

A REVIEW OF US ECONOMY AND ITS IMPACT

Abstract

This paper takes a look at the US economy and how it affects the transport and logistics sector. The paper takes an in depth look at the country's economy and analyzes the major sectors that make it as formidable as it currently is. This is done by making analysis of works that have been done by other scholars, academic articles as well as official government records and documents on the economy or the various aspects of the economy. The paper will also seek to find out how both the transport as well as the logistics sectors affect the economy in terms of making a contribution to its growth. The main point however will be to see how the economy has facilitated the growth of the two sectors and their existence is heavily dependent on the driving forces of the economy such as trade and the migration of people as well.

The knowledge that is derived from the study of the written documents is what will be applied when making deductions from what has been stated in the documents. This will be in the findings section which will then be followed by the discussion part that will simply be a section that will look at the findings and try to establish patterns and interrelations between the data sets that have been studied. The last part of the study will then be the conclusion which will encompass all the points that the research has boiled down to. This is in the

sense that the responses or the conclusions reached from the discussion section will be stated here to offer the researchers position and thoughts on the topic that was being studied.

The conclusion **that the researcher will arrive at** will be his/her point of view on the whole issue and will be termed as the actual state of things in the US economy as it is subject to changes which can be caused by fluctuations or external determinants that are well beyond the control of the regulatory authorities and measures.

Introduction

People of the world are currently living in a world where advancement in technology primarily drives economic growth. Countries from different parts of the globe compete and outdate each other's discovery; discoveries that may either be related to health care, services, infrastructures, or even weapons. On the other hand, some countries work hand in hand for the common good. When talking about advancement, several countries may excel on this matter, yet it is another thing to be on top. United States of America is indisputably a highly developed country which greatly influences the economic drive of the world. It is the country's pride to hold a large number intellectual workforce whom it owes its leading economic success.

As much as the USA is considered as the most economically advanced country in the world, there are so many underlying factors that need to be put into consideration.

The United States of America is considered the most powerful country in the world. With power there are number of factors to be considered and one of the important issues is the economy. This is usually the driving force of all of the countries operations and the reason as to why the country is able to maintain and keep that status. The economy serves as the engine that drives development and also funds key sectors of a super power such as the military and other security installations. A large economy also serves as a point of influence over other states because having a wide array of resources within the country's reach means that it can be able to do so much.

The economies of superpowers are termed as their driving forces mainly because they contribute a large share of the resources that help these countries partake the activities that allow them the opportunity to be termed as super powers. This is because the economy allows them to be able to fund their militaries and the activities that they take part in, gives the countries enough resources for offer aid to the developing countries and also in establishing global presence in the sense whereby the countries offer financial backing for some of the organizations that are charged with oversight over global affairs with a good example being the United Nations.

Research question

The purpose of this study is to analyze the United States of America's economy in a bid to determine how it helps it in regard to transport and logistics sector. The research will therefore be aimed at addressing the thesis question: what is the impact of the USA economy on its transportation and logistics sector?

To help in addressing the thesis question, the following questions will be posed and the study will seek to answer them and make deductions from the analysis made:

1. What is the size of the US economy in US dollars?
2. What are the largest commercial sectors that play a pivotal role in the support of the US economy?
3. What are significant impacts and outcomes of the US economy on the country's transport sector?

Methodology

The method in use in this research is content analysis. This is whereby all the literature to be reviewed is read multiple times and notes are made at the margins so as to ensure maximum understanding. With each read, the content that has been reviewed is supposed to make more sense by new ideas that were stated by the author(s) being discovered by the researcher. The data to be derived from the content analysis will be placed into columns whereby the

interrelated data will be placed in the same group and different data will be placed in separate groups.

The main advantage behind the use of content analysis is the fact that it allows researchers a method that is content sensitive, and it also offers some flexibility when it comes to research designs. It gives researchers the allowance to be able to put some of the theoretical issues into test which gives him or her better understanding of the data that has been collected. It also helps researchers to not only understand how meaning has been constructed but as well the ways in the meaning can be developed and then put into practice.

Content analysis also comes with a number of limitations with the key one being the fact that if the coding is done in an inaccurate manner, then this will automatically impact negatively on the final findings. This is because findings are heavily dependent on the process of coding and they cannot exist independently since they are only attained after a series of analysis of written materials. There is also the point where the process is not considered by scholars as a valid method of researching especially when it comes to complex analysis of textual data. They believe that it is highly limited when it comes to data comparison and evaluation.
















Literature review

A study conducted by the International Monetary Fund showed that the United States of America had the largest economy when equated to the economies of

other countries in nominal terms and it was also the second largest when measure in regard to Purchasing Power Parity. It represented about twenty two percent of the nominal Gross Domestic Product of the whole world and about seventeen percent of the Gross World Product. According to the National Income and product accounts report of 2015, the country's Gross Domestic Product was estimated to be a figure close to 18 trillion. The Us dollar is also the most used currency in the world with some countries using it as the official currency within their borders while others considering it as the de facto currency (Cohen, 2006).

According to the US embassy information resource centre, the US uses a mixed economy system and it is through system that it has been able to maintain a GDP growth rate that is stable, the unemployment rate is moderate and the levels of capital investment and research tend to be quite high. The top trading partners with the USA are China, Canada, Mexico, Germany, Japan, South Korea as well as the United Kingdom (US census bureau, 2014).

