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NEWS

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Summer 2023 | No. 902

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Cargo handlers have adjusted
to a changed market

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DEMAND BLOOMS

Perishables return
to growth

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for Schiphol

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The future is bright
for e-commerce

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TURKISH CARGO
SMARTIST

Summer 2023 No. 902

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Annual subscription

£109 (UK); €160 (Europe and Scandinavia); US\$220 (Rest of the world)

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Air Cargo News, ISSN Number 1357-4051, is published four times a year by DVM Media International Ltd, 1st Floor, Chancery House, St Nicholas Way, Sutton, SM1 1JB, UK Tel: +44 (0) 20 8722 8370

Subscription records are maintained at Intermedia Brand Marketing Ltd, Unit 6 The Enterprise Centre, Kelvin Lane, Manor Royal, Crawley, West Sussex, RH10 9PE, UK

Worldnet is acting as our mailing agent

Website: www.aircargonews.net

Origination and printing in Great Britain by Precision Colour Printing Ltd.



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OF THE YEAR



TOP TAKEOVERS

CMA CGM Group has committed to acquiring the transport and logistics operations of Bolloré Logistics, while Nippon Express has agreed terms to purchase cargo-partner. Read more about what these deals mean for the market on page 18.

AIR CANADA EXPANSION

Air Canada Cargo has operated its first freighter flight into Punta Cana, Dominican Republic with a 767F. This follows recent launches into San José, Costa Rica; Basel, Switzerland; and Liege, Belgium.

DSV NETWORK GROWTH

DSV has added Phoenix-Mesa Gateway Airport to its freighter network as it looks to reduce lead times for semiconductor shipments by avoiding busier airports. The 747F flights will be part of DSV's Atlas Air-operated air charter network.

CAINIAO IPO

Alibaba Group plans to start exploring an IPO for its logistics unit Cainiao. The Group aims to complete the initial public offering in the next 12 to 18 months.

EASY E-COMMERCE

Hong Kong Air Cargo Industry Services Limited (Hacis) has opened a "one-stop-shop" Cool Zone facility to cater for cool chain e-commerce shipments at Hong Kong Airport. It aims to speed up handling while reducing costs and delays.

One Air launches with cautious ambition

THE UK HAS a new cargo airline with the launch of Boeing 747-400 freighter operator, One Air.

Headquartered in Kingston, close to London Heathrow Airport, the airline has been awarded its Air Operators' Certificate by the UK Civil Aviation Authority.

One Air is now the only UK operator of the 747F after it dry leased a single aircraft.

A second 747F is expected to be added this year.

The company is 51% owned by British citizen Paul Bennett and 49% by Indian citizen Guneet Mirchandani.

Bennett said: "The important role freighter services played in supporting the UK economy and the public throughout the pandemic demonstrated the level of demand that exists for a British cargo airline."

"We are proud to be meeting this need and to have the opportunity to leverage long-standing business relationships with freight forwarders, logistics providers and charter brokers serving the UK market."

One Air expects initial demand for flights from the UK to Europe, the Middle East and Asia. It will also ultimately offer freighter services to China and the US.

In fact, the airline has already



The One Air team pictured l-r: David Tattersall, chief technical officer; Chris Hope, chief operating officer; Paul Bennett, chief executive; and Jon Hartley, chief financial officer. Picture: One Air

filed an application with the US Department of Transportation to operate cargo charter flights between the US and the UK.

Looking ahead, the carrier said that it hoped to increase capacity in the future, potentially with a 777F.

"We will grow our operation by adding capacity – but only when it is fiscally prudent so to do," One Air said in the filing.

"We intend to add aircraft from elsewhere in the family of companies of which we are part, but will move to acquire more modern aircraft (potentially the Boeing 777F) when this is sensible for the business."

One Air has appointed Air One Aviation as its first Global Sales Agency, while dnata is the airline's handling agent in London Heathrow.

SmartLynx boosts Airbus A321F fleet

SMARTLYNX AIRLINES AIMS to become the largest operator of Airbus A321-200 converted freighters in Europe by the end of the year.

The charter carrier and lessor currently operates six A321Fs but plans to increase its fleet to 13 by the end of the year, while adding four more units by the end of 2024.

SmartLynx Airlines cargo operations manager Dmitrijs Voroncovs said: "This is the first ever narrowbody freighter to feature containerised main and lower cargo decks, which allow for automated loading and unloading to achieve exceptional turnaround times."

The airline said the model, which can carry 27 tonnes of

cargo and has a range of 2,300 nautical miles, is fuel efficient, cost effective and ideally suited to the express market.

Most recently, the carrier added an A321 freighter, registered as YL-LDP and freshly converted by Elbe Flugzeugwerke, to its fleet. The aircraft was added to its Latvian Air Operators' Certificate.

'Full steam ahead' with Emirates' expansion



Emirates SkyCargo has added two 747-400Fs to its existing fleet of 11 777Fs

Photo: Emirates SkyCargo

EMIRATES SKYCARGO HAS added two Boeing 747-400Fs to its freighter fleet and expects to double its existing capacity over the next decade.

The cargo division of Emirates is expecting 15 more freighters to join its fleet from announced orders and its freighter conversion programme, plus a boost in bellyhold capacity from new passenger aircraft deliveries starting with Airbus A350s in late summer 2024, followed by 777-Xs the year after.

Over the next decade, Emirates SkyCargo expects to add over 20 destinations to its freighter network and offer more flexibility and services to its customers with a fleet mix of

over 300 widebody aircraft comprising 777s, 777Fs, 747Fs, A350s and A380s.

Nabil Sultan, divisional senior vice president, Emirates SkyCargo, said: "While the current market volatility may cause others to hesitate, Emirates SkyCargo is pushing full steam ahead with our plans. The medium- to long-term projections for global air cargo show an upward trajectory of between 3-5%.

"Combine that with Dubai's strategy to double its foreign trade, and the economic activity happening in markets around the Gulf, West Asia and Africa, and the opportunity for Emirates SkyCargo is clear.

"The two new 747Fs that we have leased give us immediate capacity, while we wait for delivery of five new 777Fs in 2024 and 2025, and 10 777-300ERs to roll out of our conversion programme over the next five years.

"We believe even these additional planes will not be sufficient. By then, we'll have the MRO set up to quickly and efficiently scale up our freighter conversion programme if we need to."

Secured on a long-term wet-lease basis, the two 747-400Fs join the airline's existing fleet of 11 777Fs; they are currently being deployed to Chicago three times weekly and to Hong Kong nine times weekly.

Get ready to vote for your winner

IT'S ALMOST TIME to cast a vote for your favourite cargo airline as part of the Air Cargo News Awards 2023.

The awards give freight forwarders and shippers the opportunity to recognise the best cargo airlines in five regional categories – Europe, the Americas, Asia, Africa and the

Middle East – as well as their overall top carrier, the hotly contested Cargo Airline of the Year.

Online voting will open on June 30 and votes can be cast at aircargonewsawards.net.

Winning a prize at the Air Cargo News Awards, with a proud 39-year history, is the ultimate

accolade in the air cargo sector.

Winners will be honoured by *Air Cargo News* and the wider air cargo industry at an exclusive awards ceremony to be held on October 12 at the Hilton London Syon Park near Heathrow Airport, where attendees can network with their peers and colleagues.

EDITOR'S COMMENT

Damian Brett



Taking an optimistic view on recovery

HOPES OF AN air cargo market recovery in the second half of 2023 have faded as the year has progressed.

Inflation remains stubbornly high – although levels have fallen very slightly in recent weeks – and geopolitical tensions show no sign of easing. Inventories also remain at a high level.

Does that mean there is no hope of an improvement in the next few months?

Most agree that while expectations have weakened, the coming six months should be better.

On a recent Seko Logistics webinar, chief executive James Gagne pointed out that there had been a dearth of new product launches over the last 12 months as companies wait for consumer spending to improve.

He feels this is creating a pent-up demand, with consumers becoming bored of the existing offerings, and this could create a sudden surge in demand that would largely be satisfied by airfreight.

Meanwhile, businesses are also keen to keep freighter operations running to avoid the disruption experienced over the last couple of years: once bitten, twice shy.

JAL restarts freighter operations

JAPAN AIRLINES (JAL) has announced a return to the freighter market after an absence of 13 years as it looks to capitalise on growing air cargo demand and an expected shortage of truck drivers.

The Tokyo-headquartered airline will add three Boeing 767-300ER freighters, with operations due to start at the end of the 2023 fiscal year.

JAL said that it decided to operate its own freighters as it had plans to grow in the cargo and mail business.

“With the introduction of the freighters, a new business model will be established to ensure stable and growing demand,” JAL said. “In addition, we will strengthen our air transportation capabilities to meet the logistics needs arising from the [shortage of truck drivers in Japan] and contribute to solving social issues based on logistics.”

A law change coming into force in April 2024 will limit the yearly overtime truck drivers can work to 960 hours.

The freighter service will also target domestic and international e-commerce volumes, other high-growth cargo and limit business risks caused by fluctuations in demand and market conditions.

“We will begin operating international flights mainly to East Asia, and in the future operate domestic flights to improve aircraft utilisation while maximising the cargo loading ratio,” the airline said. “We will respond to customers’ needs by flexibly offering charter and non-scheduled flights.”

Since leaving the freighter market in 2011, when it retired its Boeing 747-400 freighters, the carrier has offered cargo capacity on its passenger flights and by chartering other companies’ freighters.

10 facing corruption charges for Polar fraud

US LAW ENFORCEMENT has charged 10 people with defrauding cargo airline Polar Air Cargo.

The charges are based on allegations that the 10 defendants were involved in a decade-long scheme to defraud Polar of tens of millions of dollars in revenue in criminal conduct that “led to pervasive corruption of nearly every aspect of [the] company’s operations”, the US Department of Justice said.

US attorney Damian Williams stated: “As alleged, the 10 defendants charged today conducted a widespread scheme that tainted nearly every aspect of Polar Air Cargo Worldwide’s operations and that cost the company an estimated \$52m in losses.

“The defendants, all of whom were either employed in high-level positions by Polar or were vendors reliant on business arrangements with Polar, allegedly showed a blatant disregard for the integrity of their companies in favour of lining their own pockets.

“Their pervasive fraud ends today, and each defendant now faces substantial prison time for their alleged crimes.”

The indictment alleges that the fraud was perpetrated from at least in or about 2009 through to about July 2021. It involved a



US prosecutors say the defendants could serve significant prison sentences

substantial portion of Polar’s senior management and customers and vendors of the airline and “led to pervasive corruption of Polar’s business, touching nearly every aspect of the company’s operations, for over a decade”.

The fraud, it is alleged, saw relations with GSAs, freight forwarders, handling companies and trucking service providers corrupted.

The defendants who worked for Polar are said to have utilised their positions within the

freighter operator to have secured, among other things, favourable cargo contracts, valuable cargo space and favourable shipping rates, and enrolment in various incentive programmes for the vendors.

In return, the ‘vendor defendants’ paid the Polar ‘executive defendants’ kickbacks in various forms, including payments calculated per kilo of cargo shipped with Polar or as a percentage of the revenue earned as a result of a vendor’s relationship with Polar.

USC launches with Avensis conversions

NEW AIRLINE USC is the launch customer for Avensis Aviation’s conversion programme for Airbus A340-300 and A340-600 aircraft.

The Germany-based carrier entered service early this summer. The aircraft are initially being used on passenger wet-lease services and will later be converted into a cargo configuration.

The conversion – named Navis PTF – introduces an industry-first “plug-type” main-deck cargo door.

It also features a separated crew cabin section, a 9G rigid cargo barrier, a full Class-E cargo compartment and a main-deck cargo loading system.

The “plug type” maindeck cargo door is fully electrically operated.

While the elements of the Navis conversion are produced, the aircraft will initially be converted with the firm’s reversible Medius conversion solution, which removes seats and turns the aircraft into a Class-E freighter without the addition of a cargo door.

With this solution, aircraft can be switched between passenger and cargo use when required.

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Booking is faster with Cargo.one

CARGO.ONE HAS LAUNCHED a new platform that enables agent-to-agent bookings in order to speed up the process of making import bookings.

The cargo.one pro platform allows importers to compare and book rates instantly through verified forwarders.

This platform aims to speed up the import booking process by removing the need for back-and-forth emails and eliminating issues caused by time-zone differences.

The platform will offer “instant confirmation, routing and air waybill details”, cargo.one said, as well as a payment protection service.

Cargo.one has also recently signed up more airlines to its airfreight booking marketplace, to grow their visibility and optimise bookings.

Virgin Atlantic Cargo has joined the marketplace to provide instant bookings 24/7 for its revamped product portfolio.

From later this summer, Ethiopian Cargo’s capacity will also be on the marketplace.

Likewise, Silk Way West Airlines has chosen to offer its freighter capacity with cargo.one from this autumn.

In addition, Hongyuan Group has become the first Chinese carrier to sign up to the platform.

Takeover puts Menzies Aviation into Panama

GROUND HANDLER MENZIES AVIATION has expanded its presence in central America and Portugal.

The acquisition of Aircraft Services and Consulting in May gives Menzies access to Panama’s Tocumen International Airport and Scarlett Martinez International Airport, with additional operating licences secured for David Airport and Panama Pacifico Airport.

“Panama is a pivotal commercial gateway within the Americas region, strategically connecting

the Pacific and Atlantic oceans,” the handler said. “Its geographical significance makes it an ideal hub for efficient cargo and passenger connectivity.”

Panama City’s Tocumen International Airport serves as the home base for COPA Airlines and accommodates more than 20 major regional and international carriers.

The business will be rebranded as Menzies Aviation (Panama). Existing clients include Iberia, Air Canada and Air Transat.

John Redmond, executive vice president Americas, Menzies Aviation, said: “We are excited to add our seventh country in Latin America and our 46th and 47th airports respectively in this important and growing market.”

In April, Menzies also signed a subscription agreement with TAP Air Portugal and Groundforce to acquire a controlling stake of 50.1% in Groundforce, the airline’s aviation services arm.

