



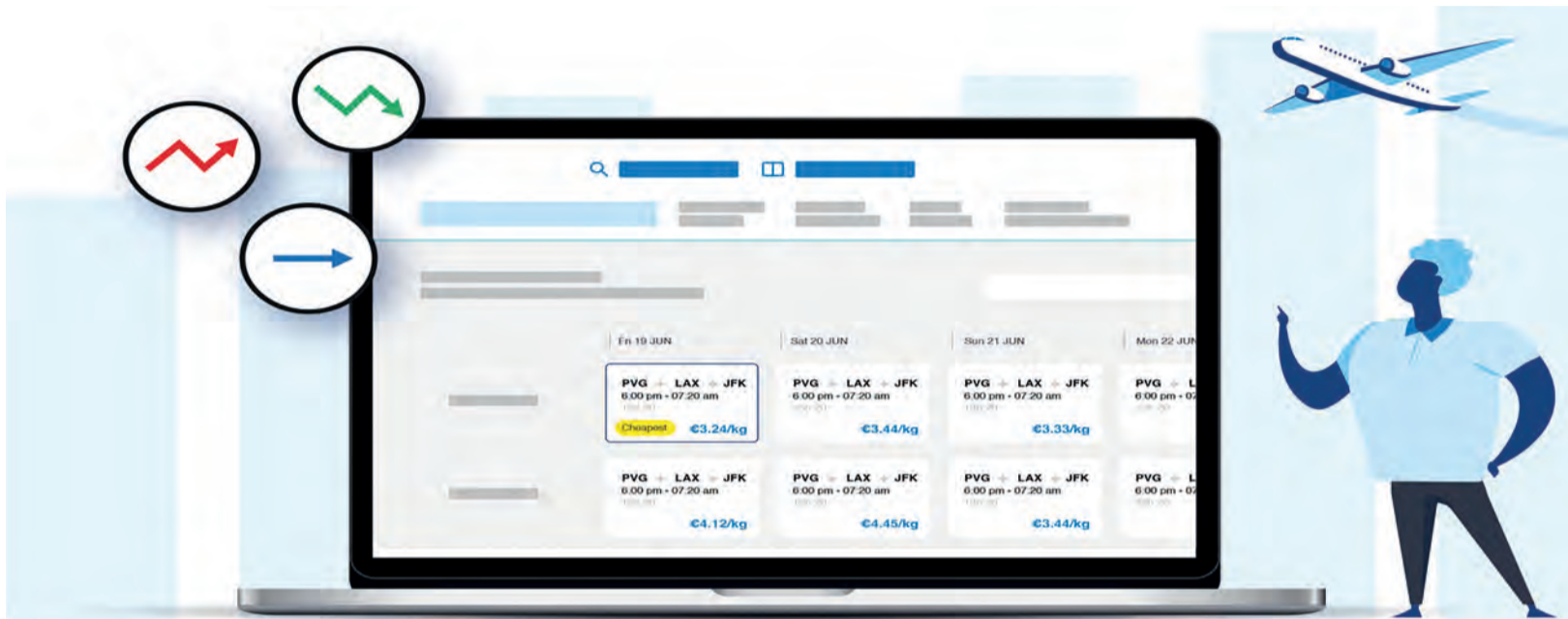
The weekly newspaper for air cargo professionals

No. 1,278 | 29 April 2024



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# SOLUTION TO STAY AHEAD

**G**lobal logistics is inherently unpredictable, and no tool or algorithm can foresee every disruption in the supply chain. However, WebCargo by Freightos hopes to have developed a tool to help airlines and forwarders keep ahead of the curve by predicting whether rates on a given lane are expected to rise or fall.

While it might seem simple at first glance, something anyone who's booked hotels or flights online would recognise, the Volatility Index is powered by a sophisticated platform that integrates multiple algorithms and data analysis techniques.

It uses current market trends and historical data as its foundation, continuously investing in improvements, incorporating machine learning to refine its predictions over time.

