



MERCATOR
INTERNATIONAL LLC
Logistics & Infrastructure Advisors



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

99th 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%**

- ❑ **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**



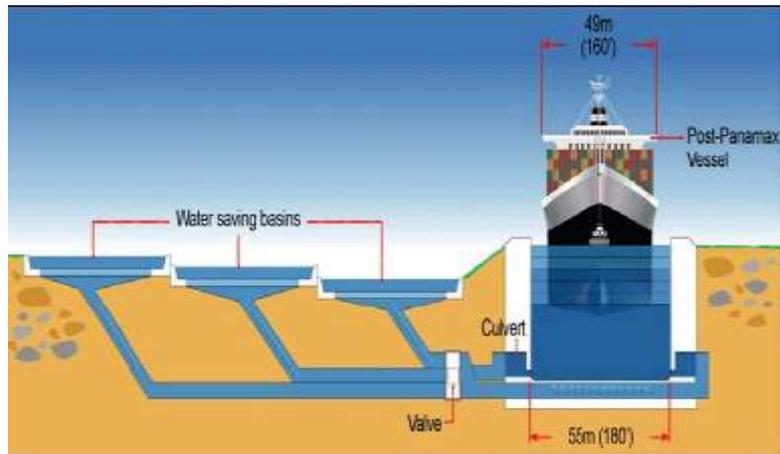
- ❑ **Estimated regional throughput (2010) = about 8.5 million TEUs**
- ❑ **Estimated regional capacity utilization = about 63%**

- ❑ **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%**

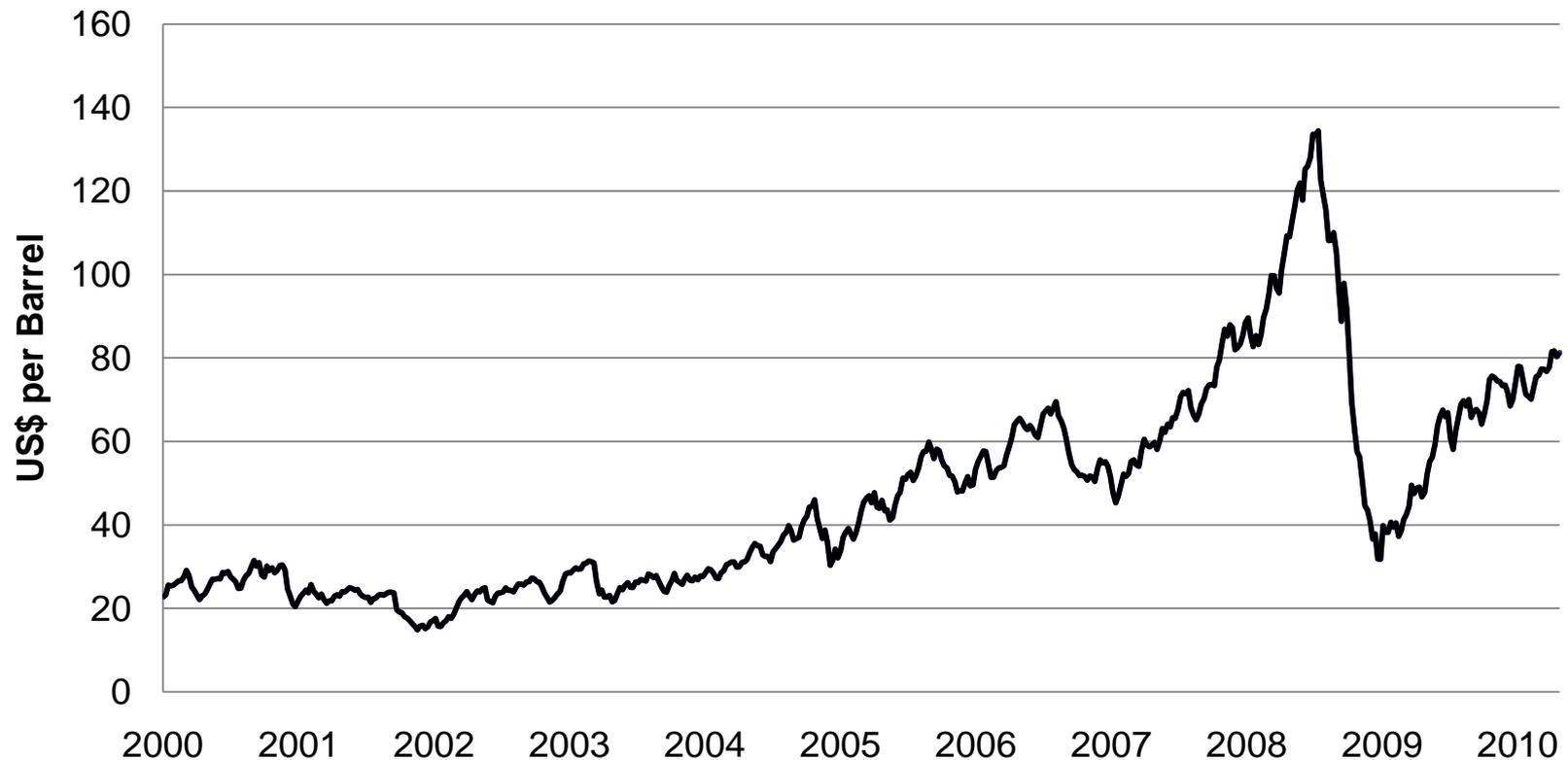
NEW LOCKS



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Bunker Price Trends since 2000



