

The State Of Ocean Freight

AHFA Annual Logistics Conference

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Senior Editor
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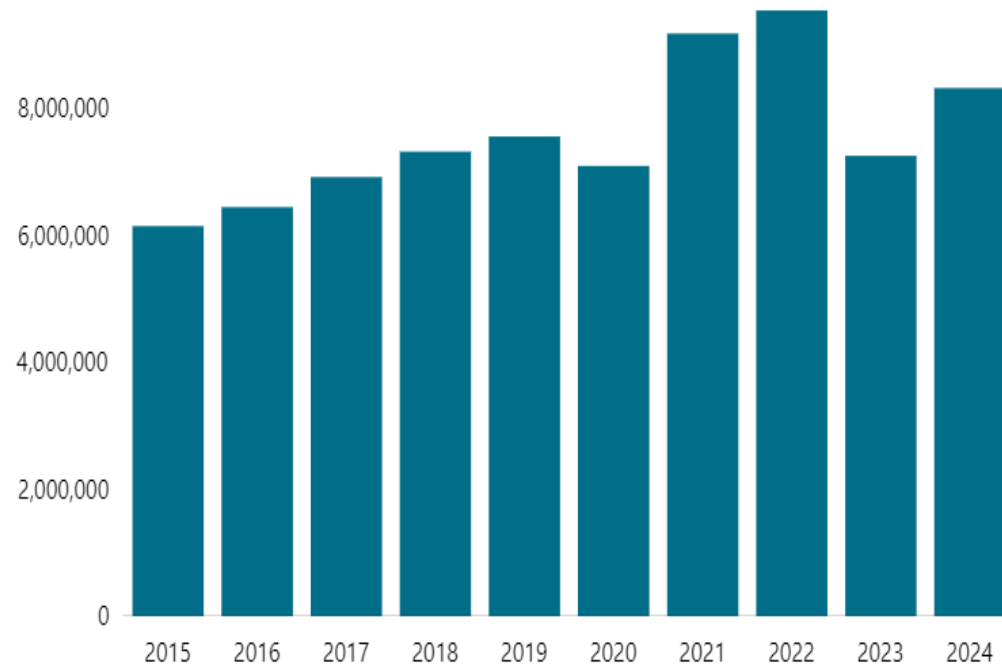
Agenda

- **Part One: Ocean Freight Market Outlook**
 - Pricing
 - Decarbonization
 - Regulatory Environment
- **Part Two: Logistics Technology Outlook**
 - Visibility
 - PO Management
 - Digital Forwarders
 - Detention/Demurrage
- **Takeaways**
- **Q&A**

Ocean Freight Volumes: US Import Volumes Moving Higher

- US Import Volume YTD 2024 is up 15%

US import TEU volume, YTD (PIERS)

