COLLABORATING WITH ROBOTS
How Industry 5.0 will change air freight

INSIDE

BOARD BRIEFING
Russi Battiwala of Chapman Freeborn makes some predictions for 2019

AFRICA
Africa’s air freight market takes of as the aviation industry recognises potential

POINT OF VIEW
Andrew Jillings of Tigers Ltd talks about embracing new technology

PROJECT CARGO
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The year of the Air Cargo Forum (ACF) is always important because a lot of energy is channeled into the preparation of this major TIACA event. However, the year that follows should be considered even more important because a lot of what has been done during and before the ACF in Toronto, Canada, requires a solid follow-up.

There are several areas where we need to keep the momentum already achieved. We have several new partners in Latin America, the Middle East, and Africa who have not only shown interest in collaboration, but have already taken practical steps by participating in the Air Cargo Forum, including supporting TIACA initiatives and exchanging speakers for events, as well as planning new ways of working together. And we should continue expanding our global reach.

Our connections with the regulators have become much stronger, as highlighted by several events jointly planned and executed with the International Civil Aviation Organization (ICAO) and the Airports Council International (ACI). Topics examined include the work of the World Customs Organization (WCO), aviation security, e-commerce, and regional aviation organizations – with their senior officials participating in TIACA events.

We are to capitalize on the expanded TIACA Training Program, which is made more flexible and accessible for those who need variety in the way they are delivered. In addition to our flagship Air Cargo Professional Development Workshop, we have expanded the Internship Program and launched the Online Training Program. All this should be further promoted and the utilized.

The successful launch of our new product – Cargo Service Quality or CSQ – and its encouraging acceptance give us a good platform for its refinement and further implementation in the world.

All that we do is always with one main objective in mind – to provide better and more up-to-date service to the Association’s members. The goals of satisfying the current membership and creating interest amongst those who may become members gives the Board and the Secretariat direction in our work.

The feedback of members is our most valuable instrument for staying on the right course. I encourage you to communicate with your Association in order to deliver greater benefits to the air cargo industry.

Vladimir Zubkov, TIACA Secretary General
Introducing our new transpacific freighter route

Bring good fortune and success to your business with our newest freighter destination, Macau. You can now deliver shipments between Asia and North America with reduced flight times and greater connectivity, with our twice weekly direct freighter service to North America.

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As we head towards the end of this millennium's teenage years and move into 2019, we look back at what I believe was, in general, a positive year for the industry as a whole. Volumes were consistent in many markets and revenues and yields were mostly healthy.

Now is the time many of us are concentrating on, and finalizing planning for the coming year. Budgets have been set, and in theory, we should be able to sit back, enjoy the holidays, and hope our goals and expectations for the coming year are correct and will come true.

Unfortunately, history has shown that the air cargo industry is very difficult to predict. It is rare that we get it right with future prognoses. Available data is plentiful and great at telling us what is happening right now or in the past, but not what is going to happen tomorrow or the day after.

With so many geopolitical issues, from trade wars to sanctions, currency and fuel price fluctuations, security issues, and generally the fast-changing world, it is difficult to get it exactly right when planning and forecasting the coming year. Air cargo will always be affected by the many world events either positively or adversely.

Regardless, I decided this year to try something new to get a better feel for my own organization’s fortunes in 2019. I bought a crystal ball and asked for help, the ball looked back at me with a blank expression and said: “Hey I am a crystal ball not a genie.” If you want to know what to expect from the air cargo industry in the future, you need at least a highly experienced genie!

I went down to my basement looking for my old lantern with the genie inside. After I finally managed to wake him up, he told me it is impossible to predict exactly the air cargo industry’s fortunes in the coming year or any year.

What he then said, and I believe this applies to all of us is: “If you are going to continue to be successful in your business, you have to remain flexible, creative, be proactive, think out of the box (lantern), and add value in everything you do.”

With my own organisation and the industry as a whole, I believe if we continue to do all of this, we should not have to worry about reaching our goals, targets, and budgets, and most importantly keeping our clients happy in 2019.

In an industry with so many ups and down, we will always struggle to get our future planning exactly right. I think maybe some of us, who have been in the industry for a long time would not really want it any other way; the air cargo business will never be boring and completely predictable.
AFRICA’S HOT PROSPECTS

Major aviation bodies are working to make Africa a more attractive place to invest, while air operators begin to take advantage of the continent’s growing air cargo potential.

Africa and its air cargo trade, in particular, are fertile ground for growth, expansion, and investment, thanks to the continent’s latent mineral wealth (which is said to comprise 30% of the earth’s remaining, untapped mineral resources), inevitable economic growth, infrastructure, and technological development potential.

