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A black and white photograph of Michael Jordan in a crouching pose, looking intently to the right. He is wearing a basketball jersey with the number 23. The background is dark and out of focus.

**THERE WAS BASKETBALL.
UNTIL THE DAY THERE WAS MICHAEL JORDAN.**

**THERE WAS GSSA.
UNTIL THE DAY
THERE WAS ECS GROUP.**

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The weekly newspaper for air cargo professionals



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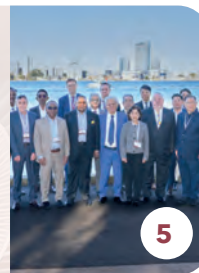
Did You Know?

WE are all aware that many shipments may contain some goods classified as dangerous, but are we aware that an estimated half of all the ...



Voice Of The Industry

THE Federation of Asia Pacific Air Cargo Associations FAPAA held its Executive and Annual General meetings in Perth Western Australia on ...



60 Seconds With ...

Greg Hawkins is Director of Aircraft Charters and U.S. Air Cargo Sales and Marketing for UPS Airlines. Greg started his career at UPS as a part-time ...



While a very passenger-orientated airport, Vienna has seen its focus shift to the importance of a strong and thriving cargo business in the wake of the pandemic. Vienna Airport handled more than 172,000 tonnes in cargo or passenger aircraft during 2023, an increase of two percent compared to 2022.

The pharmaceutical handling at the Vienna Pharma Handling Center also saw a stable development. With 3,675 tonnes, the previous record year of 2022 was slightly exceeded by 0.3 percent. Committed to this specific cargo segment, Vienna Airport has signed Memorandums of Understanding with Incheon Airport, an air cargo partnership agreement with Korean Air Cargo and made continuing investments.

"Vienna Airport is ideally located in the heart of Europe, with 15 countries being reachable within one day of driving and 23 countries within 1.5 days. This has facilitated the setup of a dense road feeder service network to the entire Central and Eastern European (CEE) region and to all major European hubs," Michael Zach, Head of Handling Services at Flughafen Wien AG, explained.

"Vienna Airport is focused on ensuring quality, state-of-the-art infrastructure and technology and, above all, safe and fast processes, with proven reliability that promises congestion-free and smooth handling even in times of rapid growth and high peaks, when other airports are struggling."

Cargo and destinations

Vienna Airport see opportunities in its gateway to the CEE region for Asia, North America and potentially South America and Africa.

The hub is looking to focus on special cargo products like pharma and lithium batteries, which will be undermined by certification initiatives. The airport aims to get the IATA CEIV Lithium Batteries certification in the third quarter of 2024.

"This is an important step towards being able to handle a wide range of consumer goods, from cell phones to e-cars," Zach explained.

"Another impetus for the cargo business is expected from the new long-haul fleet of our home carrier, Austrian Airlines.

"By utilising the bellies of these aircraft, Lufthansa Cargo signed a five-year contract with the airport's own cargo handling agent.

"This step demonstrates the high level of satisfaction of its largest customer and its trust in the airport's capabilities to guarantee first-



class handling for the growing volumes expected in the future.

"Asia and the Far East are still the driving force behind cargo development at Vienna Airport, with automotive and electronics companies with production and distribution sites in our neighbouring countries showing a strong demand for air cargo traffic through Vienna."

Keeping it competitive

The hub has been facing strong competition from neighbouring airports in surrounding countries. However, Zach believes its customers are very satisfied with operations and the situation in Vienna.

"In a thriving cargo world, all airports in our region can serve a well-defined role and prosper, so the biggest threat comes from the current

geopolitical situation and its impact on the global demand for air cargo," Zach explained.

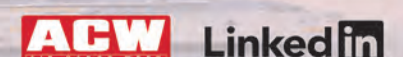
"We have always invested in digital interfaces to improve communication between handling, customers, and authorities. The latest Import One Stop Shop – IOSS module has created the perfect setup to process e-commerce shipments in a speedy and efficient way.

"We are expecting further growth, and although we can offer capacity for short-term increases, we are always preparing for further sustainable growth – both in personnel and infrastructure. At the same time, we will secure and strengthen our high-quality service portfolio through certification initiatives, with IATA CEIV Lithium Batteries being the first step."

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AIRLINE CEOS COMMIT TO SAFETY CHARTER

BY Ajinkya GURAV

The International Air Transport Association (IATA) has announced a significant milestone in aviation safety, with 73 airline CEOs committed to the IATA Safety Leadership Charter. This collective agreement underscores the aviation industry's dedication to maintaining and enhancing its strong safety culture, which has contributed to exceptional safety records, including zero fatalities among IATA member airlines and those on the IATA Operational Safety Audit Registry in 2023.

"Strong leadership and a robust safety culture are interdependent and essential for ongoing improvements in safety performance," Willie Walsh, IATA's Director General, said.

"By endorsing the IATA Safety Leadership Charter, these 73 airline CEOs are setting a precedent for their airlines and the industry. The

Charter serves as a call to action, emphasising the crucial role of airline CEOs in fostering a safety culture that ensures the safety of both passengers and staff."

Principles of the Charter

The IATA Safety Leadership Charter was developed through collaboration with IATA members and the broader aviation community. It aims to help industry leaders cultivate a positive safety culture within their organisations, guided by eight key leadership principles:

Reinforcing Safety: Promoting safety through both words and actions.

Fostering Safety Awareness: Ensuring that employees, leadership teams, and boards are aware of safety practices.

Integrating Safety: Embedding safety into business strategies, processes, and performance measures.

Managing Safety Proactively: Building internal capacity to proactively manage safety and achieve safety goals collectively.

Creating Trust: Establishing a trust-based environment where employees feel responsible for safety and are encouraged to report safety-related information.

Setting Clear Expectations: Communicating and understanding acceptable and unacceptable behaviours regarding safety.

Encouraging Responsibility: Developing an environment where all employees feel responsible for safety.

Continuous Improvement: Regularly assessing and enhancing the organisational safety culture.

Three-pillar strategy

To support the industry in continuously improving safety performance, IATA employs a three-pillar strategy:

Safety Leadership: Focusing on both safety leadership and culture.

