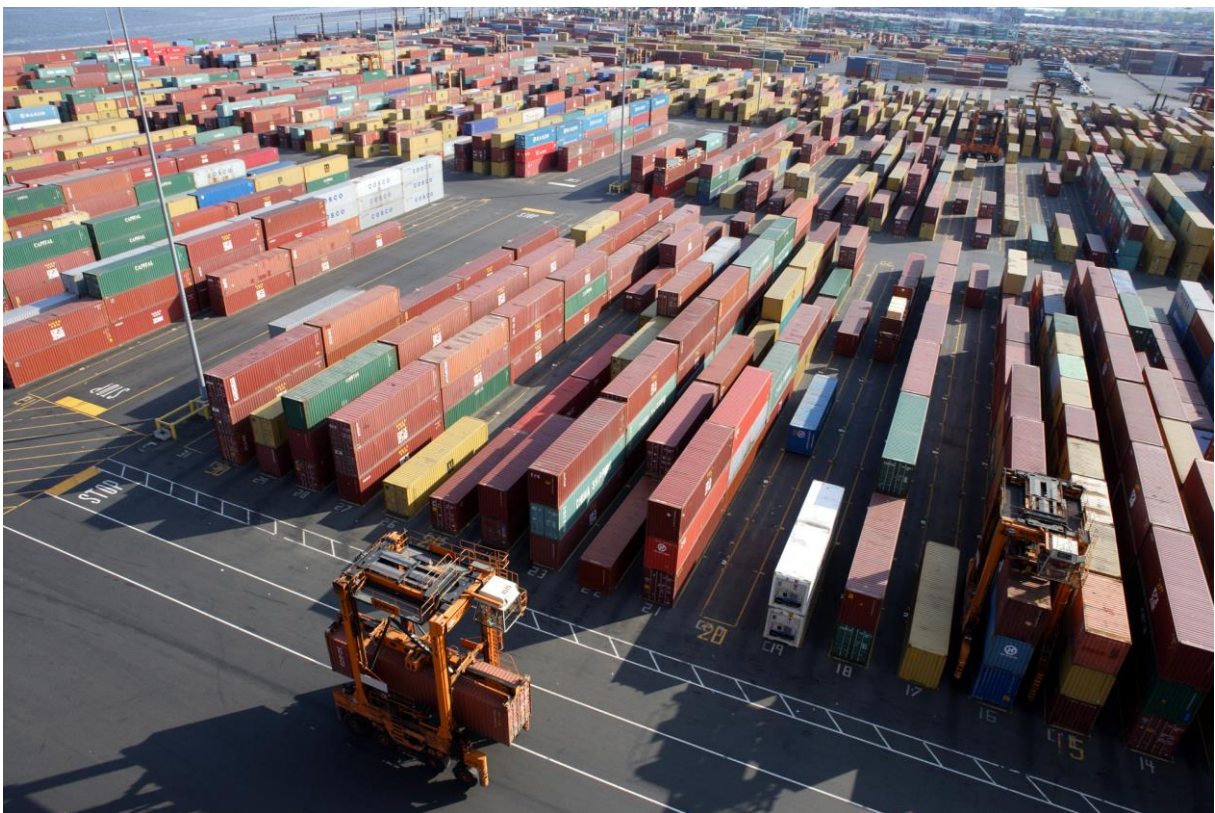


US containerized import volumes show strength

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Despite geopolitical and macroeconomic uncertainties, United States container import volumes appear to be holding up very well, as evidenced by year-over-year volume gains.

"We're experiencing the strongest surge in volume we've seen in two years, and that's a good sign for what retailers expect in sales," said Jonathan Gold, vice president for supply chain and customs policy for the National Retail Federation (NRF). Gold's remarks were part of NRF's monthly release analyzing US container imports at the biggest ports around the country.

According to Global Port Tracker, a monthly report produced by NRF and consulting firm Hackett Associates, major ports in the US handled 2.08 million import TEUs in May, which was 3% higher than April and 7.5% higher

than May 2022. May's figure is also the highest volume figure since August 2022, NRF said.

The figures exclude container volumes from the Port of New York and New Jersey, according to last week's release from NRF and Hackett Associates. However, the Port of New York and New Jersey separately announced that loaded import container volumes were 413,833 TEUs, which was 17.8% higher than 351,430 TEUs in May 2023.

The higher volumes year-over-year were confirmed elsewhere as well: logistics technology platform provider Descartes Systems Group also noted last week that US container import volumes were 2,297,979 TEUs in June, up 10.4% year-over-year. However, on a sequential basis, US container imports in June were down 2.1% from May.

Meanwhile, the Pacific Merchant Shipping Association (PMSA) noted in its June 2024 West Coast Trade Report that inbound loaded containers at major US ports rose 10.4% in April to 2.09 million TEUs. NRF and Hackett Associates' figure for April was 2.02 million TEUs, which they said in June was highest number since 2.06 million TEU last October. PMSA and NRF and Hackett Associates track different US ports in their monthly coverage.

These higher port volumes are occurring despite geopolitical and macroeconomic uncertainties, such as continued disruptions in the Red Sea, the looming presidential election in the United States in November and more political support for tariffs on imported goods. Stakeholders are also watching whether contract negotiations with East Coast and Gulf Coast dockworkers will shift some cargo to West Coast ports.

"The risks to global trade growth continue to increase," said Hackett Associates founder Ben Hackett in a release. "We are in a volatile situation with multiple pressures on the movement of goods, underpinned by continued inflationary pressures."

Said Gold added: "Lulls between supply chain challenges seldom last long, and importers are currently looking at issues including high shipping rates, unresolved port labor negotiations and continuing capacity and congestion issues from the ongoing disruptions in the Red Sea."

And said Descartes: "July's update of logistics metrics monitored by Descartes reinforces the strength of imports since the start of 2024. Despite strong U.S. container imports, the risk of global supply chain disruptions remains high as the Middle East conflict and news of stalled labor negotiations at U.S. South Atlantic and Gulf Coast ports threaten the stability of global trade."

NRF and Hackett Associates' Global Port Tracker anticipate June container volumes to rise to 2.1 million TEUs, which would be up by 14.5% year-over-year. The report also expects July and August percentage increases to be in the double-digits before more modest increases for September and November.

The anticipated container volume increases come amid NRF forecasts that 2024 retail sales will grow between 2.5% and 3.5% over 2023. The sales figures exclude data from automobile dealers, gasoline stations and restaurants.