PMSA

West Coast Trade Report

February 2022

January's TEU Numbers

By overwhelming popular demand, we will be accelerating the publication of this newsletter by setting a mid-month cutoff date for reporting the latest month's container trade statistics. What that means is that ports that have posted their January container numbers by February 17 will find those figures discussed in this edition. Those ports still counting or recounting their December tallies won't see their January numbers in this newsletter until next month's edition.

But before getting to those historic numbers, here's what we know so far about January 2022, with ports listed in order of their alacrity in posting their TEU statistics for the new year's first month.

The first major port to post its January TEU counts was **Savannah**, where inbound loads of 250,654 TEUs represented a 7.7% gain from a year earlier and a 32.8% jump over January 2020. Outbound loads, however, were down by 19.8% and 25.5% respectively from the two previous Januarys. Total container moves through the Georgia Port amounted to 476,713, up 3.7% from a year earlier and 26.2% ahead of the total number of TEUs the port handled in January 2020.

Just hours after Savannah posted its January numbers came those from the **Port of Long Beach**. The Southern California gateway recorded growth in TEU traffic across the board. Inbound loads were up 6.9% year-over-year to 389,334 TEUs, which was also an increase of 25.6% from January 2020. Outbound loads (123,060 TEUs) were also up by 5.9% from a year earlier and by 13.3% from January 2020. Total TEU moves through Long Beach in January amounted to 800,943 TEUs, up 4.8% year-over-year and up 27.8% from the first month of 2020.

Next to check in was the **Port of Charleston**, whose inbound traffic in January (117,181 TEUs) soared by 22.7% over the previous January. Export loads, though, meanwhile fell by 20.1% to 54,256 TEUs. Total container traffic through the South Carolina port nudged up by 4.7% from a year earlier to 226,515 loaded and empty TEUs.

The **Port of Houston** then weighed in with a 26.8% year-over-year increase in total TEU traffic (323,427 TEUs) in January. Inbound loads (158,569 TEUs) were up by 30.4% over the first month of the preceding year, while outbound loads (86,940 TEUs) were down by 12.8%. Box trade through the Texas port was boosted by a strong 211.4% jump in the number of empty outbound TEUs to 73,181 from 23,503 a year earlier.

Edging in just ahead of our deadline was the **Port of Los Angeles**, which established a new record for the first month of the year by processing 865,595 TEUs, a gain of 3.6% over January 2021. However, traffic in laden containers was down from a year earlier. Inbound loads (407,208 TEUs) were down 2.4%, while outbound loads

We Make Cargo Move

The Port of Hueneme

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January's TEU Numbers Continued

(100,185 TEUs) were off by 16.0%. What boosted the port's January numbers was the 21.1% jump in empty outbound boxes to 336,936 TEUs, reflecting a concerted effort to slash the number of empty containers that had been piling up throughout Southern California in recent months.

Container traffic slackened in the Pacific Northwest in January from a year earlier on both sides of the border.

Laden imports at the **Northwest Seaport Alliance Ports of Tacoma and Seattle** dipped by 0.9% to 113,029 TEUs, but loaded exports plunged by 36.0% to 37,219 TEUs. The two Washington State ports handled a total of 272,281 TEUs in January, a 5.9% drop from January 2021.

Up in British Columbia, the **Port of Vancouver** is still struggling to regain its footing after storms ravaged the regional transportation infrastructure last November. Inbound loads at the Canadian port in January (131,926 TEUs) were down 18.2% from a year earlier, while export loads plummeted by 32.6% to 53,351 TEUs. Total container traffic (258,879 TEUs) was down 19.1% year-over-year.

Further north, the **Port of Prince Rupert** simply continues to struggle. January saw inbound loads dip to 41,471 TEUs, a 17.5% fall-off from a year earlier, while outbound loads dropped 22.0% to 12,967 TEUs. Even the port's trade in outbound empties fell 22.4% to 24,987 TEUs. Total container traffic declined 19.8% to 79,425 TEUs.

Finally, the **Port of Hueneme** posted a 49.2% jump in inbound loads to 9,284 TEUs in January, while outbound loads were up 65.0% to 2,610 TEUs. The niche port about 60 miles north of Los Angeles has lately benefited from container diversions from the San Pedro Bay ports.

For the Record: December and CY2021 TEU Numbers

Exhibit 1 displays inbound loaded TEU traffic in December. By far the most arresting revelation in the exhibit is that the Port of New York/New Jersey (PNYNJ) topped all U.S. ports in the number of loaded inbound TEUs in December. Its 392,348 inbound laden import TEUs topped not only the 258,687 TEUs handled by the Port of Long Beach, but also the 385,251 loads dispatched at the Port of Los Angeles. That had not happened in quite a while. Although the East Coast port may have occasionally eclipsed the Port of Long Beach in this category, the Port of Los Angeles had long dominated in import loads by fairly wide margins.

Overall, the U.S. ports we track handled 2.17 million inbound loads in December, a 0.6% dip from the 2.19 million TEUs the same ports had moved a year earlier. For the year, inbound loads totaled 26.75 million TEUs, up 16.7% over 2020. (By way of comparison, we note that the National Retail Federation's widely cited Global Port Tracker, which covers five fewer American ports than we at PMSA do, concluded that import loads in December totaled 2.09 million TEUs, a 1.0% year-over-year decline. NRF/GPT also found that 25.8 million laden TEUs arrived last year, a 17.4% bump over the previous year.)

