

Trade to S. America declines \$3.5 billion

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Florida's exports to its key Latin American trading partners fell by \$3.5 billion -- or by almost one-quarter -- in the first 10 months of last year compared to the year before, a reflection of the severe economic problems in key countries.

Brazil led the way in the fall-off, with a drop of \$1.5 billion in exports in the first 10 months of 2002 compared to 2001. But Argentina's economic problems also bit deeply into goods that left Florida, with a drop of almost \$1 billion.

From the experts who crunch trade numbers and follow the trends to the experience of import-export businesses, there are early signs of fundamental changes underway.

Charles Jainarain, president of Greenheart International in Miami, said Florida could see its leading share of trade with Latin America start eroding, flattening the rapid upward trend.

"It peaked in Miami," Jainarain said. "It peaked in Florida and now we are seeing the top of that peak go off a little bit."

Florida's trade -- especially the commerce recording in South Florida -- grew in leaps and bounds during the 1980s from the shipment of textiles back and forth between offshore apparel factories in the Caribbean Basin. This success was capped with a boom in computer and telecommunications exports in the 1990s.

But Jainarain sees the possibility that this trade could go elsewhere, including the migration of the apparel business to China and Southeast Asia, changing the main ports of entry to the West Coast. Other ports may try to capture some of Florida's share by offering lower shipping prices.

Lowering tariffs gives trade a one-time shot in the arm, producing a boom before and after new trade agreements go into effect. But once the lower tariffs are factored into trade patterns, other economic conditions weigh in: devaluations, tight finance credit and recession. This is what has been happening since late 2001. With economies in Argentina, Brazil, Uruguay and Venezuela shrinking and their currencies falling, exports have plunged.

Individual companies have noted other trends.

Mahmoud Zaher, who runs Mamco, an auto parts exporter that does around 80 percent of its sales in South America, said that business has been tough since the start of 2002. His business primarily supplies auto parts for repairing vehicles, for

the end consumer and distributors.

Demand has fallen off from regular clients, but he also no longer receives as much new business.

"We used to get on a daily basis at least five customers contacting us or coming here," said Zaher, who has been in the business since 1986. "These people have disappeared."

But Zaher said that he plans to ride out the slow down because every area of trade is suffering.

There were some small bright spots in trade figures.

Florida's exports to the Falkland Islands -- two small islands 300 miles off the coast of Argentina with a population of 3,000 people -- jumped by 150 percent, as telecommunications equipment exports rose from zero in the first 10 months of 2001 to \$171,000 in the same period in 2002.