Trade and Transport Panel

37th Annual World Trade & Transport Conference
Ken Eriksen, Senior Vice President
February 28, 2019
Charting the Course

- Moderator – Ken Eriksen, Senior Vice President, IEG Vantage
- Bobby Landry – VP and Chief Commercial Officer, Port of New Orleans
- Brett Caplice – Director, Bunge North America
- Philip Bell – President, Washington D.C. Steel Manufacturers Association
- Sandor Toth – President and Founder, Criton Corporation
- Trish Haver – Senior Port Development Manager, Norfolk Southern Corp.
Macro Considerations
Freight Movements Surging

Freight Transportation Services Index

2000=100

Month
Miles Driving Slowing: Impacts to Highway Funding, Fuel Usage, Ethanol Demand

Annualized Miles Driven by Month

- Miles Driven
- % Change

Year-Over-Year % Change

Miles Driven (billion miles)

Jan-83 to Jan-18
Dry Bulk Ocean Freight Rates Reversed Course and Have That Sinking Feeling

Monthly Average Baltic Dry Index

![Graph showing the monthly average Baltic Dry Index from January 2000 to January 2019. The index values range from 0 to 12,000, with notable peaks in 2006 and 2008. The graph illustrates the fluctuations in freight rates over time.]
International Maritime Organization (IMO) 2020

- In 2016, IMO announced the effective date for reduction of marine fuel sulphur is January 1, 2020. Under the global cap, ships required to use marine fuels with sulphur content of no more than 0.5% against current limit of 3.5% to reduce greenhouse gas emissions. The Emission Control Areas (ECAs) will remain at the 2015 standard of 0.1% content.

- Ship owners deciding if 1) continue using high sulphur fuel oil with scrubbers or exhaust gas cleaning systems; 2) switch to low sulphur fuel options, including distillates; or 3) virtually sulphur-free LNG fuel.

- Impact represents approximately 75% of global marine fuel demand when compared to the demand of ECA.

- In total, 3 million barrels per day of High Sulphur Fuel Oil bunkers will need to switch to 0.5% fuel through blending with gasoil, plus improved logistics segregation.

- Refineries adjusting late next year will create supply chain issues.
Panel Discussion
Panellist Presentations

- Bobby Landry – VP and Chief Commercial Officer, Port of New Orleans
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- Sandor Toth – President and Founder, Criton Corporation
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Questions?

If you prefer, text them to 212-444-8280
Question and Answer Session

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