

The Outlook for Sea Trade in The Americas

XVIII Latin American Congress of Ports

July 8-10 2009

Biltmore Hotel, Coral Gables, FL

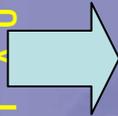
USA



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

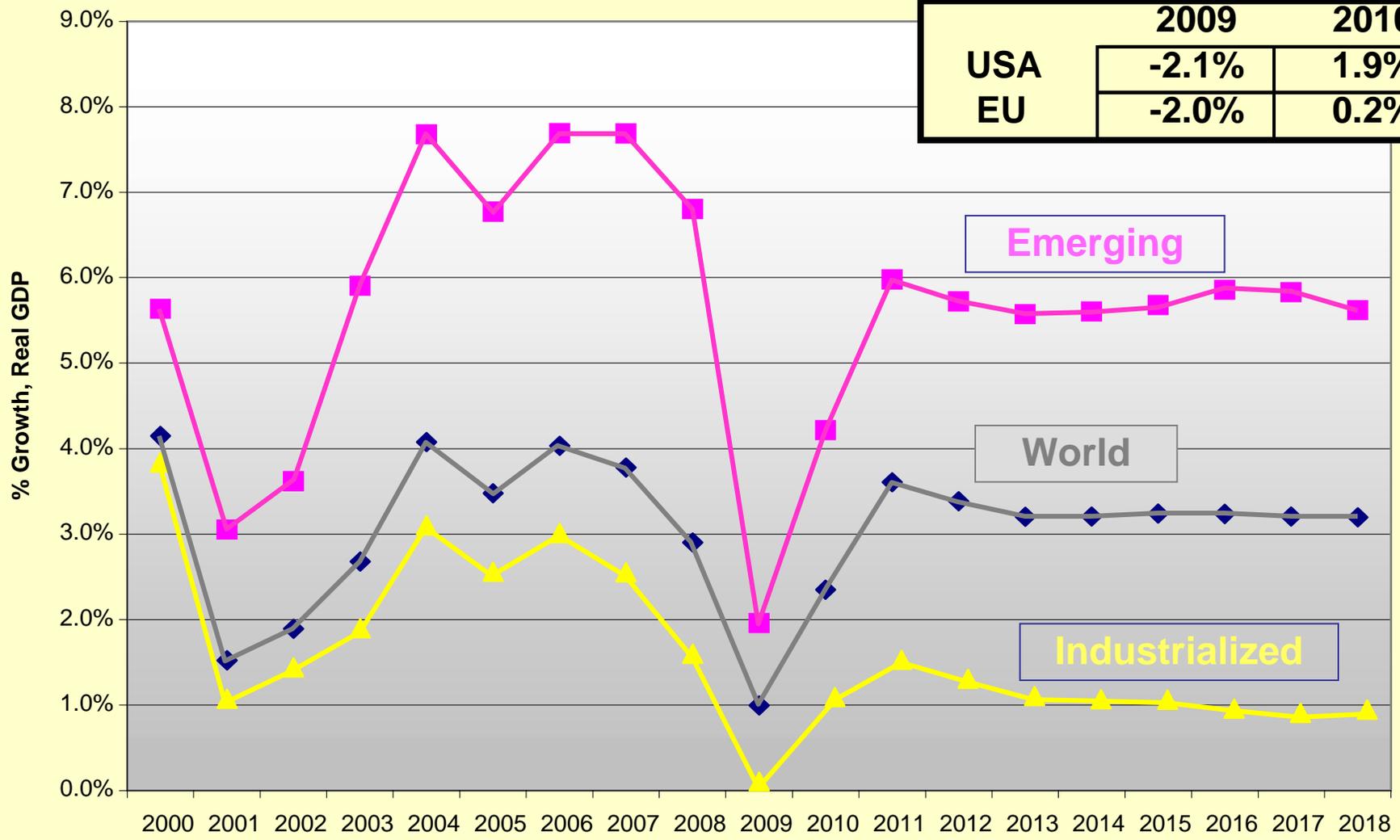
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Agenda



- What have we just been through?
- What can we expect now?
- Conclusions, the bottom line

Emerging markets are holding up the world outlook. ALL of the industrialized countries are basically in recession in 2009.



