



Uniting Air Cargo

**Setting the vision for the air cargo industry for the
next new normal**

Steven Polmans

Chair of TIACA's Board of Directors
Digital Air Cargo Forum, 10 December 2020

Lessons from 2020

- International air cargo has played a **vital role** in the fight against COVID-19
- The global air cargo **volumes** continued their gradual recovery in recent months
- Global dynamic **load factor** currently at highest level ever
- Air cargo is currently the **saver of aviation** and high(er) on everybody's agenda
- **Frontline workers** are essentials
- If processes were fully **digital**, there would have been less struggles and disruptions
- We **can** adapt and change, and we can do it fast
- Those who **move** earlier, faster, and more decisively do best
- We are as weak as the weakest link and we will be **stronger together**: industry collaboration is a must



Increased industry collaboration is a must to turn a crisis into opportunities

Uncertainties remain...

Slow recovery of capacity

Bankrupts of airlines, airports, handlers to be expected



Air cargo will be critical to deliver COVID-19 **vaccines**

E-commerce will further grow

Crisis is speeding up **digitisation**

We also have an opportunity to **sustainably** transform

Cargo is now higher on aviation's community radar



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The air cargo industry in 2020 and outlook 2021

Niall Van de Wouw

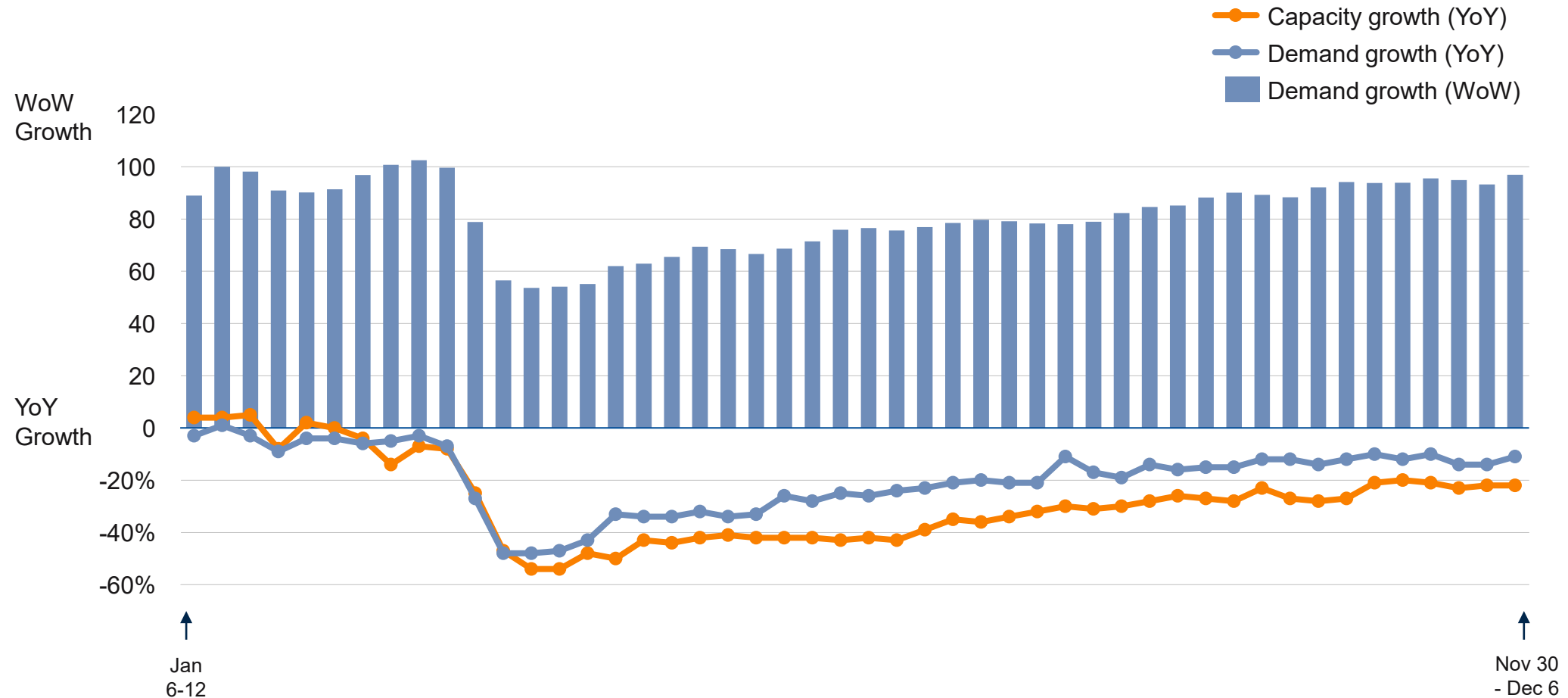
CLIVE Data Services

Digital Air Cargo Forum, 10 December 2020

The decline in cargo capacity exceeded the fall in cargo volumes

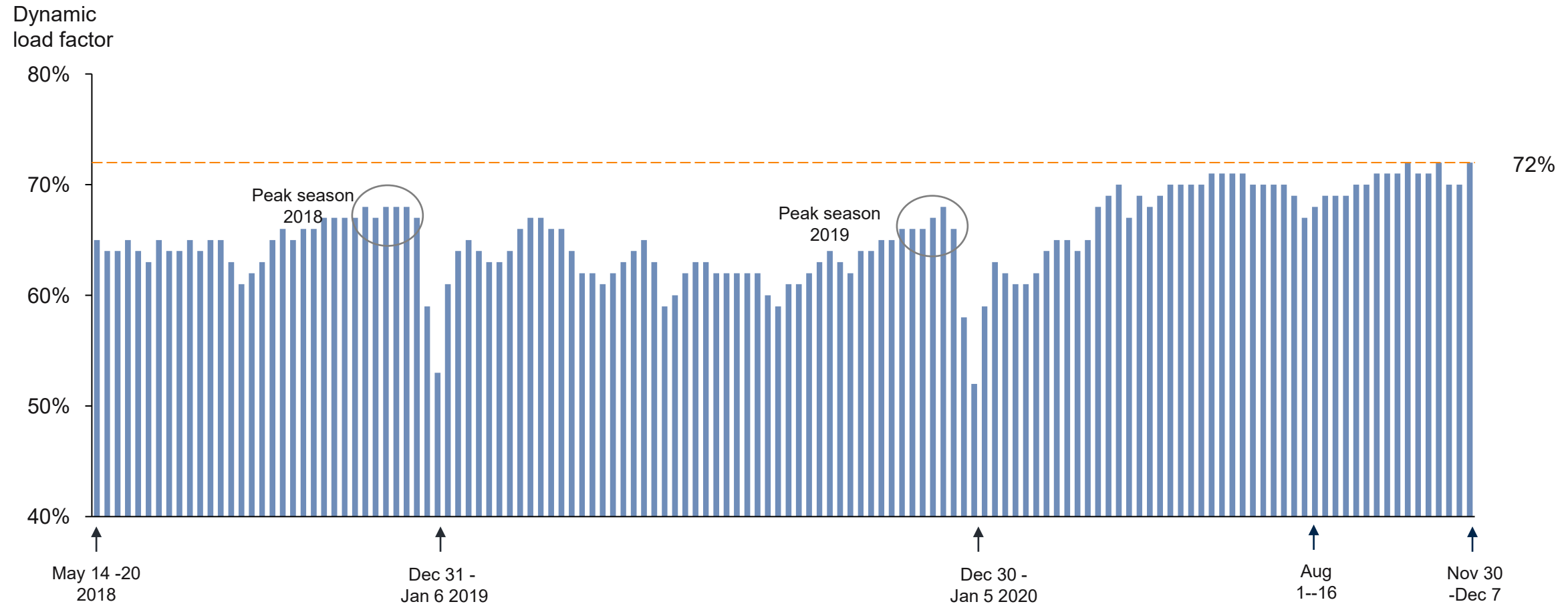
Global air cargo volumes and capacity developments

