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Quarterly

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The World's Best-Read Air Cargo Publication

Spring 2023 | No. 901

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**TURKISH CARGO
SMARTIST**

Spring 2023 No. 901

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Oman Air's freighter ambition

PASSENGER AIRLINE OMAN Air has announced plans to invest in its first freighter.

The Muscat International Airport-based carrier said in a press release that it would introduce its "first freighter by the end of 2023", though it did not specify what type of aircraft it would invest in or whether the cargo plane would be bought or leased.

Oman Air chief executive Abdulaziz Al Raisi said the airline will also launch new cargo destinations this year.

Last year, the cargo business of Oman Air increased volumes by 36% and revenue by 44% compared to 2021.

IAG Cargo to introduce fee for paper waybills

IAG CARGO IS to introduce a fee for using paper air waybills (AWB) as part of its drive to become digital first.

From April 3, customers who opt for paper AWBs when booking cargo shipments will be charged a £10 fee, where switching to eAWB is free of charge.

For years, the air cargo industry has relied on paper processes for the contract of carriage between freight forwarders and the airline.

This adds up to more than 7,800 tonnes of paper documents processed each year – which is equivalent to 80 Boeing 747s full of paper, said IAG Cargo.

According to the company, the eAWB offers a more sustainable alternative and provides a seamless end-to-end service for its customers that eliminates the risk of human error.

eAWB has been introduced as part of IAG Cargo's 'Destination Digital' strategy to transform the business digitally.

With nearly 50% of customers already using eAWB, IAG Cargo is targeting an adoption rate of 100% by the end of 2023.

David Rose, chief transformation officer at IAG Cargo, said: "We are looking to lead the way with our customers worldwide when it comes to delivering

a customer proposition that has quality and sustainability at its core.

"Our commitment to eAWB will see IAG Cargo significantly reducing paper usage through the cargo journey as we move to eAWB usage across our network.

"eAWB is the first of many steps in our ambitious destination-digital journey, and we are excited to use the data provided to roll out future digital initiatives that will see us become more sustainable and reliable."

There has been a push towards eAWBs for years and in 2020 IATA set the goal of achieving 100% eAWB by 2023.



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Air France-KLM says it brought forward purchase of the new 'cleaner' Airbus freighter to speed sustainability efforts

KLM picks A350F for Martinair operation

THE AIR FRANCE-KLM Group has placed a firm order with Airbus for four new A350 freighter aircraft for its Martinair subsidiary.

The freighter airline will operate the four aircraft on behalf of KLM Cargo and they will replace the airline's current four Boeing 747 freighters from the second half of 2026.

Marjan Rintel, chief executive, KLM, said: "Fleet renewal is an important part of KLM's ambition to become more sustainable.

"We want to emit less CO₂ because of the climate and reduce noise for local residents. The A350F reduces CO₂ by over 40% and noise by 50% compared to their predecessors.

"That is why we decided to place this order earlier than originally planned. Instead of in 2027, we will replace the freighters from autumn 2026. We are

accelerating KLM's sustainability efforts with this."

The A350F is fitted with an extra-large cargo deck. Lighter materials have been used where possible to keep take-off weight to a minimum.

The maximum payload of the chosen configuration is 108 tonnes.

Adriaan den Heijer, executive vice president Air France-KLM Cargo and managing director Martinair, added: "In choosing the A350F, we are taking an important step to cut CO₂ emissions and noise pollution.

"I am very pleased with these new, technologically advanced aircraft joining the fleet, which fit well in the Air France-KLM Martinair Cargo operation.

"For our customers, the versatility of the A350F is good news for the future. The new aircraft are an important addition, supplementing the belly

capacity of our extensive inter-continental passenger fleet."

It is not the first of the recently launched freighter model that the Air France-KLM Group has ordered.

In April 2022, the company finalised an order with Airbus for four A350Fs, with purchase rights for an additional four aircraft.

Other companies to have ordered the freighter include Etihad Airways, Silk Way West, Singapore Airlines, CMA CGM, Air Lease and an unnamed customer.

The aircraft is competing with Boeing's also recently launched 777-8 freighter.

The new widebody freighters are needed as noise and emissions regulations are ramped up over the coming years.

Meanwhile, Boeing recently stopped producing the B747-8F, leaving a gap in the market.

Get your ACN Awards entries in

THIS YEAR'S Air Cargo News Awards will open for entry on March 13 so it's time to get your entry together.

To enter the awards, now in their 39th year, companies are required to submit an entry up to 1,000 words on how they have provided great customer service, operational excellence and innovative technologies.

This year there are nine categories to enter: Air Cargo Environment Award; Air Cargo Charter Project of the Year; Air Cargo Pharma Award; Best Freighter Operator; Cargo Hub of the Year; Ground Handler of the Year; GSSA of the Year; Innovation Award – Digital; and Innovation Award – Product.

Companies have until June 2

to submit their entries and winners will be announced on Thursday October 12 at the Hilton London Syon Park.

More details on how to enter, criteria for each category and tips on entering can be found at www.aircargonewsawards.net.

To find out more about sponsorship opportunities contact richard.perry@aircargonews.net

EDITOR'S COMMENT

Damian Brett



Customers love freedom that charters offer

THERE IS NO doubt that the Covid pandemic has changed air cargo. However, one development that I expected to fade away, but may actually be here to stay, is freight forwarder charter operations.

I had assumed that as soon as space began to open up and prices came down, forwarders would cut their charter flights. However, the last few months have seen Kuhne+Nagel (K+N) ramping up its charter network, while DB Schenker says its charter operation is here to stay.

Keen to understand why, I spoke to DB Schenker global head of airfreight Asok Kumar. He explained that forwarders and their customers liked the benefits of being able to control where the aircraft fly.

In particular, forwarders can send aircraft to less-congested gateways rather than having to send shipments to busy passenger hubs.

This also seems to have played a role in K+N's thinking – the forwarder announced its charter operation would call at Birmingham-Shuttlesworth International Airport in Alabama as it looks to avoid "congestion that can build up at bigger airports".

Frankfurt-Hahn sale resumes

THE SALE OF Frankfurt-Hahn Airport Group is gearing up once again, as bidders and interested parties have been invited to participate in the investor process.

Currently in administration, the German group was due to be sold to Swift Conjoy. However, in February it was confirmed the deal had fallen through.

The sale of the group hasn't been a straightforward process thus far. Prior to the incompleteness of the Swift deal it was announced that the sale had been delayed, and not for the first time.

The group's insolvency administrator, Frankfurt-based Jan Markus Plathner from Brinkmann & Partner, has now formally invited bidders and other interested parties to participate in the ongoing investor process.

The deadline for submitting bids was March 9. A closing is expected to take place by March 26, with the stated reservation that the process may also be changed in terms of time and/or conditions.

Plathner said: "In view of the refused approvals and the new expressions of interest, we would like to give potential interested parties the chance to participate in the investor process. However, the focus remains on reaching a solution in a timely manner."

In October 2021, the airport group filed for bankruptcy and Plathner was appointed insolvency administrator.

The following month, merger and acquisition consultancy Falkensteg was appointed to find "one or more investors" to keep the business running.

Frankfurt-Hahn is operating as usual during insolvency proceedings, and the summer 2023 schedule will include new European destinations to be served non-stop from Frankfurt-Hahn.

International cargo flights return to China

AIRLINES ARE BEGINNING to reintroduce China belly and freighter capacity to their networks following the country's decision to ease its pandemic measures.

On February 17, French airline CMA CGM Air Cargo began flying an Airbus A330-200 freighter four times a week from Paris-Charles de Gaulle to Shanghai Pudong.

The airline has been serving Hong Kong since October 2022 and currently operates a Boeing 777F from the French capital five times a week on that route.

Lufthansa Cargo said in February that it plans to offer a total of 10 freighter flights per week to Shanghai.

On two of these Shanghai connections, Lufthansa Cargo will also fly to Chengdu, doubling its capacity there.

Additionally, the number of its weekly flights to Hong Kong will increase from five to six.

Ethiopian Airlines has added belly capacity to Guangzhou, Beijing, Shanghai and Chengdu and plans to operate 28 weekly passenger flights to China in total.

Ethiopian Airlines Cargo has also launched a freighter service connecting China and Brazil as it targets e-commerce demand, as well as pharma and other high-value goods.



Several airlines are launching or expanding freighter services to China

The B777 freighter service is between Xiamen Gaoqi international and Sao Paulo-Guarulhos international and operates on Mondays and Fridays.

Etihad Cargo introduced a weekly Abu Dhabi-Shanghai B777 freighter flight on February 2.

The carrier now offers a total of eight dedicated freighter flights between the two locations.

An additional passenger flight to Shanghai launched in

the same week, bringing the airline's total passenger flights between Abu Dhabi and China to five per week.

Cathay Pacific aims to operate over 100 return flights per week by March.

From January 14 it began operating 61 return flights per week between Hong Kong and 13 mainland Chinese cities – including Beijing, Shanghai, Guangzhou, Xiamen and Chengdu – and is progressively adding more.

CVC acquires majority share in SGL

FREIGHT FORWARDER SCAN Global Logistics (SGL) has a new majority shareholder – private equity fund CVC Capital Partners Fund VIII (CVC).

CVC acquired the shareholding from an investor group led by AEA Investors Small Business Private Equity (AEA).

AEA will continue as minority shareholders, and the SGL

management team and AEA will co-invest alongside CVC.

SGL, which has annual revenues of more than \$3bn, said the deal would enable it to further accelerate international growth and meet revenue targets.

Since 2017, the company has achieved average annual growth in revenues of 33%, thanks to more than 30 acquisitions and

above-market organic growth.

Key company verticals include aid and relief; fashion and retail; automotive; technology; general manufacturing; food ingredients and additives; and pharma and healthcare.

Details of the transaction have not been released, but it is expected to close in the second quarter of this year.

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Cargo boost for Kenya Airways

KENYA AIRWAYS CARGO is looking to expand its freighter fleet following the success of its cargo-only flights during the Covid pandemic.

Speaking at Air Cargo Africa in Johannesburg, cargo director Dick Murianki said the carrier would initially look to add to its existing short-haul freighter fleet, which consists of two Boeing 737-300Fs.

Murianki said that the carrier was hoping to add two B373-800Fs, which have greater range than the -300Fs.

“They can go from Nairobi to the Middle East and India, and even have the range to reach Istanbul and southern Europe carrying around 20 tonnes,” he explained.

He said that once the two B737-800Fs are in place, the carrier would examine long-haul freighters.

Murianki said that during the pandemic the airline had expanded its cargo operations using its passenger aircraft, with particular business interest seen for flights to the Middle East and India.

Kenya Airways chief executive Allan Kilavuka said that two B787-9 Dreamliners had been used on cargo-only flights to long-haul destinations in China and Europe during the pandemic.

He said the operation had “proved the case” for long-haul cargo flights. He added that outbound volumes during the cargo-only operation had been much stronger than inbound, but there could be an opportunity to use the airline’s home base of Nairobi as an import hub for the rest of Africa.

Freighters would also allow the carrier to operate long-haul flights to airports where the passenger demand isn’t strong enough to justify the use of larger aircraft, he said.

ATSG expects reduced demand from Amazon



Photo: Shutterstock

AMAZON AND DHL are expected to scale back US freighter operations with lessor Air Transport Services Group (ATSG).

In a fleet outlook on February 6, ATSG said it expects to: “Operate Boeing 767 freighters dedicated to principal customers DHL and Amazon for reduced schedules and fewer block hours per aircraft across the US in the first half of 2023 versus 2022.”

The lessor said that the two firms were trimming their US supply chain networks in response to “reduced US economic growth and consumer spending levels in the first half of 2023”.

ATSG added that Amazon may also reduce the number of freighters it currently leases by up to five aircraft.

The lessor expects to: “Continue to lease into 2024 four of twelve B767-200 freighters currently leased to Amazon and operated by ATSG’s cargo airlines.

“Leases for the other eight are due to expire between May and September 2023,” it said.

“[Subsidiary Cargo Aircraft Management (CAM)] expects to retire at least three of the eight due to airframe cycle limitations and utilise the engines removed to support other B767-200 lease customers.

“CAM expects to re-lease

and/or sell the remaining five B767-200 freighters which Amazon may not extend.”

The plans follow confirmation in January that Amazon Air would start selling spare capacity on its aircraft as it responded to a post-pandemic slowdown in e-commerce spending.

Meanwhile, the e-commerce firm has also slowed the expansion of its cargo airline in recent months, according to a report from the Chaddick Institute of Metropolitan Development.

The Chaddick report showed the carrier grew its flights per day by 3.7% between March and September last year compared with an 18.4% increase in the prior year.

K+N launches weekly Alabama flights

KUEHNE+NAGEL (K+N) AND the Birmingham Airport Authority in the US have partnered to enable K+N to begin operating weekly international cargo flights into Birmingham-Shuttlesworth International Airport in Alabama from April 2.

This is the first time K+N has established a presence at a secondary airport in North America.

The logistics company expects to be able to optimise efficiency by avoiding congestion that can build up at bigger airports and better meet the needs of its customers in the automotive, aviation, and pharmaceutical industries.

K+N will begin operations with an inaugural flight from Stuttgart, Germany – the first cargo flight from Stuttgart to the eastern US.

The airport is also investing in cargo. In May, it will break ground on a \$25m air cargo facility.

K+N will initially operate from Kaiser Aircraft Industries’ hangar on the airfield, before moving into the new facility upon its completion in early 2024.

K+N will subcontract warehouse management to Alliance Ground International (AGI).

LINKING THE CARGO WORLD



bud:cargo
Budapest Airport

FREIGHTS MERGER

Freightos has completed its merger with acquisition company Gesher and has commenced trading as a public company on the Nasdaq stock exchange in New York. Freightos raised over \$80m in capital through the transaction.

ASTRAL EXPANSION

Astral Aviation has appointed Air Logistics Group as GSSA in Europe, the UK and the US. The partnership is expected to help support the cargo airline's new perishables service into Europe, and secure additional online capacity for Europe-Africa shipments.

