# World Trade Services Outlook


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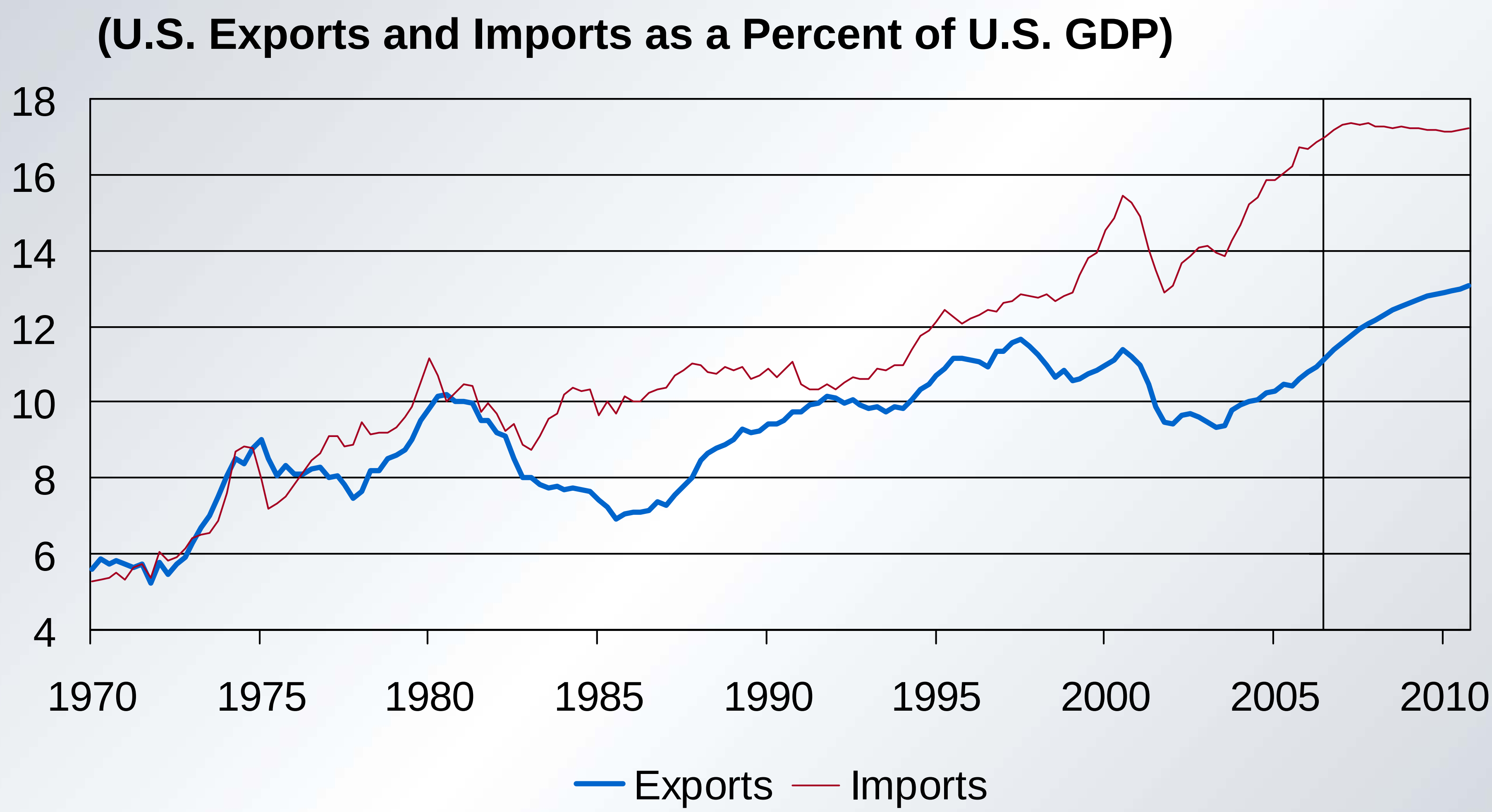
**Global Insight, Inc.**

