

# TEXAS PORTS Market Insight

DECEMBER 2017

## Everything you ever wanted to know about Texas Ports (but were too afraid to ask)

### The importance of ports to the Texas economy

A total of \$277.6 billion in economic activity to the state of Texas is a result of the 564.7 million tons of cargo moving through Texas ports. In addition, Texas Ports create over 1.4 million jobs generating \$82.8 billion in personal income and represent approximately 25% of the total state gross domestic product.

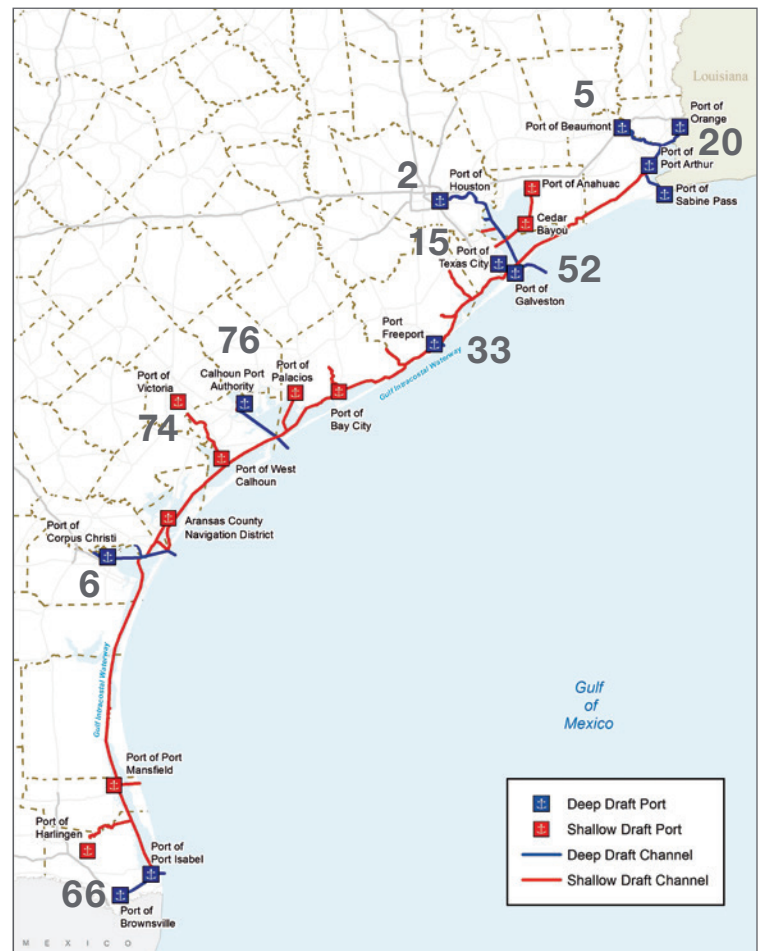
Texas Ports are connected to one another and to the rest of the U.S. inland waterway system by the Gulf Intracoastal Waterway (GIWW). The GIWW allows ocean-going shipping to connect with barge traffic. The Texas portion of the GIWW transports more than 73 million tons of cargo annually, moving in 52,773 barge movements. In comparison, the same cargo volume would take over 3 million container trucks or over 570,000 rail cars to transport. In addition, Texas has more than 1,000 miles of channel maintained by the U.S. Army Corps of Engineers.

### Highlights of the largest Texas ports by tonnage

The following are the ten Texas ports listed in the top 100 of all U.S. ports by cargo volume in 2016, ranked in order of annual tonnage, according to the U.S. Army Corps of Engineers, followed by a map of all Texas port locations.

#### National Ranking

2	Port Houston	33	Port Freeport
5	Port of Beaumont	52	Port of Galveston
6	Port of Corpus Christi	66	Port of Brownsville
15	Port of Texas City	74	Port of Victoria
20	Port of Port Arthur	76	Calhoun Port Authority



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### Port Houston

Port Houston ranks first in the nation for foreign waterborne tonnage and second for overall tonnage. It is the 6th largest container port in the U.S. by total twenty-foot equivalent unit (TEU) capacity, handling over 2 million TEUs last year. The Houston Ship Channel is the busiest waterway in the country with more than 8,000 vessel calls annually carrying more than 230 million tons of cargo. It is also the home of the largest petrochemical complex in the nation.

#### 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 of Beaumont

The Port of Beaumont, which celebrated its centennial in March 2016, ranks 4th in the nation in overall tonnage of cargo processed. The Port of Beaumont recently completed construction of a new state-of-the-art petroleum terminal that can handle 120-car unit trains. When fully developed, the terminal will have the capacity to offload more than 210,000 barrels of crude oil a day.

#### Principal Cargoes

**Imports:** Forest products, aggregate, military cargo, steel, project cargo.

**Exports:** Bulk grain, potash, forest products, military cargo, project cargo.

### Port of Corpus Christi

The Port of Corpus Christi is ranked 6th in the nation for overall tonnage. An LNG export terminal is currently under construction on the La Quinta Channel. The first exports of Texas crude oil that were allowed after the U.S. recently lifted the ban on exporting crude oil left through the Port of Corpus Christi on December 31, 2015.

#### Principal Cargoes

**Imports:** Crude oil, gas oil, fuel oil, bauxite ore, feed stock, naphtha, condensate, reformate, toluene, frozen beef, fresh fruits.

