UNMANNED AIRCRAFT: Delivering to new destinations

INSIDE

BREXIT
Why a hard Brexit will deliver chaos

LOGISTICS DATA BACKBONE:
Industry must collaborate to connect logistics data backbones

SMART ULDS
Switching on to talking cargo

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- The launch of new shipper KPIs
- The Air Cargo Service Quality Index – a TIACA program

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CONFIRMED SPEAKERS INCLUDE

Vladimir Zubkov
Secretary General, TIACA

Sanjiv Edward
Chairman, TIACA, Head of Cargo Business,
Delhi International Airport

Dr. Hans Heerken
Chairman, Platform for Unmanned Cargo
Aircraft (PUCA)

Leandro Moreira
Director of Life Sciences, Brink’s Global Services

Steven Polmans
Head of Cargo & Logistics Strategic Development, Brussels Airport Company

Zvi Schreiber
Founder and CEO, Freightos

Chris Mangos
Director Marketing Division, Miami-Dade Aviation Department

Kester Meijer
Director Operational Integrity, Compliance & Safety – IAG, KLM Cargo

Asha Menon
Senior Technical Officer Facilitation
sub-directorate Compliance and Facilitation
Directorate, World Customs Organization

Justin Jadwinski
Chief, Integrated Cargo Security, Aviation
Security Directorate, Transport Canada

Chris Welsh
MBS, Secretary General, Global Shippers’ Forum

Arleen Zimmerman
Executive Director, Cargo IQ

Lars Droog
Head of EMEA Supply Chain,
Tosoh Corporation

Robert Metlin
Engagement Lead New Industries, Logistics,
Ericsson

Glyn Hughes
Global Head of Cargo, IATA

Jonas van Steeckelenburg
Head of Cargo, Amsterdam Airport Schiphol

Brandon Eikel
Executive Director, Airfreighters Association

Ryan Petersen
CEO, Flexport

For further information on sponsorship opportunities, contact: Kenneth Gibson: kgbison@tiaca.org or Warren Jones: wjones@tiaca.org

www.tiacasummit.org
Accent on regional expansion

Dear members of TIACA, dear readers, it’s customary to give you through the pages of the TIACA Times an update on current priorities and our plans for the future. Starting with information sharing: the list of those who receive our Friday Flyer has been steadily increasing. Now we have a Spanish language version which is destined in the first place to the South American and Caribbean countries. We are planning to use more actively the benefits of the social media.

A large contingent of the TIACA Board members and the Secretariat used the opportunities of the Air Cargo Europe event in Munich, Germany, to establish and strengthen contacts and promote the benefits of working closely with TIACA, in particular within the framework of the ES/AGM in October 2017 and Toronto ACF in October 2018. All the details are on the TIACA website.

We continue our drive for expansion of the Association in the regions. I worked in the third week of May at a major air cargo conference in Indonesia where I met with the Minister of Transport, heads of the airlines and of the Jakarta airport, as well as numerous representatives of the air cargo community. The ratification of Montreal Convention of 1999 (MC99) earlier this year offers a real opportunity for driving the growth in air cargo and for creating better economic prospects for Indonesia. We have established a circle of TIACA supporters and brought back a plan for follow up actions.

We are on the final leg with the preparation for the “2nd Meeting on Air Cargo Development in Africa”, organized in Ethiopia by ICAO, TIACA and STAT Times (27-29 June 2017). Actually we are bringing two events to this African country. The Cool Chain Association with its Chairman and TIACA Board Vice-Chair Sebastiaan Scholte have organized a conference which will be held there on the preceding day. Two events will also coincide with the opening of the new, state of the art, air cargo terminal of Ethiopian Airlines. It will turn Addis Ababa, which already is one of the key cargo centers, into a major African hub with the most modern cool chain facilities. To those of you who are not going to be there we will present a report on the outcome of all three events.

Another region we want to explore is the group of Caucuses countries, some of which will meet with World Customs Organization (WCO) and TIACA representatives in the Georgian capital of Tbilisi 7-9 June at the Border Management Conference.

There were very interesting training initiatives with the involvement of young professionals who exchanged the work places in different companies in the Netherlands. This has been reported in our press-release and deserves serious consideration for emulation by other companies.

We continue monitoring the work of WCO, Transportation Security Agency (TSA) and respective organizations of other States developing security standards. Presently it’s a phase of maturing of procedures for the canines, PLACI and regulated agents. Once we have developments worthy of notification to the members, appropriate reporting will be made.

The period of vacations is coming soon. Enjoy the summer, enjoy your well-deserved rest! 

Vladimir Zubkov, Secretary General, TIACA
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Why a hard Brexit will deliver chaos

The air cargo industry faces massively complex legal and practical challenges if the UK opts for a hard Brexit, reports Justin Stares in Brussels, Belgium.

If there is no deal, we would have very little time to prepare. There will be no transitional agreement by default. A full-on hard Brexit means trouble. – Pauline Bastidon, UK Freight Transport Association

But Customs – tariffs and quotas – is not the only issue. Phytosanitary rules and rules of origin checks would also need to be reintroduced. New bilateral air services agreements between the UK and a host of countries would need to be struck, and fast.

“If there is no deal, we would have very little time to prepare,” said Pauline Bastidon, who heads the UK Freight Transport Association’s office in Brussels. “There will be no transitional agreement by default.” A “full-on” hard Brexit, said Ms Bastidon, means “trouble”.

