

MatchBack Systems COVID-19 Impact & Response

Updates – 4/29/2020 through 5/29/2020

5/29/2020 - MatchBack Systems Export & Import Indexes

Our latest Indexes, tracking weekly volumes, indicate that exports continue to hold their ground. Unfortunately, we are forecasting another drop in imports due to the cancellation of orders. As the U.S. re-opens and inventories begin to be used, we expect this to improve somewhat but not to 2019 levels for the next few months. (See the Indexes under the Analysis section.)

5/28/2020 - Takeaways from the AgTC Meeting

Speakers at the meeting discussed the pressing issues affecting the industry as a result of the pandemic. Here's a round-up of the major points.

- Exporter cancellation of bookings is ranging from 50% to 75%.
- The current imbalance is 2 import containers for every 1 export box, making it difficult to get containers to inland points.
- Shippers and truckers are facing problems with delivery of loads to rail and port terminals due to cancelled sailings and changes in ERD. Shippers urged for changes to be announced further in advance. Up-to-date ERD/cut-off information not aligned or consistently communicated by ocean carriers and terminals. Detention and demurrage remains an issue. Shippers would like the charges to be billed directly to BCO instead of truckers and included in ocean contracts. Speakers applauded actions by FMC to address the issue in their new guidelines.
- Chassis provisioning was a hot topic of debate. There were calls for ocean carriers to get out of chassis, with an outsized involvement creating artificial market rates and operational inefficiencies. BCOs and truckers want to be able to select the most efficient chassis provider and advocated for neutral pools, arguing that the current chassis provisioning model is inefficient. Equipment owners stated that the current system provides needed supply and quality, while mandated grey chassis pools could have harmful consequences for the supply chain.

5/27/2020 - Pandemic Leads to 'Complete Disruption' of Container Flows [American Shipper](#)

5/22/2020 - MatchBack Systems Import Index

Our Import Index (see under Analysis section) shows imports still lag from last year. We forecast slower than normal imports next week (week 22) before a slight improvement in week 23. Anecdotally, the opening of automotive plants, Amazon allowing non-essential deliveries and retail outlets opening around the country, we anticipate a pick up in the next 4 to 6 weeks as orders are placed.

5/21/2020 - Container Lines Take Tentative Steps to Restore Capacity [JOC](#)

5/14/2020 - MatchBack Systems Volume Forecasts

Based on our volume analysis, we have an encouraging forecast for the next few weeks. Exports are on par with last year and imports will hopefully level out. Even though imports are down YOY, there is still excess equipment to street-turn with 1.7 imports for each export booking. We will continue to track import and export volumes closely to keep you informed.

5/11/2020 - Street-turns Improve Container Supply as Imports Drop

One of the bigger challenges we see for exporters right now is container supply. The coronavirus pandemic has challenged the fluidity of the container network. Importers have cancelled orders, others have shuttered DCs, temporary labor has been hesitant to work in DCs that are open and carriers have implemented blank sailings. This has led to a 30% decrease in imports YoY.

45% of export bookings have excess distance that can be eliminated if the booking is street-turned. Even with a 30% decrease in imports, the U.S. still has 1.77 imports for each export, leaving lots of opportunities to reuse containers inland for exports and thereby improve fluidity.

In addition to improving container supply, street-turns deliver economic and environmental benefits. Each street-turn saves between \$150-\$400 in direct transportation costs, another \$200 in indirect costs and eliminates 400 pounds of emissions.

5/7/2020 - Growing Concern over Box Shortages: Exporters in Europe and the US are struggling to get their hands on empty containers

[World Cargo News](#)

4/29/2020 - Market Feedback

Export volumes holding on, but ... - a forwarder mentioned that exports have been holding to pre-COVID volumes (confirmed by our forecast) but container availability and vessel space are challenging.

When will my container be unloaded? - as DCs and manufacturing facilities are closed, equipment continues to sit loaded, many without an unload time noted a carrier.

Drayage capacity "plentiful" - we are hearing from several players in the supply chain that there is a plenty of capacity and the truckers are willing to work on their rates ... for now. They anticipate come this fall, those rates won't include a truck.