

# Inside the Numbers

## *2019 Year in Review & 2020 Outlook*

---

February 19th 2020, 2:00 PM ET



**IANA**  
INTERMODAL ASSOCIATION  
OF NORTH AMERICA

# Housekeeping

- Panelist presentations will be followed by audience question and answer session
- Audience audio will be muted
- Submit questions at any time for Q&A session at the end of the webinar presentations
- A recorded version of this webinar, including the slides, will be available in the near future



# Agenda

---

- Economic conditions
- 2019 IANA numbers, the year in review
- International & Domestic Intermodal Discussion
- Questions

# Our Panel

---



**Pat Casey**  
Vice President Fleet,  
TTX Co.



**Peter Wolff**  
Director of Market  
Development, TTX Co.

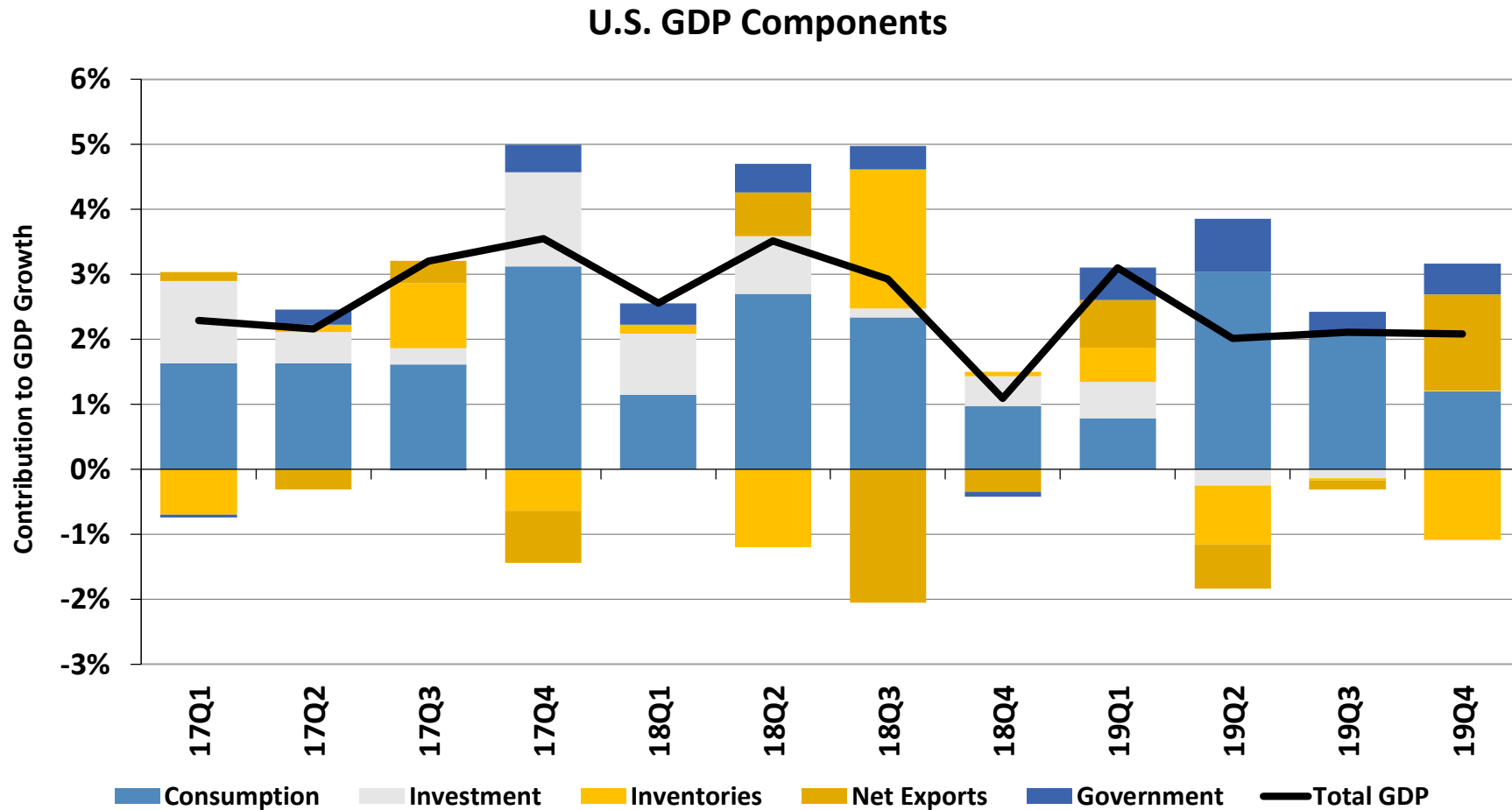


**John Woodcock**  
Director of Market  
Development, TTX Co.

A white semi-truck is pulling a long green container trailer. The trailer has several green containers stacked on it. The text "Economic Overview" is overlaid in large white letters across the middle of the image. A person is walking in the foreground on the right side. The background shows a building and a cloudy sky.

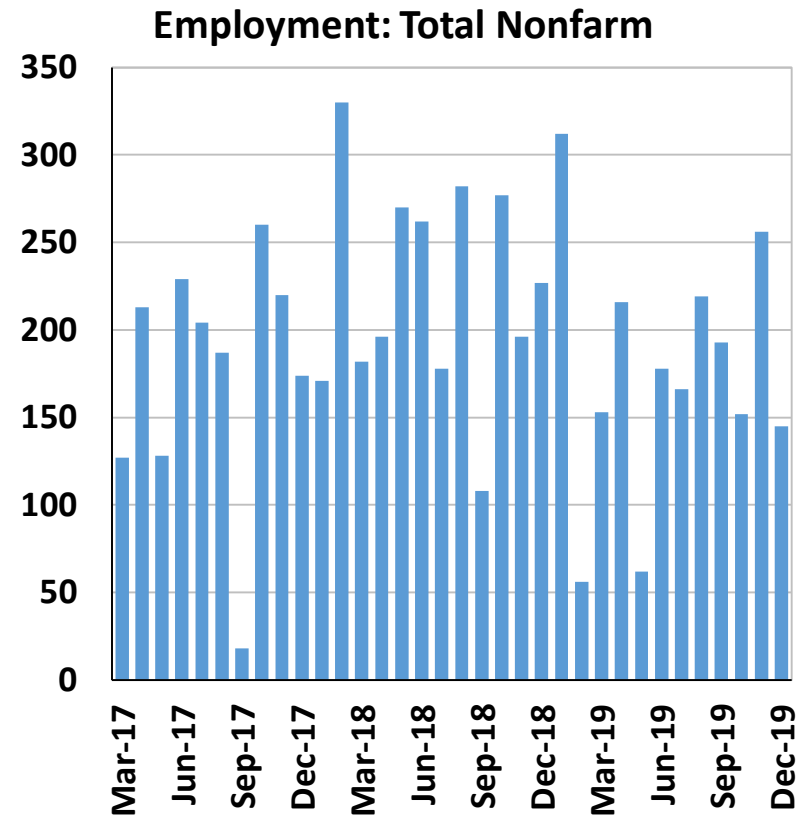
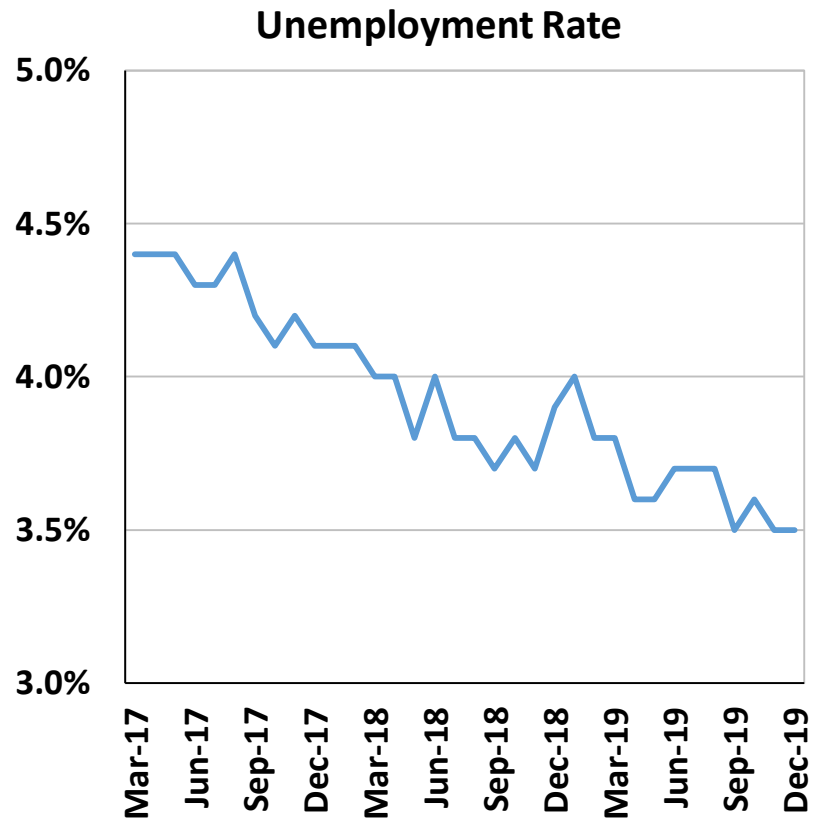
# Economic Overview

