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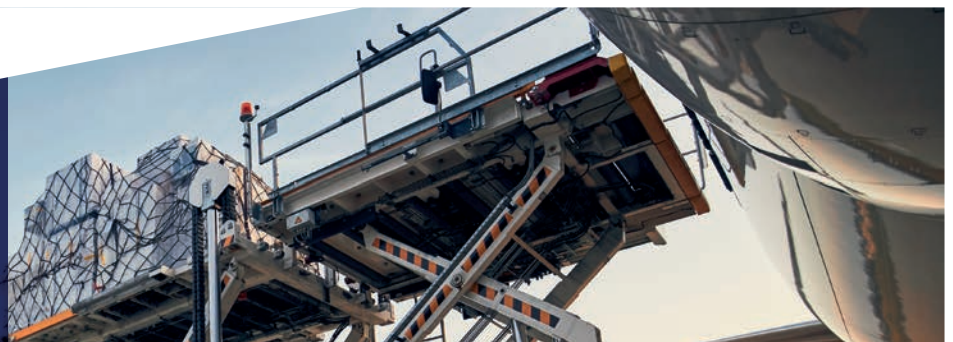
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## EDITOR'S COMMENT

*Damian Brett*



### Covid hangover keeps pressure on cargo

There is no doubt that the past 12 months have been a challenging yet profitable period for the air cargo market, but could that all be about to change?

Snarl-ups in the ocean freight industry — which have pushed shippers to the skies — appear to be easing, the peak season will soon abate and high inflation combined

with the ending of government support packages could reduce consumer spending.

Under normal circumstances, these developments would make the industry nervous about the coming 12 months.

However, there are several considerations that suggest that air cargo will remain buoyant for a while yet.

Intercontinental passenger (bellyhold) operations look likely to take longer than expected to get back to pre-Covid levels and any easing in the current high rates will cause more expensive freighter and older tonnage to exit the market, resulting in reduced capacity. Also, there are bound to be more disruptive Covid outbreaks at airports and factories.

With this in mind, 2022 looks set to be another interesting year for air cargo.

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# THE INDEPENDENT GSSA PARTNER

**GSSA OF THE YEAR**

AWARDS 2020 WINNER

AWARDS 2021 WINNER

**ANOTHER DIMENSION**

Etiha Cargo has entered into a proof-of-concept agreement with SpeedCargo for the company's Cargo Eye dimensioning system that helps ensure capacity is fully utilised.

**CONVERSION KIT DEAL**

AELF FlightService has purchased 10 Medius A330 and A340 passenger-to-freighter conversion kits from aviation engineering group Avensis Aviation.

**HACTL TAKES CONTROL**

Hong Kong Air Cargo Terminals Ltd has centralised control of operations across the business with the opening of the Integrated Hactl Control Centre.

**ANIMAL FIRST**

Heathrow Airport has teamed up with Microsoft to trial the world's first artificial intelligence system to combat wildlife trafficking. The technology can scan 250,000 bags a day.

**MARKET DATA**

CHAMP Cargosystems is launching a market data product to provide greater insight into the air cargo market.

**TURKISH PICKS UNILODE**

Turkish Cargo has appointed Unilode Aviation Solutions for the maintenance and repair of its ULD fleet under a three-year agreement covering 22 of the ULD firm's stations.

**SALIS WIN**

Antonov Logistics SALIS has been awarded a five-year contract with NATO's Support and Procurement Agency for its Strategic Airlift International Solution (SALIS) programme.

**BUSINESS**

# Shipping firms decide to reach for the sky

Two of the world's largest shipping lines are increasingly turning their attention to air cargo, as they look to develop services covering the entire supply chain.

At the start of November shipping giant AP Moller Maersk said it was expanding into the air cargo market with the acquisition of freight forwarder Senator International — which has a significant charter operation — and the addition of five freighters.

Star Air, the company's in-house aircraft operator, will purchase two new B777 freighters to be delivered by Boeing in 2024, and lease three B767-300 freighters, which will be operational next year through Cargo Aircraft Management, the leasing arm of ATSG.

Vincent Clerc, AP Moller Maersk executive vice president and chief executive of ocean and logistics, said: "As a global provider of integrated logistics, Maersk is improving the ability to provide a one-stop-shop and end-to-end logistics capabilities to our customers.

"We have strengthened our integrated logistics offering through e-commerce logistics acquisitions, tech investments, expanding our warehouse footprint and, as a natural next step, we are now ramping up our



Photo: Fotokom/Shutterstock

airfreight capacity significantly and creating a broader network."

On the purchase of Senator, the shipping group explained its ambition is to have approximately one third of its annual air tonnage carried within its own controlled freight network.

"This will be achieved through a combination of owned and leased aircraft, replicating the structure that the company has within its ocean fleet," the shipping group said.

Meanwhile, the CMA CGM Group, which launched its air cargo arm earlier this year, has been busy ordering more freighters as it prepares to launch its own airline.

Following on from the September order for a pair of Boeing 777 freighters, the France-based company in November signed a memorandum of understanding covering the purchase of four A350

freighters, becoming only the second company to order the new jet.

CMA CGM said that it would also apply to launch an airline — its current four Airbus A330 freighters are operated by Air Belgium — and it has filed an application for an Air Operator Certificate (AOC) with the French Civil Aviation Authority.

The new aircraft, which will join the group's fleet in spring 2022, will be registered in France and will be based at Paris-Charles de Gaulle airport.

The creation of a French freight airline also requires the initial recruitment of about 50 pilots, who will join the CMA CGM Group during the coming weeks.

Like AP Moller Maersk, the company also has a large forwarding/logistics business, following the 2019 purchase of Ceva Logistics.

**AIRLINES**

## Start-up flypop fills a gap with freight

UK start-up flypop has launched pax-freighter services through a partnership with lessor Hi Fly.

The airline plans to commence its zero LOPA cargo operations (cargo operations on a pax aircraft with seats removed) while it waits to start full passenger operations.

The flights will be operated by

an A330-300 that was previously flown by Cebu Pacific Air.

According to Flight Radar, aircraft 9H-POP operated several flights in Canada in the days after delivery.

In total, the airline will operate four A330-300 aircraft, with the second of these also expected to be used for pax-freighter

operations when it joins the fleet in December.

The other two aircraft are expected to operate passenger flights when they are added in February and May.

The company plans to specialise in flights to India and South Asia when it launches passenger operations.

## MARKET TRENDS

# Tight market set to continue into 2022

The air cargo market is expected to remain constrained into next year, according to several market participants.

Denmark-based forwarder DSV's chief operating officer, Jens Lund, said that there was no sign of the issues in ocean shipping or airfreight clearing up.

"We don't think the distressed situation is going to slip before Chinese New Year [starting on February 1]," he said. "There are simply too many things that are out of balance."

He said that ongoing issues in ocean shipping — schedule delays, port congestion and container shortages — would continue and this would push industries that traditionally use sea transport to utilise air to keep supply chains moving and warehouses stocked.

"As the market is out of balance, airfreight is always going to be in demand, and then of course there is the question of how much capacity is available — that would then also set the pricing and at the moment the pricing is high because of the lack of belly capacity."

While the company noted that the return of passenger traf-



Lund: "Pricing is high because of the lack of belly capacity"

fic is gradually having a positive impact on capacity owing to more belly capacity entering the market, this is primarily relevant for regional and domestic passenger flights.

Lund added that the situation might ease slightly after Christmas but this could be self-fulfilling and create more demand for air if there is spare capacity.

Meanwhile, Lufthansa Group chief executive Carsten Spohr is also expecting the cargo market to remain tight.

He said that new or converted freighters being ordered will not

enter the fleet fast enough to have a major impact — especially as some existing aircraft will be exiting cargo service.

"It seems like every old freighter aircraft has been brought into service during Covid," he said. "These aircraft will not fly for ever."

"At the same time, only Boeing is really building [cargo] aircraft at this time and you know how low their production rate is [at the moment]."

"So there is no way this will bring the aircraft into the market that quickly, and some old aircraft need to be retired after Covid."

Likewise, while there is heightened interest in passenger-to-freighter conversions, he does not see this changing the capacity supply situation in the near-term.

On the demand side, he said cargo customers see volumes staying strong.

"They expect it to last at least until the end of 2022. Then put e-commerce on top, where customer behaviour has changed more dramatically since Covid, and that makes us very bullish on cargo."

## ROUTES

## DHL Express adds flights

DHL Express has expanded its capacity covering the intra-Asia and transpacific markets, as it looks to meet growing demand.

On the intra-Asia market, the express operator has added a six-times-per-week B737-400SF flight between Hong Kong and Bangkok operated by K-Mile; and Air Hong Kong has added a sixth A300-600 flight rotation to two existing routes. Those routes are: Beijing-Hong Kong-Beijing, and Hong Kong-Cebu-Manila-Hong Kong.

And to cater to the intercontinental cargo demand, a B777F aircraft operated by AeroLogic, the firm's JV with Lufthansa Cargo, will fly six times a week from DHL Express' Central Asia Hub in Hong Kong to its Cincinnati hub in the US.

The company said that the pandemic and pandemic-related restrictions have further accelerated online sales growth.

"To ensure we are ready to cater to the anticipated surge in demand during peak seasons, we consistently enhance our fleet and adjust our air network to provide our customers with the most efficient, time-definite international deliveries," said Sean Wall, executive vice president, network operations and aviation, DHL Express Asia Pacific.

## WOMEN IN AVIATION

## WAL seeks mentorship candidates

Women in Aviation and Logistics (WAL) is urging women to sign up for its mentorship scheme that will be launched in January.

WAL said that the scheme is designed to bring the next generation of female leaders in the industry together with a mentor who can "introduce them to new ideas, help build confidence, and share knowledge and insight".

The scheme is free to join and

requires a minimum four-hour commitment over four months, with mentees asked to provide a short write-up at the end of the programme.

"The air cargo industry needs to have more female leaders and we are proud to take concrete steps to make this happen," said Céline Hourcade, founder and managing director, Change Horizon, and co-founder, WAL.

WAL will be matchmaking mentors and mentees this

month, ready for a January start.

Twenty-five executives representing airlines, airports, forwarders, tech and drone companies, associations, and logistics experts have registered as mentors.

"Our mentors represent a fantastic cross-section of invaluable experience and expertise," said Emma Murray, founder and chief executive, Meantime Communications, and co-founder, WAL.

## WAREHOUSES

## Herfurth adds Brussels shed

Herfurth Logistics has started work on a new warehouse at Brussels Airport as it looks to develop new markets.

The new facility will combine a warehouse of almost 5,000 sq m and more than 700 sq m of office space, on a site of more than 8,700 sq m.

It will have six loading bays and is located in the second row in terms of tarmac access. The facility is due to open July 2022.

## COVID RECOVERY

# US capacity additions to slowly affect cargo

The air cargo industry is not expecting the easing of US travel restrictions to have an immediate impact on the transatlantic trade lane.

In November, the US reopened its borders to fully vaccinated travellers from 33 countries — if they have a negative Covid test in the 72 hours before travelling.

CLIVE Data Services managing director Niall van de Wouw recently said that the transatlantic is the “number one market” where rates are likely to come down as a result of any additional flights.

However, he said the change might not be instant and prices could actually increase in the short term.

“The current load factors from a passenger point of view are not high,” said van de Wouw. “I would expect airlines to start filling those flights first before they start adding all sorts of frequency and updating the aircraft.”



IAG has added flights on routes to several US destinations

“In that early phase, it will actually have a downward impact on cargo capacity because we have the same amount of flights but more bags — and therefore less capacity.”

IATA director general Willie Walsh said: “There is a lot of transatlantic flying going on at the moment because US citizens can travel, and with the transportation of air cargo.”

The head of cargo at one major transatlantic airline said pre-bookings for flights into the US were “amazing”, suggesting

the opening of US borders could have a quick effect. The countries from which passengers will be able to enter the US are: the 26 Schengen countries in Europe, including France, Germany, Italy and Spain, plus the UK, Ireland, China, India, South Africa, Iran and Brazil.

IAG was one airline to quickly add capacity, increasing flights to New York, Austin, Miami, Philadelphia and Los Angeles. Services to Newark, Baltimore, Orlando, Tampa and Las Vegas are being restarted.

## PRICING

## Spot market prices index to launch

Freightos will launch an air cargo pricing index, based on data from its Webcargo booking portal, that it hopes will add transparency to the market.

The company said that its Freightos Air Index (FAI) would provide spot market pricing visibility. It consists of a headline index of pricing across global air cargo lanes, weighted based on trade lane activity, as well as price comparisons across trade lanes, airport pairs, and weight breaks.

The index will be published each Sunday with data from the previous week.

“Fluctuating prices and changing capacity challenges carriers, forwarders, and importers/exporters struggling to accommodate the current freight landscape,” the booking portal explained.

Freightos chief executive Zvi Schreiber told *Air Cargo News* that more than 30% of air cargo capacity was now available on Webcargo, giving the company the presence required to launch an index on many trades.

## CONTAINERS

## CryoSure keeps it cool

Temperature-controlled container firm Envirotainer is launching a new product that can maintain temperatures of -70°C.

The CryoSure container comes in four models and has been launched in response to demand for bio-specimen and mRNA transport solutions.

Envirotainer said: “Whereas most temperature-controlled pharmaceutical shipment solutions have involved ranges of 2-8°C and 15-25°C, many pharma products and biospecimen samples require below -70°C shipments.”

## ACQUISITIONS

## AGI buys ground handler Maestro

Cargo handler Alliance Ground International (AGI) has acquired Maestro International Cargo, as it looks to expand its presence in Chicago.

AGI said Maestro was one of Chicago O’Hare’s (ORD) “leading ground handlers”, focusing on “excellent customer service and an innovative cold-chain pharmaceutical service offering”.

AGI and Maestro’s combined warehouse footprint at ORD is now more than 1m sq ft.

“This acquisition brings additional airport warehouses and aircraft parking at ORD as AGI continues to position itself for growth,” the company said.

AGI chief executive Jared Azcuay said: “Maestro is well known for its customer service and innovative solution offering at ORD. AGI will continue to aggressively pursue opportunities to partner with companies like MIC to expand our growing presence in North America and beyond, with a focus on air cargo and below-the-wing services to the dedicated air freighter and commercial aviation markets.”

Maestro chief executive Edip Pektas added: “We are very happy to be a part of the AGI team. We have worked with AGI for years and have always

admired their large operation and strategic growth approach.”