REAL-TIME TRACKING

CharterSync has added real-time flight tracking capabilities to its active booking dashboard to enhance visibility for freight forwarders and enable them to monitor an aircraft's position across any phase of their booking.

MENZIES' US GROWTH

Menzies Aviation will add a cargo handling operation at Chicago Rockford International Airport (RFD) from June, after signing a 10-year lease agreement in January. The airport is one of the world's fastest-growing cargo hubs

IATA MANUALS UPDATED

IATA has completed the annual review of its air transport industry manuals for cargo, ground handling and operations. Updates reflect industry efforts to improve safety and sustainability, and enhance cargo handling.



Photo: Shutterstock

Cargo volumes fell significantly at Liege Airport last year, and the ACI believes flight limits will exacerbate the trend

Liege considers action over new flight limits

LIEGE AIRPORT IN Belgium will be restricted to 55,000 movements per year by the Walloon Government – but the airport could request an increase.

The regional government has now decided on the terms of the 20-year environmental permit that was first contested by the cargo specialist in September 2022 because of limits on flights and noise.

This is a more favourable outcome than the maximum limit of 50,000 aircraft movements per year for aircraft over 34 tons set by the original permit.

But Liege Airport's 2020-2040 master plan foresees 67,000 movements at its peak and no limitations on night flights.

The Walloon Government said: "Liege Airport will thus be limited to 55,000 movements per year, excluding less than 34 tonnes and/or less than 19 passengers, which represent 15% of current movements.

"Nevertheless, and in accordance with the legislation in force, Liege Airport can respond to the incomplete nature of the impact study to justify a request to increase the number of movements fixed in the system."

The original permit also included an obligation to reduce aircraft noise by 5% per year from 2024 as well as a noise quota on night flights.

In its most recent statement, the government said it had introduced a noise quota with a

gradual decrease in the level of noise allowed after 11pm up until 2033.

Liege Airport said: "Directors and management will take the time to analyse the new permit in detail and decide, if necessary, what action to take."

The airport added its environmental policy already incorporates initiatives such as soundproofing, use of renewables, saving energy and quieter aircraft.

In January, Airports Council International (ACI) Europe said the permit would curb cargo volumes at Liege and see it lose business to rivals.

The airport registered a double-digit percentage decline in air cargo volumes last year.

Freighters set for Mexico City move

MEXICO'S GOVERNMENT HAS struck an agreement with airlines to shift all-cargo operations from Benito Juarez International Airport (Mexico City International), to Felipe Angeles International (AFIA).

Following the government's decision to ban freighter flights from Mexico City's primary airport, Mexican president Andrés Manuel López Obrador

said AFIA, which opened in March 2022, is ready to receive cargo flights.

Cargo operations are due to be transferred to the new airport in the summer, but DHL has already moved its flights.

As a result of this, congestion at Benito Juarez is anticipated to decrease.

In January, IATA said expecting airlines to move cargo opera-

tions at short notice "is not feasible given the enormous technical, regulatory and infrastructural requirements associated with this transfer".

The trade association added that AFIA does not yet have adequate facilities and infrastructure so that the cargo operators can work smoothly.

Belly cargo in passenger flights is exempt from the plans.

SATS investors agree to acquisition of WFS

SATS SHAREHOLDERS HAVE voted to approve the planned takeover of the cargo-handling giant Worldwide Flight Services (WFS).

At an Extraordinary General Meeting in January, 96.8% of the total number of votes were in favour of a resolution to approve the transaction.

With the receipt of shareholder approvals, the deal is now subject to requisite regulatory approvals.

Singapore-based SATS said it hoped the transaction would be completed in March or April of this year.

Kerry Mok, president and chief executive of SATS, said: "It is a clear demonstration that our shareholders recognise the strategic value and growth opportunities that this transformational deal will unlock for SATS and all of our stakeholders.

"We will be better positioned to provide our global customer base with end-to-end solutions, while securing a pathway to profitable growth and uplifting our home-market base in Singapore."

The aviation services company struck a deal last September to buy WFS from an affiliate of asset investor Cerberus Capital Management



in a deal with an enterprise value of €2.25bn. SATS finalised its funding plan for the proposed acquisition in December.

The funding plan for the total acquisition cost of S\$1.8bn is a mix of term loan and renounceable underwritten rights issue, with the remaining amount financed by cash.

So far 2023 has been a busy year for WFS. It has recently been selected by China Eastern Airlines to provide cargo handling services for its cargo-only Boeing 777 flights into

Liege, while e-commerce logistics group Zongteng Group has chosen WFS to handle its new freighter flights between China and Paris.

Saudia Cargo has also extended its partnership with WFS via a multi-station contract that will see the ground handler manage 160,000 tonnes of cargo annually at a host of major airports across Europe and the US, including Amsterdam, Frankfurt, Paris, London, Manchester, Brussels, New York, and Washington.

Cathay goes 'beyond' for new name

CATHAY PACIFIC CARGO has rebranded as Cathay Cargo as part of the group's overall brand redesign.

Cathy Group chief executive Ronald Lam said: "This is an opportune moment to align our cargo business with the master brand as we continue our cargo investments in Hong Kong and the Greater Bay Area for a promising future. This rebrand reflects our cargo business' commitment to the same 'Move Beyond' ambition as the group, while building on a strength that the Cathay brand has long been known for – offering leading-edge services to our customers."

The launch of the new name follows several 'refreshed' solutions, Cathay Cargo said, including Cathay Priority and Cathay Pharma. Cathay Mail is scheduled for a refresh in March.

A statement said: "These services cater to the respective burgeoning demands by customers for effective temperature-sensitive solutions, and efficient and reliable delivery solutions with new digital technology that better meets the requirements for shipment visibility, reliability and speed."

In recent years, Cathay Cargo has invested in technology such as Ultra Track, a track-and-trace service that gives customers near-real-time information on the airport-to-airport leg of the shipment journey using low-energy Bluetooth data-loggers; and Click & Ship, a 24/7 online booking service with instant processing and confirmation.

Cathay Cargo's website has now been revamped to reflect the new brand and to enable users to access features such as track and trace, booking and flight availability with ease. Further developments at Cathay Cargo will follow as the rebrand continues.

Turkish Cargo adds online option

TURKISH CARGO HAS placed its capacity on the online booking portal cargo.one as the airline continues to digitalise its sales process.

This means freight forwarders can book capacities across Turkish Cargo's network of more than 340 destinations, 100 of which are direct cargo flights.

The carrier has plans to

increase cargo destinations to 120 by 2025.

Adnan Karaismailoğlu, senior vice president of cargo business development and organisation at Turkish Cargo, said: "Turkish Cargo's partnership with cargo.one will [expand] our digital footprint and improve sales capabilities."

The move is not the carrier's

first foray into online platforms, it also offers its capacity on WebCargo. The addition of carriers and capacity is important to booking portals as it gives their users more options when they perform a search.

Cargo.one has 40 bookable airlines onboard and close to half of global air cargo capacity available for instant booking.

LATAM Cargo: Collaboration helps us build a more resilient pharma supply chain

Collaboration took on a whole new meaning in the last three years as disruption and uncertainty troubled companies' supply chain operations around the globe. With airfreight capacity at its lowest and supply chains disrupted, the pharmaceutical industry faced an even bigger challenge as the need for transportation for pharmaceuticals and healthcare products and eventually the COVID-19 vaccine also grew exponentially during these times.

During these challenging times, LATAM Cargo relied on its certified CEIV PHARMA product and partnerships with different participants in the supply chain, to continue providing its clients with a robust cold chain solution for pharmaceutical shipments. This led to an increase in over three times the amount of pharma transported when comparing 2022 to 2019 and more than 575 million COVID-19 vaccines to and within South America.

Some of the standards established for COVID-19 vaccines are becoming the new norm with increasing demand for stricter processes and further visibility of shipment status. Based on the experience in transporting COVID-19 vaccines and other pharmaceuticals during those challenging times, LATAM Cargo believes that partnerships and collaborations between the different players in the logistics chain (laboratories, forwarders, GHAs, and airlines) will play a key role in this post-pandemic world.

LATAM Cargo had the advantage of having in place a robust and scalable PHARMA solution, that offered its clients the network, infrastructure, training and expertise in the correct handling of pharmaceuticals that had been CEIV PHARMA certified since 2017. LATAM Cargo's approach has been driven by placing the client at the forefront of its decision making and focusing on long-term partnerships. This helped to establish the collaboration efforts that were needed to successfully sort through the pandemic.

The company understands that the industry is always evolving and it strives to understand



its clients' needs and be flexible by designing solutions that fulfill those needs. Increased supply chain resilience can be enhanced by increased visibility, velocity and flexibility, supported by collaborative activities such as mutually created knowledge, collaborative communication, information sharing and joint relationship efforts.

In designing solutions that respond to its clients' needs, LATAM Cargo has grown its PHARMA network by more than 40% in the last couple of years. It has not only increased the number of PHARMA stations but also developed the processes to successfully transport these delicate products in connecting flights through its main hubs, allowing clients to have more capacity and route alternatives and destinations, without compromising the quality of its service.

As part of increased collaborative and visibility efforts, LATAM Cargo implemented some improvements within its internal processes. It created a control tower to support COVID-19 vaccine shipments and provide clients with constant visibility and proactive communication. LATAM Cargo improved its contingency management process for all PHARMA shipments by streamlining communication among its internal teams, so that the solution could be addressed effectively as well as communicated in a proactive manner

to its clients with complete transparency.

It is essential that all those involved in the supply chain of pharmaceuticals know what to expect from the air transportation process so that the correct risk assessments can be undertaken and the correct packaging solution selected. LATAM Cargo plays a key role in this process by providing visibility of its infrastructure, its processes and itinerary (route planning). LATAM Cargo is prepared to handle passive and active packaging through its PHARMA Passive and PHARMA Active services. Furthermore, in order to provide a better and more efficient service, LATAM Cargo has increased its container leasing options (active and advanced passive/hybrid solutions) to improve its product offering and provide sufficient and diverse choices for its clients.

It also continues to expand and strengthen the PHARMA quality agreement usage as a tool to establish the responsibilities and set expectations when it comes to the transportation of these sensitive products.

LATAM Cargo is looking forward with optimism, having overcome the COVID-19 pandemic challenge, and is focused on leveraging what it has learned during these last couple of years to continue growing its PHARMA product as the optimal solution for its clients.



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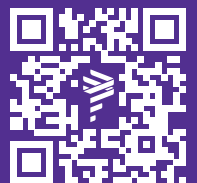


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AERCAP MILESTONE

Dublin headquartered lessor AerCap has completed delivery of its 50th B737-800BCF. Brazil's GOL Linhas Aéreas will operate the aircraft on behalf of a Latin-American e-commerce company.

SKYCOURIER DEBUTS

FedEx feeder airline Mountain Air Cargo has become the first to operate Textron Aviation's Cessna SkyCourier freighter. Textron delivered the first of 50 twin utility turboprop units to launch customer FedEx Express in May last year.

ATSA INVESTMENT

Peru-based airline Aero Transporte SA (ATSA) has signed a firm agreement with De Havilland Canada for a Dash 8-400 freighter conversion. ATSA currently operates two Dash 8-400 aircraft.

FREIGHTER DASH

Argentinian government-owned Aerolíneas Argentinas will move into freighter operations with the addition of two Boeing 737-800Fs, due to arrive in the fleet in the first quarter of 2023. Electronics firm Mirgor will initially use part of the new aircraft's cargo capacity.

FIRST GLOBALX A321P2F

GlobalX's first A321 Passenger-to-Freighter (P2F) conversion has been completed by ST Engineering as part of a 2021 deal to convert and lease five A321P2F aircraft with ST Engineering's Aviation Asset Management unit.

AviaAM Leasing steps up conversion efforts

AVIAAM LEASING HAS purchased two more Boeing 737-800 aircraft for Passenger-to-Freighter (P2F) conversion.

The aircraft, bearing serial numbers 29769 and 28225, are the fifth and sixth B737-800 respectively inducted to cargo conversion, with the previous four already delivered to sister company and lessee Bluebird Nordic.

The two Boeing aircraft are undergoing P2F conversion at the Taikoo (Shandong) Aircraft Engineering Company Limited (STAECO) facility at Jinan Yaoqiang International Airport in China. Work is anticipated to be completed by the second quarter of 2023.

AviaAM Leasing is currently undertaking a P2F conversion programme, which includes the B737-800 series and a pledge to convert 25 aircraft of different types over the next four years.

The lessor welcomed its first B737-800 Boeing Converted Freighter (BCF) in July 2021 after being acquired in March that year for conversion at the STAECO facility.

A second B737-800 underwent P2F conversion by Boeing at the Guangzhou Aircraft Maintenance Engineering



The latest P2F conversions will be the fifth and sixth undertaken by AviaAM

Photo: AviaAM Leasing



Company (GAMECO) facility at China's Guangzhou Baiyun International Airport and was delivered in February 2022.

The third B737-800BCF was delivered to Bluebird in August 2022, again after being converted by Boeing in Jinan.

Iceland-based ACMI leasing and cargo airline Bluebird Nordic and AviaAM Leasing are both part of Avia Solutions

Group and are working together to enable Bluebird to achieve its fleet expansion goals.

AviaAM Leasing chief executive and chairman Tadas Goberis said: "We continue to execute our plan related to the B737-800BCF conversion expansion programme and thus support our group's cargo airlines with more efficient cargo aircraft."

He further remarked on the complexity of the projects: "Each of the conversion projects we undertake requires detailed planning and complex solutions, thus we're proud to continue this project, this way strengthening our presence in the air cargo market as a reliable leasing and trading service provider."

AEI buoyant, but predicts slowdown

AERONAUTICAL ENGINEERS Inc (AEI) saw its conversion deliveries rapidly increase in 2022 but the firm is expecting a slowdown in the coming years.

