

REMI Port Infrastructure And Commodity Access Analysis

Carson Poling, Associate I

David Casazza, Associate I

Ying Zhang, Analyst

Jeffrey Dykes, Analyst

Overview

- Overview of Ports
 - Overview of direct economic and demographic impacts
 - Overview of impacts due to commodity access and trade
- Importance of Economic Modeling
- Previous REMI studies on Ports
- Model Demonstration
- Q&A

About Us

Regional Economic Models, Inc. (REMI) was founded in 1980 on a transformative idea: *government decision-makers should test the economic effects of their policies before they're implemented.* We are the nation's leader in dynamic local, state and national policy modeling. Our clients use REMI models to perform rigorous economic analysis that critically influences local, state and national policies.

OUR CLIENTS:

Sandia National Laboratories • Ernst & Young • Texas Comptroller
University of Michigan • Tennessee Valley Authority • National Education Association
South Coast Air Quality Management District • North Carolina Department of Commerce
Wyoming Department of Administration & Information

Local Economic Impacts

- Ports employ thousands of workers in maintenance, freight and shipping
- Regionally supports additional jobs in retail, human resources, and construction
- People will migrate and stay in Georgia due to increased access to jobs, goods, and services

Commodity Access

- Ports allow entire regions to have cheaper access to goods and commodities
- Ports allow for regional economies to better export their commodities worldwide
- Thousands of additional jobs and hundreds of millions of dollars in output benefits the surrounding counties and the state.

Importance of Economic Modeling

- Ports are required to do a strategic or long-range plan
- Important to understand current state of the economy, and what the economy will look like 30, 40, or 50 years from now.
- Construction and maintenance analysis important, but insufficient to determine what industries will thrive decades out
- Dynamic impact analysis is needed to understand indirect links in the economy and understand critical, far-reaching economic trends

Past REMI Port Studies

- Economic Role of Marine Transportation in Mississippi
- Port of Entry: Houston – Port of Houston Impact to the Texas Economy
- Economic and Fiscal Impacts of the Port of San Diego
- Economic Impacts of a Pacific Northwest Port Shutdown
- Cojoining an input-output model and a policy analysis model: a case study of the regional economic effects of expanding a port facility
- Statewide Port Study: Economic Role of Ports
- The Economic Impact of Connecticut's Deepwater Ports

MDOT: Economic Role of Ports



- 125,715 jobs
 - 1,725 direct (marine transportation)
 - 32,670 port *dependent* businesses
 - 24,260 port *benefited* businesses
 - 67,060 *induced jobs**
 - 3,460 direct
 - 63,600 port dependent
- \$5.4 billion in income
- \$16.8 billion in gross state product

*Found via the REMI Model

10% of jobs and **16%** of GSP in Mississippi relies on ports

Port of Savannah (GA)



- 45,000 direct employees
- Over 1.3 millions tons of annual cargo shipments
- 1.7 billion dollar direct economic impact on state GDP
- Data taken from analysis "The Economic Impact of Georgia's Deepwater Ports On Georgia's Economy in FY 2019"

Scenario

- Measuring the direct economic impact of the Port of Savannah
 - Local economy
 - Surrounding regions
- Measuring the economic impacts of the access increase caused by the Port of Savannah.
 - Imports and exports
 - Production cost

Inputs

- Commodity Access – Importing materials from other regions/countries
 - Increase commodity access index for all industries in GA
 - Percent change estimated using the National Input-Output Matrix
- Employment – direct employment by the Port of Savannah
 - Savannah
 - Rest of GA
 - Data taken from report "The Economic Impact of Georgia's Deepwater Ports On Georgia's Economy in FY 2019"

Model Demo



what does **REMI** say?sm

Conclusion

- Ports are major drivers of economic activity in a region, not just because of direct employment and spending, but also because they allow for increased access to commodities, enabling additional industries, factories, and jobs. Raw materials are necessary for jobs in battery and solar industries, which would otherwise be unviable.
- Critical that ports are able to convey and understand both the direct and indirect impacts of their infrastructure

Q&A

Contact Us

carson.poling@remi.com

david.casazza@remi.com

(413) 549-1169