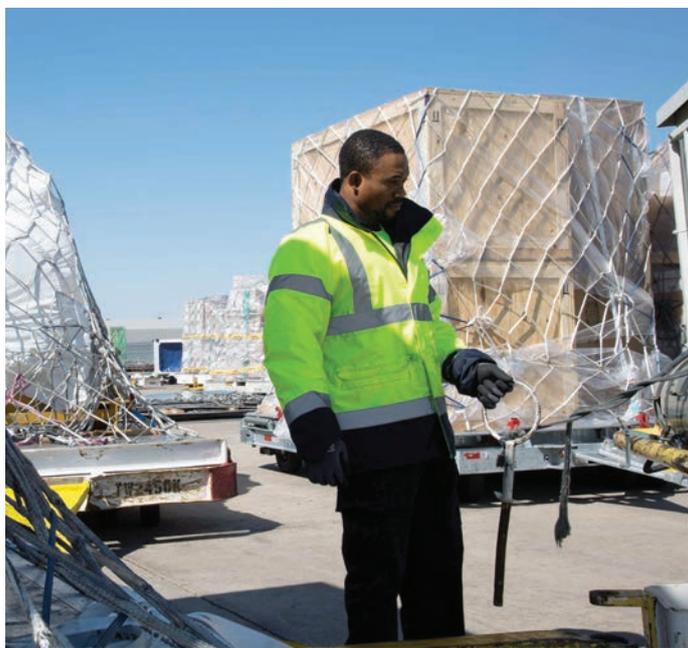
Groundforce handles more than 100,000 aircraft turns each year, across its operations at five airports in Portugal: Humberto Delgado Airport in Lisbon, Francisco Sá Carneiro Airport in Porto, Gago Coutinho Airport in Faro, Madeira International Airport, and Porto Santo Airport on Porto Santo Island in Madeira.

The aviation services company provides ground and air cargo services to several global airlines including TAP, its main customer.

The executed subscription agreement establishes the general terms and conditions of Groundforce’s recovery plan.

These deals follow the 2022 acquisition of John Menzies PLC by Agility subsidiary National Aviation Services (NAS).

NAS was selected as a preferred bidder for Groundforce in August 2022.



Menzies Aviation has operations in seven Latin American countries

Photo: Menzies Aviation

BOC wins damages for missing AirBridgeCargo jets

LESSOR BOC AVIATION has been granted damages of more than \$400m from Russian freighter firm Volga-Dnepr Group, over defaults relating to three leased Boeing 747-8Fs operated by its subsidiary AirBridgeCargo.

The situation emerged after

the Russian invasion of Ukraine in February last year, after which the European Union prohibited insurance and reinsurance of aircraft used by Russian carriers.

AirBridgeCargo was using three 747-8Fs – serial numbers 60117, 60118 and 60119 – which BOC Aviation acquired in 2017.

BOC informed AirBridgeCargo that it would not be able to continue operating the jets in Russia.

All three aircraft were outside Russia on March 5 last year, when BOC issued a grounding notice to the carrier.

But a US court document

stated that AirBridgeCargo flew 60117 and 60119 from China to Russia the next day.

BOC formally issued default notices to the carrier for all three aircraft but it has only been able to retrieve 60118 from Hong Kong, which was ferried to Arizona on March 25 2022.



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FRANKFURT HAHN AIRPORT SOLD

Frankfurt Hahn Airport has been sold to German real estate firm Triwo for an undisclosed price. The airport is mainly used for cargo operations and low-cost carriers.

FREIGHTOS TERMINAL LAUNCHES

International freight booking and payment platform Freightos has released Freightos Terminal, a one-stop dashboard that provides users with the latest market data and insights on global shipping.

WFS ACQUISITION COMPLETE

SATS has completed the acquisition of Worldwide Flight Services (WFS) for €1.3bn. SATS struck a deal last September to buy WFS from an affiliate of asset investor Cerberus Capital Management.

QATAR OPENS CARGO HUB IN RWANDA

Qatar Airways Cargo has launched a cargo hub in Kigali, Rwanda in partnership with RwandAir. This is the carrier's first cargo hub outside Qatar and is serviced by a Boeing 777F from Doha twice a week.

DACHSER LAUNCHES JV WITH NISHI-NIPPON

Dachser has inked a deal with the Japanese logistics company Nishi-Nippon Railroad Co to form a joint venture in Japan. The JV will offer air and sea transport services through Japan and will be connected to Dachser's overland transport network in Europe.

Bychkov charged after conflict claims AN-225

THE FORMER HEAD of Antonov has been charged with alleged "negligence" following the destruction of the Antonov AN-225 "Mriya" aircraft at the start of the Ukraine-Russia war.

State-owned Antonov Airlines was based at Kyiv-Antonov airport in Hostomel, but the airline's freighter fleet came under attack in February as the conflict spread throughout Ukraine.

Serhii Bychkov, the former general director of Antonov, is alleged not to have taken "appropriate" action to ensure the aircraft was safely transported out of the country, according to the Security Service of Ukraine (SSU).

On April 5, the SSU said in an announcement: "The investigation revealed that in early 2022 the head of the state-owned enterprise was supposed to organise a timely evacuation of the aircraft from Hostomel airfield.

"For protection, it was to be transported to the airport in Leipzig, Germany.

"According to the investigation, on the eve of the full-scale invasion, the AN-225 was in proper technical condition, which allowed it to fly outside Ukraine.



Mriya was destroyed when the Antonov Airlines freighter fleet was attacked

Photo: Dmytro Laim/Shutterstock

"Instead, the company's director general did not give the appropriate instruction to evacuate Mriya abroad.

"The official's criminal actions led to the destruction of the Ukrainian transport aircraft, causing losses to the state in the amount of UAH8.4bn."

The SSU is currently investigating the alleged "criminal activity" jointly with the National Police under the supervision of the Specialised Defence Prosecutor's Office of the Prosecutor General's Office.

In April last year, about two months after the start of conflict, Antonov Airlines confirmed its fleet of AN-124 aircraft had been relocated to Leipzig/Halle Airport, Germany.

However, the company confirmed the loss of several aircraft in addition to the already confirmed destruction of the six-engined AN-225.

Then, the following month, Antonov said it aimed to transfer its operations base to Leipzig, Germany, owing to the destruction of its home base.

FedEx consolidates in cost-saving drive

DELIVERY GIANT FEDEX has unveiled plans to consolidate its various divisions as part of efforts to generate cost savings of \$4bn.

The company intends to bring FedEx Express, FedEx Ground, FedEx Services, and other FedEx operating companies into the Federal Express Corporation by June 2024. The move is part of FedEx's Drive transformation

project to improve the efficiency in US and Canadian operations.

"In addition, the unified organisation will bring distinct focus on the air network and international volume, as well as a more holistic approach to operations on the ground utilising both FedEx employees and contracted service providers," FedEx said.

FedEx said that by fiscal 2025,

the Drive initiative aims to have generated savings of \$1.2bn in surface network, \$1.3bn in air network and international and \$1.5bn in general and administrative.

Drive is also enabling the implementation of Network 2.0 [advanced computing processes], which is expected to generate an incremental \$2bn of savings in fiscal 2027.



More than just a job

"We all have our different responsibilities within Qatar Airways Cargo, and we all have a voice. With The Next Generation, every one of us is involved in creating the air cargo standards of the future. It is the largest and most fascinating responsibility of all."
Kanishka Fernando, Climate Control Products Specialist.

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DHL PORTAL UPGRADES

DHL Global Forwarding has upgraded its digital customer portal. Shipment notifications can now be received as a daily digest and customers with contracted rates can directly submit a booking via the myDHLi portal.

ETIHAD'S GREEN AWARD

TIACA has given Etihad Cargo an advanced rating for a key criterion in a BlueSky Sustainability Verification Programme, which assesses the sustainability performance of air cargo carriers.

GOLDEN ANNIVERSARY

Chapman Freeborn marked 50 years of successful business and outlined its vision for the future. The air charter specialist has – it said – developed a blueprint to improve its products by investing in people and strengthening its regional offerings.

ULD AGREEMENT

WestJet Cargo has agreed a long-term extension to its deal with Germany-based ULD management services provider Jettainer. The partnership between the two dates back to 2015.

H2A PRODUCT LAUNCHED

Hermes Logistics Technologies and Awery Aviation Software have launched a new joint solution for airlines. The new h2A product is an end-to-end solution for airlines to manage, monitor and automate business processes and cargo operations.

Long-term capacity demand on the rise

EMIRATES SKYCARGO HAS reported high demand for long-term contracts despite the current market uncertainties.

Speaking to *Air Cargo News* during Air Cargo Europe, Nabil Sultan, divisional senior vice president at Emirates SkyCargo, said that companies were looking to secure long-term capacity in order to avoid the space shortages experienced over the past couple of years.

“It’s a case of once bitten, twice shy,” Sultan said, explaining that the carrier was booking a lot of long-term contracts for the coming six to eight months.

Vice president Europe and global sales Jeffrey Van Haeften added: “We have never seen such a number of requests for long-term capacity, long-term agreements, than we have seen in the last few months.”

Van Haeften said that this was an indication that the market would rebound in the second half of the year after lower demand in the first four months.

Asked what was driving the demand, Sultan added: “There are a number of industries that are still lagging with a huge

backlog in terms of getting the products out into the market.

“It is a question of how quickly you can ramp up and get these commodities out there and of course, speed is again going to be a major factor.”

He added: “If you look at markets like the US and Europe, we really haven’t seen a reduction in terms of buying power yet.

“If you look at industries like building materials, furniture, garments and fashion – it has not slowed down.

“This is despite the fact that there is a sentiment out there that there could be a recession looming, there could be a crunch

on jobs but there is still quite a strong sentiment.”

He added that China was quickly restarting production after last year’s Covid lockdowns and this could help ease backlogs for some commodities.



Emirates SkyCargo divisional senior vice president Nabil Sultan



Photos: Emirates SkyCargo

Targeting supply chain vulnerability

ROBUST AIRFREIGHT infrastructure is a valuable tool in helping the Rhenus Group build nearshoring business.

The German logistics company, during a press conference at Air Cargo Europe, said it is focusing on nearshoring to support flexibility within transport chains.

“With the infrastructure, airlines and cargo planes in place, it’s a good option to rethink the whole setup,” said Tobias Bartz, chief executive and

chairman of the Rhenus Group board.

For example: “From an industry perspective a very impressive airport at Istanbul helps with the options you have there.”

Developing a nearshoring strategy will open up supply chain production beyond traditional key countries such as China, believes the Rhenus Group.

Bartz said: “It’s not only the nearshoring for Far East goods towards Europe, it’s also tapping into the local market.

“There are many states that also wish to grow. There are very often markets that were not that considered because we focused on Europe and China, at least from our perspective, and we have tried to open these to our clients as well.”

The main driver for pursuing nearshoring is to tackle supply chain vulnerability and risks, said Bartz.

“To rely solely on seafreight is a very risky thing, as we’ve learnt in recent years,” he said.



In its **Freight Service Awards 2022**, the British International Freight Association recognised **Noatum Logistics** as the **'best in industry'** for the **Air Cargo Services** category.



Noatum Logistics achieves peak performance



When cosmetics brand Trinny London selected Noatum Logistics UK to support the introduction of a new skincare range and its Australian launch, neither foresaw the outbreak of Covid-19, which created a spike in demand alongside supply chain nightmares. Noatum used the work done for its entry to the BIFA Freight Awards 2022.

Trinny London's business was growing fast by early 2020, so much so that its supply chains had become unnecessarily complex and beset by various risks.

Enter Noatum Logistics, which offered solutions covering regulatory compliance, purchase order and vendor management, end-to-end supply chain visibility, multi-vendor consolidation and equipment utilisation, and a consolidated air freight platform.

Compliance

The client's products contain specialised ingredients that can be affected by weather, temperature, humidity and light. Their supply chains have strict regulatory requirements such as temperature-controlled storage and transport.

Trinny London's Australian launch brought further complexity in the form of regulatory and Customs processes specifically for holding and importing cosmetics into that country. Noatum guided Trinny through these step by step, and its local experts fast-tracked authorisations and product registrations.

Lee Ward, account manager – international supply chain, said: "Rather than just thinking about the move from A to B, we look at the whole picture, including Customs processes. Our IT supports our clients.

By working closely with the factories, we gain the trust of vendors."

Boom time

Soon after Noatum's appointment, travel restrictions and lockdowns took effect worldwide. Demand for Trinny London's products increased further.

"It was boom time," Ward recalled, adding that Trinny London's business model as an online brand helped ensure its success during lockdown, helped by a new, more efficient supply chain.

In the cosmetics industry, coping with demand peaks that occur around Valentine's Day and Christmas for instance – and during lockdowns – is a big challenge. Ward explained: "There are only a few factories that make high-end products and packaging. We try to plan ahead using ocean freight, and then use air freight if necessary."

Through the initial Covid period up to the end of 2021, Noatum moved over 250,000kg of air freight for Trinny, using a blend of ambient and temperature-controlled scheduled, all-cargo and charter services to overcome the capacity shortages experienced during the pandemic.

With available space so limited, it was often necessary to split orders across several aircraft, transship, or fly to secondary destinations, for re-consolidation before delivery to the factory. Noatum's proprietary supply chain management platform, PowerVIEW, proved its worth in managing these processes.

10 and 15-tonne time-critical shipments for ramping up factory production ahead of the launch of Trinny London's new skincare range required chartered aircraft. Spare capacity on these was filled with competitor cargoes to achieve economies of scale and cover costs – showing Noatum's willingness to find best solutions for any problem.

Air Cargo Services Award

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ANTONOV'S NEW RECORD

Antonov Airlines has transported a power supply skid on board one of its AN-124 aircraft – the largest single piece of cargo transported by the airline. The “E-house” was transported in a container measuring 19 m in length, 4.2 m in width and 4 m in height.

WESTJET WELCOME

WestJet Cargo and aviation services provider GTA Group inaugurated services with three Boeing 737-800 converted freighters in Toronto and Halifax in April, following their certification in March.

AEROLINEAS ADDS B737F

Aerolíneas Argentinas Cargo has received its first Boeing 737-800 Freighter at Ezeiza International Airport. The aircraft has a cargo capacity of 23,900 kg and is part of a strategic logistics alliance between the flag-carrier and conglomerate Grupo Mirgor.

HEIMAÆY ARRIVES

Icelandair Cargo has taken delivery of its second Boeing 767-300 converted freighter and carried out the aircraft's first flight to Liege Airport. The aircraft (TF-ISP) is named 'Heimaey'.

AVIANCA TARGETS THE US

Avianca Cargo will add new A330 freighter flights between Quito and new destination Los Angeles as it targets growing demand between Ecuador and North America. The flight will operate twice per week and also include a stop at Bogotá.

Mammoth to supply DHL with 777-200LRs

DHL EXPRESS HAS ordered nine Mammoth freighters – converted Boeing 777-200LR freighters – from lessor Jetran.

The first cargo aircraft will be delivered in 2024, with the remaining aircraft to be supplied until early 2027.

The 777-200LRs will replace DHL's older Boeing 747 freighters as part of the sustainability-focused plan to modernise DHL Express' long-haul intercontinental fleet.

DHL Express said ordering converted freighters with a shorter useful life provides an efficient bridge between current and new airframe technologies, such as those used with the new-generation 777-8F and Airbus A350F widebody freighters.

Robert Hyslop, executive vice president global aviation at DHL Express, said: “With the modernisation of our intercontinental fleet, we can simultaneously enhance our proven ability to meet growing demand, improve our environmental footprint and deliver best-quality service to our customers.

