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Advancing Productivity, Innovation, and Competitive Success



Global Logistics: The Next Generation



David Jacoby
Boston Strategies International

January 2009



*Advancing Productivity, Innovation,
and Competitive Success*



Global Logistics: The Next Generation



David Jacoby
President
Boston Strategies International, Inc.

Global Supply Chain Economists™

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Advancing Productivity, Innovation, and Competitive Success

This session

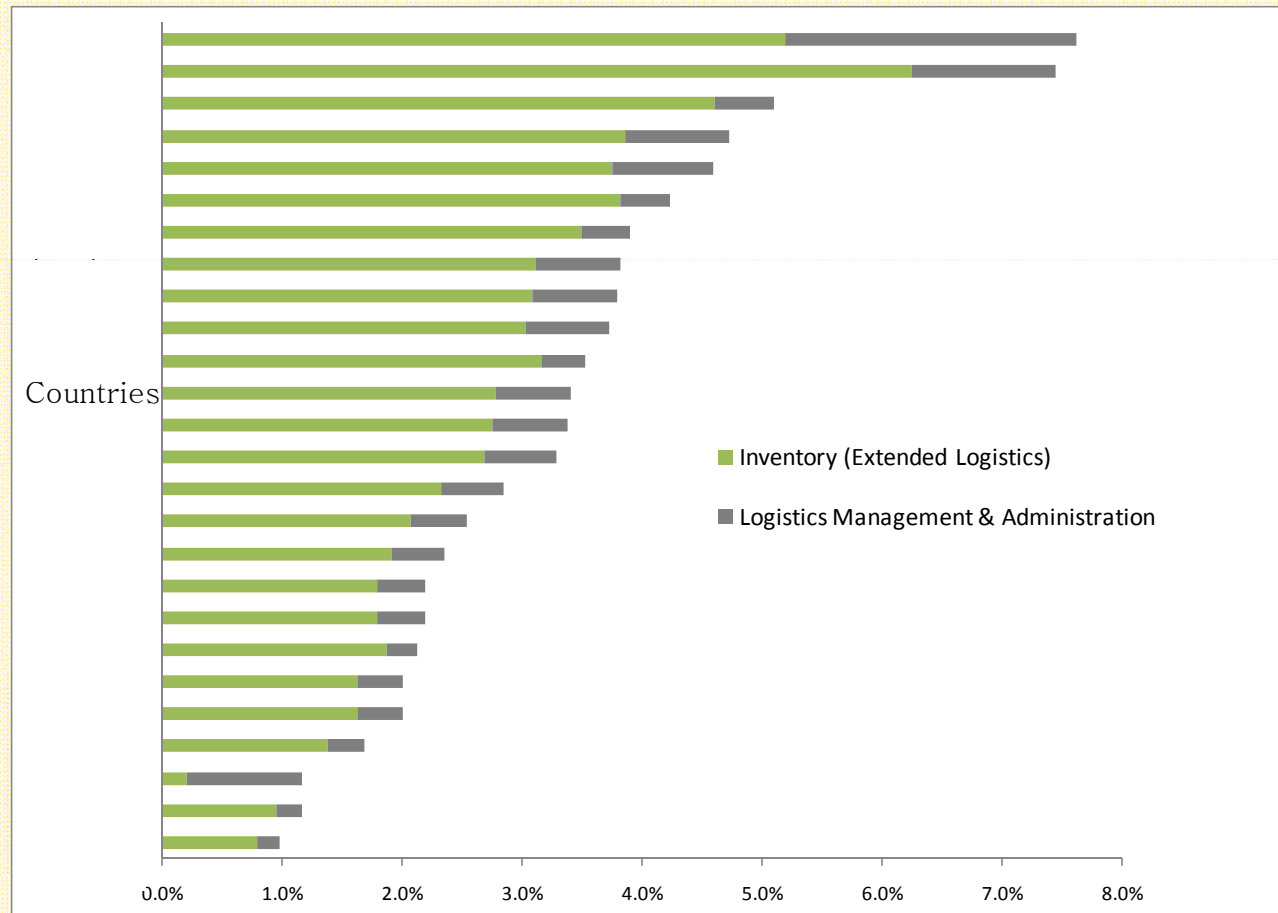
- What you didn't know about world trade and shipping
- Surprisingly large investments
- News you can't ignore
- An introduction to global supply chain economics

Preview: Mega-Investments

- Dubai: \$300 billion by 2012
- Saudi Arabia: \$300 billion by 2012+
- Brazil: \$108 billion by 2023
- Shanghai Port/Yangshan: \$26 billion
- Panama Canal: \$5+ billion

Preview: Major Disparities

Inventory and Logistics Administration Costs as a Percent of GDP



Source: Boston Strategies International analysis

Which country has the highest logistics costs?

- France
- UK
- US
- Brazil
- China

Which country has the lowest logistics costs?