National European Union authorities today audit security at third country airports on behalf of the whole bloc (the UK audits Bangladeshi airports, for example). Would these audits remain valid after the UK crashes out? To remain under the aegis of the European Aviation Safety Agency (as Britain’s aviation industry desires) the UK would have to accept European law. Is this politically acceptable? Will Customs checks be possible off-airport? If UK airlines lose the right to fly freely between airports, what would be the impact on supply chains? Bookings can be made a year in advance, Ms Bastidon pointed out, meaning airlines could have to start facing down uncertainty as early as next March.

To avoid chaos, the air cargo industry and indeed the British transport industry in its entirety is praying for a transitional Brexit agreement. Under such a deal, the status quo would be preserved for a number of years while both sides came to grips with the UK’s departure. That way, the two parties can begin negotiations on a comprehensive free trade agreement in 2019.

Sensitive issues

But to get to negotiations on a transitional deal, several bridges need to be crossed. The European Commission is insisting that the more sensitive issues: rights for EU citizens, the border between the Republic of Ireland and Northern Ireland, and the UK’s Brexit invoice, are settled first. If the EU demands dozens of billions of euros as the price for departure and refuses to budge, talks could collapse, along with all hopes of a transitional deal.

The UK Transport in Europe group, which represents companies including Virgin, is preparing, at least mentally, for the worst.

“We are arguing that the UK has to expect World Trade Organization rules for goods from April 1, 2019, because at the moment that is what the EU are telling us,” said Mark Watts, the group’s Brussels-based spokesman. “Cargo operations between UK and EU 27 will be particularly hard hit”. Like the FTA, UKTI is lobbying in Brussels for a transitional agreement.

* To read more on Brexit and how this will impact industry, turn to page 15.

Justin Stares has been based in Brussels since 2004. He has specialised in trade, transport and European Union legislation, and has written on regulatory issues for publications across the world.

Are you concerned about how Brexit will affect your business? Contact Charlotte to see how we can help on longitude@meantime.global
Unmanned aircraft are READY FOR TAKE-OFF

UCA are already enabling carriers such as Astral Aviation to deliver to destinations unsuitable for conventional cargo planes. Robert Platt reports from the Netherlands.

The technology needed for Unmanned Cargo Aircraft (UCA) to take to the skies already exists, and the air cargo industry should be keeping a close eye on its development.

Companies such as Astral Aviation, based in Kenya, are already planning to operate UCA to transport cargo into remote regions, and this will prove not only the reliability of the new technology, but also other benefits, such as cost savings and increased productivity, according to Dr Hans Heerkens of the University of Twente, the Netherlands.

Verge of a breakthrough

“UCA are ready to take off, but at the moment it seems as though everyone is waiting for everyone else to act. I believe we are on the verge of a breakthrough, and their introduction into the marketplace will happen very soon and very fast,” he said.

UCA will soon enable Astral Aviation to fulfill a demand for cargo transport to destinations where conventional cargo planes are unable to land due to insufficient infrastructure, or where low cargo volumes make it uneconomical to use conventional aircraft.

Astral Aviation is still waiting for clearance from the Kenya Civil Aviation Authority, which is expected to take place “anytime now”, according to Sanjeev Gadhia, Founder and Chief Executive Officer of Astral Aviation.

Astral Aviation has created a drones subsidiary, Astral Aerial Solutions.

Astral Aerial Solutions (AES) is a drone operator and service provider based in Kenya and Rwanda. AES is in the process of setting up drone operations to provide various drone services in Africa.

Astral’s cargo drone has a payload capability of up to 2,000 kg, with a 1,200 kilometre range and a flight time of up to 26 hours on surveillance mode. Its smaller drone is capable of eight hours of flight carrying up to 4 g of payload. These drones are used for cargo and relief aid air transport, aerial mapping and photogrammetry, aerial surveillance, security, oil and gas services, agriculture services, and emergency response among other capabilities.

“Astral Aerial believes that in a continent such as Africa, the use of commercial drones will revolutionize the cargo industry by the fact that drones are several times cheaper than manned aircraft and come in all sizes whereby the remote areas will be easily accessible through the air,” added Gadhia.
Régulations are the biggest hurdle in the introduction of UCA, although you see bodies such as the Single European Sky Air Traffic Management Research (SESAR), which is working towards harmonizing and modernizing European airspace, willing to help with regulations around them to make their introduction easier.”

Dr Heerkens added: “The introduction of UCA will firstly come as we recognize their necessity, for areas that have demand for cargo but are difficult or uneconomical to reach. Once the aircraft have proven themselves, you will see competitors cropping up in those markets, and this will be implemented in other regions where regulation is more stringent.

“The UCA that are to be introduced in places such as Kenya are relatively simple in terms of their capabilities, but once they are introduced to more heavily regulated markets and more highly populated areas, you will see more sophisticated vehicles take shape, improving efficiency and productivity.”

Cost savings and increased productivity will be the primary benefits of using UCA, as such aircraft are both less complicated and cheaper to use and do not require cockpit crews.

Dr Heerkens stated: “The day when you can operate as a shipper and not need a pilot is approaching. There will always be a need for a controller to give these aircraft instructions, however the entire flight process is likely to be autonomous.”

Dr Heerkens will take part in a session on new aircraft technologies at TIACA’s 2017 Executive Summit, ‘Future Proofing Air Cargo’ in Miami, Florida, USA, from October 18-20.

For more information on attending or sponsoring the event, contact Warren Jones, TIACA Executive Director, by emailing wjones@tiaca.org, calling +1 (786) 265 7011, or visit www.tiaca.org.
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Deutsche Post DHL Group announced a partnership with communications technology provider Huawei Technologies in February to develop supply chain solutions using Internet of Things (IoT) hardware and infrastructure.

The logistics firm wants to harness this technology to “deliver a more integrated logistics value chain by providing critical data and visibility in warehousing operations, freight transportation, and last-mile delivery”.