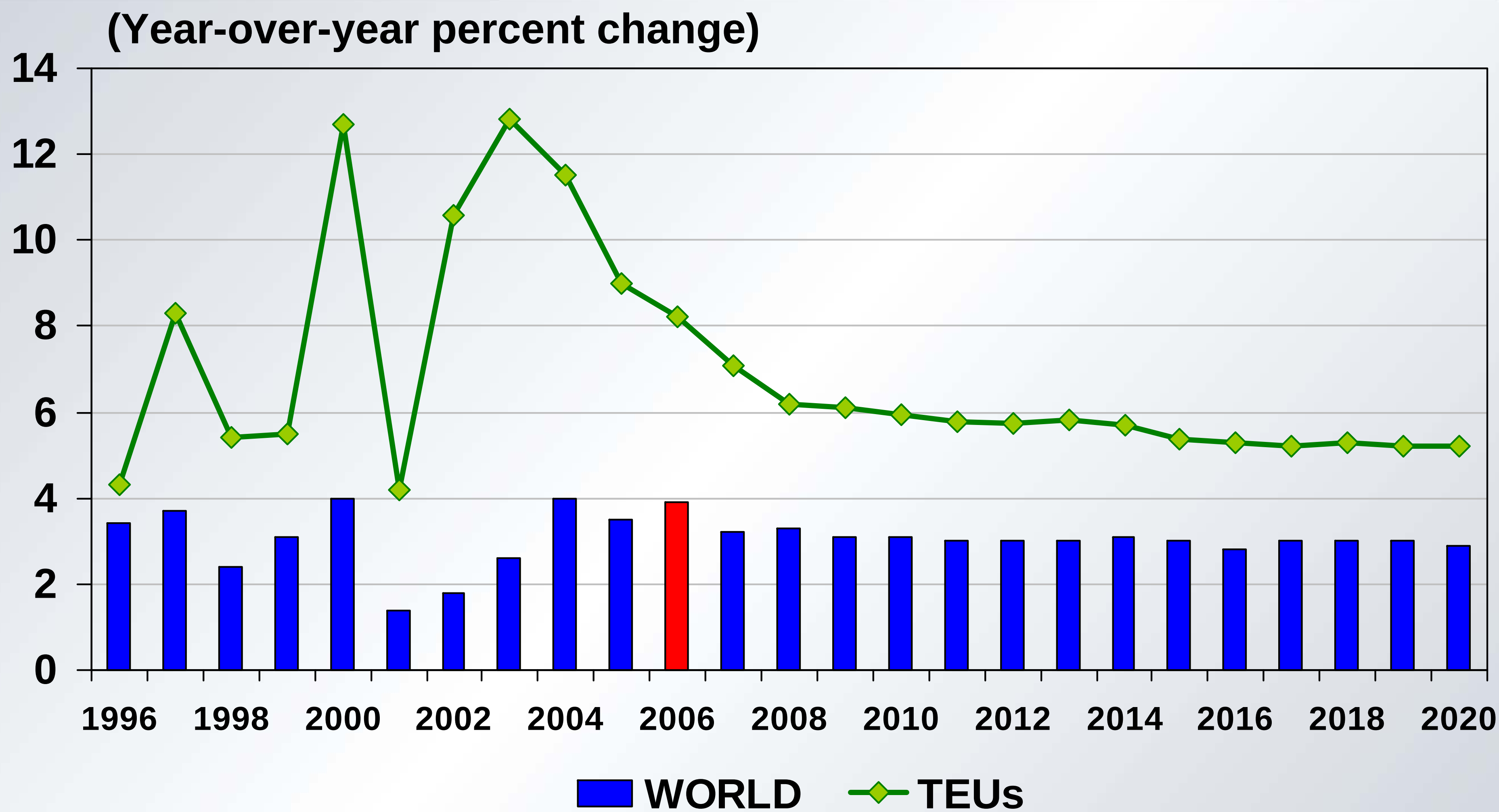

***October 26, 2006***

# Macro View of Trade Confirms Globalization's Long-term Impact on the U.S. Economy




Source: Global Insight World Service

# World Containerized Trade Volume Grows Faster than the World Economy but at Smaller Multiples




Source: Global Insight World Service and World Trade Service

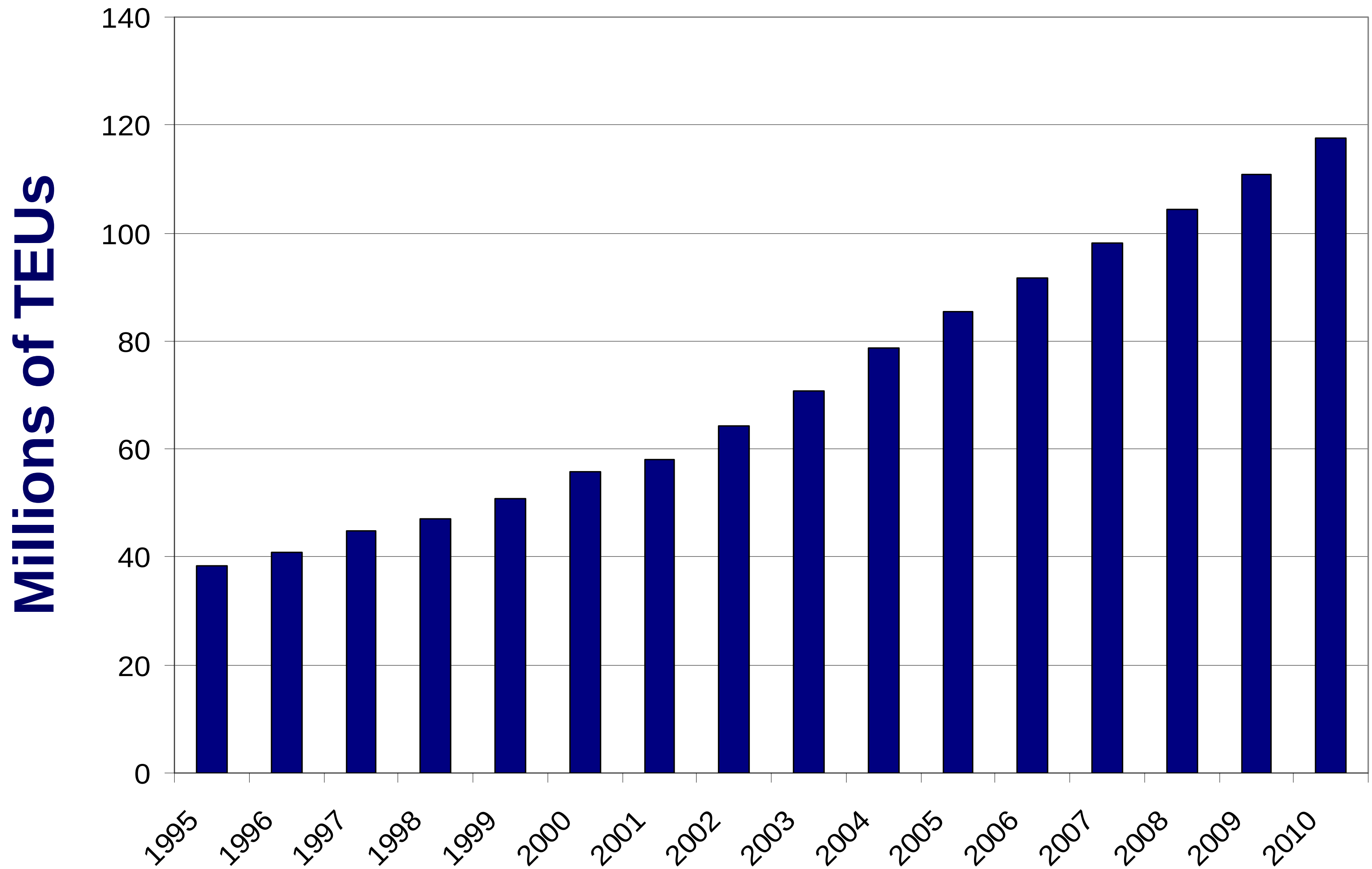
# Maturation / Saturation of Traded Goods Markets Leads to the Slower Growth in Volume Increases

