

P
A
R
T

D

January 15, 1999
Vol. 2, No. 2

T

A

M

R

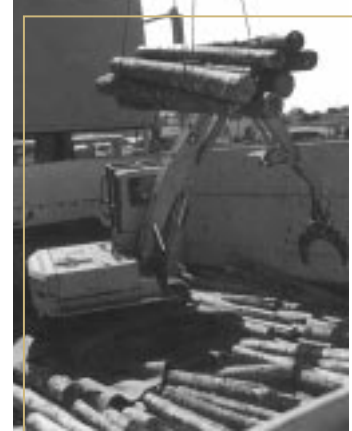
On the Forefront: U.S. West Coast and Latin America as Emerging Trading Partners

Latin America is rapidly becoming an important trading partner for West Coast ports. Once considered an anomaly, trade between the U.S. West Coast and South America totaled 11.1 million tons in 1997, up 10 percent from the previous year. Although the numbers are small compared to trade with Asia, this route is becoming a new business opportunity for West Coast ports, especially the Port of Los Angeles.

Last year, the Port of Los Angeles estimated it would import 116,000 tons of Chilean fruit, which translates into approximately \$250 million in retail sales for the Southern California region. Bound for

Californian grocery stores, this imported fruit is in strong demand during the wintertime. This past December, longshore workers at the Port of Los Angeles offloaded more than 1,500 tons of Chilean grapes, peaches, and nectarines in one day.

"Through our aggressive efforts to bring this commodity into the Port of L.A., we import more Chilean fruit than any other West Coast port," said Larry Keller, executive director of the Port of Los Angeles. "The Port of L.A. is an attractive destination for importers because



Off-loading a shipment of Chilean logs for mill processing, Port of Coos Bay.

a majority of their shipments stay in this region or are easily routed to other markets, providing built-in cost savings."

Further north, the Port of Portland handled 13 percent of the 21,663 TEUs destined for the Pacific Northwest from South America in 1997. The cargo was primarily Chilean lumber. Declines in local lumber production forced the region to import radiata pine from South America and transport it inland to Central Oregon's lumber mills.

"Total trade between the Pacific Northwest and Latin America tripled from 1991 through 1997," according to Ann-Marie Lundberg, marine marketing development manager for the Port of Portland. Lundberg expects trade between the two regions to increase as a direct result of Oregon's growing demand for imported lumber.

Reasons for Change

On one level, Latin America is better poised for global trade than ever before. According to →

SPOTLIGHT: PORT OF COOS BAY

Strategically located along the central coast of Oregon, the International Port of Coos Bay offers the largest deep-draft coastal harbor between San Francisco Bay and Puget Sound, Wash. As the state's second busiest maritime commerce center, this commercial seaport plays a key role in the global distribution of Oregon's natural resources.

The port's safe entrance bar and short 15-mile channel help assure that cargo moves rapidly and efficiently through the harbor's terminals. With 24-hour pilot service and an experienced maritime labor force, the Port of Coos Bay is widely regarded as one of the safest seaports in the Pacific Northwest.

More than 150 deep-draft vessels and 120 cargo barges call in the harbor annually, moving an average of 3.5 million tons per year. Cargo crossing the docks includes wood and wood products, pulp and paper, various breakbulk shipments and petroleum products.

The Port of Coos Bay and regional officials are currently negotiating with NUCOR Steel, the second largest steel producer in the U.S., to create a local mill. Once established, the new steel mill will contribute greatly to the regional economy.

For more information, visit the Port of Coos Bay's web site at www.portofcoosbay.com.

PMA Today is a publication dedicated to highlighting West Coast port activities and developments as they relate to economic and international trade issues in the 21st century. We hope you enjoy PMA Today and find it to be a valuable informational resource. For more information about PMA, please visit our web site at www.pmanet.org.

THE PORTS

Did you know ...

... that U.S. imports from China and Hong Kong last year totaled about 2.6 million TEUs? This figure represented more than half of the 4.3 million TEUs of cargo imported from Northeast Asia, which also includes Japan, Taiwan and South Korea.

Source: *The Journal of Commerce*

the *Journal of Commerce*, reports that Latin America – once a conglomerate of closed, state-run economies – has evolved into an open market where privatization has become the norm during the past decade.

On another level, the Latin American economic crisis still evokes great uncertainty.

The International Monetary Fund (IMF) predicts that Brazil, the United States' largest South American trading partner, will succumb to recession this year. Obviously, it remains to be seen how well the recent IMF \$10 billion bailout will buoy the economy.

Ironically, it is the Asian recession that is

fueling Latin America's growing trade with the West Coast. As Asian demand for Latin American goods diminishes, Latin Americans are more aggressively seeking trade partners to the North.

Future Trends

To fully support a higher level of trade, Latin American

port infrastructure will need to be revamped. Container handling equipment at public ports cannot accommodate cargo volumes comparable to West Coast ports. Yet firm policy decisions regarding privatization are needed before infrastructure development can begin. In 1997, for example, the Mexican government privatized the Port of Ensenada which led to installing container cranes a

year later. Discussions are already underway to privatize more Latin American ports.

Still, trade experts strongly suggest keeping an eye on Latin American trade.

Although much of this trade still centers around the U. S. East Coast, West Coast ports are optimistic that trade with Latin America will continue to grow.

Echoing the sentiment of several West Coast ports, Lundberg of the Port of Portland said, "It's a niche market, but we hope it will continue to grow." ●



Pacific Northwest ports handled 21,663 TEUs of Latin American cargo in 1997.

Member Profile - SSA



SSA operations at Cosco terminal, Part of Seattle.

Stevedoring Services of America (SSA) is one of the world's largest stevedoring companies. SSA has been privately owned and operated by three generations of the Smith/Hemingway family, who first established the Bellingham Stevedoring Company in 1949.

Through the acquisition of stevedoring companies such as Brady Hamilton, Crescent Wharf and Warehouse, Carolina Stevedoring and Ryan-Walsh, SSA is able to draw on more than a century of experience.

SSA has established an impressive global presence with 150 operations worldwide – more international operations than any other stevedore and terminal operator. SSA constructed Manzanillo International Terminal in Panama, reputed to be one of the most efficient ports in the world.

Domestically, the company has worked steadily to establish top-notch cargo handling and related operations in every major U.S. shipping region including the West, East and Gulf Coasts as well as several river operations.

The company also operates several intermodal rail terminals across the country.

"SSA is committed to giving the best possible service to our valued customers," said Ed DeNike, SSA Senior Vice President. "We are proud of our expert supervisory staff working with our ILWU labor force to fulfill this commitment."

SSA handles more than 40 million tons of bulk and breakbulk annually. The company deals with every type of cargo for the majority of shipping lines around the world, international trading companies, major automobile manufacturers and every U.S. Class 1 railroad.

SSA's Information Services applies the latest technology to support and enhance terminal operations, cargo information and customer communication. The company's aggressive efforts to streamline data-handling procedures allows it to maximize the efficiency of terminal functions necessary to handle more than 8 million container moves annually. ●

PMA Today (1999 Pacific Maritime Association) is published semi-monthly for the membership of the Pacific Maritime Association. Comments, suggestions, additions to the mailing list and address changes should be sent to PMA, c/o Joey Parr, PO Box 7861, San Francisco, CA 94120-7861. Produced by PMA Staff.