



The weekly newspaper for air cargo professionals



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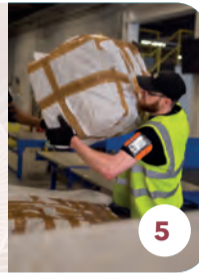
Did You Know?

DURING the first aerial flight in North America by balloon on 9th January 1793, from Philadelphia to Deptford Township, New Jersey, ...



Voice Of The Industry

THE disruption to Red Sea shipping routes as a result of the ongoing crisis in the Middle East has created higher demand for airborne general cargo, but the impact ...



60 Seconds With ...

Lars-Gunnar Comen, the Owner of Euroavia International, is a seasoned figure in the airfreight industry, having recently celebrated hosting his ...



Norway's seafood market is buzzing with activity thanks to its reputation for top-quality fish and shellfish. People all over the world want a taste of Norwegian seafood and getting it to them quickly is key. As the demand for Norwegian seafood continues to surge on the global stage, the role of airfreight in facilitating its swift transport to international markets has become increasingly pivotal.

Experiencing a transformative period, the seafood market, a cornerstone of Norway's economy, has seen unprecedented growth and evolving challenges. At the recent Nordic Air Cargo Symposium 2024, industry expert Tom Mikkelsen, owner of Mikkelsen Consulting AS, took the stage to share his insights into the current trends shaping this dynamic sector.

In recent years, Norwegian seafood exports have witnessed a boom, driven by escalating demand from discerning consumers worldwide. Key export markets such as the United States, China and emerging economies like India present lucrative opportunities for Norwegian seafood producers.

"The United States and China present significant opportunities for Norwegian seafood exports," Mikkelsen noted. "However, unlocking these markets requires strategic partnerships and market access agreements."

Recent trade agreements, such as the one with India, signal potential for expanded exports to new territories.

"Norway's trade agreement with India opens doors to a large market with considerable consumer demand," Mikkelsen remarked. "This presents an exciting opportunity for Norwegian seafood exporters."

Discussing transportation logistics, Mikkelsen underscored the importance of air and sea freight in facilitating international trade. While air transport offers speed and efficiency, Mikkelsen highlighted emerging concerns about environmental sustainability and cost-effectiveness.

"We are witnessing a modal shift in seafood transportation, with the potential for more shipments to transition from air to sea freight," Mikkelsen explained. "Technological advancements have made sea transport increasingly viable, raising questions about the future of airfreight in the seafood industry."

Regarding the challenges, Mikkelsen emphasised the need for



collaborative efforts to expand air and sea freight infrastructure. "Capacity constraints pose significant challenges for seafood exporters.

"Efforts to enhance transportation networks, including exploring alternative routes such as the Trans-Siberian Railway, are crucial for meeting growing demand."

In response to these challenges, the Norwegian seafood industry is beginning to explore alternative modes of transportation, such as ocean freight. While sea freight may take longer than air transport,

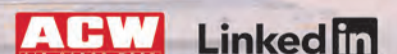
it offers significant cost savings and lower environmental impact. Advances in refrigeration technology and shipping infrastructure have made it a viable option for transporting seafood over longer distances.

"In the long run, we need to strike a balance between speed, cost, and environmental sustainability," said Mikkelsen.

"While airfreight will continue to play a crucial role in the Norwegian seafood market, we must also embrace more sustainable transportation solutions to meet the demands of a changing world."

WANT TO STAY UP-TO-DATE WITH WHAT IS GOING ON IN THE AIRFREIGHT INDUSTRY?

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CAREFUL HANDLING

BY Anastasiya SIMSEK

AS customers and those in the logistics industry seek stability, efficiency, professionalism and cost-effectiveness, especially during the current turbulent times, Challenge Group has sought to provide a solution through its Challenge Handling product.

Within Challenge Group's fleet expansion strategy, the company has integrated infrastructure development to support it, ensuring sustainable and enduring growth.

"Challenge Handling's strategic positioning and the assets and infrastructure under our ownership are key to our growth," David Alexis, Challenge Handling's General Manager, said.

"Liege serves as a vital cargo hub, so any developments are geared towards benefiting the airfreight and logistics sector, aligning

perfectly with our primary business as a freighter operator logistics solutions provider.

"Every investment we make empowers us to maintain complete operational control and customise logistics solutions to precisely match the requirements of our clients."

This has been reflected in the work Challenge Handling has done to bolster its perishable goods offering with the installation of cool rooms across three warehouses. These facilities look to preserve temperature-sensitive goods through top-level equipment, staff training and dependable deliverables.

"The handling operation at our hub is pivotal, and the investments in two new warehouses and equipment were precisely intended for this purpose, fostering a balanced and efficient development approach," he added.

Model for growth

Challenge Handling's business model revolves around strategic partnerships aimed at fostering a more efficient and sustainable supply chain.

"We carefully select stakeholders who meet our highest standards, thereby enabling us to deliver exceptional products to the airfreight and logistics sector globally," Alexis explained.

