



95th ANNUAL CMSA CONVENTION
MAY 2013

Trends in International Moving

Terry Head, President
International Association of Movers

IAM – Who are we?

- The **largest international** trade association and advocacy group for household goods forwarders, movers and service providers
- **Founded in 1962** to represent the interests of military TSPs; broadened scope to include commercial business in 1970s
- Currently provide the **largest networking opportunity** for business development within the moving industry



IAM Membership

- Membership includes **2,300+ companies and individuals** in **more than 170 countries** and territories
 - **Company Memberships:** **2,063**
 - **Individual Memberships:** **277**
 - **Total IAM Members:** **2,340**

U.S. Economic Trends

Improving, but a long way to go!

- Nominal (less than 2%) U.S. GDP growth in 2013
- **U.S. Manufacturing Rebounding**
 - driving increased shipping demands
- Continuing a Cycle of Expansion
- Improvements in U.S. Stock Markets

– How Long will it Last?

Trends in U.S. Home Sales

- It's been roughly 5 years since U.S. housing bubble began
- U.S. New Home Sales in 2012 reached a three-year high
- Up almost 20% to an annual rate of 367,000 ...but well below the healthy level of 700,000
- Previously-owned homes rose to 4.65 Million
- Prices Rising at annual rate of 7.3%

U.S. Relocation Trends

United Van Lines Migration Study reveals:

- Americans more likely to pack up and move for **employment** (and/or cheaper housing)
- Top 10 states people leave located in North East and Great Lakes Region
- At No. 1 – **New Jersey** has highest rate of people moving out
- **District of Columbia** is Top Moving Destination



U.S. Relocation Trends

Top Five:

Moving OUT of...

- ◀ New Jersey
- ◀ Illinois
- ◀ West Virginia
- ◀ New York
- ◀ New Mexico

Top Five

Moving IN to...

- ▶ Washington, DC
- ▶ Oregon
- ▶ Nevada
- ▶ North Carolina
- ▶ South Carolina

U.S. Manufacturing

- The “**Manufacturing Migration**” has begun
- U.S. has better factory technology
- U.S. skilled and trainable workforce
- Over 200 companies (U.S. and Foreign) have moved their factories to the U.S. from offshore locations

U.S. Manufacturing Trends

- U.S. will reach manufacturing **cost parity** with China in next 5 years considering:
 - Direct Labor Costs
 - Direct Material Costs
 - Cheaper Energy from North America
 - Overhead
 - Territory (time in transit to market)
 - Harmonized Tariffs
 - Exchange Rates

Global Economic Trends

“Sorry, Global Economy will produce \$216 Billion less than we thought.” *International Monetary Fund*

- Expects 3.3% GDP Growth, down from 3.5% projected in January 2013
- USA holding its own – slight but steady upward trend
- Europe and Japan in cautious rebounds
- ASEAN's domestic customer demand up – Indonesia, Malaysia, the Philippines, Thailand and Vietnam

Single Global Economy

In spite of what you see on the news -

- The number of people **who have died** from war, civil war and terrorism is down 50% in this decade than from the 1990s.
- Political stability has allowed the creation of a single global economic system – countries are flourishing and experiencing economic growth around the world.

Global Growth

- Even in this period of slow growth, the global economy as a whole will grow –
 - 10 to 20% faster than a decade ago
 - Over 40% faster than two decades ago
 - More than **4 times faster** than three decades ago

Harvard Gazette

Global Poverty

- *Although there are varying opinions on the **impact of Globalization** –*

The United Nations estimates **poverty** has been reduced more in the past 50 years than in the past 500 years ...

...With most of that reduction occurring in the last ten years

Global “**middle class**” **spending power** will increase \$21 Trillion 2011 to \$56 Trillion in 2030



Why Focus on the World?