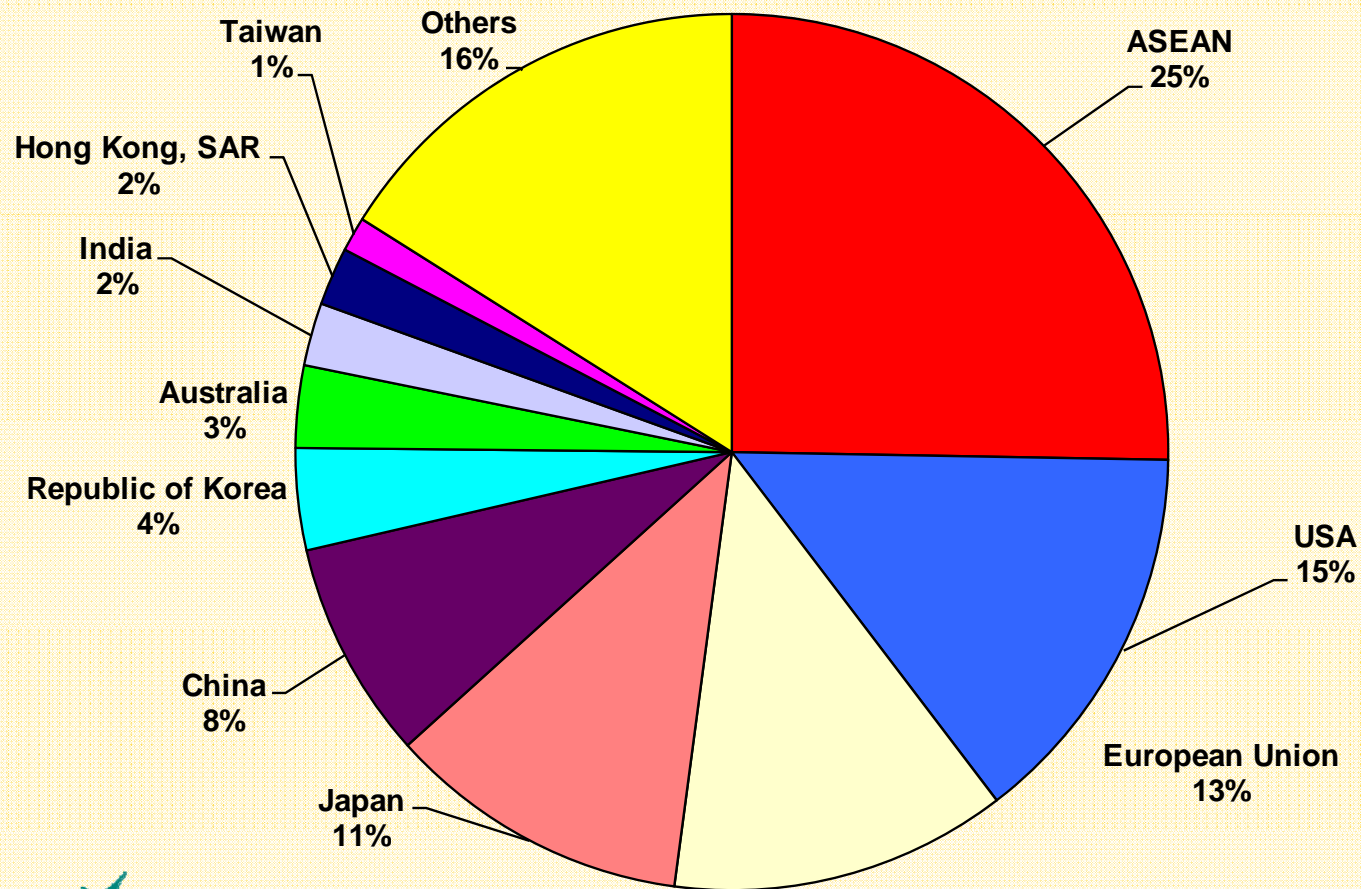
- Portugal
- India
- Vietnam
- Canada
- Denmark

The largest port on this list?

- **New York/New Jersey (US)**
- **Busan (Korea)**
- **Port Klang (Malaysia)**
- **Seattle/Tacoma (US)**
- **Kaohsiung (Taiwan)**
- **Singapore (Singapore)**
- **Shanghai (China)**
- **Los Angeles/Long Beach (US)**

