



U.S. import volumes continue to climb and are currently in line with 2019 (pre-pandemic) levels, reaching a total of 2,097,313 TUEs in May. The surge in volumes is attributed to a rise in imports from Vietnam, India, and Hong Kong. Taking a look at individual port performance for the Top 10 U.S. ports, West Coast ports saw a surge in volumes, with Los Angeles recording the highest container volume increase (56,226 TEUs) nationally, while Tacoma saw the highest percentage increase (33.3%). East and Gulf Coasts reported mixed results, with import activity rising at Norfolk (+11.1%) and New York/New Jersey (+3.3%) and declining at Savannah (-3.4%) and Charleston (-1.1%). Baltimore and Houston saw the largest declines, at -10.4% and -4.4% respectively.

The latest data from China reveals that export activity to most destinations dropped more than expected, with double-digit declines recorded to the U.S., Japan, Southeast Asia, France, and Italy. Meanwhile recessionary pressure in Germany is casting shadows on peak season demand as reduced consumer demand will lead to decreased imports in Europe's largest economy. This, in turn, will affect export-dependent economies and contribute to a broader economic downturn.

While global schedule reliability continues to improve, the rate of improvement has lost momentum, increasing a mere 1.7% in April. Maersk remained the most reliable carrier, with 70.3% of its' vessels arriving on time, followed by MSC at 68%. Yang Ming continues to be the most unreliable at 52.1%. Vessel delays also continue to decrease, with the late arrivals averaging 4.34 days. However, vessel delays have increased to all U.S. destinations, with transit times climbing an average of 2 days.

As expected, long-term contracted rates nose-dived in May - falling an unprecedented 27.5%. Driven mainly by a significant drop in long-term commitments in the U.S., this marks the ninth consecutive month of declines and represents the largest monthly decline ever recorded. Despite the sharp decline, contracted rates remain well above pre-COVID levels, leading many Transpacific shippers to instead opt for short-term commitments at rates that have fallen back to 2019 levels.

## KEY DEVELOPMENTS

**Demand:** This week's load factors are mixed, with satisfactory volumes reported on some services while others barely exceed 80% utilization.

**Supply:** While capacity has stabilized, West Coast labor actions threaten to tie up capacity.

**Blank Sailings:** Carriers have scaled back on blank sailings, cancelling only 29 voyages between weeks 23 - 27.

**Rates:** Global spot rates inched down this week despite a June 1 GRI on Transpacific trades. However, a week after the GRI was imposed, rates have slipped again, with only 50% of the GRI remaining.

## In Other News

### US import demand positioned to find a new bottom in 2023

FreightWaves

With U.S. importers as cautious as ever in bringing in new volumes during H2'2023, it is increasingly likely that U.S. import demand is ... [Read more](#)



## Upcoming Holidays

Holiday	Country	Date(s)
Dragon Boat Festival	China and Taiwan	June 22 - 23
Midsummer	Finland, Latvia, and Sweden	June 23 - 24
Hari Raya	Indonesia, Malaysia, and Singapore	June 29 - 30

For a more comprehensive list of holidays, please click [here](#).

## Rotation Changes

- **MSC** has dropped Port Klang, Tanjung Pelepas, Singapore, and Da Chan Bay from its Sentosa service, effective June 8
  - Laem Chabang • Vung Tau • Haiphong • Long Beach • Oakland • Busan
- **MSC** will drop Miami and add Port Everglades on its Santana service, effective June 8
  - Haiphong • Shanghai • Ningbo • Busan • Rodman • Caucedo • Port Everglades • Charleston • Baltimore • New York • Boston • Singapore
- **MSC** to reinstate its Swan service between China and North Europe, effective June 9
  - Qingdao • Ningbo • Yantian • Tanjung Pelepas • Antwerp • Gdynia • Gdansk • Klaipeda • King Abdullah Port • Singapore



## Market Outlook

Market	Trade Lane	Capacity	Demand	Rates	Origin Performance		
					Equipment	Reliability	Congestion
Asia	Asia – North America West Coast	●	●	↑	●	●	●
	Asia – North America East Coast	●	●	↑	●	●	●
	Asia – Europe	●	●	↓	●	●	●
North America	North America – Asia	●	●	→	●	●	●
	North America – Europe	●	●	↓	●	●	●
	North America – Oceania	●	●	→	●	●	●
	North America - LATAM	●	●	→	●	●	●
Europe	Europe – North America	●	●	↓	●	●	●
	Europe – Asia	●	●	↓	●	●	●
	Europe – Oceania	●	●	↓	●	●	●
	Europe – LATAM	●	●	↓	●	●	●
LATAM	LATAM – North America	●	●	↓	●	●	●
	LATAM – Europe	●	●	↓	●	●	●
Oceania	Oceania – North America	●	●	↓	●	●	●
	Oceania - Europe	●	●	→	●	●	●

### Major Disruptions

- Labor actions by the **ILWU** have forced sporadic closures of several terminals across California, including Los Angeles, Long Beach, Oakland, Seattle, Tacoma, and Hueneme
  - Disruptions are now impacting vessel movements, prompting fears of offshore traffic jams, and drayage operations, which may lead to increased storage costs and chassis shortages
  - More disruption is likely in the coming weeks, which could lead to significant congestion, delays, and higher shipping costs, with ripples affecting domestic and rail operations, especially at inland locations
- Thick smoke from Canadian wildfires forces the Port of New York / New Jersey to close early on Wednesday; normal operations are expected today
  - [Click here to watch a time-lapse video of New York City](#)
- Panama Canal water levels continue to decrease, prompting officials to implement water-saving measures
  - Should water levels continue to drop, authorities may be forced to limit the number of vessels transiting the canal daily - from 36 down to 28-32

### Announcements

- **CMA CGM** has announced a \$1,000 per FEU GRI on all shipments from Asia, Bangladesh, India, Pakistan, and Sri Lanka to the U.S. and Canada, effective **June 15**
- **ILWU Canada**, representing dockworkers in Vancouver and Prince Rupert, to hold strike vote on **June 9 -10**
  - If approved, the earliest the 7,000+ workers could strike under Canadian law would be **June 24**

### Forecast

While there is still much uncertainty about what the peak season will look like, the consensus among carriers and ports is that there will be a moderate bump in peak season volumes in line with pre-COVID patterns as back-to-school and holiday goods are shipped. While this would pressure spot rates through the summer and early fall, no fireworks are expected.



# Thank You

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