# 2019 U.S. GDP grew 2.3% but the pace may slow this year to 1.7%



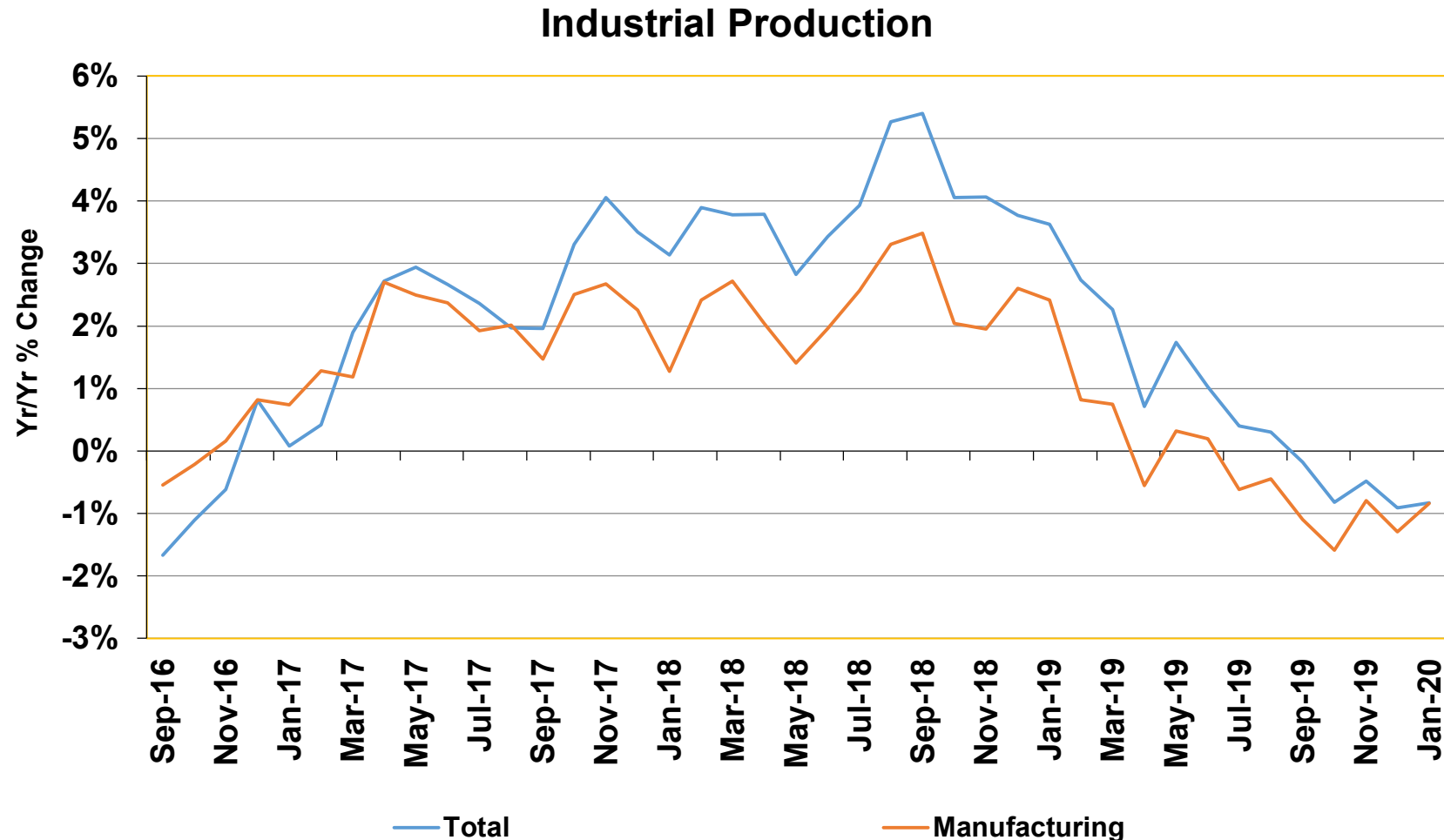
Source: U.S. Bureau of Economic Analysis

# The unemployment rate is very low, but overall employment gains have softened



Source: U.S. Bureau of Labor Statistics

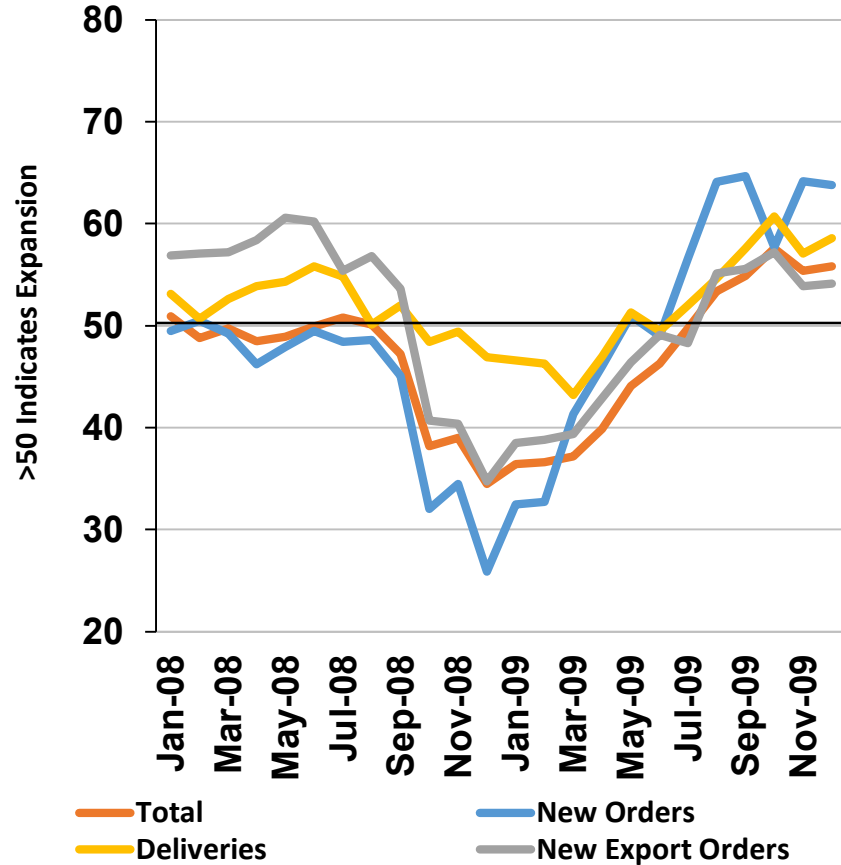
# Industrial production slowed due to trade policy barriers, weak global demand and low energy prices



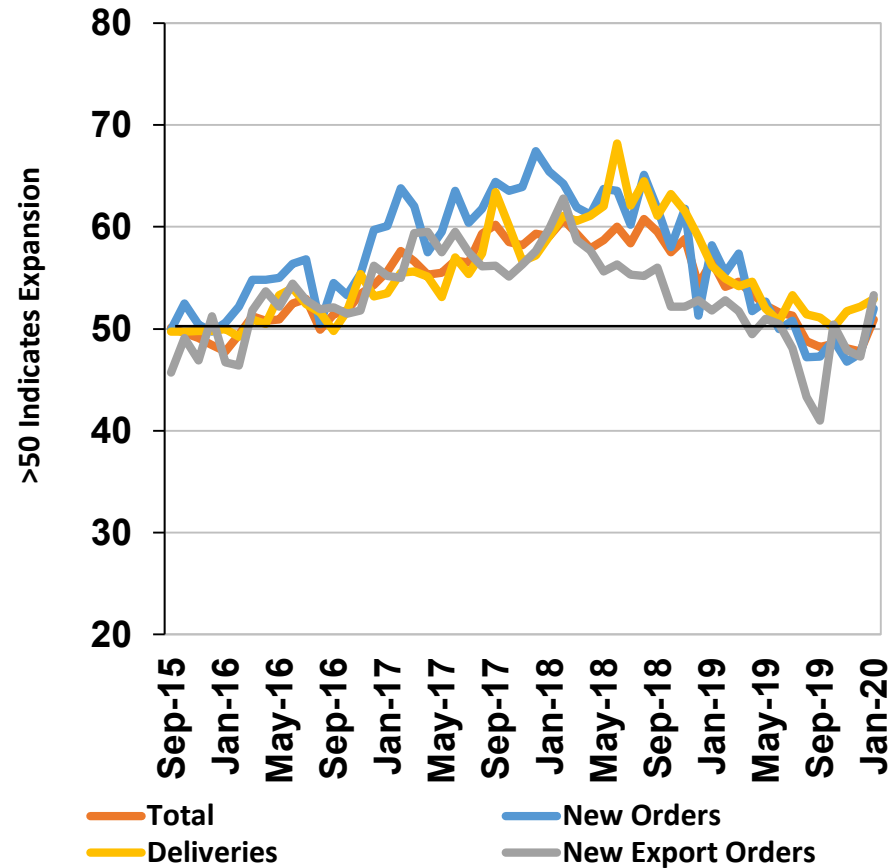


# The ISM index is at its lowest level since 2009

## Recession Era ISM: Purchasing Managers' Index

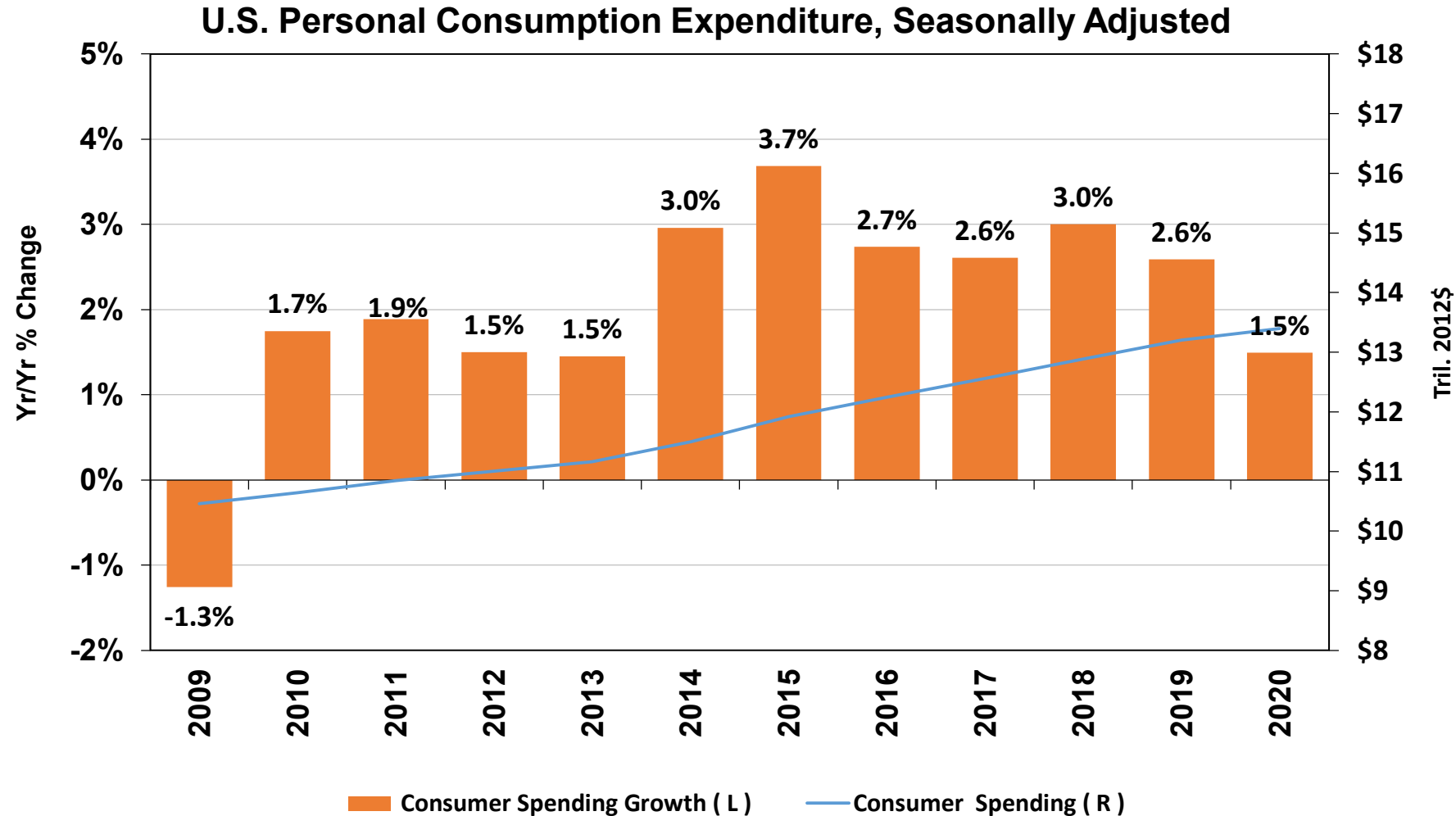


## ISM: Purchasing Managers' Index



Source: Institute for Supply Management

# Consumer spending growth is forecast to soften this year as benefits from the 2018 tax cut diminish



# Summary of TTX's forecast for leading economic indicators

Economic Indicator	2017 Actual	2018 Actual	2019 Actual	2020 Forecast
GDP <sup>1</sup>	2.4%	2.9%	2.3%	1.7%
Consumer Spending <sup>1</sup>	2.6%	3.0%	2.6%	1.5%
Retail Sales	4.6%	4.8%	3.6%	2.9%
Investment <sup>1</sup>	4.4%	6.4%	2.1%	2.8%
Housing Starts <sup>3</sup>	1.21	1.25	1.27	1.24
US Vehicle Prod. <sup>(000)</sup>	10,960	10,993	10,619	11,061
US Vehicle Sales <sup>(000)</sup>	17,216	17,203	17,050	17,050
Industrial Prod. <sup>2</sup>	2.3%	3.9%	0.8%	0.8%
Mexico GDP <sup>1</sup>	2.4%	2.0%	0.5%*	1.8%
Canada GDP <sup>1</sup>	3.0%	1.9%	1.5%*	1.7%
Inflation	2.1%	2.4%	1.8%	2.1%

