



Foro Iberoamericano de Logística y Puertos, Panama, September
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*Los Puertos Iberoamericanos en las Nuevas Rutas de
Transporte Marítimo*



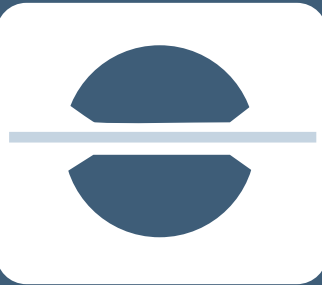
Latin American Ports: Logistical Challenges for a Post Panama Canal Expansion Era

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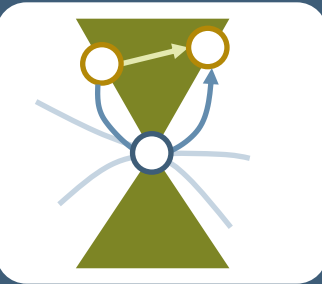


Potential Impacts of Transoceanic Passages and Canals



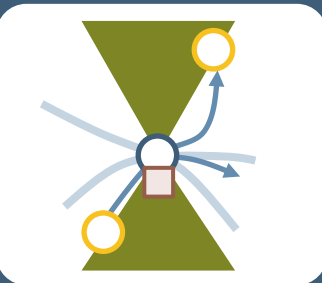
Operational Impacts

- Improved capacity, reliability and transit time.
- Lower unit costs.



Substitution Impacts

- Cargo diversion.
- Changes in routing and transshipment.



Induced Impacts

- New and expanded trade relations.
- Development of transshipment hubs and logistics zones.



Problem: Trying to Estimate Induced Impacts from a Derived Demand Issue

Induced impacts questions

- What merchandise trade will be the most impacted? Container, dry bulk or liquid bulk?
- Which opportunities for which countries and ports?
- Who benefits and who loses?
- What impacts on transshipment?

Derived demand impacts questions

- Is the expansion a marginal or significant change?
- On the short and long term, how the expansion of the Panama Canal will impact the strategies of its existing and potential users?



The Panama Canal Expansion: Myths

MYTHS

**More traffic.
Creates trade.
Economic development.
Magical effects.**





The Panama Canal Expansion: Realities



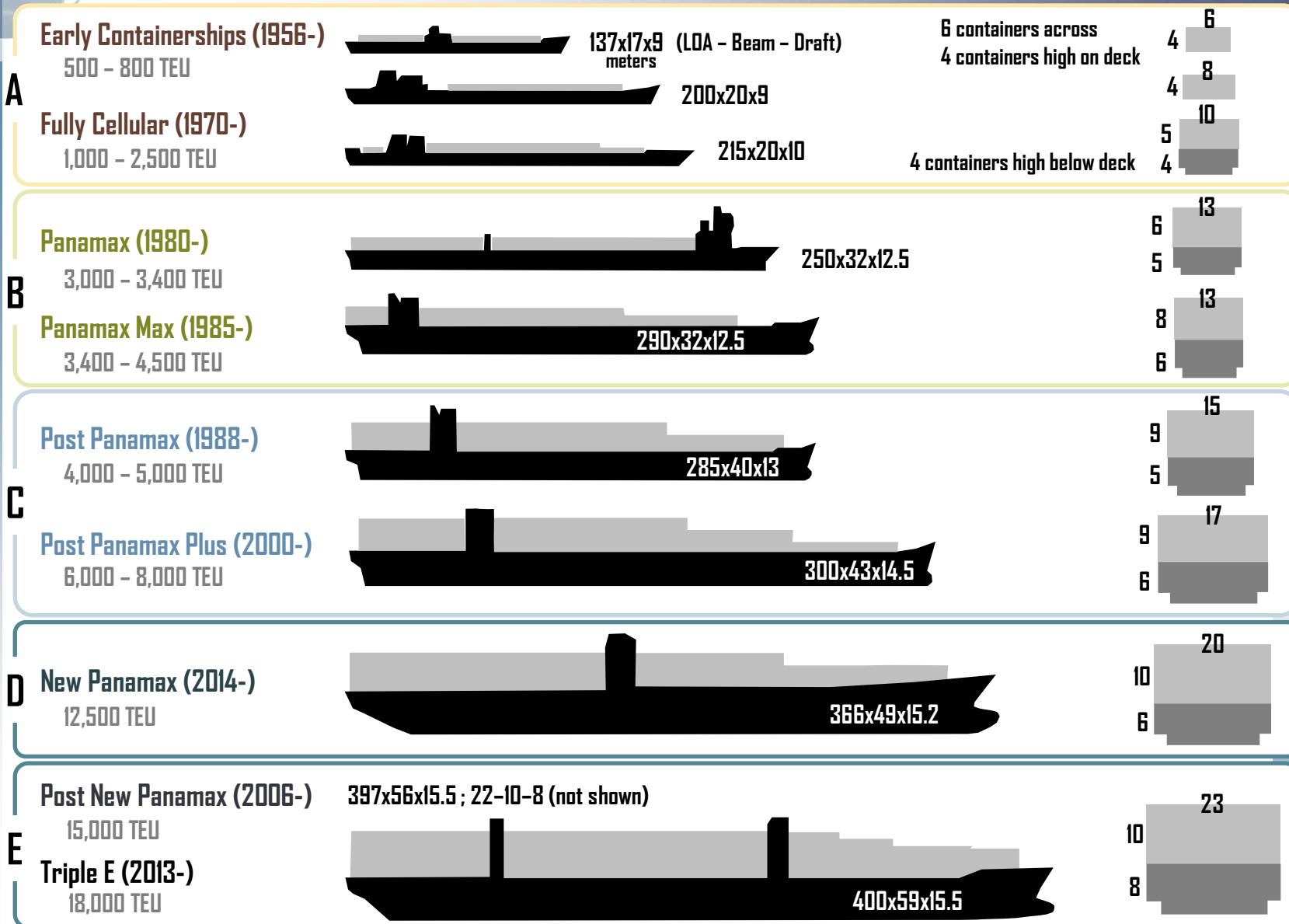
REALITIES

**Potential for economies of scale.
Potential for new shipping routes.
Potential for new trade relations.
Potential for more transshipment.**