	2009	2010
USA	-2.1%	1.9%
EU	-2.0%	0.2%

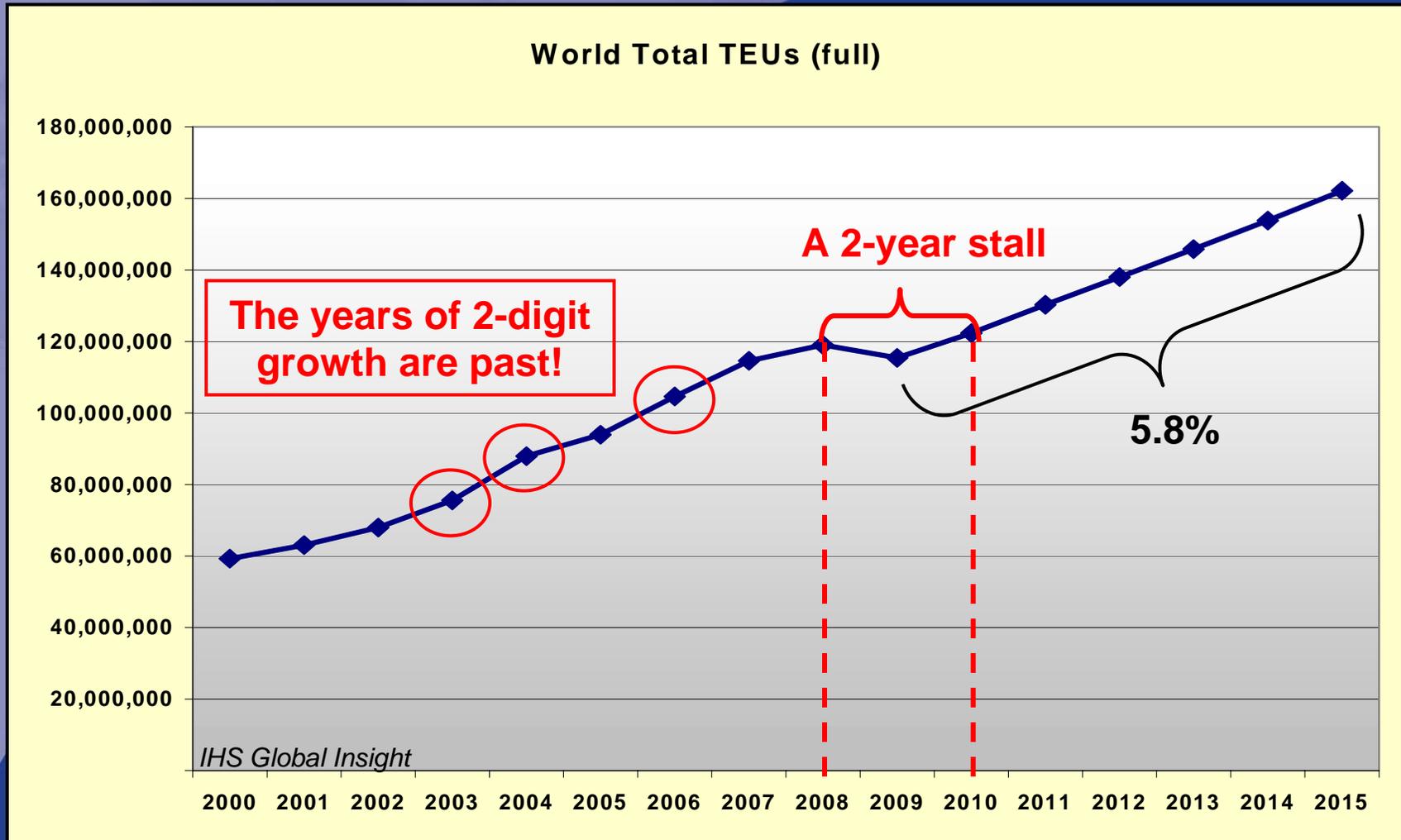
Source: IHN Global Insight & Halcrow



Economically, we have hit bottom.

- There will continue to be lots of bad news
 - All in the past
- The major banks are now fairly healthy
 - USA (19), Colombia, Mexico, Brazil
- Lending is increasing, even to small businesses
- Businesses have no inventories now
- Shipping lines are reducing laid-up capacity
 - Currently 9.7%
 - Yes, this might be seasonal
- Cruise lines are moving prices up: bit by bit

World container trade is still in a slump, but 2010 will bring signs of life, if not sooner.

