

TEXAS PORTS MARKET INSIGHT

JULY 2022

THE IMPORTANCE OF PORTS TO THE TEXAS ECONOMY

TEXAS PORTS: GATEWAYS TO THE WORLD

Ranked No. 2 among the 50 U.S. states in waterborne commerce, a total of \$449.6 billion in economic activity generated by the state of Texas annually results from the 616.2 million tons of cargo moving through Texas ports. In addition, Texas Ports impact over 1.8 million jobs generating \$102 billion in personal income, representing approximately 25% of the total State Gross Domestic Product.

Texas Ports are a diverse economic engine and impact all sectors from energy and petrochemical to agriculture, retail, and tourism. Cargoes that ship through Texas ports include petrochemicals, new and used automobiles, industrial machinery, retail electronics, agricultural products, steel products, and bagged cargoes. Of the 1.8 million jobs impacted by the Texas maritime industry, 128,848 people are directly employed by activity at public and private terminals.

PRINCIPAL PORTS OF THE U.S. IN TEXAS

Seven Texas ports rank in the 2020 Principal Ports in the U.S. in terms of "Tonnage of Top 50 U.S. Water Ports, Ranked by Total Tons", according to the U.S. Army Corps of Engineers, including Houston (1st), Corpus Christi (3rd), Beaumont (8th), Port Arthur (15th), Freeport (16th), Texas City (20th), and Galveston (46th).

NATIONAL RANKING

- | | | | |
|----|------------------------|----|--------------------|
| 1 | Port Houston | 16 | Port Freeport |
| 3 | Port of Corpus Christi | 20 | Port of Texas City |
| 8 | Port of Beaumont | 46 | Port of Galveston |
| 15 | Port of Port Arthur | | |



TONNAGE OF TOP 50 U.S. WATER PORTS, RANKED BY TOTAL TONS

PORTS	2021	2020		2019		2010	
	TOTAL TONS (MILLIONS)	RANK	TOTAL TONS (MILLIONS)	RANK	TOTAL TONS (MILLIONS)	RANK	TOTAL TONS (MILLIONS)
HOUSTON, TX	193.8	1	275.9	1	284.9	2	227.1
CORPUS CHRISTI, TX	167.3	3	150.8	4	111.2	6	73.7
BEAUMONT, TX	70.6*	8	70.6	5	101.1	4	77.0
PORT ARTHUR, TX	41.2*	15	41.2	19	33.9	25	30.2
FREEMONT, TX	37.1	16	38.7	23	29.8	27	26.7
TEXAS CITY, TX	33.7*	20	33.7	16	41.3	10	56.6
GALVESTON, TX	11.9*	46	11.9	47	11.0	41	13.9

SOURCE: U.S. ARMY CORPS OF ENGINEERS, PRINCIPAL PORTS U.S. WATERBORNE TONNAGE, 12.31.21
 *2020 TOTAL TONS

PORT HOUSTON | Total Tons: 275.9 million

The Port of Houston is the nation’s largest port for waterborne tonnage, and an essential economic engine for the Houston region, the state of Texas, and the U.S. Being the largest port on the Gulf Coast and the biggest port in Texas, the Port of Houston has been instrumental in the city of Houston’s development for international trade.

It is home to a multi-billion petrochemical complex, the largest in the nation and second-largest in the world. Carrier services on all major trade lanes link Houston to international markets around the globe. The ship channel also intersects a bustling barge traffic lane, the Gulf Intracoastal Waterway.

PRINCIPAL CARGOES

Imports: Petroleum and petroleum products; iron and steel; crude fertilizers and minerals; organic chemicals; wood and articles of wood.

Exports: Petroleum and petroleum products; organic chemicals; cereals and cereal products; plastics; animal or vegetable fats and oils.



Port Houston

PORT OF CORPUS CHRISTI | Total Tons: 150.8 mil

As a leader in U.S. energy export ports and a major economic engine of Texas and the nation, Port Corpus Christi is ranked the third-largest port in the United States in total tonnage. Strategically located on the western Gulf of Mexico with a 36-mile, soon-to-be 54-foot (MLLW) deep channel, Port Corpus Christi is a major gateway to international and domestic maritime commerce. The Port has excellent railroad and highway connectivity via three North American Class-1 railroads and two major interstate highways.

PRINCIPAL CARGOES

Imports: Crude oil, gas oil, fuel oil, iron ore, feedstock, cement, condensate, aggregates, wind turbines.

Exports: Crude oil, gasoline, diesel, petroleum coke, hot briquet iron, liquid natural gas (LNG), sorghum.



Port of Corpus Christi

PORT OF BEAUMONT | Total Tons: 70.6 mil

The Port of Beaumont is the eighth-largest port in tonnage in the United States and is the number-one strategic military outload port in the entire world—home to the U.S. Army's 842nd Transportation Battalion, which is responsible for all military maritime logistics in the Gulf of Mexico, the Pacific Northwest and Alaska. The Port of Beaumont was established in 1908, primarily for the export of timber and cotton. Today, its cargo focuses heavily on petroleum products.

PRINCIPAL CARGOES

Imports: Forest products (eucalyptus pulp), aggregate, military cargo, project cargo, metal articles, wind turbine components.

Exports: Military cargo, metal articles, vehicles, crude oil, diesel, gasoline, USDA bagged goods, aggregate.



Port of Beaumont

PORT OF PORT ARTHUR | Total Tons: 41.2 mil

The Port of Port Arthur is ranked 15th in the nation for total tonnage, is located just 19 miles from the Gulf of Mexico, and can handle almost any commodity. Expanded in the year 2000, the Port of Port Arthur paid close attention to the needs and wants of the maritime industry and the many industries that use it. The Port is connected to the KCS Railroad, providing direct intermodal service to and from major markets of the U.S. and Canada.

