



## February 2023 Container Tallies

*As a reminder to our readers, we only cite the container volumes that are reported by the ports themselves, not all of which have posted their latest monthly tallies before our publication date. Although this practice sometimes results in empty spaces in our exhibits, it does help us avoid the embarrassment of trying to get ahead of the game only to get the numbers wrong. Readers should also note that, unless otherwise indicated, the container numbers appearing in this report represent TEUs.*

In a March 8 news release, the National Retail Federation's Global Port Tracker projected that import traffic in February would total 1.56 million loads, down 26.2% from a year earlier. That would make it the slowest month since 1.53 million import loads in May 2020, when many factories in Asia and most U.S. stores were closed due to the pandemic. Since the beginning of the pandemic, only the months of February and March 2020 saw even fewer import loads arrive at U.S. seaports.

Judging by the numbers from the two big Southern California maritime gateways, that outlook looks pretty much on target. At the **Port of Los Angeles**, inbound loads (249,407) were the fewest in any February since 2009, when the nation was struggling to emerge from the Great Recession. Even worse, outbound loads (82,404) were the fewest in any February since 2001. As an example of how much the dynamics of exporting through America's Port™ has changed over the past decade, the port actually moved almost exactly twice as many outbound loads (164,725) in February 2012 than it shipped this February. YTD, total container traffic (loads plus empties) amounted to 1,213,860, down 22.1% from February 2019.

February at the **Port of Long Beach** was only slightly less gloomy. Inbound loads (254,970) were not only down 34.7% from a year earlier, they were also 15.8% below the number of inbound loads the Southern California port had handled in pre-pandemic February 2019. Outbound loads (110,919) were down 5.9% year-over-year, but up 5.3% from the same month four years earlier before COVID emerged to topple normal trade flows. Total container traffic so far this year (1,117,448) was down 10.9% from February 2019.

Setting aside February 2015, when labor strife hampered container traffic up and down the West Coast, this February was the slowest February in over a decade at the **Port of Oakland**. The 58,073 inbound loads that passed through the port this February were the fewest since February 2012, while the port's 55,741 outbound loads were the fewest of any February since 2002. Older readers may remember when Oakland was chiefly known for exporting more containers than it imported. Total container traffic YTD (333,065) was the lowest volume in the first two months of any year since 2010.

In the Pacific Northwest, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** handled 83,104 inbound loads in February, down 34.0% from a year earlier and down 16.6% from the pre-pandemic February of 2019. Outbound loads (45,716) were off by just 0.3% year-over-year but were still down 30.3% from February 2019. Total traffic through the two ports (438,842) was down 23.1% y/y and down 16.4% from February 2019.

Across the border in British Columbia, February at the **Port of Vancouver** was rather less languid. Inbound loads

NUMBER  
OF THE  
MONTH

# 702,083

The Big Five USWC ports handled 702,083 fewer loads and empties in the first two months of 2023 than in the same period in pre-pandemic 2019.





## February Tallies *Continued*

(123,981) fell by 8.2% year-over-year, while also 4.3% shy of the number of inbound loads the port handled in February 2019. Outbound loads (66,575) jumped 25.5% from a year earlier but were still 28.3% below the volume reported in February 2019. Total container traffic (480,915) was off by 4.8% from a year earlier and down 16.1% from the total volume recorded in February 2019.

**Port of Prince Rupert** reported 23,244 inbound loads in February, the fewest it has handled in any February since 2014. Outbound loads (8,406) were the least the port has handled in any month on record except for November 2021, when a series of storms battered the port. The northern British Columbia gateway saw its meagerest volume of container traffic (124,142) in the first two months of any year since 2017.

Back along the Atlantic Seaboard, the **Port of New York/New Jersey** topped all other U.S. ports in February in terms of inbound loads and total traffic through this year's first two months. Its 288,314 inbound loads beat out the Port of Long Beach (254,970) and the Port of Los Angeles (249,407). Its outbound trade (98,692 loads) put it in fourth place nationally, behind the Port of Houston (116,265), Long Beach (110,919), and Savannah (110,772). PNYNJ was also the nation's busiest container port through the first two months of this year, with 1,216,607 total of loads and empties, just edging out the Port of LA's 1,213,860.

At the **Port of Virginia**, inbound loads in February (108,808) plunged 24.2% from a year earlier but were still up 3.3% over February 2019. Outbound loads (96,399) rose 8.8% over the previous year and were 25.8% higher than the outbound volume the port handled in February 2019. Through the first two months of this year, the port

processed 16.5% more loads and empties than it had four years ago.

Down the coast, the **Port of Charleston** handled 93,780 inbound loads in February, a year-over-year fall-off of 21.6%. Still, that was 20.7% higher than the number of inbound loads seen in February 2019. Outbound loads, meanwhile, rose by 12.2% to 61,448 year-over-year but were down 1.0% from the last pre-pandemic February. Total container moves through the South Carolina gateway so far this year (416,657) represented an 8.8% drop from a year earlier but an 8.6% gain over February 2019.

The **Port of Savannah** handled 184,189 inbound loads in February, a y/y fall-off of 16.4%. But that still represented a 23.1% gain over the 149,685 inbound loads the Georgia port had handled back in February 2019. Outbound loads (110,772) were up 6.8% from a year earlier and 5.2% ahead of the February 2019 tally. Total container traffic YTD (816,507) was down 12.9% from the preceding year but up 10.0% from the first two months of pre-pandemic 2019.

Down on the Gulf Coast, the **Port of Houston** again bucked the trend of year-over-year declines by posting a 12.7% increase in inbound loads (to 141,946) over the preceding February. That also constituted a robust 63.2% jump over the number of inbound loads the Texas port had handled in the pre-pandemic February of 2019. Outbound loads in February (116,265) were up 41.7% from a year earlier and up 34.5% over February 2019. Total TEU traffic in the first two months of the year amounted to 633,442, a 6.5% gain year-over-year and a 53.2% increase over the same period in 2019.

*We Make Cargo Move*



**The Port**  
**OF HUENEME**



## For the Record: Complete January 2023 TEU Numbers

To capture the ups and downs of container traffic through the tumult of the COVID pandemic, we have revised our first three exhibits to show the TEU traffic at the U.S. and Canadian ports in each January since 2019, the last relatively normal year of maritime trade.

America's container trade continued to slide eastward as 2023 got underway, with inbound volumes through the five largest U.S. West Coast (USWC) ports plunging to some of their lowest levels for the month of January in years. The Big Five Pacific ports combined to handle 775,577 inbound loads in January, 19.6% (-188,692) fewer than they had handled in the pre-pandemic January of 2019. By contrast, traffic in inbound loads at U.S. East Coast (USEC) ports (937,154) were up 5.6% (+49,428) over January 2019. Most remarkably, the 149,400 inbound loads the **Port of Houston** handled in January represented a 56.7% (+54,082) bump over the same month in 2019.