However, it was only in 2015 that air cargo came to the forefront of discussions in the aviation industry when the African Airlines Association (AFRAA) created the AFRAA Cargo Task Force to highlight the importance of air cargo in the African market, with Sanjeev Gadhia, a TIACA board member, at its head.

“The cooperation between the two aviation bodies aims to make Africa a more attractive and efficient place for investment,” said Gadhia.

“AFRAA and TIACA will continue to work together to strengthen cooperation on aviation matters between participants in several areas including liberalization of market access for air cargo services, air cargo, and mail security, moving administration from paper to digital and environmental practices.”

In 2018, air cargo took center stage at AFRAA’s Annual General Meeting (AGM) with TIACA, in the form of an address by TIACA Secretary General Vladimir Zubkov and panels addressing growth in the air cargo industry.

Air operators in Africa are now starting to take advantage of the continent’s growing air cargo potential, and Ethiopia’s national carrier is investing heavily in its air cargo division.

Ato Fitsum, Managing Director of Ethiopian Airlines Cargo, said: “The air cargo business is one of the untapped sectors in the African economy and our strategic location gives us an added advantage in seizing this opportunity.

“We are expanding in terms of capacity, destination, infrastructure, and information technology.”

Ethiopian Airlines’ Vision:2025 roadmap aims to generate USD2 billion of revenue in its air cargo division over a 15-year period and make the airline Africa’s leading aviation group.

Africa is also prime ground for applying the latest technological developments in the air cargo
sector, as technologies that have been tested and refined over time in other countries are already mature when they are put to use in Africa.

**DRONE FLEET**

Kenya-based Astral Aviation intends to operate a fleet of drones used for specialised deliveries in rural areas and for humanitarian purposes; Kush Gadhia, Business Development Officer for Astral Aviation, is very positive about the technology’s potential.

“They are a new aircraft, and in future will be used to supplement routes currently operated by manned aircraft,” he said.

“Africa, as a continent, provides the biggest use-case for cargo drones. Regulatory authorities are trying to learn to adjust to the new technologies, and will soon allow the operation of large cargo drones.

“We believe that the use of cargo drones is the next leap in innovation for the aviation industry. Cargo drones offer lower operating costs, for example lower crew costs and lower insurance.”

Astral Aviation’s investment in drone technology has made the company a global pioneer in autonomous aviation, and technology is a key selling point for South African-based Tigers too.

“From Tigers’ perspective, we believe we have much more on offer than just being a freight forwarder, particularly with our IT developments and e-commerce offerings,” said Paul Lawrence, Managing Director at Tigers.

“Our investment into logistics operations and warehouses enable overseas suppliers to use South Africa as a hub for exports into the rest of Africa.”

As African economies grow and foreign investment increases, a growing middle class is enjoying rising spending power, which means an increasing demand for imports to the continent; Tigers is seeing both growth and competition in the freight forwarding sector.

“Exports into Africa, particularly consumer goods, are on the rise and there has been a spike in certain commodity exports into Africa, especially in areas of telecommunication, IT, and security equipment.

“Competition is quite stiff with most of the big multinationals and global forwarders already in this market,” said Lawrence.

**AREAS FOR IMPROVEMENT**

Despite the development and investment in air cargo, there were still several areas for improvement that the AFRAA Air Cargo Task Force set out in 2015, and which still continue to cause headaches for businesses in the continent.

“Generally, political instability, security issues, high operational charges, destination taxes, royalty fees, regulatory barriers of traffic rights issues, longer bureaucracy, and corruption are some of the major challenges in Africa,” Fitsum explained.

In South Africa, political instability has also created operational difficulties. “Volatility of our currency, as well as the current economic and political environment, creates challenges for Tigers,” said Lawrence.

But across Africa, the major factor that industry players have to contend with is regulation.
NEW ONLINE TRAINING AVAILABLE AT AT TIACA.ORG

TIACA’S new online training offers a range of high standard courses.

Catering for Management, Leadership and Communications qualifications. Our legacy and specialisation is with the Technical Corps across Logistics and Telecoms.

These are just a few of the online training offered. To join visit tiaca.org
“In Africa, harmonization of Remotely Piloted Aircraft Systems (RPAS) regulations is also a must, which will then allow for international flights. Currently only regional flights are considered,” said Kush Gadhia. “Regulatory hurdles are the biggest threat to the industry as the technology is very new and most civil aviation authorities do not know how to approach certification of unmanned aircraft.”

