

ECONOMIC ANALYSIS OF ALL-WATER ROUTE

Study Release

Message from
Chairman of the
Florida Ports Council



Juan M. Kuryla,
PortMiami Director
and CEO

"Shipper's now have a new option to move freight between Mexico and the United States, an all-water route. There is an opportunity for ocean services on routes connecting the U.S. to ports in Mexico such as Veracruz, Altamira, Morelos, Tampico, Yucatán and others, particularly connections to Florida ports. An All-Water Route Mexico-US via Florida ports is a fast, safe and cost effective way to move cargo."

BENEFITS OF USING FLORIDA PORTS VS. OVERLAND TRUCK TO SERVE THE MEXICO-FLORIDA TRADE ROUTE



Imports from Mexico into the U.S. have grown at **annual rate of 6.8%** since 2008, and imports from Mexico into Florida have grown at **8.9% annually since 2008**



Florida Market is currently served by truck and rail, with **truck carrying 97%** of current imported value moving by land modes

Florida ports have an opportunity to leverage new and expanding ocean carrier service from Mexico to serve the Florida Market:

Total logistics cost savings

Eliminate congestion and associated costs, as well as documentation and interchange of equipment at surface border crossings

Security

Minimize uncertainty as to timeliness of cross border transactions

Time of transit savings

Minimize impact of the ELD requirements on tuckers hauling containers from Texas border crossings to Florida consumption markets

Maximize FEC relationship with GrupoMexico to serve key consumption markets and distribution center concentrations within Florida

Use of Florida ports provide 3 day savings in transit time and total logistics cost savings over a truck routing from Mexico ranging from:

\$1,200-\$1,900 per container for the South Florida market
\$500-\$1,200 per container for the Orlando and Lakeland markets

South Florida Market

	MEXICAN TRUCK TO PORT VS. BORDER			WATER SERVICE* VS ALL TRUCK			INVENTORY CARRYING COST		TOTAL LOGISTICS COST SAVINGS		
	COST	COST	TIME	COST	COST	TIME	COST	COST	COST	COST	TIME
	70%	30%		70%	30%		70%	30%	70%	30%	
	EMPTY	EMPTY		EMPTY	EMPTY		EMPTY	EMPTY	EMPTY	EMPTY	
EMPTY VESSEL UTILIZATION	RETURN	RETURN	DAYS	RETURN	RETURN	DAYS	RETURN	RETURN	RETURN	RETURN	DAYS
VIA FLORIDA PORTS	\$1,900	\$1,900	1.9	\$2,800	\$2,100	3.3	\$400	\$400	\$5,100	\$4,400	5.2
ALL TRUCK	\$2,300	\$2,300	2.4	\$3,400	\$3,400	5.6	\$600	\$600	\$6,300	\$6,300	8
SAVINGS VIA FLORIDA PORTS	\$400	\$400	0.5	\$600	\$1,300	2.3	\$200	\$200	\$1,200	\$1,900	2.8

Orlando Market

	MEXICAN TRUCK TO PORT VS. BORDER			WATER SERVICE* VS ALL TRUCK			INVENTORY CARRYING COST		TOTAL LOGISTICS COST SAVINGS		
	COST	COST	TIME	COST	COST	TIME	COST	COST	COST	COST	TIME
	70%	30%		70%	30%		70%	30%	70%	30%	
	EMPTY	EMPTY		EMPTY	EMPTY		EMPTY	EMPTY	EMPTY	EMPTY	
EMPTY VESSEL UTILIZATION	RETURN	RETURN	DAYS	RETURN	RETURN	DAYS	RETURN	RETURN	RETURN	RETURN	DAYS
VIA FLORIDA PORTS	\$1,900	\$1,900	1.9	\$3,000	\$2,300	3.3	\$400	\$400	\$5,300	\$4,600	5.2
ALL TRUCK	\$2,300	\$2,300	2.4	\$2,900	\$2,900	5.6	\$600	\$600	\$5,800	\$5,800	8
SAVINGS VIA FLORIDA PORTS	\$400	\$400	0.5	\$600	\$1,300	2.3	\$200	\$200	\$500	\$1,200	2.8

*Water Service includes terminal charges, ocean freight, inland truck or rail cost move from Florida ports to consumption point. All truck includes border crossing time.