

Trading Our Way to a Vital Economy

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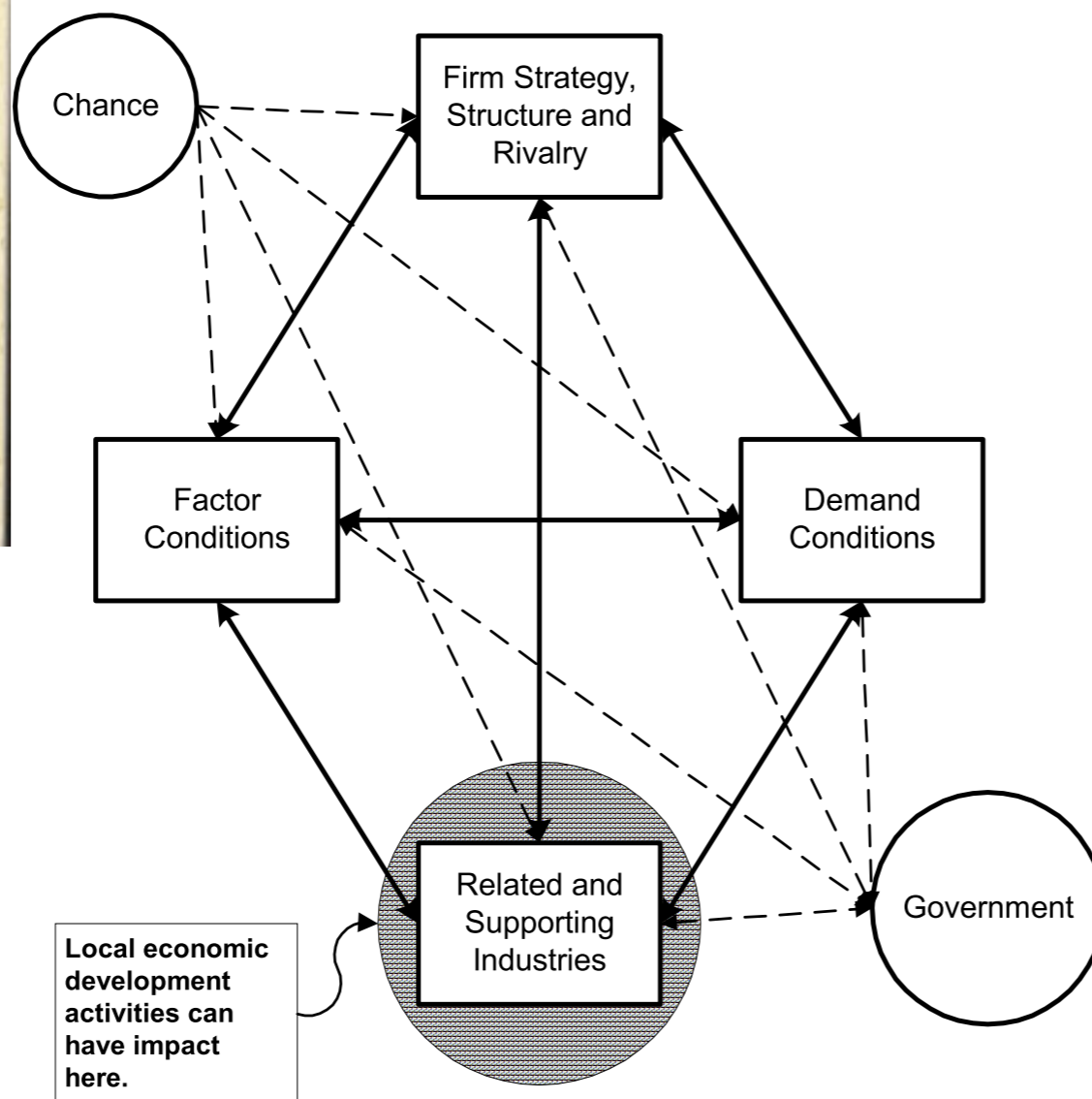
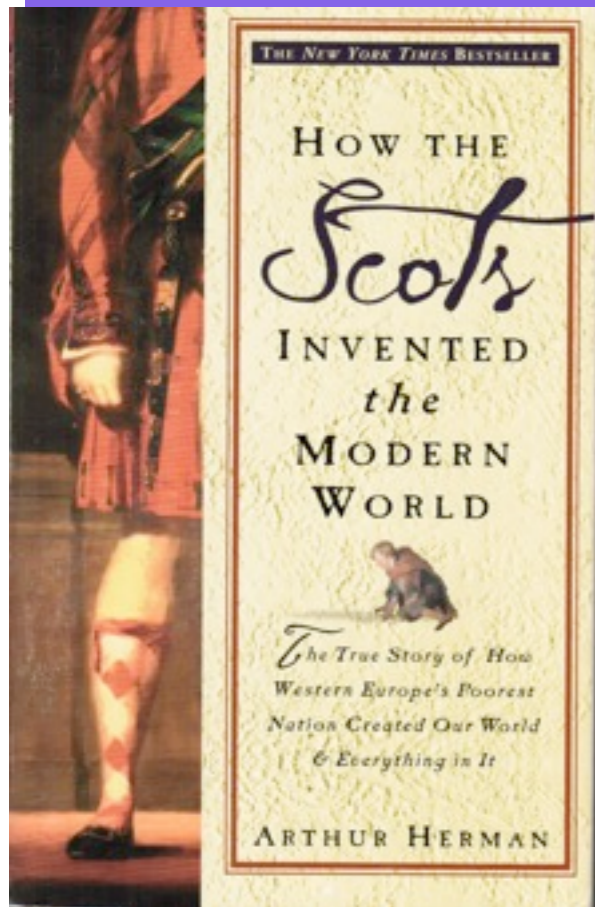
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We Need to Remember the Scots



- Trade is critical to a vital economy.
- We need to preserve manufacturing... key to trade and economic vitality!
- We need to link local networks to the global economy.

