



GLOBAL TRADE & CONTAINER PERSPECTIVES

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& Outlook Conference**

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By

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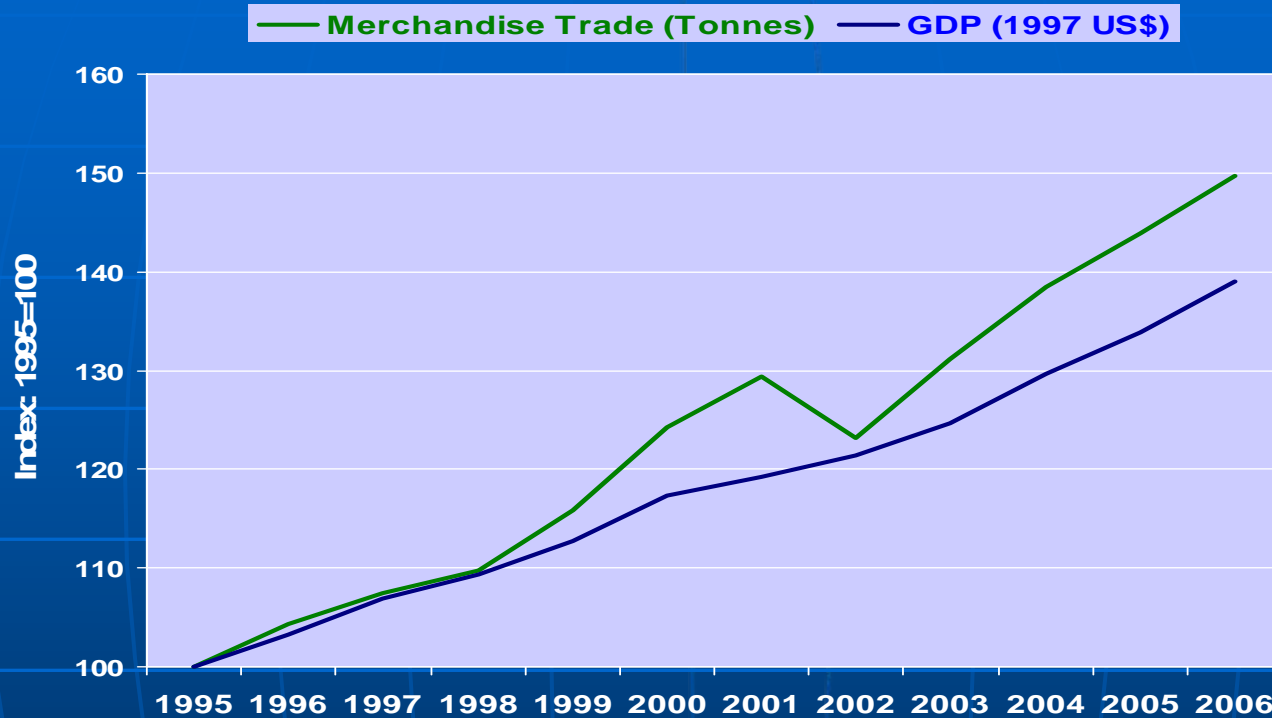


FACTOR AFFECTING CONTAINERIZED CARGO TRAFFIC

- Containerized cargo traffic is generally influenced by:
 - Global and regional economic output represented by gross domestic product (GDP)
 - Global and Regional trade
 - World Seaborne Trade
 - Degree of Containerization
 - Logistics Factors



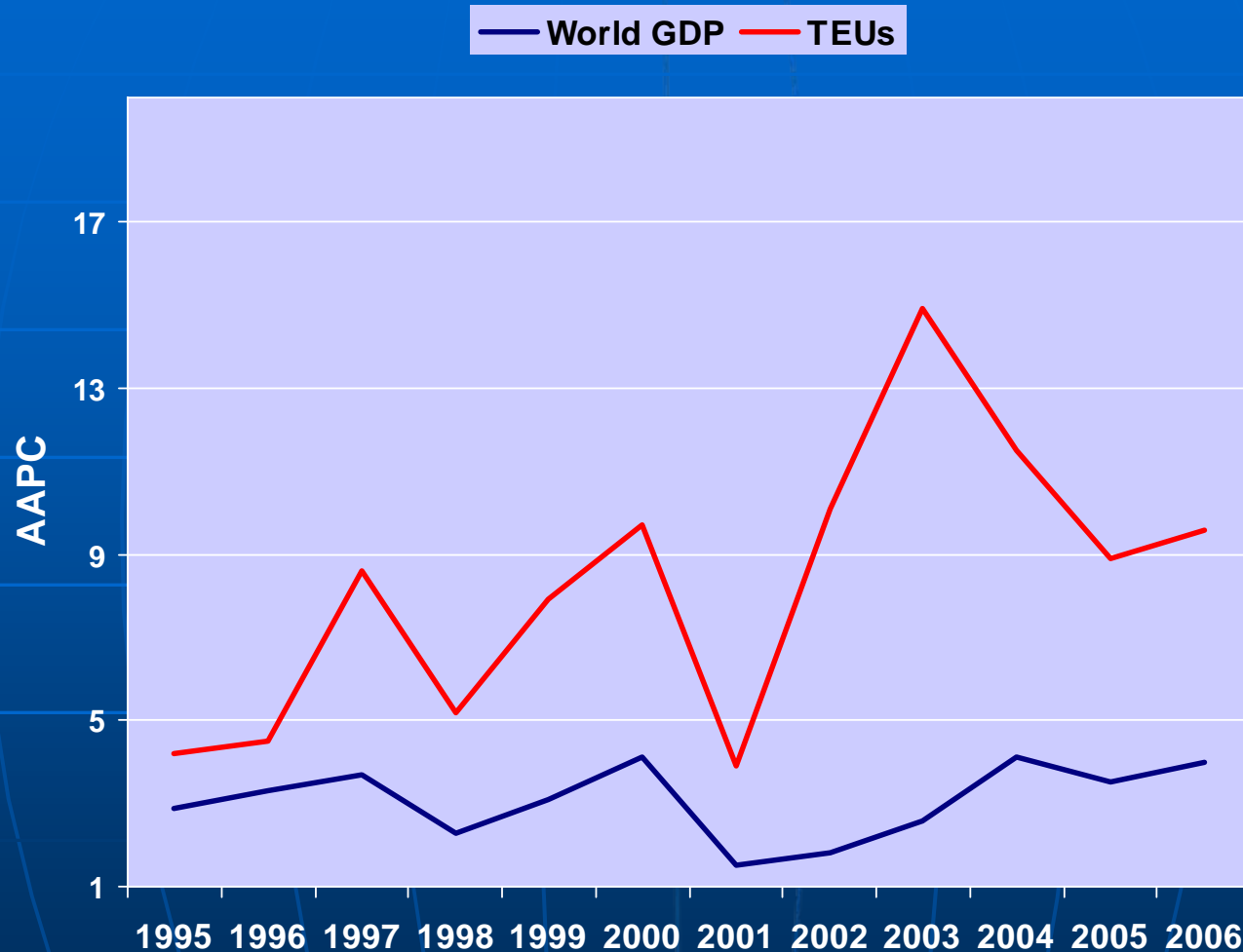
GROWTH IN WORLD GDP & TRADE



Over the past decade, the growth in world output has averaged 3.0% per year, while the volume of world merchandise trade has expanded at an average of 3.7% per year.



GROWTH IN WORLD GDP & CONTAINERS

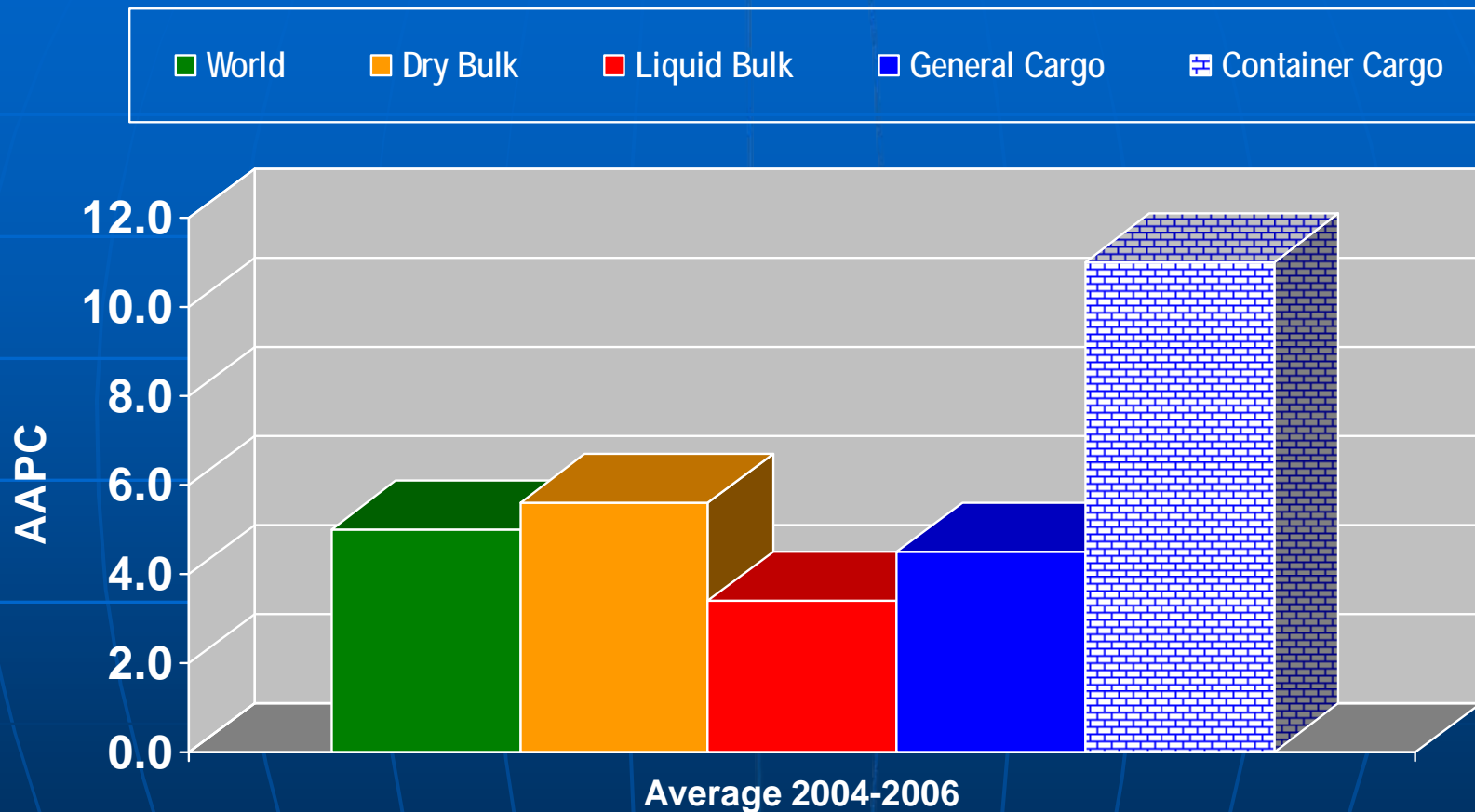


World container trade usually grows faster than the world economy.