Earlier this year, AGI opened a new airfreight facility near Newark Liberty International Airport (EWR) in New Jersey

The 76,000 sq ft handling centre will process imported freight, trucked from the airport — located five minutes away.

In other developments at the company, AGI has added a new building at New York JFK.

AGI has moved into JFK’s Cargo Building 22, adding 11,960 sq ft of office space and 82,153 sq ft of warehouse space to its existing facilities at the airport.

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## FORWARDERS

## Rhenus buys Global Net Logistics

Rhenus Logistics Americas has continued to expand its presence in the US through the acquisition of Texas-based forwarder Global Net Logistics.

Rhenus said the move would strengthen its global air and ocean network in the southwest of the US and complement its existing Houston branch.

Global Net Logistics provides domestic and international freight forwarding, air and ocean, full truckload, and less than truckload services.

In addition, Rhenus USA will take over the Global Net Logistics 22,500 sq ft warehouse located five miles from Dallas/Fort Worth International Airport (DFW).

“The facility will strengthen the warehouse presence of Rhenus USA in the area, including land bridge and cross-border services between Mexico and the US,” Rhenus said.

Jörn Schmersahl, chief executive of Rhenus Air & Ocean Americas, said: “This is a milestone for Rhenus Logistics Americas as we continue to invest and enhance our presence in the Americas Region.”

## HANDLERS

# Cargo sheds struggle to meet peak demand

Cargo sheds across Europe and North America are struggling to keep up with this year’s peak season, causing delays for the pick-up and drop off of cargo.

In Europe, handlers at major cargo hubs Frankfurt Main, London Heathrow and Amsterdam Schiphol are all feeling the strain.

At Frankfurt, new import rules requiring each individual house air waybill to be pre-registered and high demand are the main reasons behind the congestion at the German hub.

In October, cargo volumes at Frankfurt were up by more than 11% compared with pre-covid (2019) levels for the month.

German forwarder Senator International said: “The ground handling situation remains critical. The changed process handling in the import customs procedure continues to cause noticeable delays.”

Another forwarder, Flexport, added: “No notable improvement at FRA for import cargo. Building in extra lead time into FRA or using other German hubs is important.”



Photo: Shutterstock

UK freight forwarder Metro Shipping reported particular issues at Heathrow, Frankfurt, Brussels, Liege and Amsterdam, although it said problems were widespread.

As well as strong air cargo demand, issues in ocean shipping were causing modal shift and adding to demand levels, the forwarder added.

“London Heathrow is facing significant delays, as the cargo area is unable to cope and waiting times for vehicle collections and deliveries can be anything from five to ten hours, with the ever-present risk that the driver will ultimately be turned away,” the company said.

Making the situation even tougher for handlers are the constantly shifting airline schedules that make it hard to pre-plan resource.

“Overall the market is not as good as it should be, with issues all over the place at the major US, European and Asian hubs, and the likelihood is it will get worse,” Metro said.

On the situation at Schiphol, Flexport said: “AMS ground handling terminals are feeling the strain, mainly for export cargo. Handlers are recruiting additional personnel, opening additional warehouses where there is capacity. Additional entries and exits to terminals are being added with the aim to free up space for more trucks to pick up or drop off cargo.”

The company also outlined the handling issues being faced in North America: “LAX/ORD/JFK ground handlers continue to face backlogs and are using off-airport facilities to manage the flood of inbound cargo, which has a trickle-down effect on the export side.

“Many have shortened their free time for storage, and have implemented new, earlier close outs for exports to accommodate longer throughput times and screening requirements.”

## AIRLINES

## Atran returns to Xi’an

Atran Airlines has introduced a freighter call to connect Xi’an and Cologne utilising B737 freighter capacity.

The B737-800BCF operated service will offer around 23 tonnes of capacity per flight.

With the flight lasting over 12 hours one-way, there will be tech stops in Russia for refuel at Krasnoyarsk and Moscow (Vnukovo).

The Volga-Dnepr Group carrier said the move to return to Xi’an would meet rising demand.



Vitaliy Andreev, general director of Atran Airlines, said: “With cargo operations being pandemic-induced last year we had to suspend our operations ex Xi’an and concentrate on other destinations.”

## E-COMMERCE

## Cainiao adds to service

Cainiao Network — the logistics arm of e-commerce firm Alibaba — is extending its partnership with Atlas Air to cater for growing demand in the Latin America region.

The two announced a partnership on three flights per week between Hong Kong, Brazil and Chile last year but will now expand the agreement with an additional B747-400F.

This brings the total dedicated fleet Atlas operates for Cainiao to five aircraft and

means the partners will offer daily flights on the route.

According to Cainiao, the number of parcels shipped to Brazil in September 2021 increased by 200% year on year.

In response, Cainiao rolled out “12-day delivery service” in Brazil’s core metropolitan areas.

In addition, Cainiao plans to establish a distribution center in Brazil to offer next-day or even same-day delivery in partnership with local delivery firms.



## CONVERSIONS

## B777F P2F launch deal

Cargojet Airways will be the launch customer for Mammoth Freighters' B777-200LR freighter conversion programme.

The Canada-based lessor and operator has initially signed up for two B777-200LRMF freighters, with options on two -300ERMFs and two additional -200LRMFs.

The first aircraft (MSN 29742) is expected to begin the conversion process in mid-2022 with delivery to Cargojet in the second half of 2023.

Until now, Cargojet has operated B757 and B767 freighters but earlier this year it announced plans to expand with the addition of B777Fs as it looked to cater for international demand.

## AIRLINES

## American Airlines flies back to India

American Airlines Cargo has added flights to New Delhi in India — the first time the carrier has flown to the country since 2012. The daily flights began on November 12 and operate between the Indian capital and New York JFK utilising B777 aircraft.

The carrier will add a daily service between Seattle-Tacoma International Airport (SEA) and Kempegowda International Airport Bengaluru (BLR) in early 2022, linking "two critical global technology markets with the US and beyond".

Commodities expected to be carried on the service include leather products, textiles, garments, machinery, pharmaceuticals, and technology parts.

The company's GSSA in India is Air Logistics, which will be selling outbound cargo capacity from DEL to JFK.

## AIRLINES

## Emirates' \$1bn order

Emirates SkyCargo will add two new production freighters and convert four passenger aircraft in response to rising cargo demand.

The Dubai-hubbed carrier signed a purchase agreement with Boeing for two B777Fs that will join its fleet in 2022 and will convert four of the airline's Boeing 777-300ER passenger aircraft into freighters between 2023 and 2024.

The total investment in the six aircraft is around \$1bn, the airline said.

The two new aircraft will be delivered in April and June next year.

For the conversion deal, the airline has signed an agreement with Israel Aerospace Industries (IAI) for four Boeing 777-300ER passenger aircraft to be switched to a full freighter configuration.

The agreement also includes an option for further Boeing 777-300ER conversions at a later stage.

The conversion programme will commence in early 2023 and is expected to conclude in 2024 with each aircraft taking up



to an estimated five months.

The converted freighters will provide up to 10 additional pallet positions over the Boeing 777F production freighter, allowing for transport of more low-density cargo including e-commerce goods, Emirates SkyCargo said.

"They will boost the main-deck cargo capacity that Emirates SkyCargo can deploy on its global routes, with a particular focus on trade lanes where volumetric cargo loads tend to be high," the airline explained.

"The converted aircraft's payload capabilities are very

close to those of the Boeing 777F production freighters and the twin-engine aircraft will be more efficient per tonne of cargo carried than the industry standard freighters."

Ahmed bin Saeed Al Maktoum, chairman and chief executive, Emirates Airline and Group, said: "The last two years have put the spotlight on the importance of supply chain connectivity and the availability of air cargo capacity to global communities and economies."

The carrier currently operates a fleet of 10 Boeing 777 freighters and 16 mini-freighters — B777s with seats removed.

## FREIGHTERS

## Amazon set to go intercontinental?

Ever since Amazon launched its US domestic freighter operation in late 2015 there has been speculation it could one day expand into intercontinental operations. And if a report from Bloomberg is correct, that could soon turn into reality.

A recent report from the news wire suggested that the e-commerce giant had been in talks to acquire or lease 10 second-hand A330-300Fs as well as an unknown number of B777Fs.

While the airline does already operate widebody B767Fs that could be used on intercontinental services, the e-commerce

company has so far restricted them to flights in North America.

If it were to acquire aircraft such as B777Fs these would be more likely to be used on operations to Asia or Europe than on domestic duties, given their range and cargo capacity of around 100 tonnes.

Given the capacity shortages being faced by the air cargo industry and the general supply chain chaos caused by the Covid-pandemic, the move would appear to make sense — it would secure a base of cargo capacity for the company all year round.

Amazon has also placed great importance on the fast delivery of products to customers, and ensuring there are no supply chain delays is essential to living up to this promise.

And a lack of capacity at peak times appeared to be one of the reasons Amazon decided to launch its domestic airline in the first place, moving away from the likes of FedEx and UPS.

Pricing is another consideration: current sky-high airfreight rates make the proposition more attractive from a cost perspective, with several retailers and forwarders announcing their own charter operations.

## FINANCE

## Turkish ups its revenue

Turkish Cargo saw its revenues increase by 45% in the third quarter of the year, helping the overall airline beat pre-pandemic profit performance.

The cargo business reported cargo revenue of \$969m for the period, compared with \$668m last year. The increase mostly came from a recovery in belly-hold traffic which saw cargo revenue increase by 174% to \$307m, while freighter revenue improved by 19.1% to \$662m.

Performance would also have been boosted by a recovery in overall cargo demand and higher freight rates.

Alongside its fully utilised freighter fleet, the airline is deploying around 15 widebody passenger aircraft for cargo operations. That is five more aircraft than it was flying in the second quarter.

Meanwhile, the overall airline reported operating profit up 9% on pre-crisis 2019 levels at \$697m for the third quarter.

Net profit was 12% above pre-crisis 2019 levels at \$735m.

## ENVIRONMENT

## Roadmap to sustainability

The International Air Cargo Association (TIACA) has published the industry's first air cargo sustainability roadmap, designed to support the cargo sector through a period of transformation.

Released to coincide with COP26 discussions, it illustrates the role air cargo stakeholders are playing and will continue to play in future "with even more vigorous commitment", said TIACA in a statement.

"The roadmap examines the 17 United Nations Sustainable Development Goals and maps how air cargo contributes to their attainment," it added.

## AIRLINES

# Rogue battery move

Qatar Airways Cargo will replace its entire fleet of ULDs with Safran Cabin's new Fire Resistant Containers (FRC) as it aims to take a lead in countering the risk posed by rogue lithium battery shipments.

The airline expects to take a total of five years to replace its fleet of more than 10,000 ULDs, but it aims to exchange 70% of the units during 2022.

Guillaume Halleux, chief officer cargo at Qatar Airways, said: "Due to the increased transport of devices with lithium-ion batteries in ULDs, we were looking for a solution that prevents incidents in containers used for the handling and storage of baggage, as well as the transportation of cargo goods."

He added: "Thorough testing has validated the absolute fire resistance of Safran Cabin's new FRC containers, and we are very pleased to roll out this solution in our bellyhold fleet within



such a short period of time."

Qatar Airways is also the first cargo carrier to adopt Safran Cabin's new FRC solution, having taken delivery of the initial batch of containers on September 29.

At the recent IATA World Cargo Symposium, Halleux made an impassioned plea for regulators to take steps to counter the threat of rogue lithium-ion battery shipments.

Halleux said the airline had suffered three near-misses with rogue battery shipments in recent years. The common denominator in each of these

incidents was mis-declaration of goods, making it hard for any supply chain players to pick up on the risk.

He added that industry-wide there had been four incidents in the last 15 years that had resulted in hull loss and in some of these instances the loss of life.

There have also been 322 air/airport incidents registered from 2006 to May 2021 involving lithium-ion battery cargo, of which 18 were in 2020.

Safran Cabin has extended its portfolio with Class-D Fire Resistant Containers, complementing its existing solutions against Class-A fires (ordinary combustibles, such as paper and cardboard).

Safran Cabin's newly developed Fire Resistant Containers are designed to resist a lithium-based fire for six hours and are equipped with doors made of high impact resistant materials without the use of Velcro.

## FREIGHTERS

## CargoLogicAir now back in the black

UK-based freighter operator CargoLogicAir returned to profit last year and hopes to add a service to China in the future.

During 2020, the company reported a profit of \$45.4m, compared with a loss of \$39.7m in 2019, as prices for all-cargo flights increased due to the Covid-19 pandemic.

The airline's revenues for last year stood at \$148.9m against \$159.2m in 2019 as the company reduced its fleet from four B747F aircraft to two in response to a difficult market at the time.

The carrier — which partners with Russia's Volga-Dnepr Group — ran into problems in early 2020 and sought a temporary suspension of its operating licence, which was subsequently restored in April.

Looking forward, CargoLogicAir said: "The company will develop its commercial offering by building on its charter operations by adding a scheduled service supporting China.

"This will lay the foundation for further growth in the future.

"The company will revisit its fleet sizing to ensure that any upside in market demand can be satisfied.

"Additionally, the company seeks to ensure that economies of scale are optimised leading to increased profitability.

"In line with this strategy, the company anticipates that it will continue to expand its network and strengthen operational delivery and commercial capabilities to better serve its global customer base and that, conse-

quently, its aircraft utilisation and revenues will continue to grow."

The airline pointed out that it currently serves the transatlantic market which has seen a reduction in capacity that is not expected to re-balance itself until the end of 2022 at the earliest.

The freighter operator added that strategic partnerships and interline capabilities would be developed with a belly carrier.

CLA said: "This will enable lower deck connectivity ex London Heathrow with a focus on locations such as South America and Africa.

"Enhanced [cargo] handling capabilities at London Heathrow will be developed with a focus on e-commerce and pharma opportunities."

## ORDERS

# ALC is first to sign for Airbus A350 freighter

Air Lease (ALC) has placed a provisional order for seven A350 freighters, making it the launch customer for Airbus's new freighter programme.

The aircraft lessor ordered the freighters at the Dubai air show as part of a wider deal for 111 Airbus aircraft. The order will be finalised over the coming months, Air Lease said.

Christian Scherer, Airbus chief commercial officer and head of Airbus International, said: "ALC's order signals we are moving beyond the Covid doldrums.

"ALC is solidifying its order portfolio for the most desirable aircraft types as we exit the crisis and, in particular, it has seen the formidable value the A350F brings to the cargo market.