1: SAAR, real % change 2: Year-over-Year %Change 3: Millions, annualized rate  
\*Forecast



# The Latest IANA Numbers

# 2019 North American intermodal growth summary

---

- **By Segment**

- International: -2.2%
- Domestic Container: -4.5%
  - Private: -1.6%
  - Rail: -11.2%
- Trailers: -15.0%
- All Domestic Equipment: -6.1%
- Total Intermodal: -4.1%

- **By Origin Region**

- U.S.: -4.6%
- Canada: -1.3%
- Mexico: -5.9%

# 2019 intermodal volume change by equipment type

Segment	2018	2019	% Change
Trailers	1,444,571	1,227,511	-15.0%
Domestic Containers	7,928,304	7,570,940	-4.5%
Private Domestic Containers	5,516,397	5,429,578	-1.6%
Railroad Domestic Containers	2,411,907	2,141,362	-11.2%
All Domestic Equipment	9,372,875	8,798,451	-6.1%
ISO Containers	9,558,448	9,347,644	-2.2%
Total	18,931,323	18,146,095	-4.1%

# 2019 regional loadings

	2018		2019		% Change
	Units	Share	Units	Share	Growth
Eastern Canada (EC)	1,355,748	7.2%	1,330,615	7.3%	-1.9%
Mountain Central (MC)	274,870	1.5%	276,891	1.5%	0.7%
Midwest (MW)	5,109,296	27.0%	4,913,769	27.1%	-3.8%
Mexico (MX)	639,330	3.4%	601,851	3.3%	-5.9%
Northeast (NE)	1,850,916	9.8%	1,751,198	9.7%	-5.4%
Northwest (NW)	799,582	4.2%	741,222	4.1%	-7.3%
South Central (SC)	1,377,433	7.3%	1,279,577	7.1%	-7.1%
Southeast (SE)	2,428,239	12.8%	2,384,549	13.1%	-1.8%
Southwest (SW)	3,487,515	18.4%	3,272,644	18.0%	-6.2%
Western Canada (WC)	1,608,394	8.5%	1,593,776	8.8%	-0.9%

# 2019's top growth lanes

Corridor	2018		2019		% Change
	Units	Share	Units	Share	Growth
<b>Midwest-Western Canada</b>	784,371	4.1%	837,867	4.6%	6.8%
<b>Mountain Central-Southwest</b>	212,030	1.1%	221,785	1.2%	4.6%
<b>Southeast-Southeast</b>	1,192,691	6.3%	1,219,033	6.7%	2.2%
<b>Midwest-Midwest</b>	324,796	1.7%	331,811	1.8%	2.2%

Note: top growth lanes exclude lanes with less than 100,000 moves

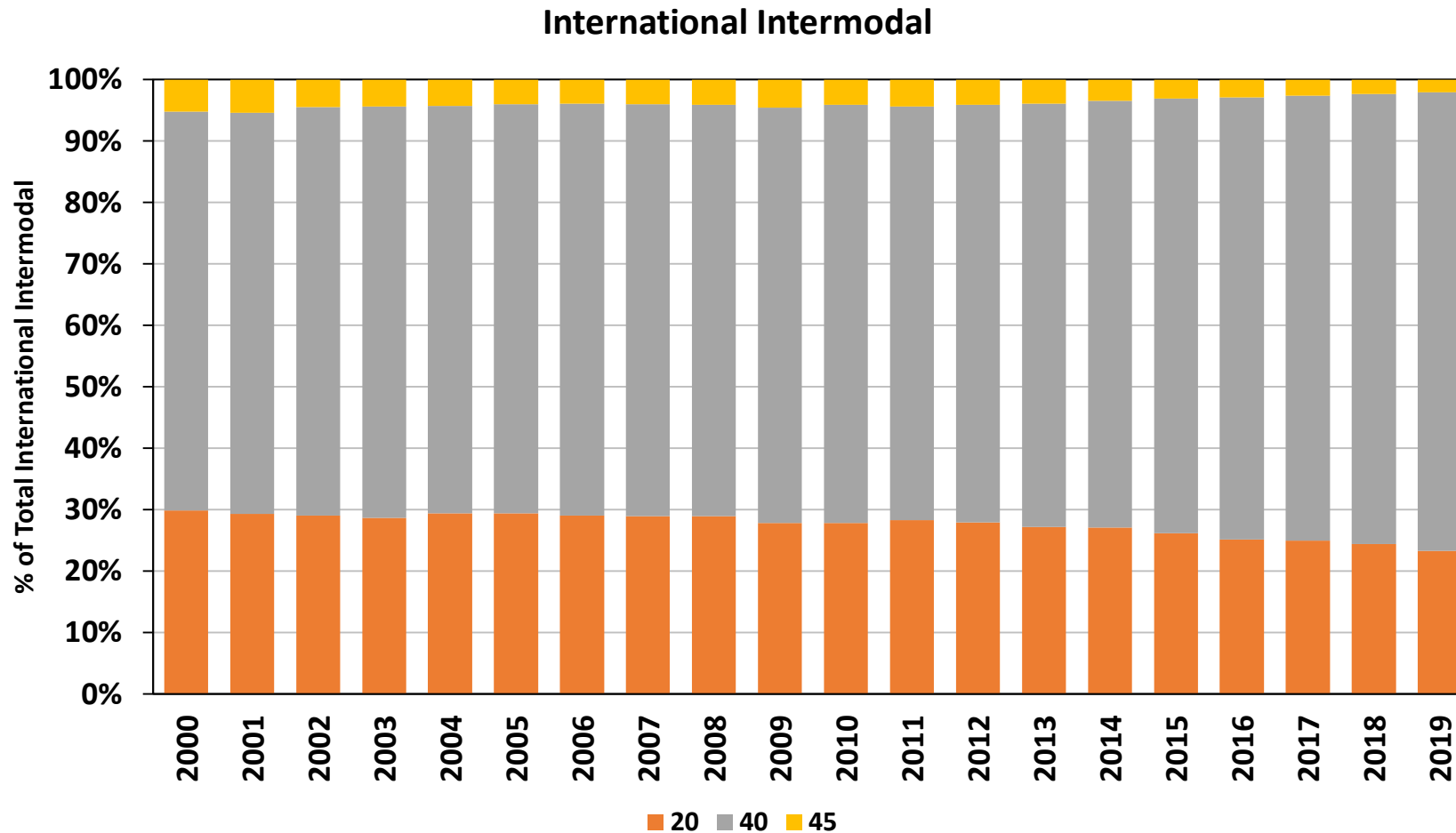


# 2019's largest decline / slowest growth lanes

Corridor	2018		2019		% Change
	Units	Share	Units	Share	Decline
<b>Northeast-South Central</b>	123,706	0.7%	104,695	0.6%	-15.4%
<b>South Central-Southeast</b>	166,226	0.9%	143,933	0.8%	-13.4%
<b>Northeast-Southeast</b>	465,153	2.5%	403,410	2.2%	-13.3%
<b>Midwest-Mexico</b>	231,048	1.2%	203,872	1.1%	-11.8%
<b>Midwest-South Central</b>	552,283	2.9%	491,475	2.7%	-11.0%
<b>Western Canada-Western Canada</b>	385,147	2.0%	352,871	1.9%	-8.4%

Note: largest decline / slowest growth lanes exclude lanes with less than 100,000 moves

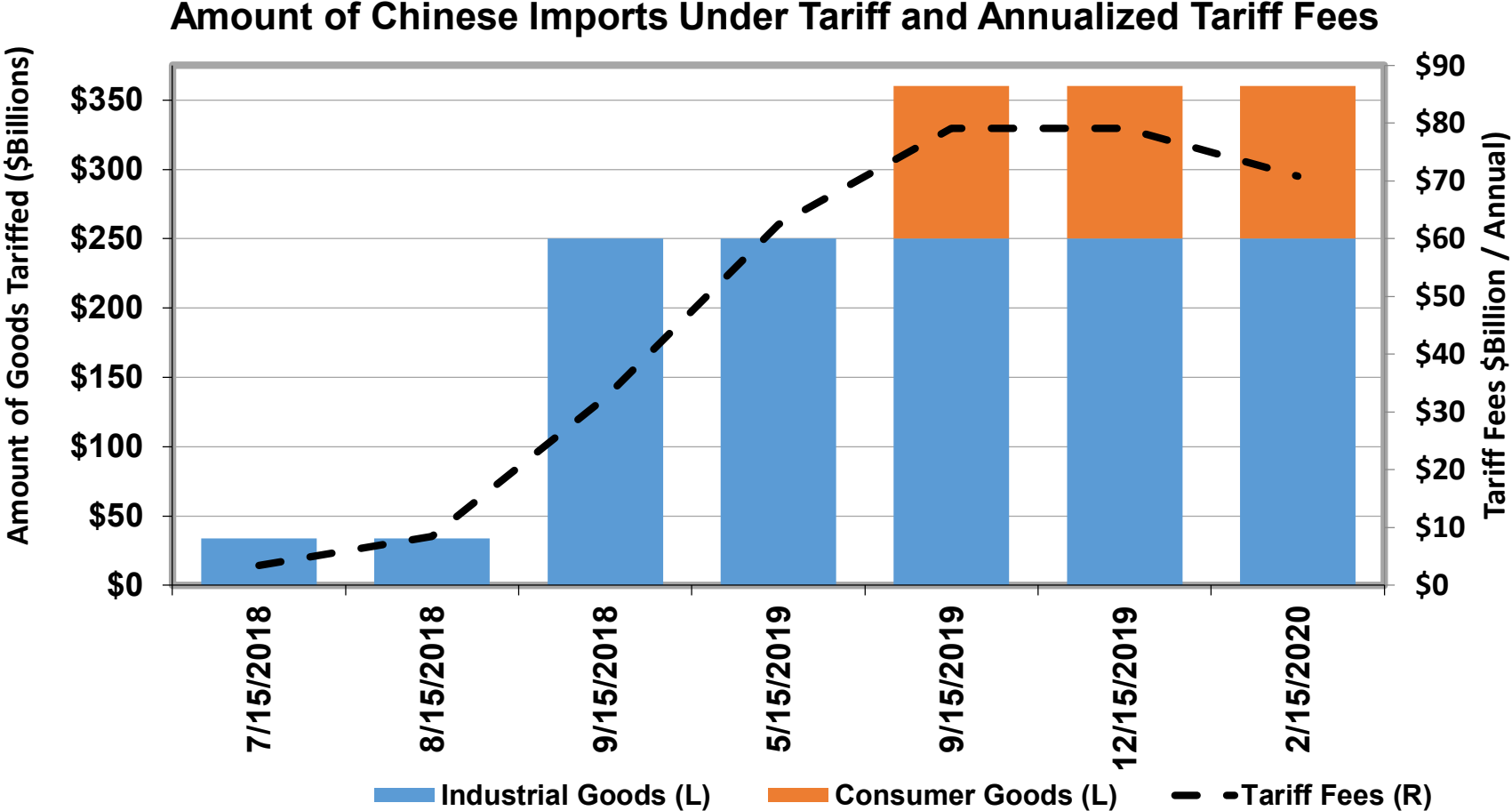
# 20-ft containers, as a share of total IPI shipments, have slowly dwindled over time



