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A BUDDING SECTOR: Flower logistics

Air cargo's heartfelt effort to raise its game for a precious cargo

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A NEW CHALLENGE: Glyn Hughes

TIACA's new director general takes a holistic approach

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FREIGHTERS

Growth in e-commerce supports all-cargo deals

The air cargo industry started the year with a freighter frenzy, as orders for several widebody all-cargo aircraft were announced.

The most notable deals were Atlas Air Worldwide's order for the last four B747-8 freighters that will ever be built, and DHL Express's deal for eight B777Fs, with options on four more.

In the conversion market, Amazon Air continued to expand its owned-freighter fleet with the purchase of seven B767-300 aircraft from Delta Air Lines, while it also confirmed last year's purchase of four of the aircraft from WestJet.

Lessor BBAM will further expand its freighter fleet with an order for six B737-800 Boeing Converted Freighters, with options for six more. And Turkmenistan Airlines has ordered a pair of Airbus A330-200 converted freighters.

On the delivery front, Qatar Airways received three B777Fs and Titan Airways has welcomed its first A321 conversion.

The freighter frenzy comes on the



DHL Express is adding eight B777Fs to its fleet

back of a rapidly growing e-commerce market and expectations that it could be a few years until passenger operations are back up to pre-Covid levels.

One air cargo executive told *Air Cargo News* that his airline was expecting it to take three years for global bellyhold capacity to reach previous levels.

DHL Express chief executive John Pearson said: "Fuelled by globalisation, digitalisation and the unprecedented demand of our customers during the recent peak season, our

global e-commerce volume grew by more than 40% in the fourth quarter.

"With the order of eight new widebody freighter aircraft, we underline our conviction that e-commerce is an enduring megatrend. This is why we decided to act early and kick off 2021 with this investment in our future."

Atlas Air Worldwide president and chief executive John Dietrich said: "Dedicated freighters will continue to be in demand as the global airfreight market, particularly the e-commerce and express sectors, continues to grow."

AWARDS

Countdown to ACN Awards

The time has come and the clock is ticking! Entries will open for the 37th edition of the Air Cargo News Awards, the Oscars of the airfreight industry, on February 22.

The awards honour companies that have invested in providing great customer service, operational excellence and innovative technologies.

There are eight categories to enter: the ever-popular Air Cargo Innovation Award – Product and Air Cargo Innovation Award – Digital; a new Air Cargo Pharma Award; Best Freighter Operator; Cargo Hub of the Year; Charter Broker of the Year; GSSA of the Year; and Handler of the Year.

Entering is simple: visit aircargonewsawards.net to view the criteria and register your interest before the event is launched on February 22. Once entries are open, use the online system to explain in 1,000 words why your company should win.

You have until May 3 to enter.

The awards will take place on September 16 at the Runnymede on Thames Hotel in the UK, a short drive from Heathrow Airport.

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TURKISH FIRST:

Turkish Cargo has delivered Turkey's first batch of vaccines, which were manufactured in China by pharma firm Sinovac. The IATA CEIV carrier transported the vaccines in 17 temperature-controlled containers.

DIGITAL DRIVE:

Qatar Airways Cargo has signed up to offer its capacity on booking portal WebCargo. The carrier said it would provide forwarders with real-time pricing and capacity, and e-booking on the digital platform.

VACCINE MILESTONE:

IAG Cargo has carried more than 1m Covid-19 vaccines across its network. The vaccines were transported using its Constant Climate service, which supports the movement of millions of pharma goods every year.

FLEET GROWTH:

RVL Aviation has expanded its turboprop freighter fleet with the addition of a Saab 340B(F) cargo aircraft from lessor Jetstream Aviation Capital. The aircraft will be used for ad hoc cargo and charter operations.

PHARMA TOOL:

Cathay Pacific Cargo has developed a solution for the distribution of Covid-19 vaccines. Ultra Track monitors information including temperature, GPS location and humidity, using low-energy Bluetooth readers.

EXPRESS

FedEx plans merger cull

Express firm FedEx plans to cut jobs in Europe and combine its air network with that of acquisition TNT as part of the integration process.

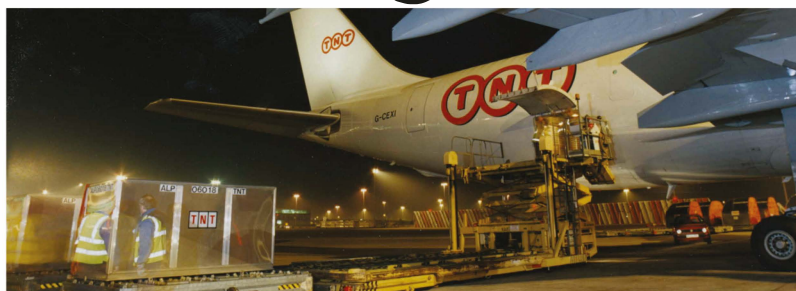
The US express giant bought TNT for €4.4bn in 2016 as part of its European expansion plans and has been integrating IT systems and air, road and ground networks since then.

The company will now address the duplication of roles and in January presented its plans to European employee representatives and team members.

These proposals will regrettably have a "workforce impact" of between 5,500 to 6,300 people across operational teams and back-office functions, FedEx said.

"In the course of these consultations, the full range of support measures for affected team members will be discussed with works council representatives from across the region," the company stated in a press release.

"These measures differ by country and may include voluntary redun-



dancy, reassignment to other roles and priority access to open positions.

"The consultation process will take place over an eighteen-month period in line with local country processes and regulations."

The proposal also involves integration of the FedEx Express and TNT air networks.

FedEx Express currently operates two duplicate air networks out of two main hubs in Roissy-Charles de Gaulle Airport in France and Liège Airport in Belgium.

Under the plans, FedEx Express will establish "a dual-hub model in

Europe", with the FedEx Roissy-Charles de Gaulle hub serving as a primary hub, linking all European flight points and connecting European customers to the rest of the world.

Liège will operate as a secondary air hub, providing "flexibility and continuing to provide excellent service to customers year-round".

"FedEx Express' dual hub network in the US has been proven over decades with Memphis as the universal hub and Indianapolis as the secondary hub as will be the case with Liège in central Europe," the company explained.

AIRLINES

Virgin rides cargo boom after record year

Virgin Atlantic ramped up its all-cargo operations in January as demand continued to increase.

The airline increased its cargo-only operations by 60% last month, adding an extra 12 rotations per week and bringing its weekly total to 33.

The cargo-only operations include

daily flights between London and Brussels, offering same day European connections for customers, which the carrier said was important in the event of Brexit-related border hold ups.

Dedicated cargo-only operations also fly to Antigua, Brussels, Chicago, Delhi, Dublin, Hong Kong,

Johannesburg, Miami, Mumbai, San Juan in Puerto Rico and Shanghai. It also offers charter services.

The increase in scheduled operations comes as Virgin Atlantic Cargo celebrated a record-breaking year in 2020, with revenues up by around 50%.

EDITOR'S COMMENT

Damian Brett



Quick change for cargo

The speed at which passenger airlines launched all-cargo operations last year was quite spectacular and demonstrated the flexibility of the sector.

Airlines I have spoken to said that within a couple of weeks of passenger flights being grounded, they had developed a cargo network and launched all-cargo flights.

Some went even further and stripped the seats out of aircraft to maximise loading capacity.

Until now, it has been impossible to say just how many passenger aircraft had their seats removed in this way.

However, new research from Cirium in its Airline Insight Review suggests that last year 155 aircraft had most, if not all, of their passenger seats removed in order to transport cargo in the cabin.

Not all of these aircraft were in operation at the same time and the size of the fleet has

fluctuated in line with demand and the cargo rates airlines were able to charge.

At the height of the trend — in June and July — around 100 of the aircraft were in use.

By mid-October there were around 85 in operation, and by the end of the year the cabin cargo fleet had risen back to around 95 aircraft.

