

Promoting Exports to South Korea through the Oakland Gateway



PORT OF OAKLAND

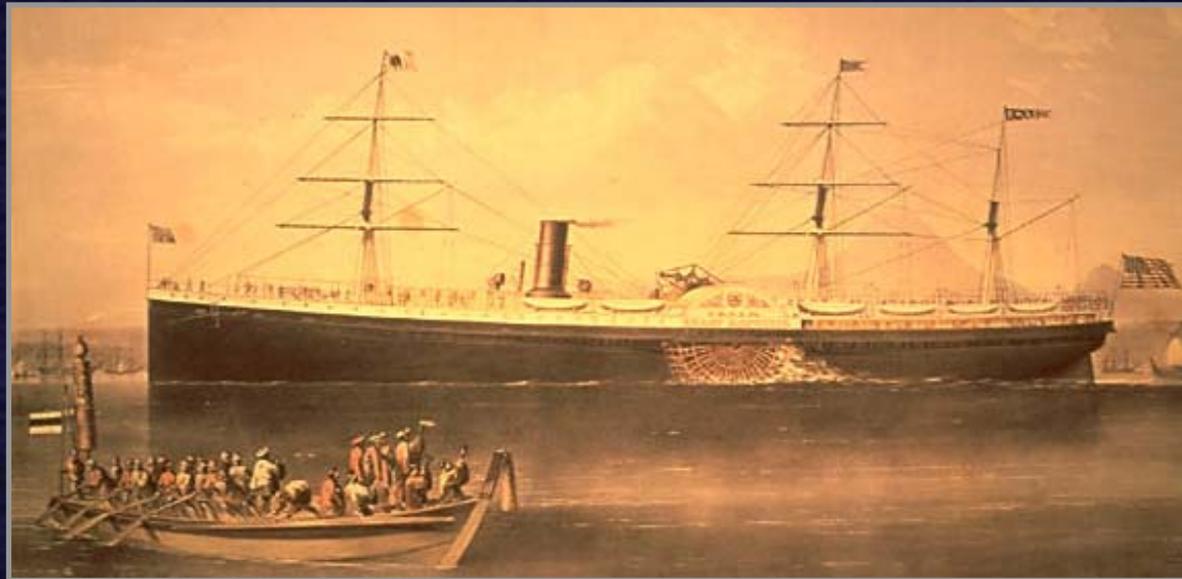
Jahan Byrne

Business Development and Marketing Executive

31 March 2011

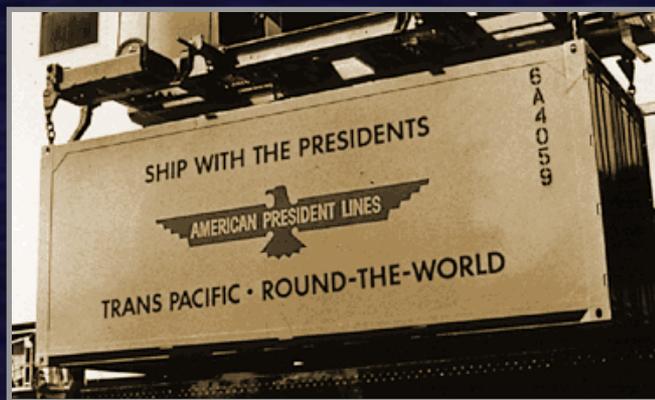
Trans-Pacific service began in 1867

SS Colorado sailed between San Francisco Bay and Asia, starting 144 years of trade, tourism and immigration.



Partner with the Pioneers of Containerization

- In the 1950s, Matson, APL and Sea-Land invested assets and infrastructure early on to promote containerization
- As a result, Oakland was the largest U.S. port through the 1960s



The Seaport Today

Enterprise Agency of the City of Oakland

- 5th largest in the U.S.
- 7 container terminals with 36+ cranes on 770+ acres
- 20 deepwater berths with average depth of -50 feet
- 28+ carriers connect Oakland with 80 ports worldwide each week



Local, National and Global Reach

- Intermodal gateway for California and entire U.S.
- Linked to 4 major interstate highways and two Class I rail networks
- Serves 7+ million consumers, 6th largest in U.S.
- Port employs 475 personnel, and through port operations, supports 55,000 jobs in region



