

# Air Cargo INTERNATIONAL EDITION World

JULY 2014

THE SOURCE FOR AIRFREIGHT LOGISTICS

**Reflecting on  
the first half of  
2014**

**Europe still  
lags behind**

**What's  
fueling outsize  
cargo?**



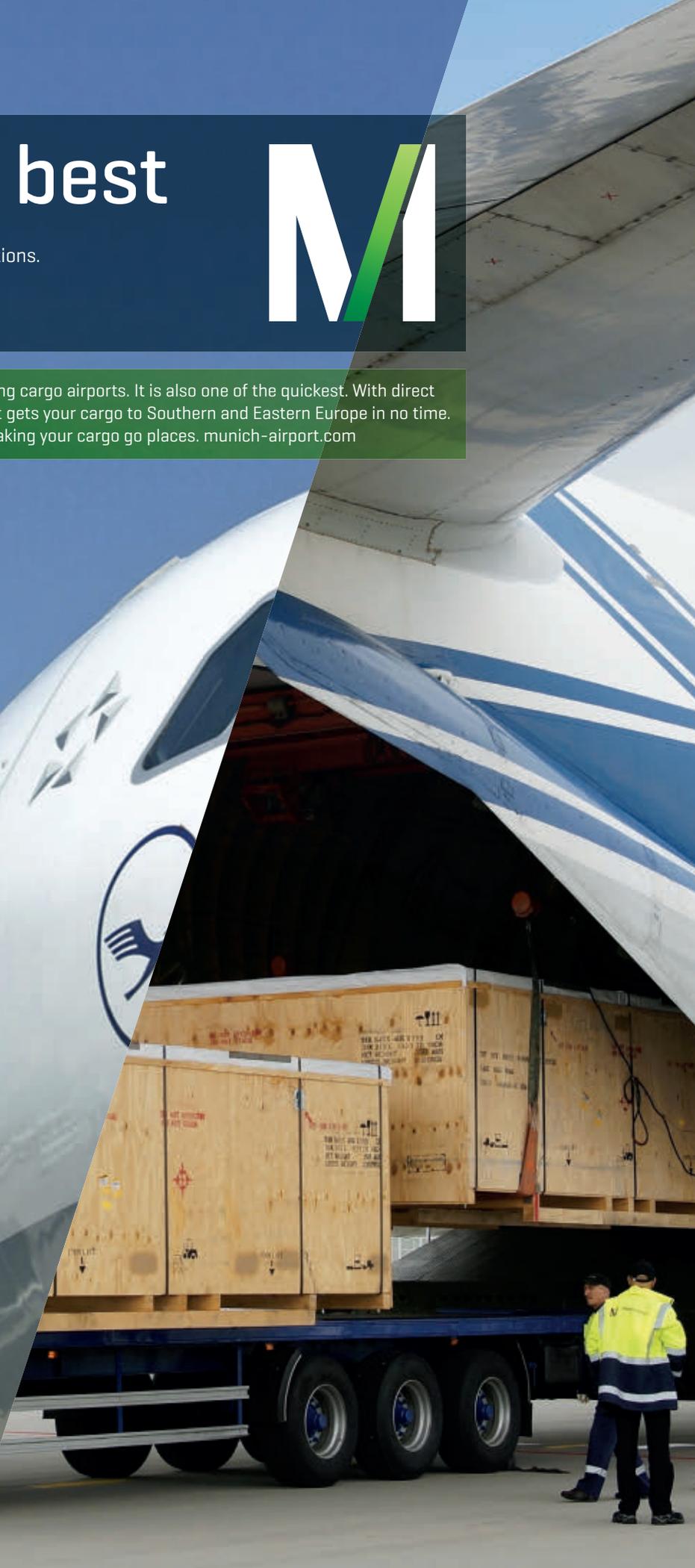
# /Cargo at its best



We do whatever it takes to exceed your expectations.  
Welcome to the Munich cargo hub.

Living ideas – Connecting lives

Munich is one of Europe's premium and fastest growing cargo airports. It is also one of the quickest. With direct access to Germany's highway network, Munich Airport gets your cargo to Southern and Eastern Europe in no time. Our runways are designed for maximum efficiency. Making your cargo go places. [munich-airport.com](http://munich-airport.com)



Munich  
Airport

## Features



18

### Outsize cargo

Energy development equipment dominates heavyweight loads.



22

### Midyear report

Airfreight companies take a look at the first six months of 2014.



28

### Europe

Air cargo activity in the region levels off after a strong start to the year.

## Around the World



Cover photo courtesy of Hactl

### 6 Europe

DHL is on a mission to raise the bar.

### 12 Asia

Haneda pushes for international role.

### 10 Middle East/Africa

Oil keeps Astral Aviation busy.

### 16 Americas

Rickenbacker Airport is in fashion.

## Departments

4 Editorial

26 Associations

32 Bottom Line

34 Classifieds

36 People

38 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

## 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  
jospheb@asianimedia.com • +65-6-337-6996

### India

Faredoon 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



# Summer of change

The summer of 2014 is shaping up to be one of change for air cargo, with a spate of leadership moves and a major cargo shakeup at Delta.

Glyn Hughes, IATA's new head of global cargo, seems to be a great pick to succeed Des Vertannes. Hughes, a 23-year IATA veteran, assumed his new post on June 9 and provides continuity in the role. He also brings a strong dose of passion for air cargo. For now, Hughes will keep IATA's cargo initiatives rolling down the same path his predecessor charted. He says his mentors, which include Vertannes and former Emirates cargo head Ram Menen, passed along an infectious passion for the industry.

"It's more than a job," Hughes says. "We talk about getting jet kerosene in our blood."

Collaboration of the industry's assorted segments will be the overriding theme as Hughes pushes increased e-air waybill adoption and the trimming of the "magical 48 hours" from air cargo transit times. For more on Hughes' industry vision, please find his interview on p. 26.

As our July issue went to press, we learned that Jan Krems, a long-time executive with Air France/KLM/Martinair Cargo, and before that, KLM Cargo, has agreed to become the new president of United Cargo. Krems replaces Robbie Anderson, who left United in early June. Krems has nearly 30 years of experience in air cargo and figures to be a great choice for the top spot at United. His most recent position with Air France/KLM/Martinair was as vice president Americas, and he was based in Atlanta.

The major personnel changes notwithstanding, the biggest upheaval of the summer of 2014 could be the re-organization of cargo at Delta Air Lines. Cargo is no longer a stand-alone organization, and with the retirement of Tony Charaf on Aug. 1, there will no longer be a head of cargo at the airline. The move comes at a time when cargo volume is declining at Delta. Cargo dropped 5 percent during 2013 and is down by 2.3 percent through May of this year.

Charaf, who embraced the nickname "Paperless" Tony Charaf during his latest two-year stint at Delta, is credited with making the airline the U.S. leader in terms of adoption of the e-AWB. Charaf spent two terms as Delta's head of cargo during his 18 years with the airline.

The changes at Delta put cargo under the passenger side. Delta President Ed Bastian announced the changes in a news release on June 11. The news release offered few details and prompted considerable speculation about cargo's future role at Delta. It will certainly be interesting to see how cargo evolves at Delta in the coming months and years.



**John W. McCurry**  
Editor



*The best gateway  
for cargo in and out  
China!*



## THE BEST GATEWAY FOR CARGO IN AND OUT MAINLAND CHINA

Since opening in 1996, Macau International Airport has grown by increasing parking stands and scaling-up our logistics facilities, doubling our annual cargo throughput, until in 2006 we handled 220,000 tonnes of cargo. Our robust efficiency and zero-loss record enable us to handle all kinds of cargo, from vintage wines to Formula One cars, leading us to win the 'Best Emerging Airport - Asia' Award and 'AirCargo Excellence Award' five times.

With no tariffs, a free port, highly competitive rates and Macau's close economic partnership with China, makes us your airport of choice. Take off today!



CAM Office Building, 4<sup>o</sup> Andar,  
Av. Wai Long, Taipa, Macau  
Tel: (853) 8598 8888 Fax: (853) 2878 5465  
Website: [www.macau-airport.com](http://www.macau-airport.com)  
E-mail: [camlgd@macau-airport.com](mailto:camlgd@macau-airport.com)





*DHL hopes to expand its logistics business in emerging markets and capitalize on the global e-commerce boom to grow its international express business.*

**“With our new Strategy 2020, we are drawing on our past achievements and our strengths to seize new opportunities to generate additional organic growth in a changing marketplace.”**

**— Frank Appel**

## DHL set to raise the stakes even higher

**D**HL is mounting a concerted effort to establish itself as the leading global logistics provider.

It's something of a bizarre challenge that it has set itself, given that the German mega forwarding, express, supply chain and mail combine already holds that lofty position. But, not to be dissuaded, it is intent on embracing a future strategy which, it believes, will establish beyond all doubt that it is truly top dog. As much has been outlined with what the company describes as its Strategy 2020, the springboard for its recently posted strong annual results for 2013, which saw the company generate revenues of more than US\$75 billion (55 billion euros).

“With our new Strategy 2020, we are drawing on our past achievements and our strengths to seize new opportunities to generate additional organic

growth in a changing marketplace,” CEO Frank Appel says. “We are ready to take our next growth steps and have many initiatives planned for the future.”

The main focus of this strategy, he says, will be the systematic growth of the logistics business in emerging markets and the international expansion of its express business, taking advantage of the global e-commerce boom.

As in the recent past, it is anticipated that the emphasis will remain on organic growth, rather than any further acquisitions. In particular, Appel is targeting emerging markets to help stimulate revenue growth.

“By 2020, we want 30 percent of our revenues to be generated by these dynamic emerging countries,” Appel says. “At the moment, our business activities in these countries generate 22 percent of revenues.”

But Deutsche Post DHL, as it is formally known, faces something of a problem in its sheer diversity. Not only is it a global forwarding, supply chain and express entity, it is also responsible for delivering German domestic mail.

Anyone listening in on the recent company annual general meeting in Frankfurt, heard Appel giving seemingly high priority to assuring its mostly German shareholders that the local mail service was in good shape.

Appel himself appears to recognize that he is juggling with an eclectic business mix, but outside of Germany strikes a different tone.

“Deutsche Post DHL views itself as a family of high-performance divisions,” he says. “But logistics is and will remain our core business.”

With its new Strategy 2020, Appel says the company is expressing its aspiration to become the clear industry leader.

“The future belongs to logistics, and we intend to set the standards in the industry,” he says. “In the future when people think logistics, we want them to think Deutsche Post DHL.”

He left it until the end of his Frankfurt AGM speech, but Appel also took



THE WORLD IS OUR BUSINESS

LET US TAKE CARE OF YOURS

New York to Abu Dhabi daily



Michael Walker,  
Freight Forwarder,  
New York, USA

When Michael Walker needed to get auto-parts to Abu Dhabi, he called Etihad Cargo. With 2 freighters and 21 passenger flights we offer a total weekly capacity of 433 tons from USA to Abu Dhabi and beyond.

So whether it's auto-parts or computers,  
visit [www.etihadcargo.com](http://www.etihadcargo.com) for more information,  
or contact your local Etihad Cargo representative  
and we'll take it from there.

الإتجاه  
**ETIHAD**  
**CARGO**  
ABU DHABI



a political side swipe at the limitations hindering the growth of the logistics industry.

“Logistics needs free trade, which means trade barriers must be removed,” Appel says. “In particular, trade barriers could be eliminated by a transatlantic trade and investment agreement between Europe and the United States.”

DHL, he added, stood ready to make a positive contribution to the debate.

The company says it has also set itself ambitious financial targets within Strategy 2020. From now until 2020, DHL expects earnings growth of more than 8 percent per year on average, based on the US\$3.9 billion (2.9 billion euros) earnings for 2013.

DHL may have recorded a strong year for 2013, but it fully admits that DHL Global Forwarding business did not share greatly in that glory.

The airfreight market, it says, stagnated in 2013, despite a slight volume increase in the second half of the year. Freight volumes were lower overall, it says, due to the decline in output in some industry sectors. Moreover, customers throughout the market increasingly chose other modes of transport.

But even in a stagnating market, DHL Global Forwarding transported more than 2.3 million tonnes of export airfreight in 2013, assuring its

position as the market leader.

Indeed, its main rivals can barely reach half these tonnages.

But it has hardly been an inspiring start to the year. Results for the first quarter, recently posted by the company, still show flat-lining airfreight volumes.

Revenues generated by DHL Global Freight Forwarding fell away by 2.2 percent during the three-month period, although after adjusting for what it describes as negative exchange rates, actually rose by 2.5 percent. But even this does not disguise the fact that volumes and revenues in the airfreight business remained at the previous year's level, primarily due to weak demand from some major customers in the high-tech, engineering and manufacturing sectors.

DHL recognizes its supply chain business and within that sector, contract logistics, as a separate division, alongside its express, forwarding and mail counterparts. And yes, DHL is the also global market leader in contract logistics, with a market share of 8.2 percent.

It is a seemingly low share, but one which reflects the highly fragmented nature of the sector, where the top 10 players only account for a 22 percent share of the overall market.

It is surprising perhaps, given that contract logistics embraces the auto



Frank Appel

and pharma sectors, where one would expect only the major players being capable of providing global solutions. As it is, DHL's successful penetration of this sector is reflected by the fact that its two closest rivals can only account for a 3 percent share of the market.

