



RACIONES UNIDAS
UNITED NATIONS

CEPAL

ECLAC

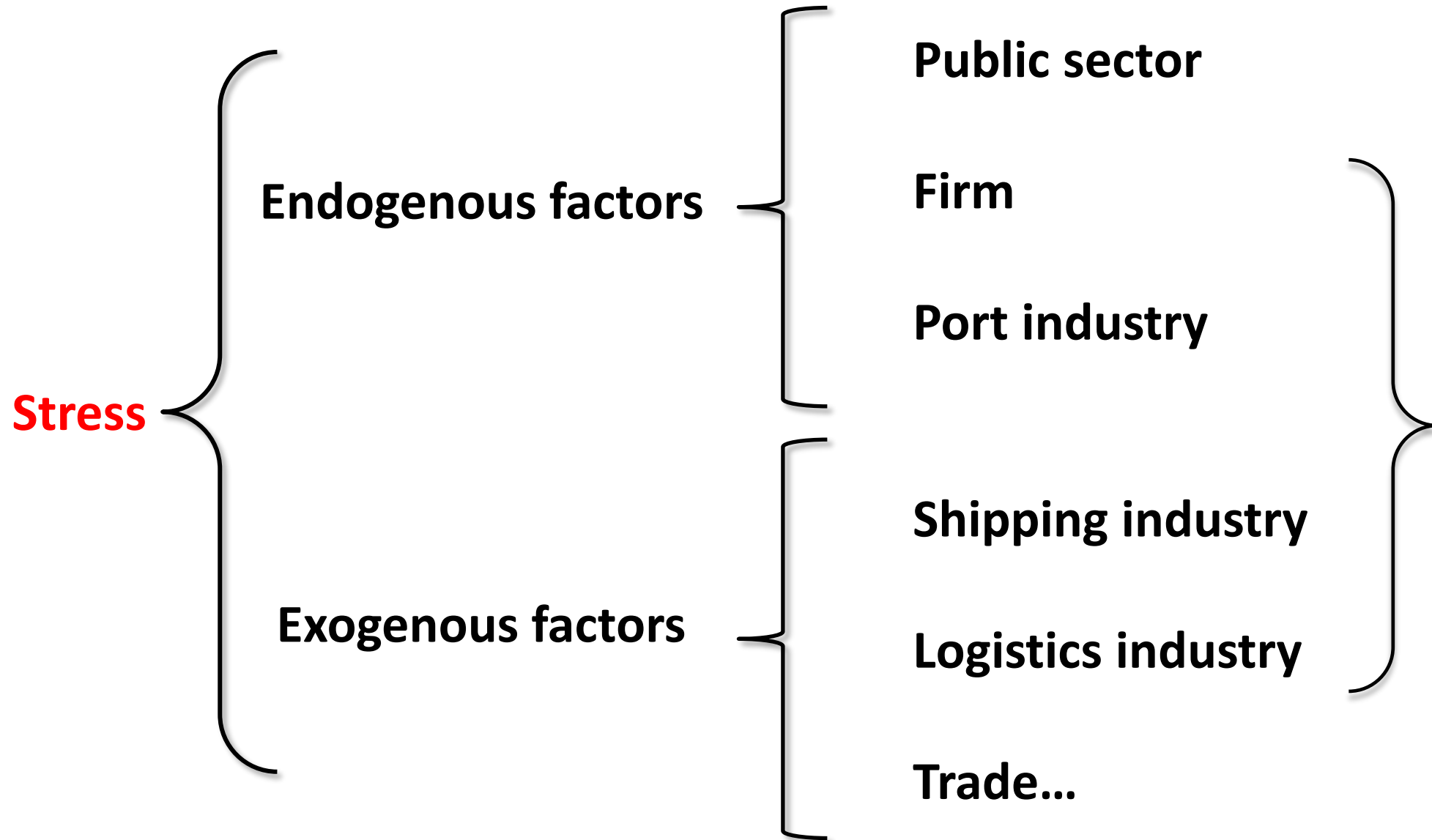
Caribbean and Latin-American ports are under stress

Ricardo J. Sánchez

II Hemispheric Conference on Ports, Competitiveness
and Logistics. Veracruz, México, October, 2016



Governmental and private port sectors are under stress





Regional ports are under stress

- ✓ Impact of megaships on infrastructure and supply chain.
- ✓ Market concentration
- ✓ Risks are growing and returns are reducing
- ✓ Challenges and growth & growth and challenges (even though capital and operating costs are increasing)
- ✓ Pressures, pressures, pressures
- ✓ Port governance
- ✓ **Missalignment between industrial and bureaucratic processes (single window and other administrative procedures)**
- ✓ Location splitting
- ✓ Supply chains, the role of technology in manufacturing (4th industrial revolution, robotics, shared and circular economy concept, 3D printing, E-commerce). Technology and innovation applied in production processes and consumption patterns can be expected to affect supply chains



Economic context for the port business

- ✓ Uncertainty
- ✓ Positive expectations but GDP is yet in a slower growth phase
- ✓ Less dynamism trade and throughput
- ✓ Very changing shipping and trade patterns and routes



