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Cover image: DHL Group

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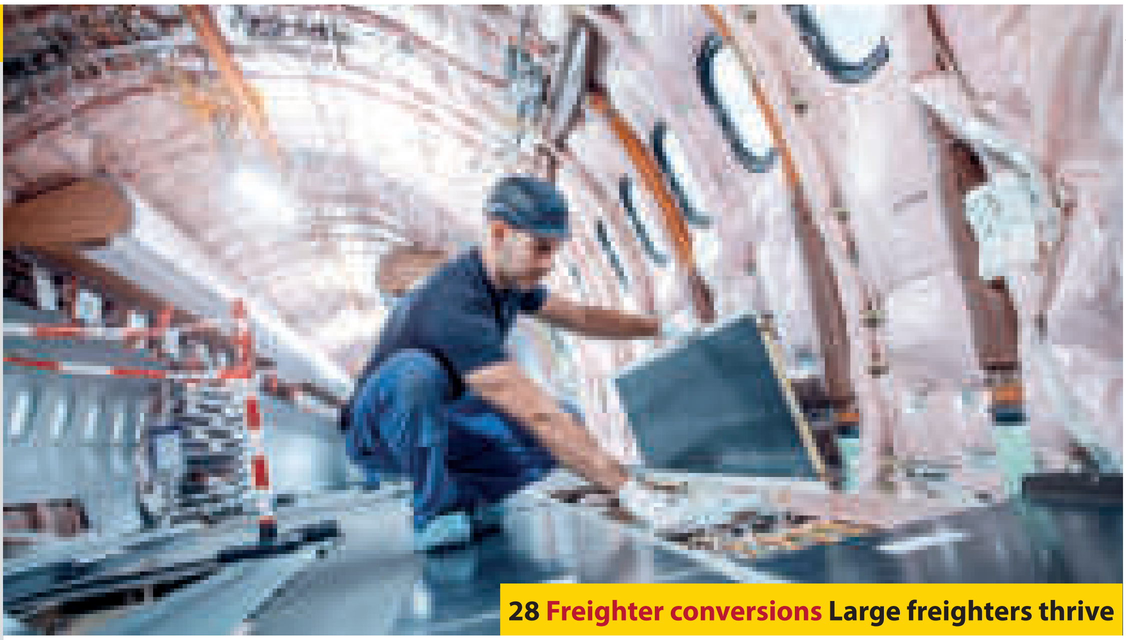

Photo: Scheunert / EFW

28 Freighter conversions Large freighters thrive

MANSTON PROGRESSES
The owner of Manston Airport in the southeast UK says work can soon start on its new airfreight hub following a Court of Appeal dismissal of an appeal against the plans.

SGL BUYS FOPPIANI
Scan Global Logistics has completed the acquisition of forwarder Foppiani Shipping & Logistics following approval from Italian authorities.

UNITED GETS DIGITAL
United Cargo has placed its capacity on a third-party booking platform for the first time through WebCargo. It is active in Belgium, France, Germany, the Netherlands, Switzerland and the UK.

DP WORLD'S AIRFREIGHT MOVE
Airfreight operations have begun at DP World's air cargo logistics hub in Punta Cana, Dominican Republic with the arrival of its first freighter aircraft – an Air Canada Boeing 767F heading from Toronto.

NAIROBI PHARMA FOCUS
The Menzies Aviation-Siginon Aviation partnership has secured IATA's CEIV Pharma certification for its cargo handling facility at Jomo Kenyatta International Airport in Nairobi.

ATR FREIGHTER DELIVERY
ACIA Aero Leasing has delivered the second of two ATR 72-212 Large Cargo Door freighters to Australian fly-in-fly-out and cargo air charter operator Aerlink.

Atlas negotiates exit from Amazon services

Photo: Carlos Yudica / Shutterstock

Atlas Air will focus on widebody operations and e-commerce opportunities as it exits CMI services with Amazon

NEW YORK STATE-BASED lessor and cargo airline Atlas Air will end domestic US Boeing 737 and 767 Crew, Maintenance, and Insurance (CMI) services with e-commerce giant Amazon next year.

Atlas said in a statement that the decision falls in line with its fleet strategy, but it doesn't spell the end of Atlas Air's relationship with Amazon.

"We completed a negotiation with Amazon to exit domestic 737 and 767 CMI service flying for Amazon, in line with our strategic plan. In connection with this negotiation, we also entered into three-year contract extensions for the dry lease of 16 767-300 converted freighters, through our Titan subsidiary, that will commence following the expiration of each of the original 10-year dry lease contracts.

"We are proud of the solid performance we delivered throughout our nearly decade-long partnership with Amazon. We look forward to continuing our relationship together through our Titan business," added Atlas.

The company said it now aims to focus on investing in its widebody freighter operations and e-commerce opportunities.

"With the Amazon CMI service ending in mid-2025, we will reallocate resources to expand our investments in global long-haul service with widebody aircraft.

"The widebody market is where we continue to see the strongest demand from our customers, as well as expanding opportunities in [the] global e-commerce [market]. Atlas continues to expand its fleet of widebody freighters with the addition of eight new 747 and 777 aircraft in 2024.

"These aircraft will be placed immediately into service to complement the continued strong performance of the company's 767 fleet in service to US military and commercial customers."

While Atlas has taken the decision to wind down its deal with Amazon, in May, ATSG announced it will operate an additional 10 767 freighters on behalf of the e-commerce firm.

The Amazon deal will see ATSG operate the 767Fs over a five-year period, with the option to add a further 10 aircraft.

MSC receives Boeing 777 freighter

MSC AIR CARGO has taken delivery of its fifth freighter as it continues to expand its all-cargo fleet.

The carrier took delivery of its latest Boeing 777 freighter (I-MSCA) in mid-May. The aircraft, which carries an MSC livery and has been named Alfirk, will be based in Milan.

Jannie Davel, senior vice president of MSC Air Cargo, said in a LinkedIn post the aircraft will "enhance our efficiency and capabilities to better service our customers and trade lanes".

According to fleet site PlaneSpotters, the aircraft was originally ordered by Air Canada Cargo before the Montreal-headquartered airline cancelled its plans to take on 777Fs due to weakening air cargo market conditions.

The aircraft is fresh out of the factory, with its first flight having taken place in April.

The freighter will be operated by the MSC-owned carrier, AlisCargo Airlines.

AlisCargo received its AOC in July 2021 and had been operating preighters during the pandemic, but its operating licence was suspended last year, prior to its acquisition by MSC, by the Italian civil aviation authority.

DB Schenker bidders down to final four

DEUTSCHE BAHN HAS cut the number of potential buyers of its freight forwarding subsidiary DB Schenker down to four bidders, which have now been invited to make binding offers.

According to Reuters, the German rail giant has selected Maersk, DSV, Saudi shipping company Bahri and a private equity consortium led by CVC.

Deutsche Bahn, which aims to reduce debts with the sale, said that in the next few weeks the four companies would have the opportunity to make a binding offer for the forwarder.

Reuters reported that initial bids were between €14bn and more than €15bn.

The private equity bid led by CVC also includes Abu Dhabi Investment Authority (ADIA) and GIC, a subsidiary of Singapore's state-owned investment company Temasek.

Air Cargo News sister title *DVZ* reported earlier this year that Deutsche Bahn had asked interested parties to demonstrate their experience with logistics M&A deals of this size and that they have the appropriate financial resources.

They must also explain what interest they have in Schenker and give an initial insight into their plans for the company.

The sales documents show that a complete sale is still the preferred option, although interest in less than 100% of the shares would be considered, so a partial sale is not completely ruled out either.

If Maersk were to be successful, the takeover would push the Danish company close to the top three airfreight forwarders.

DSV, however, would become the world's largest airfreight forwarder, given it is currently ranked third and DB Schenker fourth.

AP Moller Maersk chief executive Vincent Clerc recently commented: "Our strategy is very clear, we need to diversify our revenue streams and our earning streams towards the more stable and less volatile part of the supply chain, which is pretty much anything outside ocean/2PL."

Photo: Tobias Arhelger / Shutterstock

IATA: Cargo revenues looking up

IATA HAS RAISED its 2024 outlook for airlines' air cargo revenues and volumes after a better-than-expected demand and rates performance.

The airline association said it now expected carrier cargo revenues for the year to be $120bn, compared with its previous December forecast of $111bn.

Cargo volumes in cargo-tonne-km terms are now expected to grow by 5%, compared with its previous forecast of 4.5%.

The improved outlook comes as volumes have been growing more quickly than expected.

Year-to-date figures to the end of April show an actual increase in CTKs of 12.7% on the back of soaring e-commerce air cargo volumes out of Asia.

Meanwhile, rates have also been performing better than expected. In December, IATA predicted cargo yields for the year would fall 20.9% year on year but this has now been adjusted to a 17.5% drop.

However, IATA said that revenue performance would still be down on 2023.

EDITOR'S COMMENT

Damian Brett

Who will lead the bids for DB Schenker?

DISCUSSIONS AROUND THE sale of DB Schenker have been ongoing for years but the process seems to be finally heading to a conclusion (see left).

According to Reuters, Deutsche Bahn has narrowed the potential buyers down to four companies: Bahri, CVC, DSV and Maersk.

But who will win? The aim of the sale is to reduce debt at Deutsche Bahn, so the amount bid will matter.

But it should also be remembered that DB Schenker is state owned and so politics will also play a role. Given the important position the firm has in German logistics and the number of people employed, it will be key that the company does not falter or fail following its takeover.

That probably puts DSV in the driving seat as its background in forwarding and logistics makes it most similar to DB Schenker and it has a recent history of successful takeovers in the freight sector.

Alternatively, Maersk also has a forwarding business and could also make a successful buyer, with DB Schenker being the larger part of the business post-takeover and therefore having more control over its future.

Industry adopts more HVO

GROUND TRANSPORT IS playing its part in making air cargo cleaner with the adoption of Hydrotreated Vegetable Oil (HVO) fuel by Georgi Group and IAG Cargo.

Road Feeder Services company Georgi Group has introduced HVO fuel as an option for all its transport services.

The company said it is offering HVO100 fuel, which can be used to power almost all of its over 400 vehicles, instead of conventional diesel

"This initiative outlines Georgi Group's commitment to environmentally friendly practices and its willingness to take a leading role in promoting sustainable solutions in the transportation sector," said Georgi Group.

IAG Cargo is also using HVO to power its ground vehicles at London Heathrow as part of efforts to reduce its emissions output.

In total, 160 trucks at the airport will use the fuel. The fleet consists of a range of vehicles from small vans to large tugs, which can tow trailers holding several tonnes of cargo.

David Rose, director of London operations at IAG Cargo, said: "This move to HVO for our large fleet at London Heathrow is just one of the actions we are taking to reach our goal of net zero by 2050 and will pave the way for a more sustainable future at IAG Cargo."

IAG Cargo is also utilising electric vehicles. Its Dublin hub fleet is already powered by electric and HVO vehicles.

HVO100 is a renewable diesel fuel produced from sustainable sources that significantly reduces net greenhouse gas emissions.

CMA CGM adjusts fleet plan to enable growth

Photo: CMA CGM Air Cargo

CMA CGM Air Cargo currently has two Boeing 777F aircraft, with three more on order to build transpacific operations

CMA CGM AIR Cargo has outlined new plans for its freighter fleet following the breakdown of its partnership with Air France KLM.

The airline was due to take delivery of two Boeing 777-200Fs and four Airbus A350Fs, but this has now been expanded to three 777Fs and eight A350Fs.

The CMA CGM-owned airline said that two 777Fs would be delivered this year, with the third due to join the fleet in the first quarter of next year.

They will be used to build transpacific operations and will be operated by Atlas Air.

CMA CGM Air Cargo chief executive Damien Mazaudier said: "This lane opening will enable us to offer even more destinations to our customers on major routes."

The first 777-200F is due to join the fleet in June and will serve airports in Hong Kong, Chicago and Seoul. The second will join in the fourth quarter and will connect mainland China to North America.

The eight A350Fs will be delivered between 2026 and 2027 and will be used to enable "global coverage".

The fleet changes come after CMA CGM Air Cargo's partnership with Air France KLM Martinair Cargo broke down earlier this year due to the constraints of a "tight regulatory environment".

The partnership started in April 2023 but was stopped at the end of March this year. It had been due to run for 10 years and gave CMA CGM Air Cargo access to the Franco-Dutch airline's global network.

The carrier is now under pressure to build up its own fleet, currently consisting of two 777Fs and three A330Fs, which are based at its Paris-Charles de Gaulle (CDG) hub.

The two 777F aircraft operate connections between Europe and Greater China.

Of the three A330Fs in the fleet today, two are chartered for a third party, while the third operates connections between Paris CDG, Mumbai and Guangzhou.

Nose-loading 747Fs favoured by NAM

LATER THIS YEAR, Network Airline Management will change its fleet to exclusively operate nose-loading production Boeing 747 freighters.

The airline currently operates with two 747-400 production freighters and a single 747-400 converted freighter, which does not offer noseloading.

Two new 747-400Fs will join NAM's fleet in the latter part of the third quarter and the start of the fourth quarter. They will be wet-leased from Air Atlanta Icelandic.

The airline's last remaining 747-400BDSF converted freighter will leave the fleet later this year.

Jonathan Clark, Network Aviation Group's chief executive, said: "Operating a fleet of 747 nose-door aircraft with their higher payload and nose-door loading capability fits perfectly with NAM's flexible business model, providing the ideal platform to carry heavy outsize cargo for NAM's scheduled flight programme and worldwide charter availability."

The carrier took on a second production 747F last year.


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Bluebird ceases operations

ICELANDIC ACMI LEASING and cargo charter airline Bluebird Nordic has terminated all operations.

The airline no longer has an Icelandic air operator certificate (AOC) and is in the process of divesting all its freighters to lessors.

"Bluebird Nordic has announced discontinuing its cargo operations, effective April 30 2024," Bluebird's parent company, Avia Solutions Group, told *Air Cargo News*.

The air cargo company added: "Bluebird Nordic has voluntarily surrendered its AOC to the Icelandic Civil Aviation Administration. All aircraft previously operated by the company are being returned to their respective lessors.

"Bluebird Nordic has exclusively operated cargo flights, providing services to clients on both charter and aircraft, crew, maintenance and insurance (ACMI) basis."

The airline carried out flights to destinations in Iceland, Billund in Denmark and Dublin in Ireland, but also had capacity deals with IAG, UPS and Emirates SkyCargo.

Just last year, the airline had plans to grow its fleet. Avia did not explain why Bluebird had decided to end operations, but 2023 was a universally challenging year across the industry.

Planespotters' data shows Bluebird formerly had three Boeing 737-400s, three 737-800s and one 777-200 in its fleet.

Bluebird's 737-800 Boeing Converted Freighter (BCF) had been provided by its sister company, AviaAM Leasing. *Air Cargo News* understands the lessor had delivered its last 737-800BCF to Bluebird in March last year.

In that same month, the airline had also announced plans to obtain an AOC in Slovakia.

Qatar Cargo aims for supply chain efficiency

QATAR AIRWAYS CARGO is aiming to create efficiencies in the supply chain by tackling the issue of shipment no-shows, pushing for index-linked long-term contracts and integrating more data into its systems.

Qatar Airways chief cargo officer Mark Drusch said the airline is hoping to combat the issue of shipments coming up short when they arrive at the airport.

Rather than overbooking flights, the airline plans to utilise capacity more efficiently by asking forwarders to confirm how much space they need 24 hours before departure with a requirement to pay for what they have secured even if the shipment comes up short.

Drusch explained operational costs have to be met: "If I cannot optimise my flight, I have to charge more for what is on my flight."