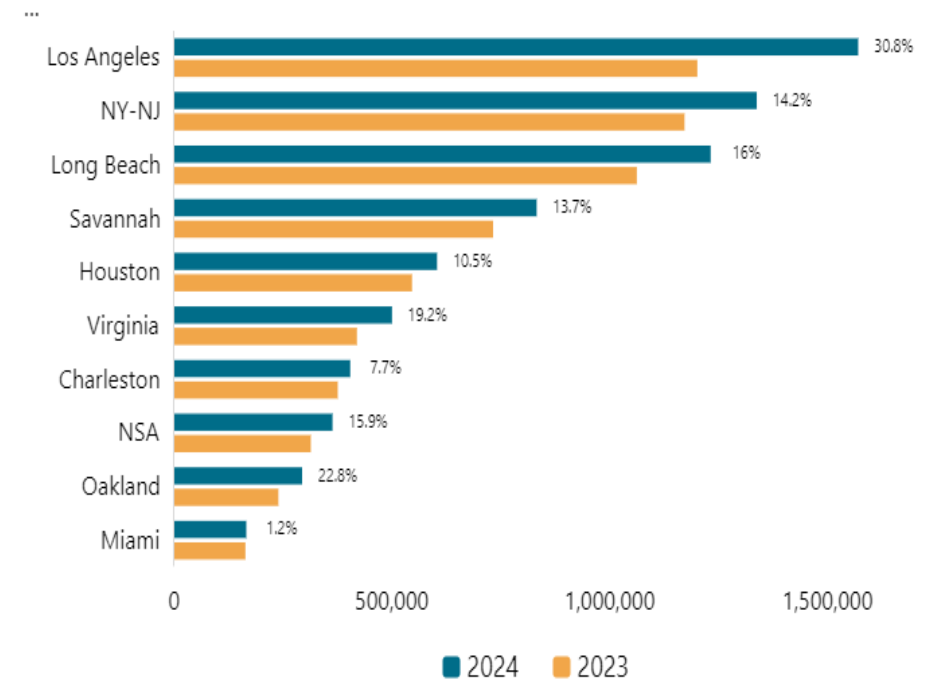


Source: PIERS, S&P Global

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- West Coast Ports See Most of the 2024 Growth

Top US ports by TEU imports, YTD (PIERS)



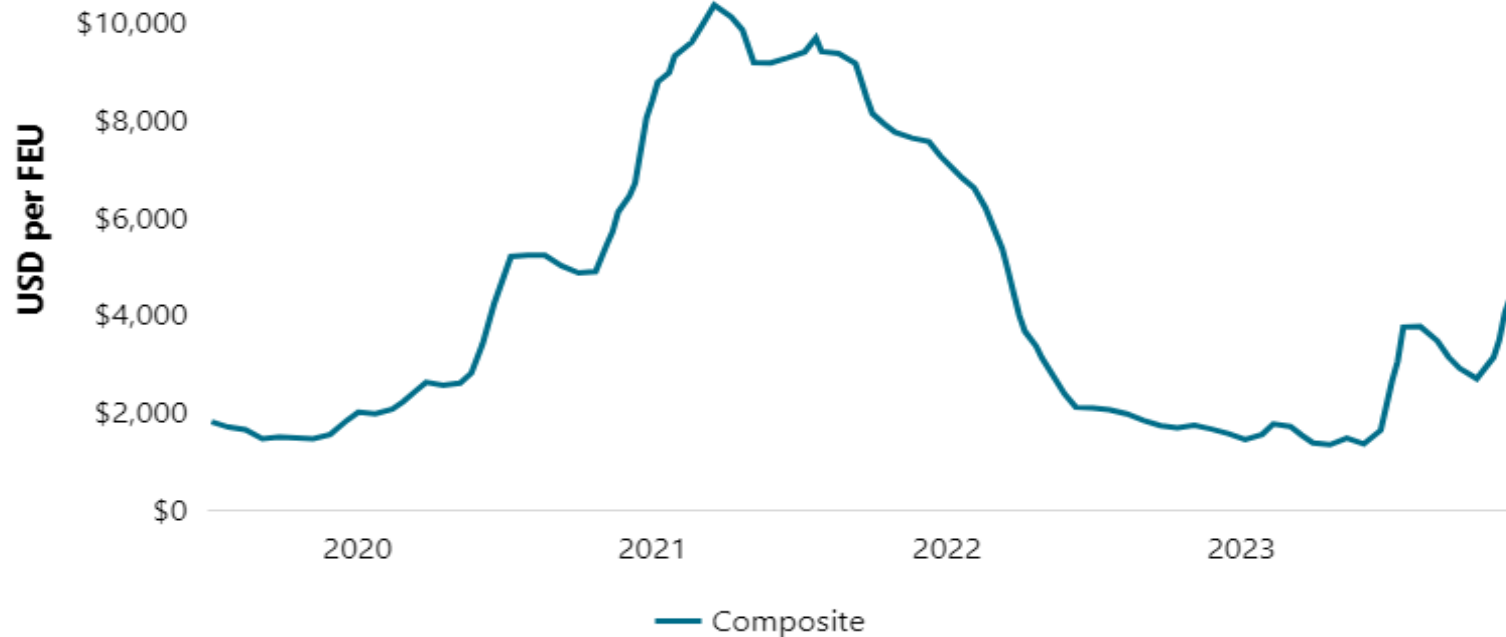
Source: S&P Global

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Ocean Freight Rates Returning to Pandemic-Era Levels

