

AIR FREIGHT ASIA UPDATE

November-December 2008

Volume 1, Number 3.
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Airbus A320 family final assembly plant in China marks official start



Airbus has officially opened the Airbus Tianjin final assembly plant – the first Airbus final assembly plant outside of Europe. The Chinese A320 Family Final Assembly Line was officially inaugurated by Chinese Premier, Wen Jiabao, Airbus President and CEO, Tom Enders and Tianjin Party Secretary, Zhang Gaoli. Airbus has a 51% stake in the business, with the other partners, the Tianjin Free Trade Zone, and China Aviation Industry Corp I and II. Airbus said it plans to increase production to achieve a target of four aircraft per month by 2011.

Asian Aerospace 2009 launches AA Club China concept to benefit both buyers and sellers

Reed Exhibitions, the organisers of Asian Aerospace 2009 (AA 2009), has launched a dedicated community building programme – “Asian Aerospace Club China” (AA Club China) – for global suppliers to engage with buyers from the Chinese industry.

The exclusive AA Club China is a business to business (B2B) initiative; a year-round membership community set up to create a networking and knowledge-building platform for commercial aviation professionals in China to engage with like-minded individuals and suppliers keen to share information regarding their products, services and technologies.

While membership is complimentary, the programme is only available to qualified professionals and contracted exhibitors at AA 2009.

The AA Club China charts new

milestones for Asian Aerospace and its customers. First, there will be even greater focus on the China marketplace, given the emergence of China as a global commercial aerospace and civil aviation industry stakeholder.

There will be a swathe of market and industry intelligence on the buying needs of China. There will be even more opportunities for worldwide suppliers to continually engage with Chinese buyers including at scheduled AA 2009 road shows to key Chinese aviation hubs like Chengdu, Xi’an, Shenyang and Ha’erbin.

Hong Kong serves as a gateway to the growing China market – with its need by 2026 for over 3,500 commercial and civil aircraft units and equipment required for the 97 new airports to be built. The AA Club

continued on Page 3



Airbus production in China expected to reach four aircraft a month by 2011.



INDUSTRY FACTS

Date: 8-10 September, 2009
Location: Hong Kong SAR
Venue: AsiaWorld-Expo @
Hong Kong Int'l Airport

Exhibition

hours: 10.00am - 5.00pm

Admission: Trade visitors only

Conference: 8-9 September, 2009 at
AsiaWorld-Expo
Conference Hall

Hotel Accommodation:

Visit www.asianaerospace.com and click “Hotels”

Air Travel:

Official airline: Cathay Pacific Airways; visit
www.cathaypacific.com for eligible discounted rates.

Co-located with:

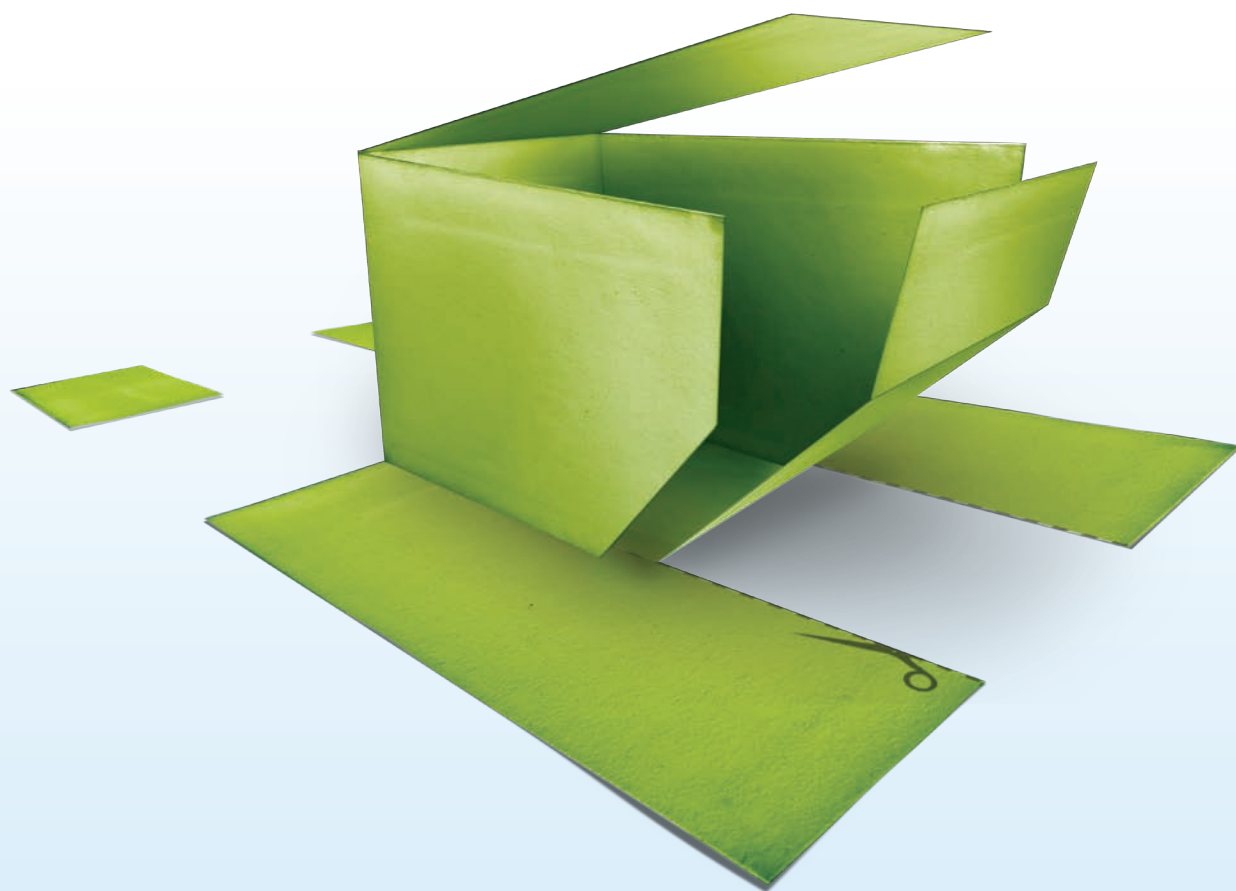


INSIDE:

- DHL doubles central Asia hub
- Agility continues aggressive China expansion
- Wal-mart sets up regional HQ
- Cargo screening technology goes under focus



Building the cargo supply chain *together*



IATA World Cargo
Symposium 2009
Bangkok, Thailand | 2-5 March

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Focus on the customer: delivering in turbulent times

IATA's annual World Cargo Symposium is the only industry event to bring customers and the entire air cargo supply chain together to take concrete action in building a safe, secure, efficient and quality air cargo industry.

Find out more www.iata.org/events/wcs09

AA Club China launch

from Page 1

China offers a 24/7, online opportunity to engage with qualified professionals from China's commercial aerospace and civil aviation industry.

Preecha S. Chen, President of Reed Exhibitions Greater China, observed: "We have long understood the importance of the Chinese market, especially from a long-term perspective, which is why



The Club China initiative will help to Deliver Business Contacts; bringing together key industry professionals throughout the year, as well as during the show.

we have focused on presenting China's market opportunities and potential to the world. To create further awareness of China's emerging commercial aerospace and civil aviation industry, as well as the ever-growing importance of Asian economies, Reed Exhibitions has decided to launch the AA Club China initiative a full year ahead of the show. In so doing, we are effectively helping our customers to prepare and communicate better with their targeted audience in China."

The inception of the dedicated community is marked with the soft launch of AA Club China's website (www.airclubchina.com), which also coincides with the pre-registration of visitors to AA 2009.

With the support of various leading international and local industry media partners, as well as industry bodies, the website aims to deliver highly engaging content to its members and empower the Chinese civil aviation professionals. The website is also able to facilitate online information exchange and discussions through blogs and forums.

High flyers to meet at Latin America event

Airline Business, the monthly boardroom magazine for the aviation industry, has announced this year's date for its second Network Latin America, the prestigious networking event that brings together route planners from airlines and airports.

The exhibition and conference will be hosted by Aruba Airport in the Caribbean

on the 7th, 8th and 9th December 2008, and follows last year's successful launch event in Monterrey, Mexico.

To find out more about the event, log on to www.networklatinamerica.com or contact event manager Jane Cartwright on Tel: +44 208652 3659 Email: jane.cartwright@flightglobal.com

SPECIAL EVENTS AT AIR FREIGHT ASIA 2009

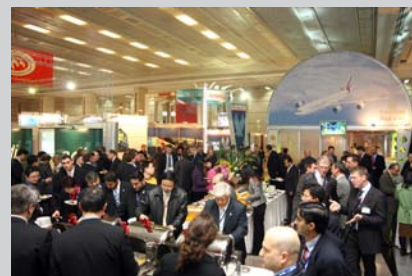
AFA09 Golf Tournament

Tee off on September 7 with the traditional Air Freight Asia Golf Tournament at the SKYCITY NINE EAGLES GOLF COURSE – a perfect place to start your networking activities during AFA09.

Conveniently located to the east of the existing passenger terminal, the SKYCITY NINE EAGLES GOLF COURSE is set within an aesthetically attractive environment with a landscape of undulating greens, artificial lake and extensive sand bunkers. It is also Hong Kong's first nine-hole golf course featuring an "Island Green".

The golf course provides a comprehensive range of facilities including equipment rental, luggage storage, restaurant, a club house, and pro-shop, as well as lighting for night-time golfing.

For further information, go to website: www.airfreightasia.com



Networking is the name of the game at AFA - Sponsorship packages on Page 5.

Welcome reception

The organisers of AFA09 and the Asian Aerospace International Expo and Congress 2009, will invite exhibitors and delegates to a welcome reception from 6pm - 10.30pm on September 7 at the 1,000-room Hong Kong SkyCity Marriott Hotel, which is connected to AsiaWorld-Expo by a walkway.

AIR FREIGHT ASIA UPDATE

Subscription Form

To receive the Air Freight Asia Update newsletter free-of-charge, please complete this form and send a copy to Ms Rosie Chan at fax number +65 6588 3341.

Yes! I wish to receive a FREE subscription to Air Freight Asia Update.

- Digital format English version
 Print format Chinese version

Please tick one box for publication format and one box for language version.

Reader Information:

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Job title: _____

Company name: _____

Type of Business: _____

Street address (or PO Box): _____

City: _____

Country: _____ Postal code: _____

Email address: _____

Phone: _____ Fax: _____

AGENDA

2008

- Nov 4-6** TIACA International Air Cargo Forum (ACF 2008), Kuala Lumpur Convention Centre, Kuala Lumpur, Malaysia.
www.tiaca.org/2008
- Nov 4-9** Air Show China, Zhuhai 2008, Guangdong, China.
www.airshow.com.cn
- Nov 5-7** Certified Transportation Network AGM, Renaissance Kowloon, Hong Kong.
miles@ctngroup.com
- Nov 23-25** Int'l Freight Week, Abu Dhabi National Exhibition Centre, Abu Dhabi, UAE.
www.internationalfreightweek.com
- Nov 27-29** Transport & Infrastructure India 2008, World Trade Centre, Mumbai, India.
www.statetimes.com/tii2008
- Dec 2-4** Interairport China 2008, China Int'l Exhibition Centre, Beijing, China.
www.interairportchina.com
- Dec 2-4** Global Distribution Strategies 2008, Langham Place Hotel, Hong Kong.
www.ticonferences.com
- Dec 7-9** Network Latin America Radisson Aruba Resort
www.flightglobal.com/networklatam

2009

- Feb 17-19** World Air Cargo Event, Bangkok Convention Centre, Bangkok, Thailand.
www.aircargonews.net
- Mar 2-5** IATA World Cargo Symposium, Bangkok, Thailand.
www.iata.org/events/wcs09
- Mar 10-15** Avalon 2009, Australia Int'l Airshow & Exposition, Avalon Airport, Geelong, Vic, Australia.
www.airshow.com.au
- Mar 24-26** SITL Temps Reel, Porte de Versailles, Hall 7.2, Paris, France.
www.sitl.eu
- May 3-5** CNSW Partnership Conference, La Costa Resort & Spa, Carlsbad, CA, USA
www.cnsc.net
- May 12-15** Transport Logistic/Air Cargo Europe, New Munich Trade Fair Centre, Munich, Germany.
www.transportlogistic.de
- Sep 21-25** FIATA World Congress, CIGC Conference Centre, Geneva, Switzerland.
www.fiata2009.com
- Nov 1-3** SITL Dubai, Airport expo, Dubai, UAE.
www.sitldubai.com

Network Latin America | 2008

Bringing airports and airlines together

Network Latin America

Radisson Aruba Resort, 7-9 December 2008

Network Latin America moves to Aruba for this year's must-attend networking event, the only route planning event dedicated to the Latin American market.

