

The Economic Impact of the Port of Houston -2006



April 23, 2007

Martin Associates

941 Wheatland Ave., Suite 203

Lancaster, PA 17603

www.martinassoc.net

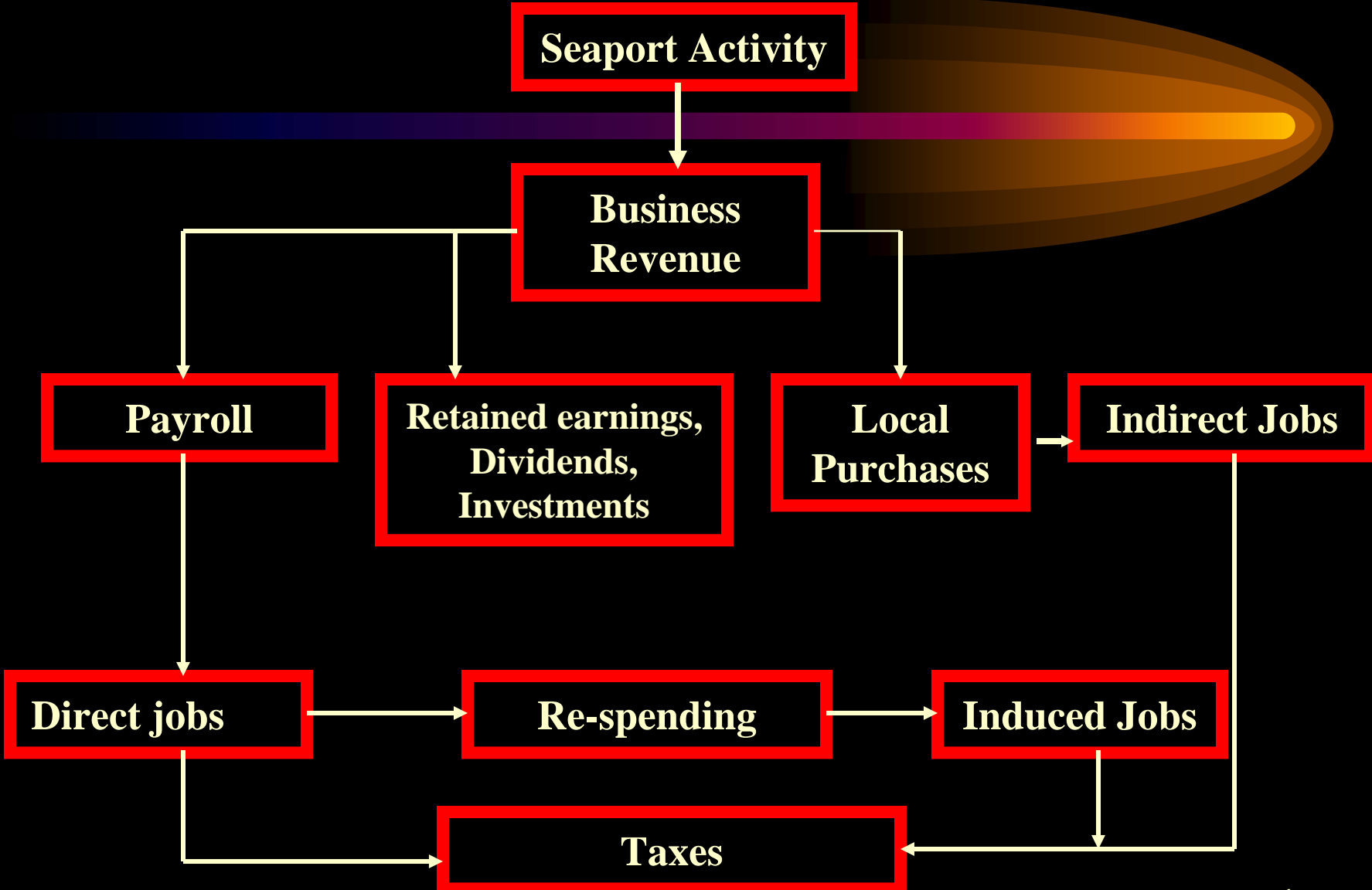
Study Purposes

- **Quantify the current economic impacts:**
 - Total port-wide maritime activity
 - PHA facilities
- **Develop an economic impact model:**
 - Sensitivity analysis
 - Terminal specific analysis
 - Carrier specific analysis
 - Evaluation of capital projects

Methodology

- **Telephone interviews (1,046 firms)**
 - **Port tenants**
 - **Private terminals**
 - **Railroads**
 - **Trucking firms**
 - **Service providers**
- **Development of terminal operational models**
- **Development of induced and indirect models**
- **Impacts estimated at firm level of detail**

