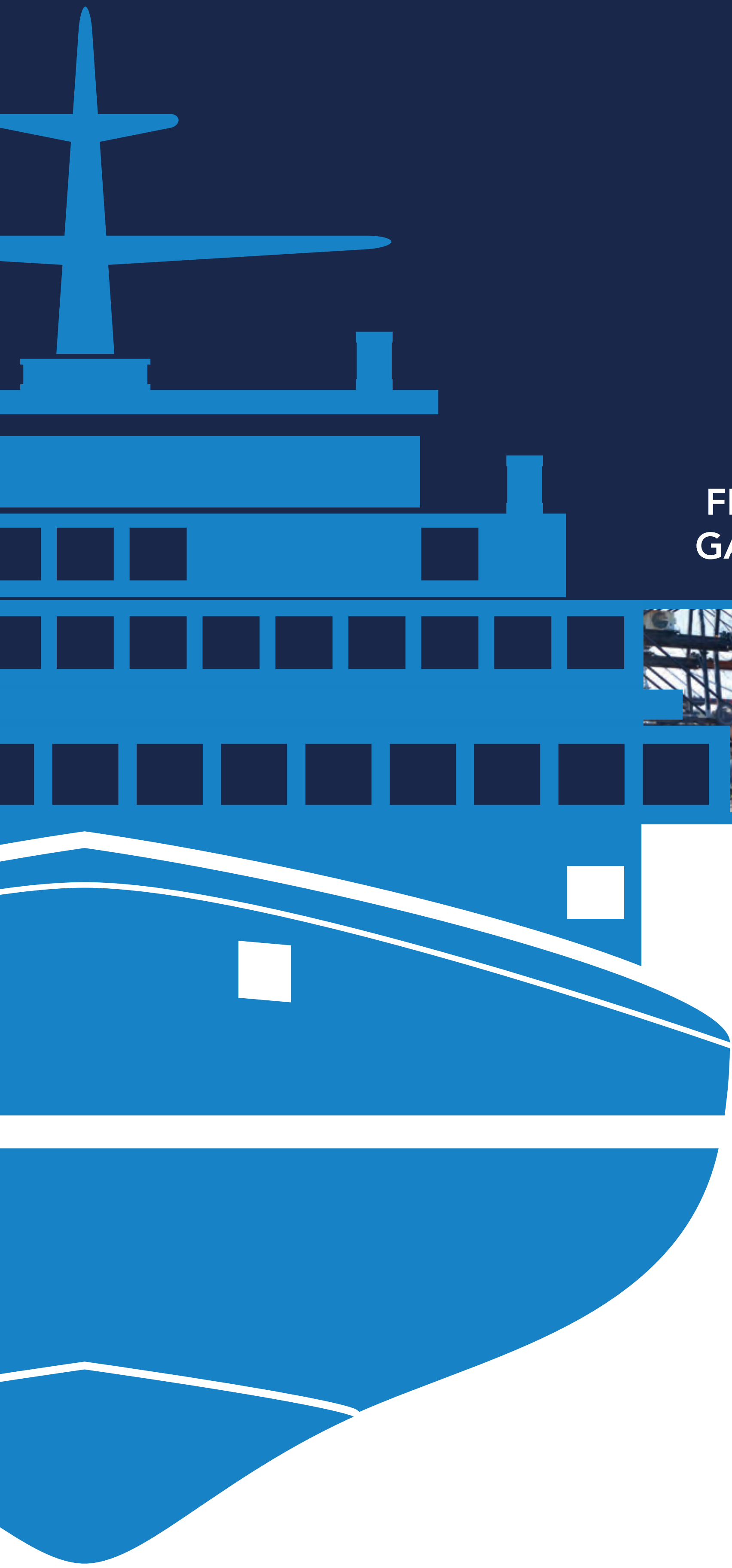


FLORIDA'S SEAPORTS: GAINING MOMENTUM 15|19

FIVE-YEAR FLORIDA SEAPORT MISSION PLAN

Florida Seaport Transportation and Economic Development Council
www.flaports.org

FLORIDA PORTS COUNCIL

Centennial FDOT 1915 ★ 2015

Florida Department of Transportation

605 Suwannee Street
Tallahassee, FL 32399-0450

RICK SCOTT
GOVERNOR

JIM BOXOLD
SECRETARY

May 2015

As Secretary of the Florida Department of Transportation (FDOT), I am committed to strengthening Florida's position as a national leader for the movement of freight through strategic investments in infrastructure which further enhance our position as a global hub for commerce.

Florida's 15 seaports help drive our economy. Governor Scott has made seaport investment a top priority for our department, investing $850 million over the last four years to ensure that our ports will have the most competitive freight infrastructure in the nation. Working with the Florida Ports Council and all of our state's ports, we have identified strategic port investments that will move Florida's economy in the right direction; creating more jobs and opportunities for Floridians.

With Florida's recent growth, last year becoming the 3rd largest state in the nation, we are focused on moving passengers and freight more efficiently to their destinations. Florida's seaports are the gateways for waterborne trade and the leaders of the global cruise industry, feeding an expansive freight network of highways and rail systems. These ports are supported by over 6,000 miles of highway and over 2,000 miles of rail connections that aid the flow of goods throughout Florida and North America. A robust and growing network of distribution centers also supports quick and cost effective movement of cargos to their final destinations. Florida's seaports and inland freight systems support a near balanced trade in import and export volumes, giving Florida experience with accessing a wide-range of import and export markets. FDOT is committed to making sure that freight movement is a priority for the state of Florida and to leading the nation in freight planning.

The *2015-2019 Five-Year Seaport Mission Plan* provides insights about how seaports are investing to further enhance Florida's logistics assets, while providing a look back at their continuing growth in both cargo and cruise. We are proud to see that both areas are growing stronger and finding new opportunities to better serve businesses around the globe.

I look forward to continuing to work with Florida's ports to expand Florida's international trade and create jobs in our great state.

Sincerely,

Jim Boxold
Secretary

2015

FLORIDA SEAPORTS AT THE CORE

OUR MISSION

Ports work to enhance the economic vitality and quality of life in the state of Florida by fostering the growth of domestic and international waterborne commerce.

Charged with facilitating the implementation of seaport capital improvement projects, the Florida Seaport Transportation and Economic Development Council (FSTED) consists of the port directors of the 15 publicly-owned seaports and a representative from both the Department of Transportation and the Department of Economic Opportunity. The Florida Ports Council administers the FSTED program and staffs the Council.

OUR MANDATE

Florida's deepwater seaports, as mandated by Chapter 163, Florida Statutes, prepare master plans to guide their development and expansion. Regularly updated plans, consistent with the comprehensive plans of the seaports' respective local governments, establish goals and objectives, address forecasted needs, and identify five-year capital seaport improvement programs to implement.

OUR GOALS

- Develop world-class cargo and cruise facilities to enhance Florida's global competitiveness.
- Build system-wide, seamless intermodal facilities to move port goods and passengers efficiently and cost effectively.
- Capitalize on increased north-south trade and the Panama Canal expansion to capture more direct all-water service and feeder calls.
- Strengthen and diversify strategic seaport funding to ensure vital and timely improvements.
- Advocate continued statewide economic development that includes investment in major economic engines – Florida's seaports.
- Support security measures that balance compliance with an efficient flow of seaport commerce.

2014

FLORIDA SEAPORTS AT A GLANCE

- Moved $49.5 billion worth of containerized cargo (6.0 percent increase).
- Handled 3.3 million TEUs (4.0 percent increase).
- Served 15.6 million cruise passengers (10.5 percent increase).
- Programmed $3.5 billion in improvements over the next five years to accommodate growing business and capture new opportunities.

FLORIDA INTERNATIONAL TRADE VALUE

- Florida ranked seventh nationally for trade exports and ninth for imports.
- After a record 2013, 2014 waterborne trade again increased by 1.0 percent to $86.8 billion, but total trade fell 2.9 percent to $155.8 billion.
- Waterborne trade comprises 55.7 percent of the state's total trade, by value.
- Waterborne imports moved through Florida's seaports grew by 5.4 percent in 2014, and exports fell by 3.3 percent.
- While the state's total trade carries a surplus, its waterborne import-export ratio shifted this year and is now 52.7/47.3 percent.
- At $49.5 billion, containerized cargo increased 6.0 percent in value, and represented 57.0 percent of the waterborne cargo value, 2.6 percent higher than in 2013.
- 11 commodities contributed more than $1 billion in import values, and seven export commodities contributed more than $1 billion. *Vehicles, except Railway or Tramway, and Parts* are the top waterborne import AND export commodity.

DIVERSITY OF TRADING REGIONS

- Florida seaports trade with more than 170 countries globally.
- South and Central America and the Caribbean accounted for 55.3 percent of the state's waterborne trade in 2014.

- Florida handles 21.3 percent of total U.S. waterborne trade with Latin America and the Caribbean.
- The top three trading regions are South and Central America and the Caribbean, Asia, and Europe; together they account for 93.7 percent of all trade through the state's seaports; the top two regions were the same for imports and for exports.
- Florida seaports recorded a large trade surplus with trading partners to the south in 2014, exporting $10.4 billion more than they imported from the region.
- Florida's waterborne trade deficit with Asia widened by $2.9 billion to $9.6 billion in 2014.
- In 2014, China eclipsed Japan as the leading waterborne import trade partner, Brazil is the top export partner, and China leads for two-way trade.

PORTS POSITIONED TO DRIVE GROWTH

Seaports are fundamental to positioning Florida as one of the nation's leading states for global trade, expanding imports and exports, creating new trade and logistics jobs, and expanding the value-added services that support global businesses.

All 15 seaports have a role to play in transforming the state's economy. They are repositioning themselves from handling trade to *driving* trade and aligning themselves around Florida's global vision:

- Supporting and leading export promotion efforts.
- Upgrading facilities to best-in-class.
- Partnering for investments to expand the number of direct global connections and optimizing supply chains.
- Improving the strategic presence of Florida at a national level to help shape federal decisions on trade and ports.
- Marketing the assets of Florida's system of seaports and overall freight network.

GLOBAL TRENDS PRESENT UNPRECEDENTED OPPORTUNITY

Many factors are converging to challenge seaports and offer rare opportunities.

- Growing global trade – trade growth is outpacing world economic growth.
- Prevailing demand economics – information is accelerating demand, soft infrastructure is determining routing, and fast freight and perishable markets are strengthening.
- Shifting production/sourcing – shifts – including large productions shifts to the Indian Subcontinent – are altering trade routing, near-sourcing is a new reality, short-sea opportunities are growing, and select commodities (such as natural gas, automotives, fast freight and perishables) offer great potential.

- Shifting consumption – for the future, Florida can tap largely untouched markets (such as Asian exports), and emerging markets (Latin American and the Caribbean markets are set to grow rapidly).
- Population shifts – U.S. population growth is in the Southeast, and increasingly urbanized, providing Florida with a fast-growing consumer market.
- Ocean carriers seek economies of scale – vessel growth is continuing, and larger vessels make fewer port calls; the Panama Canal expansion will affect Florida supply chains.
- Greater global investment in transportation infrastructure – investment around the globe, especially in Latin and Caribbean hubs, is ramping up competition; with lagging federal commitment there is a compelling case for greater private investment in port facilities.
- Additional free trade agreements – fewer trade barriers accelerate trade.

FIVE-YEAR FLORIDA SEAPORT MISSION PLAN

CONTENTS




FLORIDA SEAPORT
TRANSPORTATION AND ECONOMIC
DEVELOPMENT COUNCIL

502 East Jefferson Street
Tallahassee, Florida 32301
(850) 222 - 8028

www.flaports.org

Prepared April 2015
Coastal Communications and
Public Relations, Inc.

Follow us on Facebook and Twitter

FLORIDA PORTS COUNCIL

MISSION PLAN: EXHIBITS

FLORIDA'S SEAPORTS: CONDUITS AND CATALYSTS CHAPTER ONE

FLORIDA SEAPORTS HANDLE 190 TONS PER MINUTE

Florida's bustling seaports are some of the state's busiest economic centers, handling close to a hundred million tons of cargo each year, or about 190 tons per minute, day in and day out. And the non-stop industry of Florida's waterfronts operates side by side with world-class cruise passenger facilities that serve 15.6 million embarkations and disembarkations each year.

Each and every household, across the state's 67 counties, derives benefits from Florida's seaports in one way or another. The ports generate jobs and revenues, move the items that fill store shelves, help Florida businesses send their goods to market quickly, and provide cruise vacation opportunities. Existing industries from energy, to computers and electronics, to agri-business are all energized by efficient ports.

The ports' track record in maintaining an effective balance between industrial efficiency and aesthetically appealing tourist amenities is a credit to their competence, and, is one of the best-kept secrets to success in the maritime industry. Having two massive pools of business to draw from – freight and passenger – adds economies of scale that benefit both types of business.

SEAPORTS DRAW BUSINESS

Keeping facilities navigable, secure and sustainable is a challenging and critical job for seaports – and it is a job done well in Florida. Today's capable and cost-efficient seaports provide the state with a tremendous advantage attracting business and industry. The availability of suitable seaport facilities and services can make or break a site selection decision by a new manufacturer, producer, distribution and logistics center, or third-party logistics providers.

These new businesses multiply the economic impact of Florida's ports, which already support well-paying jobs with solid incomes and generate consumer spending. Florida seaport cargo and cruise activities support close to 700,000 jobs throughout the state. They generate more than $2.4 billion in taxes. They contribute almost $100 billion of output to the state's economy, equivalent to almost 13 percent of Florida's Gross Domestic Product. Communities thrive on this economic activity.

Ports use their varied landside and waterside assets to attract freight and passengers from around the world, and then safely and quickly move them along to final destinations. They serve the state's residents, consumers and industry quickly, efficiently and with a fierce commitment to enhancing prosperity.

ECONOMIC ESSENTIALS

Florida's 15 seaports support …

- 680,000 jobs
- $26.1 billion in personal income
- $96.6 billion in direct business revenue
- $2.5 billion in port-sector local purchases
- $2.4 billion in local and state taxes

INVESTMENT UNLOCKS POTENTIAL

Florida seaports have enjoyed a decade of massive investments that are ensuring their long-term competitive position even during this era of remarkable change in maritime trade, inland logistics, and local and global markets.

These capital improvements will amount to more than $3.5 billion over the next five years. For each dollar spent, reports indicate, several more are returned to the state.

Florida ports are making infrastructure improvements, and gearing up marketing initiatives, to potentially double the volume of container cargo handled today. Recent and planned investments will expand capacity and are aimed at growing TEU counts from 3.3 million in FY 2013/2014 to almost 5.2 million by the end of the five-year planning period.

THE SCOPE OF INVESTMENTS

Florida seaports are collectively projecting a very strong five-year capital slate, up by 17 percent, in dollars, over the plans made just two years ago. The program is smaller than last year's record-setting investment program due to the successful completion or near-completion of several major capacity projects in FY 2013/2104, such as **Miami**'s 'Deep Dredge', tunnel project, and intermodal/freight rail restoration, and **Jacksonville**'s Blount Island improvements and intermodal container transfer facility.

Half of Florida's seaports are projecting increases in their planned five-year capital expenditures. The state's five busiest seaports by volume have programs that account for 93.4 percent of the collective capital spending. **Jacksonville, Everglades, Canaveral, Tampa,** and **Miami** have the largest overall capital programs.

Port investments are not directly proportional to the volume of business. Certain types of business require substantially greater investment. To deepen waterways to best serve global container carriers, for example, exponentially increases capital budgets.

Channel and harbor deepening accounts for 37.2 percent of the five-year budgets, and new cargo terminals, berths and equipment, together with berth rehabilitation and repair, account for another third. At 6.8 percent, cruise terminal development represents a seemingly small portion of the overall capital budgets, but road, facility and dredging projects in other categories also offer up essential capacity for the state's cruise industry.

The fact that successfully attracting freight and passengers is increasingly linked to capable, smooth logistics makes these expenditures critical – channels must be deep enough for upsized carriers, roadways and truck infrastructure must allow fast access and egress, and rail facilities and intermodal cargo transfer facilities (ICTFs) must link seamlessly with all modes.

Each of Florida's ports has important projects in the works. **Canaveral**, which has been highly successful in expanding its cruise operations in recent years, has undertaken development of its north side, to include new berths and cargo facilities, including post-Panamax ship-to-shore container cranes. At **Everglades**, the state's new Eller Drive Overpass allows the Florida East Coast Railway to add new rail tracks which will be able to service a 9,000-linear-foot train, perfect for expediting container movements through the new ICTF. In **Fernandina**, a future rail-served logistics center on the west side of Nassau County will help Northeast Florida capture a portion of the discretionary cargo currently moving through out-of-state ports, as well as provide manufacturing opportunities.

37.2 Percent

Channel and harbor deepening share of the five-year budgets

Manatee is busy modernizing gates and its emergency communications center, which will benefit port industry and the community alike. **Palm Beach**'s redevelopment of Slip 3 and the surrounding area will improve the efficiency of cargo operations and help attract roll on/roll off cargo. At **Panama City**, the container yard expansion will increase capacity for dry and refrigerated boxes, and expedite truck access and egress. **Pensacola**'s Warehouse 9 improvements will include sufficient interior clearance to expand into non-traditional, diversified uses of port facilities. And **Tampa**'s multi-phased Hookers Point container projects are adding much-needed capacity and cranes for Gulf coast carriers serving the fast-growing central Florida market.

Almost all of the cruise ports, including **Key West**, which is retrofitting the Mallory Square pier to increase its useful life, have maintenance and capacity projects underway. And among the smaller and emerging ports, **St. Petersburg** has undertaken extensive wharf renovations, while **Port St. Joe**, **Citrus** and **Fort Pierce** are working to align marketing plans with future infrastructure development.

GLOBAL OPPORTUNITIES UNLEASHED

The port developments will not go unrewarded. A new Florida Ports Council report entitled *Analysis of Global Opportunities and Challenges for Florida's Seaports*, reveals specific opportunities and challenges to expanding international trade through state seaports, with a view to better position Florida as a global trade leader. The report confirms the cost advantage of adding Florida ports to freight supply chains for many goods, especially container volumes that are destined for Florida but come via non-Florida ports.

While the ports already operate with a level of proficiency that helps the state maintain prominence on several waterborne trades, this new report refines collaborative strategies to grow market share, by addressing burdens such as out-of-date processes and unnecessary regulations, and by facilitating development of additional tools to allow Florida to compete with nearby states to attract new manufacturers and businesses. There are four key strategies:

- Continue to invest in port infrastructure and channel upgrades that will provide Florida with the ability to be the first inbound and last outbound port-of-call for import and export shipments.
- Create an aggressive marketing campaign to attract to Florida those beneficial cargo owners and carriers that are importing and exporting cargo through non-Florida ports.
- Provide necessary state or local incentives to entice import distribution centers and export-oriented manufacturing companies to locate in Florida.
- Remove or modify any undue regulatory burdens on Florida's freight system in order to increase efficiency in moving trade through Florida seaports.

