

Retail Container Volume Expected to End Two Years of Declines

WASHINGTON, December 22, 2009 – After more than two and a half years of year-over-year declines, import cargo volume at the nation's major retail container ports is expected to see three straight months of gains in early 2010, according to the monthly Port Tracker report released today by the National Retail Federation and IHS Global Insight.

“We've been seeing hints of a turnaround in our past few reports but this is starting to look like a clear trend,” NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. “If retailers are starting to import more merchandise, it's because they expect to be able to sell more and that's a good sign for our industry and the overall economy.”

U.S. ports surveyed handled 1.18 million Twenty-foot Equivalent Units in October, the most recent month for which actual numbers are available. That was up 4 percent from September as retailers hit their busiest shipping month of the year as the holiday season approached, but nonetheless down 14 percent from October 2008 and marked the 28th month in a row to see a year-over-year decline. November was estimated at 1.09 million TEU, down 12 percent from last year, and December is forecast at 1.05 million TEU, down 1 percent from last year. January 2010 is forecast at 1.02 million TEU, down 4 percent from January 2009. One TEU is one 20-foot container or its equivalent.

The January figure would mark the 31st month of year-over-year declines, but the trend is forecast to be broken in February 2010, when cargo is expected to total 972,391 TEU. The figure is below the 1 million mark because February is the slowest month of the year, but would be a 16 percent increase over February 2009. March 2010 is forecast at 1.02 million TEU, a 6 percent increase over March 2009, and April 2010 is forecast at 1.08 million TEU, a 9 percent increase over April 2009. Port Tracker forecasts only six months in advance, so later numbers aren't yet known.

The report now expects 2009 to end with a total volume of 12.6 million TEU, a drop of 17 percent from last year's 15.2 million TEU and the lowest since the 12.47 million TEU imported in 2003.

“The second half of 2009 has seen an improvement with 'less bad' year-over-year numbers compared with the first half,” IHS Global Insight Economist Paul Bingham said. “While improving, import container traffic is projected to be weak through March due to the traditional slow season combined with the weak pace of economic recovery.”

All U.S. ports covered by Port Tracker – Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Hampton Roads, Charleston and Savannah on the East Coast, and Houston on the Gulf Coast – are rated “low” for congestion, the same as last month.

Port Tracker, which is produced by the economic research, forecasting and analysis firm IHS Global Insight for NRF, looks at inbound container volume, the availability of trucks and railroad cars to move cargo out of the ports, labor conditions and other

factors that affect cargo movement and congestion. The report is free to NRF retail members. Subscription information is available at www.nrf.com/PortTracker or by calling (202) 783-7971.

The National Retail Federation is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet, independent stores, chain restaurants, drug stores and grocery stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.6 million U.S. retail establishments, more than 24 million employees - about one in five American workers - and 2008 sales of \$4.6 trillion. As the industry umbrella group, NRF also represents more than 100 state, national and international retail associations. www.nrf.com.

IHS Global Insight (www.globalinsight.com) provides the most comprehensive economic and financial information available on countries, regions and industries, using a unique combination of expertise, models, data and software within a common analytical framework to support planning and decision-making. Through the world's first same-day analysis and risk assessment service, IHS Global Insight provides immediate insightful analysis of market conditions and key events around the world, covering economic, political, and operational factors. IHS (NYSE: IHS, www.ihs.com) is a leading global source of critical information and insight, dedicated to providing the most complete and trusted information and expertise. IHS product and service solutions span four areas of information that encompass the most important concerns facing global business today: energy, product lifecycle, security, and environment supported by macroeconomics.

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