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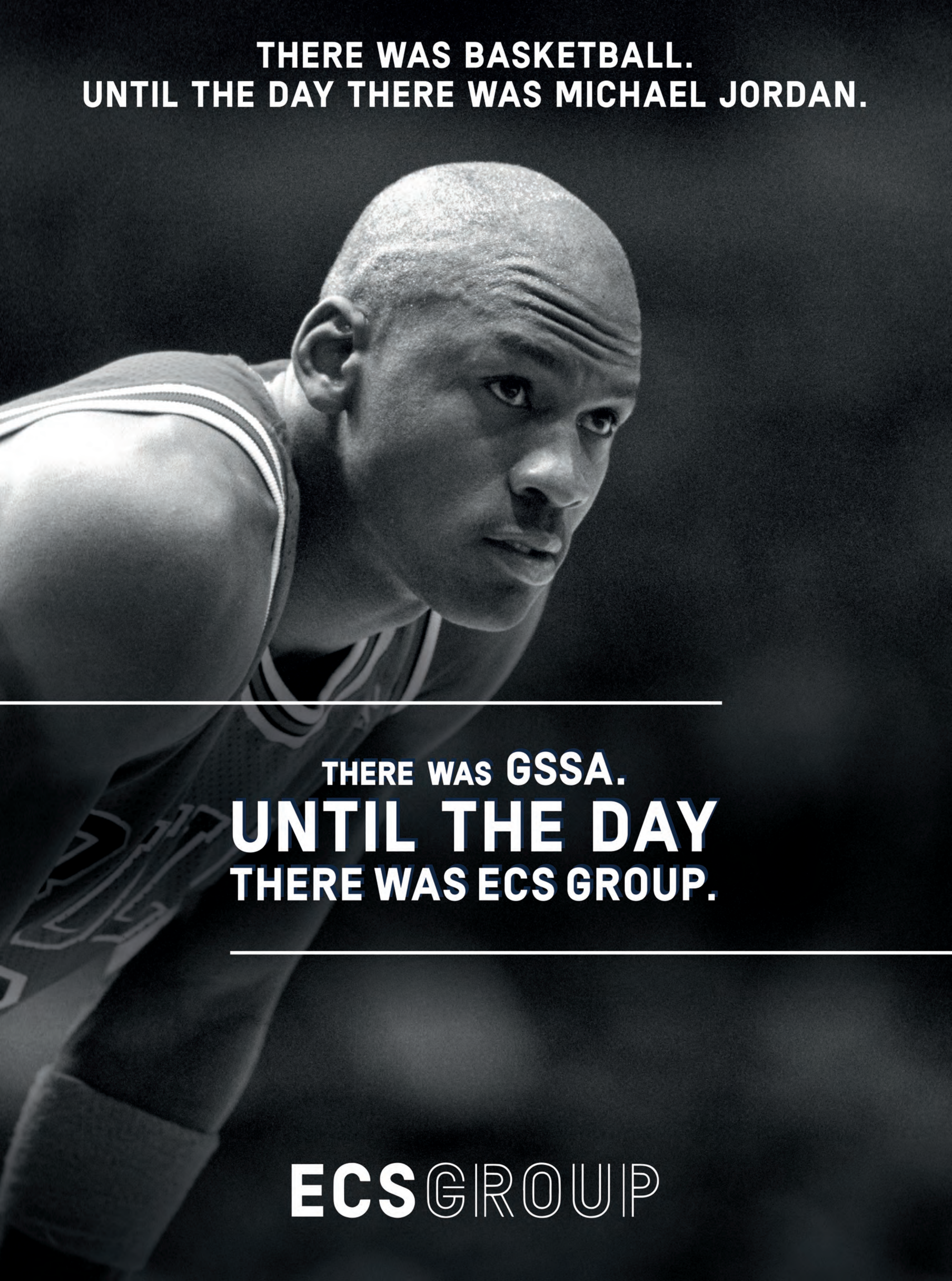
THERE WAS BASKETBALL.
UNTIL THE DAY THERE WAS MICHAEL JORDAN.
THERE WAS GSSA.
UNTIL THE DAY
THERE WAS ECS GROUP.
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ACW
AIR CARGO WEEK
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Sri Lanka embraces e-commerce

e-commerce has been on a growth trajectory in the last five years, accelerating at a tremendous pace when online retail shopping became the norm during the Covid pandemic. As Asia has the largest share of the global e-commerce market, set to expand by 61 percent by 2025, the demand for the air cargo industry is inevitable.

