INTERNATIONAL EDITION

Air Cargo World

SEPTEMBER 2013

THE SOURCE FOR AIRFREIGHT LOGISTICS

Air Cargo World

EDITOR
John W. McCurry
jmccurry@aircargoworld.com • (678) 775-3567

ASSOCIATE EDITOR
Adina Solomon
asolomon@aircargoworld.com • (678)-775-3568

SPECIAL CORRESPONDENT
Martin Roebuck

CONTRIBUTING EDITORS
Roger Turney, Ian Putzger, Karen Thuermer

CONTRIBUTING PHOTOGRAPHER
Rob Finlayson

COLUMNIST
Brandon Fried

PRODUCTION DIRECTOR
Ed Calahan

CIRCULATION MANAGER
Nicola Mitcham
Nicola.Mitcham@aircargoworld.com

ART DIRECTOR
Central Communications Group
centcommgrp@comcast.net

PUBLISHER
Steve Prince
sprince@aircargoworld.com

ASSISTANT TO PUBLISHER
Susan Addy
saddy@aircargoworld.com • (770) 642-9170

DISPLAY ADVERTISING TRAFFIC COORDINATOR
Cindy Fehland
production@aircargoworld.com

AIR CARGO WORLD HEADQUARTERS
1080 Holcomb Bridge Rd., Roswell Summit
Building 200, Suite 255, Roswell, GA 30076
(770) 642-9170 • Fax: (770) 642-9982

WORLDWIDE SALES

U.S. Sales
Associate Publisher
Pam Latty
(678) 775-3565
platty@aircargoworld.com

Europe, United Kingdom, Middle East
David Collison
+44 192-381-7731
dci.collison@btinternet.com

Hong Kong, Malaysia, Singapore
Joseph Yap
+65-6-337-6996
jospeh@asianimedia.com

India
Faredoon Kuka RMA Media
+91 22 6570 3081
kuka@rmamedia.com

Japan
Mr. Mikio Tsuchiya
+81-45-891-1852
mikio.tsuchiya@worldmedia.jp

Thailand
Ms. Anchana Nararidh
+66-26-412-6938
anchana@worldmedia.co.th

Taiwan
Ms. Paula Liu
+88-62-2377-9108
epoch.paula@msa.hinet.net

Korea
Mr. Jung-Won Suh
+82-2785-8222
sinsegi@igroupnet.co.kr

CUSTOMER SERVICE OR TO SUBSCRIBE: (866) 624-4457

POSTMASTER: Send address change to:
Air Cargo World
3025 Highland Pky Ste 200
Downers Grove, IL 60515

For more information visit our website at www.aircargoworld.com

September 2013
Volume 16, Number 8

contents

WORLD NEWS

DEPARTMENTS

Air Cargo World (ISSN 1933-1614) is published monthly. Air Cargo World is located at 1080 Holcomb Bridge Rd., Suite 255, Roswell, GA 30076. Production office is located at 3025 Highland Parkway Suite 200, Downers Grove, IL 60515; telephone 866-624-4457. Air Cargo World is a registered trademark. Periodicals postage paid at Downers Grove, IL and at additional mailing offices. Subscription rates: 1 year, $80; 2 year $128; outside USA surface mail/1 year $120; 2 year $216. Single copies $20. Express Delivery Guide, Carrier Guide, Freight Forwarder Directory and Airport Direc tory single copies $14.95 domestic; $21.95 overseas. Microfilm copies are available from University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Opinions expressed by authors and contributors are not necessarily those of the editors or publisher. Articles may not be reproduced in whole or part without the express written permission of the publisher. Air Cargo World is not responsible for unsolicited manuscripts, photographs or artwork. Please enclose a self-addressed envelope to guarantee that materials will be returned. Authorization to photocopy items for internal or personal use is granted by Air Cargo World, provided the base fee of $3 per page is paid directly to Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, and provided the number of copies is less than 100. For authorization, contact CCC at (508) 750-8400. The Transactional Reporting Service fee code is: 0745-5100/96/$3.00. For those seeking 100 or more copies, please contact the magazine directly. Member of Audit Bureau of Circulations Ltd.

POSTMASTER and subscriber services: Call or write to Air Cargo World, 3025 Highland Parkway Suite 200, Downers Grove, IL 60515; telephone 866-624-4457.

Air Cargo World
THE SOURCE FOR AIRFREIGHT LOGISTICS

editorial

Navigating social media

John W. McCurry
Editor

Social media is opening up new worlds of opportunity for journalists and publications. *Air Cargo World* has embraced this arena for a few years now, and we've increased our efforts considerably in 2013.

Our presence has grown rapidly this year on Twitter, LinkedIn and Facebook, due largely to the efforts of Adina Solomon, our associate editor, who eats, sleeps and breathes social media. *Air Cargo World's* number of followers on Twitter is now more than 3,500¬ – nearly doubling over the past six months.

These social media accounts allow us to share our latest articles and hear from you – the reader.

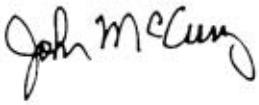
You can use Twitter to talk directly to *Air Cargo World*, pose questions and highlight new information. If you aren't already a follower, we welcome you to find us at our handle, @ACWmagazine.

We're all about communication. Our LinkedIn company page and our LinkedIn *Air Cargo World* Discussion Group, which offers readers the opportunity to start conversations about industry topics, have grown rapidly. On the magazine's Facebook page, readers can comment on stories and photos and keep up with the latest news.

Air Cargo World is the first air cargo publication, and among the first trade publications in general, to have a presence on Pinterest, a photo-sharing website. You're excused if you are not yet familiar with Pinterest. It's one of the newer social media platforms, and publications are still figuring out how to use it.

We will explore how best to use Pinterest in the coming months. Right now, you can go to our Pinterest page to see infographics, behind-the-scenes photos of our office and staff and photos related to the air cargo sector. You can find us at http://pinterest.com/aircargoworld/.

All of these social media outlets allow us to stay in touch with our readers and vice versa. We welcome your feedback and want to know how you are using social media. Tweet us, message us on Facebook or email us at jmccurry@aircargoworld.com or asolomon@aircargoworld.com.



Cargolux gives solar plane a lift

Cargolux has returned the Swiss solar-powered aircraft Solar Impulse to Switzerland aboard one of its Boeing 747 freighters.

In February 2013, Cargolux successfully flew Solar Impulse from Payerne, a Swiss military airfield, to the U.S. West Coast, from where the solar-powered aircraft was deployed for its 'Across America' mission from San Francisco to New York, including five stopovers on the way. In a unique, high-precision operation, the large Cargolux freighter landed and took off from the short runway at Payerne and had to be loaded on the runway itself, because the airfield's small apron could not handle the large Boeing freighter.

The return flight from New York touched down early morning at Dübendorf, another Swiss military airfield near Zurich.

Solar Impulse is the first solar-powered aircraft able to fly day and night. It has already achieved five world records, including the record for the longest day and night solar-powered flight at 26 hours, 10 minutes and 19 seconds.

"The first prototype of Solar Impulse is able to fly across a continent, but not yet an ocean," said Bertrand Piccard, chairman and pilot of Solar Impulse). "This is why, after the success of the Across America mission, it's been repatriated to Europe on board of a cargo aircraft. But the second version, the HB-SIB, will fly over the Pacific and the Atlantic oceans on its way around the world in 2015. For this, we will really have to push the use of clean technologies in their ultimate application." ACW

Russi Batliwala (right), CEO of Chapman Freeborn, and Oliver Evans (left), chief cargo officer of Swiss International Air Lines, sign the agreement in Zurich.

Charter and scheduled cargo carriers pair up

Is there a new dynamic emerging between the charter and scheduled cargo sectors?

You would think so.

Previously estranged bedfellows, it would now seem they can't snuggle up close enough to one another. The about-face has been given its most public airing with the recently signed union between Chapman Freeborn Airchartering and Lufthansa Cargo.

The leading UK-based global charter broker has been assigned to handle all of the German carrier's third-party cargo chartering requirements. It is a deal engineered on Chapman Freeborn's part by its Frankfurt-based CEO Russi Batliwala.

"This is not so much about a scheduled cargo carrier wanting to gain greater leverage or revenue flow from the charter market," Batliwala says. "It is more about an airline, like Lufthansa, wanting to provide full service to its customer base."

The carrier, he explains, already has extensive network reach through its dedicated freighter fleet and available belly-hold capacity to service most needs of its client base.

"The issue arises when the airline is requested to move goods to a beyond point outside of its regular routes," Batliwala says. "It is not very customer-friendly when you can offer service from point A to point B, but not to point C, which will require a charter element."

That, he says, is where Chapman Freeborn will come into the frame.

"Our global network of offices will be able to access charter capacity on behalf of Lufthansa Cargo quickly and efficiently and provide to the end customer what, to all intents and purpose, will be a seamless service," he says.

On the same basis, Chapman Freeborn will also be responsible for sourcing capacity for line-haul charters when loads cannot fit on an LH Cargo MD-11F.

In some respects, the deal between Lufthansa Cargo and Chapman Freeborn AirChartering at least clears up a rather messy set-up the German carrier previously had in place. This was when all its charter activities were handled through its "daughter" company, Lufthansa Cargo Charter Agency, which has since been folded into the airline's mainstream business and is in effect no more.

"It was never quite clear if Lufthansa Cargo Charter Agency was fish or fowl, acting as a neutral charter broker on one hand, but marketing Lufthansa's freighter fleet on the other," one aviation consultant comments.

That anomaly appears to have been clarified in the new deal with Chapman Freeborn, who, although responsible for sourcing the carrier's third-party charter needs, will not take on the direct marketing of its MD-11F capacity.

"Chapman Freeborn clients will benefit from the enhanced access to Lufthansa Cargo's freighter fleet – but we'll maintain our position of neutrality in the marketplace and continue to work in partnership with cargo airline suppliers worldwide," Batliwala says.

For LH Cargo's part, it confirms that it has "insourced" responsibility for chartering its MD-11F capacity.

"This third-party agreement with Chapman Freeborn now allows us to focus on marketing the charter capacity on our own fleet of 18 MD-11F aircraft," Andreas Otto, Lufthansa Cargo board member product and sales, says. "With the newly adapted structure, we are leaner and more focused, which means we can offer our own aircraft even easier and faster."

Lufthansa Cargo obviously wants to retain freighter neutrality in order to provide maximum marketing potential for its own fleet. But, truth be known, as a Lufthansa Cargo spokesman confirms, charters represent less than 1 percent of its core business.

Hard on the heels of the deal signed in Frankfurt, Batliwala more lately has enplaned to Zurich to sign a similar third-party strategic partnership with Swiss WorldCargo.

As Swiss is part of the greater Lufthansa family, does this preclude the charter broker from signing deals with any other carriers outside of this remit?

"No, we are relatively unconstrained in those terms," Batliwala says. "But from our own point-of-view, I think there is a limitation to the number of mainstream scheduled carriers that we can represent."

That said, Batliwala is keen to extend the portfolio.

"I think there is room and potential for us to adopt both an Asian and a Middle East carrier into this business model," he says.

And, it would seem, Chapman Freeborn might just be able to squeeze in one more carrier closer to home.

"We can confirm that another carrier will be signing a third-party agreement with us shortly," Batliwala says during an interview in August.

The expectation is that this will be Turkish Cargo.

Is this minor stampede by scheduled carriers to embrace the charter business driven partly by the continued downturn in the general market and the greater need to leverage revenue flows from whatever source?

"The type of partnership we are developing with the scheduled carriers is primarily about adding value to the service that they provide," Batliwala says. "But that said, it is symptomatic of the trend now going on among the major carriers to focus more attention on the charter segment."

It was only a few years ago, he chides, that many of these carriers would hardly pick up the phone for a charter broker. Others were reluctant to stray far out of their regional comfort zones to take on charter work.

"I think there is room and potential for us to adopt both an Asian and a Middle East carrier into this business model,"

— Russi Batliwala

"That has all changed now," Batliwala says. "You can be guaranteed an instant response to a charter enquiry from a scheduled carrier these days, and you will see their aircraft in the most bizarre of places, if it means getting extra business."

That market turnabout is surely confirmed when today you have the extreme example of a scheduled carrier like Saudia Cargo reportedly dedicating three of its B747 freighters exclusively to charter work. Nonetheless, there is still a squeeze on the market.

"The charter business has had to adapt to the general outage in freighter capacity in more recent times," Batliwala says. "But by the same token, the change in attitude by many of the scheduled operators means what freighter capacity is still available is now far more accessible to the charter broker."

But, he warns, charter brokers have excellent memories.

"There have been scheduled carriers who have been willing partners over the years," he says. "In many respects, these newcomers have left it too late." ACW

Schiphol shows modest cargo growth

Amsterdam Airport Schiphol has continued to show modest cargo growth throughout the first half of 2013.

The total of 736,608 tonnes handled through the airport represents an increase of 1.02 percent from 2012.

Total exports for the first half-year rose to 362,124 tonnes, a 49.16-percent share of the total. The proportion of imports fell slightly to 50.84 percent, with a total of 374,484 tonnes.

"2013 is showing a similar pattern to 2012 so far, with an early peak around March," Schiphol cargo senior VP Enno Osinga, said. "There has been a small decline in freighter flights of around 1 percent, which reflects the tightening of freighter capacity by some carriers in the face of rising costs and soft rates."

Schiphol's largest market remained Asia. The 281,410 tonnes on cargo (up 3 percent) was 38.2 percent of all freight. Exports to Asia rose 6 percent to 140,388 tonnes, while imports from Asia rose slightly.

North America remained Schiphol's second largest market, with imports up 3 percent to 65,282 tonnes and exports down 11 percent at 60,079 tonnes. This represents an overall share of 17.02 percent (down from 17.94 percent).

The Middle East moved up to third place with 38,088 tonnes of imports (up 16 percent) and 55,294 tonnes of exports (up 4.8 percent), creating overall growth of 9 percent. The increase in imports was largely due to the entry of various Middle East carriers into the Africa-Amsterdam flower trade, resulting in transhipments via the Middle East and re-classification of some Africa-originating traffic.

As a result, Africa slipped to fourth place, with 55,641 tonnes of imports (down 3.8 percent) and 29,827 tonnes of exports (down 4.4 percent).

Latin America kept fifth place, with 40,492 tonnes of imports (down 4.8 percent) and 44,555 tonnes of exports (up 3.9 percent). The apparent reduction in imports resulted from re-routing of some South-America-originating flights via Miami, resulting in their re-classification as U.S. traffic.