As you have come to expect from events run by Airline Business, Network Latin America 2008 will continue to combine the proven structure of:

- pre-scheduled one-to-one meetings
- a high level conference programme with key industry players including: **Dave Barger**, CEO of JetBlue Airways; **Juan Emilio Posada**, Chairman of Stratis and the former head of Colombian flag carrier Avianca; **Philip Saunders** CEO of Caribbean Airlines and **Alec Sanguinetti**, Director General and Chief Executive Officer of the Caribbean Hotel Association
- an exhibition targeted to your business requirements
- an exciting social programme for those key informal networking opportunities, Caribbean-style!

It's that vital "hear/learn/network" combination that will ensure Network Latin America 2008 is a must-attend business event. To find out how you can participate, please contact:

Delegate enquiries – Airports
Landon Letzkus
Tel: +1 703 836 7445
Email: landon.letzkus@flightglobal.com

Delegate enquiries – Airlines
Edward MacNaughton
Tel: +44 208 652 3829
Email: edward.macnaughton@flightglobal.com

FOR MORE INFORMATION AND TO BOOK YOUR PLACE PLEASE VISIT

www.flightglobal.com/networklatam



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Fax: +1 610 486 6527
Email: mtw@weidcom.com

RUSSIA

Sergey Stanovkin
Tel: +7 495 7750735
Fax: +7 495 7750736
Email: stanovkin@dars.ru

AIR FREIGHT ASIA 2009 SPONSORSHIPS AVAILABLE

AFA09 Conference folders (350 units)

- One complimentary registration and a 25 percent discount off a second registration
- Branding on backdrop on stage in conference room during conference days
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

Price: HK\$27,300 (US\$3,500)

Welcome Reception on September 7 - two opportunities available

- Three complimentary delegate pass and 25 percent off a fourth pass
- Branding inside and outside the reception room
- Branding on backdrop on stage in conference room during conference days
- Logo on the reception invitations
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$100,000
(US\$13,000) each sponsor**

Golf Tournament on September 7 (Reserved)

- Two complimentary registrations and 25 percent off a third registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at golf club
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

Price: HK\$117,000 (US\$15,000)

Coffee break on September 8 - two opportunities available (300 pax)

- Two complimentary registrations and 25 percent off a third registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$19,500
(US\$2,500) each sponsor**

Buffet lunch on September 8 - two opportunities available (300 pax)

- Three complimentary registrations and 25 percent off a fourth registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$66,300
(US\$8,500) each sponsor**

Wine & beer at Lunch on September 8 - two opportunities available (300 pax)

- One complimentary registration and a 25 percent discount off a second registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$19,500
(US\$2,500) each sponsor**

Coffee break on September 9 - two opportunities available (300 pax)

- Two complimentary registrations and 25 percent off a third registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$19,500
(US\$2,500) each sponsor**

Buffet lunch on September 9 - two opportunities available (300 pax)

- Three complimentary registrations and 25 percent off a fourth registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$66,300
(US\$8,500) each sponsor**

Wine & beer at Lunch on September 9 - two opportunities available (300 pax)

- One complimentary registration and a 25 percent discount off a second registration
- Branding on backdrop on stage in conference room during conference days
- Branding on displays at buffet area
- Your company name/logo in Air Freight Asia Update newsletter
- Your company name/logo in Air Freight Asia Show Guide
- Your company materials on display for distribution throughout the conference
- Logo link on www.airfreightasia.com from date of contract signing until September 15, 2009.

**Price: HK\$19,500
(US\$2,500) each sponsor**

AIR FREIGHT ASIA 2009 SPACE RATES

Shell Scheme	Early Bird	Regular Rate
9-20 sqm	HK\$3945/sqm	HK\$4095/sqm
21-50 sqm	HK\$3865/sqm	HK\$4056/sqm

Raw Space	Early Bird	Regular Rate
25-50 sqm	HK\$3430/sqm	HK\$ 3585/sqm
51-100 sqm	HK\$3365/sqm	HK\$ 3545/sqm
101-150 sqm	HK\$3290/sqm	HK\$ 3465/sqm

Design Plus	Early Bird	Regular Rate
9-20 sqm	HK\$4925/sqm	HK\$5350/sqm
21-50 sqm	HK\$4845/sqm	HK\$5310/sqm

Early Bird Package for 9 sqm is charged at HK\$52,540 which includes one 9 sqm shell scheme booth, one delegate pass and one half page full colour advertisement in Air Freight Asia Update.

Early Bird Package for 18 sqm is charged at HK\$94,180 which includes one 18 sqm shell scheme booth, two delegate passes, one full page full colour advertisement in Air Freight Asia Update.

Early Bird rate is valid strictly until 30 November 2008.

AIR FREIGHT ASIA 2009 SPACE RESERVATION FORM

YES, I want to reserve space at Air Freight Asia 2009

- Shell Scheme _____ sqm
- Raw Space _____ sqm
- Design Plus _____ sqm

Name: _____

Title: _____

Company Name: _____

Tel: _____ Fax: _____

Email: _____

Signature: _____ Date: _____

**For more than one booking, please photocopy this form.
Please return the form by fax to +65 6588 3341 or send via email to
rosie.chan@reedexpo.com.sg.**

AFA 2009 Exhibitors

Aeroflot Cargo
Aeromexico Cargo
Agility
Air Astana Cargo
Air Bridge Cargo Airlines
Air France-KLM Cargo
Air Logistics Group
Alitalia Cargo
ALS Advanced Logistic Systems
AmSafe Bridport
Atlas Air
Bahrain International Airport
Cathay Pacific Cargo
Cargoitalia
Cargolux
Cargo Village News
CHAMP Cargo Systems
Cologne/Bonn Airport
CSA Cargo
Delhi International Airport
Delta Cargo
DNATA Cargo
Dubai Airports
Dubai Logistics City
Düsseldorf Airport
Emirates Skycargo
Etihad Crystal Cargo
Freightscan
Hongkong Air Cargo Terminals Ltd
Hong Kong International Airport
Houston Airport
Korean Air Cargo
Leipzig-Halle Airport
Manchester Airport Group
Maximus Air Cargo
Miami Airport
Nordisk Aviation
Northwest Airlines Cargo
Polar Air Cargo
Saudi Arabian Airlines
Sharjah Airport
SkyTeam Cargo Alliance
THAI Cargo
TNT
United Airlines Cargo
VRR Asia Pte Ltd
Worldwide Flight Services
World Airways

3G03	3G02	3G01 Miami Int Airport
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ENTRANCE / EXIT
AIR FREIGHT ASIA 2009

3C01 Air Log- istics Grp	3B01	3B02
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3H06 Air Astana	3H05 HKIA	3F03 Bahrain Int'l Airport	3E04 Emirates	3C07 SkyTeam Cargo Alliance	3B03 Saudia						
3H08											
3H10											
3H12	3H11 TNT	3G09 3G13	3G11 Houston Int Airport	3F07 AirBridgeCargo	3E08 Dubai Airports	3E09 DNATA	3D11 HACTL	3C12	3C11 Ethad Crystal	3B13 Delhi Int'l Airport	3A11
3H14											3A13
3H16	3H17	3G15		3F11 Agility	3E10 Dubai Logistics City		3D15 Sharjah Airport		3C15 Manchester Airports Group	3B17 Dusseldorf Airport	3A15
3H18	3H19	3G17								3B19	3A17
3H20	3G20	3G19 WFS	3G21 Maximus				3D19 Cathay Pacific Cargo		3C19 Cargollalia	3B23	3A19
3H22	3G22 VRR			Buffet Area	Buffet Area					3B21 Leipzig- Halle	3A21

BOULEVARD

BOULEVARD

3H28	3H25 Cologne Airport	3G23 Nordisk	3F23 Cargolux	3E31 Polar Air Caroo	3D27 THAI	3C23 Freightscan	3B25 Aeroflot Cargo	
3H30		3G25 3F26 CHAMP		3D32 Atlas Air		3C25 3B26 ALS		3A29
3H32	3H27 3G28	3G27		3E33 3D34	3D31 World Airways	3C29 3B30	3B27 3A28	3A31
3H34	3H29 3G30	3G29 3F30		3E35 3D36		3C31 3B32	3B29 3A30	3A33
3H36	3H31 3G32	3G31 3F32		3E37 3D38		3C33 3B34	3B31 3A32	3A35
3H38	3H33 3G34	3G33 3F34		3E39 3D40		3C35 3B36	3B33 3A34	3A37
3H40	3H35 3G36	3G35 3F36	3F35 United Airlines Cargo			3C37 3B38	3B35 3A36	3A39
3H42	3H39	3G37 3F38	3F29			3C39 3B40	3B39	3A41
3H44		3G39 3F40						3A43
		3G41	3F41	3E41	3D41	3C41	3B41	3A45

FREIGHT ENTRANCE



Air Freight Asia will be conveniently located immediately on the left of the main entrance to the AsiaWorld-Expo Halls, which will be the venue for the largest dedicated commercial aviation showcase.

Get in touch with the contacts on adjacent page to confirm your preferred exhibition location at AFA 2009.



Austrian all-cargo carrier is the launch customer for Quiet Trader programme

Amerer Air, Austria's private all-cargo carrier, has become the launch customer for BAE Systems Regional Aircraft's BAe 146 QT (Quiet Trader) freighter programme.

The aircraft was converted at Aerostar in Bacau, Romania and delivered to Amerer Air's base at Linz, where it is scheduled to be operated on behalf of major integrators, as well as on ad hoc freight charter work.

Amerer Air has created a logistics centre in Linz, where the airline currently operates a Fokker F27-500 six-tonne freighter that is used to serve major freight forwarders, express cargo companies, private shippers, integrators and governments.



The Amerer Air BAe 146 QT with the new livery.

In addition, Amerer Air has built up, since 1999, a substantial long-distance international truck transportation business as a supplement to the air freight sector and has a fleet of trucks and large container vehicles centre.

AAPA lashes out at EU ETS decision

The decision by the European Parliament to include aviation in the European Emissions Trading Scheme (ETS), has been blasted by Andrew Herdman, the director general of the Association of Asia Pacific Airlines (AAPA).

"European legislators have again overreached their authority in seeking to impose this scheme on international airlines operating outside European airspace," Herdman said.

More than 130 non-EU governments made their opposition abundantly clear at the ICAO Assembly in September 2007, when the EU proposals were firmly rejected as incompatible with the Chicago Convention governing international aviation.

