

A hand is shown in silhouette, holding a chess piece (a king) in the air. Below it, a row of other chess pieces (a rook, a king, a knight, a pawn, a bishop, a rook, and a queen) is lined up on a surface. The background is a gradient from blue to white.

Make Your Move

Join the many successful global cargo carriers that have already made the right move by choosing Precision Conversions. The economy is steadily improving, suitable aircraft are rapidly becoming available and production slots are key to market timing. Now is the best time to make your move to an affordable on-ramp solution with the industry leading full 15 cargo position 757-200PCF freighter.

Make your move today and call us at (336) 540-0400 to learn how we can help you "check mate" the competition!



precisionconversions.com



INTERNATIONAL EDITION

Air Cargo World

FEBRUARY 2014

THE SOURCE FOR AIRFREIGHT LOGISTICS

KEEPING COOL

Biologic drugs driving
growth of airfreight niche

Total e-AWB adoption still a hurdle

SLEEPING GIANT
India's airfreight progress

DeliverABLE



If freshness is vital, then it's a mandatory at THAI Cargo. Should your dewy consignment need to be delicately pampered, our customized shipping service with temperature control includes gentle service and care to make sure your package arrive fresh at any destination.

THAI Cargo always deliver the best.

 **THAI
CARGO**
www.thaicargo.com

Features



20

Adopting e-AWB

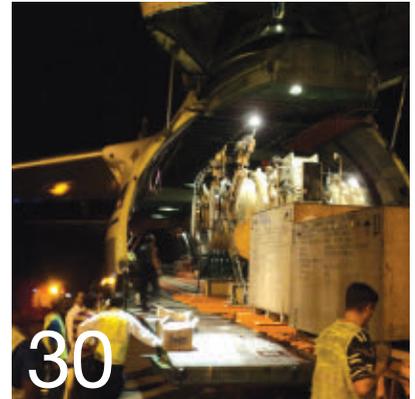
It's tougher than flipping a switch.



24

Sleeping giant

Infrastructure needs impede Indian cargo.



30

Keeping cool

Biologic drugs drive growth of airfreight niche.

Around the World



6 Europe

Cargolux flies in face of uncertainty.



12 Asia

Carriers pursue online shoppers.

10 Middle East/Africa

Expansions continue for airlines.

16 Americas

Sun shines for Florida freight.



Cover photo courtesy of Roche

Departments

4 Editorial

38 Bottom Line

40 Cargo Chat

41 Legal Ledger

42 Classifieds

44 People

46 Forwarders' Forum

AXIO

Air Cargo World (ISSN 1933-1614) is published monthly and owned by Axio Data Group. 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 Directory 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.

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

Director National Accounts
Tim Lord
tlord@aircargoworld.com • (678) 775-3565

Europe, United Kingdom, Middle East

David Collison
dci.collison@btinternet.com • +44 192-381-7731

Hong Kong, Malaysia, Singapore

Joseph Yap
joseph@asianimedia.com • +65-6-337-6996

India

Fareedoon Kuka RMA Media
kuka@rmamedia.com • +91 22 6570 3081

Japan

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

Thailand

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

Taiwan

Ms. Paula Liu
pl.ep@msa.hinet.net • +88-62-2377-9108

Korea

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



Editorial

Better times ahead?

Will 2014 be the year that the fortunes of the airfreight sector finally change for the better? If the barrage of annual economic reports released during January can be believed, there appears to be reason for optimism.

Industry veterans often say an improved U.S. economy is a harbinger of better times for the industry as a whole. Here are some recent upward signs:

PricewaterhouseCoopers' annual CEO survey found that twice as many CEOs around the world as the previous year believe that the global economy will improve in the next year, and 39 percent say they are "very confident" their company's revenues will grow in 2014.

PwC says 44 percent of responding CEOs see the global economy improving over the next year, up sharply from 18 percent the year before. Only 7 percent predict the global economy will decline, down from 28 percent in 2013.

There is also good news on the manufacturing front. The U.S. Federal Reserve, in its year-end report, said all 12 of its districts had steady growth in manufacturing. All but the Reserve's Kansas City District reported growing sales and an optimistic outlook. A manufacturer in the Dallas District said that for the first time since before the recession, his firm had too many jobs to bid on.

Specifically, the Reserve said three areas of manufacturing were especially strong: aviation, autos and construction materials. The Boston, Chicago and San Francisco Districts reported exceptional strength in commercial aviation driven by record backlogs at major aircraft producers. The Boston, Cleveland, Atlanta and Chicago Districts reported above-average strength in the auto industry.

Overall, the Reserve report said employment was described as steady with few reports of plant closings. There were some concerns about health care cost inflation. Capital spending was generally up with further growth expected.

News about semiconductors, usually viewed as a key barometer for airfreight, was mixed, with contacts in the Boston District citing strong demand for semiconductor manufacturing equipment and contacts in the San Francisco District reporting gradually increasing sales of chips.

The Semiconductor Industry Association was more positive, reporting that sales grew for nine consecutive months through November 2013.

Three key economic indicators from the Gallup organization – the Economic Confidence Index, the Job Creation Index and average consumer spending – all improved in 2013.

The International Energy Agency reported in late January that an improving U.S. economy boosted oil demand for the last quarter of 2013. The IEA expects global demand this year to exceed previous projections.

The U.N., in its World Economic Situation report for 2014, said the global economy is expected to grow at a pace of 3 percent in 2014 and 3.3 percent in 2015, compared with an estimated growth of 2.1 percent for 2013. Growth in the U.S. strengthened somewhat.

All of these early-year reports are encouraging. Whether they translate to improved conditions for the ever-changing airfreight landscape remains to be seen.



John W. McCurry
Editor



Air Cargo World's Annual ACE Awards Held Alongside The IATA WCS March 10



Your invitation to

CELEBRATE EXCELLENCE

Please join us for Air Cargo World's annual

Air Cargo Excellence Awards 2014

The awards will take place in Los Angeles, where the global air cargo community will be gathered to attend the **IATA World Cargo Symposium**.

The ACE Awards dinner and award presentations will commence immediately following the IATA WCS Welcome Reception.



**Hyatt Regency Century Plaza, Los Angeles, USA.
March 10, 8:30 p.m. immediately follows the WCS
Welcome Reception which starts at 7 p.m.**

Join your colleagues, customers and friends as we recognize and celebrate excellence in the air cargo industry. You may register for the ACE Awards while registering for the IATA WCS or go on the website <http://ace-awards.aircargoworld.com> to register for tickets.

Contact Lucinda Springett with any questions or special requests at Lucinda.Springett@aircargoworld.com or +44 (0)207 579 4866 or Steve Prince at sprince@aircargoworld.com, +01 770 642 9170.

ACE Awards Sponsored By





Another challenging year looms for Cargolux following a tumultuous 2013.

Cargolux flying in the face of uncertainty?

Auspicious and speedy success is promised for the Chinese New Year. For European cargo carrier Cargolux, that may seem a distant prospect as it battles to start up its new commercial partnership with China's HNCA.

The new partnership apparently claimed a casualty on Jan. 23 when Robert van de Weg, the airline's senior vice president sales and marketing, and a member of the company's executive committee, resigned. Cargolux said van de Weg, a 14-year company veteran, resigned "due to differences with the Board of Directors regarding Cargolux's strategy for the future."

It now emerges that there were few serious bidders for the offering. Early tagged frontrunners, such as Nippon Cargo Airlines, Silk Way Airways and Volga-Dnepr, apparently quickly fell by the wayside.

Which has led to some suggestions that as HNCA was the only real game in town, it

was able to push through a deal from which it gains greatly and which Cargolux benefits little. It also seems that the Luxembourg government's agenda was driven by embracing closer trade ties with China, rather than seeking commercial gain for its national carrier.

Certainly, HNCA's own agenda points to using Cargolux as a vehicle to promote Zhengzhou, the capital of Henan province and a major source of global IT production, as a major trade gateway. To that end, it wants Cargolux to effectively develop a second hub at Zhengzhou's Xinzheng International Airport and operate at least four flights a week to the carrier's home hub. The initial target is to carry 20,000 tonnes a year between the two points. Xinzheng Airport would later be used to develop transpacific freighter services.

To achieve that objective, it is claimed, that HNCA wanted Cargolux to position at least one-third of its fleet, around six aircraft, at the China

gateway. This, it is said, would be a precursor to establishing a separate joint-venture cargo airline.

Despite only being a minority stakeholder in the Luxembourg carrier, HNCA appears to have secured blocking rights on the Cargolux Board, allowing it to veto any business decisions not to its liking. It has also, it seems, been able to duck the issue of job guarantees demanded by Cargolux union representatives.

Not surprisingly, there is now wide resistance to the deal from the airline's union workers, and it is said, some disquiet among management. The Luxembourg government has sought to calm union concerns by buying back into the airline with the acquisition of an 8.41 percent stake from Luxair, the carrier's main shareholder. This leaves Luxair with a 35.1 percent stake and, crucially, a tactical single share advantage over the HNCA holding.

Even so, Luxembourg's Chamber of Employees has more recently condemned the proposed agreement between Cargolux and HNCA as nothing short of disastrous for both carrier and the duchy. It argues that to achieve the anticipated threshold of 200,000 tonnes a year between Zhengzhou and Luxembourg, it will require the carrier to deploy at least six aircraft on the route, presumably diverting capacity away from more viable parts of the network. The CSL also questions the dual hub strategy anticipated in the agreement and the legal voracity of starting a joint-venture airline between the two entities.

On a broader front, the carrier's forwarder-driven customer base has also expressed unease at the prospect of a globally-mapped cargo carrier being required to direct so much capacity and effort to the benefit of a single destination. Others question whether the airline now needs so desperately to seek a new equity partner. The carrier reported a 27 percent year-over-year increase in traffic volumes for November 2013, with 27,000 tonnes uplifted and achieving revenues in excess of

US\$200 million (146.5 million euros), easily its best trading month ever.

Added to which, it has already begun to rain on Luxembourg's Chinese New Year parade. No sooner was the ink dry on the tentative agreement with HNCA than Chinese forwarding major Navitrans announced that it was initiating a twice-weekly freighter service between Zhengzhou and Liege, Belgium. The flights are being operated on behalf of Navitrans by TNT Airways, using B747-400F equipment. The company says it expects to uplift volumes of 20,000 tonnes a year on the route into Europe, carrying smartphones and tablets, essentially Cargolux's target traffic.

Cargolux itself followed up the government statement on the equity sale with a brief confirmation of its own, welcoming the bilateral agree-

ment, but indicated it intends to give no formal clarification of the terms of the commercial agreement it has signed off on.

But in the dying embers of December 2013, Cargolux board chairman Paul Helminger was reported as insisting that the agreement signed by the airline was a much-diluted version of that anticipated by HNCA.

Certainly, he insisted, plans to shift one-third of the Cargolux fleet to China were way off base, with in fact no plans to transfer any of its staff or business units to Zhengzhou. As to actual freighter services between Luxembourg and Zhengzhou, this would, he agreed, probably be four flights a week, after initiating service with a series of charter flights.

As to the more contentious issues of starting up a joint-venture cargo

airline, Helminger is no doubt mindful of Lufthansa Cargo's China misadventure with Jade Cargo.

Yes, a feasibility study into the idea will be carried out, but even after it reports back in about a year's time, it could well take another two or more years before such a venture got off the ground. One wonders if the phrase "kicking the can down the road" is familiar to the Chinese.

One surprising clarification coming from Helminger was the fact that interim CEO Richard Forson has indicated that he does not want to secure the role on a permanent basis, having steered the airline through one of its most turbulent periods since he joined as chief financial officer. So, seeking a new CEO is one more task for Cargolux to undertake in what already seems will be a challenging year. **ACW**

Shannon Airport writes another page in history book

By Adina Solomon

Shannon Airport's history offers plenty of trivia worthy of small talk at a party.

In the 1930s, aviator Charles Lindbergh designated Shannon, Ireland, as a strategic transatlantic location. Shannon Airport opened the first-ever duty free shop, the first tax-free industrial zone in the world and the first full U.S. Customs & Border Protection passenger preclearance in Europe.

Though the airport has served as a passenger transit stop for many decades, it is now putting a greater focus on freight, with a goal to grow its cargo activity and become a well-known transit stop.

"We welcome cargo activity," says Joe Buckley, cargo & technical traffic business development manager at Shannon Airport. "A lot of airports aren't as interested in cargo activity because there's such pressure on passengers and passenger activities. Cargo becomes a secondary activity."

Shannon Airport became indepen-

dent from the Dublin Airport Authority in January 2013. Until then, DAA had held responsibility for Ireland's three largest airports: Dublin, Cork and Shannon. But because Dublin so overshadowed Shannon in size, Shannon struggled as part of the organization, Patrick Edmond, group strategy director at Shannon Airport, explains.

"The Irish government identified an opportunity for Shannon to be at the forefront of Irish aviation policy because Ireland, for example, is very, very well-established as a jurisdiction for leasing and for air finance," Edmond says. "About half of all the leased commercial aircraft in the world are actually managed from Ireland, and a very large number of those are managed from Shannon."

After the airport gained its independence, it concentrated on the collection of aviation companies surrounding it. The Shannon Airport Authority's International Aviation Services Centre (IASC) combines

"I feel quite confident that within a year or two, Shannon will be on the radar screen, if you like, in a big way."

— Patrick Edmond

the airport, the adjacent industrial park and the nearby businesses. It was established in January 2013, the same time Shannon Airport became independent.

About 40 companies are in this Shannon aerospace cluster, with 1,600 employees and counting.

"What we are doing is building



on the existing strengths in leasing, in MRO, in support services for airlines and in corporate aviation,” says Edmond, who also serves as IASC’s managing director. “We are attracting more companies in to build out that cluster further.”

Freight lanes from the Middle East, Central Asia and China going to the U.S. and the rest of the Americas are busy. Shannon is right in the middle, an ideal spot for a technical and transit stop.

At the end of December 2013, Shannon Airport welcomed Cathay Pacific’s B747-8 freighter on that aircraft model’s maiden flight to Ireland. The plane came from Sydney via Hong Kong and Dubai.

Shannon also sees scope for expansion in the local export industry, Edmond says. The U.S. has a robust financial relationship with Ireland. U.S. companies have US\$204 billion (150 billion euros) in foreign direct investment in the European country, according to the American Chamber of Commerce in Ireland.

“A lot of that investment goes into high-tech companies and goes into, for example, pharmaceutical manufacturing, high-tech equipment manufacturing – things that are very related to air cargo,” Edmond says.

He says 40 percent of all U.S.-direct investment is in the Shannon area.

Buckley points to the potential for Irish airfreight services with Shannon Airport’s cargo vision. About 80 percent of Irish airfreight is trucked to UK airports, so Shannon Airport hopes to capture some of that.

Buckley says favorable attributes for the airport include uncongested airspace and Ireland’s pro-business climate. There is strong Irish government support to develop various economic activities at Shannon, including business aviation and passenger services in addition to cargo.

“It’s going to be a cluster effect, where each business part of the cluster will help support the overall cluster,” Buckley says. “Cargo and logistics is a critical part of what we’re



Joe Buckley (left), cargo & technical traffic business development manager at Shannon Airport, and Andrew Row, Cathay Pacific’s cargo manager for UK & Ireland, stand in front of Cathay Pacific’s B747-8F when it stopped at Shannon Airport on Dec. 19, 2013.

trying to do here.”