Ongoing infrastructure improvements, coupled with these strategic initiatives, will further strengthen Florida's seaports, so that they may continue to move more cargo, and passengers, in the quickest way possible with the lowest cost.

THE SCALE OF SUSTAINABILITY

Increasing port productivity and capacity in the state is being done in environmentally and socially responsible ways. Ports make great neighbors by investing time and money to care for coastal resources, marine habitats and regional air quality.

By their very nature, sustainability goals can be multi-jurisdictional. The programs and tools that ports put in place to address sustainability are usually incredibly collaborative and in practice often serve to inspire partners, industry, service organizations, customers and communities to take on complementary stewardship responsibilities.

Florida ports are committed to reducing freight impacts through residential zones, and are making provisions for truck and trucker convenience and safety. They are helping decrease idle time and lowering the use of diesel fuels with projects that expedite truck access, create travel route efficiencies, and improve rail access. They are cutting particulate emissions by switching to electric cranes and repowering or replacing diesel yard equipment. They are even cutting power consumption with advanced energy management systems.

Their efforts to keep communities safe and secure may require extensive planning and expense, but with results such as the elimination of roadway bottlenecks, improved rail-crossing safety, decreased truck miles, and expedited intermodal transfers, the alleviation of freight and community-related concerns easily justifies the hard work.

COMPREHENSIVE STATE SUPPORT

The state of Florida's emerging model for freight mobility and trade development, already much admired, is spawning innovative programs for the development of manufacturing, exports and logistics that are expected to increase trade and create new jobs.

With a goal of becoming a global hub for trade, **the state's record investment in ports, which is expected to reach more than a billion dollars this decade**, indicates both a thorough understanding of the critical role that seaports play in attracting global trade, and a remarkable commitment to improve freight mobility and bring more trade and prosperity to Florida.

GREATER DEPTH DRAWS

American transportation infrastructure is not being upgraded at a rate that will keep up with demand. Experts agree that federal funding for seaport system-preservation and new infrastructure projects needs to be revamped and tens of billions in investment are needed over the next five years.

National freight mobility is emerging as a key barrier to long-term trade growth, and therefore, to the U.S. economy. The federal government will have to become more engaged, especially in providing reliable mechanisms for approving and funding federally related port responsibilities, such as dredging. Ports need ongoing investments in port waterside and inland transportation systems in order to capture nascent global opportunities.

Deepening waterways must become a federal priority because many Florida ports have identified opportunities that will soon be lost with sluggish federal approval and appropriation processes. As long as the world shipping fleet – especially container vessels – continues to grow (with about half of container vessels on order requiring 47 to 50-foot-deep channels), the seaport sector's economic contribution to Florida is jeopardized. Many of Florida's ports are working hard to jumpstart federal dredging projects, often with state and local funding sources.

PortMiami will be dredged to 50 feet within months, elevating it to a potential hub port for global carrier deployments. Other Florida ports, including **Canaveral**, **Everglades** and **Jacksonville**, are planning depths ranging up to 50 feet. Economies of scale using larger ships are realized only on longer routes with fewer port calls, so ports must be deepened if they want to serve as gateways for the heaviest volumes of cargo, especially container cargo from mainline carriers that help support Florida's growing manufacturing base.

Federal policies that lead to strong, sustainable and balanced economic growth are an important goal. With a new federal commitment through the Water Resources Reform and Development Act to allocate the funds already collected for harbor maintenance to their proper usage, and streamlined approvals and authorization, Florida seaports are optimistic that their waterways will be ready for the deep-draft vessels of the future. This will reduce costs and delays for freight, help to attract new business and boost the state's economy.

THE VANGUARD OF CRUISING

Welcoming almost 15.6 million revenue passengers in 2014, Florida's seaports are the world's busiest. They operate along the leading edge of productivity and efficiency, with robust infrastructure, advanced equipment, easy access, and incomparable services. They welcome luxury liners with clear, deep passages, expedited inspections and provisioning, provide world-class boarding bridges, and deliver innovative crew and passenger processing facilities.

Florida ports understand that passenger perceptions are formed before ever setting foot on a ship. They collaborate with transportation partners to ensure exceptional airlift and transfers. They furnish parking garages and cruise terminals with aesthetic appeal, and are increasingly making the port a destination in and of itself by providing passengers with nearby shopping, dining and/or tourist experiences.

Florida seaports account for close to two-thirds of all U.S. cruise embarkations. Florida's top three cruise ports are also the nation's (and the world's) top three. The state is not only the center of cruise originations, but it is also the center of most aspects of an industry that generates tens of thousands of jobs and billions in spending annually in Florida.

The cruise industry has grown in Florida for the fifth year in a row. Competition is high, but Florida seaports are focused on working closely with itinerary and tourism partners to elevate the passenger experience and to provide incomparable infrastructure, services and amenities that make the ports indispensable to the cruise lines.

STRENGTH IN NUMBERS

Global trade is growing, although not as quickly as it was prior to the global financial crisis. Nevertheless, there are abundant opportunities for Florida ports to grow and thrive.

Last year, Florida ranked seventh among U.S. states for trade exports and ninth for imports. Somewhat surprisingly, Florida trade did not keep up with U.S. trade growth in 2014. U.S. imports and exports of goods were the highest on record last year, as was the nation's trade deficit.

$86.8 Billion

Value of Florida's waterborne trade

Florida's waterborne trade, however, remains a bright spot, with its value continuing to increase at $86.8 billion in 2014. This was accompanied by a noticeable drop in airborne cargo and a 2.9 percent decrease in total trade through Florida gateways, which is now valued at $155.8 billion.

Waterborne trade comprises well over half of the state's trade by value, and comprises the vast majority by tonnage. In a state that carries a rare trade surplus, it is interesting that Florida seaports run a small deficit, explained almost fully by its rising population growth and consumption, and the higher relative value of Asian imports versus predominant Latin American exports.

General and other containerized cargo are continuing to grow in Florida. At $49.5 billion, containerized cargo increased 6.0 percent in value last year, and represents a staggering 57.0 percent of the waterborne cargo by value, although only one-fifth by tonnage.

The state's waterborne trades are highly diversified, with 11 import and seven export commodity categories contributing more than $1 billion in value. **The category of *Vehicles, except Railway or Tramway, and Parts* is the top waterborne import AND export commodity.**

Florida trades with hundreds of countries and every region of the world, but its strength has always been trade with South and Central America and the Caribbean, which accounted for 55.3 percent of the state's waterborne trade in 2014. Asia and Europe round out the top three list; together these three trading regions account for 93.7 percent of international business moving through Florida seaports. The top two regions were the same for imports and for exports. **Florida handles 21.3 percent of total U.S. waterborne trade with Latin America and the Caribbean**, and although it boasts a large surplus with that region, has a widening trade deficit with Asia. **The state's top waterborne export partner is Brazil and its top import partner, not surprisingly, is China. China also leads for two-way trade.**

THE BACKBONE OF INDUSTRY

Florida's transportation and logistics partners have a *"made for trade"* outlook that leads the nation. Integrity, expertise and collaboration will build on the incredible array of opportunities at hand to keep the state at the forefront of international trade, domestic freight mobility, and cruising. Supported by regularly upgraded infrastructure, exceptional services, innovative marketing, and operational acumen, the state's seaports are set to capitalize on their strengths, securing diverse lines of business and capturing new ones for themselves and the people of Florida.

The constant shifts in global sourcing, transportation and economics are a challenge for Florida. But waterborne trade has been the backbone of its commerce for centuries. The ports recognize opportunity at hand, and with further engagement by the state, federal agencies, and private partners, they are ready to capitalize on their powerful assets.

Florida's seaports handle 10,000 pounds of cargo for every man, woman and child in the state – this year, next year, every year. And they welcome, on average, about 30 cruise passengers every minute. With a laser-sharp vision for their future, seaports are making what they do better, and sharing that story with the world. As an integral part of global maritime tourism markets and cargo supply chains, they are working diligently to attract the types of cargo and business that will tangibly and permanently transform Florida's economy and global reach.

When ports move people and cargo, Floridians prosper.

SEAPORT IMPROVEMENTS BRING LASTING ADVANTAGES TO FLORIDA

CHAPTER TWO

Massive investments are being made in Florida seaports. They are needed for ports to stay competitive and enhance marketability in an era of remarkable change in maritime trade, inland logistics, and local and global markets. Current investment plans will bring to Floridians a surge of jobs, income, spending and access to historic global benefits.

A WEALTH OF BENEFITS

Port improvements bring lasting advantages to Florida. Having the right port infrastructure helps attract cruise and cargo business supporting more than 680,000 jobs, and contributing $96.6 billion of output to the state of Florida's economy, equivalent to about 13 percent of Florida's Gross Domestic Product. But it does so much more.

Port investments align a wealth of benefits from industrial, real property and tourism initiatives with the goals of the communities within which ports operate. Port improvements steer passengers and domestic and international trade through Florida, supporting local small businesses and big commercial enterprises alike. They create supply-chain efficiencies that ensure goods get to Floridians at the best price and with the greatest speed. They open a world of vacation opportunities to individuals, and global marketplace opportunities to manufacturers and producers.

Enhancing road access, improving rail crossing safety, banking land, decreasing truck miles, reducing particulate emissions, and expediting intermodal transfers are just a few of the important freight-related strategies from the capital programs of this decade.

But improvements don't stop there – they enhance coastal ecosystems, decrease neighborhood traffic, correct the environmental transgressions of a previous era, preserve historic sites, support goals for arts and culture, offer recreational opportunities, help safeguard communities, and aesthetically improve blemished properties. With traditional port improvements, on or off-port connectivity efficiency improvements, and community enhancement improvements, ports have taken stewardship of a broad range of the infrastructure so vital to generations of Floridians.

A MOVING TARGET

Nevertheless, the right port infrastructure for today is not the right infrastructure for tomorrow. These are fluid times for global trade, with burgeoning demand, shifting trade patterns, nonstop technological innovation, and consumers clamoring for the savings that come from economies of scale in logistics. Vessel routing is changing, vessel size is growing, and jumbo carrier alliances are reshaping facilities, necessitating upsizing and connectivity efficiencies. When a single vessel unloads what two or more vessels carried in the past, considerable stress is put on port facilities and inland transfer and transport systems as well.

Last year, the five-year capital spending plans of Florida seaports reached a record-setting level of $4 billion. There were, and still are myriad opportunities to address, inadequacies to mitigate, and lines of business to maintain.

THE INVESTMENT ROADMAP

The ports do not manage such extraordinary levels of investment without outside help. Beyond capital reserves, they utilize their bonding capacity, commercial loans, grants, tax support and local use fees, and increasingly, private-public partnerships. Their monetary needs have been daunting, and since the federal loans and grants of years past have been less than forthcoming, ports needs new sources of support. It has substantially come in the form of strategic and shrewd investments by the state of Florida.

The state has provided unprecedented financial support to ports to kindle essential capital improvements. Approximately $850 million has been paid out or committed for port infrastructure in Governor Rick Scott's first term in office, and he has announced that figure will rise to no less than $1.1 billion by the end of his eighth year. These numbers are matched 50/50 by local ports.

The state of Florida has acknowledged that these investments, even at an historic level, are well-justified by the level of output generated by ports and other benefits that accrue to Floridians. Florida port governance structures and administrations are up to the mighty task of optimizing the positive impacts from port business on the economy. Florida TaxWatch concurred on the suitability of Florida port governance structures in its recent report, co-sponsored by the Florida Ports Council and entitled *Seaport Governance Models: How Florida's Seaports Compare to U.S. and International Models*. It said that "Florida seaports are a crucial pillar of the state economy, impacting our balance of trade and bolstering the diversification of state revenues," and "A business environment has been created in Florida that promotes the growth of global maritime industries."

$850 Million

Amount paid out or committed for port infrastructure in Governor Rick Scott's first term in office

As a direct result of strong state support, a considerable number of large-scale critical port infrastructure projects are under way or have been completed. These projects span the state's coastlines and include vessel turning basins, a tunnel, dredging, container facilities, container cranes, a heavy lift facility, intermodal container transfer facilities, bulk developments, and cold storage facilities, among others.

SERVING INTERNAL AND EXTERNAL MARKETS

All of Florida seaports carry out their capital improvements in accordance with a state-mandated master plan. Those plans provide a blueprint and longer-term guidance for investments, with a goal of optimizing port value to local communities, and more broadly, the state, its population and its business base.

Seaports have traditionally been focused on serving main maritime customers – tenants/leaseholders, ocean carriers, and beneficial cargo owners and passengers. Their needs were primarily for deep water, berths, container yards, transit sheds, cranes and handling equipment. However, in order to attract customers, the port must address a wider array of issues, requiring capital investment in capabilities such as computer systems, land-use management, utility management, security networks and gate complexes, hazardous goods and safety systems, environmental mitigation, and other technological advances. Accelerating cargo and passenger growth now requires attention to many capital initiatives that have no direct revenue stream.

Florida is an acknowledged leader in seaport development and preparedness for global opportunities. The state's 15 established and emerging strategic seaports are critical hubs for moving domestic and international cargo, and key gateways for 15 million cruise passengers. Skillful planning for future seaport improvements is under way and critical to Florida's economic future. The collective vision of seaports is focused on job creation through economic development and, the need for adequate and reliable revenue streams to finance the capital improvements essential to sustaining and advancing Florida's prosperity.

In the absence of adequate levels of federal investment in Florida's seaports, state investment will continue to be critical, and greater private investment will become increasingly essential.

SEAPORTS 5-YEAR CAPITAL IMPROVEMENT NEEDS

Florida's seaports have identified $3.5 billion in capital improvements needed over the next five-year planning period, from FY 2014/2015 through FY 2018/2019.

This five-year program is 11.9 percent lower than the previous program in FY 2013/2014 through FY 2017/2018. Most of the decrease is accounted for by the completion or near-completion of several major capacity projects in Miami and Jacksonville in FY 2013/2014. In Miami, these included the 'Deep Dredge', the tunnel project, and intermodal/freight rail restoration, among others. In Jacksonville they included Blount Island improvements and the intermodal container transfer facility.

Last year's plan was the largest collective improvement plan in the history of Florida's ports, occurring at a time of unprecedented opportunity and record-setting global trade growth. More than a billion dollars of last year's $4-billion five-year program was planned for FY 2013/2014 – a single-year record for state seaport projects. And although many of the expenditures planned at that time addressed time-sensitive projects that have largely been completed, the current five-year plan remains very strong, up more than 17 percent over the program totals from two years ago.

Roughly half of Florida's seaports showed increases in their planned five-year capital expenditures. Three of the five largest ports in the state – including Canaveral, Everglades and Tampa – are planning for higher cumulative expenditures in the current five-year plan than last year's plan.

At $3.5 billion, the current level of planned investment by Florida's stakeholders – state, local and private – reflects well on Florida's commitment to its future as a global hub and will result in significant jobs and revenue.

Exhibit 1 shows the details of the collective $3.5 billion five-year capital improvement program (CIP) for FY 2014/2015 through FY 2018/2019.

Exhibit 1: Collective Florida Seaport Five-Year Capital Improvement Program (by Year) FY 2014/2015 to FY 2018/2019

PORT	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	Total Five-Year CIP
Canaveral	$316,061,000	$63,542,000	$80,463,000	$81,554,000	$60,532,000	$602,152,000
Citrus	$15,000	$0	$0	$0	$0	$15,000
Everglades	$143,758,000	$181,795,000	$121,320,000	$59,485,000	$119,531,000	$625,889,000
Fernandina	$470,000	$725,000	$5,475,000	$17,160,000	$6,260,000	$30,090,000
Fort Pierce	$250,000	$0	$7,000,000	$0	$0	$7,250,000
Jacksonville	$172,545,000	$163,810,000	$263,455,000	$278,246,000	$444,675,000	$1,322,731,000
Key West	$1,238,000	$0	$0	$0	$0	$1,238,000
Manatee	$19,022,000	$20,904,000	$11,735,000	$14,000,000	$17,300,000	$82,961,000
Miami	$147,974,000	$67,490,000	$33,500,000	$37,153,000	$20,000,000	$306,117,000
Palm Beach	$12,207,000	$8,768,000	$8,250,000	$14,500,000	$7,000,000	$50,725,000
Panama City	$11,800,000	$7,850,000	$15,300,000	$11,450,000	$5,800,000	$52,200,000
Pensacola	$4,652,000	$1,300,000	$750,000	$1,500,000	$625,000	$8,827,000
Port St. Joe	$0	$0	$0	$0	$0	$0
St. Petersburg	$285,000	$0	$100,000	$100,000	$0	$485,000
Tampa	$96,202,000	$131,996,000	$61,860,000	$54,800,000	$92,825,000	$438,406,000
TOTAL	$927,202,000	$648,180,000	$609,208,000	$569,948,000	$774,548,000	$3,529,086,000

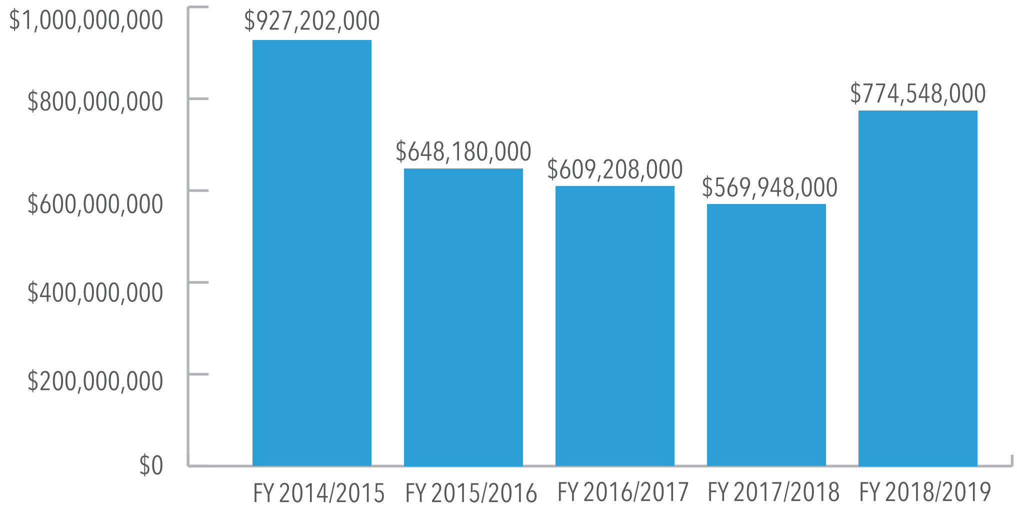
Data Source: Individual seaport CIPs (as of January 7, 2015)
Note: Funds for some projects are yet to be appropriated

Exhibits 2, 3 and 4 illustrate how the capital improvements are broken down by year, by port, and by project category. The surge in FY 2014/2015 expenditures reflects Florida's recent record investment and the completion of many large-scale projects begun in FY 2013/2014. The $300 million allocated by the state through various programs for ports in FY 2014/2015 represents almost a third of seaport project spending in the current year.

