

CARGO TRENDS

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A SPECIALIZED TABLOID FOR THE CARGO INDUSTRY

₹ 50

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GLOBAL AIR TRENDS ARE STATISTICALLY RELATED TO THE RISE AND FALL OF CONTAGION RATES OF COVID-19

The COVID-19 pandemic has forced everyone in the industry to act quickly and adopt new business models to adjust to the ever-changing environment the industry face. In an exclusive to Cargo Trends, the U.S. air cargo professionals mentioned that global air trends are statistically related to the rise and fall of contagion rates of COVID-19. They are of the view that E-commerce has experienced the biggest boom in this pandemic. A large part of the increased cargo capacity is certainly related to a strong consumer demand, particularly as it relates to online retailers. On the other hand, with an increased need to keep the global supply chain moving, and an even more urgent need for medical supplies during the pandemic, the U.S. air cargo industry had to utilize their network capabilities and personnel to move vital shipments, between U.S. hubs and key international destinations. Here are the details.....

How do you see global air cargo trends in the current situation?

Jan Krems, President, United Cargo - In March, we took industry-leading steps to help manage the impact of COVID-19 by beginning to fly our 777 and 787 fleet as dedicated cargo-only flights. We knew we

had to get creative to provide solutions for our customers after facing a dramatic capacity reduction driven by a decrease in passenger travel demand. Our team recognized an opportunity and identified solutions to continue connecting products to people across the globe.

We've come a long way since then and recently celebrated some important milestones - finishing up a record-breaking second quarter and operating our 5,000th cargo-only flight. Over the past 5 months, we've shipped over 170 million pounds of critical goods to over 25 destinations worldwide on cargo-only flights. Air cargo is more important than ever, and I'm proud of our United team for stepping up and doing everything they can to support our customers and communities around the world.

Jessica Tyler - President, American Airlines Cargo - Most of us working in the air cargo industry would agree that 2019 was a tough year for the entire sector, especially compared



Jan Krems



Jessica Tyler



Elliott Paige



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ACL AIRSHOP

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TURKISH CARGO CONTINUES TO RISE.

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TURKISH CARGO
turkishcargo.com.tr

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to 2018, which was a record-breaking year for our American Cargo team. I can remember being in Munich talking about the challenging climate with our partners and customers and all of us feeling the pressure of comparing ourselves to 2018. Even though we considered 2019 tough, it ranks in the top three years throughout our 75-year history. Comparisons are a tricky thing. Recency and history tell different stories, so you have to listen to customers, observe, and analyze leading and lagging perspectives to really understand performance in a way that helps you know what to go focus on in the future.

Fast forward to now and the worries of 2019 feel like a breeze. I saw a meme recently that said Cancel 2020 that summed up how most are feeling. Despite the overwhelming burden this crisis has had on all of us, I'm so proud that our team has been able to stay connected to our purpose - to keep food, electronics, perishables and critical goods moving for the people and businesses on the other end of those shipment.

Elliott Paige, Director, Air Service

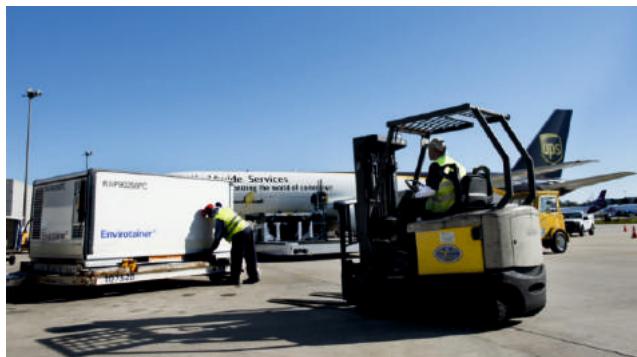
Development, Hartsfield-Jackson Atlanta International Airport (ATL)

Global air trends are statistically related to the rise and fall of contagion rates of COVID-19. We see as countries close their borders and increase restrictions in response to increase infection rates, flights to those destinations decrease. Airlines will pull capacity in response to restrictions. Those regions and countries that reduce their contagion rates have the freedom to internally carry-on business and domestic travel. In Hartsfield-Jackson Atlanta International Airport, like everywhere else, we had a precipitous fall in air traffic in March, as much as 96% from 2019 figures during the same month. We saw some improvement in June to around 80% decline from 2019. However, since as many experts have pointed out, the lockdown was lifted while COVID-19 cases were only stabilizing, and more people started getting infected, we witnessed



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fewer travelers. We saw load factors rise to around 60% in June, but back to as low as 35% more recently. In cargo, we still have a shortage of capacity from passenger belly space, but it has improved as more freighters take up the demand, and some passenger belly capacity return to the market.

Do you think 'Freighters' are the permanent solution for the air cargo industry?

Jan Krems - While coronavirus restrictions and reduced capacity still exists, I believe these cargo-only flights will continue to exist and be an important solution for the industry.

At United, we expect a mix of cargo-only flights and passenger flights to continue in the near term and are making sure we optimize our network, make the best use of our

aircraft, and continue to support our customers in the best way possible.

Jessica Tyler - The cargo-only network that we've been building since March has been a great way for us to meet our customer's needs while our passenger business has slowed down due to COVID-19. And so far, we've been able to help the airline's bottom line by offering flights with only cargo in the belly. In an uncertain environment, our goal — and the goal of the entire industry — should be to meet global needs however we can to keep critical goods and the world's economy moving. That means staying flexible and creative with all the partners and customers that make up this business. As long as we do that, it doesn't matter how — Preighter, Freighter, partnerships, you name it!

Elliott Paige - I don't see 'Preighters' as a permanent solution for the cargo industry. I think it's an innovative solution and given the rates on cargo, the scarcity of capacity, and the need to keep the logistics industry going, to fight COVID with PPE shipments, deal with the increase in e-commerce, and to provide regular cargo, using passenger planes filled with cargo is a great idea. I think it will continue for a while, but long term, I think it's best to convert those passenger planes that have lost long-haul markets, to freighters. It's very labor-intensive to load and unload a passenger plane above the wing because of the small doors. It also means more people are working closely together during a pandemic that requires social distancing. We have been having a few such flights from the Asia region and Canada. It's fascinating to see the seats of passenger planes covered in boxes strapped with cargo nets.

When do you see the "new normal" in the air cargo industry?

Jan Krems - We are optimistic, but realistic about the future - we know that we will have to adapt to the "new" normal. The COVID-19 pandemic has forced everyone in the industry to act quickly and adopt new business models to adjust to the ever-changing environment we face.

Our Cargo team is second to none, and we'll always be here to provide the high-quality

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service our customers deserve. As markets continue to shift, adaptability and agility are key to ensuring our business and our customers' businesses make it through the pandemic.

Many of our employees who were not stationed in the operation on a daily basis, such as our sales and support staff, had to adjust to a 'work from home' environment. Air cargo is a people business, and despite the obstacles we may face, I'll never stop reaching out to customers and giving them the support they deserve. There may be a lot of uncertainty at this time, but maintaining our customer relationships is one thing that will always be a top priority.

Jessica Tyler - Will we reach a "new normal" at some point? It's a question we all have, but I feel like I want to coin the phrase the "new next" because there will always be another challenge or disruption that comes along. What I know is that we must work with the flexibility to adapt in order to meet customer needs. No matter what environment we find ourselves in, that type of approach will propel us forward. Dealing with a crisis requires you to have a team with the right type of mindset. We have a team in place that wants to continually learn, grow and develop, and they want to help others do the same. An organization's, a team's, a person's



capacity to learn and apply that learning quickly is the most important talent of the "new next." I don't think we ever get to the new normal, we just keep evolving.

Elliott Paige - Much of our cargo, like most places, will depend on aggregate demand. If our economy dives into a deep recession, we will see the need for staples like food, and necessities like pharmaceutical and medical equipment remain, but discretionary products like cars or high-end clothes decline. We have seen cargo stabilize to about a 6% decline with 14% in June. However, now it's much more stable at about 5% lower than it was in 2019. We have been working hard with innovations and technologies to help improve efficiency and

protect the cargo agents. We pride ourselves in being not only a passenger but also a cargo friendly airport.

How do you look at the e-commerce trends this year? Do you see any growth in the cross-border e-commerce trade especially in the US market?

Jan Krems - It's no surprise that digital technology is completely revolutionizing trade in all sectors. The logistics industry has traditionally involved a lot of paperwork, but paperless

exchanges are becoming a more popular practice to increase efficiency and reduce transit time. The current global economy is turning to e-commerce and virtual experiences to conduct business, and I believe this trend will be a huge growth driver for the air cargo industry in the years to come.

Customers want speed, reliability, and quick access to information, so adapting to e-commerce trends is critical to serving our customers.

We have implemented several digital technology initiatives over the past year including new scanning procedures and streamlined online services. Digital advancements like these will continue to be a top focus for us moving forward.

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Jessica Tyler - A large part of our increased cargo capacity is certainly related to a strong consumer demand, particularly as it relates to online retailers. We've all been stuck at home ordering online! I'm contributing to ecommerce just as much as the next person. The sheer volume and expectation of speed have us playing a very important role in ecommerce—one we've been playing for a long time. It's hard to have something show up in hours or a day without a flight in the mix, typically. In addition to the incredible widebody network we have an expansive narrowbody fleet that helps us move freight, mail and ecommerce to thousands of destinations. In fact, this month, 40,000 narrowbody flights will move all kinds of goods, and just maybe that really important thing you ordered online yesterday!

Elliott Paige - E-commerce has experienced the biggest boom in this pandemic. We have witnessed e-commerce growth rates above 20% since March lockdown.

Can you give a brief on the pharmaceutical trends in the current pandemic situation in the United States?

Jan Krems - With an increased need to keep the global supply chain moving, and an even more urgent need for medical supplies during the pandemic, we knew we had to utilize our network capabilities and personnel to move vital shipments, such as medical kits, personal protective equipment (PPE), pharmaceuticals and medical equipment between U.S. hubs and key international destinations.

