



Navigating the World

March 28th, 2021

Suez Canal Closure



The smorgasbord of issues plaguing the shipping industry seems to be relentless and continuous. Despite still dealing with very serious COVID-related problems, internationally, shipping has seen some unprecedented hardships. 2021 has brought on many new challenges that has created a global gridlock effecting all chains in the logistics process. For the U.S., the major concern is

still increased imports, which is leading to port congestion and raised prices. Internationally, the effects of the Suez Canal closure, COVID labor shortages, equipment imbalances, and new demand curves are still wreaking havoc.

This past week, the San Francisco based Arab Resource & Organizing Center (Aroc) successfully turned a ZIM vessel away from docking in Oakland, CA in a protest effort regarding the Israeli-Palestinian conflict. These protests were part of a larger scale operation during 'International Week of Action' that ends this week. ZIM's official statement was the rerouting was due to Oakland's extensive congestion, but the specific attached on the Israeli operated vessel was not lost on the cause. The impacts of rerouting vessels in an already congested state have a ripple effect that can impinge on timelines and price for weeks to come. According to Aroc, more protests are planned in other west coast ports, as well as New York and Canada. Other protesting efforts were made world-wide in addition to the Oakland demonstrations. Oakland, and all U.S.W.C. ports are already experiencing heavy congestion, any new issues that arise are exponentially hard to handle without creating more disarray.

Despite the challenges, U.S. ports are starting to see some decline in dwell time, as ports are becoming more efficient with the processing and handling of the new demand. Though better than the past few months, heavy congestion and wait time is still up versus normal conditions.

Terminals with the heaviest congestion:

- Houston
- Savannah
- Los Angeles / Long Beach
- Seattle
- Oakland



U.S East Coast Major Concerns:

- NY / NJ Terminals is down to 1 to 2 days wait time, but trucking congestion is still prevalent as equipment shortages are still being recorded
- Savannah wait times can be expected between 2 to 3 days
- Norfolk wait time can be expected between 3 to 4 days
- Charleston wait time can be expected between 1 to 2 days

U.S. West Coast Major Concerns:

- Los Angeles / Long Beach is between 3 to 9 days of dwell time due to labor shortages, and terminal repairs
- Seattle is between 3 to 7 days of dwell time due to high level of imports
- Oakland is experiencing the worst dwell time and congestion, with a dwell time up to 25 days due to high import volume, labor shortage, terminal repair and localized protests

Rail Terminal Updates:

- BNSF/Chicago is experiencing significant delays to high volume, long dwell time and equipment shortages
- Charleston Terminal has increased delays for imports and exports
- Inland Port Greer has temporarily closed for all export traffic, except for BMW, to Charleston. Import and empty container traffic will still be allowed.
- BNSF & UP/LAX/LGB have increased delays due to gate capacity restrictions, rail car shortages, and limited reservations
- Norfolk Southern will no longer be servicing Chicago to/from Baltimore for all equipment types.

Terminal congestion due to increased volume is creating severe equipment shortages. The worst recorded terminals are Los Angeles/ Long Beach, New York, and Philadelphia. Delays are expected to continue to rails for pick up and deliveries for the foreseeable future.

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