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# Editor's NOTES

Will Waters

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## Another unusual year

**T**he latest phase in the recovery from Covid, bringing the return of significant levels of passenger air services and cargo bellyhold capacity, is positive news in most respects.

But it comes with additional complications, and airports and their cargo stakeholders have been juggling numerous challenges, including handling staff shortages, as highlighted in the Europe report on pages 20-29.

For cargo-specialist airports, a lowered requirement for freighters has led to a slowdown of growth, although the renewed focus of big metro airports on passenger services has reminded freighter operators of the benefits of cargo-focused gateways.

The return of passenger air services has particular implications for Schiphol and its cargo community, and Schiphol has also been responding to a further lowering of annual flight movement limits and restrictions to its cargo footprint to make way for expanded taxiways. Its solutions are based around more efficient processes and use of space, driven by digitalisation and collaboration, as highlighted on pages 30-36.

Carriers also continue to push forward with initiatives to build and better use their capacity, networks and infrastructure. For Emirates, this includes new investments in freighters, expanded partnerships, plus further digitalisation initiatives. New potential opportunities emerging include more direct relationships with shipper customers and the provision of wider end-to-end services, highlights SVP for

cargo Nabil Sultan (pages 10-14).

Meanwhile, Russia's brutal and barbaric assault on Ukraine since February continues to have major implications for air freight, not least on the air cargo charter market (see pages 16-19), where it has reduced aircraft availability and weakened economic growth, but also triggered humanitarian demand and led to renewed investment from energy companies generating big project movements. Charter demand has softened in consumer-focused verticals such as e-commerce, although it remains strong for verticals such as automotive, pharmaceutical and healthcare, government and humanitarian.

During the pandemic, many forwarders and their clients put in place long-term air cargo charter programmes to secure supply chains. That seems set to reverse, although with business travel still not returning to pre-Covid levels, demand for freighters to support supply chains continues on key lanes.

Elsewhere, the 2022 Air Cargo Handling & Logistics (ACHL) conference and exhibition was back to a real-world gathering for the first time in three years, with more than 400 delegates making it the busiest ACHL ever (see pages 44-47). Although digitalisation, infrastructure and standards were major and recurring themes, the topic most frequently highlighted was the need to attract, recruit, train and retain new, young and diverse talent within the sector (see pages 48-55). That looks set to be an ever-more important theme for the sector – and for this publication.

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# **Delivering the future of medical treatment: Cell and gene therapy calls for new air cargo processes**

Traditional processes and technologies are being stretched by this rapidly emerging sector of medicine, where the shipment of products differs vastly from vaccines or other pharmaceuticals, reports Ian Putzger

consultants McKinsey & Co. estimating that CGT products account for 12% of the industry's clinical pipeline and at least 16% of the preclinical pipeline as of February 2020. This September, it said the pipeline of products in Phase III clinical trials indicates that the number of approvals is likely to rise dramatically in the near future, as the market reaches "a critical inflection point" in their commercialisation. In the US alone, up to 21 cell therapy launches and as many as 31 gene therapy launches are expected in 2024. McKinsey said exciting clinical results are helping to propel this pace, with success rates for CGT products higher than those for small-molecule products – "probably because CGT tends to target specific disease drivers rather than the broad targets of small-molecule therapy". Frank Van Gelder, secretary general of pharma air logistics association Pharma.Aero, notes that CGT has resulted in a 50% reduction in the risk of metastasis of cancer cells, for example.

### Logistics complexity

To understand the complexity of the logistics process, it's useful to know that in CGT, cell samples are taken from patients and shipped to laboratories where live cures are grown and sent back to be implanted in the patient, which translates into single shipments that are irreplaceable and of extremely high value.

These shipments are highly sensitive – to changes in temperature, humidity, pressure, light, shock, compression and orientation. The entire process from harvesting samples from a patient and shipping them back subjects the cells to different temperature ranges – from body temperature to cryogenic conditions. Typically finished products are moved at cryogenic temperatures, while cells from the patient are shipped fresh whenever possible, as freezing them extends their life span but brings challenges of degrading cell quality, explains Chris Good, director of CGT logistics at specialist pharma, biotech and life sciences logistics provider Biocair.

Biocair has traditionally had a strong focus on CGT but concluded that it needed to take this specialist area even more seriously, in June unveiling a dedicated team of CGT experts "to meet the complex needs of the rapidly expanding sector".

### Sample integrity paramount

It said patient centricity and sample integrity "are paramount, requiring unique responses to specific needs", explaining that the company's new specialist team of experts would enhance Biocair's agility in the field and enable it to develop new logistics solutions, "such as advanced packaging and tracking technologies, to ensure materials arrive on-time and in-full anywhere across the globe".

The team harnesses the expertise of specialists in a variety of fields, from professionals with a background in biomedical sciences, logistics and process development experts to specialists in packaging solutions and materials. This, in turn, hones the company's ability to understand client requirements as well as to convey these better to carriers and other parties involved in moving CGT shipments, Good explains.

CGT traffic has grown rapidly. Biocair has seen year-on-year revenue growth north of 60% over the last couple of years, Good reports. "We see that continuing. It's our fastest-growing segment," he adds.

### Extremely tight transit windows

Transit windows are extremely tight, with precise timing. Typically samples are collected in the afternoon following harvesting and delivered the next morning, which usually means transit times of 12-18 hours. Cryogenic shipping extends the window to 24-48 hours, but precise collection and delivery window is still a must-have, Good highlights.

Because of this need for speed, Biocair uses direct flights with known experienced and reliable airlines and handling agents. Moreover, every shipment requires a back-up plan for transport in case there is an issue with the chosen carriers or route.

This was particularly important in the

Experts have called the emerging field of cell and gene therapy (CGT) the future of medical treatment, and it's an area of medicine – and logistics – that is evolving and growing rapidly. Unlike much conventional medicine, CGT is highly personalised and targeted, and the shipment, as well as production, of CGT products differs vastly from vaccines or other pharmaceuticals, with significant implications for any logistics and air freight providers involved in their movement.

Although CGT currently accounts for only a small percentage of launched products in major markets, some of those products have proved transformative for patients and there are many more in development, with





**Chris Good**  
Biocair



**Andreas Behnke**  
Swissport

early days of the Covid lockdown, when airline capacity collapsed and flights were cancelled hours before their scheduled departure time.

“We had to deal with this on a case-by-case basis. It meant working very closely with airlines and customers,” recalls Good.

### Pass-through traffic

From a handling perspective, this is pass-through traffic, says Andreas Behnke, Basel CEO at global cargo handling giant Swissport. Regardless of the anticipated dwell time in the entirely ambient 20 degrees Celsius warehouse, every shipment with passive packaging has to be put in a cooling facility at 2-8 or -20 degrees Celsius within ten minutes of acceptance, he adds.

The entire journey is governed by strict protocols. There is no room for mistakes, as these are single, irreplaceable shipments of high value, notes Fabrice Panza, manager for global cool chain solutions at Etihad Cargo.

Swissport is working on a cross-dock facility in Basel with a constant ambient temperature of 5 degrees Celsius throughout, where CGT shipments can be moved across seamlessly from the truck dock and loaded into active temperature-controlled containers.

“We’re inviting one of the main biopharma exporters to validate the design that it meets their requirements,” says Behnke.

### Scrutiny from pharma companies

He is used to this level of scrutiny from pharma companies. The Basel facility, which handles the lion’s share of Switzerland’s airborne exports of pharma products, receives regular audits from two large producers to inspect the set-up, handling, storage and tracking processes.

Like several other stations in its network, Swissport’s Basel facility is CEIV-certified.

“It’s a prerequisite for the working platform of the airport – not just Swissport, but the whole community,” Behnke says, although he says it is impossible to certify every airport.

“If an airline wants to get business from any global big pharma company, you have to have the quality and possibly CEIV at your main hub,” he remarks.

### Pharma corridors

CEIV opens the door to establishing pharma corridors between certified airports, giving shippers confidence that the full chain between the two gateways operates in compliance with CEIV standards. This should appeal to CGT shippers and their logistics providers.

“It’s early days for corridors, but in the long term it makes sense,” comments Good.

Besides solid credentials in this arena and a network that offers direct flights to major destination, factors that play a big role in the selection of carriers for CGT shipments are fast turn-around times and short close-

outs, he notes, adding that Biocair has relationships with various airlines.

As the experience with the early days of the Covid pandemic illustrates, these are very important. If anything, this will become ever-more critical, as extreme weather and commercial flight availability are viewed by the CGT industry as rising risk factors.

### CGT main markets

Dealing with single shipments for individual patients implies there are no trunk routes for CGT traffic, but certain lanes see more frequent shipments. The US is the biggest market, observes Good, adding that a lot of shipments move between North America, Europe and China. Biocair started building its CGT team in the US in early 2020 and is currently in the process of expanding the teams in Europe and Asia.

Technology to monitor CGT shipments is improving. For example, at the end of September, supply chain visibility provider Tive unveiled a portfolio of real-time cold chain management solutions for pharmaceutical, biologicals and CGT companies. The biggest addition to the line-up was new tracking technology with probes that reach -200 degrees Celsius to monitor dry ice and cryogenic shipments.

### Indispensable digital data flow

Digital capabilities and data flow are indispensable, notes Pharma.Aero’s Frank Van Gelder, who led a panel discussion on cell and gene therapies and their impact on the air cargo supply chain at IATA’s most-recent World Cargo Symposium (WCS) in London. “Digitisation and next-generation technology will be necessary to map out the logistics chain,” he stressed – a sentiment shared by Etihad’s Panza, who emphasised that all parties in the chain must be interconnected.

Barbara Col, marketing and communications manager of cargo handler ALHA Group, stresses a need for standardisation in order to improve the flow of data and avoid duplication needed because of a plethora of different systems and platforms, noting: “We should start working actively on standardisation.”



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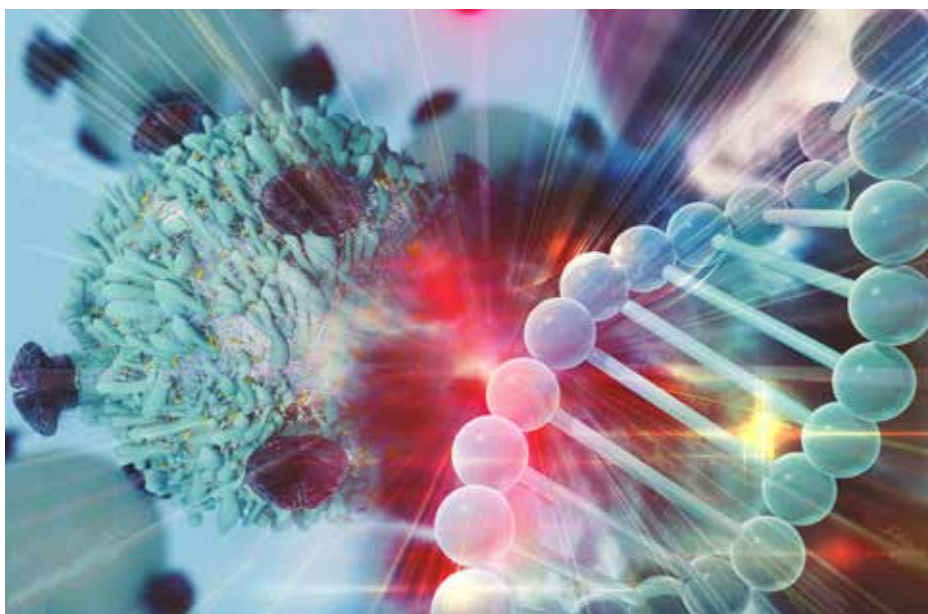
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*CGT shipments are highly sensitive to changes in temperature, humidity, pressure, light, shock, compression and orientation*



*Live cures are grown and sent back to be implanted in the patient*

But Trevor Caswell, manager for demand and product development of Edmonton International airport and chair of Pharma.Aero, says technology has already improved considerably.

#### **Progress through technology**

“You have multiple data, you have multiple systems, but you also now have the capacity to have these platforms,

which are connecting each of the different suppliers that you have into the same ecosystem,” he observed. “Even though we have different suppliers of technology, the technology is enabling us to move forward, which was not possible a few years ago.”

Panza noted that the pandemic had sparked investment in relevant technology, adding that the industry can

capitalise on the lessons learned from the pandemic. A community approach is of critical importance, he says.

But more should be done to foster the necessary collaborative spirit, thinks Milton de la Paz, VP for airline relations and cargo business development of Dallas/Fort Worth International airport. “From our perspective, there’s not enough sharing of data going on,” he noted.

Caswell also urges players to embrace the exchange of data. “We don’t think twice about picking up our phone and doing banking and everything else on it. We need to trust the partners and the processes that exist and move forward,” he says. “Let’s stop talking about digitisation; let’s start implementing...”

#### **Cargo community role**

De la Paz sees a need for airport operators to rally their air cargo community around these efforts. “The airport is kind of the glue that brings everybody together,” he notes.

“As an airport, we can also make sure that the stakeholders in our community have the capabilities to address the requirements of that particular product. We’re not competing with our members. We’re a facilitator, we’re an enhancement to what they offer.”

He adds that more needs to be done to educate and gain support from the people on the regulatory side in relation to CGT shipments.

#### **CGT education required**

Most people in the industry would agree that, overall, there is much education required to prepare the air cargo sector for the proliferation of CGT traffic in the coming years.

Pharma.Aero has embarked on a project to produce a white paper on air transport of CGT products and its ramifications for and requirements of the air cargo industry and all parties involved. This will include a market analysis of current capabilities, constraints and challenges, and it aims to identify the needs, awareness and maturity levels regarding the sector’s opportunities and challenges, through a survey of the organisation’s members and partners. It will also include guidelines and a list of recommendations. ■



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# Connecting with the customer

Nabil Sultan, senior vice president for cargo at Emirates, talks to Will Waters about some of the new opportunities emerging thanks to continuing expansion of e-commerce and digitalisation – including more potential direct shipper customers

**A**s the wildly volatile Covid pandemic period for air freight companies and customers begins to normalise, carriers have continued to push forward with initiatives to build and better use the capacity, networks and infrastructure that have been so highly valued and exploited

during these extraordinary recent times.

