



2023 ECONOMIC IMPACT OF THE SOUTH CAROLINA PORTS AUTHORITY

Statewide and Regional Analysis



**SOUTH
CAROLINA
PORTS**





COMMISSIONED BY:



**SOUTH
CAROLINA
PORTS**

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Executive Summary

The seaports of South Carolina are among the state's most vital resources and major contributors to interstate and international commerce. Simply put, there are very few locations where container-shipped goods exported from and imported to the United States can be docked. Thus, seaports provide a unique competitive advantage for South Carolina's economy, which can be directly observed in at least two primary ways.

First, South Carolina has rapidly developed into a major global competitor for the export-oriented advanced manufacturing industry over the previous two decades, an industry that is now principally responsible for much of the state's economic growth. This can be seen by examining the number of marquee companies that have located and expanded within the state over time. Access to the state's port facilities has been a primary factor in this ongoing development.

Second, the Southeastern United States is projected to experience more population growth than any other U.S. region over the next two decades. Because retail and distribution-based businesses want to locate near consumers, the combination of South Carolina's geographic location within the heart of the Southeast and its easy access to port facilities puts it in an especially strong position to compete for these companies. This implies that the importance of South Carolina's seaports to the state's long-run economic growth is likely to increase even further in the coming years.

The purpose of this study is to specifically quantify the economic impact of the South Carolina Ports Authority (SC Ports) on the state of South Carolina, the four major regional areas within the state, and the Southeastern United States more broadly. SC Ports currently owns and operates public marine terminals at the Port of Charleston as well as two separate Inland Ports located in Greer and Dillon, South Carolina. This study will provide estimates detailing all impacts resulting from both the SC Ports facilities as well as the total economic impacts that derive from business transactions that require use of these port facilities.



The key findings of this study are as follows:

The total economic impact resulting from all activities associated with SC Ports on the state of South Carolina is estimated to be approximately \$86.7 billion annually. This figure reflects the dollar value of all final goods and services in South Carolina that can be attributed to SC Ports.

This impact corresponds to **260,020 jobs** and **\$17.6 billion in labor income** for South Carolinians that would not exist otherwise. Such a sizable economic footprint implies that **SC Ports supports (directly or indirectly) 1 out of every 9 jobs in South Carolina.**

The average labor income across all jobs supported (directly or indirectly) by SC Ports in South Carolina is \$67,836. This is approximately 22.8 percent higher than the average labor income among all jobs in South Carolina.

SC Ports is also unique in the extent to which it directly supports local business. In 2022, South Carolina port facilities exported approximately \$26.9 billion in total cargo volume, with as much as \$19.7 billion coming from in-state businesses. This means that **up to 73.2 percent of all cargo exported through SC Ports in 2022 originated from companies located in South Carolina. This level of local business support for export-oriented firms is higher than at any other major container port on the U.S. east coast.**

More than one-third (36%) of all jobs currently supported (directly or indirectly) by SC Ports in South Carolina are held by women and minorities. This represents approximately 93,771 jobs statewide. SC Ports also facilitates a significant volume of employment among South Carolina's veterans. This is because veterans are more likely to be employed in industries (like manufacturing) that are major port users.

The \$86.7 billion in annual economic output supported by SC Ports represents approximately 10.1% of South Carolina's total annual gross state product. **This implies that SC Ports generates economic activity (directly and indirectly) that brings in approximately \$1.5 billion in tax revenue annually for the state.**

Over the past decade, South Carolina's economic development strategy has focused on expanding the state's export-oriented manufacturing industry, which underscores the increasing importance of the state's seaports to South Carolina's economy. This strategy has been largely successful, with the advanced manufacturing employment base having almost doubled (+94.9%) since 2010. This rate of expansion in advanced manufacturing is higher than in any other Southeastern state over the same time period.

Approximately 50.8 percent of the statewide economic impact associated with SC Ports is concentrated within the Upstate region of South Carolina. This is largely because the primary users of SC Ports facilities are export-oriented manufacturers, which are also disproportionately concentrated within the Upstate region. The manufacturing industry comprises 19.9 percent of all jobs in the Upstate, compared to 14.7 percent for South Carolina as a whole. The Midlands experiences 25.7 percent of all economic impacts associated with SC Ports, followed by the Lowcountry region (12.4%), and the Pee Dee region (11.1%).

The economic impact of SC Ports extends beyond the borders of South Carolina to the broader Southeastern U.S. Business transactions outside South Carolina that require the use of South Carolina port facilities generate an additional impact of \$10.0 billion: North Carolina (\$3.8 billion), Georgia (\$3.3 billion), Tennessee (\$913 million), Florida (\$905 million), Alabama (\$608 million), and Kentucky (\$474 million). This additional economic activity also supports 38,548 jobs and \$1.9 billion in labor income for local residents in these states.



SECTION I INTRODUCTION

The seaports of South Carolina have been one of the state's most important resources for hundreds of years. In fact, one of the primary reasons for the initial founding of the city of Charleston in 1670 was to take advantage of its natural seaport to facilitate the export of cotton. Seaports function as gateways for interstate and international commerce, and in an increasingly global economy, they are becoming even more important for South Carolina's economic growth in the 21st century.

Because of the widely recognized importance of seaports to the state, the South Carolina Ports Authority (SC Ports) was founded in 1942 to carry out its stated mission that "...promotes, develops, and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina." SC Ports currently owns and operates public marine terminals at the Port of Charleston and also owns and operates two separate Inland Ports located in Greer and Dillon that connect by rail to the Port of Charleston.

In recent years, port activity has increased significantly. South Carolina has rapidly developed into a major global competitor for the advanced manufacturing sector - including the automotive and tire industries that have each become economic pillars in the state. This can be observed directly by examining the number of marquee companies that have located and expanded throughout South Carolina over the last decade, making advanced manufacturing a key driver of the state's economic growth. For example, employment growth in advanced manufacturing was nearly double that of the state average over the previous decade - totaling 53.3 percent between 2012 and 2022 compared to 24.1 percent for South Carolina as a whole.¹

In addition to growth in advanced manufacturing, South Carolina is also experiencing significant expansion in retail and distribution as a result of high population growth. For example, South Carolina's rate of population growth has accelerated faster than any other state following the onset of the COVID-19 pandemic. More broadly, the Southeastern United States is projected to experience more population growth than any other U.S. region over the next two decades.

Firms and industries that comprise the advanced manufacturing sector typically have globally based supply chains as well as distribution channels. In addition, retailers and distributors generally seek to locate in highly populated areas where consumer goods can be easily imported and distributed to the final user. Thus, access to the port facilities owned and operated by SC Ports is essential for the ongoing growth and development of both industry groups. SC Ports has experienced record growth rates in container volume shipping over the past several years and is currently the 8th largest U.S. container port. SC Ports has also invested more than \$2 billion in recent years to enhance its capacity to stay ahead of its growing demand, which has led to higher cargo capacity, modern terminals, and providing South Carolina with the deepest harbor on the East Coast.



¹ Source: U.S. Bureau of Labor Statistics, QCEW



Many of the advantages offered by the port facilities also extend beyond the borders of South Carolina. For example, there are a significant number of firms located in North Carolina, Georgia, Tennessee, Kentucky, Alabama, and Florida that utilize port facilities in South Carolina. As with port users in South Carolina, the location decisions of these additional Southeastern companies are partly based on access to port facilities that can accommodate their business needs. Thus, SC Ports serves as an asset not only to South Carolina, but also to the broader regional economy as well.

The purpose of this study is to specifically quantify the economic impact of SC Ports on the state of South Carolina and on the Southeastern United States more broadly. This will include an analysis of the impact of the port facilities themselves as well as the total economic impacts that derive from South Carolina business transactions that require use of these port facilities.

The study begins with an overview of two of the primary economic drivers in South Carolina: export-oriented manufacturing and a rapidly increasing population base, both of which are increasing the importance of SC Ports to the state's long-run economic growth. Section III then provides a discussion of the economic impact methodology used, including a description of direct, indirect, and induced impacts. Sections IV and V highlight the main findings of the study, including statewide impacts, in-state regional impacts, and impacts in the broader Southeastern U.S. of both port facilities and port users. Section VI follows with a discussion of the accompanying South Carolina state tax revenue that is generated from the total volume of economic activity supported by SC Ports. Section VII then offers a brief conclusion.

SECTION II INCREASING LONG-RUN ECONOMIC GROWTH RATES IN SOUTH CAROLINA

The importance of SC Ports to South Carolina's economy cannot be overstated, with this importance coming about for at least two primary reasons. First, the state's seaports enable the ongoing expansion of South Carolina's advanced manufacturing sector, which is export-oriented and has been the principal driver for the state's growth over the previous decade. Second, South Carolina's seaports are helping to ensure that the state's economy can capitalize on the projected population growth that is likely to occur throughout the Southeastern United States in the coming years.



Export-Oriented Manufacturing in South Carolina

Manufacturing has been a mainstay of South Carolina's economy over the past 100 years. Yet the composition of the manufacturing industry has changed significantly over time - especially over the last 30 years. Throughout the 1900s, textile production represented one of the state's leading economic sectors. Early in the century, the focus of textile mills in South Carolina was largely on the production of cotton in an economy dominated by agriculture. Following World War II, as agriculture gave way to industry across the U.S. economy, textile mills in South Carolina shifted their focus from cotton to synthetic fabrics.

