



Adding value???

MANZANILLO INTERNATIONAL TERMINAL – PANAMA
CONTAINERS • RO-RO • BREAKBULK • PROJECT CARGO



MANZANILLO INTERNATIONAL TERMINAL - PANAMA



❑ Carrix , Inc.

Carrix, Inc.



Carrix
Global Gateway Solutions



SSAMarine
A Carrix Enterprise



RMSRamps
A Carrix Service

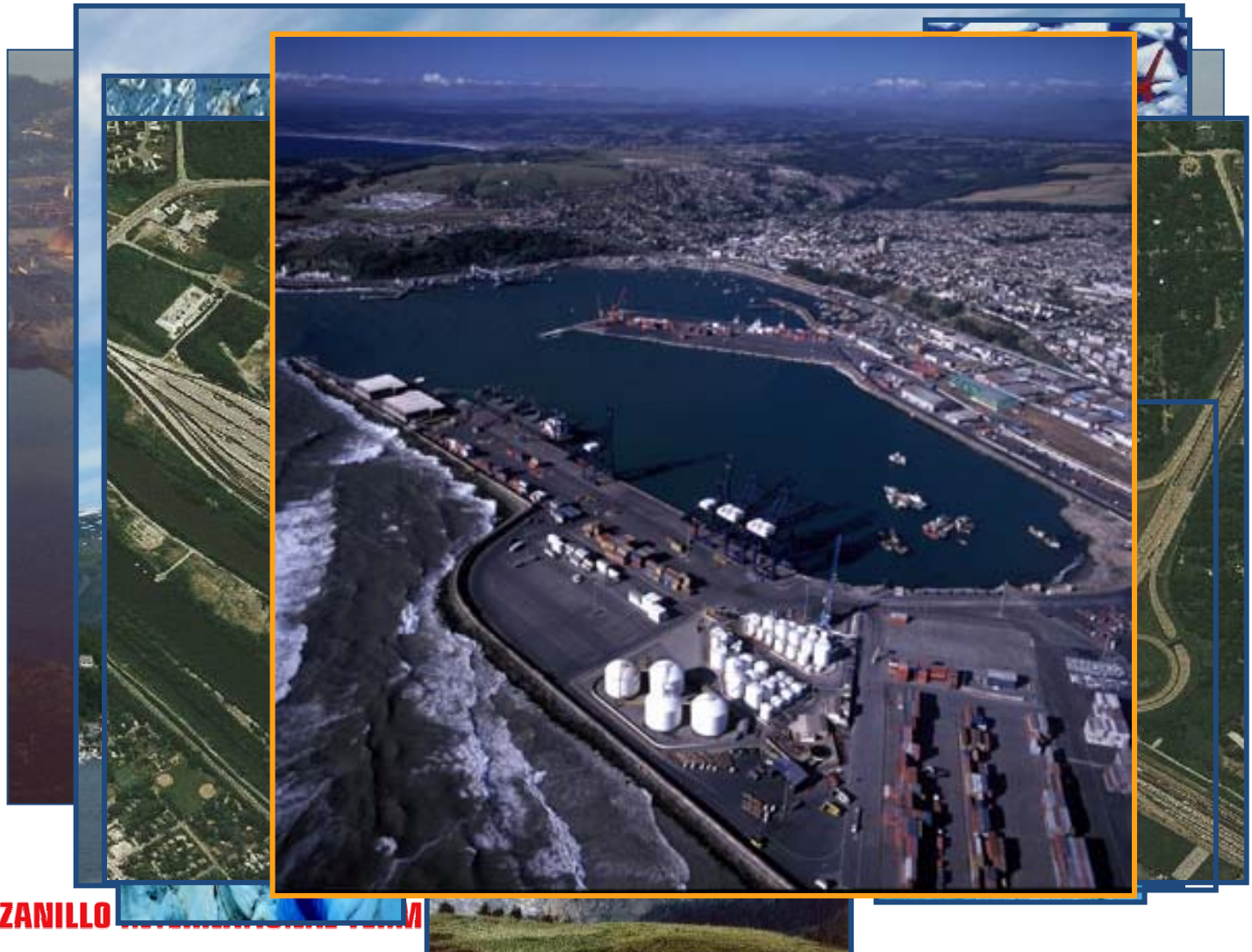


TIDEWORKS
TECHNOLOGY

Southeast Steve

TEMSCO
HELICOPTERS, INC.

