COUNTDOWN
TO AIR CARGO FORUM 2018 IN TORONTO

INSIDE

New logo: TIACA has unveiled its new-look logo

Women in logistics: How women are faring in airfreight and why this is important

Board briefing: Tim Strauss peers into the future of airfreight

Shipper Insight: The opportunities arriving with disruptive technologies
THE WORLD'S PREMIER AIR CARGO INDUSTRY EVENT

ACF 2018
TORONTO

29TH
INTERNATIONAL AIR CARGO FORUM & EXHIBITION 2018

OCTOBER 16TH - 18TH
TORONTO METRO CONVENTION CENTER

- Meet with over 300 exhibitors
- Network with transportation industry professionals
- Engage with experts at workshops and panel discussions
- Benefit from bookable one-to-one meetings with leading suppliers
- Identify new business opportunities and network with market leading exhibitors from across the globe

WWW.TIACA.ORG

For further information, contact: Kenneth Gibson: kgibson@tiaca.org
or Warren Jones: wjones@tiaca.org

www.tiacaevent.org
Revisiting Zhengzhou for the 3rd China Air Logistics Development Conference

I got acquainted with Zhengzhou about six years ago when I arrived as the then Vice President of Volga-Dnepr Group with the first flight of the AirBridgeCargo airline to celebrate with local authorities and airport personnel the opening of the new air route. The strongest impressions from that trip – the gigantic I-Phone manufacturing facilities (virtually the main initial reason for the air cargo link) and the huge airport expansion that was about to be completed.

This time it did not take me long to accept the invitation to take part in the 3rd China Air Logistics Development Conference in Zhengzhou City on 28-29 March with the theme ‘Building the Air Silk Road to accelerate the Cross-border E-Commerce’. The agenda and the faculty of speakers were remarkably well built. I should acknowledge the organizers – GICC Group with Jordan Chow at the helm who made all the arrangements logical and friendly. There was no problem either with translation, or with any logistics issues. If you need to organize something in Zhengzhou, look for him.

Glancing back at this very successful event, I would like to highlight not only the impressive attendance for a mid-size conference (about 200 people), not only the attention of the top Zhengzhou and Henan province officials, but the intense interest with which both international and domestic air logistics industry players listened to the presenters and engaged in the exchange of views during the breaks.

The program featured the most comprehensive overview of the current and prospective developments in the China’s Henan Province and Zhengzhou Economic Zone (or ZAEZ). Big emphasis was put on the skyrocketing growth of e-commerce and improvements in the processes that make such growth possible.

The panels of presenters were well balanced featuring both the local and invited experts. It is difficult to name all the contributors, but one of particular interest was Scott Brockman, President and CEO of Memphis International Airport, the exclusive home of FedEx, who described his airport as a unique “aerotropolis”, following the definition set in the books of John D Kasarda, an American academic and airport business consultant. And… the world happened to be small enough for another “aerotropolis” to be prominently presented by Konnie Kang, Vice President, Xinzheng International Airport, Zhengzhou. China has many special economic zones, but the Zhengzhou’s ZAEZ is the first to be spatially and economically centered around an airport.

I made my contribution at the opening with an overview of the key issues of the global air cargo supply chain, then took part in a panel discussion with airport and airline officials, and presented TIACA’s plans for the Air Cargo Forum in Toronto, from 16-18 October, this year.

Vladimir Zubkov, Secretary General, TIACA
Nearly 4,000 years ago Joseph accurately interpreted a troubling dream of Pharaoh’s by stating there would be seven years of plenty followed by seven years of famine. Based on Pharaoh believing this to be a true interpretation, the Egyptians stockpiled their grain and managed to survive through the famine that followed their years of projected prosperity.

Today we call this dreaming, guessing and projecting of what comes next ‘Economics’.

Thankfully, through the wonders of modern agronomy, financial controls and a mostly agreeable citizenship, the seven years of famine have been tamed to what is usually a one-year contraction in the global economy. Remarkably, the seven years of plenty are still the standard in the normal eight-year economic cycle of seven up and one down.

As global trade continues to power on in an incredibly strong manner, it is natural for all of us to wonder when our own next turn downwards is going to occur. Some economists believe we are overdue for a pullback, while others think we should see smooth sailing for another five years.

Whatever timing is correct, what will be particularly interesting to observe is the impact of the A-teams of Alibaba and Amazon on global air cargo. E-commerce, along with the voracious demand for perishable foods, may well be changing the severity of contractions for the airline industry.

With historic air cargo mostly serving the business-to-business and the inventory fulfillment elements of trade, will the move to a more eclectic and distributed purchasing of goods as represented by individual versus corporate purchasers create a less volatile environment for air cargo?

