



The weekly newspaper for air cargo professionals



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Voice Of The Industry

IMPORT airfreight in the Australian market has always been a volatile beast, with five recessionary periods between 2000-2024, but currently there ...



60 Seconds With ...

ELFI Chik began her career as a ground handler of Hong Kong Airport Services Limited, followed by pivotal roles at All Nippon Airways and ...



Avianca Cargo is looking to capitalise on the strategic integration of bellyhold and freighter capacity to expand operations out of its Bogota base as the carrier looks to target point-to-point growth in its network.

In the past 12 months, Avianca has unveiled multiple non-stop services to locations around the globe, including Quito, Ecuador and New York's John F. Kennedy hub. After an absence of over two decades, the airline restarted its route from Colombia to Paris Charles de Gaulle, connecting passengers and trade.

"It's inspiring to be able to connect businesses for our clients, bring better products, connection times, build new opportunities," Juan Correa, Vice President of Sales at Avianca, stated.

"The Dreamliner 787-8 offers a cargo payload of around 10-12 tonnes per flight, maximising both passenger and cargo opportunities.

"The belly capacity is really one of our competitive advantages. It is a scheduled flight. You have the on-time performance from the passenger side. You have specific volumes. It's really good for dense cargo. It's really good for appreciable markets. It's really a good product for regular cargo all year long."

Closer to markets

The year 2023 saw the successful confirmation of the efficacy of Avianca's model. Its product is now flexible and can be adapted to suit a variety of needs while offering competitive pricing. As a result of the changes the carrier implemented, it saw an increase in the number of people flying by air. The figures demonstrate that it achieved the highest number of passengers in the airline's 105-year history. The total number of passengers was 32.2 million.

Furthermore, Avianca's route network is one of the most robust in the region. In 2024, the carrier will continue to strengthen it with 32 new operations for a total of 147 routes in 75 destinations and 25 countries. Furthermore, its operational performance was on par with that of the world's leading airlines, with a punctuality rate of 85.73 percent, making it the most punctual global airline. Additionally, Avianca achieved one of the lowest baggage incident rates in the industry, at 1.58 irregularities per 1,000 passengers, compared to the industry average of 6.9, according to SITA data at the end of 2023.

In 2024, Avianca will consolidate our business model. It will continue to adjust and invest where necessary to remain the airline



of choice for travellers. In line with this commitment, the carrier is focused on advancing service projects, technology at the service of the customer, and the connectivity of its network.

"Our main hub is out of Bogota. We use it to connect cargo with different interline partners, as well as cargo businesses. We combine the passengers and freighters, using narrow bodies to reach more

than 70 destinations and over 23 countries," Correa continued.

"We're using our capabilities and flexibility to tailor what's most efficient and effective for our clients.

"Through partners, we will connect around the world to different hubs and regions, feeding China and India, reaching Asia, Europe and different corners of the globe."

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HOW AI IS ALTERING AIRFREIGHT



BY Robert KHACHATRYAN, Founder and CEO of Freight Right Global Logistics

AS the global AI in the supply chain market is projected to skyrocket from USD 4.5 billion in 2023 to USD 157.6 billion by 2033, companies are increasingly turning to AI-driven solutions to revolutionise their operations. From enhancing forecasting accuracy by up to 50 percent to slashing equipment downtime in half, AI is not just improving efficiency—it's reshaping the future of logistics. The rapid adoption of AI across the supply chain is set to deliver significant cost savings, bolster resilience, and elevate customer satisfaction in an increasingly competitive market.

Enhanced efficiency through AI

AI-driven solutions are revolutionising supply chain efficiency, leading to significant enhancements in overall operational performance. This level of precision enables companies to make more informed decisions, ultimately driving productivity and reducing waste.

Cost reduction

AI implementation in supply chain operations is a powerful tool for

reducing costs. Automating manual processes, improving demand forecasting, and optimising inventory management can result in cost reductions of up to 15 percent. These savings are crucial for maintaining competitive advantage in today's fast-paced market.

Real-time data and visibility

The growth of omnichannel retail has made tracking inventory across multiple channels increasingly complex. Traditional systems often silo data, leading to discrepancies and blind spots. AI-powered tools provide real-time data and visibility across the entire supply chain, with forecasts suggesting that by 2025, over 75 percent of supply chain operations will rely on AI for demand forecasting and planning. These advanced systems are expected to deliver up to 20 percent in cost savings and reduce stockouts by an impressive 50 percent.

Predictive maintenance

AI's predictive capabilities are game-changing for maintenance operations, cutting equipment downtime by up to 50 percent and extending asset lifespans. This not only ensures smoother day-to-day operations but also significantly reduces the risk of costly disruptions.

Supply chain resilience

AI enhances the resilience of supply chains by proactively identifying potential disruptions and recommending alternative strategies. Companies leveraging AI can experience a 20-25 percent improvement in risk management, helping to minimise interruptions and maintain continuity in the face of challenges.

Customer satisfaction

AI's impact extends to customer satisfaction as well. By improving order accuracy and reducing delivery times, AI can boost customer satisfaction by 25 percent, fostering greater customer loyalty and retention. This is critical in a market where customer expectations are higher than ever.

The global AI in supply chain market is poised for tremendous growth, with its value projected to soar to approximately USD 157.6 billion by 2033, up from USD 4.5 billion in 2023. This reflects a CAGR of 42.7 percent between 2024 and 2033, underscoring the profound impact AI will continue to have on the industry.

