



The idea is to create a central distribution hub using land, sea and air.

Successful international examples range from airport-based hubs in the United States, to individual companies like the multi-million dollar Federal Express Corporation, a business that revolutionised the concept of freight delivery

Central to Manawatu's plans is land at Palmerston North Airport - the only site in New Zealand offering road, rail and airfreight at one location.

The Manawatu hub would operate as an inland port utilising a central warehouse base, with distribution centres leading to the lower North Island, as well as providing air and land freight distribution channels

Manawatu is already a base for distribution by road and rail, with most major transport companies operating (at varying degrees) out of the region. There are huge growth opportunities for land and rail distribution, and with cargo distribution comes the potential for property development.

Warehousing in particular is a growth area and something Palmerston North Airport is developing with its "freight gate" initiative. Already an international airport, it will be a pivotal component of the multi-modal cargo-hub, says Gary Goodman, the airport company's chief executive.

"Our freight gate development is already expanding the airport as its own freight hub, with warehouse leasing suiting all modes of transport, located right next to the airport."

Palmerston North has attracted DHL, Danzas-AEI Ltd and Transotway freight/transport operators. Goodman believes there is an opportunity to attract new business and offer changes to the

way companies work.

Although not directly related to the cargo-hub idea, 95 hectares of rural land at Longburn, (north-east of the airport), is being considered for rezoning as industrial land, by the Palmerston North City Council. Suitable for light industrial use, this land could provide more space for the airport's "freight gate".

Palmerston North consultancy

says Vision Manawatu's chief executive Ian Reid, who stresses they wouldn't just be confined to the Manawatu. The lower North Island has a population of about one million and produces goods and services to the value of more than \$20 billion roughly the same as for the whole of the South Island.

The benefits would spread much wider to encompass the central/lower North Island - and they're not just

as researching and promoting the idea for the past three years. It has even copyrighted the brand name Cargo Hub New Zealand Ltd. So it is not surprising that Vision Manawatu's strategic plan identifies "the establishment of an inter-regional gateway/cargo-hub initiative" as one of its key projects.

Some of the biggest opportunities will be in the "new age" distribution models, such as the hubbing/distribution centres, says Reid, which he believes are likely to be developed soon.

Both Ports of Auckland and Centreport (Wellington) have had a close look at an inland port structure similar to Auckland's Metropark at Palmerston North. In addition, probably every cool-store operator in the country has some presence in the Manawatu.

There is also the potential for "smart freight operation", where there are efficiencies to be gained from co-operative development, says Reid. These operations can be managed by a logistics company rather than the manufacturer or supplier - who can then make decisions about the level of stock, demand and the options for delivery. One slight problem is competing products ending up on the same truck out of town.

As the issue is much bigger than just the Manawatu, the strategic development side of the idea has been passed over to HorizonSMW. Vision Manawatu is now working in an informal partnership with HorizonSMW, Palmerston North International Airport and other industry players.

Spread over 170 hectares of land, just five kilometres north-east of central Palmerston North, the airport is a

"It's interesting to note that 99.5% of New Zealand's imports and exports were transported by sea last year. A cargo-hub in the Manawatu would provide a consolidation point from where there's a choice of ports."

Corporate Logistics, has been commissioned by HorizonSMW to carry out a feasibility study on the cargo-hub concept. Findings are due this month.

Although supported by the district at large (including the various economic development agencies, HorizonSMW and the Palmerston North City Council), some real evidence of its viability is needed, says HorizonSMW policy and information manager Jeff McNeil.

That said, it is unlikely the feasibility study will bring any surprises rather it will provide the final hard evidence needed to back up what key stakeholders already believe is an economically viable and beneficial development for the region

The benefits would be enormous,

economic, but strategic as well, says Reid. "The Hub will allow for a range of initiatives such as new markets for food production exports." These exports would include short-life food products such as mushrooms from Wanganui; high value herbs and asparagus; stone and berry fruit from Hawkes Bay; cut flowers and fruit from Horowhenua.

Vision Manawatu, (the regions economic development agency), sees the cargo-hub among the regions key supporting economic sectors, alongside agriculture/horticulture, defence, tourism, sports/events and government services

It has been involved in developing the original cargo-hub concept, as well

