



The Bottom Line

OCTOBER 2021 | VOL. 107

CARGO BACKLOG: NOT JUST THE WEST COAST

Summary

There are over 70 container ships full of import cargo stuck offshore of Los Angeles and Long Beach. Still, there are more than double that — 154 as of September 24 — waiting to load export cargo off the coasts of Shanghai and Ningbo, and more than 240 container ships waiting for berths China-wide. In addition, backlogs exist at other ports, including New York/New Jersey, Savannah, Houston, Seattle/Tacoma, Sydney, and Rotterdam.

Background

The cargo surge that began over a year ago has resulted in container ships remaining at anchor for as long as a week before being allocated berth space.

The most recent crisis started when the port city of Guangzhou recorded a surge in COVID cases in June. The Chinese government locked down parts of Guangzhou for over a week and imposed strict travel restrictions on the city's residents. Per a CNN report, this lockdown caused a significant delay in shipments — particularly in Yantian, a large port 50 miles away from Hong Kong. Before the lockdown, the Yantian port handled around 36,000 20-foot containers daily, but a subsequent COVID outbreak among its dock workers led to that shipyard's operations being shut down next. On August 11, freight operations were halted at Ningbo Meidong Container Terminal, which handles around one-quarter of the container cargo in the world's third busiest container port, after a single case of COVID-19. During the shutdown, nearly all inbound and outbound container operations at the Meishan terminal were redirected to other facilities.

Current Status

Around the world, busy ports are experiencing the same problems. Workers testing positive for Coronavirus are resulting in staffing shortages and straining port efficiency. The same conditions apply to trucking companies and warehouses, resulting in lower drayage capacity and longer turnaround times.

More than two dozen container ships are anchored at sea miles off the south shore of Long Island. Savannah, Georgia, has over 15 vessels in line waiting for berth space. Houston has 30 vessels at anchor. There are

currently eight vessels in the anchorages on the Puget Sound, meaning that the area is two-thirds full as ships wait for terminal space at the ports in Seattle and Tacoma. Additionally, container ships bound for Australia encounter problems at ports in Sydney and Melbourne, and anchorages off Rotterdam, Antwerp, and Hamburg have dozens of ships on site.

As volumes continue to surge at the nation's ports, Los Angeles and Long Beach are taking the first steps to expand their hours of operations to 24/7 to keep up with the backlog of freight. East Coast APM Terminals efforts' have included extending gate hours, bringing in more equipment, and diverting ships to other terminals. These have helped reduce pressure and decrease wait times.

Impact

While no statistics are available regarding the wait time for vessels looking to dock at Chinese ports, the average wait time for the vessels off Southern California is about 8.7 days — about 2.5 days longer than last month, Los Angeles port data indicated.

Congestion in Chinese ports that slows the flow of exports is bad news for U.S. importers, but it could temporarily alleviate pressure on Los Angeles and Long Beach ports. For example, when operations at the Chinese port of Yantian were heavily curtailed in June, ships at anchor in California's San Pedro Bay declined. The problem for California ports was that a surge of delayed cargo soon followed the reprieve.

Although the delays off the U.S. West Coast are the most news-worthy, they are by no means unique. Considering all the delays, the total door-to-door transit time for ocean cargo is nearly double what it should be. With cargo vessels taking twice as long to complete their routes, the result is reduced capacity, resulting in higher freight rates.

RESOURCES

[Container Ships Now Piling Up at Anchorages Off China's Ports](#) (FreightWaves)

[Your Christmas Shopping This Year Could Be Held Up By a Staggering Shipping Backlog in China's Southern Ports](#) (Insider)

[Pacific, Atlantic Ports Report Strong Growth in August Amid Tight Supply Chains](#) (Transport Topics)

[Dozens of Ships Off Coast of New York Wait to Dock In Port](#) (Daily Mail)