Port of Oakland Marine Terminals



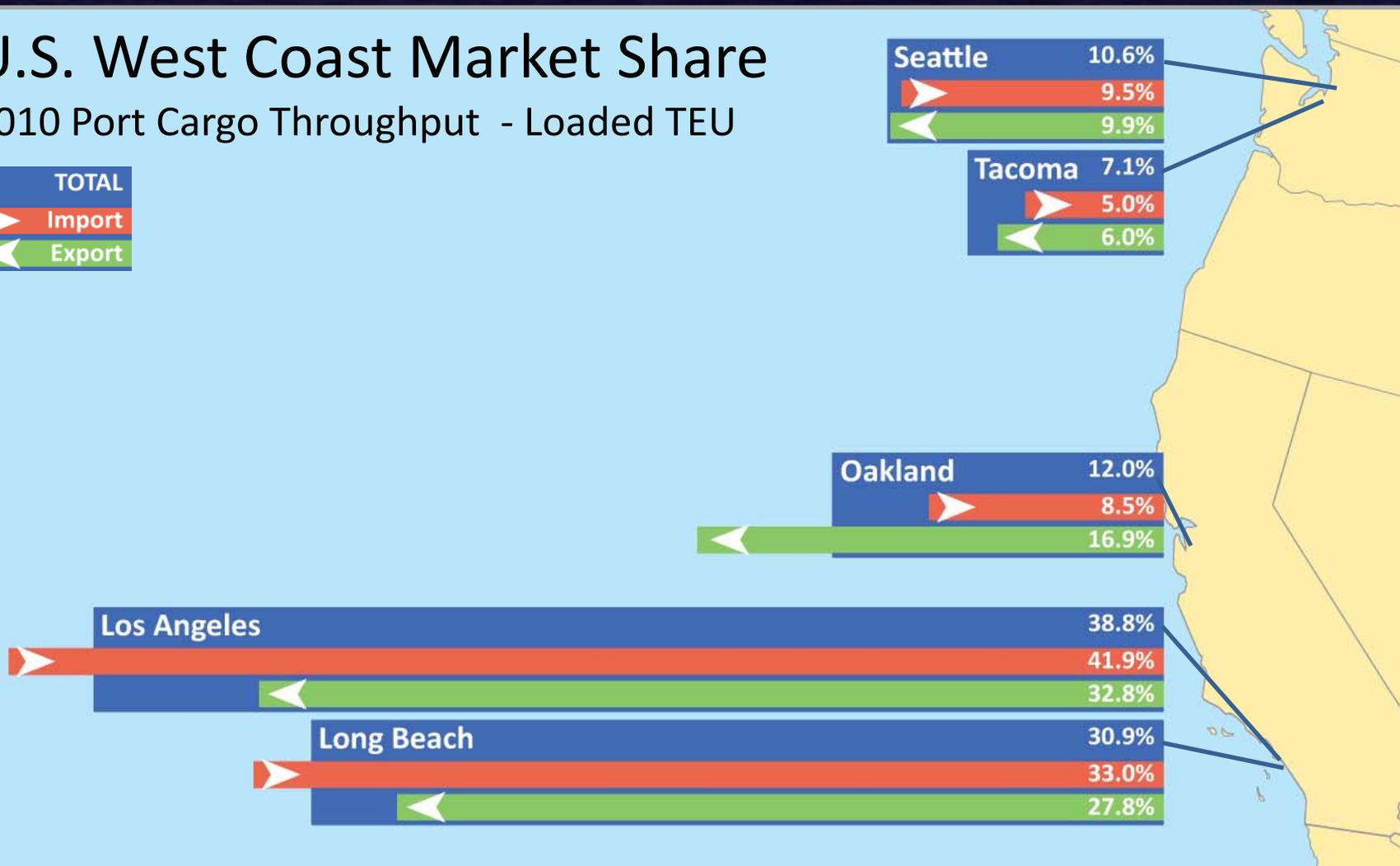
- Berth 20-26 Ports America Terminal
- Berth 30-32 TraPac Terminal
- Berth 35-38 Ben E. Nutter Terminal
- Berth 55-56 Hanjin Terminal
- Berth 57-59 Oakland Int'l Container Terminal
- Berth 60-63 APL Terminal
- Berth 67-68 Charles P. Howard Terminal