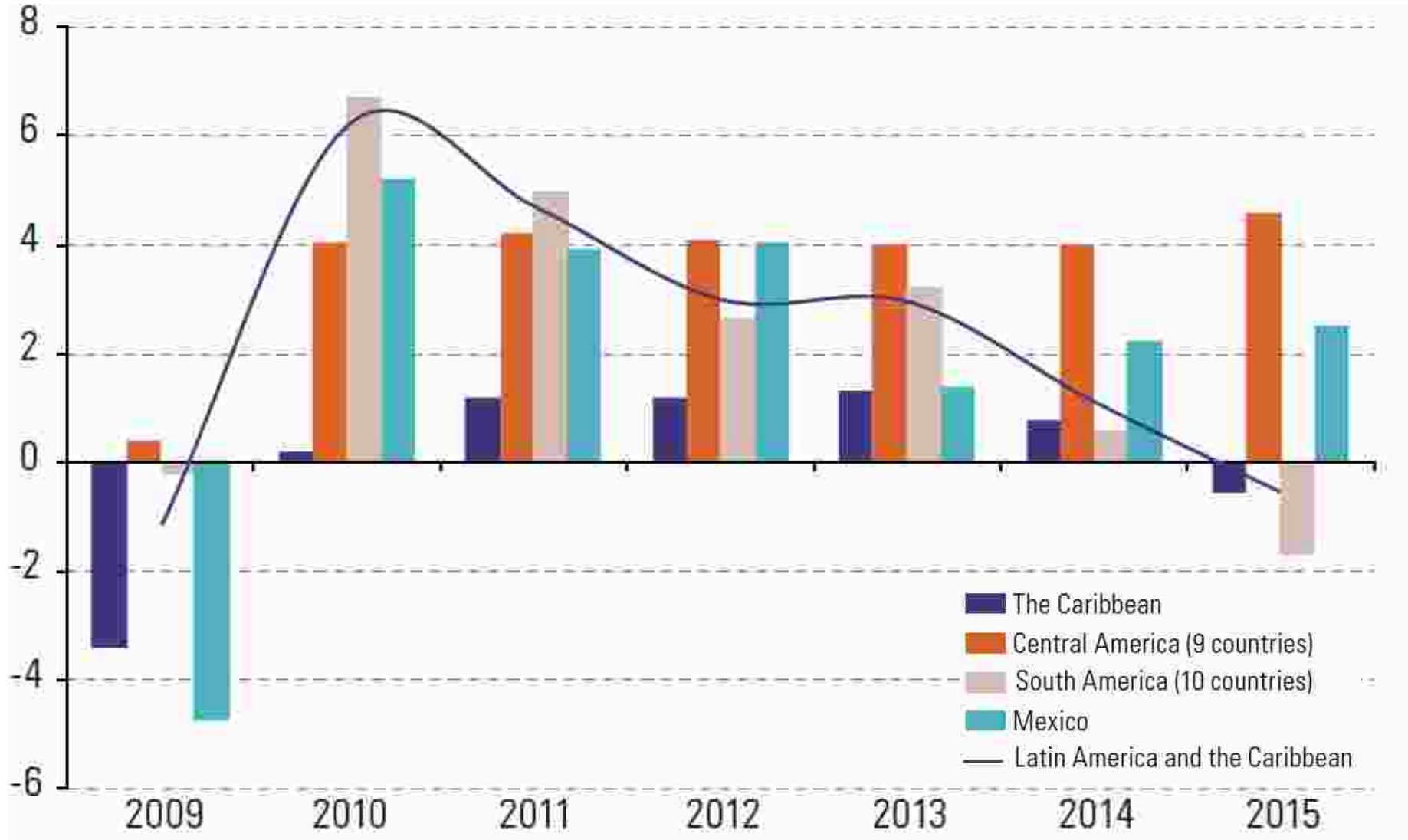
GDP growth 2013-2015 and projections for 2016-2017 (%)

	2013	2014	2015	2016	2017
World	2.3	2.6	2.4	2.4	2.8
United States	1.5	2.4	2.4	2.0	2.1
Japan	1.6	-0.1	0.5	0.5	0.5
Eurozone	-0.3	0.9	1.7	1.5	1.0
Transition economies	2.1	0.9	-2.8	-1.2	1.1
Russian Federation	1.3	0.6	-3.7	-1.9	0.6
Developing countries	4.6	4.4	3.8	3.8	4.4
India	6.5	7.2	7.3	7.3	7.5
China	7.7	7.3	6.9	6.4	6.5
Africa	3.3	3.8	3.0	2.8	3.4

What about Latin America and the Caribbean?