In the 1990s, however, a rapidly emerging global economy began a transition that would ultimately shift the majority of textile manufacturing out of South Carolina altogether because of increased international competition. At the same time, these market forces began to accelerate levels of foreign direct investment that had begun as early as the 1970s when Michelin's North American headquarters located in Greenville, South Carolina. Increasing globalization was also a key contributor to a newly emerging statewide automotive cluster. Following the arrival of BMW's first North American assembly plant in Spartanburg in 1994, South Carolina experienced a rapid development of this cluster that has incorporated a wide range of suppliers and businesses that have continuously expanded the automotive cluster's economic footprint ever since.





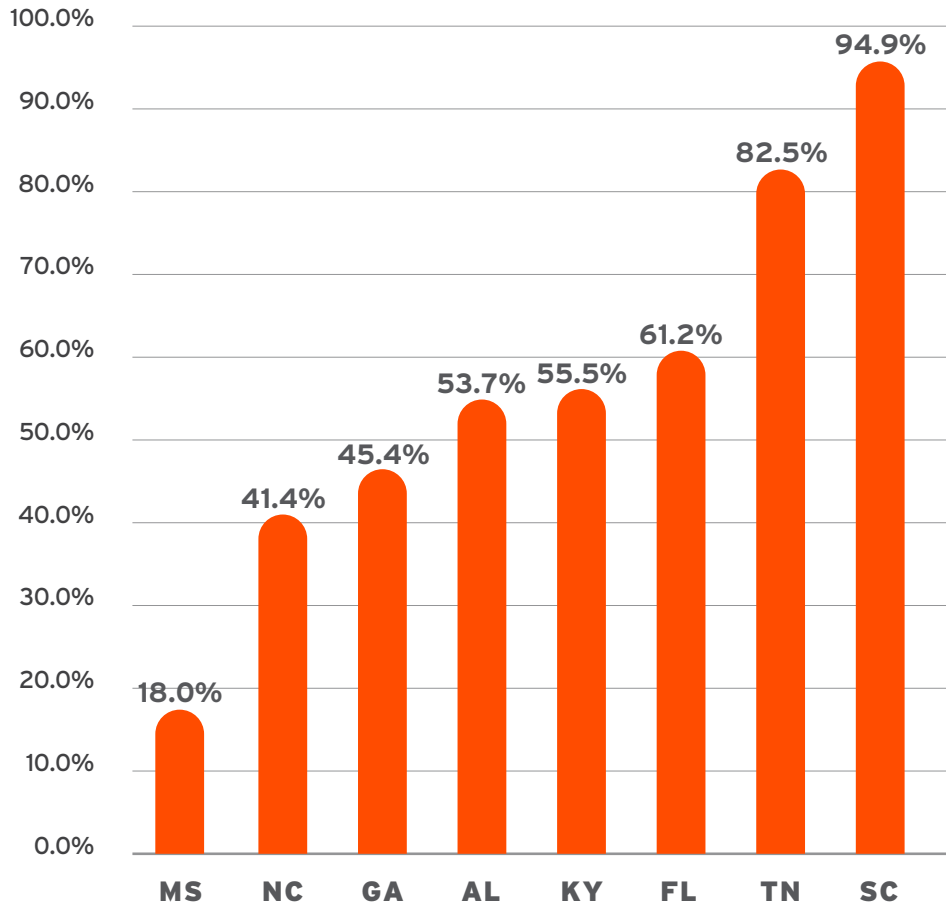
South Carolina's strong growth in advanced manufacturing production - which is largely export-oriented - has driven much of the state's economy over the previous decade.

This growth in the automotive cluster has also helped generate a major expansion of statewide tire production over the last decade. As of 2023, South Carolina has been the national leader in the export of completed passenger vehicles for nine consecutive years.² The strong growth in advanced manufacturing production - which is largely export-oriented, has driven much of South Carolina's economic growth over the previous decade.³ **Figure 1** summarizes these growth trends.

² Source: South Carolina Department of Commerce; February 2023

³ Note that advanced manufacturing is defined as NAICS code 336000

Figure 1
Total Advanced Manufacturing Employment
Growth by State: 2010-2022



Notice how **Figure 1** not only highlights the substantial growth of South Carolina’s advanced manufacturing sector, but also the fact that advanced manufacturing has grown faster in South Carolina than in any other Southeastern state. Specifically, the advanced manufacturing employment base has almost doubled (+94.9%) since 2010, with an increase of over 24,000 workers. This is followed by Tennessee (+82.5%), Florida (+61.2%), and Kentucky (+55.5%).



Looking ahead, these growth trends are likely to continue. For example, in 2022 alone, over \$10.2 billion in new capital investment was announced in South Carolina, representing the highest volume in the state's history. Moreover, a large portion of this investment comes from the automotive industry, in which companies are looking to expand or relocate to South Carolina as they pivot towards supplying and producing a higher volume of electric vehicles (EVs) to satisfy increasing global demand. Although EVs comprised just 5 percent of total vehicle sales in the U.S. in 2021, this percentage is expected to more than triple (to 18%) by the end of 2023.⁴ Automotive manufacturers are rapidly scaling up EV production, with many scheduled to completely phase out the production of internal combustion engines over the next decade. BMW, Mercedes, and Volvo - all of which have export-oriented manufacturing plants located in South Carolina - have made public commitments to having a majority of their total global sales come from electric vehicles by the year 2030. These announcements represent major long-run commitments to South Carolina among export-oriented manufacturers that would be unlikely without ready access to SC Ports facilities.

The COVID-19 Pandemic and the Acceleration of Population Migration to the Southeast

Following the onset of the COVID-19 pandemic in February 2020, there has been a major shift in the migration patterns of the United States that is likely to further increase the importance of SC Ports facilities in the coming years. Specifically, the pandemic has accelerated the rate at which the U.S. population is migrating to the Southeast. This means that there will be an increasing demand for consumer goods in the region over time, which will attract retail and distribution-based businesses. Because retailers and distributors want to locate near consumers, a fast-growing population base puts the Southeast in a strong position to compete for these companies. South Carolina, in turn, is located in the heart of the Southeastern United States - and this geographic location combined with access to SC Ports facilities puts the state in a unique position to significantly expand its role in the distribution of consumer goods. As **Figure 2** reveals, the Southern United States is projected to see more population gains than any other U.S. region through the year 2040, with these gains especially concentrated in the South Atlantic Region. In addition, South Carolina's rate of population growth has accelerated faster than any other state following the onset of the pandemic in February 2020.

⁴Source: <http://www.iea.org>

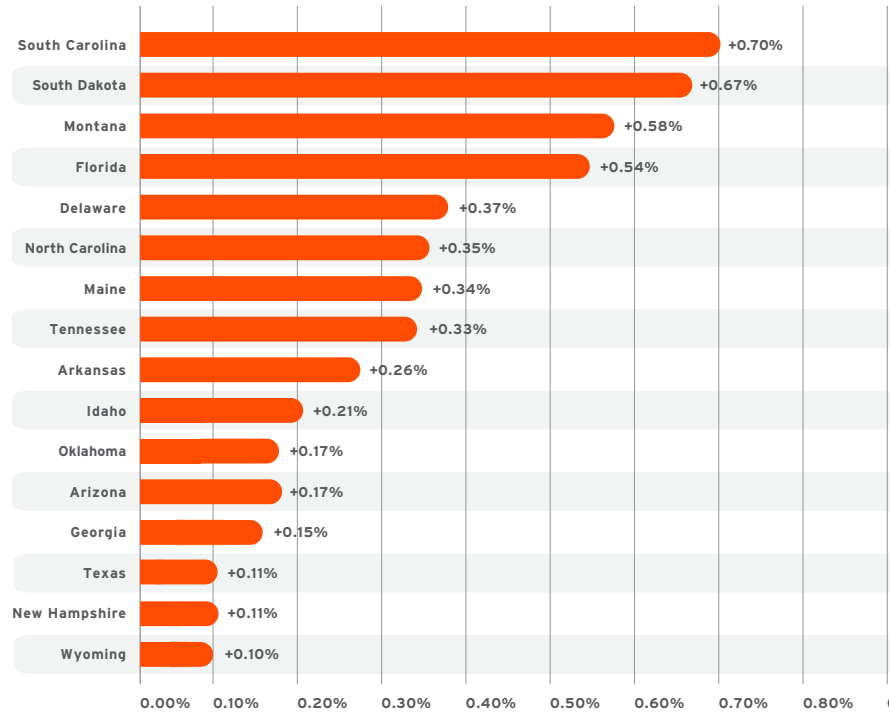
Figure 2

Population Growth Trends in the United States

South Carolina's rate of population growth accelerated faster than any other state following the onset of the COVID-19 pandemic, from +1.0% to +1.7%

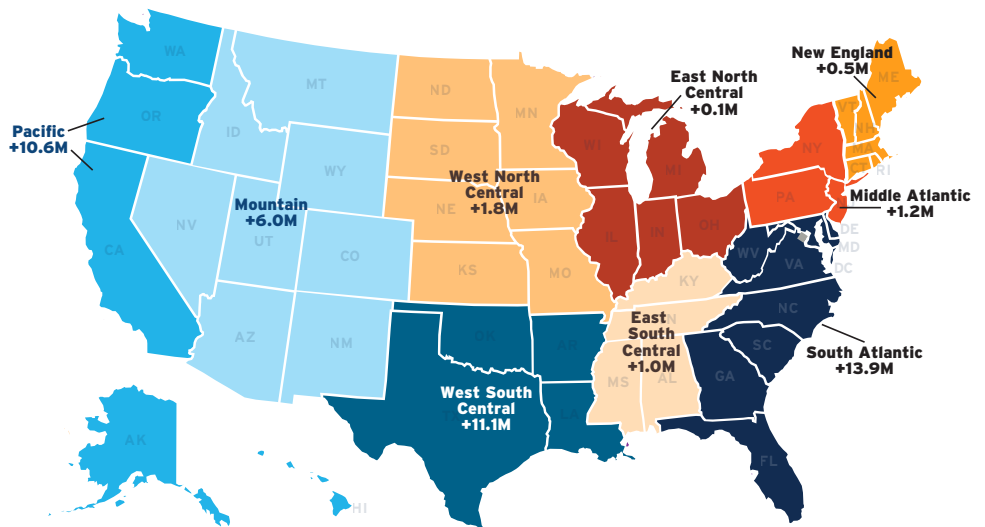
Change in Population Growth Rate: 2022 vs. 2019