Europe saw a small overall gain of 1.28 percent in the first half-year, with a 9.3 percent fall in imports and a 12 percent growth in exports. ACW

U.S. trade boosts cargo at Düsseldorf Airport

Cargo tonnage is up at Düsseldorf Airport in 2013 and officials there credit burgeoning trade with the U.S. German trade with the U.S. has increased over the last three years and the North Rhine Westphalia region has played a major role in the increase.

Traffic with America has grown steadily to the point where the U.S. is the airport's leading cargo market. Exports consist of largely machinery and mechanics (25 percent), chemical products (17 percent), metal based goods (16 percent), automotive (7.5 percent) and pharmaceuticals (6.4 percent). On the import side, chemicals lead with 17 percent, followed by IT and optical (11.5 percent), machinery (9 percent), carbon based products (7.5 percent) and pharmaceuticals (6.5 percent).

During 2012, an average of 40 flights per week were flying to the U.S. from Düsseldorf, rising to 46 weekly adjusting for seasonal variations. The six main regular non-stop routes plus local connections are New York- JFK and Newark, Chicago, Los Angeles, Miami, Atlanta and Fort Myers. These routes are served by Air Berlin, Delta Air Lines, Lufthansa and most recently, American Airlines.

All carriers operate wide-bodied aircraft –B767-300, A330-200 and A340-300, mostly with an average capacity of more than 12 tonnes per flight depending on aircraft and passenger load.

"We believe that the presence of many foreign companies in this region has attracted the big forwarders and logistics companies to take advantage of our transport facilities," says Thomas Schürmann, manager, marketing and sales at Düsseldorf Airport Cargo. "Last year our tonnage reached around 103,000, whereas at the start of 2013 traffic was up by 19.2 percent over 2012 in the first quarter of 2013 and up by 6.8 percent in the second quarter. We are in the middle of an economic progression in the region and relationships with American shippers are excellent with every probability of continuing expansion in the coming years. We will of course continue to build traffic in other global markets and take advantage of emerging economic trends globally." ACW

Cargo growth continues at Leipzig/Halle

For the ninth year in a row, freight volumes at Leipzig/Halle Airport in Germany are growing.

After 438,274.5 tonnes of freight passed through the airport during the first half of 2013, representing a growth rate of 3.8 percent, the increase continued into July.

Volumes climbed to 513,275 tonnes from January to July, a rise of 3.7 percent. July volumes increased by 3.4 percent compared to July 2012.

The rise in freight volumes at Leipzig/Halle Airport is above the German trend, which was -0.1 percent during the first half of 2013.

"Alongside the ongoing increase in volumes of express freight, the freight charter traffic is also showing positive developments. Our customers are using the local advantages at Leipzig/Halle Airport, particularly for heavy-duty and oversized shipments, and the experience of our subsidiary PortGround in handling these kinds of loads," Markus Kopp, CEO at Mitteldeutsche Airport Holding, said. "In addition to the regular flights by Antonov 124 and Boeing 747 cargo aircraft, the Antonov 225, the largest cargo aircraft in the world, has already visited Leipzig/Halle four times this year."

Leipzig/Halle Airport is Germany's second-largest airfreight hub and handled 863,665 tonnes of cargo in 2012. The airport has a 24-hour operating permit for cargo flights and direct links to the trans-European motorway and railway networks.

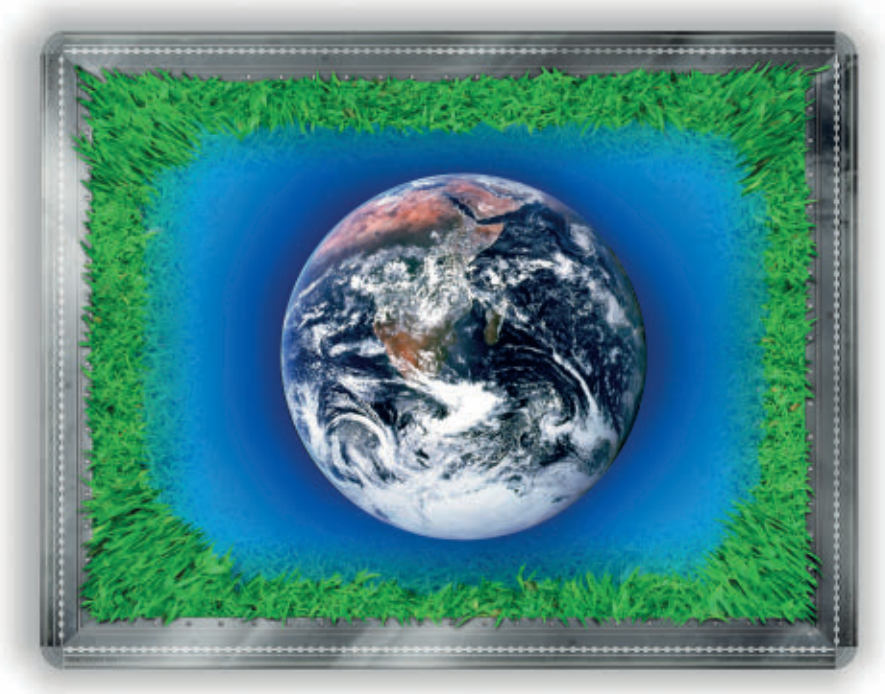
The runway system has two parallel runways, and the airport has a handling terminal for large animals, the Animal Export Center, and a veterinary border inspection point.

DHL has been operating its European hub at this airport since 2008. Leipzig/Halle Airport has also been the home base for AeroLogic, a joint venture between DHL Express and Lufthansa Cargo, since 2009. Freight services operate to about 60 destinations in more than 30 different countries from Leipzig/Halle Airport.

Volga-Dnepr Technics, a subsidiary of the Volga-Dnepr Group based at the airport, moved into a newly built hangar as its maintenance base in January. Leipzig/Halle Airport has been home to the only European maintenance base for Antonov 124 aircraft since 2007.

With the opening of the hangar, Leipzig/Halle Airport now has a base that can accommodate aircraft up to the size of an Antonov 124 or an Airbus A380.

Mitteldeutsche Airport Holding is the parent brand of Mitteldeutsche Flughafen AG. It has three subsidiaries: Leipzig/Halle Airport, Dresden International Airport and PortGround. The group handled about 863,665 tonnes of freight in 2012. ACW



When it comes to moving the world, we've got what it takes.

From the corners of the Earth to the land beneath your feet, Singapore Airlines Cargo delivers virtually anything to anywhere. Our global network connects you to over 70 cities in more than 30 countries across 6 continents. With over 900 flights weekly on more than 100 wide body aircraft, including freighters, we believe our wide network and reliable service makes us your ideal air freight transport partner.

Find out how we can deliver your most valued items at www.siacargo.com

SINGAPORE AIRLINES CARGO

Abu Dhabi cargo portal planned

Etihad Airport Services – Cargo (EAS-Cargo), a subsidiary of Etihad Airways, is working with the Singapore-based Cargo Community Network (CCN) to roll out a new information technology platform for the Abu Dhabi cargo community called Cargo Community Service (CCS).

The service is designed to facilitate air cargo booking and shipment processes for Abu Dhabi-based freight forwarders and clearing agents, by linking them directly with air cargo carriers, ground handlers and third parties.

Also, under CCS, several comprehensive electronic cargo services for the Abu Dhabi air cargo community will be introduced utilizing a secure online portal called CCNhub. This includes Electronic Customs Manifest and Electronic Delivery Orders (eDO) functions, which Etihad says offers freight forwarders a timely and cost-effective way of submitting customs data electronically for cargo clearance, in addition to obtaining pricing information for printing delivery orders.

EAS-Cargo and CCN expect the new information technology platform services to go live in the fourth quarter of 2013.

"We are delighted to collaborate with EAS-Cargo as it sets about building an air cargo e-commerce environment and hub in Abu Dhabi," said Teow Boon Ling, CCN's CEO. "Having been in this region for the past few years, we have a good understanding of the local market requirements and practices, and with this exciting partnership we envisage the customized e-services we deliver to the Abu Dhabi cargo community will elevate the standard of air cargo services to the next level."

Kevin Knight, Etihad Airways' chief strategy and planning officer, said: "In line with Etihad Airways' vision to promote Abu Dhabi as an international gateway, e-commerce has always been at the forefront of how we do business. Partnering with CCN to create a cargo technology platform will simplify business engagement for the entire Abu Dhabi cargo community by enabling all stakeholders including, freight forwarders, clearing agents, the terminal operator and the regulatory authorities to communicate on a single platform." ACW

Turkish Cargo expects continued global growth

Turkish Cargo, the freight service of Turkish Airlines, has ambitious plans for growth, and it seeks to continue the rapid expansion it has experienced over the last several years. The cargo carrier has averaged a 20 percent growth rate over the past five years.

"We have a strategy independent from market conditions," says Mehmet Kizilkaya, Turkish Airlines' regional cargo director for Central and Southern Europe. "Over the last 10 years, we are playing our own game. Of course, for the airfreight sector in general, the first half of 2013 has been challenging. Based on the positive indications, we believe that there will be a recovery during the second half of 2013 and for 2014."

Turkish Airlines' blueprint for growth includes a major expansion in its fleet, which now numbers 232 planes. That figure includes nine freighters and 45 wide-bodies. The Turkish fleet will grow majorly over the next three years, reaching 14 freighters, 71 wide-bodies and 338 total aircraft by the end of 2016.

Turkish Cargo is projecting growth around the globe, with concentration in Africa, the countries of the former Soviet Union, Asia and the Americas, but one region stands out for growth in 2013 and beyond.

"This is an Africa year for Turkish Airlines," Kizilkaya says.

The southern region of Africa is "interesting," and is a growing market for the carrier, Kizilkaya says. Central Africa, especially Nigeria, is a strong market, as are the traditional great markets of Algeria, Morocco and Libya.

"We have allocated resources to Africa and we believe in the future of Africa," Kizilkaya says. "The developing nations will find that Turkish Airlines is a good partner and a good friend."

The expansion into Africa has been brisk in 2013. Cargo flights to Khartoum, Sudan; Johannesburg; Nairobi; Entebbe, Uganda and Kigali, Rwanda, have been added to the existing network. Trucking networks have also been added in South Africa and Nigeria.

Kizilkaya, who moved over to the cargo department in 2012 after working eight years on the passenger side

for Turkish Airlines, says several factors are contributors to the airline's cargo success. These include Istanbul's logistics-friendly central location, a young, energetic, well-educated staff and aggressive investment in the company's infrastructure.

"We are optimistic, but we are more than just optimistic," he says. "We plan everything. We develop five- and 10-year budget plans and each year, we work hard to achieve our targets."

Turkish handles a wide range of cargo. Recent examples include:

- 14 tonnes of gold shipments between September and October 2012
- 130 tonnes of live fish between September and November 2012
- 730 tonnes of mobile phones and computers between September and November 2012
- 335 tonnes of hunting weapons between September and November 2012
- 10 tonnes of live bird between September and November 2012.

A major facility expansion is also in the works at Istanbul's Ataturk Airport. Turkish Cargo is on track to open a new dedicated cargo terminal in the third quarter of 2014. The new terminal will be 42,500 square meters (457,725 square feet), have a 1.2 million tonne capacity and have a special cargo are of 5,250 square meters (56,542 square feet). The current building is 23,000 square meters (247,710 square feet), has a 500-tonne capacity and a special cargo area of 1,200 meters (12,924 square feet).

"With the increase in our fleet and destinations, our base should also coincide with the high demand from our customers," Kizilkaya says. "The expansion will allow us to handle more special cargo such as live animals and valuables." ACW

Saudia Cargo re-launches Nairobi hub

With five weekly scheduled freighter flights into Nairobi, Saudia Cargo is now able to provide wider access to 23 additional destinations in Eastern, Central and Southern Africa as well as the Horn of Africa and Indian Ocean Islands.

Saudia Cargo can also facilitate ad hoc charter flight services for large consignments via the Nairobi hub to various regional destinations.

"The broad destination mix now offered by Saudia Cargo via the Nairobi gateway presents our customers with seamless connectivity for their logistical import demands into Africa," Peter Scholten, vice president commercial at Saudia Cargo, said. "This marks yet another important milestone in our growth strategy and further entrenches our presence in the Africa region following our earlier launch of the West African hub in Lagos."

Nairobi is a major export station for Saudia Cargo, which has a total export capacity of more than 400 tonnes per week.

Saudia Cargo serves six other freighter destinations in Africa besides Nairobi: Addis Ababa, Ethiopia; Johannesburg; Kano, Nigeria; Khartoum, Sudan; Lagos and N'Djamena, Chad. ACW

Report links lithium batteries to UPS crash in 2010

The General Civil Aviation Authority of the United Arab Emirates has released a 322-page report on the Sept. 3, 2010, crash of the UPS Boeing 747-44AF. The investigation did not determine exactly what started the fire, but said a chain-reaction fire was the result of a blaze that started in an area carrying lithium batteries.

"A large fire developed in palletized cargo on the main deck at or near pallet positions 4 or 5, in Fire Zone 3, consisting of consignments of mixed cargo including a significant number of lithium type batteries and other combustible materials," the report said. "The fire escalated rapidly into a catastrophic uncontained fire….The uncontained cargo fire directly affected the independent critical systems necessary for crew survivability. Heat from the fire exposed the supplementary oxygen system to extreme thermal loading, sufficient to generate a failure. This resulted in the oxygen supply disruption leading to the abrupt failure of the Captain's oxygen supply and the incapacitation of the captain."

The fire started soon after takeoff and the plane crashed as it attempted to return to Dubai International Airport. Both pilots were killed.

The GCAA issued several recommendations, including calling for the FAA, in coordination or cooperation with the European Aviation Safety Agency, to require mandatory full-face oxygen masks for pilots.

Another recommendation was that "the FAA in co-operation or in coordination with EASA to mandate the implementation of vision assurance devices or technology for improved pilot visibility during continuous smoke, fire, fumes in the cockpit emergencies. This could include off the shelf devices or developing mask mounted thermal imaging cameras with the capability to see through smoke/fumes with sufficient clarity to view the primary cockpit instrumentation."

The union representing UPS pilots welcomed the report.

"Nearly three years following this tragic accident, UPS pilots welcome the release of this final report," said Independent Pilots Association (IPA) President Robert Travis. "Some of the GCAA's recommendations are already being addressed by a joint company and pilot union group, the IPA/UPS Safety Task Force, created shortly after the accident," he stated.

Travis said the union has worked with UPS to design, build, test and demonstrate for the FAA and NTSB an active fire suppression system capable of suppressing and containing a fire for up to four (4) hours. The technologies incorporated in that container, known as the Unit Load Device, consist of improved materials and a potassium based aerosol suppressant.

