



Congestion Still at Play

It is not news to anyone that global shipping continues to be a mess. As China is still being ravaged by COVID, and Ukraine and Russia are still in the darkest days of war; it begs the question: when will logistics return to normal? The U.S. is facing some of the largest inflation rates since the Great Depression which can, in part, be attributed to the global shipping crisis and extreme shipping rates. The biggest increase is found in trucking, which over the last year has jumped nearly 30%. Experts are reporting that rates for freight arriving from overseas is expected to plateau and then remain relatively low compared to the monstrous rates recorded in late 2021 and early 2022. Still a lingering issue that seems is here to stay, is the imbalance between exports and imports in/out of the U.S. Ports, rails, warehouses, and truckers alike are having issues accommodating the import volume, which in turn has a direct impact on the efficiency of handling exports.



Impact of COVID lockdowns



China, especially Shanghai, is facing long lockdown periods due to COVID, impacting not only the general health of the population, but also will create a ripple-effect of problems for global shipping. Once lockdowns are lifted, there will be a trove of backlogged shipments ready to set sail. This temporary respite has done the US import volume some good, by allowing ports a chance to recover somewhat from congestion. But it is a victory that will be short lived. When everyone returns to work and manufacturing is back in full swing it will be a mad rush to ports creating a new wave of congestion - just in time for U.S. retailers to start prepping for the 2022 holiday season.

Global View

Industry experts predicted that consumer fear due to the Russian / Ukrainian war would impact spending in the U.S. as citizens would err on the side of caution and be a bit more

frugal. They predicted, as well, that growing inflation and rising fuel costs would dampen the demand for material goods imported from overseas. However, there is no indication that these predictions have materialized. Rates have been on the rise for consumer goods in the United States since the onset of COVID, and there has been no relief. Inflation is being recorded at 8.5%, the highest it has been since 1981 which was a staggering 7.8%. The rising cost of goods is due, in part, to the increasing costs of logistics being passed along to consumers.



Trucking in the U.S.

Trucking rates in the U.S. are nearly 30% higher than previously recorded in April of 2021. This increase is largely due to fuel costs, which are up almost 40% since last year. But also there is the issue of accommodating the 60 to 40 percent import to export ratio. Decreasing exports and increasing imports are creating problems at crucial junctures in logistics.



Ports cannot stage export containers because the import containers have yet to be removed. This then creates a ripple of problems at every subsequent stage. There are not enough truckers available to accommodate the increase, nor warehouse space to hold the cargo. This issue is expected to continue and become even worse once China regains full operation and containers flood the trans-pacific.

Though the outlook on shipping is still bleak, there is some hope and evidence that rates are bound to drop. Timelines will adjust to the new normal, which will create an equilibrium to the buy / sell process. Our team at Rose is actively growing our workforce and our offerings to assure the best service in logistics. Rose now offers service to Central America through CMA and OOCL. We are working closely with Evergreen to offer even more shipping lanes. Rose has expanded our footprint overseas by including an EU liaison and executive assistant to our Rose President (Neal Rosenberg) and now has a pilot office in Jacksonville, Florida. Our team is growing and is making efforts to be as streamlined and effective as possible. Trust our team to get you the best rates and the best service.

Updates & Info

For a listing of current port conditions please see below:

West Coast:

- LA / LB Ports: Over 85 vessels are waiting to berth; congestion, delays, and limited capacity are prevalent. Delays can be as much as 6 weeks.
- Seattle Port: 4 - day vessel wait time is to be expected due to congestion, labor shortages. Containers are dwelling for up to 6 weeks in the terminal

before trucking is available.

- Oakland: 15 - day vessel wait time is to be expected due to congestion, labor shortages, and lack of trucking. Empty containers are creating the largest delays as they wait to return to Aisa

Gulf Coast:

- Houston: 24 – day vessel wait time is to be expected due to fog conditions, congestion, labor shortages, and lack of trucking

East Coast:

- NY/NJ Ports: 3 – day vessel wait time due to increased import volume
- Norfolk: 5 – day vessel wait time due to berth congestion and high import volume
- Savannah: Vessel wait time is up to 15 days
- Charleston: Vessel wait time is up to 20 days due to terminal system upgrades, labor shortages and increased import volume
- Port Everglades and Miami: 2 – day vessel wait time due to increased import volume

Chassis issues are prevalent throughout the U.S. due to the division of the intermodal system, Covid-19 related issues, and the lack of additional capacity at different levels of the supply chain.

Rail/ Ramp Terminals & Trucking Nationwide:

- BNSF & UP/LAX/LGB: Import rails units are facing extreme congestion with limited gate capacity, shortages, and restrictions
- NS: (Norfolk Southern Rail): Service has been suspended to Jacksonville
- Chicago Rail Ramp: Experiencing severe congestion due to dwelling containers and chassis shortages. Only 10 spots open daily. Chicago's issues are affecting most other major rails, as equipment is imbalanced and scarce.
- CSX Bedford: Limited gate reservations
- NY/NJ: Chassis shortage is causing delays. Truckers are booked nearly 3 weeks in advance.
- Philadelphia: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage.
- Charleston: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage. Truckers are booked nearly 4 weeks in advance.
- Savannah: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage. Truckers are booked 2 to 3 weeks in advance.
- Jacksonville and Miami: The rail congestion in Chicago is affecting services out of Miami. The shortage of equipment in Florida can create

delays up to 2 weeks.

- Seattle: Up to 10 days delay for cargo going to Chicago. Limited trucker capacity, most truckers are booked 2 weeks or more in advance. Long waiting line for export/import.
- Houston/Dallas: There is a severe chassis shortage and ongoing congestion. Truckers are booked up to 3 weeks in advance.
- Los Angeles / Long Beach: Trucking continues to be backlogged, with some reports of up to 6 weeks of truckers being booked in advance.

Equipment Shortages:

There is national shortage of chassis throughout the U.S. negatively impacting timelines. The areas of the worst chassis shortages are as follows:

- Los Angeles/Long Beach, New York, Philadelphia, St. Louis, Columbus, Cleveland, Chicago, Memphis, Atlanta, Nashville, and Louisville

General equipment shortages are common, and are the most impacted in the following locations:

- Atlanta, Chicago, Cincinnati, Columbus, Detroit, Kansas City, Minneapolis, Memphis, Nashville, Omaha, St. Louis, South Florida, and Seattle



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