The company delivered 41 converted aircraft last year, up 51.8% on the 27 aircraft delivered in 2021 and far above the 11 delivered in 2020.

The Boeing 737-800SF accounted for 31 deliveries.

The remainder were a mix of B737-400SF, Bombardier CRJ-200 SF and McDonnell Douglas 80SF series aircraft.

Based on current order backlogs, AEI estimates it will deliver approximately 44 freighters in 2023, with the B737-800SF again accounting for most deliveries (32).

The company estimates it will deliver four B737-400SFs, four

CRJ-200 SFs and four MD-80SF series freighters this year.

However, the conversion firm expects demand to slow down from 2024.

AEI senior vice president of sales and marketing Robert Convey said: "Given the current uncertainty in the economic environment, we do however expect the annual pace of freighter deliveries to settle a bit after 2023."



End of an era as final B747 takes to the skies

BOEING HAS DELIVERED its last ever 747 to cargo airline Atlas Air.

The final aircraft, a B747-8 freighter, is the 1,574th manufactured during 54 years of production of the legendary jumbo jet.

Thousands of people – including current and former employees as well as customers and suppliers – celebrated the final delivery in the factory constructed to produce the iconic widebody with the distinctive hump.

In December, the B747-8F left the company's widebody factory in advance of delivery

to Atlas Air. This final aircraft will be used by freight forwarder Kuehne+Nagel (K+N) as part of its dedicated freighter operations through a partnership with lessor Atlas Air.

In total, the freight forwarder will charter two new B747-8Fs from the lessor.

K+N previously said the aircraft would be used on transpacific services and also linked to its intra-Asia network to provide better connectivity in the growing Asia Pacific region.

Atlas Air ordered four new B747-8Fs, the last ever to be produced by Boeing, in 2021

and took delivery of the previous aircraft in the order in 2022.

The B747 has played a key role in Boeing's success, with production of the world's first twin-aisle passenger aircraft beginning in 1967.

While the ceremonial event marked the end of an era for the manufacturer, the youngest B747 airframe will likely fly for the next 40 years, according to Atlas Air chief executive officer Jon Dietrich. "There is no specific replacement to the B747-8 and that's why we are so excited to take the last four," he said. Atlas now operates 56 of the type in its all-Boeing fleet.

Partners see fruit of A321 deal

HONG-KONG BASED MRO HAECO Xiamen has completed and redelivered its first Airbus A321-200PCF converted freighter with Supplemental Type Certificate (STC) partner 321 Precision Conversions.

The MRO said it is preparing to introduce multiple A321 conversion lines, after agreeing to expand its deal with 321 Precision Conversions last year.

Kevin Guan, chief executive, HAECO Xiamen, said: "HAECO Xiamen started a collaboration with Precision on the Boeing 757-200PCF conversion in 2010. We have [had a] good co-operative relationship with Precision in the past 12 years, and we are delighted to extend this collaboration to A321-200PCF conversion.

"HAECO Xiamen is busy preparing to convert one B757-200PCF conversion line to A321-200PCF in the middle of the year and we look forward to introducing multiple A321 conversion lines here then."

Gary Warner, president of 321 Precision Conversions, added: "Our long-term relationship with HAECO Xiamen has proven them to be a consistent performer on the B757-200PCF programme and now on the A321-200PCF."

Etihad mulls switch of old B777s to freighters

ETIHAD CARGO IS considering converting some of its Boeing 777 passenger aircraft into freighters.

Speaking to *Air Cargo News* on the sidelines of the World Cargo Summit, Etihad Airways vice president cargo commercial Tim Isik explained that the carrier had five B777s that were planned to be retired but had been called into action to meet

demand following delays to the delivery of newer aircraft.

"These aircraft are currently active in our fleet and there is a question as to whether we could look at some conversions to boost our freighter fleet while we are waiting for some Airbus A350 freighters to be delivered," he said.

However, he added that discussions on the possible

conversion were at an early stage and with the aircraft currently in use and the time it takes to convert them, it could be a long while until they made it into the cargo operation.

If Etihad decided to pursue the conversion of the aircraft, Etihad Engineering has a partnership with IAI on conversion lines in Abu Dhabi, which includes work on the

B777 freighter.

Last year, Etihad Cargo made the headlines when it became one of the first carriers to order the recently launched A350F.

In total, the carrier ordered seven of the 109-tonne capacity aircraft, with deliveries expected to begin in 2026.

In terms of freighters, the airline currently operates five B777Fs.

Opening up opportunity

Moving the cargo door from back to front can deliver huge operational benefits when converting a Boeing 777-300. Roger Hailey talks to the US team switching things up

Where do you put the cargo door on a Boeing 777 converted freighter? At the back of the aircraft: yes or no?

It goes at the front, say the US partners behind the B777-300 extended range converted freighter (ERCF) conversion programme, which brings together the Kansas Modification Center (KMC) and the National Institute for Aviation Research (NIAR) WERX, the aerospace research arm of Wichita State University (WSU).

Jim Gibbs, president and chief executive of KMC, explains the reasoning: “If you have a clean sheet of paper, it makes the most logical sense to put the cargo door at the front.

“The front of the aircraft is under less flight load and so the aircraft can be much lighter than with a cargo door located aft.”

Competitor conversion houses in the fast-growing B777-300 passenger-to-freighter (P2F) market have the cargo door at the back. But Gibbs, a 40-year veteran of plane-building who started his career with Boeing, says: “The only logical argument you can make for putting the door at the back is for commonality with

the production freighter, which unfortunately lacks sufficient space in front of the engines to accommodate a forward door.”

He also makes the point that the B777-300ERCF will be an “ideal” replacement for MD-11 and B767 freighters, which have a forward cargo door.

KMC will own the Supplemental Type Certificate (STC) for B777-300ERCF and is the main customer contact before and after the conversion.

NIAR WERX will perform the engineering and MRO on the initial aircraft, three of which have been ordered by Backbone Freighter Leasing, a subsidiary of Germany-based aircraft asset

manager Dr Peters Group.

Backbone Freighter Leasing also holds options on seven more of the B777-300ERCFs.

There is more to the B777-300ERCF than a fore cargo door, insists Eric Kivett, programme manager at NIAR WERX, part of an aviation research division founded 35 years ago.

The interior of passenger B777-300ER will be stripped out to achieve the lowest operational empty weight (OEW) of the aircraft but will not alter the take-off weight or maximum landing weight.

“The key to getting the best payload and aircraft efficiency is to make the OEW as low as

possible,” says Kivett, who lists several conversion features.

These include aluminium floor beams, a bespoke integrated cargo handling system, a four degrees Celsius minimum temperature for perishable cargo, no changes to the aircraft’s main software systems and minimal changes to the cockpit instrument panel.

In layman’s terms, the forward fuselage and cargo door undergo lower forces during flight and so save weight compared to the additional structural changes needed for an aft door. Less weight means greater operational efficiency.

Kivett says: “We have 400 engineers with an average of 25 years’ experience in aviation. We have a FAA Part 145 MRO, so we can physically modify the airplane for the actual flight test and certification.”

Wichita has aviation roots stretching back to the 1920s and has become an aerospace cluster, with a large and highly skilled workforce to call on.



Photos: KMC / NIAR





German aircraft asset manager Dr Peters Group has three KMC B777-300ERCFs on order, with an option for seven more

'If you have a clean sheet of paper, it makes the most logical sense to put the cargo door at the front'

Jim Gibbs, KMC

KMC has secured its supply chain with raw materials and local companies producing aircraft parts.

NIAR WERX partnered last year with Precision Aircraft Solutions for P2F conversions on the Airbus A321 and B757.

It will have already completed 15 A321 conversions when the first B777-300ERCF comes out of the hangar.

Leading from the front

Kivett has put together a data-driven slideshow to answer customer questions on how the B777-300ERCF compares favourably in payload and fuel burn against the production line B777F, competitor B777-300 P2F and the ageing B747-400F.

Kivett says that with the -300ER's higher volume, it can load more revenue payload versus the current production line B777 freighter, except at the highest densities and packing efficiencies, and has a near 25% fuel cost saving versus the B747-400F.

In the \$3 to \$5 fuel price range, WERX calculates that, over 15 years, the B777-300ERCF accumulates total fuel savings of \$3.7m to \$6.2m compared with B777 P2F competitors installing a rear cargo door.

Boeing states that the B777-8F can carry 118 tonnes over 9,200 km. Its new GE9X engines and composite wing design offers 30% greater fuel efficiency and 25% lower operating costs per tonne.

Boeing has an expanding

orderbook for its larger payload production line freighter, the B777-8F, although reports suggest that the delivery date of the first aircraft will probably go beyond 2025 as originally planned.

So, can the B777-300ERCF compete with the new freighter? Yes, says the team behind the conversion programme.

Gibbs of KMC believes that the higher capital cost of the B777-8F and Boeing's ongoing issues create an "enormous drag" when compared to B777 P2Fs.

Gibbs says: "Our version is available, and the capital expenditure cost is very attractive. The B777-300ERCF is a very young aircraft and the GE90 engines are known for their efficiency and reliability.

"So, you have the delivery concerns with the OEM, and a near-term contracting air cargo market, which means you may not need the excess payload that the Boeing 777-8F may offer.

"It is an awful big price tag to pay and a long time to wait for

that 10% extra capacity."

Gibbs adds that the B777-300ERCF has no feedstock issues, with 840 passenger aircraft manufactured, and "a very compelling argument" for serving the expanding e-commerce and perishables markets, as well as general freight.

The announced and unannounced KMC orders support Boeing's strong conversions market forecast, with 555 widebody conversions over the next 15 years. KMC plans to produce one converted aircraft a month until the end of 2025 and can ramp up production to 18 a year to meet expected market demand.

There is no confirmed price tag for the B777-300ERCF, as with most P2Fs.

Gibbs says: "We feel our conversions and the options offered make it the most economically valued conversion. It gives a lessor and the operator the highest value for the conversion price."



Photo: LATAM Cargo

Getting customers to take a more flexible approach to transit times can help carriers make better use of their networks. LATAM Cargo is working hard on its powers of persuasion, writes **Ian Putzger**

Window shopping

LATAM Cargo is leveraging technology and customer relationships to boost capacity utilisation. The carrier is using a dynamic routing tool to determine optimal routings, and is expanding the possible permutations by agreeing with customers on transit time windows.

“The customer gives us a timeframe for a shipment and we choose how it’s routed,” says LATAM Cargo chief executive Andrés Bianchi. “We can utilise our network better. We can use routes that are not so great in our belly network.”

About two decades ago Lufthansa Cargo made a foray in this direction, attempting to shift bookings from specific flights to various transit windows, but the idea failed to gain traction. Forwarders wanted specific flight bookings so they could use the flight number to track shipments.

For airlines, the benefits of transit time commitments are tempting and the rise of e-commerce is adding to the lure, since these shipments are not booked for specific flights. The integrators don’t sell retail parcel and envelope shipments on specific flights.

On the other hand, FedEx does give flight-specific details for third-party cargo moving on its freighters, notes Neel Shah, global head of airfreight at Flexport. “For parcel networks you don’t get flight details. They have highly reliable tracking.”

Reserving judgement

One senior industry executive doubts that the concept will take off this time, as forwarders are still opposed to the idea.

“The forwarding community will have quite a few reservations,” agrees Shah. In many cases their hands will be tied. Experience from the past couple of years shows that many shippers – especially large ones – have gone for more granular visibility of their supply chains and would not accept the notion of not knowing which flight their cargo is on. Nevertheless, Shah sees appeal in the concept and does not rule out experimenting in this direction.

“If an airline can demonstrate reliability and can do it in a specific lane, it could work, particularly for regular traffic,” he reflects.

“If we can agree on a window and the

airline can guarantee that the shipment arrives by the end of that window or before, I’d be willing to try something like that.” He adds that Flexport would have to see a benefit in return, possibly better pricing.

The element of customs clearance makes international shipments more complicated, but this does not mean the concept could not be tried in certain trade lanes.

When Shah was head of Delta Cargo, the airline offered a two-day domestic product to leverage its dense network with multiple daily flights between many markets, supported by a money-back guarantee.

“It worked pretty well. We had so many flight options,” Shah recalls. “It’s less applicable internationally, but in a lane segment where a carrier has a lot of volume, for example LATAM between Miami and Santiago, it could work.”

Bianchi reports that the uptake for LATAM’s transit window scheme has been good in certain lanes.

He says customers have been more open because of the relationship fostered with them during the pandemic, when the carrier blocked lift for established clients rather than selling all its capacity high in the spot market. “Once you develop the trust with the customer and prove that the product works and that you can support the product with the right intensity, it’s easier to get accepted,” he says.

Flexible friends

Jan Krems, president of United Cargo, regards selling transit time-based solutions as a key part of the airline’s business.

“This is not a new concept to United, but it is one that takes time to develop,” he remarks. “Today we have experienced teams and dedicated groups who are seasoned in working with customers that have flexibility.”

“That flexibility comes in different forms too – traditionally we think of our service offering in terms of direct and indirect flights, but today that indirect solution is tied more into transit times.

“An indirect with United can be tailored to be anything from 24 to 96 hours and in some cases longer again,” he says.

“We see more flexibility with larger volumes, where we may be given a four to six week timeline. We commit to a final deadline date, build tentative schedule plans with flight details, but ultimately agree with forwarders to remain agile on the final execution once the cargo is handed over to us.”

Krems intends to expand the concept in the year ahead: “Today, transit time-focused solutions are mostly offered in the US and Europe and are also heavily reliant on our trucking networks and warehouse capacities, he says. “In the future, we are seeing how we can expand this to other global markets.”