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PORT NEWARK-ELIZABETH MARINE TERMINAL, NEWARK BAY, JERSEY CITY

Exhibit 1 December 2021 - Inbound Loaded TEUs at Selected Ports

	Dec 2021	Dec 2020	% Change	Dec 2019	% Change	Dec 2021 YTD	Dec 2020 YTD	% Change	Dec 2019 YTD	% Change
Los Angeles	385,251	460,865	-16.4%	373,511	3.1%	5,513,286	4,827,040	14.2%	4,714,266	16.9%
Long Beach	358,687	406,072	-11.7%	323,231	11.0%	4,581,848	3,998,341	14.6%	3,758,439	21.9%
San Pedro Bay Totals	**743,938**	**866,937**	**-14.2%**	**696,742**	**6.8%**	**10,095,134**	**8,825,381**	**14.4%**	**8,472,705**	**19.1%**
Oakland	79,055	90,220	-12.4%	81,281	-2.7%	1,055,614	995,976	6.0%	975,210	8.2%
NWSA	97,285	122,469	-20.6%	105,823	-8.1%	1,464,662	1,253,818	16.8%	1,369,251	7.0%
Hueneme	11,070	4,591	141.1%	5,141	115.3%	102,892	49,278	108.8%	59,848	71.9%
San Diego	5,798	5,460	6.2%	6,988	-17.0%	80,335	73,929	8.7%	71,726	12.0%
USWC Totals	**937,146**	**1,089,677**	**-14.0%**	**895,975**	**104.6%**	**12,798,637**	**11,198,382**	**14.3%**	**10,948,740**	**16.9%**
Boston	5,401	12,114	-55.4%	11,409	-52.7%	92,267	137,098	-32.7%	149,605	-38.3%
NYNJ	392,348	358,325	9.5%	288,964	35.8%	4,586,988	3,920,686	17.0%	3,770,971	21.6%
Maryland	49,438	45,041	9.8%	41,429	19.3%	506,299	523,266	-3.2%	524,225	-3.4%
Virginia	157,590	123,218	27.9%	103,711	52.0%	1,679,528	1,316,976	27.5%	1,366,381	22.9%
South Carolina	118,710	93,568	26.9%	81,779	45.2%	1,294,901	1,033,001	25.4%	1,066,314	21.4%
Georgia	238,309	224,650	6.1%	172,124	38.5%	2,801,201	2,306,631	21.4%	2,218,655	26.3%
Jaxport	29,584	27,906	6.0%	24,513	20.7%	316,942	317,626	-0.2%	349,896	-9.4%
Port Everglades	32,688	27,913	17.1%	27,133	20.5%	365,722	299,038	22.3%	318,187	14.9%
Miami	51,154	43,066	18.8%	39,645	29.0%	548,331	439,305	24.8%	445,238	23.2%
USEC Totals	**1,075,222**	**955,801**	**12.5%**	**790,707**	**136.0%**	**12,192,179**	**10,293,627**	**18.4%**	**10,209,472**	**19.4%**
New Orleans	11,656	12,362	-5.7%	11,916	-2.2%	128,039	138,450	-7.5%	135,456	-5.5%
Houston	148,301	128,593	15.3%	100,274	47.9%	1,634,025	1,296,522	26.0%	1,244,790	31.3%
USGC Totals	**159,957**	**140,955**	**13.5%**	**112,190**	**42.6%**	**1,762,064**	**1,434,972**	**22.8%**	**1,380,246**	**27.7%**
Vancouver	145,376	167,466	-13.2%	140,560	3.4%	1,909,972	1,797,582	6.3%	1,709,398	11.7%
Prince Rupert	57,596	59,141	-2.6%	54,481	5.7%	546,944	643,575	-15.0%	678,699	-19.4%
British Columbia Totals	**202,972**	**226,607**	**-10.4%**	**195,041**	**4.1%**	**2,456,916**	**2,441,157**	**0.6%**	**2,388,097**	**2.9%**
US/BC Total	2,375,297	2,413,040	-1.6%	1,993,913	19.1%	29,209,796	25,368,138	15.1%	24,926,555	17.2%
US Total	2,172,325	2,186,433	-0.6%	1,798,872	20.8%	26,752,880	22,926,981	16.7%	22,538,458	18.7%
USWC/BC Total	1,140,118	1,316,284	-13.4%	1,091,016	4.5%	15,255,553	13,639,539	11.8%	13,336,837	14.4%

Source Individual Ports

Exhibit 2 December 2021 - Outbound Loaded TEUs at Selected Ports

	Dec 2021	Dec 2020	% Change	Dec 2019	% Change	Dec 2021 YTD	Dec 2020 YTD	% Change	Dec 2019 YTD	% Change
Los Angeles	70,872	120,265	-41.1%	130,229	-45.6%	1,184,145	1,531,406	-22.7%	1,756,177	-32.6%
Long Beach	113,918	132,374	-13.9%	125,395	-9.2%	1,437,917	1,475,892	-2.6%	1,472,804	-2.4%
San Pedro Bay Totals	**184,790**	**252,639**	-26.9%	**255,624**	-27.7%	**2,622,062**	**3,007,298**	-12.8%	3,228,981	-18.8%
Oakland	55,724	75,330	-26.0%	74,643	-25.3%	852,374	927,799	-8.1%	931,019	-8.4%
NWSA	40,703	63,849	-36.3%	75,868	-46.4%	691,446	790,620	-12.5%	913,332	-24.7%
Hueneme	2,516	1,147	**119.4%**	1,285	**95.8%**	30,796	12,314	**150.1%**	14,956	**105.9%**
San Diego	866	384	**125.5%**	308	**181.2%**	6,704	3,516	**90.7%**	3,725	**80.0%**
USWC Totals	**284,599**	**393,349**	-27.6%	**407,728**	-30.2%	**4,203,382**	**4,741,547**	-11.3%	**5,092,013**	-17.5%
Boston	3,222	7,211	-55.3%	5,664	-43.1%	64,266	79,133	-18.8%	81,520	-21.2%
NYNJ	106,136	103,891	**2.2%**	110,768	-4.2%	1,358,730	1,321,043	**2.9%**	1,460,447	-7.0%
Maryland	22,102	22,269	-0.7%	17,857	**23.8%**	251,054	226,621	**10.8%**	232,957	**7.8%**
Virginia	88,667	82,670	**7.3%**	78,285	**13.3%**	1,049,588	940,684	**11.6%**	966,102	**8.6%**
South Carolina	57,132	67,239	-15.0%	61,903	-7.7%	814,964	774,811	**5.2%**	816,962	**20.0%**
Georgia	84,800	105,796	-19.8%	111,324	-23.8%	1,382,233	1,414,891	-2.3%	1,470,373	-6.0%
Jaxport	41,699	44,804	-6.9%	38,013	**9.7%**	575,669	512,203	**12.4%**	497,149	**15.8%**
Port Everglades	34,703	32,889	**5.5%**	31,995	**8.5%**	391,095	343,572	**13.8%**	427,423	-8.5%
Miami	26,827	27,051	-0.8%	35,034	-23.4%	338,696	343,267	-1.3%	416,466	-18.7%
USEC Totals	**465,288**	**493,820**	-5.8%	**490,843**	-5.2%	**6,226,295**	**5,956,225**	**4.5%**	**6,369,399**	-2.8%
New Orleans	17,657	22,792	-22.5%	24,304	-27.3%	246,704	278,560	-11.4%	299,511	-17.6%
Houston	90,660	106,908	-15.2%	109,721	-17.4%	1,068,982	1,230,921	-13.2%	1,265,669	-15.5%
USGC Totals	**108,317**	**129,700**	-16.5%	**134,025**	-19.2%	**1,315,686**	**1,509,481**	-12.8%	**1,565,180**	-15.9%
Vancouver	49,084	88,192	-44.3%	86,892	-43.5%	878,426	1,043,069	-15.8%	1,121,973	-21.7%
Prince Rupert	14,999	18,762	-20.1%	17,344	-13.5%	158,861	193,640	-18.0%	192,068	-17.3%
British Columbia Totals	**64,083**	**106,954**	-40.1%	**104,236**	-38.5%	**1,037,287**	**1,236,709**	-16.1%	**1,314,041**	-21.1%
US/BC Total	907,288	1,105,061	-17.9%	1,119,488	-19.0%	12,623,789	13,250,322	-4.7%	14,148,565	-10.8%
US Total	858,204	1,016,869	-15.6%	1,032,596	-16.9%	11,745,363	12,207,253	-3.8%	13,026,592	-9.9%
USWC/BC Total	348,682	500,303	-30.3%	511,964	-31.9%	5,240,669	5,978,256	-12.3%	6,406,054	-18.2%

