

CLIENT ADVISORY



March 20, 2020

U.S. Ocean Export Market Update

Dear Valued U.S. Customer,

With the impact of COVID-19 and the challenges it presents, we would like to provide a market update for U.S. ocean exports, understanding that this is a very fluid situation:

VOID SAILINGS

With as many as 46% void sailings on the Transpacific trade, we can expect a high level of volatility through May this year for ocean export. Based on current information, we do not expect sailings to resume a normal weekly cadence until end May or early June at the earliest, and much depends on the outcome of the increasingly global spread of COVID-19 as to whether other countries may experience a shutdown similar to what we have seen in China.

EQUIPMENT SHORTAGES

A direct impact of void sailings and the resulting low volume of import activity, is that container equipment is becoming very tight to meet export demand, particularly at all U.S. rail ramp locations, as well as at some ports, such as Houston. This will be a growing problem over the next 2-3 months and expected to become very critical in some locations. Reefer equipment in particular is in very short supply across the U.S. depots currently. As the supply and demand imbalance exacerbates, we can also potentially expect some volatility in pricing.

U.S. PORT TERMINAL OPERATIONS

We are starting to see announcements from the port terminals that they will be limiting hours of operation due to the low volume of port activity as a result of the carrier's void sailings. We have also seen some temporary port terminal closures due to COVID-19 concerns. While the closures were short-lived, it still creates an atmosphere of uncertainty around the stability of port terminal operations. It is also important to note that many ports have implemented COVID-19 measures which require truckers to show up with masks and gloves and other protective equipment to ensure safe contact is made during the pick-up and delivery process.

As part of our commitment to our customers, C.H. Robinson is here to help find the solutions that ensure your supply chain experiences as little disruption as possible in these uncertain times. Please feel free to reach out to your local C.H. Robinson representative for more information on how we can design the right service package to meet your business needs.

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely,
C.H. Robinson

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.