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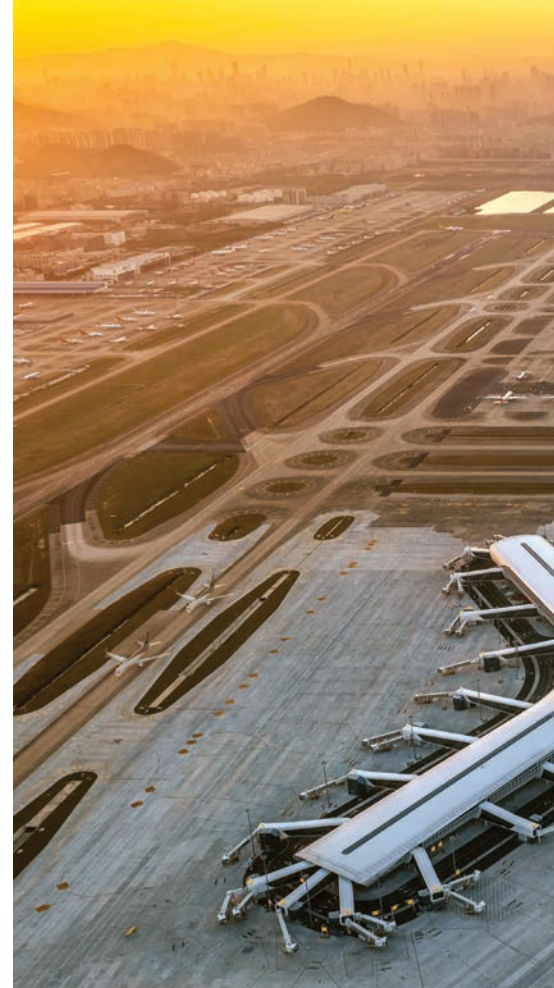
DC-9F (14 TONS)



BOMBARDIER CRJ-200F (6 TONS)

International volumes soar at Shenzhen

China's third-largest cargo airport is growing faster than its domestic competitors, thanks to the development of new technology and infrastructure – and a focus on global trade, writes **Roger Hailey**



Shenzhen Bao'an International Airport (SZX) is investing in cargo terminals and faster handling of e-commerce goods to supercharge international volumes as China's vast airfreight market reopens for business.

The third-largest cargo airport on the Chinese mainland – and the biggest in terms of domestic cargo volumes – plus a logistics hub for the Guangdong-Hong Kong-Macao Greater Bay Area, SZX handled 776,000 tons of international airfreight in 2022, a nearly 20% increase for the third year running.

In total, SZX processed 1.5m tons of cargo in 2022, a slight dip of 3.9% on 2021.

In terms of its annual growth rate, SZX performed much better than other major Chinese hubs – including Beijing, Shanghai and Guangzhou – especially for international traffic.

Since 2021, Shenzhen Airport has been one of the top 20 airports in the world for cargo volume.

SZX handled more than 20,000 cargo flights in 2022 that served 57 cargo routes, connecting 23 countries around the world.

There are currently 28 airlines operating freighters in SZX, including UPS, FedEx, DHL, Polar Airlines, Turkish Airlines and Qatar Airways.

In 2022, Shenzhen added several key international destinations, including Bangalore, Doha and Leipzig.

Ying Xuemin, chairman of Shenzhen Airport Logistics Company, says: "On the one hand, we never stop introducing new partners, especially leading airlines in the industry,

to drive more airlines to expand business in the Shenzhen market.

"On the other hand, we are very supportive of the airlines based in Shenzhen and help with their business development. The presence of more and more high-level cargo airlines has enriched the international cargo route network of SZX, fully demonstrating the vitality of Shenzhen's air cargo market."

E-commerce investments

Ying continues: "Shenzhen gathers the largest number of cross-border e-commerce market players in China. Taking the Amazon platform as an example, Shenzhen enterprises account for more than 30% of Amazon's Chinese sellers – much higher than other domestic cities.

"The top five logistics enterprises in China's cross-border e-commerce all have a business presence in SZX.



International freight accounts for half of all cargo

"More than half of the volumes handled by SZX are express goods. In the future, we will serve more and more Chinese cross-border e-commerce enterprises and build the new Cross-border Express Distribution Center."

DHL Express is one e-commerce delivery giant full of confidence in the air cargo development potential of SZX.

Yang Mei, director of DHL Express Shenzhen, explains: "Shenzhen is an important transit centre for our company in China.

"With the rapid development of cross-border e-commerce in Shenzhen, the demand for international express logistics continues to grow.

"In order to further improve international express handling capacity and services, we are working with SZX to rebuild and expand our facilities and upgrade them to form the South China Super Gateway.

"It is expected to be delivered to DHL by SZX for use this year."

Yang adds: "The hub will help Shenzhen and its surrounding regions accelerate the export of high-quality Chinese e-commerce goods.

"We will continue to improve our cargo handling capacity to meet market demand, open more cargo routes in co-operation with SZX, and provide more adequate and stable transport capacity and higher-quality services."

Being an important high-tech industry centre in China, Shenzhen's high-tech sector accounts for more than one-third of the city's GDP.



Shenzhen handled 1.5m tons of cargo in 2022, putting it in the top 20 airports globally in volume terms

Wu Man, general manager of Cainiao International Air Logistics Department, says: “Shenzhen is the core city of Guangdong-Hong Kong-Macao Greater Bay Area, with a superior location and intensive high-tech industrial clusters – and high demand for air cargo.

“SZX strongly supports the air cargo business, and has previously given a lot of support and assistance to newcomers in business co-operation, airport handling, operation resource, etc.

“We are planning to set up an air cargo centre at SZX to form a ‘double hub’ operation mode in Hong Kong and Shenzhen, providing better support for Cainiao’s global 72-hour logistics network.

“Cainiao will continue to increase business and maintain close co-operation with SZX.”

A series of reforms in air security management has seen Shenzhen Airport take

the lead in China to put practices in line with international standards.

In 2021, the airport held the Air Logistics Safety Forum jointly with Aviation Cooperation Programs (ACP), Boeing, CAAC, airlines, freight forwarders and other industry parties to discuss safe and efficient security strategies.

SZX has now implemented six industrial cargo security pilot projects, including the world’s first CT security screening machine.

For locally produced cross-border e-commerce goods with lithium batteries, SZX has implemented a whitelist system to provide safer, more convenient and efficient security services for related enterprises.

Ying states: “We have secured the transportation of more than 10,000 products, tens of thousands of tons of lithium batteries, cold chain and pharmaceutical goods, further meeting the core demands of Chinese local



Customs checkpoints use smart identification

enterprises for efficient and rapid security inspection.

“More and more customers will enjoy convenient security inspection services without the need to issue air transport identification reports, which is at the forefront of domestic airports in China.”

SZX co-operated with the Customs authority’s Efficiency Improving Plan, using the latest information technology at the customs checkpoints for smart identification of goods at the entry gate, achieving rapid customs clearance at the international cargo terminal.

Ying says: “SZX has fully realised the export pre-declaration mode. The efficiency of cargo turnover has been improved by 45%, and the export handling capacity of the cargo terminal has been improved from 550 tons/day to 800 tons/day.”

Export goods can now arrive just four hours in advance at the international cargo terminal, compared with at least two days previously.

Ying adds: “We can flexibly adjust the declaration and entry time according to the different types of goods and export needs of customers, which greatly facilitates enterprises. It saves a lot of customs clearance costs.”

Backing logistics

SZX has launched the planning and construction of eight logistics facility projects with a total investment of more than \$720m and a footprint of about 800,000 sq m that will see the annual cargo support capacity exceed 1.5m tons.

Ying states: “We are speeding up the construction of the second international cargo terminal. After project completion, 18,000 sq m of international cargo handling will be added, with an annual support capacity of 110,000 tons.”

It is expected to open by the middle of 2023. SZX is also stepping up the infrastructure construction of the Cross-border Express Distribution Center, a third runway, and the North Cargo area.

“Our goal is that by 2025 the annual cargo volume of SZX will exceed 2.1m tons,” says Ying.

“We will move towards a future annual handling capacity goal of 4.5m tons.”



Photos: Shenzhen Bao'an International Airport



28 airlines operate freighter flights at Shenzhen

Virgin's full belly

Virgin Atlantic Cargo (VAC) is confident it can ride out reduced air cargo demand and potential overcapacity after cutting its freighter flights last year.

Belly capacity will be the sole focus of British airline Virgin Atlantic's cargo arm, now its London-Brussels service operated by Titan Airways utilising an Airbus A321P2F is under review as the aircraft undergoes maintenance.

The service ran from May-October 2022, after which it began operating on an ad hoc basis.

From August to October 2 last year, VAC also ran a service that operated three times a week between Denmark's Billund Airport and Heathrow Airport in the UK, also using an Airbus A321F operated by Titan Airways.

With passenger demand growing steadily, global belly capacity is increasing, but Phil Wardlaw, managing director at VAC, says all Virgin's aircraft are fully utilised.

There aren't any unexpected surprises in the market, he stresses.

"As we predicted, there is slightly less capacity than there was across most of the North Atlantic lanes in 2019.

"I think we knew at the point that significant passenger volumes returned in the summer schedule for 2022 that the supply-demand curve would return back to be pretty much in line with 2019 levels.

"We've seen passenger demand really holding up strongly at the beginning of this year. So hopefully, there's an indicator in there that future demand will remain strong for cargo as well."

Wardlaw adds that despite the global economic challenges and the stabilisation of oceanfreight: "Yields are still relatively good and prices are holding up.

"Tonnage is down a little bit, but in line with what we're predicting year on year."

Overall, VAC is in a secure business position. Wardlaw says: "2022 wasn't in line with 2021, but results were still strong. We're looking at probably double the revenues that we had in 2019."

Expectations for this year are also positive.

"We've got some seasonality within the figures, but we're predicting another relatively strong year for cargo, certainly compared to 2019," says Wardlaw.

"And we're hopeful that this year we'll have a fourth quarter peak, unlike 2022."

Perishables, cars and pharma are among the focus areas for the business this year.



Photo: Virgin Atlantic

Growing passenger demand has vindicated the decision by Virgin Atlantic Cargo to ditch freighter flights. **Rebecca Jeffrey** finds out how the airline is managing its plans for the future

Following China's decision to ease its pandemic restrictions, on May 1 Virgin plans to restart its scheduled Shanghai route using B787 aircraft, which is "a significant cargo route for us," says Wardlaw.

The London Heathrow-Shanghai route was last operated in December 2020, having initially resumed service in June that year after the pandemic had prompted Virgin to temporarily suspend flights.

The airline is also planning to announce a couple of new routes in March that will "have the potential to be significant cargo routes".

Chasing digitalisation

Digitalisation will be a major investment area for VAC in 2023.

In January, the business upgraded its cargo management system to Accelya's latest SkyChain solution, internally named as Voyager.

Then in March, it simplified the scope of its shipments, with a focus on premium products such as pharma.

Later this year, VAC plans to launch an online booking system for customers on its website. This is an "off the shelf" solution from Accelya, which will be known as myVS.

The system will enable customers to book, manage and track their cargo via VAC's website.

"This will be the first time that we've ever offered online bookings, so I know we are a follower in that regard. There are others that have been out there for some time," says Wardlaw.

"But I think that gives us the ability to learn some lessons from those carriers that have gone before us."

In the second half of this year, VAC will offer its capacity on a third-party marketplace for the first time and has signed a letter of intent (LOI) with an as-yet-unnamed provider.

The business also hopes to add a second third-party marketplace provider by the end of the year.

Additionally, it will go live with dynamic pricing this year to support its online digital offering.



The first in-person World Cargo Summit took place in Abu Dhabi towards the end of January under the theme of embracing opportunities and challenges.

Tackling the event theme head on was DB Schenker's global head of airfreight Asok Kumar, who outlined a series of Covid-related developments that he expects to become permanent changes to the industry.

For one, Kumar said forwarders, faced with widespread capacity shortages during the pandemic, had started their own airfreight charter operations and these were here to stay.

At the peak of the crisis, he said, DB Schenker operated 58 flights per week to 15 different airports.

This has since reduced to 43 flights per week as the pandemic and capacity shortages have eased, but he is not expecting operations to end soon.

He told *Air Cargo News* that this was in part due to the fact that having control of the network meant it could operate to less congested airports with more of a cargo focus, while airlines tended to concentrate on the major gateways.

He pointed out that at some of these alternative gateways cargo could be on a truck within two and a half to three hours of an aircraft touching down.

Shippers had also grown to appreciate this level of service. Meanwhile, demand for its own flights remained strong, he said.

"Is that going to go to zero because of the market slowdown?" he asked. "No – we will continue to operate our own-controlled capacity for the long-term future."

Kumar also comforted airlines in the audience, saying that this didn't mean freight forwarders would become their competitors.

He pointed out that around 16% of its volumes moved on its own network while the other 84% is still carried by partner airlines.

Shift sticks

Other permanent changes brought about by Covid were also highlighted. Among these, Kumar said he expected at least some of the shipping lines that have invested in air cargo operations over the last couple of years to remain in the market.

Meanwhile, freighter launches and conversion deliveries would continue as carriers looked to cater for e-commerce demand.

The involvement of finance departments and chief executives in air cargo procurement would continue due to the increased importance – and cost – of supply chain operations.

Alternative gateways would continue to succeed in attracting cargo as companies have seen the benefit of utilising non-congested airports.



Photo: Shutterstock

Covid-19 forced companies across the sector to re-evaluate the way they operated. Delegates at the World Cargo Summit in Abu Dhabi heard how the new order is here to stay, writes **Damian Brett**

Embracing the change

Finally, supply chains will continue to diversify away from China as production sites in Southeast Asia and India grow in importance.

Freighter bubble?

Later on, a panel of freighter experts were asked if the sector was becoming a bubble.

Jim Gibbs, president, Kansas Modification Center, which has launched a Boeing 777 conversion programme, felt that the narrowbody market was facing a bubble but that the widebody market was in a stronger position.

"The smaller aircraft, the narrowbodies such as the B737s, the A321s and conversions, can be built much faster than widebody conversions and so I do see a bubble in the next three to five years because the production rate will quickly outrun the need for capacity.

"On the widebody aspect, it is much more difficult to build and there is much more capacity coming off the market with the older B747 freighters and items such as that."