"Our goal is to roll it out to all WebCargo users, helping them manage freight rates, bookings, and quotes more efficiently," Joe Quijano, Vice President of Product at WebCargo, announced.

"Currently, the index is in beta testing and available to a select group of clients across all routes and regions. We plan to refine its features based on real-world feedback.

"Our Index gathers actionable insights by analysing vast amounts of data from various sources, all aggregated and anonymised for privacy.

"A key component is the dynamic rates from WebCargo, updated nearly every minute.

"With over four years of data and millions of data points, we offer a comprehensive view of market trends over time. This extensive data collection enhances the index's reliability and sharpens its forecasting ability."

## Dual benefits

Freight forwarders play a pivotal role as intermediaries between airlines and shippers, and they face challenges from fluctuating prices and thin profit margins.

The index equips them with real-time data and

predictive analytics to better anticipate market changes and adjust their strategies accordingly.

This means they can secure competitive prices quickly, advise customers about potential price increases, or capitalise on falling prices.

"Ultimately, this tool allows forwarders to manage risks more effectively, enhance their procurement processes, and improve overall market efficiency," Quijano explained.

The index is also designed as a valuable tool for airlines, providing insights into industry-wide pricing and procurement trends.

"Like our WebCargo Airlines and Terminal market intelligence tools, it helps airlines and forwarders make better informed decisions about pricing, capacity management, and resource allocation," he continued.

"This not only optimises revenue and customer satisfaction but also enhances operational alignment with market conditions. In a highly competitive market, such strategic insights are crucial."

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# Taking the risk out of dangerous goods transportation



ENSURING the safety of dangerous goods transported by air requires vigilance against undeclared or mis-declared items. Thorough training for cargo handling personnel to effectively identify, manage, and eliminate improperly packaged, labelled, or declared hazardous materials, ranging from explosives to corrosives is essential. Comprehensive knowledge and preparedness across the supply chain are vital for safety and regulatory compliance.

Operators have processes for managing events involving dangerous goods, both on the ground and in the air. Procedures vary, depending on the hazards presented by the dangerous goods and the nature of the event. Procedures for dealing with a leaking package of a toxic solid will be very different to one of a leaking flammable liquid; and whilst incidences are rare, training still needs to take place.

"The International Air Transport Association's (IATA) Dangerous Goods Regulations (DGR) play a crucial role in the safe air transport of hazardous materials, offering detailed guidelines for packaging, labeling, handling, and documentation, significantly minimising the risk of accidents as well as key information regarding State and Operator variations," David Wall IATA's Director Safety and Cargo Compliance & Operations Solutions said.

## Lithium on the rise

The challenge with lithium batteries is their ubiquity; they're found everywhere in people's daily lives. They are subject to a set of testing criteria; however, a significant challenge arises

from counterfeit batteries or those produced with poor quality. People, especially towards the end of a pay period, might opt for a \$30 battery of potentially dubious origin, instead of a \$50 battery from the original equipment manufacturer (OEM).

The Lithium Battery Shipping Regulations specifically address these challenges. Dedicated training programmes exist, and the Centre of Excellence for Independent Validators (CEIV) Lithium Battery Programme enables key players in the lithium battery supply chain - including shippers, freight forwarders, cargo handling facilities, and airlines - to meet their safety obligations by complying with applicable transport regulations. It also demonstrates their capability and competency in safely handling and transporting lithium battery products.

"Regulations are continually evolving, particularly in the context of lithium batteries. This category encompasses a broad range of chemistries, constructions, and properties, especially in scenarios where they may become unsafe," Ben Firkins, IATA's Head of Cargo Safety and Dangerous Goods explained.

"A significant advancement in safety has been the introduction of a maximum 30% State of Charge requirement. This measure greatly reduces the likelihood of a heat/fire incident in one cell of a battery propagating to adjacent cells within the same battery or spreading to other packages containing similar batteries.