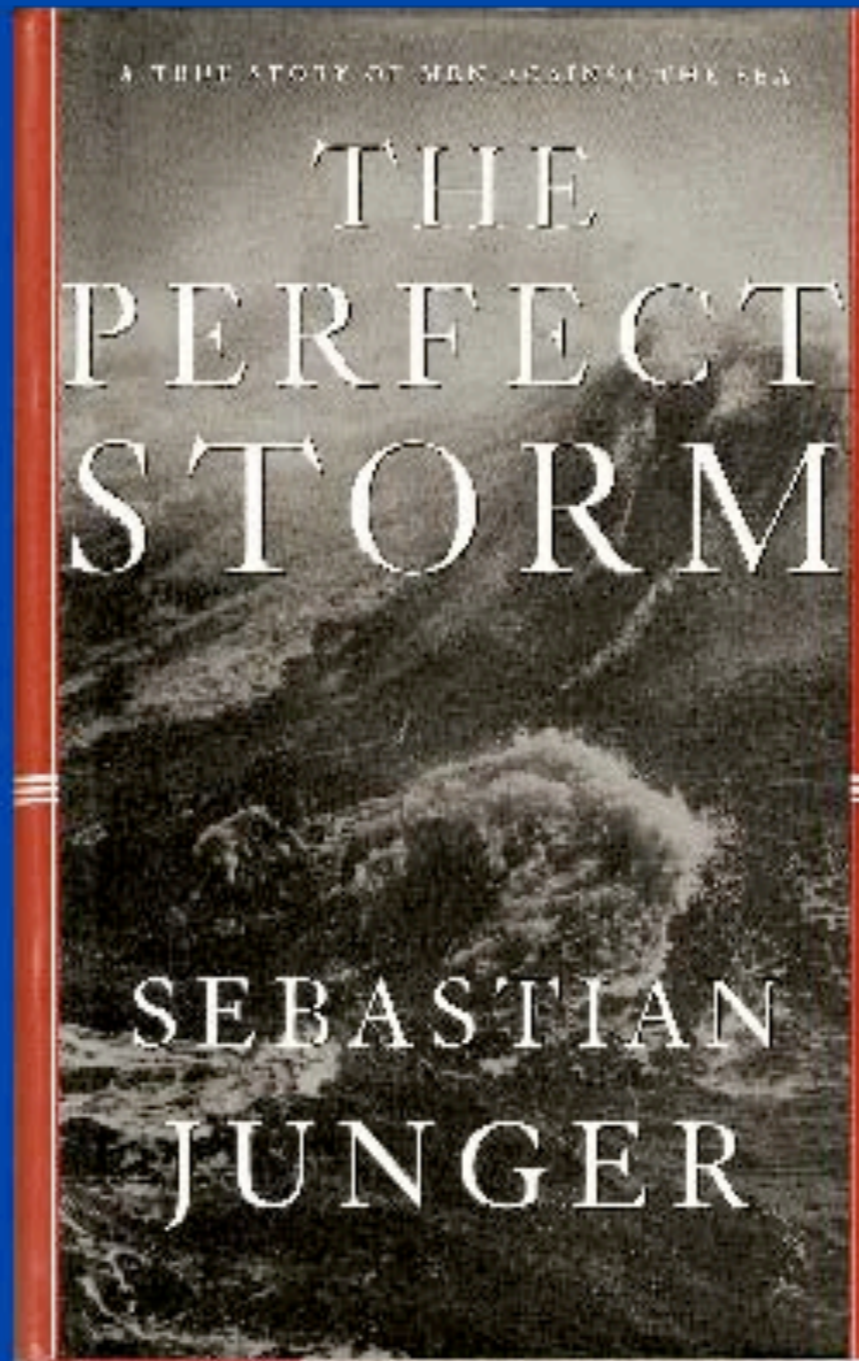
The Logistics Perfect Storm



Increasing/Shifting
Demand



Capacity
Constraints



Failing
Infrastructure



Fuel
Prices/Supply

Drivers of risk

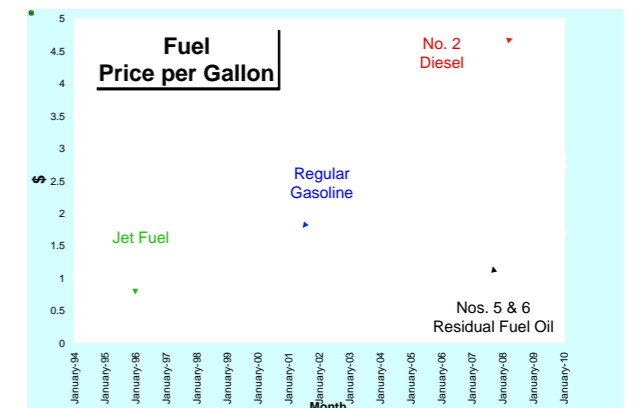
- EXPANDING AND RAPIDLY CHANGING DEMAND
 - US POPULATION PROJECTED TO REACH 400 MILLION BY 2039 (UP FROM APPROXIMATELY 308 MILLION TODAY)
 - UN-->WORLD POPULATION TO REACH 9.2 BILLION BY 2050 (UP FROM APPROXIMATELY 6.8 BILLION TODAY)

- CAPACITY CONSTRAINTS



- RISING AND VOLATILE FUEL COSTS

- FAILING INFRASTRUCTURE



Global Competitiveness (2009-2010)

Rank	Country	Score
1	Switzerland	5.60
2*	US	5.59
3	Singapore	5.55
4	Sweden	5.51
5	Denmark	5.46
6	Finland	5.43
7	Germany	5.37
8	Japan	5.37
9	Canada	5.33
10	Netherlands	5.32

*#1 in 2008-2009.