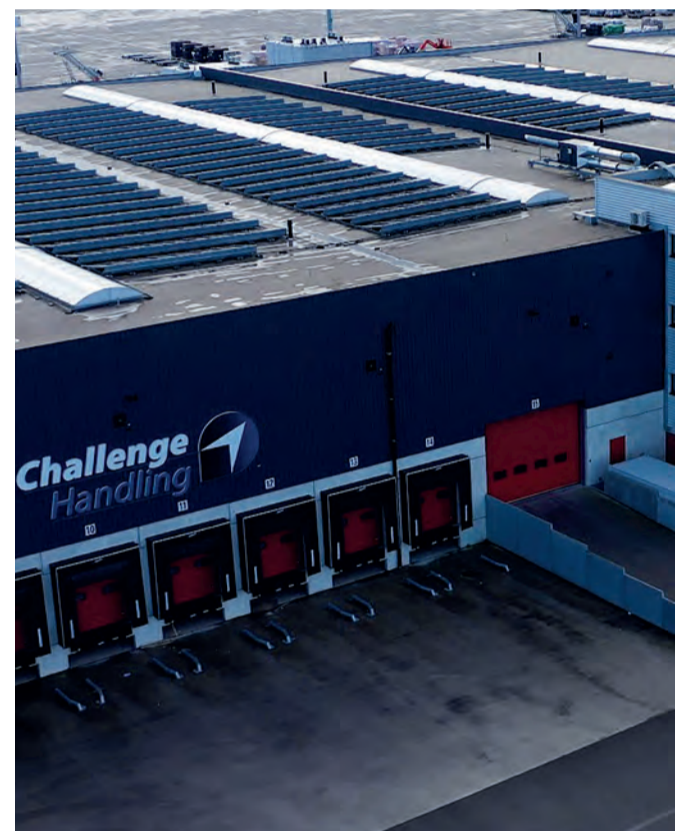
Current climate

Amidst the pandemic, customers shifted their focus towards comprehensive logistics solutions rather than just airfreight capacity.

"This shift has persisted, and our ability to provide end-to-end customised logistics solutions along with a diverse array of ancillary services has become our winning value proposition, particularly in complex verticals," Alexis highlighted.

"This business approach is steering us towards constructing a more robust, efficient, and sustainable supply chain, thereby offering our customers and global trade the stability they seek.

"The reliance on data is crucial, and adopting the right digital tools is essential to attaining efficiency and transparency towards a more sustainable supply chain. This ensures that we provide our business partners with a seamless customer experience."



Did You Know?



DID YOU KNOW ABOUT THE BIRTH OF AIR MAIL?

BY Michael SALES

DURING the first aerial flight in North America by balloon on 9th January 1793, from Philadelphia to Deptford Township, New Jersey, Jean-Pierre Blanchard carried a personal letter from George Washington.

The letter was set to be delivered to the owner of whatever property Blanchard happened to land on, making the flight the first delivery of air mail in the United States.

Balloon mail was also carried on a June 1877 flight to Nashville, Tennessee.

Apart from these experiments with hot air balloons, the first powered aircraft used for air mail took to the skies in India on 18th February 1911. Moving the first official mail flown by air in a Humber biplane, French pilot Henri Pequet carried some 6,000 cards and

letters.

On 23rd September 1911, Earle L Ovington, with his 'Queen' monoplane, was appointed as an air mail carrier, flying over a temporary post office at Mineola on Long Island. A sack containing some 37,000 pieces was dropped from the plane, but the bag was split open when it hit the ground. Fortunately, all the mail was recovered.

Around the same time, German airfreight history began when the Berliner Morgenpost newspaper hired a biplane to fly from the Berlin-Johannisthal airfield to Frankfurt. The flight, piloted by Siegfried Hoffmann, carried bundles of newspapers, the morning edition of the Berliner Morgenpost, delivering the paper hours after it came off the press.

A few other similar experiments were made during the remainder of 1911, as the US Post Office Department recognised the

possibility of developing the aircraft into a practicable means of freight transportation.

In 1912, the US Post Office made a recommendation to Congress for an appropriation of US\$50,000 with which to start an experimental service. However, Congress refused to grant approval until much later, with the flight taking off on 22nd February 1920 from New York City to San Francisco.



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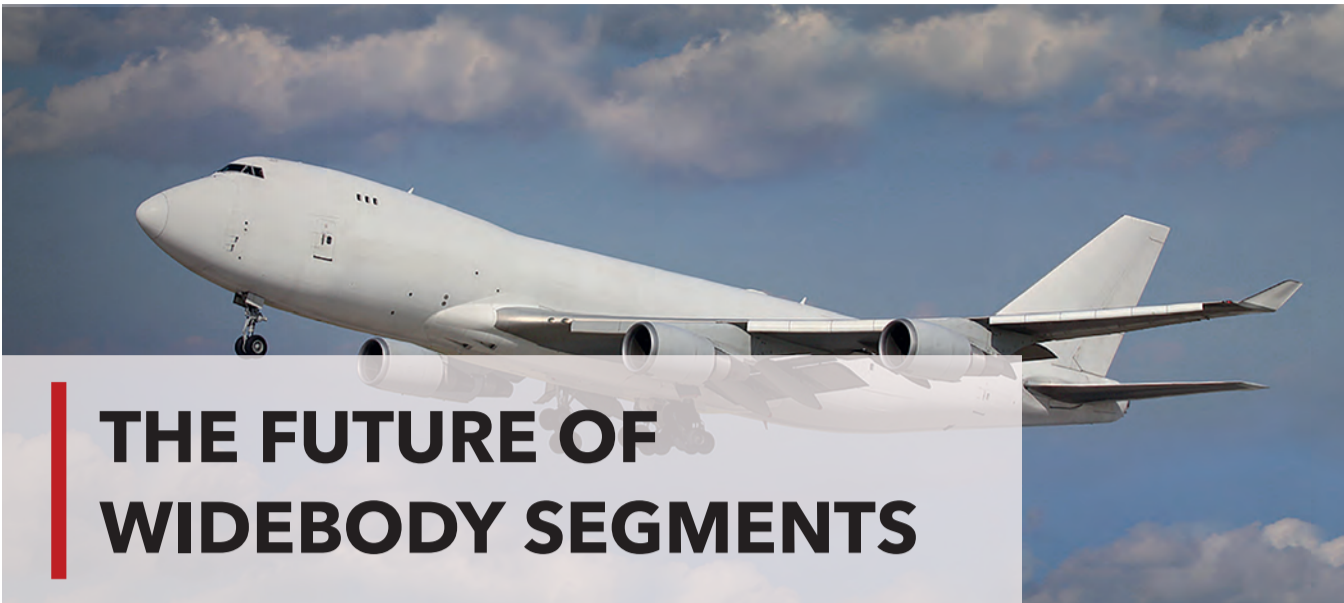
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THE FUTURE OF WIDEBODY SEGMENTS

BY **Ajinkya GURAV**

THE release of the 20-year freighter forecast for 2024 has provided insights into the trajectory of the air cargo industry, with a particular focus on the widebody segment. As global e-commerce is projected to grow by 38 percent over the next 5 years, reaching US\$8 trillion by 2028, we explore the implications of the forecast, including the future of widebody freighters without the iconic Boeing 747, the momentum of next-generation (NG) aircraft, and the implications for regional fleets.