FLOW OF ECONOMIC IMPACTS



Structural Changes Since 2000

- **Tonnage grew by 50 million tons**
- **Personal income multiplier increased from 2.237 to 3.626**
- **In 2006 estimate developed for total statewide economic impact**

Tonnage Increased by Nearly 50 Million Tons since 2000

	2006 1,000 TONS	2000 1,000 TONS	CHANGE
CONTAINERS	16,097	9,858	6,239
STEEL	9,200	6,876	2,324
BAGGED GRAIN	773	533	240
AUTOMOBILES	601	271	330
OTHER BREAKBULK	5,291	4,511	780
GRAIN	6,383	7,318	(935)
DRY BULK	16,701	12,779	3,922
LIQUID BULK	<u>185,876</u>	<u>149,247</u>	<u>36,629</u>
TOTAL	240,923	191,393	49,530

2006 Economic Impacts

- **785,049 Jobs in the State of Texas**
- **\$117.6 Billion of Total Economic Activity in the State of Texas**
- **\$3.7 Billion of State and Local Taxes**

Jobs

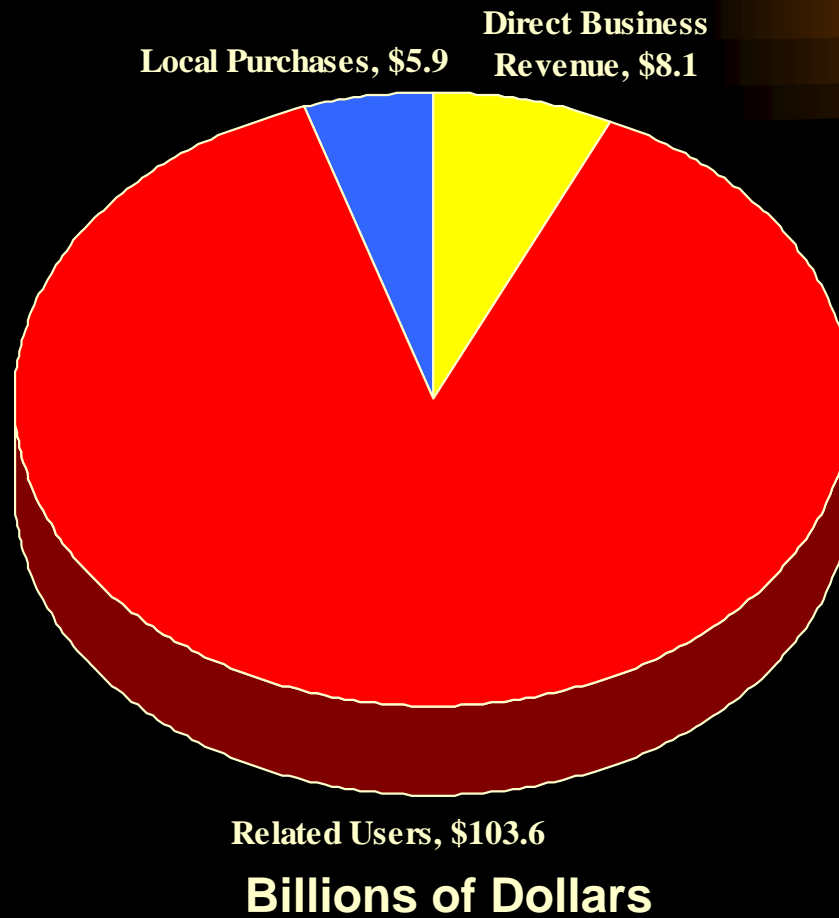


- **785,049 total jobs impacted in the State of Texas**
 - **393,147 total jobs impacted in-state due to cargo activity at PHA terminals**
- **198,983 direct, induced and indirect jobs for Texas**
 - **58,142 direct jobs (20,021 PHA)**
 - **61,714 induced jobs (20,516 PHA)**
 - **79,127 indirect jobs (28,024 PHA)**
- **586,066 related user jobs (324,586 PHA)**

