

2019 Transload to Rail Report



CHICAGO – March 3, 2020 – [TTX](http://www.ttx.com), a leading provider of railcars and related freight car management services, today announced the results of its year-end 2019 Transload to Rail Report. Since 2002, TTX Company has developed quarterly estimates of container transloading that help track trends in international logistics and intermodal operations.

For the PSW (the ports of Long Beach and Los Angeles), imports fell 5.6% to 8.4 million TEUs during 2019. TTX attributes the drop in volumes to tariffs, which precipitated a cargo surge during late 2018, as shippers sought to avoid tariffs that were threatened to apply on January 1, 2019 (the 25% tariffs were actually levied on May 1, 2019 rather than January 1st). Additionally, as the year progressed, shippers moved production away from China to other countries in East Asia (such as Vietnam), South Asia (India, Bangladesh, etc.) and even to Europe to avoid tariff fees. As production migrated away from China, cargo shifted to U.S. East Coast ports of entry. For instance, data shows that the vast majority of imports originating in India discharge on the U.S. East Coast, which is not surprising given that East Coast is closer than the West Coast for cargos originating in India. Accordingly, as a result of production shifts and the 4Q18 surge, import volume declined in the PSW, as well as all other western U.S. ports.

Regarding transload volume originating in the PSW, TTX estimates that 2.9 million import TEUs transloaded and routed inland by rail in 2019, a 2.5% decrease from 2018. It is interesting to note that the rate of decline for transloading was only half the rate of the decline of imports, suggesting that the ability to transload remains a draw for shippers to utilize the PSW. On the other hand, intact or “IPI” shipments dipped 8.4% for the year to 2.7 million TEUs. Since 2012, the IPI annual growth rate has been negative four times, while transload volume growth has been positive every year with the exception of 2019.

IMPORT TRANSLOADS

	2012	2013	2014	2015	2016	2017	2018	2019
PSW Imports	7,117,445	7,467,508	7,826,038	7,632,419	7,907,716	8,436,316	8,928,636	8,429,351
vs. Prior Year	1.1%	4.9%	4.8%	-2.5%	3.6%	6.7%	5.8%	-5.6%
Estimated PSW Transload	2,270,555	2,394,283	2,482,540	2,548,672	2,693,501	2,849,595	3,001,617	2,927,361
vs. Prior Year	6.6%	5.4%	3.7%	2.7%	5.7%	5.8%	5.3%	-2.5%
Share of PSW Imports	31.9%	32.2%	31.9%	33.0%	34.1%	33.8%	33.9%	34.7%
Estimated PSW Intact	2,844,753	2,978,060	3,156,104	3,044,385	2,807,620	2,941,764	2,982,879	2,732,022
vs. Prior Year	-4.9%	4.7%	6.0%	-3.5%	-7.8%	4.8%	1.4%	-8.4%
Share of PSW Imports	36.0%	36.1%	36.5%	35.5%	32.0%	31.4%	30.3%	32.4%
PNW Imports	1,416,703	1,351,869	1,313,835	1,305,767	1,392,832	1,397,173	1,474,932	1,375,677
vs. Prior Year	5.0%	-4.6%	-2.8%	-0.6%	6.7%	0.3%	5.6%	-6.7%
Estimated PNW Transload	345,252	366,720	372,588	394,382	424,705	454,378	480,276	451,299
vs. Prior Year	7.6%	6.2%	1.6%	5.8%	7.7%	7.0%	5.7%	-6.0%
Share of PNW Imports	24.4%	27.2%	28.7%	29.8%	30.5%	33.2%	33.2%	32.8%
Estimated PNW Intact	778,317	710,769	612,964	655,989	670,837	599,684	638,357	590,552
vs. Prior Year	6.6%	-8.7%	-13.8%	7.0%	2.3%	-10.6%	6.4%	-7.5%
Share of PNW Imports	54.9%	52.6%	46.7%	50.2%	48.2%	42.9%	43.3%	42.9%
W Canada Imports	1,667,441	1,719,813	1,858,411	1,978,297	1,943,056	2,206,089	2,312,376	2,388,098
vs. Prior Year	13.6%	3.1%	8.1%	6.5%	-1.8%	13.5%	4.8%	3.3%
Estimated W. Canada Transload	165,015	172,768	181,408	184,120	192,966	203,131	202,991	200,768
vs. Prior Year	5.4%	4.7%	5.0%	1.5%	4.8%	5.3%	-0.1%	-1.1%
Share of Western Canada Imports	9.9%	10.0%	9.8%	9.3%	9.9%	9.2%	8.8%	8.4%
Estimated W. Canada Intact	1,253,405	1,297,826	1,474,812	1,474,211	1,447,211	1,636,548	1,733,427	1,727,518
vs. Prior Year	31.3%	3.5%	13.6%	0.0%	-1.8%	13.1%	5.9%	5.6%
Share of W. Canada Imports	75.2%	75.5%	79.4%	74.5%	74.5%	74.2%	75.0%	72.3%

For PNW ports (Seattle and Tacoma), total imports dropped 6.7% in 2019, erasing all of 2018's volume gains. TTX estimates 0.5 million TEUs were transloaded during 2019, a 6.0% drop to 2018's volume. IPI declined as well, slipping 7.5% compared to 2018's totals.

For western Canadian ports (Vancouver and Prince Rupert), container imports grew by 3.3% to 2.4 million TEUs during 2019 compared to 2.3 million TEUs in 2018. Although Canada and China also quarreled over trade issues during the year, it appears that Canada avoided the worst effects of the U.S. – China trade dispute. However, even with the import volume growth, TTX estimates that 2019 transload volumes dipped 1.1%, but that amounts to less than 2,500 TEUs. Similarly, IPI traffic dropped 0.2%, and since 2012, IPI growth averaged 7.1%, so last year's growth rate represents a departure from the normal levels of activity.

Regarding the definition of transloading, TTX defines it as the transfer of cargo from international marine containers into domestic 53-foot containers that are subsequently shipped inland by rail. In some cases, transloading takes advantage of the spread in the cost of shipping three 40-foot containers inland versus shipping two 53-foot containers. More common, however, is that transloading helps many firms (particularly retailers) manage inventory levels and restocking, which ultimately lowers supply chain costs.

About TTX

[TTX Company](#) is a leading provider of railcars and related freight car management services to the North American rail industry. TTX's pool of railcars – over 160,000 cars – is ideal for supporting shippers in the intermodal, automotive, paper & forest, metals, machinery, wind energy and other markets where flatcars, boxcars and gondolas are required. Owned by North America's leading railroads, TTX's free-running pools provide fungible assets that minimize total empty miles, further lowering costs and minimizing risk for the industry and helping the railroads conserve their capital for other critical infrastructure needs. Customers easily recognize TTX's bright yellow cars as a consistent, high quality, well-maintained fleet that serves many transportation needs.

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For more information contact:

Peter Wolff, Peter.Wolff@TTX.com