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P R E S S R E L E A S E

THE PROSPECTS FOR CONTINUED GROWTH IN CONTAINER TRADES IN THE AMERICAS

North American container handling demand has more than doubled since 1990 and continued to expand during the recent economic slowdown. Particularly strong growth has been experienced in the Far East-North America trades.

Growth has been even more rapid in the developing markets of Latin America and the wider Caribbean. Ports privatisation and increasing containerisation, coupled with economic growth, have been the principal driving forces, with the Caribbean/Central American market additionally driven by the growth in transshipment.

After four decades of expansion, can the containerised trades continue their pattern of rapid growth? This study* reviews the broad macroeconomic framework within which trade in containerised goods has expanded, and identifies factors that could limit expansion.

As well as examining the historical relationship between GDP and containerport demand growth in the Americas, this study reviews the regional pattern of economic development in the USA and Canada. The relative distribution and expansion of different regions will have a significant impact on the future development of the containerport market.

Future demand is forecast to 2015 by region and port range. The position of current investment projects and plans is reviewed in detail. The resultant prospective development of port capacity is compared with demand forecasts to identify potential surplus capacity or shortfalls.

Container shipping markets in the Americas are viewed in the light of the global trend to increasing ship sizes.

Major issues for analysis include:

- The development of intermodalism and regional North American hinterlands.
- The growth in all-water shipment (via Panama and Suez) between the Far East and North American east coast.
- The dynamism of Caribbean transshipment and roles of hub-and-spoke, cross-feedering and deep-sea relay traffic.
- Stalling privatisation and resulting investment pressures at ports in South America.
- Port productivity trends.
- The increasing use of “grounded” systems of yard management to boost land utilisation.

The following highlights some of the main findings of the report:

- ♦ Containerport throughput in the Americas expanded by 66 per cent to 53.13m TEU over 1995-2002.

- During this period, containerport throughput in North America increased by 57 per cent to 35.32m TEU. In the wider Caribbean/Central America market, containerport demand climbed by 88 per cent to 10.13m TEU. South American containerport throughput increased by 87 per cent to 7.69m TEU.

Table
Americas: Containerport Throughput by Port Region, 1990-2002

m TEUs	1990	1995	1996	1997	1998	1999	2000	2001	2002
Pacific North	2.77	3.82	3.88	4.10	4.28	4.62	4.92	4.57	5.28
US Pacific South	5.49	7.62	7.84	8.63	9.71	10.50	11.93	12.08	13.13
Mexican Pacific	0.09	0.17	0.22	0.30	0.32	0.37	0.48	0.51	0.70
Atlantic North	4.62	5.56	5.69	6.10	6.32	6.84	7.20	7.37	8.08
Atlantic South	2.33	3.77	4.01	4.42	4.61	4.90	5.19	5.21	5.49
US Gulf Coast	1.05	1.19	1.36	1.49	1.47	1.62	1.69	1.64	1.73
Mexican Gulf Coast	0.24	0.40	0.46	0.60	0.69	0.75	0.84	0.85	0.91
North America	**16.57**	**22.53**	**23.47**	**25.64**	**27.41**	**29.61**	**32.25**	**32.23**	**35.32**
Caribbean islands	2.32	3.53	3.75	4.24	4.57	4.72	5.05	5.11	5.43
Caribbean mainland*	0.89	1.76	2.03	2.89	3.68	3.91	4.14	4.14	4.13
Central America Pacific	0.08	0.11	0.09	0.09	0.13	0.14	0.20	0.52	0.57
Caribbean/C. America	**3.29**	**5.40**	**5.87**	**7.22**	**8.38**	**8.76**	**9.40**	**9.76**	**10.13**
South America Atlantic	1.01	2.63	2.75	3.20	3.50	3.59	3.96	4.35	4.86
South America Pacific	0.49	1.47	1.80	2.07	2.30	2.26	2.35	2.53	2.83
South America	**1.50**	**4.11**	**4.55**	**5.27**	**5.80**	**5.85**	**6.31**	**6.88**	**7.69**
Total	**21.36**	**32.03**	**33.88**	**38.13**	**41.58**	**44.22**	**47.96**	**48.87**	**53.13**

*Caribbean coasts of Central America, Venezuela and Colombia
Figures may not sum exactly due to rounding.

Source: Ocean Shipping Consultants Ltd

- Depending on the economic scenario, total regional containerport demand is forecast to increase within a range of 48-61 per cent to 79.0-86.1m TEU over 2002-10. Further expansion of 22-31per cent is forecast to 96.4-112.8m TEU over 2010-15.
- In North America, 42-53 per cent growth is anticipated on the Pacific ranges over 2002-10 and 41-51 on the Atlantic/Gulf ranges over the same period. Over 2010-15, forecast growth for North American Pacific ports is 22-29 per cent, and that for the Atlantic/Gulf ports is 21-28 per cent.
- In the wider Caribbean/Central American port region, containerport demand is forecast to increase by 53-69 per cent to 16.0-17.7m TEU over 2002-10, and further by 22-31 per cent to 19.5-23.1m TEU over 2010-15. Within this total, transshipment demand is forecast growth of 78-102 per cent to 7.00-7.96m TEU in 2010, and a further 25-35 per cent to 8.75-10.73m TEU over 2010-15.
- Containerport demand in South America is forecast to increase by 71-91 per cent to 13.1-14.7m TEU over 2002-10 and by 25-41 per cent to 16.4-20.6m TEU over 2010-15.
- Based on currently published investment plans, containerport capacity in North America is set to rise by 33 per cent to 62.3m TEU/year by 2010. Planned investment at ports in the Caribbean and Central America would boost capacity by 43 per cent to 19.43m TEU/year. In South America, a 28 per cent increase in capacity is indicated.
- On this basis, capacity is likely to be most constrained at ports in South America – on both

seaboards, but especially the Pacific – and on North America's northeast and Mexican Gulf ranges.