Economic cycles

Is it possible air cargo volatility will more closely align with a Southwest Airlines, which has for more than 40 years managed to fly without a losing year by depending on the individual versus the corporate traveler? And, are the e-commerce giants immune to normal economic cycles with a nearly undreamed of resilience that will resound to their benefit as well as air cargo’s?

Whether just a fanciful dream or a reality, we will have the unique opportunity to witness a potentially major change in economic theory over the next few years.

Interesting times indeed.

E-commerce, along with the voracious demand for perishable foods, may well be changing the severity of contractions for the airline industry.
When Chilean cherries fly to Shanghai, the taste goes too

With us, fresh produce stays fresh because we keep it at the correct temperature from origin to destination. Our seamless cool chain solution and state-of-the-art Climate Control Centre at our Doha hub guarantee your products will arrive with all the delectable taste fully preserved.
Addressing the question of GENDER IMBALANCE

Progress is being made in bringing more women into the logistics and aviation industry, though everyone agrees that more needs to be done. Senior women in the industry (who hold only 10% of management positions according to IATA) recognize they are role models and that their success helps other women believe they too can succeed. Yvonne Mulder asked some leading women about how they got into aviation, what barriers they see to women prospering – and why does it matter?

Saskia van Pelt
Director Business Development, Cargo Schiphol Airport
Saskia van Pelt started her career in international sales, then worked for the Port of Rotterdam before leaving ten years ago to join the cargo team at Schiphol.

She said that logistics is probably more old-fashioned than other industries. “Traditionally it has been a male industry and so it will take a while to catch up.

“No one is trying to stop women entering the industry, but there is unconscious bias. It is well known that people are inclined to hire people more like themselves and their existing team.

“I like to look at the world from a gender-neutral perspective but it does make a difference if there are more women in senior jobs. We all need role models. The Schiphol board is 50/50 and our management teams all include women, and that creates a different culture.”

Van Pelt has been going to the World Cargo Symposium for ten years and says there are definitely more women now – and more women in senior roles.

“I am very pleased to see it and it is very encouraging for the future.”

Why does it matter?
“Diversity in general creates different ideas and that is something no one can be against.

Groups which are multicultural, with men and women, stimulate creativity and different views on how issues should be dealt with.”

Ana Hinojosa
Director of Compliance and Facilitation
World Customs Organization (WCO)

Ana Hinojosa, Director of Compliance and Facilitation at the World Customs Organization (WCO), spent 28 years with the US Customs service before taking on her current role three years ago.

“I got an internship at US Customs Service, as it was then, while studying criminal justice at university and found it really fascinating so I joined after graduation in 1988.”

Hinojosa has seen an amazing transformation in regulations, technology, and trade patterns during her time. “The role of women has also changed but it is still a very male dominated environment. Maybe more so than in the private sector as Customs has a strong law enforcement and para-military involvement in many countries, which is also traditionally male dominated.”

Hinojosa said that when newcomers ask her the best way to get promoted, her answer is: “Raise your hand”.

She tells them: “You want to volunteer for jobs so you get seen as the go-to person who gets things done. Even if you find it a bit scary, that is what it should be when you are jumping into the unknown.”

Women may be more reluctant to raise their hands but companies and society generally have to make changes as well. “It will also become easier as strong women pave the way and bring other women behind them.”

Why does it matter?
“Men and women bring a different set of skills to the table. The customers you deal with are diverse, so having a more balanced approach sets you up for success.”

Céline Hourcade
Head Cargo Transformation
IATA

Céline Hourcade started her career working for a consultancy in digital transformation and then worked at Amadeus, the airline booking system. After moving to Geneva, she joined the International Air Transport Association (IATA) and two years later, in 2008, moved into the cargo department.

“It was immediately obvious that the cargo industry was much more male dominated. In 2014 I went to an air cargo think-tank meeting, which was celebrating its tenth anniversary, and I was the first ever woman to be a member.”

Hourcade said it is much easier for men to be heard, even when they are not particularly relevant.
“For women to be heard, they must stand out with knowledge and bring something to the table that will create the ‘wow’ effect.”

She said, however, that the situation has improved over the years. Gender equality is very visible in the press and is part of companies’ CSR reports “so even if they do not feel it in their hearts, they will do it for their image”. “Companies need to attract more women and then have policies that help retain them such as facilitating maternity leave. They also need to encourage dads to take leave so that they share responsibility and it becomes less of an issue.”

Why does it matter?
“Because a more diverse company will better reflect its customers and business partners and be more efficient, sustainable, and profitable.”

Laura Rodriguez
Assistant Manager
Cargo iQ

Laura Rodriguez started her career in Costa Rica doing research for investment banks on the LatAm transport industry. She has been with Cargo iQ for five years.