- Spot Container Freight Rates Have Risen 200% Since mid-December

World Container Shipping Index (Drewry)

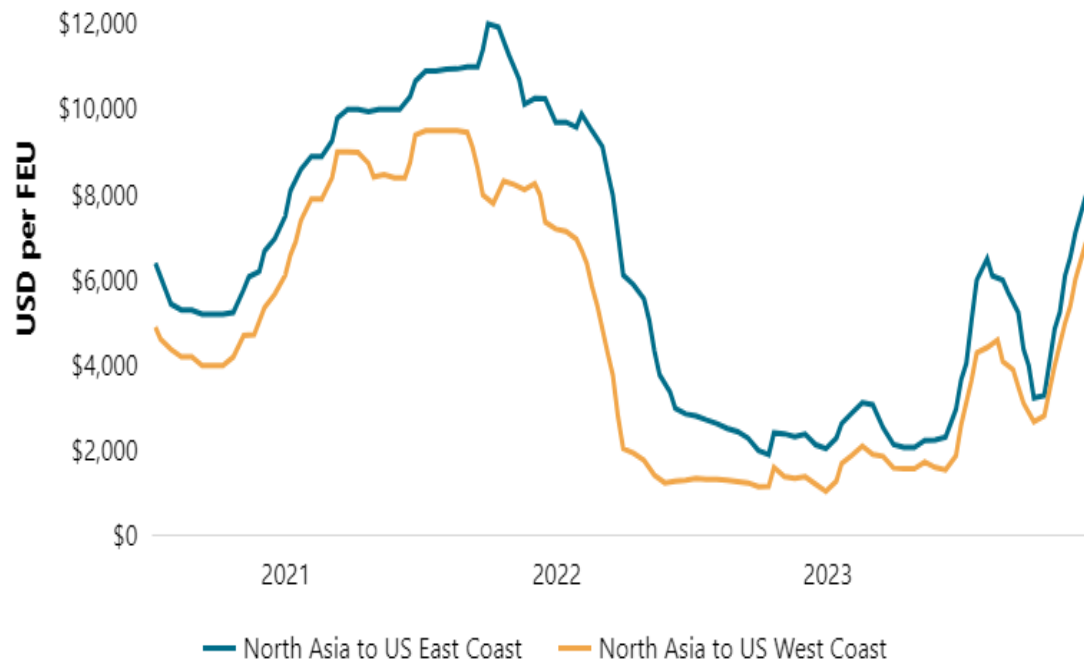


Source: World Container Index assessed by Drewry

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Spot Container Rates from Asia Also Rising Higher

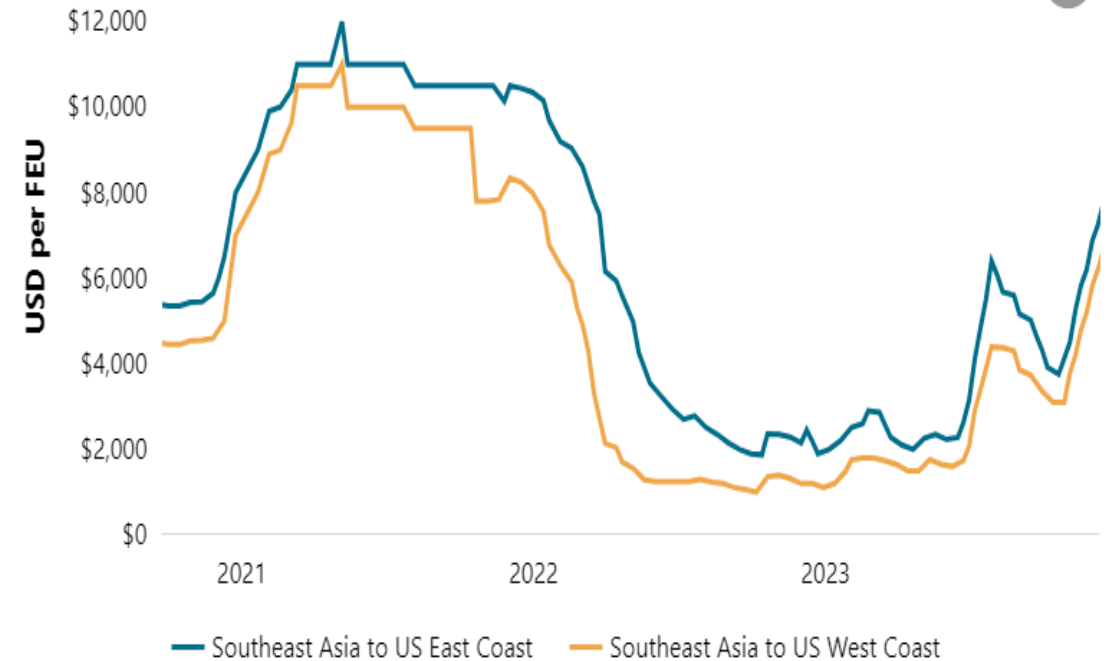
North Asia to US West Coast and East Coast container spot rates (Platts)