Herdman said: "One of the most offensive aspects of the scheme is that Europe is, in effect, appointing itself as tax collector-in-chief for international aviation.

Like a number of other purported green taxes and levies, there is absolutely no assurance that such funds will be directed towards meeting genuine environmental objectives."

The commercial aviation industry is already strongly committed to a range of

measures to further improve fuel efficiency, and reduce emissions, with a medium term goal of achieving carbon-neutral growth and long term sustainability, he said.

According to Herdman: "Aviation is more than willing to play its part in contributing to wider efforts to address climate change. We support emissions trading, but as far as international aviation is concerned, we need a consensus on a globally harmonised solution. Consistent with Article 2 of the Kyoto Protocol, ICAO is the only forum in which all 190 States can reach such an agreement. We look to the recently formed ICAO Group on International Aviation and Climate Change (GIACC), which includes representatives from Europe, as the key to resolving the current political impasse, and urge them to make every effort to move the international debate forward."

Meanwhile, IATA warned that Europe's unilateral and extra-territorial approach will spark international legal battles. "What right does Europe have to impose ETS charges on, for example, an Australian carrier flying from Asia to Europe for emissions over the Middle East?" director general and CEO Giovanni Bisignani asked.

Delay plan for new AA China route gets OK

Federal regulators have approved a request by American Airlines to delay launch of a new non-stop service between Chicago and Beijing for a year, because of high fuel

costs and problems in the airline industry. The brief order from the Transportation Department approved the request to delay service, until no later than April 4, 2010.

Air France freighter deal is confirmed

World Airways has signed a contract with Air France to operate one MD-11F on a full-time basis for service from France to a variety of destinations in North Africa, and a weekly flight to Brazil. This is the second consecutive year that World Airways has provided a freighter aircraft to help Air France meet its African market requirements.

See interview with outgoing Air France cargo chief on page 23.

Qantas starts its A380 service



Qantas has inaugurated its Airbus A380 commercial services with the delivery of the first of 20 aircraft its has on order. The first of the Qantas A380s, configured in a four-class cabin format, was handed over to the airline in Toulouse in mid September, prior to service entry on the Melbourne to Los Angeles route on October 20. Pictured is the aircraft in the new livery on its first flight from Hamburg in August.

Singapore Saudi alliance agreed

Saudi Arabian Airlines and Singapore Airlines have signed a Memorandum of Understanding (MOU) for marketing co-operation, establishing a framework focused on developing routes between the Kingdom of Saudi Arabia and Singapore.

The non-binding MOU outlines the areas in which the two parties will co-operate to seek new business opportunities, improve airline efficiency and ultimately deliver an enhanced customer experience. These areas include marketing cooperation, code-share arrangements, schedule coordination, and cargo facilitation.

The MOU excludes co-operation in setting cargo rates, or any other activity not exempted under competition laws.

Abu Dhabi heavylift specialist starts overhaul plan for Russian freighters



Fleet overhaul will extend life of Abu Dhabi headquartered Maximus' heavy-lifter Ilyushin fleet.

Maximus Air Cargo, the Abu Dhabi-headquartered specialist 'heavy-lifter', is undertaking a \$10 million overhaul of its Ilyushin fleet – extending the operating lifespan initially by seven years.

The three IL76TD freighters were produced in 1992 and acquired by Maximus in 2005. The carrier bought three

additional D-130 KP-2 engines from NPO Saturn, Russia, a year later.

The overhaul and upgrade programme is being undertaken with Aviazapchast, in conjunction with the Ilyushin Design Bureau. One aircraft has already been completed at the Ryazan Plant 360 in the Russian Federation, work on the second is under way, and the third will fly to Russia in January. Each comprehensive overhaul takes six months to complete.

"Safety is the first issue," said Maximus president and chief executive Fathi Hilal Buhazza. "More restrictions have been placed by EU legislation on ageing aircraft on the grounds of safety and security. Given our substantial investment in life extending major overhaul programme, this only benefits the Maximus Air Cargo fleet and will continue to do so in the next seven years and beyond," he said.

JAL cancels its JFK freighter service

Japan Airlines cancelled its freighter service between Tokyo Narita and New York JFK on Oct. 1, as part of a reduction in cargo services for the second half of its fiscal year ending March 31.

JAL plans to operate a fleet of seven 747-400Fs by the end of its fiscal year, one fewer than originally planned. It is cancelling the conversion of a 747-400 into a freighter. By the end of November it will retire its last two 747-200Fs. It also

operates three 767-300Fs.

The carrier will continue to operate cargo flights to Chicago O'Hare and Los Angeles but will reduce from six to five the number of weekly 747-400F flights to LAX from Oct. 1.

JAL will continue to operate twice-daily passenger flights to JFK and utilise belly space to move cargo, followed by truck services from New York to Chicago, its main US freight gateway.

Qatar Airways launches new Spain route

Qatar Airways Cargo has introduced a new non-stop freighter service linking the airline's operational hub of Doha with Zaragoza in northern Spain. The service operates every Saturday using an Airbus A300-600 freighter. The return flight from Zaragoza stops in Dubai, which increases Qatar Airways' freighter services to the emirate to three times per week.

Qatar Airways Cargo's freighter network covers eighteen destinations worldwide.

According to Qatar Airways CEO, Akbar Al Baker, the airline's cargo volumes have increased, due largely to the huge growth in the number of routes, aircraft and increased frequency to many destinations.

Chadian cargo airline starts Al Ain route

Toumaï Air Tchad, the national carrier of the central African republic of Chad, is the latest airline to operate services to Al Ain International Airport (AAN) in the United Arab Emirates.

Abu Dhabi Airports Company (ADAC), announced the airline will operate a weekly service to Al Ain from its main home base at N'Djamena International Airport, in conjunction with Cargolux.

Dusseldorf role attracts carriers

DUS Cargo Logistics, the main cargo handler at Dusseldorf airport, said it continues to fulfil an increasing role as a main distribution centre for much of Northern Germany and is attracting several new carriers.

Lufthansa has started A340-300 service to the USA and Canada, while Egypt Air has launched twice weekly full freighter operations with A300-600Fs. Armavia, which started operations at Dusseldorf in May, operates A320 passenger flights from Yerevan in Armenia.

This allows the weekly import of fish, especially fresh crayfish that is much sought after in the region.

Managing Director of DUS Logistics, Gerton Hulsman, has clear objectives for future cargo traffic at Germany's third largest airport.

"Our company is one of seven profit centres of Dusseldorf Airport and handles the major slice of the cargo throughput.

With so many other airports within a few hours drive, we have to keep on our toes to maintain our traffic, which means looking after our forwarders and attracting new customers," he said.

He added: "We are ideal for aircraft such as B767, A300, A310 and A330s, which feed cargo to the region and on outbound, export locally sourced high value goods."

Incheon Airport stake up for sale

South Korea will put a significant stake in state-owned Incheon International Airport up for sale, as part of a drive to reform state-run companies.

The government will sell a 49 percent stake in Incheon International Airport, which includes a strategic tie-up with a foreign airport operator to secure international competitiveness, an official statement said, without specifying a time frame.



Gerton Hulsman: Alert to customer needs.

ACP worldwide wins Kingfisher cargo business in both UK and Ireland markets

ACP Worldwide has been appointed GSSA for Bangalore-headquartered Kingfisher Airlines cargo services in both the United Kingdom and Ireland.

ACP is now responsible for selling the carrier's cargo services, not only between London and Dublin and the southern Indian city, but also onwards to destinations across India.

Services commenced from London in September, using an Airbus A330-200 aircraft offering up to 12 tonnes cargo capacity per flight.

Onward flights will offer multiple daily frequencies, depending on destination, on the airline's narrow-bodied domestic network, and include cities such as Hyderabad, Chennai, Goa, Cochin and Trivandrum.

"The Indian air cargo market is extremely buoyant and sustainable double digit growth is predicted for the foreseeable future," says Kingfisher's UK and Ireland Cargo Manager, Stephen James.



Steve James (left) and Rod Entwistle: Market supports ambitious plans for further Kingfisher flights.

The carrier already has plans to expand its direct ex-UK services this winter with the addition of Mumbai to its international network and other destinations to South East Asia are expected to follow soon after.

Says ACP Worldwide's Director, Rod Entwistle. "We have already planned an exciting range of tariffs and service support information and are looking forward to the expansion of the service portfolio later this winter following a successful launch."

DHL doubles Central Asia Hub capacity

DHL's US\$110 million Central Asia Hub (CAH) expansion has been completed five years ahead of schedule.

With a total investment of US\$210 million, the facility, which is located at Hong Kong International Airport, is the first large-scale automated Express hub in Asia Pacific and significantly boosts DHL's operational capability in Asia, said the company.

The Central Asia Hub has doubled in size to 35,000 m², and is expected to handle 40 million shipments this year. The automated facility has a throughput of 75,000 pieces per hour, 114% more than the pre-expansion capacity.

According to Dan McHugh, CEO of DHL Express Asia Pacific, the expansion of the CAH is testament to the continued growth of intra-Asia trade and the Asia-Europe trade lane. Currently, more than 60% of express cargo processed by the Central Asia Hub is intra-Asia Pacific

shipments, a figure DHL expects will continue to grow alongside rising intra-regional trade.

Hong Kong SAR's Transport & Housing secretary, Eva Cheng, said that the government will support further development of the express cargo industry by improving the airport's links to nearby markets, and plans to increase the runway capacity gradually, reaching 58 movements per hour next year and 68 movements per hour by 2015.

Cheng added that runway capacity could be substantially increased to more than 100 movements per hour with the addition of a third runway.

With more than 40% market share and US\$2.2 billion already invested in the region, DHL will boost its network capability with its North Asia Hub at Pudong, International Airport in Shanghai, which is scheduled for completion in 2010.

Middle East cargo screen contract

American Science and Engineering, Inc., has been awarded a multi-year \$12.5 million contract from an unidentified Middle East government to provide service, maintenance, training, and spare

parts for multiple cargo screening systems, including the OmniView™ Gantry Inspection System, the Z® Portal™ screening system, and the Z® Backscatter Van™ (ZBV).

Virgin Atlantic selects Skychain

Virgin Atlantic has selected Mercator's SkyChain IT cargo management system as its next generation cargo solution.

Mercator, the Dubai-based Emirates Group subsidiary, plans to complete implementation by the end of April 2009.

The solution will be implemented in Virgin Atlantic Cargo headquarters in Crawley, England. Duncan Alexander, vice president, Mercator, said: "The team at Virgin Atlantic put our team and our solution through an extremely rigorous selection process."

The British carrier becomes the fifth airline customer for Mercator's SkyChain solution, joining Emirates Airline, Swiss WorldCargo, Midex Airlines, and SriLankan.

Mercator said its centralised cargo reservation and business management solution, offers a number of advantages over existing systems, including compatibility with a wide host of customer systems, capacity to accommodate upgrades and changes through Java architecture, and real-time access and updates, all designed to address the current needs of today's cargo customer.

From its launch in April 2004, SkyChain was built in less than two-and-a-half years and was implemented successfully in August 2006.

SriLankan also signs up for system

SriLankan Airlines has signed up for Mercator's SkyChain cargo IT system.

Patrick Naef, Head of Mercator said: "The timing of this partnership is significant – coming as it does when skyrocketing fuel prices are having a tremendous economic impact on the airline industry. This partnership clearly demonstrates that major players have confidence in our IT solutions to reduce costs and increase revenue."

