



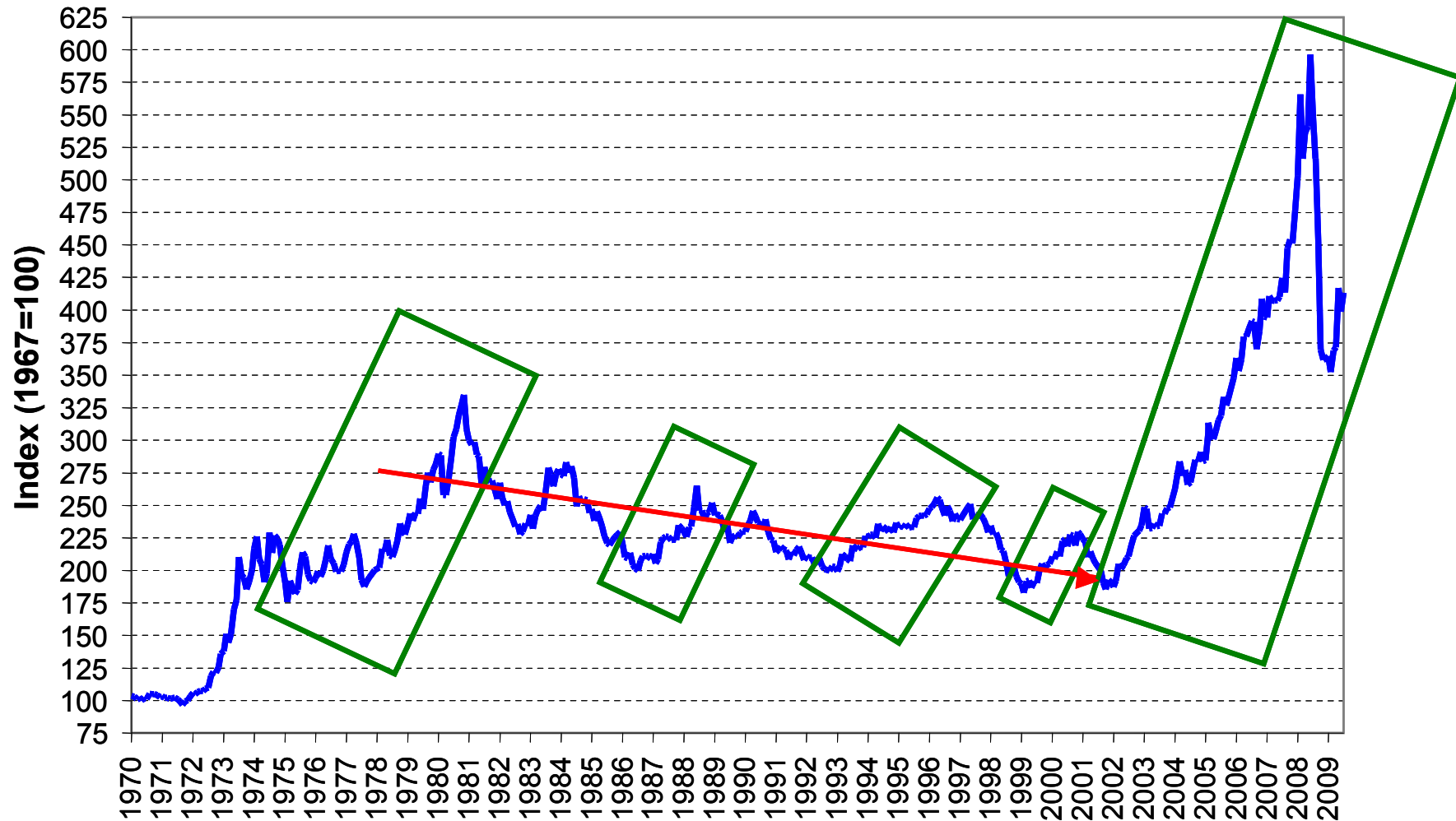
International Trade and the Southern Alliance: Supporting Growth Connecting the World

