

# The New External Environment: Trends for Shipping

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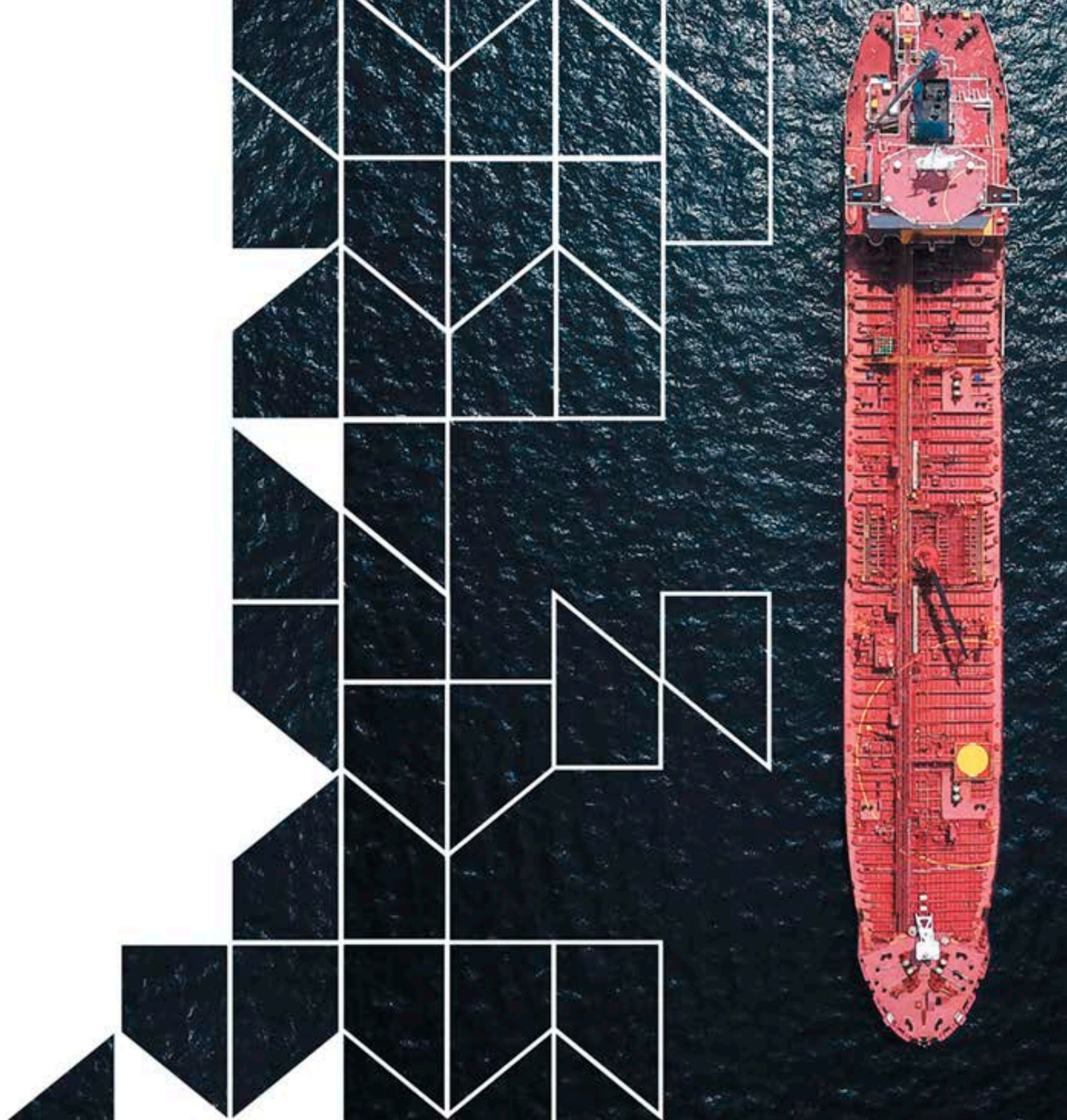
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# About Us

Moffatt & Nichol is a consulting, planning and design company specializing in ports and terminals transportation, marinas and urban waterfronts, business planning and forecasting on a global basis. With our unrivaled portfolio of more than 10,000 projects in over 50 countries, we are able to advise on projects and transactions for a wide variety of clients in the infrastructure sector including port authorities, terminal operators, shipping lines, governments, investment banks, and the wider financial community.

