

## PANAMA EXPANSION 2014 – ENVIRONMENTAL IMPROVEMENTS?

Carbon footprint improvements depends on deployment on the US West Coast

In previous weeks, SeaIntel Maritime Analysis has covered the expansion of the Panama Canal in 2014 and the potential consequences.

Thus far we have analyzed the following topics: which ports in the US stand to pose the greatest opportunities of the Panama expansion, what drivers might be important for a shift to the USEC, the US inland container flow and the investments made in US ports in preparation for new tonnage.

This week we will analyze whether or not the Panama expansion will provide an environmental benefit, by shipping via the USEC to inland destinations, due to the possibility of deploying 10,000 TEU vessels on the services from Asia to USEC through the Panama Canal.

### Methodology

In order to analyze the environmental impact, we need information as to the carbon footprint resulting from moving a container from Asia to an inland location in the US.

At the moment, we are aware of five carbon footprint calculators, which are readily available online. Unfortunately, OOCL's carbon calculator is not available at the moment due to maintenance, Hamburg Sud's calculator is limited to port to port searches, Hyundai Merchant Marine's calculator has a server error which means that it is not possible to look at the detailed description of the CO2 emission, and finally COSCO's calculator does not use the Clean Cargo Work Group methodology, which is the methodology used by the majority of container carriers.

### STEPPING UP CASCADING

It has been clear for a very long time, that cascading of tonnage needs to take place from the main East-West trades. This week saw the cascading efforts taken up another notch.

CSAV announced a service restructuring which will see 8,500 TEU vessels deployed between Asia and West Cost South America. As seen in last week's issue of the Sunday Spotlight, rates are already under pressure in the South America trades, and our prediction of further rate pressure will likely hold true with this magnitude of vessel introduced.

Just one interesting question – public information indicate the maximum vessel size in some of the ports as less