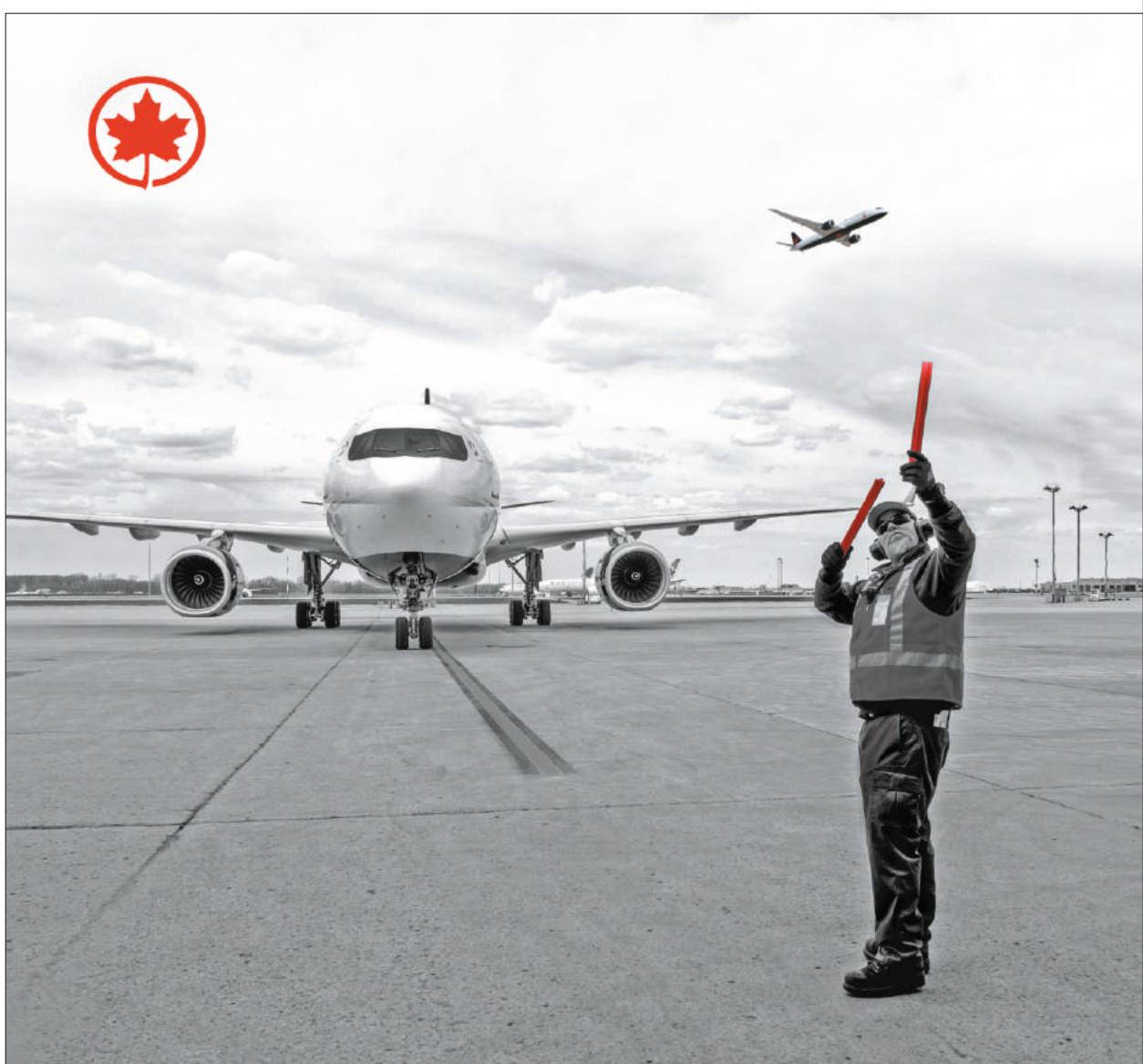
In cooperation with our partners all over the world, United Cargo has helped transport more than 112 million pounds of medical supplies to aid in the fight against COVID-19 using a combination of cargo-only flights and passenger flights.

The entire United team continues to prioritize moving these critical shipments as part of our commitment to keeping the supply chains moving.

Jessica Tyler - For decades our team has been focused on the special handling that pharmaceuticals and other temperature-controlled products require and have built an incredible network of experts and facilities to serve this special segment. We have a 25,000-square-foot temperature-controlled facility in Philadelphia dedicated to a wide range of pharmaceutical products that have specific cooling needs, as well as several facilities in Chicago, Dallas-Fort Worth, Miami, London and San Juan, Puerto Rico. During this pandemic, we're obviously seeing incredible demand for PPE, medical supplies, and other medications. In fact, we've shipped the equivalent weight of 240 full-grown elephants in

Pharma-related products since March of this year. Our team is ready to play an important role in vaccine distribution and we are transporting COVID-19 vaccine trials as we speak. No matter what lies ahead, our team, our partners, and our customers will continue working together to put our strengths to work in this critical time for the world.

Elliott Paige - Pharmaceutical shipments have remained as robust as 2019, given that they are a necessity. We have seen a tremendous increase in PPE supplies, and the airport continues to implement measures, technology, and new procedures to support overall cargo movements.



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VOLGA-DNEPR'S CARGO SUPERMARKET SERVICES SPIN HEALTHCARE CARGO ACROSS THE GLOBE

Volga-Dnepr Group has been facilitating global flows of healthcare products through its Cargo Supermarket concept. The August operations of two carriers within the Group – Volga-Dnepr Airlines and AirBridgeCargo Airlines – assisted the pharmaceutical industry in more ways than one.

This August AirBridgeCargo and its dedicated team of pharma experts managed to organize the delivery of 100 CSafe RKN containers with vaccines onboard. Most of the shipments presupposed one-way leasing with CSafe and were airfreighted from Amsterdam, the Netherlands to Shanghai, China for DSV, including a record-number liftoff with 41 RKN containers per flight.

The Group was also able to answer the call for assistance in another part of the world too, when freight forwarder Quantum Logistics, Brazil recently reached out to the Volga-Dnepr charter team for a solution to ship pharmaceutical-related equipment from Brazil to Puerto Rico.

Due to Volga-Dnepr's daily global operations, the charter team were able to facilitate Quantum's request by optimizing on the regional availability of one of the fleet's twelve

AN-124 aircraft, which was due to arrive at Brasilia airport with inbound cargo that week – enabling cost savings accordingly. Once the time for the charter arrived, the inbound flight to Brazil was offloaded, and the aircraft was then repositioned to Viracopos Airport for loading where it was proudly monitored by local aviation fans who marked the import and export charter flights as a sign of Brazil's active air cargo industry despite current global conditions.

Robison Gasperi, Managing Director, Quantum Logistics, commented that "the demand just appeared, and it took only one day for Quantum to present the solution and sign the Charter Agreement, thanks to the Volga-Dnepr team who were able to provide a great customer experience. An exclusive fleet of 14 sider trailers was used in the operation, which shows the dimension of the aircraft's cargo capacity, – with space still left over".

Yulia Celetaria, Pharma Director,

AirBridgeCargo Airlines concluded that; "Within Volga-Dnepr we have prioritized the healthcare industry by making sure we respond to each request with cost-efficient and timely solutions. Not only do these transportations contribute to



stable flows of healthcare products, but also serve as a great example of our Cargo Supermarket in action. Our two Group carriers have supported the pharma industry by shaping a unique solution in our commitment to a common goal of supporting global health, which we have been doing for more than 30 years of operations."

IATA LAUNCHES PLATFORM TO IMPROVE VISIBILITY ON AIR CARGO INFRASTRUCTURE AND CAPABILITIES

The International Air Transport Association (IATA) has launched IATA ONE Source, an online platform which helps the air cargo industry match shipping needs with the availability of infrastructure capabilities and certifications of service providers across the value chain.

This is particularly timely amid the COVID-19 crisis when shippers of medical supplies and pharmaceuticals need accurate information for time- and temperature-sensitive shipments. ONE Source lists the latest operational information on airlines, airports, cargo handling facilities, freight forwarders, ground handlers, shippers, and trucking companies. All critical information contained on ONE Source has been verified by IATA to help ensure its accuracy. IATA ONE Source is free for all service providers across the air cargo supply chain.

"Air cargo has been essential in the global fight against COVID-19, transporting vital equipment and medicines to those who need them most. However, with over 3,500 differently sized cargo handling facilities worldwide, the industry until now has lacked visibility on the capacities and services these facilities can offer. The need for greater transparency is even more critical in the current context. ONE Source addresses this by providing a single reference point for up-to-date infrastructure and certification data, helping save time and keep air cargo moving," said Glyn Hughes, IATA's Global Head of Cargo.



IATA ONE Source

ONE Source | 

- **Visibility across the Supply Chain**
- **Find capable facilities with validated information**
- **Understand handling expertise**



The ONE Source platform offers:

- * Single source of up-to-date certification and infrastructure data
- * Streamlined information per aviation service provider type allowing for direct capability comparison
- * ONE Source API providing a direct data feed to company systems.
- * Increased audit efficiency by complementing risk analysis data for a more accurate evaluation of auditing needs
- * Reduced audit complexity, focused on Unique Selling Points and security aspects

Details on IATA Certifications:

- * CEIV Pharma
- * CEIV Live Animals
- * CEIV Fresh
- * Smart Facility Operational Capacity
- * IATA Environmental Assessment (IEnVA)
- * United for Wildlife

ONE Source is part of the IATA Smart Facility program, an initiative to create transparency in cargo handling services and enhance essential cargo operational capabilities to a consistently higher baseline level across the industry.

EMIRATES SKYCARGO MARKS 18 YEARS OF CARGO FLIGHTS TO SHANGHAI

On 15 September 2002, Emirates SkyCargo crossed a historic milestone with its freighter flight touching down at Shanghai, which was the cargo carrier's first scheduled cargo destination in the country and marked Emirates' entry into the Chinese mainland.



Since 2002, Emirates SkyCargo has built its reputation in China by fostering a sense of reliability and by deploying capacity to cater to the growth in Chinese exports over the years. Emirates SkyCargo has been providing a continuous and robust trade link through its cargo flights for exports from Shanghai and other points in China with a better reach and faster time to the market connecting with primary, secondary and tertiary cities across the world.

"Emirates SkyCargo is an important facilitator of trade between China and the rest of the world and this is a very special milestone for us. Shanghai has been one of our main gateways over nearly the last two decades. Just between 2012 and 2019, we helped connect close to half a million tonnes of goods as exports and imports between Shanghai and the rest of the network," said Michael Qu, Emirates Cargo Manager, China.

"During the pandemic, our teams in Dubai and China have worked around the clock to move essential commodities and we would also like to thank our partners and the authorities in China for their support. With our current extensive network of more than 120 destinations across six continents, including 56 cities from the Belt and Road initiative, we are able to provide a dependable and efficient trade link," continued Qu.

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POLAR AIR CARGO LAUNCHES WEEKLY SERVICE TO AUCKLAND

Polar Air Cargo has launched services to Auckland Airport for the first time in what will be a regular weekly connection between Sydney, Australia and Seoul Incheon Airport, South Korea. It becomes the sixth airline operating scheduled international freighter services to and from Auckland Airport and the first dedicated freighter link between Auckland Airport and Seoul Incheon Airport, said Scott Tasker, General Manager Aeronautical Commercial at Auckland Airport.



