



Item No.: 4A
Date of Meeting: October 29, 2019

2020 Cargo Forecast & Strategic Business Initiatives

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Trade & Economic Trends

Global Economy

- Trade policy and tariffs driving global uncertainty and risk
- Global GDP growth slowing, merchandise trade is contracting
- International business sentiment and corporate spending are weak
- Global political environment adding to economic instability

US Economy

- GDP growth on the decline, yet stable job market and low inflation rate
- Consumer demand showing recent signs of weakness
- US manufacturing and corporate investment are subdued
- US dollar is strong, challenging export competitiveness in world markets

Trade & Economic Trends

IMPLICATIONS FOR THE NWSA GATEWAY

Short Term Impacts

- Slower growth in international container volumes
- Less seasonality, more volatility in imports
- Increased competition for WA/US exporters in global markets
- Fierce competition between North American ports for declining import/export volumes

Medium- to Long-Term Impacts

- Moderate growth in import/export volumes over time
- Continued shift in manufacturing and sourcing from China
- Increased exports to China, SE Asia and other emerging markets



Gateway Comparison – TEU & Market Share

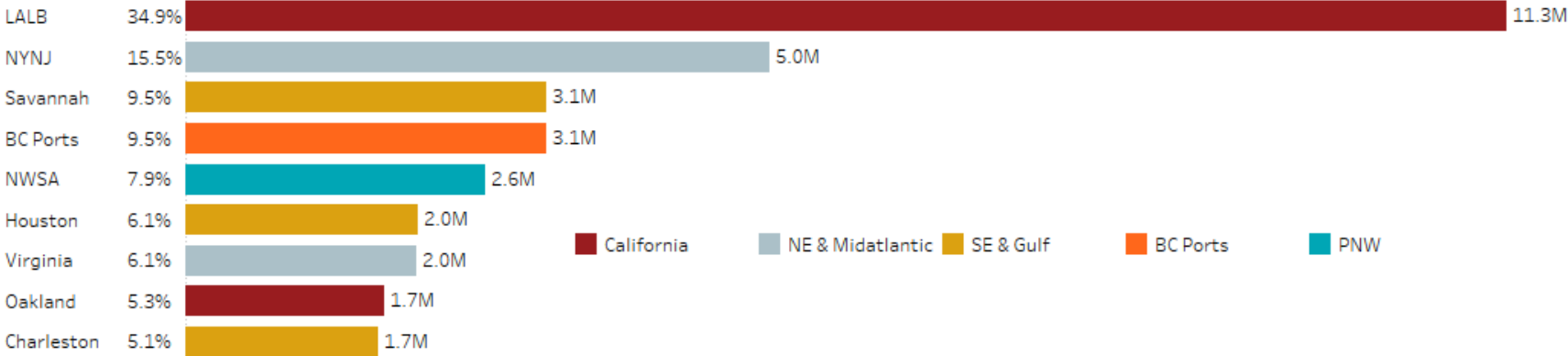
PORTS OF INTEREST, August YTD

(Source: Port Statistics)

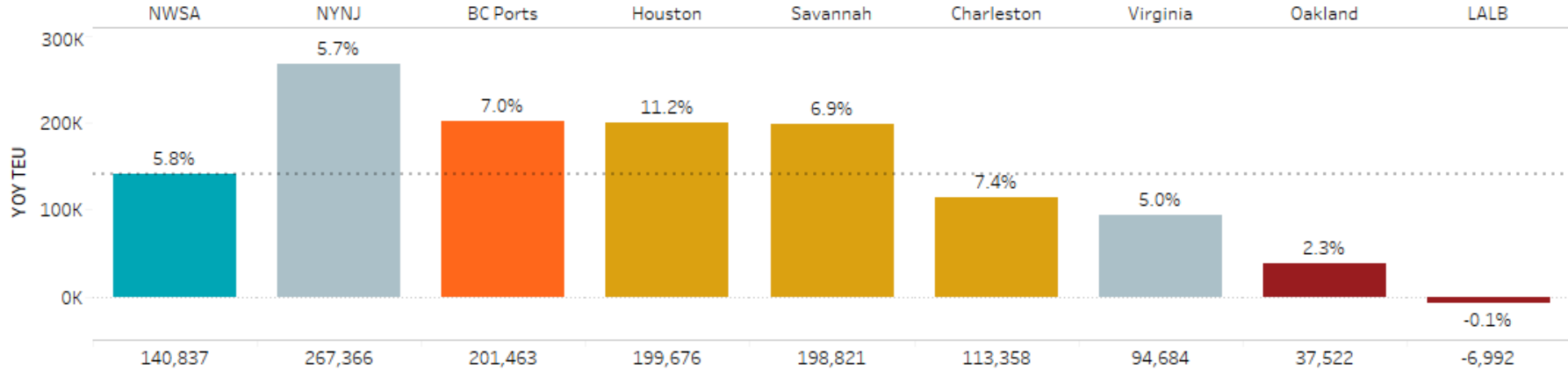
YTD NWSA Volume Growth/Loss
+140,839, +5.8%

YTD NWSA Market Growth/Loss
+0.1%

August 2019 YTD Market Share & TEU volume

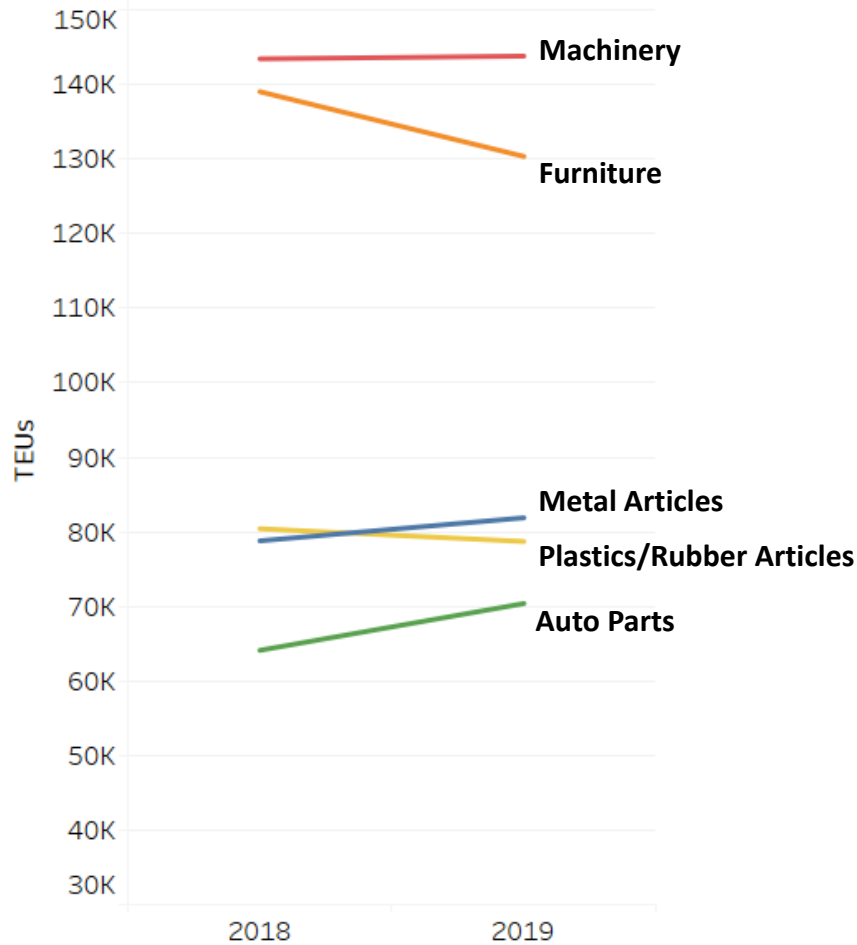


YTD August 2019 year over year change in TEU



NWSA Top Commodity Trends - Imports

Jan – Aug; 2018 vs. 2019



FULL IMPORTS (YOY Change)

