

Air Cargo World

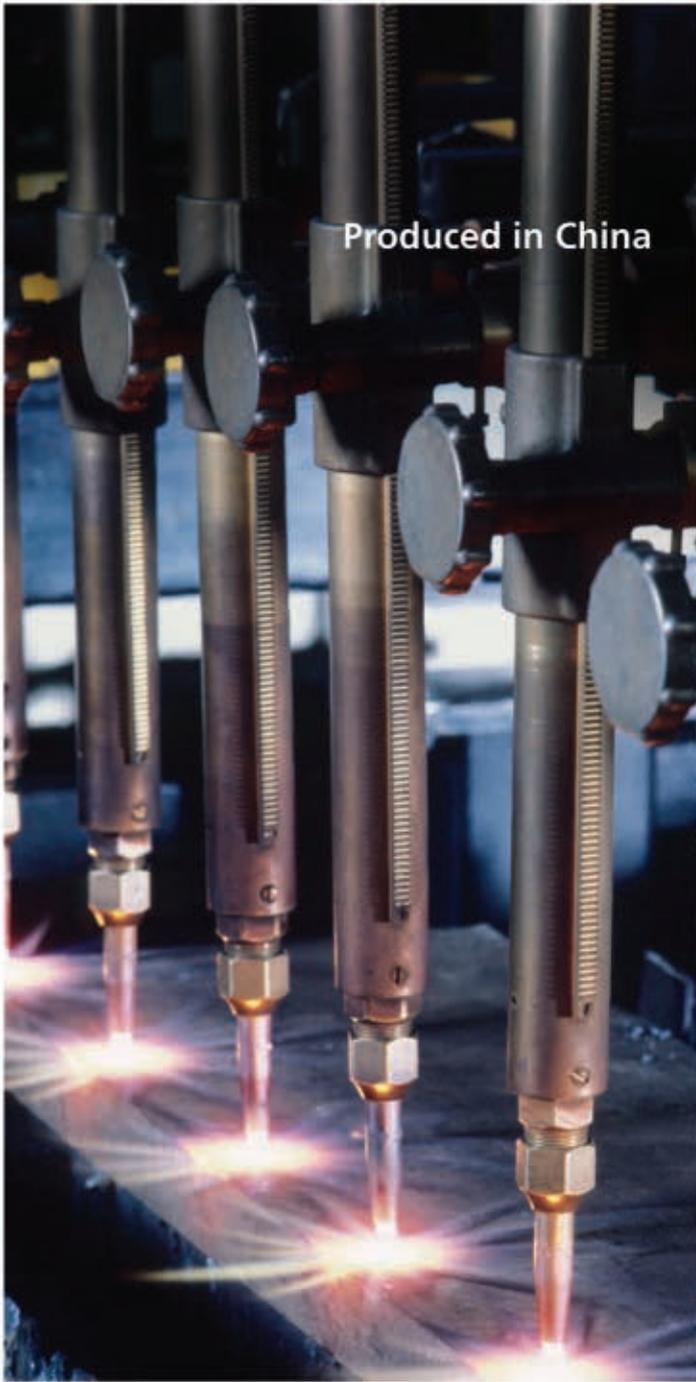
INTERNATIONAL EDITION

SEPTEMBER 2010

Mumbai's big squeeze

Top 50 cargo airlines

Quality mantra at Swiss



Produced in China



Business in Europe

SAUDI AIRLINES
CARGO



الخطوط الجوية السعودية
النشحن

Bridging the world

www.saudiacargo.com

EDITOR

Simon Keeble
skeeble@aircargoworld.com • (770) 642-9170

EUROPEAN EDITOR

Martin Roebuck
martin.roebuck@aircargoworld.com
+44. (0)20-865-70138

CONTRIBUTING EDITORS

Roger Turney, Ian Putzger

CONTRIBUTOR

Karen E. Thuermer

COLUMNISTS

Brandon Fried, Gabriel Weisskopf

PRODUCTION DIRECTOR

Ed Calahan
Ed.Calahan@ubmaviation.com

CIRCULATION MANAGER

Nicola Stewart
Nicola.Stewart@ubmaviation.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

Linda Noga
aircargoworldproduction@ubmaviation.com

AIR CARGO WORLD HEADQUARTERS

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

WORLDWIDE SALES

U.S. Sales

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

**Europe,
United Kingdom,
Middle East**

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

**Hong Kong,
Malaysia,
Singapore**

Joseph Yap
+65-6-337-6996
Josph.yap@aircargoworld.com

India

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

Japan

Masami Shimazaki
shimazaki@mvj.biglobe.ne.jp
+81-42-372-2769

Thailand

Chower Narula
worldmedia@inet.co.th
+66-2-641-26938

Taiwan

Ye Chang
epoch.ye@msa.hinet.net
+886 2-2378-2471

**Australia,
New Zealand**

Fergus MacLagan
maclagan@bigpond.net.au
+61-2-9460-4560

Korea

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

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



UBM Aviation

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

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

contents

20 Top 50 Airlines
Airline revenue management systems:
handle with care

26 India
Building for a sustainable future

34 Top 100 Airports
Structural shift continues in
pattern of airfreight growth

WORLD NEWS

4 Europe

8 Middle East

12 Asia

16 Americas

26

DEPARTMENTS

2 Editorial 44 People/Events 48 Opinion
3 Viewpoint 46 Bottom Line

Air Cargo World (ISSN 1933-1614) is published monthly by UBM Aviation. Editorial and production offices are at 3025 Highland Parkway Suite 200, Downers Grove, IL 60515; telephone 866-624-4457. Air Cargo World is a registered trademark of UBM Aviation©2010. 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.

Following the money



Simon Keeble
skeeble@aircargoworld.com

In November 2008, as Wall Street launched the global financial meltdown, FedEx said it would lead a trade mission to India to encourage SMEs expand in the sub-continent.

Less than two years later, the company announced an extension of its intra-India network from 14 to 58 cities.

So FedEx joins DHL, TNT and UPS in connecting domestic India services with their respective long-haul networks.

“India has witnessed exceptional levels of economic expansion, and despite the global economic downturn, the economy reflects strong performance in manufacturing and export-oriented industries,” noted Kenneth Koval, vice president of operations for FedEx India.

Innovative, cheaply priced products targeted at India’s booming middle class are helping spur domestic consumption and growth says the Asian Development Bank (ADB).

India’s middle class grew 205 million from 1990 – 2008 and is now second only to China in size and buying power.

The surge in numbers has seen additional annual sector spending of \$256 million and spawned low-cost, products and services such as Tata Motor’s \$2200 Nano Car, the Godrej Group’s \$70 battery-operated refrigerator, and cheap mobile phone rates.

The ADB notes Asia-Pacific has the largest share of global GDP in terms of purchasing power parity (PPP) at around 33 percent, followed by Europe with 28 percent and North America, 24 percent.

By the same measure, six of the world’s top 20 economies are from Asia. In terms of capital formation, China and India lead the way.

Asia’s middle class had risen to 56 percent of the region’s population — or nearly 1.9 billion people — up from 21 percent in 1990. China added 800 million to its middle class from 1990–2008.

Asia’s consumers spent an estimated \$4.3 trillion, or 33 percent of total OECD consumption, in 2008. By 2030 this is expected to be \$32 trillion, or 43 percent.

As a result the region’s middle class is likely to replace the role of the US and Europe as the world’s primary consumers.

However this *nouveau riche* is likely to acquire some Western habits. High-fat diets and less active lifestyles have already prompted a sharp rise in obesity levels in India and “a surge in rich country diseases such as diabetes, heart disease and cancer,” claims the ADB.

But despite a possible sense of déjà-vu, the expansion by US and European integrators suggests the Asian middle class will be the driver of global demand in the next 20 years.

A handwritten signature in black ink, appearing to read 'Simon Keeble', with a long, sweeping underline.

High time for cargo to stand alone

As the air cargo business evolves and grows, a new science must emerge to cater to this specialized business. No longer can the passenger businesses dictate what dedicated cargo airlines must do. Air cargo operators must forge independent relationships with their customers and suppliers, based on what is best for their unique needs. While a significant portion of the global air cargo trade is still carried in the bellies of passenger aircraft, dedicated freighter aircraft and freighter operations must drive the future for this business.

We believe this new identity, independent of the passenger business, brings significant opportunity as the major suppliers to the airline business tailor their offerings to the needs of dedicated cargo airline operators.

A dedicated air cargo value proposition should be based on researching every aspect of the unique nature of the cargo airline business to create new benchmarks on how this business should be run. The industry needs to create a unique body of knowledge and intelligence to turn air cargo into a dedicated and profitable science.

Our guiding principles are outsourcing and long-term contracting. A few dedicated partners are needed to make this happen, including aircraft manufacturers, aircraft financiers, dedicated cargo airports, airline investors, shippers/freight forwarders, ground handlers, MROs, parts suppliers, and vendors of information technology applications.

The industry should steadfastly promote the business case for all airlines, integrators, shippers, freight forwarders and government agencies to outsource the operation of their cargo aircraft to specialized freighter operators only, freeing them up to concentrate on their unique core competencies.

To encourage stability, innovation, and eventually cost savings, we need to move towards cargo airline contracts of 10 years or longer. Large shippers need to drive this long-term thinking, and encourage forwarders to do the same. Short-term thinking has been the curse of this industry.

Aircraft manufacturers need to plan towards moving all cargo away from passenger aircraft and onto new and converted dedicated cargo aircraft. This will ensure the

viability of the freighter business, while making passenger aircraft much safer. Eventually, passenger aircraft need to be reconfigured for passengers and their bags only, and not for freight.

The industry needs to partner with banks and leasing companies to help create Special Cargo Aircraft Related Financing Structures (SCARFS), distinct from passenger aircraft financing. This will reduce financing costs

for freighter aircraft. If the air cargo industry adopts long-term contracts with blue-chip shippers and forwarders, the more stable revenue environment will make it more attractive for financiers to provide innovative products. In addition, air cargo needs to rapidly migrate from high-cost hub airports to dedicated cargo airports with facilities suited to cargo operators, freight forwarders and special shippers.

To spruce up its very shoddy investment image on Wall Street, the air cargo industry needs to educate analysts on the new dynamics of this unique business. We need a new set of metrics and a distinct investment class which will create the transparency and a clear path

for venture capital, private wealth and institutional money.

Working with shippers and forwarders, we need to carefully study the special characteristics of each cargo product, and promote specialization in handling and transportation, as well as product differentiation and branding, to create a more dynamic and less commoditized revenue model. Different types of cargo must be rated differently. A seamless global logistics chain needs to incorporate end-to-end temperature control and track and trace capability.

To drive new efficiencies in our business, we must support our ground handling, MRO and parts suppliers with long-term contracts to enable them to make the necessary investments in infrastructure and technology, thereby improving the reliability of our aircraft and our service. And in every stage of our business, we must incorporate the latest information technology offerings into our business. **ACW**



DJ Ghosh

DJ Ghosh is founder and president of the New York-based American Friendship World Air Cargo Corporation. He has over 20 years experience in international trade, sales and marketing.

Carriers cautious over UK recovery

British Airways World Cargo (BAWC) reported a 36.7 percent increase in commercial revenue for its first financial quarter, beginning April 2010. Excluding exchange rate movements, the increase was 34.6 percent. The British Airways group reported an overall operating loss of £72 million (\$112.5m) for the period.

Cargo capacity was down 4.7 percent but BAWC carried 1.1 million cargo tonne kilometers, an increase of 2.1 percent versus the same period last year. Underlying yield was 31.8 percent higher, reflecting a stronger market and an improved premium product contribution.

Rachel Izzard, financial controller, said: "We continue to see improved underlying price improvements, with performance remaining particularly resilient in key markets across the Middle East and Asia Pacific."

Although the first quarter saw schedule disruptions owing to the volcanic ash cloud in April and industrial action by cabin crew, Izzard said BAWC's freighters, trucking network and flexible scheduling arrangements had minimized the impact of the disruption.

Steve Gunning, managing director of BAWC, said: "It is imperative that the introduction of capacity in the market remains rational and measured."

John Lloyd, director of Virgin Atlantic Cargo, made similar comments as the company reported a 25 percent increase in cargo tonnage for the April-June quarter. Revenue grew 36 percent over the same period in 2009, but Lloyd warned: "The challenge now is to ensure the industry maintains and builds upon [recovering] demand by taking sensible decisions on capacity."

"We managed our way through the downturn far better than most other carriers," Lloyd commented. Cargo tonnage fell six percent and revenues by 19 percent in the 2009/10 financial year.

Virgin Atlantic Cargo said it expected an increased flying schedule by subsidiary V Australia, further upturn in volume and yields, and improved revenue management to boost growth in 2010/11. [ACW](#)



Swiss stayed aloof from the "general melee of rate slashing"

Quality reputation survives the recession

There's a brand of beer in Europe affirmed as "reassuringly expensive" by its brewers. It is a seemingly counter-productive statement, but at the same time suggest the beer's drinkers recognize and are prepared to pay for quality.

The same could be said for Swiss WorldCargo. When you get quality and service at the level this airline provides, customers don't quibble about the price. Swiss WorldCargo is not in the business of carrying "ordinary" cargo for walk-in customers. It is about a carefully nurtured client base entrusting premium products to its care.

By rights, the sales offices of Swiss WorldCargo should be located next to designer label shops along the swankier boulevards of the world's capitals.

"We are a very select and niche market player," confirms Oliver Evans, chief cargo officer. "We cater very much to the high end of the mar-

ket which makes complex and costly demands on an airline, pharmaceutical products being a typical example."

That made for a difficult decision during the downturn in the market. Should the airline join the general melee of rate slashing, or hold its ground?

"Our high cost structure meant we could not cut rates to the levels being seen in the market at that time," says Evans. "Although we adjusted our costs, it meant we lost market share."

That resulted in a 60 percent decline in profit for the carrier's cargo operation last year, but significantly, it still made a profit.

According to Evans, load factors are now back up to 80-85 percent. "We receive most of our traffic as loose cargo and build up our own ULDs, so that equates to virtually a 100 percent load factor."

When you have achieved that across your entire network, there is less need for a carrier to pay homage to any

specific market.

"No market is more or less important to us, we are here to meet the demands of customers in any market," says Evans.

That said, the Swiss International Air Lines network is focused primarily on Asia and the North American market. The passenger-driven side of the enterprise has stopped serving Singapore, so Swiss WorldCargo has filled the breach with a block space agreement with Singapore Airlines on its B747-400 passenger flights out of Zurich.

"We also have an agreement for them to uplift beyond-traffic to Singapore on our own flights to Bangkok," says Evans.

In North America, the airline has recently launched service to San Francisco six times a week, providing an additional 50 tonnes of West Coast payload on the A340-300 flights.

"We thought that would be difficult capacity to fulfill because of the proximity of Los Angeles," says Evans. "But again working with premium product customers, notably from nearby Silicon Valley, we have been recognized for the high service levels we are able to provide."

Swiss WorldCargo has also been able to gain additional capacity through an agreement to market the bellyholds of holiday airline Edelweiss, also owned by the Swiss Group. This allows Swiss WorldCargo to market an additional seven destinations across its network.

Such is the strong branding of



Evans: stayed profitable through the crisis

Swiss International Air Lines and its boutique cargo division that it is often overlooked that the airline has been in the ownership of Lufthansa since 2005.

"At the time of the acquisition talks were held between Lufthansa Cargo and Swiss WorldCargo to discuss what business model to adopt for our cargo operation," says Evans. "It was

agreed that we should continue as an autonomous subsidiary, which we have done with great success to this day."

Compare and contrast with Lufthansa Cargo's recent appropriation of Austrian Cargo, which has effectively eviscerated the Austrian carrier's entire cargo network, save for a local joint venture at its Vienna hub.



<http://cargo.koreanair.com>



The legendary figure flies high
 Korean Air Cargo, World No. 1 Freight Carrier for 6 consecutive years

8,225 Millions of International Freight ton-kilometers, it is also the number of your wishes that Korean Air Cargo Carried in the year of 2009. Across the globe, Korean Air's 117 destinations, 27 B747 freighters, closely connected network and premium quality service are at your hand to make your business goal achievable.


Express Service


Cold Chain Service


Live-Animal Care


Contract based solution


Premium Service Program


Economic solution


Intermodal-Sea & Air

Autonomous maybe, but there is a surprisingly strong undertow of co-operation between the respective cargo divisions of Lufthansa and Swiss.

"We often share offices and handling facilities with Lufthansa Cargo around the world, we also share customer information and work towards synergies in other areas," says Evans.

It would also appear that Swiss WorldCargo is becoming a finishing school for Lufthansa Cargo. Dieter Vranckx, Swiss WorldCargo's managing director for Asia, Middle

East and Africa, has recently moved to Lufthansa Cargo to become regional director for the US Midwest and Canada for the German carrier. On the face of it, a straightforward poaching operation.

"This is a further example of our close working relationship with our parent company," says Evans. "If one of our senior executives has reached a level beyond which it is difficult for them to advance any further, they can seek a move to Lufthansa Cargo."

Swiss WorldCargo will shortly be losing another of its long-standing executives with the departure

of Bernd Maresch, head of cargo marketing and strategy, who is leaving to set up his own business.

"It is likely we will be working with Bernd as a partner in his new business," says Evans, "But it does mean we will have a management restructuring."

With the announced departure of Carsten Spohr, chairman of Lufthansa Cargo, is there any likelihood of the Swiss WorldCargo academy giving up its star pupil to Frankfurt?

Not likely, says Evans. "I love Switzerland too much." **ACW**

In the news...