"We encourage the FAA and UPS to move quickly and deliberately in approving and fully implementing this new technology," added Travis.

Prior to the release of the GCAA's final report, the UPS/IPA Safety Task Force recommended other safety measures that are being implemented by UPS including EVAS (Emergency Vision Assurance System), and quick donning full-face oxygen masks for all UPS aircraft. Both provide significant improvements on the flight deck during an onboard smoke, fire or fume event.

"We tragically lost two of our best pilots in the Dubai crash. As UPS pilots, we are determined to do everything in our power to minimize the risk associated with on-board smoke and fire events," said Travis. "This includes proper regulations governing the carriage of hazardous materials including lithium batteries."

Just prior to the report's issuance, UPS announced it had recently placed an industry-first order for 1,821 fiber-reinforced plastic shipping containers designed to withstand intense fires for four hours or longer, giving pilots more time to safely land their

planes in an emergency. UPS said the order is one component of a series of fire safety recommendations it implemented following the aircraft accident in Dubai in 2010.

UPS said the UPS-Independent Pilots Association Safety Task Force collaborated with the NTSB, FAA and industry safety experts to research and implement a series of industry-leading safety enhancements. Beyond the new fire-resistant containers, UPS said it has implemented the following changes:

- Fire containment covers for cargo pallets
- Quick donning, full-face oxygen masks
- Emergency Vision Assurance System (EVAS)
- Enhanced crew member training and emergency checklists
- Enhanced customer and employee training on hazardous material shipping

These solutions are designed to help prevent a blaze before it even starts; contain a fire at its source; and give crews time to get safely on the ground.

Other ongoing efforts to enhance cargo fire safety include:

- FAA certification for an in-container fire suppression system
- Advocating for harmonization of domestic and international shipping regulations
- Research and testing of fire-resistant collapsible containers. ACW

Melbourne Airport cargo facility underway

Preliminary work at Melbourne Airport's southern precinct has begun with phase two of the Melbourne Airport Cargo Estate underway.

Melbourne Airport is the leading Australian airport for airfreight exports, handling more than 40 percent of all airfreight leaving Australia.

The cargo estate is scheduled to be completed in September and will add about 2,000 square meters (21,528 square feet) of warehouse space. It's occupied by Panalpina and ABR Aviation Services.

The project also includes the extension of Airside Road, providing direct access to the airfield from the new estate.

In addition, construction on the extension of Airport Drive, which will create a new entrance to Melbourne Airport, will begin shortly. This project will improve ground transport access in and around the airport's precinct. A new road will provide access to Melbourne Airport's southern precinct including the business park and freight areas.

The Foxtrot apron infill project will be done by the end of 2013. It will create about 30,000 square meters (323,000 square feet) of new apron parking. In addition, about 68,000 square meters (732,000 square feet) of concrete is being replaced across three taxi lanes. ACW

Freighter interests continue to shift

The era of joint venture cargo outfits took another step to the exit as China Airlines followed the lead of Lufthansa and Korean Air and divested itself of its stake in an all-cargo outfit based in mainland China. In addition to the Taiwanese carrier selling its 25-percent holding in Yangtze River Express, Taiwan-based shipping firms Yang Ming Marine and Wan Hai Lines, which had stakes of 12 and 6 percent respectively in the Shanghai-based airline, also sold their stakes. With parent HNA Group taking over these stakes, Yangtze River is now fully owned by the Chinese airline group.

Besides the confirmation that joint venture cargo airlines in China did not turn out to be the bonanzas that international airline boards had envisaged, the transaction also marked a reflection that the needs of Taiwan's large airlines have changed. Back in 2006, when it bought into Yangtze River, CAL needed a vehicle to tap into the mainland market, which was blocked to Taiwanese carriers at the time. By the same token, EVA Air had bought into Shanghai Airlines and, by extension, took a stake in the carrier's cargo business.

With the access rules for Taiwanese carriers loosened, they no longer need a mainland-based organization on the other side of the Taiwan Strait and can now drive their own destiny. For EVA, a major focus in the near future is the expansion of its flights to the mainland, as company chairman Chang Kuo-wei recently declared.

This priority extends to the carrier's cargo division.

"We expect to establish new freighter points in mainland China and will continue to increase our cross-strait business," K.W. Nieh, a spokesman for EVA, says.

Not surprisingly in this business climate, this mindset will not translate into an expansion of EVA's freighter fleet, which is comprised of 15 widebody aircraft - nine B747-400Fs and six MD-11Fs. Both aircraft types are marked for gradual withdrawal from the fleet, to be replaced with newer equipment.

The departure of the 747 freighters is part of a broader move to eliminate the aircraft type from EVA's fleet. Besides the freighters, the airline has three 747-400s and three 747-400 combis in service. Chang indicated that the 747 contingent would be phased out over three years to be replaced with B777s, eventually pushing the number of 777s in its livery to 35 units. The tally stands at 15 777-300ERs in EVA colors and seven more on order.

With some 777s already in service on the passenger side, bringing in more would be in line with recent strategy.

According to Nieh, the 777 is one of several contenders that management has under scrutiny for the cargo fleet, but no final decision has been made. In light of earlier comments by Chang about weaker than expected cargo business, it seems unlikely that EVA management would embrace the 747-8F. An A330-200F would be viable in the cross-straits arena, but not really suited to the airline's long-haul network.

Like the 747s, EVA's MD-11 contingent is also going to disappear from the scene.

"We will gradually phase out all of our MD-11 freighters and replace them with newer, more economic and efficient aircraft," Nieh says.

There have been suggestions that EVA's freighter fleet could shrink from 15 to 10 wide-bodies. At this point, it is not decided how many freighters the carrier will field in the long run, Nieh reveals.

"The cargo business landscape has changed significantly and the outlook for future conditions is not clear," he explains.

Last year, EVA sold off two MD-11Fs and one 747-400 combi. In terms of capacity, the 777-300ER would not lag the latter, but the exit of the combis will likely result in some reduction of main-deck space. Nieh indicates that EVA's mix of freighters and belly capacity should give it enough flexibility to meet the needs of its customers.

In 2012, EVA's cargo business in terms of FTKs declined 8.4 percent, with revenues down 6.05 percent. Rival CAL suffered a 12 percent drop in cargo revenue, with FTKs falling 14.9 percent.

CAL, whose freighter fleet is down to 19 units after it parked a couple of 747-400 freighters, is seeking to boost its yield through a greater haul of pharmaceutical traffic. This summer, management signed an agreement with Envirotainer, which serves as the foundation for a temperature-controlled service aimed at the medical and pharmaceutical industries. Initially, this will cover four major gateways in Asia, two in Europe, and San Francisco and Los Angeles in North America.

There have been suggestions that electronics, the main engine of Taiwan's exports, might be flagging in a migration of production to locations elsewhere in China. But recent statistics do not support this. In June, the island's exports climbed 8.6 percent, fuelled by double-digit increases in shipments of electronics and minerals. The value of electronics shipped was the third-highest amount ever in a single month. That should have filled a few freighters. ACW

dnata opens perishables facility at Changi

dnata opened a new perishable cargo handling center at its airfreight facility at Singapore Changi Airport.

dnata is an air services provider offering ground and cargo handling. Its new center can process 75,000 tonnes of perishables annually, catering to product categories at Changi including fresh fruit, meat and pharmaceuticals.

The cold storage areas in the center are modular in order to enable teams to manage changing handling demands with dedicated climate control capability. A web-based monitoring system is also in place to facilitate real-time management of all areas.

The new facility provides dnata's Changi customers with a one-stop audit trail of all consignments while being processed through the facility.

This center is part of an investment program by dnata over a two-year period in Singapore. ACW

Etihad plans major Australian expansion

Etihad Airways, the national airline of the United Arab Emirates, outlined a range of major changes to its Australian operations, including new aircraft, new routes, additional flights and new airport facilities.

Speaking in Sydney at the CAPA Australia Pacific Aviation Summit, James Hogan, president and CEO of Etihad Airways, said Australia was a key and long-term market for the airline and one for which there were exciting growth plans. Hogan said the airline's future steps for Australia included:

- Airbus A380 aircraft from Sydney and Melbourne to Abu Dhabi
- Additional flights from Melbourne and Brisbane to Abu Dhabi
- Commencement of nonstop flights between Perth and Abu Dhabi

He also reaffirmed that Etihad Airways was already moving to increase its equity in Virgin Australia, following recent approval by the Foreign Investment Review Board to increase

from a 10 percent shareholding to 19.9 percent.

"Virgin Australia is a key member of our ever-expanding airline equity alliance, and Etihad Airways is an active and long-term investor in Virgin," Hogan said. "We have a significant presence in Australia, with 28 weekly departures, annual expenditure of over $100 million, direct employment of 106 staff and engagement of 415 local contractors. The Virgin Australia partnership enables us to connect with 45 destinations in Australia, New Zealand and South-East Asia, while we reciprocate by providing connections via our Abu Dhabi hub to a wide range of destinations in Europe, UK, Ireland and Africa."

Hogan also highlighted the contribution of codeshare partners such as Air France, KLM, Alitalia and Air Serbia to strengthening Etihad Airways' position between Australia and Europe.

"Together with our partners, we have a continuous wave of flights coming down from Europe over our global hub in Abu Dhabi with connections to a significant network of destinations," he said. ACW

Vietnam airport cleared for 747-8 operations

Cargolux operated the first Boeing 747-8 freighter flight at Ho Chi Minh City's Tan Son Nhat International Airport after the certification of the airport for the aircraft.

In March, Cargolux operated the first-ever Boeing 747-8 freighter revenue flight to Hanoi's Noi Bai International Airport, making this destination the 100th 747-8 certified airport worldwide. The airline has also increased its air cargo services to Hanoi to three times a week.

Ho Chi Minh City is the largest commercial city in Vietnam with a fast-growing fashion manufacturing industry. All Cargolux destinations in Asia and the Pacific area are now certified for the airline's larger, more efficient freighter.

"A lot of production is moving to Vietnam, and the country shows great determination in boosting its trade by approving its airports for 747-8 operations," Richard Forson, Cargolux interim president and CEO, said. "We are happy to now be able to offer advanced 747-8 freighter services to all Cargolux destinations in Vietnam, a market that is of significant commercial importance to us." ACW

China Southern begins Guangzhou-Frankfurt freighter service

China Southern Airlines launched its third scheduled freighter service from Guangzhou to Europe.

The new service to Frankfurt operates three times a week using a Boeing 777-200F. Flights depart every Monday, Wednesday and Friday.

The Guangzhou-Frankfurt-Guangzhou service will provide 270 tonnes capacity per week. The import and export cargo between China and Germany is mostly high value-added cargo such as machinery and precision instruments.

Frankfurt is the most important origin and destination city in Germany for international cargo.

In 2009, China Southern's Frankfurt Office was established when the airline launched its Shanghai-Frankfurt-Shanghai freighter service. With the cooperation of local trucking companies, cargo can be transported all over Europe.

China Southern will receive two more B777 freighters in the second half of 2013. ACW

UPS plane crashes in Alabama

A UPS cargo plane crashed Aug. 14 shortly after 6 a.m. on approach to Birmingham-Shuttlesworth International Airport in Alabama. The crash occurred approximately 1/2 mile north of Runway 18, the FAA said.

The National Transportation Safety Board is launching a full "Go-Team" to investigate the crash. Senior aviation investigator Dan Bower will serve as investigator-in-charge.

UPS and the International Pilots Association, the union that represents UPS pilots, issued this joint statement: "At 6:11 a.m. EST, UPS Flight 1354 from Louisville, KY to Birmingham, AL, an A300 with two crewmembers, was involved in an accident on approach into the Birmingham airport. At this time, we have not confirmed the status of our pilots."

"This incident is very unfortunate, and our thoughts and prayers are with those involved," said UPS Airlines President Mitch Nichols. We place the utmost value on the safety of our employees, our customers and the public. We will immediately engage with the National Transportation Safety Board's investigation, and we will work exhaustively on response efforts."

UPS has not released information regarding the type of cargo carried on the plane.

Airbus gave its condolences to anyone affected by the accident and issued the following statement on the plane, which was an A300-600F:

"The aircraft involved in the accident, registered under the number N155UP (and with 'manufacturer serial number' MSN841), was delivered to UPS from the production line in 2003. The aircraft had accumulated approximately 11,000 flight hours in some 6,800 flights. It was powered by Pratt & Whitney engines." ACW

Edmonton ups capacity to meet cargo demand

By Adina Solomon

When an airport in the oil-rich province of Alberta, Canada, wanted to improve its cargo operations, it turned to the freight community.

So far, Edmonton International Airport has invested CA$35 million (US$33.8 million) in enhancing its cargo side, including building the Cargo Village. The Cargo Village includes places for Customs, freight forwarders, air carriers, logistics and warehousing – and it already has buildings running at full capacity.

"Our reason for being is to serve as a catalyst for the economic prosperity of the region we're responsible for," Norm Richard, director of air service development at the airport, says.

That's why when the airport wanted to know what exporting challenges Alberta faces, it went to the Canadian International Freight Forwarders Association (CIFFA), Canadian Manufacturers & Exporters and the Canadian Association of Importers and Exporters.

The airport also did a series of focus groups with about 100 executives from Alberta's exporting community.

"It was very clear from the exporting and shipping community of Alberta, particularly in central and northern Alberta, that improvements in air cargo capacity out of the Edmonton International Airport was seen to be a critical component of their growth," Richard says. "So for us, it's about facilitating what needs to be done in terms of what we call the demand side – which is in fact the manufacturers and exporters – with the supply side, which is of course the air carriers and other intermodal carriers handling cargo."

Though Edmonton Airport is in the early stages of cargo development, it is already reaping the benefits of its expansion. The airport has had three consecutive years of cargo growth. From January to August, the airport's cargo has grown by 6 percent. Edmonton Airport ships 40,000 tonnes annually.

The investment in the airport is expected to continue annually until 2020, Richard says.

"On it's own, it's not one of the leading airports in terms of volumes in the country by any stretch, but where we are positioned and what we are targeting towards is consistent growth from here right through to 2020," he says. "It's something we work very hard on, but in honesty, it's coming as a result of the work that we're doing with our community, the cargo community."

The airport is getting in the game

by partnering with CIFFA for the first national intermodal cargo conference in Canada. The Roads, Rails and Runways Conference takes place Sept. 25-26 in Edmonton.

The Cargo Village is continuing to attract tenants. Purolator Courier, a Canadian firm, has doubled its operational capabilities in terms of square footage and has moved from an older section of the airport into the Cargo Village. Cargojet Airways and DHL also increased their operations and set up shop in the Cargo Village. FedEx expanded its wide-body services in January.

