

# LEADLINE

Intel for savvy South Carolina Port clients.

FEBRUARY 2014

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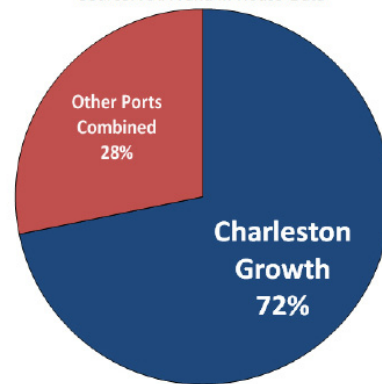
## Charleston Nets 72% of Region Port Growth

TOP STORY

The Port of Charleston's container volume growth outpaced the market by a significant margin in CY2013. Charleston finished the year handling 1,601,366 TEU, up 6% over CY2012. Notably, the Port of Charleston gained an amazing 72% share of all container volume growth in its competitive port range since CY2011. Over that time the region's ports grew a combined total of 306,423 TEU. Of that, Charleston earned 220,018 TEU or 72% of the growth. The increase is a result of an aggressive commercial position, which simultaneously targets new clients and commodity lines from discretionary markets, efforts to capture all inland-favorable freight, and economic development to grow the freight base. Bulk transload business continues to contribute significantly to the increase. There are now five bulk transload operations in the Charleston market and more on the way. Other key commodity growth sectors include auto parts, tires & rubber, frozen poultry, lumber, and general cargo. Expansions from major retail distribution centers were also critical to the growth, especially in the Asia tradelane.

### Share of Port Region Growth 2011 to 2013

Source: AAPA and In-House Data

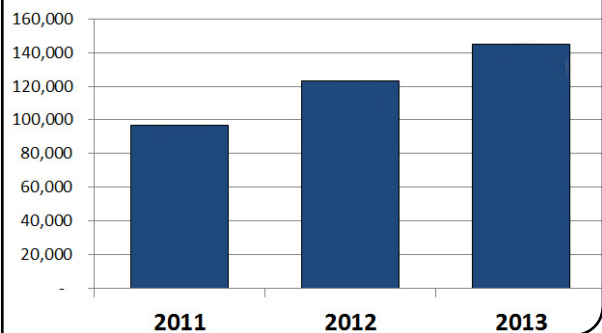


### MORE LEADS

## Intermodal Rail Up 50% Since 2011

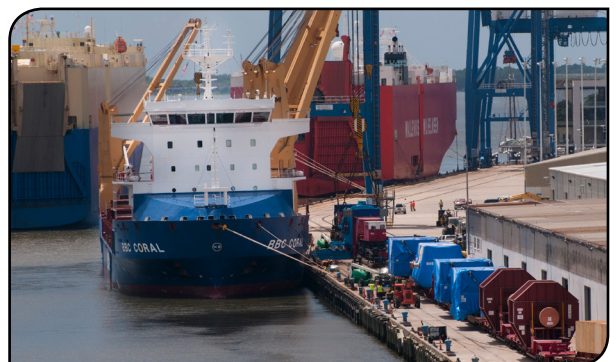
The Port of Charleston increased its intermodal rail volume by 50 percent since 2011, thanks to efforts aimed at capturing discretionary cargo from major points in the Southeast, Gulf, Midwest and Ohio Valley. International intermodal rail lifts in Charleston increased 18 percent in 2013 to nearly 145,000 containers. This followed a 27 percent increase in 2012. Continuing collaboration with ocean carriers in addition to new initiatives, including the RapidRail drayage program and the South Carolina Inland Port in Greer, are expected to continue driving increases in rail container traffic. Key inland markets seeing the most growth include Memphis, Atlanta, Nashville, Louisville, Chicago, and Cincinnati.

### Port of Charleston Intermodal Lift



## Non-Container Business Still Strong

Non-container volume at the Port of Charleston increased 11% since 2011, due in no small part to project cargo related to the power-generating business. Columbus Street Terminal is a critical facility for sophisticated cargo, including project cargo and major automotive. Waterside rail is key in handling such exceptionally heavy pieces. Union Pier has played a large role in growth related to steel and other metal commodities. Other key non-container commodities include various metals and finished vehicles and boats. The Port of Georgetown has been growing as well. Mainly due to increases in bulk cargo moves, Georgetown's tonnage has increased 33% in the last two years.