"e-commerce was already on the rise even before the pandemic started, but it was confined to specific market segments, regions and commodities," Chaminda Perera, Head of Cargo at SriLankan Airlines, said. "It was on an exponential growth path when the pandemic restrictions were enforced, and it has shown a clear uptick since then.

"It is interesting to examine if there is any cannibalisation from the wholesale market that was transported in larger volumes. Despite that thought, there is no doubt e-commerce has grown phenomenally, which is evident when some e-commerce giants have invested in their own aircraft capacity.

Asia leads the way

There are many e-commerce platforms which are delivering in Asia, be that Alibaba or Temu, producing sizeable volumes and seeking cost-effective logistics schemes to deliver goods swiftly to their customers.

Asia remains the largest supplier of online commodities to the global demand and, within that, China continues to be a powerhouse in this supply chain despite facing challenges such as slowdowns due to stringent health and safety restrictions.

However, geopolitical issues have prompted buyers and vendors to diversify their operations.

"China +1 policy has spread the production market within the Asia region," Perera explained. "Countries such as Vietnam, Cambodia, Myanmar and India have emerged as leading countries that supply products, boosting the Asia-Pacific's standing in this sector."

Seasonal shifts

e-commerce is particularly susceptible to seasonality, as peak purchasing trends are based on seasonal factors, events, and promotions. Holidays, such as Christmas, Black Friday, Valentine's Day, Chinese New Year, Mother's Day, Father's Day, etc all put pressure on the logistics sector as volumes spike.

Digitalisation of documentation, including airway bills, will support these peaks and troughs by enhanced efficiency across the e-commerce sector and ensuring greater preparation.

"Whoever is geared to handle e-commerce traffic with the technological advancements will be able to reap the harvest," Perera stated. "e-commerce movements including returns that accounts for a return rate of 15 – 20 percent will boost the loads of airfreight."

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Biden Administration criticised over cargo infrastructure investment failures

IN response to the recent announcement of US$970 million in grants for airport improvements across the United States, Brandon Fried, Executive Director of the Airforwarders Association (AfA) has been vocal in his criticism over how this substantial funding has yet to be designated for critical enhancements in cargo areas to alleviate truck congestion.

While acknowledging investments in terminals, concourses, and baggage-handling systems are undoubtedly important, the AfA is clear that neglecting the urgent needs of cargo infrastructure is a missed opportunity that directly impacts the efficiency and competitiveness of our nation's air cargo industry.

"The Biden administration has been reluctant to allocate specific funding to cargo sector improvements because, despite acknowledging the importance of infrastructure investments, they have primarily focused on passenger-related infrastructure such as terminals, concourses, and baggage-handling systems," Fried stated.

"There seems to be a lack of recognition regarding the urgent need for cargo infrastructure and the significant impact it has on the efficiency and competitiveness of the nation's air cargo industry."

Costing cargo

"Air cargo carriers, as well as commercial service passenger carriers, and all other aeronautical users of the airport, benefit from funds granted for improvements to runways, taxiways, and other airside safety-related needs at the airport," a US Department of Transportation stated.

"Since 2019, the Federal Aviation Administration (FAA) has awarded 473 grants worth over $510 million in cargo funding, with the vast majority of those funds used for capital improvements that benefit all users of the airport including cargo specific carriers.

"The FAA has also award 80 grants under AIP for US$394 million to airport sponsors in direct support of projects related to air cargo operations, with the majority of funding going to the rehabilitation and expansion of cargo specific aprons."

However, the AfA warned that the reluctance to prioritise funding directly for cargo infrastructure reflects a long-standing issue where airfreight has often been seen as secondary to passenger air travel.

Cargo infrastructure improvements have not received the same level of attention and funding as passenger-related infrastructure despite the air cargo industry's vital role in facilitating trade and driving economic growth.

"It is difficult to provide an exact figure, but the financial impact of challenges around cargo infrastructure and delays faced by trucking and freight forwarders can be significant," Fried warned.