Source: Platts, S&P Global

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Southeast Asia to US West and US East Coast container spot rates (Platts)

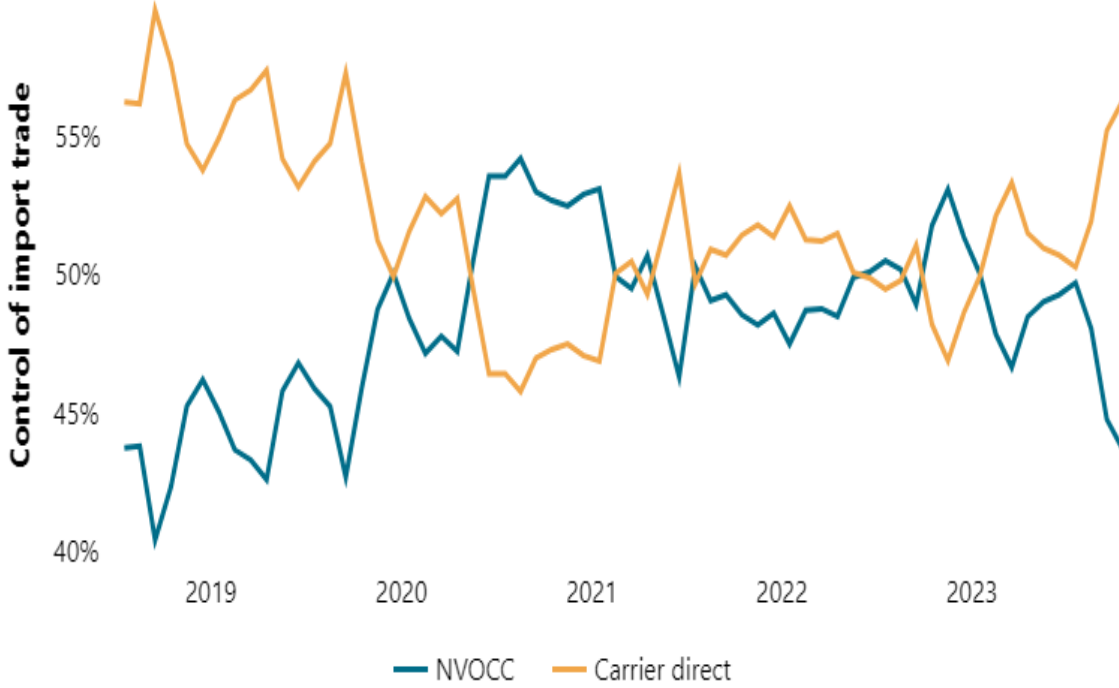


Source: Platts, S&P Global

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NVOs Have Lost Market Share as Rates Accelerate

Carrier direct vs NVO control of Asia imports (PIERS)



