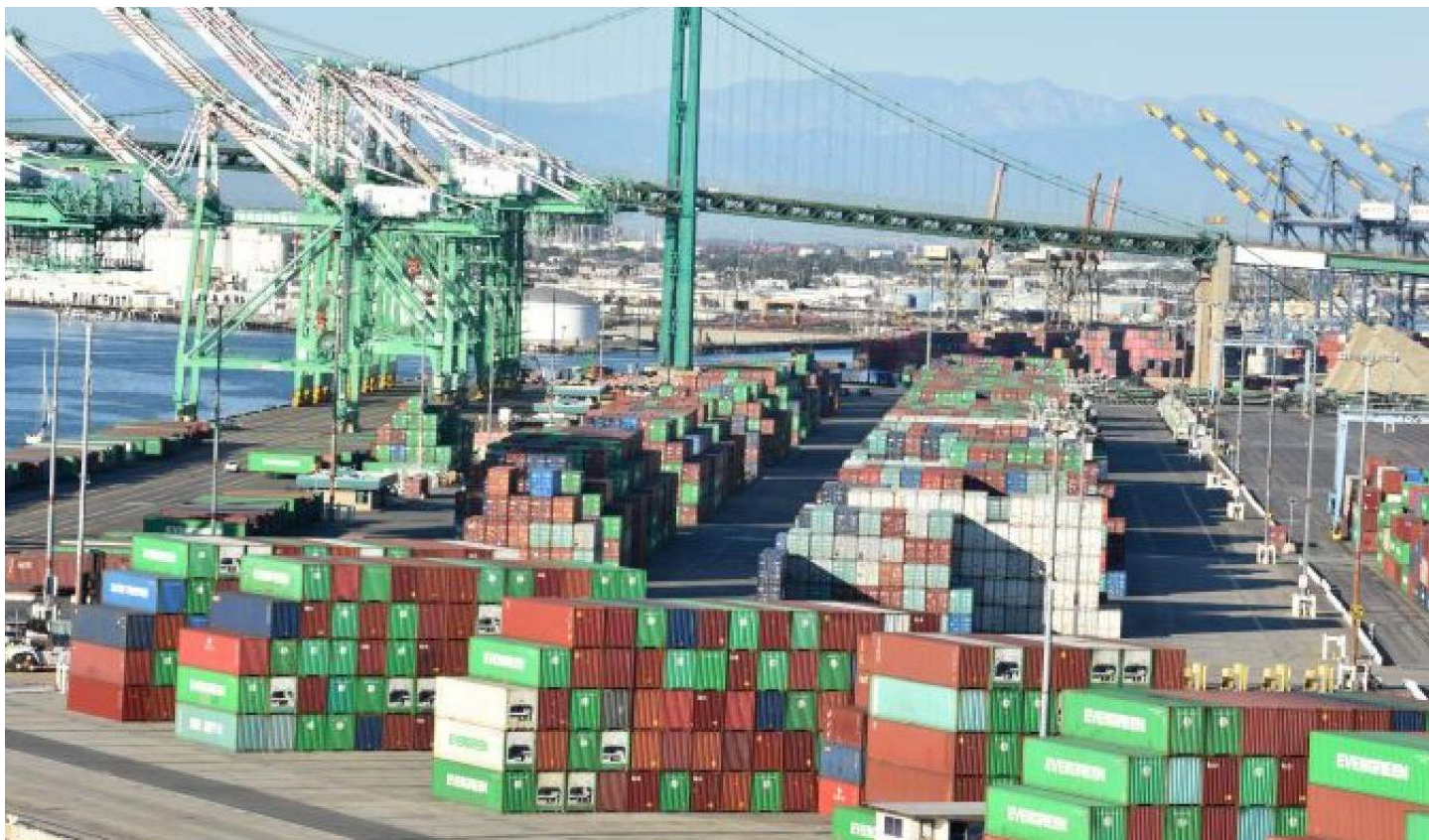


Largest US ports record 20%-plus declines in trans-Pacific imports



Retailers forecast that US imports from Asia, which declined for eight consecutive months through August, will turn positive in October. Photo credit: Ritu Manoj Jethani /Shutterstock.com.

