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## **Virus-Driven Drop in Container Volumes Continues; Port Focuses on Readiness, Safety**

*Slight Growth in Exports; Barge Volume to Richmond up More than 28%*

**NORFOLK, VA** – The Port of Virginia’s® March cargo volumes were down nearly 9 percent when compared with last year as the shipping industry continues to grapple with the negative effects of COVID-19 on world trade.

“As we predicted, the impact on our volume continues, but the good news is that indicators show China’s manufacturing sector gaining strength and the cargo is beginning to flow,” said John F. Reinhart, the CEO and executive director of the Virginia Port Authority. “We knew cargo flows through the spring would be slow and have adjusted our forecasts accordingly.

“The lack of demand driven by COVID-19 has resulted in ocean carriers reducing their network sailings by twenty percent for the second quarter of 2020 and we know our volume will remain weaker during this period. There are still some tough weeks ahead and we don’t have high expectations for April volume.”

March’s cargo volumes were down nearly 9 percent, or 20,720 TEUs (twenty-foot equivalent units), when compared with March 2019. Loaded exports were up nearly 1,500 TEUs, or 1.7 percent, and the volume at Richmond Marine Terminal grew by nearly 780 units, or more than 28 percent.

For the third consecutive month, the number of empty containers for export fell. In March, empty exports fell nearly 37 percent, or 15,365 TEUs, as a result of the uncertainty being created by COVID-19. Reinhart said as more Chinese manufacturers restart their operations, the demand for empty export containers will increase.

“One of the effects of this virus on trade is a decreased demand for empty containers,” Reinhart said. “This will change and when it does, it will indicate more production and result in increasing volumes. There is always a normal gap between a restart of manufacturing and receipt of goods, but what we are seeing is the pipeline that brings cargo to the U.S. beginning to be slowly refilled.”

Reinhart said in the meantime, the port is focusing on what it can control.

“We’re continuing to swiftly move our customers’ cargo to where it’s needed – including COVID-19 test kits and medical supplies,” he said. “We have a load of rail-mounted gantry cranes being off-loaded at NIT and the capacity expansion project there is on budget and on schedule. We’re discussing long- and short-term container storage possibilities with our customers and cargo owners to help them manage flows when cargo rebounds. It is our goal to meet their needs and to ensure the efficient movement of cargo when it begins its comeback.”

In addition, the port’s COVID-19 internal task force continues to meet three times a week; a critical cargo program designed to prioritize the movement of COVID-19-related containers (test kits, personal protection equipment, etc.) is fully operational; the port has implemented a temperature screening process for operations-related personnel (labor and non-labor) entering Virginia International Gateway and Norfolk International Terminals; and the port has contracted with a vendor to help sanitize common spaces and equipment.

“It’s still a very unpredictable trade environment and the port team is adapting well,” Reinhart said. “It is important to recognize the hard work and professionalism being shown by the port team, our labor partners at the International Longshoremen’s Association and the motor carriers servicing the port. The dedication of these people is helping to keep the supply chain operating and their work is vital to the national economy. We owe them our thanks.”

### **March Cargo Snapshot**

- Total TEUs – 219,315, down, 8.6%
- Loaded Export TEUs – 90,762, up 1.7%
- Loaded Import TEUs – 99,129 down, 7.4%
- Total Containers – 122,655, down 9.2%
- Virginia Inland Port Containers – 2,217, down 26.2%

- Total Rail Containers – 43,528, down 11%
- Total Truck Containers – 74,133, down 8.5%
- Total Barge Containers – 4,994, down 3.7%
- Richmond Barge Containers – 3,517, up 28.4%

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*The Virginia Port Authority (VPA) is a political subdivision of the Commonwealth of Virginia. The VPA owns and through its private operating subsidiary, Virginia International Terminals, LLC (VIT), operates four general cargo facilities: Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal and the Virginia Inland Port in Warren County. The VPA leases Virginia International Gateway and Richmond Marine Terminal. A recent economic impact study from The College of William and Mary shows that The Port of Virginia helps to create more than 400,000 jobs and generates \$92 billion in total economic impact throughout the Commonwealth on an annual basis.*