The “Problem” of Transshipment

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Historical Perspective: 4th Revolution

- 1st: Containerization – Ship to Shore
- 2nd: Intermodalism – Ship to Rail
- 3rd: Transshipment – Ship to Ship
- 4th: Service Pattern, AWP vs. AWS, “Global Grid”, Total Connectivity, PTPs, ERTW, Multiple T/S

- Specialized PTP – Critical, T/S Too Expensive, Domestic + Transshipment

- Big Ships induce T/S:
  - Inadequate Ports (“Default” T/S)
  - Service Consolidation (13,500 = 3 x 4,500; 10 → 5 ports)
  - Shorter Rotations / Load Centering (USEC)

- T/S Profound Impact; “Demotion”;

“From Any Place to Every Place”

Ashar 2013
The “Problem” of Transshipment

• 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, Feedering 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

PEX2+3+Marbridge

Enhanced PEX2
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 ing; “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

SCPA; Ashar 2014
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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