“We need to see a reduction in bureaucracy and some of the requirements before you can export products,” added Lawrence. “We would also like to see an improvement in the ease of doing business in Africa by improving infrastructure and looking at specific ways to make it easier to handle e-commerce cargo, particularly with regards to Customs clearance.”

GROWTH RATE
Africa is still susceptible to fluctuations in the global market and 2018 has seen a drop in the growth rate of the air cargo market in the Africa region. This can be attributed partly to moderate growth in Africa’s key markets of Europe and Asia, but also to other factors.

“The recent fuel price, which is beyond our expectation, is one of the major challenges we have encountered,” stated Fitsum.

This year’s slowdown in the air cargo industry comes after a period of unprecedented growth in 2016-17, which reached 36%, according to the International Air Transport Association (IATA). A slowdown often follows such an increase.

CONTINENT OF OPPORTUNITY
Africa is a continent of opportunity, where technologies can be tested and imports and exports are both on the rise, creating new business and competition for local players.

As Fitsum put it: “Free movement of people and goods is essential for regional economic integration of African countries.”

Politically, progress is slowly being made. Agreements like the development of a Single African Air Transport Market (SAATM) and the continental Free Trade Area (CFTA) by the African Union are both steps towards solving one of the most significant issues for guaranteeing growth in the industry.

Simplifying regulation and cooperating on key areas such as those laid out by organizations like TIACA and AFRAA are key to guaranteeing growth in a region, and overcoming regulatory restrictions that hold back the free flow of goods and people across the continent.

From Tigers’ perspective, we believe we have much more on offer than just being a freight forwarder, particularly with our IT developments and e-commerce offerings.

– Paul Lawrence, Tigers
COLLABORATING WITH ROBOTS

By Rob Chanona, Managing Director, Solutions, DSV Solutions Inc.

For DSV, the Fifth Industrial Revolution is about enabling automation that creates efficiencies throughout our clients’ entire supply chain.

“Automation, robotics, artificial intelligence” – whatever you coin it – are all related industry terms we use, but we are all talking about technology. The one common thread is that technology (automation and robotics) is now an integrated part of every global supply chain provider. The future of this technology, however, must be gauged by scope and perspective.

At DSV Solutions, no matter what level of sophistication we are using in our robotics and automation, we are leveraging the most precious commodity of all (for e-commerce). And, that is time.

Our collaboration with humans, robots, and automation is all-encompassing, from the order management perspective through to the order fulfillment process. This means we save time at every stage and make time for our clients. DSV has invested globally in future technologies that drive growth and optimize time for our clients and their consumers. The value of time is immeasurable.

DSV Solutions’ most recent automation implementation of AGVs (Weasels) to facilitate the flow of goods more efficiently and cost-effectively within the four walls of the warehouse – is a driving force to the logistics of e-commerce. Maximizing time for our business and closing the delivery gaps for consumers is key to building loyal customers. Loyal customers drive a business’ revenue, and in turn create the need for more capital investment in automation and software, enhancing the full customer experience.

So, what starts out as a simple robot or automation to facilitate the flow of goods can grow in scope and perspective. But, at the root of all future technologies is the factor of saving or creating time. How you see it, depends on your perspective in the supply chain.

DSV thrives on using this time to create great customer experiences and high-quality services.

By Daniel Marquez, Strategic Consulting, Accenture

The logistics industry has always been dominated by the ability to make connections. The companies that can build networks, blend modes, and get there first have usually come out ahead. More recently, these connections have increasingly come to include human ones as well, with a prominent focus on the experience of customers, partners, and employees driving corporate performance.

Will the connections that companies have established lose their significance as technology transforms the industry? The answer is both no and yes. No, the physical networks and capabilities that organizations have established will not stop being the backbone of their
The collaborative workplace, however, will end up driving up performance for both human and machine.

By Mike Maris, Director, Transportation and Logistics, Zebra Technologies

Automation is already changing the face of the logistics and supply chain industry, but Industry 5.0 signals a completely new relationship between humans and machines. Industry 4.0 preceded this era and saw the introduction of the Industrial Internet of Things (IIoT), connected devices and artificial intelligence (AI) technologies. This allowed automation to advance to unprecedented levels and ushered in many logistical and operational improvements across the supply chain world and beyond.

We are undoubtedly in the midst of a new tech revolution, as all around us we are seeing more and more mobile computing and printing devices interfacing with automation, as well as concepts like virtual reality being tried and tested in the workplace.

Just five years ago, we were only dreaming of these technologies that we are now implementing into real everyday use.