The state's five largest tonnage seaports account for 93.4 percent of the capital spending. Jacksonville, Everglades, Canaveral, Tampa, and Miami have the largest capital programs; however those investments are not directly proportional to the volume of business. Certain types of businesses require substantially greater investment. Deepening waterways to best serve global container carriers and cruise ships, for example, exponentially increases capital budgets.

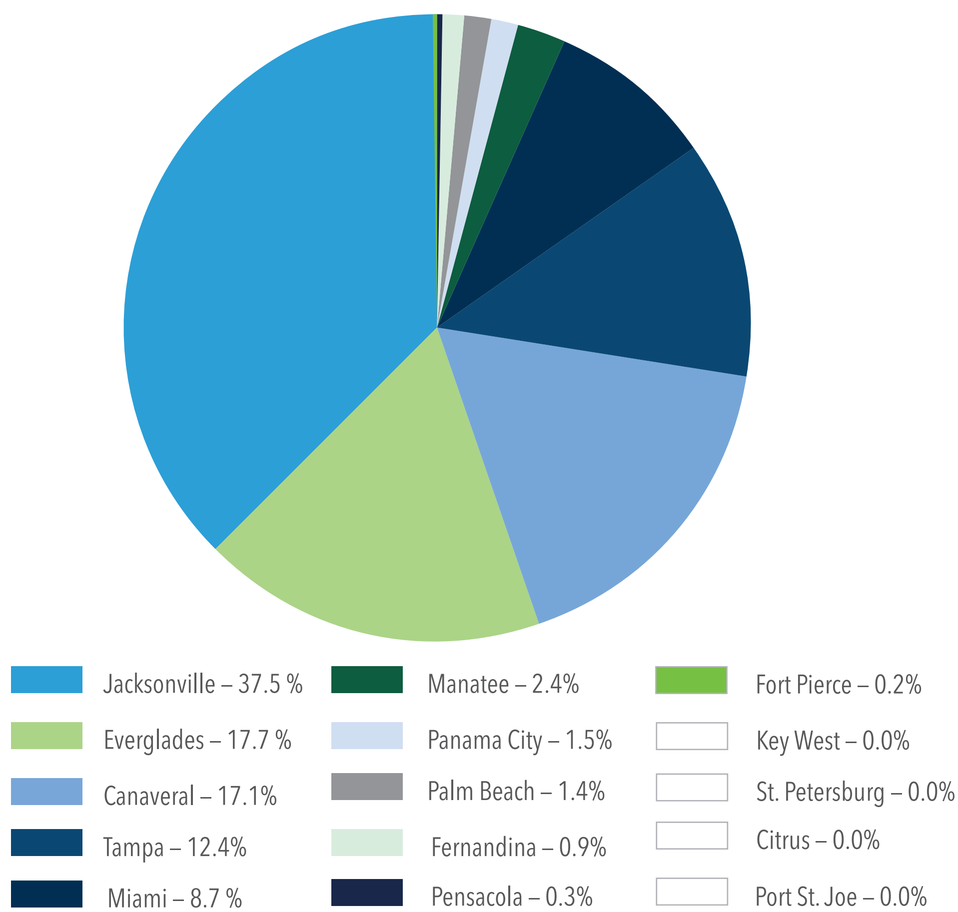
Channel and harbor deepening accounts for 37.2 percent of the budgets, and new cargo terminals, berths and equipment, together with berth rehabilitation and repair, account for another third. New and refurbished facilities are key to the seaports' business retention and future competitiveness. At 6.8 percent, cruise terminal development represents a relatively small portion of the overall budget, but as a percentage of total investment by an individual port in a single year, the cruise projects comprise as high as 37.6 percent (and in the case of Key West, which handles no cargo, 100 percent). While categorized separately, port deepening and access projects often benefit both cargo and cruise business at the port.

Exhibit 2: Collective Florida Seaport Five-Year Capital Improvement Program (by Year) FY 2014/2015 to FY 2018/2019



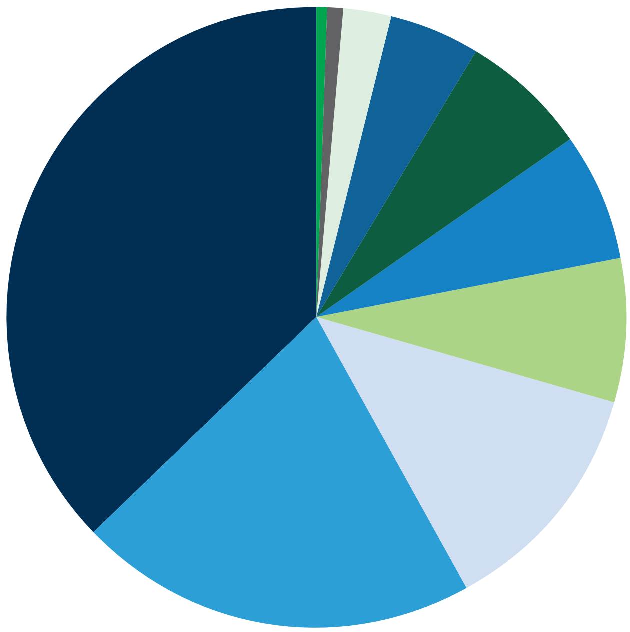
Data Source: Individual seaports
Five-year CIP total is $3.5 billion

Exhibit 3: Collective Florida Seaport Five-Year Capital Improvement Program (by Port) FY 2014/2015 to FY 2018/2019



Data Source: Individual seaports
Five-year CIP total is $3.5 billion

Exhibit 4: Collective Florida Seaport Five-Year Capital Improvement Program (by Project Type) FY 2014/2015 to FY 2018/2019



- Channel and Harbor Deepening (Including Spoil Projects) – 37.2%
- Cargo Terminals (including New Berths and Equipment) – 20.8%
- Berth Rehabilitation and Repairs – 12.5%
- Other Structures – 7.4%
- Cruise Terminals – 6.8%
- Miscellaneous Projects (Ex. Computer, Recreation, Environmental) – 6.5%
- Intermodal Road and Rail – 4.8%
- Site Improvements – 2.5%
- Land Acquisition – 0.8%
- Security – 0.7%

Data Source: Individual seaports
Five-year CIP total is $3.5 billion

OFF-PORT INTERMODAL CAPITAL INVESTMENTS

Above and beyond the $3.5 billion in on-port capital plans, there are infrastructure investments being made all along the supply chain that enhance the mobility of port freight and passengers before or after reaching port jurisdictions. Projects to improve infrastructure or links with pipelines, highways, marine highways, rail, airports, and even spaceports are vital to port traffic flows and logistical efficiencies.

State funds are prioritized and delivered in part through the state's Florida Seaport Transportation and Economic Development program. To coordinate the state's vision and further prioritize the improvement of Florida's seaport infrastructure, Governor Scott signed legislation in 2012 creating the Florida Department of Transportation's (FDOT) Strategic Port Investment Initiative (SPII). The SPII helped to create a dedicated funding source for Florida seaport investment. This program provides a minimum of $35 million per year from the State Transportation Trust Fund, to further Florida's efforts to become the number one state for international trade and port infrastructure.

Port leaders are working to coordinate their development plans with FDOT's freight mobility concepts, which have the potential to be a national model as the federal government moves forward to create a national freight network. This type of coordinated needs assessment and prioritization can minimize redundancies, allow re-prioritization of funds, and provide better decision-making. New approaches to integrating the respective transportation modes into one strategic statewide system suggest opportunities to implement the efficient intermodal logistics network needed to sustain and advance Florida's economic growth and global advantage.

Efforts like these are transforming Florida into a shipping and logistics leader not only in the United States, but around the world.

FLORIDA'S TRADE TRENDS

CHAPTER THREE

Florida consistently ranks among the top ten states in the nation for international trade (in goods). In 2014, it was the ninth busiest importing state and the seventh busiest exporting state. Its geography generates opportunities for trade the world over; but there are especially lavish opportunities trading with the emerging economies of the southern hemisphere. In 2014, Florida seaports handled cargo traded with 170 countries.

Florida is supporting jobs and generating prosperity by providing world-class seaports that offer manufacturers a global advantage and expedite goods to market. From the southern tip of the state to the Panhandle, Florida's seaports leverage trade to build the state's jobs, wages and economy for the benefit of all.

Changes around the world are providing diverse opportunities to the state's 15 seaports, and given an unprecedented level of investment in strategic transportation projects, Florida is ready for trade growth. To further build the state's share of growing world trade requires a thorough understanding of the shifts in international sourcing, consumption and supply-chain dynamics. An overview of the trade data and trends shaping those dynamics follows in this chapter.

Florida was built on the back of international trade. Closely monitoring developments that might impact the state's global competitive position, and continually adjusting seaport infrastructure and transportation support systems, will ensure Floridians always enjoy the vast benefits of trade.

GLOBAL ECONOMY

FRAGILE RECOVERY SPAWNS DIVERGENT TRENDS

The global economy is projected to expand by 3 percent in 2015, according to The World Bank Group's *Global Economic Prospects* report, released in January of 2015. Growth in the U.S. economy is expected to reach 3.2 percent in 2015 (up from 2.4 percent in 2014); economic activity is said to be gathering momentum as 'labor markets heal and monetary policy remains extremely accommodative'.

However, these predictions may not be achieved if financial markets remain volatile as interest rates in major economies rise on varying timelines, and especially if stagnation persists in Europe and Japan.

The fragile global recovery is obviously being buffeted by many factors. According to The World Bank report, developing countries grew by 4.4 percent in 2014 and are expected to grow by 4.8 percent, on average, in 2015. Reasons offered for the optimistic outlook for these countries in 2015 include soft oil prices, a stronger U.S. economy, continued low global interest rates, and, what The World Bank termed "receding domestic headwinds" in several large emerging markets.

Economic growth in Latin America and the Caribbean, fell to 0.8 percent in 2014. South American economies slowed markedly as domestic factors, exacerbated by parallel slowdowns in major trading partners and declining global commodity prices, negatively impacted some of the more developed countries in the region. In contrast, growth in North and Central America was solid, supported by strengthening activity in the U.S. The continued recovery among high-income countries should strengthen exports in 2015 and healthy capital flows should support GDP growth, although a surprisingly sharp, but carefully managed, slowdown in China and a steep decline in commodity prices represent downward risks to 2015's economic forecasts, according to The World Bank.

GLOBAL TRADE

GLOBAL TRADE IS GROWING

International **trade grows faster than the international economy**. In 2014, world trade growth was expected to reach 4 percent (almost double the rate of 2013), according to The World Bank. Although the rate of growth continues to exceed that of the global economy, it falls short of the growth levels in the years preceding the global financial crisis.

GLOBAL TRADE GROWTH RATE LAGS PRE-RECESSION YEARS

Prior to the global financial crisis, global trade ran at roughly 7 percent per year. Demand has been weaker, and experts report that there now appears to be lower sensitivity of world trade to changes in global economic activity. Shifts in production locations and changes to global value chains (with different stages of the production process being located across different countries), as well as global shifts in the composition of import demand, appear to be reducing the responsiveness of trade to economic growth.

U.S. TRADE AND DEFICIT IS GROWING

The U.S. trade deficit reached $505 billion in 2014. Goods and services exports were $2,345.4 billion, up $65.2 billion or 2.9 percent. Imports were $2,850.5 billion, up $93.9 billion or 3.4 percent. Although the petroleum deficit was the lowest it has been in a decade, the 2014 non-petroleum deficit was the highest since 2006.

In 2014, exports of goods, at $1.6 trillion, including exports of petroleum ($145.7 billion) and exports of non-petroleum cargo ($1.5 trillion), were each the highest on record.

There were record-setting volumes of *Foods, Feeds, and Beverages* ($144.2 billion), *Capital Goods* ($550.0 billion), *Automotive Vehicles* ($159.5 billion) and *Consumer Goods* ($199.2 billion).

Imports of goods, at $2.3 trillion, were also the highest on record. Imports of *Food, Feeds, and Beverages* ($125.8 billion), *Capital Goods* ($591.4 billion), *Automotive Vehicles* ($327.8 billion), *Consumer Goods* ($558.0 billion), and total non-petroleum imports ($2.0 trillion) also reached new highs. By contrast, 2014 imports of petroleum ($334.1 billion) were the lowest since 2009.

Clearly the nation's capacity for international trade has not peaked, and its trade composition continues to evolve. In 2014, the U.S. trade deficits with China ($342.6 billion), the European Union ($141.1 billion), and South Korea ($25.1 billion) were the highest on record, and its trade deficit with Mexico ($53.8 billion) was the lowest since 2009. Also, the trade surplus with South and Central America ($34.4 billion), and with Singapore ($14.1 billion, an almost nine-fold increase since the U.S.-Singapore Free Trade Agreement entered into force a decade ago) were the highest on record. The 2014 quantity of crude oil imports (2.7 billion barrels) was the lowest since 1993 (2.5 billion barrels), and the 2014 import average price per barrel of crude oil ($91.23) was the lowest since 2010 ($74.67), according to the U.S. Census Bureau.

Focus on Lower Oil Prices

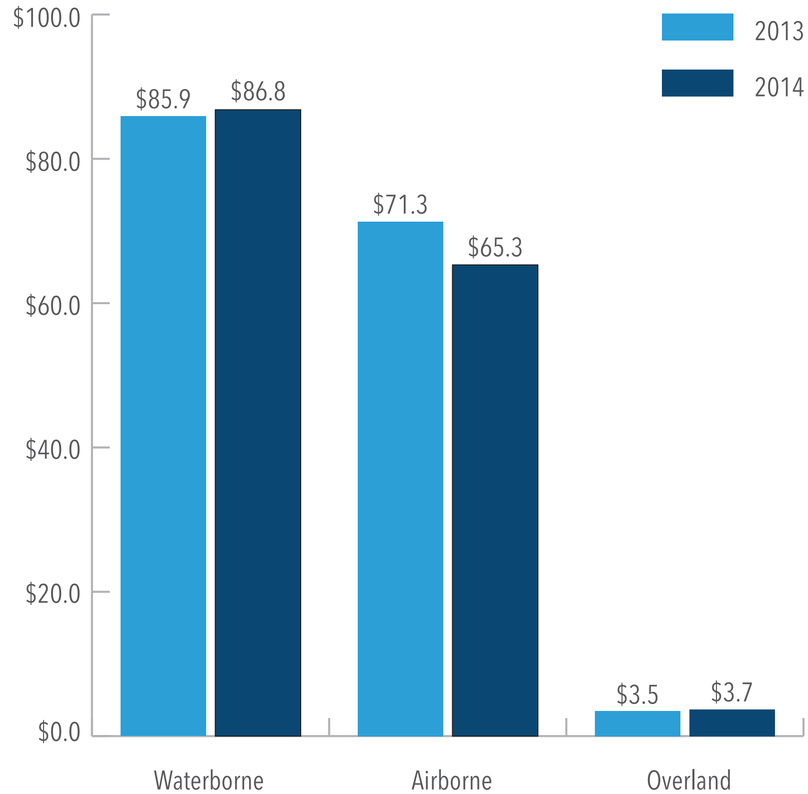
Last year's U.S. petroleum output, the highest in more than 30 years, helped oil prices plummet. The U.S. Census Bureau confirms that the 2014 petroleum deficit, at $188.4 billion, was the lowest since 2004.

The oil price collapse will result in winners and losers in the world of trade. The World Bank predicts that India will benefit greatly with economic growth expected at 6.4 percent this year (up from 5.6 percent in 2014), rising to 7 percent in 2016-2017. In Brazil, Indonesia, South Africa and Turkey, the fall in oil prices is expected to help lower inflation and reduce current account deficits, a major source of economic vulnerability.

By comparison, sustained low oil prices will weaken economic activity for countries like Russia, whose economy is projected to contract by 2.9 percent in 2015. Economic activity in low-income countries, which strengthened in 2014 spurred by rising public investment, significant expansion of service sectors, solid harvests, and substantial capital inflows, is expected to remain strong (at 6 percent in 2015-2017), although the moderation in oil and other commodity prices will hold growth back in commodity exporting low-income countries, according to The World Bank.

Lower fuel costs will provide a much anticipated break for container and other carriers, many of which had been unable to collect fuel surcharges. Profitability should rise for carriers, even in the most competitive trade lanes.

Exhibit 5: Florida's International Trade (by Value) 2013 and 2014
(U.S. $ Billion)



Data Source: U.S. Census Bureau

FLORIDA'S TOTAL INTERNATIONAL TRADE

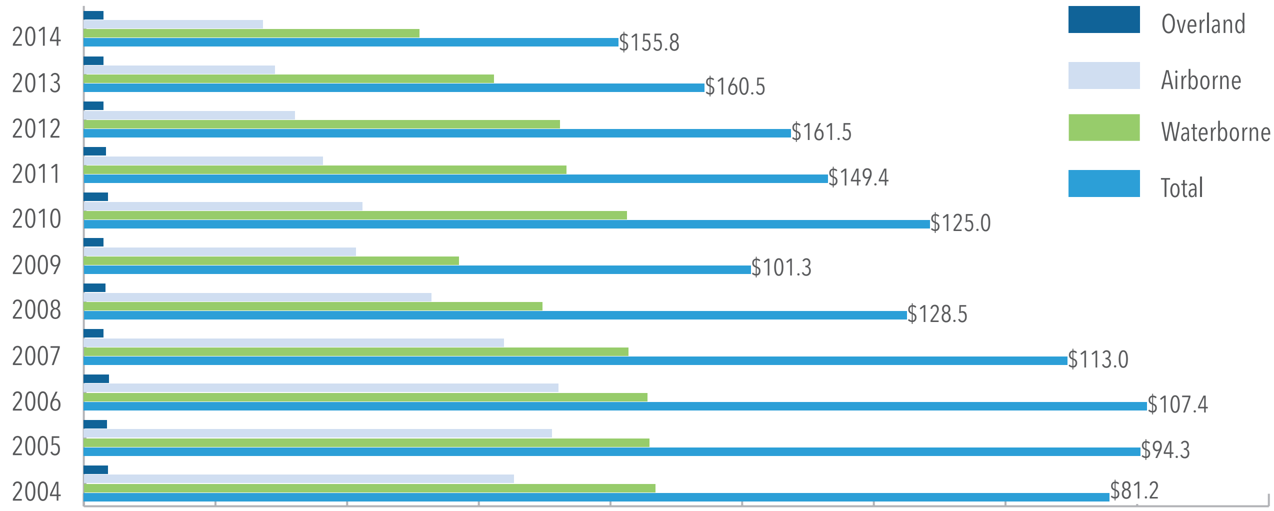
WATERBORNE BOLSTERS FLORIDA TRADE

Florida's **waterborne trade increased in 2014**; however, the state's total international trade over its air, sea and land gateways was valued at $155.8 billion, a $4.7 billion decrease over the 2013 figure, as reported by the U.S. Census Bureau. The Florida decline is fully accounted for by a drop in trade through Florida airports, as shown in Exhibit 5. [Note that international trade figures in this chapter do not include Florida origin or destined goods that move over air and seaports in other states.]