+9,358 TEU (+1.0%)

China

-38,040 TEU
(-6.8%)

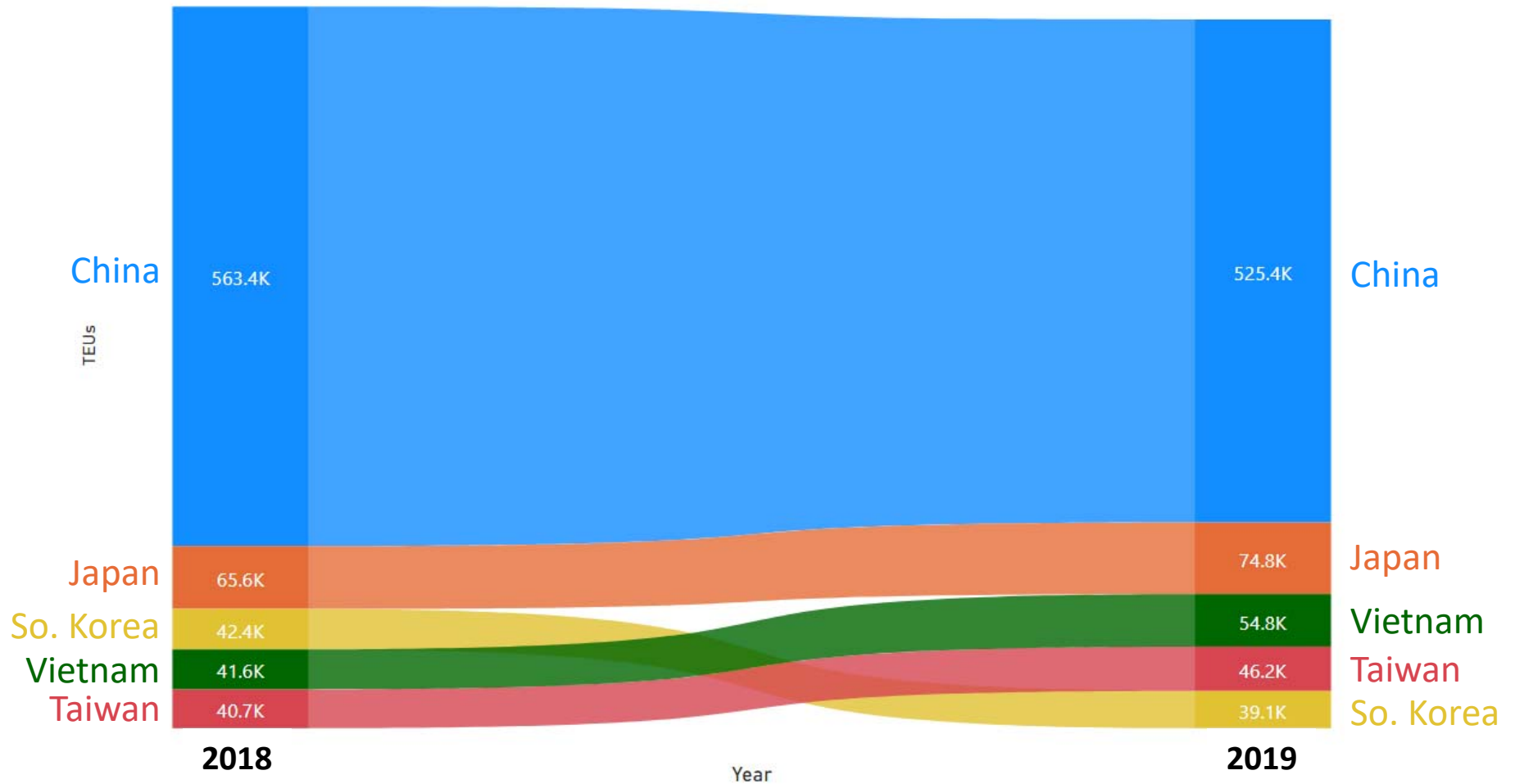
Other Mkts

+47,390 TEU
(+12.9%)

Commodity	China	Other Mkts
Machinery	-9.2%	+13.9%
Furniture	-13.9%	+19.6%
Metal Articles	-8.6%	+25.6%
Plastic/Rubber Articles	-15.0%	+15.3%
Auto Parts	Flat	+13.9%

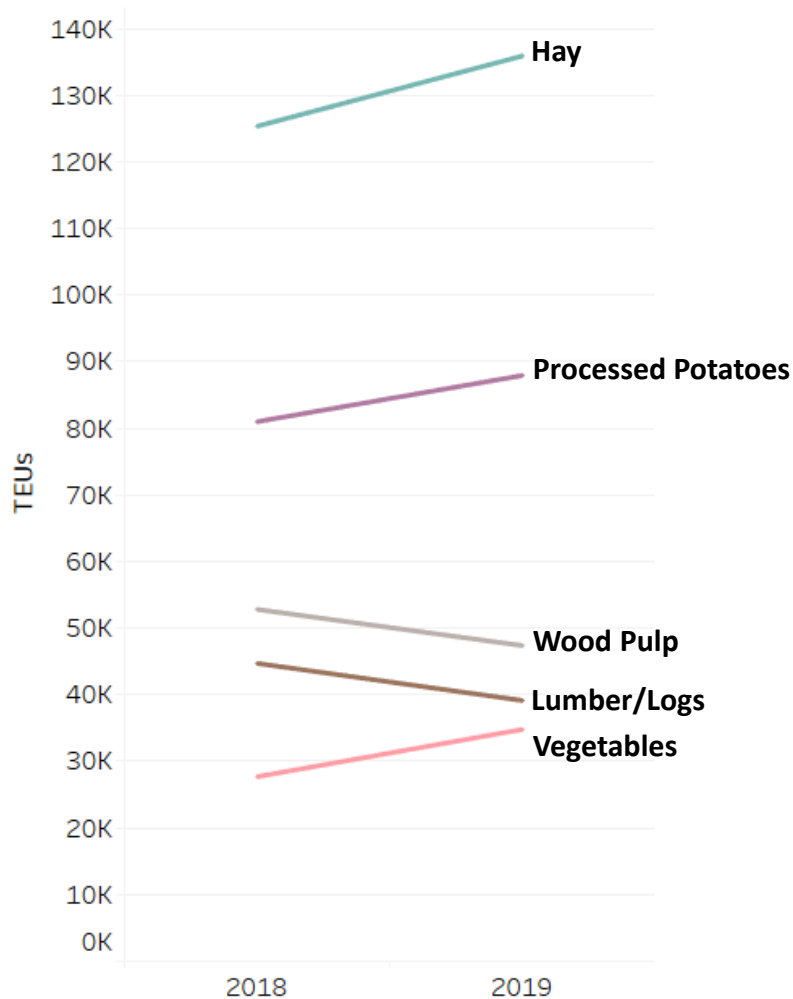
NWSA Trading Partner Trends - Imports

Jan – Aug; 2018 vs. 2019



NWSA Top Commodity Trends - Exports

Jan – Aug; 2018 vs. 2019



FULL EXPORTS (YOY Change)