The acceleration of digitalisation and cross-border e-commerce during the last two to three years have already begun to provide new tools and opportunities and promise further benefits. But there are also plenty more-traditional methods available to combination and bellyhold carriers as they emerge from this highly challenging phase, such as exploring

synergies through partnerships with other airlines and expanding their freighter fleets through new aircraft orders and passenger aircraft conversions, as recent developments at Emirates SkyCargo highlight.

Although regional rival Qatar Airways may have leapfrogged Emirates in the last few years to become the world's biggest international air cargo carrier,



recent moves by Emirates underline its ambitions to remain one of the biggest and most-important global players.

For example, in November, Emirates announced a firm order for five new Boeing 777-200LR freighter aircraft, with two units to be delivered in 2024 and the remaining three units in 2025, to join its current fleet of 11 B777 freighters. And after successfully complementing the carrier's Boeing 777 freighters during the height of the pandemic by using the airline's B777 underutilised passenger aircraft as 'mini-freighter' aircraft, plans are also underway to fully convert 10 passenger 777s into freighters, boosting its cargo fleet to over 25 aircraft by the end of 2026.

### United partnership

Meanwhile, in September Emirates signed an MoU to explore and further develop synergies with United Cargo. That follows on from a major agreement between the two airlines' respective passenger businesses.

Nabil Sultan, senior vice president for cargo at Emirates, explains to CAAS: "We believe that the United network, and our network, are complementary and there could be some very interesting opportunities for both of us, with our reach into the Middle East, Africa, Asia, Indian subcontinent, and them being one of the largest cargo airlines in the Americas." Subject to the approval of the relevant competition authorities "we're going to work with United to see how we can provide a better product offering for both our customers."

He adds: "Of course, we have been working with United even before this, using normal interline agreements, block space agreements between us, wherever things make commercial sense. This is taking the relationship one step further."

### WebCargo channel

Emirates SkyCargo also revealed in September that it has been working with WebCargo by Freightos, the industry's largest air cargo booking platform, to add a new channel for customers to directly access and book capacity on its flights. In its latest move "to develop and implement



**Sultan:** Keen to maximise use of the company's assets and infrastructure

digital technologies that enable us to improve our operations at the backend and enhance our customer experience at the frontline", it said customers will "have quick and easy direct access" to the cargo airline's flights and inventory to make direct bookings.

Sultan says there's "a huge benefit" in terms of customers having "access to all our content – as opposed to a customer calling us to book a space or enquiring about our rate". WebCargo Air already provides live air cargo rate distribution and bookings to more than 3,500 freight forwarders across more than 10,000 offices, with over 30 airlines supporting instant price quotes and digital booking, allowing freight forwarders to access dynamic capacity, pricing, and e-booking.

By the end of October, Emirates SkyCargo's inventory on the WebCargo platform becomes available to customers across Europe, followed by Australia and the United States in November, and customers in Asia and Africa will have access by January 2023. Forwarders not yet using WebCargo can register for a free account.

### CargoWise access

Last September, Emirates SkyCargo linked up with WiseTech Global to provide direct access to its flights and inventory through the CargoWise platform that has become the most popular transport management solution (TMS) among major freight forwarders – allowing CargoWise users access to Emirates SkyCargo's flight schedules, rates, availability and real-time e-booking functions, after completing a short registration process.

Explaining the difference between the WebCargo partnership and the CargoWise tie-up, Sultan says "the CargoWise platform is more the TMS, the operating system of the forwarder. CargoWise is an end-to-end solution, so it's not just the air e-booking component, which is what WebCargo is. So, both systems will coexist and a forwarder will make a certain portion of their booking within the CargoWise system, whether that be first-mile; last-mile; and they may, obviously, do some internal forwarder-related activities. And then the e-booking component of that is where they can jump on to the WebCargo to access the capacity





*Emirates Deliveries customers can consolidate purchases from multiple US e-commerce retailers into a single package for delivery into the UAE*

from Emirates.”

### Marketplace benefit

Although customers can place a booking through either channel, “CargoWise is not a marketplace; WebCargo is a marketplace. So, via CargoWise, they can make a booking, but they can’t do a search from point A to point B and get a list of 10 airlines and all the results. That’s what they can do on WebCargo. So, the difference is the marketplace element.”

Like other air cargo carriers, Emirates is open to working with any of the major platforms and booking channels favoured by significant numbers of its existing and potential customer base.

Sultan comments: “This is an area we’ve always looked at, to become easy to do business with. I think the industry is falling behind in terms of introducing technology to address the needs for the whole supply chain and logistics.”

He says the pandemic “has pushed the envelope a bit” in terms of its progress on digitalisation, encouraging the sector “to make sure it expedites most of these initiatives to ensure that things move in a much more seamless way”. At the same time, the industry “has seen the

massive rise in demand during the pandemic, which awakened everyone to say: ‘It’s time to move into an e-freight environment’ – it’s no longer possible for a human to check every step of the way using Excel, and so forth. It’s about using the technology to digitalise most of things, to ensure things are moving seamlessly – without having a big pouch with every single shipment that moves across the world.”

### Faster pace of digitalisation

Sultan continues: “So, you’re probably going to see a faster pace of digitalisation, as we move forward. I think it’s been adopted by the industry. There’s some work that needs to be done in that area – mostly related to how governments will be able to standardise a lot of the documentation processes to ensure that it’s much easier to export and import goods into countries. And I think that’s going to be an essential move. But I think the recognition is there, by the industry, and by governments, to move in that direction.”

Although it has often been a slow process bringing together all the various relevant authorities and interests and parties, Sultan is optimistic, noting that

“ICAO and IATA have taken various initiatives in that regards, to push the agenda, and make sure that there’s a much larger understanding around the world for moving goods”.

### Online bookings for end customers

In terms of the next stages of the digitalisation journey, Sultan says the company has “an evolving set of initiatives”, adding: “We’re looking at even online booking now for (end) customers and small businesses – that should be able to go in and book a shipment that they want to send or import from their production market or a manufacturer. So, why not look at some of those concepts and make it much easier for the SMEs and other sorts of industrial manufacturers who wish to book (direct) online?”

He continues: “So, these are probably some of the things that the industry is going to move toward, to make the business much more seamless – probably to transform a lot of carriers, operators, into doing business in a much more conducive manner.”

### Emirates Deliveries model

Emirates already operates one end-to-end product, Emirates Deliveries, an e-commerce shipping solution that is targeted both at individual customers as well as small businesses, for deliveries from the US into the UAE. Emirates says it is “an open e-commerce fulfilment platform that can also be used by other e-commerce businesses and logistics integrators”.

So, are there any plans to replicate that in other markets?

Sultan explains that Emirates Deliveries is a kind of B2B or B2C product that it currently operates out of the USA, for shipments to Dubai, for customers in Dubai. “It has worked very well,” he notes. “The fact that we have a large number of our flights into the US, spread across the Americas, allows for much faster transportation of any shipments to Dubai.”

### Dimensional shifts

“With our frequencies that we have into some of the major cities in the US and the type of capacity we offer, we’ve been

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*Sultan believes Emirates can build the ancillaries around its assets to create an end-to-end offering*

able to deliver shipments almost within two days, directly from the customer in the US to Dubai. This includes the last-mile delivery. So it's quite interesting. These are some of the dimensional shifts that you're probably going to see as we move forward."

Moving more towards direct bookings from manufacturers or other shippers, including offering an end-to-end service, does require airlines to develop some different capabilities, but these are not insurmountable challenges, Sultan believes, for carriers that have valuable parts of the supply chain already in place.

#### **Extensive network and infrastructure**

"We have a network that is robust, we have a massive infrastructure in Dubai, that has very unique capability," he notes. "We have the reach, we have the frequency, we have the capacity, because most of our (passenger) aircraft we operate are good capacity – 18 to 20 tonnes per flight

"With that kind of capability and our ability to transit more than 80

million passengers every year through our network, why couldn't we do that with packages? We've seen how the e-commerce industry has expanded or exploded over the pandemic, and I think that's an industry that's probably going to continue to grow, probably double-digit every year. Therefore, there's going to be enough business out there, for those who are going to be ready to deal with. So, that's an area that we're going to be looking at very seriously."

#### **Virtual integrator**

Tech providers such as CargoFlash have been promoting the idea of creating the 'virtual integrator' for airlines in order to be able to manage some of those kinds of capabilities. Are those sorts of partnerships with tech providers of interest?

Sultan responds: "We have invested in the assets; we have the infrastructure; and therefore building the ancillaries – last-mile delivery, first-mile pickup, the sorting capability – around the assets that we have are things that are not impossible to achieve. And with today's technology,

*"We've seen how the e-commerce industry has expanded. So, that's an area that we're going to be looking at very seriously"*

**Nabil Sultan**

and our sort of capabilities – and you're talking about last-mile delivery with with drones now – and all of that is coming to flourish. I think it would be a huge missed opportunity, if nothing is done about that." And might it offer potentially higher margins, if carriers extend further into the value chain?

"Obviously there are opportunities; and I think it is probably a much better margin than what we do today. But it also has a higher cost, so, that would also need to be put in perspective to ensure that you displace what you do today with better revenue... it's a tough business."

#### **A different shape**

In the past there have been sensitivities and reported resistance from freight forwarders towards airlines attempting to dealing direct with shippers. But Sultan does not see it as a zero-sum game.

"To me, the freight forwarder community has a major role to play in all of this," he notes. "But I think the freight forwarder community will also have to evolve, as the whole industry is, and come up with different types of propositions and offers in today's market.

"I am sure today that a lot of the manufacturers still want the services of the freight forwarder community; there's no way that they can operate without having someone to clear their shipments," he highlights. "It's a massive task. And I think they've still got a substantial role to play; but now is the time to evolve, in line with the whole industry, to take a different direction."

Sultan acknowledges that this is a sensitive topic, but he believes that it's necessary to have those kinds of discussions; "time to push those messages". ■





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# Ups and downs in the air cargo charter market

Neil Dursley, group CCO of Chapman Freeborn Airchartering, talks to CAAS about another volatile and changing year for charter brokers and their customers

**H**ow would you describe the dynamics and characteristics of the air cargo charter market this year, particularly in the last few months?

It has been an unusual year. The market was booming prior to Chinese New Year - January and February were record months in Chapman Freeborn history, driven by

back-to-back AN225 and AN124 flights as well as large volumes of humanitarian goods in relation to Covid-19. However, events coinciding with Chinese New Year and Ukraine have created an unusual dynamic. The grounding of eighteen 747s and eleven AN124s due to (Russian) ownership of the aircraft has taken enormous capacity out of the market at a time when volumes are booming. Also, the reduction in the fleet size of Antonov Design Bureau and the necessity

to utilise those airframes in support of Ukraine has meant that the oversized market (oil and gas, for example) has struggled with capacity. It's improving now and there are many commercial flights utilising Antonov Design Bureau on the humanitarian side (Ukraine), as well as for commercial purposes around the globe, for aerospace and energy for example. The market struggled to recover following Chinese New Year. The volumes did not return to the levels they were



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**Dursley:** *The biggest operational challenge is the staffing shortage, in part because aviation recruitment involves time-consuming security checks*

prior. It's been unusual but, at this point for Chapman Freeborn in combination with the products within our portfolio, still a record year in terms of our volumes around the world.

**With air cargo demand and prices softening as the year has progressed, and passenger belly hold capacity returning to the**

**market, how do you see the outlook for air cargo charters in 2023? What are customers indicating about their plans, expectations and intentions?**

Demand has softened and belly capacity has returned, with passenger (charter) movements at record levels, especially during the holiday period over the summer. However, Chapman Freeborn,

in conjunction with its internal and external airline partners, has long-term agreements with its clients to support supply chains. These are continuing and will continue past 2023. The ad-hoc market, in collaboration with our internal and external partners, is still giving us the ability to support the supply chain requirements on a global scale, specifically automotive, humanitarian, governmental, oil and gas, aerospace, high-tech and e-commerce.

**How does the air cargo charter market and outlook appear in terms of its various main verticals and segments? How has that evolved this year?**

In terms of industry verticals, Chapman Freeborn handles all verticals globally. However, we have specific areas of focus and are increasing these areas throughout 2022 and beyond. We are seeing, for obvious reasons, large demands in humanitarian and governmental business. We saw surges in e-commerce volumes, but those are currently challenged due to the cost-of-living crisis on a global scale. We still see a large demand for automotive, pharmaceutical and healthcare products, government and humanitarian, and with the cost of crude oil close to \$100 per barrel (not record levels, but increasing), that is creating a more viable solution for the energy sector to fly products rather than using shipping.

**A number freight forwarders have been more active putting in place long-term air cargo charter programmes in the past two years. How do you see that situation evolving?**

The Covid-19 pandemic, which was an event like no other, gave an immediate urgent requirement for freight forwarders and their clients to ensure they had the capacity and availability of the supply chain at a time when air freight rates were at record levels. Many of those clients who signed long-term agreements

are tied into them regardless of what is happening with the market pricing, and that of course can be an enormous challenge to those freight forwarders and their end clients. Chapman Freeborn as a group, in conjunction with our internal and external clients, are doing everything possible to support our clients, and to ensure they have viable long-term solutions to meet the needs of their clients and ours.

**What about the role of e-commerce shippers and their representatives in the air cargo charter market? How has that dynamic played out this year, and how do you see it developing in the future?**

E-commerce was booming during the pandemic – we saw record e-commerce numbers. This year, the e-commerce clients, especially in Asia where the majority of the products were being sourced, had enormous challenges due to the grounding of the Russian fleet,

cost of living increase, cost of fuel increase. And because of the cost-of-living increase impacting end customers, I believe the volumes would have dropped considerably. It's been a challenge for e-commerce companies, many of them well-known brands on a global scale. However, they are still expanding their footprint globally, and their fleet - tying in their own or leased aircraft on long-term basis to ensure they have supply chain continuity.