But unlike Industry 4.0, where robots were centre stage, we now find ourselves in a period of increased co-operation between man and machine, as human intelligence works together in harmony with advanced cognitive computing.

Zebra empowers the front line of business in manufacturing, transportation and logistics, retail/e-commerce, healthcare and other industries to achieve a performance edge.

Our mobile computing, printing and barcode scanning products, software, services, analytics, and solutions are used to intelligently connect people, assets, and data, and we have begun working on our own points systems that works with augmented reality (AR) and AI, putting us at the forefront of the Industry 5.0 movement.

The growing importance of human intelligence in the manufacturing space will by no means diminish the role of AI.

Mundane tasks will continue to be carried out by machine, whilst humans will be able to create and innovate more freely than in the past, without having to worry about production constraints.

These changes mean that we will need new workers who can provide value-added skills, which brings about some challenges. We will need to firstly source the necessary staff and then find ways to retain them, which has proven problematic in an increasingly competitive labour market.

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Jan de Rijk Logistics is continuing to grow after the supply chain specialist recently added two new trailers to its aero-engine carrier fleet.

This brings the total number of engine carrier trailers owned by the company to 45, with a further two coming on board early in 2019.

“These trailers were engineered in-house and introduce innovations that further automate and result in smoother cargo movement from trailer to loading platform,” said Robert Kleppers, Commercial Director, Jan de Rijk Logistics.

“As successfully demonstrated at the Farnborough air show, this improves safety, speeds up the process, and saves our clients costs.”

**EThiopian CONNECTs AFRICA wiTh RUSSIA**

Ethiopian Airlines has launched new thrice-weekly services to Russia, connecting the Russian and Ethiopian capitals.

The flights, which took off for the first time on December 1, 2018, will stop over in the Turkish city of Istanbul before continuing to Moscow’s Domodedovo airport.

The route will be operated by Boeing’s ultra-modern 787 Dreamliner.

“The air connectivity Ethiopian provides to link Africa and Russia will go a long way towards facilitating and bolstering multifaceted relations between the two regions,” said Tewolde GebreMariam, Group CEO of Ethiopian Airlines. The service, which is part of the company’s Vision 2025 investment programme, will connect Russia to 59 cities across Africa using Ethiopian’s air network based at Bole International Airport in Addis Ababa.

**SAUDIA CARGO APPOINTS GROUND HANDLING OFFICER**

Saudia Cargo has appointed Abdulrahman Al-Mubarak as Chief Ground Handling Officer for the company’s ground handling business unit.

The appointment forms part of Saudia’s Strategy 2020 transformation program, which has identified its ground handling business as an area of investment and development.

Al-Mubarak has a decade of experience in commercial cargo and logistics, planning, and strategic management, including several executive positions at the Saudi General Authority of Civil Aviation (GACA) and Dammam Airports Company.

**QATAR AIRWAYS CARGO LINKS MACAU AND DOHA**

Qatar Airways Cargo has launched a new flight schedule to Macau, making the city its fourth freighter destination in greater China.

The twice-weekly service flies from Doha to Macau, then across the Pacific Ocean and connects to Los Angeles and Mexico City. The route then continues eastwards with a
MISSING PIECES OF ANCIENT MOSAIC FLOWN HOME BY TURKISH AIRLINES

Turkish Airlines has transported pieces of the Gypsy Girl Mosaic (pictured), a valuable cultural artefact originally from the Turkish region of Anatolia, from Chicago to Istanbul.

The 1.3 ton artwork was given special attention by the Turkish Airlines crew and was the only item admitted in the Boeing 777-300 that transported the pieces home to Turkey.

Turkish Airlines sponsored the return of the mosaic, which will now be taken to a museum in Gaziantep, Southern Turkey, where it will be displayed alongside other ancient artworks from the region.

The Gypsy Girl mosaic was removed from Turkey 47 years ago along with other cultural and historic objects.

stopover in Liege, Belgium, before reaching Doha, Qatar.

Macau exports electronics, garments and e-commerce goods, while imports into Macau consist primarily of consumer goods.

The transpacific flights also increase capacity to and from north America.

Guillaume Halleux, Qatar Airways Chief Officer Cargo, said: “The new services will connect manufacturing industries and exporters from the region to north America directly and quickly, without requiring a stopover at our hub in Doha.

“The launch of these services demonstrates our commitment to our customers in helping their businesses grow, while also enabling us to expand our presence in these key regions.”

CROSS BORDER SUMMIT ENTERS ITS FIFTH YEAR

BeCommerce Cross Border Summit 2018, which was hosted by Brussels Airport in November, attracted nearly 100 attendees for the fifth annual event.

