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The weekly newspaper for air cargo professionals



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NAVIGATING GLOBAL SKIES



With a global presence, Kales Airline Services has looked to go beyond the traditional role of a GSSA through its partnership model.

"We actually think of the airline as a true partner," Sebastiaan Scholte, CEO of Kales Group, said. "We have the in-house capabilities to set up and run a fully independent cargo department on behalf of our airline customers. We provide actionable market data, can set up a road feeder service network, negotiate interline and handling agreements and provide state-of-the-art solutions, always taking into mind our agile entrepreneurial spirit."

Prioritising customer growth

Recognising the drivers of profitability for an airline, either in passenger or with freighters, Kales acknowledges it is important to use the right cost drivers to

allocate certain costs.

The revenue mode of Kales is aligned with that of its customers, driven by optimising the revenue per flight. Therefore, they are always trying to optimise the yield and payloads of their customers.

Moreover, they are continuously trying to reduce their airline customer's cost with the economies of scale they have to negotiate better road feeder service (RFS) and ground handling agent (GHA) agreements

"Changing from a cost driver X to cost driver Y can have an impact on the economic viability of projects, divisions, flights etc," Scholte explained. "It is a given that every flight that leaves with a low load factor is economically unrecoverable. Therefore we continuously are looking at best ways to optimise the revenue per flight."

"Applying marginal costing means that the extra revenue generated in certain actions (like for example taking an extra shipment on board an aircraft) will trigger additional (marginal/variable) costs," he continued.

Optimised services

Kales is committed to ensure that its customers, be it from passenger, freighter or a combination fleet, receive the same high quality service where yields and load factors are optimised.

"With our in-depth knowledge and experience with the different types of passenger and freighter aircraft we know all unit load device and pallet positions with its restrictions, so we can optimise the load factor combining volume and dense shipments," Scholte highlighted.

Kales has sought to work with its partners to learn from their best practices, applying them where possible in their own operations to ensure a smoother supply chain.

"For example, our total cargo management division we have operational management control that ensures seamless quality across the air cargo supply chain. We apply service legal agreements and standard operating procedures with the service providers we contract on behalf of our customers and we regularly conduct audits," Scholte outlined.

Stabilising situation

While the markets started relatively strong in the first quarter of 2023, even though volumes and yields were already declining, the two quarters thereafter were less favourable. However, volumes are growing again and the yields are stabilising.

"Somehow most of the people extrapolate the current situation in perpetuum," Scholte stated. "A year ago most of the industry was expecting great times ahead of us, with higher rates than pre-Covid using the Covid years as a reference base. And now they are expecting more declines using this year as a reference."

"Churchill once said: 'The further you look in the past the better you can predict the future'. Our industry is cyclical strongly driven by demand and supply. There will be more growth again," he continued. "2024 will most likely start slow but hopefully it will pick up as of the second half mainly driven by the incredible e-commerce growth and subsequent restocking."

INSIDE

REDEFINING GLOBAL GSSA ...

PRIDING itself on embracing change and constantly challenging themselves to remain at the forefront of the sector, HAE Group has ...

PAGE 2



ADAPTING AND INNOVATING ...

AIA, one of the largest independent cargo sales and service networks globally, has worked diligently to build a reputation as a reliable ...

PAGE 4

AIRFREIGHT'S EVOLVING ...

E-COMMERCE has evolved into a pivotal segment within the airfreight market. This shift is primarily attributed to the changing dynamics of online ...

PAGE 8



MAKING SAF FROM SEWAGE ...

FIREFLY Green Fuels is looking to cut aviation's carbon footprint and transform the way the world's airlines are powered through an ...

PAGE 9

Going all-in on the GSSA sector ...

Page 10

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Redefining global GSSA operations



PRIDING itself on embracing change and constantly challenging themselves to remain at the forefront of the sector, HAE Group has been striving to step up operations through innovative ways to secure more business at the best possible yield.

"It's not just about A-B, a rate and off we go. Airline products, handling, cut offs, incentives, customer recovery and service are all still needed and not everything can be automated. The most agile GSSAs will be able to adapt to a revised role and how they can contribute," Ian Hutchinson, Chief Commercial Officer, stated.

Tech takes hold

Digitalisation is key to HAE Group's evolution, not just for the booking, but for promoting the activities of companies in the GSSA sector and their importance in the airfreight process. That's reflected in how the GSSA has sped up digitalisation of the business.

"Our quality management system now enables us to offshore, extend the hours we can service our partners and customers for and speed up how we quote and aid spot pricing for many of our carriers," Hutchinson said.