China, the US, the EU, the UK and Japan are believed to be the market leaders in the e-commerce domain, with trade values aggregating at US\$3,021 billion, US\$1,164 billion, US\$636 billion, US\$195 billion and US\$194 billion respectively.

As the industry is showing an upward trend of 3.4% per year growth rate in global air cargo over the next 10 years, it is evident that the upcoming

years are poised to realign the freighter carriers with fleet development and expansion plans. The evolution of the freighter fleet has grown by two percent on average on medium range wide-body aircraft, with future growth expected to scale between one to two percent year on year.

Without the 747

One of the most significant revelations of the 20-year freighter forecast is the projection of a widebody segment without the presence of the legendary Boeing 747. Once considered the undisputed king of the skies, the 747's decline in freighter operations is expected to continue as operators transition to more fuel-efficient and technologically advanced alternatives. Along with this, Boeing 767 conversions are slowing down.

While the 747 will always hold a special place in aviation history, its diminishing role in the freighter market underscores the industry's shift towards modernisation and sustainability. Operators are increasingly

turning to newer widebody models that offer improved fuel efficiency, greater payload capacity, and enhanced operational flexibility to meet the evolving demands of air cargo transportation.

Gauging NG momentum, the 20-year freighter forecast also sheds light on the next-generation (NG) aircraft, particularly in the widebody segment. NG models, such as the Boeing 777X and Airbus A350, are poised to play a pivotal role in shaping the future of air cargo transportation, offering advanced features and capabilities.

These NG aircraft boast cutting-edge technologies, including lightweight composite materials, fuel-efficient engines, and advanced avionics systems, resulting in lower operating costs and reduced environmental impact. As such, they are increasingly favoured by cargo operators seeking to optimise their fleets for long-haul operations while maximising profitability and sustainability.

Regional fleet implications

The 20-year freighter forecast also highlights the implications for regional fleets, particularly in Asia and other emerging markets. While widebody aircraft dominate long-haul cargo routes, regional carriers are expected to play an increasingly significant role in feeding cargo traffic to major hubs and facilitating last-mile deliveries.

Given the boost in the traffic trends in the post-pandemic era, the feeder segment has shown to play a pivotal role in the region, with ATRs and Embraer E190F dominating that side of the market.

Regional freighter fleets are likely to consist of narrowbody aircraft, such as the Boeing 737NG and Airbus A320 family, which offer agility, versatility, and cost-effectiveness for short to medium-haul operations. These aircraft are well-suited to serve growing e-commerce markets, support express delivery services, and connect remote regions to global trade networks.

The crisis in the Middle East and the blockage of traditional Red Sea trade routes have not posed any immediate threat to the cargo industry, thus boosting the trade values beyond expectation. Furthermore, jet fuel costs have seen a downward trend of one percent since 2023, despite taking a sharp surge in Q4 2023, which has not affected the air cargo industry to a significant degree.



03

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CHALLENGES AND OPPORTUNITIES IN A GROWING INDUSTRY

BY Anastasiya SIMSEK

AIRFREIGHT companies are experiencing rapid growth but face challenges in meeting demand due to capacity constraints, as digitalisation and standardisation have become crucial for improving efficiency and sustainability.

Speaking at the Nordic Air Cargo Symposium 2024, Martin Drew, Chief Strategy and Transformation Officer

at Atlas Air, shared his insights on the evolving landscape of airfreight and the opportunities it presents.

Reflecting on the rapid rise of companies like Alibaba, Shein, TikTok and Temu, Drew emphasised their remarkable growth trajectory: "Companies such as Temu seemed to have come from nowhere in the last 18 months. And the growth rates are incredible, and if they continue the same, these companies alone will drive worldwide airfreight growth well above predictions."

However, with this growth comes the need to meet the soaring demand for air cargo services, with sufficient capacity required if the industry is to meet its potential: "A potential constraint on these companies' ongoing expansion strategies is the availability of sufficient capacity to meet the increasing demand. We anticipate a continued shortage of large freighter capacity over the next several years due to planned retirements and limited new capacity entering the market."

Drew stressed the importance of collectively addressing industry challenges to ensure sustainable



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growth, improved digitalisation, and standardisation across airfreight operations: "Airfreight is still lagging behind. While we must recognise the complexity of freight movement involving numerous stakeholders, the industry must persist in its efforts to standardise and digitise information exchange among all parties. This commitment is essential to providing our customers with the highest level of service."

Keen to be green

Turning to sustainability concerns, Drew underscored the industry's responsibility to reduce emissions and work towards decarbonisation: "As we all know, sustainable aviation fuel (SAF) is in very short supply, and demand will continue to outpace supply for the foreseeable future."

If the industry is to get on the path towards meeting its decarbonisation commitments, he was clear that "we will need support policies by incentivising the production and use of SAF."

"DHL, UPS and FedEx have all made public commitments to reduce CO2 significantly by 2030-2035. In Atlas, we have also aligned with the industry goal of net zero by 2050."

"It's not only because we want to be good corporate citizens and it's the right thing to do for the environment, but it's also because the shippers that we work with are increasingly looking at decarbonising their supply chains."

"So, let's make sure sustainability does not become another reason for heavy freight to shift to other modes in the future."