Mercator plans to complete implementation by the second quarter of 2009. The solution will be hosted out of Mercator's data centres in Dubai and used by authorised SriLankan cargo users out of Colombo and other outstation cargo offices globally.

Johann Wijesinghe, head of Worldwide Cargo, SriLankan Airlines, said: "SriLankan Cargo is recognised today as one of the most energetic, technologically-advanced and cost efficient freight operators in South Asia."

Agility continues aggressive China expansion with new acquisition

Agility has agreed to acquire Baisui United Logistics (Shanghai) Co., Ltd (Baisui), a Shanghai-based domestic logistics company that focuses on providing a range of logistics services, including intra-city, regional and long-haul transport and warehousing, mainly to the chemicals, automotive, and fast moving consumer goods (FMCG) sectors.

With over 15 years of experience, the company has more than 300 employees in 15 locations throughout China, including Shanghai, Shenzhen, Tianjin, Wuhan, Nanjing and Chongqing, and manages eight logistics centres with more than 130,000 sq. m of warehouse floor space.

In addition the company has its own fleet of trucks and works with over 75 trucking companies on a regular basis for its regional distribution needs.

"The company has an excellent reputation in providing a range of specialist services in the chemicals, automotive, and FMCG sectors, which are growing strongly in China. The company also strengthens

Agility's domestic transportation capabilities both in eastern coastal China and inland China along the Yangtze River," said Wolfgang Hollermann, Agility, chief executive officer, Asia Pacific.

"Baisui Logistics complements our growing service offering in China, both vertically in specialist sectors and by providing improved connectivity through the company's extensive domestic transport network.

"We will continue to grow organically and through acquisition in order to provide our customers with an integrated logistics solution throughout China," said James Gagne, chief executive officer, Greater China Area, Agility.

"We are very excited to be joining Agility at this stage of its expansion. We see Baisui's provision of value-added services and road transportation as an excellent fit to Agility's supply chain and forwarding capabilities, commented Yan Shiping, general manager & president of the board, Baisui.

CEVA chooses Hacis



Pictured at the signing are, from left: Warren Bishop, MD Hacis; Anthony Wong, chairman Hacis; Chris Pollard, MD South China, CEVA; and Michael Yuen, country manager freight management South China, CEVA.

Hong Kong Air Cargo Industry Services Limited (Hacis) confirmed CEVA Logistics (Hong Kong) Limited is a new customer for its airport direct export service.

The service includes physical cargo handling, warehousing of export cargo and tendering of export cargo to cargo terminals.

* CEVA Group Plc has reported revenue of €1.7bn for the quarter, helped by a strong performance in its Contract Logistics and Freight Forwarding business.

IBS Software Services joins Cargo 2000

IBS Software Services of India has joined Cargo 2000, the industry quality management initiative.

Over the past 11 years IBS has grown into a multinational organisation with 2,000 staff based at 14 locations around the world, as well as seven software development centres in Atlanta, Boston, Bangalore, Cochin, London, Trivandrum, and Washington DC.

The company provides software solutions for a number of airline customers, including Emirates, Cathay Pacific, South African Airways, Air New Zealand, Oman Air, Iberia, KLM, Kingfisher Airlines, China Southern Airlines, Copa Airlines and



Akshay Shrivastava: Imperative to join the industry initiative.

Qantas Airways.

Akshay Shrivastava, global head, Cargo Line of Business, IBS Software Services, said: "Cargo 2000 is designed to improve service levels while reducing the time spent and resources burnt to handle irregularities in the management of the cargo lifecycle.

IBS' suite of new-generation cargo management solutions are being used by some of the best air cargo carriers in the world who are very quality conscious, making it imperative for us to join Cargo 2000 and to underscore our commitment to provide the best to the industry. "

First airport deal for Cargo 2000



From left: Dr. Wilhelm Bender, Fraport AG, Executive Board Chairman; Lothar Möhle, Cargo 2000 Managing Director; Karl-Heinz Köpfle, Lufthansa Cargo AG, Executive Board Member Operations; Peter Schmitz, Fraport AG, Fraport Ground Services division, Senior Executive Vice President.

Fraport AG is the first airport operator to join the IATA Cargo 2000 quality system.

"This initiative opens up possibilities for Fraport as an airport operator and ground-handling provider to apply its extensive know-how actively and to help define standards within the framework of the Cargo 2000 quality management system," said Fraport executive board chairman Dr. Wilhelm Bender.

Descartes delivers more channel options

Descartes Systems Group, a global on-demand software-as-a-service (SaaS) logistics solutions provider, announced that its long-time customer, SAS Cargo, has joined Descartes' GF-X Exchange.

"Descartes has been our preferred provider for air messaging for almost 20 years so joining Descartes' Global GF-X

Exchange is a natural progression in our successful relationship and complements our use of existing Descartes services," said Nils Pries Knudsen, vice president, Global Sales at SAS Cargo. "We are responding to the interest from freight forwarders in being able to book cargo shipments electronically through this channel as well."

German agent for RJ

Royal Jordanian (RJ) has selected Cargoworks Europe to be its general sales and services agent (GSSA) in Germany, as part of the airline's cargo sales outsourcing strategy.

RJ President and CEO, Samer Majali, said: "Cargoworks is a strong partner to RJ, with a commitment to excellence in service. They are also using Cargospot, the same IT solution that RJ is installing."

New CEVA division

CEVA Logistics has launched a new division – Vehicle Logistics – in Thailand, to complement its Contract Logistics and Freight Management operations in the region. CEVA Vehicle Logistics (Thailand) is aimed at car dealers, automotive manufacturers, auction houses and finance companies. The new division can move up to 880 cars at one time, and has a storage capacity of up to 20,000 cars.

Cool deal concluded

Panalpina has signed a global Master Lease Agreement with Envirotainer to provide temperature-controlled air cargo containers for its new cold chain management solutions for the healthcare industry.

Panalpina has also agreed to participate in Envirotainer's quality and training programme – the Qualified Envirotainer Provider (QEP) programme. The two companies have worked together for more than six years in various markets around the world, but this is the first time they have agreed to a global cooperation.

Hanjin hub leader

Korean global logistics group, Hanjin, the Korean Air parent company, has announced further details of a project it is leading to create a Central Asian logistics hub in Uzbekistan.

Hanjin group chairman, Yang Ho Cho, along with Uzbekistan first deputy prime minister, Rustam Azimov, and Uzbekistan Airways director general and head of the Uzbekistan Aviation Administration, Valeriy Tyan, attended a ceremony at Navoi International Airport to announce a new Korean Air cargo flight operation to the Uzbekistan airport and to sign the 'Navoi International Airport Joint Development Project' contract.

Wal-Mart sets up Asia regional headquarters in Hong Kong



Director-General of Investment Promotion at InvestHK, Mike Rowse (middle) and Wal-Mart Asia's management team. (From left) vice president, People, Brian Walker; vice president Real Estate & Development, Brent Seay; senior director, Strategy, Tony Taylor; president and chief executive officer, Vicente Trius; senior vice president, Development, Peter Sharp; and CFO, senior vice president, Finance and Strategy, Andreas Schulmeyer.

Wal-Mart Stores, Inc. has set up its new Asia regional headquarters in Hong Kong.

President and chief executive officer for Wal-Mart Asia, Vicente Trius, said: "Just as the Wal-Mart America's regional office in Miami oversees the company's operations in Canada, Central and South

America, the new Wal-Mart office in Hong Kong will oversee the company's operations in mainland China, India and Japan, as well as identify new business opportunities for the company throughout Asia."

Mike Rowse, Director-General of Investment Promotion at InvestHK commented: "The establishment of Wal-Mart's regional headquarters here represents a powerful vote of confidence in Hong Kong as the preferred location for global companies to manage business in China and elsewhere in Asia."

Some 3,900 overseas and mainland companies operate regional headquarters or regional offices in Hong Kong.

Wal-Mart Asia's vice president, People, Brian Walker, said: "With an abundant pool of talent and professionals in the city, Wal-Mart is able to recruit the right local staff for our regional headquarters. In addition, Hong Kong is equipped with excellent transportation, communications and technology infrastructure, which are essential tools for our regional management team."

Light touch for gas and fuel challenges

Nordisk Aviation Products is highlighting how lighter-weight unit load devices (ULDs) can support airline carriers actively engaged in weight-reduction programmes to reduce greenhouse gases and fuel consumption.

Nordisk provides two of the lightest cargo containers on the market – the Nordisk WeightSaver™ and the Nordisk Ultralite®. Both of these containers can help reduce both total cost of ownership (TCO) and greenhouse gases. At the same time, they can contribute to airlines' weight-reduction programmes, as illustrated by two examples, said the company.

Representatives of one major carrier calculated that it can reduce its TCO by \$2.8 million by using the Ultralite alone. Additionally, a variety of organisations stated that every kilogram of fuel saved reduces CO2 emissions by 3.2 kg.

Nordisk estimates that a B747-400 using the WeightSaver and Ultralite containers would be able to save its owner more than \$84,000 per year on average. This calculation is based on using 14 Nordisk's lower-weight containers, versus those of standard weight, for an average 250 flights per year (each flight of eight hours or more).

Pharma survey reveals cost concerns

A UPS survey of top pharmaceutical, medical and biotech supply chain decision makers put cost management top of their list of concerns. The survey, entitled 'Pain in the (Supply) Chain' reported that 60% of the companies said they were "very concerned" or "extremely concerned" about the potential impact of supply chain costs on their business.

According to the survey, 25% identified managing supply chain costs as the issue they had been most successful at addressing. Among the companies with more than \$1bn revenue, 74% of respondents estimated that costs related to product expirations, returns and recalls had cost them hundreds of thousands to millions of dollars every year.

Current turmoil is a two edged sword for cargo security screening specialist

Andre Johnson, president of FreightScan, finds the current turmoil in the air cargo industry both a blessing and a curse.

On the one hand, it takes more time to identify prospects. "A lot of freighters have been scrapped. There's no point in calling people who are going to cancel a lot of flights tomorrow," he said.

On the other hand, he has found more interest in the industry. "We're getting more attention because people see they can't go on with the status quo," Johnson commented.

California-based FreightScan is trying to drum up interest in its FS100, an automatic dimming system. Using Defined Imaging and Multiple Measurement Technology, the set-up can calculate the dimensions of a single shipment in four seconds – much faster than a manual measuring process, according to the developer.

Over and beyond the savings associated with a faster dimming process, the system has ramifications for cargo security. The data captured about a shipment build up a profile that can be used to monitor the integrity of the cargo as it moves through the supply chain, Johnson said. The FS100 captures a digital and laser image for the freight and incorporates that visual record with the air waybill. The data from the scanning process form a "shipment DNA", which can be checked along the supply chain for evidence of tampering.

In a second development, FreightScan has come up with an imaging system called 'CargoVizion' that scans full pallets with radio waves, which create a 3D image of the contents of all boxes on the skid. The 3D image shows in which box a security risk is located, so if an airline comes across a suspicious shipment, it knows right away where exactly to conduct a closer inspection.

Johnson has been trying to obtain the stamp of approval for this product from the US Transportation Security Agency to get it on the TSA's list of certified technology for cargo screening, but navigating through the bureaucracy has taken six months already.

"They're looking at all these different things, so I haven't got them to tell me yet what I need to do to get this certified. We're not asking the government for

money," Johnson said.

Much of the technology presented to the authorities for cargo security is based on luggage screening systems or otherwise designed by good engineers who have little insight into the needs and processes of the air cargo industry, he added.

