



## GLOBALIZATION AND TRANSPORTATION

### QUIZ

# What Do You Know About Globalization and International Transportation?

MARY R. BROOKS

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Editor's Note: Answers to the quiz appear on page 12.

#### True or False? (1 point each)

1. In 2008, Germany was the largest goods exporter in the world in terms of value.
2. In 2008, the United States was the largest goods trader—importer and exporter—in terms of value.
3. In 2008, Germany was the largest trader in commercial services in terms of value.
4. Between 1955 and 2004, air freight prices fell from \$3.87 per ton-kilometer to less than \$0.30 per ton-kilometer, in 2000 U.S. dollars.
5. A global reduction in the cost of transportation was a key to the rapid growth of global trade in the past two decades.
6. Since 2000, the share of world merchandise trade held by the North American Free Trade Agreement countries has fallen from one-fifth to one-eighth.
7. Japanese own 100 percent of the vessels flagged in Japan, but Bahamians own none of the vessels flagged in the Bahamas.



PHOTO: NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A shipment of high-tech equipment is offloaded from a Lufthansa plane at Cape Canaveral Air Station in Florida. Changes in air freight prices since the 1950s have facilitated international shipping.



PHOTO: M. LINDER © HAFEN HAMBURG MARKETING

Terminal expansion work at the Port of Hamburg's Burchardkai-Eurokai container handling facilities. Germany plays a major role in international shipping.



China's prominence in the global economy has held steady throughout history.

**Multiple Choice** (1 point each)

8. The two largest economies in the 19th century were (a) United States and Canada; (b) France and United Kingdom; (c) China and India.
9. The largest emerging economies in the 21st century are (a) United States and Canada; (b) Brazil and Russia; (c) China and India.
10. The top 10 countries with ability to buy—based on gross domestic product (GDP) per capita, purchasing power parity—include (a) United States, Norway, and Canada; (b) Singapore, Kuwait, and Norway; (c) United States, Qatar, and United Kingdom; (d) United States, Canada, and Luxembourg.
11. Global Insight projects that by 2050, the top four economies in the world—in order, by real GDP—will be (a) United States, China, Japan, India; (b) China, United States, India, Japan; (c) United States, China, Brazil, India; (d) China, United States, India, Russia.
12. The KOF Globalization Index measures the degree of globalization of a country. Match each of the countries in Column 1 below with its economic dimension score on the KOF Globalization Index 2010, based on 2007 data, listed in Column 2 (1 point for each correct combination; 5 points total for Question 12):
 

Belgium	56.82
Canada	69.27
China (not including Hong Kong)	78.55
United Kingdom	81.49
United States	91.94
13. The World Economic Forum's *Global Enabling Trade Report 2009* ranked the following countries as the top four in transport and communications infrastructure: (a) Germany, Netherlands, Singapore, Sweden; (b) Germany, Singapore, Hong Kong, France; (c) United States, Germany, Switzerland, Japan.
14. In the World Economic Forum's *Global Competitiveness Report 2009–2010*, which of the fol-

lowing is true? (Choose one:) (a) Japan ranked 3rd, and Germany ranked 7th; (b) Switzerland ranked 1st, and United States ranked 2nd; (c) United States ranked 1st, and Singapore ranked 4th.

15. The top three border crossings for Canada–U.S. trade by road are (a) Fort Erie, Sarnia, and Pacific Highway; (b) Windsor, Fort Erie, and Sarnia; (c) Windsor, Sarnia, and La Colle.
16. As of January 1, 2009, the world's largest ship owners—domestic and foreign flag ships, by tonnage—were (a) Americans; (b) Greeks; (c) Japanese; (d) Hong Kong Chinese.
17. The largest demand for bulk shipping, in terms of billions of ton-miles, comes from (a) crude oil; (b) iron ore; (c) coal.
18. Documentary requirements can streamline trade or make it more difficult. Which of the following four countries requires the most documents for import and export? (a) Canada; (b) India; (c) Mexico; (d) United States.
19. Which seaport is closer to Brazil? (a) Halifax, Canada; (b) Savannah, Georgia.
20. Which is closer to Norfolk, Virginia? (a) Singapore via Suez Canal; (b) Singapore via Panama Canal.
21. Which is closer to Singapore? (a) Los Angeles; (b) Lázaro Cárdenas, Mexico; (c) Vancouver, Canada.

Your score out of 25:

The Panama Canal, visible in the center of the image, has played a key role in world trade, linking ports in the Eastern and Western Hemispheres; the canal is undergoing major expansion.





# GLOBALIZATION AND TRANSPORTATION

## QUIZ ANSWERS AND RESOURCES

# What Do You Know About Globalization and International Transportation?

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1. In 2008, Germany was the largest goods exporter in the world in terms of value. **True.**
2. In 2008, the United States was the largest goods trader—importer and exporter—in terms of value. **True.**
3. In 2008, Germany was the largest trader in commercial services in terms of value. **False.** The United States was the largest.
4. Between 1955 and 2004, air freight prices fell from \$3.87 per ton-kilometer to less than \$0.30 per ton-kilometer, in 2000 U.S. dollars. **True.**
5. A global reduction in the cost of transportation was a key to the rapid growth of global trade in the past two decades. **True.**

Chapter 6 of the *World Development Report 2009* examines the role of transport costs in globalization and notes the role of declining telecommunications costs. The report is available at the World Bank website, [www.worldbank.org/wdr](http://www.worldbank.org/wdr). The air freight prices can be found on page 176.