Source: World Bank & Institute of Shipping Economic and Logistics (ISL).



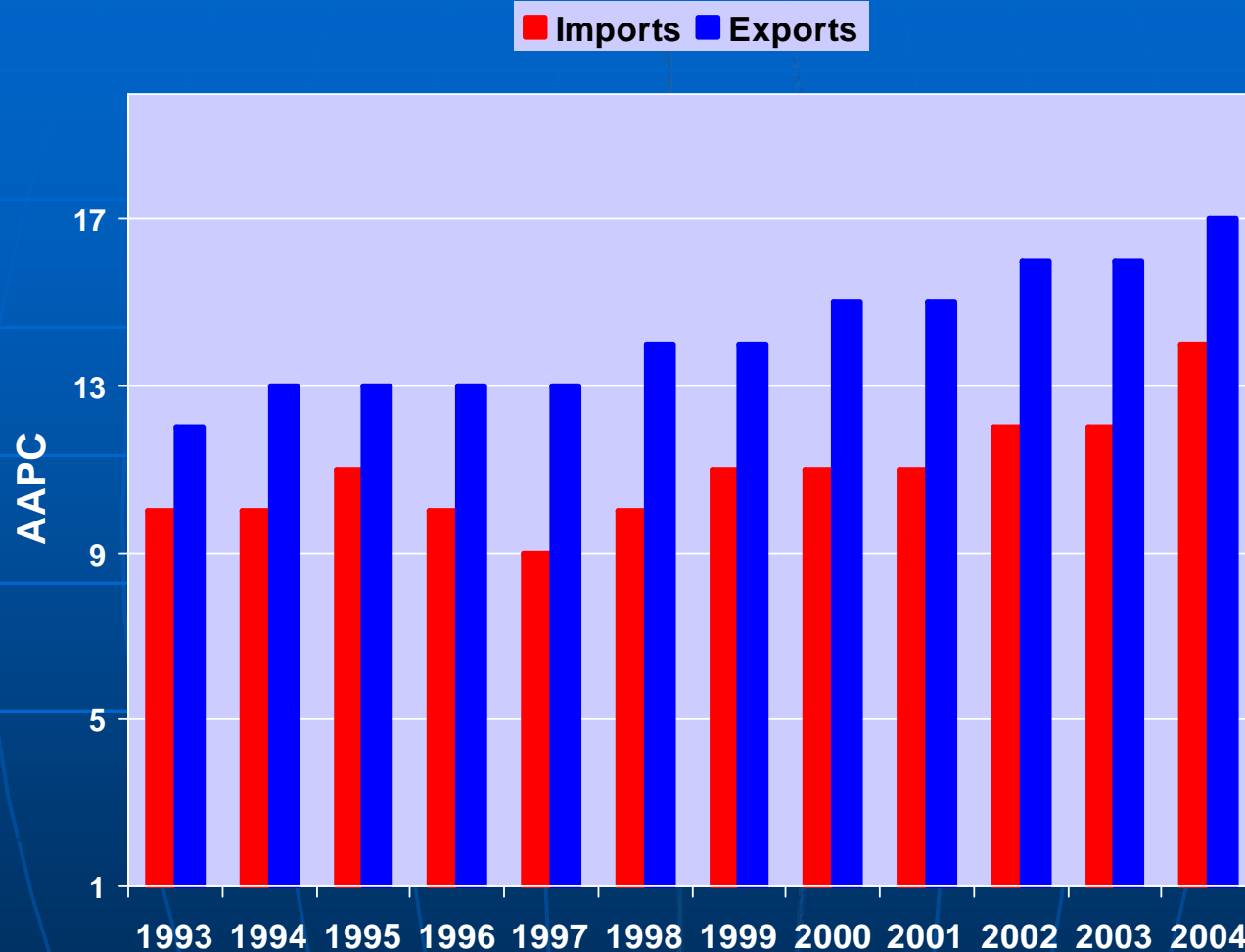
WORLD SEABORNE TRADE GROWTH BY COMMODITY CATEGORY



The use of containers has increased in recent years as compared to other commodity categories. This is because they provide the fastest, least expensive conveyance for international cargo.



DEGREE OF CONTAINERIZATION (North America)



The degree of containerization has gradually increased.

Source: Commodity Flows Information System (COMFIS), TAF Consultants.



LOGISTICS FACTORS

The intense competition felt in all container shipping trades in the 1980s and 1990s forced shipping companies to adopt innovative productivity enhancing and cost-cutting strategies. These Include:

- Employing larger vessels on routes where cargo volumes permit, developing new service patterns including 'Round the World services.
- Reducing the number of port calls leading to the growth of regional 'hub' ports.
- Ports are selected based on a number of factors including:
 - proximity to markets,
 - physical characteristics and availability of inland transportation
 - port charges
 - reliability of port services such as stevedoring.
- Developing a network of feeder services linking hub and regional ports.
- Entering into strategic alliances and mergers as part of an industry wide strategy to return to profitability via rationalisation.



ASIAN CONTAINERS SURGE AND THE NORTH AMERICAN PORTS SITUATION

The relocation of portions of the industrialized world's productive capacity to the Asia-Pacific region, particularly China, lead to rapid economic growth in that region.

This has resulted in:

- Doubling of the container volume moving through the North American Transportation system without a simultaneous increase in its capacity
- Pressures on the NA transportation network along the supply chain at key intermodal terminals. In particular the U.S. West Coast ports and their connecting rail and highway infrastructure
- Shippers are considering alternative trade routes to reach North American markets to avoid the congestion at West Coast ports. Some of these routes include shipping through the Panama and the Suez Canals to the East Coast of North America
- Opening new shipping routes via the North Pacific and Arctic Oceans through the North West passage. However, this route would at best be one that could only be used on a seasonal basis, which does not make it a viable option for the regularly required scheduled service.



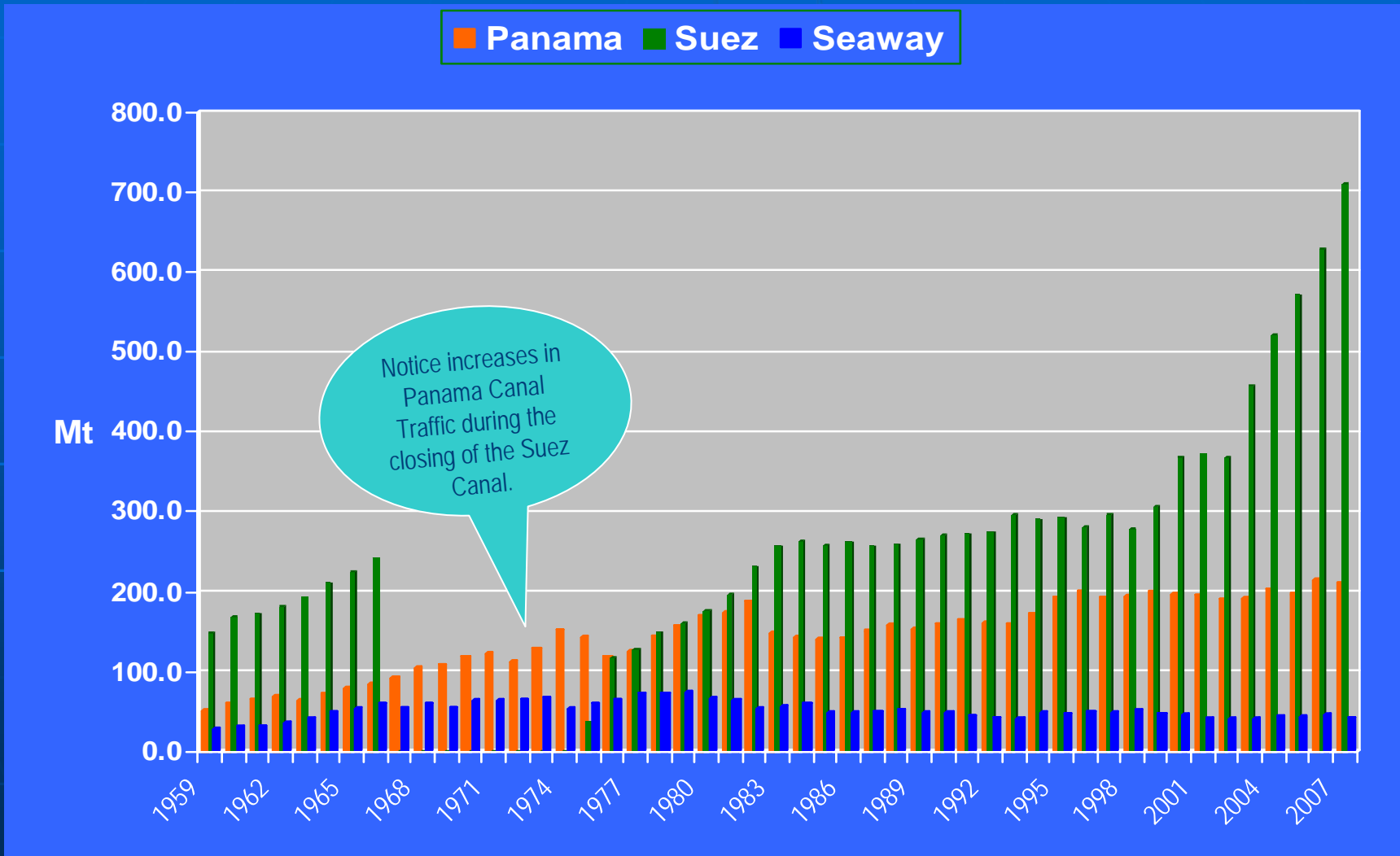
MAJOR CONTAINERIZED CARGO TRADE SHIPPING ROUTES



Source: Georgia Port Authority.



