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CARGO

talk

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SUSTAINABLE FUEL PRICE RISE
and its implications on cargo transportation

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How do leading food manufacturers deal with rising cost of fuel? They go with the flow. Mahmoud Fouda, Supply Chain Head, Global Food Industries offers insights.

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GLOBAL SUMMARY OF AIR FREIGHT MARKET

TIACA research shows, global air cargo volumes fluctuations, including the fact that rates dip by 30% in April and June this year.



AIR TECH ITALY'S COLLABORATIVE EFFORTS IN ME, AFRICA AND SOUTH ASIA

The International Airport Show in Dubai witnessed the active participation of 28 Italian aviation companies in the proceedings and highlighted their interest in the region.



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DIGITALIZING GLOBAL CARGO TRADE

International experts of the logistics industry weigh in on the factors preventing freight forwarders from embracing a digital transformation

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Air cargo has constantly seen an upwardly movement, even during COVID-19. While the number of freighters increased from 7 to 28, the market share increased from 2% to 19%.

Cathay Pacific Cargo to order 500 freighters to meet demand



Cathay Pacific Cargo has announced that it is running back to full schedule. Tom Owen, Director said, "I am pleased to report that emerging from what has been a challenging time for the business, we have tried to put as much cargo capacity as we can into the market. The biggest news of the month is resumption of our full freighter schedule. We will be operating between 90 and 100 freighters each week. We are planning to operate 500 cargo-only-passenger flights a month around the region."

Brussels Airport redevelops cargo facilities

Brussels Airport is readying to make logistics chain at the airport to accommodate future growth. The airport is redeveloping part of its cargo area in a sustainable manner. Between 2022 and 2025, eight end of life buildings will be demolished in the airport cargo zone and three new buildings, including a parking tower, will be developed. Construction will be completed by 2025.



Pharma.Aero, BSMA team up to augment supply chain

Pharma.Aero and BSMA have collaborated to augment their supply chain management capabilities for their global communities and customers. Devendra Mishra, ED, BSMA, Franck Toussaint, MD, BSMA Europe, Frank Van Gelder, Secretary General, Pharma.Aero) signed the partnership.



Astral Aviation adds freighters to cover Asia Pacific

Kenya-based Astral Aviation is set to expand its freighter fleet by adding three more Boeing B757-200Fs and two Airbus A320 P2Fs. "The B757-200F's will be operational from June 2022. The B757-200F's will operate from Astral's Nairobi hub to Johannesburg, and Dubai and Tel Aviv," Sanjeev Gadhia, Founder and Chief Executive said. Kenya-based Astral Aviation plans to operate charter flights to and from China by Q3.



Vallair launches first Airbus freighter conversion



Vallair launched the first temporary Airbus A330-300 E Class wide-bodied freighter conversion solution at its new hangar in France. While operators waited for five years for full freighter conversion slots, this solution is the result of a JV between French firms, Vallair and UUDS Group.

Emirates Skycargo gets latest Boeing 777F to boost capacity



Emirates SkyCargo took delivery of the latest Boeing 777F. As per an announcement, Emirates' freight division has witnessed growth in cargo loads across its products, including pharma and perishables. Nabil Sultan, Divisional Senior VP, Emirates SkyCargo, said, "The new plane will help increase our capacity and ability to deliver goods globally."

Wiremind Cargo decides to reduce carbon emissions



Wiremind Cargo opts for sustainable solutions to reduce carbon emissions by offering smart solutions that assist its airline clients in managing their capacity and procedures to the best of their ability, and by conducting internal audits of its own operations to lessen adverse effects. Nathanael de Tarade, CEO, Wiremind Cargo, said, "Sustainability is all about ensuring what we do to meet our current needs."

Kuhne+Nagel expands healthcare ops in Asia, Africa

Kuhne+Nagel has launched its air logistics services from Liège (Belgium) to Americas, Asia and Africa with regular charters, multiple times per week. "The solution called MedConnex addresses constraints in terms of air freight capacity, especially for cargo that requires specialised handling and transportation," a press release stated. MedConnex combines the capabilities of the company's Belgium's two air logistics hubs.



Camex Airlines takes delivery of first converted freighter

Georgia-based CAMEX Airlines has taken delivery of its first Boeing B737-800 Boeing Converted Freighter from San Francisco, California-headquartered lessor BBAM. The cargo charter airline, based at Tbilisi International Airport, operates B737-800F and 737-800BCF aircraft. As per CAMEX's LinkedIn profile, CAMEX Airlines was set up in 2020 by CAMEX International, which has been operating for 12 years across CIS, Central Asia, Europe, Middle East, Europe and the USA.



Kale Info Solutions to transform cargo biz of Vancouver airport

To support growing cargo throughput, Kale Info Solutions, the USA subsidiary of Kale Logistics Solutions, is all set to implement its Airport Cargo Community System at the Vancouver International Airport. The technology solution will be implemented to improve efficiency for all stakeholders, streamline cargo flows, and address airport truck congestion challenges that affect many of the North American airports as cargo volumes swell.



IMPLICATIONS OF RISING COST OF FUEL



Sustainable aviation fuel (SAF) is believed to reduce air travel carbon emissions by up to 80 per cent across its life cycle. According to experts, what would be the implications of this increase in fuel prices, supply shortages and how does it impact transportation of cargo.

 Abigail Mathias

The cargo sector has had to navigate the challenges resulting from high fuel prices, supply shortages and border and travel restrictions in Asia. Through a proactive and customer-centric approach, Etihad Cargo has managed to face these challenges, says **Thomas Schürmann**, Head of Cargo Operations & Delivery. He offers an insight into the changes of this dynamic operations.

List some of the ways by which Etihad Cargo is developing fuel-efficient aircraft?

Sustainability remains a key pillar of Etihad Aviation Group and Etihad Cargo's agenda. The airline pledges to achieve net-zero emissions by 2050, and the carrier identifies sustainability as long-term priority of the business, with continued investment in other sustainable solutions, including the development of maximum fuel-efficient aircraft, despite challenges faced in the past



two years due to the ongoing COVID-19.

To achieve net-zero emissions by 2050, we will reduce emissions by 20 per cent by 2025 and slash emissions up to 50 per cent of 2019 levels by 2035. These ambitious plans are the first for any airline in the Gulf region, and we are one of the few in the industry to set targets of this scale. When announced, no clear blueprint was available.

However, since then, we have taken giant strides to lead the development of sustainable aviation fuel (SAF) and are the only one in the region investing in SAF and using the technology to ensure all the aircraft are as fuel-efficient as possible.

Etihad Cargo has one of the youngest fleets in operation, with an average age of six years that comprise the most efficient aircraft currently available. Fifty per cent of materials used to manufacture the B787s are composite, while 70 per cent of the A350s, which recently entered our fleet. This provides Etihad Cargo an efficiency that positively

impacts emissions. The carrier also recently performed the world's most intensive sustainable flight-testing programme, operating more than 30 flights over five days to test operational efficiencies and technology and procedures that reduce carbon emissions. The results will contribute to reducing the aviation sector's carbon emissions and environmental impact as the learnings are implemented into standard airline operations across the industry.

Etihad Cargo's flagship sustainability programmes include the Greenliner programme using the airline's fleet of Boeing 787 Dreamliners as flying test-beds, as well as Sustainable50 A350-1000 launched earlier this year. Demonstrating the airline's progress in executing its industry-leading strategy to improve aviation sustainability, Etihad Airways was recently named 'Environmental Airline of the Year 2022' in the annual Airlines Ratings Awards.

Over the past three years, the airline has conducted a vast number of research eco-flights demonstrating potential car-

bon emission savings of up to 72 per cent on a single flight. It has also tested and implemented world-first operational efficiencies and technology solutions, including Jeppesen Flite Deck Advisor, SATA-VIA contrail avoidance, GE Engine Foam Wash, eTech logs and lightweight Unit Load Devices.

In line with Etihad Cargo's sustainability initiatives and its promise to deliver increased fuel and operational efficiencies and offsets, the airline recently changed its tagline 'From Abu Dhabi to the world' to 'From Abu Dhabi for the world', which further solidifies the airline's commitment to the achievement of a greener, sustainable future.

The rising cost of fuel has had impacted the air cargo sector. How has Etihad Cargo dealt with the challenges that come with this?

Throughout the pandemic, we have remained committed to our customers, offering a variety of cargo



Thomas Schürmann
Head of Cargo Operations & Delivery
Etihad Cargo

We have taken giant strides to lead the development of SAF and are the only ones in the region using this technology





FACT FILE

■ To achieve net-zero emissions by 2050, Etihad Cargo will reduce them by 20% by 2025 and cut emissions up to 50% of 2019 levels by 2035.

capacity, including freighters. Under the latest mandate of the Joint Prevention and Control Mechanism of the State Council in response to ongoing COVID-19, it has resumed direct passenger flights to Beijing. Commencing 1 July, Etihad Cargo is offering 15 direct flights per week to China moving a cargo capacity of 2,708 tonnes, using passenger flights and freighters.

Etihad Cargo has regained 100 per cent capacity utilisation and added to its pre-COVID-19 network and rotations. As the markets continue to open, we will add impetus to

our services to key destinations in the summer months. At the same time, we will explore opportunities to add capacity where it is required.

What is the percentage of SAF being used in your cargo division and how has it impacted in reducing your carbon footprint?

Although the cost of SAF is currently high to roll out SAF across all flights, Etihad Cargo encourages the companies to invest in the sustainable fuel through its Greenliner Programme. In collaboration with partners, this programme has enabled the airline to in-

roduce pioneering products and procedures across its operations, including efficient engines, operational efficiencies and, sustainable fuels and the like.

While Etihad Cargo currently does not utilize a set percentage of SAF on its flights, the airline launched its first eco-flight in 2019 and sustainable flight in October 2021. On a number of these flights, as much as 40 per cent sustainable fuel is used so we reduce our carbon emissions as much as possible thus enabling a 70 per cent reduction in primary carbon emissions



on those flights. Etihad Cargo is exploring to increase the use of SAF and, in this regard, is developing a dedicated plan for cargo operations, which will be launched in due course.

In addition to developing fuel-efficient aircraft, Etihad Cargo is exploring how to make every element of the air cargo journey sustainable. To cite an example, Etihad Cargo has entered into an agreement with B Medical Systems to launch the world's first airline-specific passive temperature-controlled solution for the transportation of life-saving drugs, vaccines and phar-

maceutical products. These flights can retain temperatures from -80°C to 25°C for five days, while still reducing carbon emissions. We replaced as many as 3,000 containers from our original aluminium ULD fleet with environmentally-friendly lightweight versions. On an average wide-bodied flight, utilization of these lighter ULDs can provide a weight-saving of 200 kg with low fuel consumption and CO₂ emissions. We will continue to launch initiatives as part of our commitment to improve and create a more sustainable future for our customers and the industry.

Can you elaborate about the future plans in pipeline?

