

Port of LA whittles dwell time despite record container volumes

Strong consumer demand aids leading import gateway

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(Photo: Jim Allen/FreightWaves)

Container volumes continued their torrid pace in October, but the Port of Los Angeles posted improved times in getting those boxes out the door to inland destinations.

Container volume totaled 905,025 twenty-foot equivalent units, up 25% from 725,774 TEUs in October 2023. Loaded imports were 462,740 TEUs, up 24% from 372,454 TEUs y/y, while loaded exports of 122,716 TEUs were flat from 121,277 TEUs a year ago.

The port handled 319,570 empty TEUs, an increase of 38% from 232,043 TEUs in October 2023.

It was the first time the port had handled more than 900,000 TEUs for four consecutive months, a surge that Port Executive Director Gene Seroka in a media presentation on Wednesday attributed to rising retail sales and falling interest rates.

“We are seeing a resilient consumer and an overall strong economy,” said Seroka, adding that some shippers in October chose Los Angeles for discretionary cargo to avoid [labor disruptions](#) at East Coast ports. He also said volumes benefited from more direct trans-Pacific services by ocean carriers.

Year-to-date volume is 8,491,420 TEUs, a jump of 19% from 7,123,900 TEUs y/y.

The surging demand is confirmed by [SONAR](#) data, which shows an overall 8% increase year to date of inbound containers to the United States.

“Volume through the Port of Los Angeles is up on all-time highs from 2021-’22-’23,” said analyst Mike Baudendistel, head of intermodal and drayage at SONAR, in a presentation Wednesday at the [F3: Future of Freight Festival](#) in Chattanooga, Tennessee. “Demand has been there throughout the year.”

Volumes were boosted, Seroka said, by attacks on shipping [in the Red Sea](#) that have reduced Suez Canal receipts by 90% as carriers diverted services from Asia to North America on longer voyages around the Horn of Africa. Disruptions have played havoc with shippers' supply chains, he said, noting retailer Target (NYSE: [TGT](#)) on Wednesday badly missed earnings estimates in part due to added costs from [the October strike at East Coast ports](#) by the International Longshoremen's Association.

Container dwell time, a key indicator, has improved despite the record traffic. In response to a question from FreightWaves, Seroka said the number of inbound Asia containers waiting for rail loading nine or more days has dropped from more than 9,000 to about 2,300 in the past several weeks. "That compares to 37,000 rail boxes total, and 22,000 that were nine days or longer during the pandemic in 2021-'22. Both BNSF, [Union Pacific](#) (NYSE: [UNP](#)) and Pacific Harbor Line [have done a great job](#) trying to hustle out the cargo. A lot of growth is in international boxes that go by rail to inland destinations."

Seroka said average dwell is now 6 1/2 to 8 1/2 days, and that the port is aiming for four days and, ultimately, pre-COVID dwell of two to three days for on-dock rail cargo.

Seroka sees a positive outlook through the end of this year and into 2025.

"Falling interest rates, low unemployment and stronger consumer spending means cargo should continue to flow at a healthy pace," he said. "Shippers are frontloading some cargo ahead of [tariffs](#) planned by the incoming Trump administration. There are still security issues in the Red Sea. Lunar New Year is Jan. 29, then we expect a traditional slowdown in February before retailers and importers replenish spring inventory beginning in March."

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