Similarly, outbound loads at the Big Five USWC ports in January were down by 25.9% (-106,228) from four years earlier. Among the East Coast ports we monitor, outbound loads this January were down by 2.1% (-11,022) from January 2019.

This eastward drift was especially evident at the **Port**

| Exhibit 1 January 2023 - Inbound Loaded TEUs at Selected Ports |                  |                  |                  |                  |                  |                    |
|--|------------------|------------------|------------------|------------------|------------------|--------------------|
|  | Jan 2023         | Jan 2022         | Jan 2021         | Jan 2020         | Jan 2019         | 2023/2019 % Change |
| Los Angeles  | 372,040          | 427,208          | 437,609          | 414,731          | 429,923          | -13.5%             |
| Long Beach   | 263,394          | 389,334          | 364,255          | 309,961          | 323,838          | -18.7%             |
| <b>San Pedro Bay Totals</b>                                    | <b>635,434</b>   | <b>816,542</b>   | <b>801,864</b>   | <b>724,692</b>   | <b>753,761</b>   | <b>-15.7%</b>      |
| Oakland  | 61,076           | 83,860           | 77,403           | 87,869           | 81,893           | -25.4%             |
| NWSA   | 79,067           | 113,026          | 114,083          | 102,878          | 128,615          | -38.5%             |
| Hueneme  | 11,271           | 11,154           | 6,224            | 4,890            | 6,076            | 85.5%              |
| <b>USWC Totals</b>   | <b>786,848</b>   | <b>1,024,582</b> | <b>999,574</b>   | <b>920,329</b>   | <b>970,345</b>   | <b>-18.9%</b>      |
| Boston   | 10,570           | 4,409            | 10,851           | 13,042           | 11,728           | -9.9%              |
| NYNJ   | 323,981          | 398,215          | 371,392          | 322,643          | 327,345          | -1.0%              |
| Maryland   | 49,665           | 37,004           | 43,576           | 45,268           | 43,869           | 13.2%              |
| Virginia   | 134,589          | 127,597          | 130,777          | 108,884          | 109,757          | 22.6%              |
| S. Carolina  | 108,786          | 117,181          | 95,478           | 90,665           | 88,107           | 4.6%               |
| Georgia  | 210,804          | 250,654          | 232,645          | 188,762          | 209,583          | 0.6%               |
| Jaxport  | 24,205           | 24,585           | 33,560           | 26,698           | 30,321           | -20.2%             |
| Pt Everglades  | 30,320           | 32,941           | 26,832           | 26,451           | 27,730           | 9.3%               |
| Miami  | 44,234           | 40,426           | 51,260           | 35,225           | 39,286           | 12.6%              |
| <b>USEC Totals</b>   | <b>937,154</b>   | <b>1,033,012</b> | <b>996,371</b>   | <b>857,638</b>   | <b>887,726</b>   | <b>5.6%</b>        |
| New Orleans  | 9,006            | 10,968           | 9,418            | 12,514           | 10,921           | -17.5%             |
| Houston  | 149,400          | 158,569          | 121,578          | 105,047          | 95,318           | 56.7%              |
| <b>USGC Totals</b>   | <b>158,406</b>   | <b>169,537</b>   | <b>130,996</b>   | <b>117,561</b>   | <b>106,239</b>   | <b>49.1%</b>       |
| Vancouver  | 121,081          | 131,926          | 161,183          | 143,606          | 170,370          | -28.9%             |
| Prince Rupert  | 39,012           | 41,471           | 50,243           | 49,148           | 54,481           | -28.4%             |
| <b>British Columbia Totals</b>                                 | <b>160,093</b>   | <b>173,397</b>   | <b>211,426</b>   | <b>192,754</b>   | <b>224,851</b>   | <b>-28.8%</b>      |
| <b>US Ports</b>  | <b>1,882,408</b> | <b>2,227,131</b> | <b>2,126,941</b> | <b>1,895,528</b> | <b>1,964,310</b> | <b>-4.2%</b>       |

Source Individual Ports



## January 2023 TEU Numbers Continued

of Long Beach, where inbound loads this January (263,394) were off by 18.7% from January 2019. Apart from 2015, when a labor dispute gummed up operations at USWC ports, this January saw the lowest volume of inbound loads at Long Beach in any previous January since 2012. Things were marginally better in January at the neighboring **Port of Los Angeles**. Inbound loads (372,040) were the fewest in any January at the port since 2016.

Apart from January 2015, this January saw the lowest total volume of container traffic at the **Port of Oakland** (179,229 total loads and empties) since January 2010. Save for that January in 2015, the 66,637 inbound loads the East Bay port discharged this January were the fewest in any January since 2013. As for the 57,279 outbound loads the port processed in January, that was less than the number the port handled in any preceding January since 2002, even including the ill-starred January of 2015.

At the **Northwest Seaport Alliance Ports of Tacoma and Seattle**, import loads in January (79,067) plunged 30.0% from a year earlier and were down 38.5% from the pre-pandemic month of January 2019. Export loads (38,637), while up 3.8% year-over-year, were down 47.0% from the same month in 2019. Total traffic, including domestic as well as international