Three more buildings at the village are being built this year. One of these buildings, which the airport broke ground on in August, is for freight forwarders and brokers. That building will be up and running by the first or second quarter of 2014.

Western Canada has a strong oil and gas sector, and Edmonton Airport is near the Nisku Business Park, the largest energy park in Canada, yet the province offers more.

"If Alberta's known for one thing, it tends to be the energy sector, which really is one of the drivers and is a cornerstone of the foundation of the economic performance of the province," Richard says.

But now other sectors such as food, high-tech, construction and engineering are growing.

"The economy is increasingly diversified, and it is the objective of the government to be continuing to be supporting any type of diversification and strengthen the Alberta economy," he says.

Richard seems aware of the challenges facing Edmonton Airport's cargo goals. First, he notes, most people don't think of Edmonton Airport out of all the Canadian airports for their freight needs. The navigational fees for flying into Canadian aerospace also aren't as competitive as other countries.

The billions of dollars China has invested in Alberta in the last few years also present a problem. With the increased Asian trade and cargo traffic, Alberta's supply chains have not yet caught up with such a high level of investment, Richard explains.

"The idea of one airport such as Edmonton International Airport adjusting itself or realigning itself to prioritize cargo was welcomed not just in terms of a new membership potential for them," Richard says, "but also that there would be concrete initiatives that we could partner on." ACW

Frontier to cease cargo operations

By John W. McCurry

Denver-based Frontier Airlines has never been a major cargo player, but it's had a reputation as a provider of reliable cargo services with competitive pricing. That's all scheduled to go away effective Sept. 30 when the airline will discontinue cargo service. An announcement on the airline's website says the last day for accepting outbound shipments at its cargo locations will be Friday, Sept. 27.

Frontier, which has been reported to be for sale by its current owner, Republic Airways Holdings, has said little publicly about the decision to drop cargo. Frontier spokeswoman Kate O'Malley would only say "it's a business decision" when asked by Air Cargo World.

The move comes as a surprise and disappointment to airfreight forwarders. The Airforwarders Association board of directors, responding to concerns by its members, sent a letter to Frontier executives, including Chairman David Siegel, on July 25, asking the airline to reconsider its decision to drop cargo.

"The loss of Frontier as an air cargo provider will have a dramatic impact on the airfreight forwarding community and the many businesses it serves," the letter states. "We urge you to reconsider and call upon the Airforwarders Association in any shortcoming that led to this decision."

As of Aug. 9, Frontier had not responded to the AfA's letter.

Michael Hess, vice president, strategic planning for Associated Global Systems, a forwarder based in Sharon Hill, Pa., says he was disappointed when he heard of Frontier's decision. Hess also serves as president of the Airforwarders Association and says Frontier has not told forwarders why the move was made.

"When I got the call for from our national accounts person, I was surprised and shocked," Hess says. "We use Frontier quite a bit. Frontier doesn't make a lot of noise in the industry, but it does provide the industry with a good quality cargo product. It has offered competitive pricing and reliability."

Hess says the cargo industry considered Frontier not just a low-cost carrier, but a cargo company that has stood up to the legacy carriers.

"It [dropping cargo] won't hurt our company or the industry per se because there are other carriers out there that will benefit such as Southwest and JetBlue. That cargo has to go someplace and they will reap the rewards."

Laura Coale, media relations director for Denver International Airport, says that Frontier ceasing cargo operations will not have a major impact on the airport. Frontier accounted for just 0.6 percent of the total cargo moved through DIA in June.

Orlando, Fla.-based Cargo Services International, a GSA, has served Frontier for nearly 20 years.

Malcolm Montgomery, president of Cargo Services International, referred questions to Frontier, but said, "I can say that from my perspective, it has been a long and very satisfying partnership, and that I wish the airline a successful future." ACW

WORLD TRADE CENTER®
MIAMI
PRESENTS

Air Cargo Americas & SeaCargo Americas

INTERNATIONAL CONGRESS AND EXHIBITION

NOVEMBER 6-8, 2013 MIAMI

www.seacargoamericas.com
www.aircargoamericas.com

Organizer

WORLD TRADE CENTER®
MIAMI

Hosts

PORTMIAMI
MIA MIAMI INTERNATIONAL AIRPORT
MIAMI-DADE COUNTY

Sponsors

AA
DHL
Magaya® Logistic Software Solutions
ups

Few pets experience trouble on airlines

By Adina Solomon

Only a miniscule percentage of pets that fly experience an injury, loss or death.

Though statistics and data are difficult to find, Air Cargo World found that less than 0.01 percent of pets that fly have an incident. (This figure is based on U.S. airlines interviewed and U.S. Department of Transportation documents.) Even then, most incidents are due to a mistake by the pet's owner, says Marcel Brozius, director Europe of the International Pet and Animal Transportation Association (IPATA).

"Usually when something goes wrong and an animal passes away, it has to do something with either the animal wasn't healthy already going onto the flight," says Brozius, also owner of Zurich-based pet freight forwarder ACE Pet Moving.

Tony Randgaard, United Airlines' manager of cargo marketing, says the airline transports more than 110,000 pets per year. In 2011, United reported two deaths, according to the U.S. Department of Transportation.

The incident rate for United is 0.00180 percent.

Alaska Airlines flies more than 80,000 pets per year, Alaska spokesperson Marianne Lindsey writes in an email interview. In 2011, the airline reported seven incidents involving pets, four of which were deaths, according to the DOT.

That means the incident rate for Alaska Airlines is 0.00875 percent.

"Yes, there are some instances of a pet being injured," Lindsey writes. "In the context of how many pets we transport each year, the numbers are extremely low. In the few instances of injuries or deaths, these have been extreme situations and many of them due to pet stress, i.e. them chewing out of their kennel and escaping."

Axel Heitmann, Lufthansa's director competence center animals and perishables, says the airline transports 15,000 pets a year through its Frankfurt facility, which is where the majority of animals go through. Heitmann says it is rare for a pet to have an incident.

Only U.S.-based airlines must report incidents involving pets.

"If we have the slightest doubt that an animal is not fit for travel, then we would reject and we would not take it on because we don't want to take any chances," Heitmann says. "Of course, with all those precautions, it still can happen because traveling for an animal and for a pet, there are some stressful things happening."

Air Cargo World looked at airline's 2011 and 2012 incident reports from the DOT, the most recent reports available. Most incidents were due to factors out of the airline's control, such as pre-existing medical conditions and old age.

Many reported injuries are a result of pets cutting their mouths by chewing their kennel. Many losses of pets were due to the animal escaping by chewing through the kennel or because of faulty kennels that separated.

Of the 46 reported incidents in 2011, Delta Air Lines was responsible for just over half. Russell Cason, Delta spokesperson, declined to comment for this story in an email.

"Because pet transport can sometimes be a sensitive subject," he writes, "we'd prefer not to offer an interview for this story."

When it comes to flying a pet, preparation is key to ensuring that the trip is as smooth as possible.

"Pet travel is still is a bit of a stress for the animal," Brozius of IPATA says.

People interviewed say pet owners must prepare their animals as much as possible for flying. Get a kennel large enough for the pet ahead of time so the animal can get used to it. Depending on the pet's destination country, it may need certain vaccinations.

Brozius advises to book direct flights whenever possible to reduce offloading and transit times for the animal. Heitmann of Lufthansa says keeping an eye on the pets' behavior is important.

"We need to observe when we accept them here for transportation that they are fit for travel," he says. "It's very important that they are in good health, that they're well awake, that they don't have any tranquilizers – which is not good for animals – that they can observe what's happening around them."

Heitmann says a veterinarian must approve animals to fly.

Though the Humane Society of the U.S. recommends people not fly their pets, Heitmann says air travel is one of the safest modes of transportation for animals.

"I think that the risks attached are rather low because usually the transport times of flying are, in a European flight for example, are usually less than transporting them on the road," Heitmann says. "Once they are in the air and then put in the belly of the aircraft, it's usually nice and quiet." ACW

A man uses Smiths Detection's FirstView-LINX to collect X-ray images of cargo and automatically attach them to an AWB, making for a more complete chain of custody.

Technology can handle it

By Adina Solomon
asolomon@aircargoworld.com

Technology providers for air cargo can easily name the challenges the industry faces.

"The No. 1 challenge that they have is how can they respond to a market over which they have very little control," VK Mathews, founder and executive chairman of IBS, an India-based IT company specializing in airfreight.

Mathews also mentions how most airlines still operate with around 50 percent capacity.

Regulatory challenges abound, says Jim Viscardi, vice president, U.S. critical infrastructure & emergency response at Smiths Detection. Smiths provides security screening services for the airfreight industry.

Finally, Richard White, founder and CEO of software provider CargoWise in Australia, says the industry needs to become paperless and individual players need to have standardized systems in order to better share information.

"On the one hand, the industry wants to change," White says. "But on the other hand, the industry doesn't know exactly how to change."

Companies discuss many of these challenges in boardrooms and conferences around the world. Experts interviewed have one answer for all these problems: technology.

Identify the problem

Mathews points out a well-known fact: A piece of cargo is only moving 10 percent of the time while in transit. The rest of the time, it's waiting to be moved.

Part of the problem is the regulatory barriers standing in the way.

"There should be technology available to make the freight industry paper-free," he says. "There should be technology that is available to make sure that every piece of cargo is moving as fast as possible with all kinds of regulatory permissions."

Before a piece of cargo arrives at its destination, Mathews says the Customs systems should be notified of what's coming so they can give an automatic green clearance.

In addition, he says with technology managing routes and capacity, cargo's waiting time should be reduced from 90 percent of transit duration to around 70 percent.

Viscardi says having more automation also helps on the security side of airfreight.

"We and our customers do everything we can not to impede the flow of commerce, so in terms of the main attributes of the product, it needs to be accurate, needs to get

A woman uses Smiths Detection's 145180-2is dual-view X-ray system to screen cargo.

screening done quickly but efficiently and effectively," he says.

With technologies such as Smiths', including X-ray screening, trace equipment and a data management system, air cargo companies can automate a usually labor-intensive process.

"The key there is that we are taking all the screening that's done," Viscardi says. "We automate that process for them."

The information is even better because equipment such as Smiths' FirstView-LINX collects X-ray images of the cargo and automatically attaches them to the AWB, making for a more complete chain of custody and better information for auditing purposes.

Regulators can also use the data to analyze what has moved through the supply chain, understand the patterns and start to tailor regulation around certain sets of carriers, Viscardi explains. Perhaps some carriers require added, reduced or special screening – or no screening at all.

"It just generally makes the carrier's life easier," he says.

White of CargoWise discusses standardization of software across companies.

"Standards are a very complicated problem," he says. "Most people look at standards, and their eyes roll back and they start falling asleep."

Instead, White talks about the idea of linking players so nobody needs to re-enter information.

"It's complicated because the players in the industry often have a-similar systems, and sometimes those systems are aging. Sometimes they're extremely modern. Sometimes they're in the middle somewhere. Sometimes they use different standards. Sometimes they have different interpretations of the standards," he says.

So CargoWise has software that allows seamless processing across various platforms.

"One of the most important components is a tool, which we built over a number of years, to enable us to map all those different players together so that for [our users], it looks like a common platform, even though the players that our customers are talking to may have three, four, five different platforms," White says.

CargoWise users can also receive and transfer data – and never need to give a thought about what standards others are using.

"That's a pretty powerful idea," he says.

'Smaller, lighter, faster'

"There's always the smaller, lighter, faster aspect of technology," Viscardi says of the components technology should have.

For example, think of trace equipment that is portable if not handheld, allowing for workers to easily move around a warehouse.

"One of the philosophies that is going to take place is any device, anytime, anywhere," Mathews says. "I should be able to be in any part of my warehouse to see what I want to see."

White says most logistics companies want to provide some sort of uniqueness in their software in order to create a competitive edge.

"On one level, we spend enormous amounts of time making everything completely standardized, and allowing everything to connect and allowing the processing to occur in a straight-through way so that the minimum amount of data is rekeyed or not rekeyed at all," White says.

So the ability for companies' software to follow standards while still offering a high level of customization to their customers is significant.

"What faces their customers is highly specific and can be tuned in a way that gives them their own unique customer presentation," he says of CargoWise's software.

In order to ensure cargo is free from threats, a man uses Smiths Detection's IONSCAN 500DT trace equipment.

Viscardi lists off the technologies needed to ensure cargo is free from threats. First, there's the 145180-2is, a dual-view X-ray system. Then there's the trace equipment such as the IONSCAN 500DT. Finally, the FirstView-LINX provides data management.

In short, three devices are used to do one giant task of screening cargo.

"It's not just about using one tech-

Jim Viscardi

Richard White

VK Mathews

nology," he says. "It's about using multiple technologies."

Air cargo's tech side must also possess the ability to anticipate and respond to future obstacles.

This couldn't be more apparent than in security technology.

Theoretically, in the next 12-18 months, some sort of new threat to cargo security will arise, Viscardi says.

"We need to be able to react to that," he says. "When that happens, you either have equipment that's just met the minimum standard and requires a lot of development in order to include that new threat, or you can work with a vendor like us that has built capacity, if you will, into the product."

Sure, there's always that smaller, lighter, faster aspect of technology. But it goes beyond the clichés, allows day-to-day activities to proceed and forces people to anticipate issues before they arrive.

The next big thing

The so-called "next big thing" in technology proves problematic to predict.

White says the biggest trend in logistics is the effect of online retail on the supply chain. A few years ago, people talked about online retail as a coming wave.

"We're not in the coming wave. We're in the wave itself," White says. "We're seeing through our customers millions of parcels per month being shipped through the airfreight, particularly strongly through airfreight because of the nature of online retail. It's very fast."

Before, he says, a typical airfreight warehouse used to handle about five ULDs a day. Now, some ULDs are stocked with 10,000 parcels each, so the warehouse must handle 50,000 parcels.

"You have to approach this thing as a technology problem because you certainly can't put enough bodies in the warehouse, nor could you afford the bodies in the warehouse, to count 50,000 parcels a day," White says. "You have to do it using electronic scanners and various other things."

Though high-volume, low-value retail only accounts for 10 percent of the supply chain now, it's growing 30 percent per annum, he says. Meanwhile, the bulk supply chain, which has been the nature of air cargo until now, remains flat.

Viscardi has a different view of what is next on the horizon.

"The next big thing is a more cohesive solutions-based product," he says, "or set of products that vendors provide, so rather than selling any carrier a set of products, a set of boxes, it is a truly comprehensive solution for screening."

But Viscardi says there is no single "next big thing" in airfreight security technology – and that may just be true for air cargo technology as a whole.