Bill Mongelluzzo, Senior Editor | Sep 18, 2023, 6:18 PM EDT

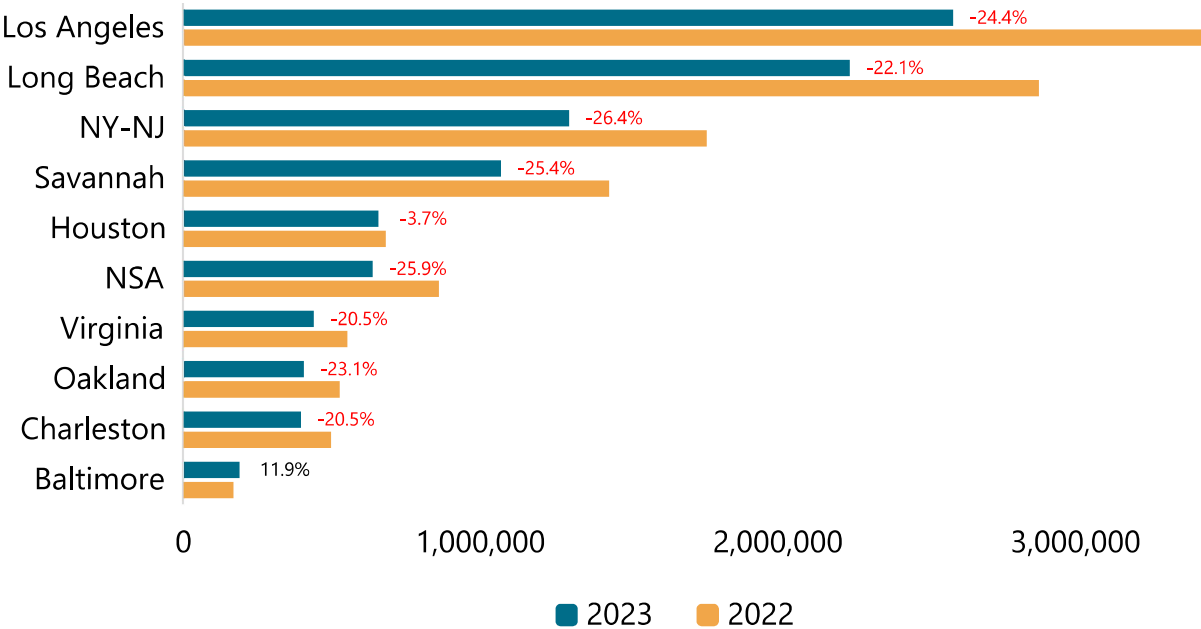
The largest ports on the East and West coasts recorded 20%-plus year-over-year declines in US imports from Asia in the first eight months of 2023, while Gulf Coast imports dropped only 3.7% during that period. As a result, the combined market share of the four busiest US ports for trans-Pacific imports shrank 2.7 percentage points.

Total containerized US imports from Asia tumbled 21% year over year through August, according to PIERS, a sister product of the *Journal of Commerce* within S&P Global. Compared with the same period in pre-pandemic 2019, however, volumes were essentially flat, and retailers forecast that annual comparisons will turn positive in October and accelerate through the end of the year.

Eight of the 10 busiest ports for Asian imports recorded declines of more than 20% during the period, with only Houston (down 3.7%) and Baltimore (up 11.9%) bucking the trend.

Houston, Baltimore buck steep trans-Pacific import decline

Containerized imports from Asia among the top 10 US ports, in laden TEUs, with year-over-year change



Source: S&P Global

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The four busiest US container ports — Los Angeles, Long Beach, New York-New Jersey and Savannah — accounted for 68.2% of US imports from Asia in the first eight months of the year, down from 70.9% in the same 2022 period and 70.1% in 2019. Together, ports on the East and West coasts handled 91.1% of US imports from Asia through August.

The market share of Gulf Coast ports, of which Houston is by far the largest, has been increasing steadily, from 4.8% in January through August 2019 to 6.8% in 2022 and 8.6% in 2023. In response, Houston has been expanding its physical capacity and intermodal connections to the Midwest.

Return to growth?

According to the latest forecast from the National Retail Federation, US imports will snap a nine-month streak of year-over-year declines in October, rising 0.1% for the month before jumping 10.4% in November and 12% in December as retailers stock up for what they believe will be a strong holiday shopping season.

“These are strong numbers and a sign retailers are optimistic about the holiday season since they don’t import merchandise unless they think they can sell it,” Jonathan Gold, vice president for supply chain and customs policy at the NRF, said in the Sept. 8 Global Port Tracker Report.

On a sequential basis, imports from Asia increased for the sixth consecutive month in August, rising to 1.49 million TEUs from a 2023 low of 1.08 million TEUs in both February and March, according to PIERs. Volumes were still down 13.1% from August 2022, but freight demand in eastbound trans-Pacific went into a steep decline last fall, and as shipments increase this peak season, they will be benchmarked against low import volumes in the fourth quarter of 2022.

The eastbound trans-Pacific market went into a steep decline last fall, dropping from 1.71 million TEUs in August to 1.23 million TEUs in December. As Asian imports increase this peak season, they will be benchmarked against low import volumes in the fourth quarter of 2022.

ILWU contract ratification bodes well for West Coast ports

Los Angeles and Long Beach experienced especially sharp declines in imports so far in 2023 owing to the diversion of discretionary cargo to the East and Gulf coasts during the 13-month contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). The longshore union and its employers agreed to a tentative coastwide contract in June, and ILWU membership ratified the deal Aug. 31.

“As the holidays approach, the recent ratification of the West Coast port labor agreement between the ILWU and PMA provides supply chain stability and certainty for retailers utilizing West Coast ports,” Gold said.

Gene Seroka, executive director of the Port of Los Angeles, said the Southern California port complex will have no problem handling the anticipated muted peak-season volumes through October.

“We’ve got capacity and we’re prepared to ramp up,” Seroka told a virtual press conference Thursday.

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