Safety Risk: Identifying and mitigating risks through comprehensive data collection and analysis from audits, accident reports, and other sources.

Safety Connect: Facilitating communication among safety leaders to report, discuss, and resolve safety issues.

Did You Know?



ATTENTION DANGER!

BY Michael SALES

Many shipments may contain some goods classified as 'dangerous', but are you aware that an estimated half of all the world's cargo can be classed as 'dangerous'?

During 2016, for example, several incidents occurred involving batteries in mobile phones catching fire. People were advised that they should turn phones off during flight and not place them in luggage, whilst some airlines either banned mobile phones completely or insisted on placing them in flame-proof bags.

In July 2011, a Boeing 747-400F, Asiana Flight 991, departed from Incheon bound for Shanghai, carrying around 58,000 kilogrammes of cargo, including two main deck pallets loaded with paint, resins and

lithium-ion batteries. Around one hour after take-off, the pilots reported a fire followed by a loss of the rudder and other controls. The aircraft crashed into the sea.

After a difficult search and recovery, the subsequent investigation revealed that an onboard fire caused by the batteries had severely damaged the aircraft's fuselage.

New regulations following the incident demanded that DG items must be segregated and contain a fire-fighting system.

Many goods classed as 'dangerous' are, of course, vital for our daily existence, such as some medical items which may be corrosive, flammable or even radioactive, but air transport is by far and THE safest mode to ensure safe delivery.

The IATA Dangerous Goods Regulations manual containing ICAQ technical instructions is written and edited by

industry experts, listing the requirements for shipping dangerous goods by air in a user-friendly, easy-to-interpret manner.

The regulations cover training, security incident reporting, forbidden goods and limitations, classifications and packaging, documentation, as well as moving radioactive material, transport, limitations, classification, identification, packing, testing, labelling, documentation and handling.



T: +44 (0)1737 906107

Advertising: sales@azurainternational.com

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Press releases: news@azurainternational.com

The ACW Team

Editor:	Edward Hardy
Supplement Editor:	James Graham
News Reporter:	Anastasiya Simsek
Regional Representative:	Ajinkya Gurav
Regional Representative:	Kim Adam
Associate Editor:	Chris Lewis
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MOVING TOWARDS A DIGITAL FUTURE

BY Edward HARDY

DIGITALISATION is everywhere - and it has changed the way people work and live. However, compared to other industries, the logistics industry - and the air cargo industry in particular - has been

characterised for years by inefficiency, manual work, paper documents and opaque supply chains.

The pandemic, rising fuel and resource costs, the general supply chain crisis, and disruptive technological advances have led to a rethinking of the air cargo industry. At least since the pandemic, the industry has increasingly relied on the use of technology and digitalisation to close the gaps in supply chains and serve its customers efficiently - even in volatile market situations.

Thanks to the efficiency and reliability of autonomous processes, air cargo companies can operate more in line with demand and conserve resources. Digitalisation also enables significant cost savings and risk reduction worldwide, as BlueBox Systems is well aware. The company is one of the leading developers of intelligent airfreight tracking solutions.

"In today's world of supply chain challenges and global disruptions such as pandemics, natural disasters, geopolitical tensions, and trade disputes, it is increasingly important for companies to be innovative and forward-thinking," Martin Schulze, CEO of BlueBox Systems, stated.

"Innovation enables businesses to adapt quickly to changing market conditions and consumer demands. Automation, data analytics, and artificial intelligence can streamline processes, reduce costs, and improve overall productivity. This adaptability is critical to weathering uncertain times and remaining competitive in a volatile environment."

Competitive environment

Innovation is driven by competition only if the innovation or its positive aspects are part of the competition. If pricing is the most important aspect of competition, innovators may not have an advantage.

However, innovations in automation, optimisation algorithms, and process improvements can help companies optimise their operations, reduce costs, and offer competitive prices to their customers. Competition can, therefore, act as a catalyst for innovation in the air cargo industry. To be successful, however, it must also prove its value to the business in the short term.

"Ultimately, decisions in any business are based on economic considerations. If an innovation

creates value, companies will invest in it and adopt it on a large scale," Schulze outlined.

"But innovation is often not thought of holistically, which makes it a complicated topic for a number of reasons. One topic that's not emphasized enough from my point of view is that the pros and cons of innovation are often not aligned.

"What I mean is that the person who has to make the investment is not necessarily the person who will benefit from it. To me, this is a point that is often overlooked in this discussion."

Forward momentum

Although the pandemic accelerated the digitalisation of the air cargo industry, it was not solely responsible for the surge in innovation. Even before the pandemic, there was a growing trend toward digitalisation, driven by the need to improve efficiency, reduce costs, and increase transparency. However, the pandemic highlighted the importance of resilient and flexible supply chains and led to an even greater focus on digital solutions.

For example, the pandemic exposed vulnerabilities in supply chains and prompted companies to invest in technologies such as IoT sensors, blockchain, and AI to achieve greater visibility and transparency. These technologies are helping to optimise routes, reduce costs, and improve efficiency at the bottom line.

Now, air cargo has reached a crucial point where the industry must prove whether this push is sustainable or whether old habits will prevail again.

"Much of digitalisation is still happening in silos, and the next frontier will be end-to-end integration of tools and processes both within and across the enterprise," BlueBox Systems CEO Schulze explained.

"Applying the right technologies in the right way will be the key to further enhancing efficiency, visibility, and sustainability across the supply chain - not innovating new technologies.

"Collaboration among industry stakeholders, regulatory bodies, and technology providers will be essential to drive progress and ensure a more efficient, resilient, and sustainable air cargo ecosystem."



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Voice Of The Industry



AIRFREIGHT IN ASIA PACIFIC: A FAPAA UPDATE

05

BY Paul GOLLAND, Immediate-Past Chair Australia of the Federation Asia Pacific Air Cargo Associations

THE Federation of Asia Pacific Air Cargo Associations FAPAA held its Executive and Annual General meetings in Perth, Western Australia, on the 13-15th June.