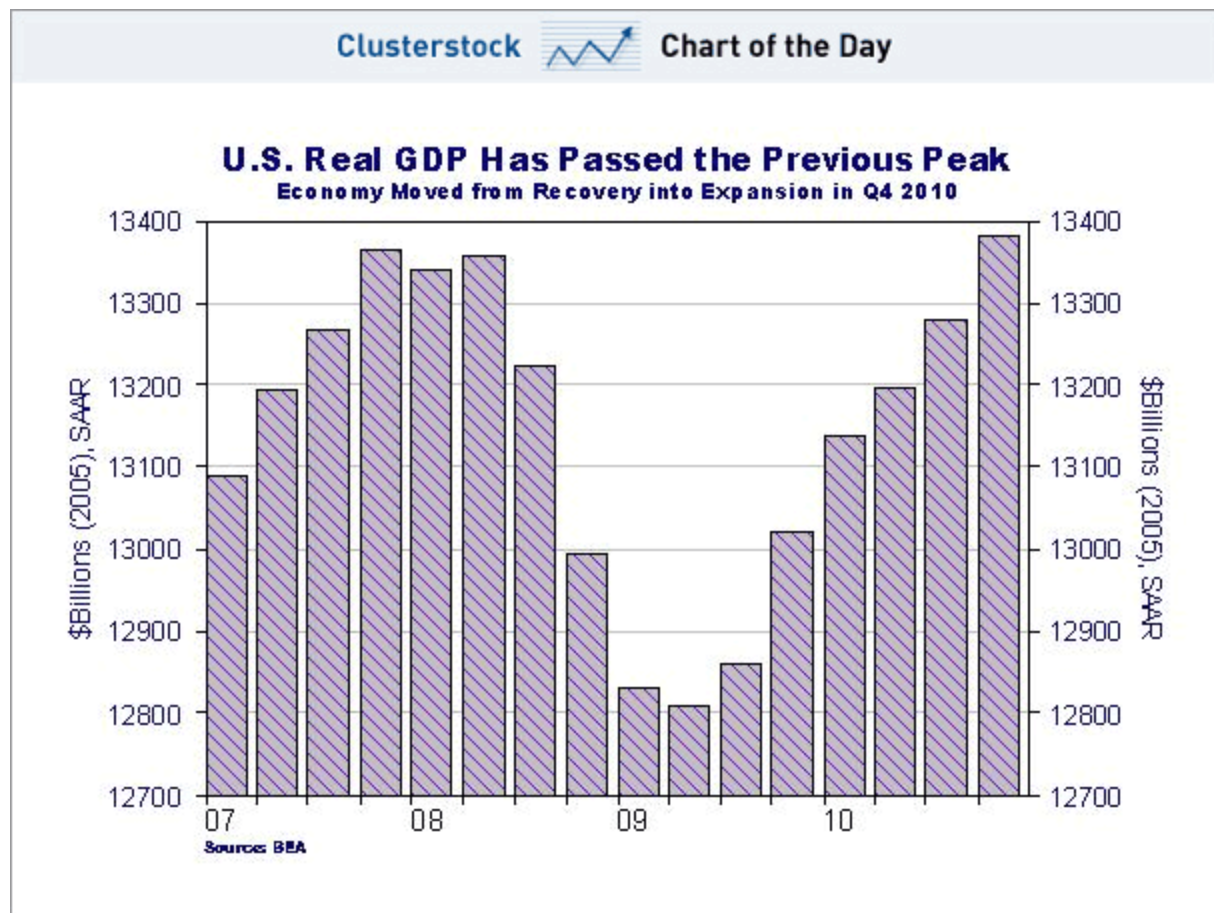
Figure 1.1: The major trading partners of the USA

Country	Exports	Imports	Total Trade	Trade Balance
 China	91.9	364.9	456.8	-273
 Mexico	163.3	229.7	393.0	-66.4
 Japan	60.5	120.3	180.9	-59.8
 Germany	48.2	82.7	130.9	-34.5
 Canada	248.8	276.5	525.3	-27.7
 Venezuela	10.7	32.8	43.4	-22.1
 Saudi Arabia	11.6	31.4	43.0	-19.8
 France	27.0	38.6	65.6	-11.6
 India	19.2	29.5	48.8	-10.3
 South Korea	38.8	48.9	87.7	-10.1
 Taiwan	26.0	35.9	61.9	-9.9
 United Kingdom	48.5	49.8	98.3	-1.3
 Brazil	35.4	29.3	59.3	6.1
 Singapore	29.1	17.5	46.6	11.6
 Netherlands	35.0	19.0	54.0	16

Source: (Wikipedia, n.d.)

The country also enjoys high levels of productivity that are coupled with highly developed infrastructure and also a wide abundance of natural resources. Globally, its nominal per capita GDP is ranked as the ninth highest in the world while its PPP per capita GDP is ranked at position ten (IMF, 2014). On average the American people enjoy the highest household income amongst all the OECD nations (Household income, 2014). With an exclusion of the colonial empires, the US has had the largest national economy in the world ever since the late 19th century (Mintz, 2002).