The future looks bright for Etihad Cargo. Following the announcement of our outstanding mid-year results, we are going to continue working closely with our clients to meet their demands in the face of evolving market conditions. In addition to developing airline-specific passive temperature-controlled containers, which will be launched soon, we are working on a dedicated sustainability plan for cargo operations. We are looking forward to sharing our plan in due course and launching initiatives that will benefit the air cargo sector.

On the group level, Etihad Group's latest initiative is Corporate Conscious Choices, which rewards corporates and employees with a series of cohesive sustainability initiatives for providing a competitive edge to partners through sustainability. The programme offers benefits across four core sustainability pillars, including SAF Investment, Green Surcharge, Corporate Conscious Points, and Carbon Offers. Etihad Cargo will also work to identify cargo-focused initiatives, which will be announced in the coming months.

In addition, we will be opening a new cool chain facility at Abu Dhabi airport. The dedicated pharmaceutical facility will increase our cool chain storage capacity and expand our services for pharmaceutical flows. The centre within the cool chain facility will expand Etihad Cargo's capabilities in the transportation of fresh food and produce. Also we will be announcing more exciting projects that will further cement Etihad Cargo's position as the air cargo partner of choice. 🚀

Also, airline-specific passive temperature-controlled containers, which will be launched soon, are being developed

SAF IN A NUTSHELL

■ SAF is a fuel produced from sustainable resources that reduces aviation fuel life cycle emissions up to 80% as compared to conventional alternatives. The rise of SAF is seen as a significant development towards decarbonising the aviation industry, which is responsible for approximately 2.5% of international carbon emissions.

Hike in fuel prices hit food supply chains in UAE

How do leading food manufacturers deal with rising cost of fuel? They go with the flow. Our company is a value-added frozen food major based in Sharjah. We have modified our strategies to emerge in win-win situation, says **Mahmoud Fouda**, Supply Chain Head, Global Food Industries.

TCT Bureau

The UAE's agricultural industry has been gradually increasing its contribution to the local market in recent years, in line with the National Food Security Strategy, 2018. The ongoing pandemic has triggered a significant momentum for local production, increased the number of health-conscious consumers looking for fresh produce, and raised awareness on climate change and sustainability.

Mahmoud Fouda, Supply Chain Head, Global Food Industries (GFI) and International Beverage and Filling Industries (IBFI) offering insights into current supply chain trends, said, "The rising cost of fuel has impacted our supply chain. In fact, we have had to double our prices. However, we have adopted other strategies to counter this. This includes building resilience in our supply chain."

Established in 1992, GFI is a value-added frozen food manufacturing company based in Sharjah. The group is a part of the reputed Albatha Group, a conglomerate with diversified interests in FMCG, manufacturing, distribution, pharmaceutical, automobile, engineering,

home and personal care, retail, and home products.

The team at GFI caters to loyal consumers for 25 years by providing them with value-added products. "We source the finest halal raw materials from across the world, process them at our first-class facilities, and ship the finished goods across Middle East and Africa. Today, our brands enjoy a significant presence across all trade channels throughout GCC," explained Fouda.

Increasing fuel prices have had an impact on the businesses of both GFI and IBFI. "We modified our long-term strategies to accommodate variations for our sourcing plans. We also took into consideration more increases, which are inevitable," Fouda said. Elite Agro (EAG), another leading UAE producer and distributor of

fresh produce, is increasing its supply of locally-grown fresh fruits and vegetables in order to create a two-fold benefit of strengthening national food security, while reducing its carbon footprint.

Fruits and vegetables grown around the world need to be stored for days together and have lengthy transport times before they reach the shelves in supermarkets in United Arab Emirates (UAE). This

We have adopted long-term strategies to counter the fuel hike. This includes building resilience in our supply chain



Mahmoud Fouda
Supply Chain Head, Global Food Industries (GFI) and International Beverage and Filling Industries (IBFI)



means reduced freshness and a higher carbon footprint.

By producing and supplying fresh produce locally, EAG has saved 13,258 tonnes of carbon emissions from tomatoes as compared to airfreight imports from Holland and Spain. It also saved 1,501 tonnes of carbon emissions equivalent to airfreight imports of blueberries from the USA and is all set to save at least 425 tonnes of carbon emissions as against sea freight imports of potatoes from Egypt this year.

Dr. Abdulmonem Almarzooqi, Divisional CEO, Elite Agro, said, “With the rising demand for locally-produced food, along with increasing health awareness among the consumers and the adoption of new technologies to optimise production, we expect the market to continue its steady growth over the coming years.”

In 2020, the UAE Cabinet approved a national system for sustainable agriculture. This

includes improving the efficiency of farms and increasing self-sufficiency of the targeted agricultural crops by 5 per cent. It aims to reduce the quantity of irrigation water by 15 per cent per annum and drive industry-wide adoption of sustainable agri-tech.

“We are proud to contribute towards the national food security through local production at our farms. This plays an important role in mitigating the impact of global warming, not only through sustainable farming techniques, but also by reducing the carbon footprint of the logistics involved in bringing fresh produce to the shelves,” said Dr. Abdulmonem Al Marzooqi.

Last year, the EAG farms in the UAE supplied as many as 17,447 tonnes of fruits and vegetables to the local market. The UAE is the largest potato producer and exclusive blueberry producer, including a wide range of crops. The company’s strategy is to enhance

the resilience of the UAE agricultural industry, provide high-quality fresh produce, and reduce carbon footprint.

EAG uses a combination of eco-friendly, sustainable, and modern farming solutions and practices in its UAE farms to minimize the use of natural resources and optimize crop yield. These methods include fully automated harvesting method, advanced adaptive irrigation, integrated pest management, and post-harvest management.

Across the deserts of the UAE, EAG owns four farms, which produce several types of fruits, vegetables, and crops and supplies them to local supermarkets. While most types of produce are grown in greenhouses, EAG uses advanced evaporative cooler technologies that reduce energy consumption. Along with short cooling and storage periods, the company is also able to supply produce with a longer shelf life. 🍷

FACT FILE

■ Currently, only 20% of fruits and vegetables consumed in the UAE are grown locally; the remaining are imported from around the world.



COLD MATERIAL REFRIGERATED

“Temperatures in summers are very high here so maintaining the right temperatures for our frozen goods is a challenge. The use of refrigerated trucks which are fuel efficient and environmentally friendly are a priority. We feel this will resolve many issues,” explained Fouda.

Ensuring that the products do not get spoilt is the key to manufacturers. “One of the trends that has grown recently is that of organic foods. This is something new which we did not see 20 years ago. There is a health awareness wave, especially among the new generation, so we are addressing it.

At GFI, the UAE is the most popular market followed by Saudi Arabia, and Kuwait, where the material is sent by road or sea vessels and then Bahrain and Oman,” he said. The wheels are in motion for the future for the company.

“Our main objective is to extend our footprint in the GCC nations. The next expansion would be in Saudi Arabia with its vision of 2030 and we would like to be a part of it,” he added. 🇦🇪

Through this approach, EAG is supporting the food security of the UAE by supplying fresher, more affordable, and more sustainable local produce. Fouda added, “Like other manufacturers, we are paying higher prices when we ship the finished goods, causing an increase in prices. The manufacturing costs have also increased. We cannot convey these costs to the consumer. So we have found an alternative to improve margins.”

To maintain its competitive edge, the company is trying to reduce costs. “We started to work on different solutions. We work with our innovation team to include plant-based burgers, which are a replacement for beef and chicken. Also building resilience in our supply chain by finding local suppliers is the key. This has reduced our transportation costs,” he elaborated.

“Digitization has helped us and has minimize the costs. The

fourth strategy has come from the efficiency and processing in terms of waste management. If we are buying something from the local market instead of producing it, this is considered a waste. Reducing waste has helped us absorb a lot of challenges. We have modified our supply chain to ensure that we have stability of supply. We need steady supplies to ensure high productivity levels,” he said.



Star Drinks International Beverages and Filling plant in Sharjah

FACT FILE

■ According to the Abu Dhabi Statistics Centre and Dubai Statistics Centre, the combined 2019 local production of crops, fruits, and vegetables amounted to 523,297 tonnes.

■ One of the trends that has grown recently is that of organic foods. This is something new which we did not see about 20 years ago. There is a health awareness wave in the UAE, especially among the new generation.

‘We are planning to expand our fleet by 2024’

Audrone Keinyte, CEO, Bluebird Nordic, says the disruption to our company due to the ongoing pandemic was minimal; the cargo market was booming in all areas—long-haul sectors / Asia-Europe, and in the narrow-body/ short-haul business.

 Ritika Arora Bhola

Explain about the genesis of your operations worldwide and your services and offerings to international customers?

The team prides itself in running an efficient airline, focusing on fast, responsive customer service, as well as safe, reliable, and competitive transport. All aircraft are equipped with pilots trained to operate under low visibility conditions. Bluebird Nordic is licensed to carry most types of cargo, including fish, perishables, pharma, animals, vulnerable, dangerous goods, among others.

Covid-19 has disrupted businesses worldwide. How difficult were the last two years for your business?

The disruption to our company due to COVID-19 was minimal; it was related to the logistics such as crew travel, spare parts delivery, and crew

availability. Our headquarters in Iceland escaped with a few limitations. Like most other businesses, we adopted remote work/online meetings and there have been developments done towards processes automatization and efficiency increase. Throughout the pandemic, the cargo market was booming in all areas—long-haul sectors / Asia-Europe, and in the narrow-body/ short-haul business.

How are you preparing to meet the increased demand and 100 per cent capacity utilisation?

To meet the growing demand, we plan to expand our fleet by adding 25 x B737-800 aircraft to our existing fleet by the end of 2024. Additionally, we also plan to continue to strengthen our market share in the wide-bodied cargo ACMI market. The strategy is to add wide-bodied aircraft if the passenger-to-freight conversions of three Boeing 777-

300ER aircraft, planned for 2024, go smoothly.

How does the group and the aircraft operate. Tell us about new freighters launched or new routes initiated?

Currently, we operate a fleet of eight Boeing 737 classics and two Boeing 737 NGs. We are expecting to add at least two more Boeing 737 NG aircraft this year. Currently, we are not concentrating on introducing new routes.

Elaborate about your plans in the pipeline?

We are excited to continue the partnership with our long-term customers. These partnerships allow us to improve our services. We are planning to strengthen our position in the wide-body cargo ACMI market. In December 2021, we have signed lease agreements for three Boeing 777-300ER, with plans to go through passenger-to-freight conversions in 2024. 🇮🇸



Audrone Keinyte
CEO
Bluebird Nordic

We are expecting to expand our existing fleet by adding 25 x B737-800 aircraft



Air cargo rates dip by 30% in April, June

As per TIACA, global air cargo volumes fell in June by 8% y-o-y, with additional summer airline capacity continuing in a downward trend on airfreight rates, especially in North Atlantic, which has seen a 30% decline over the past three months.