## China's Market Share Penetration of Selected U.S. Import Categories

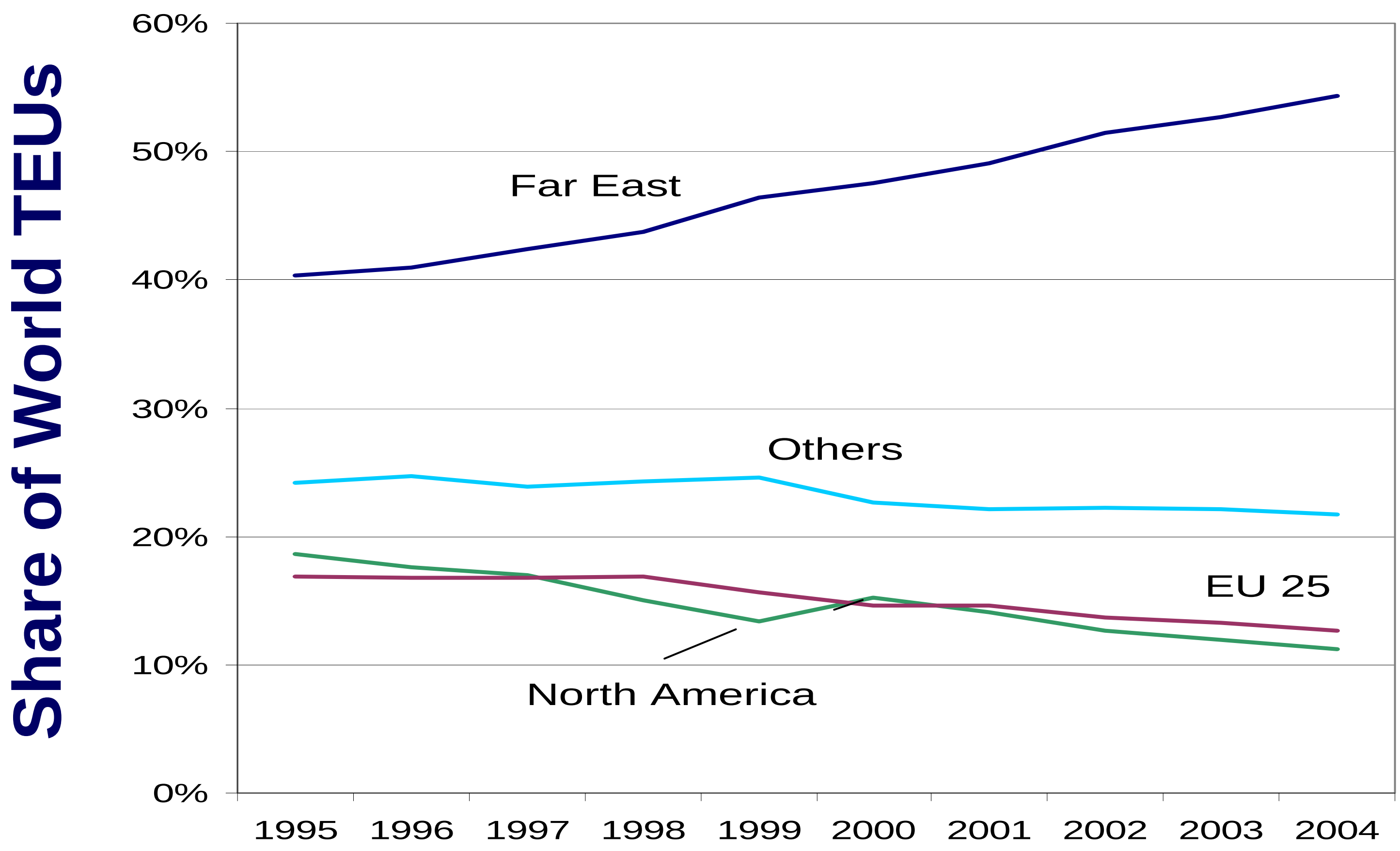
| Market saturation will limit additional growth | TEUs | Value |
|---|---|---|
| Leather and Products | 91% | 56% |
| Footwear | 90% | 73% |
| Other Manufacturing, nes. | 87% | 32% |
| Electrical Appliances and Housewares | 81% | 51% |
| Watches and Clocks | 80% | 49% |
| Motorcycles and Bicycles | 78% | 43% |
| Electrical Apparatus, nec. | 78% | 31% |
| Furniture and Fixtures | 77% | 33% |
| Other Communications Equipment | 76% | 35% |
| Transport Equipment, nec. | 76% | 62% |
| Textiles | 45% | 30% |
| Wearing Apparel | 35% | 35% |