Source Individual Ports

December 2021 TEU Numbers Continued

Exhibit 2 displays data on the numbers of outbound loaded TEUs last year. Apart from the two smaller California ports we monitor, the only North American ports that posted gains in outbound loads in December were PNYNJ, Virginia, and Port Everglades. The starkest contrast was between the 7.3% (+5,997 TEUs) year-over-year gain at Virginia and the 41.1% (-49,393 TEUs) drop at the Port of LA. Overall, the U.S. ports we track shipped 15.6% fewer outbound loads in December than they had a year earlier. For the year of 2021 as a whole, outbound loads at U.S. ports were down a more modest 3.8%.

Exhibit 3 shows the total (full + empty) container traffic for the past three calendar years. At the U.S. ports we monitor, overall box movements totaled 57.18 million TEUs, a 13.6% boost over 2020 and a 13.9% increase over 2019. Most ports showed increased traffic last year. That was certainly true of the nation's largest ports. However, Oakland, Maryland, New Orleans, and woeful Boston sustained declines, as did Prince Rupert in British Columbia.

Weights and Values

Even though the TEU is the customary metric for measuring containerized trade, we like to cite two alternative measures – the declared weight and value of the goods loaded into those TEUs – to determine the share of the nation's box trade that passes through U.S. West Coast ports. The percentages in Exhibits 4 and 5 are derived from data compiled by the U.S. Commerce Department from documentation submitted by the importers and exporters of record. Commerce then makes the data available with a time-lag of approximately five weeks.

Exhibit 3 Total TEUs (Loaded and Empty) at Selected Ports: 2019-2021

	2021	2020	% Change	2019	% Change
Los Angeles	10,677,610	9,213,396	18.7%	9,337,632	14.4%
Long Beach	9,384,368	8,113,318	18.3%	7,632,038	23.0%
San Pedro Bay Ports	**20,061,978**	**17,326,714**	**18.5%**	**16,969,670**	**18.2%**
NYNJ	8,985,929	8,215,176	19.5%	7,585,819	18.5%
Georgia	5,613,163	4,682,249	21.6%	4,599,172	22.0%
NWSA	3,736,206	3,320,379	15.4%	3,775,303	-1.0%
Vancouver	3,680,581	3,467,521	9.1%	3,398,860	8.3%
Virginia	3,522,834	2,813,415	25.2%	2,937,962	19.9%
Houston	3,453,266	3,001,164	15.6%	2,990,175	15.5%
South Carolina	2,751,442	2,309,995	19.3%	2,436,185	12.9%
Oakland	2,448,243	2,461,281	1.1%	2,500,461	-2.1%
Montreal	1,728,114	1,607,289	8.0%	1,745,244	-1.0%
JaxPort	1,377,417	1,295,289	7.7%	1,336,263	3.1%
Miami	1,244,090	1,070,616	16.7%	1,148,935	8.3%
Port Everglades	1,066,016	933,431	14.8%	1,033,460	3.2%
Prince Rupert	1,054,836	1,141,390	-8.4%	1,210,776	-12.9%
Maryland	1,019,407	1,051,840	-3.6%	1,073,688	-5.4%
Philadelphia	739,323	640,709	15.9%	598,274	23.6%
New Orleans	488,119	572,221	-13.7%	646,608	-24.5%
Hueneme	220,186	169,412	29.7%	122,594	79.6%
Boston	187,902	268,418	-27.3%	300,762	-37.5%
San Diego	157,755	147,533	7.1%	143,472	10.0%
Portland, Oregon	105,989	58,066	87.0%	26	4000%
US Total	57,179,265	50,337,908	13.6%	50,198,834	13.9%

Source Individual Ports

December 2021 TEU Numbers Continued

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, December 2021

	Dec 2021	Nov 2021	Dec 2020
Shares of U.S. Mainland Ports Containerized Import Tonnage			
LA/LB	23.5%	25.3%	29.4%
Oakland	3.1%	3.2%	3.8%
NWSA	3.8%	3.9%	4.7%
Shares of U.S. Mainland Ports Containerized Import Value			
LA/LB	30.0%	31.3%	34.9%
Oakland	2.7%	2.7%	3.5%
NWSA	5.0%	5.0%	6.0%
Shares of U.S. Mainland Containerized Export Tonnage			
LA/LB	30.0%	31.3%	34.9%
Oakland	2.7%	2.7%	3.5%
NWSA	5.0%	5.0%	6.0%
Shares of U.S. Mainland Conatainerized Export Value			
LA/LB	15.8%	15.9%	19.4%
Oakland	6.2%	8.7%	7.8%
NWSA	3.6%	3.6%	4.3%

Source: U.S. Commerce Department.

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, December 2021

	Dec 2021	Nov 2021	Dec 2020
Shares of U.S. Mainland Ports Containerized Import Tonnage			
LA/LB	39.9%	43.1%	46.5%
Oakland	4.0%	3.8%	4.2%
NWSA	6.1%	6.1%	6.7%
Shares of U.S. Mainland Ports Containerized Import Value			
LA/LB	45.0%	48.5%	52.0%
Oakland	3.4%	3.3%	4.2%
NWSA	7.4%	7.4%	8.7%
Shares of U.S. Mainland Containerized Export Tonnage			
LA/LB	35.4%	33.9%	35.4%
Oakland	7.4%	10.8%	8.2%
NWSA	10.6%	10.9%	11.1%
Shares of U.S. Mainland Conatainerized Export Value			
LA/LB	34.6%	34.2%	37.0%
Oakland	10.0%	14.7%	12.2%
NWSA	7.9%	7.5%	7.9%

Source: U.S. Commerce Department.