Global summary of the general air freight market in June 2022			
Region	Dynamic loadfactor		
	Jun '22 <i>Abs. in %</i>	vs Jun '21 <i>Change in p.pts</i>	vs May '22 <i>Change in p.pts</i>
Global	59%	- 8.1%	- 1.3%
Outbound:			
Asia Pacific	72%	- 4.6%	+ 2.7%
North America	50%	- 10%	- 3.4%
Europe	62%	- 13%	- 2.9%
Middle East & Central Asia	59%	- 3.9%	+ 1.5%
Latin America	61%	- 4.6%	- 3.9%
Africa	47%	- 2.2%	+ 0.9%

Source: CLIVE Data Services

CT Bureau

Demand in the general airfreight market in June was (–) 7 per cent compared to 2019 and follows the (–) 8 per cent drop in volumes reported by CLIVE for May 2022.

Available cargo capacity in June rose 6 per cent over the same month in 2021, but remained at 11 per cent down on the 2019 level. The dynamic load factor for the month, based on CLIVE's analysis of weight and volume perspectives of cargo flown and capacity available

to produce a true indicator of airline performance, was 59 per cent, 9 percentage points lower than in 2021 and 2 percentage points adrift of June 2019.

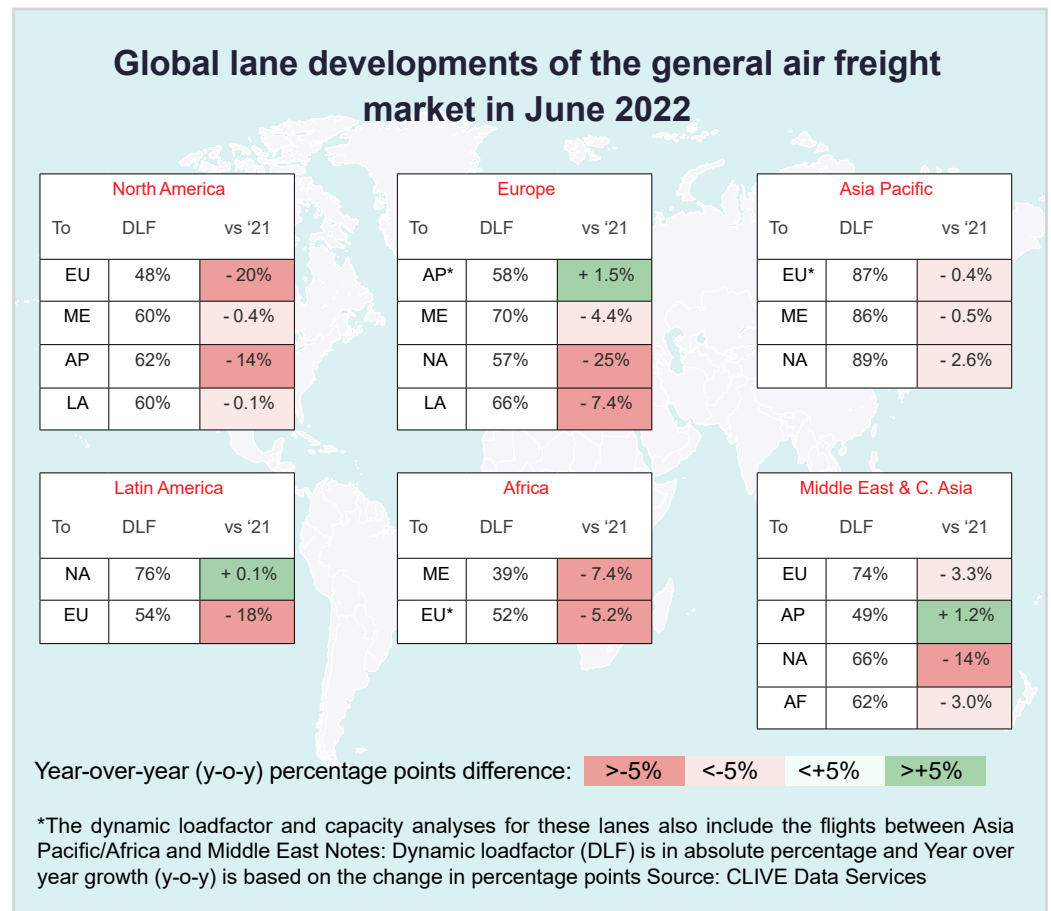
General airfreight rates in June were 129 per cent higher than 2019 and 13 per cent higher than 2021. But the drop slowed relatively in May. "In our analysis of air cargo market performance in May, we stated that the North Atlantic market could provide a test case for other markets once they return to their pre-pandemic levels," according to CLIVE analysis.

“The General North Atlantic airfreight rates dropped by 30 per cent from early April to the last week of June. This brings the rates close to the 2020 levels. If we look at the Spot market, the rates are lower in the past two weeks of June 2022 compared to 2020 by 5 per cent and the market has yet to bottom out. This will cause some soul-searching for both the airlines and the forwarders,” said Niall van de Wouw, Founder, CLIVE and Chief Airfreight Officer, Xeneta.

“While flights to the USA and Europe are running at full capacity, we are seeing a subdued North Atlantic market, largely due to extra capac-

General airfreight rates in June were 129% higher than 2019 & 13% higher than 2021

ity. We have to consider what will be the knock-on effect of a softening air cargo market? Will carriers deploy freighters to other markets in APAC, Africa, or South America? We are already seeing some freighter redeployment in the market. It will be interesting to see the reaction of forwarders who have secured air cargo capacity with airlines or through charter brokers or ACMI providers because in a softening market, more options are available. They were willing to pay a price for reliability and their own control, but they may now be considering how much cheaper it could be to use commercial



airline capacity. Also, has the cost of living crisis even started to kick-in yet?” he questioned.

Rising pandemic cases is another concern, he said, as is the struggle to tackle the people drain in aviation and logistics sectors. de Wouw said there are reports of curbs on freighter opera-

tions at Frankfurt Airport due to labour shortages. As per the IRU study, the global road transport shows 2.6 million truck driver vacancies in 2021 He forecasted a worse situation in 2022. Low wages and poor working conditions on the frontline of supply chains, “we will not see this struggle disappear anytime soon”.



Air cargo buoyant due to softening of curbs in China

International Air Transport Association (IATA) released in May 2022 data for international air cargo markets showed that easing of Omicron, a COVID-19 variant, restrictions in China have helped ameliorate supply chain constraints.

CT Bureau

Willie Walsh, Director General, IATA said May gave positive news for air cargo, notably because of the easing of some the Omicron COVID-9 wave curbs in China. On a seasonally adjusted basis, we saw growth (0.3 per cent) after two months of decline.

The return of Asian production as COVID-19 curbs eased, particularly in China, will support demand for air cargo. Strong rebound in passenger traffic has increased belly capacity, although not always in the markets where the capacity crunch is most critical. Compared with a year ago, May CTKs were 8.3 per cent lower, a slight improvement from the 9.1 per cent drop y-o-y in April. The result has been supported by an increase in available cargo

tonne-kilometers (CTKs) of 2.7 per cent in May y-o-y

Rugged path

Industry-wide CTKs were down 8.3 per cent in May YoY. This is a slight improvement on the April decline of 9.1 per cent y-o-y, signaling a modest easing of supply chain and capacity issues that are impacting air cargo operations. This is a respite after two consecutive months of declining air cargo volumes, which lead to a 7 per cent contraction between February and April 2022. However, the war in Ukraine still impacts capacity, as several airlines based in Ukraine and Russia were crucial carriers in the region.

Global goods trade rebounded somewhat in April thanks to strong volumes emerging in Latin America. We expect this trend to continue as China's easing anti-virus curbs allowing industrial centers to reopen in May and June. The improvement in supply chain constraints should support growth in international manufactured goods trade going forward, partly reversing the weakening trend seen so far in 2022. This, in turn, would signal growing demand for air cargo in the months to come.

Global CTKs seasonally adjusted (SA)



Sources: IATA Economics, IATA Monthly Statistics

QUICK BYTE Ukraine crisis is still impacting cargo capacity, as many carriers are based in the region

Growth in global goods trade and CTKs



Sources: IATA Statistics, Netherlands CPB

IN BRIEF

■ Strong rebound in passenger traffic has hiked belly capacity, although not always in the markets where the capacity crunch is most critical.

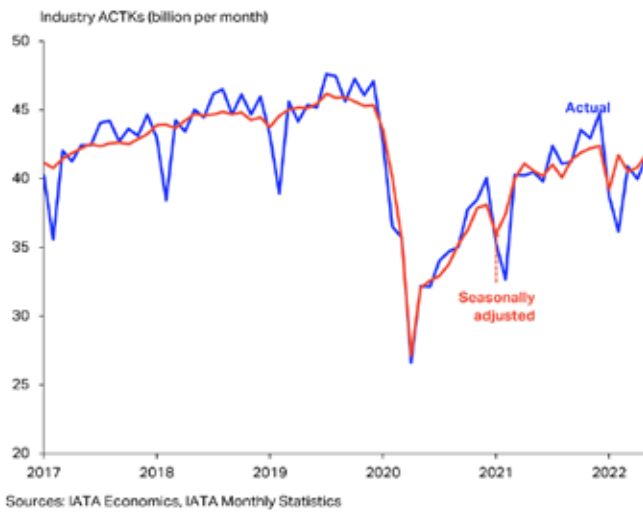
New export order manufacturing PMIs



CTK growth versus global new export orders



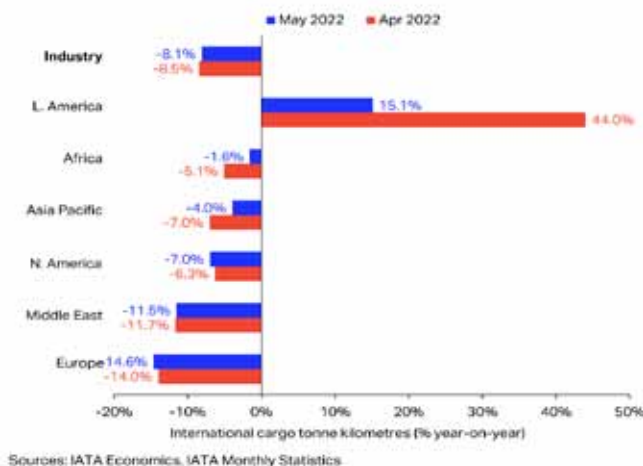
ACTK levels, actual and seasonally adjusted



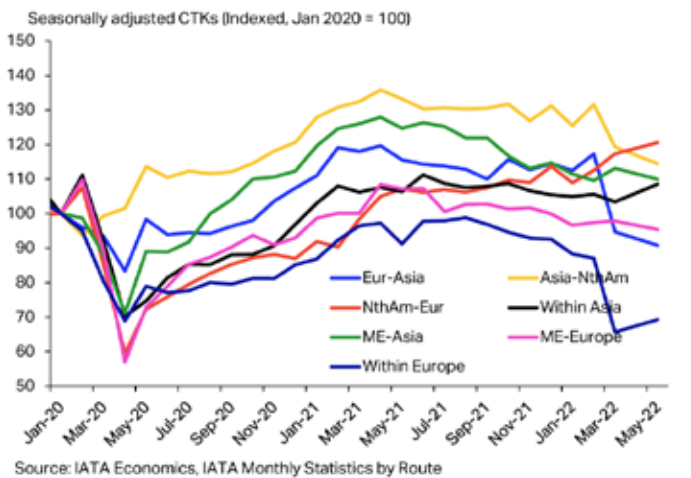
G7 headline CPI and PPI inflation



Int'l CTK growth (airline region of registration)