Certainly, DHL remains undisputed global leader in the express, airfreight forwarding and contract logistics markets, but it still lags behind its rivals such as Kuehne + Nagel in the ocean-freight market and DB Schenker in the European road transport sector.

The world already recognizes DHL Deutsche Post as the leading global logistics provider, but one senses that DHL may not think it is quite there yet. **ACW**

## Fraport cargo on the rise

**C**argo throughput at Fraport AG's Frankfurt Airport in May grew by 6.9 percent year over year to 185,626 tonnes.

“The strong development in air cargo strengthens our position as Europe's largest cargo airport. Furthermore, this underscores FRA's importance for Germany's export-driven economy and the logistics industry, thus providing a concrete competitive advantage for German business,” Stefan Schulte, Fraport's executive board chairman, said.

Aircraft movements also steered a steady growth path, increasing by 1 percent to 42,366 takeoffs and landings year over year.

As for Fraport's international portfolio, Peru's Lima Airport saw cargo down 2.6 percent in May. Hanover Airport in Germany had freight increase by 5.7 percent. Xi'an Airport in northwestern China recorded 2.9 percent more cargo. **ACW**



## Lufthansa switches to fuel-saving containers

All of the LD3 containers used by Lufthansa Cargo are now the lightweight versions.

The LD3 standard containers produced using lighter composite materials are helping to reduce fuel consumption and emissions at the airline.

With some 500,000 container movements per year, the 14-kilogram (31-pound) difference over conventional containers amounts to a weight saving of 7 million kilograms (15.4 million pounds). Therefore, using these lightweight containers to transport cargo and luggage will reduce fuel consumption by 2,000 tonnes and CO2 emissions by 7,000 tonnes per year.

“The new, lighter containers are still extremely robust and strong in spite of being almost completely made of plastic,” said Karl-Rudolf Rupprecht, board member operations



Lufthansa's new lightweight versions of LD3 containers help reduce fuel consumption.

at Lufthansa Cargo. “Replacing all of our LD3 standard containers brings us a good deal closer to our goal of reducing our specific CO2 emissions by a quarter by 2020 compared to 2005.

We want to continue to fulfill our role as an industry leader in the future as well and help make airfreight greener through innovative and modern technologies.” **ACW**



### Your Global Partner in Unique Cargo Logistics

Tel.: Russia +7 8422 590059 UK +44 1279 661166 USA +1 832 585 8611  
 Email: sales@volga-dnepr.com lc@volga-dnepr.co.uk sales@volga-dnepr.us



- Technical examination of the cargo and its preparation for transportation;
- development and construction of special transportation complexes for the given project;
- consultation on possible ways to transport specific cargoes including recommendations on its packaging and preparation for transportation;
- facilitating customs clearance and insurance of cargo;
- operation of small sized aircraft to optimize cost efficiencies for the client.



[www.volga-dnepr.com](http://www.volga-dnepr.com)



*Astral has flown more than 200 humanitarian flights to and around Sudan in 2014.*

*Sanjeev Gadhia*

# Relief flights, oil keep Astral busy

By John W. McCurry

**A**stral Aviation reports that a high number of relief cargo flights into South Sudan kept the Nairobi-based cargo carrier busy during the first half of 2014. Astral performed more than 200 flights to and within this region, using a combination of DC9F, B727 and DC8F aircraft, says company CEO Sanjeev Gadhia.

In addition, Gadhia says Astral has experienced high utilization on its Pemba, Mozambique, service due to an increase of oil and gas shipments into Mozambique. That service recently observed its first anniversary. In early June, the company announced it would increase its service to Pemba to twice a week. Gadhia says the main customers for this service are the energy companies operating in the province of Cabo Delgado.

He says other routes performing well in 2014 are Mogadishu, Somalia; Mwanza, Tanzania; Bangui, Central African Republic; and Dar es Salaam, Tanzania. Also, the Atlas-leased B747-400F has been operating consistently

on its Nairobi-London-Ostend-Lagos routes.

Also driving Astral's business has been transport of mining equipment into Tanzania and perishables into Europe.

"The second half of 2014 looks promising with a similar trend of the first half with a projected increase in aid and relief cargoes into South Sudan and Central African Republic, combined with higher volumes of oil and gas, and mining cargoes into Mozambique and Tanzania respectively," Gadhia says.

In late June, Astral began operating its newly acquired five-tonne Fokker 27. Gadhia says this will complement its existing fleet in addition to its B737-400F, which will join the fleet in the third quarter to replace the aging DC9 fleet. Astral also operates two DC9Fs and two B727Fs in addition to its wet-leased B747-400F from Atlas Air.

The Fokker 27 will serve Astral's existing oil and gas network into Pemba; Mtwara, Tanzania; Lokichar /

Kapese, Kenya; and Mwanza. Astral says the aircraft will also be available for ad-hoc charters within Eastern Africa.

Gadhia says political instability in some of the countries that Astral operates into, especially South Sudan and Central African Republic, are amongst the biggest challenges, but they also present more opportunities in accessibility.

Astral recently began a scheduled cargo service into Zanzibar, Tanzania and will introduce a new service into Lokichar, which is in the heart of the oil producing region of Northern Kenya. Other routes will be introduced once the B737-400F joins the fleet, Gadhia says.

Astral also plans to join the world of E-freight. Gadhia says the company recently confirmed its participation to the International Air Transport Association for the e-air waybill, and "hence it is at an early stage of compliance."

Astral signed a memorandum of understanding with China's HNA Group in May. Gadhia says this will result in a "significant re-engineering of Astral's business market in 2015, which will enable it to diversify into the passenger market in Eastern Africa. Astral will acquire five ERJ 145s from its principals in China for the passenger flights, he says. **ACW**

## Qatar begins Mexico City freighter service

**Q**atar Airways Cargo began operating twice-weekly freighter service to Mexico City on June 11.

This new route will mark the start of Qatar Airways Cargo operations in Latin America.

“The first Qatar Airways Cargo flight to Mexico will be a historic moment for us, as it heralds the beginning of our operations in Latin America,” Ulrich Ogiermann, Qatar Airways chief officer cargo, said. “This is yet another important milestone for us, and it demonstrates that we are well on track towards becoming a world-class air cargo service provider with international reach.”

Qatar Airways will operate the service between Doha and Mexico City’s Licenciado Benito Juarez International Airport, using the Boeing 777 freighter. Freighters will depart from Doha’s Hamad International Airport on Wednesdays and Sundays, and from Mexico on



*Qatar Airways Cargo has ambitious plans for service to Latin America.*

Mondays and Thursdays.

Major exports from Mexico include cars and vehicle parts, consumer electronics, oil and oil-derived products, silver, perishables and pharmaceuticals.

“Mexico has one of the world’s largest economies, and it boasts one

of the most developed manufacturing sectors in Latin America,” Ian Morgan, Qatar Airways vice president cargo for Americas, said. “The new dedicated Qatar Airways Cargo service will create new and exciting opportunities for businesses in Mexico and beyond.” **ACW**

## Etihad launches new freighter flight

**E**tihad Cargo started a new weekly freighter flight Monday between Abu Dhabi and Entebbe, Uganda.

Situated on the shores of Lake Victoria and close to the capital Kampala, Entebbe is a major commercial center in central Uganda.

The direct cargo service will operate every Monday using an Airbus A330-200F freighter, with a capacity of 64 tonnes.

“Uganda is an important market for Etihad Cargo, and the new Abu Dhabi-Entebbe freighter service will allow us to capitalize on the strong import and export demand to and from East Africa,” Kevin Knight, Etihad Airways’ chief strategy and planning officer, said. “In addition, whilst we expect to



*Etihad Cargo now has weekly freighter service between Abu Dhabi and Entebbe.*

see strong onward trade flows over our Abu Dhabi cargo hub to destinations across the Middle East, subcontinent and Europe, ultimately this service will further strengthen the trade ties between the UAE and Uganda.”

Etihad Cargo expects the service to carry large quantities of electronics and textiles to Entebbe, with primarily perishable goods destined for the Gulf region and Europe loaded for the return flight. **ACW**



Japanese forwarder Logi-Rex is promoting perishables at Haneda, with Tokyo's appetite for imported fresh food. The cooler at the airport can accommodate full ULDs.

## Tokyo Haneda's slow ascent into freight

**A**ir Canada's first B787 Dreamliner has been assigned to a brand new route for the Canadian carrier. After some initial trips to familiarize crews with the new plane, the aircraft is going to enter scheduled service in mid-July on the Toronto-Tokyo Haneda sector.

Vito Cerone, director of marketing and sales for the Americas at Air Canada Cargo, is enthusiastic about the new service, the airline's first route into Haneda.

"We were one of the lucky few carriers who were given slots at Haneda," he says.

Haneda, which languished in a domestic role until 2010, when the authorities first allowed a few international routes, is pushing for a stronger role in the international arena. This

year, slots for international flights are going up from 60,000 to 90,000, with new services to London, Paris, Munich, Frankfurt and Toronto. At the same time, links to Bangkok, Jakarta, Ho Chi Minh City and Singapore are being ramped up.

However, a lot of the freight headed to Haneda will end up on a truck to Narita for deconsolidation, Tokyo's long-standing international airport. Japan Airlines Cargo is running almost 10 trucks a day between the two airports. For outbound traffic, most forwarders consolidate shipments at Narita and then truck them to Haneda for departures from there, says Tomoyasu Fukuyama, president of Japanese forwarder Logi-Rex.

This is ironic, given Haneda's closer proximity to downtown Tokyo, not to mention its reach to

**"Service quality at Haneda is not a problem, but cost is."**

**— Tomoyasu Fukuyama**

manufacturing areas.

"Within a 10-kilometer radius around Haneda, you have lots of factories; 10 kilometers around Narita, it is all fields," Mark Slade, president of DHL Global Forwarding Japan, says.

The reason for this is the fact that most forwarders have established their infrastructure at Narita and find it prohibitive to set up shop at Haneda, Shinya Nagayasu, manager of international route marketing at JAL Cargo, says.

Fukuyama says land costs at Haneda are about three or four times those at Narita. Using the neutral infrastructure there is not cheap either.

"Some companies do same-day clearance and delivery at Haneda, and their costs are about 30 percent higher than at Narita," Fukuyama says. "Service quality at Haneda is not a problem, but cost is."

What makes this more daunting for small- and mid-sized forwarders (some of the large agents, such as Nippon Express or DHL Global Forwarding, do have facilities at Haneda) is the relatively small volume that flows through the erstwhile domestic airport. In the past fiscal year, Haneda handled about 150,000 tonnes, while some 1.9 million tonnes were processed at Narita.

"The volume at Haneda is too small to justify the investment in a warehouse and manpower," Fukuyama says.

There is also the matter of freighters. At this point, all-cargo aircraft are not eligible for daytime slots, which are necessary to make

their presence there viable.

JAL is targeting specific commodities for its Haneda traffic. Besides express and mail traffic, perishables are a key segment.

“We try to promote Haneda more to carry perishables,” says Nagayasu, pointing to the proximity of a large flower market and Tokyo’s appetite for imported fresh food. He adds that the cooler at the airport can accommodate full ULDs.

“A lot of perishables go to the city center, which opens up opportunities for a perishables service,” Cerone says. He has also moved to establish trucking links to Osaka and Nagoya to connect to Air Canada’s Haneda flights.

Transit traffic is a significant aspect of JAL’s strategy at Haneda. With its strong domestic network in place there, it can execute fast connections between domestic and international departures. “We are focusing more on

## “A lot of perishables go to the city center, which opens up opportunities for a perishables service.”

— Vito Cerone

traffic to and from other parts of Japan like Kyushu or Hokkaido,” Nagayasu says.

Asian destinations, which spearheaded the opening of Haneda to international flights four years ago, are another focus for operators serving the airport. “This opens markets like Singapore, Bangkok and Taipei for us. Before we were very restricted. This gives us a lot of opportunities to work on the interline component,” Cerone says.

DHL Global Forwarding is also using Haneda for intra-Asian traffic, particularly with flights that depart late at night to reach their destination early the following morning.

Slade is very upbeat on the airport.

Over time, as more slots become available for international flights there, the advantages of Haneda vis-a-vis Narita – the proximity to downtown Tokyo, the absence of a curfew and four runways (versus two at Narita) – will push more and more cargo activities over there, he predicts, leading to a diminished role for the old international gateway.

“In five to 10 years, Narita will become the low-cost airport,” he says, adding that the pace of this development will be dictated by the rate at which Haneda allows more international flights. “It all depends on the slots. If they keep adding slots like they did this April, the shift will happen sooner.” **ACW**



## OFFERS DFW FLIGHT FOR MORE CARGO SOLUTIONS

CONFIDENT

AirBridgeCargo Airlines is an efficient international cargo operator based in Russia and a key cargo market player, opening a global scheduled air cargo network. We offer maximum flexibility, the highest industry standards of service and personal commitment to each and every shipment.

Our key advantages are:

- Direct uplift out of the main hubs in China into Chicago and Dallas (NEW)
- State-of-the-art Boeing 747 full Freighter fleet
- Direct uplift ex Dallas into Russia via Amsterdam serving the oil and gas industry and other industries
- Highly skilled staff in handling outsize and heavy cargo
- Provider of industry specific transport solutions by air
- Member of IATA, Cool Chain Association, Cargo 2000 and TAPA
- 10 years experience on global air cargo market

Contact us:

USA +1 773 800 2361

Russia +7 495 786 2613

Germany +49 6963 8097 100

the Netherlands +31 20 654 90 30

China +86 21 520080011

Japan +81 3 5777 4025





## Halifax sends live lobster to Asia

**K**orean Air Cargo launched a weekly Sunday service from Halifax Stanfield International Airport to Incheon on a Boeing 777F.