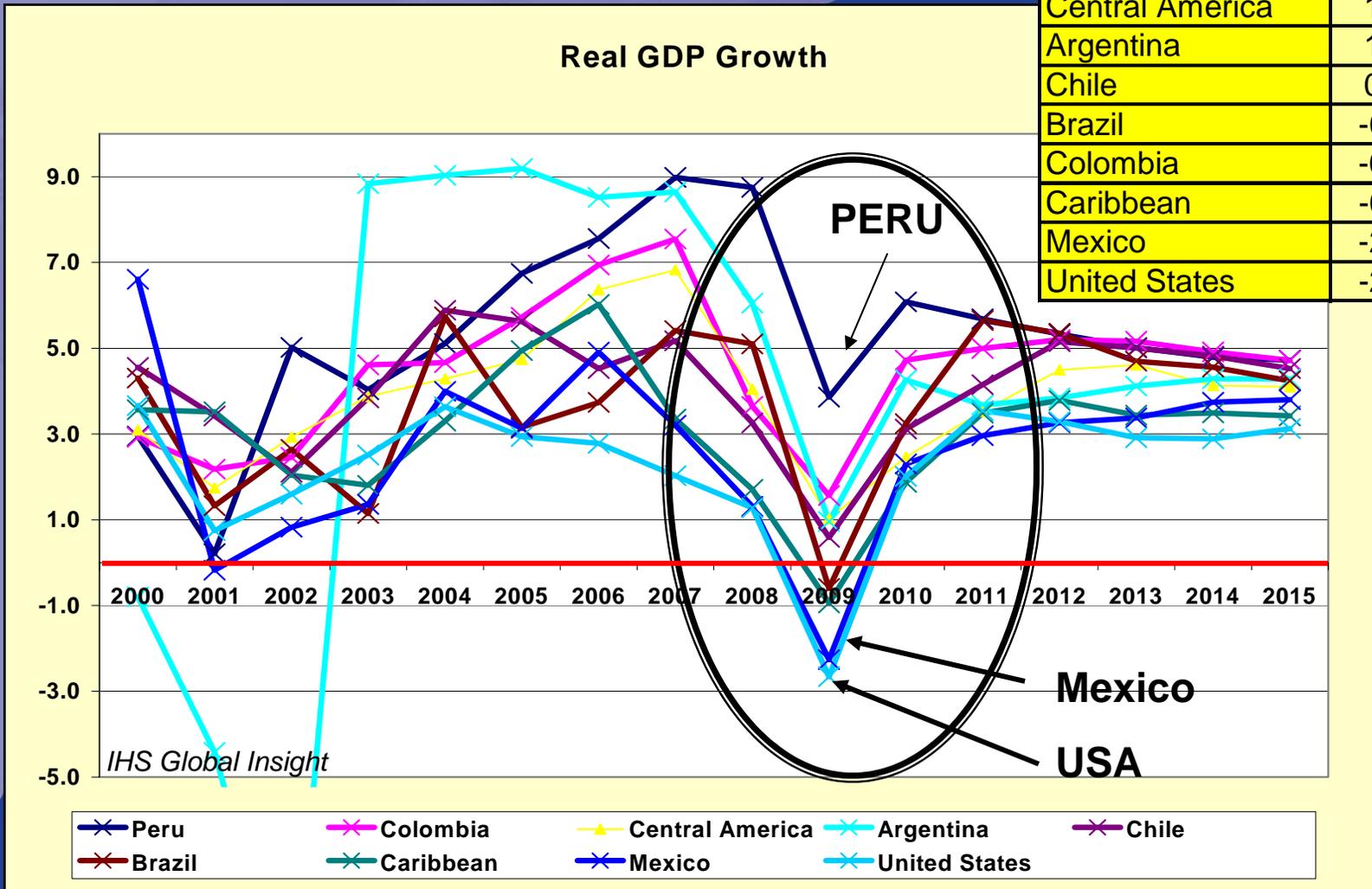


Agenda

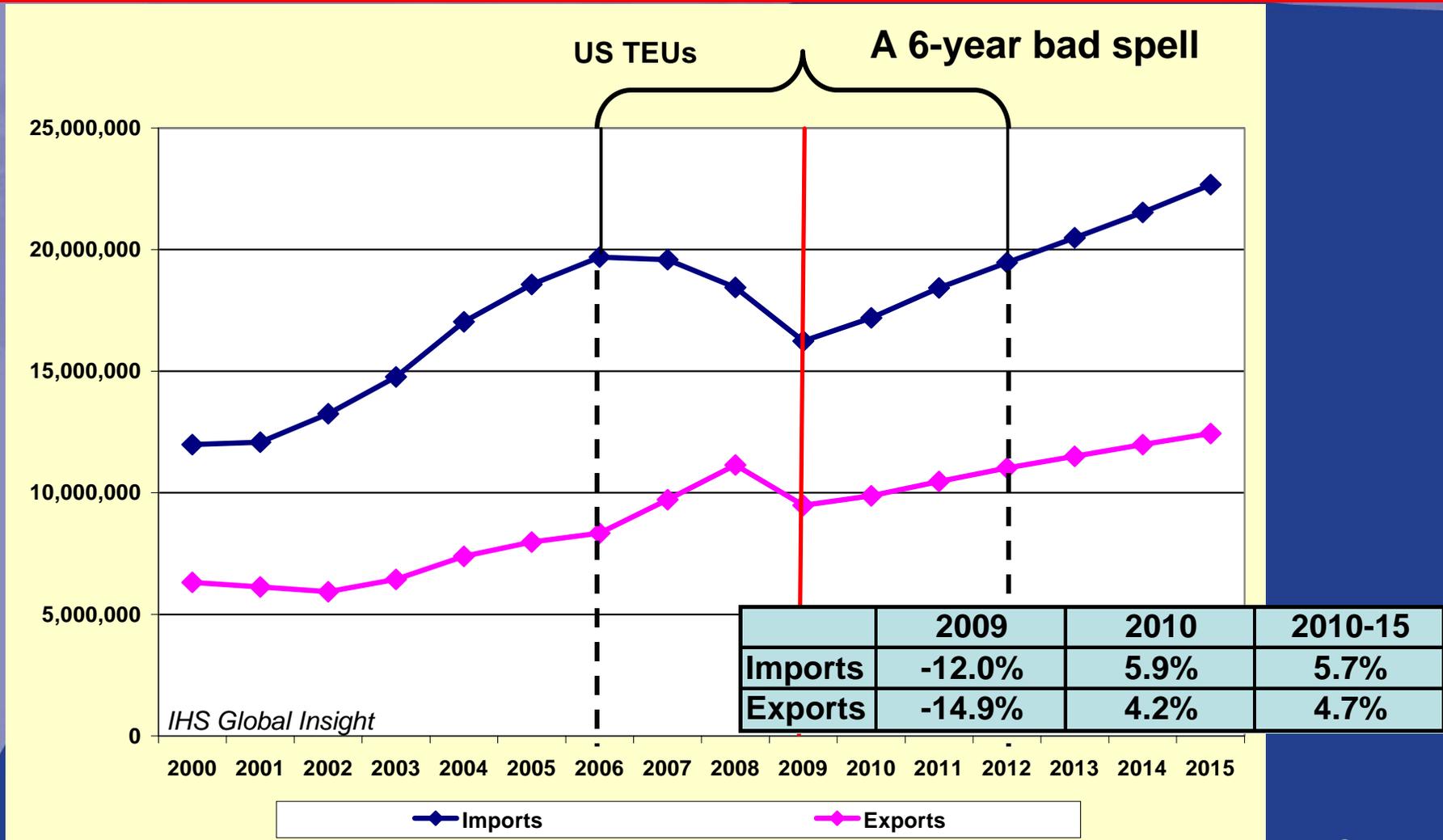
- What have we just been through?
 - ➔ – Where are the good routes? - and the bad ones!
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No, this is NOT your lunch!!