"I think it's a series of little things," he says. "What you're going to see is not so much a single technological advancement that is going to change the way that things happen." ACW

Richard White of CargoWise says individual players in the air cargo industry need to have standardized systems in order to better share information.

Special shippers

Pharma investment paces Benelux

Amsterdam Airport Schiphol, the third largest cargo hub in Europe, saw a 1-percent increase in throughput in the first six months of this year. But growth feels "sluggish," according to Enno Osinga, senior vice president cargo.

"Nobody's talking about the market picking up; it's just changes in composition," he says. "Inbound volumes from Asia grew a little in June, but a lot of it is capacity-driven. There is big growth from North America, but that's partly because LAN was flying flowers from Bogota and is now going via Miami. Likewise, there are many shifts among SkyTeam alliance members where freighters are concerned."

Schiphol's belly-hold and combi volumes were up 2 percent year-over-year in June while freighter tonnage was fractionally down, continuing a pattern that began in 2011. Home carrier KLM is "one of the few carriers still running a large combi fleet," Osinga says, and can carry 45 to 55 tonnes on its 747s.

The Air France-KLM-Martinair group has a 30 percent share of the flown cargo market to and from Europe. Following KLM's transfer of its full-freighter activity to Martinair, three of KLM's remaining B747-400 ERFs are operated by Martinair—though still in KLM livery—while a fourth is on lease to Etihad Airways.

Martinair also used to have four former combi B747-400 BCFs, two of which were operated for Air Cargo Germany until the carrier ran into financial problems. A spokesman for Martinair says these airplanes, plus a third that was operating in the group's "Safari" livery, have gone back to their lessors (the Safari flight, linking Amsterdam, Sharjah, Guangzhou, Nairobi and Lagos, is now operated by one of the ERFs). With Martinair's fourth BCF also due to be returned to its lessor, all four of the type will soon have been withdrawn from service.

The spokesman adds that Martinair has also disposed of one of its seven MD-11 freighters, "and there is a strong possibility a second may follow."

The Benelux region's strength in pharmaceuticals is relevant to this shift away from freighters. "Pharma customers have a strong preference for passenger flights because of their greater punctuality," Osinga points out.

Amsterdam is a logical choice as a regional hub, he says.

"We have high-quality infrastructure and a more highly developed trucking network than anywhere else, especially in the direction of Germany," he says. "The current business climate is right for single European distribution centers. Companies are consolidating their multiple locations, and the Netherlands is top of their list."

Following its recent addition of warehouse capacity, Osinga says Schiphol Logistics Park is in advanced discussions with clients in the fashion and pharmaceutical sectors.

A recent example of the Netherlands' appeal to major global brands came with Menlo Worldwide Logistics' announcement in July that U.S. cosmetics company NYX had chosen to service its expanding Western Europe market through Menlo's multi-user facility at Eersel, in the south of the country.

Menlo provides a range of services for NYX, from managing inbound air and oceanfreight to inventory control, order fulfillment and distribution. A media statement explained: "Al-

though Germany is currently NYX's largest market, Eersel was chosen for its high level of connectivity from an international and pan-European perspective."

Helmut Kaspers , chief commercial officer West Europe for Damco, says it was the Netherlands' reputation for well-educated staff with longstanding freight forwarding expertise that prompted the logistics provider to relocate its global headquarters from Copenhagen to The Hague earlier this year.

"The language skills and infrastructure are important, and the administrations in both countries [Belgium and the Netherlands] are supportive," he says.

The region's seaports are well placed to serve shippers and forwarders requiring multimodal solutions, Kaspers adds. Damco has reduced its use of airfreight except for must-fly pharmaceutical and IT shipments, consolidating air movements through Amsterdam and Frankfurt, but there are signs of a return to air as the general economy improves.

A project called BioPortEurope, created in 2010 to help Indian life science companies expand into the European market, typifies the effort the Netherlands puts into attracting inward investment. The fixed term project, which provided specialist know-how in market access, finance, banking, certification, customs, logistics, warehousing, distribution, and technology transfer, has now been taken over by its two lead partners, Schiphol-headquartered logistics service provider IJS Global and health care financing specialist Seijgraaf.

IJS Global's Rene de Koning, business development director of the new-look BioPortEurope, says: "Compliance, local regulations and fully transparent supply chains are an essential part of how we as an organization can add value to companies looking to enter Europe. We are planning a series of roadshows and seminars in the U.S. to attract new business."

In Luxembourg, meanwhile, Luxair Cargo opened a dedicated Pharma & Healthcare Centre within its existing cargo center at Luxembourg Findel Airport in March. The new 2,800-square-meter (30,000-square-foot) facility has chilled and ambient zones, plus 70 individually temperature-controlled ULD positions. Build-up areas and six dedicated truck docks are also temperature-controlled.

The development came in response to a steady fall in volumes at the cargo center in the last three years. Its annual capacity is 1.2 million tonnes but throughput fell to 638,000 tonnes last year, taking Luxair Cargo into the red. The new facility, whose users include Expeditors, Kuehne + Nagel and Panalpina, is aiming for European Commission Good Distribution Practice certification, assuring supply chain integrity for pharmaceutical and health care products.

Luxembourg-based Cargolux will likely see a capacity increase of more than 10 percent by the end of this year, with a ninth B747-8 set to join its fleet. This may appear counter-cyclical in such a tough market, admits interim president and CEO Richard Forson. Yet the carrier achieved 13-percent tonnage growth in the first six months of this year.

"Load factors were up on the same period in 2012 and yield was in line with the market, showing we have deployed the capacity effectively," Forson says. "We made a small net bottom-line profit in the first half against losses for the same period in the previous two years."

Two more 747-8s will be delivered next year, though the carrier pulled some older capacity, returning one of its 10 747-400s to the lessor at the end of August. Three of the -400s remaining in the fleet operate on a power-by-the-hour basis.

Cargolux introduced a seventh weekly round-the-world service in July, prompted in part by an increase in exports to the U.S. The market from the U.S. back to Europe has recently softened, but Forson says schedules are fulfilled wherever the flight can make a positive contribution against overhead.

Forson judges southbound volumes into Africa, where Cargolux has expanded its network, to be "reasonable," but cautions that northbound perishables flows by their nature are seasonal—and a lot of new capacity has entered this market.

"Everybody is chasing the same freight," he says. But he reports that newly introduced West African markets, fueled by oil and gas traffic, are performing strongly.

Findel Airport suffers no congestion and its infrastructure "compares with anywhere," Forson claims, meaning goods can be moved in and out very quickly. Luxair's pharma investment is benefiting Cargolux in respect of both inbound traffic from manufacturing areas and shipments back out to the Middle East, Africa and Asia.

Expedited and temperature-controlled cargo became a similar focus for Brussels Airport when it created a dedicated cargo business unit two years ago.

"A lot of attention has gone into this, from joining the IATA time and temperature task force as a strategic partner to investing in infrastructure," Steven Polmans, head of cargo at the airport, says. "We also reached out to the pharma industry to better understand their needs and requirements. We have more than doubled GDP-certified cooled storage both in direct ramp-connected warehouses and second-line warehouses."

BRU has worked closely with the Flemish Institute for Logistics to assess where the bottlenecks are in the transportation of time-critical and temperature-controlled cargo and to test the use of different GPRS devices across multiple trade lanes.

The flatlining Belgian economy led to disappointing first-half cargo tonnage for the airport.

"However, we managed to sign four new customers in the last 12 months: Cargojet from Canada, Demavia/Magma to Africa, Finnair making BRU its second European hub, and Ethiopian Airlines adding full cargo flights in cooperation with DHL/StarBroker," Pol-

mans says. "We are optimistic that the economic situation is more stable but improvement will be slow, with China slowing down and the U.S. not really growing that much."

Ernst Cuppens, managing director of Kuehne + Nagel Belgium, confirms the decrease in inbound airfreight volumes into the country this year, in terms of both general consumer goods and supplies to industry.

"There are no signs that current conditions will change in the near future," Cuppens says. But specialist niche markets such as pharma and perishables are outperforming the general airfreight market.

K+N is extending its premises at Geel, in northern Belgium, by 70 percent to 70,000 square meters (750,000 square feet) following an increase in its contract logistics business in the country. Geel is gearing up to meet the requirements of the pharmaceutical and health care industry, but the company is meeting the needs of a wide range of new clients from the facility, including suppliers of printers, toners and coffee machines and a leading toy manufacturer.

Ferwin Wieringa, vice president for freight and transport management Benelux for CEVA Logistics, says economists predict further shrinkage in the Dutch economy this year and "very modest growth" of no more than 1 percent for both Belgium and the Netherlands in 2014. Customers have shifted to seafreight except where they are making a real effort to differentiate, for example around high-tech product launches, he says.

CEVA's main activity in the Netherlands revolves around imports of electronics, while the pharma sector generates the main export flows out of Belgium—and is "not so impacted by the crisis," Wieringa says. With clients so focused on cost reduction, he expects further moves toward single West European DCs, to the likely benefit of the Benelux region.

Brussels is an important gateway for valuables due to the proximity to Antwerp, the world's biggest hub for diamond trading, and Swiss WorldCargo claims a major share of this business.

Geert Nolf, Benelux cargo sales executive for Swiss, says cut diamonds represent 80 percent of the carrier's valuables traffic out of Brussels, though it also transports gold, jewelry, watches and banknotes. Main markets are Hong Kong, Mumbai, Tel Aviv and New York.

However, the Fokker 100 feeder flights to Zurich can only be bulk loaded, a weakness that was exploited last February in a daring raid on a subcontracted Helvetic Airways service as the plane prepared for takeoff from Brussels.

"A gang drove up moments after the aircraft was closed," Nolf says. "They're too easy to get access to. It was all over in five minutes."

Swiss operates two to three times per day on the Brussels-Zurich route and is likely to upgrade to an A319 or A320 for the winter season. However, despite recent investment in its temperature-controlled product, the carrier will still have to truck to Zurich to access consumer markets in Japan, Israel, the U.S. and South Africa because the narrow-body Airbus, like the Fokker, cannot accommodate Envirotainers. The 10-11 hour transit time by road to Zurich puts Swiss at a commercial disadvantage to Air France and KLM, whose respective Paris and Amsterdam hubs are only two or three hours from Brussels, Nolf says.

TNT Express saw profit decline in its restructured Europe Main region (Benelux, France, Germany, Italy and UK/Ireland) in the second quarter as a result of pricing pressure. The Benelux market outperformed France and Italy, but overall revenues for the region were 2.1 percent down and operating income fell a hefty 21.3 percent.

Average daily parcel numbers were up 5.5 percent, but weight and revenue per consignment was lower as a result of down-trading and a change in the customer mix. TNT's new CEO, Tex Gunning, admits the European economic environment remains challenging.

Export business is still holding up for leading Dutch GSA Active Airline Representatives, though not at the

margins seen in the past, admits managing director Ton Smulders. Active Air lost its opportunity to fly larger cargo out of Frankfurt-Hahn Airport when Russia's Aeroflot grounded its three MD-11 freighters in July. The daily freighter service to Moscow provided useful onward connections to the Far East.

Aeroflot's twice-daily Amsterdam-Moscow passenger services continue to fly fully laden. Depending on the passenger load, Active Air can load up to 3.5 tonnes on the midday service, operated by an A321, while the evening flight uses either an A319 (800 kilogram or 1,764 pound capacity) or A320 (up to 2.5 tonnes).

Another Active Air principal, Olympic Air, has ceased international operations but there is happier news from ArkeFly, part of the Leisure Cargo Group, which operates daily from Schiphol to the island Curacao and connects to the rest of the Dutch Antilles. The seven-tonne payload comprises mainly perishables for hotels and Albert Heijn supermarkets.

Other long-haul destinations such as Cancun, Mexico, and the Dominican Republic are growing and ArkeFly also flies three times per week to Sanford in Orlando, trucking cargo from there to Miami. The carrier mainly operates B737s but once a week runs a B767, giving up to 10 tonnes capacity. The larger plane also serves San Francisco and Los Angeles, but is restricted to two tonnes of cargo and no perishables, owing to Sanford's limited facilities. ACW

MIDDLE EAST SURGING

EMIRATES TOPS INTERNATIONAL RANKINGS WHILE FEDEX, UPS STILL BUSIEST OVERALL

By John W. McCurry
jmccurry@aircargoworld.com

Middle-East-based carriers were among the top gainers in the World Air Transport Statistics for 2012. Emirates SkyCargo made one of the most significant advances, rising to the top spot, past FedEx, in the regional category and achieving third overall, behind FedEx and UPS Airlines in total scheduled freight tonnes carried, according to the 57th edition of WATS, which is compiled by the International Air Transport Association.

Emirates is positioning for further growth with addition of 10 new destinations beginning last February and continuing through January 2014. Flights to Warsaw, Algiers and Haneda, Japan, were added during the first half of 2013. Flights to Tripoli were scheduled Sept. 1, and the airline will begin flying to Clark Air Base in the Philippines on Sept. 4. A Milan-to-New-York route will begin Oct. 1, flights to Conakry, Guinea on Oct. 27, Sialkot, Pakistan in November and Kiev in January 2014.

"The markets we are entering all have strong potential for cargo," Prakash Nair, head of network cargo sales development for Emirates SkyCargo, says.

Nair believes the Middle East and Africa will continue to be big cargo business generators for Emirates.

"The Middle East cargo market is growing with ongoing investment and expansion in the region, which require materials for supporting logistics," Nair says. "Expansion at airports in the region is also driving growth."

Hotels in the region require fresh produce and flowers, and there is a thriving consumer society that demands luxury and fashion items and electronics, Nair says. Agricultural products are the main catalyst for growth in Africa, he says.

"Dubai is our hub, strategically located between East and West, and our worldwide network flies to more than 130 destinations in 36 countries across six continents, giving our customer global access for trade," Nair says. "We have more than 200 widebody aircraft and a freighter fleet of 10, which gives us the capacity and capability to move all types of cargo across the network."

Prakash Nair

Emirates is also building the infrastructure for continued growth. Its new cargo terminal and supporting facilities at Dubai World Central Al Maktoum International Airport is set to become the home of the carrier's freighter operations beginning May 2014.

In addition to the cargo terminal, various facilities and infrastructure will be built, including 46 truck docks and 80 truck parking spaces. The first section will open next April with full completion scheduled for mid-September 2014.

Etihad Airways, which rose from 23rd to 21st on the total tonnage list, is another Middle East airline experiencing robust cargo growth. Tonnage continues to grow in 2013 with the airline up 23 percent for the first half of the year.