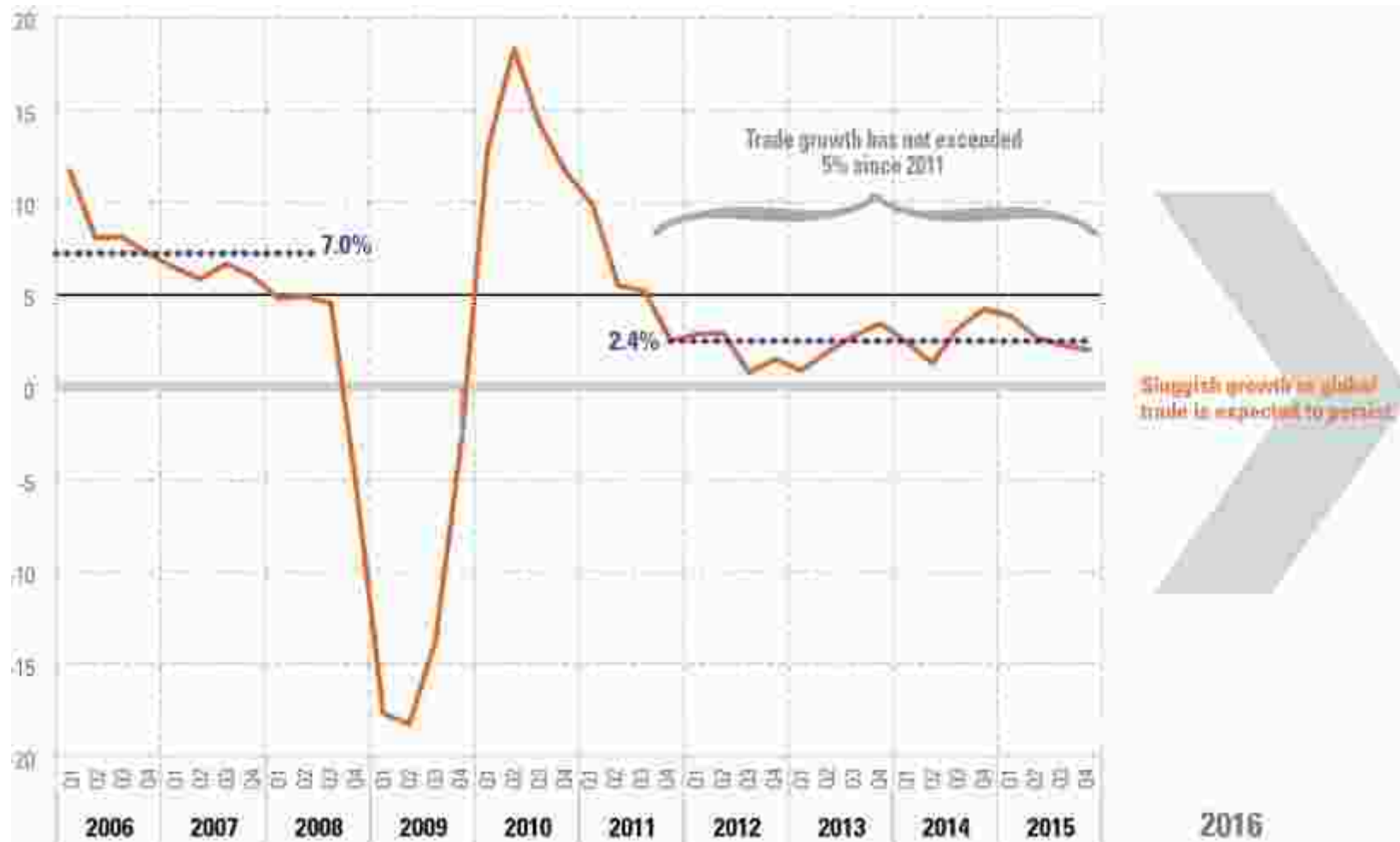


GDP growth rates 2009-2015 by sub-region (%)





World: seasonally adjusted year-on-year trade volume growth, first quarter of 2006 to fourth quarter of 2015 (%)



What about Latin America and the Caribbean?



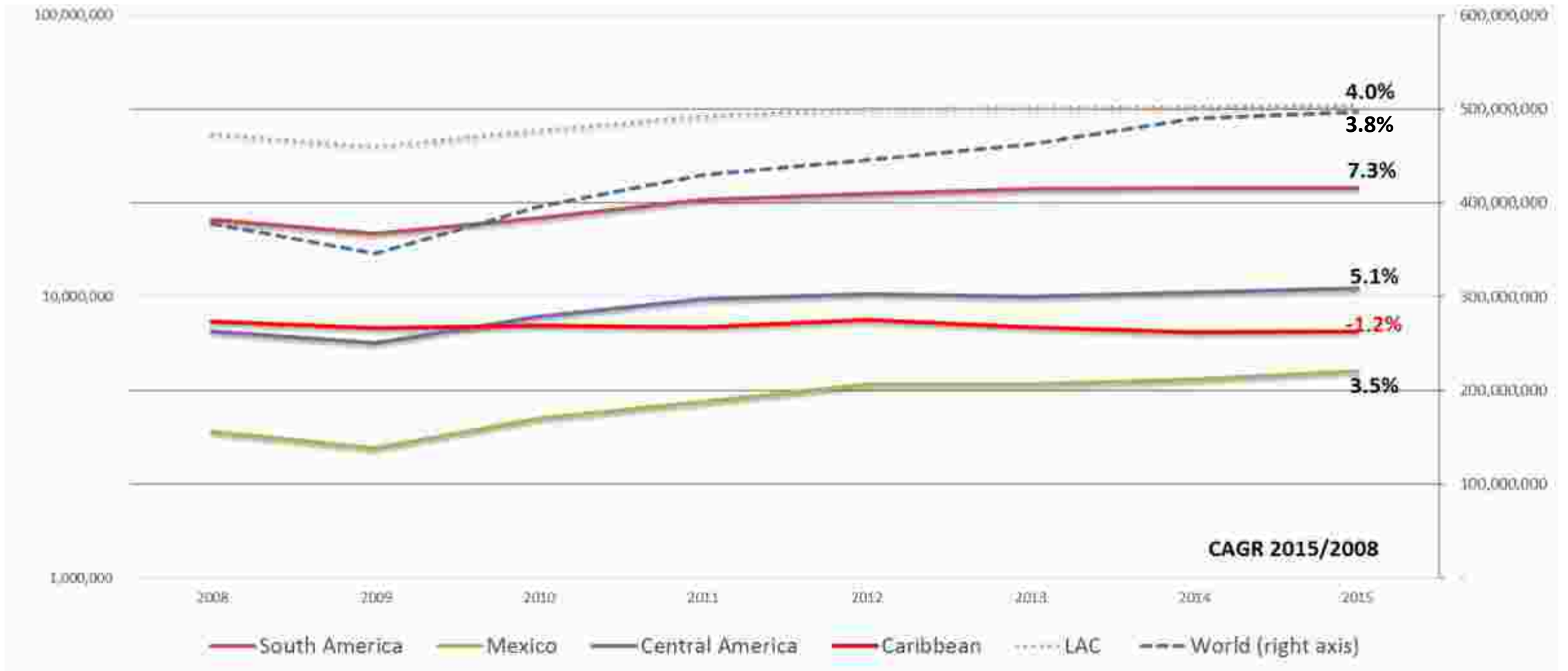
International trade LAC 2015



Source: ECLAC (2016)