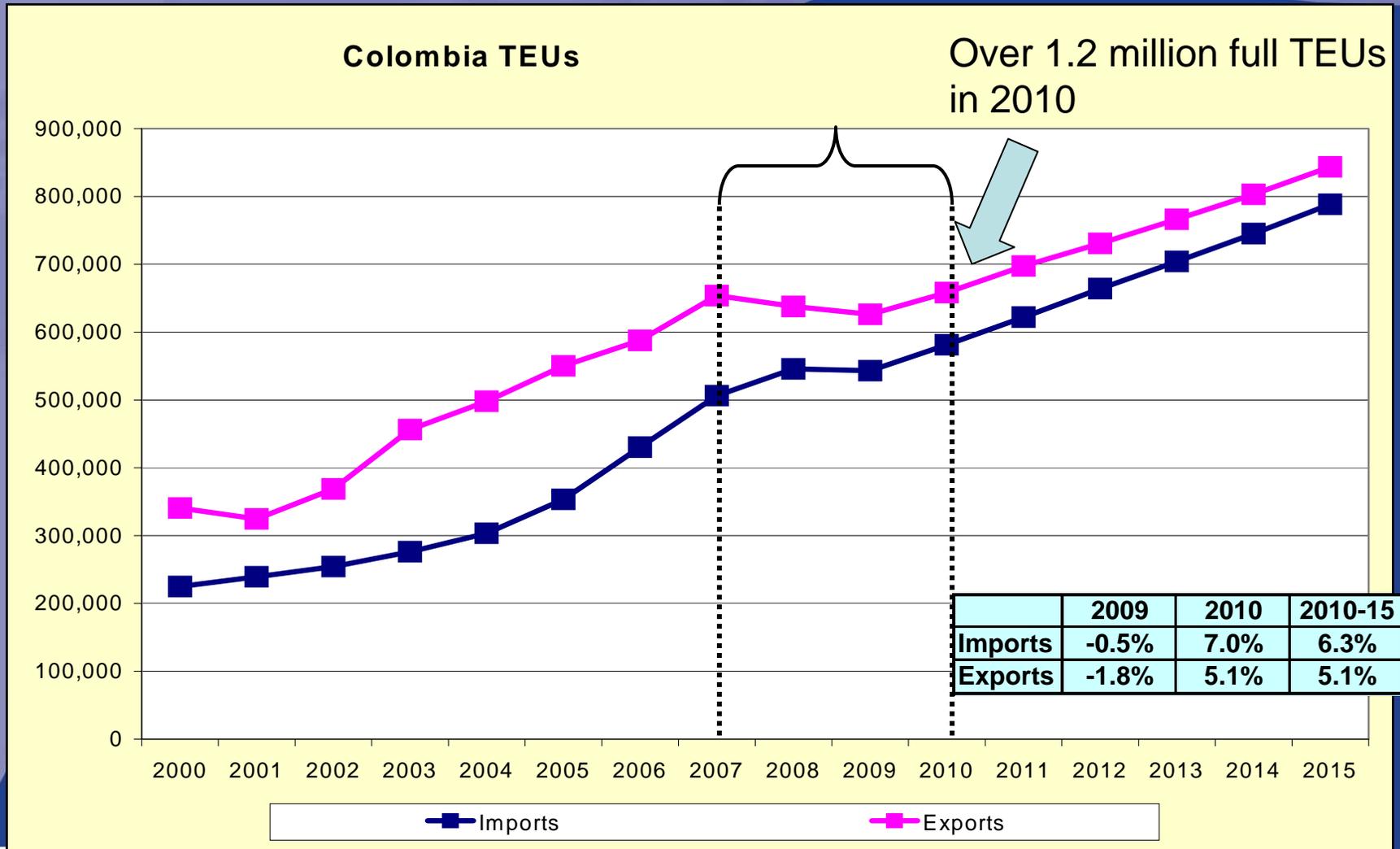
Country/Region	2009	2010
Peru	3.9	6.1
Central America	1.0	2.5
Argentina	1.0	4.3
Chile	0.6	3.1
Brazil	-0.6	3.2
Colombia	-0.7	4.7
Caribbean	-0.9	1.9
Mexico	-2.3	2.3
United States	-2.7	2.0



