

INTERNATIONAL EDITION

# Air Cargo World

OCTOBER 2013

THE SOURCE FOR AIRFREIGHT LOGISTICS

## Top 50

## Cargo Airports





Scan here to watch the ACS corporate video

# Our Global Coverage Your Cargo

Air Cargo Charter Broker of the Year 2013

With a global network of 17 offices strategically placed around the world, Air Charter Service is able to obtain local market knowledge whilst utilising global procurement capabilities.



Our global presence in the charter market is unique. We are fluent in over 42 languages worldwide, with the capability to provide an exceptional global service.

[www.aircharterservice.com](http://www.aircharterservice.com)



**Air Charter Service**

N.AMERICA | S.AMERICA | EUROPE | CIS | MIDDLE EAST | AFRICA | ASIA

## EDITOR

John W. McCurry

jmccurry@aircargoworld.com • (678) 775-3567

## ASSOCIATE EDITOR

Adina Solomon

asolomon@aircargoworld.com • (678) 775-3568

## SPECIAL CORRESPONDENT

Martin Roebuck

## CONTRIBUTING EDITORS

Roger Turney, Ian Putzger, Karen Thuermer

## CONTRIBUTING PHOTOGRAPHER

Rob Finlayson

## COLUMNIST

Brandon Fried

## PRODUCTION DIRECTOR

Ed Calahan

## CIRCULATION MANAGER

Nicola Mitcham

Nicola.Mitcham@aircargoworld.com

## ART DIRECTOR

CENTRAL COMMUNICATIONS GROUP

centcommgrp@comcast.net

## PUBLISHER

Steve Prince

sprince@aircargoworld.com

## ASSISTANT TO PUBLISHER

Susan Addy

saddy@aircargoworld.com • (770) 642-9170

## DISPLAY ADVERTISING TRAFFIC COORDINATOR

Cindy Fehland

production@aircargoworld.com

## AIR CARGO WORLD HEADQUARTERS

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

## WORLDWIDE SALES

### U.S. Sales

Associate Publisher

Pam Latty

(678) 775-3565

platty@aircargoworld.com

### Japan

Mr. Mikio Tsuchiya

+81-45-891-1852

mikio.tsuchiya@

worldmedia.jp

### Europe, United Kingdom, Middle East

David Collison

+44 192-381-7781

dci.collison@btinternet.com

### Thailand

Ms. Anchana Nararidh

+66-26-412-6938

anchana@worldmedia.co.th

### Taiwan

Ms. Paula Liu

+88-62-2377-9108

epoch.paula@msa.hinet.net

### Hong Kong, Malaysia, Singapore

Joseph Yap

+65-6-337-6996

joseph@asianimedia.com

### Korea

Mr. Jung-Won Suh

+82-2785-8222

sinsgegi@igroupnet.co.kr

### India

Fareedoon Kuka RMA Media

+91 22 6570 3081

kuka@rmamedia.com

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

POSTMASTER: Send address change to:

Air Cargo World  
3025 Highland Pky Ste 200  
Downers Grove, IL 60515

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

**October 2013**  
Volume 16, Number 9

# contents

**22** Patents  
Forwarders' problems start with a letter

**24** Southeast Asia  
Forwarders ferret out growth

**26** Airport Growth  
The chicken or the egg question

**30** Top 50 Airports  
Airports see cargo barely budge

## WORLD NEWS

**6** Europe

**10** Middle East/Africa

**14** Asia

**18** Americas

## DEPARTMENTS

**4** Editorial

**37** Legal Ledger

**38** Bottom Line

**39** Drewry Report

**42** Classifieds

**44** People

**46** Forwarders' Forum

Air Cargo World (ISSN 1933-1614) is published monthly. Air Cargo World is located at 1080 Holcomb Bridge Rd., Suite 255, Roswell, GA 30076. Production office is located at 3025 Highland Parkway Suite 200, Downers Grove, IL 60515; telephone 866-624-4457. Air Cargo World is a registered trademark. Periodicals postage paid at Downers Grove, IL and at additional mailing offices. Subscription rates: 1 year, \$80; 2 year \$128; outside USA surface mail/1 year \$120; 2 year \$216. Single copies \$20. Express Delivery Guide, Carrier Guide, Freight Forwarder Directory and Airport 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.

## The cargo forecast season



**John W. McCurry**  
Editor

What lies ahead for airfreight for the fourth quarter of 2013 and beyond? Some in the industry have been pointing to the final three months as having the potential to launch a turnaround in the industry. Others are still waiting for optimism to kick in.

It's unclear whether a strong finish to 2013 will be a harbinger of a better 2014.

This is the season of cargo forecasts. The industry's major plane builders, Boeing and Airbus, will soon release their cargo and freighter forecasts.

Stay tuned for *Air Cargo World's* annual forecast, which will be published in our November issue.

Shawn McWhorter is among air cargo executives who have confidence in a strong finish to 2013. McWhorter, president of Nippon Cargo Airlines Americas, gave us an advance summary of remarks he was to make at the Traffic Club of Chicago.

Managing volatility is paramount for the industry, he says. There are some key realities that the industry needs to face.

"It's a complicated process to move airfreight," McWhorter says. "And the fact is that it's getting more complicated, not less because of additional requirements for safety and security. Demand is volatile and unpredictable. Month-to-month and period-to-period projections cause instability in the whole supply chain."

McWhorter says the industry must come to grips with some myths about how it works with shippers purchasing what they need for each shipment.

"It's a myth that airfreight can be purchased as a commodity," he says. "There's a difference between shipping freight on passenger and cargo airlines. I look at it this way: I don't buy all my groceries from one grocery store. I buy commodity items from a big box store, but produce from the farmer's market, which is more expensive."

McWhorter is also bullish about the future of freighters. He takes issue with one industry consultant who says passenger belly capacity will replace most freighters.

"Basically, freighters have carried 60 percent of airfreight over the last several years," McWhorter says. "We will continue to need freighters."

McWhorter also doesn't believe there is a substantial modal shift from airfreight to oceanfreight. He says the reality is it's two different products. He notes that some marginal airfreight cargo is being carried via oceanfreight, but that will return to airfreight when rates go down.

So what is the solution? McWhorter says shippers need to take a longer-term view than just submitting 90-day RFPs. He says that is not an effective way to buy airfreight and in the short term causes instability.

"The financial risk has to be shared," McWhorter says. "Some forwarders are willing to buy large blocks of capacity so they can get a stable rate. Some insisted on getting market spots month-to-month. This lack of willingness to take risk is causing instability."

He believes there is a lot of airfreight strength in the U.S. and Asia. Demand is strong coming out of Asia with new technology products.

"A lot of carriers have reduced capacity, and that will tighten the market," McWhorter says. "We have put additional capacity out there. We are already sold out for the year and will have a good peak season, both out of Asia and exports from the U.S. as well."

So what's the outlook from airfreight forwarders? Here's how Brandon Fried, executive director of the Airforwarders Association, sees it: "While volumes hit bottom and we're now seeing glimmers of modest growth, recent carrier rate actions coupled with the higher costs associated with new regulatory initiatives risk derailing these tepid gains."

A handwritten signature in black ink that reads "John W. McCurry". The signature is written in a cursive, slightly slanted style.



**Speed. Precision. Performance.  
Trust Singapore Changi Airport  
with your cargo.**

Let us get you ahead in the race to be number one. Two dedicated Express Courier Centres rev it up for time-sensitive shipments. The innovative flow-through concept of our Megaplex ensures clockwork precision in cargo processing times, while our 24-hour Free Trade Zone allows transshipment cargo to be broken down and reconsolidated smoothly with minimum fuss. To top it off, we connect you globally with more than 100 airlines flying in excess of 6,500 weekly flights to over 250 cities.

The result? A performance boost you can count on day after day.

Who's connecting via  
Singapore Changi Airport?  
Scan to find out.



## Magdeburg Airport expanding cargo facilities

**M**agdeburg Cochstedt International Airport, in Germany's Saxony Anhalt region, has begun construction of a 9,000-sq.-m. (96,930-sq.-ft.) air-side cargo warehousing facility, including a state-of-the-art 2,250-sq.-m. (24,232-sq.-ft.) perishables center.

Phase one of the project is scheduled for opening during the fourth quarter of 2013 and will complement Magdeburg's existing airport facilities which include a 3,100 x 45 meter runway and a fully unrestricted 24 hour operating license. Magdeburg is formally registered on the EU KCRAD database as a known consignor.



Magdeburg Cochstedt International Airport is building a cargo warehouse.

The new cargo facilities will be equipped with the latest X-ray scanning equipment with full customs and clearing facilities on site.

The airport is located 150 km (93 miles) southwest of Berlin within a major logistics and regional distribution center hub for a number of leading German supermarket groups, pharmaceutical and automotive companies. It is the closest cargo airport to Volkswagen's global production headquarters at Wolfsburg, 45 km (27 miles). The airport is located on a 240-hectare industrial park. **ACW**



Through Lufthansa Cargo's joint venture with DHL Express to create AeroLogic, the carrier now has regular weekend access to AeroLogic's fleet of B777 freighters.

## Charter and scheduled cargo carriers pair up

**T**he impending arrival of its first B777F heralds a new freighter era for Lufthansa Cargo. But it also confronts the German carrier with something of a dilemma.

The first aircraft out of an order for five B777Fs is due to touch down at the airline's

Frankfurt home base later in October. The second will arrive by the end of the year, with three further examples to be delivered over the next 18 months. It is thought the first aircraft will likely be employed on the North Atlantic.

The new-breds will join an existing fleet of 18 MD-11Fs, Lufthansa Cargo's valiant workhorse freighter. Until just recently, the carrier was insisting it would retain its entire MD-11F fleet, with the newer aircraft required to provide capacity build.

But now Karl-Ulrich Garnadt, CEO of Lufthansa Cargo, has revealed that

its two oldest MD-11Fs will be pensioned off when the airline receives its two early B777F arrivals.

It raises the question as to whether LH Cargo has flipped the coin and decided to degrade its freighter fleet on a one-for-one basis as each new B777F is embedded.

It is not a decision that needs to be rushed; the MD-11Fs continue to provide the carrier with amortized capacity, which can be operated at virtual cost.

Although the overall market remains weak, the airline reports that it has "decelerated the decline" in tonnage and succeeded in increasing the capacity utilization of its aircraft to 70 percent, effectively running full.

Further capacity outages also have to be set against the question of the five B777F options LH Cargo has listed with Boeing. The airline says it will confront that issue early next year.

Some analysts are surprised as to



why the carrier went for the B777F option in the first place when it placed its order with the plane-maker back in March 2011.

They argue it would make better sense and get more for the money with the B747-8F, particularly as Lufthansa is one of the few airlines to order the B747-8i passenger variant, providing welcome fleet commonality.

Interestingly, LH Cargo has never pursued the B747F route after it discarded its B747-200F hand-me-down conversions from its parent company. The airline therefore has never operated the B747-400F. As it stands, it is taking delivery of a freighter variant that on the face of it provides it with only marginal increase in lift. While the faithful MD-11F can uplift 90 tonnes, the B777F can haul 103 tonnes as against the top weight of 140 tonnes on the B747-8F.

“We chose the B777F because the combination of efficiency and size from our point of view, is ideal,” says Lufthansa Cargo of its endorsement of the B777F.

As to the trade-off with the B747-8F?



“We are convinced that it is much easier, but of courses will still be hard work, to operate the B777F with profitable load factors than the much bigger B747-8F,” Lufthansa Cargo says

And the airline may not necessarily be heading up a one-way street with the choice of the B777F. Boeing is already offering airlines order options on a larger B777-9X passenger version, which could provide a future freighter solution. Any bets on LH

Cargo upgrading some of its options?

There is of course one more important trade-off that has played into Lufthansa Cargo's decision to go with the B777F. It is not entirely unfamiliar with the operating capabilities of the aircraft.

Through its joint venture with DHL Express to create AeroLogic, it now has regular weekend access to that carrier's fleet of, yes, B777 freighters. The extra capacity is used to bolster LH Cargo's services to the U.S., soon to be joined, it would appear, with its own weekday B777F doppelganger.

Indeed, it was suggested at one stage that it would be logical for Lufthansa Cargo to channel all its future freighter needs through the Leipzig-based joint venture, offering far cheaper operating costs than the heavily union-laden Lufthansa Group. It was probably for that latter reason such a course of action was not pursued.

Any thoughts of shifting the carrier's freighter operations to Leipzig also appear to have been dissipated. That has been confirmed with the decision to move ahead with the 588.4

million euros (US\$780 million) investment in a new logistics center at Frankfurt Airport, work on which will start early next year, with a four-year build time. Even so, the project has been scaled back with a 20-percent reduction in capacity because of the continuing uncertainty of the market and as a direct result of the imposition by a German court of a blanket night flight ban at the German gateway.

More recently, the airline has been

**“We chose the B777F because the combination of efficiency and size from our point of view, is ideal.”**  
— Lufthansa Cargo

troubled by a decision by a Dutch court ruling that it can no longer operate a twice-weekly MD-11F service between Puerto Rico and Amsterdam, insisting the call at Rafael Hernández Airport is little more than a technical stopover for flights originating out of Latin America.

Lufthansa Cargo argues it has full traffic rights out of Puerto Rico, which falls under the protection of the open skies agreement between the U.S. and EU. The airline says it will likely appeal the decision.

At least the skies over Frankfurt are a little clearer for the German carrier after would-be rival flag carrier Air Cargo Germany fell by the wayside earlier this year.

So it is, Lufthansa Cargo will shortly have a multi-disciplined freighter fleet at its disposal. This, it says, will enable it to far better match capacity strengths with actual route demands and to outride the continuing vagaries of the existing market. It will be recalled that Cargolux ruminated long and hard on whether to stick with a single or mixed freighter fleet choice, before coming down in favor of sticking with the lone upgraded B747F option.

Lufthansa Cargo has the chance to prove that it may just strike a lucky formula. **ACW**

## Volga-Dnepr delivers gas equipment to Russian field

Two of Volga-Dnepr Airlines' Antonov 124-100 freighters fast-tracked the delivery of 180 tonnes of oil and gas equipment.



Volga-Dnepr Airlines' Antonov 124-100 freighters transported 180 tonnes of oil and gas equipment to Bratsk, Russia.

The shipment was flown from Saint Petersburg to Bratsk, Russia for the Talakan field located in the Yakutia region of Russia.