Panalpina reported a gross profit of CH380 million (\$363 million) in its second quarter to June 30, 2010 - up from CH352 million (\$337 million) a year earlier. A CH128 million (\$122 million) provision to settle US Department of Justice and US SEC investigations relating to a Nigeria subsidiary, resulted in an EBITDA loss of CH64 million (\$61 million). Panalpina posted a 36 percent gain in airfreight volumes and a 19 percent rise in ocean traffic during the quarter. "Global markets continued to recover in the second quarter and we had the best June ever in terms of airfreight," said CEO Monika Ribar. Panalpina forecasts a 15 percent growth in air cargo for the remainder of the year, but Ribar said she saw "uncertainty in countries where state-initiated economic stimulus packages are being allowed to expire". Panalpina's airfreight hub in Luxembourg has been certified compliant with the World Health Organization's Good Distribution Practice standard... Serge Tripet has been appointed global head of sea-air product in **Damco's** airfreight department based in Copenhagen, a newly created role. He has held various management positions with Swissair and Swisport, and was most recently as director cargo for Gulf Air... **Deutsche Post DHL** increased group revenue to EUR12.8 billion (\$16.5 billion) in the second quarter, a 15.6 percent increase on the same period in 2009. The group expects earnings from its DHL freight and express divisions to exceed mail income for the first time by the end of the year with a group EBIT forecast of EUR1.9-2.1 billion (\$2.4-2.7 billion). "As an enabler of global trade, we benefited significantly from the recovery of the world economy in the second quarter," said Deutsche Post DHL CEO Frank Appel. "We are now

reaping the fruits of our successfully implemented strategic initiatives and efficiency-enhancing measures as well as the portfolio restructuring that we have largely completed" ... **British Airways**

World Cargo has signed a five-year wet-lease agreement with Atlas Air's UK subsidiary, Global Supply Systems (GSS), which will see its three B747-400 freighters replaced by new B747-8 freighters in early 2011. Steve Gunning,

managing director of BAWC, said the new aircraft would offer increased range and improved environmental performance. British Airways is launching twice daily passenger services from London Heathrow to Gothenburg, Sweden, from November 28... **Ukraine International Airlines** (UIA) reported a 20 percent increase in cargo tonnage in June, and expects this trend to continue with the arrival of a second freighter, higher capacity passenger aircraft, and continued network expansion. The airline operates its existing B757SF-300 freighter between Kiev, Vienna and Liege and has added a number of new passenger services to European destinations, most recently Geneva, Switzerland, plus Dubrovnik, Pula and Split in Croatia... All-cargo Italian carrier **Cargoitalia** reached 72 percent average load factor in the first half of 2010, operating scheduled services on routes from its Milan Malpensa hub to New York (JFK), Chicago, and Dubai/Hong Kong. Twice-weekly services to Shanghai begin on September 8 and frequency will step up of to three times per week from October... **Frankfurt**



UIA flew record cargo tonnage in June

Airport handled 188,244 tonnes of airfreight in July, a 20.4 percent increase. The figure for the first seven months was 30.3 percent up at 1.28 million tonnes... Mats Jansson, president and CEO of **SAS**, is leaving the Scandinavian carrier after four years. "Next year, I turn 60 and that is also when my contract expires. I believe I have done my share for SAS. There are still great challenges to come, but the platform is in place," Jansson said. "The Core SAS strategy, including extensive cost-savings, has been established, the financial platform has been secured through the latest rights issue, SAS has gained strength in terms of our products, and customer satisfaction has increased" ...

Toll Global Forwarding's Netherlands operations have gained Authorised Economic Operator (AEO) accreditation, following extensive vetting for Customs compliance, financial solvency, and the operation of appropriate security and safety standards... **Aramex** has been awarded Class A status by the Transported Asset Protection Association (TAPA) for its Amsterdam facility. **ACW**



TO HARNESS THE POWER OF THE SUN, FIRST HARNESS THE POWER OF DHL.

• • • • •

Global demand in solar energy markets is rapidly shifting. That's why you need a quick and flexible logistics partner who can help you access those markets with speed and precision. DHL's air, ocean and road solutions work across the world to ensure that you can have the presence you need, whenever and wherever it is needed. And by working with our global renewable energy team we'll make sure you don't miss an opportunity to create a more sustainable world.

www.dhl.com/renewableenergy

EXCELLENCE. SIMPLY DELIVERED. **DHL**

Emirates doubles to two US cities

In a significant expansion of US capacity, Emirates is increasing its frequency to Los Angeles and Houston. The carrier will fly twice a day on B777 aircraft starting on October 31 for Los Angeles and November 1 for Houston.

Emirates claimed its services have played an important role in supporting trade and tourism between the UAE and the US. Since it launched its first flight to New York in 2004, it said the value of trade between the two nations has almost tripled, reaching \$12.7 billion in the year to June 2010.

The additional flights are seen as providing further impetus to a strengthening trade relationship that has seen US exports to the UAE grow to \$11.4 billion a year, making the country the largest consumer of American exports in the Middle East and North Africa.

Key cargoes include machinery, computer and electronic products, primary metals, chemicals and transport equipment. More than 750 US firms have set up offices in Dubai.

Texas is not just the center of the US oil industry, but a strategically important trade hub. Exports from Texas alone to the UAE exceeded \$1.7 billion in 2009. California was not far behind at \$1.2 billion, Emirates said. Besides the film industry, Los Angeles has interests in aerospace, agriculture and petroleum.

Emirates currently flies non-stop to four US cities, with New York and San Francisco completing the list. An A380 will provide one of its double-daily JFK services from the end of October.

The carrier ordered 32 additional A380s at the Berlin Air Show in June. This added to the 58 A380 aircraft previously ordered, 11 of which are currently in service.

Emirates has also ordered 30 B777-300ERs, which will add to a fleet of 65 777-300ER and 777-200LR aircraft currently in service. **ACW**



Chicago is the latest destination for Qatar Airways' B777 freighter

Upbeat Qatar says Doha can be true global gateway

Cargo is set to significantly increase its contribution to Qatar Airways' revenue following the introduction of B777 freighters to the carrier's fleet. The first 777 two freighters arrived in May and June, initially serving Hong Kong, Colombo, Dhaka, Chennai, Karachi, Lahore, Amman, Frankfurt and Amsterdam.

Qatar Airways (QR) went on to launch 777 freighter services to Mumbai, Kolkata, Riyadh and Cairo, and added Chicago, its first dedicated freighter operation to the US, on August 18. This twice-weekly service operates via Amsterdam.

A third 777 freighter will be delivered in 2011, but QR will also retain its three A300-600 freighters, which

senior vice president cargo, Dileepa Wijesundera, says will continue to play a key role on short- and medium-haul routes.

Including the Boeing and Airbus fleets, QR serves 27 destinations with freighters, including four cities, Amsterdam, Sialkot, Kolkata and Chicago, that are not currently covered by passenger services.

QR currently operates 21 777s in all. "The 777 belly offers greater capacity than most of our other passenger aircraft. The high volumes and the spread of the customer base we have throughout the network is evidence of the benefits of this aircraft," Wijesundera says.

Although challenging for all airlines, 2009 presented "tremendous

opportunities” for QR, he adds. “The State of Qatar was among the few countries that were not severely impacted by the economic crisis. India, one of our biggest markets, was another country that experienced minimal effects.”

Flows of consumer goods from the Far East were affected by the downturn, and perishables suffered on some routes. But QR claims it is well positioned to react quickly to shifting market dynamics. “With pricing initiatives or by moving capacity between trade lanes, for example, we manoeuvred successfully through the challenging conditions,” Wijesundera says.

QR is unprepared to disclose “commercially sensitive data” on this year’s first-half cargo performance compared with 2009. Wijesundera can only say: “Airline revenues have exceeded forecasts. With a dozen new routes launching and higher yields, the outlook is very positive.”

Most of the carrier’s cargo business comprises transshipment traffic. “The region is rapidly becoming a global transit transportation hub linking East and West, North and South,” Wijesundera says – an argument familiar from competitors along the Arabian Gulf such as Emirates and Etihad.

“Qatar lies at the heart of the Gulf, and is playing an increasingly influential role on the regional and world stage. Now the world’s largest exporter of natural gas, Qatar has one of the highest per capita incomes in the world and is the most rapidly developing economy in the Middle East,” he says.

“Qatar is an increasingly attractive place to do business. Its massive economic growth is providing opportunities for international companies to set up business and invest in world-class projects.”

The cargo terminal at QR’s hub airport of Doha has seen considerable

“Qatar is an increasingly attractive place to do business.”

investment in chiller/freezer facilities for perishable cargo, and there are designated holding areas for dangerous goods, valuable and vulnerable cargo, and livestock. Recent customer surveys have shown Doha’s transshipment performance to be among the best in the industry.

Yet everything will be replaced with the construction of New Doha International Airport. The project includes a state-of-the-art, fully automated cargo terminal and QR will have 750,000 tonnes of capacity at its dedicated facility.

“Our central geographical position



Qatar is the Middle East’s most rapidly expanding economy

means we see growth potential in all markets,” Wijesundera says.

Asia is key. “We are very pleased with the performance of our new routes such as Tokyo, which had been on our radar for a long time. We launched services to Osaka in March 2005 and the route has proved incredibly successful in the past five years. We were delighted to expand in the Japanese market this year, and launched Tokyo with full loads in April.

“Qatar and Japan have a strong bilateral relationship buoyed by increasing trade that has seen Japan become Qatar’s largest trading partner with around US\$30 billion worth of goods and services traded annually.

“India, one of our key markets with 11 passenger destinations, will receive a massive boost in the coming months with frequency upgrades on routes like Delhi, Cochin and Amritsar. The expansion is driven by the growing demand in India and the Far East. As exports continue to grow from India to many of the cargo destinations we fly to, so too has the need for more cargo uplift.”

Despite the weak European economy, Wijesundera says QR’s Copenhagen and Stockholm services are performing “extremely well” in terms of both passenger numbers and cargo volumes.

“Our capacity on the Stockholm route was upgraded from a narrow-body to a daily A330 at the end of last year and Copenhagen is also on our wish list for capacity upgrades. Our daily flights to Barcelona are meeting our expectations with regards to loads. But as we are currently using an A319 on this route, cargo space is limited,” Wijesundera says.

Africa will be an increasingly dominant force in world trade and Qatar Airways Cargo sees the continent as an important part of its business activity now and for the future.

Likewise South America — “an important market that we believe is currently underserved”, Wijesundera explains. “South America’s emerging economies have growing trade links with the rest of the world. With large Lebanese and Japanese communities living in Brazil, Argentina and neighbouring countries, the route is a perfect match for our business model.” **ACW**

In the news....

Etihad Crystal Cargo has launched a twice-weekly MD-11 freighter service from Abu Dhabi to Beijing, supplementing its existing five passenger services a week. The carrier transported more than 23,000 tonnes of cargo in July, a record, driven by increased volumes from Pakistan, Australia, China and Bangladesh. Its year-to-date volume growth was 21 percent growth, with a 30 percent growth in yield. Etihad has taken delivery of its first A330-200 freighter. It is the launch customer for the aircraft and will take delivery of a second in October. The A330-200s join two A300 and two MD-11 freighters... Business confidence is increasing sharply in **Saudi Arabia**, a survey by HSBC bank has revealed. A majority of small businesses are planning to increase capital expenditure (61 percent) and are positive about local economic growth (63 percent), while 46 percent intend to expand their workforce. Small and medium businesses were surveyed across the region, with positive sentiment strongest in Saudi Arabia... **Middle East airlines** saw freight demand surge by 39.6 percent in June compared with a year earlier, according to IATA figures. The May-to-May increase had been 17.5 percent...

AeroLogic is operating a four times a week B777-200 freighter service on behalf of its co-owner **DHL**, linking the UK's **East Midlands Airport (EMA)** and **Bahrain**... **Queen Alia International Airport** in Amman, Jordan, handled 42,850 tonnes of cargo in the first six months of 2010, a 9.9 percent increase over the same period of last year. Royal Jordanian, Delta, Iberia, Alitalia, Air Arabia, Vueling and airBaltic were among the carriers to increase their frequency... **Gulf Air** will begin services to Aden,



The A330s retain a key short- and medium-haul role

Yemen, via Sana'a from September 22 with four weekly services using an A319. The Bahrain-based carrier is also re-introducing Colombo, Sri Lanka, after a five-year gap. It will operate five flights a week by A320 from October 5. Isfahan, Iran, and Basra, Iraq, will be added at the end of October and Gulf Air will introduce five flights a week to Addis Ababa from December... Exports and re-exports from members of the **Dubai Chamber** reached Dhs103.2bn (\$28.1 billion) in the first six months of the year, an increase of 13.7 percent over the first half of 2009. The Chamber hosted a

large group of US business leaders this year and will stage the Investment Forum of the Common Market for Eastern & Southern Africa (COMESA) in 2011 as part of its efforts to position Dubai as a gateway to the continent. COMESA is the largest economic bloc of Africa, with its 19 members' combined GDP totaling \$342 billion... The Kuwaiti government has appointed Citigroup, Ernst & Young, and aviation services provider Seabury to handle the privatization of **Kuwait Airways**. The plan is to complete a transfer to a private shareholding company by March 2011. **ACW**

Finding your space



Fujairah International Airport
www.fujairah-airport.com



- * Open skies
- * Efficient handling of bulk cargo
- * Fast freight turnarounds
- * Preferred choice for long haul technical stops
- * Modern and well equipped facilities
- * Competitive fuel, landing and handling rates
- * **OPEN FOR OPPORTUNITIES**

Contact • marketing@fujairah-airport.com • sbdm@fujairah-airport.com • +971 9 205 5552



**More capacity to move your cargo
around the globe.**



THAI Cargo has added more capacity on freighter flights.

Now we have room for every size, shape and quantity to connect Asia, Europe and USA. For more information, please access www.thaicargo.com/what's new.



THAI Cargo, ALWAYS DELIVERS THE BEST. www.thaicargo.com

Siemens helps Cathay's uplift

Cathay Pacific and its subsidiary Dragonair reported an 18.1 percent increase in July 2010 cargo and mail traffic over July last year.

For the first seven months of the year, Cathay said tonnage for the two airlines had grown 23.4 percent and capacity 9.2 percent. Cathay general manager cargo sales and marketing, James Woodrow, said: "We saw a significant rise in our capacity in July as all previously parked freighters were returned to service, but the increase in tonnage was almost on a par due to sustained strong demand out of our key markets. Demand to Europe was softer than for transpacific routes but we have been encouraged by the strengthening of inbound loads into Hong Kong and China, which has helped to drive up our overall cargo and mail load factor."

According to the Hong Kong airport authority, cargo throughput is expected to be eight million tonnes by 2025.

Cathay has anticipated the expected growth with the construction of a new \$708 million cargo terminal capable of handling an initial 2.6 million tonnes per annum.

Siemens has won the contract to equip the new terminal with a materials handling system that will begin operation in early 2013.

"Hong Kong has always experienced challenges such as limited space, growing demand for infrastructure and increasing competition from the region. We need to constantly improve our competitiveness; we need more capacity and higher efficiency," said Denis Leung, president and CEO of Siemens Hong Kong. "Siemens is proud to provide sustainable solutions to Cathay Pacific, and has always been supportive of the city's infrastructure development."

The handling system is Siemens' third large-scale logistics infrastructure solution for Hong Kong's international airport, following the installation of a mail sorting center and baggage system. **ACW**



Move One and Target Logistics have delivered 1,000 boxes of non-perishable food items to Pakistan flood victims. Each package, costing \$30, is designed to support a household for approximately one week. It contains food staples such as oil, lentils, sugar, salt, flour and rice. According to the UN, the floods are having greater impact than the 2004 tsunami in Indonesia, the 2005 earthquake in Burma and the Haiti earthquake in January this year, with 2,000 reported dead and seven million homeless.

Slow pace in IT sales keeps Korean guessing

You do not have to be a Chinese or US carrier to operate freighters from Shanghai to Atlanta. In July, Korean Air (KAL) launched twice-weekly all-cargo flights from its home base via Shanghai -inaugurating a new route in its transpacific operation.

The same month saw KAL start freighter flights from China's premier airfreight gateway to Milan.

The Shanghai flights are part of the world's largest international airfreight carrier's expansion strategy outside its home market. In August, KAL Cargo was due to open its new terminal at Navoi airport in Uzbekistan, a facility designed to handle 100,000 tonnes of cargo in a year that is fully equipped with cooling and freezing facilities and vault

rooms. Navoi has been designated by KAL as a multimodal hub linking air, truck and rail services between Asia and Europe.

Navoi is KAL's central Asian hub. At this point it hosts freighter flights twice a week on route from Incheon to Milan and three weekly cargo flights to Brussels. "We are establishing trucking networks across Central Asia originating from Navoi," said Kim Ho Jung of KAL's cargo strategy and alliance team.

"We are expanding global networks toward emerging markets such as Navoi and Hanoi to increase network value, he added.

The airline's cargo management views emerging markets as one of four major drivers of growth. Besides the ongoing robustness of IT exports from Korea, Japan and China and

KAL's considerable global network (utilizing 27 B747 freighters in addition to its bellyhold capacity), he cited new business in Central Asia and the growing trade lanes linking Asia to Africa, Central America and South America.

KAL's home market, which was hit hard by the slump of 2008-09, has seen buoyant growth since the fourth quarter of last year. In the first six months of 2010 KAL saw volume climb about 30 percent. This followed a 15.2 percent rise in freight traffic in the fourth quarter of last year, which pushed cargo revenues up 22 percent.

The South Korea Freight Transport Report, which was published on July 1, is bullish on air cargo momentum for the remainder of 2010. "We expect total volume of cargo shipped by air to grow by 7.8 percent to 3.69 million tonnes, more than offsetting the 4.1 percent contraction experienced in 2009," said the authors.

They project Korea's total trade to rise by 9.5 percent this year, with imports going up 11.5 percent and

exports growing 8.0 percent. Their five-year forecast envisages average annual growth of 8.2 percent.

However, KAL Cargo management remains cautious. Kim anticipates volume growth in the coming peak season, but added that capacity may rise faster than demand, putting downward pressure on yields.

According to Incheon International Airport, four carriers were due to inaugurate freighter flights to the South Korean capital this summer, including AirBridgeCargo and Aerologic. This should add 12 flights a week to bring the number of weekly freighter flights serving the city to 350.

The increase in capacity may well coincide with a slowdown in traffic. "We are expecting an increase of approximately 10-15 percent during the peak season. However, the pace of IT products, Korea's main export items, is beginning to slow as the manufacturers are not quite sure of their markets worldwide," Kim said.

"We have yet to see solid and sound signs of recovery of the glob-

al economy. The good performance of freight carriers for the past 12 months is mainly due to urgent restocking process of the manufacturing industry and the reduction of capacity," he added.

