

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.	5
Date of Meeting	October 27, 2023

DATE: October 10, 2023

TO: Managing Members

FROM: John Wolfe, CEO

Sponsors: David Morrison, CFO & Tong Zhu, Chief Commercial and Strategy Officer

SUBJECT: **2024 & Future Year Cargo Forecast, 2024 Operational Budget and 2025-2028 Forecast, 2024-2028 Capital Investment Plan, and 2024 Service Level Agreements**

A. SYNOPSIS

The study session will review the 2024 and future year cargo forecast, the proposed 2024 Northwest Seaport Alliance (NWSA) operating budget, the 2025-2028 operating forecast, the proposed 2024-2028 Capital Investment Plan (CIP), and the 2024 Service Level Agreements.

B. BACKGROUND

The NWSA operating budget and CIP implement the business plan and are important components of each Homeport budget. This session will review the cargo forecast, the proposed 2024 operating budget, the 2025-2028 operating forecast, the 2024-2028 CIP, and the 2024 Service Level Agreements in preparation for the budget adoption meeting.

C. ATTACHMENTS TO THIS REQUEST

- Draft 2024 and Future Year Cargo Forecast
- Draft 2024 NWSA Budget Study Session Presentation
- Draft 2024 NWSA Budget Document
- Draft 2024-2028 CIP list by location
- Draft 2024-2028 CIP list by required/other
- Draft 2024 Port of Seattle (POS) Service Level Agreements
- Draft 2024 Port of Tacoma (POT) Service Level Agreements

D. NEXT STEPS

- POT Budget Study Session Wednesday, November 2nd
- NWSA Budget Adoption Monday November 7th
- POS Budget Public Hearing Tuesday November 14th
- POT Budget Adoption Tuesday November 21st
- POS Budget Adoption Monday November 21st

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2024 Cargo Forecast



THE NORTHWEST
SEAPORT ALLIANCE

SEATTLE + TACOMA

Tong Zhu, Chief Commercial & Strategy Officer

Trade and Economic Trends

Global Economy

- Rising interest rates
- Shifting trade patterns
- Slowdown in global trade
- Geopolitical tension