Exhibit 4 documents the year-over-year decline in the percentage of containerized imports through mainland U.S. ports that were discharged at USWC ports in December. In tonnage terms, the five major USWC maritime gateways saw their combined share drop to 30.4% from 37.9% a year earlier. Even when adding in the container traffic through smaller USWC ports like Hueneme, San Diego, and Portland, the overall USWC share of containerized import tonnage slid to 32.5% from 39.6% in December 2020.

On a value basis, 37.7% of the $79.689 billion in containerized imports that entered mainland U.S. ports in December came through the five largest USWC ports, a 6.7% decline from December 2020. The total USWC share rose to 39.3% when including traffic through the second-tier ports of California, Oregon, and Washington State.

On the export front, diminished shares were also the case for USWC ports in terms of containerized export tonnage and dollar value. Shipments from smaller USWC ports helped boost declining shares of the nation's containerized exports that sailed from USWC ports. Without their contributions, the USWC shares in December would have been lower by 0.9% in tonnage and by 0.8% in value.

Exhibit 5 displays the USWC shares of U.S. containerized trade with the Far East. Collectively, these five major USWC ports handled 50.0% of all containerized import

December 2021 TEU Numbers Continued

tonnage that entered U.S. mainland ports from the Far East in December. That was down from a year earlier when the same five ports received 57.4% of all containerized import tonnage from across the Pacific.

For those interested, the Port of New York/New Jersey saw its share of the nation's Far East import trade increase to 15.2% from 12.6% in December 2020. Its rival Mid-Atlantic Ports of Norfolk, Charleston, and Savannah likewise saw their combined share of containerized import tonnage from the Far East grow to 19.7% from 17.4% a year earlier.

In value terms, the USWC's five major ports sustained a drop in their collective share of containerized imports from the Far East to 55.8% from 64.9% in December 2020. Eleven years earlier, the same five ports accounted for 74.0% of the trade.

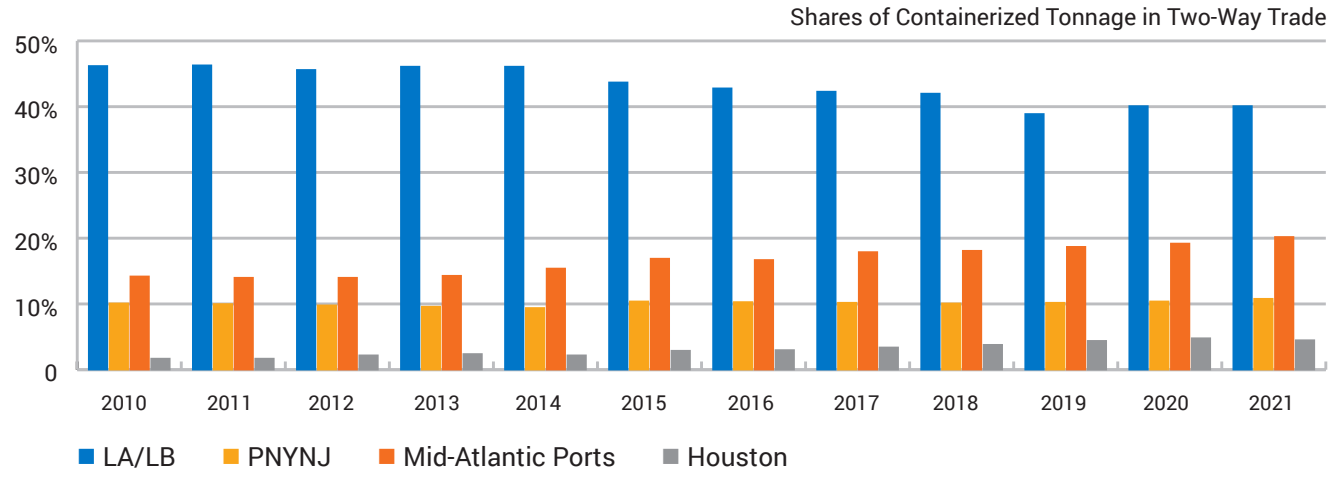
Factoid of the Month

Once upon a time, more than 70% of America's containerized trade with the Far East passed through ports on the U.S. Pacific Coast. By last year, that share was less than 56%. Until the consumer spending surge that began in the summer of 2020 mysteriously persuaded shippers that the West Coast ports -- whose efficiency they had previously maligned -- offered them their best bet for expeditiously moving containerized goods from the Far East to markets through the nation, the share of Asian imports routed through the Port of Los Angeles and Long Bach had been dwindling. That, as **Exhibit 6** reveals, was the case even before the opening in June 2016 of a bigger set of locks in Panama accelerated the trend by affording passage to significantly larger vessels.

Why had this been happening? The biggest reason is that, particularly after China joined the World Trade Organization in 2001, the Far East was where the growth in global trade was taking off. Between 2005 and 2015, the volume of containerized trade between the U.S. and Europe had increased by just 11.9%. Meanwhile, containerized trade between the U.S. and the economies of the Far East had grown by 31.8%. With a growth differential that wide and with a new, larger set of locks soon to open in Panama, East and Gulf Coast ports – aided by skads of federal dollars – eagerly jockeyed for larger shares of the business.

The investments made by East and Gulf Coast ports have earned them steadily growing shares of the nation's trade with the Far East. That's hardly news. But what is often overlooked is how little effort seems to have gone into growing the USWC share of America's container trade with Europe, as **Exhibit 7** attests. For example, while the two San Pedro Bay ports' share of the European trade is up from a decade ago, it plateaued in the 5.3%-5.5% range before sliding to 4.7% last year.