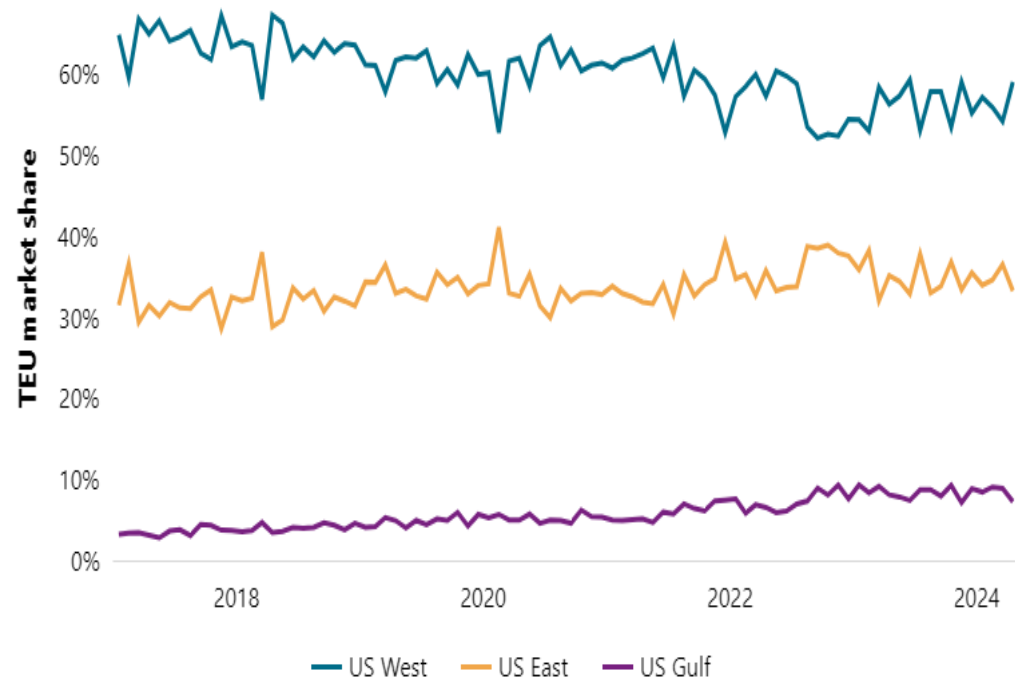
Notes: The PIERS analysis doesn't include less-than-containerload shipments

Source: PIERS, S&P Global

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West Coast Ports Performing Well Amid Volume Rebound

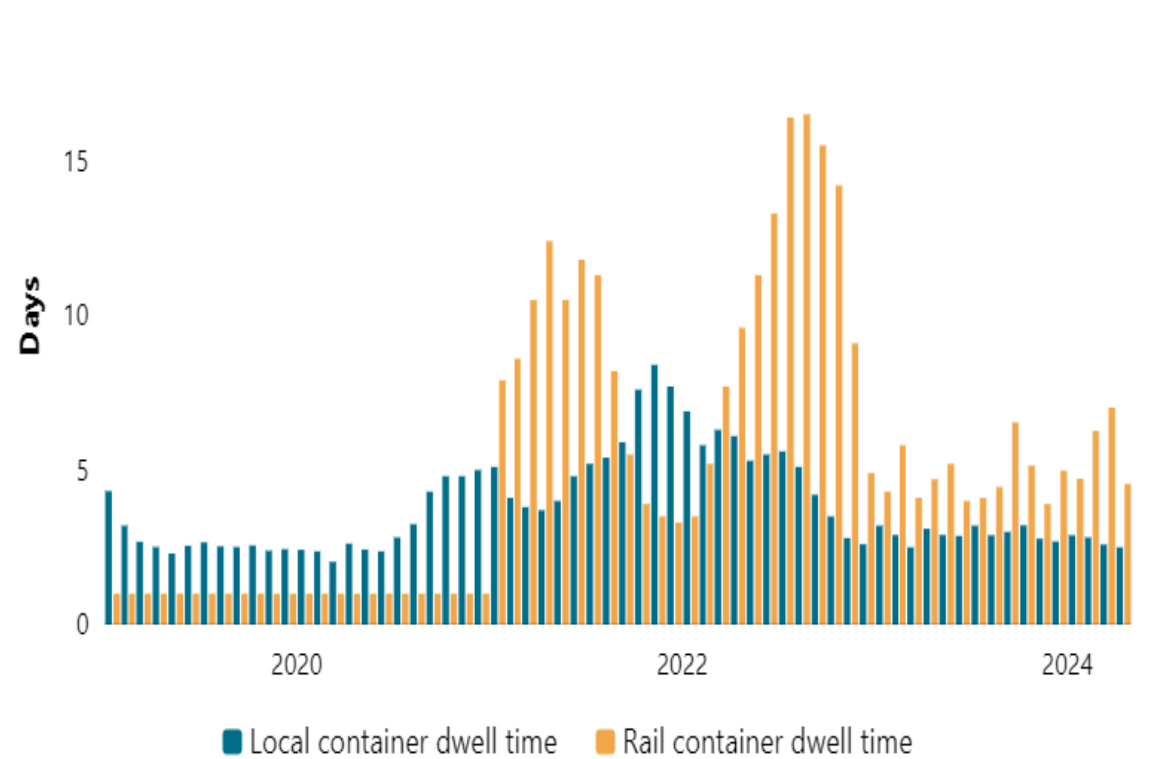
Coastal share of US imports from Asia (PIERS)