“We are pleased to continue demonstrating to partners and customers alike how these advancements elevate our

service and bring us closer to our Sustainability Roadmap goals.”

The Mammoth converted 777-200LR freighter has similar characteristics to the production freighter.

With a payload capacity of 102 tons and a range of 9,200 km, the 777F has the largest capacity and range of all twin-engine freighter aircraft and is more reliable than older 747 planes.

It is also more fuel-efficient and reduces carbon dioxide emissions by 18% compared with legacy aircraft.

Between 2018 and 2022, DHL bought 28 new 777-200Fs from Boeing – 18 of those aircraft are

currently in service. The remaining aircraft will be delivered from 2023 to 2025.

The aircraft form a key part of DHL's intercontinental air network, in which DHL Express operates more than 300 dedicated aircraft with 18 partner airlines on more than 2,400 daily flights, across 220 countries and territories.

Meanwhile, Florida-based Mammoth Freighters was founded in December 2020 to design, convert and support the development of passenger-to-freighter conversions.

The launch type is the Boeing 777 – both the 200LR and 300ER variants.



DHL already operates 18 777-200Fs – aircraft ordered new from Boeing

Photo: DHL

Airbus delays A350F entry into service

AIRBUS HAS SHIFTED the entry-into-service date for the A350 freighter into 2026.

The airframer said the industrial planning for the freighter was being “slightly adjusted” as its initial milestones were reached.

Chief executive Guillaume Faury, speaking during a first-quarter results briefing, said the slip was a matter of a “few months” from the previous end-2025 time frame.

He insisted it did not amount to a “rebaselining” of the schedule, and stated that the shift related to overall programme execution. Airbus recently produced the first components for the freighter at its Airbus Atlantic plant in Nantes.

“We are not specifically putting it on the shoulders of one or other supplier,” he stressed.

Previous A350F aircraft orders include: four from

CMA-CGM; seven from Air Lease Corporation; seven from Singapore Airlines; four from Air France; two from Silk Way West Airlines; seven from Etihad Airways; and four from Martinair.

France-based Airbus Atlantic has recently produced the first parts for the A350F.

In March, four Airbus A350 freighters were ordered by an undisclosed customer.



Photo: The Bold Bureau/Shutterstock

Cargojet scales back 777 conversion plan

CARGOJET IS CUTTING the number of Boeing 777 aircraft it plans to convert into freighters because of the challenging economic outlook.

The Canadian freighter operator said that it would now go ahead with only four of eight previously announced 777 freighter conversions as it curtails capital expenditure in response to economic constraints.

One of the four aircraft being deferred was previously announced in November. Two aircraft it had already purchased will now be sold and the fourth had yet to be purchased.

Cargojet had planned to use these four 777-300 freighter aircraft to expand its own freighter operations.

The other four, all 777-200s, will continue to be converted

and are earmarked to be deployed as part of a strategic agreement with DHL.

However, the company, which operated 21 767 freighters and 13 757 freighters as of the end of 2022, said that it would maintain access to the conversion delivery slots.

“Arrangements with our MRO partner give us full flexibility to maintain optionality on these valuable 777 conversion slots for 2024 through 2026,” the aircraft operator said.

The airline has also deferred conversion of two 767-200s from 2023 to 2024.

Last year, Cargojet decided to exercise caution with its fleet because of a lower than expected peak season demand.

Meanwhile, in the first quarter of this year, the freighter

operator reported a 0.7% decrease in first-quarter revenues to C\$231.9m. And, on an adjusted basis, the company saw its earnings before interest, tax, depreciation and amortisation (ebitda) fall by 8% to C\$75m.

The company said that the revenue decline reflected a drop-off in all-in scheduled and ad hoc cargo and passenger charter revenues because of a decrease in all-in charter flights to Europe and a decrease in ad hoc scheduled charters.

Domestic revenues increased slightly thanks to an increase in e-commerce and B2B volumes.

In response, the carrier has taken steps to reduce short-term costs related to training, overtime, and the use of temporary labour.

ATSG takes pair of 767-300s

AIRCRAFT LESSOR AND transportation services provider Air Transport Services Group (ATSG) has taken delivery of two newly converted Boeing 767-300 freighters.

One of the aircraft is the company's first Boeing Converted Freighter (BCF). The other was converted by Tel Aviv-based Israel Aerospace Industries.

Both aircraft will be leased through ATSG's leasing subsidiary, Cargo Aircraft Management, to Amerijet International Airlines. The Miami-based cargo carrier already has nine other planes on lease from ATSG.

ATSG said the two aircraft illustrate its “successful supply chain diversification in meeting market demand for full freighter conversions”.

Chief commercial officer Paul Chase said: “Today we acknowledge an important milestone in the history of our company, a milestone that not only signifies our ability to execute on a clear corporate vision, but also demonstrates yet another step we have taken to establish ourselves as the global leader in freighter leasing.”

“The strategic programme we are celebrating today is not just a plan for the future, but a roadmap to our continued success. It reflects our commitment to our customers, our employees, and our shareholders. It is a testament to our ability to adapt, innovate, and lead in a rapidly changing world.”

ATSG is the world's largest lessor of freighter aircraft as well as the largest owner and operator of converted Boeing 767 freighters. The company posted record revenues in 2022, up by 18% year on year to \$2bn, with block hours flown by its aircraft, crew, maintenance and insurance (ACMI) business up 9% for the year.

AEI to convert CJR200s for Aeronaves TSM

MEXICO-BASED FREIGHTER OPERATOR Aeronaves TSM has signed a deal with Aeronautical Engineers Inc (AEI) to convert six CJR200s into freighters.

The conversions are being carried out by the AEI Conversion Center, Commercial Jet, in Dothan, Alabama.

Modification of the first CRJ200 has already commenced and will be completed in June.

The remaining conversions will be completed by June 2024.

The AEI CRJ200 SF provides Aeronaves TSM with an Anca cargo loading system capable of carrying eight containers/pallets.

Aeronaves TSM has also ordered an additional Boeing 737-400SF conversion from AEI, bringing the total number of AEI 737-400Fs ordered by the carrier to eight.

Modification of MSN 26308 began in May at AEI's Alabama conversion centre.

The carrier has plans to operate 20 of the type and is in the process of purchasing more freighters.

AEI's 11 pallet position 737-400SF provides up 21 tonnes of payload and an Anca cargo loading system capable of carrying multiple ULDs.

Jumbo flies to the future

In-production freighters – and those under development – will be able to meet most customers' needs, but none of them can do everything the 747 can do, writes Roger Hailey



Photo: Boeing / Paul Weatherman

To misquote US author Mark Twain, the end of the Boeing 747 freighter has been greatly exaggerated.

The last 747-8 freighter may have rolled off the production line but airfreight's four-engine giant will still be carrying cargo for the next three decades.

Production of the world's first twin-aisle passenger aircraft began in 1967, with a total of 1,574 aircraft built over the next 55 years – including the 747-200F, the 747-400F and 747-8 freighter variants.

Thomas Sanderson, product marketing director at Boeing Commercial Airplanes, says it is “difficult to overstate the impact” of the aircraft at the beginning, in terms of containerised airfreight.

The first 747-100 met a demand in 1960s passenger travel. The arrival of the jet age saw ticket prices fall as more and more people wanted to travel in increasingly crowded skies, driving the demand for much larger commercial aircraft.

While the 747 had a profound impact on passenger travel economics, Sanderson says, the aircraft's widebody cross-section fuselage and iconic ‘hump’ above the flight deck “gave us a really exceptional and capable cargo-

loading freighter, because it could do things that literally no other aircraft could do”.

He continues: “We could take 8 ft x 8 ft containers and very long cargo through the nose door. Because of the sheer size of the aircraft, you could move more volume, more payload far further and more efficiently than any other aircraft had done before.

“And when you have a fundamental change in the capability and economics of an aircraft like that, the industry responds.”

For those who like a bit of historical context, the first-ever

747-200F was delivered to Lufthansa in March 1972, when singer Don McLean was top of the charts with *American Pie*.

Unmatched capability

Although the McDonnell Douglas DC-10 was the next widebody freighter to enter the market, it did not have the cargo capacity of the 747 freighter, and Sanderson makes the point that nothing has matched the 747's payload and volume capability until very recently: “Our new-entrant 777-8 freighter and the Airbus A350 freighter are the only two aircraft that really come close to the

payload and volume capability of the 747 freighter.”

Neither the 777-8 freighter nor the A350F has a nose-door option. The reason Boeing made this decision, Sanderson says, is that during the aircraft design stage it spoke to customers about their requirements for cargo-loading capability.

“The cargo side door of the more modern large twin-engine freighter is bigger than before and many of those critical cargoes can be loaded without requiring a nose-load capability.”

Even very long and narrow loads can now go through modern cargo doors, and there remain plenty of nose-loading freighters available to carry out-of-dimension freight.

Sanderson does not dismiss the possibility that at some point in the future those discussions with customers may result in freighters with a nose-loader option.

“But, right now, the global freighter fleet of nose loaders is dominated by the 747 freighters, and what we are hearing is that there are enough of them to handle that relatively unique mission.

“The vast majority of air cargo does not require large capability because it is mostly standard



Boeing's facility in Everett, Washington (pictured in 1969) was built in 1967 to manufacture the 747



The last 747 ever to be built was delivered to Atlas Air in January and will be operated on behalf of Kuehne+Nagel

pallets and standard containers, which all the air freighters can ingest.”

The sustainability factor

Sanderson says the current 777 freighter and the next-generation 777-8F twin-engine freighters have essentially the same payload and volume as the 747-400F, which is the most ubiquitous variant, but the 777-8 freighter uses 30% less fuel and produces 60% less noise.

“We are in an industry where we fight hard for 1% or 2% gains. Achieving those kinds of jumps in performance is just an incredibly compelling business proposition to offer our customers.”

Sustainability is a key factor for the aviation industry of the future, with carbon net zero by 2050 now the ambition.

Twin-engine types will be the norm for passenger aircraft and freighters. Is there any chance of a twin-engine freighter, for example, with a notional

200-tonne payload, matching the route distances of today’s aircraft?

The question needs to be broken down into two parts, Sanderson says. First, will there be space in the market for a 200-tonne freighter? Second, is future aero engine technology likely to achieve the necessary thrust?

“We are not currently in discussions with anybody about a 200-tonne-class freighter, so it doesn’t look as if, in the near term, there is any need for that aircraft,” Sanderson says.

“From an engineering capability, could you build a 200-tonne class freighter? Our role as an airframer is firstly to talk to the customer. Then, does it make sense to do so as a programme? Freighters tend to be part of a family of aircraft, for economics of scale among other things.

“It would be a different business consideration if you wanted to build a dedicated freighter rather than a member of



a family, and it is just too early to speculate what the economic feasibility of that would look like.”

The size of the engine would be the first element of such a programme. The current-generation 777 freighter twin uses a 115,000 lb thrust engine, making 230,000 lb of thrust in total for the pair.

The next-generation 777-8F, despite being a larger aircraft, is much more efficient, with each engine producing 105,000 lb of thrust making 210,000 lb in total.

Sanderson says: “Those are

currently the largest engines anybody has developed or, to our knowledge, is considering developing.

“To go to a 200-tonne-capable freighter would imply something like double that thrust.”

Aero engine advances could open the pathway for larger freighters, while improved aerodynamics or materials technology would also play a role.

Given the regular 20-year forecasts by both Boeing and Airbus, it looks like the current family of freighters is suited to current and predicted market demand.

That said, the B747 freighter will continue to play a significant role in airfreight for decades to come. Often called “The Queen of the Skies”, the aircraft looks set to continue its glorious reign.

‘[The 747] gave us a really exceptional and capable cargo-loading freighter, because it could do things that literally no other aircraft could do’

Thomas Sanderson, Boeing Commercial Airplanes

Better together

The consolidation of the freight forwarding market continued in May with the confirmation of two game-changing deals.

First, Marseilles-headquartered shipping giant CMA CGM Group committed to acquiring the transport and logistics operations of Bolloré Logistics, which would be combined with its existing Ceva business.

A few days later, Japanese forwarding giant Nippon Express announced it had agreed terms to purchase Austrian logistics firm cargo-partner.

The Bolloré purchase is estimated to be worth about €4.6bn, while newswire Nikkei Asia reports the cargo-partner takeover is worth about \$740m.

Both deals are subject to regulatory approval but would create two airfreight giants.

Based on 2021 figures from consultancy Armstrong & Associates – the latest available – the Nippon Express/cargo-partner deal would create a combined entity handling about 1.2m tonnes of air cargo, making it the fifth-largest airfreight forwarder in the world.

In 2021, Nippon Express was ranked number seven and cargo-partner number 25.

Meanwhile, Henri Le Gouis, Bolloré Logistics chief executive Europe, said the combined Ceva-Bolloré entity would be able to move about 1m tonnes of airfreight a year, pushing it into the top six air forwarders.

In 2021, Armstrong & Associates placed Bolloré in 10th place and Ceva in 14th.

CMA CGM said the deal would add more than 14,000 new employees operating out of 350 offices across 63 different countries.

Warehouse space would increase by more than 900,000 sq m at 115 different warehouses.



Image: Aun Photographer / Shutterstock

Shipping firms are increasingly expanding into air cargo

Two recent takeovers have added momentum to the trend towards bigger and better-connected freight forwarders, writes **Damian Brett**

The deal would be the largest involving the CMA CGM Group since it was founded in 1978, and would represent “a major strategic milestone in the Group’s development of its logistics activities”.

Positive developments

Le Gouis said that the deal will see the Bolloré Logistics name disappear as its operations are brought under the Ceva Logistics brand.

He told *Air Cargo News* that “it makes sense to have all the CMA CGM logistics business under one name as it is our ambition to be a top global logistics player”.

“This is a very positive development for Bolloré Logistics. We keep a French

shareholder, which is very invested in transport and logistics and is also a family business.”

Meanwhile, Nippon Express said that the acquisition of cargo-partner supported its goal to become “a logistics company with a presence in the global market”.

The company plans to target business growth through acquisition by strengthening its network and services in Europe by supplementing logistics business in the Central and Eastern Europe region, “where, as the production base for the European region, strong growth is expected”.

The takeover of cargo-partner is also expected to address a variety of customer needs, especially by strengthening Nippon Express’ ability to meet the demand for logistics between Asia and Europe as well as reinforcing its global accounts team.

At this stage it is not clear how the two businesses will be operated, although cargo-partner owner and founder Stefan Krauter said: “Following the integration policy we have seen from NX Group so far, cargo-partner will remain cargo-partner in regard to both organisation and branding – and it will become the strongest cargo-partner ever.”

Meanwhile, there could be an even bigger deal on the horizon. At the end of last year, Deutsche Bahn said it was preparing for the sale of its freight-forwarding subsidiary DB Schenker – the fourth-largest player in terms of airfreight.