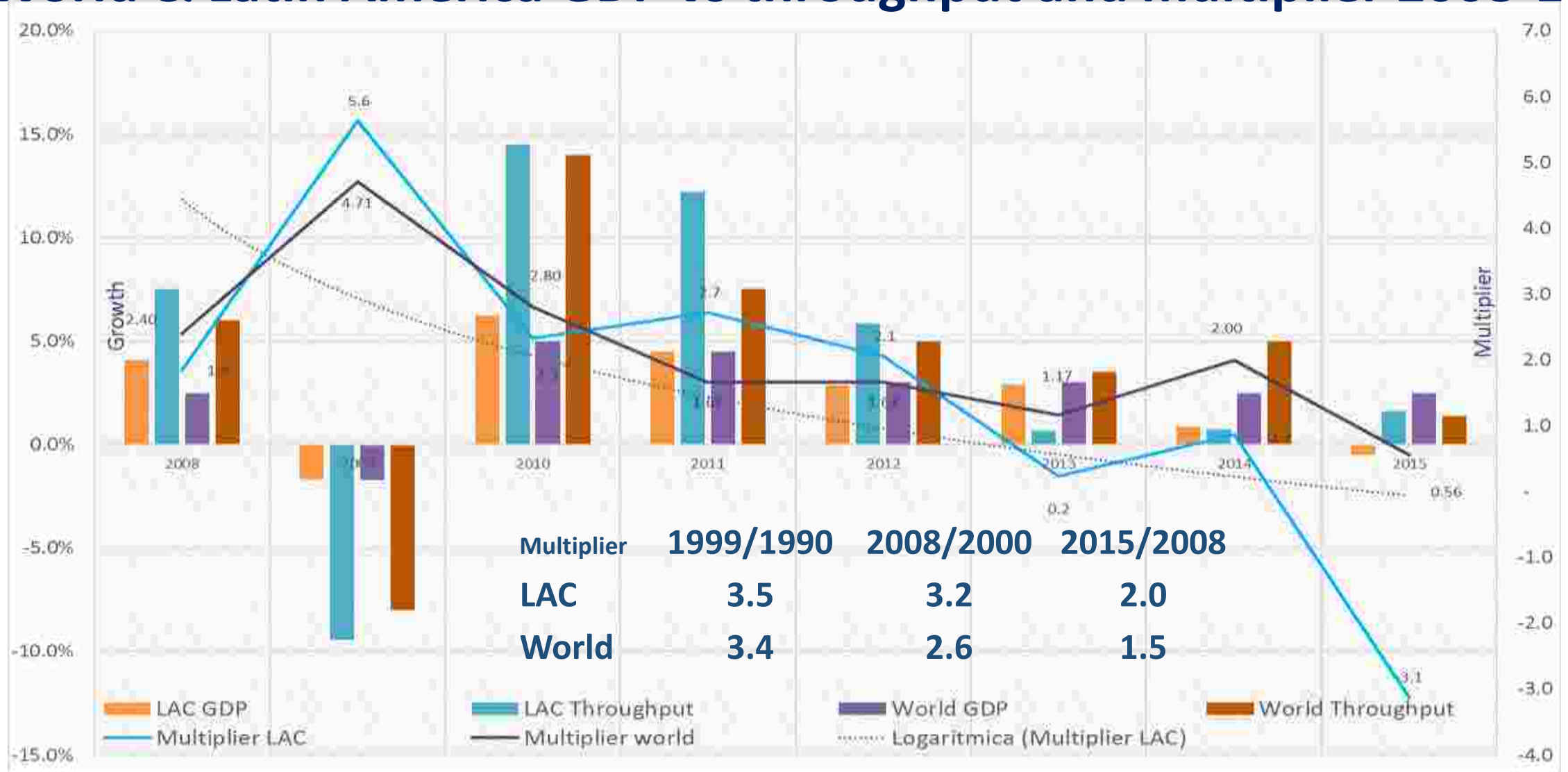


Latin America and the Caribbean throughput 2008-2015



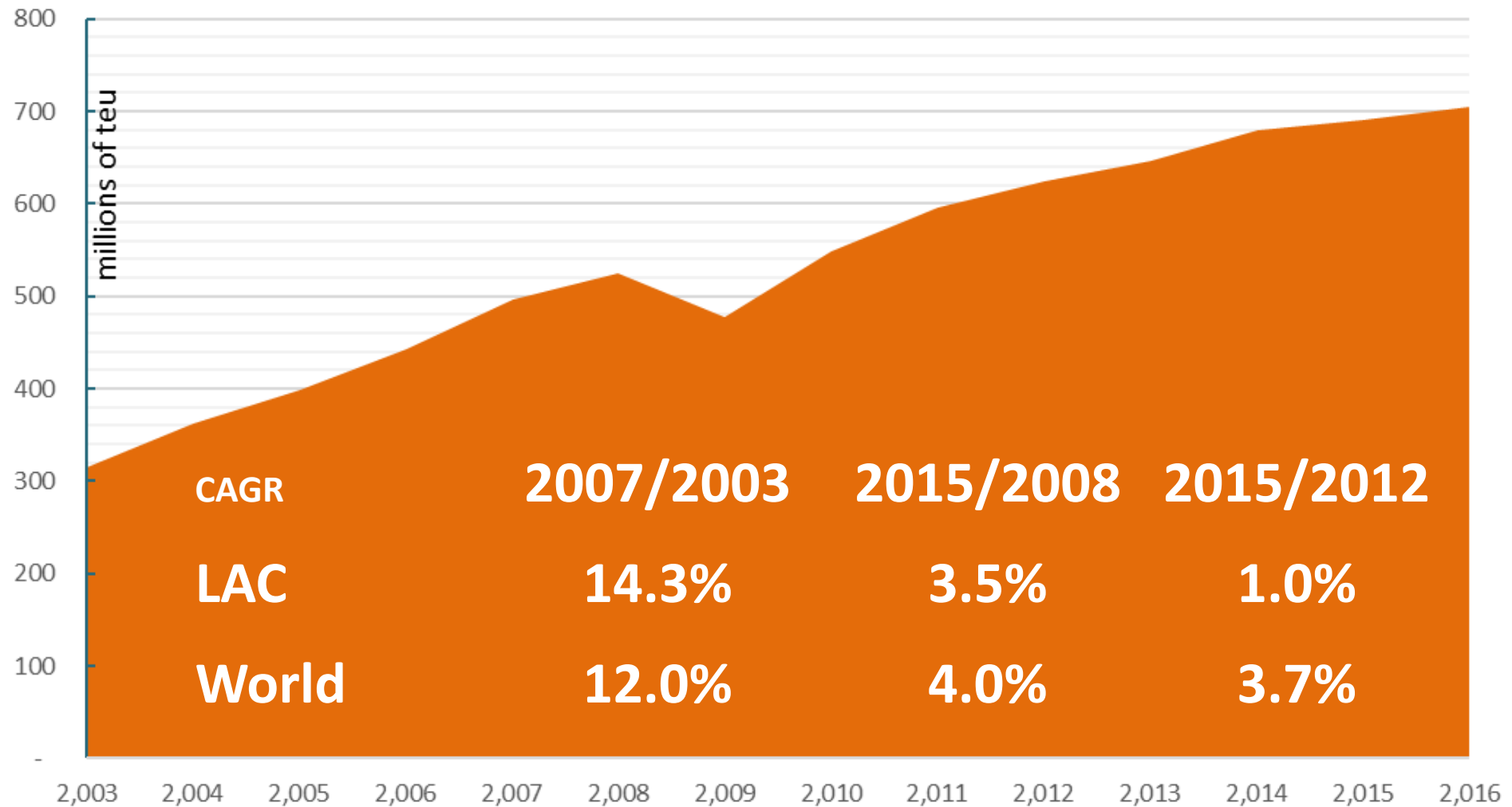


