store. But it still hurts deeply when an institution I had long held to be the gold standard of reliability and accuracy has let me down in a mighty big way.

My saga of woe began this past March 27 when the U.S. Census Bureau's Foreign Trade Division, the collector, disseminator, and overall minder of the nation's official international trade statistics, released data for the month of January. After surveying the national figures and the numbers for California, I turned to the data on maritime trade.

And there, Dear Diary, I spied a number so egregiously out-of-place that I choked on my double espresso.

Specifically, what I found was that the Ports of Los Angeles and Long Beach had in January reportedly received shipment of containers bearing 1,446,444 metric tons of a commodity opaquely described as "Articles of Natural or Cultivated Pearls, Precious/Semiprecious Stones" or HS Code 7116.

Was this worth crying over spilled coffee? Darn right! For one thing, it was the single heaviest containerized import commodity the two ports handled in January, alone accounting for 38.1% of all containerized import tonnage through San Pedro Bay that month. Second, it was an import trade through the two ports that normally amounted to no more than two or three hundred kilos per month. In fact, January's tonnage was roughly seven times greater than the combined weight of all imports of HS 7116 from China through both ports over the previous ten years. Third, the corresponding import value was consistent with the values declared in more normal months.

What was going on?

Now it might seem that the most likely possibility was the sort of fat-finger error you or I might make. Someone at Census had evidently mistyped the numbers and produced this astonishing anomaly. Adding to this likelihood was that the apparent error came during a period in which the Census Bureau, along with much of the Federal government, was trying to get back up to speed after having been shut down for 35 days. Doubtless in the haste to catch up – this was the second trade data release of the month – a human had erred.

But Census isn't human. It's a statistical machine of enormous complexity and grave responsibility. Its numbers are closely watched by armies of analysts and investors. Billions or even trillions of dollars move based on the figures Census reports. For that reason, it has computer safeguards, programs that scour the numbers and red-flag anomalies much less gross than this one for human review. Perhaps the programs worked, but the humans were too busy to notice. Whatever the cause, the outsized import figure was distressing.

I quickly caused this matter to be brought to the attention of the relevant folks at the Census Bureau's Foreign Trade Division and was duly informed that an individual had been assigned to investigate the matter. "Your request was assigned control number 3197. The results of said inquiry should be passed along within 60 days."

The clock began to tick, but the pages of the calendar did not exactly fly by. Time slowed. I waited and pondered the issue. Impatient brooding led to speculation, which in turn gave rise to conspiracy mongering. Being of a mind to occasionally reject Ockham's razor, I weighed other reasons why 1,446,444 metric tons of Chinese baubles might have turned up on the shores of San Pedro Bay in January. To be sure, as William of Ockham wrote back in the 14th century, "entia non sunt multiplicanda praeter necessitate", but isn't it more fun to look for the more devilishly complicated answer? Think Rube Goldberg. Could outright chicanery be involved?

In the fullness of time, Census did cough up a concession of error but no explanation. Nor did it indicate how extensive the correction might be. The erroneous data would



Commentary Continued

be amended at an appropriate juncture in the future, I was advised. Nothing more to see here. Please move on.

But hold on. Let's not walk away.

The error wasn't confined to LA and Long Beach. The January numbers from Census showed that the Ports of New York/New Jersey, Seattle, Tacoma, Charleston, Houston, and even Boston all saw very sizable jumps that month in imports of HS 7116 from China. Nationally, some 1,888,815 metric tons of these gems reportedly arrived from China in that single month, up from a grand total of just 22,541 metric tons that China had exported to the U.S. over the entire preceding decade.

To a trade economist and, presumably, to maritime industry officials, this is alarming fumble. This one anomaly at Census significantly threw off the official U.S. data for containerized imports from China in January. Even worse, the reluctance of Census bureaucrats to promptly amend the statistics has skewed the YTD numbers, at least through August. In tonnage terms, we have officially imported a great deal more from China so far this year than we really did. Amidst a mutually enervating trade war between the U.S. and China, the policymaking implications of continuing to publish bogus import statistics cannot be cavalierly swept under a bureaucratic rug.

I calculate that, nationally, Census likely overstated containerized imports from China in January by approximately 1,888,306 metric tons -- the difference between the volume of HS 7116 imports reported in that month and the more typical 509 metric tons imported during the preceding January. This would have the effect of lowering the volume of all January containerized imports from China to 5,511,447 metric tons from the officially reported 7,399,752 metric tons or by 25.5%.

Exhibit A displays the national variance between what Census reported and what would