Source: World Economic Forum, *The Global Competitiveness Report 2009-2010*.

The Second Pillar of Global Competitiveness... Infrastructure

Indicator	U.S.	Switzerland	Germany	Japan	China	U.K.
Quality of overall infrastructure	D	A	A	D	D	D
Quality of roads	D	A	A	D	D	D
Quality of railroad infrastructure	D	A	A	A	A	D
Quality of port infrastructure	D	D	A	D	D	D
Quality of air transport infrastructure	D	A	A	D	D	D
Quality of electricity supply	D	A	A	D	D	D
RANK	8	5	1	13	46	20
SCORE	5.9	6.3	6.6	5.8	4.3	5.4
A=Competitive Advantage		D=Competitive Disadvantage				
Source: World Economic Forum, <i>The Global Competitiveness Report 2009-2010</i> .						



Category	1988	1998	2001	2003 Trend	2005	2009
Aviation	B-	C-	D	↔	D+	D
Bridges		C-	C	↔	C	C
Dams		D	D	↓	D	D
Drinking water	B-	D	D	↓	D-	D-
Energy			D+	↓	D	D+
Hazardous waste	D	D-	D+	↔	D	D
Inland waterways			D+	↓	D-	D-
Levees						D-
Public parks and recreation					C-	C-
Rail					C-	C-
Roads	C+	D-	D+	↓	D	D-
Schools		F	D-	↔	D	D
Security					I	
Solid waste		C-	C+	↔	C+	C+
Transit	C-	C	C-	↓	D+	D
Waste water	C	D	D	↓	D-	D+
Overall	C	D	D+		D	D
Required 5-year Investment (Trillions)			\$1.3	\$1.6	\$1.6	\$2.2

The N

ort Card



North Carolina Infrastructure

TOP CONCERNS:

1. ROADS (D-)

2. BRIDGES (C-)

> 27% OF NORTH CAROLINA'S MAJOR ROADS ARE IN POOR OR MEDIOCRE CONDITION.

> 31% OF NORTH CAROLINA'S BRIDGES ARE STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE (MORE THAN 5,600 BRIDGES).

Where We Stand

- THE ECONOMY IS AWFUL THROUGHOUT THE WORLD
- IMPORTS ARE DOWN
- EXPORTS ARE DOWN
- THE LOGISTICAL SYSTEM IS ENJOYING BREATHING ROOM.

***ALL IS NOT OK - IT IS ONLY ON HOLD.**

Risk

- UNCERTAINTY**
- FUTURE ORIENTATION**
 - DAMAGE OR FAILURE TO OBTAIN
POTENTIAL BENEFIT**
- PROBABILITY X DETRIMENT**

Transportation-Based Risk to Firms




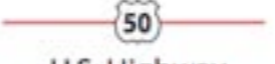


- **UNCERTAINTY DRIVES RISK**
 - **COST**
 - **AVAILABILITY**
 - **PERFORMANCE**

Meeting Regional Needs

- **Connecting to the National economy**
 - **ADHS**
- **Connecting to the global economy**
 - **Intermodal**
 - **Connections to sea ports**
 - **Deal with elements of the Perfect Storm**
 - **Recognize distinct nature of the Region**
 - **Address capital limitations**