The airport is also looking to develop long-haul passenger traffic, which will provide belly freight opportunities.

In addition, Shannon Airport already has U.S. Customs preclearance for passengers. Edmond says the airport and IASC are looking at an extension of that.

“How do we extend that kind of process facilitation from the passenger space to the cargo space? Not necessarily for U.S.-bound cargo, but just in general terms,” he says. “How do we speed up the cargo supply chain? Because it’s not just about minimizing the number of miles the cargo flies. It’s about shortening the supply chain and getting it reliably to its destination in the least possible time.”

For example, Shannon has many fresh seafood exporters, who see strong demand for their product in southern China and Southeast Asia. But exporters must know how long Customs will take in order to open those markets.

“If I’m a shipper and I’m shipping high-volume consignments around the place, if I don’t know how long it’s going to take for the shipment to clear Customs, that really reduces the efficiency of my supply chain,” Edmond explains. “It really makes just-in-time

very, very difficult, and more so if I’m shipping perishables.”

News headlines have used the phrase “cargo hub” to describe Shannon Airport’s ultimate goal, but Edmond says Shannon wants to be a transshipment point – not a hub.

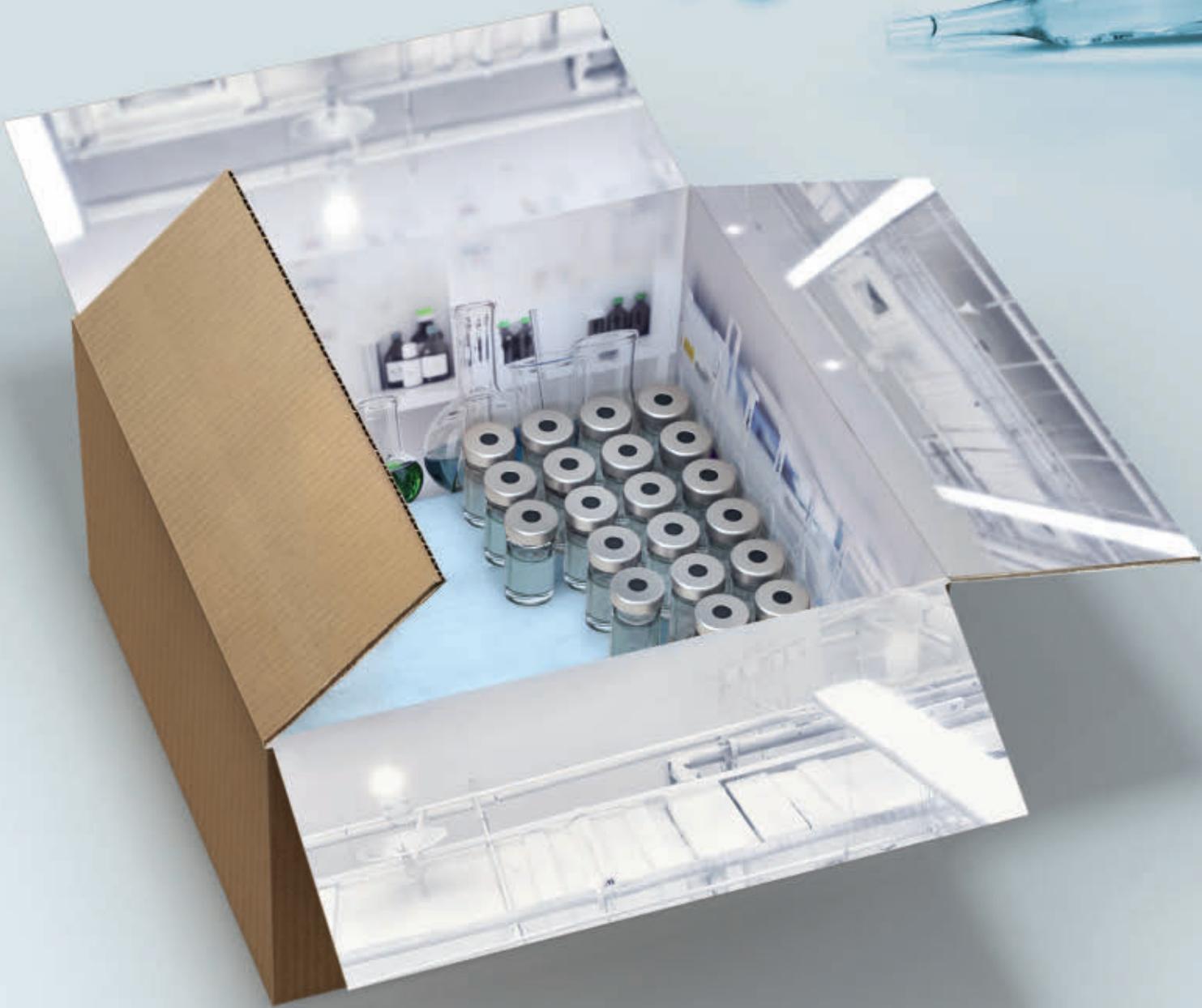
“We’re not going to be the next Dubai or Singapore, but there’s an awful lot we can learn from places like that, which have taken their geographic location, applied business-friendly policies to it and gone after a specific global business need – and done that quite effectively,” he says.

Edmond says IASC and the airport are preparing plans to build more hangars and develop a new cargo terminal. Shannon Airport is also next to a deep-water port, so some companies are considering the possibility of intermodal facilities.

Buckley says one of the challenges to the airport’s cargo goal is building a critical mass of business in IASC’s area and getting new carriers interested in Shannon.

“There will be an awful lot of change and development and building work going on over the next couple of years,” Edmond says. “I feel quite confident that within a year or two, Shannon will be on the radar screen, if you like, in a big way.” **ACW**

A STAR ALLIANCE MEMBER 



We carry health all around the world.

Your well-being is our priority. That's why we deliver medicines and vaccines to more than 240 destinations over the world without breaking the cool chain. As the cargo airlines with the highest number of destinations we carry health to the world with our expertise on pharmaceutical products transportation.

TURKISH CARGO  | *Globalize your business*

www.tkcargo.com | +90 0850 333 0 777



Qatar Airways Cargo is expanding its temperature-sensitive operations.

Expansions continue in Middle East

Emirates expects its new daily service to Kiev, which launched on Jan. 17, will become a key trade route between the United Arab Emirates and Ukraine.

During the first half of 2013, the value of trade between Ukraine and the UAE increased 27 percent to US\$429 million (316.3 million euros). The additional capacity for the carriage of goods – a 15-tonne cargo hold on every flight – will boost that vital trade, transporting steel, aircraft components, heavy machinery and ships spares out of Ukraine.

With a booming agricultural sector, Ukraine is also the world's largest exporter of sunflower oil and a major global producer of grain and sugar. Imports from the UAE into Ukraine consist of vehicles, textiles, dates, medicines, perfumes, tea and juices.

"We are very positive about our new service between Kiev and Dubai, and we believe this daily air link will further stimulate the growing business and tourism opportunities be-

tween both cities," says Thierry Antinori, Emirates' executive vice president and chief commercial officer.

The new Emirates route comes on the heels of a big 2013 for Middle East carriers, which reported a 16.5 percent year-over-year growth in demand for November 2013 over the previous year, according to International Air Transport Association statistics. Carriers in the Middle East have benefited from improvements in advanced economies, including better demand in Europe, as well as solid economic and trade growth in the Gulf area.

The trend is likely to continue with indicators showing record high export orders in the UAE, which bodes well for continued growth in the region's trade volumes.

Another January development came from Qatar Airways Cargo, which announced the launch of two new premium services that will optimize the transportation of time- and temperature-sensitive goods, including high-value pharmaceutical products and perishables. The new servic-

es, Q Pharma and Q Fresh, will add to the company's range of cargo services and enhance its capacity and flexibility to effectively move sensitive commodities.

Q Pharma, which is an airfreight service for pharmaceutical and health care products, offers both active and passive options. The active option provides temperature-controlled containers, which are designed to maintain a constant temperature throughout the entire transportation chain. The passive option keeps the product within a defined temperature band at all stages of the journey.

"By investing in sophisticated technology and a team of highly qualified staff, Qatar Airways Cargo enables health care companies and their logistic partners to ship temperature-sensitive pharmaceuticals all over the world while maintaining the integrity and quality of their products throughout the supply chain," Ulrich Ogiermann, chief cargo officer at Qatar Airways, says.

The second new service, Q Fresh, is designed for the shipment of perishable products requiring temperature control during transit. Designated airside temperature-controlled areas keep a shipment at the correct temperature prior to aircraft departure, while a dedicated team actively ensures a seamless movement of perishables to and from the aircraft.

"The innovative Q Fresh solutions maintains all types of perishables at the optimal temperature from arrival at their origin airport through to their final destination, thus preserving their high quality and extending their shelf life," Ogiermann adds.

In the Middle East, it is estimated that fresh produce imports made up 4.1 percent of total world imports in 2012, valued at US\$4.2 billion (3 billion euros). The Gulf Cooperation Council countries alone shared 54 percent of total imports to the Middle East, worth US\$2.2 billion (1.6 billion euros). Q Fresh will not only enable Qatar Airways to enhance the supply chain of perishables regionally but

also to its more than 40 freighter destinations worldwide.

Qatar Airways Cargo offers the fastest airline transfer at Doha through its Quick Ramp Transfer service. It is the only carrier in the Middle East to offer refrigerated truck services for ramp transfers at its home hub. Sensitive commodities are collected from, and delivered directly to, the aircraft by specialized temperature-controlled vehicles, in an effort to ensure that the cool chain process is seamless, thereby eliminating risk to temperature exposure.

“Air cargo standards for handling time- and temperature-sensitive commodities such as pharmaceuticals and perishables are becoming more stringent, with stricter guidelines on tem-



Emirates recently launched daily service from Dubai to Kiev.

perature control,” Ogiermann says.

On Dec. 1, 2013, the first Qatar Airways Cargo shipment was received at the new cargo facility at Hamad International Airport in Doha. The sprawling facility, spanning more than 77,000 square meters (828,821 square

feet), contains a perishables storage area, amongst other key facilities such as a live animal center and dangerous goods area. Upon full opening in 2015, the new self-containing terminal will handle 1.4 million tonnes of cargo annually. **ACW**

Etihad sets cargo records in 2013

Etihad Airways had a record-breaking year after achieving its highest-ever cargo volumes.

Etihad flew 486,753 tonnes of freight and mail in 2013, an increase of 32 percent compared to 2012 volumes. The airline accounted for 89 percent of cargo imports, exports and transfers at Abu Dhabi International Airport in 2013.

Nearly 12 million people flew with Etihad Airways, marking an increase of nearly 16 percent in comparison to 2012's figure of 10.3 million.

“Our record-breaking numbers in 2013 reflect the continued success of our strategic master plan, which focuses on three fundamental pillars: organic network growth, the forging of codeshare partnerships and minority equity investments in other airlines,” James Hogan, president and CEO of Etihad Airways, said. “As the national carrier of the United Arab Emirates, we also continued to support Abu Dhabi's growth as a leading international travel hub, while facilitating trade to and from the country.”

Six destinations were introduced



to Etihad Airways' network in 2013, with new services launched to Washington, D.C.; Amsterdam; Sao Paulo; Belgrade, Serbia; Sana'a, Yemen; and Ho Chi Minh City, Vietnam.

Frequencies were also increased on 18 existing routes, and new codeshare agreements were signed with Kenya Airways, Air Serbia, South African Airways, Belavia, Korean Airlines, Air Canada and airBaltic.

Volumes were boosted by enhancements to the freighter fleet capability and more cargo in the belly-hold of passenger aircraft. Established markets such as China, Hong Kong and India were top performers, in addi-

tion to expanding markets such as the Netherlands and the U.S.

Etihad took delivery of eight Airbus aircraft in 2013, including an A330 freighter, and eight Boeing aircraft, including two 777 freighters. The airline also added further leased capacity, which included Etihad's inaugural 747-8 freighter.

“I am excited about what the future holds and look forward to working with all our partners to maximize the return for our shareholder, enable the continued growth and the evolution of Abu Dhabi as an aviation hub and create a remarkable experience for our passengers,” Hogan said. **ACW**



Japan Post and Japan Airlines work together on the Cool EMS product, an international speed post service for temperature-controlled parcels from Japan.

JAL looks to shopping without borders

Japan Airlines Cargo is not exactly soaring on the appetites of online shoppers, but they have given rise to a premium service that is showing rapid growth, which has prompted the carrier's management and its joint venture partner to expand the offering.

Recent moves by Chinese carriers show that their head offices spotted an opportunity to make money from the rampant growth in domestic online shopping. The international arena has been more challenging and less explosive in its momentum. The efforts of the more dynamic members of the Association of Southeast Asian Nations notwithstanding, the Asia-Pacific region is still a considerable distance from the economic integration that would allow goods to flow freely between countries. Still, increasingly consumers in the region are ignoring this and look beyond their borders for merchandise to order online — undaunted by

the hurdles of customs, taxes and currency exchange rates.

Figures from Beijing-based iResearch show that e-commerce transactions between China and other countries went up 32 percent in 2012 to reach US\$375.8 billion (273 billion euros). The lion's share of this volume was business-to-business traffic, but business-to-consumer activity is also on the rise. A recently established e-commerce industrial park in Hangzhou, China, has attracted the likes of Alibaba, eBay China and SF Express, and it includes a customs clearance facility.

Not surprisingly, integrators and postal services have been in the vanguard of the international drive. This has spawned alliances between post offices, such as a joint product by the four involved postal outfits that allows eBay sellers in China, Hong Kong and Singapore to sell to consumers in the U.S.

In tandem with JAL Cargo, Japan

Post launched a door-to-door service in April that targets aficionados of Japanese high cuisine in neighboring countries. Consumers in Taiwan and Singapore can use it to order fresh designer sushi and similar delicacies. The Cool EMS product is an international speed post service for temperature-controlled parcels from Japan. It combines Japan Post's express parcel service, JAL's experience in handling temperature-controlled cargo and a special container for overnight delivery to select international markets.

The containers, which were tailor-made for the new service, can accommodate shipments up to 33 pounds (15 kilograms). They can maintain temperatures between 35.6 and 50 degrees Fahrenheit (2 and 10 degrees Celsius) up to 80 hours.

JAL manages the airport-to-airport segment, while Japan Post controls the other legs of Cool EMS shipments all the way from shipper to consignee.

Besides topnotch seafood, the service also works for other temperature-sensitive commodities, such as pharmaceuticals, according to Shinya Nagayasu, assistant manager of international route marketing at JAL Cargo.

Initially, the service was limited to the sectors from Tokyo and Sapporo, Japan, to Taiwan and Singapore, but the network is expanding. In October, Hong Kong was added to the list of destinations, and other points in Asia are on the drawing board, according to Nagayasu. There are also plans to add more origin points in Japan, such as Osaka, Nagoya and Fukuoka.