Unsurprisingly, given the origin of much of the personal protective equipment cargo that was transported, China-based carriers led the charge.

According to Cirium, 38

aircraft belonging to 10 airlines from the country had seats removed, which represents 25% of the total cabin cargo fleet.

Just over half of those aircraft are Airbus A330s, 14 of them operated by China Eastern Airlines. The A330 is the most popular aircraft for having its seats removed, with 49 of the aircraft undergoing work. Next is the B777, which has had 45 aircraft with seats removed.

With passenger services only expected to pick up slowly, the cabin cargo fleet could well be flying for a few months more.

CHAPTER 2 REWILD THE PLANET



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AIRLINES

MasKargo's charter flights return in 2021

MasKargo has carried out its first cargo charter flight this year, transporting approximately 20 tonnes of Covid-19 test kits.

The carrier used an Airbus A330-200 freighter for the flight between Incheon International in South Korea and Soekarno-Hatta International in Indonesia, with a two-hour transit at Kuala Lumpur International Airport.

The ad hoc deployment of the charter service was due to the urgent need to ensure timely delivery of the items, the carrier said.

MasKargo chief executive Ibrahim Mohamed Salleh said: "With the adequate infrastructure to ensure the safe handling, transportation, and distribution of the temperature-sensitive goods, MASkargo maintained the aircraft temperature at between 15 degrees Celsius to 25 degrees Celsius throughout the eleven-hour flight.

"This mission has proven beyond doubt Maskargo's capability and solid track record of carrying time and temperature-sensitive products within its network and beyond."

FREIGHTERS

FedEx acquires B777F as Etihad adds Dreamliners

FedEx Express has confirmed the recent acquisition of a Boeing 777 freighter aircraft from Etihad, as it continues its fleet modernisation.

As of November 30 last year, the express giant had 46 B777 freighters in its fleet. The new aircraft will go into operation later this year.

In response to growing demand for e-commerce and express services, the company expects to take delivery of five B777 freighters in 2022 and two more in 2023. It has the largest freighter fleet in the world, with its number of aircraft totalling 679.

FedEx Express currently delivers more than 6.5m shipments of 13,155 tonnes of freight each business day.

In a statement, Etihad said that as part of its cargo transformation process over the last two years, it has "streamlined its freighter fleet to supplement the belly capacity of its passenger fleet with five dedicated freighters".

The carrier explained: "Since the start of the pandemic, Etihad has deployed Boeing 787-10 aircraft on



The acquired B777F will begin operations for FedEx Express later this year

cargo routes to supplement its fleet of Boeing 777 freighters.

"The move came as demand spiked given the sharp reduction in belly capacity associated with the reduction of passenger flights."

It added: "Around three-quarters of Etihad's cargo is bellyhold capacity, so the addition of B787 passenger aircraft – which provide capacity for 12 lower-deck pallets and four containers – has helped provide additional capacity during this period."

In November last year, Etihad announced plans to overhaul its busi-

ness model to emerge as a "mid-sized carrier", focusing on a fleet of wide-body aircraft, with a "streamlined structure".

"As a responsible business, we can no longer continue to incrementally adapt to a marketplace that we believe has changed for the foreseeable future," said Etihad Aviation Group chief executive Tony Douglas.

He added the company was taking "definitive and decisive" action to position itself as a mid-sized airline and would restructure its management team to reflect its leaner model.

PUTZGER PERSPECTIVE

Ian Putzger



Sustainability becomes the new battleground

You would think that in a pandemic people had more pressing priorities on their radar, but in mid-November, amid rising Covid-19 infection numbers across Europe and North America, Lufthansa Cargo announced a new functionality on its online booking portal that allows customers to check the CO2 emissions of their shipment's transport.

That was just for starters. At the end of the month the airline and DB Schenker implemented the first CO2-neutral freight routing, which was covered completely by sustainable aviation fuel.

With the start of the summer flight schedule Lufthansa plans to offer CO2-neutral services on a regular basis.

Once customers have determined the CO2 emissions of their shipment, they can offset them either by using sustainable fuel or through reforestation projects.

Lufthansa Cargo and DB Schenker are not alone in the quest to offset emissions.

In January, Air France KLM Cargo and Kuehne+Nagel inaugurated a carbon-neutral airfreight lane across the Atlantic. All of the forwarders' cargo on the route from Los Angeles to Amsterdam is going to be propelled by sustainable aviation fuel.

According to Yngve Ruud, a member of the management board of Kuehne+Nagel, this marks the first step of his company's journey into

CO2-neutral airfreight and a step on the road to complete carbon neutrality by 2030.

Big shippers are getting serious about the carbon footprint of their supply chain.

A lot of large companies selling consumer products have set targets to slash emissions and become carbon neutral.

Their reputation is on the line with a young clientele that is unwilling to buy brands that do not show an effort to become more sustainable. The supply chain is the central battleground for these efforts.

Sustainability has become woven into the broad strategy of businesses. Sustainability and profitability are no longer seen as contradictory goals.

"Our business strategy is our

sustainability strategy, and vice versa," declared Alan Jope, chief executive of Unilever.

No doubt the current high cost of airfreight will deter some firms from embracing CO2 reduction schemes.

'A lot of large companies selling consumer products have set targets to slash emissions. Their reputation is on the line'

Ian Putzger

In the long run, however, more shippers will call for such options, and the airfreight industry had better embrace this and assume a leading role. The alternative is to be shunned as a mode of transport.

HANDLERS

Air cargo the bright spot for Swissport

Ground handler Swissport saw its cargo volumes drop last year, but despite the decline, the sector helped to stabilise the company.

The handler said that cargo volumes at its 115 global warehouses declined by 12.3% year on year in 2020 to 4.1m tonnes.

The number of flights handled dropped 59% to 1.7m and its passenger numbers fell by 68.9% to 82m.

Revenues were down 50%, but the company said that the “rapid recovery of the air cargo segment from mid-2020 contributed positively to the overall result”.

Christoph Mueller, chief executive of Swissport International, said: “Covid-19 has essentially wiped out airline demand for the classic ground services business between March and the end of the year.

“Demand for air cargo logistics was also very heavily impacted but still fared better and helped stabilise the company.”

AIRLINES

Volga-Dnepr gets more AN-124s in the skies

Volga-Dnepr Group confirmed in mid-January that four of its AN-124-100 aircraft were “back in business”.

The group added that it planned for five of the aircraft, in total, to be back up and running by the end of January.

The company said it was focusing on safety while gradually getting its fleet of AN-124-100s — grounded in November after one of them had to make an emergency landing — back in the skies. No one was hurt in the incident, which happened on November 13.

Speaking exclusively to *Air Cargo News*, chief commercial officer Konstantin Vekshin said the temporary suspension of the fleet “at the peak of the unprecedented demand last year” was a blow.

“It was a mutual blow, for us and our customers,” said Vekshin.

“For us it was not about the money. It was all about safety and we wanted to make a timely call and look into things.”



Volga-Dnepr said AN-124s have proved irreplaceable for some of its customers

While some of the company’s customers were able to use its Boeing 747 freighters as a substitute, he said, in other cases, particularly for the aerospace market, “the AN-124 was absolutely irreplaceable”.

Vekshin said the company was now shifting its focus to sensitive shipments.

“One of the first flights that we carried out [with the AN-124-100] was vaccine-related,” he said.

“We’ll also be focused on the industries and customers who are not able to get by without the AN-124s.”

Looking forward, Vekshin said: “We’re glad that we’re coming back. It’s a very busy year already – we can feel that. The demand is there.

“It looks like it’s going to be another interesting year and another test for all of us. Hopefully we’ll be able to satisfy all the existing and future needs of our customers.”

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SUSTAINABILITY

AF KLM and K+N first with zero emissions route

Air France KLM Martinair Cargo (AFKLMP) and Kuehne+Nagel (K+N) have teamed up to launch what they have labelled a zero emissions airfreight route — the first of its kind in the industry.

