



*The California Fashion Association (CFA) is focused on building a knowledge base to identify and meet the needs of the various constituents of the industry.*

September 10, 2021

# Essential Reading



## Port of LA & Long Beach Update

- September 7<sup>th</sup>, 2021 -

Currently, there are 43 container vessels at anchor outside the ports of Los Angeles and Long Beach. This causes a slowdown in the circulation of ships, containers, and chassis, which in turn causes spot rates to reach record levels.

When vessels are anchored off shore, they miss other scheduled departure dates, causing additional canceled sailings. Many factors contribute to the supply chain bottlenecks including port congestion, intermodal delays, and longer container dwell times.

We are often asked by shippers when the congestion will end. When we look at the persistent capacity constraints, continued stimulus spending, upcoming West Coast labor negotiations (existing collective bargaining agreement will expire at the end of June), and the impacts of Hurricane Ida, we do not anticipate an ease in congestion until the middle to end of 2022.

Alan Murphy, CEO of Sea-Intelligence Maritime Analysis, stated “that some 20–25 percent of container capacity on Transpacific is lost to the congestion/delays, while the figure is 12–13 percent for Asia–Europe, while approximately 10 percent of the global fleet is absorbed by congestion/delays.”

The rate levels of the container shipping market are dictated by supply and demand. The reduction in capacity due to a slowdown in asset circulation (vessels at berth, longer container dwell times, etc.) causes rates levels to increase.

The Port of Boston has been working in recent years to handle big-ships. Three taller cranes are expected to be commissioned in late September. The Port of Boston has not returned to its pre-pandemic volumes, but is expecting to grow when all the improvements are completed.

Boston currently is served by two weekly container services — one by Geneva-based MSC from North Europe, and another linking Asia via the Ocean Alliance, a carrier partnership of Evergreen, Cosco, CMA CGM and OOCL.

## Port Situations

### Los Angeles:

- 19 container vessels at berth
- 22 container vessels at anchorage waiting for a berth
- 8.1 days average at anchor

### Long Beach:

- 12 container vessels at berth
- 21 container vessels at anchorage waiting for a berth
- 6.6 days average at anchor

### Mitigation Strategies:

**Mitigation strategies might include**, booking smaller LCL shipments, moving air freight, selecting alternate ports at either end of the origin, making quick decisions when space offers come around, using multiple sources to find and secure space, and of course, a ready supply of cash to make those all-important booking security deposits.

For More Information, Please Contact:  
Tanya Krieger | [TKrieger@nkinc.com](mailto:TKrieger@nkinc.com)  
[www.nkinc.com](http://www.nkinc.com)

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## ‘New’ CFA Virtual Series: “*Conversations With....*” Robert Krieger, Krieger Worldwide

**Join us as Robert Krieger, President of Krieger Worldwide, explains the current status of the supply chain and how it affects the apparel industry and your business.**

Topics will include:

- Solutions for moving goods from Asia
- Why the freight charge increases have been so outrageous
- Can the US government affect global importing issues?
- How long will the lack of containers and terminal lock jams last?

**October 18, 2021  
2:00 – 3:00 p.m. PST**

**Register Today**

For more information, please contact:  
Stacey Rogers | [stacey@calfashion.org](mailto:stacey@calfashion.org)

### California Fashion Association

578 Washington Blvd., Suite 827, Marina Del Rey, CA 90292 | Tel: 213 688 6288  
email: [info@calfashion.org](mailto:info@calfashion.org) | Website: [www.californiafashionassociation.org](http://www.californiafashionassociation.org)



California Fashion Association | 578 Washington Blvd., Suite 827, Marina Del Rey, CA 90292

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