MANZANILLO





Remembers this

- ❑ Macquarie Infrastructure acquires Fraser Surrey Docks, Canada (2007)
- ❑ Ontario Teachers' Pension Fund acquires US-based OOCL's terminals (2006)
- ❑ AIG Investment Fund acquires Marine Terminals Corp. & US-based DPWorld terminals (2007)
- ❑ A Deutsche Bank unit acquires Maher Terminal Inc. (2007)
- ❑ A Goldman Sachs investment fund acquires a minority stake in Carrix, Inc. (2006)



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Now this

- ❑ Freight rates at low level record- “ we all bleeding to death”
- ❑ Hong Kong-volumes drop 20%
- ❑ Huge gap between demand and supply
- ❑ March 2009 –idle tonnage 1.42 M teus(11.3% of total fleet)
- ❑ May 2009-idle tonnage 1.39M teus(10.3% of total fleet)
- ❑ Postpone delivery schedules or cancel orders-(10%?)



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Now this(2)

- ❑ 13% of new orders in 2009
- ❑ 13.2 % of new orders in 2010
- ❑ 10.4% of new orders in 2011
- ❑ Hong Kong-volumes drop 20%
- ❑ 52 ships for demolition
- ❑ 22 top containers-6.6% of idle ships-728,000 teus



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Carriers face “\$20 B hole

Drewry: Carriers face “\$20 billion black hole”

The latest version of Drewry Shipping Consultants’ *Container Forecaster* paints as gloomy a picture as ever of the state of the ocean carrier industry.

The report says the industry is still too mired in a market share mindset at the expense of scaling back services and laying up capacity to better match supply with weak demand.

“The bad news for the container shippers is that there is no good news,” Drewry said. “The green shoots some industry leaders have talked about are wishful thinking.”

Drewry is predicting a 10.3 percent contraction for container volume by the end of 2009, followed by 1 percent growth in 2010. That amounts to 2009 volume that’s 27 million TEUs lower than the volume in 2007.

Neil Dekker, editor of the *Container Forecaster*, said that while business leaders have conflicting views of when a recovery might occur, it should not blur the reality facing ocean carriers.

“While our numbers are estimates -- for example, the price of oil for the rest of 2009 is not easy to forecast -- our analysis shows that the container sector is looking at a \$20 billion black hole,” Dekker said. “So we can expect more casualties. We believe that consequently, the basic make up of the industry will change as companies either go bust, amalgamate or shrink, shedding assets and personnel in the process ... hardly a positive if it means experienced personnel will be leaving the industry.”

In the *Container Forecaster*, which Drewry releases quarterly, Dekker said that large carriers would do well to look at smaller operators, who have focused on profitability over market share.

“Launching new services in the hope for a summer peak may be short-sighted and even illogical since it will put even more pressure on the current rate restoration initiatives going on in many key trades,” Dekker said. “Selling vessels may reduce the strain for individual fleets, but the overall fleet size, and therefore the problem, remains. Apart from the obvious cutting of unwanted costs, ocean carriers should review their relationships with customers.”

He also pours water on the idea that carriers, as a whole, have been as close to their customers as they say they’ve been.

“Carriers have previously boasted about the great relationships they have with their customers,” he said. “For Drewry, again, reality doesn’t bear this out. Drewry believes that if carriers had invested more effort in forging good relationships.....