**What are the biggest operational challenges currently affecting the air cargo charter market?**

The biggest challenge across the board is the lack of (staffing) resource. Anyone who has travelled on a business trip or on vacation has had personal experiences or business-related experiences of ground handling issues on a global scale, be that aircraft waiting to be offloaded, or an individual waiting for their luggage to arrive on the baggage belt because of the lack of staff. Many people were

furloughed across the globe, and a lot of people decided to take other positions in other industries. The nature of aviation and the security requirements of recruitment (they have to go through months of security checks before they are onboarded) has had a detrimental effect on the supply change and has been a challenge across the board.

**How have airport or air cargo handling difficulties and limitations this year affected your choices and decisions regarding origin or destination airports or handlers for charters?**

Chapman Freeborn's internal and external airline partners have worked very closely with airports and ground handling companies around the world to ensure constructive criticism where needed has been addressed, and I'm pleased to say we've seen fantastic results as a result of this open, honest dialogue to ensure we meet our clients' requirements. ■



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# Keeping all the balls in the air

As air capacity in Europe returns towards pre-Covid levels, airports and their cargo stakeholders are juggling numerous challenges as they adapt to shifting demands and expectations, reports Megan Ramsay

**P**assenger air capacity has been returning in significant volumes to Europe in recent months, and although it is still around 20-25% below pre-Covid levels at the main European metropolitan airports, the return of some of the lost bellyhold uplift has helped

bring overall air cargo capacity back up towards pre-Covid levels. But it comes with additional complications, and airports and their cargo stakeholders have been juggling numerous challenges as they adapt to this latest phase of the recovery.

As Frankfurt Airport operator Fraport's VP for cargo development Max Conrady puts it: "Everything has been thrown at

us at the same time. Keeping all those balls in the air is what drives the industry – though admittedly, it's driving us quite hard at the moment."

Take the fluctuations in demand for freighter flights. In May-June 2020, during the first wave of Covid lockdowns and the scramble for PPE, the percentage of cargo that came through Frankfurt Airport on freighter aircraft rose to 95% – up from the pre-Covid level of 60%. Since summer 2021, when international travel destinations began to reopen, belly cargo capacity has increased in fits and starts and is now at its highest level for two years, but it is still significantly below pre-Covid levels, meaning there is still a greater reliance on freighters than pre-pandemic, with the associated greater volatility operationally.



“Freighter flights still account for 70% of our cargo tonnage,” Conrady says. “This is something we have to take into account when positioning aircraft and planning new stands. Handlers are also seeing more peaks in demand as they have to unload the contents of an entire freighter aircraft when it lands, rather than the smaller amounts of freight on board passenger aircraft arriving over the course of several hours.”

Still, a high percentage of freighter cargo has been traditional at Frankfurt and Conrady thinks the current level is here to stay for the next couple of months, at least. One continuing driver of the higher proportion of freighter flights at Frankfurt is that leisure travel has become more important than business travel, and leisure destinations do not correspond as closely as business destinations to freight patterns.

#### Pandemic hangover

The impact of the pandemic on handling capacity continues, and the sudden



*Freighter flights require a more intense cargo handling response than passenger flights*

increase in demand this summer significantly exceeded many airports reduced capacity and resilience. “We, like other partners, were short-staffed,

especially on the apron,” Conrady says. “Some flights were cancelled because of the shortfall in handling capacity, but we still managed to sustain robust operations.”



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The war in Ukraine and the loss of Russian airlines from Europe has had mixed effects on European airports. For instance, in the first three quarters of 2022, tonnage at Frankfurt was down 13%, year on year.

“Covid restrictions in China are also affecting our volumes,” Conrady says, “but the effects of Ukraine are most pronounced because of the ban on Russian carriers flying to Frankfurt – especially AirBridgeCargo (ABC).”

“ABC was the second-biggest freighter operator here with 5% of the total cargo volume, and Frankfurt was its largest European air cargo station in 2018-19. Airspace closures between Europe and Asia, and the closure of Russian airspace, mean that traffic has to go around.”

This results in a substantial reduction in capacity as aircraft need to carry more fuel for the longer journey, and it also means longer turnaround times. As 40-50% of cargo volumes at Frankfurt are on the Asia sector, the impact is significant there – although the airport has seen growth in traffic via the Middle East, where much of the Asia-Europe has been routed this year.

In general, cargo rates have risen as capacity has fallen because of the various sanctions; and in some cases, carriers are positively benefiting from the Russia/Ukraine conflict. Azerbaijan’s Silkway West Airlines, for instance, is reported to be gaining market share on routes between Europe and the Far East in the absence of its former major competitor, ABC.

### Shifting demand patterns

Against this backdrop of shifting patterns of demand, hangovers from the pandemic and closed airspace, some European airports are doing better than others.

At 1.26 million tonnes in the first 10 months of 2022, freight volumes at Leipzig/Halle Airport – Europe’s third-largest air freight hub – were just 3% below last year, when traffic grew 15% to 1.6 million tonnes during the full year. This puts Leipzig/Halle “well above



*Lufthansa and its partners have carried out over 150 carbon-neutral flights at Frankfurt*

the declining trend in the industry, which is suffering from the effects of the overall economic slowdown and the Ukraine war”, a spokesperson said. “We are optimistic about the future and continue to invest in our infrastructure. Investments of around €500 million are planned in new aprons, logistics and office buildings in the northern and southern sections and the central area of Leipzig/Halle Airport.”

That includes a proposed €300 million expansion of the DHL area. The airport is DHL’s largest hub in the world and is also home to the first regional air cargo centre operated by Amazon Air in Europe, making LEJ is one of Europe’s most important hubs for express and e-commerce shipments. Handler PortGround recently also renewed its IATA CEIV-Pharma certification. Overall, more than 70 cargo airlines fly to the airport from more than 250 destinations.

### Freighter versus passenger priorities

Further north, Liège Airport (LGG), with its long-standing policy of giving priority to full-cargo services, has achieved consistently strong growth for several years, although it has been going through something of a transition period this year. Long-term customer FedEx has pushed ahead with the planned relocation of more than half of its LGG flights to its main European hub at Paris CDG. Meanwhile, e-commerce import volumes, which have been a key part of the airport’s recent growth, have reportedly been under pressure over the last year, due to new EU customs rules implemented last July that lifted a VAT exemption on low-value goods imported from non-EU companies into the EU.

LGG’s cargo business has been affected by the loss of Russian airlines from Europe, including major customer ABC, although that has opened up opportunities for other players – for

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*Leipzig handler PortGround recently renewed its IATA CEIV-Pharma certification*

example Challenge Group.

Despite the challenges, the airport expects cargo volumes through Liège this year to match the record 1.4 million tonnes handled in 2021.

LGG's head of commercial for cargo and logistics, Frédéric Brun, says the re-routing of freighters has actually "helped LGG to keep its Asian traffic volumes". Most of the ABC flights have been replaced by other carriers, and the warehouse ABC had been using is now operated by WFS, which already provided the handling services for them within that facility.

Brun says the traditional big European cargo hubs "are focusing again on their passenger business, leading to less capacities for cargo traffic and operational bottlenecks and constraints. As a cargo-only airport, LGG is benefiting from this development and an increasing number of cargo airlines are using LGG as a better alternative to these historic cargo hubs."

Brun says there are no particular warehouse capacity constraints at LGG

currently following the opening of new first-line warehouses last year, with a further phase in 2025. Meanwhile, initiatives to improve cargo operations include ongoing "upgrade of warehouse infrastructure in cooperation with the LGG cargo handlers, and further development of airside infrastructure, including dedicated areas for ULD storage and maintenance".

#### **Next steps at LGG**

In the pipeline is a programme by the airport and cargo handlers to enhance handling quality and speed, starting by Q2 2023. And the next steps in the further execution of the 'LGG masterplan' include "the development of further substantial first-line warehouse capacities and additional parking stands for cargo aircraft", by 2025/26, and also the development of LGG's 'Cargo City West', which is 225,000 sqm of second-line warehouses dedicated to forwarders and logistic companies, opening in early 2025.

On the digitalisation side, Brun highlights developments including a plan "to develop a digital twin of the airport", of which the first step is a live tracking system of cargo flows via LGG that is linked to customs, due to go live in the first quarter next year. Broader plans include the development of the 'LGG Connect' airport cargo community, where the aim is to "strengthen all the partners and the ecosystem from the airport", due to be completed in 2023.

Linked to this is the implementation and development of 'LGG+', an open digital cargo marketplace for the entire LGG cargo community, its customers and all the products available, planned for the middle of next year.

#### **Challenges for Amsterdam**

But Amsterdam Airport Schiphol has seen its cargo volumes drop significantly this year: tonnages fell by 13.8%, year on year, during the first half of 2022, to around 722,000 tonnes. The airport attributed the

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drop to “the global decrease of volumes transported and the loss of volumes from a large carrier operating from Russia”, namely ABC. Full freighter flights accounted for 65% of its total.

The airport said the decrease “follows a worldwide trend, with growing capacity on passenger flights, concerns about economic development worldwide, production and transport issues in Asia, and the war in Ukraine”.

Across Europe’s gateways, total freight traffic in the third quarter of 2022 fell by 1% year on year, although volumes were up by 6% compared to the same period of 2019 (pre-Covid). The figures for the first half of 2022 were similar: a decrease of 0.8% over 2021, but still 5% higher than 2019.

The decline in traffic over the course of this year “reflects the wider impact of the war in Ukraine on supply chains, which sent freight traffic on a downward trend” since February, ACI Europe said.

IATA director general Willie Walsh noted in October that with travel restrictions lifting post-pandemic, people are likely to spend less on e-commerce. And increasing recession warnings are likely to have a negative impact on the global flows of goods and services, balanced slightly by a stabilisation of oil prices.

“Against this backdrop, air cargo is bearing up well. And a strategic slow-down in capacity growth from 6.3% in August to 2.4% in September demonstrates the flexibility the industry has in adjusting to economic developments,” he noted.

### Unlocking recovery

Heathrow Airport’s head of cargo, James Golding, says air cargo “adapted at break-neck speed to the changes the pandemic threw at us” but now needed to focus again on longer-term challenges. “As we return to business as usual, our task is to look again at how we work together, what impacts we have, and how we can improve processes to speed up operations, while keeping colleagues safe,” he notes.

He says Heathrow has been “working with partners on how to improve our



**Max Conrady, Frankfurt Airport**



**James Golding, Heathrow Airport**



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estate”, including “to redevelop older parts of our cargo estate in the medium term, and investing in safety improvements in the short term. We are also investigating opportunities to limit the impact our cargo operations have on our local communities through improvements to vehicle flows and the provision of HGV driver welfare”.

Golding is clear that the key to unlocking recovery is “excellent collaboration” among the 400 companies keeping the airport flowing, noting: “We are doing more to create an open dialogue across the airport and bringing together the cargo community. In October, we held our inaugural Heathrow Cargo Community Forum, bringing together key stakeholders from across our airline, handler, border control post, property partner and government network, providing an opportunity for collaboration and feedback on the development of our cargo strategy.”

#### **Staff recruitment initiatives**

The airport has also been working with employers across Heathrow to help connect local job seekers with vacancies, to help reinstate staff resilience, with airline ground handling having become “the pinch point” and “a key focus area”.

Longer term, it is also working with the UK government to remove some of the legacy operating procedures that slow down efficiency. “Rules around who can load and unload from an aircraft, and how we treat transferring cargo at the border, are out of date,” Golding says. “By working with government to try to remove some of these guidelines, we can significantly cut the number of vehicle movements taking place airside, improving efficiency, reducing emissions and speeding up processing times.”

Conrady agrees that the key to a successful future for any airport is to work as part of a community. “The airport is

just one player in the supply chain and we have to act together,” he says. “We have to understand the needs of cargo handlers, ground handlers, forwarders and airlines in order to operate successfully, smoothly and resiliently.”

#### **Long-term trends**

Other long-term trends include digitalisation, which has been gathering pace and “got an extra push during Covid as people relied on digital tools to provide more information and data exchange regarding the flow of goods”, says Conrady. “All stakeholders are striving together for a higher penetration rate of digital solutions.”

Sustainability is another big preoccupation. Conrady observes: “Environmental issues, especially climate change, are a challenge for us as an infrastructure provider. Like all our partners, we as an airport operator have to do our part. That includes replacing light sources or modernising the vehicle fleet with alternative drives, for example.”

#### **Pushing digitalisation**

Initiatives to push ahead with digitalisation at Frankfurt include seeking to provide a neutral platform that allows stakeholders to interconnect and exchange data. Last year, it introduced a platform for imports from outside the European Union that has increased speed, transparency and resilience.

Meanwhile, there is also a focus on hiring more staff and training new recruits.

And on the environmental side, Conrady says that, although each party needs to handle its own performance and reduce its own CO2 emissions, “with a community approach, we finally aim at tracking CO2 at different steps of the supply chain at the airport, so that we have the complete information at a single source”.

He continues: “Our target is to be CO2 free by 2045. We will achieve this by decarbonising our ground transportation (e-mobility), installing smart lighting and by switching to LED lighting on runways, for example.”

Fraport will also start to produce green



energy from 2026 through a complete power purchase agreement with European power supplier ENBW for offshore wind energy as it explores the possibility of being powered completely by natural energy. As for SAF, home carrier Lufthansa Cargo, in cooperation with forwarders like Schenker and K+N, has carried out over 150 carbon-neutral flights to and from FRA.

### Inter-airport collaboration

Golding says a key component of Heathrow's strategy "is to grow collaboration with some of our European and global comparator airports, particularly on topics such as digitalisation, which can only be fully impactful if adopted across the end-to-end cargo journey. With this in mind, Heathrow has recently become a member of The International Air Cargo Association."

In a recent demonstration of inter-airport collaboration, Royal Schiphol Group and Maastricht Aachen Airport recently announced a "strategic cooperation" that will see Schiphol



*Frankfurt's new system for imports has increased speed and transparency*

acquire a 40% interest in Maastricht airport for €4.2 million.

