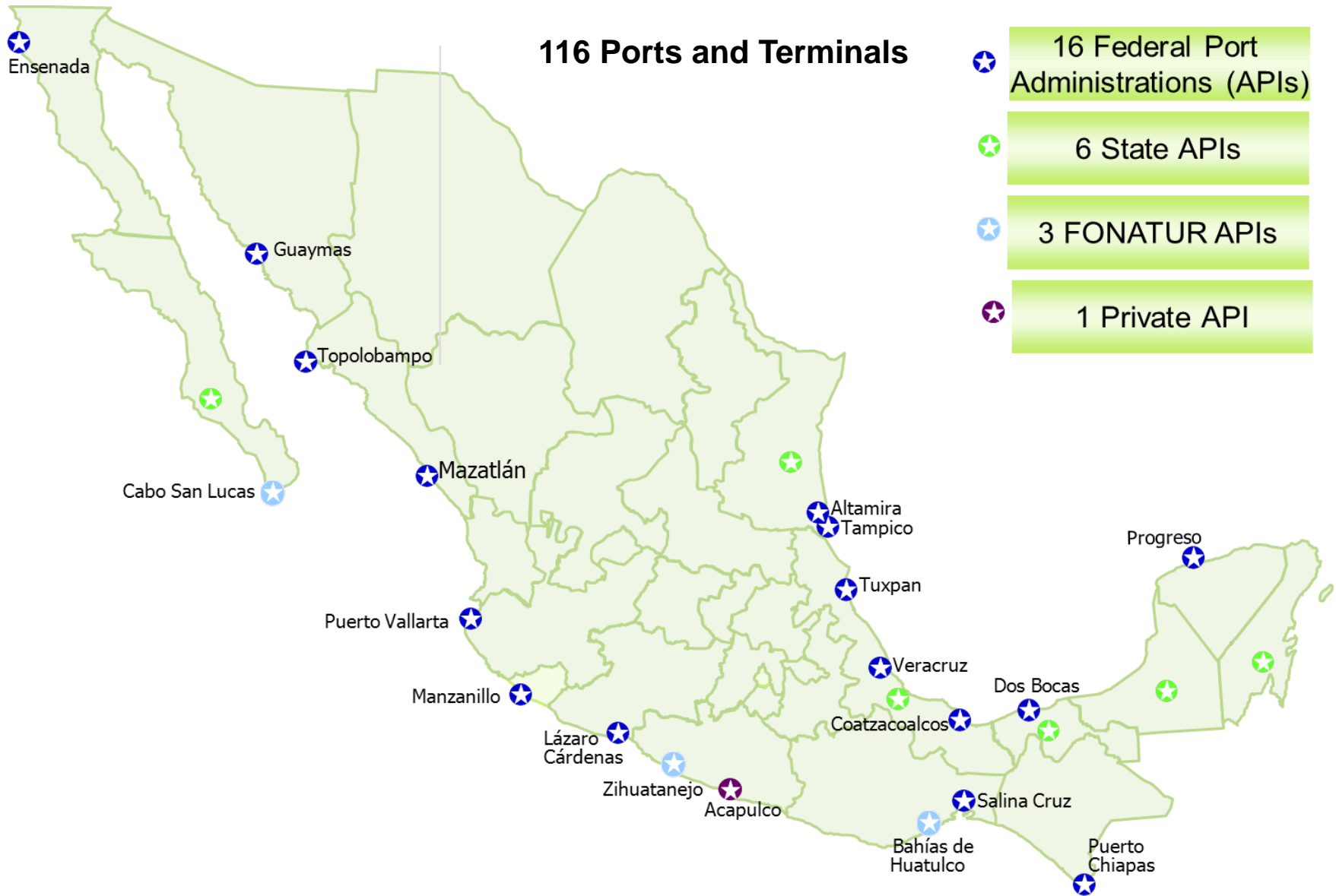


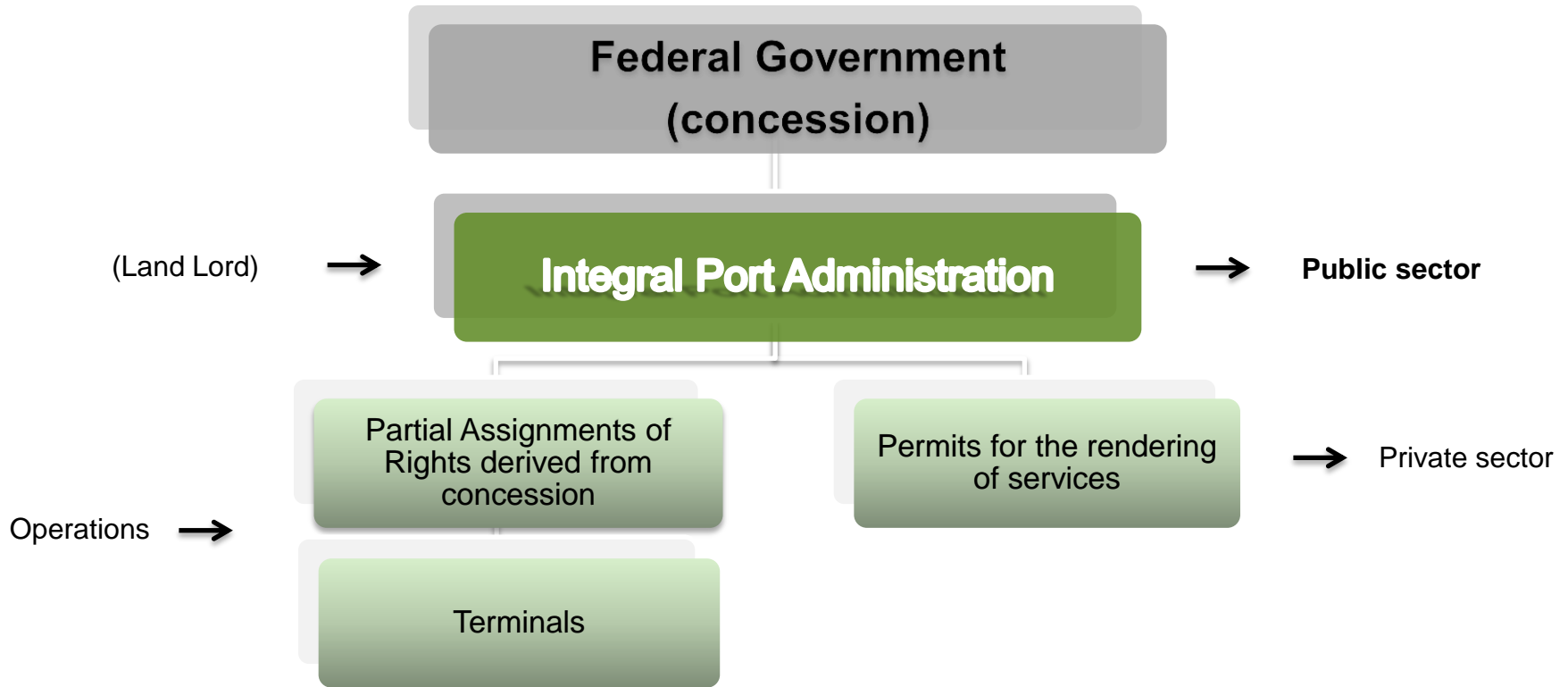
Mexican Port System

116 Ports and Terminals



Change in port policy

Between 1993 and 1994, Mexico changed its port policy by creating a new model, where government kept control of management and planning while encouraging private sector's partnership in construction, equipment, operation and maintenance.