Volga-Dnepr conducted a preliminary inspection of the cargo in Italy before the largest parts of the ship-

ment – two 40-tonne compressors and a 60-tonne gas turbine – were shipped from Milan to Saint Petersburg by sea.

Volga-Dnepr also leased cranes with 100- and 200-tonne cargo

capacity to the customer, STS Logistics, at the departure and arrival airports.

From Bratsk, the oil and gas equipment was carried to the Talakan field by ground and sea transport. **ACW**

## Leige cargo up slightly in July

While cargo handled by Liege Airport in Belgium declined for the second quarter compared to 2012, tonnage did increase ever so slightly in July. For the quarter, Liege handled 138,073 tonnes, compared to 146,733 for the same period last year.

July cargo was 47,359 tonnes, compared to 46,630 tons in July 2012, a 1.56 percent increase.

Liege is Belgium's largest cargo airport and the 8th largest cargo airport in Europe. **ACW**





WHEN IT COMES TO GLOBAL SHIPPING, WE'RE VERY WELL-CONNECTED.

With direct shipping to over 150 destinations in 50 countries, our global coverage is vast. Our interline partnerships and roadfeeder network extend our reach, making shipping worldwide easier and more convenient than ever. Our business is to provide simple, efficient services and solutions that work for you, no matter where you need to ship your freight.

Visit us at [aircanadacargo.com](http://aircanadacargo.com)



Air Canada Cargo | Going further.

AC Expedair | AC Live | AC Secure | AC DGR | AC General Cargo | AC Compassion | AC Cool Chain | AC Post

## Air cargo operations arrive in Libya

Chapman Freeborn Airchartering has formed an exclusive partnership with Air Libya to place and operationally manage an Antonov An-26 aircraft in Libya.

The freighter will be based at Tripoli's Mitiga International Airport on a long-term lease agreement. The An-26, which offers a 5.5-tonne payload, will be available for ad-hoc cargo charter requirements within Libya as well as international flights to and from the EU and North Africa.

The An-26 is considered to be one of the most versatile aircraft in the market due to its ability to use short and unpaved runways in remote locations.

It is the intention to introduce domestic scheduled services to connect Tripoli and Benghazi with Libya's more remote airfields, including regular operations to the oil fields in the south of the country.

The venture will provide much needed logistics services in a country where few international aviation companies are willing to invest in establishing services. It will also provide an alternative to seafreight routes to and from Europe, which have been subject to high rates.

"We're delighted to be working in partnership with Air Libya to develop air cargo solutions in the region. Freight forwarders and



energy industry clients will benefit from this cooperation, which offers professional, reliable services between the country's key hubs and more remote locations," Paul Drew, Chapman Freeborn's project manager, said. "Given the limited airfreight and seafreight options currently available, the news of this service has been very well received so far." **ACW**



## South African upgrades, Fastjet turns to cargo

By John W. McCurry

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

South African Airways Cargo is upgrading its freighter fleet as it looks for ways to stay competitive in a mature South African cargo market. The carrier recently took delivery of a Boeing 737-400 and a Boeing 737-300 freighter. The aircraft replace the B737 freighters that SAA Cargo took out of service.

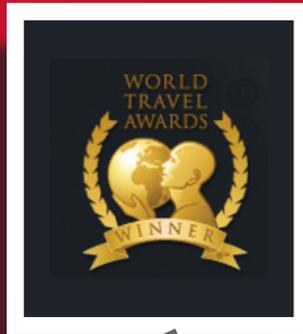
"The key advantages are firstly that the newer aircraft are operationally more reliable and thus enable us to offer customers more peace of mind due to enhanced reliability," Tleli Makhetha, SAA Cargo's general manager, tells *Air Cargo World*. "Secondly, the new aircraft offer a higher payload as well as longer flying time. This has helped us to increase our capacity into regional markets."

Makhetha says SAA Cargo is focusing on the growth of value-added products such as courier, express and valuable cargo. The company is also continually enhancing its service offering in the movement of automotive components

out of South Africa and perishables out of regional markets. He says the South African domestic cargo market is mature, and the company is not seeing any substantial growth, but the regional African market is on a growth trajectory and offers more opportunities.

"Most African markets remain predominantly import-driven, and this is likely to be the case for a long while," Makhetha says. "We are, however, seeing an increase in agroindustry-driven exports. As some of the countries make concerted efforts to diversifying their economies, we expect to see more exports relating to petro, chemical and tourism-related industries. This growth has however prompted more competition with international operators increasing their African operations."

SAA Cargo also operates a low-cost carrier called Mango Airlines. Mango aircraft carry cargo, and the airline has outsourced their cargo operations to SAA Cargo, Makhetha says. Due to the nature of its network, Mango's cargo operations are entirely in the



## DRIVEN BY SUCCESS TO OFFER QUALITY, CONSISTENTLY

Bahrain International Airport Awarded **Middle East's Best Airport Staff** at the 2013 SKYTRAX World Airport Awards and **Bronze Winner** of the **Most Creative Travel/Tourism Website Category**, Summit Creative Awards (SCA), 2013.

- 2012: Winner of the Best Business Destinations Travel Award for the Middle East
- 2012: 3rd Place at the World Airport Awards for Best Airports Middle East by SKYTRAX World Airport Awards
- 2010: Winner of Best Middle East Airport – SKYTRAX World Airport Awards
- 2008: Second Best Airport in the Middle East – SKYTRAX Survey

[www.bahrainairport.com](http://www.bahrainairport.com)

مطار البحرين الدولي  
bahrain international airport



Tleli Makhetha

SAA domestic market and are driven by the same considerations that apply to SAA Cargo's domestic operations, he says.

SAA Cargo's biggest challenges are similar to other carriers: a slow economy and declining yields.

"Currently, the greatest challenge is the sluggishness of the global economic recovery," Makhetha says. "The European economic crisis and the resultant slowdown of exports from the Far East, in particular, has left the air cargo carrier with massive overcapacity. The second greatest

challenge is the continuing decline in yields. These continue to be on a long-term downward trajectory."

The trend toward low-cost carriers adding cargo to their service mix is continuing, this time in Africa. Fastjet, owned by UK-based Fastjet PLC, signed an agreement with one of Africa's largest cargo operators, BidAir, to carry cargo on its fleet of Airbus A319s. The results of a recent feasibility study concluded that Fastjet's operation has sufficient capacity to accommodate the carrying of cargo on its Tanzanian routes. Management expect this to provide an additional revenue stream for the airline without compromising its core business.

"We're cutting our teeth on dry goods, but we do expect to go beyond that," Richard Bodin, Fastjet's chief commercial officer, says. "We're unlikely to move into dangerous goods at this stage because of added complications."

Bodin says there is no timetable for

expanding its cargo offering.

"Our colleagues at Bidair have indicated there is a strong demand for other products," Bodin says. "What we are trying to do is balance it with our passenger requirements and take it relatively slowly."

Bodin describes the deal with BidAir as the "classic" outsourcing arrangement.

"We've given them the list of products we are able and happy to carry," Bodin says. "It's very much a turnkey solution."

Foodstuffs will likely be the first cargo expansion, Bodin says, adding that food and flower producers have approached Fastjet.

"When we started the Fastjet project, we were all from a Euro carrier background," Bodin says. "Cargo was never anything we expected to bring on board, but the very hard rates in Africa and our ability to perform passenger services in an on-time manner has led us along this path earlier than expected perhaps." **ACW**

# WHEN QUICK IS TOO SLOW, IT PAYS TO PRIORITISE.

## PRIORITISE GET IT THERE FAST, GET IT THERE FIRST.

Got an urgent, last-minute booking? Prioritise is our market leading solution with speed and reliability at its core. It features the fastest publicised cut-off and delivery times of any air-carrier and guaranteed access to capacity on all shipments under 300kg. We're delivering faster freight for a different world.

To find out more visit [iagcargo.com/prioritise](http://iagcargo.com/prioritise)



## Ethiopian, ASKY Airlines open cargo hub in Togo

**E**thiopian Cargo, the largest cargo operator in Africa, is opening a second cargo hub in Africa based in Lomé, Togo, in partnership with ASKY Airlines, a Togo airline.

The new cargo hub began operations in September after the phase-in of a B737-400F.

For the past three years, Ethiopian and ASKY have been serving passengers travelling within, to and from West and Central Africa through the Lomé hub.

Now, Ethiopian and ASKY are partnering in the establishment of a new cargo hub in Lomé for the transportation of goods between West Africa and the rest of the world. This partnership will enable air transport of high-value and perishable goods to and from West and Central Africa, thereby playing a role in the growth of trade and the economic development of the region.

“As Africa continues with its fast



economic growth, we are expanding our cargo network to serve the continent better and make air cargo accessible to more countries and more people,” Tewolde Gebremariam, CEO of Ethiopian, said. “Africa is a large continent in landmass, economy and population, and multiple hubs with multiple African airline partnerships are critically essential to ensure global

standard air transport. Over the last three years, in line with our Vision 2025 multiple-hub strategy in Africa, we have successfully established a second passenger network hub in Lomé, in partnership with ASKY to better serve the West Africa community. We are now extending this successful partnership to the cargo business.” **ACW**



BRITISH AIRWAYS  
WORLD CARGO

CARGO  
IBERIA

**IAG Cargo**  
Different World

**IAG**

## Hong Kong Airport cargo volume grows in July

**C**argo volume in July grew year over year at Hong Kong International Airport.

Cargo volume was 341,000 tonnes, growing by 1.9 percent. Flight movements reached 32,120 – up 7.5 percent compared to the same month in 2012 – beating the previous record set in May.

Growth in July cargo throughput was mainly driven by a 5 percent year-over-year growth in exports. During the month, cargo throughput to and from North America outperformed other key regions.

“In July, HKIA’s extensive flight destination network was further expanded with the launch of a twice-weekly service to Ordos, Inner Mongolia by Air China. A thrice-



weekly Hong Kong-Tainan service was also introduced by China Airlines, providing more convenient travel to the Tainan and Chiayi regions of Taiwan,” Stanley Hui Hon-chung, CEO of Airport Authority Hong Kong, said.

Over the first seven months of 2013, cargo volume grew by 2 percent to 2.3 million tonnes year over year, while flight movements increased by 5.5 percent to 212,790.

On a rolling 12-month basis, HKIA handled 4.1 million tonnes of cargo and 362,685 aircraft movements, representing year-on-year growth of 3.5 percent and 5.4 percent, respectively. **ACW**



## Pursuing Chinese growth in the fast lane

**I**t does not happen often that an airline disposes of large wide-body freighters and instead converts narrow-body planes into all-cargo configuration, but this is what is happening at Air China Cargo, the joint venture company of Air China and Cathay Pacific that manages a fleet of freighters as well as the belly capacity of its Chinese parent.

As reported earlier this year, Air China’s 747-400BCFs are on the way out, following an agreement with Boeing, under which the aircraft maker takes back the carrier’s BCFs while the airline placed an order for eight B777-200 freighters. This move essentially kept Air China Cargo in the international wide-body arena, but now its management has changed direction with an order for four converted B757-200 cargo planes. The first of these, which are being reconfigured by U.S.-based 757 specialist Precision Conversions, is expected to enter service by the end of the year.

The order signals a major shift in focus from the international to the domestic arena, specifically the express parcel sector in China, which has grown at a blistering pace and is expected to continue on this trajectory – fueled by the growth of

the country’s emerging middle class and its patterns of consumption, notably online shopping.

Express delivery companies moved 5.69 billion parcels last year, with revenues of RMB105.53 billion (US\$17.24 billion), according to China’s State Post Bureau. Some 60 percent of this volume was created by online shopping. By some estimates, this year the volume will rise to 8 billion parcels, with revenues of RMB140 billion.

Air China’s four 757s will be flying for China Postal Airlines, a joint venture between China Post and China Southern Airlines with 18 B737 cargo aircraft to its name.

Other operators are also ramping up their capacity to tackle China’s domestic express parcel market. YTO Express, one of the leading players in this field, is leasing three 737 freighters but has signaled plans to acquire eight cargo planes and build an air hub at Hangzhou Xiaoshan International Airport. The Shanghai-based company is planning an IPO next year and is in the process of changing its business model from a franchise set-up to direct sales. Shanghai-based STO Express has also made noises about taking on 6-8 freighters in the near future.



香港  
國際機場 | HONG KONG  
INTERNATIONAL  
AIRPORT

**Hong Kong International Airport** has a global network covering about 180 destinations worldwide. Since it commenced operation in July 1998, HKIA has received over 50 'World's Best Airport' awards.

Locating less than five flying hours from half of the world's population, HKIA is the busiest cargo gateway in the world. In 2012, it handled 56.5 million passenger trips and moved 4.03 million tonnes of cargo.

Widely recognised as one of the finest airports in the world, HKIA is also committed to achieving high environmental performance and becoming the world's greenest airport.



Another large international player that has the domestic parcel market in its sights is China Southern Airlines. The Guangzhou-based carrier launched an express service at the beginning of May that allows customers to book specific flights. Initially, it is available in 12 Chinese cities, but management intends to gradually expand it throughout the country.

Some 15 percent of China's domestic express parcel volume is moved by air, according to the China Research Center. The lion's share – about 80 percent – is carried by truck.

Air and truck carriers are about to face tougher competition from the China Railway Corporation, which was formed earlier this year in a sweeping revamp of the Ministry of Railways with a brief to oversee the commercial side, including passenger and freight transport. The new entity lost no time to overhaul its offerings. In June, it

launched door-to-door service, which includes small parcel delivery. The chief concept is to carry these on the first high-speed train of the day to allow for same-day or next-day delivery to final destination.

In 2010, a newly opened high-speed rail link between the cities of Zhengzhou and Xian reduced the train journey from previously more than six hours to fewer than two. This forced the suspension of scheduled passenger flights between the two cities. Less than two months after the rail service kicked off, the incumbent two airlines stopped flying on the route. Flying time had been one hour, and one of the airports was located about an hour's drive from the city.

The seemingly inexorable advance of high-speed trains suffered a severe setback in 2011 after a collision between two trains, in which 40 people were killed and more than 190 in-

jured. Still, after a lengthy investigation into the accident, the authorities maintained their ambitious expansion plans, aiming to double the high-speed rail network to about 16,000 kilometers (10,000 miles) by 2020.

Unfazed by the new competitor, airlines seem bent on expanding domestically for the time being while moving slowly in their long-haul activities. Like Air China Cargo, China Southern is moving away from 747 freighters. It parked its two 747-400Fs at the beginning of September, reducing its all-cargo activities to six B777-200Fs, with two more to come on stream later this year and another four in 2015.

