2023 Local and Regional Economic Impacts of Port*Miami*: Executive Summary

Conducted by Martin Associates
www.johncmartinassociates.com

March 8, 2024

Overview of Port*Miami*

Handling 9.7 million tons of cargo and 7.5 million cruise passengers in calendar year 2023, Port*Miami* is a leading cargo and cruise port located in Miami, Florida. Port*Miami* operates as a landlord port and maintains lease agreements with its cargo terminal operators including Seaboard Marine, POMTOC, and South Florida Container Terminal. Port*Miami* is considered the closest U.S. port to Latin America and the Caribbean which also serve as its largest markets followed by Asia, Europe and the Mediterranean. Port*Miami* serves as global headquarters for Carnival Cruise Lines, Royal Caribbean Cruises, Norwegian Cruise Lines, MSC Cruises and Virgin Cruises. In 2023, the cruise services that called Port*Miami*'s nine cruise terminals, carried 7.5 million people to and from popular cruising destinations such as the Bahamas, Caribbean, and Mexico. Over the past 3 years, Port*Miami* opened 3 new cruise terminals – Norwegian's Terminal B "Pearl of Miami", Carnival's Terminal F and Virgin's Terminal V "Palm Grove". Future development includes the current construction of MSC's Terminal AA/AAA, which is projected to open in 2025, as well as the recently approved Royal Caribbean's Terminal G, which is scheduled to open in late 2027.

Economic Impact Analysis Methodology

Martin Associates was retained by Port*Miami* to measure the local and regional economic impacts generated by maritime activity at the marine cargo and cruise terminals at Port*Miami* for calendar year 2023. The study employs methodology and definitions that have been used by Martin Associates to measure the economic impacts of seaport activity at more than 500 ports in the United States and Canada, as well as at the leading airports in the United States, including Miami International Airport. It is to be emphasized that only measurable impacts are included in this study. To ensure defensibility, the Martin Associates' approach to economic impact analysis is based on data developed through an extensive interview and telephone survey program of the Port's tenants and the firms providing cargo and cruise services at Port*Miami*. In addition, a survey of 1,100 cruise passengers and 220 cruise vessel crew was conducted to develop passenger spending profiles pre-and post-cruise as well as the spending characteristics of the vessel crew during each port call at Miami. Specific re-spending models have been developed for the Miami-Dade County area to reflect the unique economic and consumer profiles of the regional economy. The resulting impacts reflect the uniqueness of the individual Port operations, as well as the surrounding regional economy, and are based on detailed surveys of the Port's service providers to both cargo and cruise activity. The resulting economic models can be used to estimate annual updates, as well as to test the sensitivity of the impacts to changes in such factors as marine cargo tonnage or cruise passenger levels, labor productivity and work rules, and new marine facilities development and expansion.

This study uses the same methodology that was used by Martin Associates to measure the economic impacts of the Port in 2016, so direct comparisons can be made with that previous study.

2023 Economic Impact of Port*Miami* - Summary of Results

340,078 jobs supported by Port activity

- Direct Jobs: 29,423
- Induced Jobs: 20,904
- Indirect Jobs: 13,167
- Related Jobs: 276,584

$61.4 billion of total economic activity - 3.9% of State GDP

- $9.8 billion of direct business revenue
- $3.5 billion of re-spending of direct income and local consumption purchases
- $48.2 billion of output supported with related port users

$2.2 billion of state and local taxes

- $585.0 million of direct, induced and indirect state and lcoal taxes
- $1.6 billion of state and local taxes with related exporters and importers supported by port activity

PORTMIAMI

MARTIN ASSOCIATES

2023 Port*Miami* Economic Impact Results

In calendar year 2023, cargo and cruise activity at Port*Miami* supported 340,078 jobs in the state of Florida. Of these jobs, **29,423 jobs were directly created**, of which 70 percent reside in Miami-Dade County. As a result of local and regional purchases by those 29,423 individuals holding the direct jobs, **20,904 induced jobs** were supported in the regional economy. The **13,167 indirect jobs** were generated in the local economy because of the $928.2 million of local in-state purchases made by companies directly dependent on the Port. The cargo moving via Port*Miami* **supported 276,584 jobs** throughout the state of Florida with importers and exporters located in the state. These jobs are classified as related*,* and are created because of the demand for the product, not the use of the Port. Should Port*Miami* not be available for use by these importers and exporters, other ports would be used and the related jobs would not be impacted in the short term. In contrast the direct, induced and indirect jobs would be dislocated should the cargo not move via Port*Miami*.