Elsewhere, the airline is also continuing to promote the use of index-linked contracts for general cargo deals to help manage pricing volatility and reduce the amount of time spent renegotiating deals when market rates change.

The carrier was one of the first to adopt index-linked contracts, where the rate paid periodically increases or decreases depending on the movement of pre-agreed price indices.

Photo: Qatar Airways

Mark Drusch, Qatar Airways

Photo: Qatar Airways

The contracts help mitigate risk by ensuring that both parties pay or receive the going market rate.

"We are now going to use index pricing for our long-term contracts so there isn't constant renegotiation when there are swings in the marketplace," Drusch explained.

The carrier is also planning to utilise more data within its operational and commercial decision-making process.

"We are integrating industry data on a weekly basis so we understand the flows of markets and can better assign capacity and we can also better price," said Drusch.

"This means if markets are getting a little weaker, you can be a little less expensive and if they are peaking you can put a bit more capacity in."

UN considers new cargo document

THE UN COMMISSION on International Trade Law (UNCITRAL) is looking at the creation of a negotiable cargo document that could be used in air cargo to transfer ownership of goods while in transit.

Unlike ocean bills of lading, transport documents issued by rail, road and air carriers, which are often known as consignment notes or air waybills in the case of air cargo, are not used as documents of title and cannot be transferred to another party during transport.

The document under development is intended to serve as a document of title to fill this gap in multimodal and unimodal transportation not involving a maritime leg.

The working group said that documents of title can provide flexibility in international trade and can also facilitate the use of trade finance.

"A document of title can be transferred to another person, making it easier to buy and sell goods while in transit," a fact sheet produced by UNCITRAL explained.

Airlines warned on green claims

THE EUROPEAN COMMISSION (EC) has written to 20 airlines to highlight "potentially misleading green claims".

The EC, along with the European Union (EU) consumer authorities (CPC), invited the unnamed companies to bring their practices in line with EU consumer law within 30 days or risk potential enforcement actions, including sanctions.

While the EC's concerns centre on passenger airlines, cargo teams will need to pay close attention to make sure their own marketing does not breach the rules.

The concerns focus on claims made by airlines that the CO2 emissions caused by a flight could be offset by climate projects or through the use of sustainable fuels.

"On their part, the airlines are yet to clarify whether such claims can be substantiated based on sound scientific evidence," the EC said.

These concerns include creating the incorrect impression that paying an additional fee to finance climate projects with less environmental impact or to support the use of alternative aviation fuels can reduce or fully counterbalance CO2 emissions.

There were also concerns around "sustainable aviation fuels" (SAF) terminology without clearly justifying the environmental impact of such fuels and using the terms "green", "sustainable" or "responsible" in an absolute way.

Additional concerns included airlines claiming that they are moving towards net-zero greenhouse gas emissions (GHG), without clear, verifiable commitments, targets and an independent monitoring system.

Plus, it was noted that airlines were presenting consumers with a CO2 "calculator" for flights without providing sufficient scientific proof on reliability.

CargoAi adds airline performance data

Source: CargoAi

FREIGHT FORWARDERS USING CargoAi's CargoMART booking platform can now see the delivery performance quality of different airlines via a new feature.

The CargoQUALITY feature enables freight forwarders using CargoMART to review every airline's quality performance on their selected flight route. All carriers are measured against the same industry-established method, namely their Notify for Delivery (NFD) performance.

To ensure fair comparison, CargoAi applies a standard cut-off point of six hours.

Alongside price, speed, and CO2 emissions, the quality overview helps forwarders decide which airline to book with, said the company.

CargoAi collaborates with around 100 airlines displaying their services on CargoMART and has access to the data of the millions of air waybills (AWBs) tracked during the last 12 months via CargoAi's solutions.

This enables CargoAi to calculate a quality score per airline, per route, reflecting the percentage of shipments that were ready to be delivered by the airline six hours after flight arrival, according to a baseline roadmap derived from the booking information.

The planned NFD time is compared against the actual NFD milestone (or AWD, where necessary) to calculate the quality score.

The result flows into a historical CargoQUALITY score for the airline and route (origin and destination), as well as the historical CargoQUALITY score for all airlines on the route in question. Quality scores of the past three months are taken into account.

Users of CargoMART are also able to access an airline's CargoQUALITY score by clicking on the CargoQUALITY icon next to the airline name.

It also contains historical reports of performance over time for each airline and how this compares with other airlines on the same route.

CargoAi chief executive Matt Petot explained: "With [this feature], freight forwarders no longer need to rely on intuition regarding an airline's efficiency and reliability, as they can now base their purchasing decisions on accurate, recent and up-to-date quality information."

One Air starts 747F operations at EMA

BRITISH CARGO AIRLINE One Air has commenced Boeing 747-400 freighter operations at East Midlands Airport (EMA).

The central UK airport will now be a regular origin and destination point for One Air's 747-400F services connecting Asia and Europe, as well as for ad hoc global charter services.

"EMA has a lot of important plus points that make it attractive for all-cargo operations, including the availability of slots and fewer restrictions around night flying compared to other airports," said Chris Hope, One Air's chief operating officer.

"EMA also has a very understanding and progressive attitude towards freighter operators. As a growing British airline, we look forward to establishing our presence at EMA and supporting our freight forwarding, logistics and charter clients moving goods to and from the UK."

One Air launched operations in April last year at Heathrow Airport after being awarded its Air Operators' Certificate by the UK Civil Aviation Authority (CAA).

First quarter revenue up for Turkish

TURKISH AIRLINES POSTED another profitable first quarter as its revenue climbed almost 10%, thanks partly to a sharp jump in cargo sales.

Turkish Airlines' revenue climbed 9.6% to $4.8bn during the first quarter.

Notably, given the challenging global market for air cargo, that was driven by a 27% jump in freight revenue, to $750m. The carrier attributes the cargo revenue improvement to strong e-commerce activity.

Cargo volumes at the airline were also up in the first three months of the year – increasing by 35% compared with the same period last year.

Performance last year was also affected by the devastating earthquake in the south of the country.

The airline said that its improving cargo traffic now made it the world's third-largest cargo airline with a market share of 5.8%.

In terms of profit, the airline posted a slightly reduced net figure of $226m for the first three months of the year – the group's 12th quarterly profit in a row.

HKIA retains top spot as busiest cargo hub

HONG KONG INTERNATIONAL Airport (HKIA) last year retained its position as the world's busiest cargo airport, while US hubs reported some of the largest declines amongst the world's top 10 freight hubs.

Provisional figures from Airports Council International (ACI) show that HKIA registered a 3.3% year-on-year increase in cargo volumes last year to 4.3m tonnes.

However, its figures remain down on 2019 levels, when the airport handled 4.8m tonnes, as passenger operations last year were still in recovery mode following the Covid-19 pandemic.

The airport lost the top spot in 2020 due to the pandemic and related drop-off in passenger flying.

Looking ahead, the airport said that it will be able to handle up to 10m tons of cargo once its three-runway system is implemented later this year.

It has also been investing in catering for high-value and fast-growing segments, such as e-commerce.

Air cargo volumes in the top 10 airports overall — representing around 26% of the market — were down 3.5% year on year in 2023 to 29.6m tonnes.

The overall air cargo market is estimated to have declined by around 3.1% year on year in 2023.

"The decline can be attributed to the ongoing geopolitical tensions and disruptions to global trade and supply chains," said ACI.

Another notable trend is the drop in demand at US airports. Four of the six top 10 airports that reported declines last year were US based: FedEx home hub Memphis, Anchorage, UPS' home in Louisville and Los Angeles.

Both FedEx and UPS reduced flying last year due to lower parcel demand, while IATA said that US airlines reported the largest fall in demand of any region last year.

Miami was the only US airport in the top 10 to report an increase in demand last year.

Other top 10 cargo airports to report a decline were Taipei and Incheon, with the former reporting the largest year-on-year decline of all the airports in the list.

Shanghai PVG reported the largest percentage increase as its volumes continued to recover following the Covid-19 pandemic.

Top 10 airports by cargo volumes 2023

2023	Airport	Tonnes	YoY %
1	Hong Kong (HKG)	4.3m	3.2
2	Memphis (MEM)	3.9m	-4
3	Shanghai (PVG)	3.4m	10.4
4	Anchorage (ANC)	3.4m	-2.4
5	Incheon (ICN)	2.7m	-6.9
6	Louisville (SDF)	2.7m	-11.1
7	Miami (MIA)	2.5m	1
8	Doha (DOH)	2.4m	1.5
9	Los Angeles (LAX)	2.1m	-14.9
10	Taipei	2.1m	-16.8

Mesa halts DHL services due to reduced demand

US REGIONAL AIR carrier Mesa Airlines has stopped providing air cargo services for DHL due to a "reduction in cargo demand".

Mesa Air Group said in its first quarter results that Mesa Airlines had agreed to reduce its freighter service with DHL from February.

"As a result of the reduction in cargo demand, Mesa and DHL mutually agreed to wind down cargo operation as of February 2024."

Mesa did not provide any further details about the nature of its operations for DHL, but in July 2020 the company won a contract to provide air cargo services for DHL Express utilising Boeing 737-400F cargo aircraft.

The agreement involved Mesa operating two 737-400Fs from the DHL Express Americas global hub at Cincinnati/Northern Kentucky International Airport (CVG) for a five-year term.

The company leased the aircraft from DHL and began operations in October 2020.

Cargo Facts reported that Mesa had been using three 737-400Fs.

Mesa said in its recent results release that as part of the agreement, DHL will reimburse certain costs associated with winding down operations.

It added that pilots from the cargo operation are transitioning to operate Mesa's Embraer 175 aircraft.

Headquartered in Phoenix, Arizona, Mesa Air Group, Inc is the holding company of Mesa Airlines, a regional air carrier providing scheduled passenger service to 79 cities in 36 states, the District of Columbia, Canada, Cuba and Mexico.

As of March 31, the company operated a fleet of more than 80 aircraft, with around 263 daily departures and employed approximately 2,110 members of staff.

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Outsize shipments: No time? No problem for deugro

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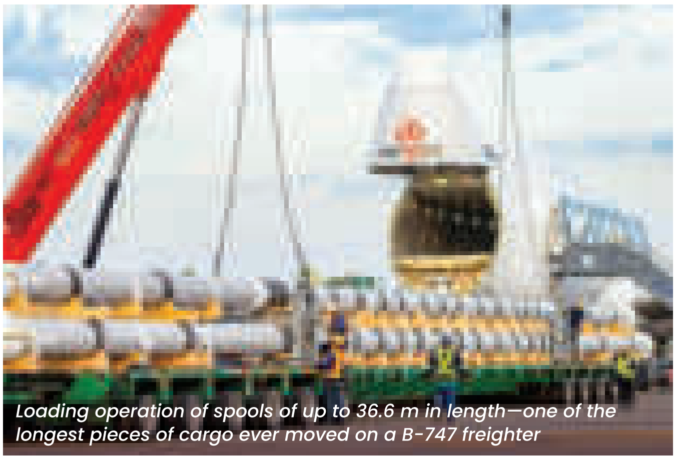

Loading operation of spools of up to 36.6 m in length—one of the longest pieces of cargo ever moved on a B-747 freighter

When some outsize components were urgently needed to minimise costly downtime at an industrial facility in the US, deugro stepped up.

The scope of work encompassed the complete multimodal, door-to-door transportation from a production plant in Rayong Province, Thailand to a facility in Houston, Texas.

deugro USA, in close cooperation with teams from deugro Air Chartering and deugro Thailand, successfully delivered 37 pipe spools with a total volume of 213 tonnes and 1,628 cu m on nine charter flights.

The choice of aircraft was largely determined by the size of the spools, some of which were as long as 36.6m, some as tall as 4.4m or as wide as 5.5m, and some of which also had complex shapes.

Capacity on the heavy lift air charter market was scarce (and remains so) as a result of the war in Ukraine.

Pavel Kuznetsov, head of chartering, said: "Many An-124 aircraft have disappeared from the market; over half of them were operated by Russian carriers, and we can only work with operators registered in Ukraine – therefore the number available is limited."

That challenge is still there, Kuznetsov observed, but: "We've got used to it and built stronger lines of communication with the carriers. They let us know when there are gaps or cancellations in their schedules that could help us and our customers. We also try to get away without using the An-124 where possible, by changing the cargo configuration, dismantling or disassembling elements or removing protruding parts."

Therefore, some of the components flew on Boeing 747-400s instead.

Besides this, to accommodate the unusual pieces involved in the Thailand–US move, deugro designed customised packaging solutions and loading concepts, such as rotating the spools and fixing them at a specific angle inside the An-124-100 when they were too tall to be loaded normally even into that aircraft.

"Our transport skids held the pipes at the only angle that would fit. Our engineers created 3D drawings and a model of the hold to work out how to rotate the spool, and then designed the skids," Kuznetsov explained.

It was also necessary to source additional equipment for pre-carriage and for loading the spools at U-Tapao Airport – chosen because there was limited space for loading long pieces at the busy Bangkok Suvarnabhumi gateway. Extra gear included 80-metric-ton mobile cranes, main-deck loaders and various truck–trailer configurations.

Kuznetsov was keen to point out that deugro worked with trusted partners on this project, including Antonov Airlines and Cargolux as well as local packing, trucking and crane subcontractors in Thailand and the US.

Considering the role of air freight – a fast but expensive option – in project logistics, he noted: "For air charters, demand is 90% unplanned. Major transport events are planned with other modes, but disruptive events such as the Red Sea crisis or equipment malfunction do happen."

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Pattaya accepts first ATR 72-500F

THAILAND'S NEWEST CARGO airline, Pattaya Airways, has taken delivery of its first aircraft from Ireland-based lessor ACIA Aero Leasing.

Pattaya Airways took delivery of an initial ATR 72-500 freighter (MSN745) in April and a second ATR 72-500F (MSN742) in May.

The cargo airline is in the final phase of securing its air operator certificate (AOC) in Thailand and is aiming to start operations in the fourth quarter of this year. The airline plans to operate a range of domestic flights in Thailand with additional services into neighbouring markets in Southeast Asia.

"The Pattaya Group has a strong established footprint across many sectors of aviation in Thailand and we have decided to further grow our business through the start of our own airline operation, Pattaya Airways," said Tosaporn Asunee, Pattaya Airways' chairman.

"The ATR is the perfect fit to serve the growing requirement for domestic and regional cargo and we very much appreciate the support we have received from ACIA Aero Leasing as we establish our new airline operation.

Mick Mooney, ACIA's chief executive, said: "We are very pleased to be entering a new market by placing our first aircraft in Thailand and providing the Pattaya Group with its first aircraft. Pattaya Airways has a robust business plan to capitalise on growing domestic and regional cargo demand in Thailand and Southeast Asia, complementing their existing logistics businesses and infrastructure."

"We continue to see strong demand for the ATR 72 freighter and are looking forward to placing further freighter aircraft in this region in the near future," he added.

Levu Air Cargo builds fleet in Latin America

LEVU AIR CARGO plans to build up its airfreight operations with investments in four new aircraft.

The Brazilian airline will lease an Airbus A321 freighter from SmartLynx Airlines to become the first carrier in Latin America to operate the type.

This dry-leased aircraft is currently in Recife, Brazil to begin the registration process under the National Civil Aviation Agency of Brazil (ANAC) and change the aircraft number to PS-LVU.

The aircraft will be operated by Levu in Brazil on behalf of DHL Supply Chain.

Previously, the freighter operated under registration number 9H-CGD (MSN 775) for DHL Aviation in partnership with Avia Solutions Group-owned SmartLynx.

Brazil-headquartered Levu said it was in the final steps with ANAC for its certification process and expects to obtain its AOC 121 in June. It will be able to transport all types of goods, including dangerous goods.

