

# GLOBAL TRADE & TRANSPORTATION SEMINAR

8 OCTOBER 2008 • HARVARD CLUB OF NEW YORK CITY • NEW YORK, NY

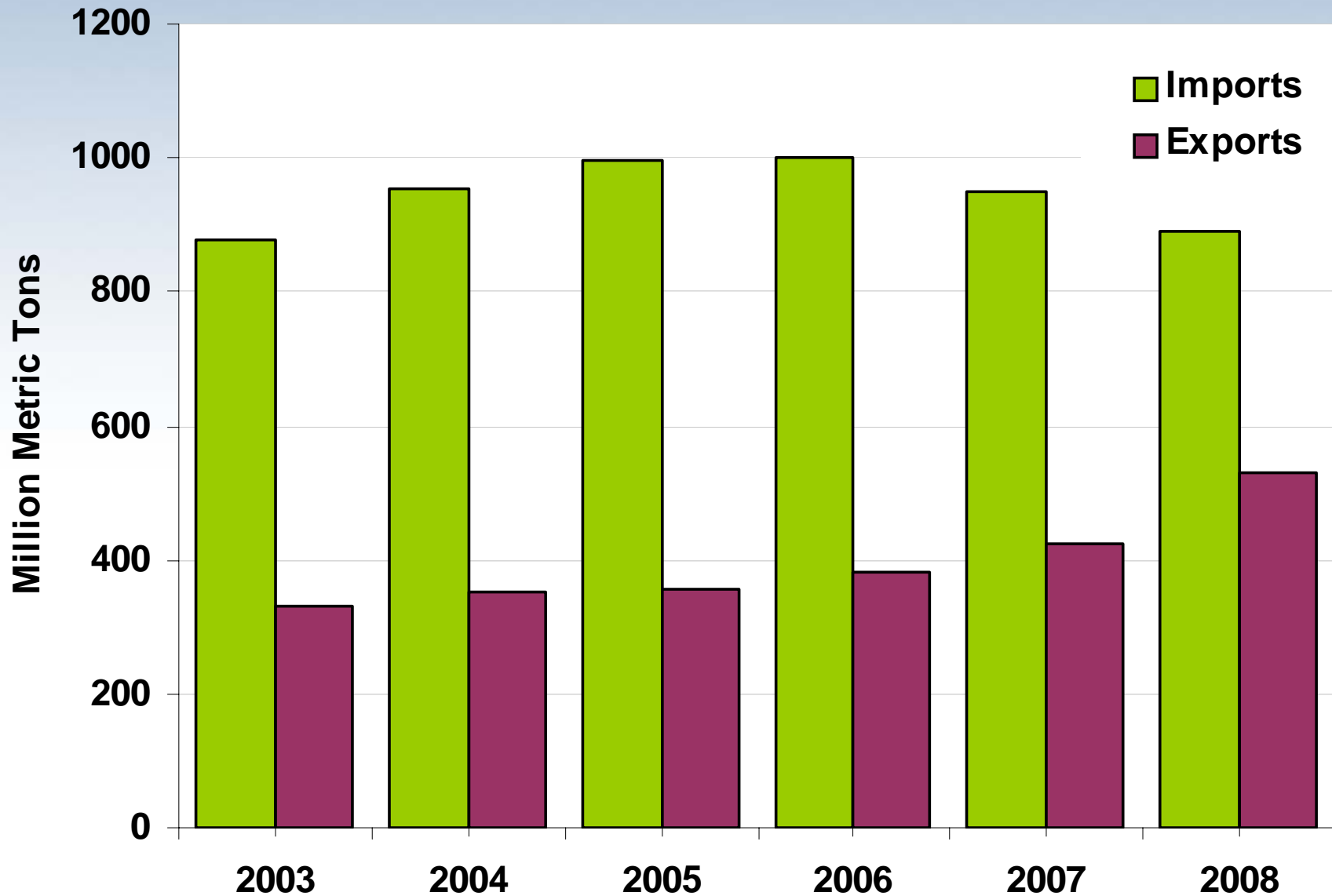