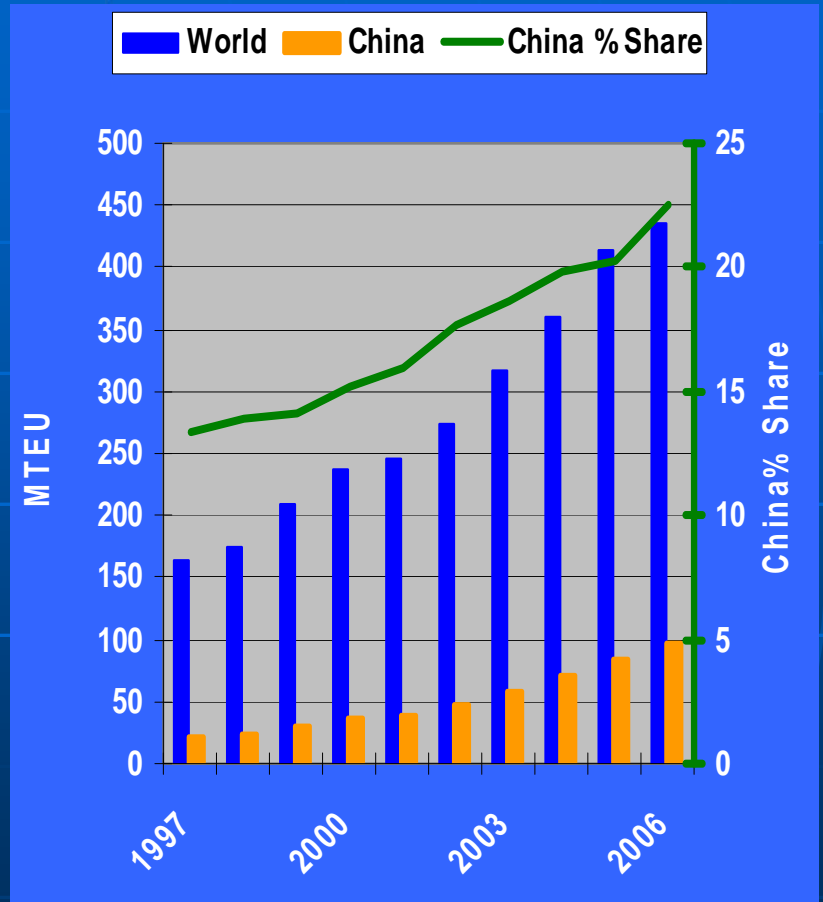
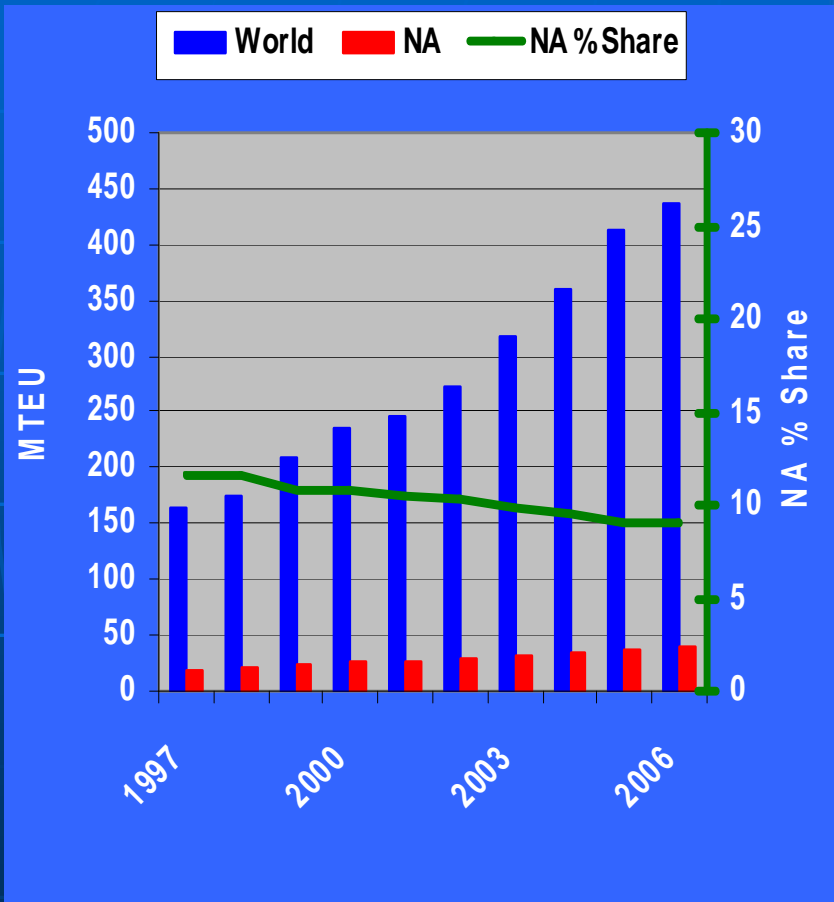
WORLD MAJOR CANALS HISTORICAL CARGO TRAFFIC, 1959-2007



Source: Based on data obtained from the Suez Canal Authority, the St. Lawrence Seaway Management Corporation and the Panama Canal Authority.



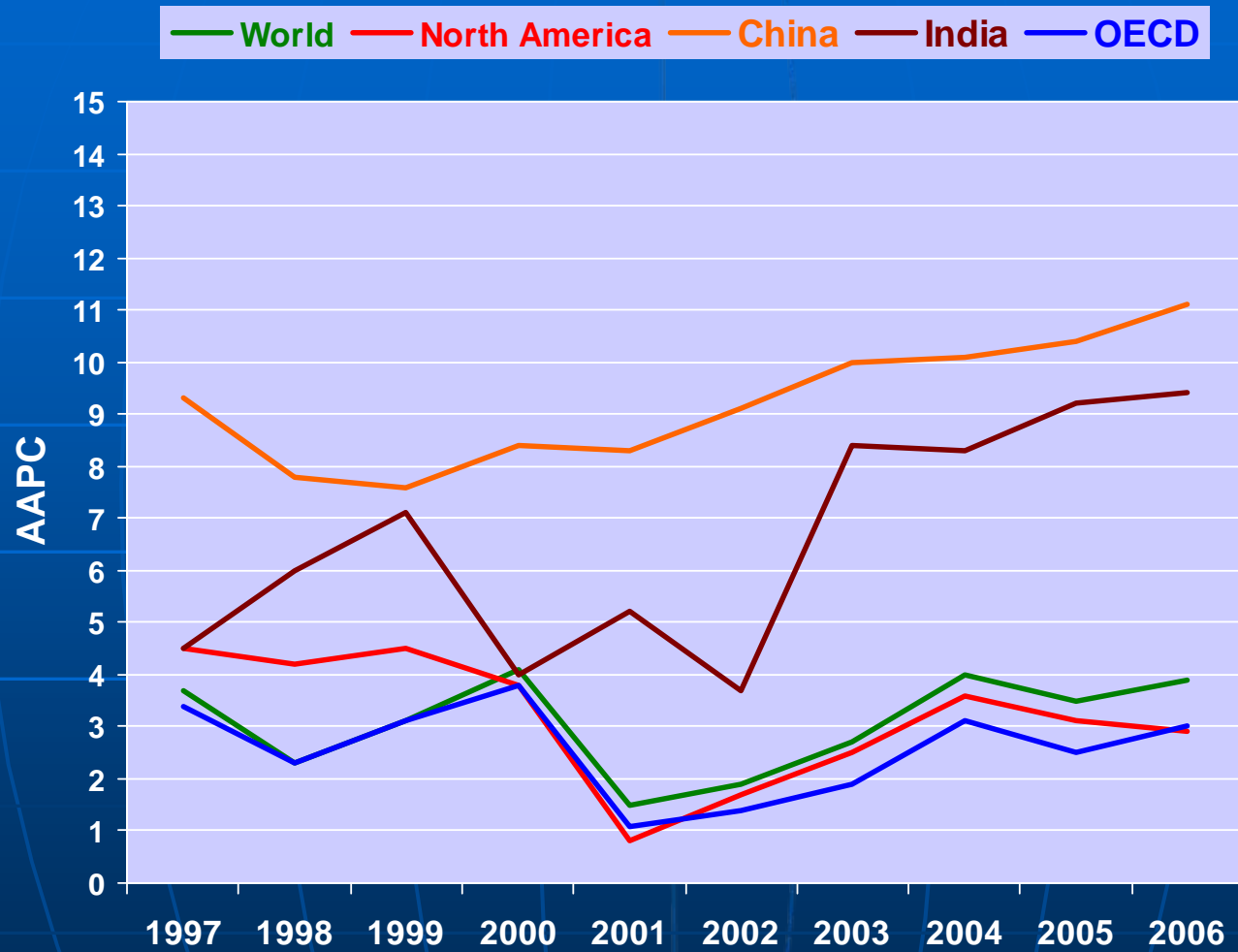
THE NORTH AMERICAN CONTAINER TRAFFIC SITUATION – Comparison WORLD & CHINA



Source: TAF Consultants.