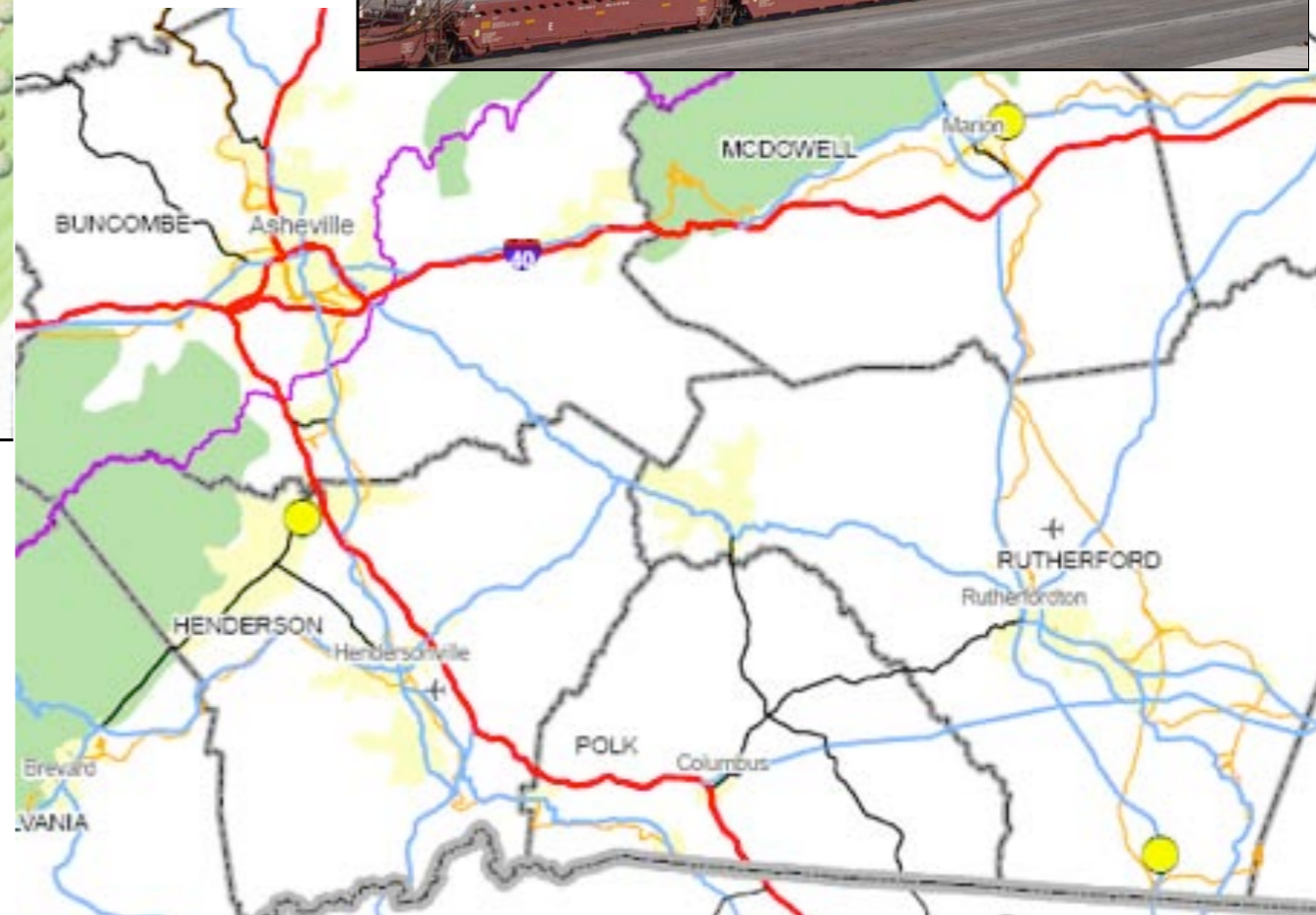
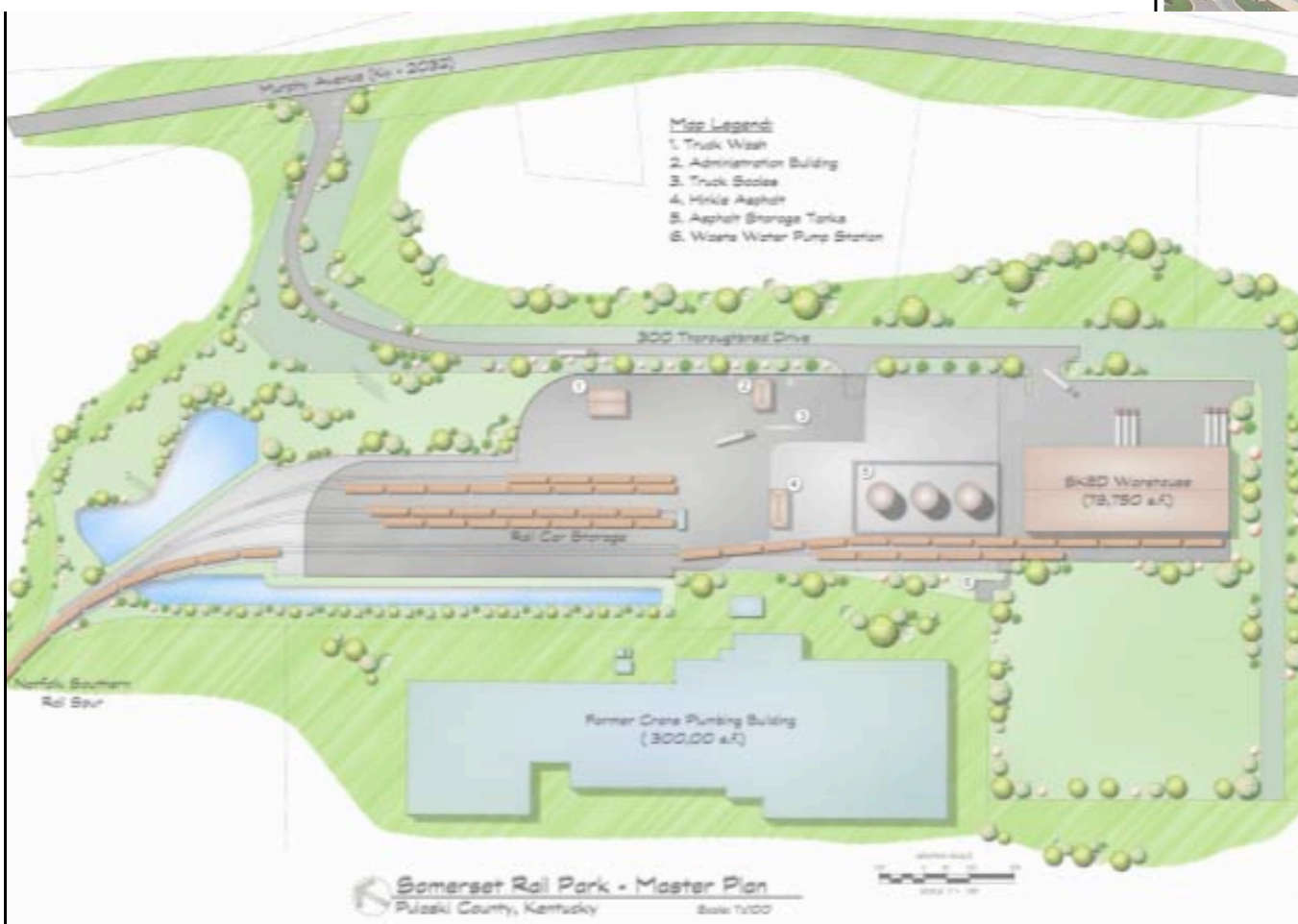
ADHS

Appalachian Corridor
(Status as of September 30, 2009)

 Open to Traffic	 Not Open to Traffic
 Interstate Highway	 U.S. Highway
 Populated Place	 Appalachian Region