The biggest container market is suffering the biggest downturn! The USA.



For Colombia, the domestic market will revive in 2010, pushing up imports.



Venezuela – not a pretty picture

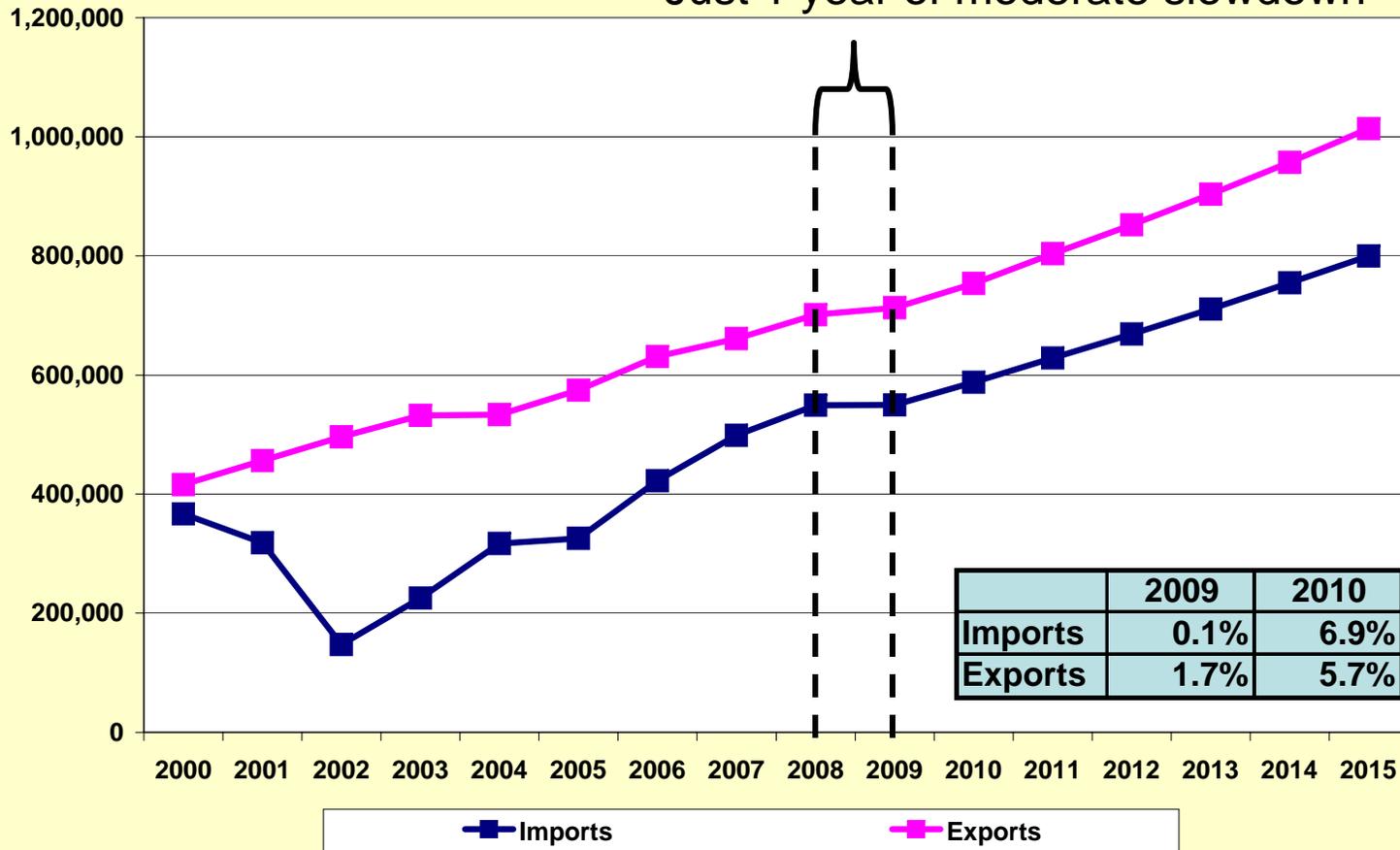
- **Economic drop in 2009: -5.6%**
- **Worse in 2010: -6.4%**
- **Budget deficit growing from zero to 6% of GDP.**
- **Keeping gasoline at US\$.30/gal costs US\$10 Billion per year.**
- **Deficit spending will fuel 40% inflation by year-end.**
- **Declining incomes, weaker Bolivar**
- **Bank takeover: BIV**
- **Still strong import prospects, but for the wrong reasons!**



