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**Kawal Preet**  
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**EVERYONE'S A WINNER:**  
**Air Cargo News Awards**  
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**SUPPLY CHAINS**

## Winter of highs could be cold comfort for shippers

The air cargo industry looks set for a roller coaster period, with predictions of an unprecedented peak season followed by a Covid-19 vaccine-related capacity crunch.

In a market update, DHL Express predicted "unprecedented" levels of online shopping and shipping volumes during the upcoming peak season.

The express firm said that it had already experienced around 35% e-commerce volume growth in 2020 and added that the upcoming peak season will further accelerate this, resulting in shipment quantities 50% higher than last year's peak season.

In preparation, DHL Express globally hired more than 10,000 new employees. It has also added four new widebody B777F aircraft and two more are expected in November.

Looking at the detail of why the company is expecting such a strong peak, it said that the use of e-commerce had grown quickly, propelled in part by more people shopping online due to Covid-19.

Meanwhile, the recovery in air



DHL Express says its peak season shipments could be 50% up on last year

cargo could create "toxic" market conditions for shippers, according to CLIVE Data Services.

Its figures show that the dynamic load factor reached 70% in September and peak season demand could push utilisation levels even higher.

"Uncertainty over how the market will develop alongside very high load factors is a toxic combination for the buyers of airfreight capacity," said managing director Niall van de Wouw.

"If this demand persists, and shippers are prepared to pay, we may well

see a resurgence in passenger planes being deployed mainly or solely for moving freight."

And, once a vaccine is ready for launch, capacity shortages are expected to return, according to a joint TIACA and Pharma.Aero press conference panel.

Christos Spyrou, chief executive of forwarder network Neutral Air Partner and conference panellist, said it was likely that non-vaccine cargo would be bumped and prices would rise.

**OPERATIONS**

## TIACA calls for 'dynamic' load switch

TIACA is calling for the air cargo industry to adopt the dynamic load factor developed by CLIVE Data Services instead of the "misleading" traditional weight-based system.

The dynamic load factor methodology measures how full an aircraft is by considering both freight volume and weight, rather than just weight, as aircraft often reach their maximum volume before they reach top weight.

"CLIVE and TIACA consider this as a major improvement compared with the traditional weight-based load factors, which are misleading and paint an unnecessarily negative image of the airfreight industry," they said.

"The reason is that in most of the cases, the space in an aircraft runs out before reaching its maximum weight capacity. It is due to aircraft's higher capacity density, calculated as available kg per cu m, than the average density of the goods moved by air."

The two pointed out that the weight-based load factor in September stood at 47% while the dynamic load factor stood at 70%.

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**Editor:**  
Damian Brett  
d.brett@aircargonews.net

**News Editor:**  
Rachelle Harry  
r.harry@aircargonews.net

**Associate Editor:**  
Roger Hailey  
r.hailey@aircargonews.net

**Commercial Director:**  
Gavin Murray  
g.murray@aircargonews.net

**Production:**  
Isabel Burton  
production@aircargonews.net

**Digital:**  
Jamie May  
j.may@aircargonews.net

**Circulation Manager:**  
subs@aircargonews.net

**Events:**  
Steve Cox  
events@aircargonews.net

**Publisher:**  
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mark.pilling@flightglobal.com

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**BOOKING DEADLINE: 25 November 2020**

### FREIGHTER FIRST

The first A321 freighter converted by Elbe Flugzeugwerke has begun commercial operations with Qantas for Australia Post. The 'head of version' began flying on October 27 after it was re-delivered to the owner, lessor Vallair, in September.

### HEAVY LOAD

LOT Polish Airlines and its India GSSA, Group Concorde, transported 53.5 tonnes of cargo on a single cargo-only Dreamliner Boeing 787-9 flight from Delhi to Warsaw. Goods included pharma products and automotive parts.

### TOKYO SWIFT

IAG Cargo has resumed services to and from Tokyo. The carrier said Tokyo is a key exporter of pharma goods, which can be "moved seamlessly" with its Constant Climate cold chain service.

### APP FACTOR

Air France KLM Cargo has launched an app that helps to ensure the segregation of goods according to IATA standards when building pallets. The tool works in conjunction with the carrier's pallet building app.

### INDIA LIMITS

India's Directorate General of Civil Aviation has limited ad-hoc and non-scheduled cargo flights by foreign carriers to six airports. It is hoped the move will promote India's airfreight carriers.

## FORWARDERS

# Damco integration sees Maersk take to the skies

Shipping giant AP Moller Maersk has launched airfreight forwarding operations with the addition of charter flights between Thailand and Japan.

The company launched the first of multiple charter flights moving cargo for a leading tyre manufacturer from Thailand to Japan on October 11.

Maersk's expansion in airfreight forwarding follows the integration of former forwarding subsidiary Damco earlier this year.

Rupesh Jain, managing director of Maersk Thailand, Malaysia and Singapore, said: "I'm extremely proud of the Maersk team who came together in Thailand, Malaysia and Singapore to mount air solutions for one of our key clients.

"The team has worked around the clock with the client and our supplier partner to ensure an effective and cost-efficient solution. The shipment



was delivered to the customer in time without any issue. It also demonstrates our ambition to become the integrator of container logistics with value-added services to our customers."

Hean Chun Goh, auto, electronic and tech vertical head at Maersk Thailand, Malaysia and Singapore, added: "It's very fulfilling to be able to provide a truly integrated solution for our customers. With 11 air charters in place for this client, we are keeping its supply chain intact. We have provided

our ocean customer with extended landside services and by offering this air solution, we have completed the transportation mode circle".

The company said its airfreight services would complement its existing ocean freight transport provisions.

"By combining the speed of air with the cost savings of other modes, customers will be able to reduce inventory and improve their service offerings by fast response time at an affordable price," it said.

Commenting on the integration of Damco, AP Moller Maersk chief executive Søren Skou said: "We are in a strong position to deliver solutions that meet our customers' end-to-end supply chain management needs, thereby tapping into markets covering the whole journey from producer to consumer by building on our business strengths."

## AIRLINES

# Turkish Cargo adds to direct route offer

Turkish Cargo has expanded its network with the addition of numerous direct routes to destinations in Europe, the Middle East and Asia.

Last month, the carrier added London Heathrow Airport in the UK and Henri Coanda Airport in Romania as new European network

destinations. In addition, new direct cargo services in Asia include Suvarnabhumi Airport in Thailand, Singapore Changi Airport and Allama Iqbal Airport in Pakistan.

Rafic Hariri Airport in Lebanon has also been added as a new direct cargo destination in the Middle East.

Turkish Cargo now operates direct cargo services to 31 European destinations, 22 Middle Eastern destinations and 16 Asian destinations.

The carrier currently operates its fleet of 361 aircraft — 25 of which are freighters — across its expanding network.

## EDITOR'S COMMENT

**Damian Brett**



# A dose of reality needed

Concerns that a Covid-19 vaccine could coincide with air cargo's peak season appear to have abated.

However, that doesn't mean that shippers can put their feet up and expect air cargo capacity on tap.

The move from bricks to clicks as a result of the outbreak led DHL Express to predict an unprecedented peak season.

And it's not just the Bonn-headquartered parcels giant that is expecting a busy time.

Analyst CLIVE Data Services is also warning of toxic market conditions for shippers with capacity shortages and sky-high freight rates.

As much as this is down to comparative demand improvements, it is largely capacity led, as passenger aircraft are taking longer than hoped to get back into the air.

And it might not get any easier once we are through the peak season. It will only be a matter of time until vaccines are

developed and supply chains swing into action, having a further knock-on effect for air cargo, and possibly keeping rate momentum going into the first half of next year.

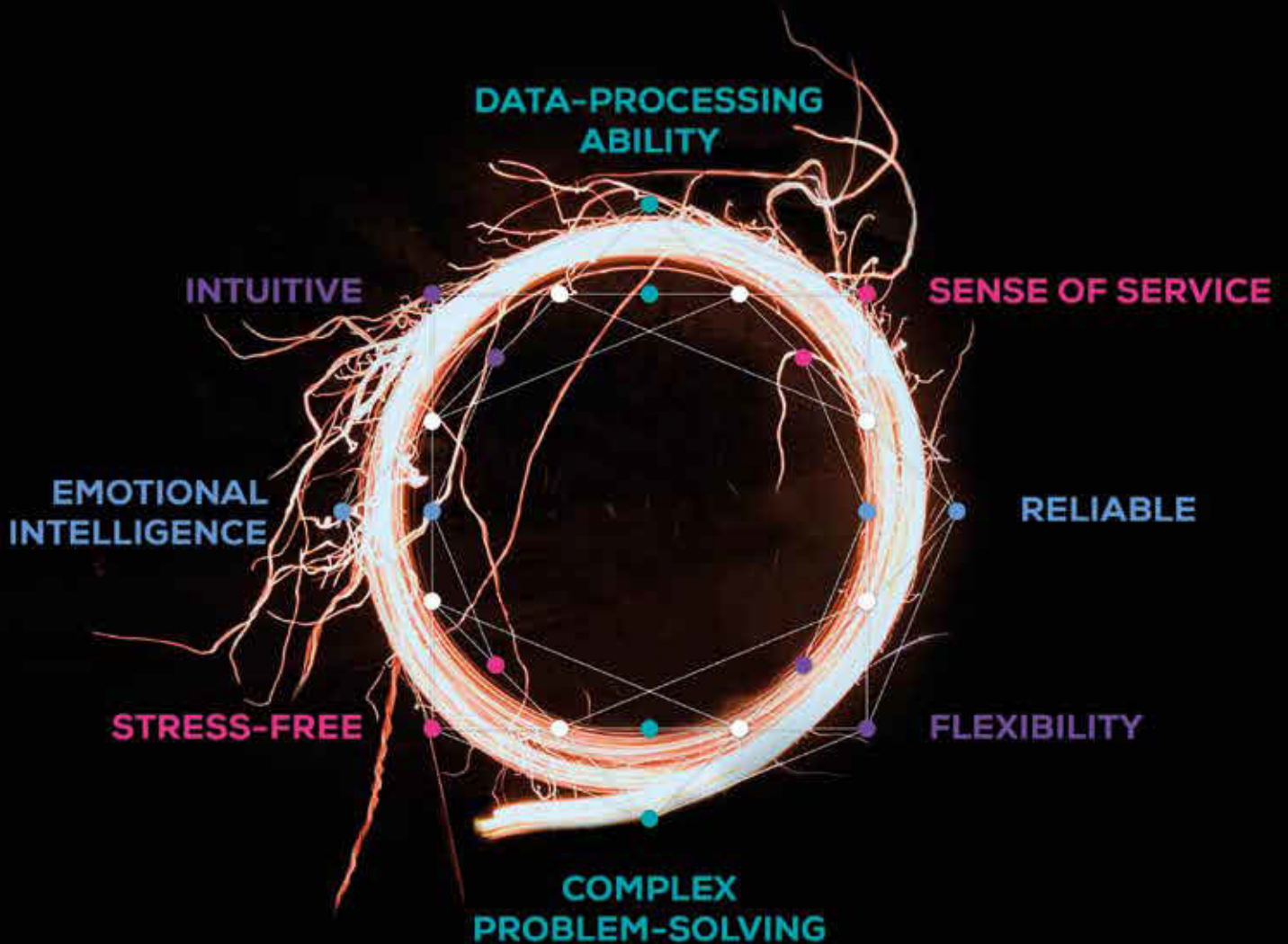
With all this going on, it surprised many to see Frankfurt and Schiphol re-jig their cargo divisions as part of wider re-organisations.

While I am not condoning the move — as it seems e-commerce and the need to distribute a vaccine are in fact increasing the importance of air cargo — it should act as a reminder that not every part of

the air cargo industry has been able to benefit from the sky-high rates.

The huge rate increases that have protected many airlines' cargo divisions, freighter operators, freighter lessors, forwarders, GSSAs, and charter brokers won't trickle down to airports and handlers that need volumes (or flights) to make money. Even the cargo divisions of airlines that haven't been able to capitalise on the higher prices — and even some that have — are likely to get dragged into company-wide re-organisations.