In the long run he intends to market the dimming system and the screening technology as a package, but for now he is concentrating solely on the FS100 in his marketing efforts. Without official approval, there is no point in marketing the CargoVizion technology, he said. Tests with the FS100 have been run for a number of carriers, including Martinair, United Airlines and DHL, yielding promising results and significant cost savings, Johnson claimed. One carrier and an integrator are close to signing up for the technology, he added.

Since this summer, FreightScan has moved aggressively into the Asian market, forming strategic partnerships with regional players to install, service and support the technology.

FreightScan completed a series of system evaluations, including with a major US air carrier in Japan and large-scale handlers in Bangkok and Shenzhen, with additional evaluations for air carriers in Singapore and Japan scheduled.

FreightScan has signed agreements with Cargo Engineering Japan to dedicate a local business development team to working with customers in Japan. In addition, a regional manager based in Singapore will work throughout the rest of Asia, with field application services being provided to the Asia-Pacific market by Certosa Express International, a Hong Kong-based logistics support company. Certosa will work with FreightScan to service and install FS100 dimensioning systems, providing 24/7 swap replacement services throughout China and Asia through a network of 11 stocking locations.

Having initially dealt with a market where rates are typically below one dollar, Johnson is optimistic about the Asian markets, where transpacific rates are significantly higher. "The dollar amount is so high that it only takes one air waybill a day to pay for the system," he said.

– Ian Yau



Andre Johnson: We are not asking for federal funds.

Kintetsu inks a deal with OAG



Pictured from left to right: John H. Deibert, Manager Business Development Europe & Africa, Kintetsu World Express (EA) BV; Bart Jan Haasbeek, Global Key Accounts Manager, OAG Cargo Solutions; Thomas Weppelmann, Director Business Development EA Region, Kintetsu World Express (EA) BV; and Kurt Nobbe, Manager Business Development Europe & Africa, Kintetsu World Express (EA) BV.

Kintetsu World Express (KWE) has signed a contract to use OAG Cargo's Airfreight Rates (AFRA) application to distribute and search for real-time worldwide cargo rates at its offices in 10 countries in Europe and South Africa.

This latest development comes as the total number of airfreight rates published by AFRA exceeds eight million for the first time. In total, 650 airlines have published tariffs on the site (www.oagcargo.com). This information is accessed regularly by over 10,400 users from 1,265 offices worldwide.

Thomas Weppelmann, director business development EA Region, Kintetsu World Express, said: "Expanding our usage of AFRA will enable us to build excellent working relationships within our KWE group and our customers as a global logistics partner".

Agility DGS wins Corps contract

Agility Defense & Government Services (Agility DGS) subsidiary company, Taos Industries, has won a contract to store, distribute and maintain equipment for the US Marine Corps at 15 bases in the US and five others around the world.

Agility DGS, headquartered in Alexandria, Virginia, said the one-year contract included six one-year options and was worth up to \$140m over seven years.

AMB enters Beijing logistics property market following building acquisitions

US-based global developer and industrial real estate owner, AMB Property Corporation, has entered the China market with the acquisition of three buildings, covering around 28,400 sq.m. in the Beijing Airport Logistics Park, adjacent to Beijing Capital International Airport (PEK).

“China’s continued increase in both production levels and demand for consumer goods creates sustained requirements for logistics space: industrial output was up 16% over last year ending June and retail sales were up 23% over the same period,” said Hamid Moghadam, AMB’s chairman and CEO.

“With rapid access to transportation networks and proximity to industrial parks and the city centre, AMB Beijing Capital Airport Distribution Center 1 is

in a preferred location for third-party distributors,” commented Guy Jaquier, AMB’s president, Europe and Asia.

“Demand for space in this strategic airport submarket has exceeded our expectations, as evidenced by leases totalling 8,300 sq.m. to two logistics subsidiaries of Fortune Global 500 companies, signed before we closed on the acquisition.

These leases are in addition to an existing customer occupying 11,600 sq.m. of space.”

In addition to Beijing Capital International Airport, AMB owns and operates air cargo facilities in Asia at Tokyo’s Narita International Airport, Singapore’s Changi International Airport, and Seoul’s Incheon International Airport.

WWPC team breaks cargo lift record again



The 40 tonne consignment eclipses an earlier record.

WWPC/Finland, Procarco Ltd, has followed up its record single cargo load operation, to transport a 39 tonne metallic roll for a paper machine from Finland to the USA, with another record transport of a

40 tonne similar piece of equipment from Germany to Japan.

The historic load on a Volga-Dnepr Cargo Airlines Ilyushin 76TD last year was exceeded in the latest operation on a similar aircraft carried out with WWPC members, LS International Cargo GmbH in Germany and Allfort Inc. in Japan.

The 13-metre long metallic roll was loaded at Frankfurt-Hahn airport and offloaded two days later in Osaka International Airport, with onward shipment to a paper plant in Tokushima, on the Island of Shikoku.

WWPC, the Worldwide Project Consortium Ltd, is the only existing global franchise-network for Project Cargo Specialists with representation in more than 70 countries.

Cargo crime threatens Dutch role

Government officials, manufacturers, law enforcement agencies and transport and logistics providers have met in Amsterdam to develop a strategy to fight rising cargo crime in The Netherlands that currently results in annual losses in excess of €330 million, and threaten its position as a distribution centre for high value cargo.

The Transported Asset Protection Association (TAPA), organisers of the event, said the manufacturers of high value, high risk products may be forced to alter their supply chains to avoid The

Netherlands unless the trend is reversed.

David Reid, Acting Chairman of TAPA EMEA, said: “We urgently need to debate the increasingly costly and violent impact of cargo crime through The Netherlands.”

With annual supply chain losses of €8.5 billion across Europe, the one-day conference was aimed at identifying practical ways to safeguard The Netherlands’ position as a primary distribution centre for high value cargo.

TAPA has initiated similar action in Germany, South Africa and the UK.

SEKO unit opens Hong Kong office

SEKO, a global provider of supply chain solutions, including transportation, logistics and IT solutions, recently announced that its Hong Kong operation, SEKO Hong Kong, has joined forces with the UK arm of SEKO, SEKO Synergy Ltd, to form a new Hong Kong-based company dedicated to increasing its market share in the EMEA region.

The new company, named SEKO Synergy Greater China (SSGC) Ltd, is located in the same building as SEKO Hong Kong and is exclusively dedicated to handling all supply chain activity and pricing to and from China (including Hong Kong) and Europe, the Middle East and Africa.

Ian Richardson has been appointed managing director of SEKO Synergy Greater China Ltd.

Evergreen gets China approval

The US Department of Transportation has tentatively granted Oregon-based Evergreen International Airlines authority to operate six weekly roundtrip cargo flights between New York JFK and Shanghai. Flights would make stops at Chicago O’Hare, Dallas/Fort Worth and Columbus. Evergreen is scheduled to take delivery of three 747-400BCFs next year. FedEx, Northwest Airlines, Polar Air Cargo and UPS are the four US carriers that currently have US-China freighter rights.

Champion choice for Cathay

Cathay Pacific Airways has selected CHAMP Cargosystems’ ULD Manager to manage its inventory of Unit Load Devices (ULDs) distributed across 118 destinations in 37 countries. Cathay Pacific and its sister airline, Dragonair, along with the joint venture all-cargo carrier, Air Hong Kong, will be using the new-generation web-based CHAMP ULD Manager.

Y.H. Huen, Cargo Service Manager – ULD, Cathay Pacific Airways, said: “After considering multiple options, we have decided to choose CHAMP’s ULD Manager to replace our in-house legacy system to further enhance operating and cost efficiency.”

Cool cover up for Emirates SkyCargo's temperature sensitive shipments

Emirates SkyCargo has teamed up with a leading US research institute to develop a new product for the shipment of temperature sensitive cargo.

The low-cost, light weight, breathable and reusable protective 'White Cover' is designed to shield these shipments from heat during door to door transport.

Emirates SkyCargo, together with perishables and pharmaceutical shippers trading throughout its worldwide network, conducted a pilot programme during the northern hemisphere's summer months.

"This is the first time this unique type of protection, which completely encloses the shipment, has been used for the air freight of temperature sensitive goods," said Therese Puetz, manager Cargo Business Development & Projects.

One of the 'White Cover's distinct properties is its breathability – it resists air and water penetration while enabling trapped moisture to escape – making it



Weighing no more than 3kg, Emirates SkyCargo's new low-cost White Cover has proved popular with shippers on the pilot programme.

ideal for 'living' food and flower products, while its low cost has made it popular with shippers of pharmaceuticals, especially room temperature pharmaceuticals.

As well as being environmentally friendly—the cover is 100 per cent recyclable – its application is straightforward, taking two people a maximum of eight minutes for application on a pallet.

New index ranks Hong Kong and Singapore best economies for trade

Two Asian economies – Hong Kong and Singapore – occupy the top two positions in the World Economic Forum's Enabling Trade Index ranking, published as part of its Global Enabling Trade Report 2008. According to the report, the results bear witness to these two countries' openness to international trade and investment as part of their successful economic development strategy.

Covering 118 economies worldwide, the report aims to present a cross-country analysis of the large number of measures facilitating trade. The index covers four key areas: market access, border administration, transport and communications infrastructure and the

business environment.

Hong Kong and Singapore were followed by the Nordic countries, Sweden and Norway. Canada, Denmark, Finland, Germany, Switzerland and New Zealand complete the top 10 list.

The report's authors commented that Hong Kong's success has been based on the country's very open market, mirroring a pro-trade attitude and a high dependence on exports and imports, as well as its secure and open business environment.

Singapore also boasts a highly efficient and transparent border administration, an open business environment, and well developed transport and communications infrastructure.

AOT invests in Bangkok airport expansion

Airports of Thailand (AOT) will invest US\$2.3 billion to develop the second phase of Bangkok's Suvarnabhumi Airport from 2009 – 2014.

The investment, including tax and interest charges, would help increase the capacity of the airport to meet rising air traffic volume and maintain Thailand as a

southeast Asian hub, the airport operator said in a statement.

The plan is subject to approval from, among others, the Transport Ministry and the cabinet.

AOT, 70 percent owned by the Finance Ministry, operates six airports throughout the country.

Blue Dart sees 20% profit increase

Indian air express and integrated transportation, distribution and logistics company, Blue Dart Express Limited, part of the DHL group, has declared its financial results for the quarter and half year ended June 30, 2008.

Profit after tax for the latest quarter was Rs 206.69m, an increase of just 20% over the corresponding period of the previous year.

Income from operations was up 31% to Rs 2,456m. Profit after tax for the first half was up 53% to Rs 514m, with income from operations 31% ahead at Rs 4,863m.

Mumbai-headquartered Blue Dart said reinforcement of its ground express product 'Dart Surfceline' last year had now expanded its reach to over 20,955 locations across India.

Blue Dart currently operates six freighter aircraft (three B737Fs and three B757Fs) across 62 air routes with a payload capacity of 300 tonnes per night.

Boeing bullish on fuel alternatives

Boeing remains bullish on the scientific progress of biofuel development, with director-Environmental Performance, Billy Glover, commenting that the manufacturer is confident commercially viable biofuel will be available to partially power aircraft by 2013.

Speaking in Seattle at an Air New Zealand (ANZ) environmental briefing, Glover noted that some algae-based fuels being studied are showing "better potential performance qualities than current jet fuel", and he dubbed algae the "Holy Grail" of alternative fuel offerings.

Later this year ANZ will fly a 747 partially powered by jatropha oil, which emits one-third the CO₂ of current jet fuel. Jatropha has an oil yield of around 250 gal. per acre, and is the most advanced of the biofuels currently being explored for use by the airline industry.

