



WORLD SHIPPING COUNCIL
PARTNERS IN AMERICA'S TRADE

Liner Shipping in the U.S.

Liner shipping is the sector of the shipping industry that offers service based on fixed schedules and itineraries. The World Shipping Council's international liner shipping member companies provide an extensive, network of specialized vessels, modern port terminals, inland transportation and information services that connect American businesses and households to the rest of the world.

Connecting America and the World

Over 800 ocean-going liner vessels, mostly containerships, make more than 22,000 U.S. port calls each year, which equates to more than 60 vessel calls per day. More than 50,000 container loads of imports and exports are handled at U.S. ports each day, providing direct connections to the American road and rail network. Today, U.S. commerce is served by more than 125 weekly container services, an increase of over 60% since 1999. The vast majority of cargo moving on liner services is containerized – that is it is carried in metal containers which are sealed at origin and remain intact as they are transported by ship, truck or rail car until unloaded at final destination. Containers essentially serve as a packing-crate and in-transit warehouse for virtually every type of general cargo moving in international commerce. The standard volume measure for containerized cargo is a TEU, which stands for twenty-foot equivalent unit. Most containers however are forty-foot units, equating to 2 TEU.

Although international containerized cargo moves through 116 ports in the U.S., 85% percent of that trade flows through 10 U.S. ports, which currently represent the major U.S. gateways for container trade. These are:

On the West Coast:

Los Angeles, CA	Oakland, CA	Seattle, WA	Tacoma, WA
Long Beach, CA			

On the East and Gulf Coasts:

New York, NY	Charleston, SC	Savannah, GA	Norfolk, VA
Houston, TX			

In addition to containerships, liner shipping offers services operated by Roll-on/Roll-off or Ro-Ro vessels that are especially designed to handle a wide variety of vehicles, including everything from passenger cars to construction equipment. In 2006, these Ro-Ro ships brought almost 4 million passenger vehicles and light trucks valued at \$83.6 billion into the U.S. and transported nearly 1 million of these units valued at \$18 billion to U.S. trading partners in other countries.

U.S. Trade of Passenger Cars and Light Trucks -- 2006		
	Value (US \$ billions)	Vehicle Units
World		
Exports	40.179	2,074,904
Imports	148.364	7,348,753
Canada and Mexico		
Exports	22.243	1,166,506
Imports	64.759	3,520,941

Source: USDOC/Office of Automotive Affairs/Motor Vehicle Division (<http://www.ita.doc.gov/td/auto/qfacts/qfact.pdf>)

In terms of containerized cargo, America's leading trading partners are in Asia, and although the U.S. sends cargo in containers to or from about 175 countries, almost 85% of the trade is conducted with just 25 nations.

U.S. Waterborne Foreign Containerized Cargo 2006		
(Thousands of TEU)		
Rank	Country	Total
1	China	10,275
2	Japan	1,651
3	Taiwan	1,072
4	Hong Kong	1,071
5	South Korea	1,049
6	Germany	775
7	Brazil	652
8	Italy	587
9	Thailand	553
10	India	533
11	Belgium	500
12	Indonesia	471
13	Netherlands	465
14	United Kingdom	434
15	Malaysia	368
16	Vietnam	346
17	Honduras	308
18	Costa Rica	282
19	Chile	276
20	Spain	267
21	Guatemala	266
22	France	257
23	Australia	249
24	Philippines	247
25	Turkey	222
<i>Top 25 Trading Partners</i>		<i>23,176</i>
<i>All Others</i>		<i>4,297</i>
<i>Grand Total</i>		<i>27,473</i>
Top 25 as Percent of Total		84.4%

Source: USDOT/Maritime Administration

(http://www.marad.dot.gov/MARAD_statistics/2005%20STATISTICS/Container%20Trading%20Partners,%201997-2006.xls)

Providing Exceptional Value

Before the container was in use, ocean freight costs accounted for 12 percent of the value of U.S. exports and 10 percent of the value of U.S. imports, making international goods transportation so expensive that it deterred trade. Now, over 350 million pairs of athletic shoes are imported annually for sale to U.S. consumers at a transportation cost of less than 50 cents a pair and the annual cost of transporting all of America's ocean-borne liner imports is less than \$150 for each American household.

One well-loaded forty foot container (2 TEUs) can hold 20,000 toy dolls, or 6,600 dresses on hangers, or 3,600 men's suits on hangers, or approximately 500 computer monitors. Such efficiency results in ocean transportation costs that are only a small percentage of the price of goods, giving American consumers more choices and lower prices for the items they want to purchase.

Promoting Economic Vitality

Liner shipping is the heart of a global transportation system that connects American companies and consumers with the world. More than 70 percent of the \$700 billion in ocean-borne commerce is transported via liner shipping companies. The liner shipping industry has invested more than \$200 billion to create an efficient network that serves as the engine driving the global economy. Carriers have more than doubled vessel capacity in the last 10 years and will double it again over the next decade to handle trade growth. In addition, liner shipping companies have invested tens of billions of dollars in U.S. port terminals, trucking companies, warehouses and technology. Liner shipping generates more than one million American jobs and \$38 billion in annual wages. This combined with other industry expenditures in the U.S. results in an industry contribution to U.S. GDP that exceeds \$100 billion per year.

The United States is the largest trading nation in the world, accounting for 12 percent of total world merchandise trade in 2005. Today, one container in nine transporting global trade is headed for or has departed from the U.S., representing 11 percent of worldwide container traffic.

Liner shipping in the U.S. operates under an open and effective regulatory system and is an intensely competitive business. Over 140 carriers provide regularly scheduled service to importers and exporters offering a wide array of quality transportation choices.

For more information about the World Shipping Council, the liner shipping industry and key topics of interest to the industry, please visit www.worldshipping.org.