| Exhibit 2 January 2023 - Outbound Loaded TEUs at Selected Ports |                |                |                |                  |                  |                    |
|---|----------------|----------------|----------------|------------------|------------------|--------------------|
|   | Jan 2023       | Jan 2022       | Jan 2021       | Jan 2020         | Jan 2019         | 2023/2019 % Change |
| Los Angeles   | 102,723        | 100,185        | 119,327        | 148,206          | 144,993          | -29.2%             |
| Long Beach  | 105,623        | 123,060        | 116,254        | 108,624          | 117,288          | -9.9%              |
| <b>San Pedro Bay Totals</b>                                     | <b>208,346</b> | <b>223,245</b> | <b>235,581</b> | <b>256,830</b>   | <b>262,281</b>   | <b>-20.6%</b>      |
| Oakland   | 57,279         | 61,704         | 69,147         | 77,932           | 75,350           | -24.0%             |
| NWSA  | 38,637         | 37,219         | 58,189         | 66,410           | 72,859           | -47.0%             |
| Hueneme   | 1,956          | 3,488          | 1,582          | 1,222            | 1,518            | 28.9%              |
| <b>USWC Totals</b>  | <b>306,218</b> | <b>325,656</b> | <b>364,499</b> | <b>402,394</b>   | <b>412,008</b>   | <b>-25.7%</b>      |
| Boston  | 5,896          | 2,901          | 6,692          | 6,965            | 5,723            | 3.0%               |
| NYNJ  | 112,269        | 100,663        | 108,738        | 118,488          | 111,833          | 0.4%               |
| Maryland  | 20,342         | 16,445         | 19,904         | 20,361           | 15,947           | 27.6%              |
| Virginia  | 96,431         | 69,589         | 84,688         | 79,328           | 77,948           | 23.7%              |
| S. Carolina   | 59,965         | 54,256         | 67,937         | 68,505           | 63,750           | -5.9%              |
| Georgia   | 110,305        | 90,886         | 113,365        | 121,960          | 124,373          | -11.3%             |
| Jaxport   | 42,483         | 42,596         | 43,614         | 41,941           | 40,745           | 4.3%               |
| Pt Everglades   | 31,760         | 32,227         | 30,795         | 33,483           | 33,662           | -5.7%              |
| Miami   | 22,360         | 23,720         | 27,610         | 35,324           | 38,852           | -42.4%             |
| <b>USEC Totals</b>  | <b>501,811</b> | <b>433,283</b> | <b>503,343</b> | <b>526,355</b>   | <b>512,833</b>   | <b>-2.1%</b>       |
| New Orleans   | 17,418         | 20,462         | 21,316         | 26,213           | 25,875           | -32.7%             |
| Houston   | 113,875        | 86,940         | 99,694         | 118,782          | 87,961           | 29.5%              |
| <b>USGC Totals</b>  | <b>131,293</b> | <b>107,402</b> | <b>121,010</b> | <b>144,995</b>   | <b>113,836</b>   | <b>15.3%</b>       |
| Vancouver   | 59,966         | 49,947         | 79,194         | 78,156           | 91,398           | -34.4%             |
| Prince Rupert   | 11,215         | 12,967         | 16,619         | 9,735            | 17,156           | -34.6%             |
| <b>British Columbia Totals</b>                                  | <b>71,181</b>  | <b>62,914</b>  | <b>95,813</b>  | <b>87,891</b>    | <b>108,554</b>   | <b>-34.4%</b>      |
| <b>US Ports</b>   | <b>939,322</b> | <b>866,341</b> | <b>988,852</b> | <b>1,073,744</b> | <b>1,038,677</b> | <b>-9.6%</b>       |

Source Individual Ports



January 2023 TEU Numbers *Continued*

shipments, amounted to 213,095, a 21.7% fall-off from a year earlier and a 34.7% drop from January 2019.

Inbound loads (121,081) at the **Port of Vancouver** were down 8.2% from a year earlier but also 28.9% below January 2019's volume. Outbound loads (59,966) did rise by 20.1% year-over-year but that only served to mask the fact that January 2019 saw the port ship 31,432 more outbound loads than it did this January. Counting empties and loads, January's total volume (247,473) was down 21.1% from January 2019.

Even further north, the **Port of Prince Rupert** recorded 39,012 inbound loads, down 5.9% year-over-year and down 28.4% from January 2019. Outbound loads (11,215) were down 13.5% from the same month in 2022 and down 13.5% from the same month in 2022 and down 34.6% from January 2019. Total traffic (76,564) was off by 3.6% from a year earlier and down 6.0% from January 2019.

Back East, the **Port of New York/ New Jersey** saw an 18.6% year-over-year drop in inbound loads (323,981) but an 11.5% bump in outbound loads (112,269). Although PNYNJ trailed only Los Angeles in inbound loads in January, it shipped more outbound loads in January than Los Angeles, Long Beach, and Savannah. Only Houston handled more outbound loads to start the year. Total container

**Exhibit 3****January 2023 - YTD Total TEUs**

|               | Jan 2023 | Jan 2022 | Jan 2021 | Jan 2020 | Jan 2019 | 2023/2019 % Change |
|---------------|----------|----------|----------|----------|----------|--------------------|
| Los Angeles   | 726,014  | 865,595  | 835,516  | 806,144  | 852,450  | -14.8%             |
| NYNJ          | 645,430  | 765,050  | 721,284  | 617,024  | 622,531  | 3.7%               |
| Long Beach    | 573,772  | 800,943  | 764,006  | 626,829  | 657,286  | -12.7%             |
| Georgia       | 421,714  | 476,713  | 459,608  | 377,671  | 430,079  | -1.9%              |
| Houston       | 319,990  | 323,427  | 255,039  | 268,773  | 214,952  | 48.9%              |
| Virginia      | 288,380  | 262,020  | 270,969  | 227,234  | 240,111  | 20.1%              |
| Vancouver     | 247,473  | 252,612  | 319,972  | 265,599  | 313,527  | -21.1%             |
| S. Carolina   | 215,238  | 226,515  | 216,265  | 211,020  | 205,689  | 4.6%               |
| NWSA          | 213,095  | 272,281  | 289,187  | 263,816  | 326,228  | -34.7%             |
| Oakland       | 179,229  | 193,205  | 199,098  | 211,251  | 212,493  | -15.7%             |
| Montreal      | 118,870  | 142,316  | 140,456  | 140,456  | 132,935  | -10.6%             |
| JaxPort       | 108,182  | 101,292  | 122,770  | 109,141  | 121,397  | -10.9%             |
| Maryland      | 98,966   | 72,777   | 85,166   | 90,290   | 85,266   | 16.1%              |
| Miami         | 96,188   | 95,994   | 113,835  | 94,064   | 104,183  | -7.7%              |
| Pt Everglades | 92,145   | 97,689   | 88,139   | 85,992   | 89,866   | 2.5%               |
| Prince Rupert | 76,564   | 79,425   | 99,065   | 81,487   | 81,487   | -6.0%              |
| Philadelphia  | 65,963   | 57,074   | 52,301   | 54,851   | 53,324   | 23.7%              |
| Mobile        | n/a      | 47,768   | 40,637   | 34,920   | 30,703   | n/a                |
| New Orleans   | 37,388   | 38,361   | 40,302   | 54,635   | 54,474   | -31.4%             |
| Hueneme       | 22,649   | 21,966   | 16,322   | 16,488   | 12,542   | 80.6%              |
| Boston        | 21,547   | 8,612    | 22,325   | 25,874   | 25,874   | -16.7%             |
| Portland, OR  | 12,290   | 11,844   | 6,669    | 3,147    | 3,147    | 290.5%             |
| San Diego     | n/a      | 15,571   | 14,324   | 11,650   | 10,192   | n/a                |

Source Individual Ports



## January 2023 TEU Numbers *Continued*

traffic at PNYNJ amounted to 645,430 TEUs, less than LA's total but more than any other port.

Along the East Coast, the **Port of Virginia** posted the highest January numbers in the port's history. Inbound loads (134,589) were up 5.5% from a year earlier, while outbound loads (96,431) jumped by 38.6%. Total container traffic (288,380) was up 10.1% year-over-year and up 20.1% over pre-pandemic January 2019.

The **Port of Charleston** saw a 7.2% year-over-year drop in inbound loads (108,786). Otherwise, this January saw the highest volume of inbound loads in any previous January in the port's history. Outbound loads at the South Carolina port in January (59,965) were up 10.5% from a year earlier but down 5.9% from pre-pandemic January 2019. January saw 215,238 loads and empties transit the port, a 5.0% dip from a year earlier but 4.6% higher than its total throughput in January 2019.