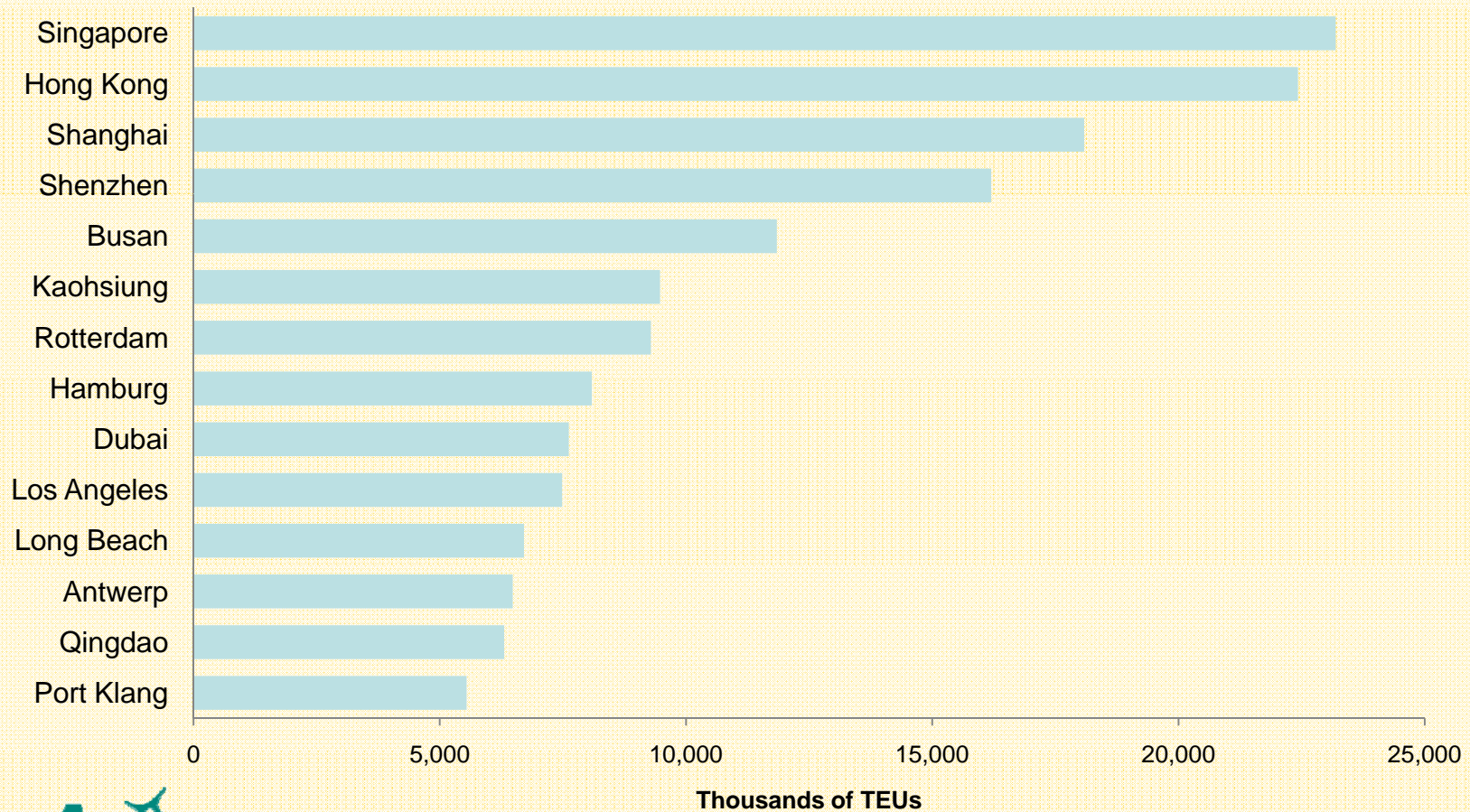
ASEAN: topping China

Value of exports by country or region



Asia: world's largest ports

World's Largest Ports, by Container Volume, 2005

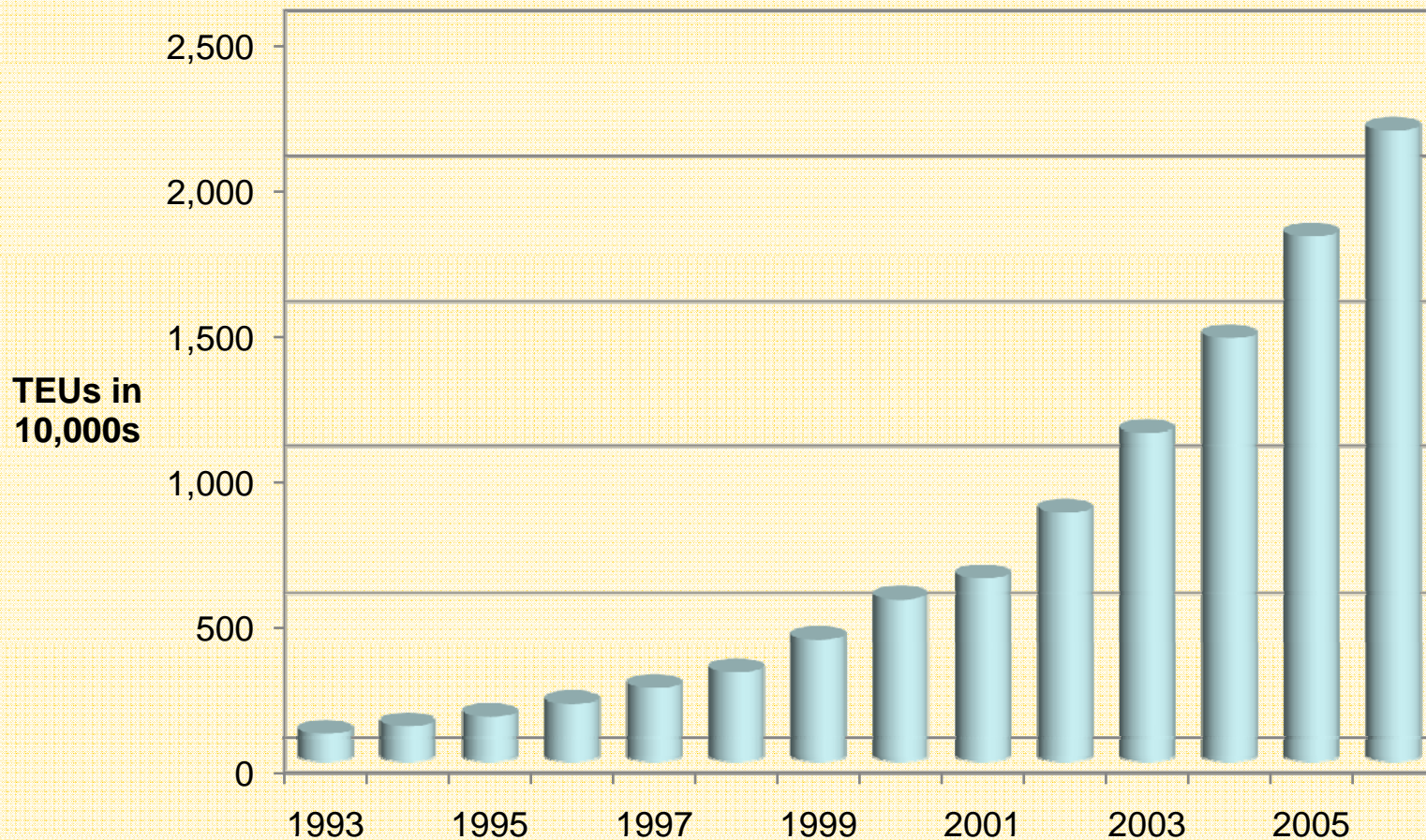


