

Breaking down breakbulk: Offloading \$503 billion of Texas Gulf Coast trade

- The Port of Houston ranks as the top breakbulk cargo port in the U.S., and the other Texas ports of Corpus Christi, Brownsville, Houston, Galveston, Freeport, Beaumont, and Port Arthur are also important to this highly specialized segment.
- Major breakbulk commodities for these Texas Gulf Coast ports include steel, forest products (wood pulp in particular), wind energy production components, and the many feedstocks and products related to the energy industry. Total global trade for Texas is estimated to be valued at more than \$503 billion annually.
- Unlike other land-constrained U.S. port markets, Texas ports have a significant contingent of land available for development—totaling 76,000 acres. Ports of Brownsville, Corpus Christi, Freeport and Houston have the most acreage available, which will ultimately lead to occupier demand.

BREAKING DOWN TEXAS BREAKBULK CARGO



BULK

Cargo packed in loose form:

Coal
Grain
Plastic pellets



BREAKBULK

Cargo that is:

Bagged
Palletized
Drummed
Bundled

General cargo—steel, vehicles

Turning the triple screws: breakbulk versus containers

Container shipping is clearly the dominant form of shipping goods, so why do shippers prefer container vessels to breakbulk vessels? First, size matters; a large majority of breakbulk cargo is too large or unusually shaped to fit efficiently in a container. Second, shippers must accumulate a sufficient amount to fill a breakbulk vessel, which can affect the timeliness of shipments. And third, a competitive global shipping industry has amplified the need for logistical efficiency to hold down costs, shifting traditional U.S. breakbulk commodities, such as wood pulp and refrigerated goods, to container vessels, impacting deep-water breakbulk volumes from coast to coast.

Wind energy gives a lift to Texas Gulf Coast breakbulk volumes

One cargo category that is drawing wind, especially in Texas Gulf Coast ports, is the shipping volume of wind energy production components—particularly windmills and rotors. The Port of Corpus Christi accepted 70 breakbulk vessels containing wind energy components in 2015 and anticipated similar volumes in 2016 (final numbers are being tallied). Indeed, industrial product along the Texas Gulf Coast will remain buoyed by robust trade activity for one of the largest U.S. ports. The infrastructure provided by the port supports millions of square feet of occupier demand, and has led the transformation of the Port of Houston—and the other Texas Gulf Coast ports—into a concentrated global trade and logistics hub in its own right.