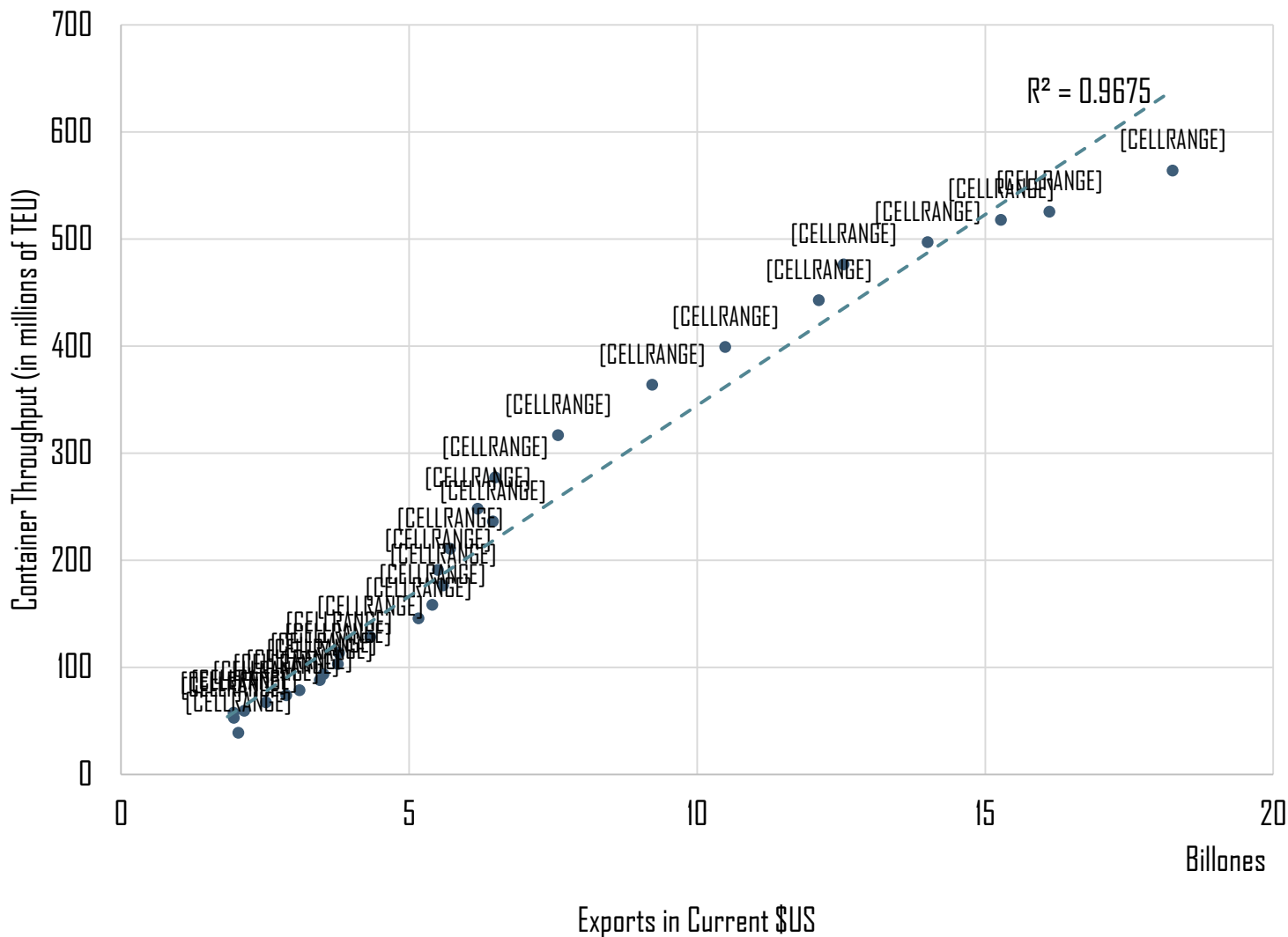


Evolution of Containerships: The New Panamax



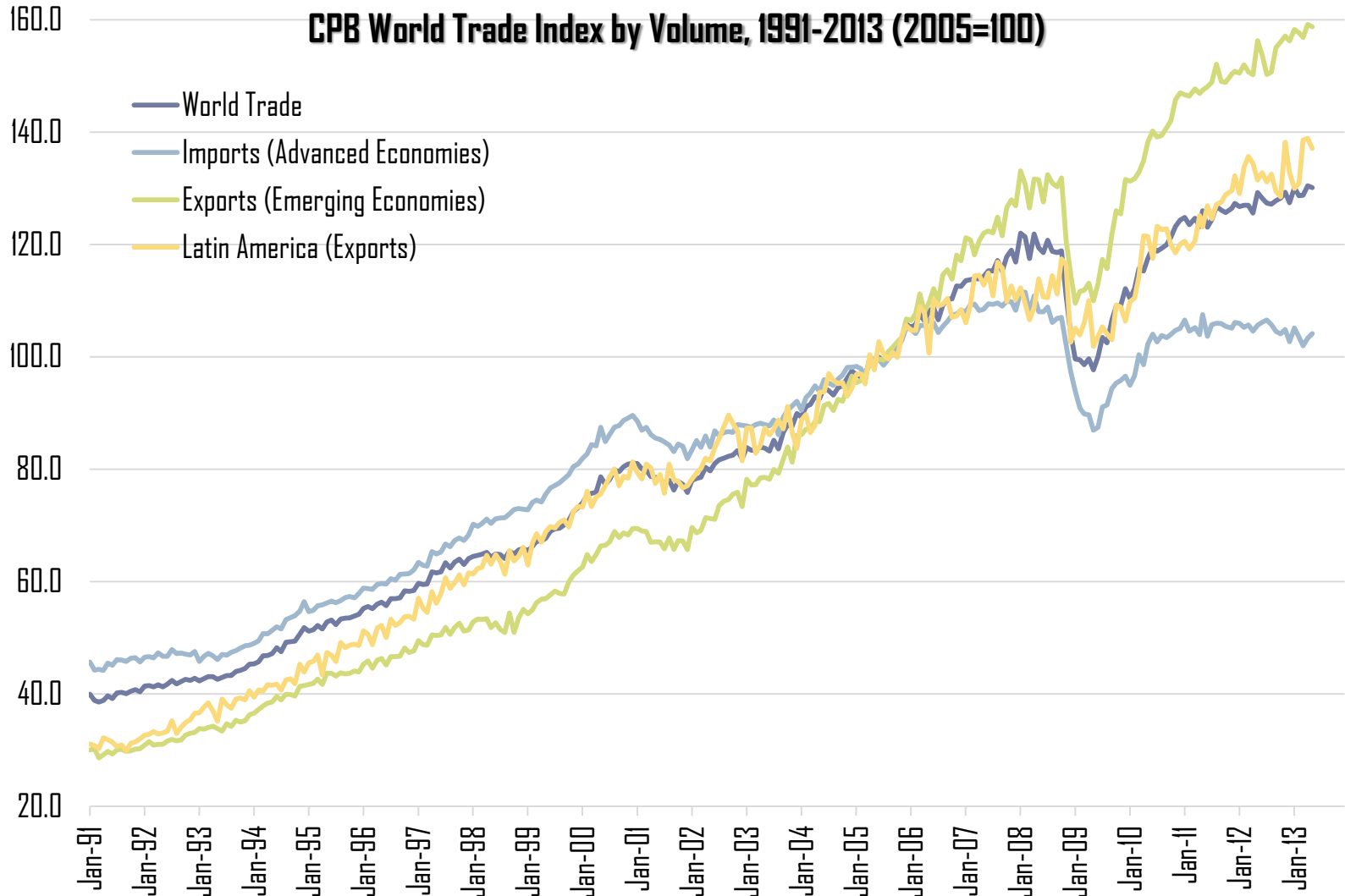