"Excruciating waits of seven to nine hours during the pandemic, and still around two hours currently, add unnecessary costs and inefficiencies to supply chain operations and hinder the timely delivery of goods.

"These delays can result in increased transportation costs, lost revenue due to delayed shipments, and potential penalties for missed deadlines.

America's place at risk

The restrictions on the cargo sector due to infrastructure challenges have undoubtedly impacted America's place as a global airfreight hub. While the United States has historically been a key player in the air cargo industry, delays and inefficiencies caused by outdated infrastructure have diminished its competitiveness compared to modern hubs like those in the Middle East. These challenges may shift air cargo routes and operations to more efficient and reliable hubs, resulting in a loss of market share and influence for American airports.

"Rectifying the challenges in the cargo sector will require significant time and investment," Fried accepted. "While the exact timeline depends on various factors such as the extent of funding allocated, the complexity of infrastructure projects, and regulatory processes, it's reasonable to expect that substantial improvements could take several years to materialise.

"Even with adequate funding, addressing long-standing infrastructure challenges may require a phased approach and ongoing maintenance to ensure sustained progress.

"There is hope that Secretary Buttigieg and President Biden will heed the warnings from the industry and recognise the importance of supporting the air cargo sector. The concerns raised by the US Airforwarders Association (AfA) and the National Customs Brokers and Forwarders Association of America (NCBFAA) highlight critical issues that require attention to maintain the competitiveness of the nation's air cargo industry.

"However, given the historical prioritisation of passenger-related infrastructure and the complexity of infrastructure funding and policy decisions, there may be challenges in shifting priorities and securing the necessary support for cargo sector improvements. Continued advocacy and collaboration between industry stakeholders and government officials will be essential to ensure that the necessary changes are made to effectively support the air cargo sector."

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Challenging year doesn't halt charter growth

WHILE the airfreight industry is looking towards a more positive future, putting the pandemic behind it, the past 12 months were still undoubtedly a challenging period for everyone, as the world grappled with a series of geopolitical and economic shocks.

Despite the global environment, Challenge Group faced this environment head-on, with Or Zak, the charter broker's Vice President Commercial, pointing to their value proposition as the backbone of their operations.

"Our strategic focus on handling unique cargo, providing end-to-end solutions, and fostering strong customer relationships played a significant role in our performance," Zak explained.

"Unlike some carriers that cancelled allocations and increased prices in response to the pandemic, we stood by our customers, offering support and stability. This commitment paid off as the market began to recover," he continued. "Despite the potential allure elsewhere, our customers remained loyal, recognising the rarity of our services in the industry."

Fleet integration

While traditionally having operated 747 freighters, now managing five within its fleet, Challenge Group is constantly looking at how to evolve its services, as opportunities emerge in the market, adding new aircraft to its portfolio.

"The 747 has proven to be a valuable asset for our operations. It aligns seamlessly with our business model and the specific commodities we transport," Zak highlighted.

"As the market started to rebound, we were quick to seize opportunities, acquiring our fifth 747 towards the end of last year.

"However, as demand remains for operations, we are eager to not only expand our network but also grow our fleet, capitalising on the 747 and looking at other aircraft types."

The introduction of the 767 freighters will seek to revolutionise the way Challenge Group operates, providing greater flexibility and adaptability, tapping into short and medium-haul routes within the European Union, the Indian sub-continent and the Middle East.

While acknowledging that taking on new aircraft, particularly after operating one main type for so long requires a shift in the company's mindset, Zak is confident it is worth the investment.

"Even before the introduction of our first 767, we noticed a shift in customer behaviour. Smaller requests started coming in and within the first week of having the 767, we successfully operated charter flights, showing the market was there for this business," he highlighted. "It's not merely about adapting to a new aircraft. It's about uncovering unforeseen opportunities and enhancing our capabilities to serve our customers better."

AOC advantage

With Challenge Airlines IL holding an Israeli air certificate (AOC), Challenge Airlines BE possessing a Belgian AOC and Challenge Airlines MT having secured a Maltese AOC, the airline is able to engage in operation with enhanced flexibility over where and how they can fly.