Seasonally adjusted CTKs by route area



Air Cargo market in detail - May 2022

	World share ¹	May 2022 (% ch vs the same month in 2019)				May 2022 (% year-on-year)			
		CTK	ACTK	CLF (%-pt) ²	CLF (level) ³	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
TOTAL MARKET	100.0%	-2.0%	-8.4%	3.3%	50.5%	-8.3%	2.7%	-6.1%	50.5%
International	87.0%	-1.0%	-8.5%	4.3%	56.6%	-8.1%	5.7%	-8.5%	56.6%

¹% of industry CTks in 2021

²change in load factor vs same period in 2019

³Load factor level

	World share ¹	May 2022 (% year-on-year)				% year-to-date			
		CTK	ACTK	CLF (%-pt) ²	CLF (level) ³	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
TOTAL MARKET	100.0%	-8.3%	2.7%	-6.1%	50.5%	-3.8%	4.4%	-4.5%	53.2%
Africa	1.9%	-1.5%	3.0%	-2.3%	49.5%	2.5%	6.3%	-1.8%	49.6%
Asia Pacific	32.6%	-6.6%	-7.4%	0.5%	62.7%	-2.7%	-1.4%	-0.9%	62.2%
Europe	22.8%	-14.6%	3.3%	-11.9%	54.9%	-6.6%	3.3%	-6.5%	61.3%
Latin America	2.2%	13.8%	33.3%	-6.8%	38.7%	22.2%	33.3%	-3.9%	42.6%
Middle East	13.4%	-11.6%	7.6%	-10.5%	48.7%	-9.0%	6.2%	-8.5%	51.1%
North America	27.2%	-5.7%	6.8%	-5.4%	41.1%	-2.5%	7.1%	-4.3%	43.5%
International	87.0%	-6.1%	5.7%	-8.5%	56.6%	-3.6%	5.2%	-5.4%	59.9%
Africa	1.9%	-1.6%	-1.9%	-1.8%	50.5%	2.5%	5.9%	-1.7%	50.5%
Asia Pacific	29.5%	-4.0%	-3.3%	-5.2%	68.5%	-0.6%	6.3%	-4.8%	69.4%
Europe	22.4%	-14.6%	3.6%	-12.2%	57.1%	-6.6%	3.5%	-6.9%	63.4%
Latin America	1.8%	15.1%	27.8%	-5.1%	46.5%	23.5%	31.1%	-3.1%	51.6%
Middle East	13.4%	-11.5%	7.8%	-10.7%	49.1%	-9.0%	6.3%	-8.7%	51.5%
North America	18.0%	-7.0%	7.2%	-7.5%	49.6%	-3.7%	2.2%	-3.2%	52.8%

¹% of industry CTks in 2021

²Year-on-year change in load factor

³Load factor level

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

	World share ¹	May 2022 (% ch vs the same month in 2019)				Year-to-date (% ch vs the same period in 2019)			
		CTK	ACTK	CLF (%-pt) ²	CLF (level) ³	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
TOTAL MARKET	100.0%	-2.0%	-8.4%	3.3%	50.5%	2.5%	-9.2%	6.1%	53.2%
Africa	1.9%	7.8%	-12.9%	9.5%	49.5%	17.0%	-11.2%	11.9%	49.6%
Asia Pacific	32.6%	-8.1%	-22.1%	9.6%	62.7%	-3.4%	-20.2%	10.8%	62.2%
Europe	22.8%	-11.6%	-17.0%	3.4%	54.8%	-3.7%	-17.8%	9.0%	61.3%
Latin America	2.2%	-5.2%	-7.3%	0.9%	38.7%	-3.2%	-22.2%	8.4%	42.6%
Middle East	13.4%	-1.1%	-3.0%	0.9%	48.7%	0.7%	-7.5%	4.1%	51.1%
North America	27.2%	15.1%	10.2%	1.7%	41.1%	17.6%	11.0%	2.4%	43.5%
International	87.0%	-1.0%	-8.5%	4.3%	56.6%	3.0%	-10.4%	7.8%	59.9%
Africa	1.9%	9.0%	-12.1%	9.8%	50.5%	18.3%	-9.5%	11.9%	50.5%
Asia Pacific	29.5%	-3.2%	-16.0%	9.1%	68.5%	1.1%	-15.7%	11.5%	69.4%
Europe	22.4%	-11.7%	-17.7%	3.9%	57.1%	-3.8%	-17.9%	9.3%	63.4%
Latin America	1.8%	-2.1%	-4.1%	0.9%	46.5%	-2.0%	-20.9%	9.9%	51.6%
Middle East	13.4%	0.9%	-1.6%	0.3%	49.1%	0.7%	-7.1%	4.0%	51.5%
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Focus on **airport logistics** and freight handling

Airport logistics solutions business remains at Siemens AG and will continue to operate as an independent subsidiary. We are seeing an uptick in demand for air travel, says **Michael Reichle**, CEO, Siemens Logistics and CEO, Siemens Parcel Logistics.

 CT Bureau

Having sold its parcel and mail business to Körber Group, Siemens Logistics continues to focus on flexible products and solutions for airport baggage and freight handling, with an emphasis on automation and digitalisation.

“We are delighted that our parcel business, including employees, have found a new home at Körber. The complementary technologies of Körber and Siemens Parcel Logistics, together with the regional structures, are a perfect fit, and lay a solid entrepreneurial foundation for the future,” said Michael Reichle, Chief Executive Officer

(CEO), Siemens Logistics, and former CEO of Siemens Parcel Logistics. The airport logistics solutions business remains at Siemens AG. It will continue to operate as an independent subsidiary within the corporate group.

“We are seeing an uptick in demand for air travel. After the crisis period during the past two years, the airport operators are now on the lookout for solutions that will boost their efficiency, while still being fast and flexible to implement. We are in an ideal position here with our portfolio of high-performance hardware and intelligent, cloud-based software combined with our global presence,” said Reichle.

“It enables us to offer targeted support to our customers as their businesses continue to recover strongly.”

The portfolio of Siemens Logistics features innovations such as VarioBelt TilterPlus belt conveyor, the automated ULD unloader VarioTip, and the versatile Baggage 360 airport operations software. This application makes it possible to forecast baggage flow in real-time, empowering airport operators to plan and deploy their available resources to maximum effect.

Airports all over the world, from international hubs to regional passenger airports, number among the customers of Siemens Logistics. 🌍


After a lull of two years, airport operators are now on the lookout for solutions that will boost their revenues and productivity



DHL freighters to increase cargo capacity

Six additional Bahrain–Delhi–Bahrain flights will connect customers in USA, Europe, Middle East, and Africa. Each freighter will fly six times each week, carrying 50 tonnes of shipment on the Bahrain-Delhi-Bahrain route, boosting the capacity for the region.



 CT Bureau

DHL Express has started the first-ever DHL Aviation Bahrain freighter directly to Delhi. The new DHL freighter will fly six times each week, carrying 50 tonnes of shipment on the Bahrain-Delhi-Bahrain route thereby boosting the capacity from the region. Earlier, there were 11 freighter connections from Delhi to the West and Asia Pacific.

The DHL network evaluates options to strengthen air capacity to provide optimal services to customers. To ensure services continue to be delivered, while meeting challenges around air network capacities, an opportunity was identified to leverage the DHL Aviation Bahrain flights

land in Delhi to help move express loads to and from the western sectors via the Middle East.

Currently, there are six weekly flights linking customers in Hong Kong and Delhi to Europe via the DHL Express's global hub in Leipzig and five connecting back from Europe to Delhi and Hong Kong. These six extra Bahrain–Delhi–Bahrain flights will then link customers in the USA, Europe, Middle East, and Africa. Last year, six flights were added from Bengaluru, linking South and West India to the rest of the world.

R.S Subramanian, Senior Vice President & Managing Director, DHL Express India said, “We have been working tirelessly to provide reliable

connectivity to our customers to fuel India's global trade. In line with this, we looked for opportunities to expand the capacity of our dedicated air network and invest in ground infra and processes to enhance our service quality to our customers. Through this addition, we are well positioned to remain the provider of choice for our customers across key markets.”

IN BRIEF

■ Currently, there are six weekly flights linking customers in Hong Kong and Delhi to Europe via the DHL Express's global hub in Leipzig.

DHL Aviation Bahrain flights land in Delhi to help move express loads to and from the western sectors via the ME

Etihad Cargo increases weekly freighters to China

Etihad Cargo currently offers 15 direct passenger and freighter flights per week for China with cargo capacity of 2,708 tonnes. The resumption of the direct air link complements the existing schedule of cargo flights to other cities in China, highlights the partnership between the UAE and China.

 CT Bureau

From July onwards, Etihad Cargo, the cargo and logistics arm of Etihad Aviation Group, continued to expand operations in China, focusing exclusively on dedicated 777 freighters and passenger flights. It has reinforced its commitment to the Chinese market by introducing 15 direct passenger and freighter flights per week. Etihad Cargo also operates Boeing 777-200 freighter flights daily for Shanghai and six times per week for Hong Kong, bringing the total cargo capacity in and out of China to 2,708 tonnes per week.

Martin Drew, Senior Vice President Global Sales and Cargo, Etihad Aviation Group, said, "As the Chinese market is starting to recover



Martin Drew
Senior Vice President Global Sales
& Cargo, Etihad Aviation Group

from ongoing COVID-19 and lifting zero-pandemic restrictions, Etihad is pleased to resume its freighter and passenger flights to Beijing. We will reaffirm our commitment to our customers by introducing capacity on significant trade lanes. These flights will connect China to the Middle East, Europe and the rest of the world via Etihad Cargo's hub in Abu Dhabi.

"China is a strategic market for Etihad Cargo, and direct flights between the two capital cities and other major destinations will help strengthen the strategic partnership between the UAE and China," Drew averred.

Throughout the ongoing pandemic, Etihad Cargo continued to operate direct flights to China, providing cargo capacity via a fleet of modified mini freighters. With the resumption of passenger flights and schedule of freighters, the mini freighters will be taken out of rotation. Etihad Cargo has recently announced its summer schedule. Apart from adding direct flights in and out of Beijing, Shanghai and Hong Kong, the carrier will continue to operate its Boeing 777 freighters across Chicago, Dhaka, Frankfurt, among others. 🇦🇪

By expanding operations to China, Etihad Cargo will shortly take out its mini freighters out of rotation



Italy collaborates with airports in GCC

At recently concluded International Airport Show in Dubai, a total of 28 Italian aviation companies took active part in proceedings and highlighted their interest in the region. Airport show provided platform for Italian aviation firms to develop their presence in ME, Africa and South Asia.



Poste air cargo is expanding its operations in GCC in general and UAE and Qatar in particular

 CT Bureau

Describing its largest-ever contingent at the Airport Show 2022 in Dubai, Italy and the UAE are clearly headed towards a new, green mobility and a digital transformation, Italian expertise on offer during the event included firms belonging to the segments such as ATM, Airfield, GSE, construction and services, engineering and consulting, IT and terminal operations.