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## AIRPORTS

## EAT Leipzig offers just the right medicine

European Air Transport (EAT) Leipzig has launched a freighter service between Brussels and Miami International (MIA), which the US airport has hailed for its ability to handle pharma traffic.

The five-times-per-week service was launched in October using an Airbus A330-200F capable of carrying 65 tonnes per flight.

EAT Leipzig's new Brussels service follows launches by DHL Express and Amerijet, which began cargo flights between Brussels and MIA in March and April, respectively. Combined, the airlines provide 13 weekly flights between the two pharma hubs.

The US airport said that last year it handled a total of \$3.7bn in pharma imports and exports, with Belgium ranking as one of MIA's top 10 trade partners for pharma imports at \$12.7m.

In 2016, the two airports set up the Pharma.Aero organisation and were amongst the first to achieve IATA's CEIV Pharma certification.

## AIRLINES

# South America in focus as Alibaba clicks on Atlas Air

Alibaba's supply chain business, Cainiao Smart Logistics Network, has signed a freighter charter deal with Atlas Air as it targets the South American e-commerce market.

The deal will see Atlas flying dedicated charter flights between China, Brazil and Chile, three times per week, to "enhance Alibaba's extensive logistics network as cross-border trade between China and Latin America continues to expand".

The service will start in November and will cut shipping times between China and destination markets from a week to an average of three days.

The move comes as Cainiao has seen its parcel volumes to South America take off this year; in the third quarter of 2020, it transported more than 8m packages — double the number transported during the second quarter of this year.

"At Cainiao, we continue to invest in our network to support Alibaba merchants operating more than 100,000 online shops," said William



Thrice-weekly Atlas Air services will cut shipping times from China

Xiong, Cainiao's chief strategist and general manager of export logistics.

"Our partnership with Atlas Air will help us establish an efficient, reliable network to South America and other worldwide destinations by significantly reducing airfreight delivery times for the merchants we support."

Atlas Air Worldwide president and chief executive John Dietrich added: "The global scale of our operating networks will enable Cainiao to continue to enhance its logistics capa-

bilities and meet its objectives to offer faster deliveries globally."

Cainiao added that it is committed to facilitating international trade by improving supply chain efficiency and launching direct routes to major regions across the globe. Cainiao is expected to operate around 1,300 chartered flights by the end of 2020.

Alibaba has ambitious plans to shorten e-commerce delivery times. The company aims to achieve 24-hour deliveries anywhere in China and 72-hour deliveries globally.

## PUTZGER PERSPECTIVE

Ian Putzger



# Cargo falls to bottom of the pile despite triumphs

Cargo, what cargo? Recent developments have made it abundantly clear that the industry's spell in the spotlight is all but history, its halo as the plucky sector that keeps planes flying is fading fast.

Even before the monumental effort to carry vaccines all over the planet is underway, freight was already well on its way into the basement of the aviation business.

The latest illustration of this came in mid-October, when Amsterdam Airport Schiphol confirmed that it was restructuring its organisation. In the process, cargo is integrated into airport operations along with other airline activities.

This looks like one step further down, following a

reorganisation three years ago, which merged cargo into the aviation and marketing portfolio. Maike van der Windt, who has headed the airport's cargo team since the spring of 2018, is losing her job, one of the casualties of a 25% cull of management positions.

The picture is equally grim over in Frankfurt, where airport operator Fraport is embarking on its 'Relaunch 50' programme to slash costs and make the organisation trim for the meagre times ahead. This targets a cull of nearly 4,000 jobs and the elimination of 114 out of 322 management positions.

The organisational reshuffle that goes along with this creates a new unit called

'freight and passenger development'. One of the ramifications of this is that the head of cargo no longer reports to a member of Fraport's board of directors.

These are not second-tier passenger airports with some cargo business, but major global gateways on which a lot of supply chains are anchored. Nor, for that matter, is Lufthansa a passenger airline that moves a few boxes when it has nothing better to do.

Yes, Lufthansa is apparently moving in the same direction. According to one report, the carrier's top brass are mulling a plan to re-integrate cargo into the airline, which is facing a sharp cost-reduction programme as it continues to bleed cash.

Perhaps it's not surprising that IATA is going the same way.

To the shock and dismay of many in the cargo industry, the organisation's well respected head of cargo, Glyn Hughes, has decided to accept voluntary redundancy come January.

**'The industry's spell in the spotlight is all but history, its halo as the plucky sector that keep planes flying is fading fast'**

Ian Putzger

Obviously cargo is not impervious to the financial ravages of the airline business, but this should not lead to the loss of its voice at a critical juncture.

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## AIRPORTS

## Dubai aims to be Covid-19 vaccine hub

Emirates SkyCargo will re-open its SkyCentral DWC cargo terminal as a dedicated airside cargo facility for the launch of a Covid-19 vaccine.

The freight division of Emirates has also set up a “dedicated rapid response team” to coordinate requests from the various partners involved in the vaccine distribution and to “streamline the carrier’s response to vaccine transportation requests”.

The airline claimed that its vaccine hub in Dubai South will be the largest dedicated airside facility in the world for Covid-19 vaccines.

Emirates SkyCentral DWC has over 4,000 sq m of temperature-controlled GDP certified dedicated pharma storage area allowing for large scale storage and distribution of the potential Covid-19 vaccines, it said.

The carrier estimates that the facility can hold around 10m vials of vaccine at a 2-8 degrees Celsius range.

The carrier also offers a fleet of cool dollies for the transfer of shipments between aircraft and the cargo terminal and has temperature-controlled trucking docks. It will also offer re-icing and repackaging of vaccines.

Ahmed bin Saeed Al Maktoum, Emirates chairman and chief executive, said Dubai is well positioned to serve as a gateway and distribution hub for Covid-19 vaccines to the rest of the world.

## AIRLINES

## NCA confirms B747 partner

Nippon Cargo Airlines (NCA) and ASL Airlines Belgium have added a new partnership covering B747-400 freighters.

The tie-up will see ASL Belgium operate two of NCA’s B747-400Fs, while the Japan-based carrier will have access to capacity on the flights.

The deal will not affect the size of ASL Belgium’s B747-400F fleet which will remain at three aircraft.

Hitoshi Oshika, president and chief executive, NCA, said: “NCA will explore additional service expansion with its European partner to other important markets including Africa and flights across the Atlantic connecting Europe and the US.”

NCA backed out of operating its B747-400 freighters in 2018. The carrier had previously signed a deal with Atlas Air to operate its three B747-400Fs.

## AIRPORTS

# Europe’s cargo shake-up

Two of Europe’s major freight hubs — Frankfurt and Amsterdam Schiphol — have announced a shake-up of their cargo divisions as part of a wider restructuring.

According *Air Cargo News*’s sister title, *DVZ*, the cargo division of Frankfurt airport operator — Fraport — is set to be merged into a newly created division as part of its restructuring programme, Relaunch 50.

The move will see the Central Freight Infrastructure and Air Cargo Development (ZFL) division become part of new division, Freight and Passenger Development (FTU-C), from January 1 next year. The division

will be headed by Simone Schwab.

Schwab will have a dual function: managing FTU-C and being responsible for the location development of the passenger business.

She will report to Alexander Laukenmann, head of the flight operations and terminal management, corporate security division.

When the new distribution of responsibilities comes into effect on January 1, there will no longer be a board member directly responsible for cargo in the airport operator’s top management body.

Due to the restructuring of the 322 management jobs that existed at

Fraport AG in December 2019, 114 jobs are to be cut by January next year.

According to the plans of the group executive board, the staff reduction will take place in all five management levels of the company.

The airport operator is aiming for a total of up to 4,000 job cuts.

Meanwhile, Schiphol Airport’s cargo department is set to change division again as part of a restructuring at the airport.

In October, the Dutch hub outlined a reorganisation, which will see changes in its management structure as a result of the coronavirus crisis.

Under the new structure, all airline-related activities of the aviation marketing, cargo and customer experience (ACC) team, including cargo, route and business development, traffic analysis and forecasting, and marketing and communication, have been integrated into the airport operations business unit headed by Miriam Hoekstra – van der Deen.

Bastiaan Kroes, senior manager within airport operations, will temporarily oversee all commercial airline and cargo related activities until the Schiphol structure has been finalised.

As a result, Maaïke van der Windt, who has headed up the ACC team since April 2018, will leave her role.

The re-organisation comes just two years after the cargo department was merged with aviation marketing.

The moves by two of Europe’s largest freight hubs has left many in the sector baffled given the increasing importance of cargo in the aviation world as a result of the curtailing of passenger flights.



## FORWARDERS

## Supply chain visibility vital for e-sellers

A survey carried out by freight forwarder Geodis and analyst Accenture Interactive has found that a lack of supply chain visibility is one of the key challenges faced by retailers looking to capitalise on growing e-commerce demand.

The survey of 200 retailers in Europe and North America showed that 76% of companies said improving the customer experience, which includes the purchase and delivery service, is their greatest long-term challenge.

On the wish-list were improved e-fulfillment, a range of flexible delivery options, more practical tracking visibility and simple returns.

The study reveals the ambitious objectives of brands to reduce delivery times to three-days within a maxi-

mum of three years for the domestic market and four or five days for inter-continental services.

However, supply chain visibility is a key requirement of being able to achieve this.

The survey found that just 16% of the companies questioned can get real-time key performance indicators for their supply chain; 25% of American brands and 10% of European brands say they have access to this information.

In addition, 40% of European brands admitted that their analytical capabilities are too rudimentary, generating data in a fragmented way, often manually and without clear governance.

Ashwani Nath, vice president and global head of e-channel solutions,

Geodis, said: “Only a minority of them have real-time supply chain inventory visibility.

“However, this visibility is essential to ensuring product availability, offering a variety of shipping choices and informing the customer of the product’s shipping status. In short — satisfying the customer.

“Behind the scenes, this means optimising the logistics cost for each order and overcoming many logistical challenges: reconciling the physical with the digital, maintaining a real-time inventory, optimising stock, managing transportation, orchestrating orders while dealing with a variety of processes and partners.

“This will help brands to better utilise their physical assets and gain a competitive advantage.”





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## DIGITISATION

# Cathay Pacific to boost digitisation 'with vigour'

Digitisation and the continued expansion of its partnership programme are two key priorities for Cathay Pacific's new head of cargo.

Speaking to the airline's Cargo Clan publication, Tom Owen outlined how he saw the cargo business progressing.

Owen said that the carrier would continue with its ambition of becoming the world's most customer-centric airfreight provider and added that the carrier also needs to pursue digitisation and automation with vigour.

"The industry is still notoriously paper-heavy, and manually intensive," he said. "We are keen to support IATA's One Record and to pursue our own goals around automation. Digitisation is a massive area of focus given the opportunity to make better-informed decisions when data is easily accessible and reliable."

"On the products side, we have been doing good work to differentiate our specialist cargo solutions. We need to build on this further now and do so quickly."

He explained that Cathay Pacific



Head of cargo Tom Owen: Cathay Pacific needs to learn from the data

Cargo wanted to get to a point where it has secure and well-organised data from a range of sources to inform its discussions and decisions.

"We are data-rich but information- and analysis-poor, and so we need to reorganise our data in a more coherent way," he said.

He added that data could be used to improve operational efficiency as it only scratched the surface in terms of the way it uses data to make decisions.

"So for instance, our next-generation track-and-trace system will

provide information so that the team can act quickly and proactively to anticipate or react to problems," he said. "And then we need the feedback loops closed. When there is an incident, we need to learn from the data to improve our processes."

He added that Cathay Pacific had also yet to reach the point where it can offer automated booking or real-time pricing for ad-hoc bookings.

Looking at expanding its network, Owen said that partnerships with other airlines would play a key role.

## AIRLINES

## National calls mothballed freighters up

National Airlines has called up three of its parked freighters to meet cargo demand.

