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PORT OF HOUSTON AUTHORITY DELIVERS STRONG ECONOMIC INDICATORS THAT BOLSTER LOCAL, REGIONAL, GLOBAL TRENDS
Study underscores Port Authority's role as economic engine, industrial development catalyst

HOUSTON – The public cargo and cruise vessel marine terminals operated by the Port of Houston Authority (PHA) have contributed to 115,970 jobs throughout Texas, a total of \$2.7 billion in wages and salaries, nearly \$4.1 billion in business revenue, and more than \$248 million in state and local taxes, according to statistics calculated by Martin Associates, the consulting firm in Lancaster, PA that has conducted economic impact studies for 120 ports in the U.S. and Canada. The portion of cargo tonnage specifically attributed to the PHA's public terminals measured 27,459,793 short tons in 2001 compared to 28,716,793 short tons in 2000, according to the PHA. By contrast, however, PHA estimates indicate that the container tonnage handled at PHA terminals increased to a total of 10,119,938 short tons in 2001 from 9,751,876 short tons in 2000.

According to John Martin, president of Martin Associates, "As the industry continues its rapid pace of consolidation, containerization is the increasingly appealing option for shippers that are focused on lowering costs and enhancing efficiency." Martin also noted that the shifting preference creates many challenges for accommodations at port facilities around the world.

"The dynamic trends reflected in these statistics resoundingly demonstrate the pressing need for PHA to expand its container capacity," stated James T. Edmonds, chairman of the Port of Houston board of commissioners. "The proposed Bayport container facility, which continues to undergo a careful and deliberative public review process, holds the potential to ensure that the Port remains a vital economic engine for the future economic growth of our region," Edmonds added.

The impacts reported by Martin Associates, which are based on data from 2000, correlate to the PHA's recent estimate of a combined cargo tonnage increase to 194,000,000 short tons in 2001 from 191,419,264 short tons in 2000 for all public PHA terminals and private terminals along the Port of Houston. In its study presented to the Port's board of commissioners, Martin Associates examined the economic impact of jobs, employee earnings, business revenue, and state and local taxes generated during

2000 by marine cargo activity at the public and private marine terminals located along the Houston Ship Channel. Among the findings:

- **A total of 287,454 jobs** in Texas were some way related to the movement of cargo through the Port. The total consisted of but was not limited to 89,710 direct jobs – both at the Port’s terminals and those induced as a result of purchases by individuals holding Port terminal jobs; and 53,203 indirect jobs supported through local purchases by businesses supplying services at the marine terminals and by businesses dependent upon the Port.
- **A total of \$7.2 billion in wages and salaries** were earned from direct, induced, and indirect jobs generated by maritime activity at the Port.
- **A total of \$10.9 billion of business revenue** was generated by businesses providing direct services at the marine terminals (\$6.9 billion) and by purchases of goods and services from local suppliers by firms directly dependent upon the Port (\$4 billion).
- **A total of \$649.2 million of state and local taxes** were generated by Port activity in addition to \$42 million of customs revenue received by the federal government from cargo activity at the Port.

"Through the years the Port of Houston has been the heart of Houston's international infrastructure," said Jim Kollaer, Greater Houston Partnership president and CEO. "As the nation's leading port in foreign cargo and second in total tonnage, the Port of Houston's commercial prominence solidifies Houston's status as an international city," Kollaer added.

Martin Associates’ study was based on interviews with more than 1,200 firms that provide services to the cargo and vessels handled at the PHA’s marine terminals and the private terminals along the Houston Ship channel. These firms represent more than 95 percent of the firms in the Houston seaport community. The data collected from the interviews were then used to develop an operational model of the PHA public and private marine terminals. To review a copy of economic impact report, visit <http://www.portofhouston.com>.

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The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain, and other dry bulk materials, project and heavy lift cargo, and other types of cargo. The Port of Houston Authority plays a vital role in ensuring navigation safety along the Houston Ship Channel, which has been instrumental in Houston’s development as a center of international trade. The port – sixth largest in the world – is ranked first in the United States in foreign waterborne commerce and second in total tonnage. Each year, more than 6,600 vessels from around the world call at the port. The Port of Houston Authority’s Barbours Cut Container Terminal and Central Maintenance Facility are the first of any port facilities in the U.S. to develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001 compliance. For more information, please visit <http://www.portofhouston.com>.