The evolution of AI in logistics and supply chains will persist in the future. With the advancement of AI technologies, their capacity to manage intricate systems will be enhanced. This could result in increased efficiencies and the emergence of new capabilities. Nevertheless, human involvement will remain crucial in offering intuition and ethical judgement that AI is unable to imitate.

Did You Know?



ABOUT THE FORMATION OF AIRPORT ASSOCIATIONS

BY Michael SALES

In the very first era of aviation, hazardous landings and take-offs were restricted to any flat surface, a beach or a field, often with disastrous effects. But very quickly, the necessary facilities such as access to fuel, a reliable runway surface, road connections and mechanical support, were introduced in order to make flying a useful and safe transport mode.

The first notable airports on record were – College Park Airfield in Maryland, USA (1909), Schiphol Amsterdam (1916), Paris Le Bourget (1919), famous for Charles Lindbergh's solo flight landing in 1927, and Sydney, Australia (1920).

The intervening years witnessed the steady growth and development of airports

around the world, mostly funded by governments, incorporating passenger and cargo handling systems.

In 1948, 19 American airports formed the Airport Operators Council to agree on standards. Over the following years, various associations and councils were formed and eventually amalgamated to become the Airport Associations Coordinating Council (ICAA).

During the 1960s, with the introduction of jet aircraft, flying became popular and efficient air cargo processing got going.

Airport services improved and developed for both passenger comfort and convenience and for faster and more efficient cargo handling.

In 1991, Airports Council International (ACI) was established, and, today, based in Montreal, it has become the collective voice

of some 2,000 airports in over 170 countries.

Out of the 42,000 airports around the world, 3,780 are registered for public commercial use. Special warehouses and facilities for cool chain, dangerous goods and animals are available at most platforms.

For standardisation, each airport has two codes, one from the International Civil Aviation Organisation (ICAO) for flight plans and air navigation service providers and a second from The International Air Transport Association (IATA) used for airlines' operations.



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ASIA'S BOOMING MARKET



BY Anastasiya SIMSEK

THE Asia-Pacific (APAC) region, with its burgeoning markets and diverse economic drivers, has become a focal point for many leading air cargo operators. Experiencing double-digit growth in cargo volume, the APAC market's expansion has been driven by a shift from general cargo to a diversified mix that includes a substantial e-commerce component, reflecting the rapid expansion of online shopping.

"Particularly in Asia-Pacific, the volume is growing rapidly. We see three key hubs: Hong Kong, Singapore, and Shanghai," Jacqueline Han Lin Ni, Etihad Cargo's Regional Director responsible for North Eastern Asia, including China, Hong Kong, Japan, South Korea, and Taiwan, stated.

However, the region's rapid growth has brought challenges, with development at hubs struggling to keep pace with the increasing demand in certain areas.

"The infrastructure, including ground handling agents (GHAs) and airport facilities, is currently not keeping pace with demand," she noted.

Additionally, the region's regulatory complexities add another layer of difficulty.

"People often think of Greater China as one entity, but Hong Kong, mainland China, and Taiwan have different rules, languages, and currencies."

Key focus

The safe and efficient transportation of cool chain goods and high-tech shipments has become increasingly important over the past few years, sparking the need for specialised handling, particularly in challenging climates.

"The pharmaceuticals market has experienced year-on-year growth, especially with vaccine transportation. Customers often ask if we can handle the heat, given Abu Dhabi's high temperatures," Han Lin Ni stated. "We have continuously launched new features to enhance our IATA CEIV Pharma-certified PharmaLife product, including specialised thermal blankets and cool dollies, to ensure we can effectively mitigate the environmental risks, including the climate.

"Etihad Cargo also introduced SecureTech earlier this year to provide the timely and secure delivery of electronic devices, from mobile phones to computers and screens. This product is IATA CEIV Li-batt-certified, so our customers can rest assured that their shipments are in safe hands with Etihad Cargo."

Geopolitical issues have also influenced cargo operations. "The Red Sea crisis has transformed demand in Southeast Asia and India from ocean to airfreight, highlighting the industry's flexibility in the face of needing to innovate and adapt quickly to maintain service levels," Han Lin Ni said.

"Our industry is very dynamic and is evolving rapidly, which can be challenging and certainly keeps cargo carriers on their toes. Transitioning from ocean to airfreight, I've seen how air cargo demands constant adaptation, with shipments changing up to four hours before departure," she explained.

Strategic partnerships

Etihad Cargo's strategic partnerships have further enhanced its capabilities.

"Etihad recently signed an MOU with China Eastern and Shanghai Airlines. Additionally, Etihad Cargo has continued to strengthen our partnership with SF Airlines. These collaborations expand our operations and management tools, providing customers with more choices," Han Lin Ni explained.

Partnerships have also bolstered Etihad Cargo's digitalisation initiatives, with the carrier launching a sales optimisation enabling the use of advanced analytics to identify sales initiatives and tailor engagement strategies. Etihad Cargo has also established direct API connections with leading forwarders, enabling direct eBooking, instant confirmations, real-time tracking, and immediate pricing. This automation reduced booking times, enhanced efficiency, and improved transaction accuracy, significantly benefiting customers.

Etihad Cargo has continued to enhance its online booking portal to simplify the booking process. Han Lin Ni said, "Our e-booking and instant offer services are particularly appealing to SME customers, allowing them to place bookings anytime. This, combined with our network expansion, in collaboration with partners, offers customers more choices."



