

Slow Steaming Ships VS Vessels at Anchor

Toward the end of 2021 and the beginning of 2022, eye-popping statistics were released weekly on the number of anchored vessels outside gateway ports around the world. In January, LA-Long Beach alone built up a queue of over one hundred vessels in San Pedro Bay. Now, that official number of anchored vessels fluctuates slightly around the ten-ship mark.

To explain the shift, many will point to reports of waning demand, higher volumes diverted to alternative ports, or the possibility of port operators adjusting to increased throughput. Those market characteristics may play into the larger explanation, but none tell the full story. One major market feature impacting the number of vessels at anchor in San Pedro Bay—one that somewhat works against potentially decreasing demand—is the presence of slow steaming vessels from Asia to the West Coast of the United States.

Before this, the practice of “slow steaming” was largely discussed when developing strategies to lower carbon emissions and travel through the ocean in a more environmentally friendly way. Slow steaming has been shown to decrease carbon dioxide coming from a moving ship, and slower propellers combined with slower overall movement have been proven to decrease the negative impact of an active vessel on sea life in the area.

More recently, the phrase has been used to describe the situation at LA-Long Beach. As of early September, just twelve vessels were waiting at anchor, but forty vessels were slow steaming toward the high-volume port. In total, fifty-two vessels were tied up when that data was collected.

Even though the industry isn't seeing that visual of dozens of ships idling in San Pedro Bay, those fifty-two vessels are still tying large amounts of equipment for extended periods of time. That occupation of much-needed resources will directly impact operations on the West Coast and negative effects will cascade to other sectors of the market—just like a traditional backlog.