The companies said that all of K+N's cargo on the Los Angeles-Amsterdam route would be covered by sustainable aviation fuel (SAF).

"This first carbon-neutral lane underlines the strong sustainability programmes of both of the partners, Kuehne+Nagel's Net Zero Carbon programme and AFKLMP Cargo's SAF programme, which aim to connect people and goods through sustainable logistics," they said.

Adriaan den Heijer, executive vice-president at Air France-KLM Cargo and managing director at Martinair, said: "The launch of an air cargo SAF programme is an important step in our ambitious sustainability roadmap for the coming years."

Yngve Ruud, member of the



K+N will use sustainable aviation fuel on its Los Angeles-Amsterdam route

management board of K+N, added: "The first zero emission route marks the beginning of our journey into CO2 neutral airfreight and is another step towards achieving complete carbon neutrality by 2030."

All CO2 emissions generated during the production, processing and transportation of SAF will be offset by K+N.

AFKLMP's SAF programme for

airfreight allows customers to determine a percentage of their shipments that they would like to be flown using alternative fuels.

There are ceilings on how much SAF can be used on a flight, which could limit the ability to cover all cargo on freighter flights, but it is not such an issue on bellyhold cargo where passengers are responsible for much of the fuel used.

FORWARDERS

SEKO secures funds and eyes expansion

SEKO Logistics is targeting additional acquisitions, technology development and growth in key geographies after securing investment from Ridgmont Equity Partners.

The deal will see the logistics firm's majority shareholder, Greenbriar Equity Group, divest its stake but remain an equity owner. Terms of the transaction were not disclosed.

The company said that, following the deal, it is entering the next phase of its growth with plans for additional acquisitions, investments in its technology platform, as well as further expansion in key geographies in Europe, North America and Asia.

In a shift from purely organic growth, SEKO recently acquired freight forwarder GoodShip International and cross-border e-commerce specialists and airfreight forwarder Air-City.

In the past few months, the forwarder has also acquired a majority position in its strategic partner Omni-Channel Logistics Australia.

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FORWARDERS

DB Schenker connects three continents

DB Schenker has extended its own-controlled charter network with a route covering America, Europe and Asia.

The service runs from Chicago (RFD) via Munich to Tokyo (NRT) and Seoul (ICN) before flying back to Germany and from there again to the US.

It is the forwarder's first charter route that connects three continents; other services are to two continents.

The route is operated by National Airlines and offers a combined weekly transport capacity of 400 tonnes.

A second connection will be launched at the end of February and operates from Munich to Chennai (MAA) and Chicago (RFD).

The services will use B747 and B777 freighters. Both routes will run for one year to "provide stability in a challenging environment".

The forwarder has added several charter services to its portfolio of air cargo operations over the last 12 months in reaction to the lack of belly-hold capacity.

SECURITY

Industry slams quick-fix US security programme

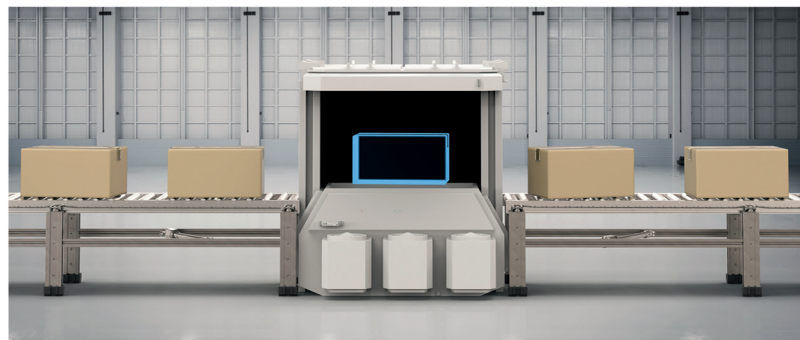
US forwarders have warned that plans for a new US air cargo security programme could be a quick fix benefiting only a select few.

In January, the US Transportation Security Administration (TSA) outlined proposals for a new security regime in line with incoming International Civil Aviation Organization (ICAO) requirements.

These requirements mean that from June 30 member states will be required to screen cargo before it is loaded on freighter aircraft, as they are required to do with belly freight.

The TSA is proposing a new voluntary programme allowing e-commerce fulfilment centres, manufacturers, shippers, warehouses and other providers to develop TSA-audited repacking facilities to avoid having cargo scanned.

The TSA hopes the programme will reduce the burden on US and foreign all-cargo aircraft operators in complying with the international standards. However, some have suggested that it would be easier to extend the existing Certified Cargo Screening Program



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(CCSP), a voluntary programme that moves some of the screening processes to shippers, third-party logistics providers (3PLs), forwarders, and independent screening services.

Airforwarders Association executive director Brandon Fried said: "The Airforwarders Association believes that the TSA and air cargo stakeholders share a common goal: the safety and security of our aviation industry and those we serve."

"However, as written, the Order seems to be a quick fix that provides no apparent security value and bene-

fits only a select few. The order will require a significant amount of work, with little to no benefit to indirect air carriers or our shared security goals.

"The TSA should take the time to work with the air cargo community to develop a more sensible programme that focuses on a risk-based solution that emphasises the CCSP, a successful initiative allowing shippers to screen cargo in their facilities, as a viable option, instead of an idea that appears far less secure than the Account Consignor regime this concept is meant to replace."

SHIPPER SPOTLIGHT

Zoe McLernon



Call for clarity on fifth freedom to all EU states

With the UK aviation industry regulated at international, bilateral and national levels — positioning it uniquely in transport — the end of the Brexit transition period marked a significant moment for air movements between the UK and the European Union (EU).

While aeroplanes continue to fly between the UK and EU member states, Brexit has changed the way the fundamental traffic rights that provide air access — also known as the freedoms of the air — work in practice.

Without government intervention, the changes pose a challenge to future efficient air cargo movements.

While the first four freedoms

of the air were confirmed in the UK-EU free trade deal — these allow airlines to fly over airspace, embark and disembark passengers and cargo to, from, and within a given state — the fifth freedom was not included in the deal and, instead, is being negotiated in bilateral arrangements between the UK and individual states.

The fifth freedom is vital to cargo operations as it allows an aeroplane travelling from one country to stop off in a second country, unload cargo and then travel onward to a third country.

At the time of writing, the UK's Department for Transport confirmed that it is negotiating temporary arrangements on

a priority basis, and while agreements are now in place with France, Luxembourg and the Netherlands to operate fifth freedom flights, they are still required with the other EU states to keep trade flying freely.

Logistics UK is urging the government to ensure air cargo operations continue to have access to all EU states under the fifth freedom rights — in addition to the sixth and seventh — and while temporary arrangements work in the short term, we are calling for a long-term, sustainable approach to accessing later freedoms for air cargo.

As the global pandemic continues to hit aviation, and

with capacity for airfreight remaining lower compared with 2019 averages, freighters continue to work hard to support the UK population during the pandemic.

'Without government intervention, the changes pose a challenge to efficient air cargo movements'

Zoe McLernon

The industry needs a comprehensive package of support and a clear plan for recovery; guaranteed freedom of the air rights is one key element of this need.

Zoe McLernon, policy manager of multimodal, Logistics UK

Glyn Hughes, with deep air cargo industry knowledge and a great sense of humour that includes painful puns, has joined The International Air Cargo Association (TIACA) in the new role of director general.

Why is he navigating a new air-freight career path when the global pandemic has brought the airline passenger business, and vital belly-hold cargo capacity, to its knees?

“I had been with the International Air Transport Association (IATA) for 30 years and the highly talented cargo team of experts has done excellent work during the Covid-19 pandemic.

“I was head of cargo for six years and my predecessors, Alex Popovich and Des Vertannes, did that role for six years and four years [respectively]. So, there is a timeframe where the world is evolving and perhaps it needs a different skillset and perspective to work with the team and go to the next stage.