The carrier said that in response to "rapidly growing demand for cargo" charters it would add three more B747-400Fs to its existing fleet of two of the aircraft.

National acquired the three B747-400Fs two years back, but later put them all into storage because of declining demand for airfreight.

The first of the three went into service in September. The second was due to join the active fleet in October and the third is due to start work this month, after maintenance checks.

Chris Alf, chairman of National Airlines, commented: "We felt the urgency to bring on these aircraft to support the demand for moving urgent relief supplies in support of governments and global aid agencies."

National said its B747-400Fs are flying between the US, Middle East, China, and Hong Kong on a daily basis.

## SHIPPER SPOTLIGHT

Zoe McLernon



# Hydrogen isn't quite ready to replace fossil fuels

The UK has pledged to achieve net zero greenhouse gas emissions by 2050 and airplane manufacturers are already taking bold steps to achieve this target.

'Replacing fleets **completely** with ZEROe, Airlanders, or other **low-emission** planes is not an **affordable solution** for many, nor an effective use of **available resources**'

Zoe McLernon, Logistics UK

In September 2020, Airbus unveiled its plans for the development of three zero-emission concept aircraft.

Expected to be in flight by 2035, they are likely to become the world's first commercial

airplanes to be emission-free — a vital step forward in the decarbonisation of airfreight.

Airbus' ZEROe now joins Hybrid Air Vehicles' Airlander in a range of new aircraft designed to disrupt the aviation market.

Airbus' zero emission aircraft will use hydrogen as the power source, a fuel the company says "holds exceptional promise as a clean aviation fuel".

But while the only by-product of hydrogen is water, for the ZEROe to be truly zero emission, the hydrogen must be produced from renewable sources, and, at present, around 96% of hydrogen is made from fossil fuels.

In the document, *A hydrogen strategy for a climate-neutral*

*economy*, the European Commission recognises that 'clean' hydrogen is not cost-competitive compared with fossil-based hydrogen and has made it a priority to tackle this issue, pledging to ensure renewably-sourced hydrogen will be readily available and affordable by 2050.

In addition to the challenge of sourcing 'clean' hydrogen, Airbus is aware that it will also require investment from government and industry to install hydrogen transport and refuelling infrastructure to make day-to-day operations possible.

Hybrid Air Vehicles (HAV) has taken a different approach, with its experimental aircraft deriving its lift from a combina-

tion of aerodynamic lift, lifting gases, and vectored thrust.

The company estimates that, by 2025, its Airlander will fly with up to 90% fewer emissions than conventional aircraft.

While these innovative aircraft will help to transition aviation to a zero emission industry, it is important that space is made for existing, conventional aircraft to be modified. Replacing fleets completely with ZEROe, Airlanders, or other low-emission planes is not an affordable solution for many, nor an effective use of available resources.

Zoe McLernon, policy manager of multimodal at Logistics UK

## IBS CARGO FORUM WEBINAR

# Carriers look for a new role in changed world

Airfreight may not have suffered as badly as passenger services from the economic effects of Covid-19, but operators have still faced plenty of challenges. **Rachelle Harry** reports

**T**he IBS Cargo Forum webinar looked beyond the current market to see how companies from the airfreight industry are adapting to a post Covid-19 future.

Webinar host and moderator Ashok Rajan, senior vice-president and head of cargo and logistics solutions at IBS Software, said it has become obvious that the “new normal” created by the pandemic is going to have long-term effects on all kinds of businesses.

In addition, he said, despite continuous airfreight operations throughout the crisis, the future remains uncertain for many players in the airline industry. He added that as economies around the world slowly reopen, air cargo businesses must rethink and revamp their operations if they wish to succeed in this new environment.

The panellists — Valayil Korath Mathews, executive chair at IBS Group; Woo Kam Weng, chief executive of POS Aviation; Jessica Tyler, president of cargo at American Airlines; Kurt Schosinsky, managing director at Avianca Cargo; and Andrew Matters, deputy chief economist at IATA — discussed how their businesses responded to the crisis and what steps those in the industry could take on the road to recovery.

## Get connected

Schosinsky of Avianca Cargo said that during the pandemic his company “constantly adapted our operation to meet the needs of the market and our customers”. For example, it offered greater connectivity and capacity options in Central America and also operated freighters.

Looking forward, Schosinsky is positive that focusing on cargo operations could help determine the company’s success in the future.

“The future will give us the opportunity to adjust our business model to continue growing in the market,” he said. “Passenger is a good business, but now it’s facing a lot of challenges. Cargo is key.”



Kurt Schosinsky,  
Avianca Cargo



Jessica Tyler,  
American Airlines



Andrew Matters,  
IATA

The e-commerce sector has seen growth accelerate as a result of the pandemic and could become increasingly important for the air cargo industry.

This year, Malaysia-based ground handler POS Aviation refreshed its legacy systems and streamlined its IT efficiency while expanding its operations — particularly in e-commerce.

“E-commerce provided an opportunity, but it also provided a lot of complexity,” said Weng.

“For a typical airline to match the requirements of an e-commerce business, you have to rethink what business model you can have that will help

you to take up the opportunity. For us as a ground handler, we have to look across the entire supply chain and logistics supply chain.”

He also viewed the pandemic as “a great opportunity to review and reset” — and he encouraged other businesses to do the same.

He explained: “This pandemic has challenged every single business model and every business continuity plan we had. It validated our direction. We became asset-light — a very agile business model that quickly trimmed down and stepped up our need to meet customer demand.

“It has taught us that we can quickly

adapt and be agile enough to survive the next crisis.”

In recent months, American Airlines Cargo has made best use of its airfreight capacity by operating freighters and introducing a cargo no-show fee.


Tyler said the carrier’s success in navigating the pandemic and other challenging times was “people and leadership who are willing to challenge the way we think and the way we do things”.

“Each of us in a different way is helping the world function right,” she said. “Our purpose has never been clearer. We play such a critical role.”

She added that collaboration and ideas-sharing between key players in the airfreight industry should be part of the “new normal”, going forward.

IATA’s Matters gave a forward-looking outlook: “Cargo has a very important role in restarting and supporting the recovery and economic activity coming out of the global recession. It’s broader than just deploying the vaccine; agility is key.

“I think there are some real opportunities in the sector at the moment in terms of innovation.”

He concluded: “I think we are probably all looking forward to putting 2020 behind us and moving forward in a better year in a more promising way in 2021.” 



Ashok Rajan,  
IBS Software

# Seeking potential beyond Covid-19

FedEx AMEA's recently appointed president certainly has a lot on her plate as she takes up her new role. **Rachelle Harry** finds out her priorities and plans

**F**or many people, the pandemic may not have been an ideal time to start a new job, but Kawal Preet — who took up her role as president, of Asia Pacific, Middle East and Africa (AMEA) in March — has risen to the challenge.

Since starting, she has kept an eye out for opportunities while steering the company's performance in the region towards growth.

According to forecasting organisation, Global Insights, Preet says, three of FedEx AMEA's top markets — China, Japan and India — are expected to be listed among the world's top five economies by 2030.

This puts the company in a good position to capitalise on the region's potential.

"Not only is this region diverse, it is also a closely-knit economic community where 60% of international trade is intra-regional," she explains.

"We are focused on creating possibilities and driving growth in AMEA, particularly as global economic recovery gets underway," she adds.

"Our top priority is to grow in Asia, Africa and the Middle East, as well as tapping into our connectivity to, from and within Europe."

She says that her leadership in facilitating her united team, particu-

larly in the midst of the global Covid-19 pandemic, is key to achieving the region's growth plan.

"In my role, I'm committed to strengthening our culture and values, so we can unlock our team's potential in delivering to our customers".

She continues: "I'm amazed at how well our team is dealing with this crisis; they are the cornerstone of our success and the key to our future."

"While there was a significant reduction on air cargo capacity, we never stopped serving our customers thanks to our global air network."

## Fast response

FedEx AMEA's success so far in navigating the crisis has not only been dependent on its team, but also on its versatility and agility.

FedEx was a first responder and essential service provider delivering personal protective equipment (PPE) and other medical supplies to its customers, non-profit organisations and selected communities in need.

When carrying out these deliveries, the company faced logistical challenges in the form of cross-border rules and complex customs requirements.

"We've had to adhere to changing regulations and guidelines from local authorities and we've adjusted features within our services to minimise the impact [of the control of movement of goods] so that we can continue delivering to our customers," Preet explains.

"We've also worked hard to help businesses combat interrupted supply chains that had arisen from measures like airport quarantines, isolation policies and a reduction in flights and capacity."

Such efforts include FedEx's teams who work closely with government agencies and trade organisations pushing for continued flight operations and minimal restrictions on aircraft operations.

Keeping customers informed was also important.

"Our teams quickly recognised the rising demand and urgency of

shipping relief and medical supplies, as well as the rapidly changing customer requirements in each market," Preet explains.

"So we supported our customers by developing a PPE shipping guide to help importers and exporters in each market."

"We also created a Covid-19 information hub online to provide updates on changing regulations."

She notes that as different parts of the world emerge from the crisis "in varying degrees", available capacity varies across different trade lanes and throughout Asia Pacific.

"According to [analyst] Accenture's insights, the transpacific lane is already operating at pre-Covid levels and could experience even more changes in the near- to mid-term," she says.

"Eastbound transpacific market capacity grew 4% compared with last year and remains the only trade lane to show air cargo capacity growth [as *Air Cargo News* went to press]."

She adds: "According to the International Monetary Fund's 2020 World Economic Outlook Update, the intra-Asia and Asia-Europe lanes are expected to outgrow the transpacific lane."

"FedEx already has a strong network in place to help our customers tap into these trends, whether to Europe or within intra-Asia or intra-AMEA."

For example, prior to Covid-19, we expanded the number of destinations available for our international priority direct distribution service and for our international economy direct distribution service.

"So, we now have 148 lanes for international economy and 56 lanes for international economy freight from Asia Pacific to Europe".

In addition, Preet says that FedEx is playing a role in connecting Africa to the rest of world.

For example, last year it introduced its first regularly scheduled flight to Johannesburg in South Africa, which provides the country with connections in Europe and the US.





FedEx has more than 400 freighters in active service worldwide

**'Staying agile and adapting to changing customers' needs in the wake of Covid-19 is what will determine the way forward'**

Kawal Preet, FedEx AMEA

"We have also provided South African importers with greater access to key European markets with the extension of our dangerous goods shipping services," she adds.

**Fleet and innovation**

With 679 freighters actively in service, FedEx has the largest cargo aircraft fleet in the world. Preet says that this, as well as the company's focus on technological innovation, has helped it to support small- and medium-sized businesses and achieve e-commerce growth, both prior to and throughout the coronavirus pandemic.

"We provide sustainable solutions at a scale," explains Preet.

For example, FedEx Delivery

Manager enables e-tailers to offer their customers different options for where and when they want their orders to be delivered.

Other digital solutions include FedEx Billing Online and Mobile App, which enable payments, and FedEx Virtual Assistant, which uses AI technology to offer a "superior customer experience".

Preet adds: "E-commerce was booming before the pandemic, but now we are seeing renewed momentum across AMEA.

"Retailers are using digital platforms to drive up sales and it's becoming more urgent for 'brick-and-mortar' establishments to migrate to e-commerce."

FedEx has also streamlined customs processes for its customers in China.

The FedEx Online Declaration Tool is a digital platform that allows customers to submit export information electronically.

Preet says the tool enables small- and medium-sized enterprises to submit customs information "conveniently and accurately", thereby enabling them to carry out their international business as quickly as possible.

"Customers can search for their products' harmonised codes and receive guidance about information required by Chinese customs," says Preet.

"Then, when they submit the information, the FedEx Clearance Team can start the review process and provide further assistance if needed."

**Vaccine preparation**

Preet says FedEx AMEA's experience in healthcare logistics — including its "technology-integrated solutions for planning, storage, transportation and customs clearance of healthcare shipments" — has proven to be valuable in the fight against the pandemic and the build-up to finding a vaccine for Covid-19.