The decline in Florida's trade value is at odds with the national trend: U.S. merchandise trade in 2014 rose more than 3 percent to just over $4 trillion.

Regarding Florida's traditional leading trading partners, Brazil retained its top spot with $21.0 billion in trade, more than twice that of the next ranked country, Colombia. **Never before has a state of Florida trade partner reached the $21 billion mark.** Three other partners, Dominican Republic, Honduras, and Mexico, also set new records for trade through Florida gateways, enjoying 3.5, 1.2 and 16.6 percent growth respectively.

Exhibit 6: Florida's International Trade (by Value) 2004 to 2014 (U.S. $ Billions)



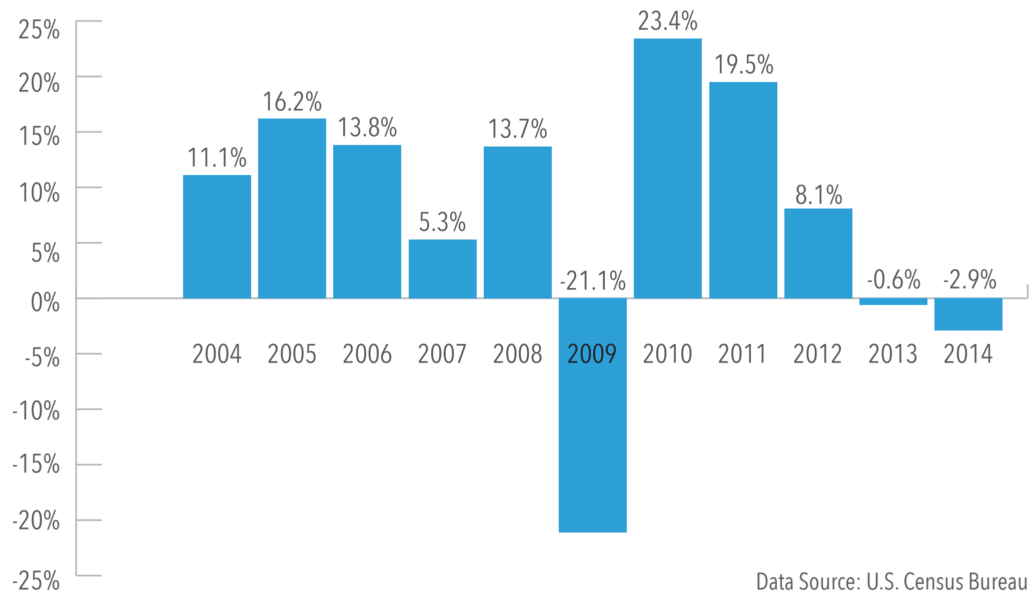
Data Source: U.S. Census Bureau

Exports of many commodities moved by air fell substantially, partly because of a strong U.S. dollar. As in the prior year, trade in *Pearls, Precious Stones and Metals, Coins* fell considerably in 2014, as interest in gold waned in step with economic recovery. Of particular note, a few key export commodities, such as *Arms and Ammunition, and Parts Thereof*, also fell drastically as the free market appears to have ramped up global production to the point where it caught up with U.S. demand.

Exhibit 6 shows the state's international trade record for waterborne, airborne and overland (including pipeline) cargoes. Note that Florida's waterborne trade, by value, is growing. ***Waterborne traffic increased by 1.0 percent to $86.8 billion*** in 2014, but the growth did not stem the loss in airborne international trade for the state.

Exhibits 6 and 7 show how the dollar value of the state's international trade has changed over the decade, with increases in 2009, 2010, and 2011, followed by decreases in 2012, 2013 and 2014.

Exhibit 7: Florida's International Trade (by Value) Annual Percentage Changes 2004 to 2014



DOLLAR VALUE OF FLORIDA'S INTERNATIONAL COMMERCE

As shown in Exhibit 8, goods moving through Florida's seaport gateways in 2014 were valued at approximately $86.8 billion, 55.7 percent of the state's total international trade; goods moving through the state's airport gateways were valued at $65.3 billion, the lowest value for air since 2011. The remaining $3.7 billion, or 2.4 percent, represents goods moving over land or by pipeline.

Exhibit 8: Florida's Waterborne, Airborne, and Overland International Trade (by Value) 2004 to 2014 (U.S. $ Billions)

YEAR	WATERBORNE	AIRBORNE	OVERLAND
2004	$51.0	$27.2	$3.0
2005	$62.4	$29.0	$3.0
2006	$72.3	$32.1	$3.0
2007	$73.3	$36.2	$3.4
2008	$82.5	$42.3	$3.7
2009	$57.0	$41.3	$3.0
2010	$69.7	$52.8	$3.3
2011	$82.7	$63.8	$3.0
2012	$85.6	$72.1	$3.8
2013	$85.9	$71.1	$3.5
2014	$86.8	$65.3	$3.7

Data Source: U.S. Census Bureau – total 2014 international trade value basis is $155.8 billion

Over a ten-year period airborne cargo has grown 140.1 percent and waterborne has grown 70.2 percent; waterborne has experienced five years of value increases, airborne has had three years of losses, indicating a change in air economics.

The changes in the waterborne value of imports and exports in 2014 were impacted severely by the strength of the U.S. dollar. The value increases are not necessarily matched by port tonnage increases, or by enhanced profitability for ocean carriers, who are enjoying lower fuel costs but still searching hard for more of the greater economies of scale that can come with larger vessels, vessel-sharing, slot-sharing and by additional business alliances among carriers.

Despite the modest gains in 2014, the growth of international trade is certain and for Florida seaports, this means there is still important work to be done to enhance hub port and feeder port assets and business volumes.

Focus on Fast Freight – The Momentum Continues

Although Florida's airborne export numbers are down in 2014, this is largely due to currency exchange rates. The demand for imports of international fast freight is not really slowing.

At the touch of a key, U.S. consumers and businesses can buy a product from almost any point on the planet and activate a global chain of supply. Buyers have higher expectations than ever before for the prompt delivery that has been traditionally provided by air, but ocean carriers and ports are finding innovative ways to join global fast-freight chains, for at least a segment of the fast freight journey. Cargo such as electronics and fashion are now often considered perishable. Waterborne trade competes for that cargo, a very lucrative business that lifts a carrier's bottom line.

Consumer demand at an entirely new level for fast or even same-day delivery will make it nearly impossible for companies that don't have a domestic or 'near-shore' operational source of supply. As retailers offer more tailor-made goods, such as cars or computers with the consumer's personally chosen options, near-sourcing is a solid option. Not all of these goods can move by air, but all are being demanded by Florida's growing consumer markets, opening up new potential for Florida's seaports.

IMPORT-EXPORT BALANCE

U.S. Census Bureau data indicates that in 2014 Florida was the seventh ranked state for merchandise exports and the ninth ranked state for imports.

Of the more than $155.8 billion in Florida's total international trade in 2014, $74.1 billion (or 47.6 percent) were imports and $81.7 billion (or 52.4 percent) were exports, giving the state a rare trade surplus. Florida has worked hard to promote Florida-origin exports and has been able to maintain its surplus since 2007.

By value, the waterborne trade runs a slight deficit; the 2014 import to export split was 52.7 to 47.3 percent. Unlike over-the-road traffic in and out of the consumer state of Florida, which is overwhelmingly southbound, both airborne and waterborne traffic through the state strike a relatively enviable import-export balance, and that can be a very appealing factor for carriers on some routes.

Exhibit 9 shows Florida's import-export ratios since 2004, with the shift in 2007 to a trade surplus. Florida's exports as a percentage of the state's total international trade peaked in 2009. Although exports have increased three out of the past six years, as a percentage of total trade they have fallen. This is in part because consumers and businesses have been playing catch up with their buying, and the rate of growth of imports is simply outpacing the growth of exports. The state's trade with its neighbors to the south, whose economies remained comparatively vibrant during the recession, has given some buoyancy to Florida's exports, up until 2014.

Exhibit 9: Florida's Import and Export Percentages (by Value) 2004 to 2014

YEAR	IMPORTS	EXPORTS
2004	53.8%	46.2%
2005	53.1%	46.9%
2006	51.8%	48.2%
2007	47.9%	52.1%
2008	43.2%	56.8%
2009	41.0%	59.0%
2010	41.4%	58.6%
2011	41.8%	58.2%
2012	44.0%	56.0%
2013	46.8%	53.2%
2014	47.6%	52.4%

Data Source: U.S. Census Bureau – total 2014 international trade value basis is $155.8 billion

Whereas Florida's total imports fell in value by 1.5 percent in 2014 and exports fell by 4.4 percent, waterborne trade fared much better. Waterborne imports moved through Florida's seaports grew by 5.4 percent in 2014, and exports fell by a more modest 3.3 percent. Nationwide, merchandise imports grew by 3.2 percent and exports grew by 2.8 percent, as Exhibit 10 shows. Although Florida's waterborne import growth substantially outperformed the national average in 2014, waterborne exports did not.

As Florida's waterborne containerized cargo volumes have grown, from 2.7 million TEUs at the peak of the recession to 3.3 million this year, their values also have risen. In 2014, containerized cargo vessels carried $49.5 billion in trade to and from Florida, up 6.0 percent over the prior year. About $27.7 billion, or 56.0 percent, were imports and $21.8 billion, or 44.0 percent, were exports. Container vessels carried 57.0 percent of all waterborne cargo by value, up from 54.4 percent in 2013.

Exhibit 10: U.S. Imports and Exports (by Value)
2004 to 2014 (U.S. $ Millions)

	TOTAL TRADE		IMPORTS			EXPORTS		
Year	Total U.S. Merchandise Trade Value	Change Over Prior Year	Imports Value	Change Over Prior Year	Share of the Total U.S. Trade	Exports Value	Change Over Prior Year	Share of Total U.S. Trade
2004	$2,285,422	15.3%	$1,470,547	17.0%	64.3%	$814,875	12.4%	35.7%
2005	$2,572,022	12.5%	$1,670,940	13.6%	65.0%	$901,082	10.6%	35.0%
2006	$2,881,086	12.0%	$1,855,119	11.0%	64.4%	$1,025,967	13.9%	35.6%
2007	$3,101,898	7.7%	$1,953,699	5.3%	63.0%	$1,148,199	11.9%	37.0%
2008	$3,391,083	9.3%	$2,103,641	7.7%	62.0%	$1,287,442	12.1%	38.0%
2009	$2,615,668	-22.9%	$1,559,625	25.9%	59.6%	$1,056,043	-17.4%	40.4%
2010	$3,191,423	22.0%	$1,913,160	22.7%	59.9%	$1,278,263	21.0%	40.1%
2011	$3,687,481	15.5%	$2,206,929	15.4%	59.8%	$1,480,552	15.8%	40.2%
2012	$3,821,848	3.6%	$2,275,392	3.1%	59.5%	$1,546,455	4.5%	40.5%
2013	$3,845,707	0.6%	$2,266,855	-0.4%	58.9%	$1,578,851	2.1%	41.1%
2014	$3,968,630	3.2%	$2,345,187	3.5%	59.1%	$1,623,443	2.8%	40.9%

Data Source: U.S. Census Bureau

GLOBAL DISTRIBUTION OF FLORIDA'S INTERNATIONAL COMMERCE

FLORIDA WATERBORNE TRADE IS GROWING

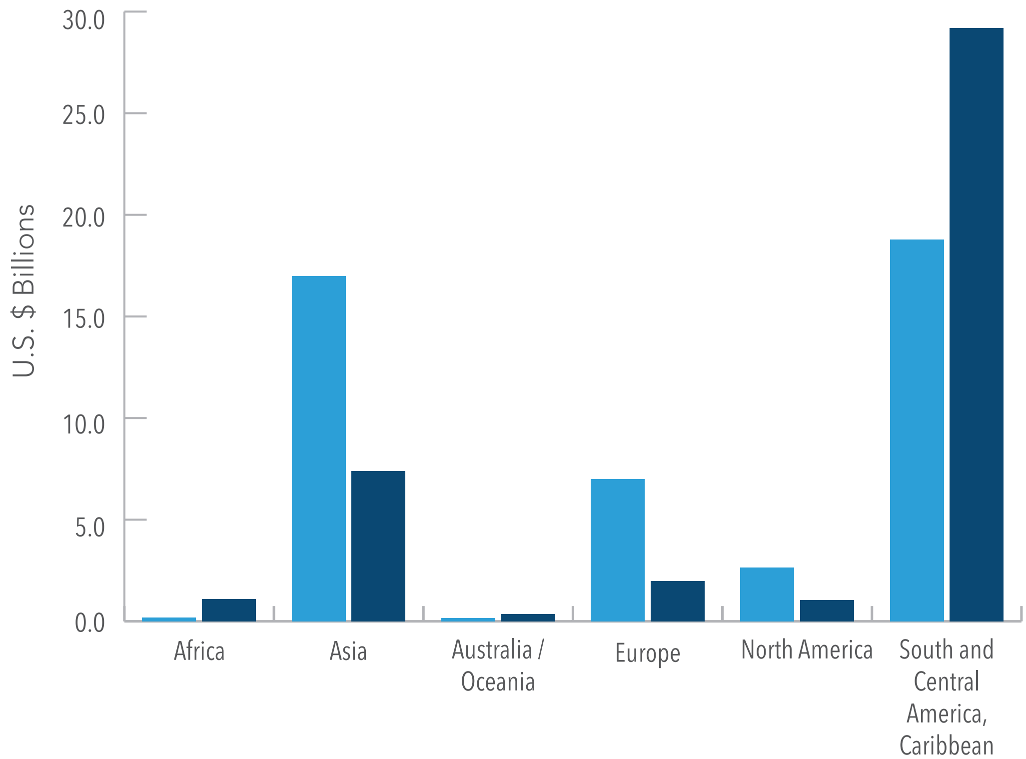
World waterborne trade is growing for all cargo types including liquid bulk, dry bulk and general cargo.

The regional distribution of the state's waterborne global commerce in 2014 is illustrated in Exhibit 11. Florida's trade partners to the South – South and Central America as well as the Caribbean – accounted for 55.3 percent of the state's waterborne trade.

South America, Central America and the Caribbean trade comprise a full 71.1 percent of waterborne exports. Over the last decade, Florida's trade with the region has grown remarkably. Over the latest two-year period, waterborne South and Central America and the Caribbean trade has fallen slightly, but the import component grew 5.8 percent to $18.8 billion. On a larger base, exports fell 4.3 percent to 29.2 billion tons.

Trade growth with Africa may seem unexpected, but new carrier services between the Continent and Florida, and burgeoning exports of the top two commodities, *Vehicles, Except Railway or Tramway, and Parts* (up 8.7 percent), and *Ships, Boats And Floating Structures* (up fifteen fold), have made Africa the top-performing export region for Florida trade, with 32.2 percent growth.

Exhibit 11: U.S. Florida's Waterborne Trade by Region (by Value) 2014



Data Source: U.S. Census Bureau - total international trade value basis is $155.8 billion; total waterborne trade value is $86.8 billion

Exhibit 12: Florida's International Waterborne Trade by Global Region 2012 to 2014 (U.S. $ Millions)

	2012		2013		2014		
Region	Value of Trade	Percent of Total	Value of Trade	Percent of Total	Value of Trade	Percent of Total	Percent Change 2014 over 2013
South and Central America, Caribbean	$48,229	56.4%	$48,566	56.6%	$47,972	55.3%	-1.2%
Asia and the Middle East	$23,974	28.0%	$23,839	27.8%	$24,379	28.1%	2.3%
Europe	$8,885	10.4%	$8,943	10.4%	$9,971	10.3%	0.3%
North America	$2,599	3.0%	$3,079	3.6%	$3,689	4.3%	19.8%
African Continent	$1,264	1.5%	$961	1.1%	$1,270	1.5%	32.2%
Australia and Oceania	$620	0.7%	$466	0.5%	$519	0.6%	11.4%
TOTAL	$85,571	100.0%	$85,854	100.0%	$86,800	100.0%	1.1%

Data Source: U.S. Census Bureau

North American waterborne trade showed double-digit growth in 2014, at 19.8 percent to $3.7 billion. Canadian exports, primarily composed of fertilizer, increased by 76.4 percent on a small base, but Canadian imports, primarily comprised of energy products, lost ground. Mexico delivered export growth of 14.6 percent, and import growth at a noteworthy rate of 53.7 percent. Overall, Mexico trade with Florida grew 37.3 percent, led by the automotive industry. *Vehicles, Except Railway or Tramway, and Parts*, were up by 114.1 percent to $1.1 billion.

Trade with Australia and Oceania was also strong with an increase of 11.4 percent, albeit on a very small base.

Exhibit 13: Florida's Waterborne Imports and Exports by Global Region (U.S. $ Millions) 2014 (with 2013 Comparison)

	IMPORTS			EXPORTS		
Region	**2013**	**2014**	**Percent Change 2014 over 2013**	**2013**	**2014**	**Percent Change 2014 over 2013**
South and Central America and the Caribbean	$18,742	$18,780	0.2%	$29,824	$29,193	-2.1%
Asia and Middle East	$15,279	$16,978	11.1%	$8,560	$7,400	13.6%
Europe	$6,856	$6,994	2.0%	$2,086	$1,977	-5.2%
North America	$2,204	$2,644	20.0%	$875	$1,045	19.4%
African Continent	$158	$181	14.6%	$803	$1,090	35.7%
Australia and Oceania	$146	$168	15.1%	$321	$351	9.3%
TOTAL	$43,385	$45,745	5.4%	$42,469	$41,056	-3.3%

Data Source: U.S. Census Bureau – total 2014 international trade value basis is $155.8 billion; total waterborne trade value is $86.8 billion

Exhibit 13 compares the dollar value of waterborne imports and exports for each of the regions with which Florida trades. The exhibit also shows the percentage change in these values between 2013 and 2014, with import growth substantially outperforming exports.

For the last eight years Florida has had a surplus of total trade through all gateways. The 2014 surplus was $7.6 billion. From 2008 to 2012, waterborne trade showed a surplus, peaking in 2011 with $2.9 billion more in exports than imports. That shifted in 2013 when a small deficit of $1.1 billion was recorded. In 2014, the gap widened, showing a deficit of $4.7 billion in waterborne cargo.

A number of trends may be responsible for this shift, particularly the return of consumer confidence and increased Florida and U.S. imports of construction materials, but also the emergence of near-sourcing and U.S. currency exchange gains, particularly against the Brazilian real. Brazil's real fell to its lowest point in a decade at the end of 2014; the vagaries of domestic politics have undermined the central bank's currency-intervention program for regaining investor confidence.

