Manzanillo International Terminal
OCEAN CARRIER ISSUES AND PERSPECTIVES
Tampa, FL // 2014
Agenda

• What is Transshipment and Connectivity

• Challenges for the Maritime Industry
  ❖ Bigger Vessels
  ❖ Berths will change
  ❖ Panama Canal Expansion
  ❖ Capital Expenditure – Port in the Americas

• Future of the Maritime Industry
  ❖ Alliances
  ❖ Productivity
  ❖ Equipment and Technology
  ❖ Government Agencies
TRANSSHIPMENT

MIT Corporate Presentation – Ocean Carrier Issues and Perspectives // January 2014
Ocean to Ocean CONNECTIVITY

Colon Free Trade Zone
Transcontinental railroad
Panama Canal
Panama Pacifico
Atlantic-Pacific Highway
World-class ports
The Transit of the Asparagus
MIT: Maritime hub of the Americas

All top-10 main carriers calling at Panama…

<table>
<thead>
<tr>
<th>Parent/main No</th>
<th>Operated fleet Ships</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Maersk Line</td>
<td>595</td>
<td>2,634</td>
</tr>
<tr>
<td>2 MSC</td>
<td>485</td>
<td>2,367</td>
</tr>
<tr>
<td>3 CMA CGM</td>
<td>429</td>
<td>1,491</td>
</tr>
<tr>
<td>4 Evergreen</td>
<td>206</td>
<td>818</td>
</tr>
<tr>
<td>5 Coscon</td>
<td>165</td>
<td>757</td>
</tr>
<tr>
<td>6 Hapag-Lloyd</td>
<td>154</td>
<td>718</td>
</tr>
<tr>
<td>7 APL</td>
<td>124</td>
<td>627</td>
</tr>
<tr>
<td>8 Hanjin</td>
<td>115</td>
<td>624</td>
</tr>
<tr>
<td>9 China Shipping</td>
<td>142</td>
<td>602</td>
</tr>
<tr>
<td>10 MOL</td>
<td>111</td>
<td>548</td>
</tr>
</tbody>
</table>

… plus top niche regional carriers:
- CFS
- King Ocean
- Seaboard Marine
- Seafreight
- Xpress Container Line
- SCLine

(1,000 TEU, Analysis based on data sourced from Alphaliner)
CHALLENGES FOR THE MARITIME INDUSTRY

1. Bigger Vessels
2. Berths will change
3. Panama Canal Expansion
4. Capital Expenditure – Port in the Americas
Bigger Vessels

The container vessel are far from what they were a few years ago
Container ships are getting bigger each year.
Bigger vessels take advantage of economies of scale
Big Vessels Attract Small Vessels = Increase In Moves…

Latin America 2015

East Asia 2000

A LOT OF FEEDERING POTENTIAL!
Importance of Feeder Vessels at MIT

• Moves by Feeder vessels represented 46% of all 2013 moves at MIT.

• Growth of feeder moves 2013 vs 2012 was 11%.
Bigger Vessels... Berths will change

- 70% of calls with vessels less than 2,500 TEU’s
What will happened after the Expansion?
We aren't alone in the region…
Panama Canal vs. Nicaragua Canal

NICARAGUA

- Probable route
- Other routes in consideration
- Caribbean Sea
- Managua
- Lake of Nicaragua
- Cayman Rock
- Venado Island
- Punta Gorda
- San Juan de Nicaragua
- Brito
- Pacific Ocean

COSTA RICA

VS

NICARAGUA

- Nicaragua Canal
- Cristobal
- San Juan
- Pacific Ocean
- Panama City
- Pedro Miguel Locks
- Bay of Panama
- Panama Canal
- Colombia
- Caribbean Sea
- Gatún Locks
- Gatún Dam
- Gamboa
- Barro Colorado Island
- Gaillard (Culebra) Cut
- Panama City
- Chilibre
- Las Cumbres
- Panama

