



The Evolution of Public Port Authorities: Charting Our Path Forward

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Lois C. Yates CEcD,
Partner, GLDPartners



Overview

- **Changes in the Maritime Industry**
- **Key Trends in the Global Economy & Logistics**
- **Supply Chain Realities**
- **Importance of Transit Corridors**
- **What Does All This Mean?**
- **Situation Awareness**
- **The Way Forward in Demand Driven Markets**

Changes in the Maritime Industry

- **Now a capital-intensive industry**
- **Containerization:**
 - Significant cost reductions in cargo handling
 - Created new needs on ports
 - Increasingly larger ships
 - Substantial port investment
- **Changes have created a highly competitive environment for ports**

Key Developments: Global Economy & Logistics

- Shifts in economic power centers
- Shifts in trade flows
- New maritime and land corridors
- Globalization in a demand driven economy
- Integrated logistics strategies & supply chains
- Market driven process



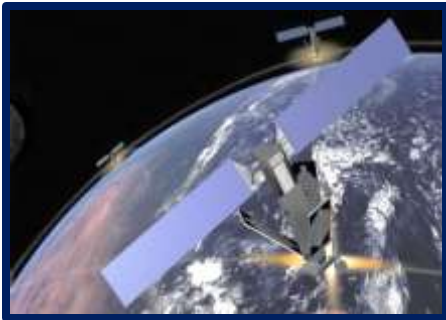
Supply Chain Realities

- **International supply chains are becoming increasingly complex and continuously evolving**
 - **Decreasing product life & supply chain cycles**
 - **Increased demand for “make to order”**
 - **Faster delivery**
 - **Maximum reliability**
 - **Lowest possible cost**
 - **A “re-engineering” of supply chain processes**



Additional Supply Chain Realities

- **Outsourcing: 3PLs & 4 PLs are on the rise**
- **Greater logistics integration**
 - Increasing vertical & horizontal concentration
 - M&A activity creating larger logistics operator “megacarriers”
 - Technology
 - Highly collaborative networks
 - Inland freight distribution
- **“Value added” logistics services/site selection**



The Importance of Transport Corridors

- **U.S. port systems: Strong inland orientation supported by rail, long distance trucking & barging**
- **Cornerstone of modern freight distribution**
- **Access to hinterland increases port competitiveness**
- **Addresses port related challenges e.g., congestion, Limited handling capacity, etc.**



What Does All This Mean?

- **Seaports have been impacted by:**
 - Structural changes to supply chains & logistics systems
 - Continued growth in global trade volumes
 - Continued growth in vessel sizes
 - Extension of the port hinterlands
- **Ports are evolving from “silo” based communities to terminal based communities with a focus on intermodal connectivity**



Situation Awareness

- **Seaports are key constituents of multiple supply chains; their role in international distribution is unlikely to be challenged in the near future**
- **A port's success will depend on its ability to integrate into the changing supply chain networks**
- **In the future the seaport should be promoted as a node in an efficient intermodal system rather than a "stand alone" system**
- **"Demand driven" economic factors will emphasize the need to embrace the hinterland for expanded inland distribution**

The Way Forward in Demand Driven Markets

- Assume a broader leadership role with “stakeholders” and partners
- Aggressively pursue “value added” activities within the port
- Ease community concerns and gain local support by demonstrating a high level of environmental performance
- Optimize port processes and infrastructure (e.g., IT, integrated logistics solutions and security)
- Success will depend on developing strategic relationships and collaborating with other transport nodes



About GLDPartners

An International Investment Advisory Firm

Purpose: To build and develop assets in emerging trade & logistics hubs and markets

- Seaports
 - Airports
 - Landports
 - International Borders
- Offices in the US, Canada and the UK
 - GLDP Business Emphasis
 - Global Logistics Development
 - Corporate & Enterprise Supply Chain Strategy Development
 - Corporate Location Advisory
 - Economic Development Delivery



Our Orientation at GLDPartners is:

- **Seeing the world through the “eyes of the investors”:**
 - Inward investing companies
 - “At-risk” capital investors
- **A “litmus test”:**
 - Will an investor risk their capital?
 - Will an inward investor make the decision to change their current production/distribution structure?



Thank you

**Lois C. Yates CEcD, Partner
GLDPartners**

480 381-9373

lois@gldpartners.com

www.gldpartners.com

