
**LA EXPERIENCIA EN LOGISTICA DE
MANZANILLO INTERNATIONAL TERMINAL
CARLOS URRIOLA**



**MANZANILLO INTERNATIONAL TERMINAL – PANAMA
CONTAINERS • RO-RO • BREAKBULK • PROJECT CARGO**

MANZANILLO INTERNATIONAL TERMINAL - PANAMA

China hears the call of the vuvuzela



MANZANILLO INTERNATIONAL TERMINAL - PANAMA

AGENDA

Connectivity and Panama

How did it happen? What do we make of it?

How to make it sustainable?

Wrap up



MANZANILLO INTERNATIONAL TERMINAL - PANAMA

MORE CONCENTRATION / MORE ECONOMIES OF SCALE

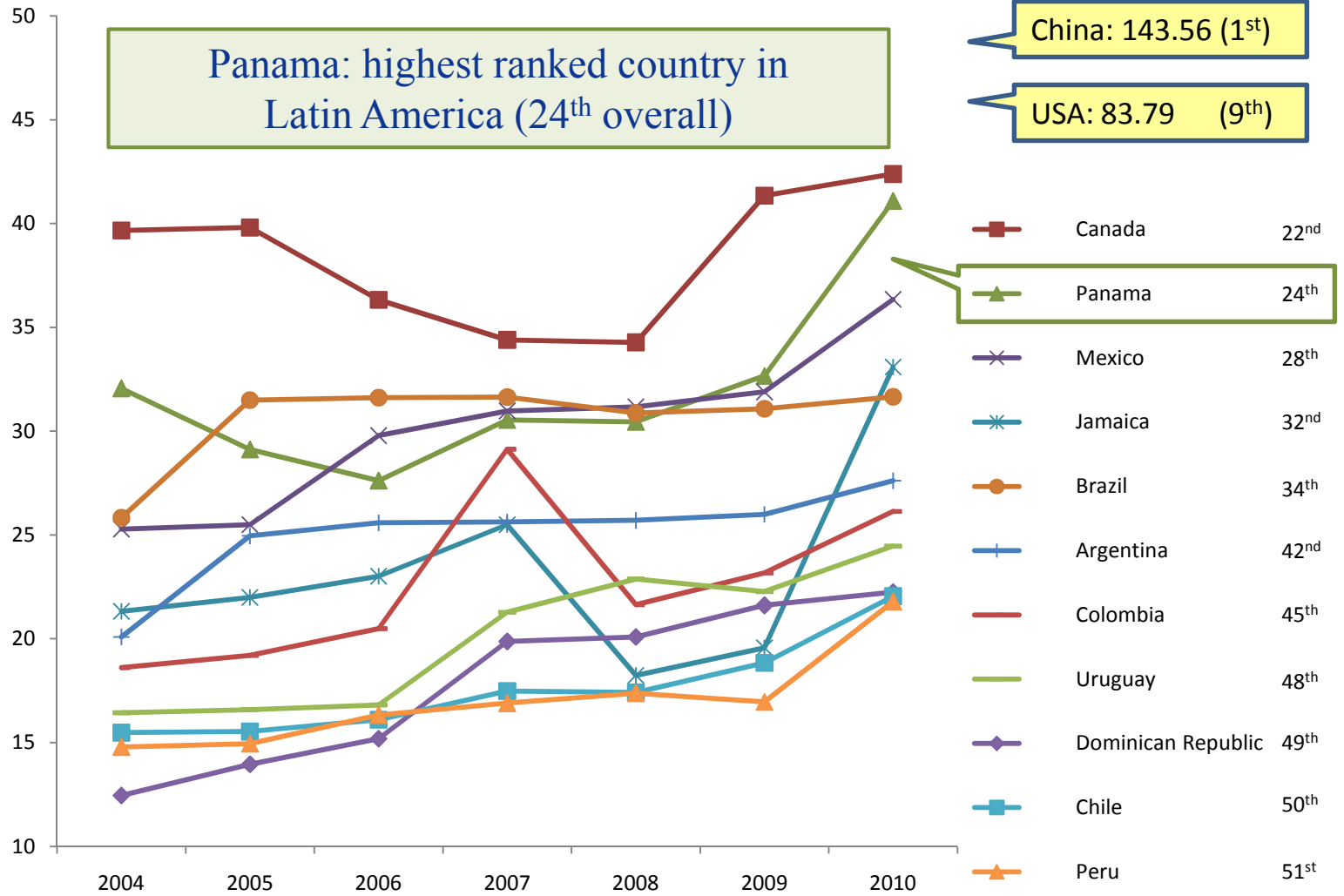


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WHERE DOES PANAMA RANK?

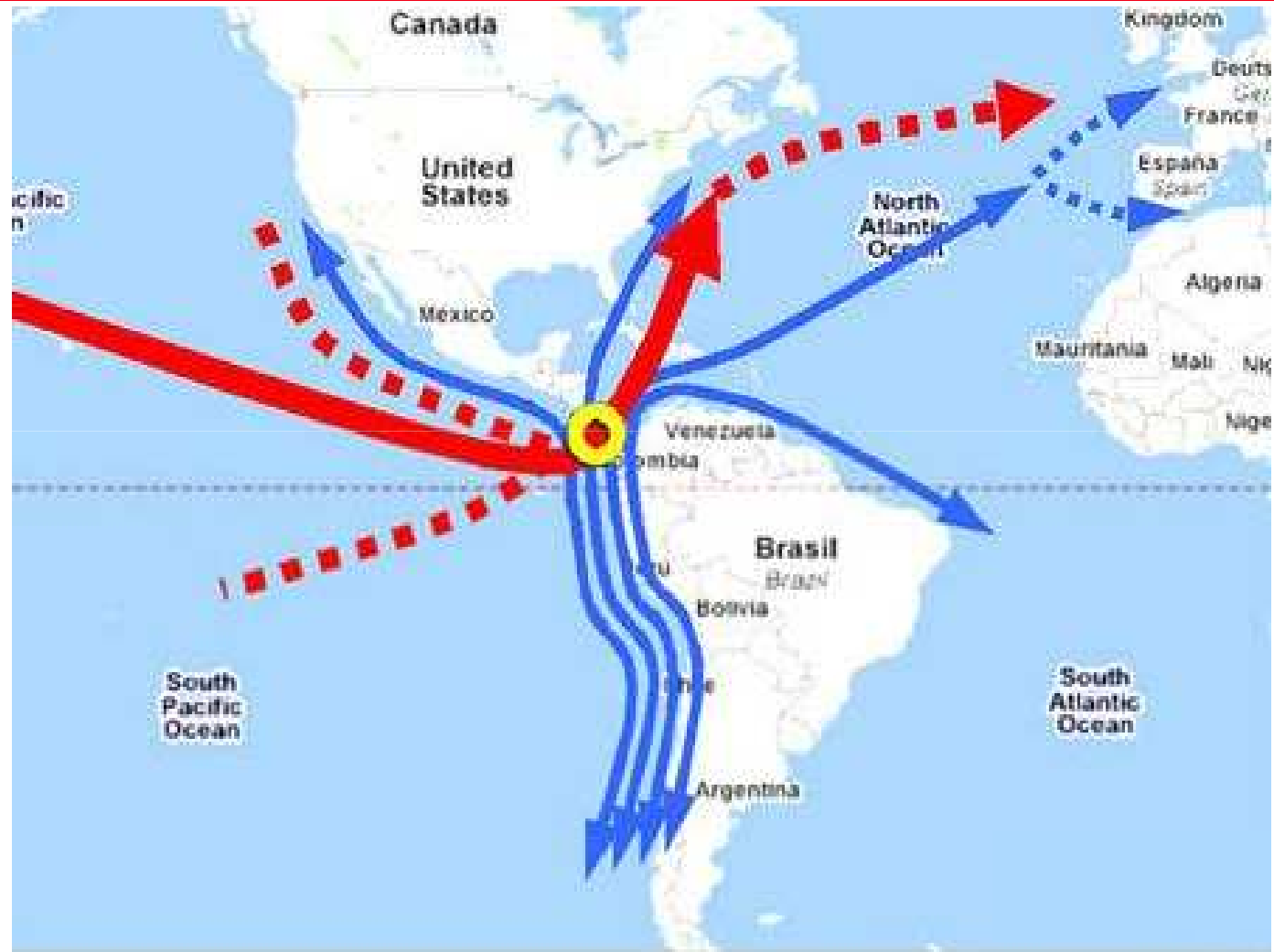
LINER SHIPPING CONNECTIVITY INDEX (UNCTAD)

SELECTED COUNTRIES IN THE AMERICAS



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A REAL DISTRIBUTION PLATFORM



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HOW DID IT HAPPEN?