"Looking ahead, future regulations may include further hazard classifications for lithium batteries, as well as for sodium-ion batteries that utilise an organic electrolyte.

"Moreover, the adoption of IATA's eDGD (electronic Dangerous Goods Declaration) is poised to enhance both safety and efficiency within the supply chain. This system facilitates checks and provides valuable business intelligence. IATA is in the process of creating a free access portal, DG.Digital, which will enable manufacturers and forwarders to create and transmit eDGDs throughout the supply chain. This initiative aims to streamline adherence to regulations and expedite the acceptance process."

## Proactive and reactive

Warehouse-based e-commerce retailers typically adopt a proactive approach in identifying products that may contain dangerous goods and determining the appropriate methods for shipping those goods. Conversely, platforms hosting individual sellers tend to adopt a more reactive strategy, leading to an increased workload for freight forwarders and mail service providers in detecting and screening out hidden dangerous goods.

Postal authorities, in particular, have been bolstering their detection systems, investing in employee training, and engaging in outreach and education initiatives on dangerous goods.

"IATA plays a key role in developing packaging standards for lithium batteries, which are known for their potential risks during air transport. The organisation is actively involved in the creation of fire-resistant containers and fire containment

covers, further enhancing the safety of air transport, particularly for dangerous goods," Firkins stated.

"Good training and robust processes are beneficial. However, some states and/or operators may impose additional checks or documentary requirements, which could unintentionally shift the focus from assessing risk to merely verifying compliance.

"For instance, when dealing with an OEM supplier that regularly sends products through, the constant insistence on presenting the same testing certificate with every shipment may not add value. Similarly, the assumption that "if the paperwork is in order, then everything is okay" can be misleading, especially if signs suggest that a shipment might contain counterfeit batteries.

"The ongoing challenge will continue to be with batteries that fail to comply with criteria or are shipped at a high state of charge."

## Collaboration is crucial

IATA engages in comprehensive collaboration with a broad spectrum of partners in the aviation industry to develop industry standards, practical tools and operational recommendations for the safe handling of dangerous goods. This collaborative effort encompasses airlines, training organisations, aviation regulators, and peak representative bodies, including the International Civil Aviation Organisation (ICAO), the United Nations (UN), the International Atomic Energy Agency (IAEA), and the Universal Postal Union (UPU).

Through these partnerships, IATA focuses on producing a range of practical guides and tools tailored to address the specific challenges associated with handling dangerous goods. These resources include practical guides for the safe transportation of battery-powered wheelchairs and mobility devices, safety risk assessments, and the carriage of cargo, mail, and baggage. Special attention is given to the safe handling of lithium batteries and other dangerous goods transported through international post.

"The standardisation of regulations across the entire air cargo industry is paramount, particularly for the handling of dangerous goods (DG), an importance that has been amplified with the rise of e-commerce," Firkins explained.

"One of the industry's key strengths in transporting dangerous goods safely is the widespread adoption of the DGR for the packing and transporting of these items by air.

"The DGR provides a critical framework that helps to ensure the safety and efficiency of air transport, even as operators may impose their variations to these regulations, which can introduce minor disruptions in planning optimal shipment routes. Unique state variations, often introduced due to domestic legislation, present additional challenges.

"By standardising practices worldwide, the DGR safeguards not only those directly involved in air transport—such as flight crews and ground handlers—but also the wider public and environment, ensuring that dangerous goods are transported without incident.

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Annual subscription rates: £100 • €120 • US\$140



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# Mastering the art of multi-entity accounting in airfreight companies



AIRFREIGHT companies are continually facing challenges, whether it be geopolitical instabilities, economic pressures, or volatility in demand. Yet, despite continued pressures, deal volumes in the transport and logistics industry appear to be on the up. According to research from BDO, transaction volumes in the sector in Q4 2023 reached a peak of 27 deals, compared to 21 in the previous quarter.

