

LA/LONG BEACH CALLS DOWN AS VESSEL CAPACITIES GROW

Marine Exchange of Southern California data illustrates a global trend that looks set to continue with arrival of many more ULCs, writes *Janet Porter*

PORTS around the world are struggling to keep up with the rapid escalation of containership sizes, investing in higher cranes and dredging approach channels in the hope that they are not left behind.

Not surprisingly, the arrival of larger vessels is affecting port operations in other ways, including the number of individual ship calls.

This is graphically illustrated by statistics produced by the Marine Exchange of Southern California, which keeps a record of ship arrivals and

departures for Los Angeles, Long Beach and other ports in the region, while also operating a vessel traffic service in partnership with the US Coast Guard.

The data shows that while container volumes through the two largest box ports in the US have grown over the past six years, the number of vessels handled by the pair has fallen sharply.

Los Angeles handled 7.8m teu in 2015, a little down on the 2014 level of 8.3m teu but some way ahead of throughput in 2010 of 7.8m teu and considerably higher than in 2000

when inbound, outbound and empty container traffic was just under 5m teu.

At nearby Long Beach, container volumes reached 7.2m teu last year against 6.3m teu in 2010 and just 4.6m teu in 2000.

More than 2,000 containerships called at the two San Pedro ports last year, representing 47% of all ship arrivals. This compares with tankers that accounted for 14% of total calls, and passengerships at 9%, according to Marine Exchange analysis.

But whereas the latter two categories

Figure 1: Ship count by ship type 2010-2015

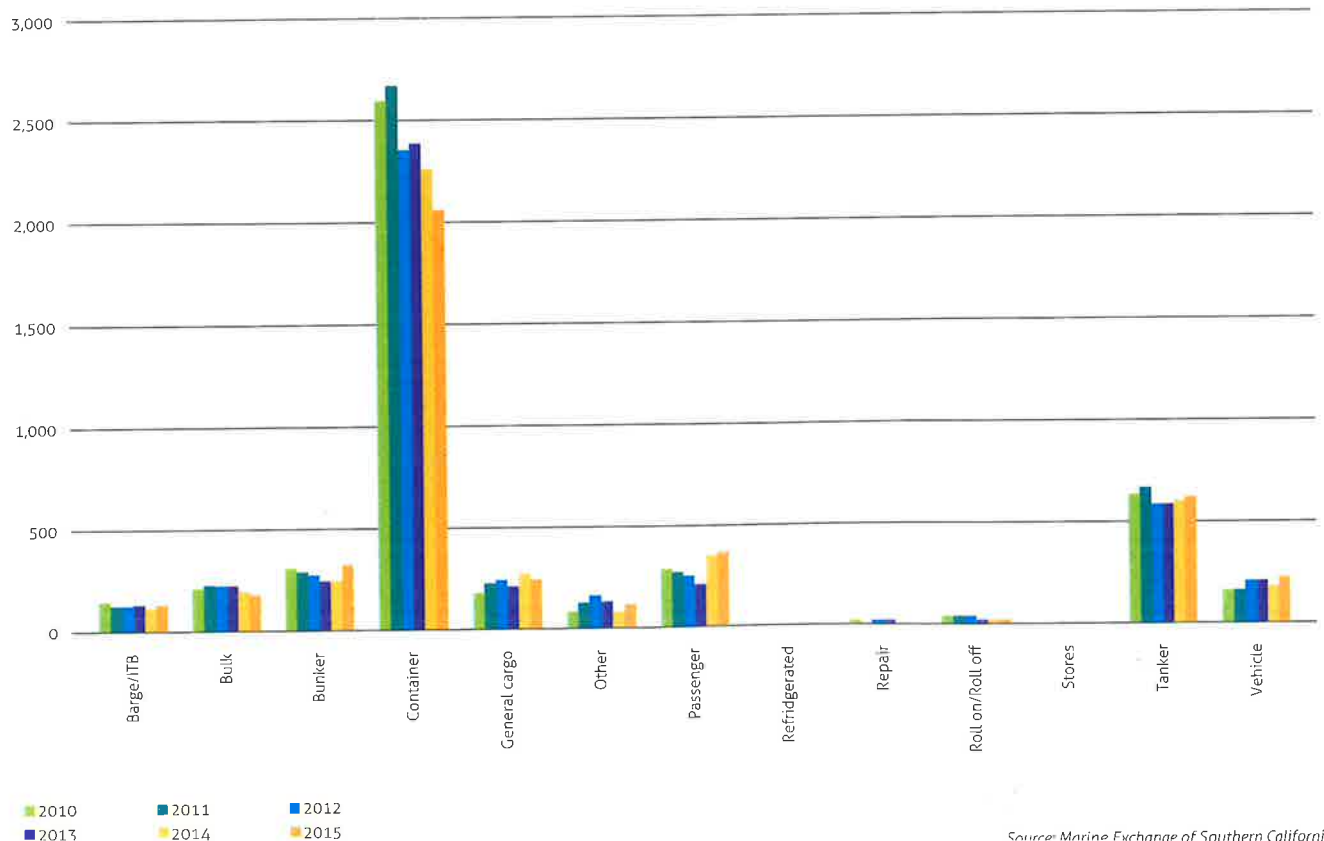
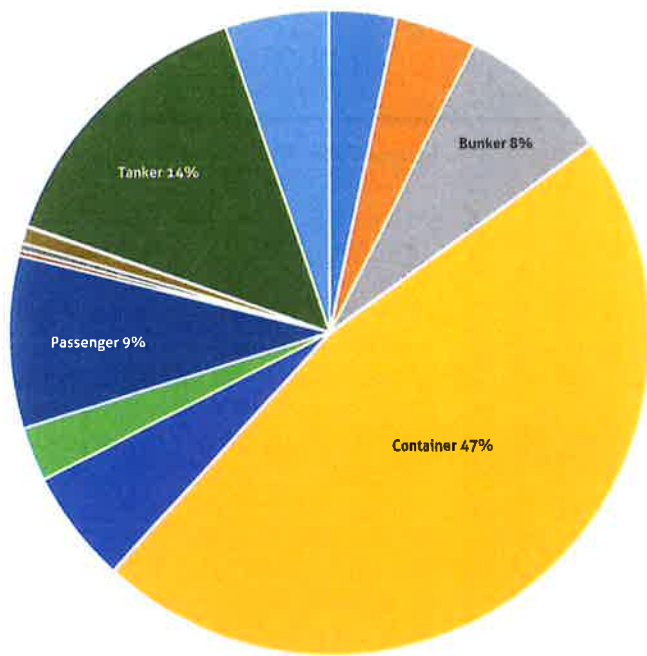