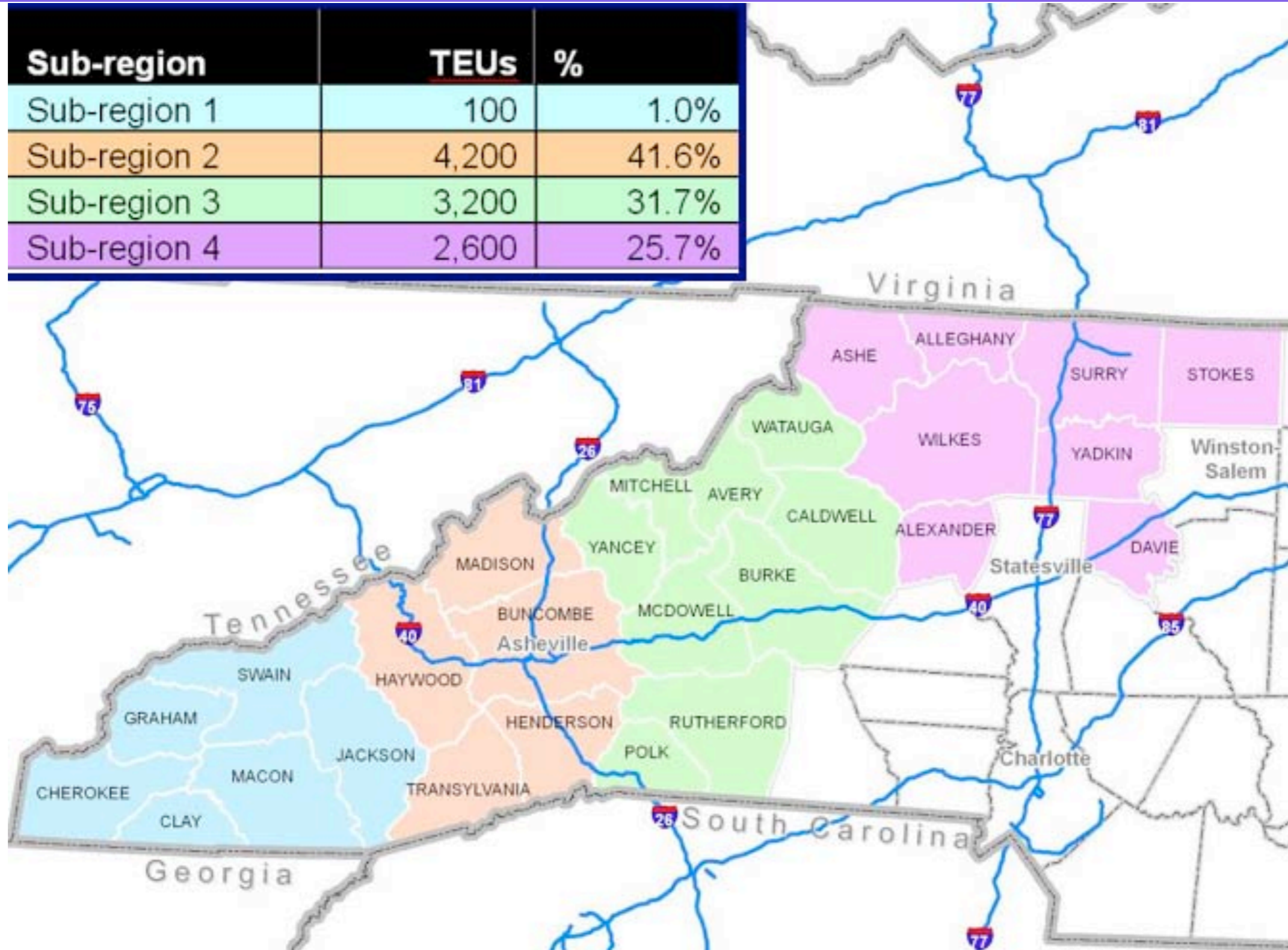


Intermodal



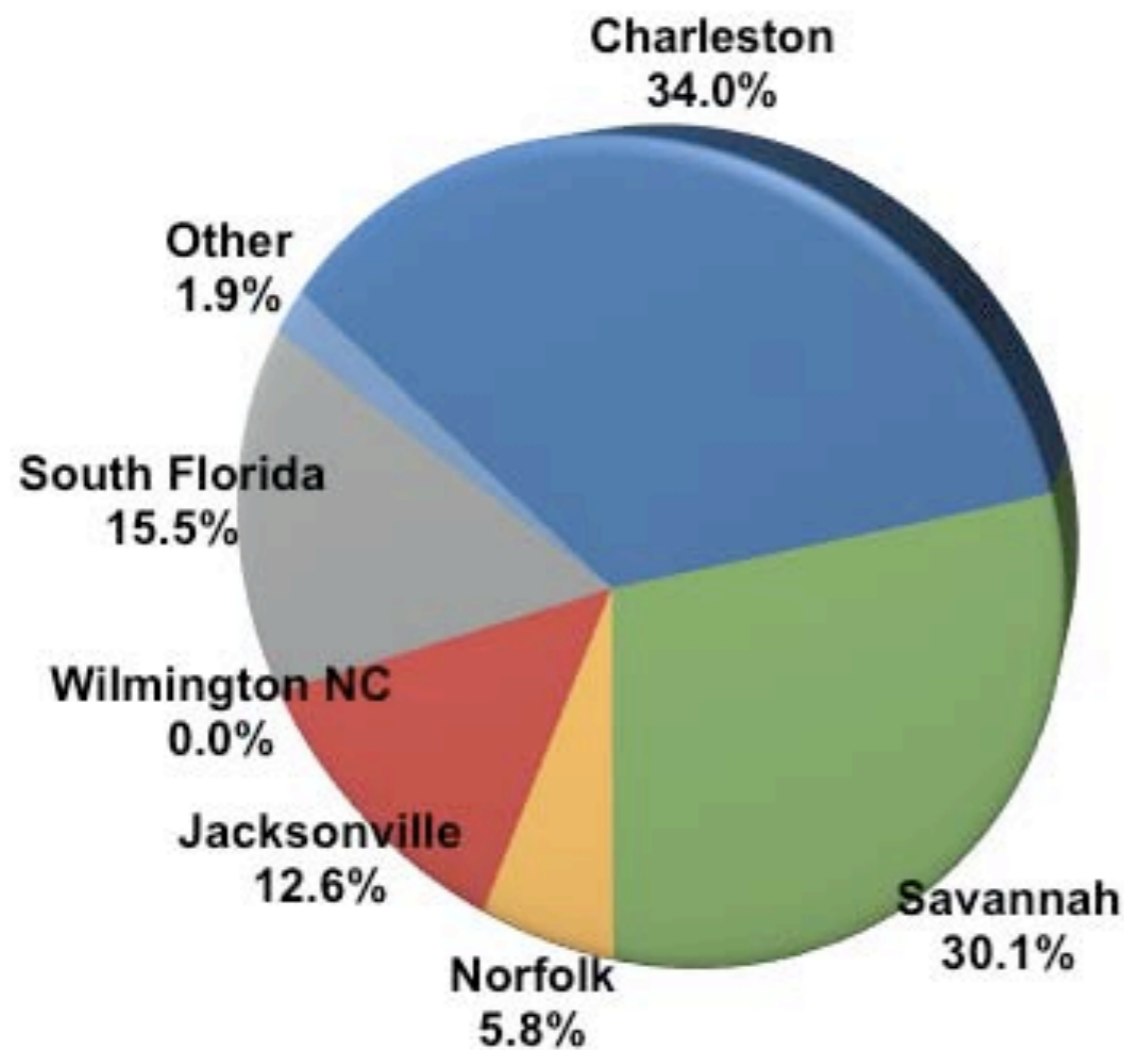
Export TEUs

Sub-region	TEUs	%
Sub-region 1	100	1.0%
Sub-region 2	4,200	41.6%
Sub-region 3	3,200	31.7%
Sub-region 4	2,600	25.7%