The carrier expects to uplift a minimum of 40,000 kilograms (88,184 kilograms) of live lobster, with an estimated CA\$580,000 (US\$532,256) export value to the Canadian province. The service will continue every Sunday until the end of August.

“This is the first same plane direct service to a major Asian hub, Incheon,” said Joyce Carter, Halifax International Airport Authority president and CEO. “It’s fast, even with a tech stop for fuel in Anchorage. The total elapsed time from wheels up at Halifax to landing in Seoul is less than 14 hours. This is fantastic for fresh seafood and in particular for the ever increasing Asian appetite for live lobster.”

Operating out of Gateway Facili-



*Korean Air Cargo expects to uplift at least 40,000 kilograms of live lobster from Halifax.*

ties, the flight arrives in Halifax from Toronto and departs for Incheon. It stops for fuel in Anchorage. The airline has operated cargo flights at Halifax Stanfield in the past on a charter basis, primarily in December.

“This type of increased lift capacity directly into Asia is good news for all participants in the live lobster sector from harvesters to live shipping

companies,” said Geoff Irvine, executive director of the Lobster Council of Canada. “The runway extension at Halifax Stanfield Airport was an important step in allowing this type of aircraft to call on Halifax, and we applaud the team at Korean Air Cargo for making the decision to come and hope that live shippers will use the service.” **ACW**

## Exports fuel Asia-Pacific air cargo demand

**I**nternational air cargo demand grew in April for Asia-Pacific carriers on the back of sustained demand for Asian exports, according to preliminary traffic figures released by the Association of Asia Pacific Airlines (AAPA).

Airfreight demand in freight tonne kilometers (FTK) increased by 4.7

ing by 5.3 percent, the international freight load factor averaged 64.3 percent in April, 0.4 percentage points lower than the same month last year.

Meanwhile, international passengers increased by 7.4 percent.

“Air cargo demand for the region’s carriers grew by 4.2 percent [during the first four months of the year],



*While air cargo demand increased by 4.7 percent in April, freight load factors remained under pressure.*

**“The overall demand environment looks positive, underpinned by positive growth in the global economy.”**  
— Andrew Herdman

percent in April year over year. But freight load factors remained under pressure due to capacity expansion. With offered freight capacity expand-

thanks to an improvement in global trade conditions,” Andrew Herdman, AAPA director general, said. “The overall demand environment looks

positive, underpinned by positive growth in the global economy. However, the region’s carriers continue to face intense competition in the marketplace with signs of overcapacity and the resulting yield pressures.” **ACW**



## TRANSPORT YOUR PHARMACEUTICAL GOODS SWIFTLY, SAFELY.

### PHARMACEUTICAL COOLCHAIN BY SINGAPORE AIRLINES CARGO.

With Pharmaceutical Coolchain, your pharmaceutical transportation needs are in good hands. Our temperature-controlled cold chain service is specially designed for the pharmaceutical industry. From containers fitted with thermostat control technology to 24/7 online shipment tracking, we'll ensure the shelf life of your pharmaceuticals, from start to finish. Visit [www.siacargo.com](http://www.siacargo.com) for more.



Rickenbacker International Airport in the U.S. has five weekly flights to Hong Kong.

## Staying fashionable in Columbus

By Adina Solomon

[asolomon@aircargoworld.com](mailto:asolomon@aircargoworld.com)

**E**ven the cargo community knows Rickenbacker International Airport is in fashion.

In the last year or so, the all-freight airport in Columbus, Ohio, has gained five weekly flights to Hong Kong – three Cargolux flights and two Cathay Pacific freighter flights. Ameri-jet announced its development of an air cargo hub at Rickenbacker, with B767 freighter service starting July 7.

Much of the airfreight comes from Columbus-based L Brands, a major fashion retailer whose brands include Victoria's Secret and Bath & Body Works.

But right now, Rickenbacker only imports. Air cargo companies operating at the airport look forward to the day that it starts export service.

"Some ground handling companies are in the process of setting up appropriate export facilities to try ramp up export potential from Rickenbacker," Pier Curci, Cargolux vice president Americas, says. "At the moment, we're not participating in any export service from Rickenbacker."

After the airline's freighters do a

partial off-load of cargo in Columbus, the planes continue to either New York or Chicago.

Six years ago, RCS Logistics opened its first office in Columbus. The forwarder operates charter flights out of Hong Kong and Shanghai, Brian Heaney, president of RCS, says. Looking to replace its charter partner Evergreen International Airlines after it filed for bankruptcy in December 2013, RCS forged an agreement with Cathay Pacific. In March, Cathay's Rickenbacker flights launched.

RCS is among the companies looking to export cargo out of Columbus and onto Asia.

"As we start to look at what the globe will look like in five, 10, 15 years, costs rising in China, perhaps some light manufacturing coming back to the U.S., I think the Midwest area is some place that companies would look to possibly put some kind of operations," Heaney says.

David Whitaker also has big hopes for the airport. He serves as vice president business development for Columbus Regional Airport Authority,

the operator of Rickenbacker. He says Rickenbacker must take on exports in order to succeed.

The first step entails finding a neutral warehouse service provider that can handle multiple forwarders.

"It's one of the missing links at Rickenbacker," Whitaker says.

The airport has an existing multi-tenant facility with 20,000 square feet (1,858 square meters) of warehouse space, but forwarders such as RCS need a service provider who can manage all of that, Whitaker says. Columbus Regional Airport Authority is in talks with service providers about establishing a Rickenbacker operation, and Whitaker feels confident the airport will have a provider by the end of the summer.

That means export service can start soon afterward.

"Our thought process is we will start slowly and see how the market responds, so the next step then is to ensure there's enough space available for that to grow as large as the market would like it to have happen," Whitaker says.

Future activity at Rickenbacker will hinge on the development of the export side, Cargolux's Curci says.

"We're happy to participate in any future growth in Rickenbacker, but in terms of really what the growth is, it's all going to depend on where the exporters in the region find value for it," he says.

Curci declined to say how many tonnes of freight Cargolux moves to Rickenbacker on its three weekly flights at the airport.

"I do apologize for being so vague, but basically, there's been a lot of buzz around Rickenbacker, and what I don't want to do is lead into unrealistic expectations from the export side, so we're waiting to see if there's a tangible product that's going to be put together," he says.

RCS, which has a 48,000-square-foot (4,459-square-meter) warehouse at Rickenbacker, expects to export fashion, automotive and pharmaceutical products out of Columbus. Health

care companies McKesson and Cardinal Health, the biggest Fortune 500 company in Ohio, have large presences in the state.

Whitaker also says these industries, along with electronics to a lesser degree, will contribute to Columbus' export.

After locating a service provider, Rickenbacker has initial plans for larger, new warehouse facilities to accommodate growth in export and import activity.

"The art is timing. So when do you

need the larger building? How will the market respond to the opportunity to export out of here?" Whitaker asks. "Some of those are unknown, and we want to strike the right balance with not building too soon nor too late. Airports get in trouble sometimes when they overbuild, and they get in trouble when they under-build a little bit. So it's really an art to find the right timing to construct a building."

With all of this freight activity going on, it begs the question: Why Rickenbacker?

Answers include its proximity to distribution centers, especially for fashion products – a truck in Rickenbacker can reach 60 percent of the U.S. within two days, Heaney says. The airport's lack of passenger flights means a lack of congestion. Operating at Rickenbacker also costs less compared with nearby Chicago and JFK.

"As we look outside of the traditional airports, I think we could possibly have a blank canvas at Rickenbacker and look to develop it in the coming future," Heaney says. **ACW**

## Delta, United make major cargo changes

By John W. McCurry and Adina Solomon

The top cargo executives at United Airlines and Delta Air Lines are leaving. Robbie Anderson, president of United Cargo since 2010, is leaving the company while Tony Charaf, senior vice president and chief cargo officer at Delta, is retiring effective Aug 1., after 18 years with the company.

Following Charaf's retirement, Delta plans a major restructuring of its cargo operations.

Cargo Sales will become part of the Global Sales team, and Cargo Operations will be aligned with Airport Customer Service, according to a Delta news release.



Tony Charaf



Robbie Anderson

will provide each group with the resources they need to meet our cargo-related goals," Ed Bastian, Delta's president, said.

A United spokeswoman tells *Air Cargo World* that Anderson decided to leave the company.

Prior to serving as United Cargo president, Anderson was staff vice president of Continental Airlines' hub in Cleveland, where his responsibilities included cargo operations.

At Delta, Charaf's position will be eliminated and Ray Curtis, vice president, global cargo sales, will continue to oversee cargo sales.

Curtis will report to Steve Sear,

senior vice president, Global Sales, while the cargo operations team under the leadership of Scott Barkley, managing director–Global Cargo Operations, will report to Bill Lentsch, senior vice president–Airport Customer Service.

"It's a great opportunity to align resources and execution around the specific needs of the operation and the same thing for us on the sales side," Curtis tells *Air Cargo World*. "We will have access to all the resources, IT, everything. It's actually very exciting. I have lived in it in my career, both at Northwest and at United, and I've seen it produce some successful business outcomes." **ACW**

**"With this new structure, Delta Cargo remains a highly valued part of our business."**

**— Ed Bastian**

"With this new structure, Delta Cargo remains a highly valued part of our business, and these changes



*Ruslan International is seeing significant business from the energy exploration, aerospace and power generation sectors.*

## Energy development helps drive outsize market

By John W. McCurry  
[jmccurry@aircargoworld.com](mailto:jmccurry@aircargoworld.com)

**E**quipment used in hydrocarbon exploration is the current dominant heavy-weight load for many specialists in outsize cargo.

Cargolux reports receiving a steady stream of cargo that can be considered outsize, much of it on behalf of companies in the oil and gas exploration sector. Oil and gas equipment flows in a steady stream from Houston and Singapore bound for final destinations at offshore drilling sites in West Africa and other regions.

“The America-Europe trade lane

is quite busy,” says Henrik Ambak, vice president, global logistics for Cargolux. “Oil equipment to the west coast of Africa or to Nigeria, or anywhere you have offshore drilling. There is a steady stream of equipment out of Houston and out of Singapore.”

Ambak says outsize cargo is a significant part of Cargolux’ business and Cargolux has made an effort to be better than its competitors. He says outsize cargo, depending on what definition is used, accounts for 5 to 10 percent of the company’s overall cargo.

Ambak says Cargolux transports a

“steady stream” of very heavy or odd dimension cargo. He says Cargolux’ service moves beyond the realm of load managers and planners.

“We employ structural engineers to calculate how cargo should be prepared and loaded into the aircraft without damaging aircraft and damaging itself. It’s a market segment we would like to grow to make use of our competencies. Everyone can move T-shirts and boxes, no disrespect intended, but the cargo we move requires different competencies. It’s something that Cargolux has always

**“We see a continuing growth in the satellite business as the satellites we were involved with launching 20 years ago start to reach the end of their useful lives.”**

**— Paul Furlonger**

done with passion and is important for us, therefore it’s something we spend time on.”

Cathay Pacific refers to outsize cargo as “expert lift” and says it is of varying importance throughout its networks. James Woodrow, director cargo. It’s a critical service in markets such as Houston, where it makes up a large part of the carrier’s cargo base for its five weekly flights. Several European markets are also important, he says.

“Expert lift out of Houston is mainly oil and gas shipments whereas ex Europe can be anything from steel plates to cars,” Woodrow says. “From Houston we recently carried a very large extension joint for a drilling rig.”

Miami-based Centurion Air Cargo sends a lot of outsize cargo to Latin America for a variety of industries.

“We handle shipments for the energy sector, including a lot of pipes and generators,” says Luis Soto, Centurion’s director of sales and marketing. “We have a steady demand. You don’t fill airplanes with it, but there are shipments about every day. It’s a big part of our business and we have the right aircraft to move this kind of freight.”

Soto says Centurion has been using 747s since mid 2013. Centurion used to wet lease 2 747s from Southern Air,



*Saudia Cargo’s outsize business has gotten a recent boost from the construction industry.*

but began bringing its own aircraft. The carrier operates three 747s with two more due to arrive in the next few months.

Charter specialist Chapman Freeborn also sees considerable energy-related business.

“It’s kind of hit and miss at the moment, but it still pretty much focuses on oil and gas,” says Chris Fisher, senior account executive with Chapman Freeborn. “We have seen a drop in the last few months or so.”

The pullback of U.S. military operations in Afghanistan and Iraq over the past few years has contributed to the outsize cargo downturn, Fisher says.

Paul Furlonger, sales director at Ruslan International, the U.K. based company formed to market the fleet of 17 Antonov 124 aircraft operated by Antonov Airlines and Volga-Dnepr, says his company is pleased with its utilization levels during the past few years. He believes that industrial shipments spurred by an improving global economy will offset reductions in military transport. He says the market seeing the highest rates of growth for his company are aerospace, oil and gas and power generation.

“We are expecting production in these industries to continue that over the next four to five years,” Furlonger says. “We see a continuing growth in the satellite business as the satellites we were involved with launching 20 years ago start to reach the end of

their useful lives.”