Exhibit 6 **Coastal Competition for the Far East Container Trade**
Source: U.S. Commerce Department



December 2021 TEU Numbers Continued

Exhibit 7 **Coastal Non-Competition for the European Container Trade**
Source: U.S. Commerce Department

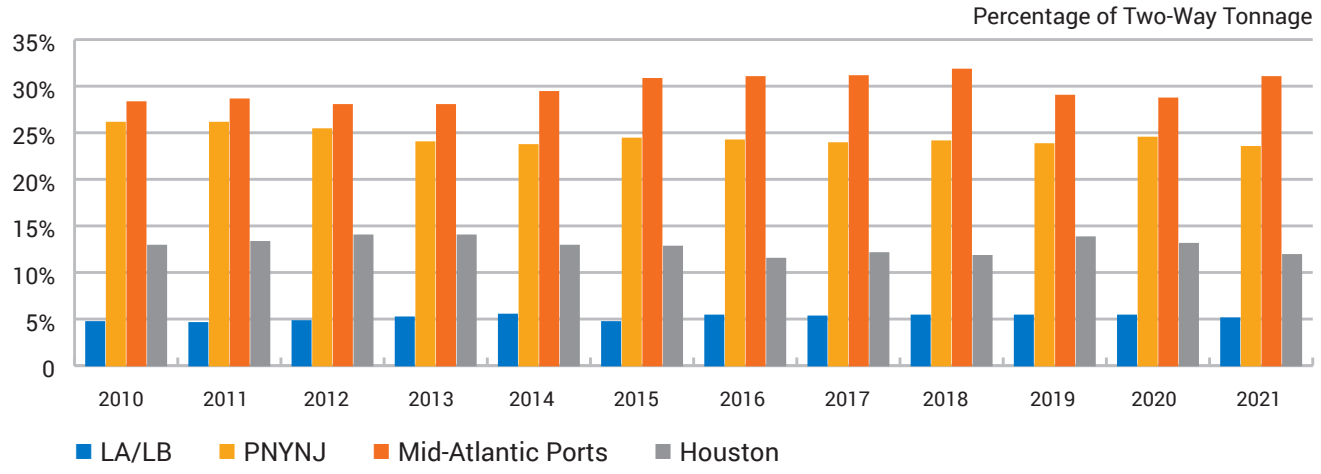
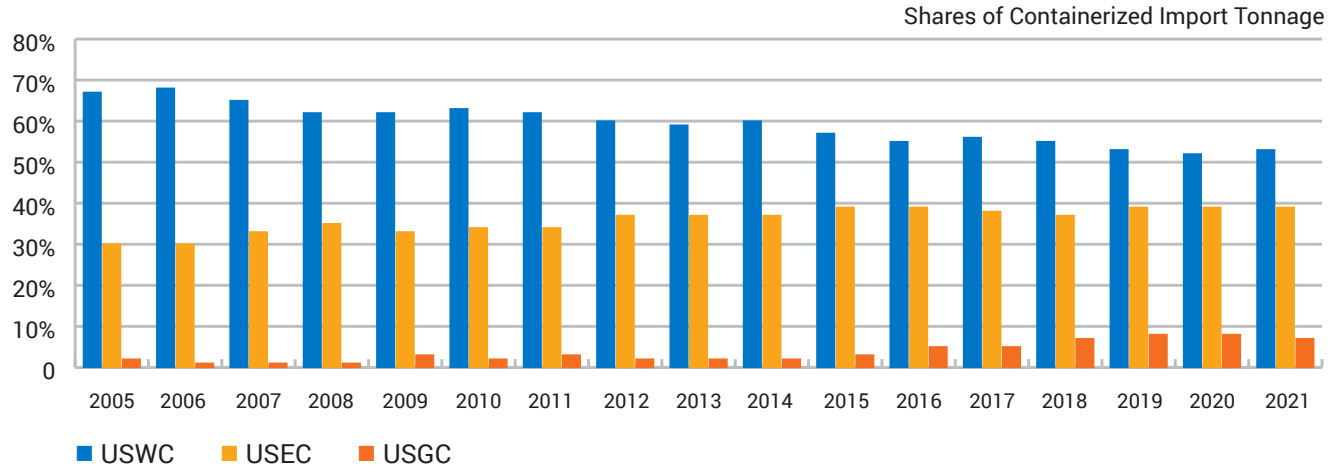


Exhibit 8 **The Vietnam Import Trades: 2005-2021**
Source: U.S. Commerce Department



Routing the Southeast Asia Import Trade

There's an old chestnut (well, maybe not that old) that, as more manufacturing activity shifts from China to countries in Southeast Asia, East Coast and Gulf ports would gain market share as more shipments moved to U.S. markets via Suez than across the Pacific.

Exhibit 8 tests that proposition and finds that, while USEC ports have certainly seen an upswing in containerized imports arriving from Vietnam, the gains mostly came in the years preceding 2015. That was when the USEC share of the import trade from Vietnam peaked at 39.4% and has remained relatively flat ever since. Whatever additional gains USEC might have enjoyed were blunted by the run up in shipments from Vietnam arriving at Houston and other Gulf Coast ports. Their share, which was a meager 0.7% in 2007, had swelled to 8.3% in 2020 before tapering off last year. What's interesting about the Gulf Coast's growing share is the spurt that coincided with the opening of the enlarged Panama Canal in June 2016. In 2015, the USGC share of the Vietnam import trade was 2.8%. It then shot up to 4.8% the following year and then rose quickly before subsiding last year.

December 2021 TEU Numbers Continued

Savannah, Then and Now

We have data on containerized trade at the Port of Savannah going back to 2003, when China was the single largest source of containerized import tonnage. As **Exhibit 9** indicates, China back then accounted for 32.7% of the 4,864,968 metric tons of containerized imports Savannah handled. That was about one-fourth of last year's volume of 18,717,103 metric tons. Remarkably, though, China's share of the inbound tonnage was precisely the same last year as it was in 2003, 32.7%.

Other countries have seen their shares of Savannah's import trade shift, however. In 2003, Japan had a 5.5% share of Savannah's containerized import traffic. Brazil ranked third with a 4.7% share. By 2021, Brazil's share had slipped to 2.5%, which made it Savannah's tenth largest source of boxed import tonnage. Italy, which followed Brazil at 4.6% in 2003, saw its share slide to 2.5% last year.