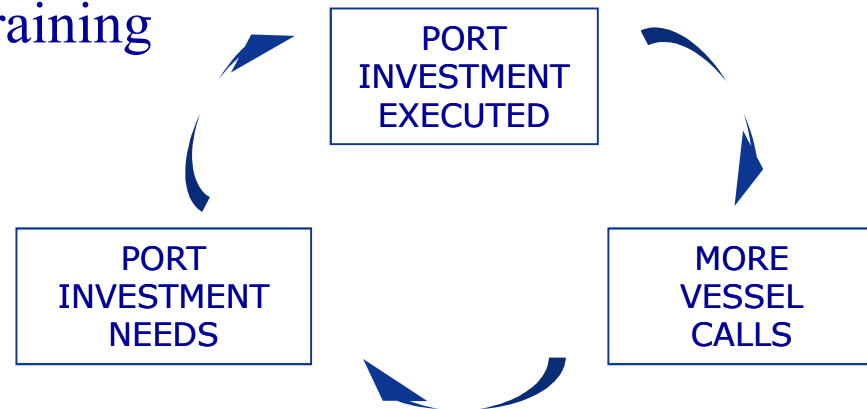
Beware of what you pursue...



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WHY THE HIGH MARK?

- ❑ Panama started its privatization process 15 years ago
- ❑ Over that time, stevedoring rates have gone down by 50%
- ❑ Terminal productivity levels have increased by 400% (from 10MPH to 40MPH)
- ❑ Nearly \$2B invested in port infrastructure
- ❑ HR on constant training



Over time, more shipping lines are calling Panama, increasing competition and lowering freight rates. With more lines, comes the need for more port investments which, in turn, opens the opportunity for more shipping lines

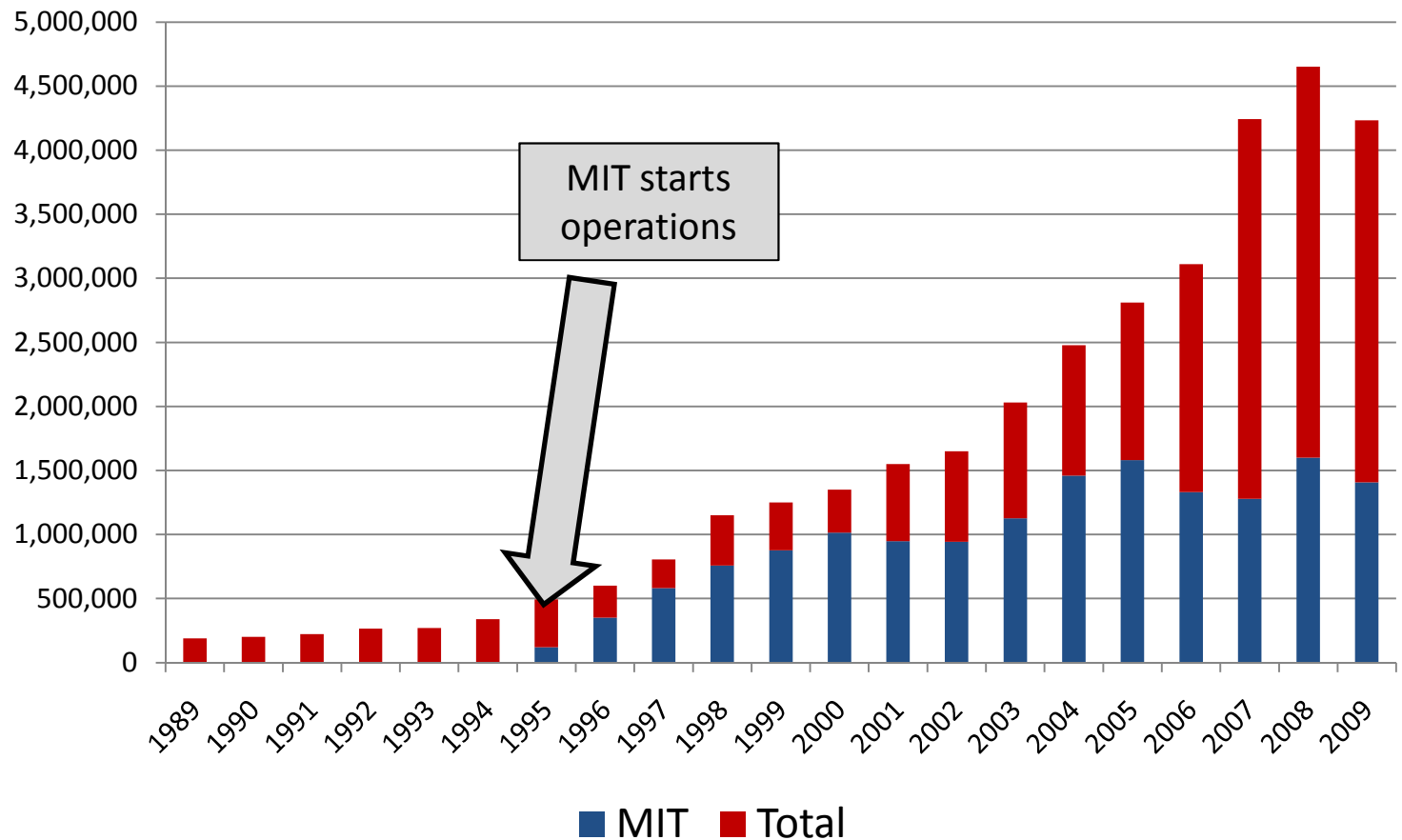
**OF COURSE, ALL THIS BASED ON A
SAFE, PRODUCTIVE PORT OPERATION**



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PORTS' CONTAINER THROUGHPUT

Panama 1989 – 2009 (TEUs)



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MIT DEVELOPMENT

□ MIT: \$550M invested up to date



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MIT LOGISTICS PARK



60,000 m² of current warehouse capacity
90,000 m² of projected total warehouse capacity



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COMPANIES WORKING OUT OF THE MIT LOGISTICS PARK

Electronics



Consumer



Pharmaceutical



Fast Moving Consumer Goods (FMCG)



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MIT VALUE-ADDED AREA



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MARITIME AND LOGISTICS-RELATED COMPANIES WITH REGIONAL OFFICES IN PANAMA