Note: Only states with a positive change in its growth rate are listed



The Southeastern United States is projected to experience more population gains than any other U.S. region through the year 2040

Projected Population Growth by U.S. Region: 2022-2040



SECTION III

ECONOMIC IMPACT

METHODOLOGY



SC Ports facilitates a large volume of shipping-based business activity that generates billions of dollars in economic activity and directly employs thousands of workers across the state every year. Yet these activities do not provide a complete picture of the impact of SC Ports on South Carolina’s economy. The expenditures that occur within the port facilities themselves and the expenditures of the businesses that use these port facilities both lead to additional job creation and economic activity throughout South Carolina by way of the economic multiplier effect (or economic ripple effect).

The Economic Multiplier Effect

Economic multiplier effects can be divided into direct, indirect, and induced impacts. The direct impact reflects all in-state purchases made by the port facilities themselves and the businesses that directly utilize these port facilities. These include, for example, employee wages and benefits, equipment, building construction and remodeling, technology services, vendors, and other overhead or administrative costs. This spending activity increases demand and leads to the creation of new jobs and more income for employees and suppliers of these businesses.



The indirect impact reflects additional economic activity that results from inter-industry linkages between local firms in South Carolina. For example, when a large automotive company purchases materials from in-state vendors in order to produce vehicles that will be shipped overseas, these in-state vendors experience an increase in demand. To satisfy this demand, they must purchase additional inputs from their suppliers – such as additional equipment. Suppliers of this additional equipment must then purchase additional supplies as well, and so on. These indirect effects ripple through the economy and affect many sectors of South Carolina.

The induced impact reflects additional economic activity that results from increases in the spending of household income. For example, when the aforementioned automotive company purchases materials from one of its suppliers and the overall demand for this supplier firm rises, some of the staff working for this supplier will see a rise in their income levels. Part of this income will then be spent locally on, for example, food, entertainment, or housing. These industries will then also see an increase in demand for their goods and services, which will lead to higher incomes for some of their employees, part of which will also be spent locally.

These successive rounds of indirect and induced spending do not go on forever, which is why a value can be calculated for each of them. In each round, money is “leaked out” for a variety of reasons. For example, firms may purchase some of their supplies from vendors located outside of South Carolina. In addition, employees will save part of their income or spend part of it with firms located outside of the state. In order to determine the total economic impact that will result from an initial direct impact, economic multipliers are used. An economic multiplier can be used to determine the total impact (direct, indirect, and induced) that results from an initial change in economic activity (the direct impact). Multipliers are different in each sector of the economy and are largely determined by the size of the local supplier network as well as the particular region being examined. In addition, economic multipliers are available to calculate not just the total impact, but also the total employment and income levels associated with the total impact.

To estimate the impact of SC Ports on the state of South Carolina, a detailed structural model (known as an input-output model) of the South Carolina economy was used, which contains specific information on economic linkages between different industries at the county-level. The input-output modeling software IMPLAN was utilized in combination with other customized regional forecasting models that were developed. This allows for the inclusion of additional local data, industry knowledge, and ongoing economic growth trends.



Data Inputs: Port Operations and Port Users

In this analysis, the direct impact of SC Ports is assumed to come from two specific sources: Port Operations and Port Users. The direct impacts arising from port operations consist of all payroll and non-payroll expenditures associated with the operation of SC Ports facilities. SC Ports provides a full range of cargo handling and storage services, directly employing a total of 925 workers. In addition, many companies throughout South Carolina regularly ship cargo through the port facilities, with many transportation companies facilitating this trade. These businesses include freight forwarders, marine shipping agents, customs brokers, marine cargo handling, and general freight trucking.

Table 1 displays all full-time employment estimates associated with these business activities in South Carolina.

Table 1
Direct Employment Attributable to SC Ports Operations⁵

| CATEGORY | EMPLOYMENT |
|------------------------------------|---------------|
| SC Ports Employees | 925 |
| Freight Transportation Arrangement | 3,560 |
| Marine Cargo Handling | 2,041 |
| Trucking | 3,525 |
| Total | 10,051 |

⁵ Data for SC Ports Cargo Handling Services were obtained from SC Ports – all other data from the U.S. Bureau of Labor Statistics (BLS); North American Industry Classification System (NAICS) codes associated with each category are, in listed order: 488510, 488320, and 484122; data obtained from the BLS represent annual figures from 2022.

The direct impacts arising from port users refer to all business activities in South Carolina that require a port facility to be completed. Many businesses throughout the state depend on the Port of Charleston and the Inland Ports located in Greer and Dillon to receive and/or ship cargo. While these firms are not entirely dependent on port facilities for all of their business transactions, the availability of the port system is nevertheless critical to their success and, in many cases, is instrumental in major business location decisions. Utilization of SC Ports facilities is a major competitive advantage for businesses located in South Carolina – and is therefore a competitive advantage for South Carolina itself as it recruits new businesses to the state.

In 2022, South Carolina exported nearly \$28.6 billion in total cargo while importing approximately \$70.8 billion over the same period.⁶ **Table 2** shows these figures as well as the subset of this export and import activity specifically shipped through South Carolina port facilities.

Table 2
Export/Import Activity in South Carolina

| | TOTAL EXPORTS (2022) | TOTAL IMPORTS (2022) |
|-------------------------------------|---------------------------------|---------------------------------|
| South Carolina Total | \$28,582,070,096 | \$70,833,947,168 |
| Shipped through SC Ports Facilities | \$26,873,865,384 | \$70,291,441,824 |

Utilization of SC Ports facilities is a major competitive advantage for businesses located in South Carolina – and is therefore a competitive advantage for South Carolina itself as it recruits new businesses to the state.

⁶ All export and import data in this report were retrieved from the Foreign Trade Division of the U.S. Census



As a result of the COVID-19 pandemic, the import/export distribution of cargo shipped through SC Ports facilities has shifted in recent years. While the total dollar volume of exports increased by 1.4 percent between 2018 and 2022, the total dollar volume of imports increased by 52.5 percent over the same time period. This growth in import activity was the direct consequence of a major change in consumer behavior in 2020 following the onset of the pandemic in which consumers began to engage in social distancing. This shifted their spending patterns away from in-person consumer services and towards consumer goods. For example, rather than going out to eat or going on vacation, people were instead more likely to purchase gym equipment, furniture, home renovations – and in many cases were relocating and purchasing a new home as employers began to allow their staffs to work remotely. And although these new consumer behavior patterns began to reverse by the latter half of 2021, consumers have yet to fully return to pre-pandemic spending norms.

By contrast, slower growth in the global economy and supply-chain shortages have been the principal contributors to the more sluggish growth in export activity. South Carolina export cargo is largely driven by the state's export-oriented advanced manufacturing industry, in which China and Germany are the principal geographic regions to which the SC Ports facilities export. Since the beginning of the pandemic, China's growth rate declined by half, while Germany – the United States' leading trading partner (in exports) – had among the lowest GDP growth of all U.S. trading partners. Furthermore, a global shortage in semiconductors significantly reduced the production and sales in the automotive industry. The automotive industry, in turn, represents a significant portion of advanced manufacturing in South Carolina.

The top ten product types for both exports and imports – ranked by dollar volume – are displayed in **Tables 3 and 4**. Note that products encompassing the automotive and tire clusters comprise three of the top five categories, which combines for a total of 52 percent of all SC Ports export activity (by dollar volume). This highlights the importance of SC Ports for the ongoing health and development of these clusters that have been principally responsible for South Carolina's overall economic growth over the last decade.

Table 3

Top 10 Product Types **Exported** through SC Ports Facilities

| PRODUCT DESCRIPTION | DOLLAR VOLUME |
|--|-----------------|
| Vehicles, Except Railway or Tramway, and Parts Etc | \$9,626,446,231 |
| Plastics and Articles Thereof | \$3,469,443,170 |
| Machinery and Mechanical Appliances; Parts Etc | \$2,311,253,643 |
| Rubber and Articles Thereof | \$981,900,679 |
| Meat and Edible Meat Offal | \$835,010,841 |
| Electric Machinery Etc; Sound Equip; TV Equip; Pts | \$752,949,811 |
| Miscellaneous Chemical Products | \$726,894,731 |
| Organic Chemicals | \$708,032,106 |
| Wood Pulp Etc; Recovd (waste & Scrap) paper/paperboard | \$699,997,339 |
| Inorganic Chemicals; Precious & Rare-earth metals | \$490,103,723 |

Table 4

Top 10 Product Types **Imported** through SC Ports Facilities

| PRODUCT DESCRIPTION | DOLLAR VOLUME |
|--|------------------|
| Machinery and Mechanical Appliances; Parts Etc | \$14,955,114,712 |
| Electric Machinery Etc; Sound Equip; TV Equip; Pts | \$6,801,567,739 |
| Vehicles, Except Railway or Tramway, and Parts Etc | \$5,789,935,203 |
| Pharmaceutical Products | \$3,945,182,159 |
| Plastics and Articles Thereof | \$3,248,694,462 |
| Organic Chemicals | \$3,117,180,170 |
| Rubber and Articles Thereof | \$2,641,718,595 |
| Furnit; bedding, mattres; luminairies, light fix; prefab | \$2,578,491,891 |
| Apparel Articles and Accessories, Knit or Crochet | \$1,747,382,001 |
| Articles of Iron or Steel | \$1,654,167,001 |



Approximately
73.2%
of the total cargo
exported through
SC Ports facilities
originates from
businesses located
in South Carolina.