Nuts

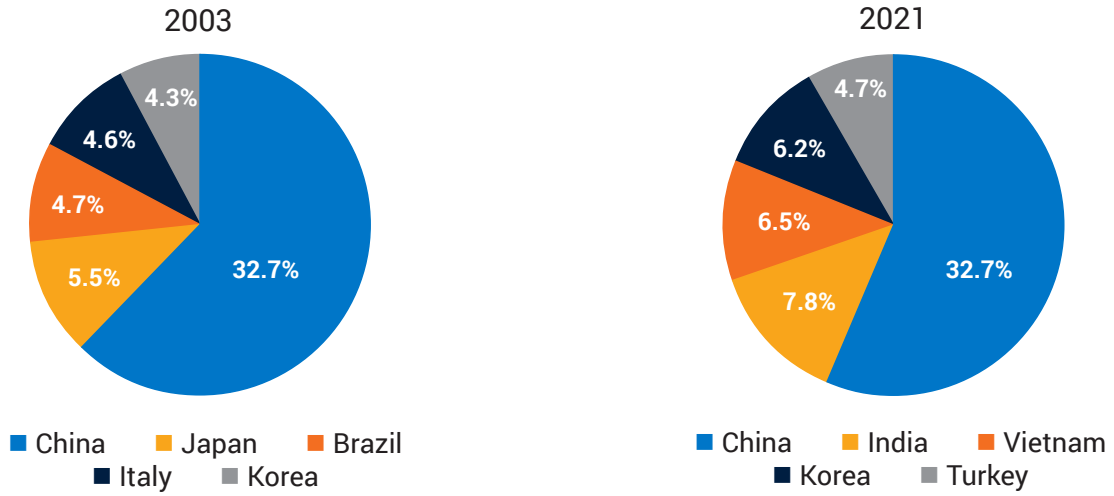
In California, at least, the politically incendiary topic of agricultural exports tends to focus on tree nuts. According to the Agricultural Issues Center at UC Davis, almonds, pistachios, and walnuts rank among the state's top five ag exports by value. (Wine and dairy products are the others.)

Statistics provided by the marketing organizations overseeing the three principal tree nut crops indicate that exports, at least by tonnage, have been off lately. In the fourth quarter of last year, almond export tonnage was down 20.9% from the same quarter in 2020. The California Walnut Board's statistics similarly show walnut export tonnage was down by an even 32.0%. The Administrative Committee for Pistachios reports that exports of its crop in the final quarter of 2021 were down by 16.6% year-over-year.

What about January's fresh off the tree numbers? Well, they're not going to quell the complaints we've been hearing about logistical snags thwarting farm exports.

The California Walnut Board is reporting a 15.1% year-over-year drop in Inshell Equivalent Tonnage, a measure that blends shipments of shelled and unshelled walnuts. Meanwhile, the California Almond Board says that January's exports were down 18.4% from a year earlier. Finally, the Administrative Committee for Pistachios states that export tonnage was down 4.5% year-over-year in January. So nut so good.

Exhibit 9 **Leading Origins of Savannah's Containerized Import Tonnage**
Source: U.S. Commerce Department



Jock O'Connell's Commentary:

The Great TEU/GDP Scandal of December 2021

News of an outrageous, if ultimately preposterous conspiracy involving the Port of Los Angeles and the Biden administration drifted my way during the late afternoon of January 27.

I was idly, almost absentmindedly scrolling through Twitter, a diversion I'd been resorting to largely to avoid the Wordle obsession that has tragically claimed so many productive minds. It was a Thursday and, memorably, the day on which the Port of Los Angeles had finally gotten around to posting its December cargo statistics.

Like others who track maritime trade statistics, I had been more than mildly irked by the Southern California port's sluggishness in sharing its December TEU tallies. But whatever irritation I felt did not lessen my astonishment at what popped up on my computer screen from a Twitterer who had nearly 168,000 followers and a strong affinity for Donald Trump.

Here's how the thread read, albeit leavened here with my unvoiced comments:

(1) Remember me asking why the Port of Los Angeles was not updating their December CARGO results? Remember me asking about why this unusual delay?

No, but please go on.

(2) The BEA released their fourth quarter GDP data today.

Yes, the Bureau of Economic Analysis reported that U.S. GDP had risen at an annualized rate of 6.9% in the last quarter. It was in all the papers. *The Wall Street Journal* described it as the quickest rebound from an economic downturn in decades. But what does the BEA report have to do with LA's tardy container statistics?

(3) A few hours later, again today, the Port of Los Angeles finally released their December totals. You know why that matters?

No, but I fear you're about to educate me.

(4) Because imports are deductions to the GDP equation. By holding back the Dec port data, the import number to the BEA equation couldn't be deducted, The GDP data is manipulated (inflated) by not deducting the value of the December imports.

You obviously have no idea what you're talking about, do you?

(5) Wasn't there a recent visit to the port of LA by someone attached to the White House. Someone with a vested interest in manipulating the economic data to fit a fraudulent effort that began in October???

[At this point, the Twitterer posted a photo of Transportation Secretary Buttigieg, touring not the Port of Los Angeles but the Port of Long Beach next door. But, hey, whatever.]

From there, the thread scampers down a rabbit hole. Fiddling with the December trade numbers, it turns out, was just the tip of the iceberg (or maybe the coat of rust on the hull of the Queen Mary). Trotting out performance data from the two San Pedro Bay ports, the Twitterer directed the attention of his numerous followers to the nearly steady ebbing of imported boxes since last May's peak. The numbers, the Twitterer insisted, revealed the depth of the conspiracy. Despite a growing fleet of container ships waiting offshore, the two ports handled almost 240,000 fewer imported TEUs in December than they had in May.

The conclusion, the Twitterer boasted, was unmistakable. The scheme to inflate GDP numbers was months-old, which the Twitterer submitted should come as no surprise given "the ideological outlook behind the people running the Port of Los Angeles, the politics of California, and the influence of White House supply chain task force member John Porcari as Ports Envoy."

So, apparently, we're to believe that the Biden administration and its running-dog lackeys at the Port of LA had been colluding for months to slow the pace of imported containers not only at LA but at neighboring Long Beach? And all for the sake of producing reports on the state of the nation's economy that flattered Joe Biden, but which were actually bogus?

The key incendiary lesson the Twitterer's followers

Commentary Continued

presumably took away was that the shelves down at the corner store are empty and food prices are rising solely because the White House wants to keep GDP high by keeping imports low. *Quod erat demonstrandum*.

What to make of this?

It would be easy to shrug this nonsense off as a classic example of taking a little knowledge the wrong way. Shortly after issuing this expose, the Twitterer meandered off to celebrate militantly unvaxxed Canadian truckers. Shiny objects seem to be an occupational hazard among the Twitterati.

But what's disturbing is that a cockeyed theory that Joe Biden had somehow persuaded LA Port Chief Eugene D. Seroka to stifle the December container count received 6,134 'likes" and 4,286 "retweets" over the next few days.

