

aircargo NEWS

Quarterly

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The World's Best-Read Air Cargo Publication

Winter 2022 | No. 900

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Editor

Damian Brett
d.brett@aircargonews.net

Deputy Editor

Rebecca Jeffrey
r.jeffrey@aircargonews.net

Divisional Manager

Annie Roberts
annie.roberts@
dvvmediainternational.com

Sales

Richard Perry
richard.perry@aircargonews.net

Production

Isabel Burton
production@aircargonews.net

Digital

Jamie May
j.may@aircargonews.net

Circulation Manager

subs@aircargonews.net

Events

Beatrice Olsen
events@aircargonews.net

Publisher

Andy Salter
andy.salter@
dvvmediainternational.com

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Silk Way West buys B777-8Fs

SILK WAY WEST Airlines has finalised an order with Boeing for two B777-8 freighters, with options for two more.

The Azerbaijani cargo carrier is the first customer in the Eurasia region to purchase the fuel-efficient twin-engine freighter.

The order was previously listed as unidentified on Boeing's Orders & Deliveries website.

The two companies announced the agreement at a signing ceremony at Boeing Commercial Airplanes' Seattle Delivery Centre.

Boeing launched the B777-8F in January and has booked more than 50 orders for the model.

K+N leases final two B747-8Fs from Atlas

KUEHNE+NAGEL (K+N) HAS started dedicated freighter operations through a partnership with lessor Atlas Air, which will see K+N charter two brand-new Boeing 747-8Fs.

The first of the two – the last of the famous jumbo jets to be built by Boeing – was named "Inspire" at a ceremony at the Boeing Everett Delivery Center.

K+N said the aircraft would be utilised on transpacific services and also be linked to its intra-Asia network.

Yngve Ruud, member of the management board of K+N responsible for air logistics, said: "Together with the very last B747-8F, which we named

'Empower', the aircraft will support our customers with reliable and flexible solutions globally."

The addition of a dedicated freighter operation comes at an interesting time for the industry, as declining volumes and the return of bellyhold capacity have eased capacity shortages.

However, one air cargo executive told *Air Cargo News* that certain markets, such as China, still face constraints as bellyhold capacity has yet to recover due to ongoing restrictions.

Chief executives at the recent Air Cargo Forum were also optimistic that overcapacity would not be a long-term issue (see p8).



Photo: Kuehne+Nagel

'Inspire' will support K+N's growth in the Asia Pacific region

Meanwhile, Boeing pointed out in its recent market forecast that, following Covid, companies are likely to rely on freighters to help mitigate the risk of disruption to supply chains.



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Isaykin sanctions put CLA in administration

CARGOLOGICAIR (CLA) HAS finally entered administration, after sanctions related to Russia's invasion of Ukraine affected its ability to do business.

The carrier, which at its height operated a fleet of four B747 freighters, had its remaining two freighters effectively grounded in March as a result of airspace restrictions placed upon it following the outbreak of the war.

However, the company continued to operate as a business – even if it wasn't able to fly – and it was only when Alexey Isaykin, who was at the time majority shareholder and director, was placed on a UK sanctions list that it could no longer function.

CLA's administrator, Buchler Phillips Ltd, said that the company had been unable to trade effectively since Isaykin was made the subject of UK government sanctions against businesses deemed Russian-controlled.

"As a consequence, the company sought and was granted licences for minimal continuance of operations from HM Treasury," Buchler Phillips said.

"However, it ran into problems operating its bank accounts on a timely basis: the company



CargoLogicAir's two B747 freighters had been grounded since March

faced increasing difficulties with its bankers despite having considerable funds in its account which should have left the company solvent."

David Buchler of Buchler Phillips said: "The appointment of administrators at CargoLogicAir is a very unfortunate, unintended consequence of sanctions generally applied against British businesses perceived as Russian controlled."

"This is a unique British business performing a valuable commercial service to British customers trading overseas, employing British people and paying British tax."

Soviet-born entrepreneur Isaykin, who has Cypriot citizenship, was until recently president

and board member of Russia-based freighter airline company Volga-Dnepr Group.

Two weeks after the sanctions against him were introduced, Isaykin resigned from his position as a director of CLA.

Meanwhile, Isaykin also reportedly exited his ownership of the Volga-Dnepr Group back in August through a management buyout.

In June, the UK government said in its sanctions that Isaykin was – at the time – president and board member of Volga-Dnepr Group, a "Russian transport company with significant air operations that is contracted by the Russian Government to create air bridges that carry critical goods".

EDITOR'S COMMENT

Damian Brett



Prospects still bright despite challenges

ANOTHER TUMULTUOUS YEAR in air cargo is drawing to a close and stability seems a long way off. The war in Ukraine continues, while inflation, recessions and an energy crisis take their toll on spending.

Meanwhile, the transport industry also continues to face challenges as supply chains try to cope with bottlenecks, worker shortages and lockdowns.

While the current outlook is bleak, it should be remembered that the long-term prospects for air cargo remain bright.

In its biennial market forecast, Boeing said it expects cargo traffic to grow at an average of 4.1% per year – faster than both trade and economic growth – as the industry benefits from evolving supply chain strategies, higher pricing in ocean freight and e-commerce demand.

"The past two decades saw the pendulum swing towards reduced costs and greater efficiency," Boeing said. "The years ahead suggest a swing towards diversity and reliability."

"In the near future, supply chain resilience will be recognised as a key performance indicator. This trend likely will bolster air cargo demand."

Get ready for ACN Awards 2023

SAVE THE DATE: the Air Cargo News Awards ceremony will next year take place on October 12 at the Hilton London Syon Park, just a stone's throw from Heathrow Airport.

The awards are one of the longest-running events in air cargo, having first taken place in 1984. In 2022 the event attracted more than 230 decision makers.

The event honours and celebrates those companies that have invested in providing great customer service, operational excellence and innovative technologies.

In 2022, 15 companies scooped an award in a range of categories, including the prestigious Cargo Airline of the Year.

A list of winners and photos from the night can be found on aircargonewsawards.net.

Award categories and entry details for next year will be announced in the coming weeks, while an updated website will also be launched soon.

In the meantime, you can register for updates by filling out a form located on the website.

Virgin keeps freighter service

VIRGIN ATLANTIC CARGO will continue operating its sole freighter service on an ad hoc basis to secure more air cargo capacity and retain European Union market share.

Speaking exclusively to *Air Cargo News*, the airline said its London Heathrow to Brussels service, which started in May and was operated by Titan Airways utilising an Airbus A321P2F, would continue operating with a mix of Titan's and its own aircraft.

The service marked a first investment into freighter operations, although Phil Wardlaw, managing director of Virgin Atlantic Cargo, said in May that the initiative was "not a permanent move".

The service was originally planned to operate until the end of October.

A Virgin Atlantic Cargo spokesperson said: "We're really pleased with our successful partnership with Titan Airways. This operation has helped to solidify our presence in the EU market, and we will continue to explore how we serve Brussels."

Virgin has recently ended flights between Denmark's Billund Airport and Heathrow using an A321F also operated by Titan.

From August to October 2, the Billund to Heathrow service ran three times per week offering 28 tonnes of capacity per flight. It connected with Virgin Atlantic flights to the US and other destinations.

In October, Wardlaw said: "Onward connection to our flight network at London Heathrow remains available via truck from Billund and we are exploring opportunities for faster connections to our flight network via other European gateways."

Economic uncertainty cancels IPP Air Cargo



Photo: IPPG

A fleet of 14 freighters had been planned for IPP Air Cargo

VIETNAM'S IPP AIR CARGO is abandoning its launch plans, apparently due to concerns about weakening demand for air cargo and an uncertain economic outlook.

According to media reports from Vietnam, the board of Imex Pan Pacific Group (IPP) – IPP Air Cargo's parent – decided on October 26 that it would drop plans to launch the carrier, and has notified Vietnam's transport ministry that it seeks to end the licensing process.

The move comes despite Vietnam being one of air cargo's hottest markets, as companies add production lines in the country to mitigate the risk of Covid-related disruption in China.

IPP Air Cargo was understood to be very close to launch-

ing. In August, it was confirmed GAMECO was carrying out conversion work on two Boeing 737-800BCF aircraft, with a third and fourth to follow.

In total, there were plans for a fleet of 14 freighters.

Vietnam media outlet VnExpress quotes IPP chairman Jonathan Hanh Nguyen as having the view that current "global turmoil" would hurt demand for air cargo.

"Thus we have decided to end our plan to avoid causing more damage to carriers that are already making losses," he is quoted as saying.

He also held out the possibility that, in the future, IPP might revisit the launch of an air cargo operator.

IPP Air Cargo's ownership might also have been an issue.

In recent months media reports from Vietnam have indicated that there were possible licensing concerns around the nationalities of the carrier's owners – specifically owners who might have dual citizenships.

According to VnExpress, IPP Air Cargo's ownership comprises Nguyen, a prominent businessman in Vietnam who started his career in the Philippines, his wife Nguyen Phi Long, and his son William Hieu Nguyen. Also listed as an owner is Vietnamese politician and communist party member Nguyen Phi Long, representing Duy Anh Commerce.

In 2021, IPP said that the launch of the cargo operation would entail the investment of \$100m.

Rhenus Group takes on the Americas

RHENUS GROUP IS targeting merger and acquisition (M&A) opportunities in the Americas.

The global logistics provider has declared the Americas as a vital region for growth due to ongoing global disruptions and the need for further diversification of cargo flows.

Rhenus is committing to creating more sustainable transportation and expanding its

freight forwarding services as well as warehousing solutions across the Americas.

"We want to further strengthen our footprint in the Americas by enhancing the sustainable organic growth of the company and focusing on mergers and acquisitions," said Tobias Koenig, global chief executive of Rhenus Air & Ocean.

"The group will continue to successfully grow in the western hemisphere by investing across the Americas to build a stronger transatlantic network with Europe, intensify transpacific cargo flows, and expand into contract logistics and multimodal transportation in Latin America."

In the Americas Rhenus is currently represented with 21 locations in eight countries.



Yes, we Cargo

"Working in air cargo is like randomly opening an encyclopedia: every day is different, each shipment, routing, commodity, customer request, urgency – and with every day, you learn something new. That is the beauty of working at Qatar Airways Cargo." Lopamudra Chatterjee, Freightler Route Management Analyst.

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Innovation must drive recruitment

WHILE THE CHALLENGE of recruitment has hit air cargo as much as other industries, companies are finding ways to help head off the challenge.

Westjet executive vice president, cargo, Kirsten de Bruijn, said that the company hasn't experienced any recruiting or hiring issues in its cargo business.

"Air cargo is quite dope, it's cool," she enthused at an 'Air Cargo – from Spotlight to Highlight' panel session at the TIACA Air Cargo Forum.

De Bruijn said that her experience working for airlines for 15 years means she has a network of contacts within the industry that allows her to apply a targeted approach to recruitment.

Other participants at the session said it was important to be open minded and innovative about solutions to address the air cargo industry staff and skills shortages.

Diana Schoeneich, chief executive of Georgi Handling, said that the company is looking at recruiting from the construction sector to help fill the gap.

She stressed that "investment in skills development and training is key" when looking at starting people in the sector from scratch.

Sourcing people from a wider geographical area than normal is also an option.

Timo Stroh, head of global airfreight and life science and healthcare at Dachser, said that part of making the industry more attractive is competitive salaries.

Stroh said another challenge is that airfreight usually requires people to be physically present for at least a proportion of the job, compared with some other jobs that have emerged since the start of the pandemic.



Carriers think demand will return early in 2023

OVERCAPACITY IN AIR cargo is not expected to be an issue in the long term, according to a group of air cargo bosses.

Reflecting on the future at TIACA's Air Cargo Forum (ACF) in Miami, Tobias König, global chief executive, Rhenus Air & Ocean, said that the airfreight market could potentially improve in the first quarter of next year.