Figure 1.2: Trends in the GDP of the USA in the fourth Quarter of 2010



Source: (Clusterstock, 2010)

In regard to the vastness of the country's resources, the country is also the largest producer of natural gas and oil in the world (Key world energy statistics, 2013). It also turns to be one of the largest nations that are actively involved in trade as it is the second largest manufacturer in the world just behind Japan. Its manufactured goods account for about a fifth of the total manufacturing output of the whole world (Frank, 2011). Its internal market for goods is the largest in the world while also dominating the service sector globally. In 2012 US trade amounted to a sum of about 4.9 trillion. To show just how well placed the USA is

in regard to trade and commerce, out of the top five hundred companies in the world, about one hundred and twenty eight of the countries have their headquarters situated in the USA (Fortune, 2014).

In terms of market capitalization, the New York Stock exchange market is the largest stock exchange market in the world which serves to show that the United States of America also has the most influence financial markets. Foreign Direct Investments in the USA amount to 2.4 trillion US dollars while the FDIs made by the USA in other countries amount to about 3.3 trillion (CIA, 2012). The consumer market in the USA is the largest in the world whereby the household final expenditure of Japan which is its closest competitor is about one fifth of that of the US. Its labor market has also turned out very lucrative and it has attracted among the highest migration rates as people move to the US seeking greener pastures. In regard to doing business, the US economy has been ranked by the Ease of doing business index as one of the most progressive and top performing in the globe.

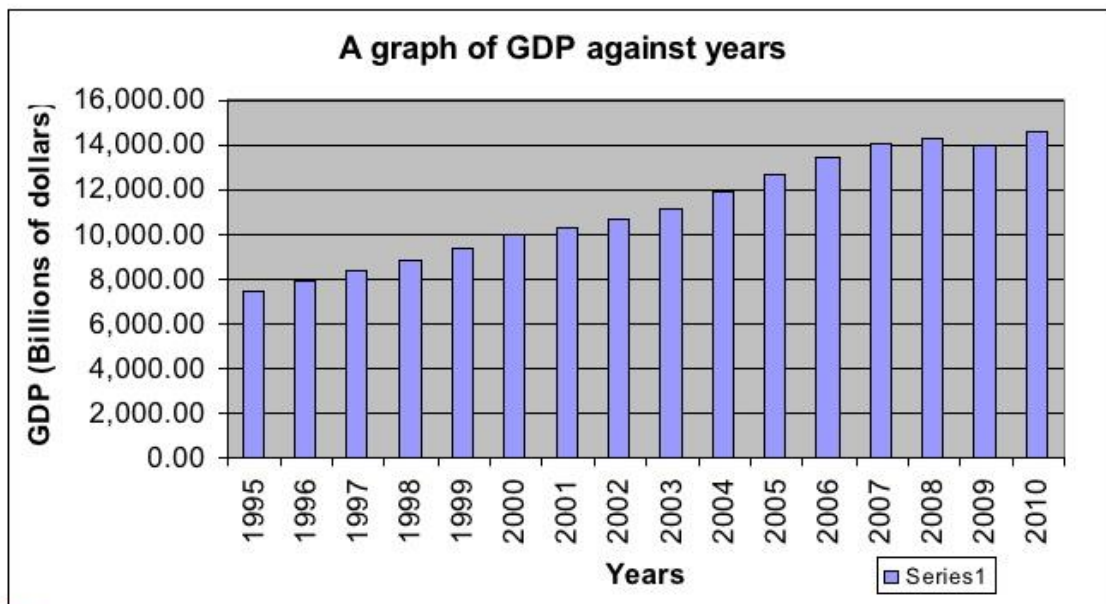
In the 2007-2008 financial crises, the USA underwent a major financial downturn. The congressional budget office stated that even as late as the year 2013, the output by the economy was still not up to the projected levels (Chart book, 2013). In the second half of the year 2009, the economy was already recovering and by the year 2015 the unemployment rate had reduced from ten percent to about five percent. The country's public debt as per the updated official

government finance records was about one hundred percent of the Gross Domestic Product and the domestic financial assets were estimated to be valued at about 131 trillion US dollars while the domestic financial liabilities stood at 106 trillion US dollars.

The US economy owes itself to the different sectors that primarily drive its growth. Around 80% of its output is from the technologically-advanced services, about 15% comes from manufacturing and approximately less than 2% comes from agriculture ("United States Economy", 2017). All these aspects of the US economy are what combine and work in sync to create an enabling environment that allows the country's economy to grow and key aspects of the country's survival. The economy is self-sustaining in the sense that it can be able to independently sustain itself to a great extent even in the event there are no inputs from the foreign market places. The economy is also heavily dependent on the political arena of the country in the sense that it is this part of the country's administration that is charged with coming up with policies that allow for the successful running of the economy.