Opportunity in every direction



SBD International Airport delivers the fast track to an estimated 4.7 million people in Southern California's Inland Empire. Easier access to this thriving market has fueled the expanding operations of FedEx, UPS, and Amazon Air at the airport, which consistently ranks as a leader in cargo growth nationwide.

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Voice Of The Industry



PRICE STABILITY IS CRITICAL AS THE MIDDLE EAST CRISIS CAUSES A MOVE AWAY FROM RED SEA SHIPPING

BY **Matthew WARE** Chairman of Aviation Services UK

THE disruption to Red Sea shipping routes as a result of the ongoing crisis in the Middle East has created higher demand for airborne general cargo, but the impact on express and courier services is harder to determine.

General cargo typically experiences longer delays when volumes increase, so express and courier services can be an expedient, short-term solution. However, as margins are generally tighter in this sector, it can be harder to push up prices, indeed unsustainable in the long run.

Meanwhile, high demand for goods from India has helped e-commerce activity continue to grow, adding to the overall increase of express and courier shipments into the UK. This makes it harder to understand the real impact of the disruption on the express and courier sectors. Express and courier have been key drivers of this e-commerce growth into the UK from India, and smaller couriers have played a big part in meeting this demand and driving this growth. They operate in an ultra-competitive price environment, competing with FedEx, UPS and DHL, so they are not subject to the same price fluctuations for the airfreight linehaul rate.

The current volatility means there is a risk of smaller couriers being priced out of the market, and what would be high-value volume for airlines in the long term is lost to short-term profit chasing. This is why airlines should try, where possible, to view couriers through a longer lens, not see them as a fluctuating-price commodity like

general cargo.

Depending on the airline, general cargo represents between 70-90 percent of all cargo shipments.

It offers the lowest rates, largely because there is less time sensitivity and goods are shipped in bulk, so increases in demand normally impact general cargo first.

Courier and express services can attract higher prices for expedited delivery and guaranteed delivery times. Shippers pay a premium, compared to general cargo shipments, for speed and reliability. For most airlines, this will be 20-50 percent higher than general cargo.

However, the sector has seen continued growth, partly due to the rapid rate of economic development in India, which is contributing to demand for time-critical, trusted services in Europe, a trend that predates the Red Sea crisis. The Indian economy is increasingly the key driver in South Asia of express volume growth.

One of the main reasons for this in the UK is that we have the highest population of students from the sub-continent, a significant factor in the increasing levels of e-commerce demand.

However, the key to maintaining growth and stability in this rapidly developing trade lane is keeping rates under control so they don't choke that demand.

e-commerce products are transported by a variety of airfreight services: general cargo, courier, express, and air mail.

On the India to UK route, couriers are using courier connections

to offer services that can compete with or beat the traditional integrators for speed and service. This is because they benefit from expedited handling and clearance on arrival in the UK, which enables them to offer the fastest delivery times from India. Being able to do this while offering stable, competitive pricing to their customers is essential. Airlines that can offer this will benefit as this volume is likely to grow significantly over the rest of this decade.

According to the Department for Business and Trade, total UK imports from India amounted to £22.3 billion in the four quarters to the end of Q2 2023, an increase of almost 24 percent compared to the same four quarters last year. However, the increase for couriers in the same period was 40 percent.

Opening new gateways into the UK to facilitate courier and express shipments may be key for providing capacity to other airports for the growing Indian courier and express community.

With global uncertainty likely to continue for the foreseeable future, it is incumbent upon the international logistics industry to maintain stability and ensure the continued flow of goods across the globe. Underpinning this is the need for flexibility and the necessity to hold prices at such a level that they don't cause a drop in demand.

Whilst general cargo can sustain such price increases in the short-term, in express and courier wider price sensitivity means there is a limit beyond which it simply cannot go.

As key players in the vast, complex delivery chains that support the continuing surge in global e-commerce demand, we feel a responsibility to be the custodians of price maintenance, helping to maintain order in the networks upon which we all, individuals and businesses, rely.



NORTH EAST ENGLAND'S GLOBAL CONNECTION

BY Edward HARDY

NEWCASTLE Airport, a key player in the passenger and air cargo market, is strategically situated in the North East of England, with limited catchment overlap with other major UK competing airports.

With direct access to the A1 dual carriageway road, a vital transport route linking London and Edinburgh, and less than one hour away to the west coast and M6 motorway, the Airport's location provides easy, non-congested, access from all directions, backed by a seamlessly integrated local transportation network.

The hub's 16 airline portfolio operates to over 80 direct destinations with significant onward global hub connectivity with up to 18 flights per day to major European and Middle Eastern hub airports. Leading carriers connecting Newcastle Airport to the world include Air France, Lufthansa, British Airways, KLM, AEGEAN and Emirates, a daily 777 operation guaranteeing effortless global passenger and cargo connectivity.

In the realm of cargo operations, Newcastle Airport's focus is on key regions such as Asia-Pacific, North America, and the Middle East, along with industries like pharmaceuticals and automotive. The hub's overarching objective is to mitigate risks and foster growth in strategically significant areas.

By strategically collaborating with various transportation stakeholders, such as the nearby ports and logistics experts, Newcastle Airport optimises regional connectivity. This comprehensive approach not only bolsters trade and tourism but also drives economic growth in the North East.

"The North East of England has a diversified, export-oriented and growing economy, underpinned by well-established international companies utilising Newcastle Airport's network and connectivity," Aileen Wallace, Newcastle Airport's Cargo Business Development Manager, stated.

"The region is home to Nissan's car manufacturing plant, Europe's first Hitachi Rail factory, Siemens and GlaxoSmithKline, plus over 67,000 other companies with global links and a high propensity to travel and export.

"The North East is the leading region in England for wind, energy and oil sectors, but also specialises in other areas including digital, advanced manufacturing, life sciences and pharmaceuticals, with the pharmaceutical sector in the North East of England contributing to approximately 33 percent of the UK's pharmaceutical GDP.