Source: Weekly US Spot Price from US Energy Information Administration

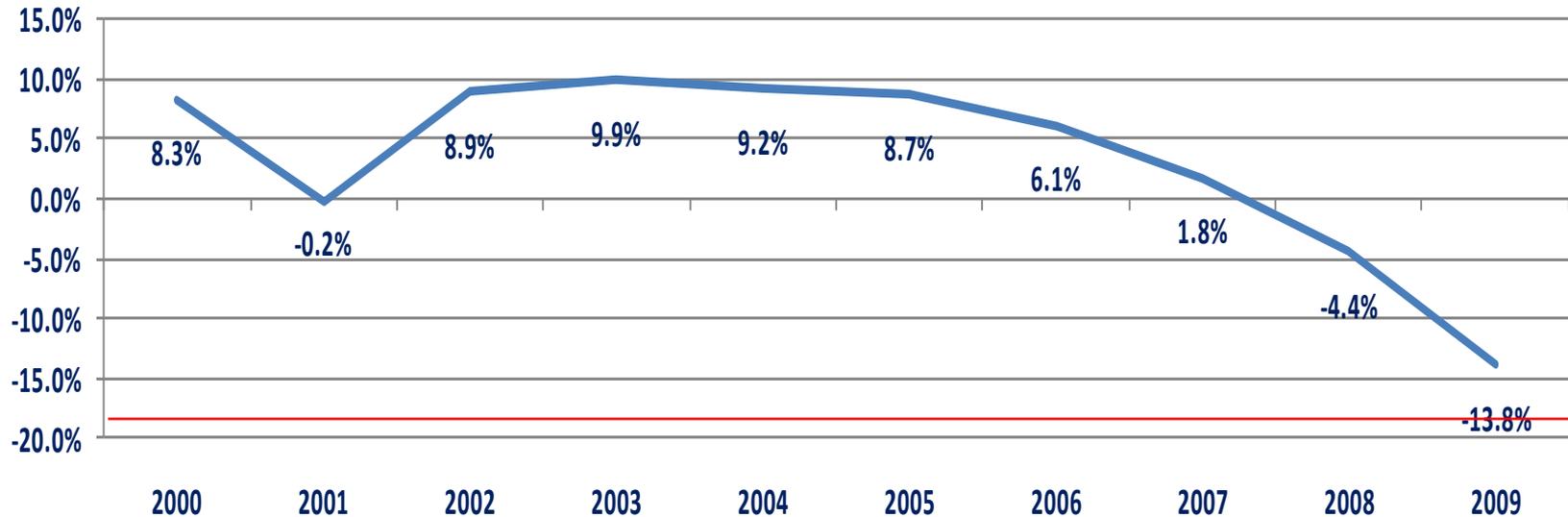
Far East – Panama – USEC Slot Costs by Ship Size

Source: Mercator Analysis

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

USA and Canadian Port Volume Year to Year Growth Rates

Source: AAPA

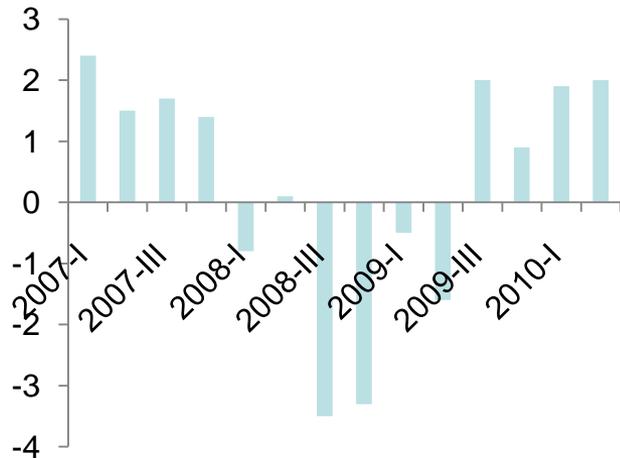




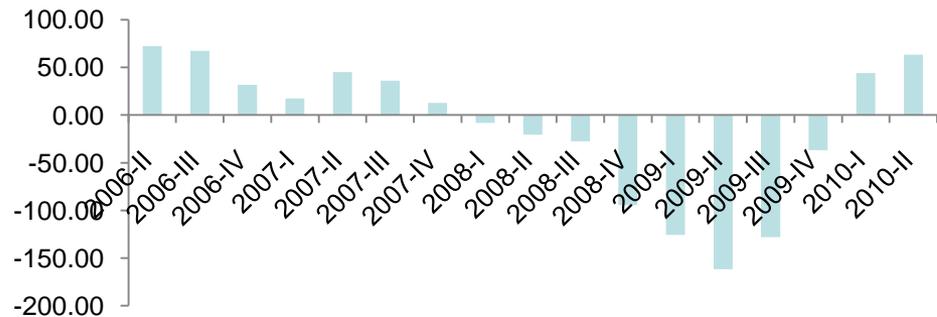
Near-Term Growth Outlook: Current Drivers??



Consumer Spending



Inventory Spending





Near-Term Growth Outlook: Key Trades by Region