Across the Pacific, KAL Cargo is anticipating modest growth in traffic to the US market. Increasingly the carrier is looking to the southern hemisphere on this side of the Pacific. "We will evaluate the potential of the US airfreight market combined with Central and South American airfreight markets," Kim remarked.

Expanding the network to faster growing emerging markets is one part of KAL Cargo's strategy. Another major plank is a revamp of its product portfolio, which is currently under way.

In line with its partners in the SkyTeam alliance, the carrier has adopted the four common products of the group and is now refining its cold chain product. "We are planning to introduce new segmented products and service based on intensive market research," Kim said. **ACW**

FedEx exploits Morgan Stanley forecast

According to a new report by Morgan Stanley, India's economy will grow at an annual 9.0 - 9.5 percent between 2013 and 2015 compared to China's annual growth rate of 9 percent by 2012 and 8 percent by 2015.

"Real GDP growth in China has averaged 10 percent annually over the past 30 years, compared with 6.2 per-

cent in India. During this period, China's GDP grew 16 times to \$5 trillion whereas India's rose seven times to \$1.2 trillion. China's exports (including services) surged 65 times over this period to \$1.3 billion while India's exports increased 22 times to \$250 billion," said the report.

The Morgan Stanley forecast assumes India will spend



Bengaluru has become the third Indian hub for FedEx, which has also extended its domestic network to cover 58 cities

more on infrastructure, plant and machinery. Infrastructure expenditure has risen from 5.4 percent of GDP in 2005 to 7.5 percent in 2009 and is expected to rise to 8 percent of GDP this year.

Between 2012 and 2017 Morgan Stanley expects India will spend \$1 trillion on infrastructure compared to \$530 million spent in the previous five-year period.

In a bid to leverage India's growth prospects, FedEx has launched a new service from the south India city of Bengaluru, formerly Bangalore, linking the Middle East, Europe and the US. The city joins Delhi and Mumbai as the company's

third country gateway.

The company has also added 58 cities that represent 40 percent of India's GDP to its domestic network in order to connect with its long-haul services to the Europe and the US.

"India has witnessed exceptional levels of economic expansion and despite the global economic downturn, the economy reflects strong performance in manufacturing and export-oriented industries," said Kenneth Koval, vice president, operations for FedEx Express India.

Between 2008 and 2009, 23.8 percent of India's exports shipped to Europe and 16.5 percent to the US.

"Bengaluru and its surround-

ing cities are a major component of India's economic expansion, with south India contributing to approximately 20 percent of India's GDP," added Koval. "By launching our flight from Bengaluru, we're confident that businesses in South India will gain from greater global access."

With India poised to contribute 136 million to the world's workforce over the next decade in support of its economic expansion, FedEx said it has ranked 22 in this year's Great Places to Work survey (GPTW) in India. It is the only transportation company to feature in the top 25. Google came first. **ACW**

In the news....

MASKargo begins twice-weekly 747 freighter flights between Amsterdam and JFK this month.



MASKargo is set to receive a fifth 747 freighter from Southern Air

"The demand to the US is predicted to be stronger towards the end of the year. We also expect higher yields by routing flights from Europe, as this will also open up capacity to China and Asean countries," MASKargo managing director Shahari Sulaiman said. As a result of the new service, the company will exercise its option for a fifth leased B747 freighter from Southern Air. MasKargo will also begin charter operations between Asia, the US and Europe. "We have managed to develop a very good livestock business out of Australia to various parts of the world," Sulaiman added...

Indian exporters of machine parts, foodstuffs and other commodities were left scrambling to find an airfreight option after a major collision on August 7 closed Mumbai's two ports. Mumbai's container yards had already been struggling for several weeks, faced with a massive increase in volumes. The Jawaharlal Nehru container terminal handled 4.1 million TEUs in the year to March,

around 60 percent of India's total. India's 12 major ports, which are government controlled, are

reported to be far below their planned capacity after expansion projects were halted during the recession. Airports are equally under pressure, with Mumbai and Delhi particularly congested...

Air Partner

was one of the first charter brokers to become involved in the Pakistan flood emergency, arranging the dispatch of an A300 freighter to carry an initial 32 tonnes of aid supplies. The flight, on behalf of an international relief agency, departed from Brindisi in Italy within 48 hours of quote confir-



mation, carrying generators, water purification units, water tanks, plastic sheeting, latrines, jerrycans and high energy biscuits into Islamabad...

Singapore Airlines posted a first-quarter profit to June 30 of S\$253 million (US\$186 million), beating analysts' forecasts. A year earlier, SIA made a loss of S\$307 million (US\$226 million). SIA Cargo made an operating profit of S\$60 million (US\$44 million), compared with a loss of S\$104 million (US\$76 million) in Q1 2009...

A **UPS** survey said small and mid-sized enterprises (SMEs) in Asia are confident they've survived the recession, but are now worried about rising costs. Asian business leaders cite rising costs as their "most pressing business concern" by a margin of two to one over other issues such as cash flow and interest rate hikes. UPS canvassed 1,350 business leaders in 13 Asian countries and noted that unlike large



Singapore Cargo is back in the black

regional and multinational companies, the region's SMEs will continue to focus 80 percent of their business within Asia rather than the US or Europe... The **L-3 CX-Pallet** cargo inspection system helped **Australian Customs** find 240 kgs of cocaine hidden in a shipment of concrete pavers in Melbourne this summer. The fifth-largest cocaine seizure in Australian history had an estimated value of \$73 million. **ACW**



The world of air cargo is coming to Amsterdam

Over 5,000 delegates and visitors, more than 200 exhibitors and a world of networking and new business opportunities – all in the space of three days at the 25th International Air Cargo Forum & Exposition in Amsterdam, November 2-4, 2010.

The one air cargo event in 2010 your business cannot afford to miss!

Supporting Organisations

- IATA
- FIATA
- EUROPEAN SHIPPERS' COUNCIL
- DUTCH SHIPPERS' COUNCIL



Speakers include

- SEABURY GROUP
- ROYAL PHILIPS ELECTRONICS
- EUROPEAN COMMISSION
- TSA
- TNT
- CEVA LOGISTICS
- BOEING
- RHENUS LOGISTICS
- PANALPINA
- WORLDWIDE FLIGHT SERVICES
- LUFTHANSA CARGO
- COOL CHAIN ASSOCIATION
- INCHEON AIRPORT CORP.
- ELIZABETH ARDEN

Breakout Sessions

- FORWARDERS' PERSPECTIVE
- AVIATION & CLIMATE CHANGE
- AIR CARGO SCREENING
- E-FREIGHT
- ROLE OF THE SHIPPER
- FUTURE OF CARGO HANDLING
- COOL CHAIN CHALLENGE
- ECONOMIC OUTLOOK



Air Logistics Network

- Pre-Schedule Meetings in the Online Community
- Search for people interested in specific topics
- create a contact list of people that you want to follow up with
- More contacts with profile matching capability.

Info at www.tiaca.org or call +1 786 265 7011

Hosted by
Amsterdam Airport Schiphol



Organized by



Brazil challenged by landed costs

A study of supply chain executives in Brazil by logistics company BDP International has found that nearly 7 out of 10 respondents cited the total landed cost of imports as their greatest challenge.

These costs include purchase price, freight transportation, insurance and other inbound logistics costs to destination port, plus Customs duties and other taxes on shipments.

"Recognizing the impact of the total landed costs of imports on their profitability and competitiveness, many Brazilian companies are transferring both the process and accountability for import documentation and compliance penalties to third-party service providers," said Roberto Croce, general manager of BDP International, Brazil.

The survey concluded that more than 60 percent of respondents are outsourcing their transportation-related functions, with nearly half reporting greater outsourcing of global logistics.

"This trend was already underway prior to last year's global financial crisis, but economic conditions clearly accelerated it as companies refocused on their core businesses and turned to external resources for their non-core activities," added Croce.

According to BDP, the global recession had less impact on Brazil than US or European economies due to "vibrant" intra-regional trade. While survey respondents said they import materials from a variety of regions, nearly 70 percent export primarily to other countries in Latin America.

"Brazil has made significant progress in reducing its reliance on North America and Europe, insulating itself from the economic volatility affecting those relatively mature markets," noted Croce. "We are moving toward becoming a first-world economy with continued strong growth prospects."

Among the survey's other findings were concerns among supply chain professionals over the readiness of Brazil's infrastructure for the 2014 World Cup and 2016 Summer Olympics. Many respondents raised doubts that much needed improvements will be completed in time. **ACW**



Congress expects 100 percent cargo screening in and out of the country by 2012

Screening was Y2K over again for forwarders

A survey by the Airforwarders Association (AFA), following the 100 percent air cargo screening implementation last month, suggested industry concerns were largely unfounded.

When asked, "how would you categorize the first week's experience", 67 percent reported no issues at all. They likened it to concerns over the Y2K event at the turn of the millennium.

A further 28 percent said they had "scattered problems" but categorized them as minor start-up "glitches". Only five percent said they had encountered "serious issues," according to the AFA.

When asked which airports and which airlines posed the most problems, few were named and there was no discernable pattern. The AFA concluded this was not a surprise given

that 95 percent of the respondents reported few if any problems.

AFA members were also asked how they would cope with this year's peak shipping season and into 2011. Not surprisingly the numbers dropped with 55 percent saying they were "quite satisfied that industry had things well in hand" and didn't anticipate any problems. Some 39 percent acknowledged they were "a bit worried but cautiously optimistic" and 6 percent had "serious reservations" about the industry's ability to scale up to significantly higher volumes.

Commenting on the results, executive director Brandon Fried said: "Clearly this is result of a lot of hard work, planning, and investment by all of the stakeholders – independent air carriers, our trucking partners, airlines and TSA.

"Being realistic, the first week of August is not known for high vol-

umes. That test will come in the autumn but members seem optimistic that as processes are refined and more certified cargo screening facilities (CCSF) come on line that the industry is up to the challenge.

"TSA deserves a lot of credit for meeting "the nearly impossible air cargo mandate."

AFA will be following this closely with additional surveys in the coming weeks," he added.

Indirect Air Carriers (IACs) representing 709 operations across the US participated in the initial AFA survey. Of that number, 88 are CCSF with another 13 awaiting certification from the TSA.

Chris Battle, former chief of staff at the US Department of Immigration and Customs and now managing a PR firm in Washington, DC, said the original Congressional mandate of 100 percent physical screening has become politicized in an election year.

Citing a recent letter to Homeland Security secretary Janet Napolitano from Congressional Homeland Security Committee chairman Bennie Thompson claiming the department has ignored it, Battle noted, "the effort to ignore the ludicrous intent of Congress has been bipartisan, starting with both secretaries under president Bush (Tom Ridge and Michael Chertoff) and now Napolitano under president Obama.

"The reason for trying to ignore the congressional mandate – according to all three secretaries, the thousands and thousands of professional security officers working in DHS, and most independent security experts – is that it is impossible to meet

and, more importantly, less effective than the risk-based, layered security model on which the Department of Homeland Security was founded."

Noting the 100 percent air cargo requirement only went into effect last month, Battle said it is impossible to tell whether it has been effectively met or what its impact on the supply chain will be. However, he thinks the TSA deserves a lot of credit for meeting "the nearly impossible air cargo mandate".

Battle added that Customs and Border Protection has long been working on a "Secure Freight

Initiative" that integrates physical scanning and risk-based, layered security into a comprehensive security model.

"Experts in the United States and around the world say such a model is more effective than a 100 percent model – which would not only require a massive redeployment of limited government resources but would also give a false sense of security that nothing will get into the country. Even the members of the 9/11 Commission called for a risk-based approach to cargo security," he said. **ACW**

Semiconductors robust for now

The US Semiconductor Industry Association (SIA) reported a 7.1 percent increase in second quarter 2010 global sales to \$74.8 billion.

June 2010 sales of \$24.9 billion were 0.5 percent higher than May at \$24.8 billion.

"Sales in the first half of 2010 were exceptionally robust, driven by strong demand from a broad range of end markets," said SIA president Brian Toohey. "Worldwide semiconductor sales of \$144.6 billion for the first half of 2010 were more than 50 percent higher than the same period of 2009 when sales were \$96.1 billion.

"We expect that sequential growth

rates will moderate in the coming months, with the result that year-on-year growth for the industry will be in line with our mid-year forecast of 28.4 percent," he added.

The SIA noted that the extraordinary year-on-year sales growth reflects not only strong demand from key end markets but also the effects of the industry slowdown in the first half of 2009.

"Macroeconomic factors such as consumer confidence, job growth, and overall economic growth continue to bear watching for their possible impact on sales in the second half," Toohey concluded. **ACW**

The lights turn green for DHL

DHL Global Forwarding is changing its light bulbs in the US, Canada and Mexico in order to reduce CO2 emissions by five percent this year. The company has committed to improving CO2 efficiency by 30 percent by 2020.

DHL cited a 2009 Delphi study for the move: "Climate change and its consequences will have a far-reaching effect on logistics. As one of the largest producers of CO2 emissions, the logistics industry will find itself in a particularly difficult position and un-

der close scrutiny. The rising price of oil and the demand by customers for 'green supply chains' will require enormous investments and technological innovation."

The lighting in the company's Toronto, Ontario facility is designed to reduce energy consumption by 73 percent. In addition, the building's design will reduce greenhouse and noxious gas emissions equivalent to 15,000 gallons of gasoline a year, said DHL. **ACW**

Rodberg remembered

Sir,

In the current issue of *ACW*, you wondered about the origin of the phrase, "People, Not Planes, Deliver". Let me add my view of this catchy phrase.

I was the PR person when the Burlington Northern Railroad decided to start an airfreight company back in the 1970s. It was called Burlington Northern Air Freight, then later changed its name to Burlington Air Express (BAX) and finally to BAX Global. We wanted a slogan to differentiate our company from the hundreds of other forwarders and came up with the saying you quoted. That saying has legs, as they say, because it still is quoted 30 years after its inception.

Regards

Shura Bary

Sir,

On page 34 of the August issue of *ACW*, "People, Not Planes, Deliver" was written many years ago by Larry Rodberg when he was the head of Burlington Air Freight. In fact he had posters made that were sent out to many airlines. I personally had one when I was with United Airlines.

Herb Cohan
Senior Vice President
AIT Worldwide Logistics

Sir,

I just read your article "People, Not Planes, Deliver".

I wanted to let you know that this phrase was coined by Larry Rodberg Sr when he started Burlington Northern Air Freight back in the 70s. It was on all of their sales literature.

Thanks for the great magazine.

Thomas Bowling
Airgroup Los Angeles
A Radiant Logistics Company
1111 E Watson Center Rd, #C
Carson
CA 90745

Sir,

On page 34 of *Air Cargo World* the writer was searching his memory to recall where he had heard this slogan.

"People, Not Planes, Deliver" was the advertising slogan used by Burlington Northern Air Freight (and then Burlington Air Express) where I worked at LHR from 1984 to 1989.

Thanks and regards

Keith Forrest
Quality & Logistics Manager
F&M Mafco, Inc

In the news...

LAN Airlines and **TAM** have entered into a non-binding MOU to combine their holdings under a single parent entity. The combination would be known as LATAM Airlines Group and include Lan Airlines and its affiliates in Peru, Argentina and Ecuador; Lan Cargo and its affiliates; TAM Lines Aereas; TAM Mercosur and all other holdings of LAN and TAM. The new airline group would operate more than 220 aircraft and have more than 40,000 employees. Combined revenues in 2009 were \$8.5 billion and the airlines carried more than 45 million passengers and 832,000 tonnes of cargo... **UPS** wants to improve the fuel consumption of its 60,000 US package delivery fleet by 20 percent between 2000 and 2020. Commenting in the company's

latest sustainability report, Bob Stoffel, UPS senior vice president, said: "This new goal for the next decade is an important milestone in UPS's continuing dedication to finding and using new technology and processes that help us meet our customers' needs in a sustainable way." In 2009 UPS drivers logged 77.3 million more miles than in 2000 while reducing fuel consumption by 3.2 million gallons.

UPS's goal is to reduce airline CO2 emissions 42 percent by 2020 from a base line of 1990. The airline represents 53 percent of the company's global carbon footprint. Last year UPS gave \$97.6 million to several charities; the UPS Foundation expanded its focus on



American has agreed to settle its "cartel" liability

humanitarian aid and disaster relief by providing financial support, in-kind transportation and logistics expertise, and the company deployed 245 new "green" vehicles running on compressed natural gas, adding to a fleet of nearly 2,000 alternative fuel

vehicles... **Hausfeld & Co**, the legal firm that represents shippers involved in an alleged worldwide cargo cartel, said **American Airlines** and its parent, AMR Corporation, have agreed to settle their US liability and provide co-operation that can be used in actions pending outside the US. This follows an agreement by **Air France-KLM** to pay \$87 million to direct shippers for traffic to, from and within the US but not to those who used a freight forwarder. Hausfeld said an American's cash payment of \$5 million will go only to direct purchasers, but unlike other settlements, European shippers can use AA's co-operation as well. As part of the deal, American will provide information and evidence in the form of witnesses, documents, electronic data and meetings with counsel so that "European shippers will have the benefit of American's co-operation as they pursue their own litigation against cartel members," Hausfeld said... International rather than US domestic growth is fueling the recovery at **FedEx** and **UPS**. Both express companies have increased their profit forecasts on the back of improved cross-border volumes, especially out of Asia. FedEx is now forecasting earnings of \$1.05 to \$1.25 per share for the June-August quarter, up from its previously

predicted range of 85 cents to \$1.05. UPS meanwhile has increased its forecast for the full trading year from \$3.30 to \$3.45 per share, based on improving demand in overseas markets... The **US Postal Service** (USPS) reported a net loss of \$3.5 billion for the third quarter ending June 30, up from \$2.4 billion for the same quarter last year. The USPS has made net losses in 14 of its last 16 fiscal quarters. The 2010 year-to-date net loss is \$5.4 billion, up from \$4.7 billion in the same period last year. Operating revenue fell \$294 million to \$16 billion while operating expenses rose \$789 million to \$19.5 billion, an increase of 4.2 percent. A hike in workers' compensation expenses and higher retiree health costs prompted the increase. Joseph Corbett, USPS CFO, said he was uncertain whether current cash flow and a \$3 billion borrowing facility would be enough to make a \$5.5 billion health benefit payment in September and retain sufficient liquidity into 2011... **Atlas Air Worldwide Holdings** (AAWW) reported a 188 percent increase in its second quarter



2010 net profit to \$32.7 million on revenues of \$356.2 million. Pretax results for the second quarter ending June 30 included a \$17.4 million settlement provision with the **US Department of Justice** in its ongoing investigation into alleged cargo price fixing. For the first six months of 2010, AAWW had a net income of \$66.4 million on revenues of \$651.4 million... **Airports Council International** (ACI), representing the world's airports, said global freight volumes have grown by over 20 percent for the seventh month in a row. June results show that Shanghai, Hong Kong, Frankfurt, Miami, Incheon and Dubai grew by more than 25 percent compared to the same month last year. ACI said total freight tonnage in the first six months of 2010 was higher than in the first half of 2008, before the global recession. Andreas Schimm, ACI director of economics, noted that "suggest there is still some way to go to overcome the effects of the downturn on airfreight"... **The International Air Cargo Association** (TIACA) has launched an online Air Logistics Network to encourage membership dialog and interaction. Additional functionality will include the ability to make meetings with other community members throughout the year. **RCW**

SkyTeam Cargo Celebrates 10 Years



10,000 EMPLOYEES, OVER 10,000 FLIGHTS A DAY, 130 COUNTRIES:
ALL SYNCHRONIZED.