# International Intermodal

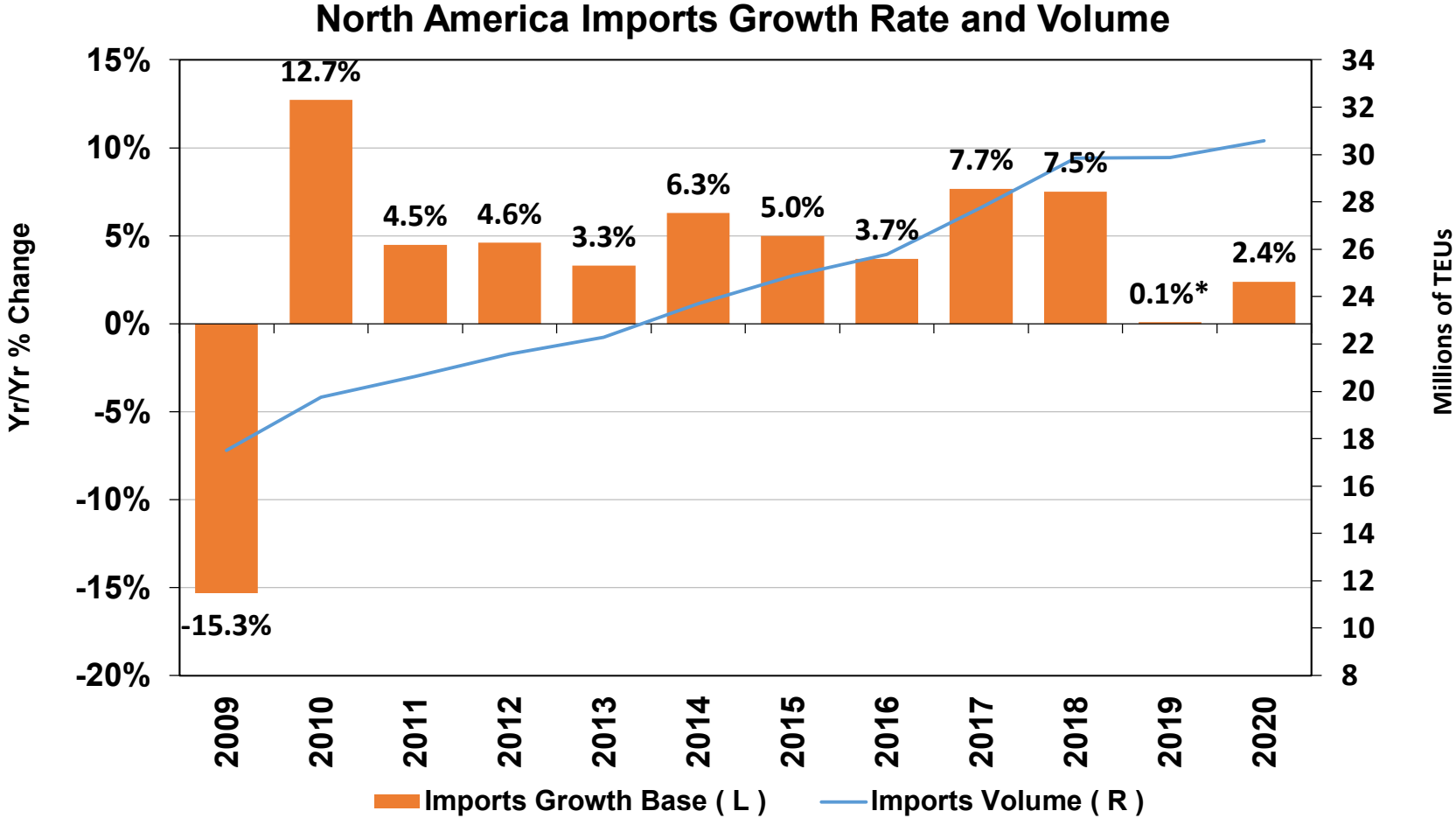


# \$361 billion of Chinese imports still under tariff (2/3) of total & tariff fees reach \$70 billion annual



Source: TTX, NASSTRAC, MEMA, WSJ

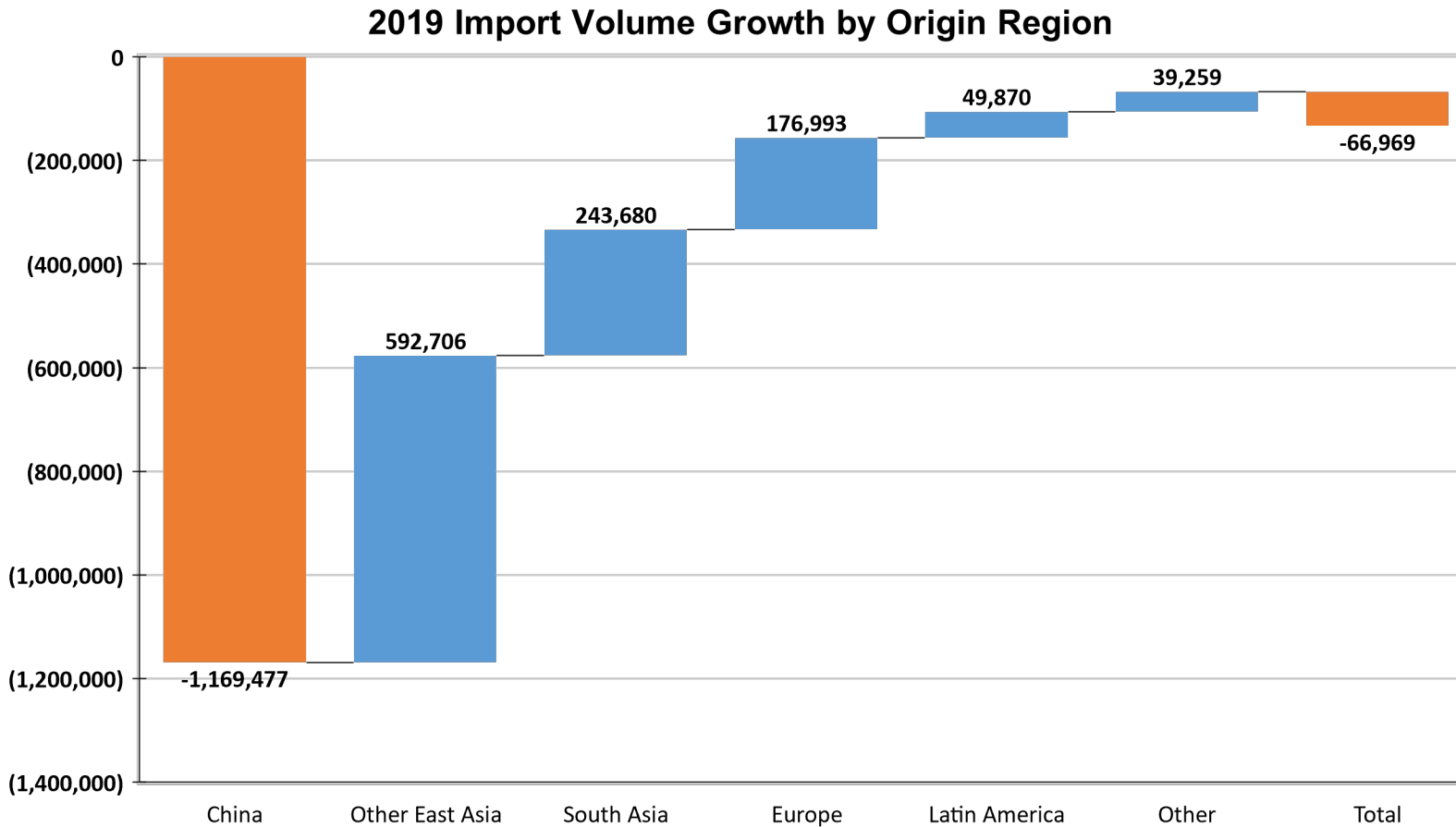
# 2019 imports barely grew as tariffs impacted supply chains