The Twitterer was almost correct in one regard. Imports (i.e., goods produced elsewhere) are a negative in calculating GDP. After all, GDP stands for Gross Domestic Product.

But that doesn't prove that the Biden administration, in collusion with his co-conspirators at the Port of LA, delayed reporting the port's December TEU statistics so that BEA could goose the fourth quarter GDP number with doctored data.

Nor does LA's delay in going public with its December trade numbers establish that the White House and its ideological lapdogs at the Port had been conspiring all fall to thwart imports and thus slash the numbers that would reduce GDP.

Why is that?

Because not the least of the cavernous holes in the Twitterer's argument is the central fact that BEA does not use container traffic data from the ports in calculating the nation's GDP.

Indeed, had the ports been the source of import statistics used by the BEA, the distortion would have been greater than the Twitterer had even imagined. For it was not until the second week of February that the Port Authority of New York/New Jersey posted its December container counts.

In reality, the Bureau of Economic Analysis obtains its import/export numbers from the Foreign Trade Division of the U.S. Census Bureau, which tabulates the data shippers routinely submit by law to Customs and Border Protection. In adding (or subtracting) the various components that make up GDP, BEA doesn't count numbers of containers (which typically contain goods with very wide valuations). There is no need to withhold a GDP report until all TEUs have been counted because TEUs don't factor into the analysis. It's rather the chief metric used by the maritime shipping industry to manage space on ships and on shore.

Yes, I can anticipate the Twitterer's rejoinder. What difference does it make if BEA doesn't need container traffic data from the ports but instead uses Census Bureau figures? They're all just gubmint numbers, which clearly can't be trusted. There's a conspiracy here and if it isn't taking place down at the ports, it must be taking place somewhere else.

Maybe even in the basement of a Washington, D.C. pizza shop.

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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A Money Grab?

By Thomas Jelenić, Vice President, Pacific Merchant Shipping Association

The answer, in California, is "obviously." But it is reasonable to ask which money grab we are talking about. Since the 2006 Clean Air Action Plan (CAAP), the ports of Long Beach and Los Angeles have significantly reduced emissions and since the 2017 re-boot have been working toward achieving their goals of zero-emission cargo-handling equipment by 2030 and drayage trucks by 2035, while reducing emissions from all other sources by as much as feasible. The rub, of course, is that the technology does not currently exist, but we are getting closer. Hence, the ports, their terminal partners, and State agencies have been funding tens of millions of dollars in port-related demonstration projects. None have been successful in the sense that there is not yet non-automated zero-emissions equipment that can effectively replace existing diesel equipment. All have been successful in the sense that they materially advanced the state of technology to achieve our collective zero emissions goals[1]. Suffice it to say, technology advancement is expensive but actual deployment will be more expensive. Billions more expensive. The challenges are obviously large.

With so much money at stake, it should come as no surprise that some want control. On February 4th, the South Coast Air Quality Management District (SCAQMD) formally pivoted from negotiating a memorandum of understanding (MOU) with the ports on the implementation of the CAAP to rulemaking on an indirect source rule (ISR). In the lead up to February, SCAQMD denigrated the ports efforts on the CAAP. In presentations, SCAQMD made demonstrably false contentions that emission reductions from the CAAP are actually attributable to the California Air Resources Board (CARB) regulation. While CARB regulation is important in leveling the playing field statewide, it is important to remember that the San Pedro Bay drayage fleet was turned over before the Drayage Truck Rule went into effect, that many terminals had shore power requirements before there was an At Berth Rule, and that cargo-handling equipment (CHE) was being turned over before there was a CHE rule. Ultimately, SCAQMD staff framed the issue as a

Courtesy Port of Los Angeles

choice between real emission reductions under an ISR against insufficient emission reductions from the CAAP. Of course, SCAQMD staff offered nothing to demonstrate that was true and implied emissions reductions that can only be described as fantastical and beyond any known technology.

What can we expect from an ISR? It is not really known but if the warehouse ISR is a guide, there is a lot to be worried about. The warehouse ISR, focused on reducing emissions from trucks, requires that facilities make improvements from a menu of options to earn points. But the real meat of the measure is that a shortfall of points triggers the need to make up the difference in mitigation fee payments. Of course, the ports already have a comprehensive truck program. It will also be backed up by requirements from CARB that will likely accelerate the

A Money Grab? Continued

transition this time. What will terminals, which have no contractual relationship with trucking companies, do? Probably pay a fee, probably a big one. And that will divert resources from the enormous cost to transition their own fleet to zero emissions.

That raises a number of questions, including how does that benefit the community? And where will the money be spent? SCAQMD has supposedly been motivated by the need for early action. SCAQMD's mantra has been emission reductions are needed now; available technologies should be deployed now rather than waiting on zero-emissions technologies. For my part, I agree. Yet, SCAQMD has now rejected their own argument for accelerated action and is opting for legally dubious rulemaking that will take 12-18 months to put in place by their estimation. More time would be needed before any action attributable to their proposal takes place. Given SCAQMD's track record of spending the millions in port money that it already has access to, I remain skeptical that they can meaningfully impact the transition. More likely, the transition will happen through the ports and CARB's direct action, while SCAQMD will drain resources and delay the transition within the ports themselves.

And in another example of a money grab, SCAQMD staff proposed an illegal tax on February 11th to create an additional source of funds. Unfortunately, we have been down this road before, many times. Ignoring for a moment that SCAQMD's proposed "fee" is an illegal tax on interstate commerce (among other failings), it is also plainly absurd. It is supposed to help the ports transition to zero emissions. That makes as much sense as the State taxing you in order to help you buy a car. SCAQMD levying a tax on the international trade that is responsible for the transition does not make more resources available! After SCAQMD takes their cut, it makes less resources available. The biggest challenge today remains the technology as previously noted.

What is needed are more demonstrations that will ultimately inform the CARB's rulemaking process for cargo-handling equipment that will get underway this year. It also would not hurt to have a single statewide approach on achieving the transition to zero emissions, rather than one agency with statutory authority (CARB) and another seeking to grab their own slice of money and power.

1. As a side note, too many refuse to acknowledge the "failures" of demonstration projects out of some sense that recognition of "failure" can only mean the money was wasted – where we should, instead, acknowledge that the knowledge of those "failures" was purchased to advance technology. If we knew the equipment already worked, then the demonstration would truly have been a waste of money.