Figure 1.3: Graphical overview of the USA's GDP against years

GDP Against Years



Technologically-advanced services

First, talking about the advanced services that US primarily offers, one of those areas is technology. US possess the most advanced software and information technology services with a market that is around a quarter of the total IT market

in the world ("Software and IT Services", 2017). These companies includes software publishing, programming services, computer system designs and facilities management ("Software and IT Services", 2017). This is not a shocking fact though. It is a product of nation's high investment on Research and development which also leads to most advanced degrees in science and engineering ("U.S. Science and Technology", 2017). It is always true that those countries which spend so much on the search of new discoveries get also so much in return. First world countries are a testimony on that since they are also able to provide the funds needed. Financial services also are another area where US is highly developed. US own the largest financial market in the world, especially finance and insurance ("Financial Services", 2017). In these days, finance and insurances is catchy to most individuals especially that cost of hospitalization for curing illnesses such as chronic diseases is way too high. It is apparent that advancement of healthcare services is directly proportional to its cost.

The country having among the largest Information technology companies that run from production and manufacturing to service provision industries. Apple is an example of one of the major companies the USA and is also the largest company in the world. Other significant companies worth a mention are Facebook which is the largest and most commonly used social networking platform in the world, Hewlett-Packard with specializes in manufacturing of computers as well as Google which is the worlds most used and most powerful

web search engine. All these companies are just but a small part of the widespread network of technology companies that are in existence in the US.

Even despite the great advancement of the country's economy and technology as well, this has not prevented it from being attacked. These attacks have come in the form of cyber attacks where information has been stolen from government agencies and corrupt data have occurred. Such activities have obviously taken a toll on the economy mainly in the sense that online businesses have been greatly affected as customers and sellers are afraid of losing their money in the event that an attack is waged on the different e-commerce companies that are in operation in the US. A good example is the attack on Ryn on the year 2015 by Unknown attackers. Some sites like PayPal were rendered inaccessible in many parts of the US as the redirecting traffic was overwhelming. The resultant effect is that the business transactions that were taking place as a result of the use of e-commerce for transactions and money transferred greatly reduced. This meant that circulation of money in the market reduced and also since there were not financial activities, it meant that there was no revenue for the government.

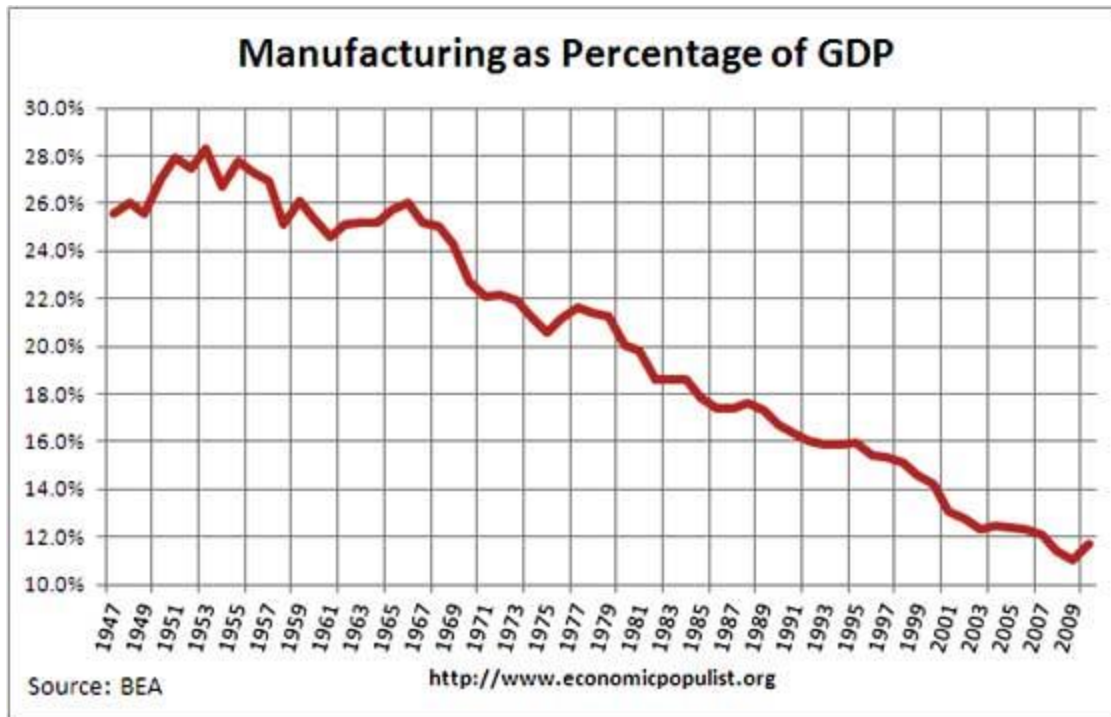
Cyber attacks have nonetheless had no significant impact on the country's economy simply because the country's vital economic sectors are well secured which means even as much as there might be attacks, their effects in most instances tend to be minimal and only affect the less significant parts of the

country's vital installations. The better part of the country's technology sector is vital in supporting the country through service provision, manufacturing of products and also offering solutions to how efficiency and effectiveness can be enhanced in the conducting of activities that are economic based.