Brian Hermesmeyer, director – product

marketing and freighter customer lead, Boeing Commercial Airplanes, was more positive about the narrowbody market.

"When you look at the age profile of narrowbody freighters, there are an awful lot out there that need replacing," he said.

"We have different pockets of the world with different age profiles but a lot of the B737-300s and B737-400s and even some B737-200s that are out there flying, they will need to be replaced."

He added: "Do I think we are going to find ourselves in overcapacity?"

"I think the near-term market dynamics make it look that way but in the longer term we are going to make sure we are going to have the right aircraft in the right space at the right time."

Yair Munker, commercial director Middle East and Africa of freighter operator Challenge Group also pointed out that regulators were increasingly clamping down on the use of older freighters as part of efforts to reduce the environmental and noise impact of operations at airports.



Peter Penseel believes that staying close to the customer and remaining competitive is the route to success in the current market

Photos: CEVA Logistics

The right service for the right money

The significant disruption faced by freight forwarders over the past few years is not likely to ease anytime soon. **Damian Brett** gets the lowdown from CEVA Logistics airfreight COO Peter Penseel

The coming months are going to be an interesting period for freight forwarders.

On the one hand, the capacity shortages experienced over the last couple of years are showing signs of easing due to the gradual restart of bellyhold networks and lower volumes.

On the other, an air of uncertainty continues to shroud the industry due to the ongoing impact of Covid, the war in Ukraine and a difficult economic outlook.

Added into the mix is a gradual reduction

in airfreight rates from the huge highs experienced over the past few years.

So, where does this leave freight forwarders and their shipper customers? They could lock in capacity at a higher price to guard against uncertainties and supply chain disruption.

Or they could take the risk of playing the spot market to capitalise on lower pricing.

For Peter Penseel, chief operating officer of airfreight at CEVA Logistics, the key to navigating such uncertainty is taking a balanced approach and getting close to the customer.

Penseel is based at the company's head office in Marseille, France. He started his career within the logistics industry in 1989 and has worked for UTi and DHL Global Forwarding as senior vice president of airfreight.

Before joining CEVA, he worked for Qatar Airways Cargo as senior vice president of global sales and network planning.

"The shippers want to see what the market is today and how we can procure and spend less within the total supply chain," he says.

"We need to be competitive, but we also must understand that we must deliver the service that our customers expect from us."

He adds: "You have to be very close to your customers. That is what we need to do to make sure that they pay the prices that are available, but in conjunction they get the capacity they need based on their order books. It is a case of making sure that jointly you make the right decision."

On the current market, Penseel says that the usual Chinese New Year boost – as firms rush

'We need to be competitive, but we also must understand that we must deliver the service that our customers expect from us'

Peter Penseel, CEVA Logistics

to move goods before and after the two-week holiday – was weaker than 2021 and 2022, although the last couple have been hugely busy.

He adds that demand could start to pick up in the second half of the year as inflation comes down and consumers start to spend.

"We believe it will be soft for the next five to six months and then we need to see how the consumer confidence comes back.

"Inventories will drop, so that means there will be more production and then there will be the discussion whether to use ocean or air."

Penseel says that ocean rates have dropped over the last few months, meaning there are larger savings to be made when using container shipping.

However, airfreight will allow companies to replenish inventories faster if there is a surge in consumer demand.

On the capacity side of the supply-demand equation, Penseel expects bellyhold networks to continue to restart as China opens up following the lifting of Covid restrictions.

But he says this might not mean a huge capacity injection.

"Those aircraft are not new, they are either coming from somewhere else or they already fly there and they just increase frequencies."

He adds that the amount of capacity that will be added to the China market also depends on passenger demand, and it may take a while for people to become comfortable flying back to the country.

"But still, in the upcoming months there is capacity available

and the rates are much better than a year ago but for how long? That is the critical question."

Own operations

The supply chain disruption experienced over the past few years saw some forwarders turn to running their own charter operations or taking out large block-space deals.

CEVA Logistics was one of the companies to do so through its SkyCapacity programme.

It continued to expand the programme into the final quarter of last year, when it announced the purchase of additional air capacity on key routes.

At the time, the company said it controlled more than 1,300 tons per week thanks to more than 50 flights serving 20 airports.

Penseel says that the programme has been right-sized to match demand levels, but it is still going.

"We are still entertaining our SkyCapacity programme to make sure we have the capacity available for our customers," he says.

While CEVA has invested in securing capacity over the past couple of years, it has also played a leading role in the development of IATA's CEIV Lithium Battery certification.

In 2021, CEVA became the first company to be certified to the new standard for its operations at Hong Kong International Airport and Amsterdam Schiphol Airport.

Penseel says that CEVA first started discussing CEIV certification with IATA around two years ago, knowing that the automotive industry is moving to battery-powered vehicles.

He adds that as well as helping to reassure its customers that it meets high standards for the movement of batteries, it also helps reassure airlines.

Some carriers refuse to transport the batteries, so it is important to reassure them that CEVA is well trained, well equipped and executes operations according to IATA standards.



CEVA's Amsterdam facility was one of the first to receive IATA's CEIV Lithium Battery certification

"We believe that this is the right approach and we have been proven correct because of the feedback we receive from our customers – they are very positive that we took the bull by the horns."

Seeking out opportunities

Another potential area of investment for CEVA is acquisitions. The forwarding industry is in the midst of a consolidation phase and Penseel says the company wouldn't be averse to expanding its presence through takeovers.

"CEVA is always looking at opportunities and if the right opportunity is there, we will bring it to the table and we will discuss whether it makes sense, and if it does, we will go for it," he says.

Another current trend in the air cargo market is shipping companies investing in air cargo operations. →



→ CEVA is owned by French container shipping company CMA CGM, which recently launched its own air cargo operation – CMA CGM Air Cargo.

Penseel says that the addition of the carrier is positive for the market and adds that CEVA utilises its sister company in the same way it would any other airline.

“I was very clear when [CMA CGM Air Cargo] started up that it was great timing for the industry because of the capacity they brought to the market – it still is great because people have more options.

“We speak to them because they are part of the same group, but they need to add value to our network of services.

“It is working well because they do a good job, and if they do a good job we will use them. That is the way we execute the model.”

To conclude, Penseel believes the biggest challenge for forwarders in 2023 will be managing

shipper requirements for supply-chain integrity while securing competitive airline pricing.

“I think as a 3PL provider, as CEVA, yes you could call it a challenge, but I don’t see it as a challenge.

“It is why companies hire us – to deliver the

right service for the right money.

“This year the operating model will be different, but we still have to do the same as always – we have to transport something from A to B with the right conditions for our customers.”



‘It is why companies hire us – to deliver the right service for the right money’

Peter Penseel, CEVA Logistics



In the final quarter of last year, CEVA Logistics controlled more 1,300 tons per week through its SkyCapacity programme



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Charter growth set to level off

Reality may be biting at last but the 'new normal' in the global air cargo charter business is still seeing unprecedented levels of demand, writes **Chris Lewis**

Having gone through an exceptionally turbulent couple of years, the air charter industry is bracing itself for more of the same in the year to come, says chief executive of The Air Charter Association, Glenn Hogben.

He tells *Air Cargo News* that, unlike in the general air cargo market, there were "exceptional levels of demand, well above 2021" in the second half of last year. "Covid has actually reinvigorated the industry," he says.

However, there are some signs that the surge in demand is levelling off and Hogben suggests there are many possible reasons why growth has slackened.

"It could be because of the economic downturn. Also, it might be that companies have planned their shipments earlier."

At the time of writing at least, the unreliability that plagued ocean shipping lines was reducing.

While growth in the air charter market may have dissipated, it is levelling off at an exceptionally high level, says Hogben.

Shippers have become used to the speed, reliability and responsiveness of air cargo compared with surface transport.

Many customers – for example the car industry – seem minded to keep at least a proportion of their business in the air, despite the higher cost of airfreight compared with ocean.

Many of the components that the auto industry uses, particularly computer chips, are still in short supply.

When a batch does become available, manufacturers are unwilling to consign them



'Covid has actually reinvigorated the industry'

Glenn Hogben, The Air Charter Association

to an ocean voyage taking up to a couple of months if an air charter can get them to the lineside within a few days.

Future uncertainty

Neil Dursley, chief commercial officer at charter broker Chapman Freeborn, points out that the once yawning gap in the cost of air versus sea has closed up to some extent.

"The differential has really reduced in the last couple of years. Before, airfreight was 10-15 times more expensive but it's now only about seven times more, which does make it more viable."

What happens next is equally uncertain, Hogben says. It could be that, as China finally and fully exits lockdown and ramps up production, some pent-up demand is released.

On the other hand, there may be a fair amount of additional aircraft capacity still to be added to the supply side of the equation, as the Covid pandemic created a backlog among the freighter converters and builders of new aircraft.

Another imponderable is the extent to which scheduled carriers will restore passenger schedules with bellyhold capacity, the loss of which during the Covid pandemic was a major factor causing the surge in charter demand.

So far, "there has been some hesitancy by carriers to bring that capacity back", says Hogben. "How it will play out remains unclear. Covid lockdowns are no longer in place, but on the other hand the economic downturn could well dampen carriers' enthusiasm to restore passenger schedules."

A shifting supply market

Ed Gillett, director and co-founder of digital brokerage CharterSync, says that the supply side of the market is going through "an interesting dynamic" with bellyhold capacity returning on certain lanes, and it is this that will probably be the most important factor.

The nature of the charter market has changed profoundly in the past decade, adds his colleague, global cargo director Daniel Carriett.

The staple business for most operators now is running regular flights for freight forwarders and logistics companies, and for the most part they "no longer have aircraft sitting around" waiting for jobs. "They need regular, predictable business."

The growth of scheduled passenger and cargo carriers with large numbers of freighters in their fleets – notably in the Middle East – has also had a significant effect, as these now take a lot of the traditional charter business, says Carriett.

Photo: Shutterstock / Mike Fuchslocher



Chapman Freeborn has extended an existing deal with Magma Aviation to cover additional destinations

Nevertheless, shippers are more interested in the possibilities of air charter and many will want to see what it costs before deciding how to move their goods. This is something that CharterSync, with its sophisticated online platform, can facilitate.

Future developments for CharterSync – which has just migrated to a new platform – include integration with flight planning systems to give accurate expected times of arrival and the ability to track flights in real time.

Document handling systems, avoiding the need to send multiple emails to forward air waybills and the like, will also be added.

As well as speed of response, the other key advantage of an online platform is the ability “to access options that a traditional broker wouldn’t be able to, providing options that perhaps no one else has even thought of”.

Expansion through diversification

While it is possible to broadly predict the future direction of the market, the air charter sector doesn’t necessarily follow general economic trends. It’s highly dependent on world events; if a natural disaster or a war happens, charter brokers can expect to be very busy.

“Every day is different,” Gillett explains. “Air charter is a distress purchase. It’s there for when things go wrong.”

In an uncertain world, there is strength in diversity. Chapman Freeborn is taking advantage of the fact that it is now part of Avia Solutions Group by expanding into new areas of the business.

It has become a freighter aircraft owner through its parent company, which has acquired a Boeing 747 under a CMI (crew, maintenance and insurance) deal. The

freighter joins three similar aircraft operated by Air Atlanta Icelandic under an ACMI (aircraft, crew, maintenance and insurance) agreement.

Chapman Freeborn has greatly expanded its freighter operations since the pandemic, for example by extending an existing deal with Magma Aviation to cover additional destinations including Chicago Rockford and O’Hare, Singapore, Mumbai and Hong Kong.

This is, in part, a response to the loss of capacity on B747s that had been operated by Russian-owned Volga-Dnepr’s AirBridgeCargo arm, until sanctions were imposed following the invasion of Ukraine.

Avia has also acquired Germany’s Arcus, which operates two Dornier 228 freighters, primarily for automotive industry contracts in Europe. Automotive continues to be a major industry focus for Chapman Freeborn, alongside the oil and gas and government sectors, says Dursley.

The company has also recruited a global team of part-charter specialists, who identify unused capacity on existing charters and sell it to clients.

A typical example, Dursley explains, are the thrice-weekly regular chartered B747F flights

‘Airfreight was 10-15 times more expensive [than ocean freight] but it’s now only about seven times more, which does make it more viable’

Neil Dursley, Chapman Freeborn

between Frankfurt-Hahn and Johannesburg. “If any of the volumes on the regular flights are reduced, our team in Germany would identify them and go to the market and sell them.”

That means extra revenue for the aircraft operator, while shippers gain access to capacity without having to go to the expense of chartering a complete aircraft. IT platforms can play their part in this process but ultimately it comes down to Chapman Freeborn’s experienced and large number of client relations staff, Dursley points out.

Part charter can be expected to grow given the increase in the number of one-off charters “going to weird and wonderful places”, he says.

Consequences of war

Another major factor this year is, of course, Russia’s invasion of Ukraine, which has affected the market in many ways. →



→ The most immediate was the grounding of most of the world's fleet of Antonov AN-124 aircraft, which hit the market for large shipments in the early weeks of the war.

The Russian-operated AN-124 fleet was permanently removed from most major world markets due to the global sanctions imposed on Moscow, although Ukraine's Antonov Airlines was later able to reinstate an operation in exile in Germany using its still-intact AN-124 fleet.

The other big effect on the market was the need for all carriers to divert around Ukraine – which had become a no-fly zone – and for European and other carriers to also avoid Russian airspace, which added up to five hours to flight times with corresponding reductions in capacity.

Also thrown into the mix was the global hike in fuel prices and all the economic uncertainty that went with that, while the war itself created demand for aid and supplies to be flown into countries bordering Ukraine.

A further consequence of the war was the destruction of the unique AN-225 aircraft in

the fighting around Antonov's base at Hostomel, near Kyiv.

Hogben thinks the market has learned to live without the AN-225, saying: "The AN-124s have been able to cover most of what it used to do." Loads can, in some cases, be subdivided and for those that cannot, land and sea transport offer an alternative, albeit slower, option.