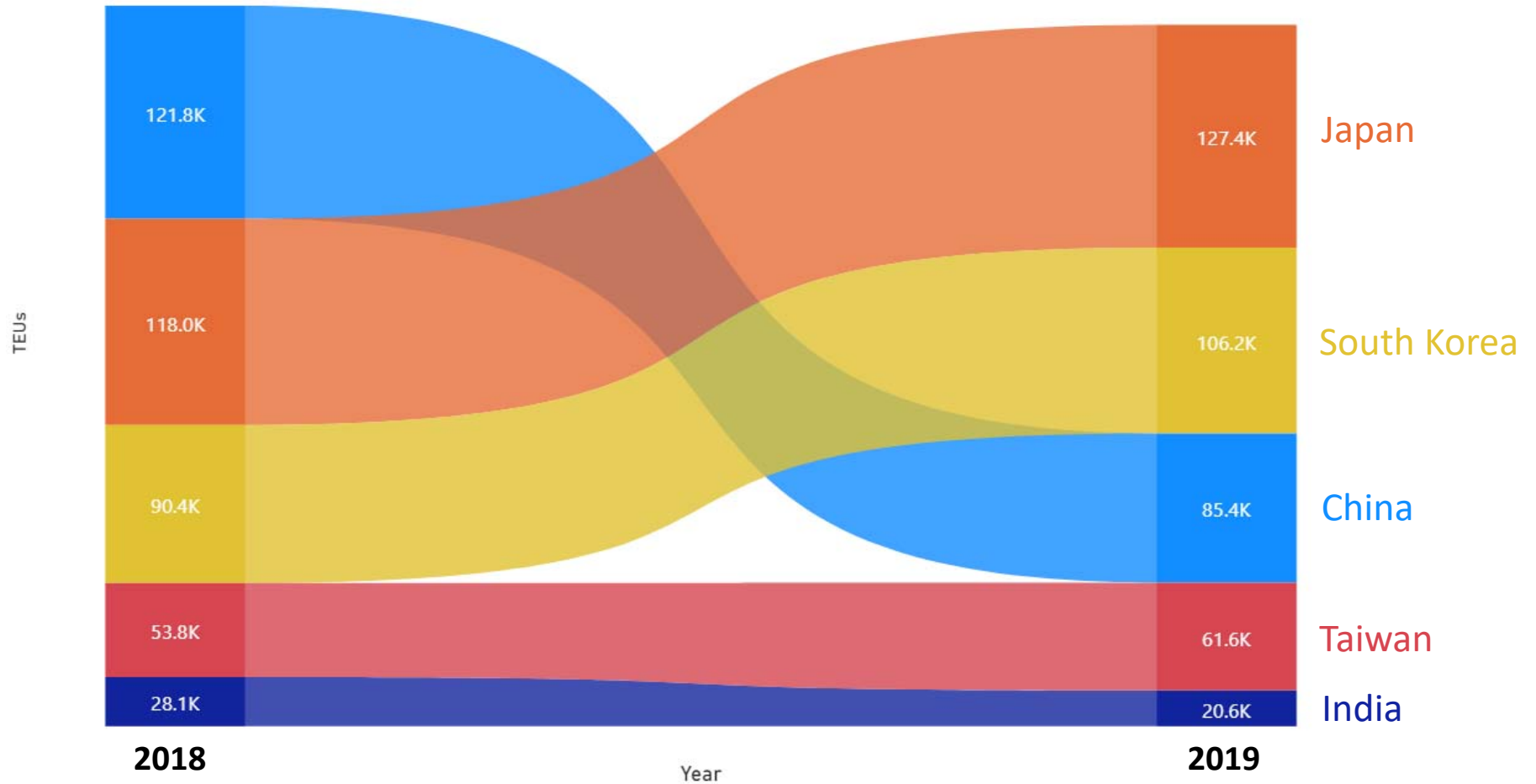
+7,992 TEU (+1.4%)

China	Other Mkts
-38,040 TEU (-6.8%)	+47,390 TEU (+12.9%)

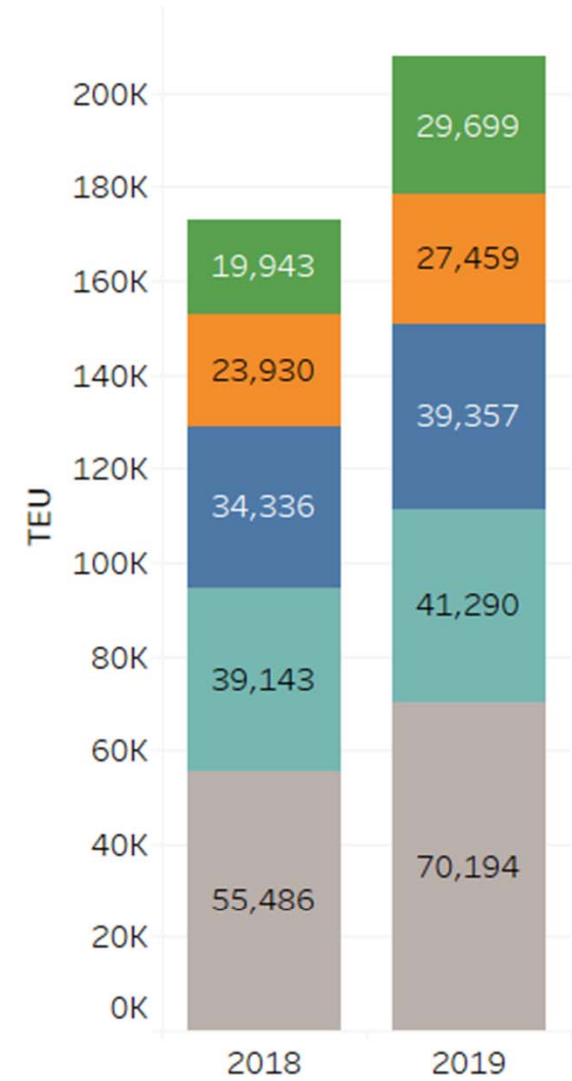
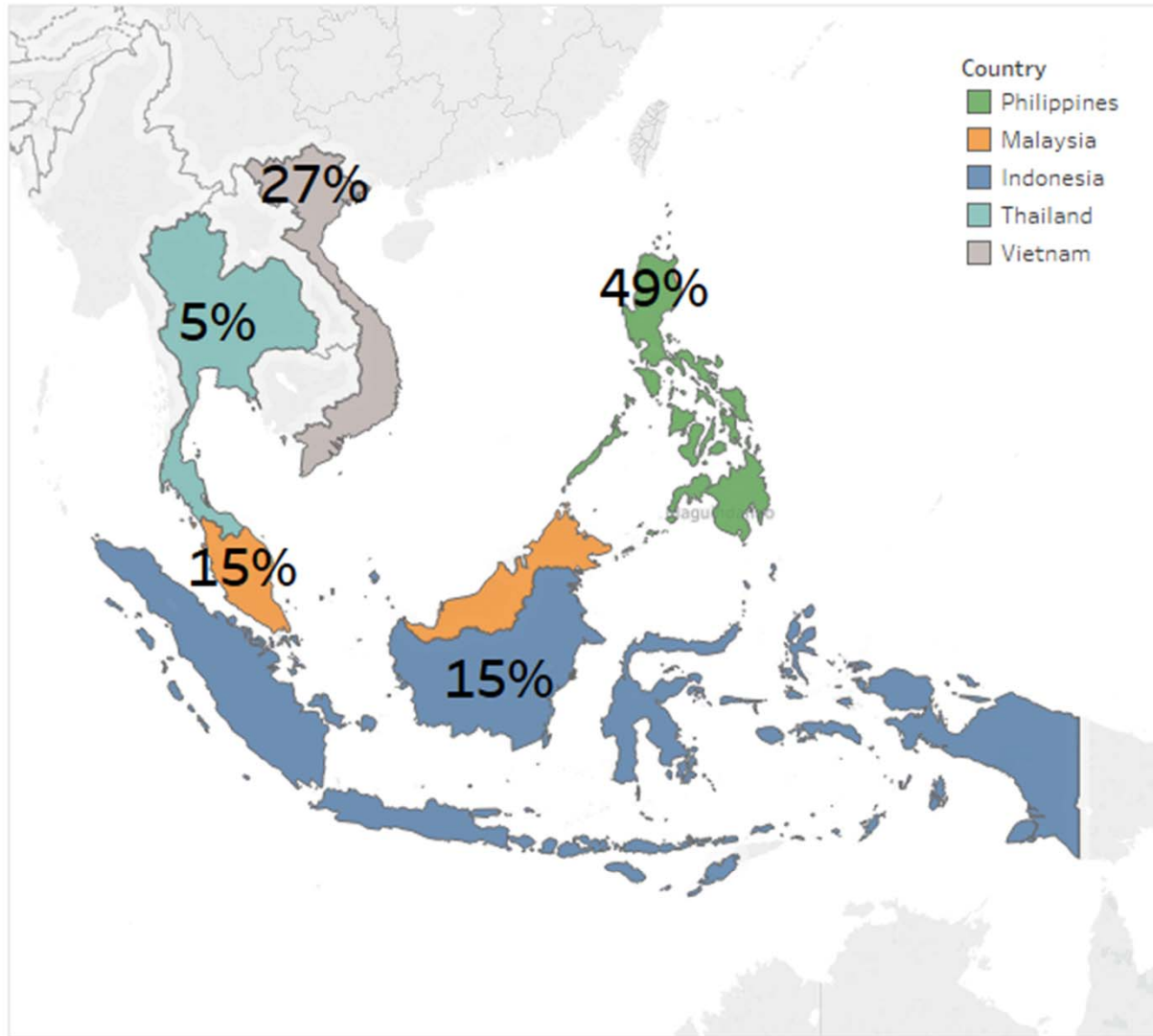
Commodity	China	Other Mkts
Hay	-29.4%	+19.8%
Processed Potatoes	-52.7%	+13.8%
Wood Pulp	-42.4%	+11.2%
Lumber/Logs	-29.4%	+9.0%
Vegetables	+1.5%	+30.6%

