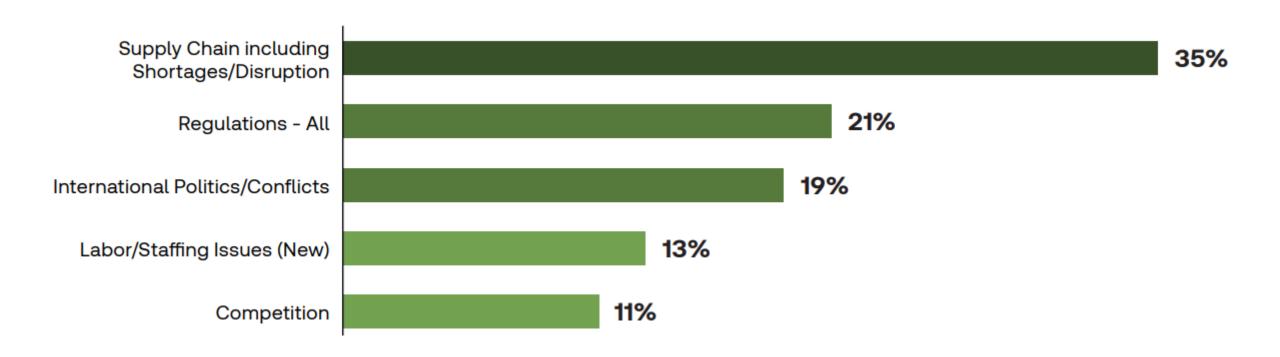


Global Supply Chain Dynamics

J. Kurt Wood Partner

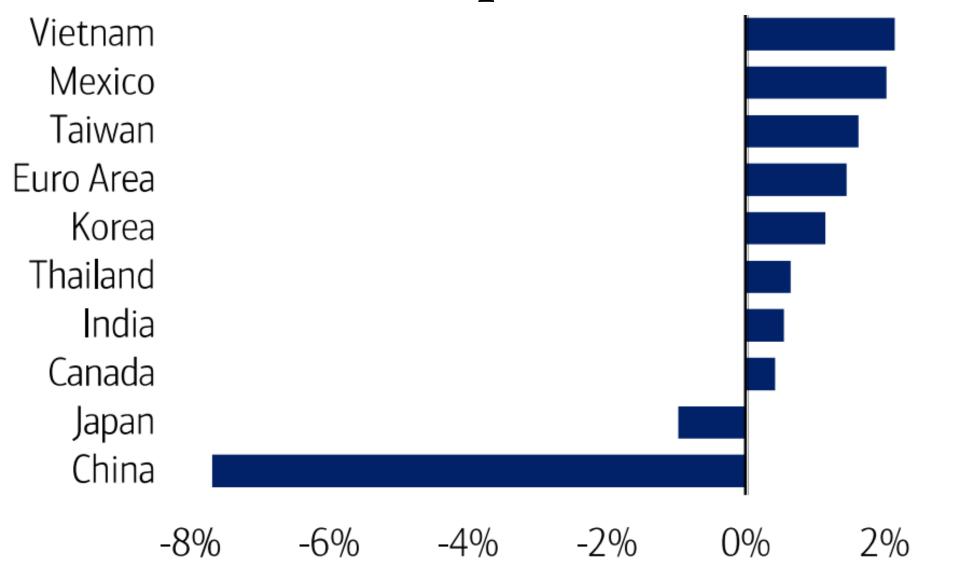


Global Trade & Supply Chain Top 5 Priorities



Source: Thomson Reuters Institute 2024 Global Trade Report

2018 – 24 US Import Mkt Share ▲



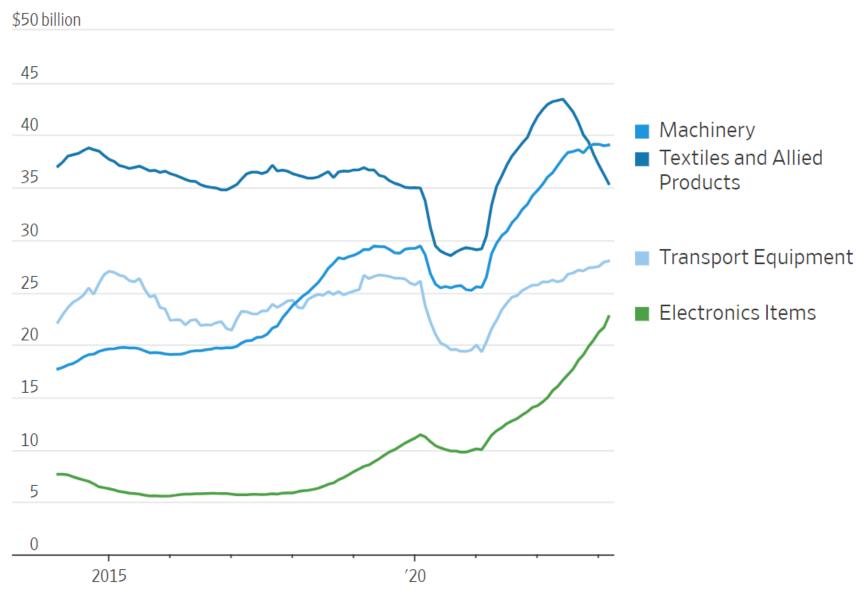
Source: BofA US Equity & Quant Strategy, Haver Analytics, 9/24

Global Landed Costs of US Imports

Country, country pair or region	Days to market	Average landed cost
U.S. and Canada	1	0%
Mexico	1 to 2	-19%
Western Europe	10	13%
Eastern Europe and Mediterranean	14	-3%
South America	15	-8%
Japan and South Korea	15	-3%