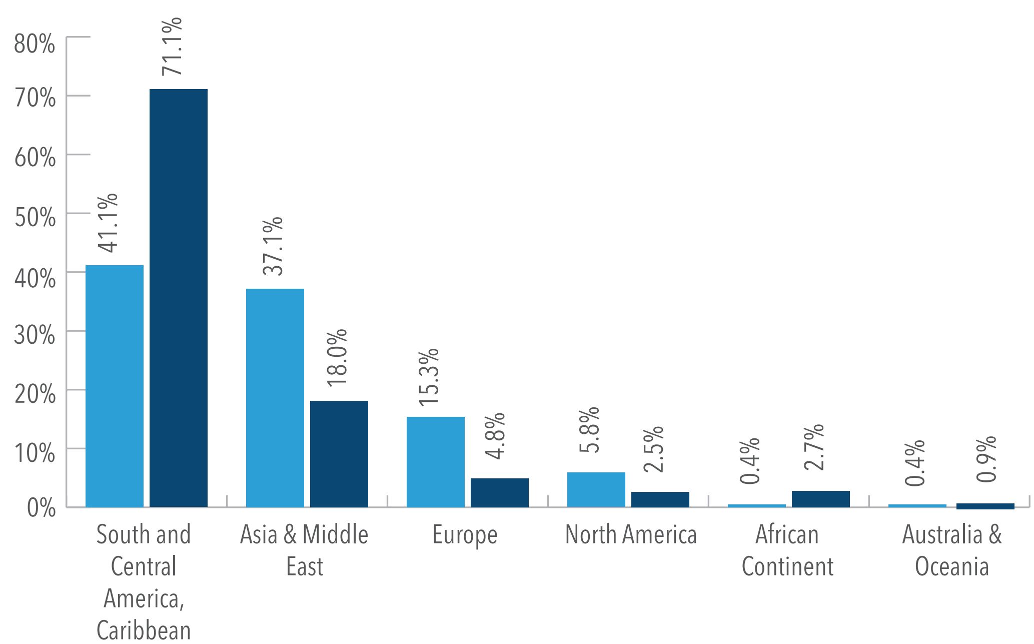
Florida's airborne cargo still shows a significant and widening trade surplus of $12.7 billion; high-value, low-volume electronics are shipped out by air to insatiable Latin markets. Other major airborne commodities include *Nuclear Reactors, Boilers, Machinery and Parts*, aircraft components, optical and photographic equipment, and pharmaceuticals.

There is a strong (but narrowing) surplus in waterborne trade with South and Central America and the Caribbean ($10.4 billion versus $11.1 billion in 2013). Florida seaports handle 6.8 percent of U.S. global waterborne export trade and 21.3 percent of U.S. waterborne export trade with South and Central America and the Caribbean. On the import side, Florida seaports' share of waterborne trade is still strong at 4.0 percent of the world total and 15.2 percent of waterborne imports from South and Central America and the Caribbean.

Waterborne import trade through the state's seaports increased for the fifth year in a row, up $2.4 billion or 5.4 percent to $45.7 billion, while waterborne exports declined 3.3 percent.

Exhibit 14 illustrates each global region's share of Florida's import and export trade. The striking feature of this exhibit is its clear indication of South and Central America and the Caribbean's importance not just to the state's export market, but also to its import market; it is a model of two-way trade that supports economic growth.

Exhibit 14: Florida's Waterborne Trade with Global Regions (by Value)
2014 Percentages of Florida's Import and Export Markets



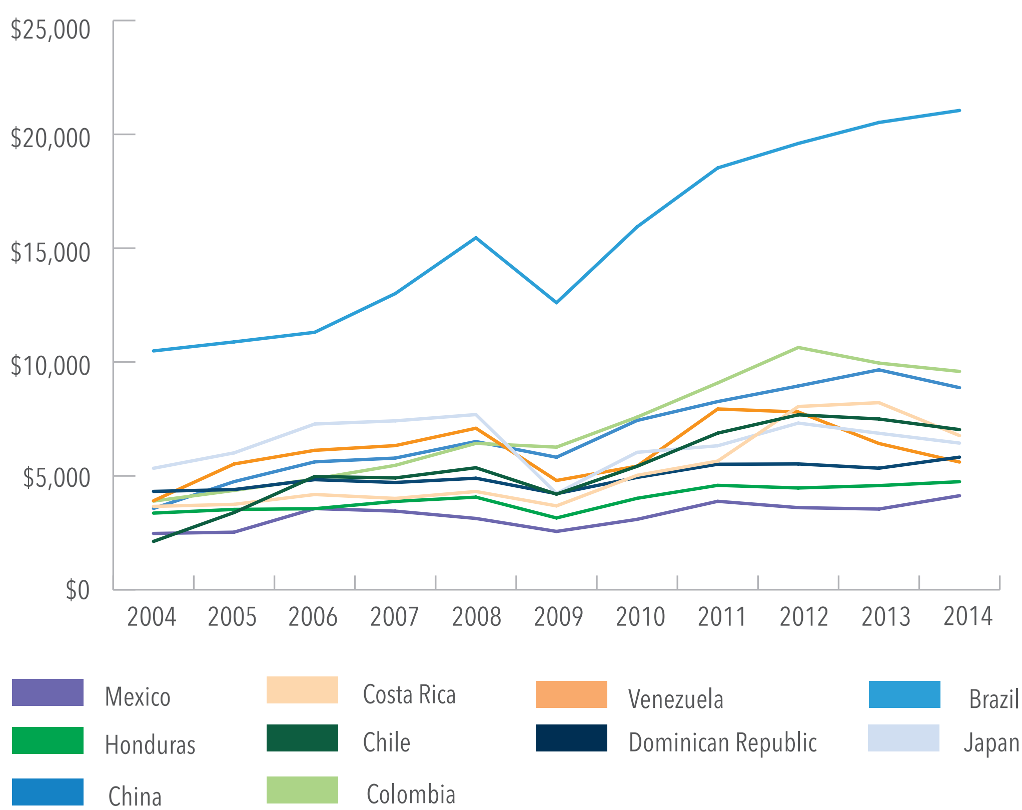
Data Source: U.S. Census Bureau – total 2014 international trade value basis is $155.8 billion; total waterborne trade value is $86.8 billion

FLORIDA'S TOP TRADING PARTNERS

The characteristics of Florida's international trade are better understood by looking at the comparative market shares of individual countries within the respective global regions. The top ten countries whose commerce contributed to the state's total international trade in 2014 were: Brazil, Colombia, China, Costa Rica, Chile, Japan, Venezuela, Mexico, Dominican Republic and Honduras.

Consistent with Florida's dominant role in trade with Central and South America and the Caribbean, eight of the countries on the list of the state's top ten trading partners are from those regions. As stated previously, Brazil retained its top spot with $21.0 billion in trade, more than twice that of the next ranked country, Colombia. Never before has a Florida trade partner surpassed the $21 billion mark. Six of the remaining top ten partners experienced a small decrease in cargo in 2014; the three countries that gained cargo value were Mexico, Honduras and the Dominican Republic. China's decline, at 8.1 percent reflects the slowing growth of its economy, which has been one of the fastest in the world (but note that China's waterborne trade is up – the decline is entirely accounted for by airborne cargo values). Mexico's 16.6 percent growth pulled it back into the top ten in 2014, on the strength of the automotive industry, near-sourcing, and a number of other developments; its cargoes continue to favor over-the-road routings, but waterborne trade is growing.

Exhibit 15: Florida's International Trade (by Value) with Top Ten Trading Partners 2004 to 2014 (U.S. $ Millions)



Data Source: U.S. Census Bureau

Exhibit 15 illustrates how Florida's trade with each of its top ten trading partners has evolved during the decade. Cargo values overall are strengthening. This exhibit confirms Brazil's domination of the top spot, and illustrates the recent reversal of the fast uphill tracks for Colombia, China, Costa Rica, Chile, Japan and Venezuela.

Florida's top trading partners remain quite consistent, even in the face of global turbulence, but their growth rates and relative rankings shift from year to year. In addition to this consistency, however, the diversity of Florida's trading partners is an important asset in the state's competitive initiative to retain and expand market share. For example, 36 countries, including the ten shown below, were each responsible in 2014 for more than $1 billion of Florida's international trade.

Exhibit 16 ranks the top ten countries whose waterborne commerce contributed to the state's $86.8 billion in waterborne trade in 2014. It compares the value of the state's 2014 commerce with these top partners for the previous two years, showing the percentage changes between 2013 and 2014. Eight of the countries on the list of the state's top ten waterborne trading partners are from South and Central America and the Caribbean.

Exhibit 16: Florida's Top Ten Trading Partners for Waterborne Cargo (by Value) 2012 to 2014

	2012		2013		2014		
Country	Value of Trade	Rank	Value of Trade	Rank	Value of Trade	Rank	Percent Change 2014 over 2013
Total All Countries	$85,602,834,794		$85,895,563,775		$86,800,474,305		1.1%
China	$6,162,485,130	2	$6,216,824,552	1	$6,570,579,602	1	5.7%
Japan	$6,479,391,925	1	$6,057,292,984	2	$5,916,172,747	2	-2.3%
Brazil	$5,624,329,436	3	$5,847,384,959	3	$5,711,540,645	3	-2.3%
Dominican Republic	$4,691,572,405	5	$4,606,953,418	4	$4,785,828,140	4	3.9%
Honduras	$3,943,321,882	7	$4,170,080,605	7	$4,225,504,041	5	1.3%
Venezuela	$4,962,386,381	4	$4,359,591,241	5	$3,967,266,385	6	-9.0%
Chile	$4,133,264,200	6	$4,272,881,161	6	$3,642,811,313	7	-14.7%
Colombia	$2,802,264,015	9	$2,722,824,528	9	$2,833,457,415	8	4.1%
Mexico	$1,798,860,749	12	$1,937,353,171	13	$2,660,484,377	9	37.3%
Costa Rica	$2,342,919,351	10	$2,383,737,973	10	$2,582,619,368	10	8.3%
Top Ten Total					$42,896,264,033		
Top 10 (2014) Share of Total $86.8 Billion: 49.4%							

Data Source: U.S. Census Bureau

Trade from China and Japan continues to favor waterborne routings, due to distance to market. By comparison, the top two partners for trade by all modes are Brazil and Colombia. In a year of continued deteriorations in bilateral trade relations with Venezuela, its import gains were not nearly enough to offset a fall-off in exports, leading to a 9.0 percent decline in trade through Florida seaports. This cargo, mostly oil bound for U.S.

consumption, peaked in 2011. Chile's 14.7 percent trade decline, largely related to a fall-off in copper, bears close scrutiny, because copper has traditionally been an important barometer for the global economy.

Focus on China's Slowdown

China's 2014 GDP grew by 7.4 percent – the weakest in a quarter century. Nevertheless, China's economic output exceeded $10 trillion, according to The Economist, making it only the second country to ever do so, after the U.S. (in 2000). It took China only ten years to increase its economy five times over.

The increase in China's GDP means that even at a slower pace of growth, the country now generates as much additional demand as it did when it had double-digit growth.

The Chinese share of Florida's waterborne trade is important, at 5.7 percent, and remains critical to Florida trade flows.

FLORIDA'S IMPORT/EXPORT MARKETS

The state's waterborne trade picture comes into even better focus when its import and export partners, as well as the goods that make up this trade, are looked at more closely.

Exhibit 17: Florida's Top Ten
Waterborne Import Trading Partners 2012 to 2014

	2012		2013		2014		
Country	Value of Trade	Rank	Value of Trade	Rank	Value of Trade	Rank	Percent Change 2014 over 2013
Total All Countries	$42,346,121,775		$43,375,152,951		$45,744,446,197		5.5%
China	$5,459,783,214	2	$5,479,501,348	2	$5,853,048,345	1	6.8%
Japan	$6,115,883,513	1	$5,720,641,000	1	$5,611,134,850	2	-1.9%
Honduras	$2,197,173,709	4	$2,419,467,947	4	$2,481,287,775	3	2.6%
Dominican Republic	$2,111,865,007	5	$2,176,305,922	5	$2,269,582,823	4	4.3%
Chile	$2,540,418,437	3	$2,663,182,683	3	$2,262,391,517	5	-15.0%
Venezuela	$1,010,306,707	10	$1,700,440,932	6	$1,831,115,484	6	7.7%
Mexico	$1,074,949,904	9	$1,126,232,868	8	$1,731,032,713	7	53.7%
Korea, South	$1,168,351,054	7	$1,081,753,081	10	$1,531,193,780	8	41.5%
Brazil	$1,689,180,662	6	$1,687,996,299	7	$1,490,916,068	9	-11.7%
Costa Rica	$1,111,568,243	8	$1,113,231,854	9	$1,232,804,271	10	10.7%
Top Ten Total							$26,294,507,626
Top Ten (2014) Share of Total $43.4 Billion: 57.5%							

Data Source: U.S. Census Bureau

As shown in Exhibit 17, seven of Florida's top ten waterborne import partners in 2014 came from markets to the south. Japan and China have ranked as the top two waterborne import partners since 2005. Florida's top ten import partners represented 57.5 percent of the $45.7 billion total waterborne imports. Imports (from all countries) through Florida seaports set a new record in 2014.

Mexico registered 53.7 percent growth, moving from eleventh to seventh place, due in large part to a strong automotive industry. South Korean imports grew a remarkable 41.5 percent; the U.S.-Korea Free Trade Agreement, which entered into force in 2012, continues to spur trade. A minor recovery of the bolivar in 2014, following a decline in 2013, helped Venezuela register 7.7 percent import growth.

Waterborne imports vastly outperformed the state's total import trade, with a 5.5 percent growth rate in 2014 (versus a 1.5 percent decline when air and overland gateways are included).

Florida's imports from countries in South America, Central America, and the Caribbean expanded more than its exports to in 2014. As shown in Exhibit 18, all but one of Florida's top five waterborne export partners came from those regions.

In 2014, waterborne exports decreased 3.4 percent to $41.1 billion, with exports comprising 47.4 percent of Florida's $86.8 billion in waterborne trade. Of the state's total export trade of $81.7 billion, 50.3 percent are waterborne.

Exhibit 18: Florida's Top Ten Waterborne Export Trading Partners 2012 to 2014

	2012		2013		2014		
Country	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Percent Change 2014 over 2013**
Total All Countries	$43,256,713,019		$42,520,410,824		$41,056,028,108		-3.4%
Brazil	$3,935,148,774	2	$4,159,388,660	1	$4,220,624,577	1	1.5%
Dominican Republic	$2,579,707,398	4	$2,430,647,496	4	$2,516,245,317	2	3.5%
Saudi Arabia	$3,341,075,222	3	$3,157,668,432	2	$2,309,427,798	3	-26.9%
Venezuela	$3,952,079,674	1	$2,659,150,309	3	$2,136,150,901	4	-19.7%
Colombia	$1,873,357,963	5	$1,948,880,470	5	$1,967,817,569	5	1.0%
Honduras	$1,746,148,173	6	$1,750,612,658	6	$1,744,216,266	6	-0.4%
United Arab Emirates	$1,105,989,601	13	$1,508,073,055	8	$1,565,097,801	7	3.8%
Panama	$1,508,356,261	8	$1,466,183,286	9	$1,496,033,259	8	2.0%
Chile	$1,592,845,763	7	$1,609,698,478	7	$1,380,419,796	9	-14.2%
Costa Rica	$1,231,351,108	11	$1,270,506,119	13	$1,349,815,097	10	6.2%
Top Ten Total					$20,685,848,381		
Top Ten (2014) Share of Total $41.1 Billion: 50.4%							

Data Source: U.S. Census Bureau

Florida's top ten waterborne export partners provided 50.4 percent of the $41.1 billion total waterborne exports.

Waterborne exports through Florida seaports fell 3.4 percent in 2014 due to a combination of factors, including Venezuelan currency controls and market volatility, the impact of commodity price falls on Chilean trade, and a decline in Saudi vehicle and project purchasing. Exports to the state's largest partner, Brazil, were up 1.5 percent to $4.2 billion, exceeding record levels previously set in 2011. Brazil currently accounts for 10.3 percent of waterborne exports and 19.5 percent of the total waterborne and airborne export volumes.

Exports to Saudi Arabia fell 26.9 percent in one year to $2.3 billion dollars, and dropped from second to third place behind Brazil and the Dominican Republic. Exports to Saudi Arabia are principally comprised of *Vehicles, Except Railway or Tramway*. Exports to Venezuela were off 19.7 percent with each of the top five commodities on the trade showing losses, including *Nuclear Reactors, Boilers, Machinery and Parts*, *Vehicles, Except Railway or Tramway*, and *Electric Machinery, Sound Equipment, TV Equipment and Parts*. The global decline in oil prices has greatly reduced Venezuela's buying power.

Exports to United Arab Emirates (UAE) showed relatively strong export growth, at 3.8 percent over one year and 41.5 percent over two years. The UAE has been making heavy transportation purchases: in 2013 growth was almost entirely in automobiles and in 2014 it was in aviation.

Four more countries, in addition to the top ten – Peru, Bahamas, Guatemala and Argentina – each received more than a billion dollars in exports through Florida.

Focus on Reefer Trades

World refrigerated cargo (reefer) trade comprises roughly 2.5 percent of total waterborne trade. As the top trade lane for these products, Latin America handles more than half the global market, according to analyst WorleyParsons. The Panama Canal is critical to this top reefer route – more than 10 percent of Canal traffic is reefer.

North-south trade in reefer commodities is growing, and more of that trade is being containerized due to convenience and economics. Higher discretionary incomes, most recently in emerging economies, have driven up the demand for fresh products. Consumers around the world now demand year-round supplies. That, coupled with improvements in temperature-control technology, has given rise to more globalized sourcing.

Carriers are attracted to ports that serve reefer markets, because the cargo pays premium rates due to special services required – tight delivery windows, additional labor, preserving condition, and securing the food supply. A federal pilot project in South Florida allows for the clearance of cold-treatment perishables – such as blueberries and grapes from Peru and Uruguay – through Port Everglades and PortMiami, instead of shipping the produce through a port to the north and trucking product to vast consumer markets in Florida. The pilot was a success and efforts are under way to expand the program to include additional commodities and countries.

TOP COMMODITIES THROUGH FLORIDA'S GATEWAYS

In 2014, the top ten commodity types accounted for more than two-thirds of Florida's total waterborne and airborne trade.

Exhibit 19: Florida's Top Ten
Waterborne Commodities (Import and Export) 2012 to 2014

	2012		2013		2014		
Commodity	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Percent Change 2014 over 2013**
Total All Commodities	$85,602,834,794		$85,895,563,775		$86,800,474,305		1.1%
Vehicles, except Railway or Tramway, and Parts	$15,956,670,325	1	$15,809,079,379	1	$15,152,669,060	1	-4.2%
Nuclear Reactors, Boilers, Machinery, and Parts Thereof	$10,386,591,539	2	$9,626,782,142	2	$9,512,968,176	2	-1.2%
Mineral Fuel, Oil, Bituminous Substances, Mineral Wax	$6,106,304,628	3	$6,274,800,783	3	$6,640,678,567	3	5.8%
Electric Machinery, including Sound and TV Equipment	$5,358,462,177	4	$5,456,896,163	4	$5,575,173,880	4	2.2%
Apparel Articles and Accessories, Knit or Crochet	$4,519,927,863	5	$4,625,223,571	5	$4,756,671,831	5	2.8%
Optical, Photo, Medical or Surgical Instruments	$2,369,227,238	8	$2,123,327,389	8	$2,268,353,856	6	6.8%
Plastics and Articles Thereof	$1,924,455,086	10	$1,999,354,657	10	$2,221,743,561	7	11.1%
Fertilizers	$2,415,199,070	7	$2,082,861,020	9	$2,142,500,205	8	2.9%
Copper and Articles Thereof	$2,449,221,374	6	$2,513,710,121	6	$1,982,874,316	9	-21.1%
Apparel Articles and Accessories, Not Knit	$1,769,613,966	11	$1,902,493,615	11	$1,912,891,043	10	0.5%
Top Ten Total					$52,166,524,495		
Top 10 (2014) Share of Total $86.8 Billion: 60.1%							

Data Source: U.S. Census Bureau

In 2014, ten commodity types accounted for $52.2 billion, or 60.1 percent, of Florida's *waterborne* international trade.