An expansion of the service parameters is also in the works. By April, the partners intend to add an offering aimed at cargo that has to be kept below 32 degrees Fahrenheit (zero degrees Celsius).

JAL Cargo is bullish on the new revenue stream.

"Japan Post told us that they are experiencing a rapid increase in international mail thanks to the growing e-commerce market in Asia," Nagayasu says, adding that JAL is expecting to

“E-commerce is changing this industry, and it is a growing portion of our business.”

— Andrew Jillings



see more demand for Cool EMS as e-commerce grows.

Some forwarders have also pushed into the international shopping arena. Tigers Ltd., a forwarder based in Hong Kong, has designated e-commerce as a strategic growth area. Through shareholder GeoPost, a subsidiary of La Poste Group in France, Tigers has access to the network of GeoPost subsidiary Dynamic Parcel Distribution, which claims to be one of Europe's leading B2B parcel providers.

“E-commerce is changing this in-

dustry, and it is a growing portion of our business,” Tigers CEO and group managing director Andrew Jillings says. He adds that the firm's traditional forwarding business has grown, “but the express side is where you can make money.”

Western Europe has been a key market for Tigers' e-commerce traffic, particularly for many of Tigers' customers from the fashion industry. The logistics firm ships the cargo to warehouses in the Benelux countries, where the parcel firm takes over

and handles the fulfillment as orders come in.

The U.S. Airforwarders Association recently set up an e-commerce committee. A large chunk of its activity is related to E-freight, but handling e-commerce logistics is another important aspect, notes Brandon Fried, the association's executive director. (Fried writes a monthly column for *Air Cargo World*.)

“Forwarders should play more of a role,” he says. “It's not just small packages but furniture, TV sets.” **ACW**

Cathay pursues cargo market with freighter order

Cathay Pacific Airways ordered an additional 747-8 freighter as it continues to renew its freighter fleet with newer, more efficient planes in an effort to strengthen its position in the air cargo business.

Cathay Pacific also ordered three 777-300ER airplanes. The order, valued at about US\$1 billion (726.4 million euros), will bolster Cathay Pacific's 747-8 freighter fleet and 777-300ER fleet to 14 and 53, respectively.

“We are very pleased to confirm this latest aircraft purchase from the Boeing Company,” John Slosar, chief executive of Cathay Pacific, said. “Both the 777-300ER and the 747-8 freighter offer a highly-efficient solu-

tion on Cathay Pacific's ultra-long-haul routes, combining superb operating economics with a significant reduction in emissions. These two aircraft types will form the backbone of our long-haul passenger and freighter fleets through to the end of the decade.”

The 747-8 freighter has 16 percent more revenue cargo volume compared to its predecessor.

“Cathay Pacific is a long-standing customer and operator of Boeing's products and services,” said Ray Conner, Boeing Commercial Airplanes president and CEO. “We value our partnership with Cathay Pacific



and are grateful for their enduring confidence in Boeing and our wide-body airplanes.”

Hong Kong's flag carrier operates an all-Boeing freighter fleet that includes 13 747-8 freighters. **ACW**



Shanghai Pudong, Hong Kong see freight skyrocket

Shanghai Pudong International Airport Cargo Terminal Co. had the best monthly cargo tonnage in its history.

In November 2013, PACTL achieved tonnage growth of 10.96 percent year-over-year and reached 129,363 tonnes. This beat the previous record set in October 2010.

The cargo terminal has seen tonnage rise by 2.83 percent to a total of 1,173,784 tonnes for the first 11 months of 2013. Meanwhile, all of 2012 reached only 1,141,472 tonnes.

PACTL's domestic cargo volume grew by 17.05 percent year-over-year to 8,624 tonnes in November, while its international cargo volume rose by 10.55 percent to 120,739 tonnes. PACTL's domestic cargo increased by 17.53 percent in all to a figure of 83,171 tonnes during the first 11 months of 2013. International cargo meanwhile rose by 1.86 percent to 1,090,613 tonnes.

"This shows that our domestic business is still developing extremely well, while the international business is growing significantly again. In line with these developments, I'm convinced that we'll see a positive overall performance by the end of the year,"

Lutz Grzegorz, vice president of PACTL, said.

Hong Kong International Airport set new daily and monthly records for cargo tonnage in November 2013.

During the month, cargo volume saw 6.6 percent growth over the same month last year, reaching 399,000 tonnes, and breaking the previous monthly record of 374,000 tonnes set in November 2012.

Growth in cargo throughput was primarily due to 6 percent growth in exports and 13 percent growth in transshipments. During the month, cargo traffic to and from Southeast Asia and Mainland China improved most significantly compared to other key regions.

"We were delighted to see cargo flow at HKIA breaking a new daily record of over 15,000 tonnes on 24 November," Stanley Hui Hon-chung, CEO of Airport Authority Hong Kong, said. "The expanding network and frequency of air services at HKIA also affords better opportunities to capture more cargo transship-



Shanghai Pudong International Airport Cargo Terminal had the best monthly cargo tonnage in its history.

ment. Fueled by burgeoning demand from the traditional Christmas peak season, we expect this promising growth in cargo to continue throughout the rest of the year."

Over the first 11 months of 2013, HKIA handled 3.7 million tonnes of cargo and 339,200 flight movements, representing growth of 2.6 percent and 5.7 percent, respectively, over the same period last year.

On a rolling 12-month basis, cargo volume grew 3.1 percent to 4.1 million tonnes. Flight movements rose 5.7 percent from the previous year to 370,000. **ACW**

Jetstar will carry Victoria's food exports to Tokyo

Melbourne Airport welcomed Jetstar's announcement that it will begin direct services to Tokyo beginning April, the airport's first non-stop service to Japan since 2008.

Chris Woodruff, Melbourne Airport CEO, said the new service will provide an important link for Victoria's business and export industries to one of Australia's largest trading partners.

"We are delighted that Jetstar is continuing to support its home base of Melbourne by commencing direct

services to Japan," Woodruff said. "Japan is Victoria's most valuable single market for food and beverage exports. With around 85 percent of air exports carried in the belly of passenger aircraft, Jetstar's new service will further support this important market as well as the state government's vision to



become Asia's food bowl."

The new Melbourne-Tokyo service will operate four times a week. **ACW**



We care for your individual precise temperature needs at every transportation process!

PRIO PHARMA

Reliability, Safety and Efficiency!

With Envirotainer high-tech compressor cooling and electric heating container, PRIO PHARMA provides temperature control service at every level within the operating range of 0°C to +25°C for your high-value pharmaceutical, biotech and healthcare shipments. Also, our rent-it-when-you-need-it-basis service through ANA's global service network will fit your business needs everywhere.

PRIO COOL PLUS

Upgraded PRIO COOL service for sensitive temperature control shipment!

Highly reliable cool-chain transportation service with ANA own temperature-controlled container and high performance freezer gel packs. PRIO COOL PLUS is the most appropriate solution for your chemical shipment, foodstuffs transportation which needs the temperature range of +2°C to +8°C.

ANA CARGO



The cargo volume between Miami International Airport and the Middle East has grown exponentially since 2008. Photo courtesy of Miami-Dade Aviation Department.

Sun shines brightly for Florida freight

By Adina Solomon
asolomon@aircargoworld.com

Miami routinely garners the most attention when it comes to air-freight in Florida.

But the often-overlooked fact is that 11 percent of the U.S.'s air cargo travels through Florida — and not just Miami International Airport — says Tony Carvajal, executive vice president for the Florida Chamber Foundation. Seven airports in the state besides Miami have scheduled air cargo activity.

“Most people don’t see that, not only because we have this very large airport down in the south part of Florida, MIA, but a lot of the goods that move in and out of Florida, because of their nature being high-value and small products, actually go in the belly of planes,” Carvajal says.

Air cargo possibilities are blossoming across Florida. There is projected logistics job growth, a new cargo air-

line in Orlando and new Middle East service at MIA, not to mention new MIA routes to Latin America and Europe and a new American Airlines Cargo service at Orlando International Airport.

In an effort to draw more international trade to the Sunshine State, airfreight continues to rise in importance throughout Florida.

The Florida Chamber Foundation, the research arm of the Florida Chamber of Commerce, identified a potential of 150,000 new trade and logistics jobs that can be created over the next five years, according to the foundation’s Florida Trade and Logistics Study released in October 2013.

“The bottom line is we know that Florida’s trade is growing. Florida’s tourism continues on a very positive path. We have a record year [in 2013],” Carvajal says.

Industries such as air, seaports

and rails will share those 150,000 jobs, he says.

“Our advanced manufacturing particularly is growing, and all those point to more cargo leaving the state of Florida,” he says. “As you look at the global growth as well, the demand for the goods that we’re producing or exporting from Florida is also growing, particularly in Latin America and the Caribbean.”

The main commodities that move in and out of Florida are perishables and high-tech products.

Florida has a strong aviation industry because in addition to the state’s 20 million residents, it receives about 90 million annual visitors.

“Those people that move in and out of the state use a lot of different modalities, but well over half of them come in on planes and leave on planes,” Carvajal says. “Those passenger planes are often full of not only tourists but goods that we stick in the bellies.”

Some companies outside the state see the draw of Florida. National Air Cargo and its subsidiary, National Airlines, relocated its headquarters from Michigan to Orlando.

Glen Joerger, president of National Airlines, says the airline did an extensive search across many states, looking at factors such as infrastructure, quality of potential employees, overall aviation activity, business friendliness and especially tax benefits.

“[Florida] Gov. [Rick] Scott is very aggressive. They have both Enterprise Florida and Space Coast Florida, which are two entities under the state of Florida, which aggressively and actively recruit companies in the aviation sector and the aeronautics sector,” Joerger says. “So they have a good infrastructure by which they try to recruit companies to come to Florida.”

Joerger says Orlando provides a lot of passenger connectivity in addition to cargo.

MIA also continues to reap new air-freight business. Though the cargo industry knows MIA for its network to Lat-

in America, the airport recently gained connectivity to Doha, Qatar. The Qatar Airways service of four weekly nonstop flights will begin June 10.

“We were very much interested in the dynamics of what’s happening in the Middle East between nations like Qatar and United Arab Emirates – that core area where you have just explosive growth both in travel and in trade,” says Chris Mangos, director of marketing at Miami-Dade Aviation Department.

Mangos says the airport worked with Qatar Airways for 14 months on the project. Though it’s a passenger service, cargo makes up a large component, he says.

From 2008 to 2013, the cargo volume between the Middle East and MIA grew 79 percent. The value of the goods ballooned 520 percent during the five-year period.

Qatar’s Doha-India route also proves significant, Mangos says.

“India is another market that has been growing both in passengers and cargo for us by leaps and bounds,”

he says. “We wanted a more direct [route]. That’s why we were also looking at the Middle East also with a carrier that would be able to serve from that hub multiple destinations within India itself.”

The Middle East remains primarily an export market for MIA, but for India, the reverse is true.

“It sort of balances out the payload, if you will, that is available on this aircraft,” Mangos says.

Joerger says Florida has good infrastructure for the air cargo industry to build upon. The state is a gateway to Latin America, but now there are other destinations such as Europe and the Middle East.

“The more of those direct routings you get in, the more you increase trade and increase the air cargo capabilities,” Joerger says. “The more you attract, it kind of builds. It becomes a snowball effect. But there’s a lot of good reasons for it. There’s a lot of basic fundamentals that are in place here — that pro-business climate, the high-quality talent.”



This map shows the locations of Florida’s 15 cargo airports. The seven SIS airports are the larger freight sites. Image courtesy of the Florida Chamber Foundation.

Though MIA is the top one in the state, Mangos says airports throughout Florida have the potential to develop their air cargo interests.

“The destiny of this state [is] to diversify itself and get international trade from the very bottom of Florida to the top.” **ACW**

ACE Awards 2014 ceremony set for March 10

The world’s top cargo airlines and airports will be honored the evening of March 10 during Air Cargo World’s annual Air Cargo Excellence Awards ceremony.

The much-anticipated event will be held immediately following the International Air Transport Association World Cargo Symposium Welcome Reception at the Hyatt Regency Century Plaza in Los Angeles.

Winners from last year’s event, held in Doha, Qatar, are pictured.

The ACE Awards are based on the Air Cargo Excellence Survey, which is conducted and published annually by *Air Cargo World*. Established in 2005, the survey measures airlines and airports on specific criteria and ranks them to identify above or below



average performance. The survey also shows how airlines and airports perform against an industry average.

“We are delighted and proud to honor the airlines and airports throughout the world for achieving a standard of excellence in their respective cargo services,” Steve

Prince, publisher of *Air Cargo World*, says. “The ACE Award is a prestigious and coveted honor because it recognizes those that have attained the highest ratings from their customers in key areas of measurement such as customer service, technology, value and performance.” **ACW**



British Columbia airport hopes fuel, logistics park attract cargo opportunities

By Adina Solomon

Prince George Airport in British Columbia, Canada, doesn't keep track of its freight volumes. Its cargo operation remains small — “very small,” says John Gibson, president and CEO of the Prince George Airport Authority.

“We didn't have a very developed air cargo program,” he says. “There just wasn't the infrastructure of freight forwarders and warehouses and everything to be associated with that.”

So the airport is working to bring the infrastructure to Prince George.

In addition to opening the third largest commercial runway in Canada a few years ago, adjacent to the airport sits a global logistics park that has 3,000 acres to develop. (The land does not belong to the airport. The government and private investors funded it.)

The development of the land depended on a highway running through the 3,000 acres, which opened in mid-November 2013.

Gibson believes that all these improvements bring Prince George Airport closer to its goal: capturing Asian airfreight traffic.

“Our program's basically been to attract cargo carriers in here, particularly on the return flights to Asia where they've got cargo capacity,” Gibson says.

Prince George Airport's present cargo operation is limited. Thanks to scheduled service from Air Canada Jazz and WestJet, there is a smattering of belly-hold cargo. Freight services provider Purolator runs its main shipping hub for northern British Columbia in Prince George.

The city in Western Canada enjoys some advantages, Gibson says. Prince George's has rail lines to Vancouver, the U.S., the Port of Prince Rupert, Ontario and the Chicago-Memphis



Prince George Airport opened the third largest commercial runway in Canada a few years ago. Adjacent to the airport sits a global logistics park with 3,000 acres to develop.

corridor. That port is North America's closest one to key Asian markets. Combine that with its availability of U.S. preclearance — eliminating a stop at the border — and using that rail corridor saves up to three days compared to going through a U.S. port and rail system.

“It's finding a niche in speed of service from, most predominantly, China into the central North America market,” Gibson says. “That's an advantage for developing a logistics park that can bring product in from Asia, put it into the warehouse, pick and pack it and redistribute it from North America by road, rail or air.”

Prince George has captured the attention and wallets of Asian investors. Most are connected to logistics operators and manufacturing companies.

The resource sector of North British Columbia's economy continues to grow, as does the fuel business in British Columbia and neighboring Alberta.

“The oil and gas business in both provinces, as well as the mining industry in British Columbia and the transportation of fuel products to refineries and ports, is driving our econ-

omy right now,” Gibson says. “There's CA\$70 billion of resource and related projects in B.C. over the next 10-15 years that are on the books.”

Prince George Airport capitalizes on this by targeting outsize cargo such as heavy equipment.