Source: Global Insight World Trade Service

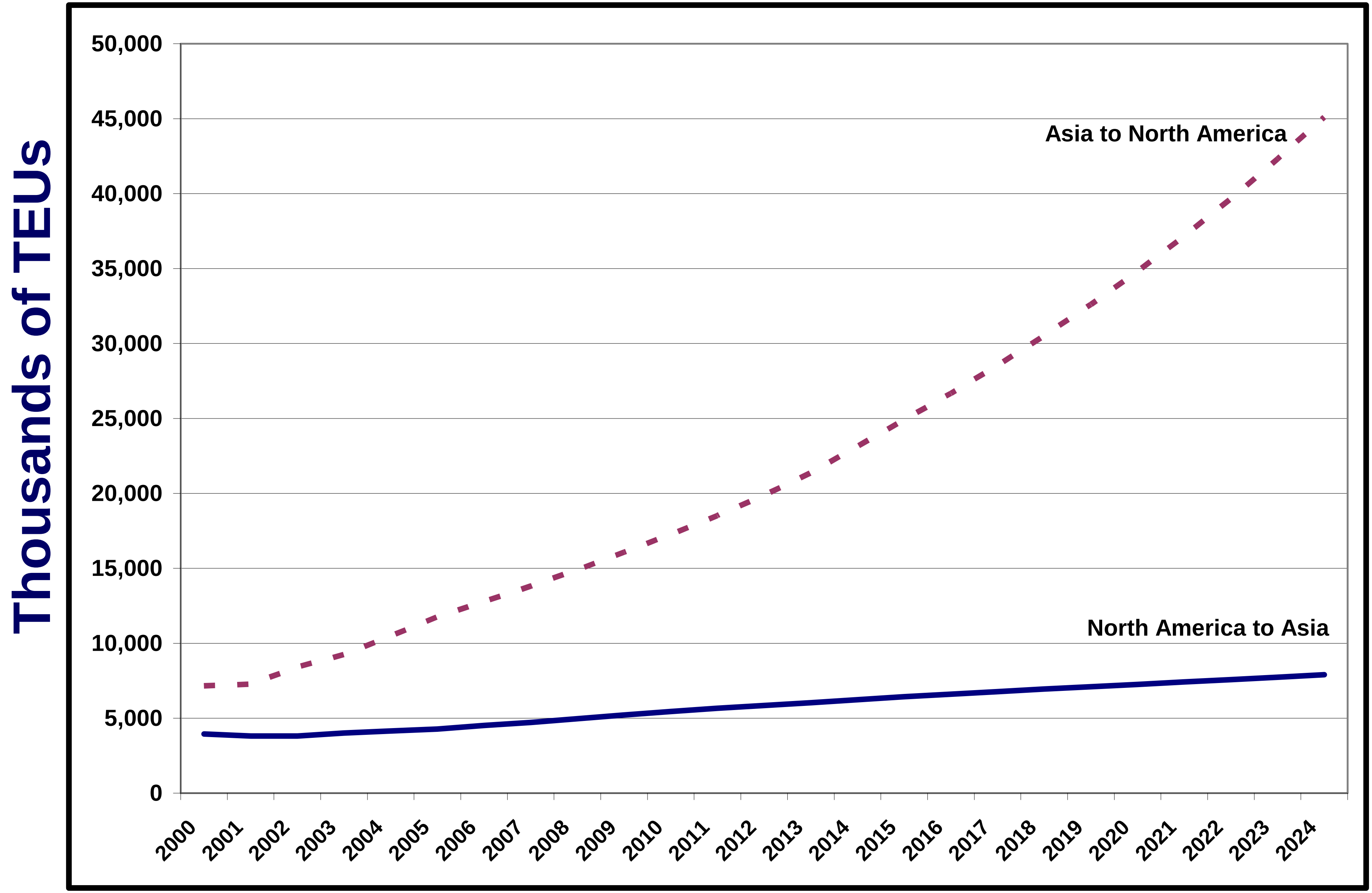
# *Deep Sea Container Trade Volume Will Have Doubled in Just Ten Years From 2000 to 2010*



