The Port

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The Port in Hampton Roads

The Port of Virginia serves as one of Hampton Roads’ three basic sector industries that enable long-term economic growth. It brings capital from around the country and all over the world into the region through handling cargo and showcasing the area to major companies and shippers.

The Port plays an important role by competing with other East Coast ports. Hampton Roads handled 16% of all East Coast foreign trade, by weight, in 2019, but only 12% of the value. While this competition serves the valuable purpose of encouraging increased efficiency at the port, there are elements of cooperation as major container ships stop at several East Coast ports as part of their trade route. Indeed, all East Coast ports work under the same contract with the longshoreman union.

Absolute levels of trade are a preferred area of focus when analyzing port statistics, because this is a helpful measure of the economic relevance of this region to the United States and to the world. As trade grows, so will the importance of port regions.

Trade has grown rapidly, both through the region and throughout the world, as both natural and governmental barriers to trade have fallen. Technology has increased the level of trade by easing communication and by making shipping faster, more reliable, and less expensive, while the size of containerships continue to grow, allowing more goods to be shipped with fewer vessels. Great advances to lower trade barriers and quotas went into effect across the globe throughout the 1980s and 1990s, and even after the Great Recession, trade recovered and grew steadily. However, even before the impacts of COVID-19 hit the world economy, global trade had slowed in 2019 due to historically high levels of trade-restrictive measures, and further slowed in 2020 due to both economic uncertainty caused by the pandemic and physical restrictions in attempts to slow the spread of the coronavirus. Please note that 2020 data was not available for all indicators included in this release, so the impacts of the pandemic might not be obvious in all datapoints.

As one would expect from this region’s proximity, Northern Europe and the Mediterranean continue to play an important role in this region’s exports and imports, but Northeast Asia is also extremely important showing the impact of China, Korea, and others on world trade.

It should also be noted that although total trade has grown, the total number employed in the transportation industry or in transportation occupations has remained relatively static compared to these gains (except for a large jump in transportation occupations the past two years). This indicates that the economic impact from trade in this region is not directly correlated with port traffic, but is instead predicated on a host of different industries enabled by the Port.
Source: Virginia Maritime Association, The Ports of Virginia Annual 2014
Figure 4.1 East Coast Trade Volume Share by Weight

Why is it important?
The Port of Hampton Roads serves a vital role in the region’s economy. There is significant competition for port traffic on the East Coast, and this graphic shows how that trade is dispersed among East Coast ports by weight.

How are we doing?
In 2019, Hampton Roads handled 16% of all East Coast foreign trade by weight, maintaining a stable ratio over the past five years, but down from 24% in 2014.

Source: American Association of Port Authorities, HRPDC

Figure 4.2 Hampton Roads Share of East Coast Shipping by Twenty Foot Equivalent Units

Why is it important?
Containerization is shipping freight in containers easily transferred between trains, trucks, and ships. Since the first U.S. container ship in 1956, they have become the most important method of shipping goods and the industry standard for comparing ports.

How are we doing?
Hampton Roads’ share of container traffic has comprised between 12% and 14% of total East Coast traffic since 1990. Many factors impact container traffic at the Port, including railway costs and regional demand.

Source: Waterborne Commerce Statistics Center, U.S. Army Corp of Engineers, HRPDC
**Figure 4.3 East Coast Trade Volume Share by Value**

**Why is it important?**
Another way of measuring trade along the East Coast comes from the value of trade at each port. This provides yet another perspective of the importance of trade to the local economy.

**How are we doing?**
Hampton Roads constitutes a lower share of East Coast trade measured by value. This results from the composition of the trade which passes through this region. Hampton Roads represents 12% of trade value on the East Coast in 2020, consistent with previous years, signaling that most other ports saw similar impacts on trade during the pandemic.

Source: American Association of Port Authorities, HRPDC

**Figure 4.4 Hampton Roads Share of East Coast Foreign Trade by Value**

**Why is it important?**
This graphic illustrates the relative value of Hampton Roads trade versus the value of items traded through all East Coast ports.

**How are we doing?**
Beginning in 2003, the share of goods by value trended downward in Hampton Roads. The uptick in share after 2010 may be the result of the Heartland Corridor’s completion, as well as recovering global trade in 2012, and increased until 2016 and has remained stable at just below 12% for the past five years, including 2020.

Source: United States Maritime Administration, HRPDC
**Figure 4.5 Vessel Departures from Hampton Roads**

**Why is it important?**
One trend that helps illuminate the demand for port services comes from the number of vessels that call on Hampton Roads in a particular year.

**How are we doing?**
The number of vessels moving through Hampton Roads is largely tied to the global demand for traded goods and services. As the world transitions to increasingly larger containerships, even as trade increases, the number of vessels calling on Hampton Roads might decrease over the same time period. 2020 saw a significant drop in vessel departures as the COVID-19 pandemic disrupted global trade.

