

GULF PORT REINVESTMENT AND STRATEGY FOR THE FUTURE

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GULF COAST PORTS ARE “UNIQUE”

- Inland, Coastal, and International flows
- Diversity of ports and access to manufacturing, distribution, transshipment services
- Mix of size ranges and operational formats
 - Containerized
 - Breakbulk
 - Bulk

CHALLENGES TO INLAND AND COASTAL SERVICES

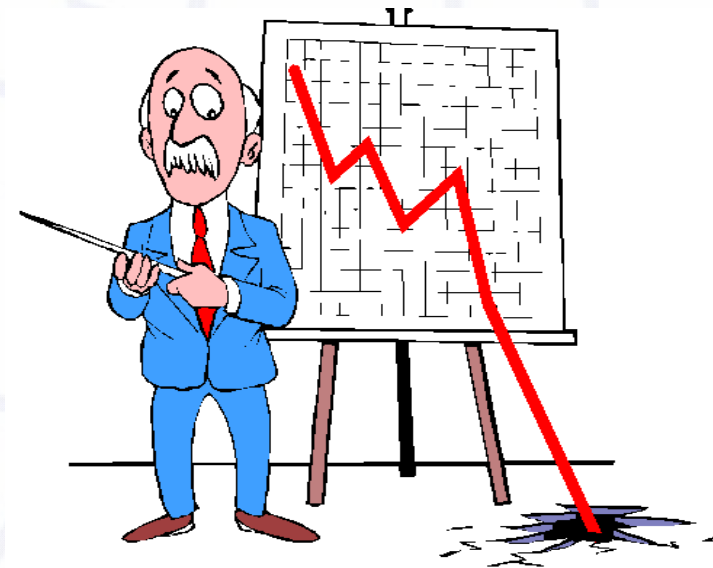
- Locks
 - Inner Harbor Navigation Canal Closure
 - Bayou Sorrel – other locks and dams
- Corps Funding for Inland Waterways
- Flat or limited growth (budgets) retarded new investment by State Agencies

NEW INVESTMENTS FOR CONTAINER SHIPMENT

- Starting to see more funding to Port facilities
- Tampa
- Mobile
- Gulfport
- New Orleans and Lower Mississippi
- Houston

THE FUTURE IS UNCERTAIN...

- Changing U.S. policy
- Changing Import Sourcing
- Foreign Direct Investment trends
- Expansion of Transshipment hubs in region
- Free Trade negotiations
- Cuba
- Panama Canal



