Panama Canal Expansion - Fact or Fiction

Bruce Lambert
Executive Director

Institute for Trade and Transportation Studies
What Questions Should be Asked...

- Is it needed?
- Does it fundamentally change North American flows?
- Can (will) I get a piece of the pie?
Why Expand the Canal?

- Overall strong growth over past few years
- Seem as critical, but obsolete, bottleneck
- Coastal Competition
- West Coast Uncertainties
- Vessel Economics
The boom in shipping trade

Is it Needed?
AASHTO - Transportation Invests In Our Future
Changing Hinterlands?

- Faster Transit
- Economies of Scale
- Anything else?
  - Bulk
  - Exports
  - Container availability
Freight Access and Mobility May Create Transformative Opportunities
Two Directions of Development

1. Inside-Out
2. Outside-In

- What is your market?
- What facility/services are needed?
- Develop densities and services
- Public-Private partners
A Muddled Future

North American Logistics
- Tolls versus Rail Rates
- Other Gateways (Canada, California, Suez Canal)
- Eastern Railroad developments

Expectations
- Everyone is focusing on their part
- What if nothing happens?

Policy
- Dredging
- US Chinese Trade Tensions
- Security and Regulatory Oversight
- Economy

Shippers
- Near-Sourcing
- Changing Shipment Strategies
- Intermodal Connectivity
- FDI and Market Shifts
- Pace of US Recovery

Carriers
- Ship Rotations
- Order Books
- Transshipment hubs in region
North-Bound Full Transit

PANAMA CANAL TRANSIT

Saturday, September 19, 2009

Been There....
Done That!

Yet to be known to all

Queen

Dutch Diggers

Mosquito Smugglers

Adventure and

Lives that Have

transited the Panama Canal

Queen Pacific
Panama Canal Expansion – Answered?

• Is it needed? YES
• Does it fundamentally change North American flows?
  - Bulks – Yes - more volume
  - Containers – Yes, Some growth
  - Ports – Opportunities for Ports
  - Transshipment Opportunities – Yes and No
• Managing Expectations
Thanks For Your Patience