By providing both commercial and technical services in-house, we are able to ensure full understanding of project development and management, with our single-supplier approach offering better continuity and communication with our client.

Moffatt & Nichol's global commercial advisory services leverage the company's unique maritime and infrastructure planning capabilities by offering a range of services which utilize our unrivaled abilities in areas of cargo analysis and economic planning. Our commercial team comprises a mix of economists, logistics, financial, management and operational specialists with expertise in the innovative organization and operation of advanced cargo delivery systems.



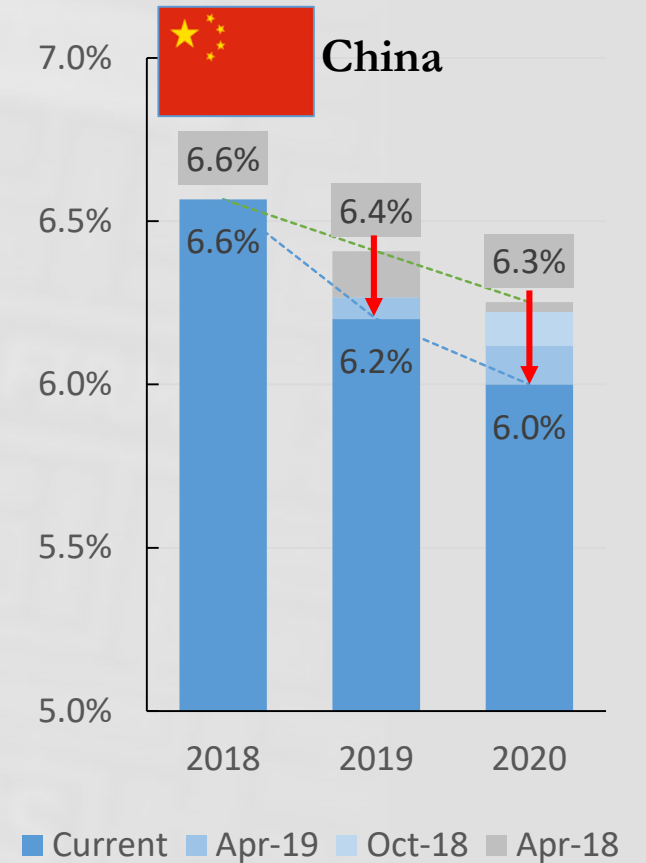
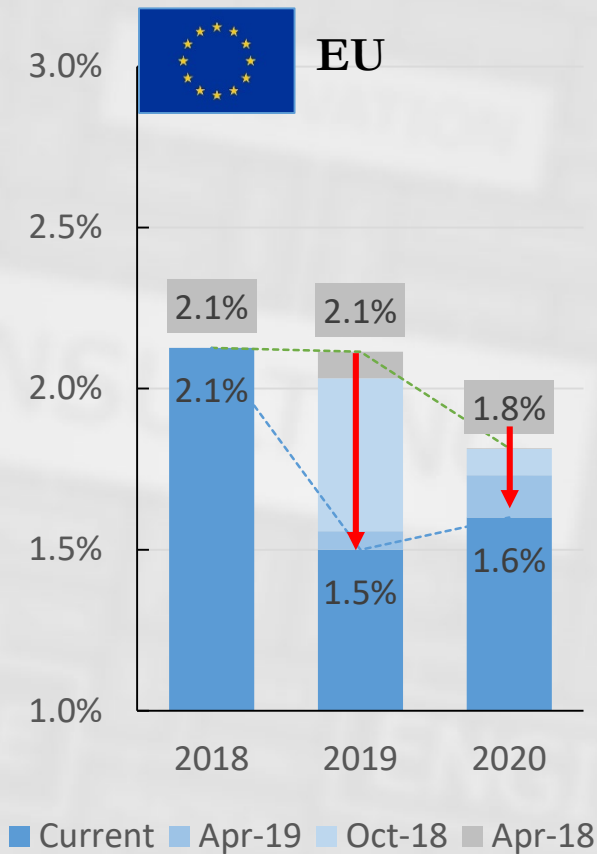
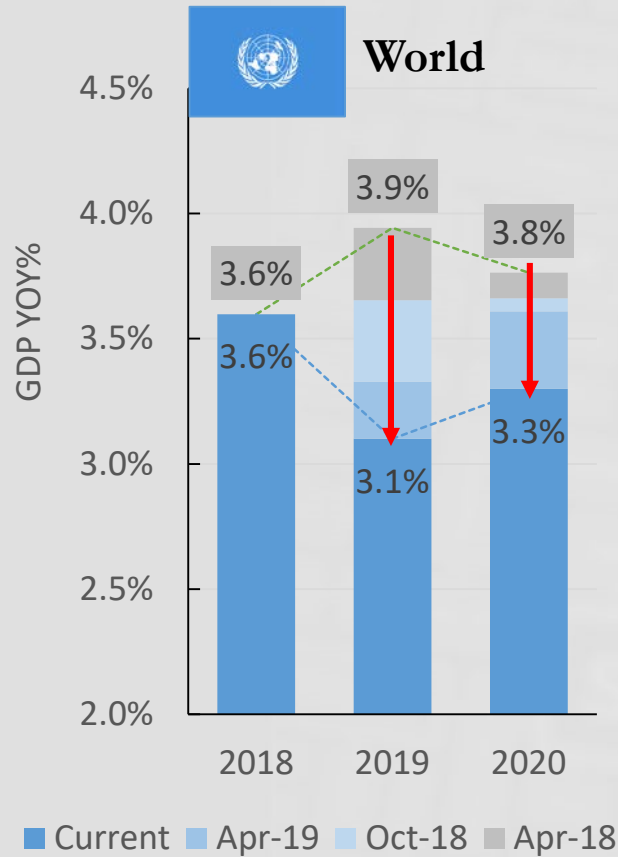


