

US-CHINA CONTAINER TRADE: *Trends and Forecasts*

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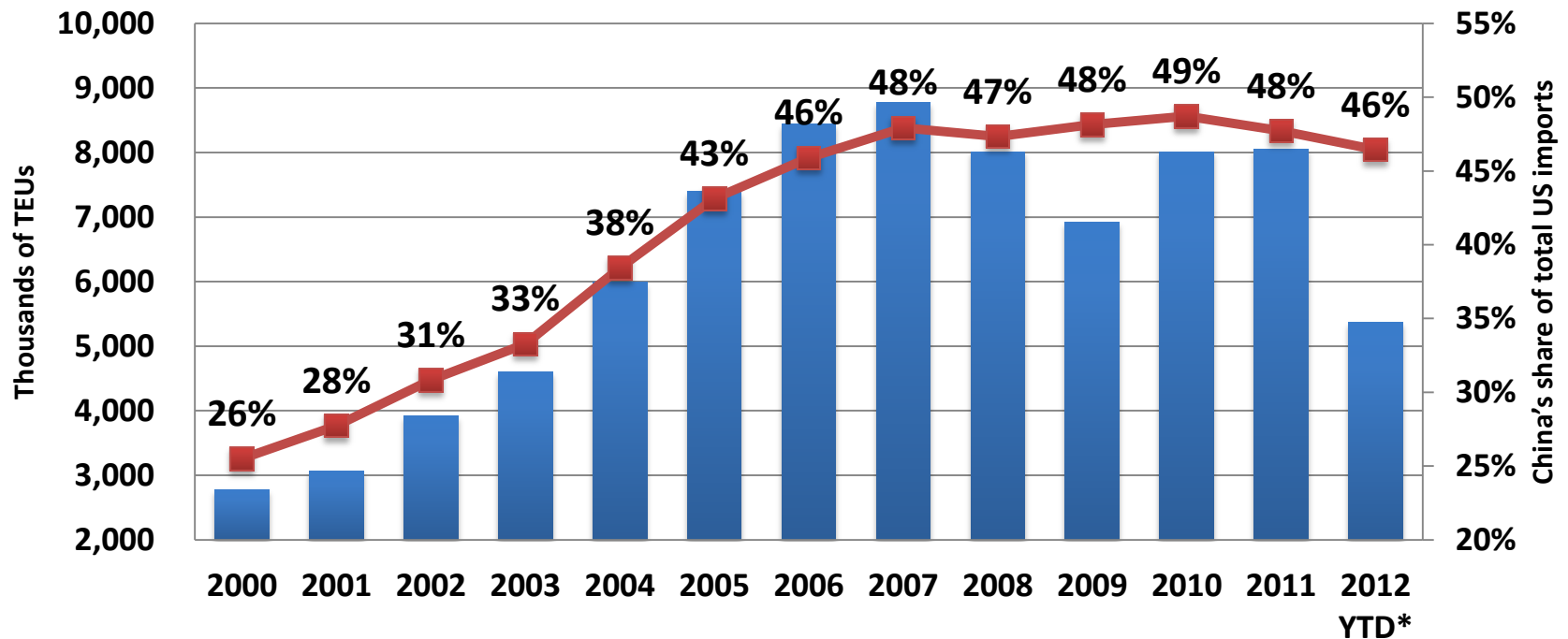
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Commodity Trends, Ports Traffic, Projections