Furlonger says thriving business at Boeing and Airbus will also help fill up Ruslan’s Antonov 124s.

“The component parts of those airplanes are continuing to be made in modular unit sizes all over the world and then shipped to various final assembly points,” Furlonger says. “We don’t see a change in that model of production.”

Over the past year, there has been increasing traffic between the Far East and South America and between the Far East and Africa, Furlong observes. A big gas project off the coast of Australia also figures to benefit air cargo business.

“The slow, but steady exploitation of opportunities in the South Atlantic in the oil and gas industry off the coast of Brazil and off the coast of Angola are generating demand,” he says. “There is a big project off the northwest coast of Australia and they are expecting gas production to last until 2070. Hopefully, we will get a small slice of that pie.”

The political turmoil in Ukraine has not adversely affected Ruslan’s operations, Furlonger says.

“So far, the unfortunate situation in Ukraine has had no material effect on the business. Unless the situation deteriorates significantly, and I don’t see that happening, I don’t see any reason why there should be interruption to the business. Ukraine

## Chopper cargo steady biz for carriers

**A** significant number of helicopters are shipped by air each year, including many bound for oil and gas companies.

"The business is much larger than people think, says Kurt Kapota, branch manager for the Houston operation of Helicopters International Shipping Services (HISS), a freight forwarder that specializes in exactly what its name says. "Only a few companies do helicopters. It's a niche business that requires know-how."

HISS moves about 100 to 150 helicopters by air annually, Kapota says, with total shipments from all providers being somewhere between 300 and 400.

Kapota says helicopters are shipped by air primarily for timing.

"Say a company has a helicopter in the Gulf of Mexico and then they have a need for one in West Africa. They can't wait for days until a ship moves it. Time is of the essence for these people, even the additional cost of airfreight is not a big deal."

HISS clients include the manufacturers of helicopters, operators of offshore oil rigs, medical organizations and assorted companies involved in the trade of used helicopters. Kapota says business has been on the rise for the past few years, largely due to increased oil and gas exploration, but there has also been a big market in fleet replacement.

"Some fleets are getting replaced. That's become a big business as better, more fuel-efficient aircraft are built."

HISS works with a variety of airlines, including Cargolux, Cathay Pacific, Singapore Airlines, Quantas, Korean Airlines and Emirates. The company also does full charters with companies using the Antonov 124 such as Volga-Dnepr.

Ruslan International oversees a lot of helicopter transport.

"We are seeing a continuing flow of movement of helicopters from all of the big manufacturers," says Paul Furlonger, director of sales. "It's relatively expensive to move them by air rather than ship, but it's much safer in terms of handling and packaging and they are in operation much quicker. We see it as a good, long-term business."

All of the major helicopter builders use airfreight at times, including Bell Helicopter. A Bell spokeswoman says the company ships about 25 percent of the helicopters produced at its customization facility in Piney Flats, Tenn. Air shipment is chosen based on a customer's personal preference or on the urgency. Typically, shipping by air is faster, one to three days, compared to two to three weeks if shipped by ocean, she says.



*Miami-based Centurion has a steady outsize business to Latin America.*

and Russia may have disagreement of some issues but they continue to cooperate on others. We are operating as we were this time last year when no one expected there to be a problem between Ukraine and Russia."

Steve Manser, director of cargo charter sales for Saudia Cargo, says his company is seeing an increasing number of requests to carry outsized cargo for the oil and gas industry, both in its scheduled and charter markets.

"We are seeing increased demand from the oil and gas



*HISS is a freight forwarder specializing in the shipment of helicopters.*

industry," Manser says. "This potentially is because of the reduction in full freighter services being offered by scheduled operators. We also have increased requests from the construction industry, especially into the growth areas of Africa and the Middle East."

Manser says a recent urgent request to move oil-drilling equipment from Jakarta to Santiago, Chile, posed a challenge.

"South America was a little off our normal operations, so it required very close coordination by our operations and ground handling departments to ensure smooth operations. We linked the flight to our scheduled flights from North America so we were able to provide a cost effective solution to our client." **ACW**

Managing the combined AN-124 fleets of ANTONOV AIRLINES and VOLGA-DNEPR AIRLINES



**RUSLAN International**

T: +44 (0) 1279 682100 F: +44 (0) 1279 681139 E: [sales@ruslanint.com](mailto:sales@ruslanint.com) W: [www.ruslanint.com](http://www.ruslanint.com)



*Worldwide Flight Services is working to build its air cargo business in North America, identifying stations it wants to strengthen.*

# Halfway done, how does 2014 look for air cargo?

By Adina Solomon

[asolomon@aircargoworld.com](mailto:asolomon@aircargoworld.com)

**L**ooking back at the first half of 2014, a common complaint exists among many airlines, ground handlers and forwarders around the world: dismal load factors and yield.

"That's what keeps me up at night anyways," Vito Losurdo, UPS vice president of global airfreight, says.

The load factor on most flights is still running about 50 percent, says Stan Wraight, executive director of consult-

ing company Strategic Aviation Solutions International. He says while there may have been an uptick in load factor during the first four to five months of 2014, that is only compared to last year's "abysmal" performance.

"It's not something that we should be happy about – not at all," Wraight says. "We still see a hell of a lot of empty capacity, and that's a real problem for the airlines and also the airports and ground handling companies and

everything else."

In April, there was a 6.7 percent increase in volume and a 2.3 percent decrease in yield, according to figures from WorldACD, air cargo market data experts.

"As we all know, yield remains under pressure," Gerard de Wit, managing director of WorldACD, says. "In fact, we have seen 10 consecutive months of year-over-year USD yield decline in combination with volume increases."



Juha Jarvinen

### Regional growth

A lot of air cargo activity during the first half of 2014 seems centered on Asia.

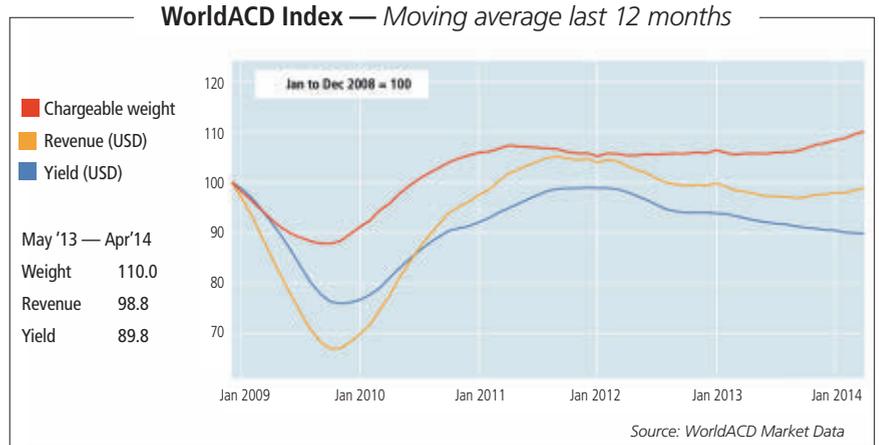
“Asia sort of bounced back, but we’re sort of watching it very carefully,” Lise-Marie Turpin, vice president of Air Canada Cargo, says. “I think it’s fairly fragile. There could be softening there fairly quickly.”

Kerry Logistics’ area of strength is Southeast Asia and China. So far this year, the Hong Kong-based forwarder has seen significant volume growth in export products worldwide.

“We know that China is a huge consumer market, and we’re actually focusing now on the consumable market,” David Mallinson, development manager for UK air product, says. “We’re doing this in high-street fashion stores that have identified China is a great big developing economy.”

The air cargo market in Hong Kong has proven strong for Hong Kong Air Cargo Terminals Limited (Hactl) during the first half of the year, Chief Executive Mark Whitehead says.

“The growth of tonnage throughput at Hactl has come from three main sources,” Whitehead says. “Firstly, we attracted some additional airlines, who joined in the early part of the year; the Gulf carriers have continued to put capacity into the market and the Hong Kong-based carrier, Hong Kong Airlines, has shown very strong growth in the first half of 2014.”



*This is a moving average index eliminating seasonal patterns. “The long-term trend shows that air cargo volumes today are at their highest level since 2008,” Gerard de Wit, managing director of WorldACD, says.*

American Airlines also sees a prosperous future in China, starting its first services to Hong Kong and to Shanghai on June 11.

During the first four months of the year, China Southern Cargo’s freight tonne kilometers (FTKs) grew by 11 percent year over year.

“Since the beginning of this year, China Southern Cargo has intensified freighter operations between China and Europe to strengthen market presence, at the same time has been optimizing its freighter network to improve performance on Sino-U.S. routes and tap into the emerging markets,” a China Southern spokesperson says.

Finnair Cargo has found good fortune in Japan.

“Our four daily Japanese flights to Tokyo, Osaka and Nagoya have had strong growth demand, and this trend has not declined even after the sales tax increase implementation in Japan in April,” Juha Järvinen, Finnair Cargo’s managing director, says.

The carrier, with its main hub at Helsinki Airport in Finland, has seen 10 percent growth in freight volumes during the first five months of 2014.

Meanwhile at Japan Airlines, despite a decrease in airfreight in some regions during Chinese New Year, demand is on track to recovery, Spokesman Jian Yang says.

“The total demand from and to Japan in the first half of 2014 is expect-

ed to increase than the same period in 2013, thanks to the recovery of Japan economy and hurried purchases of products by the consumers ahead of the April 2014 introduction of consumption tax hike,” Yang says. “JAL has been capturing the demand and its air cargo traffic is expected to increase far more than the same period of last year.”

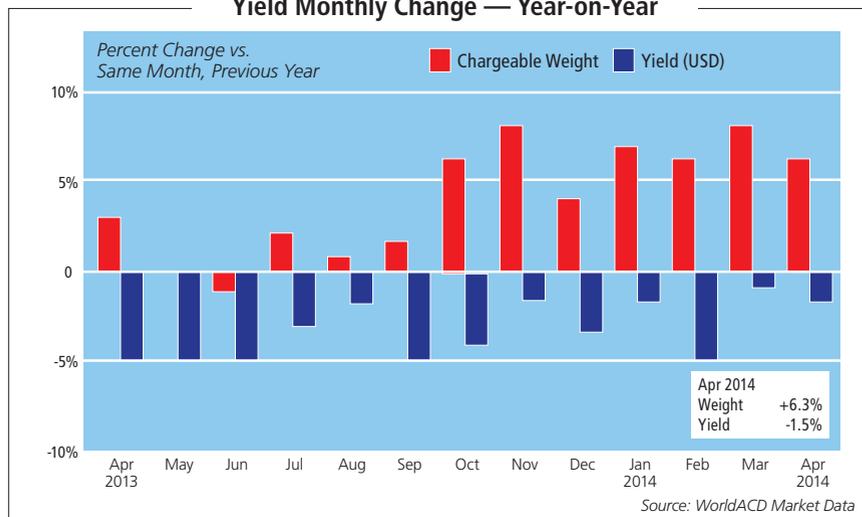


Pukhraj Singh Chug

India’s air cargo market did well in the first four month of 2014, says Pukhraj Singh Chug, managing director of Group Concorde. In fact, the Delhi-based forwarder isn’t griping of low load factors – during this period, its load factor reached 105 percent.

“All routes ex India have been doing well with special emphasis on growth to European Union, Africa

Yield Monthly Change — Year-on-Year



Yields remain under pressure. “For year-to-date April, our figures show a 6.7 percent volume increase, combined with 2.3 percent yield decrease, resulting in a revenue increase for the first four months of 2014 of 4.2 percent,” de Wit says.

and Southeast Asia,” Chug says.

The Middle East and Africa cargo markets are a little spottier.

One of Coyne Airways’ main markets is centered on defense operations in the Middle East. For the past decade, Afghanistan and Iraq performed well, CEO Larry Coyne says.

“But as soon as the Americans pulled out of Iraq, I think that market became pretty much saturated by Middle Eastern carriers, so it hasn’t been great,” Coyne says.

Afghanistan has been a good market so far this year for Coyne. Iraq is down, but he believes it will slowly progress as it develops its oil resources.

At Lufthansa, FTKs from the Middle East are rising in the double digits, Andreas Otto, board member product and sales, says.

“Lufthansa Cargo has to compete with Middle East carriers – with growing belly and freighter capacities as well as increasing freighter services via the EU to the Americas – but of course also with numerous other big players, like Cargolux, Turkish Airlines, AirBridge or Air France/KLM,” Otto says.

But he says cargo demand is lower on routes from Europe to Africa.

The African market has also been disappointing for Coyne Airways.

“I think a lot of people rushed into Africa thinking it was going to boom, and it has grown and it will continue,

but I think there are times when it just goes very flat,” Coyne says.

Latin America has mixed results.

“Even though export markets are growing – especially air export of both Chilean salmon and the Peruvian asparagus – the market situation in South America is quite challenging, driven by the slowdown in Brazil and a stagnation of cargo imports in the region, which has been affected by the weakening of local currencies,” Cristián Ureta, CEO of LAN Cargo, says.

Expected cargo volumes associated with the FIFA World Cup did not pan out in Brazil, Ureta says. LAN Cargo also sees overall weakness with imports from the U.S. and Europe into Latin America.

At UPS, Asia Pacific routes into Latin America are faring better than last year, mainly due to high-tech activity into Latin America, Losurdo says.