Return and expansion

Newcastle Airport has seen the revival of passenger flights while simultaneously strengthening its cargo operations. Rather than waiting passively, the hub has taken proactive steps to drive progress. This has involved implementing a variety of strategies, including enhancing brand awareness, investing in infrastructure,

improving operational efficiency, and ensuring seamless coordination between passenger and cargo services.

"While larger airports pose formidable competition and excel in their operations, our smaller scale allows us to prioritise a customer-centric approach, ensuring that our services are customised to meet the specific needs of our clients," Wallace highlighted.

The hub offers substantial growth potential for cargo on both existing and new airlines. Opportunities to expand our route portfolio are centred around the growing demand for pharmaceutical shipments, streamlining the transportation of auto parts, and fulfilling the rising need for just-in-time deliveries.

To support this growth, Newcastle Airport is actively implementing strategies such as investing in infrastructure to improve cargo handling capabilities, enhancing brand awareness to attract more airlines and cargo operators, and forming collaborative partnerships to streamline operations and enhance services.

The airport has appointed a Cargo Business Development Manager to drive these strategies forward, collaborate closely with airline and cargo partners, and continuously monitor market trends to inform decision-making and remain agile in response to changing conditions.

"Newcastle Airport maintains its growth and competitive advantage by strategically focusing on enhancing its route portfolio whilst delivering excellent levels of operational efficiency and customer service," Wallace explained.

"The expansion of the cargo industry at Newcastle Airport has been driven by several key factors. Our strategic geographic location positions us as a crucial gateway within a significant catchment area.

"Thriving economic activity across various sectors, including pharmaceuticals, automotive, and advanced manufacturing, generates substantial demand for air cargo services. With the rising export opportunities in the region, our goal is to enable access to international markets, consequently bolstering economic activity whilst unlocking further importing opportunities.



"Newcastle Airport boasts specialised cargo handling capabilities, particularly in sectors like pharmaceuticals, automotive sector, oil & gas, and pet transportation, supported by expertise in ground handling agents (GHAs) and freight forwarders. Strong partnerships with airlines such as Emirates further contribute to this growth, providing competitive pricing, flexibility, and efficient handling.

"Our efficient processes ensure swift turnaround times, facilitating smooth operations, and our commitment to operational excellence is evident; we were continually in the top five in the UK for on-time performance (OTP) for 2023. But it's not just about the bottom line – we're also deeply committed to sustainability.

Systems and sustainability

Newcastle International Airport is dedicated to continuously enhancing its cargo operations. The airport's primary objectives involve expanding its cargo route portfolio and improving onsite services. The strategy involves thorough market analysis and customer feedback, along with forging strategic partnerships to solidify its position as a cargo hub.

"Digitalisation has truly revolutionised air cargo, bringing about significant improvements in efficiency, accuracy, and customer satisfaction. Gone are the days of cumbersome paper-based systems – now, our ground handling agents and airlines are transitioning to digital platforms," Wallace outlined.

"Everything from handling records to cargo manifests are now managed electronically, streamlining our operations like never before. Advanced digital tracking systems enable real-time monitoring of cargo, allowing us to provide timely updates to our customers. It's incredible to see how technology has transformed the industry!"

Expanding Newcastle Airport's route network and airline portfolio is a key focus, particularly targeting opportunities in North America, its largest import and export market, whilst leveraging various transportation networks for seamless operations. Sustainability is a priority, with a commitment to achieving net-zero emissions and exploring the integration of sustainable aviation fuel (SAF).

"We have committed to becoming a Net Zero Carbon Airport by the year 2035 and are working through an ambitious roadmap of projects to meet this goal. In 2023, the first phase of the Airport's solar farm was launched; this can provide 100 percent of the Airport's electricity requirements on a sunny day," Wallace highlighted.

"We are also investing in a new fleet of electric vehicles across the site and have planted thousands of trees on Airport owned land. Looking forward to 2024 and beyond, we are investing in more EV charging equipment for both passengers and staff and have plans to develop a rapid EV charging station in collaboration with Fastned, a leading electrical services company.

"We are committed to being a good neighbour and work closely with our airline and business partners to minimise our impact on the local communities and environments surrounding the Airport site."



IMPACT OF BALTIMORE BRIDGE COLLAPSE LINGERS OVER SUPPLY CHAINS

BY Robert KHACHATRYAN

THE recent collapse of the Baltimore Bridge undeniably sent shockwaves through both American and global supply chains.

The incident was a significant disaster that posed a threat to the \$80 billion cargo traffic to and from one of America's busiest ports. The port serves as a crucial hub. Moreover, its deeper water channel allows for the accommodation of larger ships compared to other East Coast ports.

The collapsed bridge is hindering vessel access to the Port of Baltimore, the country's 15th largest container port, per the US Bureau of Transportation Statistics. Maryland Ports Authority data shows its public terminals handled 11.7 million tonnes of general cargo and 52.3 million tonnes of international cargo last year.

While trucks continued to operate at the port after the incident, the absence of maritime traffic is projected to result in a daily loss of US\$9 million. The broader economic impact is anticipated to be even greater, as billions of dollars worth of goods are rerouted, potentially causing supply chain disruptions for months.

The industry has swiftly adapted by rerouting affected shipments, leveraging alternate transportation where feasible, and communicating closely with clients to manage expectations and minimise disruptions.

Ocean and air adjustments

The incident has led to adjustments in both ocean and airfreight rates due to altered demand dynamics and the need for route diversification.

The collapse coincides with negotiations between major retailers and shipping companies for their annual overseas cargo shipping contracts. Retailers have already faced cost hikes due to Red Sea attacks by Houthi groups. Any disruption provides leverage for ocean carriers to push for higher rates, making the timing of this accident particularly unfavourable for ocean pricing negotiations.