Source: Boston Strategies International analysis of US government data

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Shanghai booming since 1993

TEU Volume in Shanghai Ports

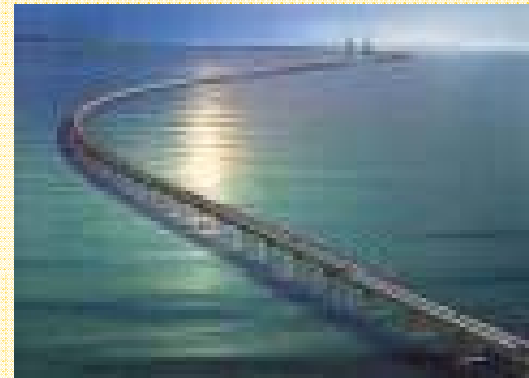


Source: Boston Strategies International research of Chinese port data

Yangshan Deepwater Port

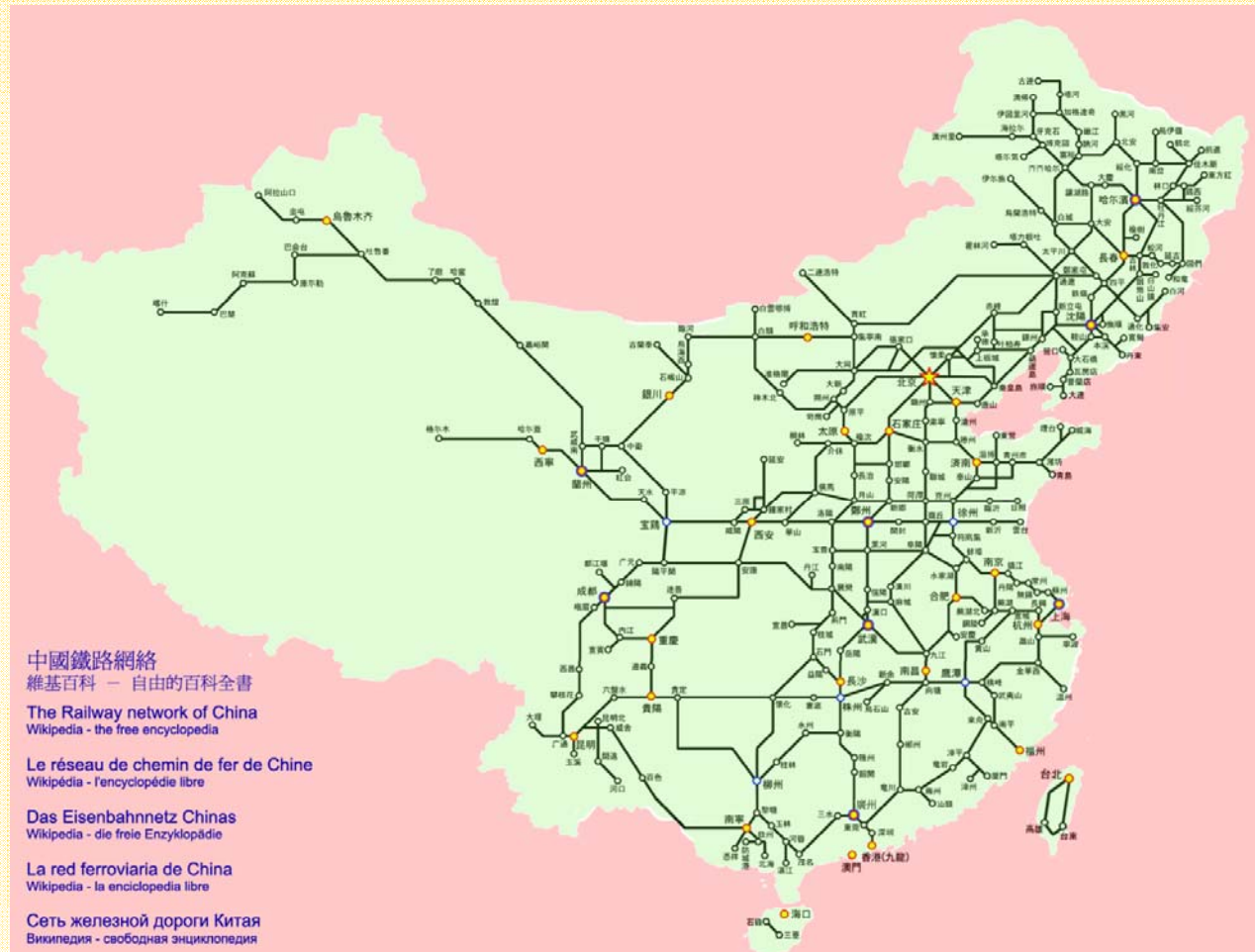
- 20-year project
- \$40–50 billion
- 20-mile bridge connecting Yangshan Island to the mainland (the Dong Hai bridge), costing \$11.5b
- 50-berth container complex