A recent example includes the sale of Bolloré Logistics to CMA CGM. The sale of the logistics company that handles around 390,000 tons of airfreight is a successful example of a logistics company transitioning to a multi-entity business.

With research suggesting M&A within the sector could be on the rise, we could see more airfreight businesses operating as multi-entities in years to come. While becoming a multi-entity business is an impressive show of business success, managing financial operations post-M&A can be a challenge.

The process of integrating disparate financial systems, processes, and ways of working from different entities can be complex and time-consuming. But streamlining these systems is business critical. With disjointed finances, companies will struggle to maintain regulatory compliance, obtain valuable insights, and fulfil the needs of all key stakeholders. This is particularly pressing post-M&A.

## Using technology to streamline finances

Introducing the appropriate technology is paramount to the financial stability of multi-entity organisations. These companies should be reviewing their existing finance software to determine whether it provides the necessary level of support. Legacy systems tend to be disjointed, requiring manual data entry

which allows for limited financial visibility. Conversely, more sophisticated finance software solutions are programmed with a multi-entity module that automates financial processes and makes reporting much easier.

One of the key drivers for businesses introducing any software system is removing the risk of human error in operations. For one team of people, or in some cases just one individual, multi-entity accounting can be a big challenge. Having to enter and process data for the entire organisation is a labour-intensive and unenjoyable task.

It can also be very dangerous to a business's finances. However, by introducing a supportive tech-enabled system, the risk of error is minimised, and the finance team's valuable time is freed up to focus on the tasks important to them and business revenue.

## Improving the invoice process

By nature, airfreight companies entail regular expenses. Whether it be fuel costs, aircraft maintenance, crew salaries or airport fees, the finance team processes a daily flow of invoices.

Worryingly, this behaviour tends to be linked to cash flow management problems. If invoicing is delayed or inaccurate, cash flow can be disrupted, and financial planning can be impacted. To mitigate this risk, freight companies must introduce automated invoicing and billing processes. With automation comes more accurate processing and reduced time spent on admin tasks that don't contribute to business growth or job satisfaction.

## Reporting across the business

Most businesses understand the importance of financial

reporting before and after the M&A process. However, it can become challenging post-M&A if the infrastructure is not in place to support it. A system that allows entities to share real-time data with uniform classifications is required for the finance team to have a full view of operations. With this system comes a centralised platform that holds all financial data across the company. It eliminates the need for manual data entry and allows the team to produce either business-wide or single-entity reports.

## Enabling access throughout the business

The finance team of multi-entity freight companies require access to data from across the company to evaluate group performance and identify any concerns. Traditionally, this involves combining data from siloed systems, a process that is both complex and costly as it requires multiple software licences. Therefore, when choosing finance software, multi-entity companies must prioritise systems with customisable user access controls. This ensures that team members can retrieve all necessary data from across the organisation efficiently. Moreover, with the rise of hybrid working arrangements, customisable remote access has become even more critical.

With all this in mind, it's time to review financial processes. Whether it's an airfreight company considering M&A or a company that has already made the transition, the importance of effective finance software should not be underestimated. If freight companies want increased visibility, streamlined processes and manual data entry eliminated, cloud-based interoperable finance software is a must-have.

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# Gearing up amid global challenges



VIRGIN Atlantic Cargo is ramping up for a robust return to full capacity as it navigates the challenges posed by global uncertainties, with the introduction of new routes, showcasing its commitment to meeting the evolving demands of the air freight sector.

Dubai stands out as a key addition to the winter season routes, demonstrating strong potential for cargo operations given the region's reputation as a global cargo hub.

Additional frequencies have also been incorporated into North America, with a focus on New York and Boston from Heathrow, and Manchester into Las Vegas, providing an alternate gateway for cargo movement from the UK into North America.

The revival of the Shanghai route temporarily paused for obvious reasons during Covid, has already proven to be a success for Virgin Atlantic Cargo, given the growth of the e-commerce and pharmaceuticals market from China.