China (with trade war tariffs)	17	21%
China (without trade war tariffs)	17	-4%
Southeast Asia	22	-18%
India	25	-15%
Australia	25	10%

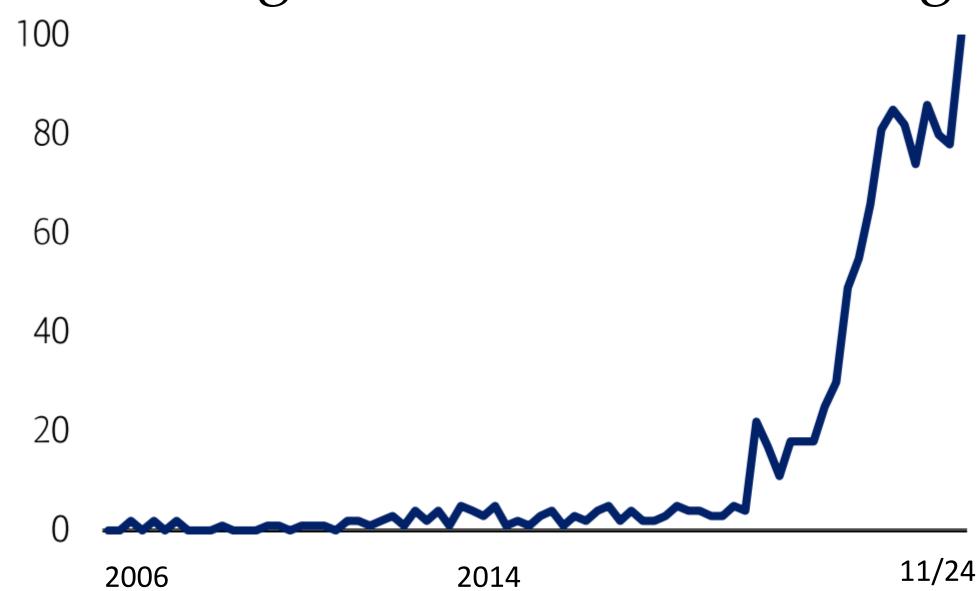
Source: Supply Chain Drive, BCG, 2023

India's Electronics Exports Surge



Source: CEIC Data, 2023

Reshoring Mentions - US Earnings



Source: AlphaSense, BofA Global Research

Planned US Semiconductor Foundries

Company	Spending	Location
Taiwan Semiconductor	\$12bn	Arizona
Intel	\$20bn	Arizona
Samsung	\$17bn	Texas
Texas Instruments	Up to \$30bn	Texas
Global Foundries	\$1bn	New York
Intel	\$20bn	Ohio
SkyWater Technology	\$2bn	Indiana