There can be a noticeable, albeit temporary, shift towards airfreight from ocean freight among clients with time-sensitive shipments or the ones seeking to bypass the immediate logistical challenges.

The collapse of the Francis Scott Key Bridge underscores the fragility of supply chains and highlights the need for more robust and flexible logistics strategies. It serves as a wake-up call for the industry to reassess its reliance on JIT models and to explore more resilient supply chain practices to withstand such unforeseen disruptions.

While some changes may be temporary, incidents like this highlight the importance of agile and flexible supply chain strategies, potentially leading to more enduring shifts in logistics operations.

Addressing America's infrastructure


The incident highlights the fragility of ageing US infrastructure, emphasising the necessity for immediate and robust intervention. The bridge collapse disrupts not only local but national supply chains, posing risks to safety and economic stability, which can have cascading effects on the US economy. (According to a report from Sky News, the estimated cost of rebuilding the bridge exceeds US\$600 million.)

Disruptions from such collapses can cause significant economic setbacks, ranging from increased costs in detours and delays to lost revenue in commerce and tourism. It emphasises the need for immediate governmental intervention to address these vulnerabilities.


The Baltimore Bridge collapse is more than a temporary logistical hurdle; it's a clarion call for strategic foresight, operational flexibility, and significant infrastructure investments to future-proof America's supply chains.



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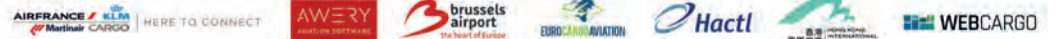
Hong Kong International Airport (HKIA) is delighted to announce its sponsorship of Air Cargo Handling Agent of the Year award category at the ACW World Air Cargo Awards.

HKIA has long been the world's busiest cargo airport. It was once again named the No.1 cargo airport in 2023 with a total throughput of 4.3 million tonnes. Situated at the heart of Asia, flights from HKIA can reach half's of the world's population within five hours.

Apart from the extensive air network and state-of-the-art cargo facilities, HKIA is reputed to provide efficient cargo services including the unparalleled 3-hour export cut-off time before flight and round-the-clock customs clearance. HKIA is committed to better serving worldwide customers under emerging trade patterns including e-commerce and growing demand from the Greater Bay Area, backed by innovative HKIA cargo data platform initiative. HKIA is also the first airport community to attain the full suite of IATA CEIV certification namely CEIV Pharma, CEIV Live Animals, CEIV Fresh and CEIV Lithium Batteries.

We look forward to celebrating the industry success and achievements at the 18th Air Cargo Week World Air Cargo Awards.

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EXPANSION AND AN ENVIRONMENTAL VISION

BY Edward HARDY

08



“We have to realise that we are serving the entire air cargo supply chain”

Global air cargo markets have experienced a phase of normalisation after a very difficult 2023. Volumes in 2024 are still below the records of the Covid era, but the industry is seeing a market-wide return to a steady growth path.

e-commerce freight, in particular, is going from strength to strength, with many fast-growing players disrupting the industry, not only in terms of sheer volume but also in terms of industry composition and customer needs.

Another trend that the industry is focusing on is pharma: both volumes and the number of pharma trade lanes have increased, making pharma a great opportunity to showcase advanced handling capabilities. Both pharma and e-commerce stand as two core pillars of the Swissport cargo strategy, allowing the company to secure a market-leading position.

“We see across our network that belly cargo capacity has fully recovered to pre-pandemic levels. While Covid saw a strong focus on freighter traffic, the market has transitioned back to using a combination of belly cargo and freighters,” Dirk Goovaerts, Global Cargo Chair of Swissport, stated.

“This can be challenging for many stakeholders – but having jointly built back, we now have the chance to focus on where we want to grow as an industry. Our approach has changed: next to our most valued carrier customers, Swissport is ready to support the entire air cargo ecosystem.

“It is an exciting time to be in the air cargo business, and Swissport is well positioned to provide high quality handling services and specialised handling products throughout our network.”

Opportunities abound

Freight forwarders remain an integral part of global logistics. Over the last few years, Swissport has expanded its reach considerably. The company continues to work in close partnership with carriers.

“I don’t think the role of forwarders has changed - if anything, we are rethinking Swissport’s role,” Goovaerts explained.

“While we remain focused on providing excellent handling services to our carrier customers, we have to realise that we are serving the entire air cargo supply chain.

“Our competitors remain other ground handlers - and we are demonstrating our competitive advantage by offering our customers a unique opportunity to optimise their logistics chains in our warehouses.”

The air cargo industry works best when solutions are developed at an ecosystem level. This has been Swissport’s approach recently, and we have been able to add many partners across the logistics spectrum to our joint portfolio of services.

“Partnership across the ecosystem is absolutely key in air cargo. At Swissport, we see ourselves as a partner to the entire industry and we are open to win-win arrangements wherever we can make that happen,” Goovaerts added.

Digitally driven

With Swissport looking for opportunities that will help expand its network and deliver more value, innovation has become extremely important.

Air cargo is unique even within aviation in terms of the number of parties involved in creating a successful product.

“At Swissport, we have long realised that an IT infrastructure that fosters interconnectivity is critical - this is where we focus our investment,” Goovaerts highlighted.

“Over the past few years, Swissport has developed a comprehensive IT upgrade roadmap for many of our business units. All of this will create added value for our customers. In cargo, we are particularly proud to be a launch customer of CargoSpot NEO.

“We are already the only handler with a single cargo management system in all of its 100+ warehouses - after this major upgrade, we will be able to immediately offer our customers a host of important additional features on a global scale. Most importantly, we are greatly expanding our API capabilities across the ecosystem. We are becoming much more flexible in terms of automated data exchange with our strategic partners.”

Socially conscious

An environmental, social and governance (ESG) strategy is at the heart of the logistics and airfreight industry and is increasingly central to every conversation companies have with their clients.