January was also a more tranquil month for the **Port of Savannah**. Inbound loads (210,804) were down 15.9% from a year earlier and just 0.6% higher than in pre-pandemic January 2019. Outbound loads, by contrast, leapt by 21.4% year-over-year. Even that, however, was 11.3% less than in January 2019. Combining loads and empties (421,714), the Georgia port handled 11.5% fewer boxes than the previous January and 1.9% fewer than in January 2019.

Down along the Gulf Coast, the **Port of Houston** sustained a 5.8% year-over-year fall-off in inbound loads in January (149,400). Still, the volume of inbound loads this January was up 22.9% from January 2021 and up 56.7% from January 2019. Outbound loads through the Texas port in January (113,875) soared by 31.0% year-over-year. Other than a January 2020 surge in polymer exports through the port, this January was the port's top month for outbound loads. Total traffic (319,990) was down by 1.1% from the preceding January but up 48.9% from pre-pandemic January 2019.

### Weights and Values

Here we offer an alternative to the customary TEU metric for gauging containerized trade. The percentages in **Exhibits 4 and 5** represent U.S. West Coast shares of the box trade through mainland U.S. ports. They are derived from data compiled by the U.S. Commerce

Department from documentation submitted by the importers/exporters of record. Both exhibits provide ongoing evidence of the diminishing role West Coast ports have generally been playing in handling the nation's containerized trade, especially with respect to shipments arriving from East Asia.

### The Top Three U.S. Container Ports

As **Exhibit 6** reveals, the number of inbound loads through the nation's three busiest container ports has been trending lower since last spring. To be sure, the very latest numbers do indicate an upturn but not one expected to be replicated over the next couple of months. What's

**Exhibit 4** Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, January 2023

|   | Jan 2023 | Dec 2022 | Jan 2022 |
|---|----------|----------|----------|
| <b>Shares of U.S. Mainland Ports Containerized Import Tonnage</b> |          |          |          |
| USWC  | 31.8%    | 32.7%    | 31.9%    |
| LA/LB   | 23.3%    | 23.5%    | 23.0%    |
| Oakland   | 3.1%     | 3.8%     | 3.0%     |
| NWSA  | 3.5%     | 3.5%     | 3.7%     |
| <b>Shares of U.S. Mainland Ports Containerized Import Value</b>   |          |          |          |
| USWC  | 38.0%    | 37.6%    | 39.9%    |
| LA/LB   | 30.0%    | 29.2%    | 30.4%    |
| Oakland   | 2.6%     | 2.8%     | 3.1%     |
| NWSA  | 4.3%     | 4.4%     | 5.1%     |
| <b>Shares of U.S. Mainland Containerized Export Tonnage</b>       |          |          |          |
| USWC  | 30.8%    | 31.7%    | 34.2%    |
| LA/LB   | 18.3%    | 19.4%    | 21.6%    |
| Oakland   | 5.3%     | 5.5%     | 6.0%     |
| NWSA  | 5.4%     | 5.7%     | 5.0%     |
| <b>Shares of U.S. Mainland Containerized Export Value</b>         |          |          |          |
| USWC  | 26.7%    | 26.7%    | 28.0%    |
| LA/LB   | 17.2%    | 17.0%    | 17.2%    |
| Oakland   | 5.4%     | 5.7%     | 6.9%     |
| NWSA  | 3.2%     | 3.2%     | 2.9%     |

Source: U.S. Commerce Department.



## January 2023 TEU Numbers *Continued*

### Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, January 2023

|   | Jan 2023 | Dec 2022 | Jan 2022 |
|---|----------|----------|----------|
| <b>Shares of U.S. Mainland Ports Containerized Import Tonnage</b> |          |          |          |
| USWC  | 50.1%    | 51.0%    | 51.2%    |
| LA/LB   | 39.6%    | 39.8%    | 39.4%    |
| Oakland   | 3.8%     | 4.2%     | 3.9%     |
| NWSA  | 5.6%     | 5.8%     | 6.2%     |
| <b>Shares of U.S. Mainland Ports Containerized Import Value</b>   |          |          |          |
| USWC  | 57.1%    | 57.2%    | 57.5%    |
| LA/LB   | 46.4%    | 45.7%    | 44.8%    |
| Oakland   | 3.1%     | 3.3%     | 3.8%     |
| NWSA  | 6.6%     | 6.9%     | 7.4%     |
| <b>Shares of U.S. Mainland Containerized Export Tonnage</b>       |          |          |          |
| USWC  | 49.1%    | 51.9%    | 57.1%    |
| LA/LB   | 29.8%    | 32.8%    | 38.8%    |
| Oakland   | 7.5%     | 7.8%     | 8.4%     |
| NWSA  | 8.8%     | 9.8%     | 8.9%     |
| <b>Shares of U.S. Mainland Containerized Export Value</b>         |          |          |          |
| USWC  | 54.1%    | 52.9%    | 56.1%    |
| LA/LB   | 35.4%    | 34.9%    | 37.1%    |
| Oakland   | 9.6%     | 9.5%     | 11.8%    |
| NWSA  | 7.1%     | 7.3%     | 6.6%     |

Source: U.S. Commerce Department.

interesting is how the three ports have been jockeying for position.

On the other side of the trade ledger, the volume of outbound loads leaving the three major gateways has been waning since before the pandemic, as **Exhibit 7** indicates.

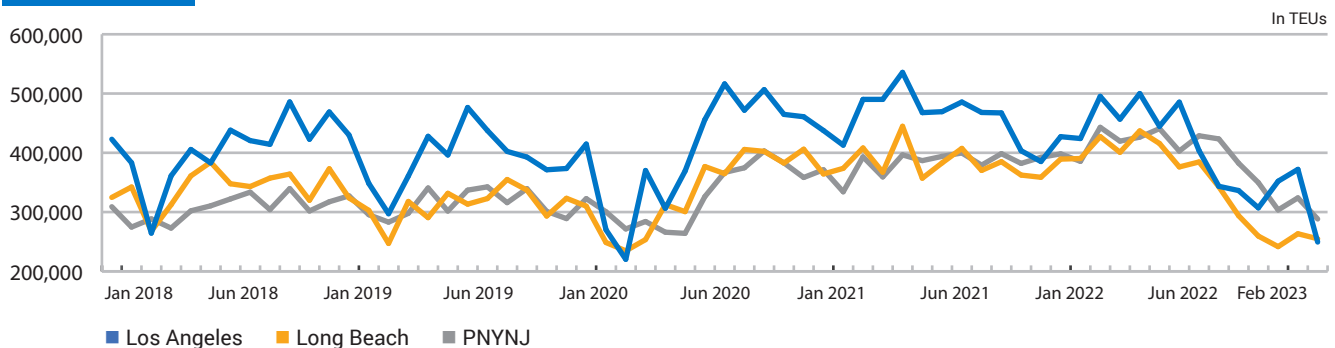
### Short Februaries at San Pedro Bay

In **Exhibit 8**, we look at loaded container flows through the two San Pedro Bay ports in every February since the turn of the century. February, of course, tends to be the least busy month for container traffic, in part because it's obviously the shortest month in the calendar but mostly because shippers have to work around the Lunar New Year closure of factories in East Asia. Still, the graph reveals a couple of interesting points. First, inbound volumes have clearly risen. Even the parlous volume reported last month (504,377) represented a 47.0% bump over the 345,192 inbound loads the two ports handled in February 2000. But it's been a very jagged upward journey. February inbound loads peaked last year at 814,408, while this February saw the smallest number of inbound loads in any February since a work slowdown during the winter of 2014-2015 hampered container traffic through USWC ports.