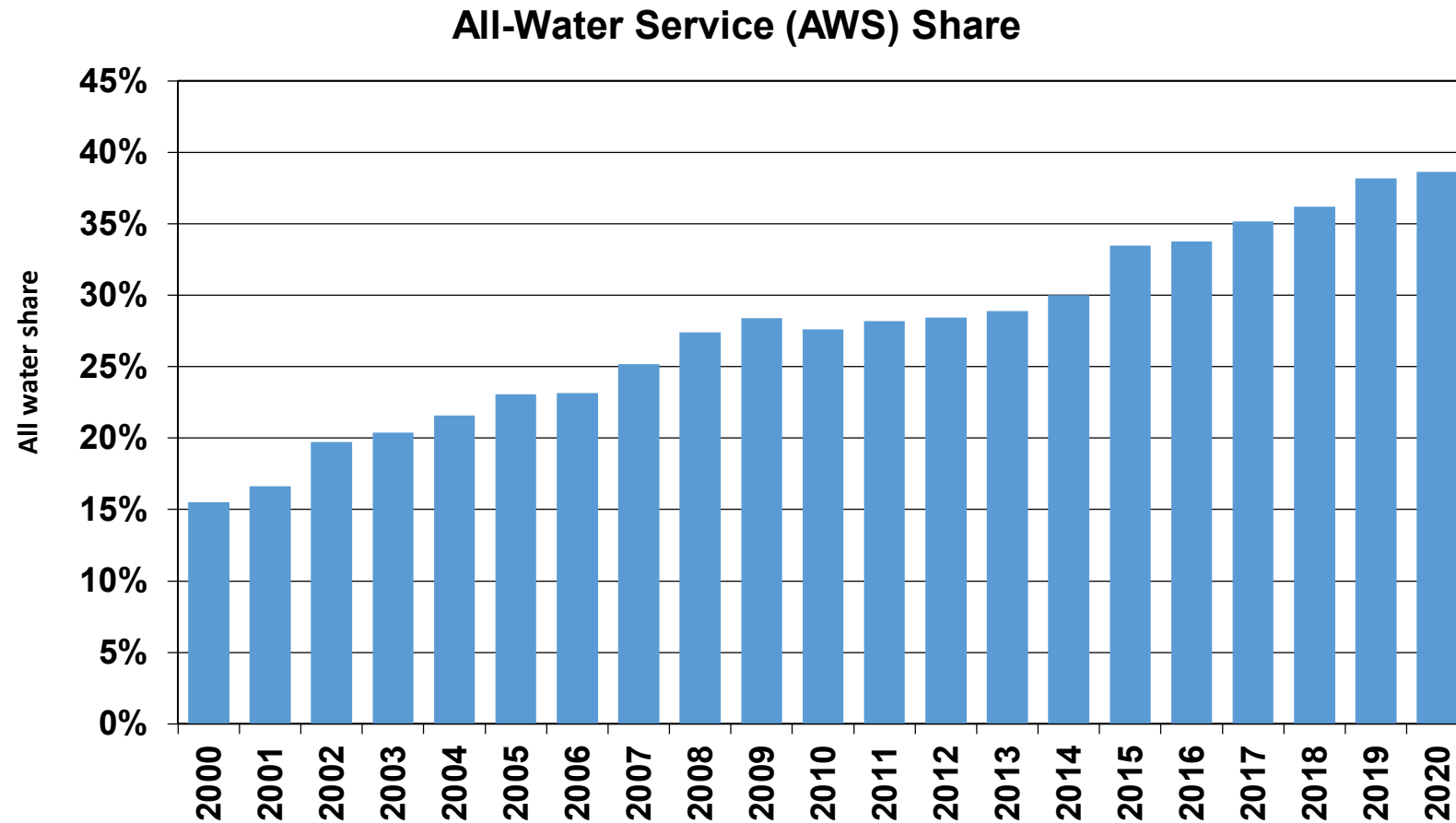
Source: PIERS, Port data, TTX

\*Full year 2019 Canada and Mexico data will report soon, but not yet available

# 2019 imports to the U.S. from China declined 11.7%, but partially offset by gains from "Other East Asia" & "South Asia"