Dong Hai Bridge



Chinese rail expanding rapidly

Chinese Rail Network

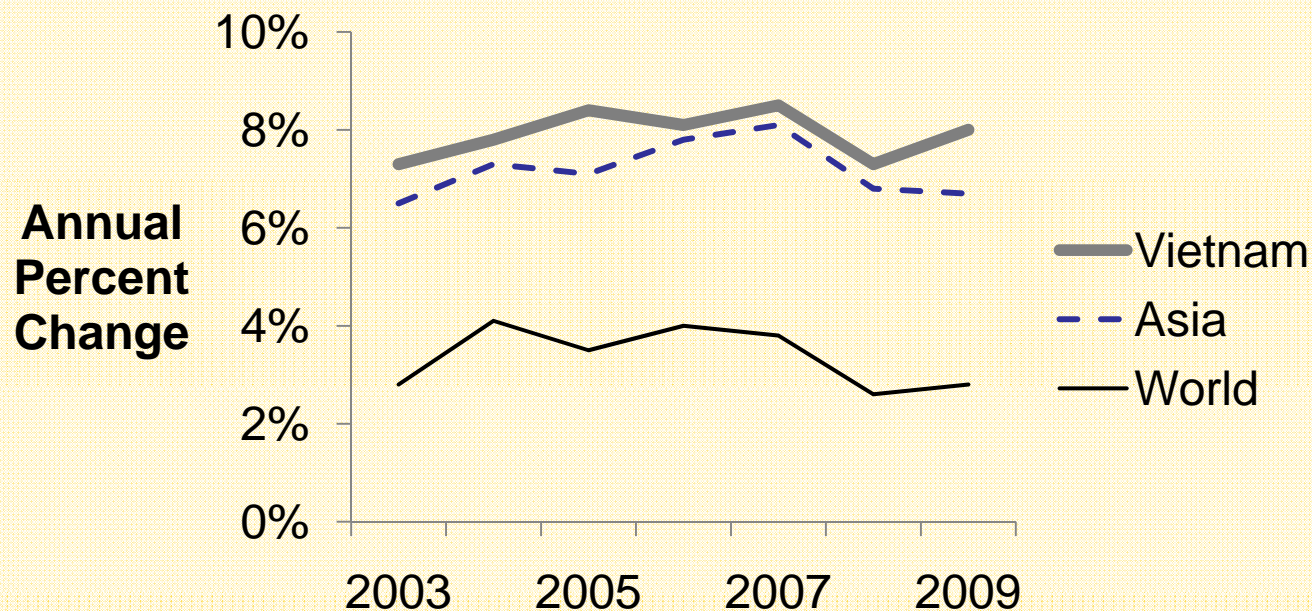


Source: Boston Strategies International research

Vietnam growing fastest

- Consistent and strong GDP growth
- Growing international stature, presence

Comparative Growth Rates



Source: Boston Strategies International analysis of EIU data

A new path via the Suez Canal

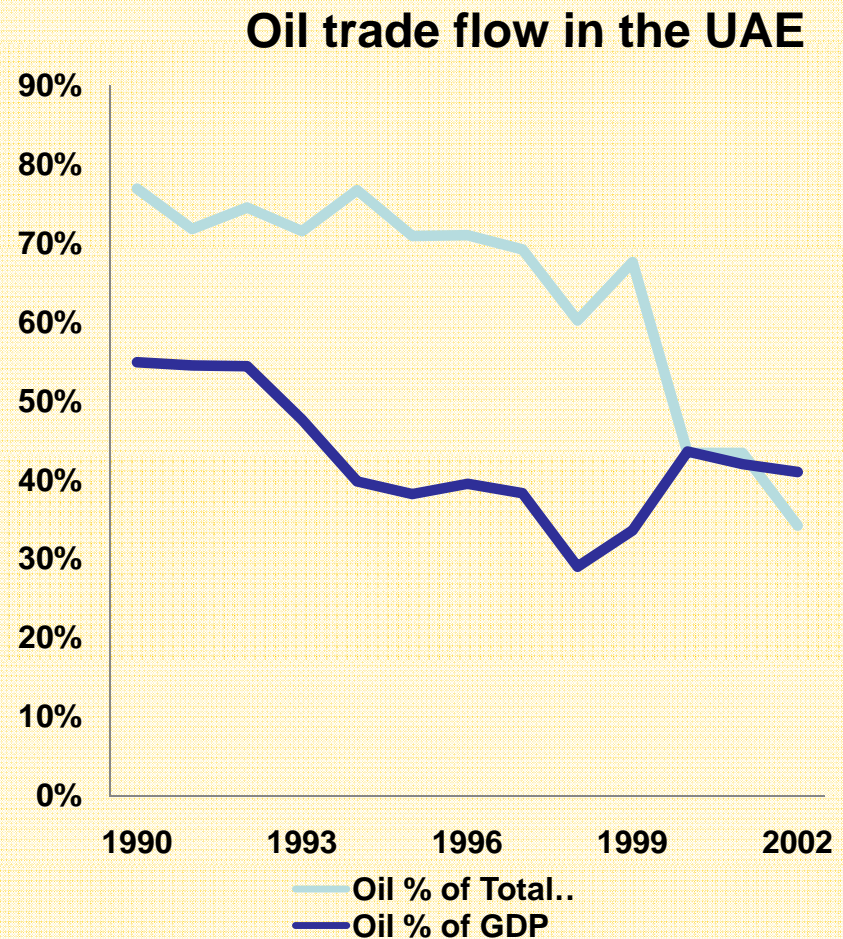
Eastern and Western Approaches to the US



Source: PANYNJ

Dubai lights up *even without oil*

- \$300 billion in GCC projects between 2007-2012 (Source: Middle East Economic Digest)
 - \$100 billion in power generation
 - \$50 billion in industrial sector
 - Hydro-carbon sector