"ALC's endorsement confirms the global enthusiasm we see for



The A350F will offer 20% less fuel burn than existing twinjets

this quantum leap in the freighter space and we applaud its insightfulness in selecting it and in beating everyone to the finish line for the first A350F order announcement."

The A350F is based on the A350-1000 aircraft and will offer 20% less fuel burn than existing twinjet freighters, 30% less than a three-jet aircraft and 40% less than a four-engine model.

So far, it is the only new-generation freighter aircraft ready for the 2027 ICAO carbon dioxide (CO<sub>2</sub>) emissions standards.

Airbus believes that these new regulations will result in a wave of replacements as existing new-build widebody freighter programmes become obsolete.

The aircraft's capacity is more than 100 tonnes.

## ORDERS

## DHL grows its BCF fleet

DHL Express has placed a firm order for nine B767-300 Boeing Converted Freighters (BCFs).

The additional freighters will help expand DHL's long-haul intercontinental fleet in response to demand for cargo capacity.

Geoff Kehr, senior vice president, global air fleet management, DHL Express, said: "The additional B767 freighters are part of our efforts to modernise DHL's long-haul intercontinental fleet to fly eco-friendlier and more cost-efficiently."

DHL has taken delivery of seven of a batch of eight 767-300BCFs, that have been leased to DHL partner airlines in the Middle East and Latin America to support its expanding regional networks.

## CONVERSIONS

## Boeing adds B737-800 lines as demand rises

Boeing is to open three new B737-800BCF conversion lines on the back of rising cargo demand.

The company will open one conversion line at Boeing's London Gatwick Maintenance, Repair & Overhaul (MRO) facility in 2022 and two at KF Aerospace MRO in Kelowna, Canada in 2023.

Earlier this year, Boeing announced it would create new 737-800BCF conversion capacity at several sites: This year it added a third line at Guangzhou Aircraft Maintenance Engineering Company and in 2022 it will add two lines with new supplier Cooperativa Auto-gestionaria de Servicios Aeroindustriales in Costa Rica.

Boeing forecasts 1,720 freighter conversions will be needed over the next 20 years. Of those, 1,200 will be standard-body conversions, with nearly 20% of that demand coming from European carriers, and 30% coming from North America and Latin America.

Icelease, which recently ordered 11 B737-800BCFs, will be the launch customer for the London Gatwick MRO facility.

"We are confident in the quality and proven record of Boeing's 737-800 converted freighter, and pleased to be the launch customer for their new London MRO facility," said Magnus Stephensen, senior partner at Icelease.

## B737F FOR AIR TANZANIA

The United Republic of Tanzania has placed an order for a B767-300 freighter at the Dubai air show. The aircraft — which was part of a wider order of B737s and a B787 — will be operated by Air Tanzania.

## DHL AIR AUSTRIA

DHL Express has launched a new Austria-based airline that will eventually operate with a fleet of 18 B757 freighters. The aircraft are being transferred from DHL's UK airline in light of the country's withdrawal from the European Union.

## ATSG ON THE UP

Freighter lessor and operator ATSG has ordered the conversion of four aircraft to B767-300 Boeing Converted Freighters (BCFs) as profits continued to rise in the third quarter. Q3 net profits stood at \$64.7m, compared with a \$5.6m loss last year.

## HYDROGEN INVESTMENT

ASL Aviation Holdings has revealed plans to purchase 10 hydrogen-propulsion "conversion kits" for ATR turboprops from Universal Hydrogen. Universal is developing the conversion kits as part of a broader effort to kick-start hydrogen propulsion for aviation.

## B777F ADDITIONS

Lufthansa Cargo has added two more Boeing 777 freighters to its fleet. The two B777F aircraft — D-ALFJ and D-ALFK — will be based at the airline's Frankfurt hub and will expand Lufthansa Cargo's freighter fleet to 16 aircraft, including four operated by AeroLogic.

## FREIGHTERS

## SmartLynx expands with A321s

SmartLynx will continue the expansion of its cargo business with the addition of two A321 freighters to its fleet early next year.

The company is aiming to operate a fleet of eight A321 freighters by the end of next year.

“The addition comes as an integral part of SmartLynx’s strategic expansion plans to become the largest operator of A321Fs in the near term,” stated the company.

“The A321F freighter has the highest revenue payload and the most versatile, customer-friendly features in today’s cargo marketplace.”

SmartLynx, which is part of the Avia Solutions Group, will receive the aircraft, both registered in Malta, through leases from financial firm Cross Ocean Partners.

SmartLynx already has two A321Fs in its fleet, brought in to operate on behalf of express freight firm DHL, and chief executive Zygimantas Surintas said the extra aircraft would help “consolidate the company’s position at the forefront of cargo carriers”.

“We are already witnessing a dramatically increased market interest for this aircraft type,” he added, pointing out that the company has made a “conscious decision” to follow the market demands for “more sustainable air transportation”.

US-based Precision Conversions is modifying the twin-jets and SmartLynx expects them to enter service in the first quarter of 2022.

“SmartLynx is already successfully operating its first A321F in support of DHL’s European network, with a second aircraft scheduled to commence operations for DHL eminently,” the company added.

## AIRLINES

## MENA Aerospace moves into airfreight

Bahraini aviation services group MENA Aerospace is launching a cargo airline to tap into what it says is a burgeoning airfreight market for e-commerce between Asia and the Middle East and Africa.

MENA has transferred its existing air operator’s certificate for a private jet management and charter business to the new venture, and has launched services with a former Southwest Airlines Boeing B737-300 freighter conversion by Florida firm Pemco.

It plans to lease “two or three” B737-800 converted freighters in the next year, followed by its first widebody, and is aiming for an eventual fleet of “15 to 20” aircraft, said business development director Brian Hogan.



“That sort of number gives us critical mass,” he commented. “It means we can move around crews and engineering.”

MENA is currently partnering with euroAtlantic to offer long-haul freight services from Asia into Bahrain using one of the Portuguese charter provider’s B777-200ER airliners, with seats removed for cargo.

“That is the start of our wide-body operation, but that will

develop into us purchasing our own cargo aircraft,” said Hogan, who admits that both new-build and converted widebody freighters are in short supply.

“The future is B777s, if we can get a hold of them, but the first available conversions are 2023 to 2025. [Airbus] A330s or B747s could be the bridge and it is my job to source these planes, but everyone in the world is gathering up these planes,” he said.

Mohammed Juman, founder and managing director of MENA, describes e-commerce as a “gamechanger” for the Middle East and Africa.

“E-commerce in this part of the world has barely started, but between us and Asia it is growing phenomenally,” he commented.

## E-COMMERCE

## JD Logistics aims for 100 freighters

JD Logistics, the logistics arm of Chinese e-commerce firm JD. Com, is seeking to operate a fleet of 100 freighter aircraft by 2030.

JD Logistics chief executive Yui Yu said in an interview with Bloomberg that it was considering both purchasing and leasing aircraft.

The company has recently been awarded approval from the Civil Aviation Administration of

China to operate its own airfreight business, he said, adding: “By 2030, it won’t be less than 100 planes.”

Yu said the current supply chain issues caused by Covid-related capacity shortages would only have a short-term impact on the market and that trade flows would return to normal.

He also said the company would be investing in automated

warehouses in Europe and the US to meet demand in China.

The company will also consider M&As in the logistics field if the right opportunity presents itself, he added.

In recent months, JD Logistics has expanded its air cargo charter operations, adding flights to the UK and the US earlier this year. It also launched flights to Thailand in May.

## CONVERSIONS

## GA Telesis snaps up six more B737s

GA Telesis has placed an order for another six B737-800SF freighter conversions with Aeronautical Engineers Inc. (AEI).

Work on the first aircraft will commence in March 2022, with all modification and mainte-

nance being carried out by the authorised AEI Conversion Center, Commercial Jet.

The remaining aircraft are scheduled to be converted at three other authorised AEI Conversion Centers, with the last aircraft in the order

commencing modification in May 2023.

Once complete, the order will leave GA Telesis with a fleet of 12 AEI B737-800SF freighters — it ordered an additional four of the aircraft earlier this year on top of two ordered in 2020.



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# Freighters in demand

**F**reighter conversion orders continue apace, as engineering houses, aircraft lessors and established or new-to-market cargo airlines expect prolonged demand for additional airfreight and e-commerce volumes in the 'post-Covid' world.

Recent orders show the appetite for conversions. It is driven by the large rise in parked passenger aircraft whose only route to commercial operations is an early retirement as cheaper feedstock for freighter conversions.

Rapidly expanding Israel Aerospace Industries (IAI) will convert 30 A330-300 passenger jets for aircraft lessor Avolon between 2025 and 2028, reflecting the race for slots on conversion production lines.

Avolon, the launch conversion customer for this aircraft type with 27 maindeck pallet positions, is banking on total market air cargo revenues rising — airfreight traffic is expected to double over the next 20 years, thanks to an e-commerce surge.

Experts in the conversion market are clearly optimistic about the future, with workhorse freighters being joined by younger and economical repurposed passenger jets.

A webinar on the current market and its potential beyond 2021 was hosted by aviation analysts IBA with main speakers Jonathan McDonald, IBA head analyst – commercial and ageing aircraft, and Robert Convey, senior vice president, sales and marketing, at conversion specialist

Covid has moved commercial aviation away from passenger flights in favour of freight, driving demand for converted aircraft. Roger Hailey reports



Lufthansa Cargo has retired its three-engined MD-11F freighters after 23 years' service

Photo: Vasco Garcia. Credit: Lufthansa Cargo

Aeronautical Engineers Inc (AEI).

Convey said that AEI wants to increase the number of conversion centres and production lines for its active aircraft programmes, the Boeing 737-300SE, B737-400SF and B737-800SF plus the MD-80SF and CRJ200SF.

The target is for 35 aircraft conversions in 2022, with the "ultimate goal" of 50-plus per year across all five product lines: "The market appears to be continuously supporting that kind of number."

## Expanding orders

You can see why that target has been set by AEI, which in October announced that Florida-based GA Telesis placed an order for an additional six AEI B737-800SF freighter conversions.

This new order comes on top of a further four B737-800SFs added in July, itself an expansion of the original deal for two freighters.

The first aircraft and subsequent conversions in this new order will begin modification in March 2022 in Alabama. The remaining aircraft are scheduled to be converted at three other AEI centres.

The B737-800, Convey said, was the industry favourite, although all AEI's conversion programmes were enjoying "exceptional demand".

McDonald of IBA said that conversion demand has "veered" towards the B737-800 in the past few years, while a few earlier versions of the B737, such as the classic and -700, are still being ordered.

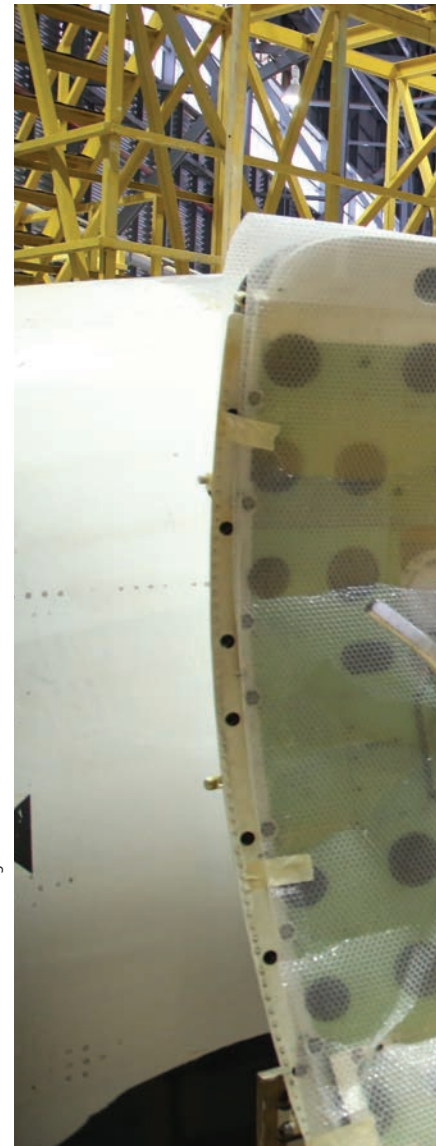
Convey added: "The

B737-400 has been very popular for the past seven or eight years, with 20-plus conversions a year and still going strong; but of course we are seeing a tapering off of the feedstock."

Pre-Covid, and influenced by Boeing's troubles with its B737-Max, the price of a 20-year-old B737-800 was around the \$21m mark, which rose to a total of \$27m when the conversion cost was factored in.

Convey said: "One item that Covid changed overnight in 2020 was that we saw -800s on the market for \$10m or \$12m and that really started the rush into the -800s."

Other factors in favour of the B737-800 conversion demand surge were the diminishing number of feedstock -400s and the big increase in e-commerce as global consumers went online to do their shopping.





Demand for conversions is driven by a rise in parked passenger aircraft.

That trend will increase and that means more freighters in the fleets of e-commerce giants.

Convey said: “It was a kind of perfect storm, at least in the narrowbody sector, driving conversion demand, and you see that across the Airbus 321, the B737-800s, the B767s and the Airbus A330 — and now the B777 is coming up.”

IAI has started the process of converting the first B777-300ER passenger aircraft, cutting an opening in the hull to install a cargo door.

That first cut came shortly after the beginning of the aircraft’s structural modification, a process that will take approximately 130 days. The passenger jet will then be converted into a cargo aircraft.

Meanwhile, Boeing and Guangzhou’s GAMECO conversion house announced

plans to create additional production capacity for the B767-300 Boeing Converted Freighter (BCF) to “help meet continued strong market demand”.

The agreement will expand freighter conversion capacity at GAMECO, opening two new B767-300BCF conversion lines next year.

GAMECO will be the first MRO in China to convert the B767-300BCF and the only MRO converting both the B767-300BCF and the B737-800BCF. GAMECO has also announced plans for a third B737-800BCF conversion line.

### Airbus challenge

The IBA webinar also discussed the Airbus A321 P2F market potential, and gave a very positive assessment, although the smaller A320 may remain

a niche conversion for certain route and operator profiles.

IBA’s McDonald said that A321 conversions are on the increase, with several aircraft waiting in the pipeline, although the workhorse B757, which the A321 is likely to replace longer term, remains popular and has seen its potential feedstock pool increase by 24 aircraft over the summer.

Convey described it as “the perfect freighter”, adding: “It has got the right legs, the right volume and the right payload and it has got the right structure.

“It is built like a pickup truck and it is going to be around for a very long time.”