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BY Edward HARDY

DIGITALISATION has transformed from a bonus to an essential element in the airfreight industry due to the increasing demand for efficiency, accuracy, and speed. It is transforming not just the airfreight industry but the entire world, making it imperative to

stay updated with the latest trends and technologies. As the industry evolves, staying competitive requires advanced digital systems to streamline operations, enhance tracking and visibility, and improve customer service. Airlines and GSSAs are

investing heavily in modern technologies and data analytics to meet these demands and offer superior services. Without these investments, companies risk falling behind, missing out on opportunities, and failing to meet customer expectations in an increasingly digital world.

"Innovation has always been a crucial player in the modern era world, but the pandemic has changed the way we look at it and made everyone understand its importance in every aspect of our lives," Charles Wijesundera, M&C Aviation's Group CEO, explained.

"This realisation has spurred rapid adoption of digital technologies to improve efficiency, resilience, and customer service. We are enthusiastic about this drive towards innovation and are eager to be at the forefront of this transformation.

"M&C has undergone significant digital transformation to improve our operations. Over the last few years, we have invested in both systems and data.

"We have partnered with WACD and CargoIS on the data side to be up to date with the market and perform analysis that will help us come up with a plan of action. One of our most significant partnerships has been with AWERY, our ERP system.

"Furthermore, we have implemented a sales CRM to improve collaboration and communication as well as accountability. We are also working on a new system to automate the data/performance reporting to all our sales executives/managers to facilitate and optimise their strategy and performance."

Eliminating emissions

As environmental concerns continue to escalate globally, there is a growing imperative for the airfreight sector to adopt more eco-friendly practices. Recognising the global imperative to minimise the industry's environmental footprint has seen sustainable practices integrated across all facets of operations.

"Creating sustainable operations for airline GSSAs presents challenges in several key areas. One significant challenge is environmental sustainability, particularly in reducing carbon emissions associated with airfreight transportation," Charles explained.

"GSSAs must navigate the complex logistics of optimising routes, reducing empty flights, and adopting eco-friendly practices while balancing the demands of their airline partners and customers.

"Another area of concern is economic sustainability, especially in the face of volatile fuel prices, fluctuating demand, and competitive market

conditions. GSSAs must continuously adapt their business models to remain profitable while providing value-added services to airlines and customers.

"Furthermore, ensuring social sustainability can be challenging as GSSAs must prioritise employee well-being, fair labour practices, and ethical business conduct amidst global supply chain pressures and regulatory requirements.

"Overall, achieving sustainable operations for airline GSSAs requires a comprehensive approach that addresses environmental, economic, and social considerations while navigating the complexities of the airfreight industry.

"We aim to minimise waste generation and enhance overall sustainability in our supply chain. M&C remains committed to advancing sustainable practices and continuously seeks innovative solutions to mitigate our environmental impact. By fostering a culture of environmental responsibility and embracing emerging technologies, we strive to lead the way towards a greener future for air cargo logistics."

Potential markets

As GSSAs adapt to new market realities and leverage innovative solutions, they will be well-positioned to drive value for both airlines and customers, further solidifying their role as indispensable partners in the airfreight ecosystem.

In its pursuit of future development and expansion, M&C is strategically focusing on key regions where they see significant growth potential. While already established in 27 countries and experiencing continuous growth, its primary focus for further expansion is currently directed towards the dynamic markets in Africa, Asia, CIS and the Middle East.

These regions offer promising opportunities for air cargo logistics due to evolving trade dynamics, increasing consumer demand, and infrastructural developments. By prioritising these markets, M&C aims to strengthen their presence, capitalise on emerging opportunities, and better serve the evolving needs of customers in these regions.

"As a GSSA, we have a long-term strategy, a clear vision, and specific goals," Charles outlined.

However, in the current environment, it is challenging to have a long-term plan in the complex world we live in, with so many variables to take into account. Ironically, there is no fixed model where we can forecast precisely what will happen in the long term. Hence, we have learnt how to adapt to complex situations swiftly and will continue to use our experience to our advantage.



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Voice Of The Industry

THE CURRENT STATE OF THE AUSTRALIAN AIRFREIGHT MARKET



BY Paul GOLLAND

IMPORT airfreight in the Australian market has always been a volatile beast, with five recessionary periods between 2000-2024, but currently there is a 3 percent increase year-on-year and we are coming back to pre-Covid levels.

Our exports hardly grew between 2003-2013 but have grown 10 percent per annum between 2014-2019 mainly because of the Chinese market however, since then, exports have dropped because of fewer exports to China. This was partly due to the Liberal government's position on China and, thus, tariff restrictions were imposed by Beijing in retaliation, but the current Labour Government has opened dialogue with China and our exports should hopefully grow again.

On the import side, the number of low-value shipments are on the increase due to online shopping trends and the introduction of the likes of TEMU (China) into the Australian consumer market.

The vast majority of airfreight into and out of Australia moves on passenger aircraft and as we see the number of carriers returning to

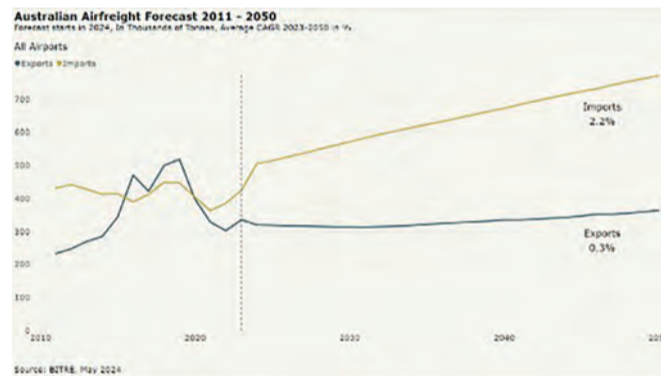


the Australian market so we see capacity increase. Once China and Japan reopened their borders and tourists returned so did the number of flights. During Covid freighter capacity grew massively but is now back down to pre-Covid levels. This is mainly due to the fact there are not the loads out of Australia for freighters on a regular basis. We are seeing more Asian carriers enter the market, particularly from China, but still British Airways are the only direct European carrier flying to Australia.