# Outlook

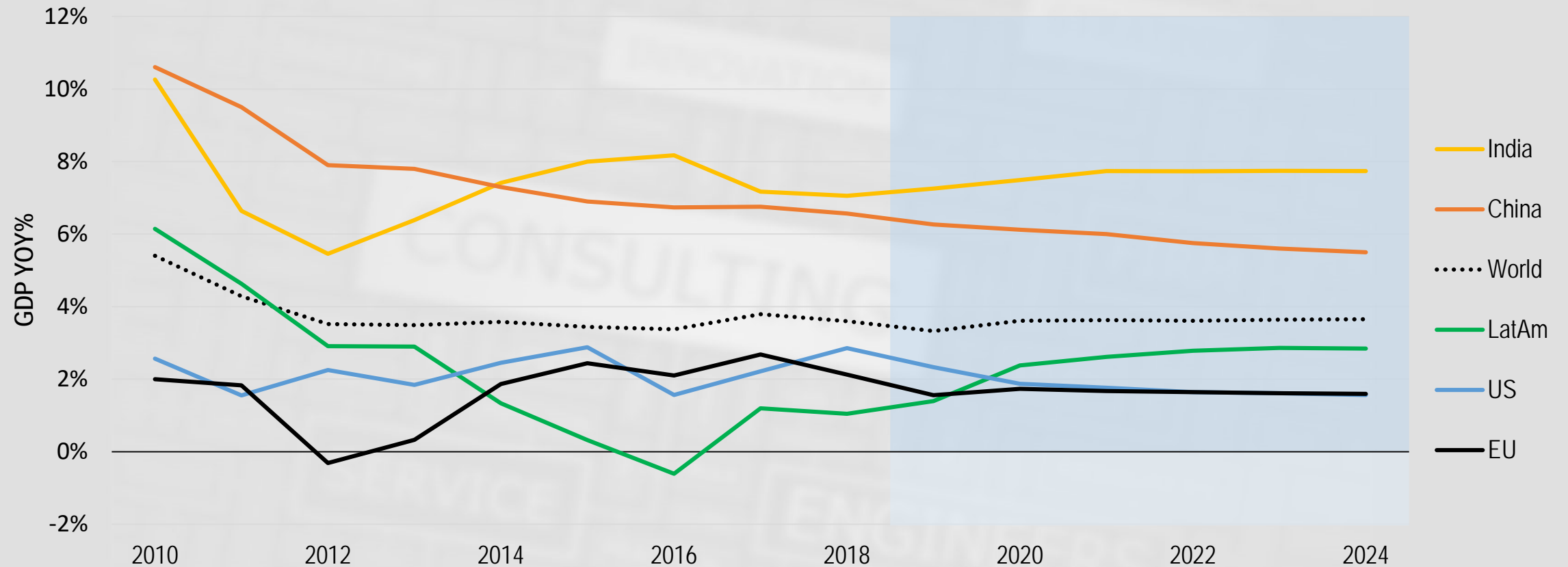
- Global economy is in a broad slowdown - developed and emerging markets alike. A recovery will be slow to materialize
- US economic fundamentals appear generally stable, led by the consumer, though a mild slowdown is expected.
- Broader external environment is shifting