Although **Tables 2-4** display the total dollar volume and major product categories of exports and imports that flow through SC Ports facilities, not all of this cargo is destined for, or originates from businesses in South Carolina. For example, a manufacturing firm in nearby North Carolina may ship or receive cargo via ground transportation to the Port of Charleston. In this case, the economic impact derived from the firm in North Carolina would be concentrated within the state of North Carolina, not South Carolina. Approximately 73.2 percent of the total cargo exported through SC Ports facilities originates from businesses located in South Carolina; conversely, approximately 54.8 percent of the total cargo imported through SC Ports facilities is destined for businesses in South Carolina.⁷ Combining these percentages with 2022 trade data yields the direct impacts associated with port users that will serve as the direct impact estimates in this report.

⁷ These estimates were generated using the most recent trade flow data from the U.S. Foreign Trade Division and from the U.S. Census Bureau's Commodity Flow Survey.

SECTION IV

STATEWIDE RESULTS

The structural input-output model outlined above used to evaluate the impact of SC Ports facilities on South Carolina calculates economic impacts in terms of three specific measures: economic output, employment, and labor income. Economic output is defined as the dollar value of the final goods and services purchased that can be attributed (directly or indirectly) to SC Ports. It can also be thought of as an aggregate measure of total spending resulting from an initial direct expenditure. Because it includes all spending by consumers and businesses on both goods and services, it is an all-inclusive measure of the impact on total economic activity. Employment measures the impact on jobs in terms of the total number of positions. Labor income represents total employee compensation, including wages, salaries, and benefits.





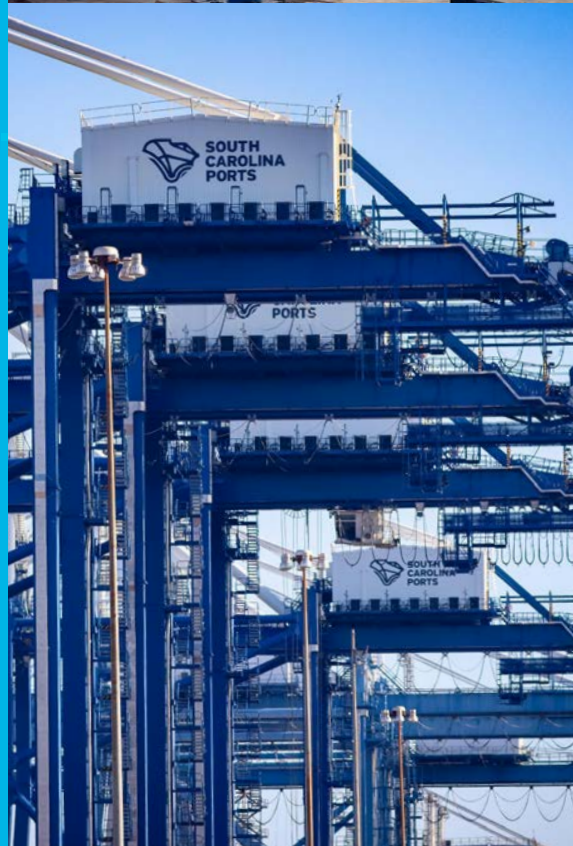
Statewide Economic Impact: Port Operations

As summarized above in **Table 1**, the total direct impact of SC Ports operations is approximately 10,051 employees. This includes SC Ports cargo handling services, freight transportation arrangement, marine cargo handling, and select trucking services. These direct impacts also lead to indirect and induced impacts through increases in demand for goods and services in other related local industries and through increases in household spending activity - all of which are estimated using economic multipliers. Each impact is reported in **Table 5**, along with the accompanying totals. These totals represent the overall impact of SC Ports operations on the state of South Carolina.

Table 5
Statewide Economic Impact of SC Ports Operations

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|------------------------|------------------------|
| Direct Impact | 10,051 | \$761,587,143 | \$1,827,199,812 |
| Indirect Impact | 5,792 | \$337,244,601 | \$845,732,707 |
| Induced Impact | 4,818 | \$235,053,443 | \$794,867,643 |
| Total Impact | 20,661 | \$1,333,885,187 | \$3,467,800,162 |

The approximately \$1.8 billion in direct economic output leads to an additional \$845.7 million in indirect effects, which is the estimated total dollar value of the increased demand for goods and services of in-state suppliers that result from the \$1.8 billion in direct procurement activity from SC Ports operations. This direct output also leads to another \$794.9 million in induced effects, which represents the total increase in household spending that occurs across a wide variety of industries in South Carolina.



The combination of the direct, indirect, and induced impacts leads to a total impact of nearly \$3.5 billion on the state of South Carolina that is associated with SC Ports operations.

Table 5 also details the indirect and induced impacts for labor income and employment. The \$845.7 million in indirect effects is associated with 5,792 additional employees working to fulfill the increased demand for industry related in-state suppliers throughout South Carolina. This indirect employment is also associated with \$337.2 million in additional labor income. Another 4,818 employees are supported through the \$794.9 million estimated induced impact. These are employees who work in industries that experience an increase in demand due to increased household spending. For example, if a cargo transportation-related purchase led to an increase in demand for a particular supplier, this would lead to additional income for some of the supplier's employees. Additional spending on the part of the supplier's employees that results from their increased income reflects the induced impact. This spending leads to increased demand in a variety of industries that ultimately supports these 4,818 jobs, \$794.9 million in economic output, and \$235.1 million in labor income. In sum, the total economic impact of SC Ports operations is approximately \$3.5 billion in total economic output, which corresponds to 20,661 jobs and \$1.3 billion in labor income.



Statewide Economic Impact: Port Users

Despite the significant impact of SC Ports operations, the principal value of SC Ports to the state of South Carolina comes from its ability to enable business activity in the state that would not otherwise exist. The global supply chains and global distribution channels of many South Carolina firms make access to a port facility critically important, offering an important competitive advantage not available in many other states. **Table 6** summarizes the total direct business activity that is supported in South Carolina. These estimates are generated by first calculating the annualized total dollar value of all exports and imports to date in 2023 and the adjusting this value to include only the dollar volume of cargo that originates from or is destined for businesses in South Carolina.

Table 6
Total Direct Business Activity in S.C. Supported by SC Ports Facilities (2023)

| TOTAL EXPORTS | TOTAL IMPORTS |
|------------------|------------------|
| \$19,305,555,823 | \$38,164,549,920 |

In sum, approximately \$57.5 billion in economic activity is directly supported by port facilities in South Carolina. These dollars reflect all private business activity that directly involves an SC Ports facility - either through the distribution of goods to customers or through the acquisition of supplies for production. **Table 7** summarizes all economic multiplier effects that arise in South Carolina from this initial \$57.5 billion in economic activity.

Table 7

Table 7 - Statewide Economic Impact of SC Ports Users

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|----------------|-------------------------|-------------------------|
| Direct Impact | 114,689 | \$8,969,469,627 | \$57,470,105,743 |
| Indirect Impact | 65,791 | \$4,461,305,557 | \$16,081,980,291 |
| Induced Impact | 58,879 | \$2,874,175,718 | \$9,718,122,676 |
| Total Impact | 239,359 | \$16,304,950,902 | \$83,270,208,710 |

The approximately \$57.5 billion in direct economic activity (economic output) is associated with 114,689 jobs in South Carolina and \$9.0 billion in labor income. It also leads to an additional \$16.1 billion in indirect effects, which is the estimated total dollar value of the increased demand for goods and services of in-state suppliers that result from the \$57.5 billion in direct output from SC Ports users. This direct output also leads to another \$9.7 billion in induced effects, which represents the total increase in household spending that occurs across a wide variety of industries in South Carolina. The combination of the direct, indirect, and induced impacts leads to a total impact of roughly \$83.3 billion on the state of South Carolina that is associated with all SC Ports users. When combining all impacts associated with both port operations and port users, the total economic impact of SC Ports on the state of South Carolina is \$86.7 billion annually, which supports 260,020 jobs and \$17.6 billion in labor income. Such a sizable economic footprint implies that SC Ports supports (directly or indirectly) 1 out of every 9 jobs in South Carolina.

The total economic impact of SC Ports on the state of South Carolina is \$86.7 billion annually, which supports 260,020 jobs and \$17.6 billion in labor income. Such a sizable economic footprint implies that SC Ports supports (directly or indirectly) 1 out of every 9 jobs in South Carolina.

