

# The economic value of good roads

## Roads and the nation's export effort

*presentation to*  
LGNZ Transport Summit

**Dr Ganesh Nana**  
Chief Economist

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# Brief

- 2012 research study
  - \* *Transport Futures – Economic Evidence*
- evaluate the importance of local and regional roads, in comparison to that of state highways, in transporting main commodities from origin source to port of export



# Headline result

Getting NZ's main land-based exports to port

requires **1.3 to 1.8 tonne kilometres** use of local and regional roads

for every **1 tonne kilometre** use of state highways



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slide 3*

# Which exports?

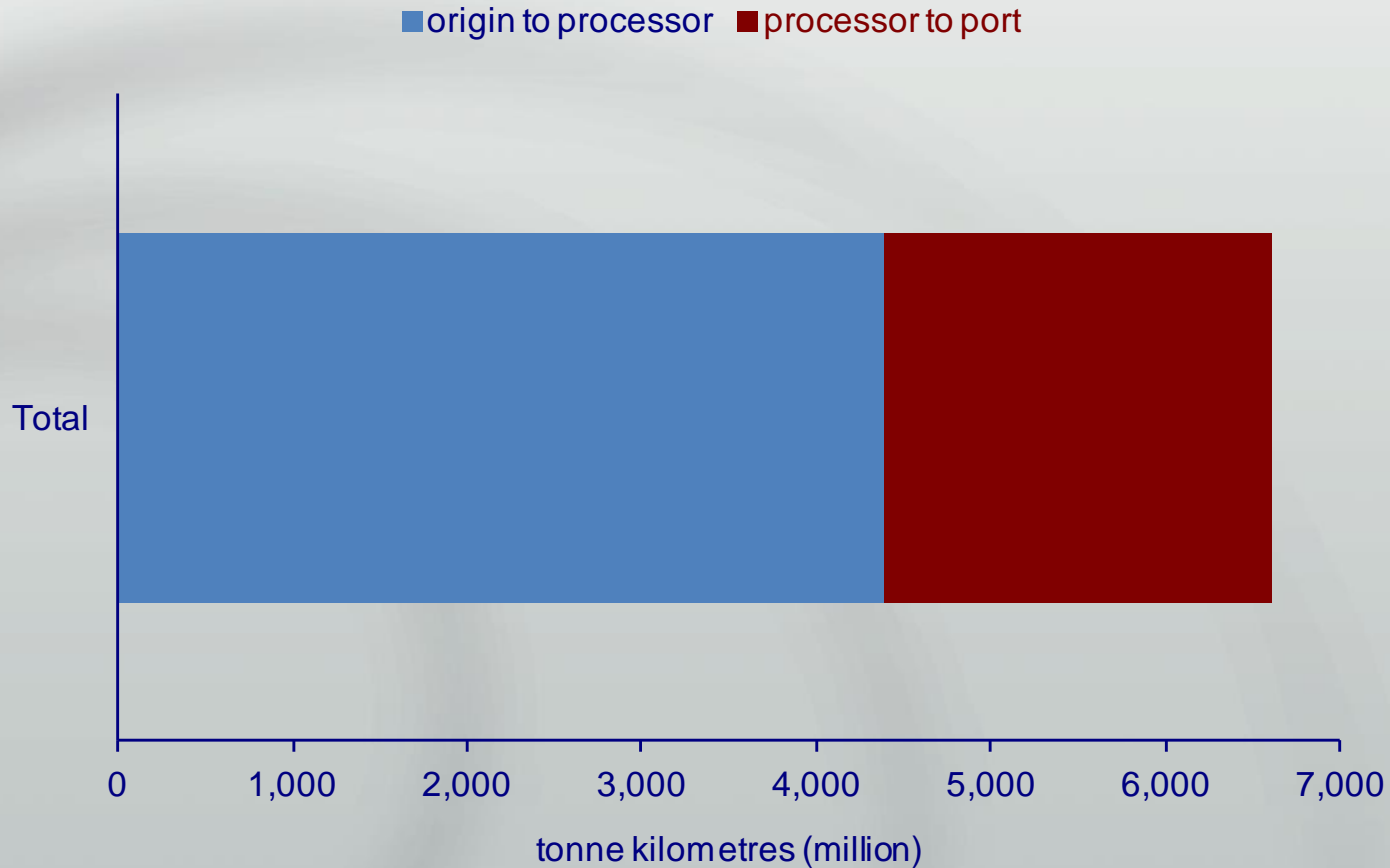
annual export values (Jun 2012)

