



**MERCATOR**  
INTERNATIONAL LLC  
*Logistics & Infrastructure Advisors*



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

# 99<sup>th</sup> AAPA Annual Convention North American Container Ports – A Brief Outlook September 2010





## Overview of Discussion



- ☐ **Current Demand/Supply Imbalances - USA and Canada**
- ☐ **Pending Changes in Liner Shipping Economics**
- ☐ **Near-term Growth in Key Trade Lanes**
- ☐ **Key Infrastructure Challenges for Container Ports**



## ***Current Demand/Supply Imbalance: Pacific Northwest***



- ☐ **Ports = Prince Rupert, Vancouver, Seattle, Tacoma, Portland**
- ☐ **Terminals = 17**
- ☐ **Approximate regional capacity = about 11.5 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 6.3 million TEUs**
- ☐ **Estimated regional capacity utilization = about 55%**



## ***Current Demand/Supply Imbalance: Pacific Southwest***



- ☐ **Ports = Oakland, Los Angeles, Long Beach**
- ☐ **Terminals = 20**
- ☐ **Approximate regional capacity = about 25.0 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 16.3 million TEUs**
- ☐ **Estimated regional capacity utilization = about 65%**



- ☐ **Ports = Freeport, Houston, New Orleans**
- ☐ **Terminals = 7**
- ☐ **Approximate regional capacity = about 3.7 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 2.4 million TEUs**
- ☐ **Estimated regional capacity utilization = about 65%**

- ☐ **Ports = Gulfport, Mobile, Tampa**
- ☐ **Terminals = 3**
- ☐ **Approximate regional capacity = about 1.5 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 0.5 million TEUs**
- ☐ **Estimated regional capacity utilization = about 33%**



## ***Current Demand/Supply Imbalance: South Atlantic***



- ☐ **Ports = Miami, Port Everglades, W. Palm Beach, Jacksonville, Savannah, Charleston, Wilmington (NC)**
- ☐ **Terminals = 17**
- ☐ **Approximate regional capacity = about 11.6 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 7.5 million TEUs**
- ☐ **Estimated regional capacity utilization = about 65%**



## ***Current Demand/Supply Imbalance: US North Atlantic***



- ☐ **Ports = Hampton Roads, Baltimore, Wilmington (DE), Chester, Philadelphia, NY/NJ, Boston**
- ☐ **Terminals = 17**
- ☐ **Approximate regional capacity = about 13.5 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 8.5 million TEUs**
- ☐ **Estimated regional capacity utilization = about 63%**

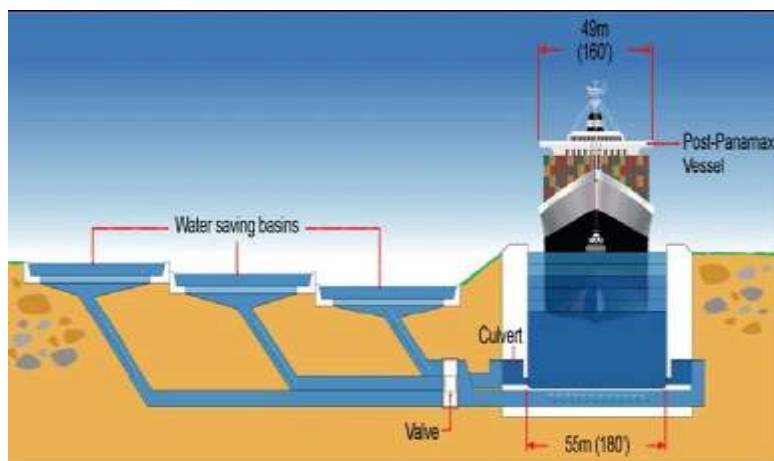


- ☐ **Ports = Saint John, Halifax, Montreal**
- ☐ **Terminals = 6**
- ☐ **Approximate regional capacity = about 3.4 million TEU/year**



- ☐ **Estimated regional throughput (2010) = about 1.9 million TEUs**
- ☐ **Estimated regional capacity utilization = about 56%**

## NEW LOCKS



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## **Bunker Price Trends since 2000**



Source: Weekly US Spot Price from US Energy Information Administration

## **Far East – Panama – USEC Slot Costs by Ship Size**

Source: Mercator Analysis

<b>Vessel Class TEU Size Range</b>	<b>RT Vessel &amp; Fuel Slot Cost Per FEU</b>	<b>Difference from Panamax Class</b>	<b>Percentage Savings</b>
<b>5000 (Panamax)</b>	<b>\$2,440</b>	—	—
<b>6000</b>	<b>\$2,115</b>	<b>\$325</b>	<b>-13%</b>
<b>8000</b>	<b>\$2,000</b>	<b>\$440</b>	<b>-18%</b>
<b>10000</b>	<b>\$1,780</b>	<b>\$660</b>	<b>-27%</b>
<b>12500</b>	<b>\$1,750</b>	<b>\$690</b>	<b>-28%</b>