He added that the A321 conversion is the “perfect replacement” for a B757 freighter in terms of available feedstock, and that the Airbus

A330 will replace the B767 as the latter’s feedstock decreases.

The IBA panellists heard that Boeing, which has dominated the medium widebody and large narrowbody aircraft market for decades, is now seeing Airbus fill a void left by the US airframer in those segments.

The B757 will be around for many years to come and in time the A321 will be the conversion of choice for that sector.

Perhaps we are seeing the start of the changing of the guard.

Talking of which, Lufthansa Cargo signalled the end of its three-engine freighter era when the airline’s remaining MD-11F landed at Frankfurt for the last time, after 23 years’ service with the German carrier.

The last MD-11F registered in Europe will now be sold to an American cargo airline. There is life in the old freighter yet. ♦

## AIRLINES

# Eastern Airlines: A convert to air cargo

Over its history, which reaches back to the 1920s, Eastern Airlines became an iconic brand that still resonates long after its collapse. It pioneered concepts like a passenger shuttle from New York to Washington, but cargo has not been a major focus for it — at least not until now.

Its latest incarnation, which started in 2018, was built around passenger operations, but now the carrier is set to blaze a trail in the freighter business.

The company has acquired 35 B777 passenger aircraft (a mix of different versions) to mount a freighter operation with a twist.

Instead of going for a fully-fledged conversion, Eastern is turning all but two of the planes into class-E freighters. It is taking out seats and galleys to use the cabin for cargo but won't reinforce the floor or rebuild the wing box to support heavy loads on the maindeck. Nor will it cut a new cargo door, at least not initially.

This means that the plane is not suited to carry aircraft engines or other heavy loads on the maindeck — but this is not the cargo that management is aiming at.

Steve Harfst, Eastern's chief executive, describes the origins of the new direction as a mix of market developments and opportunity.

The rapid rise of e-commerce has accelerated the trend of capacity maxing out on volume rather than weight, and opened the door for a type of freighter

The US carrier's chief executive Steve Harfst is blazing a trail by mounting a new freighter operation with a fresh approach to conversions, as **Ian Putzger** finds out

with lower payload capability but ample volume for parcels.

"We focus primarily on the e-commerce market, which is low-density cargo. That market is growing fast enough that we can segment it and concentrate on it," he says.

"Express freight doesn't need structural changes like replacing the floor. Why charge customers for a capability they don't need?"

## Doing the maths

With a typical load density of 5-7 lbs per cubic foot for e-commerce, a B777 can take about 100,000 lbs (45 tonnes) on its maindeck, which happens to be the weight-bearing capability of the floor, he says, adding that the belly offers significant cargo capacity, bringing the total to between 55 tonnes and 75 tonnes.

Using passenger aircraft for cargo-only flying has been a balancing act for airlines, as the

operating economics translate into rather thin margins.

An E-class freighter essentially has the same performance characteristics but a lower operating empty weight, as the seats and galleys have been removed, Harfst points out.

By making full use of the maindeck, the plane can carry three times the volume of a freighter. Combined with a lower cost asset base and relatively low conversion costs, this offers "pretty powerful economics", he says.

The concept doesn't just work in a high rate environment, he points out. "If we look at the pricing of the 2008/2009 recession, we can still be profitable," he remarks.

He sees a broad range of opportunities for the plane. The extended range version has been associated with the transpacific arena and the remaining B777s with markets like the transatlan-

tic one. "All have significant range capabilities because we're not maxing out weight," he says.

Harfst also sees opportunities in the shorter trunk sectors usually served by narrowbody freighters. Being able to carry three times the amount of a B737-800F means it can move in one round trip what the smaller plane has to haul over three trips, he says.

"We think the plane has a lot of applicability. Opportunities are going to be across the board," he reflects.

## Range of customers

Likewise, Eastern is looking at a broad group of potential customers, from express carriers and passenger airlines with freighter ambitions to logistics firms that need capacity in traffic lanes with limited freighter access.

"We're talking to all of these. We talked to a select handful of



**'Express freight doesn't need structural changes like replacing the floor. Why charge customers for a capability they don't need?'**

Steve Harfst, Eastern Airlines





Eastern Airlines is targeting customers in the e-commerce market with its repurposed B777 aircraft

potential customers before we started,” says Harfst, adding that the phone has not stopped ringing since Eastern made its plans public.

“Most likely the initial customer base will be those that need capacity and just don’t have it, and there’s a lot of those around the world,” he comments.

The meltdown of belly capacity has resulted in freighters concentrating on the major lanes, leaving secondary and tertiary markets short of lift, he observes.

As it was mulling over the concept, Eastern’s management saw a chance to acquire 35 B777s “at great prices”, says Harfst. “We always liked the B777 as an aircraft addition to our fleet.”

The purchase includes two B777-300ERs that Eastern is going to use for passenger flights to markets like Quito. The remainder — 17 B777-200ERs, 10 B777-200s and six B777-300s — are headed for all-cargo service as E-class freighters.

Management has yet to disclose where those planes are

coming from, but Harfst says this will become obvious when details of the aircraft are made public. Apparently most have been acquired from Asian carriers that grounded them.

### No waiting

Besides whittling down the cost, a basic conversion cuts out the lengthy wait times for a conversion slot and the length of the process itself. According to Harfst, the job can be done in about 14 days.

Eastern is in the process of obtaining the supplemental type certificate for the E-class freighter conversion, which he expects to be ready before the end of the year.

The company intends to start operations in the first quarter of 2022.

The certification will come via Foxtrot Aero, Eastern’s own aviation engineering firm. The conversion process itself will also be done in-house.

In August the airline bought Florida Modification Specialists, an MRO firm based in Kansas

City, which will perform the conversions. This allows Eastern to control the process and avoid the lengthy backlogs on the MRO scene.

The other part of controlling the process is outright ownership of the aircraft, which Harfst describes as a core business strategy.

“We like the idea of being an asset owner and finding aircraft at attractive prices. It allows us to compete as a low-price competitor, not as a high-cost competitor,” he says.

Eastern’s current operations consist of 10 passenger B767s flying mainly from New York and Miami to destinations in Latin America. The cargo capacity is marketed largely by HAE Group.

At this point Eastern has no ambitions to sell its freighter lift directly.

“Initially, it’s going to be all ACMI,” says Harfst. “Never say never: we’re a pretty entrepreneurial, opportunistic group, so if good opportunities came up in charter or we decided at some

point to take up our own risk, we would look at that — but initially the business model is purely ACMI.”

The approach suits the large number of planes the airline is adding. There have not been many freighter operators that started off with 33 widebodies (plus two passenger planes).

“Nobody can put 35 airplanes to work at once,” concedes Harfst. The plan is to add one to one-and-a-half planes a month over the next two to three years.

“If there are good deals in the market, we will be reactive,” he says.

### Loading issue

While there is no shortage of demand for freighters in the foreseeable future, many airports and handlers are not too keen on loading the maindeck of a B777 through the passenger doors, a time-consuming and labour-intensive exercise.

There have been reports of airports declining to accommodate passenger planes with cargo in the cabin.

“That’s a real constraint,” Harfst acknowledges. “There probably will be markets or customers that do not have the ability or willingness to manage the amount of time it takes to load and unload a B777 through the passenger door.

“We will be working with our customers on that. It’s a real-world constraint, but we think there’s enough value there to make it work.”

He adds that the industry has got better at dealing with this issue, citing the introduction of portable rollers at Rickenbacker airport as an example.

And Eastern is planning to refine its E-class freighter concept. For the sake of fast market entry, the first plane will undergo the bare bones conversion, but later on the carrier intends to install roller decks and locks on the floors and use modular containers that will be sized to fit through the passenger doors. Eventually a new cargo door may be added.

“The voice of our customers and market-driven innovation will drive a lot of that,” Harfst comments.





# Consolidating a French footprint

DHL Express' new international hub at Paris-Charles de Gaulle brings three previous French sites together with plenty of room for future growth, writes **Roger Hailey**

**D**HL Express' €170m investment in a new international hub at Paris-Charles de Gaulle (CDG) was on the drawing board before the pandemic but was designed at such a size and scale that it will easily handle the growing number of e-commerce shipments.

The former DHL facility it replaces occupied just 2,500 sq m and could process only 2,600 parcels per hour. "It was very old and very inefficient," says

Philippe Prétat, chief executive of DHL Express in France.

The new 32,000 sq m sort facility, built and ready to open in just 15 months, can process an impressive 38,000 pieces per hour and will cut delivery times to customers in the Paris region by one hour.

The new DHL hub is located within a 91,000 sq m footprint at Paris CDG and can be expanded fourfold when needed, although Prétat says that the facility will be able to accommodate rapidly growing

e-commerce volumes for at least the next 10 years, if not more.

## **Heavyweight hub**

The new facility is the fourth largest hub in the firm's European network in terms of size and parcel processing volume, after Leipzig, East Midlands and Brussels. It is one of 23 hubs around the world, 12 of which are located in Europe.

In announcing the opening of the Paris CDG facility, Prétat said: "The hub is a nerve centre for our network in France, but

also in Europe. This new location comes at the right time, as e-commerce is booming.

"The trend was already under way, but has accelerated with the Covid-19 pandemic and looks set to continue."

DHL Express' French e-commerce traffic was already on the increase before the pandemic.

Says Prétat: "In 2010, only 11 years ago, the [total shipment] weight of business-to-consumer (B2C) commerce

→ **Continues on page 20**



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- **Electrification** of 60% of our last mile delivery vehicles,
- **Green alternatives for 100%** of all core products & solutions
- Facilitated **biofuel** switch

Additionally we will plant 5.000.000 trees by 2025.

**Our aspiration by 2050?  
0% Emissions.**



MISSION 2050  
**ZERO EMISSIONS**  
**GOGREEN**



**'The key benefit for customers is that, on average, their shipments will arrive one hour earlier in the morning'**

**Philippe Prétat, chief executive of DHL Express in France**

**→ Continues from page 18**

was only 2% of inbound, but in 2017 it was 30%, in 2018 it was 34%, and in 2019 — before the pandemic — it reached 38%.

“During the pandemic, we were close to 50% and more than 60% in the month of April alone. That is a huge increase in B2C and although it is now going down a little bit it will definitely be the key driver for investment.”

The parcel sortation system, which alone cost €45m, is designed to slot in with any further expansion at the hub, rather than requiring any major adjustment.

Consolidation is the key driver behind the Paris CDG expansion, which will now handle parcels traffic previously sorted in three sites, one in the north and one in the south of Paris, as well as the former Paris CDG hub.

Parcels will then stream out to ten DHL Paris area pick-up and delivery locations,

representing 40% of DHL's total French volumes.

Parcels coming off 14 freighter flights and 38 commercial (bellyhold) flights per day at Paris CDG will be sorted and trucked to each pick-up and delivery location for last-mile delivery.

Says Prétat: “The key benefit for customers is that, on average, their shipments will arrive one hour earlier in the morning.

“Parcels on flights arriving between 3am and 5am in the morning will now go directly to the pick-up and delivery facilities.”

This new hub is the latest and largest DHL investment in France, on top of €80m in the last six years.

Says Prétat: “When you look at the €12m we've invested over the last few years it is not a lot compared to the size of the country. The reason is that France is really at the centre of Europe for inbound traffic.

“We have seen French

consumers spend more, and more buying e-commerce goods from all over the world.”

**French focus**

Unlike DHL's largest intercontinental hubs at Liège, East Midlands Airport and Brussels, which serve many countries across Europe, the Paris CDG facility is focused solely on delivering parcels within France and for French exports.

Another benefit of the enlarged Paris CDG hub is that it will allow DHL to add more commercial bellyhold capacity from new destinations to flow through the system, possibly an increase of between 20% and 30% in the number of commercial flights, estimates Prétat, but the hub operation needs to bed in before more flights are added, probably from the beginning of 2022.

Asked about the challenges of extra e-commerce traffic, Prétat answers: “The last-mile delivery

and greener delivery are because some specific customers are asking for that, for example customers in the luxury goods sector.

“We definitely need to do green delivery and that is why we have invested massively in the green last-mile delivery by using bicycles and other carbon-cutting transport.”

DHL Express France, which also has an intermediate objective of carrying out 70% of its pick-ups and deliveries using green transport by 2025, is multiplying initiatives in this direction.

The company has more than 100 clean vehicles and delivers to more than 50 city centres with zero-emission solutions.

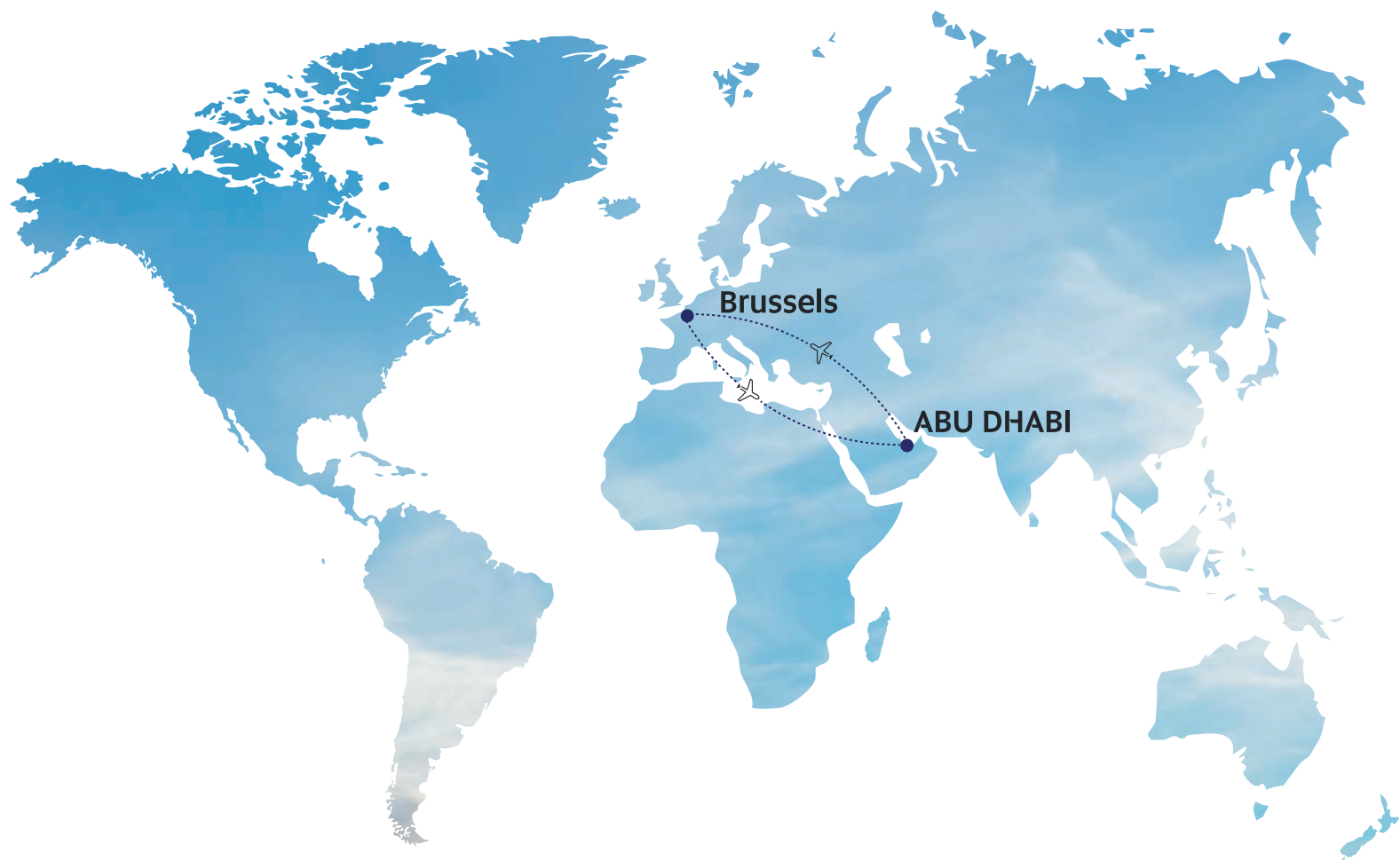
It is also developing innovative solutions such as on-demand deliveries, collaborative deliveries by bike or on foot, consignments and Relais Colis service points.

