Shipping markets and trade trends. Panama canal, South American & Caribbean markets. Impact on ports.

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SHIFTING INTERNATIONAL TRADE ROUTES
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Trade changes, Panama canal widening and its impacts on Caribbean basin and South American routes

- Latinamerican ports facing the challenges of growth: challenges and growth & growth and challenges

- Possible impact of the Panama Canal expansion in the Caribbean transshipment market
Economic context for the port business

- Uncertainty
- Less dynamism trade and throughput
- Interannual throughput growth rate is declining
- Very changing shipping and trade patterns and routes
- New products, reefer and other trade conditions
- More requirements (ph, ec, tech)
- Pressures, pressures, pressures
- Some structural and social conditions

HOWEVER... Good prospects for long term
Economic and operating context for the port business

Source: Drewry Maritime Research
Vessels growth, but... are they looking for economies of scale or another goal?

With this overcrowded fleet, what kind of routes and deployment can we expect?

- ULCS to be mainly allocated to the trade between Asia and Europe. After... Asia-Med and Asia-USEC loops based on Suez canal
- Not enough ports are available on other routes

- Cascading effects (11000 teu to 14000). Latin America is included in this group, especially Asia to-ECSA and WCSA and Europe to ECSA... but what about Europe-WCSA with the new Panama Canal?
- In Latin America we have a problem: equipment and berth depth are in the core
- But the hinterland connections too (high stress on road infrastructure).
No connection between trade and fleet
Maersk Line has reallocated some superfluous 13,100 TEU ships from the over-tonnaged Europe-Far East trade to its Asia-Central America (AC2) service where they will replace units of 9,600 TEU. Ports of call, apparently all are capable of handling substantially larger ships than before, are: Qingdao, Shang-hai, Ningbo, Busan, Manzanillo (Mex), Lázaro Cárdenas, Balboa, Buenaventura, Lázaro Cárdenas and back to Qingdao.
Service: Weekly service with 2,000,000 TEU vessels.

1. Asia Pacific
2. México (Manzanillo)
3. Buenaventura
4. Guayaquil
5. Callao
6. Chile north (i.e., Iquique)
7. Chile central (Valparaíso / San Antonio)
8. Chile south (i.e., Lirquen / SV)

Note: / means OR

Service: Weekly service with 5,500 – 6,400 TEU vessels. Rotation included 5 ports calls in Latin America.

Asia Pacific
México (Manzanillo / Lázaro Cárdenas)
Balboa / Buenaventura
Callao
Chile north (i.e., Iquique)
Chile central (Valparaíso / San Antonio)

Note: / means OR

Source: MOL, KLine, Cosco, Evergreen, PIL and WanHai web sites and reports

Increase from 2,000 TEU to 5,500 / 6,400 TEU has meant 2 port calls less.
Caribbean markets

Northern Caribbean Hubs

Central Caribbean Hubs

Southwestern Caribbean Hubs

Eastern Caribbean Hubs
Based on their geographical location the Caribbean main (current) hubs can be categorized as:

- **South-southwestern Caribbean Hubs:**
  - Panama/Caribbean, Cartagena and Moin (if);

- **Central Caribbean Hubs:**
  - Kingston, Caucedo, Ponce/San Juan;

- **Northern Caribbean Hubs:**
  - Freeport and Cuba (Mariel and ?).

- **Eastern Caribbean Hubs:**
  - Port of Spain/Point Lisas, Guadaloupe.

**No! There are several transshipment markets in the Caribbean basin**
South-southwestern Caribbean hubs: main services
South-southwestern Caribbean hubs: main services (closer view)
South-southwestern Caribbean hubs: main services
The Caribbean: working hypothesis about the future

1. New Panama Canal, game changer or not?
2. New routes?
3. New players
4. The future: shipping liners strategies
5. Double Dipping (W) & Near Shoring
6. SWOT: Caribbean areas under competition
Caribbean hubs: SWOT

Likely future scenarios by zone, port business – B.A.U.
Likely future scenarios, port business disruptive events

Central-northern hubs
South-western hubs
Eastern hubs
Discussion points

- Strategies of shipping players
- Port companies strategies
- Sustainable and systemic vision of port development
- Integration in logistics chains and global vision
- Port and logistics systemic vision

New governance is required!
New port leaders are required!

Proactive and integrated policies and regulatory frameworks

Source: R.J. Sanchez adapted from Wilmsmeier, G.
Thanks a lot !!!

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