NWSA Top Trading Partners - Exports

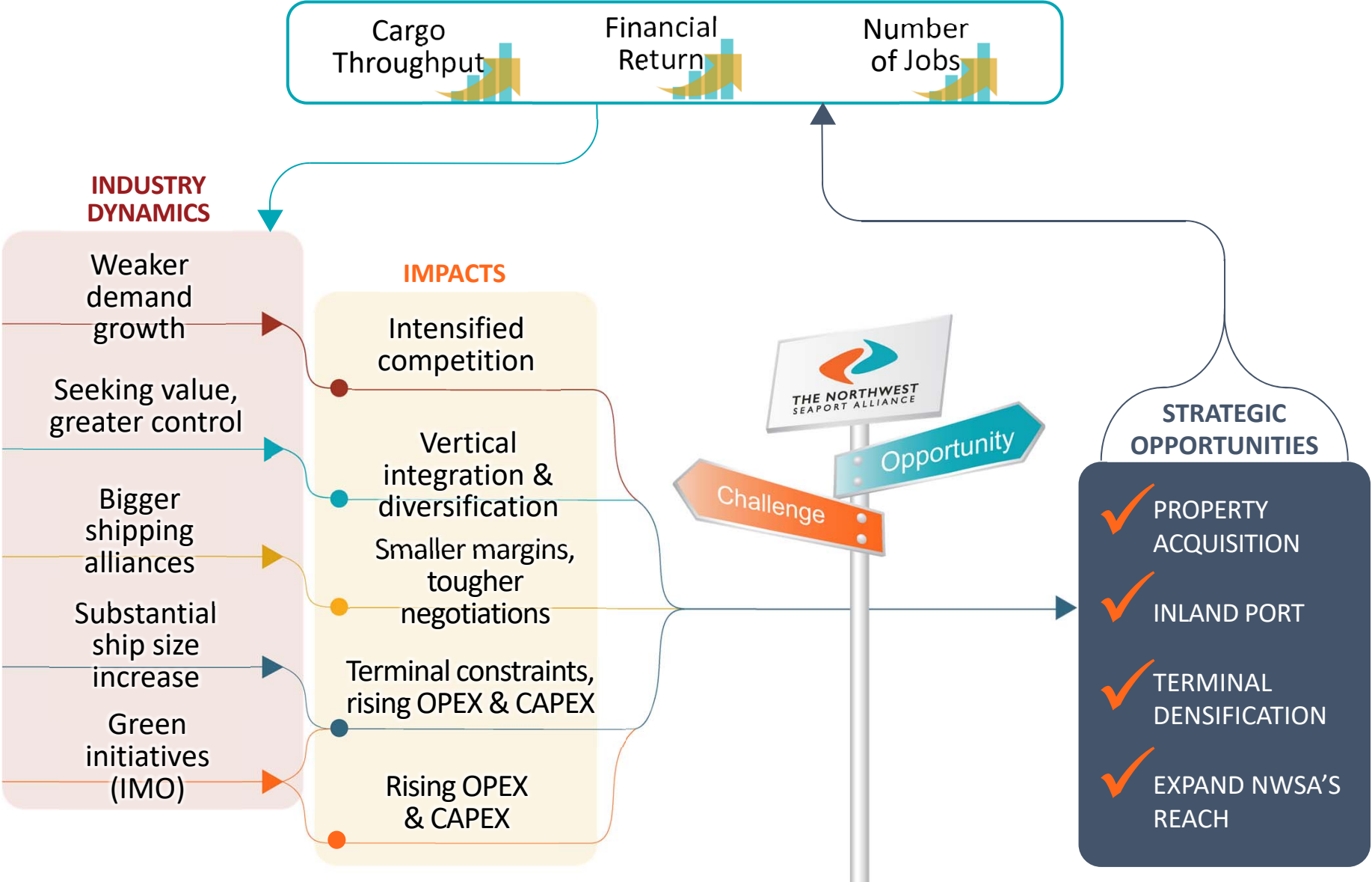
Jan – Aug; 2018 vs. 2019



Asian Tigers on the Move



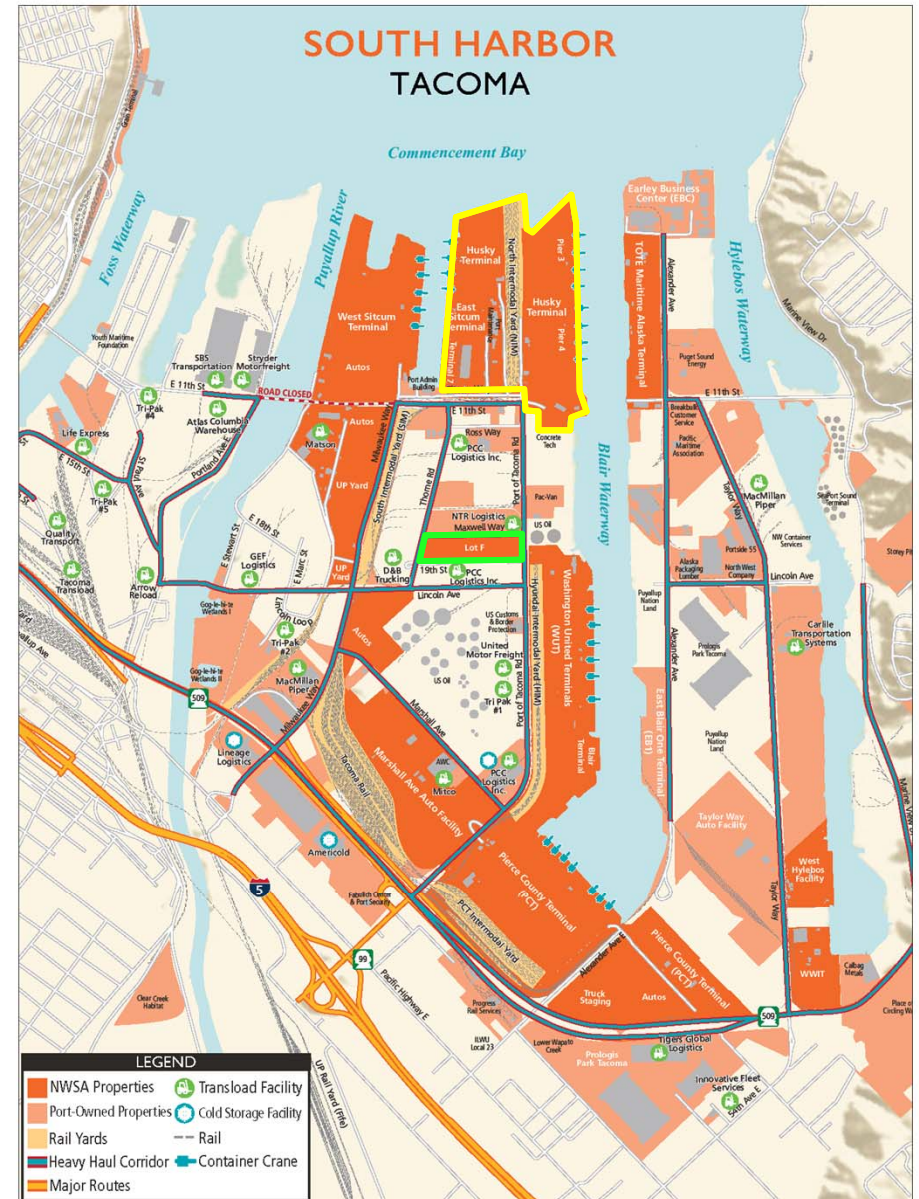
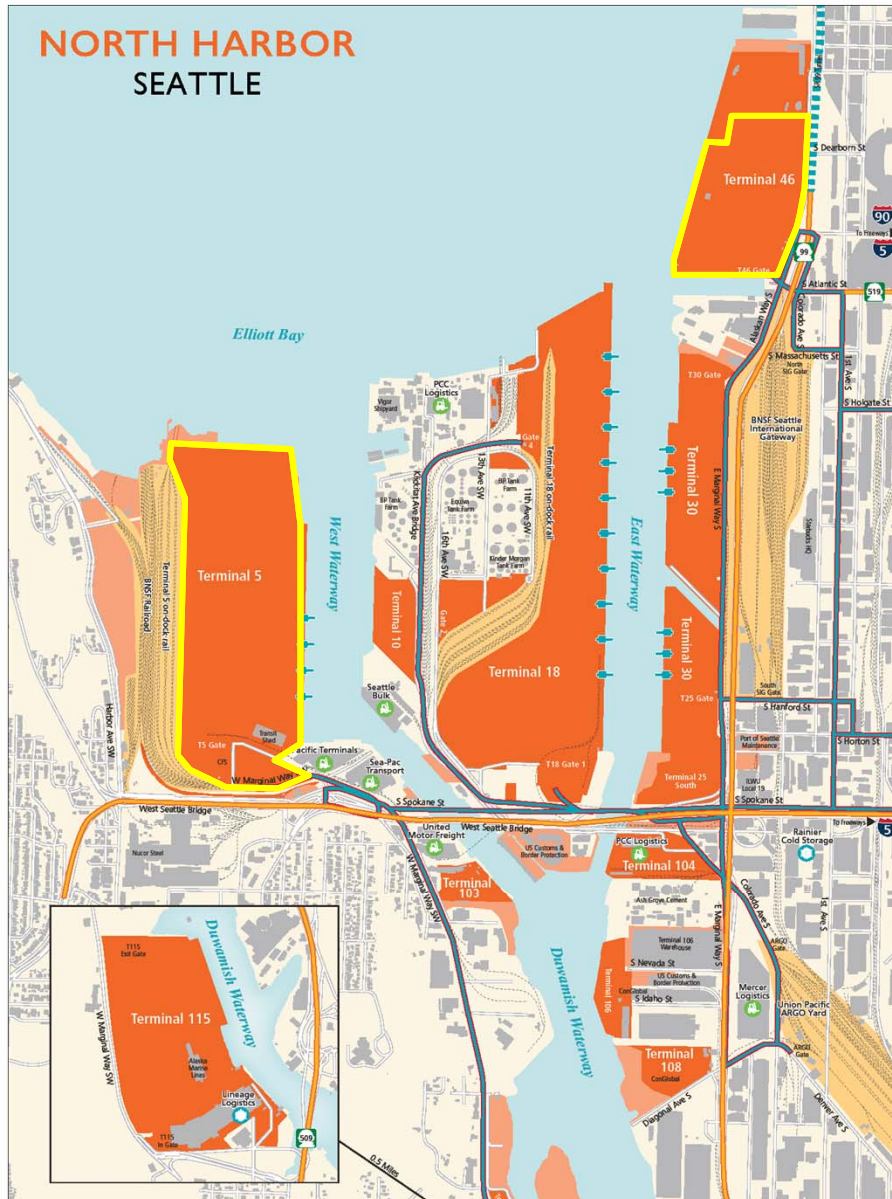
About the Industry



About the Industry