But Air China Cargo has not taken its eye off the long-haul arena. According to COO Titus Diu, preparations are in full swing to launch the carrier's first B777-200F operation in late December 2013 or early January 2014. **ACW**

## Europe, Japan remain weak cargo markets for Cathay Pacific

**C**argo tonnage fell for Cathay Pacific Airways and Dragonair in July compared to the same month in 2012.

The two airlines carried 122,920 tonnes of cargo and mail in July, a drop of 1.9 percent year over year. The cargo and mail load factor fell by 4.4 percentage points to 60.3 percent. Capacity, measured in cargo/mail

tonne kilometers, rose by 6.6 percent while cargo and mail revenue tonne kilometers were down by 0.7 percent.

For the year to date, tonnage has fallen by 1.8 percent compared to a 0.6 percent capacity decline.

“Demand was soft out of many of the major airfreight markets last month and once again, we saw tonnage and load factor dropping com-

pared to 2012, when business was already weak,” Mark Sutch, Cathay Pacific general manager cargo sales & marketing, said. “The bright spots in our network were the transpacific lanes and demand on intra-Asia routes, particular out of Hanoi and Dhaka. Europe and Japan remain two of the weaker markets at the moment.” **ACW**

## Cargo demand still weak for Asia Pacific carriers

**I**nternational air cargo demand remained weak for Asia Pacific carriers, according to July traffic figures released by the Association of Asia Pacific Airlines.

For Asia Pacific airlines, international air cargo demand, in freight tonne kilometers, fell by 2.6 percent in July compared to the same month last year. Offered freight capacity increased by 1.8 percent, resulting in a decrease in the average international

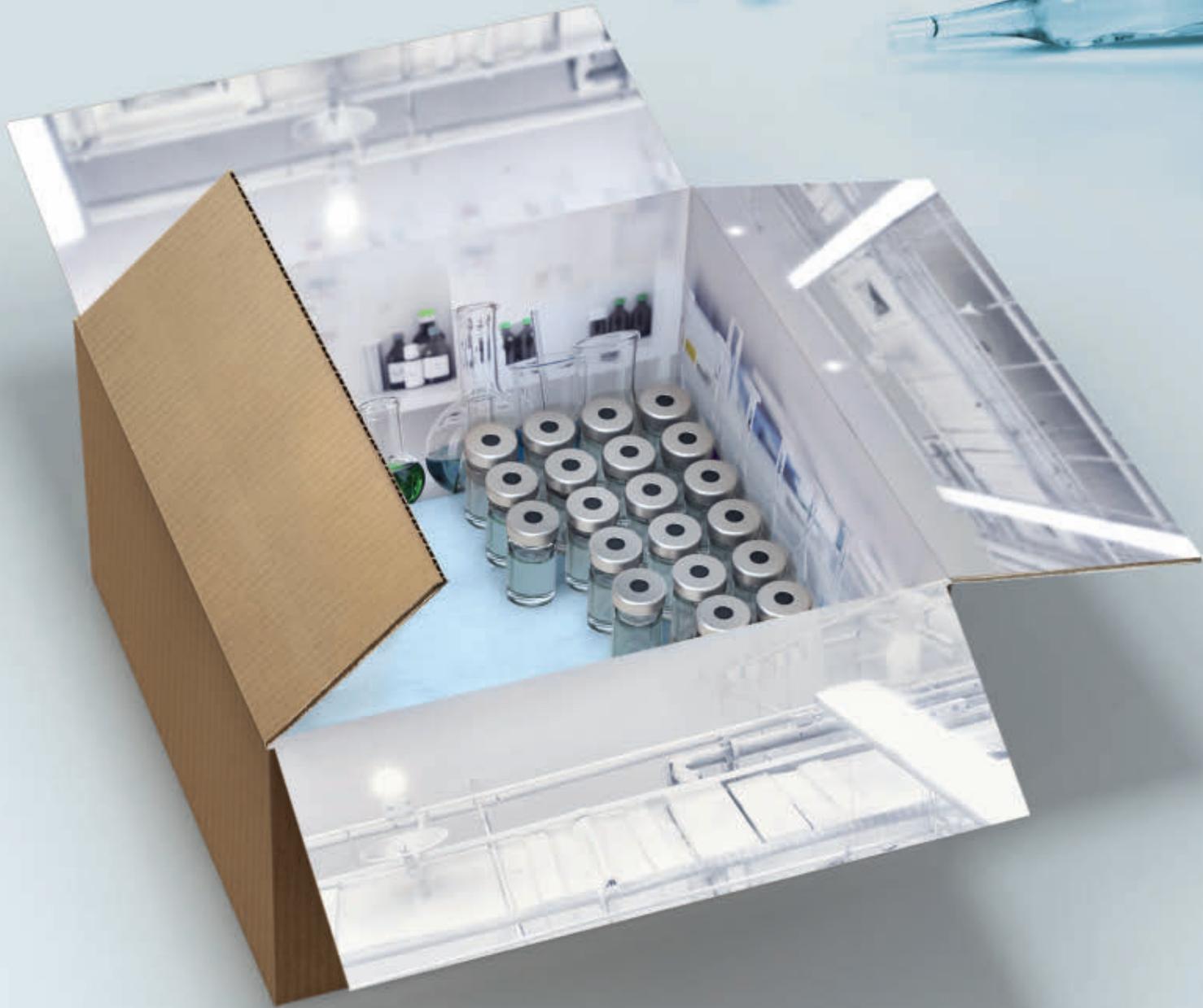
freight load factor by 2.9 percentage points to 64.2 percent for the month.

Meanwhile, Asia Pacific carriers carried a total of 19.5 million international passengers in July, a 6.6 percent increase year over year.

“Airfreight markets remained weak, with a further 2.4 percent fall in airfreight demand during the first seven months of the year, as a result of weak demand in Europe and other key export markets,” Andrew

Herdman, AAPA director general said. “Asian airlines have been badly affected by the extended slump in the air cargo market, with surplus freighter capacity depressing both rates and aircraft values. Whilst the outlook for further global economic growth remains positive, airlines continue to focus on delivering productivity improvements and remain vigilant in managing costs throughout the business.” **ACW**

A STAR ALLIANCE MEMBER 



We carry health all around the world.

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

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

[www.tkcargo.com](http://www.tkcargo.com) | +90 0850 333 0 777

## UPS acquires two Costa Rican companies

**U**PS says it will purchase assets and operations of two Costa Rican based companies: small package delivery company Union Pak de Costa Rica, S.A.; and brokerage company SEISA Brokerage. Both companies have long-standing relationships with UPS as Authorized Service Contractors (ASC).

UPS says the acquisitions will help it to better connect Costa Rica's expanding economy to regional and world markets through the UPS network. For Costa Rican shippers, UPS says it will be better positioned to provide customers one source for small package, freight forwarding, brokerage, and contract logistics, with a stronger link to UPS's global transportation network. Access to multi-modal services including ocean and airfreight will improve customers' ability to ship across borders, boosting export trade lanes within Latin America and to the U.S., UPS says.

Union Pak de Costa Rica serves various industries with an emphasis on high-tech and medical device manufacturers. SEISA Brokerage provides same day customs clearance and delivery of package shipments within the Costa Rican Free Trade Zone, which eases cross border trade for customers.

"UPS has enjoyed a successful relationship with these two companies," says Romaine Seguin, president, UPS Americas region. "With the ownership of these operations in Costa Rica, UPS can provide customers the full suite of logistics services and global trade expertise. UPS continually invests in its global network and these additions illustrate the company's increasing commitment to serving the needs of customers in Costa Rica, and throughout Latin America."

UPS established a Costa Rica presence in 1990. In addition to its small package ASC, UPS provides services in Costa Rica through UPS Air Cargo, and UPS Supply Chain Solutions.

UPS expects to complete the transactions in the fourth quarter of 2013 subject to customary closing conditions. Terms of the deal were not disclosed. **ACW**



Officials want to make Aguadilla Rafael Hernandez Airport in Puerto Rico into the first air cargo hub in the Caribbean, infusing life and jobs into the island's economy.

## Puerto Rico craves for Caribbean's first air cargo hub

By Adina Solomon

asolomon@aircargoworld.com

**P**uerto Rico has a problem: How will it solve seven years of economic recession?

Officials hope establishing a new air cargo hub – the first one in the Caribbean – will kick the island's economy to life.

In July, the island's unemployment rate reached 13.5 percent. The U.S.'s unemployment rate was about half that.

"We identified that we have to enlarge the economy size," says Mariano Parlato, chairman of the Puerto Rico District Export Council (PRDEC), a nonprofit group of international trade experts from the local business community. "Economic figures are lower than 15 or maybe 20 years ago, so we have to recover these economic indicators such as exports and manufacturing, production and service consumption."

Four years ago, an idea emerged to transform Aguadilla Rafael Hernandez Airport, formerly Ramey Air Force Base, into an air cargo hub. PRDEC submitted a proposal for the project

to the local government.

In August 2012, a Foreign Trade Zone (FTZ) was expanded to Aguadilla Airport, which is located in the northwestern city of Aguadilla. Now, PRDEC is helping local authorities develop the second stage of the master plan – capturing air traffic that overflies Puerto Rico.

"The economic activity in the surrounding area is what we want to create to foster the export and the economic development in the Caribbean region and specifically in Puerto Rico as a U.S. jurisdiction," Parlato says. "That is our main area of action. This is a new vision that we have to transmit every day to local government authorities and local companies."

Creating an air cargo hub in a FTZ will hopefully lead to more companies setting up offices in the region, says Jose Burgos, director of U.S. commercial service at the U.S. Department of Commerce. An FTZ offers benefits such as fuel that is 25-30 percent cheaper than in other Caribbean jurisdictions and less expensive than many

# SMART LOGISTICS SUPPORT AIRPORT IN JAPAN



## Kansai International Airport



- Fully Operating Supply Chain, 24 Hours a Day
- Large Cargo Area with Potential for Future Expansion
- Two Parallel 4,000m-Class Runways
- Extensive Network Linking Japan to Asia, North America, and the Rest of the World



Five times rated  
No. 1



KIX has received the highest rating in Air Cargo World magazine's Air Cargo Excellence Survey 5 times.  
(in the category of "Airports Asia")

places in South America.

This is due to the fact there are often no local taxes on fuel in an FTZ.

Burgos says more companies in Puerto Rico will lead to more manufacturing.

“We’re trying to bring eventually, working with the local government, to bring those kind of companies here in Puerto Rico,” he says. “They start manufacturing here. We create a growing economy, grow employment. We can export more from Puerto Rico.”

Local authorities are coming up with a plan to approach carriers and air cargo agents and convince them to establish operations in Puerto Rico, Parlato says.

The airport has the longest runway in the Caribbean, so it can handle larger aircraft, and it is near an engineering school, which will attract companies seeking talent.

Honeywell is already in Aguadilla,

FedEx has an operation at the airport and Cargolux, Lufthansa and Martinair have made stops at Aguadilla, says Jeffrey Quinones, public affairs officer at U.S. Customs and Border Protection.

This all proves that there is “at least minimal interest” in the airport, says Quinones, who also volunteers with the PRDEC.

He says FedEx has a large flower operation at Aguadilla now, but what sectors make up cargo in the future will depend on which companies set up operations at the airport.

The Federal Aviation Administration has approved the master plan for Aguadilla. Now the responsibility for attracting investors and businesses lies with the authorities, who have received help from PRDEC.

“The facility basically has everything that’s necessary to expand and actually do a much larger facility for

air cargo,” Quinones says. “It’s just a matter of getting the investment in.”

If all goes according to plan, Aguadilla Airport will start seeing an increase in projects in the next two years, he estimates.

Parlato says both Puerto Rico’s private sector and government endorse the initiative to make the airport into the first cargo hub in the Caribbean.

“Our vision was to create some sense of urgency in local authorities, and they got it. It took two, three years to see how to realize the idea. But now the plan is running, and they have been submitting the master plan to the FAA and other authorities,” he says. “I think that in the economic agenda of the local government, the development of the Aguadilla Airport is one of the top five initiatives to create jobs, and to bolster exports and economic development for the island.” **ACW**

## Chicken charter carries hens to freedom

*By John W. McCurry*

**E**lmira Corning Regional Airport in Horseheads, N.Y., doesn’t handle a lot of cargo and certainly not a lot of live animals. So, it was somewhat of a spectacle when 1,150 live hens arrived after a cross-country flight on a cargo plane.

“It was definitely a first here,” says Ann Crook, the airport’s director of aviation. “We allowed special trucks in to haul the chickens off. They were not the typical freight forwarders.”

Animal Place, a northern California sanctuary for farmed animals, rescued the hens. They were part of 3,000 recently rescued by the organization. The transportation of the hens was funded by a \$50,000 gift from an anonymous donor. The hens were saved after becoming unproductive on an egg farm. While on the farm, they had their beaks clipped and were kept in cramped cages around the clock. They arrived at Animal Place covered in parasites, having never set foot on

anything other than the wire mesh of their cages. They were kept at the organization’s Grass Valley, Calif., location, receiving veterinary care and acclimatizing to their new freedom.

“The flight came together after we told one of our generous donors about the rescue of 2,000 hens,” says Marji Beach, education director for Animal Place. “The donor wanted to rescue more birds. There are a lot of animal sanctuaries on the East Coast and the donor said he would fund the transport of any additional hens we could save to the East Coast. So, we were able to save another 1,000 birds.”

Egg farms routinely kill hens by gassing them around the age of 2 when they become unproductive. The rescued hens will likely live for another 2 to 3 years, Beach says.

Air Partner arranged the charter flight on an Embraer 120 based at Cincinnati/Northern Kentucky International Airport. The journey took

about eight hours, including a one-hour stop for refueling.

Chris Armstrong, freight director for Air Partner North America, said the hen airlift was a first for the company.

“It was a good experience and we were glad to be part of it,” Armstrong says.

The flying hen party had some special requirements. These included good air flow, a pressurized cabin and temperature control to keep the chickens from overheating.

“We looked for a plane that could handle the trip coast to coast and handle the payload,” Armstrong says. “We found an Embraer 120 that fit the bill for the job.”

So how did the hens fare on their journey to freedom? Armstrong says all 1,150 arrived in the same condition as when they boarded the aircraft. Their new home will be The Farm Sanctuary near Watkins Glen, N.Y. **ACW**

# Taking off to even more destinations

We know you need a network as diverse as the cargo you ship. That's why we're expanding our network and giving you options to more destinations across the globe. Trust us to get your cargo where it needs to be.