"It's a significant vote of confidence to have a new operator flying into Auckland Airport and providing some much-needed cargo capacity. This freighter service to Seoul Incheon Airport provided by Polar Air Cargo also opens up additional connectivity options to and from key Asian markets beyond South Korea," he said.

"With the continued growth of e-commerce, the resulting air cargo demand, and shortage of cargo belly space on passenger aircraft, freight forwarders rely more than ever on freighter aircraft to move their goods," said Lars Winkelbauer, EVP & Chief Operating Officer, Polar Air Cargo Worldwide. "Adding the new air route through Auckland will help drive the growth and export opportunities for our customers by connecting them in key markets in Asia and North America."

The latest air cargo

figures show international air freight demand has declined 19% year-on-year for July 2020, with total international freight capacity at Auckland Airport falling 46% for the month of July 2020, in line with the previous month. Auckland Airport currently processes more than 90% of New Zealand's international air cargo.

"With the borders closed to everyone except returning New Zealanders and departing travellers, freight has really settled into a pattern of lower available capacity and high utilisation of available space. The steep reduction in air connectivity typically provided by passenger aircraft, which prior to the pandemic supplied 80% of available cargo capacity in their belly-holds, is contributing to this capacity shortfall," said Mr Tasker.

"Having Polar adds a new option for New Zealand air deliveries and freight forwarders, particularly in the express segment."

Polar Air Cargo will be flying the route with a Boeing 747-8F – the latest and largest variant of the 747 jumbo jet – capable of carrying up to 133 tonnes of payload.

LATAM CARGO STRENGTHENS ITS POSITION IN COLOMBIA

LATAM Cargo Group has announced an increase in its frequencies from Colombia to the United States in order to satisfy its clients' needs in that market. It also announced the reactivation of its domestic cargo operation in 8 routes, thanks to the air operation reestablishment in the country.

Concretely, LATAM Cargo Group increased its capacity by 21% from Bogota, going from 14 to 17 weekly freighter frequencies to Miami. This destination is also reached through the 5 weekly frequencies originating in Medellin that the company will maintain. LATAM Cargo offers 22 frequencies in total, thus reaffirming its commitment to transporting Colombia's flowers to the world.

Once the Colombian Government gave its approval and passenger flights were reactivated, the company gradually began to restore its domestic cargo transportation capacity in 8 of the country's cities.

During the pandemic, LATAM Cargo Group maintained its service in order to supply Leticia and San Andres through cargo-exclusive flights carried out in Airbus 320 passenger aircraft. Additionally, as of September 1, service coverage extended to Barranquilla, Bucaramanga, Cali, Cartagena, Medellin and Santa Marta by using passenger aircraft bellies.

During the past five months and in the



midst of the pandemic, LATAM Cargo has modified its itinerary and operation in order to mitigate the negative effects that belly capacity restrictions may have on customers. Likewise, the company is constantly evaluating its operation in order to satisfy its clients' needs.

One of the measures consisted of increasing its capacity between Santiago (Chile) and Miami (USA) by using freighters and passenger aircraft exclusively for cargo transportation in order to offer salmon exporters—one of Chile's main industries—a robust solution. In addition, connectivity from Miami to South America was increased and daily flights between South America and Europe were announced.

CHAMP CARGOSYSTEMS ANNOUNCES THE APPOINTMENT OF CHRIS MCDERMOTT AS CEO

Chris McDermott, currently Vice President Passenger Solution Lines at SITA, is appointed CEO of CHAMP Cargosystems. CHAMP has 500 employees, revenues of approximately \$55 million, and is a leading provider of IT solutions to the global air logistics transport industry including airlines, forwarders, and ground handlers.



"We are very happy to have a strong leader like Chris join as he brings a diverse industry background with a specialization in passenger airlines, telecommunications and managing global operations," states Barbara Dalibard, CEO of SITA and Chairman of the Board of CHAMP. She adds, "On behalf of the Board of CHAMP, I would also like to congratulate and share my gratitude for Arnaud Lambert, CEO of CHAMP Cargosystems for his 16 years of passionate and dedicated service to CHAMP, with the last six as CEO."

Chris replaces Arnaud Lambert, current CEO of CHAMP Cargosystems, who will be leaving as of 30 September 2020.

INDIGO GENERATED HIGHEST EVER MONTHLY NET REVENUE IN AUGUST '20

In-line with its mission to support the nation, IndiGo operated over 1700 CarGo charters, transporting more than 14300 MT of supplies since 18th April'20 till 07th September'20. The CarGo charter flights operated across 21 destinations within India and internationally, including new stations like Bishkek in Kyrgyzstan, Cairo in Egypt, Almaty in Kazakhstan and Tashkent in Uzbekistan. IndiGo operated these flights while adhering to all the precautionary measures. IndiGo has already transported CarGo equivalent to the loads carried in the last financial year, within the last five months at limited capacity. The airline has in fact earned marginally higher revenue over these months as compared to the earnings over

the last financial year. Furthermore, at only 32% of operations in Aug'20, IndiGo successfully managed to generate highest ever monthly net revenue with January being the last top earning month.

Ronojoy Dutta, Chief Executive Officer, IndiGo said, "The COVID-induced lockdown this year not only posed a challenge for our business but also turned out to be an opportunity for the CarGo vertical. We operated passenger flights in 'freighter mode' with CarGo secured in the cabins, to domestic and international stations. We have deployed 10 aircraft for CarGo operations and will continue this arrangement even after we resume operations at pre-covid capacities. We have learnt a lot of lessons over the last few months on the CarGo side, while strengthening revenue streams and creating new records".





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WFS GETS MORE FREIGHTER HANDLING CONTRACTS

Worldwide Flight Services (WFS) has won two major contracts to handle AirBridgeCargo Airlines' (ABC) and Air China Cargo's new freighter operations at Madrid Airport.

AirBridgeCargo has appointed WFS to provide ramp handling for its three Boeing 747F flights a week to Madrid, while Air China Cargo has chosen WFS for ramp and cargo handling services for the airline's three B777 and B747 all-cargo flights per week to the Spanish capital.

WFS operates three cargo centres at Madrid Airport with over 10,500 sqm of surface space. These facilities include dedicated areas to handle all types of goods, from general cargo, courier and express shipments to temperature-sensitive perishables and pharmaceuticals, AVI and valuable products. The WFS team are trained to handle both passenger and freighter aircraft, supported by an extensive fleet of new GSE equipment to ensure the safe and secure handling of all aircraft and cargoes.

Humberto Castro, Managing Director of WFS in Spain, said: "Freighter operations are very important to support Spain's import and export trade, especially at this time when there has been a significant loss of capacity onboard passenger flights due to COVID-19. These new freighter services by two of the world's leading airlines are an important boost for Spain's freight forwarding community and we will use our expertise to ensure we deliver the best customer experience for both airlines. This is more good news for WFS in Spain as we continue our recovery from the impact of the Coronavirus on the aviation industry."



DHL GLOBAL FORWARDING CONNECTS THREE CONTINENTS WITH DEDICATED FLIGHT

DHL Global Forwarding has launched an air freight charter connecting Asia Pacific to Europe and the U.S. to meet demand from customers in the technology, manufacturing and life science and healthcare sectors. Managed by StarBroker, DHL Global Forwarding's in-house charter team, the twice-weekly charter originates from Chongqing, China and flies to Amsterdam, Netherlands; Chicago, United States; Incheon, South Korea before returning to China.

Thomas Mack, Head of Global Air Freight DHL Global Forwarding said, "While some passenger airlines have resumed operations, the situation in the air freight market remains volatile – especially as belly capacity is still tight. As the leader in the air freight market, DHL Global Forwarding's top priority is to provide our customers with sufficient and reliable air freight capacity. Not only are the resilient, agile and reliable supply chains of highest importance for an economic recovery, but also in preparation for the availability of vaccines and other essential medical supplies during the pandemic."

South Korea has seen its export of healthcare products rise year-on-year by 26.7% in the first half of 2020, with pharmaceutical goods in particular increasing by 52.5%. China has exported 28.5% more medical devices in the first five months of the year as compared to a year ago. In 2019, China, the Netherlands and the United States were among the



top ten importers and exporters of medical goods.

"Over the years, DHL has built up its expertise from globally certified facilities and staff to technologies that track shipments in real-time in addition to ensuring the integrity of such products throughout their journey. Getting the much-needed air capacity is the last piece in the value chain puzzle, so to speak, that ensures temperature sensitive products such as life-saving vaccines reach the communities-in-need," added Mack.

In a recently published white paper DHL together with McKinsey & Company as analytics partner explores the logistics challenges for vaccines and medical goods during COVID-19. To provide global coverage of COVID-19 vaccines, up to ~200,000 pallet shipments and ~15 million deliveries in cooling boxes as well as ~15,000 flights will be required across the various supply chain set-ups.

GEODIS NAMES MIKE HONIOUS PRESIDENT & CEO AMERICAS

GEODIS today announced that effective October 3, 2020, Mike Honious will be promoted to President & CEO of GEODIS in Americas, under the responsibility of Marie-Christine Lombard, CEO of GEODIS.

"Mike has the ideal blend of deep industry experience and strong leadership abilities needed to succeed as CEO for GEODIS in Americas. Under Mike's leadership, I am confident GEODIS in Americas will continue to thrive as one of our key regions and see great success into 2021 and beyond," said GEODIS CEO, Marie-Christine Lombard.

As president and CEO, Honious is responsible for freight forwarding, transportation management, business development, strategic management office, legal, accounting & finance, human resources, engineering & technology, ProVenture, shared service center and IT.



ATSG TO OPERATE SIX MORE 767 FREIGHTERS FOR AMAZON AIR

Air Transport Services Group, Inc. has announced that it will operate six more Boeing 767 freighters on behalf of Amazon Air under an existing CMI (Crew, Maintenance and Insurance) agreement with ATSG's subsidiary, Airborne Global Solutions.



This commitment from Amazon applies to the first six of the twelve 767 freighters that Amazon agreed in May to lease from ATSG's Cargo Aircraft Management (CAM) subsidiary by the end of 2021, each lease having a ten-year term. The first of the six CAM-leased aircraft began operation for Amazon Air in 2020 and the remaining five CAM-leased aircraft will begin operation in 2021. Including these six aircraft, ATSG projects that its airlines will operate 38 Boeing 767s for Amazon Air by April of next year, 36 of which are leased to Amazon by CAM. The CMI agreement was amended in December 2018 to extend through March 2026, with an option to extend for an additional three years.