She believes that – like society in general – the logistics industry still holds some serious barriers specific to women. “Women often do not get equal job opportunities in the hiring process, for instance, because maternal leave is often more costly to the employer than the parental leave of a man. A more equal parental leave system could help reduce disadvantages like these.”

For Rodriguez “policies like equal pay for equal jobs should be the easy bit – create the rules and apply them.” It is more difficult to change the way people think.

“There has been a lot of progress but women are still told ‘you are too sensitive or too girly’, which implies that in order to succeed they need traditionally ‘masculine’ characteristics.”

“The value of diversity is in the different points of view that can be exchanged,” she said. “We need to be more conscious about these misconceptions and educate colleagues on why their ideas should change. I am part of IATA’s program on diversity and inclusion (MOSAIC), where we share ideas about this topic and play an active role in improving things.”

Why does it matter?
“Having more women in our industry is both good for women and good for our industry. A more diverse workforce in a workplace where people are respected and involved offers many benefits. A diverse team creates inclusive and rich outcomes; I see only value in that.”

Audrey Serdjebi
Head of Communication and Marketing
ECS Group

Audrey Serdjebi joined ECS Group six years ago after working for politicians in Paris and then as Head of Communications for an NGO promoting women’s rights.

“The aviation industry, or even logistics generally, was not something I had ever considered before I came to ECS,” she said. And this is one of the main problems in recruiting young women – and men as well.

“We need to spend more time promoting the industry, right from high school level, and show that it is a great career. Then we will get a wider range of people entering the workplace. Traditionally logistics has been seen as quite physical and therefore a man’s world, but that is very restrictive and no longer true.”

She said: “Corporate leaders tend to hire people like themselves. In an industry composed of a majority of men, we need more senior women to act as role models and give an alternative.”

There has been good progress. “And with the continuing increase in e-commerce, the logistics industry will expand rapidly and this gives women a unique opportunity to join at all levels.”

Why does it matter?
“Having a better gender balance and more diversity generally can never be a negative.

“Many studies show it improves performance, profitability, and social responsibility when the company represents the wider world.”
When it comes to technology, the sector is awash with buzzwords. Blockchain, cryptocurrencies, and disruptors. All are meant to somehow aid and abet the logistics field but to date, what have they done? And what does “digitization” mean? For Zvi Schreiber, Chief Executive Officer (CEO) of online capacity marketplace Freightos, it is not digitization, but “digitization that matters”.

“At the moment, pricing is going through several manual processing steps,” said Schreiber. “You not only have manual processes, but maybe these manual processes need to be performed by the parties in the chain – this can include forwarders, co-loaders, carriers. The holy grail for logistics is digitization, which is to get everything flowing digitally through a single platform.”

Ambitions

Schreiber is not alone in this mindset. His opposite number at iContainers, Ivan Tintore, said he wants “digitization” to do for the freight sector what it did to passenger transport back in the late 1990s.

“What we want to see is all parties linked into one digital system,” said Tintore. “This, obviously, is the hard part.”

Of course, it is obvious that the digital platforms – the likes of Freightos, iContainers, and Flexport – want to get people linked into digital systems. This is the market in which they operate. But for others, say the forwarders, the perspective is different.

“Being at the coal face, we have a different set of requests,” said Neel Ratti, General Manager of freight forwarder Tuscor Lloyds. “What we – and forwarders in general need – is much more of a patchwork solution, rather than a one-size-fits-all fix.”

Ratti sees what the industry needs as more of an “automation” than a digitization. He believes, technology is at its best when it is taking on the mundane tasks that previously required both staff and time to complete.

“Things like chasing up bills,” he continues. “If technology was to take over in this sense, it would free people up to actively engage with our customers and provide the sort of service that a machine cannot.

“This is not to say there is no demand for online forwarding platforms. A shipper can use them to punch in details and get a quick response and a price. But what about more bespoke options? The example I use is a travel agent – there are some things you cannot get when booking a holiday online. Sometimes, you need someone on the phone, so for me, the idea that these platforms are disrupting the market is inaccurate, they are augmenting it.”

While Ratti may take a more diplomatic route in discussing his relationship with tech start-ups, Steve Walker, CEO of SWG, pulls no punches. For Walker, the traditional forwarders are not being respected by companies such as Flexport who should “come to the table”. At this, Schreiber feels a need to defend Freightos’ reputation.

“Freightos respects forwarders,” he said. “We may point out defects in the present operating models, but I would say it is in no way disrespectful to do this. It is important that they understand what the younger generation are asking for, and sometimes this needs pointing out to them.”