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We really wants good news



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Panamá = Transit Country for International Cargo

YESTERDAY



TODAY



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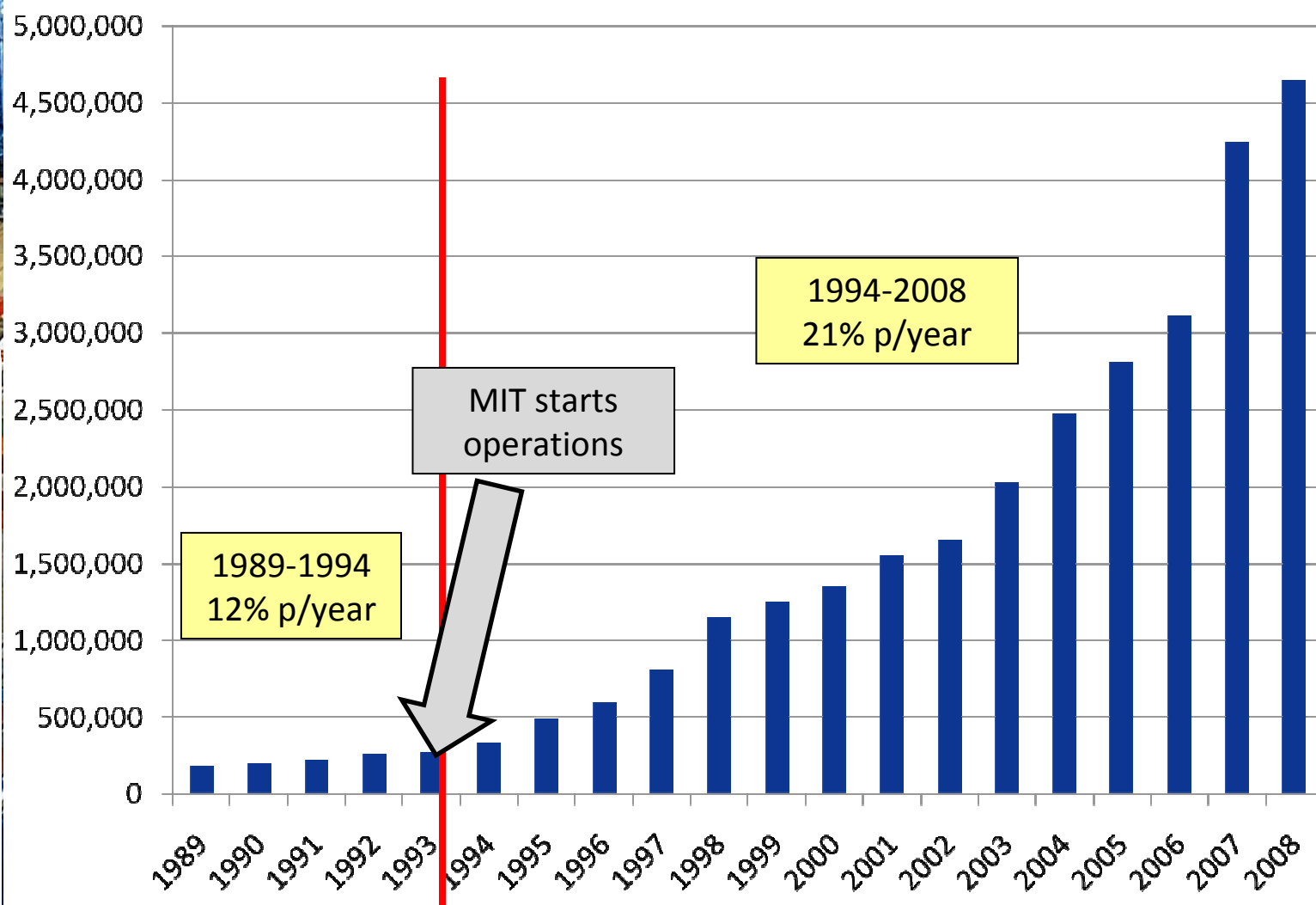
Before & After



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And more container volumes...