SSA International
A Carriz Enterprise



EVERGREEN

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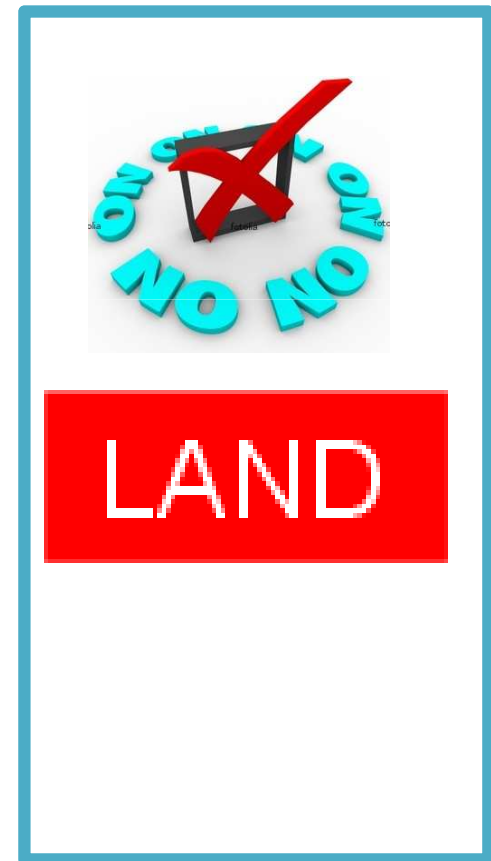
A WHOLE NEW ANCILLARY BUSINESS MODEL

- Container repair
- Ship repair and maintenance
- Ship crewing
- Shipchandlers
- Waste management and disposal
- Water provision
- Agencies and representatives



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WE HAVE TO REMEMBER THE "OLD" CONCEPT



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TRULY MULTIMODAL!



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PANAMA: A GROWING LOGISTICS HUB



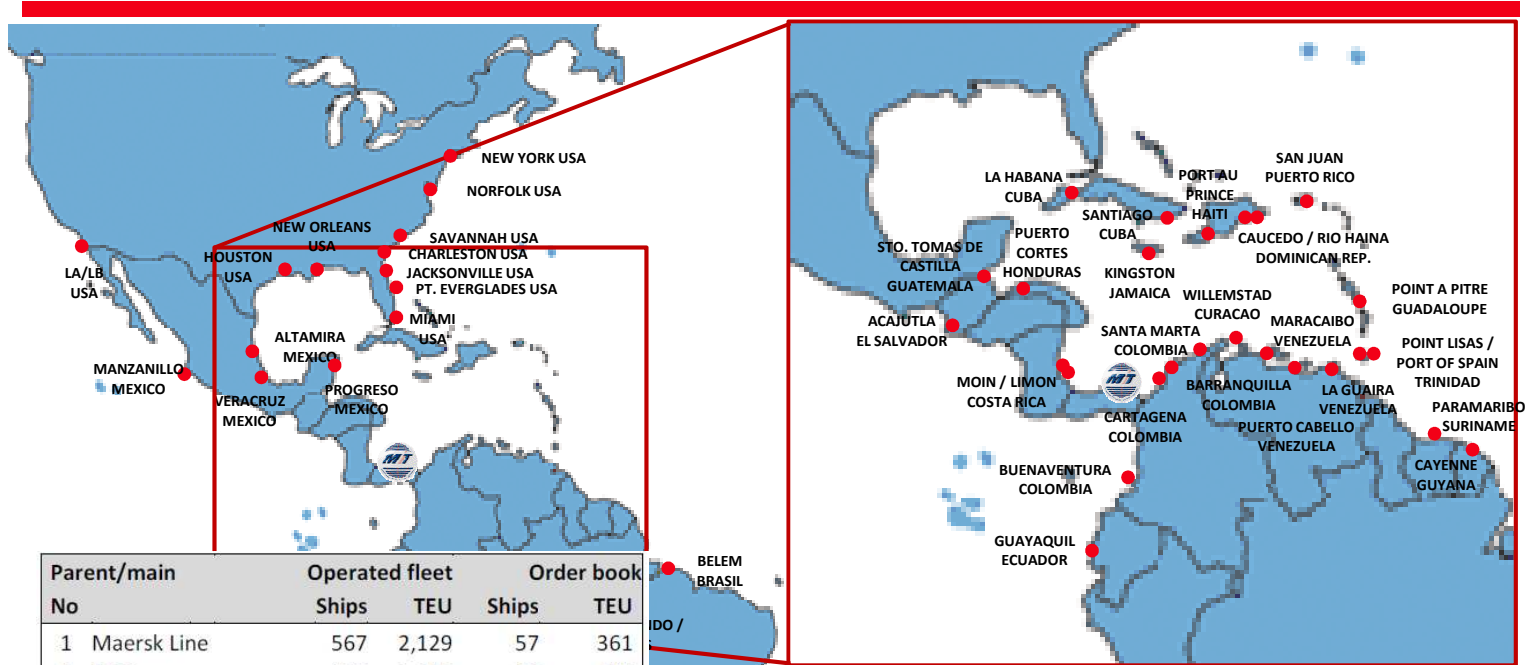
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ENHANCE CONNECTIVITY AND INCREASE OPTIONS



Parent/main No	Operated fleet		Order book	
	Ships	TEU	Ships	TEU
1 Maersk Line	567	2,129	57	361
2 MSC	435	1,755	37	445
3 CMA CGM	395	1,168	32	323
4 Evergreen	162	614	10	88
5 APL	158	594	7	57
6 Hapag-Lloyd	135	594	7	57
7 CSAV	135	528	39	322
8 Coscon	137	467	16	150
9 China Shipping	101	466	24	235
10 Hanjin	99	386	15	89
11 MOL	99	375	7	43
12 NYK	117	359	10	71
13 Hamburg Süd	80	359	6	52
14 OOCL	97	327	16	164
15 ZIM				

All top 15 shipping lines working out of Panama...

... plus some top niche carriers:

- Seafreight
- King Ocean
- CFS
- SCLine
- Crowley

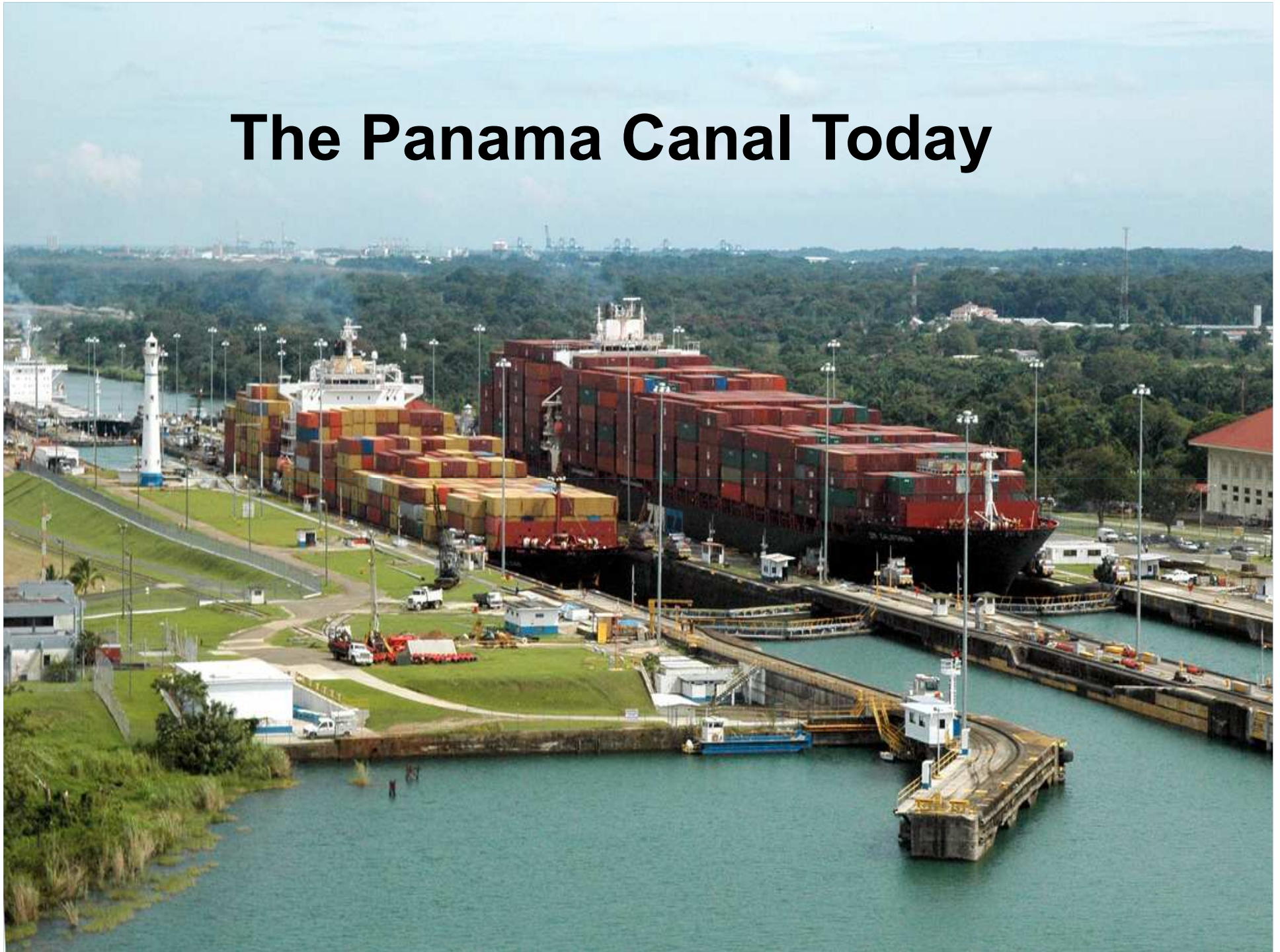


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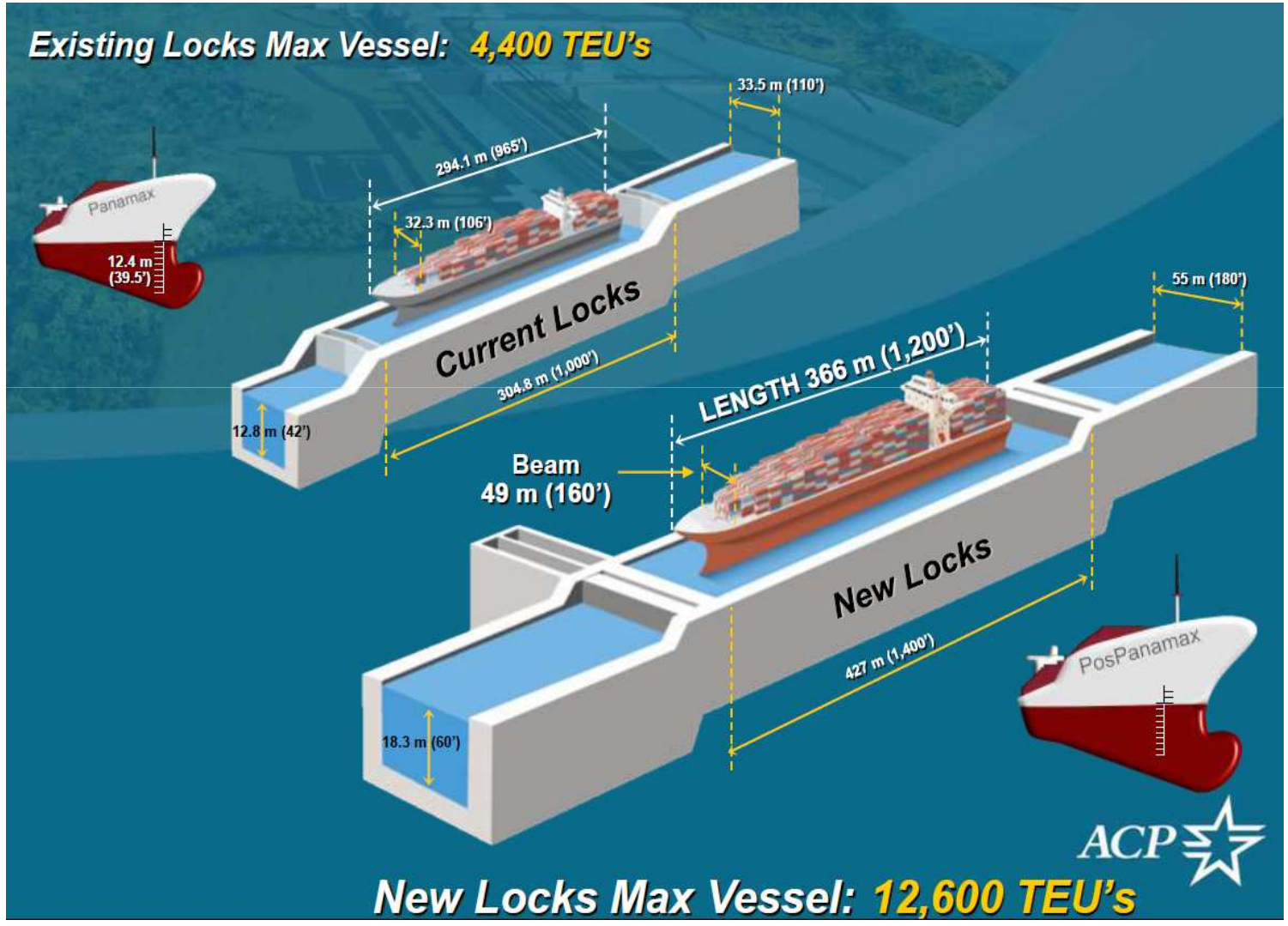
The Panama Canal 1914