CHINA – US TRADE

CHINA – US CONTAINERIZED TRADE

TEU Volume and China's Share of Total US Imports

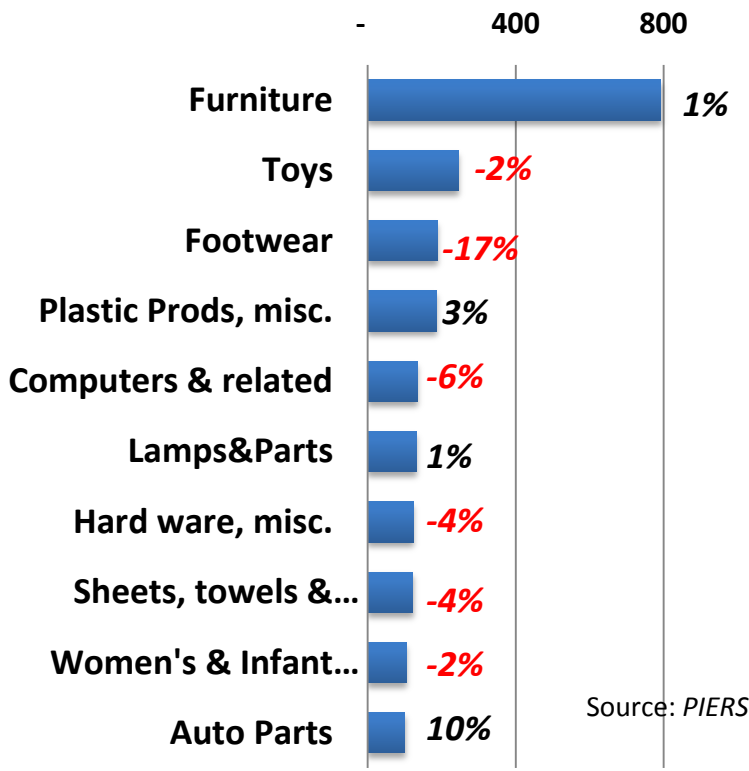


Source: *PIERS*.

*Year to date figures through August

■ TEUs ■ China's share

Top US Imports from China *In Thousands of TEUs*



Source: PIERS

- ✓ Largest import: furniture
 - Housing market in modest recovery; stubbornly slow progress in employment
- ✓ Fastest growing commodity: Auto Parts
- ✓ Cautious US consumer
 - High saving ratio; fiscal cliff issue

Vietnam and Malaysia gaining sourcing share

Top Suppliers	2012 (In TEUs)	% Change Over 2011	2012 Sourcing Share	Difference from 2011
China	610,276	0.9%	68.3%	-2.7%
Vietnam	102,035	27.0%	11.4%	2.0%
Malaysia	36,616	19.7%	4.1%	0.5%
Indonesia	26,448	16.7%	3.0%	0.3%
Taiwan	21,590	14.2%	2.4%	0.2%
Italy	13,030	20.6%	1.5%	0.2%
Poland	11,238	-5.4%	1.3%	-0.1%
Thailand	7,684	-28.6%	0.9%	-0.4%
Hong Kong	7,414	-9.5%	0.8%	-0.1%
India	6,908	28.9%	0.8%	0.1%
Total	893,639	4.8%		

Source: *PIERS*. Data is from January through August.

TOP SUPPLIERS OF APPAREL* TO U.S.

Vietnam and Central America gaining more sourcing share than China

Top Suppliers	2012 (In TEUs)	% Change Over 2011	2012 Sourcing Share	Difference from 2011
China	94,007	-4.6%	31.5%	1.1%
Vietnam	35,914	2.1%	12.0%	1.2%
Bangladesh	22,837	-18.9%	7.7%	-1.0%
Indonesia	22,587	-5.9%	7.6%	0.2%
Hong Kong	19,668	-15.9%	6.6%	-0.6%
Cambodia	15,446	-4.6%	5.2%	0.2%
India	10,848	-18.2%	3.6%	-0.5%
Honduras	10,458	4.4%	3.5%	0.4%
El Salvador	8,293	13.2%	2.8%	0.5%
Guatemala	7,533	-15.2%	2.5%	-0.2%
Total	298,089	-7.8%		

Source: *PIERS*. Data is from January through August. *Apparel includes menswear, women's & infant wear.

Vietnam gaining sourcing share

Top Suppliers	2012 (In TEUs)	% Change Over 2011	2012 Sourcing Share	Difference from 2011
China	136,702	-14.7%	70.7%	-2.5%
Hong Kong	19,178	-18.3%	9.9%	-0.8%
Vietnam	18,950	12.7%	9.8%	2.1%
Indonesia	8,238	-3.1%	4.3%	0.4%
Brazil	1,585	17.3%	0.8%	0.2%
India	1,356	7.0%	0.7%	0.1%
Dominican Rep	1,024	2.4%	0.5%	0.1%
Italy	954	7.1%	0.5%	0.1%
Taiwan	936	-12.1%	0.5%	0.0%
Honduras	750	166.0%	0.4%	0.3%
Total	193,343	-11.7%		