Products that can communicate electronically are proliferating at a rapid pace. A survey published last year by BL Global Intelligence indicates that the number of devices that are connected to the IoT will climb from 6.6 billion in 2016 to 22.5 billion by 2021.

The ramifications for the logistics arena are huge. According to a White Paper on the relevance of data-driven insights into the supply chain, published by DHL, using data to sense demand, streamline networks, and improve responsiveness can lead to reductions of as much as 20-30% in inventory. DHL and Huawei estimate that IoT technology could generate up to USD1.89 trillion in additional value for the global logistics industry by 2025.

The industrial IoT is full of possibilities for the air cargo industry to further its data sharing efforts, remarks Ariaen Zimmerman, Executive Director of Cargo iQ, as it means that a shipment effectively becomes a piece of data itself. Sharing will become easier and faster, bringing...
about increased predictability and the ability to monitor and control shipments at the piece level.

Amar More, Vice President of Kale Logistics Solutions, noted that smart data is already being used to some extent for inventory management and other aspects of logistics, adding that he sees rich pickings in the air freight sector. “The air cargo industry and smart data are made for each other,” he declared.

Shippers are under pressure to create intelligent products and use highly integrated business processes, due to growing demand for individualized, customer-specific products, and the need for complex manufacturing equipment, he observed.

This does not necessarily mean that they are the ones who are driving the use of smart data in logistics, remarked Jonas van Stekelenburg, Head of Cargo, Amsterdam Airport Schiphol. “It can go both ways,” he said.

“We have trackers. Pharma companies want to know where their goods are and in what state they are in.”

Zimmerman stressed that the benefits of whatever innovations we arrive at should extend to include partners such as shippers and consignees.

“When data sharing solutions benefit all industry participants, they are much more likely to share the data they have, and collaborate in implementation”, he observed.

All innovation in Smart Data and industrial IoT should ideally result in increased control and visibility we have of shipments,” he continued.

Besides allowing users to track and control shipments at piece level, harnessing smart data also provides more detailed performance records of carriers, which helps pinpoint where problems occur, he continued.

One concern is that poor data quality could distort readings and lead to wayward conclusions. According to one technology company that identifies and repairs faulty data sets, data accuracy rarely exceeds 80% and can be as low as 40%.

However, the quality of data has been improving with the use of blockchain and IoT, noted More, adding that artificial intelligence and analytics can turn unstructured data into smart and actionable data.

This would be helpful to make the case for the necessary investment in smart data capabilities. Identifying a good business case to justify this is important, van Stekelenburg stressed. “We can all see the end play, but how to get there is the question,” he commented. He reckons that the pharmaceutical sector is the easiest starting point for IoT in air cargo. Schiphol has identified the establishment of an early warning system for temperature excursions as a promising way to move forward.

Standards
Besides questions about the best business case, the issue of standards is another factor that gives potential adopters pause for thought.

“When we are all keen to get going, and the one thing the industry needs before that can happen is a standard by which to devise their tech and procedures,” remarked Zimmerman. “It makes much more sense for smaller companies to have this before pushing ahead with smart data projects.

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Amar More, Kale Logistics Solutions

Smart data brings more predictability and the ability to monitor and control shipments at the piece level.

– Ariaen Zimmerman, Cargo IQ

Pharma companies want to know where their goods are and in what state they are in.

– Jonas van Stekelenburg, Amsterdam Airport Schiphol

“The industry has two options: we wait for this standard to be created for us, or we move to create this ourselves, in a way that involves the whole chain in its creation and implementation. At Cargo iQ we are working to do just that.”

Van Stekelenburg finds that industry bodies have a huge role to play there. “If we leave it to individual parties, we cannot get a worldwide result,” he warned.

“IATA would be one logical conduit there, especially after it launched its ‘Simplifying The Business Cargo’ initiative last year. This focuses on five projects, which include digital cargo and interactive cargo. While the former aims to create a single-digital record, the interactive cargo push aims to “make cargo talk” to improve supply chain visibility.

Successful smart data transformation requires relevant quality data, well-implemented systems and tools.

– Amar More, Kale Logistics Solutions

Again, it will be important to aim beyond the air cargo industry and ensure that its users stand to benefit from what is established. Moreover, it might help to treat the concept of smart data in a broader concept of data management and utilization. Beyond the data itself looms the concept of predictive analytics, likely supported by artificial intelligence.

“The increase in data and devices such as global positioning system (GPS), remote frequency identification (RFID) tags, sensors, and scanners, is warranting a shift in the business model, fusing multiple data sources and integrating business judgement and complex calculations to provide real-time or near real-time insights for timely decision-making for operational efficiency,” commented More.

According to the DHL White Paper, predictive analytics will turn companies into predictive enterprises, and one of the most fertile areas for them to leverage these capabilities will be the supply chain.

Tough outlook?
The way there may be longer and tougher than many expect. More does not think that the industry is ready to embrace smart data and the avenues they can open.

“Apart from the necessary organizational set-up, successful smart data transformation requires relevant quality data, well-implemented systems and tools, analytical skills, and an understanding of processes and business concepts, and the ways to turn data and insights into a competitive advantage,” he commented, adding that apparent shortcomings in knowledge and skills across industry hamper the deployment of smart data capabilities.

“It must be recognized that the maximum impact of smart data transformation can be achieved when organizations align their responsibilities and processes to the areas where smart data transformation can make an impact,” he stated.
New Affiliate Members

Drucy Digital Consulting, based in Switzerland, offers digital consulting for logistics and air cargo.