Saudi Arabian Airlines moved up to 23rd from last year's 26th. The upward trend continues this year with 6 percent growth recorded for the first six months. During that period, Saudia Cargo moved 270,000 tonnes, breaking last year's record of 250,000. Belly cargo grew by 29 percent, primarily attributable to the U.S. and the UK. During the first half of the year, the carrier increased its freighter capacity from Dhaka, Bangladesh and commenced B747 freighter flights in Mumbai and Kano, Nigeria. It also started operations with its first B747-8F in June, which is scheduled on Riyadh, Saudi Arabia-Hong-Kong-Riyadh-Frankfurt-Saudi-Arabia flight rotations.

Americas results mixed

FedEx and UPS Airlines continued their hold on the top two spots. Tonnage was up slightly for FedEx and down slightly for UPS. Delta Air Lines was the third ranking U.S.-based carrier and 22nd overall. IATA reports that North American airlines were down 1.6 percent overall for the first half of 2013.

Latin American airlines experienced a 3.7 percent growth in cargo volumes, one of the fastest growth rates. The top Latin America-based airline in IATA's rankings for 2012 was LAN Airlines at the 14th spot, up from 15th in 2011.

Asia remains down

Although its cargo was down slightly for the period, Korean Air remains one of the world's top carriers, ranking fourth in both international and total cargo. The slight downward trend continued during the second quarter of 2013 as Korean Air Cargo showed a 2.1 percent decrease in fright tonne kilometers compared to last year. Its load factor increased slightly to 78 percent.

Korean Air has three B747-8F and three B777F aircraft with plans to expand to seven B747-8Fs by 2016 and five B777Fs by 2015.

"Korean Air has been trying to utilize cargo belly space of the passenger flight first, and then deploy the right type of freighter by responding efficiently to the demand of the market," says Byeok Kim Jin, general manager and team leader of the airline's cargo product marketing team. "For example, B747-8F is deployed in markets with high demand, whereas fuel-efficient B777F in long-haul markets. Korean Air is trying to strengthen its cost competitiveness from efficient aircraft management and effectively making use of fuel-efficient freighters B747-8F and 777F."

Pharmaceutical sales are up and bode well for the airline in the coming years. The carrier experienced a 162-percent increase in 2012.

Top Americas-based Carriers

Rank	Airline	Tonnage *
1.	Federal Express	6,934
2.	UPS	4,572
3.	LAN Airlines	769
4.	Delta Air Lines	530
5.	United Airlines	466

Top Asia-based Carriers

Rank	Airline	Tonnage *
1.	Korean Air	1,543
2.	Cathay Pacific Airways	1,368
3.	Singapore Airlines	1,156
4.	China Southern Airlines	1,151
5.	China Airlines	1,099

Top Europe-based Carriers

Rank	Airline	Tonnage *
1.	Lufthansa	1,000
2.	British Airways	711
3.	Cargolux	669
4.	KLM	449
5.	AirBridge Cargo	353

Top Middle East-based Carriers

Rank	Airline	Tonnage *
1.	Emirates	2,003
2	Qatar Airways	891
3.	Etihad Airways	559
4.	Saudia Arabian Airlines	478
5.	Turkish Airlines	460

** in thousands*

Top 50 Carriers in 2012

By scheduled freight-tonnes carried

INTERNATIONAL			DOMESTIC			TOTAL		
Rank	Airline*	Tonnage (in thousands)	Rank	Airline*	Tonnage (in thousands)	Rank	Airline*	Tonnage (in thousands)
1	Emirates (2)	2,003	1	Federal Express (1)	4,963	1	Federal Express (1)	6,934
2	Federal Express (1)	1,972	2	UPS Airlines (2)	2,920	2	UPS Airlines(2)	4,572
3	UPS Airlines(3) (3)	1,652	3	China Southern Air (3)	848	3	Emirates (4)	2,003
4	Korean Air (4)	1,423	4	Air China (4)	665	4	Korean Air (3)	1,542
5	Cathay Pacific Air (5)	1,368	5	All Nippon Airways (6)	430	5	Cathay Pacific Airways (5)	1,368
6	Singapore Airlines (6)	1,156	6	Japan Airlines (7)	332	6	Singapore Airlines (6)	1,156
7	China Airlines (7)	1,099	7	Hainan Airlines (8)	260	7	China Southern Airlines (11)	1,151
8	Lufthansa (8)	988	8	Shenzhen Airlines (9)	257	8	Air China (9)	1,100
9	Qatar Airways (11)	891	9	Garuda Indonesia (11)	201	9	China Airlines (7)	1,099
10	Asiana Airlines (10)	820	10	Xiamen Airlines (12)	158	10	Lufthansa (10)	1,000
11	LAN Airlines (12)	742	11	TAM Airlines (10)	154	11	All Nippon Airways (12)	977
12	EVA Air (9)	740	12	Qantas Airways (14)	124	12	Qatar Airways (16)	891
13	British Airways (13)	708	13	Southwest Airlines	121	13	Asiana Airlines (14)	855
14	Cargolux (12)	669	14	Korean Air (13)	120	14	LAN Airlines (15)	769
15	Thai Airways (17)	610	15	United Airlines (18)	119	15	EVA Air (13)	740
16	Air France (16)	595	16	Delta Air Lines (15)	118	16	British Airways(17)	711
17	Etihad Airways (19)	559	17	Gol Airlines (19)	107	17	Thai Airways (19)	674
18	All Nippon Airways (18)	547	18	American Airlines (20)	99	18	Cargolux (18)	669
19	KLM (20)	449	19	Vietnam Airlines (16)	99	19	Air France (20)	599
20	Air China (21)	435	20	Polar Air Cargo	85	20	Japan Airlines(21)	580
21	Saudi Arabian Airlin (24)	421	21	Jet Airways (25)	77	21	Etihad Airways (23)	559
22	Turkish Airlines (25)	420	22	Thai Airways (24)	65	22	Delta Air Lines (22)	530
23	Delta Air Lines (22)	411	23	Air India (21)	65	23	Saudi Arabian Airlines(26)	478
24	Malaysia Airlines (23)	356	24	SaudiArabianAirlines (26)	58	24	United Airlines (30)	466
25	Nippon Cargo Air (26)	355	25	Philippine Airlines (23)	52	25	Turkish Airlines (28)	460
26	AirBridge Cargo (28)	353	26	Air Canada (27)	52	26	KLM (24)	449
27	United Airlines (31)	347	27	Juneyao Airlines	47	27	Qantas Airways (29)	420
28	China Southern (30)	303	28	Aeroflot (29)	46	28	American Airlines (27)	393
29	Martinair	298	29	Transaero Airlines(32)	44	29	Malaysia Airlines (25)	388
30	Qantas Airways (32)	296	30	Turkish Airlines (31)	40	30	Nippon Cargo Airlines (31)	355
31	American Airlines (27)	294	31	South African Airways (30)	38	31	AirBridge Cargo (32)	353
32	TNT Airways (29)	288	32	Hawaiian Airlines (36)	36	32	Polar Air Cargo	311
33	Japan Airlines (33)	247	33	Asiana Airlines (35)	35	33	Martinair	298
34	SWISS (34)	241	34	Malaysia Airlines (33)	33	34	Hainan Airlines (34)	291

** 2011 Top 50 ranking in parentheses*

35	Polar Air Cargo	226	35	IBERIA (34)	28	35	TNT Airways (35)	288
36	Air Canada (37)	208	36	LAN Airlines (37)	27	36	Garuda Indonesia (40)	268
37	Hong Kong Airlines (39)	207	37	Siberia Airlines (38)	26	37	Shenzhen Airlines (37)	261
38	Virgin Atlantic (35)	200	38	UT Air (44)	25	38	Air Canada(36)	260
39	IBERIA (36)	177	39	AVIANCA (41)	25	39	TAM Airlines (33)	247
40	Ethiopian Airlines (43)	158	40	US Airways (40)	23	40	SWISS (39)	244
41	South African (41)	157	41	PIA (39)	23	41	Jet Airways (42)	232
42	Dragonair (38)	156	42	Aeromexico (42)	21	42	Hong Kong Airlines (50)	207
43	Jet Airways (40)	154	43	Virgin Australia (45)	20	43	IBERIA (38)	205
44	Air New Zealand	149	44	Jet Lite (India) Ltd (46)	19	44	Virgin Atlantic (41)	200
45	Aeroflot (45)	148	45	Tianjin Airlines	19	45	South African Airway (45)	195
46	Egyptair (47)	122	46	Air New Zealand	19	46	Aeroflot (47)	194
47	DHL International (44)	108	47	Comair Limited (43)	18	47	Vietnam Airlines (43)	176
48	Finnair (48)	106	48	Lufthansa (47)	12	48	Air New Zealand	168
49	SriLankan Airlines	98	49	Aeromexico Connect	12	49	Xiamen Airlines (48)	161
50	El Al Israel Airlines (49)	94	50	JetBlue(50)	11	50	Ethiopian Airlines	159

** 2011 Top 50 ranking in parentheses* **Source:** *International Air Transport Association*

"This year, Korean Air expects its performance to improve compared to its previous year since Korean Air Cargo is trying to positively respond to the demand of semi-conductor and other special cargos," Kim says. "The launch of new IT products in the industry will also help to bring positive results."

Cathay Pacific Airlines held on to its No. 5 position in both international and overall tonnage, but continues to inch downward this year. Cargo revenue, which includes Dragonair, was down 5.2 percent for the first half of 2013. The trend continued in July, with cargo dropping by 1.9 percent compared to 2012.

Reason for optimism?

Perhaps a glimmer of optimism can be gleaned from IATA's June figures, which showed a 1.2-percent year-over-year expansion in global airfreight demand. This was a slight improvement over the 0.9-percent growth rate recorded in May.

Looking around the globe, June figures released by the Association of Asia Pacific Airlines (AAPA) showed prolonged weakness in air cargo markets. International air cargo demand, expressed in freight tonne kilometers, was 2.2 percent lower in June compared to the same month last year, reflecting continued weakness in key export markets. Offered freight capacity increased marginally, by 0.3 percent, leading to a 1.7 percentage point fall in the average international air cargo load factor to 66.2 percent.

Air cargo markets, however, remain depressed, AAPA says, with Asian airlines reporting a 2.4-percent decline in freight traffic for the first six months of the year, reflecting persistent weakness in global trade conditions.

An increase in semiconductor sales may bode well for the industry. The U.S.-based Semiconductor Industry Association (SIA) reported that worldwide sales of semiconductors reached US$74.65 billion during the second quarter of 2013, an increase of 6 percent from the first quarter when sales were US$70.45 billion. This marks the largest quarterly increase in three years. Global sales for June 2013 hit US$24.88 billion, an increase of 2.1 percent compared to June 2012 and 0.8 percent higher than the May 2013 total. Regionally, sales in the Americas jumped 8.6 percent in the second quarter compared to the first quarter and 10.6 percent in June 2013 compared to June 2012, marking the region's largest year-over-year increase of 2013.

"There's no question the global semiconductor industry has picked up steam through the first half of 2013, led largely by the Americas," Brian Toohey, SIA's president and CEO, says. "We have now seen consistent growth on a monthly, quarterly and year-to-year basis, and sales totals have exceeded the latest industry projection, with sales of memory products showing particular strength."

Europe's outlook

Lufthansa held onto the No. 10 spot and continues to be the leading Europe-based cargo carrier. While the carrier experienced a 3.5-percent decline for the first half of 2013, the decline is decelerating.

"There are clear signs of the weak performance of the global economy in level of demand," Karl Ulrich Garnadt, Lufthansa Cargo CEO and chairman, says. "The recent withdrawals of a number of cargo airlines from the market demonstrate the degree to which the airfreight industry is struggling with this. Our strategy of securing the profitability of our routes through high capacity utilization is proving successful in this environment."

Cargolux, which ranks 18th on the overall list, is adding several destinations. In June, the Luxembourg-based carrier announced it was adding Muscat, Oman, as its 79th destination served with its 747-8 freighter. The Muscat cargo market has increased more than 70 percent since 2008. Cargolux also added Ho Chi Minh City, Vietnam, and Santiago as destinations this year.

The Association of European Airlines (AEA) says cargo products carried both on all-cargo aircraft and in passenger aircraft bellies account for 10 percent of the total commercial revenue of European network carriers. The AEA says recently, monthly trends show signs of improvement.

"European airlines are constantly confronted with challenges that jeopardize their profitability," Athar Husain Khan, AEA's acting secretary general, says. "2013 is a crucial year for our members to overcome these challenges with the implemented cost-cuttings, capacity adjustments and revenue improvements." ACW

Ruwantissa Abeyratne is a former senior legal officer at ICAO

Paying lip service to air cargo

No one seems to care much about air cargo, at least not the international community. When it comes to "consumer protection," as the International Civil Aviation Organization calls it, it is always the passenger who is referred to, not the shipper.

Two major international events in 2013 at ICAO have some bearing on this much-neglected area. The first has already taken place. The Sixth Worldwide Air Transport Conference was held in Montreal at ICAO Headquarters in March. More than 1,000 delegates and observers from 131 member countries and 39 international organizations attended.

At this conference, there were two recommendations for air cargo services – one for the countries and one for ICAO. The first was that countries should give due regard to the distinct features of air cargo services when exchanging market access rights so as to promote the services' development.

The recommendation also stated that countries should continue to liberalize air cargo services through all available avenues and share experiences with other countries.

The second recommendation was that ICAO should take the lead in the development of a specific international agreement to facilitate further liberalization of air cargo services. It also stated that while developing new regulations for air cargo, ICAO should consult with experts, countries, the industry and interested stakeholders.

There is nothing so far to indicate that there has been any such initiative. In the least, ICAO has not even given any hint as to how it proposes to "take the lead" in developing a specific international agreement for cargo. The only evidence is an ambivalent statement that ICAO will "follow up" on the outcome of the Worldwide Air Transport Conference by continuing consultations with its Air Transport Regulation Panel.

This comes nine months after the recommendation.

The second large ICAO event is the upcoming 38th Session of the ICAO Assembly to be held in late September and early October.

There will be a whole new resolution requesting that the ICAO Council ensure that standards on facilitation address the requirements of member countries with respect to administration of border controls, cargo and passengers and advances in technologies. The resolution also urges countries and operators to make all possible efforts to speed up the handling and clearance of air cargo, while ensuring the security of the international supply chain.

ICAO has not even given any hint as to how it proposes to "take the lead" in developing a specific international agreement for cargo. The only evidence is an ambivalent statement that ICAO will "follow up" on the outcome of the Worldwide Air Transport Conference by continuing consultations with its Air Transport Regulation Panel.

This is all that ICAO says about air cargo, while in its own admission the organization admits: "Air cargo also became increasingly important to global trade, achieving an 18.5 percent growth in the past three years in terms of total tonne kilometres performed."

