

2021 Economic Impact of Port Panama City: *Executive Summary*

Conducted by Martin Associates
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All Photos Courtesy of the Port Panama City

Overview of Port Panama City

Port Panama City consists of a 138-acre West Terminal on Dyers Point (pictured above), a 41-acre East Terminal adjacent to West Rock paper mill, and the Intermodal Distribution Center located off U.S. Highway 231. Combined, the facilities handle wood pellets, copper bundles, linerboard, containers, wood pulp, stone, lumber, molasses, and steel. In total, these terminals handled more than 1.95 million tons of cargo in 2021.

The cargo moving via the Port's marine terminals has a far-reaching impact into the local and regional economies and is not just limited to activity at the marine terminals. The imported cargo is used by local and

regional wire and construction industries. Export cargo is produced regionally and trucked or railed to the port to serve international destinations.



Economic Impact Analysis Methodology

Martin Associates was retained by Port Panama City to measure the local and regional economic impacts supported by maritime cargo and vessel activity at the Panama City marine terminals. The impacts are measured for Fiscal Year 2021 and are estimated in terms of jobs, personal earnings, business revenue, and state and local taxes.

The economic model can be used to estimate annual updates, as well as test sensitivity of the impacts to changes in

factors such as marine cargo tonnage levels, labor productivity, commodity mix, and inland origins/destinations of commodities. The model can also be used to evaluate impacts of new terminal development.

The study is based on interviews with firms providing services for the cargo and vessels handled at the Port's marine terminals. The data collected from the interviews was then used to develop these operational and economic models.

2021 FY Economic Impacts of Port Panama City - Summary of Results



10,790 Total Jobs

- 1,302 Direct Jobs
- 1,190 Induced Jobs
- 583 Indirect Jobs
- 7,714 User Jobs



\$618.8 million Personal Income/Local Consumption

- \$71.4 Million Direct Personal Income
- \$170.3 Million Re-spending and Local Consumption
- \$25.1 Million Indirect Personal Income
- \$351.9 Million User Income



\$1.6 Billion Total Economic Value

- \$496.9 Million Direct Business Revenue
- \$170.3 Million Re-spending and Local Consumption
- \$943.8 Million Related User Output



2021 Port Panama City Economic Impact Results

Port Panama City's marine terminals handled 1.95 million tons of cargo in FY 2021, its second-highest tonnage on record.



These 1.95 million tons of cargo created 3,075 direct, induced, and indirect jobs in the Panama City region. Of these 3,075 jobs, **1,302 direct jobs** were generated by marine cargo and vessel activity. As a result of local and regional purchases by those 1,302 individuals, an additional **1,190 induced jobs** were supported in the regional economy. Another **583 indirect jobs** were supported by over \$46 million of local purchases made by businesses supplying services at the marine terminals and by businesses dependent on the marine terminals. An additional 7,714 related jobs with non-dependent shippers were supported, but not dependent upon, Panama City cargo.

\$71.4 million of direct wages and salaries were received by those 1,302 directly employed, representing an average salary of \$54,882. As the result of re-spending this income, an additional \$170.3 million of income and consumption expenditures were

created. The 583 indirect job holders received \$25.1 million of indirect wages and salaries. In total, about **\$266.9 million of direct, induced, and indirect personal wages and salaries** were generated by maritime activity in Panama City.

Businesses providing services at the marine terminals received **\$496.9 million of revenue**, excluding the value of cargo



shipped through the marine terminals of Port Panama City.

\$23.4 million of state and local taxes were generated by activity at the marine terminals.

The total economic value to the Panama City region is measured at **\$1.6 billion**. This consists of the direct business revenue of \$496.9 million, the re-spending and local consumption impact of \$170.3 million, and the related output of \$943.8 million. This dollar value represents the sphere of influence of the marine terminals in 2021.



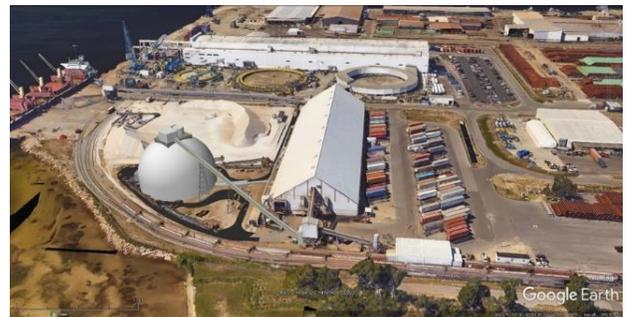
Summary

With the addition of the East Terminal, increases in job numbers, and record-setting tonnage, the marine terminals located at Port Panama City are an economic engine for the greater Northwest Florida region. The cargo activity supports 10,790 jobs in the region, with a total economic value to the State measured at \$1.6 billion.

The Port has committed to additional investment in its facilities (illustrated below) which will further expand its impact.



Intermodal Distribution Center Site Development



Biomass Bulk Dome



East Terminal Phase II