# GDP growth projections signal slower trends and have consistently been revised lower



# Challenged outlook for global growth



# US domestic economic fundamentals generally appear supportive of growth near-term

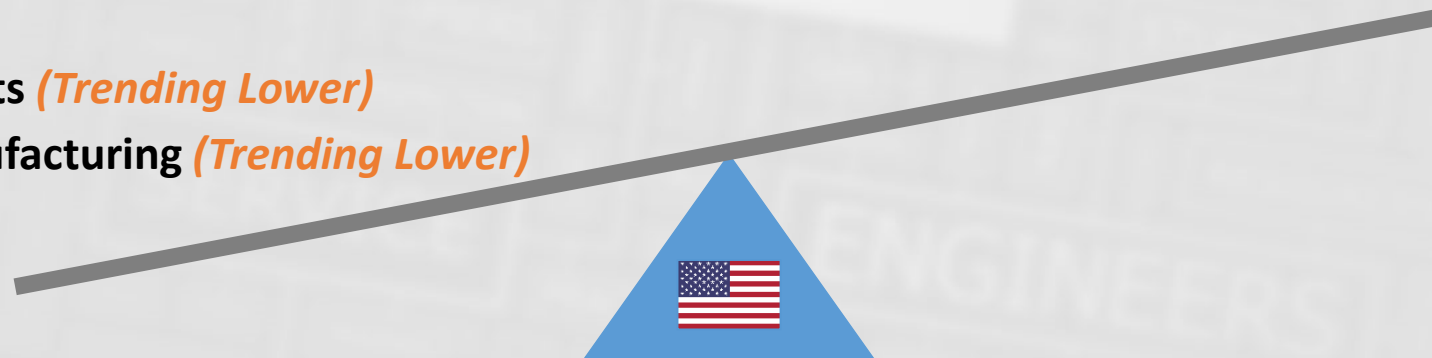
What can turn the positives to negative, and the negatives to positives?



- Employment/Unemployment Claims
- Income
- Consumer Spending
- \$US
- Inflation
- Housing Permits (*Trending Lower*)
- ISM Non-Manufacturing (*Trending Lower*)



- Global Economic Outlook & Trade Policy Uncertainty
- ISM Manufacturing
- Business Investment