As mentioned above the outlook is a positive one as the graph

below will show. It is expected our exports will continue to grow as the Chinese market reopens and the weak Australian dollar makes our goods more competitive.

The following two tables show the current export and import



weights vs peak periods. On the export side all lanes are down against peak levels but we are hopeful China will recover soon now relations between the two countries is on the improve.

At the minute imports are also down against peak levels in all major markets. This is due to many factors, including low exchange rates, higher than expected inflation and higher than pre-Covid freight rates, although these are coming down. As mentioned already, small packages have filled some of this gaps, and traffic levels are not much below the 2018-19 peaks.

It is expected we will see more growth as we come into the peak periods of the last quarter of 2024. Other factors are the delays in shipping, which see some cargo converting to airfreight though this is likely to be short term gain as the market settles and adjusts to the changes.

In summary, the outlook for airfreight into and out of Australia is fairly positive, and we should continue to see growth in both sectors in the coming months.

Airfreight is at the crossroads of some major changes, the introduction of sustainable air fuels (SAF) will change the market and possibly increase airfreight costs certainly in the short term.

Digitalisation is being promoted by carriers, ground handlers and freight forwarders alike as is the introduction of artificial intelligence which will bring a whole raft of challenges to the airfreight industry. However, as it has done in the past the industry will rise to these challenges and continue to provide service to all parts of the industry.

Market	Peak	Peak Imports	Current Imports	Difference to Peak
PRC	Mid 2022	121,000 t	87,000 t	-34,000 t
Europe	Early 2019	93,000 t	72,000 t	-21,000 t
USA	Mid 2022	78,000 t	57,000 t	-21,000 t
Other Asia	Late 2018	60,000 t	43,000 t	-17,000 t
Indian Subcontinent	Late 2018	17,000 t	16,000 t	-1000 t
Other Markets	Mid 2019	63,000 t	46,000 t	-17,000 t
All Markets	Mid 2019	414,000 t	322,000 t	-92,000 t

Australian airfreight import weights current v peak levels

Market	Peak	Peak Exports	Current Exports	Difference to Peak
PRC	Mid 2019	145,000 t	50,000 t	-95,000 t
Other Northeast Asia	Early 2017	132,000 t	106,000 t	-26,000 t
Middle East	Mid 2020	92,000 t	67,000 t	-25,000 t
Southeast Asia	Mid 2022	48,000 t	41,000 t	-7000 t
USA	Since Mid 2022	30,000 t	30,000 t	n.a.
Other Markets	Late 2018	39,000 t	32,000 t	-11,000 t
All Markets	Mid 2019	460,000 t	325,000 t	-135,000 t



APPROVAL EXPANDS EFW'S SERVICE OFFERING

BY Ajinkya GURAV

ELBE Flugzeugwerke GmbH (EFW), a prominent joint venture between ST Engineering and Airbus, has reached a significant milestone in its service portfolio, receiving the European Union Aviation Safety Agency (EASA) Continuing Airworthiness Management Organisation (CAMO) approval from the Federal Aviation Office of Germany.

This certification enables EFW to offer comprehensive worldwide airworthiness management and technical services for both passenger and freighter aircraft, catering to the needs of aircraft lessors, owners, and operators across the globe.

Known for its proficiency in the conversion of passenger-to-freighter (P2F) aircraft, EFW has built a strong reputation for delivering high-quality, reliable services to its global clientele. The CAMO certification solidifies this by allowing EFW to assume full

responsibility for maintaining the airworthiness of aircraft under its care.

Enhanced operations

With this new approval, EFW is equipped to provide a wide array of airworthiness management services that will benefit aircraft owners and operators. These include a streamlined airworthiness review process, which is particularly advantageous for the import, export, and re-registration of both passenger and freighter aircraft. Additionally, EFW's CAMO approval ensures that aircraft registration for lease transitions is handled in a credible, fast, and cost-efficient manner, thus minimising downtime and maximising operational efficiency for customers.

Aircraft owners and operators stand to gain immensely from this expanded service offering. The ability to have all airworthiness and technical management needs to be met under one roof provides a level of convenience and operational uptime that is crucial in the

highly competitive aviation industry. EFW's CAMO approval means that customers can now enjoy the peace of mind that comes with knowing their aircraft will be maintained to the highest standards of safety and compliance, no matter where they are in the world.

Comprehensive solutions

The CAMO approval is a valuable addition to EFW's e-suite of aviation services, being the only freighter conversion provider in the world to hold this title in conjunction with three other major aviation technical certifications: Part 145 Approval, Design Organisation Approval, and Production Organisation Approval. This comprehensive set of approvals positions EFW as a one-stop-shop for all aviation needs, from design development and freighter conversion to maintenance, aviation supply chain management, and now, airworthiness management.

EFW's ability to offer turnkey solutions under one roof is a significant competitive advantage, particularly in an industry where efficiency, reliability, and compliance are paramount. Customers can now benefit from EFW's integrated approach to aviation services, which not only simplifies the management of aircraft but also enhances overall operational efficiency and safety.

Step forward

The acquisition of CAMO approval is more than just a certification; it is a strategic move that aligns with EFW's long-term vision of expanding its global footprint and enhancing its service offerings. As the aviation industry continues to evolve, with increasing demand for efficient and reliable air cargo solutions, EFW's expanded capabilities will be instrumental in meeting the needs of a growing customer base.