## Kent International Chooses South Carolina

Kent International, Inc., a global supplier of bicycles and accessories, will soon be supplying bicycles for major U.S. retailers out of its new manufacturing facility in Clarendon County, South Carolina. The firm is making a \$4.3 million investment near Manning and expects to create 175 new jobs. Kent will be importing parts and performing assembly for supply to Walmart, in support of its U.S. Manufacturing initiative, and other retailers including Toys R Us, Amazon, and Academy Sports. Another major participant in Walmart's U.S. Manufacturing initiative, Element Electronics, recently located in South Carolina. Element assembles televisions near Winnsboro.

## Bomag Brings New Plant to South Carolina

International construction firm Bomag Americas has chosen a site in Fairfield County, South Carolina for its investment in an \$18.2 million headquarters, assembly plant, and product showcase. Bomag is a producer of road building and construction equipment such as compaction equipment, milling machines, asphalt pavers, and reclaimers/stabilizers. Located in the Fairfield Commerce Center, Bomag intends to build a 127,600sf facility that will include 107,100sf of warehouse space. Production is expected to begin in October.

## South Carolina Exports Set Records

Recently released U.S. Department of Commerce statistics show that the value of South Carolina's exports reached \$26.1 billion in 2013, a four percent increase over 2012 and an all-time record. Goods were sold to 202 countries and transported via air, land, and sea. **Most notable:**

- The state's top 10 export industries last year, by value, were vehicles, machinery, rubber products, electrical machinery, plastics, aircraft, paper and paperboard, optical and medical equipment, organic chemicals and wood pulp.
- For the first time, China surpassed Canada and Germany as the state's top export partner. In 2013, exports to China from the Palmetto State surged nearly 50 percent to \$4.9 billion in the value of products purchased from South Carolina companies. In the same year, Chinese firms brought the second-highest contributions to foreign-direct investment in the state, with companies including JN Fibers and The Keer Group announcing new projects in the state. Canada, Germany, Mexico and the United Kingdom rounded out the state's top five export partners in 2013.
- For the third consecutive year, South Carolina ranked first among U.S. states in tire exports, holding nearly 30 percent of the share of U.S.-made exported tires. Additionally, the Palmetto State ranked second in the export of automobiles to world markets.

Frequent readers of *LeadLine* will recognize the correlation between the rapid pace of new port-dependent investment and rising export, by both value and volume. According to South Carolina Department of Commerce statistics, firms made \$5.4 billion in capital investments in the state during 2013. Growing the freight base of South Carolina Ports is a key objective of both the South Carolina Ports Authority and the Department of Commerce.

## Inland Port Hitting Its Stride

The South Carolina Inland Port has picked-up momentum since its opening in November and is now generating a critical mass of containers. Full-scale operations are ongoing. **The latest:**

- January 2014 volumes totaled more than 1,700 rail moves and 2,500 truck moves.
- All Phase 1 construction is complete.
- Container Maintenance Corp. is fully-operational on-site.
- Not only is the inland port generating interest among clients looking to use it, but it is also receiving a great deal of interest in firms looking to locate nearby.
- [Click here](#) for our SCIP Quick Reference PDF.



## Winter Storm Leon Performance

Winter Storm Leon was a significant challenge for everyone in the U.S. Southeast and East Coast regions that works in logistics. Fortunately for Port of Charleston clients, the flexible operating environment allowed interruptions in service to be minimized. Port of Charleston gates remained open for extended hours on Friday, January 31 and Saturday, February 1. More than 2,300 containers moved during the extended hours. Congestion was not a major issue when terminals opened at the regularly scheduled time on Monday.

## Signing-Up For Client Advisories

Recent winter weather events have highlighted the importance of signing-up for South Carolina Port Authority's Client Advisory e-mails. Client Advisories are one means to have port gate status and plans pushed to interested parties. To add your name to the list or to modify your account [click here](#).

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