International Pet & Animal Transportation Association (IPATA) is a non-profit trade association of independent members dedicated to the safe and humane transport of family pets and other animals.

www.ipata.org

New Forwarder Members

Bluelines Cargo (PVT) Ltd. is an IATA approved freight forwarder with branches in all major cities in Pakistan. www.bluelinescargo.com

Jetex Oceanair Pvt Ltd is an India-based freight forwarder. jetex-oceanair.com

Merchant Express Cargo Airlines Limited, is a Nigeria-based freight forwarder. www.merchantexpresscargo.com

World Freight Service Tunisia SARL was founded in 1997. Its creed is to anticipate and understand the needs of each client.

www.wfs.com.tn

New Trustee Member:

Global Express Aviation offers cargo GSA & GSSA services, route analysis, cargo productivity research and development, charter operations, total cargo management, aircraft and engine trade, aircraft maintenance management and engineering, and aircraft spare parts trade. www.geavia.com

Transfer of Membership: Corporate

GEODIS is a supply chain operator ranking among the top companies in its field in Europe and the world. GEODIS, which is part of SNCF Logistics, which in turn is a business line of the SNCF Group, is the number one transport and logistics operator in France and ranked number four in Europe. The international reach includes a direct presence in 67 countries and a global network spanning over 120 countries.

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

How we make art exhibitions more successful.

This year, we delivered a world-famous painting custom packaged in airtight conditions from Shanghai to Zurich and then onwards to a museum in Bern, where its exhibition created a sensation, drawing more visitors than ever. This is just one of the many success stories we share with our customers.
Zubkov at WCO meeting

Vladimir Zubkov, Secretary General of TIACA, attended the World Customs Organization (WCO) conference, ‘The Power of Data – Advancing Border Management’, in Tbilisi, Georgia, from June 7-9, 2017. For more information, visit wcoomd.org

Hall of Fame nominees

TIACA is calling for candidates to be considered for induction into its Hall of Fame. The TIACA Hall of Fame honors air cargo professionals who have played a role in the progress of aviation and have helped to shape and grow the industry. This year’s Hall of Fame honoree will be awarded at the TIACA Executive Summit, ‘Future Proofing Air Cargo’, to be held from October 18-20, 2017, in Miami, Florida. For more information, visit www.tiaca.org

Sustainable transport

Vladimir Zubkov, TIACA Secretary General, Amar More, Board member, and Stanley Wraith, Strategic Aviation Solutions International (SASI) Senior Executive Director, took part in the first ‘Sustainable Development Goals of Sustainable Transport and Peace’ conference. The event was held at the United Nations (UN) Palace of Nations in Geneva, Switzerland, in April and brought together regulators, air cargo leaders, and UN experts from 30 countries. Following the conference, participants adopted a resolution that will be forwarded to UN Secretary General António Guterres.

Air Cargo Europe visit

TIACA Secretary General Vladimir Zubkov, Vice Chair Sebastiaan Scholte, Board member Steven Polmans, and Executive Director Warren Jones attended Air Cargo Europe in Munich, Germany, during May. The team spoke to the press about the current state of the air cargo industry as well as future plans for TIACA.

To view the video in full, visit www.azuraproductions.com

Zubkov also took to the stage for a debate with other air cargo executives on Changing Consumer Demands. Other members of the TIACA Board who attended included Lucas Kuehner, of Panalpina; Amar More, from Kale Logistics; Russi Batiwala, of Chapman Freeborn Airchartering Limited; Essa Al-Saleh, from Agility Logistics; and Nabil Sultan, from Emirates SkyCargo.

ICAO development meeting ‘will reach out to Africa’

The second International Civil Aviation Organization (ICAO) Meeting on Air Cargo Development in Africa takes place in June with backing from TIACA.

The three-day event, taking place from June 27-29, is also backed by the Ethiopian Civil Aviation Authority and Ethiopian Airlines, with help from the STAT Trade Times.

“We continue to reach out to emerging economies that are very important to us as we look to grow our membership,” said Zubkov.

“We are a global association representing the entire logistics supply chain, and we are particularly excited to be reaching out to those organizations based in Africa, and other surrounding regions, in light of the event. Ethiopia plays a pivotal role in the transport and logistic industry and is an industry leader in the perishables market.”

The conference is co-located with the Cool Chain Association’s 2017 Annual General Meeting Event for Perishables in Addis Ababa, which will be held from June 26-27.

Also taking place that week will be the inauguration of Ethiopian Airline’s new state-of-the-art cargo facility, which has the capacity to handle 600,000 tonnes per year.

Sitting on 50,000 sq m area of land, the USD150 million Terminal 1 combined with its existing terminal will give a total tonnage capacity of around 1 million per annum. Upon completion of the second phase, Ethiopian Cargo will have a capability equivalent to cargo terminals at Amsterdam Schiphol, Singapore Changi, or Hong Kong.

Currently, Ethiopian Cargo operates to 39 global freighter destinations with eight dedicated freighters including six Boeing 777-200LRF and two Boeing 757-260F. There are also plans to expand the airline’s cargo network by starting flights to South America and Vietnam, and increasing its destination and frequencies to China (Guangzhou and Shanghai) this year.

For more information on these events, visit the ICAO website, or contact Warren Jones, TIACA Executive Director, at wjones@tiaca.org, or call +1 786 265 7011

Future Proofing Air Cargo

Digitization, unmanned aircraft, and a new initiative to launch shipper quality key performance indicators (KPIs) are just three of the topics that will be explored at TIACA’s Executive Summit, ‘Future Proofing Air Cargo’, from October 18-20, 2017. A new Airport Quality Initiative will also be launched, and experts from across the industry will take part in tracks focused on the pharmaceutical industry and Latin America, including a look at e-commerce opportunities in the region. Workshops on new lithium battery regulations and an update on Pre Loading Advance Cargo Information (PLACI) will also feature as part of the program.