She gives an example: "In Shanghai, we helped a biochemical company successfully deliver an emergency shipment to the US that had been held up due to medical-related regulations.

"When we learnt that the shipment contained Covid-19 vaccine reagents, we quickly arranged the correct paperwork, special handling resources and clearance to ensure the supplies could get to the pharma providers who are working to flatten the curve, contain the virus and save lives."

The company has also launched a sensor-based logistics device called SenseAware that enables highly precise tracking of shipments.

As SenseAware service can monitor current location, precise temperature, relative humidity, barometric pressure readings, light exposure and shock events, and provide near real-time updates to customers who can monitor location and conditions of their shipments, it will be especially valuable to customers in the healthcare sector where shipments are often environment- and time-sensitive.

SenseAware is available in 26 markets worldwide including the U.S., Australia, Hong Kong, Korea, Malaysia, New Zealand, the Philippines, and Singapore and was recently introduced in Japan — a move that comes as various pharma companies race to develop a Covid-19 vaccine while the air cargo industry prepares for its widespread distribution.

"Customers [in rollout areas] now have the ability to monitor data online using signals transmitted from the device, which is included in the package," says Preet.

"This level of visibility and service is best suited for transporting high-value, irreplaceable temperature-sensitive items, such as drugs or specimens and samples from healthcare customers."

When asked what the future holds for air cargo, Preet says: "The pandemic has revealed strategic vulnerabilities in business across industry sectors. It has also helped accelerate change in new ways of working, technology adoption and opportunities for diversification."

She continues: "The 'new normal' will create more of an awareness about different border regulations and customs procedures that can lead to unexpected delays, backlogs and other issues for shippers.

"Small- and medium-sized exporters are key beneficiaries of trade facilitation reforms as they are the ones most affected by complicated customs procedures around the world.

"In the long term, trade agreements could boost international cooperation on risk management and help facilitate the movement of goods.

"I believe FedEx will continue to play an important part in aiding smoother clearance processes by ensuring the right hardware, expertise and technology solutions are in place".

Preet also believes that attitudes in supply chain management will shift from "just-in-time" deliveries to "just-in-case" inventory building.

If this becomes a reality, she says, we will see higher uses of slower, more economic delivery solutions, rather than the express solutions favoured at present.

She also anticipates that sourcing links within supply chains will become more diversified "to benefit countries like India, Malaysia, Taiwan, Vietnam and Thailand".

"This will change the pattern of how goods move and will reduce dependencies on one country or one production location — which, as we have seen, can quickly shut down businesses in times of crisis," she explains.

In healthcare, Preet believes that Asian economies with research capabilities and the ability to meet low-cost healthcare deliveries could take the lead in areas like digital health solutions.

"The coronavirus crisis highlighted the value of logistics and airfreight for the shipment of much needed healthcare and medical supplies, as well as keeping businesses and e-commerce going," she notes.

Reflecting on months past, Preet says the crisis has "brought us back to what is truly special about FedEx".

"Staying agile and adapting to changing customers' needs in the wake of Covid-19 is what will determine the way forward and I'm grateful and excited to be playing a part in the future of FedEx in AMEA," she concludes.



**FACT FILE**

◆ FedEx Express' global network covers 650 airports in 220 countries and territories.

◆ Kawal Preet previously held the position of senior vice-president of operations, FedEx Express, North and South Pacific.

◆ In her current role as president AMEA, Preet manages nearly 40,000 FedEx Express team members across 103 markets and territories that make up the region.

NEXT AIR CARGO NEWS INTERVIEW: **HENRI LE GOUIS, BOLLORÉ LOGISTICS**

# American takes the top prize

For the first time ever, the Air Cargo News Awards were held online in 2020 – but this meant anyone around the world could attend. American Airlines led the roll-call of winners

**A**merican Airlines Cargo scooped the prestigious Cargo Airline of the Year Award 2020 at a unique 36th Air Cargo News Awards — the first digital ceremony. The awards usually take place every year in London, but the coronavirus outbreak limited the gathering of people; instead, an online awards ceremony was streamed on October 29 and presented by *Air Cargo News* editor Damian Brett and news editor Rachelle Harry.

Dallas Fort Worth-hubbed American Airlines Cargo secured the highest total number of votes cast by *Air Cargo News* readers in the Cargo Airline of the Year category to win the headline award, which was sponsored by dnata.

The award comes as the airline made its largest investment in cargo to date — a new end-to-end management system that enables more efficient online channels, improved tracking and greater efficiency in warehouses.

This is part of a broader initiative to upgrade and modernise the business, with further developments to come.

## Voting process

A total of 12 categories featured in the 2020 Air Cargo News Awards, based on a mix of direct voting by supply chain professionals and company submissions.

For the awards that were decided by voting, shippers, freight forwarders and operators within other industry sectors were asked to vote on the *Air Cargo News* website over a two-month period for the airline that provides the best overall customer experience and service in each region and for the overall prize, won by American Airlines Cargo.

Looking at the regional winners, Ethiopian Airlines Cargo scooped the award for Best Cargo Airline – Africa, sponsored by *Airline Business*.

The airline has expanded rapidly over the past decade; its freighter fleet has evolved from two leased aircraft to an inventory of 10 new Boeing 777

freighters — with more to come.

Earlier this year the carrier launched a tracking app and it has also conducted several aid flights carrying Covid-19 supplies.

The next category, Best Cargo Airline – Americas, was sponsored by FlyUs Aviation Group.

The voting in this category was particularly strong this year. The prize was won by American Airlines Cargo, its second award of the night.

The carrier continued its winning ways in the Americas region, once again beating off tough competition.

American Airlines' focus on service quality and product innovation for pharma shipments and other high-value airfreight is its trademark.

The next category, Best Cargo Airline – Asia, sponsored by FlightGlobal, again received a huge number of votes this year.

The award was won by Cathay Pacific Cargo. From its Hong Kong hub, Cathay Pacific has invested in its cargo services, rolling out a ULD track-and-trace trial and new pharma services.

The airline group also pioneered blockchain technology to manage its ULDs in real time, while it has actively responded to coronavirus, reintroduced a cargo director role and expanded cargo-only operations.

The Best Cargo Airline – Europe category, sponsored by SEGRO, was won by Turkish Cargo.

The Istanbul-based carrier has moved to a new home in the Turkish city, where it offers services from a

huge state-of-the-art cargo facility with an initial capacity of 2m tonnes.

Last year the company saw its volumes grow by almost 20% as it added new freighter aircraft and a host of destinations.

The Best Cargo Airline – Middle East category, sponsored by *HeavyLift and Project Forwarding*, was won by Etihad Cargo.

The past few years have seen the Abu Dhabi-hubbed airline embark upon a major transformation of its cargo business.

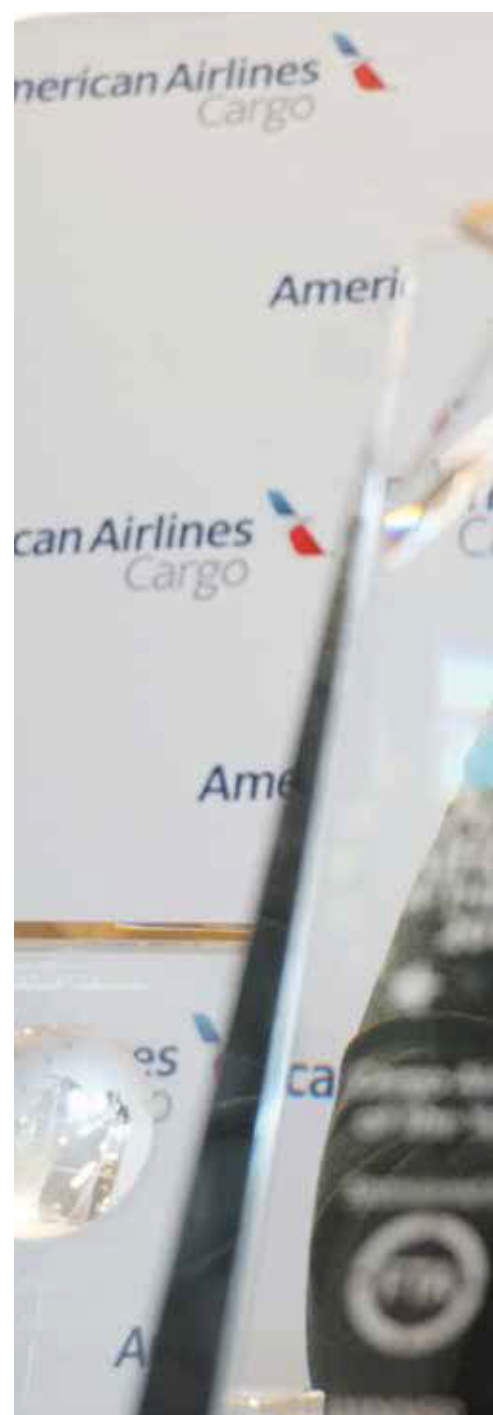
While the carrier made the brave decision to slim down its freighter fleet, it has launched a range of digital initiatives that have transformed how customers interact with the carrier.

The second set of awards were based on written entries and were scored by our panel of judges: Glyn Hughes from IATA Cargo, Ariaen Zimmerman from Cargo IQ, Chris Welsh of Chris Welsh Consulting, Celine Hourcade of Change Horizon and consultant Ram Menen.

The Cargo Hub of the Year Award celebrates the investments and improvements made to the airline experience when it comes to loading/unloading cargo and also to the air cargo supply chain based in and around the airport.

Winning the award this year was Liege Airport, with the judges impressed with the airport's investment in adapting its infrastructure to suit the changing requirements of the air cargo sector.

The hub has invested in



warehousing, aircraft parking stands, smart truck parking, digitalisation and community cargo cloud functionalities.

The Ground Handler of the Year Award was sponsored by WEXCO Cargo GSSA. Judges were looking for excellence in operational efficiency and customer satisfaction.

The award was won by dnata, which has opened a number of new warehouses for general and specialised cargo, such as pharma and perishables, and has implemented the latest technologies, such as biometric tagging, electric industrial vehicles and hand-held devices.

The next category, Charter Broker of the Year, was won by Air Charter Service, with judges noting the company's significant network and team expansion.

The company has also carried out successful operations for unique shipments, as well as fast-response aid operations following hurricanes in the US and the Caribbean.

This year, the innovation award was

## THIS YEAR'S WINNERS

Category	Winner
Best Cargo Airline – Africa (sponsored by <i>Airline Business</i> )	Ethiopian Airlines Cargo
Best Cargo Airline – Americas (sponsored by FlyUs Aviation Group)	American Airlines Cargo
Best Cargo Airline – Asia (sponsored by <i>FlightGlobal</i> )	Cathay Pacific Cargo
Best Cargo Airline – Europe (sponsored by SEGRO)	Turkish Cargo
Best Cargo Airline – Middle East (sponsored by <i>HeavyLift</i> magazine)	Etihad Cargo
Cargo Airline of the Year (sponsored by dnata)	American Airlines Cargo
Best Freighter Operator (sponsored by <i>Freighters World</i> )	Lufthansa Cargo
Cargo Hub of the Year	Liege Airport
Charter Broker of the Year	Air Charter Service
Ground Handler of the Year (sponsored by WEXCO Cargo GSSA)	dnata
GSSA of the Year (sponsored by American Airlines Cargo)	FlyUs Aviation Group
Innovation Award (sponsored by Liege Airport)	cargo.one
Innovation Award ULD	ACL Airshop



American Airlines president of cargo Jessica Tyler celebrates scooping the Cargo Airline of the Year Award

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split into two categories to recognise the varying types of entry.

The Innovation Award ULD celebrates those companies that are pushing the boundaries and making a change in the world of air cargo containers.

The winner was ACL Airshop, which has launched a free FindmyULD app that enables users to search lease information, stock levels, location and the battery levels of its Bluetooth tracking beacons.

The judges felt the app would save airlines time and money, as well as giving better insight into their ULDs' status.