Oakland is 3rd Largest Port on USWC

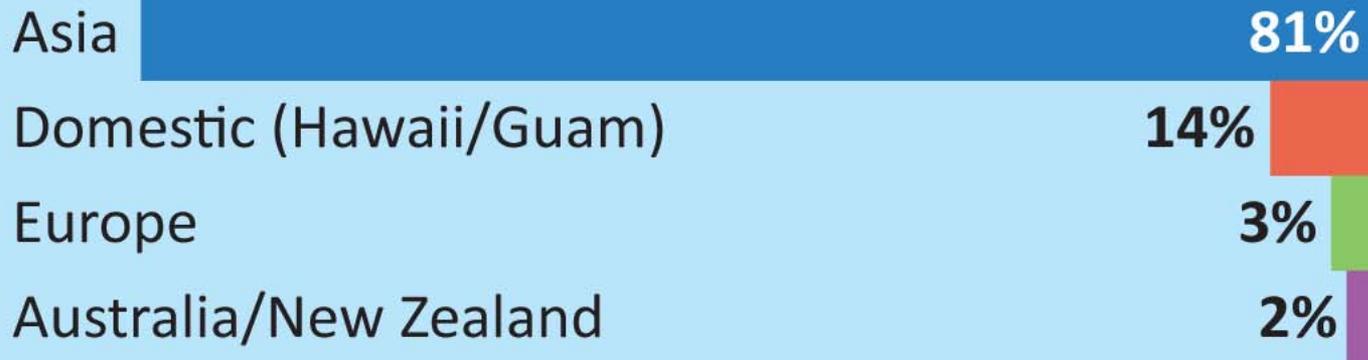
U.S. West Coast Market Share

2010 Port Cargo Throughput - Loaded TEU

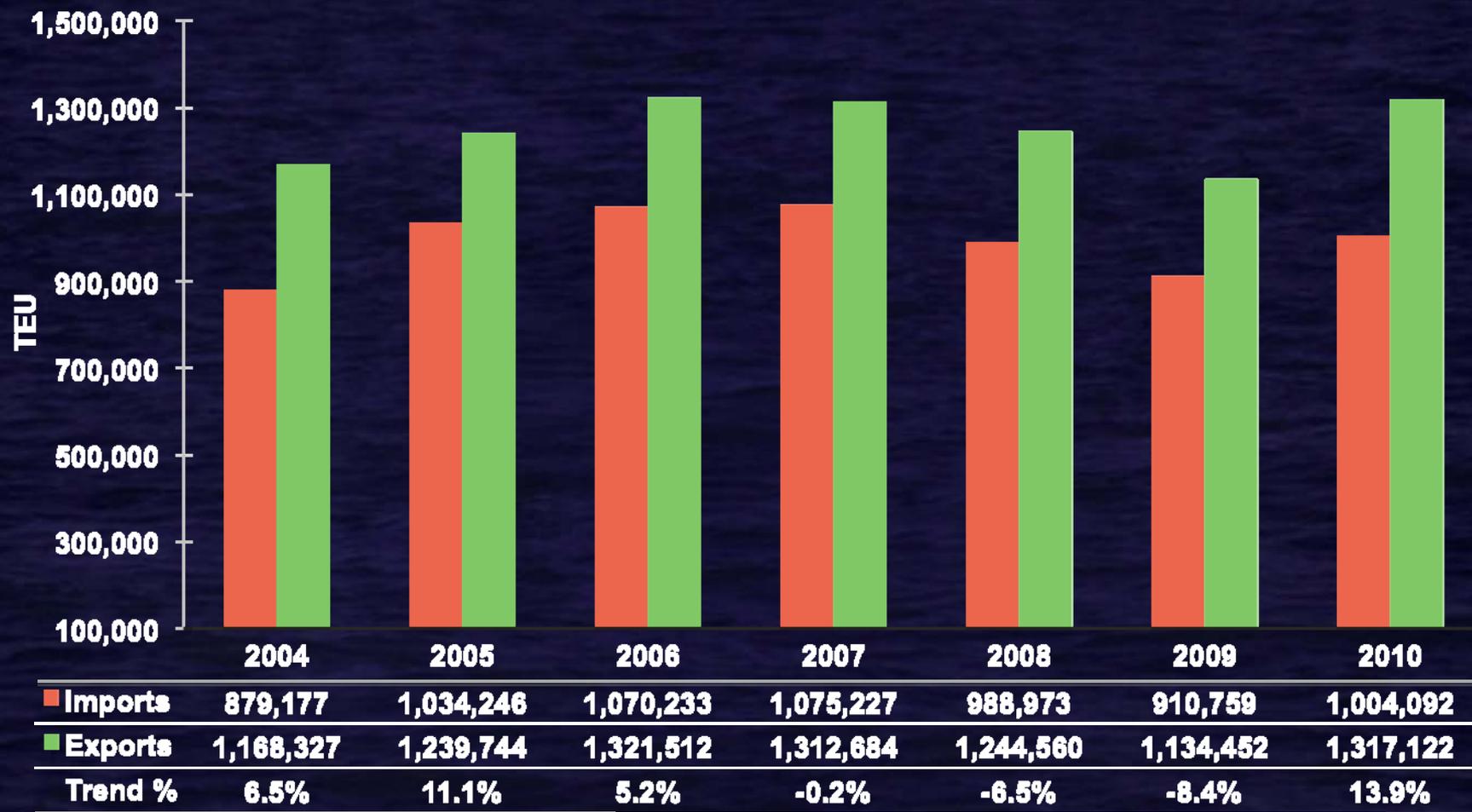


and serves as a major gateway to and from Asia

Oakland's Trading Partners



Annual Port Growth in TEU



Major Exports by Value, 2010

Total value of all exports—\$14.8 Billion

Commodity	\$ Millions
1 Edible Fruit and Nuts	1,802
2 Meat	1,064
3 Machinery	652
4 Beverages	546
5 Inorganic Chemicals/Rare Earth	521
6 Vehicles	472
7 Cereals	420
8 Electrical Machinery	408
9 Optical/Medical Instruments	363
10 Misc Chemical Products	275