SASHTO 2009
Biloxi, Mississippi

Presented by
Ken Eriksen
Senior Vice President
September 1, 2009

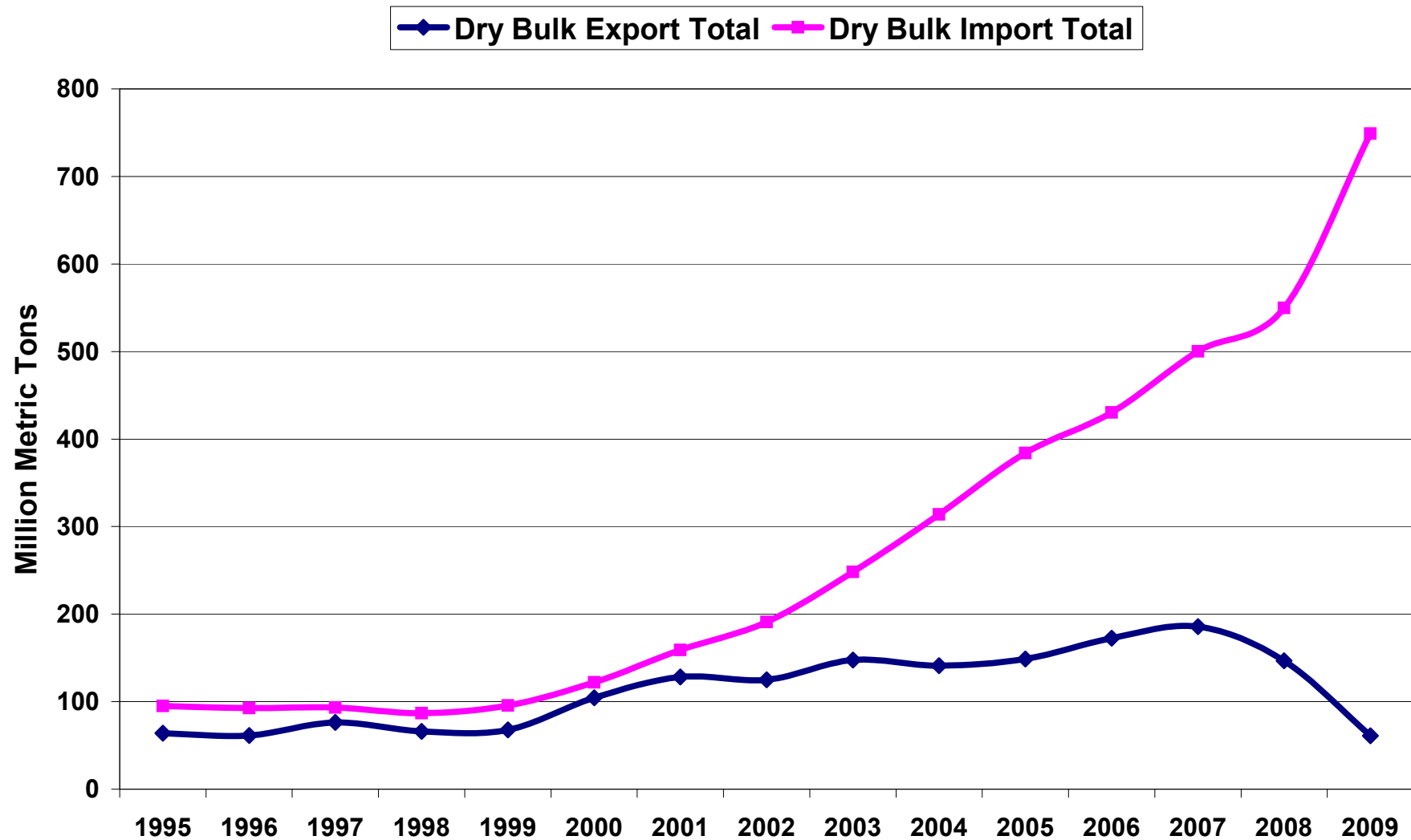
Rewarding Efficiency

Monthly Average Reuters - CRB Futures Index January 1970 – July 2009



The Giant Sucking Sound

China Drybulk Exports and Imports

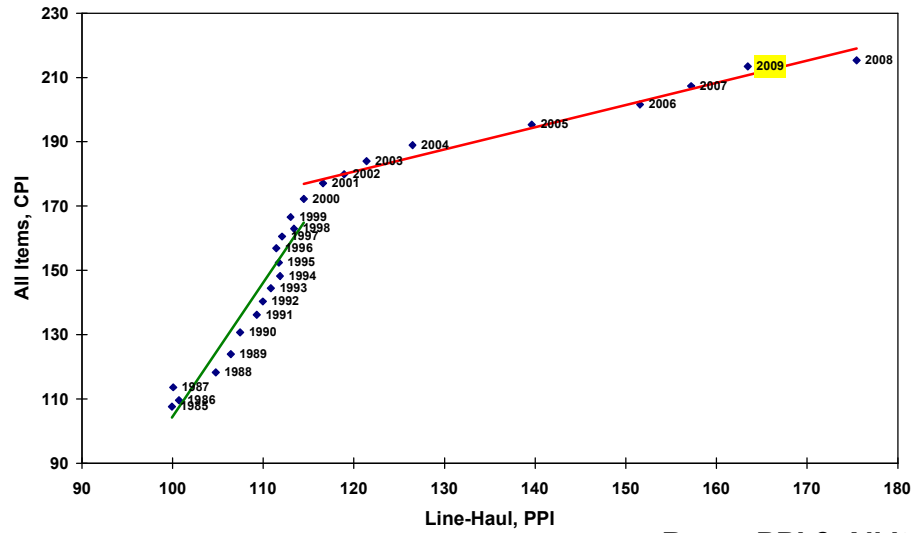


Global Environment