India has been a notable area of growth for Virgin Atlantic Cargo, particularly in passenger and cargo operations. Mumbai with daily and Delhi, with twice-daily flights, have demonstrated strong load factors and yield. The Bengaluru route is expected to continue this trend, with a focus on manufacturing, apparel, and the pharmaceutical market.

"We finished 2023 really strong, not only the industry as a whole but us individually as an operator," Phil Wardlaw, Virgin Atlantic Cargo's Managing Director, said.

"Notably, our performance exceeded market conditions, particularly in the fourth quarter, and this positive momentum has carried over into the first quarter of the current

year. As we are only 22 days into the month, the encouraging trend continues, and we find ourselves in a robust trading position."

## Global tensions

Looking ahead to potential challenges in the air freight sector for 2024, Virgin Atlantic Cargo acknowledged ongoing global hotspots, including challenges in the Middle East due to the situation in Gaza and the Ukraine-Russia conflict, disrupting logistical operations.

"When examining the macroeconomic conditions, it is evident that certain global issues are causing concern," Wardlaw stated. "However, setting aside these external factors, I remain optimistic that the market has regained a sense of stability. Barring unforeseen disruptions, I envision 2024 resembling the stability observed in the pre-pandemic period."

Seeking to maintain stability and deliver for customers amid potential disruptions, the carrier is focused on providing a performance-led approach, continuously reviewing routes, segmenting operations, and being customer-centric, allowing Virgin Atlantic Cargo to make agile decisions in response to changing market conditions.

"Our commitment extends to maintaining strong relationships with our customers. Engaging in ongoing and open dialogue with them is a priority. This constant communication ensures that we stay well informed about market dynamics and any specific issues that may arise," Wardlaw explained.

"As a result, we are consistently at the forefront of understanding the evolving landscape. This proactive stance enables us

to respond promptly to emerging challenges, shifting our focus areas when necessary."

Despite the potential hurdles on the horizon, Virgin Atlantic Cargo remains optimistic about the overall market performance in 2024.

"The air cargo industry has experienced fluctuations rather than a consistent period of stability. Initially, we were emerging from the heightened challenges of the COVID pandemic, marked by significant peaks in demand, fluctuations in yields, and capacity constraints," Wardlaw outlined.

"However, the current scenario indicates a more balanced capacity landscape, as evidenced in the second half of 2023. Assessing our network and those of other carriers as we enter 2024, there appears to be a sense of relative stability, and I anticipate this trend to persist throughout the year."

## Digital transformation

Responding to the increasing demand for digital developments in the air freight industry, Virgin Atlantic Cargo has undergone a significant technological transformation in recent years.

While digitalisation was deemed an optional extra until a couple of years ago, with the global cargo businesses lagging behind other industries in terms of digital adoption, recognising the changing expectations of consumers has transformed the industry's approach to operations.

"Probably until a couple of years ago, digitalisation was an add-on, but it's now vital if you want to grow," Wardlaw highlighted. "We're playing a 20-year catch-up game in the cargo industry and although the pace of

change seems fast now, it's more a reflection of how slow airfreight has been to start its innovation journey."

Virgin Atlantic Cargo's digitalisation journey accelerated in January 2023 when the carrier revamped its cargo management system, providing a solid foundation for future developments. While initially setting an ambitious goal of achieving 20% of digital sales by the end of 2023, the technological innovation implemented saw them hit this mark by November.

## Visibility and transparency

Visibility emerged as a crucial aspect in the digital sphere, with Virgin Atlantic Cargo asserting that customer desire for transparency is clear.

"It's kind of like in our own lives. As consumers, when you order something online, you want that visibility and ability to follow the whole process. It's no different in the airfreight world," Wardlaw explained. "Our customers want visibility, and we hear that loud and clear. There's still a journey to go for us, but technology has been a huge enabler here."

