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## Cargo traffic rises 8% at Los Angeles and Long Beach ports

**Exports weigh down February's figure but the increase is viewed by the ports as a positive sign. Bolstering the economic outlook are vessel purchases by shipping lines.**

By Ronald D. White, Los Angeles Times



**Officials at the ports of Los Angeles and Long Beach said they were pleased by the February traffic statistics. Above, shipping containers await transport at the Port of Long Beach. (Mariah Tauger, Los Angeles Times / August 18, 2010)**

Cargo traffic at the nation's busiest seaport complex in February fell from its double-digit growth rate for the first time in a year, rising just 8% because of a sudden flattening in the pace of exports, harbor officials said.

The easing of the pace of international trade came amid signs of recovery. Shipping lines are ordering what will be the world's largest-ever cargo vessels, indicating an improved outlook. In addition, companies that lease warehouse space to importers are reporting a brisk increase in business.

Officials at the ports of Los Angeles and Long Beach said they were pleased by the February traffic statistics.

"It's a good sign that we were able to show growth over a February last year when we had a 27% increase," said Phillip Sanfield, spokesman for the Port of Los Angeles. His counterpart at the Port of Long Beach, Art Wong, said: "We were expecting more of a dip, so this is very strong for us."

International trade is a key indicator of the health of the U.S. economy. It's also one of Southern California's most important sources of well-paying blue-collar jobs, employing nearly 440,000 workers in Los Angeles, San Bernardino and Riverside counties.

At the Port of Los Angeles, the nation's busiest for cargo containers, imports rose 3.2% in February, but exports grew just 1.6%. Overall traffic, including empties, increased 5.6% to 554,913 containers in February from a year earlier.

At the Port of Long Beach, which ranks second in the U.S., imports grew 12.4% and exports fell 1%. Overall traffic, including empties, was up 10.9% to 458,336 containers from a year earlier.

Trade experts said the slowdown in exports was causing the nation's trade deficit to widen and hampering job creation during an already weak recovery, but they added that it was too soon to draw conclusions.

The export change comes as the Obama administration is trying to rally American business and agriculture to greatly increase their sales overseas. On Thursday, for example, Agriculture Secretary Tom Vilsack and Long Beach Mayor Bob Foster will be at the Port of Long Beach to highlight the importance of agricultural exports.

"Every billion dollars of trade generates 8,500 jobs. One of every 12 jobs in this country is connected to agriculture, so as you expand those opportunities overseas, you expand job growth," Vilsack said.

The continuing strong growth in imports is boosting the local real estate market, said Lance Ryan, a vice president at Carson-based Watson Land Co., which owns about 15 million square feet of warehouse space, mostly in the South Bay.

During the 2004-07 economic boom, Southern California warehouse space was built with tenants already lined up. As the market deteriorated, warehouses would sit vacant for as long as a year in spite of incentives such as months of free rent, Ryan said.

"Now, those delays in getting space rented have dropped to four to six months and those incentives have been scaled way back" as vacancy rates decline, he said.

Ocean shipping lines appear to be making a big bet on the global economic recovery, including A.P. Moller-Maersk Group, the world's biggest shipping line, which recently ordered 10 ships capable of carrying 18,000 containers.

The ships are "the largest vessels that will be sailing and by far the largest container vessels ever ordered," Chief Executive Nils Smedegaard Andersen said.