After obtaining its AOC, it will start the process of certification under European (EASA), and US (FAA and DOT) authorities in order to perform international flights in 2025.

Rodrigo Pacheco, chief executive of Levu Air Cargo, said: "We specifically sought out SmartLynx due to its extensive knowledge of the aircraft, as it is the biggest operator of the A321F in the world today.

"Its partnership with DHL in Europe makes the learning curve much more efficient for us, as we will operate for the DHL supply chain here in Brazil."

In total, Levu plans to invest in leasing four aircraft with DHL, two A330-300P2F with a capacity of 59 tons and two A321-200PCF P2Fs with a capacity of 27 tons. DHL will have priority on capacity.

Levu noted that following delivery of the first two aircraft, the company should have an additional capacity of around 4,000 tons/month in the first year of operation. By the end of 2025, when all four are due to have arrived, the additional capacity will be 10,000 tons/month.

Photo: SmartLynx Airlines

Levu Air Cargo will be the first carrier in Latin America to operate the A321F

Texel Air renews fleet with 737-800BCF

BAHRAIN-BASED CARGO AIRLINE Texel Air is taking on a 737-800 Boeing Converted Freighter (BCF) to replace its oldest aircraft, a Boeing 737-300F.

The 737-800BCF has recently been converted in China and is being leased from AerCap. The aircraft will be used for charter operations.

Chisholm Enterprises subsidiary Texel Air said that the new aircraft "unifies our global fleet to an all-New Generation 737 fleet, driving further efficiencies within our airline".

"This significant upgrade provides enhanced capabilities and broader destination access, offering our valued clients even greater service and flexibility," the company added.

Texel Air, which is headquartered at Bahrain International Airport, became the first operator in the Middle East region to include the 737-800BCF in its fleet in January 2022.

As well as the new 737-800BCF, Planespotters' data shows Texel Air's fleet includes two other 737-800BCF aircraft, one 737-300F, which will be replaced by the 737-800BCF, and two 737-700 FlexCombi aircraft.

EFW and MRO Japan collaborate on P2Fs

GERMAN CONVERSION FIRM Elbe Flugzeugwerke (EFW) and MRO Japan (MJP) have signed a memorandum of understanding (MoU) to collaborate on P2F conversions.

Under the MoU, MJP will act as a subcontractor for EFW in P2F conversions and provide third-party conversion services for the latter's Airbus A320P2F/A321P2F programmes.

With this collaboration, MJP will become Japan's first conversion provider for the new-generation Airbus narrowbody P2F aircraft.

Takashi Takahashi, MJP chief executive, explained: "We are very excited about the P2F collaboration and are committed to achieving success together with EFW. We look forward to establishing a long-term strategic co-operation between the two companies for Airbus P2F conversions."

Airbus converted freighters are currently flying for a variety of operators, including Yamato Holdings, one of Japan's largest delivery service companies.

Photo: EFW

MJP acts as a subcontractor for EFW under the MoU

"We look forward to welcoming MJP into our global family of P2F conversion sites. The success of the A321P2F aircraft for our customer FUYO and end customer Yamato Holdings shows how the narrowbody Airbus P2F platform is a perfect fit for the cargo transportation needs in Japan and the region," said Jordi Boto, chief executive of EFW, a joint venture between Airbus and ST Engineering.

He added: "Partnerships with experienced and well-backed solution providers such as MJP will provide the necessary strategic support as we expand our conversion capacity to capture opportunities in the growing Japanese air cargo market."

EFW's Airbus A320P2F/A321P2F programmes are developed in collaboration with ST Engineering and Airbus, with EFW holding the Supplemental Type Certificate and leading in the overall programme as well as marketing and sales efforts.

ST Engineering and EFW set up a network of facilities across Asia Pacific, Europe and the US to carry out conversions for their Airbus P2F programmes, which comprise the A330P2F, A320P2F and A321P2F platforms.

First 737-800BCF for Australia

ASL AIRLINES AUSTRALIA – the operator formerly known as Pionair Australia – has added its first 737-800 Boeing Converted Freighter (BCF) to its Air Operators Certificate (AOC), which it expects to put into commercial operation in the coming months.

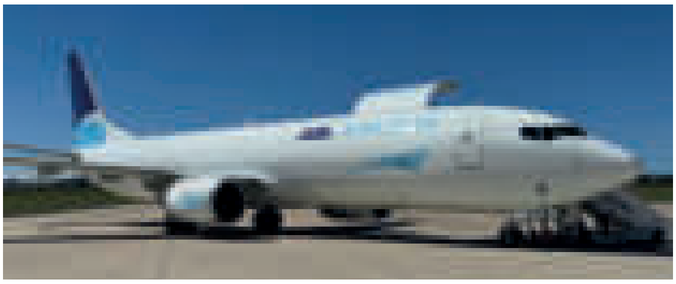
The aircraft (VH-CYK) has a capacity of 23.9 tonnes and represents one of parent ASL Aviation's 40-unit commitment for the converted freighter. It is Australia's first 737-800BCF.

"The first ASLA 737-800 freighter is set to offer cost-efficient new opportunities to air cargo customers in the Australian domestic and international markets, with its capability to move both express parcels and larger cargo speedily with a range up to 3,750 km," the operator stated.

The airline said it expects to expand its fleet in the future to meet customer requirements.

Ireland-based ASL Aviation acquired Pionair last year to expand into the Australian and Oceania markets.

Photo: ASL Airlines



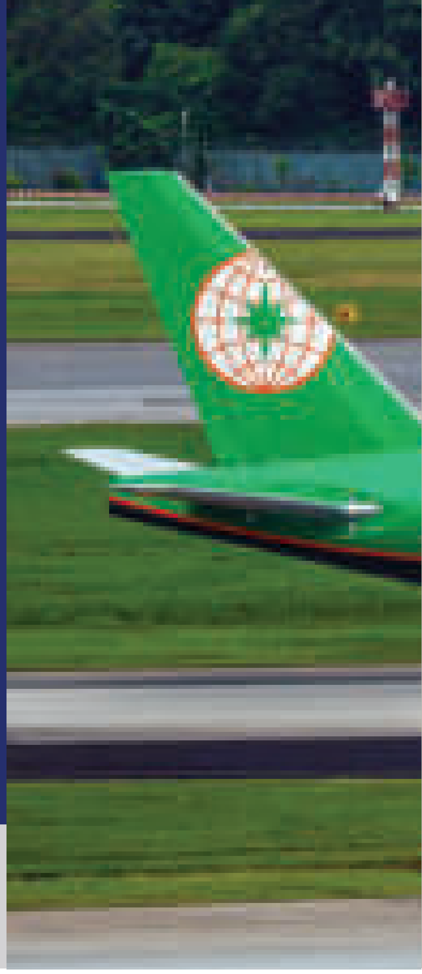
FAA APPROVES COMBI
The Federal Aviation Administration has approved Textron Aviation's Combi interior kit for its Cessna SkyCourier aircraft which will allow it to carry a mix of passengers and cargo.

DHL TAKES A330-300P2F
Elbe Flugzeugwerke has redelivered its 14th Airbus A330-300 passenger to freighter (P2F) to DHL. The delivery is the 38th freighter aircraft of the new generation A330P2F programme, including 25 A330-300P2Fs.

SERVE'S SECOND 737-800SF
Serve Air has taken delivery of its second Boeing 737-800SF converted freighter from Aeronautical Engineers, Inc (AEI). Serve Air is the first operator of this AEI freighter in the DRC and plans to take on another four of the aircraft.

KOREAN 777P2F FACILITY
Israel Aerospace Industries, Sharp Technics K and Incheon International Airport have laid the foundation for a Boeing 777P2F conversion facility at Incheon Airport in the Republic of Korea.

VAAYU DELIVERS A320P2F
UAE-headquartered Vaayu Group has delivered the world's second A320P2F aircraft to Cairo-based Sky Vision Airlines. The lessor's first A320P2F was leased to New Delhi-based Pradhaan Air Express, a sub-lessee of Vaayu.



Light demand helps to mask Boeing's woes

Supply chain delays and quality control allegations slow deliveries of airframer's freighters, writes Alex James

It has been a difficult start to the year for Boeing, with a series of faults and investigations.

As this issue was being prepared for press, news broke that the US Federal Aviation Administration (FAA) would be investigating the manufacturing process surrounding the US heavyweight's marquee aircraft, the 787 Dreamliner.

The FAA moved following a message from Michael Stoker, head of the 787 programme, which referenced staff allegations of "irregularities" surrounding inspections of the bonding and grounding linking the aircraft's wings to its fuselage at its assembly line in South Carolina.

While there is no 787 freighter version, the extra scrutiny the development will bring is likely to have consequences across the manufacturer's production lines.

Engines off

On the freighter front, Boeing failed to deliver a single 777F in the first quarter of 2024, although 11 of the aircraft were reported to have been built and were awaiting engines.

The airframer also failed to deliver any passenger 777s during the first three months of 2024.

Reports suggest the first 777 freighter delivery of the year took place on April 8, when an aircraft left Everett on its way to Taiwan, with Eva Air the destination, according to the PlaneSpotters website. This was quickly followed by a delivery to Qatar Airways.

Boeing declined to comment on the reasons for the slowdown in production of the model, but reports have surfaced about possible shortages of the twinjet's GE Aerospace GE90 turbofans.

An April 5 report from financial firm Jefferies noted that Boeing has been moving 777s out of its factory without engines installed, before fitting the powerplants later.

The slowdown of deliveries is having an impact on the conversion market. Jordi Boto, chief executive of Airbus conversion specialist Elbe Flugzeugwerke (EFW), tells *Air Cargo News* that with OEMs delaying delivery of new aircraft, carriers are holding on to their existing fleets for longer.

"Especially narrowbody aircraft such as the Airbus A320/A321," Boto says. "This has also led some operators to postpone their scheduled freighter conversions until they can replenish their fleets with new passenger aircraft or acquire feedstock for conversions. Nevertheless, the demand to replace the older converted freighter platforms remains strong."

Boto's conviction aside, to say demand is "strong" may not be entirely accurate. In fact, if one steps back to look at the state of play, perhaps now has not been the worst time for Boeing to be undergoing these difficulties.

Overall, the air cargo market appears to be in a state of flux. While there has been a surge in demand from e-commerce companies – particularly from

Photo: MrPhoto757/Shutterstock

Icelandic operator Bluebird Nordic has returned its AOC and is now handing over all its freighter aircraft to lessors

Boeing's first 777 freighter delivery of the year took place on April 8 – Taiwanese airline Eva Air was the customer

Photo: Markus Mainka/Shutterstock

Chinese companies – for new capacity, there has also been a scaling back.

Air Canada, for example, announced that it had paid $14.5m to extract itself from a deal with Israel Aircraft Industries for two of its converted Boeing 767-300 freighters.

Straight to storage

Meanwhile, Cargojet ditched its plans to add 777 freighters in January and in May Icelandic freighter operator Bluebird Nordic returned its Icelandic air operator certificate (AOC) and is in the process of divesting all its freighters to lessors.

And reports from the US claimed the holding company behind Northern Air Cargo, NAS Aircraft Leasing Company, had sent two converted 767s destined to be put into use by the carrier straight to a storage facility, citing depressed pricing, elevated costs and shifting market dynamics.

And it has not been alone in ditching its 767s (albeit temporarily). Having parked up 17 of its freighter aircraft in the six months to April, FedEx announced that it had abandoned plans to buy seven 767 freighters, in response to what it considers to have been, at best, a tepid market.

Amazon Air has also sought to rid itself of its 767 stock, having returned 12 767-200s following the expiration of their lease over the past year, seven of which went back in April. Its reasoning? They were too old, echoing – perhaps unsurprisingly, given his bias – Boto's assertion that the 767s more generally, together with Boeing's 757s and 777-400s, are among those "older aircraft" in line for the glue factory, to be replaced with Airbus equivalents – be that the A320P2F, A321P2F or the A330P2F.

Certainly, the A330P2F seems to be part of the e-commerce behemoth's long-term planning. It has two A330-300P2Fs operated by Hawaiian Airlines already in action and deals in place to lease a further eight of the freighters.

Commenting on the general state of the freighter market, the Airbus spokesperson told *ACN* it was important to bear in mind that "the airfreight market has always been – and tends to remain – a dynamic and fast-changing one in terms of market developments".

"Airfreight customers and respective cargo airlines catering for those specific airfreight customer needs are faced with the challenge to ensure a fast, reliable and safe transportation of urgently needed goods," they added.

"For keeping that quality and service promise, it is required to look at optimising the air cargo operations for the growing market needs. However, looking at airfreight processes and setups/infrastructure being in place, one can state that almost no innovations have been implemented on a wider level during the last decades when looking at cargo systems and procedures.

"Given the increasing volume of cargo goods to be transported around the world, also further driven by the massively growing e-commerce market, airlines look at options to upgrade their ageing fleet for efficiency reasons, as well as to allow them to sell more cargo capacity and explore new options to better serve their customers within their route network.

"At the same time, these initiatives shall also contribute to the industry's goal to meet the enhanced ICAO's CO2 emission standards effective end of 2027."

For Airbus' part, though, the spokesperson points to the A350 freighter, launched in July 2021, as exemplifying the level of innovation that the industry has long been lacking.

Since the freighter's launch, the aircraft manufacturer has received 55 firm orders from nine airlines. This matches the number of orders Boeing has received for its 777-8F.

Specifically Asia Pacific

The entry-into-service of the A350F is planned for 2026, which will be just in time to meet the stricter emissions standards being implemented by ICAO.

"One can see specifically for Asia Pacific, that the region's continued rapid economic growth turns this market into a highly promising one for modern airfreight business with digital-savvy hubs. Of the 55 orders for the A350F, 13 have been placed by customers from Asia Pacific," the Airbus spokesperson added.

Boto concluded: "Capacity planning by freight airlines is long term and rides over multiple economic cycles, especially for widebody freighters. Any short-term demand perturbations in airfreight should not affect the long-term trend of rising demand, which is driven by the need to replace older freighter fleets as well as e-commerce and global GDP growth."

Volatility inspires index-linked deals

The air cargo industry is responding to marketplace volatility with index-linked contracts that take the pressure off re-negotiations, writes Damian Brett

Image: zignal_88 / Shutterstock

Index-linked long-term contracts can help manage unpredictable market rates

Freight forwarders and shippers are increasing their use of index-linked deals due to current industry volatility.

Speaking on a webinar from data provider Xeneta and Tiaca, the two organisations said that supply chains were facing unpredictability and elongated transit times in ocean shipping due to the Red Sea crisis.

Meanwhile, e-commerce volumes had boomed since last summer with the rise of platforms such as Temu and Shein.

These two factors had resulted in rising volumes and rates on key trades out of Asia and the Middle East and contributed to industry volatility. And e-commerce volumes are expected to continue to surge.

On the other hand, the US announced a new round of tariff increases on imports from China. This could result in a surge in volumes in the short term as shippers rush to move goods before the tariffs increase, but in the longer term is likely to drive up prices and reduce consumer spending.

Pre-agreed prices

Xeneta chief airfreight officer Niall van de Wouw said that its research showed that as a result of the situation, freight forwarders and shippers were turning to index-linked deals, where the rate paid periodically increases or decreases depending on the movement of pre-agreed price indices. This reduces the need to renegotiate contracts as rates surge or fall.

"We see both shippers and forwarders alike coming up with index-linked type deals," he said. "They are looking for a mechanism to still have a longer term deal, but share the risk of volatility in a fairer manner. We see the push from many shippers in different sectors and major freight forwarders in order to help minimise the workload and have competitive rates through the duration of the contracts.

"Freight forwarders have the stability of predictable volumes and shippers do not need to go to tender each time the market is overturned by some external event."

It is not just forwarders and shippers that have been turning to index-linked deals.