## Exchange Rate Impact on U.S. Maritime Trade

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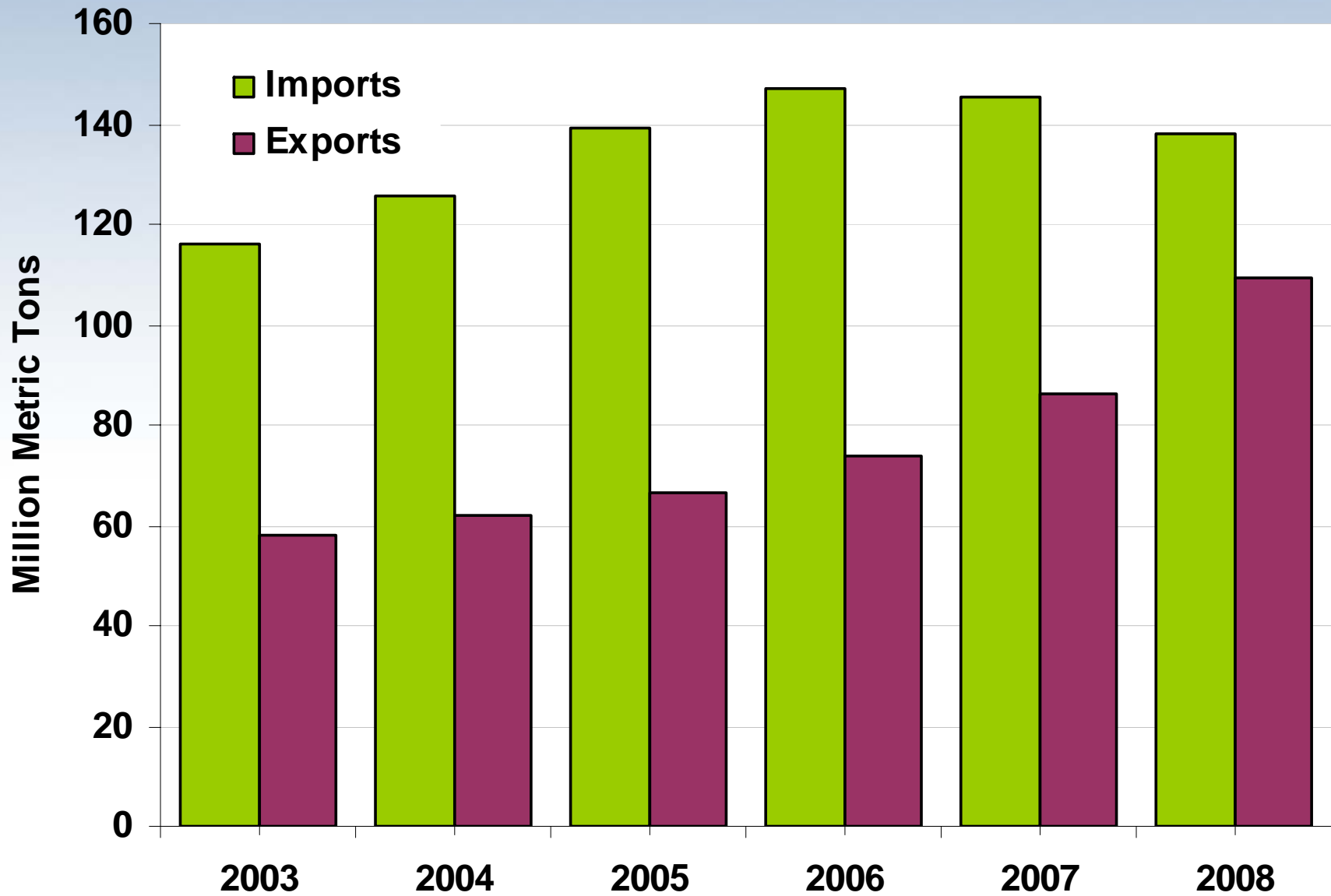