The Panama Canal Today

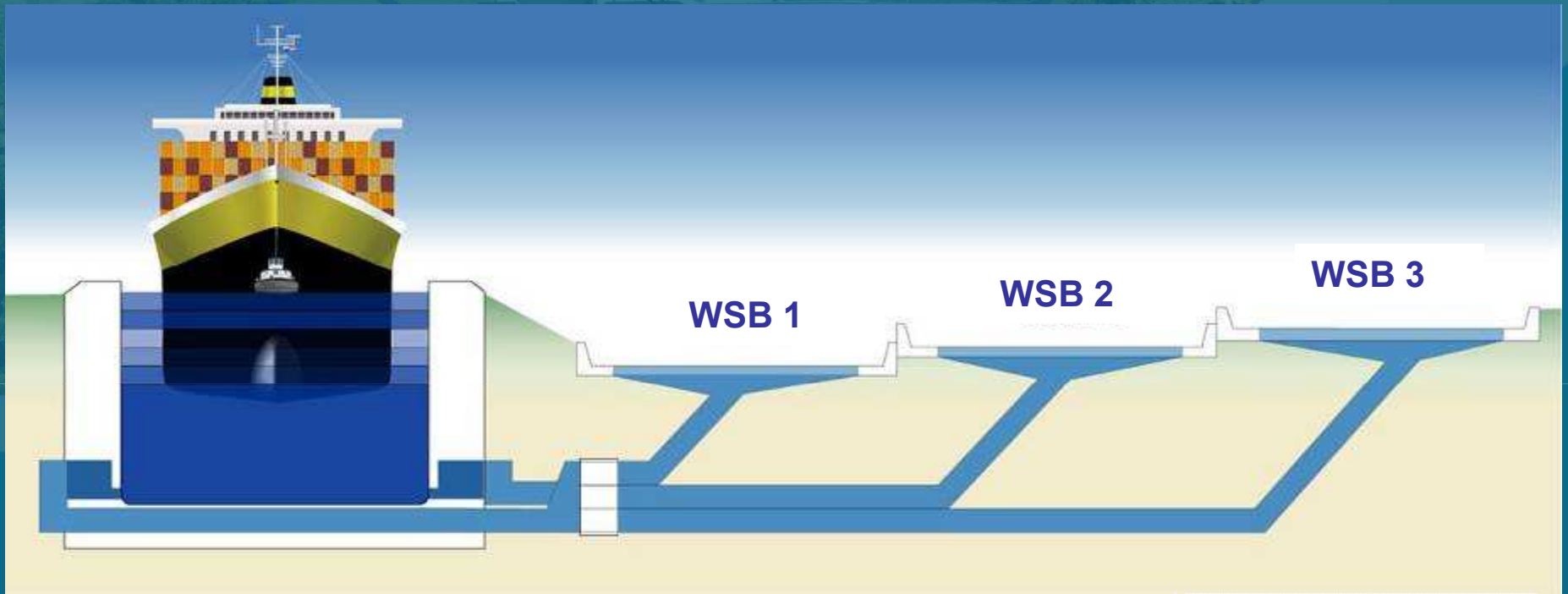


EXISTING vs. NEW CANAL CAPABILITIES

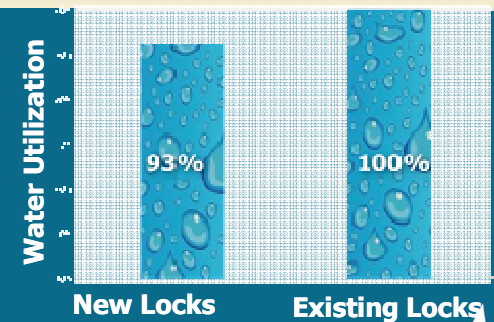


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Post Panamax Locks Operation



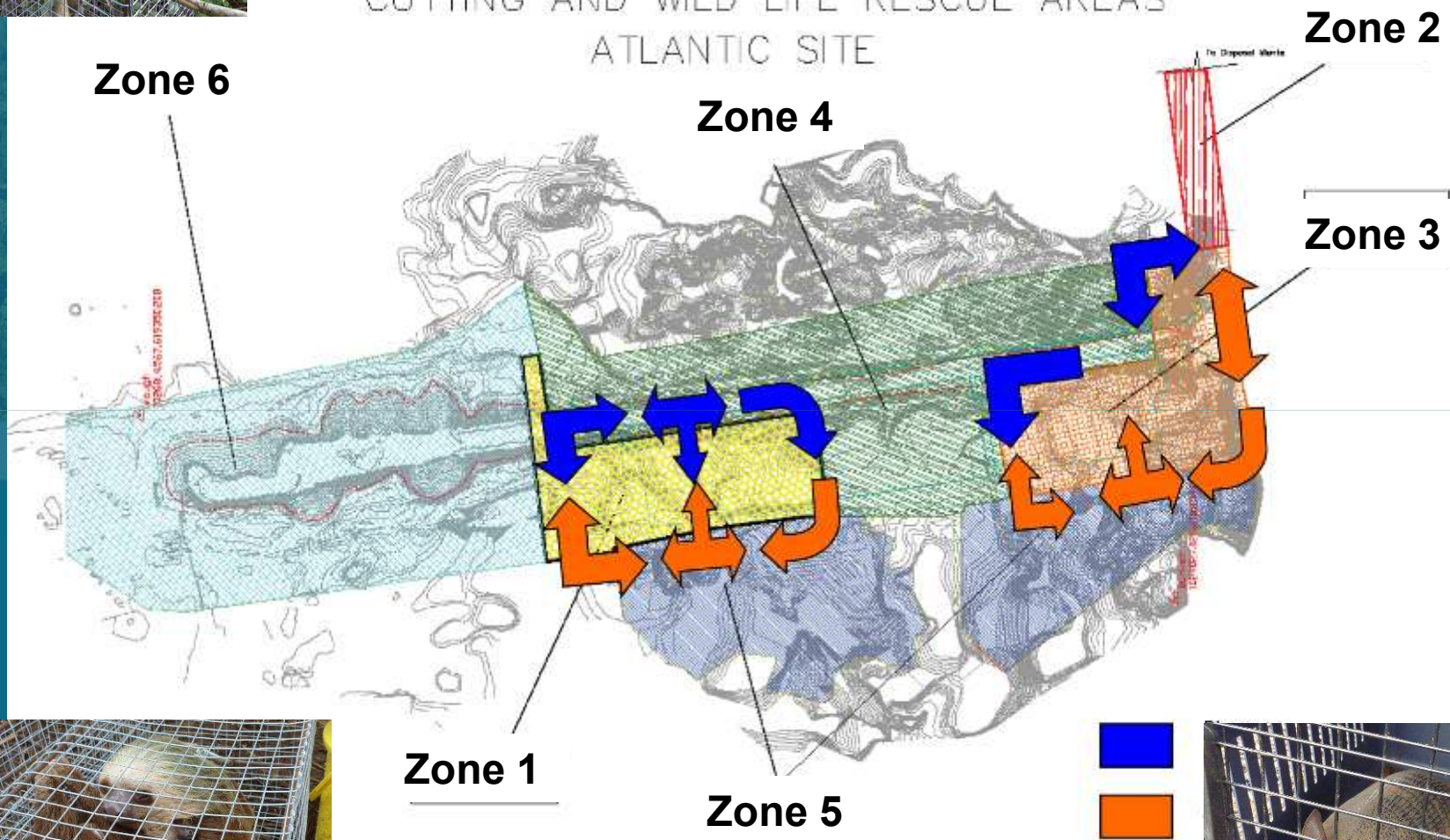
With the water saving basins
the new locks will use **7% less**
water than the existing locks



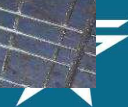
Wildlife Rescue – Atlantic Side



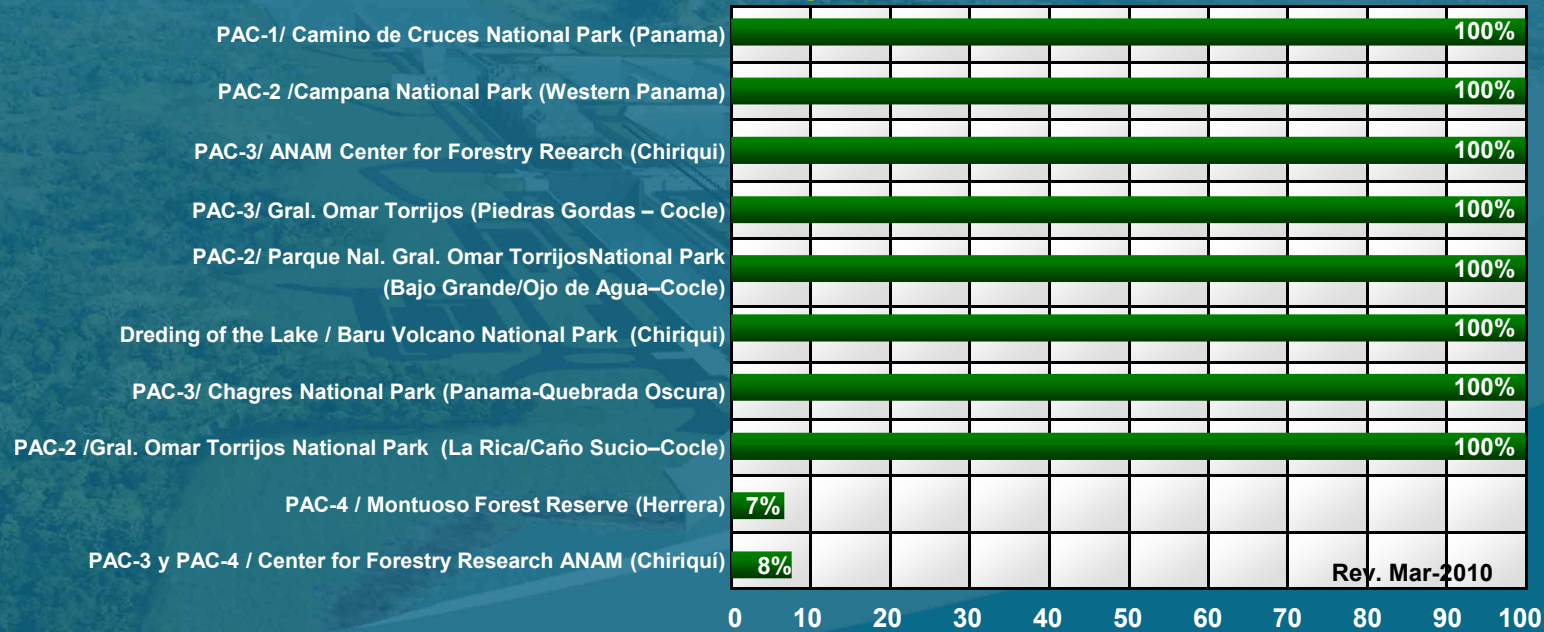
CUTTING AND WILD LIFE RESCUE AREAS
ATLANTIC SITE