Maastricht – which was threatened with closure earlier this year – is the second cargo airport in the Netherlands and the

handling of freight will be an important part of its cooperation with Schiphol, the two airports said. ■

**(See Page 28 – Airport Focus: Amsterdam Schiphol)**



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# Building predictable cargo processes

The last three years have been a tough time for most airports, with Schiphol facing additional challenges including new lowered annual flight movement limits and restrictions to its cargo footprint to make way for expanded taxiways, reports Will Waters

**T**he last three years have clearly been an enormously tough time for most airports. And while the latest phase in the recovery from Covid, bringing the return of significant levels of passenger air capacity, is positive news in most respects, many airports have struggled this summer and autumn with personnel shortages that have led to delays to passengers and cargo and have caused some airports to limit flight numbers accordingly.

The return of passenger air services also has particular implications for Schiphol and its cargo community, in part because it brings back into play historical airport capacity issues and slot-use rules that had been pushed into the background during the pandemic, when the loss of passenger flights and the relaxation of airport slot rules

allowed more or less unlimited numbers of freighter flights - something that had been restricted prior to the pandemic.

The previous Dutch government, recognising the economic importance of Schiphol's hub and cargo connections, had set out a pathway for Schiphol to grow to a maximum of 540,000 annual flight movements, up from the previous 500,000 movement limit. But in June, the government of the Netherlands unveiled a plan to cut the number of annual flights at Schiphol to 440,000 from the end of 2023.

#### Maastricht partnership

While the airport continues to work with regional and national government and stakeholders on minimising the impact of those slot limits, one interesting linked development is the recent partnership agreement between Royal Schiphol Group and Maastricht Aachen Airport (MAA), where Schiphol is to take a 40% stake and work together with MAA on a number of areas. MAA is the second-largest cargo airport in the Netherlands, and the two



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**Scheidel:** *There's a clear business case for projects like Schiphol's Milkrun*

airports said the handling of cargo “is an important part of the collaboration between MAA and Schiphol”.

There has been speculation that the partnership may lead to some freighter activities at AMS in the future transferring to MAA, but Schiphol says there are no definite plans and it is too early to make any statements on what this partnership will mean.

Meanwhile, developments continue at Schiphol, including building a new airport terminal pier and creating additional taxiways - developments with significant implications for the cargo infrastructure at Schiphol Airport, requiring the relocation of some cargo facilities and associated adjustments to operations and processes.

And despite the limitations on the

airport's future capacity to grow flight numbers, the airport remains a popular location for cargo and logistics businesses. One of the key responsibilities of the airport's cargo team is to ensure this remains the case, and find ways of keeping the airport and the region attractive to cargo businesses and their customers, highlights Luc Scheidel, cargo strategy director at Schiphol.

“We do that by having a good network, seamless cargo processes, while also looking at safety, security, sustainability, etc.”, Scheidel notes. “And that all needs to be supported by digitalisation.”

### Cargo strategy review

Those were among the conclusions when the airport reviewed its cargo strategy last year, when it also appointed two additional cargo partnership directors, Olaf Van Reeden and David Van der Meer, to join Roos Bakker “to shape and develop cargo processes at Schiphol”, as part of a restructure bringing together all airline and cargo commercial and operational businesses at the airport.

Explaining the restructure and re-evaluated cargo strategy, Schiphol's head of cargo Anne Marie van Hemert notes: “The future of Schiphol Cargo will be about collaboration, and the cargo partnership directors are focused on re-connecting with the cargo community and moving towards the future with energy. Our aim is to optimise connectivity, realise state-of-the-art digitalisation, create a green airport, orchestrate seamless cargo processes, and deploy empowered partnerships.”

#### Optimising connectivity

The strategy's ‘optimising connectivity’ element puts an emphasis on the team working with the cargo community and local government towards resolving the hub's slot issues, she adds.

Key elements to achieving these aims also include optimising its use of Cargonaut – which operates the Cargo Community Information Platform at Schiphol and since late 2020 became fully owned by and integrated within Schiphol Group – and the airport's Smart Cargo Mainport Programme

(SCMP). The SCMP “is our programme, together with the community, to execute this”, says Scheidel, who also manages the programme. He knows SCMP and Cargonaut well, having served until the end of last year as director for innovation and expertise at Cargonaut.

Described as a “drive for constant optimisation of air cargo processes in and around Schiphol”, SCMP projects “revolve around smart landside logistics, data sharing, and innovations”. Under SCMP, Schiphol aims to “integrate data and digitalise the air cargo supply chain by optimising landside processes and launching new sustainable innovations”.

### Digital projects

Digital projects progressing this year include ‘Digital check-in’, and ‘Digital Handshake’ initiatives, along with the continued modernisation of Cargonaut's Port Community System airport cargo information platform.

Scheidel comments: “Digitalisation is very important, but it's an enabler of improved processes.” Implementing new processes is another challenge, although Scheidel believes one thing in Schiphol's favour in this journey is “our Dutch culture” – which emphasises collaboration and straight talking.

From the outside, he says observers of Dutch collaborative air cargo meetings may think that those involved don't like each other. But “it's because we are very direct in saying what's not going well, and what needs to be improved”, observes Scheidel. And that can help when holding one another to commitments made, he believes – something very important when implementing process change.

### A plannable process

A key element of optimising the airport's cargo capacity and operations is “to have a plannable process”, emphasises Scheidel, and the airport and the cargo community have created a roadmap to achieve that. And this is even more of a priority because the airport's cargo activities are set to become confined within a smaller area.

“A lot of cargo needs to flow through the cargo area. That cargo area is now





**Van Hemert:** The future of Schiphol Cargo will be about collaboration

being reviewed, because of all the different things that will happen at the airport,” says Scheidel. “Things need to be moved, so the cargo area will be more crowded.”

Key changes to improve the infrastructure for airlines include making the airport’s Quebec taxiway a two-lane system, like the taxiways elsewhere at the airport, to reduce air traffic bottlenecks. The first phase, completed at the end of last year, involved building a second aircraft bridge over the A4 motorway. The second phase requires dismantling several cargo buildings at Schiphol-South in 2024 and finding new premises for the occupants.

### Schiphol-South closures

Dnata is currently located in Cargo

Building 5/6 at Schiphol-South, one of the buildings that will be demolished in 2024. It plans to move to a major new €200 million advanced cargo facility in the South-East cargo area, where Schiphol also plans “investments to implement seamless cargo processes with zero-emission ground operations by 2030”.

Scheidel says KLM may also move into that area at a later stage, which would mean all of the airport’s cargo will be handled in the designated area at Schiphol South-East. Concentrating all the cargo activities in one area, where the customs authorities are also located, will make

some things potentially easier, says Scheidel. “But we will have to review how we do the processes in this area, to be prepared for the future. And this is an opportunity to think about data exchange. So, it’s a structural thing, that we will use this cargo area more intensively.”

### South-East developments

He continues: “In order to ensure that all flows continue seamlessly both airside and landside, we are working on the processes and digital part (‘bytes’) and the layout of the roads and other physical constructions (‘bricks’). We are working

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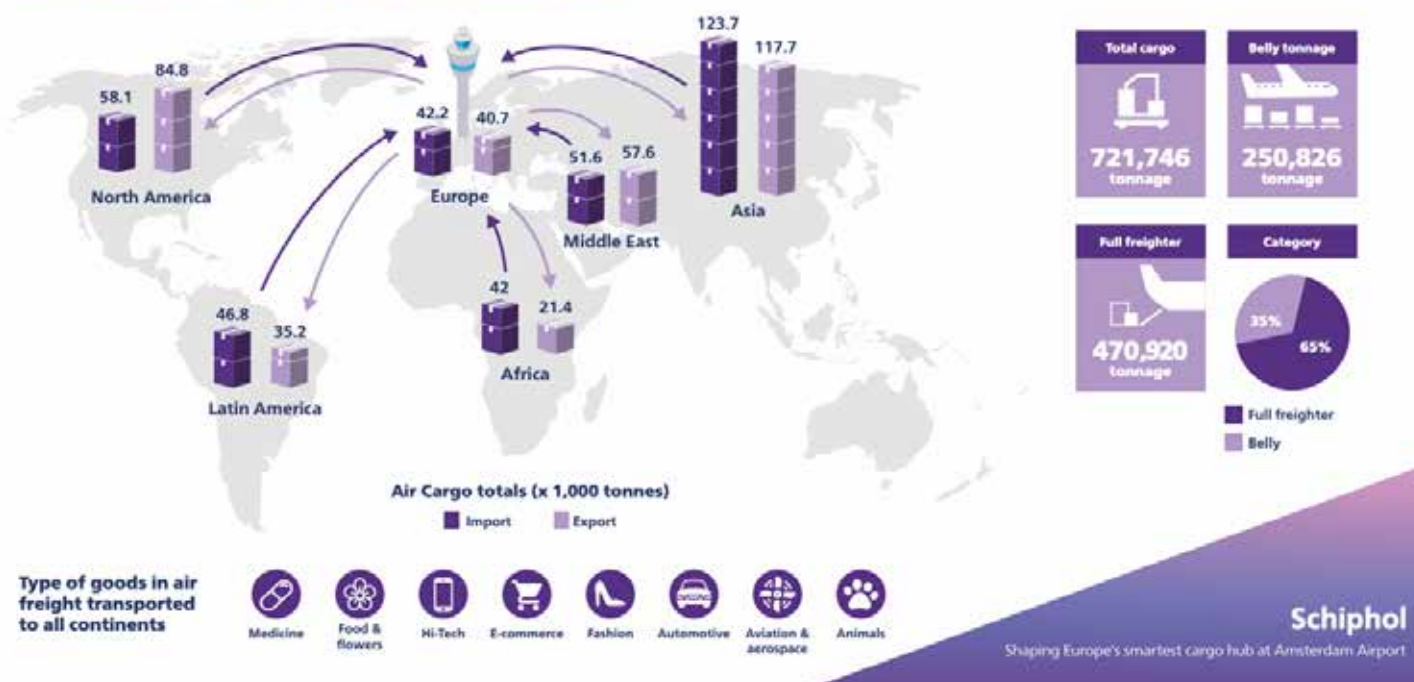
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## Schiphol Cargo Figures first half 2022



towards a situation where all information about cargo, drivers, and trucks is exchanged upfront and an appointment is made for when to deliver or collect cargo.”

Some of this work has already made progress, as Schiphol has accelerated some of the SCMP initiatives since last year. On the import side, so-called ‘automated nomination’ this year became a new standard, under the airport’s new tariffs and conditions published at the first of April. Automated nomination means import shipments will automatically be assigned to the correct forwarder before they physically arrive at Schiphol, rather than via a manual process, helping ground handlers and forwarders plan their operations more efficiently and reducing errors.

This was implemented this summer, and Schiphol and its stakeholders are getting more experience with it and working through the initial teething troubles, Scheidel says, adding: “In April, we said this is a new process, and then we have a kind of grace period, and then it becomes a little bit stricter.” But it is too early to quantify any of the noticeable benefits.

### Important stepping stone

Scheidel says it’s also an important step in the wider advance information and plannability aim. “Because if you reuse that information, you can plan the process of the handler, you can plan slots of the forwarders or the transporters on their behalf to collect the cargo.

“So, at the moment, it’s about information sharing. In future, that can be connected to: ‘This is your time slot’, or ‘please go to the website to book your time slot’. So that’s also one of those important stepping stones.”

A key part of a plannable process is that a truck driver working on behalf of a forwarder “will come to the airport and knows his time slot, and he knows when to do what - and he will get a dock door at that moment”, says Scheidel. And that is the case of imports as well as exports.

### Export digital pre-notification

On the export side, another of these stepping stones is digital pre-notification, which has increasingly become the new standard for all ground handlers at Schiphol, facilitating faster handling of

export cargo. “That is the process where on the outbound side, the forwarders need to notify that the shipment is coming and who is coming there to bring it,” explains Scheidel.

And here the benefits are already visible. “That will speed up the process at the counter. And we now see an 80% adoption of that process,” he notes. “That’s going very well and has rapidly moved up. I think when we started one and a half years ago, it was 20%. So from 20% to 80%. So, that’s one of the things we need celebrate.”

He believes celebrating successes are important on the road to greater air freight digitalisation and efficiency, where from the outside progress can sometimes appear relatively slow.

### ‘Milkrun’ expansion

And another project worth celebrating that’s also progressing this year is the successful ‘Milkrun’ initiative, including an expansion of the project to include exports, where previously it had only been available for imports.

“Rather than each forwarder bringing his

own cargo with one truck to the handler, these are now combined. And we see that the load factor of the trucks increases tremendously, going up from, say 30% to 90% load factor,” says Scheidel. “For sustainability, that’s really a very good project.”

And for efficiency of use of the airport’s cargo space as well.

“That’s also a stepping stone, because the trucking company will also share its information. So the data quality is also helped. So forwarders will have lower costs for the transportation, sustainability increased because the load factor is increased, and data quality is increased, because it’s a more regulated process.”

### A clear business case

Scheidel highlights that the project manager of the Milkrun is a manager at DHL. “So, it’s something not only for smaller forwarders. If they have only a few shipments, there’s an obvious benefit for the smaller ones, but also for the larger ones there is a benefit. So, then you come to a cultural thing,” he points out.

“There’s a clear business case, but do you take the time and the efforts to participate? For all these things, you need to adapt your process a bit.”

Cultural change is not easy, although again he is hopeful that the Dutch character can be helpful. “We may say to each other we are going to change it, and parties don’t do it,” Scheidel notes. “But then people in Amsterdam tend to say to each other in the face: ‘You’re not doing what you told me yesterday’. And that gives me hope that, in the end, parties will change.”

In an environment where sustainability is increasingly valued, some will be surprised that average trucking load factors in air freight are still as low as 30%.

“Typically, it’s small distances; it’s high-value goods; the price is in the air, not at the land,” Scheidel points out. “So, typically the trucks are not so full, because the forwarders think it’s not that important. But the result is we have a lot of trucks which are almost empty. That’s a waste.”

Not just a waste of trucking resource,

but also adding potential congestion in a congested airport cargo area.

### Balancing speed and efficiency

But Scheidel is sympathetic to the thinking of forwarders that lies behind this low load factor level.

“Air freight is a premium product, so it’s important that the cargo is there in time. So (the thinking is, therefore, that) ‘it’s better to do it dedicated because then you have full control’. But now with the milkrun, if there’s another process which is also reliable, I think it’s a good thing for parties to think about that alternative.”

