

Record: 1

Title: Billion-Dollar Ports.

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Source: Georgia Trend; Aug2004, Vol. 19 Issue 12, p14-14, 1p, 1 color

Document Type: Article

Subject Terms: HARBORS
INCOME
FISCAL year
ECONOMIC impact
EMPLOYMENT (Economic theory)

Geographic Terms: GEORGIA
UNITED States

Abstract: The article presents information on a statewide economic impact study on Georgia ports for fiscal year 2003. Measured in the simplest and broadest terms, the total economic impact of Georgia's deepwater ports on the state's economy is \$35.4 billion. The distribution of total economic impacts of cargo based activity at the Georgia Ports Authority's facilities in Savannah and Brunswick indicates that containerised cargo accounts for about 85 percent of the reported economic impacts: breakbulk cargo for slightly more than 5 percent. In terms of income, Georgia's deepwater ports contributed \$10.8 billion to the state's economy in fiscal year 2003, about 4 percent of Georgia's total personal income.

Lexile: 1170

Full Text Word Count: 705

ISSN: 08825971

Accession Number: 14079617

Database: MasterFILE Premier
Section: State of the Economy

Billion-Dollar Ports

Georgia's deepwater ports, with a \$35.4-billion economic impact on the state's economy, foster the development of "virtually every industry and every region of our state.

The state's ports industry consists of public marine terminals in Savannah, one of the fastest-growing container ports in the world, and Brunswick, which has carved a niche in agricultural cargo and car shipments, as well as private terminals. The public terminals are owned by the Georgia Ports Authority. Savannah's port ended the 2003 fiscal year with a 31.5 percent increase in cargo, measured by Twenty-Foot Equivalent Units (TEUs), and a record 1.5 million TEUs shipped. Brunswick saw a 25.2 percent increase in the shipments of cars and machinery. The superb performance of Georgia's ports reflects strong competitive advantages that allowed them to expand their share of waterborne cargo traffic even as the national economy floundered. These advantages are largely the result of strategic investments in port facilities by the state of Georgia over many years. As the state and national economies gain momentum, Georgia's deepwater ports will thrive.

Barbara Bart, director of the Survey Research Center at Savannah State University, and I just completed a statewide economic impact study on Georgia ports for fiscal year 2003. We found that the annual economic impact of Georgians deepwater ports includes: \$35.4 billion in sales (7 percent of Georgia's total); \$17.1 billion in gross state product (6 percent of Georgia's total); \$10.8 billion in income (4 percent of Georgia's personal income); 275,968 full- and part time jobs (7 percent of Georgia's employment); \$3.2 billion in federal taxes; and \$1.4 billion in state and local taxes.

Measured in the simplest and broadest terms, the total economic impact of Georgia's deepwater ports on the state's economy is \$35.4 billion. This represents the combined impact of the port industry and port users on output, which can be thought of as the equivalent of business revenue, sales or gross receipts.

The output impact accounts for about 7 percent of Georgia's total output in FY 2003. Out of the \$35.4 billion, \$2.5 billion (7.1 percent) represents the results from the port industry and \$32.9 billion (92.9 percent) represents the results from port users.

Of the FY 2003 total output impact, \$18.6 billion represents initial spending, or direct economic impact; \$16.8 billion is indirect and induced spending, or the re-spending (multiplier) impact. Dividing the FY 2003 total output impact by initial spending yields an average multiplier value of 1.902. On average, therefore, every dollar initially spent by either the port industry and port users generates an additional 90 cents for the economy.

The distribution of total economic impacts of cargo-based activity at the Georgia Ports Authority's facilities in Savannah and Brunswick indicates that containerised cargo accounts for about 85 percent of the reported economic impacts: breakbulk cargo for slightly more than 5 percent; and auto/vehicle cargo for slightly less than 5 percent. Liquid hulk and dry bulk account for about 3 percent and 2 percent, respectively.

Measured in terms of GSP or value added, Georgia's deepwater ports contributed \$17.1 billion to the state's economy in fiscal year 2003, about 6 percent of Georgia's total GSP. Of the total, \$7.8 billion represents the direct effects of initial spending; \$9.4 billion is indirect and induced spending, or the re-spending (multiplier) impact.

In terms of income, Georgia's deepwater ports contributed \$10.8 billion to the state's economy in fiscal year 2003, about 4 percent of Georgia's total personal income. Of the total, \$4.9 billion represents the direct effects of initial spending; \$5.9 billion is indirect and induced spending.

Ports support 275,968 full- and part-time jobs, about 7 percent of Georgia's total employment. This means that one job out of every 14 is in some way dependent on the ports. Of the FY 2003 total employment impact, 120,109 jobs represent the direct economic impact; 153,860 jobs constitute the indirect and induced effect of spending.

The total impact on tax collections by state and local governments in fiscal year 2003 is \$1.4 billion; the impact on federal tax collections is \$3.2 billion.

Ports support 275,968 full- and part-time jobs, about 7 percent of Georgia's total employment.

PHOTO (COLOR)

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By Jeff Humphreys

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