Tech firm rush

Still, Walker believes there is something of a rush from tech firms into the logistics sphere.

“Venture capitalists are flooding the market as they recognize the size of the logistics sector,” Walker continued. “They know that most companies spend about 5% on logistics and for the investors, this is fertile ground.”

Ratti said this has brought problems. Namely, a reduction of skill among the logistics workforce. Even so, he asks people to think carefully before they turn to technology as a panacea.

“We are definitely deskilling the market,” said Ratti. “But do any of us think for one minute that Amazon has replaced everyone with computers? No. There is a need for human interactions. We have become over-excited at the prospect of digitization.”
And Walker noted he has seen even the likes of Flexport recognize the need for more than just an online platform. He said the company is almost "morphing backwards" into a 3PL as it begins to acquire assets and offices. Ratti also challenged assertions made by some of the online platforms.

"I would also like to challenge the notion that forwarders are hiding information," he said. "This does not fit with the picture I see, which is one that presents a highly competitive market in which all parties are scrapping for the margins.

"Despite what some say, I think forwarders do recognize – and welcome – the impending changes, but they also know they bring far more to the table than can be brought by the online platforms, so are only too willing to welcome the changes."

Even so, Schreiber feels strongly that the need for humans has been reduced (or perhaps, rather the needs have been relocated). "For simpler shipments, people no longer want to deal with the sales team," he said. "Nor do they want to play golf. They want to go online and book the shipment. That is all."

TIACA’s forthcoming Air Cargo Forum in Toronto, Canada, will be co-located with the inaugural Multimodal Americas Show. Pictured is Multimodal UK 2018, which featured a panel on ‘The rise of digitization – opportunities and challenges in the supply chain’.

TIACA’s 2018 Air Cargo Forum, which is co-located with the inaugural Multimodal Americas show, features a plenary discussion on ‘Digital transformation – Brave New World or New Normal’ – more at www.tiacaevent.org
TIACA has strengthened its Asia presence after forming a strategic partnership with Hong Kong-based air cargo solutions network Neutral Air Partner (NAP).

The partnership will see the two organizations work together jointly on events, networking opportunities, and training initiatives globally, as well as promoting industry best practice across Asia.

“We have been paying increased attention to the expansion of our network and partnership in Asia,” said Vladimir Zubkov, Secretary General, TIACA.

“We are working on connecting TIACA members and businesses in other parts of the world to the dynamic and fast developing Asian markets. This partnership together with the other regional alliances we have recently established, will give our members a stronger advocacy voice on a local, regional, and global level.”

Christos Spyrou, Chief Executive Officer (CEO), Neutral Air Partner, applauded TIACA’s “commitment to innovate the industry and to modernize the process of air cargo transportation”.

“Christos Spyrou, CEO, Neutral Air Partner, applauded TIACA’s “commitment to innovate the industry and to modernize the process of air cargo transportation”.

TIACA pilots new online Cargo Service Quality tool to

TIACA has launched a pilot of its new online Cargo Service Quality (CSQ) tool, allowing forwarders to rate and review the service quality they receive at participating hubs.

Fifteen cargo terminals at airports including India’s Delhi Indira Gandhi International Airport, Indonesia’s PT Jasa Angkasa Semesta, Hong Kong’s Asia Airfreight Terminal, and Singapore Airport Terminal Services (SATS) Ltd are amongst the first to trial the new scheme.

Other airports taking part in the pilot include India’s Chennai International Airport, Rajiv Gandhi International Airport, and Netaji Subhas Chandra Bose International Airport (Kolkata), with more airports around the world expected to join in the coming months.

“We are excited with the developments made in creating this tool which will benefit the shipper and every player in the air cargo supply chain,” said Sanjiv Edward, Chief Commercial Officer, Delhi International Airport, who is also leading the CSQ initiative.

The tool incorporates a four-step process: Benchmarking, Assessment, Improvement, and Excellence – as a way of raising the cargo service standards. Cargo terminals registered to take part in the pilot will be rated by forwarders on several factors including process, technology, facilities, regulators, and general airport infrastructure, amongst other variables.
TIACA and Airports Council International combine to champion air cargo efficiency

TIACA will work with Airports Council International (ACI) to help champion collaboration and efficiency, and to promote best practice across the global air cargo industry.

The two associations will cooperate on a range of issues and will be backing each other’s signature annual events, with TIACA first hosting a series of panel debates at the 28th ACI EUROPE/World Annual General Assembly, Conference and Exhibition in Brussels, Belgium.

ACI is working closely with TIACA in the lead-up to its 2018 Air Cargo Forum (ACF) in Toronto, Canada, from 16 to 18 October, culminating with Michael Rossell, Deputy Director General – External Affairs, ACI World, taking part in the opening plenary session at the event.