"It is very difficult to predict when this will normalise again. At the moment, we will definitely have a further downturn for the next couple of months, then we need to see in February-March if it will go up again."

He said the company's customers have ordered "a lot of stock in the last couple of months and in the last year" in

response to supply chain congestion concerns.

He added: "I think it will take another two to four months until they have sold the stock and will start ordering again for the volumes to go up again."

Audrone Keinyte, chief executive of Bluebird Nordic, said that e-commerce is one of the markets that will drive cargo demand, while some conversion programmes are being phased out to make way for new ones, therefore keeping the number of conversions in the market steady.

She added that there are air cargo sectors still not sufficiently catered for in terms of capacity.

Astral Aviation chief executive Sanjeev Gadhia said that while a lot of aircraft had been

ordered, many of these would replace older models.

"When you look at the B747s, they are being replaced by the B777s; when you look at the B757s, they will be replaced eventually by the A321s; when you look at the B767-200s and -300s, they will be replaced by the A330s.

"This is a constantly evolving game where older aircraft are being phased out and new aircraft are coming in."

Tim Strauss, chief executive, Amerijet International, also pointed out that increasing levels of spending power creates consumer demand, and an expectation for speedy delivery of products and services.

"This creates a change in behaviour in demand," he said.

Freighter fleet will carry most cargo

THE PAST FEW years have "cemented once and for all" that the global freighter fleet will represent more than 50% of the total cargo market in the long term.

Speaking at TIACA's Air Cargo Forum event in Miami, Boeing vice president commercial marketing Darren Hulst explained that historically the freighter fleet had represented

between 50% and 60% of total cargo capacity, but pre-Covid some industry pundits had expected this percentage to drop as bellyhold operations grabbed market share.

However, Hulst said the past couple of years have confirmed the importance of maintaining supply chain connectivity through the use of freighters.

"The pandemic cements once

and for all that more than half of air cargo traffic will be carried by dedicated freighters," Hulst said.

"During the pandemic air cargo traffic carried by dedicated freighters reached at least 70%.

"Even though that will probably come down and settle over time, it gives us even more confidence of the strategic importance of dedicated freighters for air cargo."

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CHALLENGE IN MALTA

Malta-registered cargo carrier Challenge Airlines MT has received its air operator's certificate. The airline will operate regular services between Liège, Tel Aviv, Sharjah, New York and Mumbai.

PHARMA.AERO GROWS

Abu Dhabi Airports has joined Pharma.Aero as a strategic member representing the Middle East. The collaboration builds on Abu Dhabi's growth as a global healthcare and life sciences hub, and the success of the vaccine distribution-focused HOPE Consortium.

PARTNERSHIP RENEWAL

Cargojet has renewed and extended its Air Cargo Services Agreement with United Parcel Service (UPS) Canada for an additional five-year term. The new agreement is extended to December 31, 2030.

ENVIROTAINER EXPANDS

Envirotainer is meeting demand for temperature-controlled pharma units by expanding its production site in Rosersberg, Sweden. By the end of the year, Envirotainer will be capable of shipping more than 1bn vaccine vials per year.

ULD AGREEMENT

Cathay Pacific and Unilode Aviation Solutions have renewed their full-service unit load device management agreement until 2027. The companies will now work on several joint cargo projects addressing efficiency, transparency and data accuracy.



Photo: Amazon Media Image Library

Amazon's existing fleet stood at just under 90 aircraft in late 2021, though some new additions were expected soon

EFW to convert Altavair A330-300s for Amazon

AMAZON AIR WILL expand its fleet with the addition of 10 A330-300 passenger-to-freighter (P2F) aircraft from lessor Altavair.

The aircraft will be operated for Amazon by Hawaiian Airlines and will be converted by Germany-headquartered Elbe Flugzeugwerke (EFW), a joint venture between Singapore-based ST Engineering and France-headquartered Airbus.

The first of the A330-300P2F aircraft is expected to join the Amazon Air fleet in late 2023.

Philippe Karam, director, Amazon global air fleet and sourcing, said: "These A330-300s will not only be the first of their kind in our fleet, they will also be the newest, largest aircraft for Amazon Air, allowing us to

deliver more customer packages with each flight."

The deal with Hawaiian will last for eight years, with options to extend for a further two and then three years.

Hawaiian will supply flight crews, perform maintenance and certain administrative functions, and procure aircraft insurance.

Amazon will pay a fixed monthly fee per aircraft, a per-flight hour fee, and a per-flight cycle fee for each flight cycle operated.

Airbus said the aircraft would help the e-commerce airline to fulfil its one-day delivery promise to Amazon Prime customers.

The move comes as Amazon Air has slowed down its fleet expansion in recent months.

Total Amazon Air flight

activity grew by 3.8% between August 2021 and March 2022, compared with 14.3% during the previous six months, found researchers at Chaddick Institute of Metropolitan Development at DePaul University in Chicago.

The reported size of Amazon Air's fleet remained at 87 to 88 aircraft for most of the period from March to September, although several aircraft appear to be imminent, the report found.

The converted A330-300 aircraft offers a gross payload of up to 63 tonnes.

The longer-fuselage A330-300P2F – compared with the A330-200 – is particularly suited for integrators and express carriers, owing to its high volumetric payload capability with lower-density cargo.

Etihad adds cool space at Abu Dhabi

ETIHAD CARGO, Etihad Airport Services and Abu Dhabi Airports are developing a new cool chain facility that will more than double the carrier's pharma capacity at Abu Dhabi airport's cargo village.

The 3,000 sq m facility features bulk-loading docks with levellers, high-speed roll-up shutters, insulation and a real-time temperature monitoring

system, increased storage space, additional build-up and break-down zones and upgraded cool chain facilities for Etihad Cargo's PharmaLife handling and storage operations.

The facility will also feature new X-ray screening for customs inspections within a fully temperature-controlled environment and new dedicated thermal covers.

During the past 12 months, the airline has transported more than 50,000 tonnes of cool chain products, including pharmaceutical and healthcare products.

Martin Drew, senior vice president global sales and cargo at Etihad Aviation Group, said the facility will "link the Middle East to not only Asia and Europe, but also the US and Africa".



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WFS CARGO FACILITY

Worldwide Flight Services has opened its third cargo handling facility at Copenhagen Airport, adding a further 3,700 sq m of warehouse space to its handling infrastructure at the site.

DATA COLLABORATION

Cargo Community Network has launched CUBEforall, an open data collaboration platform that is designed to enable freight forwarders and logistics players to create a unified, efficient workflow for sharing data and optimising processes through collaboration and reusing business information.

AUTONOMOUS ELECTRIC TRACTORS

Airport Authority Hong Kong (AAHK) and Teksbotics have launched a project to utilise autonomous electric tractors to perform routine driving for both cargo and baggage operations at the Asian airport.

AFRICA LAUNCH

WeFreight has established operations in Africa with the opening of an office in Nairobi, Kenya. It also has plans to establish a presence in Mombasa.

PHARMA INVESTMENT

Ground handler Cathay Pacific Services Limited (CPSL) has added a new pharma handling facility at its Hong Kong hub. The IATA CEIV-approved facility is located at the Cathay Pacific Cargo Terminal and offers a temperature-controlled area of more than 1,250 sq m.

Freight firms support green flying with SAF

AIR CARGO COMPANIES have continued to invest in Sustainable Aviation Fuel (SAF) supply and production over recent weeks to make it more accessible and to reduce costs.

The Air France KLM Group will purchase 1.6m tons of SAF, with Neste supplying 1m tons between 2023 and 2030 and DG Fuels supplying 600,000 tons between 2027 and 2036.

Air France KLM said the SAF would avoid 4.7m tons of emissions of carbon dioxide (CO₂), on full-lifecycle basis, compared with fossil fuels.

On the digital front, booking platform CargoAi now offers the possibility of purchasing Neste MY Sustainable Aviation Fuel when making a cargo booking.

This can be done in the booking flow – either after a booking is confirmed or when the cargo is being tracked.

This complements CargoAi's Cargo2ZERO sustainability offering, launched in October.

Meanwhile, DB Schenker customers can now choose SAF for their air transport to anywhere in the world, independent of the type of aircraft or airline used.

The global offer runs alongside DB Schenker's weekly full



Photo: Shutterstock

Air France KLM expects to cut CO₂ emissions by 4.7m tons through using SAF

charter route between Germany and China, launched in spring 2021, which the company claims is still the only regular air cargo flight in the world to be fully covered by SAF.

Lufthansa Cargo has also continued to invest. The airline said that more than 150 round-trip flights have already avoided more than 40,000 tons of CO₂.

Individual SAF agreements with further airline partners – for example, a recent purchase of SAF credits at Singapore Airlines – will continue as well.

In North America, Bolloré Logistics has become the first

cargo customer to join Air Canada's environmental Leave Less Travel Program. The programme offers corporate and cargo customers various options to offset or reduce their greenhouse gas (GHG) emissions related to business travel or freight transportation, and reduce their carbon footprint.

Bolloré Logistics has agreed to compensate a significant portion of its GHG emissions associated with its projected shipments with Air Canada Cargo with SAF, which represents a purchase of 620,000 litres in 2022.

CharterSync gets flight monitoring

CHARTERSYNC HAS ADDED a new flight monitoring service to its platform to allow it to offer instant transit times.

Integrating RocketRoute will provide auto-routing and full monitoring of current and forecasted weather conditions, allowing operators to better plan for fuel burn, while providing more accurate costs for ad-hoc cargo charters.

"RocketRoute will integrate

automatically into the CharterSync quoting process, with fields automatically completed to provide accurate timings and remove the need for any manual calculations," CharterSync said.

"This integration will benefit operators – who will save time on quoting – as well as clients, who will receive more transparent and accurate times and costings more quickly."

Simon Watson, co-founder

and director of CharterSync, explained: "Creating quotes manually can be a time-consuming process that sometimes leads to human error. Clients also want total confidence in flight times when they are viewing quotes.

"Our RocketRoute integration addresses these issues and underlines our total commitment to continually improving our platform."



Introducing Abu Dhabi's
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MY FREIGHTER AMBITIONS

Uzbekistan logistics firm My Freighter has taken delivery of its first Boeing 747-200F freighter and has plans to add five more as it looks to capitalise on Tashkent as an airfreight hub.

BOEING EXPECTS RAPID CHINA FLEET GROWTH

China's freighter fleet is expected to quadruple in size to more than 800 aircraft in the period up to 2041, according to Boeing's 2022 Commercial Market Outlook (CMO) for China.

ALASKA FREIGHTER CONVERSIONS

Alaska Air Cargo has confirmed two new B737-800 freighters will be converted by Boeing via Coopesa in Costa Rica. The aircraft will come from Alaska's existing fleet and will be leased from BBAM.

BLUEBIRD NORDIC ADDS TO ITS FLEET

Icelandic cargo airline Bluebird Nordic has taken delivery of its fourth B737-800 Boeing Converted Freighter (BCF) as it continues its fleet expansion plans. The carrier will add four more aircraft in the coming months.

SALAMAIR LAUNCHES AIR CARGO SERVICE

Oman-based low-cost carrier SalamAir has launched a dedicated air cargo service and inducted its first freighter aircraft, an Airbus A321P2F. The airline said it is the first in the Middle East to fly with the Airbus A321 conversion.



Photo: Emirates

Emirates' all-Boeing freighter fleet already includes 11 aircraft from the B777 family

Emirates adds order for five B777-200LRs

EMIRATES HAS ANNOUNCED a firm order for five new Boeing 777-200LR freighter aircraft, with two units to be delivered in 2024 and the remaining three in 2025.

The agreement, worth more than \$1.7bn at list prices, takes the airline's total order book to 200 widebody aircraft.