Argentina weathers the storm!

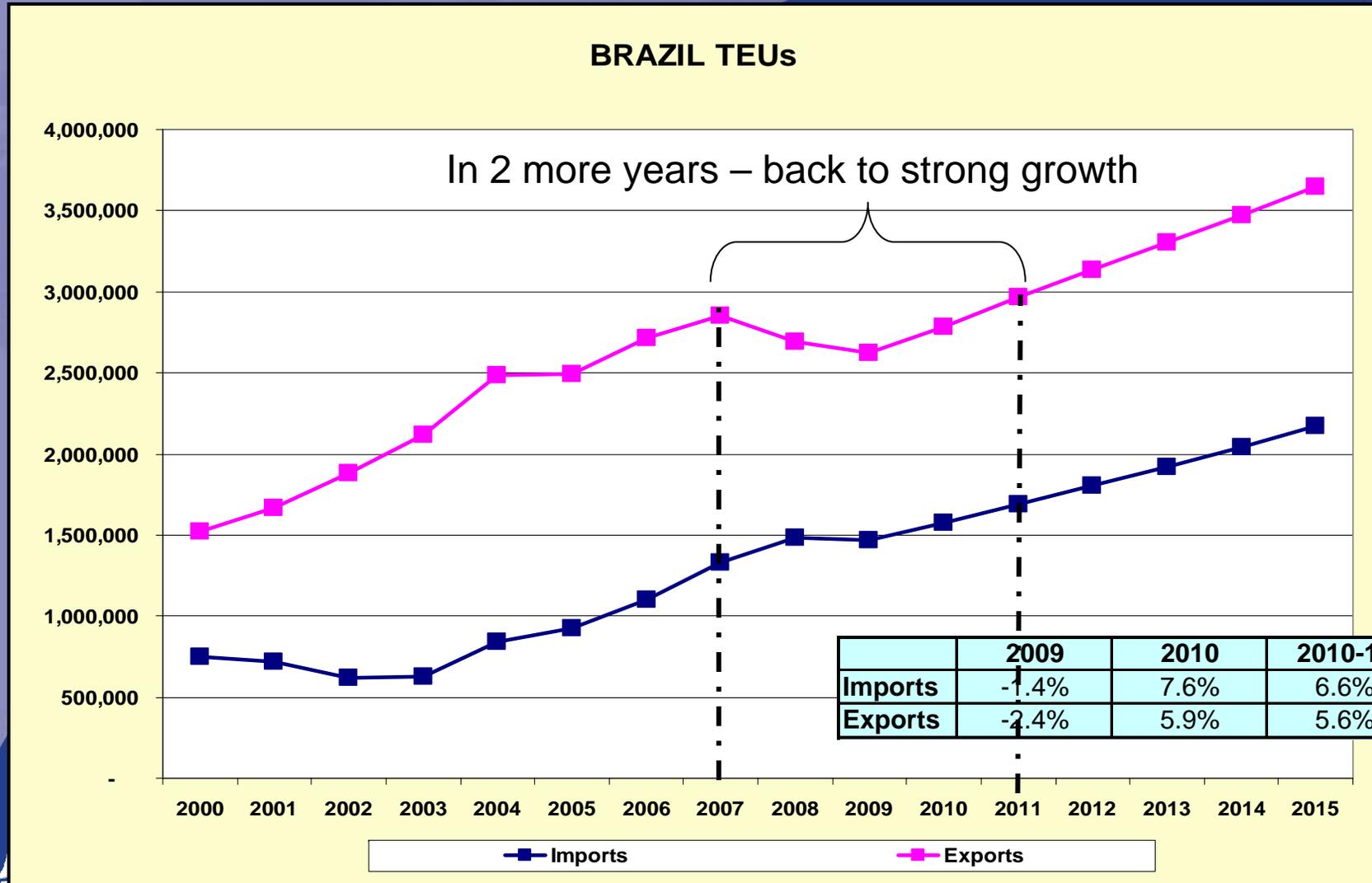
ARGENTINA TEUs

Just 1 year of moderate slowdown



	2009	2010	2010-15