Global Exports and Container Throughput, 1980-2011



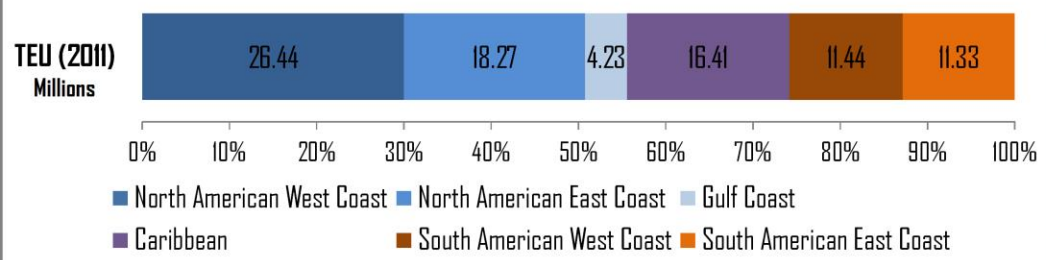
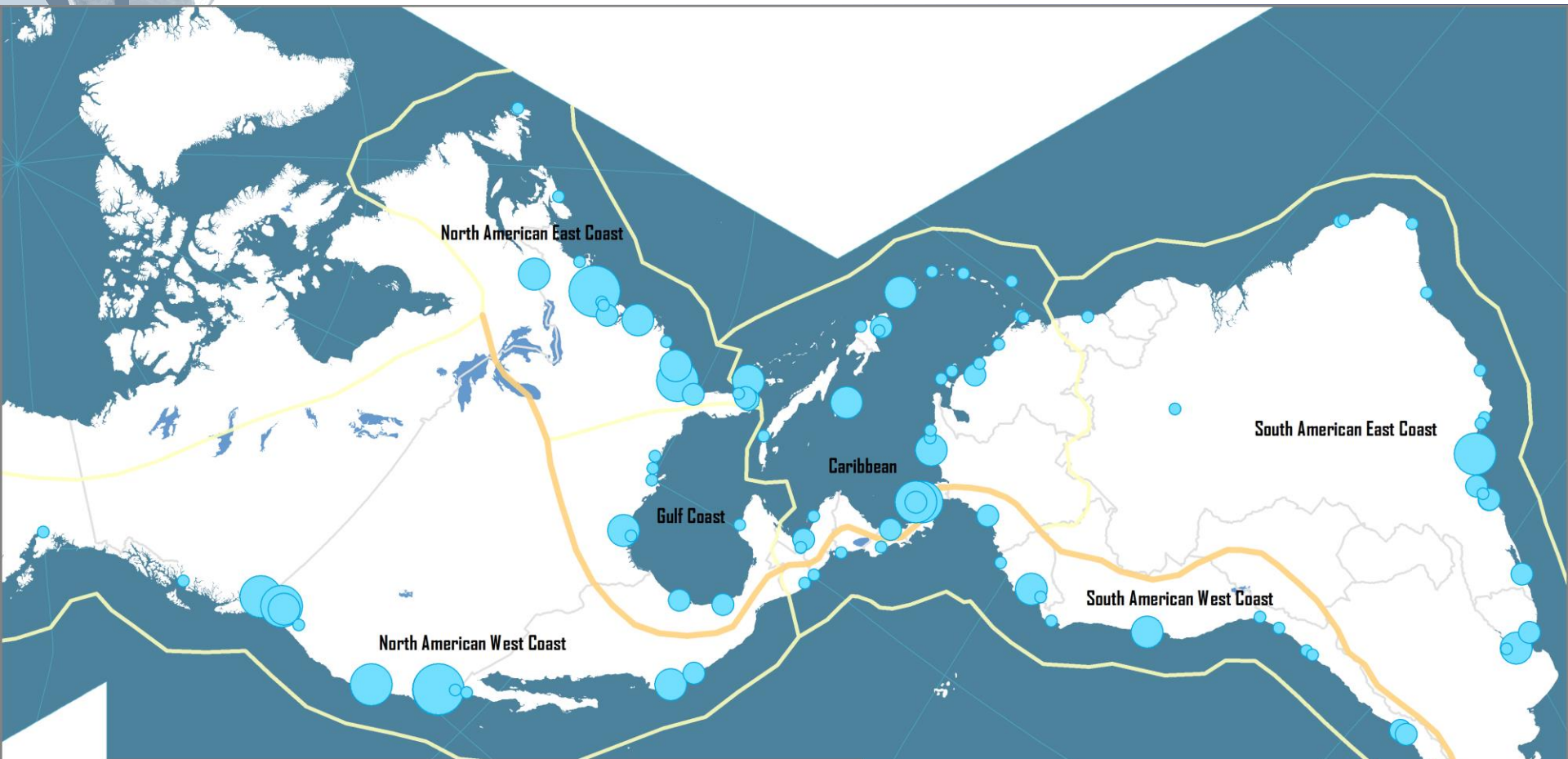