Some investors have looked at processing plants for seafood, meat and other agriculture products for export to Asia. In addition, a small live animal market offers cattle and appaloosa horses, generating ad-hoc freighter movements.

In November 2013, the airport set up fuel tanks that are not owned by a refinery, allowing for any carrier or refiner to buy fuel. The tanks have cut the airport's fuel prices by a third.

“We've taken quite a bit more aggressive stance on developing the cargo program than maybe we were even three or four years ago,” Gibson says.

The airport will break ground in April for a new perishables warehouse facility, and also opened 600 acres of land to airport-related development.

“We keep on moving along,” Al Ridgway, director of cargo business development, says. **ACW**

Reno airport reaps cargo growth

By John W. McCurry

While the fact that Reno, Nev., is farther west than Los Angeles is probably mostly known by serious geography fans, it takes on added meaning when it comes to air cargo. Reno-Tahoe International Airport officials are hoping the airport's location will keep cargo tonnage on an upward trend.

The Reno region is promoting itself as a prime location to serve Northern California and other Western states. Its location west of Los Angeles and north of San Francisco gives it an advantage over those cities in terms of cargo coming to the region from Asia, says the Reno-Tahoe Airport Authority's CEO.

"We just adopted a strategic plan, and one of its five priorities is maintaining and growing our cargo service," says Marilyn Mora, who began work in Reno on July 1 after serving as assistant director of aviation at Oakland International Airport in California. She was at one time COO at the Reno Airport.



Reno has dedicated cargo service through FedEx, UPS and Ameri-flight, which operates for DHL. It is not among the major cargo airports of North America by a long shot with just 52,517 tonnes moved in 2012, but it has recorded cargo growth for the past four years. In October, cargo was up 12 percent year over year and was up 5 percent for the first 10 months of the year.

"Cargo is flat in other places, so being five points up, we are ahead of the national average," Mora says. "We have a competitive advantage because of our

tax climate compared to California."

Mora hopes to attract another dedicated cargo carrier to Reno in 2014. The airport is prepared for future growth with space set aside for cargo facility expansion, she says.

The Reno area has attracted a large number of regional distribution centers over the last several years, which is helping drive the airport's cargo growth. These include pharmaceutical companies Merck and Sanofi-Aventis. Amazon, Walmart, Barnes & Noble and Urban Outfitters also have major distribution facilities. **ACW**

Evergreen International files for bankruptcy

By Adina Solomon

Airfreight carrier Evergreen International Airlines filed for Chapter 7 bankruptcy on Dec. 31, 2013.

The airline, which is based in McMinnville, Ore., filed its petition in Delaware Bankruptcy Court. It listed as much as US\$100 million (73.3 million euros) in assets and US\$500 million (366.6 million euros) in liabilities.

Some creditors filed papers Dec. 17, 2013, in U.S. Bankruptcy Court in Brooklyn, N.Y., seeking to force Evergreen to pay its bills, according to Bloomberg.

James Patton, an attorney in Wilmington, Del., represented Evergreen International in its bank-

ruptcy proceedings. Patton did not answer multiple phone calls from *Air Cargo World*.

Nobody answered calls placed to the main contact number of Evergreen International.

Financial problems have long plagued Evergreen International. In November 2013, the airline published a statement from Delford M. Smith, CEO of Evergreen International Aviation.

"As has been previously reported in the press, Evergreen's business has been adversely impacted over the past several years by decreased demand in military spending and weakness in global economic markets,"

Smith says. "Management has moved to aggressively address these challenges, including through the divestiture of businesses and assets and the significant reduction of secured debt. Evergreen is in discussions with its significant constituencies and is exploring available strategic alternatives with those constituencies."

In March 2013, Evergreen International Aviation announced that it had agreed to sell Evergreen Helicopters, Inc. to Erickson Air-Crane Incorporated. Under the terms of the stock purchase agreement, Erickson acquired EHI in a transaction valued at up to US\$276.3 million (202.6 million euros). **ACW**

Adopting e-AWB

tougher than flipping a switch

By Adina Solomon

asolomon@aircargoworld.com

Few airfreight companies dispute that embracing the e-Air Waybill will benefit business. Companies and experts point to the e-AWB's advantages and the need for the industry to accept it.

But getting to the point of total e-AWB adoption is another hurdle.

The air cargo industry's slow migration toward electronic documentation led the International Air Transport Association to revise its internal deadlines for a second time. In December 2013, the organization announced that it is now aiming for 22 percent e-AWB penetration in 2014 and 80 percent by 2016.

"Everyone appreciates that this is definitely the direction that we need to go, but I think it was maybe underestimated the amount of work that it would take," says Barb Johnston, senior associate for regulatory affairs at Air Canada Cargo. "It's not a matter of flipping a switch. There's a lot of internal processes that need to be established and understood and rolled out."

Panalpina began its E-freight project in early 2011.

"At that time, we thought we were ready, but we had to learn very fast that there are basically three requirements which need to be

fulfilled," explains Jeannette Goeldi, Panalpina's global head of standards and governance, airfreight. "First of all, you need to have an IT landscape which supports that. Secondly, you need to be able to produce electronic data quality. And thirdly, you need to have the spirit of E-freight within your organization."

In its first year, Panalpina had different projects focused on IT landscape, such as investment in a new electronic filing system that allows access to documents in real-time all over the world.

Air Canada did work on its IT legacy system and enhanced the booking portal for cargo shipments, Johnston says. Shippers can now make e-bookings with the airline.

Delta Cargo created the position of director of e-commerce in order to concentrate on initiatives such as the e-AWB, hiring Sharon Poindexter to fill the role in September 2013.

Delta Cargo can accept e-AWB in any market where it's available, Poindexter says.

Cathay Pacific started its e-AWB project in 2008, about six years ago. Since implementation, data quality has improved, says Jackson Chan, cargo services manager E-freight at Cathay Pacific Cargo.

Chan talks about an unexpected



Air Canada Cargo uses this image when promoting the e-AWB to its customers.

result from e-AWB adoption. At the airline's Hong Kong hub, forwarder customers tender their cargo in the airline's warehouse and then prepare their e-AWB. The forwarder pouch is the last document tendered to the warehouse, which forced the airline to staple the printed AWB onto the pouch.

"Cathay Pacific has experienced a large number of missing or mishandled forwarder pouches in year 2012 and 2013, which raised a lot of complaints from our forwarder customers," Chan says. "The issue has finally been fixed in December 2013 by introducing barcode printing and scanning on both AWB and pouch label, which can help to match and ensure cargo, AWB paper (if exists) and forwarder pouch are



Jeannette Goeldi



Mario Zimmermann



Sharon Poindexter

Airlines	October 2013		November 2013		December 2013	
	Ranking		Ranking		Ranking	
	Based on e-AWB Volume	Based on e-AWB Penetration	Based on e-AWB Volume	Based on e-AWB Penetration	Based on e-AWB Volume	Based on e-AWB Penetration
Korean Air	3	15.5%	3	19.5%	4	18.8%
KLM	6	10.5%	6	11.7%	6	12.8%
Air France	9	11%	10	11%	9	13.6%
Delta	7	18.6%	11	19.6%	7	18.6%

During the fourth quarter of 2013, the International Air Transport Association tracked the e-AWB progress of SkyTeam members based on volume and e-AWB penetration. "E-AWB as a stimulus for E-freight is a major industry objective, and the leadership of SkyTeam members in driving adoption is hugely encouraging and influential," Des Vertannes, IATA's global head of cargo, says.

shipping together."

Poindexter of Delta discusses how e-AWB adoption requires a process change on the customer side. The airline must show customers that it is a worthwhile initiative that also improves efficiency for them.

"What we're finding is that there are airlines at different points in the adoption process, which makes it difficult for some of our customers," Poindexter says. "They've even said to us that right now, they need to understand if this is something that is going to be an industry-wide initiative or is this something that some companies are taking on and others are not."

She draws on her experience in the auto industry. When e-commerce first came out, one of the challenges was convincing the retailers to adopt it,

she says. Now they all do it.

Poindexter believes air cargo will experience a similar trend.

For Lufthansa Cargo, the first step of the airline's E-freight plan was to replace the paper AWB with an electronic one, says Mario Zimmermann, head of technology and innovation at the carrier. He held responsibility for Lufthansa's global e-AWB rollout until Thorsten Friedrichs took over in January 2014.

"Lufthansa Cargo already introduced the e-AWB in our worldwide station network. However, many countries are not yet ready for accepting an electronic AWB, mainly because of security and customs reasons," Zimmermann says.

The country, airport, ground handling agent, airline and forwarder

must be ready in order to make E-freight and the e-AWB successful, Goeldi of Panalpina says. The industry must understand that everyone is dependent on each other.

"Sometimes, people are afraid that they might lose their unique selling proposition because then everybody does E-freight, so what makes a difference?" Goeldi says. "But I do believe that it is still the service which is the difference. E-freight brings the industry closer together, and only by grouping closer together, cost reductions can happen."

Lufthansa handles about 9 percent of its total air cargo volume with the e-AWB, Zimmermann says.

Johnston says Air Canada is 70 percent e-AWB ready, but as of December 2013, only 4.4 percent of interna-



Jackson Chan



Barb Johnston

“It’s not a matter of flipping a switch. There’s a lot of internal processes that need to be established and understood and rolled out.”

— Barb Johnston, Air Canada

What advice do you have for other companies who are farther behind in e-Air Waybill adoption?

Jeannette Goeldi, Panalpina:

Just try it. “Commit to the fact that electronic is the future by realizing that this is an unavoidable process change which is and will happen in the market.”

Barb Johnston, Air Canada:

“The best thing is to not be overwhelmed by the initiative and start with one station at a time.”

Jackson Chan, Cathay Pacific:

Airlines should all use the same IT service rather than creating a new one. “These IT providers can guide and help the airlines to immediate rollout e-AWB into their home market and then to other locations quickly.”

tional shippers were tendering with the electronic document. The airline recommends to its customers to make one station at a time e-AWB ready.

“It’s very overwhelming if you look at the entire globe and try to replace a document that’s been used in our industry forever,” she says. “We’re a very paper-driven industry, so to remove that paper is like removing a security blanket.”

But taking away that security blanket comes with its benefits. At Lufthansa, Zimmermann looks forward to a future when employees can rely solely on the data in the airline’s IT systems instead of having to compare delivered goods with the info on a paper AWB.

Johnston says customers notice that tendering under the e-AWB is

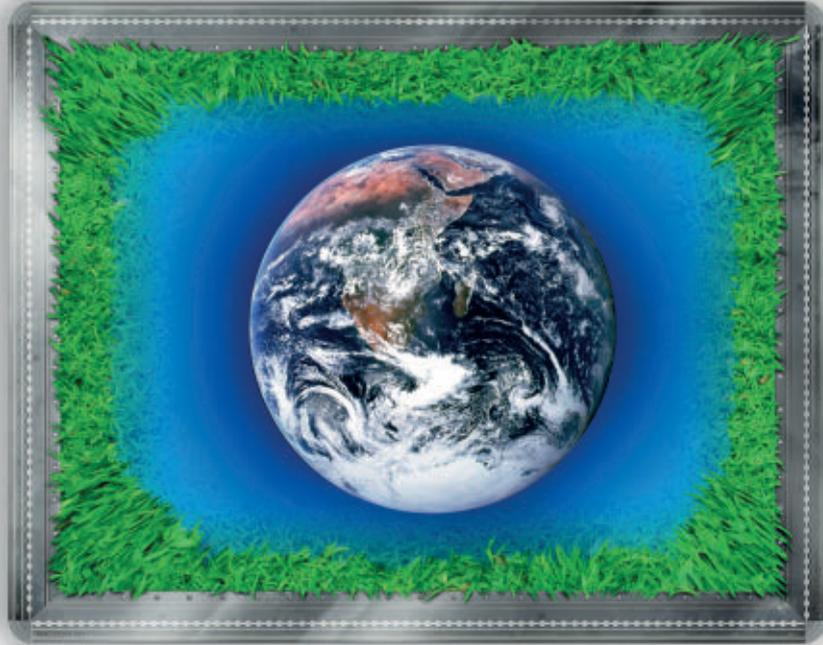
quicker.

“Anytime you can get a driver in and out of your warehouse faster is a bonus to the industry,” she says. “The whole point of air travel is speed.”

The purpose of air may be speed, but some feel the move to e-AWB is traveling slowly. Goeldi says the industry still has a long way to go. Johnston says the industry must take e-AWB more seriously.

“I really feel that we’re obligated to make the advances and to foster change in the industry that you’re in, to make it just a little bit better by the time that you leave it,” Johnston says. “The e-Air Waybill is a dramatic change. It’s very positive, and it has such lasting benefits that we got to persevere, even if it’s one Air Waybill at a time.” **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.

Sleeping Giant

Infrastructure needs impede India's airfreight progress

By John W. McCurry
jmccurry@aircargoworld.com



India's industrial might offers great potential for air cargo. Here, Mumbai-based freight forwarder Jeena & Company and Cathay Pacific partner on a shipment of wind turbine blades bound for a customer in Manchester, UK.

India seemingly has all the ingredients to be one of the world's great air cargo centers. Rapid growth of international trade, a huge manufacturing engine and

include pharmaceuticals, gems and jewelry, transport equipment and ready-made garments, he says.

Sam Katgara, owner of Mumbai-based Jeena & Company, one of In-

sidered not important otherwise. This leaves the entire logistics of cargo – infrastructure and facility – in woefully inadequate and poorly-managed area of the airport.”



Sanjiv Edward



Shailendra Seth



Ashish Kapur



Pukhraj Chug

a population of more than 1.2 billion all bode well for the industry. However, for a variety of reasons, India has not realized this great potential.

Participants in India's air cargo sector agree that inadequate infrastructure in the country is the major obstacle, followed by cost inefficiencies and the need for governmental and tax reform. But they are also optimistic that the needed changes will eventually happen.

“The air cargo market in India has the potential to become a global hub, but poor infrastructure and [lack of] cost efficiency are the major challenges to growth,” says Shailendra Seth, head of India operations for charter cargo specialist Chapman Freeborn. “However, this segment is growing at a fast pace and will give a tremendous boost to the economy. In the past years, aviation industry has seen many transformations.”

Seth says the Indian charter market is growing, but is short on “professional players.” He says trade has grown over the past five years as a greater share of trade moved toward finished goods. Products driving the growth

India's prominent freight forwarders, says a third of India's exports travel by air. He maintains that the Indian government has made significant efforts to upgrade infrastructure, but much more is needed. He expects the demand for air cargo to continue to rise.

“With the economy booming and rising GDP growth, air cargo witnesses a huge growth,” Katgara says.

The government's ongoing effort to develop infrastructure, the easing of regulations for foreign investment in aviation and the introduction of cargo hubs and Special Economic Zones figure to provide momentum for the growth of air cargo in the coming years, he says.

Katgara adds that air cargo is not recognized as an industry by the Indian government, which has not shown a strong commitment to making it efficient and viable.

“Airports were developed primarily from the passenger standpoint, and thus requirement of cargo facility development was not taken seriously,” Katgara says. “Cargo is generally the last part to be thought of and is relegated to that part of the airport, con-

Katgara notes that cargo infrastructure is much more than the cargo terminal, but also includes special facilities for express freight, temperature-controlled goods, airmail and hazardous goods. He says development of “cargo villages” is essential for India's major airports.