As of press time, Worldwide Flight Services (WFS) is working on an acquisition that will put the ground handler into South America’s air cargo market, COO Barry Nassberg says.

WFS is also working to build the business in North America, identifying stations it wants to strengthen. JFK in New York is now becoming a focal point for cargo activity, Nassberg says. The company expects business to grow substantially there in the next few months.



Vito Losurdo

Järvinen says JFK, Finnair Cargo’s North American gateway, has had a good start in 2014, momentum that the carrier plans to continue for the rest of the year.

Wright says the American economy is one of the bright spots of air cargo.

“The unemployment fell,” he says. “Everyone seems to be in a more upbeat mood and willing to spend a few dollars compared to Europe.”

Much cargo activity is also concentrated in Europe, Wright says.

Air Canada and American Airlines are seeing robust cargo business there, and Butler says AA’s merger with US Airways greatly expanded the carrier’s European network.

WFS has a historically strong cargo network in Europe.

“Everything is relative, but compared to the downturn that we had seen over the recent years, the economic recoveries both in Europe and the U.S. have translated into gains in traffic volumes,” Nassberg says.

UPS is seeing stronger growth in Europe, which Losurdo attributes to the automotive and industrial manufacturing segments.

Järvinen speaks of great growth for Finnair over the 12-month period ending in May: a 252 percent increase in freight tonnage out of Belgium and a 20 percent increase in Germany.

Coyne says the Caspian Sea’s oil and gas market is steady but not spectacular, though there has been an

influx of new competition as airlines search for profitable routes.

"If they perceive it to be a good market, then they come in," Coyne says. "I just feel our Caspian area is a little bit overcrowded at the present time."

### Looking ahead

"Things can change very quickly in this business," Turpin says of predicting the air cargo market for the rest of 2014. "For right now, from what we're hearing from shippers and forwarders, they feel that the same trend will continue through to the end of the year."

She feels guardedly optimistic about the rest of 2014 for Air Canada.

Butler has a similar feeling. He is



Lise-Marie Turpin

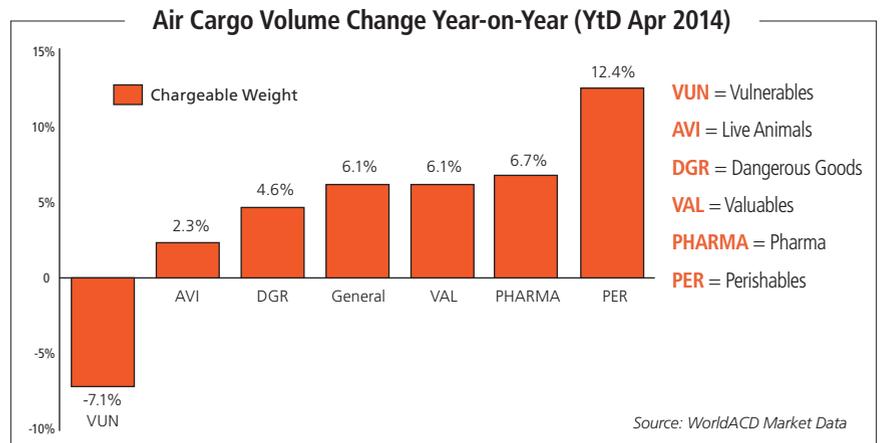
"thrilled" about AA Cargo's performance in the first four months of 2014, especially with its integration.

"I'm never going to envision that we can keep that kind of growth going for an infinite amount of time, but we certainly have the team focused in the right direction," Butler says.

De Wit of WorldACD says a number of the newer cargo centers continue to climb the ladder, including Oslo, Manila, Ho Chi Minh City, Quito and Karachi, Pakistan.

"Business confidence remains on a stable to positive level, GDP and export growth are returning in 2014 and in many of our key markets, demand is developing into the right direction," Otto of Lufthansa says.

Nassberg of WFS says the second



"Special products continue to grow at a faster pace than general cargo. Our product data shows that in the first four months of 2014, this growth was driven by valuables, pharma and perishables," de Wit says.

half of the year has a bigger effect on the results of the full year, but he feels bullish.

"There isn't an awful lot we can do about economic cycles and about traffic levels because in the end, we're not the ones selling the cargo. It's the airlines that are doing that," he says. "But there is a lot that we can do about maintaining the geographic balance, about spreading risk to a great extent and about making sure that we're present in the key areas that our customers would like to see us."

Mallinson of Kerry Logistics feels certain of an upcoming peak in the airfreight market this year. But worries of a capacity shortage linger. He says there is lack of direct capacity on Shanghai-Europe and Beijing-Europe routes as airlines pluck freighters out of operation.

"There is overcapacity, however the market is that volatile that it only takes somebody like Foxconn or Apple to release a new model, and all of the sudden you've got a spurt in activity there. The freighters are full," Mallinson says.

Ureta of LAN hopes that once the World Cup ends, the Brazilian economy will become active again, allowing for cargo traffic growth during the second half of 2014. LAN Cargo also expects improvements in imports from some of the Andean countries, especially Colombia, Peru and Chile.

The airline boasts of an increase in

load factor of 2.6 percentage points "due to better control of capacity," Ureta says.

"Operation of cargo aircraft was reduced and it was favored the use of capacity in passengers aircraft, resulting in cost savings," he says. "To make this a permanent efficiency, we are working on a restructuring of our long-term freighter fleet."

Group Concorde ties much of its cargo activity in the next six months to new Indian Prime Minister Narendra Modi, who took office May 26.

"The demand will be steady and expected to increase further especially in last quarter as India's political scenario is changed. The new government has been formed with majority and expected to bring reforms for strengthening of the Indian rupee and more trade into India," Chug says. "We feel that Indian economy is going to grow exponentially and much more stable with the new government."

Despite much hesitant cheering for the rest of 2014, Wraith has other expectations: The worst of the year is yet to come, especially because of the currency-weakening Ukraine crisis.

"I'm not too optimistic that we're on the right footing right now," he says. "There's too much uncertainty politically and economically to do anything more than stick your finger in the air and hope for the best – see where the prevailing winds are going to blow." **ACW**

# Hughes focuses on full plate of initiatives

By John W. McCurry  
jmccurry@aircargoworld.com

The International Air Transport Association's newly minted head of cargo, Glyn Hughes, plans to focus on the many initiatives set underway by his now retired predecessor Des Vertannes. This includes an overflowing plate of issues that include the e-air waybill agenda, safety, security and the modernization of agency programs. Hughes joined IATA in 1991 and has served in a variety of roles, most recently as head of cargo distribution.

"I had the privilege of working closely with Des for the past four years, and I want to continue the path he has put us on," Hughes says. "We know we can't do it alone. The strongest message Des gave is the need to collaborate, and we will continue to collaborate. Solutions by the industry, for the industry have much greater impact and have the opportunity to create the changes we are looking for."

Hughes says he is confident the industry can achieve its latest goal of achieving 22 percent e-AWB penetration by the end of 2014. The rate was 14.3 percent through April.

"We have missed the industry targets that have been set, and the whole industry underestimated the magnitude required to achieve this. It doesn't just involve one component; it's the entire supply chain. When you put in all the various supply chain components, it was a much more sizeable task than we initially anticipated."

Hughes says the effort continues to be paced on the airline side by the "frontrunners," which include Emirates, Cathay Pacific, Korean Airlines, Singapore Airlines and others. He says IAG Cargo has shown tremendous growth over the past few months.

"North America is starting to pick up, and Delta has led the way there," Hughes says. "We are pleased with the growth across the board."

Modal shift has been a catchphrase at recent industry gatherings with statistics showing a movement toward oceanfreight. Hughes prefers to use the term "modal choice" and says the airfreight industry has some work ahead of it to make sure that it retains its status as a premium product.

"There is a choice to be made about every box that comes out of a manufacturing plant as to how it gets to its destination. We need to be sure that air cargo is in there selling itself. The shift is a consequence of air cargo not selling itself as well as it should have been. We live in a competitive sector. Ocean has innovated at a greater rate than air cargo, you can argue. We have to increase our competitiveness so that when it comes to modal choice, air cargo gets a better shake."



Glyn Hughes

Another major item on Hughes' agenda is the push for a 48-hour reduction in transit time, a notion put forth by Vertannes at the World Cargo Symposium in March. Hughes says the first stage toward reducing transit time is to develop a full analytical assessment of the situation, and find the potential pain points and where improvements can be done. He says there is no magical solution and it will require everyone working together and doing a combination of things differently.

"I have been incredibly pleased, as was Des, about the way the industry has embraced this notion," Hughes says. "It is imperative if we want to insert air cargo as a first-

class product of freight movement around the world. The first thing we need to do is refresh the current assessment. Where are the potential blockages? We know that aircraft can't fly any faster. Therefore, we at least know the acceleration of the process has to come on the ground. We need to figure out how we can pre-clear and pre-notify and get cargo into and out of the warehouse and onto the ramp."

Industry workforce development presents another challenge. IATA's FACE (Future Air Cargo Executives) program takes this issue on, but he believes more work needs to be done.

"All industries want to attract the best talent available. We have to look at all the studies coming out about the next generation workforce. It will be motivated by different factors, including self-development and how they can make a wide impact on the community. If we get the proposition right, we can satisfy those demands. Almost every aspect of how we live is impacted positively by air cargo, so air cargo can provide them the impact they are looking for."

Another area getting attention will be the development of IATA's cargo team, including who will take over Hughes' former role.

"When Des retired, we didn't just lose an inspirational leader – we lost a very experienced professional. We need to shore up our internal resources that we need to replicate that experience. We inherited a great team from Des."

Hughes says Vertannes' greatest legacy might be his push for collaboration within the industry.

"If you look back 10 years ago, IATA produced standards in our conferences developed by airlines-only groups and endorsed by airlines-only groups and we tried to get everyone in the supply chain on board. Now, we bring in multiple participants in the supply chain. The actual quality of standards being produced has been enhanced and have been more readily implemented. It goes back to the theme of for the industry, by the industry." **ACW**

# MILAN 2014

ITALY'S INDUSTRIAL, LOGISTICS AND FASHION CAPITAL PLAYS HOST TO

SUPPORTED BY



SUPPORTED BY



AIR CARGO  
**HANDLING**

The logo features a stylized world map in shades of blue and yellow. A blue oval encircles the text "AIR CARGO HANDLING". A small, detailed illustration of a cargo container is positioned above the word "HANDLING".

CONFERENCE 2014

THE SHERATON MALPENSA AIRPORT HOTEL

**17th-19th September 2014**



Conference Chairman: Olivier Bijaoui



The Sheraton Malpensa Airport Hotel

Diamond Sponsors



Platinum Sponsor



Gold Sponsor



Silver Sponsor



Bronze & Bottled  
Water Sponsor



Lanyard Sponsor



For more information please visit [www.evaint.com](http://www.evaint.com)  
or contact Rosa Bellanca on [rosa@evaint.com](mailto:rosa@evaint.com) or call +44(0)208 668 9118



Achim Martinka



Michael Kerkloh



Air France/KLM is carrying increased volumes of pharmaceutical cargo. "Special" cargo accounts for 51 percent of its cargo.

# Europe hits doldrums

By Martin Roebuck

European airlines saw air cargo demand fall by 0.7 percent in April compared with 2013, according to the International Air Transport Association, partly a result of GDP growth of 0.2 percent in the Eurozone in the first quarter.

Analyst WorldACD shows that Europe recorded the lowest growth among the world's major regions in terms of April export tonnage, just 2 percent higher year over year, although it ranked better for import cargo with growth of 9 percent. And forwarders in Europe were expecting to shift lower

volumes of airfreight in May and June than they did in April, according to Danske Bank's monthly survey.

This leveling off in activity will come as a disappointment following a strong start to the year. London Heathrow recorded a 4.4 percent volume increase in the first quarter, and cited China, Russia and Mexico as the fastest-growing routes.

Frankfurt, Europe's largest cargo airport, maintained its first-quarter growth trend at 4.5 percent in April, driven by increases in volumes to and from China, Hong Kong, the Middle East, eastern Europe and

North America.

However, Lufthansa Cargo confirms a slowing trend.

"We saw a good start into the year in both directions across the Atlantic," Achim Martinka, vice president Americas, says. "This halted in April, with a very low increase ex-U.S. to Europe and even a decline into the U.S. The market has been difficult especially on the East Coast, and we also see declining numbers in Canada and Argentina."

Lufthansa has opened up Guadalajara, Mexico, and Lima, Peru, as freighter destinations in recent months, but has withdrawn its Detroit



John Lloyd

freighter, though it still has a daily passenger service.

Continuing moderate demand and surplus capacity is keeping yields under pressure, Martinka says. "Due to this unsatisfactory situation, we will continue to review freighter capacity."

Harry Hohmeister, Lufthansa's chief officer group airlines and logistics, told a media briefing in May that future freighter requirements are under review as new cargo-friendly passenger aircraft take a greater market share.

The group is taking delivery of five B777 freighters, with options for five more. "Given the current cargo markets, it will be a stretch to reach midterm financial goals," Hohmeister says. "We have to consider how cargo markets are changing."

Munich is Germany's second-largest passenger airport after Frankfurt, but fails to attract its share of cargo, believes airport CEO Michael Kerkloh, despite a large catchment area covering Switzerland, northern Italy, Austria, the Czech Republic and the Balkan states.