Looking ahead, Virgin Atlantic Cargo emphasised its focus on ongoing developments in the industry, particularly on achieving end-to-end visibility within the supply chain through partnerships with key stakeholders.

"There are others in the supply chain who still need to come on the journey, be that handlers, truckers, whatever it might be, to fill in that middle piece and complete the journey end-to-end. That's where our next developments will be," he highlighted.

**“Coordinated training programmes provide employees with essential knowledge and skills to recognise and respond to security threats effectively”**



# SECURE HANDLING STRATEGY

**T**he airfreight industry is continuously evolving to address security challenges, and several recent developments and innovations have emerged to enhance cargo security. Here are some notable examples:

There has been a significant focus on developing and deploying advanced screening technologies for cargo, particularly in the case of fast parcel screening. These technologies include advanced X-ray, explosive detection systems (EDS), and trace detection systems. These tools enable more accurate and efficient screening of cargo, helping to detect prohibited items and enhance security measures.

Artificial intelligence (AI) and machine learning algorithms are being used to analyse vast amounts of data related to cargo shipments and identify patterns or anomalies that may indicate security risks. These technologies can help automate threat detection processes and enhance the effectiveness of security screening procedures.

Biometric identification systems, such as fingerprint or iris scanning, are being integrated into the cargo handling processes to enhance security and verify the identity of individuals involved in handling or transporting cargo. Biometric authentication helps ensure that only authorised personnel have access to sensitive cargo areas.

There is a growing emphasis on collaborative security initiatives involving multiple stakeholders, including airlines, airports, government agencies, and industry associations. These initiatives aim to foster information sharing, coordination, and joint efforts to address security threats effectively.

Industry organisations and regulatory bodies are continuously developing and updating supply chain security standards and best practices to mitigate security risks throughout the cargo transportation process. Compliance with these standards helps ensure consistent and robust security measures across the airfreight industry.

There is a heightened focus on providing comprehensive training and awareness programmes for personnel involved in cargo handling and transportation. These programmes educate employees about security protocols, procedures, and the importance of vigilance in detecting and reporting security threats.

### Supporting the sector

As part of their work, representing airlines in regions or markets where they may not have a direct presence, and through close collaboration with airlines, General Sales and Service Agents (GSSAs) ensure cargo security measures are implemented effectively.

This partnership involves communicating and enforcing security protocols and procedures set by the airlines. HAE Training supports the GSSA business through Aviation Security and Dangerous Goods

compliance auditing and training. This enables the sector to provide feedback to airlines regarding security vulnerabilities or areas for improvement based on their local knowledge and experience.

“HAE Training can provide security training and awareness programmes for HAE Group and other GSSA companies, with this training covering topics such as recognising suspicious behaviour, handling of sensitive cargo, and proper documentation requirements,” Matthew Pearce, Director of HAE Training, explained.

“We collaborate with airlines and regulatory bodies, such as the Transportation Security Administration (TSA) in the United States and the Department for Transport in the United Kingdom, to ensure compliance with security regulations and standards and share information about security threats, incidents, and best practices.”

“This involves identifying vulnerabilities in the supply chain and implementing measures to reduce the risk of security breaches. HAE Training has a team of highly experienced quality assurance and compliance auditors. This team is assigned to assess regulatory compliance globally by working on bespoke audit templates, which reflect historic and emerging threats and effective mitigation.

“HAE also work with airlines and technology providers to integrate advanced security technologies into their operations. This may include the use of advanced screening equipment, tracking systems, and data analytics tools to enhance cargo security measures.”

### All-inclusive approach

Ensuring the secure handling and transportation of high-risk or sensitive cargo in the airfreight sector requires a comprehensive method involving various measures and protocols.

**Risk assessment:** Conducting thorough risk assessments to identify high-risk or sensitive cargo shipments. This involves analysing factors such as the nature of the cargo, origin and destination, known security threats, and other relevant information.