The airport show provided an ideal platform for Italian aviation and technology companies to develop their presence in the Middle East, Africa and South Asia. Air Tech Italy, a leading trade association, representing Italian companies specializing in supplying products, technologies and


services for airports and air-traffic control, were engaged with suppliers from the GCC.

Pao la Lesmo, Senior Consultant, Air Tech Italy, said, "We met many global suppliers who were happy to associate with us. We have seen over the past two years that many cargo airline events have been delayed, but this was not the case with Dubai." She and others from Italy are a part of Bombelli Airport Equipment.

Founded in 1889 in Milan, Italy, Bombelli (Angelo Bombelli Costruzioni Metalliche Srl) has evolved from being a pioneer in the construction industry structural steelwork sector to become a point of reference globally in the manufacturing of airport ground support equipment (GSE), cargo handling equipment,

cool chain solutions and snow removal equipment. The company deals with 120 airports worldwide offering 130 years of experience. Closer to home these include Qatar Airways and Oman Air.

Cargolux Italia is an Italian cargo airline, set up as a JV between various Italian investors and Cargolux. Its head office is located at Vizzola Ticino and its hub is Milan-Malpensa Airport.

The airline was established in December 2008 and commenced operations in June 2009. AlisCargo, which took over part of the former Alitalia cargo activity, is another leading cargo airline Italy has along with Poste Air Cargo. In addition to these, DHL is quite active in Italy, all across Europe. 

Air Tech Italy, represents Italian firms specializing in supplying products and technologies



Turkey, Vietnam airlines ink deal to expand capacity

Two carriers will promote aviation connectivity and economic activity among Vietnam, Turkey, Europe and Middle East region. We will cooperate with Vietnam Airlines in cargo and passenger capacity, says **Levent Konukcu**, chief investment & technology officer, Turkish Airlines.

 CT Bureau

Turkish and Vietnamese carriers recently signed a Memorandum of Understanding (MoU) to strengthen bilateral cooperation in transporting cargo and passengers.


According to a press statement, Turkish Airlines and Vietnam Airlines will collaborate on the transportation of passengers and cargo, along with analysing the opportunity for passenger codeshare cooperation on flight routes between Hanoi/Ho Chi Minh

City and Istanbul, Turkey's commercial capital.

"Through this cooperation, the passengers will have more choices of new destinations on networks of both the airlines," it said. It added that the two will work more closely in the field of cargo transportation through the implementation of a codeshare partnership, expected to take effect next year.

"Recovering from the crisis the pandemic brought (the) aviation sector to, we all became aware of the crucial

need for cooperation. We attach importance to expanding our cooperation with Vietnam Airlines both in cargo as well as passenger capacity," said Levent Konukcu, Turkish Airlines' chief investment and technology officer.

"The cooperation between the two carriers will bring great benefits to our passengers, promote aviation connectivity, economic and cultural exchanges among Vietnam, Turkey, Europe and Middle East region," Le Hong Ha, president and CEO of Vietnam Airlines said. 

Now, the passengers will have more options to choose destinations on networks of both the airlines

dnata invests heavily in green operations

dnata's investment in improving cargo operations, infra will support it to achieve its objectives and reduce its carbon footprint by 20% in international air and travel services. dnata Travel Group in the UK has invested in green tech and introduced new business practices to improve environment.

 CT Bureau

Leading global air and travel services provider, dnata, announced that it would invest US\$ 100 million in green operations in the next two years to further enhance environmental efficiency across its global network. It's ongoing investment in infrastructure, equipment and process improvement will support it to achieve its strategic objectives and reduce its carbon footprint.

Steve Allen, CEO, dnata Group, said, "We have been making progress on reducing our carbon footprint, minimizing waste and reducing energy and water consumption across our operations. We will increase our investments and efforts in strong cooperation with our partners to achieve our targets and preserve the en-

vironment for current and future generations."

In recent years, dnata has heavily invested in advanced technologies to optimize resources and improve operational efficiency across its facilities. It installed renewable energy features, such as solar panels, heat recovery units and electric vehicle charging, at its existing facilities in the UK, Singapore and Ireland. The company will incorporate carbon reduction initiatives in the construction and operation of its recently announced new cargo centres in The Netherlands and Iraq.

Choosing green options is a prime consideration in dnata's fleet planning. It has increased investments in electric and hybrid ramp, ground support (GSE) and forklift equipment, and refurbished existing GSE with new technologies to further

decrease emissions and update them to the latest safety and quality standards. As a result, dnata became the first ground handler to successfully complete green aircraft turnarounds using only zero-emission GSE in the USA and UAE.

CONSUMPTION TREND ANALYSIS

dnata's catering team has invested in process improvement to minimize its environmental footprint. It has been working closely with many of its airline customers to analyse consumption trends and use predictive data to optimise the loading of F&B for in-flight catering. Analysis of on-board data not only reduces food waste but also fuel burn associated with carrying excess weight. In addition, where possible dnata catering sources and supplies local produce

dnata became the first ground handler to complete green aircraft turnarounds using zero-emission GSE in the UAE and the USA



dnata increased investments in electric and hybrid ramp, ground support and forklift equipment

to reduce the food miles associated with menus.

The company has also taken initiatives across its business units to conserve water consumption and recycle materials, such as paper, plastic, cardboard, wood, glass, metal, used cooking and mineral oils. Earlier this year, the company committed to reducing its waste to landfill by 20 per cent by 2024.

SUSTAINABLE TRAVEL

dnata has embedded its environmental framework across its broad-spanning travel businesses, aiming to empower customers to make better travel choices. Its corporate services include hybrid event solutions, sustainable travel policy guidance as well as carbon emission monitoring and reporting, aligned to global standards.

dnata Travel Group in the UK has invested in green technologies and introduced new business practices to improve environmental efficiency. It switched to renewable energy to take all electricity from green sources at all of its offices, cut out single-use plastic from its operations, reduced paper consumption by four million pages annually through its



Hundreds of dnata employees took part in the company initiative 'dnata cleans the world'

'paperless office' initiative, and implemented a zero to landfill policy to ensure that all non-recyclable waste is sent to energy recovery facilities for processing. Furthermore, it replaced 80 per cent of its fleet with electric or hybrid cars with a target to operate a fully green fleet by 2024.

MAKING A DIFFERENCE

dnata mobilizes its employees through its corporate social responsibility programme, dnata4good, to make a positive difference. This May, hundreds of dnata employees around the world teamed up and took part in the company initiative 'dnata cleans the world'. dnata's volunteers cleaned beaches, rivers, canals and parks in dozens of countries across the



dnata has been working closely with airline customers to analyse consumption trends and use predictive data to optimise the loading of F&B for flights

globe. dnata offers ground handling, cargo, travel, catering and retail services in 36 countries across six continents. In the financial year 2021-22, dnata's customer-oriented teams handled more than 527,000 aircraft turns, moved three million tonnes of cargo, uplifted 39.9 million meals, and recorded a total transaction value (TTV) of travel services of US\$ 632 million. 🌱



Choosing green options is a prime consideration in dnata's fleet planning

FACT FILE

- dnata has invested heavily in advanced technologies to optimize resources and improve operational efficiency.
- dnata replaced as much as 80 per cent of its fleet with electric or hybrid cars with a target to operate a fully green fleet by 2024.

Security of air cargo enhanced under PLACI

New layer of security will be implemented before loading shipments to UAE. The PLACI regime falls under the International Civil Aviation Organization and World Customs Organization's principles. Now, ICP can assess risks related to cargo shipments before their arrival to the harbour.

Abu Dhabi – To implement a PLACI regime to create a more secure air cargo supply chain in the UAE, International Air Transport Association (IATA) and Federal Authorities for Identity, Citizen, Custom and Port Security (ICP) in UAE have jointly deployed a Pre-Loading Advance Cargo Information (PLACI) system.

With this, the ICP can target and assess risks related to cargo shipments before their arrival to the harbour of unloading them. The new layer of security to be applied before loading shipments to UAE. The PLACI regime will fall in with the International Civil Aviation Organization and World Customs Organization's principles.

This is not all. The ICP and International Air Trans-

port Association (IATA) will ensure that industry standards will be merged in PLACI regime.

His Excellency Major General Suhail Saeed Al Khaeeli, General Director, ICP, said, "With the IATA and ICP working for security of air cargo will aid in achieving a higher level of security in this vital sector in the light of blending with national regulations.

This will facilitate the smooth flow of supply chain security and trade through a developed and coordinated approach, which will reinforce UAE's position as a global center for trade and shipping. It is worth noting that the ICP UAE is one of the institutions implementing the initiative that complies with International Civil Aviation Organi-

zation and World Customs Organization joint standards."

"IATA has a strong relationship with ICP and is assisting in the development of the UAE's pre-loading electronic advance information program. The project will employ IATA messaging standards and existing business processes in one of the few pre-loading electronic advance information programs currently developed worldwide.

The endorsement of IATA standards by a national administration is an important step towards harmonizing standards across the industry which is critical for smooth flow of trade. We look forward to its successful implementation," said Kamil Alawadhi, IATA's Regional VP, for Africa and Middle East.

Source: IATA.org

Facilitating smooth flow of supply chain security and trade, the system will reinforce UAE as a global logistics hub



New facility to relieve logistics, delivery costs

Emerson Automation Solutions to bring business close to customers, reduce costs and constitutes another milestone in its commitment toward Saudi Vision 2030, says **Liam Hurley**, Vice President and General Manager, Western Region, Middle East and Africa.



Dignitaries from Emerson Automation Solutions at the inauguration of the expanded facility

CT Bureau

Global technology and software firm, Emerson Automation Solutions has opened an expanded instrumentation facility in Dammam, Saudi Arabia to manufacture Rosemount pressure products and temperature transmitters.

“The facility is another milestone in our commitment toward Saudi Vision 2030 and localization programs such as IKTVA and Nusaned. We are aiming to bring our businesses closer to our customers

and align our capabilities as per their requirements. This facility will improve efficiency in production and in logistics and delivery costs, provide better value to the customers and the partners,” said Liam Hurley, Vice President and GM, Western Region in Middle East and Africa, Emerson Solutions.

Mounir Taleb, Vice President, Measurement Solutions, Middle East and Africa, said, “We are thrilled with the facility’s expansion to strengthen its manufacturing capabilities and because of the opportunity to sup-

port local communities by providing continuous business opportunities and the development of local talent.”

The facility is designed to offer expanded production capacity of transmitters to support future demand from key customers of the firm in the Kingdom. This investment follows its recently launched Fluid & Motion Control manufacturing facility in Jubail and adds to its five other manufacturing sites across the Kingdom that manufacture valves, electrical products, pneumatic components, and control systems. 🏭

We are thrilled with the facility because it is able to fortify its manufacturing capabilities, Taleb said

Brazil to sign trade pacts with Arab nations

Current business climate is result of series of measures adopted to expand international market participation. Measures highlighted included reduction of taxes and bureaucratic barriers, as well as expanding trade agreements with other countries.