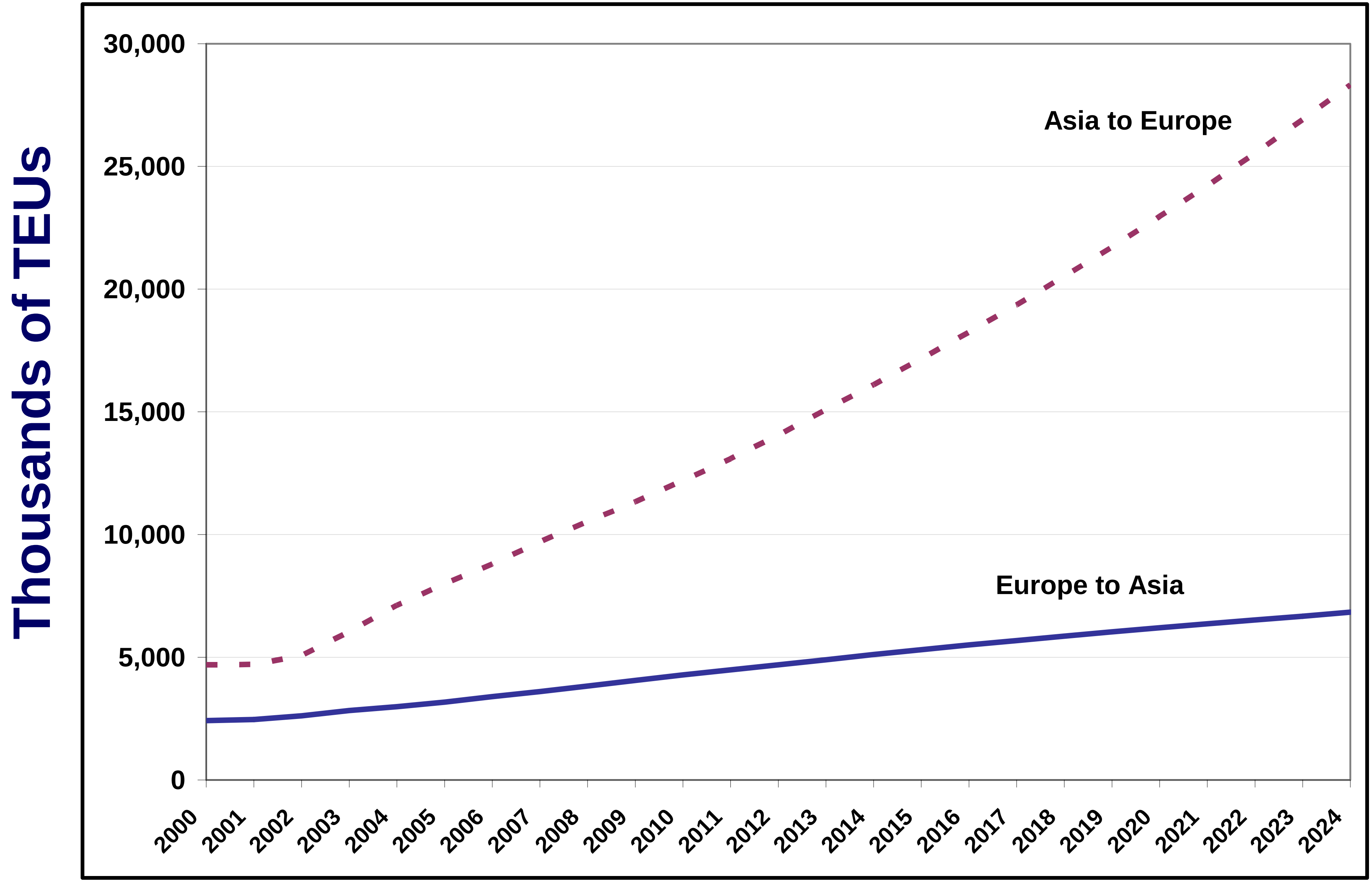
# North America Has Declined in Importance in World Total Container Exports by Region, in TEUs