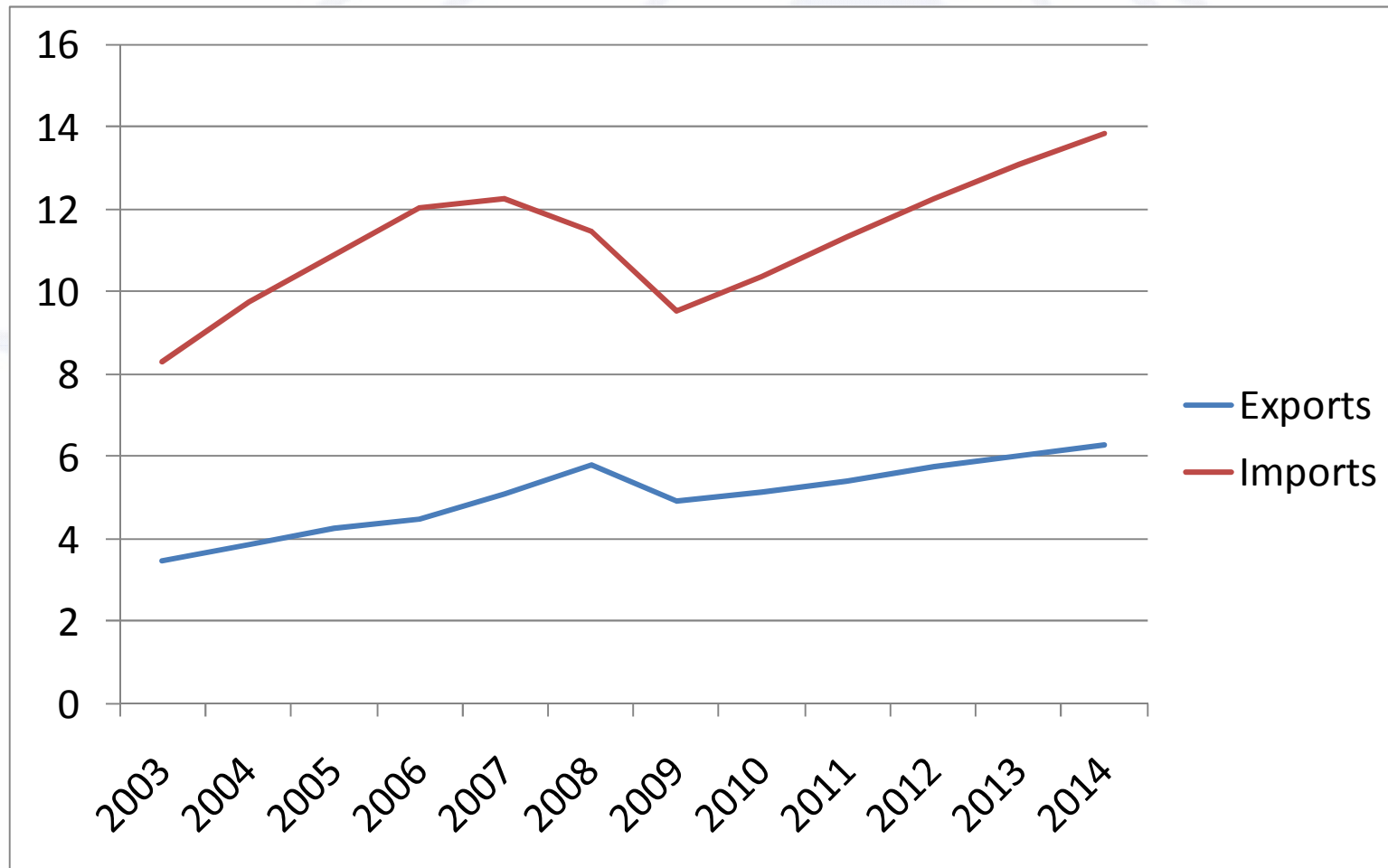
CENTRAL AND SOUTH AMERICA

- Panama and Columbia FTZ Still not signed
- Brazil- Economy has rebounded
- Trade with rest of region expected to increase
- Challenge
 - Other regions aggressively competing in this market
 - Transshipment hubs continue to emerge in region

CUBA- A GAME CHANGER?

- Humanitarian cargo only –agricultural products
- U.S. ranks top five importers
- Largest gateways – Louisiana and Florida
- How influences Gulf?
 - Transshipment center
 - Manufacturing facility (offshore sourcing)
 - Tourism and construction (imports)
 - Bulks remain critical

FORECAST OF U.S. CONTAINERIZED TRADE WITH ASIA (MILLIONS OF TEUS)



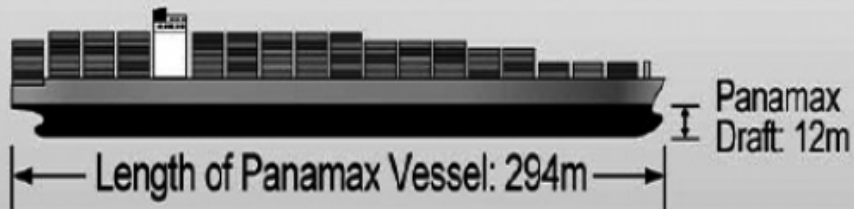
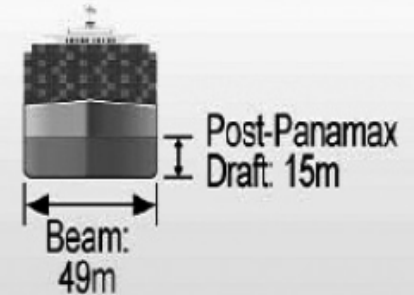
Source: IHSGlobal Insight

WHY EXPAND THE CANAL?

- Overall strong growth over past few years
- Seem as obsolete, but critical, bottleneck
- West Coast Port Strike
- Logistics Revolution



Comparison between Panamax and Post-Panamax Container Vessels



	Panamax	Post-Panamax
Capacity:		
Containers (TEUs)	4,500	12,000
Dimensions:		
Beam	32m (106')	49m (160')
Length	294m (965')	366m (1,200')
Draft	12m (39.5')	15m (50')