Global Trade Stalling and Diverging



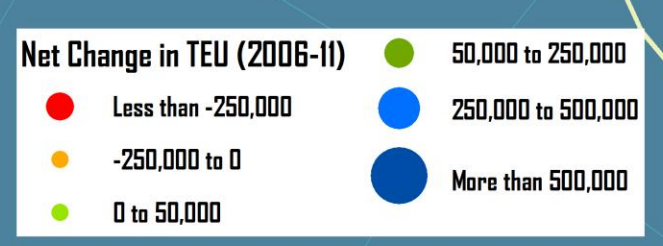
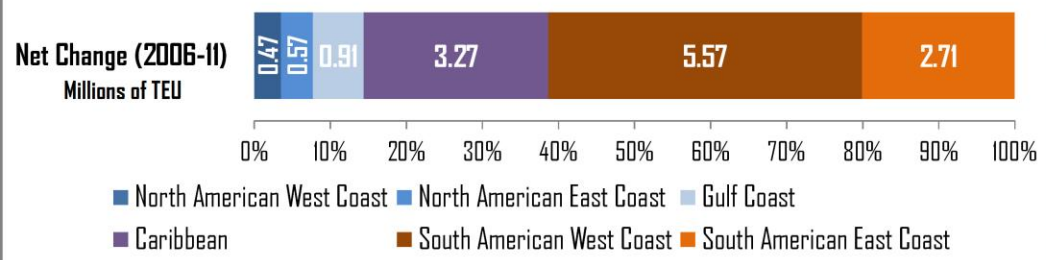
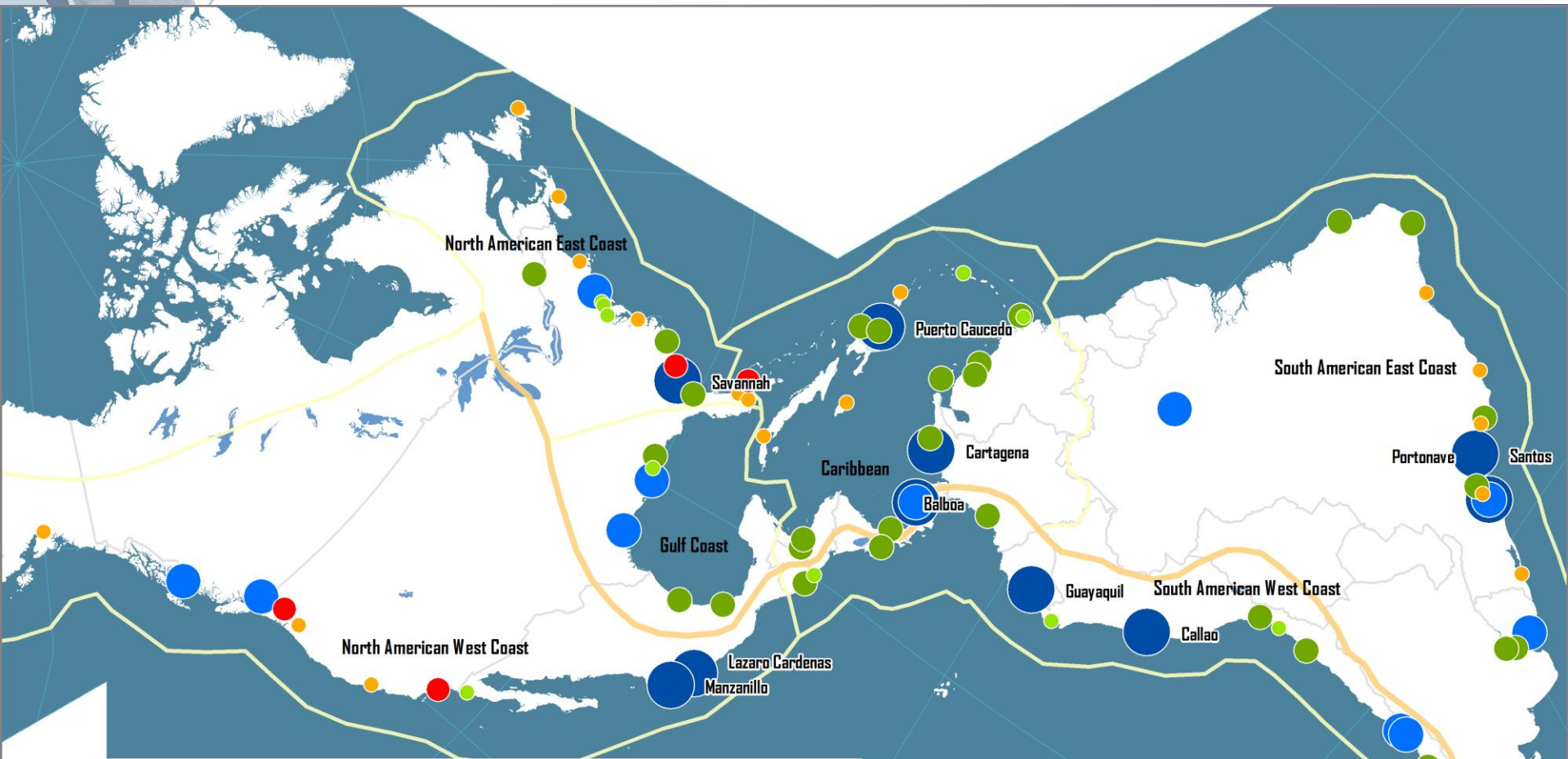