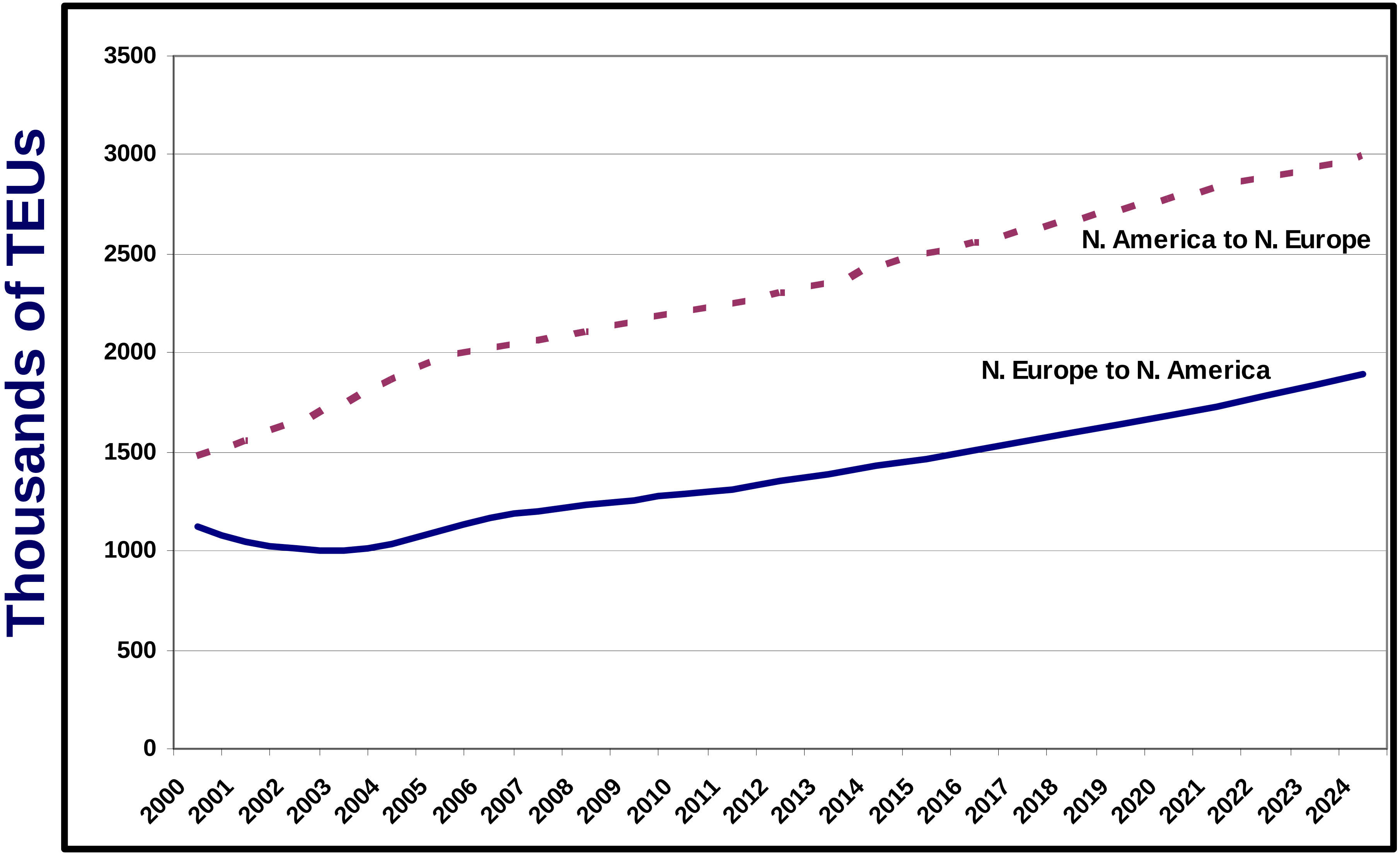
# North American Container Trade with Asia Is Becoming Increasingly Imbalanced



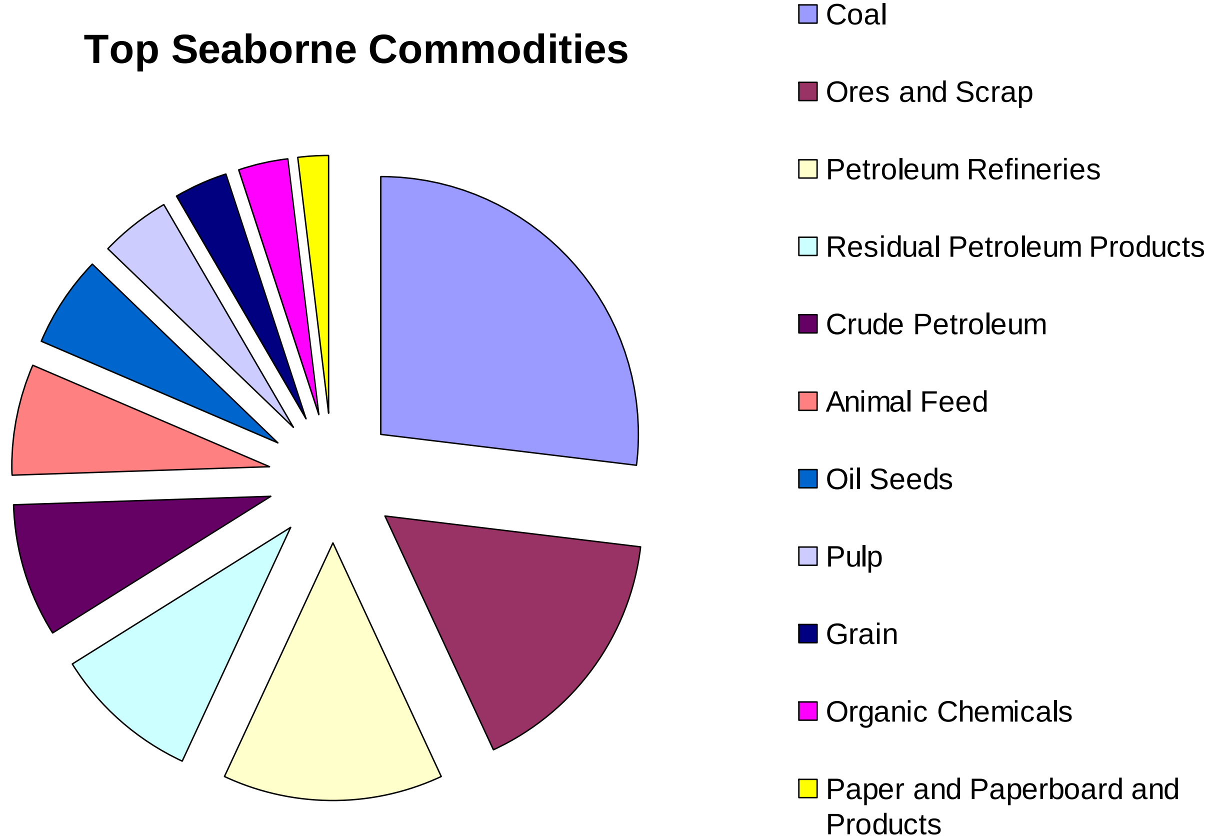
# *European Container Trade with Asia is Also Increasingly Imbalanced*