Emirates was the launch customer for the B777 freighter. The aircraft has since become core to the airline's operations, operating scheduled and charter missions to destinations across six continents.

Emirates currently operates a fleet of 11 B777 freighters, in addition to bellyhold cargo capacity on its fleet of widebody B777 and Airbus A380 passenger aircraft.

Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive of Emirates Airline and Group, said: "Emirates is investing in new freighters so that we can continue to serve customer demand with the latest fuel-efficient aircraft."

"This order reflects Emirates' confidence in airfreight demand and overall aviation sector growth."

"It lays the ground for our continued growth, which is driven by the reach of our diverse global network, the advanced handling infrastructure at our Dubai hub, and the tailored transport solutions that Emirates has developed to serve our varied customers' needs."

Stan Deal, president and chief executive, Boeing Commercial

Airplanes, said: "We value the trust that Emirates has repeatedly placed in its all-Boeing freighter fleet."

"The expansion of Emirates' fleet with these additional fuel-efficient B777 Freighters will enable the airline to support its growing cargo market demand, transporting goods rapidly and efficiently from origin to destination in the Middle East and around the world."

The airline has been investing in its freighter fleet in recent years. In 2021, the carrier ordered two new B777Fs which have already joined the Emirates fleet, and later announced plans to convert 10 B777-300ERs into freighter aircraft.

The freighter conversion work is scheduled to begin in 2023.

NAC to convert E-Jets for Embraer

EMBRAER AND LESSOR Nordic Aviation Capital (NAC) have signed a contract for up to 10 passenger-to-freighter (P2F) conversion slots for the E190F/E195F, with deliveries starting in 2024.

In May, NAC and Brazilian commercial aircraft manufacturer Embraer reached an agreement in principle to take up to 10 E-Jet conversions; this

order is now confirmed. The aircraft for conversion will come from NAC's existing E190/E195 fleet.

In July, NAC signed a memorandum of understanding to place its first two E190F P2F conversions with Kenya-based Astral Aviation.

Embraer's programme to convert pre-owned E190s and E195s from passenger jets to

freighters was launched in March.

The conversions will be carried out at Embraer's facilities in Brazil. They include maindeck front cargo door; cargo handling system; floor reinforcement; and Rigid Cargo Barrier (RCB) – 9G Barrier with access door.

The E190F can handle a payload of 10,700 kg while the E195F has a payload of 12,300 kg.

AerCap turns to EFW for A321 conversions

AVIATION LEASING COMPANY AerCap Holdings has placed firm orders for 15 Airbus A321 passenger-to-freighter (P2F) conversions with Airbus conversion house EFW, and has options for a further 15 aircraft.

The aircraft feedstock for the conversions will come from the A321 passenger portfolio of AerCap, the world's largest owner of the A320 family.

EFW's A321P2F programme has been developed in collaboration with ST Engineering and Airbus, with EFW holding the Supplemental Type Certificate (STC) and leading in the overall programme as well as marketing and sales.

The A321P2F is a next-generation conversion freighter, and the first in its size category to offer containerised loading in both the maindeck (up to 14 full container positions) and also the lower deck (up to 10 container positions).

With a gross payload capability of up to 28 tonnes (about 61,800 lb) and a range of more than 2,300 nautical miles (about 4,260 km), the narrowbody A321P2F can serve express domestic and regional operations.



Photo: EFW

Airbus P2F specialist EFW may be converting 30 A321 aircraft for AerCap

To meet the rising demand for freighter conversions, ST Engineering and EFW have set up new conversion sites in China and the US to ramp up total capacity for all their Airbus P2F programmes, comprising the A330P2F, A320P2F and A321P2F.

Jordi Boto, chief executive of EFW, said: "We are glad that we may finally announce the agreement with AerCap on this volume order for A321P2F conversions."

"Our young A320P2F family programme has gone from strength to strength and gained traction very quickly in the market with a dozen aircraft already in operation."

Rich Greener, head of AerCap Cargo, added: "Extending the life of our A321 fleet will complement the Cargo portfolio and meet the strong demand from our diverse customer base, from which we have seen a significant appetite for this freighter."

Ethiopian completes P2F on B767

ETHIOPIAN AIRLINES GROUP has said it has become the first African airline to complete the passenger-to-freighter conversion of a B767 aircraft.

Ethiopian partnered with Israel Aerospace Industries (IAI) to launch a B767-300ER freighter conversion line at its MRO facilities in Addis Ababa last year. The conversion of the aircraft, the first of the airline's three B767 aircraft due to be converted, will boost Ethiopian's cargo shipment capacity.

Ethiopian started the full conversion of the B767 aircraft early this year. Meanwhile, the conversion of the second aircraft has now completed the door-cutting stage.

Ethiopian Airlines Group chief executive Mesfin Tasew said: "We are thrilled to collaborate with Israel Aerospace Industries and become the first African carrier to successfully complete the passenger-to-cargo conversion of B767 aircraft."

He added: "We have been working to expand our cargo operation, as demand is expected to grow with the establishment of an e-commerce hub in Addis Ababa."

Mammoth seals first B777-300ERMF deal

LEASING FIRM AVIAAM Leasing (AviaAM) has been revealed as the launch customer for Mammoth Freighters' B777-300ERMF freighter conversion programme after signing up for six of the aircraft.

Including this latest order, Mammoth now has firm orders for 23 B777 freighter conversions distributed across multiple customers, and another 17 B777-300ER freighter conversions in advanced stages of commitment.

The conversion process for the first aircraft will begin in early 2023 and will take place at Aspire MRO's widebody MRO and passenger-to-freighter (P2F) conversion services facility at Alliance Airport in Fort Worth, Texas.

The aircraft will be able to carry 99 tons of cargo on transatlantic routes and is expected to serve EU-US or China-EU trunk routes.

Tadas Goberis, chairman and chief executive of AviaAM

Leasing, said: "I trust together we will meet the demand for widebody converted freighters to replace ageing ones and accommodate future growth across our group airlines' fleet."

Mammoth co-chief executive Bill Tarpley added: "As AviaAM expands its strategic focus in the cargo sector, the superior widebody operating economics of the Mammoth 777-300ERMF will perfectly complement its growing fleet of next-generation freighters."

Mammoth Freighters first announced its plans for B777-200LR and B777-300ER passenger-to-freighter conversion programmes in September 2021.

Cargojet became the launch customer for Mammoth's B777-200LR conversion programme in November of that year.

Mammoth launched its Supplemental Type Certificate (STC) development programme earlier this year with the plan to achieve US Federal Aviation Authority approval in 2023.

No woolly Mammoth

There is nothing remotely woolly about Mammoth Freighters' booming freighter conversion business, which is making ever greater strides, as **Roger Hailey** reports

There is growing momentum behind the B777-300 conversion market, with large orders gathering pace for the two big players.

Trade press reports suggest that Israel Aerospace Industries (IAI) has received an order for 11 B777-300ERSF conversions from China's Hongyuan Group.

And US-based Mammoth Freighters confirmed that AviaAM Leasing is the launch customer for six of its B777-300ERMFs, with the first aircraft for conversion sourced from Aircastle for future operations at Bluebird Nordic, Iceland.

Mammoth now has firm orders for 29 B777 freighter conversions from multiple customers, and another 12 B777 freighter conversions in advanced stages of commitment.

Mammoth has two B777 conversion programmes underway, for the -200LR and -300ER variants of the successful passenger aircraft.

Its launch customer for the -200LR freighter conversion was Canada's Cargojet, in November last year.

IAI's 'Big Twin' programme for the B777-300 conversion has

already seen more than 50 orders booked.

IAI originally launched the Big Twin with GECAS, the latter being acquired by AerCap in November 2021.

Hongyuan Group will take delivery of the first IAI converted B777-300ERs in the second half of 2024 and those freighters will reportedly be placed with Air Belgium and Jiangxi Cargo Airlines.

Orders to come

Brian McCarthy, vice president marketing and sales at Florida-based Mammoth, says that further orders for the -300ER are in the offing, beyond the 12 already mentioned.

The first B777-300ER of this order will begin its pre-conversion flight testing and conversion in early 2023 at Aspire MRO's facility at Fort Worth Alliance Airport in Texas.

Mammoth co-chief executive Bill Wagner says that the B777-300ERMF is a "fuel efficient, high-volume, heavy lifting, long-range freighter that will reliably serve the global air cargo market for decades to come".

The reconfigured aircraft will be able to carry just under 100 tons of cargo on transatlantic routes and is expected to serve EU-US or China-EU trunk routes.

McCarthy says that the -200LR programme has gone well and Mammoth is well under way with the first 200LR aircraft going through conformity build and certification, but to have this kind of order activity so early is "unprecedented".

McCarthy speaks of a warm reception from the market for the B777-200LR conversion programme, with firm present orders of around 23 aircraft: "It was a kind of sleeper aircraft

'This is a market where Covid exposed a lot of weaknesses in our supply chain logistics to flag carriers, passenger airlines, the military and governments'

Brian McCarthy, Mammoth



Photo: Mammoth Freighters

that has become popular. It is a shorter fuselage that offers higher density which is welcomed by some operators.

"The 200LR gets you as close to the performance of a factory freighter at very attractive economics."

Asked about the clear appetite in the market for the B777 passenger to freighter (P2F) conversion programmes, McCarthy outlines a "fundamental shift" in the way airlines and nation states now view the need to secure airfreight capacity, as the lessons of Covid-related supply chain issues are analysed.

Covid exposure

"I think this is a market where Covid exposed a lot of weaknesses in our supply chain logistics to flag carriers, passenger airlines, the military and governments.

"There has been a fundamental shift in the reasons behind the



Mammoth B777-300ER at Aspire MRO's facility at Alliance Airport in Fort Worth

demand for long-range airfreight capacity. People don't want to get caught off guard again, as happened during Covid.

"But there remains an uneasiness about wars, natural disasters, pandemic, climate refugee movement and economic disruption.

"I think those situations are starting to expose the vulnerabilities of countries and island nations that do not have enough maindeck cargo lift."

Ghost freighters

McCarthy says that the use of zero passenger "ghost freighters", where passenger aircraft cabins were laden with packages during the pandemic, highlighted the limitations of what he calls "a poor man's freighter" compared with production line or P2F maindeck capacity.

"That Zero Pax lift is disappearing as fast as it arrived with regulatory authorities reserving this special use for

emergency response only," he comments.

"There is a new call by a lot of countries and governments to have a more robust long-range lift capability so they can get themselves out of trouble if once again passenger belly capacity dries up."

McCarthy detects some urgency in the airfreight market in not having to rely totally on the integrators or freighter operators: "I think logistics giants are also hedging their bets by having more lift capacity than they may otherwise need, not only for emergencies or urgent situations but in having more options with how to move critical materials or time sensitive cargo by air."

There has been some public debate about an inventory shortage for aircraft conversion production lines due to supply chain issues, primarily those in oceanfreight.

Mammoth does have some product coming from Germany,

but the majority of its aircraft conversion components and materials originate in US manufacturing centres.

"We are trying to keep our supply chain onshore until things settle down. We are looking at this from a time and distance standpoint, so we have found more than enough supplier, MRO capacity and machine shops domestically."

The Mammoth strategy includes purchasing "significant quantities" of certain aluminium and extrusions to avoid those types of shortages affecting other conversion houses.

But with an eye on meeting future demand, in an extension of its production network, Mammoth is linking up with STS Aviation in the UK to carry out P2F work in Manchester for the conversion house's B777-200LR and B777-300ER programmes.

The STS facility will also provide Mammoth with AOG, product support, and spares

provisioning throughout Europe.

STS acquired the Manchester facility earlier this year as part of its expansion. It constitutes the firm's third facility in the UK.

Mammoth will begin inducting B777 aircraft for modification at the facility in mid-2024. Pacific Asia MRO facilities are also likely.