	<b>\$bn</b>	
Dairy	16.3	
Meat	5.5	
Logs & timber	3.3	
Kiwifruit	1.0	
Wine	1.1	
Apples	0.3	
<b>Total of above</b>	<b>27.5</b>	<b>= 62.5% of total merchandise exports</b>
Total merchandise exports	44.0	



# Annual road transport task

for main land-based exports = 6.6 billion tonne kilometres

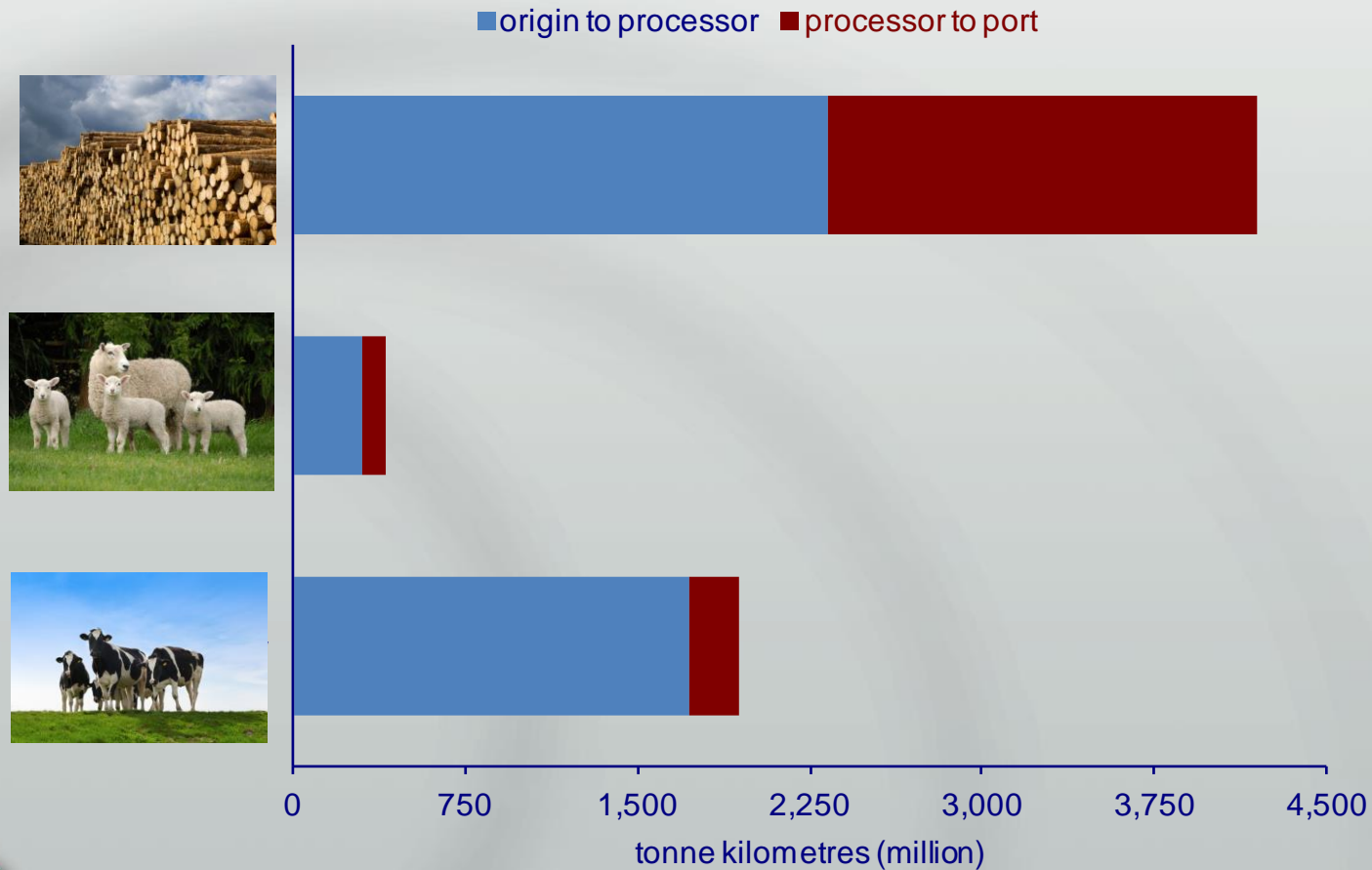


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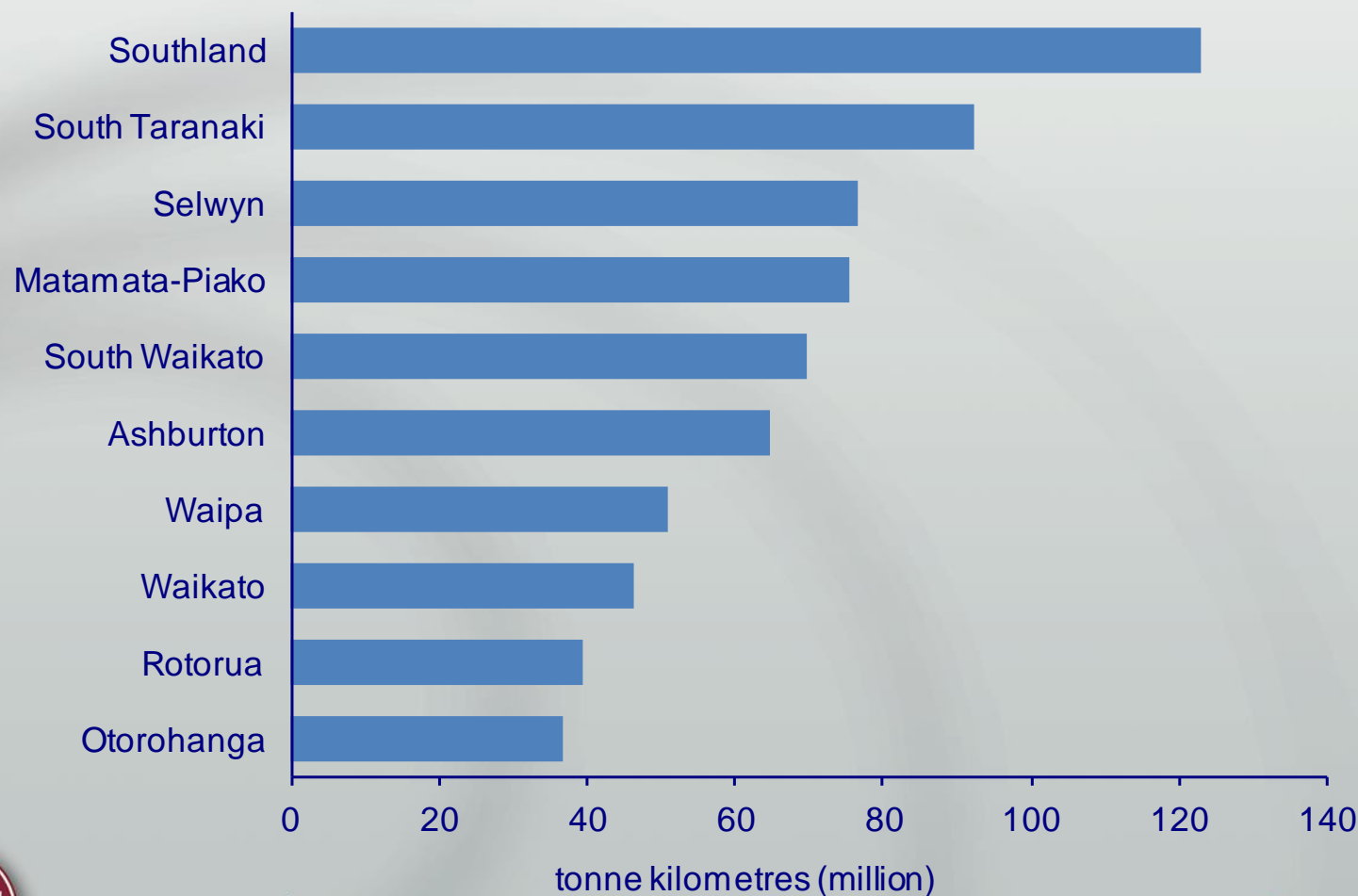
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# Annual road transport task