# U.S. Maritime Trade – *Narrowing Gap between Imports & Exports*



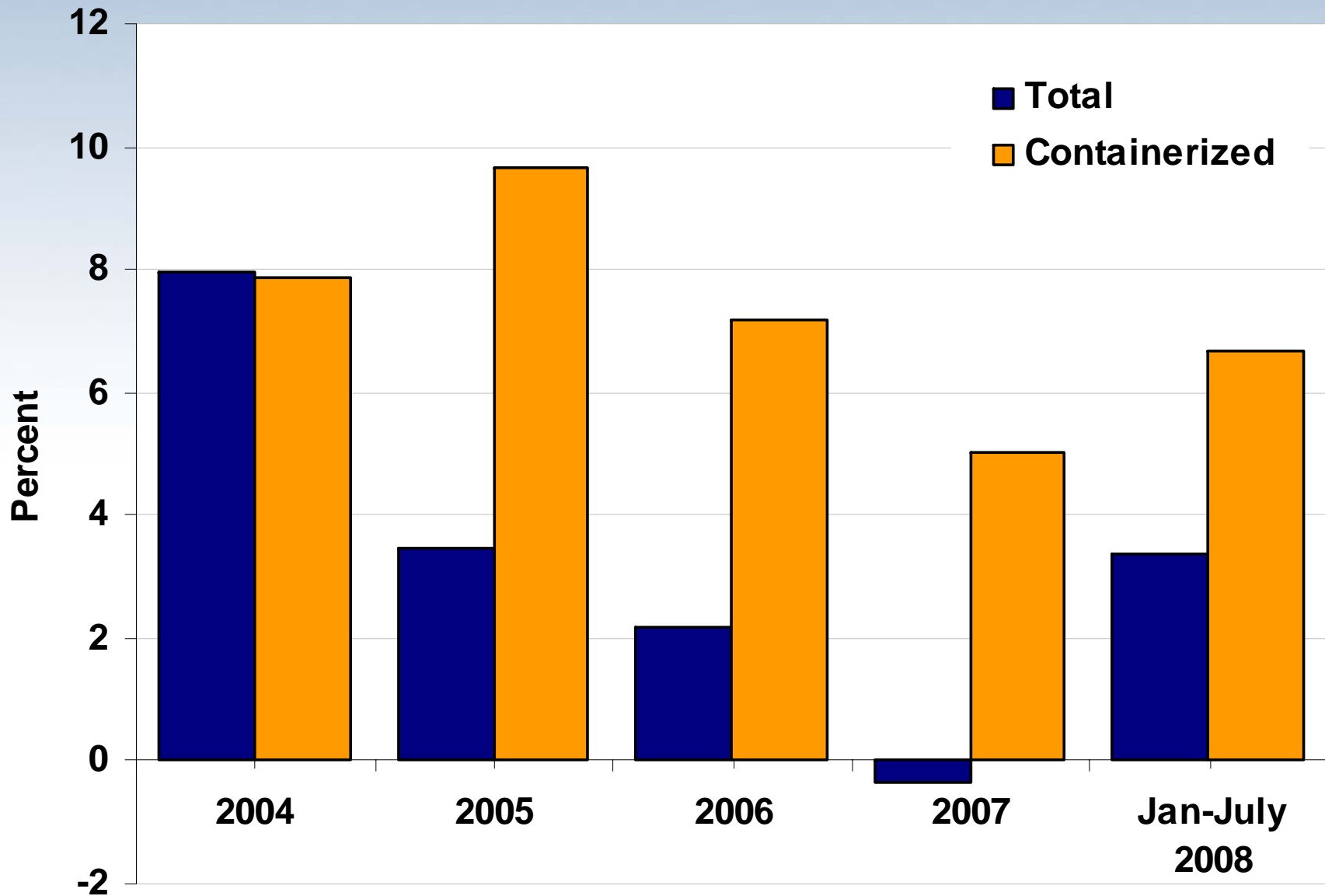


# U.S. Containerized Maritime Trade





# Trade Volume Growth Rate – Recovery in 2008





## Depreciation Stimulated Exports & Suppressed Imports

- **U.S. dollar depreciated 22% in 2003Q1 – 2008Q2**
- **Sharp acceleration of export growth this year occurred despite the worsening of economic conditions in many key trading partners**