As for the export trade, outbound loads this February (193,323) were the fewest since February 2005. The peak February for outbound loads was in 2008, when the Ports of LA and Long Beach combined to send 301,402 loads overseas. In general, though, the volumes have been edging lower despite official rhetoric demanding that the

### Exhibit 6 Five Years of Inbound Loads at LA, Long Beach, and PNYNJ

Source: Individual Ports



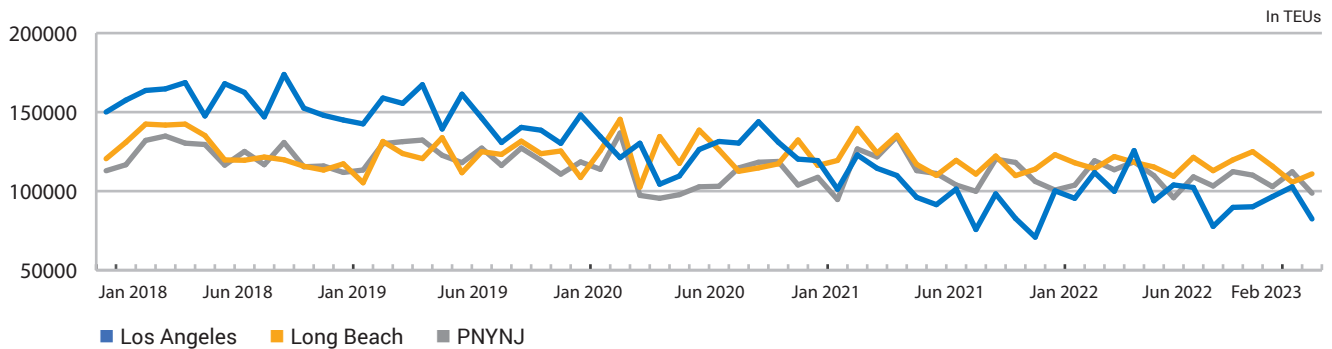


## January 2023 TEU Numbers Continued

### Exhibit 7

#### Five Years of Outbound Loads at LA, Long Beach, and PNYNJ

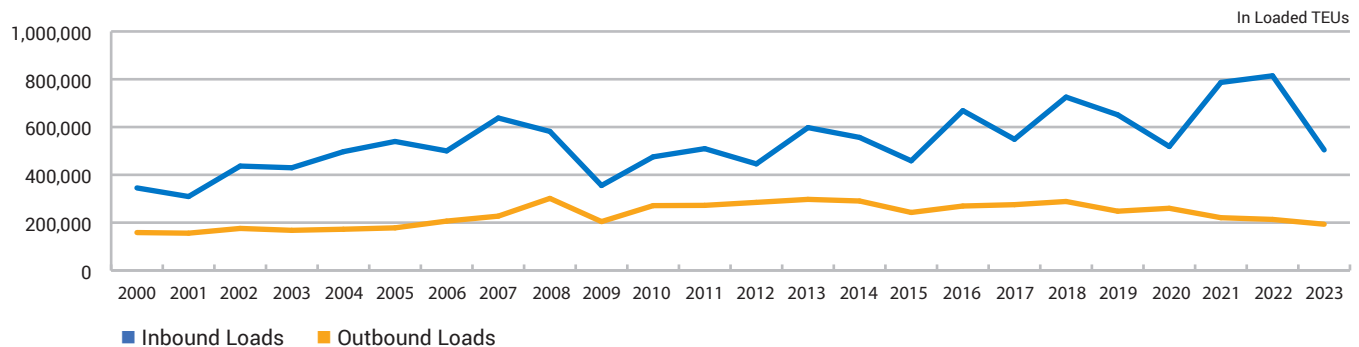
Source: Individual Ports



### Exhibit 8

#### A Century of Februarys' Container Trade at San Pedro Bay

Source: Ports of Los Angeles and Long Beach



U.S. embrace new strategies to boost overseas shipments of American goods.

### Exporting Refuse

U.S. seaports have relied extensively on waste and scrap materials to fill outbound containers. Last year, 17.3% of all containerized exports from American seaports fell into the waste and scrap category. USWC ports were even more reliant on the recycling trade, which accounted for 23.7% of all containerized export tonnage in 2022. Scrap paper alone accounted for 14.8% of all containerized export tonnage from USWC ports last year, with the Ports of Los Angeles and Long Beach relying on scrap paper for 15.3% of all of their containerized export tonnage.

In 2021, California's exports of recyclable materials totaled 1.2 million tons with a value of \$5.8 billion,

according to CalRecycle, the state agency responsible for managing California's waste disposal and recycling programs. Exports of recyclable materials to China have been decreasing since 2012, largely as a result of China's Green Fence and National Sword policies. In 2021—for the first time in many years—China was not among the top five countries importing recyclable materials from California. In contrast to the more than 13 million tons of recyclable material imported by China in 2011, China imported less than a million tons in 2021. The issue of contamination and import restrictions have been especially important for plastics and plastic contamination, causing significant decreases in the amount of plastic scrap exported by California. In 2021, California exported less than 100 thousand tons of plastic scrap, compared to almost 1.3 million tons in 2014.





## January 2023 TEU Numbers *Continued*

Exports to China plummeted by 95% between 2011 and 2021, according to the latest report from CalRecycle. Even with exports to Vietnam and Thailand surging by 391% and 169%, respectively, the state's exports of recyclable materials fell by 46%.

### Mixed News on Nut Exports

The Almond Board of California reports that exports in February were up 29.7% from a year earlier, while the California Walnut Board reports that walnut exports were down 8.0%. Pistachio exports in February rose 27.8%, according to the Administrative Committee for Pistachios. We will be sure to keep a close eye on exports of agricultural produce as flood waters recede and normal farming operations resume this spring and summer.