The GSSA of the Year Award, sponsored by American Airlines Cargo, recognised agents that have invested in market-leading services to help airlines fill their aircraft while offering visibility, digital services and a personal service.

There were some fantastic entries, but this year the award was won by FlyUs Aviation Group.

The company has launched a new

in-house system and app, made website improvements, and has demonstrated use of data and AI to enhance its operations and improve customer service.

The coveted Best Freighter Operator Award, sponsored by *Freighters World* was won by Lufthansa Cargo.

The airline has created digitised services to facilitate smart bookings, handling, digital documentation — ultimately moving away from physical processes to the digital realm.

The carrier is also aiming to soon have a uniform Boeing 777 freighter fleet — the aircraft are 20% more efficient than the MD-11Fs that they will replace.

Finally, the Innovation Award, which is sponsored by Liege Airport, was won by cargo.one.

This award was open to any businesses providing innovative products, services or operations that are helping to transform the air cargo industry.

Cargo.one has achieved recognition for its digital cargo booking platform, which offers capacity from multiple airlines, displays live rates and allows bookings to be made within seconds.

**Remote benefits**

While the move to a digital format for this year's ceremony was unavoidable, Brett said in his welcoming address that there were some benefits: "I know we like to say the air cargo industry is a people business, so it's a real shame we can't meet up this year — but there are some advantages to a digital awards.


"It gives us a chance to celebrate with more people as we aren't limited to those that can make it over to the UK."

He also hailed the important role that the air cargo sector has played in transporting medical equipment during the coronavirus outbreak.

"I think the world took note of how important and innovative the industry is when cargo-only [PAX]

flights were launched, when seats were taken out to boost cargo capacity, networks were quickly adjusted, new methods for securing cargo were quickly developed and cargo loading was adapted to meet new ways of working. And that's why I think events like [the Air Cargo News Awards] are so important. "There is no doubt that 2020 has been a year that we will want to forget — even though we probably won't be able to — yet air cargo has demonstrated its importance to the world and saved lives through its ability and willingness to be adaptable and innovative.

"So I think it is important that from time to time we take a moment out of our hectic schedules to celebrate this industry, and so you can remind yourself of what an important role you have... and hopefully that is something [the Air Cargo News Awards] is able to do."

He concluded: "Congratulations to all those who won an award — you are a credit to the industry." 

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# Agents adapt to cope with Covid

Freight traffic might not have fallen away as badly as passenger numbers have, but GSSAs still face a challenge balancing volume and value, writes **Damian Brett**

**T**here is no doubt it has been a tough year for the air cargo industry, but there have been some that have been able to find positives in the difficult market.

General sales and services agents (GSSAs) are one such group and they are hopeful that demand for their services could increase over the coming years.

ATC chief executive Ingo Zimmer tells *Air Cargo News* that this year has been the toughest since he started his career in airfreight in 1987.

“Due to the lockdown there was a decrease in production, and at the same time passenger flights went down to 10% of what they used to be, so a lot of capacity was missing,” he says.

“At ATC Aviation, between January and July, we had a 28% tonnage decrease globally and we have 34 offices worldwide. That is a significant number.

“But the revenues, at €212m, are on the same level as last year. The balance comes from the yields. Less capacity means that the yields have gone up.”

Zimmer says that while overall bellyhold capacity was down on last year, ATC was able to work with its

**‘Capacity will not come back on passenger flights but at the same time the industry is recovering’**

**Ingo Zimmer, ATC**



airline customers to organise charter operations — both passenger aircraft and freighters — to help meet the rush for personal protective equipment (PPE) earlier in the year when rates were at their zenith.

To capitalise on the charter demand, ATC even went as far as establishing its own charter department.

Adrien Thominet, chief executive, ECS Group, says that this year it

experienced a significant drop in volumes and a significant increase in yields.

In July, for example, volumes were down 22% but revenues were up by 22%. “We were responsive and proactive,” says Thominet, “offering [freight forwarders] solutions on markets with reduced capacity supply.

“All of our sales and operational teams all over the world rallied

round by creating new routes and setting up charter flights and ghost flights. All over the world, and in particular for some of our clients based in Europe, Asia and the Americas, we co-ordinated several hundred special and charter operations.

“Our teams in China and our operational teams in Europe enabled us to immediately implement charter activities 24 hours a day, seven days a week, which allowed us to boost our clients’ revenue.

“Many of these flights were from China, carrying large volumes of PPE and general cargo.”

In total, more than 350 charter flights have been carried out on an array of routes carrying many different types of cargo from farm produce from Bangkok to Tokyo to face masks shipped between Vietnam, the island of Réunion, and metropolitan France, he adds.

Carlo de Haas, FlyUs Aviation Group president and chief executive, says that it has been a tough year for the GSSA sector overall owing to loss of bellyhold capacity, which took its toll on volumes.

FlyUS also worked on charter operations: “To combat the challenges and deliver a strong, consistent



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**'The crisis is not yet over in many countries and the spectre of a second wave is already looming over others'**

Adrien Thominet, ECS Group



service, FlyUs — in partnership with our airline clients — designed, implemented and launched multiple cargo-only flights and schedules utilising passenger aircraft.

"We have also seen a large increase in cargo charters/part charters via the FlyUs Charter team. This has seen us maintain steady revenue flows throughout the year — despite its hurdles."

He adds that despite the pandemic, FlyUS has enjoyed a positive year and that even with the reduction in flights, several of its airline partners

have managed to increase revenues compared with a year ago.

### Leasing boost

John Gilfeather, sales director of Network Aviation Services, says that the company — celebrating 35 years in business in 2020 — was boosted by its freighter leasing business, which offers B747F and MD-11F capacity, currently operating for Allied Air and Astral Aviation.

Gilfeather says that last year the freighter side of the business was facing difficulty because of the weak

freight rates, while the GSSA side of the business was doing well.

This year the situation has been reversed. The GSSA side of the company did for a short time furlough some of its staff as the amount of capacity was reduced, while the freighter side of the business is set for a record year.

"We had a perfect conflation of events where the reduction of capacity available meant we were in prime demand," says Gilfeather.

"We are quite fortunate in a certain respect in having the two sides of the business. It seems to be that when one does well the other one not so much, so it is quite a good counter balance."

Gilfeather says that looking at the GSSA side of the business in isolation, many of its carrier customers quickly added freighter charter flights and passenger freighter flights.

Meanwhile, yields improved by around 20%, offsetting lost volumes.

"What we are seeing [at the moment] is that it has dropped off and more capacity has come back into the market, resulting in more competition and lower yields.

"But we are hoping that general volumes — and that is going to be the real deciding factor going forward — are now starting to pick up again."

Looking ahead, Thominet says that volumes are beginning to recover again

after dropping off in mid-June, when demand for PPE cargo began to ease.

"What we are currently seeing is a recovery (albeit a fairly mild one) and we are expecting a small peak from Asia at the end of the year," he says.

"But uncertainty continues to be extremely high. Airlines continue to be dependent on countries' travel restrictions, and currently no one can predict when one country will open its borders to another. Some are even tightening their rules.

"The crisis is not yet over in many countries and the spectre of a second wave is already looming over others, with the risk of strict border closures being brought in once more, except for all-cargo flights."

Zimmer is not expecting to see a recovery in passenger flights this year.

"The capacity will not come back on passenger flights but at the same time the industry is recovering and the order books are getting full and now we are coming into the last quarter rush."

He adds that if a Covid-19 vaccine should coincide with the peak season then rates could again take off.

### Optimistic

Gilfeather is also optimistic about the end of the year: "Throughout this year we have seen huge demand for online and that is driving up the mail and courier volumes. →

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Ethiopian Airlines has continued to fly its fleet of B777 freighters throughout the crisis

→ “So until the end of the year we still feel quite optimistic that demand pre-Christmas, to try and get all the stocks through, will keep the flights full until the end of 2020.”

De Haas says: “While [the outlook] depends greatly on the coronavirus pandemic, border restrictions and travel bans, our performance to date stands us in good stead.

“We are increasing capacity simultaneously with the airlines, optimising existing lanes and those being gradually reintroduced.”

Zimmer says the key to success next year will be access to capacity, as IATA is predicting that it could be 2024 until the passenger market is fully recovered.

### Tough market

Those GSSAs that cater purely for passenger airlines will find the market tougher than those that can pivot more easily towards the cargo market.

“The key is to have capacity on freighters and passenger freighters,” says Zimmer.

“The success of the GSSA and the airline depends on whether it is a mixed airline, a pure freighter airline or a pure passenger airline.

“We are happy in our portfolio as we represent many freighter carriers.”

Among its customer base, ATC counts freighter operators DHL Aviation, Ethiopian Airlines, ANA, European Airlines, Qatar Airways, Korean Airlines, Royal Air Maroc and Turkish Airlines.

Meanwhile, some of its passenger customers, such as United Airlines, Air Astana and Kuwait Airways, have

been quick to deploy regular rotations with passenger freighters.

The financial pressure that airlines are coming under is also likely to lead carriers to increase their use of outsourcing in order to remove fixed costs from their balance sheet.

“Air cargo has gained a lot of attention and become more important in the aviation industry,” says Zimmer.

“In fact it is still the main source of income for some of the airlines. We are in the focus and more and more tenders are coming up and the GSSAs are benefiting.

“If you work with a GSA, it is a different story. You just pay for what you get. You don’t have any fixed costs. Using a GSA provides flexibility and means you have less risk and fixed costs.”

Gilfeather agrees, pointing out that a GSSA has the resource to grow the cargo business, whereas an airline coming under financial pressure would have furloughed staff and reduced marketing budgets, potentially missing out on growing cargo revenues.

“We have seen it before,” says Gilfeather. “From corporate management, financial management, to get cost off the balance sheet is sometimes a major inspiration to outsource to GSSAs.”

Adds de Haas: “A large number of carriers are already going through global restructuring programmes due to the coronavirus pandemic and subsequent financial challenges.

“Direct operating costs, profitability and streamlining procedures are key focus areas and this will benefit

GSSAs long-term, with more airlines looking for outsourced solutions that yield a competitive edge.”

He says that using FlyUs’ tailored services can reduce costs and increase profitability compared with a carrier running its own cargo team. It also has the ability to invest in technology, artificial intelligence and robotics to drive further efficiencies.

“We are already in discussions with multiple airlines and are expecting a large number of passenger airlines to look to more profitable outsourced cargo solutions over the next six to nine months,” he says.

Gilfeather adds that as a result of cargo gaining in importance, Network Aviation Services has been working increasingly closely with airlines.

“What we have seen is more of a dialogue with airlines where they really are interested in the revenues and the yields that we can generate on the routes,” he says.

“For some of them, for example the airlines that we represent from Latin America and Africa, it was our feedback that decided whether they actually operated a route or not.”

Thominet also says that the crisis has resulted in it working closely with its clients, while bringing the company closer together.

“I would say that this crisis has made our bonds even stronger,” he explains. “Seeing that even in these conditions, by working together we can make miracles happen, creates an incredibly strong sense of unity.

“Thanks to the efforts of each and every one of us, we have been able to

**‘A large number of carriers are already going through global restructuring programmes due to the coronavirus pandemic’**

Carlo de Haas, FlyUs Aviation Group



ensure continuity of sales and operational activities in order to provide crisis solutions to our clients.”

Over the past few years, ECS has developed a series of modular service options — sales, operations, analytics, IT, pricing, planning, digital, finance, communications etc — that allow clients to build bespoke cargo solutions around their differing requirements.

Thominet says having this amount of choice has been invaluable as it allows the company to adapt its offering to suit various situations.

Training of staff is also high on the agenda: “As we have no visibility regarding a return to normal, we need to prepare to implement new ways of working.

“This means constantly training our teams, today more than ever. We help all of our employees to master tools that allow them to be even more responsive and to offer better advice to their clients.”

De Haas says that the greater focus on cargo gave GSSAs the opportunity to demonstrate team efforts and capabilities.

“At FlyUs, we focus and continue to focus on revenue per boarded position and profitability for our airline carriers,” he says.