(week-over-week growth Jan 13-19= Index 100, year-over-year growth in %)



Which lead to unprecedented high dynamic load factors

Global dynamic loadfactor development (%)



Across al major tradelanes

Dynamic loadfactor in November 2020
(%)

| North America | | |
|---------------|-----|--------|
| To | DLF | YoY |
| EU | 68% | + 9.7% |
| ME | 61% | - 0.3% |
| AP | 64% | + 2.6% |
| LA | 60% | + 2.6% |

| Europe | | |
|--------|-----|--------|
| To | DLF | YoY |
| AP* | 57% | + 1.1% |
| ME | 74% | + 3.9% |
| NA | 86% | + 5.5% |
| LA | 86% | + 7.9% |

| Asia Pacific | | |
|--------------|-----|--------|
| To | DLF | YoY |
| EU* | 92% | + 5.3% |
| ME | 91% | + 5.3% |
| NA | 86% | + 1.0% |

| Latin America | | |
|---------------|-----|--------|
| To | DLF | YoY |
| NA | 55% | + 5.4% |
| EU | 68% | + 15% |

| Africa | | |
|--------|-----|--------|
| To | DLF | YoY |
| ME | 52% | + 2.2% |
| EU* | 61% | - 1.0% |

| Middle East & C. Asia | | |
|-----------------------|-----|--------|
| To | DLF | YoY |
| EU | 79% | + 5.6% |
| AP | 50% | + 1.0% |
| NA | 83% | + 8.2% |
| AF | 73% | + 12% |

Year-over-year (YoY) percentage points difference:

>-5%

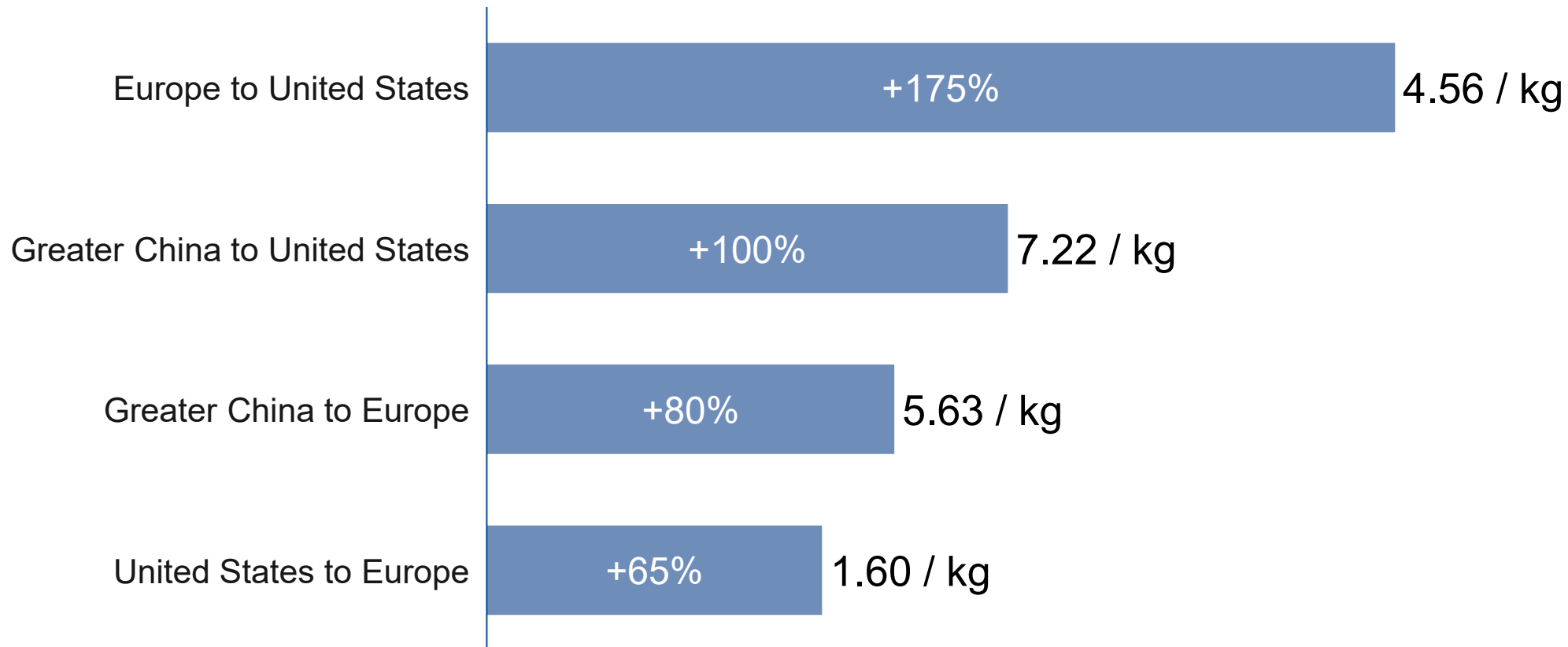
<-5%

<+5%

>+5%

Pushing current air cargo rates up to +175% above 2019 levels

Comparison of November 2020 rates levels versus 2019
(All rates are in USD)



What will 2021 bring?




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- The movement of COVID vaccines will unlikely disrupt the air cargo industry on a global scale
- Passenger business will recover rather slowly, keeping belly capacity below pre- COVID levels
- Airlines will closely match their network to actual cargo demand
- High load factors and therefore elevated rates, will be the norm
- Elevated rates and high volatility; will new 'risk management' solutions become an antidote?

A **new** TIACA for a new normal





**TIACA's vision for air cargo is
a safe, profitable and united air cargo
industry that embraces modern
technologies and practices
to sustainably and fairly serve trade and
social development worldwide.**



TIACA's mission

- Set the **vision** for air cargo industry
- **Unite** the industry with one voice on common interests
- Support or lead, as appropriate, necessary **change** in the air cargo industry
- Disseminate and enhance **knowledge** amongst members and the air cargo industry
- Promote and encourage business, social, and technological **innovation**



Uniting air cargo: TIACA's commitment to its members and the industry



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The global air cargo community
needs to be united
& work together



Increased industry collaboration a must!



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Scattered landscape – Fragmented industry:



- Steven Polmans, **Chair of TIACA's Board of Directors**
- Turhan Ozen, Chief Cargo Officer, **Turkish Airlines**
- Stephane Graber, Director General , **FIATA**
- Denis Choumert, Chairman, **European Shippers Council**
- Michael Rossell, Senior Vice President, **ACI World**



TIACA's 2nd Air Cargo Sustainability Awards!

Presented by CHAMP
Cargosystems



TIACA's 2nd Air Cargo Sustainability Awards!

Our 3 Corporate finalists



Reusable shipping containers
from recyclable components



ULD asset sharing
platform



The first inflatable
ULD in the world

Our 3 Start-up finalists



Asset tracking for zero
waste logistics



Drone cargo logistics to
isolated and remote areas



Humanitarian and
medical cargo drones



TIACA's

Hall of Fame 2020

Presented by Sebastiaan
Scholte, past TIACA's Chairman



Hall of Fame Recipient 2020

Larry Coyne

Coyne Airways

Has built a strong reputation for providing reliable and secure scheduled cargo services to some of the world's most difficult to reach destinations, pioneering routes into the Caucasus (Central Asia), as well as Afghanistan, Iraq as well as the oil-and-gas rich Sakhalin Island (Russia). Today's services have expanded to include Africa, the Gulf and the Caspian regions.

Is a passionate advocate of security, liberalization of cargo traffic rights and the removal of obstacles to the growth of the industry.

