

Panama Canal Expansion: Global Trade, Infrastructure and the U.S. Economy



Client

Department of Transportation's Maritime Administration (MARAD)

Facts

Period 2016

Project Country United States

The Panama Canal expansion project doubled the capacity of the Panama Canal and opened to ships on June 26, 2016. EDR Group's (now EBP's) freight and trade practice played a key analytical support role to the Department of Transportation's Maritime Administration (MARAD) leading up to and following this much-anticipated event.

The expansion allows for the passage of much larger ships, potentially reducing the cost of trans-ocean shipping and affecting trade between Asia and the U.S. Looking to understanding the impacts of the canal expansion on U.S. ports, waterways, and intermodal freight systems, MARAD commissioned a multi-phase study led by EDR Group. Phase I findings were published in 2013, in the first of two anticipated reports.

The purpose of the Phase I report is to identify and explain pending developments in world ocean trade routes and national and global economies that are likely to affect global and U.S. freight corridors relevant to the Panama Canal expansion. The report identifies and describes the capabilities of U.S. ports to accommodate Post-Panamax vessels and also provides a preliminary assessment of potential shifts in commodity flows once the Panama Canal expansion is complete.

A second forthcoming report will address in more detail the readiness of major U.S. ports and inland infrastructure to handle larger vessels and the potential for higher peak loads associated with more concentrated U.S. port calls. This part of the study addresses changes in transportation costs for major affected trade flows, including container imports from Northeast Asia and U.S. exports that would benefit from the use of deeper draft vessels permitted by the Panama Canal Expansion.

The MARAD project builds on EDR Group's extensive experience in freight infrastructure investment analysis. The study was conducted in conjunction with Parsons Brinckerhoff, Inc., Mercator International, LLC., WorleyParsons Group, Howard/Stein-Hudson Associates, Inc., and 360 Media, Inc.

As a national leader in port and waterways economics, EDR Group's port experts were interviewed and quoted by a large number of national media outlets regarding the implications of the expansion on the global trade economy.



Contact Persons