Largest freight forwarders by volume and revenue

Rank	Company	Air metric tons 2021	Gross logistics revenues 2021
1	Kuehne + Nagel	2,220,000	\$40,838m
2	DHL Supply Chain and Global Forwarding	2,096,000	\$37,707m
3	DSV	1,510,833	\$28,901m
4	DB Schenker	1,438,000	\$27,648m
5	Nippon Express and cargo-partner	1,200,000	\$20,735m
5	Bolloré and CEVA	1,130,000	\$17,701m
6	Expeditors	1,047,200	\$16,523m
7	UPS Supply Chain Solutions	988,880	\$14,639m
9	Sinotrans	804,000	\$19,097m
10	Kintetsu World Express	728,534	\$9,010m

Revenues and metric tons are company reported or Armstrong & Associates estimates. Revenues have been converted to US\$ using the average annual exchange rate. Copyright © 2022 Armstrong & Associates.



Photo: Michael Fritz

Growth from Asia is expected to compensate for weaker transatlantic volumes at Munich Airport in 2023

Bavarian revival

Munich Airport cargo volumes witnessed a 2022 Bavarian bounce back in percentage terms that outpaced its large airfreight hub rivals in northern Germany. The southern German airport saw freight-only volumes rocket 55.3% to nearly 259,000 tonnes compared with 2021.

Frankfurt and Leipzig airports, while larger cargo hubs, saw volume declines of 13.3% and 5.1% respectively in 2022.

Markus Heinelt, director traffic development cargo at Munich Airport, credited an “enormous recovery effect” in 2022: “Increasing capacity in the belly freight volume due to an upswing in long-haul traffic and the increase in freight-only services led to enormous growth.

“As a primarily ‘belly hub’ our losses in 2021 were very high, due to the absence of many routes. In Frankfurt, the share in 2021 of lower deck freight was only 60%, against 85% in Munich. But last year the freight-only share in Munich made a great move and increased to 24%.

“In 2022, numerous routes, especially long-haul, returned and forwarders shifted their capacities back to Munich. In addition to the resumptions, the launch of completely new routes also boosted our business.

Several factors are playing a part in Munich Airport’s impressive post-pandemic recovery, reports **Roger Hailey**, including a boost in freight-only traffic and investment in digitalisation

“For example, the new EVA Air connection between Munich and Taipei is stimulating trade between Taiwan and Bavaria, especially in the semiconductor business.

“The strong growth in 2022 also resulted from new freight-only connections such as Qatar Airways’ twice-weekly cargo service.”

The closing of Russian airspace has not had a massive impact on Munich so far, while China’s lockdown was compensated for by the new cargo business. Qatar Airways Cargo has already doubled its services to four weekly connections on behalf of DB Schenker, with other leading logistic companies being very strong in freight charters to and from Munich.

For operational reasons Lufthansa Cargo had switched five freighter flights from Frankfurt to Munich, but those have since returned to the carrier’s main hub. Heinelt

says: “Lufthansa was satisfied with our operational support, and we are open for further collaboration if needed.”

Positive outlook

He adds that the overall outlook for 2023 is very positive and he expects continuous growth in cargo volumes due to the traffic increase: “Currently weaker volumes on transatlantic routes will be more than compensated by expected growth from Asia.

“Lufthansa continues to expand its Asia services for the summer flight schedule. Flights to Shanghai, Beijing and Osaka will be added to already existing services to Bangkok, Singapore, Tokyo Haneda and Seoul.

“All destinations are being served by the A350-900, as will Mexico City, the fourth long-haul destination to be re-introduced.” →

→ Lufthansa's decision to base its most recent order for A350-1000s at Munich is, says Heinelt, "further evidence of the airline's commitment to our airport".

Air China is expected to resume flights between Munich and Beijing later this summer and ANA plans to increase its Tokyo Haneda frequencies to four weekly flights in June.

"We also expect further increases to and from the Gulf region. Qatar Airways, Saudia and Kuwait Airways have already reached or even exceeded the number of flights to Munich that they operated before the crisis," he says.

Emirates, Etihad Airways and Oman Air will offer more flights to Munich this summer than last, while Emirates, Etihad and Kuwait Airways are going to start using larger aircraft.

Heinelt says: "Munich remains the largest cargo hub in Germany's strongest business region, with large cargo potentials and efficient and unique cargo infrastructures. This plays into the cards for our future growth."

Clear commitment

DHL Express began work on its 11,000 sq m, €104m facility at Munich in August 2022.

Heinelt says: "As Germany's second-largest airport, Munich is an important part of the DHL Express network. Our gateway, with its excellent connectivity, links one of Germany's economically strongest regions with global markets."

"In the medium term, the Munich hub will also allow commercial airlines to link up more closely with the DHL airfreight network. The current DHL facility at Munich Airport can no longer cope with the increase in freight volumes – especially in view of the growth in international e-commerce traffic."

DHL's new building will offer seven times more space with direct airside access, the latest sorting technology and an integrated service centre.

"This expansion is a clear commitment to our hub, and we expect it to drive further cargo growth. The current DHL building will be available for other clients and there is already great interest in this space."

What is the scope of the ambition to develop cargo services at Munich? "Cargo development



Photo: Alex Tino Friedel / ATF Pictures

DHL began work on its 11,000 sq m facility at Munich last summer

is a crucial part of our corporate aviation strategy. With premium infrastructures, excellent connectivity, space for expansion and being located within Germany's economic powerhouse, we continuously aim to develop more capacity in the lower and maindecks," Heinelt answers.

"Digitalisation and sustainability are among our strategic key issues. LED lighting systems, photovoltaics, e-vehicles and energy-efficient buildings are among our sustainable measures. Our overall goal is to become net zero by 2050, at the latest." In terms of sustainable aviation fuel (SAF), Munich airport's tank system is ready.

Digitalisation projects

Since the end of 2021, Munich Airport subsidiary Cargogate has been working with the Fraunhofer Institute and the Frankfurt University of Applied Sciences on two projects which are part of a study on the digitalisation of airfreight processes. The study focuses on autonomous driving systems for cargo terminals and the development of a predictive analytics model.

Heinelt says: "With the development of the evoBOT prototype, the Fraunhofer Institute has already achieved an enormous breakthrough in the field of autonomous warehouse handling. The goal is the safe use of driverless vehicles without collision within working areas."

"The evoBOT is a stable and lightweight system that, unlike other robots, keeps in balance and can push and pull things as well as hand them over and turn them around." evoBOT was presented at the Munich Airport booth during Transport Logistics 2023.

Cargogate is certified as a pharmaceutical warehouse, having received Munich's first



Photo: Munich Airport

'Digitalisation and sustainability are among our strategic key issues'

Markus Heinelt, Munich Airport

Good Distribution Practice (GDP) certificate for human-use medicinal products. It functions as a service supplier for airlines that carry freight but do not have their own warehouse facilities at Munich Airport.

Cargogate also serves as a strategic partner, handling up to 60 temperature-controlled containers for Envirotainer and transporting temperature-sensitive freight between handling agents and aircraft, within a temperature range from minus 30 degrees Celsius to plus 30 degrees Celsius.

Since its opening in August 2020, the Lufthansa Cargo Pharma Hub in Munich has also been well received by customers, says Heinelt. "It has further boosted the cargo business in Munich, especially with temperature-sensitive pharmaceutical products."

"This pharmaceutical centre is CEIV Pharma certified, which confirms the reliable handling and storage of urgent and temperature-sensitive shipments according to the highest international standards."

In addition, a 230 sq m animal reception centre is scheduled to open by the end of this year.

For the first time since the pandemic, Munich Airport is restarting its cargo roadshow, together with key airline partners. Open to freight forwarders, the event will take place in mid-July in Nuremberg, Stuttgart and Munich.



Photo: Alex Tino Friedel / ATF Pictures

A twice-weekly cargo service was launched by Qatar Airways in 2022



When you're on
THE lookout for
a versatile air
cargo expert,
the best
NAME to remember
IS one that rises
to every
CHALLENGE!

INNOVATING IN AIR CARGO

LATAM Cargo has been awarded the IATA corporate innovation award for its plastic reduction projects, while Swiss Airtainer has received the IATA start-up innovation prize for the development of a pharma transport container.

CARRIERS PARTNER UP TO SHARE RESOURCES

Turkish Cargo and Avianca Cargo are partnering to explore potential co-operation opportunities and to strengthen air cargo connections. The agreement will serve as a guide to enable both carriers to combine cargo resources and expertise.

DIGITAL DEVELOPMENT AT DNATA

Ground handler dnata has become the first company to adopt Connect API, the newest feature of IATA's DG AutoCheck for dangerous goods that automates the transfer of data.

CEIV UPTAKE SHOWS BATTERY KNOW-HOW

Turkish Cargo has become the latest airline to join the IATA CEIV Lithium Battery certification programme, which includes the validation of competence to carry lithium battery products safely.

FULL MEMBERSHIP OF CARGO IQ FOR ACCELYA

Tech firm Accelya has achieved full member status of Cargo IQ. Accelya joined Cargo IQ, the IATA-supported not-for-profit membership group, in 2007 as an associate member.

Covid-driven focus on cargo is here to stay

AIRLINES ARE MAINTAINING the focus on air cargo that they gained during the Covid-19 pandemic, according to IATA director general Willie Walsh.

Walsh, speaking to *Air Cargo News* at the IATA World Cargo Symposium, said that it was natural that airline management would focus on passenger operations as carriers continued to roll out networks following the pandemic.

However, he added that the focus on cargo that had developed over the past couple of years would continue.

"Airline management teams have a much greater appreciation for cargo, how the cargo industry operates, the value of it, what it meant to the industry and what it meant to airlines in terms of cash generation through that very difficult period in 2020 and 2021."

He added: "It is not that people aren't interested in cargo anymore; it is just natural that there is a focus on rebuilding the passenger network, which has a direct relationship as well with the importance of bellyhold."

Walsh pointed out that there had been a spate of combination



Photo: IATA

Walsh: "We have got to demonstrate that there is evidence of us changing"

carrier investment in freighters as airlines realised the importance of all-cargo aircraft for some of the contracts they compete for.

He also pointed out that, from a business perspective, it made sense for carriers to diversify revenue streams to offer protection against market disruption – cargo, like a wide geographic spread, has a role to play in this approach, he said.

"You want to have a basket of potential revenue streams. You

don't want to have all your eggs in one basket," he said.

On IATA's future focus on cargo, Walsh said that sustainability was top of the agenda, with digital transformation and safety and security also of importance.

"In terms of threat to our industry, it is sustainability," he said.

"We have got to be able to demonstrate that we are not just committed to changing but that there is evidence of us changing and it has become so important."

Digitalisation is now an obligation

THE KEY TO designing digitalisation tools successfully is to "learn to fail... but never fail to learn".

This is according to LATAM Cargo chief executive Andres Bianchi, who explained the digitalisation process is a true learning curve.

He said: "Five years ago we were in a very dire situation. We had more than 120 IT elements supporting the cargo business."

Most of these platforms had been custom-built. There

were many integrations introduced and this is where LATAM Cargo ran into operating challenges.

"We learned the hard way that integrations are where most things fail," Bianchi said.

When the company experienced online issues it was a lengthy process to get things back on track, he added.

He stressed: "This proves the point that digitalisation is no longer an option, it's an obligation."

LATAM Cargo has now completed its international digitalisation phase one project, which incorporates SaaS and cloud-based technology. This has taken it from about 120 elements to 11.

Its domestic phase one and international phase two projects are due to be rolled out later this year.

Domestic and international business has been split into two projects to make the finished offerings more efficient.

Slack volumes put old aircraft on the ground

OLDER FREIGHTERS ARE being grounded as a result of ongoing reduced demand and increased capacity.

Sander Schuringa, manager market intelligence, Seabury Cargo, said that as a result of falling demand and increased capacity, yields and freighter utilisation have dropped.

Older freighters tend to be more expensive to operate and are therefore taken out of operation first when margins are squeezed by lower market rates.

“What we see now is that older freighters are being grounded in relatively greater numbers than younger aircraft,” he said during the opening plenary ‘Air cargo market dynamics’ session of the IATA World Cargo Symposium (WCS) 2023.

Comparing the first quarter of 2022 with the first quarter of 2023, Seabury’s data shows that in terms of widebody international air cargo capacity utilisation, the 777-200LR is up by 6% year on year, while the 747-8F is up by 5%.

This is compared with a capacity utilisation drop for older aircraft of 43% for the older MD-11F and 18% for the 747-400F.

Looking at the trajectory of freighters, Schuringa said: “In

the years prior to the pandemic, the output of the aircraft manufacturers had always been relatively stable. During the pandemic these numbers drastically reduced by a third due to production stops at the factories.

“What we expect in the next few years is that recovery will happen.”

Schuringa added that belly-hold capacity currently accounts for 51% of the market, but Seabury expects “that number to

increase to over 60% in the next 10 years”.

Focusing on regions, he said that in the year to date most of the air cargo capacity was in North America “which is obviously caused by the integrators who fly the majority of freighters”.

He added: “Despite this imbalance between North America and the rest of the world, we do expect that orders will be distributed relatively evenly across the world.”



IATA expects demand to fall by 4%

THE OUTLOOK FOR air cargo over the coming year remains mixed, with several factors set to affect performance.

IATA economist Bojun Wang predicted that air cargo demand would decline by 4% this year compared with 2022 levels.

He said that this reflected the ongoing challenging economic environment.

Wang pointed out that the International Monetary Fund had recently downgraded its GDP growth outlook for the year to 2.8% from 2.9%.

This figure also lags behind the 3.4% GDP growth recorded in 2022 and the historical average of about 3.8%.

“We had a challenging year in 2022 with the war in Ukraine, a high inflation rate, high oil prices and the Covid-19 pandemic – these headwinds haven’t really gone away in 2023,” Wang said.

On the other hand, inflation is expected to have peaked in 2022, he said.

Wang added that yields are expected to decline by about 23% this year, following on from a 7% increase last year, a 24% increase in 2021 and a 50% increase in 2020.

“23% seems like a big shift, but if you look at the growth in 2021, 2022 and 2023, it is just returning from a high level,” he said.

This yield and demand decline will in turn put pressure on air cargo revenues, although they are expected to remain more than 50% above pre-Covid levels.

Looking at how IATA’s latest supply-and-demand figures compared with pre-Covid levels, Wang said that in February demand in cargo tonne km terms had increased by 2.9% against the same month in 2019.

Attracting talent needs more work

THE AIR CARGO industry must dig deeper to recruit and retain valuable new talent.

This was the consensus of a panel discussing the ‘air cargo talent challenges’ during the opening plenary of the IATA World Cargo Symposium 2023.

The industry is well acquainted with the negative points associated with working in air cargo.

Abedin Dula, account manager at VRR, highlighted the antisocial hours and flexibility often required for the job.

Janet Wallace, Air Canada’s managing director cargo operations, added that, post-pandemic, people preferred working from home, which wasn’t compatible with the nature of the industry.

