

# Evolving Role of Trade and Logistics in the International Northeast

Presented by  
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## Central or Peripheral?

Spin the globe, to see any area at the “heart” of  
the Global Economy ...or a “minor corner” of it.



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# Topics: Northern New England



Interdependencies



Global Trends



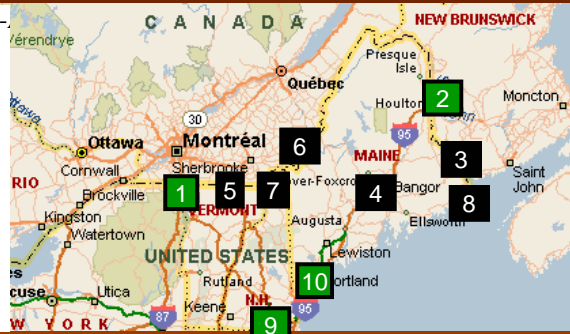
Can-Am Connections

## 1. INTERDEPENDENCIES



# NNE Export Ports

- 1 ★ Highgate Springs-
- 2 ★ Houlton, ME
- 3 Calais, ME
- 4 Bangor, ME
- 5 Derby Line, VT
- 6 Jackman, ME
- 7 Norton, VT
- 8 Eastport, ME
- 9 ★ Portsmouth, NH
- 10 Portland, ME



# Maine Export Flows

- Maine Exports via
- 1 Calais, ME
  - 2 JFK Airport
  - 3 Jackman
  - 4 Buffalo, NY
  - 5 Derby, VT
  - 6 Eastport
  - 7 Logan Airport



## NNE Export Destinations

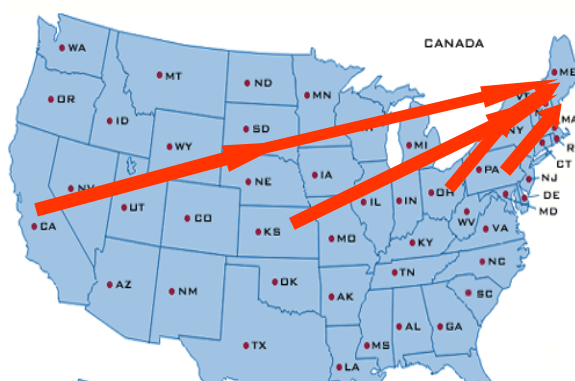


## NNE Export Commodities

	\$ Millions (2005)	Ann. Growth
★ <b>Electrical Equip.</b>	<b>4,811</b>	<b>26%</b>
★ <b>Computer &amp; Ind. Machines</b>	<b>1,193</b>	<b>16%</b>
Optic + Medical Equip.	406	4%
Wood Products	400	13%
Paper Products	373	14%
Fish Products	218	7%
Pulp Products	213	25%
★ <b>Plastics Products</b>	<b>171</b>	<b>172%</b>
Motor Vehicles	122	0%
★ <b>Chemical Products</b>	<b>94</b>	<b>29%</b>

## Domestic Origin of NNE Exports

- 1 ★ Vermont
- 2 Maine
- 3 Massachusetts
- 4 ★ New York
- 5 Ohio
- 6 New Hampshire
- 7 Connecticut
- 8 ★ Pennsylvania
- 9 ★ California
- 10 Kansas



## Truck Flows to/from Maine

*Truck Access  
to/from Maine's  
Businesses  
depends  
critically on the  
I-95 Corridor  
through NYC*