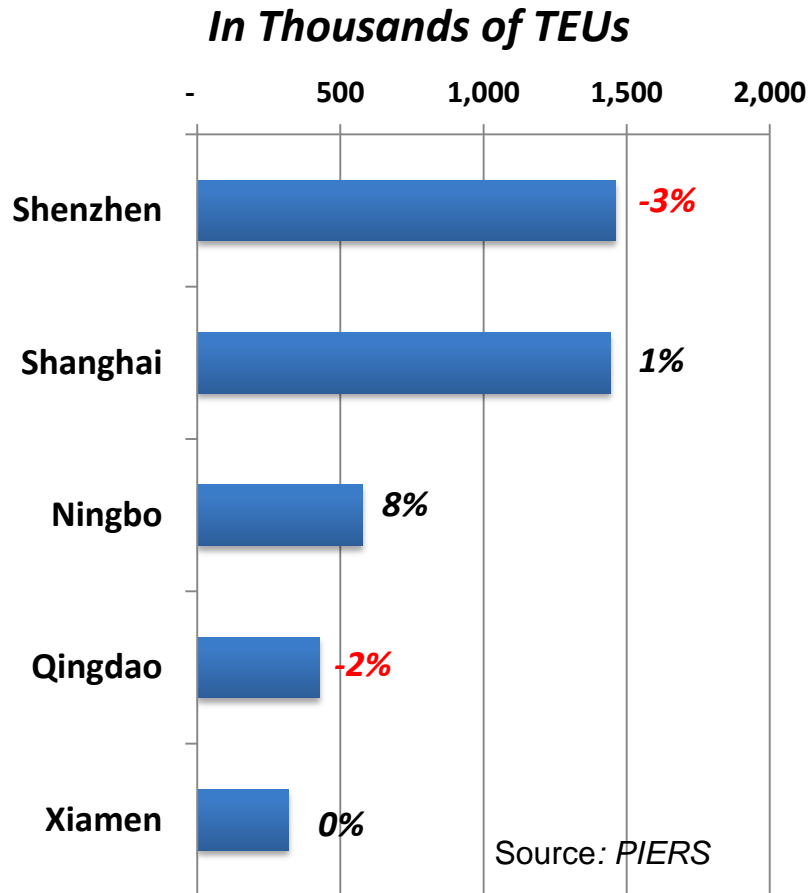
Source: *PIERS*. Data is from January through August.

Auto parts shipments from China growing, not enough to hold share

Top Suppliers	2012 (In TEUs)	% Change Over 2011	2012 Sourcing Share	Difference from 2011
Japan	115,315	22.0%	23.9%	0.8%
China	100,540	9.8%	20.8%	-1.5%
Korea	72,803	19.4%	15.1%	0.2%
Germany	60,390	30.5%	12.5%	1.2%
Taiwan	43,418	3.9%	9.0%	-1.2%
India	9,416	18.2%	1.9%	0.0%
Brazil	8,432	0.3%	1.7%	-0.3%
Italy	7,749	48.3%	1.6%	0.3%
Netherlands	6,358	43.9%	1.3%	0.2%
Belgium	5,233	18.2%	1.1%	0.0%
Total	483,068	17.8%		

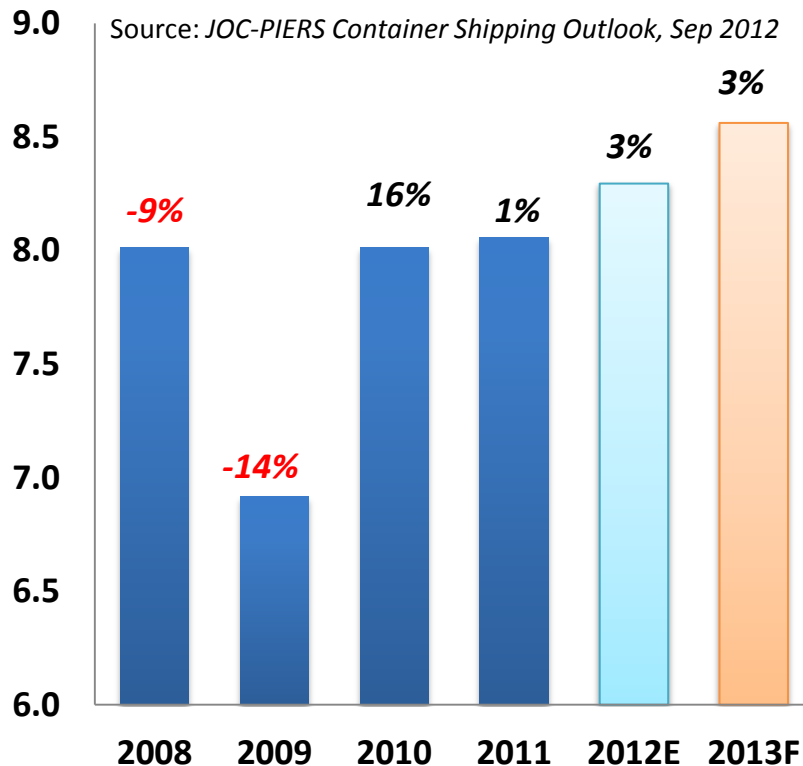
Source: *PIERS*. Data is from January through August.