Ashish Kapur, India-based regional cargo manager for Cathay Pacific, says the rise of India's middle class and subsequent increase in demand for imported items such as high-end fashion and electronics has imports growing faster than exports. However, he says India's weakening currency should help boost exports. Pharmaceutical products are a key driver of exports, followed by machinery and automobiles, he says.

Kapur agrees that improved infrastructure is the industry's greatest need. He cites airports such as Bengaluru International Airport near Bangalore and Hyderabad International Airport as having modern cargo facilities and notes that improvements have been made at Indira Gandhi International Airport in New Delhi. Kapur says cargo remains a challenge at

“Domestic cargo operations have been largely limited because of non-availability of warehousing space in the Tier-II and Tier-III cities.”

— Shailendra Seth, Chapman Freeborn

airports that serve big export markets such as Chennai International Airport and Chhatrapati Shivaji International Airport north of Mumbai.

India should also expedite adoption of E-freight and off-airport customs bonded warehousing, Kapur says.

Pukhraj Chug, managing director at Group Concorde, a general services agent company based in Gurgaon, near New Delhi, believes India is poised for growth in both domestic and international air cargo.

“On the domestic front, the emergence of the e-business is underlying a whole lot of opportunities and creating value propositions for the ultimate customers,” Chug says. “The proposed centralized taxation system [a valued-added goods and services tax] will further augment the business and create greater opportunities for both the service provider and recipients.”

Devaluation of the Indian currency during the third quarter of 2013 made Indian exports more viable and has resulted in cargo growth at most international airports, he says.

“The better economy in the USA and Europe and the emergence of newer markets for Indian exports to the Far East has further strengthened the international export business,” Chug says. “However, imports have declined slightly due to the expensive dollar. There is immense potential for the next few years, and the global indicators suggest that the Indian market will grow substantially in the near future.”

The airfreight sector remains challenged by what Chug describes as a lack of speed in government re-

forms and tax restructuring, plus the ubiquitous need for infrastructure improvements.

Among India’s airports, Indira Gandhi International Airport is among those making cargo infrastructure improvements. Cargo traffic is on the rise with the airport handling 600,000 tonnes in 2013, an increase of about 8 percent.

“One of the things we have done is work on a clearly-defined vision to make the airport the cargo gateway for India,” says Sanjiv Edward, head of cargo at the airport. “We are working on operations excellence, infrastructure and good connectivity.”

In addition to infrastructure, Edward says implementation of electronic data interchange systems presents a formidable challenge.

“This is a challenge since different

companies are working on different IT systems, and it requires significant time and effort to integrate. The level of automation and intention to change also varies across organizations,” he says. “There are many small players in the market who do not want to make high investments in enhancing IT capabilities.”

Delhi International Airport Ltd., the consortium that has managed the airport since 2006, is developing a system of airfreight stations (AFS), which Edward describes as extension of the airports cargo terminals, but located strategically in manufacturing hubs.

“It is like taking the airport to the doorstep of the shipper or consignee,” Edward says. “They can process cargo for customs clearance and handover to the AFS operator, who will then bring to the airport.”

The stations benefit everyone along the supply chain, Edward says. For shippers, it means faster processing of financial documents and reduced handling. He says airlines can now sell these locations as online stations served through road feeder systems.

“This concept has been very well-accepted, and we are seeing the volumes grow consistently,” Edward says.



Chapman Freeborn has a significant presence in India. The company believes there is great potential for cargo charter growth.

Complete peace of mind for your pharmaceutical and healthcare shipments

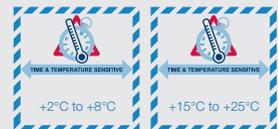


Flying with care

It is essential that the quality and integrity of your high value and temperature sensitive pharmaceutical and healthcare products is protected throughout the entire transportation cycle.

Backed by our fleet of advanced Boeing 747-8 and 747-400 freighter aircraft and a brand-new purpose-built 3,000 m² warehouse facility with temperature- and humidity-controlled environments at our Luxembourg hub, we offer you speedy, reliable and tailored solutions to meet your sophisticated needs.

On and off ground, your pharmaceutical products are in the best hands with our dedicated team of highly trained and experienced professionals. And, as you would expect from true pioneers, we are the first GDP certified airline in the world.



keepcool@cargolux.com | www.cargolux.com



German logistics firm DB Schenker has had a presence in India since 1996 and has 37 offices across the country. It operates about 2 million square feet (185,806 square meters) of warehouse facilities and employs about 2,500. Reiner Allgeier, CEO of Schenker India, also believes exports will grow.

“Due to the continuous weak Indian currency, the import volumes will most likely not grow, however, we expect to see a growth in export volumes of 3-5 percent as manufacturing and retail is picking up,” Allgeier says.

Elaborating on the pesky infrastructure issue, Chapman Freeborn’s Seth says it is a major roadblock to efficient cargo handling. He says the cargo sector is poised for tremendous growth if the infrastructure problem is ever solved.

“Cargo warehousing facilities are not up to standards at India’s major airports, and most of these ameni-

ties are restricted to international freight,” Seth says. “Domestic cargo operations have been largely limited because of non-availability of warehousing space in the Tier-II and Tier-III cities.”

Katgara believes India can be a global air cargo hub once the infrastructure issue is solved.

“Considering its geographical location, India, especially Delhi, has the potential to become a global hub for air cargo,” Katgara says. “Not only its geographical location but also the amount of international trade that the country is engaged in now makes India a good location for such a hub. Even a place like Dubai, where there is not much manufacturing or exports, is a successful destination. There is no reason why India with all its growth in manufacturing sector and exports and imports could not become another global hub.”

Katgara says the government’s recent decision to allow foreign direct investment into India’s aviation sector is a “blessing” for the cargo industry because it will positively affect belly cargo.

“It is encouraging foreign players to venture into the Indian air cargo market, which would mean direct connectivity to many new destinations and increased penetration of the services in the country,” Katgara says. “This will happen primarily because the new players would look at entering the Tier-II and Tier-III cities to avoid clutter in the metro towns and hence offer improved connectivity. And the international airlines are quite positive about the future. The government’s policies have been favorable toward the private participants entering the market.”

Cathay Pacific’s Kapur says with India’s weakening currency and political instability in Bangladesh, garment orders are shifting to India, which should give exports a boost. Strikes by workers in the Bangladesh garment



New Delhi’s Indira Gandhi International Airport is growing in international cargo and has expanded its cargo facilities.

industry have caused garment buyers to turn to India, he says.

“Almost all the buyers source from all over the subcontinent, and it’s easy for them to shift,” Cathay Pacific’s Kapur. “Also, as the Indian currency has weakened, the cost impact is not that huge.”

The emergence of the pharmaceuticals industry is the major addition to the Indian export in air cargo market, says Concorde’s Chug. He also notes growth in the textile and garment sectors over the past year.

“Imports by air have not grown dramatically because of the unforeseeable exchange rate dynamics,” Chug says. “But we see this is a temporary phase and hopefully it will correct itself.”

Chug says that while cargo facilities have been improved at Delhi, Hyderabad and Bangalore, Mumbai still has major challenges in infrastructure.

“In spite of new airports, due to lack of surface, ocean and rail connectivity, none of the airports are poised to get the hub status of major international airlines,” Chug says. “Should the global economy not become bullish on international trade, Indian exports could face some more challenges. But I am optimistic that Indian exports and imports will grow.”

Katgara agrees that upgrades are especially needed in Mumbai.

“It is very important to create more space at Mumbai Airport, which sees a chaos when it faces little bit excess cargo,” he says. “Considering that cargo exports at Mumbai will grow, it is very important to concentrate on creating more space for cargo.” **ACW**

COLT CARGO

AIRCRAFT AVAILABLE FOR ACMI

The best way to get somewhere is doing it quickly. Ship your cargo with us and be sure that it will get there in the fastest and safest way. We have many resources to serve you.

Crew

Insurance

Aircraft

Maintenance

Contact us: acmi@coltcargo.com.br
 +55 (11) 5584-7779 Ext. 104 / 109
www.coltcargo.com.br



Easily the best way to find the best flight for any shipment

OAG Cargo Flights is an easy to use application that gives you instant access to the world's most comprehensive and trusted database of direct and connecting cargo flights, including schedules from road feeder service and freighter aircraft. There is no faster or more reliable way to plan your shipments and ensure the optimum routing for your customers.

Where else can you get immediate access to worldwide cargo schedules from a single source?

For Freight Forwarders who want to deliver the best for their customers, OAG Cargo Flights is the only choice.

For more information, visit oagcargo.com
or email contactus@oagcargo.com

oagcargo.com





American Airlines is among the carriers rapidly growing its cold chain pharmaceuticals program.

Keeping cool

Biologic drugs driving growth of airfreight niche

By John W. McCurry

jmccurry@aircargoworld.com

New transportation regulations coupled with growing demand for vaccines and biologic medications are resulting in robust growth in the airfreight of pharmaceuticals. These products are more temperature-sensitive than products of the past and must have precise temperature control to maintain their efficacy.

The European Union toughened its transport regulations effective Sept. 8, 2013, and other governing agencies

are following suit. While this drives up costs, it is also good for airfreight as manufacturers seek to move products as expeditiously as possible to comply with the regulations that require that quality is maintained through the transportation process.

Industry observers expect growth of this airfreight niche to continue for the foreseeable future. While the growth is global, some of the hot spots will likely be in the BRIC (Brazil, Russia, India and China) countries.

“Biological drugs and the process

for making them, make them temperature-sensitive in almost all cases,” says Kevin O’Donnell, a partner with Exelsius Cold Chain Management, an international consultancy. “They are just like a carton of milk in your refrigerator. If you leave it out, it begins to degrade. The process starts, and you are not going to stop it. It makes the drug less effective.”

O’Donnell says biologic drugs dominate the growth in health care products. He says by 2016, about half of the world’s top-selling drugs in terms

of value will be biologic. One high-value product is Humira, an injectable drug for treatment of rheumatoid arthritis and other diseases. O'Donnell says the product generates US\$11 billion (8.1 billion euro) a year.

He says the increased responsibilities involved in the handling of pharmaceuticals has been beneficial for the logistics sector, with about US\$4.9 million (3.6 million euros) spent annually on transportation with an annual overall growth rate of 12 percent. Airlines are benefitting from the rapid growth of these products and investing in equipment, facilities and personnel to handle them. More are participating in pharmaceutical handling. Just a few years ago, only a handful of airlines marketed their products to the pharmaceutical industry, O'Donnell says. Now that figure is more than 30 and growing.

Among the carriers making major investments are IAG Cargo and American Airlines.



Kevin O'Donnell

"There is increasing use of vaccines and preventative health care across not only developing countries, but all countries," says Alan Dorling, IAG Cargo's global head of pharmaceuticals and life sciences. "There has been huge increase in the use of insulin for diabetes, particularly type 2 diabetes. It's a global problem anywhere there is westernized culture with soft food and fizzy drinks. These products require very sensitive management."

IAG greatly expanded its temperature-controlled network, which it calls Constant Climate, in 2013. In Europe, it added Prague; Vienna; Las Palmas, Spain; Basel, Switzerland; and Zurich. In Latin America, it opened stations in Colombia, Costa Rica, Panama, Venezuela and Guatemala.

Tom Grubb, manager, cold chain strategy for American Airlines Cargo, says that while costs are one important measure of moving critical pharma products, the most important aspect is maintaining quality. Collaboration of all the participants, including manufacturers and freight forwarders, is essential in this effort, he says.

"Even though there are a lot of positive signs in the economy, there are still many cost concerns in the industry, given the nature of moving pharmaceuticals," Grubb says. "There are many products that require such extreme handling that that kind of flies in the face of trying to save costs."

American will open its latest controlled room temperature facility at London Heathrow early this year and will likely open at least two more in 2014.

Grubb, who is a member of the International Air Transport Association's Time and Temperature Task Force, says the entire supply chain must work to "harmonize" the approach to develop comprehensive services. He says the regulatory oversight aspect will become more important and will likely push costs upward.

"We're not talking about ball bearings here," he says. "These are very time-sensitive products."

The recently approved merger with US Airways will allow American to penetrate some key U.S. pharmaceutical markets. American's cool chain program has been much more robust, Grubb says, and for now, it's a sorting out process as the merged carrier looks at synergies.

"We are going to be looking at the programs, but basically it will open up additional markets that we are excited about," Grubb says. "There is very little overlap in route structure. It's no secret that Philadelphia is a key hub for US Airways and that it is a very desirable pharmaceutical market, in the pharma corridor."

Grubb says that while there has been some modal shift of some pharma products to oceanfreight, most products requiring temperature control are biologics — and that's where the time-critical aspect of airfreight comes into play. He says greater volume and newer products going to airfreight balance the shift.

"There are some finished products that have a greater degree of stability and therefore can tolerate longer transit times," Grubb says. "But much of what we move is biologic, and that's where the air piece is very critical."

Terry Sell, Kuehne + Nagel's director, pharma and temperature controlled airfreight services for North America, says a slight modal shift is evident.

"More and more companies are trying to go to seafreight for obvious cost savings," Sell says. "Shippers are looking for more creative ways to reduce costs while still maintaining product efficacy."

Sell also notes that quite a few blockbuster drugs will soon come off patent in the coming years, starting in



Alan Dorling



Tom Grubb

2015. It's uncertain the exact effect this might have on airfreight, but he expects it to be sizeable.

"Some of the changes within the generic sector will mean that patented drugs will now be made available to new markets as these products become more affordable, and typically these will move in greater supply," Sell says. "At first, these products will move airfreight as first-to-market is critical within the generic market. However, once inventories are established in these markets, we will see a trend back to seafreight for the more stable drug products."

Another change affecting airfreight is in the presentation of drugs. This is particularly true for newer vaccines, O'Donnell says, making them much more expensive to produce. The new presentation method also results in drugs requiring more cargo space.

"Instead of making large dose vials in quantity, companies are making more vaccines that are in individual syringes," O'Donnell says. "Instead of one vial in a box that contains 10 doses, you now have a box that has 10 single doses in 10 pre-filled syringes. Volume increases 10 to 13 times to deliver the same amount of doses."

Chicago O'Hare International Airport is regarded as the largest handler of pharmaceutical airfreight in the U.S. Other top pharma airports include Atlanta, Miami, JFK, San Francisco, Memphis, Louisville and Philadelphia, he says.

O'Hare uses U.S. Census Bureau Economic Statistics to calculate the value of goods, says Karen Pride, spokeswoman for the Chicago Department of Aviation. The latest available figures, from 2011, show that of O'Hare's US\$79 billion (58.2 billion euros) in exports that year, about US\$10 billion (7.3 billion euros), or 12 percent, were medicines. Of the airport's US\$36 billion (26.5 billion euros) in exports, US\$3 billion (2.2 billion euros) or about 8 percent were medicines. Total pharmaceutical shipments were about 11 percent

Pharmaceuticals:

Air cargo's favorite in 2013

"2013 (through November) showed a volume growth of 7 percent year-over-year, for all special cargo together, with pharmaceuticals (9 percent) and valuables (14 percent) achieving the highest percentage growth," says Gerard de Wit, managing director of WorldACD, the Amsterdam-based air cargo market data specialist. He added that "each type of special cargo achieved a higher volume growth than general cargo" (see chart 1).