World & Latin America GDP vs throughput and multiplier 2008-15





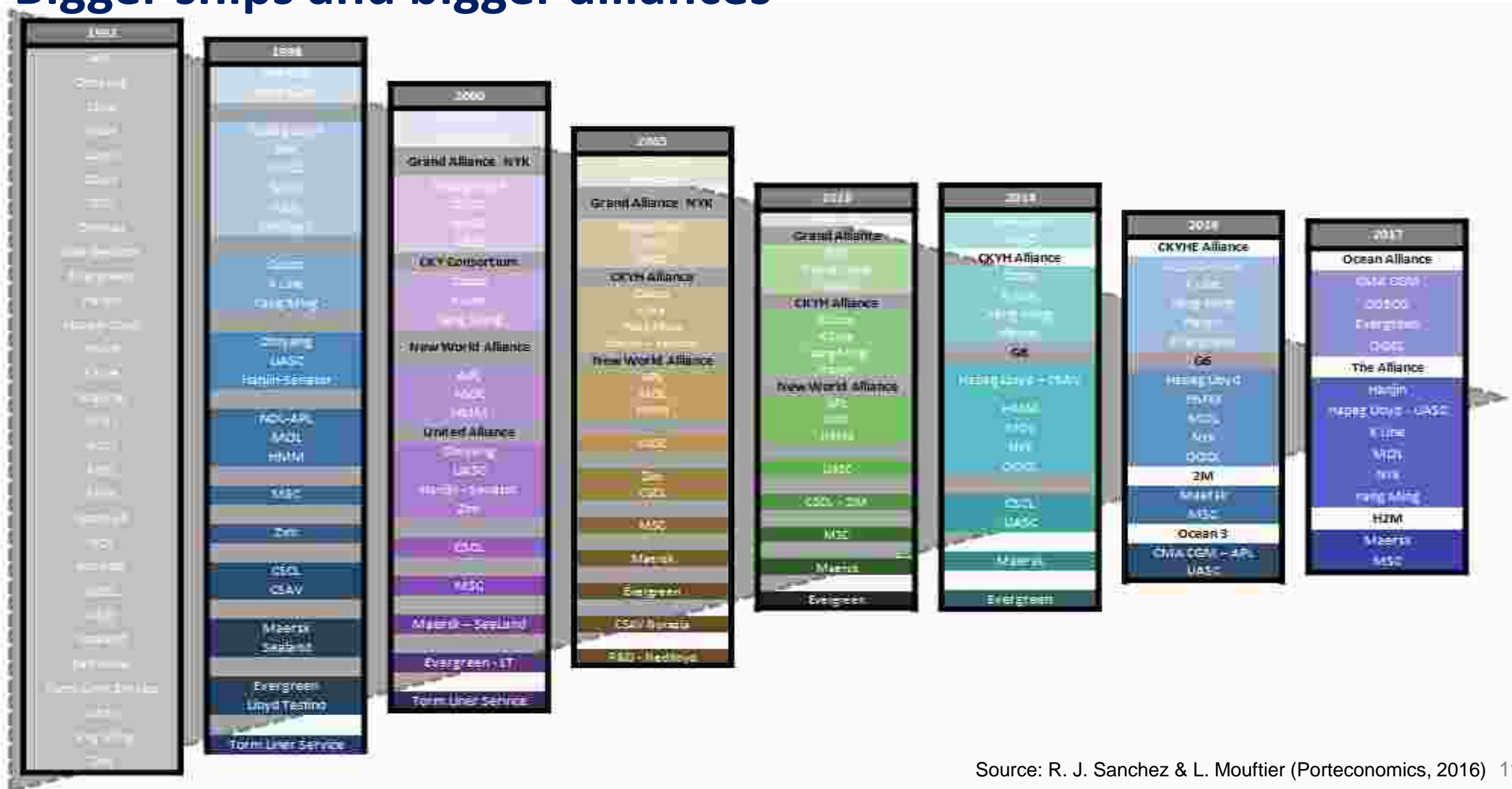
World & Latin America throughput and CAGR 2003-2015