ATSG subsidiary Air Transport International will fly all six of the 767s to be added to the Amazon CMI agreement.

WFS INVESTS IN JOHANNESBURG

Worldwide Flight Services (WFS) has expanded its cargo handling operation at Johannesburg's OR Tambo International Airport to accommodate new contracts with Lufthansa and Swiss WorldCargo, the air cargo division of SWISS.

In its latest investment in South Africa, WFS has acquired the lease on a further 3,600 m² of warehouse capacity in Johannesburg, purchased additional cargo handling equipment and increased its workforce to ensure the highest levels of service, safety and security for Lufthansa and Swiss WorldCargo's air freight operations. Last year, WFS also built a new 350 m² pharma facility at OR Tambo, which has since gained GDP accreditation for the handling of temperature-controlled healthcare products.

Lufthansa uses both Airbus A380 and B747-800 aircraft between Johannesburg and Frankfurt, while Swiss WorldCargo's flights to Zurich are operated by Boeing 777-300ERs. The new contracts will make WFS the second largest cargo handler in Johannesburg.

The contracts represent further success for WFS in South Africa. In December, it also won United Airlines' cargo handling contract in Cape Town.

GLOBAL AIR CARGO SHOWS IMPROVEMENT FOR FOURTH CONSECUTIVE MONTH IN AUGUST

The gradual route to recovery to pre-COVID market conditions continued for the global air cargo industry in August for a fourth-consecutive month, according to fresh volume and yield data from two of the industry's leading analysts, CLIVE Data Services and TAC Index.

Year-on-year growth for the full four weeks of August showed a further narrowing of the gap in international air cargo volumes to -1.7% versus August 2019. This compares to a -41% YOY disparity in April, since when month-on-month demand has improved. Capacity gains, however, have added to the downward pressure on both CLIVE's 'dynamic loadfactor' and average yields.

In August, the receding gap in the year-over-year decline between capacity and demand resulted in a global dynamic loadfactor drop from 70% in July to 68% last month, but this is still exceptionally high considering that August is traditionally air cargo's 'slack season' – registering at 8% points higher than the corresponding performance in August 2019.

Looking at traffic flows from China, CLIVE Data Services' analyses for August confirms that previous concerns of hardly any demand for capacity once the PPE peak subsided have not materialised. Volumes in the last week of August were 'just' 4% less than for this same week in 2019, "not great, but by no means a disaster," commented Managing Director, Niall van de Wouw.

He added: "Our August data shows the year-over-year decline in volumes is decreasing. The capacity crunch is still there but is becoming slightly less and, as a result, loadfactors and yields are going down and becoming closer to pre-COVID levels, even though they are still elevated. Airline cargo departments have never been in control of their own destiny, and they're still not, but they are in control of the present and short-term in deciding where to place their cargo capacity. Whereas cargo has often been regarded as the 'freeloader' of the airline industry because it has always been a by-product of far greater passenger revenues, right now it is passengers who are the 'freeloaders' because cargo is the main source of revenue for many airlines and helping to get passenger flights back into the air."

"The massive uncertainty is when will passenger demand return and reverse the tables? The huge idle fleet of passenger aircraft needs to start flying again but no one is expecting that to happen soon in terms of great quantities of capacity. In the meantime, air cargo will

The global air cargo volumes continued their gradual recovery in August



continue to have its day in the sun and combination carriers will have to hope this can sustain their slimmed down operations until passenger confidence and bookings return."

With capacity ex China around 19% less than in August 2019, air cargo yields on this lane remained at an elevated level; approximately 25% higher than a year ago (basket CN/HK ->EUR) and about 35% in the same period on the Transpacific (basket CN/HK->US), according to TAC Index market intelligence. The general pricing difference on the two compared trade routes more than doubled YOY. In August, the price decline over July 2020 was 5% on Transpacific lanes and 2.5%

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MADE IN
progress



SINGAPORE'S TOTAL AIR PHARMA TRADE BY VOLUME REGISTERED A 21.2% GROWTH YOY IN THE FIRST HALF OF 2020

CHANGI'S OVERALL AIR CARGO VOLUMES DECLINED BY 23% YOY IN THE FIRST SEVEN MONTHS THIS YEAR

Lim Ching Kiat, Changi Airport Group's Managing Director for Air Hub Development in an exclusive to Cargo Trends informed that due to confluence of factors such as cargo capacity constraints on certain air trade lanes and slowdown in air trade activities, Changi's overall air cargo volumes declined by 23% year-on-year in first seven months this year. On the other hand, Changi's cargo traffic conveyed by freighters and cargo-only passenger flights surged by over 65% year-on-year during the same period. On the other hand, in terms of pharma, in the first half of 2020, Europe and Asia Pacific were their fastest-growing pharma markets in terms of air trades by volume, registering 64.7% and 12.5% year-on-year growth respectively. Here are the details.....

Air Cargo trends at Changi Airport in the last six months during pandemic - The Covid-19 pandemic has resulted in grounding of passenger aircraft due to travel restrictions and correspondingly, a slump in global belly hold cargo capacity. In response to the air cargo capacity crunch, airlines were quick to respond by increasing utilisation of their freighter aircraft and repurposing their passenger aircraft for cargo conveyance.

Between March and July this year, more than 50 carriers, such as Singapore Airlines, Scoot, Air China, British Airways and Qatar Airways, have since launched cargo-only passenger flights into Singapore, transporting cargo to over 70 cargo city links. Globally, Scoot was one of the first few airlines that operated cargo-only passenger flights and more recently, they have modified its A320 aircraft with seat removal to double its cargo capacity – a first airline in South East Asia to do so. During this period, Changi has also welcomed two new scheduled freighter operators to our family of airlines – Kalitta Air and Sichuan Airlines Cargo. In view of the above, for the month of July, our weekly cargo flights, including cargo-only passenger flights, have tripled as compared to January this year.

Due to confluence of factors such as cargo capacity constraints on certain air trade lanes and slowdown in air trade activities, Changi's overall air cargo volumes declined by 23% year-on-year in first seven months this year. On the other hand, Changi's cargo traffic conveyed by freighters and cargo-only passenger flights surged by over 65% year-on-year during the same period. Asia-North America and Asia-Europe are major global air trade lanes. Furthermore, US and EU are important trading partners of Singapore, with US and EU being our second and fourth largest trading partner by value in the first seven months of this year. By air cargo traffic, US is Changi's fourth largest air cargo market, while Germany, Netherlands, United Kingdom and France are our top air cargo markets.

According to IATA, Asia-North America's international cargo tonne-kilometres rebounded moderately, while that of Asia-Europe declined close to 20% year-on-year in July 2020, impacted by the reduction in personal protective equipment shipments. With gradual reopening of economies, manufacturing sentiments have started to show improvements in the two regions. Based on the

latest reports by IHS Markit, both US and EU manufacturing Purchasing Managers' Index have rebounded to growth in July, indicating improvements in their manufacturing activities over the next few months.

Trends at Changi Airport in the Q4

Notwithstanding the above, there still lies much uncertainty in global trade on these lanes for the remaining year including the control of the Covid-19 virus, government stimulus and interventions, and trade protectionism amongst others. Sustained slowdown in economic activities present challenges for the air cargo industry, which is highly vulnerable to economic changes. Nevertheless, sectors such as pharmaceuticals and e-commerce are likely to be resilient and perform well on these global trade lanes for the remaining part of the year.

E-commerce trade to and from Changi Airport

With the Covid-19 pandemic resulting in more people staying and working from home ecommerce has become essential for both retailers and consumers. Consumer spending patterns have since shifted with higher reliance on online shopping, accelerating the growth trajectory of e-commerce.

Pre-Covid, Southeast Asia has been identified as a key region with huge e-commerce potential with over 600 million population and is projected to worth US\$153 billion¹ by 2025. In facilitating the regional e-commerce cargo flows and ensuring timely and efficient delivery during this disruptive period, our air cargo partners are forging partnerships and rolling out initiatives. Singapore Airlines has recently partnered e commerce firm The Hut Group (THG) for dedicated air charter flights that would enable THG to link up its global manufacturing and distribution centres in this region and keep its supply chain moving.

More recently, Changi Airport welcomed the reinstatement of SF Airlines' scheduled flights in Singapore with Alibaba's logistics arm Cainiao's inaugural air freight route between Hangzhou and Singapore. The flights improve Cainiao's stability and efficiency in achieving their goal of global delivery within 72 hours and surge in cross-border e-commerce orders and the upcoming online shopping festivals such as Singles Day.

Insight on the pharma trade to and from Changi Airport during pandemic

- Pharma is a key manufacturing and exports pillar for Singapore with eight of the top ten pharma companies have facilities in Singapore, manufacturing four of the top ten drugs by global revenue. Changi strives to be the preferred air pharma hub in the region, providing support to the development of Singapore's biomedical industry, including quality and reliable distribution of their pharma products through our global air cargo network.

According to Seabury data,



Lim Ching Kiat

Singapore's total air pharma trade by volume registered a 21.2% growth year-on-year in the first half of 2020, which was above global air pharma trade growth by volume of 7.6% growth in the same period. The strong growth can be attributed to the increased global demand for pharma products in the global fight against the COVID-19 pandemic.

In the first half of 2020, Europe and Asia Pacific were our fastest-growing pharma markets in terms of air trades by volume, registering 64.7% and 12.5% year-on-year growth respectively. Specifically, on air exports by volume, Singapore's top European export markets include Switzerland, UK and the Netherlands, while top Asia Pacific export markets are Hong Kong, Japan, China and Australia.

Changi Airport works closely with our air cargo community to enhance pharma handling standards. Singapore is the first air cargo hub in Asia Pacific that formed a CEIV Pharma community. Now with over ten companies certified, Singapore has the largest CEIV Pharma community in the region, delivering the highest standards to the pharma industry.

With the lessons from COVID-19, governments around the world would likely place a greater emphasis on the life science and MedTech research and developments. Given the new focus on the industry, pharma cargo volume globally is also expected to grow in the near to medium term. To ride on the growth and better serve the pharma industry, Changi Airport has also continued to entrench our thought leadership, under the ambit of Pharma.Aero, in pharma transport by co-leading industry initiatives such as Project Sunrays - a joint project with TIACA to prepare the industry for the global distribution of Covid-19 vaccines.



MIA HAD HIGH CONCENTRATION OF FREIGHTER OPERATIONS DUE TO THE PANDEMIC AND THE DISRUPTION OF MOVING BELLY CARGO

In an exclusive to Cargo Trends, Emir Pineda and Jimmy Nares, the Senior Officials from Miami International Airport shared the latest trends at the airport. They mentioned that according to ACI North America, the North American Region recorded a decline of -4.6% in total freight volumes May19' vs May20'. Due to the pandemic and the disruption of moving belly cargo in March and April, much of the cargo capacity shifted in importance to freighters. Whereas, on the pharma side, pharma imports from Ireland, which were very low in recent years, have significantly increased at MIA since the pandemic began. Here are the details.....

