

AMI upgrades UK regional receiving

Air Menzies International (AMI) – the world’s largest trade-only airfreight and express wholesaler - has reorganised its UK regional cargo receiving and trucking operations. The changes are improving processing times, enabling later close-outs and provide access to an increased number of next-day departures from London Heathrow.

In Manchester, AMI has become self-handling and will move into a new dedicated 8000 sq ft unit. The on-airport facility - currently undergoing refurbishment, and installation of upgraded security systems - will be operational from mid-January.

AMI Manchester handles 40% of all AMI’s UK bookings, and 80% of this traffic flies direct from Manchester Airport. The new AMI-only facility will improve truck processing times. Meanwhile, cargo for flights departing from London Heathrow will be trucked by nightly road feeders operated by airfreight trucking specialist Ware Transport; this will offer later close-outs, and earlier arrivals at London Heathrow.

At both Leeds Bradford Airport and East Midlands Airport, AMI is now using handler WFS for receiving, while trucking to Manchester and London Heathrow is again provided by Ware Transport.

In Birmingham, AMI is now being handled by Ware Transport at its Gateway Estate receiving centre. Ware also provides nightly trucks to AMI’s main UK consolidation centre at London Heathrow, meeting next day departures.

Says AMI’s Regional VP Europe, Sharon Wright: “Manchester is our most important centre outside London, and we continue our long-held policy of supporting the airport’s departures whenever possible. We are very pleased to offer an increased flight schedule coupled with improved processing times for all customers’ vehicles – whether delivering cargo for our ex-Manchester services, or the 20% of shipments that require transport to our London base.

“Customers delivering to AMI at all four regional airports can now benefit from later close-outs, and earlier arrivals that increase the opportunities for next-day

departures from London Heathrow. These changes are having a very positive effect on our service levels, and further enhance our customers' competitiveness."

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About freight wholesaling:

"Airfreight wholesaling" is the process by which freight agents can purchase space through an intermediary ("wholesaler"), generally at lower rates than are offered by the airline or shipping line itself. In airfreight, this is achieved either:

- by the wholesaler consolidating many small shipments into a single booking, taking advantage of the lower rate per kilo offered by airlines for larger shipments, and then effectively sharing the resultant saving with its customers in the form of lower rates;

or

- by combining dense cargo and volume cargo on the same airline pallet, in order to maximise the chargeable capacity of the pallet without exceeding its physical weight limit. As most airfreight is "volume" (that is, its volume is greater than the usual airline conversion ratio of 6000cc per kilo) it is charged by volume rather than weight. Skillful combination of dense and volume cargo can reduce the average volume:weight ratio of cargo on the pallet, resulting in more capacity, and a lower cost per kilo - part of which saving is then passed back to the wholesaler's customers.

Consolidated airfreight shipments also benefit from lower minimum charges than those imposed by airlines. Normal airline minimum charges can often make a small shipment prohibitively expensive.

In ocean freight, savings are generally achieved by a consolidator combining many smaller shipments into larger volumes, and loading these into full containers for presentation to the shipping line. The full container load (FCL) rate thus achieved represents a saving on the "loose" or LCL (less-than-container-load) rate offered by the line, and much of the difference is passed back to the exporting agent in the form of lower rates.

About AMI:

AMI pioneered the neutral, *trade-only* airfreight wholesale concept in 1976. Its early years were spent in developing relationships with numerous carriers, in order to provide its agent customers with a single source of capacity for all their traffic: a "one-stop-shop". On many destinations, customers were given a choice of service levels, often based on direct or (slower) transshipment services, which were rated accordingly.

Neutrality – in other words, the deliberate distancing from any commercial dealings with shippers – has always been the core ethic of AMI, and a very strong selling-point. From its beginning, when AMI first entered the market, a number of full-service freight forwarders have offered “co-load” services to smaller agents. But the underlying potential threat of an agent's customer being approached by its supplier who was also a competitor, has led many agents to give greater support to AMI.

Today, in a market which is dominated by spot-rating, AMI has strengthened its competitive position through a combination of convenience (the ability of an agent to book a large proportion of all his global traffic with a single call or internet booking), pricing (like airlines, AMI also now spot rates for larger shipments), attractively-priced added-value services (such as receiving and trucking, and security scanning) and practical experience (for example, AMI will not support carriers or routings which – based on its vast experience - are known to present potential problems).

AMI was acquired by publicly-quoted John Menzies plc in 1993, following which it was re-branded Air Menzies International. The addition of express services to the AMI product group (now operating as a separate division, AMI Express) has broadened AMI's appeal to freight agents, who were previously compelled to support the services of integrators offering inadequate margins and presenting the potential threat of customer poaching. AMI Express has also given AMI access to a totally new market - domestic couriers and parcel companies with occasional international needs.

AMI is now set on a programme of international expansion, aimed at building a web of sales and operational bases each of which then feeds the others. In 2004 it opened an operation in Germany and this was followed, in 2007, by the acquisition of its former service partner UAC - a well-established and complementary trade-only freight wholesaler with extensive operations in Australia, New Zealand and the USA, plus joint-ventures in China and Hong Kong. All operations were re-branded with the AMI identity at the beginning of 2008, and the renowned AMI global tariff format and product range are being introduced to each location to complement the services already offered.

In March 2008 AMI acquired MMA, its former service partner in South Africa, giving it three more locations and a leading position in one of its historically most important markets. With the recent opening of a new US office in Dallas, AMI is now present at 22 locations, and continues to look at opportunities for further expansion. AMI also operates a network of service partners in over 120 global markets, whose role is to breakbulk, clear customs and (on request) deliver to destination.

About Menzies Aviation plc:

Menzies Aviation is the fastest growing, and second largest, ground- and cargo handling organisation in the world. It also owns AMI, the world's only trade-only global airfreight- and express wholesaler. The Menzies Aviation business is highly successful - operating at 136 airports in 32 countries, with annual revenue in

excess of US\$1.1bn and employing some 18,000 highly-trained people. Best in class safety and security, as well as great customer service, are core to its success and set it apart from other handlers.