With SkyTeam Cargo, the world's leading carriers come together to form the only Cargo alliance offering you the largest global network. With over 10,000 daily flights spanning all continents and 10,000 people working for the alliance, we make sure your cargo gets to where it needs to be in the quickest and smoothest manner.

For further information, as well as e-tracking for your cargo, please visit skyteamcargo.com

OUR PEOPLE MAKE
THE DIFFERENCE



Airline revenue management systems: handle with care

As *Air Cargo World* publishes its annual list of top 50 cargo carrying airlines, courtesy of IATA, the volatility of the past 18 months has played havoc with traffic forecasting. So is it time then for airlines to turn off the demand forecast functionality in their revenue management (RM) systems? Do RM systems overall have to be reconsidered, or reconfigured?

“Demand forecasting is based on historic trends. When you’re in uncharted territory, you can only use that for information, but you have to put a reality check on it,” remarks Ram Menen, senior vice president of cargo at Emirates Airlines.

On the other hand, most carriers operate with rather short forecasting horizons. Unlike on the passenger side, where bookings may be months out, the significantly shorter booking cycle for air cargo means that most carriers forecast seven or 14 days ahead, says Bill Kotrba, director of industry strategy at JDA Software. Prior to joining the software provider, Kotrba had headed revenue management at Northwest Airlines Cargo.

“There is no need to have a forecasting horizon of six months or more for space that is selling on the free market,” he adds.

At many carriers, RM actually amounts to little more than capacity management. Some large operators have advanced significantly further, but most have got no further than revenue forecasting and hurdle rates, observes Kotrba.

This puts the majority of airlines at the lower rungs of stage two of a fully-fledged revenue management system. While the first stage consists of capacity management, the second is built around forecasting, whereas the third level extends to real-time booking evaluation and revenue optimization.

The capacity management element faces no serious opposition among airline staff. “For a belly carrier that’s pretty close to picking up money that is lying on the ground. It’s straightforward,” Kotrba says.

However, even this relatively straightforward element is hampered by complexity and ambiguity that does not exist on the passenger side of the business. The data available at booking are usually not good enough to optimize loads, as they tend to leave many questions unanswered. “The practicality of loading is not taken into consideration,” warns Menen. “The forwarder tells you it’s five cubic meters, but you don’t know how it’s packed. It could be a half pallet, or a full pallet. Maybe your density is right but the loading efficiency is zilch.”

Owing to the complexity of the cargo business, airlines have made far better progress with the implementation of RM on the passenger side. The history of proliferation of RM in the passenger business suggests that it takes a few years of valid and reliable booking data to allow for a reliable forecasting process, but the very complexity of RM in the cargo sector, alongside trenchant misgivings about RM systems, presents some formidable barriers to their implementation.

“There is no need to have a forecasting horizon of six months or more for space that is selling on the free market.”

Above all, sales and marketing staff are wary of the potential ramifications of RM systems. In a paper produced three years ago on the complexity surrounding an RM strategy, Bjoern Becker, director of production control at Lufthansa Cargo who was then responsible for the development of the order and margin management IT systems at the carrier, stated that “the only way to handle those complexities is an efficient, IT-supported workflow”.

A white paper on RM in air cargo produced by IBS Software Services, provider of iCargo, came to similar conclusions. Its authors found that “the success of RM in air cargo centers on systemic process re-engineering in marketing and sales, rate establishment and capacity control”.

To many airline sales executives, this translates as ‘big brother is going to watch and control every one of your moves and will force you to go rigidly by the book and take away your ability



Korean keeps its place at the top of the cargo rankings

to make calls based on your experience and knowledge of the market’.

Hurdle rates are a popular battleground. As a senior executive from a software provider observed, one highly sensitive area is how much leeway individual managers have. Can a regional or local manager deviate more than five percent from the set pricing?

“It is a challenge because for some airlines it is a change in doing business,” says Kotrba. How difficult it is for a carrier to align its processes with the RM system varies by airline, depending on in how far it already has a culture of discipline with pricing and booking in place, he adds.

Many balk at the perceived straightjacket. “Most carriers want to maximize loads but not interfere with their sales,” observes Dirk Steiger, principal of Frankfurt-based air cargo research consultancy Aviainform. “There is concern that the computer takes over your business steering.”

Again, the complexity of the air cargo business is often deployed as an argument against RM systems. “Does your system know that somebody has recently put a freighter into the market and two bellyhold carriers have gone out?” one observer asks. “And what about cargo that is trucked out of an airport to another gateway in a different country?”

Kotrba argues that RM systems can pick up those factors fairly quickly and added that JDA’s offering has ample tools to override set parameters, something that is requested by virtually all airline sales managers.

Allotments form another large battleground. The IBS white paper on RM identifies the prevention of unprofitable behavior driven around long-term contracts and of maintaining excessive inventory levels blocked for sale as key benefits of a full-scale RM system. Quite a few sales managers sense a potentially cataclysmic scenario in this, where an RM system

throws out a shipment from a key client in favor of a one-time booking offering higher yield on one particular flight.

According to Kotrba, there are tools that allow airlines to accommodate their strategic customers within RM. “It’s up to the carrier how much they want to block out to their favorite customers. The challenge comes when the system wants to reject an ad hoc shipment from a big customer who holds a lot of pre-allocated space. From a system perspective this is not difficult. You can put in settings to identify that customer and set parameters, but for your business processes it’s challenging. It amounts to turning away a higher value transaction to give a favorite customer a discount,” he says.

“Often that is the right long-term decision. But with this, now at least you know the value of the shipment you turned away to take the extra shipment from a big customer. In

Scheduled Freight Tonne-Kilometers

International			Domestic			Total		
Rank	Airline	Millions	Rank	Airline	Millions	Rank	Airline	Millions
1	Korean Air (1)	8,225	1	Federal Express (1)	7,947	1	Federal Express (1)	13,756
2	Cathay Pacific Airways (2)	7,722	2	UPS Airlines (2)	4,694	2	UPS Airlines (2)	9,189
3	Lufthansa (3)	6,660	3	China Southern Airlines (3)	1,103	3	Korean Air (3)	8,284
4	Singapore Airlines (4)	6,455	4	Air China (4)	841	4	Cathay Pacific Airways (4)	7,722
5	Emirates (6)	6,369	5	China Eastern Airlines (6)	698	5	Lufthansa (5)	6,668
6	Federal Express (5)	5,808	6	All Nippon Airways (8)	423	6	Singapore Airlines (6)	6,455
7	China Airlines (10)	4,903	7	Japan Airlines (7)	412	7	Emirates (7)	6,369
8	Air France (7)	4,672	8	Northwest Airlines (5)	404	8	China Airlines (10)	4,903
9	Cargolux (8)	4,652	9	Hainan Airlines (12)	373	9	Air France (8)	4,675
10	UPS Airlines (9)	4,495	10	United Airlines (10)	370	10	Cargolux (9)	4,652
11	British Airways (11)	4,335	11	American Airlines (9)	301	11	British Airways (11)	4,340
12	KLM (12)	3,960	12	Shenzhen Airlines (14)	285	12	KLM (12)	3,960
13	EVA Air (13)	3,629	13	Shanghai Airlines (13)	239	13	EVA Air (14)	3,629
14	Asiana Airlines (15)	3,122	14	Delta Air Lines (11)	235	14	Air China (15)	3,330
15	Japan Airlines (14)	2,834	15	Qantas Airways (17)	179	15	Japan Airlines (13)	3,245
16	Air China (16)	2,489	16	Xiamen Airlines (18)	152	16	Asiana Airlines (16)	3,137
17	LAN Airlines (18)	2,284	17	Aeroflot Russian Airlines (20)	151	17	China Eastern Airlines (20)	2,406
18	Qantas Airways (21)	2,202	18	TAM Airlines (19)	149	18	Qantas Airways (24)	2,381
19	Thai Airways (19)	2,047	19	Transaero Airlines (25)	143	19	LAN Airlines (21)	2,328
20	Malaysia Airlines (17)	2,031	20	Continental Airlines (16)	140	20	American Airlines (17)	2,143
21	Qatar Airways (26)	1,968	21	Sichuan Airlines (15)	138	21	Thai Airways (23)	2,080
22	American Airlines (20)	1,842	22	Garuda Indonesia (22)	110	22	Malaysia Airlines (18)	2,064
23	Nippon Cargo Airlines (23)	,828	23	China Cargo Airlines (27)	103	23	United Airlines (19)	2,048
24	China Eastern Airlines (24)	1,708	24	Air Canada (21)	101	24	Qatar Airways (29)	1,968
25	United Airlines (22)	1,678	25	Hawaiian Airlines (-)	96	25	All Nippon Airways (25)	1,920
26	All Nippon Airways (27)	1,498	26	Vietnam Airlines (28)	94	26	Nippon Cargo Airlines (26)	1,828
27	Etihad Airways (32)	1,412	27	Shandong Airlines (29)	84	27	China Southern Airlines (27)	1,678
28	Delta Air Lines (29)	1,348	28	Siberia Airlines (23)	80	28	Delta Air Lines (28)	1,583
29	Virgin Atlantic (28)	1,330	29	Air India (26)	78	29	Northwest Airlines (22)	1,581
30	China Cargo Airlines (30)	1,316	30	Jet Airways (24)	71	30	China Cargo Airlines (31)	1,419
31	Volga-Dnepr Airlines (34)	1,257	31	Corsair (30)	69	31	Etihad Airways (33) 1	,412
32	Northwest Airlines (25)	1,177	32	Alaska Airlines (31)	66	32	Virgin Atlantic (30)	1,330
33	Saudi Arabian Airlines (31)	1,072	33	Saudi Arabian Airlines (32)	65	33	Volga-Dnepr Airlines (38)	1,257
34	Air Canada (35)	1,015	34	Korean Air (33)	59	34	Saudi Arabian Airlines (32)	1,138
35	SWISS (33)	998	35	US Airways (35)	48	35	Air Canada (35)	1,116
36	Continental Airlines (36)	969	36	Philippine Airlines (36)	46	36	Continental Airlines (34)	1,109
37	IBERIA (37)	915	37	LAN Airlines (38)	43	37	SWISS (36)	999
38	Air New Zealand (38)	770	38	IBERIA (34)	43	38	IBERIA (37)	958
39	Turkish Airlines (45)	703	39	Atlas Air (125)	43	39	Air New Zealand (39)	770
40	South African Airways (39)	598	40	South African Airways (37)	34	40	Turkish Airlines (45)	720

International			Domestic			Total		
Rank	Airline	Millions	Rank	Airline	Millions	Rank	Airline	Millions
41	China Southern Airlines (40)	575	41	Vladivostok Air (43)	34	41	Jet Airways (41)	635
42	TNT Airways (47)	575	42	Malaysia Airlines (39)	33	42	South African Airways (40)	632
43	Jet Airways (44)	564	43	Thai Airways (41)	33	43	TNT Airways (48)	575
44	European Air Transport (42)	540	44	Kingfisher Airlines (-)	32	44	European Air Transport (43)	540
45	Finnair (43)	484	45	PIA (40)	28	45	Hainan Airlines (53)	495
46	El Al Israel Airlines (41)	440	46	Aeromexico (42)	26	46	Finnair (44)	484
47	Gulf Air (50)	437	47	Continental Micronesia (44)	22	47	Air India (46)	474
48	Air India (48)	396	48	UT Air (45)	18	48	El Al Israel Airlines (42)	440
49	Alitalia (-)	368	49	Turkish Airlines (47)	17	49	Gulf Air (50)	437
50	Austrian (49)	355	50	Asiana Airlines (46)	15	50	Aeroflot Russian Airlines (52)	373

Scheduled Freight Tonnes Carried

International			Domestic			Total		
Rank	Airline	Thousands	Rank	Airline	Thousands	Rank	Airline	Thousands
1	Federal Express (1)	1,667	1	Federal Express (1)	4,731	1	Federal Express (1)	6,399
2	Emirates (4)	1,473	2	UPS Airlines (2)	2,761	2	UPS Airlines (2)	4,123
3	Korean Air (3)	1,421	3	China Southern Airlines (3)	716	3	Korean Air (3)	1,572
4	UPS Airlines (2)	1,362	4	Air China (5)	563	4	Emirates (5)	1,473
5	Cathay Pacific Airways (5)	1,304	5	China Eastern Airlines (6)	502	5	Cathay Pacific Airways (6)	1,304
6	Singapore Airlines (6)	1,106	6	Japan Airlines (4)	454	6	United Airlines (4)	1,273
7	China Airlines (9)	1,047	7	All Nippon Airways (7)	426	7	Singapore Airlines (7)	1,106
8	United Airlines (7)	1,043	8	United Airlines (8)	230	8	China Airlines (10)	1,047
9	Lufthansa (8)	964	9	Hainan Airlines (9)	226	9	Japan Airlines (9)	1,012

chill out

Proven logistics solutions to Afghanistan since 2006 - go to www.coyneair.com

coyne
Airways

peace of mind deliveries to difficult places - Tel: + 44 (0) 207 605 6860



The new Airbus A330-200F is the freighter your aircargo business needs. Based on the continuously improved and updated Airbus A330, the A330-200F has profitability, reliability, versatility and eco-efficiency designed-in. With a payload of 70 tonnes and a range of up to 4,000 nautical miles, it can redraw your bottom line. You'll see 15% Cash Operating Cost savings per tonne of revenue payload over the 767-300ERF. And with the lowest noise levels and CO₂ emissions on the market today, you'll have an assured platform for growth. **The A330-200F. The right aircraft, right now.**



Now open for business.

New Standards. Together



featurefocus Top 50 Airlines

International			Domestic			Total		
Rank	Airline	Thousands	Rank	Airline	Thousands	Rank	Airline	Thousands
10	Cargolux (10)	714	10	Shenzhen Airlines (12)	191	10	Lufthansa (8)	987
11	Asiana Airlines (16)	675	11	Shanghai Airlines (10)	175	11	China Eastern Airlines (12)	894
12	British Airways (13)	662	12	Korean Air (11)	150	12	Air China (11)	886
13	European Air Transport (12)	658	13	Sichuan Airlines (15)	147	13	China Southern Airlines (14)	810
14	Air France (11)	657	14	Xiamen Airlines (18)	124	14	All Nippon Airways (16)	751
15	EVA Air (14)	609	15	Qantas Airways (14)	122	15	Asiana Airlines (18)	715
16	Japan Airlines (15)	558	16	TAM Airlines (17)	121	16	Cargolux (13)	714
17	LAN Airlines (19)	533	17	Garuda Indonesia (20)	119	17	British Airways (19)	663
18	KLM (17)	513	18	Northwest Airlines (13)	107	18	Air France (15)	662
19	Thai Airways (18)	488	19	Delta Air Lines (19)	100	19	European Air Transport (17)	658
20	Qatar Airways (23)	455	20	American Airlines (16)	95	20	EVA Air (20)	609
21	China Eastern Airlines (22)	392	21	Vietnam Airlines (23)	88	21	LAN Airlines (23)	555
22	Malaysia Airlines (20)	381	22	Shandong Airlines (26)	77	22	Thai Airways (22)	539
23	Etihad Airways (27)	347	23	Air India (22)	71	23	KLM (21)	513
24	All Nippon Airways (26)	326	24	China Cargo Airlines (24)	68	24	Qatar Airways (27)	455
25	Air China (21)	324	25	Jet Airways (21)	68	25	Malaysia Airlines (24)	415
26	China Cargo Airlines (28)	303	26	Kingfisher Airlines (-)	61	26	Qantas Airways (28)	387
27	Nippon Cargo Airlines (29)	290	27	Philippine Airlines (25)	61	27	American Airlines (26)	374
28	American Airlines (25)	280	28	Saudi Arabian Airlines (27)	57	28	China Cargo Airlines (29)	371
29	Qantas Airways (32)	265	29	Thai Airways (31)	51	29	Etihad Airways (31)	347
30	Saudi Arabian Airlines (30)	244	30	Alaska Airlines (29)	47	30	Northwest Airlines (25)	335
31	Northwest Airlines (24)	227	31	Continental Airlines (30)	45	31	Saudi Arabian Airlines (30)	300
32	TNT Airways (35)	203	32	Air Canada (28)	45	32	Nippon Cargo Airlines (33)	290
33	Turkish Airlines (39)	197	33	Asiana Airlines (33)	40	33	Delta Air Lines (32)	276
34	SWISS (33)	190	34	IBERIA (32)	37	34	Hainan Airlines (41)	241
35	Dragonair (31)	185	35	Aeroflot Russian Airlines (40)	35	35	Turkish Airlines (40)	230
36	Virgin Atlantic (34)	182	36	Malaysia Airlines (34)	34	36	TNT Airways (38)	203
37	Delta Air Lines (37)	176	37	Turkish Airlines (37)	33	37	Shenzhen Airlines (46)	195
38	Volga-Dnepr Airlines (43)	152	38	South African Airways (35)	30	38	SWISS (35)	194
39	IBERIA (38)	152	39	PIA (36)	28	39	IBERIA (36)	189
40	Air Canada (40)	143	40	Siberia Airlines (38)	27	40	Air Canada (39)	187
41	Gulf Air (42)	137	41	Hawaiian Airlines (-)	27	41	Dragonair (34)	185
42	DHL International (36)	128	42	US Airways (41)	23	42	Shanghai Airlines (42)	185
43	Continental Airlines (41)	125	43	Transaero Airlines (45)	23	43	Virgin Atlantic (37)	182
44	Jet Airways (48)	104	44	Lufthansa (39)	22	44	Jet Airways (45)	172
45	Air New Zealand (44)	102	45	LAN Airlines (43)	22	45	Continental Airlines (43)	170
46	China Southern Airlines (46)	94	46	Aeromexico (44)	18	46	Garuda Indonesia (48)	157
47	El Al Israel Airlines (45)	88	47	AVIANCA (42)	17	47	Volga-Dnepr Airlines (55)	152
48	Kuwait Airways (52)	84	48	Jet Lite (India) Ltd (52)	13	48	Sichuan Airlines (50)	147
49	South African Airways (49)	81	49	Iran Air (50)	11	49	Air India (47)	140
50	Finnair (50)	79	50	UT Air (49)	11	50	Gulf Air (49)	137

“We will automate to a certain extent, but there will be elements where human beings will make the call.”