According to De Wit.

WorldACD calls Europe "still by far the most important pharmaceuticals outbound market, generating 60 percent of the worldwide totals and registering a 9 percent growth over 2012. The most interesting characteristic of pharma in 2013, in WorldACD's view, was the "solid volume growth coupled with stable yields, something we seldom see these days."

WorldACD data show that the top three pharma regions are Eu-

Period: YtD November 2013	
Growth Special Products	
Chargeable Weight YoY growth	
General cargo	0.3%
VUN	5.3%
AVI	5.6%
PER	6.4%
DGR	8.1%
PHARMA	8.9%
VAL	14.1%

WorldACD's figures show that pharma's USD-yield was on average 49 percent higher than the general cargo yield in the typical pharma markets.

"Pharma's high yield and strong growth made it air cargo's undisputed favorite in 2013," ac-

rope, South Asia and North America, while the still small pharma-market of Asia Pacific shows the highest percentage growth.

Three of the largest pharma exporting countries are Germany, the U.S. and India, according to WorldACD (see chart 2).

Period: YtD November 2013		
Growth PHARMA		
	Chargeable Weight YoY growth	Yield (US\$) YoY Growth
Germany	24.0%	4.1%
India	11.6%	-5.6%
USA	11.9%	-2.5%

Make **AirCargo**
THE conference
you attend in **2014!**

CLOSING THE DEAL



Marriott World Center
Orlando, Florida
March 30 – April 1, 2014

AirCargo
2014



www.aircargoonference.com

of all shipments. Pharmaceuticals are the second-largest export from O'Hare (after aircraft parts), and the third-largest import to O'Hare (after phones and computers) by value.

O'Donnell says top pharmaceutical-handling airports outside the U.S. include Toronto, Frankfurt, Amsterdam, Paris, London Heathrow, Dubai, Istanbul, Singapore, Tokyo, Mumbai and Luxembourg. Mexico City, Sao Paulo, Brasilia and Rio de Janeiro are among the top airports in Latin America, he says.

Technology providers are also benefiting from the sector's growth, including the two major producers of mobile refrigeration units.

Mark Mohr, director of customer support and partner management at CSAFE Global, says several transitions in the marketplace will have big effects in 2014.

"There are a number of carriers that



IAG Cargo recently opened a new temperature-controlled facility at London Heathrow.

are going through a complete assessment and looking for opportunities," says Mohr, who used to head Continental Airlines' cold chain program.

He notes that the market is maturing and is much more competitive with a

greater number of carriers participating.

"The obvious implication is that there is more choice in the marketplace and there is some pricing pressure," Mohr says. "Those who are willing to change and adopt will rise to the top,

I am Speed of Light

Rubinder Gosal
Customer Service Manager

Seizing the future has always been a tradition for us – and clearly, e-freight is the next leap forward our industry needs to take. From the start, we were a driving force behind it, so expect us to do what we can to help you embrace it too. Because **We care for your cargo.**

cargo facts ASIA

亞洲空運會議

At the Center Of Air Cargo Opportunity



April 1-2 • Langham Hotel Hong Kong

2014

Presented by:



Official Host Partner:



Cargo Facts Asia has quickly become the must-attend air cargo event in the Asia-Pacific region.

Focusing on identifying opportunities in Asia, the world's most dynamic air cargo market, Cargo Facts Asia provides actionable information for global air cargo, express and freighter industry executives looking to expand their businesses.

Don't miss your opportunity to participate in crucial discussions on emerging markets, freighter aircraft demand, trends in the Asia-Pacific region and much more. **Join us as we delve into the Center of Air Cargo Opportunity at Cargo Facts Asia 2014.**

Register Today at our Early Bird Discount Rate!

www.cargofactsasia.com

and business will be driven more in their direction. Every survey I've seen is that the industry can expect double-digit growth going forward for the foreseeable future."

Mohr says a growing trend is that pharmaceutical manufacturers are much more in tune with how freight forwarders and airlines price their products. He says that is driving change with increased visibility in how pricing is structured.

Envirotainer says it continues to grow in the mature markets of Western Europe and North America. Stephen Maietta, Envirotainer's health care sales director, says the company aims to meet increasing demand in Asian markets with a controlled expansion plan.

"We will continue to focus on the temperature-sensitive health care air cargo segment," Maietta says. "As GMP [Good Manufacturing Practice] regulations related to temperature control continue to harmonize across

"We will continue to focus on the temperature-sensitive health care air cargo segment."

— Stephen Maietta

countries and aviation, tighter controls for a larger range of label temperatures will only increase. As a result, this will continue to include, but not limited to, biological, pharmaceutical, API, clinical and diagnostic products."

DuPont has big hopes for its Tyvek air cargo covers, which were introduced in 2011. They are used to protect pharmaceutical shipments from temperature changes due to solar radiation.

"We think we have developed the

right product at the right time for a very compelling need," Diego Boeri, global business director for Tyvek, says. "Ultimately, it protects the patients, which is one of the key missions of DuPont."

Boeri declines to be specific, but he says some of the key pharmaceutical companies around the globe are using the covers. Other users include third-party logistics firms, airlines and integrators. DuPont collaborated with Cargolux on the product's development. **ACW**

AHMEDABAD
AMSTERDAM
AUCKLAND
BANGKOK
BARCELONA
BEIJING
BELGRADE
BERLIN
BOGOTA
BRATISLAVA
BRUNEI
BRUSSELS
BUDAPEST
CHENNAI
CHICAGO
COLOGNE
COPENHAGEN
DAKAR
DELHI
DUBLIN
EAST WINDSOR
FRANKFURT
GUANGZHOU
HAMBURG
HANOI
HELSINKI
HO CHI MINH CITY
HONG KONG
HOUSTON
ISTANBUL
JOHANNESBURG
KUALA LUMPUR
LISBON
LONDON
LOS ANGELES
MADRID
MAPUTO
MEXICO CITY
MIAMI
MILAN
MUMBAI
MUNICH
NAGOYA
NAIROBI
OSAKA
PARIS
PORTO
PRAGUE
PRISTINA
PHUKET
RIO DE JANEIRO
ROME
SAO PAULO
SEOUL
SHANGHAI
SINGAPORE
SOFIA
STOCKHOLM
STUTTGART
SYDNEY
TALLINN
TBILISI
TEL AVIV
TIANJIN
TIRANA
TOKYO
VALENCIA
VIENNA
WARSAW
ZURICH

71 Offices...46 Countries...1 Network

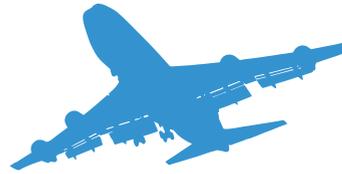
Your global GSSA partner providing a worldwide network with the strength of local knowledge

www.airlogisticsgroup.com

Winner of International General Sales Agent of the Year in Africa 2013

Air Logistics Group

Transformation through innovation



8TH WORLD CARGO SYMPOSIUM

LOS ANGELES • HYATT REGENCY CENTURY PLAZA • 11-13 MARCH 2014



How can we transform the industry for the better?

The 8th edition of the World Cargo Symposium - your premier "must attend" event in the cargo industry - is coming to L.A.

Last year the event attracted some 1000 global delegates from the entire value chain.

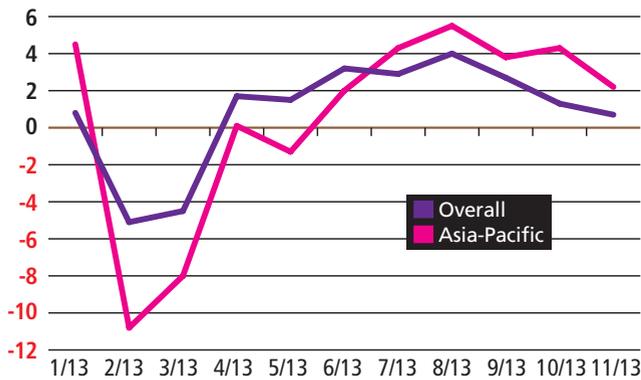
On its eighth edition, the event will address industry challenges, such as:

- Predictability, the ability to deliver innovation and future investments in infrastructure to ensure sustainable growth
- Liberalization and trade facilitation to increase the competitiveness of air cargo
- Efficiency and quality to satisfy the end customer

Register now
www.iata.org/events/wcs

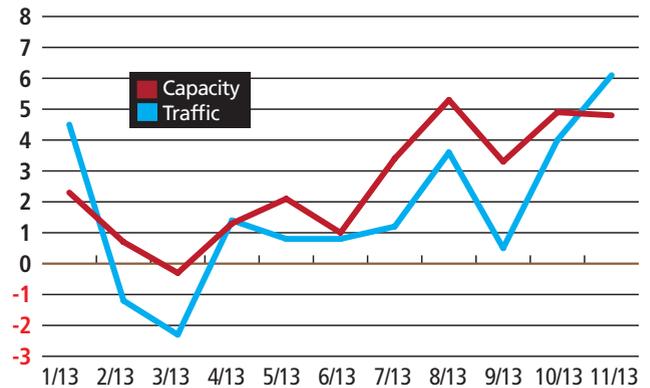


Carrying Europe



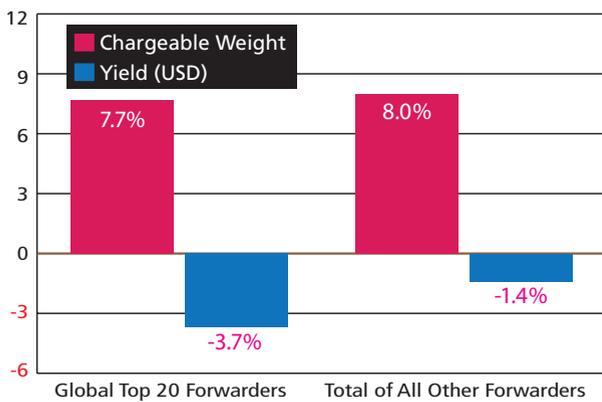
Source: Association of European Airlines

Total Freight Carried



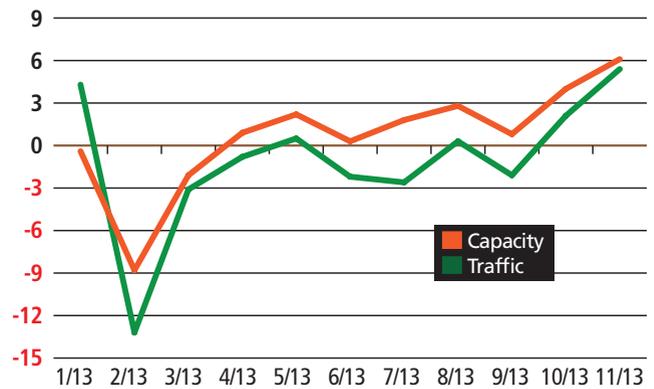
Source: IATA

Sales Distribution



Source: WorldACD Market Data.

Carrying Asia



Source: Association of Asia Pacific Airlines

The Drewry Report:

Weak Demand Tempers Market

Drewry's East-West Air Freight Price Index, a weighted average of air freight rates across 21 East-West trades, fell more than seven points in December to 110.3 points. Pricing was expected to decline as peak season volume eased and the effect of new product launches waned. The index returned to the same level it was at in December 2012, indicating that the market continues to be tempered by weak demand growth and oversupply.

Drewry expects air freight pricing to improve through January as space availability tightens in the run up to the Chinese New Year which commences at the end of the month. Thereafter, we expect a further retreat through February as Chinese factory shut downs reduce demand.

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

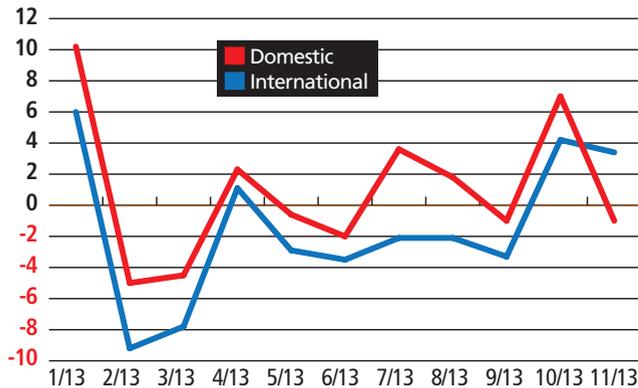
Drewry East-West Airfreight Price Index (May 2012 = 100)



Source: Drewry Sea & Air Shipper Insight

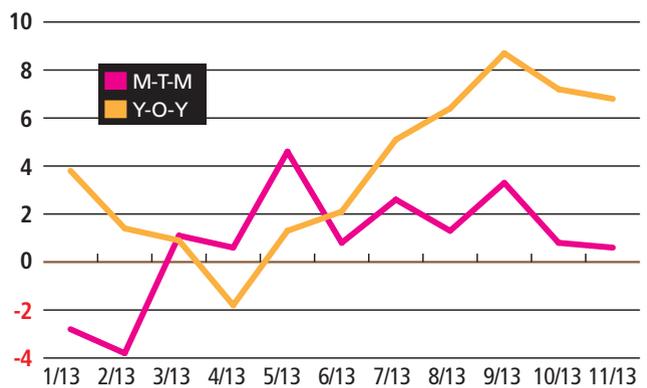


U.S. Airlines



Source: Airlines for America

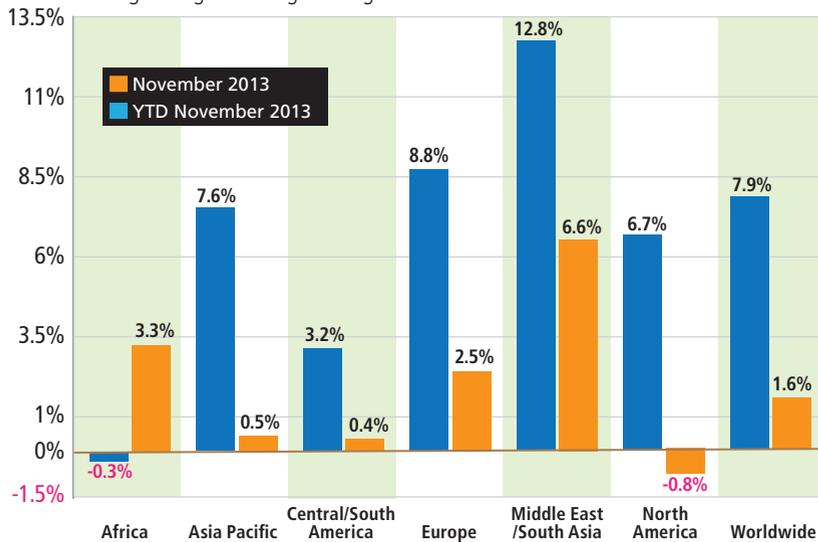
Semiconductors



Source: Semiconductor Industry Association.