Supporting High Wage Employment

One of the most important components of South Carolina's manufacturing industry is its ability to generate and support high wage jobs that also experience wage growth. For example, the average annual wage in South Carolina's manufacturing industry was approximately \$67,514 in 2022, which was about 22.2 percent higher than the state average over the same time period (\$55,254). In addition, manufacturing was one of the few South Carolina industries in which wage growth generally kept pace with inflation following onset of the COVID-19 pandemic. Between May 2020 and May 2023, U.S. inflation increased by a total of 18.5 percent, while wage growth in South Carolina manufacturing jobs increased by 18.2 percent over the same period.⁸

Table 8 provides a breakdown of the industry composition of export and import activity in South Carolina that is facilitated by SC Ports. Notice that the majority of this activity is contained within the manufacturing industry. Thus, the majority of the business activities supported by SC Ports are occurring within industries that are increasing both the average wage and the average wage growth of jobs in South Carolina. This is a key finding and represents one of the most important contributions of SC Ports to the state of South Carolina. High-quality, high-wage jobs are vital to the health of the state's economy, and through its direct support of manufacturing, SC Ports is taking an active role in ensuring that the manufacturing sector continues to thrive.

Table 8
Total Export/Import Activity Across all SC Ports Facilities by Industry

| INDUSTRY | NAICS CODE (2-DIGIT) | PCT. OF TOTAL |
|---|----------------------|---------------|
| Agriculture, Forestry, Fishing, and Hunting | 11 | 1.8% |
| Mining | 21 | 0.2% |
| Manufacturing | 31-33 | 94.9% |
| All Other | N/A | 3.1% |

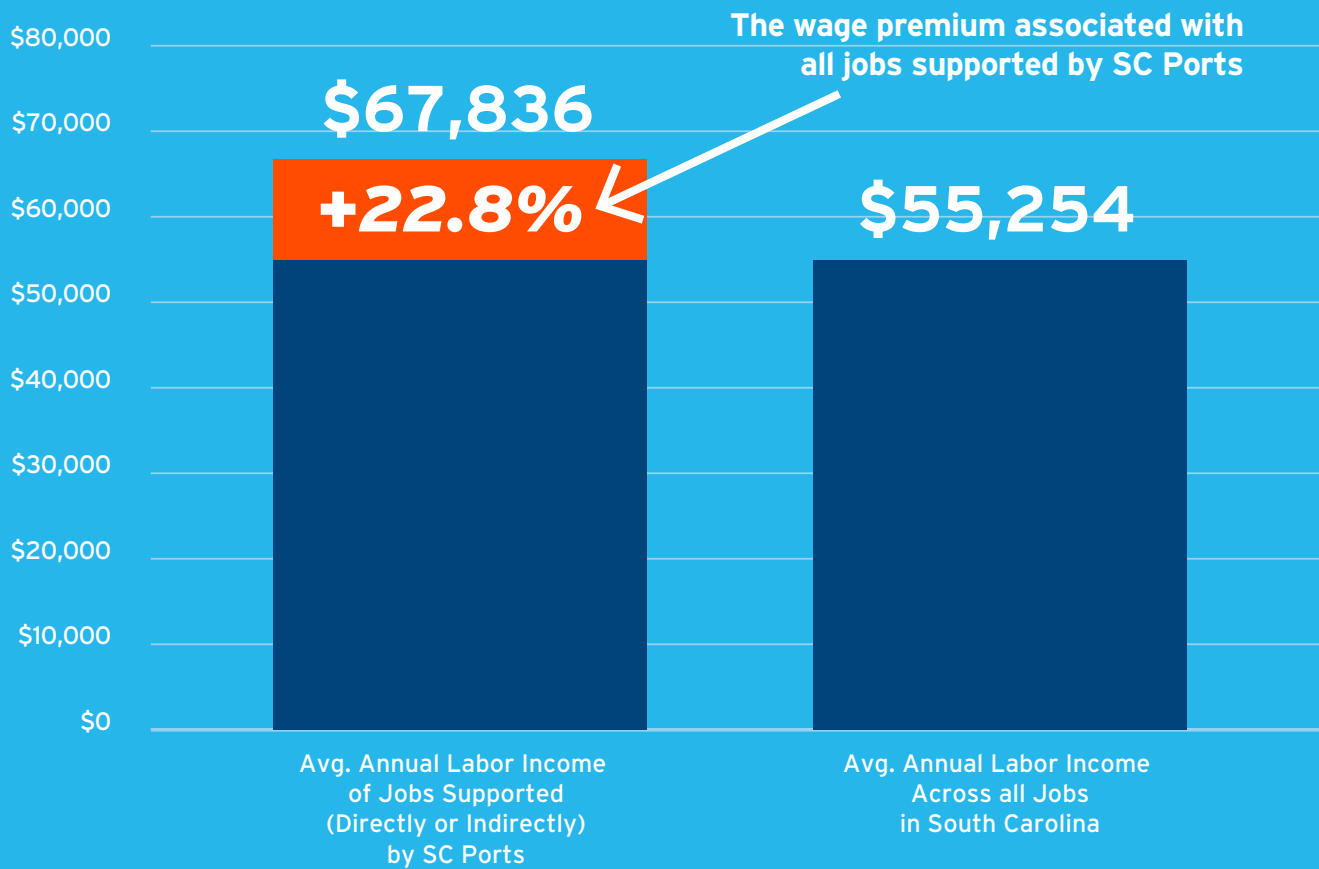
⁸ Source: U.S. Bureau of Labor Statistics

This effect can be directly observed by examining the results presented in **Tables 5 and 7** that show that the combined impact of all port operations and port users supports approximately \$17.6 billion in labor income for South Carolinians across 260,020 jobs. This implies that the average job supported, directly or indirectly, by SC Ports in South Carolina pays an annual labor income of \$67,836. This is approximately 22.8 percent higher than the average labor income among all jobs in South Carolina, as illustrated in **Figure 3**.

Figure 3

Annual Labor Income Comparisons: SC Ports and South Carolina

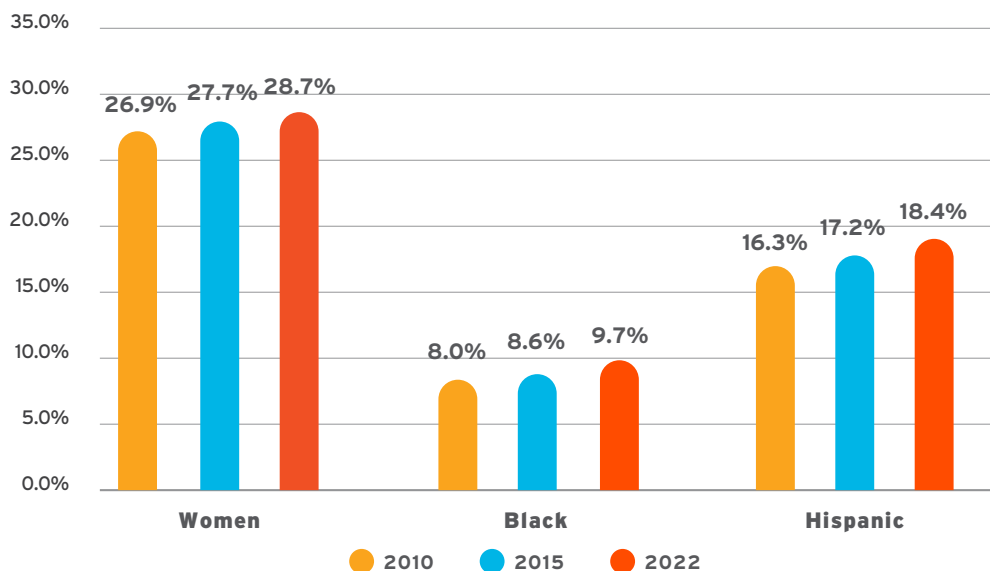
Note that Labor Income includes all wages, salaries, and benefits



Supporting Diversity of Employment

In addition to facilitating an increasing number of high-wage, high-skilled jobs across South Carolina, SC Ports is also actively supporting an increasingly diverse employment base. Specifically, the percentage of jobs supported (directly or indirectly) by SC Ports that are held by women and minorities has steadily increased over the past decade. **Figure 4** highlights these growing percentages. Note that the Black population and the Hispanic population are the two largest minority groups in South Carolina. Collectively, these percentages imply that more than one-third (36%) of all jobs currently supported directly or indirectly by SC Ports are held by women and minorities. This represents approximately 93,771 jobs across South Carolina.

Figure 4
Pct. of SC Ports-Supported Employment by Population Group



More than one-third (36%) of all jobs currently supported directly or indirectly by SC Ports are held by women and minorities. This represents approximately 93,771 jobs across South Carolina



SC Ports also facilitates a disproportionately large employment of veterans. This is the direct result of the fact that veterans are more likely to be employed in industries that are major users of SC Ports facilities. This is especially true in manufacturing. For example, as **Table 9** highlights, **12.0 percent of all veterans are employed in manufacturing compared to just 9.3 percent of non-veterans**. The manufacturing industry, in turn, is a heavy port user, generating 94.9 percent of all export activity as previous documented in **Table 8**.

Table 9
Percentage of Veterans Employed by Selected Industries

| INDUSTRY | VETERANS | NON-VETERANS |
|---|----------|--------------|
| Agriculture, Forestry, Fishing, and Hunting | 1.4% | 1.4% |
| Mining | 0.6% | 0.4% |
| Manufacturing | 12.0% | 9.3% |

Supporting Local Businesses

Among the more unique benefits of SC Ports is the degree to which it supports local businesses in South Carolina, especially when compared to other major ports across the United States. Although all cargo volume shipped through SC Ports facilities generate positive economic impacts for the state of South Carolina, these impacts are even larger when they directly facilitate in-state business activity. This is what was previously denoted in **Table 7** as the economic impact of port users - that is - the economic impact of in-state business activity that requires a port facility to be completed.