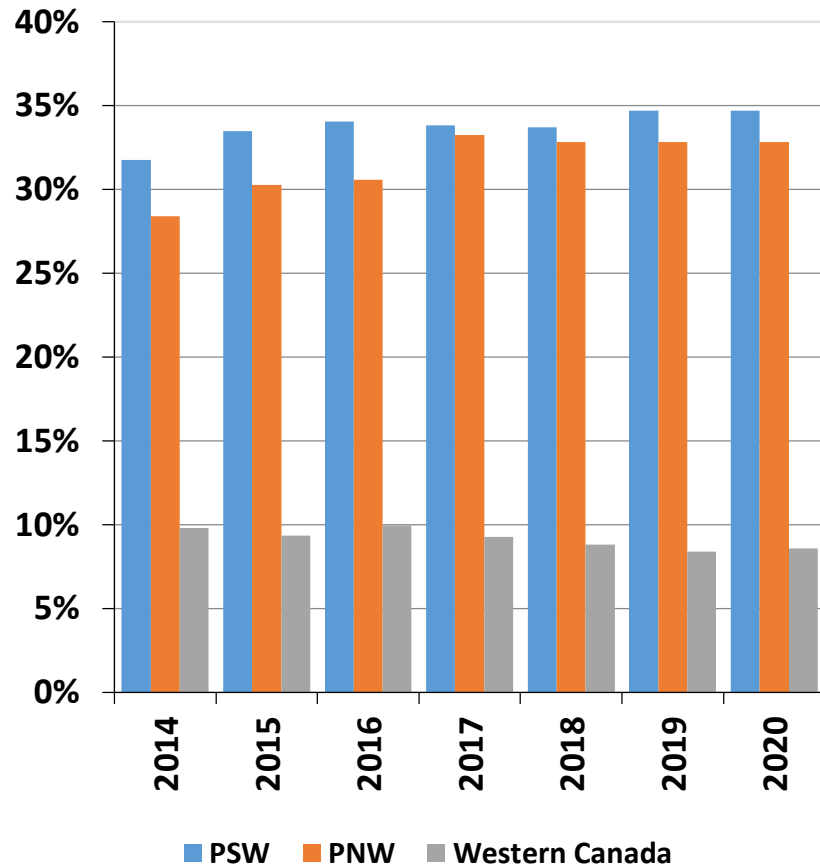


# All-water share gained 2.0 share points in 2019, due to production shifts & continuing supply chain diversification

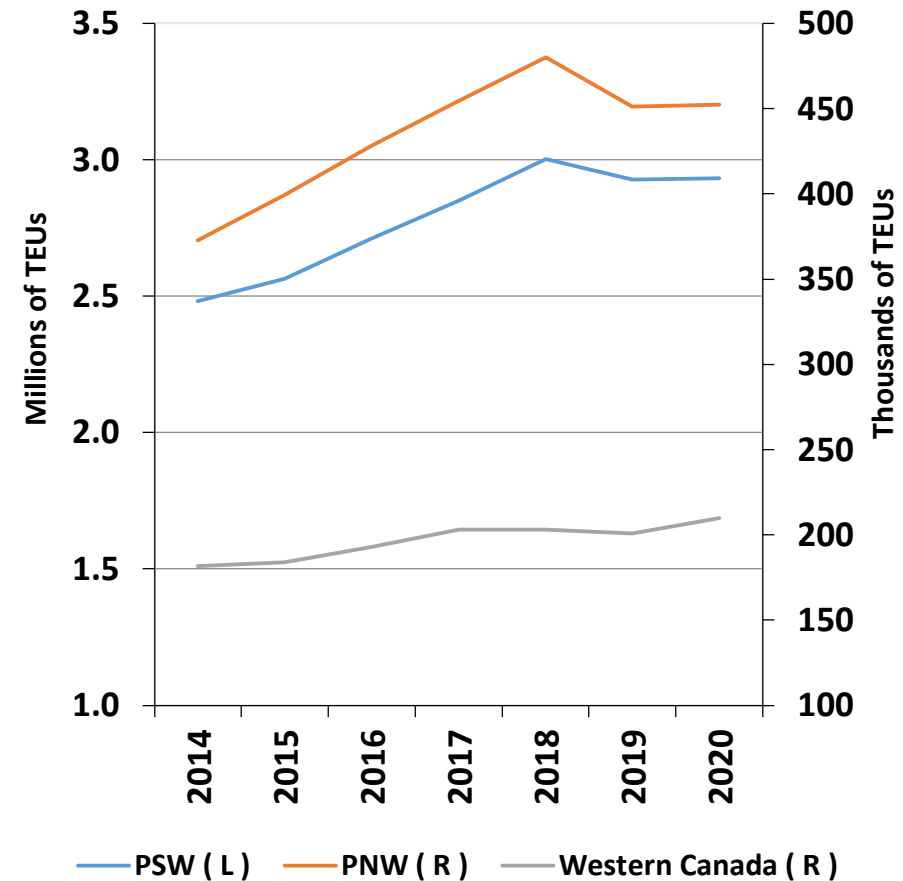


# Transload trend: volume follows imports with share holding steady

## Rail Transloaded Share of Imports

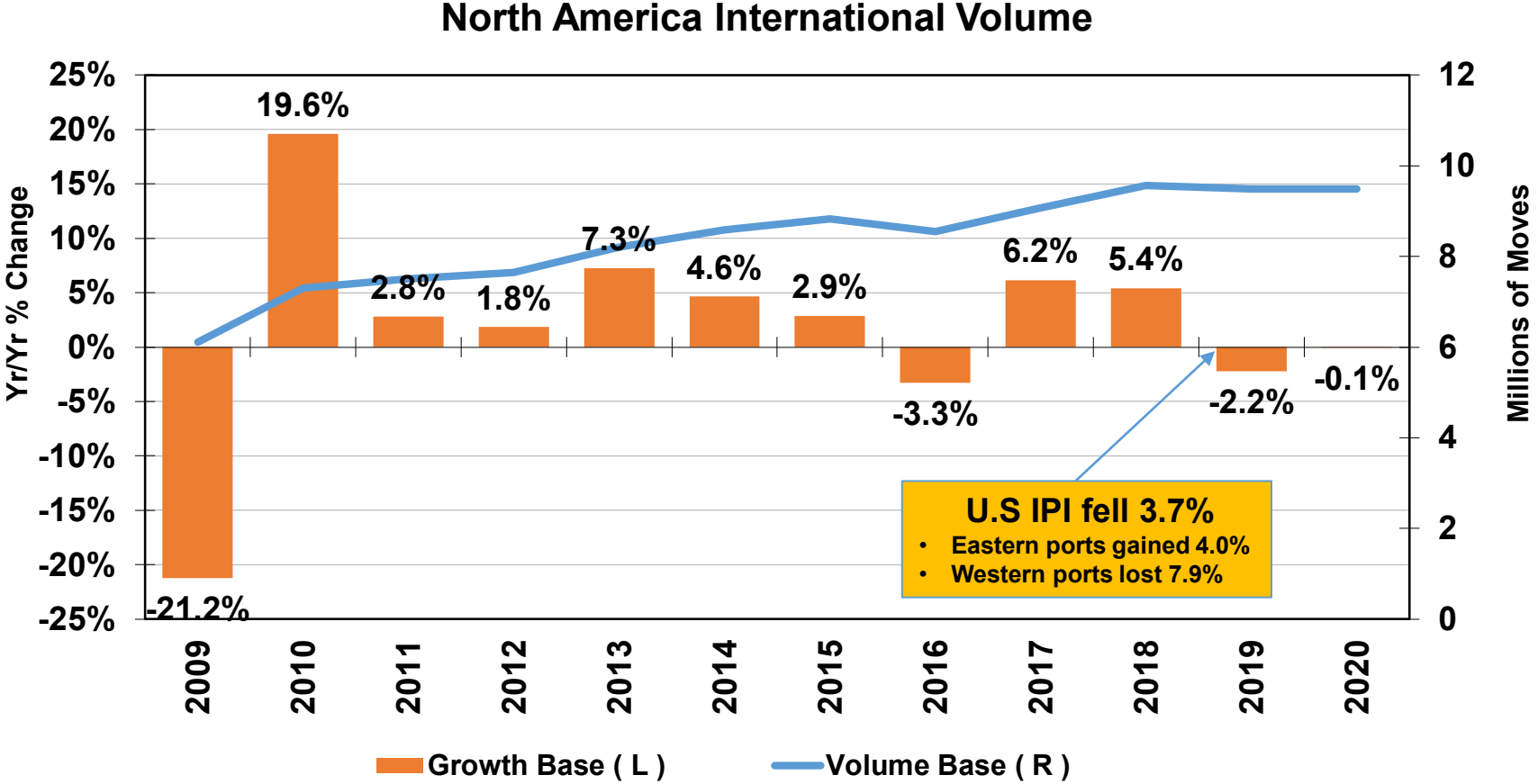


## Transloaded Import Volumes





# Overall IPI declined in 2019, with gains in the U.S. East offset by losses in the West

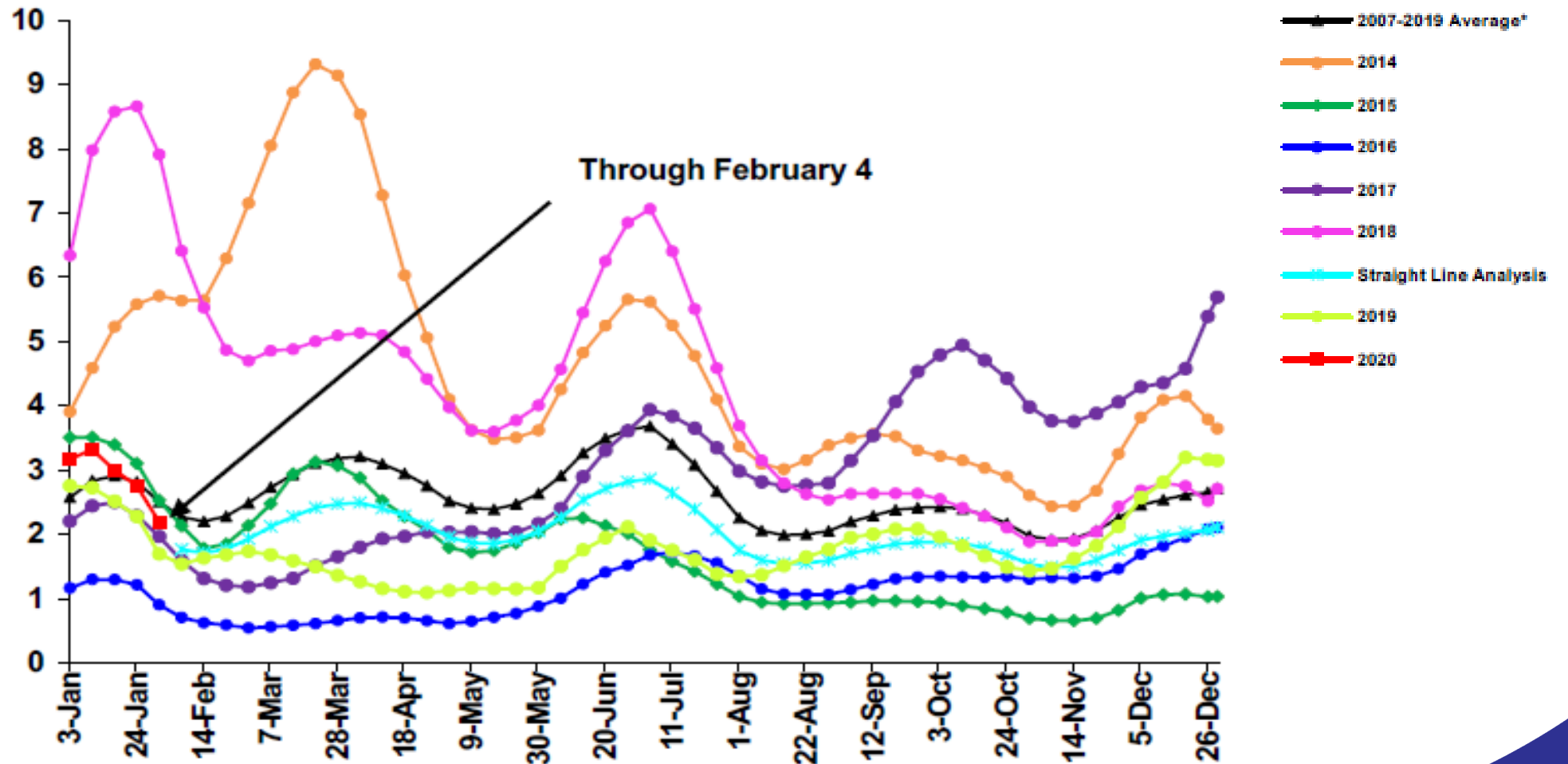


Source: IANA, TTX



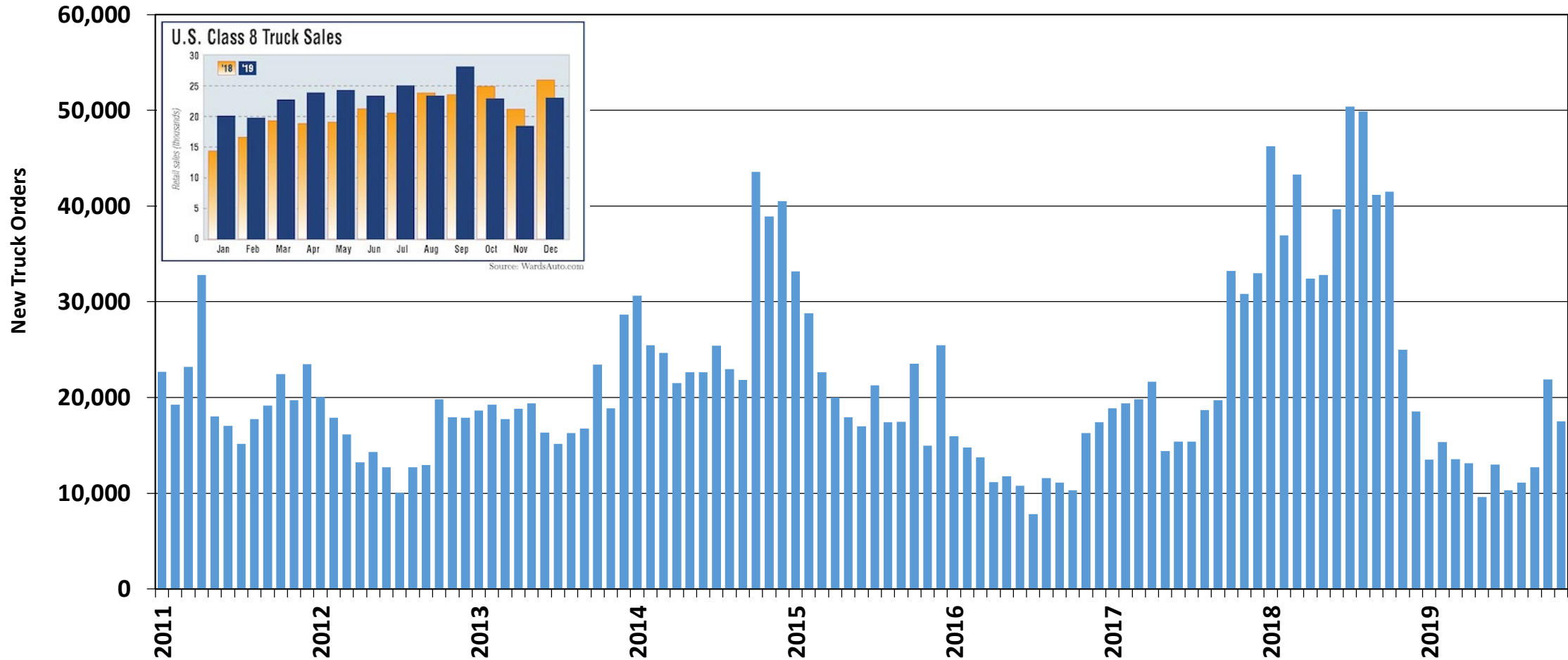
# Domestic Intermodal

# Morgan Stanley's Truckload Freight Index indicates the current trucking supply / demand balance matches the 10-year trend