Regulatory restriction, the European tax situation, and tax regulation were all high on the conference agenda. Other topics included the competitiveness of companies and new Customs procedures for accelerated clearance of import goods.

BeCommerce is a Belgian non-profit organization which aims to bring together e-commerce companies that are active in the Belgian market.

The aim of the summit is to develop consumer confidence and create a favourable economic and political climate for the entire sector.

Brussels Airport is developing a 360 degree strategy dedicated to e-commerce in conjunction with several stakeholders in their cargo area, and the University of Antwerp’s department of Transport and Economics.
Join TIACA to increase your visibility in the air cargo industry, benefit from unique networking opportunities, and ensure that you are up to date with the issues that affect your daily business.

“TIACA is the global voice bringing together all elements of air cargo and logistics trends, changes, updates relating to government, customs, trade and regulatory authorities’ policies that will affect the air cargo supply chain. Hence, the value of being a member of TIACA lies in the ability to advocate on industry issues, networking and access to a reliable source of global air cargo information.”

- Wong Chee Meng, SATS

Benefit from TIACA membership today!

- Gain unique networking opportunities and a boost in business prospects
- Receive advisories and updates on issues that affect your daily business
- Participate in industry-specific training and career development opportunities
- Network with air cargo leaders at the annual Executive Summit, free for TIACA members
- Receive beneficial discounted rates to exhibit or take part in the Air Cargo Forum

Visit www.tiaca.org for details
TIACA and Air Cargo Belgium, the community organization at Brussels Airport, have teamed up to offer a masterclass exploring how the air cargo supply chain can leverage digital transformation and data sharing as enablers for growth.

The ‘Connected Air Cargo Masterclass’ will feature important debates including building a connected air cargo community, using technology as an enabler, and digital transformation best practice, when it takes place at BRUcargo’s Air Cargo Academy in Brussels, Belgium.

Attendees have the option of attending an additional session, ‘From theory to practice, getting started with collaborative apps’.

TIACA has forged a new partnership in the Middle East after signing a Memorandum of Understanding with Oman Aviation Services (OAS) to improve growth in air cargo in the region. OAS has also committed to adopting TIACA’s new Cargo Service Quality (CSQ) tool, and has become a trustee member of the Association.

Young people from six logistics and transport companies have completed TIACA’s 2018 Air Cargo Supply Chain Internship Program in Toronto, Canada. The visit, organised in partnership with Air Canada Cargo, saw the group of nine professionals given tours of cargo operations at Toronto Pearson Airport for a chance to learn and network. The companies that took part were AC Cargo, DSV, Delmar, Kuehne + Nagel, Expeditors, and Air Canada Cargo.

TIACA and Air Cargo Belgium, the community organization at Brussels Airport, have teamed up to offer a masterclass exploring how the air cargo supply chain can leverage digital transformation and data sharing as enablers for growth.

Kenya is set to become the first country in the world to adopt TIACA’s new Cargo Service Quality (CSQ) tool nationwide, in a bid to improve standards at all airports across the country. Kenya Airports Authority (KAA) is aiming to implement the online tool at all Kenyan cargo hubs by mid-2019, allowing forwarders to rate and review the service quality they receive at airports, which can then in turn use the data to drive up performance.

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Corporation members

Smiths Detection is a global authority on the application, management, and manufacture of world-class detection and screening technology. www.smithsdetection.com

AISATS is a 50:50 joint venture between Air India Limited, and SATS Limited, a leading gateway services and food solutions provider in Asia. www.aisats.in

Asia Airfreight Terminal is an air cargo terminal based at the Hong Kong International Airport in Chek Lap Kok, New Territories, Hong Kong. www.aat.com.hk

Forwarders

Emal Trading & Logistics PLC is part of Cargo Connections, a global network of privately owned freight forwarders. www.cargoconnections.net

MATEEN Express & Logistics is a leading provider of logistics solutions in the Middle East, operating in the most complex of environments, working as regional specialists for Iraq and Kurdistan. www.mateenexpress.info

Tokyo Freight Service WLL. Doha. Qatar commenced operations in 1992 and is one of the leading freight forwarding and shipping agents in the Middle East and the Far East. www.tokyoofreight.com

Speedtech Shipping offers the most advanced technology, high quality equipment, and innovative designs for all emergency vehicle lighting needs. www.speedtechlights.com

Find out more about membership by contacting Kenneth Gibson at kgibson@tiaca.org or visit www.tiaca.org

SPOTLIGHT ON NEW MEMBERS

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B2B2C Premium Service
Convenient and Fast
for E-commerce goods delivery