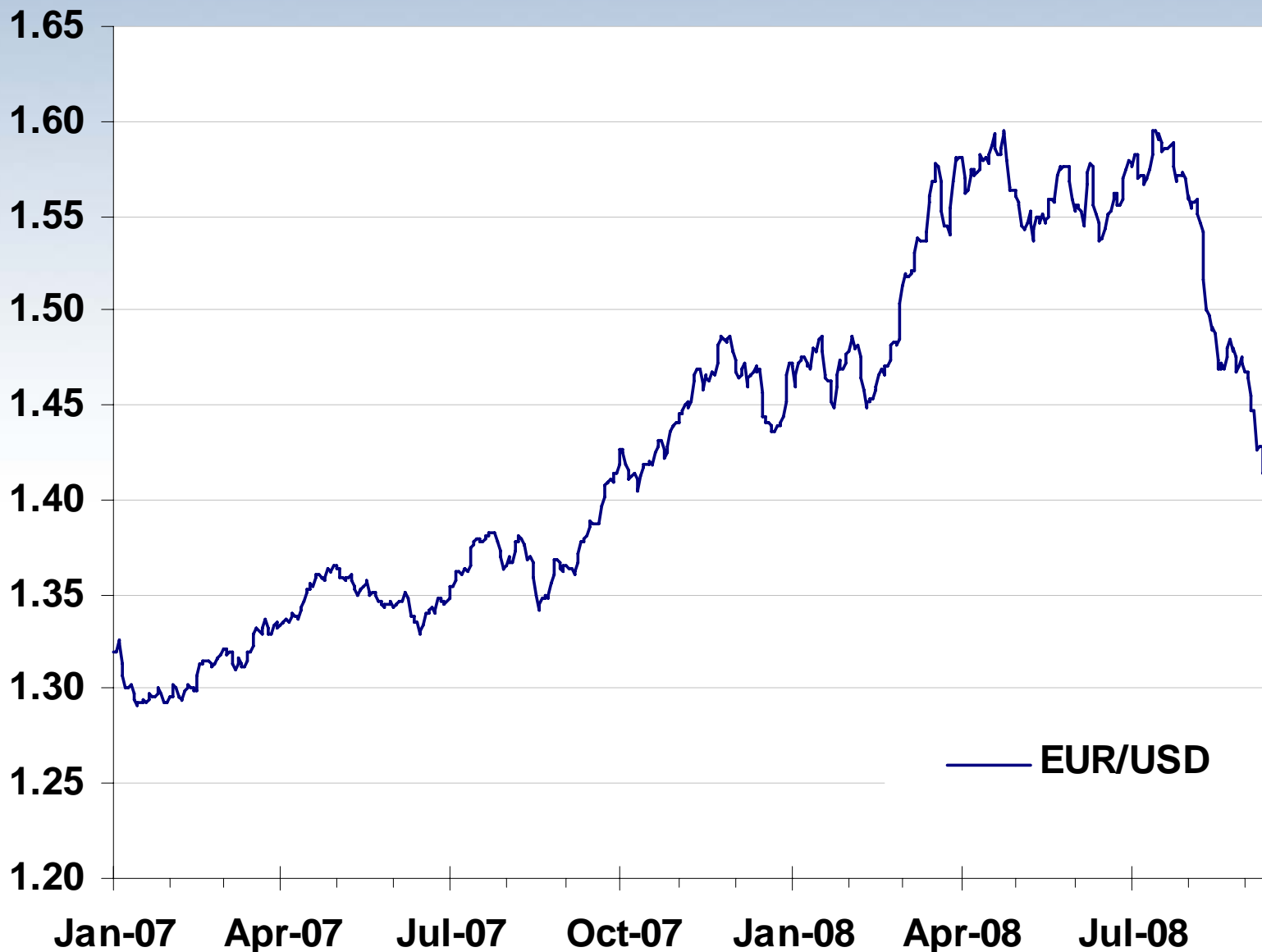


## Assessment of Exchange Rate Impact

- **Non-containerized exports — very strong**
- **Containerized exports — strong**
- **Containerized imports — strong**
- **Non-containerized imports — weak**



# U.S. Dollar per Euro – Dollar Rebounded



— EUR/USD



# The Dollar Bottomed Out Versus Most Currencies

LCU per US Dollar			
	2007	2008	2009
<b>Brazil</b>	1.95	1.68	1.80
<b>Canada</b>	1.07	1.03	1.04
<b>China</b>	7.61	6.94	6.61
<b>Eurozone</b>	0.73	0.66	0.68
<b>India</b>	41.35	42.17	43.67
<b>Japan</b>	117.78	105.66	101.79
<b>Mexico</b>	10.93	10.52	10.77
<b>South Korea</b>	929.58	1035.12	1055.34
<b>Taiwan</b>	32.92	31.25	30.99
<b>United Kingdom</b>	0.50	0.52	0.57

**The dollar's appreciation may help imports and suppress export growth.**



# GDP Growth Is Slowing in Key Export Destinations

## Real GDP Growth Rates, %

	2007	2008	2009
<b>Brazil</b>	5.4	5.1	4.5
<b>Canada</b>	2.7	0.8	1.7
<b>China</b>	11.9	9.9	8.9
<b>Eurozone</b>	2.6	1.2	0.8
<b>India</b>	9.0	7.5	7.8
<b>Japan</b>	2.0	0.9	0.5
<b>Mexico</b>	3.2	2.2	2.8
<b>South Korea</b>	5.0	3.9	2.9
<b>Taiwan</b>	5.7	4.2	4.9
<b>United Kingdom</b>	3.1	1.1	0.1

Export growth is also at risk because of the slowdown of economic expansion in most of the key export destinations.



## U.S. GDP Growth Is Also Slowing

- **U.S. GDP growth**
  - **2007 – 2.0%**
  - **2008 – 1.5%**
  - **2009 – 1.0%**
- **Domestic demand – virtually flat**
- **The positive impact of the dollar's appreciation on imports may be weakened by the slowdown of U.S. GDP growth**
- **Imports may fall again next year**



## Exchange Rate Impact on Containerized Imports by Country

Trade Routes Most Sensitive to Exchange Rate Fluctuations

- **China**
- **Malaysia**
- **Italy**
- **Thailand**





## Effective Exchange Rate Impact on Containerized Trade by Commodity – *Most Sensitive Commodities*

### Exports

- **Vehicles and Parts**
- **Miscellaneous Chemical Products**
- **Paper, Paperboard, and Articles**

### Imports

- **Edible Fruit and Nuts**
- **Beverages, Spirits, and Vinegar**
- **Plastics and Articles Thereof**



## Effective Exchange Rate Impact on Containerized Trade by Port – *Most Sensitive Port*

### Exports

- **Oakland, CA**
- **Mobile, AL**
- **Baltimore, MD**

### Imports

- **Long Beach, CA**
- **Philadelphia, PA**
- **Oakland, CA**

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## Thank You

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