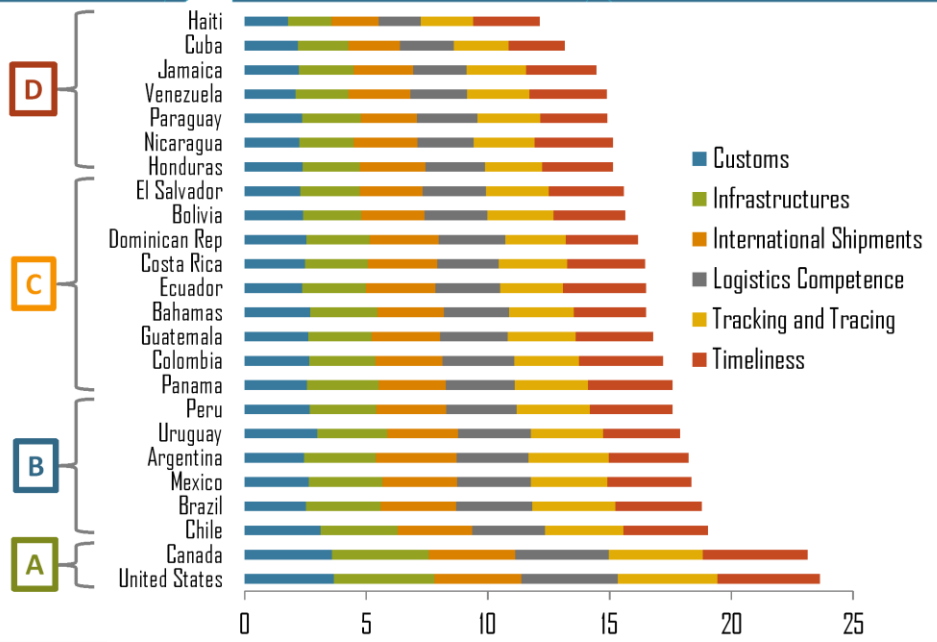
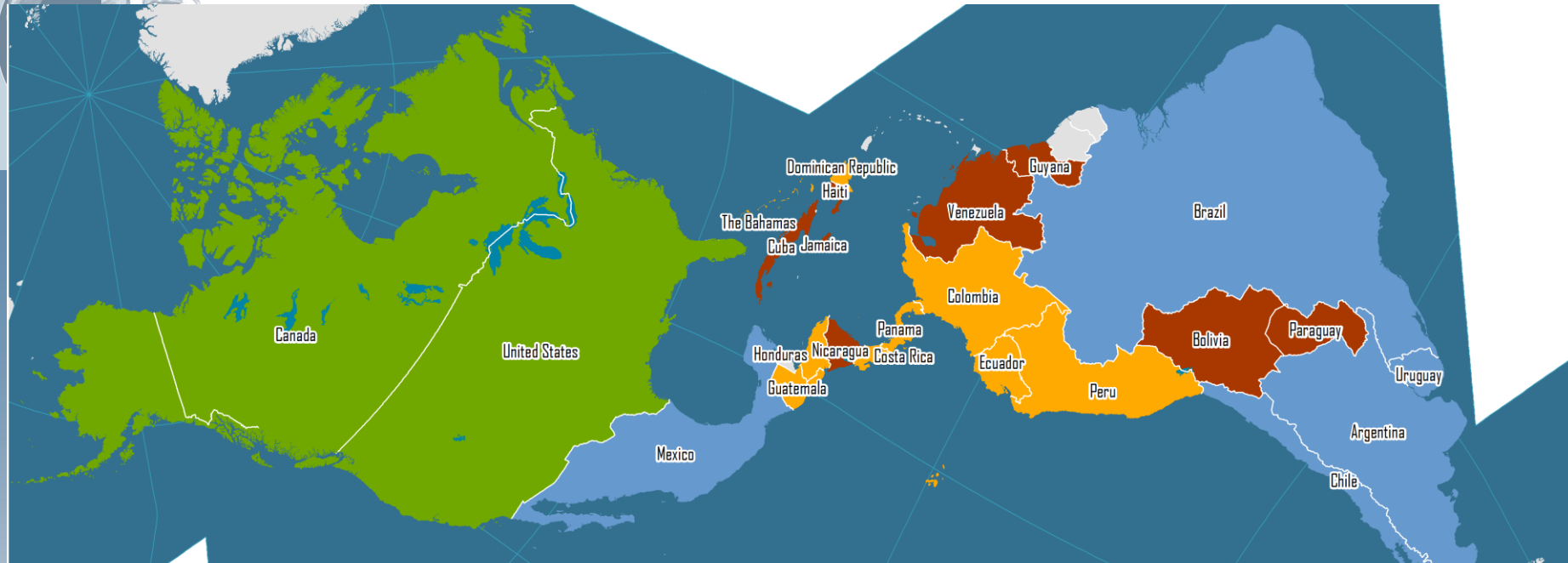
The North American East and West Coasts Dominate...



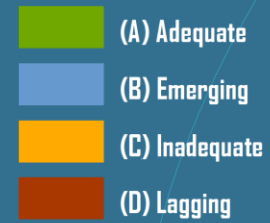


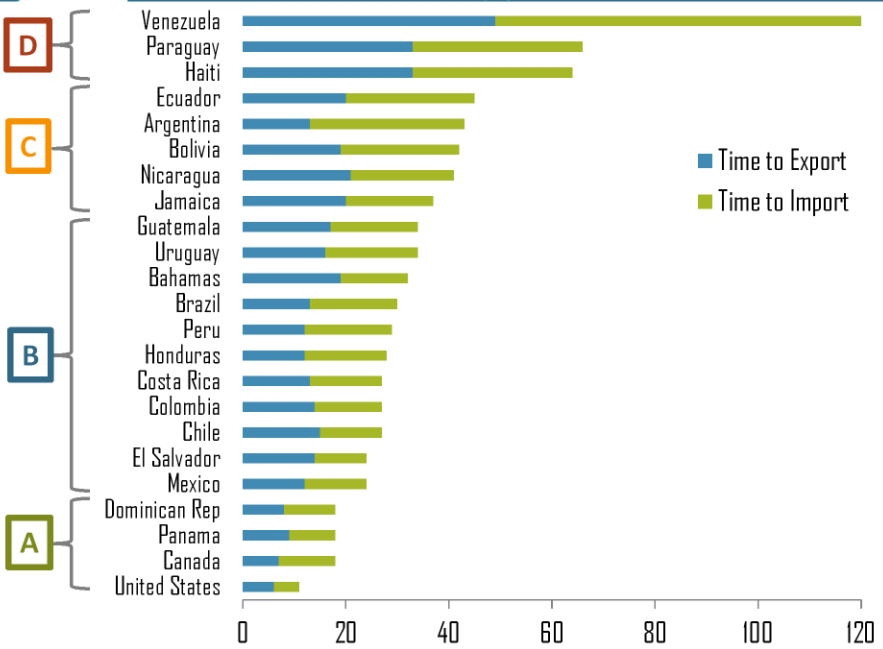
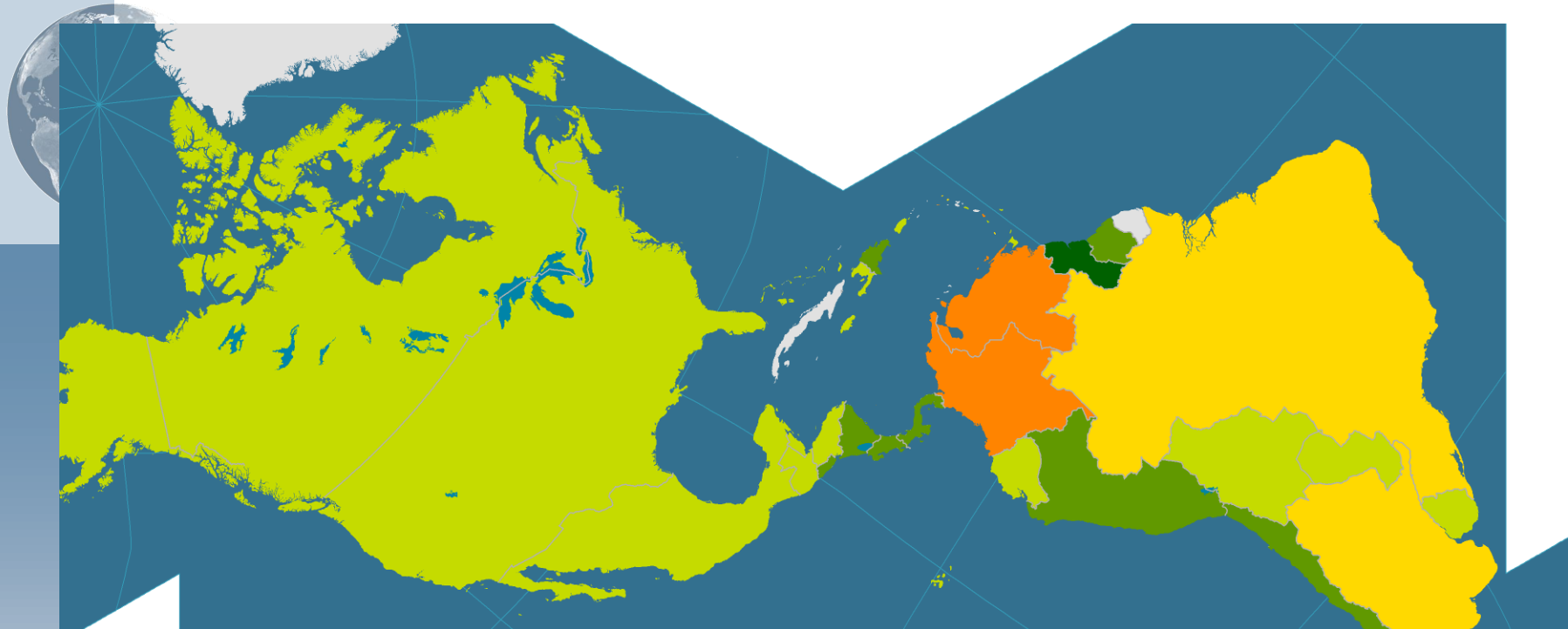
... but Growth has Shifted to South America / The Caribbean