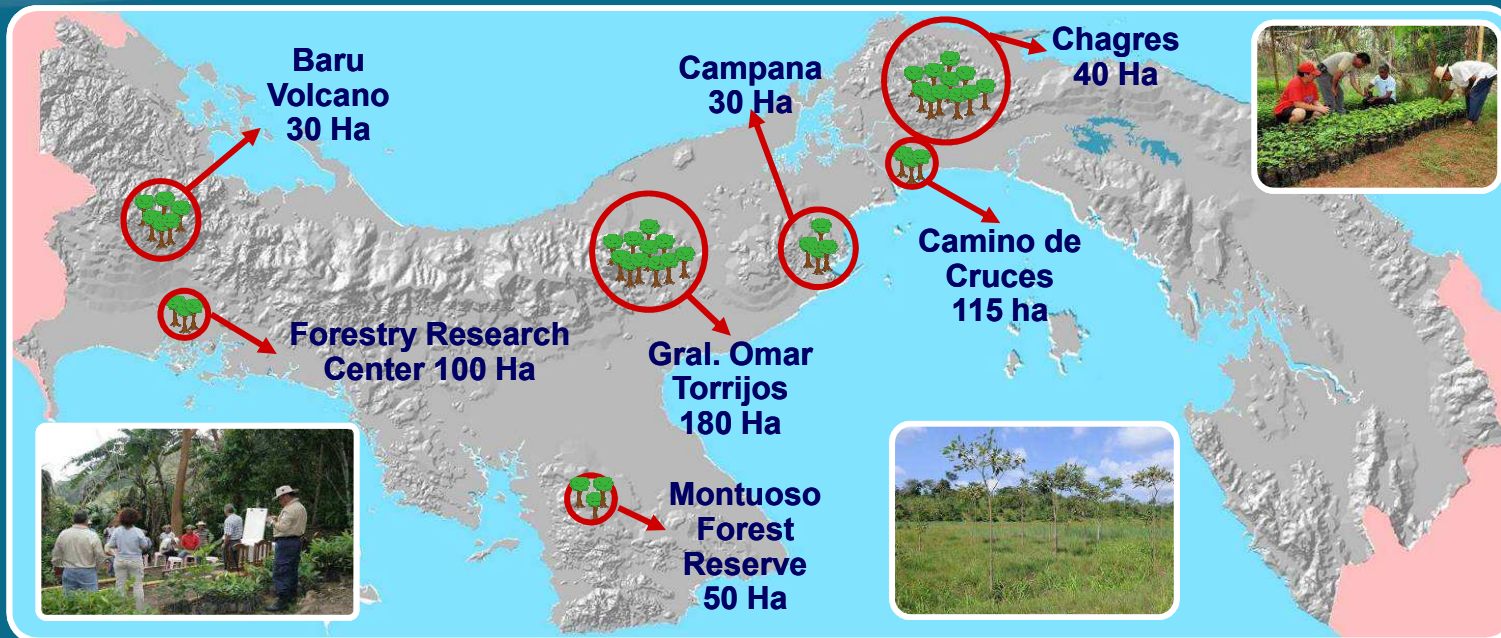
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Reforestation Projects under Execution



All projects include 5 years of Maintenance



New Atlantic Locks Update



Cleaning and Grubbing of Atlantic Locks Area



1939-1942 Excavations

July 2009

March 2010



Clearing of Pacific Locks Area



Pacific Locks Area



Pacific Locks Site

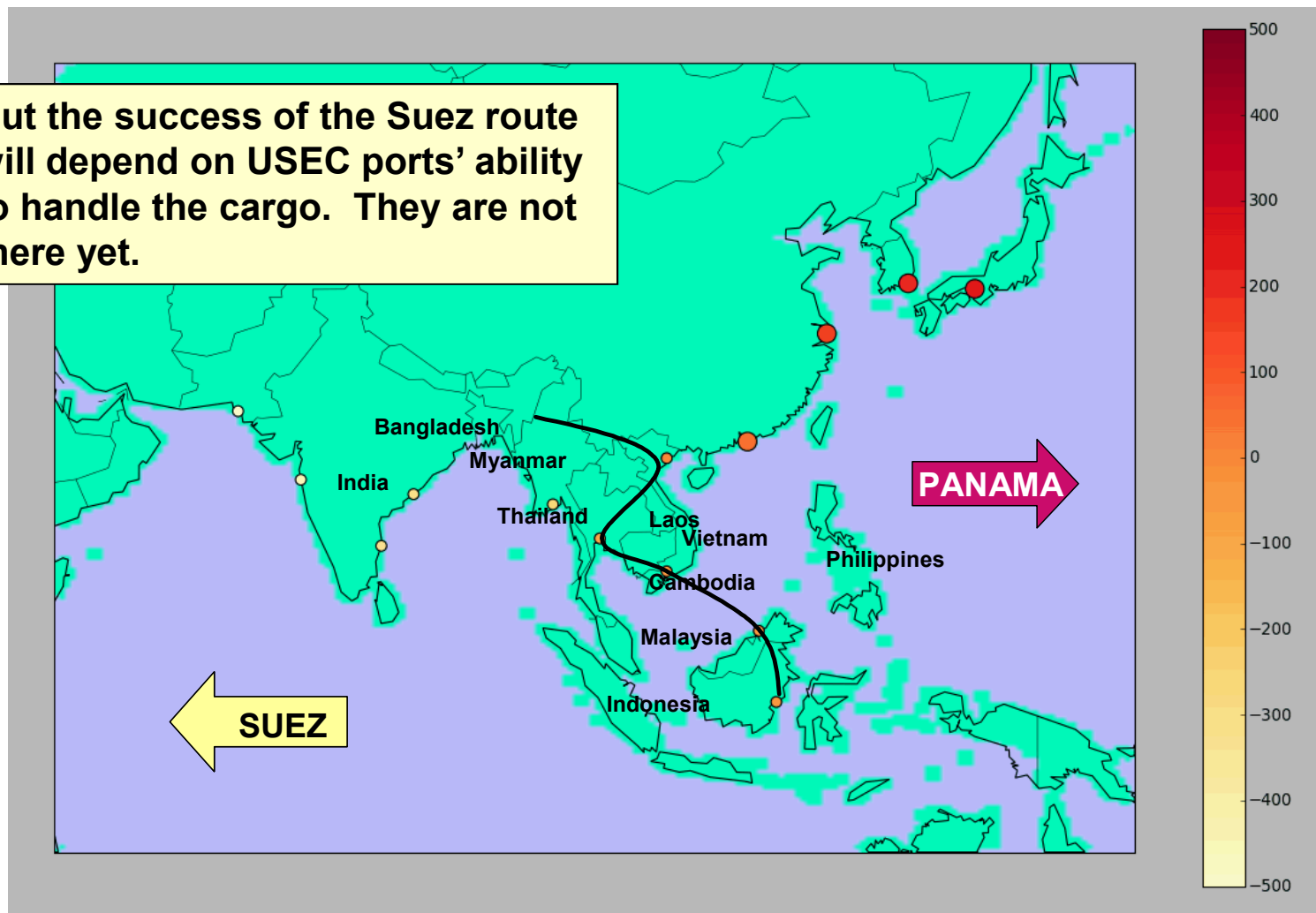


Cleaning and Grubbing – Pacific Locks Area



The Suez Canal will compete with Panama for markets in Asia. It is cheaper for markets west of the black line to use Suez. The line shifts depending on the relative cost of Suez to Panama.