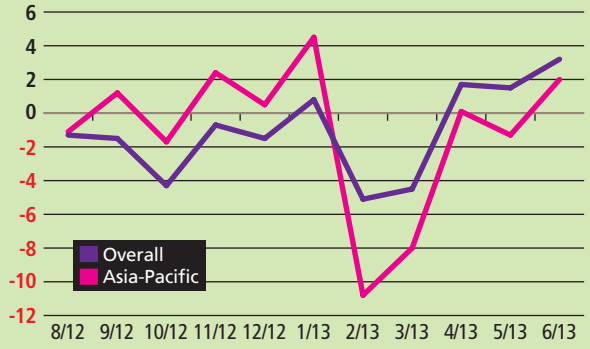
It is difficult to understand this neglectful mindset on the air cargo sector, particularly since when the arrivals terminal of Jomo Kenyatta Airport in Nairobi was gutted by fire in August, the Kenyan authorities grounded all international passenger flights – but kept the freighters going without interruption. This was because the export by air of perishable African products to the West, particularly Europe, is the lifeblood of many Eastern African States.

I wonder what the 57 African member countries of ICAO might think of this. ACW

(Editor's note: Ruwantissa Abeyratne has worked in aviation management for 30 years. He is currently president and CEO of Global Aviation Consultancies in Montreal.)

CARRYING EUROPE

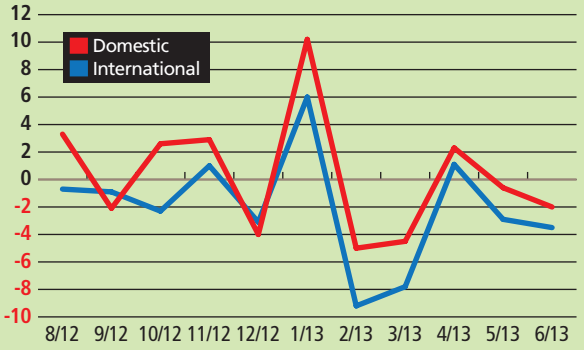
Monthly year-over-year percent change in overall freight traffic and Asia-Pacific freight traffic for European airlines.



Source: Association of European Airlines

U.S. AIRLINES

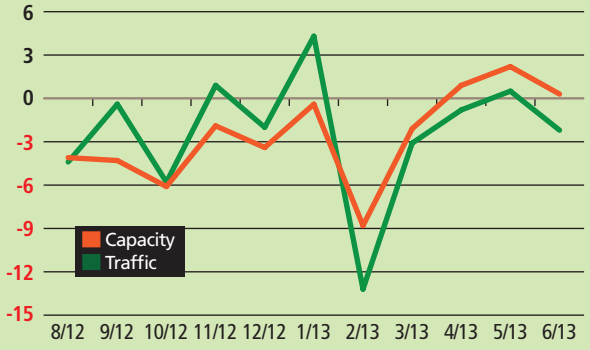
Monthly year-over-year percent change in domestic and international cargo traffic for U.S. airlines.



Source: Airlines for America

CARRYING ASIA

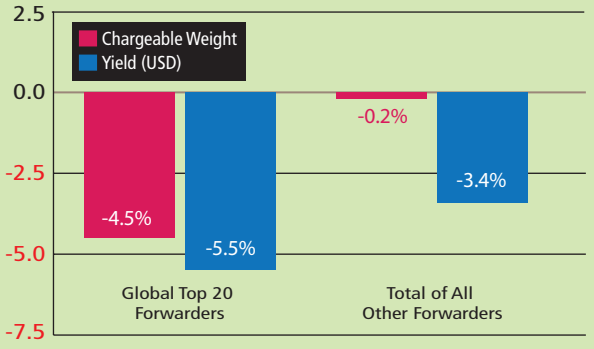
Monthly year-over-year percent change in capacity, in available-tonne kilometers, and traffic, in freight-tonne kilometers, of Asia-Pacific airlines.



Source: Association of Asia Pacific Airlines

SALES DISTRIBUTION

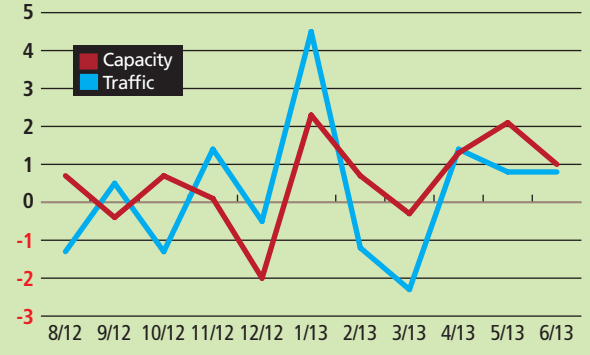
Air cargo worldwide change Year-over-Year (June 2013)



Source: WorldACD Market Data

TOTAL FREIGHT CARRIED

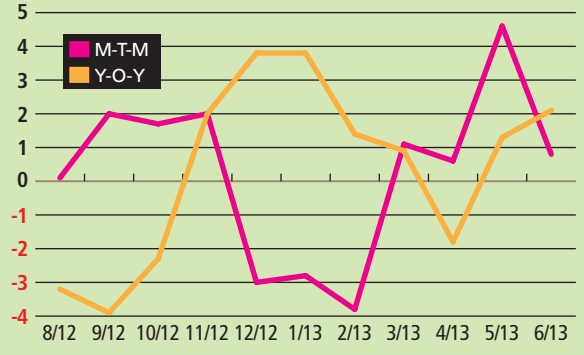
Monthly year-over-year percent change in total scheduled freight traffic and capacity worldwide in freight-tonne kilometers and available-tonne kilometers.



Source: IATA

SEMICONDUCTORS

Worldwide monthly year-over-year percent change in sales of semiconductors and month-to-month percent change.



Source: Semiconductor Industry Association

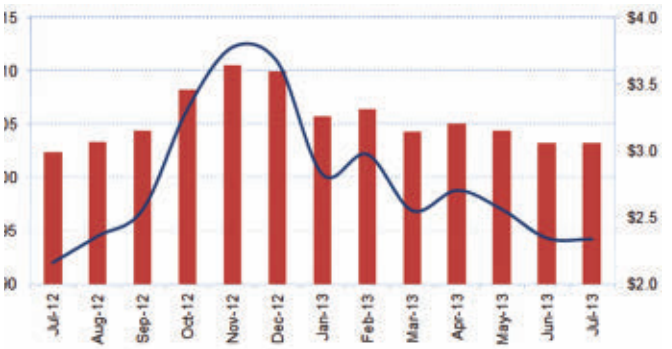
Drewry: Pricing slips slightly in July

Drewry's East-West Air Freight Price Index, a weighted average of airfreight rates across 21 East-West trades, slipped just 0.1 points in July to 94.2 points. Pricing was expected to remain depressed in July, given the onset of the high season in passenger demand, when airlines expand wide-bodied capacity, which tends to worsen cargo load factors. But July's fall brought the index down to its lowest level since it was launched in May 2012.

Drewry expects airfreight pricing to remain under pressure through August and early September. Thereafter, the combination of tighter belly hold capacity following the end of passenger peak season and new product launches will lift rates.

(Commentary is provided by Drewry Sea & Air Shipper Insight)

Drewry East-West Airfreight Price Index (May 2012 = 100)

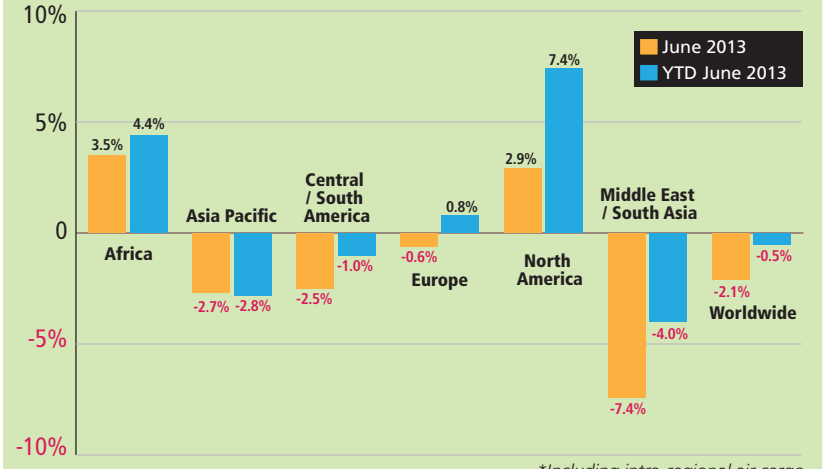


Source: Drewry Sea & Air Shipper Insight

Notes: This index is a weighted average of all-in airfreight "buy rates" paid by forwarders to airlines for standard deferred airport-to-airport airfreight services on 21 major East-West routes. Rates are expressed in $/kg and include 3 components: the base rate, the fuel surcharge and the security surcharge. They exclude door delivery costs.

GROWTH PER REGION

Air cargo chargeable weight change Year-over-Year*

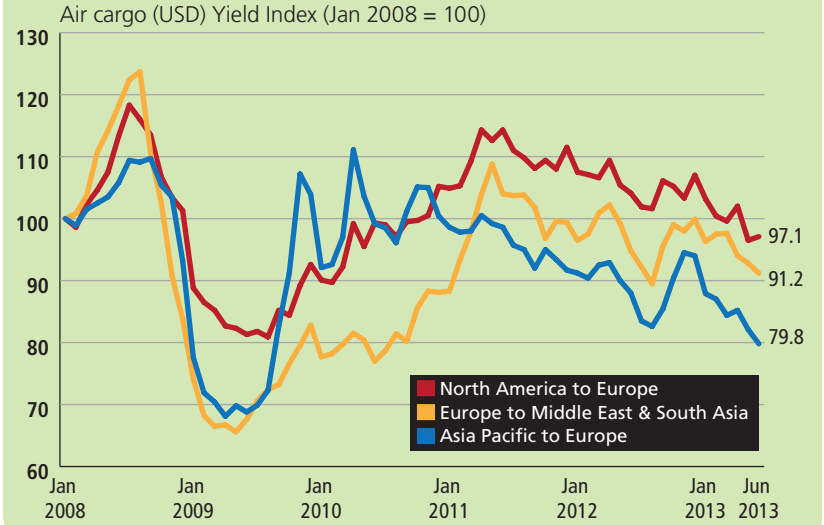


Source: WorldACD Market Data

*Including intra-regional air cargo

YIELD INDEX REGIONS

Air cargo (USD) Yield Index (Jan 2008 = 100)



Source: WorldACD Market Data

COMING IN OCTOBER:

Top Cargo Airports

Air Cargo World will focus on the world's top cargo airports in our October issue, complete with the annual rankings supplied by Airports Council International. We will talk with top airport executives to learn the factors and trends behind these figures. Where might future growth occur? Find out in our annual feature.

Airports for Growth, or is it Growth for Airports

Airports have long been major generators of economic growth for cities and surrounding regions. Sometimes the region's growth demands airport expansion while some regions have taken an "if we build it they will come" approach. Our feature will examine what's working and current growth trends.

Southeast Asia

New opportunities are emerging in the region as rising costs prompt manufacturers to consider alternatives to China as a production base. Countries like Indonesia, Vietnam, Cambodia and Bangladesh are boosting their exports, but are these enough to sustain new cargo services?

Cargo Chat: Tewolde GebreMariam

Tewolde GebreMariam, the CEO of Ethiopian Airlines, began working for the company in 1985, including at one point as manager cargo traffic handling. GebreMariam recently answered questions posed by Air Cargo World about how the African airfreight industry is progressing.

What is the outlook for the African air cargo industry this year?

Africa today is on the rise. It is one of the fastest growing regions in the world. Seven out of the 10 fastest growing economies in the world are in Africa. It has a young population of one billion – a sixth of the world – a rising middle class; abundant natural resources such as 12 percent of the world's oil, 42 percent gold and 60 percent of its uncultivated arable land. Africa is the next and perhaps the last frontier of globalization. As investments and trade, mainly with emerging economies, increases, so will the need for air cargo transport. I think Africa will see a significant portion of the global cargo movement either originating from it or ending there. A considerable volume of export products from Africa are perishables that are transported by air. Concomitantly, most of the imports will be high value industrial goods and equipment needed for the ever-increasing oil and gas exploration activities on the continent, as well as telecom and pharmaceuticals, will be carried by air.

How do you see Ethiopia's airfreight industry developing in the future?

Ethiopian Airlines is the largest cargo operator in Africa with six dedicated freighter aircraft. Ethiopian is currently operating two Boeing 777-200 LR freighters, the first to be operated in Africa, two MD-11, and two Boeing 757 freighters out of two hubs – our main hub Addis Ababa and Liege, Brussels. The B777F is the most technological advanced aircraft with ability to connect any two points in the world carrying 103 tonnes of cargo with reduced fuel consumption and less emission. This is especially good news for exporters of perishable goods such as flowers, vegetables, fruits and meat. Ethiopian B777F has the ability to maintain cold temperatures of up to 4 degrees centigrade, allowing perishable goods reach their destination maintaining their freshness and quality. Today, the airline operates to 25 cargo destinations in Africa, Middle East, Europe and Asia. Having a vast cargo network – 15 in Africa, seven in Middle East and Asia and two in Europe – Ethiopian operates in major trade lanes between Africa and Europe, Middle East and Asia, providing a convenient and reliable cargo service to and from the continent.

GebreMariam

Boosted by the growth of perishable exports from Ethiopia, the airline is now expanding its cargo network and fleet and aims to set up cargo hubs in Central, West and Southern Africa to cater for the growing need for reliable and affordable air cargo transport to and from the continent. Ethiopian cargo is at the final stage to be one of the seven business units of Ethiopian aviation group. By 2025, Ethiopian plans to uplift 820,000 tonnes of cargo using 15 jet aircraft. To support the airline's fast growth and achieve its goal in continuing to be the leading cargo service provider in Africa, existing facilities are also being upgraded and new ones are being built. We have begun the construction of a large cargo terminal (both dry and perishable) with an annual capacity of 1.2 million tonnes, and will be one of the biggest in the world. The perishable part of the cargo terminal will be, in terms of capacity, bigger than that of Amsterdam Schiphol Airport or the Dubai Flower Centre. The construction will be conducted in two phases, each with a capacity of 600,000 tonnes. In the meantime, Ethiopian has recently inaugurated an additional perishable cargo storage facility with a capacity of 65,000 tonnes per annum to cater for the ever-growing export of perishables from Ethiopia.

What sectors are dominant in Ethiopian and African air cargo?

