LOOKING TO THE FUTURE
AGENDA

• CARRIX
• CHANGES… COMING IN FAST
• LATIN AMERICA OVERVIEW
• HOW TO COPE WITH TRADE GROWTH
  – EXISTING MARINE TERMINALS IN THE CARIBBEAN
  – NEW PROJECTS IN THE CARIBBEAN
  – ADDED VALUE
    • CONNECTIVITY
    • LOGISTICS
  – PRODUCTIVITY
  – PANAMA CANAL
  – TRANSHIPMENT MYTHBUSTER
• U.S. EAST COAST PORTS
  – OVERVIEW
  – CONSIDERATIONS REGARDING EXPANDING CAPACITY
• CONCLUSIONS
CARRIX BUSINESS OVERVIEW

Key Highlights

- World’s largest privately-held terminal operator
  - 10.2 million marine TEUs in FYE Jan 2010
    - 4.4 million at its seven domestic terminals
    - 3.0 million at its four international terminals
    - 2.8 million through port operated terminals
  - 10.1 million TEUs in its rail operations
Carrix operates in three main service segments:

- **Container Terminals**
  - 11 long term leases & concessions
  - Capacity to grow

- **Conventional**
  - ~70 locations globally
  - Leases & concessions
  - Every type of cargo except liquid

- **Inland: Rail & Trucking**
  - ~40 rail facilities through Rail Services JV
  - West Coast truck depots through Shippers Transport

Carrix serves over 100 locations and operates more terminals than anyone.
CHANGES ARE COMING IN FAST
ECONOMIC ENVIRONMENT

Top Ocean Carriers Lost $15 Billion in 2009

Container carriers rebound with $14 Bn aggregate profits

Drewry Says Container Lines Lost $5.2 Billion in 2011
CAPACITY MANAGEMENT

Shipping's New World, Grand Alliances to Merge Asia-Europe Services

Evergreen eyes link with Green Alliance

MSC, CMA CGM Enter Partnership

X-Press Container Line enters Latin America with two feeder services

Japanese Mega Carrier conundrum?
CARIBBEAN OUTLOOK
CURRENT TRANSHIPMENT CENTERS

Freeport Highlights
- 8,400 TEU – services (~46ft/14m)
- Water depth: 53ft/16m
- Est. 2011: 1.1M TEUs
- Hub for:

Kingston Highlights
- 10,000 TEU – services (~45ft/13.7m)
- Proj. water depth: 56ft/17m
- Est. 2011: 1.6M TEUs
- Hub for:
CARIBBEAN OUTLOOK
CURRENT TRANSHIPMENT CENTERS

Cartagena Highlights
- 5,700 TEU – services (~39ft/11.9m)
- Proj. water depth: 52ft/16m
- Est. 2011: 1.7M TEUs
- Hub for:

Caucedo Highlights
- 4,200 TEU – services
- Water depth: 43ft/13m
- Est. 2011: 1M TEUs
- Hub for:
CARIBBEAN OUTLOOK
CURRENT TRANSHIPMENT CENTERS

Mariel Highlights
- $800M PSA project
- Est. cap: 1M TEUs
- Est. water depth: 49ft/15m
- Est. opening: 2014

Moin Highlights
- $1B APMT project
- Est. cap: 2M TEUs
- Est. water depth: 52ft/16m
- Est. opening: 2016
- Projected hub for:
CARIBBEAN OUTLOOK
CURRENT TRANSHIPMENT CENTERS

MIT-Panama
- Panamax-type services
- Proj. water depth: 54ft/16.5m
- Est. 2011: 1.9M TEUs
- Hub for:

Cristobal Highlights
- Panamax-type services
- Proj. water depth: 52ft/16m
- Est. 2011: 1M TEUs
- Hub for:

CCT Highlights
- Panamax-type services
- Proj. water depth: 46ft/14m
- Est. 2011: 500k TEUs
- Hub for:

Balboa Highlights
- 9,200 TEU – services (46ft/14m)
- Water depth: 53ft/16m
- Est. 2011: 3.2M TEUs
- Hub for:
HUB – SPOKE CONCEPT @ MIT

PEX-2 loop 2
CMA CGM
China Shipping
CSAV
Asia MIT
~1,500 moves per call

Only 1 Asia-MIT loop generates more than 20 destinations
MIT: Latin America distribution center for multinationals and manufacturing companies
NEED TO ADDRESS PRODUCTIVITY

Cabin under移动
Stationary cabin
Remote station
CARIBBEAN OUTLOOK
WATER DEPTH COMPARISON

Draft (meters)

Kingston
Freeport
Balboa
Cartagena
Moin
Cristobal
Canal Locks
Mariel
MIT
CCT

Available 3Q-4Q 2014

13 meters = 43 feet
14 meters = 46 feet
15 meters = 49 feet
16 meters = 52 feet
17 meters = 56 feet
TRANSHIPMENT REALITY

- Increases costs for shipping lines?
- Brings inefficiencies to the supply chain?
- Really different from USWC intermodal vs. all-water?