Registration for the Executive Summit will open in the first week of June. For more information on sponsoring or attending, contact Warren Jones at wjones@tiaca.org, or Kenneth Gibson at kgibson@tiaca.org, or visit the TIACA website www.tiaca.org
TIACA pledges to support Indonesia’s air freight industry

TIACA will work with the Indonesian National Air Carriers Association (INACA) and other leading freight companies to support the region’s growing air freight industry.

Vladimir Zubkov, TIACA Secretary General, and Emma Murray, CEO of Meantime Communications, were joined by Boyke Soebroto, Chairman of Cargo Flights at INACA and President and Chief Executive Officer of Cardig Air, and Sigit Muhartono, Director of Cargo, Garuda International, at the inaugural Indonesia Air Cargo Summit in Jakarta, Indonesia, to pledge their cooperation.

They made the announcement at the start of the two-day summit, which brought together over 200 industry leaders to explore opportunities and the latest trends and challenges in Indonesia.

“Indonesia has a vibrant and developing air cargo community and we will be working closely with the industry here to bring TIACA expertise and training to support that growth,” said Zubkov.

“TIACA is focused on growing membership in the region and we are pleased to meet with our colleagues to find ways of reaching out to the growing air cargo community here.

“We are focused on helping the industry to improve and have a number of initiatives around quality and e-freight that we will be sharing with our colleagues here in Indonesia.”

Denny Fikri, President Director, Angkasa Pura Kargo, took part in the event.

Zubkov was one of 20 industry leaders who shared insights and expertise at the summit, exploring a range of topics including new growth opportunities, improving processes through the use of smart data, and the future of unmanned cargo aircraft, as well as creating world class air cargo hubs and updates on the latest security legislation.

“We look forward to collaborating both with industry members that share the same vision regarding operational excellence, particularly in terms of reliability and quality, and also, importantly, working with TIACA to build this industry,” said Muhartono.

Soebroto, who is working closely with TIACA on developing membership in Indonesia, said it was an honor to be hosting the summit and working with TIACA.

“We hope that this will be the start of many successful partnerships and cooperation for the ASEAN air cargo sector,” he said.

Anchorage to host TIACA workshop

TIACA’s next Professional Development Workshop will take place in Anchorage, Alaska, from August 29 to September 1, 2017.

The program, designed by Strategic Aviation Solutions International (SASI) in partnership with TIACA, gives participants an appreciation of the entire air cargo supply chain and the component sectors by encouraging discussion and the sharing of perspectives, as well as providing practical advice and insight.

“We at TIACA have a strong commitment to enhance the knowledge levels in the cargo industry and this program is perfectly aligned with our pillars of knowledge, networking, and advocacy,” said Sanjiv Edward, TIACA Chairman and Head of Cargo Business, Delhi International Airport.

The Anchorage workshop, hosted by Ted Stevens Anchorage International Airport, will be led by SASI’s Lilian Tan Keller and Stan Wraight, as well as Charles Edwards.

Earlier this year, TIACA also launched a new training initiative aimed at improving collaboration across the air cargo supply chain through the work exchange of young professionals from participating companies. For more information on TIACA’s training initiatives, contact Warren Jones, Executive Director, TIACA on +1 786 265 7011, or email wjones@tiaca.org
14th Annual
Supply Chain & Logistics Americas
19 – 20 October 2017
Turnberry Isle, Miami

Bringing together over 150 senior supply chain and logistics professionals for two days of leading content from 30+ speakers. The American Summit will incorporate networking events, workshop sessions, breakfast briefings, lunches, and product showcases all with very limited sponsorship opportunities.

To find out more about getting involved please contact Laura Chandler on +44(0)20 7384 7968 or laura.chandler@clarionevents.com

For speaking opportunities please contact Iulia-Lorena Rus on +44(0)20 7384 8286 or iulia-lorena.rus@clarionevents.com.

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supplychain.us.com
Is the logistics industry ready for a hard Brexit?

Sebastiaan Scholte, TIACA Vice Chair, and Chief Executive Officer, Jan de Rijk Logistics, based in the Netherlands, highlights the problems the logistics industry will face in bringing goods into the UK after Brexit.

Currently, traded goods worth hundreds of billions of pounds cross the Channel between Britain and the EU every day in a seamless uninterrupted way. This may soon change, especially if the outcome of the UK’s separation from the European Union is a hard Brexit, which will mean the return of some form of Customs barriers and most likely longer delays at the borders.

Many industries rely on just-in-time (JIT) manufacturing. The automotive industry for example, where Jan de Rijk Logistics offers its JIT services, has until now benefited from reliable and timely deliveries, and therefore could reduce its inventory cost.

To get an idea of what the future may hold in a post-Brexit environment, one must look at what is happening with trucks crossing from non-EU countries. The extra waiting time for the UK can take up to one hour per truck. If this happens on the EU side (France, Belgium, the Netherlands, etc), trucks crossing the Channel could face up to two hours extra waiting time per crossing.

Jan de Rijk Logistics currently has around 20,000 crossings per year. In this unfortunate scenario, there would be a further cost for an additional 40,000 hours per year. With the current wages and lower asset utilization, one can only imagine the cost implications that will have to be passed on to end-consumers. Besides the monetary impact, supply chains may also be affected because of delays. Products stocked to and from Ireland may face up to four times the Customs clearance time. Currently, 80% of Ireland’s road freight to Europe passes through Britain.

The current computerized Customs system for the UK, named Customs Handling of Imports (CHIEF), will be replaced by a new system in 2019 which, coincidentally, is the same year that Brexit becomes a reality. Apparently, the new system can only handle 60 million Customs declarations per year, which would be fine had Britain not voted to leave the European Union. In a soft or hard Brexit scenario, however, the new system will have to handle more than 300 million Customs declarations a year.