Logistics Performance Index (2012)





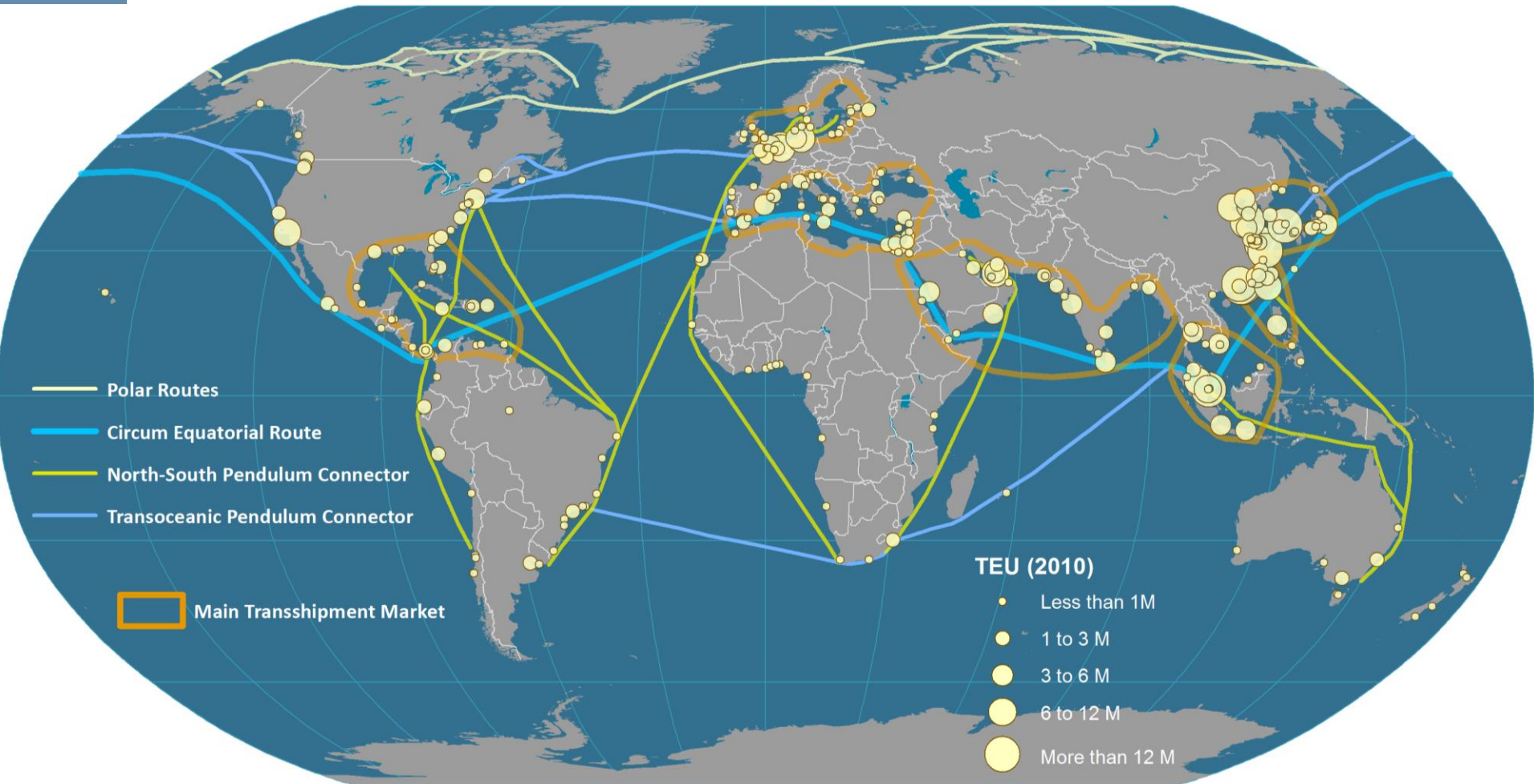
Cost to Import (USD per TEU, 2012)