Source: PIERS, S&P Global

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LA-LB terminal and rail dwell times (PMSA)

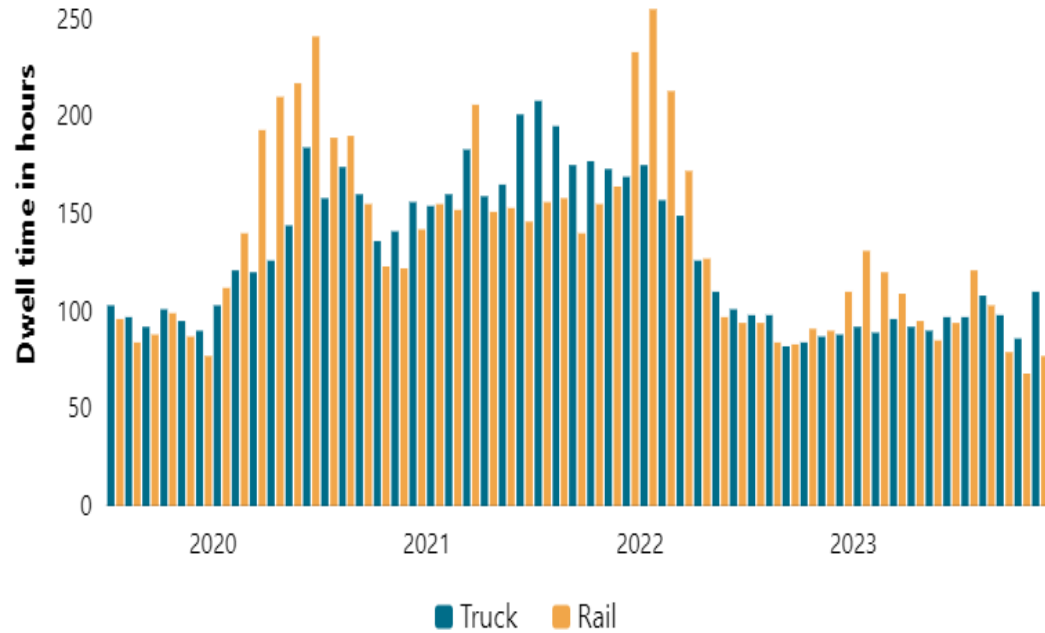


Source: Pacific Merchant Shipping Association

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East Coast Ports Also Fluid with No Major Delays