PRINCIPAL CARGOES

Imports: Various forest products, steel, non-ferrous metals, military, project cargo.

Exports: Linerboard, ultra-low Sulphur diesel, renewable energy wood pellets, military, project cargo.



Port of Port Arthur

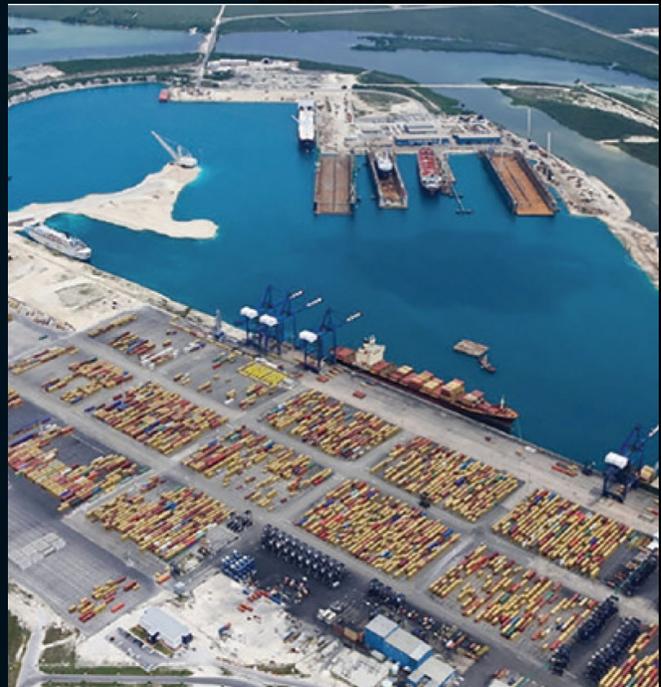
PORT FREEPORT | Total Tons: 38.7 mil

Port Freeport is a leading economic catalyst for the Texas Gulf Coast, ranking 16th in the nation in total tonnage. Just 3 miles from open Gulf of Mexico waters, Port Freeport offers five conventional berths and one deep berthing area to its customers. The main channel offers a water depth of 46 feet MLLW and a width of 400 feet and will accommodate post-Panamax vessels.

PRINCIPAL CARGOES

Imports: Agriculture products, project cargo, bulk aggregate, containerized goods, petrochemicals, crude oil, steel products, bulk chemicals, automobiles, and construction equipment.

Exports: Bulk chemicals, containerized goods, automobiles, plastic resins, agricultural products, crude oil, liquified natural gas (LNG), liquified petroleum gas (LPG), natural gas liquids (NGLs), and liquid carbon dioxide (CO2).



Port Freeport

PORT OF TEXAS CITY | Total Tons: 33.7 mil

The Port of Texas City is ranked 20th in the U.S. for total tonnage and is now at the forefront of the nation's rise as the world's largest producer of oil, providing dockside and rail services to worldwide leaders in the petrochemical industry. Within the Port of Texas City complex, there are 35 berths and two barge fleeting areas. With over 100 years of being in operation, the Port of Texas City recognizes the importance of seamless intermodal transport, and through its rail switching terminal and operations, Texas City Terminal Railway Company, connections are available to two Class 1 railroads – the Union Pacific and Burlington Northern Santa Fe.

PRINCIPAL CARGOES

Imports: Crude oil

Exports: Gasoline, diesel, jet fuel, intermediate chemicals, petroleum coke.

PORT OF GALVESTON | Total Tons: 11.9 mil

As the fourth most popular U.S. cruise port and only home port in Texas, the Port of Galveston cruise terminal welcomed more than 1 million cruise passengers in 2019. Statewide, the cruise industry generated \$1.6 billion in expenditures and 27,000 jobs in 2019. In addition, the Port of Galveston is one of the busiest cargo ports in Texas, typically moving more than 4 million tons of cargo a year, including roll-on/roll-off, dry bulk, export grain, refrigerated fruit, liquid bulk, general and project cargoes.

PRINCIPAL CARGOES

Imports: Wind power equipment, bananas, agricultural equipment, machinery, vehicles, fertilizer products, lumber products, military-related cargoes.

Exports: Bulk grains, containers, machinery, vehicles, linerboard and paper, carbon black, light fuels, carbon dioxide (CO₂).



Port of Texas City



Port of Galveston

STRATEGIC PORTS

The U.S. Maritime Administration has designated the Port of Beaumont, Port of Port Arthur, and the Port of Corpus Christi as strategic ports in its National Port Readiness Network, which supports deployment of U.S. military forces during defense emergencies. The Port of Beaumont handles military equipment shipped to and from Fort Hood and the Red River Army Depot and is recognized as the world's busiest port of military embarkation.

PROJECTIONS FOR THE TEXAS PORTS

Texas is a port-driven state and relies on a strong port system to maintain its leading position as the nation's top exporter and importer by tonnage. Despite the recent economic downturn and residual effects from COVID-19, export revenue is expected to continue to grow and oil and gas production in Texas is still forecasted to nearly triple by 2025. The growth in the energy sector, combined with a steady economic recovery and growing consumer demand worldwide, indicates a strong upward trend in cargo to be handled at Texas ports for the foreseeable future. Texas ports are investing heavily in upgrading their facilities, which all Texas ports, large and small, benefit from. The 2022-2023 Texas Port Mission Plan identifies over \$3.6 billion of planned projects in the port system. Ports themselves will invest over \$3.2 billion into their port facilities and cover their local share of ship channel deepening and widening projects by 2023.



Sources: Texas Ports Association, Texas Department of Transportation, Texas Comptroller's Office, U.S. Army Corps of Engineers-Galveston District, U.S. Bureau of Transportation Statistics