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Geographical position of Panama and Benefits



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CLUSTERS



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So now: Maritime and logistics-related companies setting regional offices in Panama



SSA International
A Carriz Enterprise



WÄRTSILÄ

APL



EVERGREEN



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80Km Pacific - Atlantic



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Ready for the future!



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Added Value

Key piece for
the Competitiveness



MANZANILLO INTERNATIONAL TERMINAL - PANAMA

Direct and fluent communications with all our customers



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= HUB PORT CONNECTIVITY



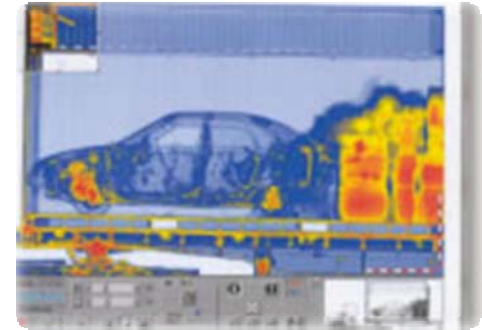
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Provide training for professional workforces



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PROTECTION



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SECURITY

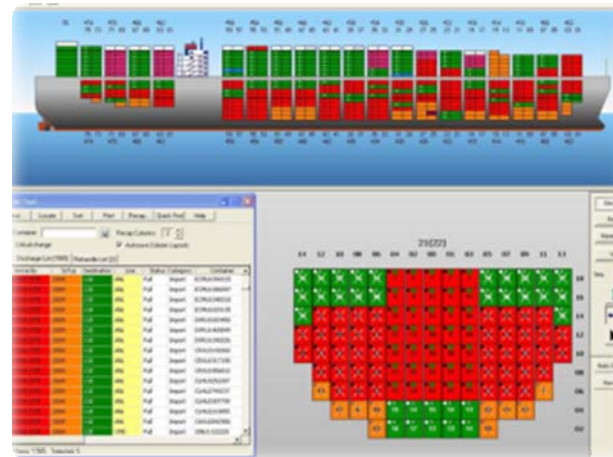


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COMPUTER SYSTEMS

- ✓ Spinnaker (vessel/yard planning)
- ✓ Mainsail (RS6000 database for Gate, Yard and Vessel's operations)
- ✓ MDU's (mobile data units for real-time operation)
- ✓ EDI with Customers
- ✓ Traffic Control for containers dispatch
- ✓ Customs/Quarantine Links (on-line releases)



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Containers Repair



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Active participation in seminars
for exporters, consignees and customers.



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CATERPILLAR in MIT



MANZANILLO INTERNATIONAL TERMINAL - PANAMA

CATERPILLAR in MIT



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MIT Logistic Park



36,000 m² capacidad de bodega existente
90,000 m² of capacidad de bodega proyectadas



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SERVICES FOR LOCAL CARGO



Pre-Gate handling facility

- Including offices for government authorities



Dedicated gate for rail cargo operations



Off-dock empty yard



Dedicated gate for Colon Free Zone cargo



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Impact on the community

Close to \$5M invested in CSR programs since 1995

- Main projects focused on Health & Education
- IT and languages classrooms
- Restoration of public schools, sport venues and city's landmark places

New Hospital for the City of Colon



Restoration of Sports Venues



Shelter for IV-positive Children



Backpacks for School Children



So now: Panama as maritime and distribution hub

- ☐ Panama Canal
- ☐ Efficient ports
- ☐ Intercontinental railroad
- ☐ World's 2nd biggest Free Trade Zone
- ☐ New Atlantic-Pacific highway
- ☐ New value-added logistics projects in the pipeline



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Panamanians as exportable labor force

- ❑ SSA expats from Panama now running operations in Chile, Colombia and Mexico. They have also toured Iraq





So what is next

- ☐ Infrastructure development
- ☐ Industrial ports to save on transport cost.
- ☐ Logistics- package deal
- ☐ Training- contribution to the economy
- ☐ “ Gut feeling”
- ☐ Bamboo syndrome



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Good news.....