This latest development underscores EFW's commitment to innovation, quality, and customer satisfaction. By continually enhancing its service offerings and staying ahead of industry trends, EFW is well-positioned to remain a leader in the aviation industry, providing unparalleled solutions to aircraft owners, operators, and lessors around the world.

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BUILDING MORE RESILIENT SUPPLY CHAINS

07

BY Edward HARDY

DURING the COVID-19 pandemic, many airlines seized the opportunity to reassess their networks. With much of their staff grounded and the bulk of cargo consisting of vaccines and personal protective equipment (PPE), the aviation industry faced unprecedented challenges.

Typically, cargo routes operating on a point-to-point basis are not profitable. For most commercial airlines, the primary revenue streams come from passengers and their baggage, with cargo serving as an additional source of income. However, the pandemic prompted airlines to scrutinise their operations more closely, identifying loss-making areas and potential improvements, mirroring the introspective measures taken across various industries.

In the post-pandemic landscape, numerous airlines adjusted their schedules and reduced flight frequencies to restore profitability. This period of reflection and restructuring was not unique to aviation but was a widespread phenomenon across all sectors.



"To have the most efficient, high-performance supply chains you need effective partnering and collaboration, and, therefore, you need partners who are willing to act in that way as well," Steve Healy, CEO of COREX Logistics, explained.

"Ultimately, it must be fostered by the customer, whoever the shipper is, and they have to foster that culture for partners, whether it's the

airline, the logistics provider or the packaging provider.

"It is about collaborating, investing time and effort into relationships, which is what you need to do if you want that truly high-performing supply chain. It could be a case of information sharing or data sharing, so you can continue to refine the chain, and if every organisation wants the greatest level of return, they must invest and commit, so the partners don't feel exposed."

New approach

Currently, direct flights to Russia are scarce, and shipments to Ukraine require routing through Poland with subsequent road transport across the border. The geopolitical climate and sanctions have complicated exports to certain countries, such as Russia, necessitating special permits for dual-use items—goods that can serve both civilian and military purposes.

The industry is increasingly seeing indirect routing and alternatives to commercial airlines using a mix of integrator services along with commercial and having to consider utilising a mix of modes.

"Taking the situation in Ukraine as an example, there is the need now to ship into a different country and then use temperature-controlled road freight potentially, especially when transporting pharma payloads, to ensure the shipment reaches its destination intact and safe for patients," Healy highlighted.

"Businesses are having to potentially consider changing their method, instead of doing it on a Just In Time basis where you are shipping to order. They may well need to consider shipping in bulk and therefore establishing a depot or warehousing operation within the country.

"It could change your logistics model from a just-in-time demand led to a more traditional model, shipping larger quantities and then holding

stock in the country of final distribution. However, this approach brings cost implications and the need to set up additional suppliers."

Market movements

The post-pandemic era also saw a dramatic rise in inflation, driven significantly by soaring crude oil and general energy prices. The geopolitical tensions between Russia and Ukraine, a crucial supplier of oil and gas, exacerbated this situation, leading to a sharp increase in airfreight rates.

With reduced flight capacity, airlines were compelled to hike their rates to maintain profitability, a move further necessitated by the rising energy costs. This double whammy of reduced capacity and higher energy prices caused a substantial surge in airfreight pricing, impacting supply chains and ultimately raising costs across the board.

"If you're an airline that keeps scheduling flights to that region, you need to know what type of cargo can come out on the return flight. You can have customers who want to ship containers into a region, but you are left with a huge cost to export those containers back out from the region, as once it leaves the airport you must officially import it, which can be problematic," Healy explained.

"From a pharma and clinical perspective, Latin America is a key emerging market inbound for clinical and commercial pharma. There is a growing demand for North American and Western medicines because of the growth of the middle classes in populations like Brazil. There is a lot of pharma and clinical products going in but very little coming out.

"The continent of Africa is the final frontier, you have South Africa, which is a market on its own and then there is sub-Saharan Africa, where a lot of inbound airfreight will go via France, whereas North Africa is still very much served by Europe.

"Africa is a complex picture for anyone to solve and the infrastructure is very underdeveloped and the regulatory knowledge there is still developing, it is a challenging region of the world. That would be where collaboration will be key if you want to put patients first."

THE FULL PACKAGE

BY Anastasiya SIMSEK



The healthcare and pharmaceutical sectors of the logistics industry are witnessing a significant transformation, as companies leverage their networks and invest in in-house capabilities, acquisitions and technology to deliver end-to-end solutions.

"Pharma is not new for Geodis at all," David Frouin, Vice President Vertical Market Healthcare at Geodis, stated. "We have been working with some of the top ten pharma companies in the world for over 25 years."

Despite this longstanding involvement, Geodis had not previously prioritised or widely promoted its healthcare logistics vertical. This changed in recent years as the company made strategic decisions to broaden its network and invest heavily in this sector. Geodis's strategy revolves around enhancing its operational control and shifting from third-party solutions to in-house capabilities.

"We decided to invest massively in pharma, leveraging and scaling up," Frouin explained, pointing to their efforts to secure CEIV (Center of Excellence for Independent Validators) certification, opening new hubs in strategic locations worldwide, and implementing robust monitoring systems.

A crucial part of Geodis's enhanced capabilities comes from its recent acquisitions, notably Gandon Transports and TOF. These acquisitions have significantly strengthened Geodis's ability to offer end-to-end solutions in healthcare logistics.

