



# The “Problem” of Transshipment

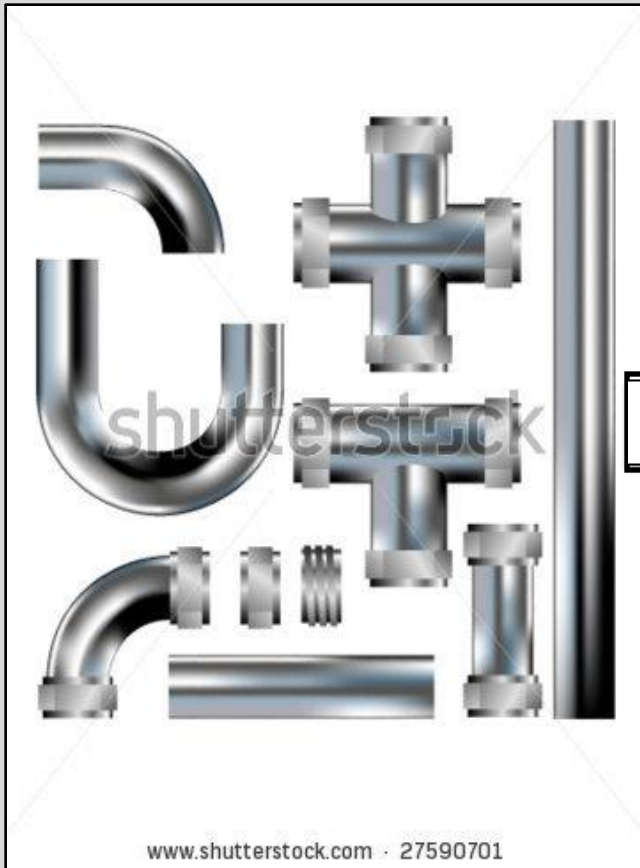
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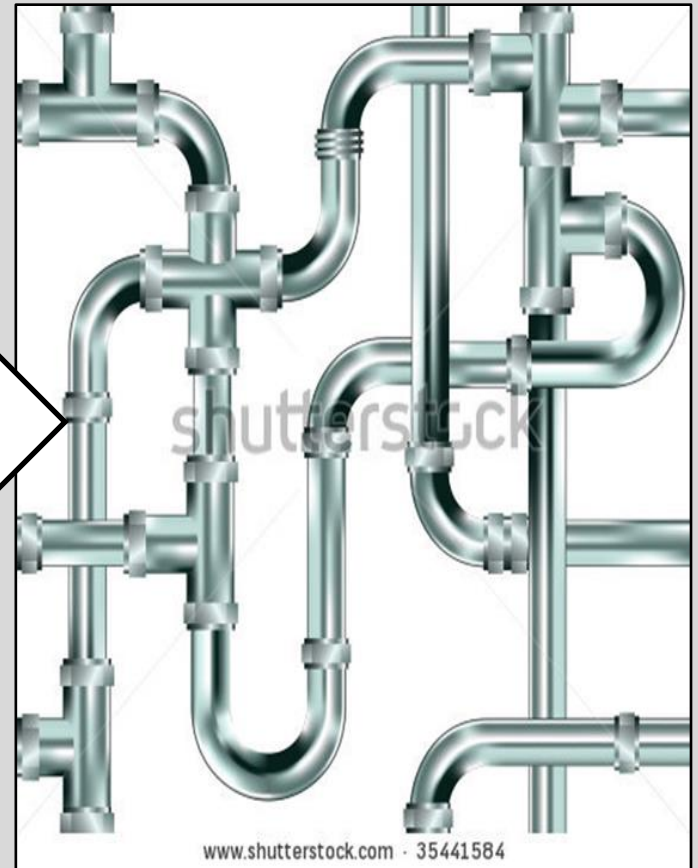
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# Historical Perspective: 4th Revolution



4<sup>th</sup> Revolution

“From Any Place to Every Place”