Manufacturing Industry

In regard to manufacturing, US ranks second in the world in terms of automobiles, aerospace, machinery, telecommunications and chemicals industry ("United States Economy", 2017). These industries are indisputably some of the basic raw materials for other sectors in other countries. This is especially evident in today's technological era wherein the great need for faster communication is in utmost priority. The manufacturing output of the country is so massive that it outweighs the outputs of France, Germany, India and also Brazil when they are combined. The US for example boasts of the largest airplane manufacturing industry in the world whereby it has companies like Cessna, Boeing, General Dynamic and Lockheed Martin. These companies are famed for making most of the military as well as the civilian aircrafts in the world.

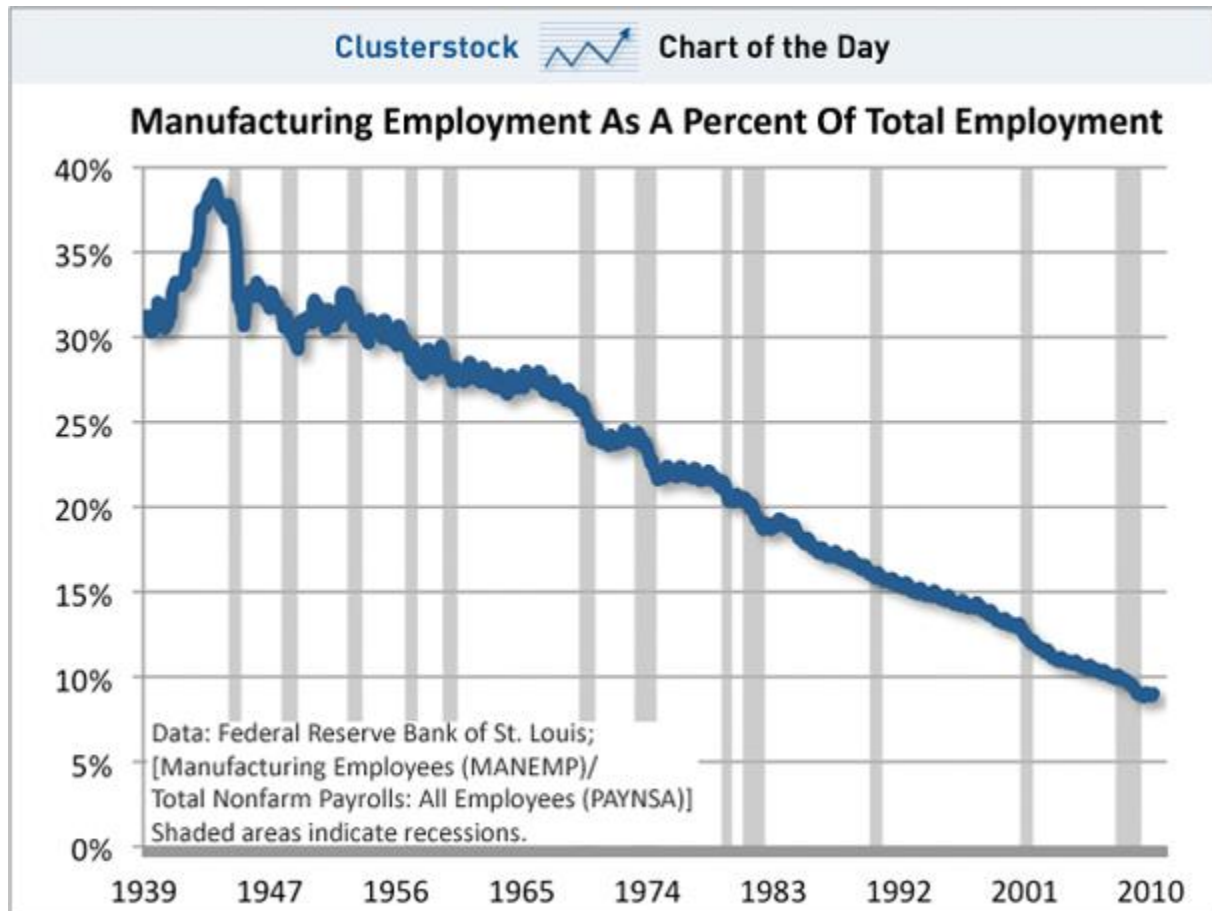
Figure 1.4: Contribution of the manufacturing sector to the GDP of the USA



Source: (BEA, 2010)

The manufacturing sector has however been experiencing a steady loss of jobs in the past few years (Lind, 2011). In between the year 2000 to 2004, the country lost about 17.5% of its labor force which amounted to about three million jobs (Crutsinger, 2007). The contributing factors to this loss were termed to be economic trends that were secular, increase in the level of labor productivity as well as the effects of trade. Also there was the issue of other jobs that required more skills turning out to be better paying which resulted to a shift in the interests of the workers (Pope, 2012).

Figure 1.5: Manufacturing employment as a percentage of the total employment



Source: (Clusterstock, 2010)

Agriculture

Although agriculture only contributes around 2% to the total GDP, agricultural exports in the US still remain to be the largest with specific regard to grains because of its highly advanced farming technology ("United States Economy", 2017). Since US farmers are highly supported by their government, they are able to produce goods faster and of excellent quality are able to optimize the usage

of their arable lands. The USA makes use of its agribusiness sector that is technologically advanced, the arable land that is temperate as well as agricultural subsidies that motivate the farmers so as to make sure it produces enough for local consumption as well as export. It is through such efforts that the USA has grown to be the world's largest grain exporter as it contributes to about half of the overall grains that are exported by states (The Institute of Science in Society, n.d.). Among the most widely produced agricultural products are fruits, corn, vegetables, wheat, beef and cotton. It also majors in the exportation of pork, beef, dairy products and poultry. Forest products such as timber and also fish production are very common in the state.