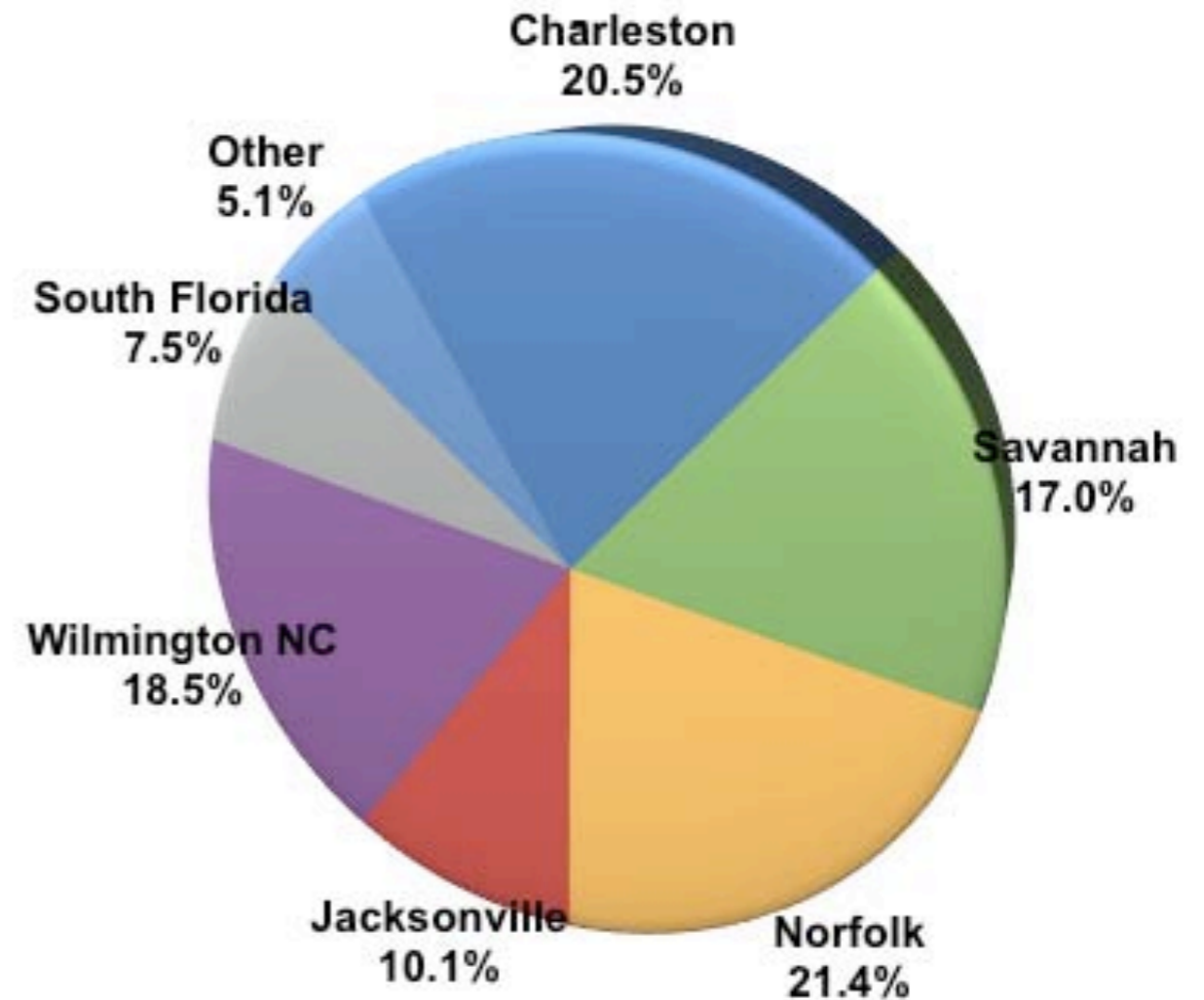


Export Freight Flows

Western North Carolina Exports

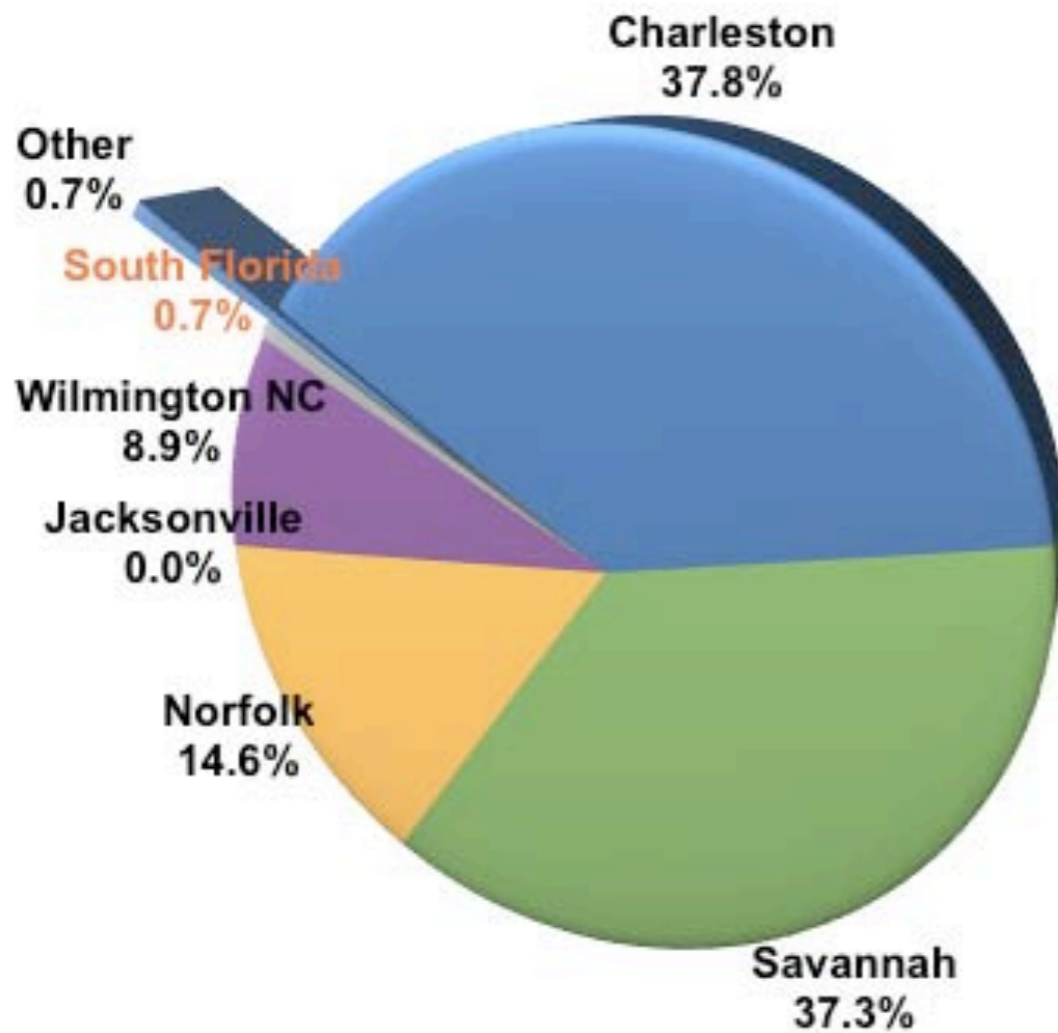


North Carolina Exports

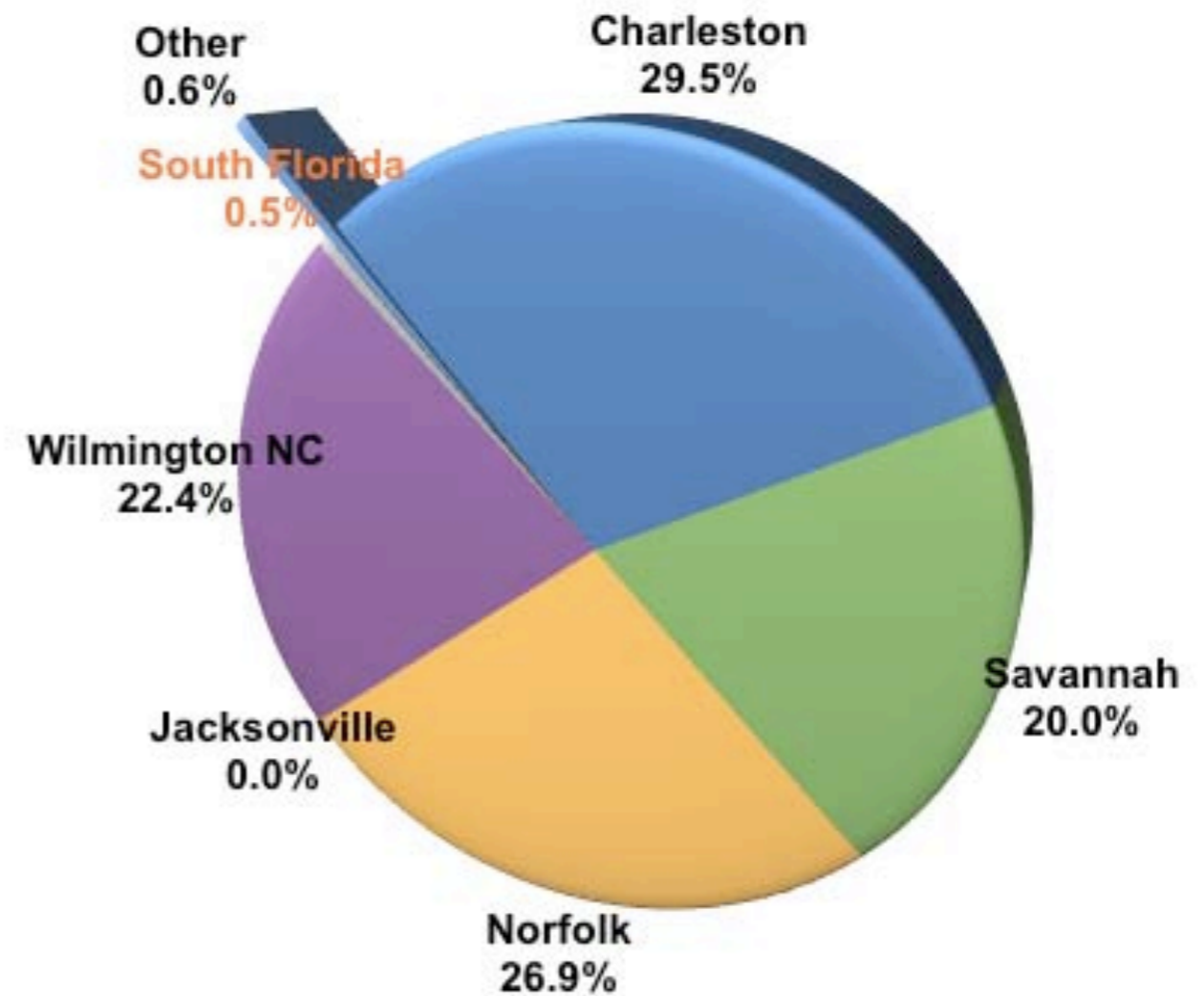


Import Freight Flows

Western North Carolina Imports



North Carolina Imports