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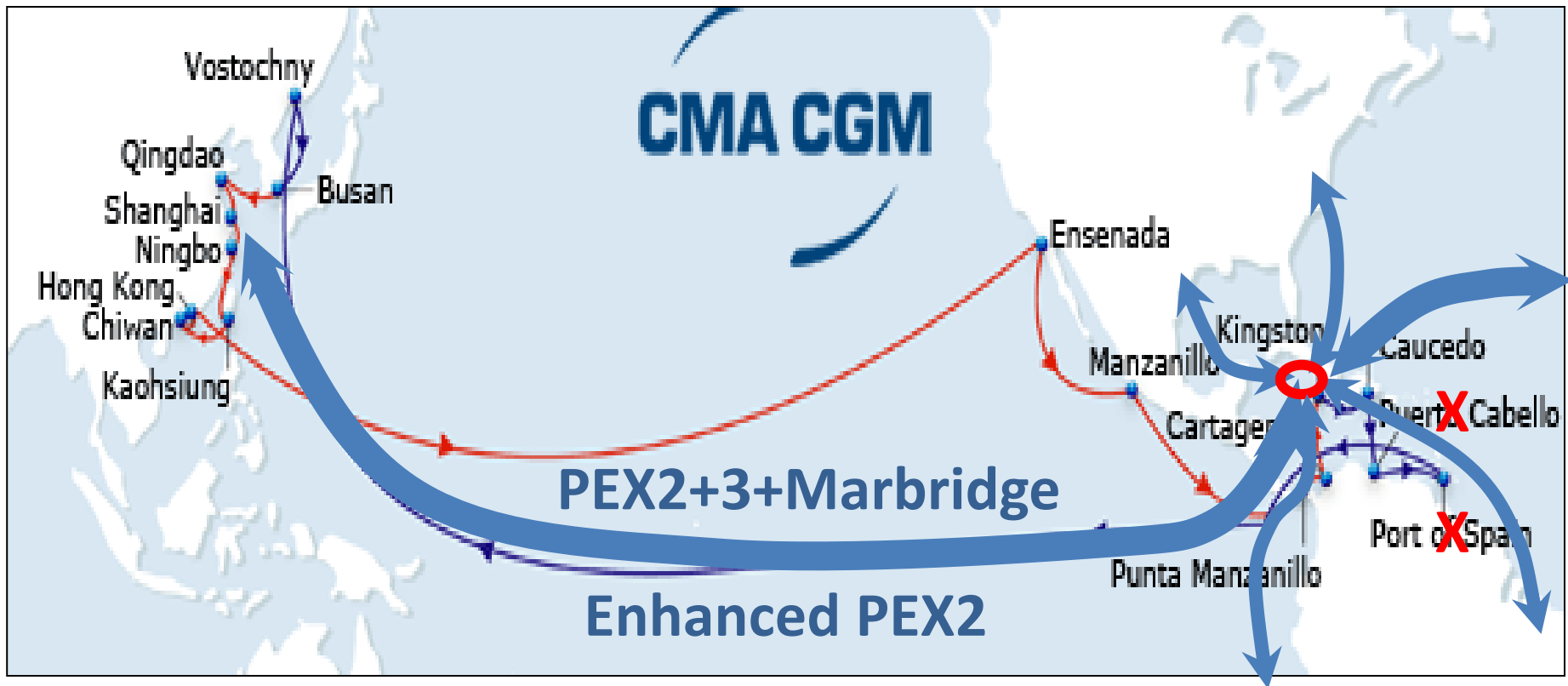
- Worldwide T/S “Freeze” (28 – 30%)?
- Longer Rotations and more Direct Calls (Baltic, Japan, Moin, Mariel, Veracruz, Jacksonville)
- Reason: T/S Cost too High; No Specialized PTP
- **“Standard” Forecasting T/S as % of Total Traffic?**
- “Foot Loose” (Kingston 2011--> 2013 -40%; Augusta?)
- Forecasting: **Scenario-Based** (Feeder / Interline, Carriers’ Service Network, Feeder Range, etc.)

# The Future of CMA-CGM PEX2

Present: 12 x 5,000 TEUs; 15 Ports, 6 Caribbean; 1/Week

2016: 10 x 8,500 TEUs; 10 Ports, 4 Caribbean; 1/Week; T/S+

2020: 8 x 13,500 TEUs; 5 Ports, 2 Caribbean; 3/Week; T/S+++; **PTP -- 2.8 M TEUs/ Service**



# 4th Revolution: Revised & Delayed

- Ships continue to grow (scale economies, new technologies, LNG)
- East/West --MMX 28,000 TEUs; North/South –Triple E 18,000 TEUs
- Alliances expand to North/South and Feeder; “Grey Boxes”
- **Intersection T/S** – “Global Grid”
- Specialized **Automated PTPs** (or Segments)
- T/S -- 50%? HSD already 2 T/S
- “Revised” 4th Revolution will arrive, although with some Delay...

# Port of Charleston 52-ft Channel

**Boston-to-Miami: 1,476 NM : 12 Ports = 134 NM**



Statewide, our ports deliver:

**\$44.8 BILLION**

ANNUAL ECONOMIC IMPACT

**260,800 JOBS**

ACROSS EVERY COUNTY IN SC

# US Flawed Channel Policy

- Federal Financing based on B/C (not financial feasibility); **National Benefits**; Politicized and Cumbersome (15 years for Savannah's channel)
- **T/S** at Foreign Hubs -- **"Abomination"!**
- \$7 Bil. in Deepening and \$3 Bil. Supporting = **\$10 Bil.**
- Design Ship: Suzan Maersk, 1997, 8,000-TEU -- 47 ft.
- Already 9,200 TEU on Suez route, Partially-Loaded and Tide Waiting
- Could handle 13,500-TEU NPX? 18,000-TEU Triple E?
- 2-Stage Process; **T/S unavoidable** -- simply Delayed



**Thank You!**

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