Developments to the Milkrun product include updating the IT environment, “and they are now expanding the number of participants - both on the handler side and forwarder side”.

### Export pilot

The product has been running for several years for imports, but has only recently run as a pilot for exports. “They did a pilot with a small group, and now they are



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expanding the group,” Scheidel says.

In terms of why it has come so much later for exports, Scheidel notes that a lot of things during Covid were put on hold for a while. “The only project which continued was the digital pre-notification; the rest stopped for a while,” he says.

One possible further explanation for the later development of a Milkrun Export product may be that forwarders view export timings as more crucial, and so they wanted to keep control where possible.

“I think a lot of people in the industry tend to think that,” Scheidel acknowledges. “And airlines often

say that once it’s at the airport of destination, it’s there; it’s done. But the end customer, the consignee, the last part is also crucial. You have not completed the whole service.”

He concludes: “I think we need to be more aware of serving the end customer; that we need to bring it to the consignee. The consignee is typically not paying for the journey; that’s typically the origin. But we need to have a good product. Imports are also important.”

#### **Predictability and efficiency**

Scheidel strongly believes that making the airport’s cargo processes plannable and

predictable are vital for all stakeholders and optimising all aspects of the air logistics chain – from truck driver and vehicle resources, handling resources, the workforce as a whole, speed of transit, sustainability, the use of space, safety, but also for the service to the customer.

“If you want to have a good product for the shipper, then a plannable process is vital,” he says. “Plannable also means predictable for the shipper. So, plannable is the key to predictability and efficiency.

“The alternative is that there’s a lot of waste – wasted time, waiting around, etc. So, the plannable process is vital in being an attractive hub.” ■



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# Creating a connected cargo ecosystem

Yuval Baruch, CEO of Hermes Logistics Technologies, talks to Will Waters about partnering with other best-of-breed third-party technology providers to offer customers a fully integrated solution from forwarder to consignee, built around the company's cargo management system core

**T**he idea of creating a seamless end-to-end logistics chain for air freight shipments and their accompanying data is hardly new, and various parties in the air logistics chain have been progressively pulling together the numerous pieces and processes as best they can, according to the requirements of their and their customers' businesses – and the available technology of the day.

Integrators, for example, have been doing it relatively successfully for decades for packages and small shipments. And for the last 25 years, Cargo iQ has been painstakingly constructing standardised processes and route maps to provide equivalent capabilities for air freight. Individual freight forwarding and logistics companies have developed their own systems for linking together the parts of the process where they have control or visibility. And third-party technology companies have helped the assorted air freight entities to various extents

to digitalise, manage, automate, track, measure, record, integrate and streamline various aspects of their processes – including within cargo handling warehouses.

Further significant progress has been made in the last few years, often built around data-sharing platforms and cargo community systems (CCS), which have become increasingly important as a way for the otherwise fragmented air logistics chain to align processes and priorities in order to facilitate effective air cargo operations.

## Individual initiatives

But there has also been growing interest from individual companies to move forward with certain elements of a CCS where they can see potential easy benefits from linking with or partnering with certain other parties in the air logistics chain, rather than waiting for entire airport communities to move forward with an initiative. Some of the tech companies argue that uptake is often much faster than in a full community

context, as there are fewer parties that need to align.

The development of cloud-based technology and APIs, along with an increasing awareness among air freight stakeholders of the value of sharing data and a consequent appetite for collaboration, has also led to growing calls for partnerships among and between the various third-party air freight technology specialists.

## Collaboration journey

Cargo management systems (CMS) specialist Hermes Logistics Technologies has been on a collaboration journey in the last few years that has led to a number of productive partnerships that extend the range and value of its services. Notable examples include teaming up since last year with data-sharing and 'connected cargo community' specialist Nallian to empower cargo ground handling agents (GHAs) with an end-to-end solution to digitalise and streamline their landside management processes. And in September, Hermes announced it was integrating Speedcargo's Cargo Eye solution and HLT's New Generation (NG) Ecosystem at the point of cargo acceptance to make enhanced digital information of physical cargo available within the Hermes CMS.

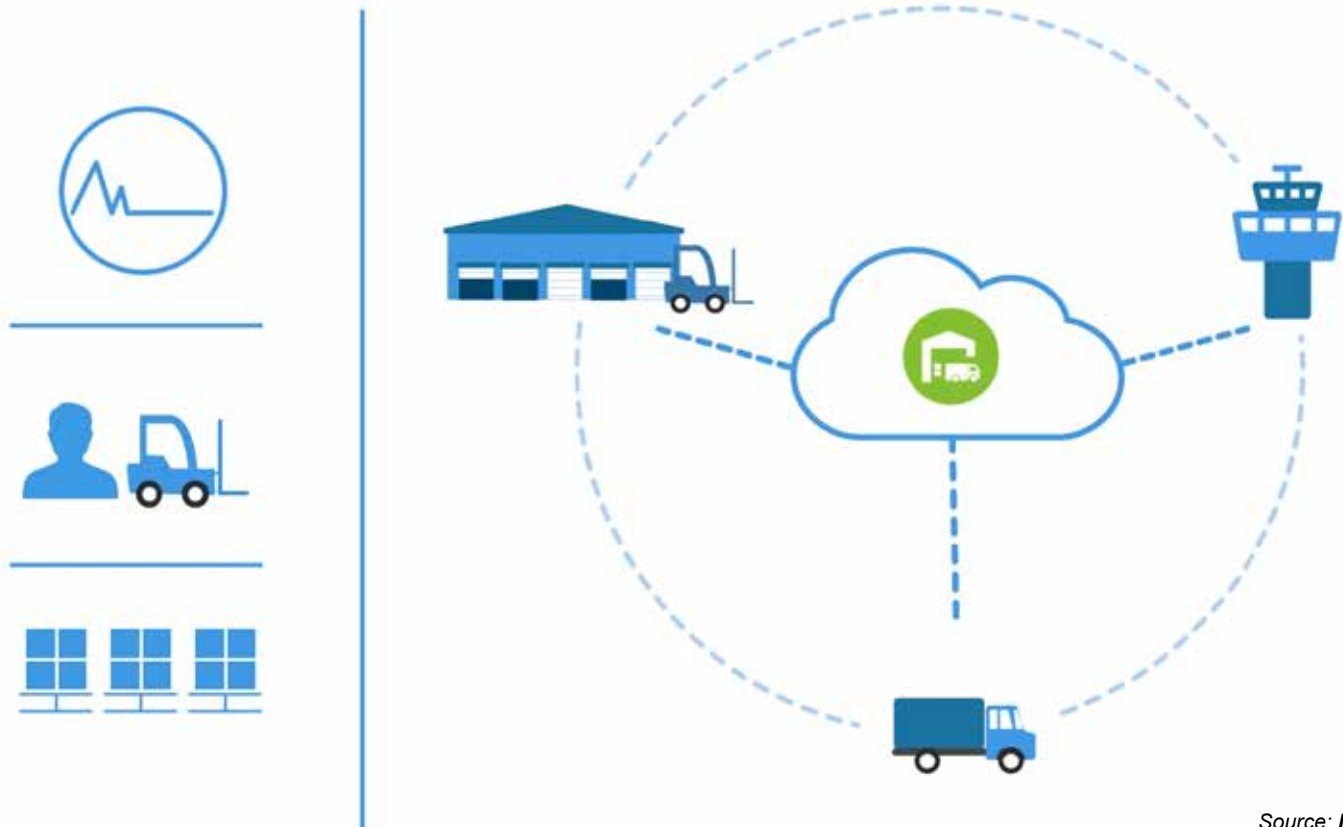
Hermes CEO Yuval Baruch says the development of such partnerships, for example with Nallian, goes back to a change in strategy in 2018, when lots of people in the sector were talking about the need for greater connectivity.

"The inception of Hermes was as a pure CMS. We focused primarily on that core application, and developed the functionality to a massive degree," he notes.

## An ecosystem strategy

"Around 2018, we realised this was probably not enough to generate the value that could be generated for our customers, because there is a huge ecosystem around us and a lot of stakeholders. So, we updated our core technology, to be able to move to the cloud. The next step was devising an ecosystem strategy, where we would identify basically three areas:





Source: **Nallian**

applications, data, and interfacing.”

The move to cloud-based capabilities accompanied the launch of Hermes NG (Next Generation), the next step in the evolution of its Hermes 5 (H5) CMS. Building on key features of H5 – which was released in 2017 and remains at its core – Hermes NG is a modular, cloud-hosted cargo management ecosystem, offered as part of Hermes SaaS or added to H5 as a monthly pay-as-you-go, software as a service (SaaS) model.

The ecosystem means offering and allowing users to pick from a menu of integrated solutions, provided by Hermes or third-party partner companies via Hermes NG, to solve specific problems and improve efficiency in targeted areas.

“APIs are one core element that is necessary to be able to communicate with different companies,” Baruch says. “Hermes is a huge manufacturer of data. So capturing that data, and using that data for insights, for AI, and so on, was key. And then additional solutions that would be surrounding the core CMS to

provide additional value.

“We’re looking at the ecosystem of what is surrounding the CMS, because that’s our core competency. Some things we will develop ourselves, and some things we will go out and partner with good other solutions. So, we are constantly looking for additional quality, best-of-breed partners to work together”

### **Landside management**

He continues: “When we looked at landside management, we said maybe there are other solutions that are better than we would develop. We started looking at how we would develop an e-check-in application, which is the closer element to the warehouse. And then we scanned the market, we saw different community system solutions that are in part also a ‘truck visit management’ (TVM) solution, which is the component of the Nallian solution that is integrated with Hermes. And we teamed up with Nallian to do that.”

Because Hermes considers that data is

“core” to its business, it developed that part itself. “We’ve developed our own data lakes, and we’ve developed our own reporting tool,” says Baruch. “Nallian will offer our customers the full solution for truck visit management – the road feeder, the digital apps, slot booking, kiosks, and part of e-reception. But the data that Nallian would be getting from the operation is integrated with Hermes and Hermes will be getting that data.”

Benefits to customers include that “people in the (warehouse) operation know what to prepare, what trucks are coming, what needs to be done, when and so on – they can schedule that. The truckers know when to book the slot, when their cargo will be available to them, and so on. That integration really empowers the next step.”

Baruch notes: “We did a very good job on the warehouse side. Nallian did a very good job on the door towards the outside. Integrating those would now get you full integration from the trucking company, all the way into build-up and break-down



**Baruch:** HLT's approach to integration and APIs is to create them as system-agnostic

within the warehouse.

"So, that's the real power and logic behind it. We found that there are good solutions out there. And the obvious thing would be integrate well, and offer an integrated joint solution."

### Integrated joint solution

The first pilot of the Hermes-Nallian partnership went live in LAX a few months ago with Menzies, which was already an existing Hermes 5 customer at LAX. The landside part will initially be a 'Tier Two' solution – a standalone truck visit management solution, featuring "reception, slot booking, road feeder information, kiosks, mobile apps". Tier Four would be a natural evolution of the integrated solution, linking the TVM solutions with the Hermes CMS.

"The integration part is planned to be completed in first quarter 2023," says Baruch.

Hermes is "in the process of agreeing with additional customers about rolling out the integrated solution"

Once the Tier Four solution is released at the end of this year, "it's just a short implementation by Nallian and a simple upgrade by HLT, and the customer has the integrated solution".

Because Hermes' New Generation (NG) ecosystem is a cloud-based and pure subscription-based set of SaaS products users can pick and choose exactly which applications they want and need, to solve specific problems and improve efficiency in targeted areas. "You can, for example, choose to use the Business Intelligence (BI) solution and data lakes and track and trace, like, for example, we have in Australia and in Singapore. It depends on what the customer wants," says Baruch.

"Whatever you subscribe to, it's basically on from that point onwards. You don't have to install anything. It's a pure

SaaS product."

### Integrated airline solution

Another extension Hermes is looking to offer is an integrated airline solution, "which means integrating with the air cargo sales and reservations module" that a third-party provider offers to carriers, "and that will become part of our NG ecosystem offering."

But that's "not easy" and involves identifying the right partner where its product, brand and technical capabilities are equal to those of Hermes, before "you can sit down and see, how will this partnership look?"

Baruch says you then look at doing that integration on behalf of existing cargo handling customers or the other party's airline customers, noting that Hermes has "some level of interest already" from potential users.

"We can then go together and offer airlines a true best-of-breed, well-integrated solution that would cover all their needs," he notes.

### Integrating everything

This then starts to look like something approaching the fully integrated solution that people have been talking about, from shipper to consignee.

"We are now talking to the trucking companies through truck visits; we are now doing it for the airlines – the integrated almost end-to-end process they have internally; maybe integrating with a freight forwarding solution in the future, or maybe with a GSA solution. That ecosystem perspective is a must, and we've started that. So, this is an area of focus for us."

### Competitor solutions

Although there may be some competitors offering certain of these solutions already, or even a whole ecosystem, Baruch says "every company has their core competency, in the same way that we have recognised that our real expertise is with the warehouse ground handling, the cargo in the warehouse – that's what we do better than anybody else in the world".

