



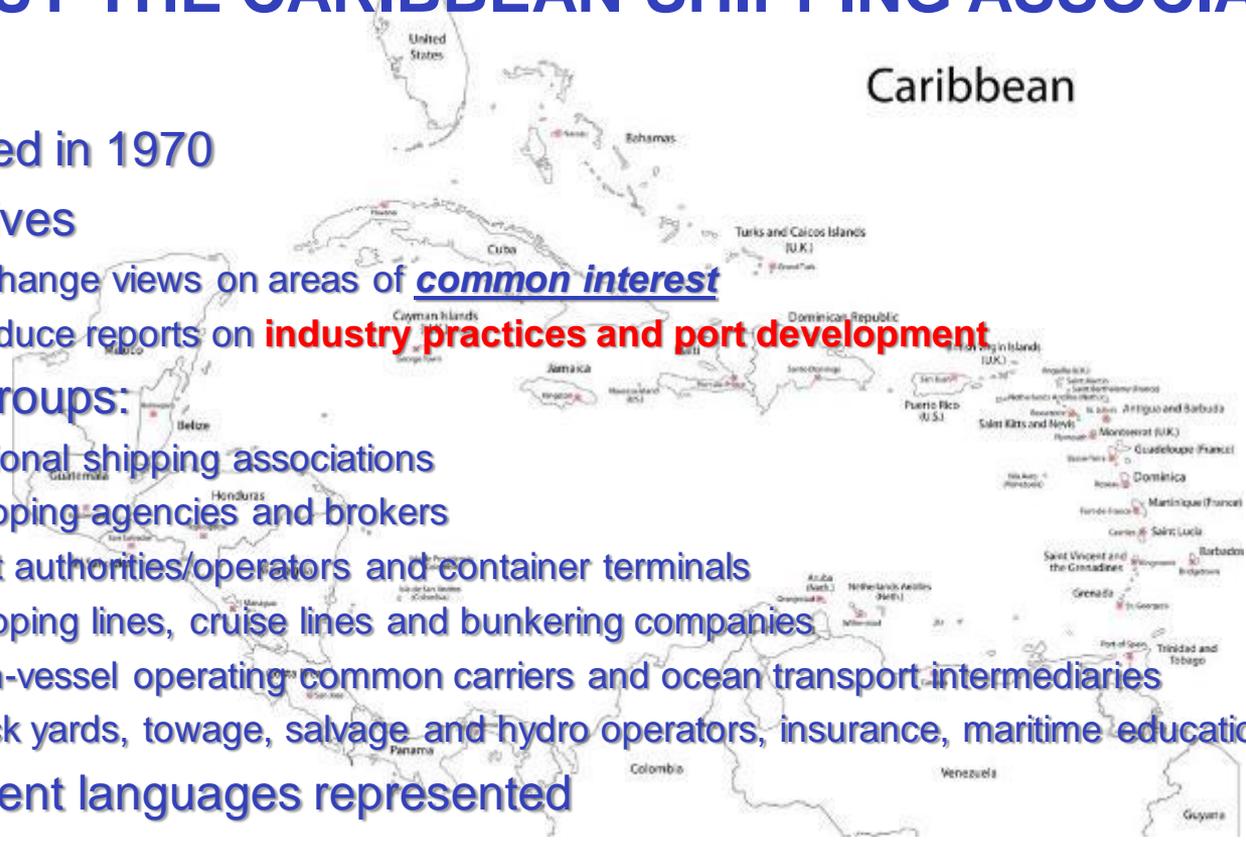
THE VOICE OF THE CARIBBEAN SHIPPING INDUSTRY

Current challenges and opportunities within the maritime transport sector

Juan Carlos Croston

ABOUT THE CARIBBEAN SHIPPING ASSOCIATION

- Founded in 1970
- Objectives
 - Exchange views on areas of common interest
 - Produce reports on **industry practices and port development**
- Main groups:
 - National shipping associations
 - Shipping agencies and brokers
 - Port authorities/operators and container terminals
 - Shipping lines, cruise lines and bunkering companies
 - Non-vessel operating common carriers and ocean transport intermediaries
 - Dock yards, towage, salvage and hydro operators, insurance, maritime education institutes
- 4 different languages represented



FIRST, THE GOOD NEWS...

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Global Agenda Supply Chain and Transport COVID-19 International Trade and Investment

Here's how global supply chains will change after COVID-19

06 May 2020

Jesse Lin

- The coronavirus crisis has revealed the fragility of the modern supply chain.
- Recent data shows the devastating economic impact as week-on-week trade in China, the US and Europe halved because of the crisis.
- Diverse sourcing and digitization will be the key to building stronger, smarter supply chains and ensuring a lasting recovery.

The COVID-19 pandemic has hit global trade and investment at an unprecedented speed and scale. Multinational companies faced an initial supply shock, then a demand shock as more and more countries ordered people to stay at home. Governments, businesses and individual consumers suddenly struggled to procure basic products and materials, and were forced to confront the fragility of the modern supply chain. The urgent need to design smarter, stronger and more diverse supply chains has been one of the main lessons of this crisis.

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May 9th 2020 edition

How to feed the planet

The global food supply chain is passing a severe test

Keeping the world fed

IF YOU LIVE in the rich world and want an example of trade and global co-operation, look no further than your dinner plate. As the lockdowns began in the West two months ago, many feared that bread, butter and beans would run short, causing a wave of stocking-up. Today, thanks to fleets of delivery lorries filling supermarket shelves, you can binge-eat as you binge-watch.



REGIONAL MARITIME TRANSPORT

Drewry estimates that the global container shipping industry generated transport revenues of \$166 billion globally in 2017, managing the flows of 207 million twenty-foot equivalent units (teu) of ocean containers and requiring around **1.26 billion freight invoices** to be issued, verified, paid and reconciled.