The Association consists of 18 countries from around the Asia Pacific region and meets annually to discuss all matters relating to airfreight.

The meeting started with an announcement that the association had recently signed a Memorandum of Understanding with The International Air Cargo Association (TIACA).

Glyn Hughes, the Director General of TIACA, spoke of "his longstanding relationship with FAPAA and its members and looked forward to increasing the relationship between the two organisations".



The MOU is a major step forward for FAPAA and we welcome a closer working relationship between the two organisations in a number of matters, such as sustainability and digitisation.

The meeting was also addressed by Dr Stephane Graber, the Director General of International Federation of Freight Forwarders Associations (FIATA), who updated members on the progress toward a global air programme.

This matter is high on the list of issues for FAPAA, who feel the Asia Pacific region has fallen far behind its counterparts in Europe, Canada and Latin America, who all operate under single programmes.

Dr Graber was confident work will start on further discussions of with IATA and the airlines by August this year once a new chair has been elected to the IATA-FIATA Consultative Council (IFCC) and terms of reference can be agreed on.

Graber is hopeful that by 2026, an agreement could be reached on

the new global framework.

The meeting was also privileged to hear from Richard White, the CEO and Owner of Wisetech Global, who spoke on the need to digitalise all paper in the supply chain.

In addition, Brian Lovell of Wisetech Academy gave a presentation on cybersecurity and the ramifications for every member in the region. Malware and hacking are becoming more prevalent these days and all members were asked to inform their members in turn of the dangers of not keeping security up to date.

Finally, David Wee of IATA Singapore gave a presentation on ICS-2 pre-reporting requirements for the EU as well as another programme around the world that are coming into force during the rest of this year. He also highlighted the One Record system, which is IATA's platform to digitalise the paper trail.

We look forward to next year's meeting in Katmandu Nepal.





BY Edward HARDY

AFTER many years of technological stagnation, the air cargo industry now seems to have grasped the fact that technology holds the key to so many of our challenges.

"There have always been hot spots where this process has been ongoing and has a clear focus, and I would like to think that Hactl has done more than its fair share to drive this movement," Wilson Kwong, Chief Executive of Hactl, explained.

"What's different today is that we are now seeing critical mass building in areas such as digitisation; this is fundamentally important because you cannot have automation and AI if you are still using paper-based processes and storing or transferring data on paper."

Leveraging the potential

Hactl's automation story began way back before SuperTerminal 1 was built in 1998. That new terminal then introduced a degree of automation that was unheard of throughout the industry.

"That gave us an impressive productivity per capita that others could only dream about," Kwong outlined.

"Inevitably, others copied us, and that was both flattering and intentional, as we have always felt that the industry is only as good as its weakest link, so it's in everyone's best interests to help others get over the bar by sharing ideas and experiences."

Innovation and continuous improvement have become obsessions for Hactl, but with such a long history already behind them, the challenge is now finding even better ways of working. Through their Performance Enhancement Team, whose job is to root out inefficiencies and solve them with tech solutions, the handler is still finding scope for new optimisations in processes.

"Our attention is now fully on robotics: we initially trialled this with our Automated Parts Store that dispenses urgent machinery spares around the clock; we went on to use robotic security patrols to complement our human security guards; and now we are in the process of developing autonomous ramp vehicles such as towing tractors," he continued.

"Robotics, linked to AI, is a solution to our constant challenge of recruitment, but also delivers additional potential benefits such as accuracy and reliability, and releasing staff from repetitive duties to focus on areas that require their experience and skills."

Avoiding hampering hurdles

The main obstacle to innovation is always cost, but with the steadily increasing adoption of robotics and AI across the industry, the cost of this technology will inevitably fall. This also means that, where elaborate systems could once only be justified in large scale operations, the solutions Hactl is developing will also be viable for the smaller and more typical handling operations around the world.

"We have developed a close working relationship with our airport authority and the local community that is already bearing fruit," he stated.

"The adoption of autonomous ramp vehicles, for example, is best done in a collaborative manner, and that is the case in Hong Kong.

"In other areas such as the introduction of our Automated Service Kiosks, regulation has not been a significant obstacle either; in fact it

is to be welcomed where it ensures the necessary adherence to safety and security protocols."

Standardised approach

In an industry where there is still such a wide gap between the most and least technological operations, the clear priority must be for all areas and locations to catch up with the most advanced ones. Beyond that, there are still areas in which automation could provide an answer, but has not yet done so.

Depending on which area of the vast automation and IT arena the industry is exploring, there is already ample scope for systems integration, and initiatives such as IATA One Record are working to standardise processes and communication protocols.

In the more physical aspects of operations such as container handling systems, ramp vehicles and forklift trucks, the equipment itself can be diverse as long as the computer systems behind it can communicate using standard protocols.

"There will always be some degree of customisation required from one operator to another, arising from the existing management systems that

are being expanded and adapted to control the new equipment as part of the wider handling process," Kwong continued.

Sustainable solutions

Efficiency is the friend of sustainability: for example, tech solutions that lead to less machinery movements and reduced vehicle travel, lower energy consumption and emissions. Full digital processes work better with electrical machinery: controlling electric motors is simpler than starting a diesel engine, engaging and changing gears, and turning off the engine.

"It's a little hard to separate the achievements we have made through green measures, as compared to innovation. The two very often go hand in hand, such as our adoption of mobile computing; this was done for process streamlining reasons, but also significantly reduced tractor ramp travel and emissions," Kwong outlined.

"That's why, nowadays, we say that what is good for business is usually also good for the environment. Hactl is, incidentally, committed to the Science Based Target initiative (SBTi) and has had its targets approved; innovation will play a key role in achieving these targets."





DELIVERING AID IN TIMES OF CRISIS

BY Anastasiya SIMSEK

Air Partner's Cargo Division recently completed a cargo operation to transport humanitarian aid, including temporary shelters, water purification tablet, blankets and medicine, to people in Gaza. This involved transporting over 280 tonnes of relief items using a Boeing 747-400 aircraft across three flights.