Company	Industry	Country	Investment
BorgWarner	Automotive		\$47m
Nidec	Electric Motors		\$715m
Tesla	Automotive		\$5b
BMW	Automotive		\$870m
Lennox Intl.	Climate Control		\$150m
Nestle	Food & Beverage		\$340m
GM	Automotive		\$1b

Source: Credit Suisse 3/19/23

The Move to Mexico

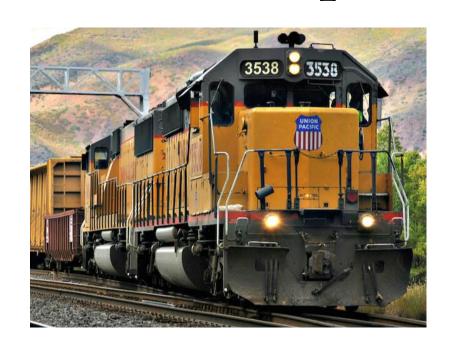
INFLATION-ADJUSTED MACHINERY* IMPORTS TO MEXICO

USD bn, monthly, seasonally-adjusted



Source: Prologis Research, Banco de Mexico, US Census Bureau, 6/23

Transportation Alliances



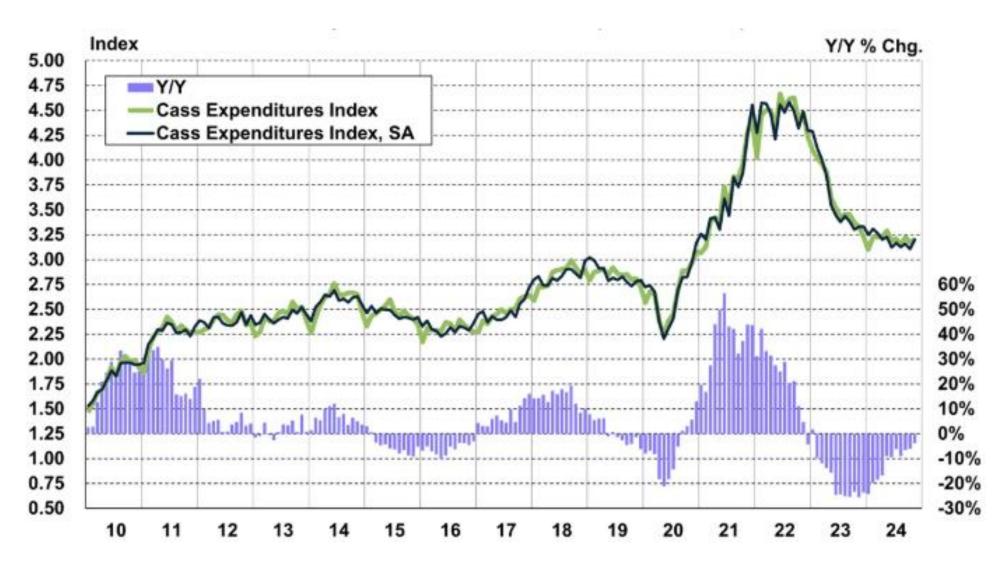


April 2023 – Union Pacific – Canadian National Rail – GrupoMexico

April 2023 – Canadian Pacific Rail – Kansas City Southern – Schneider

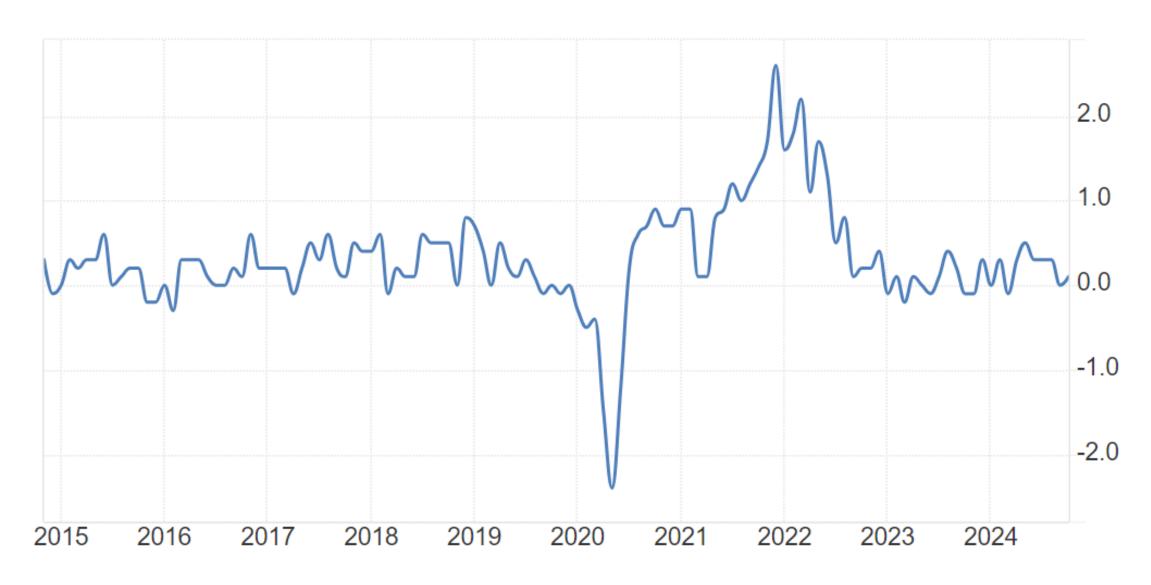
Source: DRZ, CP & KSU merger 4/21

Cass Freight Rate Index



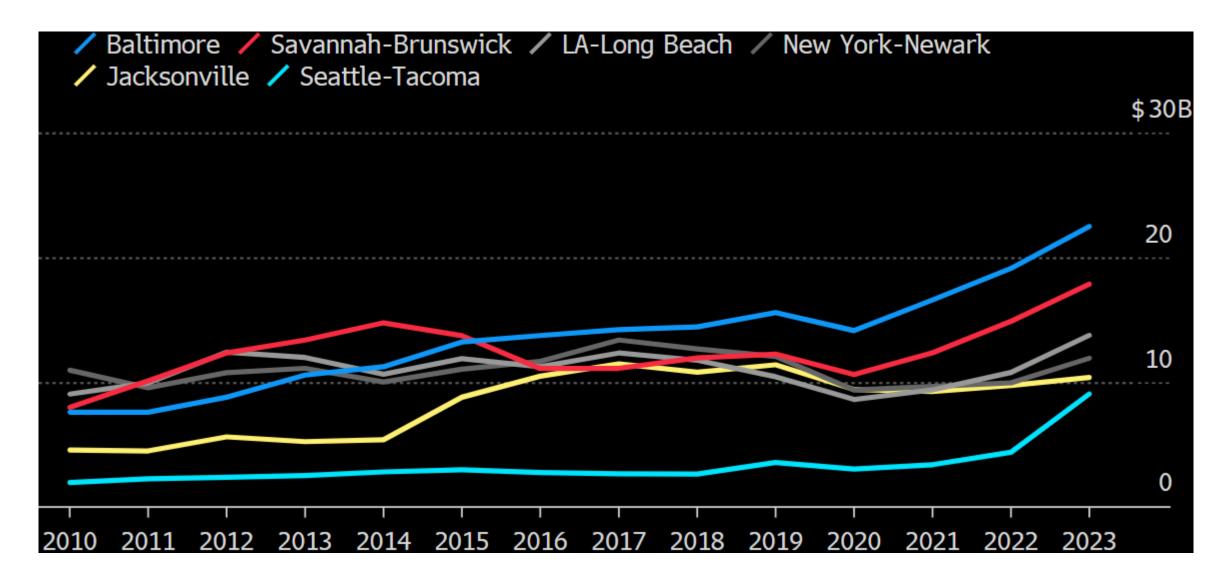
Source: Cass Information Systems, ACT Research, 2024