NACIL plan starts

The state-owned National Aviation Company of India (NACIL), the organisation formed after the merger of the national flag carrier Air India and Indian Airlines, is converting nine of its passenger aircraft, four Airbus A310s and five Boeing 737-200s, into freight carriers.

Woodland launches publishing product

Woodland International Transport Co has launched a new business – Woodland Media Logistics – to serve the distribution needs of the international magazine industry.

Woodland offers complete sorting and onward distribution services, as well as finishing, including re-packaging products and removing any promotional items, when necessary, before sending on to the country of destination. The company recently opened a facility in Colchester in the UK, dedicated to Woodland Media Logistics.

According to Paul Almeroth, commercial director of Woodland Media Logistics, providing transport services for the magazine industry is a highly specialised business, and claims that Woodland already controls a significant share of the market for magazine exports to the US.

Woodland has been unanimously accepted as an associate member of Distripres, the Swiss-based association that seeks to promote the international distribution of printed materials.

Swiss Post acquires distribution house

Swiss Post International (SPI), the international group unit of Swiss Post, has taken over Global Press Distribution GmbH (GPD) in Germany for an undisclosed sum.

SPI said the acquisition, which took effect retroactively to January 1 this year, consolidated its position in the German export press market, the largest in Europe.

GPD provides services for the international and national dispatch of magazines.

Its customers in Germany include publishers, printers, letter shops and other service providers in the publishing industry.

With a workforce of 31, GPD generated sales of 4.9m Euros in 2007.

Swiss Post said it already generated 20% of its sales abroad and in its cross-border business.

SPI is a wholly-owned subsidiary of Swiss Post and currently employs 1,200 people in 11 European countries, five major cities in Asia and in the US.

SPI claims it is now number five in the cross-border letters market after Deutsche Post, United States Postal Service, the UK's Royal Mail and France's La Poste.

TNT boosts regional operations in Vietnam and Singapore as part of five-year plan

TNT Express has launched a new operations centre in Vietnam and a country depot in Singapore, as part of the company's 100 million Euro five-year regional investment programme.

The International and Domestic Operations Centre, North in Hanoi is designed to handle heavy freight, and is part of TNT's strategy to leverage the soaring demand for freight express services between Vietnam, the rest of Southeast Asia, China and Europe.

Onno Boots, regional managing director, TNT Southeast Asia, said, "Vietnam is strategically located as the link between China and Southeast Asia on our Asia Road Network.

More than 40 per cent of volumes to and from TNT Vietnam will pass through the new centre while growth is expected to be in the high double digit range for the next five years."

The new Singapore country depot and customer contact centre is located within the company's existing 180,000 sq.ft. complex on Changi South Lane.

TNT said the expansion of the Singapore country depot and customer contact centre followed the launch of the company's freight services for time-sensitive heavy shipments. Both operations occupy an area four times the size of the previous premises.

TNT said the Singapore country depot would serve as a model for the rest of its operations in the Asia Pacific region.

It pointed out that the integrated facility at Changi South Lane, which was established in 2007 to meet increased business growth in Singapore, housed TNT's life sciences express hub, "the company's largest dedicated life sciences facility in the world", and other regional distribution centre operations.

Chapman Freeborn charter for Libyan petrochemical plant blaze challenge



DC10-30F aircraft loaded for the Libyan air charter.

Chapman Freeborn Airchartering co-ordinated the movement of more than 250 tons of fire fighting foam from Europe to Benghazi, Libya, to help tackle a blaze at a petrochemical and refining complex.

Oil Spill Response and East Asia Response chartered the urgent flights to help deal with a fire in a 450,000 barrel oil

storage tank at the Ras Lanuf plant.

Chapman Freeborn's UK office co-ordinated six flights to Libya, using DC10-30F aircraft to carry around 45,000 kg of retardant per rotation. Four flights left Doncaster Sheffield in the UK for Benghazi, and another two flights were routed from Paris Vatro and Barcelona.

Chapman Freeborn representatives were at the airports to help oversee the

x-ray, loading and dispatch of the cargo destined for the Libyan refining complex.

Chapman Freeborn's cargo department specialises in moving urgent air cargo, heavy and outsize pieces, high value commodities, dangerous goods and around-the-clock aircraft on the ground (AOG) parts.

Aramex opens Bahrain logistics centre

Middle East-based forwarder and logistics provider, Aramex, has opened a 4,000 sq.m. logistics centre in Bahrain; designed to support the company's expanding supply chain solutions network across the GCC (Gulf Co-operation Council) region.

Aramex said the new facility, located in the Bahrain International Airport Free Zone, combines sea, air and land freight capabilities for a diverse range of industries, including telecommunications, electronics and textiles.

CX breaks ground on new cargo terminal



At the groundbreaking ceremony for the new Cathay Pacific Cargo Terminal are (from left) Rupert Hogg, Cathay Pacific Director Cargo, Stanley Hui, Chief Executive of Airport Authority Hong Kong, John Slosar, Cathay Pacific Chief Operating Officer, Eva Cheng, Secretary for Transport and Housing, Tony Tyler, Cathay Pacific Chief Executive, Marvin Cheung, Chairman of Airport Authority Hong Kong, Y K Leung, Deputy Director-General of Civil Aviation and Ron Mathison, Cathay Pacific Director & General Manager Cargo.

Cathay Pacific Airways marked the groundbreaking for its new home hub cargo terminal with an official ceremony at Hong Kong International Airport (HKIA).

The Hong Kong airport authority awarded the airline's wholly-owned subsidiary, Cathay Pacific Services Ltd (CPSL), a franchise to invest in, design, construct and operate the new air cargo terminal at HKIA under a 20-year

agreement. The airline will invest around US\$615m in the facility, which will occupy a site of around 10 hectares in the airport's cargo area.

"The new terminal will be completed by the second half of 2011 with a designed annual air cargo throughput capacity of 2.6m tonnes," said the airline.

The terminal will be a common-use facility open to all airline customers.

Former BA World Cargo manager to be jailed in US for rate-fixing conspiracy

A former senior manager with British Airways World Cargo is set to become the next airline executive to go to jail in the US for participating in a conspiracy to fix air cargo shipment rates.

The US Department of Justice (DoJ) said according to charges filed in the US District Court in the District of Columbia, Keith Packer, former commercial general manager for BA World Cargo, and his co-conspirators had engaged in a conspiracy to fix the air cargo rates charged to customers for international air shipments, in violation of the Sherman Act.

It said that under a plea agreement, which was subject to court approval, Packer had agreed to serve eight months in jail, pay a \$20,000 criminal fine, and



Keith Packer.

cooperate with the DoJ's ongoing investigation.

The DoJ said Packer, a British citizen, was the first foreign national and third individual charged as part of the Antitrust Division's ongoing investigation into price fixing in the air transportation industry.

In July 2008, Bruce McCaffrey, the former highest-ranking executive employed in the US by Australian airline Qantas, had pleaded guilty and been sentenced to serve six months in jail and pay a \$20,000 criminal fine for fixing cargo rates. Then in August 2008, Timothy Pfeil, the former highest-ranking cargo executive in the US for Scandinavian carrier SAS, had pleaded guilty to conspiring to fix the rates charged to customers.

Perishable centre for Hyderabad

GMR Hyderabad International Airport Limited (GHIAL) in south India plans to set up a world-class centre for perishable cargo (CPC) at the Rajiv Gandhi International Airport (RGIA) at Hyderabad.

The centre will be designed to handle 13,000 tonnes per annum of perishable cargo under phase-I (up to 2011) and the capacity will be raised to 25,000 tonnes per year under phase-II (2013-14).

The phase-I of the project will have an investment of INR 400 million, including a subsidy of INR 200 million from the Agricultural and Processed Food Products Export Development Authority (Apeda).

Andhra Pradesh annually produces about 10.5 million tonnes of fruits and vegetables, with an export potential of 5,000 tonnes.

The CPC will also serve the pharmaceutical and biological sectors, with import and export volume of about 3,000 tonnes per year in these sectors.

Progress for pioneer loading system



The new main deck loading system reduces manpower requirements.

Telair International GmbH has completed its FAA STC and JCAB STC System Conformity Inspection for the world's first Main Deck Powered Cargo Loading System installation of the B767-300BCF special freighter. All Nippon Airways (ANA), the customer for this conversion, has ordered seven firm systems from Telair.

The loading system enables a one-man operation for A-Code, B-Code or M-Code ULD's and a two-man operation for its industry wide novelty R-Code (16 ft.) and G-Code (20 ft.) pallets. Besides standard commercial pallets and containers, the Telair system also is capable of loading 463L/HCU-6E military pallets throughout the main deck.

Hughes returns to Hong Kong



Greg Hughes has been appointed general manager South West Pacific for Cathay Pacific Airways, replacing Ivan Chu, who will leave Sydney in August to return to Hong Kong to take up the role of director – service delivery, for the carrier.

Hughes, currently general manager purchasing and aircraft trading, will also be appointed as director of John Swire & Sons Pty Ltd, parent company of the

Australian arm of Swire Group.

Hughes joined the Swire group in 1987. Initially, he worked in the shipping division and was transferred to Cathay Pacific in 1990. He has previously worked with the airline in Japan, Korea and Indonesia in commercial and sales related positions as well as in Hong Kong in airport operations, business improvement and marketing.

Homayoun to head up marketing at Dubai Airports



Anita Mehra Homayoun has been named vice president Marketing & Corporate Communications, Dubai Airports.

Homayoun graduated from the American University of Beirut with a BA in Middle Eastern History in 1975 and in 1977 received a master's degree in Education from Bank Street College of Education, New York.

She started her career in Iran with Time-Life Books in 1978. In 1983 she moved to Dubai and started her career in an advertising agency, and handled Dubai Duty Free as a major account. In 1986 she was invited by the Dubai Duty Free team to set up their marketing division.

She headed the Dubai Duty Free Marketing & Media Relations department for 10 years.

In 1996 she set up the Marketing & Corporate Communications Division for the Department of Civil Aviation in Dubai, the governing body that owns Dubai International Airport and the Cargo Village.

Swissport names new UK CEO



Swissport International, has named Mark Faulkner as CEO of its British ground handling business, Swissport/Groundstar UK.

During the tenure of previous CEO, Tina Barbour, Swissport/Groundstar UK has been particularly successful in developing strong relationships with several leading UK carriers, including those in the rapidly growing low-cost sector.

Mark Faulkner has previously served in a number of executive capacities including several years as director of business development at Ferrovial subsidiary Amey UK, where he played a key role in turning the company around.

New VP of Sales and Marketing for CHAMP Cargosystems



Luxembourg-based CHAMP Cargosystems has appointed James Fernandez as vice president, sales and marketing. He is responsible for worldwide sales and marketing of CHAMP Cargosystems' portfolio of new generation cargo systems and leading-edge ERP applications and services.

A British national, Fernandez joins CHAMP from SITA, the aviation IT specialists, where he managed the dual roles of global head of cargo and logistics and general manager of SITA's Chinese joint venture headquartered in Beijing.

He has a successful track record in consulting and systems integration with organisations including LogicaCMG and BT Syntegra (now BT Global Services), working in a variety of roles and vertical markets around the world.

ABC boosts EMEA management

AirBridgeCargo Airlines (ABC), the scheduled cargo airline of Volga-Dnepr Group, has appointed Ludwig Hamburger as Regional Director for Europe, the Middle East and Africa (EMEA).

Hamburger has more than 25 years of experience in the airline cargo industry, and prior to joining ABC was Regional Manager Europe for Air New Zealand.