Regardless of external circumstances, Challenge Group is determined to remain resilient, seeing the need to adapt to changes as just part of their approach.

For instance, if airspace restrictions arise, they are prepared to find alternative routes swiftly. The agility of these operations allows Challenge Group to navigate any hurdles promptly, avoiding burdensome delays in a sector that requires speedy and reliable operations.

"The diverse fleet and multi-AOC operational structure allows us to extend a range of options to our customers," Zak stated. "In the current landscape, marked by Covid and geopolitical challenges, customers want stability, and we can position ourselves as a reliable provider, ready to meet demand and deliver solutions."

Maximising cargo sales and capacity

TODAY'S General Sales and Services Agent (GSSA) landscape differs significantly from what it was 20 years ago. While relationships remain pivotal, technology is playing a crucial role in allowing companies to compete.

Despite being a small to medium-sized multinational company, M&C Aviation has leveraged the opportunities available within the market today to secure a foothold in about 50 offices in approximately 27 countries, with a goal of 50 nations.

In this pursuit, the GSSA has implemented a comprehensive operating system to streamline and enhance operations, aligning with the contemporary demands of the industry.

"We definitely need technology as one of our drivers," Charles Wijesundera, M&C Aviation's Group CEO, stated. "We are seeing the value of digitalisation, continuously innovating. If you don't get on board, you lose out. This is the future."

With this approach central to its growth, M&C Aviation has integrated cutting-edge technology into its internal systems, establishing seamless connectivity with nearly all carriers. This technological integration spans various aspects, from booking and financial operations to customer service. The GSSA has also incorporated a mobile application for tracking purposes, reaching an advanced level of operational efficiency.

"To have a system that is up to date will make the whole process seamless, saving time and ensuring the most efficient operations possible," Wijesundera stated.

Regional growth

Having established its roots in Sri Lanka nearly 30 years ago, M&C Aviation has grown its operations, moving its headquarters to Singapore, an emerging international hub, in 2009.

With this base in the APAC region, M&C continued to make inroads, covering major cities in Australia and New Zealand with a network of about nine online carriers and several offline areas.

"Australia and New Zealand present a unique market due to the geographical isolation of the Australian continent. To establish a presence in this region, being a long-haul or major operator is crucial, as low-cost carriers (LCC) are now entering into this market despite challenges in effectively operating into this vast and distant market," Wijesundera continued.

"Our entry into Australia and New Zealand was relationship-driven, relying on the connections and networks we had built in the subcontinent. Despite technological advancements, the GSSA business thrives on personal relationships."

Their expansion continued into the Pacific Islands, reaching destinations like Fiji and various other islands. The GSSA also added coverage of key islands like Seychelles, Mauritius, Madagascar, and the Reunion Islands.

The subsequent phase involved extending their reach to Africa and establishing operations in Tanzania, South Africa, and Mozambique. Resolute in its commitment to strengthening its presence in Eastern Africa, M&C Aviation is targeting countries such as Ethiopia, Kenya, Uganda, Rwanda and continuing development in South Africa.

"Entering Africa followed a similar pattern, with an emphasis on the importance of relationships in the GSSA business," Wijesundera explained. "Establishing a substantial presence requires a broader distribution network, acknowledging the continent's diverse landscape with 48 countries."

With the Middle East an ever-expanding airfreight market, M&C has entered the region, working in Doha, Dubai, Jordan and Oman. Through the various base of operations, M&C is now looking beyond, enhancing operations across their global portfolio.

"Our expansion strategy is rooted in relationship-building and seizing opportunities, reflecting our commitment to becoming a prominent player in the market," he outlined.

Noticeable trends

Looking forward, sustainability is a clear focus for the sector and players. In partnership with allied carriers, M&C Aviation is looking to support the sustainability programmes presented by their partners and industry bodies.

With ongoing conversations and efforts on how to make aviation more environmentally friendly, M&C aims to contribute to the growth of Sustainable Aviation Fuel (SAF). While the current usage of SAF is relatively low, initiatives like those in some nations where they operate, aided by government support, present a promising step forward.

"Our commitment to sustainability, innovative advancements, and strategic positioning defines our trajectory. These aren't just buzzwords, they are a significant aspect of our future activities," Wijesundera explained. "Across the industry, sustainability is becoming something quite significant, going forward, it will be a huge factor to consider.