What are the current trends of air cargo in the US and how MIA has performed in the last six months and during pandemic?

Emir Pineda, Manager Aviation Trade & Logistics - Miami-Dade Aviation Department -
According to ACI North America, the North American Region recorded a decline of -4.6% in total freight volumes May19' vs May20' (latest figures available) which was better than other global regions. This was fueled by strong domestic freight market which recorded +0.1% growth while international freight was down - 11.0%. Due to the pandemic and the disruption of moving belly cargo in March and April, much of the cargo capacity shifted in importance to freighters. Because of MIA's high concentration of freighter operations, we at MIA fared pretty well since then. MIA's cargo flight operations were up 25% May - June 2020 compared to last year. Our freight volumes (cargo airlines only) are also up slightly (3.2%) indicating the continued growth despite the pandemic. New air service also expanded during this time with Amerijet announcing new service to BRU, DHL to LGG, AeroLogic serving EMA-LGG-BRU, and new "freighter" service (pax aircraft being used as cargo flights) by American Airlines, Latam and Avianca Airlines.

How do you see the last quarter of this year to and from the US to Europe and Asia?

Emir Pineda -Difficult to predict. That will depend on how soon markets truly open up after going through and rebounding from the pandemic. Though we have started to see European airlines restart service to MIA (Air France/KLM, British Airways, Air Europa, Lufthansa, Virgin Atlantic, etc), with more scheduled to begin later in the year it is difficult to predict volumes at this point. It is logical to assume that as more airlines resume service our cargo volumes will increase. To Asia we only have cargo service, which has continued throughout most of this time so projections should remain about the same. Though, as we know, trade with Asia, particularly China has slowed down due to the trade war. This has triggered growth with other Asian countries such as Vietnam as manufacturers move out of China to Southeast Asia. We expect more of this in the future.

Can you give a brief insight on the e-commerce trade within the US from MIA this year so far?

Emir Pineda - As you know, US Govt does not track eCommerce as a separate category in its statistics. Ecommerce falls under sec 321 low value shipments, which does not require a formal customs entry. The de minimis in the US is \$800, which is one of the highest in the world, has fueled the massive increase in cross border eCommerce in the last few years. The

growth in eCommerce is continuing with growth in online grocery sales which are up 58% (YTD May eMarketer), the highest growth category by product in the US. At MIA, we saw our domestic cargo grow 23% July19 vs July20 and up 1.3% YTD. We believe the main driver of this growth is eCommerce. We have been working with all our integrated carriers DHL, UPS and Fed Ex along with Amazon who all have plans to expand their operations at MIA in the future. Though COVID-19 might have pushed some of these plans back, we are confident that we will see them come to fruition in the next couple of years.

Can you highlight air cargo trends from MIA into South America this year?

Emir Pineda - At present most of Latin America continues to be closed to passenger service. Cargo service has continued for the most part uninterrupted since March of this year. The most significant trend was the shipments of



pharma and PPEs to the region. Perishables (flowers/fruit & vegetables/seafood) our number one import fell somewhat particularly flowers during Mothers Day down 25% from last year, which was not bad considering the industry was predicting it would drop by more than 50%. Capacity was also limited in Mar-Apr, but has improved now. How do you see the freighter movement from Latin America into MIA? Freight operations have remained relatively unchanged throughout this period. What is new is the development of "freighters" (pax aircraft being used as cargo flights) which American, Latam and Avianca have introduced in Latin America market. American for example is now flying this type of aircraft to 5 markets in Latin America: EZE, GRU, SJU, MVD and SCL.

Can you give an insight on the pharma trends to and from MIA?

Emir Pineda - MIA, which is a Pharma Hub Airport with the first CEIV Pharma Certified air cargo community in North America, has seen significant increase in pharmaceutical shipments since the pandemic took hold around the world. For the month of June 2020, for



Emir Pineda



Jimmy Nares

example, a total of 1.351 million kilos of pharma passed through our airport (90,345 kilos in imports and 1.261 million kilos in exports), which was +13% by volume over June 2019 (source US Census Trade Data). This increase was attributed to growth in exports (+26% over June 2019). Since approximately 81% of our exports are with the Latin American and Caribbean Region, the increase in exports coincides with the rise in COVID cases in our top pharma export market - Brazil (+34% over June 2019) - and in other countries in the region during that time frame.

How much pharma trade Asia and Europe contributed into MIA during the pandemic?

Jimmy Nares - Section Chief-Marketing Officer - Miami-Dade Aviation Department

: Since the pandemic, MIA's pharma trade with Asia and Europe has varied quite a lot. In Asia, we have seen significant increases in pharma trade with China (+115% CYTD June 20') and South Korea (+100% CYTD June 20'), while experiencing significant decreases with India (-71% CYTD June 20'). In Europe, we have seen significant increase in pharma trade with Belgium (+1,640% CYTD June 20'), and Ireland (+3,766% CYTD June 20'), while experiencing significant decreases with Germany (-58% CYTD June 20') and Spain (-96% CYTD June 20'). It is also worth noting that we have seen some significant shifts in the origin of imports since the pandemic began. While India in recent years has been our top country for pharma imports, volume imports from that country have significantly decreased at MIA. Conversely, pharma imports from Ireland, which were very low in recent years, have significantly increased at MIA since the pandemic began. In fact, Ireland has overtaken India as our number one pharma import nation through the first six months of 2020. While it is difficult to ascertain, a lot of this variation in imports and exports seems to be due to pharma production shifts around the world as well as due to some countries needing to keep their production for domestic purposes rather than exporting.

As MIA has an established CEIV Pharma community and as we are a major corridor serving the Latin American and Caribbean region, we anticipate that our pharma trade will significantly increase once a COVID-19 vaccine is developed and distributed around the world.

DHL EXPRESS CONTINUES MODERNIZING GROWING FLEET BY ADDING FOUR BOEING 767-300BCFS

DHL Express and Boeing have announced that it will add four 767-300 Boeing Converted Freighters (BCF) as part of the logistics company's efforts to continue modernizing and growing its fleet with cost-efficient and reliable freighters.

This step is part of DHL's effort to modernize its long-haul intercontinental fleet in order to fly more eco-friendly and cost-efficiently. The aircraft are converted from passenger to freighter configuration by Boeing to fit the needs of DHL Express and meet the rising global demand for express services.

"We are excited to introduce additional Boeing 767 freighters to the DHL Express air network," explains Geoff Kehr, senior vice president, Global Air Fleet Management, DHL Express. "We have operated the 767-300F model across our global fleet for many years and look forward to continue investing in the platform by adding more 767-300BCFs. The freighter type offers a proven versatility and we appreciate the opportunity to further enhance efficiency while simultaneously improving our environmental footprint. This brings us closer to



our Strategy 2025 goals and ensures we deliver the best quality service possible to our customers."

"Boeing's 767 freighter, whether it is a production or converted option, offers an unmatched combination of capacity and capability as well as superior economics. We are delighted DHL has selected Boeing platforms to optimize their operations," said Ihssane Mounir, Boeing's senior vice president of Commercial Sales and Marketing. "We are committed to delivering the freighter capacity that DHL needs to succeed as one of the most trusted logistics and express cargo leaders in the world."

DELTA CARGO COMMITS TO MORE SUSTAINABLE FUTURE

Delta Cargo has joined the Sustainable Air Freight Alliance (SAFA), a business-led collaborative initiative aiming to reduce its members' environmental footprint. The move aligns with Delta's pledge earlier this year to become the world's first carbon neutral airline. The airline has committed \$1 billion over the next 10 years to mitigate all emissions from its global business.

SAFA is a collaboration between shippers, freight forwarders and airlines to track and reduce emissions from air freight and promote responsible freight transport. It is facilitated by BSR (Business for Social Responsibility), a global nonprofit business network and consultancy dedicated to sustainability.

"We're proud to join SAFA as we accelerate our sustainability goals while also being aligned with our customers and their values," said Shawn Cole, Vice President – Delta



Cargo. "We are in the midst of the worst global pandemic in living memory, but we can't afford to take sustainability off the agenda. Through this commitment, we are supporting Delta's goal to be a more environmentally-friendly airline for generations to come."

ETIHAD CARGO ENHANCES EXPORT CONTROL COMPLIANCE WITH NEW E2OPEN PARTNERSHIP

Etihad Cargo is set to streamline regulatory compliance screening processes for shipments via a new partnership with E2open, a leading provider of intelligent supply chain solutions. Scheduled to be fully operational by November, the E2open application implementation will enable Etihad Cargo to automate cargo screening against global regulations and sanctions leveraging E2open's global trade content. The automated solution will simultaneously improve efficiency, streamline workflows, minimize the risk of fines and penalties, and reduce the manual time associated with screening cargo.

"Aside from being labour intensive, navigating the constantly changing regulations and export/import requirements often requires coordination across multiple parties and compliance checks," said Andre Blech, head of operations and delivery at Etihad Cargo. "Our partnership with E2open, which shares our vision for a truly digital logistics supply chain, increases Etihad Cargo's service quality to customers, who benefit from the increased efficiency of real time verification."

Santosh Nanda, general manager of E2open's Logistics Service Providers business unit said, "This partnership with Etihad Cargo, will allow air cargo shippers to benefit from automated screening capabilities by simplifying global shipping and ensuring rapid screening so that products consistently arrive on time thereby increasing customers satisfaction."

UNILODE EQUIPS ALL dnata WAREHOUSES WITH DIGITAL READERS TO ENHANCE ULD OPERATIONS

Unilode Aviation Solutions and dnata have signed an agreement to equip all dnata warehouses with Unilode's Bluetooth® readers to enhance the efficiency of ULD operations in the global network of their customers. Unilode's



IATA award-winning digital solution transmits data on the geolocation of the ULDs and can also share other relevant information such as temperature, humidity, shock and light, using ULDs equipped with Bluetooth® digital tags and a network of Bluetooth® readers and mobile devices.

Guillaume Crozier, dnata's Divisional Vice President for Operations and Product Development, said: "Unilode's innovative solutions will further increase our digital footprint and help us efficiently manage and track ULDs across our operations. We continue to enhance training, processes and technology to provide the best possible services to our customers."