In order to examine the degree to which each of the top 10 ports in the United States is supporting local, in-state businesses and how SC Ports compares to these port facilities, a customized metric - known as the Local Business Coefficient (LBC) - was utilized in this study. The LBC is specifically defined as the percentage of total exports shipped out of a given state that originate from an in-state business. Thus, it is calculated by dividing the total dollar volume of all export cargo with an in-state origin of movement by the total value of all cargo exported. **Table 10** summarizes these values for each of the top 10 U.S. ports.

Table 10

Local Business Coefficients (LBCs) by Selected U.S. Port Facilities

**Note that estimates greater than 100 percent suggest a lack of port capacity*

| U.S. PORTS | EXPORTED CARGO ORIGINATING IN-STATE (2022) | EXPORTED CARGO SHIPPED THROUGH IN-STATE PORT FACILITY (2022) | PCT. OF IN-STATE ORIGINATED CARGO EXPORTED THROUGH IN-STATE PORT FACILITY (LBC) |
|--|--|--|---|
| Port of Houston | \$293,389,069,195 | \$136,897,979,874 | 214.3%* |
| Port of Seattle | \$27,944,526,463 | \$14,961,601,865 | 186.8%* |
| Port of Charleston | \$19,658,958,123 | \$26,873,865,384 | 73.2% |
| Ports of L.A., Oakland, and Long Beach, CA | \$50,026,796,471 | \$78,148,808,426 | 64.0% |
| Port of New York/New Jersey | \$25,035,151,429 | \$43,340,211,643 | 57.8% |
| Port of Savannah | \$20,254,549,336 | \$42,825,938,618 | 47.3% |
| Port of Virginia | \$16,190,650,204 | \$35,382,600,575 | 45.8% |

Note that in 2022, SC Ports facilities exported approximately \$26.9 billion in cargo, of which up to \$19.7 billion originated in-state. This means that up to 73.2 percent of all cargo exported through SC Ports facilities could originate from South Carolina businesses. This percentage ranks third among the top 10 U.S. ports and only ranks behind ports with LBCs above 100 percent, as **Table 10** illustrates. Maintaining a relatively high LBC that is also less than 100 percent suggests a strong balance between maintaining an ability to accommodate additional local demand from future in-state business growth while also maximizing the support of all current in-state export-oriented business activity.

The ability of SC Ports to accommodate future increases in export-oriented business activity in South Carolina stands in direct contrast to the Ports of Houston and Seattle, with LBCs of 214.3 percent and 186.8 percent, respectively. An LBC that is greater than 100 percent implies that existing port facilities are not fully servicing the shipping requirements of in-state businesses. For example, in 2022, the Port of Seattle exported \$15.0 billion in cargo even though more than \$27.9 billion was exported by Washington-based businesses. This means that \$12.9 billion in cargo was exported by Washington-based businesses using a port other than the Port of Seattle.

South Carolina's relatively high LBC of 73.2 percent can also be compared to states with lower LBC values. Examining the LBCs represented by the Port of New York/New Jersey (57.8%), the Port of Savannah (47.3%), and the Port of Virginia (45.8%) reveals that SC Ports facilities are far more likely to be supporting in-state businesses and the economic activity that these businesses generate.



SC Ports maintains a strong balance between the ability to accommodate additional local demand from future in-state business growth and maximizing the support of all current in-state export-oriented business activity.

Beyond South Carolina's Borders: Economic Impact in the Southeastern U.S.

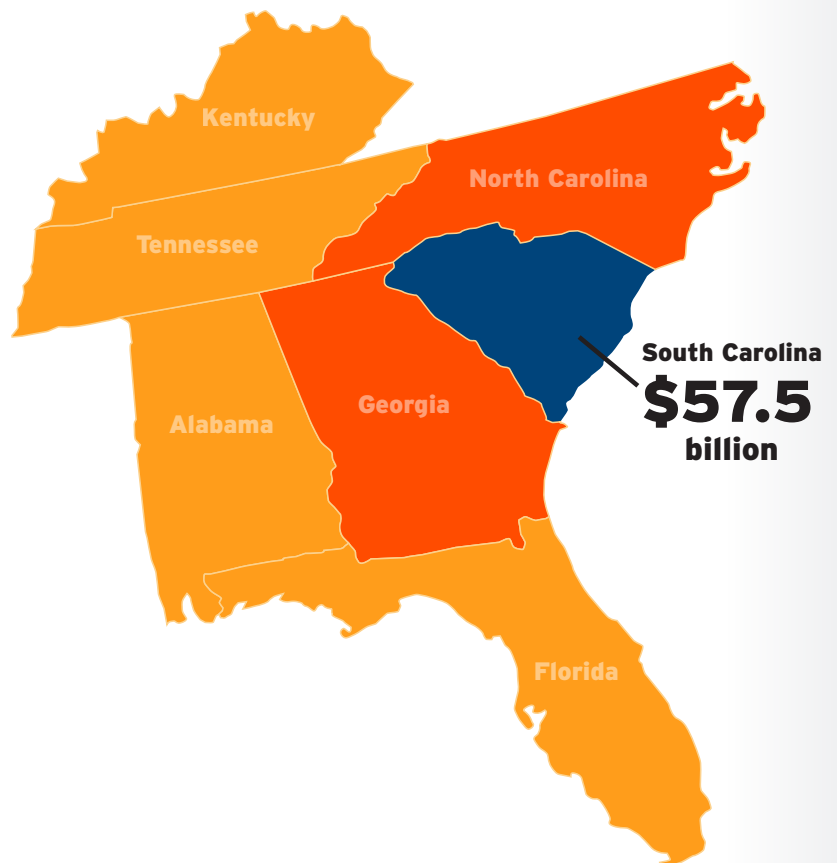
As noted above in **Table 6**, approximately \$57.5 billion in statewide economic activity is directly supported by port facilities in South Carolina. These dollars reflect all statewide private business activity that directly involves a SC Ports facility - either through the distribution of goods to customers (exports) or through the acquisition of supplies for production (imports).

There is, however, additional economic activity outside the state that is also directly supported by South Carolina port facilities. These arise from out-of-state businesses that either ship goods (exports) or receive goods (imports) through a South Carolina port facility. For example, a manufacturing firm in nearby North Carolina may ship or receive cargo via ground transportation to the Port of Charleston. Thus, the South Carolina port facilities can also provide a competitive advantage to businesses in neighboring states, which will then factor into those businesses' location decisions.

Figure 5 summarizes the total economic activity in each of seven Southeastern states that is directly supported by the port facilities in South Carolina. These states include South Carolina (\$57.5 billion), North Carolina (\$2.5 billion), Georgia (\$2.1 billion), Tennessee (\$0.6 billion), Florida (\$0.6 billion), Alabama (\$0.4 billion), and Kentucky (\$0.3 billion).

In sum, the direct economic activity supported by South Carolina port facilities across these seven Southeastern states totals approximately \$64.7 billion annually. This direct economic activity also leads to economic multiplier effects in each state in the form of indirect and induced impacts as detailed in **Tables 11-16** below.

Figure 5
Total Direct Business Activity
Supported by SC Ports Facilities
in the Southeastern U.S. (2022)



SC PORTS: ECONOMIC IMPACT IN THE SOUTHEAST

North Carolina

The economic impacts of all activities associated with SC Ports users in North Carolina are given in **Table 11**. SC Ports currently supports **\$2.5 billion** in direct economic output and approximately **\$312.4 million** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on North Carolina is approximately **\$3.8 billion** in economic output, **14,414 total jobs**, and nearly **\$700 million** in labor income.

Table 11 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|----------------------|------------------------|
| Direct Impact | 5,211 | \$312,434,923 | \$2,539,647,095 |
| Indirect Impact | 5,331 | \$251,748,068 | \$869,470,352 |
| Induced Impact | 3,872 | \$134,848,355 | \$419,978,985 |
| Total Impact | 14,414 | \$699,031,346 | \$3,829,096,432 |

Georgia

The economic impacts of all activities associated with SC Ports users in Georgia are given in **Table 12**. SC Ports currently supports **2.1 billion** in direct economic output and approximately **\$289.5 million** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on Georgia is approximately **\$3.3 billion** in economic output, **12,098 total jobs**, and nearly **\$632.9 million** in labor income.

Table 12 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|----------------------|------------------------|
| Direct Impact | 4,038 | \$289,464,896 | \$2,135,612,341 |
| Indirect Impact | 4,251 | \$212,981,512 | \$731,116,800 |
| Induced Impact | 3,809 | \$130,471,142 | \$411,260,789 |
| Total Impact | 12,098 | \$632,917,550 | \$3,277,989,930 |

SC PORTS: ECONOMIC IMPACT IN THE SOUTHEAST

Tennessee

The economic impacts of all activities associated with SC Ports users in Tennessee are given in **Table 13**. SC Ports currently supports **\$613.3 million** in direct economic output and approximately **\$67.7 million** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on Tennessee is approximately **\$912.7 million** in economic output, **4,110 total jobs**, and nearly **\$162 million** in labor income.

