

WMTA

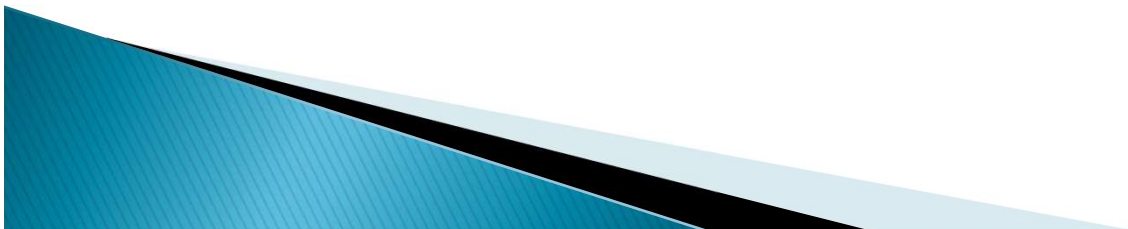
January 2020

Prelude to 2020 by Peter Friedmann

- ▶ Distributed December 31, 2019
- ▶ So much happened in 2019 in trade, transportation, politics and the world in general, but it seems 2019 was just a prelude to much more, much bigger coming in 2020. Here's my own inventory of what's coming.
- ▶ Peter Friedmann



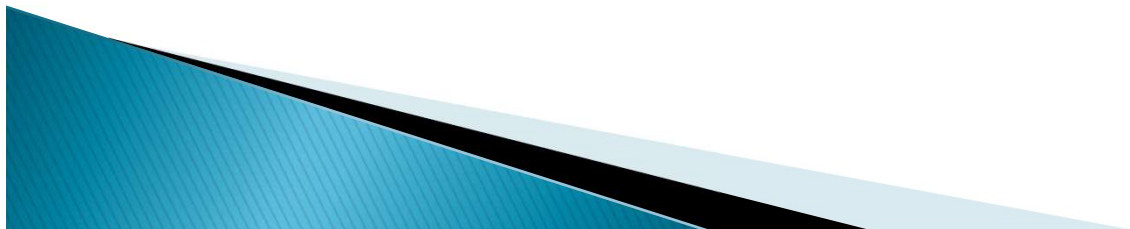
- Impeachment – stalled, or getting revved up?
- Democratic primaries underway -- wide-open field of very different candidates
- Presidential election campaign - more expensive, louder, more contentious than ever.
- November 3 – who will be President? Which party will control the Senate?



- China trade battle – paused for now. Tariff relief for many imports and exports, but high tariffs remain for many more. Is this the ‘new normal’?
- China – US relations, more tenuous than ever. Not just a trade battle, but human rights (Hong Kong) and military confrontation. *Danger ahead* .



- USMCA – negotiated, but not yet through the Congressional gauntlet. Mexico resisting enforcement provisions. It's not a done deal yet.
- Japan – first phase signed, improved access for US products, but much left out; will a next phase be negotiated this year?
- Europe – tariff war between US and EU over Airbus and Boeing subsidies.



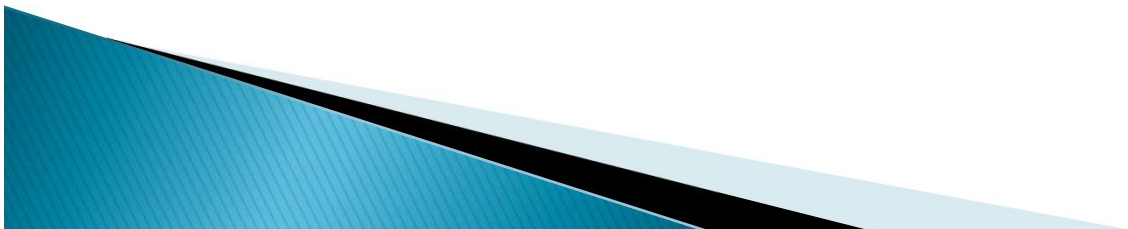
- Brexit – it may finally happen in 2020. Will US negotiate free trade deal with England?
- Ocean carrier and terminals' demurrage and detention charges now a fundamental revenue stream, but so onerous that the Federal Maritime Commission has had to step in – will the guidelines proposed change the abusive behavior, or not?



- California law to eliminate independent contracting, in trucking, Uber, Lyft, free-lance journalists and so many other businesses – will it survive court challenges in 2020, or will it lead to Teamsters organizing all dray and regional truck drivers?
- Will New Jersey and New York enact the same laws limiting independent contracting for trucking to/from Port NJ/NY terminals?



- Ocean carriers' chassis "box rules" – creating congestion at ocean terminals and rail ramps; will chassis "gray pools" gain footing, or will FMC intervene?
- Will California ports move forward in 2020 with 'zero emissions' mandate and fees?
- Will the shift of container trade from West Coast to East and Gulf Coasts accelerate?



- APL into CMA-CGM; OOCL into COSCO; Hamburg Sud into Maersk. Who's next?
- Will container ships keep getting bigger, or are they already too big for terminals to handle?



- How high can the stock market go; how long will the bull run?
- Will any 'brick and mortar' retailers, any shopping malls, survive eCommerce?
- Customs broker and freight forwarders -- surviving digital platforms, consolidation, and ocean carriers seeking to be 'one-stop shops'

End of Peter's Prelude comments.



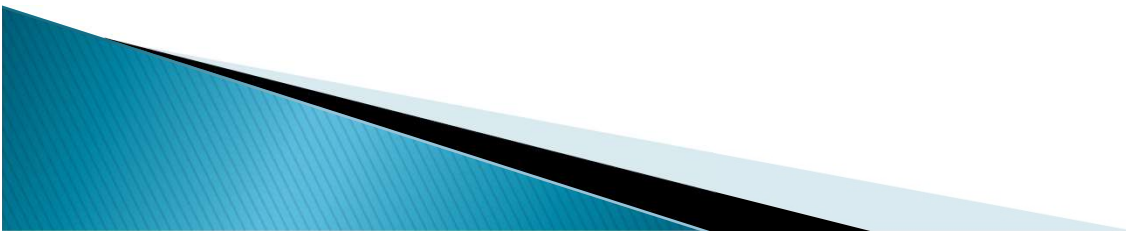
What can we add?

- Iran conflict
- Price of Oil
- Cyber Security – High Alert
- Travel Warnings
- And tomorrow the list continues



Other tidbits –

- Panama Canal
- The Wall
- ADD/CVD
- Mexico



Local and General Comments

Questions

Thank You –

Wishing you a productive 2020