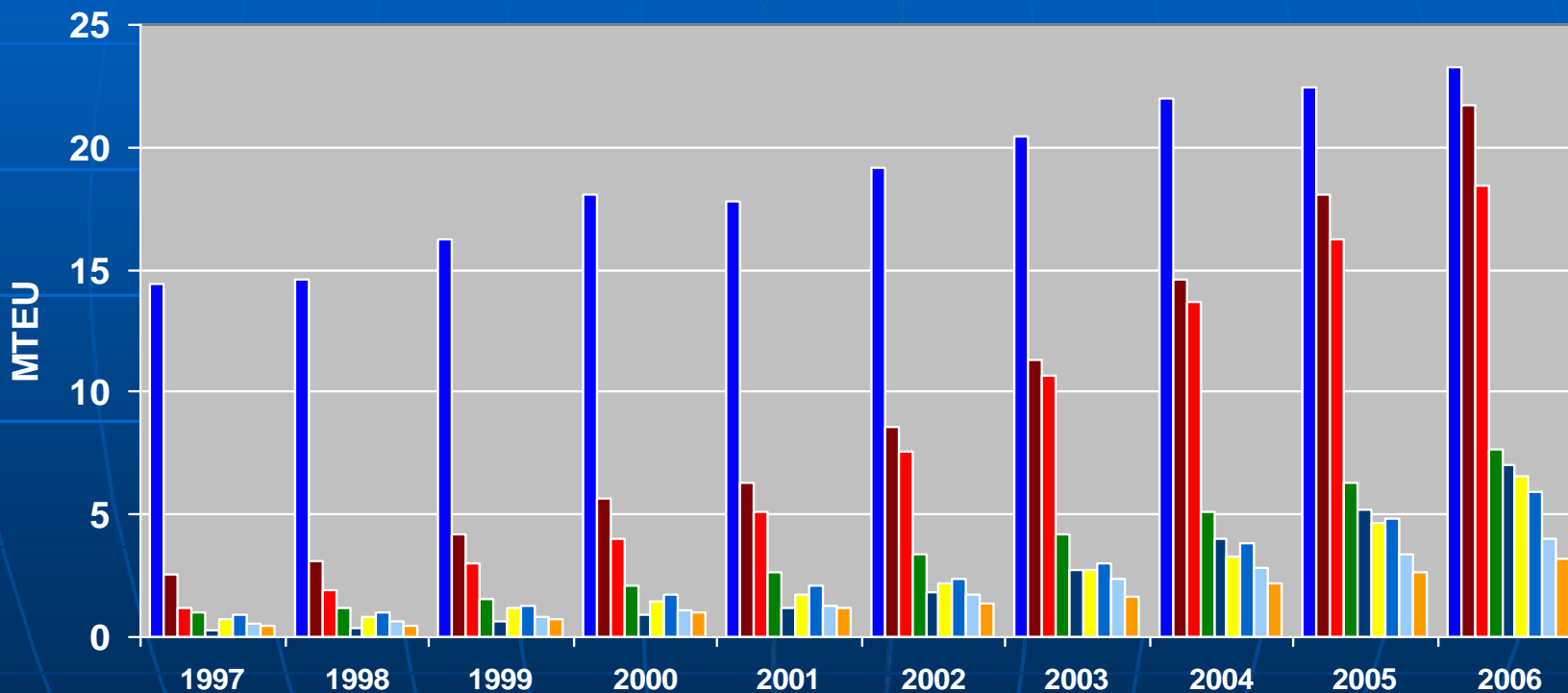
GROWTH IN WORLD GDP Comparison



Source: World Bank & IMF.



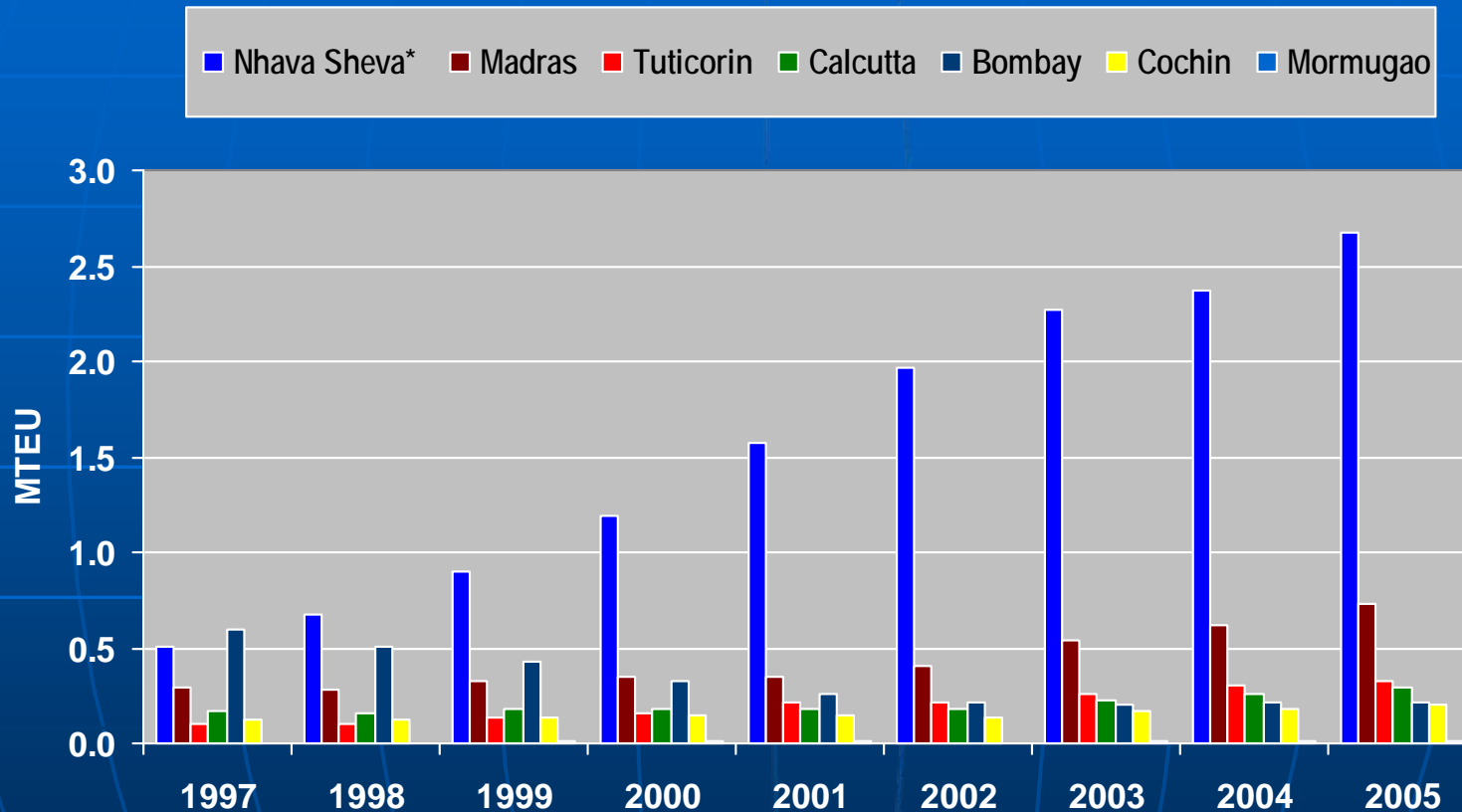
CHINA CONTAINERIZED TEU TRAFFIC BY MAJOR PORTS



Source: The Institute of Shipping Economic and Logistics (ISL) & the Port of Hamburg.