Wallace warned that new

technology was adding a new layer of complexity to hiring staff and the industry needs to be aware of these changes.

Ashwin Baht, chief executive of Lufthansa Cargo, said the core ways to address the skills gap included promoting the industry more, and teaching school pupils about qualifications and experience that could be useful.

Schiphol cargo boss backs freighters

Royal Schiphol Group's new head of cargo is a returnee to the industry with a determination to focus on building quality, writes **Rebecca Jeffrey**

Becoming the first dedicated head of cargo that Amsterdam Airport Schiphol has seen in a long time is no easy feat.

But Joost van Doesburg is fascinated by freight – and this is driving his determination to create a new operational strategy.

Developing a strategy with a focus on growth in relation to quality rather than volume is vital, given the airport is at capacity.

“We have a situation where our slots are sold out,” says van Doesburg, who in March became head of cargo at Dutch government-owned Royal Schiphol Group, with the task of managing cargo at Amsterdam Airport Schiphol, which the group owns and operates.

“We need to adapt our strategy to these new circumstances, focusing on our key markets and how we can improve the processes at Schiphol Airport,” he says.

Furthermore, the Dutch government is embroiled in an ongoing battle with airlines over the future of the airport's flight slots.

The government said in February that in a bid to reduce noise pollution it wants to reduce Schiphol's capacity from 500,000 to 460,000 annual flight movements, with the goal of cutting down to 440,000 movements by 2024.

However, a group that includes airlines and industry body IATA objected to the plans the following month, and in April secured a court block on the move to limit flights.

Most recently, the Dutch government said it was planning to appeal the court ruling that protects the airport's current flight movements.

But it is not the airport's individual fight, van Doesburg points out. As it is owned by the government, it will adapt to whatever the limits are set at, he stresses. And other airports will probably be faced with similar challenges in the future, he adds.

“It's very difficult to predict what will happen. And it doesn't really matter which of the scenarios will become reality – 450,000, 440,000, 460,000 or 500,000. Cargo will remain important for us and our focus needs to be on growing in relation to quality, not volume.”

Photo: Erik Borst

Joost van Doesburg: “I was always fascinated by freight transportation”



Photo: Roger Cremers

Schiphol reserves 2.5% of slots for freighters – and it plans to keep that ratio



Photo: Schiphol Airport

Royal Schiphol Group is introducing rules that will restrict night-time flights

Schiphol hosts a mix of passenger and freighter slots, which it aims to maintain. Currently, 60% of outbound cargo is moved via belly capacity and 40% is moved by freighters.

Royal Schiphol Group has also announced other measures to reduce aircraft noise and improve the quality of life and exposure to emissions for people in neighbouring communities.

These measures, to apply no later than 2025-2026, include closing down the airport from midnight to 5am for landing aircraft, and from midnight to 6am for aircraft taking off – and banning the oldest, noisiest freighters, in line with the aviation industry’s decarbonisation goals. The airport is also scrapping plans for an additional runway.

While some airlines may find the move to banish older freighters a challenge, the plans are to benefit local residents, and airlines will be able to adapt, van Doesburg says.

He points out: “There aren’t many freighter flights during the night, and they can be quite easily transferred to the day, because many of the airlines that use the airport at night also fly during the day. All the operators of noisy aircraft also have more modern freighters that we do not want to ban.

“In this way we are encouraging the airlines to bring their most modern freighters to our airports.”

Royal Schiphol Group also intends to guarantee freighter slots to provide security for air cargo business at the airport.

“We want to secure and maintain the 2.5% freighter slots that we have currently, by creating a slot pool that is separate from the passenger flights, so that these freighter slots cannot be swapped to passenger slots.”

Stable outcome

Although air cargo demand is unstable in the industry, a full slot schedule means freighter operators are keen to maintain their own slots at Schiphol, despite the operational flexibility required to fly when cargo is ready, as opposed to a fixed on-time schedule.

“When you lose your slots, you will maybe lose them forever. So, freighter operators are willing to maintain their slots at Schiphol Airport at all costs, which results in a more stable outcome,” says van Doesburg.

Schiphol Airport may be facing its most challenging period yet, but van Doesburg is used to dealing with high-pressure situations.

His career in freight began at industry organisation EVO in 2008 within European

affairs, then as secretary of the council of air shippers for EVO for seven years, and later as airfreight policy manager for the European Shippers Council for four-and-a-half years.

“I was always fascinated by freight transportation,” he says. “I was intrigued by planes, boats and trucks.”

He gained experience in the lobbying arena, moving to manager of public affairs at the Dutch Airline Pilot Association (VNV), before moving on to be Schiphol campaign manager for the aviation sector at trade union FNV.

He also previously worked in local government as town councillor for local authority Teylingenn, and took on a board position for Holland Rijnland. He is currently on the board for Sector Fund Aviation, based at Schiphol Airport, and for Code Verantwoordelijk Marktgedrag.

His work as head of the aviation union has been instrumental in further shaping his understanding of the industry’s workforces and their needs.

“It was a really a big challenge. But in the last four years, I have been able to improve working conditions and salaries in an agreement with Schiphol Airport”

Now, having decided against a career in national politics, he has taken the cargo reins at his new job, aided by a valuable insight into both top-down and bottom-up operations that assist him in understanding and addressing the needs of all stakeholders throughout the air cargo supply chain.

Nonetheless, his move from a union to a corporate role attracted national media interest. Here was a controversial appointment that could rock the boat at the airport, so to speak.

Van Doesburg also faced criticism for ‘abandoning’ the fight for workers.

“It was for everybody a very big surprise. Many people had opinions about it.”

In the end, though, van Doesburg says



Photo: Pieter Beens/Shutterstock

The Dutch government wants to reduce Schiphol’s capacity to 440,000 annual flight movements by 2024



Photo: Mark Kuipers / Schiphol Airport



Photo: Herman Wouters



Photo: Schiphol Airport

Van Doesburg says people are the biggest asset

→ demonstrating his commitment to the air cargo industry and executing positive change is what matters.

He believes he can leverage his experience of working for a union to facilitate working relationships between the airport and its employees – an important skill, given the industry’s recruitment and retention crisis.

“Unions are not your enemy,” he says. “Unions are your friends, and you need to listen very carefully to your most important asset – the people who are working for you. People are the most important element. They need to do the job, and you are as good as your weakest link. And in that way, I really see it as a benefit that I have worked for unions.”

Customer needs

As well as employees, end customers are as important as the rest of the supply chain, says van Doesburg.

He believes that often when the industry analyses and makes changes to the supply chain there isn’t enough focus on the needs of the end customers, and so a big part of the job will be looking at what customers want.

“We need to listen and then act. Why do they choose to ship their goods in a certain way? And in which circumstances do they want their cargo to be shipped? We should all have much more focus on what the final customer really wants.”

As part of Royal Schiphol Group’s quality drive, it will invest in ground operations and digitalisation initiatives at the airport.

Air cargo spends much of its end-to-end journey being transported on the ground, van Doesburg points out.

“If we want to improve our quality, we really need to focus on our ground operations and make sure that our handling companies can improve their services,” he says.

Schiphol aims to refurbish its port community system, Cargonaut, next year in order to improve its IT architecture structure, enable it to cope with modern technology demands, and better serve freight forwarders, cargo handlers and airlines.

“We need to make sure that it is future-proofed, so it can cope with the large amount of information that needs to pass through it,” stresses van Doesburg.

“The amount of information is very rapidly increasing because there are so many e-commerce shipments, with a house air waybill for every single package.

“I want to make sure that we are an airport that is much more driven by data, that is much more customer-friendly, that is less ad hoc and more efficiently structured, and that is really a part of a seamless supply chain instead of a supply chain with a lot of stops and delays.”

Royal Schiphol Group would like to use Cargonaut to implement a slot booking system for trucks to reduce congestion and improve efficiency.

The airport operator is also aiming to improve security to reduce theft in the high-value technology segment.

“We really want to make sure that truck drivers and trucks are known and checked, and that the cargo picked up is known and checked so that it is much more difficult to steal cargo,” says van Doesburg.

Another focus point for Royal Schiphol Group is the consolidation of the airport’s cargo facilities.

The facilities are currently located on either side of one of Schiphol’s six runways, but the group is developing a cargo city hub with dnata, which is due to open next year.

“We really want to develop in the coming years to make it a real cargo city and to make it the smartest cargo city in Europe, heavily driven by data.”

As well as managing Schiphol Airport, the Schiphol Group also owns and operates regional airports Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport, and has investments and collaborations with other airports internationally.

The group also recently signed a letter of intent to acquire a 40% stake in Dutch cargo-focused Maastricht Airport.

“We are hoping to team up and develop a strong logistics solution and co-operate on all the cargo with them.

“The future of Schiphol Airport is focused on growing in quality. And everything that we do needs to be focused on increasing the quality, increasing the predictability, and increasing efficiency,” van Doesburg reiterates.

Turning to business, there is a challenge ahead as the market normalises, he admits, but he thinks Schiphol Airport can weather the storm.

“Last year and the year before were exceptions and now things are normalising internationally.”

But regardless of operating challenges, van Doesburg believes freight is in his future, and air cargo is certainly never far from his mind.

“I live close to the airport. Every day when I am in my garden, I see the planes flying over my home,” he says.

“And it makes me happy to see it. It’s fascinating. This is a really special job. I plan to be here for the long run.”

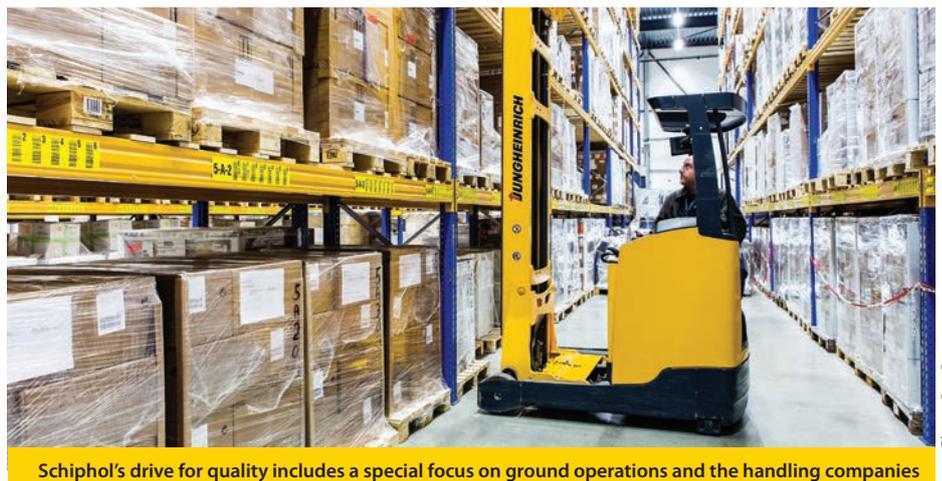


Photo: Bart Brussee

Schiphol’s drive for quality includes a special focus on ground operations and the handling companies



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Flying from farm to fork



Photo: dnata

Transporting perishables always depends on their freshness, with the sector's logistics firms constantly investing in improving integrity, writes **Megan Ramsay**

Perishables account for roughly 15% of total global air cargo and the global food logistics market is projected to be worth around \$162bn by 2024, expanding at a rate of 8.3% annually, according to the Cool Chain Association (CCA).

By tonnage, the top year-to-date imports at the time of writing were fresh cut flowers, fish fillets, chilled or frozen fish, fresh or chilled peppers, asparagus, squash, strawberries and blueberries.

Dennis Verkooy, senior vice president global perishables air logistics at forwarder Kuehne+Nagel (K+N), highlights an upward trend in demand for protein sources.

Specifically, K+N's already substantial share in the European salmon production market has increased dramatically since its acquisition of salmon and seafood logistics specialist

Salmosped in Norway, in part due to the rising consumption of this fresh source of protein, he says.

In co-operation with its client Nordlaks and Lufthansa Cargo, Kuehne+Nagel (through Salmosped) has introduced a weekly Airbus A321 freighter service from Evenes Airport in northern Norway, connecting through Frankfurt with flights to Asia.

K+N is seeing ever larger volumes of salmon flown to markets in the region, particularly since Covid restrictions in China were lifted.

Plant-based alternatives to meat are gaining in popularity, too; pea protein production in Canada is among the areas experiencing increased demand that is translating into higher airfreight volumes.

There are also, of course, regular seasonal trends – such as a surge in demand for flowers

ahead of Valentine's Day – up 16% on 2022 volumes for LATAM Cargo, at 17,910 tonnes – but, says CCA director of the board Vijan Chetty: "Generation Z has a different behaviour pattern to previous generations. They want perishable products available to them all year round.

"This favours the airfreight industry: products can be flown across the globe and on the table ready for consumption within hours."

For instance, there are certain routes to Singapore Changi Airport – particularly from India and Indonesia – that supply fresh produce on a daily basis.

Rapid distribution

These items can typically be in store within a few hours of arrival, especially with many smaller shops collecting their shipments from the airport as opposed to waiting for redistribution from a depot.

In particular, chilled seafood and freshly picked vegetables arrive at Changi in their tonnes, daily.

These fast-moving perishables have replaced much of the frozen produce dnata Singapore used to receive from further east, reducing the requirement for frozen storage or dry ice.

The handler has also seen a rise in perishable materials transported to Singapore by sea in reefer containers for onward transport by air.

In response to this trend, dnata has upgraded some parts of its facility to handle chilled seafreight containers.

Overall, berries and flowers are perhaps the most sensitive types of perishable cargo.

The former can “suffer massively”, Verkooy says, especially in punnets where temperature variations cause condensation to form on the surface of the fruits, quickly leading to the development of mould.

For the latter, the challenge is more a matter of time-critical temperature-controlled transportation for seasonal celebrations, such as Valentine’s Day, Mother’s Day and International Women’s Day.

“Many factors can affect perishable cargo aside from temperature. All our staff are well trained in not only storing food at the right temperature, but also separating ‘incompatible foods’ – those that can affect the speed of ripening if in close proximity,” Sam Gould, head of cargo, ramp & baggage at dnata observes, citing avocados and onions as one disastrous combination.

While forwarders clearly have great expertise and continue to work with handlers to improve the integrity of the cool chain, Gould believes there is more confidence in the market now to entrust temperature-sensitive items to air cargo terminals as handlers continue to improve their knowledge and processes.

In fact: “Due to facility upgrades at our terminal, it is often preferable for the shipper to send directly to us where we can load, segregate, label, precondition ULDs etc within the terminal.”



Photo: Lufthansa Cargo

Kuehne+Nagel has introduced a weekly Airbus A321 freighter service, transporting fresh salmon

Typically, in the past, many of these tasks would have been performed at the forwarder’s facility or by moving equipment to the shipper’s site.

