

Restocking boosts January US port activity

Strong starts for the ports on East and West coasts

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(Photo: Jim Allen/FreightWaves)

The past few years have brought plenty of questions as to whether the COVID-19 pandemic changed supply chains permanently or, once constraints eased, if supply chains would return to pre-pandemic patterns. Those answers are starting to reveal themselves as the ports release January figures.

The biggest East Coast port, the Port of New York and New Jersey, retained its place as the second-busiest port in the country in terms of loaded imports, only surpassed by the Port of Los Angeles.

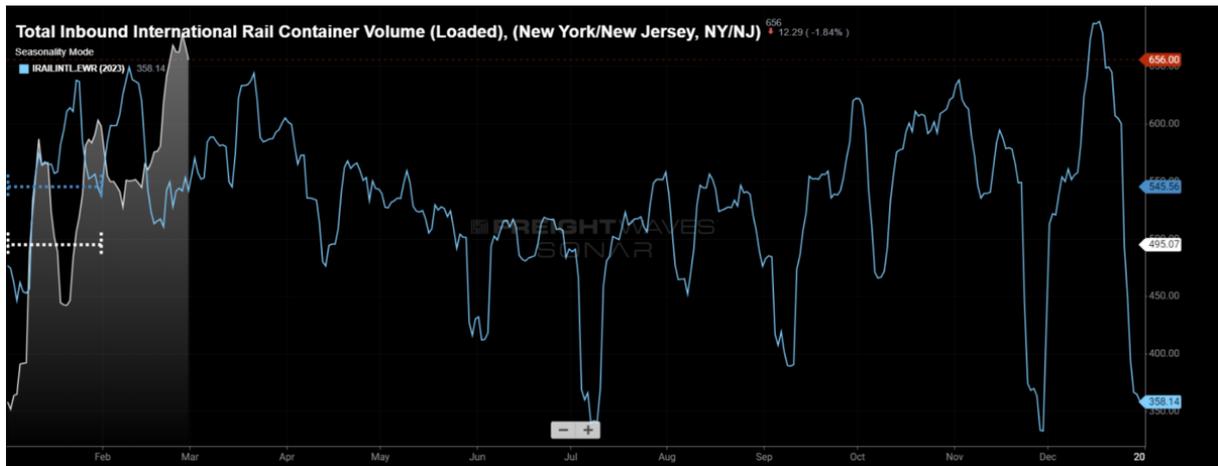
On Wednesday, the Port of New York and New Jersey released January's cargo volumes showing growth over the previous year. The port handled a total of 667,346 twenty-foot equivalent units during the month, up 3.4% year over year. The growth is a positive sign given the current backdrop surrounding the freight market, but the more impressive metric is the growth prior to the pandemic. The Port of New York and New Jersey handled 7.2% more TEUs than it did in January 2019.

January 2024 was the third-busiest start of the year on record, falling short of the pandemic-fueled inventory restocking years of 2021 and 2022. The port handled nearly 13% fewer TEUs than during the 2022 peak.

On the loaded front, the port growth was even more impressive, highlighting that the Red Sea conflict and drought conditions limiting transits through the Panama Canal aren't having detrimental impacts on the largest East Coast port, at least not yet. The total number of loaded TEUs handled by the port was 447,514, up 2.6% y/y.

Of the 447,514 loaded TEUs handled at the port, over 75% were imports. Loaded imports at the port totaled 342,790, 5.8% year over year, making it the third-strongest January for loaded imports on record. The growth is even more impressive compared to pre-pandemic levels than overall TEUs handled at the port, as loaded TEU imports were up 18.6% compared to January 2019.

Loaded exports out of the market were the one area of weakness in January. Loaded export TEUs totaled 104,724 in the month, down 6.7% y/y. Loaded export TEUs were among the lowest on record for January, only besting 2022 levels.



FreightWaves SONAR, Loaded Inbound International Rail Container Volume, 2024 (white) and 2023 (blue)

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The decline in loaded exports isn't necessarily a surprise as the winter weather that swept across the country in mid-January impacted rail traffic. Inbound loaded international container volumes in the Elizabeth, New Jersey, market, which is the home to the Port of New York and New Jersey, were down 9% year over year. A boost in inbound loaded international rail container volumes at the end of December likely kept loaded export TEUs from being down lower than the 6.7%.

For much of February, loaded inbound container volumes have been lower than 2023, until the final week of the month, which will likely help boost the loaded TEU exports in March.

The rate at which empty containers are leaving the Port of New York and New Jersey continues to track well above pre-pandemic levels. The number of empty TEUs exported from the port totaled 217,878, up 4.9% year over year. That represents a 25% increase from January 2019.

On the other coast, the Port of Long Beach, California, cited a pull forward of freight ahead of the Lunar New Year. The Port of Long Beach handled 674,015 TEUs during January, an increase of 17.5% y/y.

Import growth, like at its neighboring port, the Port of Los Angeles, was extremely strong as the West Coast attempted to claw back market share

from the East Coast ports. Loaded inbound TEUs at the Port of Long Beach totaled 325,339, a 23.5% increase from the previous year.

In a press release, Mario Cordero, CEO of the Port of Long Beach, said, “Retailers stocked their warehouses in January ahead of the slower import activity we typically see during Lunar New Year celebrations.”

The later Lunar New Year celebrations, starting Feb. 10 in 2024 compared to Jan. 22 in 2023, likely mean that the pull forward that drove growth in January will also help import figures in February.



FreightWaves SONAR, Inbound Ocean TEUs Volume Index for the Port of Long Beach, 2024 (white) and 2023 (blue)

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Like its East Coast counterpart, the Port of Long Beach saw a decrease in exports through the port. The number of loaded export TEUs out of the port total 86,525, an 18.1% decrease from the previous year. Despite loaded export TEUs being down, the total number of TEUs actually increased year over year, as the number of empty containers being exported skyrocketed by 30.1% y/y.