TNT's strategic move



TNT has appointed Mariken Kruijff as director of strategy implementation. She will focus on translating TNT's identified growth drivers into plans that will increase volumes and fuel TNT's growth in a sustainable way over the next five years.

DHL appoints a new SVP



DHL has appointed Richard Owens as senior vice president of its Global Customer Solutions (GCS) organisation in the Asia Pacific region. Based in Singapore, Owens reports to Hans Hickler, who was appointed chief executive officer of that unit last month.

Owens' 25 years' of experience in the logistics industry began with Jardine Air Cargo. He has held a number of leadership positions in the Asia Pacific region, including his most recent position as senior vice president for DHL Global Forwarding, Asia Pacific. Prior to that he was head of integration for the Logistics division in Asia Pacific, and before that he served as commercial director in Asia Pacific for the former Exel organisation.

Boisen leaves Continental



Continental Airlines' well-respected vice president cargo, Jack Boisen, has announced his retirement from the airline.

"Jack's been a real asset for the cargo divisions of passenger airlines and we will all miss him," said Steve Alterman, president of the Air Cargo Carriers Association.

"Jack's tireless efforts have led us through some very trying times recently experienced in this industry," said Brandon

Fried, executive director of the Air Forwarders Association. "His knowledge, understanding and ability to see the security issue clearly have helped the industry as a whole."

Peter Lam joins Trans Global



Hong Kong-based regional logistics company, Trans Global Logistics (TGL), has named Peter Lam corporate director of air freight. Lam joins Trans Global from Virgin Atlantic Cargo, where he was regional sales manager for Hong Kong and China.

Lam brings more than 24 years of air freight sales and management experience to TGL. He has held senior positions with Star

Airfreight and the Star Group of Companies, and also with BAX Global.

"Air freight is one of our core competencies and we are very pleased to name Peter Lam to head our global air freight product line," says Donald Woo, CEO of Trans Global Logistics. "Peter will drive, develop and market our air freight services across our entire global network. He will be responsible for sales, operations and product development related to all corporate accounts."

Singh joins Qatar Airways Cargo



Vikram Singh has joined the Cargo Department of Qatar Airways as vice president Cargo Sales. Singh has 15 years of airline experience in various roles in the Middle East, Europe and Indian Subcontinent, a significant amount of this time having been spent at KLM.

Schiphol Airport names new CEO

Amsterdam airport operator Schiphol Group has named a new chief executive, Jos Nijhuis, with effect from January 1, 2009, replacing its current head, Gerlach Cerfontaine, who will retire.

Strodel joins AirBridge



Austria-born Robert Strodel has departed fledgling Indian cargo carrier Flyington Freighters and joined Moscow-based AirBridge Cargo Airlines (ABC) where he is expected to take on a top management position. Strodel could replace the still vacant position of managing director, since Stan Wraith's departure.

Paul Lee named as Asian Aerospace Vice President

Paul Lee has been appointed Reed Exhibitions China's Vice President Asian Aerospace. He has had close links with the company's flagship aerospace industry event since joining the company in 2002.

Emirates SkyCargo welcomes new cargo Vice President



Abbas A. Haji has joined the Emirates SkyCargo team in Dubai as vice president Cargo - Commercial Development, reporting directly to Ram Menen, divisional senior vice president Cargo.

In his new role Abbas is responsible for driving the development of Emirates SkyCargo's "Priority" portfolio, including Courier, Express and Mail.

The three Priority products experienced an average of 30 per cent growth in the 2007-08 financial year.

Abbas joined the Emirates Group in 1977, working for Dnata Cargo. Over the last 30 years, he has held a variety of management positions within the group including at Dnata Airport Services, the Dnata/Safran project in Tehran, Dnata ground handling Doha, Gerry's Dnata in Karachi, Emirates Manager Iran and Area Manager Bahrain.

Tubbesing resigns from CNS



Cargo Network Services Corp (CNS), an IATA company based in the US, has announced that Jens Tubbesing, president of CNS, has tendered his resignation in order to devote time to family matters. Tubbesing has held the position of president since 2006, when he took over from Anthony Calabrese.

CNS said that a decision on a successor would be taken this fall and that in the interim, Aleks Popovich, global head of cargo of IATA, has been appointed acting president of CNS.

DHL Express names EEMEA CEO

DHL Express has appointed John Pearson as CEO for its EEMEA (Eastern Europe, Middle East and Africa) area.

As the largest region in the DHL Express network, EEMEA comprises 86 countries, 14 time zones, and employs over 10,000 people, serving customers in over 850 languages," said a company statement.

Pearson, who has over 20 years experience within DHL Express, was previously located at that company's global office where he held the position of executive vice president commercial. His career with the company began in the Middle East and comprises a number of functions in the commercial, sales, and marketing areas.

New partnership between developer and forwarder paves the way for airport development projects

Parchim Airport in Germany will be the scene for a pioneer joint venture development project for an Australian industrial property developer and the airport owner, a very forward-looking forwarding company from China.

Goodman European Logistics and forwarder LinkGlobal have teamed up in a unique partnership that will develop logistics infrastructure at airports and ports worldwide, starting with a showcase project at the northern German airport.

Goodman International will invest more than 100 million euros in the logistics infrastructure of Parchim Airport, as part of a worldwide collaboration with LinkGlobal, which operates cargo flights from China to Parchim and beyond.

Werner Knan, managing director Germany of Goodman European Logistics said: "This traffic is part of the deal we have mutually agreed, and it will be accelerated in the coming months. We believe this will be a prosperous business as LinkGlobal is not only generating cargo volumes, but is opening the door for other Chinese enterprises that are interested in European consumer markets. By setting up production plants at Parchim they can obtain the much valued 'made in Germany' label."

Goodman's initial efforts will focus on construction of warehouses, terminals, office buildings and similar facilities. Industrial projects are also in the pipeline, which Knan said will depend on the number of Chinese companies that will set up subsidiaries at the site or sign joint ventures with local German firms. A separate fund will be set up to finance this aspect of the overall development.

Knan sees opportunities in several sectors, including fashion, hi-tech, domestic appliances, pharmaceuticals, and



Werner Knan: "This will open the door for other Chinese enterprises eyeing European consumer markets."

the food industry.

He added: "We also believe that Parchim is an attractive location for Chinese firms that want to collaborate with German providers of water purification and treatment for removing contamination, as Germany is a technological leader in this field."

Such joint ventures offer the idealised win-win scenario said Knan. By setting up joint ventures the Chinese get access to

feasible solutions for improvement of their domestic water supply and the Germans don't lose their technological advantage as the physical production of technology remains in their own country.

Knan cites several advantages for selecting Parchim.

He said: "The airport is operated 24 hours as there is no night flight curfew – a rare situation in Germany's airport landscape. Secondly there is plenty of available industrial land within the airport perimeter and adjacent to the facility. It is located right in between Germany's largest cities, Hamburg and Berlin, and there is good access via the nearby Autobahn system. But the most important advantage for producers and manufacturers will be the bonded area at the site. Foreign investors will be exempt from taxes and still get to use the 'made in Germany' brand. We think this is a unique opportunity for Chinese and Asian enterprises."

Knan said that a number of investment road shows have been held with LinkGlobal in a number of Chinese cities, including Nanjing, Shenzhen, Shengzhou, Urumchi and Yinchuan.

He reports overwhelming interest from local producers, eager to expand their businesses to Europe. A number of MOUs have been signed, reported Knan, with some German investors also willing to open up plants in Parchim.

Knan said: "Parchim is a start, with others to follow soon. We are already considering some other opportunities; in Chinese airports such as Zhengzhou, Nanjing and Urumchi, or places in Africa and even Latin America. Our basic concept is to support LinkGlobal's international expansion wherever this creates a win-win situation for both partners."

Cargo traffic from China to Parchim has picked up with current B747-200 operations by British MK Airlines and MD-11s of World Airways that have been chartered by Etihad Airways on behalf of LinkGlobal.

The ground works for building warehouses and other logistics infrastructure at the airport on behalf of Goodman are due to commence either late summer or early fall, announced managing director, Werner Knan.

– Heiner Siegmund

ST Aerospace plans China expansion

Singapore Technologies Aerospace Ltd., said it plans to open a new base in the region and raise investments in China as economic growth boosts air travel. The company is considering "at least two or three" countries for the new base, president Tay Kok Khiang said in an interview on Bloomberg TV. It may also spend as much as US\$200 million over the next three to five years to expand in China, the world's second-largest aviation market, he added.

The company has boosted revenue by increasing its engine-servicing

and components business, which now accounts for about 50 percent of sales, Tay said.

The conversion of passenger planes into freighters will also help counter a slowdown in maintenance and repair revenue, he added.

In China, the company has formed a maintenance venture with China Eastern Airlines Corp., the country's third-largest carrier, in Shanghai.

The pair will open a hangar, capable of handling the double-decker Airbus A380, at Pudong airport next year.

Call for cargo carriers to take a long term view of the market

Freighter operators are facing challenging times, but Robert Song is somewhat bemused by lamentations from his peers about being hit by a perfect storm.

Pointing to the cyclical nature of this industry, the Commercial Director – Global AirBridgeCargo Airlines, argues that operators should plan from the outset for high operating costs and a slowdown in markets.

A great number of players appear to have adopted a different approach, though.

According to Song, the flurry of orders for freighters placed in recent years was largely based on the assumption that growth patterns at the time would continue. “We need a robust long-term view of the market,” he declares. “We need to be a lot more careful and not jump to conclusions based on a snapshot of the market.”

Song illustrates this with many operators’ hangover from the China market. In his analysis, the market is still going up; it is just yields that have declined – and rightly so.

When it comes to electronics, consumer expect prices to go down, he says. Why shouldn’t the same happen with airfreight yields? AirBridge’s own course has not been entirely unruffled. Originally management had planned to launch North America service from Siberia on a trans-polar routing once it received the first B747-400 ER freighter.

The aircraft duly arrived last November, followed by two more, but US service is still some time away. US exports have actually performed rather well, but the drop in the value of the US dollar has created a situation where AirBridge finds it can achieve better results deploying the aircraft elsewhere for the time being, Song says.

Fundamentally, AirBridge’s network is determined by the needs

of its customers, Song claims. He stresses the importance of long-term agreements with block space deals, adding that the airline is in the process of extending this model across Europe. “The majority of our partners work with us on a long-term basis with block space agreements.

Unlike some other carriers, we don’t have just one customer but several. This



In for the long haul - AirBridge Cargo B747-400ERF.

gives us a good balance,” he comments. AirBridge has also striven to develop long-term alignments on the airline side.

The Russian cargo airline has built up partnerships with Nippon Cargo Airlines and Singapore-based Jett8; arrangements that give it access to new markets. Jett8 can feed traffic from Southeast Asia – a region with growing demand for capacity to Russia – to AirBridge, which has no presence in that market.

Song sees room for deepening the partnerships with those two carriers, not so much along the lines of joint marketing or product alignment as in the realm of curbing costs by pooling resources and buying leverage. Even with a long-term perspective, AirBridge should have reason to feel under the weather at the moment, given its contingent of B747-200 freighters in action. However, Song argues that there is still room for the “Classics” in the market.

“747-400ERFs are very good but extremely expensive to finance, -200s are very cheap. If you need to operate longhaul, your best bet is going to be the -400. We have a mix of destinations, some long, some medium stage length. For most of our routes from Europe to Russia and from Russia to Asia, the -200 is more economical,” he states.

– Ian Yao



Robert Song: Consumer demand for lower costs.

DHL sees China revenue slowdown

DHL has seen revenue growth in its China business slow to around 15 percent during the first seven months of the year from a recent average of over 20 percent, an executive said.