Visit [aacargo.com](http://aacargo.com) to learn more.



# Forwarders Find Patent Pit Perilous

By Adina Solomon  
asolomon@aircargoworld.com

U.S. President Barack Obama and Brandon Fried are worried about the same problem.

"This has been a frustrating experience for me," Fried, executive director of the U.S. Airforwarders Association, says. "Over a five-year period, in fits and starts, I've had members come to me, usually completely panicked."

In the past five years, 20 freight forwarders have reported problems with non-practicing entities (NPEs) to Fried, who writes a monthly column for *Air Cargo World*. That accounts for about 5 percent of Airforwarder Association members.

But what are NPEs? Depending on whom you ask, they are either monsters, using the system for their own gain or just doing their job.

Sometimes, these companies are called "patent assertion entities." Much of the time, the most eye-popping of the names emerges in conversation – "patent trolls."

These companies, whatever they are known as, hold multiple patents in the U.S. Patent and Trademark Office. They do not use the patents to manufacture products; rather, they assert them by contacting and sometimes suing companies that they feel use their patents without permission.

These NPEs have primarily focused on technology companies, but some have been suing freight forwarders for presumably violating a patent on track and trace software.

The U.S. government is scrambling to find a way to curb what they call patent trolls. Even Obama has taken notice of NPEs.

What has become known as the patent troll phenomenon takes place almost exclusively in the U.S. because of the country's patent system. But nobody seems to agree on what this phenomenon is – or if it even exists.



## Sealing fate

A freight forwarder's first contact with a NPE is a letter from a lawyer, informing the forwarder that it is violating a patent owned by the company the lawyer represents, Fried says.

For the forwarder to hire a lawyer to investigate if there is patent violation, it usually costs about US\$150,000 (113,000 euros). That's when Fried receives a phone call from the forwarder.

"[The forwarder says,] 'I don't think we're violating the claim. It's just something we've always done on our website, and our lawyers think we have a good case,'" he says.

The forwarder then settles with the NPE rather than pay a lawyer to fight the lawsuit. Fried says the settlement is usually US\$30,000 (22,600 euros), which gives the forwarder the right to use the patent but forces it to not disclose information about the case.

To read an extended version of this story, go to [aircargoworld.com](http://aircargoworld.com).

"I have this situation where the member will say to me, 'I can't talk to you anymore about it. I can only tell it was one of the worst things we've ever gone through, and they extorted the money from us,'" Fried says.

He says he has tried to convince members not to settle – to fight the lawsuit – but with no success. Forwarders don't want to end up losing or paying the legal defense bills.

Just like the company it's suing, a NPE also doesn't want to end up in court, Robert Fletcher, president of Intellectual Property Insurance Services Corporation, says.

"Many times, a troll is much more interested in getting into a lawsuit and getting a relatively modest – and I say modest might be \$2-or-3-or-400,000 payment – and moving onto the next victim as opposed to litigating all the way to a decision," Fletcher says.

One NPE that has sued freight forwarders is ArrivalStar. The company got its beginnings when a Florida man named Martin Kelly Jones registered patents in 1993 for "an advance notification system and method" that "notifies passengers of the impending arrival of a transportation vehicle, for example, a school bus, at a particular vehicle stop."

Jones eventually founded ArrivalStar, which is registered in Luxembourg.

Anthony Dowell is a patent attorney in Indianapolis who has represented

ArrivalStar since 2008. He says he is one of multiple attorneys who represent the company.

"We investigate companies on the Internet and find if they're infringing any of ArrivalStar's 34 U.S. patents. If the information looks like a company's infringing, we send them a letter alerting them to our concerns and in most cases, we then have a dialogue about whether there is in fact infringement," Dowell says. "Most of the lawsuits we file end up happening because someone doesn't answer our letter."

He describes what happens after ArrivalStar sends a letter to the company in question.

"Usually, we're able to work something out, and sometimes companies say they're doing something on the Internet that they're not actually doing, and we're able to clear that up," Dowell says. "Others, we're typically able to work out some sort of licensing arrangement."

About a fourth of the companies Dowell contacts on behalf of ArrivalStar end up in a lawsuit, usually because they don't respond to letters or calls. He says most companies end up settling.

*Air Cargo World's* attempts to speak with freight forwarders sued by ArrivalStar were unsuccessful.

### Stopping 'a boogeyman'

In the 1990s, a lawyer at Intel Corporation invented the term "patent troll," and the name stuck.

Intel, Google and other technology companies were being sued by NPEs for their different gadgets. So they formed an organization to lobby the government for patent reform called the Coalition for Patent Fairness, "which by Washington standards, the name usually means the opposite of what it says," Christopher Gallagher says, chuckling.

"They came up with this public relations gimmick called 'patent trolls' as a way of creating a boogeyman that had to be stopped," says Gallagher,

an intellectual property attorney at Gallagher, Callahan & Gartrell in New Hampshire. "What we're really talking about is abusive litigation, so anytime you have a court system that's open to everyone – and we actually prefer it that way – you're going to have people who will abuse it on both sides."

The America Invents Act, which went into effect in 2011 and 2012, was designed to deal with NPEs. The Coalition for Patent Fairness lobbied for the law, but the group wants more.

In June, Obama announced several executive orders "to protect innovators from frivolous litigation" by NPEs, according to *The New York Times*.

The next month, Fried sent out an email to Airforwarders Association members with the heading "Has Your Company Been the Target of a Patent Troll?"

### Playing the numbers game

A record volume of new patent infringement cases was filed in 2012, according to RPX Corporation. Cases filed in 2012 were up 40 percent from 2011, the provider of patent risk management services reported.

Dowell says he has licensed more than 300 companies with ArrivalStar and has brought around 100 lawsuits since 2008.

These numbers sound alarming, but they make it difficult to draw conclusions, Gallagher says.

The America Invents Act now requires reporting one lawsuit per company, whereas before the law, 50 companies could be on a single lawsuit.

In addition, the law "created numerous new administrative proceedings for invalidating patents at the Patent and Trademark Office, which created additional incentives to file lawsuits in certain contexts," Adam Mossoff, a law professor at George Mason University, writes in an Aug. 12 blog post on the university law school's website.

So the combination of these new  
*(continued on page 41)*

# Forwarders pursue pockets of growth in Southeast Asia

**S**ingapore's Changi Airport is trying to make freighters feel welcome. In March, Southeast Asia's preeminent gateway extended financial incentives to freighter airlines that it had first unveiled the year before. These offer a 50 percent rebate on the landing fee for scheduled freighter flights, which will be changed to 30 percent in the first quarter of 2014. In addition, the airport has offered tenants in its Changi Airfreight Centre rebates of up to 20 percent off their rentals, based on freight tonnage handled on the premises.

Such rebates have usually been deployed by small airports trying to establish themselves as alternatives to crowded gateways, not by the large hubs themselves. Changi announced the fresh round of incentives after an 8.9 percent drop in throughput in February.

Tonnage has since improved somewhat. July saw a 1.1 percent rise in volume, bringing the airport's total for the first seven months of the year to 1,056,002 tonnes, 1.3 percent more than in the same period in 2012. In terms of attracting freighters, though, Changi's efforts have not borne significant fruit.

The national carrier itself has cut back its freighter activities. In June, Singapore Airlines Cargo took a second B747 cargo plane out of service in an effort to shore up yields. Management plans to keep the aircraft parked for a year, holding its freighter line-up at 11 747s for the time being. SIA's cargo traffic was down 9.1 percent in July, while capacity had been cut back 6.7 percent.

As in most other parts of the world,

yields have been under pressure by the familiar convergence of lackluster demand, overcapacity and high fuel costs. Also, there has been a considerable push by shippers to convert traffic to other modes, from ocean and sea-air to truck and rail, notes Thomas Lehmann, senior vice president, airfreight, South Asia region of Kuehne + Nagel.

This is not to say that there has been no growth. "Overall we have seen net growth, despite the slowdown elsewhere in the market. We have still been growing across all countries in the region, particularly strong in the Philippines, Vietnam and the smaller Indochinese countries," reports Yasmin Aladad Khan, senior vice president, Southeast Asia at DHL Express.

She adds that DHL recorded growth both on the inbound and outbound side, and both with long-haul and intra-regional flows. The latter stand to receive a significant boost in 2015, when regional economic integration among countries in the Association of Southeast Asian Nations is supposed to kick in, she says.

Some markets have not shown much momentum overall, but instead displayed strength in specific segments, Lehmann says. He points to Singapore, where Kuehne + Nagel's pharmaceutical logistics business has done well.

"Life sciences and pharmaceutical traffic has really been growing," Khan says. She adds that other sectors showing growth include the automotive industry, aerospace and the garment sector, which has been well entrenched in the region. Mining, oil and gas have also shown strong momentum. To capture these engines of



*In March, Singapore Changi Airport extended financial incentives to freighter airlines that it had first unveiled the year before. These offer a 50 percent rebate on the landing fee for scheduled freighter flights, which will be changed to 30 percent in the first quarter of 2014.*

growth, DHL has set up "centers of excellence" in the region – health care in Singapore, oil and gas in Malaysia and Indonesia, mining in Indonesia and automotive in Thailand.

Geographically, the latest focal point for expansion is Myanmar. Lehmann reckons that some low-end production such as garment or footwear manufacturing will likely move there in the initial phase. Kuehne + Nagel established a full legal entity there this year.

Bee Logistics, a Vietnam-based forwarder, has also pushed into Myanmar, but initially airfreight will not be a priority. "We focus more on ocean now. There is high demand for that," company president Henry Dinh Huu Thanh says.

He reckons that air cargo will take off in Myanmar in about two years. At this point, demand is low and the passenger airlines that serve this market fill about 20 percent of their capacity, he says.

In terms of growth, the Philippines has been one of the strong performers in the region. The service sector has been the strongest single driver of growth, but manufacturing – notably electronics and aerospace – has also been on the rise. Semiconductors and perishables have also done well, Lehmann observes. Unlike some other emerging economies that have been buffeted by downdraft recently, the



Special incentives to freighter airlines that it had first rate on the landing fee for scheduled freighter flights.

Philippines appear to have kept their momentum, operators report.

Vietnam has also been going strong. Bee Logistics, which was established in 2004 and joined the World Cargo Alliance five years later driven by strong international growth, has been adding offices to its network. "We still see demand increase in Vietnam," says Dinh, pointing to investment by multinationals such as Samsung, Nokia and Foxconn.

Some of this is part of a migration from the established production areas in China, which have been faced with rising costs, prompting manufacturers to look for alternative locations. Northern Vietnam in particular has been the target for high-tech and electronics manufacturers that have so far produced in China, Lehmann says.

It remains to be seen if this is a lasting phenomenon, he adds. "We have seen over the last few years numerous attempts by buyers to move away from China. It is a bit of a high tide, low tide scenario, with production flowing out of China, then flowing in. Some companies shifted elsewhere and then found that their production deadlines could not be met, so they went back to China," Lehmann says.

Indonesia has been another magnet for foreign investment, which brought forays by logistics providers in its wake. German forwarder Dachser, which set up shop in Malaysia and

Vietnam in 2012, has Indonesia in its sights next, according to Thomas Reuter, managing director of the company's Air & Sea Logistics division, although no date has been set for this move. DHL Global Forwarding opened a branch in Makassar, Indonesia, earlier this year and intends to bring two more offices on stream in Indonesia before the end of 2013. The new locations at Manado and Palembang will boost the company's footprint in Indonesia to nine offices and 40 terminals.

DHL Express has been ramping up its capabilities in the automotive sector in Indonesia. "A lot of automotive companies are interested in Indonesia. We have seen growth there over the last 12, 18 months," Khan notes.

For all the positive signs, Indonesia has lost some momentum recently. "Indonesia came a little bit off the boil. It was developing faster in recent years," Lehmann says.

Other markets that used to generate good growth in air cargo, such as Thailand and Malaysia, have been less successful for a while, producing tepid growth at this point. As a result, most operators' expansion plans are in a holding pattern at the moment. For the most part, Kuehne + Nagel is moving in response to customers' actions.

There has been no rush by carriers to new markets, although some destinations rolled out the welcome mat for new freighter services. Korean Air mounted a twice-weekly 747 freighter flight to Dhaka at the end of July, which serves the Bangladeshi capital in conjunction with Hanoi, Vietnam. Cargolux added a third weekly flight to Hanoi in March and subsequently upped its lift out of the Vietnamese capital by putting a 747-8F on the route. DHL boosted its capacity out of Penang, Malaysia, by 30 percent by upgrading its regional freighter serving the city to an A300F.

For the most part, capacity expansion has come in the shape of new wide-body belly-hold lift. The Middle Eastern carriers have especially been pouring capacity into the market. On some sectors, frequencies are up to two, three or four daily flights, Lehmann

observes.

As a result, forwarders have not experienced any serious bottlenecks in capacity, despite some cutbacks in main-deck lift. In the absence of massive changes in the demand landscape across the region, operators see little cause for a change in their gateway and hub strategies. Over the long-term, the rise of markets such as Indonesia or Vietnam could prompt some changes, but for the time being such consideration would be premature, Lehmann says.

DHL Express uses two gateways in Southeast Asia, Singapore and Bangkok. "I don't foresee a third hub in the region," says Khan, adding that the winter schedule will not bring any significant changes in the integrator's regional network.

Bee Logistics has taken advantage of the rise in flights to Da Nang, Vietnam, and Nha Trang, Vietnam, which offer alternatives to routing traffic through Hanoi or Ho Chi Minh City, Dinh says. His company already uses Vietnam as a transit point for cargo to Cambodia and Laos.

"A lot of airfreight to Cambodia moves over Vietnam," he says. Trucking time is about 6-8 hours, but a new highway that is under construction should cut this to four hours, he adds.

This traffic could grow faster if the Vietnamese government were to lift restrictions that hamper transit cargo. Current regulations on transshipment cargo are an obstacle to utilizing Ho Chi Minh City as a transshipment hub for consolidations, Dinh says.

While getting lift has not been an issue, loading freight can take a long time at the airports, he says. This is because forwarders cannot build pallets themselves but have to hand their cargo to the airport company to do this. Owing to limited supply of equipment, this process can take a long time, he says.