Major manufacturers including BMW, Audi, Adidas, Siemens, MAN and Airbus Helicopters are based close to Munich. Yet goods produced in this industrial heartland are routinely trucked to Frankfurt, Amsterdam or Paris, and the only freighter operators calling at Munich, aside from the integrators, are AirBridgeCargo (ABC), its sister airline Atran and Cargolux.

"We are determined to put more emphasis on the development of car-

go," Kerkloh says, pointing out that Munich is one of the few central European airports with space to develop its infrastructure.

ABC has certainly got the message, introducing a weekly Moscow-Munich B747 freighter service in May to complement Atran's four-times-weekly B737 feeder services on the route.

Denis Ilin, ABC executive president, says the eastbound B747 departs Munich at midday Friday, giving European exporters end-of-week connectivity to Asian destinations such as Shanghai, Beijing, Chengdu, Zhengzhou, Hong Kong, Seoul and Tokyo.

Trade between Russia and the rest of Europe was worth US\$567 billion (418.3 billion euros) in 2013, with the Netherlands, Germany and Italy leading the way. ABC flies almost 60 percent of the airfreight heading in and out of Russia, and in addition to Munich has launched scheduled services this year to Leipzig, Germany, and Malmö, Sweden.

Building on its Europe-Asia growth, ABC has also begun a Dallas-Moscow service via Amsterdam and has added a weekly Frankfurt-Chicago service to its five-a-week Moscow-Chicago rotation. Ilin sees the Frankfurt-Chicago route growing quickly to two or three services per week.

Despite the weakness of the French economy, ABC is also targeting Paris for an increase of at least one more freighter per week in addition to the present three. The carrier is closely watching Air France-KLM's cutbacks to its freighter fleet and is keen to offer French exporters continued main-deck access to Asia.

Cargolux's full-year figures for 2013 show that maintaining yields is the primary challenge for all European carriers. Although it returned to profit during the year, the company's revenue growth of 14.4 percent significantly trailed the increases of 16.7 percent in tonnage uplifted and 18.7 percent in FTKs. Cargolux president and CEO Dirk Reich said, "We don't expect market conditions to improve significantly in 2014."

Average load factor softened by 0.9 percentage points to 67.7 percent last year, though this partly reflected the three new B747-8Fs that joined the Cargolux fleet. The carrier also retained a 747-400F on a power-by-the-hour basis that it had originally planned to dispose of, and added a 747-400ERF on the same basis. This brought its freighter complement to 20, against the 16 budgeted.

Chris Nielen, regional commercial manager Europe for IAG Cargo, says



Chris Nielen

the trans-Atlantic market, although meeting volume expectations, is "still challenging" thanks to excess capacity. Cargolux's expansion, Emirates' new freighter service to Atlanta via Frankfurt and the seasonal increase in passenger services by U.S. carriers are all pressurizing rates.

Germany has been the best-performing export market in mainland Europe so far this year, ahead of France and Italy, Nielen says. IAG is generating good loads for South America, served from Iberia's Madrid hub, and he says yields are healthier than on the north Atlantic.

Iberia has increased its Panama service to daily and is launching services four times a week to Montevideo, Uruguay, and five times a week to Santa Domingo, Dominican Republic, from September, taking IAG Cargo's Latin America network to 16 stations.

The new routes will be served by



**E**mirates-owned dnata, which entered the ground handling market in the U.K. only in 2010, handled 390,000 tonnes of cargo in the financial year to March 2014. Gary Morgan, CEO of dnata U.K., expects the company to expand beyond the half-million-tonne mark this year after investing more than \$13 million in new and improved facilities.

It began moving into three new facilities at London Heathrow's "Dnata City" at the start of this year, and Emirates transferred its operations there in early June. The 210,000 square feet of new units are in addition to existing facilities for Cathay Pacific, Virgin Atlantic, and new client Turkish Airlines.

Morgan says dnata picked up the cargo contracts in 2013-14 for two new U.K. startups, Philippine Airlines and Aeromexico, began handling Qatar Airways across the entire country, and successfully tendered for Bangladeshi national carrier Biman, Iran Air, and AV Cargo.

Dnata has relocated to larger refurbished facilities at Manchester, and has opened new facilities at London Gatwick, East Midlands, Birmingham, Newcastle, and Glasgow.

"We didn't feel we could offer a full service with a presence only at Heathrow and Manchester," Morgan says. "So we decided to invest in warehouses across the country, backed by road feeder services, allowing us to serve local manufacturers."

Around 25 percent of dnata's work now involves inter-airport movement. The company runs its own in-house trucking operation from its Manchester and Heathrow hubs, currently extending to 14 tractors and 18 trailers but "growing by the week," Morgan says.

Dnata moves some temperature-controlled products, mainly perishables such as seafood that have to be transported at below 8 degrees. Morgan says 15-25 degree facilities will now be developed, initially at Heathrow, in response to client requests about pharmaceutical shipments.

An independent commission is currently considering options for meeting south-east England's future airport needs, including an all-new airport in the Thames estuary, but Morgan says there is only one viable solution. "Heathrow is best placed to build an additional runway," he insists. "It will be better value, better environmentally, and the road infrastructure works well."



Russia's Atran is among cargo carriers serving Munich.

A330 and A340-300 aircraft, offering up to 12.7 tonnes of capacity on the Santo Domingo route, and up to 11.7 tonnes to and from Montevideo. Main cargo is expected to be meat, fruit, vegetables and leather goods.

IAG is promoting its Constant Climate temperature-controlled service to pharmaceutical exporters in Belgium, Switzerland and Italy, with the U.S. East Coast the major destination. Increased belly capacity out of Tel Aviv, Israel, which has gone up from an A320 to a B777, has also been helpful in this regard, Nielen says.

Global airfreight yields were down by 5.7 percent in the first quarter compared with Q1 2013, according to the Cass Freight Index. Air France-KLM suffered erosion of "only" 3.5 percent, helped in part by a focus on higher-revenue express and temperature-controlled products, Erik Varwijk, executive vice president of cargo, says.

Three years ago, AF-KL carried 42 percent "special" cargo, which it categorizes as express, mail, pharmaceuticals, perishables, live animals, valuables and aerospace products. That ratio is now up to 51 percent, largely because of increased pharmaceutical volumes, Varwijk says.

The group has new pharma centers at its two home hubs Amsterdam Schiphol and Paris CDG. Meanwhile, international express operator Sodexi, majority-owned by AF-KL with French post office Geopost also holding a stake, is set

to complete a new handling facility in Paris next year.

Like IAG Cargo, AF-KL is trying to exploit opportunities in Latin America. It now operates a weekly freighter from Schiphol to Curitiba, Brazil, and has added belly-hold capacity to Santiago, Panama City and Brasilia, Brazil, in recent months.

To help further its ambitions in the region, the group is intensifying its partnership with Delta Air Lines. "Not every Skyteam carrier has exactly the same range of [cargo] products, but we want to improve our interline capability on express and pharma, in line with how the passenger alliances function," Varwijk says.

Virgin Atlantic saw a 3 percent increase in tonnage out of the EMEA region in "a challenging market," John Lloyd, director of cargo, says. "So far this year, we have doubled our perishables traffic from Amsterdam and seen a healthy increase in general cargo from Frankfurt, Paris and Vienna.

"Inbound from New York to London, we are also carrying more cargo destined for markets such as Amsterdam and Brussels," Lloyd says. "We expect the upwards trend on these routes to continue.

"Overall, our origin traffic from Europe to the U.S. and from the U.S. to Europe has increased considerably so far this year. Yields, however, remain a concern given the amount of capacity in the market." **ACW**

# AMERICA INVENTED AVIATION. WE'RE GOING TO KEEP REINVENTING IT.

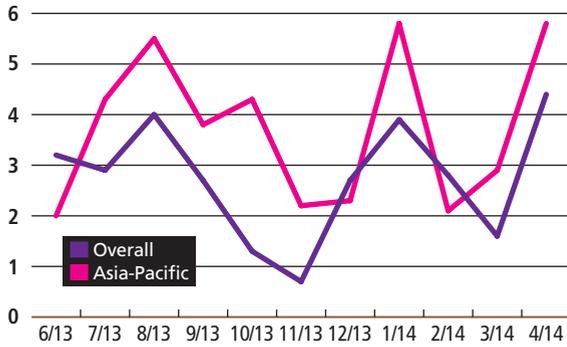
As we continue to grow our diverse portfolio of cargo products, we are committed to investing in our premium product offering for customers worldwide.

Visit [deltacargo.com](https://deltacargo.com) for more information.



### Carrying Europe

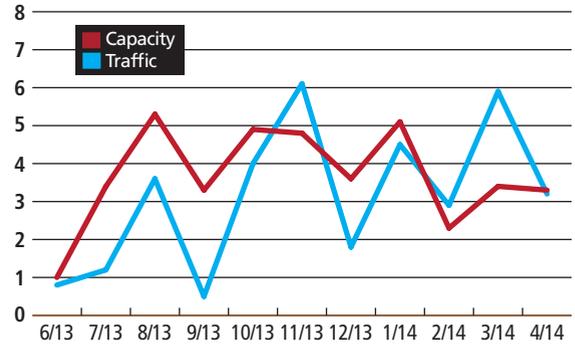
Monthly year-over-year percent change in overall freight traffic and Asia-Pacific freight traffic for European airlines.



Source: Association of European Airlines.

### Total Freight Carried

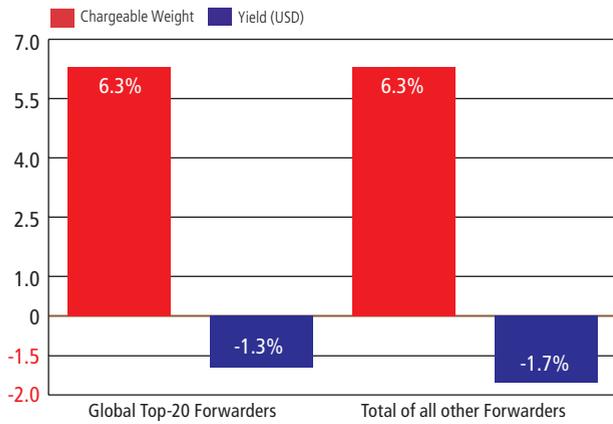
Monthly year-over-year percent change in total scheduled freight traffic and capacity worldwide in freight-tonne kilometers and available-tonne kilometers.



Source: IATA.

### Sales Distribution

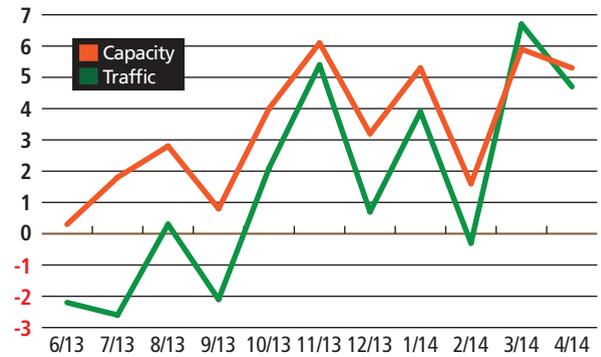
Air cargo worldwide change Year-over-Year (April 2014)



Source: WorldACD Market Data.

### Carrying Asia

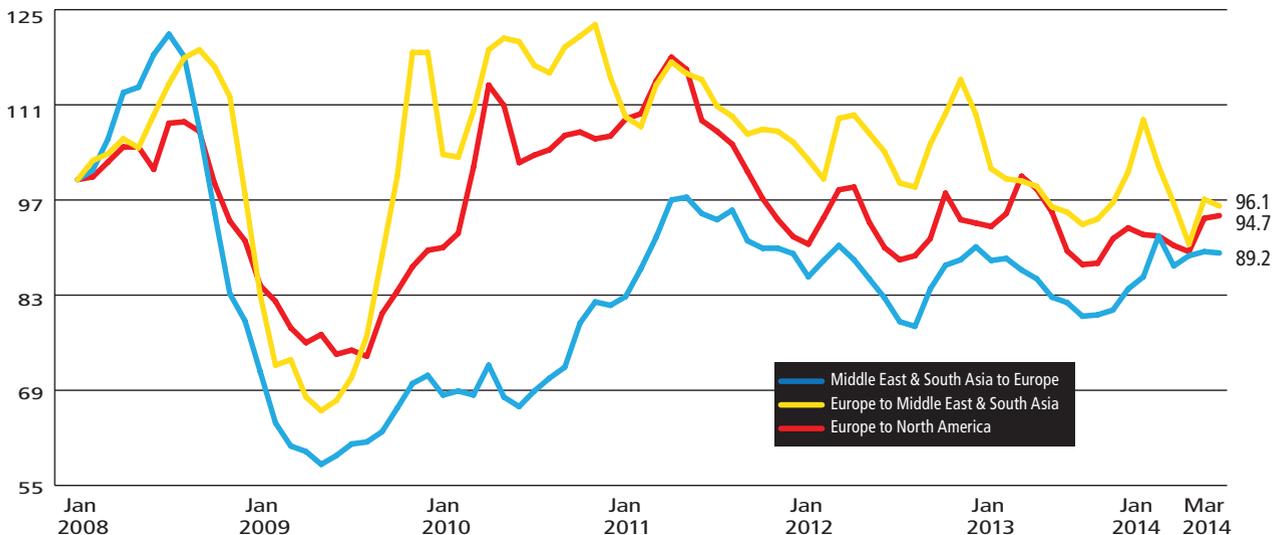
Monthly year-over-year percent change in capacity, in available-tonne kilometers, and traffic, in freight-tonne kilometers, of Asia-Pacific airlines.