FIGURE 1
AMERICAS: CONTAINERPORT DEMAND BY REGION TO 2015 - Case I

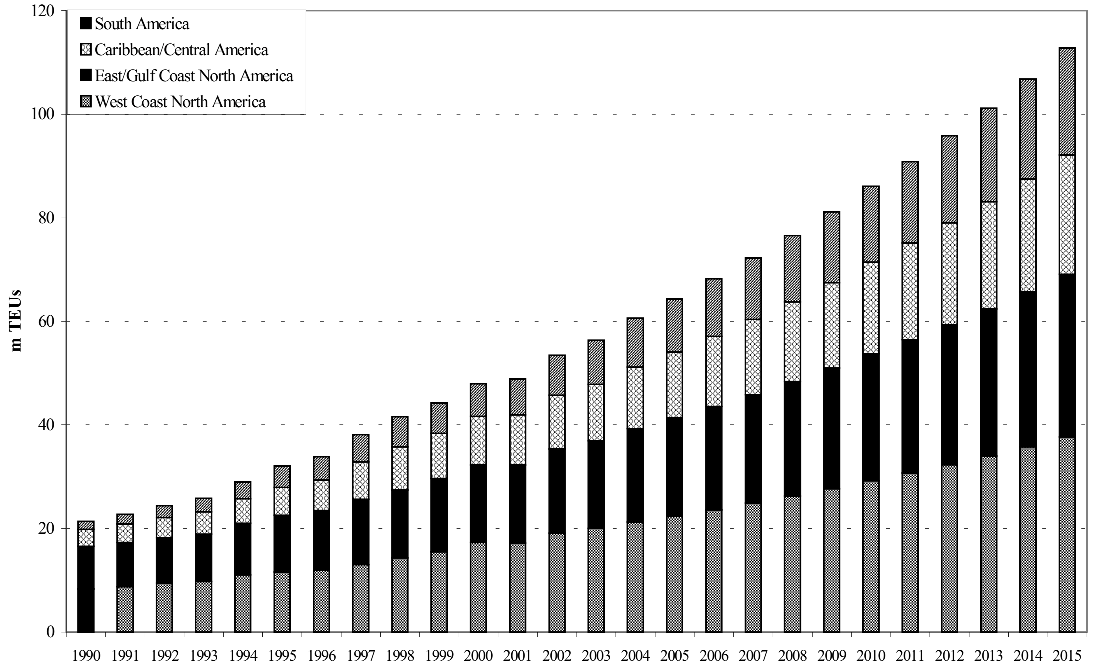
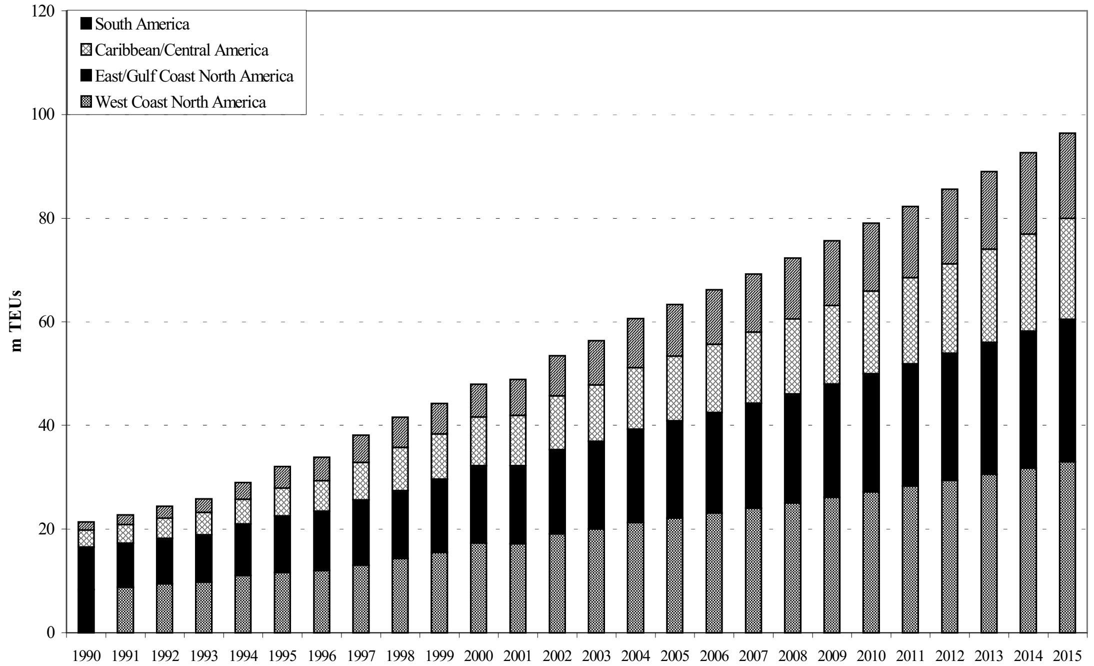


FIGURE 2
AMERICAS: CONTAINERPORT DEMAND BY REGION TO 2015 - Case II



* *CONTAINERISATION IN THE AMERICAS TO 2015*

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