# Highway Congestion

*But Maine's Access Route via I-95 and NYC is moving towards Gridlock!*

1998



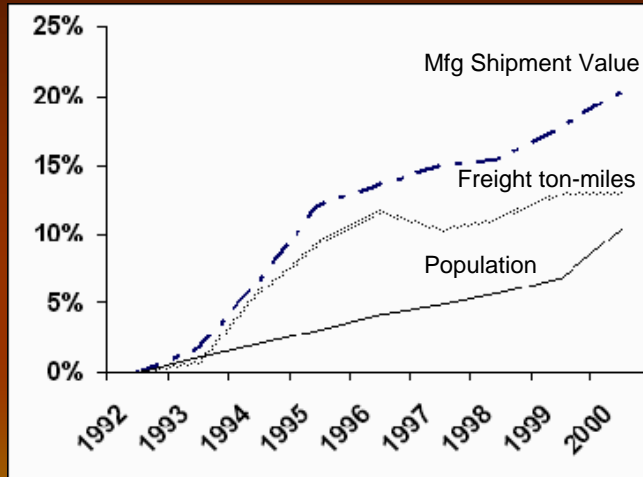
2020



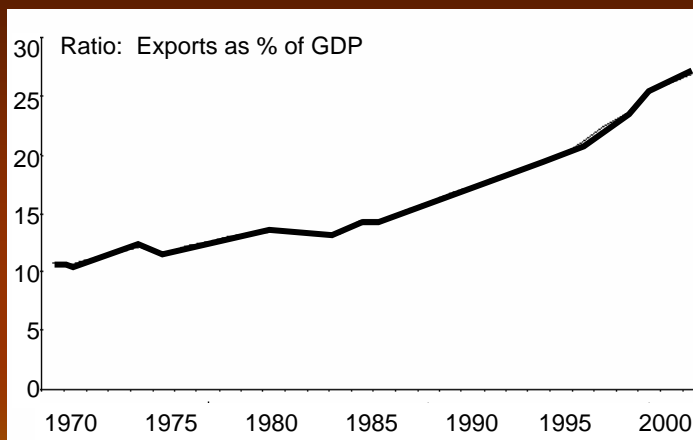
## 2. GLOBAL TRENDS



## Freight Growth Faster than Population



## International Share is Expanding



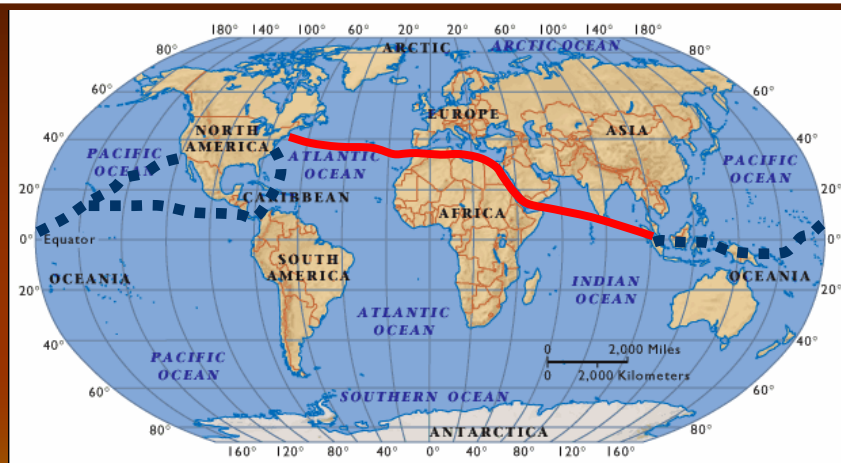
US Dept of Commerce, BEA

## International Trade Factors



- Container traffic forecast to double by 2020; existing ports cannot absorb this growth
- Ports in Gulf of Maine closer to N. Europe than NY or Mid-Atlantic ports
- Existing Roadways in NJ and CT cannot absorb projected growth in traffic to NY Ports

## Global Trade Growth





## Panama Canal Route

- Canal currently at 95% of capacity,
- Panamax sized ships slower through canal
- Post-Panamax ships cannot use the canal
- Toll Increases reduce cost differential



## Land Bridge Route

Viability of overland rail option limited:

- Congestion at west coast ports
- Higher land travel costs
- Lower delivery reliability



## Suez Canal Route

- New growth option
- Lower shipping costs, greater reliability
- Similar or only slightly longer transit time
- Services to US east coast via Suez:
  - 6 from *India-Pakistan-Sri Lanka Area*
  - 2 from *Hong Kong*
  - 3 from *China*



## Investing in Post Panamax

- Miami
- New York-New Jersey
- Charleston, SC
- Savannah, GA
- Canso Bay, NS



### 3. CAN-AM CONNECTIONS



### NE Can-Am Connections Study

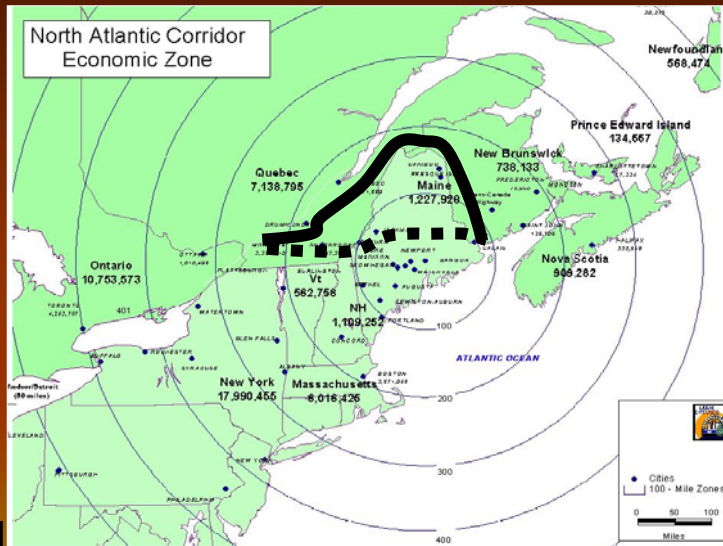


# Limited Hwy Connections



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# Major Route Detour



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## Freight Cost Disadvantage

- “Double freight penalty” at the end of the line
- Cheaper to ship potatoes from Idaho to New Jersey (2500 miles) than from Maine (500 miles)
- Cheaper from Idaho to Cleveland (2000 miles) than from Massena NY to Cleveland (600 miles)



## Corridor Opportunities

Region is between 2 Powerful Economic centers:

- Boston - Washington corridor to the South and
- Chicago - Quebec corridor to the West

*Two corridors  
account for 40% of  
GDP of US & CA  
Region needs  
access to Midwest  
& Canada to grow*





## ...On the Web

**Northeast CanAm Connections**

[www.canamconnections.com](http://www.canamconnections.com)

**Reports on Transport & Econ Development**

[www.edrgroup.com/edr1/library](http://www.edrgroup.com/edr1/library)

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