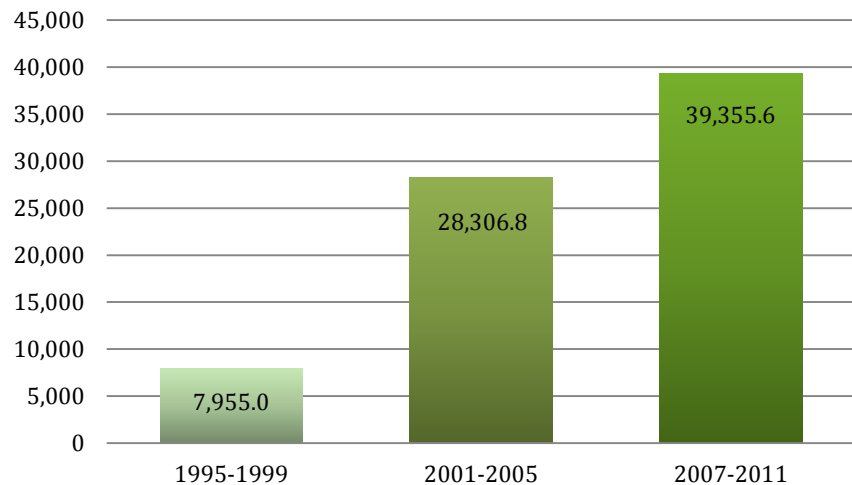


Ports have also become business centers, encouraging the development of value added activities (logistics, manufacturing, etc.) in the surrounding areas.

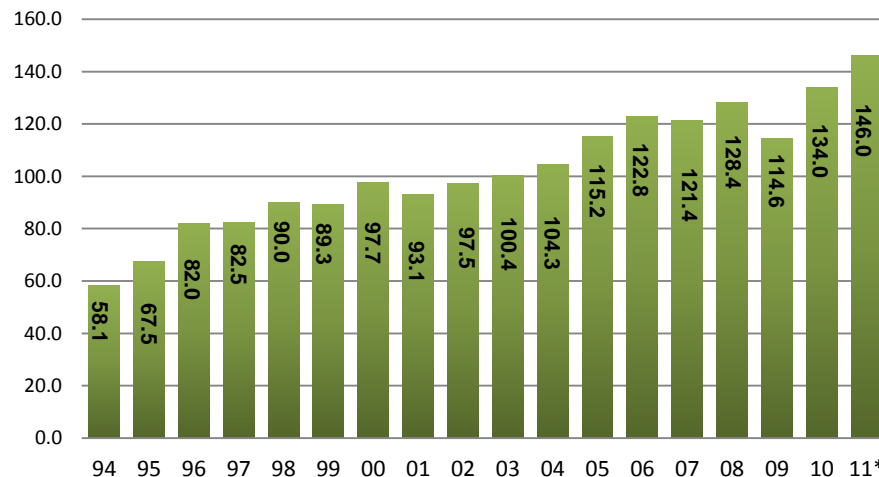
Outcome of the new model

- Development of industrial and business parks (Altamira, Mazatlan y Lazaro Cardenas)
- Logistic areas (Veracruz and Guaymas)
- Value added activities and manufacturing
- Development of specialized port facilities and infrastructure
- Growth of investment and cargo

Investment
First 5 years of presidential periods
(millions of pesos)