Actions like this involve assessing the operational status of airports, fuel and customs availability, ground security, presence of air traffic control and ground equipment available to turn around an incoming flight with much needed cargo.

"Organising a humanitarian aid mission is a multifaceted process that begins long before any aircraft takes off," Pierre Van Der Stichele, Vice President of Global Cargo at Air Partner, explained.

"Before any humanitarian mission, Air Partner keeps up to date with world events that could require humanitarian work.

"We remain in contact with relief agencies and NGOs to understand their areas of focus and share information on local knowledge.

"We constantly monitor geo-political instability that might require evacuation flights to get people out of a country when requested but also to bring in much needed humanitarian help and supplies. It can be a two way traffic, getting people out and bringing in help."

"Once the required level of preparedness is established, we respond to tenders on the invitation and pre-qualification basis from the relief agencies and NGOs, which often require a fast turnaround and which requires Air Partner to have quick access to cargo capacity through its carrier relationships".

Permissions and priority areas

Delivering aid to conflict zones like Gaza involves navigating complex tensions and dangerous conditions.

As with the majority of humanitarian aid operations, it is not Air Partner's role to liaise with governments for permission to deliver aid

as that is performed by the agencies that employ their services.

In their role, Air Partner assist the carriers they select with the provision of aircraft and flight to allow passage and overflight to reach the final destination. Most cargo charters with cargo destined for Gaza was flown into the northern Egyptian airport called El Arish which is 45 kilometres south of the main entry border post of Rafah in Gaza.

As part of this, they have assisted carriers to fly through the Israeli airspace to reach that airport, which was done by applying for overflight clearances through the Israel Civil Aviation Authority.

"The commodities and areas of priority are determined by the humanitarian agencies who have engaged the company's services," Van Der Stichele explained.

"To decide this, the UN and other agencies have staff on the ground in Gaza who relay the requirements and once goods are received, they distribute the freight to local hospitals and population in need.

"According to recent conversations with our clients, the biggest hurdle is getting the freight across the border at the Rafah crossing point, which can take weeks due to multiple Israeli truck on- and offloading and inspection by the Israeli authorities. Due to this timeframe, we have mainly transported dry goods and non-perishable items."

Collaboration and partnerships

Collaboration with international organisations is crucial for the successful delivery and distribution of aid. Whether that's working closely with various United Nations agencies, Médecins Sans Frontières (MSF), the International Committee of the Red Cross (ICRC), and USAID to deliver the goods on the ground or carriers to deliver it to the region.

"Our biggest challenge is to convince aircraft operators to operate to a conflict zone as, understandably, the primary concern is the safety of the crew and aircraft," Van Der Stichele revealed.

"We have overcome this obstacle by liaising with local authorities and relief agencies to provide us and the airline that we have selected a reassuring level of security."



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☎ +31(0) 20 446 0982
✉ marketing@eurocarg.aviation.com
🌐 eurocarg.aviation.com



SUPPORTING SOUTH AMERICA'S SUSTAINABLE VISION

BY Edward HARDY

As the effects of climate change become more pronounced and societal awareness increases, the pressure on the logistics industry and airlines will only grow. Therefore, the ability of stakeholders to contribute to tackling climate is fundamental if they want customers to continue choosing their services.

While the industry recognises the imperative to balance the demand for air cargo services with escalating environmental concerns, the approach involves a multifaceted strategy, including optimising flight routes to minimise fuel consumption and emissions, implementing load factor optimisation techniques to maximise cargo capacity per flight, and collaborating with industry partners to explore sustainable aviation fuel alternatives.

"Delivering on the industry's goal of being net-zero by 2050 is a must. As currently structured, we are a carbon-intensive industry that has no commercially viable alternatives to address this challenge," Christina Onate, VP of Sustainability and Product in LATAM Cargo, said.

"This means we have 30 years to find effective ways to reduce CO2, make them economically viable and make them available all over the world. It is safe to say that this is the most ambitious project the industry has embarked on.

"We are already seeing mounting social pressure for the industry to take action as well as greater demands from select passengers and corporate customers in particular, as businesses look to tackle their Scope 3 emissions.

"In fact, this presents an enormous opportunity for the industry to help share the cost burden of the transition. Through a robust compendium of initiatives, we aim to drive sustainable development in South America."

Strategic pillars

In May 2021, LATAM Group launched its sustainability strategy aiming to become an asset in the countries where it operates by generating economic, social, and environmental value in each of them and, thus, contributing to the protection of South America's ecosystems for the next 30 years.

The airline set challenging and measurable goals across three pillars: Climate Change, Shared Value and Circular Economy, which were designed in collaboration with experts and environmental organisations from across the region.

In the Climate Change pillar, LATAM Group is committed to achieving carbon neutrality. In the case of the Shared Value pillar, the airline seeks to expand and strengthen its network of partnerships as part of its Solidarity Plane programme, making cargo and passenger capacity available to contribute to causes related to health, the environment, and natural disasters within the region. Finally, under the Circular Economy pillar, LATAM Group has pledged to eliminate 100 percent of its single-use plastics and become a group with zero waste to landfills by 2027.

Sustainable fuel and offsetting emissions

At LATAM, the carrier has made sustainability a priority, with CO2 reduction a key part of its plan based on fuel efficiency, operational and new technology initiatives, the use of sustainable aviation fuel (SAF) and as a complementary measure: CO2 offsetting.

"The industry is working hard trying to find ways to solve the problem. Most stakeholders, from aircraft manufacturers to airports, to airlines, to customers, to industry bodies like IATA, are pushing towards emission reductions. But there is lots to be done," Onate admitted.

"On one hand, an improved regulatory framework that creates the right incentives while preserving a fair operating environment. On the other hand, governments need to address issues like antiquated air traffic control systems that create major inefficiencies. Third, we need to educate all stakeholders better about the real impact of mechanisms like SAF and offsets to ensure a resource allocation that leads to truly relevant solutions. Fourth, we need a strong pipeline of technological initiatives -from better engines to new fuels to carbon capture plants- that help reduce the issue at its core."

SAF availability is limited worldwide; right now, production is concentrated in Europe and the United States, hence, it needs to be transported to other regions lacking supply; this translates into additional costs and CO2 emissions.