“Via creative solutions and a continued focus on revenue generation, we have stayed a step

ahead — as our revenues and performance demonstrate.”

One contact said that some carriers are, however, increasingly asking for guarantees on volumes on the backhaul Europe-Asia trade as demand in this direction has not recovered to the extent it has elsewhere.

Another change noticed by the GSSAs that *Air Cargo News* spoke to was the move towards digitalisation, in part driven by increased home working.

ATC, for example, has further developed its business intelligence offering and has been developing a new cloud-based reservation and online booking system.

### Staying safe

FlyUs staff have been working remotely throughout much of the year and have been provided with the tools and infrastructure to “keep safe, keep working and stay connected”.

“The virus has impacted our lives in many ways and we continue to promote the mental health and wellbeing of the FlyUs global family. Digital innovation has overcome social isolation with everyone given the software to remain included and supported,” de Haas says.

“Our disaster recovery programmes equip us for a multitude of situations and we are pleased and proud of how

every one of our staff has adapted and reacted to support our clients and each other.”

Before the outbreak, the sector had been in the midst of a consolidation drive. While this is largely on hold, GSSAs are still keeping an eye on the market and examining opportunities.

Zimmer says that ATC last year expanded in eastern Europe, following recent expansion in the Americas.

Its next expansion target is Asia and it has already obtained a business licence for China.

Finally, Gilfeather says that Network Aviation Services has been involved in life-saving operations, which has been a rewarding experience.

He gives the example of the Maltese health service needing to get pharmaceuticals and life-saving drugs to the island when the transport operation previously used was unavailable.

“It can be quite a lot of responsibility, but when it all comes together, business aside, you feel you have done something productive that day,” he says.

Thominet adds the crisis has proved that the industry needs to continue to digitalise.

“Just’ selling cargo capacity is no longer enough,” he says. “We need to sell it well. Without a combination of

field expertise and cutting-edge digital tools, that will soon be impossible.

“The industry has become much more complex and the volume is much too large to be dealt with in the same way as it was 10 years ago.

“We need a more rational and simpler approach to the way we do things. That’s what digital tools bring. This means that digitalisation is essential, and we need to make the choice to include it, to make progress.”

However, Thominet adds that the inability to connect with people face to face, as a result of the outbreak, has also served to demonstrate the importance of the human side of air cargo.

“We are not losing sight of the fact that authenticity remains essential. We have seen this every day in recent months.

“Human contact, collective strategy, and human interactions are crucial elements in ensuring that cargo activities can continue in the long term.

“Being a GSA means serving airlines, but above all it means supporting them and helping them to be better and to generate business to maximise their revenue, whatever the circumstances. Without the human side, performance is impossible.”



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Hong Kong International Airport remained the leader of the pack in 2019 for the tenth year running, despite a 6.1% fall in volumes

# Trade war hits hubs

In 2019, volumes fell at all but two of the world's 10 busiest cargo airports as trade tensions took their toll on traffic. **Rachelle Harry** outlines the impact

**F**or many in the air cargo industry, 2019 was a simpler and calmer time, with the huge negative impact of Covid-19 yet to be felt.

However, last year also had its challenges, largely caused by a series of trade wars, and this is reflected in the cargo volumes reported by the world's leading airports.

In 2019, Hong Kong International Airport (HKIA), Memphis International Airport (MEM) and Shanghai Pudong Airport (PVG) retained the top three spots on Airport Council International's list of the 20 busiest cargo airports, which is based on airfreight throughput.

The year marked HKIA's tenth consecutive as the world's busiest cargo airport.

Cissy Chan, executive director, commercial at the Hong Kong Airport Authority, commented: "It's a great accomplishment that HKIA has been the world's leading air cargo hub for the past decade, which we attribute to the airport's extensive connectivity, high operational standards and successful cooperation with business partners.

"The ranking also recognises the concerted effort of the air cargo community and its business partners, to whom I would like to express my sincerest gratitude."

HKIA handled 4.8m tonnes of cargo in 2019. This accounted for 42% of the total value of Hong Kong's external trade but was still 6.1% lower than cargo it processed in 2018.

A weak trade environment, caused by the US-China trade war, took its toll on the hub's performance. So did political protests from March 2019, which caused passenger flights — and bellyhold capacity — to be temporarily suspended, although freighter flights were largely unaffected.

In HKIA's annual financial report, chairman Jack So Chak-kwong said 2019 was a "trying year" due to the "negative impact of the social unrest".

Despite these challenges, HIKA continued the development of its Airport City and made "significant progress" on its projects, such as the construction of its premium logistics centre for cargo operations, scheduled to open in 2023.

## E-commerce growth

Second-placed Memphis reported a 3.3% year-on-year decline in cargo demand to 4.3m metric tonnes. The hub, which is the largest in North America, credits its ranking to the presence and performance of FedEx. FedEx operates almost 400 flights per day at the hub and handles more than 180,000 packages per hour.

UPS is also present with a 134-acre

campus at the hub and is expanding its operations to enable it to handle 59,800 packages per hour.

"Cargo air carriers, primarily FedEx Express, continue to have a significant positive impact at the airport," the hub said in its 2019 annual financial report. "FedEx is headquartered in Memphis and operates its primary overnight package sorting facility at the airport.

"The company continues to dominate the cargo business at the airport, accounting for 99% of all cargo handled in fiscal year 2019."

Cargo at third-placed Shanghai Pudong International Airport, also impacted by trade wars, was down 3.6% on 2018 to 3.6m tonnes.

Out of the top 10 airports listed, the only ones to record increases in cargo volumes last year were Louisville International Airport (SDF), which posted a 6.4% year-on-year increase to 2.8m tonnes, and Doha's Hamad International Airport (HIA), which achieved a 0.8% year-on-year increase to 2.2m tonnes.

Louisville — one of the biggest climbers on the list — jumped to fourth in 2019, making it the second-busiest cargo hub in North America behind MEM and the fourth-busiest in the world. The hub's climb was significant, as it had held its previous position of

seventh since 2009.

SDF, which is home to UPS Worldport and is therefore a key base for UPS Airlines, benefitted from significant e-commerce growth during 2019.

"UPS Next Day Air package shipments grew by more than 22%, resulting in more flights arriving and departing from SDF, and more packages flowing through our Worldport air hub every night," said Dan Mann, executive director of the Louisville Regional Airport Authority.

## Top climbers

Another top climber was HIA, which moved three places from eleventh in 2018 to eighth in 2019.

The hub is in the second stage of building a new cargo terminal, which is expected to be ready by 2023.

HIA's expansion plan also includes new concourse areas that will increase the airport's passenger throughput capacity — and also bellyhold cargo capacity — as well as new retail and lounge space.

HIA's 2019 cargo progress was also dependent on the growth of Qatar Airways, which is based at the hub.

Qatar Airways has significantly expanded over the last few years: in 2019, IATA statistics show it became the largest cargo airline in the world

(excluding express operator FedEx), moving up from second place in 2018 as its traffic increased by 0.5% year on year to 12.7bn freight tonne kms.

Qatar Airways' chief executive Akbar Al Baker commented: "The expansion of Hamad International Airport is a vital part of the future success of the Qatar Airways Group."

Seoul Incheon International Airport (ICN), Ted Stevens Anchorage International Airport (ANC) and Dubai International Airport (DXB) all slipped down one place to fifth, sixth and seventh respectively.

Paris Charles de Gaulle Airport (CDG), Europe's largest cargo hub according to ACI with 79 aircraft parking stands devoted to cargo alone, also moved three places from fourteenth to eleventh, narrowly missing a spot in the top ten.

Despite the airport's "Cargo City" having an annual cargo handling capacity of 3.6m tonnes, it posted a decline of 2.5% year on year to 2.1m tonnes.

"Taking into account the trade war between the US and China, the fall in global trade and the downturn in economic growth, the cargo team at Paris Charles de Gaulle will need to work hard if it is to stand out once again in 2020," said a spokesperson for Groupe ADP, Paris CDG's operator.

Miami International Airport (MIA) also climbed three places, from fifteenth to twelfth, and experienced a 1.8% year-on-year decline in cargo volumes.

The hub handles 79% of all air imports and 77% of all exports from the Latin American and Caribbean regions, and serves as a hub for the distribution of perishable products, hi-tech commodities, telecommunications equipment, textiles, pharmaceuticals and industrial machinery.

"We have headquartered our international cargo operations in Miami. This geographical location is a natural gateway between Latin America and the US," LATAM Cargo said in its 2019 full-year financial report.

Another factor contributing to MIA's climb up the ranks is the strong performance of its pharma hub, which covers 315,870 sq m and lists Amerijet, LATAM Cargo,

Kuehne+Nagel and Swissport among its IATA CEIV Pharma-certified partners.

From 2013 to 2018, the total value of pharma products transported through MIA increased by 104% to \$5.57bn.

**Location impact**

Alaska's ANC is located on the shortest routing between many points in North America and Asia and also acts as an important technical stop to enable freighters to be fully loaded.

This is perhaps one of the reasons why e-commerce giant Amazon Air decided to add its presence at the hub in June 2019 and express operators have established hubs there — as it acts as a convenient point to shuffle volumes coming from Asia.

The hub said: "ANC's liberalised air cargo transfer rights and location allow for both cost and operational efficiencies not available elsewhere. Anchorage is a suitable location for central customer service and repair hubs; final product assembly, packaging, testing, and distribution operations; and international warehousing and distribution of high-value, time-sensitive products."

Last year, ANC experienced a 2.2% year-on-year decline in cargo volumes — down to 2.7m tonnes.

Dubai's DXB experienced a 4.8% year-on-year decline; a knock-on effect of some freighter cargo operations being shifted to Dubai World Central Airport.

The airport also closed one of its runways for 45 days in the first quarter for upgrades.

In its annual financial report, DXB flagship airline Emirates said: "2018-19 was an interesting period of contrasts and challenges for the aviation industry."

HH Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive of Emirates Airline Group, added: "Demand for air cargo faced significant headwinds and, according to IATA, global economic activity and consumer confidence weakened by March. The Purchasing Managers Index (PMI) indicated falling global export orders since September 2018."

"Political posturing and slow progress on pressing global issues, including several ongoing trade wars, Brexit and the refugee crisis,

conspired to bog down the global economic outlook even further."

Impacted by the US-China trade war, Asia-based hubs Taiwan Taoyuan International Airport (TPE) and Tokyo's Narita International Airport (NRT) also slipped down one place in the rankings, to ninth and tenth.

Japan's volumes were also affected by natural disasters, as well as an increase in Japanese sales tax and a sluggish automotive industry.

The two airports experienced similar year-on-year declines in cargo volumes: TPE posted a 6.1% slide to 2.2m tonnes and NRT reported a 6.9% decrease to 2.1m tonnes.

Los Angeles International Airport (LAX) moved down three places on the list, from tenth in 2018 to thirteenth last year. The hub handled 2.1m tonnes in 2019 — 5.4% less than a year earlier. With Asia-Pacific being LAX's top regional trading partner, its fall in the ranks is a result of the impact of trade wars.

Similarly, Singapore Changi Airport (SIN) moved down from twelfth to fifteenth after experiencing a 6.3% year-on-year decline in demand to 2m tonnes.

"With the slowdown in world trade for the year [in 2019], all cargo flows (exports, imports and transshipments) weakened," said a spokesperson for

airport operator Changi Airport Group. "The top five markets for airfreight were China, Australia, Hong Kong, the US and India".

Frankfurt Airport (FRA) moved down one place on the list to fourteenth, experiencing a 3.9% year-on-year decline in volumes to 2.1m tonnes.

Domestic business (51%) slightly outweighs international business (48%) at the hub.

Airport operator Fraport said in its 2019 annual financial report: "Politics affect Fraport's business activities at different levels. At a regional level, restrictions on operations, such as bans on night flights, have a negative impact on the airline offering."