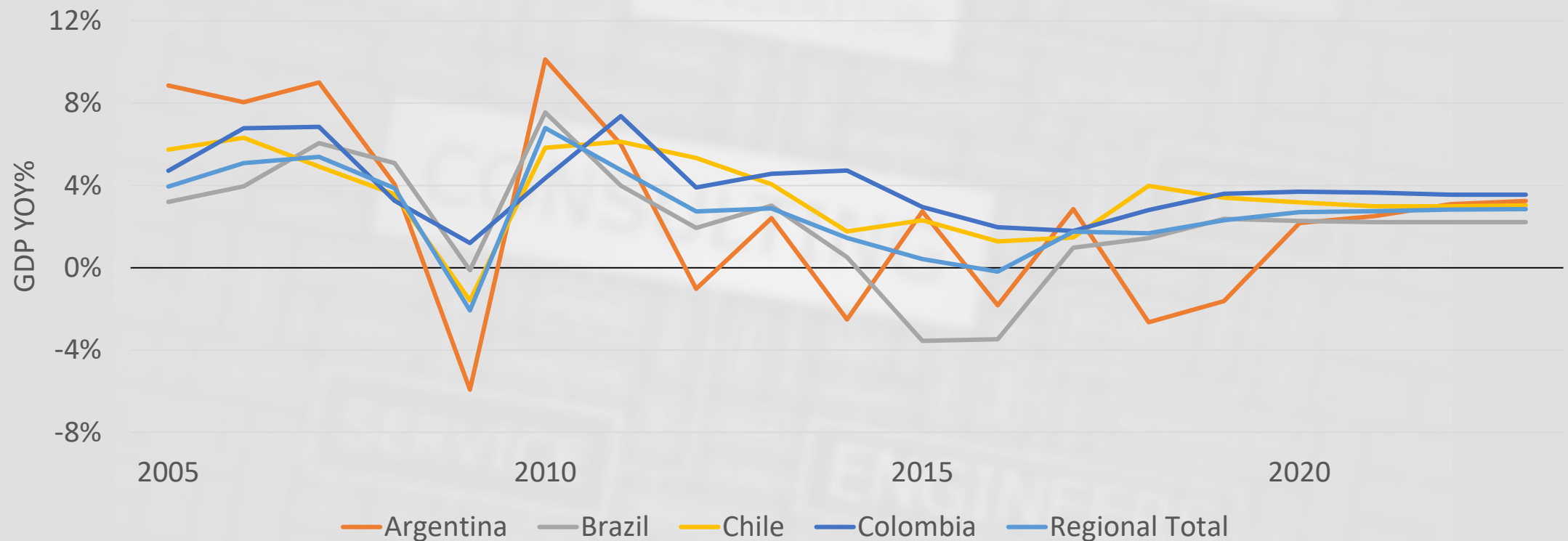


# Stronger Dollar = Weaker Currency Prices → Bad for Commodity Exporters like most of LatAm



# Colombia expected to continue outperforming regional trends

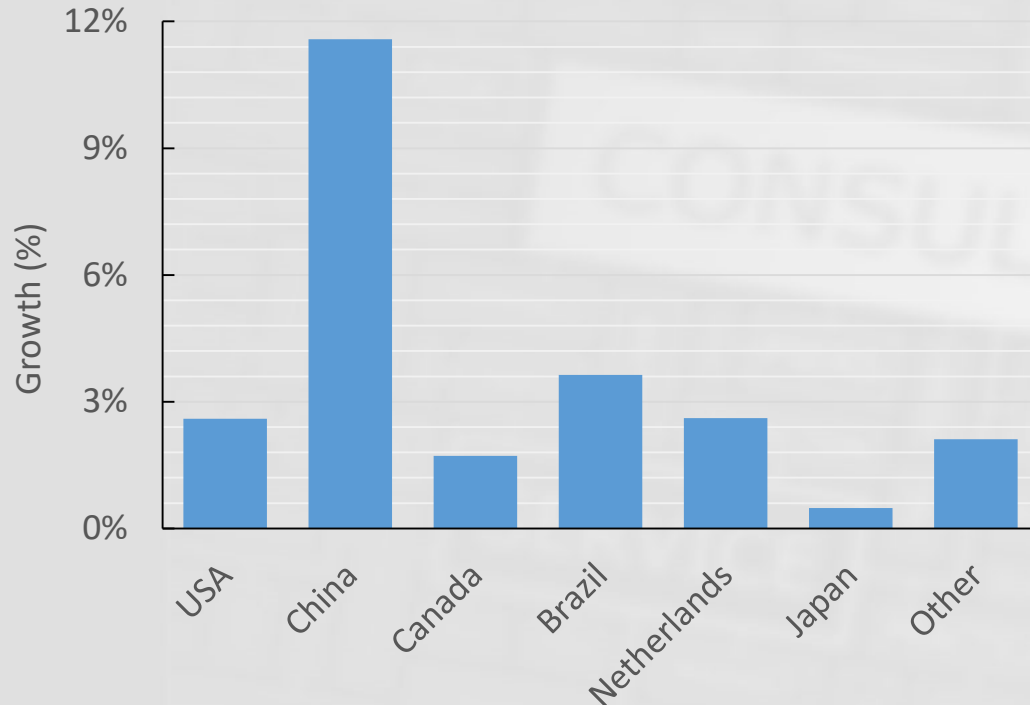
Latin America GDP Growth (Historical and Projected)