Incheon Airport
LEADING THE WAY ON e-COMMERCE

WHAT IS TIGERS DOING TO TAKE ADVANTAGE OF THE BOOMING E-COMMERCE MARKET?
Tigers is a bit unusual, we call ourselves a 50-year-old start-up! When we began our journey our focus was on technology and getting into e-commerce, which was not as big back then as it is today. After gaining Microsoft Gold certification we created SmartHub, which is the core of Tigers. It is written in .NET and uses Microsoft's Azure firewalls and business intelligence technology. Around SmartHub we created a full enterprise solution which enables Tigers to handle clients' global transportation, manage their inventory and omni-channel distribution, manage their final mile and returns business, provide fiscal representation in certain markets, and trade their products through our eShops. In summary, Tigers offers a leading edge, Cloud-based technology and e-commerce solution for customers that are looking for a global e-commerce solution, and this has fuelled our e-commerce growth across Asia, Europe and the USA.

IS THE SUPPLY CHAIN INDUSTRY DOING ENOUGH TO EMBRACE NEW TECHNOLOGY?
The supply chain industry, and in particular companies who generate the bulk of their operating profit from traditional freight forwarding, generally struggle with technology investments due to the low profit margins. Fortunately, today there are many more options available with affordable Cloud-based operating systems and warehouse management systems. Supply chain companies who today are not embracing new technologies are vulnerable as technology is driving transparency and disruption across the entire sector.

WHAT IS THE BIGGEST CHALLENGE FACING THE SUPPLY CHAIN INDUSTRY IN 2019?
I believe that as e-commerce continues to disrupt the retail shopping sector, supply chain management will become more and more important, as will new technologies. Supply chain companies will need to embrace new technologies in order to improve productivity, lower costs and stay competitive. The need for security within the supply chain will also grow as technology continues to impact the industry.

TIGERS RECENTLY LAUNCHED A SMARTHUB:CONNECT PORTAL – CAN YOU TELL ME WHY THIS IS GOING TO BE A GAME CHANGER?
SmartHub:Connect is unique in that it offers global visibility to your international transportation, global visibility to inventory, and global visibility to both your B2B and B2C fulfilment. It is also available on a mobile app. Is this consolidated suite offered on a single platform anywhere else in the industry?

WHAT IS TIGERS DOING TO HELP UNDER-PRIVILEGED YOUNG PEOPLE ACCESS TRAINING AND EDUCATION?
Tigers initiated the Ujraa trust in India about 15 years ago with the intention of educating under-privileged children. We are also engaged with the Ubuntu Trust in Port Elizabeth, South Africa, where Tigers is directly involved in the training of underprivileged youths in various disciplines including software coding. Tigers is focused on creating a learning environment which provides motivated young people with the freedom and responsibility to grow themselves. It is an important part of the Tigers story and of our future journey.

TIACA Times sat down with Andrew Jillings, CEO and Group Managing Director of global logistics specialist Tigers Ltd, to discuss how the logistics industry can embrace new technologies and adjust to evolving market demands.

Supply chain companies who today are not embracing new technologies are vulnerable as technology is driving transparency and disruption across the entire sector.

TIACA Times
A look at how project cargo specialists go about preparing for and handling heavy, outsize, and sometimes improbable cargoes. Yvonne Mulder and Michael Mackey report.

In these times of the gig economy, portfolio careers and deliveries made by anyone with a motorcycle or van, the project cargo sector may seem a little old-fashioned.

Especially as it is not the sort of service you can buy by visiting a few websites to find out the options, get prices and then type in your credit card details.

The only way to obtain a cost-effective, safe and reliable project cargo service is to use the expertise and experience of a specialist team, especially when individual pieces fall into the outsize or out-of-gauge category.

But if this seems very traditional, generating images of older workers in hard hats standing by cranes to help manoeuvre cargo, the reality is much more complicated – and 21st century – than that.

It is not just about building a big enough box and getting it on the plane, explained Vasily Zhukov, Global Director, Heavy & Outsized Cargo, at AirBridgeCargo Airlines.

Highly technical and detailed procedures must be followed, a process AirBridgeCargo has been developing under its abcXL product brand. Monitored and coordinated by Control Tower, this includes all important shipment records – the technical condition of aircraft, temperature, shock sensing data, weather, etc.

“We have also introduced the latest 3D modeling software tools to enhance load planning and minimize the time for ground handling procedures,” said Zhukov. This is obviously paying dividends for AirBridgeCargo (part of the Volga-Dnepr Group) as by August this year it had moved 500 aircraft engines, an increase of 50% on the same period last year.