### Rail Merger

We note that the Surface Transportation Board has approved the merger of the Canadian Pacific and the Kansas City Southern. The decision authorizes the CP to exercise control of the KCS as early as the middle of April. The merger will eventually result in a combined railroad called the CPKC, to be headquartered in Calgary.

Of interest to PMSA is the effect this development may have on the routing of container traffic between East Asia and the American Midwest. While the merger should enable CP to offer more service to importers using ports in British Columbia, the Kansas Southern lines extend down to Lázaro Cárdenas on Mexico's Pacific Coast. Once upon a time, there was some fretting along the USWC that expansion of container trade at Lázaro Cárdenas could erode the share of the transpacific box trade moving through ports in Southern California. Until now, though,

we haven't been hearing much about U.S. container traffic being diverted through Mexico.

We have not been tracking container flows through Mexican ports due to data compatibility issues, but it might be useful to take a brief look at what's been happening at Lázaro Cárdenas, a port that last year handled a total of 2,031,552 TEUs. For January 2023, the port reported 43,651 import loads, a 38.1% bump over a year earlier. It was by far the largest number of import loads the port had ever handled in the month of January and was 9.6% over the import loads than the port had handled in pre-pandemic January 2019. For all of 2022, import loads totaled 486,523 TEUs, up 15.2% from 2021.

The Kansas City Southern boasts that its "unique rail access" to Lázaro Cárdenas is "ideal to avoid congestion in other west coast ports". "The combination of a single-line railroad spanning Canada, U.S., and Mexico should result in a gradual but notable shift from West Coast ports, igniting more cross-border business coming from the Port of Lázaro Cárdenas," reported the industry publication *Railway Age*.

### Gestation Period

Finally, we can't help but note that babies now being born were most likely conceived **after** the last U.S. West Coast longshore labor contract expired.



## Moving Day and Night

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## Jock O'Connell's Commentary: Will China Follow Japan's "Lead"?

On my first trip to China, I arrived on foot.

It was early November of 1980. In those days, the train from Kowloon stopped just short of the border at Lo Wu, obliging passengers to walk across the railroad trestle into Shenzhen, then a not especially bustling market town of some 60,000 residents. About an hour later, a train pulled by a steam locomotive drew up at the station to take us to Guangzhou or Canton, as it was more commonly known in the West at the time.

My companion was a California Assemblyman named Mike Gage. We were traveling to China at the urging of Governor Edmund G. Brown, Jr. The U.S. and China had established formal diplomatic relations only a year earlier, and China had opened a consular office in San Francisco. Brown was keen on cultivating a wide range of contacts with the goal of expanding commercial, scientific, and cultural exchanges between California and China.

The Shenzhen Special Economic Zone, Deng Xiaoping's audacious and politically perilous experiment in developmental economics that would ultimately transform China, had been established just three months earlier. So what we were visiting was still very much Mao Zedong's China. Clothing was uniformly drab. Department stores had numbers rather than names. The only cars on the street were official vehicles, and the tallest building in Shanghai was the 24-story Park Hotel.

At the time, though, I, along with most Americans, had been focusing much, much more on Japan than on China.



Japan, after all, was then the ascendant economic power in the Pacific. More and more American drivers were abandoning Detroit in favor of Japanese imports made by Toyota and Honda. We were listening to music and watching home videos on entertainment devices made by Sony. We were recording the events of our lives with Canon, Olympus, and Nikon cameras, often using Fuji instead of Kodak film. We were even developing a taste for raw fish.

As Japan's economy grew and America's seemed to flounder in an era of high inflation and rising energy costs, numerous pundits were predicting that, given the countries' respective growth rates, Japan would overtake the United States as the world's largest economy, probably sometime in the 1990s.

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## Commentary Continued

This was deeply unsettling to American business and government leaders, not the least to members of President Reagan's cabinet like Secretary of Defense Caspar Weinberger, Commerce Secretary Malcolm Baldrige, Secretary of State George Shultz, Treasury Secretary Donald Regan, and Vice President George H. W. Bush, all of whom had seen military service in the Pacific during World War Two.

Then the unimaginable happened.

Japan went into a multi-generational funk.

By the late 1980s, the economic model that had propelled Japan's postwar ascent began to falter and then no longer seemed to work. This naturally shocked the Japanese who had grown accustomed to high rates of economic growth. But it swept aside the arguments of those on this side of the Pacific who had been pushing U.S. policymakers to emulate Japan's industrial policy and management practices.

This brings us to China's current predicament.

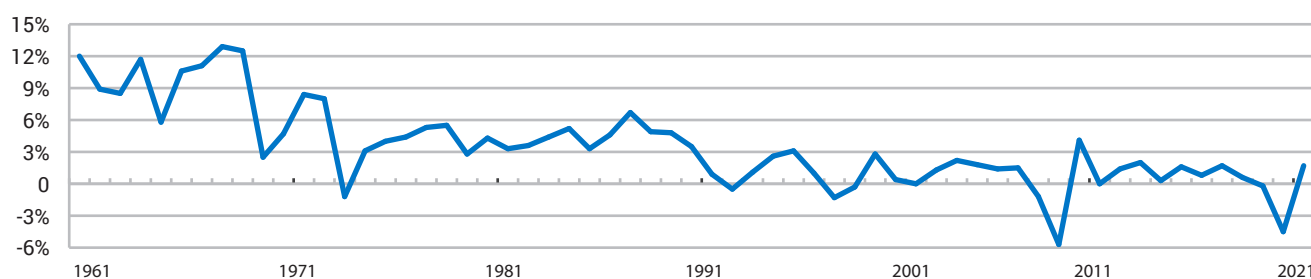
There is a growing body of authoritative opinion that does not see China's long-term prospects in positive terms but rather sees ominous similarities between today's China and Japan in the 1980s. The rapid expansion of China's GDP over the past four decades has been guided by political imperatives that have too often rewarded growth for growth's sake, most commonly by funneling massive investments into select industries, gigantic infrastructure projects, and property development schemes that often proved economically unproductive. Clusters of unoccupied apartment towers, Potemkin Villages with Chinese characters if you will, became the most conspicuous manifestation of years of wasteful investment.