Qatar Airways chief cargo officer Mark Drusch says the carrier is driving the use of index-linked long-term contracts for general cargo to help manage pricing volatility and reduce the amount of time spent re-negotiating deals when market rates change.

"We are now going to use index pricing for our long-term contracts so there isn't constant re-negotiation when there are swings in the marketplace," Drusch explains.

"It will make it much more efficient for everybody – it will make it more efficient for our clients because they will know, as things are moving, exactly what their new pricing will be.

"It will be very transparent and immediate. It is good for everybody. We all waste our time negotiating on both sides. The easiest way and best way to get things done is how things should be done. It is basic economics; we have to make things more efficient and we have to take out inhibitors to efficiency so we can all produce a better product at a lower cost and continue to drive economic growth."

If the use of index-linked contracts becomes widespread, it could even lead to the creation of a derivatives market that will allow forwarders and airlines to hedge against swings in the market.

Meanwhile, Xeneta also noted an increase in the use of spot deals – with rates valid for less than a month – by shippers in the first quarter. Its figures show that first-quarter spot deals were up three percentage points to 29% of the overall market compared with last year.

Van de Wouw said this was likely driven by shippers wanting to delay signing long-term deals for the peak due to the unpredictable market conditions.

Looking longer term

Conversely, freight forwarders and airlines were opting for longer term deals. The number of spot market deals between forwarders and airlines is down four percentage points on last year to 41% of the overall market, he said.

Van de Wouw said this development was partly because forwarders last year were selling long-term deals to shippers, but buying short-term deals with airlines. They were then caught out when the market unexpectedly turned and spot rates increased in the peak season due to the Red Sea crisis and surge in e-commerce volumes.

This year they are looking to take a less risky position and align the deals they buy and sell more.

"Also, although we just entered the summer, a lot of forwarders are already thinking about the fourth quarter, which will be here in a heartbeat," he added. "So we also see more and more plans between freight forwarders and the airlines discussing more longer term deals for that period as well."


THERE WAS FORMULA 1.
UNTIL THE DAY THERE WAS AYRTON SENNA.
THERE WAS REVENUE MANAGEMENT.
UNTIL THE DAY
THERE WAS ECS GROUP.
ECS GROUP

Photo: dnata

dnata says that although volumes are booming in some locations, recovery is more measured in Singapore

Handling a changing market

Air cargo handlers have had to adjust to a changing air cargo market over the past few years and now demand is beginning to pick up, writes Mike Bryant

Much has changed in the field of air cargo handling over the past few years, not least in terms of demand for airfreight handling services.

Zurich, Switzerland-headquartered Swissport's global cargo chair, Dirk Goovaerts, explains that, as in so many industries and economic pursuits, there are cycles in air cargo.

There are certainly macroeconomic trends that are impacting the airfreight business, he says, and for Swissport it is all about understanding these trends and anticipating them wherever possible.

And, of course, different economic conditions can be found in different parts of the world. Again, forecasting those changes allows Swissport to 'hedge' against potentially important changes in the market environment.

What then becomes important is being able to use this knowledge to make changes decentrally at its global stations – something Swissport has become very adept at doing, Goovaerts says.

What's more, there is good news in the fact that the airfreight industry can respond very →


CHOOSE
THE AIRPORT
SO YOUR
PROJECTS
CAN TAKE OFF

Photo: dnata

dnata's Sam Gould

quickly to changes in the macroeconomic climate and the demand for commodity shipping.

Indeed, the air cargo business is often a good indicator of recovery in economic conditions, as shippers turn to air cargo first to meet sudden increased demand for their products.

Swissport handled 4.7m tonnes of cargo in 2023, just a little down on 2022's figure of 4.8m tonnes – a creditable result compared to average market performance, Goovaerts points out.

And the indicators as of Spring 2024 are much more positive. The omens in January and February were good and March is looking stronger than a year ago, too.

Some traffic flows are doing particularly well. There is no sign of the boom in e-commerce ending, for example, while pharma traffic is also a focus for Swissport with its many pharma centres around the world.

Another trend that Goovaerts identifies is the greater commoditisation that the industry is experiencing, with customers caring less about product differentiation and from whom they buy their goods.

As a result, certain shippers, such as the big e-commerce players like Amazon and Alibaba, are becoming ever more important to a cargo handler such as Swissport. These trading giants are filling a new niche not otherwise taken by the global integrators and the traditional commercial supply chain.

Meanwhile, speed remains vital for all Swissport customers, Goovaerts asserts, along with quality of service – meaning on-time and damage-free delivery of shipments.

While cost is no doubt important, it is perhaps less so than for other modes – air cargo is naturally more expensive than ocean-going shipping, for instance.

Varied rates of recovery

Sam Gould, head of ramp, baggage & cargo services in Singapore for dnata, the Dubai-based aviation services provider that forms part of the Emirates Group, says that while the cargo volumes dnata is handling at some of its stations are booming, the recovery from the harder times of the post-pandemic cargo world has been slightly more measured in Singapore.

In Dubai, for example, handled volumes were up about 45% at the start of this year compared to the same time in 2023, in part due to the Red Sea crisis in ocean shipping resulting in rising sea-air services from the Middle East, while volumes are also significantly up in the UK.

Growth has been a bit slower to come in Singapore, with dnata volumes there not quite yet at the level they were around three years ago. However, they are on the up and there is cause for optimism, says Gould.

Existing carriers are launching new services and asking dnata to handle their cargo, while entirely new carriers are also joining the dnata fold.

Emirates has just opened up a new route to Cambodia via Singapore Changi Airport, for example, while Turkish has begun additional flights to Australia through Singapore. Additionally, dnata is now serving South Korean cargo carrier Air Incheon and will soon serve Hong Kong-based Greater Bay Airlines.

Singapore has been a bit more bruised than other locations in the Far East, Gould suggests, and slower to open up, but it is definitely now on a growth trajectory for dnata.

Another cause for optimism is the faith being shown to dnata by the local freight forwarding community in Singapore, Gould says. He and his colleagues are getting plenty of calls about whether dnata will be able handle more cargo business in the months to come – always a good sign.

The air cargo community in Singapore is a close one, says Gould. "We are all very intertwined, with good communication between us," he notes, all being based around Singapore's Changi Cargo Complex (more than a hundred cargo agents and the three big integrators, for a start).

E-commerce drives growth

Back in Europe, Istanbul-based Havaş Ground Handling general manager Mete Erna points out that, since the turn of the year at least, the business has benefited from the rising demand we are seeing in the airfreight industry.

Moreover, the rapidly expanding global e-commerce sector ensures that the growth figures of air cargo surpass those of trade and production.

Photo: Havaş

Havaş claims Turkey's air cargo market is expanding at a similar pace to the e-commerce sector

Photo: Emre Topdemir / Havaş

"It is extremely important to be able to cope with crises and adapt quickly to changes"

Mete Erna, Havaş


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Photo: Oliver Roesler / Swissport

Swissport handled 4.7m tonnes of cargo in 2023 and is feeling positive about the outlook for 2024

"We are experiencing a period of heightened transportation needs, with the demand for air cargo increasing day by day. Turkey's air cargo market is similarly expanding at the pace of e-commerce and reaching significant figures," he says.

"I anticipate that all our businesses and airlines will be positively affected by this growth, and demand will continue to increase."

Despite the headwinds of recent years, he says: "Turkey's air cargo market has managed to remain strong in times of global crises. The biggest factor in this has been the home flag-carriers such as Turkish Airlines, as well as other air cargo carriers."

A significant portion of the nation's air cargo market is made up of freight transiting Turkish airports. In order to become a global logistics hub, having a share of transit cargo transportation worldwide is a top priority, Erna stresses.

He agrees with Goovaerts that, in the field of air cargo, "it is extremely important to be able to cope with crises and adapt quickly to changes".

We saw this in action most recently with the Covid-19 pandemic in 2020: "Restrictions in other modes of transportation during the pandemic period increased the importance of air cargo. Domestic producers quickly produced basic necessities such as health supplies and sold them abroad. The rapid shipment of this production was successfully realised with air cargo logistics."

He adds it's not all plain sailing: "High costs at airports are among the main challenges for businesses. Every additional work and development to meet these costs challenges us and our service areas.

"Support can be provided to reduce waiting times to facilitate transit freight shipments. It is imperative that the entire sector acts together to move in this direction."

Havaş is celebrating its 91st anniversary this year. One of the key operations of TAV Airports, it serves at every location where TAV Airports operates.

Havaş also provides ground handling and air cargo services at Riga airport in Latvia and Zagreb airport in Croatia, as well as in Turkey.

"We are endeavouring to follow current air cargo trends at TAV-operated airports around the world and to seize suitable opportunities," says Erna. "In April 2021, TAV Airports took over the operation of Almaty, the commercial capital of Kazakhstan and the airport with the highest traffic."

Digitalisation and collaboration

Erna believes that quite different expectations have emerged as a result of the pandemic.

"It is now necessary to maintain uninterrupted operation with the help of different solutions and to produce alternatives suitable for the effects of a crisis. For this purpose, at Havaş we always keep our crisis plans up to date," he insists.

"The most important data revealed by situations such as the pandemic is the necessity of using digitalisation at a certain level in operations.

"Decreased business volume, periodic shutdowns and remote working systems during the pandemic emphasised the importance of not only physical power but also mechanical and digital solutions. Havaş, like all other companies in the sector, strives to develop examples of good practices in times of crisis."

The handler was the first company in Turkey to use the IATA DG AutoCheck programme for dangerous goods acceptance.

Plus, in order to minimise vehicle waiting times for air cargo deliveries, it developed its Online Vehicle Appointment System with its own internal resources.

"With our new system, we are working to ensure that our customers can receive and leave their products with minimum waiting time," Erna comments.

The handler has also installed a dynamic measurement/weighing system that assesses the goods to be accepted in its export department one by one. Goods of a certain size/weight will be received and accepted with this belt system.

Digitialisation represents a key element of Swissport's corporate strategy going forward too, Goovaerts says – not only to maximise efficiency but also to help attract the best new employees to its ranks. The younger generation is familiar with the latest technology and even expects it from an employer, he suggests.

The announcement in March from IATA's World Cargo Symposium (WCS) in Hong Kong that Swissport would be a launch customer of CHAMP Cargosystems' Cargospot-neo freight-handling software demonstrates the value that Swissport places on enabling API connectivity with all stakeholders throughout the supply chain, Goovaerts notes.

Swissport's involvement in industry-wide programmes such as IATA's ONE Record data standard is also indicative of its belief that, as a leading airfreight handler, it should play an important role in moving the whole


Photo: Swissport

Swissport's global head of cargo, Dirk Goovaerts of the air cargo community supply chain toward even greater speed and accuracy, Goovaerts concludes.

Investing in efficiency

At dnata, digitalisation has been at the forefront of Gould and his team's modernisation strategies, with significant investment being made to achieve the highest degree of efficiency in performance possible.

It's all about using digital data to enable transparency and improve performance – to make "smarter decisions", he says.

Certainly, dnata's business is now more transparent to its airline and freight forwarder partners and customers than ever before. Cargo agents can gain access to the portal that lies above dnata's Hermes cargo management system to view all the key milestones in their shipments' journeys.

Airlines have virtually the same access rights as dnata employees to all the key data, which they can view but not edit. More than 100 freight forwarders regularly access that shipment data, plus about 15 cargo carriers.

Also key to dnata's digitalisation effort has been the implementation of Speedcargo's artificial intelligence-based Cargo Eye and Assemble solutions at dnata's facilities.

Speedcargo improves efficiency by optimising the cargo capacity available in an aircraft. The system tells dnata how to handle a shipment, rather than just being some sort of record, Gould says, while enabling all freight space to be optimally filled.

It also enables dnata to see how efficiently it handles cargo and, by extension, allows cargo airline customers to see how well their cargo is handled.

"The value in it sells itself," says Gould, adding that the intention is to roll it out to other dnata customer carriers and, for those who have seen a proof of concept, the value has been clear. acn

Photo: dnata

Speedcargo tells dnata how to handle a shipment, enabling all freight space to be optimally filled

Photo: David S Swierczek / Shutterstock

Chicago Rockford is looking to attract more all-cargo flights

Chicago Rockford looks to the future

New manufacturing sites springing up in the vicinity of Chicago Rockford, together with interest from Asia-based e-commerce players, are helping the airport enhance its cargo offering, writes Mike Bryant

Chicago Rockford International Airport (RFD) is a 24-hours-a-day, full-service airport that specialises in cargo.

Long having been among the top 20 US airfreight gateways by landed volumes – the Federal Aviation Administration (FAA) ranked RFD as the 13th-largest cargo airport in the US in its 2022 data, for example – its boom dates back to the mid-1990s when it attracted express services giant UPS to its expanding facilities.

Since then, it has added the likes of Amazon and Maersk Air Cargo as established scheduled freighter operators, while these primary customers are supplemented by numerous occasional all-cargo visitors such as Atlas Air and passenger carrier Allegiant Air.

More legacy freighter operators are expected soon. RFD's director of cargo Ken Ryan says that the gateway is, for example, today in negotiations with an established legacy freighter operator and hopes to attract four all-cargo flights a week from it in the not-too-distant future.

But the Greater Rockford Airport Authority – one of the oldest airport authorities in the US – is not content with catering to legacy freighter operators and well-established cargo customers such as UPS, Amazon and Maersk: it is keen to develop into what Ryan says will be an e-commerce centre of excellence.

Moving forward, e-commerce will continue to be one of the biggest drivers of growth in airfreight volumes. Ryan points out that he and his colleagues are keen to tap into the huge potential of the sector – much of it based on goods flowing from China.

Maersk flies eight services into RFD each week, six on Amerijet-operated aircraft, but with Maersk livery, from Huangzhou in China, as well as two on Magma Aviation from Europe.

Huangzhou is already something of an e-commerce hub, so the gateway has experience of handling Chinese e-commerce.

Moreover, one of the issues that Rockford has had in developing new contacts with potential Chinese operators is that, while they certainly want to serve Chicago and the mid-West US market, they have typically thought only in terms of Chicago O'Hare as the gateway to the city and region.

"But our efforts have finally begun to break

Photo: Chicago RFD

Maersk Air Cargo freighters at Chicago Rockford

down that resistance," says Ryan. He points, by way of example, to the recent visit to RFD of a senior team of executives from a Chinese e-commerce group that is now looking likely to move cargo through Rockford, perhaps by early 2025.

Visibility

Supporting RFD's growth in e-commerce business will be IT infrastructure that massively improves visibility in the air cargo supply chain through the airport.

The airport authority is working with Mumbai, India-headquartered Kale Logistics on the deployment of software that will offer RFD stakeholders detailed, 'piece-level' visibility of airfreight shipments.

This will be an incredibly important supporting tool for RFD's e-commerce partners, Ryan believes, offering transparency right up to final-mile delivery status for users.

Physically, as well as digitally, there is much to commend RFD to e-commerce as well as the more conventional airfreight operators.

As well as being open 24 hours a day, it has plenty of space with no congestion. Its facilities include a number of airside warehouses – among them 90,000 sq ft, 100,000 sq ft and 50,000 sq ft facilities – but with plenty of green space on which to build more as required.

The lack of congestion airside means that aircraft can park right up to the handling facilities and it is a matter of just five minutes from aircraft wheels-down to engines-off, explains RFD's executive director Zack Oakley. The big advantage at Rockford is speed, he observes.

There are also the environmental advantages of operating through Rockford compared with a busier passenger hub, Oakley points out.

The quicker aircraft engines are switched off, and the quicker an airport's landing and take-off cycles, the less aviation fuel is burnt, saving on emissions as well as cost.