Strategic Initiatives – Investing in Key Infrastructure



LEGEND

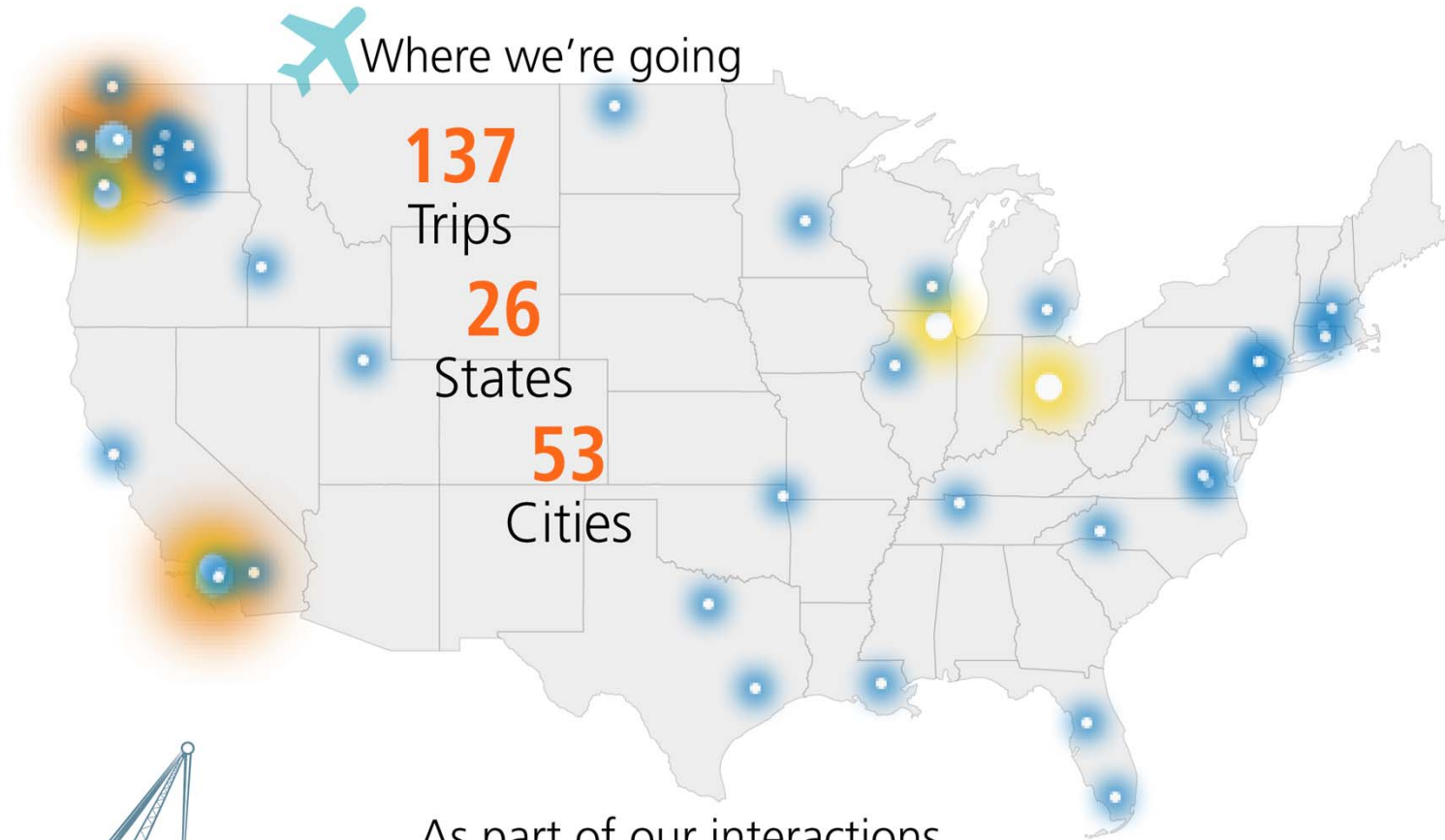
NWSA Properties	Transload Facility
Port-Owned Properties	Cold Storage Facility
Rail Yards	Rail
Heavy Haul Corridor	Container Crane
Major Routes	