INDIA CONTAINERIZED TEU TRAFFIC BY MAJOR PORTS

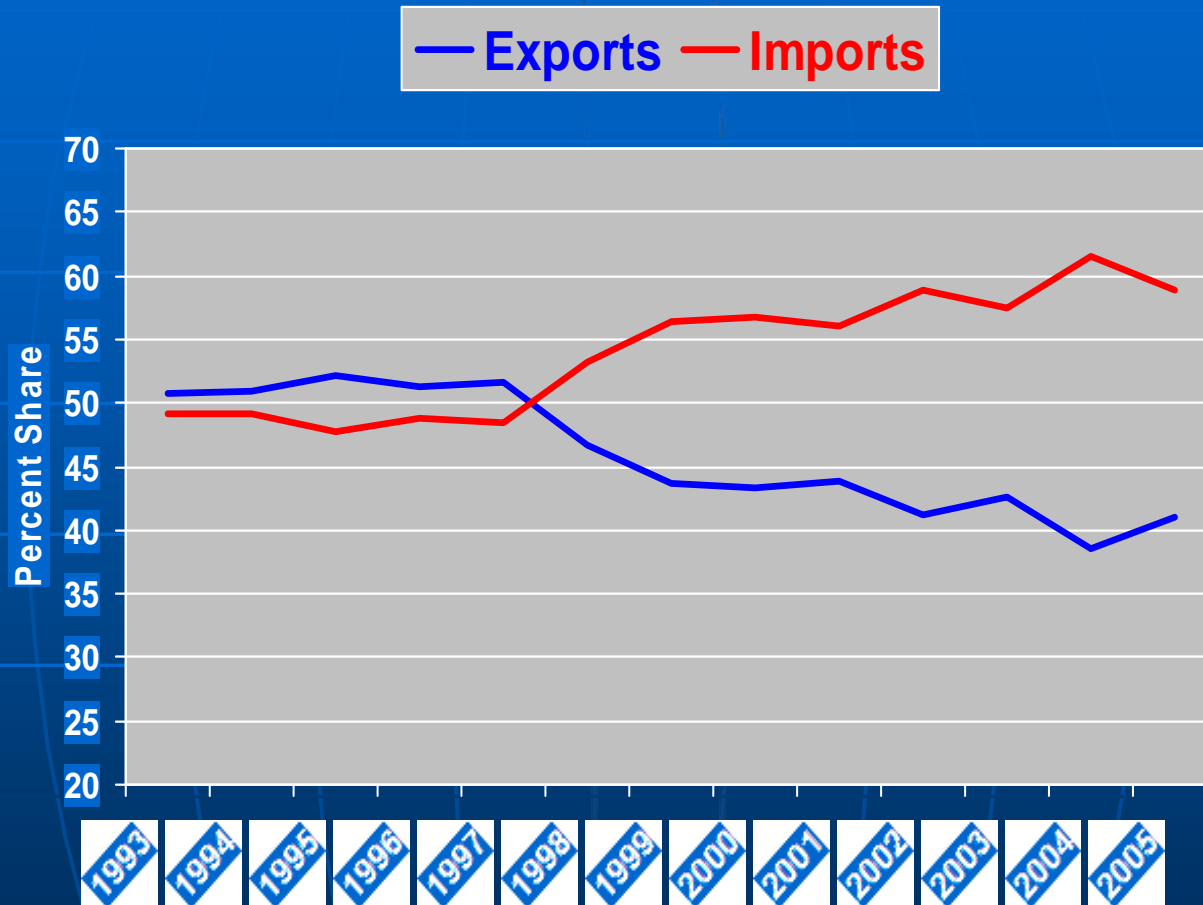


* Nhava Sheva also called Jawaharlal Nehru Port.

Source: The Institute of Shipping Economic and Logistics (ISL) & the Port of Hamburg.



NORTH AMERICAN CONTAINERIZED CARGO TRADE

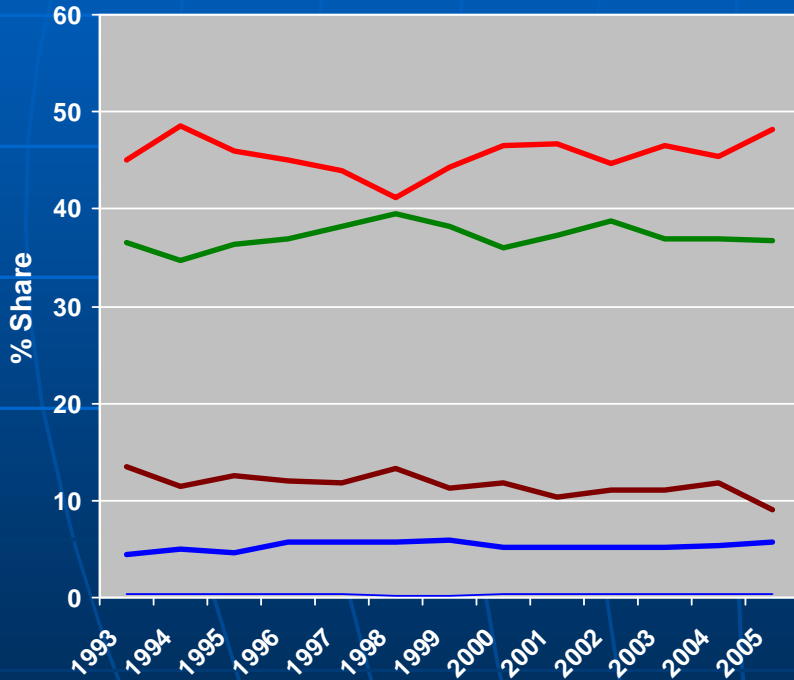


Source: Commodity Flows Information System (COMFIS), TAF Consultants.

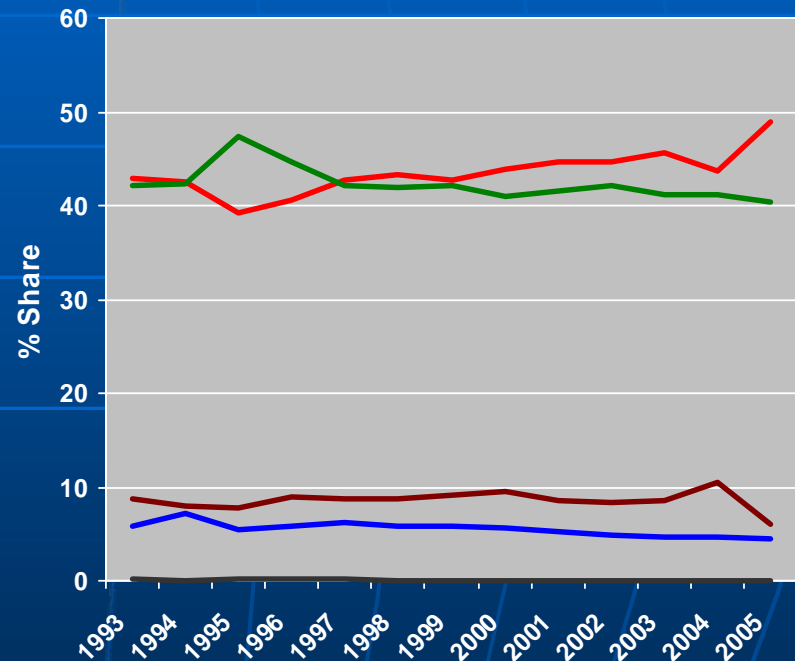


NORTH AMERICAN CONTAINERIZED CARGO TRADE BY SEABOARD SHARE

EXPORTS



IMPORTS

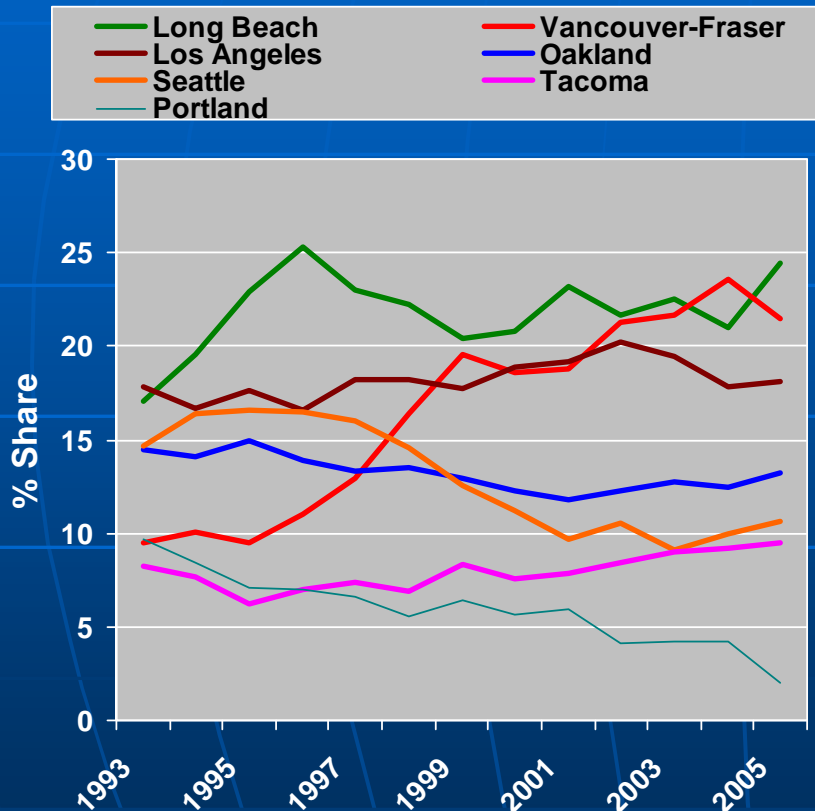


Source: Commodity Flows Information System (COMFIS), TAF Consultants.