Growth Per Region

Air cargo chargeable weight change Year-over-Year*

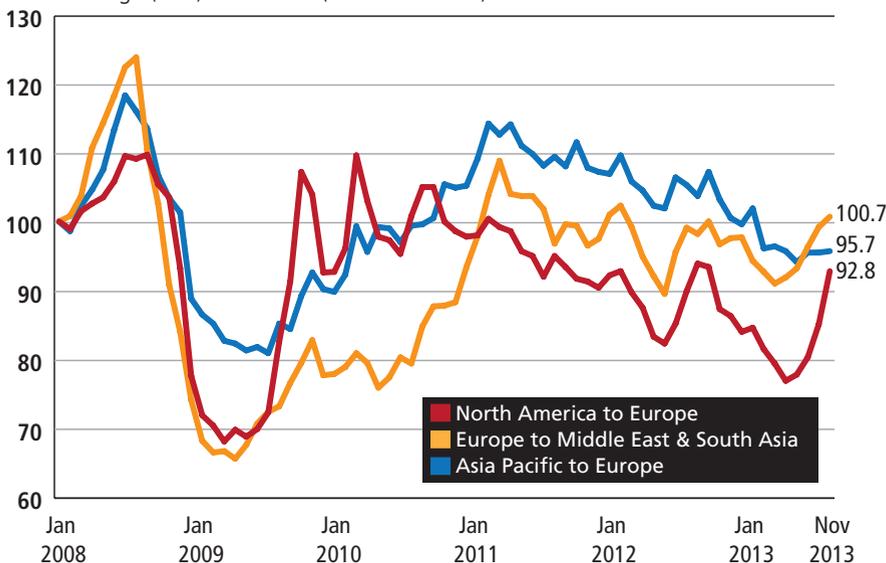


*including intra-regional air cargo.

Source: WorldACD Market Data.

Yield Index Regions

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



Source: WorldACD Market Data.

Coming in the March issue of Air Cargo World:

Real Estate for Cargo

Airports have long been a magnet for development of adjacent property to handle cargo. While some airports have an abundance of empty facilities and many are outdated, there continues to be new development in some areas. We will provide an overview of the current cargo real estate scene.

Security

Regulatory agencies around the world have been rolling out voluntary pilot security programs that require parties to submit certain customs information for air cargo in advance of aircraft departure. But now there's talk of making these programs mandatory. How will this affect the air-freight industry? Our March feature will examine this important issue.

Middle East

Middle Eastern carriers are far outstripping their competitors as they expand their freighter fleets, add cargo-friendly passenger aircraft and pursue new destination markets in Latin America and Africa. But they're growing so fast that airspace and runway capacity is now coming under pressure. We will update with interviews with some of the key participants.

Cargo Chat: Mike Dezenski

Mike Dezenski has worked as international purchasing specialist for Chrysler in Detroit since April 2012. He handles finished vehicle air cargo and deals with international air and oceanfreight. Dezenski began his logistics career in 2002 as a contractor for air and ocean operations. He has worked with Chrysler since December 2010. Dezenski spoke with Air Cargo World about how Chrysler uses air cargo for its cars and in what ways the industry can advance.

What is your outlook for the airfreight industry's future?

From a Chrysler perspective, I believe on the finished vehicle side, we'll be utilizing more of it. Tight timing on programs and production constraints, etc., kind of drive us to use international airfreight for finished vehicles more frequently than we would like. It's kind of a necessary evil for us. Obviously, it's much more expensive than what we can secure to bring a vehicle in via ocean. But the program timing and management and requests and testing, etc., those are what drive our demand for international airfreight.

What are some trends going on with air cargo and cars right now?

It seems to be growing. Not so much for us on the shows and events side, and I think that's just the result of our product line up at the moment. But as we bring new vehicles for testing and evaluation, both private and public, we see a large demand based on the type of products they are, whether they be fragile or sensitive based on the makeup of the product itself or if it's a foreign event and there's a very strict timeframe. So we do find that while it's growing on the product testing and evaluations side, we'll probably see a resurgence in the marketing side as well as we introduce new products to the consumers.

Is there a certain type of vehicle that uses air cargo more frequently?

No, it's really driven by the program life cycle, so at certain stages in production and development, we'll see a surge in using airfreight for delivery of these vehicles. Our ultimate goal, of course, is to maintain an effective timeframe to bring those in via normal mode via ocean, but as demands and schedules change, we have to adjust accordingly and at that point, we deem airfreight as the most effective way to bring those vehicles to meet that schedule.

Where does this airfreight originate?

We're global right now. Our main production facilities are located in Europe, United States, Mexico and Canada, so there's a lot of traffic between those points. But most of our testing and development is done here in the Midwest, so we see a lot of cargo coming into airports that are able to handle that type of aircraft, such as Chicago or New York. And we're looking at some other airports as well as the industry develops.

What airports are you considering?

For example, Cincinnati is one that has shown up on our radar as of late. It really is kind of driven by the cost and where the aircraft are located, so we look at the whole package, which also includes inland transportation, both in origin and destination countries, to determine the best package for total door-to-door delivery.

In what ways do you think the airfreight industry needs to improve?

For my perspective, it would be reporting and accuracy of intel on where the vehicles are in shipment. There's not a real good tracking system for our shipments that we've been able to utilize to determine exact location in the order-to-delivery segment. We seem to always run into a little bit of a roadblock in knowing wheels up, wheels down. It's a very manual process. There's not a real good electronic tracking system like you would see from a UPS package delivery standpoint. So we work real closely with our forwarders to make sure that we get that information relayed, but it would be really beneficial for us to see a more effective way of tracking these shipments.

What percentage of the time do you use air cargo?

It's on an ad-hoc and as needed basis really. Again, it's driven by demand. So if what we try to do is explore all of our other options, whether it be ocean or container. But again, it's really driven by deadlines, so I'd be hard-pressed to put a percentage because, as I said, it's a special-need basis, but we do several hundred vehicles a year via air...It's not something we enter into lightly. We do try to do our homework to make sure we're doing the best thing for Chrysler and for the programs.

What is Chrysler's outlook regarding the air cargo industry in 2014?

We're optimistic. I would think that we will, of course, still be required to ship vehicles by air. Our intention, of course, is to move our vehicles as required in the most cost-effective and efficient manner possible, and many times, that does come down to us utilizing the airfreight industry. And I would think as we launch new products and see our business grow, as we anticipate that it will, we'll probably see growth in this area. We'll probably see us utilizing more options and utilizing additional forwarders to accomplish our timeframes that our programs require.



Pursuing claims under the Montreal Convention

This column will deal with how to go about making a claim under the Montreal Convention. The Montreal Convention (formerly known as the Warsaw Convention) is a treaty with more than 90 countries subscribing to it. It is applicable to cases involving the shipment of cargo among the subscribing countries, meaning that it applies to many international flights.

You will want to make sure that you have a copy of the air waybill (AWB), which is the contract of carriage. If you are going to make a claim against an airline, you should be aware of the timely notice provision of the Montreal Convention. If you do not complain about the condition of the cargo when it is delivered to you, it will be presumed that it was delivered in good condition.

If you discover a problem, you should complain to the air carrier as soon as possible. Under the Montreal Convention, the time period for filing damage claims is 14 days and for delay of cargo, it's 21 days. You can lose your claim if you do not file it in a timely manner. You should gather up various documents such as the AWB, invoice, packing lists, survey reports and delivery receipts.

In making a claim, it is a good idea to specify the amount of damages and fully describe what the issue is as far as delay, if applicable.

You should send the claim in writing. In this modern era, you can do this by way of certified return receipt mail, regular mail, hand delivery, fax or email. You should try to get a receipt so that there is no dispute later about the forwarding of the claim to the carrier.

When you have a claim, it is a good idea to contact a surveyor – someone to inspect the cargo. If your shipment is insured, your certificate of insurance may give you the name of a surveyor at destination, particularly in a foreign country. If you do have insurance, make sure the insurance company receives notification as soon as possible, as well as the representative listed on the insurance certificate or policy.

It is possible that both the airline and the shipper/insurance carrier might have a surveyor. The surveyors from the insurance company should be experienced about surveying cargo damage.

If you are dealing with a shipment delivered to the U.S. and you do not have a surveyor, you might be able to find a cargo surveyor through the National Association of Marine Surveyors or through the Society of Accredited Marine Surveyors. They have members who concentrate on cargo, whether it is sea or air.



By Daniel W. Raab

Another issue to keep in mind is that there is a two-year statute of limitations from the date of when the cargo arrived, or should have arrived, in which to file suit. This becomes important because in many states such as Florida, the time limitation for filing a breach of contract action is more than 2 years.

If you are the airline, you need to monitor these time limitations carefully to see if the claimant has in fact made a proper claim against you.

Another issue becomes the limitation of liability. The claim could be limited to US\$12.29 a pound unless the shipper declares a higher value on the cargo. This is something that can be raised by the air carrier. It is also worth noting that the Montreal Convention can also apply to air-freight forwarders as well, particularly if they have issued an AWB.

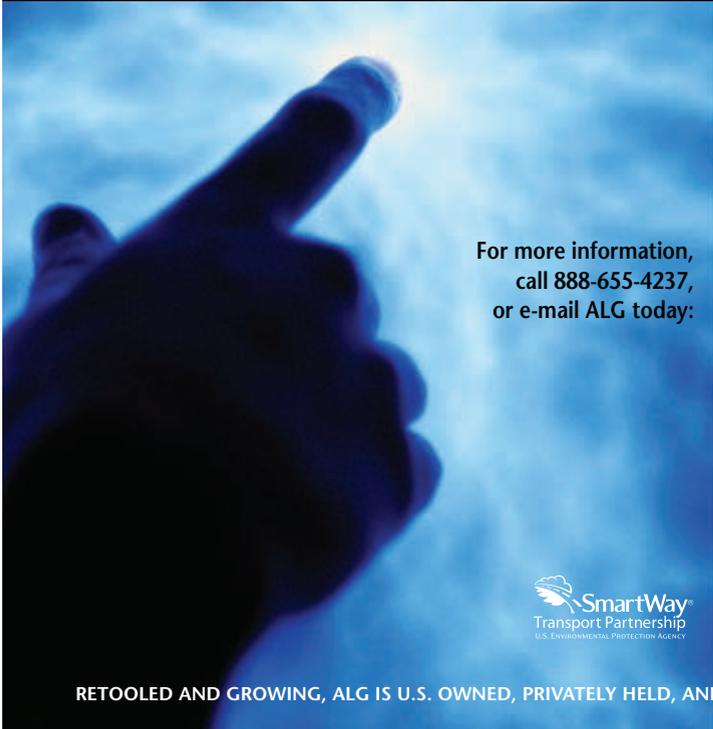
A good many of these claims are insurance subrogation claims, which means that it is the insurance company trying to recover funds that it paid to the shipper or consignee who suffered the loss.

This is intended as a basic guideline so you can at least look at some of the key issues in handling aviation cargo claims.

(Editor's note: Daniel W. Raab is a Miami-based attorney specializing in transportation issues. He is the author of Transportation Terms and Conditions, Chapter 47 of the New Appleman Practice Law Guide, Chapter 5 of the Benedict on Admiralty Desk Reference Book, and a contributing author to Goods In Transit.)

ELECTRIFY YOUR CAREER HERE.

Independent sales agency and station ownership opportunities now available.



For more information,
call 888-655-4237,
or e-mail ALG today:



ALG Worldwide Logistics is a full-service domestic and international freight forwarder offering a complete menu of logistics services. Our network of independently owned offices provide clients with supply chain solutions backed by leading-edge technologies and a solid corporate infrastructure.

John Rafferty jrafferty@algworldwide.com
Eric Hezinger ehezinger@algworldwide.com



DELIVERING INNOVATIVE LOGISTICS SOLUTIONS

RETOOLED AND GROWING, ALG IS U.S. OWNED, PRIVATELY HELD, AND HAS BEEN SUCCESSFULLY SERVING CUSTOMERS SINCE 1982

AIR FREIGHT BUSINESS OPPORTUNITIES



Joining the EFSWW NETWORK>>

EFSWW is an Agency driven transportation and logistics company providing freight forwarding and third party logistics solutions that intersect all aspects of the supply chain. With a "Build to Succeed" philosophy, some of our offerings include:

- All Domestic and Intl transportation modes
- Network leveraged buying power
- Powerful "Leading Edge" technology solutions
- Partnering with success driven professionals
- Dedication to Agency support and service

We look forward to helping you with a **SMOOTH TRANSITION INTO NEW OPPORTUNITIES**
Call Us Today !!!

EFSWW, LLC
8113 Ridgepoint Dr., Suite 200
Irving, TX 75063
Phone: 1-877-290-2383 ext.108
Email Us: sales@efsw.com

ASSOCIATIONS



The AIR & EXPEDITED MOTOR CARRIER ASSOCIATION

The Best Resource on the Road!

The Air and Expedited Motor Carrier Association (AEMCA) a national trade organization that has represented the interests of the Air and Expedited Freight Trucking Community for 45 years is proud to present:



A robust tool provided by 7L Freight, supplying valuable information about our cartage and motor carrier members by zip code, airport code, airport to airport, airport to zip, or zip to airport.

The AEMCA's annual conference and expo for the freight industry.



March 30-April 1, 2014, Orlando FL.

To learn more or join the AEMCA visit our website at acw.aemca.org.
Have questions?
email acw@aemca.org
or
call 703.361.5208

FREIGHT EXPEDITING



SPECIALIZED FREIGHT & WAREHOUSING SOLUTIONS

- STAFFED 24/7 WITH SECURITY & PROTECTION
- FLEXIBLE STORAGE OPTIONS
- ELECTRONIC INVENTORY MANAGEMENT
- PICK AND PACK DISTRIBUTION
- DOCK TRANSFERS OR CROSS DOCKING
- PACKING SERVICES
- TIME-SENSITIVE DELIVERY OPTIONS
- ANY SIZE OR WEIGHT
- SPECIALTY DELIVERY SERVICES
- SHIPMENT TRACKING
- DEDICATED, PROFESSIONAL DRIVERS

CALL 800-866-7530
WWW.PRIMETIMEDELIVERY.COM

AIR CARGO ATTORNEY

David Cohen, Esq.

Over 30 Years of Experience in Air Cargo & Transportation

35 Park Ave, Suite 16J
New York, NY 10016

Email: CohenLawUS@aol.com
Phone: (212) 217-9527 • Fax: (212) 208-2408

CARGO RESTRAINTS

CARGO NETS & STRAPS

- Tie-Down Straps & Nets
- Baggage, Floor, Barrier & Pallet Nets
- FAA/EASA Accepted Designs
- Custom Engineering - Prompt Delivery
- Cargo Rings / Seat Track / Hardware

www.cargosystems.com
RESTRAINT SYSTEMS FOR EVERY NEED
P.O. Box 81098, Austin, TX 78708-1098
info@cargosystems.com
Tel: (512) 837-1300 • Fax: (512) 837-5320
FAA/EASA Certified Rep Station

MOBILE TECHNOLOGY



Wow your customers with your very own iPhone app.



Prices start at just \$79 per month.

At CargoApps.com we take all the hassle out of building a mobile app. No website programming skills or IT background required. Just signup, answer a few questions, and let us deploy your app to the App Store for you.