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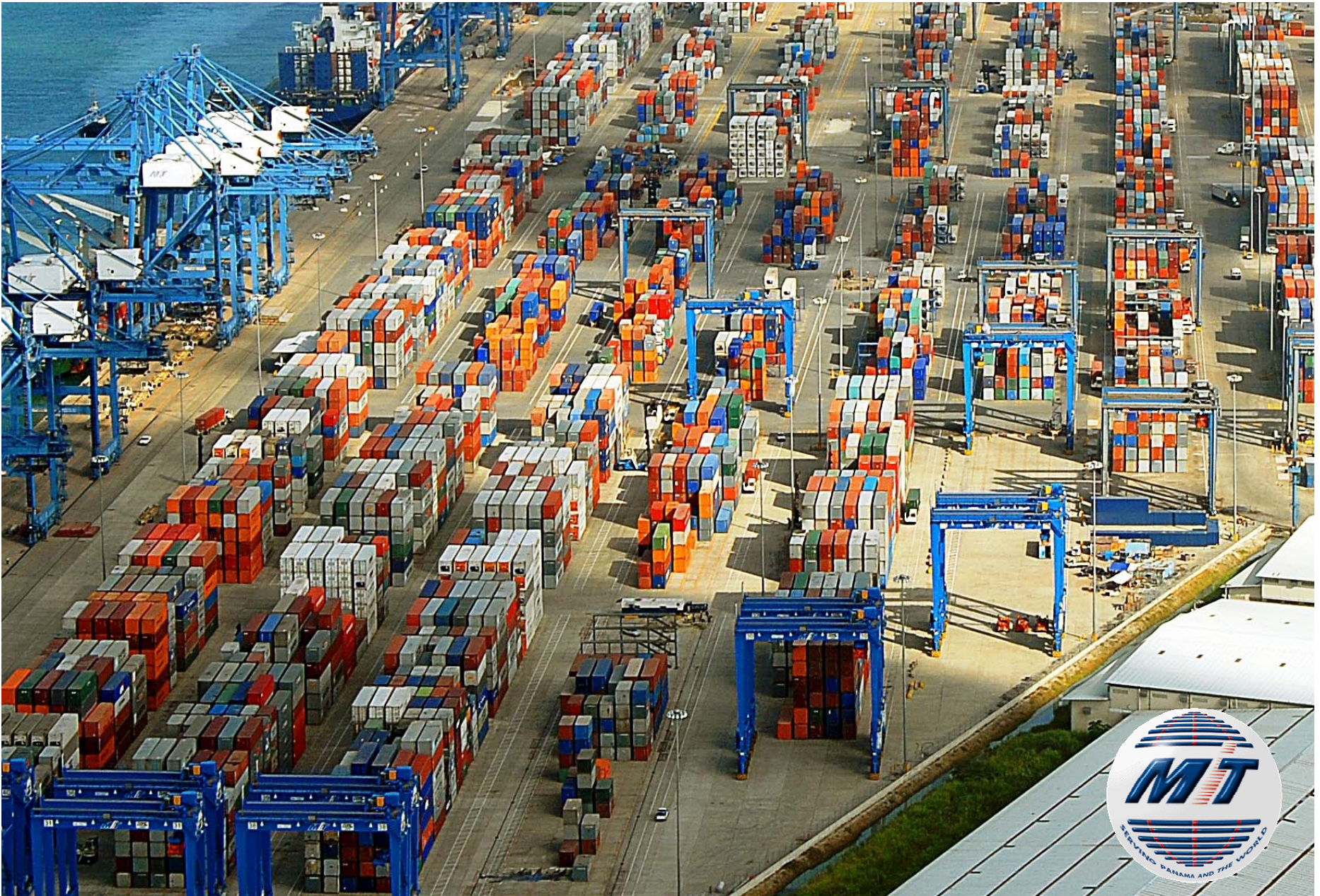
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THANKS

SMITCO



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