The most profound effect of the sanctions against Russia were felt at the start of the Ukraine crisis, says Dursley, who recalls one shipper being forced to cancel an AN-124 charter for a ship at twice the price; proving that airfreight is not always the most expensive option.

Since then, the market has adapted to the loss of the Russian AN-124 capacity, with nose-loading B747Fs and Ilyushin IL-76s able to handle many loads.

At CharterSync, Gillett and Carriett say that even though the global AN-124 fleet has been halved, the remaining aircraft have coped remarkably well.

"I don't think it's necessarily had a marked effect. It could be because of less demand from the oil and gas industry, but also because we have been able to come up with creative solutions."

Dursley tells us that Chapman Freeborn was using the AN-225 intensively towards the end of 2021 and the aircraft was operating back-to-back flights – hence the reason it was on the ground undergoing maintenance when the Russian forces stormed into Hostomel.

'[Charter operators] no longer have aircraft sitting around'

Daniel Carriett, CharterSync



'Air charter is a distress purchase. It's there for when things go wrong'

Ed Gillett, CharterSync

Should conditions permit, it might be possible to recreate the AN-225 using the spare airframe that exists. However, any decision to do so would have to be looked at from both an economic and a sustainability point of view.

Dursley believes, though, that the AN-225 will be sorely missed. "It was a lifesaver, due to the sheer volumes of PPE it could move or large pieces of equipment. There is nothing else like it. You might not necessarily need it every week but it certainly had its place."

However, Hogben points out that reinstating a six-engined aircraft might be a hard sell in these environmentally conscious times. **acn**



The unique six-engined AN-225 aircraft was destroyed in fighting around Antonov's Hostomel base

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Room for optimism

Hopes are high amongst Middle East air cargo carriers for demand to recover, despite a concerning picture of how the industry may perform in 2023.

IATA data shows that Middle Eastern carriers reported a 10.7% decrease in international and domestic demand last year compared to 2021. Meanwhile, capacity increased by 4.3%.

Compared to 2019, demand in 2022 was down 1.6%, while capacity was down 6.3%. Globally, demand has been declining since March 2022 and cargo volumes are expected to further decline this year.

One beacon of hope offered by IATA is the expectation that average yields and revenue for this year will remain above pre-pandemic levels.

And with belly capacity returning, modal shift back to ocean and the economic downturn, the demand outlook is at best uncertain. Nonetheless, Middle Eastern carriers are cautiously optimistic.

Emirates SkyCargo divisional senior vice president Nabil Sultan believes that while at least the first quarter of the year will be challenging due to Covid-induced factory production and supply chain disruption in China, there is hope ahead.

As China opens up following the easing of its Covid restrictions, passenger flights resume and – providing economic inflation eases and consumer demand increases – Sultan believes “things could turn around very quickly”.

“I think the demand for freight will remain fairly strong,” he says. “Hopefully things should stabilise after quarter one and production will increase in China and Southeast Asia.”

Overcapacity is not a concern for Emirates, rather, Sultan doesn't think it will be simple to deploy extra flights, especially in China and Southeast Asia.

“Capacity in my view will remain a big constraint, simply because airlines will not be able to deploy it as quickly as they want. You

Whatever the data has to say about future demand for air cargo, **Rebecca Jeffrey** finds that carriers based in the Middle East are taking a positive view



Photo: Etihad

Etihad's belly capacity has increased along with passenger demand in recent months

have to get these aircraft out of hibernation, do the maintenance, get the crew etc. All that takes time.”

Bellyhold comeback

While belly capacity worldwide is returning, it remains to be seen whether passenger demand in and out of China and Southeast Asia specifically will return, points out Sultan.

Etihad's senior vice president of sales and cargo, Martin Drew, agrees demand will improve, but not without overcoming hurdles first: “I think, certainly for the first half of the year it will be challenging, but I'm confident that in the second half we'll start to see growth again.”

Like Sultan, Drew believes ongoing challenges include supply chain congestion in China, alongside the energy crisis and rising cost of living.

Abu Dhabi International Airport-based Etihad has seen increased passenger demand

over the last six months and with more of its passenger planes back in service, its belly capacity has increased.

“I think the transatlantic is now back up to pre-Covid levels of capacity. It might even be higher,” remarks Drew.

Returning belly capacity has resulted in some softening and normalisation of yields, although Drew points out they are still higher than in 2019.

However, it's not yet clear what the new normal for capacity is. “There's still a lot more capacity to come back,” he says.

Also, some capacity was taken out as cargo in cabin operations and cargo-only flying has been reduced as planes have returned to passenger flying, he adds. “This has meant belly capacity maybe isn't flooding back at the levels that were expected.”

Drew concludes: “We've remained disciplined in the way we deploy capacity. I think that while overcapacity is a concern, for 2023 and 2024 we'll continue to see the market grow.”

Liesbeth Oudkerk, Qatar Airways Cargo's senior vice president for cargo sales and network planning, says the airline has a cautious mindset about upcoming demand.

“Of course, we don't know what demand will be precisely,” she says.

“At the same time, a lot of passenger airlines are adding flights – that is creating belly capacity. New freighter aircraft are also being introduced.

‘Capacity in my view will remain a big constraint, simply because airlines will not be able to deploy it as quickly as they want’

Nabil Sultan, Emirates SkyCargo



Photo: Emirates

“The markets in Southeast Asia and China are challenging, while yields are dropping in the Indian subcontinent, though the shipments are diverse. Transpacific is difficult right now. That is the market I think that’s hit the most,” says Oudkerk.

But she adds: “Northeast Asia is holding a bit stronger and Africa even more.”

Qatar Airways Cargo believes the industry’s biggest current task is to balance capacity and demand as best as possible. “Dealing with an excess of capacity in the market is about network agility and flexibility,” Oudkerk notes.

Aircraft investments

Shrinking demand and growing capacity are ongoing concerns, but strong long-term demand forecasts have set industry minds at ease regarding the freighter orderbook.

Ethihad Cargo firmed up an order for seven Airbus A350Fs in August 2022. The first aircraft will be delivered in 2026.

The carrier already operates five Boeing 777Fs and is exploring the conversion of five of its passenger B777s to freighters in partnership with Etihad Engineering.

However, the current high demand for aircraft in passenger form has delayed the conversion plan, according to Drew.

Meanwhile, Dubai International Airport-based Emirates SkyCargo currently operates a fleet of 11 B777 freighters and is investing in production B777-200LR freighters.

It received two of the aircraft in May and July last year and in November announced an order for five more. Another two of the freighters are due to be delivered in 2024, and three more in 2025.

The airline also signed a deal with IAI in June 2022 to convert six of its B777-300ER passenger aircraft. “In October, we will receive the first of those conversions. Then next year we’re going to be receiving another two,” Sultan says. Final deliveries should be in 2026.

He confirms the airline is also considering new generation aircraft such as the A350F and the B777-8F.

Headquartered at Doha’s Hamad International Airport, Qatar Airways Cargo is also investing in aircraft. The state-owned carrier is currently working on specifications for its January 2022 order for 34 B777-8Fs and another 16 options. The first of these aircraft is still on track to be delivered in 2027, according to Oudkerk.

The airline’s freighter fleet currently consists of two B747-8Fs, two B747-400Fs, 26 B777-200Fs and one Airbus A310F. It also operates two A330-300 passenger freighters, one of which recently began operating to Penang.

Network expansion

Alongside aircraft investments, all three airlines have firm network expansion plans.

Emirates’ ongoing plan is to deploy its



Photo: Etihad

‘Whilst we’re seeing e-commerce demand start to ease now, it’s a really important vertical and it’s still going to continue to grow at a decent rate’

Martin Drew, Etihad

freighter capacity into key production markets.

Last year, the airline launched a new Tel Aviv route that has benefited multiple cargo sectors, says Sultan. There are now 14 widebody B777-300ER flights per week operating into Tel Aviv, carrying almost 25 tonnes per flight.

“The flights are doing exceptionally well. We move a lot of high tech and perishables out of Tel Aviv to the rest of the world. And we move a lot of key pharmaceutical and other commodities into Israel.”

The airline hasn’t announced any new routes for 2023 yet, but Sultan confirms discussions regarding plans are active.

Qatar Airways Cargo says that the launch of

The Next Generation project has helped “define its role in the air cargo industry” by bringing a new approach to the business across network and operations.

The airline says this has been achieved “through enhanced products and services, cutting-edge technology, a commitment to sustainability and diversity, investing in existing talent and attracting new [talent]”.

In line with the Next Generation vision, new routes and destinations were introduced in November last year to balance the network and spread out capacity.

The carrier launched a twice-weekly B777F freighter service with 100 tonnes of cargo capacity to Riyadh, Saudi Arabia. The airline also increased its A310F flights from two to four per week for Kuwait, and from one to three per week for Muscat.

New freighter stations were launched in Athens, Greece and Vienna, Austria. A B777F with 100 tonnes of cargo capacity serves Athens once a week, and the airline’s A310 freighter, with over 35 tonnes of cargo capacity, flies to Vienna once a week. Three weekly freighter flights to Amsterdam were also added, while weekly Chicago freighter flights were increased from 10 to 11.

The carrier, which is seeing the passenger business ramp up, is taking a belly-before-freighter approach to capacity management. “The freighters will be rerouted based on the passenger business plan to see if we can fill bellies first,” explains Oudkerk.

Rather than adding new routes, Etihad aims to “build depth into the network again” by increasing frequencies to existing routes, according to Drew.

The carrier has combined its China and India freighter operations and expects the countries to be key markets.

“While the China market is soft at the moment, we are expecting things to start to stabilise and to start building again,” comments Drew.



Photo: Emirates

Emirates SkyCargo operates a purpose-built pharma-handling facility at Dubai International Airport

→ He explains: “We’re operating twice a week with our B777F from Shanghai into Chennai, and then into Abu Dhabi. The aim is to leverage the strong market between China and India. There are a lot of raw materials sent from China to India for electronics manufacturing. These then travel outbound, though Chennai in particular.

“Additionally, we’re looking with a partner to see how we can increase freighter activity into China, as well as exploring how we can increase frequency to other Indian points.”

Top industry verticals

Pharma, perishables and automotive spare parts remain robust industries for Emirates SkyCargo.

Covid healthcare demand continues to play a big part in pharma transport, as Sultan confirms: “We’re still transporting drugs and vaccines globally.” This is supported by the airline’s pharma cool chain infrastructure at Dubai International Airport, which was expanded in 2021.

E-commerce, a market that grew rapidly during the pandemic, is now experiencing a slowdown as consumers reduce their spending in the face of economic constraints.

However, Emirates is positive about its business prospects in this area: “We’re seeing a lot of e-commerce companies basing themselves in Dubai. We continue to see very strong demand across the globe, especially in the Middle East.”

Etihaad also expects pharma to continue to be a major business area, saying it has seen significant growth over the past couple of years. “It’s a vertical where you can achieve a yield premium,” says Drew.

Infrastructure investments include a cold store facility launched in 2022 that has “effectively doubled our cold store capabilities”, he adds.

Etihaad Cargo achieved IATA’s Centre of Excellence for Independent Validators (CEIV) Pharma recertification in November last year, and is currently working with Etihaad Airport Services and Abu Dhabi Airports to develop a 3,000 sq m cool chain facility for the carrier’s PharmaLife handling and storage operations at Abu Dhabi International. The airline is also designing a cargo warehouse suitable for e-commerce in Abu Dhabi.

“Whilst we’re seeing e-commerce demand start to ease now, it’s a really important



In 2022, Qatar Airways Cargo gained IATA’s CEIV certification for both Live Animals and Lithium Batteries

Photo: QR Cargo

vertical and it’s still going to continue to grow at a decent rate,” says Drew.

That said, it’s smart not to expend too much energy on e-commerce, he adds. “Despite the volumes, it’s fairly low-yielding traffic. It’s about getting the balance right and not becoming too dependent on it.”

Etihaad’s animal transport business is similarly a growth vertical, bolstered by the airline achieving IATA’s CEIV for Live Animals at the end of January.

Meanwhile, true to its Next Generation approach, Qatar has begun work on a multipurpose sustainable cargo terminal being built at Hamad International Airport in Doha to help it boost cargo handling efficiency. “This is on schedule to begin operating in 2026,” confirms Oudkerk.

One of Qatar Airways Cargo’s staple shipment areas is the transport of horses, supporting the Middle East’s large number of racing events. The airline has strengthened its service, gaining IATA’s CEIV Live Animals certification in January 2022.

But just like for Emirates and Etihaad, e-commerce is still a big business area for the airline. “At the moment the e-commerce market is strong and growing,” Oudkerk says.

Qatar Airways Cargo and handler Qatar Aviation Services also gained IATA CEIV Lithium Battery (Li-batt) certification in October last year, as part of efforts to continue

countering the risk posed by lithium battery shipments, which constitute a growth area for the airline.

Cost crunch

Managing costs is going to be one of the biggest challenges for the air cargo industry, says Sultan. Ground handling and staffing expenditure has risen, but it remains to be seen how receptive customers will be to further price increases after years of higher airfreight costs.

“I think that’s probably something that the whole industry is facing right now, whether their customers are going to have the appetite to pay the higher cost.” The question is, he says, “whether these rates are going to go back to pre-Covid or remain higher because overall handling and operating costs have gone up.”

Etihaad also expects fuel and operating costs to be a major pain point for the industry as it faces pressure on rates and lowered demand.

Shippers moving back to oceanfreight now that congestion has eased in the market is another area of concern.

“There’s a lot of capacity scheduled to come in,” stresses Drew. “That will put further pressure on airfreight rates and yields. For us, it’s about continuing to deploy capacity in the right way to meet our partners’ needs.”

“In the face of a challenging demand environment, a diverse and agile strategy and network, where freighter capacity is adjusted in response to market demand and changes, is important,” Oudkerk says. “We aim to adjust quickly, to jump on markets that are interesting, or maybe drop routes that are less attractive.”

