

## Local economy revolving more around world trade

BY MIMI WHITEFIELD

[mwhitefield@MiamiHerald.com](mailto:mwhitefield@MiamiHerald.com)



Joe Rimkus Jr. / Miami Herald Staff

Artefacto has showrooms in Aventura, above, and Coral Gables.

Customers choosing a color for their new leather sofa or contemplating a coffee table made from a fallen log in the Amazon may not think their shopping sprees at Artefacto have much to do with international trade.

But Artefacto, a Brazilian furniture manufacturer, has imported more than 700 containers of furniture and decorative objects over the past nine years for its local showrooms in the Village of Merrick Park and Aventura.

Or consider a wedding in the Caribbean island of St. Vincent where everything — from rings to dress — was ordered online and delivered courtesy of a Miami freight consolidator that specializes in online

shipments.

This year, imports and exports moving through South Florida ports are expected to top \$100 billion for the first time, but the impact goes far beyond containers and boxes moving through local airports and seaports.

As South Florida prepares to celebrate World Trade Week, which begins Thursday, advocates point out that international commerce is interwoven into just about every aspect of the local economy. In South Florida, retail, ecommerce, tourism, real estate, banking and financial services, transportation, logistics, law, investment and even education all benefit from the area's strong ties to the international marketplace.

"International business creates all these multiplier effects and that's not captured if you simply look at international trade numbers," said Jerry Haar, associate dean of international programs at Florida International University's College of Business Administration. "People use trade as shorthand for all international business."

But the international trade numbers themselves are also noteworthy. Last year, a record \$95.38 billion worth of exports move through the Miami Customs District, which includes airports and seaports from Palm Beach to Key West.

And that's not even counting exports of services and the economic impact, for example, when a foreign student enrolls at a local university, Haar said.

"These foreign students rent apartments, they pay tuition, they go to movies; they're buying

clothes here,” he said. “This is what I call hidden exports.”

During World Trade Week, about 800 people are expected to attend events that celebrate Miami’s position as the Gateway to Latin America and Caribbean and also provide how-to information on what it takes to be a successful trader. There will also be tours of the facilities that keep trade humming: Miami International Airport, the Port of Miami, the Miami River port, and the flower importing industry.

This year’s events come at a time when long-stalled free trade agreements with Colombia, Panama and South Korea could win congressional passage by the end of the summer.

“We’re very happy free trade agreements look like they’re on the road to being passed, so we’ve focused the opening session — World Trade Day on Thursday — on breaking down barriers to international trade,” said Charlotte Gallogly, president of World Trade Center Miami, which is organizing the week’s activities.

“One of the ways to increase international trade is to tell the Miami story,” Gallogly said.

“Many people think tourism is our leading industry,” she said. “But if we weren’t the business capital of the Americas, we wouldn’t be getting nearly as many visitors.”

Artefacto is an example of a business that benefits from international visitors. It imports about 90 percent of its furniture from Brazil where it not only has a factory but 25 retail outlets. Its local niche is next-day delivery to mostly second-home customers and it maintains a warehouse stocked with \$25 million worth of inventory, said Paulo Bacchi, general manager and scion of the Sao Paulo family that started the business.

Right now, more than 50 percent of Artefacto’s customers are Brazilians who know the brand from home and are snapping up furnishings such as the sleekly curved Copacabana chair, leather bar stools and cowhide rugs to outfit their newly acquired South Florida apartments. Brazilians lead the local international real estate buying spree and they’re also big spenders. Last year, visitors from South America’s largest country spent more than \$1 billion in Miami-Dade and Brazil was also the Miami Custom District’s top trading partner.

Artefacto’s Brazilian customers are followed by buyers from Venezuela — “both old and new money” — Colombia and Argentina, Bacchi said.

“Whenever anyone gets wealthy, they want to buy a place in South Florida. Unfortunately, Americans aren’t on the top 10 list at the moment but I do believe that will change,” he said.

AeroPost International Services is another Miami business that has figured out how to ride both the Internet and international trade waves. It’s a forwarding service that allows customers in the Caribbean and Latin America to order products online from companies, such as Amazon and Zappos.com, and to receive them in their homes without the need for a credit card or the hassle of dealing with Customs.

After customers place their orders, their purchases are shipped to AeroPost’s local warehouse where they are consolidated and sent to the 14 countries the company serves.

That’s why the St. Vincent wedding party could be totally outfitted with Internet purchases. “And the pastor, who is our agent in St. Vincent, even performed the ceremony,” said James Fendell, president and chief executive of AeroPost.

---

© 2011 Miami Herald Media Company. All Rights Reserved.  
<http://www.miamiherald.com>