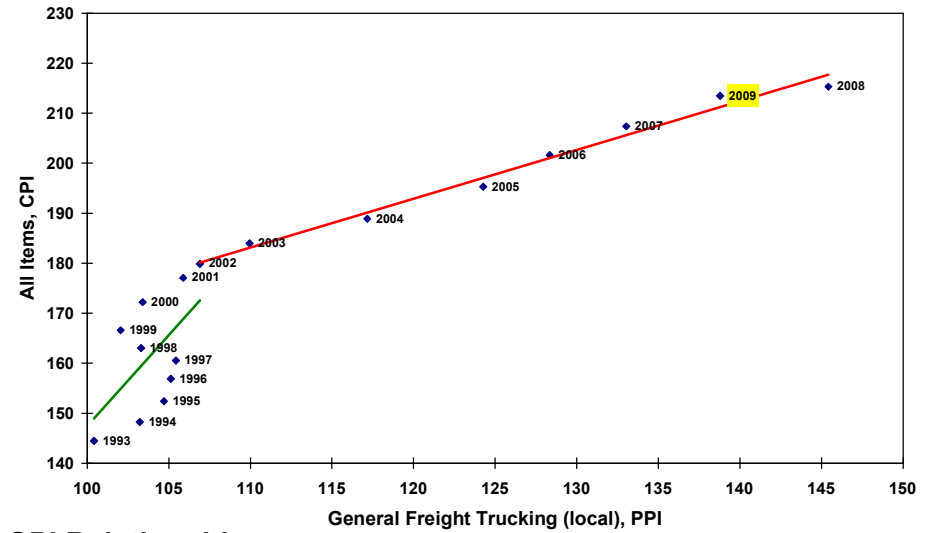
- ❖ **The Global Age is Readily Apparent**
 - ✓ The world is shrinking
 - ✓ Shipping options expanding
 - ✓ The U.S. is not as pivotal
- ❖ **Developing Countries Slowly Coming of Age**
 - ✓ Expanding infrastructure
 - ✓ Port developments
 - ✓ Still a ways to go however
- ❖ **Economy Driving Infrastructure Issues**