Osmar Chohfi, President, Arab-Brazilian Chamber of Commerce

CT Bureau

A discussion was held at the Economic Forum between Brazil and Arab countries, which brought together several players from both regions. Over 300 members diplomats, officials, entrepreneurs attended the event organised by Arab Brazilian Chamber of Commerce (ABCC).

Flávio Rocha, Strategic Affairs Secretary, Brazilian Presidency of the Republic, stressed how Brazil offered Arabian countries a lucrative business climate and legal security for businesses that has attracted investments worth US\$ 185.45 billion in sectors

such as infrastructure, energy, and sewage disposal.

Lucas Ferraz, Foreign Trade Secretary, Brazilian Ministry of Economy said, “The business climate is the result of some measures to reduce the ‘Brazil Cost’ and expand the global market participation.” A few measures were also highlighted that included the lowering of taxes and bureaucratic barriers, and expanding trade agreements with other countries.

Jair Bolsonaro, Brazilian President said the Arab world is the third largest market for Brazil, after China and the USA. Trade flow between Brazil and 22 countries from the Arab league reached US\$ 24 billion in 2021, with exports to the bloc totalled US\$ 14.42 billion. Exports from Brazil to the Arab world grew from US\$ 4 billion between January and April in 2021 to US\$ 5.2 billion in the same period of 2022. The Arab countries stood at the fifth position among the top exporters to Brazil, with purchase volume of Arab products reaching US\$ 9.82 billion in 2021.

Brazil is now the world’s largest exporter of halal protein. Apart from poultry and beef, exports of sugar, soybeans,

and wheat have increased. Rocha said, “Brazil and the Arab world have a plethora of business opportunities, and the present business climate facilitates this growth.” He said, “Our objective is to sign pacts with Arab nations to facilitate investments and prevent double taxation. The results of the FTA with Egypt serves as an inspiration for other initiatives within Mercosur, such as the ongoing negotiations with the United Arab Emirates (UAE).”

“The trade between Brazil and the Arab world gained pace when various nations adjusted to the challenging trade and economic crises. He said, “The growth in trade between the Arab world and Brazil is evident that we still have several opportunities to be taken advantage of in the face of the COVID-19,” Osmar Chohfi, President, ABCC, said.

Sameer Abdulla Nass, Vice President, Union of Arab Chambers (UAC) and President, Bahrain Chamber of Commerce and Industry (BCCI), said, “To take benefit of the numerous advantages already present in Brazil and the Arab countries, we must intensify our economic cooperation and make high-quality investments on both sides.” 🇲🇪

AT A GLANCE

■ Osmar Chohfi, President, ABCC, and Augusto Pestana, President, Brazilian Trade and Investment Promotion Agency (ApexBrasil), signed an agreement in order to promote halal business in from 2022 to 2025 at the beginning of the Economic Forum Brazil and Arab countries.

New tax proposal may increase freight costs

Proposed carbon tax came up for discussion at recent Marine Environment Protection Committee meeting at International Maritime Organisation. Proposal seemed to increase freight costs of the shippers beyond the already record levels.



CT Bureau

The Marine Environment Protection Committee (MEPC) discussed a proposal put forward by the shipping industry to introduce a carbon tax on bunker fuel. Following the efforts of the International Maritime Organisation (IMO) to gain agreement on the so-called IMO 2023, a set of energy efficiency measures for existing ships would come into effect next year.

This is intended to incentivise a switch to lower carbon emitting fuel options, and could eventually double the current price of tradition bunker fuels. Global Shippers Forum (GSF) is urging regulators to make sure that the potential for shipping lines to remove

older tonnage from the market, which they deem uneconomic to upgrade to more demanding efficiency levels, is not used as a disguised means for capacity management resulting in higher freight rates.

The GSF urged the IMO during MEPC meeting to give consideration to the interests of those who constitute the drivers of international trade. Given the widespread use of bunker adjustment factors (BAF) and a slew of new surcharges ahead of the introduction of low sulphur fuel in 2020, James Hookham, Director, GSF, said, shippers would be wary of how much of this proposed tax will be passed on to them, it stated.

He also said, “The shippers will be forgiven for thinking

that the proposal, and its consideration at the IMO would inevitably result in still higher freight rates. That is because the shipping industry has an efficient mechanism for passing through higher fuel costs in the form of BAF: a surcharge to cover variations in fuel price. There are few reassurances in the existing proposals that the proposed tax would not just be passed through as an added cost for shippers.”

Hookham said, “If the shipping industry was serious about market-based mechanisms as a route to carbonisation, then it needs to insulate its customers from their inflationary effects. It would be better if the MEPC thought about the realities of the shipping market.” 🗨️

MEPC should think about the realities of the shipping market and avoid comparisons with experiences in other sectors of their economies, the GSF stated

Digitalising global cargo trade

Members of the UAE industry discussed factors preventing freight forwarders from embracing a digital transformation were discussed by experts and freight forwarding companies. An exclusive report.

 Abigail Mathias

What are the best practices and digital tools to adopt in an ever-evolving freight forwarding industry? These are some of the pressing issues discussed at a webinar titled, 'Roadblocks to Digitalisation of Operations.'

Biju Kewalram, Chief Digital and Transformation Officer, Transformation Core (TC) has served the logistics industry for more than 30 years in various leadership roles (CEO of startups, CIO, COO, co-CEO, Chief Transformation Officer and Chief Digital Officer). He is a proponent of fast and practical digital transformation using agile and lean techniques. He believes there is no one size fits all approach when it comes to using technology to achieve transformation.

“Over the past three decades, I have had the opportunity to see how freight forwarding and logistics have evolved in Australia and the USA. While we were happy to do 30 to 40 shipments a day in the



past, today I think that has evolved into Electronic Data Interchange (EDI), which has made a one on one exchanges possible.”

It is this aspect of interconnectedness and growth, which fascinates Kewalram. “Freight forwarding is the ultimate network effect at play. You see increasing demands for customization. If I had to list a trend, it is growing networks and greater generalisation. The value of informa-

tion has become ubiquitous. The use of digital to support global acquisitions is also popular. Standardizing technology in various locations is very important. My emphasis has often been less digital and more transformation. Companies have sometimes used technology for technology-sake. We ought to emphasize more on transformation.” Business alignment is crucial for progress of the companies, Kewalram believed.

HIGHLIGHTS

- Freight forwarding is the ultimate network effect at play. One can see demands for customization.
- Standardizing technology in various locations is very important.
- Companies need to be digitally inclined. Manual processes still persist and, they reduce efficiency.
- Business alignment is crucial for progress of the companies.



“Separation of data quality is imperative. If I hear the term ‘Data is the new oil,’ I think I am going to scream,” chuckles Kewalram. Data segregation is key for freight forwarding companies.

SURPRISING DIGITAL TRENDS

Helping logistics businesses and supply chain organizations to implement needed changes and scale faster is at the core of **Tomas Ananjevas’s** work. He is the Vice

President CIS, Atlas Logistics Network and CEO, Supply Chain Services Bureau.

Ananjevas said, “Nobody is really using pen and paper anymore. Companies need to be digitally inclined. Manual processes still persist, and they reduce efficiency.” Many redundant systems are created in-house which slow down processes.

He added, “Many companies are led by older generation

that resist change.” Leading an international onboarding, operations, support, and account management teams is **Jonathon Cummins**, Chief Customer Officer, Container xChange. He is known for driving success of more than a thousand customers.

It may be mentioned here that Container xChange is a technology company that offers a container trading and leasing platform, payment infrastructure, and efficient operating



Biju Kewalram
Chief Digital and Transformation Officer, Transformation Core (TC)



Tomas Ananjevas
Vice President CIS, Atlas Logistics Network and CEO, Supply Chain Services Bureau



Jonathon Cummins
Chief Customer Officer
Container xChange



Naveen Prakash
Director
Global Logistics Solutions India



Christian Roeloffs
Founder and CEO
xChange



systems to container logistic companies worldwide. Covering the entire transaction process of shipping containers starting with finding new partners to tracking containers and managing payments, the company makes using third party equipment as easy as booking a hotel. Being one of the top 10 logistics tech companies, xChange is transforming thousands of processes involved in moving containers globally. Container xChange acquired TankContainer-Finder.com in 2021 to further strengthen its product offerings portfolio for

tank container trading and leasing capabilities.

FACTORS PREVENTING MOVE TO DIGITAL

Adding further insight into global trends was Naveen Prakash, Director Global Logistics Solutions India Private Limited and has spent more than 25 years in LCL consolidation business. Global Logistics serves more than 2,500 active small and medium businesses. Commenting on the shift in mindset regarding digital practices, he believes, “There’s

definitely more awareness after the pandemic. The work from home scenario has been a trigger and external partners also accept this. Our customers are really embracing technology to increase their global footprint.”

Prakash has interacted with more than 3,000 freight forwarders and customs brokers and actively engaged with the logistics community online.

Kewalram believes that it is the grown of online portals and self-service that has helped his business grow. “Businesses ought to separate data quality from technology,” he suggests.

“Adopting new technologies can be daunting, “helping customers and the industry through this is significant,” suggested Cummins. The talk was moderated by Christian Roeloffs founder and Chief Executive Officer (CEO), xChange who fielded questions from the participants and briefed about client success stories. 🇮🇳





SMC comes back to Middle East from 28 Sept

Saudi Maritime Congress, aligned with goals set out in Saudi Vision 2030, will revolutionize shipping and logistics sectors in the Kingdom and the GCC countries. It is the largest international shipping and logistics gathering in the Kingdom of Saudi Arabia.

CT Bureau

The third edition of Saudi Maritime Congress (SMC), one of the Kingdom's most influential gatherings of professionals from the maritime and logistics industry is all set to make be held in UAE. The event is scheduled to take place in Dammam from September 28 to 29 2022.

The much-awaited exhibition and conference has already garnered enough support from major regional and international companies such as Saudi Global Ports Co., DP World, ATCO, Al Tamimi & Co, Red Sea Gateway Terminal, Ince, Columbia Shipmanagement and Inmarsat, among others.

The congress is the largest global shipping and logistics event in the Kingdom. The two-day exhibition and conference provides a unique platform to learn about the key opportunities in the Kingdom and connects with an international audience of decision-makers and government entities.

ENRICHING SAUDI'S ECONOMY

Saudi Arabia is experiencing a boom in the maritime sector due to several mega infrastructural, land and sea projects in progress. The Kingdom intends to issue 12 bids for investment in the development of its ports during 2022 as part of privatisation plans in its maritime industry. In view of these

developments, the SMC will further amplify the success of the sector.

Chris Morley, Group Director, Maritime Events, Informa Markets said, "Owing to the significance of the event in transferring experiences and demonstrating investment opportunities, the SMC is of strategic importance to the Kingdom and the GCC. We aim to heavily complement the Kingdom's pioneering model and the objectives of the Saudi Vision 2030." He added, "In the 2019 edition, we witnessed the presence of 1,000 maritime influencers. This year, we are looking at an increase in the number of attendees as the event is making a comeback after the pandemic." 📍

The Kingdom intends to issue 12 bids for investment for developing its ports during this year

Q-commerce platform invites transporters

Q-commerce market in the Middle East and North Africa (MENA) region is expected to grow from US\$ 9 billion in 2020 to US\$ 20 billion by 2024. We look at the implications of digitizing logistics and cargo market in the region.