Aspiring to more

In August this year, Mammoth signed a multi-year contract with Aspire MRO to perform P2F conversions and maintenance related work for Mammoth's two B777 programmes.

Located at Fort Worth Alliance Airport, Aspire provides six widebody production bays, with B777-specific tooling and work platforms.

Mammoth has already secured additional facilities at Fort Worth Alliance Airport which are being used to accommodate the company's warehousing, main cargo door assembly, logistics, and kitting requirements.

Playing the green card?

How green is air cargo? Aviation is currently responsible for about 3% of total global, anthropogenic CO₂ emissions. If growth were unmitigated, the industry could be responsible for 22% of global emissions by 2050.

Naturally, the air cargo industry has its part to play in minimising environmental damage – and a holistic approach is necessary to ensure success.

“We need to set targets as an industry, make them measurable and publish the results,” says Dirk Goovaerts, head of continental Europe, Middle East and Africa and global cargo chair at Swissport.

“TIACA’s BlueSky programme, of which Swissport is a launch partner, is a good example. Members have to re-qualify every two years in order to retain their accreditation; that means you have to make progress, meet your targets – or you’re out. You have to commit and then deliver.

“Accreditation will be very important going forward. I think BlueSky will develop faster than past initiatives because there is much more focus on the environment now – and also because if companies don’t meet the targets, it could hamper their business. The public wants to see companies committing to [sustainability].”

TIACA’s BlueSky sustainability verification programme was announced in March 2022.

Outlining the motivation for the development of BlueSky, TIACA director general Glyn Hughes says: “In the last [annual TIACA Sustainability] survey it was evident that respondents were seeking an independent way to verify how they were doing versus industry best practices.

“TIACA, as a global association with

Pressure is growing on the air cargo sector to become demonstrably less harmful to the environment. So how far has it come and what can it realistically achieve? **Megan Ramsay** finds out



Ground vehicles have an important part to play in the sector's move to greener operations

members drawn from across the supply chain, is well positioned to apply our knowledge and support equally to all sectors. The timing was right and BlueSky was the programme we developed.”

Importantly, while decarbonisation is top of its list of assessment criteria, BlueSky’s scope is not limited to CO₂ emissions.

‘Sustainability as defined by TIACA programmes looks at people, planet and global prosperity. The environment is an important aspect of the ‘planet’ part of the equation’

Glyn Hughes, TIACA

Alongside CO₂, the combustion of jet fuel creates pollutants like NO_x, SO₂ and soot; diesel-powered ground support equipment (GSE) also generates polluting by-products; electric GSE is clean at the point of use, but may run on ‘dirty’ electricity generated by, for instance, a coal-fired power station that consumes huge volumes of water; and the packaging used in air cargo transport is often made of plastic.

Hughes explains: “Sustainability as defined by TIACA programmes looks at people, planet and global prosperity. The environment is an important aspect of the ‘planet’ part of the equation, which includes waste management, decarbonisation, investment in new technologies, renewables, water conservation and even things such as Sustainable Aviation Fuel (SAF) and source material.

“The BlueSky assessment and verification programme is organic in that it will evolve as new areas of concern or interest are identified.”

Phase 1 of the BlueSky programme is



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→ “an evidence-based desktop verification process”, TIACA explains.

Following assessment by an independent body, applicants will receive a personalised dashboard illustrating their performance against the assessment criteria.

A subsequent phase will involve a full onsite audit option with an in-depth report.

Hughes says the Phase 1 questionnaire is “extensive and tailored to each industry sector”.

“Rather than just rely on yes/no answers, we prefer to review evidence supporting the answer, i.e. strategic documents, measurement plans, targets and verified results,” he explains.

“BlueSky is not a pass/fail programme, but rather an assessment of where a particular company is on its sustainability journey.”

Aviation in general and logistics specifically have already taken huge steps forward in tackling their environmental impact.

Airline fleet renewal is one example. According to a spokesperson from Lufthansa Cargo, the efficiency of a new aircraft type is always higher due to technical improvements and lighter materials; efficiency gains can reach approximately 16%.

Passenger-to-freighter conversions make sense in order to use any given aircraft to the very end of its life, because production and disposal also have an impact on the environment.

However, the spokesperson says: “The best way to reduce environmental impact is to invest in new airplanes, technical solutions such as Aeroshark [Lufthansa Technik’s bionic film that mimics the skin of sharks and optimises airflow, thus enabling significant fuel savings] or [operational] fuel efficiency measures.

“SAF is another way to reduce our

environmental impact,” the spokesperson adds. “While fossil fuels release CO₂ that has been bound for millions of years, the use of SAF in the combustion process releases only as much CO₂ as was bound immediately before/during production. Fewer soot particles are released during combustion, too.”

Role of hydrogen

There is no doubt that hydrogen will play a vital role in aviation – but hydrogen fuel cells first have to prove their viability in intercontinental transport.

SAF is likely to be the solution of choice for

the next couple of decades; it is already available and easy to scale up, while hydrogen-powered aircraft are unlikely to be on the market until at least 2035, and those will be mid-range at most.

“Beyond 2050 however, we will for sure see co-existence of multiple CO₂-less options and a possible shift more towards hydrogen aircraft,” the Lufthansa Cargo spokesperson believes.

Future SAF options will to a large degree rely on hydrogen (power-to-x). The industrial scale-up of hydrogen-based power-to-x fuels will thus benefit hydrogen fuel cells in aviation, too, simply because hydrogen will become more available.

As Lufthansa Cargo states: “Nearly 98% of our carbon footprint comes from flying, so this is our biggest lever to focus on. But reducing the environmental impact on the ground is also important.

“Our target is to have CO₂-neutral mobility in 2030, which requires energy reduction on the ground and investments in green power and green technologies.”

The airline’s green purchasing process, meanwhile, considers weight reduction, fuel savings, resource conservation, sustainable production and how easily materials can be disposed of.

Lufthansa Cargo often works with manufacturers to find innovative solutions, as is currently the case with cargo nets.

In addition: “We are on the way to establishing worldwide waste management,” the spokesperson continues. “Our target for 2025 is to have a 100% material recycling quota of plastic foil.”

Handlers, meanwhile, are looking at greener vehicles: Swissport is aiming to increase the share of electrically powered vehicles to at



‘We need to set targets as an industry, make them measurable and publish the results’

Dirk Goovaerts, Swissport



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→ least 55% by 2032. Says Goovaerts: “We have also been testing an unmanned, automated guided vehicle at our new cargo centre at Frankfurt airport.”

With a load capacity of 6,800kg, the 10 ft automated guided vehicle is designed to transport a variety of unit load devices (ULDs), including 15 ft containers, inside the air cargo centre. It reduces the need for manual handling and frees up staff for more complex and value-creating tasks.

It has the potential to connect all areas of the cargo facility, such as the Pharma Center, truck docks, castor decks and the ULD storage area.

Battery issues

There are, of course, concerns about the disposal of batteries at the end of their life.

However, Goovaerts is confident that the technology will get better.

“Manufacturers of batteries will also need to think about the reuse and replacement of their products. Future criteria for accreditation will evolve to include things like this,” he says.

Green facilities at airports are also increasing. Every new Swissport warehouse is equipped with the latest technology – and, says Goovaerts: “Airports often won’t allow the construction of new facilities unless they have solar panels, for instance.”

“In May this year, we opened a new, state-of-the-art, 8,000 sq m warehouse near Vienna airport that has photovoltaic (PV) panels totalling 900,000 kW installed on the roof.

“That is enough for us to run all of our operations – including electric forklifts and a driverless electric truck that shuttles cargo to and from our on-airport cargo centre.”

Another measure is to integrate activities and stakeholders under one roof to increase efficiency.

In Vienna, Swissport has combined a forwarder and handler in the same building.

Express operators are also looking at electrification of delivery vehicles and even electric short-range feeder aircraft – such as the ‘Alice’ e-cargo planes from Eviation that are expected to be flying for DHL Express by 2024. The aircraft’s maiden flight took place in September.

It cannot be denied that modern consumer culture (including e-commerce) is a key support for the airfreight industry; but mass production of cheap consumer goods, with all that entails in terms of exploitation of raw materials and labour, is inherently not green.

That, in turn, automatically reduces the air cargo industry’s environmental credentials: by facilitating consumerism, the industry could be said to be perpetuating an unsustainable way of life.

A white paper from DHL, published in

January 2022, suggested how the logistics sector could instead help to support a more sustainable global economy as consumer behaviour shifts.

In the ‘Delivering on Circularity’ paper, Katja Busch, chief commercial officer at DHL, said: “Simply put, circularity is about the 5Rs: Reduce, Repair, Resell, Refurbish and Recycle.

“The transition toward a circular economy is built on the redesign of supply chains. Innovative logistics solutions can help drive circularity; they are a key enabler to facilitate both the physical and data flows.

“Especially when it comes to optimising production volumes and materials, extending product lifecycles, launching novel use models, or developing new solutions for end-of-life recycling.”

Busch conceded that it is “more complex to set up supply chains for on-demand production or recycling cycles and to manage the massive data flow”.

Issues like smart product returns, reusable packaging, and asset collection and recycling must be addressed in order to achieve ambitious environmental targets.

The DHL paper summed up: “While the

successful transition toward circularity is undoubtedly a shared responsibility and effort, logistics players are the natural backbone.

“Circularity changes the way materials and products move – from a straight line to a regenerative circle – and efficiently managing the flow of goods is what logistics is all about.”

For Hughes, airfreight’s role in today’s complex network of supply and demand stems from the question of whether any individual can be ‘green’.

He observes: “As individuals we consume, we move, we are entertained, we enjoy, we experience... We can choose how we do each of these activities and we equally choose how we impact the planet and other people while we engage in these activities.

“Every industry has to make the same decisions, from food production to energy to transport to fashion to entertainment to medical.

“What must they do to support their business and their customers, and how can they do it in a manner that minimises the negative impact on society and the planet? It’s about all of us doing as much as we can, and then some.”

acn



Photo: Swissport

Global goals, local solutions

SWISSPORT SET OUT several new sustainability goals in September, covering various aspects of sustainability, including environmental performance.

Dirk Goovaerts, head of continental Europe, Middle East and Africa and global cargo chair at Swissport, says: “We have goals to reduce our CO₂ emissions by at least 42% by 2032, reduce waste and reduce our energy use. Examples include choosing pallets made from reusable materials rather than timber, and recycling plastic wrap.”

Of course, every cargo operation is unique and each station has to translate the targets to its specific environment. For example, the organisation of a cargo village may make it difficult to optimise cargo flows using the ‘Milk Run’ concept that Swissport has introduced at Amsterdam Airport Schiphol.

The Milk Run involves Swissport’s vehicles combining freight from several forwarders into one truck.

“By linking different stakeholders in this way, we have saved over 20,000 truck trips since we launched the Milk Run in 2016,” Goovaerts says.

Also recently, in Spain, Swissport opened its warehouses to all airlines and forwarders for pallet and ULD building, as another way to save truck journeys and optimise the supply chain.



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Kazakhstan's Nursultan Nazarbayev International Airport is investing in its cargo infrastructure as it looks to capitalise on its location at the crossroads of Asia and Europe.

Ahead of attending the TIACA Air Cargo Forum in Miami, the airport's chairman of the board Daulet Khamzin explained that following a drop in passenger traffic due to the Covid pandemic, the airport reoriented to cater for transit cargo transportation.

"During the closure of borders between countries, many airlines began to use our airport as a transit stop on the way from Europe to Asia and back," he said.

After the success of the reorientation, the airport is now hoping to attract more cargo business.

"The development of cargo infrastructure and the expansion of cargo terminals are priorities for us," Khamzin said.

"The ideal geographical location of the airport reduces the costs of cargo airlines when flying from China to Europe, and the competitive prices offered for ground handling and jet fuel have served as an additional incentive to attract transit flights from other airports and countries.