Logistics support

Away from the immediate environment of the airport, there is much changing in the local area that offers enormous cause for optimism that demand for cargo capacity through RFD might grow significantly in the near future.

In particular, the productive capacity and logistics handling footprints in the region are growing quickly, Oakley explains.

First, in nearby Belvidere (about a 20 minute drive away), there is more than $3bn-worth of investment being made by automotive manufacturing giant Stellantis in a huge assembly plant at the site.

Photo: Chicago RFD

Pointing to the likely importance of this future 'mega-hub' facility, Oakley notes that US President Joe Biden visited Belvidere in November last year to discuss the plant re-opening.

Second, also in Belvidere, the US retail giant Walmart is in the process of building a huge perishables distribution centre that will "be a major player in the midwest perishables market", he says.

These new sites are going to be a game-changer for RFD. Also of potential great importance is a new logistics park that is being built just a couple of minutes drive from the airport.

Two big new warehouses are to be built there, but there might be as much as 1m sq ft of warehouse facility available at the park in time, Ryan suggests.

He says that the amount of building going on along I90 and I39, the two interstate highways that serve Rockford (and, incidentally, O'Hare) is huge, and much of it is new warehousing construction.

RFD is to work closely with its partner Menzies, which acts as the primary cargo handler at the airport, to develop close relations with potential new logistics players at the park.

It's vital, Oakley notes, to not only attract new cargo carriers to RFD, but also to develop close relations with the logistics players – forwarders, and the like – that support the freight-carrying airlines.

Former cargo handler Emery Air has returned to acting in the Fixed Based Operator capacity in which it previously specialised.

Oakley points out that RFD has a track record of attracting players – such as Maersk and Amazon – that also act as their own cargo agents.

All these developments, taken together with the fact that there is a 17m-strong consumer market within just three hours of Chicago Rockford, means that the future for this air cargo gateway looks more promising than ever. acn

"The quicker aircraft engines are switched off, and the quicker an airport's landing and take-off cycles, the less aviation fuel is burnt, saving on emissions as well as cost"

Zack Oakley, executive director, RFD

From feast to famine


Photo: EFW

Conversion specialists are hamstrung by passenger market dynamics, writes Ian Putzger

The freighter conversion scene presents a tale of two markets – activity in the narrowbody segment has slowed to a crawl, while demand for large freighters is going strong as converted Boeing 777Fs are moving toward certification.

The narrowbody conversion market has hit the buffers. Not long ago Boeing 737-800 conversions were going at top speed, with order books stretching way into the future, but this was derailed by a perfect storm blowing from virtually all angles – demand, feedstock availability and cost, supply chain issues and engine troubles, and even shortages of engineers and mechanics.

"We put a lot of freighters into the network. Now there are almost 100 narrowbodies parked," says Bob Convey, senior vice president sales and marketing of narrowbody conversion specialist Aeronautical Engineers Inc (AEI).

At the same time, feedstock is extremely tight as buoyant travel has airlines scrambling for more planes, a situation that is exacerbated by the problems with Pratt & Whitney engines. In some cases engines have been pulled off parked 737-800Fs, suggesting that they are valued higher than a full freighter, Convey reports.

Lease rates for passenger planes have also gone through the roof, which has choked the supply of feedstock for conversions. Passenger carriers have been extending plane leases for ageing aircraft to meet demand.

The situation has been exacerbated by the problems at Boeing and Airbus in trying to ramp up aircraft production, partly due to lasting supply chain problems, partly (in Boeing's case) due to constraints imposed by the Federal Aviation Authority (FAA) in the wake of safety issues.

The authority clipped Boeing's plans to raise 737 output. The manufacturer has also struggled with problems with the Boeing 787 and had not delivered a passenger 777 aircraft in nearly two years.

Available capacity

The question is how long travel demand will gobble up available capacity and at what point leasing firms and carriers decide that extending planes' spell in passenger service has become too costly.

"Lease extensions are the problem, but those planes are getting long in the tooth. They will need cabin refurbishment and that includes the entertainment system. Nobody wants to invest $10-12m in refurbishment. It's going to be interiors and entertainment systems that will push them out," remarks Brian McCarthy, vice president marketing and sales at Mammoth Freighters.


Photo: EFW

"The 767 and 757 are coming to the end of their life. Replacement is going to be the biggest driver for the next 20 years"

Jordi Boto, Elbe Flugzeugwerke

As with the 737-800, the Airbus A321 conversion programme has also been hit by the slump in demand, a shortage of feedstock and the engine dilemma, slowing activity to a crawl. Leasing companies have postponed conversions while hanging on to their slots, reports Jordi Boto, chief executive of Elbe Flugzeugwerke (EFW).

"Despite this, this year we will double the deliveries of last year," he says, adding that EFW is rolling out converted planes every week. Market activity will surge once the feedstock and engine problems have been resolved, he predicts.

AEI has been focusing on 737 conversions. It also turns MD-80s and CRJs into an all-cargo configuration. The former is seeing little interest at the moment.

"We see a bit of activity out of the CRJ product," says Convey. "This year is a write-off. Any recovery will be at the earliest in mid-2025."

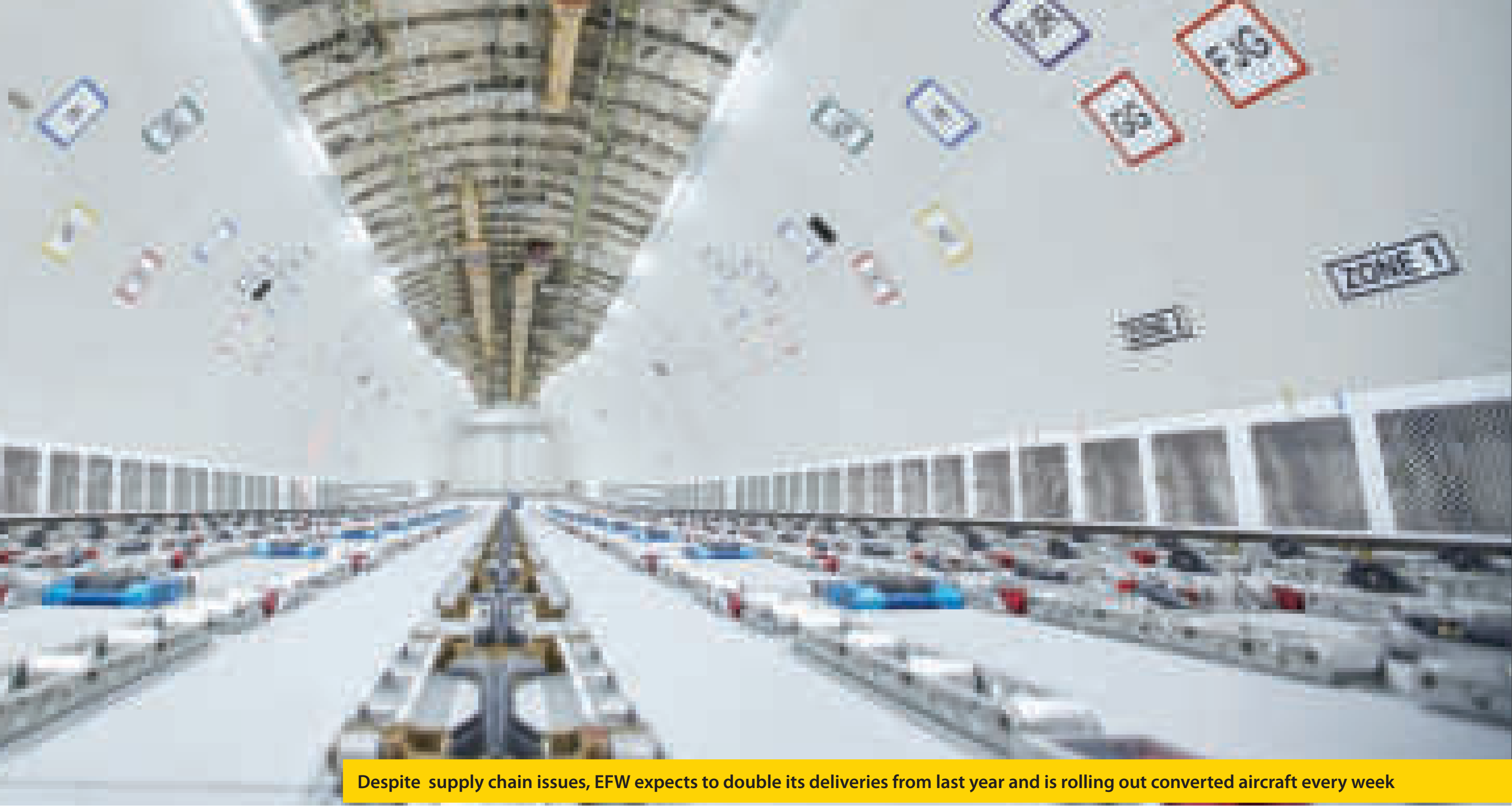
It will take until 2027, if not later, for the engine problems to be out of the way, he adds.

Boto reckons that the industry will experience constraints on feedstock supply for a few years yet, but the situation should ease sufficiently for EFW to have its conversion lines fully used by 2026/27.

For the time being, the company has shifted some free A321 capacity to its Airbus A330 conversion lines. Boto says he sees strong potential for the A330, both in terms of its payload capability and in the market dynamics in this segment.

"The 767 and 757 are coming to the end of their life," he remarks. "Replacement is going to be the biggest driver for the next 20 years."

Israel Aerospace Industries (IAI) will induct its first A330 in the second half of this year, according to Yaacov Berkovitz, vice president and general manager of conversions and upgrades, IAI Aviation Group.



Despite supply chain issues, EFW expects to double its deliveries from last year and is rolling out converted aircraft every week

Like Boto, he is bullish on the aircraft. With its larger volume, the A330-300 is more agile for the e-commerce segment, he adds.

IAI's launch customer for the A330 programme is Avolon. Leasing companies were in the vanguard of freighter conversions during the pandemic, when passenger plane leases were in the doldrums but many have postponed conversions to take advantage of soaring passenger lease prices.

Operator interest

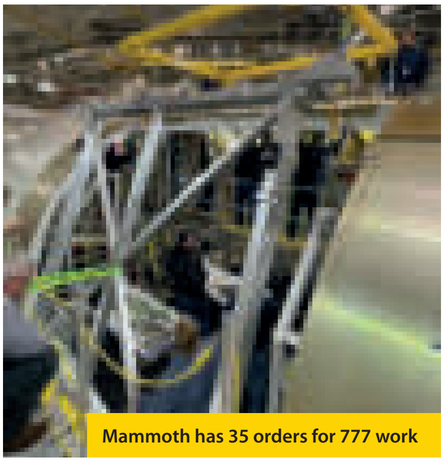
This trend is showing across aircraft types and sizes. McCarthy has seen lively interest in Mammoth's 777 conversion programme from the operator side.

"We don't see many leasing companies involved as yet. I think private equity and leasing firms got singed a bit by the flames of the narrowbody slowdown," he reflects.

He sees the replacement theme also play out in the large widebody category.

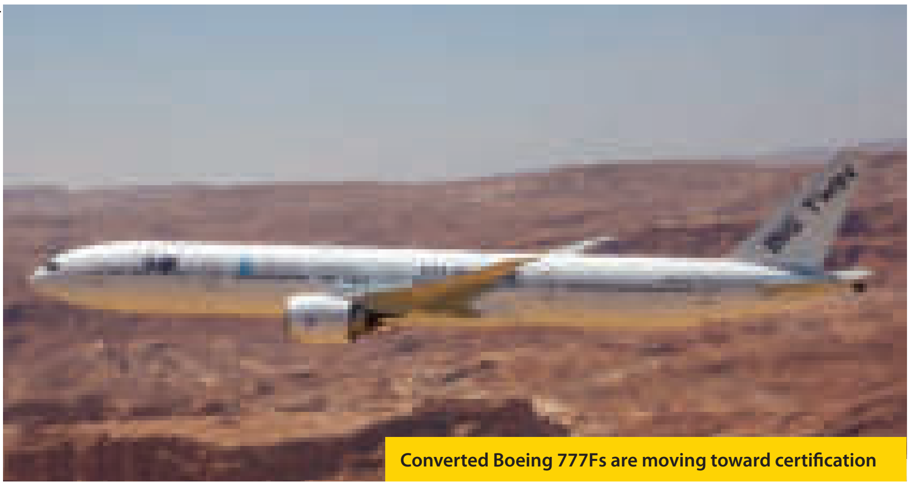
"A lot of the 747 guys are coming to terms with the realisation that the plane is not going to be that viable in years ahead. The 747 is a great plane, but it's coming to an end," he says.

Photo: Mammoth Freighters



Mammoth has 35 orders for 777 work

IAI Aviation Group



Converted Boeing 777Fs are moving toward certification

"In the future, we'll only see noseloaders of the 747. The value of noseloaders has risen," he adds.

This fuels further demand for converted 777 cargo planes. Some players, such as Cargojet, have sold conversion candidates in response to a slower market but recent demand out of Asia, augmented by limited bellyhold capacity, especially transpacific, has boosted cargo traffic and yields.

IAI, which has spearheaded 777 conversions, has almost completed the certification testing for its prototype.

Originally those were supposed to be finished early this year, but delays in the certification process have pushed this back.

"Everything is okay. We're waiting for the FAA," says Berkovitz. He expects to obtain certification by the end of the second or early in the third quarter.

IAI's second prototype flew at the Dubai Air Show earlier this year.

The company has 60 orders for 777 conversions to date. Management targets turnaround cycles of 4-5 months for the type.

Last autumn the firm signed an agreement with Marana Aerospace Solutions (aka Ascent Aviation Services) to establish a conversion site for 777ERSFs. This adds to 777 conversion sites in Abu Dhabi and Korea for IAI.

All sites are set to start work on their first plane in the second half of this year once certification is finished, says Berkovitz.

Mammoth tasks

Mammoth is getting close to completing its first 777 conversion.

"We're almost done building the plane. By August we should be finished and start flight tests," he says.

At this point, the company has 35 firm orders for 777 work.

"Once DHL stepped up for nine, that was sort of a defining moment for the programme. It becomes reality, no longer a marketing programme," McCarthy says.

Mammoth was set to start work on its fourth 777 in May.

"You can't wait for the FAA to finish the certification process and then start building," →

Photo: DHL

Mammoth describes DHL's order for nine 777 conversions as a defining moment for the programme

McCarthy says. "The elephant in the room is getting in line with FAA resources. Their resources sometimes come in ebbs and flows. Their workload can vary significantly."

The regulator has been notoriously short of staff and the ongoing problems at Boeing have aggravated this situation as the FAA has shifted more inspectors to the plane maker's production facilities in order to audit processes there.

"You're competing with programmes like when the Dreamliner gets certified," remarks McCarthy. At this point, nobody knows when the 777X will get certified.

Undelivered aircraft

At least the 777 feedstock comes with engines. By the end of March Boeing had 11 777 freighters sitting on the ground at its Everett plant, unable to deliver the eagerly awaited aircraft.

It was waiting for engines as GE was struggling to ramp up production, which has been crippled by labour and parts shortages, although deliveries are back underway.

Photo: Mammoth Freighters

The entire aviation industry has been hamstrung by supply chain problems, which continue to be a headache.

"Supply is still soft. We have established several sites for kits production around the world," says Berkovitz. "Not everything is 100% with supplies, but we built a supply chain we believe is robust."

Timing is one aspect. "Everything we buy two years ahead," he says.

Visibility across the company's global sites is another critical element. IAI has developed a Global Control Command system into which all pertinent information is funnelled to update everybody on what is going on at all the company's sites. The system is running, but the international parts have yet to be connected.

This shortens response times to issues. "Sometimes it's taken days to know there's an issue somewhere," says Berkovitz.