Exhibit A

U.S. Containerized Import Tonnage from China Under Trump

Source: U.S. Census Bureau, Foreign Trade Division

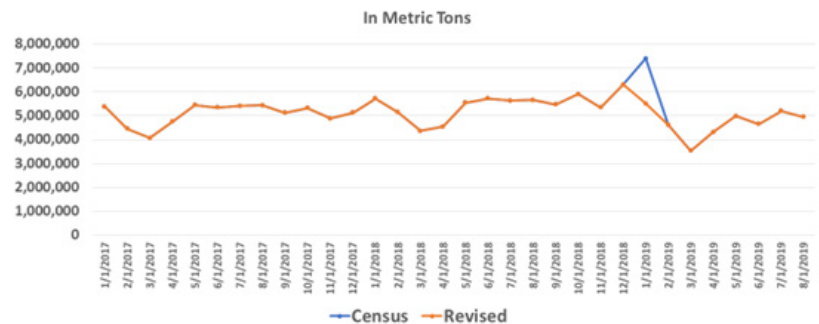
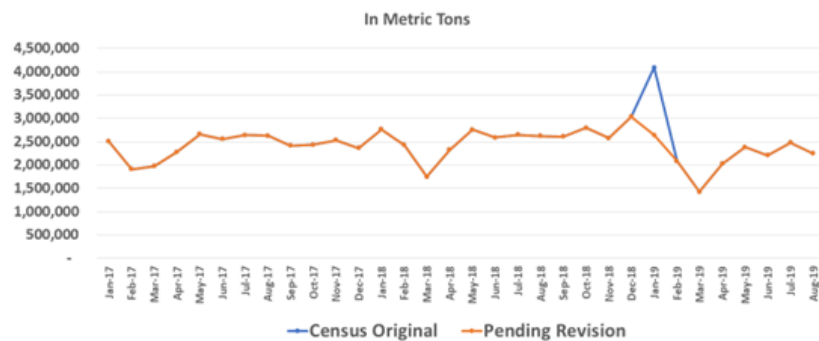


Exhibit B

Containerized Import Tonnage from China via San Pedro Bay Ports Under Trump

Source: U.S. Census Bureau, Foreign Trade Division

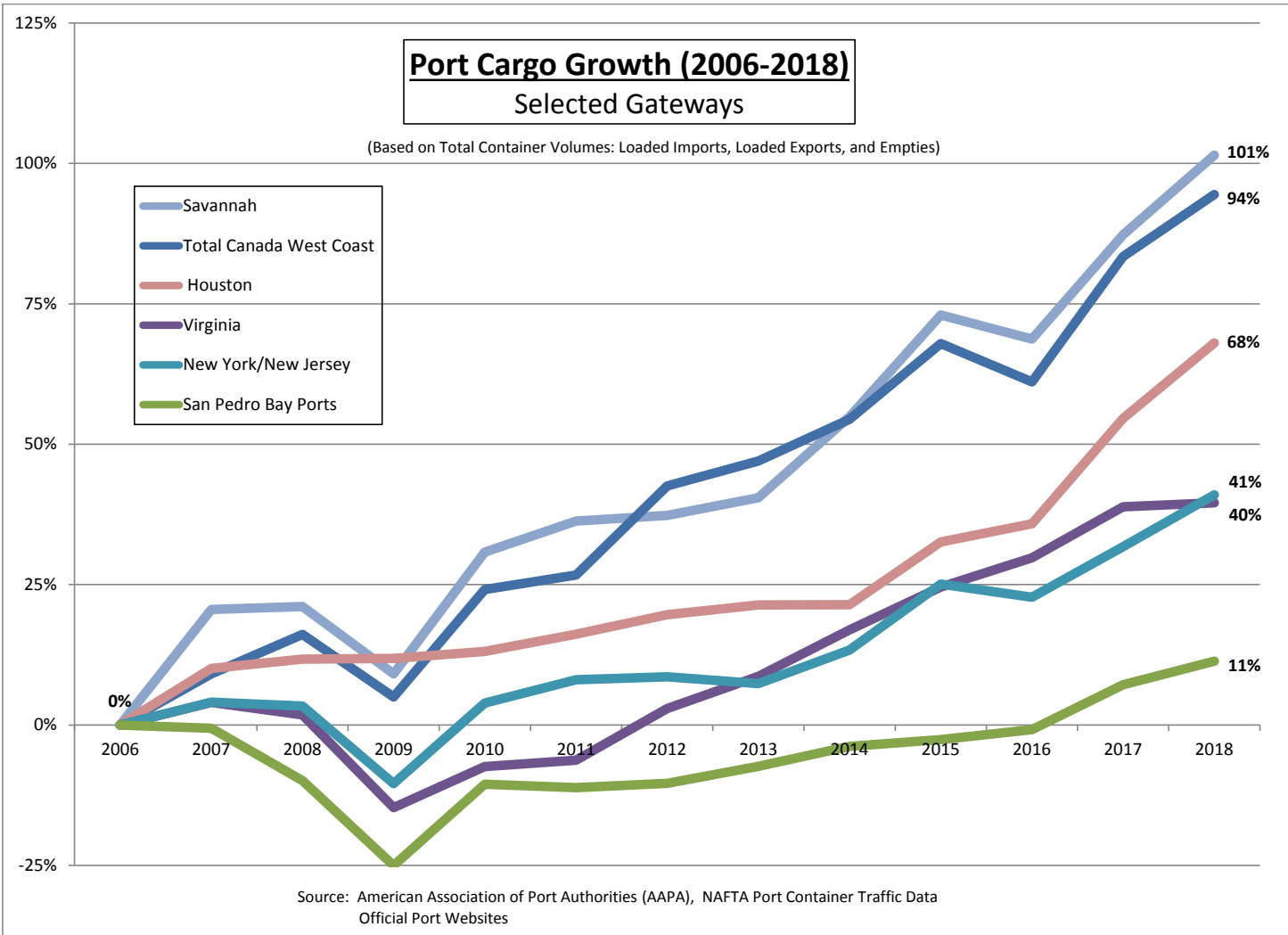


have been the expected volume of HS 7116 imports from China based on historical norms.

And because the San Pedro Bay ports accounted for 76.6% of the alleged imports, the skewing of their trade numbers was even more extreme. As **Exhibit B** shows, Census may ultimately have to lower the volume of containerized import tonnage from China through the two ports in January by as much as 35.3%, to 2,645,861 metric tons from the originally reported 4,092,104 metric tons.

Someone has some explaining to do.

Disclaimer: The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.



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September Dwell Time Numbers Are Down

