

Port of Baltimore's indefinite closure deals blow to city, state economy

Maryland at risk of losing \$1 billion in total value of goods and services

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Wednesday, March 27, 2024



The Francis Scott Key Bridge collapsed after the Singapore-flagged MV Dali container ship slammed into the bridge on Tuesday Morning. (Photo: Harford County Maryland Fire and EMS)

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The collapse of the [Francis Scott Key Bridge](#) on Tuesday after it was struck by a container ship has disrupted the Port of Baltimore's container shipping services, which will impact the economy of the city and beyond, analysts said.

Six people are missing and presumed dead after the Singapore-flagged MV Dali slammed into the bridge in the early morning hours, sending debris into the Patapsco River that continues to block a large portion of the channel that leads into Baltimore's harbor.

The state of Maryland and the U.S. Department of Transportation announced the closure of the shipping lane to the port until further notice as the investigation, recovery and cleanup get underway.

Economist Anirban Basu said that along with the Johns Hopkins Health System, the Port of Baltimore is one of the main drivers of the city and state economy, and its indefinite closure will impact jobs and revenue across the region.

Baltimore is the largest city in Maryland, with a population of about 576,000. It has more than 2.8 million in its metropolitan area.

"I would say the Port of Baltimore is the leading economic driver for the region in Baltimore," Basu, chairman and CEO of Baltimore-based [Sage Policy Group Inc.](#), told FreightWaves. "One could argue that the leading driver is Johns Hopkins. It's a difficult comparison, because you're talking about two very different fields of endeavor. But the Baltimore region has been one of the nation's underperformers in recent years. In the Baltimore region, we have had to clawback the jobs lost early during the pandemic."

The port is the deepest harbor in Maryland's Chesapeake Bay, with five public and 12 private terminals. It handled over \$80 billion worth of cargo in 2023. It serves more than 50 ocean carriers making nearly 1,800 annual port calls.

The port generated nearly \$3.3 billion in total personal income and supports 15,330 direct jobs and 139,180 jobs connected to the port, according to [state data](#).

“If you were to compare the jobs in the Baltimore region in February of 2020 just before the pandemic, to February of 2024, the Baltimore region is down 34,900 jobs, the state of Maryland is down 41,100 jobs, while the nation is up 5.5 million jobs during this period ...,” Basu said. “But one thing we could say in Baltimore was that we are anchored by the Port of Baltimore, that whatever has happened with our corporate headquarters, many of them have just disappeared, but the Port of Baltimore was not going anywhere.”

According to recent data from [Implan](#), the port’s 15,000-plus direct employees could lose an estimated \$275 million in labor income if container operations are down for a month.

Implan is a Huntersville, North Carolina-based economic software and analysis firm.

“Before we even performed the analysis, we knew this event would have a negligible loss to the U.S. gross domestic product,” Candi Clouse, Implan’s vice president of customer success and education services, told FreightWaves. “The logistics and shipping will just shift to another U.S. port temporarily. However, the potential impact to Maryland is something to keep an eye on. Even if the port is only closed for 30 days, Maryland would be at risk for losing \$550 million to its gross domestic product and \$1 billion loss in total value of goods and services.”

Basu said how much the ship channel’s closure disrupts the city and state’s economy depends on how long until the port is fully operational.

The federal Bureau of Transportation Statistics said as of noon Tuesday, three bulk carriers, one vehicle carrier, two general cargo ships, one oil/chemical tanker and three logistics naval vessels were stuck behind the fallen bridge in the port. One vehicle carrier was in the port but outside the bridge, and nine bulk carriers, one vehicle carrier and two general cargo vessels were anchored.

"The short-term effects are very large. ... There is a significant amount of cargo being diverted away from the Port of Baltimore to other ports, who are often competitors," Basu said. "This impact is multimodal, because not only is the ocean carrier community impacted by this, but so too is rail transport, trucking and even air cargo, including cargo operations at Baltimore-Washington International Airport."

With 31,000 vehicles per day crossing the Francis Scott Key Bridge, it is a major conduit for traffic in the region. Basu pointed to several ways trucking operations at the port and in the area will be affected.

"The port is not only adjacent to I-95, it's in the proximity of I-70, and so it's a major way for northwest and east-to-west routes," Basu said. "One would think that the trucking community would be quite meaningfully impacted as would distributors located in the region. Distribution is going to be less efficient, given lengthier travel times, both into the distribution centers and from the distribution centers."

Supply chain visibility platform [project44](#) released a [report](#) detailing how an estimated \$1 billion per week in goods will be affected by the bridge collapse and indefinite suspension of container activities at the port.

"The Port of Baltimore handles freight from major automakers including, but not limited to, Nissan, Toyota, General Motors, and Volvo," the project44 report said. "Expect disruptions to manufacturing in the

automobile market until companies can establish dray networks through neighboring ports.”

Rerouting the port’s container cargo to ports in New York and New Jersey, Philadelphia, or Virginia could push up some trucking and rail prices in the short term, according to Tony Thrasher, senior director of product management at SPS Commerce.

“In the short-term, there is an impact on exporting/importing goods and services,” Thrasher said in an email to FreightWaves. “However, once things get cleaned up, and other routes out of the port are determined, operations will resume and the initial downtime will be over. Operations won’t be as efficient, and there will be additional costs to use other ports that are further away. Retailers that have prepared for disasters will navigate this disruption fine.”

Minneapolis-based [SPS Commerce](#) provides cloud-based supply chain management software to retailers, suppliers and 3PLs.

“Since we are in March, retailers are not in the crazy holiday rush yet, so I see this impact being short-term and not hurting big retailers,” Thrasher said. “I don’t think consumers will see the impact either. Retailers will have to deal with it, but the delays will not be enough for consumers to feel.”