



Opportunities: U.S. East Coast Ports



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Opportunities: U.S. East Coast Ports



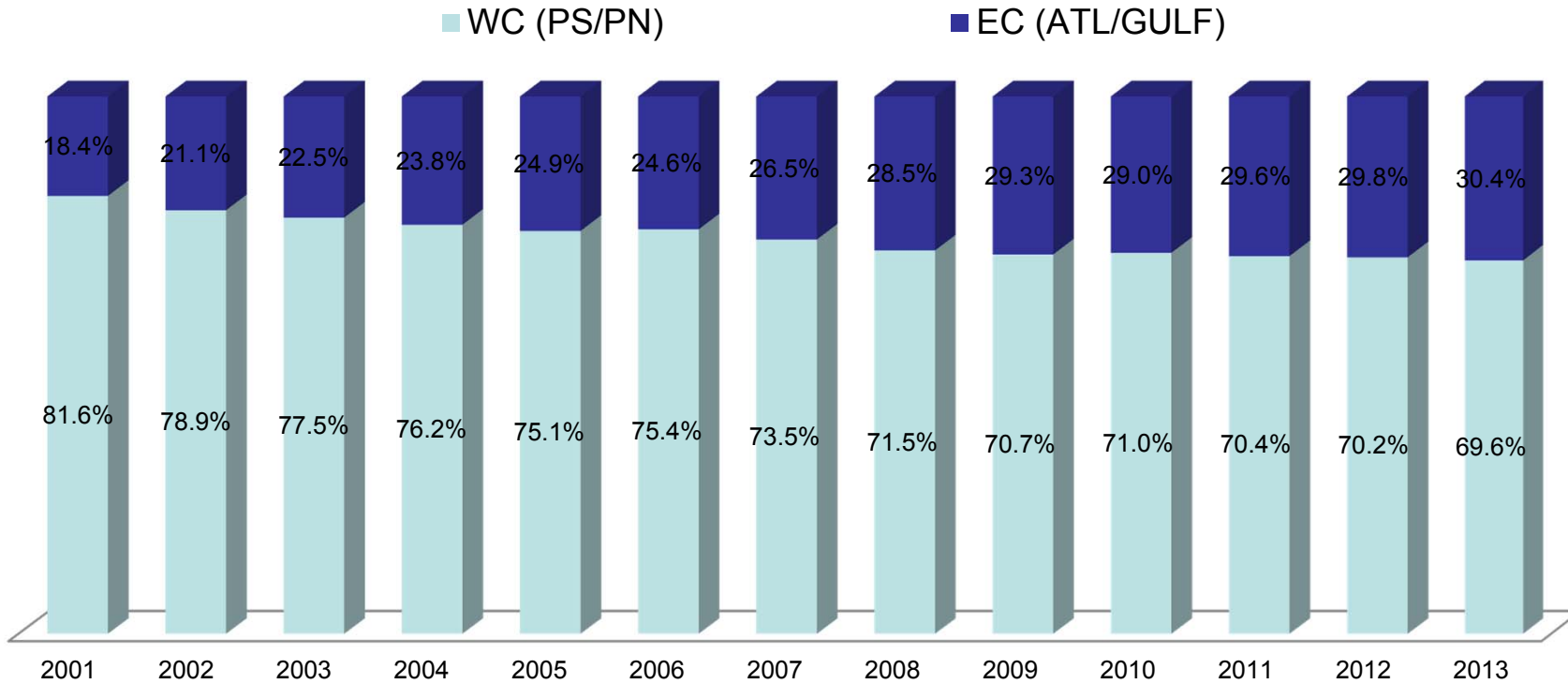
Presentation Agenda

1. Growth USWC vs USEC
2. Why East Coast? A. Shift of Sourcing in Asia
Why East Coast? B. Via -Suez Services
3. Further Growth Opportunity 1
Reverse-IPI / Move of “drainage divide”
4. Further Growth Opportunity 2
US East Coast as Tran-shipment Hub
5. Challenges





1. Growth USWC vs USEC



Average annual growth	2013/2001	2013/2008
Asia US East Coast	9.6%	2.3%
Asia US West Coast	3.8%	0.5%
Total	5.2%	1.0%