"It should be noted that the Nursultan Nazarbayev International Airport has the best ground infrastructure and special

technical equipment in Central Asia, which allows you to quickly and efficiently service flights."

The airport's runway corresponds to ICAO Category IIIA and can receive and release all types of aircraft in almost any weather.

"Most transit cargo flights are carried out on heavy-duty aircraft, and they require a large amount of refueling," Khamzin added.

The airport's fuel system can refuel 100 tons of fuel in around 30 to 40 minutes.

Prior to the Covid pandemic, the airport handled less than 50 cargo flights per year. However, last year it handled 4,282 cargo flights with volumes reaching 10,000 tons.

This year, the hub had handled 2,930 cargo flights and 7,000 tons of cargo by October.

The main commodities handled by the airport are flowers, clothes, automotive and e-commerce.

Cargo companies utilising Nursultan Nazarbayev International Airport include Aerotranscargo SRL (Moldova), ASL Airlines Belgium (Belgium) and Challenge Airlines (Belgium).

Cargo flights are also carried out by domestic airlines, such as Air Astana and SCAT, both on domestic and international flights.

"About 70% of the airport's revenue is derived from servicing cargo transit flights," said Khamzin.

"Due to these revenues, we were able to go through the crisis period without raising tariffs, thereby reducing the burden on domestic passenger airlines."

Elsewhere, there are plans to reconstruct the existing runway at the airport, add a second runway, open a special economic zone and add rail tracks.

"We plan to create a center for multimodal freight transportation, e-commerce services, and free trade zones," said Khamzin.

"The plans are grandiose: the goal is to become the leading passenger and cargo air hub in the CIS and Central Asia region."

He concluded:

"In 10–15 years, an entire city will be located on the territory of the airport.

"This year we plan to develop and approve a master plan for development that will include the development of our capital."



Daulet Khamzin,
chairman of the board



Volumes heading north at CGO hub

China's appetite for airfreight hub expansion continues and has seen Zhengzhou Xinzheng International (CGO) open its new north cargo terminal as it prepares for increased volumes. Alongside Chengdu (CTU) and Chongqing (CKG), Zhengzhou is one of the 'Three Cs' – the trio of principal logistics and trading hubs in the central and western regions of the Chinese mainland. These areas are also manufacturing centres for international consumer electronics.

China's strategy programme saw the National Congress approve construction of the Zhengzhou Airport Economy Zone (ZAEZ) in March 2013, with growing volumes at CGO for both bellyhold and maindeck cargo evident from 2016 onwards.

According to a presentation by the airport authority, CGO handled just under 705,000 tonnes of cargo in 2021, a 10.3% rise over 2020. Last year saw CGO's international cargo

The first phase of Zhengzhou Xinzheng International's new north cargo terminal provides sufficient capacity for 600,000 tonnes, with more to come in the future, as **Roger Hailey** reports

volumes account for 77.3% of total annual throughput, while freighter aircraft services accounted for 84.4% of uplift in the same period.

Strategic plan

In June 2018, the Civil Aviation Administration of China (CAAC) together with the Henan provincial government issued a strategic cargo plan for Zhengzhou International.

The strategy outlines a clear ambition for

growth at an accelerated scale. By 2025 the plan is for four runways, serving 53m passengers, and capacity for 3m tonnes of cargo. By 2030, the available capacity will surge to 80m passengers and 4m tons of cargo. And by 2035 there will be five parallel runways for 100m passengers and three cargo zones offering capacity for 5m tonnes.

Those three cargo zones include the current facility to the west of the airport footprint, with capacity for 500,000 tonnes. The final stage northern terminal has a design capacity

of 2.2m tonnes, and the yet to be built facility to the south will provide a further 2.3m tonnes.

The northern terminal has a first phase 600,000 tonnes available now, with an office building, customs checkpoints and other airside facilities, plus parking areas for 16 freighters.

It is no wonder that the northern terminal's opening phase was greeted with enthusiasm by the airline and forwarding community, with CGO branding itself as a "modern aerotropolis inland gateway to the world".

First freighter

In mid-August, freight forwarder Dimerco partnered with Cathay Pacific Cargo to operate the first freighter aircraft, a B747F, from the new North Terminal at Zhengzhou.

Dimerco says the debut shipment included 5.6 tonnes of printed circuit boards for Malaysia and over seven tonnes of tyre mold for Sri Lanka, plus an oversized consignment that had to be loaded through the aircraft's nose door.

The new facilities at the Zhengzhou terminal include parking bays designed to make nose-door operations more straightforward.

A Dimerco spokesperson tells *Air Cargo News*: "The [new] cargo terminal creates a 160,000 sq m addition to CGO, adding 600,000 tonnes of freight capacity and bringing the airport's total air cargo capacity to 1.1m tonnes.

"The terminal is also equipped with advanced automation for scanning, weighing and moving cargo, as well as a cold chain area, a customs inspection area and 101 shipping docks."

The spokesperson continues: "New freighter parking bays with facilities to handle nose cargo door operations will allow for odd-sized shipments.

"With the new terminal, our efficiency on aircraft handling, cargo breakdown and more can be improved."

The forwarder says that in August, most of its shipments from Cathay Pacific, AviaStar, Airlink and Hainan Airlines were processed at the north cargo terminal, and that from September all shipments, except express cargo, will be processed at the new facility.

A spokesperson for Cathay Pacific Cargo says the carrier operates three B747 freighters and one widebody passenger flight a week from Hong Kong to Zhengzhou. The spokesperson confirms that August saw all Cathay Pacific cargo operations moved to the new terminal.

The airline spokesperson says: "Zhengzhou's location in central China makes it an ideal base for convenient trucking services within the Chinese mainland. This is available for

both cargo imports and exports on Cathay Pacific Cargo's services.

"With increased handling capacity, cool room facilities, automated equipment and sustainability initiatives, we expect to handle more special cargo, including perishables, cool goods, frozen goods, pharmaceuticals and odd-sized, heavyweight shipments, along with many others."

Cathay Pacific has been a key operator at Zhengzhou since 2012 and was also the first carrier to launch eAWBs at Zhengzhou.

The spokesperson adds: "Our first flight at the new Zhengzhou North Cargo Terminal carried an odd-sized shipment at 7.2 metres together with other cargo including pharmaceuticals, cool shipments and RBI lithium-ion batteries in Cathay Pacific Cargo's fire containment bags."

The new cargo facility's 3,000 sq m of cold chain storage with seven temperature zones "increases the ambitious airport's potential cargo handling to more than 1m tonnes a year", says Cathay Pacific Cargo.

Cargo gateway

In its *Cargo Clan* magazine, Cathay Pacific cited Eddie Law, general manager of Dimerco Air Forwarders (HK), who summed up the ambitions for CGO: "In the long term, the Chinese Mainland Government is positioning Zhengzhou as China's Memphis: one of the airfreight cargo gateways in China.

"Based on the current overall capacity in China (including Hong Kong), Zhengzhou was responsible for 4% of total international airfreight capacity. With the launch of the new North Cargo Terminal, more airlines will extend their network into Zhengzhou."

Jenny He, Cathay's regional head of cargo Chinese mainland, told *Cargo Clan*: "Just like Dimerco, we have dedicated our team to develop Zhengzhou's market and position it as one of the main airports on the Chinese mainland for both imports and exports.

"The establishment of the new terminal will enhance the handling capacity, and our efficiency for loading, cargo breakdown and cool storage will improve."



Dimerco



'The [new] cargo terminal creates a 160,000 sq m addition to CGO, adding 600,000 tonnes of freight capacity and bringing the airport's total air cargo capacity to 1.1m tonnes'



Photos: Dimerco



Kirsten de Bruijn says there is plenty of room for more competition in the Canadian market and that WestJet Airlines truly understands the value of cargo operations

Reaching out for Canadian cargo

When Kirsten de Bruijn accepted the role of executive vice president, cargo, at WestJet Airlines, it wasn't just a change in cultural and climatic conditions she was taking on in moving from the Middle East to Canada.

She was also swapping recent roles at airlines with established freighter operations for one at a carrier in the process of launching all-cargo flights.

In a career spanning more than 15 years in the airline industry, de Bruijn has worked for established freighter operators such as Martinair, Emirates and Qatar. She most recently served as senior vice president cargo sales and network planning at Qatar Airways.

During her time at the carrier, she managed the airline's global cargo sales organisation and was responsible for the freighter network planning department.

Meanwhile, Calgary-hubbed WestJet has four 737-800BCF (Boeing Converted Freighters) waiting in the wings. The company started taking delivery of the aircraft in April and initially hoped to have them in the skies by the end of this year.

However, Boeing is still awaiting approval for its conversion programme. Despite this, de Bruijn hopes the aircraft will be certified in the coming months and that operations can start early next year, with March a suggested launch date.

The aircraft will initially all be flown on scheduled intra-Canada services, although the exact routings are still to be confirmed and there are some expectations that flights could include US airports.

"It's like a start-up," says de Bruijn. "It's actually quite cool to start up a new cargo airline, and I really enjoy it."

WestJet Airlines' executive VP cargo has been given quite a challenge: to get the hitherto passenger-focused airline's new freighters off the ground.

Damian Brett finds out how she's been getting on

She adds: "When you come from big established companies like Emirates and Qatar, everything is settled – I need crew planning, I go to crew planning; I need flight ops, I go there."

At WestJet, freighter operations are being established from scratch, she says.

Cargo at the top

De Bruijn has the backing of a leadership team with cargo experience. Chief executive Alexis von Hoensbroech was previously chief commercial officer at Lufthansa Cargo, while chief operating officer Diederik Pen held a leadership role at Martinair.

"It's super great to be in a company where the leadership team and investors see the value of cargo," she says.

So why has WestJet decided that now is the time to launch freighter operations?

De Bruijn says the pandemic has shown airlines the value and importance of cargo operations, while Canada as a geographic area is ripe for all-cargo flying.

"Canada is twice the size of the European Union," she comments. "You are very dependent on aviation and air cargo."

She explains that like elsewhere in the world, Canada faces supply chain issues including truck driver shortages and rising



Photos: WestJet



Photo: WestJet

Boeing 737s were the natural choice of freighter as they are already the mainstay of the WestJet fleet

→ fuel prices, and these issues are exacerbated by the distances involved.

The weather conditions also impact heavily on overland supply chain operations during the winter months, she says.

However, while these supply chain issues may help freighter operations in the short term, the project has long-term ambitions and the underlying market requirements support this approach.

She explains that the air cargo market in Canada is underserved, with only CargoJet and more recently Air Canada providing large-scale freighter operations.

Although both carriers are expanding their freighter operations, de Bruijn says the logistics needs of Canada mean there is plenty of room for healthy competition.

On aircraft, de Bruijn says that it made sense to utilise Boeing 737 aircraft for its freighter operation, given that the passenger model is the mainstay of the WestJet fleet.

“We understand the aircraft, we have the pilots, we have the operation; it’s just the maindeck door instead of a cabin door,” says de Bruijn.

Initial focus

De Bruijn adds that in months since she joined, her main focus has been on launching a “safe and secure freighter operation”, and getting to grips with a new customer profile.

“In my first months I have also been learning the different customer profile because intra-Canada, it’s not freight forwarders that are the majority, it’s the direct shipper.

“It’s the person that calls you and says ‘hey, I want to ship my pet’, or the e-commerce company that wants to do something. So, I’ve

also been getting to know that customer profile and how to actually approach that within intra-Canada.”

She adds that on the international bellyhold operations, forwarders are still the main customer base.

De Bruijn says developing a longer term strategy has also been part of her focus since her start in late April. She says this could involve further expansion of the freighter operations – potentially internationally – but that has yet to be decided and the focus for now is on intra-Canada operations.