Commercial cargo
(millions of tons)
TCPM 1994-2010 = 5.4%

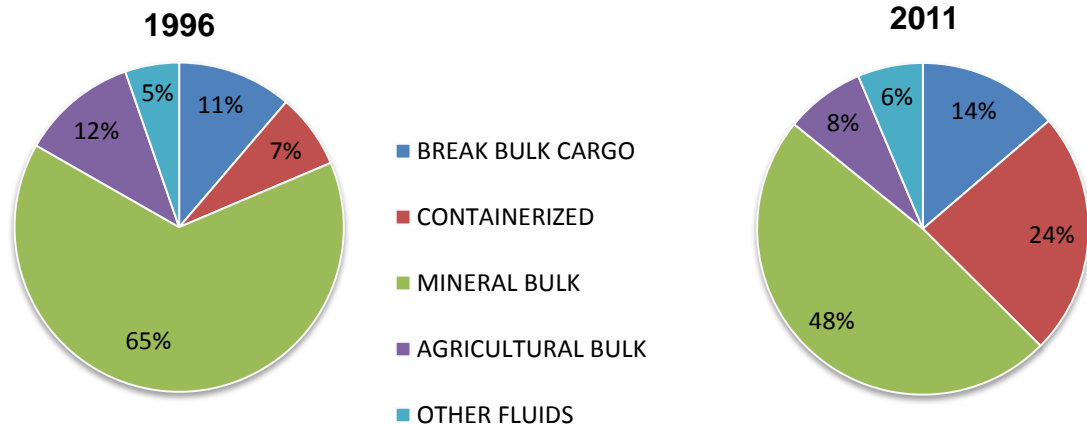


Commercial cargo

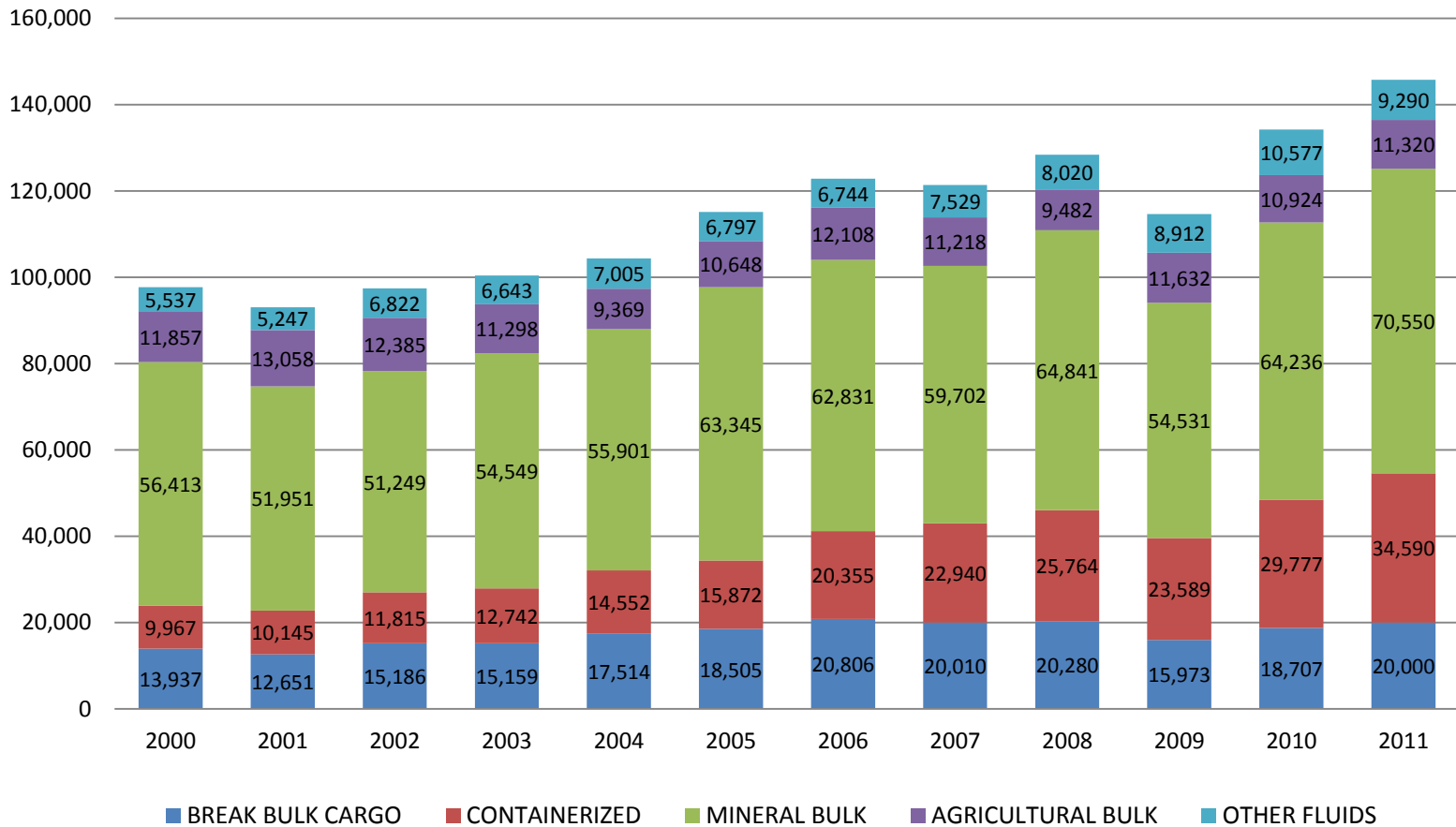
- Steady growth since increase since 1995.
- The mineral cargo has had a constant increase, although it has lost share in the total cargo, it still represents 50% of it.
- Container cargo has grown from 7% in 1996 to 24% in 2011 share of commercial cargo and it has had an average rate of annual growth of 15% since 1996.