Cathay moves up to second spot

the past you would have just taken it without knowing how much it was costing you,” he continues.

“It can be a point of leverage when you negotiate future rates with that customer.”

He says that there are also tools to deal with directional imbalances but, like the management of allotments, these are the next frontier for most airlines. Overall, he stresses the flexibility of RM systems to allow human intervention and an abundance of mechanisms to override RM parameters at various levels. At the end of the day, even those airlines that have more readily embraced technology are not prepared to allow their RM set-up to operate on auto-pilot.

“We will always have human decisions going in there. We will automate to a certain extent, but there will be elements where human beings will make the call,” Menen says. “We use automation to get information on a real-time basis.”

In his paper, Becker outlined a similar approach for Lufthansa Cargo. “The aim is to automate as many simple decisions as possible, and support

the decision maker with reasonable and transparent forecasts wherever possible so that the manual decisions can be concentrated on the increasing number of complex problems and trade-offs in order to maximize the profitability of flight events, round trips and the whole air cargo network,” he concluded.

JDA is well aware of this stance. The promotional material about its

RM optimizer emphasizes its value for decision support. The appetite for this appears not to have been dented by the savage downturn of 2009, Kotrba says.

He declares himself unaware of any carrier having reversed its view about RM or stopped it. “We continued to see slow and steady adoption of more sophisticated RM, even in the downturn,” he says. **ACW**

Amsterdam (AMS) – Gabon (Libreville?)

Power Generation Equipment
1 - 732cm x 253cm x 310cm - 605t

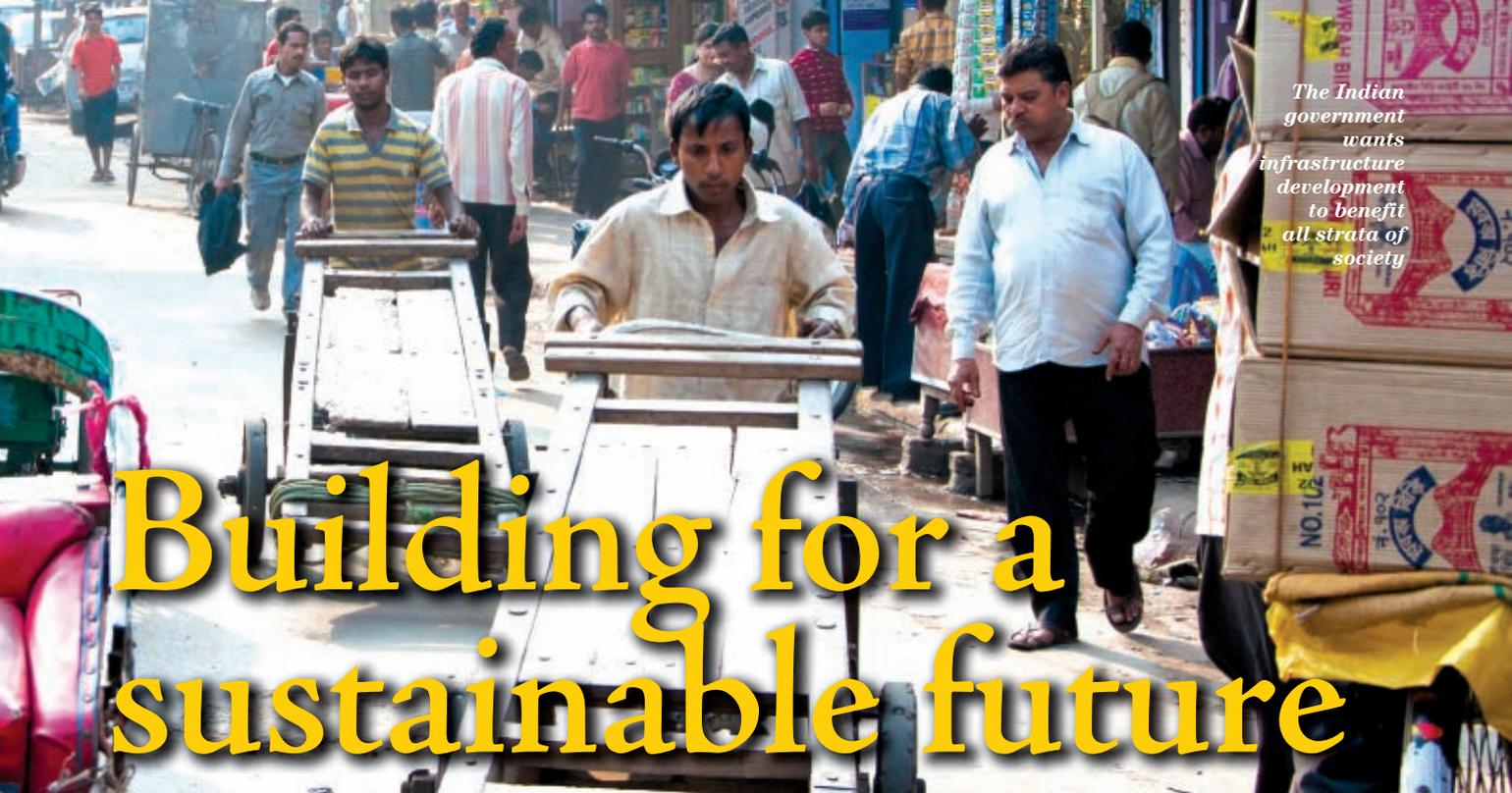
Insurance?? + Shippers' Declaration???

185 km... How to Get to the Airport?

Road Permission? Airport Passes??
Crane Hire? Highloader?

How to Offload in Africa?
Is There any Ground Equipment???

VOLGA-DNEPR AIRLINES
Full Range Unique Cargo Logistics Services
ВОЛГА ДНЕПР
+44 1279 661166
logistics@volga-dnepr.co.uk



The Indian government wants infrastructure development to benefit all strata of society

Building for a sustainable future

When you close your eyes and think of India, what image does it evoke? Only a few decades ago, almost certainly elephants, snake charmers and the Taj Mahal. But in 2010, India is seen as the second fastest growing economy in the world, a global call center, IT superpower and an increasingly attractive medical tourism destination all rolled into one. Despite its apparent chaos and corruption, it is also a vibrant democracy abiding by the rule of law.

The opposite side of the coin is that India still leads in the number of people living in absolute poverty, and of malnourished children. Its people have poor access to a host of basic services – healthcare, education, power and transport.

While India still lives in villages – its population is about 65 percent rural – urban India provides significantly more opportunities, resulting in huge migration into cities whose infrastructure cannot seem to cope.

Indian policy-makers believe that GDP growth rates of 8 percent and above for several years are essential if the country is to generate the resources to overcome the challenges of poverty and underdevelopment. “Inclusive” growth is their mantra.

But how does India achieve this in a manner that is environmentally sustainable, equitable and just? It is clear that for the country to sustain its growth, more roads, ports, airports, power plants, water and sanitation infrastructure must be built.

The current infrastructure, groaning under the weight of growing demand, needs to be built very quickly if this growth momentum is to be maintained. It only takes a few flights in India to appreciate that its airports are grossly inadequate. Lack of runways, landing slots and parking bays makes for severe congestion.

India’s financial capital, Mumbai, desperately needs a second airport but the chosen site has not yet been given the necessary environmental clearances. However, there is good news too. The recently commissioned airports in Hyderabad, Bangalore and Kochi and the new terminal in Delhi have exploited state-of-the-art, sustainable building technologies to resolve some of these issues.

Land acquisition is perhaps the single biggest cause of project delays in India. Tata Motors created a global

storm when it announced its Nano car, priced at \$2,500. But the company did not anticipate the storm it would create when it decided to locate its plant at Singur near the historic city of Kolkata. After several months of negotiations to acquire land for the project, which sometimes turned to violent protest, the company had to relocate the plant and its first car rolled out almost a year late.

Much of the land required for infrastructure projects is occupied and supports agricultural livelihoods, or comprises crucial natural ecosystems. Acquiring land requires winning environmental approvals and permission from people occupying or using the space.

This is proving increasingly difficult, and India’s track record is poor. Since independence, infrastructure projects have displaced over 60 million people of whom fewer than a quarter have been resettled satisfactorily. Infrastructure, meant to be a tool of development, has often been its greatest enemy.

Tata Motors is not the last company to struggle with land acquisition. The

“Infrastructure needs to be built quickly to maintain this growth momentum.”

Korean steel major, POSCO, has been struggling for several years and Norsk Hydro finally gave up on its attempts to build a bauxite refinery.

Interestingly, greenfield airport projects have pointed a way forward. Kochi is often held up as an example of how participative, sustained and flexible community engagement can actually provide the license to operate, with displaced communities sharing the benefits.

Yet human rights violations to which construction workers are routinely subjected are a recurrent issue. Witness the infrastructure that India's capital, New Delhi, is building to host the Commonwealth Games of 2010, a gathering of athletes from former British colonies that happens every four years and seen by many as rather irrelevant these days.

Activists have pointed out that minimum wages have not been paid, and worker safety has been ignored. The housing and related infrastructure meant for the thousands of migrant workers who are building the facilities is woefully inadequate. What India will proudly showcase to international visitors has been built literally built on the blood, sweat and tears of its less fortunate citizens.

India is undoubtedly at an interesting crossroads. Having lived with shortages since time immemorial, Indians intuitively save, re-use and recycle. Street food for instance not only is extremely tasty, it also provides excellent reading material because it is typically packed in an old newspaper or pages from a notebook. Cows are holy not only for religious reasons but simply because everything they produce is useful – the milk provides nutrition, the skin leather and dung as a fuel – so it makes little sense to kill them for meat.

The million-dollar question is whether India can keep its sustainability instincts alive while it paves the way for the future. Or will its growth imperatives cause the country to mimic the resource-intensive ways of the developed world? **ACW**

Red tape still hampering market

Capacity was still being added to the Indian air-freight market through the third quarter of 2009, despite the global downturn. Kingfisher Airlines and Jet Airways had started international services and freighter operators diverted there because of the fall in China traffic.

“But once China picked up again, a lot of this capacity disappeared and Indian carriers couldn't fulfill their ambitious expansion plans. So as the market recovered, one of the world's strongest exporting nations suddenly couldn't get products out,” says Carsten Hernig, general manager India for Lufthansa Cargo (LC).

Particular delays arose in March as India reached the end of its financial year and garment manufacturers were anxious to ship stock out. But exports have stayed strong since, Hernig says.

Imports are also on the increase. “As factories set up, they need machinery and raw materials. India's 1.2 billion people also have more buying power and are in the market for consumer goods.”

LC has larger, more cargo-friendly aircraft serving Hyderabad, Bangalore and Chennai, and is also marketing Austrian Airlines' capacity. “Austrian was serving Mumbai and Delhi each six times a week. Mumbai was suspended during the downturn but returns in October after a year,” Hernig says.

B777-300s, offering an increased payload and nine pallet positions instead of six, came into operation this month on BA World Cargo's Mumbai and Delhi services. The new aircraft will be rolled out quickly across the rest of India, says Matt Burton, regional commercial manager, Middle East and South Asia.

The carrier also operates scheduled freighters via India, mainly westbound to the UK and calling at Chennai and Delhi from originating airports such as Shanghai and Dhaka. BAWC has also run frequent charters to Mumbai and Bangalore in the last three months.

Mumbai's scheduled freighter capacity was shifted to Chennai during the downturn. “Chennai is a strong production hub, with the likes of Nokia, Siemens, GE and Caterpillar based there,” Burton says. “Production is increasing and changing. Hyundai a few years ago was making components, now it's whole cars. Nokia has migrated from producing components to complete handsets.”

Kolkata came offline as a passenger destination in March 2009 and BAWC now feeds this cargo to Delhi or via the Middle East through inter-line partners. The volcanic ash cloud

that shut European airspace for a week had no long-term effect on cargo, Burton says, simply stimulating demand for premium traffic when services began again. Nor has BA been forced to cancel any flights from India during its long-running cabin crew dispute. Indeed this has played into the hands of the cargo division, as some passenger

aircraft operated purely as freighters or carried fewer passengers and therefore had more space for cargo.

Italian all-cargo airline Cargoitalia sees “good potential to reinstate direct freight services” between Italy and India. Roberto Gilardoni, commercial director, says the carrier is now going through the authorization process and has begun the search for a GSSA, with a view to a possible start-up in January 2011.

“India has always been an inter-



Burton: more capacity on 777s

esting market for Italy, both inbound and outbound,” Gilardoni says. “In the past, both Alitalia and the ‘old’ Cargoitalia had extensive coverage of the market. When this stopped in 2008-09, passenger services could only accommodate part of the demand. Most of the freight is now connected via the Middle East.

“We see Mumbai as the main origin and destination, with a variety of cargo from high-tech and automotive to textiles. We also are considering Delhi and Chennai as potential gateways.”

AF-KL Cargo also withdrew its freighters services to India almost two years ago, though partner airline Martinair operates three services a week with a B747-400F that calls at Chennai on route from Hong Kong to Sharjah and Amsterdam.

The group has ceased passenger services to Hyderabad and Chennai, but Air France and KLM still fly daily passenger wide-bodies with palletized capacity to Delhi, Mumbai and Bangalore. “So we are still present on the Indian market, even though perhaps not as powerful as we used to be,” spokesman Jean-Claude Raynaud says.

“We see strong growth in traditional commodities like garments, but also significant growth in pharma and automotive,” Raynaud says. “South India is developing particularly well, and Bangalore will be strong for the future.

“Current economic growth and investment in India is stimulating imports significantly. Imports have recovered faster from the downturn than exports, and growth from the Far East is particularly strong.”

Mumbai-based GSSA Global Aviation Services says Finnair considered adding a weekly freighter from Mumbai to its existing Delhi service, in response to the capacity squeeze between March and May.

“Finnair had some inbound tonnage and wanted to generate outbound business,” says Manuel Mendonca, executive director cargo marketing. In the end it didn’t go ahead, leaving Korean Air’s two weekly A300-600



Hernig: India must adopt e-freight

“We see strong growth in garments, pharma and automotive. South India is developing particularly well.”

freighters from Mumbai and Delhi to Frankfurt as Global’s main avenue into Europe. It sells 35 to 40 tonnes per flight, though he says rates have sunk back since their May peak.

The US lacks capacity from India, Mendonca adds. “Korean can fill its [US bound] aircraft from Southeast Asia at a better yield than they would get from Mumbai or Chennai.”

Global represents Continental and has a good allocation ex-Delhi, but is restricted from Mumbai. The GSSA also acts for Air Canada offline, and goes westbound using indigenous carriers Jet Airways and Kingfisher Airlines via London.

“Jet has good frequencies to London and Brussels. Kingfisher only serves Europe from Delhi and Mumbai after pulling its Bangalore-Heathrow service. It has not got bonded clearance from Customs so cannot bring in cargo from other points of origin,” Mendonca says. Air India introduced Paris and Frankfurt after “going gung ho with freighter conversions”, he comments, but was forced to discount

these services heavily.

India could become the ‘new China’ if it sorts out issues such as working practices, interstate taxation and infrastructure, says BAWC’s Burton. A new Mumbai airport in the neighboring city of Navi Mumbai is at least 10 years away, he believes. Mumbai’s existing airport, India’s biggest cargo gateway, is now completely surrounded by the city but Mendonca says there is “no political will” to build a replacement.

Encouraged by recent greenfield airport projects in Hyderabad and Bangalore, LC’s Hernig expects Delhi to improve when it completes a new cargo terminal in a few months, following on from its new runway and passenger terminal.

“It is generally considered that no infrastructure development has happened in India. That’s not true, though it is not comparable with China,” Hernig says. “In a democracy, you need permission to build a warehouse or a runway – you can’t just make a decision and execute it.”

All agree that red tape remains a key issue. Indian Customs does not permit unitized export freight to be delivered into airports. “There is no facility for factory stuffing. Bonded warehouses will come but it will take time to implement e-freight,” Mendonca says. “Apart from the multinationals, most agents are not comfortable with it.”

Hernig says: “Even the biggest warehouses will get saturated if processes don’t change, for example if built-up pallets cannot be delivered to the airport. Shipments can comprise many hundreds of pieces and it would be easier to maintain schedules if these could be palletized [off-site]. India must get into e-freight.”

Burton sees a more competitive environment benefiting areas such as handling, but agrees Customs processes, especially electronic reporting, are lagging behind. “The industry is pushing for change, but I’m not so sure about the authorities,” he says. **ACW**

Streamlined tax will rewrite logistics rulebook

The weak US economy does not seem to be impacting exports from India, observes Shabana Khan, airfreight director for DHL Global Forwarding India. Europe is slow, buoyed only by strong demand from Germany, but emerging markets such as Africa and Latin America are seeing significant growth.

Khan predicts 9 percent growth this year both for Indian airfreight and the same again in 2011, driven by the automotive, technology, telecoms and life sciences industries.

“State governments in South India have attracted large-scale private investment and in recent years, we have seen a migration of the supplier base. A large automotive and technology cluster is being developed around the Chennai area,” Khan says.