...in a context of a higher competition level

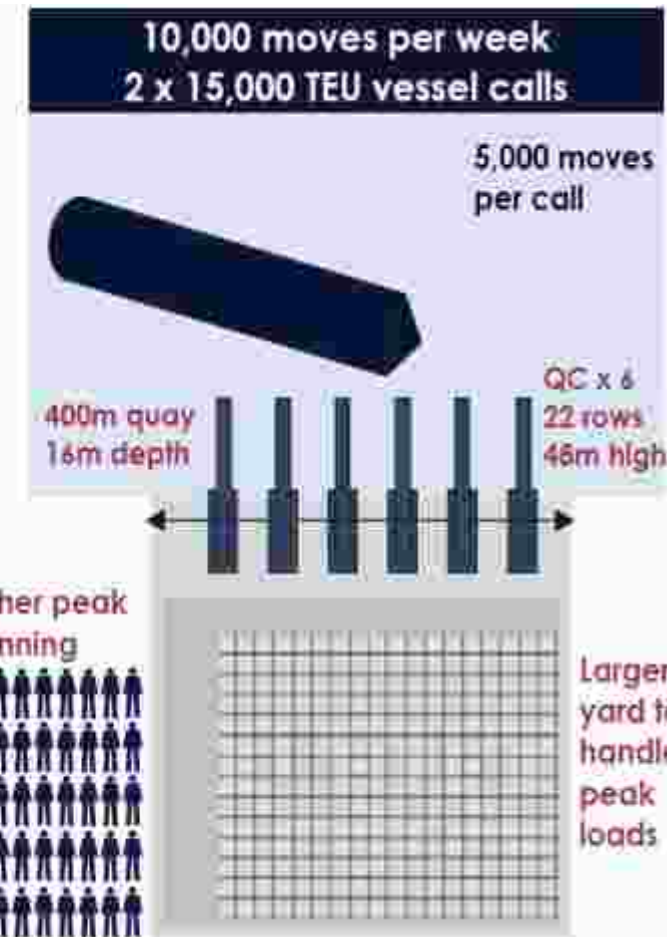
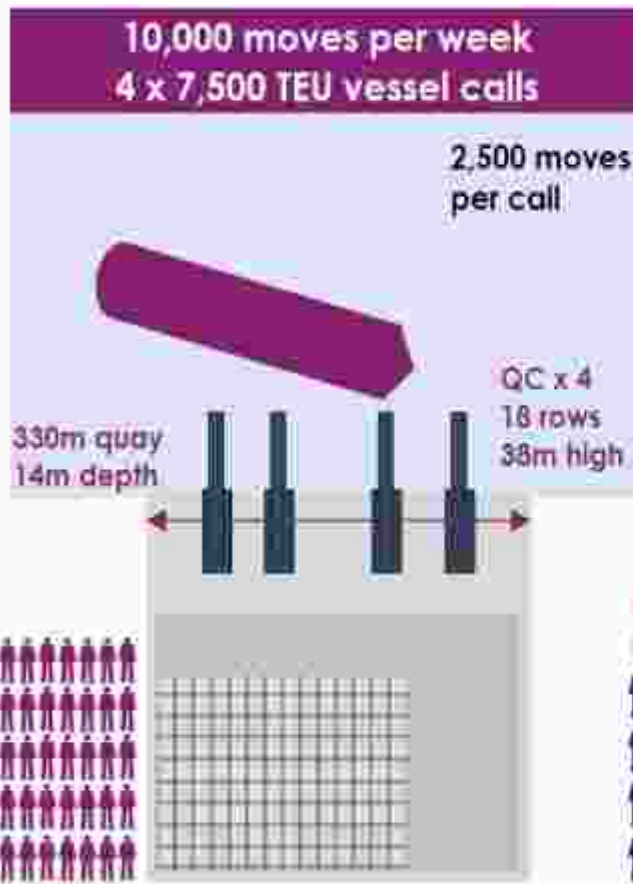
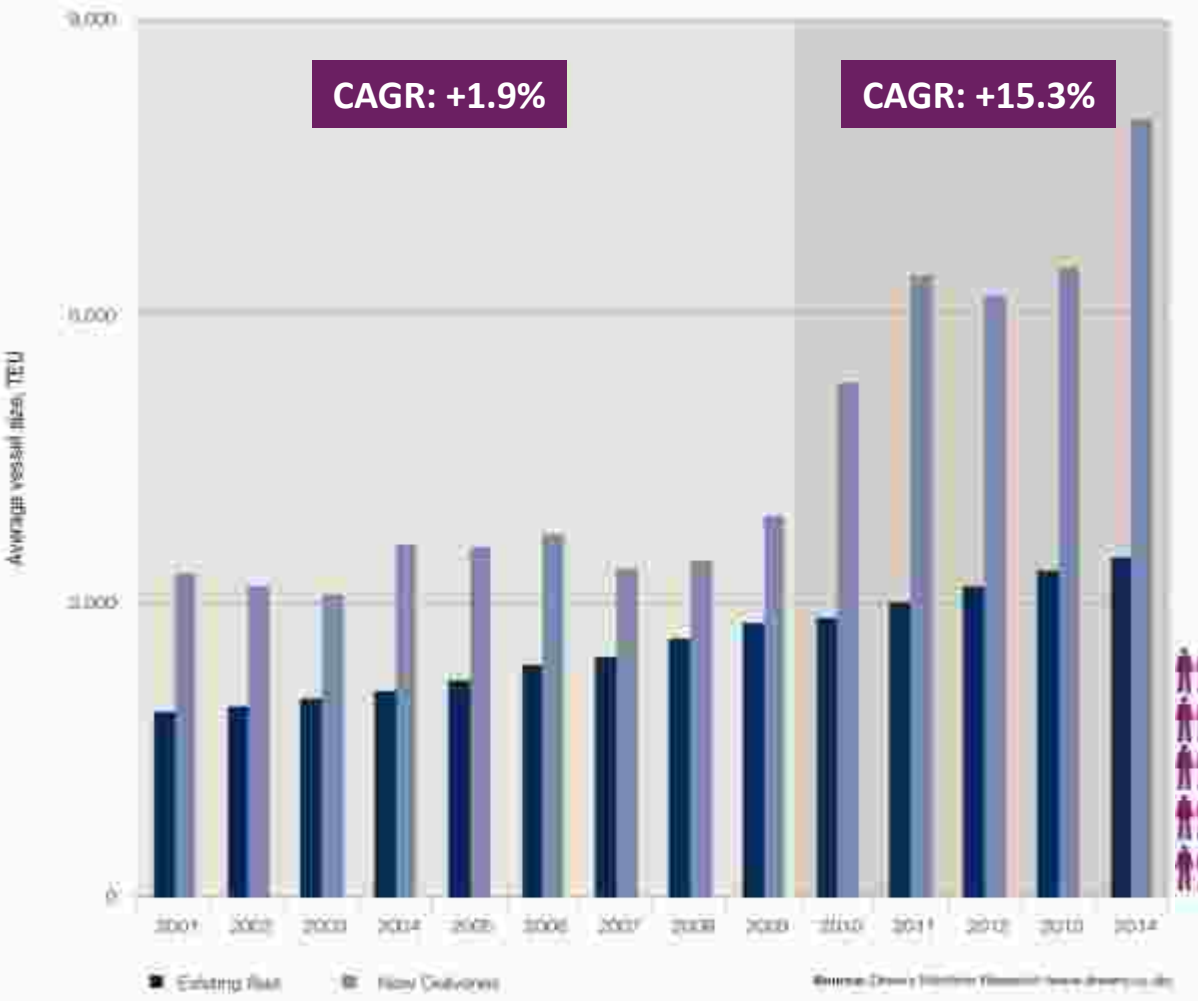