Graham Witton, Managing Director of ANTONOV Airlines in the UK and US told TIACA Times that the key is to talk to the customers and work together to find the best solution.

“We are and will continue collaborating with a range of customers in regards to frame designs, loadability and flight conditions well in advance before the actual flights. We consider such approach to be really effective.

“We are continuously improving our loading equipment using improved metallurgical technology allowing us to accommodate taller/heavier cargo that could not be loaded before and with minimal impact to the gross payload.

“For us it is about pushing boundaries in what can be delivered using our capabilities. Finding ways to minimize the preparatory work for the customer is key, not just before flight but also upon completion, as we are often delivering to remote locations with limited resources.”

Robert Kleppers, Commercial Director of Jan de Rijk Logistics, said there is an industry-wide view that existing services will not only be deepened but be added to. “I believe the industry will deliver even more specialisations.”

You need to get all parties involved – and have specialist teams. It is not something that we do on the side. We are investing in new equipment. It is our dedicated, true specialisation.”

— Robert Kleppers, Jan de Rijk Logistics
For most project cargo, the expertise starts with knowing what aircraft are available and suitable, how the cargo can be safely packaged, loaded and stowed, which airports can handle the load and understanding the complexities of moving the cargo to its final destination.

And then there is the myriad of regulations, licences, permissions and other ‘paperwork’ that is needed to keep the cargo flowing smoothly, especially across international borders.

“You need to get all parties involved – and have specialist teams,” said Kleppers. “It is not something that we do on the side. We are investing in new equipment. It is our dedicated, true specialisation.” For Jan de Rijk logistics, the project cargo business is growing rapidly, with double-digit growth in 2018.

Witton agreed: “ANTONOV Airlines is busy and growing to meet demand. We are expecting our revenue to be higher compared with 2017, which was a good year as well.” The flying hours are up a third on last year. It shows the confidence that both existing and new customers have in our services and the team that delivers them.”

Chapman Freeborn Airchartering and ANTONOV Airlines recently worked together on a groundbreaking test flight to transport a capping stack by air, instead of by sea, for use by the oil industry in the event of a spill.

ANTONOV Airlines deployed an AN-124-100 to carry the fully assembled subsea capping stack and housing, which weighed 85.5 tonnes and measured 11.5 x 5.5 x 3.9 m. Prior to this, moving capping stack equipment by air would have meant breaking it down into multiple loads and reassembling it at the destination, before moving it to the incident site.

ANTONOV also points out that it is not under pressure from consolidation in the sea-freight sector.

“Our cargo is time-sensitive or high value [like satellites] which benefit from more direct delivery to launch site, minimizing the risks,” said Witton.

Other major customers in the project sector include industrial, aerospace, and automotive, with both humanitarian (disaster) and live animal shipments also important.

AirBridgeCargo recently moved 200 breeding cattle on an Amsterdam-to-Russia charter and 66 giraffes from South Africa to Zhengzhou, China, via Moscow, seemingly more comfortably than some airlines move human passengers.

It is an increasing part of ABC’s business. In the first ten months of 2018, it transported approximately 2,000 tons of live animal cargoes, an increase of 35% on the same period last year.

But two of the most unusual cargoes were a very live manta ray and a very dead dinosaur, both moved by Jan de Rijk Logistics.

The dinosaur skeleton – it was a T Rex, so large to begin with – had to be disassembled, with the bones packed in special transport boxes and then reassembled at the museum. The bones are not attached to each other so a structure that connects them travels too. And because this is a major cultural artefact, curators had to be involved to oversee the process at every step, explained Klepper. “It is not often you transport something 65 million years old. That does not happen daily.”

So, is the project cargo sector, even if not quite as old as the dinosaurs, really an ‘old-fashioned’ industry? Maybe in its values, but the widespread adoption and development of new technologies to enhance its services, proves it is very much in the modern world.

Of course it has not been a continuous story of growth. With the volatility of oil prices over the last few years, the project cargo sector has experienced some ups and downs as well. When oil prices drop significantly – as they did in 2016 when they fell to under $30 a barrel (from a 2014 price of $110) – investment in exploration and other projects became a lot less attractive.