For airlines not located in the production areas, an immediate solution is to adopt the book and claim methodology, but in the short-medium term there will be an increasing requirement for SAF produced locally to ensure production and feedstock quality and traceability.

Project costs for SAF production remain high with feedstocks like cooking oil being tight. A challenge facing the sector is, therefore, sourcing enough raw materials to guarantee availability of a variety of high quality feedstocks and prioritise investment to scale up production in order to offer competitive prices.

"We have an offsetting programme: "1+1 Offset to Conserve," where customers have the possibility to offset their cargo shipments CO2 footprint supporting conservation projects in the region, where we commit to cover 50 percent of the compensation cost, thus offsetting 100 percent of their total emissions together," Onate explained.

"With this initiative, we look to preserve some of the most important ecosystems in the world, located in South America. As such, we have a long-term partnership with the project CO2Bio, located in the Flooded Savannas of the Orinoquia Region in Colombia, which aims, by 2030, to protect 575,000 hectares of land, over 2,000 species and benefit over 700 families.

"At COP28, LATAM and Future Carbon announced a letter of intent to help preserve over 22,000 hectares of the Amazon Rainforest and Cerrado ecosystems, located in Mato Grosso near the deforestation arch of the Amazon."

08



"We are already seeing mounting social pressure for the industry to take action."

LOOKING TO LATIN AMERICA

BY Edward HARDY



The strategic geographical position of Latin America facilitates the efficient movement of goods across continents. The region's diverse economies – ranging from agriculture to manufacturing – generate substantial demand for airfreight services.

Countries like Brazil, Mexico and Argentina are significant exporters of popular commodities, including agricultural products, minerals, and manufactured goods and consumer goods. The expansion of airports and logistics facilities within the region have improved the efficiency and capacity of cargo operations in recent times.

"American Airlines Cargo has established a comprehensive network in the LATAM region, maximising the belly space of its passenger aircraft with cargo. American serves major cities in LATAM such as São Paulo, Mexico City, Buenos Aires and Santiago, connecting them to key destinations in North America, Europe and Asia," Lorena Sandoval, Sales Director – Florida, Caribbean and Latin America at American Airlines Cargo, outlined.

"We transport a diverse range of cargo commodities into and out of the LATAM market, reflecting the region's economic activities and trade patterns. Key imports into LATAM include electronics, machinery components, pharmaceuticals and consumer goods. These products are essential for supporting local manufacturing, infrastructure development, and consumer demand.

"On the export side, American Airlines Cargo carries a variety of commodities from LATAM to global markets. These include agricultural products (such as fruits, vegetables, and seafood), minerals, raw materials, textiles and high-value goods like electronics and medical equipment. The region's agricultural exports are particularly significant, driven by favourable climatic conditions and increasing global demand for fresh produce.

Gateway to South America

Miami plays a critical role as a major cargo hub which offers multiple daily departures to key LATAM destinations. This frequency provides flexibility for shippers and ensures that goods can be transported quickly and reliably.

The airport's strong customs and border protection services facilitate the efficient processing of international shipments, reducing delays and enhancing supply chain reliability. American Airlines Cargo remains very focused on its operations across its entire network, but there is special attention on Miami International Airport (MIA) due to the volume of traffic that flow through it. "The key to American Airlines Cargo's success in building a strong connected network lies in its strategic use of MIA as a primary gateway to South America. Miami's proximity to LATAM and its role as a major cargo hub enables frequent and reliable service," Sandoval stated.

"American Airlines Cargo's extensive route network, which covers major cities in LATAM, ensures comprehensive coverage and convenient connections for our customers to move their cargo."

Shifting shipments

The LATAM region has experienced steady economic growth, supported by increased activity, development, and rising demand. This has driven an

uptick in trade volumes and a corresponding increase in airfreight services. Countries such as Brazil, Mexico, and Colombia have seen significant economic development, contributing to the region's overall growth.

American Airlines Cargo has responded to these trends in recent years by expanding nonstop, widebody flights from hubs like New York and Dallas to Brazil and Argentina, allowing them to capture a larger share of the growing market. Miami remains its biggest origin in the region, serving Buenos Aires, Rio de Janeiro, São Paulo and Santiago with widebody routes.

"Over the years, there has been a move towards higher-value and more specialised cargo shipments, reflecting changes in LATAM's economic landscape and global trade dynamics," Sandoval explained.

"The growth of the pharmaceutical and electronics industries has increased the volume of temperature-sensitive and high-value goods transported by air. Additionally, the rise of e-commerce has driven demand for expedited shipping services and the transportation of consumer goods. Looking ahead, it's likely these trends will continue with the growth of e-commerce driving the demand for airfreight services."

Collaboration and competition

By collaborating with local airlines, American Airlines Cargo works to offer more comprehensive flight schedules and improved connectivity that can benefit cargo. Partnerships with airports and cargo handling companies enhance the efficiency of ground operations, ensuring that shipments are processed quickly and reliably. In addition, they also work closely with local governments and trade associations to support economic development and promote trade initiatives.

"These collaborations help to create a favourable business environment, facilitate regulatory compliance, drive investment in infrastructure and logistics capabilities and foster an ecosystem that promotes trade and economic development," Sandoval highlighted.

With this positioning, despite rising competition, American Airlines Cargo feels confident in what it offers to customers – in particular, specialised products and services that match the verticals where they are seeing growth, like pharmaceuticals, electronics, and perishables.

The carrier has also invested in digital transformation, including the development of more user-friendly tools for booking and tracking shipments on its aacargo.com platform, which enhances the customer experience and improves operational efficiency.

"Our network enables us to seamlessly connect freight from Europe, Asia Pacific, and North American regions to and from Latin America, which is a key advantage for us. Latin America remains a really important area of focus for American Airlines Cargo, and we are continuously adapting to market trends and customer needs," Sandoval continued.

"Overall, American Airlines Cargo's vision for the future involves leveraging the strength of our network and operations, embracing digital innovation, and fostering strong relationships within the LATAM region to drive continued success and support the growth of the airfreight industry in the region."