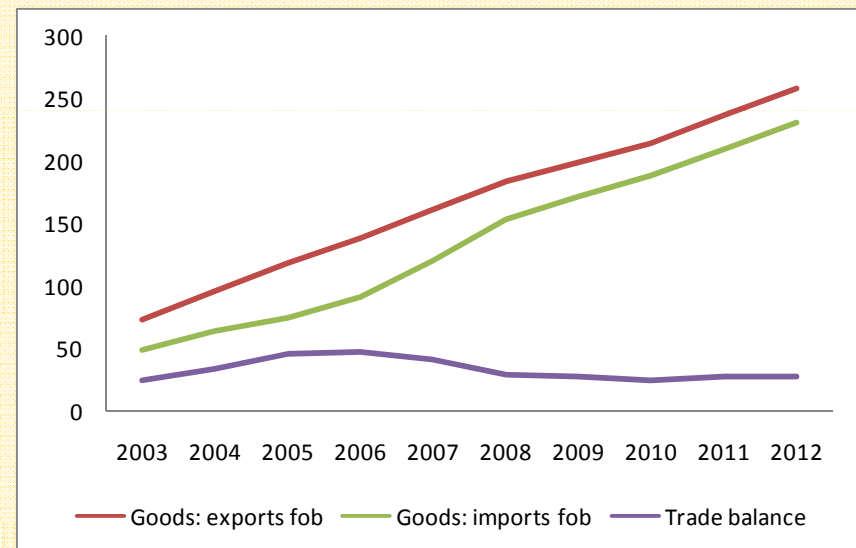
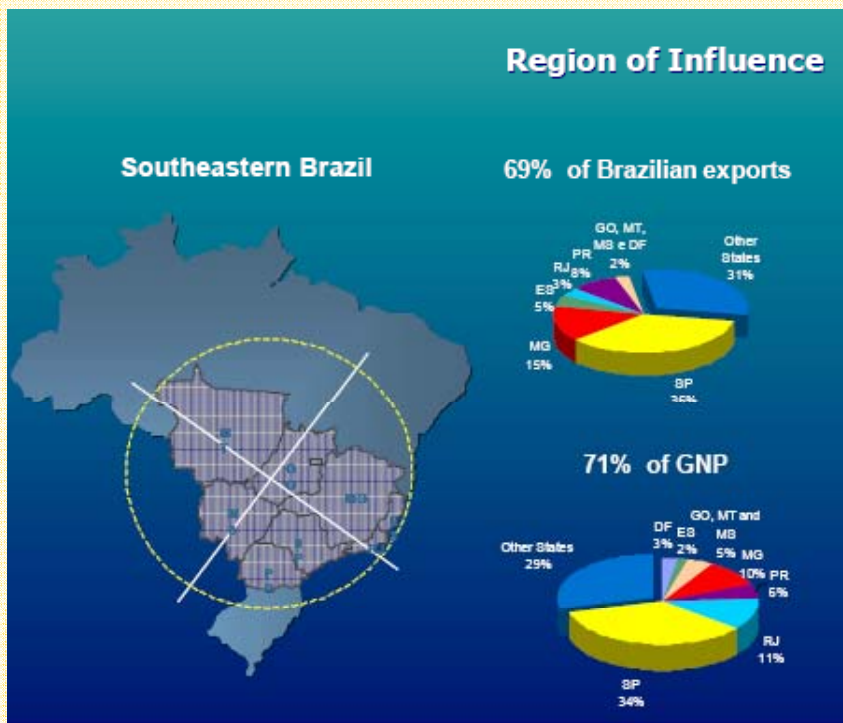


Source: Boston Strategies International analysis

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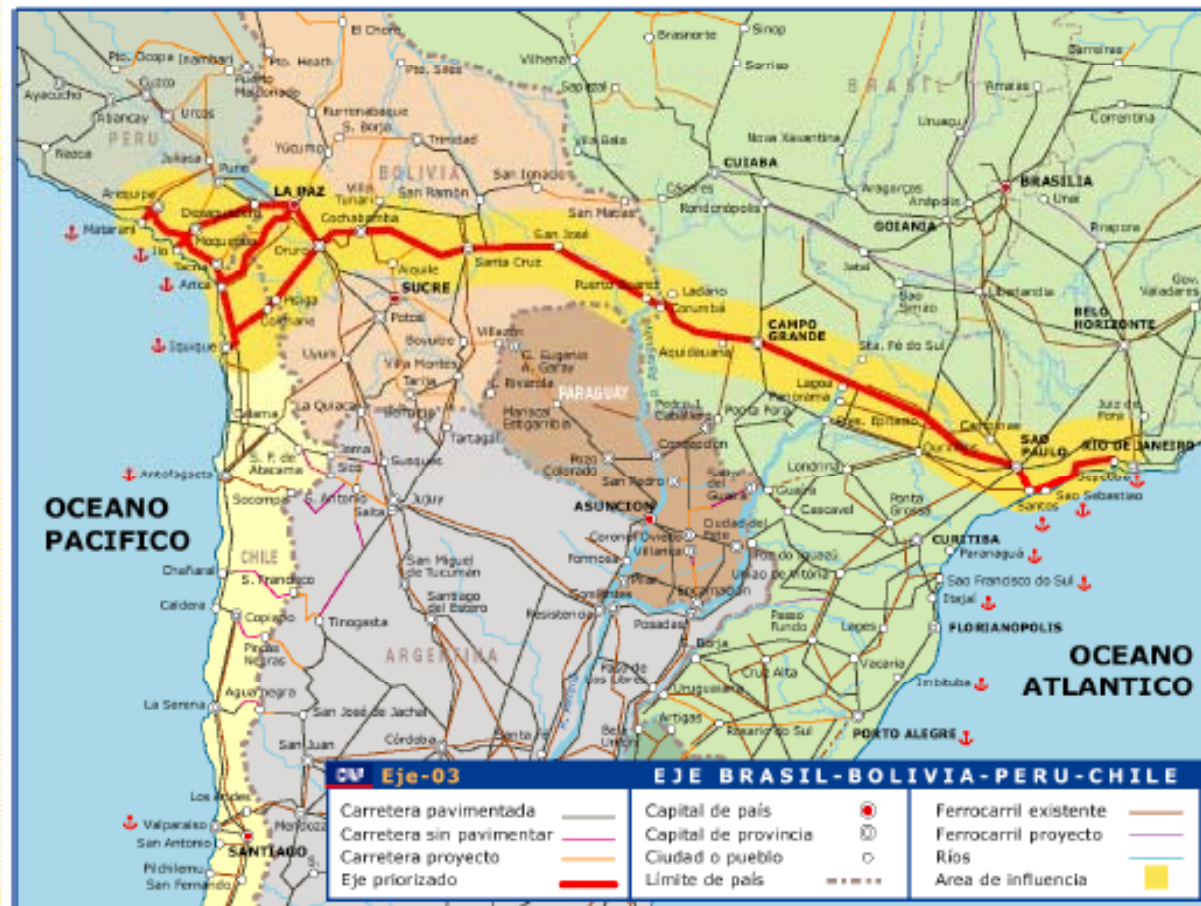
Brazil: 30% / year trade growth