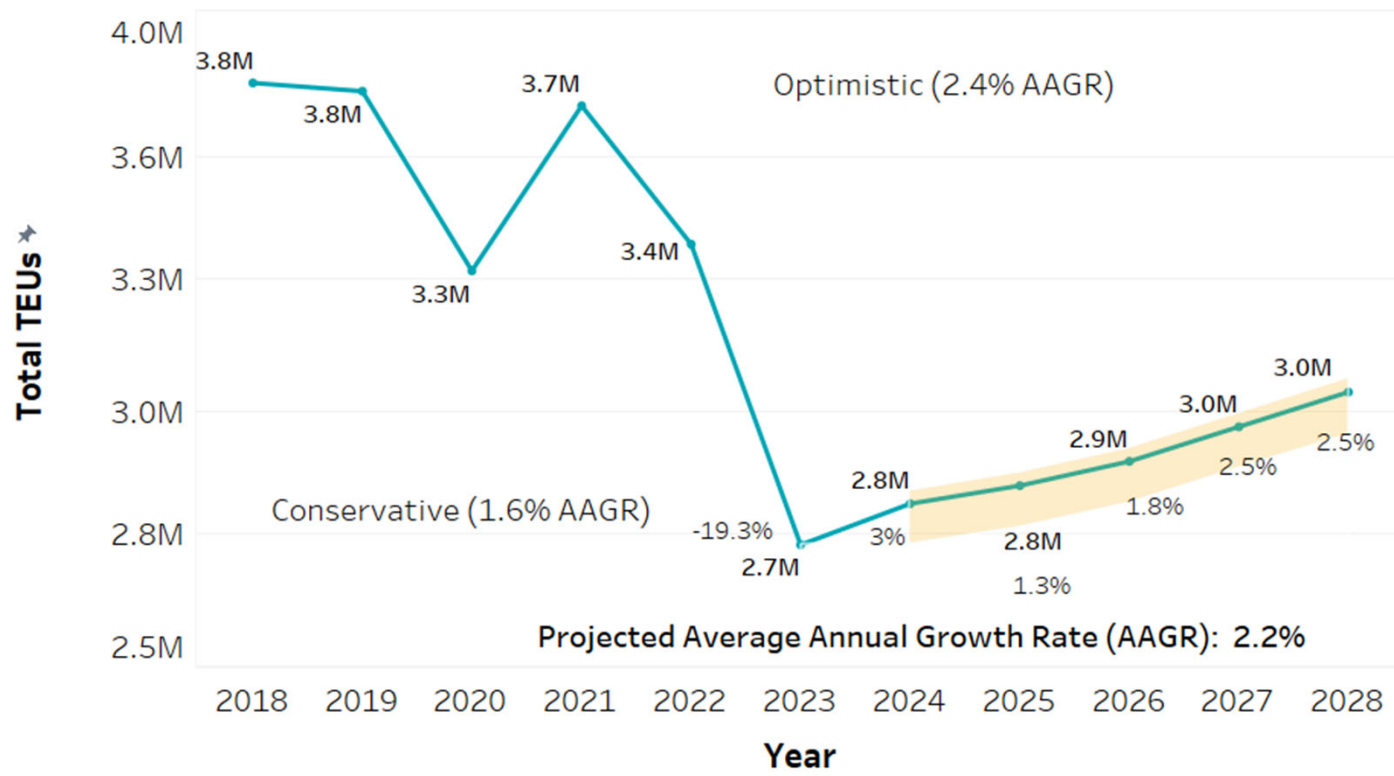
U.S. Economy

- Rising interest rates
- Shifting consumer spending patterns
- Bloated retail inventory levels
- Intense port competition

Market Trends & Gateway Impacts

Container Trends		Impact
Geopolitical tension		-
Shifting sourcing strategies		
- Vietnam and SE Asia		+ / -
- Away from China		-
- India		+ / -
- Mexico & Latin America		+ / -
Panama Canal drought		+
New container vessels coming online		+ / -
Softening consumer demand		-
Holiday shopping season		?
Non-Container Trends		Impact
Sub-par auto inventory levels		+
Shifting production locations		-
Energy projects		+
Shortage of Ro-Ro vessels		+ / -

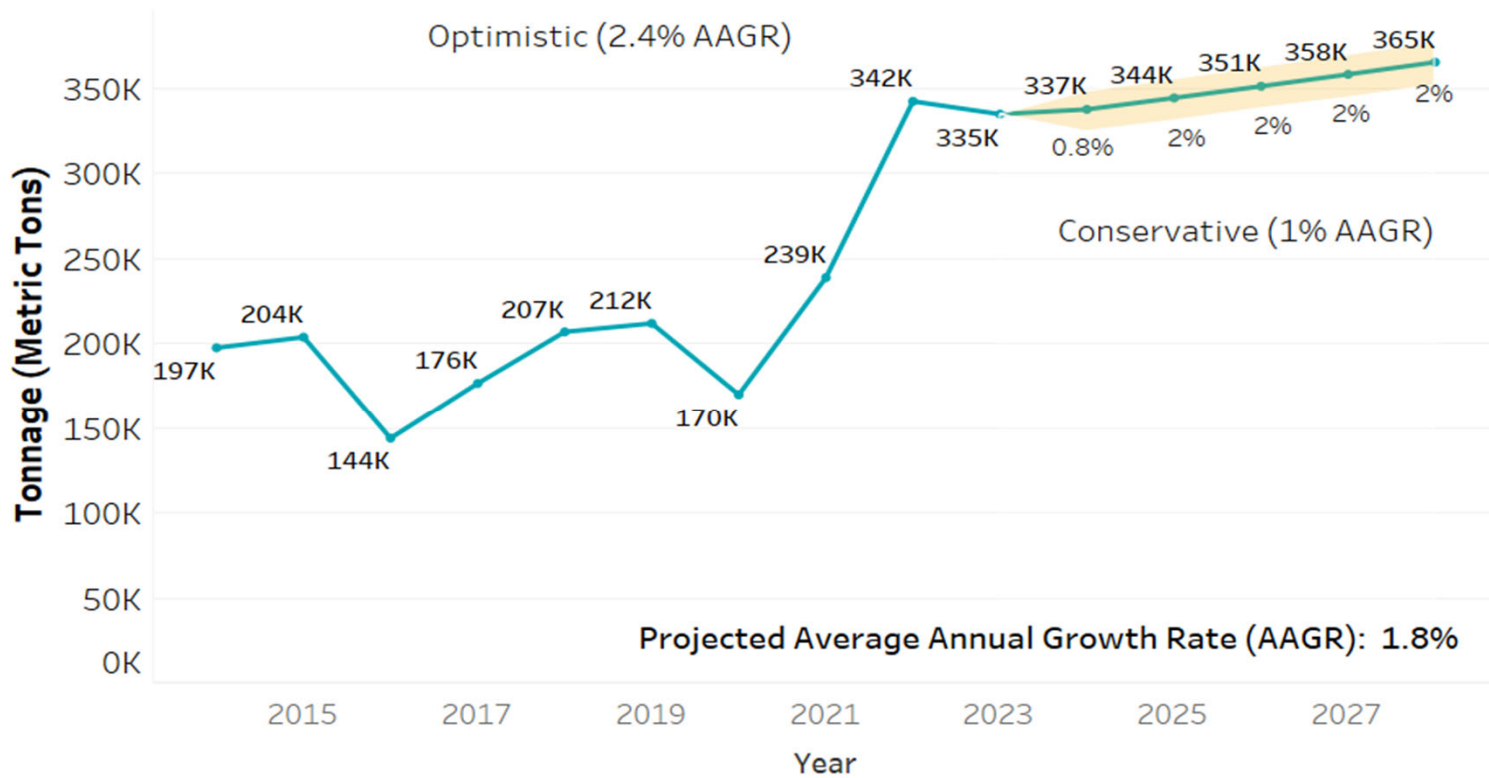
Cargo Forecast – Container (Int’l + Domestic) (2023 – 2028)