The final five hubs on the list were non-movers: Beijing Capital International Airport (PEK), Guangzhou Baiyun International Airport (CAN), Chicago O'Hare International Airport (ORD), London Heathrow (LHR) and Amsterdam Airport Schiphol (AMS) ranked sixteenth to twentieth respectively.

Guangzhou in China was the only hub out of these that posted year-on-year growth in cargo volumes in 2019. It opened a new passenger terminal in April 2018, which enabled it to increase its handling capacity for bellyhold cargo.



CARGO HANDLED IN 2019			
Ranking	Airport	Amount handled*	% change
1	Hong Kong / HKG	4,809,485	-6.1
2	Memphis TN / MEM	4,322,740	-3.3
3	Shanghai / PVG	3,634,230	-3.6
4	Louisville KY / SDF	2,790,109	6.4
5	Incheon / ICN	2,764,369	-6.4
6	Anchorage AK / ANC	2,745,348	-2.2
7	Dubai / DXB	2,514,918	-4.8
8	Doha / DOH	2,215,804	0.8
9	Taipei / TPE	2,182,342	-6.1
10	Tokyo / NRT	2,104,063	-6.9
11	Paris / CDG	2,102,268	-2.5
12	Miami FL / MIA	2,092,472	-1.8
13	Los Angeles CA / LAX	2,091,622	-5.4
14	Frankfurt / FRA	2,091,174	-3.9
15	Singapore / SIN	2,056,700	-6.3
16	Beijing / PEK	1,957,779	-6.0
17	Guangzhou / CAN	1,922,132	-1.7
18	Chicago IL / ORD	1,758,119	-3.8
19	London / LHR	1,672,874	-5.6
20	Amsterdam / AMS	1,592,221	-8.4

\*Cargo and mail loaded and unloaded in metric tonnes



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# DATA HUB

## AIRLINE DEMAND

# Indicators point to modest air cargo growth

The latest statistics from IATA show that air cargo volumes are improving only slowly, despite a pick-up in business indicators.

According to the airline association, air cargo volumes in cargo tonne kms (CTK) declined by 12.6% year on year in August — which is a slight improvement on the 14.4% decline registered in July, but is lower than some of the traditional leading indicators suggest it should be.

The new export orders component of the manufacturing Purchasing Managers Index (PMI), for instance, rose by 5.1% year on year in August, its best performance since late 2017.

IATA said that capacity constraints from the loss of available belly cargo space, as passenger aircraft remain parked, was affecting cargo volume growth.

Global capacity, measured in available cargo tonne kms (ACTKs), shrank by 29.4% in August, which IATA said is “basically unchanged from

the 31.8% year-on-year drop in July”.

Belly capacity for international air cargo was 67% below the levels of August 2019, while there was a 28.1% increase in dedicated freighter capacity. Daily widebody freighter utilisation is close to 11 hours per day, the highest level since these figures were first tracked in 2012.

Cargo load factors for the month improved by 10.6 percentage points year on year in August to reach 54.8%.

“Air cargo demand improved by 1.8 percentage points in August compared with July,” said Alexandre de Juniac, IATA’s director general and chief executive.

“That’s still down 12.6% on previous year levels and well below the 5.1% improvement in the manufacturing PMI.

“Improvement is being stalled by capacity constraints as large parts of the passenger fleet, which normally carries 50% of all cargo, remain grounded. The peak season for air cargo will start in the

coming weeks, but with severe capacity constraints shippers may look to alternatives such as ocean and rail to keep the global economy moving.”

Looking at regional performance during the month of August, Asia Pacific-based airlines saw demand for air cargo fall 20.1% year on year.

“After a robust initial recovery in May, month-on-month growth in seasonally adjusted demand declined for the second consecutive month. International capacity is particularly constrained,” IATA said.

North America-based carriers continued to report comparatively decent figures,

with cargo traffic increasing 1.7% compared with the previous year.

At the other end of the scale, Europe-based carriers continued to struggle and reported a decrease of 18.9% compared with the previous year.

“Improvements have been slight but consistent since April’s performance of a 33% decline. Demand on most key trade lanes to/from the region remained weak. The large Europe-Asia market was down 18.6% year on year in August.”

Middle Eastern carriers reported a decline of 6.9% in year-on-year cargo volumes in August, which is a “signifi-

cant improvement” from the 15.1% fall in July.

Regional airlines have aggressively added capacity in the past few months.

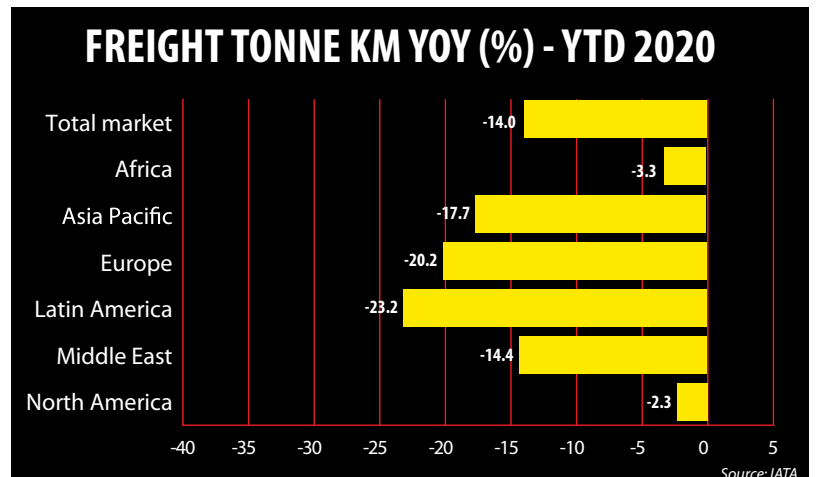
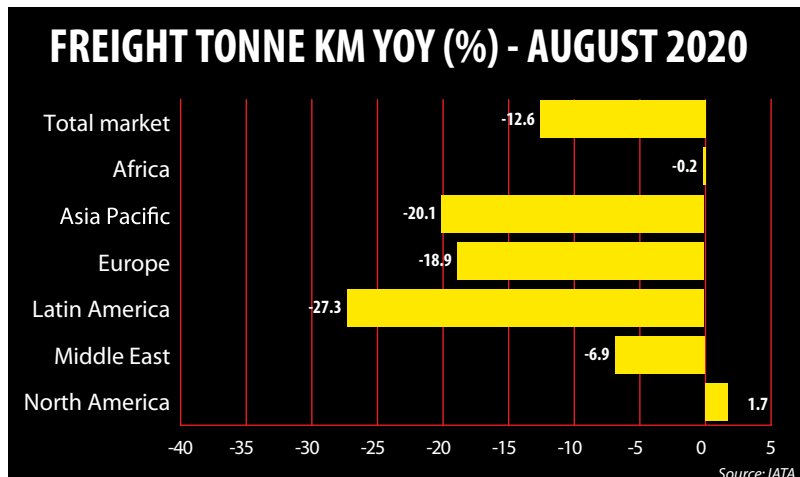
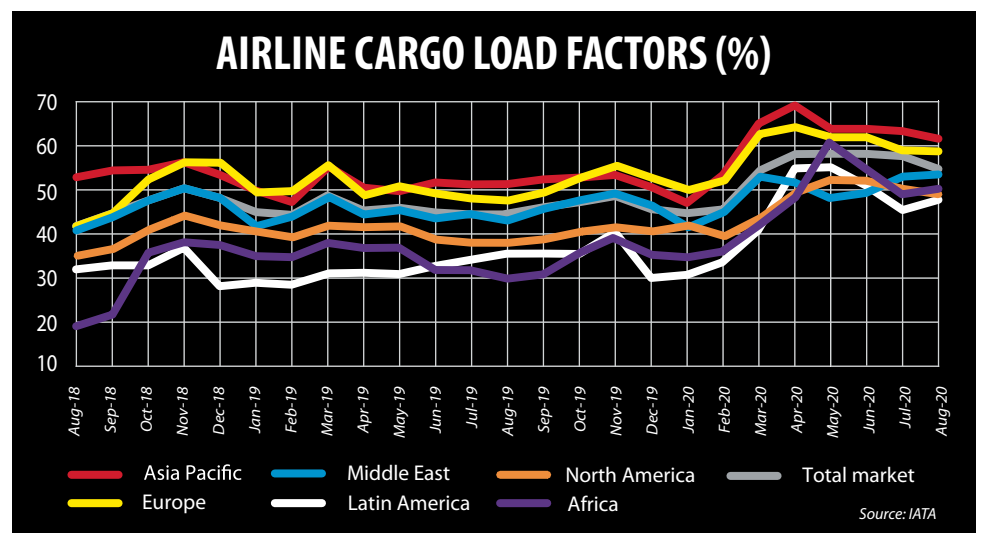
Latin America-based carriers reported demand steady at 27.3% down compared with the previous year.

According to IATA: “Demand on trade routes between Latin America (particularly Central America) and North America have compensated for weakness on other routes.”

And Africa-based airlines saw demand decrease by 0.2% in August as investment flows along the Africa-Asia route continue to drive regional outcomes.

**‘With severe capacity constraints, shippers may look to alternatives such as ocean and rail’**

Alexandre de Juniac, IATA





**AIRFREIGHT RATES**

# Rates level off for September lull

Airfreight rates on some of the world's main trade lanes stabilised at an elevated level in September as carriers continued to slowly add cargo capacity.

The latest figures from data provider Tac Index show that average rates on services from Hong Kong to North America were up 52.9% year on year in September at \$5.26 per kg.

From Hong Kong to Europe, the average rate was 31.6% up on last year at \$3.37 per kg.

While these prices are far above 2019 levels, rate increases do appear to have stabilised — at least for the time being — compared with the second quarter, when they soared by more than 100% year on year.

This came as there was

huge demand to transport personal protective equipment and much capacity had been taken out of the market because of the grounding of the majority of passenger services.

Since then, the urgency of demand has reduced but load factors remain at a high level, resulting in higher prices than a year ago.

September also had a slow increase in capacity. Figures from WorldACD show that between the end of August and mid-September carriers increased capacity by about 5%.

Figures from another data provider, Seabury by Accenture, show that total global cargo capacity was down by about 23% year on year in the first couple of weeks of September, which

represents an increase on the 26% reduction in capacity recorded during the previous two weeks.

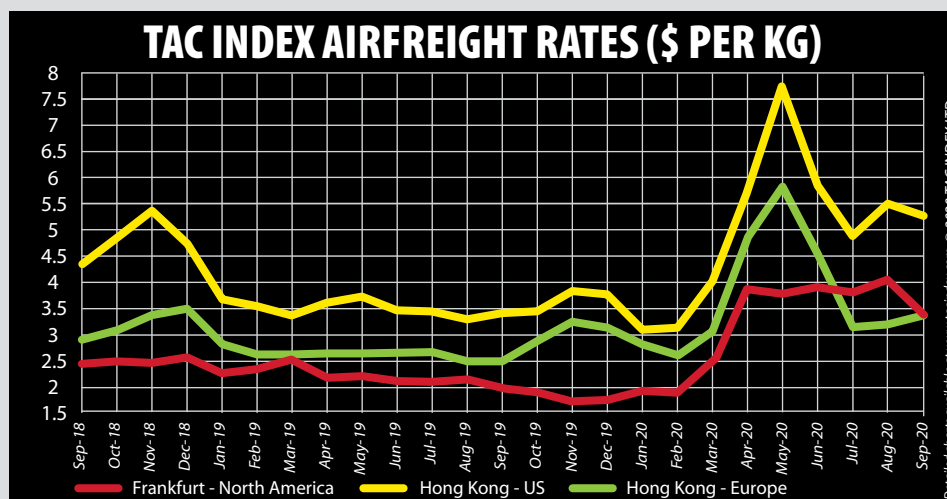
Capacity on the trans-pacific is flat compared with a year ago, Seabury figures show, while from Asia to

Europe there has been a 28% drop-off.

It remains uncertain how the peak season will progress, given the condition of the global economy.

However, forwarders, at least, appear to be bracing for

peak season capacity shortages; over recent weeks several have announced plans for charter operations during the winter period in order to secure capacity and avoid the potential for sky-high rates and supply chain disruption.