Figura 1: Ship type by percent, 2015



- Barge/ITB
- Bulk
- Bunker
- Container
- General cargo
- Other
- Passenger
- Refrigerator
- Repair
- RoRo
- Stores
- Tanker
- Vehicle

Vessel Type	6 year average	2010-2015 Trend	2015	
1 Barge/ITB	142	Increase	147	3%
2 Bulk	218	Decrease	182	4%
3 Bunker	347	Increase	336	8%
4 Container	2,393	Decrease	2,058	47%
5 General cargo	235	Increase	250	6%
6 Other	128	Increase	120	3%
7 Passenger	301	Increase	381	9%
8 Refrigerator	5	Increase	12	0.3%
9 Repair	22	Decrease	16	0.4%
10 RoRo	39	Decrease	36	1%
11 Stores	5	Decrease	3	0.1%
12 Tanker	623	Increase	632	14%
13 Vehicle	200	Increase	232	5%
Total	4,599	Decrease	4,405	100%

Source: Marine Exchange of Southern California

have seen numbers increase, at least over the past two or three years, containership calls have steadily declined, dropping to 2,058 in 2015 compared with 2,271 in 2014. In 2010, the number of containership calls was up at 2,599, or 54% of the total for the two ports, climbing to 2,680 the following year.

Adding together all ship calls, Los Angeles and Long Beach have seen a drop from 5,881 in 2007 to 4,778 in 2010 and 4,405 in 2015.

Last year's numbers were almost certainly affected by severe port congestion that forced many ships to wait at anchor outside the harbour because of gridlock on the berths, with some diverting to alternative gateways.

But the biggest factor influencing the number of ships calls has been the growth in containership sizes over the last few years.

Ports in the US have languished behind those in Asia and Europe for the past the past two decades, and continue to play catch up.

In 1998, Maersk Line brought the 6,000 teu *Regina Maersk* to the US west coast as a wake-up call that more had to be done before ships of that capacity could start calling there on a regular basis.

Until quite recently, 8,000 teu ships were still quite a rare sight in California even though they had become the workhorses of the Asia-Europe trades.

The next breakthrough came in 2012 with the arrival of the 12,500 teu *MSC Fabiola*, followed by the 13,100 teu *Maersk Edmonton*, which held the record as the largest boxship to call in LA for just four days in December 2015 before the first 18,000 teu-class to be seen in southern California docked at the adjacent berth in APM Terminals' Pier 400 facility.

The 17,800 teu *CMA CGM Benjamin Franklin* arrived to a fanfare of publicity on Boxing Day, returning to Long Beach in late February after its second transpacific eastbound crossing. Although the ship was not fully laden because of restricted crane heights, CMA CGM announced in early March that it would be permanently deploying a fleet of six 18,000 teu-class ships on the Pacific from late May, ahead of the completion of infrastructure upgrades.

The first phase of the \$1.3bn Middle Harbor development in Long Beach is due to open in April, giving the port a state-of-the-art terminal designed for the latest generation of ultra large containerships. In LA, APM Terminals is planning to retrofit at least five cranes

at Pier 400, giving them the capability to reach across at least 23 rows of containers and box stacks on the deck up to 10 high.

So while this size of ship is not yet in regular service on the Pacific, it will not be long before 18,000 teu-class vessels are deployed in the Asia-US trades, given the large number on order and the relative strength of that market compared with the depressed Asia-Europe corridor where volumes fell 4% last year.

That suggests that actual ship calls will continue their downwards trend in LA/ Long Beach, as in ports elsewhere in the world, as terminals continue to adjust to the needs of their customers.

But on a final footnote, terminals should not expect to benefit financially from the new demands of the container lines.

Maersk Line chief executive Søren Skou made it crystal clear that terminal handling charges are in his sights as he embarks on a fresh round of cost cuts.

And if that is Maersk Line's goal, it is a fair bet that every other carrier will be aiming to drive a hard bargain with terminal operators in these cash-strapped times, regardless of the challenges of receiving bigger and bigger ships and the associated investment that requires.