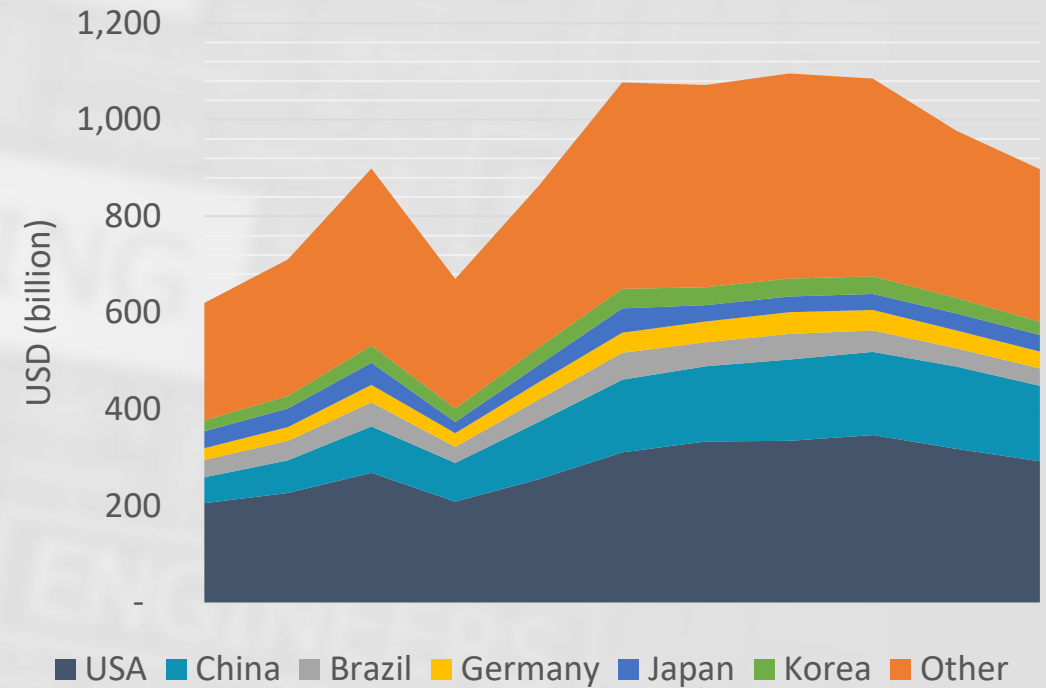


# China is fast becoming relevant to LatAm Trade

## Growth in Total Value of Trade with Latin America, CAGR

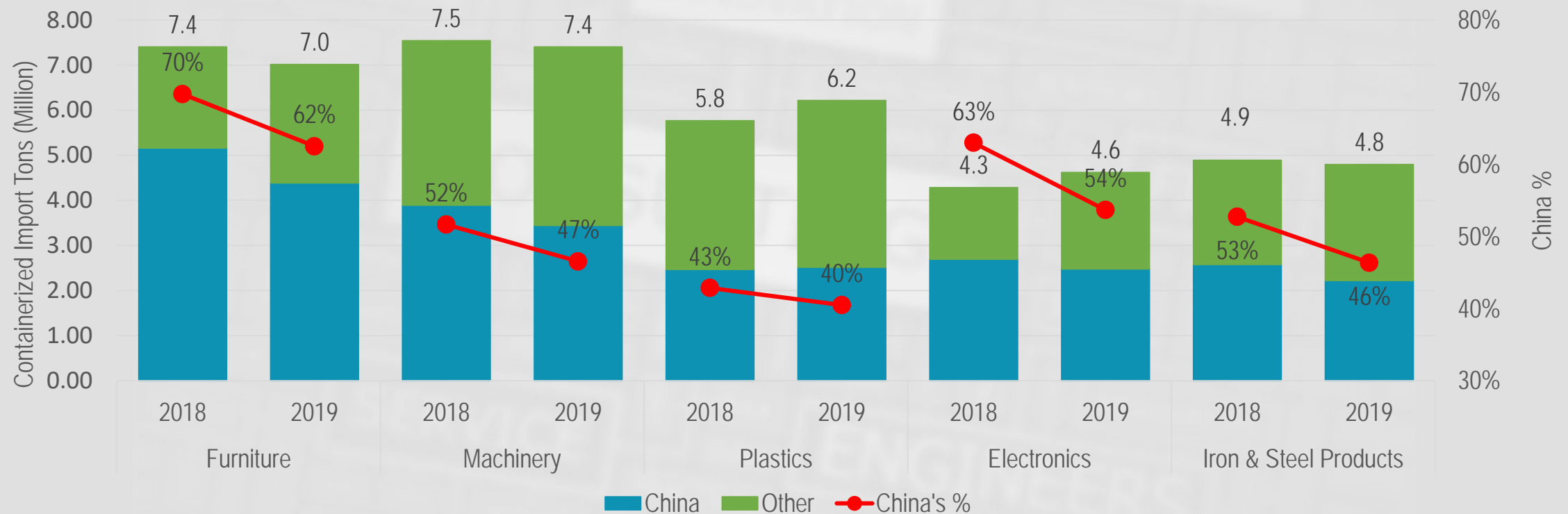


## Import Origin of Countries in Latin America

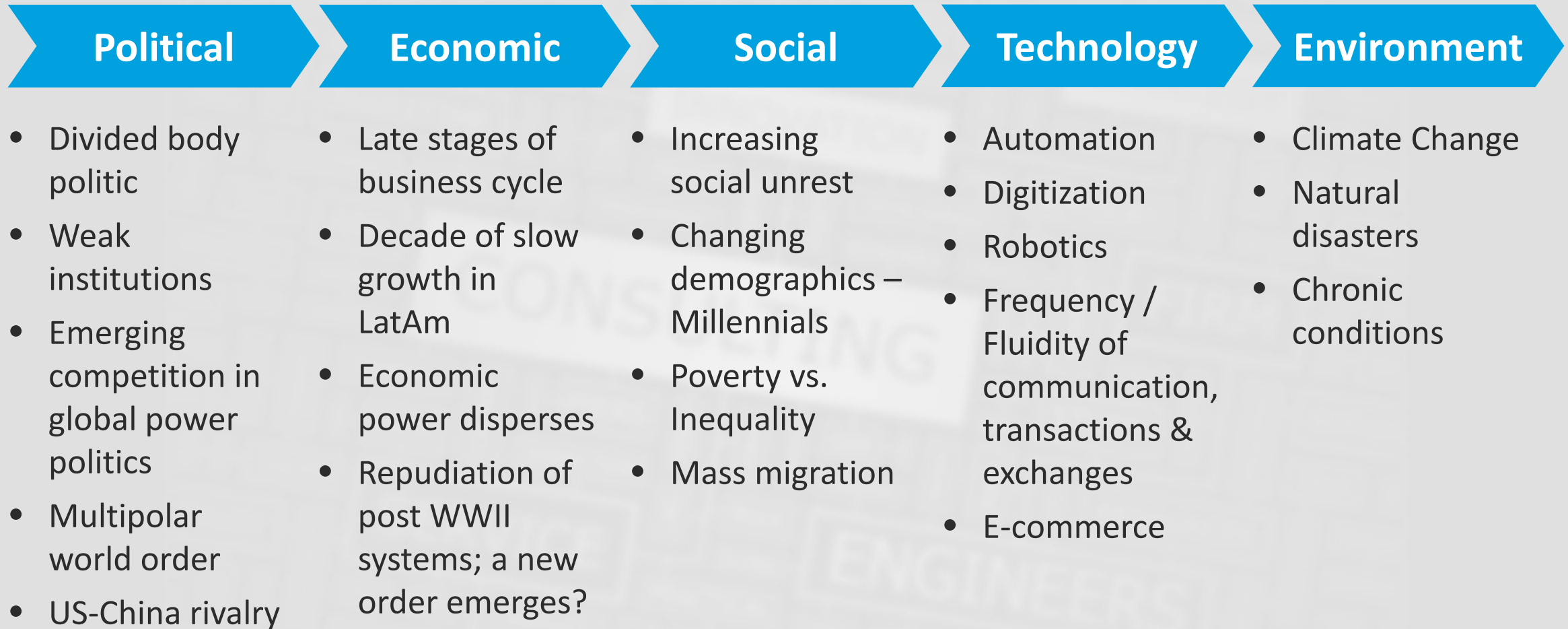


# China's lower share of US import volumes reflects the impact of higher tariffs

Imports by Commodity, China's Share of Total (2018 vs 2019 YTD)



# Every Major Category Is Undergoing Change



# Multitude of Forces Impacting Ports

## External Forces

- Political
- Economic
- Social
- Technology
- Environment



## Industry Forces

- Consolidation
- Larger vessels
- IMO2020 fuel
- Dredging / Capex needs
- Automation
- Data/Technology disruption







Hurricane Michael  
Mexico Beach, FL  
(October 2018)





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