09

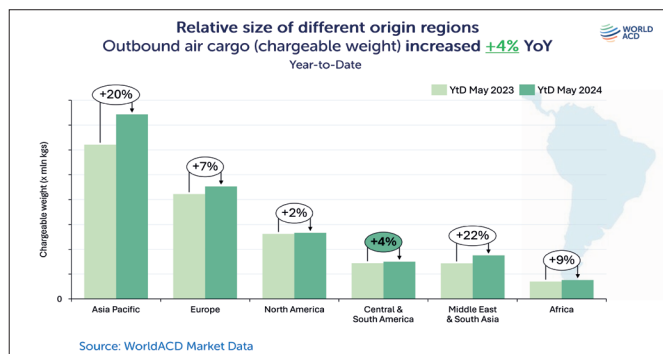
"The growth of the pharmaceutical and electronics industries has increased the volume of temperature-sensitive and high-value goods transported by air."



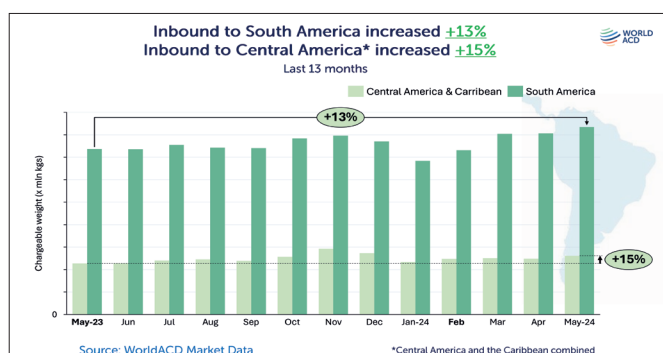
CARGO FLOWS ACROSS LATIN AMERICA

BY Ruben PLASMEIJER, Data Analyst at WorldACD

So far, 2024 has been a year with positive growth for both outbound and inbound of air cargo shipments from all origin and destination regions. Air cargo originating from Central & South America increased by +4 percent in the period between January to May in 2024 (YtD) compared to the same period in 2023. Similarly, air cargo being imported to Central & South America increased by +9 percent Year-to-Date May 2024 compared to YtD May 2023.

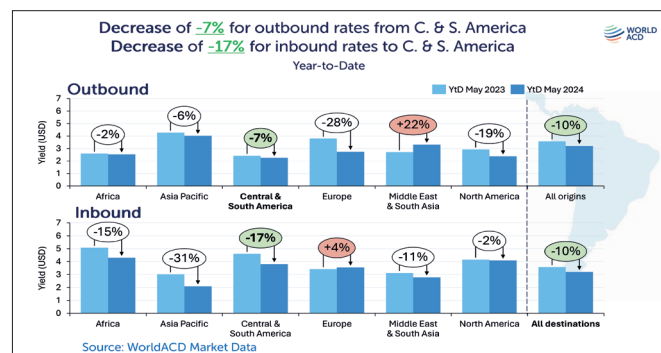


In the last 13 months (May 2023 - May 2024), inbound to Central America and the Caribbean increased +13 percent on a Year-over-Year basis in May 2024. Air cargo traffic to South American countries increased +15 percent. The most important growth factor is the +41 percent Year-on-Year (YoY) growth of imported Vulnerables/High-tech products Year-to-Date May 2024.

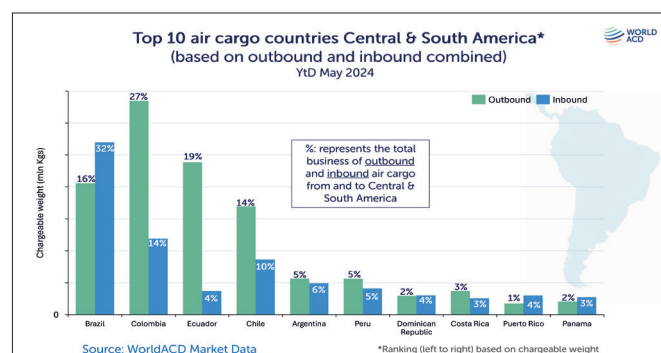


Rates for inbound shipments to Central and South America dropped -17 percent, compared to -10 percent on global inbound air cargo. The region ranked third in terms of highest rate drop YtD May 2024 versus YtD May 2023. Europe ranked first, whilst rates for outbound air cargo dropped the

most for shipments leaving Asia Pacific (-31 percent). Rates for outbound shipments from Central & South America decreased by -7 percent YtD May 2024 compared to YtD May 2023. Due to a greater flow of capacity, rates continue to go down despite increasing volumes.



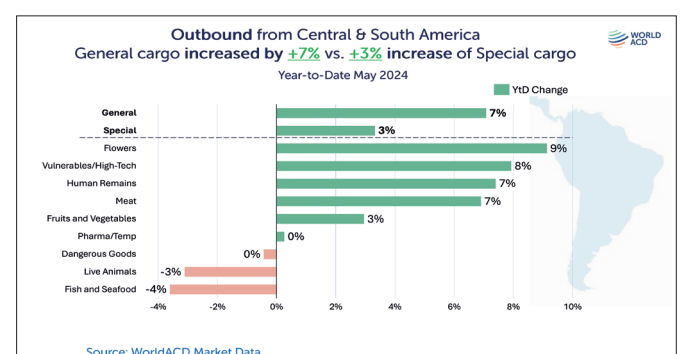
The ranking below shows the largest air cargo markets in Central & South America (left to right based on the combined chargeable weight of outbound and inbound air cargo - YtD May 2024). Colombia's air cargo market represents 27 percent of the region's total outbound market, larger than Brazil (16 percent). However, but Brazil ranks first as the region's largest air cargo origin due to its significant share of 32 percent in the inbound market. Ecuador follows as third largest air cargo market due to a 19% market share in the region's total outbound market.