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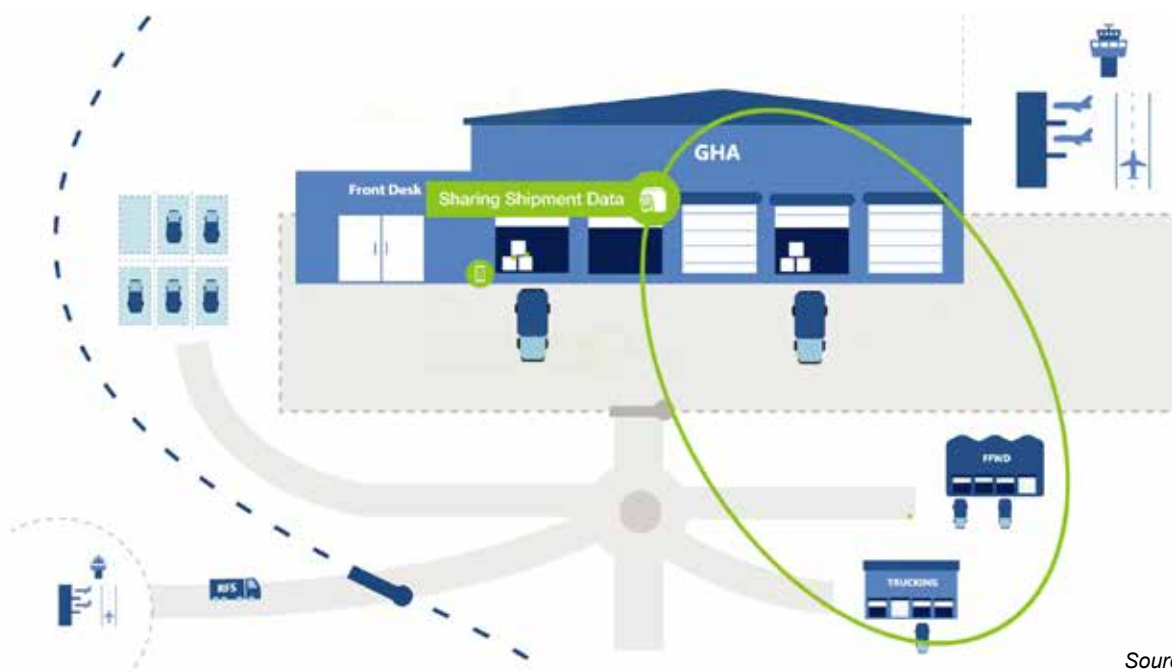


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Source: **Nallian**

other “best of breed” suppliers, “we’re positioning ourselves much better when we are competing on business, as that will create enormous value for customers. That will be our strategy.”

Whether that continues as a “partnership approach” in the long term, Baruch acknowledges that in the future they could turn into merger opportunities. He notes that Hermes is owned by a very large multinational tech group called Magic Software, where “part of the group’s growth DNA is through partnerships and M&A”. He says Hermes is “actively looking in the market to see what type of expansion opportunities we have, also through M&A. But I think the immediate benefit is with these partnerships. If they work, they do present an M&A opportunity.”

### Cargo community developments

Meanwhile, partnerships and cooperation within cargo communities seem also to be accelerating in linking up the various airport cargo players. Baruch agrees that this “has to happen”, although he believes “it’s more difficult in terms of implementation and rollout. Because if you think about an airport and the number of stakeholders, it is a fragmented industry. So if you want to do that, at an airport level, the airport has to be strong and drive this. The business case

showing commercial benefit has to be there; however, it’s a bit difficult to prove that to the ground handlers, to the freight forwarders that eventually will have to pay for that and charge their customers.”

He continues: “So, I think it’s an easier sell for us, with our customers (individually). Because there is a clear immediate benefit: your reception is faster; you don’t have trucks waiting; you don’t need so many people in reception. You can increase your handling volumes without increasing your space because you’re building up cargo and you know that the truck is going to be there on time, because they booked the right slot; and you can load that and then go onto the next one.”

“So, the ground handler becomes immediately more efficient, but also their customers and the trucking companies. So, they’re paying less to their drivers. There’s a clear cost saving, efficiency, available to them right away. So the business case is very, very clear.”

In contrast, he questions how many airports are that concerned about trucks having to wait or ground handlers can’t really process their cargo efficiently, because trucks are arriving to their own schedules.

“But I do think ground handlers and trucking companies care. So, I think it’s easier for us to build it out. I think the

community element will happen, but I don’t think it will happen as fast as others want it to happen.”

### System-agnostic

But he says there is certainly no conflict between what Hermes is doing and these airport cargo communities, illustrating this with a recent example in Singapore. “Nallian has been selected as the community system for Changi Airport. We have been implementing the NG ecosystem, so the BI, track and trace, but also the core application with a cargo handler in Singapore. Once the integration is there, the cargo handler will be able to immediately benefit from our Tier Four integration.

“And when Changi is ready, they will install the community system in Changi. But they’re already integrated. It’s a great example of how, from the bottom up, we will deliver those efficiencies for the ground handler.”

Baruch continues: “Our approach to integration and APIs is to create them as system-agnostic. So, whatever solutions a handler, an airline or an airport decides to implement, if we have already created the necessary integrations or APIs, we should be able to integrate with their selected solutions, dependent on having NG available with our customer.” ■

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# ACHL conference returns with record attendees

Air Cargo Handling & Logistics 2022 in Athens was so successful that the organisers and their partners have decided to run the event again in Athens in 2023

**T**he 2022 Air Cargo Handling & Logistics (ACHL) conference and exhibition was back to a real-world gathering for the first time in three years, following two years of successful online events, with more than 400 delegates flocking to Athens to make this the busiest ACHL ever.

'The Reunion' – Eva International Media's 13th ACHL – took place in parallel with the AGS Global Networking

Summit, ASA Leadership Forum, ULD Care conference and Airfreight Pharma event, attracting some of the most senior executives within air freight and the wider aviation and ground handling sectors, along with pharma customers and other stakeholders.

The events were ably hosted by the Grand Hyatt in central Athens, giving delegates, speakers and exhibitors access to this great city's ancient and contemporary attractions and facilities. And its coastal location also provided

the venue for a spectacular evening Networking Dinner at the glamorous Bolivar Beach venue, making for a glamorous but informal networking and social event to complement the daytime conference and discussion panels and associated meetings and events.

## Returning to Athens in 2023

ACHL 2022 in Athens was so successful that the organisers and their partners have decided to run the event again in Athens in 2023. (<https://www.caasint>).



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### Innovation Showcase seminars

The ACHL 2022 conference began for the first time with a series of 15-minute Innovation Showcase seminars from select organisations, showcasing leading-edge developments within air cargo.

These included:

- Wipro's Philipp Maier on How modern change management methodologies can drive change and innovation to a successful outcome;
- Kuehne + Nagel's Reinier Danckaerts on How RFID smart labels in air freight are set to become a low-cost technology game changer for piece-level tracking of shipments;
- Swissport's Dirk Goovaerts on Innovative solutions, from kiosks to unmanned, automated guided vehicles;
- Etihad Cargo's Thomas Schürmann on Innovation of Cargo Operations



by Digitalisation;

- Cargosense's Rich Kilmer on how to Minimise the risk to pharmaceutical products;
- Bob Rogers from ULD Care on Digitalisation of ULD Identification;
- Pertti Mero from Airport College

on Applying New Technology to Training;

- Lucas Fernandez from CHAMP Cargosystems shared the latest update of its Top 20 CHAMP Innovation Trends Radar;
- Raoul Paul from CargoHub



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discussed How to increase landside operations efficiency by using a single-window cargo community system (CCS);

- And finally, Stuart Maddocks from training specialist Calibrate revealed how Encouraging and leveraging your differences is the fastest way to protect your business and ensure continuity and sustainability.

#### Main ACHL conference event

The main conference event on Day 2 and Day 3 focused on a range of key topics, with several main themes including: digitalisation, innovation, sustainability, adapting to change, plus recruitment, training and retention.

Sessions included discussions on:

- The Need for Evolution and

Integration – The New World of Logistics;

- How Digitisation Must Accelerate the End-to-End Process;
- The Role of Airports in Future Data and Logistic Corridors, to Assist Airlines in Developing Value-Added Products;
- Why Air Cargo Must Always Be a Core Business Post-Covid for





and KPIs a priority;

- Provide evidence of promoting careers in the air cargo logistics industry;
- Invite young talent to this event next year, including encouraging their participation in the main conference panel discussions and events.

Although digitalisation, infrastructure and standards were major and recurring themes, the topic most frequently highlighted as a challenge for the sector was the need to expand and improve the effectiveness of initiatives to attract, recruit, train and retain new, young and diverse talent within the sector.

Reflecting this, and to highlight the depth and range of the discussions, CAAS has published an in-depth report on one of the key sessions, on Recruiting, Training, and Retaining Staff (see pages 48-55). ■

Airports and Airlines;

- Serving BCOs (Beneficial Cargo Owners) and Value in the Air Cargo Supply Chain;
- Recruiting, Training, and Retaining Staff – Staffing Shortages Across the Aviation Industry;
- Sustainability – Can and Will the Industry Meet its Environmental and Economic Challenges?

#### Conclusions from the conference

Conclusions and action points from the conference included the need for participants to:

- Implement digitalisation of their company's processes and activities to 80%;
- Engage their airport to make cargo infrastructure, standards



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# Recruiting, training, and retaining staff

Air cargo employers need to adapt their approaches in response to a personnel landscape that has changed quite radically over the past two and a half years, according to panellists and other contributors at this year's ACHL conference, reports Will Waters

**R**ecruitment and retention of staff have been major issues for some years, but they have risen to the top of the agenda since the pandemic for the whole air cargo sector, and especially among air cargo handling companies.

And with competition for talent higher than ever, along with the need for greater innovation, digitalisation and new ideas, appealing to as diverse a pool as possible has also become ever more important, especially in a sector that has traditionally been male dominated – in both senior management and 'blue-collar' roles. But so has the need to appeal to the next generation of employees and potential leaders, many of whom have different priorities, options and opportunities to

those of the past.

Glyn Hughes, director general of TIACA, highlighted the need to present job opportunities in different ways, in order to attract those that may not have considered the air freight sector previously. For example, to tailor job descriptions in ways that encourage applicants from women – who, statistically, may be more likely than men to rule themselves out if they lack one or two skills from a long list of skill requirements.

Janet Wallace, senior director for cargo transformation at Air Canada, said the upheaval of the pandemic had thrown many recruitment, training and development plans into disarray, noting: “For the past two and a half years, we’ve just been doing basic training. We have employees that end up in a warehouse or on the ramp, and it’s really not their preference. So, we spend three, six weeks’ worth of training and eventually they get out of the function. At this point, we’re just moving people around, trying to make things work.”



#### Offering a career path

She distinguished between the needs and expectations when hiring and onboarding blue-collar staff versus new managers, which “demand development. What are you going to give me? What’s my next

step? They’re looking for a career path, and if you can’t demonstrate that, they’ll be looking for the next thing.”

Teresa Wojtanka, head of operations support and innovation at cargo handling group Dnata, commented: “I think we have the opportunity to make the training

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attractive. And from the career path perspective, we do not have to only focus on training for staff we are putting at the lower levels; we should have a complete programme of training – and that also makes the workplace attractive.”

### Radical change

Arpad Szakal, principal consultant for Cormis Partners, said “things have changed quite radically over the past two and a half years”, with employers in a much less powerful position. So, rather than the job description being “essentially a set of demands on the candidate”, employers now need to spend more time explaining “what is on offer” to potential staff and “what they can become, if they join this organisation. This is where the job description is often inadequate” because it tends to be about what the candidate needs to do rather than explaining the opportunity available. Szakal said that in many ways, “airlines, airports, ground handlers are not each other’s competitors, when it comes to the talent space today”; the competitor is

“  
*Things have changed quite radically over the past two and a half years*  
”

Arpad Szakal

“Google, technology companies, power, utilities, Energy Renewables companies”.

He added: “It is quite important to realise things have shifted, and to be a bit more humble when you’re trying to attract people, no matter what level – whether it’s in senior leadership or ground staff.”

### Finding what interests staff

Responding to the question of how to make people love the air cargo industry, Megha Palkar, assistant manager at IATA quality initiative Cargo iQ, said she had appreciated that her employer had given her the opportunity to explore different parts of the business and wanted her to work in the areas that most interested her.

Wojtanka said aviation companies “are in a quite privileged position”, because people often love the industry before they join. But to get people to stay, people need to be in an attractive workplace, including within an industry and organisation they perceive to be growing and developing, future-facing and innovative.

Wallace said there are lots of roles for people to grow into, but this is not always immediately obvious to potential employees. “My first job description asked me if I would work nights and weekends and if I can lift 32 kilos. I don’t think that’s representative of what I do today,” she noted. “So, you have to have a passion for this and you have to be willing to share it.”

Hughes said those in the sector have a responsibility to try to ignite that passion – for example, by focusing “on the emotional impact of what is in the boxes” that air freight moves, which in many cases “are changing people’s lives” and “improve the economic prospects of a particular country and the livelihoods of the people receiving the cargo”.



### The value of air freight

Hughes also highlighted the importance of communicating about “the overall value of this industry”, highlighting some IATA statistics he shared with ministers of transport at an ICAO event during Covid, where much of the discussion had been about passenger. The figures highlighted that “in 2019, so pre-Covid, the value that the global economy benefited from inbound tourism by air was \$850 billion. In that same year, the value that those same countries derived

“  
*If you want to ignite interest and passion in the next generation, talk about the economic and social benefits of air cargo, and also the human element of that*  
”

Glyn Hughes



**Wojtanka:** We should be incentivising people for their performance



from exporting air cargo was \$6.4 trillion. So, the value to national economic prosperity was eight times greater. Last year, it was 20 times greater.”

He continued: “So, if you want to ignite interest and passion in the next generation, talk about the economic and social benefits of air cargo, and also the human element of that emotional

connectivity – what this industry moves, and how it impacts people positively.”

Wojtanka asked: “How often do we share this information with our staff? And how often do we make them aware of what’s the purpose of the job that they’re doing? I think that’s the part we’re missing at the moment.”

Szkal noted: “I’m all for passion, but it’s

not going to get you too far” as an employer looking to recruit staff. He also said “telling is one thing, whereas showing is another” arguing that the industry needed to do more to showcase its role.

Panel moderator Chris Notter agreed that employees need to know “the storyline” in order to get passionate about it. He asked delegates how many of them had gone down to the warehouse floor in the last month “and interacted with the workforce and given them a bit of a strategic or a tactical update or the storyline of what your business is doing”?

### **Safety issues**

Kester Meijer, director for operational integrity, compliance and safety at KLM Cargo, said when he goes down to the warehouse floor, “the topic they talk most about is safety”, and how it could be improved – “and especially when you have a temporary workforce. If I look at the number of lost work-day cases – when somebody reports ill for more than one day, as a consequence of an accident at work – for every one KLM person, we will have four accidents with temp agency people.”