Average rate of annual growth (1996-2011)

Break-bulk: 5%
Containerized: 12%
Mineral bulk: 2%
Agricultural bulk: 1%
Other fluids: 5%

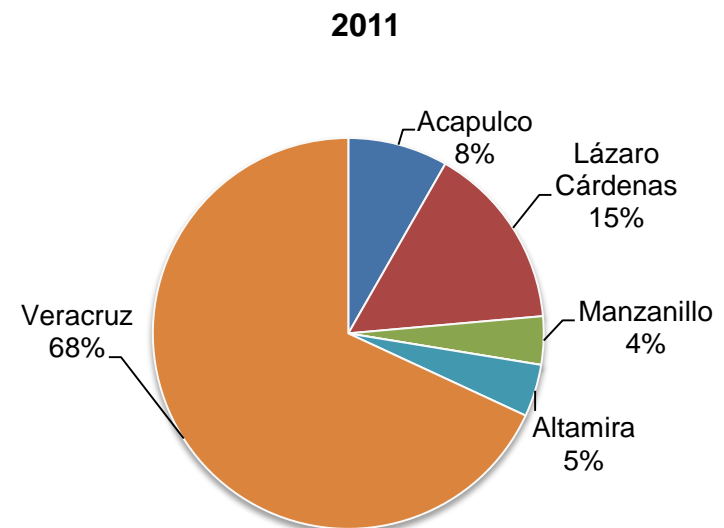
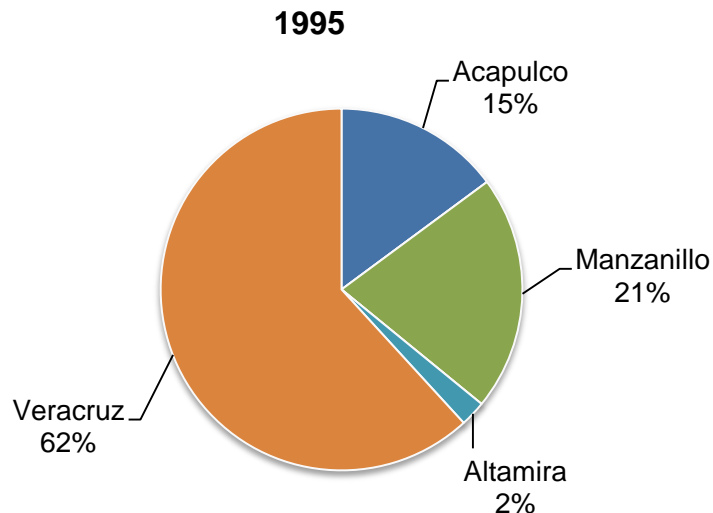


Commercial cargo (thousands of tons)