THE GLOBAL TRANSPORTATION SYSTEM



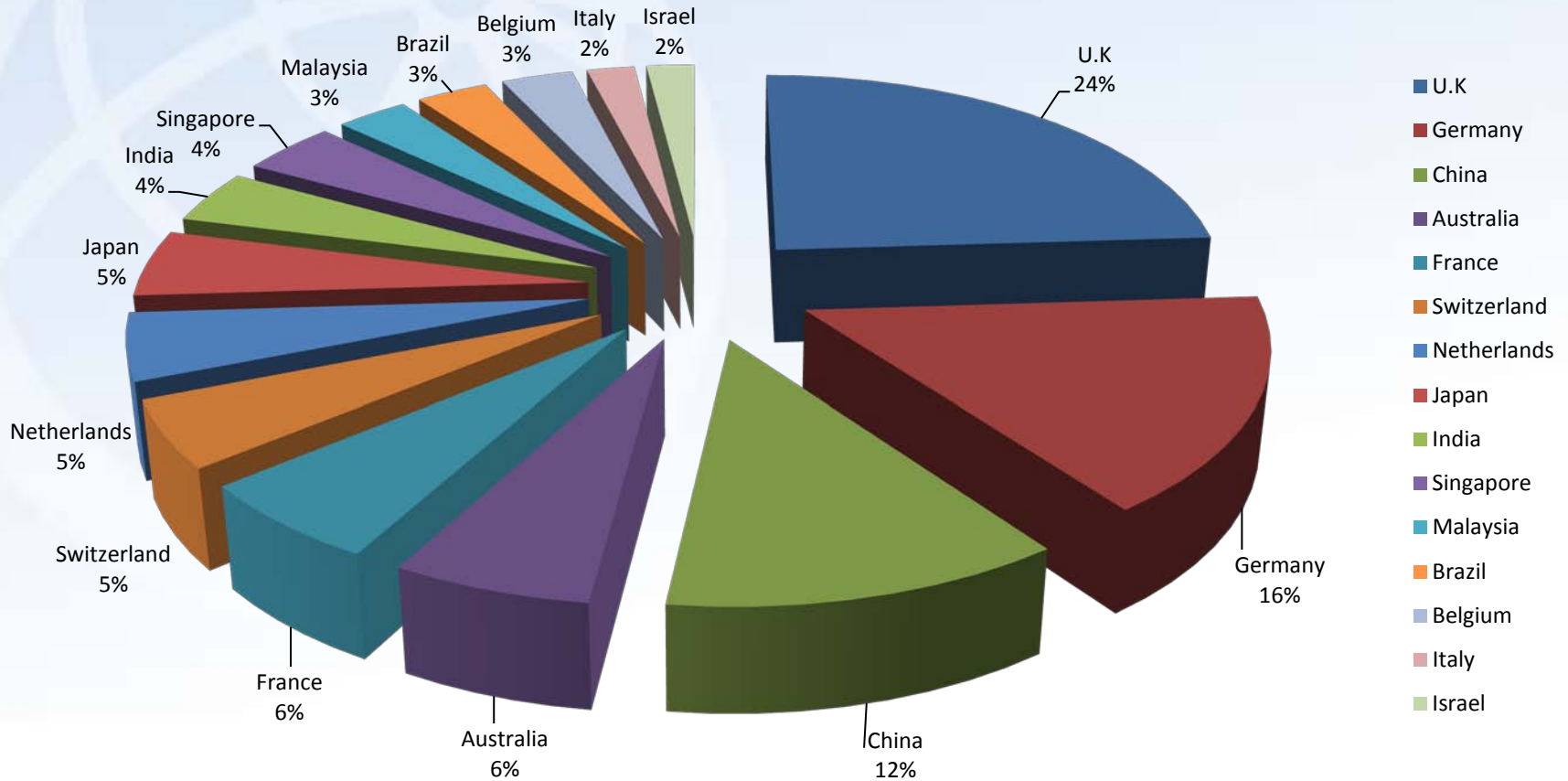
Why Focus on World Economies *and* Trade?