Veppy launch press conference: Moustafa Banbouk, Founder and Chairman of Veppy.com and Pradeep Kumar, VP

q-commerce is a growing segment in UAE. It delivers products to customers from 30 mts to three hours depending on the distance

TCT Bureau

Happy customers make repeat customers. That seems to be the business mantra for Veppy.com, a personalised shopping platform that suggests relevant products based on a shopper's profile.

It is the first quick-commerce marketplace in the UAE and GCC nations that pledges to deliver products within the shortest delivery time, offering the maximum

customer convenience in the region.

The platform enables wholesalers, suppliers and retailers of as many as 14 categories of men's and women's products, children's products, personal care items, perfumes, toiletries and cosmetics to register their products and upload their stock keeping units (SKUs) online in order to promote them.

"Veppy.com offers an opportunity for small and medium

enterprises (SMEs) as well as large suppliers to register with us and list their products within the specified categories so that consumers could purchase them through the platform. It gives wholesalers, retailers and SMEs an opportunity to grow their business through us and offers consumers a wider choice to shop online with value-added services," says Moustafa Banbouk, Founder & Chairman, Veppy.com. Stating that his company chose to launch it in the UAE, he said, "The

government is making it extremely lucrative for e-commerce and q-commerce in the region. We also see this country as most tech-savvy in the region, which is why we are launching it here.” It hopes to slowly move to the rest of the GCC nations.

“Through our q-commerce experience users can receive products faster,” explained Pradeep Kumar, Vice President, Strategy and Growth. He said Veppy.com invites suppliers and sellers to register their companies and list their products online ahead of its commercial launch in the last week of August, when consumers are likely to start buying products online for quick delivery.

“One of our key differentiators in business is delivery of products to consumer’s doorsteps within the shortest possible time. We are assembling transport and logistics resources to ensure fastest packing and delivery of the goods—that will change the entire e-commerce business in the UAE and perhaps in the Middle East when we scale up our business.”

Although the startup will be catering to all suppliers, it will initially focus on the SME segment, the largest employer that represents more than 80 per cent of the UAE’s economy. “Veppy.com will help lots of SMEs by giving them business opportunities through our marketplace. This way, it will help protect a large economic segment and employ thousands of professionals, once our business picks up,” elaborated Banbouk.

q-commerce is the fastest-growing online shopping or e-commerce segment that



Imad Akhdar
Co-Founder and Chief Executive Officer
Veppy.com

delivers products to customers within the shortest possible delivery time ranging from 30 minutes to three hours depending on the distance of the deliveries. The business is growing fast due to changing consumer behaviour and preference of last-minute purchase, especially by the upwardly mobile young couples, professionals, and entrepreneurs.

Estimates from Visa Middle East have forecasted the Middle East and North Africa e-commerce market size is worth US\$48.6 billion in 2022. Coined from Very Happy Shopping, Veppy.com

takes the online shopping or e-commerce business to the next level for consumers who order products at the last minute or are in a hurry to make purchases in a few hours.

Imad Akhdar, Co-Founder and CEO, Veppy.com, said, “Our sellers are the heart and soul of our marketplace and we are committed to helping them thrive at every step of their journey. “Timely delivery has been the biggest problem in the e-commerce sector worldwide. Consumers frequently complain that in online shopping apart from delay in delivery and product mix-up, they often receive someone else’s products instead of their own. Veppy.com’s USP is not only fastest delivery but also delivery of the right product to the right customer, which will help us grow.”

Driven by the changing consumer behaviour, q-commerce market in MENA region is likely to grow from US\$ 9 billion in 2020 to US\$20 billion by 2024, as per Statista.com, a global market intelligence provider. 📈

FACT FILE

■ q-commerce—sometimes used interchangeably with ‘on-demand delivery’ and e-grocery is e-commerce in a new, faster form. It combines the merits of traditional e-commerce with innovations in last-mile delivery. It is one of the fastest-growing businesses in the world.



Experts to debate on resilient food supply chains

AD (Abu Dhabi) Ports Group, facilitator of international trade, logistics, and industry, announced to host 2022 edition of World Union of Wholesale Markets Conference, a major event for fresh food industry in October this year.



The UAE's sustainable food plan involves growing rice and developing soil



H.E. Saeed Al Bahri Al Ameri
Director General, Abu Dhabi Agriculture
and Food Safety Authority

The event will take place from 20 to 22 October 2022 and, will try to contribute to find global multi-stakeholder solutions

 CT Bureau

Being organized in the Middle East for the first time, the event will take place at a crucial time, in which the issue of food security rose as a top priority for governments and communities around the world. The current situation in Ukraine, staff shortages, border disputes, port congestions, increasing fuel prices, widespread food sourcing issues and the effects of climate change in food production are the major challenges facing the global food industry. With the theme “Global food security in the XXI: Risks, challenges and solu-

tions to ensure resilient and sustainable fresh food supply chains”, WUWM Abu Dhabi 2022 Conference will bring together the major actors of the fresh food chains to discuss ways and means to ensure resilient and sustainable fresh food supply chains.

In the GCC region, nearly 80 per cent of domestic food is imported, the conference will offer an important opportunity to find pathways to strengthen regional resilience and network with key suppliers.

As part of the national Food Security Strategy, the UAE aims to become the most

secure nation in the Global Food Security Index by 2051, with a comprehensive national system to enable sustainable food production using modern technologies and enhanced local production. Following this goal, in February this year, AD Ports Group announced that it had partnered with Ghassan Aboud Group to establish the region's larg-

AT A GLANCE

■ WUWM Abu Dhabi 2022 Conference will bring together the major actors of the fresh food chains to discuss ways and means to ensure resilient and sustainable fresh food supply chains.

est multi-category wholesale food trading and logistics marketplace in KIZAD.

The event, will take place at the Abu Dhabi National Exhibition Centre (ADNEC) from 20 to 22 October 2022, and aspires to make a tangible contribution to find global multi-stakeholder innovative solutions to facilitate access to healthy and fresh food and tackle possibilities of food crisis.

The WUWM World is a non-profit leading international organization aiming to promote sustainable food systems, food security and healthy diets. It is a unique platform that gathers the most important fresh food actors of the world aiming to improve the fresh food supply chain structure, organisation and management. With 220 members, located in 40 countries, the organization leads efforts to ensure food security as well as to facilitate the transition of food systems to sustainability and resilience, ensuring healthy, guaranteed and accessible diets for everyone.

His Excellency Saeed Al Bahri Salem Al Ameri, Director General, Abu Dhabi Agriculture and Food Safety Authority (ADAFSA) said, “As a result of the directives of UAE leadership, and the joint efforts of local and federal governments, and in partnership of the private and public sector and the community, we have set up an integrated food security system. The national strategy for food security represents a working agenda for all of us to ensure the efficiency in food production and achieving agile food supply chains, easing the food trade, supporting technol-



ogy-enabled food production, and building a food ecosystem that can deliver safe food and deal with food risks and crises. We are pleased to host the 2022 edition of the World Union of Wholesale Markets Conference in Abu Dhabi, a platform where leading practitioners can share expertise and work with stakeholders from around the world to address critical challenges faced by the fresh food and agriculture sector today.”

Captain Mohamed Juma Al Shamisi, MD and Group CEO, AD Ports Group, said, “We are building a framework for food security is very important that logistics and trade organisations can play, and AD Ports Group is proud to be making a contribution to this discussion by bringing the WUWM conference to the Middle East. Under the guidance of the nation’s wise leadership, “we are working with key partners to support a productive dialogue on collective responses to food security. In parallel, we are developing sustainable food supply chains and infrastructure that guarantees access to advanced quality control and

safety measures, and sustainable solutions not only for local, but also regional, international production and distribution, and leveraging our location as gateway to 4.5 billion consumers”.

Stéphane Layani, Chairman, WUWM said, “The entire world is at the gates of a possible severe food crisis. The WUWM Abu Dhabi 2022 Conference represents an opportunity for experts and stakeholders of the sector to engage in a productive multi-stakeholder dialogue and make our best to find concrete innovative solutions to build fresh food supply chain resiliency to ensure food security worldwide in decades.”

Eugenia Carrara, Secretary General, WUWM, said, “After COVID-19 cases subsided, we needed to reinvent ‘food architecture’ to succeed the transition of food systems into sustainability and resilience. Our members are working together to ensure safety, affordability, and sustainable access of fresh food for all through modern wholesale markets and efficient food supply chains. 🌱



Eugenia Carrara
Secretary General
WUWM

We needed to reinvent ‘food architecture’ to succeed the transition of food systems into sustainability and resilience



Staff shortage ails aerospace industry

One of significant issues discussed at recently concluded Farnborough International Air Show on 19 July 2022 centered around acute shortage of skilled labour. According to McKinsey & Company report, industry has around 50,000 vacant positions internationally.

Middle East military was resorting to cannibalizing the fleet to sustain their combat capability due to the issues in supply chain

 CT Bureau

According to reports by Airport Technology, supply chain issues, partly caused by the long shutdowns by industry during COVID-19 and the loss of key workforces, continues to have an effect on industry and operators alike in the aerospace sector.

The industry encompasses the manufacture of a wide range of aircraft and spacecraft, including passenger and military aircraft, helicopters, and gliders, spacecraft, launch vehicles, sat-

ellites among others. In addition, staff shortage was due to a transition from a hardware-centric industry to a software one, as per a US-based McKinsey & Company report. The industry has 50,000 vacant positions internationally, with technology position outflows twice of inflows.

Lockheed Martin officials told at delegates the Aerospace Global Forum at Farnborough International Air Show on 19 July 2022 that its employees were filling some of the gaps in its wider supply chain.

Officials at McKinsey & Company told the Airforce Technology that “everyone” in the sector suffered supply chain challenges, but it was not known how long such practices being undertaken by primes could be sustained.

Meanwhile, an industry insider said a Middle East military, having recently received new fighter jets, was resorting to cannibalizing the fleet to sustain their combat capability due to persistent issues in the supply chain. The report also pointed out to resignations being 6 per cent above average in the sector. 📰

Hiking cargo capacity in Dubai airports

Dubai's two airports have a combined capacity of almost 2.8-million tonnes, and its facilities are fully supported 24 hours a day. As a global cargo hub, Dubai is hard to beat. The infrastructure in the airports is world-class and government has set excellent policies.



Spanish perishables record growth in GCC

Imports of Spanish fresh fruits and vegetables by the United Arab Emirates are in the range AED 181 million, says **María José Sánchez**, Director, Fruit Attraction. She offers fresh insights on how the supply chain functions.



 CT Bureau

What is the size of perishable exports between Spain and the Middle East? How has this evolved since COVID-19?