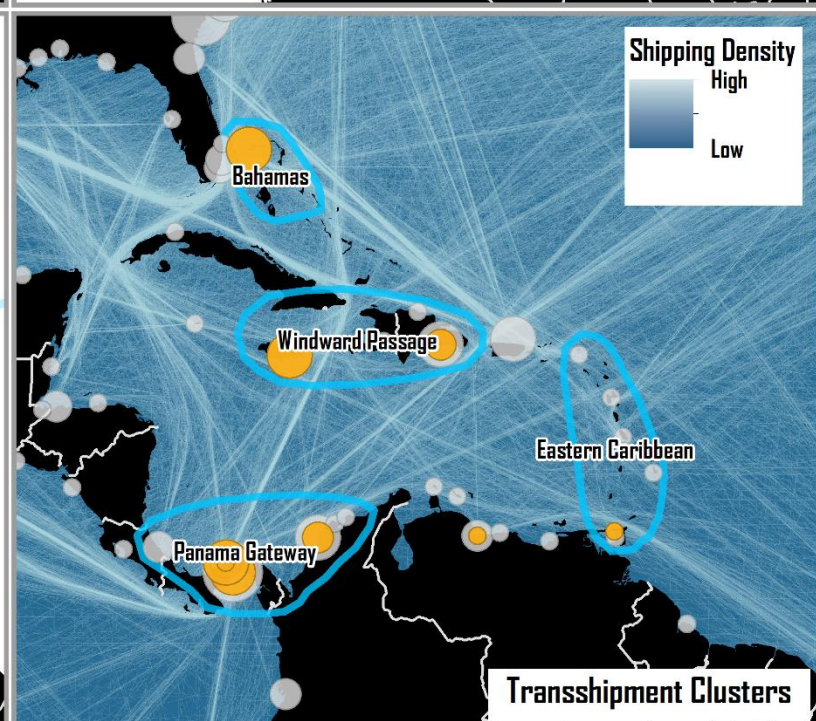
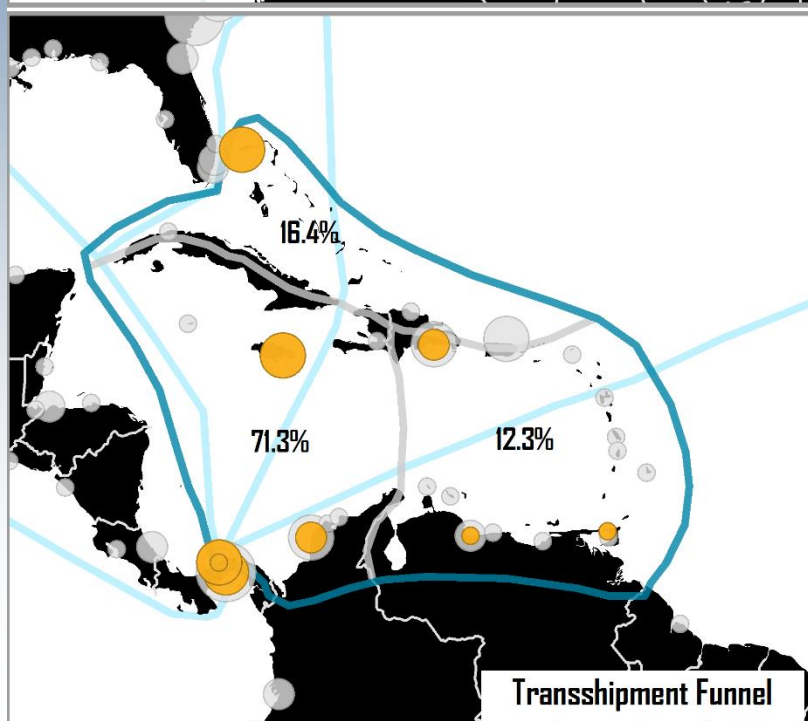
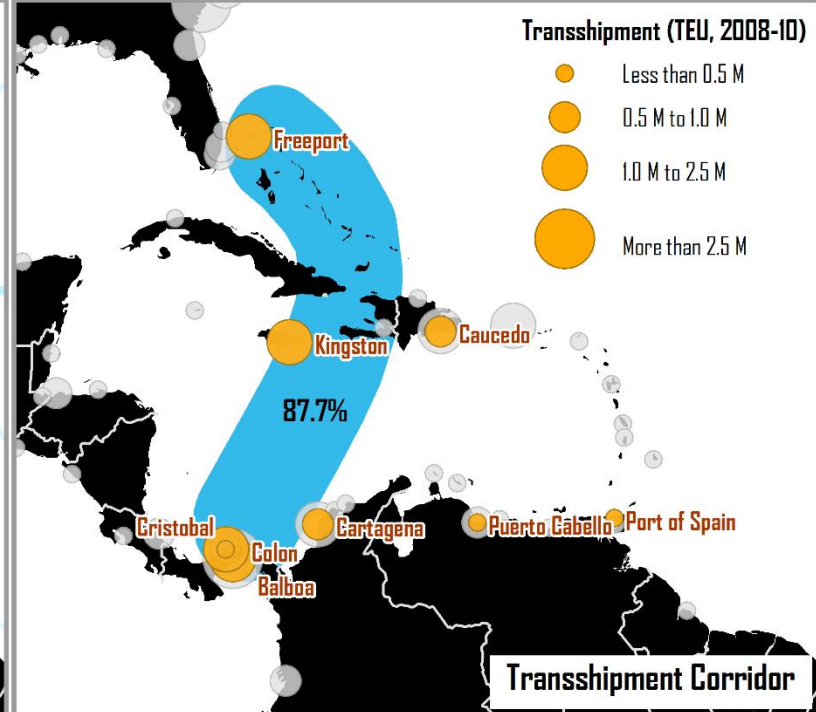
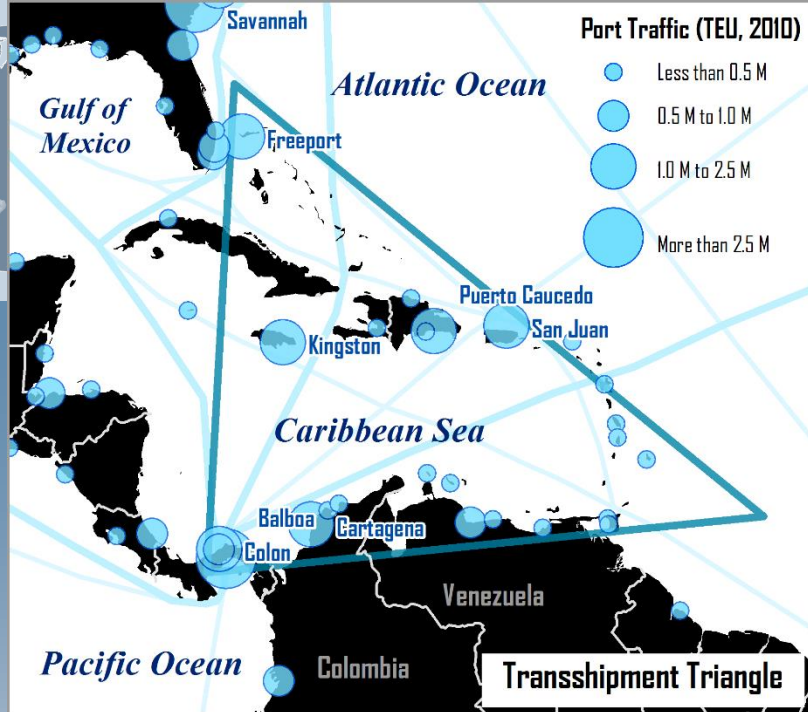