“Disruptive innovation and new technologies are reshaping airports as we know them, and it is important that air cargo continues to have a strong voice at the table so that we can meet the challenges of today and seize new opportunities for business,” said Vladimir Zubkov, TIACA’s Secretary General.

The in-depth cargo forum, ‘Winning strategies in air cargo business for airports’, will be held on Monday, 18 June, and includes an overview of TIACA’s recently launched Cargo Service Quality online tool.

“’The surge in cargo volumes and passenger numbers across many of the world’s airports is testament to heightened business and consumer confidence, at least in the short term,’ said Angela Gittens, Director General, ACI World.

“Our work with TIACA will help our member airports continue to accommodate the demands on their capacity.”

More on the ACF at www.tiacaevent.org

SILK ROAD CONFERENCE

Vladimir Zubkov recently joined supply chain leaders for the Third China Air Logistics Development Conference 2018 ‘Building the Air Silk Road to accelerate the Cross-border E-Commerce’, in Zhengzhou City. The conference and exhibition addressed global challenges and opportunities arising from the “One Belt, One Road” national strategy in China.

“I consider this event a very important step in establishing a stronger TIACA presence in China, which is developing excellent infrastructure,” said Zubkov.

Back to top

Backing for Farnborough

Farnborough International Airshow’s Cargo Village Conference, which this year has the theme ‘Future of Air Cargo’, has received backing from TIACA. TIACA will participate in the panel ‘Our vision of the future of air cargo’, taking place in the show’s Cargo Village, which has been expanded this year to meet growing demand.

For more information on the show, visit www.farnboroughairshow.com

Lobbying in Europe

TIACA will champion air cargo’s development to Europe’s top transport officials at the European Parliament in Strasbourg, Austria, this summer. The Association will give a presentation to delegates attending the Thirty-Sixth Plenary (Triennial) Session of the European Civil Aviation Conference (ECAC/36) from 10 to 11 July 2018.

The invitation comes on the heels of TIACA’s active participation in the 2nd ICAO Meeting on Air Cargo Development in Africa in June 2017, in Addis Ababa.

ICAO partnership

TIACA is partnering with the International Civil Aviation Organization (ICAO) in organizing its second Air Cargo Development Forum, taking place from 5 to 7 September 2018 in Zhengzhou, China. The event is being co-hosted by Henan Provincial Government and Zhengzhou Municipal Government.

ICAO circulated a message saying that it “…believes the partnership with TIACA will lead to a successful event, and TIACA is most welcome to recommend speakers for each session in the program”.

Silk Road conference

Vladimir Zubkov recently joined supply chain leaders for the Third China Air Logistics Development Conference 2018 ‘Building the Air Silk Road to accelerate the Cross-border E-Commerce’, in Zhengzhou City. The conference and exhibition addressed global challenges and opportunities arising from the “One Belt, One Road” national strategy in China.

“I consider this event a very important step in establishing a stronger TIACA presence in China, which is developing excellent infrastructure,” said Zubkov.

rate service received at hubs

The commercial launch of the tool is scheduled for summer 2018. Participants will be able to fill out an online Cargo Quality Assessment Form either every quarter, or every six months, and will have access to a customized Quality Dashboard.

Key benefits of taking part include gap analyses in order to identify strength and improvement areas, and best practice sharing.

The pilot phase of the program includes assessment tools for airports and cargo terminal operators, and the CSQ will eventually be available to measure other segments of the air cargo supply chain.

The program has received backing from players at leading airports including Hong Kong International Airport, Singapore Changi Airport, New Delhi Airport, Brussels Airport, and Beijing Capital Airport.

More on the CSQ tool on page 18.
Corporate members

ACL Airshop – A South Carolina provider of Custom ULD solutions.
More information at: www.aclairshop.com

Air Cargo Services of Vietnam – Air Cargo Services of Vietnam (ACSV) located in Hanoi City, Vietnam, specializes in air cargo handling services and other value added services.
More information at: www.acsv.com.vn

Awery FZE – The UAE-based company provides aviation business management software for companies of any size.
More information at: www.awery.aero

Feminik Logistics Limited – Based in Nigeria, the company is a third and fourth party logistics handler with over 50 years’ experience in both intelligent and virtual logistics.
More information at: www.feminikng.com

Gata Airlines and Transport Inc. – The Istanbul, Turkey-based company started its activity in

2007 in Europe, Asia, and CIS air traffic.
More information at: www.gataairlines.com

Lödige Industries Group – The Warburg, Germany, based group is one of the world’s leading family owned companies in the field of material handling solutions.
More information at: www.lodige.com