As TIACA Times went to press, oil was about $60 a barrel, but with trade wars and political tension between some of the world’s largest markets, there will no doubt be more market volatility.
How we got a cruise ship running again.
When a cruise ship was stuck in a docking area last summer, we delivered a spare drive shaft for the ship’s propeller as quickly as possible from Zurich to the Port of Hamburg so that the ship could start operating again without further revenue losses. This is just one of the many success stories we share with our customers.
It takes 10,000 miles to reach the last mile and as an industry, we must become part of the solution, whether we are talking about the Pharma or the perishables markets. The global Pharma market is predicted to be worth USD1.2 trillion by 2022, with around USD12 billion currently spent worldwide on cold-chain biopharma logistics alone, forecast to rise to USD16.7 billion by 2020.

We strive as an industry to ensure our precious cargo arrives safely and securely. There are thousands of preventable deaths of infants under five years old every day because the vaccines that we so carefully transport never reach them. Instead, they are stolen, or made unusable because of temperature excursions.

This final mile often is a real challenge, but it is here that we can make a real difference, whether it is saving lives or tackling food loss. As we push to work more collaboratively as an industry, we should also have our sights on helping to find solutions for that final mile. We must work hand-in-hand with the Pharma and perishables industries to improve product integrity and patient health and safety, and that means sharing information, leaving our data silos, and learning to collaborate.

We are improving as an industry, with modern facilities, compliance to certification programs, continuous training, and creating awareness of standards and regulations, but I think it is fair to say, we are still not embracing information exchange and technology, and there is much more work to be done to mitigate risk within the industry.

The Cool Chain Association, which brings together stakeholders from across the supply chain, provides a platform for collaboration and research, where we can hold open discussions and work to deliver meaningful solutions.

At our Pharma conference in Paris in September, we will be focusing on that last mile and looking at solutions from drones, to how to support the organizations tackling that challenge, such as UNICEF, the World Health Organization (WHO), Gavi, and the Bill & Melinda Gates Foundation.

At our forthcoming perishables event, we will be looking to further our campaign to reduce food loss. A lack of accountability is contributing to the 1.3 billion tonnes of food being wasted along the supply chain every year, equating to one third of the food produced. We recently commissioned our own “farm to fork” study of papayas from Brazil to Europe, looking into waste in perishable logistics, which concluded that the information needed for the supply chain to improve already exists, but needs to be made accessible to all parts of the supply chain.

We will bring together decision-makers from across the cool chain to discuss options and solutions to improve collaboration and seek solutions to mitigate risk within the value chain. As an industry, we are in a strong position to make a difference, from helping to prevent the unnecessary deaths of millions of children all over the world, to putting a stop to 1.3 billion tonnes of food wastage a year across the supply chain.

The time to collaborate is now, and the Cool Chain Association is working to provide networking and learning opportunities and fund research projects to make that happen.

Visit our website to find out more information about our events – www.coolchain.org

Stavros Evangelakakis, Chairman of the Cool Chain Association, argues that the multibillion dollar cool chain industry needs greater collaboration to help stop the deaths of children and prevent unnecessary food wastage.

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– Stavros Evangelakakis
Two panel groups discussed Internet of Things (IoT)-enabled Blockchain applications in air cargo at the TIACA Toronto conference late last year. With all the hype around cryptocurrencies, our panel resolved to focus on the application side to maximize value.

As Co-Founder of Nexiot, I believe in technology that supports an end-to-end digital enablement of the global supply chain.

Some of the topics and questions included: What do participants need to do to be ready? What are the risks and opportunities? How can IP be converted into product differentiation? What is an ‘outcome economy’? How can ‘co-creation’ create growth?

We discovered there are multiple benefits to using a distributed ledger technology. These include provenance monitoring, accountability, security, and transparency for other participants and beneficial cargo owners.

These benefits in turn lead to greater trust, improved safety, reduced bottlenecks, and improved (and chargeable) end-cargo owner services. It is clear that Blockchain is a part of a wider digitization trend.

It can make a big difference in how we trust information and, therefore, each other. It is not just about the technology we use, but about the relationships between participants as well as governance, business processes, business culture, and business models.

The technology itself has its limitations and is still a developing story.

However, in May 2018, Gartner found that only 1% of chief information officers (CIOs) indicated any kind of Blockchain adoption within their organizations.

Only 8% of CIOs were in short-term planning or in active experimentation with Blockchain.

Digitization is emerging as the main battleground for differentiation. Blockchain will undoubtedly play a big part in supporting the latest applications like smart contracts and IoT-enabled services.

It is important for the core vendors to understand the consultative requirements to define the business cases, together with the customer, to ensure rapid progress and ultimate project success.
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Secure product integrity by reducing temperature excursions across the globe – case studies from Bayer (Latin America), Getz Pharma (South Asia), AstraZeneca (China), Médecins Sans Frontières (Africa) and more.

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