Strategic Initiatives – Business Innovations

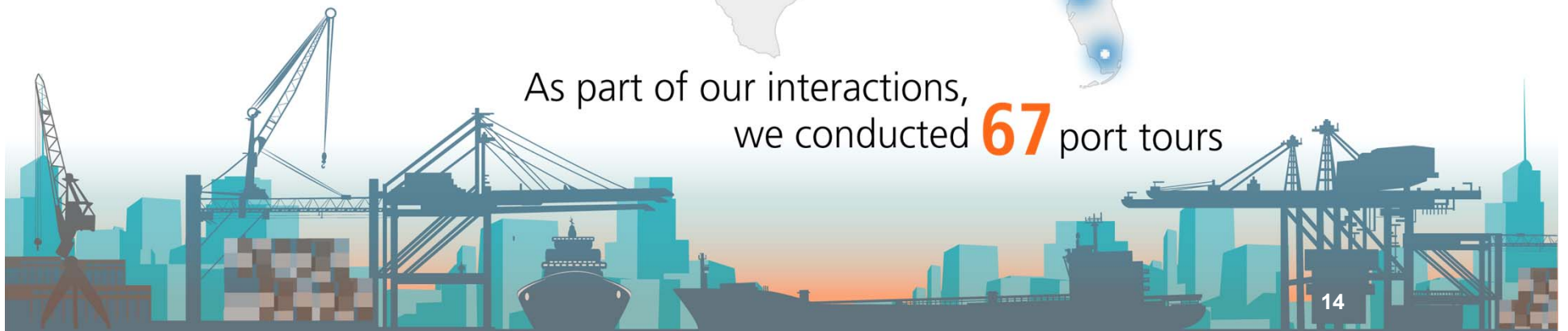
- **Incentivizing BCO and carrier customers for incremental cargo growth**
- **Targeting new business opportunities in SE Asia and other emerging markets**
- **Diversifying the NWSA business portfolio**
- **Exploring opportunities for intermodal and export growth**
- **Targeting specific cargo types**
- **Continued advancements in our operation service delivery commitment**



Business Outreach Efforts



As part of our interactions,
we conducted **67** port tours





Cabela's



TJX
THE TJX COMPANIES, INC.

COSTCO
WHOLESALE



Funko[®]