Visit us at CargoApps.com or email us at info@cargoapps.com to learn more.

FREIGHT SOFTWARE

Freight Software
starting at \$50 per month

- On-line order entry
- On-line track and trace
- Driver web portal
- Easy to use - Complete package
- Used by couriers, freight forwarders and brokers since 1986

Free 30 Day Trial
(800)505-9727

Waybill.com
sales@waybill.com

PET SHIPPER / PET MOVERS

Air Animal

Pet Movers Since 1977

An IATA air cargo agency, providing pet moving solutions to relocating families, nationwide & worldwide, since 1977.

www.airanimal.com
drwalter.woolf@airanimal.com

Telephone: U.S. Toll Free

1-813-879-3210 | 1-800-635-3448
Fax: 1-813-874-6722 | Fax: 1-877-874-6799



Air Cargo World

THE SOURCE FOR AIRFREIGHT LOGISTICS



PRINT



ONLINE



DIGITAL



E-NEWSLETTER

Global Insight, Global Delivery.

To subscribe to Air Cargo World or to inquire about advertising, please contact Steve Prince, Publisher, 770.642.9170 or sprince@aircargoworld.com

AIRLINES

Steve Gunning has been appointed CEO of **IAG Cargo**. Gunning has senior management and leadership experience in both the finance and airline industries. Prior to this appointment, he was managing director for British Airways World Cargo. Gunning has spent the past two years integrating the British Airways and Iberia cargo divisions into a single business.

Cathay Pacific Airways named **Rupert Hogg** as COO, effective March. Hogg will also become director of Cathay Pacific. He takes over the role from **Ivan Chu**, who will become Cathay Pacific's chief executive. The current chief executive, **John Slosar**, will succeed **Christopher Pratt** as chairman of the airline, John Swire & Sons Ltd., Swire Pacific Ltd., Swire Properties Ltd. and Hong Kong Aircraft Engineering Co. Ltd. Hogg is now director sales and marketing — a position he took in August 2010. From 2008 to 2010, he was director cargo.

Greg Hart was named executive vice president and COO of **United Airlines**, succeeding **Pete McDonald**, who is retiring after nearly 45 years with United. In his new position, Hart will be responsible for airport operations, cargo, technical operations, network operations, flight operations, inflight service, safety and food services. He previously served as United's senior vice president of technical operations and before that, he held the role of senior vice president network. Hart joined the airline in 1997.

Air Canada Cargo made a few appointments. **Vito Cerone**, previously director, cargo sales, Americas, was named director, marketing & sales, Americas. Cerone will be responsible for developing a marketing strategy that will promote the Air Canada Cargo brand. Supporting him in this role is **Matthieu Casey**, who has been appointed general sales manager — Canada. Casey was previously regional sales manager — cargo Eastern Canada.

Lisa Brock, executive manager at passing

John Barnett, founder and former owner of **Wexco Airfreight**, passed away on Jan. 8 following a long-term illness. Barnett founded Wexco in 1979 and retired in 2010. The company became part of the Kales GSA network, but retains its original name.

Qantas Freight, internally transferred to take up a new role as CCO for the **Jetstar Group**. Brock has served three years in the Qantas Freight business.

AIRPORTS

Tom Ruth has been selected as president and CEO of **Edmonton Airports**. Ruth will begin his new role on Jan. 20, 2014. He is now president and CEO of the Halifax International Airport Authority, the largest air transportation complex in Atlantic Canada. He has an extensive background in both airline and airport operations and is also chair of the Canadian Airports Council. Prior to his position at HIAA, Ruth was president and CEO at Oceanex, an intermodal transportation specialist in Newfoundland, which he led until its privatization in 2007.

MAINTENANCE & MANUFACTURERS

Boeing named **Dennis A. Muilenburg** as vice chairman,



MUILENBURG



CONNER

president and COO. Muilenburg was previously executive vice president and president and CEO of Boeing Defense, Space & Security. Muilenburg has 28 years of Boeing experience, having joined its Seattle military aircraft division in 1985. **Raymond L. Conner** was promoted to vice chairman, president and CEO, Boeing Commercial Airplanes. Conner has led the Commercial Airplanes unit since June 2012. He is a 35-year company veteran who began his career as an airplane mechanic.

Sean O'Keefe, chairman and CEO of **Airbus Group**, the company's North American business unit, will resign his position effective March 1. His successor will be **Allan McArtor**, who is now chairman of Airbus Americas. O'Keefe

has elected to step down in order to fully address ongoing medical issues due to injuries he sustained in a 2010 aircraft accident in Alaska. He will continue with Airbus on special assignment. McArtor is a recognized leader in the U.S. aerospace and defense industry. Prior to joining Airbus in 2001, McArtor held a number of senior positions at the Federal Aviation Administration, Legend Airlines and FedEx.

ORGANIZATIONS

The International Air Transport Association appointed **Raphael Kuuchi** as vice president for Africa beginning Feb. 17. Kuuchi joins IATA from the African Airlines Association, where he was the director of commercial, corporate and industry affairs, based at its headquarters in Nairobi. He will lead a team of some 23 professionals in IATA's four sub-Saharan offices. Kuuchi will be based out of IATA's Nairobi office. He is a Ghanaian national who began his career at Ghana Airways in 1991. Kuuchi succeeds **Mike Higgins** in the IATA role, following Higgins' reassignment as the regional head of airport, cargo and passenger services for Europe. IATA also appointed **Kevin Hiatt** as senior vice president, safety and flight operations. Hiatt will also join IATA on Feb. 17 and will be based at its headquarters in Montreal. He will succeed **Guenther Matschnigg**, who is retiring from IATA. Matschnigg has led IATA's efforts on safety and flight operations since 1999.

Hiatt joins IATA from the Flight Safety Foundation (FSF), where he has been president and CEO since January 2013, having joined FSF in 2010 as executive vice president. Hiatt previously served at World Airways and was with Delta Air Lines for 26 years in various positions.

The International Air Cargo Association is welcoming two new members from Europe and Asia to its board of directors. **David Yokeum** is president and CEO of WCA, the world's largest network of independent freight forwarders. He founded WCA in 1998 as the world's first worldwide, non-exclusive, neutrally-owned network.



YOKEUM

events

FEBRUARY 23-25

San Salvador, El Salvador: Routes Americas brings together airports, airlines and aviation stakeholders in the most densely populated country in Central America. For more information, visit www.routesonline.com/events/166/routes-americas-2014.

MARCH 9-11

Kuching, Sarawak, Malaysia: Routes Asia is the largest route development forum for the Asia region. It is hosted by the State Government of Sarawak and co-hosted by Malaysia Airport Holdings Berhad. For more information, visit www.routesonline.com/events/167/routes-asia-2014/.

MARCH 11-13

Los Angeles: The International Air Transport Association's 8th World Cargo Symposium attracts more than 1,000 airfreight professionals. The event will address industry challenges such as efficiency and future investment. Air Cargo World will also host the Air Cargo Excellence Awards alongside the conference. For more information, visit www.iata.org/events/wcs/Pages/index.aspx.

MARCH 18-19

Atlanta: The Georgia Logistics Summit will provide networking opportunities, offer breakout sessions and host speakers from logistics companies. In 2013, the event attracted 2,000 attendees

from nine countries. For more information, visit www.georgialogistics.com.

MARCH 30-APRIL 1

Orlando: AirCargo 2014 is a trade show and expo for the airfreight industry. More than 800 people are expected to attend. For more information, visit www.aircargoconference.com/.

MARCH 31-APRIL 2

Kuala Lumpur, Malaysia: The 12th Airport Cities Conference and Exhibition is about airports developing both as cities in their own right and as business and tourist destinations. The event, which will be hosted by Malaysia Airports Holdings Berhad, is expected to attract more than 110 airport operators from 45 countries. For more information, visit www.globalairportcities.com/page.cfm/link=17.

APRIL 1-2

Hong Kong: Cargo Facts Asia 2014 focuses on identifying opportunities in Asia, the world's most dynamic air cargo market. The conference provides information for global air cargo, express and freighter industry executives looking to expand their businesses. For more information, visit cargofactsasia.com/.

APRIL 6-8

Marseille, France: Routes Europe is the largest Routes regional event with more than 1,000 delegates and 250 airline delegates representing more than 150 airlines. It is hosted by Marseille Provence Airport. For more infor-

mation, visit www.routesonline.com/events/165/routes-europe-2014/.

APRIL 7-8

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.

APRIL 23-24

Istanbul: The International Air Cargo Association is holding its 2014 Executive Summit and Annual General Meeting. Attendees will discuss what lies ahead for air cargo in the face of numerous security, environmental, technological and environmental challenges. For more information, visit www.tiaca.org.

MAY 1

Atlanta: There will be a Georgia Institute of Technology executive forum on how to manage risk in a supply chain. For more information, visit www.atlantacscmp.org/pages/events/GTSSupplyChainExecutiveForum.asp.

MAY 4-6

San Antonio, Texas: The 24th Annual CNS Partnership Conference brings together more than 500 air cargo professionals. The event will focus on adapting to change and embracing technology to remain competitive. For more information, visit www.cnsc.net/events/Pages/cns-partnership-conference.aspx.

Yokeum is based in Bangkok. **Sebastian Scholte** is CEO of Netherlands-based Jan de Rijk Logistics, a provider of transportation and distribution services. Prior to joining Jan de Rijk Logistics, Scholte worked for Aeromexico in Mexico and Europe and Cargolux in Latin America and Europe. He is also chairman of the Cool Chain Association.

Airports Council International-

North America hired **Kevin M. Burke** as president and CEO. Burke comes to ACI-NA after nearly 13 years as the CEO of the American Apparel and Footwear Association. His 30-year background in public affairs also includes leading government relations efforts for the Food Distributors International, the American Bakers Association and the National Association of Broadcasters.

THIRD PARTIES

DHL Global Forwarding appointed **Rajeev Singh-Molares** as the new CEO, DHL Global Forwarding for Europe, Middle East and Africa. Prior to joining DHL Global Forwarding, Singh-Molares was executive vice president, Asia Pacific region for Alcatel-Lucent, at the same time serving as vice chairman for Alcatel-Lucent Shanghai Bell. **ACW**

ADVERTISER INDEX

Air Cargo 2014.....	33	Colt Aviation	28	Thai Airways.....	2
Air Logistics.....	36	Emirates	48	Worldtek.....	37
All Nippon	5	Royal Media Group.....	35	Turkish Airlines Cargo.....	9
Cargolux.....	27	Singapore Airlines.....	23		
CH Robinson	47	Swiss World Cargo	34		

Uncapping new technologies can benefit air cargo

We usually spend New Year's Eve at home with my wife falling asleep well before the ball in New York City's Times Square drops at midnight. So I was amazed when she accepted an invitation to a neighborhood party to ring in 2014. She decided her job was to make a dish for the potluck dinner, while mine would be to get a "nice" bottle of wine – not an easy assignment for someone whose two criteria for buying wine are "cheap" and "inexpensive."

Bypassing my usual brands at the store, and arriving at the shelves with the more pricey stuff, I found that many of the premium wines featured not corks but screw-on caps. The fact that corks themselves are no longer a true indicator of value is exciting news to me, since I can now buy good wine and not have to fiddle with a corkscrew.

As I drove home, my thoughts no longer focused on the luxury of the vanishing cork but rather on the effect this trend must be having on the winemaking and cork industries.

And then, as I always seem to do, I brought it all back to our air cargo industry. Certainly, as the economy improves, many of our customers will emerge not only with higher volumes but a different look, as well. Challenging times provoke creativity as we think of ways of making products or providing services with the same or better quality for less money. This may be what is happening with corks in the wine industry, but you can be sure that other types of businesses are changing as well.

Manufacturers of technology products have always tried to make gadgets smaller, faster and better. Check your top dresser drawer and see if you can find an old smartphone from just 10 years ago and you'll see what I mean. The same goes for laptop computers and music-playing devices. While so many of these devices are getting ever smaller, companies are also constantly seeking ways to decrease the volume and weight of their packaging in order to save shipping costs.

Many freight forwarders are noticing that unlike past economic recoveries, where volume rebounded to higher levels, many shipments are returning but with smaller sizes and weights. Could this have an adverse long-term effect on the freight transportation industry? How are other industries dealing with this new reality?

If there is one axiom to remember, it is that high-volume shippers will never cease their efforts to get the highest value for the money they spend on moving freight. Cyber Monday served as a great opportunity for Amazon, an innovative and hugely successful fulfillment company, to generate a highly positive piece by the television show 60 Minutes that continually expressed wonderment at the company's processes. The notion of delivery drones advanced by Amazon in the story not only generated widespread attention across Internet-based media but in the freight-forwarding arena as well.

Of course, delivery by drone has enormous short-term technical, logistical and regulatory issues associated with



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

it – particularly when it comes to the safety of people on the ground. But given the march of technology and an unflappable determination that Amazon has to make this work, something akin to air drone delivery is indeed a possibility, maybe even a probability, over the long-term.

In the wake of the 60 Minutes story, the U.S. Federal Aviation Administration announced its plans to promulgate a regulation covering the increased use of privately operated drones. This move follows the FAA granting permission for six centers to test operational goals, aviation safety and air traffic challenges related to the relatively new technology.

For freight forwarders, the real effect of all this may not be delivery drones whizzing all over the skies in the next few years, but rather other interim (and no less disrupting) innovations that may come to market in the near term. For example, a California-based company is designing a blimp that will be capable of transporting thousands of tonnes of freight anywhere in the world at speeds of about 100 mph (160 kph). These vehicles may not require use of an airport and could conceivably pick up from a shipper's parking lot and deliver to a recipient's mountaintop location on another continent.

Transportation is changing not only in the air but on the ground as well. Last year, an autonomous car picked up Bill Shuster, House Transportation & Infrastructure chairman, from a location in Pennsylvania and drove him to Pittsburgh International Airport 30 miles (48 kilometers) away – with no one actually driving the car – leading some to predict that within the next decade, most cargo trucks will operate without a human at the wheel.

Unbelievable? It may seem that way. But I know from experience that it is a dangerous game to doubt the ability of technologists and innovators to overcome huge hurdles to achieve their business aims. And forwarders can and will benefit if we can keep an eye on these changes and constantly innovate our practices to stay ahead of the curve.

Bottom line, the doubters are usually amazed. Just ask my wife about the fabulous bottle of wine I brought home for New Year's Eve.



Same Day Air.

When your business-critical shipment can't wait until tomorrow, every second of today counts. As a leading provider of same day domestic air service, we have the flexibility to configure our resources to match your timetable—not ours. We'll get your freight on the next available flight and even coordinate the transportation to and from the plane. So you can rely on us for flawless exchanges from counter to counter.

Contact us today and tie your entire global supply chain together.
flight@chrobinson.com | 800.323.7587



C.H. ROBINSON

»Accelerate Your Advantage®

Tomorrow creates new possibilities

Daily flights from Boston to Dubai and beyond, starting 10th March 2014

With flights to destinations across six continents and our Cargo Mega Terminal in Dubai, we put the whole world at your doorstep.

Boston to Dubai

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 238	2355	2010*	B777-200LR

Dubai to Boston

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 237	0915	1445	B777-200LR

*Next day

Hello Tomorrow