The airline industry will also be affected. Airlines with only a UK Air Operator Certificate (AOC) will face problems with traffic rights. Currently, under the EU open skies agreements they are allowed to fly within the EU, and to and from any place in the EU. Obviously, this can be circumvented by establishing an AOC in mainland Europe. However, it is unlikely that the UK will be part of the European Economic Area, which includes all EU countries as well as Iceland, Liechtenstein and Norway, allowing these three nations to be part of the EU’s single market.

That would create a different shareholder structure because at least 50% of shareholders of a European AOC must be based in Europe.

In the end, the logistics industry will be most affected by the economic impact of Brexit. Unless great trade deals are negotiated, most likely trade will be affected to and from the UK. When trade slows, so will the volumes needed to be transported.

Another effect is immigration. Firms dependent on foreigners to the UK are also worried because of potential higher labour cost and even a shortage of labour. According to some Brexiteers, the ending of the supply of cheaper workers will force companies to invest in labour-reducing technology and improving productivity in the UK. But if the benefits of these technology investments are so beneficial, surely most companies would have made the change already. Therefore, the potential outcome is that these industries reliant on cheap labour will become less profitable, or simply cease to exist.

In summary, the world would be better off with a smooth, soft Brexit where all trade deals remain intact or improved. However, the EU cannot allow this because a successful Brexit would be the perfect excuse for other countries to leave the EU as well, which would be even more damaging to the world economy and global trade.

Sebastiaan Scholte, CEO, Jan de Rijk Logistics

*Read more about the challenges Brexit may cause the air cargo industry on page 4 of this magazine.*
Sebastiaan, you recently announced your retirement from chairmanship of CCA. What have been the highlights of your tenure at the helm of the organization?

Firstly, I want to say all of the accomplishments of our great organization are thanks to the efforts of our whole board as well as our members. During my five years as chairman, I had their full support. Key to our success was finding ways our organization could be more effective, and in doing so we needed to fine-tune our message and know what our limitations were, so that we could have a much clearer vision.

We now have two conferences a year, one focusing on perishables and the other on pharmaceuticals. We partnered with EVA International for the pharma conferences. It is a great collaboration and has been a huge success, providing excellent networking opportunities and speakers.

Our ability to organize very successful events is certainly what stands out. We have improved upon the quality and professionalism of our events, including our perishables event, and have now partnered with the STAT Times, TIACA and the International Civil Aviation Organization (ICAO) for our next event, which is indicative of our success.

I am similarly proud of how CCA has grown to be considered an authority on cool chain logistics, and many great organizations from across the industry have joined us as a result. We have a voice in the industry, and we make things work. The advantage of the CCA is that we are an organization that is not bound by political correctness. We really push for things, and we are not afraid to discuss and debate the issues that really matter to our industry. We already have a cool chain quality indicator, as well as our work on Good Distribution Practices (GDP), and cooperating with the International Air Transport Association (IATA) to further industry standards and quality.

Lastly, we are in a great position financially. Our aim is not to make a profit, but it is always good to have strong cash reserves and we do. Even though we are not-for-profit, our cash reserves have significantly improved over the last five years.

Stavros Evangelakis, Head of Global Healthcare, Cargolux, has been announced as your successor to chairmanship of CCA; where would you like to see your successor take the organization?

All our recent successes, in terms of growth, holding conferences that provide networking opportunities and informative discussions, as well as our advocacy towards improving industry standards, are things that we can and should always develop further.
It would be great if we could look towards holding more conferences on the cool chain, including airport communities in our efforts going forward. We need to continue to listen to members’ concerns as well as act as a strong, unified voice for our industry.

We would like to continue to grow our membership base. We could also help the industry with identifying, developing, and advocating for issues that really matter. It would be great to see more collaboration with universities as well which could assist in research and education. We also have two new Board members – Gerton Hulsman from Dusseldorf Airport and Fabrizio Iacobacci from Bcube.

The Cool Chain Association has been looking to expand its presence globally – what recent initiatives have been enacted to help drive this forward?

One of the key driving forces of CCA is to bring industry together to aid collaboration and cooperation in what is sometimes still a very fragmented industry. There are issues that affect all of us that we could address much more effectively if we had a unified approach, as well as raise standards and quality of service. All of this would be financially beneficial across the cool chain spectrum.

We are looking strategically and carefully at locations around the globe to hold our events, partnering with local organizations that could benefit from hosting a global membership audience. This is why we chose Ethiopia to host our 2017 Annual General Meeting, and why we have chosen Dallas in the USA for our other event later this year. There is demand in those locations.

At the same time, we should not neglect our current membership, who are still majority-Europe based, but we are looking to expand our horizon with more events in diverse communities where we know there is demand.

The new CCA chairman, Stavros Evangelakakis, Head of Global Healthcare, Cargolux.

Africa is an extremely diverse, growing market with huge potential, and industry is really beginning to realize this.

In Ethiopia in particular, there is a strong perishables market – and we must remember that perishables is still leading commodity in the cool chain, although pharma has also seen rapid growth.

This is of great importance to our members, and we are proud to be partnering with Ethiopian Airlines for our event next month. Africa is an important continent and a very important player to our members.

How has CCA helped industry improve quality and develop common standards?

We represent all segments of the global cool chain, and we engage all of our members actively seeking their input in terms of how they believe we can improve quality and strengthen cooperation. We encourage collaboration through our events and support initiatives that advocate for standardization throughout the industry, for example GDP and IATA’s CEIV program.

