

Amazon to build its own \$1.5bn air freight hub

SAN FRANCISCO: Online retail colossus Amazon on Tuesday said it will strengthen its distribution muscle and create US jobs by building its first air freight hub, an investment of nearly \$1.5 billion.



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A hub for the company's growing fleet of Prime Air cargo planes will be built at an airport in northern Kentucky, adding more than 2,000 workers to the approximately 10,000 people it already employs at fulfillment centers in that state.

Seattle-based Amazon did not specify the amount of the investment, but the local economic development organisation placed the figure at \$1.49 billion.

The spot for the hub was chosen for reasons that included being a centralised location for moving goods, according to Amazon senior vice president of worldwide operations Dave Clark.

Eager to decrease its dependence on shipping companies such as UPS or FedEx, Amazon last year contracted with two carriers for dedicated cargo planes to move goods around quickly in support of fast, free deliveries to shoppers who are members of a Prime subscription service.

So far, 16 aircraft are in service from the deals and more are to eventually take flight. The hub will be a place for goods to be loaded, unloaded and sorted.

Amazon has shown growing ambitions in cargo transport, driven by desire to better control its supply chain and costs.

The company has invested in trailers for trucking goods between US warehouses. More than a year ago, it registered a subsidiary with the US Federal Maritime Commission as an ocean freight forwarder to contract shipments of goods by sea from China to US ports.

Source: AFP

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