NMIA Airports Limited – The company is the operator of the Norman Manley International Airport and is a wholly owned subsidiary of Airports Authority of Jamaica (AAJ).
More information at: www.nmia.aero

Affiliates

GCA Network Ltd – The London, UKL, based association is an integrated network of logistics companies and independent freight forwarders.
More information at: www.gca-network.com

Forwarders

Fevzi Gandur Logistics – Based in Istanbul, Turkey, the company has a 70-year history in the shipping and logistics business.
More information at: www.fevzigandur.com

LogAsia SCM CO LTD – Based in Ho Chi Minh, it provides complete logistics solutions.
More information at: www.logasiascm.com

Viet Total Logistics Co., Lt – VTL Co., ltd is one of Vietnam’s leading global logistics companies.
More information at: www.vtl.com.vn

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

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.
Few would argue that the vast boom in data has brought with it enormous opportunities to transform how business is done. Despite the benefits, the air cargo industry has thus far struggled to take advantage of this influx of data, partly due to a long history of paper-based processes, and also due to the vast complexity of the global supply chain.

However, the Internet of Things (IoT) and the use of smart devices present a unique opportunity to help the cargo industry address its data shortcomings. Consider that at its core, the IoT provides the ability to capture real-time data, connected directly to how the customer is using it, and leverage that data to drive decision-making processes.

There are three areas, in particular, that IoT holds great potential for revolutionizing how cargo providers do business, specifically: improved tracking and visibility of shipments, improved productivity, and most importantly, greater customer satisfaction.

Better tracking and visibility: Importantly, disruptive technologies like IoT can enable warehouse data and shipment information to be accessed on smartphones or tablets in real-time. More importantly, this means that IoT devices can enable real-time capturing and tracking to ensure the integrity of things like temperature and humidity – critical elements when transporting sensitive cargo such as pharmaceutical products or pets.

With disruptive technologies like IoT, cargo can be tracked and monitored at every step of its journey.

Improved productivity: The traditional cargo supply chain has been hindered – in transit, on the dock, and at the warehouse – by the limitations of paper and traditional rigid processes. Using a mobile device or tablet to register shipment information, however, not only provides better visibility, but also means that workers stay in the warehouse without interruption and can process more information, faster. Additionally, the data generated from workers’ devices and shipment scans can help freight forwarders improve the efficiency of their operations.

Greater customer satisfaction: In the past, cargo players had no means of assessing the validity of customer claims, so the claim would have to be paid. By leveraging disruptive technologies, workers can capture images to visually document the condition of shipments at the time of delivery. Additionally, customers can be required to sign off, not only on receiving the cargo, but also on the state of the cargo. Claims can therefore be validated or disproved with documentary evidence. Additionally, greater visibility afforded by IoT means misplaced shipments can be more easily located by accessing the last known location in the system, since everything can be tracked in real-time.

A great example of this is Unisys’ Digi-Pet™, which uses sensors to allow travelers to track and monitor their pets traveling in aircraft cargo holds – from their smartphone – bringing a valuable service directly to the customer.

The key to future success for freight forwarders lies in embracing next-generation disruptive technologies like mobility, beacons and IoT. It enables carriers to make data-driven decisions that can improve their operational efficiency and quality of service.

Dheeraj Kohli is Vice President and the Global Head of Travel and Transportation for Blue Bell-based Unisys Corporation. He can be reached at Dheeraj.kohli@unisys.com.
A MEETING OF MINDS
to reshape the future of air cargo

This year’s Air Cargo Forum at the Metro Toronto Convention Centre in Toronto, from October 16 to 18, will bring together some of the biggest names in the industry to debate the challenges and opportunities that lie in store.

Registration is now under way for what promises to be one of the most important Air Cargo Forums (ACFs) of recent years.

The TIACA conference and exhibition, this year to be held in Canada, intends to focus minds on the technologies that are changing the way the industry does business.

While the world of air cargo has been steadily growing and evolving over decades into the mature business it is today, the new blockchain technologies and the implications of ‘big data’ look to herald a revolution in business practice, blurring the lines between technology services and logistics.

The event, which will take place at the Metro Toronto Convention Centre in Toronto, from October 16 to 18, will bring some of the biggest names in the industry together to debate the challenges and opportunities that lie in store over the next few years.

No stranger to disruptive technologies is Dragon’s Den Canada host and OMX Founder Nicole Verkindt, who will be among the panellists discussing the implications of digital technology on air cargo supply chains.

Also joining the discussion are Yuree Hong, Founder of Blockchain Ladies Asia, and Robert Bigler, Chief Operations Officer and Director of Product, eBay Canada.