The Paris CDG hub will meet strict environmental criteria, including LED lighting with motion detectors, a sorting system with IE4 high-efficiency motors, and energy-efficient air conditioning. The site aligns with the zero-emission target for 2050 set by Deutsche Post DHL Group.

And the staff have not been forgotten. There is a special green area where DHL workers can relax in an environmentally sensitive space after sorting all those parcels.



# Pharma Corridor 2.0





Etihad Cargo has registered a 94% increase in pharma shipments this year while perishables volumes have surged by around 30%, according to Martin Drew

# Etihad Cargo's agile approach

The airline has taken a flexible approach to the market, slimming down its fleet and focussing on digital developments, writes **Rachelle Harry**

**E**tihad Aviation Group has proven itself to be a versatile company; a year ago (November 2020), while navigating the pandemic, it overhauled its management and announced that it was cutting back to become a 'mid-size' carrier.

It was at this time that Martin Drew, formerly vice president of Europe and Americas, became senior vice president of sales and cargo.

Etihad Airways now serves its 72 destinations in the Middle East, Asia, Europe, Africa and North America with 65 aircraft — down from 103 pre-Covid.

The fleet includes Boeing 797-9s and B787-10s, Airbus A320s and, in the pipeline for next year, Airbus A350s.

On the cargo side, Drew says: "We've got five Boeing 777 freighters and five modified B777s — passenger B777-300ER passenger aircraft that have had their seats removed. We'll continue to operate the modified B777s until mid-2022."

He says that Etihad Cargo "may have been a little late to the game" with modifying its passenger aircraft for cargo operations, having done so at the start of this year. The initiative has been very successful, with the aircraft being predominantly deployed in South Asia.

"Some of the loads that we achieved on those aircraft were pretty incredible out of Dhaka — Bangladesh in particular — around 63 to 64 tonnes," says Drew.

Drew adds that Etihad Cargo is using its B777F full-freighters and modified B777s across its charter network.

"We also continue to deploy passenger aircraft purely for cargo purposes, although that is starting to ease as we see the yield somewhat decline," he says.

"With the B777 freighters in particular, they are being very heavily utilised at around 16-and-a-half hours a day. We're really sweating our assets and maximising the returns."

## Changing market

From its charter network to modified passenger aircraft, the versatility of Etihad's fleet has enabled it to support the changing market.

Drew says: "I think we've been in a very fortunate position going through this crisis with the type of fleet that we've operated. We predominantly used B787s and A350s, which are incredibly efficient aircraft. We also operated a limited number of A380s — just 10 — and we had an advantage over some of our competitors because we'd already made a change in terms of our fleet mix and our focus on fuel-efficient aircraft."

The carrier is also continuing to develop its digital solutions.

Drew explains: "It's something that's been a key pillar for us in the last three or four years, but it's something that we've continued to focus on. Now it's a case of: how do we grow our online booking capabilities?"

"That's actually grown by 60% compared with pre-Covid and we've seen our customers really starting to embrace the online booking capabilities that we're now able to offer — not only through our own portal, but also through third party booking portals such as cargo.one, WebCargo and cargoAi as well."

Responding to the growth in the pharma market has also been a focus area for Etihad Cargo.

Commenting on the pharma market — and perishables, which are also handled across the cool chain — Drew says: "We've seen a massive increase in terms of temperature-controlled shipments. Pharma [shipments] are up for us by 94% year on year."

"With regards to the movement of coronavirus vaccines, we are a founding member of the Hope Consortium and we are part of UNICEF's initiative.

"The Hope Consortium is a pretty unique initiative that was set up to establish a global distribution hub for Covid-19 vaccines.

"We also work closely with the Abu Dhabi government and other governments to move sizeable amounts of vaccines — around 20m doses [to date]."

He continues: "Perishables have also grown tremendously for us as well. Last year we did a lot on behalf of the Abu Dhabi government, particularly for its food security programme, bringing foodstuffs into the UAE. That's something that we have continued, so there has

been a 30% increase year on year in terms of our perishables [tonnages]."

He adds that there is "a lot of work" going into improving the carrier's flagship hub in Abu Dhabi, including an expansion of its cold chain facilities.

On the sustainability front, Etihad Aviation Group has set a target of zero net carbon emissions by 2050, in line with IATA's commitment.

The cargo division has started using 'lightweight' ULDs, which according to Drew are around 20 kg lighter than the aluminium models, thereby helping to lower fuel consumption.

Drew says: "This has been a key part of the strategy for some time and I think maybe because of Covid, perhaps for some companies, sustainability has been put on the backburner — but that hasn't been the case for us."

Meanwhile, the wider airline has a partnership with Boeing involving operating eco flights "where we trial biofuels, don't have single-use plastics on board and things like that".

Drew observes that currently, the reduction in passenger services continues to create an imbalance between supply and demand, so it continually explores how it can adjust its network to ease the pressure in that area.

"Etihad Cargo has become a lifeline for the airline, so our focus is: how do we continue to optimise and maximise

→ **Continues on page 24**



Drew is looking forward to a busy peak season for Etihad Cargo in Q4.

→ **Continues from page 23**  
revenues? It's our responsibility to the wider group," he says.

"We're working closely with our customers to see what their needs are; how we can assist them in terms of more capacity."

He adds: "I think about the way that we've deployed our passenger aircraft this year and it's been within a cargo-optimised network rather than passenger. We're now starting to see the passenger volumes return, but a lot slower than I was expecting. I think next year we'll evolve into more of a passenger-optimised network. When that happens, we'll need to see how we, from a cargo standpoint, can make changes to our modified aircraft [B777 freighters]."

He says: "I think there's going to be a lot of high-cost capacity coming onto the market. As passenger demand starts to return, that will also have an impact on the amount of belly capacity available to cargo,

because the higher the passenger load the more baggage [will be in the hold]. Going forward, how do we try and minimise the impact of that? How do we manage going forwards and continuing to have sustainable yields, especially from a freighter perspective?

"There are varying views as to how long that's going to take. Will yields ever return to 2019 levels? I'm not too sure. If it does, I think it will take an awfully long time."

He continues: "Sadly, there are a number of airlines that have reduced in size or have gone out of business. Even when passenger demand returns, there's a lot of that capacity that won't be returning to the market, so it will be interesting to see how it all plays out."

Drew says the pandemic has made Etihad Cargo's focus on its partnerships with vendors and other airlines even more important than before.

A key part of its current strategy is growing its partnerships "to gain scale from a network standpoint".

For example, last month Etihad Cargo expanded its reach in Africa and accelerated the rollout of vaccines across the continent by signing a pharma interline agreement with Astral Aviation and Kenya Airways.

The carrier said the partnership will provide "reliable and cost-effective" airfreight in Africa, as well as "boosting transparency and making sure pharma-specific documentation, labelling and messaging are used and shared under a precise order and form".

Customer partnerships are important to Etihad Cargo too.

Drew says: "We've ensured that they [customers] really are at the centre of everything we do. During a crisis, it's so important to be a good partner; we understand the constraints that there have been — and that there continues to be — from a capacity standpoint. So it's been really important for us to support our customers as much as we could in that regard."

"As we come out of this crisis, I think that if you've been a strong partner throughout, then it's not going to be forgotten when we return to a time where customers have a lot of choice again. We continue to focus on really cultivating those relationships."

### Back to normal?

Looking forward, Drew says: "No one could have predicted a pandemic of this magnitude and the post-Covid outcome remains incredibly difficult to predict. It seems probable that our cargo-only flights [with freighters] will remain in operation until at least middle to late 2022."

He adds that although he "doesn't have a crystal ball" and "there are varying views on when we'll start to see normalisation in terms of yield", he believes it could happen in 2023 — but it depends on the return of passenger demand, which is subject to travel restrictions around the world being lifted.

When that happens, he considers how Etihad Cargo's capacity, which was being provided by its modified B777s and other cargo-only PAX aircraft, will be impacted.

He says: "What do we do beyond when those aircraft are no longer viable to operate [for cargo-only operations]? What is the more long-term plan in terms of adding additional capacity from a freighter perspective? Is there a need for additional freight and capacity to give us the ability to grow from a cargo standpoint? It's so difficult to predict."

"Yet without any doubt, growth in pharma and e-commerce will continue. And we're not going to see belly capacity flooding back as quickly as we might have first thought, as a result of some airlines going out of business or reducing in size."

In the short-term, Drew observes that disruptions to the ocean freight supply chain have boosted air cargo and will continue to do so.

He says: "There are ongoing constraints on the seafreight side of the business and I can't see that improving anytime soon. As a result, we're seeing a lot of seafreight converting to air."

In light of this, he looks forward to a busy peak season in Q4 this year: "With some of the enquiries that we're already getting for capacity, people are willing to commit fairly early on. You can just get a sense that the peak season is going to be very, very strong."



**'We've seen our customers really starting to embrace the online booking capabilities that we're now able to offer'**

Martin Drew, Etihad Cargo



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**B**ellyhold airlines and freighter operators are reviewing their airfreight cost structures because of the pandemic, and that means new business opportunities for GSSAs.

Some larger carriers are looking to outsource the entire air cargo sales and operations at selected outstations to GSSAs, accelerating a pre-Covid trend.

GSSAs are also set to introduce new digital tools and service solutions to meet growing demand from traditional airlines and freight forwarders now operating their own freighter networks.

James Gidlow, group commercial director at FlyUs, says that new GSSA business is not limited to the smaller airlines.

“A lot of the global carriers are also looking commercially at their outstations and how they want them to be structured,” he says. “We are currently in talks with lots of major airlines looking at cost reductions across the network.

“We are going to see some big changes within the next 12 to 24 months in how airlines look at partnerships around the globe.

“Covid has had a large impact on airlines and their financing, and with the staffing they have at outstations. That is what has made them rethink their outlook and the best way to proceed.”

### Creating the service

Carlo de Haas, managing director of FlyUs — winner of the *Air Cargo News* GSSA of the Year award — adds: “Our philosophy is to keep it simple and give the airline what they are asking for, and if it doesn’t exist then we will create it.

“It is a cost exercise for the airline if their business is suffering due to Covid.

“They look at costs and how they can trim them, and they look at alternatives such as outsourcing either their cargo sales, customer service, or their operations.

“Or they can outsource everything and then they need

# Outsourcing gathers pace

As Covid forces cargo carriers to consider more outsourcing, general sales and service agents (GSSAs) are ready, willing and able to expand in order to fill the gap. **Roger Hailey** reports



FlyUs’ European trucking network uses double-deck and extra-long LNG-fuelled trucks

to see what type of service is available. Does it exist and meet their demands? And then they go from there.”

Ingo Zimmer, chief executive of GSSA ATC, says: “The number of tenders we are getting is incredible and every day we are working on them. Many airlines are now asking for a GSSA because they want to keep their fixed costs flat.

“During the crisis they saw how expensive it is to run their own teams without any services to offer. Airlines that never

approached us in the past are now asking for tenders.”

Cédric Millet, chief strategy and digital officer at ECS Group, says that large freighter operators have always outsourced part of their air cargo activity to GSSAs, while the niche or low-cost carriers may outsource the entire activity to GSSA service providers.

Says Millet: “Outsourcing from traditional airlines like Lufthansa or Air France KLM has always been very limited

but the Middle East four — Turkish, Qatar, Etihad and Emirates — have always had an outsourcing strategy.

“At the beginning they outsourced some 40% to 50% of the cargo activity but as they grew they wanted to insource part of that. Roughly speaking, you can say that 20% of their turnover is outsourced to GSSAs.”

As a result of the pandemic, says ECS, the larger operators are looking at cost-cutting

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→ **Continues from page 26**  
 initiatives in some countries and further outsourcing of commercial activities “is on the table”.

Adds Millet: “They are looking for a very serious GSSA in terms of digital capabilities, a data and analytical-driven approach to the market, and a pricing strategy. They want to outsource to parties that have similar capabilities to the ones that they have internally at their hub. You need to prove your capabilities to these big players if you want to get a further share of their business.”

Adrien Thominet, executive chairman of GSSA giant ECS Group, says that its augmented GSSA solution has moved far beyond the original airline product of a 5% commission for a GSA versus the fixed cost of a carrier’s own staff.

“There is also a clear economical aspect. For a 5% commission today, the airlines can have more than a GSA. We offer them many more solutions, provided with financial backup, a large network and proficient people, plus digital processes and new abilities.

“This is the first aspect that Covid highlighted. The variable cost model for airlines is better than the fixed cost model, and with the augmented GSSA concept for that price, today you have more than a GSSA.

“It is like comparing a low-cost ticket with one at the same price but with all the GSSA services included. So, working with us will give airlines all the added value beside the variable cost aspect. They are looking at the added value and the expertise versus what they can build internally.”