The dominant items for air cargo export out of Ethiopia are flowers, fruits, vegetables, fresh meat as well as textiles, garments and finished leather products. On the import side, pharmaceuticals, pesticides, chemicals, apparels are the main items. Similarly for Africa, horticultural products are the most dominant items, constituting 60 to 70 percent of the total export. On the import side, telecom equipment, electronics and machinery take a large part.

What technology trends have you noticed in airfreight?

Aviation is technology-driven by its very nature dynamic. To meet the evolving needs of its cargo customers, Ethiopian is adopting current trends to meet its customers' needs at the lowest possible cost. As such, the cargo business is also seeing technology implementation of full automation and electronic processing to become paperless. As the industry moves in that direction, Ethiopian is also implementing these trends. Since 2010, Ethiopian Cargo has been implementing various initiatives. We have fully automated our core cargo business processes implementing Cargospot from CHAMP Cargosystems. This has replaced the old SITA air cargo manager system, which is now obsolete. We have also automated our ULD management process using CHAMP ULD Manager system. We have implemented Global Customs Gateway to fulfill countries advance e-declaration requirements (e-customs and e-security). We have also automated our load control process with CHAMP Weight & Balance system. We have launched E-freight/e-AWB and currently implemented 100 percent e-AWB on Liege, Dubai, Toronto, London, Washington, D.C., Tel Aviv and Rome routes and are planning to expand to more destinations. Our plan is to go 100 percent e-AWB by December 2013 and 100 percent E-freight by end of 2014, one year ahead of the industry deadline. We have fully automated our communications processes with Ethiopian Revenues and Customs Authority, EU countries, USA, Canada, Nigeria, South Africa, China, Egypt and India as per their specific requirements.

AIR FREIGHT BUSINESS OPPORTUNITIES

AIR FREIGHT BUSINESS OPPORTUNITIES

ASSOCIATIONS

FREIGHT SOFTWARE

FREIGHT EXPEDITING

CARGO RESTRAINTS

AIR CARGO ATTORNEY

PET SHIPPER / PET MOVERS

MOBILE TECHNOLOGY

AIRLINES

Lynden Air Cargo, a cargo airline based in Alaska, promoted **Richard Zerkel** to president. Zerkel succeeds retiring president Judy McKenzie. Zerkel began his career with Lynden Air Cargo in 1999 as a first officer on the company's Hercules aircraft. He was promoted to captain and then director of operations in 2008. He most recently was vice president of operations. Before joining Lynden Air Cargo, Zerkel held management positions at various airlines in Alaska.


ZERKEL

Dane Kondic has been appointed CEO of **Air Serbia**, the airline formerly known as JatAirways. Kondic has more than 20 years of experience in the travel industry.

Etihad Airways appointed **Yahya Ahmed Hussein Al-Robaydi** as the airline's general manager in Yemen. Al-Robaydi will be responsible for driving commercial results and developing relationships with the travel trade and the corporate customer segment in the country.


AL-ROBAYDI

Delta Air Lines named energy industry veteran **Graeme Burnett** as senior vice president, fuel optimization. Burnett will oversee all aspects of Delta's fuel program, including maximizing the benefits of its Monroe Energy subsidiary, which owns the refinery in Trainer, Pa. Burnett also will serve as chair of the Monroe Energy board of directors. He has more than 30 years of experience in the energy industry.


BURNETT

Denis Ilin has been appointed executive president of **AirBridgeCargo Airlines**, Russia's largest international scheduled cargo airline. Ilin has worked for several years as head of aviation for Basic Element, a Russian financial and industrial company. He previously held several leadership roles in Volga-Dnepr Group, including manager of Volga-Dnepr UK.

THIRD PARTIES

Agility, a global logistics provider, has appointed **Thomas Blank** as managing director of area Central Europe. He replaces Thomas Peikert, who left the company after 23 years. Blank is now responsible for identifying development opportunities in Germany, Benelux and Poland. In recent years, he has held various senior management positions for logistics companies such Panalpina and UTi. Blank most recently worked at Geodis Wilson as VP & managing director Asia Pacific. After eight years in Asia, Blank is now returning to Germany.


BLANK

Swissport International, a provider of ground services to the aviation sector, has appointed **Stan Livingston** as senior vice president global key account management ground handling. He brings more than 25 years of experience in the aviation industry to the role.


LIVINGSTON

Chris Scott joined **South Florida Logistics Services** as president and CEO. Scott, who has nearly 30 years of strategic supply chain management experience, has served in a variety of senior executive leadership positions at Bi-Lo/Winn-Dixie Stores, Inc. He most recently served as senior vice president of supply chain & logistics, where he was responsible for the company's entire supply chain.


SCOTT

ATC Aviation, a cargo GSA, announced **Dagmar Hanau** and **Paul Breburda** were promoted in its Frankfurt office. Hanau, previously marketing executive, was promoted to group marketing manager. She joined the company in 2010. Breburda joined ATC in 2007.

Geodis Wilson appointed **Michael Greco** as managing director for the global freight forwarding division of the Geodis Group in the U.S. market. Greco has more than 17 years of experience within the international freight forwarding and logistics industry, most recently as business unit manager and vice president for Panalpina, New York. **Rene Bach-Larsen** has become cluster managing director of Singapore and South East Asia. Bach-Larsen joined Geodis Calberson Denmark in 1995 prior to assuming the role of managing director of Geodis Wilson Indonesia in 2003, where he was instrumental in establishing a strong business presence. He most recently was managing director for Geodis in India. **Leif Voelcker** replaces Bach-Larsen as managing director of Geodis India. Voelcker has more than 21 years of experience in freight forwarding.


GRECO

C.H. Robinson Worldwide, Inc. promoted **Gary York** to director of sourcing, Europe. In this newly created position, York will establish the overall team and resources that will facilitate the development of perishables sourcing in Europe. York started his career with C.H. Robinson in the New York office in 1992.

Grahame Chilton has become non-executive director of **Air Partner**, an aviation charter services provider. Chilton has had a successful business career of more than 30 years. He was part of the management team that led the management buyout of Benfield, a reinsurance broker, in 1988 and became CEO of Benfield Group in 1996.


YORK

Allan Dunne joined **Cardiff Aviation**, the South-Wales-based aircraft maintenance and flight training company, as head of flight training. Dunne previously worked at Flight Training Europe. His appointment follows Cardiff Aviation's acquisition of European Skybus flight training, which will be renamed Cardiff Aviation Training. He has been involved in flight and pilot training since the mid-1990s. Cardiff Aviation was launched in mid-2012 by Iron Maiden vocalist and aviation entrepreneur Bruce Dickinson and Mario Fulgoni, an aviation chief executive and former airline captain.

events

OCTOBER 5-8

Las Vegas: Route development professionals from around the world will gather to discuss the future of air services. For more information, visit *www.routesonline.com/events/160/world-routes-2013/*.

OCTOBER 7-11

Munich: SMART Airports is a series of five, one-day conferences about topics such as aviation and economic development, airport security and IT and automation. For more information, visit *www.smart-airports.com/*.

OCTOBER 8-11

Munich: The 19th inter airport Europe is an international exhibition for airport equipment, technology, design and services. About 600 exhibitors from 30 countries will attend. For more information, visit w*ww.interairport.com/europe*.

OCTOBER 13-15

Bangkok: The Freight Summit brings together hundreds of freight forwarding CEOs and leaders. Members of five different organizations from around the world will participate. For more information, visit *http://thefreightsummit.com/tfs_bangkok.php*.

OCTOBER 14-16

Shenzhen, China: The China International Logistics and Transportation Fair, which debuted in 2006, is a meeting for people in logistics and transport all over the world. Held by the Ministry of Transport of the PRC and the Shenzhen Municipal People's Government, the fair is expected to receive more than 80,000 attendees. For more information, visit *www.scmfair.com/en/index.html*.

OCTOBER 15-19

Suntec City, Singapore: FIATA Singapore 2013 brings together freight forwarders to learn and share industry practices. For more information, visit *www.fiata2013.org/site/*.

OCTOBER 16-18

Fort Worth, Texas: The Annual Aviation & Aerospace Industry Manufacturing Summit is an aerospace conference for industry leaders in the private, public, financial and academic sectors. The Center for Aviation and Aerospace Leadership at Embry-Riddle Aeronautical University-Worldwide is co-hosting it with Alliance-Texas, a master-planned community anchored by the world's first industrial airport. For more information, visit *www.aaimssummit.com/*.

OCTOBER 16-18

Singapore: Air Cargo & Logistics Asia 2013 is a regional trade event for Asia and the Middle East. The international conference, which will be held by the STAT Media Group of India and the VFPR & Media Consultants in Singapore, will focus on air cargo, logistics and e-commerce. For more information, visit *www.acla.asia/*.

OCTOBER 28-30

Baku, Azerbaijan: The Caspian Air Cargo Summit is the leading air cargo event in Central Asia. There will be a focus on global trends, Russia/CIS/Central Asia market developments and two sessions on oil and gas and airfreight. For more information, visit *www.euroavia.com/caspian*.

NOVEMBER 6-8

Miami: Air Cargo Americas offers an air cargo exhibition where companies can market their products and services to leading manufacturers, exporters, freight forwarders, importers and distributors in the Western Hemisphere. This is its 12th annual show. For more information, visit *www.aircargoamericas.com/*.

NOVEMBER 21-23

Istanbul: The 7th logitrans Transport Logistics Exhibition is held by Messe Munchen International and EKO Fair Limited Co. The 2012 show attracted more than 12,600 people from 53 countries, and compared to the previous event, attendance rose by 6 percent. For more information, visit *www.logitrans.com.tr/english/*.

APRIL 7-8, 2014

Stockholm: Shippers and major industry players can meet at the Nordic Air Cargo Symposium. It is the only regional event focusing on the North European air cargo market. For more information, visit *www.euroavia.com/nordic*.

Christine M. Owens, who rose from a part-time position to become a top **UPS** executive, will retire after 33 years with the company. Owens was the first female region president, a key operational position. Under her leadership, UPS developed its first global communications platform, "We Love Logistics." Prior to taking her current role in 2005, Owens spent 25 years in UPS operations. **Teri P. McClure**, the company's chief legal and compliance officer, will assume the additional responsibility for global communications and brand management at UPS.

John Boyd has become general airfreight manager at logistics provider **Hellmann Worldwide Logistics UK**. Boyd will be responsible for product strategy, business development and commercial responsibilities in the sector. He has worked at DHL for seven years and has experience in airfreight.

ASSOCIATIONS

The International Air Cargo Association appointed transportation industry veteran **Douglas Brittin** as its new secretary general. He replaces Daniel Fernandez, who had held the position since 1999. Fernandez left TIACA after Brittin took over his position. Brittin, who is division director, air cargo, at TSA headquarters in Arlington, Va., has more than 33 years of experience in the transportation and logistics sectors. ACW


BRITTIN

ADVERTISER INDEX

Brandon Fried is the executive director of the U.S. Airforwarders Association

Fishing in the same pond

I knew my car was dirty when I saw the words "wash me" scrawled across the rear window, and so it was time to visit my favorite neighborhood carwash. As the mechanized scrubbers cleansed away the road grime, it was time to get reacquainted with the manager by apologizing for skipping my routine visits, thus creating a cleaning challenge that really required oven cleaner and a scraper to get the job done instead of simple soap and water.

It turns out I was not the only guy skipping my routine car cleansings as other customers joined the rolls of infrequent patrons of our neighborhood wash. But unlike my dirty jalopy, the manager complained that their cars were being cleaned and shined by "detailers" who had entered the market, charging a bit more but offering a vast array of services aside from the quick wash and dry. Alas, a single competitor offering more options, including the use of cotton swabs to clean hard-to-reach places, had trumped my favorite automatic car washer.

While speaking at a recent industry conference, I asked a forwarder how his business was doing. He said that everything was great until third-party logistics companies (also known as 3PLs) had begun to capture his customers. Apparently, the 3PLs were offering more value-added services including warehousing, order fulfillment, truck brokering and technology to keep track of everything.

I immediately thought of the car detailer and his dreaded cotton swabs. Could this forwarder be suffering the same fate as my favorite automatic car wash? I was on to something. As in the carwash business, where quickly cleaning cars may not be enough, simply moving freight between supplier and consumer could no longer be the key to success in freight forwarding.

As supply chains become more complex and demanding, freight forwarders have had to respond to meet customer challenges. While some may have entered the business offering just one mode of transportation, most successful forwarders today offer multi-modal solutions to meet customer requirements.

In a constantly growing web of global government regulations, customers also depend on their forwarders as guides through the regulatory minefield. Forwarders are seen as architects of the shipping process, coordinating Customs, transportation, banking, consolidation and the navigation of complex distributions to remote corners of the world.

But recently, the line between forwarders and third-party logistics providers has blurred. While some consider 3PL to be just a fancy name for a freight forwarder, these companies have begun to provide services outside of the traditional forwarding role. They have integrated themselves into the client supply chain, becoming the coordinator of all involved players while keeping the customer informed throughout the process. In short, 3PLs seem to add actual or perceived value to the customer that some traditional forwarders may not be delivering.

Forwarders are not known for their marketing expertise, preferring to leave that job to the slick advertising types who create image and brand awareness. This may be allowing the growth and proliferation of these third-party logistics entities that are finding success in convincing shippers of the need for their solutions. They may just be promoting themselves more effectively than the traditional forwarder.

Regardless of their promotional effectiveness, forwarders need to see the third-party logistics phenomenon as a clarion call to action. This begins by forwarders sitting down with customers to understand their specific supply chains and identifying areas in which their expertise can add value. Or perhaps they'll learn the need to add to their menu of changes. The days of being a transportation generalist have given way to an era of specialization that expands far beyond the movement of cargo.

Once forwarders begin to understand their customer supply chains, they must realize that investment in technology and infrastructure is essential for success. Traditional freight forwarders continue to play a dominant role in international trade, still managing most of the cargo flown on planes and boarded on ships. This makes information technology and expanded global networks more essential than ever.

Let us not underestimate the role of people in forwarding. There may be a clear distinction between a 3PL and a forwarder, but both fish for customers in the same pond. Effectively addressing customer needs through creativity and innovation are still the cornerstones of any business. The guy at the automatic car wash may be missing this vital fact, allowing someone with a more personalized approach and a cotton swab to lure away customers by creating a better value proposition. ACW

A schedule as busy as yours.

Over 5,000 daily flights to choose from.

There's no limit to how far you can go. Especially when there's no limit to where you can ship. With the most comprehensive route network, we can deliver to more than 370 destinations around the world. For more information, contact your local United Cargo Sales Representative or go to unitedcargo.com.

UNITED CARGO®

Includes destinations served by United Air Lines, Inc. and United Express.®