“We serve the industry - and that includes ESG: we have become a key enabler of our clients’ ESG ambitions,” Goovaerts highlighted.

“Sustainability is our collective responsibility as an industry. Our customer base relies on us to deliver meaningful change - and we will deliver that change through Swissport’s ecosystem approach. We aim to reduce our core CO2 emissions by 42% by 2032. This will be achieved, for example, through electrifying 55% of our ground support equipment fleet.

“One example of where we are driving such an ecosystem solution is the proliferation of airside charging points. This is a key component of our electrification ambitions, and we look forward to continuing to work with airport operators on this.

“We are driving the transformation to a more sustainable aviation industry wherever we are present.”

INNOVATIVE AND TECH-FOCUSED

BY Edward HARDY

Automation has been a byword for Hactl since its birth. From those early days, the company invested in automated handling systems at Hong Kong's old Kai Tak Airport, to meet its brief and make optimum use of the airport's severely restricted cargo space. Along the way, it set new standards in productivity and put Hong Kong firmly on the road to global renown as the efficient cargo hub it is today.

But it was the transition to the new airport at Chek Lap Kok in 1998 where Hactl really made strides: opening its stunning new facility, SuperTerminal 1, at the staggering cost of US \$1 billion. Designed by British architect Sir Norman Foster, it featured a fully-glazed exterior, roof gardens and the industry's largest automated handling system.

The system stored 3,500 fully-loaded ULDs on six levels, served by 14 driverless container cranes, and controlled by a computerised logic system that decided where to store each United Load Device (ULD), and recorded that data in Hactl's cargo management system COSAC (now COSAC-Plus), for subsequent retrieval.

Alongside the Container Storage System (CSS) was a similarly elaborate Box Storage System (BSS) which stored loose cargo in 10,000 stillages and delivered it to the pallet building area on demand as pallets were being prepared for their flights.

26 years later, both systems remain in constant round-the-clock use, supported by meticulous maintenance. Constant hardware and software upgrades have made them more productive and efficient than ever – enabling Hactl to achieve vast throughputs on relatively small footprints. And, as recent visitors to SuperTerminal 1 found when the International Air Transportation Association's World Cargo Symposium recently came to Hong Kong, they still leave observers spellbound, as their balletic movements and huge scale drive the biggest independent general cargo handling operation in the world.

Scale of the operation

To put it in context, if Hactl were an airport, it would rank inside the world's top 20 for cargo throughput. Its annual record is 2.9 million tonnes, and its daily record over 10,000 tonnes. Hactl has been known to handle over 100 widebody freighters in a 24-hour period and up to 16 at the same time. And the CSS makes up to 6,000 movements every day.

So you might ask – with such a leviathan of girders, nuts and bolts, cables, bearings, electric motors, sensors, conveyors and computers at its disposal – what is left to automate? That question is one of the daily motivations for Hactl's Performance Enhancement Team – highly-experienced operatives whose task is to seek out any remaining inefficiencies in the operation, and resolve them with high-tech solutions.

Hactl's first foray into the world of robotics was in 2021. Its giant machinery requires round-the-clock maintenance, which often takes place during the slightly less frenetic night-time. Engineers often need urgent spares, which they once collected from a manned parts store that stayed open only during the day; although a selection of the most-often-used spares was available from a locker outside hours.

So Hactl opened a new, robotic Automated Parts Store (APS) where the engineers simply input their order, which is then picked from over

200 storage bins by a robot and delivered back to the front desk. The robot also orders new parts to replenish stocks, replaces these in their correct bins, and automatically generates periodic stock reports. The APS is open 24/7/365, saving labour and providing around-the-clock spares. The APS may be a modest application, but it has been very useful in teaching Hactl about available technology and how to work with outside partners to achieve the required solution.

For Hactl, robotics really came into its own during Covid, when it needed to minimise staff presence at its premises, avoid unnecessary human contact and ensure constant disinfection took place. The answer came in 12 sanitisation robots which performed the task automatically.

The next step in Hactl's robotic journey was the introduction of security robots to complement its human guard patrols, operating on pre-set routes around the terminal site and feeding live video to Hactl's CCTV monitoring suite. Equipped with GPS and anti-collision systems, the robots also capture images of cargo conditions.

Most recently, Hactl has begun using driverless Autonomous Electric Tractors (AETs) to tow pallet dollies between its ULD staging centre and waiting freighter aircraft. The AETs navigate the best route with collision avoidance systems and are speed-limited to 20kph for safety.

All these robotic applications help Hactl counter the constant challenge of recruitment, utilising precious staff resources for duties that require their skills and knowledge. But one repetitive, labour-intensive task has so far eluded an effective robotic solution: pallet building. This requires achieving maximum pallet weight and volume simultaneously, profiling to the aircraft's contours, loading heavy cargo before delicate shipments, and doing this all at speed. Hactl typically builds 400 pallets per day, so there is no time for second attempts. Picking cargo in the optimum order for palletisation takes years of experience.

"It's like a giant three-dimensional jigsaw puzzle, with the added dimensions of density and time," Hactl Chief Executive Wilson Kwong declared.

"So it's little wonder that nobody has really solved this problem yet. However, the technology and components now exist, and the potential rewards are huge, so this will be our next focus.

"Whoever solves this riddle will revolutionise the entire industry."



"Whoever solves this riddle will revolutionise the entire industry"

09



SURGE IN INTEREST FOR LATEST GENERATION CONVERSIONS

BY Ajinkya GURAV

THE freighter leasing landscape in Asia is experiencing a notable surge in interest, particularly in the latest generation of freighter conversions. This trend is driven by growing demand for cargo transportation and the adaptability of newer aircraft models. Key players are eyeing popular feedstock options such as the Boeing 737NGs, Airbus A320s, A321s, and A330s, while new entrants are adding to the competitive mix, promising a dynamic future for the region's freighter leasing market.

