

# Business

## Plain English Email

Your boss has received the following report and he knows that there is some good content in it, but he's concerned that if it is sent out as is nobody will read it. He wants you to reformat it so that it is suitable to be sent via Email and should ideally be presented graphically. (The email should be no more than 1 screen long.)

## Introduction to the Transportation & Logistics Industry

Transportation is one of the world's largest industries. Its sectors range from taxis to trucks to airplanes, trains, ships, barges, pipelines, warehouses and logistics services.

In total, during 2006, the U.S. transportation industry (in both for-hire and not for-hire sectors, including support and repair) will account for about \$1.4 trillion. Transportation, in its many facets and sectors, employs about 22 million Americans or about 16% of all workers in the nation. At a bit more than 10% of America's economic activity, transportation is remarkably efficient, considering the fact that it is a vital service to every other sector of the economy. In fact, thanks to increasing use of advanced information systems and such strategies as the intermodal use of containers (sending freight via containers that are easily transferred from ship to rail car to truck as needed, without repacking), the transportation industry's productivity level is excellent. The ratio of ton-miles of freight shipped in the U.S. per dollar of GDP declined by a remarkable 35.3% from 1970 through 2002. (For a thorough presentation of relevant statistics, see the tables in Chapter 2 – Transportation, Supply Chain and Logistics Statistics.)

In the U.S. alone, total freight shipment volumes are expected to increase by 70% between 1998 and 2020, according to a U.S. Department of Transportation estimate. The amount of freight moved through ports of entry (foreign goods into the U.S.) will more than double in the same period.

Transportation continues to evolve globally, no matter whether the type of transport involved is on the road, on the sea or in the air. For example, China had only 168 miles of expressways in 1989. By the end of 2003, it had 18,500 miles, and by 2008 it will have 51,000 miles of expressways similar to, and surpassing in length, America's famous Interstate Highway system. China's investment in new expressways during 2003 alone was the equivalent of \$43 billion.

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The information age, with its introduction of sophisticated databases that can track inventory levels and shipments on a global basis via the Internet, has created vast transport and logistics efficiencies. As a result, supply chain technology has been one of the fastest growing segments in the information field.

Next, the rapid adoption of outsourcing has led many companies that find shipping to be vital to their businesses to turn to logistics services providers for all manner of shipping support, including warehousing and distribution services. The sectors of transport, supply chain management and logistics services are permanently intertwined; creating efficiencies once undreamed of in the transportation arena.

All nations worldwide face a daunting task in maintaining sufficient airports, seaports, highways and roads to handle commerce and passenger traffic efficiently. The amount of government funds available for roadway development is never enough to keep up with demand. For example, "The 2005 Urban Mobility Report," a study conducted by researchers at Texas A&M University, analyzed traffic patterns and delays in 85 U.S. major metropolitan areas. The study found that the total annual cost of traffic congestion in these cities was \$63 billion, based on 3.7 billion hours of traffic delay and 2.3 billion gallons of fuel consumed by delays.

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## Key Vocabulary

productivity	Amount of work done per employee
Shipment	Using ships to transport goods
volumes	Amount
evolve	Getting better
Interstate	Goes through more than one state
sophisticated databases	Clever computer information systems
rapid adoption	Quickly taken up
outsourcing	Done outside the company
major metropolitan areas	Cities
consumed	Eaten/used

*Teachers may wish to do a matching exercise with this vocabulary or use the board to elicit.*

### **Assumed knowledge:**

Before undertaking this exercise students should have a good knowledge of describing figures and ideally should be able extract information in English to make appropriate graphs.