Table 13 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|--------------|----------------------|----------------------|
| Direct Impact | 1,977 | \$67,660,238 | \$613,267,057 |
| Indirect Impact | 1,245 | \$59,640,377 | \$201,802,605 |
| Induced Impact | 888 | \$34,893,854 | \$97,615,958 |
| Total Impact | 4,110 | \$162,194,469 | \$912,685,620 |

Florida

The economic impacts of all activities associated with SC Ports users in Florida are given in **Table 14**. SC Ports currently supports **\$570.0 million** in direct economic output and approximately **\$75.5 million** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on Florida is approximately **\$904.5 million** in economic output, **3,603 total jobs**, and nearly **\$174 million** in labor income.

Table 14 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|--------------|----------------------|----------------------|
| Direct Impact | 1,326 | \$75,539,950 | \$569,977,615 |
| Indirect Impact | 1,188 | \$58,306,328 | \$203,481,807 |
| Induced Impact | 1,089 | \$40,608,873 | \$131,072,512 |
| Total Impact | 3,603 | \$174,455,151 | \$904,531,934 |

SC PORTS: ECONOMIC IMPACT IN THE SOUTHEAST

Alabama

The economic impacts of all activities associated with SC Ports users in Alabama are given in **Table 15**. SC Ports currently supports **\$440.1 million** in direct economic output and approximately **\$56.4 million** in labor income.

When combined with the indirect and induced impacts, the total economic impact of SC Ports on Alabama is approximately **\$608.1 million** in economic output, **2,276 total jobs**, and nearly **\$103 million** in labor income.

Table 15 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|--------------|----------------------|----------------------|
| Direct Impact | 1,050 | \$56,369,001 | \$440,109,299 |
| Indirect Impact | 684 | \$29,757,747 | \$113,314,398 |
| Induced Impact | 542 | \$16,823,906 | \$54,723,516 |
| Total Impact | 2,276 | \$102,950,654 | \$608,147,213 |

Kentucky

The economic impacts of all activities associated with SC Ports users in Kentucky are given in **Table 16**. SC Ports currently supports **\$324.7 million** in direct economic output and approximately **\$37.4 million** in labor income.

When combined with the indirect and induced impacts, the total economic impact of SC Ports on Kentucky is approximately **\$474.2 million** in economic output, **2,047 total jobs**, and nearly **\$83.3 million** in labor income.

Table 16 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|--------------|---------------------|----------------------|
| Direct Impact | 976 | \$37,379,448 | \$324,670,793 |
| Indirect Impact | 619 | \$29,062,508 | \$100,799,324 |
| Induced Impact | 452 | \$16,889,265 | \$48,741,309 |
| Total Impact | 2,047 | \$83,331,220 | \$474,211,426 |

SECTION V

SOUTH CAROLINA

REGIONAL RESULTS

As previously outlined, between the impacts arising from port operations and port users across South Carolina, the total economic impact of SC Ports in the Palmetto State approximates \$86.7 billion annually. Nevertheless, this impact is not uniformly distributed across the state. This section breaks out all South Carolina impact estimates at the regional level. For the purposes of this report, South Carolina is divided into four regional economic development areas as outlined in **Table 17** below.

Table 17
Regional Definitions within South Carolina

| Region | Included Counties |
|------------|--|
| MIDLANDS | Calhoun, Clarendon, Fairfield, Kershaw, Lee, Lexington, Newberry, Orangeburg, Richland, Saluda, Sumter, Aiken, Allendale, Bamberg, Barnwell, Edgefield |
| PEE DEE | Chesterfield, Darlington, Dillon, Florence, Georgetown, Horry, Marion, Marlboro, Williamsburg |
| UPSTATE | Abbeville, Anderson, Cherokee, Chester, Greenville, Greenwood, Lancaster, Laurens, McCormick, Oconee, Pickens, Spartanburg, Union, York |
| LOWCOUNTRY | Beaufort, Colleton, Hampton, Jasper, Berkeley, Charleston, Dorchester |

SC PORTS: REGIONAL IMPACTS WITHIN SOUTH CAROLINA

The Midlands

The economic impacts of all activities associated with SC Ports operations and port users in the Midlands region of South Carolina are given in **Table 18**. SC Ports currently supports **\$15.2 billion** in direct economic output and approximately **\$2.5 billion** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on the Midlands region is approximately **\$22.3 billion** in economic output, **66,785 total jobs**, and over **\$4.5 billion** in labor income.

Table 18 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|------------------------|-------------------------|
| Direct Impact | 32,039 | \$2,499,372,055 | \$15,230,209,007 |
| Indirect Impact | 18,386 | \$1,232,483,013 | \$4,347,796,322 |
| Induced Impact | 16,360 | \$798,589,574 | \$2,700,207,680 |
| Total Impact | 66,785 | \$4,530,444,643 | \$22,278,213,009 |

Pee Dee

The economic impacts of all activities associated with SC Ports operations and port users in the Pee Dee region of South Carolina are given in **Table 19**. SC Ports currently supports **\$6.6 billion** in direct economic output and approximately **\$1.1 billion** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on the Pee Dee region is approximately **\$9.7 billion** in economic output, **28,939 total jobs**, and over **\$1.9 billion** in labor income.

Table 19 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|------------------------|------------------------|
| Direct Impact | 13,883 | \$1,083,024,651 | \$6,599,534,377 |
| Indirect Impact | 7,967 | \$534,057,938 | \$1,883,981,453 |
| Induced Impact | 7,089 | \$346,043,796 | \$1,170,050,483 |
| Total Impact | 28,939 | \$1,963,126,386 | \$9,653,566,313 |

SC PORTS: REGIONAL IMPACTS WITHIN SOUTH CAROLINA

The Upstate

The economic impacts of all activities associated with SC Ports operations and port users in the Upstate region of South Carolina are given in **Table 20**. SC Ports currently supports **\$30.1 billion** in direct economic output and approximately **\$4.9 billion** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on the Upstate region is approximately **\$44.1 billion** in economic output, **132,082 total jobs**, and over **\$8.9 billion** in labor income.

Table 20 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|----------------|------------------------|-------------------------|
| Direct Impact | 63,364 | \$4,943,080,601 | \$30,121,226,061 |
| Indirect Impact | 36,362 | \$2,437,517,400 | \$8,598,762,880 |
| Induced Impact | 32,356 | \$1,579,393,761 | \$5,340,279,040 |
| Total Impact | 132,082 | \$8,959,991,762 | \$44,060,267,981 |

The Lowcountry

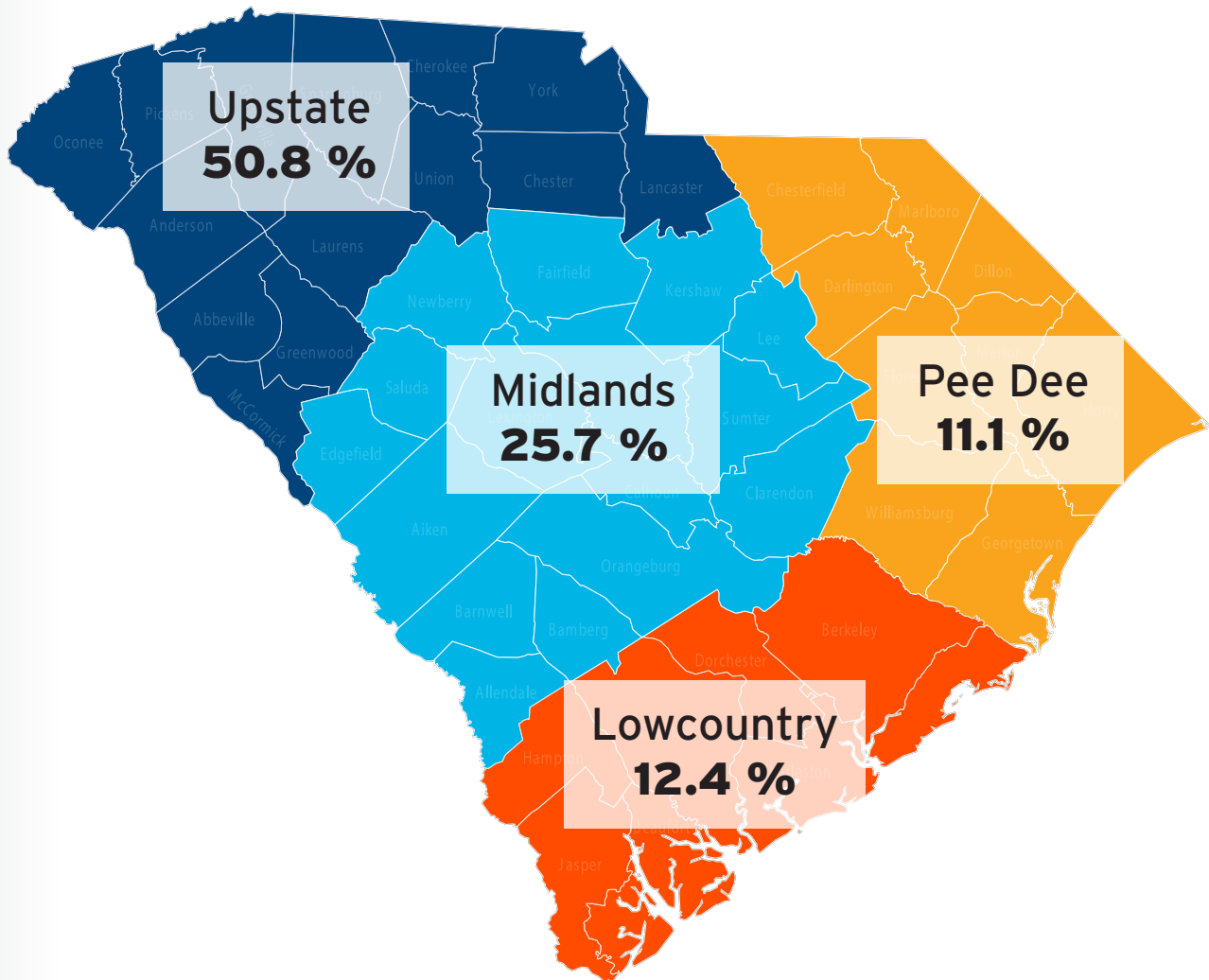
The economic impacts of all activities associated with SC Ports operations and port users in the Lowcountry region of South Carolina are given in **Table 21**. SC Ports currently supports **\$7.3 billion** in direct economic output and approximately **\$1.2 billion** in labor income. When combined with the indirect and induced impacts, the total economic impact of SC Ports on the Lowcountry region is approximately **\$10.7 billion** in economic output, **32,214 total jobs**, and over **\$2.2 billion** in labor income.