Bigger ships and bigger alliances



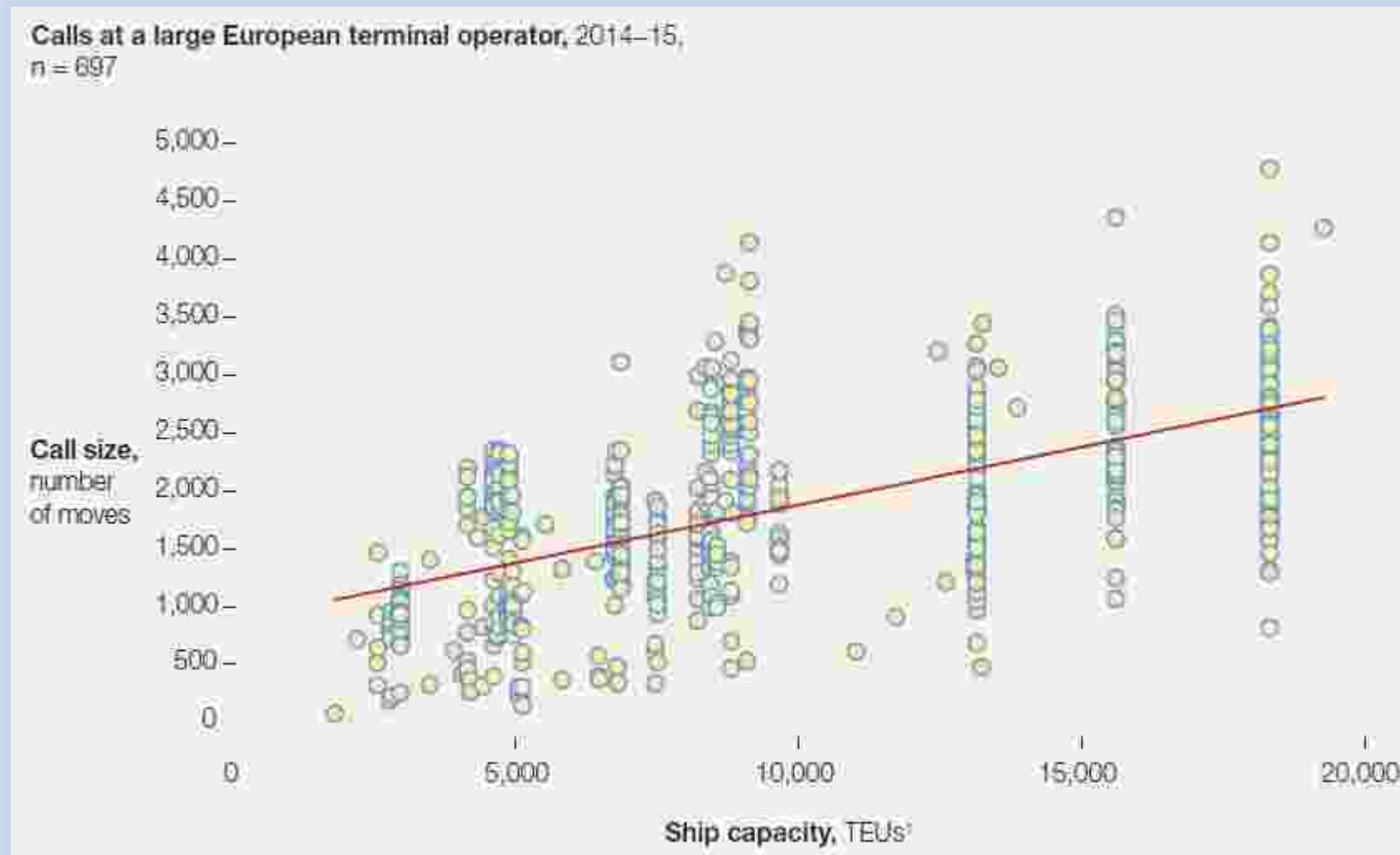


Reduction of services frequencies + bigger ships





Impact of megaships on infrastructure & supply chain and the myth: supply follows demand... NO (more stress)





Pressures, pressures, pressures: port industry is under stress

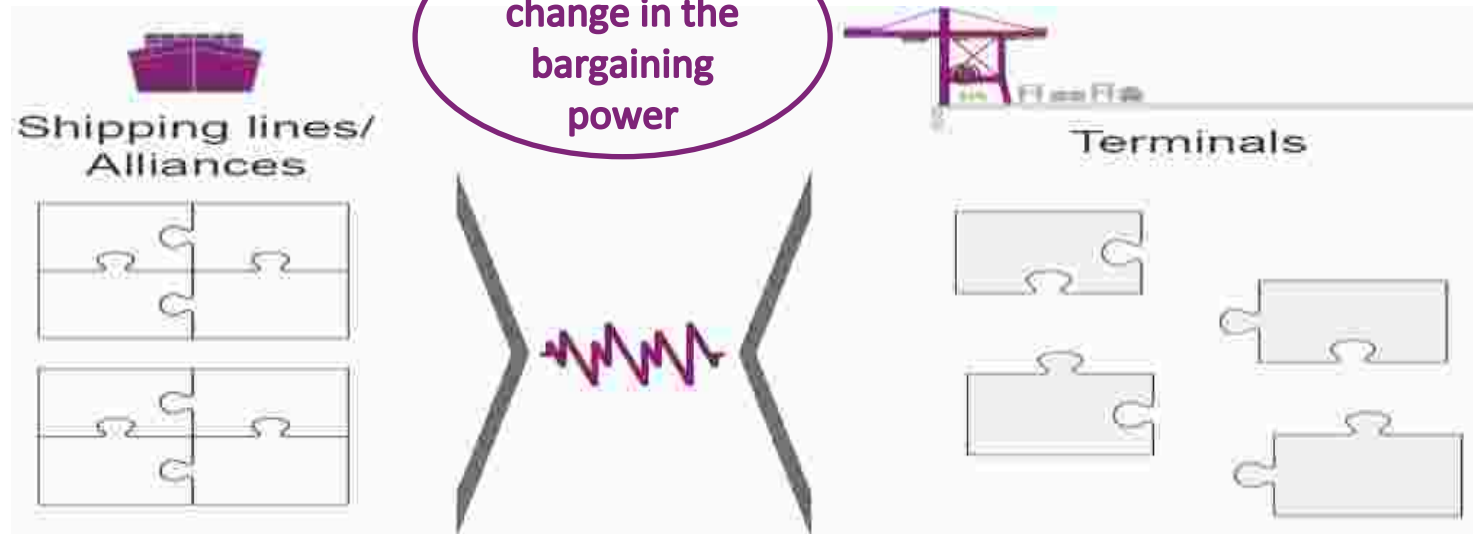
Shipping cycle and its effects (no high rates)
Losses => less costs goals
Economies of scale; Δ size
Alliances, mergers, working agreements => concentration