Reducing waste

In addition to the perennial risks to the integrity of foodstuffs in transit and storage, the impact of climate change on certain perishable cargo has become a concern.

“The increase in mean annual temperatures has an impact on product quality and shelf life; therefore optimum handling procedures must be complied with to prevent food loss and waste,” Chetty said.

Appallingly, one third of all food products globally are lost or wasted on the journey from farm to table annually. With this in

mind, the airfreight industry is working to improve the cool chain and reduce post-harvest wastage.

“The logistics of perishable cargoes does not start at the air cargo facilities,” Chetty observes. Rather: “It commences at the source (farm, nursery, fishery, etc).”

Recent trials that were conducted by the Perishable Products Export Control Board (PPECB) on fresh cut flowers exported from South Africa to Europe, with the product tracked and traced from the nursery to the market, indicated that all stakeholders have a role to play to ensure markets receive high-quality products.

The PPECB intends to conduct further research on fresh cut flowers and, together with the Technical Committee of the CCA, draft a recommendation document on the best handling practices for airfreighted flowers.

It also plans to compare the transport of blueberries from South Africa via airfreight and seafreight.

Segmented chain

The CCA, meanwhile, intends to segment the various parts of the value chain and highlight the role they can play to maintain the integrity of perishable products.

As Verkooy points out: “It is only when you work with each relevant party that you can really tweak the complete cycle. The result will be a better end product and, more importantly, a reduction in food wastage that is critical going forward.”

K+N is itself currently working with a large shipper, carrier and retailer; each will isolate their areas of responsibility and identify how, as a consortium, they can manage all the pain points identified and create a complete chain that adopts best practice from post-harvest to the retailer’s shelves.

Unexpected item in bagging area?

THE CATEGORY OF temperature-sensitive items extends beyond fresh and frozen produce to include a wide range of other items. There have certainly been times when dnata has handled unexpected, unique and invaluable items through its cool chain facility in Singapore.

For example, Sam Gould, head of cargo, ramp & baggage at dnata, recalls: “When the world-renowned Royal Concertgebouw Orchestra [a Dutch symphony orchestra] visited Singapore, we were trusted to store, handle and prepare their instruments for travel by airfreight.”

Some of these instruments were so fragile and sensitive that the temperature and humidity in tropical Singapore could have had a detrimental effect on their condition and quality.

Therefore: “The instruments were delivered to us in a refrigerated truck from the concert hall with five specialists onsite to witness and monitor the handling,” Gould adds. “The handling was intentionally organised to take place during the night, when temperatures are slightly milder.”



Orchestras trust Sam Gould of dnata to protect their valuable instruments

Photo: dnata



Photo: Delta

Delta Cargo recently unveiled a state-of-the-art cooler facility at New York JFK, representing a major investment that is generating new business

→ Another hurdle to be overcome is the lack of harmonised regulations and standards applicable to perishable airfreight.

Chetty says: “Countries have legislative requirements for the packaging, quality, phytosanitary and temperature requirements relating to perishable products. These legislative requirements supersede all other recommendations and requirements.

“The lack of digitalisation, co-operation and co-ordination between various stakeholders within the sector can result in waste and deterioration of goods. All stakeholders must work together to implement a harmonised regulatory framework,” he stresses.

The differences between facilities, equipment and especially cold chain processes at airports around the world are huge.

“In developing countries, the lack of infrastructure and systems further aggravates food loss and waste. A lack of skilled resources, even in developed countries, is also becoming an alarming concern globally,” Chetty adds.

On a positive note, there is a great deal of investment going on in the perishables niche.

For example, Delta Cargo recently unveiled a new state-of-the-art cooler facility at New York JFK Airport.

Drake Castañeda, corporate communications at Delta Air Lines, says: “Freshness is crucial to food products and other perishables travelling long distances on their journey, and the cooler is a response to increase our handling throughput for perishables through JFK, to ensure the cargo arrives as fresh as it was packed.

“In the short period the cooler has been operating, we’ve been able to secure incremental perishables revenue via JFK through new business generation.”

Delta’s perishable traffic largely comes from Latin American and domestic US markets, although pharma shipments tend to be transatlantic (in both directions).

Top origin markets for perishables transiting via JFK include the Dominican Republic, Colombia, the Netherlands, Spain and Chile.

Castañeda says: “From the Dominican Republic we move tropical fruits and

vegetables, and from Colombia we move large volumes of flowers as well as fish.

“We have seen a recent increase in flower movements as Mother’s Day is coming up (from origin markets including Colombia and Costa Rica).”

Delivery service

Meanwhile, dnata is looking to launch a landside temperature-controlled delivery service at the Changi Airfreight Centre sometime in the next few months.

This will allow dnata to offer an unbroken cold chain from aircraft to the forwarder facility within the Changi Airfreight Centre – an entirely new service that will increase speed and reduce risk in the cool chain.

Gould believes that in the future there will be greater focus on transparency as shippers will want to see the location, temperature, humidity and orientation of their cargo at any point in time, and that this will accelerate digitalisation.

Although patchy, the digitalisation of logistics processes has already facilitated perishables logistics.

For example, K+N’s digital platform, myKN, is a tool that allows the shipper or receiver to monitor key milestones, as well as check on documentation from origin and destination.

Tagging is becoming more affordable, too, and is already common practice in the healthcare sector.

Verkooy expects an increase in digital processes from quote to cargo uplift, in some cases perhaps leading to the elimination of human interaction – depending on how the “generational tech-savvy revolution we are starting to witness” unfolds.



Photo: Cool Chain Association

“The lack of digitalisation, co-operation and co-ordination between various stakeholders within the sector can result in waste and deterioration of goods”

Vijan Chetty, Cool Chain Association

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Back to reality for e-commerce



With its demands for traceability and often small shipment sizes, e-commerce is starting to make its mark on the shape of the wider airfreight industry, writes **Chris Lewis**

After the heady growth in e-commerce during the Covid-19 pandemic, it is time to draw breath and contemplate the next stage of development.

Research firm Transport Intelligence (Ti) finds in its *Global E-commerce Logistics Report* that the global market shrank by 5% in 2022 – but is expected to grow again by 7.9% in 2023.

The fall was caused by the war in Ukraine, inflation, disrupted supply chains and depressed consumer spending.

Funding for e-commerce logistics startups slowed amid a pronounced economic downturn. However, Ti says: “The e-commerce logistics market experienced a significant spike in growth during Covid lockdown and the latest figures should be seen as a rebalancing of demand, as opposed to anything negative.

“Indeed, the e-commerce logistics market

is ahead of where it was in 2019 by some measure.”

Pandemic buying behaviour continues to influence consumer spending choices, Ti adds.

Demand realignment

Lars Ryssel, managing director of Western Europe at urgent delivery specialist Carousel, says that while e-commerce benefited during the pandemic, with Europe moving away from lockdown there has since been little growth in the segment and a realignment with pre-Covid demand.

Carousel offers in-night, time-critical logistics with next-day delivery and late cut-off times. Rather than a hub-and-spoke model it operates a point-to-point approach, which gives “a huge advantage in transit and cut-off times”, according to Ryssel.

Carousel either works directly with online businesses and their fulfilment centres, allowing it to own the whole supply chain end-to-end, or operates in tandem with parcel carriers who do not have access to an air network, enabling them to attract customers with the promise of next-day delivery.

There is no doubt that e-commerce has had a profound effect on the shape of the airfreight industry.

Lufthansa Cargo’s former chief executive, Dorothea von Boxberg, says that it is now becoming one of the main drivers of the airfreight market. The German carrier’s decision to get into the short- and medium-haul freighter market was almost entirely predicated on the e-commerce sector.

Guillaume Halleux, chief officer cargo at Qatar Airways, believes there is not much difference between e-commerce and other



Carousel's Lars Ryssel believes a point-to-point approach has advantages over hub and spoke

continue to grow steadily, and we would look to invest in our facilities further if demand continues to grow," Rowlands says.

In any freight-forwarding activity, especially e-commerce, compliance with local regulations is essential for both import and export activity. Value declaration alongside the correct description and classification of goods is very important.

However, Rowlands says: "As e-commerce shipments enjoy less-restrictive protocol in the UK, emphasis is placed on the forwarder to enforce the regulations, which has enabled us to deploy a robust procedure to ensure both customer and forwarder are compliant with the regulations."

Brandon Fried, executive director of the Airforwarders Association (AfA) in the US, says that quite a number – though by no means all – of his members are directly involved in e-commerce.

He explains that they have set up operations to warehouse, pick, pack and deliver individual pieces to consumers' doors – not forgetting the software and systems needed. Examples of forwarders that do this include Seko Logistics, AIT and Pilot Freight, the latter now part of the AP Moeller-Maersk Group.

Many other AfA members do, of course, move airfreight that ends up as e-commerce, but limit themselves to delivering whole pallets to operators who perform the final-mile piece.

Fried comments: "A lot of e-commerce tends to be small in weight and not high in revenue."

E-commerce means bolting final-mile delivery on to a freight-forwarding operation; it is really a completely different sphere of

activity to loading pallets on to planes.

Some forwarders have become involved in a sub-segment of the e-commerce market that deals with delivering larger pieces, such as kitchen units or machinery. Still others could move urgent – often same-day – deliveries of vital spares and components, and some will even assemble and install quite complex, specialised items.

Simplified handling

E-commerce does put some specific demands on airline handling. WestJet Cargo executive vice president Kirsten de Bruijn points out: "On our narrowbodies in Canada, we handle everything loose and it has to be screened piece by piece.

"Now that we have introduced freighters, we can handle e-commerce in containers, which simplifies the handling."

WestJet works with GTA/dnata for the handling of e-commerce at its main hubs and their warehouses can deal with both loose and containerised e-commerce. They also have screening machines available to process e-commerce appropriately.

De Bruijn says that because of Canada's climate and size there are still underserved e-commerce markets there, and demand is expected to rise.

Another factor that Fried considers might be driving some forwarders towards e-commerce is the increased involvement of private equity (PE) firms in forwarding.

PE firms might see e-commerce as 'exciting', whereas most are probably not aware of what a freight forwarder actually does.

Of course, e-commerce operators may also buy up freight forwarders, especially if it means they can get their hands on useful

freight in terms of acceptance of cargo. "These shipments move under air waybills (AWB) like any other cargo," he says – but he adds that e-commerce is more time-sensitive.

This could become more challenging if customs laws are changed, Halleux adds.

For example, the recent introduction of Import Control System 2 (ICS2) requires complete transmission of product HS codes even before flight departures, and to achieve this Qatar Airways is working on system enhancements.

At SF Express-majority owned forwarder Kerry Logistics, strategic sales director Emma Rowlands calculates that UK e-commerce accounts for about 20% of volume.

E-commerce services run alongside traditional import and export services at key UK hubs. "That said, the demand and our ability to scale up to service that demand



Speed is of the essence for e-commerce shipments, says Guillaume Halleux of Qatar Airways Cargo

→ assets such as truck fleets and airside warehouses.

Amazon has taken the process a stage further by buying freighter aircraft, although whether it really wants to get involved long term in the cut and thrust of what can be a brutal market remains to be seen.

And there are operators for whom e-commerce represents the majority – or even the totality – of their business.

For example, Challenge Group’s activity out of China is based on e-commerce demand, says Or Zak, commercial vice president of the Malta-headquartered logistics specialist.

He adds: “It has strict deadlines. From the handling perspective, it requires a different setup: warehouse design, special equipment to handle shipments at parcel level, at origin or build up by destination to ease the last-mile distribution process whenever possible.”

Data processing

Challenge has invested in a second-line warehouse at its hub in Liege, where it offers a sorting and middle-/last-mile ancillary service. A lot of parcels means a lot of data has to be processed to comply with customs regulations, Zak continues. In addition, integration with the last-mile provider is a must to ensure transparency from purchase to delivery.

Zak believes the pandemic has changed the way people purchase goods, with e-commerce experiencing double-digit growth over the past five years.

“What we have noticed – and this is why we are looking at new markets and short-/medium-haul destinations – is the change that is taking place in the supply chain business model in terms of stock management and delivery time.

“Having a more agile fleet of four 767Fs will help us to cope with those new needs. It is the ideal aircraft for this vertical.”

Glenn Koepke, general manager of network collaboration at visibility specialist FourKites,

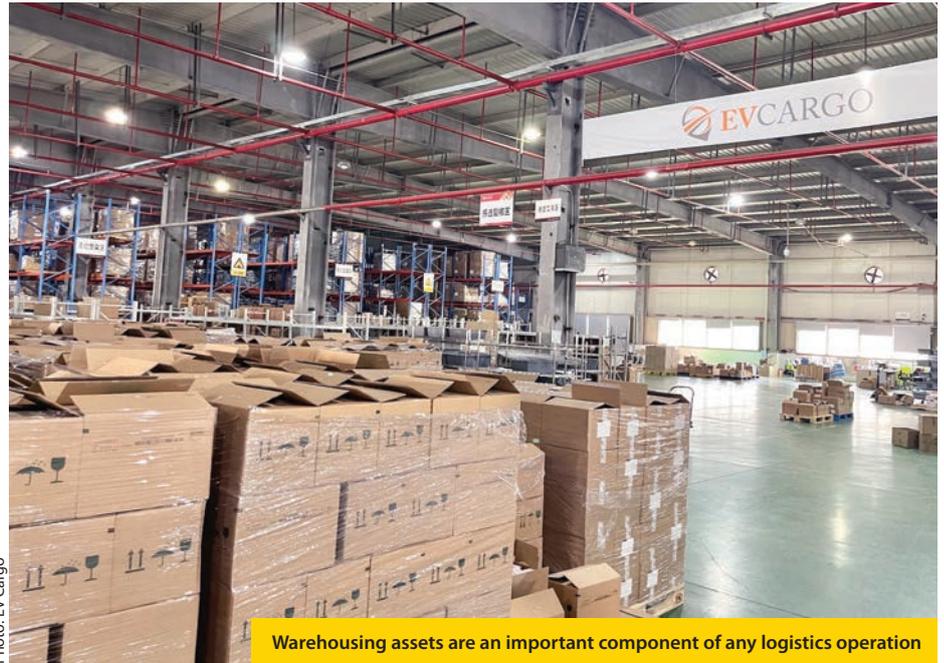


Photo: EV Cargo

Warehousing assets are an important component of any logistics operation

believes e-commerce will continue to evolve.

For airfreight, e-commerce will provide the steady stream of growth that is needed for airlines, both on the heavyweight air side and the small pack side, to force investments in modern consolidation and deconsolidation facilities or sorting centres.

The fragmentation of e-commerce logistics is one of the main reasons companies struggle to have accurate visibility, Koepke continues.

“Airfreight is only one component of the journey. The reality is that every air shipment is multimodal with many hand-offs and parties in the transaction,” he says.