*Nearly 80% of the Direct Jobs are Held by
Residents of Harris County*

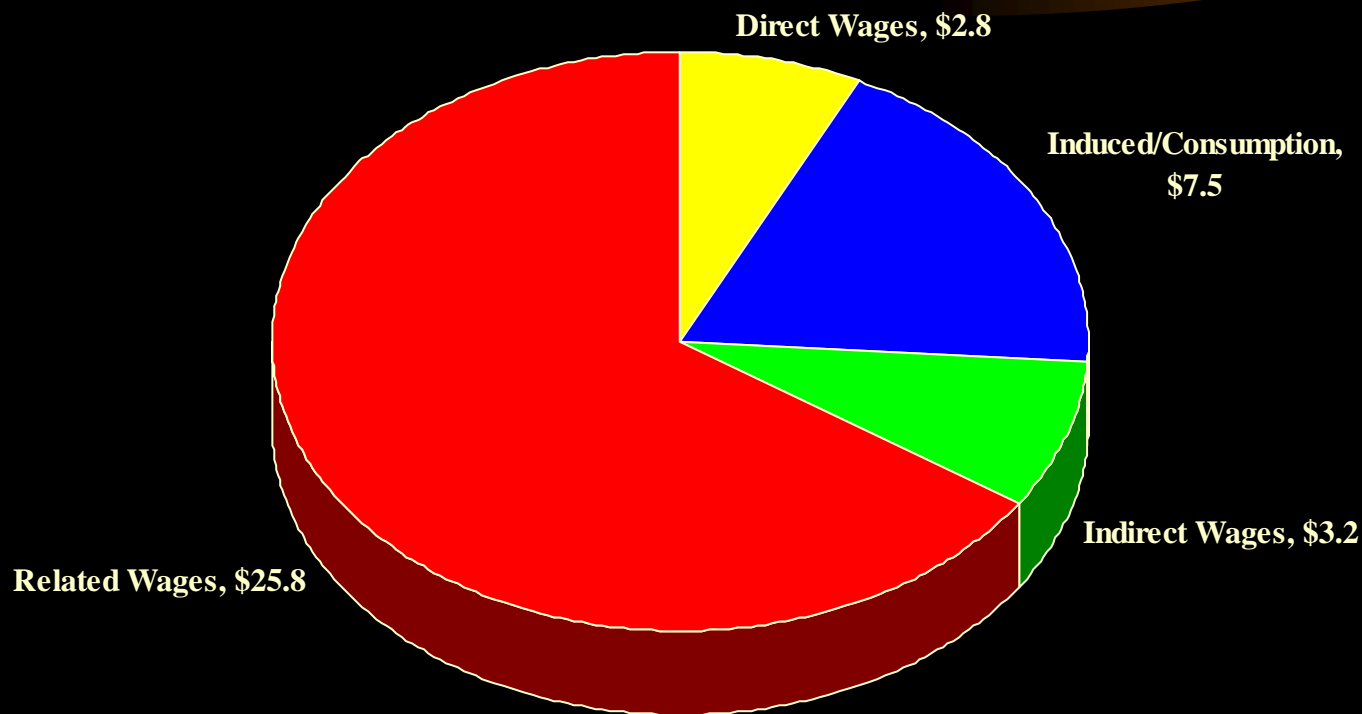
JURISDICTIONS	SHARE	DIRECT JOBS
HOUSTON	33.73%	19,612
HARRIS (EXCLUDING HOUSTON)	44.04%	25,603
BRAZORIA	4.15%	2,414
CHAMBERS	1.18%	687
FORT BEND	0.77%	446
GALVESTON	8.21%	4,772
MONTGOMERY	6.27%	3,647
OTHER TEXAS	1.41%	823
OTHER US	0.24%	139
TOTAL	100.00%	58,142

The Port Activity Generated \$117.6 Billion of State-Wide Economic Activity



\$39.3 Billion of Total Personal Income and Consumption

Expenditures Were Generated in Texas



\$3.7 Billion of State and Local Taxes Were Created in the State of Texas

- **\$1.3 billion of direct, induced, and indirect state and local tax receipts were generated:**
 - **\$613.6 million of state tax receipts**
 - **\$648.9 million of local tax receipts**
- **\$2.4 billion of state and local tax revenue was generated by related Port users**

Impacts Grew Since 2000

	2006	2000	CHANGE
JOBS			
DIRECT	58,142	54,730	3,412
INDUCED	61,714	34,980	26,734
INDIRECT	<u>79,127</u>	<u>53,203</u>	<u>25,924</u>
TOTAL	198,983	142,913	56,070
PERSONAL INCOME (1,000)			
DIRECT	\$2,833,500	\$2,274,306	\$559,194
RE-SPENDING/CONSUMPTION	\$7,448,705	\$2,813,771	\$4,634,934
INDIRECT	<u>\$3,148,069</u>	<u>\$2,124,843</u>	<u>\$1,023,226</u>
TOTAL	\$13,430,274	\$7,212,920	\$6,217,354
DIRECT REVENUE (1,000)	\$8,084,680	\$6,872,322	\$1,212,358
LOCAL PURCHASES (1,000)	\$5,912,995	\$3,992,811	\$1,920,184
STATE AND LOCAL TAXES (1,000)	\$1,262,446	\$649,163	\$613,283