"As a company, we will support this and the growth of programmes throughout the industry, capitalising on regional developments in areas where we operate."

Conservation mission transports rare sea eagle across continents

IN March, a significant event in the realm of wildlife conservation unfolded as a male sea eagle (Haliaeetus albicilla) embarked on a journey from Zoologicka Zahrada a Botanicky Park Ostrava, Czechia, to Fota Wildlife Park, Cork, Ireland.

Managed by the Pets-on-Board service offered by Dublin-based EFL International Distribution, this intercontinental relocation marked a pivotal moment in the collaborative efforts between two zoological institutions, highlighting the importance of preserving endangered species for future generations.

Facilitated by KLM, the sea eagle's voyage commenced from Prague Airport, transiting through Amsterdam, before reaching its final destination at Dublin Airport. The meticulous planning by the Pets-on-Board team ensured that every aspect of the journey was tailored to prioritise the bird's well-being, from the choice of airline to the specially adapted hard plastic crate used for transportation.

The crate, designed with the bird's comfort and safety in mind, featured a hessian material draped over the windows and doors. This not only served to keep the environment inside calm and dark but also provided adequate ventilation, crucial for the bird's health during transit. Such attention to detail underscores the dedication of the professionals within the Pets-on-Board team to mitigate stress factors that could impact the animal's welfare.

The decision to relocate the sea eagle was rooted in a shared commitment to conservation and breeding programmes between the two zoos. With populations of sea eagles dwindling in the wild due to various threats, including habitat loss and human encroachment, captive breeding initiatives play a vital role in bolstering their numbers and genetic diversity.

Transporting large birds like sea eagles, or any animal, requires specialised handling by trained personnel equipped with the appropriate personal protective equipment (PPE). In the case of the sea eagle, the strength of its beak and talons necessitates utmost caution to prevent any potential injuries during the transfer process.

Furthermore, the time sensitivity involved in transporting endangered species cannot be overstated. Minimising human contact and exposure to unfamiliar stimuli, such as loud noises and crowds, is paramount to reducing stress levels for the animals. Hence, expedited check-in procedures and streamlined transit arrangements are imperative to ensure a smooth and efficient journey.

The successful transportation of the sea eagle exemplifies EFL International Distribution's ability to manage the collaborative efforts of multiple organisations dedicated to the conservation of endangered species. From wildlife experts and airlines to zoo staff and regulatory bodies, each entity played a crucial role in orchestrating a seamless relocation process.

EFL International Distribution's specialised Pets-On-Board Service ensured that the sea eagle received the highest level of care and attention throughout its journey, reaffirming its commitment to animal welfare and conservation efforts.

Pets-On-Board operates globally and specialises in routes to countries with stringent regulations, such as Australia, South Africa, New Zealand and UAE. These destinations demand meticulous paperwork and adherence to specific protocols, which can take several months to complete. The importance of thorough preparation cannot be overstated, ensuring animals meet the strict requirements of these countries.

ROYAL JORDANIAN STRENGTHENS FLEET

> **"Royal Jordanian aims to enhance the Kingdom's position as the logistics hub in the region"**

Royal Jordanian, the flag carrier of the Kingdom of Jordan, has welcomed the first Airbus A321-200P2F aircraft to its fleet, highlighting its strategic goal to strengthen cargo capacity as it meets the growing demand in the region and beyond.

This is the first step towards Royal Jordanian's overall expansion strategy of taking its fleet to 41 aircraft over the coming years to solidify its stance in the market.

Previously delivered to and operated by UK carrier British Midland International (BMI) in 2009 and later acquired by British Airways by means of a merger, the aircraft has now been leased via Ireland-based financial firm UMB Financial Corporation. The aircraft has now been freshly converted out of Singapore's ST Engineering's facility, converted through EFW and Airbus JV.

JY-RAZ, an Airbus A321-200 is powered by twin V2500s engines, offering a medium-haul operational capacity with 14 pallets and container positions on the main deck and an additional ten in the underbelly, offering a total payload capacity of 28 tonnes at a range of 3,500 Kilometres.