**‘The key big shippers are integrating a sustainability component in their tenders and for companies like Chanel, it is crucial’**

**Adrien Thominet, ECS Group**

Zimmer at ATC says that the original role of the general sales agent has “changed significantly” over the years — hence the addition of an ‘S’ for service to become GSSA — and now Covid has hastened the evolutionary process to provide more services.

“At the beginning, GSSAs were selling the scheduled capacities of the airlines, and then they were not just buying and selling but adding extra services.

“Our focus is on service, as it has been our key subject from the beginning in the 1980s. We supervise the flight and pallet loading, organise ULDs, plan a flight according to passenger numbers — much more than just selling a service.”

Covid saw huge demand for PPE shipments, says Zimmer, which meant organising “a couple of hundred” charters for cargo-only passenger aircraft, hybrid freighters and traditional freighters from China to Europe and then South America and Africa.

Adds Zimmer: “We had a former member of the Lufthansa charter team on the payroll, so we decided to open our own charter department. We still do charters nowadays,

and not just PPE but everything, from anywhere to everywhere.”

In October, ATC rolled out an e-booking channel allowing agents to book shipments electronically. It was launched in the big German market but is soon to be made available to all its customers in 32 countries around the world on the same platform.

“You have to enter details, rates, and dimensions to get an offer or to make a booking,” says Zimmer. “It is not like the other e-booking platforms where you compare different airlines and prices. Through our website you can book only airlines represented by us.”

**e-booking threat?**

Airfreight e-booking platforms, surfing the rise in air cargo’s digitisation catch-up, are expanding their reach; so are they potential rivals to GSSAs?

De Haas of FlyUs does not see them as a threat, just a different way of booking freight without the essential background services of a GSSA.

“For special cargo such as pharmaceuticals, seafood, vegetables, flowers — anything that requires additional attention — you still need somebody from the airlines

sitting face-to-face to give them the warm and comfortable feeling that you are taking care of their business.

“You need to explain to them how you handle it and what your processes are, and an e-booking platform, with all respect, cannot do that.”

De Haas continues: “There will be quite a lot of business that suits the specifications of an e-booking platform, where the shipper wants 200 kgs to go to a destination served by 20 carriers. That is a solution; you can do that easily.”

He adds that an airline cannot live without a salesforce, whether its own staff or at a GSSA.

“Whatever the setup is, you need people managing your commercial activities and to create customer relations.”

FlyUs is now looking at an online booking app, developing additional tools in its logistics software, and one of those tools is the option to book online, but “as any other online booking platform that will probably be for the smaller shipments, depending on the parameters we are setting in our back-office software”, says de Haas.

ECS welcomes e-booking platforms’ role in further digitising airfreight by reducing manual processes such as emails and phone calls, but Millet says that taking a booking or giving a rate to a customer is around 15% to 20% of the total commercial activity.

“Beyond that you need to do the pricing correctly and many other tasks related to flight optimisation. There are a whole bunch of activities that you need to do with your ground

→ **Continues on page 30**

**‘Our philosophy is to keep it simple and give the airline what they are asking for, and if it doesn’t exist then we will create it’**

**Carlo de Haas, FlyUs**



# AUG

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ECS GROUP

→ **Continues from page 28** handling agent and all the things you need to do before flight departure.”

Three years ago, ECS began an internal and external rationalisation of its processes following a period of acquiring ‘best-in-class’ local GSSAs. That process allowed it to focus on a new airline market segment; niche but sizeable carriers such as TUI and Condor, who are now part of its network.

ATC’s Zimmer agrees that e-booking platforms are not real rivals because they perform a “small part” of the total activity a GSA carries out for an air cargo shipment booking.

“You can ask for a quote and you get a quote, but our service ranges, from field and marked studies, research and consultancy, sales, customer service activities and space control to cargo load and flight planning and operational support.

“CASS billing procedures as well as reporting and supervision of online flights and trucks complete our service portfolio.

“These channels might be good for the smaller shipments but not the total solutions that agents are looking for. The guys running an e-booking platform do not plan a flight, they don’t book the transit and they don’t check the loadability. It is so much more that makes us different, but this is nothing to do with the role of the GSSA pre-Covid or after Covid.”

### Sustainability issues

Sustainability is now a major topic for all industries, and a particularly challenging one for aviation and air cargo, but

‘These [e-booking] channels might be good for the smaller shipments but not the total solutions that agents are looking for’

Ingo Zimmer, ATC



GSSAs are limited in their carbon-cutting options by the actions of the airlines they serve.

Gidlow says that FlyUs has a trucking solution to promote green logistics — its extensive European trucking network uses bespoke double-decker and extra-long LNG-fuelled trucks operating with 35% less CO<sub>2</sub> and 53% less NO<sub>x</sub> emissions.

“Our planet and our social and environmental responsibilities are of the utmost importance to everyone within the FlyUs family.

“That means that we are committed to developing climate-smart solutions that decrease or eradicate our impact. FlyUs is determined to improve its overall carbon footprint and is investing in energy efficiency and planet-friendly alternatives.”

Thominet of ECS sees sustainability as “crucial and essential”, particularly with new European Union rules on green investment coming into play next year, alongside comparisons with seafreight which is heavily focused on green logistics.

The mega-GSSA is working on its cargo footprint with airlines, including sustainable aviation fuels and other actions.

The company is also in the early stages of a massive internal project related to sustainability, the details of which will be announced in coming months.

### Luxury push

Shippers of luxury goods are also pushing for greener logistics as a key part of their branding. Observes Thominet: “The key big shippers now are integrating a sustainability component in their tenders and for the French companies that we know, like Chanel, it is crucial. As a GSSA we want to be avant-garde in our decisions toward sustainability.”

ECS points to its customer CMA CGM Cargo, the recently launched freighter aircraft arm of the French container shipping giant CMA CGM.

“We see the massive changes they have done in the last two years and there is no reason why aviation can escape from the same pressure,” says Thominet.

“There is the need for quick transformation, and we have seen it with airfreight digitisation. I think sustainability will be the same.”

GSSAs are also helping the global forwarders who have launched their own freighter

operations by filling last minute no-show consignments with replacement revenue-earning loads or filling part or the entire space allocation of the backhaul.

All the GSSAs we spoke to expect this forwarder network to continue until long-haul belly passenger flights are back to at least 2019 levels, which could take three years or more.

ATC’s Zimmer comments: “Forwarders have commitments to shippers, be it pharma or automotive, and they are not getting the capacity from scheduled flights. The Covid situation will not change soon, plus we are seeing more and more e-commerce.

“Seafreight is getting expensive, and so we might see a modal shift from sea to airfreight because the rates are getting closer.

“The airfreight demand will stay high, and the capacities will continue to be tight.”

Thominet of ECS sees a parallel factor, with more shippers buying capacity directly from the airlines, putting forwarders “on the defensive” to protect the core activity of their customer base.

GSSAs have already expanded their services due to Covid and a rapidly changing market has accelerated demand for their air cargo solutions.

E-commerce’s rapid rise in volumes sees FlyUs operating more than 2,850 truck movements per year, purely for e-commerce consignments which go into distribution centres across Europe, where shipments are broken down for the final-mile delivery.

Perhaps it is time to add another S to the sector’s name. Anyone for GSSAs? **acn**

‘We are going to see some big changes within the next 12 to 24 months in how airlines look at partnerships around the globe’

James Gidlow, FlyUs





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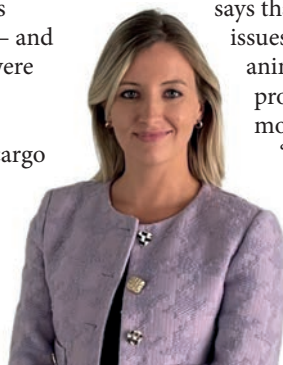
# Pigs might fly



**A**s with the entire air cargo industry, the live animal sector has come up against significant challenges over the last 18 months — and it has had to adapt accordingly.

The task of transporting animals during this period, particularly at the onset of the pandemic, was no easy feat. The entire aviation sector faced capacity shortages as passenger services — and bellyhold space — were temporarily halted.

Maria Jitomirski, manager of special cargo at IATA, (pictured right) notes that not only did the reduction in passenger services impact airfreight capacity, but



priority was, and still is, given to more ‘urgent’ types of cargo — such as personal protective equipment (PPE), sanitiser and vaccines — rather than to live animals.

“Live animals essentially are still being ‘bumped’ for more valuable goods at the moment. Pharma takes precedence,” Jitomirski comments.

IATA’s Live Animals and Perishables Board (LAPB)

says that capacity-related issues have led to live animal transportation processes becoming more complex.

“Due to the lack of capacity at transit points and facilities where animals are received — border inspection posts

in some cases — you now need additional approval before you can send live animal consignments,” it says.

“So, there have been additional steps added to the process. It has become even more complex than before, because they had to make sure that they have the facility available to take care of the animals.”

## **Movement of pets**

Although passenger services were grounded last year as borders closed to prevent the spread of the virus, repatriation still took place — and this impacted the movement of pets.

Jitomirski says: “People either went back to their home countries to spend the pandemic with loved ones, or because of job loss, for instance. So we saw a significant increase

in the movement of cats and dogs.”

To help ensure the safety of pets travelling by air, IATA has developed a live animals acceptance checklist for pets in the hold, as well as a checklist for those transported in the cabin.

Kirsten de Bruijn is senior vice president of cargo sales and network planning at Qatar Cargo, which transports “any animal that fits into a freighter”.

“We’ve flown sharks in water, a rhino, turtles, elephants — whatever needs to be transported, if it fits in a freighter then we can do it,” she says.

Earlier this year, Qatar Cargo transported three lions to nature reserves in South Africa through its Rewild the Planet initiative, which is part of its wider sustainability project called WeQare.



Animal transport has been severely disrupted in the pandemic, leading to some tricky challenges. **Rachelle Harry** reports

Qatar Cargo handled 7,500 pets.

“We also saw a ramp-up of pet owners and people adopting animals from rescue shelters,” de Bruijn says.

She believes Qatar Cargo’s commitment to remain flying throughout the unprecedented period enabled it to maintain its available capacity.

“There were so many less airplanes flying and we were one of the few carriers that continued our footprint.”

### Restrictions on humans

Charlie McMullen, director at animal transportation specialist Intradco Global, observes that during lockdowns, the complications around human travel ended up being more difficult to navigate than those for live animals.

“I thought that live animal movements might just completely come to a halt — and that was probably true for about a week or two,” he states.

“But I think flying humans was actually the hardest part because humans had the restrictions to move between borders and the animals didn’t.”

In particular, pandemic-related restrictions on human travel created additional problems in equine transportation, due to racehorses needing to travel with grooms.

Jitomirski says: “Covid brought about some interesting scenarios. For example, grooms had to provide negative Covid tests to the airlines upon arrival, and in some instances, they weren’t even allowed to disembark from the plane upon arrival at the destination.”

Last year, Intradco Global flew around 18,500 horses and McMullen says the company is on-track to transport a similar number of equines by the end of this year.

Previously, around 80% of the company’s live animal shipments were horses but since the pandemic — partly due to grooms’ travel complications — it has branched out into the commercial and genetic livestock markets.

McMullen explains: “The genetic side has been extremely

busy. We’ve been moving dairy cattle and swine pigs, mainly into the Far East, and poultry — day-old chicks.”

Processes at live animal handling facilities at hubs, meanwhile, were slowed down by the safety measures put in place to prevent the spread of the virus among humans.

Jitomirski explains: “Staff shortages at facilities impacted operations. This was mainly due to social distancing requirements that were needed at various facilities.

“As a result of that, facilities had to limit the number of shipments that they were accepting to go through their warehouses and such.”

Brexit is another change that’s come into play and is affecting the live animal transportation sector, although it is currently having more of an impact on live animal transportation via road than via air, says IATA’s LAPB.

Jitomirski says: “Brexit is not yet fully in effect for air transfers specifically, so it has different impacts on different modes of transportation.

“There are new documentation requirements and they are adding some complexity, so it’s important for shippers to be aware of all the required documentation that they need when transporting, importing or exporting, from the UK.”

McMullen says: “We’ve had issues within the poultry market, where we cannot import live animals on scheduled services or do daily checks in certain stations. It’s

been difficult getting horses checked in Calais as well. Additionally, in the Netherlands [at the time of interview] you still can’t import certain animals at the moment.”

### CEIV Live Animals

Despite the challenges experienced by the live animal sector since the disruption caused by the pandemic, IATA has continued to run its CEIV Live Animals certification programme — albeit with some adjustments.

Jitomirski explains: “The programme launched in 2018 and by the end of 2019, we’d certified 11 companies. Over the last two years, we have had 16 companies that started the process to obtain the certification. And there are four other companies out of the initial 11 that are currently getting started with the recertification process.

“Of course, due to staff travel restrictions we were stagnating in some areas, but we really worked hard to adapt the programme for our customers’ needs during the pandemic to allow them to really progress with the certification during this time. We largely did that by developing a virtual training option.”

The traditional training process for the CEIV Live Animals programme is a three-day classroom course, but this was transferred to a virtual environment, says Jitomirski.

“Then we looked into ways of doing remote audits, which is what we already had in place for

→ **Continues on page 34**



Intradco has been moving cattle and pigs to the Far East of late

“Chapter 1 of WeQare, which we launched last year, was about people and donating 1m kgs of cargo capacity free to humanitarian organisations,” says de Bruijn.

Describing WeQare Chapter 2, she says: “We’re also committed to preserving wildlife and endangered species, and we plan to transport them free of charge to natural environments that are safe for them.

“We care about the planet and we care about the future and our children, hence we launched this initiative to really invest in the future. WeQare Chapter 2 is a part of that.”

De Bruijn says that Qatar Cargo will continue its Rewild the Planet initiative for the foreseeable future.

On pets, de Bruijn says that from April 2020 to March 2021,

→ **Continues from page 33**

our CEIV Pharma programme,” she adds.

“What was important here was to determine in which instances remote audits would be possible.”

She says remote audits are easier to achieve with companies that complete back-office functions, but harder to achieve for businesses with physical infrastructure that needs to be examined in person.

She adds that there are two audit stages for the CEIV programme and if a company completes the first one virtually, then IATA will wait for the second one to take place physically.

Qatar Cargo has started the process to obtain the IATA CEIV Live Animals certification.

“We’re really excited about that,” says de Bruijn. “We’ve already received CEIV Pharma.”

Looking forward, de Bruijn believes that travel for pets is here to stay.

