

The Potential Economic impacts of COVID 19 on the Florida Ports and the State's Economy

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COVID 19 Impacts of Florida Ports and the State's Economy

Martin Associates economic impact models for cargo and cruise activity that have been developed for the individual Florida seaports were used in combination with port supplied estimated impacts of COVID 19 on each port's cargo and cruise activity to develop an estimate on the state of Florida of COVID 19. A survey of the Florida ports indicated that COVID 19 will likely result in the loss of 5.6 million tons of liquid bulk cargo, 1.6 million tons of dry bulk cargo and 522,592 TEUs of containerized cargo. With respect to the cruise activity at Florida ports, it is estimated that the pandemic will result in the loss of 4.9 million cruise passengers at the Florida ports.

Based on these port-supplied impacts on cargo and cruise activity due to COVID 19, it is estimated that nearly 169,000 jobs in the state that the port activity supports could be lost from the state's economy. Of these jobs, **15,563 jobs are directly in supporting the cruise and cargo activity within the state that could be lost due to the COVID 19 pandemic.** As a result of local and regional purchases by those 15,563 individuals holding the direct jobs, 10,116 **induced jobs** with restaurants, grocery stores, retail outlets, housing, health care providers could also be lost due the pandemic. In addition, as the result of the local purchases by the companies providing the services to the cruise vessels and passengers and the cargo operations, an additional 8,981 **indirect jobs** within

the state could be impacted by the pandemic through the loss of \$652.4 million of local purchases made by companies directly dependent on the Florida ports. The lost cargo moving via the Florida ports due to the pandemic **supported 134,261 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. However, with the projected loss of cargo at the Florida ports due to COVID 19, these jobs are also likely to suffer dislocation.

The loss in **total economic activity in the state of Florida** resulting from the loss of cargo and cruise activity at the Florida ports is estimated at **\$22.2 billion.** This consists of the direct business revenue loss of \$5.1 billion, the re-spending and local consumption impact of \$1.2 billion, and the related user output of nearly \$16.0 billion. The majority of these user impact losses are associated with containerized cargo. This dollar value represents the sphere of influence of the Florida ports that could be lost due to the COVID 19 Pandemic.

Finally, as a result of the potential COVID 19 cargo and cruise activity losses at the Florida seaports, a total of \$776.8 million of state and local tax revenue is at risk of being lost.

Potential Economic Impacts of COVID-19 on the Florida Seaports and the State's Economy

Potential Cargo Lost Impacts

- **146,668 total jobs**
 - *Direct:* 5,401
 - *Induced:* 4,514
 - *Indirect:* 2,492
 - *Related:* 134,261
- **\$17.4 billion** Total Economic Value
- **\$641.8 million** of state and local taxes

Potential Cruise Lost Impacts

- **22,252 total jobs**
 - *Direct:* 10,162
 - *Induced:* 5,601
 - *Indirect:* 6,489
 - *Related:* N/A
- **\$4.8 billion** Total Economic Value
- **\$135.0 million** of state and local taxes

Summary of COVID Impacts on Florida Seaports

IMPACT CATEGORIES	Impact of COVID on Cruise at Florida Ports	Impact of COVID on Cargo Activity at Florida Ports	Total Economic Impact of COVID on Florida Ports
JOBS			
DIRECT	10,162	5,401	15,563
INDUCED	5,601	4,514	10,116
INDIRECT	<u>6,489</u>	<u>2,492</u>	<u>8,981</u>
TOTAL PORT SECTOR JOBS	22,252	12,408	34,660
RELATED EXPORTER/IMPORTER JOBS	NA	<u>134,261</u>	<u>134,261</u>
TOTAL	22,252	146,668	168,921
PERSONAL INCOME (1,000)			
DIRECT	\$345,560	\$313,016	\$658,576
RE-SPENDING/LOCAL CONSUMPTION	\$584,133	\$620,993	\$1,205,126
INDIRECT	<u>\$226,686</u>	<u>\$115,684</u>	<u>\$342,369</u>
TOTAL PORT SECTOR PERSONAL INCOME AND CONSUMPTION	\$1,156,378	\$1,049,692	\$2,206,071
RELATED EXPORTER/IMPORTER INCOME	NA	<u>\$4,253,520</u>	<u>\$4,253,520</u>
TOTAL (1,000)	\$1,156,378	\$5,303,212	\$6,459,591
BUSINESS REVENUE AND USER OUTPUT (1,000)			
DIRECT PORT SECTOR REVENUE	\$4,223,097	\$822,076	\$5,045,173
RELATED IMPORTER/EXPORTER INDUSTRY OUTPUT	NA	<u>\$15,968,996</u>	<u>\$15,968,996</u>
TOTAL (1,000)	\$4,223,097	\$16,791,072	\$21,014,169
LOCAL PURCHASES (1,000)	\$383,348	\$269,075	\$652,422
STATE/LOCAL TAXES (1,000)			
PORT SECTOR STATE AND LOCAL TAXES	\$134,966	\$99,516	\$234,482
RELATED IMPORTERS/EXPORTERS STATE AND LOCAL TAXES	NA	<u>\$542,307</u>	<u>\$542,307</u>
TOTAL (1,000)	\$134,966	\$641,823	\$776,789
TOTAL ECONOMIC VALUE (1,000)			
DIRECT PORT SECTOR BUSINESS REVENUE	\$4,223,097	\$822,076	\$5,045,173
PORT SECTOR RE-SPENDING AND PERSONAL CONSUMPTION	\$584,133	\$620,993	\$1,205,126
RELATED IMPORTERS/EXPORTERS INDUSTRY OUTPUT	NA	<u>\$15,968,996</u>	<u>\$15,968,996</u>
TOTAL (1,000)	\$4,807,230	\$17,412,065	\$22,219,295