Borders – Corridors - Sea Ports
SHOULD TRANSPORTATION DEVELOPMENT PRIORITIES SHIFT?

A Presentation for the U.S. Department of Transportation
October 15, 2003
by
John P. McCray, P.E., Ph.D.
210 458-2507 jmcccray@utsa.edu
Borders – Corridors - Sea Ports

• U.S. Trade Highway Corridors
• U.S. Mexico Trade
• Shifting Trade Patterns
• China the New Trade Power
• Seaport Impact
• Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
Borders – Corridors - Sea Ports

- U.S. Trade Highway Corridors
- U.S. Mexico Trade
- Shifting Trade Patterns
- China the New Trade Power
- Seaport Impact
- Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
Estimated Trucks Carrying U.S. Mexico Trade on U.S. Highway Corridors
Annual Number of Trucks by Highway Segment
Borders – Corridors - Sea Ports

• U.S. Trade Highway Corridors
• U.S. Mexico Trade
• Shifting Trade Patterns
• China the New Trade Power
• Seaport Impact
• Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
U.S. – MEXICO ANNUAL TRADE

(Billions of U.S. Dollars)

John P. McCray, P.E., Ph.D., jmccray@utsa.edu
Estimated Dollar Value of US-Mexico Modal Share

Robert Harrison
Center for Transportation Research
University of Texas at Austin
Maquiladora Factories in Mexico Account for 1/3 to 2/3 of U.S - Mexico Trade at Border Ports

Maquiladora Factories in Mexico Account for 1/3 to 2/3 of U.S - Mexico Trade at Border Ports

Deep trade to factories and consumers in Mexico

Maquiladora trade to the border

Maquiladora trade to the border

Maquiladora trade to the border

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu
The Maquiladora Downturn and Stabilization

Total, Male, and Female Maquiladora Workers

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu
Borders – Corridors - Sea Ports

• U.S. Trade Highway Corridors
• U.S. Mexico Trade
• Shifting Trade Patterns
• China the New Trade Power
• Seaport Impact
• Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
Growing Chinese Competition

2000 - 2002 Monthly U.S. Imports of Machinery and Miscellaneous Manufactured Products from China are Growing While Mexico Remains Flat

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu
Borders – Corridors - Sea Ports

- U.S. Trade Highway Corridors
- U.S. Mexico Trade
- Shifting Trade Patterns
- China the New Trade Power
- Seaport Impact
- Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
China The Export Power

China Now Exports More to the World than Canada or Mexico

Billions of U.S. Dollars

China exports
to the World

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
China removes import permits and lowers tariffs as required by GATT/WTO.

China creates special manufacturing zones and makes substantial investments in seaport infrastructure.


Forecast shows an increase in U.S. imports from China.

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu
Borders – Corridors - Sea Ports

• U.S. Trade Highway Corridors
• U.S. Mexico Trade
• Shifting Trade Patterns
• China the New Trade Power
• Seaport Impact
• Policy Considerations

John P. McCray, P.E., Ph.D.
Jmccray@utsa.edu
## 2001 Major U.S. Ports Processing 1 Percent or More China Trade (Billions)

<table>
<thead>
<tr>
<th>U.S. Seaport</th>
<th>Value</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA\Long Beach, CA</td>
<td>$64</td>
<td>66.87%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>$6</td>
<td>6.42%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>$5</td>
<td>5.37%</td>
</tr>
<tr>
<td>Tacoma, WA</td>
<td>$5</td>
<td>4.68%</td>
</tr>
<tr>
<td>Oakland, CA</td>
<td>$4</td>
<td>4.67%</td>
</tr>
<tr>
<td>Savannah, GA</td>
<td>$3</td>
<td>3.33%</td>
</tr>
<tr>
<td>Norfolk, VA</td>
<td>$2</td>
<td>1.87%</td>
</tr>
<tr>
<td>Charleston, SC</td>
<td>$1</td>
<td>1.41%</td>
</tr>
</tbody>
</table>

John P. McCray, P.E., Ph.D., jmccray@utsa.edu
China removes import permits and lowers tariffs as required by GATT/WTO

China joins the GATT/WTO

U.S. Imports from China

U.S. Imports from Mexico

Forecast

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu

U.S. – IMPORTS FROM CHINA AND MEXICO

(Billions of U.S. Dollars)
Borders – Corridors - Sea Ports

• U.S. Trade Highway Corridors
• U.S. Mexico Trade
• Shifting Trade Patterns
• China the New Trade Power
• Seaport Impact
• Policy Considerations
CONSIDERATIONS

• Well established trade highway corridors carry NAFTA trade and link the northern and southern U.S. borders
• U.S. – Mexico trade although large with $98 billion of U.S. exports and $135 billion of U.S. imports has not grown since October of 2000
• U.S. – China trade with $22 billion of U.S. exports and $125 billion of U.S. imports is now growing more rapidly than U.S. – Mexico trade, especially in imports.
• Most U.S. – China trade arrives at three dominant U.S. ports LA/Long Beach $64 billion, Seattle $6.2 billion, and New York $2.5 billion.
• While transportation planning to accommodate trade has been concentrated on NAFTA trade, U.S. – China trade is growing dramatically and will likely create greater transportation planning emphasis on the dominant seaports that process this trade.

John P. McCray, P.E., Ph.D., Jmccray@utsa.edu