# Class 8 tractor capacity is still being added, but may soon plateau

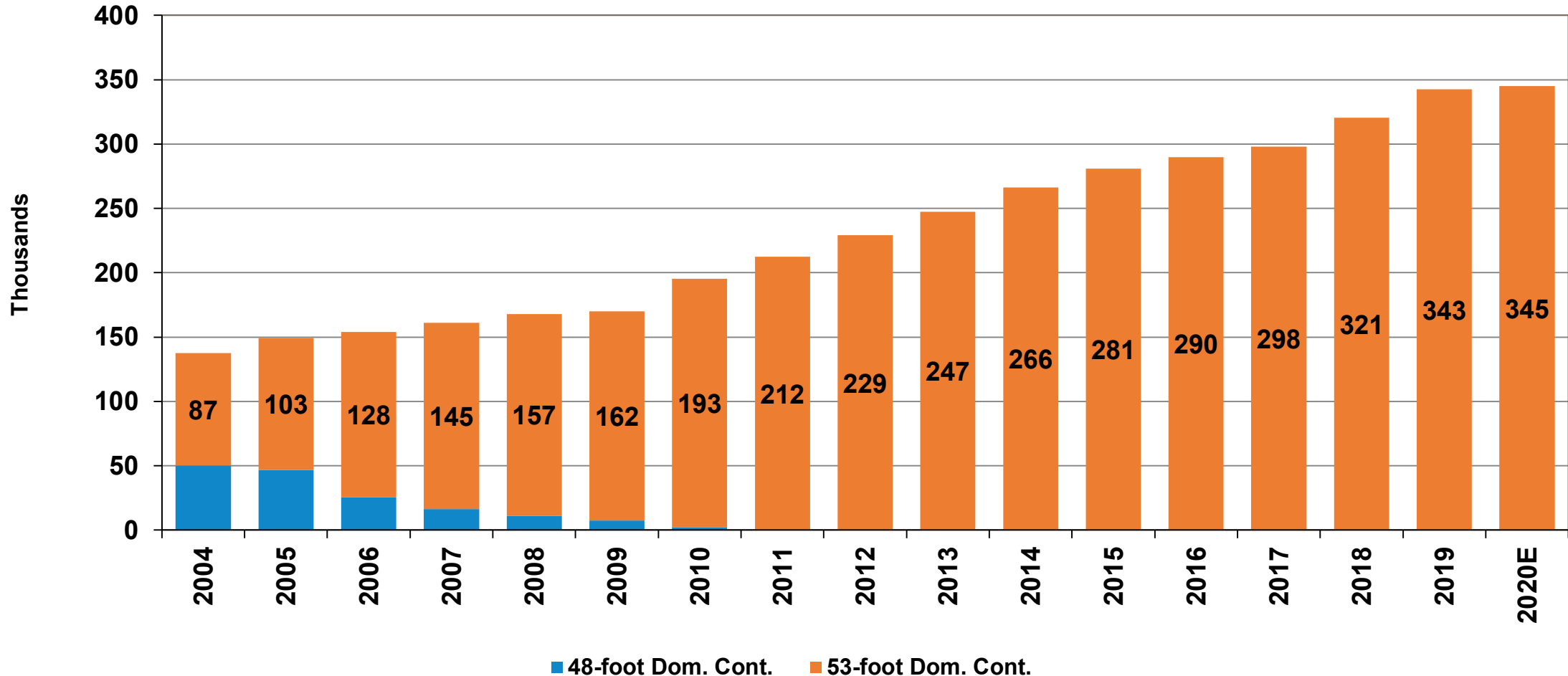
North American Class 8 Truck Orders



Source: FTR Transportation Intelligence, WardsAuto, ACT Research, TTX

# DC fleet growth (5.8% in 2019) will likely flatten in 2020

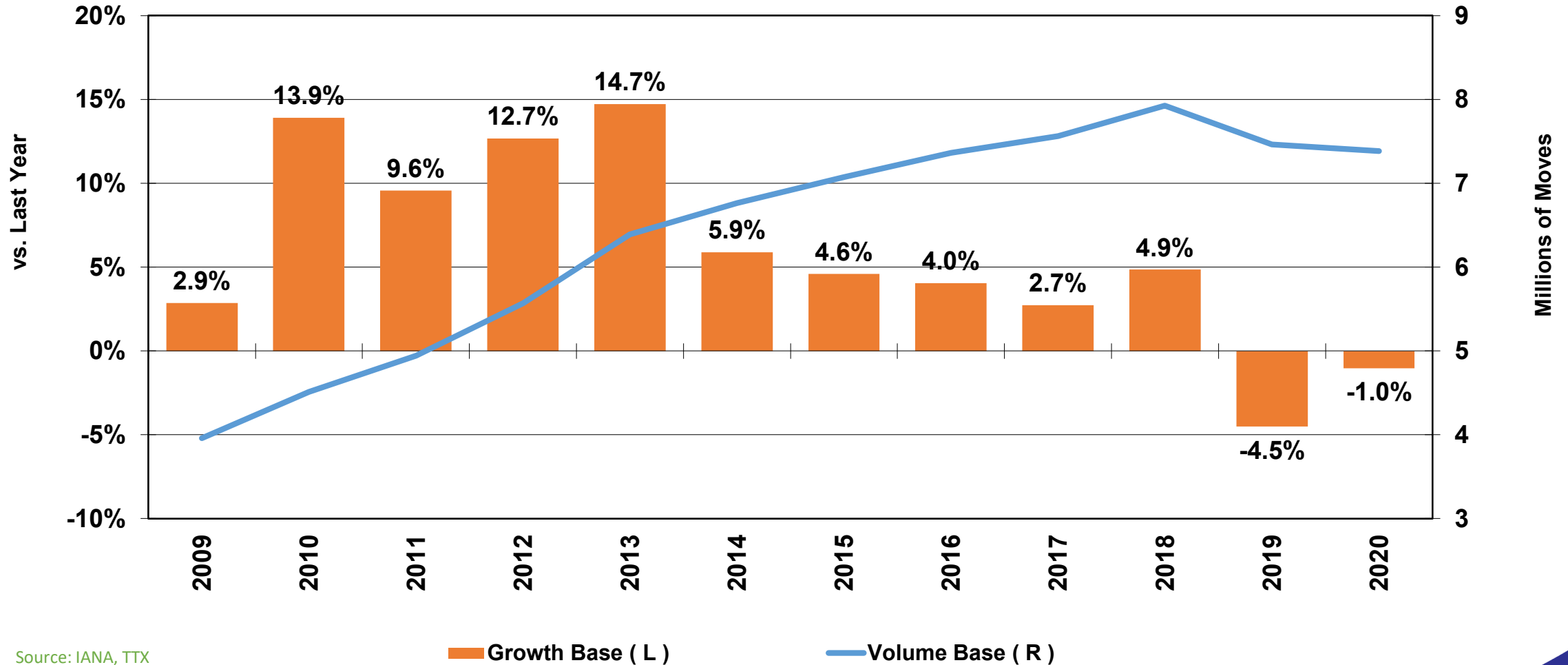
Year-End Domestic Container Fleet Size



Source: TTX

# TTX forecasts weak DC market conditions continuing into 2020

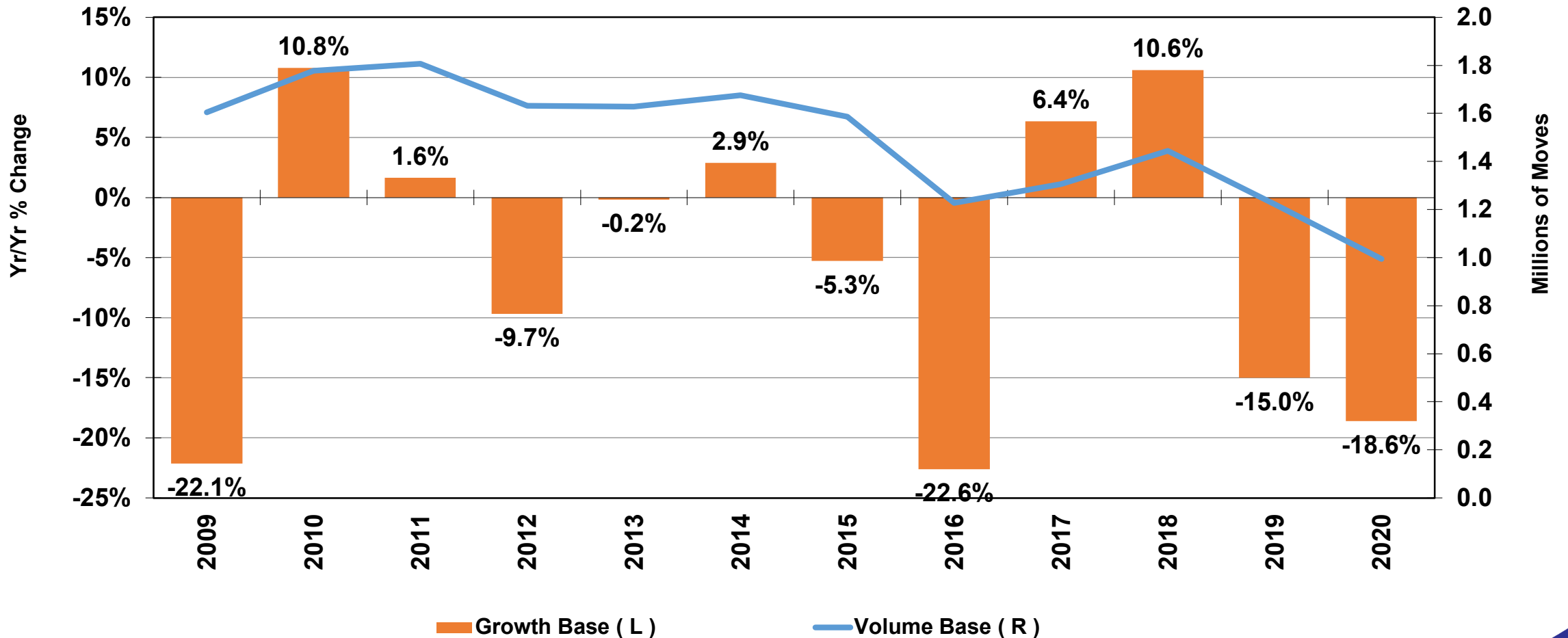
## North America Domestic Container Volume



Source: IANA, TTX

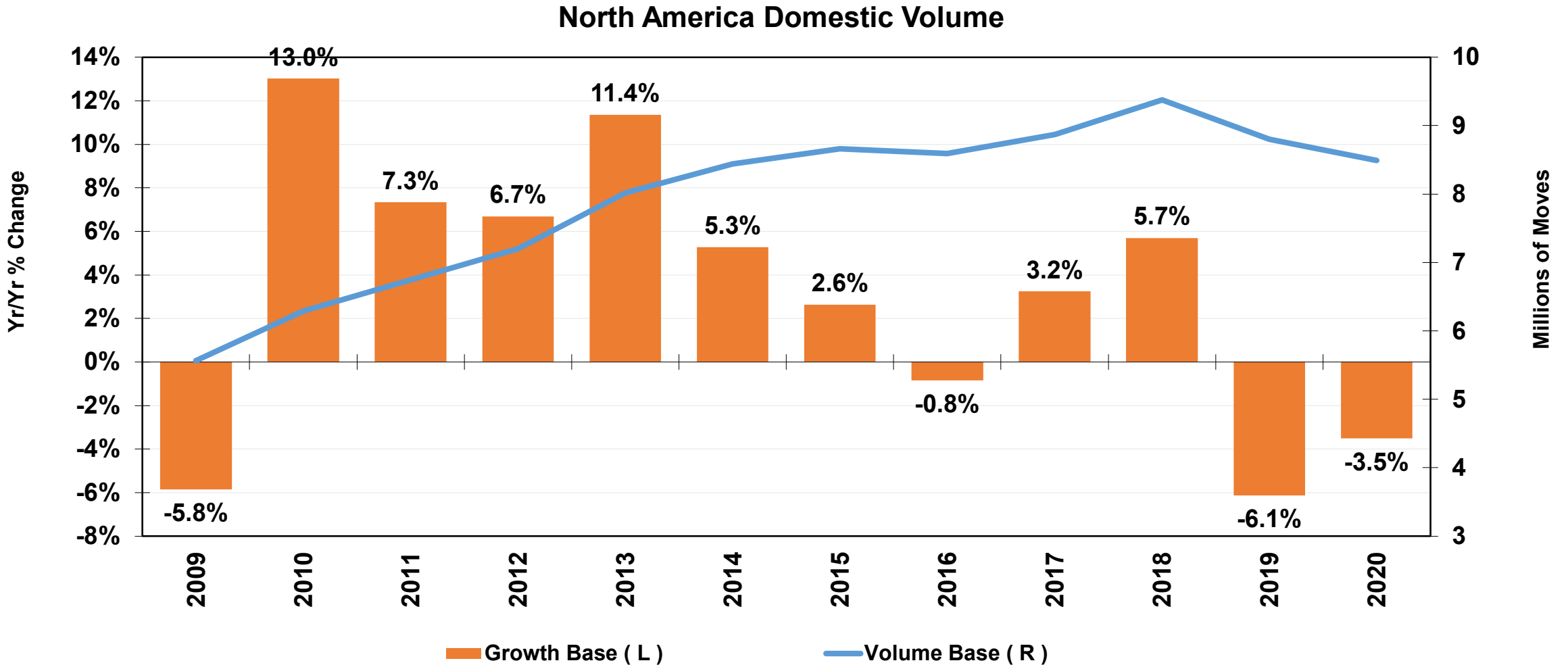
# COFC conversions are expected to accelerate TOFC's decline