10 Lessor interest

Asian lessors are increasingly turning their attention towards the latest generation of freighter conversions due to several factors. The Asia-Pacific region has long been a major player in the global air cargo market, with its rapid economic growth and expanding e-commerce sector driving demand for freighter aircraft. As a result, leasing companies are increasingly looking to capitalise on this growth by investing in converted freighters to meet the needs of airlines operating in the region.

Speaking on this occasion, Eamonn Forbes, SVP & Chief Commercial Officer at Titan Aviation Leasing, stated: "Operators in Asia are increasingly recognising the benefits of the latest freighter conversions, which offer improved fuel efficiency, lower operating costs, and enhanced cargo capacity compared to older models. As a result, lessors are showing keen interest in these modern freighter conversions, viewing them as lucrative investment opportunities to meet the evolving needs of operators while ensuring profitability."

Additionally, the latest freighter conversions offer improved fuel efficiency, lower operating costs, and enhanced cargo capacity compared to older models. These advantages make them attractive options for leasing companies seeking to meet the evolving needs of cargo operators while ensuring profitability.

Feedstock trends

Among the aircraft models garnering significant interest for freighter conversions in Asia are the Boeing 737NGs, Airbus A320s, A321s, and A330s. These platforms are popular choices due to their widespread availability, established track records, and compatibility with conversion programmes.

"The feedstock trends for aircraft models such as the Boeing 737NGs, Airbus A320s, A321s, and A330s are highly significant in shaping the dynamics of the Asian freighter leasing market," added Tan Boon Keng, SVP, GM & Head of Aircraft Leasing Aviation Asset Management Commercial Aerospace, ST Engineering. "For longer-range operations, the Airbus A330 has garnered considerable interest, offering ample cargo space and extended range capabilities. The availability of these popular feedstock options is driving the expansion of the Asian freighter leasing market, enabling operators to modernise their fleets and meet the growing demand for air cargo services across the region," added Tan Boon Keng.

The Boeing 737NG series, in particular, has emerged as a preferred feedstock option thanks to its versatility and reliability. With numerous operators retiring older 737NG passenger aircraft, there is a sizable pool of candidates ripe for conversion into freighters, meeting the growing demand for narrow-body cargo capacity.

Similarly, Airbus A320s and A321s are in high demand for freighter conversions, catering to the needs of regional and medium-haul cargo operators. Their design and spacious cabins make them ideal candidates for transforming into freighters, enabling operators to transport goods efficiently across shorter distances.

For longer-range operations, the Airbus A330 has garnered considerable attention, offering ample cargo space and extended-range capabilities. As air cargo continues to play a vital role in global supply chains, the A330's versatility makes it a sought-after asset for freighter leasing companies looking to capitalise on intercontinental freight demand.

New entrants

The growing interest in freighter leasing in Asia has attracted several new market entrants keen on tapping into this lucrative segment. Additionally, the introduction of new market entrants in the region has also

contributed to the growth of the freighter leasing landscape. These new players are both established lessors expanding into the freighter market and new entrants looking to capitalise on the growing demand for air cargo services. These players bring fresh perspectives, innovative solutions, and increased competition, driving further growth and evolution within the industry.

"With Asia poised to become a leading hub for air cargo operations, these new entrants contribute to the diversification and expansion of the freighter leasing market, fostering innovation and driving growth." Nuno Leal, Chief Marketing Officer, World Star Aviation.

These new entrants range from established lessors expanding their portfolios to start-ups capitalising on emerging market opportunities. With Asia poised to become a leading hub for air cargo operations, these



entrants play a crucial role in shaping the region's freighter leasing landscape and fostering innovation in aircraft leasing and logistics solutions.

The freighter leasing landscape in Asia is witnessing a significant transformation, marked by a surge in interest in the latest generation of freighter conversions. With the growing demand for air cargo services and the availability of popular feedstock options such as the Boeing 737NGs, Airbus A320s, A321s, and A330s, the region's freighter leasing market is poised for expansion.

New market entrants further contribute to this dynamic landscape, introducing fresh perspectives and innovative solutions to meet the evolving needs of cargo operators. As Asia solidifies its position as a key player in global trade and logistics, the future looks promising for the region's freighter leasing industry, driven by technological advancements, market dynamics, and the relentless pursuit of excellence in air cargo transportation.

60 Seconds With ...



LARS-GUNNAR COMEN

Owner of Euroavia International

BY Anastasiya SIMSEK

Lars-Gunnar Comen, the Owner of Euroavia International, is a seasoned figure in the airfreight industry, having recently celebrated hosting his 50th air cargo conference. With extensive experience and expertise in aviation logistics, Comen sat down with ACW at the Nordic Air Cargo Symposium to share an insight into the professional and personal attributes that have shaped his career.

How did you get into airfreight/logistics?

It was a long time ago, it was in 1985. I started as a researcher. So I wrote book reports on air cargo markets.

What's the best piece of advice you've ever received?

Never give up.

If you could have dinner with any person, living or dead, who would it be?

Margaret Thatcher.

What's something we wouldn't know about you from your CV?

I have been to 145 countries, territories and self-proclaimed republics. I like to travel and see new places. Experience new cultures.

What's your proudest moment in your life?

It could be now - hosting my 50th conference.

What is your biggest regret?

I don't focus on things I didn't do. It's not constructive. Use your time thinking, considering what you can do next. And do it better.

If you could have any superpower, what would it be?

Mind reading.

Looking back over your career, what would your message be to someone considering a career in logistics?

It's one of the most important jobs you can have. Airfreight logistics connects the knots in the global economy and provides prosperity for us all.

Cats or dogs?

Cats.

Early riser or night owl?

Night owl.

What's the best and worst purchase you've ever made?

Nice ties in the Louis Vuitton shop in Almaty. Great selection!

If you could only eat one meal for the rest of your life, what would it be?

File Mignon - medium well.



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