Walmart 

TOYOTA

LOWE'S

 **TARGET**

 **BOEING**

Pier1 imports

 **YAMAHA**

BEST BUY

IKEA

Abercrombie
& Fitch
TRADEMARK SINCE 1892

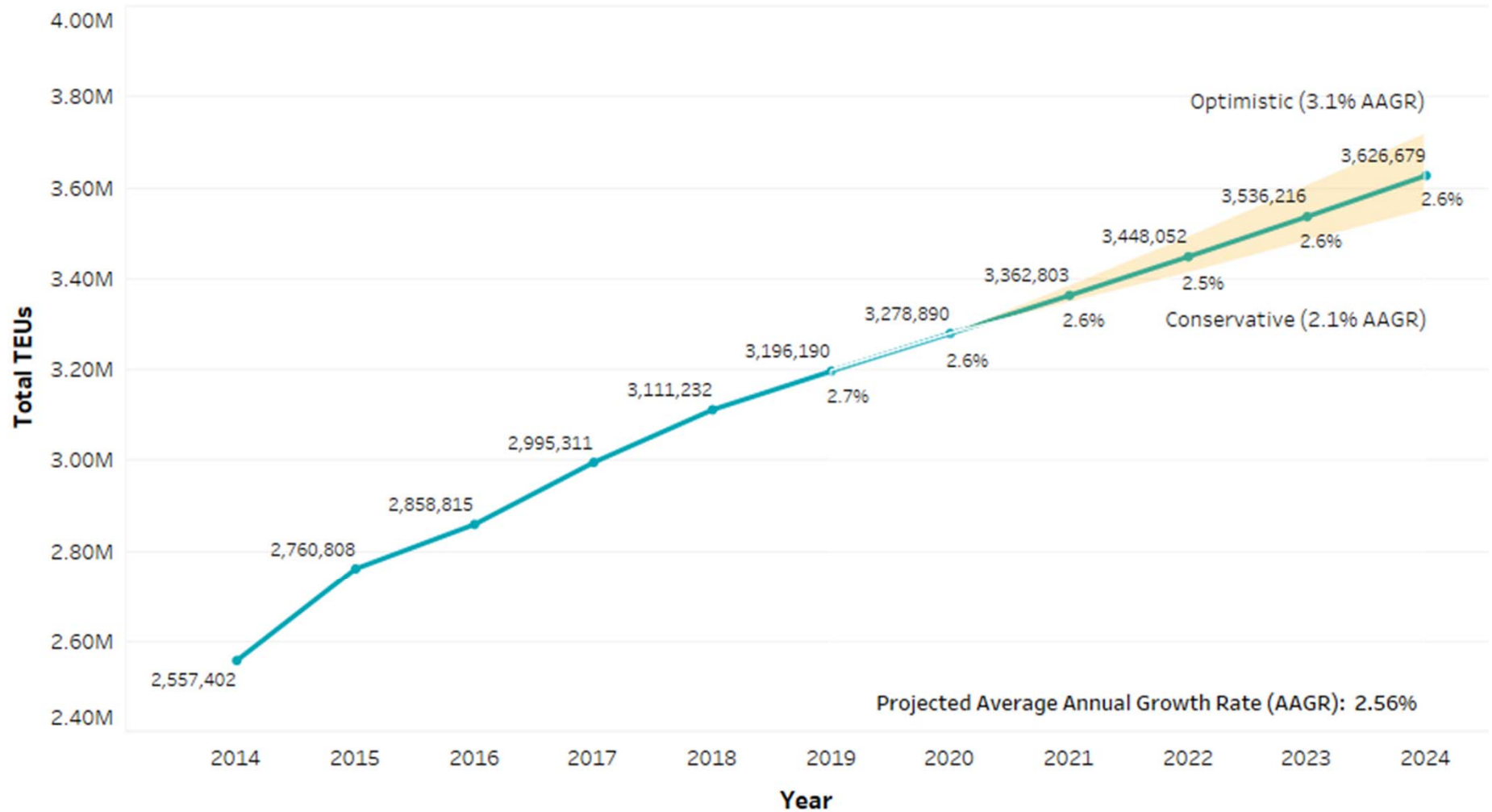

HONDA

THE HOME DEPOT



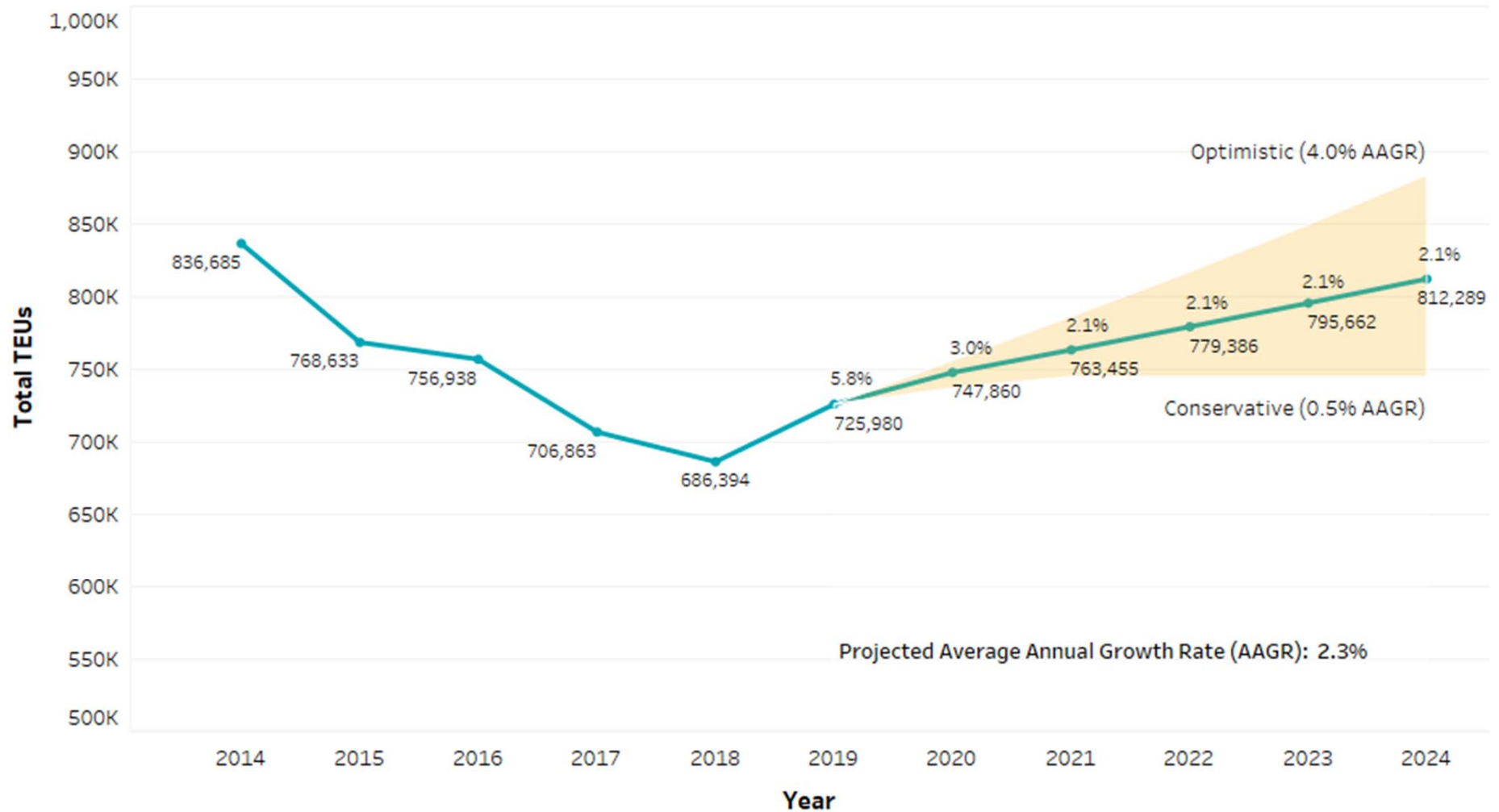
THE NORTHWEST
SEAPORT ALLIANCE

Cargo Forecast – International Container (2019 – 2024)



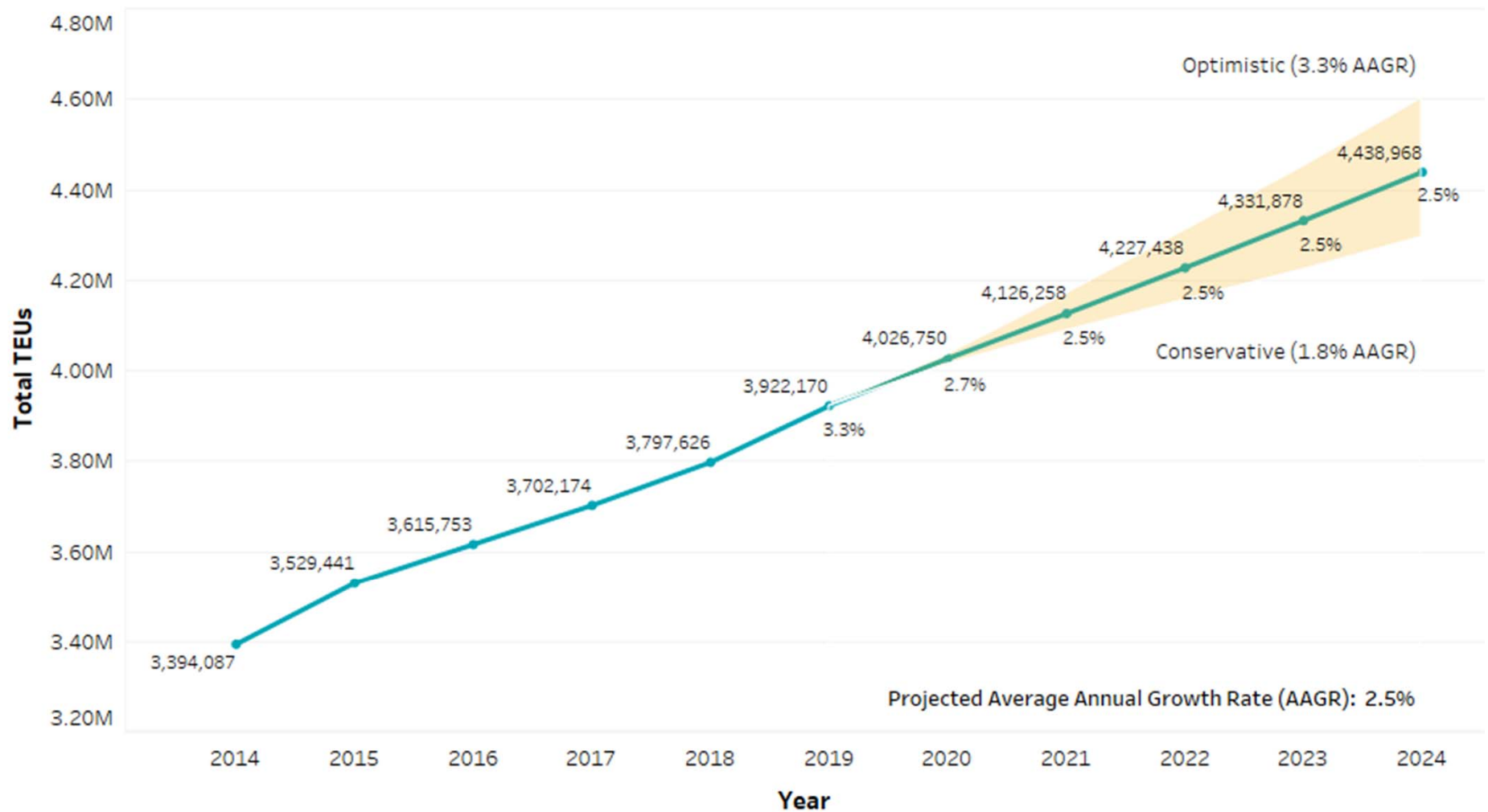
Optimistic/Conservative percentages (%) reflect average annual growth rates (AAGR)

Cargo Forecast – Domestic Container (2019 – 2024)