“People have realised the love they have for their pets much more than ever before,” she says.

“Horse shows and competitions are coming back as well,” she adds, highlighting Qatar Cargo’s dedicated animal handling facility at its Doha hub, which will help to serve equine events as well as the wider live animals supply chain.

She explains: “We have a vet on call 24 hours a day and we have dedicated animal carers who cover the facility for 24 hours a day.

“We also have an outside area where animals can walk around. For example, if we have a horse and the transit time is a bit longer, we have people who can walk around with them in this area. We have stables too — not only for horses, but for any animal that requires a stable. And we have a cool area where we store boxes for animals like reptiles.”

De Bruijn says the live animal team works closely with other stakeholders to maximise the efficiency of the handling process.

“If we import or export [live animals] from Doha — for example, horses for the Ultra



Customers are willing to pay to get horses flown via the most direct route possible, says Intradco

Cup event which we do the majority of the horse transportation for — the customs people know what to do.

“We have quick customs clearance when it comes to special shipments; we have full cooperation with them [customs teams] and we have a very good partnership with them.”

**Improving efficiency**

Whether it’s horses or other livestock, Intradco Global’s expertise in the field helps it to keep live animals’ journey by air as smooth as possible.

For example, the company has a variety of ramps to load and unload different types of animals, be it cattle, horses, sheep or pigs.

Earlier this year, it debuted its “pig lift”, which was specially designed to help swine load and unload, as they are “not very good with inclines”, McMullen says.

Additionally, operating as a charter business helps Intradco Global to utilise the most suitable aircraft for the type of animals being carried, as well as saving operating costs.

“Schedule flights are often cheaper because you’re obviously sharing with other cargo; there are advantages to that because of free cancellation

terms,” he explains.

“But the charter side gives us full flexibility. We can choose whichever aircraft type we want to use, and we can leave from and arrive at whichever destinations we prefer.”

He uses the example of horses, where time spent in transport on the ground can be minimised if they are air-chartered as close to their final destination as possible.

In cases like these, ahead of an important race event, McMullen says customers are willing to pay extra to have their horses flown the most direct route possible — giving the animals more time to get settled at the destination and train before they race.

Looking forward, stakeholders involved in the live animal transportation process should keep an eye out for the latest version (48th) of IATA’s Live Animals Regulations, set to be

published in January. The document, which is updated annually, will contain notable changes.

Jitomirski says: “Updates are made to reflect changes in the industry and to ensure that we highlight the latest handling procedures, which are backed by scientific evidence and then incorporated into the standards.”

Updates to the regulations include “a complete rewrite of CR1” for the transport of domestic dogs and cats, and new container requirements that were “developed to address the needs that were raised by the industry.”

IATA’s LAPB says: “We don’t develop these standards in isolation; we work very closely with societies and advisory boards such as the Animal Transport Association (ATA).

“We always welcome any input from the industry.” **acn**

**‘We have a vet on call 24 hours a day and we have dedicated animal carers who cover the facility’**

Kirsten de Bruijn, Qatar Cargo

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Photo: Lufthansa Cargo and Oliver Rösler

# Coming clean over carbon?

Just how green is the air cargo sector already and how hard will it be for it to clean up its act still further to achieve its self-imposed carbon target? **Michael Mackey** takes stock

**N**o matter how green air cargo is, it is going to have to get a whole lot greener. The aviation industry has set itself the target of being carbon neutral by 2050 and put simply, it is one hell of a job – as outlined by Sebastian Mikosz, IATA's senior vice president for environment and

sustainability. That IATA has a senior vice president on the case is telling enough.

That he said “the delivery is a challenge” only hints at the scale of the task at hand.

Some in the industry are already putting serious amounts of money into not just dealing with the issue from within their companies but also turning to

the hallowed halls of academia for help.

“At FedEx, we have set a goal to take our global operations carbon neutral by 2040. This goal is ambitious given our industry and scale,” says FedEx's Mitch Johnson, vice president of environmental affairs and chief sustainability officer.

As a company FedEx is

ring-fencing more than \$2bn to support initiatives designed to make its operations more sustainable.

This money will not just be spent on planes but across its fleet of motorised vehicles as well as its facilities.

Future initiatives will focus on three key areas: carbon sequestration, vehicle

electrification and sustainable energy investments.

“This is why FedEx has pledged \$100m to Yale University to help establish the Yale Center for Natural Carbon Capture and accelerate research into methods of carbon sequestration at scale, with an initial focus on helping to offset greenhouse gas emissions equivalent to current aviation emissions,” Johnson adds.

Such generosity might though fall short of what is actually needed in the future as the expectation is that by 2050 the airline industry will be carrying five times the passengers it did in 2019, meaning approximately five times the aircraft that flew in 2019 will be in the skies and so five times the amount of carbon will have been emitted.

“We will have to abate 1.8 gigatons of CO<sub>2</sub> in 2050,” says Mikosz. “We have to start this pathway now.”

### Sustainable fuel

There are lots of ideas about how to move the industry forward but already prominent is an acronym set to be the industry’s new and probably permanent buzzword: SAF, or sustainable aviation fuel.

“The most reliable and biggest technology we want to use, advocate, push and promote is SAF,” states Mikosz.

SAF has “lots of advantages” says Mikosz, pointing out that it



**‘The most reliable and biggest technology we want to use, advocate, push and promote is sustainable aviation fuel’**

Sebastian Mikosz, IATA

already exists and is being used, albeit only in microscopically small amounts, and requires no new infrastructure to make and distribute. Against this are two big problems. One is the cost and the other the small amount currently available.

Currently 100m litres of SAF are produced but by 2050 the need is estimated to be 450bn litres, an increase of 10,000%.

“We need to incentivise and push for the supply; there’s a huge issue with supply of SAF,” says Mikosz.

SAF also costs multiples of fossil fuels. Mikosz reports the cost as three to four times more while Sadami Sugimoto, vice president, cargo marketing & services, Europe, Middle East and Africa for ANA, goes as high as five times the cost.

These costs though are small compared with the collective bill of \$2trn that Willie Walsh, IATA director general, believes the industry faces to cover

re-fleeting and SAF to meet zero carbon goals.

This is a hard task for an industry that has lost \$200bn over the past three years.

### Limited options

One reason for the reliance on SAFs is the lack of viable alternatives. While there is talk and initiatives on things such as electric planes, hydrogen and new propulsion systems, each of these is limited and, as Mikosz says, raises more questions than answers.

Electric fleets need green electricity supplies and hydrogen is better suited to land and sea modes of transport than air.

“These are still in the design stage and a long way off. At the moment they are only envisaged for flights below 1,500km; 80% of Asia Pacific flights are beyond that distance,” Subhas Menon, director general of the Association of Asia Pacific Airlines, tells *Air Cargo News*.

Against this there is interest in the market with some customers even willing to pay for SAF, although anecdotally responses from airline customers range from muted to much more enthusiastic.

“We know that some shippers are really interested and others are not,” Dorothea von Boxberg, chief executive of Lufthansa Cargo, says.

Lufthansa Cargo’s response has been to tout SAF flights as a product to a market it is starting to educate.

It is, for example, offering weekly a 100% CO<sub>2</sub> neutral flight, Frankfurt to Shanghai, which mixes SAF fuel and carbon offsetting to ensure any carbon produced is at least matched by reductions elsewhere.

Others report more enthusiasm: “We do see, particularly in the Europe region, a number of customers

→ **Continues on page 38**



FedEx is ring-fencing over \$2bn to support initiatives to make its operations more sustainable



Among other things, DHL is electrifying 60% of its total vehicle fleet

→ **Continues from page 37**

asking us not just for SAF but what we are doing about carbon calculation on e-AWBs," says Saskia van Pelt, airfreight forwarding director for Yusen.

Requests for information about the amount of carbon a flight creates are now routine, multiple sources say.

What is clear is that what is needed is the effective commercialisation of SAF which will require government support.

"SAF has to be commercialised. Government support in terms of positive policies, such as incentives and subsidies for research as well as development of production, supply and distribution, together with efforts by fuel suppliers and the rest of the industry to transition aviation fuel to SAF, will be key," says AAPA's Menon.

A broader view comes from IATA's Walsh who does not dispute the need for a policy framework from governments.

"We need everybody to play their part," he says. He gives two examples, one of which is already well-known in the industry, though the other less so.

More efficient air traffic control would cut fuel use by 10% but requires a political will to drive through. This is particularly true in Europe where 37 different air control

systems operate and coordination is difficult.

"We need a political solution to a Single European Sky," he says.

The second example is that of producers not only offering sustainable fuels but improving their current performance to help reduce the impact of existing non-SAF fuel.

Walsh says that there would be a 12% reduction in CO<sub>2</sub> during the life cycle of jet fuel if producers used more efficient refining procedures.

Overlapping this, Lufthansa's von Boxberg lists a number of smaller techniques that can be brought into play to make even more efficient use of fuels.

They start with fuel optimisation, efficient routes, taxi-ing with one engine and lightweight container materials and go on to the new sharkskin – aircraft coating – technology that Lufthansa believes will save

some 1.3% of its fuel use. This will be rolled out next year, von Boxberg says.

**Efforts on the ground**

Besides fuels, there are other sustainability initiatives to help other parts of the industry do their bit.

DHL is planning for a Green Last Mile by electrifying 60% of its total vehicle fleet, currently some 80,000 trucks.

Leipzig, its hub, is also to have vehicles and 51% of its ground service equipment go electric by 2026, says Christian Bergfelder, senior director network airside and airport affairs for DHL Express Europe. At the moment it's "almost zero", he adds.

However, this does require a strategic decision by management about paying up front for capital goods that don't affect the margin, or do so via a polished reputation in the form of a green product portfolio

which offers sustainable alternatives for core products.

"This is what we as a company and we as an industry have to do," says Bergfelder.

DHL is also trying to make its buildings carbon neutral. To achieve this the company is investing in as much LED lighting as possible and its own water purification systems, as well as using solar power when available, among other technologies.


Also important is waste management – an important consideration given the amount of packaging.

Recycling is the key here, according to FedEx's Mitch Johnson: "When it comes to packaging decisions as a driver toward our carbon neutrality goal, FedEx-branded cardboard packaging is 100% recyclable and composed of 45% recycled content.

"Additionally, FedEx Express offers free, reusable packaging to customers around the world. Packaging options are also recyclable and made from recycled content."

What is hanging over the air cargo industry is what hangs over everybody – the awful consequences if we are unable to reduce our impact on the environment.

Air cargo pollutes to make a profit, but as Joachim von Winning executive director of Air Cargo Community Frankfurt points out: "We are not big tobacco. We do good things."

This includes things like famine relief, moving vaccines, and getting goods to market. Hopefully to that list we will soon be able to add helping to solve the climate crisis. 



**'We know that some shippers are really interested [in sustainable aviation fuel] and others are not'**

Dorothea von Boxberg, Lufthansa Cargo



# United in friendship

**U**nited Cargo president Jan Krems has been through plenty of peaks and troughs in his seven years in the role and 34 years in the air cargo industry in total, having also spent 27 years with KLM.

He therefore has an understandably cautious outlook for the medium-term future of the sector, telling *Air Cargo News* that the Chicago-hubbed airline decided against entering the full-freighter market despite the current demand levels.

“To own freighters is risky,” Krems says. “I came from a company where we had 28 freighters at a certain stage — that was in 2008 when the world fell apart and you don’t want to have your own capacity. It would be nice to have access to capacity but be careful you don’t go too far.”

He says that while access to capacity is important at the moment, keeping customers — or friends as he refers to them — close is more important.

The approach seems to have worked as United has, over the past seven years, expanded to become the largest US combination carrier in terms of cargo.

“The market can change quickly, so it’s important to be careful how you do things with capacity — you can’t go too far,” he says. “I can fill flights at the moment, but everybody can fill

United’s Jan Krems tells **Damian Brett** why the Chicago-hubbed carrier decided against entering the full-freighter market

flights now. It is important to fill flights when it is needed and when the market is not constrained. That is why we work closely with friends — and they really have become friends — who will help us in the bad times while we help them in the good times.”

## Cargo heart

Krems says another reason for United’s growth in cargo over the past few years — as well as network reach and quality of service — is having a team with a “cargo heart” that is in the industry for the long term.

Having international teams based around the world with autonomy to quickly make decisions has also contributed to United Cargo’s success, he says.



Jan Krems, United Cargo

On the market over the past few months, Krems says it is peak season every day and adds that air cargo rates as a whole are changing constantly, particularly out of Asia.

“It is tough. The peak will last into next year,” he says. “Although January and February will be a little less than maybe the past few months.”

He points out that traditional air cargo customers are growing but seafreight shippers are also switching to air due to issues in the box sector.

Krems, like many, is expecting cargo capacity to remain tight over the next few years as passenger operations slowly come back to life.

Looking back on the past 18 months, Krems says the airline quickly pivoted to cargo-only flights, drawing on the team’s previous experience with freighter operations.

In total, the airline has operated more than 13,500 cargo-only flights, with five aircraft still available for use.

He says that at the start of the outbreak: “We came together as a team, not only as a cargo team but with several other depart-

ments such as network planning, airport operations, and flight ops. The storyline was that we could only operate [cargo-only flights] if we are cash-positive so we had to build the calculations and then we started.”

## Spending spree

United has also been investing over the past couple of years. In August, the carrier launched a customer-facing website as it continues its digital development. Features include improved shipment tracking, simplified navigation and a mobile-friendly design.

The site is the first of several steps in United’s digital transformation, with expanded functionality coming soon.

Krems says United is careful about its digital investments, not wanting to take on too much at one time. He explains that the cargo division will look initially at developing and enhancing modules rather than replacing the core of the system, although this could happen in the future.

Sustainability is another hot topic at the moment and Krems says United as an airline is taking the matter seriously. The carrier recently launched its Eco-Skies Alliance programme, which allows corporate customers the opportunity to pay the additional cost for sustainable aviation fuel.



# DATA HUB

## AIRLINE DEMAND

# Supply bottlenecks put more pressure on airfreight firms

Air cargo demand continued to increase in September as ongoing supply chain issues pushed companies to utilise airfreight.

The latest figures from airline association IATA show that demand in cargo tonne km (CTK) terms increased by 9.1% in September, compared with the same month in 2019 (a better comparison, because of the impact of Covid-19 last year).

Capacity in available CTK for September was down by 8.9% on two years earlier and as a result load factors improved by 9.1 percentage points to 55.3%.

“The key story currently for air cargo is the significant congestion on supply chains,” IATA said.