2011 volume in Panama: 6.5M TEUs, with 86% TS

- Shipping lines’ deployment will determine best network solution… and will for sure change along the road
NEW YORK-NEW JERSEY With dredging to 50 feet scheduled for completion in 2014, the biggest problem for the four big container terminals on the western side of New York harbor is the Bayonne Bridge, which hangs too low for today’s largest container ships to pass under. A $1 billion solution is on the way to raise the bridge, but it won’t be ready until 2016, at the earliest, more than two years after the Panama Canal opens its expanded locks.

45 Feet
Current Depth

50 Feet
Authorized Depth

50 Feet
Proposed Depth

Courtesy of JoC online
Baltimore A six-hour trip by ship up Chesapeake Bay, Baltimore isn’t the East Coast’s most accessible port. But its 50-foot depth up the center of the bay, attained as part of a dredging project completed in 2007, allows big ships to access the port’s Seagirt Marine Terminal. When its new berth, also with a 50-foot depth, opens two years ahead of schedule this year, Seagirt will be capable of handling 14,000-TEU vessels.
NORFOLK/HAMPTON ROADS

Along with Baltimore, Norfolk has the deepest harbor on the East Coast. It’s looking to maximize that advantage by extending and expanding its intermodal rail reach into the U.S. Midwest and Southeast, and is one of the few ports talking about single-port calls for mega-ships under a hub-and-spoke operation. The Heartland Corridor and improved rail links to the Southeast offer better connections to the massive Chicago and Atlanta markets.

50 Feet
Current Depth

55 Feet
Authorized Depth

55 Feet
Proposed Depth

Courtesy of JoC online
CHARLESTON AND SAVANNAH

Separated by less than 100 miles, the two ports have distinct advantages: Charleston’s 45-foot harbor is close to the ocean and can be deepened to 50 feet for an estimated $300 million, but the project is nowhere near starting and could take 12 years. Savannah, with massive distribution centers and on-dock rail, is close to getting permits to allow the Army Corps to start a $710 million project to deepen the Savannah River to 48 feet.

CHA 45/
SAV 42 Feet
Current Depth

CHA 45/
SAV 42 Feet
Authorized Depth

CHA 50/
SAV 48 Feet
Proposed Depth

Courtesy of JoC online
JACKSONVILLE A shipping industry darling four years ago when MOL opened its TraPac terminal and Hanjin pledged another, Jaxport’s momentum has stalled as attempts to deepen its 40-foot channel to 46 feet have bumped up against congressional resistance to earmarks and an Army Corps of Engineers that has yet to make a push. Hanjin and MOL remain committed to Jaxport, even as the channel deepening looks unlikely before 2018.
MIAMI

Just months from starting a project that would widen the entrance to the main channel and deepen much of the port to 52 feet from 42 feet, the port hit a roadblock in December when environmentalists challenged the work. Miami is the only Southeast port with the permits, congressional approval and funding needed to start deepening its harbor. Work was set to begin this summer.

42 Feet  Current Depth
50 Feet  Authorized Depth
50 Feet  Proposed Depth

Courtesy of JoC online
MOBILE Its depth of 45 feet is the deepest among Gulf container ports. ThyssenKrupp this year plans to expand its 2-year-old steel complex that will increase Mobile’s volumes of automotive and industrial parts bound for the rest of the U.S. and throughout the Americas.
HOUSTON By far the Gulf’s largest container port, Houston’s expansion plans match its girth. The port will spend $1 billion over the next decade to complete the Bayport Container Terminal, $700 million to upgrade the aging Barbour’s Cut Terminal and another $700 million on the Turning Basin and new wharves.
U.S. PORTS’ DEPTH
SOME CONSIDERATIONS

• Deepening of access channels, basins and berths NOT only requirement to increase terminal capacity

• Investment required also in:
  – Infrastructure
  – Equipment
  – Labor
  – Technology
  – Rail accessibility
  – Warehouse capability
  – Security arrangements
  – Etc.

ECONOMIC CAPITAL

POLITICAL CAPITAL

ENVIRONMENTAL CAPITAL
CONCLUSIONS

• Volumes in LATAM will continue- World Cup, Olympics.  
• However, volumes will not increase just because of the Canal expansion.  
• Game changer for the Bulk business.  
• Logistics.  
• T/S does not increase the cost of the operation.  
• Inter-LAMTAM volumes will increase.  
• The region will be ready…..  
• Remember the cargo owner  
• Reefer cargo  
• Billions and billions of dollars are being invested..
THANKS

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