US Company Inventories



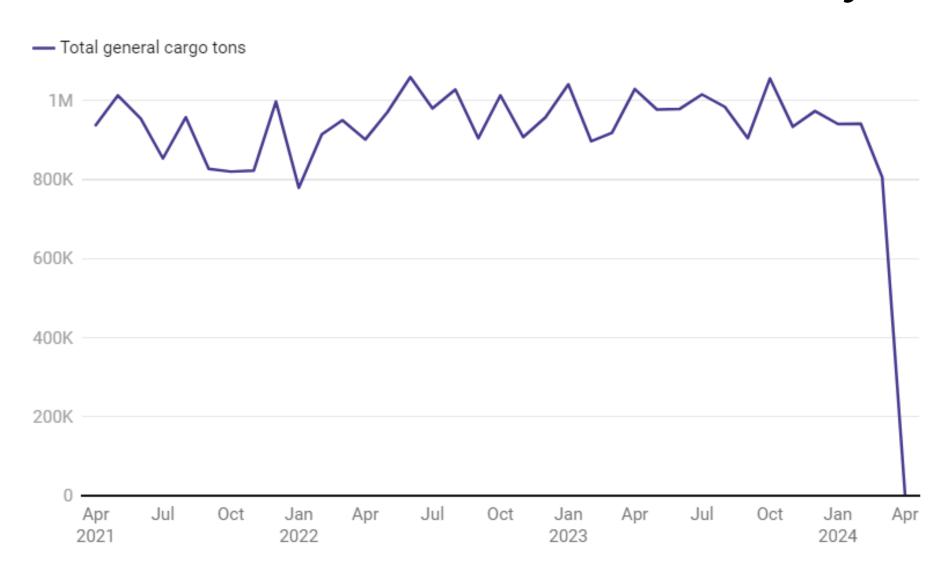
Source: US Census Bureau, Trading Economics

Baltimore is #1 Port for US Auto Imports



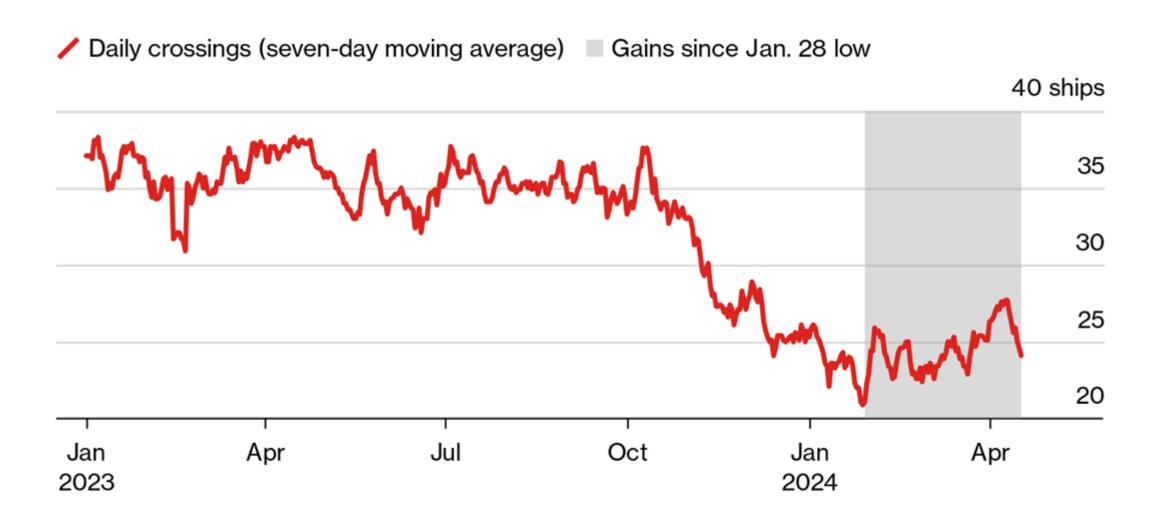
Source: US Census Bureau; Bloomberg. *Customs Value of Autos