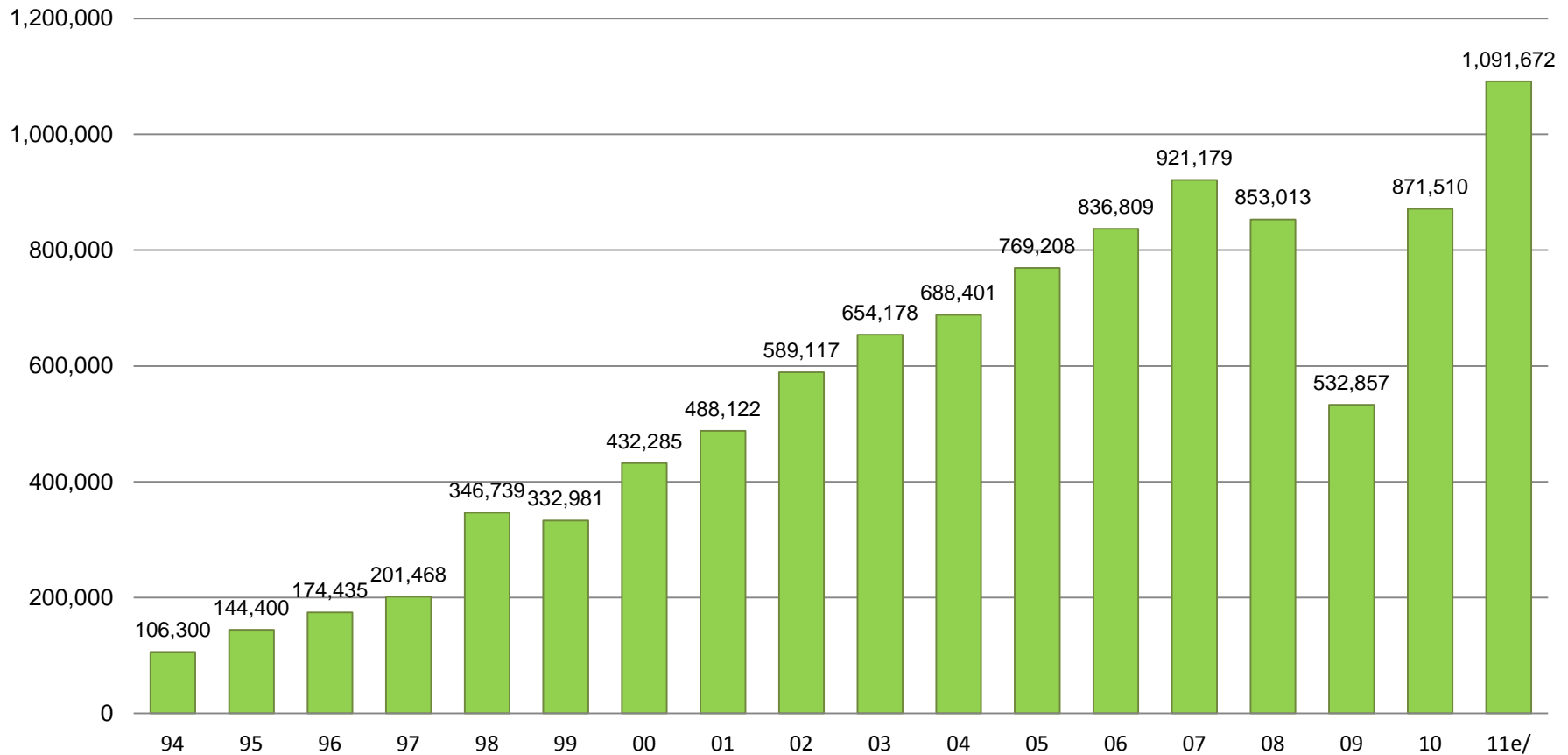
Vehicles

- Average annual growth rate of 12% between 1996 and 2011 (second best, just behind containers)
- Veracruz has been the most important port for this type of cargo; however, other ports like Lazaro Cardenas and Altamira report interesting growth trends
- Between 2003 and 2011, Lazaro Cardenas registered an average rate of annual growth of almost 50%



Cargo movement

Average rate of annual growth (1996-2011) = 12%
(number of vehicles)



Trends in the port and maritime sector

- ❖ **Economies of scale** → capacity of container vessels rapidly increasing
- ❖ **Reconfiguration of trade routes** → primary and secondary routes
- ❖ **Container port development** → (hubs and feeders) Transshipment has become an issue (Lazaro Cardenas, Manzanillo)
- ❖ **Expansion projects** → (Veracruz, Guaymas, Dos Bocas, Coatzacoalcos)
- ❖ **Environmental issues and cost efficient alternatives** → Short Sea Shipping
- ❖ **Regional development vis-à-vis foreign trade**

Concluded port infrastructure projects



Docks 1-5 alignment

- 30.8 million USD (PR)
- Total area: 17,500 m²
- Extra berth position



Cruise terminals and docks

Guaymas (Terminal):
 9 million USD (RP)
 •300 m of length.

Mazatlán (dock):
 •12.8 million USD (RP)
 •200 m of length



Puerto Vallarta (2 docks):
 •21.2 million USD (RP)
 •Increased in 3 times the port capacity.