Exports and Imports Trend and Forecast



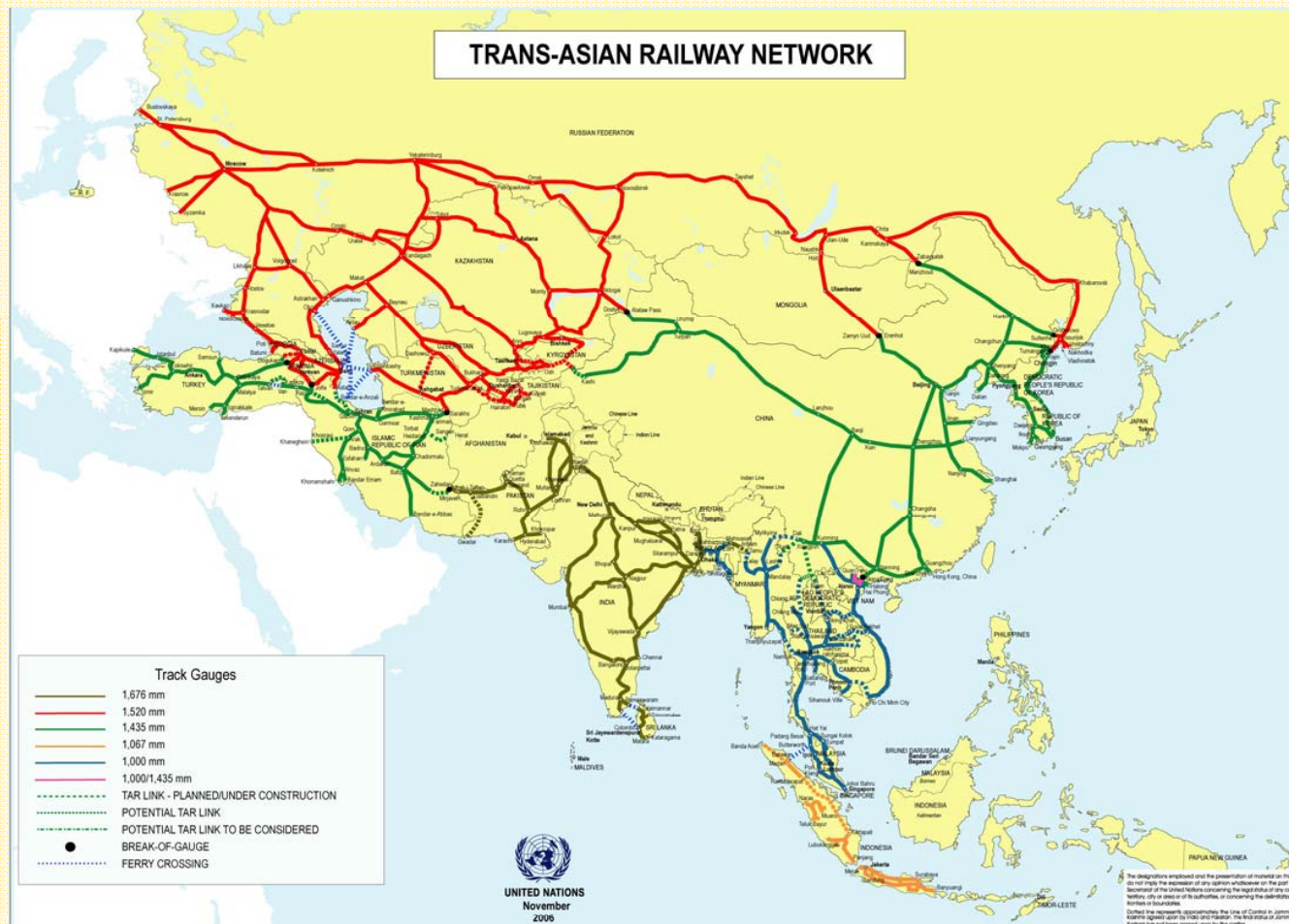
Source: Boston Strategies International research

Gateway across South America



Source: Boston Strategies International research

Links: fueling regional growth



Source: UN

Supply chain: linking the world together

- ROW is growing faster than US
- Global economy is less dependent on US
- What happens in Asia, the Middle East, and Latin America will drive your future supply chain decisions
- Global supply chain intelligence is a requirement for being in business




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Questions and Answers



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