Major Imports by Value, 2010

Total value of all imports—\$21.3 Billion

Commodity	\$ Millions
1 Machinery	4,505
2 Electrical Equipment	2,312
3 Furniture and Bedding	1,158
4 Beverages	1,098
5 Knit Apparel	965
6 Woven Apparel	873
7 Vehicles	791
8 Toys and Sports Equipment	671
9 Plastic	595
10 Coffee	506

Top Ocean Carriers Serving Oakland

Total 2010 volume: 1.7 million TEU (loaded only)

TEU (thousands)	Carrier	Oakland Ranking	Trans-Pacific Ranking	Global Ranking
185.6	APL	1	3	6
178.5	Evergreen	2	1	5
131.3	Maersk Line	3	2	1
122.1	Hanjin	4	4	9
117.8	MSC	5	8	2
111.2	Yang Ming	6	10	16
100.0	Hapag-Lloyd	7	15	4
89.9	Hyundai	8	6	18
87.0	Matson	9	17	28
82.0	Horizon	10	No 2010 Service	34

Source: Port data, JOC PIERS

Korea and Port of Oakland Trade

Top Carriers

1 APL

2 Hanjin Shipping

3 China Shipping

4 Hyundai Merchant Marine

5 Maersk Line

6 Evergreen

7 OOCL

Major Exports to Korea, 2010

Total value of all exports from OAK —\$1.2 Billion

- 1 Waste and Scrap (Copper and Aluminum)
- 2 Dried Fruits and Nuts
- 3 Oranges (Fresh)
- 4 Hides
- 5 Rice
- 6 Meat (Fresh, Chilled, Frozen)
- 7 Cheese
- 8 Skin Care Products
- 9 Fruit
- 10 Animal Feed

South Korea ranks as the 4th-largest export trading partner with Oakland, behind China, Japan and Taiwan

Major Imports from Korea, 2010

Total value of all imports to OAK —\$393 Million

- 1 Coin or Coin-operated Games
- 2 Monitors for Data Processing
- 3 Bridges and Bridge Sections of Iron and Steel
- 4 Paper and Paperboard
- 5 Optical Devices
- 6 Tires
- 7 Refrigerators and Freezers
- 8 Office Machines
- 9 Household Machinery
- 10 Compressors for Refrigeration Equipment

South Korea ranks as the 11th-largest import trading partner; China is largest

Oakland to South Korea Transits



Carrier	Service Name	Transit Time
Yang Ming Marine Transport	YM-PSW 4	13
Hanjin Shipping	CUX	12
APL/HMM/MOL	PCX	12
K-Line	PSX	13
K-Line	PSW-4	17
Maersk Line	TP5	15

Carrier	Service Name	Transit Time
COSCO	HPSX	13
Yang Ming Marine Transport	PS4	12
	YM-PSW 4	12
	CAX	13
Hanjin Shipping	CAX	13
	PSX	16
OOCL	CCX	11
Evergreen Shipping	PCE	13
	NUE	16
APL/HMM/MOL	PCX	11
	PSW	11
	PS5	13
Hapag-Lloyd	CCX	11
Maersk Line	TP5	15

Sample Commodity Tariffs

Commodity	Tariff	KORUS FTA
Almonds	8%	0%
Cherries	24%	0%
Pistachios	30%	0%
Wine	15%	0%
Lemons/Avocados	30%	5-year phaseout
Oranges	50%	7-year phaseout
Apples (non Fuji)	45%	10-year phaseout
Lettuce/Tomatoes	45%	10-year phaseout

Sample Commodity Tariffs

Commodity	Tariff	KORUS FTA
Beef	40%	40% Years 1-5 30% Years 6-10 24% Years 12-15 0% Year 16
Pork, fresh	22.5%	22.5% Years 1-5 declining to 0% by Year 11
Rice		Excluded

KORUS FTA Opportunities

- In synch with National Export Initiative goal of doubling exports by 2015 (annual CAGR of 14%)
- 95% of consumer and industrial product tariffs eliminated within 3 years
- Average agricultural tariff of 52% will fall to 4% in 15 years
- Will help U.S. capture higher percentage of Korea's \$250 billion import market
- A predicted increase of \$11 billion in exports



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