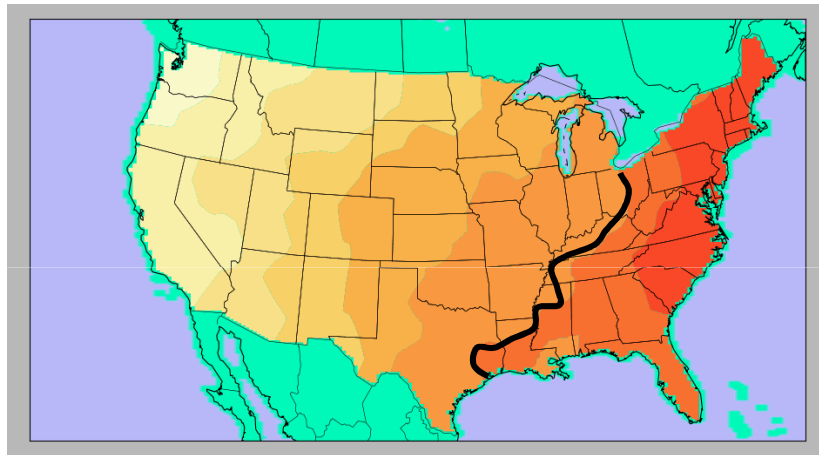
But the success of the Suez route will depend on USEC ports' ability to handle the cargo. They are not there yet.



On the Asia-USEC trade, there is a huge increase in the “accessible market” simply by switching to an 8000 TEU ship, implying that the Canal route gains share.

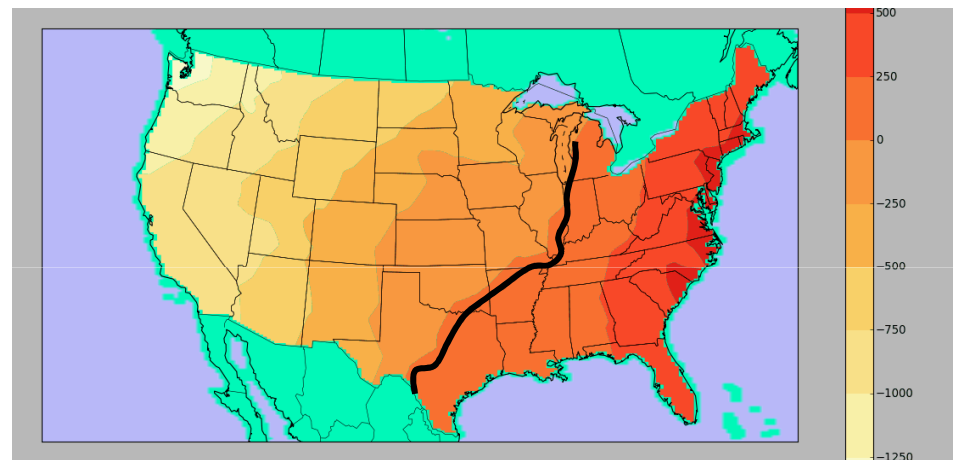
4000 TEU ship

46% of US market



8000 TEU ship

63% of US market



Assumptions

\$400/MT bunker

Canal tolls based on 2011 proposal

Current ship charter rates

Inland move by rail

*Based on Halcrow, Princeton Consultants
route cost model – June 2010*

IMPROVE LOGISTICS CAPABILITIES

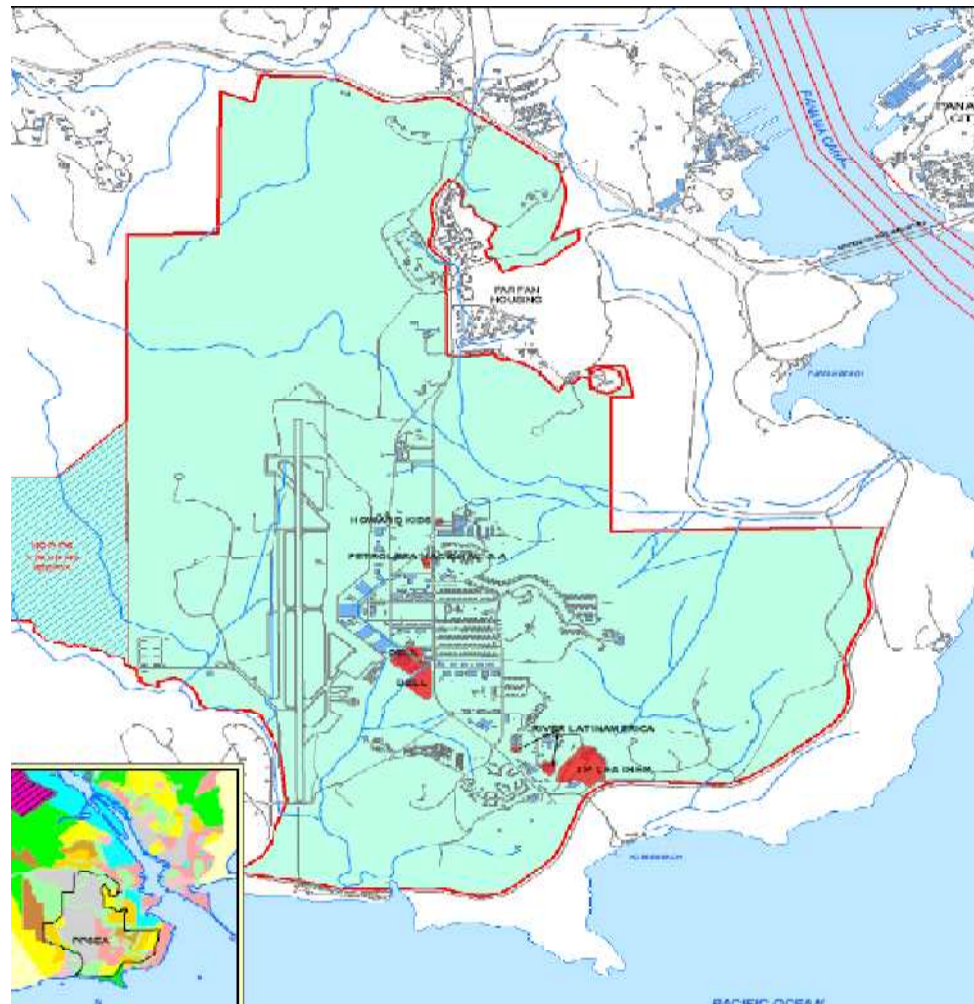
□ Tocumen Airport



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IMPROVE LOGISTICS CAPABILITIES