“IATA’s voluntary redundancy programme came up and I submitted my application, and it was only when it was accepted that I contacted TIACA. It is nice to challenge myself to go and do something else.”

Looking forward

There is also a sense of relief. Hughes, lead moderator, compere and co-organiser of IATA’s annual World Cargo Symposium (WCS), says: “I’m looking forward to being a man in the audience rather than the man on stage. Somebody asked me what is it like to attend the WCS? I have no idea because I never attended one. I was always behind the scenes running from room to room. But I would like to know what it’s like sitting in the audience listening to the great speakers rather than worrying about what I have to say next.”

Hughes, born in Crawley near Gatwick but brought up in Florida where his journalist father worked for the National Enquirer newspaper, learned early on how to listen when hearing his dad on the radio for the BBC.

Being a good talker and listener have played important roles in Hughes’ airfreight career. He started off as a clerk in the cargo department of British Caledonian. Four years later, the airline was taken over by British Airways, and just three months after that he joined Air Europe, where his cargo tutelage really took off.

“It was when I joined Air Europe that I felt part of the air cargo industry. It was a small team and I had greater exposure to air cargo with a fleet of Fokker100s for package holidays.

“Ray Corsan, the Air Europe cargo manager, put together a team at Gatwick Airport with six people, including Peter Patrick and Phil Rawlings, who ultimately went to



Prepared for the challenge

Glyn Hughes has switched roles but not focus following his departure from the IATA. He talks to **Roger Hailey** about the challenges ahead as director general of air cargo supply chain group TIACA

Emirates.

“There were some good solid people running cargo and because I was head office and accounts we worked very closely.”

He saw what they could do with relatively small aircraft by being creative. “You don’t just move the box, but you start thinking about what is inside the box and how it affects people. That is when I caught the air cargo bug, from working with those guys.”

Air Europe stopped flying and Hughes answered an IATA job ad for an assistant manager. He admits he

knew very little about IATA but recognised the logo, sent in his CV and was offered an interview by Colin Stevenson. Stevenson’s small office was being used that day, so he and Hughes went for a walk along the A30.

Stevenson offered him the job but added that the enthusiastic applicant had been chatting into his deaf ear while the other ear competed with the noise of the road. “I have not heard anything you said, but you talk so much you must know what you’re doing,” Stevenson told him.

Adds Hughes: “Colin was a super

guy and the first boss I worked closely with. He was also into technology and helped launch the Cargo Accounts Settlement System (CASS).

“I helped build up the relationship with the airlines and that is when I extended my knowledge of air cargo and where I decided to make it my long-term career.”

There followed long periods in London, Montreal and Geneva with IATA, with Hughes eventually succeeding Vertannes as head of air cargo; the latter’s management style being a key influence on Hughes.



'Whatever happens on this planet, the air cargo industry is involved in some way'

Glyn Hughes, TIACA

Another difference is that IATA is a large organisation of 1,500 people and is predominantly passenger focused, reflecting the industry as a whole, and many of its professionals are not cargo experts, they are aviation experts.

"To get cargo positions advocated for takes a little longer because of IATA's a bigger organisation and you have to get top-level support before it comes down the system.

"So, in some areas, IATA was a little bit slower to react; it is not a criticism but a virtue of the fact that the organisation is bigger, whereas TIACA is a much flatter one."

High-profile leaders

Hughes is keen to praise the work of IATA's Cargo Advisory Council, with up to 18 members, "all airline cargo bosses who are the most knowledgeable and influential high-profile leaders in the cargo industry and they provide tremendous guidance".

TIACA's secretariat is a relatively small team based in Miami, so it is much quicker to react to events with advocacy positions.

He adds: "I am looking forward to that accelerated reaction time."

Hughes will be arriving at TIACA during a time of crisis in aviation caused by the pandemic and a looming global vaccines airlift. What are TIACA's strategic priorities?

"Whatever happens on this planet, the air cargo industry is involved in some way," he says.

"The passenger side had experienced non-stop growth for 10 years, from the end of the financial crisis up to the pandemic."

As a result, the passenger business was not as prepared as its cargo cousin when many flights were suspended in March 2020.

Hughes says: "The cargo world just carried on. Freighters kept flying and the industry started moving personal protective equipment (PPE) instead of smart phones.

"TIACA will be focusing on trying

to maintain a global cargo network while passenger networks will still be significantly down. Until passenger numbers return with those high-frequency pre-Covid 20,000 city-pair connections we will still have to continue flying passenger aircraft in cargo-only configuration and we need to be innovative with the network.

"Freighters with deferred retirements will continue to fly so we know that our industry will find solutions. Whether it has been a humanitarian or civil unrest or natural disaster, air cargo has always been the first responder and nobody in the industry has ever complained about doing their part."

Public spotlight

Mainstream global media, such as the BBC and CNN, report that airlines are preparing themselves for the global uplift of vaccines around the world. This has put shy and retiring airfreight in the public spotlight.

And while the airfreight industry "has never waved the flag of self-congratulation", Hughes says that the world and governments now see the value of air cargo to the global economy and its vital role in moving life-saving products.

"Air cargo is just like football players: when it rains, they still go out and train and play the game in shorts, even if it starts snowing. Whatever the weather, our teams get on with the business."

It could be argued that one key team member needs to get off the subs bench.

Apart from the "freighter and cargo-friendly" hubs around the world, airports generally see passenger terminals as money-churning shopping malls and restaurant areas, with logistics providers regarded simply as tenants and cargo infrastructure as a property asset not worth long-term investment. Can that change?

Hughes says that airport representative body Airports Council International (ACI) has been in touch with TIACA and that to gain greater engagement with airports, the air cargo industry needs to change its argument.

"The value of air cargo moved every year is \$6trn, which is more than the value of tourism. So, the value to a country of people coming in and spending money is not as high as the value of the cargo they are sending to the outside world via airfreight.

"To get airports to focus on cargo's economic value we need to bring a different argument. We need to bring more of the societal argument and we also need to educate an airport that if it does invest in a cargo product it will

create an infrastructure and good connectivity that will help them diversify. The past 10 months have shown that airports with an income based on 95% passenger revenues are struggling.

"But if you have a good sectoral balance between low-cost airlines, cargo and traditional full-service carriers, you can diversify and be much more cushioned from an economic shock."

He continues: "In the future you might find that generation Z views flying differently, which may affect passenger numbers.

"The year 2024 will be a different world from 2019 and in a five-year gap there will be technology leaps.

"Zoom meetings were not possible five years ago and that may reduce business class travel. We will always travel for leisure because we want to experience new cultures, but some business meetings may come under challenge.

"It is important that we work with airports, and I am encouraged by the way ACI has reached out.

"TIACA is well-positioned to lead here because it has a number of strong airports within its membership and on the board and we will take our message to other airports, to create a network of globally connected hubs of leading airports based on cargo quality and expertise."

Lastly, one of Hughes' trademark punster jokes: "A truck carrying 10 tonnes of strawberries to an airport shed its load, which was crushed by other vehicles, causing a massive traffic jam."



FACT FILE

◆ Glyn Hughes worked for IATA for more than 30 years and was head of cargo for six years.

◆ TIACA was launched in the early 1990s, but its roots go back to 1960, when a US automotive group launched the Air Cargo Forum.

◆ Hughes left IATA in January as part of a voluntary redundancy programme.

Another year of volatile and elevated pricing

With vaccine shipments taking priority over general cargo and border shutdowns continuing, airfreight rates are likely to remain elevated this year. **Damian Brett** reports

Airfreight rates are expected to remain elevated in 2021 as the demand outlook remains uncertain and belly capacity is only slowly reintroduced into the market.

Last year, prices from Asia to Europe and Asia to North America averaged approximately 50% higher than 2019 levels, while towards the end of the year, rates were heading back to the peak levels recorded in the middle of the 2020 — up by more than 75% year on year to Europe and more than 100% on the transpacific.