Imports	0.1%	6.9%	6.4%
Exports	1.7%	5.7%	6.1%

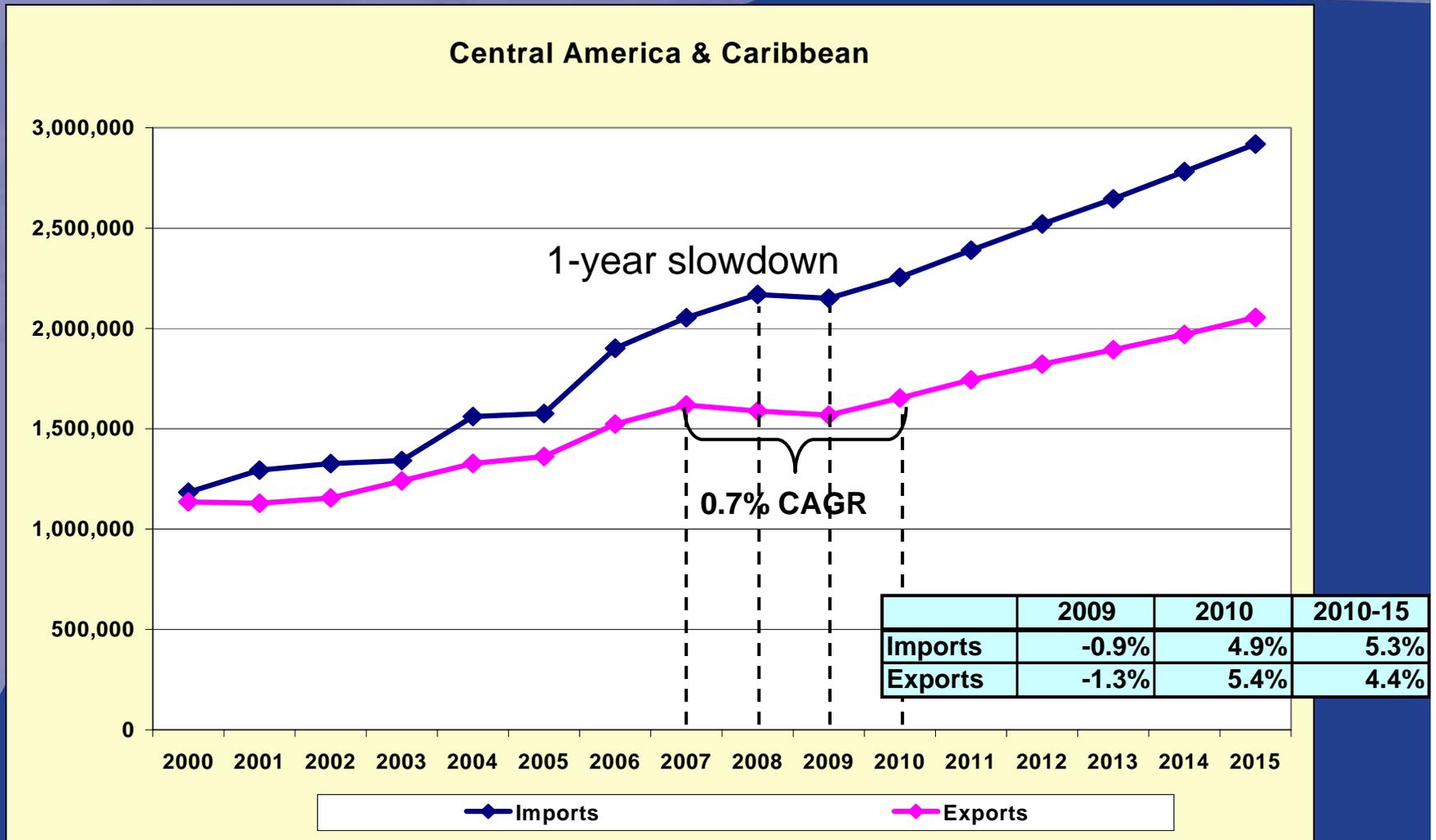
Brazil's exports have been suffering – but, “We have hit bottom.”