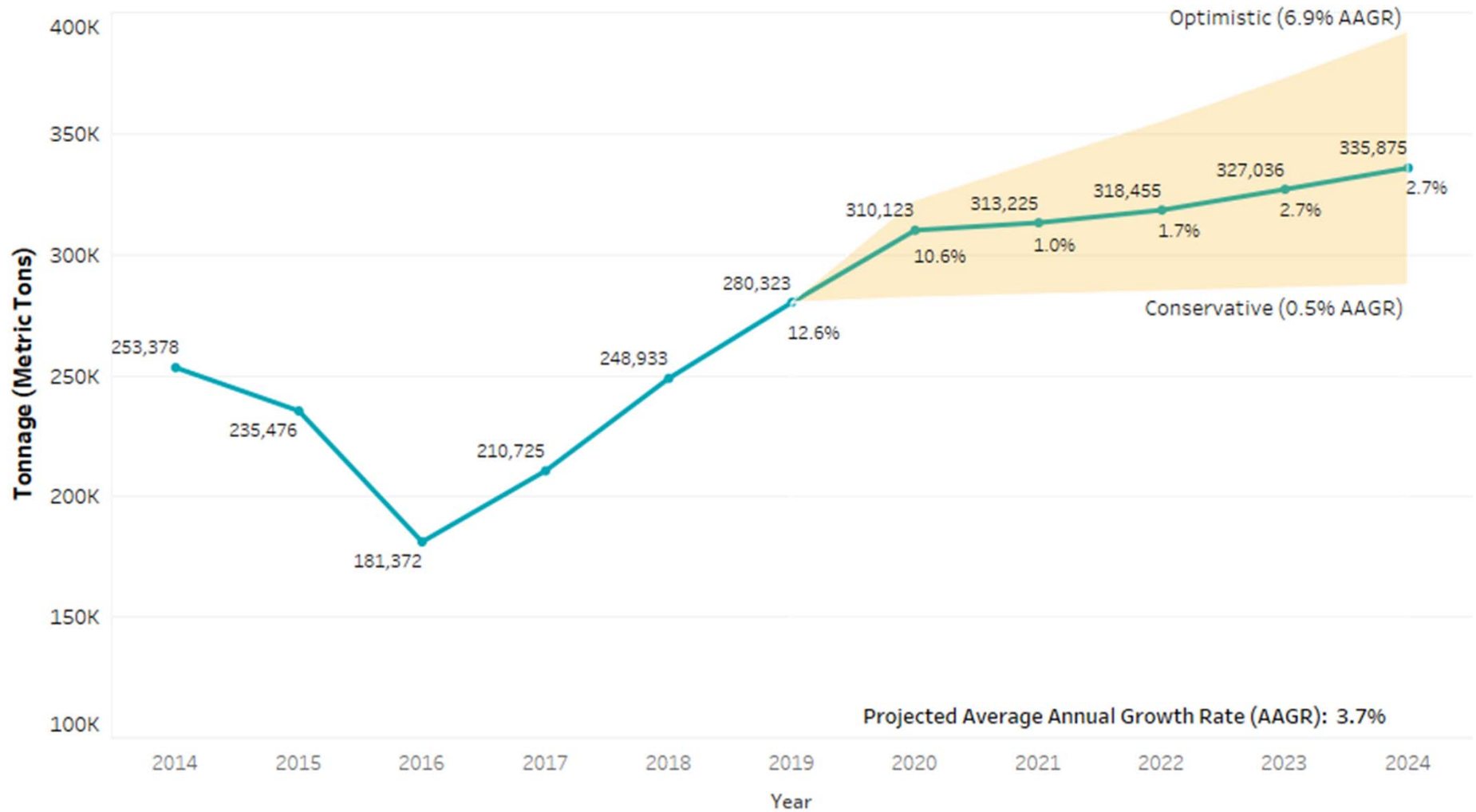
Optimistic/Conservative percentages (%) reflect average annual growth rates (AAGR)

Cargo Forecast – Int'l + Domestic Container (2019 – 2024)



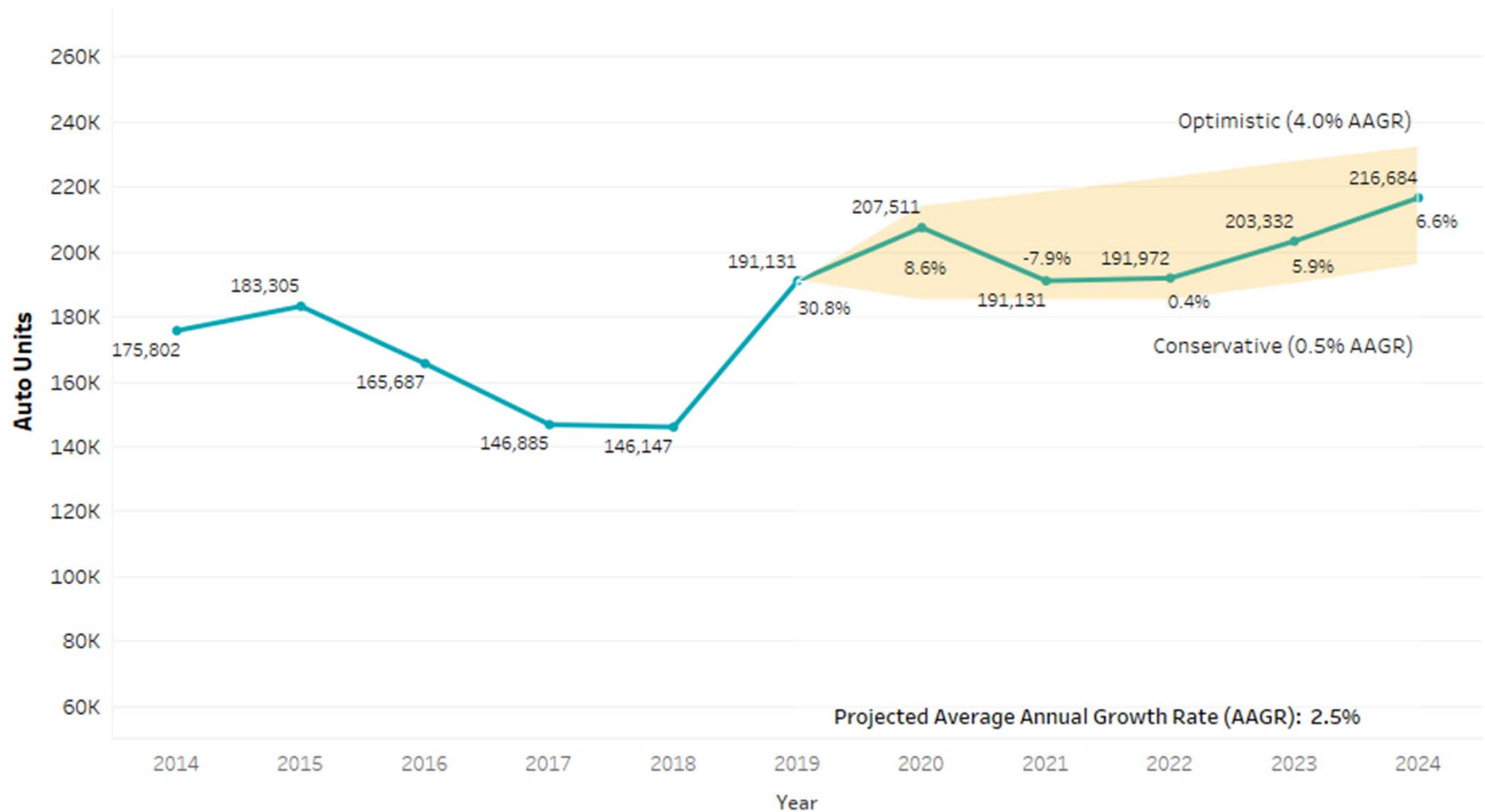
Optimistic/Conservative percentages (%) reflect average annual growth rates (AAGR)

Cargo Forecast – Breakbulk (2019 – 2024)



Optimistic/Conservative percentages (%) reflect average annual growth rates (AAGR)

Cargo Forecast – Autos (2019 – 2024)



Optimistic/Conservative percentages (%) reflect average annual growth rates (AAGR)