“Strong demand for goods, combined with Covid control measures, have disrupted production at manufacturers.

“As there is not enough capacity for shipments on most modes of transport, this translates into long delivery times and delays.

“The upshot is that trade and manufacturing activity are impacted by supply chain issues, but air cargo benefits from its speed, which helps meeting peak season demand and will allow it to continue to overperform global goods trade.”

The association’s director general, Willie Walsh, said that “severe capacity constraints” continued to limit the ability of air cargo to absorb extra demand.

“If not addressed, bottlenecks in the supply chain will slow the economic recovery from Covid-19,” Walsh added.

Looking at regional performance, airlines from the Asia Pacific region in September saw CTKs decline by 0.2% compared with 2019.

“Demand is being affected by slowing manufacturing

activity in China,” IATA said. “International capacity is significantly constrained in the region.

“Looking forward, the decision by some countries in the region to lift travel restrictions should provide a boost for capacity.”

Demand at North American carriers increased by 22.6% in September, compared with two years earlier, as new export orders and demand for faster shipping times underpinned performance.

European carriers registered a 5.9% increase versus 2019, as

manufacturing activity, orders and long supplier delivery times remained favourable to air cargo demand.

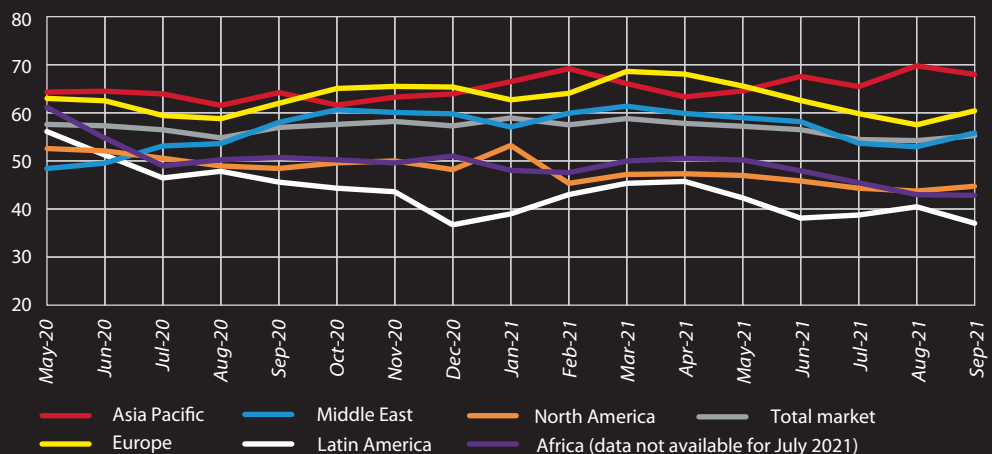
“Demand was strongest on the large North Atlantic trade lane,” IATA said.

Middle Eastern airlines noted a 17.6% increase in September.

Cargo demand at Latin American airlines in September was down 15.7% on two years ago.

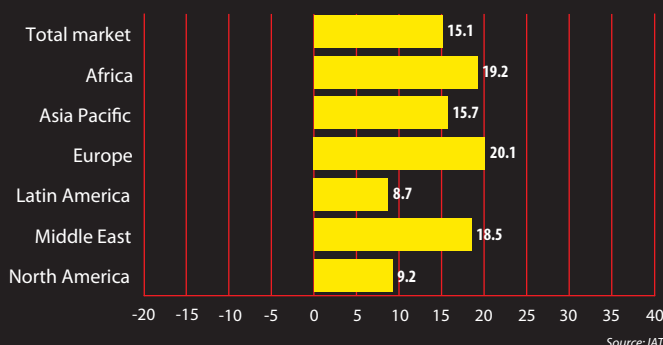
Meanwhile, African carriers reported a 32.8% increase in cargo demand as their good performance continued.

## AIRLINE CARGO LOAD FACTORS (%)



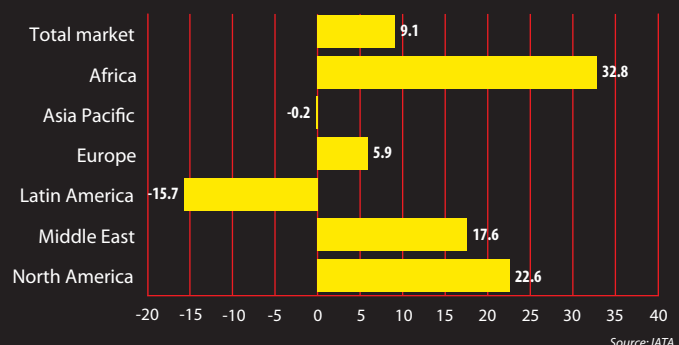
Source: IATA

## CARGO TONNE KM YOY (%) v SEPTEMBER 2020



Source: IATA

## CARGO TONNE KM YOY (%) v SEPTEMBER 2019



Source: IATA



**AIRFREIGHT RATES**

# Rises continue as peak season nears

Airfreight rates continued to pick up in October and expectations are that rates will remain elevated into 2022.

The latest figures from the Baltic Exchange Airfreight Index show that in October rates on services from Hong Kong to Europe increased by 19.9% compared with a month earlier to \$6.68 per kg, while from Hong Kong to North America — already at an elevated level — there was a 2% increase to \$9.94 per kg.

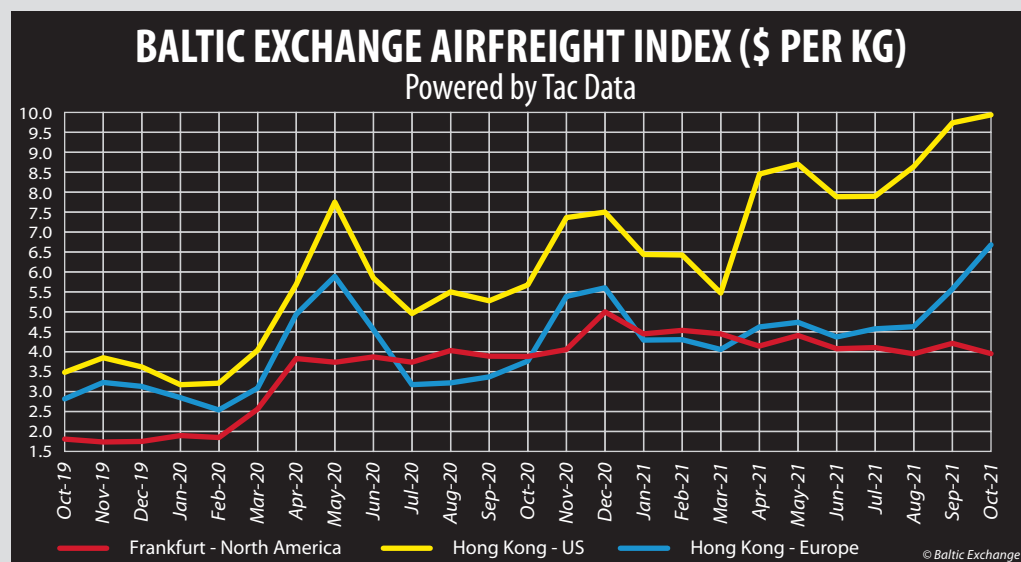
Market commentators expect demand to continue to pick up as the year draws to a close, which will push up both rates and load factors.

This increase will be fuelled by the usual peak season traffic, combined with extra volumes transferring over from congested seafreight supply chains.

There had been some hope that moves to open certain US ports 24/7 could help ease the problems faced by the ocean side of the industry.

However, lorry driver shortages, Covid-related staff shortages and congestion at inland depots are expected to keep the pressure on supply chains.

Meanwhile, the impact of extra bellyhold capacity as a result of the return of passenger services is expected to make only a minimal difference.



**AIRPORT THROUGHPUT**

# Busiest hubs see double-digit growth

Airports around the world continued to see their air cargo volumes improve in September.

The world's largest cargo hub, Hong Kong International, reported an increase in cargo volumes of 17.9% year on year during the month to 455,000 tonnes. The airport said that both imports and exports continued to register double-digit year-on-year percentage growth.

Cargo to and from North America and Southeast Asia experienced the most significant increases during the month.

Meanwhile, Europe's largest cargo hub, Frankfurt, also continued to see demand improve, registering a 13.4% increase on last year to 188,177 tonnes.

The German airport said that cargo volumes were up 7.7% on 2019 levels.

At Schiphol there was a 7% year-on-year increase in cargo volumes for September compared with a year earlier.

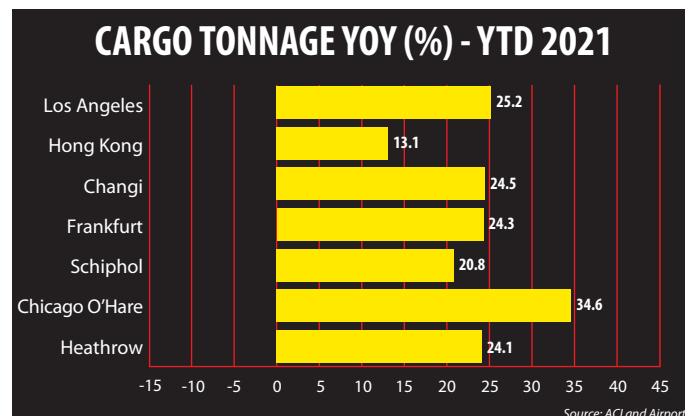
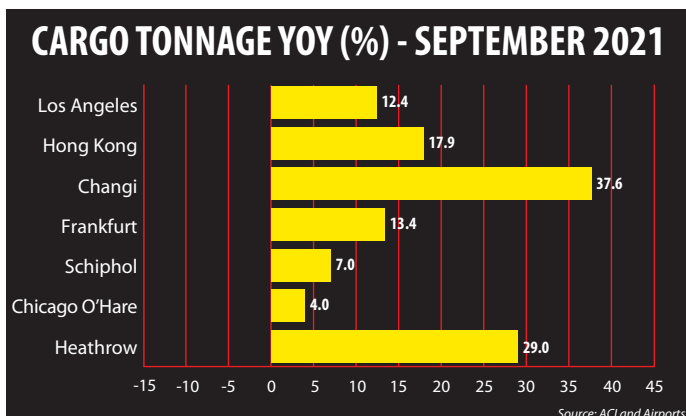
This was driven by an increase in the number of all-cargo flights utilising the Dutch hub, up from 1,265 in 2019 to 1,783 this year.

Heathrow also registered an increase (see chart), although its numbers continue to lag behind 2019 levels.

Finally, US airports continued to see cargo volumes soar as flights were consolidated at major hubs.

Los Angeles International Airport recorded a 12.4% increase in demand for September to 243,334 tonnes.

Meanwhile, Chicago O'Hare recorded a growth in volumes of 4% to 185,673 tonnes against 2020 levels.



# CONTAINER SHIPPING

## Rates fall back from peak

The container shipping market was showing signs of entering calmer waters in mid-November, as spot market rates began to tail off.

Freightos figures from the middle of last month show that prices from Asia to the US west coast stood at \$13,942 per 40 ft unit, while from Asia to the US east coast average spot rates were \$15,865 per 40 ft.

While these prices are astronomical compared with historical levels (and even last year), they are actually down against the \$18,730 to the west coast and \$19,895 to the east coast registered at the start of November.

“With peak season urgency solidly behind us, this week saw a significant fall-off in trans-pacific ocean rates,” said Judah Levine who is head of research at Freightos Group.

He added: “The pandemic-driven increase in spending on



Photo: Shutterstock

goods has fuelled growth in ocean volumes and nearly uninterruptedly pushed container rates up since June 2020.

“But the additional demand driven by this year’s peak season supercharged pressure on rates this summer.

“So now, the easing of that peak season demand — likely

aided by the impact of energy-driven supply constraints to Chinese manufacturing — seems to have led to the largest price drop of the past two years.”

Levine said that there were other signs that the market was cooling — lower vessel speeds on return trips and lower charter rates.

However, the market cool-down should be seen in the context of high rates and ongoing congestion issues at ports.

“Importers will welcome the lower rates, but prices are likely to be kept well above the norm by port congestion and low inventories — and still-elevated consumer demand,” Levine said.

To help combat the congestion at Los Angeles and Long Beach, the port authority has implemented a \$100 per day Container Excess Dwell Fee.

The fee will begin to be implemented from day nine for boxes that are expected to be trucked

and from day three for those that are due to move by rail.

Meanwhile, Asia to Europe services continue to face delays.

Freight forwarder Metro Shipping said: “Congestion at both ends of the critical Asia-North Europe shipping trade is wrecking vessel schedules, with the average delay of container-ships completing a round-trip loop rising by over two weeks, as carriers skip congested ports at both ends, and quite often in between.

“Comparing the voyage durations for ships on the 17 Asia-North Europe loops arriving in Asia for their next westbound sailing, during a week last month, shows that they needed up to 54 days additional time to complete a round trip, with delays averaging 18 days.

“This, therefore, affects both imports and exports — from and to everywhere — on the trade lanes between Europe and Asia. It is unavoidable.”

### PEOPLE

#### TIACA leadership extensions

**Steven Polmans/  
Sanjeev Gadhia**

TIACA chair

Steven Polmans (pictured) and vice chair Sanjeev Gadhia will carry on their work at the association’s helm for the next two years, following a change in bylaws that allows them to continue in their roles beyond a previous limit of two years.



#### CHI’s cool appointment

**Johannes Fehl**

Ground handler CHI Group has appointed Johannes Fehl as head of cold chain solutions.

The Frankfurt handler said that Fehl will continue to develop the company’s product offering and will be responsible for the realignment of CHI in the cold chain solutions sector.



#### New Magma CEO

**Conor Brannigan**

Magma Aviation has promoted Conor Brannigan to chief executive, while incumbent Ross Wilson moves to the role of strategic adviser to the company’s

board of directors. Brannigan joined the company in July of this year in a deputy chief executive role; Wilson has worked for Magma since 2010.



#### Geodis revs up

**Jürgen Adler**

Geodis has appointed Jürgen Adler as vice president automotive vertical market. Adler has more than 25 years’ experience in the logistics and transport sector of the automotive industry. His aim will be to “address the specific expectations of the sector”.



### QUOTE OF THE ISSUE

“To own freighters is **risky**. I came from a company where we had 28 freighters at a certain stage – that was in 2008, when **the world fell apart**”

Jan Krems, United Cargo

# aircargo NEWS

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### Temperature excursions are not an option

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