

Freight that can't wait is big business at Miami International Airport

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Standing in one of Arrow Cargo's huge warehouses at Miami International Airport, Rodrigo Canola, the freight airline's export manager, pointed to stacks of electronic equipment from China and Korea, each separated according to their destinations in Latin America and the Caribbean.

Next door, Arrow's refrigerated warehouse held imported products for U.S. markets -- flowers from Colombia and Ecuador, lettuce and tilapia from Costa Rica and parrot fish from Mexico.

"We import and export all sorts of merchandise -- horses, equipment, vehicles. We even handled a helicopter once," said Canola.

Miami-based Arrow, which serves Latin America and the Caribbean with its own fleet, moved the largest volume of air cargo through MIA in 2009 -- nearly 204,000 tons of exports and imports, up 11.8 percent from 2008.

Arrow is part of Miami's multibillion-dollar air freight industry that includes the airport, airlines and hundreds of support companies that have made MIA the top-ranked airport in the Western Hemisphere for international air cargo, beating out New York's JFK, Chicago's O'Hare and Los Angeles International.

Most of the 33.9 million passengers who traveled through MIA last year likely were unaware of the 132 daily cargo flights and other operations that moved nearly 1.7 million tons of air freight through the airport, 13.8 percent below 2008.

International imports and exports accounted for 87.6 percent of total cargo.

Still, the volume of MIA's air freight is small compared to ocean freight moving through the Port of Miami, but the value of MIA's international trade in 2008 was \$40.7 billion, according to the Miami-Dade Aviation Department.

Air freight tends to be lighter and have a higher value. In general, experts say air cargo accounts for about two percent of all cargo volume and more than 33 percent of value.

MIA also is the U.S. import hub for some industries. The airport, for example, received 86.3 percent of the country's flower imports in 2008, more than 70 percent of U.S. fruit and vegetable imports and nearly 65 percent of fish imports.

Using more than 80 airlines -- including cargo carriers and passenger airlines that ship cargo in the bellies of their planes -- MIA's air freight operations also provide a vital trade link between the United States, Latin America and the Caribbean. MIA handles about 82 percent of all air imports from Latin America and the Caribbean as well as about 79 percent of all U.S. exports to the region.

WIDE REACH

MIA air freight operations also serve the U.S., Canada, Asia, Europe, the Middle East, Africa and Oceania.

Achieving such high cargo levels did not come quickly. The airport, building on its geographical advantage as the gateway to Latin America and the Caribbean, started planning for growth in 1992.

Under its cargo development program, MIA built 17 cargo buildings with more than 2.7 million square feet of storage and increased apron space for cargo lines, said José Abreu, director of the Miami-Dade Aviation Department. This gives MIA's cargo operations room to grow.

MIA's four runways, including the longest at 13,000 feet, have reduced congestion and can handle the largest and heaviest cargo planes in use. MIA also will be able to accommodate the next generation of larger cargo carriers from Boeing and Airbus, said Abreu, who oversees the final stage of the airport's \$6.2 billion capital improvement program.

As new markets developed, MIA actively courted additional cargo carriers, as well as passenger airlines, and offered incentives for new routes. Last year, even in a depressed economy, MIA was able to add three new cargo carriers: Cathay Pacific, which

provides Hong Kong service three times a week; Air Atlanta Icelandic, which initiated MIA's first cargo route from Norway, and Lanco, which offers round-trip service to Bogota.

As a sign of confidence in MIA, LAN Airways, based in Chile, chose the airport to build its Latin American and Caribbean cargo headquarters. In addition, Centurion, a large Miami-based freight carrier, is planning a new cargo facility at the airport, Abreu said.

“But what makes us very different is the huge infrastructure of freight forwarders, customs brokers and storage facilities located near the airport,” Abreu said. It includes more than 1,000 freight forwarders, some 250 customs brokers, supply chain companies, trucking firms, and warehouse facilities around the airport.

“Some people ask, ‘What’s Miami’s secret?’,” said Chris Mangos, director of marketing for the Miami-Dade Aviation Department. “There’s no secret. It’s a whole list of attributes from our infrastructure, to the warehouse and logistics facilities located near the airport, to Brickell Ave., where trade is financed.”

The cargo outlook for this year is still uncertain, but Abreu noted that cargo movement at MIA, which declined 13.8 percent last year, grew by 18 percent in December and increased about 14 percent in January.

“It’s tough to say what the full year will look like at this point, but I know it’s going to be better than last year,” he said.

Asian cargo carriers, for example, have increased service. “We’ve gone from nine Asian freight flights per week before the recession to 15 per week now,” said Mangos. And there’s also been stronger demand from Latin America, MIA’s biggest cargo market.

INFRASTRUCTURE IN PLACE

“Miami has already made the cargo infrastructure improvements that allow bigger planes to come in and avoid delays,” said Brandon Fried, executive director of the Air Forwarding Association, a Washington-based trade group. “Big cargo airlines already operate there and have frequent flights to Latin America, plus huge cargo and transportation resources. You simply don’t find that in other parts of the U.S.”

One thing that may slow down air cargo movement later this year is a new Transportation Security Administration regulation, effective Aug. 1. It requires that all cargo for passenger aircraft must be either scanned or examined by hand.

“This will impact the cargo forwarding community and will slow down things a bit,” said Gary Goldfarb, executive vice president of WTDC, a Miami-based supply chain management company.

Goldfarb sees a major boost for air cargo after the Panama Canal expansion is completed in 2014 and cargo ships from Asia begin unloading at the Port of Miami.

“Ocean freight and air freight go together, and high-value items always move by air,” he said. More cargo will come to Miami and some businesses will use air freight to get a portion of their products to markets faster. “This will provide a tremendous push for air freight.”

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