

October 2015

Leading Ports in North America - Container Volumes (TEUs)

East Coast ports continue to lead U.S. container traffic growth, helping to boost cargo volumes at the major North American ports. Total TEU (twenty-foot equivalent units) volumes reported through October 26, 2015 grew 2.9% year-over-year with inbound loaded containers up 3.3%. On a rolling 12-month basis, total container volume was up 6.1% with loaded imports up 13.1%. CBRE Research monitors TEU volume activity at the 13 largest ports in the U.S., Canada and Mexico and reports on the monthly and annual trends. Collectively, these ports represent approximately two thirds of total North American volume.

East Coast ports continue to see positive growth in container market share while West and Gulf Coast ports appear to have lost market share in the aftermath of labor disputes earlier in the year which caused costly delays and significant frustration for shippers. Among the leading West Coast ports, total TEUs were down 0.5% year-over-year and inbound containers fell 5.7%. East Coast volumes continued to show positive growth, with total TEUs up 10.1% and inbound volumes up 24.9%. Growth in total TEU volume in Houston – the leading Gulf Coast port – was negative for the month of September, falling 0.9% year-over-year and increasing a negligible 0.3% on inbound shipments. This is well below its peak of 40% to 50% growth on total and inbound volumes seen in May and June. Although freight shipments usually peak in the third and fourth quarters, this year's peak season is off to an unimpressive start with a number of ports posting negative year-over-year TEU growth.

Uncertainty in Asian markets has delivered a blow to global trade as indicated by the rising volume of empty containers exports at U.S. ports. According to the Wall Street Journal, exports of empty containers have surged this year particularly at U.S. ports closely linked to trade with China. Coupled with a strong dollar and an economic slowdown in Asian markets, exports of empty containers at the ports of Los Angeles and Oakland are up a combined 28.7% year-over-year while exports of loaded containers are down over the same amount. Usually when containers full of imports are unloaded at North American docks they are filled with exports headed overseas – however at the nation's leading port, Los Angeles – empty container exports are up 10.9% while loaded outbound containers are down 17.5%. While this is only a minor indication of potential shifts in the U.S. trade balance, continued monitoring of the Chinese economy and other export trends will be needed to recognize potential impacts to industries closely tied to foreign and domestic trade.

Although U.S. exports are currently down, the long-term forecast for sustained growth in global trade remains positive. As the \$5.3 billion Panama Canal expansion project nears completion, ports along all coasts are preparing to receive post-Panamax megaships. Occupiers and owners near key seaports, can expect to see sustainable rent growth and declining availability, especially where the cost of shipping to either the Gulf or East Coasts becomes equivalent with shipping products to the West Coast. As the landlocked region between all coasts becomes more efficient to access, global supply chains will eventually settle into a new pattern of distribution.

2015 - Current Month

Rank		Port	Coast	Month	Total TEUs		Loaded Inbound TEUs	
N.A.	U.S.				2015	Y-o-Y Change	2015	Y-o-Y Change
1	1	Los Angeles	W	Sept	730,306	-5.8%	372,991	-9.4%
2	2	Long Beach	W	Sept	655,624	4.1%	332,909	-1.9%
3	3	New York & New Jersey	E	Aug	574,547	15.2%	285,834	13.3%
4	4	Northwest Seaport Alliance	W	Sept	349,631	3.7%	132,790	6.6%
5	5	Savannah	E	Aug	315,175	6.6%	142,144	15.4%
6		Vancouver, Canada	W	Sept	267,083	2.9%	140,086	6.4%
7	6	Port of Virginia	E	Sept	215,520	7.2%	92,722	6.5%
8		Manzanillo, Mexico	W	Sept	199,786	-1.3%	58,521	-42.6%
9	7	Oakland	W	Sept	197,485	-4.8%	73,420	1.6%
10	8	Charleston	E	Aug	170,528	13.1%	70,827	26.0%
11	9	Houston	G	Sept	161,005	-0.9%	65,519	0.3%
12		Montreal, Canada	E	Sept	118,327	-1.7%	56,168	n/a
13		Lazaro Cardenas, Mexico	W	Aug	91,646	-2.1%	42,948	1.7%
All Major Ports				Sept	4,046,663	2.9%	1,866,879	3.3%
Major West Coast Ports			W	Sept	2,491,561	-0.5%	1,153,665	-5.7%
Major East Coast Ports			E	Sept	1,394,097	10.1%	647,695	24.9%
Major Gulf Coast Port			G	Sept	161,005	-0.9%	65,519	0.3%

2015 - Rolling Twelve Month Total

Rank		Port	Coast	12 mos Through	Total TEUs		Loaded Inbound TEUs	
N.A.	U.S.				2015	Y-o-Y Change	2015	Y-o-Y Change
1	1	Los Angeles	W	Sept	8,157,187	1.6%	4,161,791	-1.8%
2	2	Long Beach	W	Sept	7,087,699	4.0%	3,595,596	2.1%
3	3	New York & New Jersey	E	Aug	6,257,168	11.6%	3,154,918	10.5%
4	4	Savannah	E	Aug	3,711,149	15.8%	1,589,520	26.0%
5	5	Northwest Seaport Alliance	W	Sept	3,545,282	2.6%	1,300,748	9.0%
6		Vancouver, Canada	W	Sept	3,038,824	3.9%	1,548,718	3.7%
7	6	Port of Virginia	E	Sept	2,548,438	8.9%	1,082,852	8.7%
8		Manzanillo, Mexico	W	Sept	2,514,193	9.0%	1,143,321	n/a
9	7	Oakland	W	Sept	2,304,860	-2.9%	844,202	2.3%
10	8	Houston	G	Sept	2,124,652	10.3%	839,731	19.5%
11	9	Charleston	E	Aug	1,944,246	12.9%	790,508	16.7%
12		Montreal, Canada	E	Sept	1,447,274	2.9%	n/a	n/a
13		Lazaro Cardenas, Mexico	W	Sept	1,021,101	4.6%	443,581	23.9%
All Major Ports				Sept	45,702,073	6.1%	20,495,486	13.1%
Major West Coast Ports			W	Sept	27,669,146	2.9%	13,037,957	12.1%
Major East Coast Ports			E	Sept	15,908,275	11.4%	6,617,798	14.3%
Major Gulf Coast Port			G	Sept	2,124,652	10.3%	839,731	19.5%

Sources: CBRE Research, port authorities for each port.

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