"For last mile distribution, we acquired Gandon in France, a medium-sized company specialising in temperature-controlled transportation," Frouin noted.

This acquisition complements Geodis's existing infrastructure, including six pharma-dedicated warehouses in France. Combining contract logistics with last-mile distribution allows Geodis to offer a comprehensive service package to pharma companies.

"We now have a bundle offer that we can provide to the market, covering logistics and distribution in one seamless service," Frouin added.

Client benefits

The enhanced capabilities mean significant benefits for Geodis's clients. "The benefit is to have one single supplier to monitor the entire supply chain, ensuring visibility all along the way," Frouin said. Geodis's visibility platform, IRIS, is a critical component of this, offering real-time temperature monitoring and data collection.

"We will soon be able to deliver temperature control visibility straight within IRIS, a major step forward for us," Frouin announced proudly.

This innovation is part of Geodis's broader strategy to integrate various IoT devices chosen by their pharma clients into a unified data platform.

"Our strategy has been to develop a data lake that can collect all data from various loggers, making our visibility platform very efficient and user-friendly," Frouin explained.

Safety of shipments

Ensuring the safety of healthcare shipments is paramount for Geodis. The company has a robust global quality management system in place, partners with the right airlines, and utilises appropriate packaging.

"We have leveraged our internal training programmes and now have our own team of certified trainers," Frouin shared.

This ensures that all personnel involved in the pharma and healthcare vertical are regularly trained and assessed, maintaining compliance with GDP (Good Distribution Practice) standards.

Additionally, Geodis has developed control towers, or centres of services, to monitor operations and quickly address any issues.

"These centres allow us to track, follow, and ensure the integrity of the products throughout the supply chain," Frouin said.

Geodis's ability to adapt to unforeseen challenges is illustrated by a recent incident involving a shipment stuck in Sri Lanka due to geopolitical issues. "We had to find a solution quickly to ship the cargo to France and then to Saudi Arabia on short notice due to the short shelf life of the product," Frouin recounted. Thanks to Geodis's agent network and centre of services, they successfully managed the situation, ensuring timely delivery.



"Pharma is not new for Geodis at all"

HOW WILL THE DISRUPTION IN BANGLADESH IMPACT GLOBAL SUPPLY CHAINS?

BY Edward HARDY



Efforts are underway to restore calm in Bangladesh a few weeks after civil unrest saw the 15-year tenure of Prime Minister Sheikh Hasina come to a swift end.

There has been a gradual reopening of critical infrastructure that was temporarily closed due to the political turmoil.

Businesses, particularly garment factories, were heavily impacted by closures, although many have started to resume operations with the situation improving towards the end of last week. Some factories remain closed due to safety concerns, but there is a noticeable trend towards reopening.

According to a report, the garment industry estimates a functional loss of approximately six days of production, though the total impact may be greater.

The airport experienced a brief closure with some air carriers suspending flights. However, flights have resumed operations in and out of Dhaka.

There were border closures which affected both the movement of people without proper visas and the transport of goods. However, trucking routes have reopened, alleviating the backlog that had accumulated.

The port of Chittagong had also faced closures, causing significant congestion and delays in container handling. Reports indicated high utilisation, making it difficult to efficiently unload arriving ships. This congestion has led to a backlog of vessels waiting to dock, with reports suggesting around 50 vessels were affected as of last week. These issues are expected to improve as labour availability stabilises and operations normalise.

"There has been considerable speculation about the potential impact on Bangladesh's exports, particularly in the garment industry," Judah Levine, Head of Research at Freightos, explained.

"When disruptions like this occur, businesses that rely heavily on a specific region may start considering diversifying their supply chains or shifting some of their volumes elsewhere.

"We've seen this happen before, but I'm not sure that this particular situation will trigger a significant shift away from Bangladesh, given its strong manufacturing specialisation.

"The impact will be felt, but I don't expect it to result in a large-scale move away from the region."

Industry patterns

Ocean carriers are increasingly relying on transshipment hubs like Singapore for goods destined for South Asia, the Middle East, and other Red Sea destinations. These goods are no longer being shipped directly as part of long-haul services.

South Asia, including Bangladesh and parts of India, was already dependent on transshipment. However, with more goods being rerouted through these hubs—goods that would typically be shipped directly—congestion is increasing.

This buildup of volumes has contributed to rising ocean freight rates since May. Earlier in the year, we saw a significant spike in rates across all shipping lanes, and this recent development has continued to push rates higher.

Ocean freight rates for the entire region have been on the rise, partly due to the situation in the Red Sea. Capacity was being redirected to routes affected by the diversions created to cope with this situation. This shift, combined with the Lunar New Year demand and other disruptions, caused rates to spike at the beginning of the year.

In May, the congestion from transshipment, which had been gradually building since the start of the year, began to have a more pronounced impact. This congestion coincided with the early start of the ocean peak season, driven by concerns over potential delays later in the year due to the Red Sea situation. As a result, rates started to spike again, not only on long-haul routes from Asia to North America and Europe but also on smaller regional markets.

"These inter-Asia routes, which depend on the same transshipment hubs, suffered from congestion. Additionally, capacity was shifted away from these regional trades to the main routes from Asia to North America and Europe, where demand and rates were extremely high. This shift in capacity further drove up rates in other markets, including Bangladesh. This pattern has been consistent across the region," Levine outlined.

"So while the political unrest in Bangladesh has exacerbated the situation, it's not the sole cause for these rate rises.

"The extent of the impact on air cargo will likely depend on how quickly the ocean freight situation stabilises, as this will determine the overall pressure on air cargo rates."