Airlines’ reluctance to restore capacity has forced up rates by 15 to 25 percent so far in 2010. “Come 2011, we expect another upward rate revision by 10 percent,” Khan says.

“We need additional freighter capacity, especially to service the South India to US and Europe routes. This will need to come from foreign operators as Indian carriers seem more focused on passengers. Most of the carriers are struggling financially and have seemed unwilling to invest in cargo capacity.”

A single, unified tax on goods and services (GST) to be introduced next year, eliminating different charges across India’s 28 states, will allow companies to re-examine their distribution networks, according to Oscar de Bok, senior vice president South Asia and Indo-China for DHL Supply Chain.

“The 3PL market is poised to reinvent itself. We are setting up large multi-user facilities in Tier 1 cities that will set the platform for consolidation,” de Bok says. “Large shared distribution centers offer not only strategic, operational and financial

benefits, but allow for better cost control, forecasting, inventory rationalization and synergies for consolidation in transportation.”

TNT’s regional manager for Southeast Asia and India, Onno Boots, agrees that “any multinational would now have close to one distribution center per state to avoid tax, but companies can now look at redesigning their infrastructure. It will spur road and air express business, and stimulate outsourced logistics services. There will be a different set of dynamics in deciding whether to buy from Indian companies.”



Boots: dense infrastructure needed

The tax changes will add extra gloss to an Indian logistics market that is already looking “extremely healthy, on top of 7 percent GDP growth,” Boots says.

Delhi, Mumbai and Bangalore are the company’s main international consolidation hubs. After so far relying on block space agreements, TNT is about to announce its own direct services.

“We would probably ‘sweep’ Southern India with one of our B747s to Singapore, Hong Kong or Shanghai and pass through India again on the way

back to our European hub in Liege,” Boots says.

“Delhi is heavily congested, and so too is Mumbai in terms of early morning flights departing for Europe. We can fly through secondary airports to circumvent these problems,” he says.

While Bangalore is a possible choice of hub, connecting well with Chennai, Boots hints that he may favor Hyderabad or even Nagpur in the center of India, where the government is investing in large distribution facilities.

TNT began building an overland network in India with its acquisition of Speedage in 2006. “The domestic consumption market is evenly spread across India and that requires a massive, dense infrastructure. You can’t just cover one region, as you may in some countries,” Boots says.

Most domestic air capacity in India is narrowbody and this suits parcels and documents better than large freight, which demands “more innovative solutions”. Start-up freighter airlines offer a part solution, but TNT is also increasing its use of rail. “We see India developing multimodally more than any other market I’m involved in,” Boots says.

Rene Bach-Larsen, managing director for Geodis in India, confirms that telecoms and high-end electronic investment has supplemented South India’s traditional garments business. Pharmaceutical traffic is growing fast on the western seaboard, between Mumbai and Ahmedabad, and around Hyderabad.

Exports to Sweden, Germany, France and Spain are “strongly up”, Bach-Larsen says, but the usual garment flows, following the seasonal collections, have “turned on their head” this year. “Europe stopped buying completely but then ran out of stock. We saw the same pattern in other consumer goods, and the shortfalls meant business converted to air.”

This is forcing far more cargo through India’s airports than they

were designed for. Chennai was built to handle around 300 tonnes a day but is now dealing with 550 tonnes. Loading charter aircraft out of there in May and June was “a nightmare”, Bach-Larsen says. Delhi is handling double its 500 tonnes capacity.

When carriers reduced their India schedules during the downturn, forwarders were seriously affected. “Pull out of one airport and you lose a whole region of the country. For example, Finnair pulled its Mumbai service and retained only Delhi,” Bach-Larsen says. “Bonded domestic movements in India are difficult, adding to cost and transit time. Mumbai to Delhi can take as long as Delhi to Europe.”

Restoration of capacity by Cathay Pacific, Thai Airways and FedEx has alleviated the squeeze on some routes, but Bach-Larsen points out that only Cathay, BAWC and Korean Air operate B747 freighters into Europe, plus Lufthansa with its MD-11s.

Imports underpin India’s growth prospects, yet logistics and distribution is in its infancy, Bach-Larsen says. “The whole game will change and large logistics platforms will become viable when this tax harmonizes.”

Panalpina believes India is recovering from the global economic crisis faster than any other country. The market has not seen its traditional softening from May to September.

“This is already posing difficulties in finding capacity,” the company says. “The biggest imbalance between demand and supply is in Chennai, where market rates have been increasing by 15-20 percent per quarter since October 2009. Delhi, Mumbai and Bangalore are following the same trend.”

India is making real effort to improve its airports with new terminals, concessions for state-of-the-art perishable facilities and improved security, Panalpina says. “Bonded warehouses are becoming better equipped for storage of built cargo, and EDI systems are now coming in for quicker transmission of data between Customs, airlines, exporters, importers, forwarders and banks.” **ACW**

Air India still looking to grow long-haul network



Air India is increasing frequencies across its domestic network

The Indian government has continued bankrolling Air India (AI) through the recession in return for cost reductions. Job and wage cuts have been ruled out in the national carrier’s latest financial restructuring plan, however, and it is not expected to break even until 2015.

AI said in July, at the inauguration of Delhi’s new Terminal 3, that it would become “a fundamentally different carrier” under its turnaround plan, using its formidable primary hub to connect domestic narrow-body services to its medium-haul and long-haul wide-body network.

Domestic flights will not now use T3 until the end of September, a month behind schedule, as a result of delays to rail and road connections and problems with electrical and water supplies.

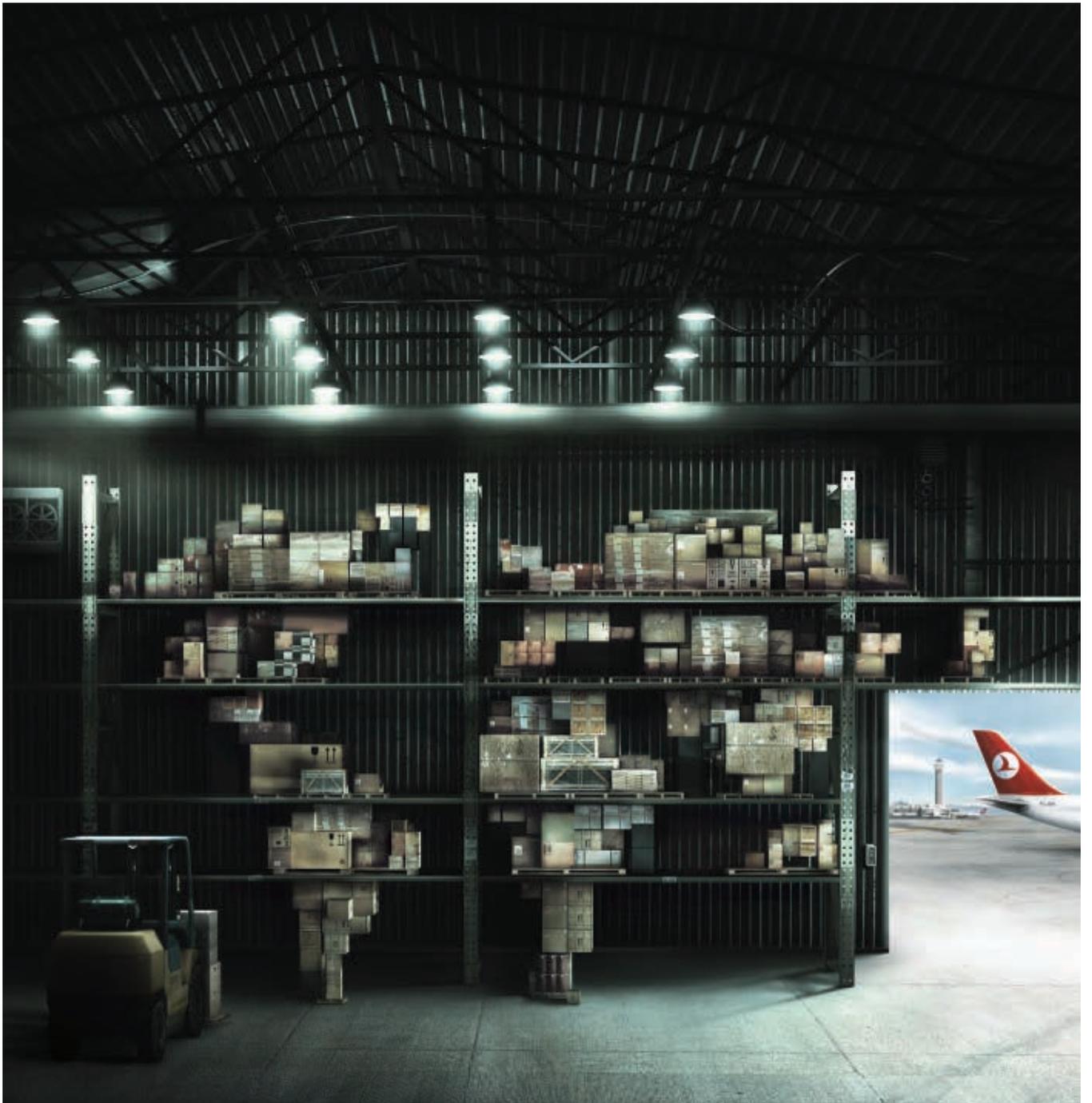
AI is launching services to Melbourne, Toronto and Chicago as well as bringing Seoul back online, taking it up to 22 international destinations. Several existing routes have seen frequencies increase, including London (now 14

flights a week), Paris (daily) and Tokyo (daily).

Domestically, AI has introduced daily non-stop services between Delhi and Goa and has increased its frequency from Delhi to major cities including Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.

Kingfisher Airlines claims to be India’s largest domestic operator, with a 21.1 percent passenger share in the April-June quarter despite a reduction in capacity. It currently offers eight international destinations – London, Hong Kong, Singapore, Dubai, Bangkok, Colombo, Dhaka and Kathmandu.

Jet Airways offers the most extensive international network of the indigenous Indian carriers, including JFK, Newark, Toronto, Brussels, London Heathrow and 10 Middle Eastern destinations. Johannesburg, served daily from Mumbai with an A330-200, was added in the first quarter and Jet entered into code-share agreements with United Airlines and Gulf Air. **ACW**



To more than 160 destinations in 5 continents.

Your cargo, our world.

One of the world's most prestigious civil aviation establishments, Turkish Airlines accepted its first official cargo load in 1936. Mainly limited in those days to postal envelopes and valuable papers, it's serving worldwide today, more than 160 international and domestic destinations, with over 130 passenger aircraft and cargo freighters.

**TURKISH
CARGO**  | *Globalize
your business*

www.TKCargo.com | +90 (212) 465 22 22

Structural shift continues in pattern of airfreight growth

According to Angela Gittens, director general of Airports Council International (ACI), last year was a tale of two opposites. During the first half, traffic continued to drop because of the global recession. By mid-

year, the slide had slowed and domestic traffic in emerging markets began to expand in part due to government stimulus — particularly in China, Brazil and India.

ACI notes a 5.1 percent drop in overall aircraft movements last year as airlines dropped routes and trimmed

2009 WORLD TOP 100 AIRPORTS BY TOTAL CARGO

Rank	City	Code	Total Cargo	% Chg
1	MEMPHIS TN	MEM	3 697 054	0.0
2	HONG KONG	HKG	3 385 313	(7.5)
3	SHANGHAI	PVG	2 543 394	(2.3)
4	INCHEON	ICN	2 313 001	(4.6)
5	PARIS	CDG	2 054 515	(9.9)
6	ANCHORAGE AK*	ANC	1 994 629	(15.0)
7	LOUISVILLE KY	SDF	1 949 528	(1.3)
8	DUBAI	DXB	1 927 520	5.6
9	FRANKFURT	FRA	1 887 686	(10.6)
10	TOKYO	NRT	1 851 972	(11.8)
11	SINGAPORE	SIN	1 660 724	(11.9)
12	MIAMI FL	MIA	1 557 401	(13.8)
13	LOS ANGELES CA	LAX	1 509 236	(7.4)
14	BEIJING	PEK	1 475 649	8.1
15	TAIPEI	TPE	1 358 304	(9.0)
16	LONDON	LHR	1 349 571	(9.2)
17	AMSTERDAM	AMS	1 317 120	(17.8)
18	NEW YORK NY	JFK	1 144 894	(21.2)
19	CHICAGO IL	ORD	1 047 917	(17.1)
20	BANGKOK	BKK	1 045 194	(10.9)
21	GUANGZHOU	CAN	955 270 3	9.3
22	INDIANAPOLIS IN	IND	944 805	(9.2)
23	NEWARK NJ	EWR	779 642	(12.1)
24	TOKYO	HND	779 118	(8.3)
25	LUXEMBOURG	LUX	628 667	(20.2)
26	OSAKA	KIX	608 876	(28.0)
27	SHENZHEN	SZX	605 469	1.2
28	KUALA LUMPUR	KUL	601 620	(9.9)
29	DALLAS/FORT WORTH TX	DFW	578 906	(11.3)



Hong Kong remains the world's clear number two airport

Rank	City	Code	Total Cargo	% Chg
30	MUMBAI	BOM	566 368	1.3
31	ATLANTA GA	ATL	563 139	(14.1)
32	COLOGNE	CGN	552 363	(4.5)
33	BOGOTA	BOG	512 842	(11.4)
34	DOHA	DOH	511 983	14.7
35	LEIPZIG	LEJ	507 195	18.0
36	OAKLAND CA	OAK	491 138	(21.0)
37	LIEGE	LGG	482 118	(7.0)
38	NEW DELHI	DEL	473 218	5.3
39	JAKARTA	CGK	446 245	(8.1)
40	TORONTO ON	YYZ	439 130	(9.2)
41	SHANGHAI	SHA	439 072	5.6
42	PHILADELPHIA PA	PHL	433 439	(14.5)

excessive capacity in an effort to stabilize their service offerings.

“The vertiginous drops in freight traffic seen in the first months of the year provided a clear sign of global economic stress. The reversal of that downward spiral later in the year could not make up for such steep losses. As a result, traffic for the year

dropped by an average of 7.9 percent,” says Gittens.

ACI’s latest Top 50 Airports table shows Memphis once again the largest domestic cargo hub in the world followed by Louisville. Memphis even produced marginal growth in 2009 (+0.1 percent) and Louisville only dropped by 1.3 percent. Beijing

gained 16 percent to become the third largest domestic cargo hub in the world replacing Indianapolis, USA (-6.5 percent).

Despite a 7.7 percent fall, Hong Kong remains the world’s largest international cargo hub followed by Incheon (-5 percent). Dubai grew 6 percent last year and moved up five

Charts source: ACI WORLD data

Rank	City	Code	Total Cargo	% Chg
43	SHARJAH	SHJ	421 395	15.5
44	BRUSSELS	BRU	411 690	(33.0)
45	SAN FRANCISCO CA	SFO	408 102	(17.1)
46	HONOLULU	HNL	387 566	(5.6)
47	SÃO PAULO	GRU	382 722	(19.5)
48	ABU DHABI	AUH	382 523	7.5
49	ISTANBUL	IST	381 174	6.0
50	CHENGDU	CTU	377 231	0.8
51	HOUSTON TX	IAH	372 662	
52	ONTARIO CA	ONT	354 691	(18.8)
53	MANILA	MNL	349 243	(0.8)
54	MILAN	MXP	344 047	(17.3)
55	BAHRAIN	BAH	342 734	(7.3)
56	MADRID	MAD	331 422	(7.9)
57	MEXICO CITY	MEX	325 452	(14.9)
58	COPENHAGEN	CPH	312 179	(10.1)
59	MADRAS	MAA	306 508	9.8
60	WASHINGTON, DC	IAD	292 769	(12.3)
61	EAST MIDLANDS	EMA	287 761	(2.3)
62	CAIRO	CAI	285 839	2.6
63	ZURICH	ZRH	275 421	(10.7)
64	TEL-AVIV	TLV	274 201	(17.3)
65	SEATTLE WA	SEA	269 689	(7.3)
66	NAIROBI	NBO	263 070	(12.5)
67	NAHA	OKA	259 235	4.7
68	KUNMING	KMG	258 767	10.0
69	SANTIAGO	SCL	255 789	(14.3)
70	JOHANNESBURG	JNB	252 063	(19.5)
71	BOSTON MA	BOS	247 782	(12.1)

Rank	City	Code	Total Cargo	% Chg
72	FUKUOKA	FUK	245 230	(10.5)
73	TOLEDO OH	TOL	241 472	(31.9)
74	SAPPORO	CTS	235 764	(11.0)
75	LIMA	LIM	232 374	(2.8)
76	MUNICH	MUC	229 095	(11.8)
77	HANGZHOU	HGH	226 308	7.4
78	DENVER CO	DEN	224 375	(10.6)
79	PHOENIX AZ	PHX	223 664	(10.7)
80	JEDDAH	JED	217 999	3.0
81	LONDON	STN	214 502	(7.5)
82	RIYADH	RUH	206 112	(6.4)
83	NANJING	NKG	200 096	6.6
84	AUCKLAND	AKL	198 979	(3.8)
85	VANCOUVER BC	YVR	198 422	(6.3)
86	VIENNA	VIE	198 407	(1.5)
87	KUWAIT	KWI	198 292	9.2
88	SAN JUAN	SJU	198 203	(9.2)
89	XIAMEN	XMN	196 039	0.3
90	MINNEAPOLIS MN	MSP	189 690	(18.7)
91	CHONGQING	CKG	186 006	16.1
92	CAMPINAS	VCP	184 746	(22.7)
93	PORTLAND OR	PDX	178 720	(19.2)
94	LAGOS	LOS	175 828	9.4
95	JEJU	CJU	163 945	3.8
96	BANGALORE	BLR	162 875	(2.0)
97	HANOI	HAN	162 746	16.5
98	BUENOS AIRES	EZE	162 745	(20.8)
99	DETROIT MI	DTW	161 886	(23.2)
100	WINNIPEG MB	YWG	159 603	7.7

“The vertiginous drops in freight traffic seen in the first months of the year provided a clear sign of global economic stress.”



FedEx keeps Memphis at No. 1



Dubai International — one of the few to increase tonnage throughput last year

positions into third place — edging towards the Korean hub.