# Farm-gate to processor milk road transport Top-10 Districts



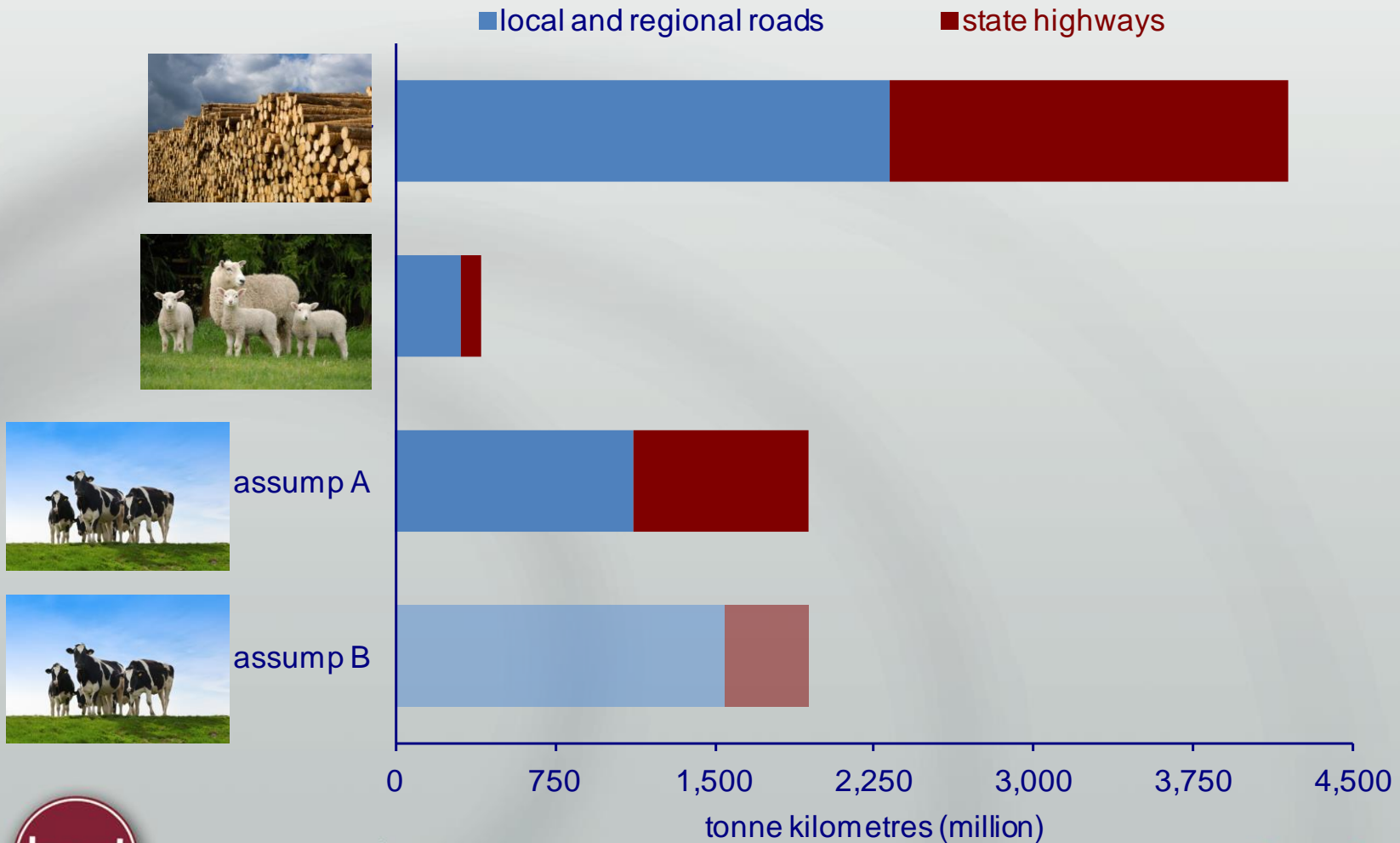
# Assessing the road transport task

- origin to processor predominantly via local and regional roads except
  - \* in absence of precise data, assume for dairy between 10% and 35% of this stage on state highways
- processor to port predominantly via state highways
- exclude from calculations use of rail





# Annual road transport task



# Annual road transport task for main land-based exports

tonne kilometres (million)

	<b>Local and regional roads</b>	<b>State highways</b>	<b>ratio (local &amp; regional per SH)</b>
Meat	299	107	2.8
Kiwifruit	16	9	1.8
Wine	11	9	1.2
Apples	12	7	1.7
Logs & timber	2,327	1,871	1.2
Dairy	1,121	819	1.4
<b>Total</b>	<b>3,786</b>	<b>2,822</b>	<b>1.3</b>
<i>or if assumption B</i>	<i>4,217</i>	<i>2,391</i>	<i>1.8</i>

# Road transport for main land-based exports

This distance on state highways



Means **at least** this much distance is on local and regional roads as well



**OR**, it might even be up to this much distance on local and regional roads



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