**Advanced screening technologies:** Advanced screening technologies, such as X-ray systems, explosive detection systems (EDS), and trace detection systems, are employed to thoroughly inspect high-risk cargo for prohibited items or security threats. These technologies help ensure that cargo undergoes rigorous screening before being loaded onto aircraft.

**Special handling procedures:** Implementing special handling procedures for high-risk or sensitive cargo, which may include additional security checks, enhanced supervision, and restricted access to cargo areas. Special handling procedures help mitigate security risks and ensure proper control over sensitive shipments.

**Secured facilities and infrastructure:** Ensuring that cargo handling



# SECURING STORED GOODS

Ensuring the security and integrity of stored goods within warehouse facilities is of utmost importance to freight forwarders and cargo handlers. To mitigate the risk of theft and damage, handlers employ a comprehensive approach that encompasses various strategies and technologies.

Robust physical security measures safeguard warehouse facilities. This can include perimeter fencing, access control systems, security gates, and security personnel stationed at entry points. Only authorised personnel are granted access to the premises, and visitor access is strictly monitored and controlled.

Warehouses are equipped with state-of-the-art surveillance systems, including CCTV cameras strategically positioned throughout facilities. These cameras provide continuous monitoring and recording of activities, both inside and outside warehouses. In the event of any security incidents, footage can be reviewed to identify perpetrators and take appropriate action.

Advanced inventory tracking technologies, such as barcode scanners, monitor the movement of goods within the warehouse. This enables cargo handlers to accurately track the location of inventory items at all times and detect any discrepancies or anomalies in inventory levels.

Comprehensive training for warehouse staff on security protocols, procedures, and best practices ensures they can identify and report security threats, proper handling of sensitive goods, and adherence to security policies and guidelines.

"Security is a top priority in our warehouses. We implement advanced security measures, including 24/7 surveillance cameras, and access control systems. Our robust risk management protocols ensure the safety and integrity of our clients' goods throughout the supply chain," Zuzana Heinrichova, Operations Manager at Maurice Ward Warehousing Networks, said.

"By implementing these measures and maintaining a proactive approach to security, we strive to create a safe and secure environment for storing goods within our warehouse facilities, thereby minimising the risk of theft and damage."

## Innovative solutions

Warehouses are equipped with state-of-the-art infrastructure, including Internet of Things (IoT) sensors for real-time monitoring of temperature, humidity, and other environmental factors. This ensures optimal storage conditions for various types of goods, including perishable items and sensitive electronics.

Customisable fulfillment solutions are tailored to the specific requirements of clients. Whether it's e-commerce order fulfillment, retail distribution or B2B logistics, these are designed to provide efficient workflows to ensure the timely and accurate delivery of goods to end customers.

Warehouses are equipped with automation technology to streamline warehouse operations. Automated guided vehicles transport goods within the facility.

"As an innovative warehouse service provider, we strive to meet the evolving needs of our clients in today's dynamic market," Heinrichova explained.

"Clients are provided with real-time visibility into their inventory and order status through a user-friendly dashboard interface in their web management system (WMS).

"Clients can track shipments, monitor stock, and access detailed analytics to make informed decisions about their operations."

## Cutting-edge care

Advanced WMS software is used to track inventory levels, manage stock movements, optimise picking routes, and automate various warehouse processes. Maurice Ward uses its own WMS, and barcodes are used for efficient tracking of inventory items, automated guided vehicles and conveyor systems are increasingly employed for tasks such as picking, packing, sorting, and transporting goods within the warehouse and IoT devices are utilised to collect data from various warehouse equipment and assets, including temperature sensors, motion detectors, and smart shelves.

"Our warehouses employ several cutting-edge technologies which were being utilised in warehouse management to optimise storage, inventory management, and order fulfillment processes," Heinrichova outlined.

"These cutting-edge technologies, when integrated effectively, contribute to streamlined warehouse operations, improved inventory accuracy, faster order fulfillment, and ultimately, enhanced customer satisfaction."