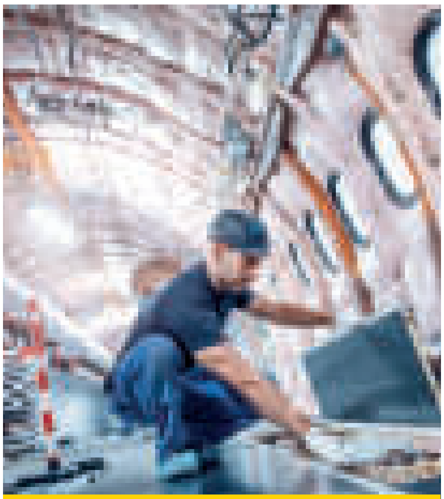
Mammoth has revamped its supply chain, bringing most of it close to home.

"Resource-wise we're in good shape because of our buying strategy. It wasn't easy, and it's not cheap, but it's worked," says McCarthy.

"Resource-wise we're in good shape because of our buying strategy. It wasn't easy, and it's not cheap, but it's worked… there won't be any airplane delivered late because of parts"

Brian McCarthy, Mammoth Freighters

Photo: EFW



EFW expects to have its lines fully used by 2026/27

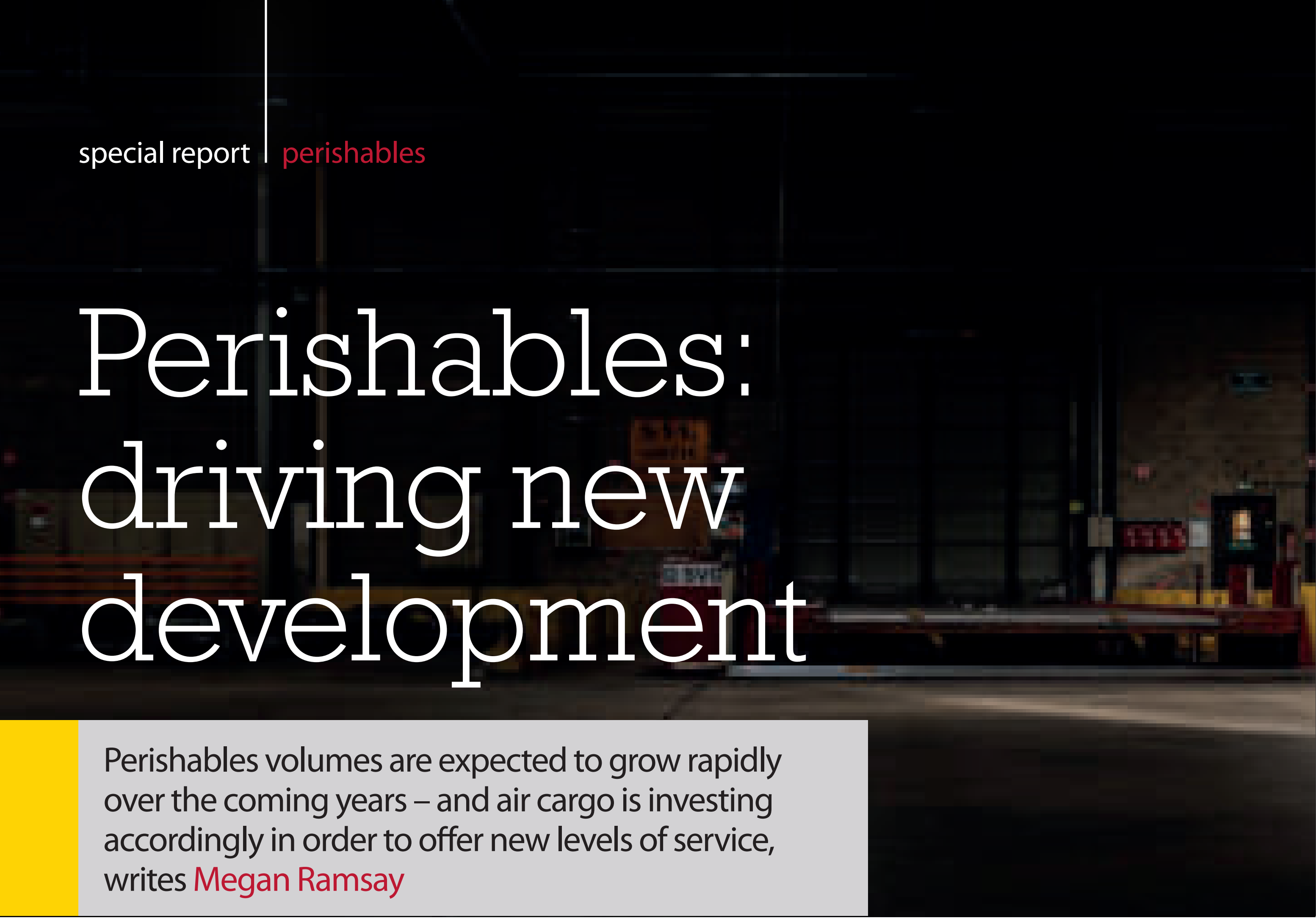
"We're competing with the OEMs, which has made it a little more challenging, but there won't be any airplane delivered late because of parts," he adds.

While the situation in the narrowbody segment remains challenging, Boto, Berkovitz and McCarthy find that their A330 and 777 programmes are not facing any serious obstacles, given structural demand factors and the longer conversion windows involved.

Boto expects A321 conversions to ramp up quickly once feedstock becomes available again, and he anticipates healthy demand for converted Airbus A320s.

This does not mean that narrowbody programmes are in cruise control until the latter half of 2026.

"One lesson we learned from 2021 is that demand can be explosive," he says.



Perishables: driving new development

Perishables volumes are expected to grow rapidly over the coming years – and air cargo is investing accordingly in order to offer new levels of service, writes Megan Ramsay

Expected to see a compound annual growth rate of 8.5% over the next eight years, the perishable airfreight market remains robust and is recovering well after a temporary slowdown during the Covid-19 pandemic.

Indeed, temperature-controlled cargo is a major driver of the ongoing recovery of air cargo generally. Not only do around 16% of global volumes require temperature-controlled handling, but with year-on-year growth of 6% it is also the second-most dynamic cargo category after e-commerce.

Africa's air cargo growth in particular is being driven by the export of perishable goods – flowers from Kenya, fruit from South Africa and Cairo – and that growth offers substantial opportunities for economic development across the continent, says Dirk Goovaerts, global cargo chair at Swissport.

The handler's flagship projects include its Flower Corridor in Kenya – a farm-to-aircraft cool chain solution developed in conjunction with the local flower industry.

The service has increased exporters' confidence in terms of capacity to handle their produce and has enabled significant growth in the sector, Goovaerts notes.

"Flowers, especially roses, are one of Kenya's top export commodities," he outlines. "The sector accounts for more than 70% of total horticulture export value, bringing in almost €1bn per year to Kenya's national economy."

Kenya is a leader in the African air cargo perishable market, although Ethiopia, South Africa and Cairo are also important.

Freight forwarder Kuehne+Nagel (K+N) recently expanded its footprint in South Africa through the acquisition of perishables specialist Morgan Cargo.

Consumer demand for fresh produce all year round is a key driver of the global perishables market, but many items are seasonal.

For example, cut flowers tend to be in huge demand around Valentine's Day.

The LATAM Group transported nearly 25,000 tons of flowers in just 21 days from Colombia and Ecuador this year – a 36% increase compared to the same season in 2023 – with the addition of two freighters providing the necessary extra capacity.

And for Mother's Day, the carrier moved more than 24,000 tons of flowers – a 93% increase compared to the volume moved during a typical three-week period – from Colombia and Ecuador to South America, Europe, Australia and the US.

LATAM also transported approximately 7,546 tons of cherries during the fruit's 2023-24 season, up 32% on the previous season and again with the assistance of an additional freighter aircraft.

According to LATAM Cargo: "The majority of cherries transported, around 90%, are destined for Asia for Chinese New Year celebrations, while a smaller proportion is directed to other markets such as the US and Brazil."

Traditional products – fruit, vegetables and flowers – remain the foundation of global perishable airfreight volumes, says Dennis Verkooy, senior vice president global perishables air logistics at K+N.

However, he adds: "We see that proteins are now becoming a key element of a commodity shift."

Seafood in particular is on the rise according to Predrag Mladenovic, global head of perishables logistics at Air France KLM Martinair Cargo. He says: "The demand for luxury perishables such as cut flowers or rare types of fish can be influenced by a variety of factors, including the general economic situation around the world.

"During economic downturns, consumers may be more cautious with their spending and may be less likely to purchase luxury perishables."

Network changes

There are also changes afoot in terms of where perishables are flying to and from.

Since Brexit, there has been an increase in sensitive and complex products migrating from road to airfreight on routes between the UK and the EU.

Increasing demand for fresh produce to Middle East and Asia, particularly to China and other emerging markets in Asia Pacific, is another example.


Photo: Air France KLM Martinair Cargo

Changes in consumer preferences shape the way perishables are transported and distributed

A third is the growing interest in organic produce and speciality items like exotic fruits, which has led to new routes being established to cater to this demand.

"The main drivers of these trends are changes in consumer preferences, globalisation of trade and environmental concerns, which are shaping the way perishables are transported and distributed around the world," Mladenovic says, noting that advances in cold chain logistics have also played a part in the development of the sector.

But the cold chain is by no means perfect. Food wastage is still a significant issue, with about 28% occurring between harvest and consumer.

The main causes are overproduction, sell-by dates, consumer behaviour, supply chain inefficiencies, and poor storage and handling. Addressing these root causes can help to reduce waste and create a more sustainable food system.

Besides training and upskilling staff members "we also emphasise the significance of their work in the supply chain", notes Siddhant Iyer, head of cargo markets and customer solutions at Cathay Pacific.

"In the airfreight industry, the IATA CEIV Fresh certification guidelines provide all stakeholders with a common language on the standardised handling and quality levels expected to protect the integrity of perishables throughout the journey," Iyer continues.

He adds: "Across the industry, we also see increasing efforts on improving the packaging of perishable shipments for better protection against damage and temperature deviation, as well as in-journey tracking which assists product owners and distributors on risk mitigation and contingency planning."


Photo: Cathay Pacific

"We see increasing efforts on improving the packaging of perishable shipments for better protection against damage and temperature deviation, as well as in-journey tracking"

Siddhant Iyer, Cathay Pacific

Infrastructure investments

The use of advanced temperature monitoring and tracking systems such as K+N's myKN can help to ensure that perishable goods are transported at the correct temperature and humidity levels, reducing spoilage and waste.

Swissport Kenya, meanwhile, has upgraded its perishables centre, where it has a vacuum cooler installed.

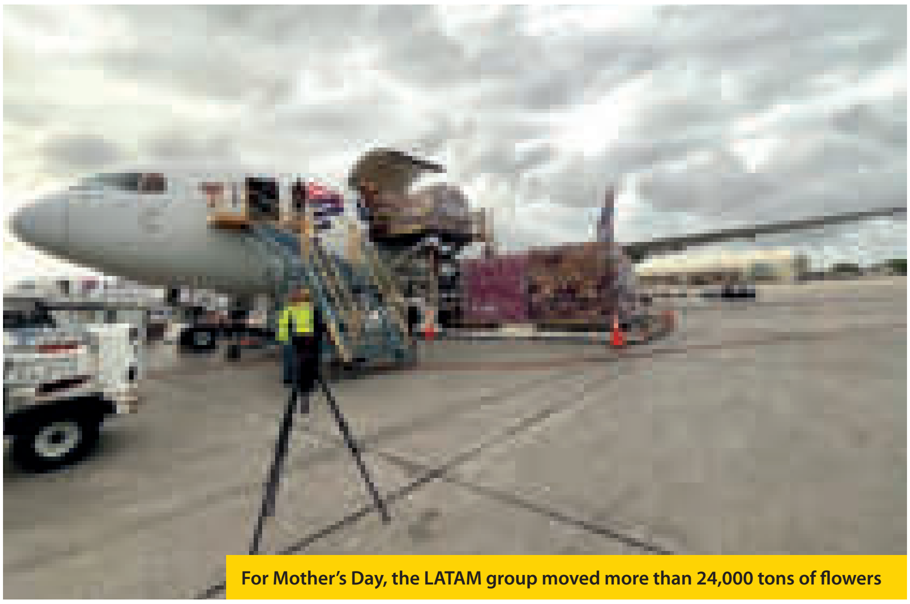
Goovaerts says: "The focus in Kenya and the African continent at large is to improve on quality standards so that the products that are exported from Africa can comfortably compete with those coming from South America and other parts of the world.

"Moreover, we are upgrading our facilities in Amsterdam – creating a full end-to-end Flower Corridor – as well as Dar es Salaam, where Swissport has a globally leading facility for the export of fresh meat produce."

Cathay Pacific's Express Perishables Handling Centre in Hong Kong ensures fast acceptance and immediate delivery of perishable cargo in Hong Kong and its close proximity to the customs, food and environmental hygiene offices ensures rapid transfer and minimal clearance time.

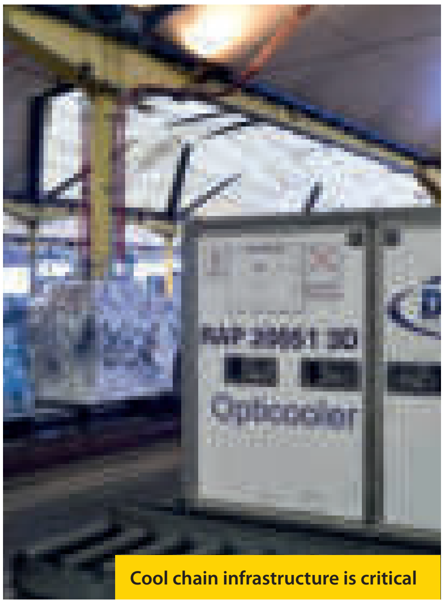
Besides cold storage rooms, the carrier also has movable containers (MobiFresh) inside ➜

Photo: LATAM



For Mother's Day, the LATAM group moved more than 24,000 tons of flowers

Photo: Patrick Delapierre / Air France KLM Martinair Cargo



Cool chain infrastructure is critical

the terminal and cool dollies on the ramp, providing an extended temperature-controlled environment for perishables and reducing the risks of temperature excursion during transit, Iyer says.

K+N also recently invested in a cutting-edge facility at Schiphol in Amsterdam, and IAG Cargo has done similar in Madrid, expanding and enhancing its specialised perishables centre with increased capacity and new cutting-edge cooling chambers.

It is vital that shippers, too, play their part in maintaining product integrity from field to fork.

Fresh statistics

THE WORLDACD REPORT for 2023 shows that a total of 3.5m tons of perishable freight were transported by air last year.

A third of that volume originated in South/Central America, a sixth came from Africa and a sixth from Europe.

In terms of destinations, North America accounted for almost a third of the total, with Europe and Asia Pacific taking a quarter each and the Middle East a sixth.

The most important perishables air corridor is between South/Central America and North America (21% of transported tonnages), followed by Africa to Europe (11%), intra-Asia Pacific (10%) and South/Central America to Europe (8%).

Fruits and vegetables represent slightly over a third of perishable volumes, flowers and fish/seafood account for slightly under a third each and the remaining portion comprises meat.

As Verkooy puts it: "To create a solid supply chain, the moving pieces need to be harmonised. If the product is badly handled at post-harvest, then these issues will be magnified further down the chain."

K+N works closely with shippers to identify any hotspots and resolve issues where possible.

Skilling up

Another way that handlers and carriers can work more closely with farmers on the first mile is by providing training and education on proper handling and storage practices, as Air France KLM Martinair does.

In countries where cool chain infrastructure is lacking, this can be particularly important.