## North America Trailer Volume



Source: IANA, TTX

# Total domestic volume is forecasted to decline again in 2020

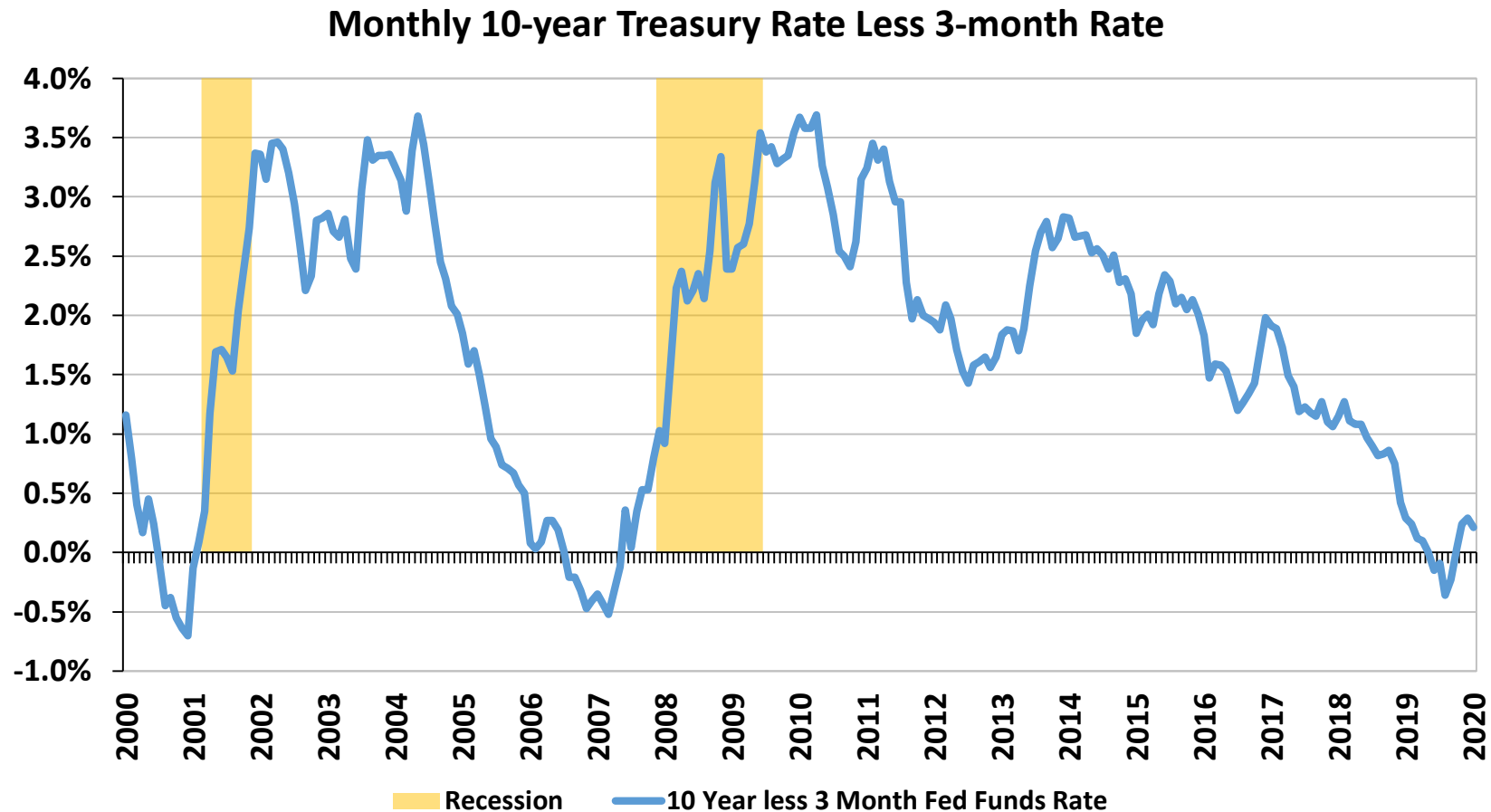




# What We're Watching

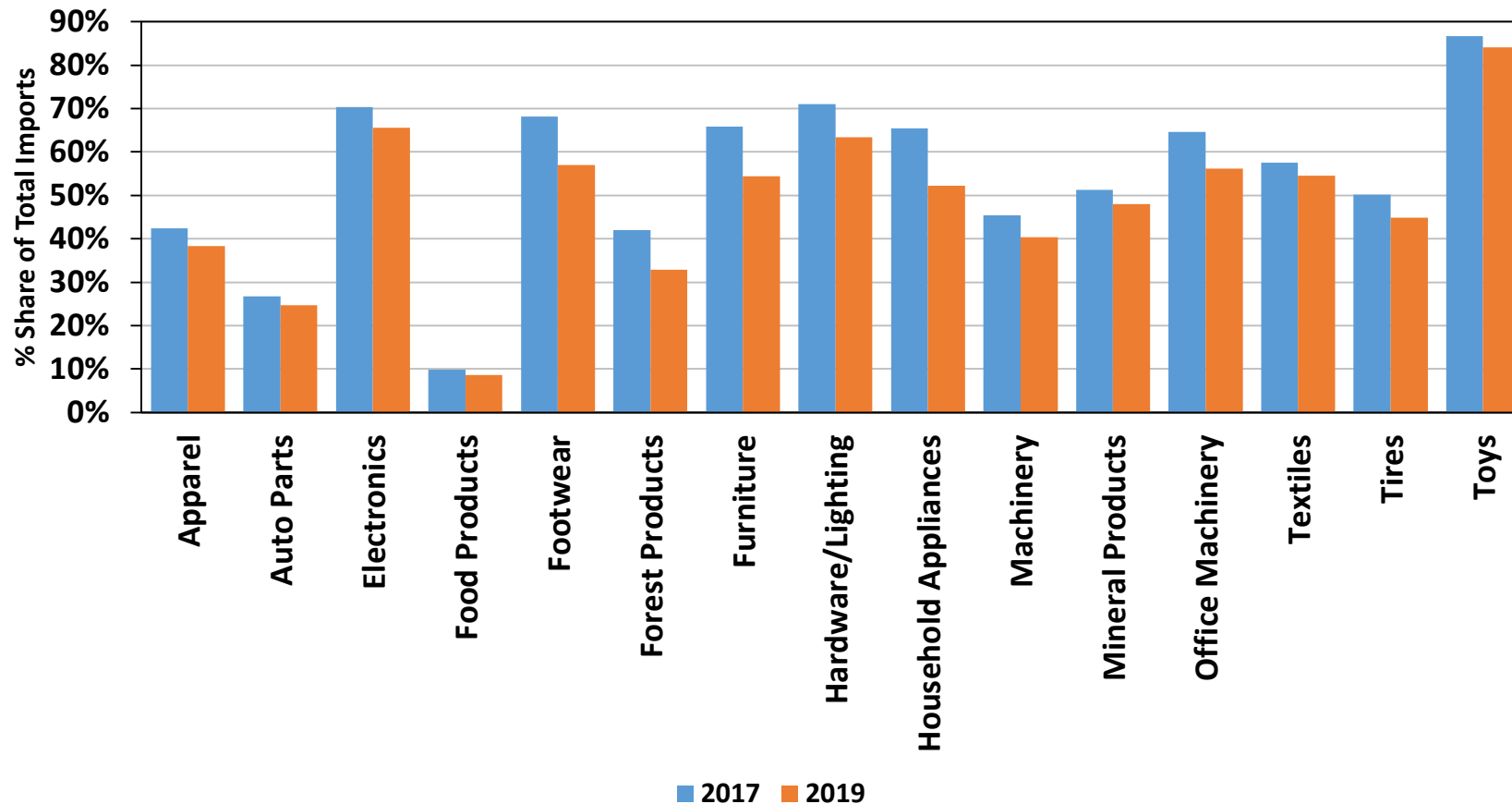


# The long and short term bond yield curve is flattening out; a sign of a recession?

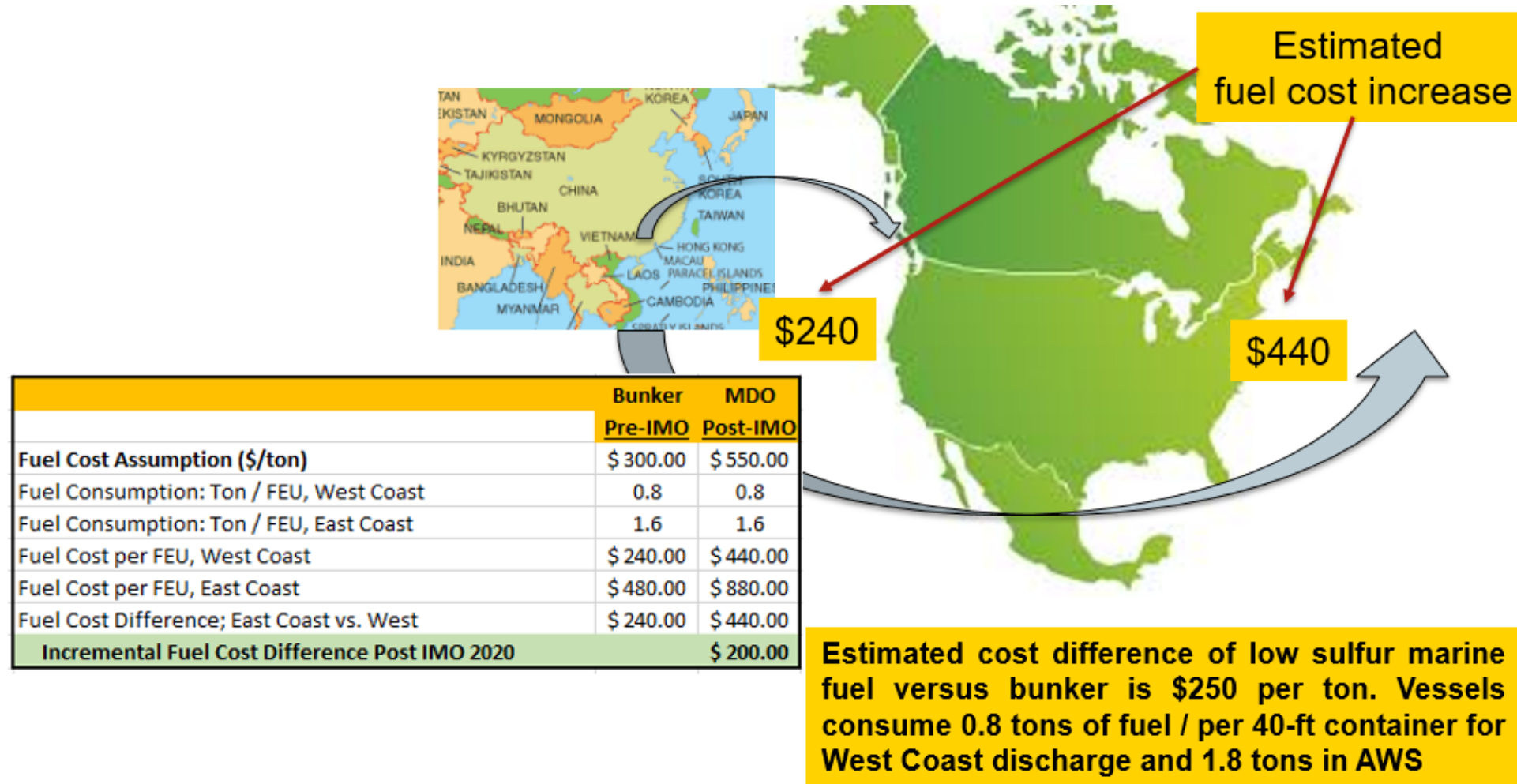


# Coronavirus raises concerns, but too early to know the extent on imports & the economy. Exact impact of tariffs on Chinese imports is still TBD, but so far substantial

China's Share of Imported Products



# Impact of IMO 2020 on intermodal is still TBD



Source: [Platts Global](#), [Hapag-Lloyd](#), [Breakthrough](#), [TTX](#)

Source: [TTX](#), U.S. Energy Information Administration

# COFC conversions are expected to continue in 2020



A blue Freightliner truck is parked on a paved surface at a port. In the background, there is a large suspension bridge with green towers and a stack of colorful shipping containers. The sky is clear and blue.

Questions?

Enter your questions in the control panel

For more information about **IANA** data,  
including and the  
***ETSO Database***  
And the  
***Volume Analyzer***  
visit [intermodal.org](http://intermodal.org)  
or e-mail us at: [info@intermodal.org](mailto:info@intermodal.org)

© 2020 Intermodal Association of North America. This presentation was produced for the use of IANA members and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose without the prior consent of IANA. IANA, 11785 Beltsville Drive, Calverton, MD 20705-4048.



**IANA**  
INTERMODAL ASSOCIATION  
OF NORTH AMERICA™