6. Since 2000, the share of world merchandise trade held by the North American Free Trade Agreement countries has fallen from one-fifth to one-eighth. **True.**

Vancouver, Canada, is closer to Singapore than is Los Angeles or Lázaro Cárdenas, Mexico.



PHOTO: PORT METRO VANCOUVER



IMAGE: PUBLIC DOMAIN

The spice trade in Calcutta, India, is commemorated in this image from Georg Braun and Franz Hogenberg's atlas, *Civitates Orbis Terrarum*, 1572. Trade from India flourished over the centuries; in the 1800s, China and India had the world's largest economies.

7. Japanese own 100 percent of the vessels flagged in Japan, but Bahamians own none of the vessels flagged in the Bahamas. **True.**
8. The two largest economies in the 19th century were (c) China and India.
9. The largest emerging economies in the 21st century are (c) China and India.
10. The top 10 countries with ability to buy—based on gross domestic product (GDP) per capita, purchasing power parity—include (b) Singapore, Kuwait, and Norway.
11. Global Insight projects that by 2050, the top four economies in the world—in order, by real GDP—will be (d) China, United States, India, and Russia.
12. The KOF Globalization Index, measuring the degree of globalization of a country, calculated the following scores on the 2010 economic dimension of the index, based on 2007 data:

Belgium	91.94
Canada	81.49
China (not including Hong Kong)	56.82
United Kingdom	78.55
United States	69.27

The KOF Globalization Index, produced by the KOF Swiss Economic Institute, measures the economic, social, and political dimensions of globalization. The 2010 Index compares 181 countries from 1970 to 2007. The economic

dimension of the KOF Index quantifies not only actual trade and investment flows but also the extent to which countries protect themselves by imposing restrictions on trade and capital movements. More information and the 2010 report are posted at <http://globalization.kof.ethz.ch/>.

13. The World Economic Forum's *Global Enabling Trade Report 2009* ranked the following countries as the top four in transport and communications infrastructure: (a) Germany, Netherlands, Singapore, and Sweden. Others named in the question ranked as follows: Hong Kong, 5; France, 7; Switzerland, 9; United States, 10; and Japan, 15.

Produced by the World Economic Forum, the *Global Enabling Trade Report 2009* measures and analyzes institutions, policies, and services enabling trade in national economies. Table 4 of the report rates the transportation and communications infrastructure of each country as a part of the index of trade-enabling characteristics. The report is available at [www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm](http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm).

14. In the World Economic Forum's *Global Competitiveness Report 2009–2010*, (b) Switzerland ranked 1st, and the United States ranked 2nd.

The *Global Competitiveness Report 2009–2010* is available at [www.weforum.org/pdf/GCR09/GCR20092010fullreport.pdf](http://www.weforum.org/pdf/GCR09/GCR20092010fullreport.pdf).

15. The top three border crossings for Canada–U.S. trade by road are (b) Windsor, Fort Erie, and Sarnia.
16. As of January 1, 2009, the world's largest ship owners—domestic and foreign flag ships, by tonnage—were (c) Japanese. Until 2009, the Greeks were the largest.

The *Review of Maritime Transport 2009*, published by the United Nations Conference on Trade and Development, lists the largest ship owners and the product ton-mile data for shipping at [www.unctad.org/Templates/Page.asp?intItemID=2618&lang=1](http://www.unctad.org/Templates/Page.asp?intItemID=2618&lang=1).



PHOTO: BELUGA SHIPPING COMPANY

A Beluga Shipping vessel transports machinery from Italy to Kuwait. Kuwait is among the world's top 10 countries with ability to buy.



PHOTO: GERALD L. NINO, U.S. CUSTOMS AND BORDER PROTECTION

17. The largest demand for bulk shipping, in terms of billions of ton-miles, comes from (a) crude oil.
18. Documentary requirements can streamline trade or make it more difficult. Of the four countries named, (b) India requires the most documents for import and export—9 and 8, respectively. Canada requires the completion of 3 documents for import and 4 for export; Mexico, 5 for each; and the United States, 4 for import and 5 for export.

The World Bank's Doing Business website provides detailed information on the ease or difficulty of doing business with a country. More information on documentary requirements may be found under the topic, Trading Across Borders, at the Doing Business website, [www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/](http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/).

19. (a) Halifax, Canada, is closer to Brazil than (b) Savannah, Georgia.
20. (a) Singapore is closer to Norfolk, Virginia, via the Suez Canal than (b) via the Panama Canal.
21. (c) Vancouver, Canada, is closer to Singapore than is (a) Los Angeles or (b) Lázaro Cárdenas, Mexico.

Port distances may be found at [www.port-distances.com](http://www.port-distances.com).

Other resources include the Research and Innovative Technology Administration (RITA), [www.rita.dot.gov](http://www.rita.dot.gov); RITA's Bureau of Transportation Statistics, [www.bts.com](http://www.bts.com); the World Trade Organization's *International Trade Statistics 2009*, [www.wto.org/english/res\\_e/statis\\_e/its2009\\_e/its09\\_toc\\_e.htm](http://www.wto.org/english/res_e/statis_e/its2009_e/its09_toc_e.htm); and the Central Intelligence Agency's *World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/rankorderguide.html>.

U.S. Customs and Border Protection officers check cars entering the United States via the Windsor Tunnel in Detroit, Michigan—one of the top three Canada–U.S. road border crossings.