**"As an innovative warehouse service provider, we strive to meet the evolving needs of our clients in today's dynamic market"**



# VIEW FROM THE MAINDECK

## BUILDING ON MEXICO'S POTENTIAL

MEXICO is of significant importance to cargo operations, in terms of revenue and strategic positioning. Despite these challenges, there are notable shifts in the region's economic landscape, with Mexico emerging as a key manufacturing hub for North America and Europe. This resurgence is particularly evident in Monterrey and Guadalajara, where industries are reactivating and expanding production, leading to increased demand for cargo transportation.

Additionally, unforeseen challenges, such as weather disruptions impacting harvest seasons, highlight the need for flexibility and diversification in our cargo portfolio. While agricultural products remain a significant focus, there are also opportunities for transporting high-tech goods, automotive parts, and pharmaceuticals, reflecting Mexico's diverse industrial landscape.

By maintaining a diverse product portfolio and adapting to market trends, cargo carriers can position themselves to capitalise on the country's economic potential while mitigating risks associated with market volatility.

### Dual hubs

For over 30 years, Air France KLM Martinair Cargo (AFKLMP Cargo) has been moving freight to and from Mexico, utilising both passenger bellies and freighters. Having served Mexico City (MEX) through both means throughout that time, AFKLMP Cargo moved its freighter operations in the country to the newly established Felipe Angeles International Airport (NLU) in July last year, following new regulations from the Mexican government.

45 kilometres northeast of MEX, NLU was brought back into operational service in 2022, having been previously used as a military airfield, to allow the region to cope with congestion challenges at the country's main hub.

With freighter operations running twice weekly from Paris Charles de Gaulle Airport (CDG) to NLU, AFKLMP Cargo has retained its daily transportation of goods via belly cargo to and from MEX through its 21 weekly flights.

"In February 2023, a decree was issued to relocate all cargo activities from MEX. This decision came abruptly, leaving little time for adaptation. While the move appeared politically motivated, it also aimed to alleviate congestion at the heavily trafficked airport, which primarily served passengers," Mathilde de Rocquigny, AFKLMP Cargo's Mexico manager, explained.

"The transition posed a few challenges. Finding handlers and adjusting to new procedures proved difficult, as service providers were accustomed to operations at MEX. Customs agents were unprepared and lacked the necessary authorisations for exports.

"However, since last October 2023, the situation drastically improved and reached a level of normal activity.

"Negotiations successfully reduced handling costs, easing concerns for customers, and, overall, the transition, while challenging, has been navigated successfully, with operations now running smoothly at the new facility."

### Bolstered offering

This dual opportunity, in both NLU and MEX, reflects the carrier's longstanding presence in the market, which is by continuous

growth and adaptation.

Operating from the new airport presents an opportunity for increased cargo volumes. This increase in payload allows for better profitability as the carrier maximises the capacity of its aircraft.

"Mexico, as a country, has a powerful industry," de Rocquigny highlighted. "This strategic adjustment optimises our operational efficiency and enhances our service offerings to our customers."

"It's a promising market. Having multiple frequencies increases customer confidence, encourages more deliveries and delivers greater flexibility in scheduling shipments, enhancing our overall impact on the market.

"We boast extensive expertise in each station, including our locations in Mexico. We've tailored our operations for efficiency and seamless connectivity.

"Our warehouse facilities have been equipped with cold rooms and temperature-controlled processes at our regional operational base for over 15 years.

"Through this transition and adaptation, our focus remains on maintaining the high standards we've set. We thoroughly assessed the facilities available at NLU, ensuring they met our requirements, including working with handlers who have extensive cold storage facilities and ensuring the effective handling of perishable goods.

"Although initially, there were some challenges with certifications for certain shipments, we worked closely with our provider to ensure all necessary standards were met.

"This ensures that our services remain reliable and consistent, both in Mexico City and at NLU."

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