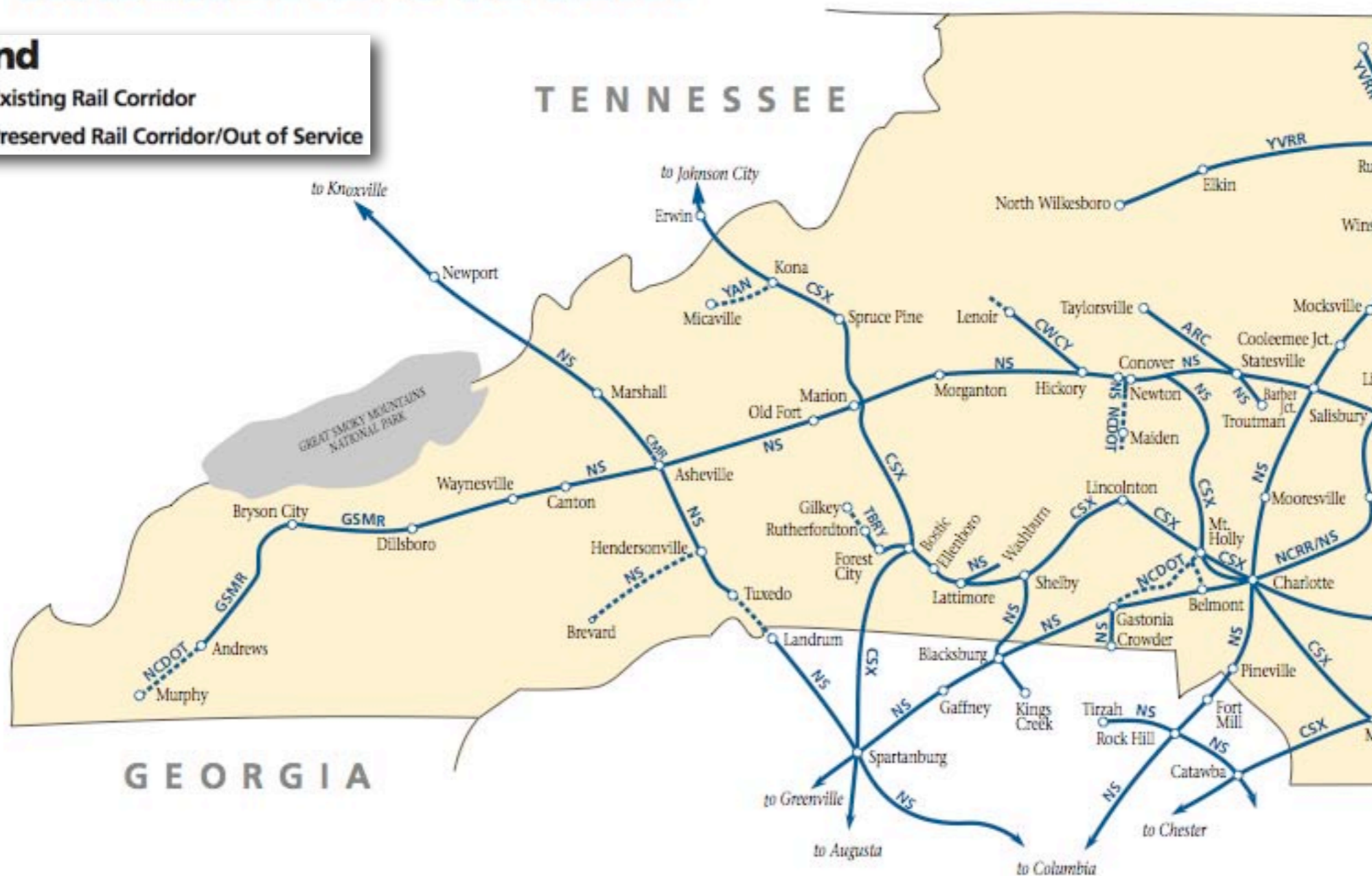


Rail Issues

North Carolina RAILROAD SYSTEM

Legend

- Existing Rail Corridor
- - - - - Preserved Rail Corridor/Out of Service



Useful Undertakings

- **Regional Awareness**
- **Regional efforts such as the Transportation Alliance organized under the auspices of the Asheville Area Chamber of Commerce**
- **State-wide and Regional freight authorities**
- **Freight consolidation centers**
- **Complete the ADHS**
- **Consider feasibility of rail service over corridors currently out of service**
- **Coordinate across political boundaries**

Thank You!

Questions or Comments?