We also listen to members throughout the cool chain, consulting with everyone from shippers, who ask for more visibility, to forwarders, carriers, ground handlers, and airports, providing a platform for everyone to come together, and debate and network.
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Air Cargo Professional Development Workshop
The principle objective of this course is to provide a broad overview of the air cargo industry and to create awareness of the underlying marketing, financial, operational, and competitive factors which influence management decision-making.

Participants will:
• Learn first-hand how market forces affect supply chain, revenue, and financial management.
• Work in teams on simulated, case studies to facilitate application of the concepts covered in real-world scenarios in order to improve retention.

Who should attend?
• Junior to middle managers in the air cargo chain
(Airlines, GS/GSSAs, ground handlers, airports, logistics service providers, CAAs, and anyone interested in learning more about the industry.

Register at: www.tiaca.org/event/acpd-anchorage
Cooperating to connect logistics data backbones

The industry cannot wait for a single global standard over multiple modes and the time to act is now, argues Robert Mellin, Engagement Lead New Industries, Ericsson, and Vice Chair of TIACA’s Shippers’ Advisory Committee.

The time to establish the multimodal hub of the future is now. Rapid changes across the global logistics supply chain, including demands for greater sustainability, environmental pressures, and rising costs, have put huge strains on the traditional transport model. We need stronger collaboration across the industry to encourage innovation and embrace multimodal solutions.

The technology to realize this already exists. And some global supply chain stakeholders, as previously referenced by Rogier Spoel at the Dutch Shippers’ Association (EVO), are already moving fast to implement true multimodal solutions.

The Trade & Cargo Facilitation Association (TCF) is a recently launched initiative encompassing all stakeholders in the market. Ericsson’s support of TCF started at the end of April as host of the inaugural event held in Stockholm, Sweden. Likewise, The European Union Directorate General for Mobility & Transport (EU DG MOVE) has created the Digital Transport Logistics Forum (DTLF).

The technology exists

One common conclusion in most branch gatherings and workshops, independent of mode of transport, is that the technology needed to implement multimodal solutions already exists. When scanning the landscape of existing logistics associations, it is clear gaps exist between modes.

TCF seeks to bridge the gap, while also drawing industry players closer to DTLF umbrella initiatives led by research and academic institutes. The best possible outcome will be shortened testing and implementing cycles of the theoretical solutions proposed.

Logistics players all strive for improvements in quality of service, efficiency, lead-times, cost-effectiveness and, most importantly, real-time visibility of the supply chain end to end. An ocean of new opportunities is waiting to be created on the future multi-backbone/pipeline reality.

Excluding hardware, some criteria on software design need to be taken into consideration for seamless communication between stakeholders.

The reasons for Ericsson becoming actively engaged in TCF are multiple; we are a major shipper requesting better service levels. We are also a software provider for the new telecom technology (5G) enablement.

Furthermore, we are active in enabling the Internet of Things (IoT), and we believe that a great part of the 29 billion connected devices by year 2022 will be in the Track and Trace domain – in other words connected ‘boxes’ (containers, cartons, etc).

The telecom industry is busy collecting requirements from ‘use cases’ in order to set the new 5G standard. Our task is to collect these requirements while explaining to industry how the future can look in the light of a new standard.

The similarities between mobile phone roaming over multiple operators and countries to cargo moving across multiple modes of transport and countries is clear to us, we need to engage with industry players to implement it as such. Ericsson, together with other companies willing to lead, is proposing selected use cases to be implemented under the observation and guidance of the TCF.

A significant outcome of the TCF inaugural meeting was agreement that the following criteria should govern these use cases:

1. Platforms need to be open to enable interoperability between multiple service providers.
2. Information-sharing principles should be cleared between stakeholders.
3. Solutions must be able to work with multi-standards and these should preferably be open.
4. Use cases should migrate from present legacy (EDI-EDIFACT) to use a ‘new’ paradigm – a URL over an open collaboration layer.
5. Data model and data integrity/security need to be agreed and followed across whole backbone/pipeline.

For the multi-standard requirements, the TCF meeting concluded that we cannot wait for a single global standard over multiple modes, including different regulatory requirements. Ericsson believes that technologies such as semantics make it possible to handle this complexity and cater for multiple standards in a flexible way. As one attendee expressed it: “… semantics gives us the possibility to agree upon what we disagree…”

EDI connectivity

Regarding electronic data interchange (EDI) connectivity, we should all understand that this very old technology has been largely surpassed by better alternatives in a global, multimodal, connected world.

Finally, in a multi-backbone environment, data integrity and security is vital and requires consensus. Thereby, the ability to prove data integrity preservation with tools such as Blockchain becomes a major building block for the TCF project. Given the nature of the logistics, we in Ericsson accept and are providing solutions for major industry requirements such as acceptable response times for public key generation and separated data storage.

As mentioned, our shared goal for TCF is to create an open collaborative association to drive change more efficiently in a multimodal environment. We welcome all companies that would like to contribute to the endeavor to reach the vision.

For more information, please send an email to: info@tcffassociation.com

*TIACA’s Shippers’ Advisory Committee published a Position White Paper earlier this year calling for change to maintain industry completeness. For more information visit www.tiaca.org
Switching on to TALKING CARGO

The industry is on the threshold of a sci-fi world of communicating cargo. This new technology is likely to lead to a complete rethink of the airfreight operation, writes Yvonne Mulder in London, UK.

It has often been said that transporting cargo is not as stressful as moving passengers because cargo cannot complain. Well, soon that may no longer be true as the introduction of ‘talking boxes’ or ‘smart Unit Load Devices’ (ULDs) becomes a reality.