Writing in a Baltic Exchange market update, Bruce Chan, vice-president — global logistics at investment bank Stifel, said that airfreight rates are likely to remain elevated and volatile for some time, and those looking for reprieve in 2021 may have to be patient.

Over-exuberance

Chan said that a lack of bellyhold capacity would drive the high rates as passenger airlines will only slowly reintroduce international widebody services.

“By the second half of 2021, we anticipate passenger flights to resume, especially as vaccinations pick up,” he said. “But we caution against over-exuberance, as the first flights to come back are likely to be shorthaul, domestic, and leisure, which align less favourably with cargo.”

“Core longhaul international travel, and the belly capacity that comes along with it, will be slower to return, in our view, so capacity relief for cargo should lag the recovery in airline passenger activity.”

Chan said that extra pure-freighter, PAX-freighter and cargo-only passenger flights would help alleviate some of the capacity pressure, but there were limits. He explained that in the short term, rates may not always be high enough to justify PAX-freighter and cargo-only passenger flights, while in the long term, companies may be cautious about investing in



Rates from Hong Kong to North America ended the year more than 100% higher than 12 months earlier

freighter conversions because of concerns about what will happen when belly capacity is eventually ramped up.

On the demand front, Chan said that a faster-than-expected rise in e-commerce demand, Covid-19 vaccine supply chains and PPE demand would all drive the airfreight market over the coming year.

However, the overall outlook remains uncertain.

He said: “Establishing baseline demand apart from upstream restocking and predicting how and when consumption patterns stabilise is a gargantuan feat. And the path forward is anything but linear, especially as Covid cases reignite and governments enact further shutdowns and border closures.”

“As a result, shippers may be more inclined to use airfreight resupply as an inventory buffer in the face of such volatility and uncertainty.”

One area that looks certain to boost air cargo demand in the coming year is the distribution of Covid-19 vaccines. But Chan warned that the impact of vaccine distribution on airfreight capacity may not be as

severe as some anticipate due to the dispersed nature of production.

He added that supply chain bottlenecks in relation to the vaccine are more likely to come from container availability, storage, handling and road distribution.

“But the net effect will unquestionably be to absorb capacity, especially as vaccine shipments take priority over general cargo, with the impact likely to continue through 2021 and into 2022,” Chan added.

Also in the report, Peter Stallion of air cargo derivatives broker Freight Investor Services said with an uncertain rate outlook, shippers are increasingly looking to index-linked contracts and ad-hoc agreements.

Dynamic pricing

Meanwhile, carriers continue to invest in dynamic pricing technology that allows prices to be automatically adjusted according to the amount of space available.


“Much of the calendar 2021 contract pricing has reverted to a toss-up between the old normal for annual pricing and block-space agreements, to the new normal of high market-

based price heavily focused on ad-hoc agreements,” said Stallion.

“Unsurprisingly, a renewed focus has been placed on both index-linking contracts in 2021, and dynamic pricing fed through and driven by airlines and forwarders to try to operate more efficiently to the elapsing market. Both of these factors have been driving [derivatives] interest.”

Like Chan, Stallion said that passenger aircraft capacity would play a key role in governing the supply-demand balance for the year ahead.

“While the bulk of the market sentiment is relatively bearish considering the high current index prices on all routes — much of the fundamental movements in price relies heavily on the return of passenger travel, rather than growth in underlying demand,” he said.

Summing up the air cargo market in the year ahead, Stallion said that on top of the challenges of low passenger volumes and lockdowns, rates now contend with an influx of Asia outbound vaccine cargo, the ups and downs of the Brexit agreement and a new strain of Covid-19 “throttling cross-border commerce.” 

Sweet smell of success

FlowerWatch's global standard for flower supply chains is designed to ensure top-quality handling is commonplace throughout the sector. **Rachelle Harry** reports

Opportunities are there for the taking in the flower logistics sector; although blooms are not a particularly high-revenue product to be transported by air, produce is available all year round from certain climates.

Additionally, handling processes are being stepped up at each link in the chain — ultimately saving costs at each stage and improving the vase life of the product for the end-user.

Jeroen van der Hulst, managing director of FlowerWatch, says that 25 years ago, the flower business — and the logistics coinciding with it — went completely international. As a result of this “massive development”, he says, billions of dollars’ worth of flowers are being produced in countries close to the equator, destined for markets in the northern hemisphere.

The flower logistics industry did not have any official, globally recognised standards or regulations in place until IATA’s CEIV Fresh programme was launched in 2019.

However, a limitation of the programme is that it covers overall perishables handling, rather than being specifically targeted towards flower logistics. This is why Netherlands-headquartered FlowerWatch launched its global quality standard for flower supply chains and is on a mission to make quality handling more commonplace throughout the entire sector.

New standards

Applying knowledge from his previous work as a researcher, flower auctioneer, quality controller and import handler — as well as his experience on flower-producing farms — van der Hulst says: “Everything we [at FlowerWatch] have come up with is backed up by science. We feel at ease communicating the science behind flower transportation and putting it into practice.”

Van der Hulst defines FlowerWatch, which he established in 2003, as a service provider that is



Roses are Kenya Airways' main flower export

working with “the best 10% to 20% of players in the field” — growers, forwarders, airlines, shipping lines, trucking and trading companies, and supermarkets — to enhance their flower-handling processes and to improve the standard of its global network of partners.

“FlowerWatch created a list of key performance indicators (KPIs) for industry players to adhere to when handling, transporting and storing flowers,” van der Hulst says. “We

audit partners and we have a quality and accreditation system in place.”

When it comes to seeking potential partners for FlowerWatch, van der Hulst says: “I spend much more time on the road than before. When I get approached, how do I know if it is a worthwhile stakeholder? It’s a great opportunity to inform them that these are the KPIs and if they are adhered to, then they’re good to work with us.”

He adds that FlowerWatch is in the process of signing up and approving farms and freight forwarders in Kenya and the Netherlands, and in 2019, Air France KLM Martinair Cargo (AFKLMP) became the first and only carrier to become FlowerWatch-approved. AFKLMP also received IATA CEIV Pharma recertification in 2019 for its operations at its Amsterdam and Paris hubs.

Cool chain management

Peter Musola, cargo commercial manager at Kenya Airways, believes the biggest challenges in flower logistics are speed and cool chain management.

The carrier predominantly exports

roses to the auction market in the Netherlands, as well as the retail market in Australia with its interline partner Qantas.

Musola says Kenya Airways does everything possible to ensure its on-time performance (OTP) percentage remains higher than the industry average, in the high 80s, as one of its KPIs.

“This is because delays could contribute significantly to the deterioration of the product and so can the cool chain,” he says.

Musola notes that because 85% of Kenya’s exports are perishables, it has developed “one of the best cool chain infrastructures in the world”. For example, Kenya Airways’ pharma facility at Jomo Kenyatta International Airport (JKIA), which was opened in December last year, measures 600 sq m, has airside access and is divided into three temperature zones, allowing for the storage of products at minus 15 to minus 20 degrees Celsius, 2 to 8 degrees Celsius, and 15 to 20 degrees Celsius.

Other features of the facility include a wireless temperature and humidity monitoring system.

Protocols

Kenya also has protocols in place, regulated by its Plant Health Inspectorate Service (KEPHIS), to ensure a level of quality for the country’s agricultural exports.

“A lot of flower growers tend to be large-scale growers, so to a large extent they’re able to meet that qualitative process,” Musola says.

“When the plants leave the farm, they are transported using reefer [refrigerated] trucks to forwarding warehouses with cool chain facilities [such as IATA CEIV Pharma-certified Kuehne+Nagel and Swissport Kenya] at the airport where forwarders normally have backend agreements with Kenya Airways (or other carriers), that manage the capacity access and delivery times. It’s a whole logistical chain.” →

COLD CHAIN

What are ‘degree hours’?

