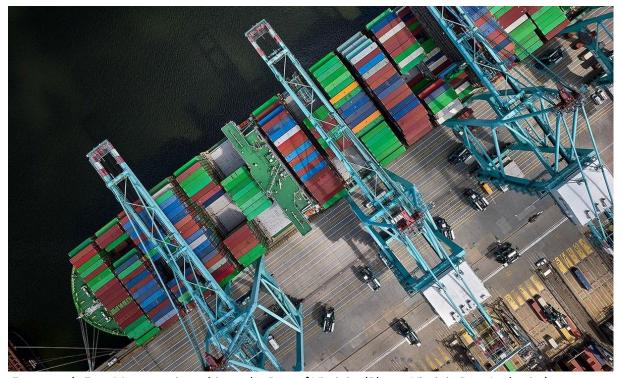


## Less China means more business for Port of Virginia

Tariffs, ship fees won't hinder growth, says CEO Edwards

## **Stuart Chirls**

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Evergreen's Ever Max container ship at the Port of Virginia. (Photo: Virginia Port Authority)

VIRGINIA BEACH, Va. — "China" is now a dirty word among fiercely competitive U.S. ports looking to woo global container shippers.

The Port of Virginia offered a carefully crafted message that it's an ascending powerhouse for container trade without being nearly as reliant on China and that country's newly deleterious effects as its West Coast maritime brethren.

East Coast ports generally handle a smaller share of China trade than West Coast ports; imports and exports from China and Hong Kong accounted for just 19% of total loaded twenty-foot equivalent units in 2024, Chief Executive and Executive Director Stephen Edwards told the annual state of the port event here on Thursday. Virginia's leading trading partner was the European Union, at 26%, followed by India, 10%, and Vietnam, 8%. All other nations together were 37% of loaded TEUs.

"Of course, the other way to look at this is that as of today, 81% of our business is at a 10% tariff, and 19% is at the higher China tariff," Edwards said.

Edwards' comments came just days before the U.S. and China on Monday <u>announced</u> a 90-day pause in tariffs.

There were 10 ports with a greater share of China traffic, said Edwards, led by Long Beach, California, at 62% and Los Angeles at 43%. Among East Coast hubs, that share was 31% at Savannah, Georgia; 25% at Charleston, South Carolina, and New York-New Jersey; and 21% at Baltimore.

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"Today, we're in the fortunate position of being the least exposed major U.S. port on trade with China," Edwards said, "and maintaining a diverse mix of international trading partners that support a strong, steady book of business.

"We are, of course, looking forward to new trade agreements from the Administration that provide certainty and strengthen our partnerships as well as the American supply chain. But if tariffs change our nation's trading portfolio, we can be confident the Port of Virginia will continue to excel."

As for a new rule imposing new fees on Chinese-built ships docking at U.S. ports, Edwards said he is not expecting major changes to the number of services provided by ocean carriers, or the ports they serve.

"Each of our customers and their respective alliances will continue to have the opportunity to deliver U.S. services with either non-Chinese-built ships or vessels exempt from fees," he said.

He added that the port's location adjacent to Virginia military installations makes it the leading handler of containerized cargo on U.S.-flag ships among American ports.

The Port of Virginia in 2024 saw container volume increase 7.2% year on year, from 3,287,546 TEUs to 3,523,512 TEUs, third only to New York-New Jersey and Charleston among East Coast ports.

Virginia has an array of infrastructure projects that Edwards said ideally positions it for growth.

The port will be able to handle the world's largest container ships later this year after completion of dredging that will take its shipping channel to 55 feet, deepest among U.S. ports.

"Our expansion at Norfolk International Terminal's Central Rail Yard increased our annual rail capacity to 2 million TEUs. We've also completed our upgrade at Virginia Inland Port in Front Royal and, in partnership with Norfolk Southern (NYSE: <u>NSC</u>), have just announced a new RailGreen corridor to offer customers an opportunity to further reduce emissions in their supply chain."

Virginia has boosted its agricultural export business with expansion by Perdue Farms and new investments from DeLong Co., International Feed Corp. and Raymont Logistics, Edwards said.

"International import distribution drives our growth," he said. "The success of our infrastructure and the impact of our efficiency is seen in the continued attraction of third-party logistics and cargo owners to Virginia."

Virginia Gov. Glenn Youngkin just prior to the port event announced a 2 million-square-foot facility to support Danish toy importer Lego in Prince George County. In April, retailer Target (NYSE: <u>TGT</u>) announced the addition of 1.4 million square feet in New Kent; Transnational Foods is expanding to 350,000 square feet in Suffolk; and US ELogistics Service Corp. will open 150,000 square feet in Hampton.

The port is also supporting Dominion Energy's (NYSE: $\underline{D}$ ) \$10.8 billion Coastal Virginia Offshore Wind project — largest in the U.S. — handling an array of components for the construction of two massive wind turbines.

Edwards said a number of state-supported highway projects will improve traffic flow and safety, while the port expands container capacity at North Norfolk International Terminals and benefits from federal investments in new electric assets and equipment.