Oudkerk says Qatar Airways Cargo is working closely with freight forwarders to meet their needs: “They are facing the same kind of difficulties as we are. We are trying to create as much loyalty as possible, and then see what we can do together to meet the needs of shippers.”

ECN



Photo: QR Cargo

We aim to adjust quickly, to jump on markets that are interesting, or maybe drop routes that are less attractive

Liesbeth Oudkerk, Qatar Airways Cargo



Yes, we Cargo

“Air cargo needs constant attention – pieces that fit together, routings that seamlessly connect, and, above all, a global team that ensures the swift and secure movement of every single shipment. A team that is always striving to reach the next level. My job is never just a job. I am proud to be a part of the world’s leading cargo airline.” Justin Gan Jing Wei, Transformation Manager.

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Boxing clever: ULD market is on the up

The market for airfreight pallets and containers has changed significantly over the last few years, as the aviation industry first reacted to the impact of the Covid pandemic and then adjusted to its recovery.

Simultaneously, new technologies have supported changing customer expectations and demands.

For example, during the worst years of the Covid crisis, Zurich-headquartered ULD management and service provider Unilode saw demand for its cargo pallet stock soar as these assets supported the movement of cargo volumes that increased significantly.

Demand for its containers was negatively impacted, however, as these are typically used to move baggage, and passenger numbers were heavily hit.

Unilode's short-term leasing option was particularly successful during this period for those carriers with a need to manage their peaks in cargo shipping volumes and which required access to more pallets or containers, reveals chief executive Ross Marino.

"But what we are generally seeing now," he continues, "is a reversal of the previous trend,

The Covid-19 pandemic caused major upheaval in the airfreight container market. **Mike Bryant** examines how the major players are recovering now the world is returning to normal

such that now passenger volumes are returning there is more demand for containers, whilst air cargo volumes are returning to pre-pandemic levels."

At 160,000 units, Unilode offers a large stock of ULDs, typically AKE containers and PMC pallets but also almost every other type of ULD, including heavy-duty pallets for the big cargo movers, and it is continuing to increase the size of its fleet stock.

That figure of 160,000 is up by 10,000 on the number of just over a year ago, Marino confirms.

Prior to Covid striking, another big provider of cargo containers, Jettainer, had been on a "steady growth path," says the wholly owned Lufthansa Cargo subsidiary's

chief sales officer, Thorsten Riekert.

However, the collapse in passenger volumes due to Covid and consequent grounding of so many aircraft had an impact on demand for Jettainer's ULD steering and management services.

Last year was one of huge growth, says Riekert. The Covid crisis was followed by the Russian invasion of Ukraine and subsequent shocks to the global supply chain, creating challenges, but Jettainer's close relations with its ULD suppliers ensured that feedstock was available and the Jettainer ULD inventory has now grown to beyond 100,000 units (positioned at more than 500 locations worldwide).

"Our promise to the market to have 100%

ULD provision reliability remains robust,” Riekert confirms.

He predicts ongoing growth in business that will be sourced in many different markets.

Already “the market leader in Europe and the Americas”, Jettainer’s position here will be further reinforced, while there will be additional focus on the Asia market.

In particular, Jettainer’s Asia-focused strategy will see emphasis placed on the further development of Hong Kong as Jettainer’s base in the Asia Pacific region.

Further growth around the world will be built on the gains Jettainer made in 2022.

Last year saw new ULD customers added in Europe (such as CMA CGM Air Cargo and Norse Atlantic), in the Americas (including Avianca and AeroUnion) and in Asia (including VietJet and T’way Air).

Digitalisation investment

Unilode has invested heavily in digitalisation and offers location and status tracking with its ULDs.

More than 120,000 units of its stock are now equipped with Bluetooth technology that not only provides tracking data but also data on the status of the cargo, as the tags are capable of measuring and recording sensory data such as shock, light, humidity and temperature.

Unilode is also cognisant of the need for minimising the environmental footprint of the aviation industry, and its ULD customer pooling option can help here.

Pooling can represent a hugely cost-effective option for many airlines and Marino believes that as much as a 40% reduction in ULD fleet size is possible for some carriers that choose the pooling option, with far fewer containers being flown around the world.

The company offers its pooling option alongside its standard dedicated ULD management service, as well as a hybrid offer.

Finally, Marino adds, Unilode also offers the largest network of maintenance, repair and overhaul (MRO) stations – 50 of them around the world, with 36 of them owned by Unilode



Photo: Jettainer

Jettainer and Unilode offer customers comprehensive tracking of ULDs via Bluetooth technology

– that support customers through the repair and maintenance of their containers and pallets.

Jettainer enables real-time station inventory data, ULD history and movement tracking information, plus a multitude of reporting options.

Jettainer’s ULD steering and management capabilities benefit from cutting-edge technologies such as artificial intelligence (AI), Riekert notes, while ULD tracking is based on the smart processing of data in combination with Descartes’ Bluetooth Low Energy (BLE) tracking information.

Not all trackers offer data on the status of cargo contents, and that is something that is on Jettainer’s radar.

“But the technology must be of value, and cost-effective to our customers [the airlines] and our customers’ customers,” says Riekert.

It is no longer sufficient to offer a one-size-fits-all strategy for ULD management, he continues.

Every customer is different, hence Jettainer’s

focus on offering customised solutions for each client airline.

Its ULD Select core product offers different modules to choose from and can be complemented by the previously mentioned cool&fly product, for example, or its short-term lease&fly option.

Sustainability focus

Jettainer’s ULD management service forms part of the company’s overall strategy for offering greater sustainability in ULD supply and management, enabling an up to 20% reduction in a carrier’s ULD operational inventory use, Riekert claims.

Furthermore, its ULD sharing platform, skypooling, helps to reduce carbon dioxide (CO2) emissions by avoiding unnecessary deadhead ULD flights.

Other aspects of Jettainer’s sustainability strategy has seen it move towards lightweight ULDs, lighter weight cargo nets and using cardboard fibre instead of heavier wood in beams, skids and pallets where possible, as well as the fact that each of Jettainer’s 100,000 ULDs now has a digital twin: an exact virtual image.

These digital twins gather extensive data over the entire lifecycle of the real ULD and combining this huge amount of data in a smart way offers both economic and environmental benefits in terms of maximising the value of the physical ULD twins.

Plenty of the demand for specialist containers suitable for transporting Covid vaccines over the last few years has been met by Sweden-based Envirotainer, the specialist in secure cold chain solutions for the air shipment of pharmaceuticals.

Fredrik Linnér, its chief business development officer, says that since the start of →



‘What we are generally seeing is a reversal of the previous trend. Now passenger volumes are returning there is more demand for containers, whilst air cargo volumes are returning to pre-pandemic levels’

Ross Marino, Unilode



Envirotainer estimates its containers have carried more than 1bn Covid vaccine doses

→ the pandemic in 2020: “We’ve seen strong demand both for our solutions relating to Covid and for our traditional pharma-based business.”

Indeed, he observes, Envirotainer containers have carried more than 1bn doses of Covid vaccine since the start of the pandemic.

Those vaccines have travelled on various trade lanes across and between Europe, the Asia Pacific region and the Americas.

Envirotainer’s containers are designed with the demanding needs of pharma in mind and approximately 99% of the cargo carried within them are pharmaceuticals (the small minority of contents being made up of medical devices and the like).

They offer solutions for all shipping temperatures, Linnér says, ranging from well below freezing to the 2-8 degrees Celsius and controlled room temperature (CRT) bands.

As well as the huge pharma and Covid vaccine producers such as Pfizer and Astra-Zeneca (AZ), the Covid pandemic also saw the growth of smaller suppliers of vaccines such as Moderna and China’s Sinovac, which also now form part of Envirotainer’s client base.

As well as Covid vaccines, Envirotainer containers are continuing to move vaccines, biomed and other pharma consignments as usual, while also now carrying Covid treatments on top of the ‘raw materials’ that are used to produce pharma, known as active pharmaceutical ingredients, or APIs

“We’ve seen very strong growth throughout our history and Covid accelerated this. Plus, we are expecting further strong growth ahead,” says Linnér.

As such the company is, for instance, planning to expand its current fleet of 7,000 containers by another 1,000 in the coming year alone.

Meanwhile, it is also investing in new state-of-the-art containers such as the Releye

– the most sophisticated cool-chain air cargo container available that was launched in May 2021 – Linnér says.

Keeping cool

The Montabaur, Germany-headquartered family-run business DoKaSch has been producing and offering ULDs to the aviation industry for three decades.

DoKaSch Temperature Solutions (DoKaSch TS), meanwhile, was founded in 2013 and is based near Frankfurt Airport; it specialises in the rental of the Opticooler active temperature-controlled airfreight container.

Opticoolers are designed for the transport of pharmaceuticals on international, particularly intercontinental, flights.

Because they are intended primarily for the carriage of pharmaceuticals, especially biomedicals, at between 2 and 8 degrees Celsius, while Covid vaccines have been typically required to be kept at freezing temperatures as low as minus 20 degrees Celsius or even minus 70 degrees Celsius, somewhat surprisingly the Covid-19 pandemic and the consequent increase in pharma transport did not see a massive rise in

demand for Opticooler container rentals.

Furthermore, opines DoKaSch TS managing director Andreas Seitz, there wasn’t a huge leap in Opticooler demand because, when rated as a proportion of the large volume of pharma shipments carried in normal, non-pandemic times, especially on intercontinental flights, the weight and volume of vaccines flown during the crisis was not actually that remarkable.

In fact, what has mostly driven increasing demand for Opticooler rentals over the last couple of years has been the impact on the global supply chain that the pandemic engendered.

And when there is uncertainty in shipping performance, whether it be due to shortages of capacity or the possibility of flight cancellations, it becomes even more important for pharma shippers to ensure that their valuable consignments are well-protected by high-quality containers such as Opticoolers.

Therefore, the containers’ long battery life is invaluable if there are delays in the supply chain, while as long as an Opticooler can be plugged into the mains it will continue to function uninterrupted to maintain the temperature integrity of its contents.

While Europe and the US are DoKaSch TS’s primary focus, because it is those regions that typically ship the high-risk, high-value, high-yield pharma regularly carried by Opticoolers, the business is spreading its geographical wings.

As part of its “global growth strategy”, Seitz is also looking to markets such as China to grow DoKaSch TS’s business.

India is meanwhile served by a depot in Hyderabad and in the Middle East, though it is a very cost-sensitive market, says Seitz, and not one that currently moves a lot of active temperature-controlled containers.

Finally, while DoKaSch TS currently has about 1,000 Opticoolers in its inventory available for rent, that stock is “constantly increasing”, he says.



DoKaSch Temperature Solutions’ Andreas Seitz says the long battery life of its Opticoolers was popular with pharma suppliers worried about supply chain delays



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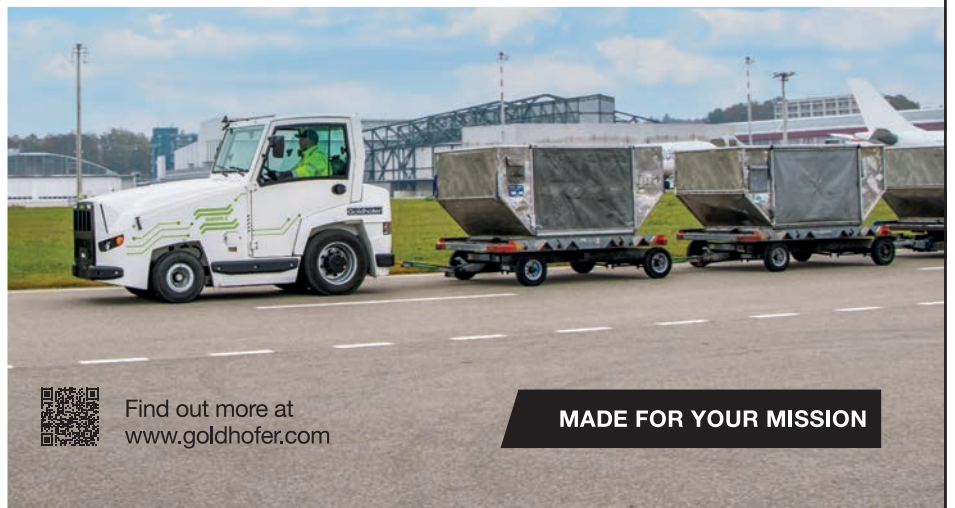
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Global fight against inflation holding back cargo demand

AIR CARGO volumes declined for the tenth month in a row in December and there are mixed signals for the year ahead, according to IATA.

Figures from the airline association show that demand in cargo tonne km (CTK) terms declined by 15.3% year on year in December and by 8% for the full year. CTKs were down 1.6% on pre-Covid 2019 levels for the full year.

Meanwhile, capacity for the month was down by 2.2% in available CTK and December load factors were 7.3 percentage points down on 2021 at 47.2%.

Looking ahead, IATA said there were mixed signals as global new export orders, a leading indicator of cargo demand, have stayed at the same level since October and for major economies, new export orders are shrinking except in Germany, the US and Japan, where they grew.

Global goods trade decreased by 1.5% in November, down from a 3.4% increase in October, and inflation in producer (input) prices reduced to 12.7% in October, its lowest level so far in 2022.

IATA director general Willie Walsh said: "The continuing measures by key governments to fight inflation by cooling econo-

mies are expected to result in a further decline in cargo volumes in 2023 to 5.6% down on 2019.

"It will, however, take time for these measures to bite into cargo rates. So, the good news for air cargo is that average yields and total revenue for 2023 should remain well above what they were pre-pandemic."

Asia Pacific airlines posted an 8.8% decrease in demand in full-year 2022 compared to 2021 and for December recorded the worst performance of all regions, posting a 21.2% decrease in demand.

"Airlines in the region

continue to be impacted by lower levels of trade and manufacturing activity and disruptions in supply chains due to China's rising Covid cases," IATA said.