- + Market dominion
- + Port calls concentration

- + Efficiency & productivity
- + Competition
- + Size
- + Risks
- Returns

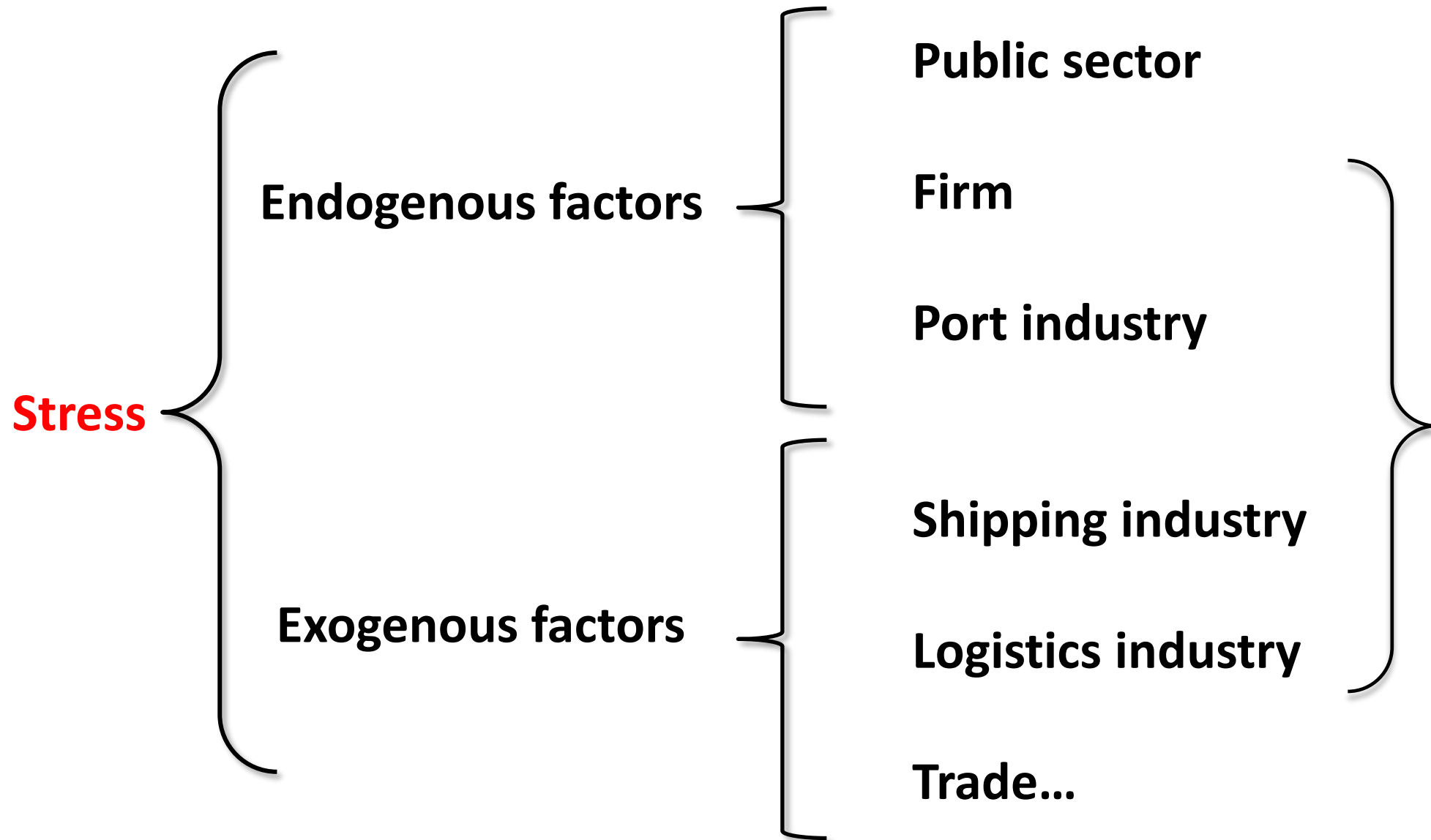
(?) future fees

A dramatic change in the bargaining power





Governmental and private port sectors are under stress





New tools: Energy efficiency

EE-Terminals Edit Dashboard Export Analysis Data Check Terminals NRID

Worldwide

- Argentina
- Brazil
- Chile
- Colombia
- Mexico
- Panama
- Russia

Worldwide

Throughput Covered

The below map shows the total throughput covered per country. Select year below.

2013

Select Area Below

World

222,506 4,096,102

Energy Efficiency

The below map shows the median energy efficiency in various South American countries in diesel equivalent per dry box. Select year below.

2013

2005

2010

2011

2012

2013

2014

2015

0 20



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Thanks a lot !!! Natural Resources and Infrastructure Division

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