Table 21 - Total Economic Impact of SC Ports

| | EMPLOYMENT | LABOR INCOME | ECONOMIC OUTPUT |
|---------------------|---------------|------------------------|-------------------------|
| Direct Impact | 15,454 | \$1,205,579,462 | \$7,346,336,109 |
| Indirect Impact | 8,868 | \$594,491,806 | \$2,097,172,343 |
| Induced Impact | 7,891 | \$385,202,030 | \$1,302,453,116 |
| Total Impact | 32,214 | \$2,185,273,298 | \$10,745,961,569 |

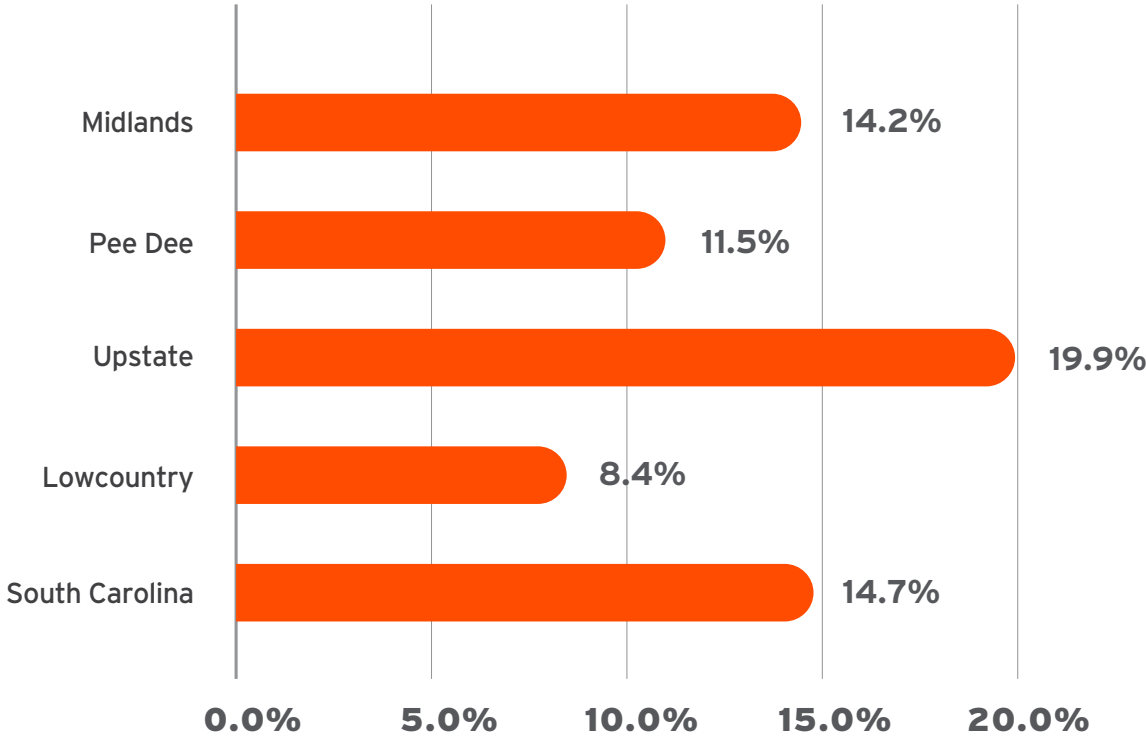
Figure 6 provides a graphic summary of the percentage contribution that each in-state region makes to the total **\$86.7 billion** economic impact in South Carolina. Notice that the largest impact comes from the Upstate, which is associated with **\$44.1 billion** in total output - or about half of all economic activity associated with **SC Ports (50.8%)** in South Carolina.

Figure 6
Percentage of Total SC Ports Economic Output by Region



The reason that the impact of SC Ports is highly concentrated within the Upstate may not be immediately obvious. However, as has been previously noted, the bulk of the cargo shipped through SC Ports facilities is concentrated within the manufacturing industry. Manufacturing, in turn, is primarily concentrated in the Upstate. **Figure 7** highlights this regional concentration of manufacturing employment in South Carolina. Notice that the Upstate is the only region to have a higher concentration of manufacturing employment than the state average (19.9% vs. 14.7%).

Figure 7
Percentage of Manufacturing Employment in Selected South Carolina Regions



Thus, although port users are located throughout South Carolina, the primary users are manufacturing-related firms that are located mainly in the Upstate. This, in turn, means that SC Ports has a relatively larger impact in the Upstate than in any other in-state region.



SECTION VI

CONTRIBUTIONS TO

STATE TAX REVENUE

Another major impact of SC Ports comes from the increase in state tax revenue that results from the economic activity it supports. As summarized in **Table 22**, the economic impact of SC Ports that arises from the port operations and the port users totals approximately \$86.7 billion.

Historically, every additional dollar that is generated in economic activity (i.e., nominal gross state product) within South Carolina also generates 4.8 cents in new state tax revenue.⁹ By applying this figure to the economic activity generated by SC Ports, the tax revenue from this total volume of activity can be estimated.¹⁰ **Table 22** displays these results, which show that the annual total estimated tax revenue that arises from SC Ports is approximately \$1.5 billion.

Table 22
S.C. State Tax Revenue Derived from Economic Activity Supported by SC Ports

| CATEGORY | DOLLAR VALUE |
|--|------------------|
| Estimated Economic Output for South Carolina | \$86,738,008,872 |
| Estimated Tax Revenue Generated for South Carolina | \$1,541,109,629 |

⁹ The historical relationship between South Carolina nominal gross state product and the South Carolina general funds revenue (as measured and tracked by the South Carolina Board of Economic Advisors) was estimated using industry-standard time-series regression techniques.

¹⁰ Economic output represents the value of industry production and is therefore not synonymous with gross state product. As such, the dollar value of all intermediate inputs was subtracted from economic output before the 4.8-cent estimate was applied to estimate total tax revenue.

SECTION VII

CONCLUSION

Seaports have long served an important role in the economic development of South Carolina. As gateways for interstate and international commerce, seaports provide opportunities to attract and maintain export-oriented industries, which are becoming more significant for South Carolina's economic growth in an increasingly global economy. Additionally, because of the sizable population growth that the Southeastern United States is projected to experience over the next two decades, the state's seaports also provide a major competitive advantage for retail and distribution-based businesses looking to be near this rapidly expanding customer base in a location with easy port access.

This study has specifically quantified the total economic impact of SC Ports on the state of South Carolina, its local regions, and the broader Southeastern United States. SC Ports owns and operates public marine terminals at the Port of Charleston and two separate Inland Ports located in Greer and Dillon, South Carolina. Between the operations of the ports themselves and the economic activity that arises directly from business transactions that require the use of these port facilities, the total annual economic impact of SC Ports on the state of South Carolina is approximately \$86.7 billion. It is also estimated that business transactions requiring the use of these port facilities in other Southeastern states generate a total of \$10.0 billion in additional economic activity. This \$10.0 billion is associated with 38,546 additional jobs across the states of North Carolina, Georgia, Tennessee, Florida, Alabama, and Kentucky.

About 50.8 percent of the \$86.7 billion impact in South Carolina is concentrated within the Upstate because the primary users of SC Ports facilities are manufacturers. Although the manufacturing base of the Lowcountry, Midlands, and Pee Dee regions have all expanded in recent years, as of 2022, South Carolina's manufacturing cluster is still predominantly based in the Upstate. This level of economic activity also translates into new tax revenue for the state of South Carolina. Specifically, the statewide economic activity that SC Ports supports generates an average of \$1.5 billion in annual state tax revenue.



Approximately 260,020 jobs and \$17.6 billion in labor income for South Carolinians are supported through the activities of SC Ports. This translates into an average annual income of \$67,836 across all jobs supported (directly and indirectly) by SC Ports. This is approximately 22.8 percent higher than the average labor income in South Carolina. Additionally, more than one-third (36%) of all jobs currently supported (directly or indirectly) by SC Ports in South Carolina are held by women and minorities.

SC Ports is also unique in the extent to which it directly supports local business. In 2022, South Carolina port facilities exported approximately \$26.9 billion in total cargo volume, with as much as \$19.7 billion coming from in-state businesses. This means that up to 73.2 percent of all cargo exported through SC Ports facilities in 2022 originated from companies located in South Carolina. This level of local business support for export-oriented firms is higher than at any other major container port on the U.S. east coast.

The economic benefits of SC Ports are clear. SC Ports facilities help to meet the needs of businesses in South Carolina and provide a unique competitive advantage for the state of South Carolina as it continues to grow its global economic footprint. SC Ports represents an integral component of South Carolina's economic environment - a component that will only become more significant over time.



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