This sector is very important to the country in the sense that it provides the available population with enough food to ensure it remains productive in regard to economic growth. The surplus food from agriculture is either exported or it is simply stored so as to ensure there is enough food in case there is a food shortage at any point of the country's existence. When a country is food secure, then the economy is safeguarded as they is a well motivated and nourished labor force that will make it possible for the processes that are aimed at growing the economy take place. The resultant effect is that the economy grows and the living standards in the country are deemed to go up.

The USA's transport sector

The country's economy is heavily dependent on the road network for the movement of goods as well as people. Individual transportation largely comprises of automobiles that are operational over a vast network of roads that stretches to about four million miles of roads. It is in the US where the world's longest highways can be found spanning a distance of fifty seven thousand miles. The USA also has the second largest market in terms of automobiles while it ranks the highest when it comes to per-capita ownership of vehicles globally. This is because out of 1000 Americans, about 765 of them own vehicles.

Nine percent of the US work trips are accounted for by mass transit. The railway line is mostly used to transport goods as it experiences very low passenger populations mainly because of the fact that the population density is low in many interior parts of the USA. Intercity railway transportation of passengers however increased by thirty seven percent in between the ten year period from the year 2000 up to 2010. The state of California has been busy building the nation's first rail system that is high speed.

The civil airline industry in the country is owned by private investors and ever since the year 1978, it has remained largely deregulated. Most of the major airports are however publicly owned whereby out of the thirty most busiest airports in the world, about 12 of them are in the USA with the busiest of them all being the Hartsfield-Jackson Atlanta International Airport. The three largest

airlines in the world are US owned with the leading airline being American airlines after it went forward and made an acquisition of US airlines.

The United States of America also serves as the largest consumer of fossil fuels in the same regard it is the largest producer of the both oil and natural gas which means the country has to have an elaborate system to facilitate the movement of these commodities. The easiest and most convenient way to transport oil and natural gas is through the use of pipelines as they do not suffer from congestion and they are much safer when compared to other modes such as transportation of the highly flammable commodities by road. This thus leaves pipelines as the fastest, safest and most convenient medium through which petroleum and natural gas can be transported.

In regard to the transportation of the same, considerations have to be made in regard to transportation of oil and gas when they are being exported to other states. This thus necessitates transportation via water. This is mainly because this is the most convenient means of transporting bulky goods from one continent to another mainly because of the level of safety due to the reduction of the impact in the event of the occurrence of hazards. The US is also well endowed when it comes to water transport as it boasts of a wide range of cargo ships, passenger transportation ships that come in the form of cruise ships and personal yatches as well as military warships and aircraft carriers.

Logistics

Along with the great need of transportation, the need for a highly defined systematic flow of storage and transportation in terms of producer-consumer relationship good exchange is highly relevant too. This system is consisting of several steps, and logistics must make certain that the goods are available in any part of these steps whenever the need arises (Chandrasekaran, 2017). Well-organized communication from the source of goods to up to the receiver is a very important factor in the transportation of goods in order to prevent any alteration in the quality and delay in the delivery of product. With its high economic growth, US has a total spending of \$1.48 trillion in 2015 on logistics and transportation ("Logistics and Transportation", 2017).

Logistics turn out as a major player in the driving the US economy mainly in the sense that they are responsible for the control and monitoring of not only the transport sector but other sectors of the economy such as trade and business activities. As such as much as this sector may be considered as an integral portion of other sectors, it can be viewed as a sector on its own which a pivotal role to other sectors in terms of helping in the smooth flow of processes. This is achieved through the analysis and proper dissemination of information that allows for accurate decisions to be made and appropriate action to take place.

Logistics can be termed as a long term feature in the economic development agenda of many countries simply because it has a prolonged effect on different

activities and also the fact that it can be integrated in multiple activities makes it a permanent feature in the development process mainly because it is incorporated in almost every aspect of growth. Its importance is especially evident when it comes to issues that revolve around trade and economic growth.

Findings

From the data that has been analyzed above it is quite clear that the US economy is a major driver of the country's activities. In short it can be termed as the backbone of the country is encompasses almost all the different aspects of the country's being right from the distribution of basing goods and services. The economy can also be termed as the reason why the country has been able to turn as a competitive actor when it comes to relations with other countries in regard to different aspects of growth as well as development. In the developing world, the country has been able to surpass many countries when it comes to rankings based on a multiplicity of denoting factors.

Given the above mentioned primary economic drivers in the US, how do these sectors affect transportation industry? It can be concluded that economic growth can be measured from its fast exchange rate of goods and supplies coming in and out of a country. The health of the economy can be mirrored from the amount of goods transported. This also follows that any growth in any of these sectors contributes to the growth in transportation and logistics industry.

As global economy climbs towards further industrialization and exchange of goods and supplies between consumer and producers increases, a need for a highly developed transportation is eminent and a more defined flow of goods and storage facilities is a must.