For the fourth year in a row, V*ehicles, except Railway or Tramway, and Parts* was the top category moved through Florida seaports with a value of almost $15.2 billion. Adding in airports and overland gateways, *Electric Machinery, including Sound and TV Equipment* was the top commodity.

Plastics and Articles Thereof showed the greatest growth, at 11.1 percent, followed by *Optical, Photo, Medical or Surgical Instruments*, at 6.8 percent, and *Mineral Fuel, Oil, Bituminous Substances, Mineral Wax*, at 5.8 percent. The largest loss was to *Copper and Articles Thereof*, with a 21.1 percent decline, severely impacting Chilean trade balances with Florida.

Ten commodity categories in addition to those shown in Exhibit 19 also exceeded $1 billion in waterborne trade value: *Beverages, Spirits and Vinegar; Essential Oils, Perfumery, and Cosmetic Preparations; Furniture, Bedding, Lamps, Prefabricated Buildings; Ships, Boats and Floating Structures; Fish, Crustaceans and Aquatic Invertebrates; Paper and Paperboard and Articles Thereof; Special Classification Provisions, Not Elsewhere Specified; Inorganic Chemicals, Precious and Rare-earth Metals, and Radioactive Compounds; Prepared Vegetables, Fruits, Nuts or Other Plant Parts;* and *Cotton, including Yarn and Woven Fabric Thereof.*

Focus on Mexico's Automotive Supply

Mexico is the eighth largest vehicle producer and fifth largest parts producer in the automotive industry. It has doubled production inside of five years, and now has ten automakers producing more than three million vehicles each year. Because four out of five of those are destined for external markets, Mexico is the world's fourth largest exporter of vehicles. Mexican automotive production is expected to double by 2020.

Outbound movements of vehicles from North America are expected to reach record levels, in part because sales volumes and market share continue to move toward emerging markets. There are opportunities for Florida ports related to serving those emerging markets, and developing strategies to address the mismatch between the location of current production and growing demand.

It is noteworthy that supply bases are not well aligned with future sales and ports may serve to rectify supply-chain shortcomings.

Exhibit 20 ranks the top ten commodities imported through Florida seaports in 2014; ten commodity types accounted for $29.6 billion, or 64.6 percent of Florida's record $45.7 billion in international imports.

Most of these commodities have been on the top ten lists for many years, although ranking somewhat differently from year to year.

These ten commodities have represented approximately two-thirds of the state's imports for the last three years.

Exhibit 20: Florida's Top Ten
Waterborne Import Commodities 2012 to 2014

	2012		2013		2014		
Commodity	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Percent Change 2014 over 2013**
Total All Import Commodities	$42,346,121,775		$43,375,152,951		$45,744,446,197		5.5%
Vehicles, except Railway or Tramway, and Parts	$6,229,867,264	1	$6,094,120,618	1	$6,651,189,221	1	9.1%
Mineral Fuel, Oil, Bituminous Substances, Mineral Wax	$5,712,868,860	2	$5,906,412,609	2	$6,398,670,181	2	8.3%
Apparel Articles and Accessories, Knit or Crochet	$4,334,860,796	3	$4,431,618,507	3	$4,564,445,837	3	3.0%
Nuclear Reactors, Boilers, Machinery and Parts Thereof	$2,043,553,526	5	$1,840,622,658	7	$2,102,838,092	4	14.2%
Electric Machinery, including Sound and TV Equipment	$1,847,252,703	7	$1,903,594,562	6	$2,087,642,573	5	9.7%
Apparel Articles and Accessories, not Knit	$1,683,266,177	8	$1,814,432,116	8	$1,814,145,589	6	0.0%
Copper and Articles Thereof	$2,136,331,486	4	$2,198,846,367	4	$1,711,665,526	7	-22.2%
Beverages, Spirits and Vinegar	$2,012,939,625	6	$1,905,737,593	5	$1,503,007,129	8	-21.1%
Fish, Crustaceans and Aquatic Invertebrates	$1,231,275,423	9	$1,191,686,574	9	$1,404,147,907	9	17.8%
Furniture, Bedding, Lamps, Prefabricated Buildings	$987,391,950	12	$1,175,381,518	11	$1,323,658,052	10	12.6%
Top Ten Total					$29,561,410,107		
Top 10 (2014) Share of Total $45.7 Billion: 64.6%							

Data Source: U.S. Census Bureau

About $1 in $7 of waterborne imports in 2014 were categorized as *Vehicles, except Railway or Tramway, and Parts* and about the same amount fell under the fuel category. Keeping Florida moving is critical to state consumers and businesses.

In addition to the top ten commodities, one other category contributed more than $1 billion to Florida's waterborne imports: *Optical, Photographic, Medical or Surgical Instruments.*

Exhibit 21 ranks the top ten waterborne commodities Florida exported in 2014. They accounted for $27.7 billion of the $41.1 billion in international exports through Florida seaports. Waterborne exports represent 50.2 percent of total state exports, including airborne.

Exhibit 21: Florida's Top Ten
Waterborne Export Commodities 2012 to 2014

	2012		2013		2014		
Commodity	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Value of Trade**	**Rank**	**Percent Change 2014 over 2013**
Total All Export Commodities	$43,256,713,019		$42,520,410,824		$41,056,028,108		-3.4%
Vehicles, except Railway or Tramway, and Parts	$9,726,803,061	1	$9,714,958,761	1	$8,501,479,839	1	-12.5%
Nuclear Reactors, Boilers, Machinery and Parts Thereof	$8,343,038,013	2	$7,786,159,484	2	$7,410,130,084	2	-4.8%
Electric Machinery, including Sound and TV Equipment	$3,511,209,474	3	$3,553,301,601	3	$3,487,531,307	3	-1.9%
Fertilizers	$2,263,816,972	4	$1,957,920,072	4	$2,031,118,719	4	3.7%
Plastics and Articles Thereof	$1,294,148,680	5	$1,301,575,787	5	$1,430,446,633	5	9.9%
Ships, Boats and Floating Structures	$700,023,810	9	$614,836,089	13	$1,092,439,814	6	77.7%
Cotton,including Yarn and Woven Fabric Thereof	$992,015,032	7	$916,869,803	8	$1,000,552,457	7	9.1%
Essential Oils, Perfumery, and Cosmetic Preparations	$875,374,476	8	$916,908,824	7	$996,903,050	8	8.7%
Optical, Photo, Medical or Surgical Instruments	$1,152,918,082	6	$945,963,100	6	$983,178,680	9	3.9%
Meat and Edible Meat Offal	$694,128,839	10	$711,453,496	10	$717,550,964	10	0.9%
Top Ten Total					$27,651,331,547		
Top 10 (2014) Share of Total $41.1 Billion: 67.4%							

Data Source: U.S. Census Bureau

Florida's top waterborne export, *Vehicles, except Railway or Tramway, and Parts,* fell by $1.2 billion, or 12.5 percent in 2014. *Nuclear Reactors, Boilers, Machinery and Parts Thereof* similarly fell by $0.4 billion, or 4.8 percent. These categories may continue to be suppressed as the U.S. dollar remains strong in most global markets.

The 77.7 percent increase in *Ships, Boats and Floating Structures* to $1.1 billion, with a ranking change from thirteenth to sixth is also notable. Exports to Florida's top three waterborne markets – Egypt, Brazil and Mexico – combined, were up more than 500 percent. The U.S. Marine Manufacturers Association gives credit for increased sales of watercraft internationally to competitive U.S. production (even given a strong U.S. dollar), along with the emergence of marinas, tariff reductions and an upswing in consumer interest, especially in countries with vast coastlines.

Worth noting in the analysis of Florida's import and export commodities is that the top three waterborne export commodities – V*ehicles, except Railway or Tramway, and Parts*; *Nuclear Reactors, Boilers, Machinery and Parts Thereof*; and *Electric Machinery including Sound and TV Equipment* – were also among the top import commodities. Together, these three commodity types, whether imported or exported, represent $30.2 million in trade, about a third (34.8 percent) of Florida's waterborne international trade.


MAERSK

CARGO AND CRUISE OPERATIONS AT FLORIDA'S SEAPORTS CHAPTER FOUR

The activities of Florida's seaports can be measured in several ways. These measures include the dollar value of their cargo, the tonnage crossing their docks, the number of containers moved (as counted in 20-foot equivalent container units or TEUs), and the number of cruise passengers embarked and disembarked.

Ten of Florida's 15 established and emerging seaports handled cargo last year, and seven handled passenger movements by cruise ship, ferry and/or day-cruise vessel.

In 2014, the dollar value of international cargo moving through Florida's airports and seaports, as reported by U.S. Census Bureau, dropped to $155.8 billion from $160.5 billion. Waterborne cargo over Florida's ports, which comprises 55.7 percent of that total trade by dollar, fared better showing 1.1 percent growth.

It is important to note that, in this report, tonnage figures and passenger counts reflect fiscal years (typically October 1 through September 30) and value figures reflect calendar years, except as noted otherwise. Also, ports count passengers upon embarkation and disembarkation, reflecting port fees.

"The Florida Ports Council has been an important partner as we continue to promote Florida as the place for businesses to complete and succeed globally. Florida is on a mission to become the global leader in job creation, and this report demonstrates that by continuing to make our ports a priority, we are taking crucial steps toward meeting that goal."

-Florida Governor Rick Scott

Exhibit 22: Florida's Containerized Waterborne Trade by Seaport (by Value) 2013 to 2014

	2013		2014		
Port*	Containerized Cargo Value	Total Waterborne Cargo Value	Containerized Cargo Value	Total Waterborne Cargo Value	Change in Total Waterborne Cargo Value 2014 over 2013
Canaveral	$19,244,293	$1,383,270,152	$4,596,292	$1,291,515,905	-6.6%
Everglades	$15,670,888,943	$25,367,045,860	$17,801,568,718	$27,125,450,966	6.9%
Fernandina	$64,726,315	$175,269,536	$61,011,138	$118,882,360	-32.2%
Jacksonville	$7,949,418,262	$23,487,517,418	$8,893,153,504	$23,348,466,860	-0.6%
Manatee	$133,619,839	$718,501,938	$174,246,131	$695,460,668	-3.2%
Miami	$19,261,921,440	$24,306,923,095	$19,257,662,828	$23,710,169,816	-2.5%
Palm Beach	$1,569,461,177	$2,140,386,915	$1,694,705,593	$2,307,523,469	7.8%
Panama City	$1,425,437,330	$3,595,281,372	$1,002,254,839	$3,146,875,568	-12.5%
Pensacola	$2,234,590	$222,879,315	$5,064,886	$505,841,269	127.0%
Tampa	$581,613,206	$4,427,370,710	$613,582,543	$4,509,227,930	1.8%
Miscellaneous*	$7,442,511	$30,007,216	$10,783,923	$41,021,500	36.7%
Total	$46,686,007,906	$85,854,453,527	$49,518,630,395	$86,800,436,311	1.1%

Data Source: U.S. Census Bureau–the total 2014 international trade value basis is $155.8 billion

*No cargo handled at the following ports: Citrus, Fort Pierce, Key West, St. Joe, or St. Petersburg; cargo values in the miscellaneous category reflect operations other than those at specific port docks, as calculated by the federal government

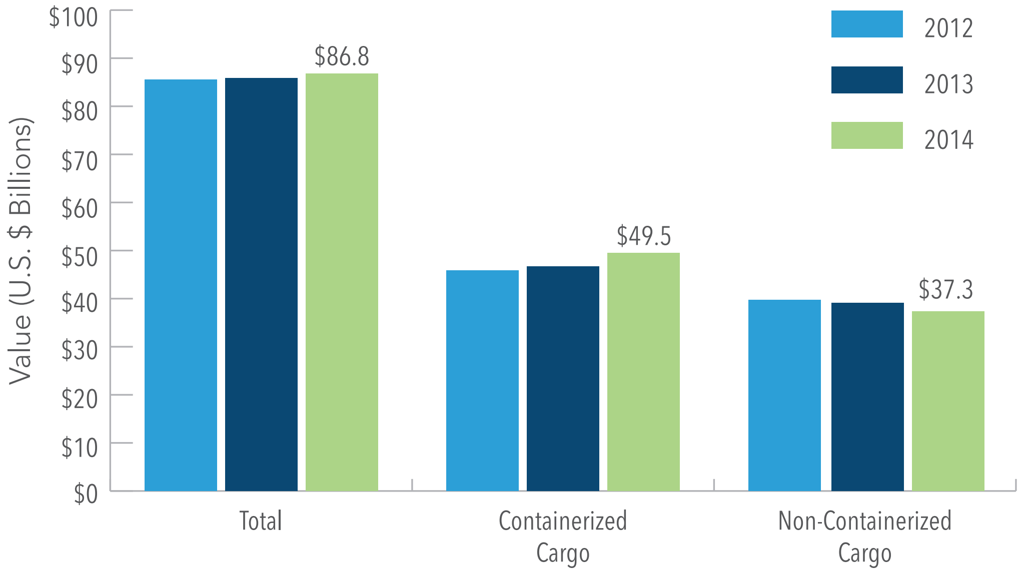
This 1.1 percent value increase for cargo moving through Florida seaports shown in Exhibit 22 was accompanied by a slight loss in tonnage, a decrease of 0.7 percent. This represents a minor shift to handling higher value commodities in general. In 2014, the new cargoes were predominantly containerized cargo and break-bulk, including vehicles, palletized freight, neo-bulk, and other non-containerized general cargo. There was also a 3.7 percent increase in TEUs, accompanied by a 0.4 percent increase in container tonnage, representing a noticeable shift toward lighter containerized products and/or more empties.

In the cruise industry, a record 15.6 million passengers were counted at Florida's seaports in FY 2013/2014, up a staggering 10.5 percent from FY 2012/2013.

DOLLAR VALUE OF WATERBORNE CARGO

In 2014, Florida's seaports moved $86.8 billion worth of goods from countries the world over, up from the $85.9 billion moved in 2013. Exhibit 22 shows that containerized cargo at Florida's seaports, which represented 57.0 percent of the total value of waterborne cargo, increased by 6.1 percent in 2014 over 2013. Overall, waterborne cargo increased at a rate of 1.1 percent in 2014 over 2013.

Exhibit 23: Three-Year Comparison of Florida's Containerized and Non-Containerized Cargo (by Value) 2012 to 2014



Data Source: U.S. Census Bureau–the total 2014 international trade value basis is $155.8 billion

Exhibit 24 shows the import-export shares of the respective seaports' international cargo volumes in 2014. The subtotals show a relatively well balanced $45.7 billion in imports and $41.1 billion in exports.

Exhibit 24: Florida's Waterborne Imports and Exports by Seaport (by Value) 2013 to 2014

	2013			2014		
Port*	Imports	Exports	Total	Imports	Exports	Total
Canaveral	$1,261,114,793	$122,155,359	$1,383,270,152	$1,237,475,752	$54,040,153	$1,291,515,905
Everglades	$12,002,675,656	$13,364,370,204	$25,367,045,860	$13,505,308,155	$13,620,142,811	$27,125,450,966
Fernandina	$7,595,556	$167,673,980	$175,269,536	$5,152,725	$113,729,635	$118,882,360
Jacksonville	$11,187,668,137	$12,299,849,281	$23,487,517,418	$12,477,870,221	$10,870,596,639	$23,348,466,860
Manatee	$505,561,410	$212,940,528	$718,501,938	$593,122,191	$102,338,477	$695,460,668
Miami	$13,037,220,834	$11,269,702,261	$24,306,923,095	$12,990,766,641	$10,719,403,175	$23,710,169,816
Palm Beach	$445,279,386	$1,695,107,529	$2,140,386,915	$473,429,877	$1,834,093,592	$2,307,523,469
Panama City	$2,874,058,049	$721,223,323	$3,595,281,372	$2,315,743,897	$831,131,671	$3,146,875,568
Pensacola	$3,025,954	$219,853,361	$222,879,315	$23,296,538	$482,544,731	$505,841,269
Tampa	$2,059,059,495	$2,368,311,215	$4,427,370,710	$2,119,333,480	$2,389,894,450	$4,509,227,930
Miscellaneous	$2,044,358	$27,962,858	$30,007,216	$2,908,726	$38,112,774	$41,021,500
Total	$43,385,303,628	$42,469,149,899	$85,854,453,527	$45,744,408,203	$41,056,028,108	$86,800,436,311

Data Source: U.S. Census Bureau–the total 2014 international trade value basis is $155.8 billion

*No cargo handled at the following ports: Citrus, Fort Pierce, Key West, St. Joe, or St. Petersburg; cargo values in the miscellaneous category reflect operations other than those at specific port docks, as calculated by the federal government

In a year of relatively buoyant international trade nationwide, Florida ports registered several notable increases in trade values.

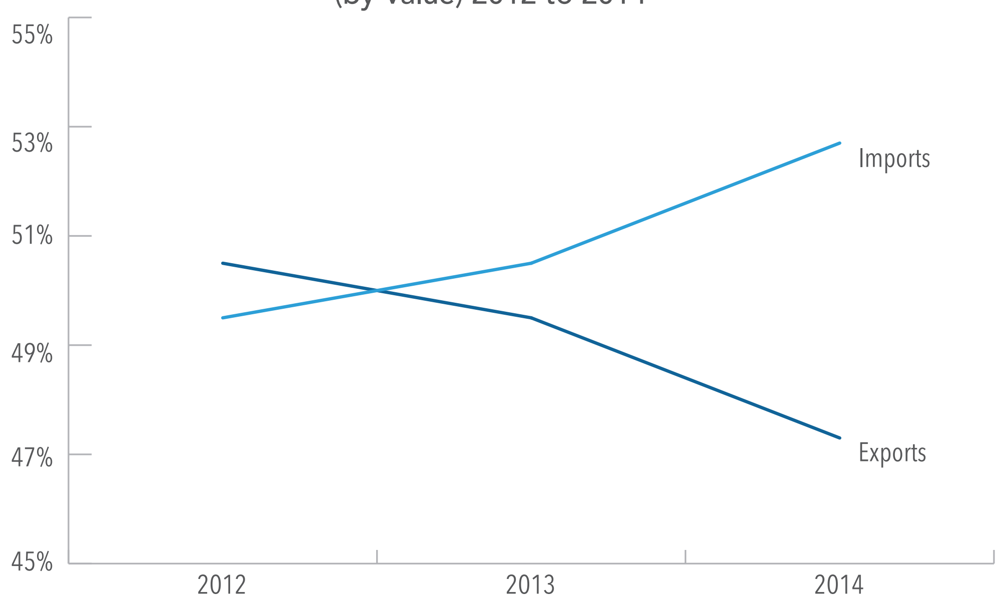
Port Everglades' import value increased 12.5 percent in one year to $13.5 billion, helping its total trade grow to $27.1 billion. Jacksonville's imports surged by 11.5 percent to $12.5 billion. Port Everglades' netted the largest dollar value increase for imports in 2014 over 2013, at $1.5 billion, followed closely by Jacksonville, at $1.3 billion. Large import gains were also recorded by Pensacola, whose import values grew more than six-fold to $23.3 million, and by Manatee, with 17.3 percent growth to $593 million. On the export side, Pensacola registered the largest dollar value increase, more than doubling its exports to $482.5 million. Substantial increases were also recorded by Panama City at 15.2 percent and Palm Beach at 8.2 percent. Four ports showed overall dollar value growth, led by Pensacola at 127.0 percent, Palm Beach at 7.8 percent, Everglades at 6.9 percent, and Tampa at 1.8 percent.