Major sessions in the conference will look at blockchain and big data, cargo service quality, air cargo’s value proposition, training, regulatory issues, and digital platforms.

Vladimir Zubkov, TIACA Secretary General, explained that the sessions will target the issues that are of vital importance to the industry.

“The air cargo industry is undergoing a transformation with a wave of new technology and disruptive innovation, and now more than ever it is crucial that we collaborate as well as stay informed with the latest developments,” he said.

“Our ACF will bring together stakeholders from across the entire global supply chain, making it the perfect platform for networking and new business opportunities, and a chance to learn from logistics experts from across the spectrum.”

More than 4,000 delegates are expected at the event, which also includes an exhibition, with

Our ACF will bring together stakeholders from across the entire global supply chain, making it the perfect platform for networking and new business opportunities.

— Vladimir Zubkov, TIACA

Aircraft at Pearson International Airport in Toronto.
booths from major players across the industry. This year, TIACA has gone all out to make the event as wide-ranging and representative as possible by partnering with a number of other organizations and associations that can bring their own particular expertise to bear on the event.

Chief among them are the Canadian International Freight Forwarders Association (CIFFA) and the new Multimodal Americas show, adding regional logistics input to the proceedings.

Partners
TIACA has also partnered with the Federation of National Associations of Cargo Agents and International Logistical Operators of Latin America and the Caribbean (ALACAT), Americas Alliance, AGUNSA, the African Airlines Association (AFRAA), the Airforwarders Association (AfA), and Neutral Air Partner, broadening the base of participation across disciplines and continents.

TIACA’s willingness to collaborate with other partners demonstrates its conviction that many of the challenges facing the industry are best solved by involving the widest possible number of stakeholders in forging a future path that embraces change and is based on collective industry wisdom.

To register for the event, or for more information on exhibiting, tiacaevent.org, or contact Warren Jones, TIACA Executive Director, at wjones@tiaca.org or +1 (786) 265 7011.

www.tiaca.org | TIACA Times | 15
Latin American airlines are enjoying soaring cargo volumes. Anna Newnham analyses why the market is so buoyant and considers the potential factors that could hamper its continuing upward trajectory.

The outlook for the Latin American air cargo is overwhelmingly positive at the moment. IATA reported in March that year-on-year growth in international freight tonne kilometres (FTK) flown by airlines based in Latin America accelerated to a four-month high in January (8.5%, up from 4.8% in December).

While growth in intra-Latin American freight has paused, it has been steadily growing over the past 18 months, from a low-point in May 2016. The positive outlook derives from an upturn in the economy in the region’s powerhouse, Brazil.

Latin American airfreight makes up only 2.3% of the world’s total in terms of FTK, and is dominated by a few major players: Latam, Avianca, Copa, Aeromexico, and Atlas. Exports from the region are those that lend themselves more to airfreight than other shipping are perishable cargoes – flowers from Colombia, berries from Argentina and Peru, salmon from Chile, etc.

The continent’s northern neighbor, the USA, grabs the lion’s share of the trade but European trade is being boosted by favorable exchange rates, and China, following a raft of trade agreements signed three years ago, is increasingly becoming an important market for the continent’s exporters.

Shifting trade relationships
Nonetheless, there are challenges on the horizon for the industry. Shifting trade relationships outside the continent and political instability in some countries within Latin America is a cause for uncertainty.

Galo Molina, President of Latin American and Caribbean cargo agents’ federation ALACAT, explained: “Today there is a risk of a global economic crisis embedded in the tariff dispute process of the US and China.

“In the region of Latin America, potential changes in government in three of the largest economies are generating uncertainty and the freezing of commercial initiatives.”

As well as ongoing political instability, other factors that might undermine Latin American trade are similar perishable goods emerging from lower cost production countries in Africa or Asia, or the general pressure to maintain rates, with low-cost perishable goods unable to command the same margins as high-cost electronic components, for example.

Our exports are perishables so this [climate change] is affecting all production.

– Eric Hartmann, AGUNSA

Eric Hartmann, VP Aviation Services, Latin America, at AGUNSA, highlighted a problem that looms for all: climate change. “Our exports are perishables so this is affecting all production. In Chile, seasons are starting later and ending later. Blueberries that were
produced in the north in October are now being produced in November.

“It is making it difficult to predict the seasons for perishable goods. This makes it hard to project how many aircraft will be needed and the selling capacity for the airlines we represent.”

The newly burgeoning salmon trade with China is also affected. “There is a lot of salmon being produced in Chile and, with rising water temperatures, there are more blooms of algae that can ‘drown’ the fish. Producers need to decide when to harvest; either they take the fish out of the water early or leave them and hope that the blooms will pass and the fish can breathe. It is a challenge,” he added.