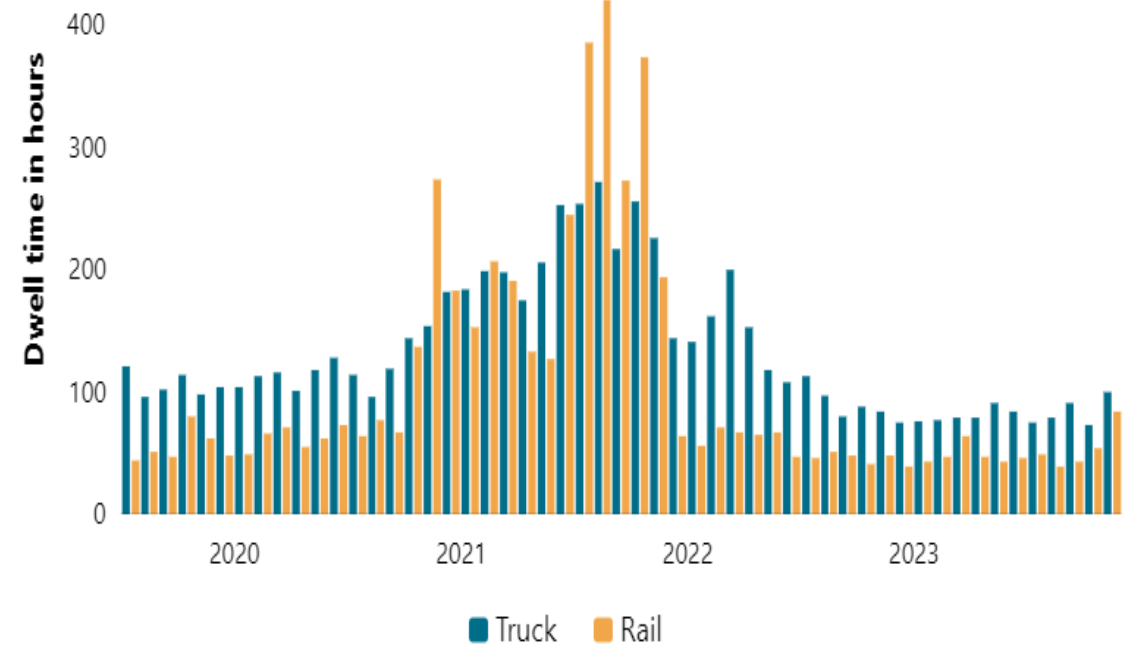
New York container dwell times (Infor Nexus)



Source: Infor Nexus

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Charleston container dwell times (Infor Nexus)

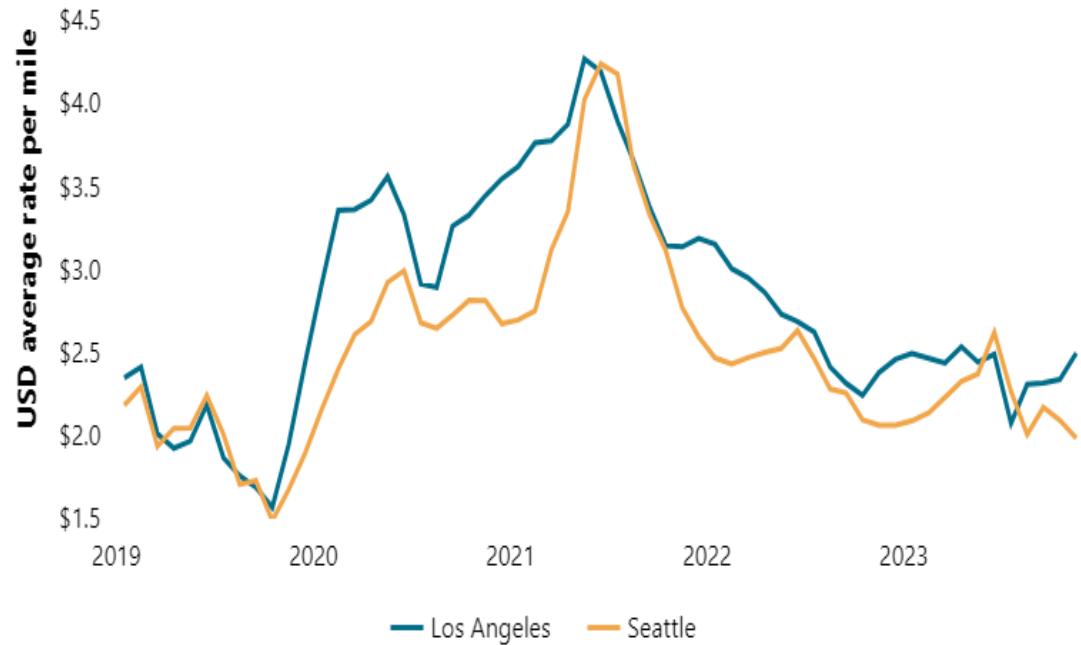


Source: Infor Nexus

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Outbound Trucking Rates from Key US Ports

