The Mississippi River as a Link to Global Trade

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Who benefits from transportation improvements?

• Carriers
• Ports
• Governments and other local industries
• Shippers
• Economic Development Agencies

• Who does not benefit?

“One day, this will all be your fault.”
Outline

• Mississippi River Trade
• Domestic Trade and the Lower River
• Global Trade Support’s the Nation’s Economy
• Where Do We Go From Here?
Mississippi River Trade
Top Export Commodities from Lower River, 2011

- Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax: 35%
- Cereals: 20%
- Oil Seeds Etc.: 19%
- Preparations Animal Feed: 4%
- Organic Chemicals: 5%
- Plastics Etc.: 2%
- Animal Or Vegetable Fats, Oils: 3%
- Iron And Steel: 1%
- Inorganic Chemicals: 2%
- Miscellaneous Chemical Products: 1%
- Other: 8%
Top Trading Partners – Imports (millions in vessel value)
Top Import Commodities, 2011

- Mineral Fuel, Oil: 57%
- Iron And Steel: 9%
- Fertilizers: 6%
- Organic Chemicals: 3%
- Rubber And Articles Thereof: 3%
- Inorg Chem; 3%
- Copper: 3%
- Coffee, Tea, Mate & Spices: 3%
- Animal Or Vegetable Fats: 3%
- Salt; Sulfur; Earth & Stone; Lime & Cement: 1%
- Other: 9%
- Other: 3%
Domestic Tonnage on River
Competing Corridors to Baton Rogue/New Orleans (FAF, 2010)

- Northbound: 107,396
  - Water: 67%
  - Truck: 28%
  - Rail: 7%

- Southbound: 390,459
  - Water: 67%
  - Truck: 28%
  - Rail: 7%
Trade Patterns - Domestic Waterway Tonnage to/from Louisiana (2010)
Top Commodities Moved on the River (2010)

- Millions tons

Northbound

- Unknown and Not Elsewhere Classified Products
- Manufactured Goods
- Food and Food Products
- Primary Metal Products
- Primary Non-Metal Products
- Iron Ore, Iron, and Steel Waste and Scrap
- Sand, Gravel, Shells, Clay, Salt, and Slag
- Chemicals excluding Fertilizers
- Chemical Fertilizers
- Petroleum Products

Southbound

- Unknown and Not Elsewhere Classified Products
- Manufactured Goods
- Food and Food Products
- Primary Metal Products
- Primary Non-Metal Products
- Iron Ore, Iron, and Steel Waste and Scrap
- Sand, Gravel, Shells, Clay, Salt, and Slag
- Chemicals excluding Fertilizers
- Chemical Fertilizers
- Petroleum Products
Global Maritime Exports Supports Nation’s Economy
International Maritime Trade as Share of State GDP, 2012 (all ports)
Mississippi River and Its Relationship to State Exports (2011)

Shading Indicates Ranking of MS River Traffic based on Share of Export Tonnage

% represents share of Total State exports through the Miss River Corridor (maritime tonnage)
Where do we go from here...
Two Directions of Development

1. Inside-Out
2. Outside-In

- What is your market?
- What facility/services are needed?
- Develop densities and services
- Equipment balances
- Workforce training
- Public-Private partners
Freight Access and Mobility May Create Transformative Opportunities
Who is Responsible for What?

Terminal Operations

Cargo Density

Business Clusters

Transportation services

Intermediaries

Private Sector

Public Sector

Transportation Infrastructure

Utilities

Workforce Development

Business Climate

Incentives
Partnerships are critical...

- Must have interest
- Must have right tools
- Can communicate expected outcomes “champion”
- Must commit for the entire project
- Requires some “skin in the game”
If I gave you one dollar... How would you invest it in your area?
Three Questions...

1. Mississippi River’s Greatest Advantage
   – Has worked, does work, and will continue to do so

2. Significant obstacles to developing trade
   – Get businesses to see river as “highway” (domestic and global)
   – Support/fund startups
   – WRRDA

3. What Can You Do
   – Get firms to the river before picking winners/losers
   – Educate others on benefits of waterway development