At a macro level, nearshoring can help to reduce food waste by shortening supply chains and reducing the time and distance that perishable goods need to travel, thus mitigating the risk of spoilage and damage during transit (and limiting unnecessary food-miles).

However, Verkooy says: "As one product becomes closer to the end consumer, a new product or production area will evolve due to consumer demand," so it is unlikely that nearshoring will solve the problem.

Plus, there are still other markets that require long-distance transport of perishable commodities. For example, the growing demand for fresh produce in Asia has led to an increase in airfreight transport of perishable goods from South America and Africa to Asia.

"There are certain perishable goods, such as seafood and exotic fruits, that are not available locally in some markets and need to be imported from other regions. In these cases, long-distance transport may be necessary to meet consumer demand," Mladenovic says.

It is also worth noting that many of the busiest trade lanes represent finely configured networks of various agents working hand in hand – and it is "very difficult for alternative routes and supply chains to beat the efficiency of that much-accumulated experience and know-how", Goovaerts points out.

Of course, the flow of perishable goods is influenced by geopolitical developments, too.

"Events like the Red Sea crisis or Panama Canal restrictions that disrupt shipping lines can have a significant impact on the airfreight industry.

"When shipping lines are disrupted, shippers may turn to airfreight as an alternative mode of transport and that generally provokes constrained airfreight capacity and a surge in airfreight rates," Mladenovic says.

Since many other commodities transported by airfreight have a higher value than perishable freight and consequently can bear higher transportation costs, commodities like fruits and vegetables may not necessarily be first in line for capacity.

For instance Kenya, and in particular Nairobi, which exports significant volumes of perishables via air, has experienced an increase in demand for capacity from exporters trading in non-perishables.

Commodities such as textiles and tea, which would in normal circumstances be shipped via sea, are now being exported via airfreight.

At the same time, seafreight players in Kenya are "positioning themselves in anticipation" for the predicted growth in perishables cargo demand, Goovaerts says, observing: "This move is expected to add to what Nairobi offers, not replace it."

Verkooy adds that with some traditional routes no longer being available, customers are sometimes using K+N's Sea-Air Logistics solution, which allows for more flexibility in their supply chains. acn

Being Frank over building a business


Niki Frank: looking for acquisitions that fit well

DHL Global Forwarding's Niki Frank is developing the Asia Pacific business with strategic expertise, writes Rebecca Jeffrey

DHL Global Forwarding's Niki Frank is well versed in musing strategy and decision-making.

Now, 10 months into a new role as chief executive for the Asia Pacific region, Frank is confident about DHL Global Forwarding's growth prospects, although reserved about how this might play out for the forwarding division of DHL Group.

Like its parent, the forwarder is resolutely methodical when it comes to deciding if a company is the right fit for an acquisition.

"As a group, we have a very clear set of criteria when it comes to mergers and acquisitions – one is whether the potential acquisition strategically aligns with our portfolio and how," Frank says.

"The second criterion is financial viability. What's the price of a certain acquisition? Is the price justified? Do we think we can get value out of this?"

Alongside these, he says, the third criterion is: "How easy would an integration of an acquisition work?"

This third condition should not be underestimated, Frank stresses.

One example he provides of an acquisition that was naturally a good fit was the 2022 takeover of wine and beer logistics specialist JF Hillebrand Group, which was combined with DHL Global Forwarding's own specialist in this area, Gori, to serve the ocean freight market. The business is now called Hillebrand Gori.

"Strategically it made sense," Frank says. "We already had the Gori business focusing on wines and spirits. Combining the businesses gave us a much stronger business footprint. Hillebrand also had additional capabilities and businesses that we were not very strong in."

Likewise, DHL Global Forwarding's latest acquisition, UAE-based forwarder Danzas AEI Emirates, was a natural move to expand its air, ocean, road and customs brokerage services.

Before the January completion of the deal, Danzas had been 40% owned by DHL as part of a joint venture with Investment Trading Group, which is in turn owned by the Al Tayer Group.

E-commerce interest

Alongside being clear about its acquisition strategy, DHL doesn't shy away from being up front when takeover opportunities don't fit this strategy. In March this year, DHL Group's chief executive, Tobias Meyer, declared DB Schenker had been determined "not a good fit" for the business, after the freight forwarder was put up for sale by Deutsche Bahn in December 2023.

He did, however, confirm the group was interested in the e-commerce space, which it has already made a foray into. These efforts include DHL Supply Chain's acquisition of Netherlands-based Monta in September 2022 and the group acquisition in July last year of Turkish firm MNG Kargo.

While DHL Global Forwarding itself is not currently involved in any acquisition processes, Frank does acknowledge there are opportunities in the forwarding market because of its "extremely fragmented" state.

Many small forwarders are very specialised, focusing on just one industry, trade lane or customer, Frank notes, adding that this means there is plenty of mergers and acquisitions (M&A)-led consolidation in the market.

But he notes that the bigger forwarders "still only have a relatively small market share".

He adds: "I think that inevitably there will be more consolidation because small players will find it difficult to cope with the investments that are required into technology, people and IT infrastructure – what you really need to serve customers globally."

Reflecting on past predictions that digital freight forwarders would disrupt the traditional forwarding market, he stresses that the prospect of increased competition from technology companies moving into the logistics space served to drive DHL Global Forwarding faster towards technology investments.

"We consider competition healthy because this has led to an acceleration of our technology journey. Seeing the need for technology and the possibilities in our markets, I think we doubled down on this."

Whether DHL is buying a company or a technology, Frank's past career as a consultant has provided him with solid knowledge

Photography: DHL Group

of what makes a good investment – and, importantly, whether it's the right investment.

After graduating in 2005 with a master's degree in economics from Maastricht University – in the top 1% of students on the course, no less – he had a brief stint in academic research before joining The Boston Consulting Group.

Here, he began as a consultant, based in Vienna, supporting strategy projects for clients in automotive, industrial goods and financial services. He then moved to Chile to work as a project leader on development and growth strategy projects and also carried out the same role in Vienna as part of the Automotive Practice Area and E-Mobility team.

Following this, he was appointed to a principal position in the same team, leading a larger number of employees in a business development capacity.

Frank's move to DHL and logistics was more by chance than from actively seeking out an opportunity in a new field, but consulting did provide a segue into his work with DHL Global Forwarding, he remarks.

"Consulting was all about tackling challenges, problem solving, finding solutions and optimising things for customers, which is what we do on a day-to-day basis in logistics."

He joined DHL Group in 2012 as vice president of corporate strategy and was responsible for developing and managing the roll-out of a new corporate strategy, assessing the corporate portfolio and monitoring long-term market expectations.

Following this first role, he was appointed as senior vice president global business strategy for DHL Global Forwarding, Freight, where, as well as managing divisional strategy, he supervised M&A, green solutions and customer and market intelligence.

Having worked on strategy for much of his career, he wanted the chance to become more involved in operations.

In June 2019, he was appointed chief executive of India for DHL Global Forwarding, looking after profitability, revenue, productivity and market share in line with divisional strategy.

He was subsequently promoted in January 2021 to DHL Global Forwarding chief executive of South Asia, with responsibility for India, Pakistan, Bangladesh and Sri Lanka.

Then, in July 2023, he took on his current role. As chief executive of Asia Pacific, based in Singapore, he manages the largest region of DHL Global Forwarding, with more than 20 countries. Further, he has now clocked up a total of 10 years with the forwarder.

"I thoroughly enjoy the role," he says. "As a regional chief executive what I particularly like is the dynamic and diversity in the region. Every country has its own characteristics and its own opportunities and challenges."

He adds that his overall career within DHL has crucially equipped him with a broad understanding of the needs and concerns of different business areas to help guide decision-making in his current role.

"Having experience of all the different perspectives helps to facilitate a lot of the discussion."

Responding to the market

It is an exciting time to head up development of the Asia Pacific region, as the group strengthens itself following a tough year for the air cargo market.

DHL Group released its first-quarter results in May, reporting a 5.1% year-on-year rise in airfreight volumes to 435,000 tons, as a result of growth on trade routes between Asia and Europe.

Photo: Jay Brittain / DHL Group

More trade between Asia and Europe led to DHL's 5.1% year-on-year rise in airfreight volumes in Q1

The Global Forwarding, Freight division has helped companies set up Asian operations outside China

Frank points out: "For airfreight, even if you exclude e-commerce, the first quarter was the first time that we have had a year-on-year growth in volumes since May 2022."

First-quarter airfreight revenue in the Global Forwarding, Freight division dropped by 16.2% to €1.4bn and gross profit also fell, by 25.1%, as lower freight rates put pressure on performance.

Despite lower revenue, Frank has hope for this year. "Overall, I am cautiously optimistic. I don't think 2024 will be a record year for anyone, but I think for most companies 2024 will be better than 2023."

DHL Global Forwarding sees "higher growth opportunities" across the verticals of consumer goods, fashion, e-commerce, semiconductor and capital equipment movements, life sciences and pharmaceuticals and perishables.

For Asia, there is plenty of economic development to support expansion of operations, Frank believes.

"The priority that we see for our business in Asia is clearly growth. The economic conditions are more favourable and more positive than in Europe and, to a certain degree, North America."

And comparing his experience of working in Asia to that of working in Europe, Frank adds: "There is a lot more development going on and it is more progressive than in some parts of Europe."

In Asia, growth opportunities include increased requests for DHL Global Forwarding to support business expansion and the setting up of new supply chains by companies adopting China Plus One strategies to add an alternative manufacturing hub to China to reduce their supply chain risks.

"The multinational customers are trying to reduce their exposure to China and setting up factories in India, Vietnam, Thailand – as well as Mexico and Turkey, outside the region," Frank says.

Adding to this is Chinese companies diversifying their operations geographically.

Frank explains: "We also have a lot of Chinese companies that are expanding into Asian markets but opening up an avenue to still serve Europe and the US from these markets, rather than from China.

"A lot of customers are looking for support, from the initial move of their factories with all of the machinery and equipment to ultimately setting up their supply chain in those markets."

Responding to the market

In-house, the forwarding division is busy trying to adapt its business to the needs of customers.

"Within certain countries, we are expanding our capabilities and our footprint to be closer to the customer."

For example, in India, this involves expanding into tier three cities and new industrial areas, to build on existing tier one and tier two city investments in the country.

"We are evaluating whether it makes sense for us to set up offices there to be closer to the customer," Frank says.

Demand is growing for sustainable aviation fuel

He adds: "In other countries, this is about more investing in facilities that, for example, can handle perishables or pharmaceuticals."

But DHL Global Forwarding has a tried-and-tested development model that it plans to stick to throughout the region.

The division has and will maintain an "asset light" operating model, working with different supply chain partners in complex setups, Frank says.

"We have the experience over several decades of how to manage that. We have the local operations in more than 100 countries in the world with our own staff on the ground."

Elaborating on different approaches in the forwarding market, he says: "I am curiously observing how some players try to replicate that in an asset-heavy model. I think we will have to wait and see whether that pans out successfully or not.

"I still can't really see how you can manage the internal conflict between filling your assets and offering your customer the best solution they necessarily want or need."

Future growth

As well as acquisitions, Frank believes partnerships are an important part of DHL Global Forwarding's future in Asia.

"We are very open to partnerships, especially around new areas such as sustainability and sustainable aviation fuel (SAF)."

And on the subject of SAF, he believes companies in Asia are more receptive to decarbonising operations, with awareness beginning to increase, although he points out that demand still falls far behind Europe and North America.

Asia-based divisions and subsidiaries of multinationals were under more pressure to contribute to 2050 net-zero emissions targets, and now regional companies are seeking solutions, he says.

DHL Global Forwarding's GoGreen Plus service has this year seen the Prada Group invest in SAF. Schneider Electric has also recently begun working with DHL Global Forwarding on a multimodal shipping bridges initiative between Asia and North America that incorporates the use of SAF.

As for personal career growth, planning too far ahead can divert the focus away from the present, Frank believes.

He points out that he has been in his current job for less than a year, but is positive about his future at DHL.

"So far, there have always been a lot of opportunities in the group. So, I am not too worried about the future.

"I am 10 months in the job. I think I can still do a lot here and also learn a lot here. So, right now, my focus is really on the business in Asia."

Photo: Air Canada

Air Canada has reined in plans for an expansion of its freighter fleet after posting disappointing results

Air cargo is not all plain sailing

While cargo demand out of Asia has soared this year, market conditions remain challenging for many, particularly those in North America, writes Damian Brett

This year's air cargo market is one of contrasts. On the one hand data providers are pumping out air cargo statistics showing double-digit demand increases and rates above last year's levels, while on the other hand airlines are quickly backing away from the cargo market.

Digging a little deeper shows that the improving demand performance is confined to a few markets – largely Asian e-commerce and Red Sea sea-air related – and there are areas of the industry that continue to struggle.

Those operators based in North America and not flying to Asia seem particularly susceptible to weaker market conditions.

Most recently, Air Canada dropped plans to convert a further two Boeing 767 aircraft into freighters. The Montreal-headquartered airline had been planning to operate a fleet of 10 767 freighters but this has now been reduced to eight.

"Air Canada has amended its freighter capacity plans and removed two Boeing 767 freighters from 2024 and 2025 to adjust the freighter fleet to market conditions," the airline said in its first-quarter report.

Air Canada took delivery of its eighth 767 freighter in the first quarter of this year. Six of the aircraft are converted and two are newbuilds.

The change of plans regarding further conversions comes as cargo revenues at the airline have been coming under pressure over the past year. In the first quarter, the carrier announced a 9% year-on-year decline in cargo revenues to C$215m.

Increases in its domestic, US transborder and Pacific cargo revenues were not enough to offset a 28.7% decline in its Atlantic cargo revenues to $84m.

It is not the first time the Canadian airline has backed out of plans to expand its freighter fleet. In September last year, it cancelled an order for two newbuild Boeing 777 freighters.

Not converting

And Air Canada is not the only Canadian carrier to have reduced plans to expand its freighter fleet as the cargo market cools.

Earlier this year, Cargojet ditched plans to convert four 777s into freighters in a bid to safeguard its business against continuing soft air cargo demand.

The decision, announced in a January 15 fleet update, was a major step away from its original plans to convert eight 777s (four -200s and four -300s). Plans for the other four were dropped in 2023.

The reason behind the decisions can be seen in TAC Index rate figures. From North America to Europe, rates have been bouncing around the $1 per kg mark for much of the year. Last year they were closer to $1.40.

In the opposite direction, pricing performance has been a little better, ranging from about $2 per kg to $1.50 per kg, but this is still down on last year, when prices ranged from $3.35 per kg to about $2.10 per kg.

Elsewhere, Miami-headquartered Amerijet has also been forced to rein in its freighter fleet because of weaker market conditions and the loss of contracts.

This year has seen the freighter carrier, which largely operates flights between the US, the Caribbean and Latin America, offload Boeing 757 aircraft and restructure the business as it looks to respond to changing market conditions and lost postal contracts.

The restructuring includes the return of six 757 freighters to lessors, modifications to its obligations on the Boeing 767 fleet and a $55m capital infusion from its existing lenders.

Amerijet said that it would also now operate an all-767 fleet and, in line with this, reduce non-pilot headcount so that numbers are "aligned with the right-sized fleet and current business demand".

TAC Index figures show that rates from Miami to South America have declined from about $2.30 per kg in May last year to about $1.50 per kg in mid-May this year.

Ascent Global Logistics-owned USA Jet has also put its fleet expansion and modernisation plans on hold in a market where "a lot of planes are chasing a little less freight" and the likes of Amerijet, FedEx and UPS are taking freighters out of service.

"I am glad we have kept the fleet the same size," says Ascent chief executive Paul Martins. "There is no real expansion of the fleet at this point."