ACI says this progress was possible because traffic at all competing cargo hubs in the top 10 dropped considerably. Even Shanghai Pudong and Taipei lost 7 percent and 9 percent respectively. The only US airport in the top 10 remains Miami, which endured the biggest loss (-14 percent).

Among the few airports that expanded their cargo volume in 2009 were Lagos, Nigeria (+30 percent), Tehran, Iran (+27 percent), Leipzig, Germany (+18 percent), Hanoi, Vietnam (+16.5 percent), Sharjah, UAE (+15.5 percent) and Doha, Qatar (+15 percent).

ACI says the outlook for the year

2010 “is positive”. First-half results show strong growth in Africa, Asia Pacific, Latin America Caribbean and Middle East. Europe and North America have also returned to “moderate” growth compared to the rest of the world. Overall, this year will lead the industry back to at least pre-crisis levels suggests ACI, but the performance by region will vary significantly.

Global trade recovery has been marked by the bounce-back in air-freight volumes with an overall rise of 23.5 percent in the first six months compared to 2009.

International freight is up 2.5 percent over the same period in 2008 before the crisis took hold. These are “excellent” figures, notes ACI, in

light of the “devastating freight performance in the last quarter 2008 and first quarter 2009 when demand dropped by 30 percent and more.”

Contrary to passenger traffic, freight tonnage in Europe and North America has almost reached pre-crisis levels, indicating a broad and sustained economic recovery that should ultimately translate into renewed net passenger growth, adds the industry group.

“The crisis has left lasting traces though. In the first half of 2010, Asia Pacific pushed ahead as the world’s largest region, leaving Europe and North America behind. Asia Pacific is set to become the largest air traffic market worldwide, if not in 2010, certainly in 2011.

“This shift in market share was originally envisioned for 2015 at the earliest, but the diverging performance of these regions during 2009 and 2010 accelerated this development massively. The growth engines in Asia and Latin America have shown strong resilience during the crisis and emerge even stronger from it,” concludes ACI.

“This is good news, yet challenges remain for some regions and individual airports as the structural shift we witness right now will benefit many but not all.” ACU

Cargo Friendly Airports

COPENHAGEN

A projected 300 percent increase in air cargo volumes over the next 20 years is expected to boost the status of Copenhagen airport in Denmark as a northern European cargo hub, with traffic flows of about one million tonnes by 2029.

In order to best respond to that increased cargo activity the airport has embraced the concept of developing a dedicated cargo city on the airport.

An area on the eastern side of the airport has been designated for development as CPH Cargo City, with the potential to provide over 200,000 square metres of

warehouse and office space for logistic service providers

Lars Korup, head of cargo, says the large block of land, in addition to providing space for airlines, cargo handlers and forwarders, allows the opportunity to attract other business users.

"We are thinking here of multinational companies who may want to establish distribution hubs to service the Scandinavian market."

The airport's plans to develop the cargo city concept have received a recent boost with the provision of over 26,000 sq metres of dedicated cargo handling space adjacent to the project eastern area development.

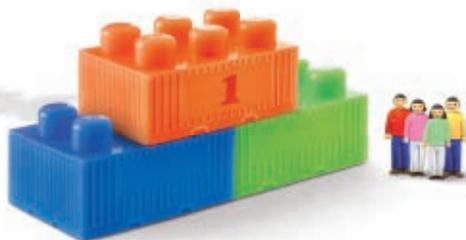
Until a year ago the building was formerly used by SAS Cargo,



but having vacated to a smaller, more manageable facility on the airport, has allowed the building to be handed back to the airport operator.



We make things fit as we fit together.



- Competitive incentives to keep your business fit
- We stay fit 24 h/365 days for you
- SEANAIRGY and multimodality – all fit in



Athens International Airport S.A. Cargo Development Department, contact us: cargo@aia.gr





Domodedovo Cargo Corporation is the largest and the most high tech air freight facility in Russia.

Domodedovo airport's share in general cargo volume handled in Moscow Aviation Hub makes 40%.

The Terminal facilities allow for handling of 600 tons of cargo per day while the average daily volume of cargo/mail handled in Domodedovo is 400 tons.

The floor space totals 13400 sqm: 7100 sqm designated for international cargo and 6300 sqm for domestic.

Domodedovo Cargo being equipped with state-of-the-art technologies and equipment provides for handling and storing of all types of cargo including dangerous goods on a 24 hours basis.

The Terminal provides customs processing services (including electronic declaring) and optional delivery of goods to any part of Moscow or Moscow Region as well as cargo transfer through Domodedovo to other Russian or foreign airports.

The main international markets for Domodedovo Cargo are the CIS States, South-East Asia, Africa, Middle East and Western Europe while domestic markets concentrated in the Russian Far East, Urals, Western and Eastern Siberia.

Currently competitive advantages are being implemented to facilitate customer friendly environment at the airport (with respect to the customs and terminal procedures).

There is an evident tendency for route network expansion in Moscow Aviation Hub. Domodedovo airport is also working actively on this particular issue which results in establishment of new segments of cargo traffic. Due to development of international transfer and transit logistic schemes Domodedovo is now open for cargo being delivered from new regions.

According to Lars Korup the building provides about 16,000 sq metres of handling and storage space which can be divided into individual modular units. "We believe this new facility will be attractive to airlines, third party handlers, truckers and GSA companies," he said.

The airport is already host to a number of Asian freighter operators, including Singapore Airlines, Korean Air, Air China and China Cargo Airlines.

"But we are still hoping to attract even more Asia freighter services, particularly from Southern China," says Lars Korup.

MOSCOW

Moscow's Domodedovo international airport has witnessed a major investment programme in recent years. This has include airport opera-

tor East Line Group giving a high priority to the provision of cargo handling facilities and associated infrastructure.

The airport's modern cargo terminal occupies around 13,000 sq. m. of warehousing and cargo handling space, able to process up to 800 tons of cargo a day.

This is said to be 10 times more than the average output of cargo terminals at any other Russian airports.

In the first six months of this year the Russian gateway handled nearly 70,000 tonnes of cargo, 30 percent up on the same period last year. It expects to handle 155,000 tonnes for the entire year a 17 percent increase on 2009.

The terminal operates 24 hours a day offering the full range of services for all types of cargo, including dangerous goods. The facility offers customs clearing services (including electronic declaration), delivery of goods to any point in



THEY ALL COME DOWN. BETTER MAKE SURE EXACTLY WHERE AND WHEN.



“What’s your cargo doing?”

In global air cargo transportation competition is strong and time is precious. Everything depends on quality, safety and efficiency of the total system between the airline and the airport. At Domodedovo International Airport all required services are in one place. That’s

why process efficiency, ground service quality and extraordinary loading speed can be guaranteed at all times — making sure where ever your cargo goes, it’s always safe and it’s always on time.



DME: Moscow’s most competitive Air Cargo Hub.

Air Bridge Cargo, Asiana Airlines, Air Berlin, Austrian, bmi, British Airways, EL AL, Emirates, Etihad, Iberia, JAL, Lufthansa, Qatar, Singapore Airlines, Swiss, S7, Transaero, TAP Portugal, Thai, Turkish Airlines, United and 60 other airlines decided to connect over 220 destinations worldwide via DME.

Visit www.domodedovo-cargo.ru/en for further information.



Happy Landings.

AirCargo World

the Moscow region, and cargo transfer to other international and domestic airports.

Customer security is a top priority at Domodedovo Moscow international airport. The airport boasts of state-of-the-art video surveil-

lance systems, as well as specialty equipment, such as a spectrometric complex. and other equipment used in the handling, storage and transportation of fissionable and radioactive materials.

To provide customers with all

necessary real-time information a self-service system is available in the cargo terminal building to provide information on status of forwarded or received cargoes. Using this resource, customers may also remotely finalize documents automatically, calculate tariffs and monitor multiple cargo status.

In the near future further development plans call for the provision of additional warehouse space, the introduction of radio frequency identification technology and creation of a computer-aided cargo space reservation system conforming to international standards.

The leading Russian freighter airline Air Bridge Cargo is currently the airport's primary cargo operator. Its share in general cargo payload volume for all cargo flights operated from Moscow Domodedovo Airport in 2009 totalled 32.6 percent.

The airline has been gradually increasing frequency of flights through Moscow Domodedovo Airport from where it now operates flights to some of the world's leading cargo hubs, including Frankfurt, Amsterdam, Beijing, Shanghai, Hong Kong and Tokyo.

CHICAGO ROCKFORD  INTERNATIONAL AIRPORT

RFD IS CLOSER THAN YOU THINK.

CHICAGO'S
CARGO
FRIENDLY
AIRPORT

- Only 68 highway miles from O'Hare (90 minutes by truck).
- Landing fees are two-thirds less.
- Parking for 747-8s and no parking fees
- 72,000 square feet of prime rampside cargo space available.
- Our category II/III primary runway can land ANY aircraft flying today.

For cargo related questions, contact **KEN RYAN**
kryan@flyrfd.com • 815-703-5187

FLYRFD.COM

CHICAGO ROCKFORD

As very much a cargo-minded gateway Chicago Rockford international airport sees it as a benefit being located only 58 miles from its larger neighbour of Chicago O'Hare airport.

"RFD is a way for international cargo airlines to serve the Chicago region and increase their customer satisfaction without suffering the delays, high costs and uncertainty of operating at O'Hare," says Ken Ryan, director of cargo for Chicago Rockford. "Our fees are signifi-



cantly lower and we have virtually no airport-caused delays. Carriers can enjoy quick approaches and taxiing, saving them and their customers time and money."

The creation of an 'RFD Drop Station' at Chicago O'Hare allows forwarders drop freight as usual, with RFD providing a direct shuttle between the two gateways.

RFD may be a lot smaller than its big neighbour, but is not a small cargo airport.

It currently handles more than

one billion pounds of cargo a year. That is in large part due to the fact that RFD is home to UPS's second-largest air cargo sorting hub as measured by sorting capacity. UPS has a 586,000 sq. ft. sorting facility at the airport, plus a 65,000 sq.ft. freight facility. Rockford is also home to a smaller facility for D.B Schenker.

But the airport has also been busy investing in cargo facilities for other potential users.

"Currently we have several cargo warehouses, including our new ramp side 72,000 sq ft. cargo building," says Ken Ryan. "This is phase one (completed) of a four phase development plan which will include 400,000 sq ft of warehouse and 32 acres of ramp designed to park ten 747-8."

RFD is mounting a determined campaign to attract more freighter operators.

"Asia, being the dominant market at this time, is a primary target," says Ken Ryan.

"But we leave nothing else out. We pursue Europe and Latin America with vigor.

Our strategy includes the pursuit of pure cargo carriers' first and then combination carriers."



Chicago Rockford International Airport (RFD) is the cargo-friendly airport that airlines and freight forwarders have been hoping for in the Chicago area.

Located just 68 highway miles and 90 minutes by truck from O'Hare, RFD has everything an international cargo airline needs. Our 10,000-foot primary runway can land any aircraft operating today. Our Category II/III Instrument Landing System, 24-7 air-traffic control tower and no embargos mean they can land any time of day or night. Independent airspace means direct-in approaches, saving time and money. Our new rampside International Cargo Center can park the 747-8. An "RFD Drop Station" by O'Hare assures normalcy for the forwarding community.

All that with significantly lower airport costs, virtually no delays and easy highway access to the entire Midwest.

Major passenger airports are getting busier, more congested and less cargo-friendly. The key difference at RFD is that we embrace cargo with open arms. Rather than push you to the back of the airport, we put you front and center. While other airports think about what you can do for them, our first thought is what we can do for you.

We've shown a major international cargo carrier, on multiple flights, that it can get 102 tons of landed cargo from RFD to the O'Hare area less than three and a half hours from wheels down. Chicago Rockford International Airport is closer than you think, bigger than you think and less expensive than you think. Come see what we can do for you.

CPH — SCANDINAVIA'S CARGO HUB

Copenhagen Airports **CPH**

THE BASICS

- Copenhagen Airport is the largest cargo hub in Scandinavia and the best Gateway to Scandinavia, Northern Europe and the Baltic Region.
- 312.000 tonnes of air cargo in 2009
- No curfew, 24/7—365 days operation — *and available slots.*
- Very competitive airport charges.

EASY ACCESS

- CPH is the obvious location for Northern European distribution centers, due to its geographical position at the centre of Northern Europe, and right on the junction for transport from Scandinavia to central Europe and from East to West.
- All of Scandinavia as well as Northern Europe can be reached by over-night trucking and in less than two hours by air.
- There is direct access from CPH cargo area to highway E20 to Sweden and continental Europe.
- Module trucks with a length of 25.25 meters to and from Sweden also have access to the cargo area.

CPH CARGO CITY

- As of July 1st 2010 CPH has taken over 16.000 m² of terminal and warehouse and 8.200 m² of office space in the northern part of the airport.
- The facility will be transformed into a large CPH Cargo City, which will expand CPH's position as the leading cargo HUB in Scandinavia.
- The terminal can be divided into different activities, such as cargo terminal handling with landside-airside access.
- Air cargo trucking terminal.
- 3rd party air cargo handling and distribution.
- Warehousing and regional distribution.
- The offices will house freight forwarders, airlines, GSSAs and other airport related activities.
- FedEx, WFS, Spirit Air Cargo Handling and DHL already established in the area.

Copenhagen Airports

Lars Korup, Head of Cargo — l.korup@cph.dk

BUDAPEST

Hungary's Budapest Airport is making particular effort to establish its credentials as an internal cargo gateway within Eastern Europe.

According to Christa Soltau, Budapest's vice president cargo & logistics, the airport is moving ahead with a major expansion project to develop over 120,000 sq metres of frontline cargo handling facilities.

"In the first phase a 5,000 sq metre facility has been handed over to Hungarian Post, then after that we will build a 20,000 sq metre terminal to provide airside handling for airlines and agents," says Soltau. "We expect this phase to be completed within 18 months.

In the longer term, says Soltau, the airport has permission to develop a 203 hectare site next to the airport.

"It is our intention to build a major cargo city on this site, where forwarders and logistic providers will be able to build their own facilities."

Says Soltau, the airport is primarily targeting cargo traffic which is currently being trucked past its front door to Vienna airport in Austria.

"Budapest can rightfully claim to be a cargo gateway within Eastern Europe. We believe in the longer term customers will want better and closer access to these markets."

In particular the airport wants to attract Asia cargo carriers, but can already boast the presence of leading European all cargo carrier Cargolux, which serves the gateway with five flights a week from Hong Kong.



New possibilities at hand
be part of our success

Located in the heart of the region, with one of the most extensive networks in Eastern Europe, and the number one airport in Hungary, Budapest Airport is the ideal choice for all airlines planning to create new destinations in Europe. We are looking forward to having you on board.

www.bud.hu

Designed to ease your journey.

**BUDAPEST
Airport**





ATHENS

Athens international airport is renewing efforts to promote sea-air traffic through the Greek gateway. According to Alexis Sioris, manager cargo development, a number of initiatives have been introduced. "In order to improve facilities and attract more operators we have frozen many airport charges since March."

He says these include landing, parking and ground handling

charges. "We are also supporting the local cargo community by maintaining cargo terminal rental fees at their current levels."

In terms of encouraging the growth of more sea-air traffic the airport believes the start of regular service to the nearby Port of Piraeus by Chinese shipping giant COSCO, will further boost this trade.

In addition the airport has seen the appointment of a new director of customs, who previously held the post up until 2004.

"Under his tenure many of the

red tape style customs procedures will disappear and from January 2011 electronic customs clearance following EU guidelines will be introduced," says Alexis Sioris.

As a further fillip to sea-air business Alexis Sioris confirms that a new road feeder network linking Athens to the Balkan states is under development in co-operation with a number of EU and Middle East carriers. He says he also expects at least one major Asian cargo carrier to shortly add Athens to its network. **ACW**

We have:

The best gateway to Europe

We want your cargo

Copenhagen Airport has the shortest transfer time in Europe, the lowest fees in Scandinavia, and overnight trucking connections to 900 cities in Europe. We've told you what to offer. Now tell us what you need.

Call +45 3231 2521 or e-mail l.korup@cph.dk

Copenhagen Airports **CPH**

Trucking time
24 hours

Trucking time
8-10 hours



AIRLINES

Lufthansa Cargo will have a new manager for the Americas from October 1. **Achim Martinka** will take over from **Klaus Holler**, who is retiring after a company career of more than 40 years. Martinka began at Lufthansa Cargo in 2000 and held global accounts and industry development roles before serving as regional director sales in Paris, then regional director sales and handling for France, Switzerland and the Benelux countries.

Virgin Atlantic Cargo has brought its sales operation in South Africa in-house. The airline has been



At the official launch party in Johannesburg to introduce the new South Africa sales team are, from left, Virgin Atlantic Cargo's Dominic Jones, regional VP APAC, Laurin Baldwin, regional sales manager, and Dan Parker, VP commercial

represented by **ACP Worldwide** as GSA since it started serving South Africa in 1996, but has changed strategy following the launch of subsidiary **V Australia's** twice-weekly flight from Johannesburg to Melbourne and high demand on Virgin Atlantic Cargo's daily services between Johannesburg and London (the seasonal Cape Town-Heathrow services resumes on October 31). **Laurin Baldwin** has been appointed regional sales manager, South Africa for Virgin Atlantic Cargo, based in Johannesburg. She earlier worked for **Aireps** and spent five years with ACP, working on the Virgin account, before moving to **Expeditors International** in 2003 as a corporate account manager. She is joined in the new Virgin sales team by **Jacque Parker**, who for-

merly worked for ACP. Contact center advisors **Laura Richmond** and **Saloshni Pillay** join from ACP and **Emirates Airline** respectively. Virgin has also increased its operations team in South Africa with the appointment of cargo officer **Charles Payne**.

TNT has appointed **Bernard Bot** as chief financial officer following the departure of CFO and member of the management board **Henk van Dalen**, who is taking up an appointment outside the industry. Bot joined TNT from **McKinsey & Company** in 2005 and has been responsible for several finance functions.

Global Aviation Holdings, the parent of **North American Airlines** and **World Airways**, has elected **Jean-Peter Jansen** to its board of directors. He was chairman of Lufthansa Cargo's executive board from 2000 until his retirement in 2006, and also served on the supervisory boards of **DHL International** and **LSG Sky Chefs Germany** and the executive board of **German Federal Logistics Association**.