Exceedingly few observers expect an abrupt collapse of the Chinese financial system or even a sustained recession. But growth is definitely slowing just as

### Exhibit A

#### Japan's Annual GDP Growth Rate: 1961-2021

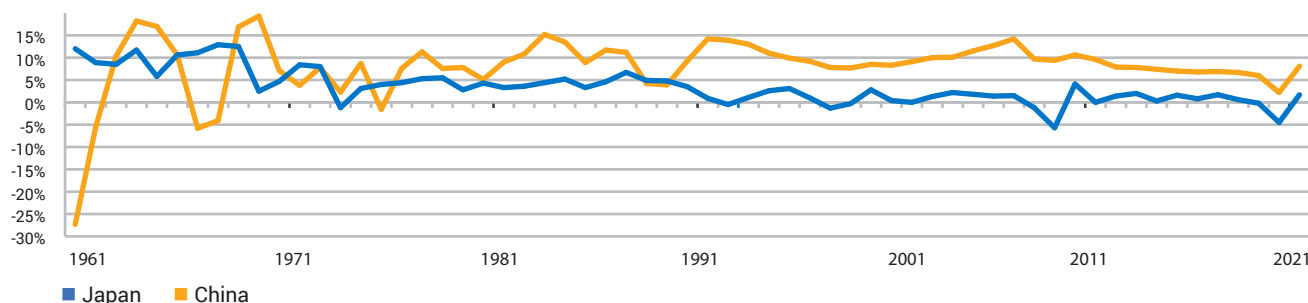
Source: World Bank



### Exhibit B

#### China/Japan Annual GDP Growth Rates: 1961-2021

Source: World Bank





## Commentary Continued

businesses worldwide are moving to disengage from, or at least lessen, their dependence on China. Demographically, China and Japan both feature declining populations with growing percentages of elderly and smaller absolute numbers of workers.

So it's worth asking, how would U.S. ports fare if China's role in the global trading system diminishes? Examining how they fared as Japan's role receded should help provide some guidance to West Coast transportation planners and port authorities as they contemplate long-term investments of resources in support of maritime trade over the next few decades. At the very least, looking to what has happened to Japanese trade via USWC seaports should impress upon everyone just how difficult it is to anticipate the future.

In 1980, Japan accounted for 23.3% of America's

containerized trade, according to the U.S. Maritime Administration. China, whose share of U.S. container trade last year was 24.8%, did not appear on MARAD's list of our top forty trading partners back then. Taiwan (8.4%), Hong Kong (7.8%), South Korea and Singapore (both with 2.4% shares) were our other East Asian trading partners.

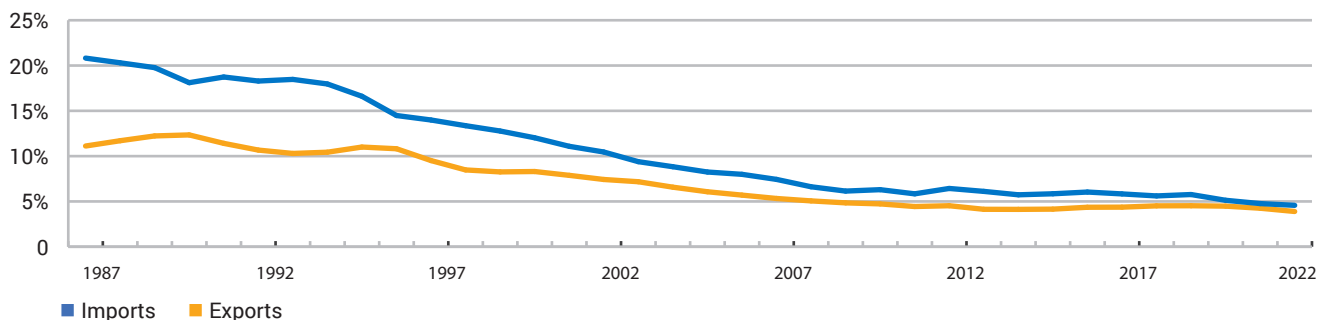
The great majority of America's containerized trade with Japan was conducted through West Coast ports. By 1980, the neighboring Ports of Los Angeles and Long Beach (740,000 TEUs) were on the verge of overtaking the Port of New York/New Jersey (750,000 TEUs) as the principal gateway for the nation's box trade. Seattle/Tacoma (348,000 TEUs) and Oakland (343,000 TEUs) also assumed large roles in America's fast-growing container trade.

Since the 1980s, Japan's prominence as a U.S. trading partner has sharply diminished, as **Exhibit C** shows.

### Exhibit C

#### Japan's Share of Total U.S. Trade: 1987-2022

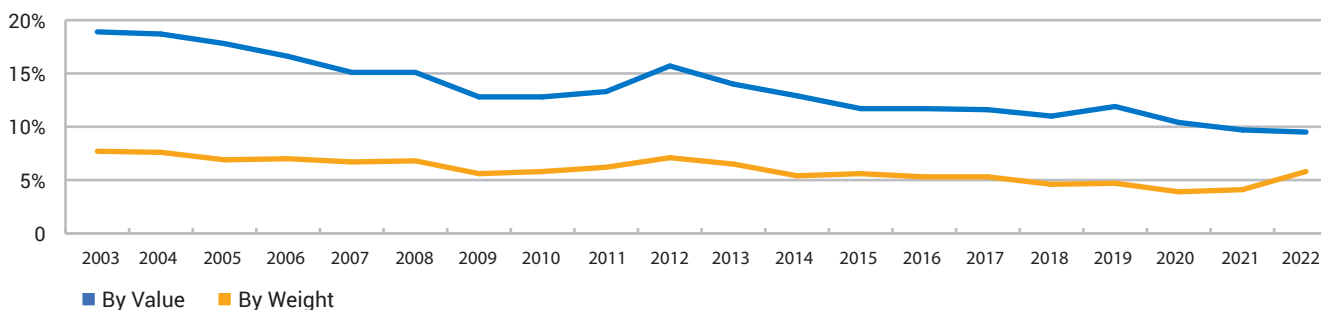
Source: U.S. Commerce Department



### Exhibit D

#### Japan's Share of USWC Ports Containerized Trade: 1987-2022

Source: U.S. Commerce Department







## Commentary Continued

Not surprisingly, this was reflected in Japan's share of the transpacific container trade as **Exhibits D and E** reveal.

None of this is meant to imply that China's maritime trade with the U.S. will follow Japan's pattern. Still, these exhibits should serve as a reminder that, just as "Japan as #1" is no longer a rallying cry in Tokyo, expert expectations now and then go awry. There are very few

guarantees in the world of trade, and trends that appear inexorable in the moment do not always play out as predicted.

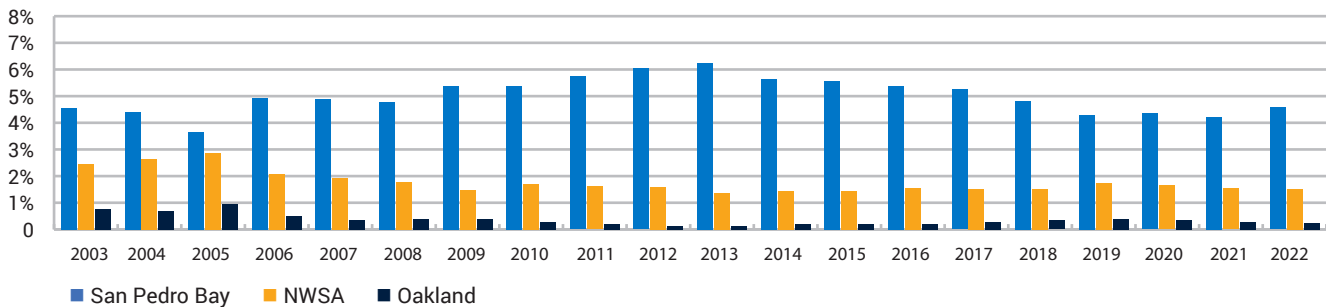
Even globalization is at risk of faltering.