Bee opened a branch in Cambodia and is looking to add a second one. There are no plans for an office in Laos, as that market is relatively small and can be covered from Vietnam or Bangkok, Dinh explains. **ACW**



# What Drives Growth?

*When complete, Calgary International Airport's 14,000-foot (4,267-meter) runway will be the longest in Canada.*

**By John W. McCurry**  
jmccurry@aircargoworld.com

**A**re airports catalysts for growth or does economic development drive airport growth? Both come into play, and usually it's a case of available land.

Air cargo consultant Michael Webber says it's the classic case of the chicken or the egg. He says both airports and their surrounding areas can be catalysts for growth, depending on the environment.

"There are cases such as Memphis, where the airport has been a catalyst for development that otherwise wouldn't have occurred there," Webber says. "In other markets such as in Chicago and New York, the big reason the airport grew is that the economy grew."

Webber says freight integrators at hubs such as Chicago Rockford International Airport and LA/Ontario International Airport in Los Angeles

have provided economies of scale by bringing all the working parts with them, creating growth out of thin air.

"With all of that, you then start to get the additional layers of development around airports," Webber says. "Some airports have the benefit of ample land such as Pittsburgh or Kansas City, and they are able to take on development that wouldn't fit the purpose at a JFK or a Miami, where local economic development has been brought up right to the fences."

Webber says many airports are populated with a lot of legacy cargo facilities that are not well-suited to next-generation users. He says the number of surplus cargo facilities is at an all-time high.

"At some point, rather than backfill, they may need to take down these facilities and get them out of their inventory," he says. "A lot of legacy space isn't well suited to current or

future users and at some point, airports will be making some tough determinations. There is no next Emery Worldwide or Airborne Express out there. Those market shares have migrated to UPS and FedEx."

## **Calgary's growth**

Calgary, Alberta, is one region where there is clear evidence airport expansions have spurred surrounding growth. Calgary International Airport is not ranked among the world's top cargo airports, but it is in the midst of a major expansion, which began in 2011. When the CAD\$2 billion (U.S.\$1.9 billion) project is complete in 2015, Calgary will have, among other things, the longest runway in Canada at 14,000 feet (4,267 meters).

The expansions include several new cargo-related facilities. Keith Stanley, cargo and logistics manager at the airport, says cargo facility



expansions include the recent opening of an additional cargo apron for larger code D and code E aircraft, which gives easy access to runways.

“We’re also working with our courier partners, FedEx, UPS and Purolator, and we finished an apron expansion that extends a new vehicle service road,” Stanley says. “We are also in the process of planning a new multi-purpose cargo facility, primarily allocated for outsize cargo. That will be 30,000 square feet in addition to what we already have, and it should be open by mid-2014. We have a lot of live animal movement including cattle and equestrian horses.”

Stanley describes the Albertan cargo market as stable in recent years, with no huge growth or decline.

“We saw a slow down, but not as bad as other points,” Stanley says. “Our cargo is mainly oil- and gas-re-

lated. This area manufactures a lot of heavy machinery for energy fields globally. It’s similar to Houston in that sense. There is a lot of expertise going into this machinery that goes overseas. Most of it is airfreighted because of the nature of the beast. Time is of the essence.”

Tom Dixon, business development manager for Calgary Economic Development, is among those who like to use the term “aerotropolis.” He agrees with the concept that unique synergies surrounding an airport can effectively create a new city.

“It’s all about that in Calgary for sure,” Dixon says. “The airport growth comes down to a lot more than the expanded runway. The runway will add tremendous capacity, but it’s about synergies in the northeast quadrant of the city that focuses on and radiates out, from the airport.”



[www.airbridgecargo.com](http://www.airbridgecargo.com)

# THE BEST CHOICE TO RUSSIA



- ➔ Direct services to Russia from South East Asia, Europe, and USA
- ➔ Direct services to Russia Far East (KHV), Ural (SVX), and Siberian region (OVB, KJA)
- ➔ Feeder and trucking delivery solutions within Russia
- ➔ High On Time performance
- ➔ Online Track&Trace System
- ➔ Internationally recognized Russian cargo market expert
- ➔ High-skilled staff in handling outsize and heavy cargo
- ➔ An advance fleet of new Boeing 747-8 Freighters



AirBridgeCargo Airlines is an active member of IATA, Cool Chain Association, Cargo 2000 and TAPA

Russia +7 495 7862613  
Germany +49 6963 8097 100

The Netherlands +31 20 654 9030  
USA +1 773 800 2361

China +86 21 52080011  
Japan +81 3 5777 4025

Dixon says the government has invested in ring-road infrastructure in Calgary that puts the airport at the center of the first phase of ring-road development.

“The ring-road allows you to get to other parts of the city or bypass the city, without coming into dense traffic. It’s all new within the last three years,” he says. “The southeast leg, the third leg of it, is just being completed this month [September].”

Calgary has dedicated cargo service to Europe via Cargolux. The airport is also served by KLM and Air Canada into Europe. Dixon says discussions are underway with another cargo carrier to serve Calgary, and that deal could be finalized by the end of the year.

“The dedicated cargo flights and charters are primarily taking equipment in and out of the energy industry,” Dixon says. “Occasionally, we have very large Russian freighters moving very large equipment. Some of it’s inbound; some of it’s outbound. A lot of it is going into the Middle East.”

Dixon says all of the air couriers are in full strength, led by a new FedEx facility. He says all have benefited from extensive road network improvements.

The Calgary Airport Authority has also developed a Global Logistics Park on 330 acres adjacent to the airport, and Air Canada plans to officially open a new cargo facility at the airport in October.

## Miami logistics project

Miami International Airport is one of those airports with little room for adjacent growth, but one major project is being developed. Plans are moving forward for the US\$39.9-million (29.8-million-euro), 400-acre multi-modal South Florida Logistics Center project, being developed adjacent to Miami International Airport.

“The wholesale supply chain logistics format is going global more than ever before, and there are so many



*Charlotte Douglas International Airport has been a driver of growth in the Carolinas for decades.*

opportunities to move freight,” says Chris Scott, president and CEO of South Florida Logistics Services, developer of the project. “Technology is better than ever, and it’s so much easier to move and track. Miami is a huge hub for Latin America, so there is an opportunity to capture more and more freight.”

The first building of the planned 1.5-million-sq.-ft. (140,000-sq.-m.) project opened in August. The 170,000-sq.-ft. (15,800-sq.-m.) building is equipped with cold storage and has potential to temporarily house some of the asparagus shipped through Miami from South America, Scott says.

## Charlotte’s catalyst

Charlotte Douglas International Airport has historically been a big driver of growth in the region. Many companies, especially foreign manufacturers, have been attracted to the region because of the airport.

“They want to be within a certain drive time of Charlotte Douglas,” says Lane Holbert, senior vice president in the Charlotte office of Cassidy Turley, a commercial real estate specialist.

“Most are looking at multiple cities, and because of Charlotte’s number of direct flights within the U.S. and to a number of foreign cities, it’s been the reason we have won certain projects.”

While it will have little effect on air cargo, a Norfolk Southern railroad is developing a huge intermodal terminal on airport property.

“It is a very good use and placement for taking advantage of land with not many other higher and better uses,” Holbert says. “It will drive industrial growth.”

The area is poised for growth, he says. One recent project is an industrial building being developed on 45 acres near the airport.

Sometimes growth is spurred by flight connections offered at an airport. Holbert says Cassidy Turley recently represented a food manufacturing company that operates a plant in Jamaica and whose owner lives in Seattle. The company wound up siting an 80,000-sq.-ft. (7,432-sq.-m.) facility in Charlotte.

“At the end of the day, it came down to the owner’s ability to fly Seattle to Charlotte and then Charlotte to Jamaica,” Holbert says. **ACW**



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



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

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

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



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





# STRU KICK BACK

*By Adina Solomon*

asolomon@aircargoworld.com

**A**bout half of the 50 busiest cargo airports in the world saw a decline in freight activity – and most other airports’ cargo volumes barely budged.

Hong Kong International Airport was once again No. 1 on the list of the busiest cargo airports according to Airports Council International. In 2012, it saw a 2.3 percent increase in freight year over year.

Memphis International Airport and Shanghai Pudong International Airport were No. 2 and No. 3, respectively.

In general, Asian airports saw stagnant or falling cargo volumes with a few bright spots in China, Indonesia and the Philippines. Indian airports were all down.

North American airports saw little to no growth, and many European airports’ freight tumbled.

In Africa and the Middle East, the only airports that experienced growth were in the United Arab Emirates, Saudi Arabia and Qatar.

Cargo volumes remained sluggish in Latin America; Santiago grew the most at just over 6 percent.

Many airports interviewed blame low cargo levels on the European economy.

“We are very much affected by global economic trends, regional economic trends in the European context as well,” says Robert Payne, international spokesperson for Fraport, which manages Frankfurt Airport. “It’s no secret that the last few years there has been some weaknesses in the air-freight industry worldwide, and so we are affected by that.”

Frankfurt Airport is the No. 9 busiest cargo airport. In 2012, it saw a 6.7 decline in cargo.

“Germany is considered an economic driver or main motor of activity in Europe. It’s still soft,” Payne says.

Leipzig/Halle Airport in Germany, No. 25 on the list, bucked the European trend of falling cargo volumes; the airport increased its freight by almost 14 percent, one of the highest percentages among the top 50 cargo airports.



# CARGO GGLES TO

North America				
World Rank	City	Code	Cargo	
			2010 tonnage	YOY%
2	Memphis TN, USA	MEM	4 015 997.0	2.5
4	Anchorage AK, USA	ANC*	2 463 696.0	(3.1)
7	Louisville KY, USA	SDF	2 168 365.2	(0.9)
11	Miami FL, USA	MIA	1 929 889.0	4.8
14	Los Angeles CA, USA	LAX	1 780 998.0	5.0
19	New York NY, USA	JFK	1 283 450.0	(4.5)
20	Chicago IL, USA	ORD	1 254 183.3	(4.4)
22	Indianapolis IN, USA	IND	989 103.0	1.8
27	Newark NJ, USA	EWR	744 375.0	(8.5)
32	Atlanta GA, USA	ATL	646 481.0	(2.5)

Europe				
World Rank	City	Code	Cargo	
			2010 tonnage	YOY%
8	Paris, France	CDG	2 150 950.0	(6.5)
9	Frankfurt, Germany	FRA	2 066 299.7	(6.7)
16	London, United Kingdom	LHR	1 556 154.0	(0.8)
17	Amsterdam, Netherlands	AMS	1 511 823.0	(2.4)
25	Leipzig, Germany	LEJ	846 093.0	13.7
28	Cologne, Germany	CGN	730 055.0	0.5
35	Luxembourg, Luxembourg	LUX	615 182.0	(6.4)
37	Liege, Belgium	LGG	577 225.0	(14.4)
39	Istanbul, Turkey	IST	561 173.0	9.2
49	Milan, Italy	MPX	414 318.0	(8.0)

“Leipzig/Halle Airport is Germany’s largest hub for express cargo, which DHL’s European hub handles here and which has significantly contributed to the airport’s on-going growth for nine years now,” Markus Kopp, CEO of Mitteldeutsche Airport Holding, says in an email interview. “We are also increasingly successful in niche markets such as freight charter traffic and the handling of heavy-duty and oversized shipments and large animals.”

Mitteldeutsche Airport Holding manages Leipzig/Halle.

Larry Cox, president and CEO of Memphis-Shelby County Airport Authority, says Memphis Airport being FedEx’s world hub helps tremendously. The airport saw a slight pickup in cargo.

As a result of Asia’s soft economy, FedEx decided to reduce its flights and workforce at other airports – so now Memphis receives more of that transfer



Leipzig-Halle Airport in Germany is home to DHL’s European hub.

## WORLD AIRPORT RANKING: TOTAL CARGO (METRIC TONNES)

RANK	CITY	CODE	TOTAL CARGO	% CHANGE	RANK	CITY	CODE	TOTAL CARGO	% CHANGE
1	Hong Kong, China	HKG	4 066 738.4	2.3	26	Doha, Qatar	DOH	844 531.7	4.5
2	Memphis TN, USA	MEM	4 015 997.0	2.5	27	Newark NJ, USA	EWR	744 375.0	(8.5)
3	Shanghai, China	PVG	2 939 156.8	(4.7)	28	Cologne, Germany	CGN	730 055.0	0.5
4	Anchorage AK, USA	ANC*	2 463 696.0	(3.1)	29	Osaka, Japan	KIX	723 147.0	(2.7)
5	Incheon, Korea (Rep of Korea)	ICN	2 456 724.0	(3.2)	30	Kuala Lumpur, Malaysia	KUL	702 226.0	1.1
6	Dubai, United Arab Emirates	DXB	2 279 623.8	3.9	31	Mumbai, India	BOM	653 653.0	(4.1)
7	Louisville KY, USA	SDF	2 168 365.2	(0.9)	32	Atlanta GA, USA	ATL	646 481.0	(2.5)
8	Paris, France	CDG	2 150 950.0	(6.5)	33	Jakarta, Indonesia	CGK	634 751.0	9.0
9	Frankfurt, Germany	FRA	2 066 299.7	(6.7)	34	Bogota, Colombia	BOG	632 634.0	2.5
10	Tokyo, Japan	NRT	2 006 173.0	3.1	35	Luxembourg, Luxembourg	LUX	615 182.0	(6.4)
11	Miami FL, USA	MIA	1 929 889.0	4.8	36	Dallas/Fort Worth TX, USA	DFW	603 049.8	1.6
12	Singapore, Singapore	SIN	1 841 858.0	(3.0)	37	Liege, Belgium	LGG	577 225.0	(14.4)
13	Beijing China	PEK	1 799 863.7	9.7	38	Abu Dhabi, United Arab Emirates	AUH	574 012.0	17.6
14	Los Angeles CA, USA	LAX	1 780 998.0	5.0	39	Istanbul, Turkey	IST	561 173.0	9.2
15	Taipei, Chinese Taipei	TPE	1 576 508.0	(3.1)	40	New Delhi, India	DEL	560 637.0	(5.5)
16	London, United Kingdom	LHR	1 556 154.0	(0.8)	41	Cincinnati OH, USA	CVG	538 674.0	11.8
17	Amsterdam, Netherlands	AMS	1 511 823.0	(2.4)	42	Chengdu, China	CTU	508 039.5	6.4
18	Bangkok, Thailand	BKK	1 345 490.0	1.8	43	Oakland CA, USA	OAK	481 280.0	(0.4)
19	New York NY, USA	JFK	1 283 450.0	(4.5)	44	São Paulo, Brazil	GRU	477 986.5	(2.2)
20	Chicago IL, USA	ORD	1 254 183.3	(4.4)	45	Manila, Philippines	MNL	460 135.1	12.1
21	Guangzhou, China	CAN	1 248 763.7	5.8	46	Houston TX, USA	IAH	438 375.0	(1.8)
22	Indianapolis IN, USA	IND	989 103.0	1.8	47	Shanghai, China	SHA	429 813.9	(5.3)
23	Tokyo, Japan	HND	909 588.0	4.2	48	Toronto ON, Canada	YYZ	417 022.0	(0.0)
24	Shenzhen, China	SZX	854 902.0	3.2	49	Milan, Italy	MPX	414 318.0	(8.0)
25	Leipzig, Germany	LEJ	846 093.0	13.7	50	Brussels, Belgium	BRU	414 146.0	(3.8)

\*ANC data includes transit freight

### Latin America

World Rank	City	Code	2010 tonnage	Cargo YOY%
34	Bogota, Colombia	BOG	632 634.0	2.5
44	São Paulo, Brazil	GRU	477 986.5	(2.2)
53	Mexico City, Mexico	MEX	399 761.5	(3.7)
64	Santiago, Chile	SCL	306 014.0	6.2
68	Lima, Peru	LIM	293 675.0	2.5
78	Campinas, Brazil	VCP	264 480.4	(1.3)
92	Buenos Aires, Argentina	EZE	210 054.5	2.6

traffic, Cox says.