FASTEST GROWING CHINESE PORTS IN CHINA – US TRADE



- ✓ Shenzhen → furniture; toys; lamps & parts; footwear
- ✓ Shanghai → furniture; sheets, towels & blankets; women's & infant wear; miscellaneous hardware

China – US Trade: Forecast *In Millions of TEUs*



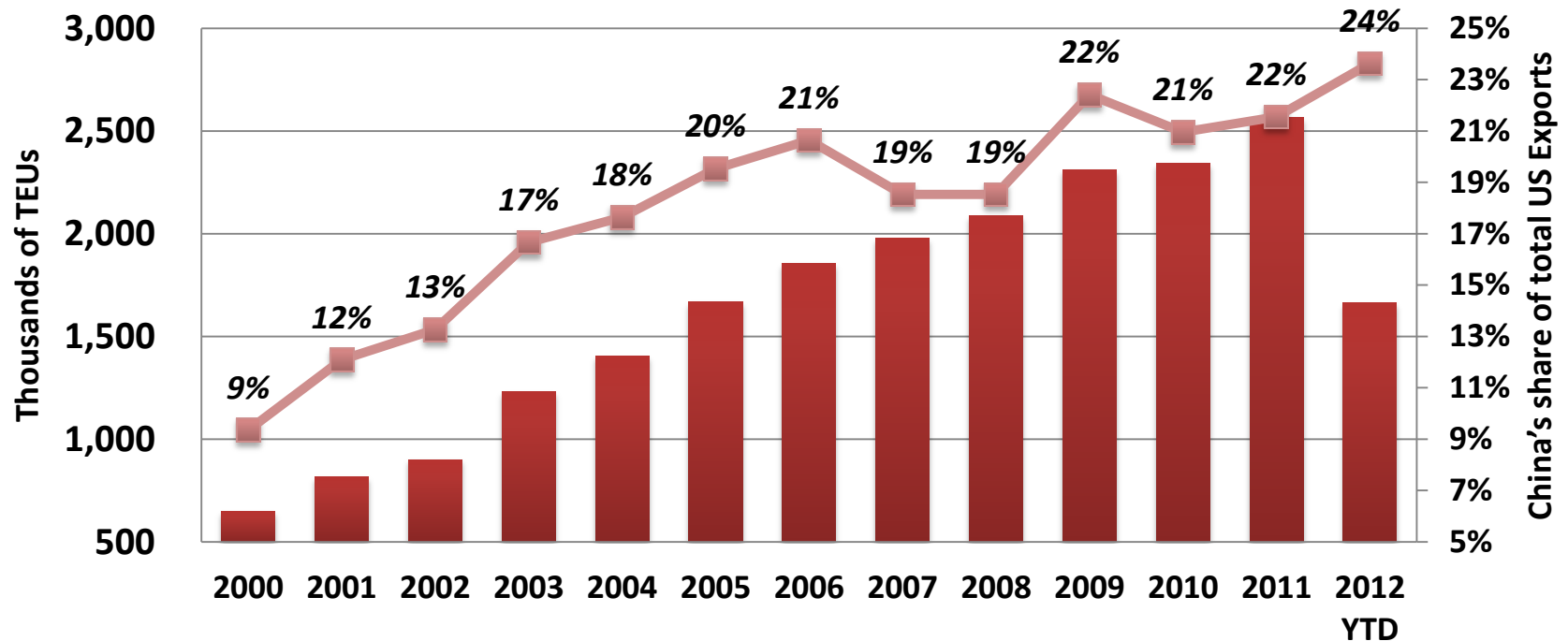
- ✓ U.S. income growth projected to weaken further
- ✓ Modest recovery for housing market, major driver of furniture
- ✓ Long-term appreciation of Yuan interrupted
- ✓ Trade disputes