MAP

25 km
## Capital Expenditure – Ports in the Americas

### Caribbean Ports

#### Increasing Capacity

<table>
<thead>
<tr>
<th>Location</th>
<th>Gantry Cranes</th>
<th>Berth (M)</th>
<th>Depth (M)</th>
<th>Current Capacity (TEU's)</th>
<th>Planned Capacity</th>
<th>Operator Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston, Jamaica</td>
<td>19</td>
<td>2455</td>
<td>14.5</td>
<td>2</td>
<td>5,200,000</td>
<td>Self</td>
</tr>
<tr>
<td>Freeport, Bahamas</td>
<td>10</td>
<td>1036</td>
<td>16</td>
<td>2,800,000</td>
<td>3,500,000</td>
<td>Hutchinson Whampoa Ltd</td>
</tr>
<tr>
<td>MIT, Panama</td>
<td>15</td>
<td>1940</td>
<td>14</td>
<td>1,500,000</td>
<td>4,000,000</td>
<td>Carrix</td>
</tr>
<tr>
<td>Colon, Panama</td>
<td>10</td>
<td>982</td>
<td>15</td>
<td>1,300,000</td>
<td>1,300,000</td>
<td>Evergreen Corp</td>
</tr>
<tr>
<td>Caucedo, Dominican Rep</td>
<td>7</td>
<td>922</td>
<td>13.5</td>
<td>400,000</td>
<td></td>
<td>DPWorld</td>
</tr>
<tr>
<td>Cartagena, Colombia</td>
<td>6</td>
<td>1200</td>
<td>11.8</td>
<td>1,200,000</td>
<td>3,200,000</td>
<td>Self</td>
</tr>
</tbody>
</table>

Source: Pinnock & Ajagunna

### U.S Ports Investment

<table>
<thead>
<tr>
<th>U.S. Port Region</th>
<th>Projected Capital Expenditures For 2012-2016</th>
<th>Projected Private Sector Capital Expenditures For 2012-2016</th>
<th>Total Projected Port &amp; Private Capital Expenditures For 2012-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH ATLANTIC</td>
<td>$2,123 Million</td>
<td>$1,207 Million</td>
<td>$3,329 Million</td>
</tr>
<tr>
<td>SOUTH ATLANTIC</td>
<td>$4,081 Million</td>
<td>$262 Million</td>
<td>$4,343 Million</td>
</tr>
<tr>
<td>GULF</td>
<td>$4,341 Million</td>
<td>$17,783 Million</td>
<td>$22,123 Million</td>
</tr>
<tr>
<td>GREAT LAKES</td>
<td>$225 Million</td>
<td>$135 Million</td>
<td>$360 Million</td>
</tr>
<tr>
<td>NORTH PACIFIC</td>
<td>$1,766 Million</td>
<td>$5,915 Million</td>
<td>$7,681 Million</td>
</tr>
<tr>
<td>SOUTH PACIFIC</td>
<td>$5,802 Million</td>
<td>$2,336 Million</td>
<td>$8,138 Million</td>
</tr>
</tbody>
</table>

Source: AAPA
ARE WE READY?
Mega Alliances / Cooperation: 
THE FUTURE

CMA CGM, Maersk Line and P&O to join West Trades

Evergreen Marine to step up CKYH alliance cooperation

G6, New World, Grand alliance to start FE-US East Coast in May
Strengthen our Relationship with Customers
Productivity is KEY…

- Productivity is a measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs.
- The measurement of productivity varies depending on each terminal and is one of the most important factors of competitiveness.
Equipment and Technology

• The investment in new equipment and technology are essential as part of the preparation for the future and the challenges ahead.
STS & RTG delivery: June 2012
RMG’s Implementation at MIT 2014
Key Facts of the RMG’s

• Remote Control Station: Control all crane movements remotely.
• 30 moves per hour
• Lifting capacity with single pick 40 long tons
• Chassis Positioning System (CPS): Align trucks with ASC and detect container size. Accuracy <25mm.
• Anti-lift Sensor: Prevent trucks and trailers from being lifted above 0.5m.
Technology

**GATE AUTOMATION**

- **Kitchen Concept with remote Clerks**
- **Gate Configuration**
  - Main Gate
  - Rail/Empty Gate
  - FTZ Gate
- **Kiosks**
  - Security Kiosks
  - Transaction Kiosks
- **Technical Components**
- **Gate Process Flows**
Government Agencies

PROCESS ONLINE

U.S. Customs and Border Protection
Securing America's Borders

CBP NEWS
Large Load of Cocaine Found Stuffed in Vehicle Compartment - (01/12/2014 - KGBT-TV)

Advisories
Contacts
Questions/Complaints
Forms
En Español

National Terrorism Advisory System

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MIT Expansion – Master Plan

- Capacity from 2.5M TEUs to 4M TEUs
- Total investment of $270M
- Allow MIT to service new-Panamax (NPX) vessels
Are Ready for the next two years……
THANK YOU.

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