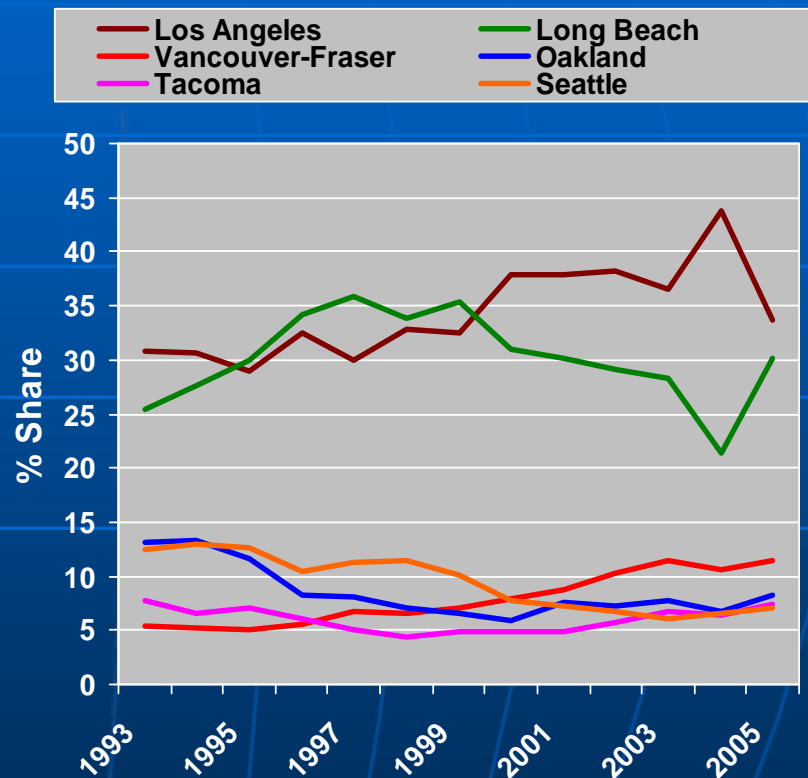


NORTH AMERICAN PACIFIC COAST CONTAINERIZED CARGO TRADE BY MAJOR PORT

EXPORTS



IMPORTS

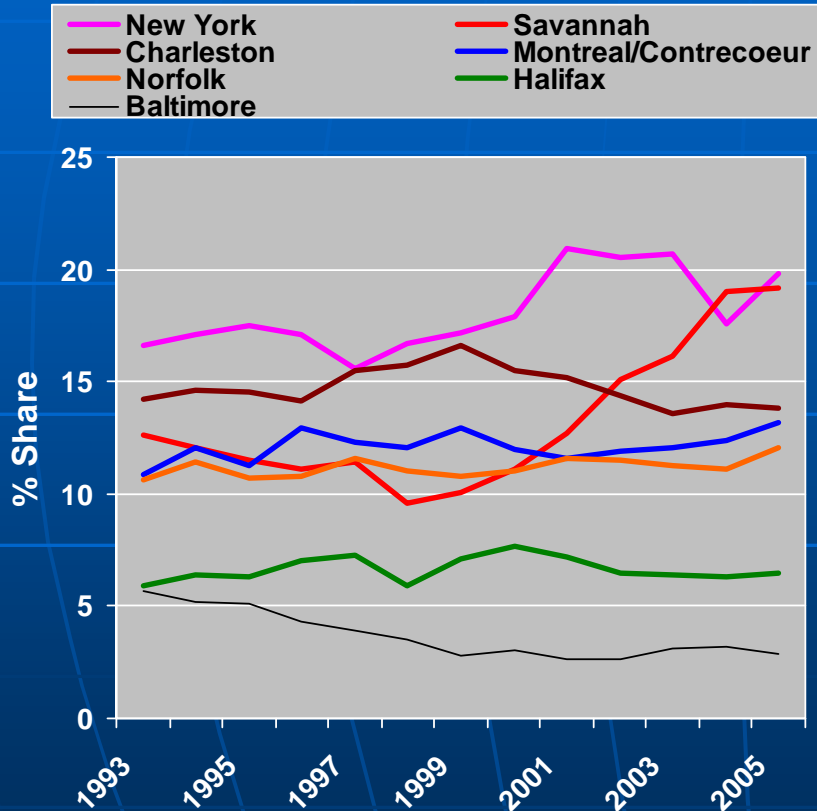


Source: Commodity Flows Information System (COMFIS), TAF Consultants.

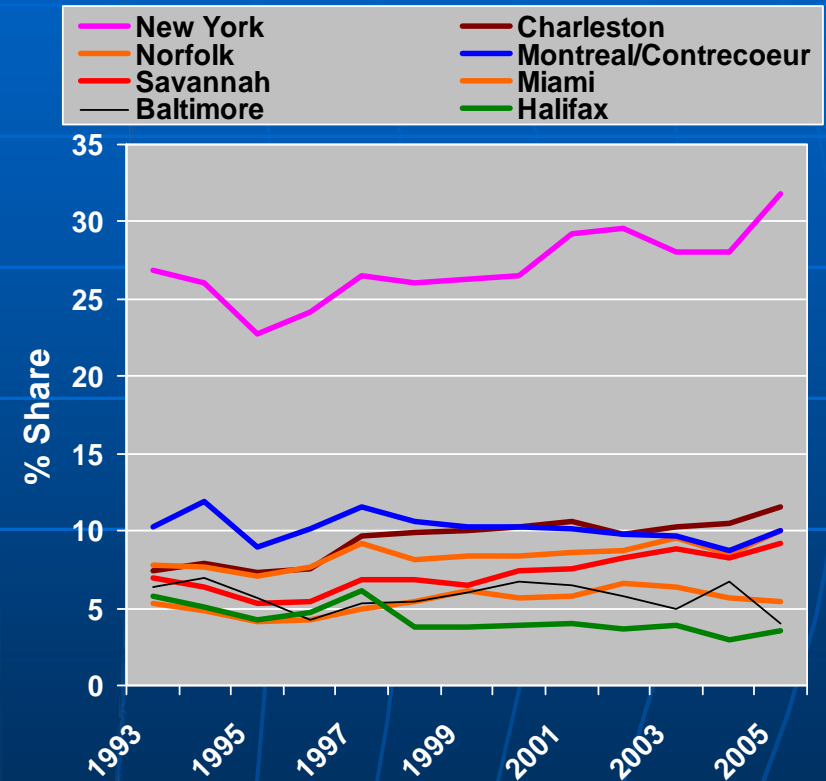


NORTH AMERICAN ATLANTIC COAST CONTAINERIZED CARGO TRADE BY MAJOR PORT

EXPORTS



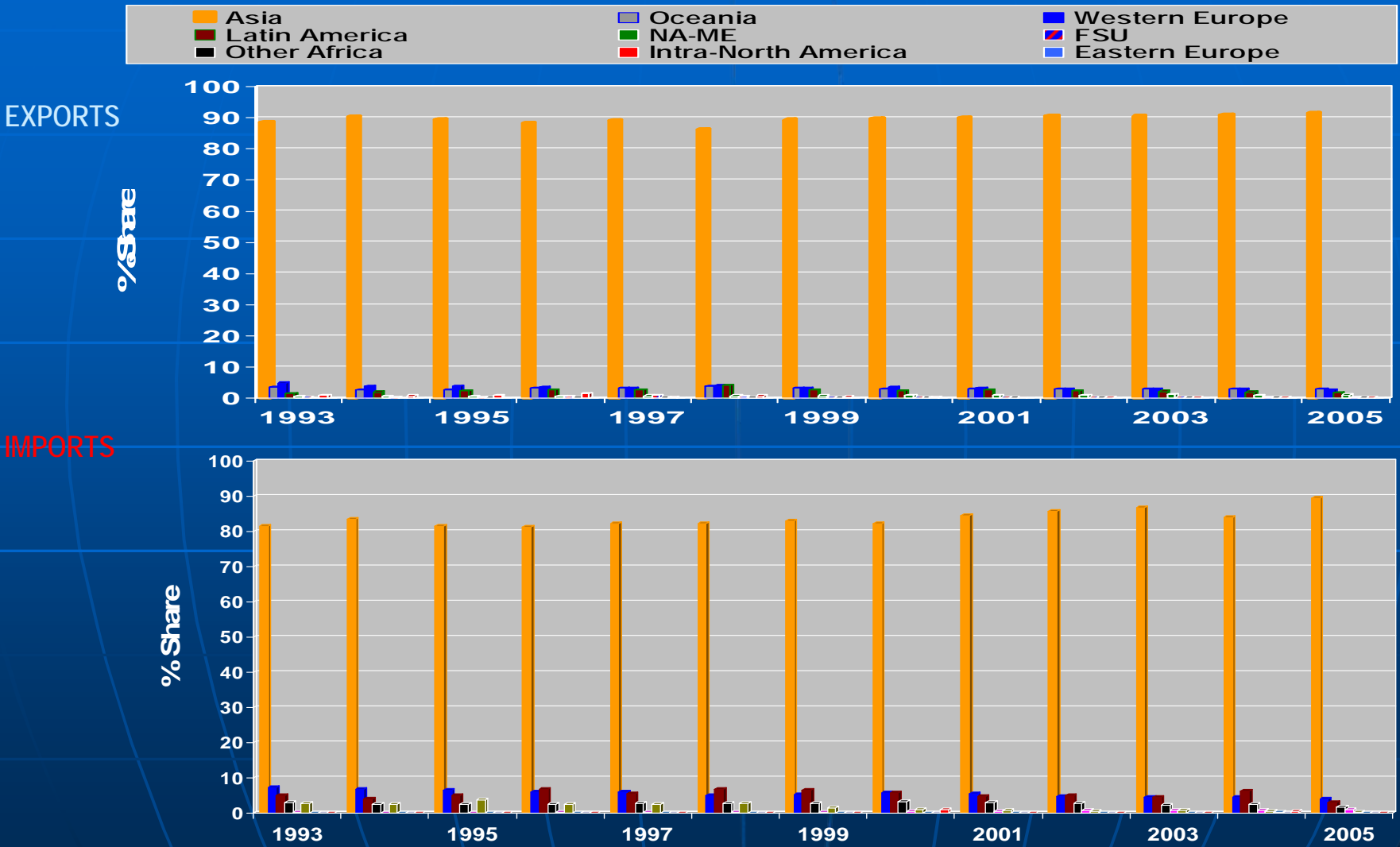
IMPORTS



Source: Commodity Flows Information System (COMFIS), TAF Consultants.



NORTH AMERICAN PACIFIC COAST CONTAINERIZED CARGO TRADE BY MARKET SHARE



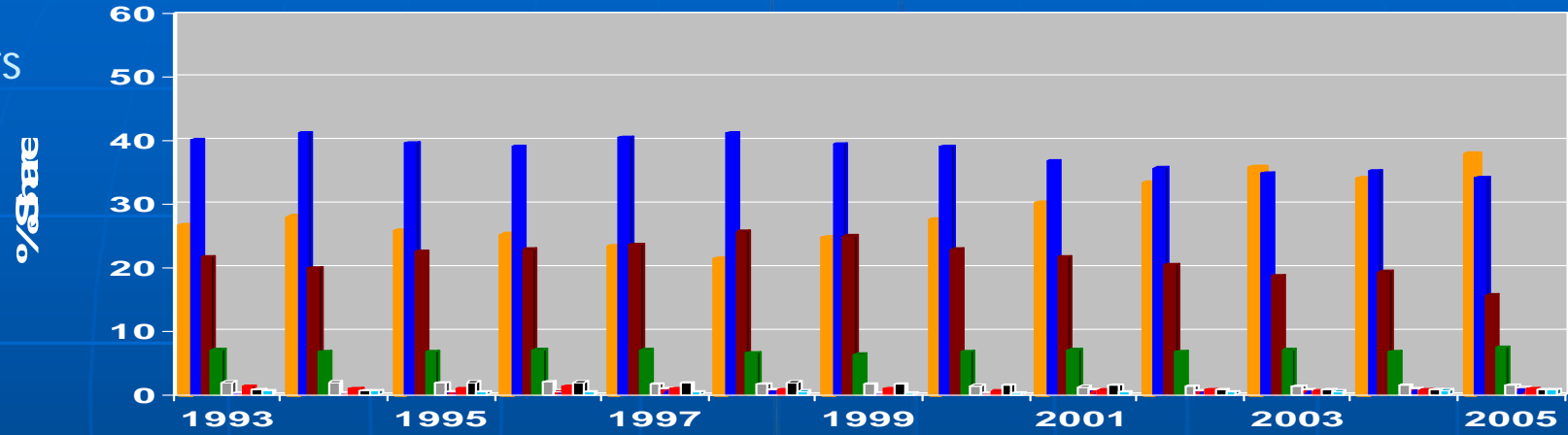
Source: Commodity Flows Information System (COMFIS), TAF Consultants.