North American carriers reported a 5.1% fall in demand in 2022 compared to 2021 and in December airlines in the region reported an 8.5% decrease.

European carriers posted the worst year-on-year performance of all regions for the year with an 11.5% decrease, while in December airlines in the region posted a 17.4% decrease.

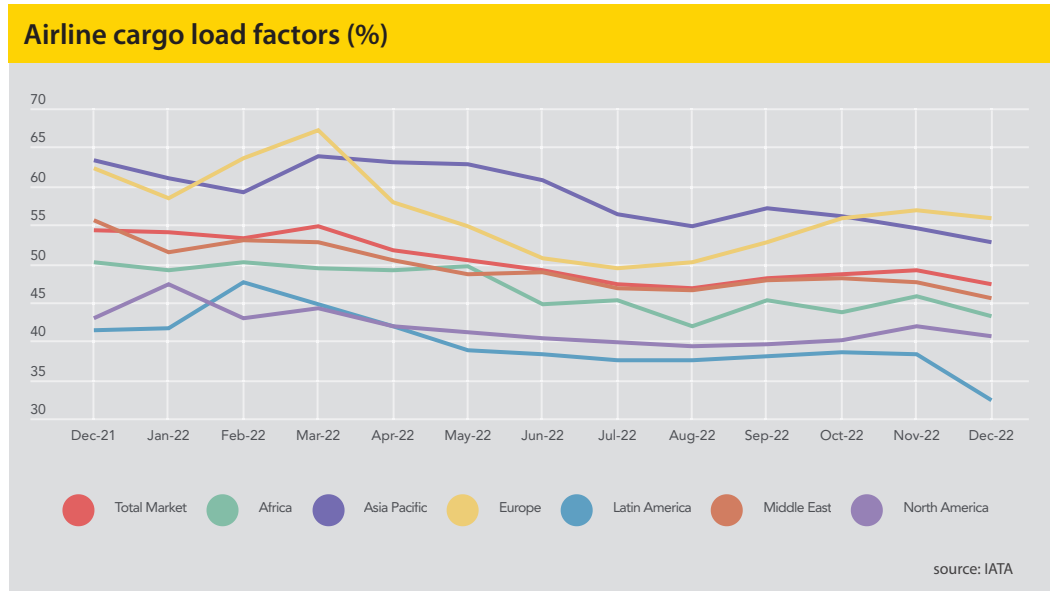
"Airlines in the region

continue to be most affected by the war in Ukraine," IATA explained.

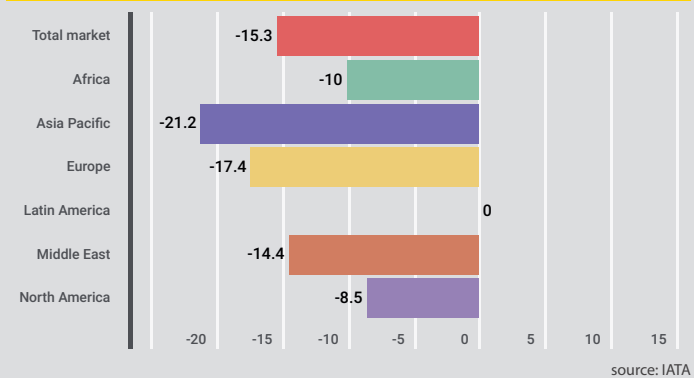
Middle Eastern carriers saw a demand slump of 10.7% year on year in 2022 and in December there was a 14.4% fall.

Latin American carriers posted the strongest year-on-year performance of all regions with a 13.1% increase in demand in 2022 and in December demand was flat on a year ago.

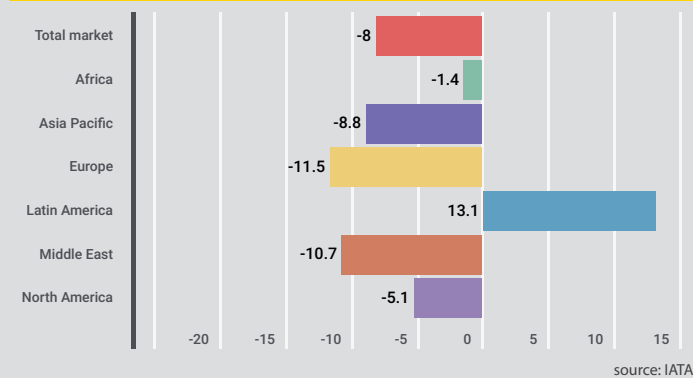
Additionally, African airlines reported a decrease in demand of 1.4% in 2022 and for December there was a 10% decrease.



Dec 2022 CTK v Dec 2021 CTK (% change)



Jan-Dec 2022 v Jan-Dec 2021 CTK (% change)



Rates slide again as trend continues

AIRFREIGHT RATES continued their downward spiral in January but are still above pre-Covid levels.

The latest statistics from the Baltic Exchange Airfreight Index (BAI) show that average rates – both contract and spot – paid by forwarders on services from Hong Kong to North America in January declined to \$6.14 per kg compared with \$6.50 per kg in December and \$10.90 per kg a year ago.

However, rates on the trade are still 67.8% above the \$3.66 per kg registered in January 2019 (pre-Covid).

It was a similar story on services from Hong Kong to Europe where prices fell to \$4.96 per kg from \$5.52 per kg in December and \$6.61 per kg a year ago. Rates stood at \$2.83 per kg in January 2019.

Rates are supported by higher fuel prices, the lack of bellyhold

capacity on certain trades and ongoing expensive charter/BSA operations from the pandemic.

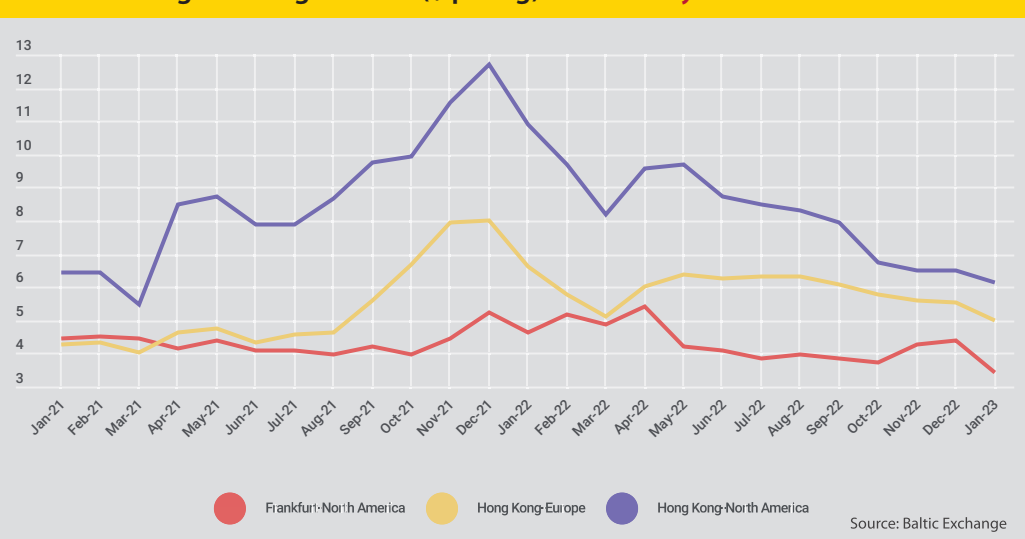
Meanwhile, air cargo demand continues to trend downwards, with CLIVE Data Services

figures for January showing an 8% fall on last year.

“Although index levels for the biggest outbound destinations such as Hong Kong and Shanghai are still well above pre-

Covid levels, it is not the case for some smaller but also significant markets – such as Vietnam and India,” said Neil Wilson of data provider TAC Index in the latest Baltic Exchange market update.

Baltic Exchange Airfreight Index (\$ per kg) Powered by TAC data



Airports feel chill in uncertain times

CARGO VOLUMES dropped across major airports in December as the impact of the economic downturn continued to take its toll.

Hong Kong International faced the biggest volume drop in December of those within our report as it battled the ongoing economic downturn and pandemic containment measures, which limited belly cargo

volumes from passenger operations.

“Cargo volume continued to be impacted by the global economic uncertainties, geopolitical tensions and disruptions to global supply chains,” said the airport authority.

“Import and export cargos decreased by 33% and 26% year on year respectively, compared to the same month last year.”

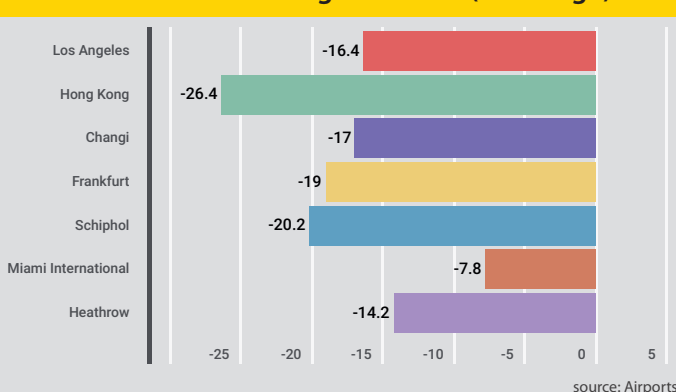
Schiphol also suffered a steep decline in December and a difficult year as a whole following a series of issues last year, including conflict over the management of the airport, staff shortages that resulted in flights being reduced and the loss of AirBridgeCargo services.

Likewise, volumes dipped significantly at Frankfurt in December. Operator Fraport

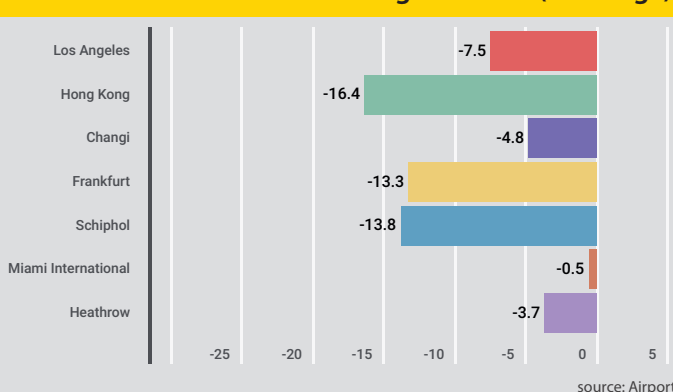
said the cargo throughput for the month is “still reflecting the overall economic slowdown and the impact of airspace restrictions related to the Ukraine war”.

The downturn was reflected in IATA figures, which showed demand in cargo tonne km (CTK) terms declined by 15.3% year on year in December and by 8% for the full year.

Dec 2022 v Dec 2021 cargo volumes (% change)



Jan-Dec 2022 v Jan-Dec 2021 cargo volumes (% change)



Price war fears loom large

The big news coming out of the container shipping market in the first quarter of the year was the announced break up of the 2M Alliance of the world's largest two box shipping lines – Maersk Line and Mediterranean Shipping Company (MSC).

The break up of the alliance isn't officially due to take place before 2025, but many are expecting things to gradually untangle between now and then.

The two carriers reasoned that ending the alliance, launched in 2015, would allow them both to forge their own paths. The market has also changed greatly since 2M was conceived, they said.

Meanwhile, container shipping prices have continued to tumble as the year has progressed.

According to rate portal Freightos, Asia-US west coast prices in mid-February stood at \$1,295 per 40ft unit, which is 92% lower than the same time last year.

Asia-US east coast prices stood at \$2,595 per 40ft unit – 86% lower than rates for the same week last year.

It was the same story for Asia-North Europe prices, which were down 80% year on year at \$2,920 per 40ft.

The fall in ocean rates comes as demand continues to wane.

“Still-stocked inventories,



Photo: Shutterstock

inflation-driven decreases in consumer spending on goods, as well as signs of a continuing shift back to services are the likely drivers for the decline,” Freightos explained.

“Despite these factors, and though volumes are projected to be below 2022 levels at least through June, US National Retail Federation expects a rebound to begin as early as March.”

Carriers have made some efforts to manage the situation through service suspensions, which are aimed at reducing the amount of carrying capacity on the seas. However, these measures

have not been enough to stop the slide, leading some to ponder whether a price war could be on the horizon.

“As volumes fall and carriers continue to blank sailings, Maersk also announced the suspension of one of its transpacific services until further notice,” Freightos said in a market roundup.

“The degree of capacity management so far has not been enough to keep transpacific rates at a higher-than-2019 floor.

“This fact – especially in the context of the successful stabilisation of rates via blanked sailings in early 2020 when

volumes collapsed – is leading some analysts to conclude that, at least for now as revenue plummets, carriers are opting to keep overall capacity somewhat above demand levels and battle for market share via a price war.”

Also continuing to loom over the container shipping industry are negotiations between US east coast port worker unions and terminal operators over a new agreement.

Notably, in the past these talks have led to strike action and chaos on the seas, which has resulted in a modal shift to air cargo.

People



Schiphol Airport
Joost van Doesburg
Royal Schiphol Group has appointed Joost van Doesburg as head of cargo at

the Dutch airport after years of the role being shared with other responsibilities. He replaces Anne Marie van Hemert, who headed up cargo as one part of her role as head of aviation business development.



Magma Aviation
James Gilliard
Freighter operator Magma Aviation has appointed James Gilliard as head of commercial.

Gilliard brings with him 20 years of aviation industry experience, joining the business from IAG Cargo in London where he has spent two-and-a-half years as regional sales manager.



Hellman Worldwide
Timo Schamber
Hellmann Worldwide Logistics has appointed Timo Schamber in the new position of

global airfreight director – courier, express and parcel. The company said the new role is in response to increasing airfreight demands and the rapid development of cross-border e-commerce business.



PACTL
Carsten Hernig
Carsten Hernig has taken the position of deputy general manager and vice president production, sales & marketing at

Lufthansa Cargo joint venture Shanghai Pudong International Airport Cargo Terminal Co. Ltd (PACTL). He was previously vice president, Latin America & Caribbean, at Lufthansa Cargo.

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