Every goods and services that a certain country uses does not necessarily need to come from that country. Large portions of that come from another part of the world and this implies the importance of proper transportation as the world modernizes. This is a common scenario, since every country in the world, has its own strong suit when it comes to producing goods. And it is very important that these goods reached its destination with its quality preserved. Thus, the need for a fast, more efficient and reliable way of transportation is substantially reasonable.

According to the USA department of transportation, as much as the transport sector is heavily dependent on the economy, the economy is equally dependent on the transportation activities that take place in the country. To support this they state that out of every ten US dollars that are produced in the country in regard to the GDP, more than one US dollar has a relation to an activity that is linked to transport (US Bureau of Economic Analysis, 2014). These activities may encompass a wide range of undertakings that take place in the transportation sector such as the purchase of services and products that are related to transport, the movement of goods as well as the movement of people (The nation's freight, 2008). Transportation in the USA accounts for about

seven percentage of the country's total employed population which is the fifth largest group of employment in the country as well.

All the above stated and mentioned forms and modes of transport are an indication of just how the USA's transport network is advanced and diversified so that it can be able to meet all the criteria that will allow the country's economy to grow. The combination of all these modes of transport is what constitutes to the effective as well as efficient running of the economy. This is in the sense that when all the different transportation sectors are properly corroborated, they form a diverse and productive network which fosters an environment that will allow the taking place of activities that will serve in the growth of the economy. The growth of the economy will on the other hand have the same effect on these types of transport infrastructure because it will allow the allocation of more funds to expand these transport networks. It will also ensure that these facilities are used as for the economy to make a step, there is the need for transport to actually take place.

Discussion

Transportation covers a broad spectrum; it moves people or goods in any mode such as air, land or sea. The US ranks as the second largest exporter of goods and services and number one leading importer ("United States Economy", 2017). Because of the large growth of US economy, the value of freight shipments in 2002 reaches up to \$11 trillion. This is around 45 % since 1993. This

illustrates the need of freight services whenever there is an increase in economic activities which is also known as “freight transportation intensity. The growth of freight tonnage continues to arise as goods production and trade continues, the need for an expedite delivery of goods and the need for international trade. Also, the advanced technological development towards the inventions of electronic and electrical equipment which are lighter yet has a higher value has affected the commodity mix and modal choice of freight industry (“Financial Industry Services Spotlight”, 2017).

In 2007, around 679 million US passengers used air transportation and in relation to this, airline companies gathered a total of \$59.45 billion worth of revenue (“Industry: Transportation”, 2017). In terms of automobiles, US being the largest producer and consumer of automobiles, in the same year gathered \$675 billion worth of revenue due to a high number of cars and trucks sold with China as its major consumer. This numbers illustrates the great impact of US economy towards growth in global economy.

The US transport sector has allowed the country to make profits in regard to the movement of products and people through the different mediums of transport that are existent in the country. For this to happen, there has been the requirement for the economy to be big enough to encourage the expansion of the various infrastructure that makes transport within the country or outside the country a reality. The building of roads, railway lines and also airports have all been made possible thanks to the large economic capability of the country.

The modes of transport that are quite abundant simply because the citizens of the USA have a high purchasing power which means their ability to buy automobiles is highly enhanced.

The transport logistics sector has also been a benefactor of the country's economy though in an indirect manner. This is in the sense that the activities of this sector are directly dependent on the transport activities as it is through their increase that the sector is able to flourish. The sector benefits indirectly in the sense that if the trade activities of the country increase, then more transportation has to take place. With the increase in transportation activities, this leads to an increase in the demand for logistical services and this is where the sector comes to life.

The logistics sector is also beneficial to the economy as well as it is through it that the country's economy is able to thrive. This works whereby the organization of the transport activities is a reserve left to the logistics sector. When the transportation activities run smoothly and the movement of goods and people is not hindered by complications, then the economy thrives as these processes are income generating meaning that both people and the government is able to earn revenue.

An observation is thus made that the activities of transport, logistics and the growth of the economy are closely intertwined. This is in the sense that for a country's economy to grow, the transport network has to be well defined and good enough to hold volumes of people and goods that are sufficient to spark