While WestJet Cargo is rolling out the freighter aircraft, the division also manages the bellyhold capacity for the group’s three established airlines: WestJet, Swoop and Encore. WestJet operates B737 and B787-9 aircraft, low-cost subsidiary Swoop flies B737s, and Encore operates turboprops.

In total, WestJet has more than 180 aircraft and flies to more than 100 destinations in North America, central America, the Caribbean and Europe.

De Bruijn says the freighter network will be interlocked with the B787 widebody flights into Calgary.

‘I’m not too concerned because every time the cycle goes down, it will go back up. You just have to weather the storm in a very smart way’

Kirsten de Bruijn, WestJet Airlines

Most recently, the carrier announced the return of 17 sun routes to its network this winter – including destinations in the US, Caribbean, Mexico and Central America – that were suspended due to the pandemic. This comes after Canada dropped all Covid-related travel restrictions on October 1.

On the return of passenger flying and its impact on the market, de Bruijn says this may aid WestJet’s all-cargo plans as it means widebody capacity that has been flying intra-Canada will move back out to international services.

To meet the extra capacity that the freighters will bring, WestJet has been busy hiring people with freighter experience and there are more to come. Like other areas of aviation, recruitment in cargo is a challenge but WestJet itself hasn’t had any issues.

De Bruijn says existing relationships in the industry helped on this front. And while the weather in Calgary can be a challenge, the company has recruited internationally and has bases in many locations.

“I haven’t survived the winter there yet, so I hope I do,” she quips.

For handling, WestJet partnered with GTA dnata starting in Vancouver in August and Calgary in October, in addition to an existing partnership in Toronto.

“Having the right service partner to handle cargo is crucial because that makes or breaks your product,” she says.

Looking at other areas the airline is investing in, digital is a key focus for the carrier and WestJet is cutting over to the SmartKargo platform this year to help customers that want to self-serve.

Personal touch

However, de Bruijn says that for many customers the personal touch is important.

She gives the example of individuals looking to ship their pets who need the personal reassurance that can only be achieved by speaking to someone.

“Our focus is digital where it is appropriate for the different customer segments,” she says.

Looking at the overall airfreight market, de Bruijn remains positive despite the volume declines that have been registered this year.

She points out that the air cargo market has always been cyclical: “I’m not really too concerned because every time the cycle goes down, it will go back up. You just have to weather the storm in a very smart way.”

De Bruijn adds that the direct shipper customer profile WestJet has on intra-Canada cargo flights may also be affected differently to the global air cargo market.

“It is shipping the needs of individuals and that might not change as much as the global air cargo market,” she comments. “We do have a different profile.”



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Increasingly, the world's airlines are calling on the services of general sales agents (GSAs) or general sales and service agents (GSSAs) to manage their cargo activities in everything except their core home markets.

The classic GSA/GSSA market was one that was significant to carriers but not big enough to justify them having their own presence.

Ireland is a case in point, says Ian McCool, managing director of International Airline Marketing (IAM), one of the largest GSSAs in Dublin.

The total Irish airfreight market is no more than about 150,000 tonnes a year, but it is a vital kingpin of the economy, particularly exports of pharmaceuticals.

McCool explains: "Ireland is a small market by European standards. We are an island nation off the coast of Europe with little or no feed from other European markets, so there is very little consolidation of Irish exports compared with some of the large European gateways. The numbers would not add up for many airlines to operate their own office in Ireland and it is definitely far more effective to utilise a professional GSSA."

However, being a GSSA is no sinecure: "Ireland is a very service-driven market and GSAs and airlines have to offer top-class service to hold their market. If they do not, they cannot survive. Then it is about getting the correct portfolio of quality carriers."

"Once you have a good working relationship with your principals, you have to ensure you are achieving the best results and it is the constant drive of the IAM team to ensure we are getting the most out of the market."

"Thanks to the support we get from the freight forwarding community in Ireland and from many shippers who have validated some of our key route offerings, we continue to move between 22% and 30% of the air export market from Ireland."

This figure will vary by month and can be dependent on the capacity IAM has to offer.

Wide portfolio

Not all GSSAs are single-country entities. A number of major groups have evolved – such as ECS, which is continuing to develop its 'Augmented GSA' strategy, says executive chairman Adrien Thominet.

This means: "Offering our customers a wide portfolio of new abilities to always meet their demands and needs."

Using a general sales agent makes sense for airlines that don't have a huge amount of cargo to move at a particular location. Many operators are finding that outsourcing is the right choice, writes **Chris Lewis**



Photo: ECS

Adrien Thominet

ECS is also strengthening its presence worldwide through the development of subsidiaries such as Atlantis, its trucking service in Canada, which has undergone significant changes this year.

"Since our acquisition of Atlantis, the demand for road feeder services has exceeded capacity and so Atlantis is constantly looking at new projects and expansion plans, as well as new opportunities of development," Thominet says.

ECS opened an office in South Korea last November and last August strengthened its

presence in Asia with the opening of an office in Japan.

Chief commercial officer Robert Van de Weg adds that ECS is now offering many new services under the Augmented GSA strategy.

"Regarding Total Cargo Expertise, we managed many thousands of charter flights over the last two years and our airmail volumes are steadily rising, in particular ex-Europe," he says.

"Moreover, our Total Cargo Management expertise is also in high demand. Our contract with FlyOne (a Moldovan-based low-cost carrier) has been renewed and other contracts will soon be announced."

"One of our abilities is to cover the full scope of cargo processes. Our approach has been designed based on our expertise, for our clients' needs, taking their feedback into account."

New approach

ECS's Mail & More service carried 250 tonnes on regular flights in July.

During the first part of the year, the market was charter driven, with 80 tonnes transported, while it was driven by regular mail and e-commerce flows from April.

During the Covid lockdowns, postal operators and e-commerce consolidators switched from a tender driven approach to a buyer approach.

Van de Weg adds: "We now foresee tender processes coming back in early 2023, but most players remain very agile in their approach and consider a wide range of airline options and routings for their flows."

"We are forecasting our growth on Mail & More to reach 75-100% in 2023, with new co-operations with airlines on a number of very exciting projects, as well as business development with postal operators and e-commerce consolidators out of the Americas and Asia, with a focus on Southeast Asia."

Over the past few years, ECS has focused on increasing its presence in Asia, both north and south, Thominet continues.



Photo: ECS

Robert Van de Weg



ECSA
GSSA

PILLAR 1



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→ “This is a highly dynamic region with a great deal of potential. The ECS Group’s promise is to offer the strongest Asian network with unlimited connections.

“We inaugurated Globe Air Cargo in Seoul, Korea, in November 2021 and we also opened an office in Japan in August.”

He says that digitalisation is a strategic lever that is increasingly becoming essential.

“We have our own incubator with the Cargo Digital Factory. It already offers various tools such as Quantum, which supports the ad-hoc pricing process, Apollo, a business intelligence and reporting system with real-time full visibility of results, combining market and performance information, and Pathfinder, our in-house shipment tracking system.”

This is part of the technology pillar of the Augmented GSA concept.

“The Cargo Digital Factory is, with Wiremind Cargo, CargoAi and recently Rotate, part of CargoTech, an independent entity which acts as an accelerator of tech companies and talents to transform and digitise the cargo industry.”

Jaime Salguero, chief commercial officer at UK-based Airbridge International Agencies (AIA) sees the industry slowly coming back to traditional pre-Covid cycles in the short and medium term, with passenger capacity coming back and a selective yield drop on some trade lanes and regions.

But full freighter operations will remain even if financial and logistics challenges lead to a slowing down in the trends seen in the past couple of years.

“We expect a trade slowdown, mainly due to global economy and energy prices impacting our overall airfreight business,” he says. “However, we have also identified new business opportunities and feel rather optimistic for 2023.”

Expansion

He adds that AIA expanded significantly this year: “Our German operation is growing very fast and we just hired two new staff to support our sales and customer service in the country.

“In Ireland another two staff joined us this year in our Dublin office and we recently grew our UK force with another four new sales and operations staff adding value to our local solid business in London Heathrow and northern UK territories.”

AIA also expects additional team members to join its operations in Poland and Austria.

Salguero continues: “We set up our new cargo office in Amsterdam, where we expect some new airline contracts to be signed for us to sell in the Netherlands.”

The company is also investing in a new IT cargo management system to be implemented on January 1 and recently launched



Photo: AIA

a marketing department to support its entire network with digital solutions to promote its worldwide services and products.

UK-headquartered GSSA HAE has also added new activities such as handling, solutions for e-commerce, aviation security and handling – and this has proved to be a good move, says chief executive Neville Karai.

“Our cargo handling, e-commerce and solutions business grew tremendously during the pandemic and the demand has continued to be stable,” Karai says.

“As airports reopened and new staff needed to be trained for our industry, the HAE Training division has also had a strong 2022.”

HAE’s Quote Management System (QMS) functionality has continued to grow, and this has allowed the company to offshore some activity and improve speed of quotation as well as customer booking or track and trace.

Karai explains: “We have also integrated the use of the system with many of the carriers we work with, who understand that speed of spot price and competitive rates win them business. They will also benefit by working closely with us.”

HAE’s operations have now returned to normal after Covid, he continues.

Activity in terms of numbers of transactions is back up to pre-pandemic levels, although yield fluctuates by market.

Meanwhile, HAE continues to operate with a combination of hybrid home and office working with department heads free to decide what works for them best locally.

There are a number of trends affecting airfreight capacity around the world.

Transatlantic has grown and freighter capacity is still strong; transpacific is still volatile and demand in the US is affecting rates.

Karai adds: “We need to see what schedule changes there will be from summer 2022 to winter 2022 to see if the green shoots of growth in capacity are sustained.”

‘We expect a trade slowdown, mainly due to global economy and energy prices impacting our overall airfreight business. However, we have also identified new opportunities and feel optimistic for 2023’

Jaime Salguero, AIA

There have been a number of new entrants to the market over the past year, including Asian-based e-commerce clients who need help optimising their capacity back to Asia.

There have also been new contacts for new scheduled operations as carriers return to the market.

Import solutions

Ukraine and China are still having a major impact on the supply chain and costs, Karai says.

He states: “We find now carriers are interested for us to take commitments to help them enter markets and handle their trucking and solutions for their customers on imports as well as the traditional export sales. This fits our model very well.”

HAE is finalising its entry to the China market with its joint venture partner and is growing its brand in Egypt.

It has also been running a number of pharma awareness courses for its staff so that they can advise on handling procedures.

Karai explains: “Our group has a strong pharma initiative as this will be where yield will be strongest in our market and a number of colleagues have attended and qualified from courses held in our industry. This helps carriers and customers alike.”



Photo: HAE

Neville Karai



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Four-legged freight

Being a niche part of the air cargo industry has somewhat insulated the animal transport sector from operating challenges in recent years.

Although there was a pandemic-related slowdown, not all businesses were affected negatively and the sector is now thriving – aided by recently increased market capacity and lower rates.

Chapman Freeborn-owned horse transportation air charter specialist Intradco Global is testament to the health of the market.

During the height of the pandemic, the horse transport market almost came to a halt. Now it has bounced back and grown. Intradco Global estimates that the horse market has grown by 30-40%. “The marketplace for horses has been flying, especially in the key markets of Europe and the US,” says Charlie McMullen, director of Intradco Global.

Commercial livestock transportation could also pick up, after it was priced out of the market when airfreight rates rose during the pandemic.

“We used to do upwards of 50 charters a year. During Covid, it went down to zero,” McMullen explains. “It still is very low.”

He is optimistic about the segment’s recovery, providing rates do not climb again.

“We have two charters fixed out of Georgia in the coming months, which are the first that we have seen since Covid struck,” he adds.

Falling rates mean that overall, animal shippers have been better able to compete. “A lot of our clients have been priced out of the market,” McMullen explains. “As rates soften, we expect to see a lot of that business come back.”