UPS has named **Clark Randt**, one of America's foremost authorities on China, as a company director. A diplomat, attorney and businessman with more than 30 years of direct experience in Asia, Hong Kong-based Randt served for more than seven years as America's ambassador to China and is president of **Randt & Co**, which advises firms with interests there.

THIRD PARTIES

The Messenger Courier Association of America (MCAA) has elected new officers as follows: president, **Chris MacKrell**, **Custom Courier Solutions**, Saratoga Springs, NY; first VP, **Rob Johnstone**, **Priority Express Courier**, Boothwyn, PA; second VP, **Rob Hackbarth**, **Hackbarth Delivery**, Mobile, AL; treasurer, **Kirk Godby**, **Corporate Couriers**, Fort Worth, TX; and secretary,

John Benko, **Manko Delivery Systems**, Tampa, FL. Also serving the board is immediate past president **Mike Gualtieri**, **ProCourier**, West Hartford, CT. Other members who will serve on the 2010-11 board are: **Rick Chase**, **OnTrac**, Phoenix, AZ; **Charles Chiusano**, **Avant Business Services**, New York, NY; **JD Gamble**, **AEX Group**, Wilmington, DE; **John Lauth**, **Courier Connection**, Atlanta, GA; **Chuck Moyer**, **Express Courier**, Franklin, TN; **Monte O'Hara**, **Capital Express**, Omaha, NE; **Matt Seiter**, **Relay Express**, Fairfield, OH; **Rob Slack**, **National Delivery.com**, Glens Falls, NY; and **Larry Zogby**, **RDS Delivery Service**, New York, NY.

Chris Kent has been appointed as global head of **Panalpina's** international industrial project business, **Panprojects**. He joined Panalpina in 2002 and was previously divisional director Panprojects UK and head of Panprojects Northwest Europe. Kent succeeds **Heinz Zech**, who is pursuing new professional challenges outside the group. **Thomas Niederer** is Panalpina's new global head of road and rail. He has previously worked for **Danzas**, **DHL Express**, for **ABX Logistics** as general manager European Road and later for **Kuehne + Nagel** as VP Groupage Network. Panalpina has also appointed **Barrie Sears** as area head of IV healthcare for Northwest Europe.

OHL has hired **Phillip Corwin** as VP marketing and **Randy Briggs** as senior VP of sales for the Global Freight Management and Logistics business unit. Corwin has 18 years of experience in marketing for transportation, freight forwarding and contract logistics with UPS. In a 32-year industry career, Briggs held roles at **DSV**, **ABX Logistics USA**, **DHL**, **Exel** and **MSAS Global Logistics**. Additionally, OHL promoted **Lou Lambremont** to senior VP of business development for the Contract Logistics business unit. Lambremont joined the company from **TNT** in 2006.

Damco has appointed **Mark Michaels** to chief commercial officer

for North America. He spent 17 years with **Kuehne + Nagel**, where he recently held the role of senior VP of sales and marketing. **Lee Cartwright** is Damco's new UK head of airfreight sales, based at Heathrow. He served as business development manager at **Allport** for the last eight years.

Transglobal Cargo Centre, the



new on-airport perishables handler at Nairobi Airport, Kenya, has appointed **Mark Carroll** as general manager, sales and marketing. He will spearhead global sales to airlines and freight forwarders from offices near London Heathrow. Carroll was previously acting cargo manager UK for **Qatar Airways** and has held a variety of sales, operational and management positions with airlines, GSSAs and freight forwarders in the UK, Nairobi and Doha.

AIT Worldwide Logistics has appointed **Kim Smigiel** director of marketing and communications. She joined the global transportation and logistics provider in 1994 and was previously supervisor of marketing and media/corporate administration. **Jay Walick**, previously corporate ocean business development manager, has been appointed director of international operations. AIT has also appointed **Nikola Drasinover** as director of international airfreight pricing and route development – Middle East region. She was serving as station manager the company in Pittsburgh.

Carlo Rosa has been appointed MD for **Ceva Logistics** in Italy.

Geodis Wilson has appointed **Alain Chimene** as its regional VP for Europe, the Middle East and Africa. Chimene joined Geodis Wilson in 2001 and moves from VP for the Asia region to head up the company's largest region, which accounts for 60 per cent of turnover.



Trade-only airfreight wholesaler **Air Menzies International** (AMI) has appointed **Neil Cross** to the newly-created post of general manager, sales for the UK. **Mark Skinner** is appointed VP finance and commercial development, based at AMI's UK headquarters. **ACW**

events

SEPTEMBER 20-21

Vancouver: Aviation – The Catalyst for Economic Development (ACED), a conference organized by Insight Media, is co-located with the 16th World Route Development Forum (World Routes) at the Vancouver Convention Centre. ACED explores the positive contribution that international gateway airport cities make to regional development and economic growth. Details: www.aced-vancouver.com.

SEPTEMBER 20-22

Hamburg: Cool Logistics conference, Radisson Blu, Hamburg. Third global conference for perishable transport and logistics, aimed at producers, wholesalers and retailers; exporters and importers; logistics providers and freight forwarders; ocean and airfreight carriers; ports and terminals; trucking, rail and intermodal companies; warehouse and storage operators; packaging manufacturers and suppliers; refrigeration equipment and technology suppliers; cold supply chain technology providers. Contact Helen Coffey, event coordinator, +44 (0) 20 8977 0530, helen@nextlevelinfo.com or go to www.coologisticsconference.com

SEPTEMBER 26-29

Hong Kong: World Cargo Connections is a multimodal networking event, co-organized by the Chinese International Freight Forwarders Association and the WCA Family of Logistic Networks, that aims to give air, land and ocean transport companies a platform to meet customers, partners and suppliers in a pre-scheduled, one-on-one format. For more information, visit: www.worldcargconnections.com.

OCTOBER 18-20

Miami: Cargo Facts 2010, the annual aviation symposium now in its sixteenth year, takes place at the Doral Golf Resort and Spa. More than 40 industry executives will make presentations on current business strategies affecting flight equipment usage. There will be a round table session on the current and future value of six popular aircraft types, as well as presentations from Boeing and Airbus. For more information, contact Molly Devine, conference manager, on +1 206 587 6537, email conference@cargofacts.com or visit www.cargofacts.com/symposium/index.htm

NOVEMBER 2-4

Amsterdam: The International Air Cargo Association's Air Cargo Forum and Exposition will bring together all segments of the industry in one place at one time. This biennial event, which attracts thousands of senior executives and hundreds of exhibitors from across the globe, will be hosted by Amsterdam Airport Schiphol. For more information, visit: www.tiaca.org.

NOVEMBER 6-7

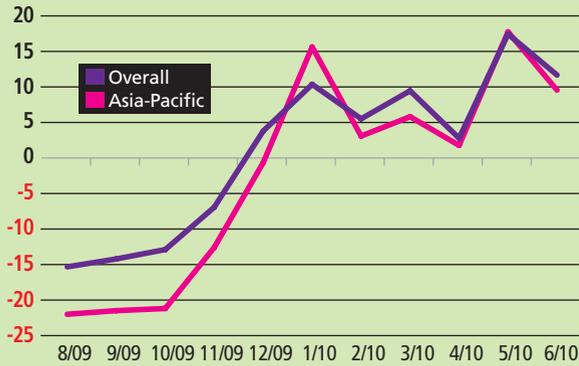
Antalya, Turkey: The inaugural Freightbook sales and networking weekend for freight forwarders has transferred to Turkey. Freightbook invites all its 450-plus registered companies to register for the event, which will now take place at the Cornelia De Luxe Resort, near Antalya International Airport. Freightbook has developed an online 1-to-1 appointment planner so that each delegate can schedule up to 32 individual business meetings with companies from all over the world before they arrive. For more information, contact Freightbook MD Rachel Humphrey at rachel@freightbook.net, www.freightbook.net.

ADVERTISER INDEX

Airbus	24	Saudi Arabian Airlines	CV2
Continental Airlines	CV4	Skyteam	19
Coyne Aviation	23	Thai Airways	11
DHL	7	TIACA	15
Fujairah Airport	10	Turkish Airlines	33
Korean Air	5	Volga-Dnepr Airlines	27
RDG	CV3		

CARRYING EUROPE

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



Source: Association of European Airlines

U.S. AIRLINES

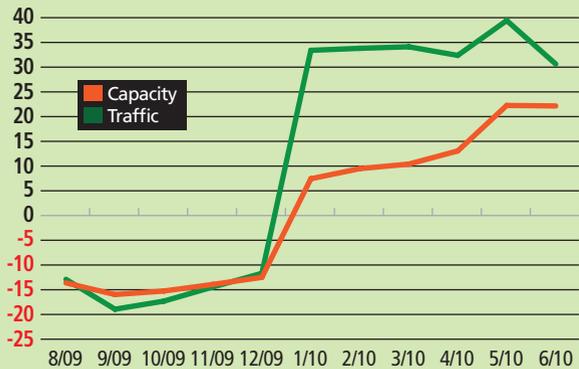
Monthly year-over-year percent change in domestic and international cargo traffic for U.S. airlines.



Source: Air Transport Association of America

CARRYING ASIA

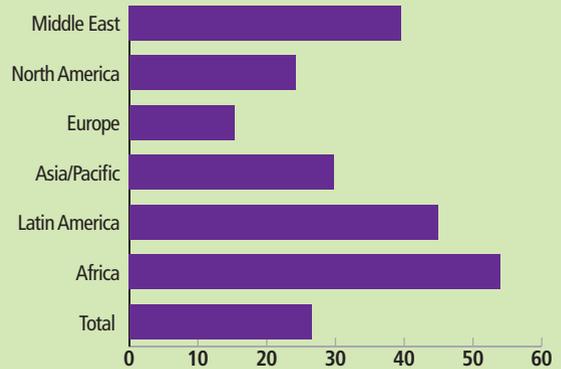
Monthly year-over-year percent change in capacity, in available tonne kilometers, and traffic, in freight tonne kilometers, of Asia-Pacific airlines.



Source: Association of Asia Pacific Airlines

SHARING MARKETS

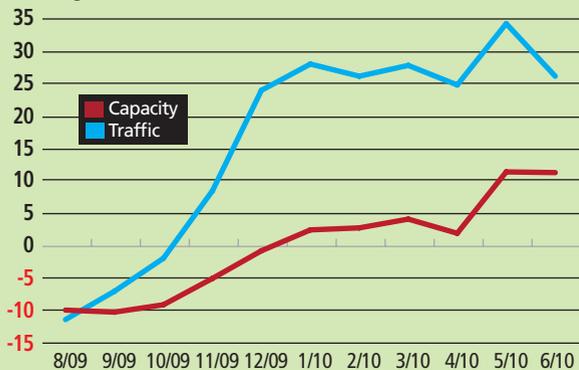
International air cargo year-to-date percent change for June 2009 vs. June 2010



Source: IATA

CARRYING INTERNATIONAL

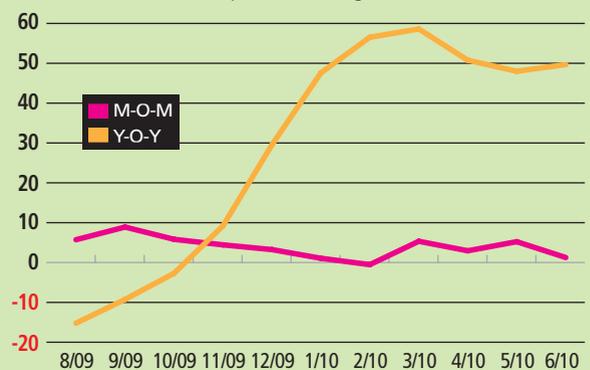
Monthly year-over-year percent change in total scheduled international freight traffic and capacity worldwide in freight tonne-kilometers and available tonne-kilometers.



Source: IATA

SEMI CONDUCTORS

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



Source: Semiconductor Industry Association



Yellow Page Directory

The Yellow Page Directory is a convenient guide to suppliers of products and services for the air cargo transportation industry. For rates and more information, please contact **Pam Latty** at **1.678.775.3565**.



Air Animal Pet Movers
 4120 W. Cypress St., Tampa, FL 33607
 Nationwide: (813) 879-3210 Fax: (813) 874-6722
 www.airanimal.com • e-mail: info@airanimal.com
an IATA Agency Dedicated to AVI Transport Only



PALLETS

The Perfect Balance

For Airfreight



**Pays for
 Itself in One
 Airfreight
 Journey!**



Ultra-Light • Strong • Safe • Clean • Recyclable • Repairable • Sustainable
 Shock-Absorbing • Thermal-Insulating • Almost ZERO Carbon Footprint

Phone 702.270.6004 • Fax 702.270.9178 • Sales@AIRDEX.com • www.AIRDEX.com



**5 Continents...
 162 Countries...**

Go Global with Air Cargo World's International Edition!

Is your company looking to expand globally? Are you ready for an international agency partnership? Air Cargo World International's Classified Section can put you in touch with more than 18,000 agents, forwarders and other air freight executives in more than 162 countries worldwide—business partners from Austria all the way to Zanzibar!

Go Global and Advertise with Air Cargo World
 International's Classified Section Today!

Contact Pam Latty, Classified Sales Manager, at 678-775-3565 or platty@aircargoworld.com



Dr Gabriel Weisskopf is the CEO of Switzerland-based Softair AG. He is an expert on cargo industry requirements for IT and software solutions

Revenue management — silver bullet or voodoo electronics?

Last week Walti, our friendly neighborhood grocer, rang up two Francs on his new, oversized cash register for the croissant I had just bought. “Herr Stüssi, are you sure? I believe on Saturday I paid one Franc,” I said.

“Ja, ja,” chuckled Walti, “but that was at four o’clock in the afternoon and I was only expecting to sell another seven by the time I closed.”

Had Walti broken his golden rule of “no Schnapps before sundown,” I wondered?

“Come back tomorrow, my sales forecast for the morning looks a bit weak and my order is already in, so I could do one Franc fifty,” he went on. “Even better, commit to two brioches for Thursday for one Franc ten, it gets me the quantity breakpoint with my supplier.”

Noticing my blank stare he added: “Don’t look so confused, this cash register has an integrated revenue management system for all my perishables.”

Mention the “R” word to any air cargo executive and you will get an emotional earful. For many of them, revenue management (RM) is clearly a battle of faith.

The friendly RM salesman coming through your door with his crystal ball, Merlin hat, magic wand and three PhDs in operations research may be a genius, faith healer or snake oil salesman. But he promises to make your cargo business a goldmine.

And in a financially anaemic industry where champagne corks pop as soon as profit margins surpass one or two percent, you cannot ignore a man who promises you a massive lift in cargo revenues.

So you may very well end up writing a cheque for module one of the ultimate revenue panacea to someone who volunteers peer testimonials and offers a visit to one of his converts in a suitably balmy location...

But back from the all expenses paid educational you soon discover something called the “rainbow” process. You learn that only by purchasing every “color” or system module, can you create the rainbow at the end of which is a pot of gold. Many millions of dollars and a very small pot later, you discover you have little choice but to try and

justify the wisdom of your decision.

So is RM no more than a placebo draped in a scientific mantle? I shall leave it to the cognoscenti to argue the finer points of applying Belobaba’s Algorithm* to cargo and its use to determine profit versus just revenue.

I will also ignore the problems associated with transposing and adapting passenger-oriented approaches to air cargo, where ultimately available capacity will be a function of passenger and fuel loads.

After all, one passenger not showing up for an A380 flight may affect one six hundredth of its seating capacity. A single five-tonne shipment not turning up can free 50 percent of the capacity faster than you can press the “enter” key on your RM system.

Cargo RM systems undoubtedly have problem solving limitations. Some will be overcome as we move away from legacy operational systems and achieve both tighter interactive coupling with financial systems as well as improved ease and scope of real-time access to key data.

In such an instance, RM can indeed serve as a tool to automate numerous standardised procedures, help focus attention and provide decision support in areas where there is an opportunity to make more money — or at least avoid losing money.

But RM’s success is ultimately contingent on the creation of realistic expectations, the re-design of business processes and associated mind positioning. This is a management task that cannot be delegated to any IT system.

RM may have the brawn but cannot replace the brain and its decision-making.

Which is why, as I walked towards the shop exit, I asked: “Herr Stüssi, what’s the unit price for an Emmentaler allotment this Friday?”

*Peter Belobaba holds a Master of Science in Transportation and a PhD in Flight Transportation from MIT. His dissertation entitled “Air Travel Demand and Airline Seat Inventory Management” is recognized as the first PhD thesis published on the topic of airline revenue management. **ACW**



SECURE YOUR PLACE NOW
www.routesonline.com



Vancouver 2010
WORLD ROUTES

The World Routes 2010 event programme includes:

- Diary of pre-scheduled, one-to-one meetings
- Meetings at stands/extended meetings
- Boeing tours
- Airline and Airport chalets
- Route Exchange chalet featuring Airline Requirement Briefings
- 'City Pair' meetings
- Senior and multi-faceted delegations
- Regional airline 'start-up' zone
- Even more informal networking opportunities
- Routes Airport Marketing Awards
- 'Routes Talks' seminars
- Star Alliance at the 'Routes Club'
- Co-located events including; Tourism and Cargo conferences

The 16th World Route Development Forum

The global meeting place for every airline and airport



HOST

Vancouver 2010 19-21 September

Can you afford to miss out? To book your place, visit: www.routesonline.com or contact Katie Bland at katie.bland@routesonline.com or call +44 (0)161 234 2730

SPONSORS AND PARTNERS



**OUR MAP BOASTS
1,203 FLIGHTS TO
269 DESTINATIONS.**

**EVEN MEN HAVE TO
ASK DIRECTIONS.**

Continental still serves more international
destinations than any other U.S. carrier.

With Continental's new widebody routes — Houston-Frankfurt, Newark-Munich and Newark-Cairo* — you should always know just where to turn — cocargo.com. Or to arrange a booking, you can also contact your Continental Airlines Cargo sales manager. Just don't ask any of our managers how to refold the map. For that, you're strictly on your own.

*Newark-Cairo route launches May 2011, subject to government approval.



Continental Airlines
Cargo

**Work Hard.
Fly Right.®**