“From shipper to buyer, to customs broker, to airlines, forwarder, intermediaries and many others, the concept of tracking an air shipment seems simple; but to really understand pre-pickup estimated time of arrival (ETA), in-transit locations, the ETA at each leg’s destination and the impact on the final destination is a monumental challenge and opportunity.

“While shipment delays and inaccuracies might be reported at any point, understanding what to do in the moment – and whether it will disrupt the final destination ETA – is where solutions like FourKites come into play.”

Airfreight is typically small package or heavyweight, which are two very different networks, Koepke points out. The small package segment is concentrated in major global players, while heavyweight airfreight is very distributed, with a massive network of freight forwarders.

Koepke says: “There are a large number of independent players, including airlines, freight forwarders, ground handlers, customs brokers and other logistics providers, that operate within a complex network of relationships.

“Unfortunately, there is often little co-ordination or standardisation between them. In addition, many process steps are manual or lie in multiple systems that aren’t as integrated as one would hope.”

He adds that while several of the large carriers have some level of tracking, the reality is that shippers and forwarders are using many airlines, according to the origin and destination of goods.

Shippers use forwarders, who have varying degrees of technology, to book air cargo. The larger ones have self-tracking portals but the data is often latent or human-driven, hence FourKites’ partnership with Zebra to help create a digital experience from booking to delivery.

Integrators will often use a mix of off-the-shelf software and proprietary systems. But as new capabilities are born in the market, updating legacy integrations, systems and standards can be a very slow process. **acn**

‘On our narrowbodies in Canada, we handle everything loose and it has to be screened piece by piece. Now that we have introduced freighters, we can handle e-commerce in containers’

Kirsten de Buijn, WestJet Cargo



Photo: WestJet

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Handling change



Photo: dnata

The post-pandemic cargo market is proving to be unpredictable – but handling companies are finding efficiencies through digitalisation, writes **Mike Bryant**

Worldwide Flight Services (WFS), now a part of the SATS Group and for many years the world's biggest air cargo handler by tonnage handled, believes that, after all the disruption to the aviation industry over the past three years, the air cargo market is now "finding a new level".

"The impact of Covid on the entire aviation industry over the last three years has been greater than any of us can remember," notes Barry Nassberg, WFS's group chief

commercial officer. "While Covid had such a dramatic impact on passenger travel, it was also a time when airlines and the world got to see how important and valuable air cargo is."

Volumes in the past few months have certainly been slightly lower on some lanes compared to those heady days, he assesses.

This is partly due to some lingering impacts of Covid in key production areas, such as in China and the conflict in Ukraine, which have hit energy prices and inflamed the cost of living crisis seen in many countries.

Consumer spending on many types of products typically flown by air cargo is being affected by these factors, but there is still optimism that volumes will start to pick up in the second half of the year as businesses begin restocking for the third and fourth quarters of this year, Nassberg advises.

Robert Fordree, executive vice president cargo at Menzies Aviation, has seen some signs of cargo volumes improving in recent months, but he too says that they remain relatively weak compared to the highs seen during the pandemic.

Multiple economic and geopolitical factors are driving the cyclical downturn, and Fordree expects these challenges to remain in play for the rest of the year and even into the second or third quarters of 2024.

Nevertheless, he says: "For us here at Menzies we expect our business to continue to grow both in terms of new development projects and entering new markets."

“This is a good time for us to continue with our technology and innovation development, so we are well placed to deliver solutions for our global customers when we see an upturn in volumes once again.”

Menzies has meanwhile expanded its airfreight business.

“In recent years we have doubled the size of our global cargo business, moving from 36 locations to 74.

“During this time, we have recruited a vice president responsible for cargo technology as well as many subject matter experts in senior cargo-specific roles,” Fordree informs.

Another of the globally active cargo handlers, Swissport, achieved a record result in its air cargo business in 2021, but the global demand for cargo slowdown in 2022 affected it as much as other cargo handlers, admits the global cargo chair of Swissport International, Dirk Goovaerts.

Considering the persistent uncertainties in the current geopolitical and economic environment, the global market for cargo logistics is expected to remain relatively “steady”, Goovaerts continues.

But the lifting of Covid restrictions in China and the rebound of the Chinese economy could have a positive impact on the global economy.

Guillaume Crozier, dnata’s senior vice president of UAE Cargo and its head of global cargo strategy, says that “the current cargo market could perhaps be best summed up by the acronym VUCA – volatility, uncertainty, complexity and ambiguity”.

Volumes are going up and down unpredictably, while the traditional Christmas peak failed to materialise at all.

Of course, there is not the same degree of ‘VUCA’ in all regions: the European market is suffering a lot; the Asia Pacific region is recovering slowly, currently being where Europe was in airfreight terms a year or so ago; and even the Middle East market is not as good as it might be, although the location and role of Dubai as a Middle Eastern cargo hub has helped dnata’s cargo business to lessen the impact of the downturn.

Moreover, the greater availability of capacity seen in the airfreight market today, thanks to the return of aircraft fleets to the



Photo: Menzies Aviation

Menzies Aviation has seen some signs of cargo volumes improving in recent months

skies as the global pandemic has retreated, puts pressure on yields.

There is also more ocean-going capacity now available, Crozier notes, offering a more price-sensitive alternative to air transport.

Customer requirements

“Our customers’ expectations have not changed greatly due to what happened during the pandemic,” says Nassberg.

“Their requirements were already clear to us and are aligned with our own strategy. They want to work with partners able to guarantee the highest standards of safety and security.

“They want more agreements covering multiple stations. They expect their handling partners to share their commitments to gaining efficiencies from digitalisation and to be able to support and demonstrate their own environmental, social and governance (ESG) strategies.”

Fordree agrees that customer expectations are not necessarily different today to what they were in the past, but technology is increasingly being utilised and developed by all stakeholders.

“Specific cargo products and associated handling requirements and necessary infrastructure are now becoming the norm, such as pharma handling, perishables and e-commerce,” he believes.

Amongst the trends that dnata’s Crozier is seeing in the market today is greater demand

for the combination of both air and sea shipping modes, a demand that dnata is well placed to meet, he says.

Not only does air-sea shipping represent a cost advantage over the purely airfreight mode, the greater demand for the combined mode of transport might also be encouraged by the fraught geopolitical situation the world faces today, Crozier suggests.

Shippers/forwarders do, however, need to carefully select their routes and methods to avoid conflict hotspots and supply chain bottlenecks, he says.

Crozier also points to seeing greater demand for full-service shipping and higher value expectations amongst shippers and forwarders.

For example, many customers are asking for – in addition to cargo handling on the ramp and on-airport warehousing – services such as pick-and-pack, comprehensive road feeder services (RFS) and last mile delivery, and high-end business-to-business transportation.

This dnata can do very effectively in Dubai and is a capability that it is looking to develop further elsewhere.

Digitalisation development

All the big global cargo handlers are more than aware of the value of digitalisation.

“We’ve invested in a new Cargo Management System, introduced CargoKiosks in order to reduce truck waiting times, launched Bluetooth tracking to increase ULD utilisation, and started trials of Automated Guide Vehicles for cargo transportation,” says Nassberg of WFS.

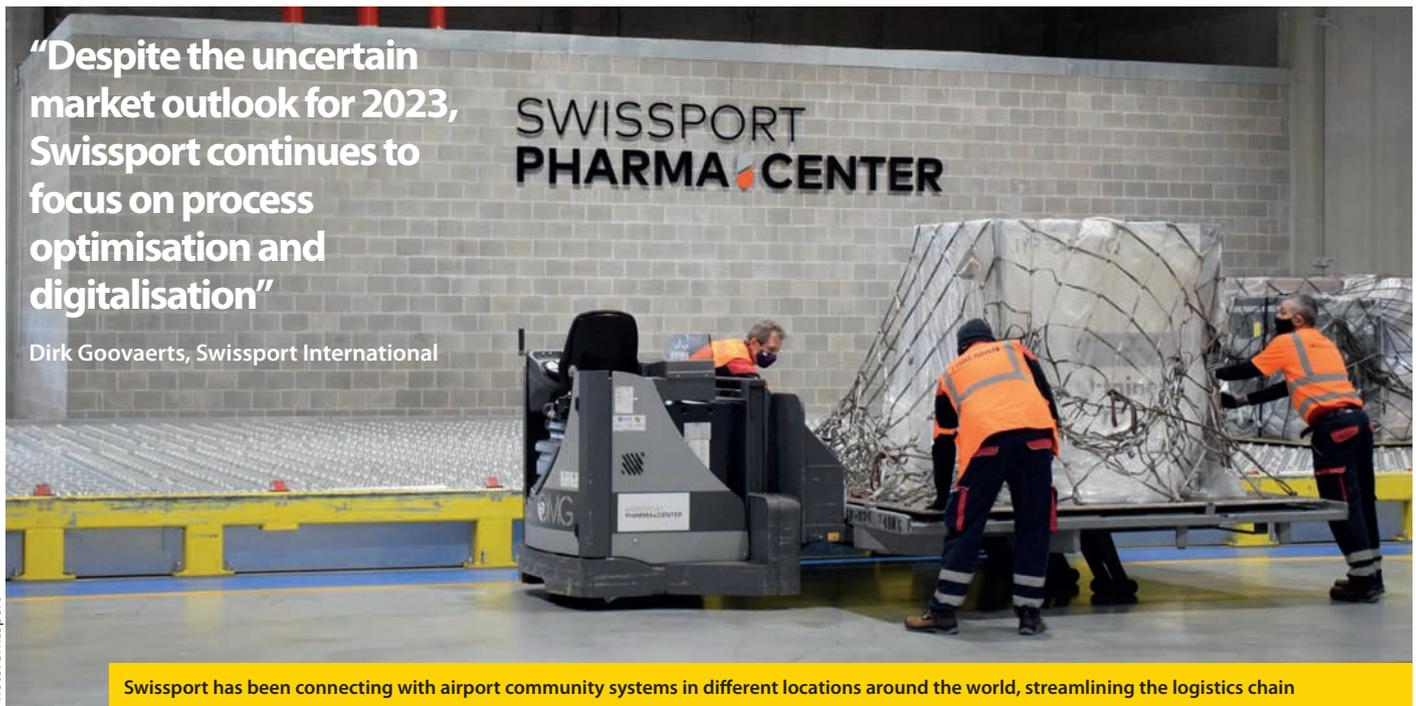
Menzies’ Fordree reports: “Following a rigorous tender process for a new warehouse management system, we have selected a new partner in Wipro, a leading global technology services and consulting company, to drive forward our global technology transformation and ambitious growth strategy.”

“The current cargo market could be summed up by ‘VUCA’ – volatility, uncertainty, complexity and ambiguity”

Guillaume Crozier, dnata



Photo: dnata



“Despite the uncertain market outlook for 2023, Swissport continues to focus on process optimisation and digitalisation”

Dirk Goovaerts, Swissport International

Photo: Swissport

Swissport has been connecting with airport community systems in different locations around the world, streamlining the logistics chain

→ “Wipro’s platform will ensure we can utilise cutting-edge systems and products in the years ahead. It will enable end-to-end digitalisation of our operations, process standardisation, consistent customer service and enhanced employee experience, which is hugely important in attracting a new generation of cargo professionals.”

Swissport’s Goovaerts says: “Despite the uncertain market outlook for 2023, Swissport continues to focus on process optimisation and digitalisation, such as the deployment of the Swissport Cargo app on new mobile devices to increase efficiency and eliminate paper-based processes.”

It has also implemented several innovative digital solutions such as cargo kiosks, door management and slot booking to optimise the flow of cargo through its cargo centers.

These innovations have helped Swissport reduce the turnaround time for cargo handling and improve overall customer satisfaction, the handler says.

Plus, Swissport has been connecting its systems with airport community systems in different locations globally, such as Amsterdam, Frankfurt, Liege and Johannesburg.

This collaboration has helped streamline the logistics chain, reducing the likelihood of delays and errors in cargo handling, Goovaerts points out.

The move toward more digitalised processes was begun by dnata well before the Covid crisis and is now really starting to bear fruit, Crozier says.

One of the digital programmes that is now beginning to be realised is Swissport’s OneCargo freight management platform,

which was jointly developed with India-based IBS.

Other state-of-the-art technological development is seeing dnata move towards 100% weighing, picturing and dimensioning of all cargo that passes through its hands.

It is approaching potential partners to work on this currently, with such a move being another step towards what Crozier would describe as semi-autonomous cargo handling.

Another aspect of this strategy can be seen in the use of drones in dnata warehousing operations.

The handler is now using autonomous drones in its warehouses at Dallas Fort Worth airport (DFW) in the US to digitalise acceptance and warehouse inventory processes.

Sustainability drive

Sustainability is a further focus for today’s cargo handlers. WFS has switched to 100% renewable energy in major markets such as France, Germany, Spain and Denmark, and has grown its fleet of electric vehicles and increased its use of sustainable packaging.

Menzies has a goal of becoming carbon neutral by 2033. Thus, for example, when it signed a 10-year lease with Chicago Rockford International Airport to occupy a 50,000 sq ft facility, as well as fitting out the new facility, the handler is aiming for most of the ground service equipment there to be electric.

Handler dnata is also making great efforts to reduce its environmental footprint. “Sustainability is at the heart of everything we do now,” says Crozier.

The company has already done a lot of work to define and quantify its baseline position as

regards its environmental footprint and many programmes have been put in place to minimise that footprint.

This includes an air conditioning water recycling capability in Dubai that allows the recycling of some 5,000 litres of water a day, and switching to recyclable plastic for such equipment as cargo skids as dnata moves to a more circular economy wherever possible.

And environmental considerations are very much in mind when dnata looks to build anew, Crozier emphasises, such as the new cargo facilities currently being built in Erbil in Iraq, in Amsterdam in the Netherlands and a new e-commerce facility in Dubai.

Ownership changes

A couple of these cargo handlers have changed hands in recent times. SATS’s acquisition of WFS was completed on April 3 and it is now starting “the next exciting stage of our development”, Nassberg enthuses.

“Together, our combined Americas-Europe-APAC network has a global footprint of 201 cargo and ground handling stations in 23 countries, and this covers trade routes responsible for more than 50% of global air cargo volume.”

Elsewhere, Menzies now operates under the Agility umbrella, having been acquired by the latter in a deal completed in August last year.

Menzies’ aviation business was combined with National Aviation Services (NAS) to form what is “now the world’s largest aviation services company by the number of countries we serve”, notes Fordree.

“This means we can offer a broader range of services to existing and new customers in the 58 countries where we operate.”



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Continued falls put demand for freight behind pre-Covid levels

AIR CARGO demand slipped back below pre-Covid levels in March after a volatile first quarter, according to the latest market data from IATA.

Figures from the airline association show that air cargo demand in cargo tonne kms (CTK) terms declined by 7.7% year on year in March, which is an improvement on the percentage declines registered for most of last year.

However, IATA said that demand had slipped back into negative territory compared with pre-Covid levels after having shown an improvement in February. IATA figures show that CTKs in March fell by 8.1% compared with 2019.