FlowerWatch has developed a concept called ‘degree hours’, which essentially benchmarks cold chain performance against shelf life or vase life. One degree hour equals one hour in minutes multiplied by 1 degree Celsius. The longer flowers are exposed to temperatures above the desired level, the more quickly they deteriorate. Managing director Jeroen van der Hulst says: “There’s always a big push for flowers to get delivered as quickly as possible, but if we manage the cold chain better then it might not be necessary for them to be sent so quickly. This means that there are big opportunities there to reduce costs and carbon footprints.”



'We guarantee the cold chain, swift transit times and schedule integrity'

Peter Musola, Kenya Airways

Improving flower-handling operations can reduce flowers' degree hours and help stakeholders cut their carbon footprint

→ Kenya Airways is then able to use its own cool chain facilities to "ensure that during our transit holding and when the shipment is onboard the aircraft, that the temperatures are regulated within the parameters requested by our customers", Musola says. "So from a product quality point of view, we guarantee the cold chain, swift transit times and schedule integrity," he adds.

Stepping up the process

Eric Mauroux, global head of perishables logistics at AFKLMP, agrees that cool chain management is a crucial aspect of the flower supply chain. The carrier transports flowers including roses, carnations, gypsophila, chrysanthemum, alstroemeria and golden daisies — from Ecuador, Colombia and Kenya, to markets in central and eastern Europe, and Asia, which are covered by its network.

"We've learnt through our partnership with FlowerWatch that we can reduce the number of degree

hours [see box] generated by our handling process by not palletising the cargo straight away," says Mauroux. "The reason being is that when all the boxes are put together on a pallet, the flowers will generate heat because they are living organisms that continue to metabolise."

The solution? Storing flower boxes in a criss-cross shape for as long as possible before loading onto the aircraft to enhance air circulation around them.

Another cool chain management process that AFKLMP has adopted is vacuum cooling, or as Mauroux calls it, the "make-cool process", after landing. This process is used for flowers that are being sent to their final destination by road — to Russia, for example, which can take a few days. "A vacuum cooler machine extracts all of the air that is inside the boxes — the air that has carried humidity and heat, during the flight — and replaces it with cool air," Mauroux explains.

He adds: "Cool chain management is not only about machinery, it's about using data to gain a better understanding of the world that we are in and carrying out processes in a smarter way."

AFKLMP's partnership with FlowerWatch is helping it to do just that: to examine and improve each stage of the flower handling process — from the farm to the importer — with the use of data loggers.

"They [at FlowerWatch] have a deep understanding of the flower business and we're able to apply their expertise to our existing businesses," Mauroux says. "Carrying produce from A to B is not enough; you have to understand what you're carrying."

The bigger picture

Kenya Airways exports approximately 74,000 tonnes of flowers a year — 45% of which are produced in Kenya.

Musola says that flights out of Kenya have a load factor of 85%, thanks to also being loaded with perishables such as vegetables and

fish in addition to the flowers onboard.

"The Nairobi hub typically handles approximately 4,300 tonnes of flowers a week and during peak periods for flowers, such as the build-up to Valentine's Day, it scales up its operations to handle 6,000 tonnes a week," he adds.

Scaled-up operations

This year, the carrier is relying on scaled-up freighter operations, as well as its two Dreamliner preighters with the seats removed, to cope with the extra flower volumes.

Meanwhile, AFKLMP transports an average of 5,300 tonnes of flowers each month and before Valentine's day and International Women's Day (March 8), its flower volumes increase by approximately 30%.

Van der Hulst believes that improving overall flower-handling operations can not only help to reduce flowers' degree hours, but can help stakeholders reduce their carbon footprints too, even while scaling up their operations to meet demand.

Mauroux agrees: "As a responsible company, we need to ensure that all of our initiatives take sustainability into account. By managing the cool chain better, we reduce waste because flowers will arrive at their destination in good condition; therefore they won't be wasted."

He adds: "This business has also created benefits for the economies where the flowers are being produced. For example, it's amazing to see how many people and their families now have access to jobs, healthcare and schooling. We need to address these issues together and all of this can be done at an industry level if we come together."

And on that note, FlowerWatch is the one to watch.



HANDLING PROCESS

Saudia Cargo: maximising quality

Saudia Cargo transports 40,000 tonnes of flowers every year — predominantly roses — from Kenya to markets in Europe. In addition to cool chain management, the carrier has overcome other challenges to ensure the quality of flowers during its handling processes.

Bjarne Gertz Pedersen, global director of business development and strategic alliances at Saudia Cargo, says the company has turned to e-freight measures to ensure the flower boxes handled are

accompanied with the correct documentation.

Similarly, the carrier relies on its digitised cargo community systems — a "one-stop-shop for all the approvals" — to simplify and speed up its flower handling process overall.

Saudia Cargo also uses a lightweight packing material for its flower boxes to make them strong enough to endure the handling process.

"Flowers are usually packaged in fibreboard cartons, which can weaken and become damp when the stored at very cold temperatures for lengthy time periods," Pedersen explains. "This in turn can become a safety concern." The additional lightweight material can better withstand the flower boxes being moved and skidded, as well as dampness and temperature variations.

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DATA HUB

AIRLINE DEMAND

Covid resurgence hits demand and business activity

Air cargo demand continued to improve in November last year, while load factors remained high due to the loss of bellyhold capacity, according to the latest statistics from IATA.

The airline association's data shows that, during the peak season month, air cargo tonne kms declined 6.6% compared with a year earlier. Over the first 11 months, demand was down 11.6%.

Capacity was down 20% in November, which is nearly three times larger than the contraction in demand.

"The capacity crunch is caused by a 53% decrease in in belly capacity," IATA said. "This has only been partially offset by a 20% increase in freighter capacity."

Supply and demand

As a result of supply declining at a higher rate than demand, the average cargo load factor reached 58.2%, which is 8.4 percentage points higher than a year ago.

Looking ahead, IATA said that economic indicators suggest continued growth.

"The new export orders component of the manufacturing Purchasing Managers' Index (PMI) remained in growth territory in both developed and emerging mar-

kets for the third month in a row after two years of indicating negative growth," IATA said.

"Retail sales for November were up by approximately 5% over 2019 for both China and the US, propelled by events such as Black Friday and Singles' Day."

However, the airline association suggested that limited capacity could put pressure on the market as demand ramps up in line with the roll out of Covid-19 vaccination programmes.

IATA director general and chief Alexandre de Juniac said: "Air cargo demand is still down 6.6% compared with the previous year. However, we are seeing continuing month-on-month improvements.

"Severe capacity constraints persist as large parts of the passenger fleet remain grounded. This will put pressure on the industry as it gears up to deliver vital Covid-19 vaccines."

Looking at regional performance, Asia Pacific-based airlines reported a decline in year-on-year demand of 10.6% in November, while over the first 11 months of the year demand was 16.1% down.

"While international traffic within the region remains

weak, exports on the Asia-North America and Asia-Europe routes are strong, driven by demand for e-commerce and PPE," IATA said.

"International capacity remained constrained in the region, down 25.3%. However, this was an improvement over the 28.5% fall the previous month."

Strong traffic

North America-based carriers posted a 5% increase in cargo demand in November compared with a year ago.

IATA said the stronger performance compared with the rest of the industry was driven by a less stringent capacity crunch and strong traffic on

Asia-North America routes, reflecting rising e-commerce demand for products manufactured in Asia.

Meanwhile, Europe-based carriers reported a decrease in demand of 13.4%.

IATA said the demand had been affected by the resurgence of the Covid-19 virus and the effects of lockdowns on consumer demand and business activity. It added that a lack of capacity remained a challenge for airlines in the region.

Airlines from the Middle East reported a decline of 2.3% in November as the lack of international connectivity affected performance.

Latin America-based carriers

reported a decline of 19.2% as this region was also affected by the resurgence of the Covid-19 virus.