Narita International Airport in Tokyo, the No. 10 busiest cargo airport, saw cargo increase slightly. Fumio Gunji, director cargo business department, attributes this slight growth to several factors, including the Japan earthquake in 2011.

“[The earthquake resulted] in a domestic supply chain disruption and significant negative impact on Narita,” Gunji says in an email interview. “At the same time, long continued high exchange rate of the Japanese yen and the world economy recession led to downturn in cargo volume at Narita by 10 percent compared with the previous year 2010.” But in 2012, airlines implemented measures to fill in gaps with transit cargo, he says. That’s why in 2011, Narita experienced

AVAILABLE FOR PURCHASE NOW



## ACI ANNUAL WORLD AIRPORT TRAFFIC REPORT

Over 1500 Airports | More than 150 Countries

2012

The 2012 ACI World Traffic Report provides comprehensive analysis of trends, rankings and traffic statistics for over 1,500 airports in more than 150 countries, by three thematic areas: passengers, cargo (freight and mail) and aircraft movements. International and domestic traffic breakdowns are presented as well.

Call +1-514-373-1200 or visit [www.aci.aero/publications](http://www.aci.aero/publications) to place your order today.

a 10 percent drop in cargo year over year; in 2011, it rose by just over 3 percent.

Taiwan Taoyuan International Airport, the No. 15 busiest cargo airport, saw a decline in freight of about 3 percent. Yung-Sung Wen, senior vice president of Taoyuan International Airport Corporation, says in an email interview that this is due to the deteriorating cargo revenues of two major home carriers, China Airlines and EVA Air.

Asian cargo volumes at Seattle-Tacoma International Airport, No. 71 on the list, grew by 12 percent year over year.

“But it was counterbalanced by an even steeper percentage loss for Europe, both import and export,” says Tom Green, senior manager air cargo operations and development at Sea-Tac.

Altogether, the airport’s international cargo rose 0.2 percent.

Indianapolis International Airport, the No. 22 busiest cargo airport, saw a small jump in freight. Chris Matney, air service director at Indianapolis, says 97 percent of the airport’s cargo volume is tied to FedEx’s hub operations.

“FedEx is the big straw in our drink,” he says. “We’ve been very fortunate that we’ve seen the efforts and volumes of FedEx continue to grow.”

Indianapolis also moves a lot of freight in the pharmaceutical industry.

“When it comes to the pharmaceu-



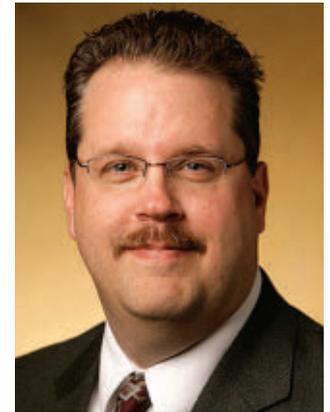
Markus Kopp



Fumio Gunji



Larry Cox



Chris Matney

tical product, those quality managers and the supply chain people for those industries are always looking for the most reliable environment to make sure that the product is handled in a timely fashion without any delays or handling risks,” Matney says. “That’s definitely been one type of air cargo that has grown significantly in terms of the volumes we’re seeing go

through the airport.”

Detroit Metropolitan Wayne County Airport, near the bottom of the list at No. 90, was among the best-growing airports in North America due to the resurgence of the auto industry.

“Everything here was kind of paralyzed for awhile, particularly during the GM and Chrysler bankruptcies,” Scott Wintner, public affairs



Narita International Airport in Tokyo saw cargo increase slightly. Credit: Narita International Airport Corporation



Yung-Sung Wen



Scott Wintner



Tom Green



Memphis International Airport in the U.S. is helped tremendously by being FedEx's world hub. Credit: Aerial Innovations of Tennessee, Inc.

manager at Wayne County Airport Authority, says. "The bankruptcy [at GM] really sort of chilled the entire industry, and things slowed down quite a bit in terms of movement of cargo."

The auto industry, including parts manufacturers and technology developers, makes up the bulk of Detroit's cargo. With the revival of the U.S. auto industry, the airport's cargo demand is now relative to where it was about six years ago.

"A lot of that growth is really rebounding from the drop that we had in the years past," Wintner says.

Even with airports around the world reporting mediocre cargo numbers, people interviewed say they remain hopeful.

Payne of Frankfurt Airport talks about the logistics center Lufthansa Cargo is building. Lufthansa is also taking delivery of their first low-emission 777Fs.

Europe				
World Rank	City	Code	2010 tonnage	Cargo YOY%
8	Paris, France	CDG	2 150 950.0	(6.5)
9	Frankfurt, Germany	FRA	2 066 299.7	(6.7)
16	London, United Kingdom	LHR	1 556 154.0	(0.8)
17	Amsterdam, Netherlands	AMS	1 511 823.0	(2.4)
25	Leipzig, Germany	LEJ	846 093.0	13.7
28	Cologne, Germany	CGN	730 055.0	0.5
35	Luxembourg, Luxembourg	LUX	615 182.0	(6.4)
37	Liege, Belgium	LGG	577 225.0	(14.4)
39	Istanbul, Turkey	IST	561 173.0	9.2
49	Milan, Italy	MLA	414 318.0	(8.0)

At Leipzig/Halle Airport, ACC AirCargo Center Leipzig will develop an area of 60,000 square meters (645,900 square feet) with direct apron access. It is expected that the first construction phase of the new air cargo center, with an area of 23,000 square meters (248,000 square feet), will be completed by the first quarter of 2014.

Another 15,000 square meters (162,000 square feet) of air cargo area will be built in the second construction

PEAK SEASON IS HERE!

this  
CHANGES  
everything!

We are here to supply the kind of service you need when you need it during this peak season and beyond.

BX Solutions provides coast to coast service ensuring your freight gets to its final destination on time, damage free, as promised.

You have a **solid option** in line haul carriers with  
**BX Solutions.**

For more information or to book a shipment  
**call us today – you'll be glad you did!**

WWW.BXSOLUTIONS.COM  
BOOKTOL@BXSOLUTIONS.COM  
1.855.BOOKTOL

phase, to be completed by the end of 2018.

“Leipzig/Halle continues to grow in terms of both cargo volume and infrastructure,” Kopp says.

Gunji says the reinforcement of aprons, parking stands and taxiways at Narita Airport are under construction.

“By expanding the capacity, we expect to boost the extensive aviation network of Narita, our competitive edge, to attract more cargo,” Gunji says. “We bear in mind that the scale of the cargo facilities in the future will need to be decided after careful assessing of air cargo trends and air carriers’ and forwarders’ needs.”

Right now, the capacity of Narita’s cargo facilities is 2.35 million tonnes per year.

Cox says Memphis International Airport continues relying on FedEx to connect cargo through the airport. But at the same time, companies are opting to use less airfreight.

“If the economy locally and globally starts to pick up,” Cox says, “then I believe the air cargo will pick up as well, even though there has been a market shift from air cargo to surface transportation as companies try to reduce their expenses to reduce their transportation costs.”

Wen of Taiwan Taoyuan International Airport says the airport is expanding two cargo terminals to improve capacity and operation speed.

Asia				
World Rank	City	Code	2010 tonnage	Cargo YOY%
1	Hong Kong, China	HKG	4 066 738.4	2.3
3	Shanghai, China	PVG	2 939 156.8	(4.7)
5	Incheon, Korea	ICN	2 456 724.0	(3.2)
10	Tokyo, Japan	NRT	2 006 173.0	3.1
12	Singapore, Singapore	SIN	1 841 858.0	(3.0)
13	Beijing, China	PEK	1 799 863.7	9.7
15	Taipei, Chinese Taipei	TPE	1 576 508.0	(3.1)
18	Bangkok, Thailand	BKK	1 345 490.0	1.8
21	Guangzhou, China	CAN	1 248 763.7	5.8
23	Tokyo, Japan	HND	909 588.0	4.2

Though he remains bullish for air cargo, he has an air of caution.

“We expect an energetic global economy in the near future as mature markets are recovering from EU debt and U.S. financial crisis, and consumer confidence increases,” Wen says. “However, given the high fuel price and the trend of shifting from air to seafreight, future growth will not be as immense as that of a decade ago.” **ACW**

# I am Speed of Light



André Christen  
Senior Manager, Head of Cargo  
Area Zurich, Basel, Berne and Lugano

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



Dr. Ruwantissa Abeyratne  
President/CEO, Global Aviation Consultancies Inc

## Air cargo liability: A system of chaos

**T**he overriding aim of private international air law has been to unify laws relating to the carriage of persons and cargo.

This unification started with the Warsaw Convention of 1929 and culminated in the Montreal Convention of 1999, which finally replaced the Warsaw Convention. These legal instruments were collectively called “the Warsaw Regime,” meaning that the parent treaty was the Warsaw Convention. Between 1955 and 2000, an interesting turn of events took place in the liability regime. If, for instance, a shipment was lost by the carrier – which flew it from country A to country B – the courts had to decide which treaty of the Warsaw Regime to apply. If country A had ratified the Warsaw Convention, and country B had instead ratified the Hague Protocol, courts applied the principles of the lower common denominator. In this case, it was the Warsaw Convention.

In 2000, this changed when the U.S. Court of Appeals held that if there was no commonality between the two countries involved in carrying cargo, no legal instrument applied and the applicable law would be as existing in the domestic jurisdiction concerned be it common law or civil law. This situation led to considerable chaos, which is counterintuitive to the whole purpose of unification of laws.

So now with an abundance of caution, the U.S. has ratified the Hague Protocol, the Montreal Protocol No. 4 and the Montreal Convention, just to make sure that the U.S. will fall into at least one instrument.

To make confusion worse, the basic principle applicable to treaties is that a country can adhere to an amendment to a convention only if the parent convention or treaty allowed such partial adherence. There is no such mention in the Warsaw Convention. Therefore, the U.S. is deemed not to have ratified any instrument in this context. Although the Court of Appeals did not focus on this fact, the ultimate conclusion of the court was valid, in that both parties had not ratified the same instrument and therefore it was left to the common law applicable to the U.S. to take over.

**In its World Air Cargo Forecast for 2012–2013, Boeing suggests that over the next 20 years, world air cargo traffic will grow 5.2 percent per year and that airfreight, including express traffic, will average 5.3 percent annual growth. Airmail traffic will grow much slower, averaging only 0.9 percent annual growth through 2031.**

The Montreal Convention of 1999, which has entered into force, replaced the Warsaw Convention and its several protocols. At least we now have a clean slate, and countries should take the opportunity they have to unify the laws applicable to carrying people and cargo by air by signing onto the Montreal Convention. This would eliminate all doubt, particularly for the courts.

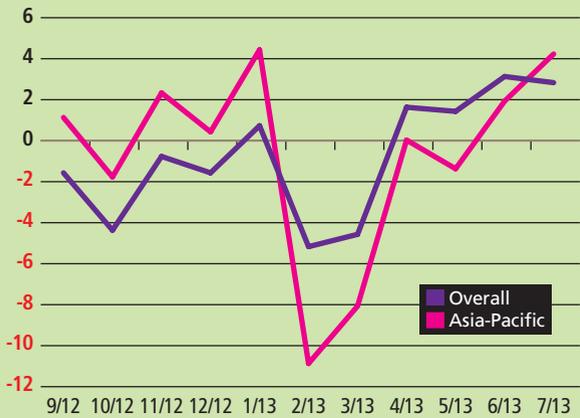
In its World Air Cargo Forecast for 2012–2013, Boeing suggests that over the next 20 years, world air cargo traffic will grow 5.2 percent per year and that airfreight, including express traffic, will average 5.3 percent annual growth. Airmail traffic will grow much slower, averaging only 0.9 percent annual growth through 2031.

By any standards, these statistics instill confidence in the future of air cargo carriage. The least the industry could ask for is a clear system of laws that would help both the carrier and the shipper. **ACW**

*(Editor’s note: Abeyratne has worked in aviation management for 30 years and was a senior professional at the International Civil Aviation Organization for 23 years.)*

### CARRYING EUROPE

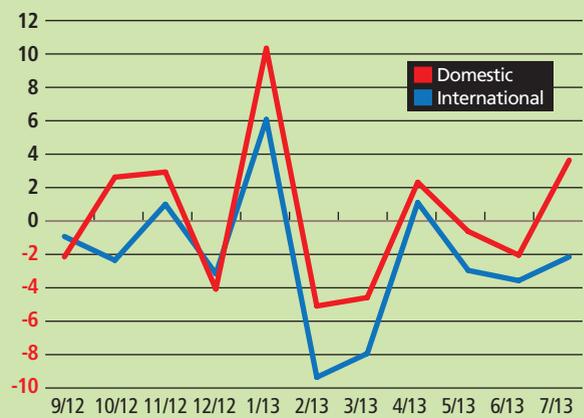
Monthly year-over-year percent change in overall freight traffic and Asia-Pacific freight traffic for European airlines.