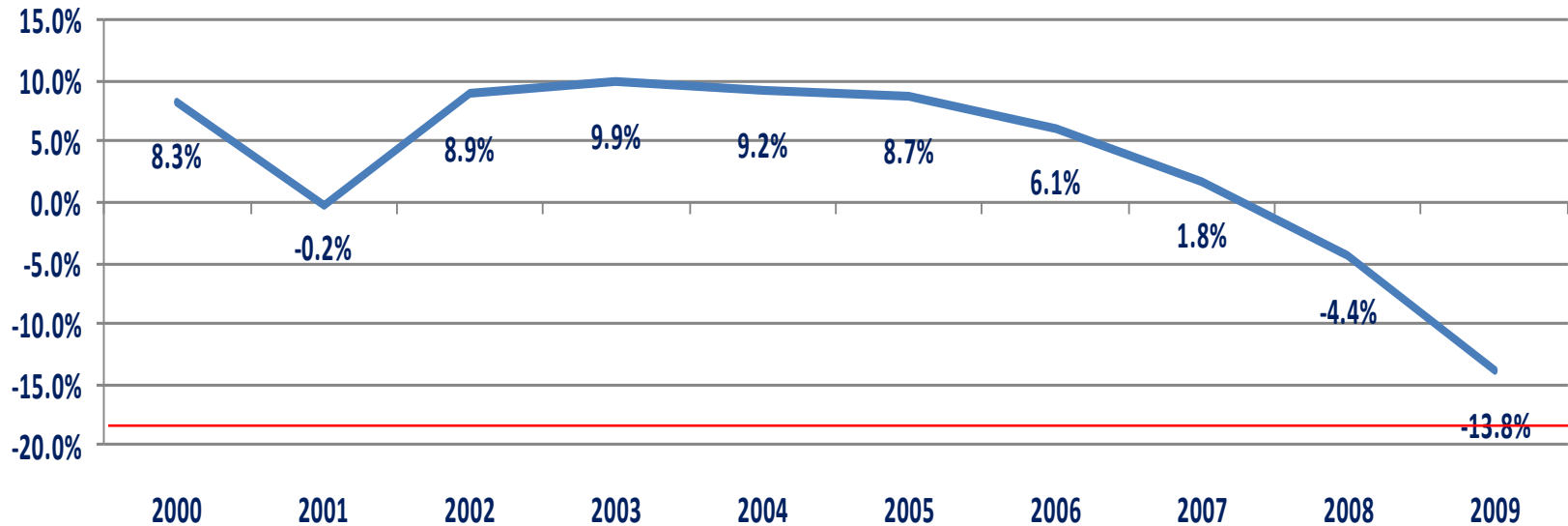


## *Near-Term Growth Outlook: Recent Volume History*



### **USA and Canadian Port Volume Year to Year Growth Rates**

Source: AAPA

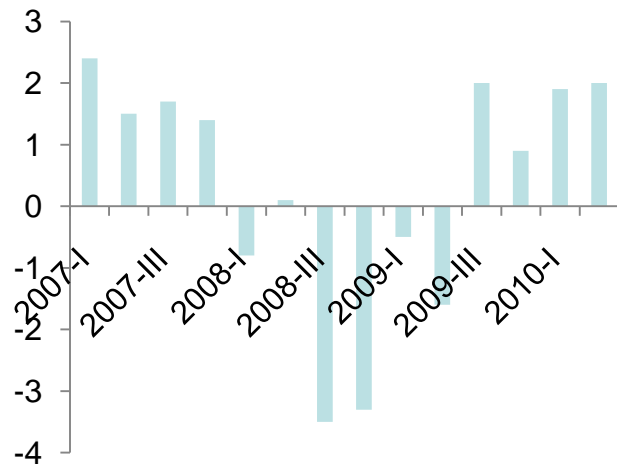




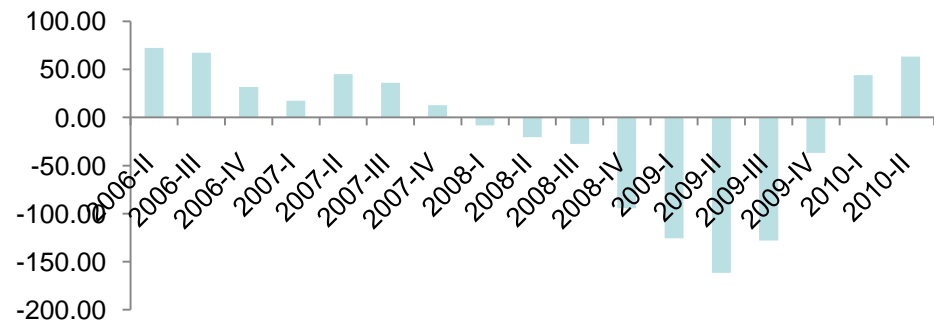
## Near-Term Growth Outlook: Current Drivers??



### Consumer Spending



### Inventory Spending





## Near-Term Growth Outlook: Key Trades by Region