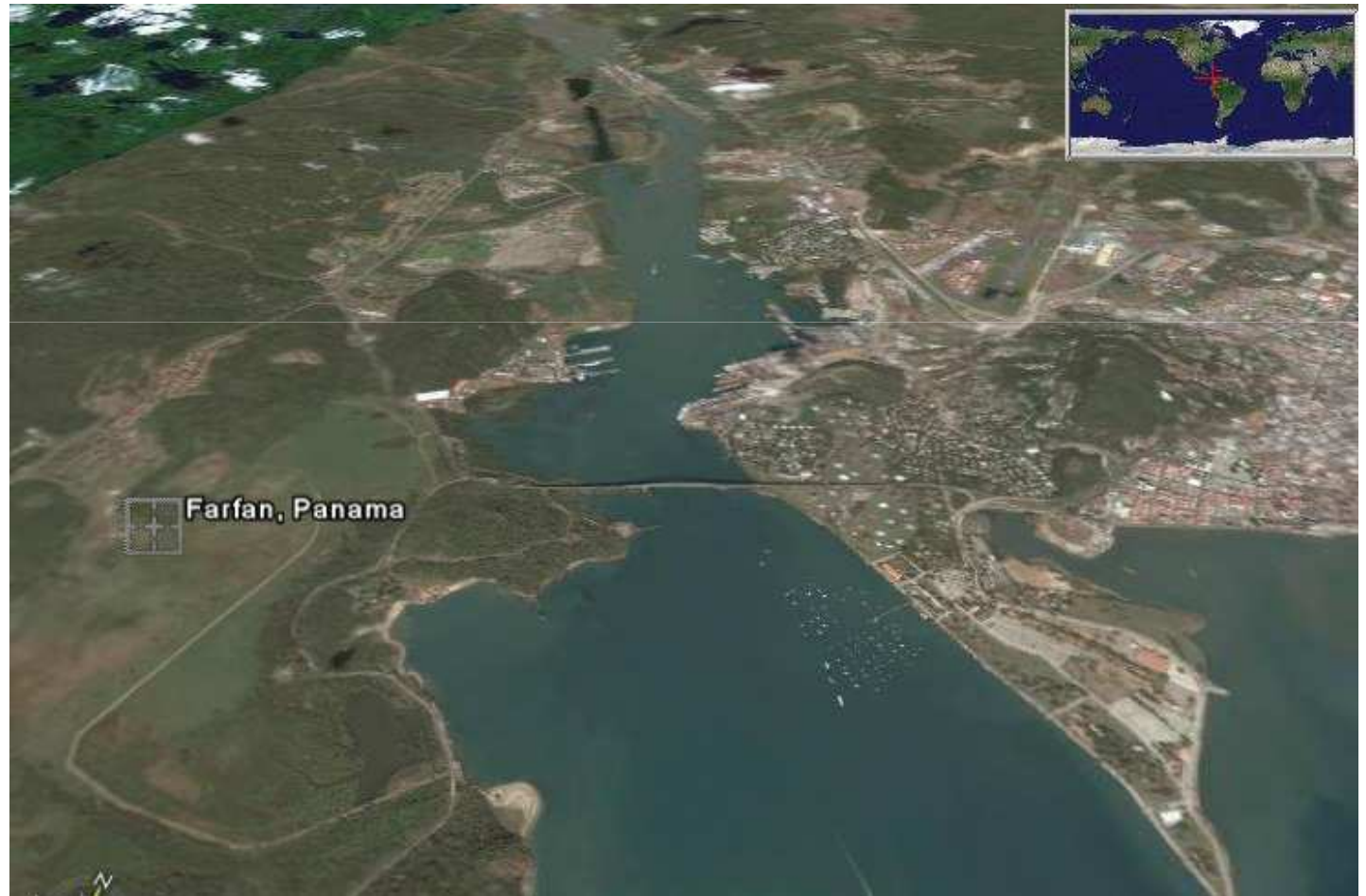
□ Panama-Pacific Project



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IMPROVE LOGISTICS CAPABILITIES

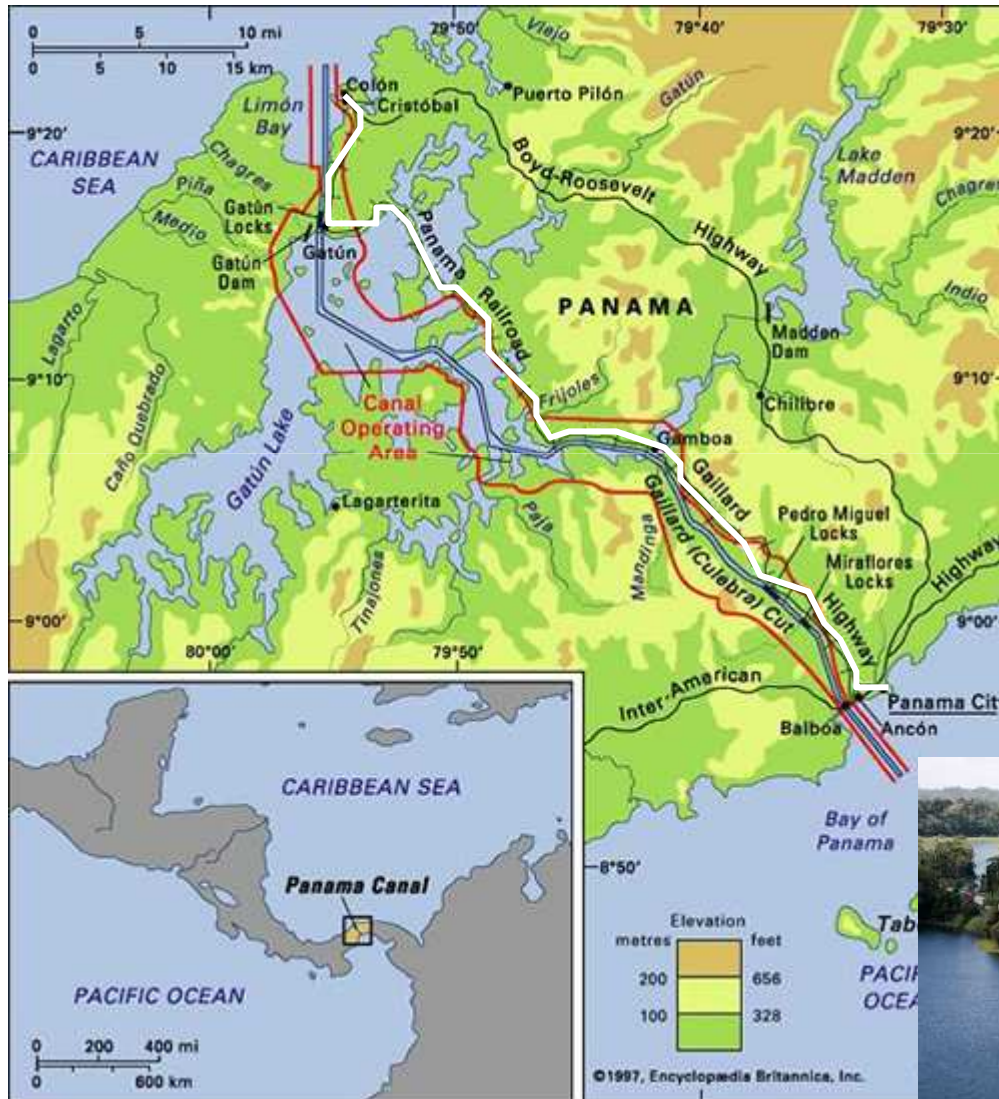
- Additional terminals in the Pacific side



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IMPROVE LOGISTICS CAPABILITIES

Railroad connectivity



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IN THE LONG RUN...

□ Situation awareness



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SSAMEXICO - MANZANILLO



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TUXPAN



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Last.... comments

- Fair competition is good.
- Monopoly is good , if its yours.
- Logistic is the flavor of the month
- Added value
- Total cost- no rates
- Trade+ security
- Customs-Quarantine.
- Free trade agreements
- Environmental issues
- Slow steaming
- You are as good as your last ship





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THANKS