The **total economic activity in the state of Florida** resulting from the cargo and cruise cargo activity at Port*Miami* is estimated at **$61.4 billion.** This consists of the direct business revenue of $9.8 billion, the re-spending and local consumption impact of $3.5 billion, and the related user output of $48.2 billion. The majority of these user impacts are associated with containerized cargo. This dollar value represents the sphere of influence of Port*Miami* in calendar 2023 and accounts for 3.9 percent of the $1.6 trillion Gross Domestic Product (GDP) for the state of Florida.

The 29,423 direct jobs received $1.6 billion of direct wage and salary income, for average earnings of $53,524 per direct employee. As the result of local purchases with this $1.6 billion of direct wages and salaries, an additional $3.5 billion of income and local consumption expenditures were created in the Miami-Dade County area. It is this re-spending impact that supported the 20,904 induced jobs[1]. The indirect jobs holders received $501.8 million. In total, $18.0 billion of personal income and local consumption activity was created as the result of Port*Miami* operations, including the $12.5 billion received by those employed with the users of the Port.

As a result of the cargo and cruise activity at Port*Miami*, a total of $2.2 billion of state and local tax revenue was supported in the State, of which $1.6 billion is attributed to the related users of the Port.

[1]The induced income impact also includes local consumption expenditures as well as induced wages, and should not be divided by induced jobs to estimate the average salary per induced job. This would overstate the average salary.

2023 PortMiami Economic Impact Results – Port*Miami* Cargo and Cruise Activity Comparison

Port*Miami* Cargo Activity

- **294,770 total jobs**
  - *Direct*: 7,734
  - *Induced*: 7,253
  - *Indirect*: 3,198
  - *Related:* 276,584
- **$445.3 million** in local purchases
- **$51.4 billion** Total Economic Value
- **$1.9 billion** of state and local taxes

Port*Miami* Cruise Activity

- **45,309 total jobs**
  - *Direct:* 21,689
  - *Induced: 13,651*
  - *Indirect 9,969*
  - *Related:* N/A
- **$482.9 million** in local purchases
- **$10.1 billion** Total Economic Value
- **$376.9 million** of state and local taxes

2016 vs. 2023 Impact Cargo and Cruise Comparison

Growth of Economic Impacts at Port*Miami*: 2016-2023

18,527 New Jobs Generated

- 7,525 direct jobs
- 6,777 induced jobs
- 4,225 indirect jobs

$20.0 Billion Increase in Total Economic Activity

- $4.0 billion direct revenue
- $1.8 billion re-pending local consumption
- $14.2 billion related output increase

Since the 2016 Martin Associates' economic impact study of Port*Miami*, the overall economic impact of the Port has increased significantly. The direct, induced and indirect jobs generated by the cargo and cruise activity at Port*Miami* increased by 18,527 jobs and the total value of the economic activity at the Port increased by nearly $20.0 billion, from $41.4 billion in 2016 to $61.4 billion in 2023. This growth in economic impact is driven by the increase of nearly 2.6 million passengers using the Port in calendar year 2023 and the increase of about 20,000 containers handled at the Port in 2023.

Summary

Overall, Port*Miami* is an important economic force in the state of Florida, contributing $61.4 billion of total economic activity and supporting 340,078 jobs in the state of Florida. The $61.4 billion dollar value of economic activity of the Port represents 3.9 percent of the $1.6 trillion state of Florida GDP in 4th Quarter 2023. In order to continue to grow the economic significance of the Port, continued investment in cargo and cruise terminal infrastructure will be required, ensuring that Port*Miami* continues as a world class cruise and cargo port, capable of handling the next generation of cruise and container vessels

PORTMIAMI

MARTIN ASSOCIATES