Source: Association of Asia Pacific Airlines.

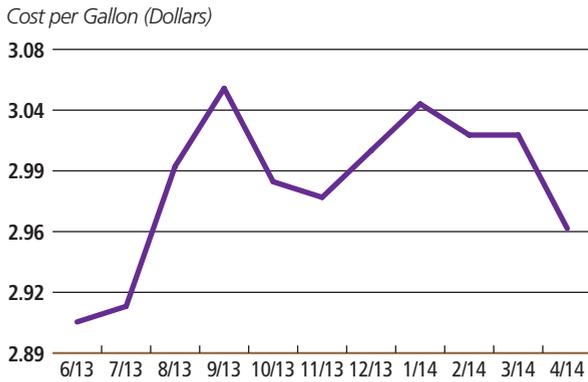
### Yield Index Regions

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



Source: WorldACD Market Data.

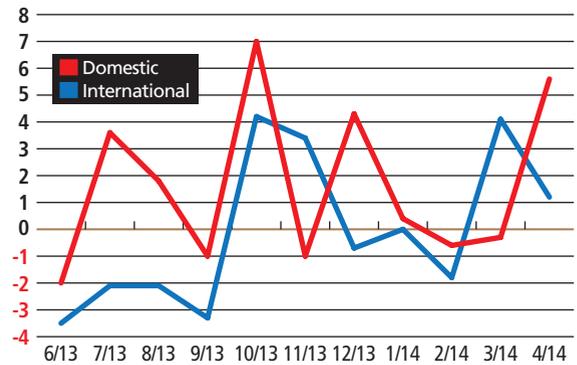
## Fuel Cost For U.S. Carriers



Source: U.S. Bureau of Transportation Statistics.

## U.S. Airlines

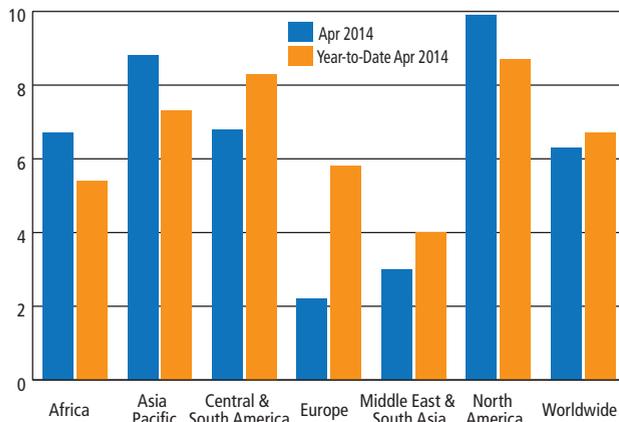
Monthly year-over-year percent change in domestic and international cargo traffic for U.S. airlines.



Source: Airlines for America.

## Growth Per Region

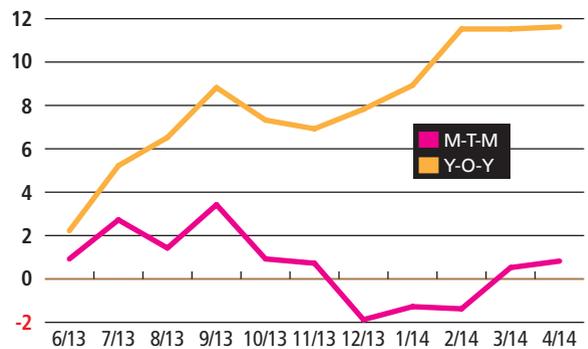
Air Cargo Chargeable Weight Change Year-Over-Year



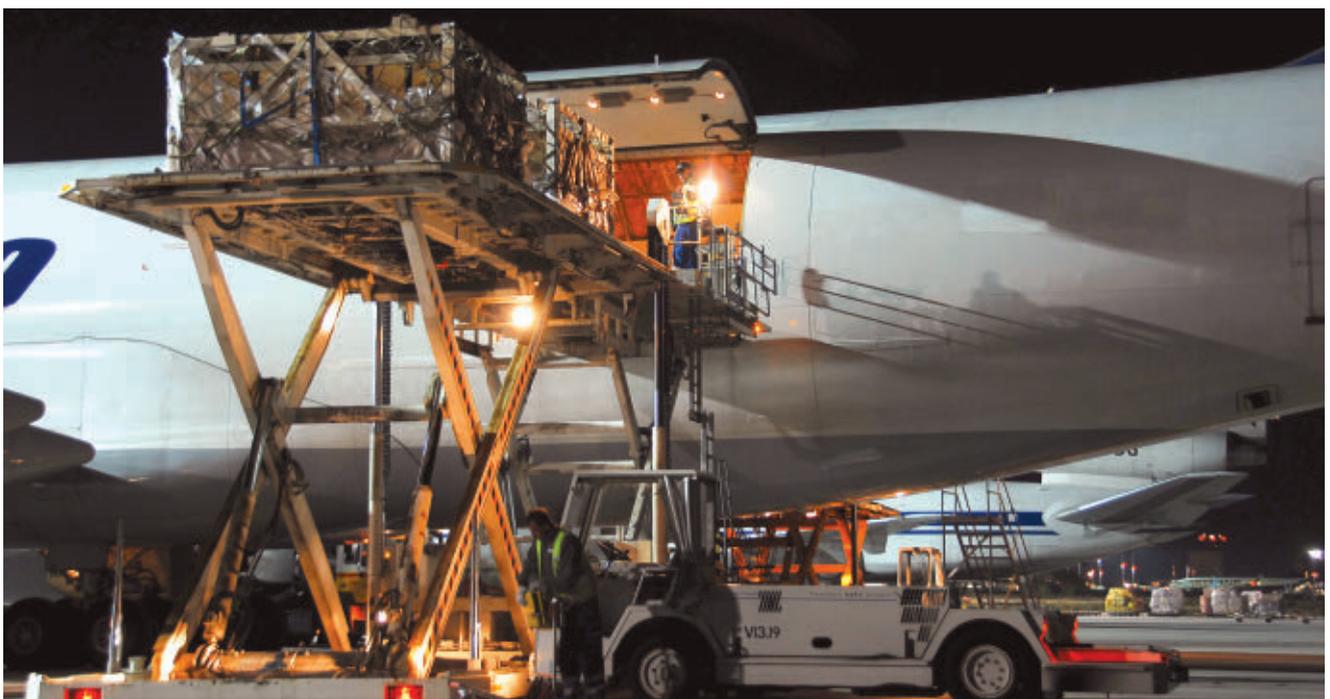
Source: WorldACD Market Data.

## Semiconductors

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



Source: Semiconductors for Industry Association.



# Need a New Direction?

Independent sales agency and station ownership opportunities are now available.

ALG Worldwide Logistics is a full-service domestic and international freight forwarder offering a complete menu of logistics services:

- Domestic and International Forwarding
- NVOCC, C-TPAT, IATA, IAC
- Air | Surface | Ocean | Warehousing
- ALG Logic - Complete Suite of IT Tools



DELIVERING INNOVATIVE LOGISTICS SOLUTIONS

Interested? For more information, contact ALG at 888-655-4237, or e-mail an ALG representative today:

**John Rafferty**  
jrafferty@algworldwide.com

**Eric Hezinger**  
ehzinger@algworldwide.com



AIR FREIGHT BUSINESS OPPORTUNITIES

ASSOCIATIONS



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](mailto:sales@efsw.com)



**AIR, OCEAN & SURFACE FREIGHT SALES AGENCY**

- Seeking successful professionals as *partners* in new offices
- Receive salary and ownership with *no investment* required
- We will set up office with access to *worldwide network*
- *You run* the office *and build* the business
- **Atlanta and Dallas available**  
Denver and Salt Lake City among others...

Reply in confidence to:  
[resumes@eafusa.com](mailto:resumes@eafusa.com)  
or toll free USA to  
**David Marx at 800-878-0303**  
[www.expressairfreight.com](http://www.expressairfreight.com)



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. AEMCA members offer a variety of important ground transportation services that support and enhance the products made available to the Freight Forwarding community.

## WHY JOIN?

- Stay up on all the latest regulatory and legislative changes
- Receive discounts on many services for your company through the Affinity Program
- Be a part of the industry's premier trade show and conference, *AirCargo*
- Great network opportunities

The AEMCA is a synergistic group, meaning that the effect of a collection of like minds is greater than just one person. We can make a difference as we unite for the good of the trucking and cartage industries.

To learn more or join the AEMCA visit our website at [acw.aemca.org](http://acw.aemca.org).

Have questions?  
email [acw@aemca.org](mailto:acw@aemca.org)  
or  
call 703.361.5208

AIR CARGO ATTORNEY

# Air Cargo World

Be the first to know



Stay informed as the news happens



Follow us at  
Twitter.com/ACWmagazine

FREIGHT SOFTWARE

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

PET SHIPPER / PET MOVERS

## 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

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](http://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

AIR ANIMAL



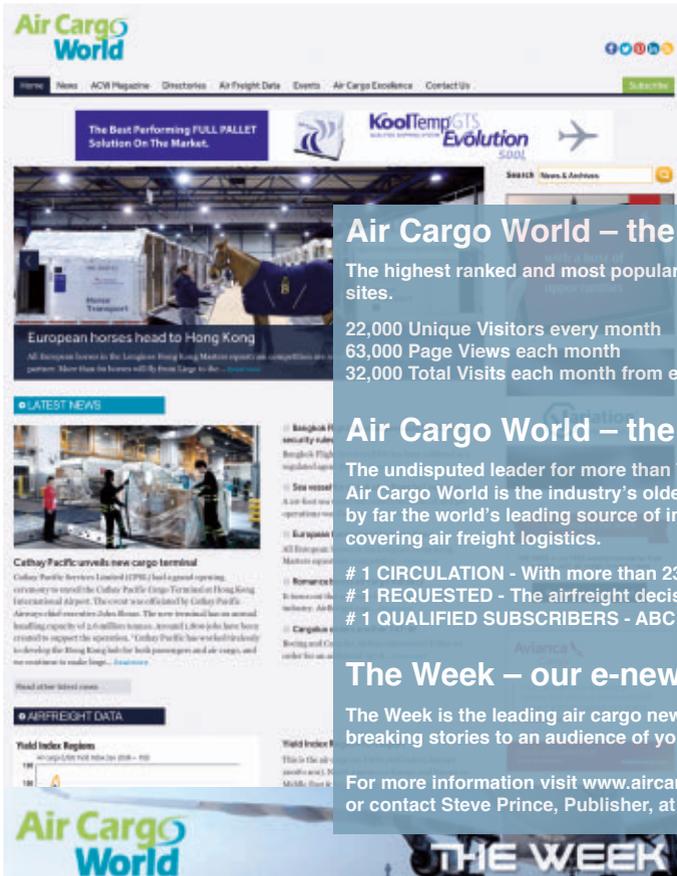
## Air Animal

Pet Movers Since 1977

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

[www.airanimal.com](http://www.airanimal.com)  
drwalter.woolf@airanimal.com

Telephone: 1-813-879-3210 | U.S. Toll Free 1-800-635-3448  
Fax: 1-813-874-6722 | Fax: 1-877-874-6799



**Air Cargo World – the website**

The highest ranked and most popular website amongst all air cargo media sites.

- 22,000 Unique Visitors every month
- 63,000 Page Views each month
- 32,000 Total Visits each month from every country in the world.

**Air Cargo World – the magazine**

The undisputed leader for more than 70 years... Air Cargo World is the industry's oldest, most trusted magazine and it is by far the world's leading source of information for the industry sector covering air freight logistics.

- # 1 CIRCULATION - With more than 23,000 audited subscribers worldwide
- # 1 REQUESTED - The airfreight decision maker's magazine of choice
- # 1 QUALIFIED SUBSCRIBERS - ABC Audited

**The Week – our e-newsletter**

The Week is the leading air cargo newsletter that delivers top news and breaking stories to an audience of your best customers and prospects.

For more information visit [www.aircargoworld.com/advertising](http://www.aircargoworld.com/advertising) or contact Steve Prince, Publisher, at [sprince@aircargoworld.com](mailto:sprince@aircargoworld.com)



INTERNATIONAL EDITION

# Air Cargo World

SEPTEMBER 2013

THE SOURCE FOR AIRFREIGHT LOGISTICS

TOP 50 AIRCARGO COMPANIES

**AIRLINES**

**WestJet** appointed **Rocky Wiggins** as executive vice president and chief



WIGGINS

information officer. Wiggins joins WestJet from Minnesota-based **Sun Country Airlines**, where he held the position of chief information officer starting in 2012. Prior to Sun Country, he was senior vice president and chief information officer at **AirTran Airways**. Wiggins also held various positions over a 20-year career with US Airways.

**Michael Basoco** joined **Southwest Airlines** as director of cargo sales. Basoco joins Southwest Airlines from **Saudi Arabian Airlines Cargo**, where he spent the last three years leading its Americas region. Prior to that, he served as director of global cargo sales for Continental Airlines, where he spent 18 years.

**Tarik Parlak** became regional cargo manager, Central and Southern Europe at **Turkish Cargo**. Prior to



PARLAK



GURKAN

this, Parlak served as regional manager cargo, Africa. **Mehmet Gürkhan** will succeed Parlak in that position. He was previously Turkish Cargo's cargo marketing and sales supervisor at **Sabiha Gökçen International Airport** in Istanbul.