"So while the political unrest in Bangladesh has exacerbated the situation, it's not the sole cause for these rate rises"



MAKING AIRFREIGHT SAFE

10 BY Edward HARDY

IN the airfreight and logistics sector, 'Dangerous Goods' are defined as any material with the potential/capability of posing a severe health and safety risk to passengers/crew. This includes explosives such as fireworks and ammunition, flammable liquids/gases/solids such as paints, perfumes and oxygen cylinders, and corrosives such as cleaning chemicals.

The United States Department of Transportation has categorised all potentially dangerous goods into nine classes based on their physical and chemical properties. Due to the volatile nature of these hazardous materials and the potential risk to passengers and crew, special care must be given to the correct identification of such materials as well as taking appropriate measures for the handling of the same.

Lithium batteries are included in 'Class Nine; Miscellaneous Hazardous Materials and Lithium Batteries'. They are considered a dangerous good as they contain both fuel and an ignition source within the batteries. Another concern with regards to lithium batteries is its potential to go into thermal runaway, i.e. a chemical reaction that could occur within the battery that results in an uncontrolled rise in both pressure and temperature, causing the battery to expel its contents and create enough heat to trigger adjacent batteries also to go into thermal runaway.

"Over the last few years, both AmSafe Bridport and Nordisk Aviation have seen an increased demand for our fire containment solutions, in particular, those that can contain lithium battery fires," Audun Rør, President of AmSafe Bridport, stated.

"We are also experiencing an increased number of enquiries/questions from airlines and cargo operators, as they are keen to mitigate risks in their cargo operations but are unsure which solution is best suited for their operations as there is currently no regulation or standard providing guidance on what type of product is acceptable for the transport of lithium batteries.

"Both AmSafe Bridport and Nordisk Aviation are currently working with the SAE committee on drafting a standard for lithium battery testing for air cargo transport and are supporting this activity by sharing our expertise and previous test data on lithium battery fire testing."

Designed to protect

Currently, airlines and cargo operators are concerned with risks related to both declared and undeclared dangerous goods.

Ensuring that policies and procedures are in place to correctly identify, package and handle dangerous goods is crucial in cargo operations, as well as ensuring that all relevant personnel are trained in these policies and procedures.

There have been reports in the industry of incidents caused by both deliberate and unintentional non-compliance to the regulations. Unintentional non-compliance stems from a lack of training and awareness of the regulatory requirements and the risk

to human lives associated with such non-compliance. Conducting safety risk assessments in cargo operations, taking into account this risk of non-compliance (both deliberate and unintentional), and taking necessary risk mitigation measures such as increased surveillance activities are also essential to ensuring safety and security when moving dangerous goods.

"Initially, we worked closely with airlines and cargo operators to understand their current operations and challenges in order to set a baseline for our fire containment products," Rør outlined.

"We then worked closely with our suppliers to develop high-performance materials and tested these materials both at component level as well as at full-scale level to verify material performance.

"Continuing to work with dedicated air cargo carriers and aircraft OEMs (Original Aircraft Manufacturers) over the years, we were able to develop operationally and economically viable products, taking into account critical parameters such as durability, weight, ease of operation, etc.

"We have conducted extensive testing on the materials we use on our products, including various environmental, weathering and degradation tests to ensure our fire containment products are suitable for the wide range of operating conditions seen in air cargo transport.

"Over the years, we have successfully tested our fire containment products with battery types most widely used in the industry, in varying quantities and configurations to verify that our products are capable of containing a fire caused by lithium batteries. We often use input from airlines to test real-life scenarios.

"By changing test parameters such as the state-of-charge of batteries, battery quantity, battery chemistry, positioning within the cover/container etc. we have observed how each parameter affects the outcome of the test. We use this data to continue our journey of research and development to continuously improve our products and support the industry with our learnings."



60 Seconds With ...



ELFI CHIK

General Manager of Sales North Asia at Jettainer

BY Anastasiya SIMSEK

Elfi Chik began her career as a ground handler of Hong Kong Airport Services Limited, followed by pivotal roles at All Nippon Airways and Virgin Atlantic Airways, where she was responsible for duties including customer service management and sales. Before joining Jettainer at the beginning of this year, she served as the Commercial Director of Asia Pacific for the ground handler Worldwide Flight Services (WFS).

How did you get into airfreight/logistics?

When I was a kid, I read about how ancient Chinese people used to take months to travel from one city to another. There and then, I realised the significance of air transport to the modern world. Knowing that Hong Kong International Airport was one of the significant hubs, it would at least be a fruitful journey for me to have been part of the airfreight industry. It didn't take long for me to decide to start as an aircraft loading supervisor, and I worked up to where I am today. After almost 20 years in this industry, I still thank myself for taking that first step.

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

The culinary field probably, as I am qualified to pursue a career as a

professional chef and open a restaurant in France. I spent nine months completing the Disciples Escoffier Professional Diploma in Culinary Arts, when travel restrictions were still around in Hong Kong due to the Covid-19 pandemic.

What quote has most resonated with you?

"Where there is a will, there is a way."

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

I tend to think back, ahead and a lot. If I allow myself to just dwell on these thoughts, I would fail to take action when I should and miss out on opportunities when they present themselves. Therefore, the best piece of advice for me is "be ready and live in the moment".

What is the most adventurous thing you have ever done?

It took me some time to decide whether it should be visiting the Mount Everest Base Camp in Tibet, China or travelling solo to Iceland for nine days. I think the latter deserves the crown because it meant a lot to be able to believe in myself, run ten kilometres at the annual Reykjavik Marathon and just experience the whole process on my own.