Port of Baltimore - Monthly



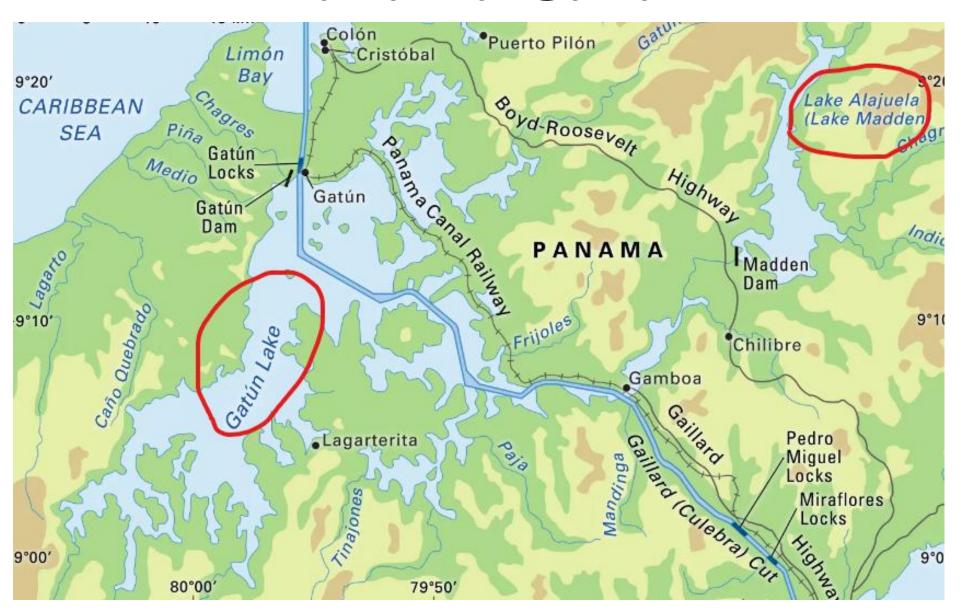
Source: Maryland Dept. of Transportation Port Admin; Supply Chain Drive, Reopened June 12, 2024

Panama Canal



Source: IMF PortWatch, Bloomberg

Panama Canal



Source: Encyclopedia Brittanica

The Long Way

Panama Canal Panama Canal Route \sim 8,000 miles Cape Horn Route \sim 16,000 miles

