



## TRANSPORTATION, TRADE & LOGISTICS

### ***Background***

Transportation, Trade and Logistics is a foundational cluster in New Orleans that includes multimodal transportation (rail, air, truck, barge, and ship), warehousing, storage, third-party logistics handlers, facilities, railroads, port and harbor operations, ground and air freight, wholesalers, and airports. The baseline data did not include the Louis Armstrong Airport (MSY) because it is in Jefferson Parish; however, this city-owned asset will be considered as part of this cluster. As defined, New Orleans' location quotient in this cluster is 0.7, with strengths in freight (1.0) and freight support (1.3), and includes nearly 8,000 jobs.

At \$51,600, wages are slightly above the city average, but many require minimal training and pay more than jobs in other high-employment clusters. With competition growing, especially from peer cities along the Gulf Coast, the transportation and trade community is keenly focused on improving New Orleans' competitive position in this cluster. Growing in this way requires coordination and focus on key strengths and opportunities.

### ***Strengths***

The Port of New Orleans and associated infrastructure, including six Class 1 railroads, makes this cluster one of the most prominent in New Orleans. Members of the subcommittee opted not to form a new industry council, citing the ongoing work of the state's International Commerce Board, as well as other trade-focused committees and organizations in New Orleans. However, the subcommittee did agree to form working groups dedicated to specific tasks, such as preparing for a major coffee industry convention in New Orleans next year and attracting a fracking component facility that capitalizes on the huge boom in natural gas production. Other strengths include:

- » Transportation infrastructure (port system, railroads, access to water, airport)
- » Cost competitiveness on bulk per ton basis
- » Lack of congestion compared to other ports

# ProsperityNOLA

*A Plan to Drive Economic Growth for 2018*

- » Intellectual capital of universities
- » Good labor relations and high skill relative to cost of labor force
- » Airport leadership and future capital improvements
- » Variety and quantity of Mississippi River cargo
- » Ability to access and work with all government agencies
- » Ability of industry leaders to organize and respond rapidly to opportunities and threats

## ***Challenges***

The two greatest challenges for this cluster are needed improvements in infrastructure and marketing. While the city's port infrastructure is strong, a result of both geographic positioning and the comparatively compact layout of transportation-related assets, improvements at specific choke points, along with operational adjustments, could greatly increase the capacity of existing infrastructure in the short term.

In addition, the brand of New Orleans is limited to tourism, and New Orleans does not do enough to promote itself as an international business destination. There is also a lack of direct and international flights, which limits competitive opportunities for cargo trade.

There is also a lack of value-added manufacturing of commodities that travel through the port, limiting the amount of wealth that can be generated through goods movement. The manufacturing opportunities represent some of the lowest-hanging fruit for growth in this cluster.

## ***Opportunities***

While competitor ports have grown dramatically in recent decades, New Orleans still has many opportunities to improve its competitive position. Recent studies reveal potential gains from focusing on value-added manufacturing as well as examining specific trade lanes and associated commodities in a regional trade strategy. Further coordination to promote the city's foreign trade zone (FTZ) is also needed to increase its use as a corporate attraction tool.