# North America Container Trade with Northern Europe Imbalance Remains Constant

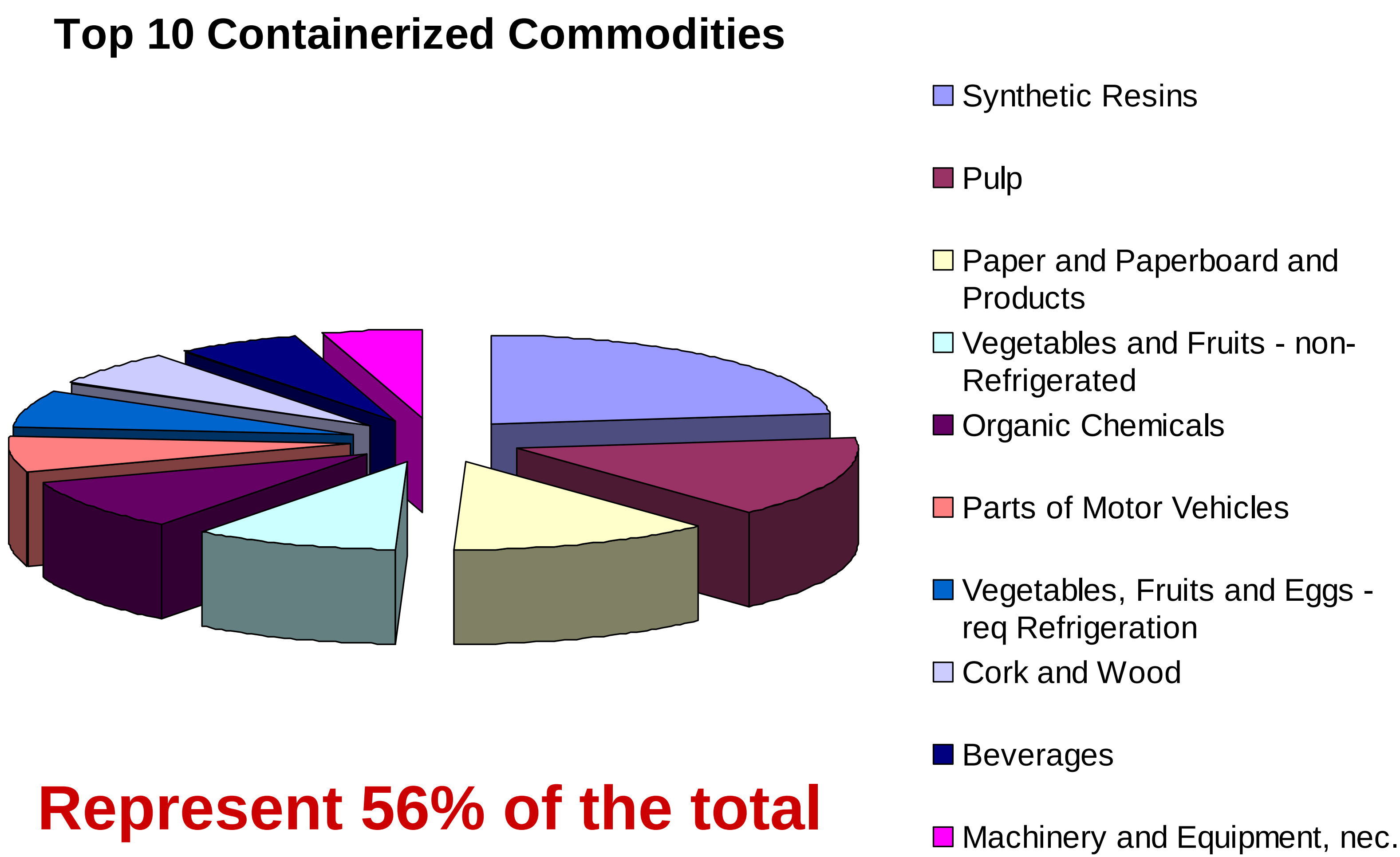


# North American Exports are Dominated by a Few Bulk Commodities, Measured in Weight Terms




**Top 10 Commodities represent over 80% of total**

# North American Exports of Containerized Goods Are Varied by Commodity, Measured in Tons




**Represent 56% of the total**

# World Trade Service - Global Trade Navigator

**Long-term Bilateral World Commodity Trade Forecasting System**

- Covers bilateral trade for the entire world defined by 54 countries and 16 regions
- Trade in 77 separate commodity groups defined using aggregations of international standard industry and commodity classifications
- By mode of transport for air, overland and 4 maritime vessel service types

**Historical Data from Country Customs Merchandise Trade Statistics**

- Value – starting 1980 & Volume in metric tons (+ TEUs for container) starting in 1995