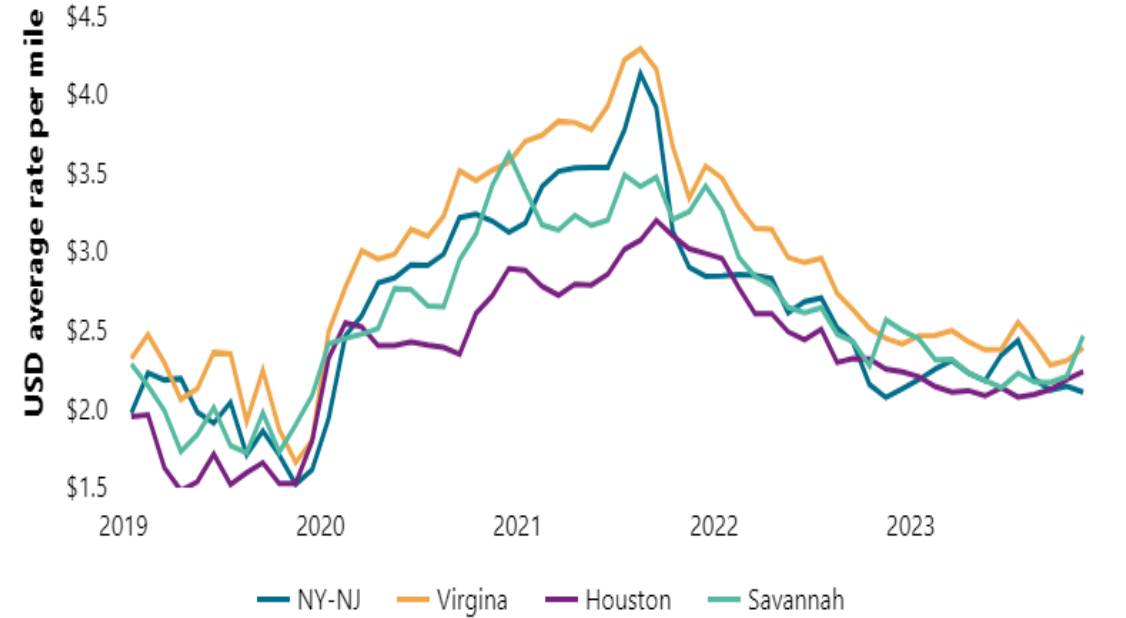
Outbound spot dry van trucking rates from LA, Seattle (Various sources)



Source: Various sources

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Outbound spot dry van trucking rates from NY-NJ, Virginia, Houston, Savannah (Various sources)



Source: Various sources

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East and Gulf Coast Longshore Contract Talks Taking Longer Than Expected

- Sept. 20, 2022 – ILA memo sets Dec. 15 starts for local negotiations to “maximize the possibility of reaching a peaceful settlement on both local and master contracts” with expected Feb. 14 completion
- Oct. 5, 2022 –President Harold Daggett: ILA and USMX has “a powerful trust that can help us reach a new agreement which both sides can be happy with.”
- Mar. 6, 2023 – Local unions told to discontinue negotiations until further notice
- July 27, 2023 – Daggett: “2% and 3% raises aren’t going to cut it anymore.”
- Nov. 7, 2023 – “We must be prepared if our demands are not met. Start saving money because that day may come”; “We are facing the most challenging negotiations in our history.”
- May 17, 2024 – ILA sets internal deadline for completing local negotiations
- June 10, 2024 – ILA cancels talks with USMX over wages due to automation concerns at the Port of Mobile

Maritime Laws and Regulations Are Evolving

- OSRA22
- Detention/demurrage rulemaking
- More legislation on the cards: End of VSAs?
- Carrot vs Stick: DOT FLOW initiative



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