Dan McHugh, chief executive of Deutsche Post’s DHL Express Asia Pacific, attributed the slowdown primarily to a decline in shipments abroad over the past 12 to 18 months as US and European demand in particular has dwindled.

DHL has enjoyed 20-23 percent annual growth in China over the last five years.

“Import volumes are actually still relatively healthy, with economic substitution and investment substitution,” McHugh said. “We’ve definitely seen a slowdown in air freight out of China.”

China’s exports were hit by a stronger currency and weaker overseas demand. Export growth slowed to 17.6 percent in June, compared with a year earlier, from 25.7 percent in all of 2007.

McHugh declined comment on how much revenue DHL earned in China, but said it accounted for a significant chunk of its Asia-Pacific business. He said it was difficult to say whether the Olympics would be a net positive or negative for revenue.

The Chinese government put in place a number of restrictions to ensure security at the Olympics and curb air pollution in Beijing, including banning some items from being shipped nationwide, more customs inspections and curbs on vehicles entering the capital. That has created new hurdles for DHL and its rivals.

McHugh said the measures were not having a “material” impact on DHL’s China business.

But he said the company was spending about US\$2 million to deal with them, including increasing its fleet around Beijing and buying extra X-ray machines and hiring more staff to facilitate customs inspections.

“This is not an onerous number. It’s just a cost-of-doing-business type of number at this point,” he said. “I think the net benefit of it is that we improve our processes across the country.”

DHL partners with Sinotrans in China.



Dan McHugh: China business a big chunk.

Air Freight Indices talks still on-going

GFI Nittan, a leading inter-dealer broker specialising in over-the-counter derivatives products and related securities, is still in talks with a potential neutral body with a strong reputation in the air freight industry to develop Air Freight Indices.

When the Indices are established, it will help the industry to use Air Freight Derivatives – tools to manage risk from fluctuating freightage price and/or fuel cost surcharges of owning/buying air freight capacity – in the Hong Kong air cargo industry.

“Each index will be a composite figure of freightage, density, level of service, aiming to reflect the performance of each routing in terms of revenue per flight,” GFI Nittan Managing Director Leslie Lu said.

Basically the data required to develop the indices are available but separately owned by different parties – IATA’s CASS has the settlement price between airlines and freight forwarders as well as service type and carrier information while air cargo terminals have the weight, volume and contour type of each individual pallets.

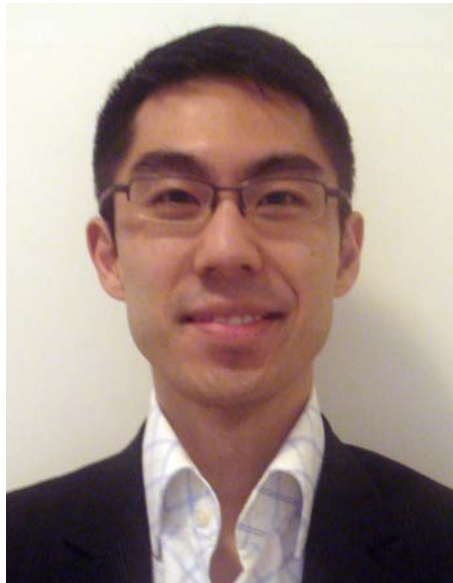
These databases can be linked up through a single identifier – Air Way Bill Number for index construction. Thus, the index will not reveal pricing of individual carrier nor purchasing price of individual forwarders but the overall performance in terms of pricing, density and service of the routing concerned.

“We have also got initial consensus from an academic institution to help study the appropriate model for the indices. The only thing to be done is to get consensus from industry players to release these data to neutral bodies and provide inputs regarding industry practice and concerns to academic institutions for them to start modeling,” he said, adding that this obviously will happen if the market can see the risk management benefits via derivative products.

Asked how big and volatile is the air freight market compared with other markets, particularly during the peak season, Lu said actually, there has been no data in historical freightage for GFI Nittan to draw on for benchmarking, unlike the seafreight markets where derivative products have existed for the last eight to nine years. Despite the lack of proper data, some educated estimates can still be made.

“And that’s why we see room for higher market efficiency/transparency with the availability of market data to compile indices,” he said.

“Hong Kong’s air freight export market alone is estimated to have an annual turnover over US\$6 billion (taking



Leslie Lu: Room for more market efficiency with increased availability of data.

into account only export tonnage from two major terminals in the territory – Hong Kong Air Cargo Terminals and Asia Airfreight Terminal (AAT) – multiplied by assumed market yield),” Lu said. “Therefore, although we do not have data on actual market yield and tonnage data of other markets we can see that global spending on air freight is quite sizeable.”

In addition, Lu agreed that the Hong Kong air freight market is very volatile given that freightage can vary more than 50 percent across a year due to market seasonality and that with volatile oil price, the fuel surcharge, which used to be only around 4 percent of total shipping cost has now more than doubled since last year.

With such volatility in freightage, density of shipment and the fact that most bookings are only confirmed with airlines on the day before the flight, just compare this with an aircraft order that has to be placed years in advance in most cases, reflecting the market risk borne by operators.

However, when the indices are established for different routings, there will be several improvements in the industry.

Firstly, they will provide hedging opportunities for different stakeholders to manage their risk or secure longer term pricing (for user) / revenue (for operators) stability. They can enter into indices contracts (SWAP) where they can mimic return on freightage changes without having to own the capacity and be

concerned with any operational issues.

Secondly, they will enable reliable forecasting. Every change in future demand (e.g. new product launch in say Q3) and supply (e.g. addition of flight schedule) will be duly reflected in the change in indices level with direct participation of shippers, providing more accurate change of demand forecast or capacity supply.

Asked how the market had responded to the airfreight derivatives concept so far, Lu said over 20 industry players are participating in physical capacity trading via GFI Nittan through entering into forward space agreements.

On the indices side, Lu thinks that similar to other commodity markets, the industry will need some time to understand the mechanism and benefits of such initiatives.

GFI Nittan is optimistic that airfreight derivatives will become a reality in the not too distant future. *– Wong Joon San*

Market Outlook

Boeing good on long-term growth

Boeing has confirmed its previously announced projection that the global air cargo market will continue to exhibit strong, long-term growth. During the 20-year forecast period, Boeing projects that the industry will grow at an annualised average of 5.8% – with the freighter fleet increasing from 1,948 to 3,892 aircraft.

This growth requires a total of 3,358 aircraft joining the fleet by 2027, taking into account retirements of 1,414 aircraft. The fleet additions will include 863 new production freighters, with a value of about \$206 billion in current US dollars, and 2,495 aircraft from conversions. Wide-body freighters will dominate the new production freighter total and 641 will be of the large freighter segment (more than 80 tons (72.6 tonnes) capacity).

The Boeing World Air Cargo Forecast 2008/2009, a more detailed study, will be issued at the 2008 International Air Cargo Forum and Exposition in Kuala Lumpur, Malaysia, in November.

Boudier leaves enough challenges for successor

Delivery delay on B777F and Delta's role in US JV are major issues

Marc Boudier once famously described his Middle East competitors as “predators”. As he retires from his post as executive vice president Air France Cargo, his successor, Florence Parly, will no doubt draw on her background in French politics, and latterly in investment strategy with the airline, to take a diplomatic and pragmatic approach to the competition and many issues besetting the industry in turbulent economic times; which Boudier outlined in an interview prior to his departure with Air Freight Asia founder and organiser, Nol van Fenema.

In the eight years since Marc Boudier headed up the Air France Cargo business and became a board member of the airline, the air cargo industry encountered a series of dramatic events, whose historic significance lives on in immediately identifiable alphanumeric abbreviations – Y2K, 9/11, and SARS; which all have been major tests of industry resilience.

Compared with the passenger side of the airline industry “air cargo activities have been bumpy, because the development of traffic is directly linked to GDP,” he said.

Consequently the cargo industry might have been a reasonably reliable “economic indicator”, but according to Boudier, that role ended at a turning point in 2006.

While the industry managed to survive each of the calamities, 2006 was “a tempest in a blue sky”, because all the macro-economics were good, with one of the best years for the world economy in 40 years. However, 2006 also saw an unexpected and sudden move of the traditional high-value freight products from air to sea freight.

Boudier said: “I remember my colleague Ken Choi of Korean Air Cargo saying that in 2005 he still had 96 percent of the LCD market to the US and Europe, while in 2006 this dropped to 45 percent.”

Boudier acknowledges the shift to sea freight was prompted by improved shipping times, better containers and lower logistics costs compared with air freight.

He said another factor to the general malaise in the industry is “more uncertainty” about the further growth in China.

Boudier cites lower fuel prices as a counter to the effects of the broad economic global slowdown, but admitted it will take time to recover business lost.

But he was positive about significant fleet realignments as part of airline attempts to cut costs in the current conditions.

The gradual integration of KLM's operations and fleet into Air France has allowed the airline to minimise the impact of the fuel hikes in the past 12 months. Air

France decided to scrap its three remaining 747-200Fs late last year instead of keeping them to tide it over until the introduction of the B777-200ER freighter.

It dry-leased a 747-400 conversion and took over a new 747-400ERF that was delivered to KLM in October to cover the capacity shortfall. Even so Boudier said the result was a five percent cut in main



Marc Boudier brings Florence Parly up to date on the intricacies of the air cargo industry, and some of the pressing challenges.

deck capacity for the carrier.

However, the plan for a smooth replacement has not worked out entirely satisfactory, because the strike at Boeing has not only affected delivery dates of the 787 Dreamliner, but also of the B777F, which launch customer Air France Cargo had planned to introduce before the end of this year.

In the interim, Air France Cargo has leased additional capacity from World Airways, which is operating one MD-11F on a full time basis from France to destinations in Africa and weekly rotation to Brazil on behalf of the French flag carrier.

The 777 freighter delay is not ‘a blessing in disguise’ stressed Boudier, because the deliveries of the first three 777Fs were scheduled to take place before the peak season at end of the year.

Asked about the progress of the SkyTeam Cargo Alliance, Boudier enthusiastically mentions the areas where

the members are fully co-operating, for instance in the product portfolio which represents a common service offering by all partners, or co-operation in the “tool kit”, which, among other things, includes the “under-one-roof” concept allowing the SkyTeam Cargo partners to use their respective facilities for third party handling, or for the common use of ULD's.

Then there is the joint marketing and sales approach, including the US Cargo Sales Joint Venture based in Atlanta. As for the latter, Boudier pointed out that in June this year Air France KLM Cargo received anti trust immunity (ATI) from the US authorities.

“Now there is possibility to enlarge the JV by letting KLM Cargo join the JV in Atlanta,” he said.

He said that discussions between the partners are ongoing and that both KLM Cargo and Northwest Cargo could join the JV. “If these talks are successful, it will be a big step forward for the SkyTeam Cargo Alliance.”

He scoffed at the suggestion that with declining economies everywhere in the world, this doesn't seem the right time to enlarge the JV, by saying that “the only market which is growing at the moment is outbound US, which is stimulated by the low dollar. At the moment, the JV is over-performing. It's as simple as that.”

The big question is what role Delta Airlines Cargo, headed by Neel Shah, is going to play in the JV. Boudier said that the US carrier, which recently received approval from the US authorities to merge with Northwest Airlines, has decided to go back to their own system, rather than continuing with the SkyTeam Cargo system.

“One thing is for sure,” said Boudier, “Next summer we will have a single sales structure for Air France-KLM Cargo in the US. However, our first option firmly remains an expanded JV with Korean Air, Delta, Northwest and KLM.”

He hands over a portfolio to his successor in ‘interesting times’.

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