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Port Tampa Bay invested \$24 million in larger gantry cranes, right, that went into operation in 2016. Officials plan to quadruple container capacity in coming years.

Port adds link to China

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TAMPA — A multiyear effort to diversify Port Tampa Bay's business scored big this week with the news that Cosco Shipping Lines of China plans to begin sending a container ship a week to Tampa in early 2019.

Cosco Shipping, based in Shanghai and one of the world's largest container carriers, plans to send its first ship to Tampa late this month, with an expected arrival date of Jan. 28. It will leave Shanghai, call at three Chinese ports (Ningbo, Xiamen, and Yantian), then sail via the Panama Canal to Houston; Mobile, Ala.; and Tampa. From Tampa, it will return to Shanghai.

"We see this as a historic shift that will allow us now to go after significant new customers," Port Tampa Bay CEO Paul Anderson said Tuesday.

To start, Cosco has targeted moving about 500 containers a week, most of them inbound and arriving in Tampa every Monday, port officials say. Imports from China will take 31 days to reach Tampa Bay, "an excellent transit time that will be very well-received by this market," Port Tampa Bay vice president of marketing and business development Wade Elliott said. Exports from the Tampa Bay area will be in China in 27 days.

Shipping containers through

the bay area will mean an average savings of about \$800 per container versus shipping them to giant container ports like Savannah, then trucking them hundreds of miles to Central Florida, port officials say.

Port officials have been talking to Cosco for the better part of a decade. After Anderson was hired six years ago, the port set out to diversify its lines of business, partly in response to a decline in one of its mainstays, phosphate shipping. It has since built its cruise ship business, now handling 1 million passengers a year, and attracted the development of a new cold-storage warehouse for produce.

It has also modernized its container operation, replacing 50-year-old cranes. It has emphasized Tampa's proximity to millions of Florida consumers and worked on building relationships with shippers who have been sending their goods to other American ports for 30 or 40 years. Along the way, it even trademarked one of its pitches: "Reroute your thinking."

And those efforts have begun to pay off. For the 12 months ending in September, more than

87,500 shipping containers moved through Port Tampa Bay, a 55 percent increase over the year before. Port officials say growth in container traffic also is being driven by:

- The growth of west central Florida. Home to almost half of Florida's population, the Interstate 4 corridor has the state's largest concentration of distribution centers that serve an enormous consumer market.

- A \$24 million port investment in two giant gantry cranes to unload bigger and heavier cargo ships. With a height of more than 300 feet — 15 stories taller than the cranes they replaced — the new "post-Panamax" cranes, which went into operation in 2016, allow the port to handle ships nearly twice as big as those that could be accommodated by the port's old cranes. Working with Ports America, which operates the container business on leased land, port officials plan to quadruple container capacity over the next few years.

- Changes in the trucking industry. Diesel fuel costs are trending higher over the past year, there's a shortage of drivers and electronic monitoring keeps

drivers from logging more hours behind the wheel than regulations allow. Increasingly, it makes more sense to ship goods by water to Tampa for distribution throughout Florida than to a bigger port that might be out of state and that would require long truck trips to get the containers to their Central Florida destination.

With about 200,000 shipping containers a year moving between the I-4 corridor and Asia — most of them currently passing through other ports — there's potential for still more growth, Elliott said.

"It's just a better supply-chain solution that saves time and money," he said. "We anticipate that over the next couple of years we should see our container business double and triple as this and other services are added to the port, and together with Ports America, we make further upgrades to our terminal to accommodate that growth."

Incoming goods are likely to include furniture, department store goods, construction materials, food and beverages and textiles. In comments included as part of the port's announcement, three business executives

said Cosco's service to Tampa will enhance efficiency and market access for both imports and exports.

"The port's proximity makes it easy for truckers who can make multiple round-trip deliveries per day," said Ali Hosein, vice president of international freight and merchandising for Rooms to Go, which has distribution centers in Lakeland and throughout Central Florida.

This "will mean faster deliveries to our distribution centers and ultimately to our stores and customers," said Rick Meyer, vice president of supply chain for W.S. Badcock Furniture. "We already have a great relationship with Port Tampa Bay where they arrange for our drivers to be badged, allowing us to pick up our containers at the port using our own trucks, delivering them to our (distribution center) in Mulberry. The same driver can then make a delivery to the store."

Exporters are happy, too.

"This new service will definitely enhance our ability to serve China and the rest of Asia, which is an important and growing export market for Amalie Oil," company chief operating officer Rick Barrett said.

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