**Forecast**

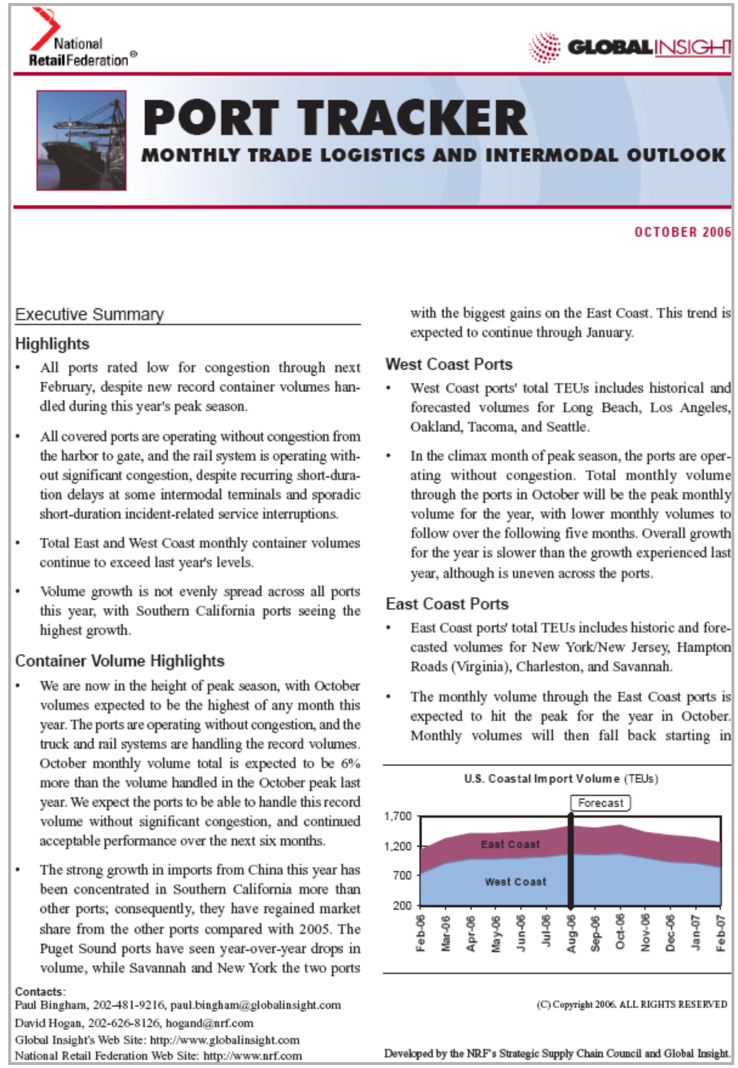
- 20 year annual frequency forecast horizon updated quarterly with macro & industry exogenous forecast inputs from other Global Insight services

**Format of Delivery**

- Ongoing online access through Global Trade Navigator web interface
- Quarterly electronic analysis published in *Trends in World Economics and Trade*
- Custom forecast data files and disaggregations of trade data dimensions

# *Port Tracker:* Port Congestion Monthly Monitoring

- **Produced with the NRF, *Port Tracker* covers nine key North American retail container import ports from a congestion perspective**
- **Forecasts of container volumes out 6 months plus discussion of the congestion outlook and related rail, port trucking and labor issues affecting congestion**
- **Sold by subscription**
- **Delivered electronically**



National Retail Federation®

GLOBAL INSIGHT

PORT TRACKER

MONTHLY TRADE LOGISTICS AND INTERMODAL OUTLOOK

OCTOBER 2006

Executive Summary

Highlights

- All ports rated low for congestion through next February, despite new record container volumes handled during this year's peak season.
- All covered ports are operating without congestion from the harbor to gate, and the rail system is operating without significant congestion, despite recurring short-duration delays at some intermodal terminals and sporadic short-duration incident-related service interruptions.
- Total East and West Coast monthly container volumes continue to exceed last year's levels.
- Volume growth is not evenly spread across all ports this year, with Southern California ports seeing the highest growth.

Container Volume Highlights

- We are now in the height of peak season, with October volumes expected to be the highest of any month this year. The ports are operating without congestion, and the truck and rail systems are handling the record volumes. October monthly volume total is expected to be 6% more than the volume handled in the October peak last year. We expect the ports to be able to handle this record volume without significant congestion, and continued acceptable performance over the next six months.
- The strong growth in imports from China this year has been concentrated in Southern California more than other ports; consequently, they have regained market share from the other ports compared with 2005. The Puget Sound ports have seen year-over-year drops in volume, while Savannah and New York the two ports with the biggest gains on the East Coast. This trend is expected to continue through January.

West Coast Ports

- West Coast ports' total TEUs includes historical and forecasted volumes for Long Beach, Los Angeles, Oakland, Tacoma, and Seattle.
- In the climax month of peak season, the ports are operating without congestion. Total monthly volume through the ports in October will be the peak monthly volume for the year, with lower monthly volumes to follow over the following five months. Overall growth for the year is slower than the growth experienced last year, although is uneven across the ports.

East Coast Ports

- East Coast ports' total TEUs includes historic and forecasted volumes for New York/New Jersey, Hampton Roads (Virginia), Charleston, and Savannah.
- The monthly volume through the East Coast ports is expected to hit the peak for the year in October. Monthly volumes will then fall back starting in



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Developed by the NRF's Strategic Supply Chain Council and Global Insight.

# New Quarterly N. American Port Forecasts

For use in port planning, maritime vessel service management and international intermodal analysis, a new quarterly North American port forecasting service is under development

Initially, this service will provide port-specific container volume forecasts with a 6 quarter (18 month) forecast horizon, updated quarterly

Ports covered include: Baltimore, Boston, Charleston, Hampton Roads, Houston, Jacksonville, Los Angeles/Long Beach, Miami, New Orleans, New York, Oakland, Portland, Savannah, Seattle, Tacoma, Vancouver BC

Available with World Trade Service subscription or separately

# Q & A

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