Central America: Up's and (mainly) Down's

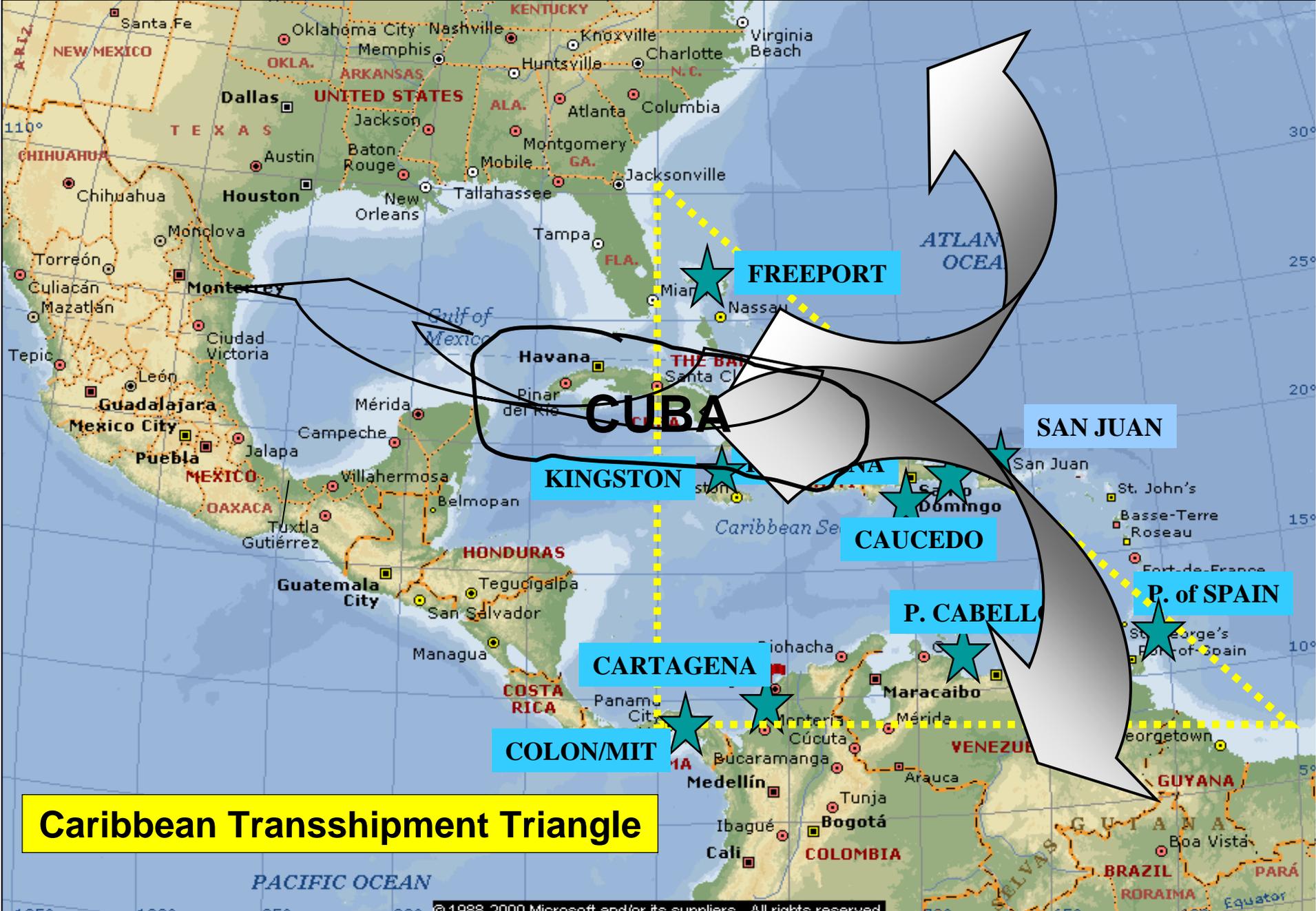
- Panama
 - One of the fastest growing this year and next
- Costa Rica
 - Hurt by semiconductor downturn, weak '09 and '10, possible Atlantic port development. Big energy investment.
- Nicaragua
 - A disaster in slow motion
- Honduras
 - Weak maquiladora growth, but Cortes investments will hold up
 - Democracy or something else? Temporary or permanent?
 - Big Roatan developments
- Guatemala
 - Remittances are down, -0.6% real GDP growth in 09
 - Rosenberg – Colon?

Central America and the Caribbean – a small dip in both imports and exports this year.



ES

The best transshipment options are now becoming clear.



Caribbean Transshipment Triangle

Cuba: now and maybe



NOW

- Tourism
- Remittances

MAYBE

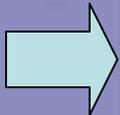
- US Exports – ag, building materials, consumer goods, technology
- Immediate export potential (reefer) to USA
- New maquiladora haven? China at our doorstep?
- New transshipment hub for the Americas?
 - Deep water (200m)
- Possible development of Mariel for cargo, Havana for cruise

Accomplishments under Raul to date

- Shorter speeches
- The soap operas start on time
- Cubans can buy cell phones & DVDs, and stay at hotels, so long as they have the money.
- Showing modest change by taking small steps – very slow but in the right direction.

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Conclusions

- It should not get worse from here.
 - But the news will sound terrible!
- The economic picture will improve before the shipping volumes, but 2010 will see positive growth in both.
- The “big opening” with Cuba may start in 2009 in earnest.
- **Now**, when everything seems so bad, is the time to plan your strategy to capture market share.