Rewarding Efficiency

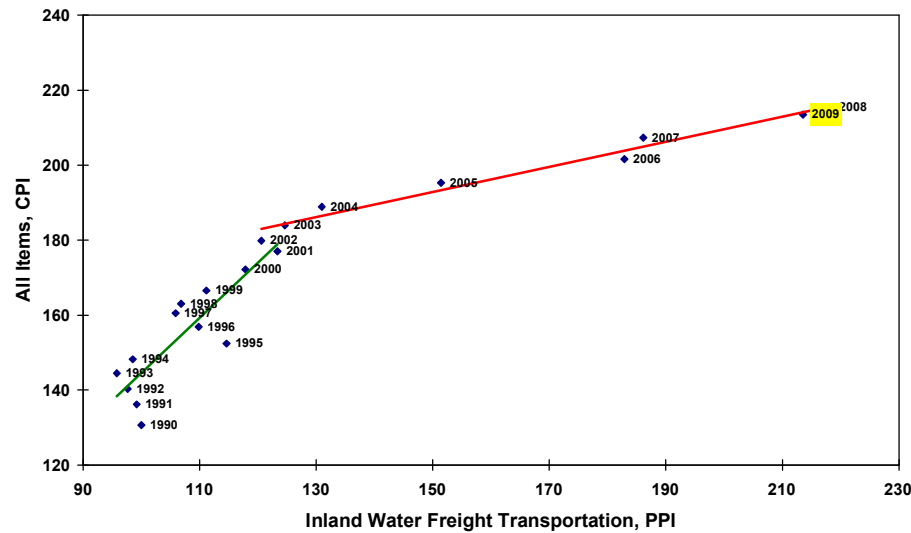
Rail PPI & All Items CPI Relationship



Trucking PPI & All Items CPI Relationship



Barge PPI & All Items CPI Relationship

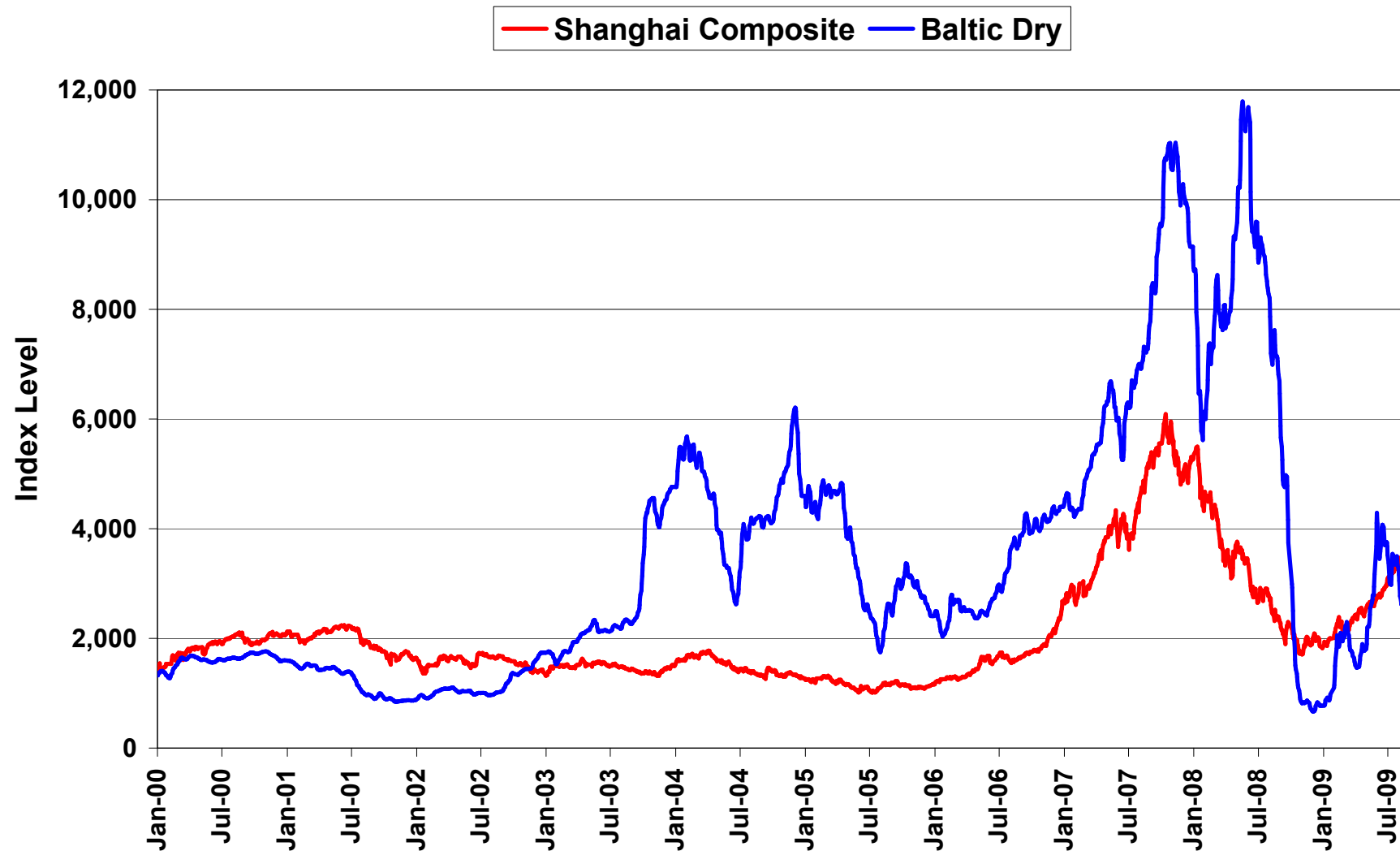


The Current Framework

- **Infrastructure Problems = Inefficiencies**
- **Inefficiencies = Lower Effective Transport Capacity**
- **Lower Effective Transport Capacity = Higher Rates**