The company is seeing fastest growth in the genetic livestock market, with movement of breeding pigs, sheep and dairy cattle remaining stable and busy.

Testing problems

Air cargo operator Challenge Group, which includes Challenge Airlines BE, Challenge Airlines MT and recently IATA CEIV-certified Challenge Airlines IL, says it saw consistent movement of live animals throughout the pandemic, especially horses.

However, Covid procedures did complicate matters. “The only problem we faced was the groom movement, as the testing procedure was not clear,” says Hay Sasson, group chief operating officer.



Photo: Chapman Freeborn

Demand for horse transport is growing fast – after falling to almost nothing during the Covid-19 pandemic

As cargo rates across the industry soften, carriers say opportunities are coming back in the market for moving live animals, writes **Rebecca Jeffrey**

Sasson doesn’t expect demand to change next year. “Airfreight is for animal transport a niche market and a must, especially for horses.

“It is a vertical which has a specific seasonality, so the traffic will be stable.”

Qatar Airways Cargo in fact experienced an increase in live animal transport demand during the pandemic.

Now, although there is more competition

from other airlines, it still has a “very large” share of the market, according to Miguel Rodríguez Moreno, senior manager climate control products, Qatar Airways Cargo.

“We transport between 8,000-9,000 horses a year. Recently we moved a large number of pets through our facilities in Doha.”

Horse and pet transportation are indeed the two main growth areas for Qatar. The carrier’s most important geographical areas for animal transport business are Europe and the US.

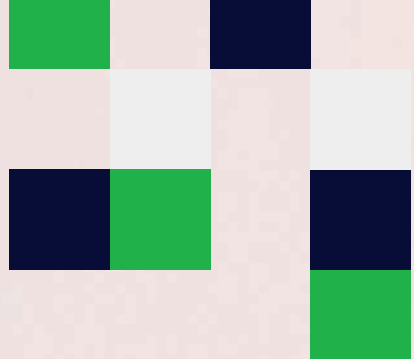
The company has also recorded increased demand for cattle charter shipments or freighter movements.

Wildlife transport is a key part of its operations, under its WeQare sustainability programme, Rewild the Planet.

The programme has seen the relocation of →



Photo: Qatar



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→ animals – including lions, zebras and giraffes – to their natural environments. A challenging project involving elephants is also planned.

While demand is “still high”, global economic and supply chain pressures mean that Qatar is uncertain about how demand might look beyond the first quarter of 2023.

Moreno says: “Towards the second half of the year or the next summer, we could see some negative movements, but it’s still quite uncertain.”

Sector investments

While the equine market has always been the biggest part of Intradco Global’s business, McMullen admits it could be bigger still.

“We have not had as much growth or driven as much growth in our equine products as we should have. Which is truthfully because we didn’t invest enough in equipment,” he explains.

“We are delayed by two years in releasing around 120 HML HMR fully collapsible horse stalls that have been modelled with purely animal welfare in mind.”

The first of these stalls are likely to be produced by March 2023.

Other current investments include B737F and A321P2F horse stalls, and collapsible livestock stalls for B747F and B777F aircraft.

Investments in horse stalls are in response to a shortage within the market.

“Owing to our own production delays, we are more reliant on leasing,” McMullen says.

“It’s likely some airlines have leased horse stalls and not returned them to the lessor because they know there is a shortage.

“And they are quite happy to pay the rental rates, even if they are not flying horses.”

Challenge Group has also made significant equine investments.

It manages the Horse Inn hotel at Liege Airport, where it takes care of horses for all airlines operating at the airport before aircraft loading.

“Everything is done to avoid stress and reduce waiting times,” Sasson says. “They are accepted five hours before the flight to ensure



Intradco Global is about to introduce upgraded horse stalls designed to the very highest welfare standards

that their trip inside the container is as short as possible.”

Recent investments include regular staff training and more owned stalls.

Additionally, Challenge Handling has developed with Air Tech Innovations what it says is a unique prototype trailer designed for safer and faster transfer of horses on the ground.

“It has been built to transport horses from one side of the airport to the other in a smooth, safe and efficient way. It also allows grooms to have access to the stalls at any time.”

Qatar has made a game-changer investment this year.

The airline’s February order for 34 Boeing B777-8F freighters with options for a further 16 of the model is expected to support animal operations.

“These aircraft have more payload capabilities than current aircraft to allow for more animals to be transported and the technical design includes ventilation and temperature control capability,” Moreno says.

Another investment is its Live Animal Centre at Hamad International Airport, Doha, which provides “much larger capacity for handling live animals”, according to Moreno.

Qatar aims to keep up to date with best practice through its membership of the International Pet and Animal Transport Association (IPATA) and the Animal Transport Association. It is also part of IATA’s Live Animals and Perishables Board (LAPB).

In January this year it was awarded IATA CEIV live animal certification.

Digitalisation and automation are important focus areas for Qatar, which is aiming to streamline its processes.

“We are working on our digital framework to have all cargo booked online,” Moreno explains.

Camels next

Meanwhile, Intradco Global plans to build one set of camel stalls in response to dairy demand in the Middle East.

The company is also planning to open a Melbourne office in the next 12 months that will focus on the equine and livestock markets, and is looking into leasing an aircraft in the US to serve equine projects.

One of its most notable recent developments, though, has been its move into freight forwarding activity, part of its plans to be a more integrated logistics company.

This has been demonstrated by the evolution of day-old chicks charter services for poultry shippers – set to become a larger focus in 2023 – to include management of freight forwarding services.

“Freight forwarding will enable us to offer a full service to animal shippers,” McMullen says.



The team at Challenge Group celebrates the recent award of its IATA CEIV certification



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The genetic livestock market has held up well

Along with investments and advances in the animal transport sector, there is also continued evolution of legislation.

IATA has released the 49th edition of the Live Animals Regulations (LAR), effective from January 1, 2023.

Sonia Ben Hamida, head of special cargo, IATA, notes that the LAPB has developed an In-Cabin Live Animal Acceptance Checklist to assist supply chain stakeholders with the acceptance of live animals travelling in the cabin.

Implementation of the checklist will be mandatory from January 1.

The industry body has consolidated the requirements for the Live Animal Acceptance Checklist, included new guidance and requirements on sedation that affect shipper responsibilities and provided further clarity on general loading procedures and specific handling procedures for horses.

Variations to regulations where states and carriers have more stringent requirements than the Live Animals Regulations have also been updated.

The LAPB has several active task forces to enhance the regulations with regard to species-specific needs, and improvements to or development of new container requirements for humane transportation, among other topics.

To increase access to the regulations, IATA is also investing in digitalisation. Its interactive cargo task force is looking at how using real-time information can improve processes and reduce transport time.

Hamida says: "The industry is focusing on technologies such as lighting and ventilation, which are evolving to better monitor the status of live animals and provide increased comfort and better transport conditions."

At the beginning of this year, IATA also signed a memorandum of understanding with the World Association of Zoos and Aquariums (WAZA) to collaborate on maintaining high standards of transportation for live animals.

Additionally, the 2018-launched IATA CEIV Live Animals certification programme has now certified 26 companies and more than 10 are in the certification process.

Ongoing challenges

One ongoing challenge is that road and air animal transport regulations aren't aligned, McMullen says.

"Within the EU there is legislation in relation to ground transport movement of live animals. And in the air, the legislation stops.

"You could theoretically put them on an aircraft for 60 hours and you wouldn't be breaking any law.

"There should be more of a connection between what road and air is doing."

He says there are also grey areas within legislation that can sometimes see animals spending longer than necessary in transit.



For example, he says, vets often have different interpretations of what the resting period should be within ground transport and that can result in a shipment of animals missing a flight.

However, McMullen believes digitalisation is helping in three ways.

First, he says: "Digital data with our capacity holders and demand holders make us more efficient on a pricing basis."

Second, he adds, tracking helps animal welfare by providing exact data to address problem areas, with in-depth information on temperature, humidity and live video feeds.

Third, software used by the company links up to the shipper and handling agent for improved traceability.

Moreno also backs digitalisation and believes visibility and transparency will improve in animal transportation because of improvements in the availability of real-time information.

This latter development will also aid welfare and safety.

"Regulations, policy compliance, training and the right dedicated personnel for live animals handling are vital for safety," he says.

"The biggest challenges are to ensure capacity is available in peak seasons and to have the right equipment."

Digitalisation can help live animal shipment efficiency be improved but more work is needed, Sasson stresses.

"We have implemented the IATA acceptance checklist internally in electronic format, but we still see a digital gap in the shipper certification and clearance process.

"We therefore recommend greater connectivity between all stakeholders involved in the process, such as the veterinarians."



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Extra capacity and soft demand lead to sharp fall in load factors

AIR CARGO demand softened in September, as cargo tonne kms (CTKs) fell by 10.6% year on year, according to the latest IATA airfreight data.

Capacity was 2.4% above September 2021 and load factors fell by seven percentage points to 48.1%.

IATA said that several factors in the operating environment should be noted.

The global Purchasing Managers Index for new export orders contracted to its lowest level in two years.

Latest global goods trade figures showed a 5.2% expansion in August, a positive sign for the global economy. This is expected to benefit primarily maritime cargo, with a slight boost to air cargo as well.

Oil prices remained stable in September and the jet fuel crack spread fell from a peak in June.

The Consumer Price Index stabilised in G7 countries in September – but at 7.7%, the highest level for decades. Inflation in producer (input) prices slowed to 13.7% in August.

Willie Walsh, IATA's director general, said: "While air cargo's activity continues to track near to 2019 levels, volumes remain below 2021's exceptional performance as the industry faces some headwinds."

"At the consumer level, with travel restrictions lifting, people are likely to spend more on vacation travel and less on e-commerce. And at the macro level, increasing recession warnings are likely to have a negative impact on global flows of goods and services, balanced slightly by a stabilisation of oil prices."

"Against this backdrop, air cargo is bearing up well. And a strategic slowdown in capacity growth from 6.3% in August to 2.4% in September demonstrates the flexibility the industry has in adjusting to economic developments."

In a breakdown of regional performance for the month, IATA stated that Asia Pacific airlines saw their air cargo volumes decrease by 10.7% year on year in September 2022.

Airlines in the region continue to be affected by the conflict in Ukraine, labour shortages, and lower levels of trade and manufacturing activity because of Omicron-related restrictions in China.

IATA said North American carriers posted a 6% year-on-year decrease in cargo volumes.

European carriers saw a 15.6% decrease in cargo volumes

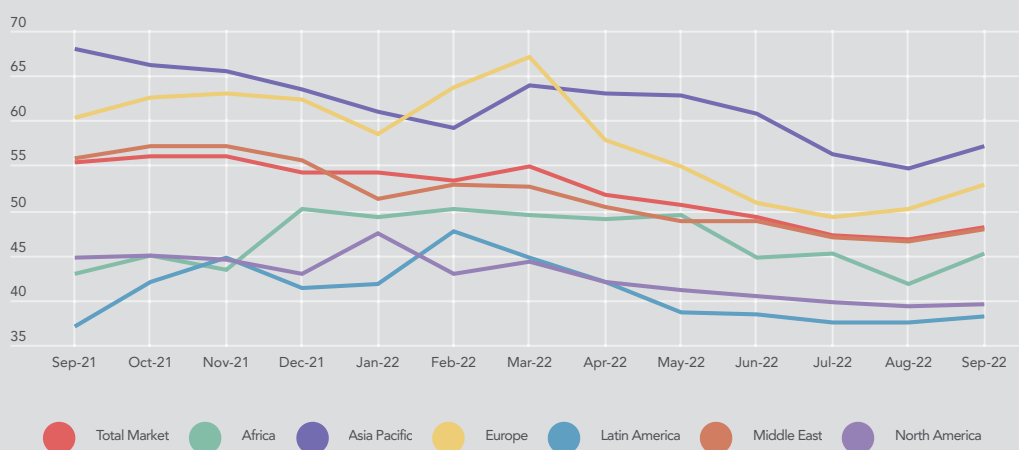
for the month. This is attributable to the war in Ukraine, labour shortages and high inflation.