Also, US regional air carrier Mesa Airlines has stopped providing cargo services for DHL because of a "reduction in cargo demand".

Mesa Air Group said in its first-quarter 2024 results release that Mesa Airlines had agreed to reduce its freighter service with DHL from February.

"As a result of the reduction in cargo demand, Mesa and DHL mutually agreed to wind down cargo operation as of February 2024." acn

Momentum continues in April with fifth month of growth

AIR CARGO demand remained robust in April to mark the fifth consecutive month of double-digit year-on-year growth.

IATA released data for April showing total demand, measured in cargo tonne kms (CTKs), rose by 11.1% compared to April 2023.

The trade association said robust international air cargo traffic was "likely supported by booming e-commerce and capacity constraints in global maritime shipping".

"Air cargo demand started the second quarter with a solid 11.1% increase. While many economic uncertainties remain, it appears that the roots of air cargo's strong performance are deepening," said Willie Walsh, IATA's director general.

"In recent months, air cargo demand grew even when the Purchasing Managers Index (PMI) was indicating the potential for contraction. With the PMI now indicating growth, the prospects for continued strong demand are even more robust."

Meanwhile, capacity, measured in available cargo tonne kms (ACTKs), increased by 7.1% compared to April 2023, a slight slowdown on last month.

"The persistent capacity growth driven by returning passenger aircraft experienced a reduction in pace," said IATA.

The global economy has been performing well, IATA noted. In April, the PMIs for global manufacturing output and new export orders turned positive at 51.5 and 50.5 respectively. This is the first time in two years that the new export orders PMI has been in growth territory, said the trade body.

Inflation remained relatively stable across the US, European Union and Japan in April, with rates at 3.4%, 2.6% and 2.5% respectively. China reported a 0.2% increase in consumer prices year on year – a positive signal amid concerns over China's economic slowdown, said IATA.

Regionally, Asia Pacific airlines saw 14% year-on-year demand growth in April, with the Asia-Europe route growing by 17.7%.

European carriers reported 12.7% growth. Intra-European air cargo demand rose by 34.4% compared to April 2023, reflecting the highest annual growth in over a decade.

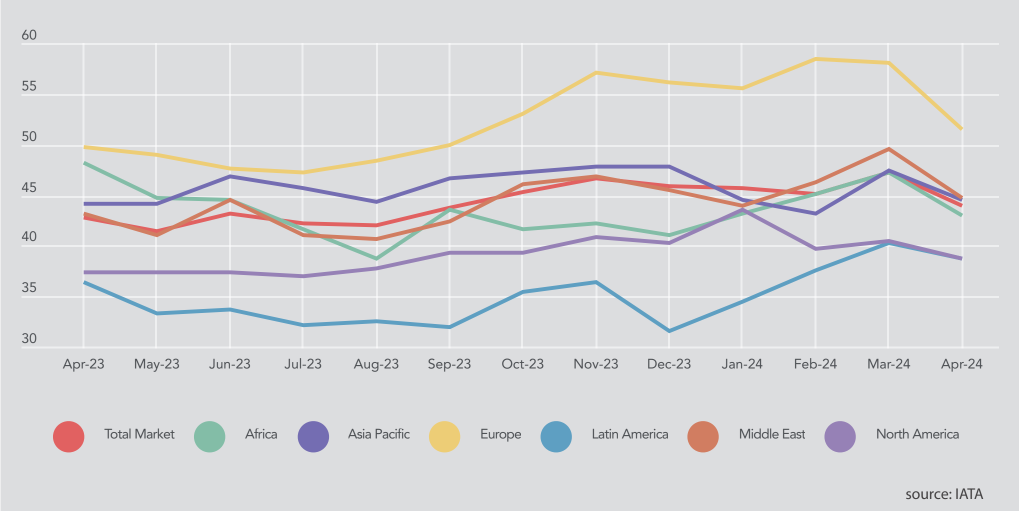
Latin American carriers recorded 11.7% growth, while African airlines achieved 10.6%. Demand on the Africa-Asia market increased by 25.8% year on year.

In comparison, Middle Eastern carriers registered 9.4% growth, with the Middle East-Europe market performing particularly well with 30.1% annual growth.

North American carriers saw 7% growth, while the North America-Europe route saw an increase of 5.6%, marking the largest demand growth for this route since September 2022.

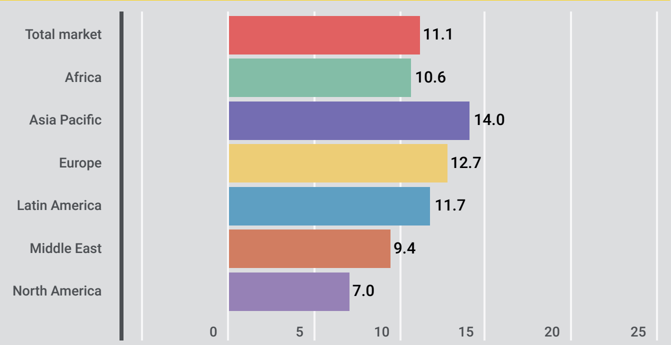
"Airlines from Asia Pacific and Europe recorded the highest growth rates, putting an end to the Middle Eastern carriers' seven-month run in topping the region's annual expansions," said IATA.

Airline cargo load factors (%)



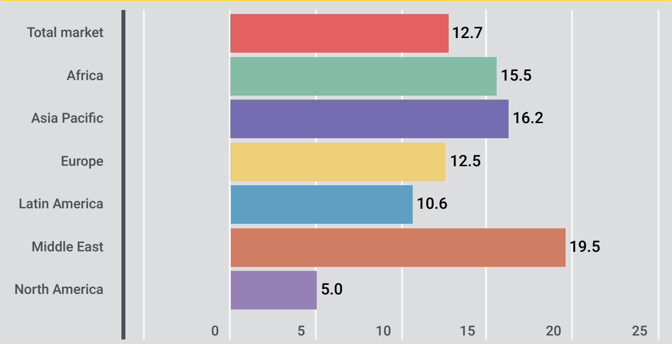
source: IATA

Apr 2024 CTK v Apr 2023 CTK (% change)



source: IATA

Jan-Apr 2024 CTK v Jan-Apr 2023 CTK (% change)



source: IATA

Rates ahead of 2023 levels in May

AIRFREIGHT RATES on key trades out of Hong Kong continued to track ahead of last year's levels in May.

The latest Baltic Exchange Airfreight Index (BAI) shows that rates from Hong Kong to North America increased 9.1% year on year to $5.53 per kg.

From Hong Kong to Europe, rates paid by forwarders are up 17% on a year ago.

For both trades, it is the second month in a row of year-on-year increases following around 20 months of declines.

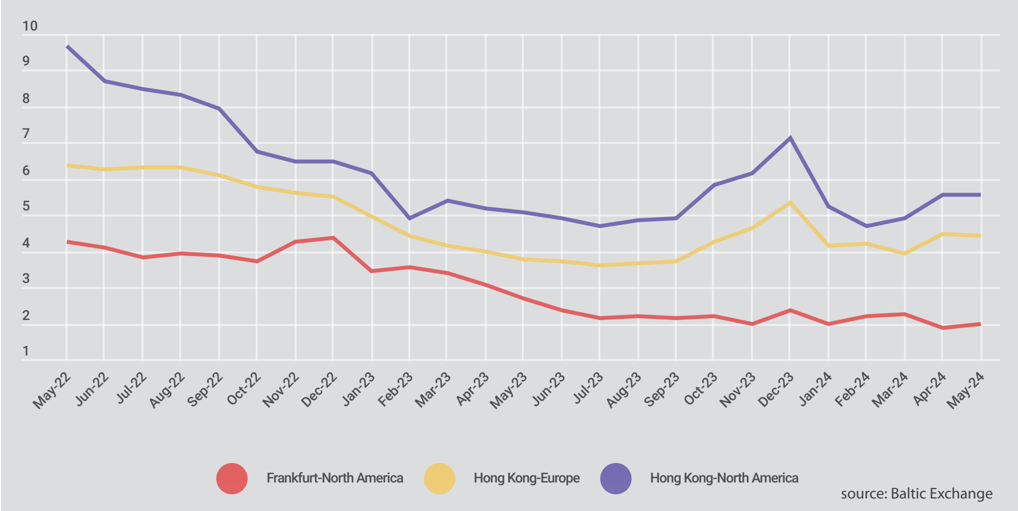
The higher prices reflect the worsening market conditions in 2023 but also a surge in e-commerce volumes out of Asia and the Red Sea shipping crisis, which has resulted in some modal shift to air.

Figures from IATA show that in April – the latest available data – global air cargo demand was up by 11%, which is the fifth month in a row of double-digit percentage increases in demand.

However, the situation is not the same all over the world. The transatlantic has seen prices decline on a year ago as belly capacity has recovered following the pandemic and consumer demand for the types of goods transported between Europe and the US has been sluggish.

Figures from BAI show rates from Frankfurt to North America were down 25.8% on a year ago to $1.98 per kg, which even lags behind pre-Covid rates from 2019 when forwarders were paying $2.21 per kg.

Baltic Exchange Airfreight Index ($ per kg) Powered by TAC data



source: Baltic Exchange

Airport cargo volumes robust in April

VOLUMES ACROSS worldwide airports were robust in April as the air cargo market continued to improve year on year.

Hong Kong International Airport (HKIA) was a top performer thanks to exports, with North America, Europe and Taiwan hot spots for trade.

Airport Authority Hong Kong (AAHK) said: "Export again contributed most to this increase, growing by 24.7% compared to the same month last year. Among key trading regions, cargo traffic to and from North America, Europe and Taiwan recorded the largest increases during the month."

Singapore Changi Airport also performed well, largely due to its transhipment activity.

Commenting on the first quarter of the year as a whole, Changi Airport said: "The growth was largely attributed to strong transhipment performance, especially for flows with China.

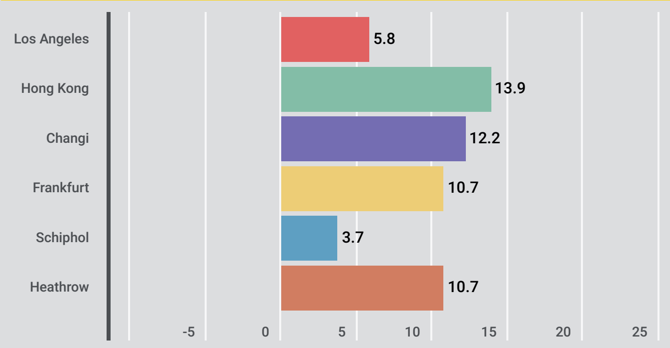
"For this period, Changi's top five air cargo markets were Australia, China, Hong Kong, India and the US."

Schiphol Airport recorded the lowest growth rate for the month, but it pointed out its freighter flights were down in numbers as it continues to face the challenge of flight capacity limitations.

"The number of all-cargo flights was 9% lower compared to April 2023," said the airport.

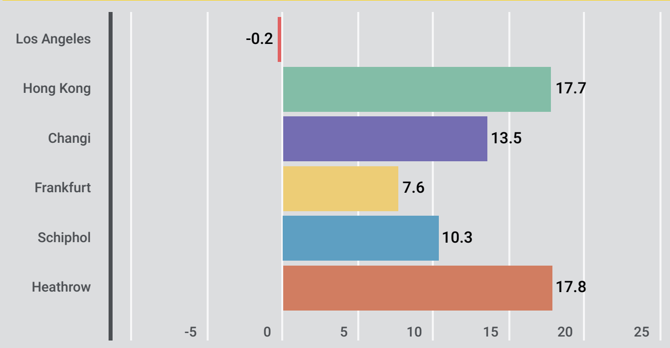
"There were 1,199 cargo flights in April 2024, compared to 1,317 cargo flights in April 2023," it added.

Apr 2024 v Apr 2023 cargo volumes (% change)



source: Airports

Jan-Apr 2024 v Jan-Apr 2023 cargo volumes (% change)



source: Airports

Box rates surge in Q2

Photo: MOLPIX / Shutterstock

The ocean freight shipping market has seen a sudden and unexpected spike in rates over the past couple of months.

Data provider and analyst Xeneta said that between April 1 and May 22, average spot rates from the Far East increased into North Europe by 31%, to the US west coast by 30%, Mediterranean by 25% and US east coast by 22%.

Freight forwarder DSV said that the "significant development" had "caught most by surprise".

The Danish company said there were several reasons for the rising pressure in ocean shipping.

It said that the impact of elongated sailing times around Africa – to avoid missile attacks in the Red Sea – on capacity levels was starting to worsen, despite extra vessels being added.

"The weekly capacity offered from Asia to Europe is about 10% lower than the same period last year, even though significantly more vessels and thus more capacity are being used to operate a network," the forwarder explained. "Perhaps the most important factor causing the pressure we are experiencing on the market is congestion at many central ports around the world."

The congestion can result in vessels becoming so delayed that they miss their next departure, adding to shipping's woes.

DSV said it expected the issues to continue until at least July.

Emily Stausbøll, Xeneta senior shipping analyst, said that part of the reason for the increase was that shippers were looking to move cargo ahead of what is expected to be a busy peak season for box lines.

"Demand reached record levels in the first quarter of 2024, up by 9.2% compared with 2023. This is at a time when the Red Sea situation is putting increased pressure on shipping capacity.

"But, significantly, this is all taking place while the chaos of port congestion and lack of available capacity during the Covid-19 pandemic is still fresh in the memory of shippers.

"Lessons will have been learned from the pandemic. If shippers fear there is going to be a squeeze on capacity during the peak season in the third quarter, then they are going to start importing more goods now. If increased volumes need to be moved on the spot market, it is going to put upwards pressure on rates.

"Many US shippers used 2023 to bring down inventory levels from the pandemic highs, which means there is likely space in newbuild warehouses to frontload imports ahead of peak season and build a buffer into supply chains.

"The risk of having too high inventories is more palatable than the risk of having goods arrive too late."

While capacity shortages and port congestion in ocean shipping often result in rising airfreight demand, Xeneta chief airfreight officer Niall van de Wouw said there might be limited impact this time, given that shippers are taking safety measures.

"They are moving inventory around and if that is delayed a little bit, you don't need airfreight to compensate for that."

He added that the move might result in less supply chain urgency in the final part of the year.

People

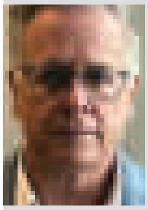


Photo: Maersk

Maersk

John Wetherell

Maersk has appointed John Wetherell to the newly created role of global head of airfreight forwarding. Wetherell previously served as regional head of airfreight in North America. He has 30 years' experience in the 3PL industry.

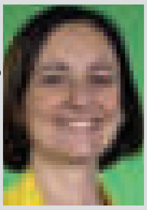


Photo: Change Horizon

SATS

Céline Hourcade

SATS has appointed Céline Hourcade as its new vice president, global head of ESG /sustainability. She joins from Change Horizon, the consultancy she established in 2019 to support aviation and logistics firms.

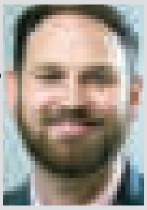


Photo: Virgin Atlantic

Virgin Atlantic Cargo

Nick Diesel

Virgin Atlantic Cargo has appointed Nick Diesel as its new managing director, effective August 4. He replaces Phil Wardlaw, who has been directing the cargo business since 2021 and is leaving the business for another role.

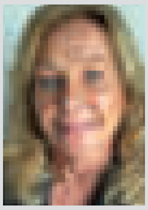


Photo: Air Partner

Air Partner

Patti Cole

Air Partner has appointed Patti Cole as head of time-critical services for North America as it looks to expand in the segment. She previously worked at DHL Global Forwarding for 16 years and shipping firm NYK Line for 15 years.

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