Benoit Dumont, Unilode CEO, said: "Unilode is currently digitising its entire ULD fleet of 140,000 units with tags and is rolling out a Bluetooth® reader network infrastructure in over 250 locations worldwide. Our new agreement with dnata will help us accelerate the creation of Unilode's digital ecosystem and enable us to increase ULD visibility, data accuracy and asset stock control, in addition to providing our customers with important information on their cargo. We look forward to partnering with dnata in Unilode's innovative digital journey."



BOEING 777 FREIGHTER JOINS THE VOLGA-DNEPR GROUP



A Boeing 777 Freighter has joined the Volga-Dnepr Group fleet of 22 Boeing freighters. The fuel efficient twin-engine freighter will begin operations with AirBridgeCargo, a subsidiary of Volga-Dnepr. AirBridgeCargo will operate the airplane via a sale-leaseback agreement with Dubai Aerospace Enterprise (DAE).

"We are delighted to welcome Volga-Dnepr Group as our newest customer as they introduce the 777 Freighter to their fleet," said Firoz Tarapore, DAE's Chief Executive Officer. "DAE Capital is the world's largest lessor of the profitable and efficient 777 Freighter. We look forward to a long and rewarding relationship with Volga-Dnepr Group as they continue to grow their successful operations."

Volga-Dnepr Group is among the world's largest Boeing freighter operators, flying 17 747 freighters and five 737 freighters, including 13 747-8F, four 747-400ERF, two 737-800BCF and three 737-400SF.

"We are honored to partner with Dubai Aerospace Enterprise and Volga-Dnepr Group to introduce the 777 Freighter to Volga's customers," said Ihssane Mounir, Senior Vice President of Commercial Sales and Marketing, The Boeing Company. "We look forward to introducing the unsurpassed efficiency and capability of the 777 Freighter to complement Volga's existing fleet."

FRANKFURT AIRPORT IS THE EUROPEAN HUB FOR THE HANDLING OF TEMPERATURE-SENSITIVE GOODS

At Frankfurt Airport (FRA), approximately 120,000 tons of vaccines, medications and other pharmaceutical products were handled in 2019. This makes FRA the European leader. In this position, airport operator Fraport and Lufthansa Cargo, together with other partners of the air cargo community[1] at the site, see themselves well prepared for handling a possible corona vaccine.

Currently, around 12,000 square meters of temperature-controlled handling capacity with direct apron access are available at Frankfurt Airport. A good two thirds of this is located in the highly modern Lufthansa Cargo Pharma Hub. An additional 2,000 square meters of space on the further airport grounds are about to be taken into operation. These areas meet international and European standards. For example, Fraport has been meeting the requirements of the CEIV Pharma certificate of the airline association IATA since 2018, as have eleven other service companies operating in Frankfurt. In addition, there are freight forwarders and airlines that meet the EU GDP standard. This means that more than 75 percent of the transport routes at the airport are certified. In addition, Fraport currently uses 20 ultra-modern thermal transporters to ensure the necessary temperature of the goods on their way across the apron as well.

"Frankfurt Airport offers the ideal infrastructural conditions for the handling of pharmaceutical goods. We are closely monitoring the current research for a corona vaccine. When the time comes, we will provide the best possible support together with our partners in the distribution of vaccines and medicines," says Max Philipp Conrady, Head of Central Cargo Infrastructure at Fraport. "Already during the handling of urgently needed protective equipment and partly vital pharmaceutical goods at the beginning of the year, we showed that we, as a cargo community, make an essential contribution to supplying the population."



AEI ADDS HAECO XIAMEN AS AUTHORIZED AEI CONVERSION CENTER

Aeronautical Engineers, Inc. (AEI) has announced that it has selected Taikoo (Xiamen) Aircraft Engineering Company Limited, also known as HAECO Xiamen, as an authorized AEI Conversion Center. HAECO Xiamen's first AEI conversion, a B737-800SF, is scheduled to commence in January 2021. This will be followed by an additional line starting in April 2021.

"We are delighted to add the high-quality modification services provided by HAECO Xiamen to our growing list of authorized AEI Conversion Centers," said Robert T. Convey, AEI Senior Vice



Commercial Jet Services in Dothan, Alabama; KF Aerospace in Kelowna, B.C., Canada; and STAECO in Shandong province, People's Republic of China.

UNILODE INSTALLS ITS DIGITAL ULD READERS AT ALL MENZIES AVIATION FACILITIES

Unilode Aviation Solutions and Menzies Aviation have agreed to install Unilode's Bluetooth® ULD readers at all Menzies facilities worldwide to increase ULD and cargo visibility in the aviation supply chain.

Unilode's ULDs are equipped with a Bluetooth® tag, which is able to transmit data on the geolocation of the aviation containers and pallets, in addition to providing other relevant information on the cargo, including temperature, humidity, shock, light and pressure. The infrastructure relies on a network of Bluetooth® readers and mobile devices such as smartphones and tablets. Unilode's digital solution won industry-wide recognition as the recipient of the IATA Air Cargo Innovation Award last year.



Robert Fordree, Menzies Aviation Executive Vice President of Cargo, said: "This new partnership between Menzies Aviation and Unilode will bring additional benefits to all our customers as they will be able to monitor the location and control the condition of their shipments in the aviation supply chain. The digital readers will be installed at all Menzies warehouses and ramp locations, where several thousand ULDs are handled on a daily basis on behalf of Unilode's ULD management customers. We look forward to using Unilode's award-winning digital solution to further enhance Menzies' service delivery to airlines and other stakeholders around the world."

Benoit Dumont, Unilode CEO, said: "Unilode's agreement with Menzies is another important step towards expanding our global ULD reader infrastructure at the facilities of leading ground handlers at key airports. We are in the final stages of rolling out our new in-house developed and custom-built IT platform called FAST, which will enable quick and reliable data processing and provide our customers with easy access to the tracking information supplied by our digital ULDs. We are pleased with the significant progress of Unilode's strategic digital transformation program and the partnerships created with key aviation supply chain companies for the benefit of all our customers."

President Sales and Marketing. "This year we are seeing explosive growth and requests for the full line up of our freighter conversion offerings. The additional two modification lines will now provide AEI with a total of 14 simultaneous lines, 9 of which will be dedicated to the B737-800SF platform."

AEI currently has four active authorized AEI Conversion Centers, including Commercial Jet Inc., in Miami, Florida; KF Aerospace in Kelowna, B.C., Canada; and STAECO in Shandong province, People's Republic of China.

IATA: JULY AIR CARGO DEMAND STABLE, CAPACITY REMAINS CONSTRAINED

The International Air Transport Association (IATA) released data for global air freight markets in July showing air cargo demand is stable but at lower levels than 2019. While there is some month-to-month improvement, it is at a slower pace than some of the traditional leading indicators would suggest. This is due to the capacity constraint from the loss of available belly cargo space as passenger aircraft remain parked.



Global demand, measured in cargo tonne-kilometers (CTKs*), fell by 13.5% in July (-15.5% for international operations) compared to the previous year. That is a modest improvement from the 16.6% year-on-year drop recorded in June. Seasonally-adjusted demand grew by 2.6% month-on-month in July.

Global capacity, measured in available cargo tonne-kilometers (ACTKs), shrank by 31.2% in July (32.9% for international operations) compared to the previous year. This is a small improvement from the 33.4% year-on-year drop in June.

Belly capacity for international air cargo shrank by 70.5% in July compared to the previous year owing to the withdrawal of passenger services amid the COVID-19 pandemic. This was partially offset by a 28.8% increase in capacity

through expanded use of freighter aircraft.

Economic activity continued to recover in July reflected in the performance of the Purchasing Managers' Index (PMI), an indicator of economic health in the manufacturing sector:

The new export orders component of the manufacturing PMI rose by 3.5 points compared to June, and was up 19.8 points since April.

The PMI tracking global manufacturing output returned to above 50, consistent with month-on-month growth in output

"Economic indicators are improving, but we have not yet seen that fully reflected in growing air cargo shipments. That said, air cargo is much stronger than the passenger side of the business. And one of our biggest challenges remains accommodating demand with severely reduced capacity. If borders remain closed, travel curtailed and passenger fleets grounded, the ability of air cargo to keep the global economy moving will be challenged," said Alexandre de Juniac, IATA's Director General and CEO.

JULY REGIONAL PERFORMANCE

Asia-Pacific airlines saw demand for international air cargo fall by 15.3% in July 2020 compared to the same period a year earlier. After a robust initial recovery in May, month-on-month growth seasonally-adjusted demand has softened. International capacity decreased 32.0%.

North American carriers reported a single digit fall in international cargo demand of 5.4% year-on-year in July. The stronger performance is due in part to strong demand on the transpacific, Asia-North America route, reflecting e-commerce demand for products manufactured in Asia. International capacity decreased 30.9%.

Continued from Page 11

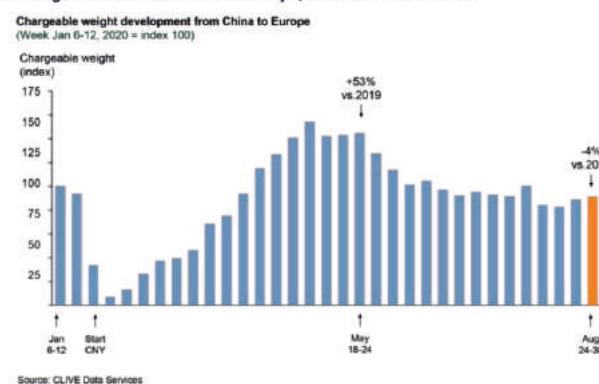
GLOBAL AIR CARGO SHOWS IMPROVEMENT FOR FOURTH CONSECUTIVE MONTH IN AUGUST

on routes from HK/CN to EU. The weekly fluctuations become visible when looking at a more detailed level; for example, PVG-AMS in the period June 29-August 31 show prices increased by 22%, peaking on August 3 at 10 % higher than on the last day of the month.

Robert Frei, Business Development Director at TAC Index, said: "When looking at the general pricing trends, we see the reaction to supply and demand happening more swiftly. This obviously has also to do with most carriers and forwarders breaking their contracts during the crisis and the fact that procurement is now done on a shorter-term basis. With shippers also finding forecasting even more difficult during the present conditions, this situation may continue for some time. All parties are currently looking at

new ways of negotiating contracts, possibly using Index Linked Agreements (ILA) or new risk management tools outside of the physical market. Such instruments are well-known and successfully practiced in other industries but are new to the air cargo market. Air freight has for many carriers and forwarders been the main source of revenue over the last couple of months, which also shows in their results. The importance of air cargo to the recovery of global trade has become very visible and recognized."

Air cargo volumes from China to Europe, there is life after PPE...