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

Best buy: definitely my trustworthy made-in-Germany suitcase, which I have carried with me in over 400 trips — and still counting!

Worst buy: I guess it would be my saxophone. I have had lessons for about a year before the pandemic hit. After that, I just didn't have time to pick up this hobby again.

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

Hong Kong-style egg tart with Hong Kong-style milk tea. I will treat you to this nutritionally devilish set if you come to Hong Kong, and you shall see.

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

Telekinesis is used to make someone's cell phone drop at will because I am a driver and have just seen too many pedestrians crossing the busy roads in Hong Kong without ever looking up from their mobiles.

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

If you are considering, it means that you want it — so just take the leap of faith and dive in! You will be fascinated as I have been by the intricacies of the dynamic and ever-changing world of logistics, and if you really decide to leave the industry afterwards, what you have gained and learnt will equip you well for your next step.

What would your autobiography be called?

I'd like to call it "In The 195 Skies", alluding to the fact that I spent my life flying all over the skies of the 195 countries which constitute the whole wide world today.

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

Zhuge Liang: I have always wondered what it would be like to chat and eat with someone so very clever and wise and from ancient China. I would love to ask Zhuge how he felt when Liu Bei visited him thrice to recruit him into his cabinet and how each of the ancient heroes was like in person, such as Guan Yu and Cao Cao.

Angela Merkel: Merkel served as Chancellor of Germany from 2005 to 2021 and was the first woman to hold that office. I think it would be enlightening to be able to discuss with her about why she embarked on a political career as a chemist and how she sees life and the world today.

Ellen Degeneres: I just want to tell her I love her show and how amazingly funny and cool she is.

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

My surname "Chik" means planting and is one of the rarest surnames in China. According to an online article in relation to the Chinese dictionary of surnames, people surnamed "Chik" constitute 0.05 percent of the national population.

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

Yoga, interestingly. The idea of stretching for an hour intrigues me, but whenever I've got the time, I always prefer something more active and sweaty, e.g. running, hiking, etc.

Cats or dogs?

I prefer cats' inquisitive purr over dogs' intrusive bark.

Early riser or night owl?

I am flexible. Such flexibility had been developed over the years when I served in various international corporations and held conferences with/ responded to urgent emails from colleagues working in different time zones.

View From The Maindeck



BELARUSIAN CARGO CARRIERS HIT BY SANCTIONS

BY Ajinkya GURAV

The United States Office of Foreign Asset Control (OFAC) has imposed a fresh wave of sanctions targeting Belarusian cargo carriers and a Boeing 767 linked to Belarusian President Alexander Lukashenko. This move, announced on 12th August 2024, is part of a broader strategy by the US government to intensify pressure on the Belarusian regime in response to its continued crackdown on political dissent, its role in the Russia-Ukraine conflict, and ongoing human rights abuses.

Scope of the sanctions

The sanctions specifically target state-owned and private Belarusian cargo carriers, which play a crucial role in the country's logistics and trade sectors. These carriers are integral to Belarus's economy, facilitating the movement of goods across Europe and beyond. By sanctioning these entities, the US aims to disrupt Belarus's trade routes, further isolating the country economically.

Among the affected entities are prominent cargo carriers such as Rada Airways, Rubystar Airways, and Belcanto Airlines. These airlines have played crucial roles in Belarus's cargo transportation sector, contributing significantly to the country's economy.

Rada Airways, known for its extensive operations across Europe and Asia, has been particularly affected by the sanctions. The airline has been instrumental in transporting goods between Belarus and

its trade partners, making it a vital link in the country's logistics chain. The sanctions will likely disrupt its operations, potentially leading to delays in cargo deliveries and financial strain on the airline.

Rubystar Airways is also facing severe consequences due to the sanctions. The airline, which operates a fleet of cargo aircraft, has been involved in transporting goods ranging from industrial machinery to consumer products. The US measures are expected to hamper Rubystar's ability to operate internationally, thereby affecting its profitability and overall business viability.

Belcanto Airlines, although smaller in scale compared to Rada and Rubystar, is not immune to the repercussions. The airline's niche operations in specialised cargo, particularly in the transportation of musical instruments and high-value goods, will be significantly impacted. The sanctions could lead to a loss of business opportunities and strained relationships with international partners.

Implications for trade

The sanctions are expected to have a severe impact on Belarus's cargo and trade sectors. Belarus relies heavily on its strategic location as a transit hub between Europe and Asia, and its cargo carriers are vital in maintaining this status. The sanctions could lead to a significant reduction in the volume of goods moving through

Belarus, affecting both its economy and its trading partners.

Moreover, the restrictions could force international companies to reconsider their logistics strategies, potentially diverting cargo away from Belarusian routes. This would not only diminish Belarus's role in global trade but also increase the operational costs for businesses that have to find alternative routes.

Future developments

The international community has largely supported the US's actions, viewing them as necessary to uphold democratic principles and human rights. The European Union, which has also imposed sanctions on Belarus, is expected to align closely with the US, potentially expanding its own list of sanctioned entities.

However, Belarus's allies, particularly Russia, have condemned the sanctions as an act of aggression, likely to deepen the rift between East and West. Russia has vowed to support Belarus economically and militarily, which could lead to further escalation in the region.

As the situation develops, the effectiveness of these sanctions in altering the behaviour of the Lukashenko regime remains to be seen. While they may succeed in isolating Belarus further on the international stage, there is also the risk of driving the regime closer to Russia, complicating the already tense geopolitical landscape in Eastern Europe.

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