**Exports:** Fuel oil, gasoline, feed stock, diesel, alumina, petroleum coke, toluene, cumene gas oil, asphalt, coal.



Port Houston



Port of Beaumont



Port of Corpus Christi

### Port Freeport

Port Freeport recently signed two global carriers, MSC and Hoegh Autoliners, to long-term contracts. The Freeport Liquefied Natural Gas (LNG) import/export terminal has been approved and is under construction. The Freeport Harbor Channel has received authorization through the Water Resources Reform & Development Act 2014 (WRRDA) to be deepened to 55 feet and the port also has plans to expand its container terminal.

#### Principal Cargoes

**Imports:** Aggregate, chemicals, clothing, foods (fruit), crude, LNG, paper goods, plastics, windmills.

**Exports:** Autos, chemicals, clothing, foods, paper goods, resins, rice.



Port Freeport

### Port of Galveston

The Port of Galveston is the leading port on the Gulf of Mexico for roll-on roll-off (RO/RO) vessels, which transport automobiles and other wheeled vehicles. It is also the 4th-busiest cruise port in the nation and is currently expanding one of its cruise terminals to accommodate larger cruise ships.

#### 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.



Port of Galveston

### Port of Brownsville

The Port of Brownsville imports and exports steel and other metal products and hosts a shipyard specializing in constructing and refurbishing offshore drilling rigs. The port is also the nation's leader in ship recycling. In August 2015, Brownsville opened its state-of-the-art cargo dock, funded in part through a \$12 million TIGER grant through the U.S. Department of Transportation.

#### Principal Cargoes

**Imports:** Steel slab, hot and cold roll, steel plate, steel beams (billets), iron ore.

**Exports:** Steel products, petroleum products, lubricants, and grain.



Port of Brownsville

### Port of Victoria

The Port of Victoria has an important function in the Eagle Ford Shale play. A \$1.5 million liquid cargo dock that the port constructed at the beginning of the recent production boom now handles more than one million barrels of crude each month. The Caterpillar plant in Victoria transports both components and finished products by barge on the GIWW and Victoria Barge Canal.

#### Principal Cargoes

Major products transferred are liquid and dry bulk and general and project cargoes.



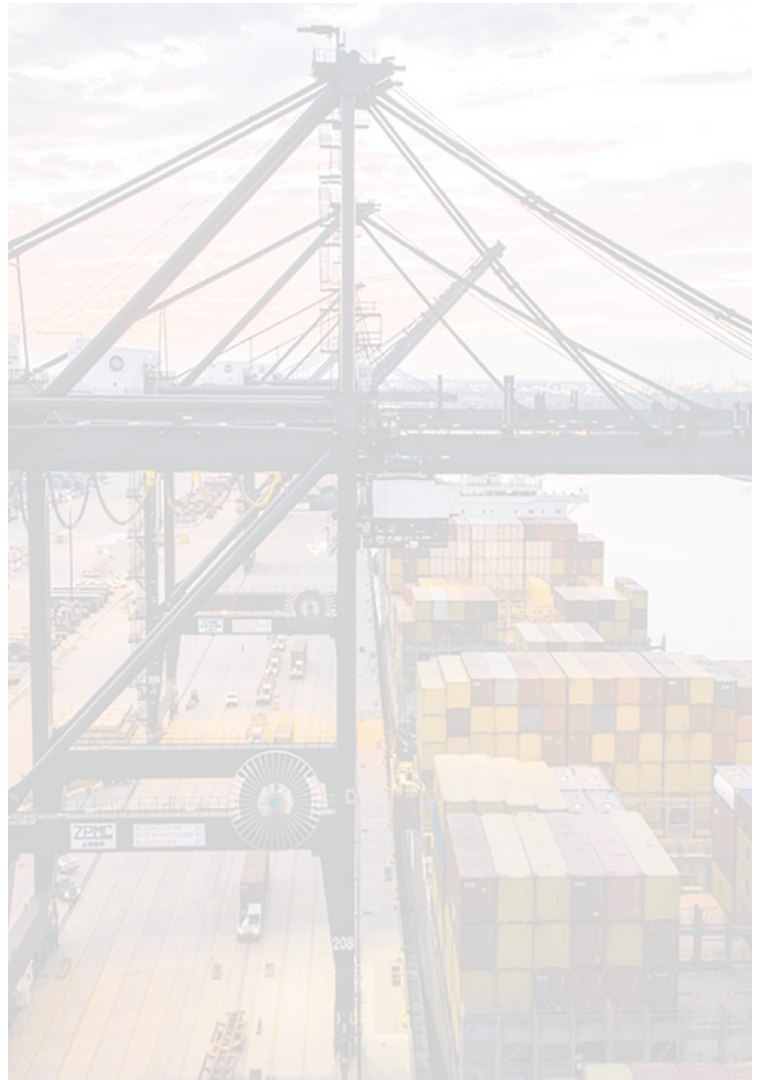
Port of Victoria

### 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 United States 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

The use of Texas waterways is forecast to continue to increase—fueled by the expansion of the Panama Canal, the surge in the state's population and more worldwide waterborne trade. The expanded Panama Canal will enable the natural growth of import demand caused by Texas' booming population in the "Texas Triangle" of Dallas-Fort Worth, Houston, and Austin-San Antonio. By 2040, the state's population is expected to grow from 25 million to 40 million, with 70% within this area. The most significant impact will likely be the growth of bulk energy exports, petrochemicals and petroleum-based products, grains, coal, and fertilizers, with the most significant the LNG and plastic resins.



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

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