Celine Hourcade, Head of Cargo Transformation, International Air Transport Association (IATA), said that the logistics suppliers need to reinvent themselves to meet new demands. “Customers want more visibility, efficient ways to collect the right data, and constant dialogue with their logistics provider,” she told delegates at the Innovation in the Air Cargo Industry seminar held during Air Cargo Europe in Munich in May.

The introduction of the Electronic Air Waybills (e-AWBs) is just the first step, she explained. “It simply replaces one paper document with one electronic message. The industry needs to move more quickly to digital cargo and then interactive cargo – making cargo talk.”

Sci-fi future

Ashok Rajan, Vice President and Global Head of Cargo Business, IBS Software Service, said that the Internet of Things (IoT) is often seen as sci-fi, “but it is all about data at a granular level and how you react to it.”

He identified four stages: monitor, control, optimize and automate. “We are still at the monitoring stage really and we need to reimagine the entire operation.” This includes better customer service via mobile apps, task automation within the warehouse, and smart sensors and robotics in the handling operations.

Shahzad Aslam, CHAMP Cargosystems Core Cargo Product Director, told delegates that “innovation is not about having a brilliant idea. It is making that idea into a business reality.” He suggested that because cargo cannot talk, the freight industry has needed more experienced personnel to handle it. “But that is changing; we are seeing freight talk to cargo systems through smart ULDs and smart labels tracking.” He added: “If we can talk to a fridge, why not to a cool container? Real time visibility is the essence of the industry.”

“Smart ULDs generate lots of data but we also need to make it useful to our customers. You can have an idea but you also need the business case so that people are willing to pay for it.”

Clearly Jettainer has succeeded as Etihad Airways has signed up to be its first customer for smart ULDs.

Smart ULDs

At Air Cargo Europe in Munich in May, Jettainer, in partnership with sister company Lufthansa Industry Solutions, has just launched its first digital container which has sensors to measure a range of criteria including geolocation, temperature, vibration, humidity and damage, said Dr Gert Pfeifer, Senior IT Manager & ISO, Jettainer GmbH.

“‘Innovation helps us closing or bridging gaps in the service to our customers. We have a pretty mature technology in terms of ULD management, but we are always trying to improve the product to make it even more efficient.’”

The company believes all its potential customers want visibility and control: “but everyone has slightly different pain points. We ask what challenges they need to overcome.”

Nexiot identified the main entry barriers as batteries (maintenance and replacement), cost (return on investment), and integration (the need for systems that speak to each other).

“Smart ULDs have an idea but you also need the business case.”

Robert Mellin, Engagement Lead New Industries, Logistics, at Ericsson, said the development from 1G to 3G, and ultimately to 5G, means the

Customers want more visibility, efficient ways to collect the right data, and constant dialogue with their logistics provider.

– Celine Hourcade, IATA
communications technology is mature enough to look at connecting goods and making logistics more fluent. “The smart label on a box or ULD contains the information needed for transport, but now we can add much more information. It depends on the value of the box and whether the customer is willing to invest in smart labels in order to have more control.”

For instance, temperature and humidity sensors that flag up excursions in real-time allow the problem to be fixed before damage is done, while light sensors indicating that a box has been opened can stop theft and/or substitution by counterfeit goods.

The new telecoms technology requires less energy or battery power than in the past as the devices can be set to send when something is happening, and are not on all the time. “But we do need an international agreement on what language/terminology we want to use for all ULDs to talk to whatever company is using them,” said Mellin.

Uwe Beck, Managing Director, Becon Projects, a consultant in air cargo handling systems and operation optimization, agreed that there is a need to harmonize the technology. “A cargo handler cannot have 20 different systems at one airport to read all the different tags and devices from the different airlines. For instance, we need to have a common radio-frequency identification (RFID) approved by IATA and by aircraft manufacturers that is allowed to be an active RFID throughout the journey. We need the regulations to change.” He believes that “it will be a long way to go as progress is slow. The biggest problem in the industry is that we do not have accurate data. Data is incorrect, not complete and/or not in the right format, so it makes it very difficult to plan in advance – which is what we need to greatly improve efficiency.”

But the delegates to the IATA seminar in Munich were more upbeat about the prospects for the development of data technologies.

Hourcade summed up by saying: “In the future, cargo will talk to us, it will tell us how happy it is because of the fast, high quality and efficient progress it is making. “We want to hear that the cargo – and therefore the customer – is happy!”
You recently opened a new office at Stansted Airport – can you tell us a little about why ANTONOV decided to do this?

ANTONOV has been established in the UK since 1989 and through previous partnerships has built up a strong and highly experienced team of people who understand the aircraft, the industry, and also our company. It was logical to retain this team and its presence in the UK.

Do you have any further expansion plans?

We are targeting key areas of the globe where our aircraft are highly sought after for their airlift capabilities, such as North America, with the US being one of the largest markets for aircraft. Customers are keen to see our presence in their local region and we have a duty to meet their expectations. Further areas include the Far East, initially through a General Sales Agent (GSA) network. We will grow our team of enthusiastic people as the business continues to expand.

How will the industry look like in ten years’ time?

We plan for our fleet to still be with us in ten years’ time. The development of the airship is an interesting turn of events for us. Maybe we could see this form of transport complement the existing transport modes in certain parts of the world.

What can the air cargo industry do to better attract young professionals?

Allow more hands-on activities. At ANTONOV, all new airline employees are given the opportunity to fly with our aircraft, often as a Flight Manager. The experience they gain from this, seeing the customer, seeing the cargo and what happens in reality, can never be replaced by a desktop computer and telephone. It motivates them in their work, the company, and the aircraft so that when they go home at the end of the day they are still buzzing from their experiences. If the air cargo industry can open up these hands-on opportunities to young individuals, then the attraction will be there.
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