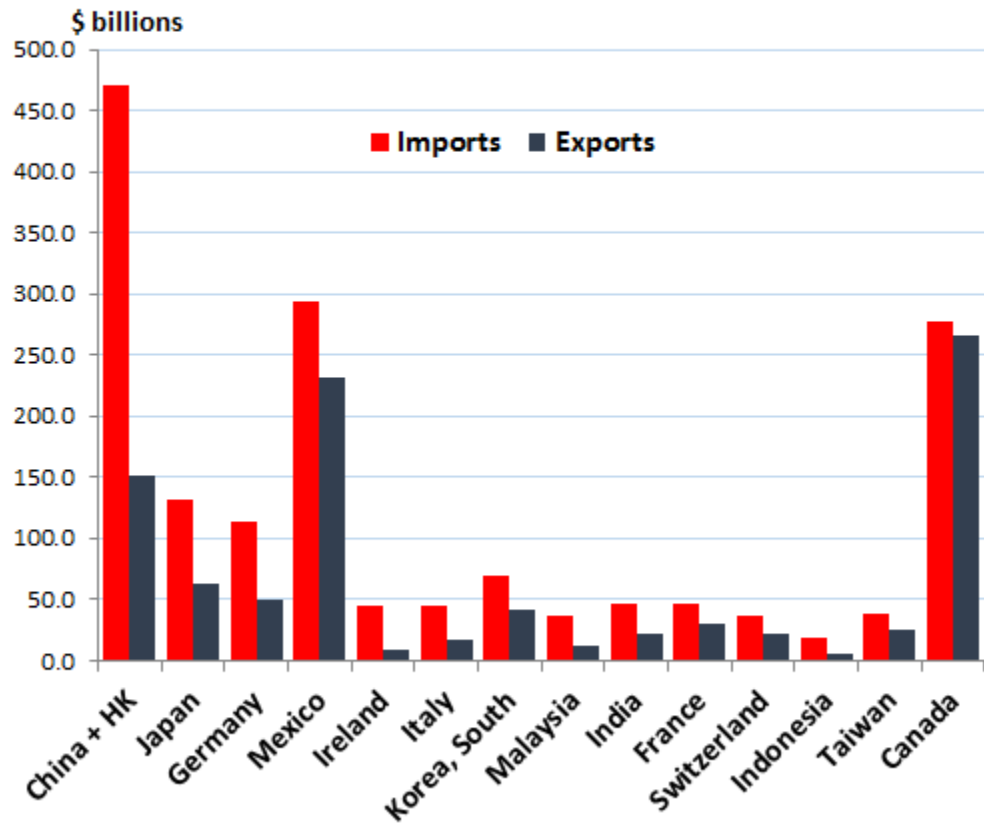
economic growth. Transport on the hand relies of the economy to ensure its expansion and maintenance in regard to funding and the purchase of products and services that are associated to transport. Logistics on the other hand help in the coordination of the two activities as it allows for transportation to be smooth and takes into account other factors such as the availability of enough funds to facilitate successful transportation of people and also goods.

One denoting factor that is common with developed countries is that they are very keen when it comes to the transport infrastructure that is in place for use by the public as well as for movement of commodities. This is mainly because of the fact that they understand the importance of transport in regard to trade and business activities that key in growing the country's economy and allowing for capital to flow through transactions both locally as well as beyond the country's borders in form of imports and exports. The USA has been able to tap into this thinking and it has undertaken massive infrastructural upgrades in terms of transport ever since the 20th century and this has played out in the country's favor. This is mainly because of the fact that the country was able to overtake many of the world super powers of the 20th century who mainly originated from Europe during the World War 2 period. Up to now the country is still developing its transport infrastructure wherever it is deemed necessary.

Figure 1.6: Balance of trade between the USA and its trading partners

Out of Whack US Trade:

US imports & exports with top trading partners, 2016



Source: US Dept. of Commerce

WOLFSTREET.com

Source: (US department of finance, n.d.)

Conclusion

As the world follows the path of globalization and industrialization, trading has been an important factor and had propelled the growth of any country. Logistic companies tend to compete with one another, yet it still remains a good venue for investments. As the demands of a more efficient way of transporting goods

escalates, logistic companies must cope with the increasing need of highly developed trading system.

To ensure survival of the transport and logistics sector in the country, the economy has to be maintained and steps taken to ensure that it is operating in accordance with the outputs of the industries. The reason as to why the country's economy has grown to become a formidable force has to do largely with the well developed and highly advanced transportation network that has been supported by good logistics. It is thus vital that these sectors get a fair share of resources when it comes to making allocations to different sectors of the economy. In this light, these sectors have not been left behind as for the economy to grow, there has been the need for them to be supplied with enough resources and functions to cover. The large volumes of goods and people that have been using the transport systems such as the rail and road network have been instrumental in ensuring the transport retains its relevance which has also translated to the transport logistics sector developing as well.

Logistics have been in most instances factored in as part of transport but they are in every respect not the same as transport or a part of transport in any case. This is in the sense whereby logistics are used to regulate, keep records and control transport activities in a bid to ensure there is smooth movement of goods between producers and consumers and also proper transit of passengers from one point or another. This is all in regard to contributing to the growth of the

economy either through business activities such as trade of goods and services or simply by making payments for services rendered.

It is however noticeable that as much as the economy has been instrumental in the growth of transport and logistics sector, the same has also been experienced from the transport sector. This is to say that were it not for the transport sector, the US economy would not be where it currently is. This is mainly because of the fact that the main driver of the country's economy is trade. Trade on the other hand cannot take place in the absence of a proper transportation network as the goods will not be able to move from the producer to the consumer. As such, transportation and logistics have been very vital in the completion of the supply chain so as to enable goods to move and in the process aid trade.

Bottom line is that the US economy has been important for the growth of the transport and logistics sector. This is in the sense that it is through the expansion of trade that fuels the economy that the demand for more and better transport infrastructure and facilities to be put in place. This demand is what has been the grounds for the expansion of transportation networks and it is also thanks to the large economy that there have been enough resources in regard to funds that the transport facilities have been built. It is thus accurate to say that the transport sector in the USA has grown as a result of the large financial as well as logistical support of the country's economy.

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