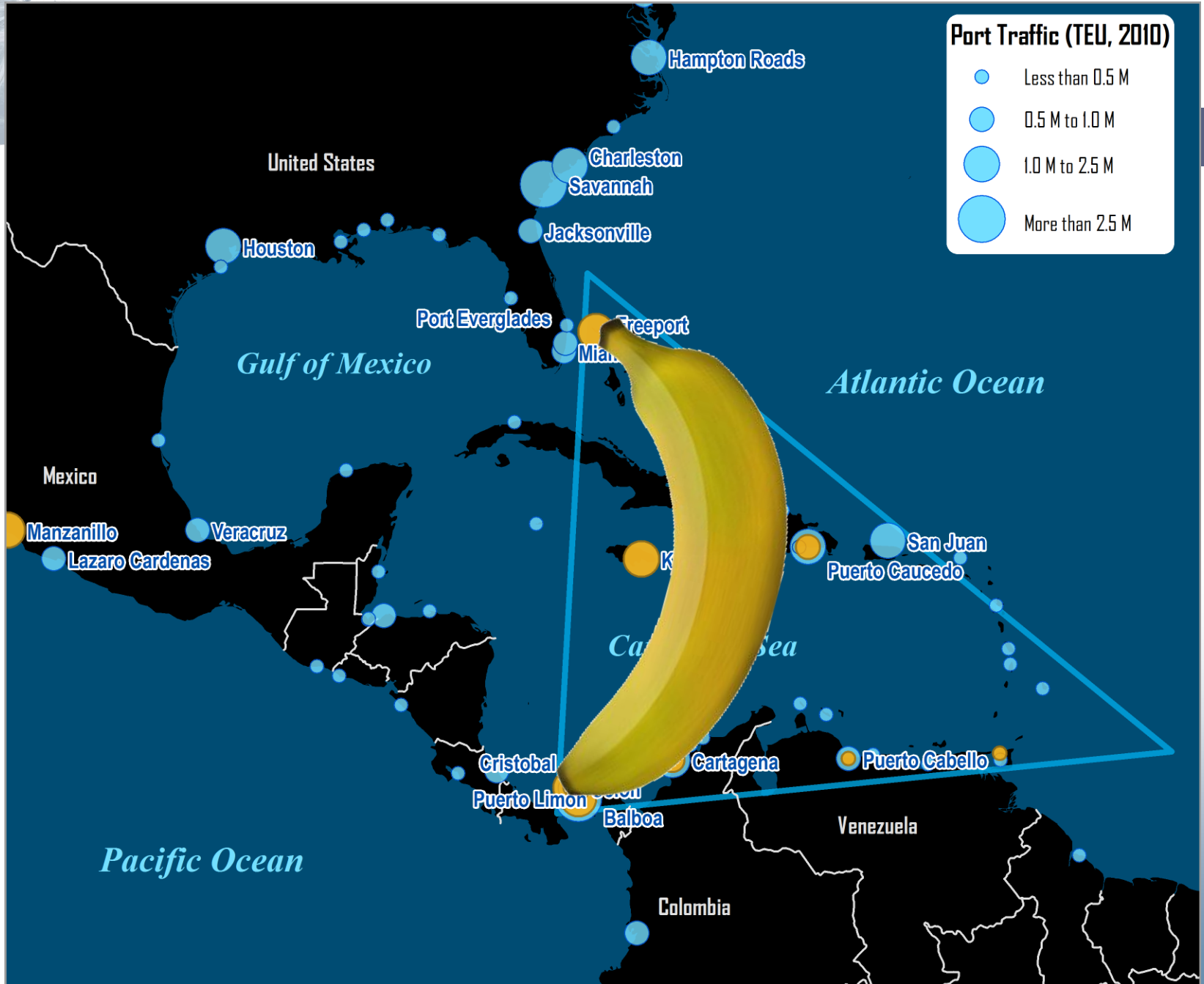
Global Average: \$1742
 OECD: \$1080
 Latin America & Caribbean: \$1612
 East Asia: \$950
 Landlocked: \$3222



Emerging Global Maritime Freight Transport System









Main Routing Alternatives between the Pacific and Atlantic





Main Routing Alternatives between East Asia and Northern Europe





Panama's Changing Role in the Global Transport System



Transit (Pre 1914)



Tollbooth and Connectivity (1914-1990s)

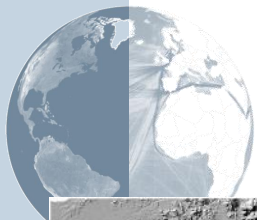


Transshipment Hub (1990s-2000s)



Value-added Logistics Hub (2010s-?)





Proposed Routes for the Nicaragua Canal





Challenges to the Expansion of the Panama Canal

Issue	Challenge
Aggregate demand	Potential shift in demand growth patterns (less growth in North America and more growth in Latin America)
Maritime shipping	Higher shipping costs and slow steaming; Tolls taking a large share of the benefits of economies of scale
Economies of scale	Less ship calls and traffic concentration
Transshipment hubs	Changes in the transshipment dynamics (hub concentration); "Funnel effect" towards Panama
West Coast Ports	Improved competitiveness of West Coast ports through better hinterland access
Railways	Improved competitiveness of North American rail corridors; Emerging dichotomy between East Coast and West Coast railways
Gateways	New points of entry to service markets (e.g. Lazaro Cardenas, Prince Rupert)
Suez Canal	Increasing competitiveness of the Suez Route; Potential of the Cape Route
Sourcing	Changes in sourcing strategies (e.g. near sourcing)