

Port Houston shows import strength in February

General and bulk cargo gain market share from containers

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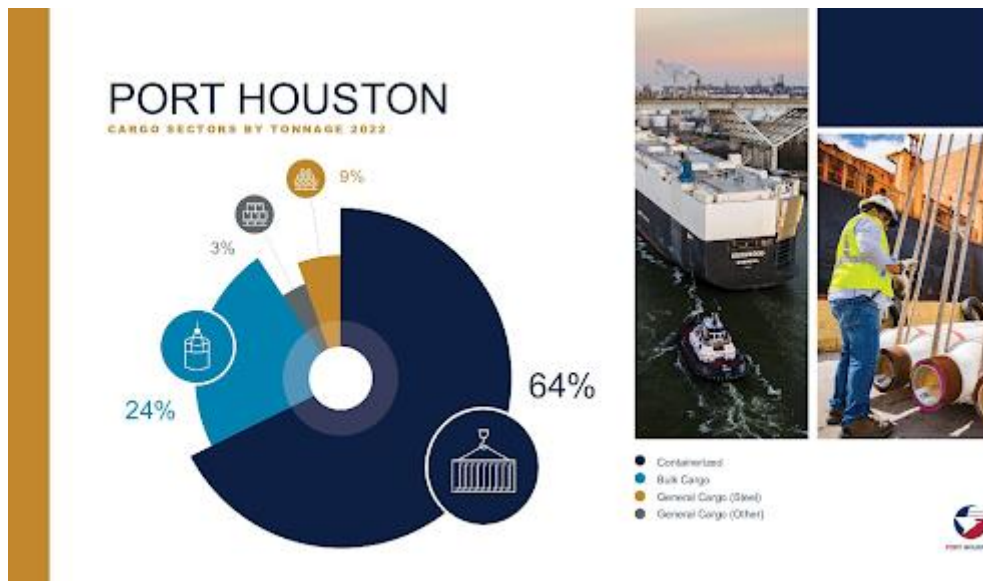
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(Photo: Jim Allen/FreightWaves)

The Gulf Coast ports have received a lot of attention in recent years and rightfully so. The ports along the Gulf Coast provided a pressure relief valve of sorts, though they suffered with congestion throughout the pandemic as well.

What separates the Gulf Coast ports from the major East and West Coast ports is the importance that bulk cargo and the industrial sector as a whole play in port volume. At Port Houston, over a third of all tonnage cleared in 2022 was noncontainerized.



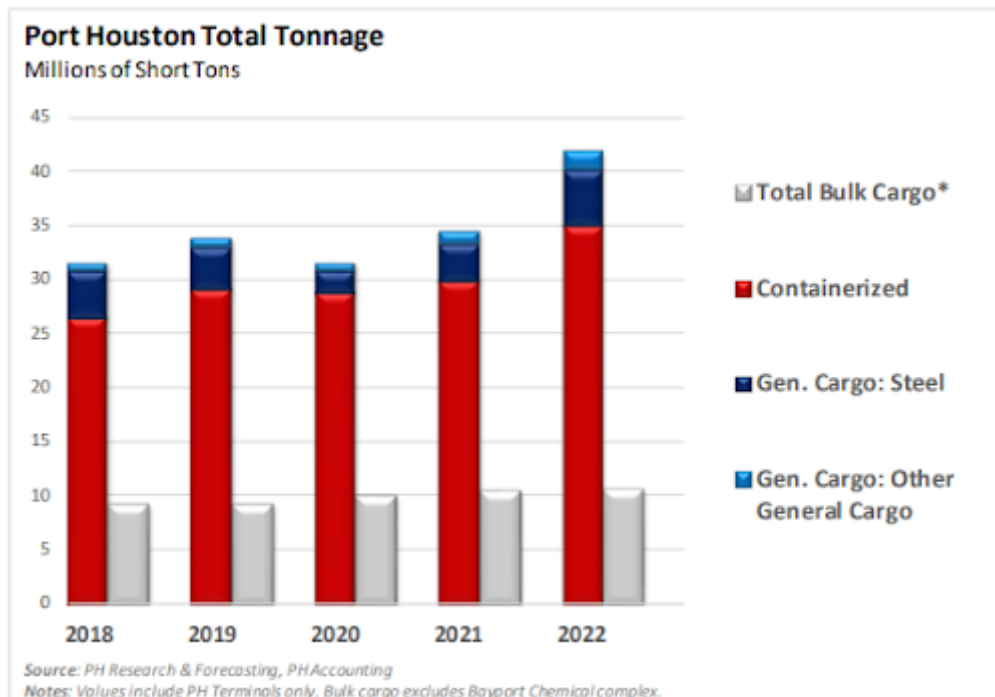
Source:

Port Houston 2022 statistics

Port Houston, the country's fifth-largest container port and largest port for bulk cargo, reported strong imports in February after a challenging January, despite the challenges of limited transits through the Panama Canal. In February, general cargo imports increased by 49% month over month, but that is largely due to a soft January. Year to date, imported general cargo tonnage is down 10% compared to 2023.

Steel imports, which represented nearly 13% of total tonnage in February, were up 24% m/m in February and 6% year over year. Like the general cargo, tonnage for steel imports year to date is down 25%, highlighting how soft January was.

General cargo and steel imports represented 38.8% of total tonnage, up from 36% of total tonnage in 2022. Year to date, tonnage of general cargo and steel imports is in line with the 2022 values, but it may have been exacerbated by the softness in January, while container imports were strong. From 2018 through 2022, general cargo and bulk tonnage was relatively stable as a percentage of overall imports, in the mid-30s. As expected, 2020 was the most challenging, as consumer freight took precedence over more industrial sectors.



Source:

Port Houston annual tonnage statistics

The port is valuable, not only for the imports of these commodities, but for the exports from Port Houston. February was a challenging month for exports of general cargo and steel. Tonnage of steel was down 96% m/m in February and 89% y/y. That was an acceleration from the declines in January as steel exports were down 70.6% y/y.

Export tonnage for general cargo in February was down 4% m/m but up 34% y/y, thanks in part to a strong January in which export tonnage was up 16.3% y/y.

The container side of the port operation has shown substantial growth since 2018. Total containerized imports were 15% higher in 2022 than in 2018, and exports were up a resounding 59%.

The growth in containerized trade at Port Houston highlights the shift that occurred in using ports closer to consumption centers and avoiding the potential for disruption due to labor.

In February, Port Houston reported that total twenty-foot equivalent unit volumes were up 13% m/m and were 20% higher than in 2023. The growth in TEU volume y/y is aided by the timing of the Lunar New Year, but so far in 2024, the growth has shown that Panama Canal challenges and the Red Sea conflict have had very little impact on container volumes so to date. Year-to-date total container volumes at Port Houston are up 12% compared to 2023.

Loaded TEU imports totaled 166,849 in February, up 8% m/m and 18% higher than they were in 2023. Year-to-date loaded TEU imports are 10% higher than they were last year.

Container exports had an even stronger February, rising 17% m/m, up 24% compared to 2023. Year-to-date total container exports are up 17% y/y. Loaded TEU exports totaled 145,766 TEUs, matching the total TEU exports, up 17% m/m. Loaded TEU exports were 25% higher than they were in February 2023.

As labor disruptions become more possible with the ongoing negotiations between labor unions and ports from Maine to Texas intensifying throughout the next few months, there could be significant impacts to East Coast port throughput.