He says agency staff tend to be regarded as “cheap labour, in the sense that you’re not really responsible for the hiring”, although “we feel that we get people who are trained. But they don’t have

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*Wallace: Fit is important*

the experience in our environment – especially if you look at build-up where there are forklifts with very long forks moving around; it's like a dance.

"That's why they get injured four times as often as experienced KLM staff in the warehouse. I think that's another thing we should focus on – not only your own people but also the temp agencies that work in your warehouse."

#### **Better incentives**

Looking at other incentives, Wojtanka believes we should be incentivising people for their performance and not just for their skills, "which is probably missing" from the current default approach towards staff at the moment. But Wallace highlighted that it's not always easy to be so flexible around pay agreements because for some employers it involves collective agreements through unions.

Hughes said pay and conditions were one aspect, "and because of the rising

inflation and cost increases, people are focusing a more right now on the on the pay side. But some people just like to be recognised with a 'thank you'. Others like to know they've got a career path, and if they continue they will be able to grow and develop and learn new skills. There are a whole suite of different options to recognise, reward, and incentivise our workforce. I don't think one size fits all."

Palkar agreed that different people are motivated by different things – for example, some may want flexibility around time off – calling for "research to find out what people want".

Szagal said that if people are only solely motivated by pay, they are probably not the right people. Instead, if you allow people some sort of flexibility, where that is possible within what may be a 24-7 operations environment, "and understand what is important to them – the one-size approach really does not work any more. If you're more agile about what you can provide, that can sometimes be more important than a wage rise."

“

***What we are really talking about is job satisfaction – whether somebody's connected to the role they do, and motivated to perform as best they can***

”

**Stuart Maddocks**

He also says "micro promotions" can be important – "something that shows (employees) that they're on a path and that good things can happen". He also highlighted the importance of "stay interviews, not just exit interviews – so that you really understand and then measure the temperature on a daily basis. I think that's missing in most organisations."

#### **Clarity of expectations**

Notter suggested there is a danger of throwing out important elements of

the industry's work culture in a rush to meet changing expectations, and that some expectations now among staff have become "unrealistic", creating "a nightmare to manage" for employers, who he believes should be able to expect some old-fashioned discipline from staff.

Stuart Maddocks, CEO of personnel and training specialists Calibrate, noted that in the challenge managers face to motivate and retain staff, "what we are really talking about is job satisfaction – whether somebody's connected to the role they do, and motivated to perform as best they can."

Regarding discipline, he said "one of the things I see a lot of employees really wanting from organisations is clarity of expectations – so they know whether they're doing a good job or not". But managers are often "so overworked and overlaid with administrative functions" that "being able to be clear on expectations is sometimes missed out. And often managers only interact with employees when they have dropped the ball, so it becomes more about maintenance and control rather than inspiring and galvanising talent.

He added: "So, we don't necessarily get as much time in management and coaching roles, to do some of the important aspects of leadership. I think the starting point often is clear demonstration of what minimum expectations are and how to do a good job – what a good job looks like. And managers need to be able to have the time to coach them against their expectations."

"No one turns up to work wanting to not do a good job, but they need to know what good looks like. But how do we as managers free up time to do that? That is a challenge." Lothar Moehle from Cargo iQ observed "what is often lacking in managers is honesty", urging people "not to overpromise" to their staff. He also observed that HR departments are overloaded at the moment, looking for new staff, whereas it is far more rewarding for them to spend time retaining their staff.

Szagal agreed that HR should be taking care of staff, getting them to stay, but they have ended up with the role of





“We have to recognise that the next generation are influenced much more by technology, social media, the globalisation of their networks and the way that they interact.”

He also highlighted the importance of recognising cognitive diversity, noting: “Because the world is different, we also need to think differently, to evolve. We can’t expect that next generation to fit into our square pegs and round holes.”

#### **Gamification in training**

One suggestion to engage young people is use of ‘gamification’, for example in training, and Hughes agreed this is

“  
*No one turns up to work wanting to not do a good job, but they need to know what good looks like*  
”

**Stuart Maddocks**

something employers need to adapt to.

Szkal commented: “Not only in training, but also in recruitment, we are seeing gamification, especially at the graduate and junior level, that works.”

Another speaker highlighted examples

“  
*If you’re more agile about what you can provide, that can sometimes be more important than a wage rise*  
”

**Arpad Szkal**

talent access – which is a different and difficult thing.

#### **‘Snowflake’ generation?**

Hughes pushed back against a suggestion by one speaker that part of the problem is an oversensitive, “snowflake” tendency among some young people in the workplace. Based on his own experience of that generation, he observed that “they work very hard, but they want to work on things they’re interested in”, and “they are interested in different things.





**Palkar:** People are motivated by different things



where some people had lost their jobs because they were addicted to their phones, although Szakal said this was “mainly on the more junior level”.

One participant observed: “People who are having fun will stay, because they will be getting something that they don’t get elsewhere.”

Another delegate from a specialist training organisation observed that the focus in aviation had too often been on “over-management and not leadership”, adding: “How often do we knock the passion out of people, because of management practice? Because we don’t link into our own company culture, things like our own company values, how many people actually understand what they are, and how they’re actually lived – so we have a sense of belonging?”

He added: “The reason people say they want more salary is because it is the only thing they understand as a reward, as opposed to recognition – things that cost nothing; to say, ‘thank you’ and give people reasons why they’re doing things well.”

#### **Inadequate wages**

However, Stan Wraight, president and CEO of consultancy SASI, observed that although it’s nice to hear about these motivation initiatives, there are sometimes more fundamental reasons why staff turnover is so high in some organisations, or they find

it very difficult to recruit, highlighting a recent example where people were leaving jobs at a GHA in the US “because they were paid less than unemployment insurance. One of the things we found in working with GHAs is that people had to have two or three jobs.

“So, don’t blame Millennials. There are some basic fundamentals that are wrong when companies are paying less than unemployment insurance.” But he said there were examples of good practice as well.

“

***There are some basic fundamentals that are wrong when companies are paying less than unemployment insurance***

”

**Stan Wraight**

#### **Magic wand**

Bringing the discussions towards a conclusion, Notter asked panellists “what does it take to be best in class, and to overcome these problems? If you had a magic wand, what would you do?”

Palkar stressed the need to examine what to do differently to attract more women – for example, using the word ‘creative’ in job advertisements increases the number of women that apply.

Szakal said the role of mentorship was critical. “Someone that has had a career path that they can aspire to; or a sponsor, which is someone that really promotes (a more junior individual). Very few organisations, especially in this sector, have a structured way of really pushing minorities, people of colour, different genders, different ages, into position for leadership roles. That’s one area that needs attention.”

Wojtanka observed: “Diversity is very important here. We are talking about a changing workforce, and it’s not only about gender, but also different generations, joining companies with different expectations. So, to be best in class, it’s for us to ensure that we are ready for that and we are open to

**Notter:** Staff need to know the storyline



experience the new different type of staff that we are, and we will be, employing.

“And we also change our processes to accommodate it; we cannot have one single process for everyone. We have people with different expectations, like wanting to work on different types of contracts. So, we have to be more flexible. And that’s how we can succeed.”

“

***To be best in class, it’s for us to ensure that we are ready to experience the new different type of staff that we are, and we will be, employing. And we also change our processes to accommodate it***

”

**Teresa Wojtanka**

Hughes commented: “I’d like this industry to become an employer of choice for not just the next generation, but all generations. We do need to have a much more diverse workforce. And we don’t need to hear examples of people leaving to get unemployment benefit, because it pays more. We need to be considered a leading employer, because of the value

that we bring to society; that the employee workforce is highly engaged, highly motivated, inspired, and see that they can build a career here. And it's not just a job; it's a vocation, and a vocation with value."

He continued: "We don't want to be in a position where we have organisations with 100% attrition rates over the course of a year, because people are just looking at it as if 'it's okay for now, but I'm going to get a job in Starbucks when it opens up'.

"So, I think we've got a lot of work to do."

Wallace concluded: "I'm still going to look at new hires in terms of fit and capabilities, and make sure I'm not pressured to bring in somebody just because I need to meet the numbers and fill a box. Cargo is built on a backbone of strong relationships. Fit is really important to an organisation, and I don't want to bring in people that might not be with me past six months, or be interested past a year.

"There's lots of work to be done, and this is going to be a slow journey to correct." ■



*Meijer: There also needs to be a focus on temp agency staff*

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# SATS agrees funding and outlines synergies for WFS takeover

Benefits of ‘transformational’ deal to create the world’s largest air cargo handler include accelerated cargo automation, cross-selling, network expansion, deeper e-commerce cargo partnerships, and expanding downstream logistics business opportunities

**S**ingapore-based aviation services group SATS has finalised the funding plan for its proposed acquisition of Worldwide Flight Services (WFS) and revealed further details about the rationale and planned synergies from combining the two companies’ airport services activities to create the world’s largest air cargo handler.

SATS revealed on 1 December that the total acquisition cost of S\$1.8 billion (US\$1.33 billion) would be funded through a S\$700 million loan from SATS’ principal bankers, a rights issue of up to approximately S\$800 million, plus S\$320 million from SATS’ existing cash balance.

The agreement, announced in September, for SATS to acquire WFS from US private equity firm Cerberus Capital Management for a cash consideration of US\$1.33 billion values WFS at US\$2.37 billion and is expected to close by 31 March 2023, subject to regulatory and SATS shareholders’ approval. WFS will become a wholly owned subsidiary of SATS after the proposed acquisition and will continue to be led by WFS chief executive Craig Smyth, alongside other key members of the senior WFS management team.

SATS said bringing together WFS, one of the world’s largest air cargo handlers, with leadership positions in the Americas and Europe, and SATS, a leading provider

of aviation services in Asia, will capture annual EBITDA synergies in excess of SG\$100 million (US\$74 million), through initiatives including cross-selling, network expansion and deeper e-commerce cargo partnerships.

Specific potential gains include “opportunities to identify gaps in customer coverage across the combined business, driven by a new cross-selling sales team and other initiatives”. Meanwhile, a global network of 205 cargo and ground stations in 23 countries “positions SATS for continued growth in existing and new markets”.

## Accelerated cargo automation

Other opportunities include “accelerated cargo automation”, because “a larger combined capital base enables increased investment in productivity improvement and automation initiatives”. Synergies via “global e-commerce cargo partnerships” involve a plan to “leverage WFS’s leading e-commerce (and) express cargo handling proposition in Asia”.

And SATS also mentioned a plan to “establish and scale a downstream logistics business across geographies”, to “reinforce downstream cargo logistics”.

The two companies said the combination “creates a first-of-its-kind global air cargo platform with scale and a network of stations across Asia, the Americas, and Europe. Customers will benefit from the combined platform’s broader suite of

services, operational best practices, and integrated technology.”

Kerry Mok, president and CEO of SATS, said: “Our customers are telling us that they want seamless support across regions, in a way that simplifies and strengthens their own operations. Combining with WFS will let us meet those needs through new cargo handling solutions and capabilities, enhanced service quality, greater digitalisation, and better visibility and traceability across the whole supply chain. It is a hugely powerful combination for growth, as well as delivering greater business resilience.

## Creating a ‘global leader’

“This is a transformational opportunity for SATS and our proposed acquisition of WFS will create a global leader that can become the go-to provider of mission-critical aviation services.”

The company said the acquisition “will enable SATS to better serve air cargo customers in strategic hubs in Asia, Europe and the US, as well as in complementary new growth markets including Latin America and Africa. The combined network covers trade routes responsible for more than 50% of global air cargo volume.”

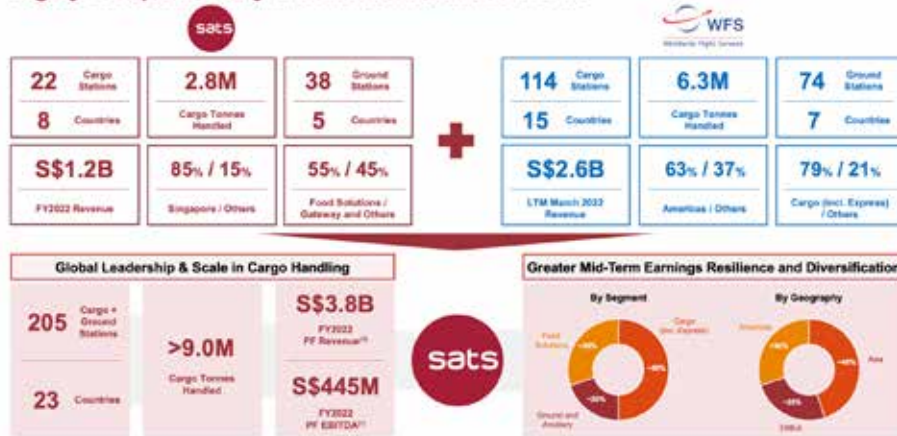
It highlighted that WFS operates in five of the top 10 cargo airports in North America and EMEA, including Los Angeles, Chicago, Miami, Frankfurt and Paris, noting that SATS is already present in four of the top 10 cargo airports in Asia, including Hong Kong, Taipei, Singapore and Beijing.

“Led by SATS, the combined group will have a greater ability to capitalise on growth across the cargo supply chain, and benefit from stronger demand for e-commerce and specialised cargo handling for items such as pharmaceuticals and perishables,” SATS said. “It will also add scale to SATS’ sustainability and ESG efforts, including decarbonisation and societal outreach as part of its purpose to feed and connect communities.”

Mok said SATS will gain increased resilience against future economic cycles and disruptions, with greater earnings robustness supported by a global and diversified customer base, adding: “As global competition increases, it is vital



## Highly Complementary &amp; Transformational for SATS



for us to tap into higher-value business segments and benefit from long-term cargo industry growth trends, even while we work to maintain our leadership position in SATS' home base in Singapore. The global platform will enable us to service our clients seamlessly across Asia, Europe and the Americas and increase existing offerings. Our balanced funding plan to optimise financing costs and gearing will position SATS for continued sustainable growth."

Founded in 1984, WFS has 32,300

employees at 164 major airports in 18 countries on five continents and generated revenue of €1.72 billion for the 12 months ended 31 March 2022.