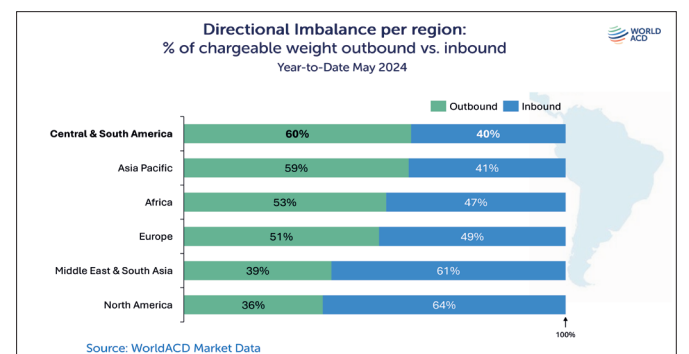
A big part of the YoY growth of Central and South America as a region was accounted for by the largest origin and destination countries. The outbound and inbound from Colombia increased +6 percent and +22 percent respectively in the first five months of 2024 compared to the

same period last year. Ecuador increased +14 percent of its outbound air cargo and +7 percent of inbound air cargo. Similarly, air cargo traffic from and to Brazil increased +5 percent (outbound) and +4 percent (inbound).

Looking at product categories, the majority of special products shipped by air from Central & South America increased in the first five months of 2024. General cargo has seen a stronger growth (+7 percent) compared to all special products combined (+3 percent).



In terms of inbound, both general and special cargo have grown even more. In the first five months of 2024, inbound of all special products combined increased by +6 percent, compared to +10 percent for general cargo.



The air cargo market of Central & South America was the most outbound-oriented region in the period January to May 2024. Air cargo traffic from Central & South America accounted for 60 percent of the total air cargo market of the region, followed by Asia Pacific (59 percent), Africa (53 percent), and Europe (51 percent). The other regions (Middle East & South Asia, North America), on the other hand, were far more inbound-oriented, showing opposite figures.

60 Seconds With ...



GREG HAWKINS

Director of Aircraft Charters and U.S. Air Cargo Sales and Marketing for UPS Airlines

BY Anastasiya SIMSEK

Greg Hawkins is Director of Aircraft Charters and U.S. Air Cargo Sales and Marketing for UPS Airlines. Greg started his career at UPS as a part-time employee while attending college. Since then, he has served in various roles, including air operations, customer service, air network planning, air cargo sales, postal operations and aircraft charters. Greg is based at the airline headquarters in Louisville, Kentucky.

How did you get into airfreight/logistics?

I was fortunate enough to start as a part-time employee with UPS Airlines while going to college and it turned into a career. From my first moment working around our aircraft, I was hooked. With a career spanning 38 years and counting, I've benefited from working with great partners and customers around the world.

What quote has most resonated with you?

"Failure is simply the opportunity to begin again, this time more intelligently."x
-- Henry Ford

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

My Dad would always tell me that you have two ears and one mouth

for a reason. Act accordingly. That's been the best advice in an industry where success with customers depends on listening to them.

What is the most adventurous thing you have ever done?

Whitewater rafting the Upper Gauley River in West Virginia. I fell out in the middle of the rapids and came up under the boat. It was quite a scare at the time, but it's a great memory now!

If you could have dinner with any three people, living or dead, who would it be and why?

In no particular order, I would pick Benjamin Franklin, who was multi-talented. He was a statesman, inventor and writer. Abraham Lincoln would also be phenomenal. He spent much of his childhood in Kentucky, my home state, and had a gift for connecting with other people. Lastly, and most importantly to my career, Jim Casey who founded American Messenger Company, which he later renamed United Parcel Service (now UPS). He started that little business in 1907 on a just a \$100 loan, which became the foundation for what the shipping industry is today.

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

During the pandemic, I obtained a graduate certificate in Distilled Spirits Business. Living close to Bardstown, Kentucky, the bourbon capital of the world, I'm passionate about America's native spirit. I

bet you didn't know that approximately 95% of the world's bourbon is distilled and aged in Kentucky.

What hobby have you always wanted to try but never got around to?

Pickleball has piqued my interest. It seems everyone is playing the game right now. However, I don't know if my knees will give me permission to try it.

If you have not pursued a career in airfreight, what other field would you have liked to go into?

The aviation field is in my blood. I would have definitely been a pilot or an aircraft mechanic.

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

It wouldn't be a stretch to say I'd fly. Lucky for me, I get to work for a company that does that every day!

What's your proudest moment and your biggest regret?

My proudest moment was receiving the rank of Eagle Scout when I was 17. I don't really have regrets.

If there was a movie made about your life, who would you like to see play the lead role?

Jason Statham, if only because we have the same hairline!

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

Be willing to dig deeper...success depends on understanding the customer (and sometimes their customer), the process, and the providers. It's never the same day twice.

How do you motivate your team?

UPS Founder Jim Casey was fond of saying "determined people, working together, can accomplish anything." We understand the why of our work and what each person's role is, and celebrate each other's success.

What is the one item you can't travel without?

My watch! It goes with me everywhere, even when I don't have a phone.

Who is your role model?

My dad taught me to be the best person I can be, every day.

What would your autobiography be called?

"Be Prepared...using the Boy Scout laws in every day life"

Cats or dogs?

I'm a dog person. I've had at least one, sometimes more, in my life for the last 30 years. They've all been rescue dogs from shelters.

Early riser or night owl?

I'm a night owl. My first job at UPS was in the middle of the night and it's stuck with me.

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

Best purchase would be a vacation to Europe visiting family we had never met before in person. Worst purchase would be any trip that we meant to take but haven't gotten around to (yet).

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

I wish I could have my mom's "no-bake" cookies for every meal.