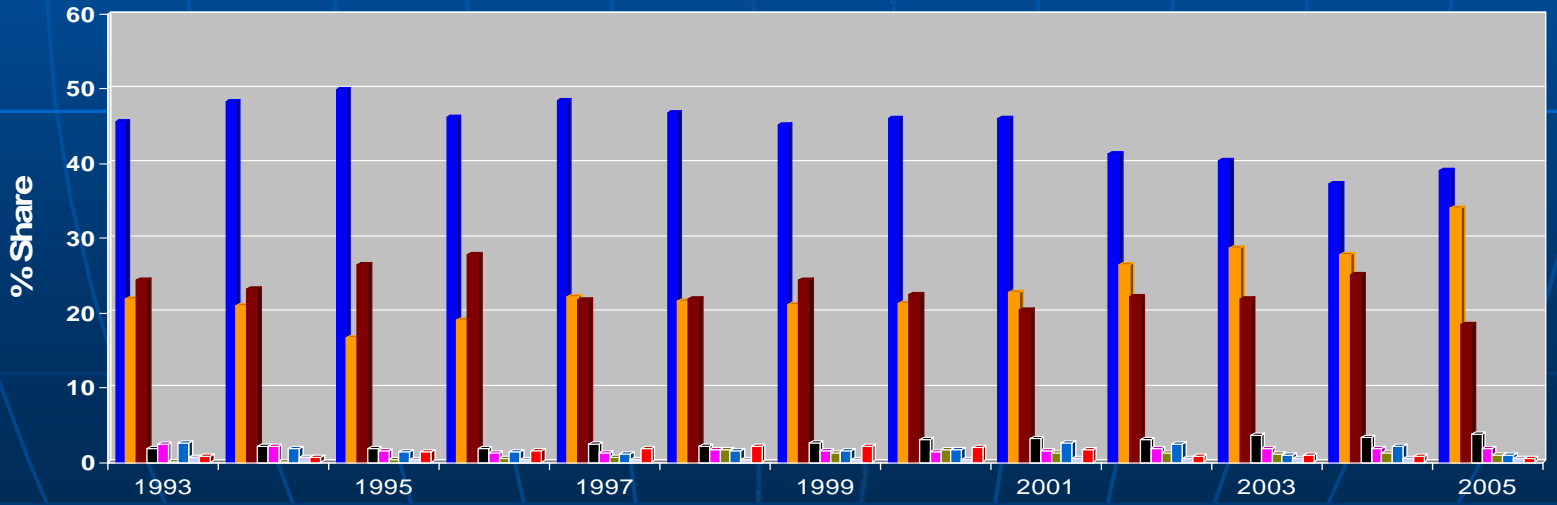
NORTH AMERICAN ATLANTIC COAST CONTAINERIZED CARGO TRADE BY MARKET SHARE



EXPORTS



IMPORTS

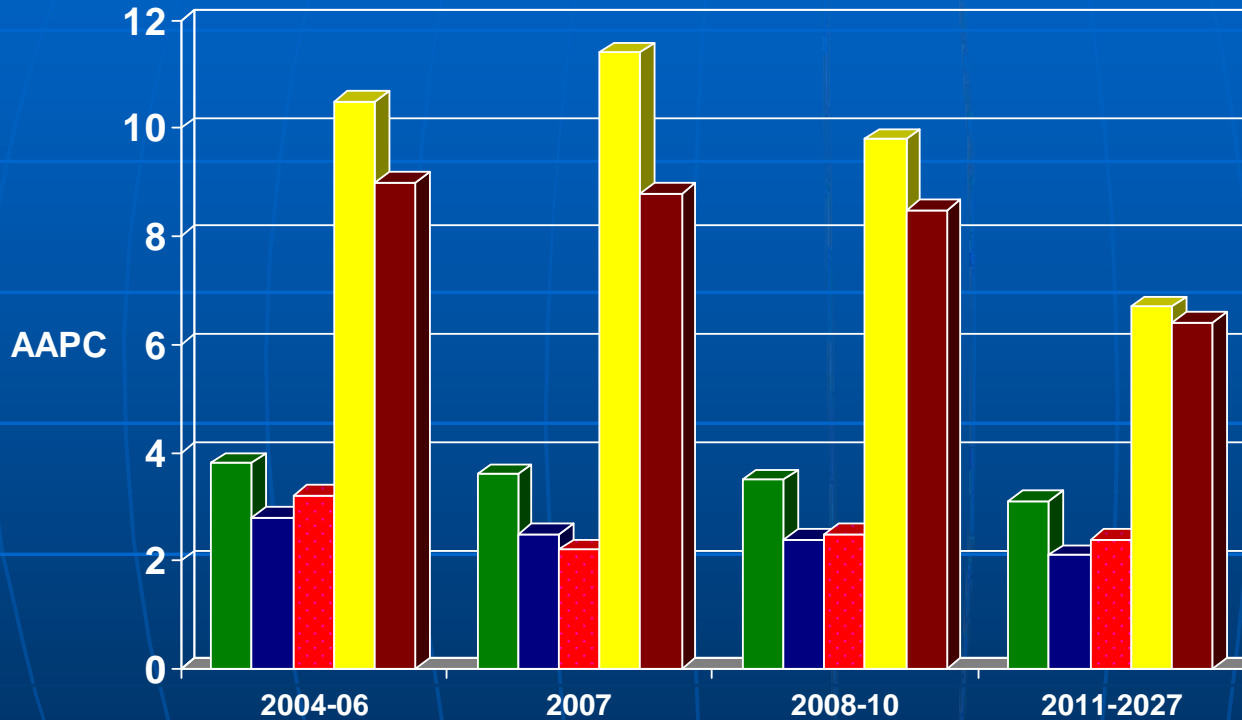


Source: Commodity Flows Information System (COMFIS), TAF Consultants.



GDP GROWTH BY WORLD & REGION FORECASTS

■ World
 ■ OECD
 ■ North America
 ■ China
 ■ India



AAPC

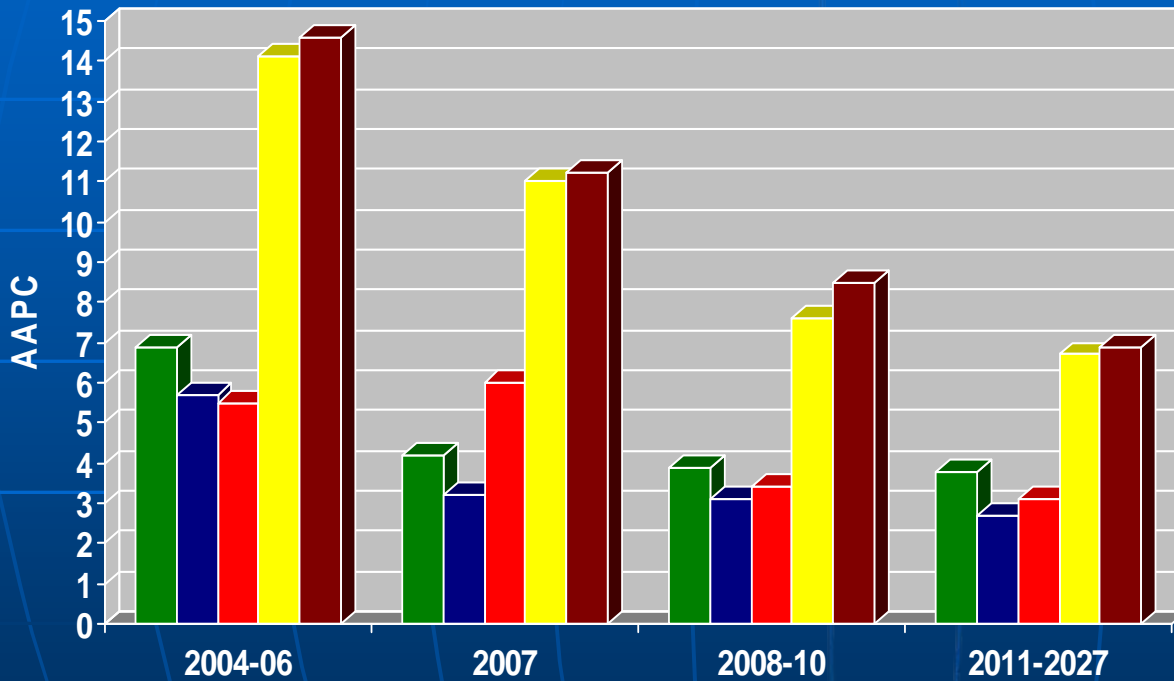
2008-10 – 2011-27

World :	3.5% - 3.1%
OECD:	2.4% - 2.1%
NA:	2.5% - 2.4%
China:	9.8% - 6.7%
India:	8.5% - 6.4%

World GDP is expected to grow by an AAPC of 3.5% during the 2008-2010 forecast period. Subsequently it should grow at steady pace of 3.1% annually during the 2011-2027 .