European carriers reported a 22.4% annual drop in international cargo volumes in July. This was a slight improvement from June's performance of -27.6%. Demand on most key trade lanes to / from the region remained weak. The large Europe-Asia market was down 20% year-on-year in July. International capacity decreased 37.4%.

Middle Eastern carriers reported a decline of 14.9% in year-on-year international cargo volumes in July, an improvement from the 19% fall in June. Seasonally-adjusted demand grew 7.2% month-on-month in July—the strongest of all regions. This recovery was driven by the aggressive operational strategies of some of the region's carriers. International capacity decreased 27.1%, the most resilient of all regions.

Latin American carriers posted a 32.1% drop in year-on-year international demand in July, down from a 28.6% decline in June. International capacity decreased 44.5%. The drop in both demand and capacity was the most severe of all regions. The COVID-19 crisis is particularly challenging at present for airlines based in Latin America owing to strict lock-down measures. In July the Latin American air cargo market was smaller than the African market for the first time since these statistics have been reported in 1990.

African airlines posted a contraction of 3.0% in July. This was down from a 3.8% increase in demand in June. The small Africa-Asia market continued to support the region's performance. International capacity decreased 33.7%.

LEIPZIG/HALLE AIRPORT: DOUBLE-DIGIT GROWTH FOR AIR FREIGHT IN JULY

Europe's fifth-largest cargo hub, Leipzig/Halle Airport, is continuing to register above-average growth, in contrast to the general negative trend for air freight volumes in Germany. The amount of air freight handled in July, for example, rose by 17.6% to a figure of 122,727 tonnes in comparison with the same month in the previous year.



Air cargo volumes increased by six percent between January and July in comparison to the previous year and rose to a figure of 765,583 tonnes. With more than 1,000 take-offs and landings involving freight traffic every week, the airport is proving to be a bedrock for reliable logistics and supply chains for the general population and industry during the corona crisis. The airport has also handled dozens of aid flights, for example, which have transported medical equipment to Germany and Europe.

Overall, about 60 cargo airlines make use of the airport and serve a network of routes that covers more than 200 destinations around the globe. This growth is supported by the express freight business operated by DHL and the positive developments in volumes handled by other air freight and logistics companies.

STRONG CARGO REVENUE INCREASE IN AIR CANADA Q2 RESULTS

Continued strong cargo demand in the second quarter netted outstanding results for Air Canada Cargo, the airline's cargo division, which reported a revenue increase of 52% in the second quarter over the previous year.

"For the first time ever, our cargo revenues exceeded passenger revenues in the quarter," said Calin Rovinescu, President and Chief Executive Officer of Air Canada. "Over the course of the pandemic and through the second quarter we've continued our focus on airfreight to meet immediate and exceptional demand for medical equipment, critical goods and the regular movement of time sensitive air cargo."



Since March, Air Canada Cargo has operated over 2,000 cargo-only flights across a global network that includes cities in Europe, Asia, South America, the United States as well as New Zealand and Australia. Cargo-only flights represented 38% of all widebody flights in Q2 2020, representing more than 40% of total cargo revenue.

Air Canada was among the first passenger airline to reconfigure widebody aircraft for transporting cargo in the cabin by removing the seats in the passenger cabin of for Boeing 777-300ER aircraft. These modified aircraft began flying just ten days after the required certifications and permissions were obtained. Three A330 aircraft were later modified. All seven aircraft currently operate on international routes, with PPE, mail and perishables loaded in the cabin.

"This rapid transformation of our aircraft to meet cargo demand reflects our ability to quickly pivot and adapt to the changing dynamics of the industry while maximize the needs of our fleet," said Mr. Rovinescu.

Air Canada Cargo has also worked closely with its freight forwarding customers to provide ad-hoc on-demand flights to fill specific capacity requirements. It has continued to provide road feeder access to its global network from airports in the United States including ORD, JFK, LAX, SFO, PDX and SEA.

MENZIES AVIATION EXPANDS REAL-TIME TRACKING NETWORK FOR AIR CARGO WITH DESCARTES

Descartes Systems Group has announced that Edinburgh-based Menzies Aviation is deploying Descartes Core Bluetooth Low Energy (BLE)™ readers at all of its cargo facilities globally. This expands the Descartes Core BLE Network™ used to track international mail, parcel and cargo shipments in real-time via the Descartes Core™ Unit Load Device (ULD) Tracking solution.

"As a global logistics specialist, Menzies is dedicated to embracing new technologies to provide market-leading service to our airline customers," said Robert Fordree, Executive Vice President of Cargo, Menzies Aviation. "By introducing ULD tracking with the Descartes solution, we can offer customers a higher standard of service when it comes to air shipment visibility and ULD fleet management."

Descartes Core BLE readers capture the movement of ULDs that have either Descartes or third-party BLE tags attached. The readers are part of the Descartes Core BLE Network and a Descartes Global Logistics Network™ service. Shipments can be tracked whether in the air or on the ground via the Descartes Core ULD Tracking solution to help air carriers and their partners automate freight tracking and improve asset management by providing real-time visibility of air shipments bundled into a single ULD container or pallet. In addition to location, other sensor-based information such as precise temperature, movement and humidity can be monitored. This data, combined with forecasting of asset location requirements, helps carriers reduce ULD fleet losses, better match capacity with ULD inventory, and reduce the costs associated with misplaced equipment or the requirement to lease additional ULDs.

"We're pleased to help Menzies Aviation ensure ULDs are in the right place at the right time to meet the air freight needs of its customers worldwide," said Scott Sangster, Vice President, Global Logistics Service Providers at Descartes. "By enabling the visibility of ULDs and ground equipment through automation, Descartes' advanced IoT and Bluetooth networking technologies help airlines and their partners significantly improve control over the transportation of air cargo

AVIATION TRAINING CENTRE OF VOLGA-DNEPR TECHNICS MOSCOW RECEIVES EASA APPROVAL

Volga-Dnepr Technics Moscow Aviation Training Centre (VDTM ATC) obtained a European Aviation Safety Agency (EASA) approval to provide Boeing 777-200/300 (GE 90) aircraft type training to B1 and B2 categories of engineering and technical personnel.

Since August 2020, VDTM ATC instructors have been able to provide theoretical and practical parts of training to all specialists of the industry.

'It is a great achievement for our ATC to expand the range of training programmes and include a new type of aircraft. In the context of the Russian air carriers' fleet renewal and the receipt of Boeing 777-200/300 into operation, we are ready to arrange training courses for airlines and MRO providers employees in any location convenient for them, in the premises of our ATC or at customers' base. Both Covid-19 and the associated restrictions set new requirements for all companies. During that period, we demonstrated flexibility and were able to quickly convert many courses into the online format, which was positively received by our customers and trainees', said Yuri Ryabov, Head of the Commercial Department of Volga-Dnepr Technics Moscow.

AIR CARGO FORUM MIAMI & TRANSPORT LOGISTIC AMERICAS 2020 CANCELLED

Due to the spread of the coronavirus (SARS-CoV-2) and following the competent health authorities, Messe München and The International Air Cargo Association (TIACA) are forced to cancel the air cargo forum Miami & transport logistic Americas 2020. This step was further taken based on the feedback from the majority of our registered exhibitors for not being able to join the event due to the current situation.

Gerhard Gerritzen, Deputy Managing Director of Messe München and TIACA have always been committed to providing a much-needed platform in the US to the air cargo, logistics and supply chain management communities. Given the drastic impact the global Covid-19 pandemic currently has in Florida, we regret that holding the events this year is unfortunately not possible. With this, we also take into account the latest feedback and interest of the industry that is heavily affected by the current crisis, and decided to reschedule for November 2022."

The cancellation is based on the current developments in Florida/Miami, the recent restrictions imposed in Miami-Dade County to curb the spread of COVID19 as well as the ongoing worldwide travel restrictions. These points prevent Messe München and TIACA from organizing air cargo forum Miami & transport logistic Americas 2020 at an appropriate professional and secure level.

NEW EVENT FORMAT "2 PLUS 2" IN 2021

To support the industry and its needs in the meantime, Messe München and TIACA join forces again: A new event format called "2 plus 2" is scheduled for fall 2021 in California. "Still, there is a clear appetite and strong interest of our members and the wider industry to meet, network, learn and enjoy the great impact of our community. Therefore we 'go west': meet your supply chain fellows in fall 2021 at our '2 plus 2' event in California. A two days conference followed by two days of innovation experience – California here we come." says Steven Polmans, Chairman of TIACA.



SILK WAY WEST AIRLINES AND ACL AIRSHOP ANNOUNCE STRATEGIC PARTNERSHIP

Silk Way West Airlines has confirmed a five-year ULD (Unit Load Device) agreement extension with ACL Airshop commencing earlier in 2020. This alliance extends the long-standing business relationship between the two companies. ACL Airshop has been a service partner with other airline units of Silk Way Holding for well over 10 years.

Silk Way West Airlines and ACL Airshop are working together to measurably enhance the logistics efficiencies of Silk Way's ULD fleet, including the introduction of Bluetooth innovations

for real-time tracking of ULDs. That, combined with ACL's global Operations Center in Amsterdam and network-wide "ULD Control" programs and the innovative "FindMyULD" mobile App all operate together for better utilization rates and cost efficiencies for Silk Way.

"We pursue a lean and agile business strategy. Continuous

improvement in ULD logistics is one of our strategic priorities. It contributes directly to the bottom line while facilitating top-line growth," said Emile Khasanshin, Vice President Global Cargo Operations for Silk Way West Airlines. "ACL Airshop has saved us well-into 7 Figures in new fleet-wide efficiencies. We seek supplier partners who can meet our rigorous cost expectations and flexibility requirements, demonstrate smart usage of the latest technologies, as



well as customer-oriented business processes. With their substantial worldwide expansion in the past few years, and their evolving innovations in technology and service model, ACL Airshop has become a 'strategic partner' for us. Working together has yielded measurable gains for us both, and for our end-customers."

"We cherish our large existing service partnership with Silk Way West Airlines," said Maurice van Terheijden, Managing Director EMEA for ACL Airshop. "We are honored and privileged to continue our efficient, cost-effective, flexible solutions for five years with Silk Way."

"We remain committed to helping Silk Way West Airlines grow their global cargo network. And we salute their admirable step-up in worldwide activity to counter the challenges of the coronavirus pandemic. Large air freighters have stepped in to offset the grounded belly-load capacities of many passenger fleets," said Steve Townes, Chairman of ACL Airshop and CEO of its parent company



AIR CHINA CARGO & CAINIAO INCREASE PRESENCE AT LIEGE AIRPORT

Air China Cargo Airlines & Cainiao Smart Logistics Network, Alibaba Group's logistics arm, have started a new international Cross-border e-commerce route to speed up average delivery times between China and Europe.