“It is unclear if this is a potentially modest start of an improvement trend or the upside of market volatility,” IATA said.

The airline association said that purchasing managers’ indices for new export orders and for China had both fallen below the 50-mark in March, indicating declining confidence.

There were also indications of high inventory levels, which does not bode well for air cargo.

Meanwhile, cargo load factors in March slipped 8.8 percentage points from a year ago to 46.2%.

IATA director general Willie Walsh said: “Air cargo had a

volatile first quarter. In March, overall demand slipped back below pre-Covid-19 levels and most of the indicators for the fundamental drivers of air cargo demand are weak or weakening.

“While the trading environment is tough, there is some good news. Airlines are getting help in managing through the volatility with yields that have remained high and fuel prices that have moderated.

“With inflation reducing in G7 countries, policymakers are expected to ease economic cooling measures and that would stimulate demand.”

Asia Pacific airlines registered a 7.3% year-on-year decline in demand in March 2023 compared with the same month in 2022, a slight decrease in performance compared with February.

“The drop in demand suggests that air cargo traffic in the region has not yet stabilised following China’s reopening in January,” IATA said.

North American carriers “posted the weakest performance” with a 9.4% decrease as the transatlantic route between North America and Europe saw traffic “declining at an accelerated pace throughout March”.

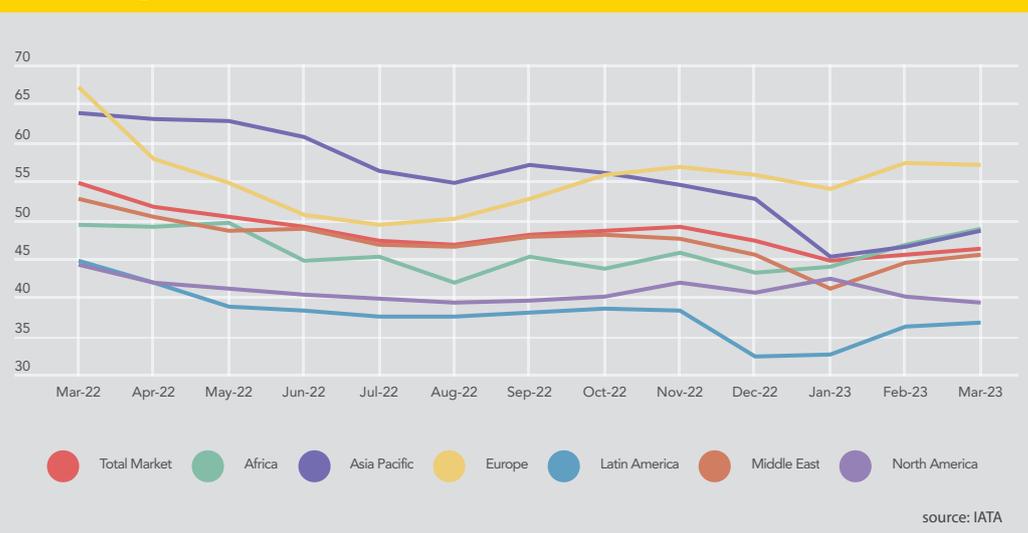
Airlines based in Europe recorded the “most substantial improvement in demand” with volumes declining by 7.8% during the month, compared with a 15.9% fall in February.

Middle East-based carriers experienced a 5.5% year-on-year decrease. Demand on Middle East-Europe routes has been moving upward in recent months.

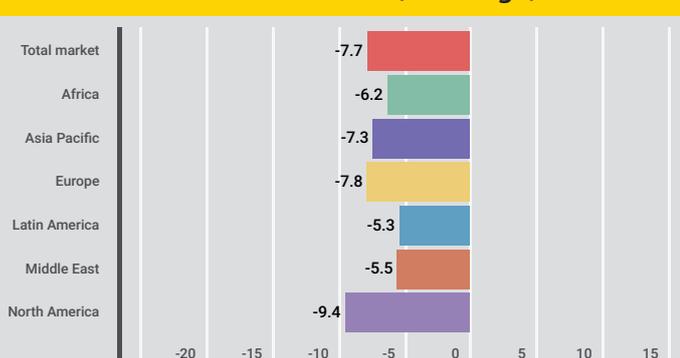
The best-performing carriers were those from the Latin American region, which registered a 5.3% fall in demand.

Finally, African carriers registered a 6.2% decrease in demand in March.

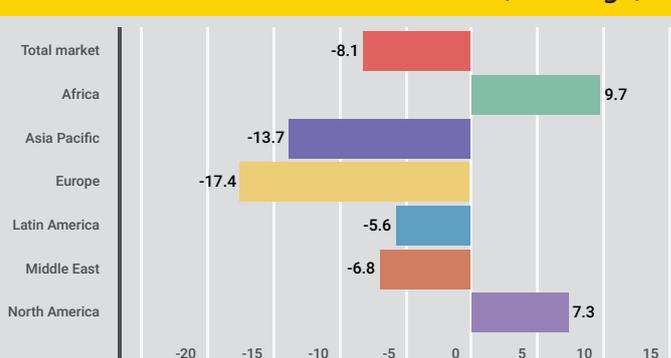
Airline cargo load factors (%)



Mar 2023 CTK v Mar 2022 CTK (% change)



Jan-Mar 2023 CTK v Jan-Mar 2019 CTK (% change)



Rate declines dent hopes of recovery

AIRFREIGHT RATES on major east-west trade lanes declined in April as early indicators of a recovery in March showed signs of fading.

The latest statistics from Baltic Exchange Airfreight Index (BAI) show declines in prices between Asia and Europe, Asia and North America and across the Atlantic. The falls are unusual because rates tend to rise slightly – or at least stay flat – in April compared with March.

The average price paid by forwarders – across contract and spot rates – on services from Hong Kong to North America declined to \$5.20 per kg in April compared with \$5.38 per kg a month earlier.

Against last year, rates on the trade lane are down 45.7% but they remain above the \$3.60 per kg registered for the month in pre-Covid 2019.

It was a similar trend on

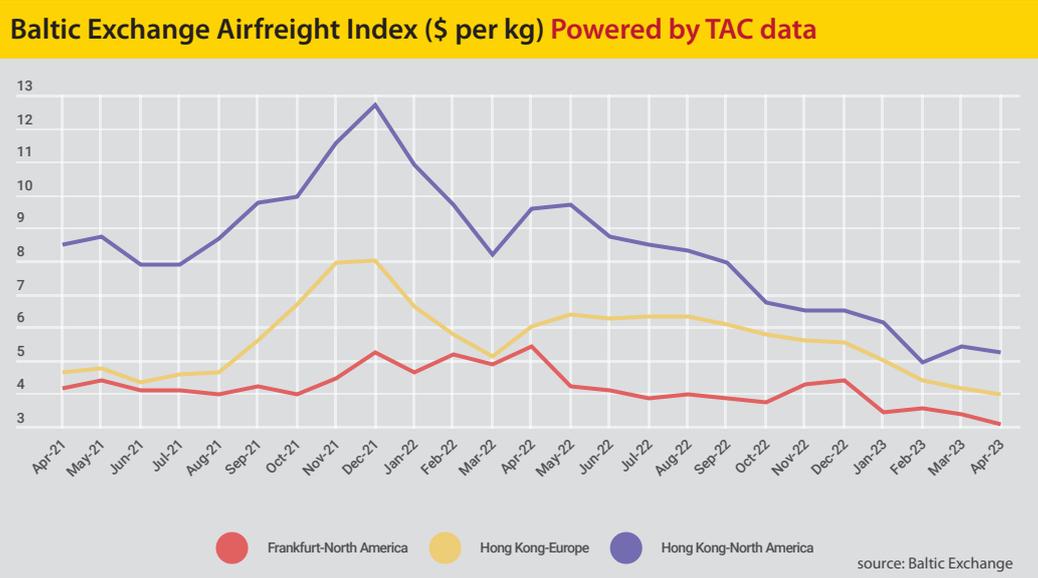
services from Hong Kong to Europe. Rates declined to \$3.99 per kg in April compared with \$4.15 per kg in March.

April's rates on the trade are down 33.6% compared with last

year, but are above the \$2.65 per kg for the month in 2019.

Frankfurt to North America saw average prices in April fall to \$3.08 per kg from \$3.37 per kg in March.

Indicators had suggested that the market might have been seeing a slight improvement in the early part of the year, but the drop in rates suggests this development eased in April.



Airport volumes slide as economy slows

A CONTINUED air cargo demand decline following the pandemic airfreight boom hit cargo volumes at major airports in March, most notably at Los Angeles.

Hong Kong Airport Authority noted that while volumes were up in March year on year, this was a result of pandemic-related constraints the previous year.

“Cargo remained impacted by global economic uncertainties.

Although cargo volume grew year on year in March 2023, this was primarily due to the low base for comparison set during the same month last year following pandemic-related supply chain disruptions,” the authority said.

Meanwhile, Changi Airport edged into positive figures in March compared with the same month last year. However, its

quarterly figures showed a decline consistent with the challenges faced by the industry.

“Air cargo demand remained soft, especially in the first two months of the year, amid global economic uncertainty and inflationary pressures,” the airport said.

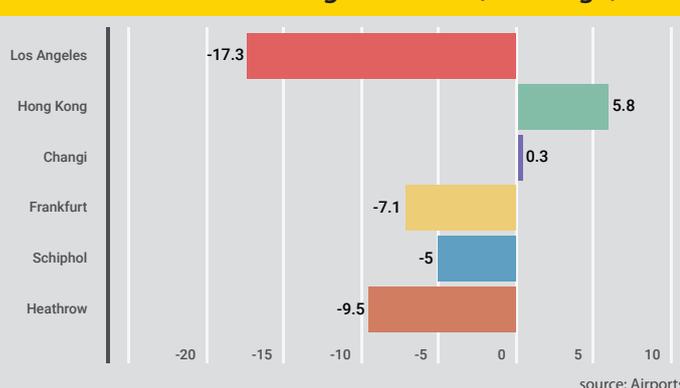
Likewise, Frankfurt Airport operator Fraport said its decline in volumes once again reflected

“the overall economic slow-down”.

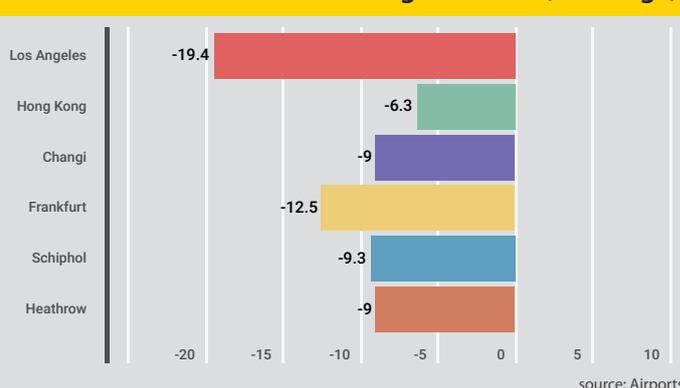
Additionally, Heathrow Airport reported that despite the return of belly capacity, its first quarter volumes declined.

“Even with bellyhold capacity back to normal on many routes, tonnage remains down as the global air cargo industry is suffering the effects of various macroeconomic factors,” it said.

Mar 2023 v Mar 2022 cargo volumes (% change)



Jan-Mar 2023 v Jan-Mar 2022 cargo volumes (% change)



Capacity up as rates fall

Ocean freight rates have continued to fall in recent months but carriers are planning to implement price increases and slow vessel speeds in response.

The mid-May figures from rate portal Freightos show that rates on box line services from Asia to the US west coast have declined 88% year on year to \$1,430 per 40ft container (FEU).

On services from Asia to the US east coast, rates are down 85% year on year to \$3,279 per FEU.

Looking ahead, carriers are reportedly hoping to push through a general rate increase (GRI) on the transpacific in June as the sector begins to ramp up for the peak season.

However, Freightos head of research Judah Levine has his doubts over how successful the increase will be.

“There is scepticism [whether the GRIs] will result in more increases unless significantly more capacity is removed, as demand is projected to increase only gradually into next month.

“Some retailers, including many in the apparel industry, are still contending with inventory surpluses and may wait until as late as the fall – when they hope to have less stock and a better sense of consumer demand – to place their peak-season orders.”

Rates were also in decline on



Photo: Max Herman / Shutterstock

services from Asia to Europe in mid-May.

Freightos figures show that rates on the trade are down by 87% year on year at \$1,379 per FEU, although the rate portal points out that prices have been stable since mid-March and are in line with 2019 levels.

Meanwhile, carriers continue to add capacity to the trade lane.

Freight forwarder Westbound Shipping Services reported that the 2M Alliance of Maersk and MSC will add nine new vessels to their Asia-Europe line up in June.

Meanwhile, MSC and Ocean Alliance have added a “host of

24,000 TEU vessels” over the past few weeks.

To cater for the extra vessels, carriers may implement slow steaming, where they add extra ships to a loop but slow them down to absorb the extra capacity and reduce operating costs by lowering fuel consumption.

“The proposed slowing down of vessels is believed to add an average six days to round trip voyages, or three days to a single leg journey from Asia to Northern Europe,” Westbound said.

“However, the reduction in emissions will significantly help steamship lines meet the IMO

carbon intensity measures which came into force on November 1 2022.”

Explaining the plan to slow ships, Maersk Line said: “The added vessels will allow us to reduce speeds providing a needed buffer to absorb schedule challenges, improving reliability, and decreasing the risk of void sailings.

“The speed reductions will furthermore reduce emissions significantly, bringing us a big step forward in the path to achieving our goal of net zero greenhouse gas emissions across our business by 2040.”

People



Atlas Air Worldwide
Michael Steen
Atlas Air Worldwide has appointed executive vice president and chief commercial officer

Michael Steen as chief executive from June 15. He succeeds John Dietrich, who is retiring from the company after nearly 25 years. Steen has more than 30 years of experience in aviation and logistics.



Hellmann Worldwide Logistics
Natasha Solano-Vesela
Hellmann Worldwide Logistics has appointed Natasha

Solano-Vesela to the newly created role of global airfreight director perishables. She will be responsible for the strategic development of the perishables division within the global airfreight product.



IAG Cargo
Camilo Garcia Cervera
After four years working in the world of air cargo booking portals, Camilo Garcia Cervera will return

to IAG Cargo. Cervera, who re-joins from WebCargo by Freightos, will take the role of chief sales and marketing officer. In his new position, he will shape IAG Cargo's sales and marketing strategies.



Envirotainer
Delphine Perridy Boile
Envirotainer has named Delphine Perridy Boile as its chief sales officer. Boile will lead all the company's

sales and marketing activities, taking responsibility for meeting growth targets. She reports to chief executive Peter Gisel-Ekdahl and will also be a member of the Envirotainer executive management team.

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