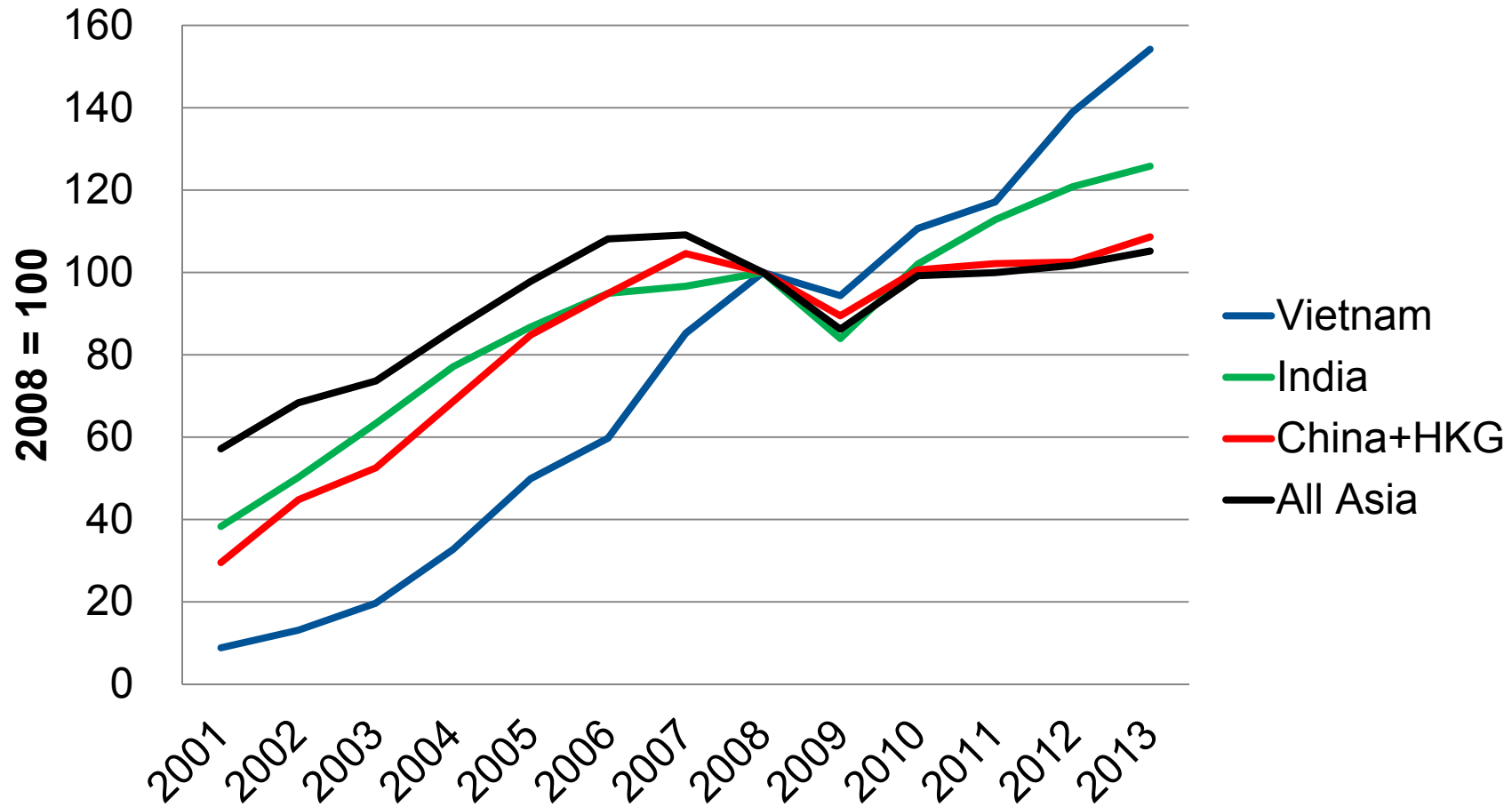
Graph/Table creased by MOL' Research Office based on Piers' data