WORLD & REGION MERCHANDISE TRADE GROWTH FORECASTS



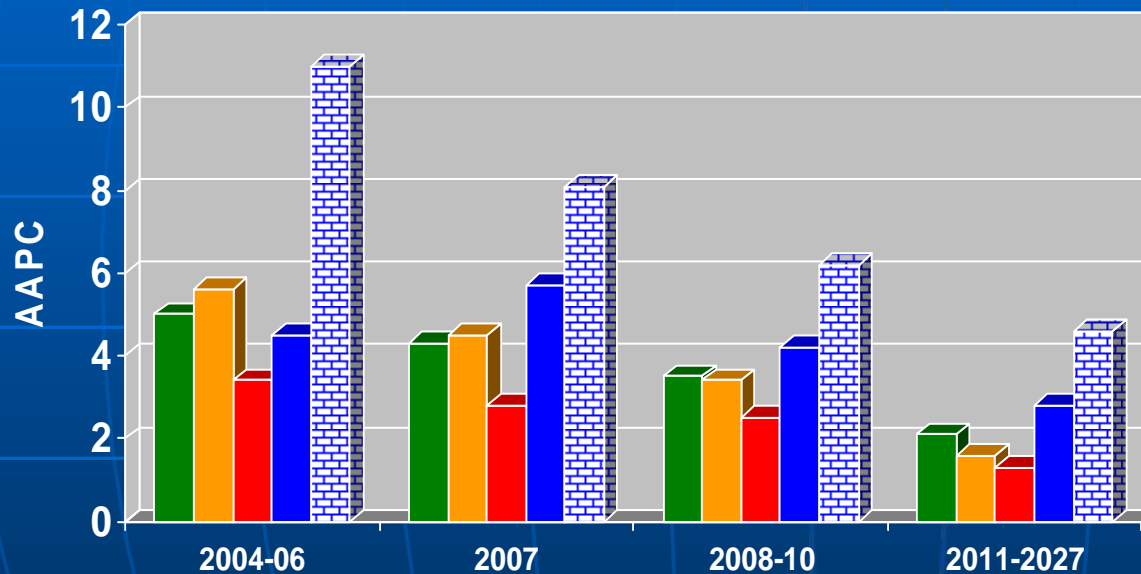
AAPC
2008-10 – 2011-27

World :	3.9% - 3.8%
OECD:	3.1% - 2.7%
NA:	3.4% - 3.1%
China:	7.6% - 6.7%
India:	8.5% - 6.9%

Source: Containers & Transportation Outlook Reports, CILTNA, 2008.



WORLD SEABORNE TRADE GROWTH FORECAST BY COMMODITY CATEGORY



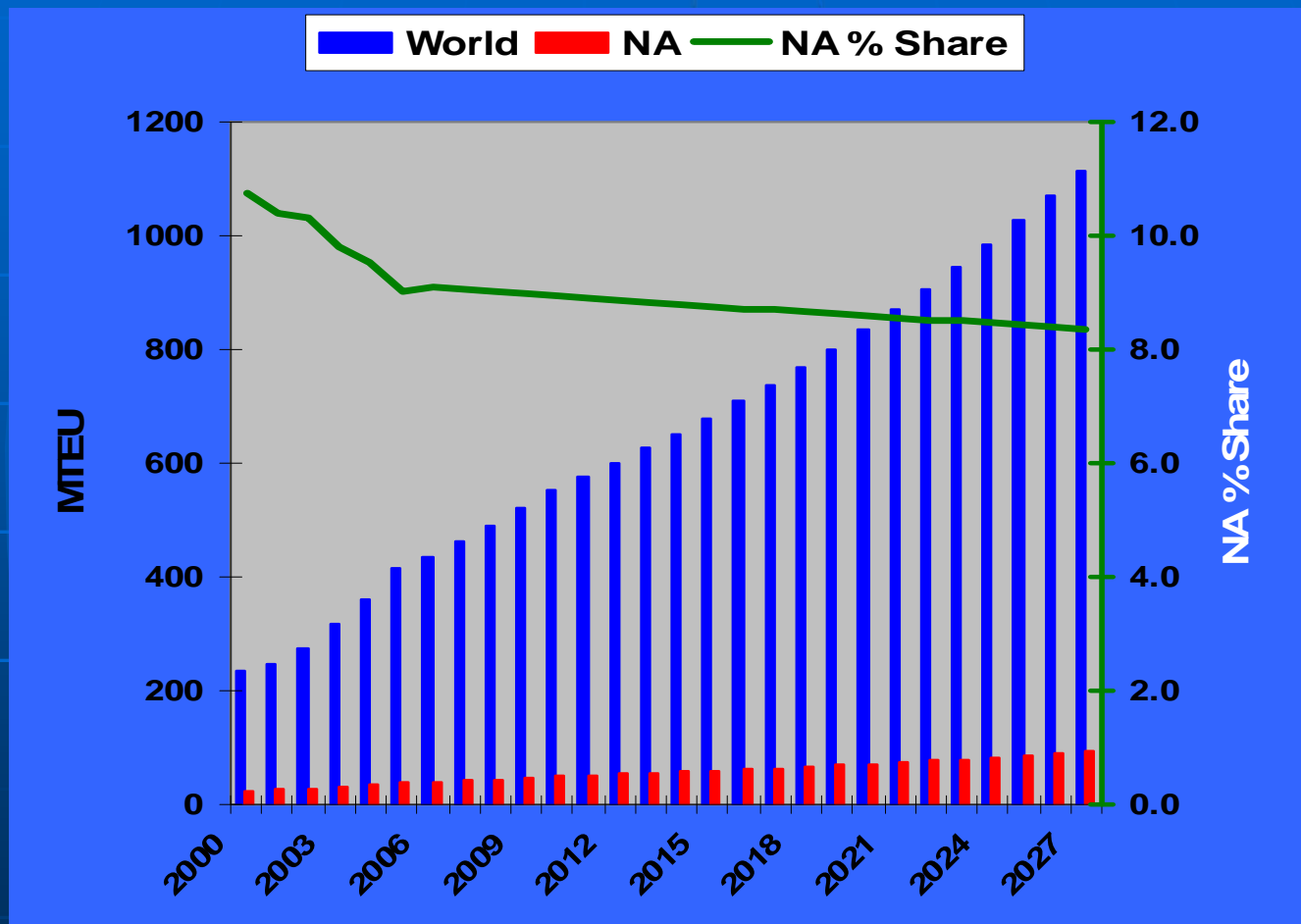
AAPC
2008-10 – 2011-27

Seaborne :	3.5% - 2.1%
Dry Bulk:	3.4% - 1.6%
Liq. Bulk:	2.5% - 1.3%
G. Cargo	4.2% - 2.8%
Container:	6.2% - 4.2%

World containerized cargo trade is expected to grow by an AAPC of 6.2% and 4.6% respectively during the 2008-2010 and 2011-2027 forecast periods respectively.



THE NORTH AMERICAN CONTAINER TEU TRAFFIC FORECAST

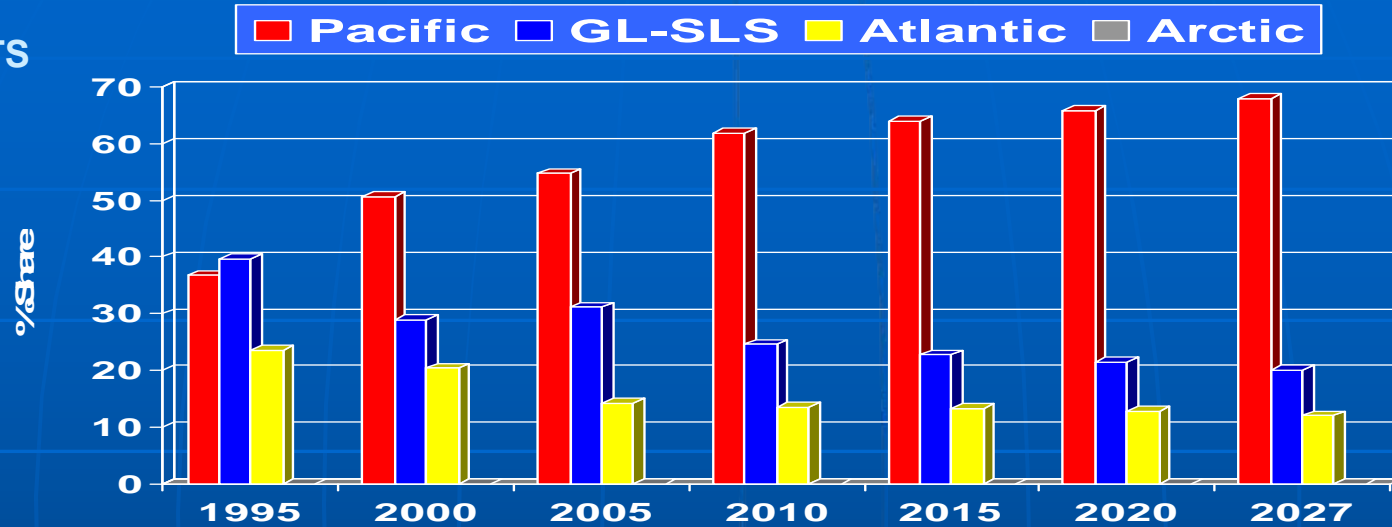


North American container TEU traffic is expected to grow by an AAPC of 4.2% during the 2007-2027 forecast period to reach 93.2 MTEU, representing 8.4% of the world containers.



CANADIAN MARINE CONTAINERIZED CARGO TRADE FORECAST BY SEABOARD OUTLET SHARE

EXPORTS



IMPORTS