Note that, as cargo mixes change, not all dollar value increases are echoed by tonnage increases (see Exhibit 26).

Domestic cargo values are not reflected in Exhibits 22 through 25, which were compiled using U.S. Census Bureau import and export data. Domestic cargo is defined in this report as cargo transported in the waterborne trade between two or more states or between the U.S. and Puerto Rico.

Exhibit 25 compares the dollar value percentages of waterborne imports and exports in 2012, 2013 and 2014. The gap between export and import value, which narrowed for a number of years, appears to be widening again, this time in favor of imports, although it is too soon to tell if this trend will continue, especially considering recent federal and state export promotion campaigns.

Exhibit 25: Percentage of Florida's Waterborne Import and Export Cargo (by Value) 2012 to 2014



Data Source: U.S. Census Bureau – the total 2014 international trade value basis is $155.8 billion

SEAPORT TONNAGE

Florida's waterborne trade in FY 2013/2014, including the international and domestic cargo handled at both public and private terminals in port areas, fell nominally from 99.4 to 98.7 million tons, registering a 0.7 percent decrease. Exhibit 26 shows the total waterborne tonnage handled at each of Florida's seaports in FY 2013/2014, as compared with the previous two years. The state's top two ports for total tonnage, Tampa and Everglades, showed growth. Tampa grew by 1.3 million tons to 36.2 million tons, and accounts for 36.7 percent of all tonnage handled at Florida seaports. Everglades showed the largest tonnage gain with an increase of 1.5 million tons to 24.0 million tons. Like Tampa, Everglades' share of the cargo tonnage moved over Florida's seaports is on the rise. Palm Beach also registered a tonnage increase in FY 2013/2014.

Exhibit 26: Three-Year Comparison of Florida's Total Waterborne Trade Tonnage (by Port) and FY 2018/2019 Projections

PORT	FY 2011/2012*	FY 2012/2013*	FY 2013/2014*	PROJECTED FY 2018/2019*
Canaveral	3,904,986	3,874,266	3,362,282	5,047,669
Everglades	21,868,900	22,452,473	23,985,882	24,212,005
Fernandina	384,499	275,198	228,262	1,315,000
Fort Pierce	95,623	0	0	0
Jacksonville	21,879,311	18,556,178	16,932,989	22,265,911
Manatee	6,837,811	7,197,430	6,403,414	7,201,450
Miami	8,108,070	7,980,527	7,699,886	9,053,112
Palm Beach	2,005,461	2,145,864	2,150,804	2,094,932
Panama City	1,420,665	1,776,509	1,575,223	2,322,000
Pensacola	224,159	215,441	185,318	262,200
Tampa	33,907,564	34,940,655	36,217,443	41,575,000
Total	100,637,049	99,414,541	98,741,503	115,349,279

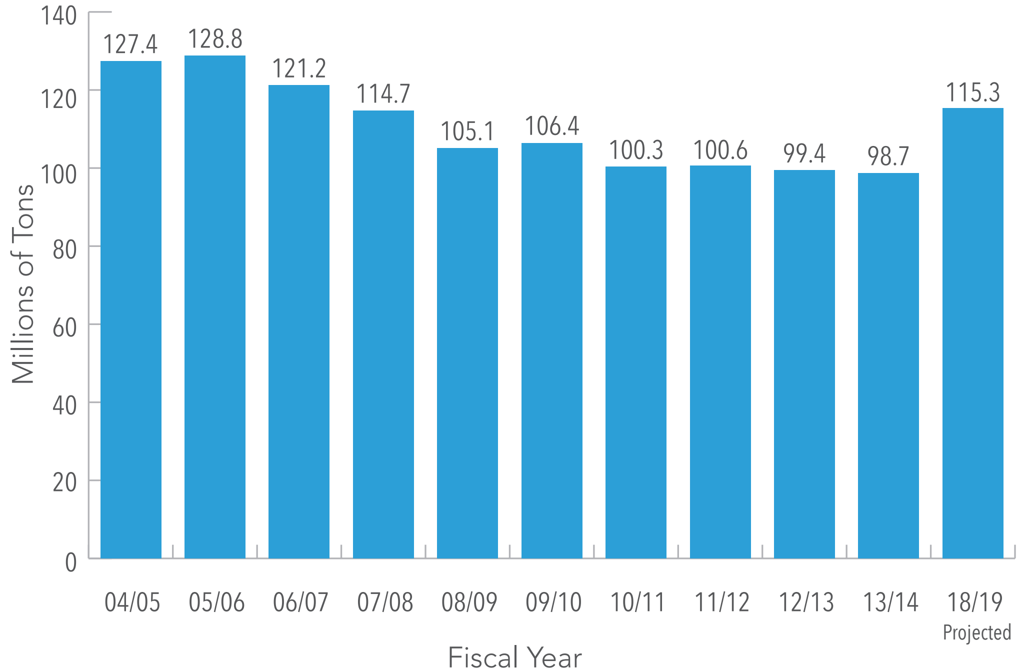
Data Source: Individual seaports

*No cargo handled at the following ports: Citrus, Key West, Port St. Joe or St. Petersburg at this time

The exhibit also includes the seaports' projections for FY 2018/2019, which forecast a 16.8 percent increase over FY 2013/2014. These projections include bulk and other tonnage at private terminals as well as all tonnage at the public seaports.

Exhibit 27 shows the state's historic waterborne tonnage record since FY 2004/2005. Since FY 2010/2011 there has been very little change in tonnage over Florida's seaports, however, the composition of that tonnage continues to change, and the overall value continues to increase. Port administrators continue to forecast growth in the next five years.

Exhibit 27: Cargo Tonnage at Florida's Seaports
FY 2004/2005 to FY 2013/2014



Data Source: Individual seaports

Exhibit 28 shows the relative buoyancy of import cargo tonnage versus exports, as well as the stability of the domestic cargo movements through Florida seaports. It also shows the import/export mix for each port by tonnage, with Everglades, Jacksonville, Tampa and Manatee being major ports for import tonnage, and Tampa being the largest port for export tonnage. Tampa is also the largest port for domestic tonnage, with more than double the domestic tonnage of all other Florida seaports combined. Everglades and Jacksonville also handle significant domestic volumes.

Exhibit 28: Florida's Waterborne Import, Export and Domestic Tonnage (by Port) FY 2013/2014 (with Prior Year Comparisons)

PORT*	IMPORTS	EXPORTS	DOMESTIC	TOTAL
Canaveral	2,699,028	69,893	593,361	3,362,282
Everglades	9,333,693	3,341,369	11,310,820	23,985,882
Fernandina	4,965	223,297	0	228,262
Jacksonville	7,286,511	2,564,476	7,082,002	16,932,989
Manatee	5,851,543	549,571	2,300	6,403,414
Miami	3,875,906	3,827,980	0	7,699,886
Palm Beach	352,021	1,302,743	496,040	2,150,804
Panama City	538,826	965,424	70,973	1,575,223
Pensacola	37,617	98,468	49,233	185,318
Tampa	6,610,804	5,713,073	23,893,566	36,217,443
Total FY 2013/2014	36,590,914	18,656,294	43,498,295	98,741,503
Total FY 2012/2013	36,376,367	19,539,122	43,499,053	99,414,541
Total FY 2011/2012	37,336,914	20,143,671	43,156,464	100,637,049

Data Source: Individual seaports

*No cargo handled at the following ports: Citrus, Fort Pierce, Key West, Port St. Joe or St. Petersburg at this time

At 45.4 percent, South Florida ports handle slightly more of the state's waterborne exports than imports (at 37.1 percent), reflecting the north-south export predominance. Overall, there is little variance in the state's Atlantic Coast and Gulf Coast import/export ratio – the Atlantic Coast ports handle 64.4 percent of waterborne imports and the Gulf Coast ports handle 35.6 percent, and the split for exports is 60.7 percent for Atlantic ports and 39.3 percent for Gulf ports. Domestic cargo is distributed predominantly via three ports – Tampa, Everglades and Jacksonville – which together blanket the state.

The rate of growth of imports through Florida seaports by value is rising (see Exhibit 25), along with the tonnage of those imports (see Exhibit 28). There was a 5.4 percent increase in import values in 2014 over 2013, and a 0.6 percent increase in FY 2013/2014 over the previous year in import tons. Florida's seaports moved slightly more imports than exports by value last year, and substantially more imports than exports based on tonnage. The split between imports and exports by value is fairly close at 53/47; the split by tonnage is much wider at 66/34.

As expected, both the imports and exports were slightly more valuable per ton than in previous years.

Over the years Florida seaport exports have been more valuable than their imports – imports, across all commodities, average $1,250 per ton and exports average $2,201. In FY 2013/2014 there were noticeably fewer exports by value and by tonnage than in the previous year. While export values fell 3.3 percent, export tonnage fell 4.5 percent.

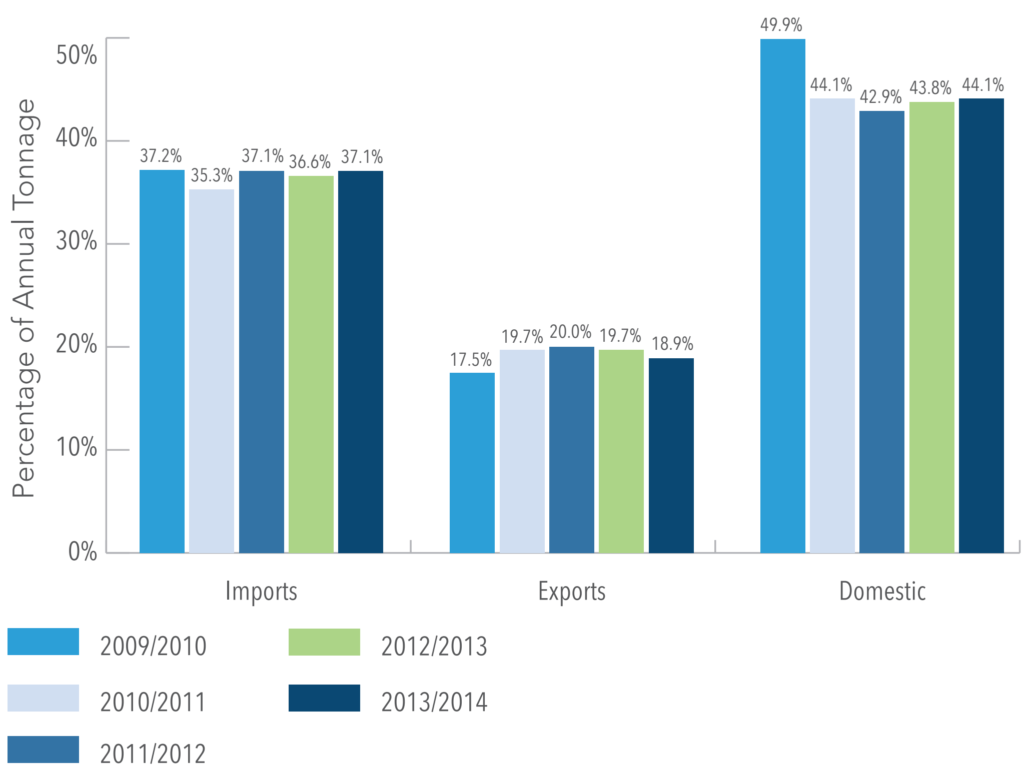
There was virtually no change in domestic trade from FY 2012/2013 to FY 2013/2014.

Domestic cargo tonnage, including large volumes of energy products, has been stable over the last few years. Domestic cargo is the predominant tonnage moving across Florida's road and rail infrastructure to consumer markets throughout the state and includes Florida's traditional liquid and dry bulk commodities such as petroleum and phosphate products as well as aggregates like cement and sugar. The 43.5 million tons carried in FY 2013/2014 is still an amount well short of the peak years in 2004/2005/2006.

Large portions of this domestic tonnage comprise the petroleum products essential to meeting the state's fuel needs and materials used in construction; the construction industry has experienced a recent upswing following a multi-year decline.

Imports (36.6 million tons) represented 37.1 percent of the total 98.7 million tons in FY 2013/2014, increasing slightly as a percentage of all tonnage and reversing last year's small drop as a percentage of all tonnage. Exports (18.7 million tons) represented 18.9 percent of the total in FY 2013/2014, making up slightly less of the overall tonnage mix than in the prior year. Finally, domestic cargo (43.5 million tons) represented 44.1 percent of FY 2013/2014 tonnage. Domestic cargo has comprised a slightly larger percentage of the mix in each of the last few years, as domestic tonnage has held steady while overall tonnage has fallen modestly.

Exhibit 29: Florida's Waterborne Import, Export and Domestic Tonnage Percentages FY 2009/2010 to FY 2013/2014



Data Source: Individual seaports

Exhibit 30: Waterborne Cargo Types Handled by Florida's Seaports (by Tonnage) FY 2013/2014 (with Prior Year Comparisons)

PORT*	DRY BULK	LIQUID BULK	BREAK-BULK**	CONTAINER CARGO	TOTAL
Canaveral	4,907	2,329,669	1,015,567	12,139	3,362,282
Everglades	1,300,532	15,889,998	265,581	6,529,771	23,985,882
Fernandina	0	0	190,873	37,389	228,262
Jacksonville	4,125,482	5,206,437	3,676,004	3,925,066	16,932,989
Manatee	977,273	4,771,027	520,828	134,286	6,403,414
Miami	0	0	0	7,699,886	7,699,886
Palm Beach	496,040	228,821	256,343	1,169,600	2,150,804
Panama City	779,332	11,592	554,098	230,201	1,575,223
Pensacola	71,215	0	113,626	477	185,318
Tampa	14,393,385	20,647,723	761,191	415,143	36,217,443
Total FY 2013/2014	22,148,166	49,085,267	7,354,111	20,153,958	98,741,503
Total FY 2012/2013	22,764,065	51,038,215	5,553,417	20,058,844	99,414,541
Total FY 2011/2012	22,381,524	51,661,587	5,994,114	20,599,824	100,637,049

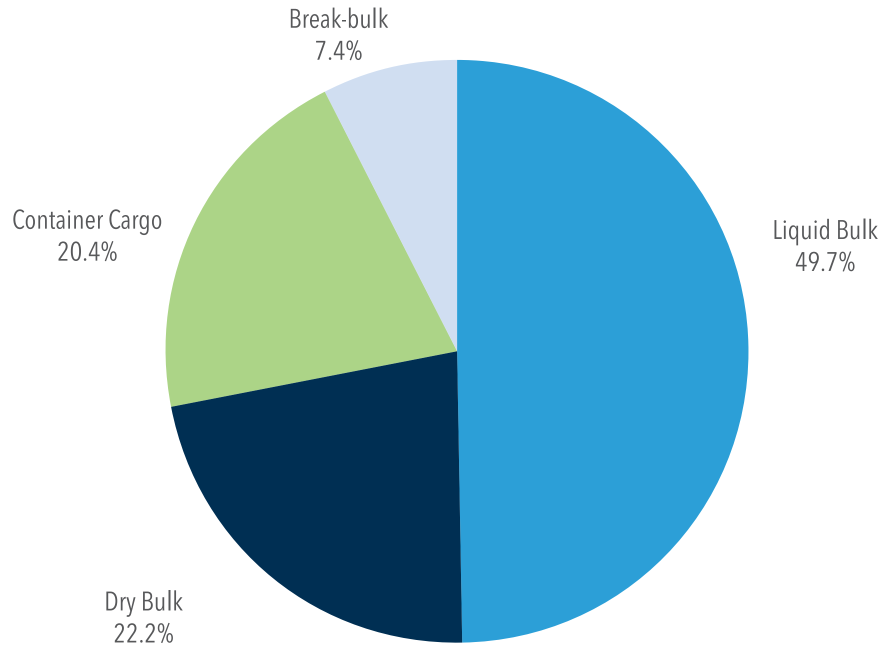
Data Source: Individual seaports
*No cargo handled at the following ports: Citrus, Fort Pierce, Key West, Port St. Joe or St. Petersburg at this time
**Break-bulk is defined to include all non-containerized general cargo

Liquid bulk – comprising primarily petroleum products – represented 49.7 percent of the tonnage weight. Dry bulk (including fertilizers, cement, aggregates) represented 22.2 percent. Both liquid and dry bulk have fallen slightly in straight tonnage and as a percentage of total port cargo tonnage. Break-bulk, which includes vehicles and all non-containerized general cargo, along with containerized cargo, represents 27.8 percent of all port tonnage, as shown in Exhibit 31; that number is up more than two percent over the prior year.

Exhibit 30 illustrates the diversity of cargo handled at the state's ports. Some highlights of this table include the following:

- Eight ports handled dry bulk, seven handled liquid bulk, nine handled break-bulk and ten handled container cargo.
- Seven ports handled all four cargo types.
- Tampa showed bulk tonnage of 33.8 million tons – 96.8 percent of its total tonnage and 49.2 percent of the state's bulk tonnage.
- For labor-intensive break-bulk cargo Jacksonville handled 3.7 million tons – 21.7 percent of its own total tonnage and exactly half of the state's break-bulk tonnage.
- Combined Miami, Everglades and Jacksonville registered 18.2 million tons of containerized cargo, more than 90 percent of all container traffic handled by Florida seaports.

Exhibit 31: Percentage of Waterborne Cargo Types Handled by Florida's Seaports FY 2013/2014



Data Source: Individual seaports
Total FY 2013/2014 cargo volume is 98.7 million tons
Break-bulk is defined to include all non-containerized general cargo

Exhibit 32 summarizes the tonnage changes for each commodity type between FY 2011/2012 and FY 2013/2014. As the exhibit shows, the break-bulk and container cargo categories had growth, with break-bulk up a remarkable 32.4 percent. Growth rates by cargo type generally illustrate a shift away from bulk and toward general cargoes.