Frustrations remain with the red tape of doing business, particularly as the disruptive, yet highly promising, e-commerce technology begins to make inroads into the continent.

There are many intra-Latin American businesses that are generated by the need for immediate deliveries...
– Juan-Cruz Racana, Americas Alliance

Latam is positioning cargo using Sao Paolo as a hub for international cargo and Avianca is doing something similar in Bogota.
– Eric Hartmann, AGUNSA

Emir Pineda, Manager, Aviation Trade & Logistics at Miami-Dade Aviation Department, Miami Airport, said: “Latin America’s regulatory environment is complex and archaic, with many countries still requiring signatures, stamps, and associated fees on export shipments.

“Bureaucratic regulations and laws are hindering the rapid clearance of cargo as well as old-style payment methods slowing down the processing and clearance of cargo. The payment issue is going to be a major hindrance to cross-border e-commerce if they do not figure out an easy payment option.”

Open skies agreement
In terms of opportunities, Pineda sees the recent open skies agreement between the US and Brazil as potentially driving up air cargo trade.

“We are already seeing growth in Brazil, with Latam starting service to Salvador in April, and Gol starting service to Brasilia and Fortaleza in November.”

However, more needs to be done in this view: “Though progress has been made with more liberal air agreements – Mexico also signed a new air transport agreement in 2015 – more needs to be done to open markets, reduce regulation and improve infrastructure in the region,” he said.

Intra-Latin American trade is an area that has the promise of development, but it is a slow road and industry voices are nuanced about the likelihood of it taking off.

Juan-Cruz Racana, CEO of Americas Alliance, a network of freight forwarders in Latin America focused on expanding trade with the world, described it as “a very interesting niche, since there are many intra-Latin American businesses that are generated by the need for immediate deliveries and very competitive freight rates, in relation to others”.

Hartmann sees opportunities, pointing out that with more A330, B787, and B767 capacity now in the continent, the door is being opened.

He said that, outside Brazil, the continent lacks the big industries that could drive such trade so “exporters need to be creative”. However, the potential to use intra-Latin American trade to boost foreign trade is a distinct possibility. “Latam is positioning cargo using Sao Paolo as a hub for international cargo and Avianca is doing something similar in Bogota. The hubs are well used and increasing in importance.”

Molina said that in the era of growing trade protectionism “the Latin-American area will need to open its eyes to its own capabilities and markets”.

External hub
Pineda, at Miami Airport, one of the chief hubs for Latin American trade outside the continent, sees only small prospects for inroads into Miami’s dominance.

“Under the current political and economic conditions, I believe the prospects for expanded intra-Latin American trade are somewhat limited. Governments in many Latin American countries are still holding on to old-style protectionist policies, though there have been some improvements.

The trend for the next few years will be slow progress, which means MIA will continue to provide the best connectivity for Latin America for the foreseeable future.

“Today MIA has over 1,300 weekly departures to 80 non-stop destinations in Latin America and Caribbean. This is hard to beat even though some airports such as Panama City and Bogota have made significant improvements via their hub carriers, Copa and Avianca respectively.”

Overall, Latin American cargo is in a good place, with good prospects for the near future, both within the continent and beyond.
TIACA’s new online Cargo Service Quality (CSQ) tool will improve visibility and facilitate global standards across the air cargo supply chain. This is also a step towards providing shippers with the ability to view the quality of service delivered by players in the air cargo supply chain.

The TIACA Board has fully backed this initiative, which will be a game changer in establishing a culture of quality consciousness and ensuring consistent delivery of quality service.

The TIACA Cargo Quality Council (TCQC) team, led by myself, with active participation from Cheemeng Wong, Amar More, Steven Polmans, and Ramesh Mamidala, has been working tirelessly over the last several months to develop a quality assessment tool that will correctly record the level of service delivery irrespective of the geography, local regulations, size of the cargo terminal, etc.

We have been led by the belief that the core process for cargo handling is the same anywhere in the world, and the level of quality delivered should be measured for this core process, so that comparison can be done on a like-for-like basis creating uniform measuring and benchmarking standards.

Philosophy
The current CSQ assessment form is a clear testament to this philosophy.

Additionally, the CSQ assessment has been developed as a complete online tool which cargo terminals can provide to their customers, the freight forwarders, who can in turn answer questions online and submit.

This means the results are generated based on clearly defined weights and without any manual intervention, making it one of the most transparent and credible service quality tools today.
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

Apply for membership online at www.tiaca.org
The thing that weighs on us the most is your health.

Turkish Cargo flies to more countries than any other cargo airline. Our expertise in transporting pharmaceuticals brings health and happiness to millions around the world.