At the beginning of this year, Royal Jordanian crafted new strategies around both passenger and cargo services. As part of this effort, Royal Jordanian has introduced two new Embraer E195-E2 jets to cater for short-haul destinations, with two more jets and four Embraer E190-E2 scheduled to be delivered by Q4 2024.

Along with this, the carrier has also placed an order for six Boring 787-9 aircraft and a 20 fleet order from the Airbus A320neo family. This will enhance the service network of the carrier and allow it to reach 60 destinations across the world over the coming years, ushering in the next phase of growth for the airline and supporting Jordan's thriving economic development.

Speaking at the unveiling of the new freighter, Samer Majali, Vice Chairman and CEO of Royal Jordanian Airlines, said: "The carrier has developed the air cargo industry through the implementation of several strategies, increasing sales and improving the quality of services provided to the customers in terms of speed, quality, and accuracy.

"Royal Jordanian aims to enhance the Kingdom's position as the logistics hub in the region and increase its share of the freight market on a regional and international level, supported by the new cargo terminal that is fully automated, serving all kinds of cargo products."

ADAPTING IN A CONSTANTLY EVOLVING INDUSTRY

The future of the airfreight industry will be defined by several key factors. These include technological advancements such as artificial intelligence (AI) and data analytics, which will drive efficiency and innovation.

Sustainability initiatives will play a crucial role, focusing on reducing carbon footprint and adopting eco-friendly practices.

Adapting to evolving market dynamics, such as changing consumer demands and global economic conditions, will be essential for shaping the future of the airfreight industry.

"Airglow Aviation has thrived in recent times by fostering a

culture of agility and adaptability, enabling us to quickly respond to market changes and build strong partnerships," Rohit Thakwani, CEO of Airglow Aviation Services, said.

"Our operational footprint extends across multiple key locations in the Middle Eastern region, including offices in India, Afghanistan, Saudi Arabia, and Jordan.

"Our approach is centred around being boutique Cargo General Sales and Service Agent (GSSA) providers, emphasising personalised service for our partner airlines and customers alike. We prioritise building strong partnerships with our principal airlines and delivering exceptional service to meet the unique needs of our clients.

"We actively collaborate with others in the aviation industry, especially in various regions, to support each other's growth and success. This collaborative approach allows us to leverage collective strengths, share resources, and exchange expertise, ultimately driving mutual benefits and enhancing our position as a trusted partner in the industry."

Return to normality

During the Covid pandemic, the airfreight industry saw a surge in demand and yields. However, as the situation stabilised, demand for medical items decreased. Post-pandemic, trade resumed slowly, leading to lower overall demand.

The resumption of passenger flights increased competition among carriers, resulting in a decline in yields as they vied for cargo space. This led to reduced demand for charters and a shift towards sea transport, resembling pre-pandemic patterns.

Additionally, challenges like higher inflation, currency devaluation, rising unemployment, and conflict-hit trade.

"Despite these challenges, there's optimism as markets steady, with airfreight volumes rising and yields settling, signalling a positive outlook for the industry's future," Thakwani indicated.

"There has been a noticeable shift recently, with a return in demand for freighters, driven by the surge in e-commerce and global humanitarian efforts.

"This evolving landscape indicates a more balanced scenario between bellyhold and freighter market, with freighters regaining prominence due to specific market dynamics."

Automating operations

Technology significantly improves efficiency for GSSAs. AI streamlines processes, automates repetitive tasks, enhances data analysis capabilities, and improves decision-making.

Automation reduces manual errors, speeds up operations, and allows for seamless integration of systems, resulting in cost savings and better service. Overall, technology plays a vital role in optimising operations, increasing productivity, and driving innovation for GSSAs in today's dynamic aviation industry.

"In the evolving GSSA market, Airglow Aviation's main role is to navigate and thrive in a dynamic environment by leveraging technology for efficiency and sustainability," Thakwani outlined.

"The goal is to establish leadership in sustainable GSSA practices, integrating innovative solutions and advanced technologies like data analytics and automation to optimise operations, reduce carbon footprint, and contribute to environmental conservation efforts. This approach aims to set new standards in the GSSA market for a brighter and more resilient future."

"There has been a noticeable shift recently, with a return in demand for freighters"

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