**AIRPORT THROUGHPUT**

# August delivers volume increases

Hong Kong, Miami and Los Angeles all recorded an improvement in cargo volume performance in August.

The world's largest air cargo hub, Hong Kong International Airport, saw its cargo volumes decline by 3.5% year on year in August. While this is still a decline on a year ago, it is an improvement on the figures recorded so far this year: during the first eight months of the year, the Asian hub saw its airfreight volumes slip by 9% compared with 2019 levels.

“On the cargo front, though transshipments experienced a significant decrease due to a shortage of belly capacity on passenger flights, exports and imports increased by 8% and 4% respectively compared with the same month last year,” Hong Kong Airport Authority said in its monthly performance wrap-up.

“Overall cargo throughput to and from Southeast Asia and mainland China experienced the most significant decreases during the month.”

There were also significant improvements recorded at US airports Miami International and Los Angeles International.

Los Angeles saw its air cargo volumes increase by 8.5% year on year in August, while over the first eight months of the year there has been a 0.1% increase.

Miami continued its improvement with a 10.8% increase compared with a year ago, while year-to-date it is down by 2.6% on last year.

The growth at Miami and Los Angeles comes as airlines

continue to restart services to the US, while cargo operations continue to progress.

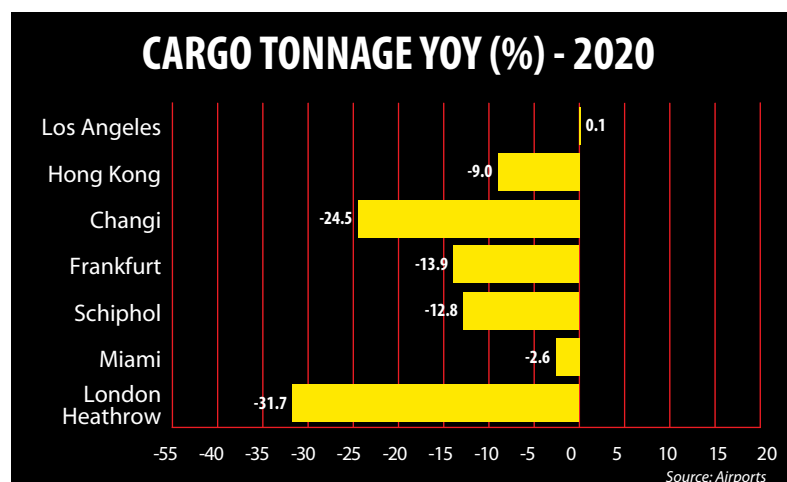
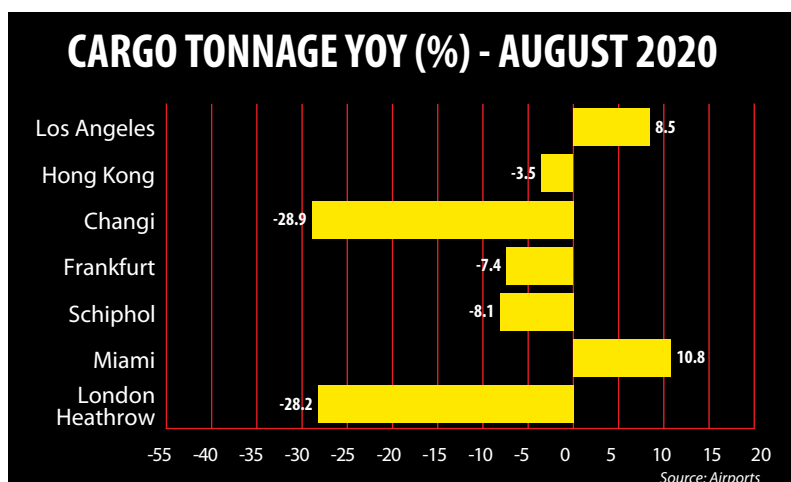
The US National Retail Federation has also been reporting that imports reached an all-time high this summer as retail sales bounced back from the pandemic and merchants replenished inventories and stocked up early for the holiday season.

There have also been delays and record prices in ocean shipping, potentially pushing some cargo to airfreight.

Over in Europe there were also some signs of a slight improvement.

Frankfurt saw its cargo volumes decline by 7.4% year on year in August, which is at least an improvement on the 13.9% decline recorded over the first eight months.

Amsterdam Schiphol was 8.1% down in August, compared with 12.8% until August. And Heathrow Airport in the UK recorded a 28.2% decline on last year against a 31.7% drop-off for the year-to-date.



# CONTAINER SHIPPING

## Golden rates hold firm

**O**cean shipping freight rate increases on the transpacific trade lane seem to have stopped for the time being after a frantic couple of months.

The summer period saw ocean freight rates climb to extremely high levels in the run up to the Golden Week holiday in China as a result of capacity shortages.

However, since the end of the early October holiday and consequently factories re-opening, rates remained largely static, with prices unchanged for three weeks in a row.

This comes after China's Ministry of Transport suggested to carriers that they increase capacity and take a less aggressive approach to rate rises.

But while rates may have stopped increasing, equipment [container] shortages and delays continue.

Eytan Buchman, chief marketing officer of rate portal Freightos, said: "A Golden Week record high level of

ocean capacity was kept available over the break, possibly in response to regulator pressure to reduce cancelled sailings, and likely helped keep rates level.

"Strong volumes are predicted for at least the rest of the month and likely beyond, but any mid-month rate increase is still expected to be minimal, even as current demand is keeping space on the now full and even extra supply of ships extremely tight.

"The resulting equipment shortages and poor reliability are still a big problem for shippers."

Freightos data also shows that prices remain at a high level, even if they have stopped increasing.

Prices to the west coast were up by around 195% year on year in mid-October at \$3,847 per feu, while to the east coast they were up by around 95% to \$4,680 per feu.

Speaking to an International Chamber of Shipping webinar, *The Loadstar* reports Jeremy Nixon of

Ocean Network Express, one of the biggest shipping line groupings, as saying that ships are full, containers are full and that some ports are starting to become congested.

Looking ahead, the US National Retail Federation chief economist Jack Kleinhenz said he expected consumers in the country to continue to spend over the coming months despite the nation's on-going issues with Covid-19.

"Retail sales are continuing to build on the momentum we've seen through the summer and have been boosted by an improving labour market, a rebound in consumer confidence and elevated savings," he explained.

"A significant number of people remain unemployed, but more are going back to work and that makes them confident about spending.

"September retail sales reflect the support of government measures and elevated savings that are being spent

now that consumers are shopping again.

"With less spending on personal services such as travel and entertainment outside the home, some of that money is shifting to retail cash registers.

"All in all, these numbers and other economic data show the nation's economy remains on its recovery path."

According to forwarder Flexport, the Asia-Europe market slowed during the Golden Week holiday at the start of October but there has been a recovery since then.

It recommends that shippers are flexible with equipment choices — due to shortages — and that bookings are made at least 21 days ahead of the cargo ready date.

It also pointed out that there was severe congestion at Felixstowe in the UK and suggested that shipments be diverted to Southampton wherever possible.

### PEOPLE

#### CNS president to step down

**Michael White**

Michael White is set to leave his role as president of IATA's US cargo organisation CNS at the end of the year as part of its restructuring programme.

IATA said that White has taken voluntary redundancy and that a president would be appointed in advance of his departure. CNS was created as an independent subsidiary to serve as IATA's Cargo Accounts Settlement System (CASS) and cargo agent endorsement programme in the US.

#### Cathay Pacific names cargo chief

**Tom Owen**

Cathay Pacific has named Tom Owen as its new head of cargo.

Owen has served on the Cathay Pacific leadership team as director of people for the past five years.

He has previously held a variety of senior posts at the airline, as well as at other Swire Group companies.



#### Batliwala switches chairs

**Russi Batliwala**

Aircraft charter specialist Chapman Freeborn has appointed Russi Batliwala as its chair.

The move comes as the company welcomes back Eric Erbacher to take up Batliwala's former role of chief executive. Batliwala began working at Chapman Freeborn 33 years ago, initially as a trainee aviation broker.



#### Qatar Airways recruits de Bruijn

**Kirsten de Bruijn**

Qatar Airways Cargo has appointed Kirsten de Bruijn as senior vice president, cargo sales and network planning.

De Bruijn has 13 years of experience working in the airfreight sector and previously worked at Emirates SkyCargo.

The carrier said that with de Bruijn onboard, it is "well positioned to capitalise on its growth strategy as it strives to expand its leadership in the global airfreight market".

### QUOTE OF THE ISSUE

'Cargo has a very important role in **restarting** and **supporting** the recovery and **economic activity** coming out of the global recession. It's **broader** than just deploying the vaccine; **agility** is key'

Andrew Matters, IATA

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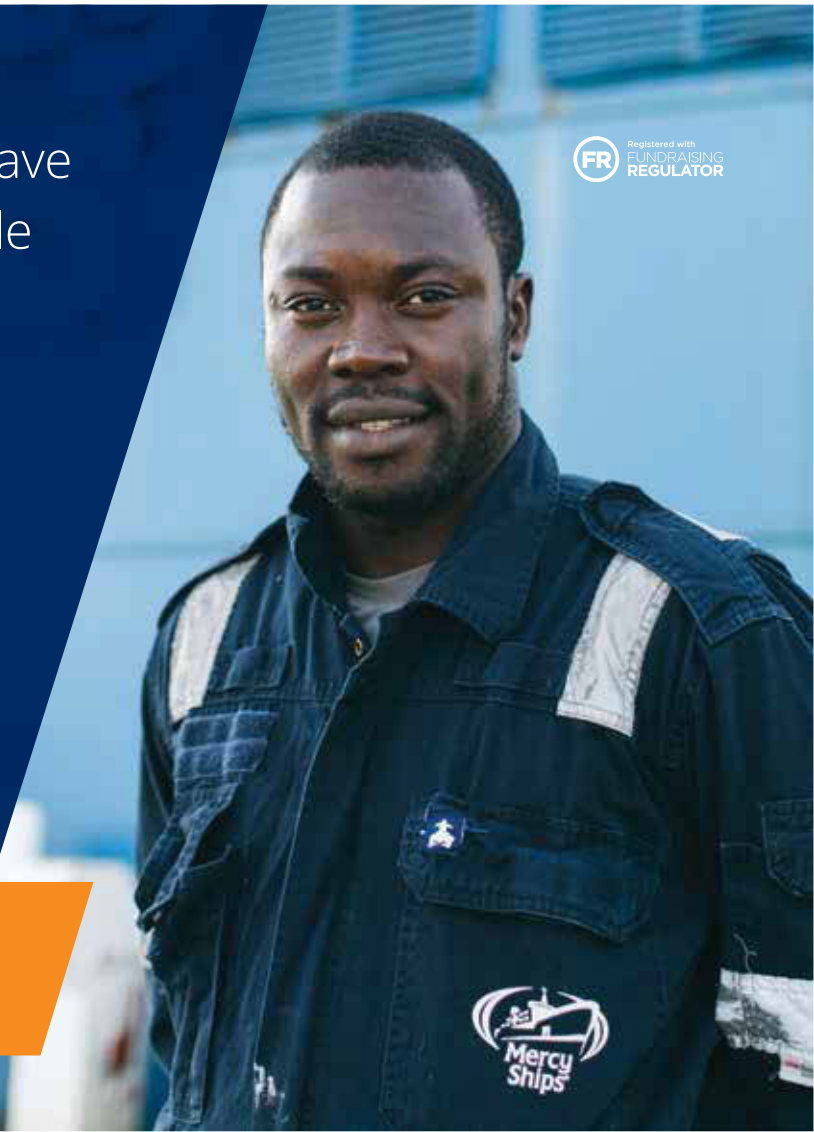
It takes a crew to run a hospital ship. Different skills and different talents, from medical to marine, catering to carpentry.

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For more information contact Gavin Murray  
Email: g.murray@aircargonews.net  
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