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

### Exhibit E

#### U.S. West Coast Containerized Imports from Japan:2003-2022

Source: U.S. Commerce Department

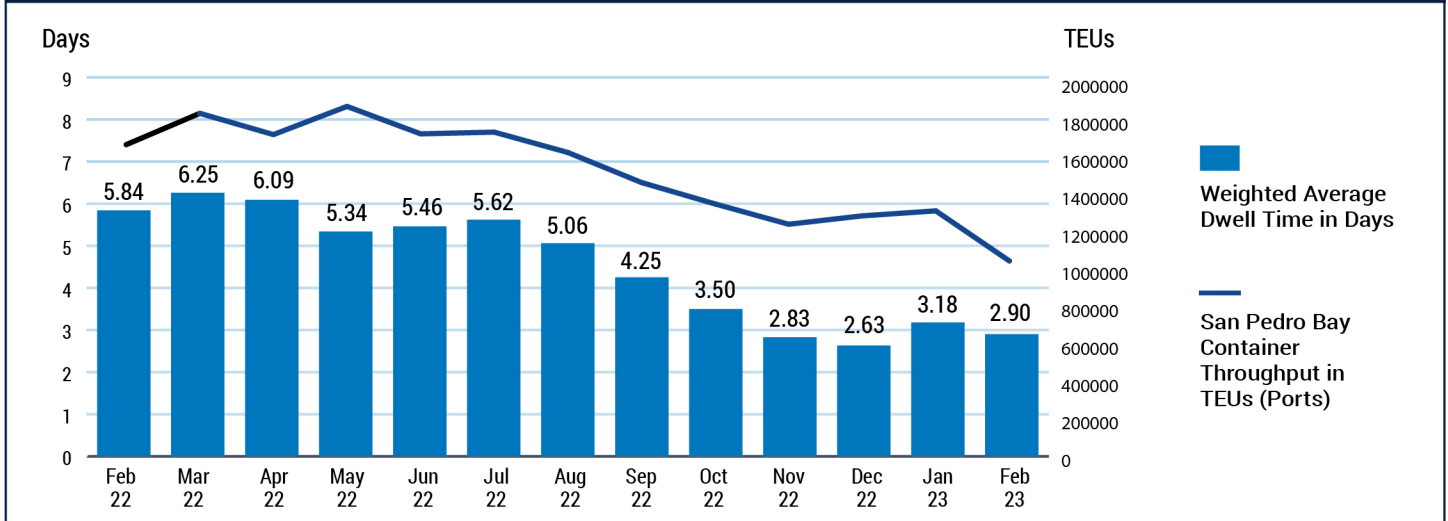




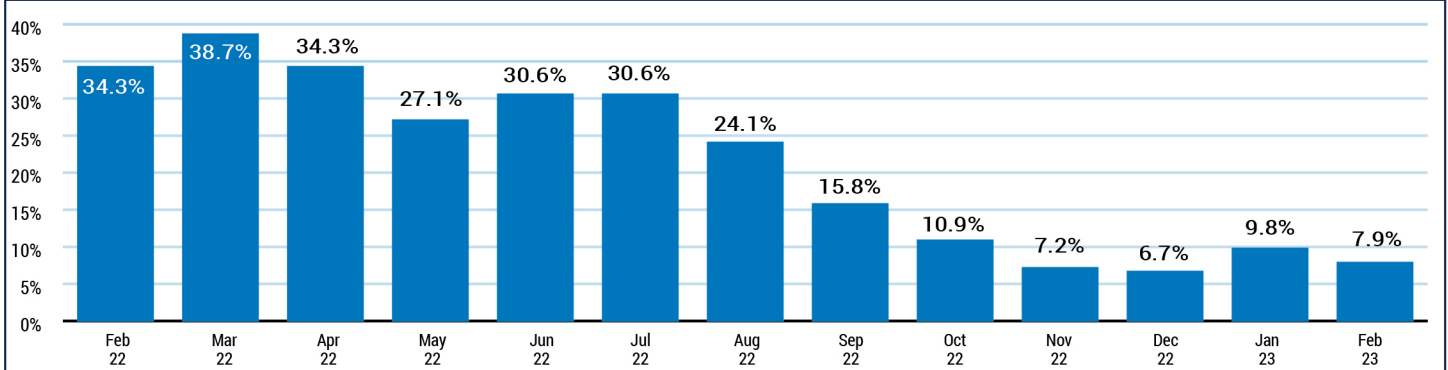


## Container Dwell Time Decreases in February

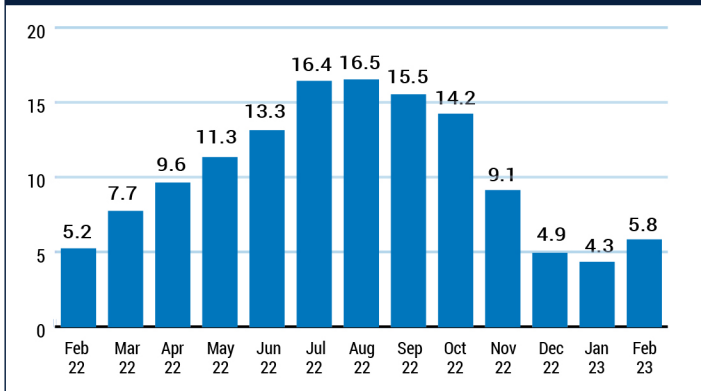
### San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days



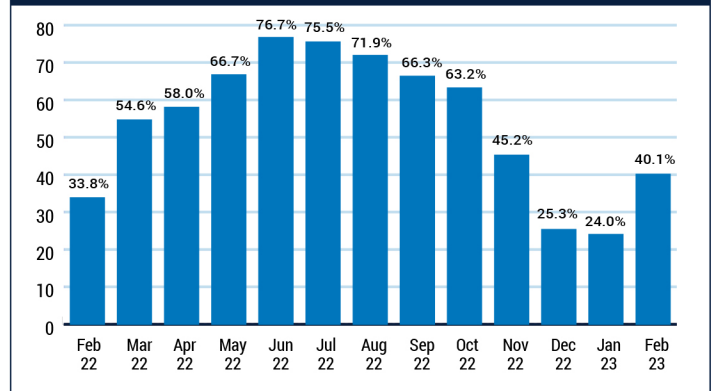
### Dwell Time in Days % > 5 Days



### Rail Dwell Time in Days



### Rail Dwell Time in Days % > 5 Days



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