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SHIPPING

Trade numbers climb sharply at Southland ports

The growth in February lends strength to the arguments of some experts who believe that a stronger-than-anticipated recovery may be underway.

By Ronald D. White

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Trade numbers at the ports of Los Angeles and Long Beach, the nation's busiest seaport complex, rose sharply in February compared with the same month last year, lending strength to the arguments of some experts who believe that a stronger-than-anticipated recovery may be underway.

It was the port complex's third straight month of growth compared with year-earlier figures. At the Port of Long Beach, which is second only to Los Angeles among ports that move mostly cargo containers, imports and exports increased 39.3% and 32.8%, respectively, compared with February 2009, although officials cautioned that last year's numbers were the worst since 2003.

At the Port of Los Angeles, the growth was almost as strong, and officials there managed a rare victory in trade between Asia and the West Coast. They won some new business after a year in which port-to-port transpacific shipping routes, known as strings, had dropped to 56 from 80 as ocean carriers scaled back to stem huge losses. Imports through Los Angeles rose 29.8% and exports grew 32.6% compared with February of last year.

"Our feeling is that consumers are coming back. They are spending a bit more of their money. They are less concerned about losing their jobs than they have been in the last three months," said Ben Hackett, founder of Hackett Associates, which tracks international trade at the nation's busiest seaports for the National Retail Federation.

Hackett said his firm had scaled back its expectations for trade growth in 2010, "but we think we'll be seeing a relatively strong year at a 10% to 14% increase. We should see steady improvement, minus the usual seasonal adjustments."

John Husing, an economist who tracks international trade and its effect on the Inland Empire, said imports had rallied because retailers allowed their product inventories to drop to almost historically low levels last year rather than risk being stuck with merchandise that wasn't going to sell.



"The import numbers are undoubtedly driven by inventory replenishment. They have to restock, and a good deal of what they will be selling is coming here from Asia," he said.

Husing added that exports get a boost "any time the dollar is weak compared to the other currencies. It makes our goods less expensive to foreign buyers."

In Los Angeles, port and city officials are welcoming the Containership Co., known as TCC, a new Norwegian container line that will be carrying cargo to L.A.'s TraPac Container Terminal.

Containership executives said the new service could generate 250,000 containers annually for Los Angeles from the Chinese port of Taicang.

"We are glad TCC chose L.A. as their West Coast gateway, and we hope this is a sign of good things to come," said Geraldine Knatz, executive director of the Port of Los Angeles.

Attracting any amount of new business is important for the ports and for the region, said Jack Kyser, an economist with the Los Angeles County Economic Development Corp.

"The jobs associated with unloading that cargo and trucking it, warehousing it and moving it by rail are flowing into the Southern California economy and not somewhere else," Kyser said.

At the Port of Los Angeles, imports rose to 267,361 containers in February from 206,035 a year earlier. Exports came in at 147,926, compared with 111,595 in February 2009. Overall traffic at Los Angeles was up 27% to 525,459 containers.

At the Port of Long Beach, imports climbed to 207,920 containers in February from 149,299 a year earlier. Exports rose to 123,208 containers, compared with 92,781 in February last year. Overall traffic at Long Beach increased 29.9% to 413,134 containers.

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