2. Why East Coast? A. Shift of Sourcing in Asia

TP EB Growth



Graph created by MOL based on Piers' data

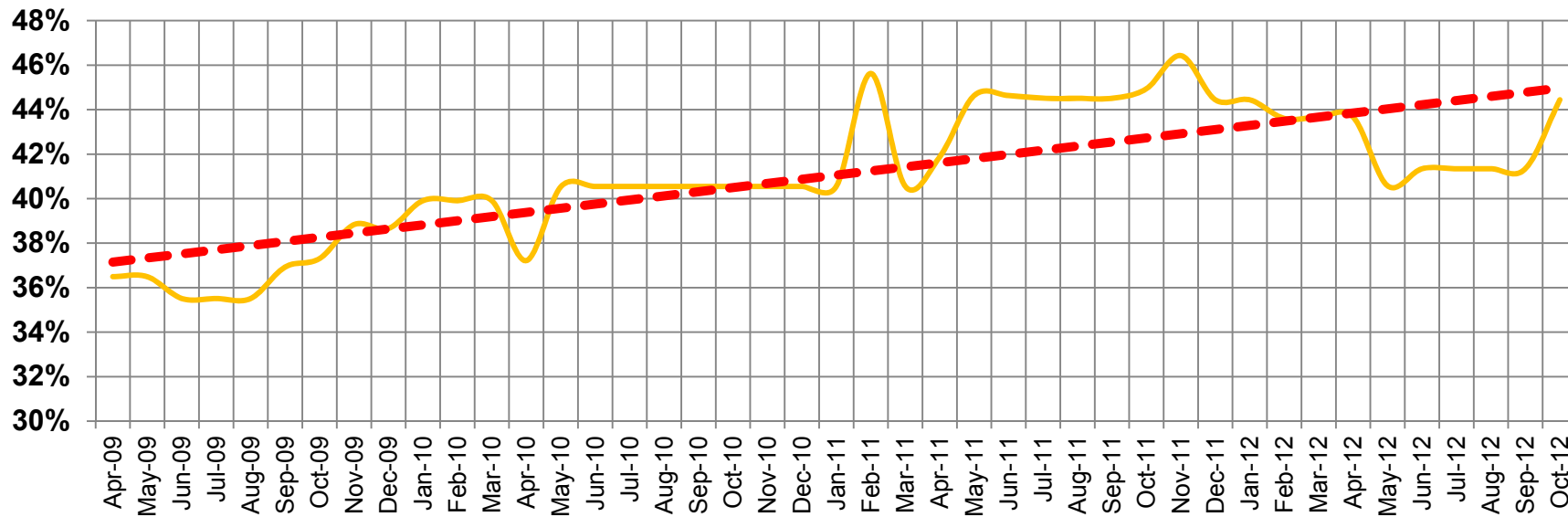




2. Why East Coast? B. Via-Suez Services



Via Suez as % of total Asia/USEC Capacity



Graph Created by MOL (America) Inc. Based on AXSMarine

Slot Cost per TEU		
Bunker Price	\$300/mt	650/mt
Panamax via Panama	100	140
6500 teu ships via Suez		110

Slot Cost : Ship cost plus ship operation cost

Speed : 19kn

Source : MOL(America) Inc



4. New Panama Canal Impact



	Maximum Before Expansion	Maximum After Expansion
Draft	12.04m (39'6")	15.2m (50')
LOA	294.13m (965')	366m (1,200')
Breadth	32.31m (106')	49m (160')
Height	62.5m (205')	62.5m (205')
Loadable Capacity	3,500 TEU	12,000 TEU

1. Compared to Via-Suez services ;
 - 1700 – 2700 miles shorter navigation
 - 2 – 2.5 days shorter navigation for one way
 - Panama Canal Toll is expensive than Suez
2. Some via-Suez services may be re-routed via Panama
3. New cost advantage for US EC routes

5. Further Growth Opportunity 1: Reverse IPI



Transport Cost					
Hong Kong South China- Memphis					
		Cost per TEU Index			
Nominal Capacity		4500 (panamax)	6500	8000	13000L
Gates	LA/LB	100	95	92	87
	W.C. Canada	100	94	92	87
	US EC South	100	87	81	70

Transport Cost : Slot cost + CY + Rail

13000 L : Smaller engine, lower consumption model

Source : MOL





6. Further Growth Opportunity 2: Tran-shipment Hub



WC South America – North Europe Cargo

Average 7000 teu per week

Ships deployment options :

1. Direct WCSA-Europe Services
- 2-a WCSA-Balboa, Canal Rail, Panama-Europe (dedicated)
- 2-b WCSA-Balboa, (Canal Rail as necessary), Panama-Europe (part of Asia-USEC-Europe pendulum service)
3. WCSA-USEC, **T/S at USEC** to USEC-Europe Service
4. WCSA-Balboa, (Canal Rail as necessary), Panama-USEC (part of Asia-USEC service), **T/S at USEC** at USEC to USEC-Europe Service