**Manuel Agius** became **Air Malta**'s chief officer cargo. Agius will be responsible for cargo sales and operations and is being entrusted with setting up the division as an independent business unit. Air Malta intends to give added importance to the cargo division and strengthen it. Agius has over 30 years of experience in the aviation industry. He was one of the very first Air Malta recruits in 1973, joining the airline's **International Air Transport Association Affairs**

department. Throughout his years of service with the airline, he held various positions including UK station manager, group head cargo and flight services and chief officer operations.

**MASKargo** announced the resignation of **Mohd Yunus Idris** as CEO. His last day at the company was June 10. MASKargo gave no reason for Idris' resignation. He is a 30-year veteran of **Malaysia Airlines Group**, having begun his career as property controller based in Kuala Lumpur. He was made acting CEO of MASKargo in November 2011, and was officially announced as MASKargo CEO in August 2012.

**AIRPORTS**

**John Holland-Kaye** has become the new CEO of **London Heathrow Airport**. Holland-Kaye was previously development director. He joined the airport as commercial director in May 2009. Before coming to Heathrow, Holland-Kaye was divisional CEO with **Taylor Wimpey PLC**, operations director at Taylor Woodrow PLC and divisional managing director at **Bass Brewers Ltd.**



HOLLAND-KAYE

**THIRD PARTIES**

**Maarten Jan de Vries** joined **TNT Express** as CFO and member of the executive board. Jan de Vries has broad international business experience and a strong background in finance. Jan de Vries, a Dutch national, was previously CEO of **TP Vision**, a joint venture between TPV and Royal Philips. Prior to this, he held various roles in Royal Philips, including chief information officer, chief supply officer and divisional CFO.

**SPARX** logistics, an international transportation and logistics company based in Hong Kong, hired **Tony G. Bikhazi** as chairman. Bikhazi brings over 45 years of experience in the global transportation industry, including 20 years with **Globe Express Services**, from which he retired in 2011 as president, the Americas. He began his logistics career in 1967 with an international air cargo company.

**Gary Lupinacci** joined **Consolidated Aviation Services**, a ground handling company, as vice president security and government compliance. Lupinacci will be responsible for compliance with the U.S. Transportation Security Administration, U.S. Customs and airport authority regulations. Lupinacci has been in the aviation industry for over 40 years and served with the **TSA** in Washington with the **Office of Security Policy & Industry Engagement Division**, where he helped develop the Certified Cargo Screening Program.

**Hakan Bicil** was appointed as chief commercial officer of **CEVA Logistics**, where he will be responsible for leading the company's global sales organization. Bicil has more than 20 years of experience in supply chain and logistics managerial positions. He joins CEVA from **Panalpina**, where he was executive vice president, head of strategic business development. Prior to this role, he worked at **Toll Global Forwarding** and **Kuehne + Nagel**.

Revere, Mass.-based freight forwarder **OCEANAIR, Inc.** and company president **Ed Kaplan** were the recipients of the transportation supplier of the year award from window film manufacturer Madico in Woburn, Mass., during Madico's customer appreciation day.

**Purolator International** President **John Costanzo** was named by Long Island Business News as one of the 2014 Outstanding CEO Award winners. Costanzo was honored for helping Purolator International grow its U.S. presence. He joined the company in 2001.

**Cargo Aircraft Management, Inc.**, the aircraft leasing arm of **Air Transport Services Group, Inc. (ATSG)**, hired industry veteran **W. David Bucher** as COO. Bucher will replace William Tarpley, who is leaving to pursue other opportunities. Bucher has over 30 years of experience in the commercial aviation industry. Prior to joining Cargo Aircraft Management,



BUCHER

events

**SEPTEMBER 16-18**

**Princeton, N.J.:** LogiPharma is a supply chain conference for pharmaceutical companies in North America. Now in its 13th year, LogiPharma covers a range of supply chain topics including risk management, emerging markets and cold chain. For more information, visit <http://logipharma.us.wbresearch.com>.

**SEPTEMBER 17-19**

**Milan:** The 2014 Air Cargo Handling Conference will feature panel discussions, workshops and presentations covering the most up-to-date developments in airport cargo operations. For more information, visit <http://evaint.com/our-events/air-cargo-handling-conference>.

**SEPTEMBER 20-23**

**Chicago:** 2014 will see World Routes return to the U.S. for the second year in a row after the Las Vegas event in 2013. For more information, visit [www.routesonline.com/events/170/world-routes-2014/](http://www.routesonline.com/events/170/world-routes-2014/).

**SEPTEMBER 21-24**

**San Antonio, Texas:** The Council of Supply Chain Management Profession-

al's Annual Global Conference provides supply chain industry information with practitioners, academics and service providers. For more information, visit <http://cscmp.org/annual-conferences/annual-global>.

**OCTOBER 7-9**

**Seoul:** The 27th International Air Cargo Forum and Exposition will attract people from the airfreight industry in one of the world's fastest-growing air cargo hubs. For more information, visit [www.tiaca.org/tiaca/ACF.asp](http://www.tiaca.org/tiaca/ACF.asp).

**OCTOBER 12-14**

**Kuala Lumpur:** The Freight Summit is about making it easier for independent freight forwarders to network. For more information, visit [www.thefreightsummit.com/](http://www.thefreightsummit.com/).

**OCTOBER 13-18**

**Istanbul:** Themed "Sustainable Growth in Logistics," the annual FIATA World Congress will feature regional meetings and an airfreight institute. For complete information, visit [www.fiata2014.org/Default.aspx](http://www.fiata2014.org/Default.aspx).

**DECEMBER 10-13**

**New Delhi:** With more than 11,000 visitors in 2013, CeMAT India is an international trade fair covering materials handling, warehousing and logistic services, and other fields. For more information, visit [www.win-india.com](http://www.win-india.com).

**FEBRUARY 10, 2015**

**Enschede, The Netherlands:** The Unmanned Cargo Aircraft Conference teaches participants about unmanned cargo transport. For more information, visit [www.ucaconference.com/](http://www.ucaconference.com/).

**MAY 5-8, 2015**

**Messe Munchen, Germany:** Air Cargo Europe has more than 50,000 visitors from 110 countries. For more information, visit [www.aircargoeurope.com/](http://www.aircargoeurope.com/).

**NOVEMBER 4-6, 2015**

**Miami:** The Air Cargo Americas International Congress and Exhibition in 2013 was the largest air cargo exhibition in the Western Hemisphere. For more information, visit [www.aircargoamericas.com/](http://www.aircargoamericas.com/).

he worked at **Air Transport International, Inc.**, an airline subsidiary of ATSG. Bucher also has held roles with **Emery Worldwide** and **FedEx**.

**Wendy Bateman** became managing sales director at **Airport Terminal Services (ATS)**. Bateman will lead the sales growth strategy focusing on expanding the ATS ground handling services portfolio. Prior to joining ATS, she began her career in the health services and property management industries. For the past seven years, she has worked in the waste and recycling industry.

Logistics provider **MNX** appointed **Paul J. Martins** as CEO. Martins is a 29-year veteran in the international logistics industry. His career includes leadership positions at **UPS**, **Mercury Air Cargo, Inc.**, **Towne Air Freight** and most recently at **Pacific Logistics Corp.**

**Bill Fallon** assumed **AIT Worldwide Logistics'** newly created position of vice president, global and government strategic accounts. Fallon has more than 20 years of global logistics operations experience. He has held numerous senior positions

over the past decade and most recently served as **CEVA Logistics'** senior vice president of business development, U.S. and Canada. **Wilson Lee** was hired by AIT to serve as vice president of Asia Pacific. In this newly created role, the 15-year logistics veteran will spearhead continued expansion throughout China and the surrounding region. Lee has held many leadership positions, including prior executive roles as vice president of business development and vice president of air procurement, **Asia Pacific. ACW**

ADVERTISER INDEX

AirBridgeCargo.....	13	Eva International.....	27	Singapore Airlines.....	15
Delta Cargo.....	31	Macau Airport.....	5	Volga-Dnepr.....	9
Emirates.....	40	Munich Airport.....	2		
Etihad.....	7	Ruslan International.....	21		

## Every dog has its day

**E**ver since the 9/11 Commission mandated that the U.S. Transportation Security Administration screen 100 percent of all cargo on passenger flights, the air cargo industry has worked diligently to meet the government's security objectives by spreading the screening responsibility down the supply chain.

As an example of what has been done, in the wake of the 9/11 Commission Act that was passed by Congress in 2007, TSA created the Certified Cargo Screening Program (CCSP), which permitted certified freight companies to screen cargo away from the airport. The legislation also allowed screening to be performed through a variety of methods including physical inspection, X-ray and explosive trace detection technology. Use of specially trained dogs was also deemed as an acceptable way to screen air cargo, but TSA has permitted only the use of its own dogs, and only at the airport, thereby denying forwarders and Certified Cargo Screening Facilities the ability to own and use dogs in their own cargo-screening processes.

Technology suited for screening is highly effective and continues to evolve with manufacturers frequently introducing new forms of machinery accepted by TSA and purchased by CCSP screeners. But in addition to its cost and recertification requirements, the continuing challenge continues to be lack of TSA-approved devices capable of screening full pallets containing multiple commodities. This means that boxes need to be individually scanned before being consolidated onto shipping pallets. The process is time-consuming and labor-intensive for those doing the screening.

In May 2011, the University of California School of Policy, Planning and Development conducted a research analysis of TSA's explosive detection canines. The study concluded that dogs are the most cost-effective option among a range of explosive-screening methods, some of which can cost twice as much as canine screening over a 10-year period. The study also concluded that privately trained and certified canines are capable of being used as a primary screening method on a wide scale.

In 2011, TSA ran a pilot program to test the feasibility of implementing a third-party private explosive detection canine program that would make explosive detection dogs available to screen all cargo before it goes on passenger and all-cargo aircraft. Objectives included a determination of the industry's capability to use private canines to screen air cargo in accordance with TSA screening requirements, identification of standards for program implementation and an assessment of TSA resources to implement the program.

The TSA canine pilot program provided all the information TSA needed to improve and implement a third-party solution. Unfortunately, the annual cost for this has been pegged at US\$5 million (3.6 million euros), and accordingly the agency seems to have placed the private dog idea on the



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

shelf, assuming its expense outweighs industry demand.

I am not so sure they have it right. That cost estimate likely figures that each forwarder would have to purchase, shelter, care for and feed their pooches. But if this were allowed to go forward, I suspect there would emerge a viable pooled solution with forwarders in specific geographic locations banding together to support a mobile provider capable of bringing the canine to each facility one or more times a day. The shared cost and collective savings offered to the forwarders, and the upside screening revenue potential, would make this a worthwhile business investment, provided TSA gives its permission.

Lest you think that canine screening is a static, old school screening option, it appears that dogs are figuring into one of the more interesting technologies to come down the pike. There are licensed U.S. companies training detection canines and in Europe, a process called Remote Air Sampling for Canine Olfaction, which can vastly increase the amount of cargo that a single dog can screen in a brief period of time, has shown promising results in France and the UK. Known as REST or RASCO, the technique involves having canines sniff air samples collected in special filters from cargo, thereby saving the dog from having to visit each piece.

Regardless of the method used, private canines can play a vital role in providing an effective tool in the cargo-screening chest. TSA-owned canines are limited in number, busy at airport passenger terminals and are shared with airline freight facilities as time and availability permit.

The U.S. Government Accountability Office recently reported that the delay in implementing privately-owned dogs within the Certified Cargo Screening Program is leading to a missed opportunity to expand canine resources, create private sector jobs and leverage the private sector toward better air cargo security. TSA needs to finalize its efforts to develop a certification program for private companies to enable them to use their own canines, certified to TSA standards, to meet federal air cargo screening mandates. Leveraging private sector resources will introduce much-needed additional canines into the cargo screening system. **ACW**

# The Magazine of Choice



***Air Cargo World  
with more than 23,000  
subscribers, has the highest  
direct request amongst all  
magazines serving the field.***

# Air Cargo World

**# 1 IN CIRCULATION  
# 1 IN QUALITY**

Air Cargo World is the number one publication serving the air cargo industry.

Published in 2 editions with a worldwide audited circulation of more than 23,000. Air Cargo World delivers the highest quality and most qualified readership of air cargo decision makers for your advertising message.

Decision makers who need to know read Air Cargo World. Reach the best audience in the world by advertising in Air Cargo World.

For a free subscription or information on advertising, visit [www.aircargoworld.com](http://www.aircargoworld.com) or contact Steve Prince, Publisher, at [sprince@aircargoworld.com](mailto:sprince@aircargoworld.com)

Hello Tomorrow



# Tomorrow creates new possibilities

Daily flights from Chicago to Dubai and beyond, starting 5 August 2014

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

## Chicago to Dubai

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 236	2035	1910*	B777-200LR

## Dubai to Chicago

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 235	0945	1525	B777-200LR

\*Next day

[skycargo.com](http://skycargo.com)



For more details, please contact Emirates SkyCargo in Dallas: +1 972 456 0262, Houston: +1 281 443 2975, Los Angeles: +1 310 338 0023  
New York: +1 718 553 7900, 800 366 6845 (Toll Free), San Francisco: +1 650 589 4266, Seattle: +1 206 243 2121