PANAMAX SHIP LOCKING IN GATUN LOCKS



HOW WILL GULF VESSEL FLEETS AND OPERATIONS RESPOND TO EXPANSION

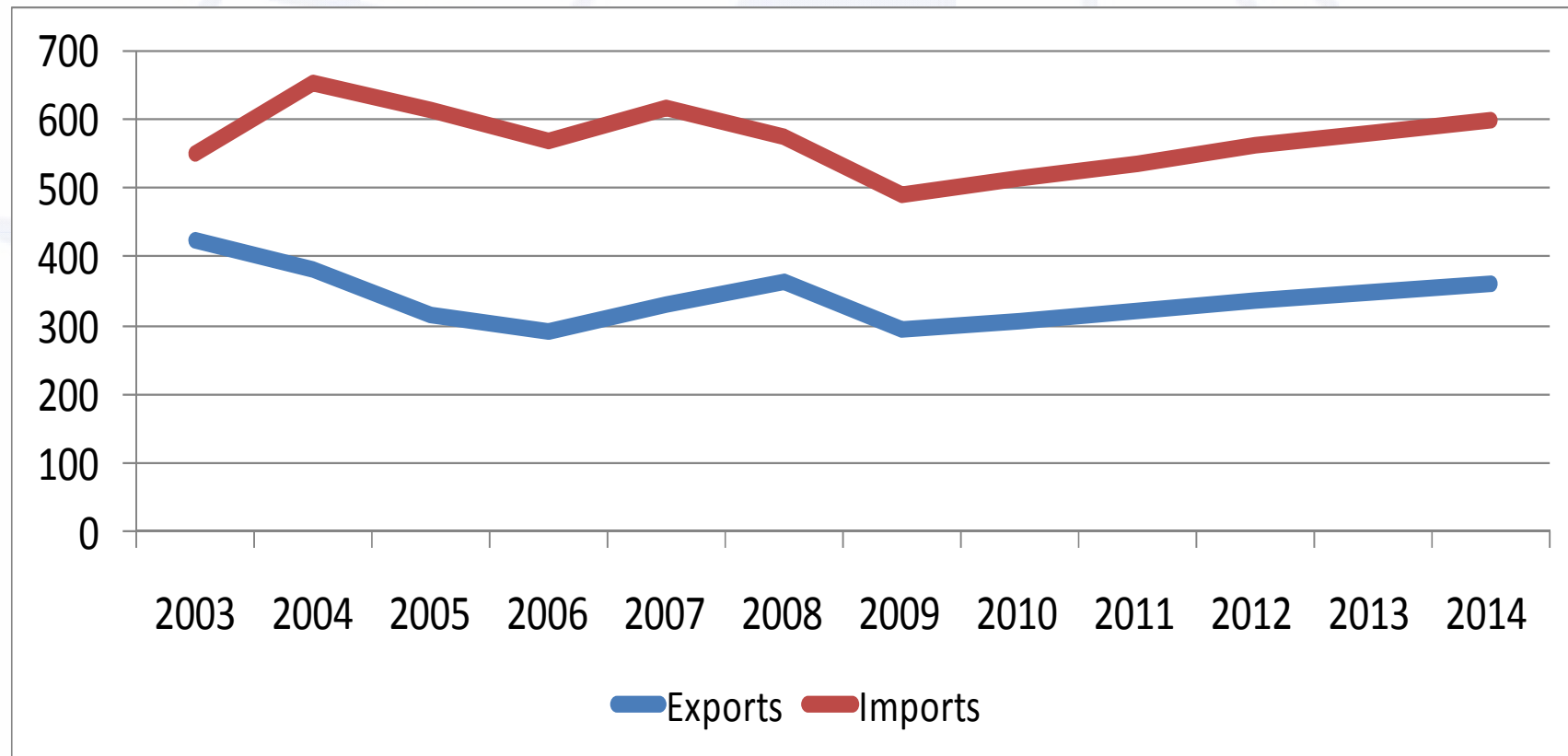
Known

- Vessels deployed to cover costs
- Rates will take long time to stabilize
- Breakbulk and bulk still critical and will move faster

Unknown

- Vessel Rotations and Port Calls
- Timing of calls
- Inland Distribution networks
- Who routes traffic

GULF COAST (NON TEXAS) ESTIMATED LOADED TEU'S (THOUSANDS) (IHS GLOBAL INSIGHT)



PORTS MUST BE READY TO RECEIVE THESE CARGOS

- Determine what is achievable
- Dredging
- Channel and Terminal design
- Understand relationship of ports within coastal region
- Railroad and inland waterway connections
- Understand these are strategic investments, not isolated “pork projects”

...THE END IS ALWAYS NEAR

- Opportunities exist
- “Others Have It” syndrome will always remain but need the Gulf to win first
- Ports continue expansion as service nexus
 - Terminal, connections
- Inland waterways remains a critical link to region’s success

CONTACT INFORMATION

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Freight in the Southeast Conference

<http://www.ittsresearch.org/conference.html>