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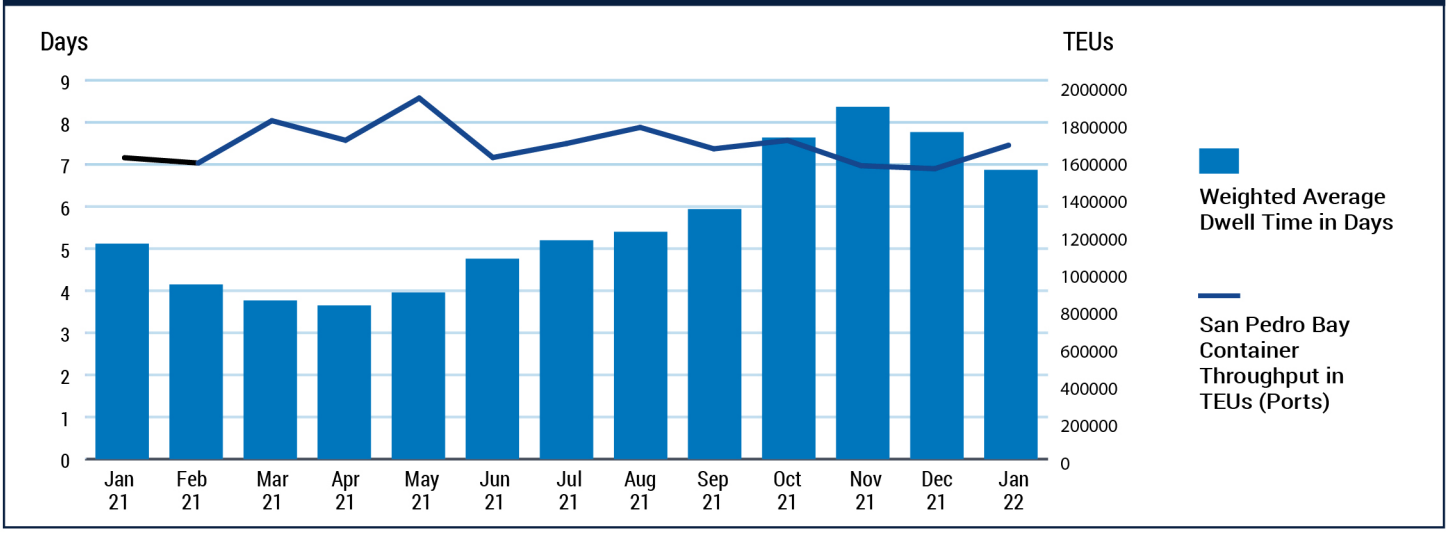
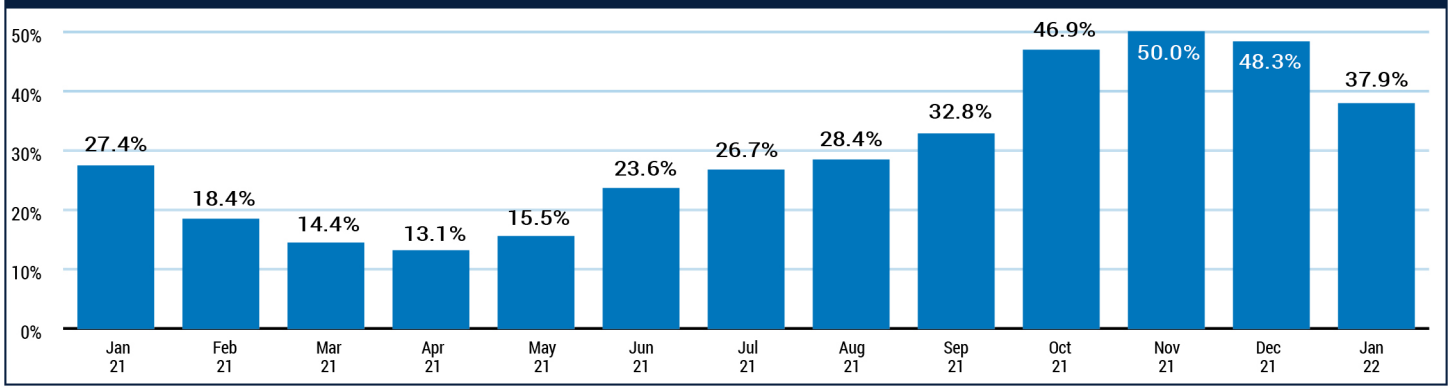
Import Dwell Time Is Down For January; Rail Dwell Time Is Up

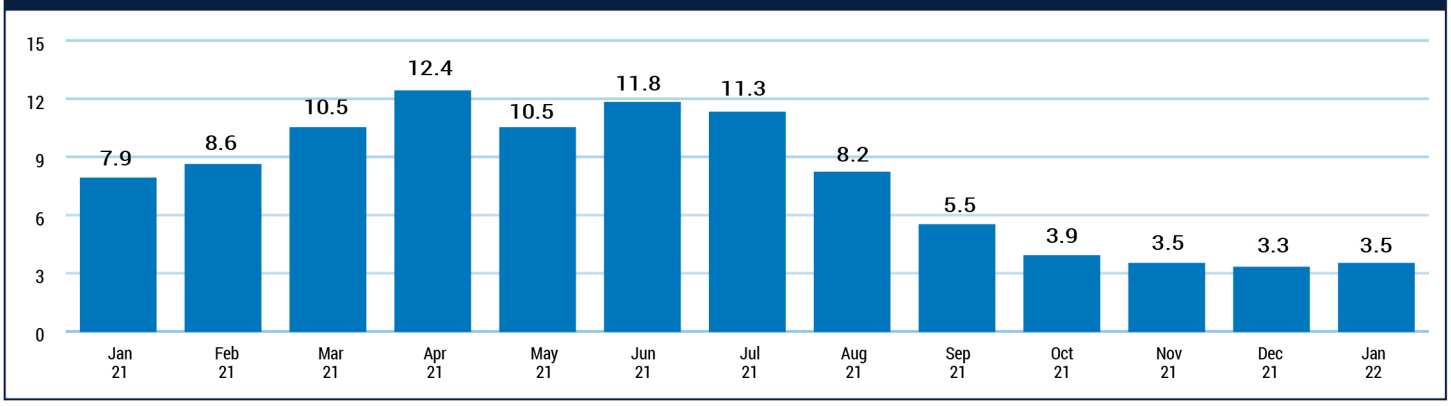
San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days



Dwell Time in Days % > 5 Days



Rail Dwell Time in Days



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