Source: Canal Crazy National Maritime Historical Society

Avoiding the Red Sea



7 day voyage

Jan. 14

Jan. 21

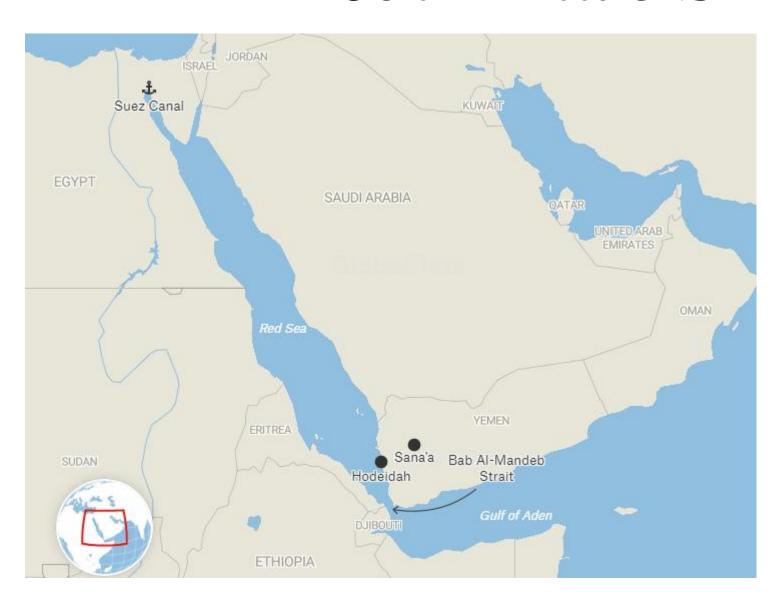
Europe/Asia

US/Asia

All other routes

Source: Flexport, Bloomberg, Mapbox 1/19/24

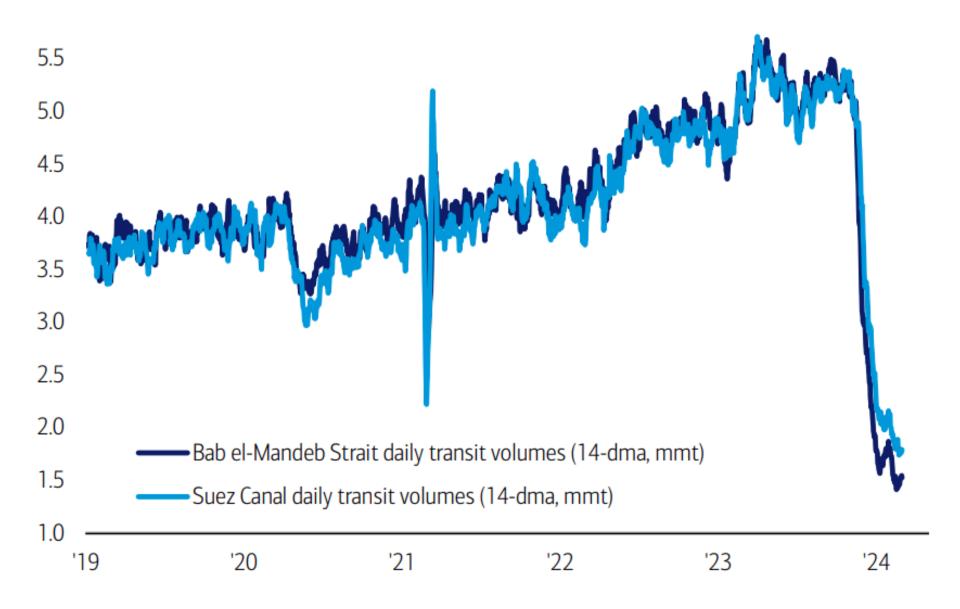
Houthi Attacks



Bab El-Mandeb Strait 18 miles Wide

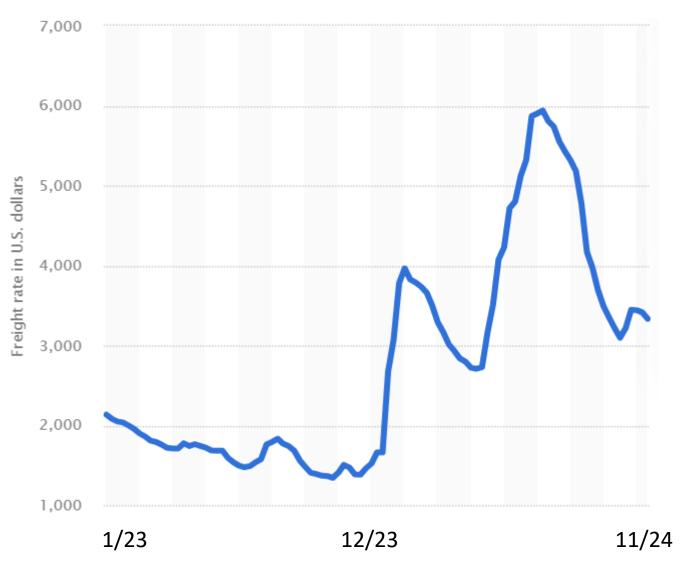
Source: Ship-Technology.com, Mapbox May 2024

Red Sea Container Volumes



Source: BofA Global Investment Strategy, Bloomberg, 4/4/24

Global Container Freight Rate Index



Source: Statista 2024, USD/40 ft container