

Trans-Pac ships tapping Lázaro Cárdenas amid Panama draft limits



One shipper who tapped Mexico's Lázaro Cárdenas during the height of the container crisis said it offers an alternative to US West Coast gateways. Photo credit: proudson / Shutterstock.com.

Michael Angell, Associate Editor | Oct 23, 2023, 9:25 AM EDT

Trans-Pacific ocean carriers are making more regular and ad hoc calls to Mexico's Port of Lázaro Cárdenas as an alternative route into the US Midwest that bypasses the Panama Canal's draft limits. The increased vessel calls come as Canadian Pacific Kansas City (CPKC) looks to grow its intermodal franchise at the port.

Lázaro Cárdenas, the second-busiest container port in Mexico after Manzanillo, is already a regular stop for services between Asia and the West Coast of South America, as well as north-south routes between South America and the US West Coast. But the Pacific Coast port is not a regular call for trans-Pacific services that bring Asian imports into North America.

That is changing as of next month. Zim Integrated Shipping said Thursday it will add Lazaro Cardenas as a direct call on its eCommerce Baltimore Express (ZXB) service connecting Southeast Asia and China with the US East Coast, with the first arrival scheduled for Nov. 9.

In a statement to the *Journal of Commerce*, Zim said the call to Lázaro Cárdenas represents “an alternative gateway for selected US inland destinations,” including Dallas, Laredo, Kansas City and Chicago.

Zim is the second ocean carrier to announce that it will use the port as an intermodal gateway into the US. Hapag-Lloyd is also expected to start bringing in US-bound freight through Lázaro Cárdenas under an agreement the CPKC announced in June. CPKC did not say when the new service would start.

CMA CGM also has been making ad hoc calls to Lázaro Cárdenas to circumvent the current draft restrictions for ships transiting the for Panama Canal.

According to Sea-web, a sister product of the *Journal of Commerce* within S&P Global, four CMA CGM ships that are part of the carrier’s trans-Pacific network made calls to Lázaro Cárdenas since July, about one month after the Panama Canal Authority issued its first restriction that reduced the maximum draft for neo-Panamax ships to 44 feet from 50 feet previously.

Most recently, the CMA CGM *Unity*, which is in the ocean carrier’s Manhattan Bridge service to the US East Coast, made a call to Lázaro Cárdenas on Sept. 30, lightening its load before transiting the Panama Canal for the Port of New York and New Jersey. Prior to that, the CMA CGM *Apollon* called Lázaro Cárdenas in July before its next call to New York–New Jersey.

In addition, two vessels in the carrier’s Pacific Express 3 (PEX 3) service to the US Gulf also made calls to Lázaro Cárdenas in July prior to reaching the Port of Houston. A third ship in the PEX 3 service made a call to the Port of Manzanillo in August prior to its transit through the canal to the US Gulf.

While not mentioning either port specifically, CMA CGM CEO Rodolphe Saadé said at a media event in New York City last week that, “in order to find solutions with the Panama draft limits, we are calling Mexico before entering the canal.”

The advent of near-shoring and value-added manufacturing for Asian goods also means more US shippers are becoming comfortable moving goods through Mexico.

“This is allowing us to lighten the ship before crossing the Panama Canal,” he said. “What we are noticing as well is a lot of business is now being imported by the US

through Mexico from Asia.”

Lázaro a ‘pleasure’ to deal with

The major ocean carriers are by no means the first to tap Lázaro Cárdenas. An ocean operations manager for a third-party logistics provider who asked not to be identified told the *Journal of Commerce* that they have been using Lázaro Cárdenas to bring in US-bound freight for a major discount retailer since 2022.

The manager said they started chartering feeder ships from an intra-Asia carrier during the height of container capacity shortages and Southern California intermodal delays caused by the COVID-19 pandemic. The shipper was using Kansas City Southern’s Kendleton ramp in Texas for the shipper’s Houston-area distribution centers, the International Freight Gateway (IFG) for Kansas City-area distribution and Canadian Pacific’s Schiller Park facility through the interline agreement with KCS.

He said the transit times from Lázaro to Texas could range from four to five days, with Kansas City transits adding another day. Chicago trains would take about seven to eight days.

He said service through Lázaro has been reliable, except for instances of labor unrest among Mexican truckers who would periodically block the KCS train tracks. One such strike delayed intermodal freight for almost a month.

“Lázaro was a pleasure to deal with, actually,” the manager said. “The only issues were when truckers strike along the network. When Canadian Pacific took over, they really made KCS stronger.”

Contact Michael Angell at michael.angell@spglobal.com.

© 2023 S&P Global. All rights reserved. Reproduction in whole or in part without permission is prohibited.

You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use. For more information on reprints/eprints, please visit <https://subscribe.joc.com/mediasolutions/>.