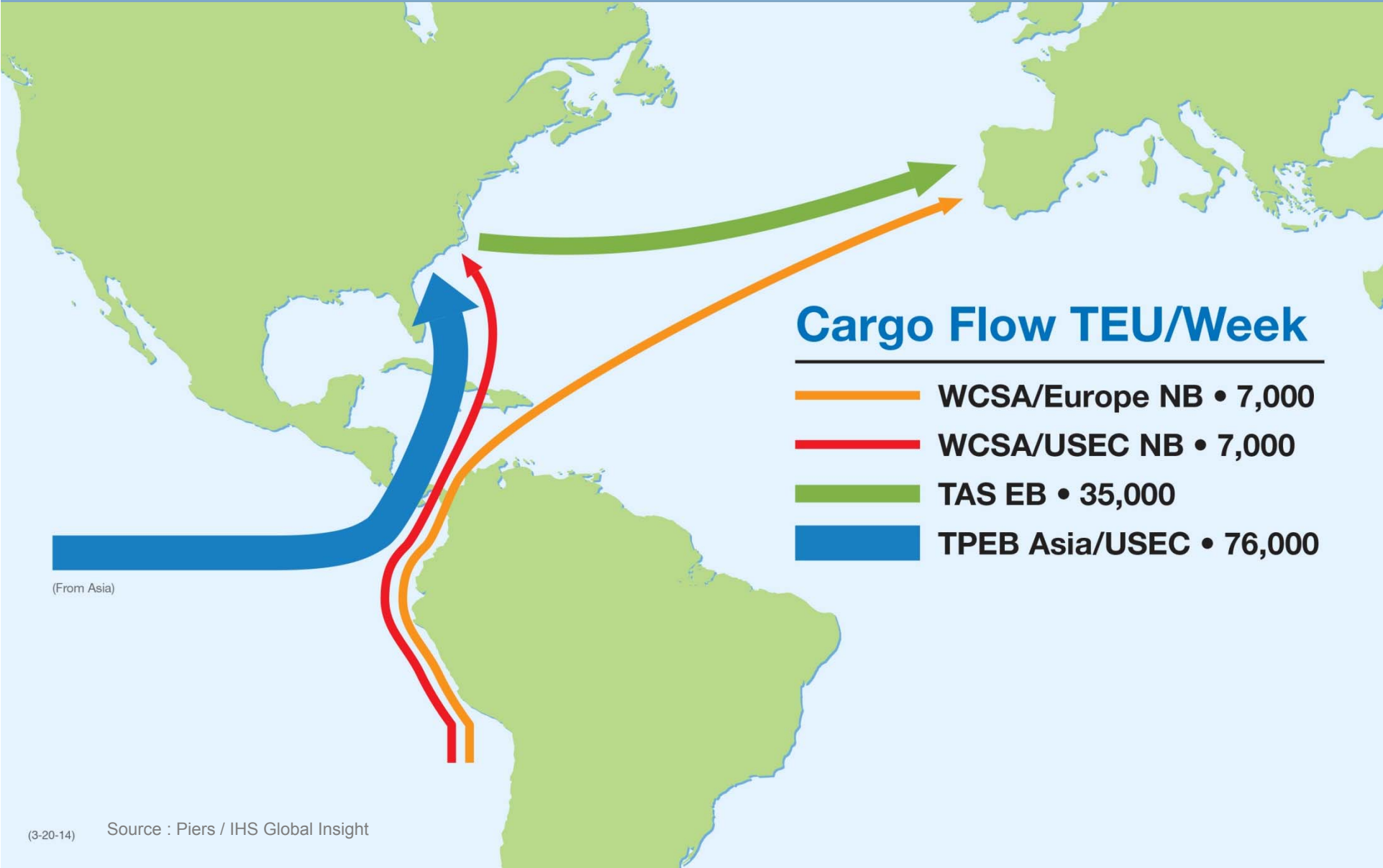




Cargo Flow TEU Per Week



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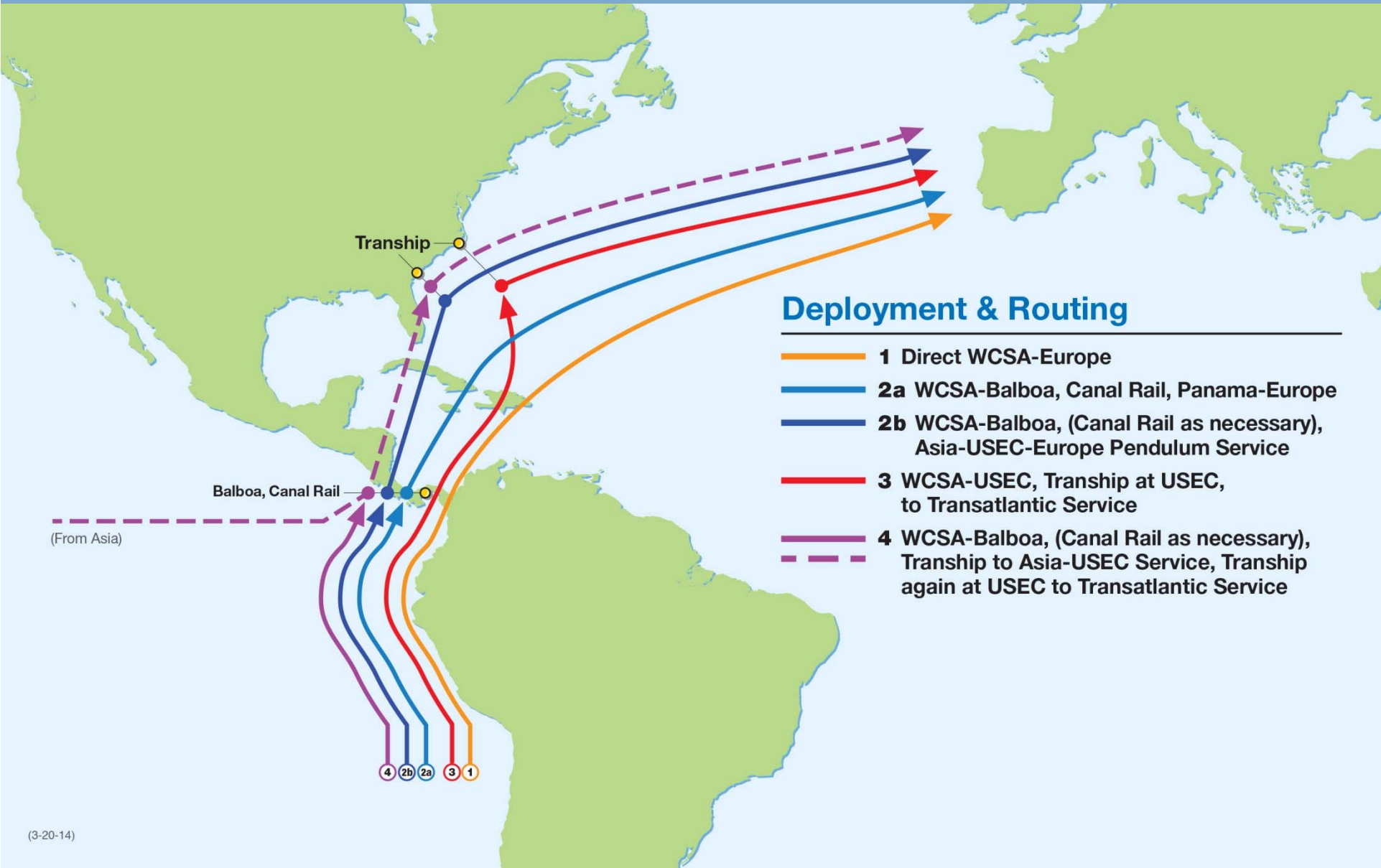
(3-20-14) Source : Piers / IHS Global Insight



Deployment and Routing



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Deployment & Routing

- 1 Direct WCSA-Europe
- 2a WCSA-Balboa, Canal Rail, Panama-Europe
- 2b WCSA-Balboa, (Canal Rail as necessary), Asia-USEC-Europe Pendulum Service
- 3 WCSA-USEC, Tranship at USEC, to Transatlantic Service
- 4 WCSA-Balboa, (Canal Rail as necessary), Tranship to Asia-USEC Service, Tranship again at USEC to Transatlantic Service



Challenges



Operational Restrictions

- Draft (River/Channel/Berth/Turning basin)
- Air draft
- Crane Height and Outreach
- Productivity and dwell time
- Berth window
- Gates

Cost





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Thank You



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