Fast growing commodities, Ports traffic, Projections

US – CHINA TRADE

US – CHINA CONTAINERIZED TRADE

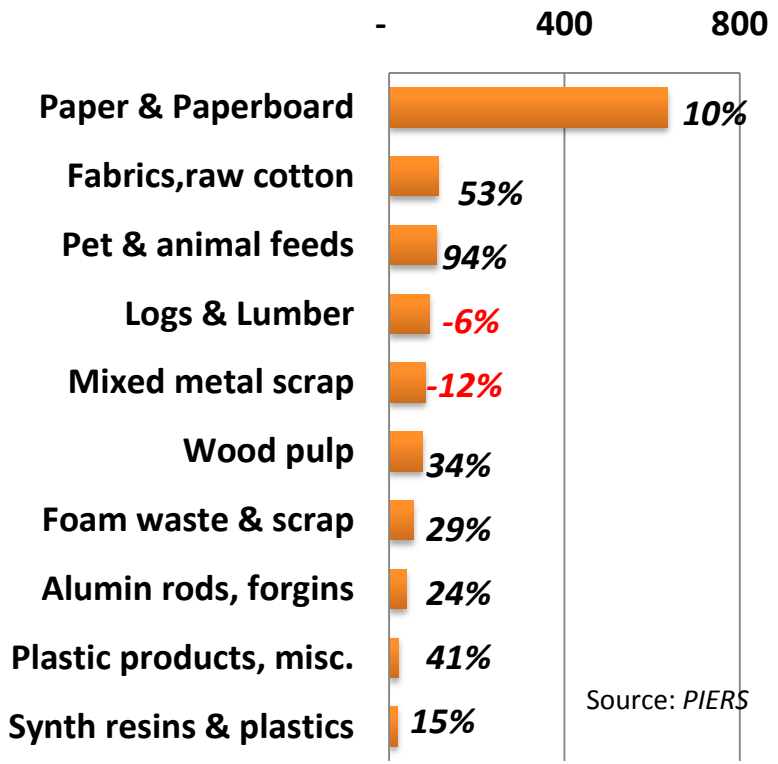
TEU Volume and China's Share of Total US Exports



Source: *PIERS*.
Year to date figures through July

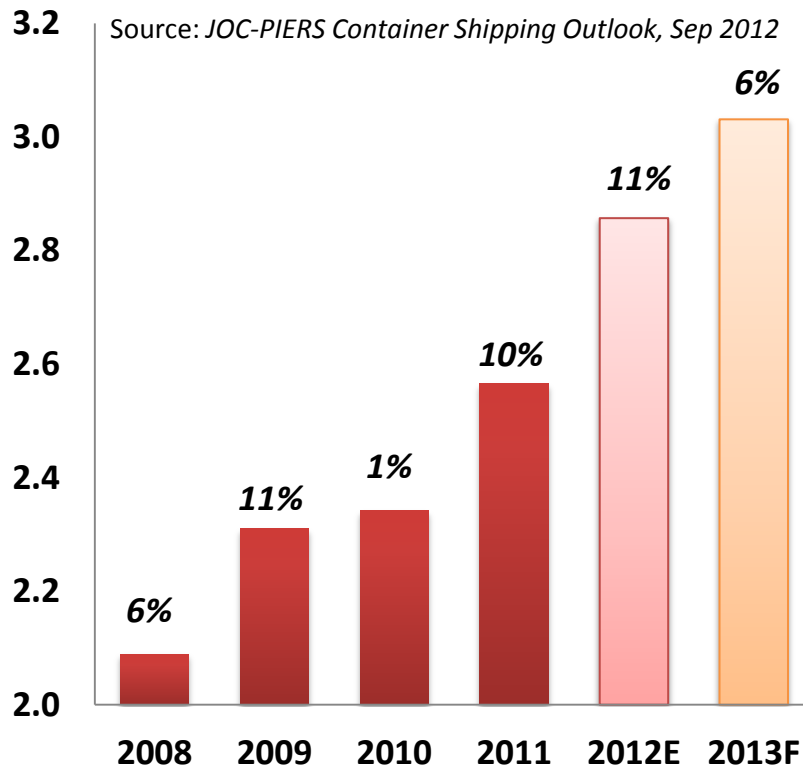
■ TEUs ■ China's share

Top US Exports to China *In Thousands of TEUs*



- ✓ Largest export: Paper, paperboard
- ✓ Fastest growing commodity: Pet & Animal Feeds
 - Antidumping probe on US DDGs dropped
- ✓ Reefer goods

US – China Trade: Forecast *In Millions of TEUs*



- ✓ Growth in outbound trade to China to decelerate somewhat over next year
- ✓ Global demand slowdown causing Chinese industrial output to slow
- ✓ Yuan – US Dollar average exchange rate at 6.3 in 2013, merely unchanged from 2012 average (EIU)

➤ ***China – US container trade***

- ✓ China is major supplier of furniture, apparel, footwear, and auto parts, but other developing economies are looming
- ✓ Shenzhen and Shanghai are the two ports handling the major goods shipments to the US
- ✓ China – US containerized trade expected to grow modestly in 2013

➤ ***US – China container trade***

- ✓ US exports key raw materials, and reefer goods
- ✓ Shanghai and Shenzhen handling most US shipments
- ✓ US – China containerized trade expected to somewhat decelerate in 2013 on soft global demand

THANK YOU!!

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