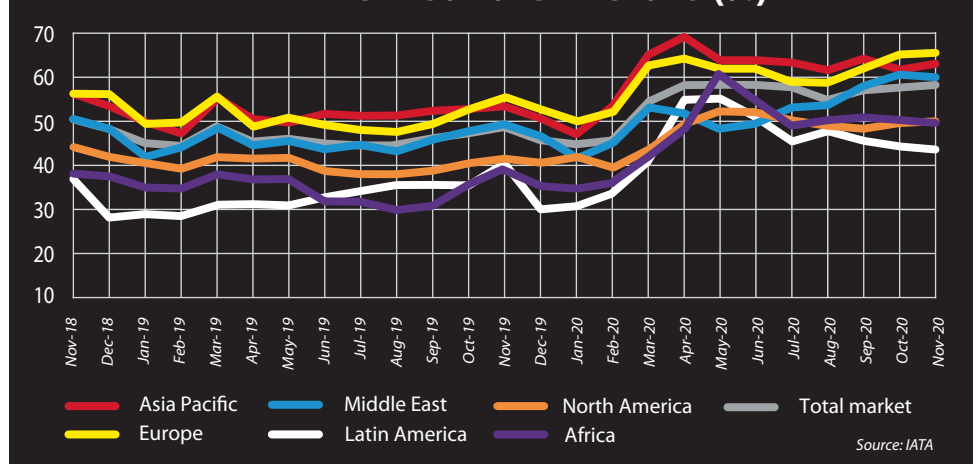
Soft performance

Finally, Africa-based airlines saw demand fall by 2.6% year on year in November, after three months of positive year-on-year growth.

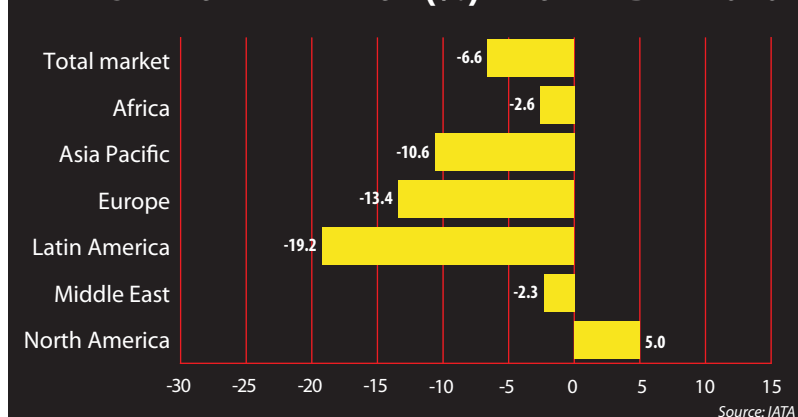
"This is primarily driven by a soft performance on the Asia-Africa route, which was down 4.5% year on year," IATA said.

In January, data provider CLIVE Data Services released stats showing that in the last week of December air cargo demand returned to growth for the first time in 12 months.

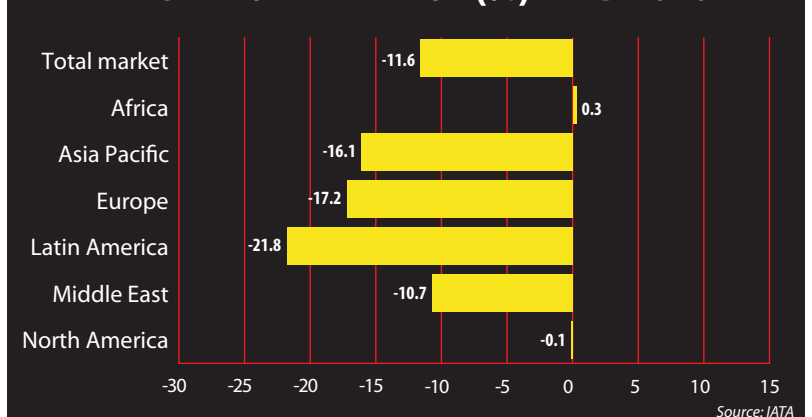
AIRLINE CARGO LOAD FACTORS (%)



FREIGHT TONNE KM YOY (%) - NOVEMBER 2020



FREIGHT TONNE KM YOY (%) - YTD 2020



AIRFREIGHT RATES

Positive end to 2020 as aircraft utilisation levels hit record high

Last year, airfreight rates on major east-west trade lanes ended on a high.

Data from the Baltic Exchange Airfreight Index (BAI) — powered by Tac Index — shows that in December average prices from Hong Kong to North America were up 107.2% year on year at \$7.50 per kg.

From Hong Kong to Europe, average rates increased 77.5% compared with a year earlier to \$5.59 per kg. And from Frankfurt to North America there was a 184.1% increase to \$5 per kg.

Tac Index business development director Robert Frei said the price increases came on the back of an extended peak season. Data from CLIVE Data Services shows that in the last week of the

year volumes were up 8% compared with a year earlier — the first increase recorded in more than 12 months. This resulted in aircraft utilisation levels reaching a record high in the middle of the month.

“The volume we saw is due to stock replenishment and we assume also in anticipation of further Covid-related lockdowns. But it came alongside reduced supply in December,” Frei said.

“The annual Christmas vacations did not occur in the usual numbers, meaning that the additional belly capacity was not seen this year. December numbers are therefore a result of fairly strong demand in relation to reduced available capacity.

“Overall, December pricing held up or even increased com-

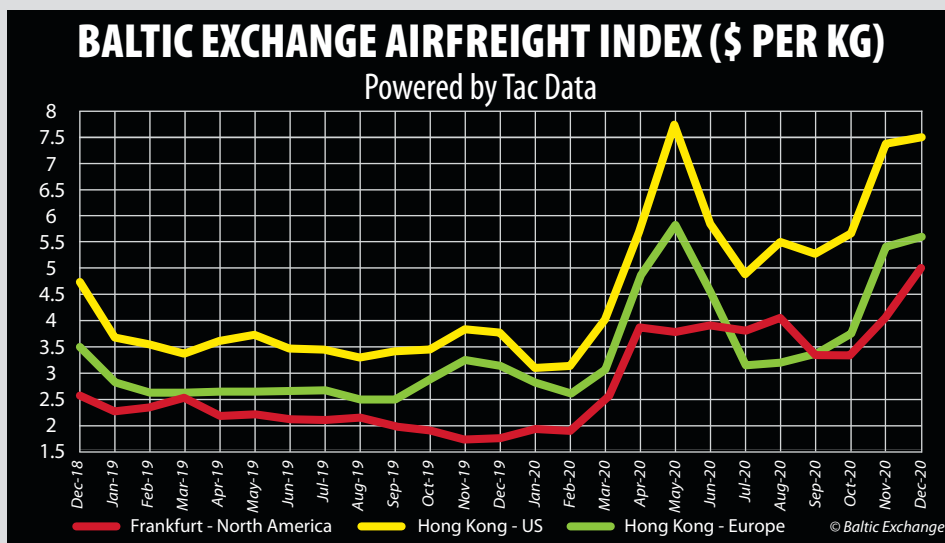
pared with November. So the expected drop after the peak season did not materialise.”

Peter Stallion of derivatives broker Freight Investor Services said that price

increases from Frankfurt to North America were the result of stronger cargo demand and as the impact of higher-paying vaccine cargo takes effect.

Overall, BAI data shows that

in 2020 rates from Hong Kong to North America increased by 55.1% year on year to \$5.49 per kg, while prices from Hong Kong to Europe were up by 46.2% to \$4.02 per kg.



AIRPORT THROUGHPUT

Fresh hope as cargo volumes rise

Airports continued to see their cargo volume performance narrow in on pre-Covid levels as 2020 ended.

Hong Kong International, the world's largest air cargo hub, saw air cargo volumes fall 3% year on year in November to 436,000 tonnes — its best result in percentage terms since December 2019.

Over the first 11 months of the year, demand was down 7.1% on the same period in

2019 to 4m tonnes.

The airport blamed the declines on the loss of belly-hold capacity. Meanwhile, the number of freighter movements increased by 12.7% during the month to 6,270.