The first B777 Full Freighter flight landed at Belgium's Liege Airport on Aug 13. Three flights will be operated each week from Hangzhou to Liege with final destination Madrid.

By establishing its eHub at Liege Airport, Cainiao aims to improve overall logistics efficiency and expand its line-haul network in a bid to deliver globally within 72 hours. For Air China Cargo, this is the first direct cooperation with a cross-border e-commerce player. Cainiao's rich experience in the field of cross-border e-commerce logistics is showing to be very complementarity with Air China Cargo's air freight network.

"Hangzhou-LGG is the next step of the expansion of the Air China Cargo operation. This cooperation will greatly benefit Cainiao Network to further bring down delivery times for Alibaba Group deliveries. Liege Airport Cargo community welcomes more #freightersfirst and connectivity," wrote Steven Verhasselt, VP-Commercial at Liege Airport.



SKY GATES ADDS NEW RUSSIAN AIRCRAFT SERVICE

The Russian cargo airline SKY GATES CARGO AIRLINES is launching new scheduled airfreight services to and from Moscow Zhukovsky International Airport (ZIA) in August 2020. Already last year the airport introduced regular passenger services. This July a newly constructed state-of-the-art



SKY GATES started to operate scheduled flights out of Frankfurt-Hahn, Baku and Zhengzhou to Moscow-Zhukovsky a total of three times a week, completing its Russian network, as they already serve Moscow-Sheremetyevo and Novosibirsk on a scheduled base. SKY GATES also covers customs clearance and last mile delivery service with Moscow and the region provided by the partner companies of SKY GATES CARGO AIRLINES.

"This service is unique. Through modern technologies and online customs clearance proceedings we can offer a truly integrated product, be it through Moscow Sheremetyevo and now as well through Moscow Zhukovsky, covering a dedicated last mile delivery via ZIA," comments Alexander Khmelevskikh, the Sky Gates General Director.

SAUDIA CARGO EXPANDS SCHEDULED FLIGHTS, ADDS SHANGHAI TO NETWORK

Saudia Cargo has expanded its robust cargo network with the addition of Shanghai station to its flight schedules. Saudia Cargo now operates two flights a week, Saturdays and Tuesdays, originating from Riyadh's King Khalid International Airport and Jeddah's King Abdulaziz International Airport to the new destination using a Boeing 777 Freighter which has a 95-ton capacity.

The Saudi national air freight carrier's network expansion was in response to the growing demand for air cargo capacity, according to reports issued since last March.

Using charter flights booked by Saudia Cargo clients, the company has so far transported over two million kilograms of medical and pharmaceutical supplies required for facing the COVID-19 pandemic, in addition to other millions of other life-saving cargoes needed at the height of the Coronavirus pandemic.

Saudia Cargo CEO Omar Hariri said the company took proactive and



practical steps to ensure the continuity of cargo operation to the Kingdom through non-stop charter flights despite the challenges COVID-19 posed. The company, he added, operated 29 unscheduled all-cargo flights from Shanghai International Airport to the Kingdom to meet the growing demand for cargo.

"Saudia Cargo's high-level flexible schedules enabled it to respond swiftly to the increasing demand for cargo during the suspension of flights. We enhanced the charter flight services while our teams conducted an in-depth analysis of markets and order rates, which helped in the decision-making process

for the network," said Hariri who also expressed gratitude to the dedicated Saudia Cargo teams who performed their jobs despite the virus threat.

In July, Saudia Cargo operated over 1,500 flights, of which 500 were done using passenger aircraft dedicated for international cargo operations. This, as part of the company's efforts to fight the COVID-19 pandemic.

LUFTHANSA CARGO OPENS PHARMA FACILITIES IN MUNICH AND CHICAGO

After a construction period of only five months, the new "Lufthansa Cargo Pharma Hub Munich" has opened at Munich Airport. It offers space for up to 96 pallets and loose cargo in two different temperature ranges (+2 to +8 °C and +15 to +25 °C) and a freezer (down to -18 °C) on almost 1000 square metres and on several levels.

"With the new Pharma-Hub at our hub in Munich, we have created a state-of-the-art infrastructure for temperature-sensitive freight that will guarantee our customers even higher transport quality for their pharma shipments in the future. Particularly in the context of the corona pandemic, the relevance of stable supply chains and fast transport of medicines or vaccines has once again been demonstrated," explained Harald Gloy, Lufthansa Cargo Board Member Operations. In addition to him, Ola Hansson, Lufthansa Hub CEO Munich, and Jost Lammers, Chairman of Flughafen München GmbH, were also present during the opening ceremony.

A CEIV Pharma-certification by the International Air Transport Association of the new Pharma-Hub in Munich is planned for this fall. This will also be the first pharma-

certification by the aviation association at Munich Airport. As a global standard, the certification demonstrates that the facility meets strict criteria for the proper handling and storage of pharmaceutical shipments.

In addition to the new capacities for temperature-sensitive cargo at the southern German hub, Lufthansa Cargo is also expanding these capacities in the United States. The Lufthansa Cargo Pharma Center Chicago at O'Hare Airport was opened there in June. Since the middle of the year, the 750 square metre facility has been providing space on several levels for up to 54 pallets and 102 cool containers in two different temperature ranges (+2 to +8 °C and +15 to 25 °C) and in a freezer (down to -18 °C).

Most of the pharmaceutical shipments carried by Lufthansa Cargo are handled at the



Frankfurt hub. There, the "Lufthansa Cargo Pharma Hub Frankfurt" was last extended by around two-thirds to 8,000 square metres in 2018. It was one of the first Pharma Cool Centres in the world to be CEIV Pharma-certified. By the end of 2020, Lufthansa Cargo's worldwide network is expected to comprise 31 CEIV Pharma-certified pharma stations. In addition, this CEIV network is being continuously expanded.

GECAS CARGO TOPS UP ORDERBOOK WITH MORE 737-800BCF NARROWBODY FREIGHTERS

GECAS (GE Capital Aviation Services) signed an agreement with Boeing converting 11 737-800 Boeing Converted Freighter (BCF) options to firm orders and adding nine additional options to the GECAS Cargo order book.

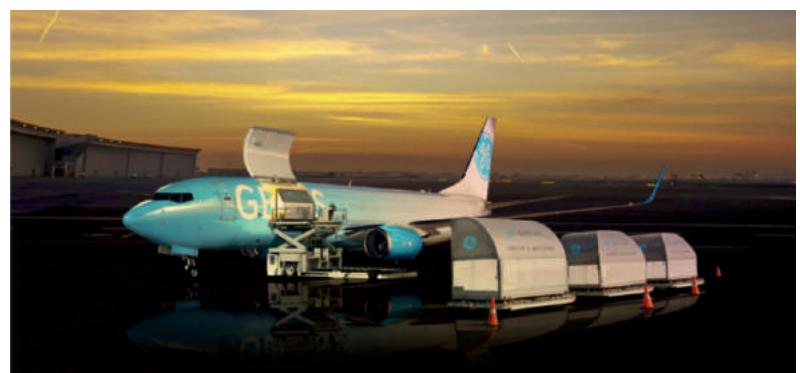
This agreement marks a repeat order by the commercial aircraft leasing and financing arm of General Electric for the 737-800BCF, bringing their total orderbook for the type to 74 (60 firm and 14 options) since the narrowbody conversion program was announced in 2016. The 20 in this agreement are scheduled to complete conversions between 2022 and 2024.

"We are very pleased to expand our orderbook for the 737-800BCF with Boeing," said Richard Greener, SVP and Manager, GECAS Cargo, adding "The versatility and reliability of these freighters is appealing to our air cargo customers, not to mention the greater efficiency, lower operational costs and better environmental credentials for the growing express and E-commerce cargo market."

To date, Boeing has delivered 23 of the converted 737-800 next-generation (NG) freighters to GECAS for its leasing customers. The 737-800BCF carries more payload – up to 23.9 tonnes (52,800 lbs) – and has longer range – 2,000 nmi (3,750 km) than other standard-body freighters – providing capability to open new markets. The 737-800BCF freighter also offers operators newer technology, lower fuel consumption and better reliability than standard-body freighters. Its primary use is carrying express cargo on domestic / short haul routes.

"It is an honor to extend our strong partnership with GECAS as they place their third repeat order

for the 737-800BCF. GECAS is renowned for providing great freighter solutions and this order is another testament to the 737-800BCF's ability to extend the life of an airplane and help cargo carriers reduce operating costs," said Ihssane Mounir, senior vice president of Commercial Sales



and Marketing, The Boeing Company. "The marketplace continues to prove that the 737-800BCF is the ideal standard body freighter to meet the growing demand in e-commerce and express cargo today and in the future."

SWISSPORT SECURES 300 MILLION EUROS ADDITIONAL LIQUIDITY TO SUPPORT OPERATIONS

Swissport has received a binding commitment from an ad hoc group of senior secured creditors (the "AHG"), subject to final documentation, for the provision of an interim super senior facility of 300 million euros, which delivers immediate liquidity for Swissport to trade through the COVID-19 market crisis and the restructuring process. The 300 million euros adds to the more than 200 million euros liquidity Swissport still had as of 18 August.

In addition, an agreement 'in principle' has been reached for a comprehensive restructuring and refinancing of Swissport, involving senior secured creditors, led by the AHG, lenders under Swissport's PIK facility agreement (the "PIK Lenders") and HNA Group Co., Ltd. ("HNA"), Swissport's current shareholder. The comprehensive restructuring will

significantly deleverage the balance sheet and provide 500 million euros in new long-term debt financing, which will eventually replace the 300 million euros interim facility. Detailed terms of the comprehensive restructuring will be released in due course once documentation has been finalized.

The restructuring will position Swissport as a strong global partner for airlines and airports alike – both in the passenger services business and in air cargo handling. With improved liquidity and low debt levels going forward, Swissport will be able to take advantage of growth opportunities post COVID-19.

"This agreement marks a transformational milestone for Swissport. The 300 million euros of additional interim financing and the planned restructuring supported by our senior secured creditors and other stakeholders gives us the certainty that Swissport will trade successfully through the current market disruptions and emerge as an even stronger industry leader," says Eric Born, Group President & CEO of Swissport International AG. "It signals to our customers, our employees and all our other stakeholders that Swissport continues to be the partner they can rely upon. The agreement also represents an endorsement from some of the world's leading investors in the fundamental strength of our business."

"On completion of the transaction, Swissport will have significantly less leverage. The company will have a much stronger financial position and the resources to invest into the business, execute on our operational plans and exploit growth opportunities. Swissport will be very well positioned to succeed in the long-term," adds Peter Waller, CFO of Swissport International AG.



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