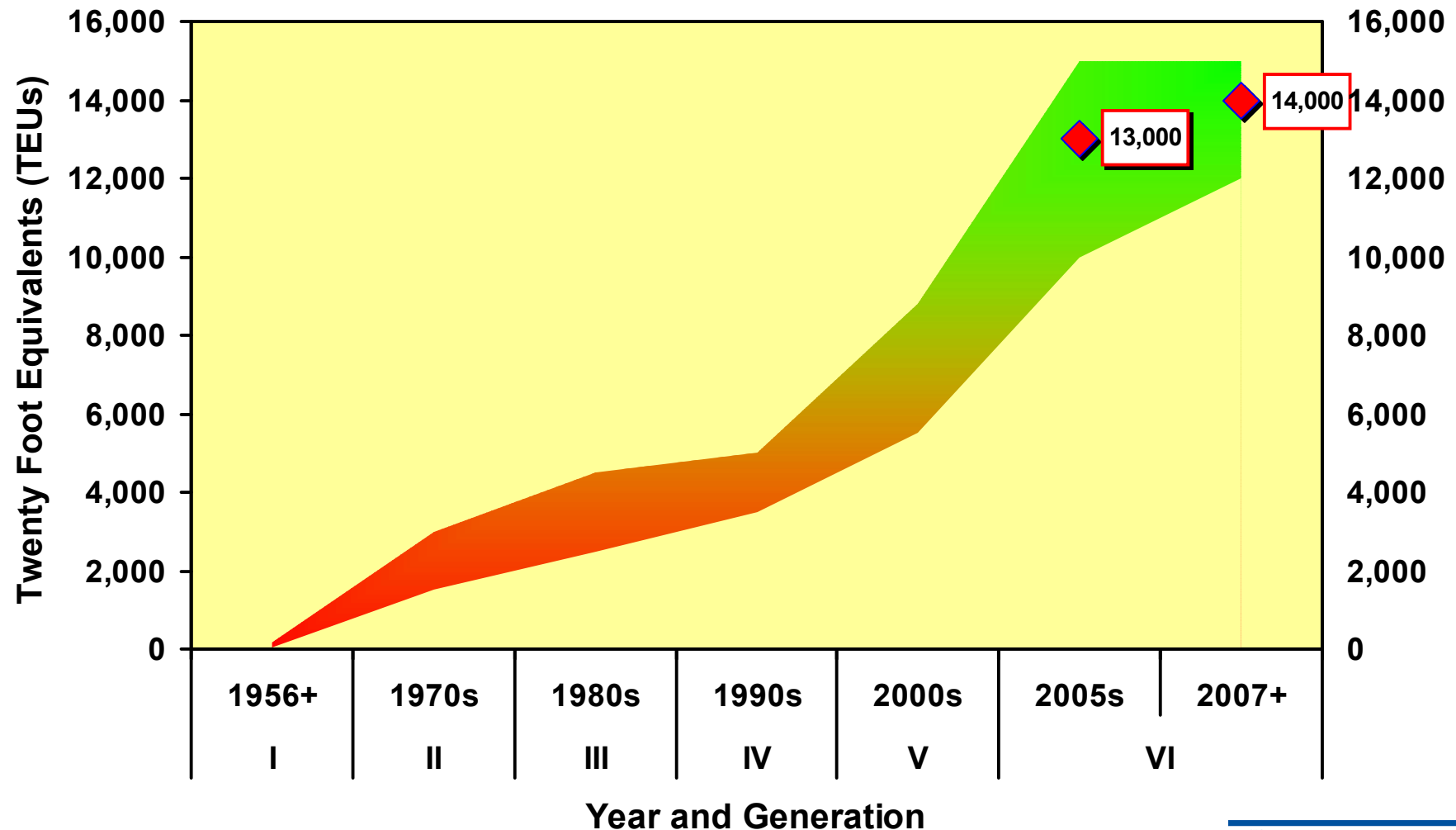
Rewarding Efficiency

Shanghai Composite Index & Baltic Dry Index



Freight Transformation – Containerization

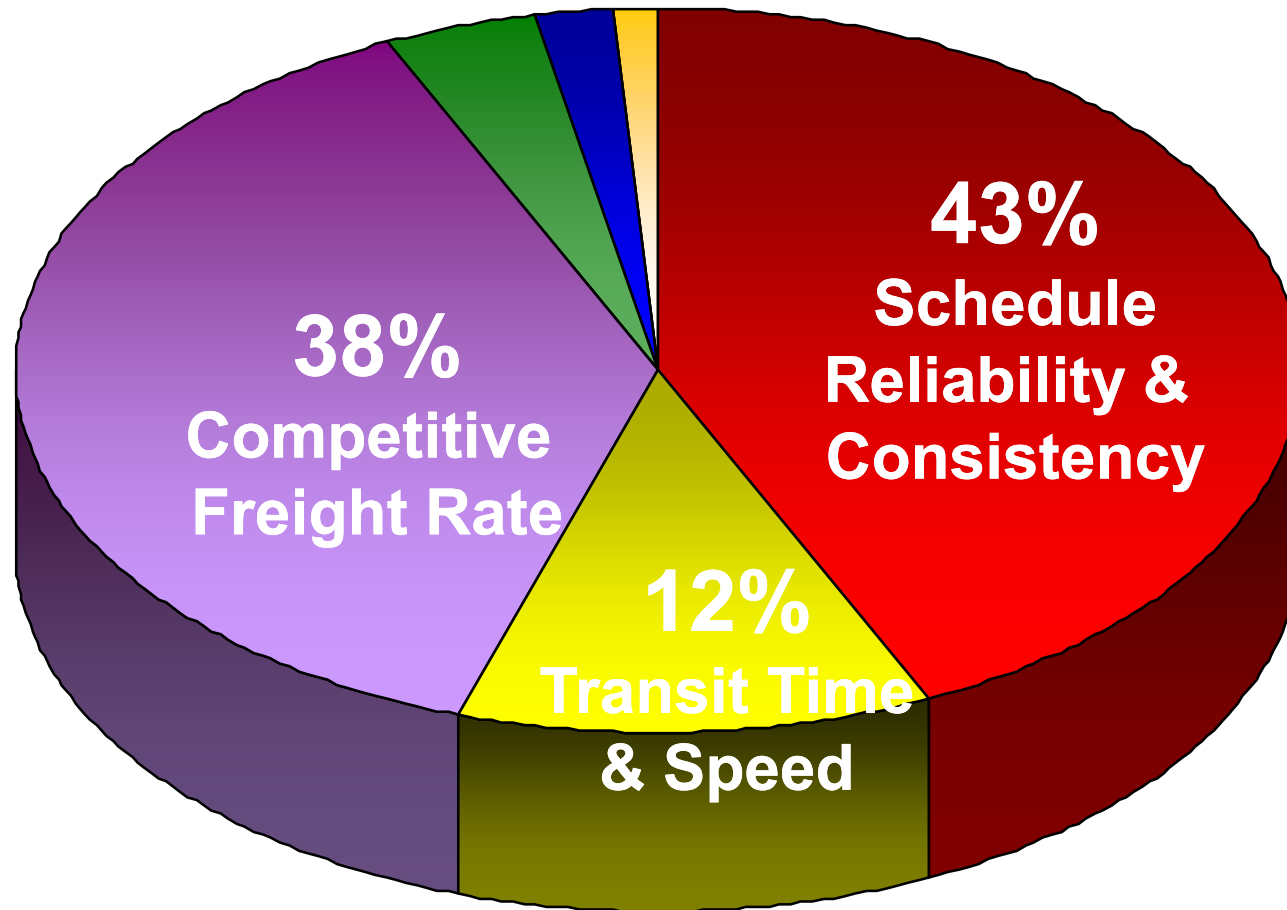
Generational Development of Container Vessels



Transportation Transformation

- ❖ **Changing Inventory Patterns**
 - ✓ **Just-In-Time**
 - ✓ **Alleviating Peak Period**
- ❖ **Distribution Network Shift**
- ❖ **Transload**
- ❖ **Hub and Spoke**
- ❖ **Port Shifts**
- ❖ **Short-Line, Short-Sea**
- ❖ **Merger and Acquisition**

Top 1,000 “Blue Chip” Multinational Priorities





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