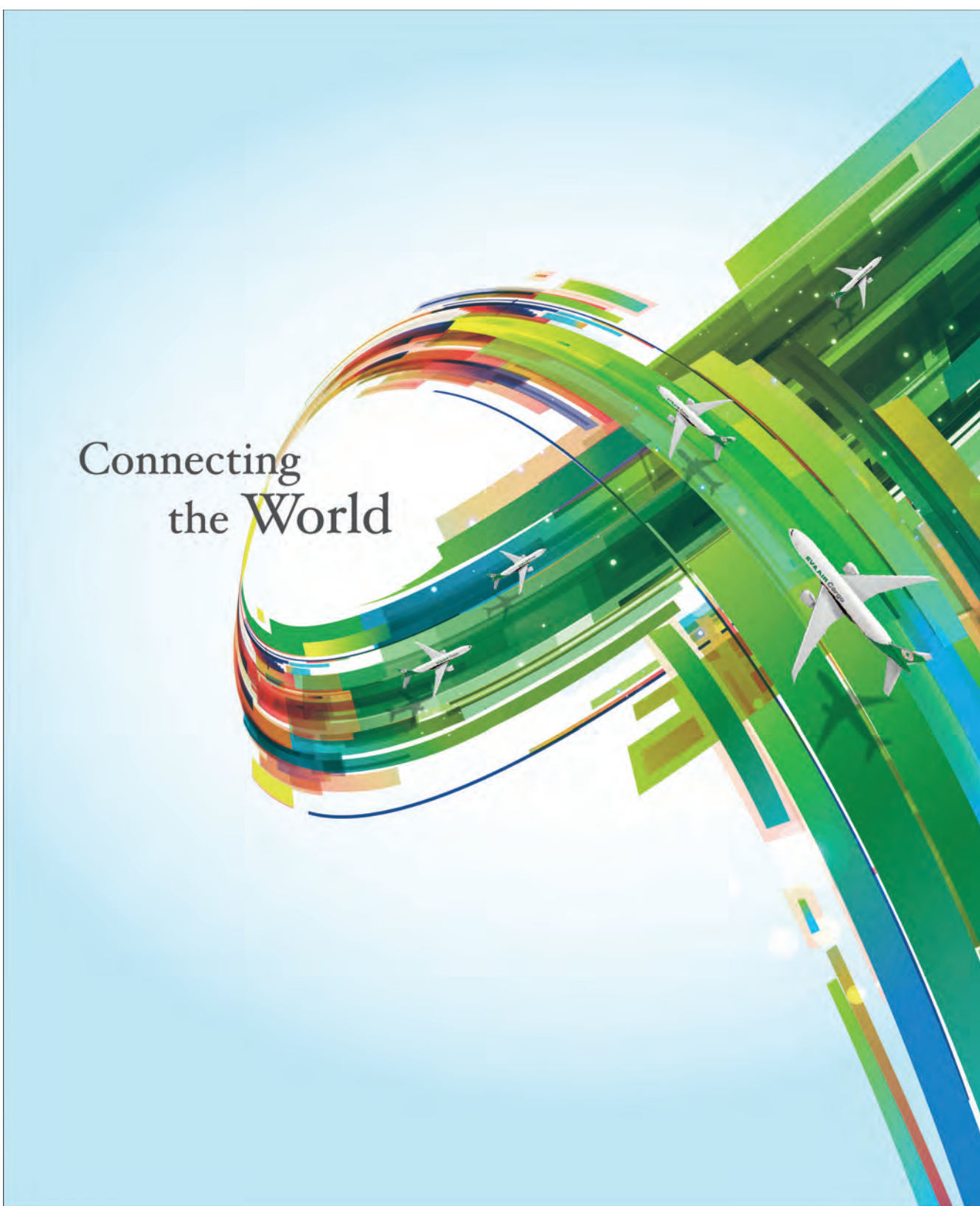
What's your most used emoji?

Any emoji is one too many. I value human connections and would much prefer to talk on the phone or in person.

View From The Maindeck

FILIPINO FREIGHTER TAKES FLIGHT

BY Ajinkya GURAV



Connecting
the World

Skyway Airlines Inc., a nascent cargo airline, has marked a significant milestone with the delivery of its first Boeing 737-400 Freighter from Aercap. The moment heralds a new era for the airline and the Philippine airfreight industry, promising enhanced capacity and efficiency.

Established in October 2022, Skyway Airlines has rapidly progressed in its mission to become a key player in the air cargo sector. Since its inception, the airline has diligently worked on securing necessary permits and approvals from the Civil Aeronautics Board (CAB) for Domestic Operations and in the Final phase of Acquiring AOC from Civil Aviation Authority of the Philippines (CAAP).

These efforts have paved the way for Skyway Airlines to operate both domestically and soon internationally, with its maiden domestic operations scheduled to commence in July 2024.

A unique market

The Philippines, an archipelago comprising over 7,000 islands, presents distinctive logistical challenges. Traditionally, air cargo in the country has relied heavily on the belly cargo space of passenger aircraft. However, the burgeoning e-commerce sector, significantly accelerated



by the Covid-19 pandemic, has created an urgent need for dedicated cargo solutions.

Skyway Airlines' introduction of the Boeing 737-400 Freighter, with its 18-tonne capacity, is a strategic move to address this demand. The freighter is specifically designed for cargo operations, offering significant advantages over traditional belly cargo, including more flexible scheduling and the ability to handle larger and more varied shipments.

The launch also coincides with the rapid adoption of online shopping platforms in the Philippines. As consumer behaviour shifts towards e-commerce, the demand for efficient and reliable logistics solutions has skyrocketed, and Skyway Airlines is positioning itself to meet this demand head-on, providing the much-needed capacity for fast and dependable air cargo transportation.

National and international

Skyway Airlines aims to enhance connectivity not just within the Philippines but also on an international scale. The airline's strategic base at Clark International Airport provides a prime location for both domestic and international operations, enabling efficient cargo movement across major trade routes.

The acquisition of the Boeing 737-400 Freighter is just the beginning. Skyway Airlines has plans to grow its fleet and network, aiming to become a leading player in the Asia-Pacific air cargo market. The airline's commitment to safety, reliability, and customer service is expected to set new benchmarks in the industry.

In the long term, Skyway Airlines envisions a significant expansion, playing a crucial role in supporting the Philippines' economic growth by facilitating faster and more reliable trade and commerce.

EVA Air Cargo – You Can Depend on Us

EVA Air Cargo's ever-expanding network now includes Milan, Munich, and Clark. Our dense freight network offers key advantages that help you carve out a game-changing niche in a fiercely competitive market.



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