![Vessel Departures From Hampton Roads](source)

**Figure 4.6 General Cargo Volumes in Hampton Roads**

**Why is it important?**
General cargo includes both containerized and break-bulk cargo. The ability to attract and manage general cargo measures the port’s productivity and success as an economic engine.

**How are we doing?**
Trade through Hampton Roads has increased by a large margin since the early 1980’s, as trade barriers have fallen and communication technology has improved to better facilitate commerce. The pandemic caused a 6.6% decline in total imports during 2020, while total exports declined by only 1.1%.

![General Cargo in Hampton Roads](source)
**Figure 4.7 Hampton Roads Twenty Foot Equivalent Units and World Trade Volumes**

**Why is it important?**
Containerized trade plays a significant role in world trade of goods, and with the exception of build commodities and vehicles (that roll on and off ships), it captures the majority of international trade.

**How are we doing?**
Hampton Roads follows the world trend in trade, and a significant portion of the region’s trade growth will likely occur in concert with growth in international trade. While the pandemic caused a steep decline of 9.2% in global trade value between 2019 and 2020, Hampton Roads was less affected, experiencing a volume decline of 4.2%.

Source: Port of Virginia, Organization for Economic Co-Operation and Development, HRPDC

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**Figure 4.8 Coal Dumpings in Hampton Roads**

**Why is it important?**
There are three coal piers in Hampton Roads, and the move to exporting coal helped develop the railroad network in Hampton Roads. Coal still serves as a primary export of the region, as well as a major profit center for the two regional railroad companies.

**How are we doing?**
Coal exports depend on the state of the regional economy, the price of alternative sources of energy globally, and U.S. demand for coal. Coal exports increased in 2017 and 2018 due to strong international demand for the type of coal used in steel-making, and has since declined in 2019 and 2020.

Source: Virginia Maritime Association, HRPDC
Figure 4.9 Hampton Roads Trade Lanes by Weight

**Why is it important?**
One interesting measure of the port is the source of imports and the destination of exports that flow through Hampton Roads. Measuring these flows by weight is one measure of the level of service provided to trading regions.

**How are we doing?**
Northern Europe, the Mediterranean and Northeast Asia see the highest percentage of trade by weight. All of the region’s trade lanes are dominated by exports, likely linked to the region’s coal exports.

Source: Virginia Maritime Association, HRPDC

Figure 4.10 Hampton Roads Trade Lanes by Value

**Why is it important?**
One interesting measure of the port is the source of imports and the destination of exports that flow through Hampton Roads. Measuring these flows by value indicates the relative importance to the broader economy, and assesses the port’s role as an economic engine.

**How are we doing?**
When measured by value, exports and imports play a more balanced role for Hampton Roads’ trading partners. Northern Europe continues to play a major role as a partner trading through the Port of Virginia.

Source: Virginia Maritime Association, HRPDC
**Figure 4.11 Top Ten Exports Through Hampton Roads by Weight**

**Why is it important?**
Another interesting measure is examining which goods are produced in the United States that are then shipped through Hampton Roads. In cases where these goods are not produced in Hampton Roads, these represent areas of possible economic development.

**How are we doing?**
By weight, coal dominates exports from this region by a wide margin. This region also facilitates the export of a variety of goods related to the lumber industry and paper production, as well as a variety of other goods.

**Figure 4.12 Top Ten Imports Through Hampton Roads by Weight**

**Why is it important?**
Determining the most significant imports through the region by value also identifies potential overseas targets for economic development opportunities.

**How are we doing?**
Machinery is the primary import that moves through the Port when measured by weight, closely followed by salt. This region also serves as a gateway to imports of a wide variety of other goods, including raw inputs to various construction and manufacturing processes like plastic, rubber and iron/steel.

Source: Virginia Maritime Association, HRPDC
Figure 4.13 Hampton Roads Employment in Transportation by Industry and Occupation

**Why is it important?**
While many of the previous measures have focused on cargo that moves through the Port, another measure of the economic impact of the Port is employment in the transportation industry, or examining the number of jobs in an occupation considered to be in transportation.

**How are we doing?**
Occupational employment in transportation is higher than industry employment, as many jobs derived from trade are not necessarily employed by a company in the trade industry.

Source: Bureau of Labor Statistics, HRPDC

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Figure 4.14 Mode of Transport for Freight Leaving the Port of Hampton Roads

**Why is it important?**
A measure of the impact of the Port on the regional quality of life evaluates what percentage of cargo arriving there travels by truck versus by other transportation modes.

**How are we doing?**
Rail transportation has become increasingly important over time, deriving partly from the opening of the Heartland Corridor and better rail links to local ports. However, in the past several years, dependence on rail has been decreasing slightly while transport by truck is increasing in conjunction.

Source: Virginia Port Authority, HRPDC