Source: Association of European Airlines

### U.S. AIRLINES

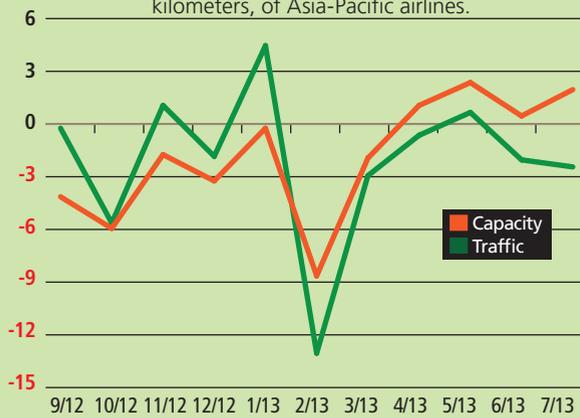
Monthly year-over-year percent change in domestic and international cargo traffic for U.S. airlines.



Source: Airlines for America

### CARRYING ASIA

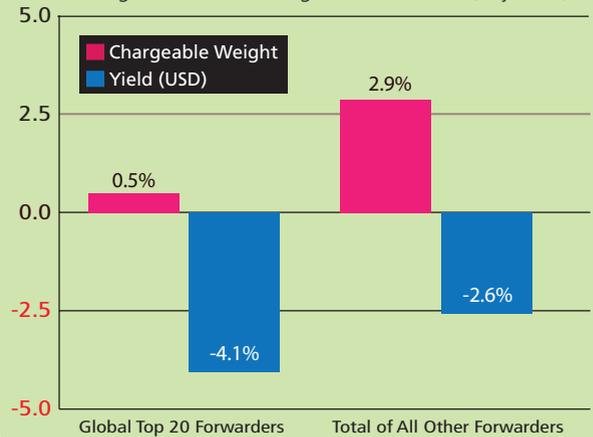
Monthly year-over-year percent change in capacity, in available-tonne kilometers, and traffic, in freight-tonne kilometers, of Asia-Pacific airlines.



Source: Association of Asia Pacific Airlines

### SALES DISTRIBUTION

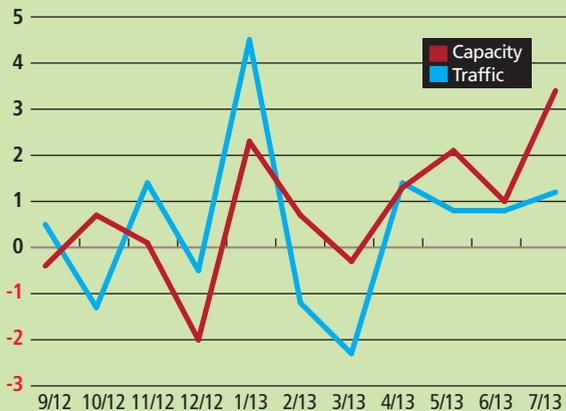
Air cargo worldwide change Year-over-Year (July 2013).



Source: WorldACD Market Data.

### TOTAL FREIGHT CARRIED

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



Source: IATA

### SEMICONDUCTORS

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



Source: Semiconductor Industry Association.

# Drewry: August rate gains indicate a rally

**D**rewry's East-West Air Freight Price Index, a weighted average of airfreight rates across 21 East-West trades, gained 2.7 points in August to 96.9 points, heralding the start of a rally that will likely last into the final quarter.

Pricing had hit all-time lows in July and demand has been improving, so some recovery in rates was anticipated. This despite continued expansion in capacity, driven by the high season in passenger demand, when airlines expand wide-bodied cargo space.

Drewry expects airfreight rates to continue to rise through September and October, fuelled by new product launches, tighter capacity conditions and improving demand for Asian manufactured goods in North America and Europe.

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

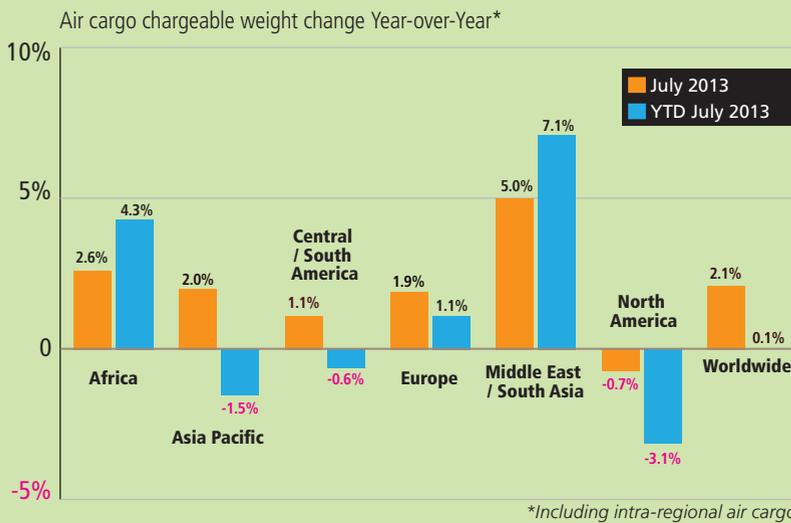
Drewry East-West Airfreight Price Index (May 2012 = 100)



Source: Drewry Sea & Air Shipper Insight

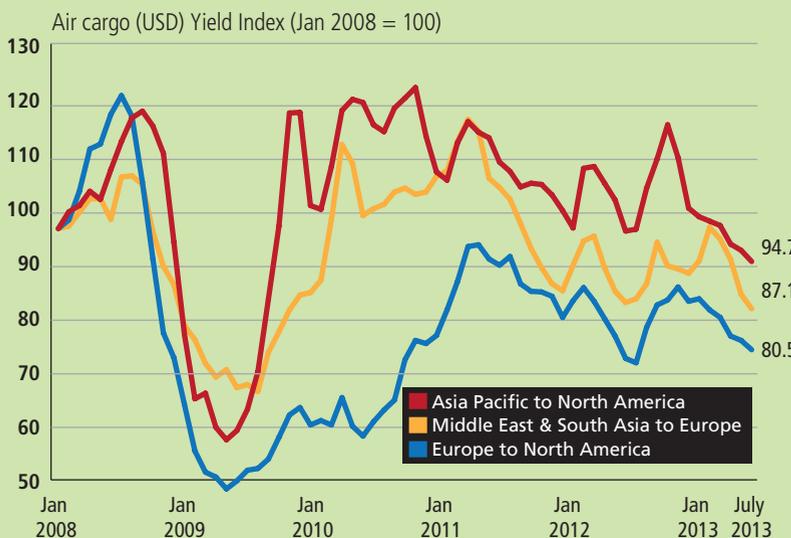
**Notes:** This index is a weighted average of all-in airfreight "buy rates" paid by forwarders to airlines for standard deferred airport-to-airport airfreight services on 21 major East-West routes. Rates are expressed in \$/kg and include 3 components: the base rate, the fuel surcharge and the security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

## GROWTH PER REGION



Source: WorldACD Market Data.

## YIELD INDEX REGIONS



Source: WorldACD Market Data.

## COMING IN NOVEMBER:

### Air Cargo Forecast

There are lots of questions concerning airfreight in 2014. The industry seems to be keeping a level of tempered optimism as 2013 comes to a close. Will 2014 be a better year for airfreight? How will the sector's overcapacity play out? Which regions figure to see the greatest growth? Air Cargo World's annual Air Cargo Forecast seeks to answer these questions and more by offering an educated peek into the future with data-backed observations.

### Latin America

Cargo volumes are up in 2013 for Latin American airlines. Exports are fueling much of this rise with demand for certain products up. What's powering this surge and will it continue? Air Cargo World will speak with airlines, integrators and others in the industry to find out what's keeping this region in positive territory.

### Shippers Roundtable

What's on the minds of airfreight shippers? What are their concerns and how do they feel about the industry going forward into 2014? Air Cargo World plans to take their pulse with a virtual roundtable in our November issue.

# CELEBRATE EXCELLENCE

Join us for Air Cargo World's annual Air Cargo Excellence Awards, honoring the best in our industry

**Hyatt Regency Century Plaza**  
Los Angeles, California | Monday, March 10, 2014



Reserve your place at [www.ace-awards.aircargoworld.com](http://www.ace-awards.aircargoworld.com)  
For further information, contact Steve Prince at [sprince@aircargoworld.com](mailto:sprince@aircargoworld.com)

The awards will be held alongside the **IATA World Cargo Symposium 2014**

(continued from page 23)

proceedings and the prohibition of having multiple defendants on a single lawsuit has led to more lawsuits being filed, writes Mossoff, also co-director of academic programs and senior scholar at the university's Center for the Protection of Intellectual Property.

That means figures such as RPX's 40 percent increase or Dowell's 100 lawsuits don't tell the whole story.

The America Invents Act, the very law championed by the Coalition for Patent Fairness, has muddied the numbers and created the impression that patent infringement cases have increased, when in fact, trends are difficult to establish.

The U.S. Government Accountability Office said something similar, pointing to the America Invents Act as a culprit for the escalation in patent infringement cases.

In an August report, the GOA, which investigates matters related to public funds, said though the number of patent infringement lawsuits increased from 2010 to 2011, companies that make products brought most of the lawsuits.

NPEs, the dreaded boogeymen, brought only a fifth.

### Defining patent troll

The problems really creep up when trying to define what is a patent troll. After all, asserting a patent is not illegal.

Fried says with the freight forwarders who contact him, he doesn't know whether there is an actual violation of the patent.

"I also understand and am sympathetic towards companies that are wronged and need to vigorously defend their patents," he says. "I get that."

The term patent troll stirs up considerable debate.

"I would say it's a PR term that's used by companies that are infringing patents and don't want to pay the inventors the rightful amount for using the technology that's patented. There's a lot of gray area on what a patent troll is," Dowell says.

After all, he points out, universities



Anthony Dowell



Robert Fletcher



Chris Gallagher



Brandon Fried

do research and file patents, but they don't make products.

"My client Martin Kelly Jones had a company in the '90s that failed, was unable to get financing. And he was left with just a lot of patents and today – what's the point of calling him a patent troll?" Dowell says, speaking faster. "He invested time and energy and effort in getting patents and should be rewarded for that."

Gallagher says there are few ways to deal with companies who use "our democratically established systems" in an abusive way.

"When you start talking about denying a certain class of people, most of whom perform a very useful function – when you start talking about applying our rule of law selectively that way, that's pretty dangerous," he says. "We just want to find a way to get at the bullies. Now when you have a bully, that's generally a fact-specific situation. Somebody has to know all the facts to know who's abusing it and who's a legitimate patent holder asserting a legitimate right for legitimate reasons – and that's why those decisions are left to the courts."

### How to stop a troll

Fried says he wants legislation to stop NPEs on behalf of his freight forwarder members.

Dowell says the U.S. is taking positive measures to curb activity by patent trolls, including expediting procedures to review the validity of patents.

Some people think the government's attempts to address NPEs are futile.

"With all due respect, they are ineffectual and will be ineffectual," Fletcher says. "You have the executive branch trying to get involved in the judicial branch."

Fletcher says having better examination of patents in the Patent and Trademark Office would be more effective.

The Government Accountability Office recommended in its report that the Patent and Trademark Office should "consider examining trends in patent infringement litigation and consider linking this information to internal patent examination data to improve patent quality and examination."

Gallagher says freight forwarders could deal with patent trolls by reporting them to the U.S. Federal Trade Commission and having insurance.

"The way to defeat patent trolls, like any bully, is to take them on," he says.

Intellectual Property Insurance is an insurance company whose services include NPE protection. Fletcher says only 1 to 2 percent of its clients have had problems with NPEs.

"Our business has benefited tremendously by trolls," he says. "Now people think in terms of the real possibility of being sued for patent infringement."

The issue, or non-issue, of NPEs is a puzzling subject. The origins of NPEs, the numbers regarding them and even identifying a company as an NPE or a troll are all mystifying.

But many of the voices – the government, attorneys, experts, freight forwarders and NPEs – seem to agree on one point: There are companies out there who may be taking advantage of the system with their patents.

"That's the price we pay for having court access available to anyone," Gallagher says, "even nasty people and even litigation abusers."

Deducing which companies fall under this category is the tricky part. **ACW**

# Lost your FOOTING?

Get back in the race  
with AIT Worldwide Logistics



Contact Mike Nargie for inquiries:  
mnargie@aitworldwide.com | 800-323-6649  
References available upon request

Join our global network as a North American independent owner and we'll deliver the business opportunities vital to your success.

- No start up fees.
- Earn royalty rebates and weekly compensation.
- Participate in a unique sales incentive program.
- Benefit from a financially stable company and corporate support.
- Thrive in a competitive, flexible and innovative culture.



Joining the EFSWW NETWORK>>

EFSWW is a 100% Agency driven transportation and logistics company providing freight forwarding and third party logistics solutions that intersect all aspects of the supply chain. With a "Build to Succeed" philosophy, some of our offerings include:

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

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

EFSWW Headquarters  
8113 Ridgepoint Dr., Suite 200  
Irving, TX 75063  
Call Us Toll Free: 1-888-354-2280  
Email Us: [sales@efsw.com](mailto:sales@efsw.com)  
"Available "A" Markets: ORD, LAX, IAH, JFK"



**EXPRESS AIR FREIGHT UNLIMITED, INC.®**

## FREIGHT SALES AGENCY

- Seeking successful professionals as partners in new offices
- Receive salary and ownership with no investment required
- We will set up office with access to worldwide network
- You run the office and build the business
- Denver, San Francisco and other cities available



Reply in confidence to:  
[dmarx@expressairfreight.com](mailto:dmarx@expressairfreight.com)  
or toll free USA to  
**DAVID MARX** at 800-878-0303  
[www.expressairfreight.com](http://www.expressairfreight.com)

ASSOCIATIONS



The Best Resource on the Road!

Join Today  
[www.aemca.org](http://www.aemca.org)

FREIGHT SOFTWARE

**Freight Software**  
starting at \$50 per month

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

Free 30 Day Trial  
(800)505-9727

Waybill.com  
[sales@waybill.com](mailto:sales@waybill.com)

PET SHIPPER / PET MOVERS



**Air Animal**  
Pet Movers Since 1977

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

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

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

**Air Cargo World**  
Classifieds

Little ads make a big impact on Air Cargo World readers!  
To reserve space contact:  
**Cindy Fehland**  
[production@aircargoworld.com](mailto:production@aircargoworld.com)  
**(630) 515-2659**

MOBILE TECHNOLOGY



**Wow your customers with your very own iPhone app.**

Prices start at just **\$79** per month.