SATS was established in 1972 as a subsidiary of Singapore Airlines, changing its name from Singapore Airport Terminal Services to SATS in 2010. It remains the largest air cargo handler and airport services provider at Singapore's Changi Airport and is a leading provider of gateway services and food solutions in Asia, with

customers in over 60 locations and 14 countries across the Asia Pacific, UK, and the Middle East.

## Air cargo handling consolidation

The move to combine WFS and SATS follows hot on the heels of another major international air cargo handling consolidation deal. In August, Agility finalised its £763 million (US\$925 million) acquisition of Menzies Aviation's holding company John Menzies PLC, allowing it to combine the acquired business with its National Aviation Services (NAS) business to create a leading global player in air cargo handling and aviation services.

Operating as Menzies Aviation, the combined company provides air cargo services, fuel services and ground services at airports on six continents. Once integrated, the company will have approximately 35,000 employees and operations at 254 airports in 58 countries, handling 2 million tonnes of air cargo per year. Combined revenues of Menzies and NAS exceeded US\$1.5 billion in 2021. ■



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## Jan de Rijk Logistics and Air France KLM introduce new LHV

Use of a Long Heavy Vehicle for RFS operations, running on BioFuel, marks ‘an important step towards more sustainable goods transport’

**A**ir France KLM Martinair Cargo (AFKLMP Cargo) and Jan de Rijk Logistics have joined forces to introduce a

Long Heavy Vehicle (LHV) into service for road feeder service (RFS) operations, to improve vehicle efficiencies and lower emissions.

The two said the big advantage of using an LHV “is the huge volume of

cargo it can carry. An LHV can carry six unit load devices (ULDs) at a time, whereas a normal cargo carrying vehicle can only take four. This means that using an LHV for two trips saves an entire truck trip, therefore substantially reducing CO<sub>2</sub> emissions as well.”

The new LHV will be used exclusively on the route between Amsterdam Airport Schiphol and Frankfurt am Main, because of the high cargo volumes carried on this route. The LHV will also be running on a type of BioFuel, Hydrotreated Vegetable Oil (HVO), which can reduce CO<sub>2</sub> emissions by as much as 89%.

“At present, the combination of an LHV powered by HVO is unique in transporting air cargo by road and, in the short term, it represents the best viable solution for more sustainable transport,” the companies said.

Fred Westdijk, CEO Jan de Rijk Logistics, commented: “Jan de Rijk Logistics has actively promoted the use of LHVs and HVO in recent years and is pleased to welcome AFKLMP Cargo as a ‘first mover’. Now that the first airline has joined us, we hope that others will follow soon to reduce the impact on our climate.” ■

## Wallenborn acquires shareholding in Australia’s Skyroad Logistics

European RFS provider has ‘more acquisitions on the horizon’ to add to its network in Europe and the Middle East

**L**eading European air freight road feeder services (RFS) provider Wallenborn Transports has acquired a shareholding in Australia’s Skyroad Logistics, adding Oceania to its fast-growing RFS network in Europe and the Middle East.

Luxembourg-based Wallenborn said it had “more acquisitions on the horizon”,

with the Skyroad Logistics investment the latest step in its “mission to consistently provide a broad range of products and services to our key accounts”.

The agreement brings together Australia’s leading and Europe’s largest air cargo RFS providers. Wallenborn said the “strategic investment will expand the fleet and facilitate development of new products and services for the Australian market”.

The agreement covers Air Cargo RFS, Express Transport and Project Transport service offerings. Peter Assel, who co-founded Skyroad Logistics, will remain as a shareholder and as managing director, and Skyroad Logistics will continue to operate from its head office in Melbourne, and service depots in Sydney and Brisbane.

Skyroad Logistics was founded in 2015 specialising in road feeder services and wholesale transport and logistics services for freight forwarders, airlines and air cargo charter operators. Skyroad Group operates flight legs for airlines and air cargo operators with a network covering all major capital city airports across Australia. ■

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# AfA calls for urgent investment in US airport cargo operations

**T**he Airforwarders Association (AfA) and the National Customs Brokers and Forwarders Association of America (NCBFAA) are calling for a State or Federal-backed 'Air Cargo Support Fund' to tackle the infrastructural crisis facing the US air cargo industry.

The recommendations form part of a whitepaper following a major national survey of 400 air cargo stakeholders in the public and private sectors undertaken by the organisations, identifying the critical issues and the airports where the challenges are greatest.

"With airports and airlines experiencing substantial revenue shortfalls over the past two years, the situation is becoming critical

with potentially severe impacts on the economy and jobs throughout the country," said AfA executive director Brandon Fried. "Because of the lagging financials, airports will be allocating the monies of the Infrastructure Act to passengers, security, and safety, leaving insufficient funds to sustain air cargo operations. Additional funding, specifically dedicated to air cargo, is urgently needed."

The whitepaper, called 'Safeguarding the future of air cargo: its economic importance and critical need for investment', warns that the negative fallout from a lack of investment could include job losses, as well as delays to shipping time-sensitive products by air, and higher costs to all elements of the logistics chain from shipper to buyer.

"The findings in the whitepaper demonstrate major concern from both

NCBFAA and AfA members," said Donna Mullins, vice president at Kale Info Solutions and Air Freight Subcommittee Chair at NCBFAA.

"We have worked hard to present clear recommendations, but these will come at a cost and it is vital that the US\$25 billion that airports will receive by way of the Infrastructure Act is allocated across all areas of airport development."

The recommendations include implementing airport community systems, encouraging better recruitment and retention through improved compensation packages, and a new industry-wide training programme.

Failure by the US legislature to act on its recommendations, said the whitepaper, risked "escalating costs for modernisation of airport facilities and infrastructure; continued adverse environmental impacts; industry consolidations and overall job loss; higher costs to all elements of the logistics chain from shipper to buyer; and a continued inability to meet anomalous challenges, such as the global pandemic".

The full whitepaper can be found at [airforwarders.org](http://airforwarders.org). ■

## Aeroterm selects Lödige for JFK modernisation project



**A**eroterm, North America's largest third-party on-airport developer, has selected cargo terminal solutions specialist Lödige Industries to install a state-of-the-art automated cargo system at John F. Kennedy International Airport's

new 350,000-square-foot cargo facility.

Lödige's system will be exclusively used by Worldwide Flight Services (WFS), the main cargo handler at JFK.

The new cargo facility, which is being built on a 26-acre site, will include greater ramp capacity to handle three large air cargo freighters simultaneously and will also have more than 50 dock doors for the

efficient transfer and tracking of goods through the facility.

Lödige's system will feature two elevating transfer vehicles with a ULD storage rack for 218 ULD positions and three-level ULD racks to ensure high storage density in WFS's new terminal and free up space for other handling activities, amongst other things. This advanced level of automation guarantees efficient throughput and high safety standards, as well as optimal operational processes, areas that are very important for WFS, Aeroterm said. The equipment also includes three truck docks, a castor deck area and 14 elevating workstations.

When completed in early 2024, JFK's new cargo facility is expected to handle an annual throughput of approximately 350,000 tonnes.

"As the first new cargo facility built at JFK in two decades, this project is an essential step in revitalising JFK as a cargo hub," said Bryan Rosenberger, VP for design and construction at Aeroterm. ■

# New purpose-built Pharma Handling Centre at Cathay Pacific Cargo Terminal



**H**ong Kong air cargo handler Cathay Pacific Services Ltd (CPSL) has opened a fully temperature-controlled area of over 1,250 square metres dedicated to the handling of pharmaceutical products at the Cathay Pacific Cargo Terminal (CPCT).

The new facility is capable of processing 235,000 tonnes of pharmaceuticals per year, doubling the terminal's existing cold

storage area and capacity. It is the largest dedicated pharma handling centre of any Hong Kong-based air cargo terminal.

The purpose-built Pharma Handling Centre was designed and built "with unique pharma-handling requirements in mind, taking advantage of the latest technologies and designs to offer peace of mind temperature-sensitive cargo solutions for customers", the company said. It is directly connected to the terminal's Container Handling System (CHS) "to ensure prompt acceptance,

storage and delivery", and has been built to IATA CEIV Pharma standards.

The centre is one part of CPSL's "Total Cold Chain Solution, ensuring valuable cold chain shipments remain at the optimal temperature from the moment they arrive at the Cathay Pacific Cargo Terminal to the moment they depart, transferring them as safely, efficiently and quickly as possible", the company said. CPSL also has a 1,250 square-metre multi-temperature-zone cold room, a perishable-handling centre for immediate perishable handling, thermal dollies for transfers between aircraft and terminal, as well as an "internet of things (IoT) enabled MobiFresh solution".

Features include a web-based monitoring system that facilitates real-time temperature and humidity management – with over 60 temperature sensors – to ensure all handling is under the controlled ambient temperature (15oC to 25oC). The facility's "temperature-controlled lobby" includes truck docks with inflatable shelters for virtually airtight sealing for vehicles, to maintain optimal temperature during acceptance and delivery.

CPSL is a wholly-owned subsidiary of Cathay Pacific Airways, operating the CPCT terminal, which is capable of handling an annual throughput of 2.7 million tonnes. ■

## BUD Cargo City to expand capacity to 300,000 tonnes

**B**udapest Airport's Cargo City is set for another significant expansion following dynamic cargo growth and development at the Hungarian gateway since the airport's new-generation cargo infrastructure opened in January 2020.

Increasing the airport's annual cargo capacity to 300,000 tonnes, BUD said the latest progression will be a "noteworthy step in ascertaining Budapest's place in

the global air cargo market".

The warehouse area of BUD Cargo City will be extended by an additional 6,500 sqm with a further 2,000 sqm of office space on the mezzanine level. A further 6,000 sqm of manoeuvring and storage areas will also be added to the building, alongside a 1,450 sqm multi-functional canopy area created for live animal treatment.

The expansion will allow Budapest to handle 240,000 tonnes at the Cargo City

with an additional 60,000 tonnes being served via the integrator facilities of DHL, UPS, and FedEx at Terminal 1.

René Droese, chief development officer for Budapest Airport, said the airport had handled 195,000 tonnes in the last 12 months and continued to record a 40% increase from its pre-Covid levels. He commented: "Seeing the rapid increase of our cargo volumes after the initial investment of the BUD Cargo City, this next step has been an obvious choice to enable our growth and progression. We see more and more interest for our cargo services and capacity enhancements from the market, so we have to ensure we are more than capable of meeting these demands." ■

# Sabrewing cargo drone breaks world record on first flight



**U**S cargo drone developer Sabrewing Aircraft Company has completed the first hover flight of its RH-1-A 'Rhaegal' vertical takeoff and landing (VTOL) air cargo drone, while lifting a record-setting payload.

This pre-production air vehicle, also known as the RG-1-A 'Alpha' model, was able to lift a record-breaking 374 kg payload, "shattering the previous world record for the 'dead-lift' of any commercial, vertical takeoff, uncrewed air vehicle (UAV)", Sabrewing reported. It describes that the Rhaegal Alpha aircraft as "the world's first autonomous cargo aircraft capable of both vertical and conventional take-off, designed to take tons of cargo to any location, in

almost any weather".

Ed De Reyes, chairman and CEO of Sabrewing, said: "This is only a fraction of what this aircraft can carry. But it proves that we're able to lift more cargo on our maiden flight than any previous cargo UAV that has ever flown."

The pre-production prototype aircraft weighed just over 1,225 kg for the first flight and is capable of a maximum gross weight, with payload, of up to 1,400 kg, at altitudes up to 6,700 meters and travelling at 200 knots. When taking off conventionally, this aircraft has enough thrust to carry over 2 tonnes of cargo with the same range, altitude, speed, and efficiency, Sabrewing said.

## 'Bravo' production aircraft

The next planned version of the Rhaegal,

the RG-1-B 'Bravo' production aircraft, is designed for first-, middle- and last-mile cargo deliveries. Sabrewing said it "can lift over 10 times more cargo than its closest competitor, fly 5 times farther, and operate in any airspace – from the most congested city to the most remote location". It is understood that the production aircraft will be capable of transporting a cargo payload of around 2,450 kg a distance of up to 1,850 km.

Sabrewing currently has purchase orders for 28 of the aircraft – destined for the World Food/World Health programme – and another 102 firm orders, and letters of intent for over 400 aircraft; these orders represent a \$3.2 billion order book over the next 6-7 years. The first 28 aircraft are due to begin deliveries to the first customer by December 2023. ■



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## Dronamics and Cranfield to develop hydrogen-fuel technology for cargo drones

Aerospace technology pioneers combine their expertise to integrate hydrogen fuel-cell technology into the Black Swan, the long-range cargo drone being developed by Dronamics

**C**argo drone developer and operator Dronamics is partnering with Cranfield Aerospace Solutions (CAeS), a leading innovator in the development of zero-emissions solutions for aerospace, to integrate hydrogen fuel-cell technology into the Black Swan, the long-range, 'middle-mile' cargo drone being developed by Dronamics.

The collaboration will focus on integrating the hydrogen fuel-cell technology CAeS is developing into the Black Swan, the flagship aircraft designed, developed and operated by Dronamics, with the aim of creating a

technically and commercially feasible zero-emissions offering for cargo delivery services. The two aerospace innovators share a belief that hydrogen fuel-cell technology can open up the possibility of zero-emissions aviation.

The Black Swan is designed to carry up to 350 kg at a range of up to 2,500 km, potentially making same-day delivery over long distances affordable, efficient and environmentally friendly.

Konstantin Rangelov, co-founder and CTO of Dronamics, commented: "When we set out to develop our drone technology, we had a very clear goal in mind – build the most efficient cargo aircraft to date: less time, less cost, less

emissions. Our partnership with Cranfield Aerospace Solutions will allow us to bring clean, zero-emission aviation technology to more communities and businesses in all corners of the planet, quicker."

Paul Hutton, CEO of CAeS, commented: "This partnership with Dronamics represents a fantastic opportunity for CAeS. Not only will the hydrogen-fuel-cell technology we are currently developing for the nine-seat Britten-Norman Islander change the face of regional aviation, but it will also make a huge impact on the cargo industry. The combined experience and expertise of CAeS and Dronamics is a very exciting prospect." ■

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