Spanish exports to the Middle East vary from country to country and in line with the regulatory frameworks, but they are generally expanding despite the standstill. Many of these regions are seen as a gateway to the Arabian Peninsula, where there is the middle class community that value quality products and

constitute a growing demand for organic products.

What are the primary markets in GCC for exports of Spanish perishables? Mention the most popular export routes?

Spanish exports of agri-food products to GCC countries have been growing steadily for some years now. Saudi Arabia and the United Arab Emirates (UAE) are key countries for Spain because they represent a potential diverse markets. The top fruits and vegetables imported into the Middle East

are citrus fruits, apples, pears, bananas, onions, shallots, garlic, leeks, cherries, grapes, carrots and lettuce.

The perishables market in the UAE is the benchmark in the Persian Gulf for firms wishing to market their products there. Although it is not the largest market in the region, but is in terms of population, it is one of the most important one in the Middle East in terms of purchasing power. The main characteristic of the market is its dependence on imports, as local production

HIGHLIGHTS

■ The event will bring together firms from refrigerated and isothermal containers, processing, and temperature control for retail, food e-commerce etc.

is low and even non-existent for certain items due to climatic conditions that do not allow agricultural production for most of the year. Despite a certain degree of market saturation and intense price competition in the market, the quality of Spanish fruit and vegetables is recognised by UAE consumers.

What are the recent trends in the food logistics sector? Do you feel that tech has evolved, or there is room for more innovations?

At Fruit Attraction, we will have the opportunity to see all the latest advances made in this field, as well as confirm their vital role for the sector. For this reason, the area Fresh Food Logistics—an international meeting point for logistics, mobility, IT and cold chain management for the food industry—was incorporated into the trade fair, with more than 90 per cent of the space allocated to this area is already occupied.

Exploiting the synergy of Fruit Attraction, the event will bring together firms from refrigerated and isothermal containers, processing, handling and packaging systems, air-conditioning and conservation and storage facilities, cold logistics services and operators, temperature control systems for temperature-controlled transport, technologies and automation for the food cold chain, systems for quality control, refrigeration facilities, refrigeration equipment and temperature control for retail, transport solutions for fresh food-delivery, and food e-commerce among others.

In addition, within the framework of Fresh Food Logistics, the 3rd Fresh Food Logistics

Summit is set to take place. To be organised by Alimarket, the event will provide a 360-degree, cross-cutting overview of the refrigeration market and provide an opportunity to see how the main players in the sector face the challenges posed by cold logistics, to network, share experiences and seek points of collaboration.

Describe some of the challenges seen in cold logistics segment?

The working areas faced in this sector by logistics managers include energy efficiency in the design of warehouses

Experts of the sector will have an opportunity to note the latest advances made in this field, as well as confirm its vital role in the sector

and points of sale, exhaustive control of processes, temperature, traceability and stock movements, maximum speed in cold logistics operations, automation and awareness and training for efficient professionals.

There are many challenges when it comes to fresh food logistics. What would you identify as the top 3 challenges in the supply chain?

It is important to adapt to new consumer habits, to respond to the increase in online trade and to reduce food waste. The key to adapting to the situation lies in technology and in



María José Sánchez, Director, Fruit Attraction

optimizing processes to operate with great precision.

What are the most popular export routes between Spain and the Middle East?

Saudi Arabia and the UAE are key countries for Spain. According to data gathered from the Customs and Excise Department processed by Fepex, 94.1 per cent of Spanish perishables to UAE are exported by road, with trucks as the main means of transport (12.6 million tonnes in 2021) and 5.5 per cent of the total by ship (738,986 tonnes). Exports by air accounted for 0.09 per cent of the Spanish exports, with 12,122 tonnes, of which 7,942 tonnes corresponded to fruit and 2,297 tonnes to fruit for distant destinations such as the Middle East, even though in these markets the most commonly used means of transport is by ship, due to the high cost of air transport.

There is a buzz about Fruit Attraction 2022. What can suppliers in the Middle East expect at the event?


The 14th edition of Fruit Attraction 2022 will be held from 4 to 6 October. We expect participation similar to those of 2019 with as many as 90,000 professionals and around 1,800 companies. 🇪🇺

AT A GLANCE

- The event will provide a 360-degree, cross-cutting overview of the market and provide an opportunity to see how the players in the sector face the challenges.

‘Digitization of cargo processes are essential’

In digital world, it is crucial to keep in mind that implementation strategy and change management are as important as technology itself. Our core value proposition is to bring value through digital solutions for air cargo, says **Nathanaël De Tarade**, CEO, Wiremind Cargo.

 Ritika Arora Bhola

Tell us about the genesis of your business operations? Can we know about tech solutions and services you offer to your customers worldwide?

Wiremind Cargo (member of CargoTech) is built on a simple principle: to address a wide range of air cargo processes and offer digital solutions for each of them to help improve their efficiency and, transform them. Cargo is one of the least digitized industries. Our goal is not just to digitize, but to follow a motto that says ‘whatever can be digitized should not remain manual. However, we cannot automate everything.’ We believe

digitization is useful when it brings adds value in terms of revenues, cost, and productivity. For example, I can mention ULD and flight level, reservation, quotation, pricing, and overbooking. These are processes that we cover and have a digital solution for.

How streamlined are your efforts towards designing tech-enabled logistics solutions, assisting clients and their supply chains?

We offer a range of SaaS solutions with an advantage over traditional on-premises solutions. They can be customized, designed and answer to specific needs of clients. At the same time, the solutions offer strong potential for providing constant improve-

ments that are available to all our customers.

Could you tell us about your clientele globally? How successful were you in fulfilling their demands especially during COVID-19 when digitization was accorded top priority?

We count airlines, forwarders, GSAs, charter brokers among the partners we work with. GHAs are a clear target for us, as we expect to increase our collaboration with some of our customers interested in increasing efficiency on the operational side. In general, customers are looking for modern solutions that help them increase their productivity and revenues. They want to ensure the solutions they adopt are flexible, can be integrated seamlessly



Nathanaël De Tarade
CEO, Wiremind Cargo



with their other systems, and, sometimes, they need to change these systems because they do not allow integration and smooth data exchange, a must in the current context.

Elaborate how you identify the pain points, while providing business solutions to air freight stakeholders and other clients?

I do not think the customer's mindset is something new. I think that in a digital world, it is vital to keep in mind the implementation strategy and the change management are as important as technology itself for air freight stakeholders do not want solutions that are good on paper, but a nightmare to implement. The user experience, the support, the continuous improvements, are few things here and there are steadily becoming essential. The pain points have to do with cumbersome and time-consuming manual tasks. Managing large sets of data, applying multiple manual operations in excel, to end up with non-optimal results because the technology is outdated.

How do you exploit tech to create business value for your clients? Can you name some of the advanced technologies and automation processes in demand by transport and logistics industries?

Machine Learning is just a tool. We do not sell Machine Learning in itself; we believe that it is a fantastic means to an end, which is to create powerful solutions. In our SkyPallet system, for example, we are exploring how to improve results, but Machine Learning is not the only answer because it is trendy. We are deploying a new algorithm in that system, after nine months of work, that is



coded in a more recent programming language than the one we were using so far (Python). We are expecting certain improvements in this area. In terms of overbooking and pricing for instance, these

In terms of growth, Wiremind Cargo is focusing on building new solutions and addressing many prospects and markets

are areas where Deep Learning and Reinforced Learning can be applied, and our data scientists are experts in such techniques.

Nowadays SaaS solutions are using cloud-based solutions, thus ensuring highest availability and scalability standards. How do you ensure zero disruption and interruption, despite growing data volumes?

We have a dedicated platform, whose responsibility is

to manage the architecture of our software. We have invested heavily in this area for years, which results in our ability to deploy robust, scalable software environments. To give you an idea, we are managing databases that contain billions of rows. I could also mention that one of our systems handles hundreds of thousands of bookings daily. I can tell you that from a technological standpoint, in terms of scalability and data volumes to handle, we are at the highest standards worldwide.

Does Wiremind Cargo have the experience to provide excellent solutions? Do you feel the need to grow? What are your priorities for 2022 and beyond?

The token of our skills and experience is certainly our customer list. You do not get to be trusted by leading players in their industry just because you have a nice product, you have to offer consistent high level of service and reliability. In terms of growth, Wiremind Cargo is focusing on building new solutions and addressing many prospects and markets. Our priority for 2022 is to expand our product portfolio and deploy our solutions for our customers. 🍕

IN A NUTSHELL

- In a digital era, it is crucial to keep in mind that the implementation strategy and the change management are as important as the technology itself.

Movements



TIME:MATTERS Singapore

★ **Jon Norvald Haugen** joins time-critical logistics firm, time:matters, Singapore as its new MD. Previously, Haugen held various management roles within Lufthansa Cargo. These included country manager Norway and, since 2018, director sales and handling in the ME, based in Dubai. His appointment comes as the firm has embarked on expansion in the APAC. Alexander Kohlen, Chief Executive, said, “Together we want to develop high-growth markets in Asia and expand our broad range of transport services.”



GEODIS France

★ **Laurent Melaine** has been promoted as executive VP, commercial and marketing at GEODIS. He is a member of the executive committee, reporting to Marie-Christine Lombard, Chief Executive. Melaine began his career at Transports Graveleau and went on to serve on business development and site management positions. He joined GEODIS in 2011 as key account sales director for Distribution and Express business and joined its EC in 2013. In 2018, he was appointed international sales director.



CARDINAL GLOBAL LOGISTICS UK

★ **Kelly Hobson** joins Cardinal Global Logistics as its Chief Marketing and Sustainability Officer. Hobson is responsible for the overall creation and implementation of a global marketing and sustainability strategy. In 2021, Cardinal Global Logistics saw a turnover of £460m and y-o-y growth of 320 per cent across the group. Brian Hay, Chief Executive said, “Hobson is a successful marketer and is recognised for her passion for delivering effective initiatives.”



FEDEX USA

★ **Brie Carere** has been promoted as Chief Customer Officer at FedEx Services. Previously, she served as the Head of Marketing and Communications. As the Chief Customer Officer, Carere will bring the strategy, sales, product development, digital experience, marketing, communications, customer experience, revenue management, and FedEx Office retail teams under one function. This new alignment will support a strategy that focuses on a complete end-to-end customer experience, a release stated.



ALASKA AIRLINES Seattle

★ **Wayne Newton** has been promoted as Senior VP, Airport Operations and customer services by Alaska Airlines' Board of Directors. Apart from overseeing airport and cargo operations across 125 locations and a team of employees and contractors, he will lead Alaska's largest hub in Seattle. He has also been named the chairman of McGee Air Services Board of Directors, an Alaska Airlines subsidiary. He is currently the VP, Airport Operations and is responsible for 3,200 airport and employees.



SEKO LOGISTICS USA

★ **Steen Christensen** has been appointed as the CEO of international at SEKO Logistics. Christensen is responsible for SEKO's air and ocean products focused on driving strategy, growth, carrier relationships, network enablement, and performance management. Texas-based Christensen has had a 30-year executive career in the freight and logistics sector through senior posts with GEODIS and DHL. He recently spent four years as Hellmann Worldwide's president and chief executive for the USA and Canada.



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