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

Visit us at [CargoApps.com](http://CargoApps.com) or email us at [info@cargoapps.com](mailto:info@cargoapps.com) to learn more.

CARGO RESTRAINTS

**Air Cargo World**

Be the first to know



Stay informed as the news happens



Follow us at  
[Twitter.com/ACWmagazine](https://twitter.com/ACWmagazine)

**CARGO NETS & STRAPS**

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

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

AIR CARGO ATTORNEY

**David Cohen, Esq.**  
35 Park Ave, Suite 16J  
New York, NY 10016

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

FREIGHT EXPEDITING



**SPECIALIZED FREIGHT & WAREHOUSING SOLUTIONS**

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

**CALL 800-866-7530**  
[WWW.PRIMETIMEDELIVERY.COM](http://WWW.PRIMETIMEDELIVERY.COM)

**AIRLINES**

**Cathay Pacific** Airways announced that Chief Executive **John Slosar** will succeed Christopher Pratt as chairman of the airline in March 2014. Slosar will also take over as chairman of John Swire & Sons Ltd, Swire Pacific Ltd, Swire Properties Ltd and Hong Kong Aircraft Engineering Co. Ltd. Ivan Chu, now the airline's COO, will take over as chief executive when Slosar becomes chairman. Pratt joined the Swire group in 1978 and by his retirement, he will have been chairman of the group in Hong Kong and of Cathay Pacific Airways for eight years. Slosar joined the Swire group in 1980. He became chief executive in 2011 and is also chairman of Swire Beverages Ltd. and Hong Kong Dragon Airlines Ltd. Chu joined Cathay Pacific in 1984 and has worked with the company in Hong Kong, mainland China, Taiwan, Thailand and Australia. He is also chairman of AHK Air Hong Kong Ltd.

**Nagakazu Sagara** joined **AirBridge-Cargo Airlines** as vice president, Japan and Korea. Katsuhiko Sagami, former vice president/area director, Japan and Korea, will continue to work as mentor and coach for the region until the end of the year. Sagara has a 40-year career in the cargo industry. He joined Japan Airlines following his graduation from Kagoshima University, progressing from a cargo traffic manager to senior vice president, export. In 2010, he joined TAS Express, a Toyota affiliate, as executive strategist, and later, following the purchase of the company by Mitsui-Soko Express in 2012, became deputy general manager.



SAGARA

Japan Airlines following his graduation from Kagoshima University, progressing from a cargo traffic manager to senior vice president, export. In 2010, he joined TAS Express, a Toyota affiliate, as executive strategist, and later, following the purchase of the company by Mitsui-Soko Express in 2012, became deputy general manager.

**MANUFACTURERS**

**CSafe Global**, a producer of mobile refrigeration units for life sciences, health care, military and international disaster relief agencies, appointed **Edwin Visser** to its team of CSafe Global sales directors in Europe. Visser will support CSafe's new business,



VISSER

CSafe Global Cooperatief UA, located at Schiphol. He has more than 20 years of sales, operations and implementation experience in the freight and logistics industry. Visser has worked for companies such as KLM and Kuehne + Nagel. In his new job, he will be responsible for Eastern Europe, including Austria, Italy, Netherlands, Germany and Poland.

**THIRD PARTIES**

**Bruce Hulings** became global vice president for projects, mining and energy at **UTi Worldwide Inc.**, a global supply chain services company. Hulings will be responsible for all business development and implementation that will drive UTi's growth in the projects, mining and energy sector. He has 25 years of oil, gas and logistics experience. Prior to joining UTi, Hulings was the Americas vice president, energy sector for CEVA Logistics. Mike Valentine became the new regional sales vice president for the Americas. Valentine joined UTi in 2009 as director, supply chain design and innovation. In 2012, he was named regional vice president, automotive Americas. Prior to joining UTi, he worked for General Motors' global supply chain.

Logistics company **C.H. Robinson Worldwide** appointed **Ivo Aris** to director of global forwarding for C.H. Robinson Europe. Aris' focus will be to lead the continental growth and advancement of the global forwarding division, including setting the Europe global forwarding strategy. A 20-year industry veteran, Aris has worked in sales, operations and management at Road Air, which was acquired by the Rhenus Group in 2007. He became the country manager for air and oceanfreight for the Netherlands. In addition, Aris is chairman of the Dutch Airfreight Forwarders' Association.



ARIS

**Detlef Trefzger** has become **CEO of Kuehne + Nagel**. Trefzger has been a member of the Kuehne + Nagel management board since March and has been responsible for contract and integrated logistics. He will continue to be responsible for contract and integrated logistics until further notice. Prior to joining

Kuehne + Nagel, Trefzger was on the executive board of Schenker AG, Essen, Germany, from 2004 to 2012.

**DHL Freight** appointed **Marc Bernitt** as head of customs management. He will be responsible for the global development of DHL Freight's customs business. Bernitt has more than 27 years of experience in foreign trade, customs law and international supply chains and extensive expertise in customs management. He has held various management positions during his career, among them with Archer Daniel Midland and Olympus Europe. Most recently, he managed the trade & customs practice at KPMG Switzerland.

**Doug Walls** has become COO of **FreightCenter**, a Florida-based freight shipping company. He will lead FreightCenter's efforts to expand its products and services, which includes the development of freight management software for third-party logistics providers. Walls has been managing the company's infrastructure and technology development for the past eight years.

**AMI**, a trade-only airfreight wholesaler, appointed **Richard Marquez** to the newly-created position of general manager, operations for its U.S. business. He returns to AMI after a two-year break. Marquez has spent 17 years in the air cargo industry, most recently with Final Mile Logistics as director of West Coast operations, where he set up its Los Angeles base, enhanced its overseas network and worked on securing major government contracts. Prior to his latest position, Marquez spent 15 years with AMI and its predecessor UAC.



MARQUEZ

**Damco**, a third-party logistics provider, appointed **Samuel Israel** as regional CEO for the Latin America region. With more than 30 years of experience in the logistics industry, Israel has served as country manager for Mexico at Danzas and as CEO for DHL Global Forwarding Latin America for 12 years. Prior to working in Latin America, Israel held various commercial and op-



ISRAEL

events

**OCTOBER 16-18**

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

**OCTOBER 16-18**

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

**OCTOBER 28-30**

**Baku, Azerbaijan:** The Caspian Air Cargo Summit is the leading air cargo event in Central Asia. There will be a focus on global trends, Russia/CIS/Central

Asia market developments and two sessions on oil and gas and airfreight. For more information, visit [www.euroavia.com/caspian](http://www.euroavia.com/caspian).

**NOVEMBER 6-8**

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

**NOVEMBER 16-19**

**Houston:** The National Industrial Transportation League will host its Conference and TransComp Exhibition, a multi-modal freight transportation event with educational sessions and networking opportunities. The NITL will also hold its 106th Annual Meeting for members. For more information, visit [www.nitl.org](http://www.nitl.org).

**NOVEMBER 21-23**

**Istanbul:** The 7th logitrans Transport Logistics Exhibition is held by Messe Munchen International and EKO Fair

Limited Co. The 2012 show attracted more than 12,600 people from 53 countries, and compared to the previous event, attendance rose by 6 percent. For more information, visit [www.logitrans.com.tr/english/](http://www.logitrans.com.tr/english/).

**APRIL 7-8, 2014**

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

**MAY 1, 2014**

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

**MAY 19-23, 2014**

**Hannover, Germany:** CeMAT, a leading fair for intralogistics, will feature an exhibition area of more than 1.7 million square feet. There will also be forums and displays on transport logistics. For more information, visit [www.cemat.de/home](http://www.cemat.de/home).

erational roles in France before making the move to Latin America in 1999.

**David Schenk** became business development vice president at **SBS Worldwide**, a specialist in supply chain services. Schenk will focus on promoting the company's freight forwarding and logistics services throughout the U.S. Midwest. He has worked in international



SCHENK

transportation since 1996. Before joining SBS Worldwide, he worked for Geodis Wilson based in Chicago. Prior to this role, Schenk also worked as a visiting professor at the University of Utah's Department of Economics and as a lecturer

at the University of Colorado's School of Business and its Department of Economics. He was also a consultant with RCG/Hagler Bailly of Boulder, Colo.

**Richard Denhart**, a sales and marketing executive with more than 20 years of experience in air and multi-modal transportation, joined **Purolator International** as district sales manager of its Southern U.S. district. Purolator International is the leading provider of cross-border logistics between the U.S. and Canada. Denhart's experience in the transportation industry includes employment at DHL, Nestle Direct Store Delivery, Forward Air and American Airlines Cargo.

**AIT Worldwide Logistics** appoint-

ed **Ria de Bok** as its country manager for The Netherlands. Based out of the recently founded European flagship office in Amsterdam, de Bok brings 22 years of sales and operations experience to the role. After earning a master's degree in Japanese language and culture, de Bok started her professional career with Nippon Express. She worked in sales with Nippon, BAX Global and EGL. She then served as operations manager with Bellville Rodair before accepting her new position with AIT. **ACW**



DE BOK

ADVERTISER INDEX

ACI World.....	33	Changi Airport Group.....	5	New Kansai International Airport.....	19
AirBridgeCargo Airlines.....	27	CH Robinson.....	47	Swiss WorldCargo.....	36
Air Canada Cargo.....	9	Emirates.....	48	Thai Airways.....	7
Air Charter Services.....	2	Hong Kong International Airport.....	15	Turkish Airlines.....	17
Bahrain International Airport.....	11	IAG.....	12-13		
BX Solutions.....	35	Macau International Airport.....	29		



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

## Remembering unsung cargo heroes

**W**e lost two unsung heroes this summer who each made significant contributions to the air cargo and logistics industry. While there are many hard-working, intelligent and energetic people who work tirelessly to advance our business, Chris Battle and Jock Menzies are worth mentioning.

### Chris Battle

Chris passed away in August after a four-year battle with kidney cancer. I met Chris in 2007 when he had just started as a partner at Adfero Group, a Washington, D.C., public relations firm with a keen interest in the air cargo screening issue. As former chief of staff for U.S. Immigration and Customs Enforcement, Chris knew a lot about homeland security and the significant challenge of screening air cargo.

Chris and I spent hours strategizing on how to communicate the air cargo story to Capitol Hill, both of us believing that 100-percent physical screening alone was not in the best interest of our nation's security. Before the passing of air cargo screening legislation, Chris felt few people actually believed that Congress would undermine years of work building an intelligence-driven, risk-based supply chain security infrastructure, including extensive partnerships with foreign governments.

Chris believed that the biggest challenge to the 9/11 Recommendations Commission Act would be making sure that other countries' inspection and compliance protocols were consistent with the Transportation Security Administration in the U.S. Despite a successful Certified Cargo Screening Program here in the U.S., establishing the same program overseas would be impossible, and our country would have to rely on what foreign governments were doing as a means to ensure full cargo screening for imports.

Chris previously served as an aide to then-Congressman Asa Hutchinson, who remembers Chris as a pioneer in digital communications with a knack for humor-infused storytelling.

His masterful use of digital media was present in all his work. Chris was a talented writer who joined his wife Dena in writing frequent humorous updates for their blog, *The Kidney Cancer Chronicles*, sharing successes, struggles and insights into their battle with cancer. As with the air cargo issue, Chris used his supreme writing and research talents as a way to effectively communicate the facts, using irreverent and sometimes heart-breaking humor.

Chris assisted the Airforwarders Association in building its

digital communications strategy, suggesting improvements and changes during our many discussions. He understood the importance of social media tools in bringing people together to debate important issues.

Bringing people together virtually was one of his most significant talents, and I remember being invited to participate in a cargo-screening roundtable discussion, broadcast online. Panelists included former president of American Airlines Cargo Dave Brooks, former TSA air cargo security chief Doug Brittin and other industry experts. We were discussing the impending 100-percent screening mandate, and I doubted anyone would really bother to watch the broadcast. I was amazed to see that thousands tuned in, as Chris had predicted they would. Chris had a knack for understanding and using the power of the Internet.

The Air Cargo Advanced Screening pilot program is about to enter its rulemaking phase this fall in which house AWB airbill data is analyzed by the Customs and Border Protection and the TSA prior to shipments being loaded on flights coming to the U.S. The initiative acknowledges that physical screening, while important, is only part of a risk-based approach to security – something Chris and others advocated for years. Once underway, our nation and most others will use data risk analysis and not just physical screening as a tool in the arsenal against terror. Chris would have liked that.

### Jock Menzies

After the devastation and logistical challenge brought by Hurricane Katrina in 2005, Jock Menzies co-founded the American Logistics Aid Network. He understood the importance of logistics services in rescue and recovery efforts after disasters, and he helped to develop an effective model for a portal allowing relief groups and people to post critical supply chain needs that would then be matched to the capabilities of industry providers.

Jock's interpersonal and presentation skills made him an impressive figure who could bring disparate people together in the logistics industry and relief organizations during times of crisis. He and his team were instrumental in organizing relief efforts after the devastating earthquake in Haiti and most recently during Hurricane Sandy.

I had an opportunity to join him as a co-presenter at one of the many industry events, and found Jock to be an honest and sincere logistics professional that truly cared about the role our business plays in disaster relief. Jock will be missed as a major force in the humanitarian logistics community. **ACW**

Scan this code to download a **FREE** copy of our Going Global white paper.



**DRESS**  
France

**TABLE**  
Argentina

**PEDESTAL**  
Brazil

**CHAISE LOUNGE**  
China

**SHOES**  
Italy

**LEGGINGS**  
India

**FLEA CONTROL**  
United States



»Accelerate Your Advantage®

See your global presence everywhere.

Close the loop between planning and execution in your supply chain—for any industry. Drive productivity and value with a strong, collaborative relationship. Gain unmatched global visibility to minimize risk, exceptions, and complications. Receive customized solutions for your air, ocean, ground, customs clearance, and project cargo needs.

Grow your supply chain on a global scale.  
[solutions@chrobinson.com](mailto:solutions@chrobinson.com) | 800.323.7587

# Clark. A taste of the things to come in the Philippines

From bananas and coconuts to the components in our appliances, there's a little bit of the Philippines in every part of our lives. Starting 1st October 2013, Emirates flies daily, non-stop to Clark, our second Philippine destination. Now, along with three flights daily to Manila, you'll move more of the things that move our world.



## Dubai to Clark

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 338	0400	1640	B777-300ER

## Clark to Dubai

Day	Flt. No.	Depart	Arrive	Aircraft Type
Daily	EK 339	1835	2305	B777-300ER

Hello Tomorrow