Middle Eastern carriers experienced a 15.8% year-on-year decrease in cargo volumes in September 2022. Stagnant cargo volumes to/from Europe affected the region's performance.

Latin American carriers reported an increase of 10.8% in cargo volumes in September 2022 compared with September 2021.

African airlines saw cargo volumes increase by 0.1% in September 2022 compared with September 2021.

Airline cargo load factors (%)



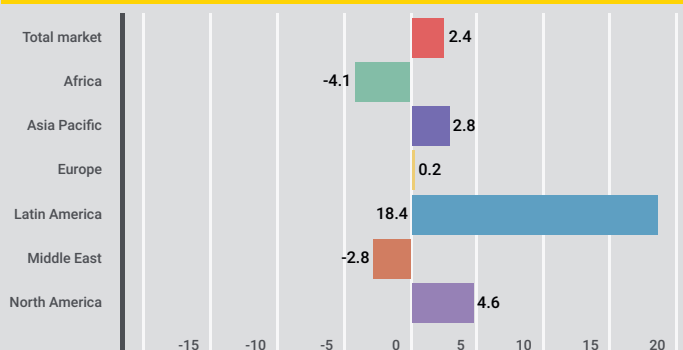
source: IATA

Sep 2022 CTK v Sep 2021 CTK (% change)



source: IATA

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



source: IATA

Rates still waiting for seasonal uplift

AIRFREIGHT RATES continued to buck normal seasonal trends and fell again in October as the air cargo market remained subdued.

The market usually sees an increase in rates out of Asia between September and October as the industry ramps up towards the peak season. However, that was not the case this year.

The latest figures from the Baltic Exchange Airfreight Index (BAI), which take into account spot and contract pricing paid by forwarders, shows that prices from Hong Kong to North America declined in October to \$6.74 per kg from \$7.94 in September.

Rates on the route are also down by 32.2% year on year.

Meanwhile, average rates from Hong Kong to Europe in October slid to \$5.78 per kg from \$6.09 per kg a month earlier.

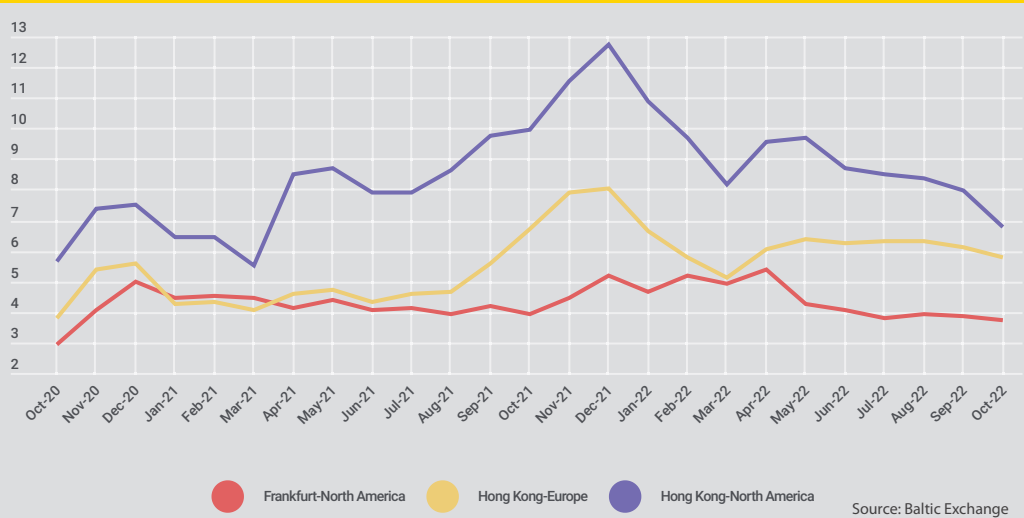
Compared with last year, prices on the route are down by 13.5%. However, rates in October on both routes are still ahead of 2019 pre-Covid levels, when forwarders were paying

\$3.49 per kg from Hong Kong to North America and \$2.82 per kg to Europe.

The price falls come amid a weak market outlook owing to slower consumer spending

caused by inflationary pressures, ongoing lockdowns and their impact on production. Cargo capacity continues to recover as passenger flights – with belly-hold capacity – are restarted.

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



Global volume declines accelerate

SEPTEMBER WAS another tough month for the world's cargo airports as volume declines deepened at many major hubs.

The falls come as inflation begins to put pressure on consumer spending and economic uncertainty continues.

The end of last year was also a particularly strong period for air cargo as economies began to open up and container shipping

and supply chain bottlenecks in general resulted in a modal shift to air cargo.

The world's largest cargo hub, Hong Kong International, saw its cargo volumes in September drop by 25% compared with a year earlier.

"Cargo volume was affected by global economic uncertainties, ongoing geopolitical tensions and disruptions to

global supply chains," the airport authority said. Exports and imports saw decreases of 30% and 25%, respectively, compared with the same month last year.

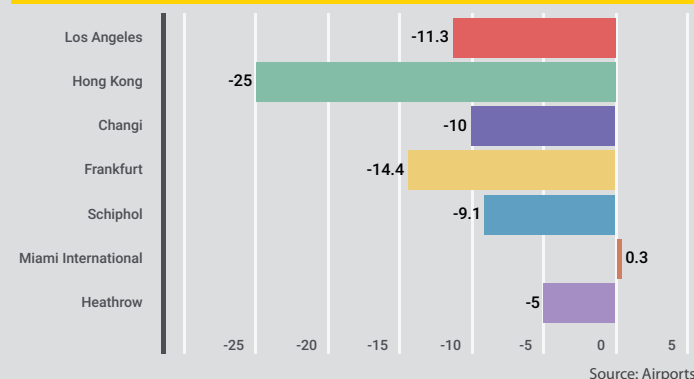
"Cargo traffic to and from key trading regions in North America and Europe registered the most significant decreases."

Europe's busiest cargo hub, Frankfurt, said its cargo volumes were affected by "the overall

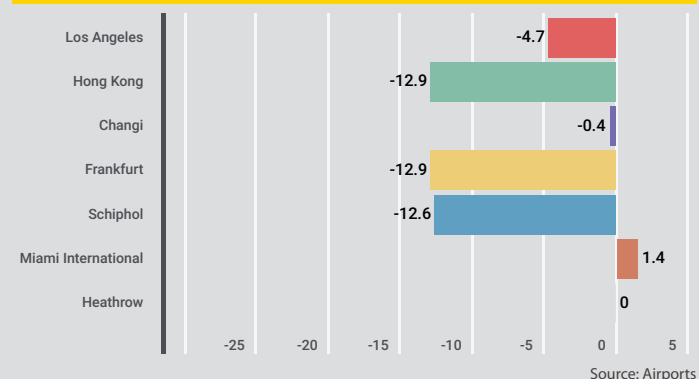
economic slowdown, airspace restrictions related to the war in Ukraine, and the extensive anti-Covid measures in China".

The only airport on our list of sample facilities to report an increase in the month was Miami International. The US hub continues to benefit from its position as a gateway to Latin America, an area that is performing better than most.

Sep 2022 v Sep 2021 cargo volumes (% change)



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



Container rates fall steeply

Oceanfreight spot rates have declined dramatically in recent weeks as a poor peak season and increasing capacity have eased congestion at seaports.

The latest figures from rate portal Freightos show that in mid-October the cost of shipping a 40 ft container from Asia to the US west coast slipped by 81% year on year to \$2,652, while to the east coast the cost fell by 65% on a year earlier to \$5,602.

From Asia to Europe average spot prices for a 40 ft unit were down 66% year on year to \$4,837.

Carriers have responded to the declines by announcing blank sailings.

Data provider Xeneta said that contract rates are likely to follow the spot market.

Xeneta's data shows significant drops in long-term contracted rates now emerging on selected, major routes, such as from the Far East into Europe.

"Although not yet on the scale of the spot collapse, newly contracted long-term rates from the Far East to the Mediterranean have dropped away by 30% since the end of September, also falling by 12.4% into Northern European ports," Xeneta said.

This contributed to all active contracts for the two lanes falling by 13.5% and 8.3%, respectively, in October.



Photo: Shutterstock

Xeneta chief executive Patrik Berglund said: "Even on the routes where we are seeing robust long-term rates, such as the US east coast, there is a question of whether anyone approaching next year's tenders will agree to them when spot rates are so much lower."

"What we may well see is shippers looking to transfer volumes to the spot market, spooking carriers desperate to tie-in business."

"The result? Carriers could be forced to lower those coveted contracted rates."

However, Freightos head

of research Judah Levine said there could be rough seas ahead.

He pointed out that negotiations between dock workers and terminals on the US east coast were showing signs of becoming strained.

"In possibly the biggest industrial action in this dispute so far, [union] members shut down operations for the day at the Port of Oakland's main terminal on Monday," he said.

Looking at the wider market, Levine pointed to recent comments from Hapag-Lloyd chief executive Rolf Habben Jansen.

"Hapag-Lloyd's chief executive speculated that rates could continue to fall, as demand for freight has decreased both from slipping consumer demand and from inventory build-ups for many importers who placed larger orders earlier in the year to avoid delays and shortages," Levine said.

"But he also believes that rates could rebound somewhat once inventories normalise and that carriers will likely start removing more capacity once delays improve and vessels are able to get back into their scheduled positions."

People



Unilode Mohammed Akhlaq
ULD specialist Unilode Aviation Solutions has appointed Mohammed Akhlaq as chief

commercial officer. Akhlaq joins from dnata and has more than 30 years of experience in senior commercial and operational roles in the aviation industry, working with airlines, handlers and forwarders.



Air Charter Service Brian Rodriguez
Air Charter Service (ACS) has appointed Brian Rodriguez to head up its Florida operation.

Rodriguez will be based in Miami. He has worked for ACS for more than 10 years, starting at the US headquarters in New York, and has held various managerial and directorial positions.



Cologne Bonn Tony Geslao
Cologne Bonn Airport has appointed Andrea Tony Geslao as head of the cargo sales department. In his new role,

Geslao "wants to drive forward the positive development of cargo traffic at the airport". Geslao has been working at the airport since 2018, most recently heading the airline marketing department.



DG International Laura Odell
DG International is planning to expand its presence in air cargo and has appointed Laura

Odell as head of airfreight. Odell has worked in the industry for more than 24 years. She joins from ZenCargo, where she was primarily responsible for expanding its air network strategy.

The journey towards a greener world has to start somewhere

**Billund Airport is on a green journey to contribute to the green transition
- the same goes for Cargo Center Billund.**

Billund Airport A/S is CO₂-neutral on the direct emission. This can't be done from one day to another by reducing emissions only. That is why Billund Airport is buying compensation through afforestation for the emissions that can't be reduced at this point. The journey towards a greener world has to start somewhere. And this clearly shows at Cargo Center Billund as well.

Read more on www.bll.dk/cargo



Green lights

Light bulbs are replaced with LED to decrease electricity consumption and to save cooling resources.



Electric vehicles

If the technology is there, Cargo Center Billund is replacing old diesel driven vehicles with electrical vehicles



PtX Partnerships

In the future, aviation will be driven by green fuels. Billund Airport supports this both locally and via national PtX partnerships.



CO₂-neutral Airport

Billund Airport A/S is CO₂-neutral on the direct emissions. What can't be reduced for now, is currently compensated with afforestation.



MAERSK

Rise up beyond supply chain challenges

With truly integrated logistics solutions
from Maersk Air Freight.



For more information scan here