“On the cargo front, imports and exports grew 12% and 5% year on year, respectively, amid the traditional cargo peak in November,” the airport authority said in a statement.

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

Europe's largest cargo hub, Frankfurt, also saw cargo volumes improve as it registered a 4.3% year-on-year increase in November to 194,619 tonnes — the second consecutive month of growth.

The airport said that as the year drew to a close the

number of PAX-freighter flights began to once again ramp up, while e-commerce and personal protective equipment demand soared.

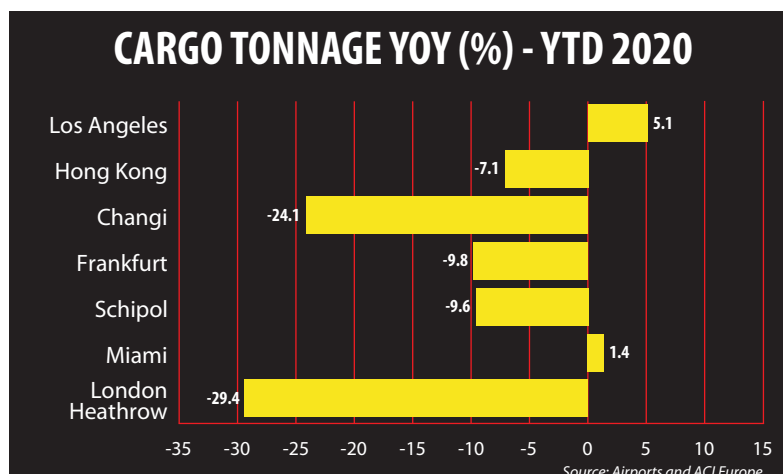
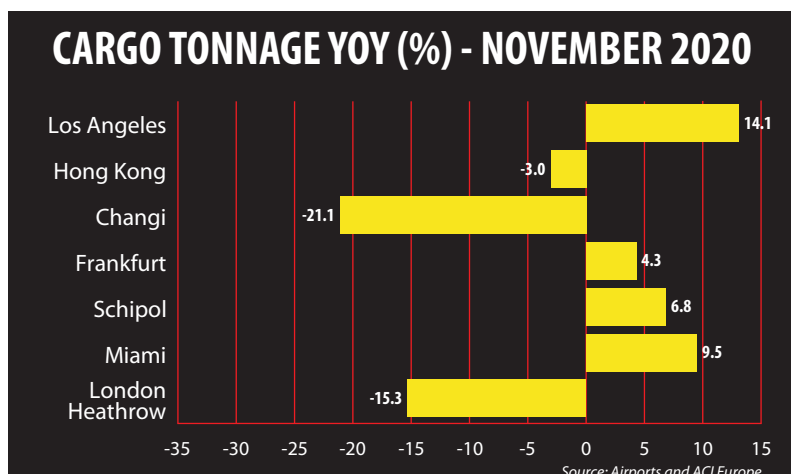
Germany's industrial sector also continued to recover.

Elsewhere, Heathrow in the UK recorded a 15.3% fall in demand, which is an improvement on the first 11 months when it saw a drop of 29.4%, and Schiphol recorded an increase of 6.8% in November

compared with a fall of 9.6% year on year in the first 11 months.

Los Angeles International saw a November leap of 14.1% year on year, taking its 11-month total to 2.2m tonnes — up 5.1% on 2019.

Cargo volumes at Miami International jumped 9.5% in November, and over the first 11 months it recorded a 1.4% year-on-year rise to 2.1m tonnes.



CONTAINER SHIPPING

Chinese New Year hope

The beleaguered container shipping industry is hoping the Chinese New Year celebrations could be a chance to reset and solve the ongoing container shortage issues that have been causing supply chain chaos over recent months.

This year, shipping demand remained strong throughout December and early January, but volumes were expected to slow in February due to the national holiday.

The two-week New Year celebrations — which this year start on February 12 — typically see a rush of demand in the weeks leading up to the holiday, followed by a period of low volumes as factories take time to come back online.

As well as the quieter Chinese New Year period giving carriers a chance to catch, it is also hoped it could help reduce box shipping prices, which have taken off over the past 12 months.

Freight forwarder Norman Global

Logistics said that the availability of container equipment and access to vessel space continues to be a critical problem, hitting the shipping lines' schedules and driving soaring rates.

Indeed, Hamburg-headquartered shipping line Hapag-Lloyd announced in the middle of last month that it would drop Long Beach from calls on its Mediterranean Pacific Service because of ongoing congestion.

Capacity catch-up?

Norman Global was one of the companies hoping the break could provide a chance to catch up.

"Significant developments around Chinese New Year could increase vessel capacity from Asia, potentially creating more equipment availability, and finally lead to rate reductions," the company said.

It pointed out that Chinese New Year sailing cancellations were lower than in previous years, raising hopes that the shipping lines were concen-

trating on repositioning empty equipment and increasing capacity, which could lead to some rate reductions.

However, UK freight forwarder Westbound Shipping said that while the New Year holiday could result in an improvement, a global rise in Covid infections meant that a "return to normality is likely to be much further down the line".

"We hope and expect there to be some respite, some backlogs cleared, and slight improvements on the Asian market from the back end of February — after the Chinese New Year period finishes," it said in a mid-January market update.

"However, the recent waves of infections will almost certainly mean that we're still dealing with more aftermath issues for at least a few more weeks, and into quarter two."

As this publication went to press, some sailing cancellations were being announced by carriers, with lines reasoning it would allow destination

ports to deal with backlogs.

Judah Levine, research lead at rate portal Freightos, agreed that the two-week break might not solve all the industry's woes.

Continuing uncertainty

"There are mixed reports of some manufacturers in China planning to close early for the holiday since goods can't be shipped anyway, and others planning on staying open to keep up with demand," said Levine.

"The existing backlog of volumes — as well as whatever additional pressure is created over Chinese New Year — will take time to clear and together with the expected additional stimulus from the new US [President Joe Biden's] administration could keep demand high and equipment scarce well into the spring.

"This push would leave only a couple of months of possible downtime before this year's peak season uptick in July."

PEOPLE

Eberle joins Hellmann board

Martin Eberle

Martin Eberle has joined Hellmann Worldwide Logistics' executive board and will also serve as chief financial officer.

Eberle succeeds Michael Noth, who has decided to "take on new tasks outside the company".

Eberle's most recent role was global head of accounting and controlling at Kuehne+Nagel's Schindellegi office.



BIFA promotes Hobbis

Carl Hobbis

UK freight forwarder association BIFA has recently approved the promotion of Carl Hobbis to the position of executive director.

Hobbis joined BIFA as training development manager in 2016.

Prior to this he worked in freight forwarding for more than 30 years, initially in oceanfreight.



B&H names new head of sales

Michael Haskins

Time-critical logistics firm B&H Worldwide has recruited Michael Haskins as head of global sales.

Haskins joined B&H Worldwide with more than 20 years of experience leading multinational operations in aerospace time-critical logistics. He was most recently with The Aerospace Logistics Alliance, where he served as managing director and also held roles at Kuehne+Nagel's aerospace division.

Brussels' new cargo director

Geert Aerts

Geert Aerts will succeed Steven Polmans as director of cargo and logistics at Brussels Airport in March.

Aerts has been active in aviation for 17 years at CAE Inc, where he has been regional operations director for Europe, Africa and the Middle East since 2014.

In this post he had responsibility for the management of a network of 16 flight simulator training centres and flight schools in this region, including at Brussels Airport.

QUOTE OF THE ISSUE

'Whatever happens on this planet, the air cargo industry is involved in some way'

Glyn Hughes, TIACA

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Asia-Europe trade lane April 2021 issue
 Africa April 2021 issue
 Advertising bookings required by 24 February 2021

China May 2021 issue
 Transpacific Trade Lane May 2021 issue
 Advertising bookings required by 24 March 2021

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