In this white paper we will examine current invoicing and payment processes and compare them with an ideal global container liner shipping industry with frictionless invoice reconciliation, settlement and immediate payments. We estimate that the cost of today's process inefficiencies and lack of trust represent \$34.4 billion annually.

INDUSTRY ISSUE	COST DRIVER	ANNUAL COST
Low level of automation	Cost of credit	\$1.6 bn
	Transaction cost	\$30.7 bn
Lack of trust	'Cash Against Documents'	
	Cost of bad debt	\$2.1 bn

Source: Drewry Supply Chain Advisors



REGIONAL MARITIME TRANSPORT CHALLENGES/OPPORTUNITIES (cont'd)

Sustain

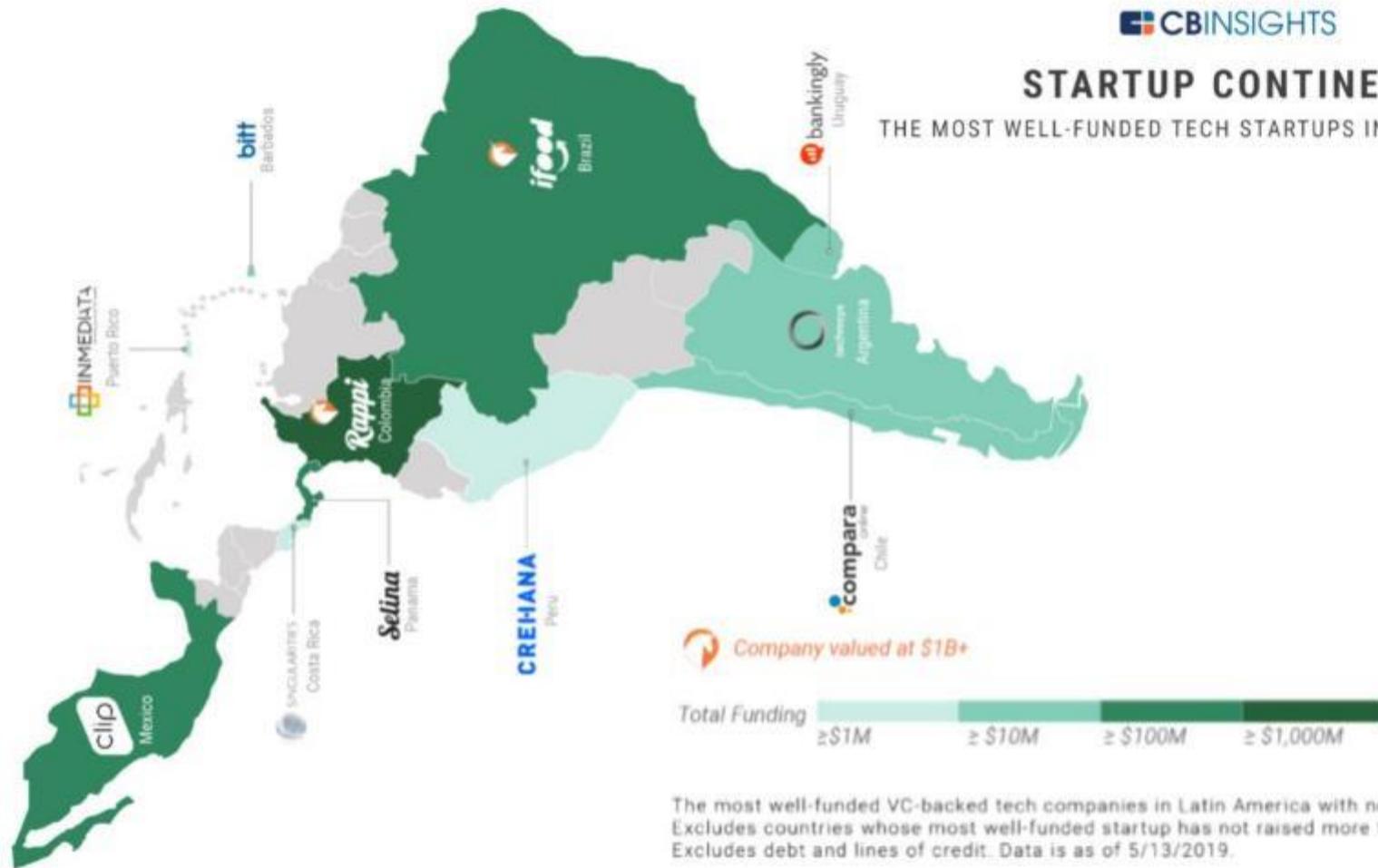


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STARTUP CONTINENT

THE MOST WELL-FUNDED TECH STARTUPS IN LATIN AMERICA



The most well-funded VC-backed tech companies in Latin America with new funding since 2014. Excludes countries whose most well-funded startup has not raised more than \$1M. Excludes debt and lines of credit. Data is as of 5/13/2019.

CRUISE INDUSTRY AND THE CARIBBEAN

2019 key highlights:

- 30.0M passengers expected globally
- 10 new cruise vessels will be launched
- 34.4% cruise line deployment in the Caribbean, 17.3% in the Mediterranean
 - 35.4% and 15.8% during 2018
- 11.9M passengers came from US, followed by 2.4M from China

\$3.36B

direct expenditure

The view from 2067

A smart, customer-focused
container industry

Container shipping:
The next 50 years

1

Invest in
digital

3

Integrate

2

Think
consolidatio

4

Be bold

HUMAN INPUT OF EVERY TRANSACTION





**caribbean
shipping
association**

THE VOICE OF THE CARIBBEAN SHIPPING INDUSTRY

THANK YOU