Exhibit 32: Three-Year Comparison of Waterborne Cargo Types Handled by Florida's Seaports (by Tonnage) FY 2011/2012 to FY 2013/2014

FISCAL YEAR	DRY BULK	LIQUID BULK	BREAK-BULK*	CONTAINER CARGO	TOTAL
2013/2014	22,148,166	49,085,267	7,354,111	20,153,958	98,741,503
2012/2013	22,764,065	51,038,215	5,553,417	20,058,844	99,414,541
2011/2012	22,381,524	51,661,587	5,994,114	20,599,824	100,637,049
Tonnage Change 2013/2014 over 2012/2013	-615,899	-1,952,948	1,800,694	95,114	-673,038
Percentage of Tonnage Change 2013/2014 over 2012/2013	-2.7%	-3.8%	32.4%	0.5%	-0.7%

Data Source: Individual seaports
*Break-bulk is defined to include all non-containerized general cargo

In FY 2013/2014, container movements at Florida's seaports increased by 4.0 percent to 3.3 million TEUs. By comparison, container tonnage was up by only 0.5 percent, confirming the trend toward handling slightly lighter containers, on average. The statistics likely reflect that Florida seaports are handling more empty containers; empty TEUS register 0 tons per box.

Shown below, some of the state's container ports saw increases and some saw decreases in the number of containers crossing their docks. Three of the state's four largest container ports enjoyed TEU increases; of those, Everglades saw a 9.2 percent increase and Jacksonville and Palm Beach saw 5.2 percent and 3.2 percent respectively. All of the active container ports are forecasting container growth in FY 2018/2019; that growth averages 10.9 percent per year over the period.

Exhibit 33: Three-Year Comparison of Container TEUs Handled by Florida's Seaports FY 2011/2012 to FY 2013/2014

PORT	FY 2011/2012*	FY 2012/2013*	FY 2013/2014*	FY 2013/2014 RANKING	PROJECTED FY 2018/2019
Canaveral	253	580	388	9	103,899
Everglades	923,600	927,572	1,013,344	2	1,250,000
Fernandina	14,092	11,239	9,652	8	50,000
Fort Pierce	6,156	0	0	N/A	0
Jacksonville	1,073,319	1,028,541	1,081,528	1	1,820,638
Manatee	12,610	9,621	14,078	7	199,908
Miami	909,197	901,454	876,708	3	1,200,000
Palm Beach	223,463	254,664	262,805	4	298,000
Panama City	41,456	39,716	37,310	6	45,383
Pensacola	76	116	116	10	125
Tampa	39,882	42,198	47,265	5	200,000
Total	3,094,445	3,215,701	3,343,194		5,167,953

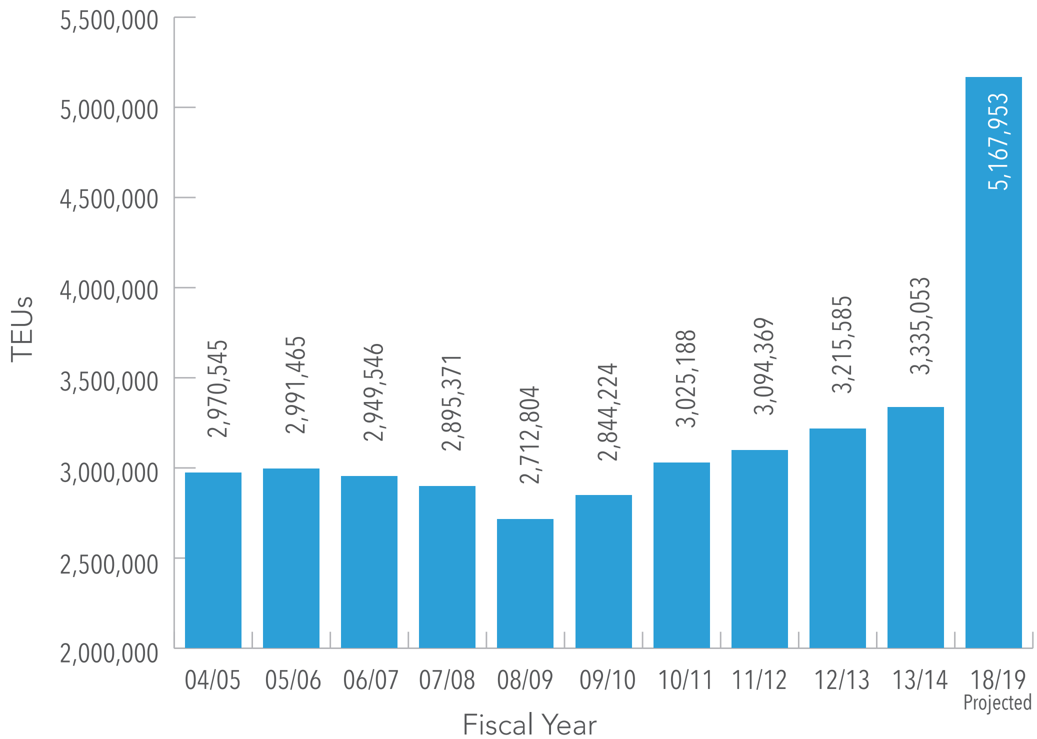
Data Source: Individual seaports

*No cargo handled at the following ports: Citrus, Key West, Port St. Joe or St. Petersburg at this time

When TEU counts are taken into consideration, as shown in Exhibit 33, as compared to tonnage figures, it becomes evident that average box weight varies by trade lane, by number of empties repositioned, and therefore by port. Ports in South Florida and along Florida's Gulf Coast handle the heaviest boxes.

Exhibit 34 shows the history of container movements since FY 2004/2005. There has been 4.6 percent annualized growth in TEUs since the low in FY 2008/2009. Projections are for growth to escalate.

Exhibit 34: Container TEUs Handled by Florida’s Seaports
FY 2004/2005 to FY 2013/2014



Data Source: Individual seaports

According to early 2014 TEU statistics from the American Association of Port Authorities, most container ports in the U.S. enjoyed modest growth in 2014. Certain west coast ports, historical leaders in container movements, suffered substantial setbacks related to a variety of impediments including the ongoing labor dispute and trucking shortages. However, those issues are not clearly reflected in the data. Los Angeles’ TEU count was up by 6.0 percent to 8.3 million, Long Beach was up by 1.3 percent to 6.8 million, and Oakland was up 2.0 percent to 2.4 million. On the U.S. East Coast, early reports show New York/New Jersey TEUs up by 5.6 percent to 5.8 million, Savannah up 10.3 percent to 3.3 million, Hampton Roads up 7.6 percent to 2.4 million, Charleston up by 11.9 percent to 1.8 million, and Everglades up 9.3 percent to 1.0 million. Gulf ports appear to have fared less well, with Houston up a scant 0.1 percent to a little under 2.0 million TEUs, and losses recorded for Gulfport and Freeport, among those registering early results.

Global trade is up. Despite relatively strong statistics from the U.S. West Coast, a great deal of cargo did reroute to Atlantic and Gulf ports. This situation bodes well for Florida ports, who have had the opportunity to showcase their routings to important beneficial cargo owners (BCOs) previously committed to U.S. west coast port routings – all the more important at a time when the Panama Canal expansion is nearing completion. Bigger ships of all types will be able to offer all-water service from Asia to the U.S. East Coast and the Gulf of Mexico through the new locks, probably within the next year, and feeder ships, themselves larger than those now calling, will likely transship cargo from developing off-shore container hubs like those in the Bahamas, Dominican Republic and Jamaica, as well as from Panama’s own growing load centers.

Florida's four largest container ports – Everglades, Jacksonville, Miami and Palm Beach – have consistently ranked among the top 20 in the nation. These ports, as well as Florida's other six container ports are preparing to capture some U.S. West Coast cargo and are projecting substantial increases in TEU volumes, and non-containerized cargo tonnage, over the next five years. Adequate capital improvement funding is essential to build and maintain the new capacity Florida's seaports and their intermodal partners need now to convert these promising opportunities into tonnage.

"Florida's 15 seaports are a gateway to the world economy, and are an asset to our state that provide thousands of jobs for Florida families, infrastructure for global trade, and economic growth. Initiatives to expand Florida's global trade community will position our state as a leader in world trade, strengthen businesses for trade with countries around the world, and improve the quality of life for our citizens."

-Florida Department of Economic Opportunity Executive Director Jesse Panuccio

CRUISE OPERATIONS

In FY 2013/2014, 15.6 million passengers cruised from Florida's ports, up 10.5 percent from FY 2012/2013.

The number of multi-day cruise passengers increased dramatically, with a 9.3 percent increase, setting a new record with 14.9 million passengers. Even on a large base of passenger traffic, Miami experienced a 21.1 percent gain; with more than 4.9 million passengers vacationing aboard 32 ships from 13 different brands. Total passenger increases were also recorded at Everglades (11.1 percent), Palm Beach (5.5 percent), Canaveral (5.2 percent) and Tampa (4.0 percent).

The one-day passenger count increased 51.0 percent on the heels of an 8.2 percent increase in the previous year; the current upward trend is attributable to increasingly popular day cruises, which are competing successfully with land-based entertainment opportunities in Miami, Canaveral, Everglades and Palm Beach.

Exhibit 35: Revenue Cruise Passengers at Florida's Seaports FY 2013/2014
(with Prior Year Comparison and FY 2018/2019 Projections)

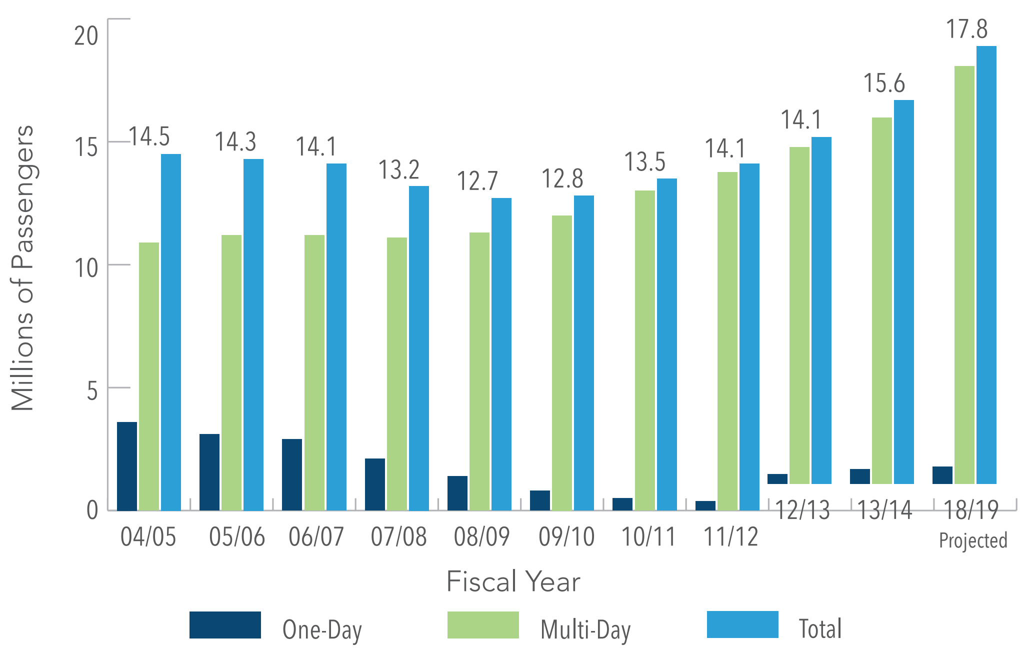
	FY 2012/2013			FY 2013/2014			PROJECTED FY 2018/2019
Port	One-Day	Multi-Day	Total	One-Day	Multi-Day	Total	Total
Canaveral	269,408	3,717,586	3,986,994	329,399	3,863,606	4,193,005	5,536,451
Everglades	90,909	3,509,727	3,600,636	121,321	3,880,033	4,001,354	4,200,000
Jacksonville	0	371,263	371,263	0	363,994	363,994	365,000
Key West	0	832,887	832,887	0	800,752	800,752	700,000
Miami	48,173	4,030,356	4,078,529	167,079	4,771,983	4,939,062	5,213,000
Palm Beach	7,858	337,969	345,827	11,085	353,744	364,829	725,000
Tampa	0	854,260	854,260	0	888,343	888,343	1,100,000
Total	416,348	13,654,048	14,070,396	628,884	14,922,455	15,551,339	17,839,451

Data Source: Individual seaports

The One-Day columns include passenger counts from casino cruises, day cruises, and passenger-only ferries, but excludes harbor tours and fishing excursions; the Multi-Day columns include passenger counts from home-ported vessels and port-of-call vessels

Exhibit 36 shows the history of passenger movements since FY 2004/2005 and the seaports' FY 2018/2019 projections. With the exception of Key West, who is responding to community-imposed capacity limits, Florida's cruise ports are all projecting passenger increases over the next five years.

Exhibit 36: Revenue Cruise Passengers at Florida's Seaports
FY 2004/2005 to FY 2013/2014



Data Source: Individual seaports

The cruise industry is among the few that have fully rebounded from the recession. Florida can thank its exceptional geography, safety, accessibility, and port and airport amenities for the swift recovery. Specifically, Florida's cruise industry success relies on its investment in best-in-class port infrastructure and airlift capacity. Florida is fortunate to serve both western Caribbean and eastern Caribbean routes, as well as northern South America, and trans-Canal. Florida has a growing market for ports of call and a strong and stable market for specialty cruises including trans-Atlantic. Cruise lines benefit from the choice of seven Florida ports currently serving the cruise market.

Florida seaports account for close to two-thirds of all U.S. cruise embarkations. Florida's top three cruise ports are also the nation's (and the world's) top three. The state is not only the center for cruise originations, but it is also the center of most aspects of the industry.

Carnival Corporation and Royal Caribbean Cruises, Ltd., which combined control three-fourths of the North American cruise industry's capacity, have their headquarters in Miami as do other cruise lines. Cruise industry activities, according to Cruise Lines International Association, affect virtually every industry in the country and the state, including tourism and related industries, and also food processors and chemical manufacturers; advertising agencies; management and technical consulting companies; and manpower agencies in the non-manufacturing sector.

In 2013, the latest year for which the Cruise Lines International Association's (CLIA) research is available, the global economic output of the cruise industry was more than $117 billion; the industry supported nearly 900,000 jobs and contributed to $38 billion in wages.

The Florida-Caribbean Cruise Association (FCCA), in its document entitled Cruise Industry Overview – State of the Industry 2014, confirmed 21.3 million cruise passengers cruised globally in 2013 (growing to 21.7 million in 2014), with the Caribbean accounting for 34.4 percent of all global itineraries (growing to 37.3 percent in 2014), and with Florida seaports servicing about 38 percent of the global cruise passenger industry. (Note that figures sourced from the FCCA and CLIA count passengers upon embarkation; figures sourced from ports count passengers based on fees which are assessed upon embarkation and disembarkation.)

More than half of the world's cruise passengers were North Americans, and ship occupancy for the year exceeded 100 percent globally, showing sustained consumer interest in cruising and an industry where demand continues to outpace supply.

CLIA confirmed that the Caribbean "remains the world's favorite cruise destination," deploying 40 percent of the industry's bed days. It also projects continued strong growth for the cruise industry: the fastest growing segment of the travel industry. CLIA anticipates 23 million passengers will sail in 2015, out of nearly 1,000 ports of call. Its member cruise lines are scheduled to inaugurate 22 new ocean, river and specialty ships in 2015 for a total investment of more than $4 billion.

In February 2015, CLIA predicted that 2015 would bring some change to cruising. CLIA said repeat cruisers will comprise an important market segment, new ships will focus less on size and more on unique amenities, specialty cruises will continue to experience double-digit passenger growth, travel agents will continue to be indispensable to building the industry/booking, and passengers will continue to call for innovations in cruising. Also, even though cruise passengers are interested in new global destinations, the Caribbean will remain the largest cruise market with more than a one-third share of the global deployment capacity in 2015. Expansion will continue to occur, especially in the Mediterranean, Asia and Australia.

CLIA announced in February that there are some indications that the cruise industry's race for larger vessels may slow – good news for ports with limitations on air draft, channel width, airlift, and landside connectivity.

The industry is forecasting steady growth and continues to introduce new generations of cruise ships. Florida still dominates the industry and will be the homeport for many of the industry's newest cruise ships. To continue attracting and serving these larger cruise ships and generating the economic benefits and jobs this dynamic business sector fosters, Florida's cruise ports must continue to provide state-of-the art services and capacity to meet the anticipated demand and industry changes.

NOTES MISSION PLAN

FLORIDA SEAPORTS RESOURCE LIST

FLORIDA PORTS COUNCIL STAFF

Doug Wheeler, President and CEO
Jennifer Krell Davis, Vice President of Public Affairs
Toy Keller, Vice President of Programs and Planning
Mike Rubin, Vice President of Governmental Affairs
Christy Gandy, Director of Administration

FLORIDA SEAPORTS

Port Canaveral
445 Challenger Road, Suite 301
Cape Canaveral, FL 32920
www.portcanaveral.com

Port Citrus
110 N. Apopka Avenue
2nd Floor, Administration
Inverness, FL 34450
www.portcitrus.com

Port Everglades
1850 Eller Drive
Fort Lauderdale, FL 33316
www.porteverglades.net

Port of Fernandina
501 N 3rd Street
Fernandina Beach, FL 32034
www.portoffernandina.org

Port of Fort Pierce
2300 Virginia Avenue
Fort Pierce, FL 34982
www.stlucieco.gov/public_works/port.htm

JAXPORT
2831 Talleyrand Ave
Jacksonville, FL 32206
www.jaxport.com

Port of Key West
201 Williams Street
Key West, FL 33040
www.keywestcity.com

Port Manatee
300 Tampa Bay Way
Palmetto, FL 34221
www.portmanatee.com

PortMiami
1015 North America Way
Miami, FL 33132
www.miamidade.gov/portmiami

Port of Palm Beach
1 East 11th Street, Suite 600
Riviera Beach, FL 33404
www.portofpalmbeach.com

Port Panama City
5321 West Highway 98
Panama City, FL 32401
www.portpanamacityusa.com

Port of Pensacola
700 South Barracks Street
Pensacola, FL 32501
www.portofpensacola.com

Port of Port St. Joe
406 Marina Drive
Port Saint Joe, FL 32456
www.portofportstjoe.com

Port of St. Petersburg
250 8th Avenue
Saint Petersburg, FL 33701
www.stpete.org/port/

Port Tampa Bay
1101 Channelside Drive
Tampa, FL 33602
www.tampaport.com

www.flaports.org

Port Canaveral • Port Citrus • Port Everglades • Port of Fernandina • Port of Fort Pierce • JAXPORT • Port of Key West • Port Manatee • PortMiami • Port of Palm Beach • Port Panama City • Port of Pensacola • Port of Port St. Joe • Port of St. Petersburg • Port Tampa Bay