Trade is to **International** Moving
as
Home Sales are to **Domestic** Moving

What Global (Moving) Markets are Trending UP?

- **Mexico** increasing as a Near-Shore Manufacturing Center
- **Canada** trending up due to Energy Exploration, Production and Distribution
 - **May be the next Silicon Valley due to looser immigration (skilled-worker) policies than U.S.**
- After Canada and Mexico
 - **European Union** is the next biggest U.S. Export (and Moving) Market

What Percent of U.S. Employees Relocate to Each Country?



The New Markets



**There are more people living inside
this circle than outside of it.**

Global Relocation Trends

Top Ten Most Popular **Relocation Destinations**

1. United States
2. United Kingdom
3. Singapore
4. China
5. Switzerland
6. India
7. Germany
8. Hong Kong
9. Japan
10. Canada

Source: 2012 UniGroup Worldwide UTS Migration Study

The International Client

- 70% of companies expect to increase overseas **short-term** assignments
 - Typically **one year, five months**
 - Assignees average **40 years of age**
 - **Single Males** (77%) and Females (13%)
 - **Temporary**, corporate housing or extended-stay hotels
 - **Smaller shipments**, some storage

The International Client cont'd

- 55% of companies will increase **long-term assignments**
 - Average duration **2 years, 10 months**
 - Maximum duration is 5 years, 4 months
 - Assignees **35 – 55 years** of age
 - Typically **Male Employee and Spouse**
 - Female assignees increasing
 - **Larger shipments**, permanent housing

SOURCE: Mercer's WIAPP Report



Trends in U.S. Government (DOD) Moves

- **Withdrawals** from Afghanistan
- **Drawdown** of Troop Levels in Europe
- **Pivot to the Pacific Rim**, Korea, Guam & Australia
- Reductions in ALL Military Services
 - Reduce Forces by minimum of 100,000
 - Goal: Down to 2.15 Million by Oct. 2017
 - 2013 – Numerous Separations and Retirements

Department of State - increasing posting in developing regions, especially Africa and Pacific Rim

Government Regulatory Agencies

- Federal Maritime Commission (FMC)
Primary Regulatory Enforcement Agency and Consumer Protections
- Department of Homeland Security (DHS)
 - ICE – Immigration and Customs Enforcement
 - Customs and Border Protections (CBP)
 - U.S. Coast Guard Service
- Department of Agriculture (DOA)
- Drug Enforcement Agency (DEA)
- Food & Drug Administration
- Department of Commerce
 - Census Bureau
 - Bureau of Industry and Security



Trends in Shipping Security

Air Cargo Security Regulations

Improved collaboration and standardization among countries, but increased enforcement on “Unknown Shippers”

Ocean Shipping

Requesting more “advanced” shipper (PPI) shipment (electronic) manifest/inventory data – more exams!

Piracy at Sea

Fallen to lowest level since 2007 – 33% decline in attacks - 2012 – Costs were just under \$6 Billion Dollars



Ecological Trends

- **CARB** – Other States/countries adopting similar programs and restrictions
- **Alternative Fuel Sources** – Solar, NatGas, Wind
- **Recycling – Reusable Materials - Containers**
- **Global Warming – Pollution**
 - May impact or dictate where people choose to live or accept overseas assignments

Disasters & Weather

Natural Disasters seem to be happening more frequently – and with more severe consequences.

Storms, Floods, Earthquakes, Tsunamis

2013 Hurricane Season: June 1 – Mid November
Experts predicting 3-6 major hurricanes and 7-10 less violent storms ('13 will use Female names)

IAM – Annual Meeting 2013

IAM 51st Annual Meeting
Conducted in cooperation with the
Canadian Association of Movers (CAM)

October 7 – 10, 2013
Vancouver, British Columbia
Canada

www.IAMmeetings.org



THANK YOU!

www.IAMovers.org



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