

Executive Summary

South Carolina State Ports Authority Economic Impact Study **September 14, 2015**

The seaports of South Carolina are one of the state's most vital resources and a major contributor to interstate and international commerce. Simply put, there are very few locations where container-shipped goods exported from and imported to the United States can be docked. Thus, seaports provide a unique competitive advantage for attracting and maintaining export-oriented industries, which is a key component of any strategy that seeks to expand South Carolina's current global manufacturing presence. For example, in recent years, South Carolina has rapidly developed into a major global competitor for advanced manufacturing. This can be observed by examining the number of marquee companies that have located within the state. Access to port facilities is a primary factor in this development.

The purpose of this study is to specifically document the economic impact of the South Carolina Ports Authority (SCPA) on the state of South Carolina as a whole and on local regions within the state. The SCPA currently owns and operates public marine terminals at two port facilities (the Port of Charleston and the Port of Georgetown) as well as a separate Inland Port located in Greer, South Carolina. This study provides estimates detailing all impacts resulting from both the SCPA facilities themselves as well as the total economic impacts that derive from South Carolina business transactions that require use of these port facilities. The key findings of this study are as follows:

- ***The total economic impact resulting from all activities associated with the SCPA on the state of South Carolina is estimated to be approximately \$53.0 billion. This figure reflects the dollar value of all final goods and services produced in South Carolina that can be attributed (either directly or indirectly) to the SCPA. This impact corresponds to 187,206 jobs and over \$10.2 billion in labor income for South Carolinians that would not exist otherwise.***
- ***Approximately 11.9 percent of the statewide economic impact associated with the SCPA is concentrated within the Lowcountry region of South Carolina. This specifically translates into \$6.3 billion in total economic output, nearly 23,000 jobs, and \$1.2 billion in labor income. The manufacturing industry, which represents the primary user base of the SCPA port facilities, encompasses roughly 7.7% of the Lowcountry's economy.***
- ***The total economic impact that comes about through the SCPA yields a statewide employment multiplier of 2.4. This implies that, on average, for every 10 jobs that are directly supported by SCPA port operations or port users, an additional 14 jobs are created elsewhere in South Carolina.***

- *The \$53.0 billion in annual economic output supported by the SCPA represents approximately 9.3% of South Carolina's total annual gross state product. **This implies that the SCPA generates economic activity (directly and indirectly) that brings in over \$912 million in tax revenue annually for the state of South Carolina. About \$109 million out of this total value can be attributed to economic activity supported by the SCPA in the Lowcountry.***
- *According to the South Carolina Department of Commerce, **approximately 4,900 new jobs and \$742 million in new economic activity was announced in South Carolina in 2014 from companies that are likely to require the use of a port facility to do business.** These announcements reflect the initial stages of future economic growth that will occur throughout the state – growth that is largely due to South Carolina's port facilities and the competitive advantage they provide to these companies.*
- ***The ongoing success of South Carolina's automotive cluster – a primary driver of statewide economic growth since 2010 – is largely due to the SCPA.** This cluster has a supply chain and distribution channel that is more globally based relative to many other industry clusters in South Carolina. Thus, its success and ongoing development largely depends on the capacity and efficiency of the SCPA port facilities. In the last three years alone, the dollar volume of total cargo exported from SCPA port facilities sourced at South Carolina businesses in transportation equipment manufacturing increased from 33.0 percent to 40.9 percent.*
- ***The average labor income across all jobs supported (directly or indirectly) by the SCPA in South Carolina is \$54,532. This is approximately 39.4 percent higher than the average labor income in South Carolina and nearly 9.2 percent higher than the average labor income among all manufacturing jobs in South Carolina.***
- ***The majority of export and import activity across SCPA port facilities derives from the manufacturing industry, which is one of the few industries in South Carolina that generates high wage jobs that also experience wage growth.** High-quality, high-wage jobs are vital to the health of the state's economy, and through its direct support of manufacturing, the SCPA is taking an active role in ensuring that the manufacturing sector continues to thrive.*