

## **The Florida Times-Union**

**July 24, 2005**

# **CONTAINING THEIR GLEE**

**By TIMOTHY J. GIBBONS**

*The Times-Union*

Amal Soni came to Jacksonville with big dreams.

A native of South Africa, Soni and his family ended up in Jacksonville when they were looking for a retail business to buy into. The Party Store, located near Regency Square mall, was up for sale, and three years ago, the Sonis took over.

But that was just the beginning. "Our goal was always to be bigger," Soni said. "We knew distribution was the way to go."

Now, with the Jacksonville Port Authority's announcement that within about two years it will have a Japanese shipping company calling regularly at the port, the Party Store is looking to grow in a new direction.

Party Store and 239 other independent party supply stores now bring their wares into the country through California, and have them trucked to a distribution center in Texas for dispersal to the rest of the country. As Japan-based Mitsui O.S.K. Lines ramps up its business, Soni said, the 35 percent of the group on the East Coast will have its products come into Jacksonville, where he will set up a distribution center to handle the logistics.

That plan means the Party Store will need additional warehousing space, and will also be able to grow its business in a different segment than its retail presence.

"It's opened up a big opportunity," Soni said.

As the Port Authority begins work on planning and permitting for the mammoth new terminal to be built at Dames Point, local businesses are likewise gearing up, expecting the connection to Asia to provide new opportunities for existing import and export companies, attract new internationally focused businesses to the area and increase the number of ancillary firms -- such as customs brokers, freight forwarders, translators and distributions centers -- who call the First Coast home.

"This is going to put Jacksonville on the map as a destination city," said Jorge Arce, director of Jacksonville's Commercial Service office, which helps U.S. companies who are looking to export goods or services. "Companies will be looking at Jacksonville. It's a trailblazer situation."

Jacksonville has a fair number of companies that deal with Asia -- exporting steel, importing lumber, getting shipments of products manufactured in China, Singapore, Korea and Japan. The goods that now come from Asia to Jacksonville come in either to California -- on the other side of the country -- or to Savannah, Ga., some 140 miles away.

Getting the products to the local market, even if they're just coming from Georgia, can take up to five days and cost \$400 to \$800 per container, depending on the product, according to importers.

Insteel Wire Products, which manufactures a variety of products, particularly concrete reinforcing mesh, gets raw material from all over the world for its facilities, including the one in Jacksonville, and in return ships finished products around the globe. The shipping from the Jacksonville office is done through the ports of Savannah or Miami, despite the company having an operation near the Jacksonville port.

Because of its weight, said Javier Salinas, the company's director of international operations, steel is expensive to ship. Saving some \$800 a container will add up rather quickly, he said, considering the company ships 800,000 tons of finished product a year.

With 150 containers a year coming into Savannah from Asia, **World Trade Group --** which imports a variety of products plus consults with other companies looking to deal with China -- has to deal with a yearly \$67,500 shipping bill just to get its goods down the coast to its Jacksonville warehouse.

And that's just for its own containers, which hold aluminum products and bamboo flooring. The group's consulting clients bring in another 100 or so containers a year.

And the time variable is as important as the cost. "I have containers sitting in Savannah and I can't get them down here for four or five days," said **Jim Valenti, chief executive officer of the group.** "It's not only a very expensive proposition but a lengthy one."

The elimination of the lag time also excites James Coffee, national sales manager for Paige Electric Co., whose Southeast office is in Jacksonville.

"We see it as a big advantage to bring containers here," Coffee said.

Coffee has been active in international trade ever since the local World Trade Center talked him into coming along on a familiarization trip to Peru. Now, the company is a major supplier for irrigation systems used on golf courses in China, and brings in material from around the region, such as wire from Singapore.

Getting trainloads of product to and from the West Coast can take upwards of two months, he said. That put him in a tough spot: Suppliers want to be paid before Paige even has the product in hand.

"One of the problems with the ports in Los Angeles and New York is they're so backed up," he said. "They can only unload so much. I can have containers sitting around for three or four months."

Jacksonville could become a Southeast United States hub for exporters that don't want to pay to move shipments all the way down the state to the Port of Miami but don't want to have to deal with the congestion in Savannah.

"China is the world's biggest market right now," said Lacie Duffy, an international sales representative in the Jacksonville office of CH Robinson Worldwide Inc., a company that helps other businesses ship things throughout the world. "They incur higher inland costs. It'd be a little more time efficient if they have the option of routing freight through Jacksonville."

And that means that companies like the Party Store can benefit even on the retail side. "The bottom line is we could get products a lot more efficiently," Soni said. "Plus, it's more cost effective."

That could mean lower prices for customers.

Once the line to Asia is up and running, said Arce, the Commercial Service officer, Jacksonville could occupy a much more prominent position on the international supply chain.

"It has a domino effect," he said. "There will be a lot of ripples from this. The Southeastern United States has no business [exporting to] the Far East. This will begin to change that."

[timothy.gibbonsjacksonville.com](http://timothy.gibbonsjacksonville.com), (904) 359-4103