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

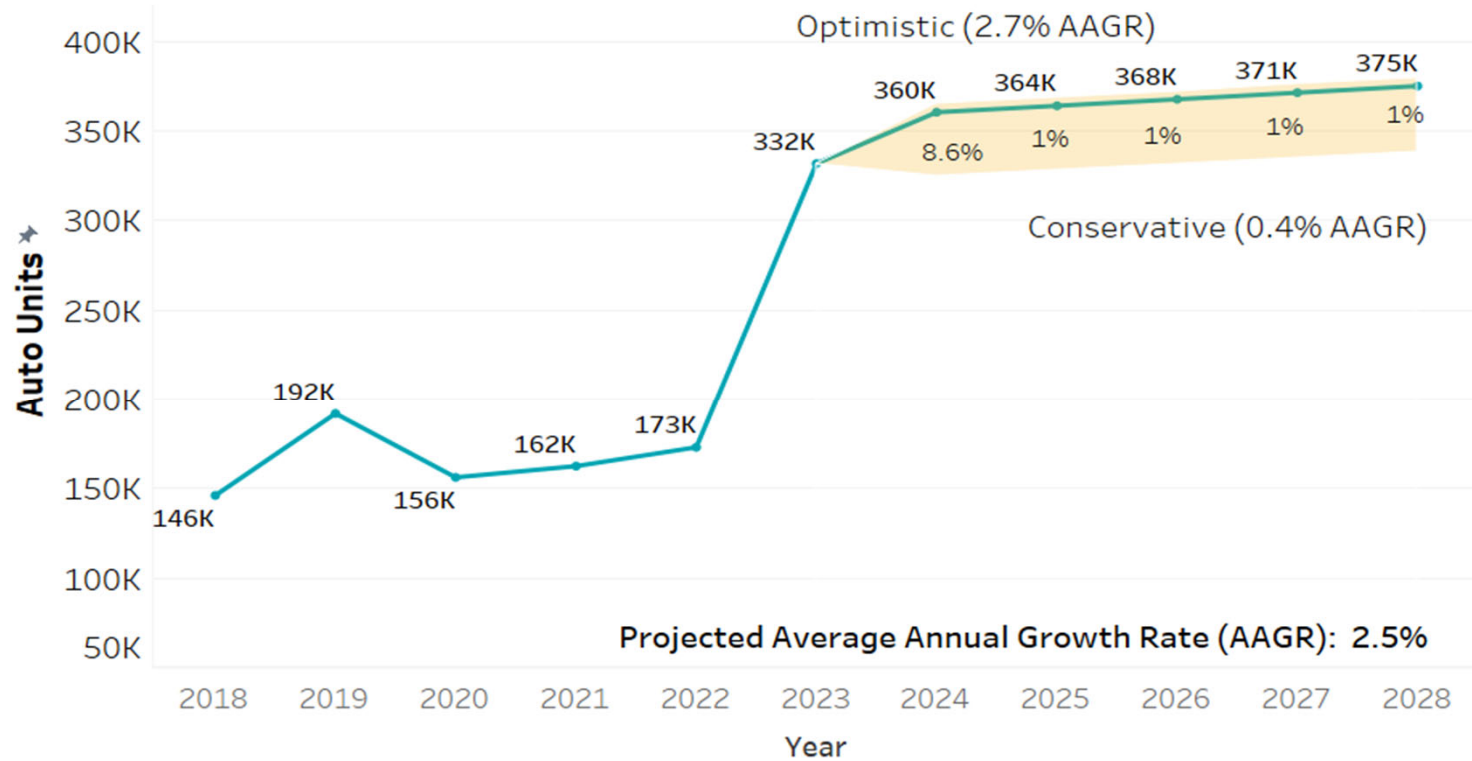


Cargo Forecast – Breakbulk (2023 – 2028)



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

Cargo Forecast – Autos (2023 – 2028)



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