Manzanillo (dock):
 •7.5 million USD (RP)
 •Allows the reception of 2 cruises of last generation



Container Terminal TEC I
 •285.5 million USD
 • Increase the movement capacity in 600 thousand TEUs



Dredging works:
 • 159.7 million USD



Industrial Facilities
 388.6 millions USD

Marine platform dock
 55 usd



Concluded connectivity projects



Bypass road San José – Puente Douglas

- Bypass 6 km south of the port access
- Total Investment: 3 million USD



Bypass road Altamira

- Benefits: road connectivity to the ports of Altamira and Tampico
- Total Investment: 25.5 millions USD (PR)



Albatros Bridge

- 60.7 million USD (PR)
- Reduce the connection to the *Siglo XXI* highway from 22 km to 8 km



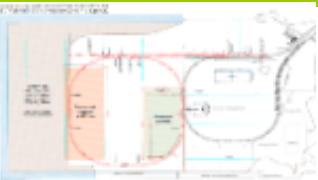
Bypass Km 13.5 Veracruz



Bridge Allende and Morelos, Veracruz

- Total Investment: 48.4 millions USD (PR)
- Reduces traffic in the northern port

Main projects 2011 - 2012



Facility for copper related products
Bidding in process



Multipurpose Terminal
Bidding concluded



Container Terminal TEC II
Bidding process concluded
Car Terminal
Bidding begins march 2012
Multipurpose Terminal
Bidding begins june



Container Facility
Bidding concluded



Port expansion
To begin in 2012
Logistic area
To lease in 2012



Multipurpose terminal
Bidding process concluded
Mineral bulk terminal
Bidding in process



Facility for storing Asphalt and Oil related products
Bidding concludes)

In focus: 2nd Container terminal Lazaro Cardenas

- Construction, operation and exploitation of a container terminal, which will increase total installed capacity from 2 to 5.7 million TEUs per year. It will be a competitive infrastructure to cover the demand of the national and international container activity.

Berth positions:	4
Waterfront (m):	1,485
Area (Ha):	102
Depth (feet):	59
Projected capacity:	3.7 Million TEUs
Equipment (cranes):	14 super-postpanamax

- Investment: 651 million USD
- APM Terminals



In focus: Multipurpose terminal in Mazatlan

Mazatlan: Multipurpose Terminal

- Modernize and operate the present terminal
- Area: 15.2 ha
- 300 m dock
- Capacity: 60 thousand TEUs per year
- Durango-Mazatlan highway will begin operations in 2012
- Investment: 40 million USD (PI)
- SAAM Puertos



Future projects

Veracruz: Port Expansion

North Zone Project

Total # of docks	37
(it includes container terminals)	
Total area (Ha):	532
Capacity: Total project (Million tons)	124

2 Container Terminals

Total # of docks:	8
Waterfront (m):	2,880
Total area (Ha):	250
Capacity (million TEUs)	4.1

- Tender invitation: second half of 2012
- Estimated investment of 3,670.7 million USD.
 - 1,155.7 in public investment
 - 2,204.9 in private investment
- Estimated job creation: 18,000 jobs.
- Goals: Meet demand for maritime transportation in the Gulf of Mexico / Atlantic Ocean shore, for international trade in Central Mexico.
- Logistic area in development will be ready



Future Port Projects

Lazaro Cárdenas: Car Terminal

- Private financing with estimated investment of 37.1 millions USD
- Total area (Ha): 36
- Number of docks: 2
- Total dock length: 600 m
- Paved and equipped areas for car storage in the best conditions.
- Specialized areas to provide value added service
- Storage areas of spare parts
- Loading and unloading area from or to railroads or trailers
- Tender invitation: march 2012



Future Port Projects

Lazaro Cardenas: Multipurpose Terminal III

- Dock length: 286 m and 14 m of depth
- Total area: 15.4 ha
- 5,200 m² storage for consolidation and deconsolidation of cargo
- Railway facility: 2,350 m of length
- It will handle steel, wood, sugar, plastics, aluminum and mineral cargo
- Investment: 31.4 million USD
- Tender invitation: march 2012



Conclusions

- Mexico's ports expect a consistent growth in commercial cargo, especially in containers, vehicles and mineral bulk.
- Shipping companies will surely reconfigure their routes to maximize their capacity. New routes will be calling ports with new terminals and facilities.
- Lazaro Cardenas and Manzanillo may benefit of the Panama Canal expansion, especially as transshipment ports.
- Both ports are ready to receive larger vessels.
- Veracruz will also be attractive as a hub port, especially as the port expansion develops together with the logistics area