"There are functions that used to be done in country that our systems now allow us to do offshore. This helps us focus on the

commercial activity in country and our offshore team manage our operations," Hutchinson continued. "This evolution has allowed us to work 24/7 for track, trace, follow up and administration. We have also embraced artificial intelligence through automated bookings, status updates and are now working on demand forecasting.

HAE Group's digital road map includes a number of self-developed tools. The company also subscribes to a number of industry leading datasets that allow it to facilitate growth for itself and its customers.

"This is done via market leading sales intelligence – we do not just make bookings, we sell! We measure number of quotes, missed opportunities for the carriers, we subscribe to market data and analyse it to the benefit of the carrier and customer alike," Hutchinson outlined. "Our reports and dashboards of activity are automated so we can offer dynamic pricing, capacity management, quote conversion analysis and where opportunities can be targeted."

Support and services

Representing over 40 airlines worldwide, through offices in North and South America, UK, Ireland, UAE, Kenya, Egypt and South Africa, HAE Group has been working to expand its operations. In 2023, it added bases in Italy, China, Morocco and Hong Kong.

The company has a global solutions team in the UK, a training team also in the UK and cargo handling activity in the UK and South Africa. They also have offshore commercial teams in Poland and Kenya.

"HAE's long standing understanding of our local markets coupled with our constant engagement with local industry groups ensure we are at the forefront of region awareness," Hutchinson said. "The wide scope of our activities enable us to bring different solutions to different regions based via an integrated Senior Management Team (SMT) and a modern method of sharing information across HAE. We work hard to ensure our SMT communicates internally and shares success and challenges. Our SMT remain very close to our field teams to ensure best practice is always targeted."

As well as core GSSA services, HAE Group also offers a range of value adds, trucking, handling, customs destination trucking, and more. "The more you can do for someone the more likely they are to buy from you would be our philosophy," Hutchinson highlighted.

Market movements

The return of capacity and the reduction in demand has led to significant challenges globally.

"HAE has always reviewed our business model to ensure we are industry leading. These reviews have focused an aggressive sales model and offshoring strategy that enables us to offer a very competitive product to airlines that are consistently focused on value for money, even more so in 2023," Hutchinson said.

With the industry moving into the digital space at an increasing speed, HAE launched its customer login on its portal, so customers can interact with and enhance their relationship with the GSSA. For airlines, HAE has used this to produce dashboards so they can easily manage the fast pace and dynamic nature of the industry.

"The need for value for money, via competitive / creative GSSA solutions, will continue to play a major role into 2024," Hutchinson stated.

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Adapting and innovating



AIA, one of the largest independent cargo sales and service networks globally, has worked diligently to build a reputation as a reliable partner to the industry.

"We as a company are very flexible and dynamic and we were adopting the necessary structural, commercial and operational procedures in order to secure our results and growth path anticipating the business and industry trend accordingly," Jaime Salguero, CCO of AIA Cargo said.

Adapting to industry evolution

With over 15 years of experience, AIA has kept a keen eye on the shifting GSSA industry landscape, responding proactively to changing customer demands.

"We adapted in recent years to the GSSA market evolution focusing strongly in market monitoring, IT and digital development product diversification and business expansion in terms of new contracts and geographical growth," Salguero said.

For example, AIA has taken to using data analytics to optimise day-to-day business, implementing technology and making full use of available management systems and different marketing and sales digital platforms to boost efficiencies and results.

"Our core business is commercial. Our

investment, acquisitions, network expansion and additional contracts so that today we have a number of different products and new business lanes helping us to balance our results," Salguero stated.

Going global

AIA is a global company with a presence across Europe, Asia, and the Americas. The company also has its sights set on Africa as a key market in the coming years.

"We actually can see a remarkable 2023 airfreight export markets decline as we anticipated by the end of last year," Salguero explained. "Q2 slowdown was significant and Q3 going through summer business have seen a drastic decline. We expect a moderate recovery in Q4 to end up a decline cycle."

AIA anticipates the overall economy will see an upturn in 2024, boosting the airfreight market's recovery.

"We are now planning and targeting substantial opportunities next year," he added. "We are optimistic to find a very positive upturn in 2024."

Future prospects

As the GSSA sector continues to evolve, AIA envisions that independent cargo GSSA companies will be at the centre of it, with

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teams are selling from sunrise to sunset and we support our commercial strategy with technology and sustainable models. That's how we see it as a company," he continued.

Resilience in the face of turbulence

The air cargo industry has experienced turbulence in recent years, notably due to the challenges brought about by the COVID-19 pandemic. AIA has attributed its resilience to their flexibility and dynamism.

"We are actually very proud of how we diversified our business over the last years with innovative business segments,

a focus on finding ways to deliver a unique service to customers.

"The sector will evolve further within the next years and independent cargo GSSA companies will play a key role in the market led by flexibility, tailor-made and dynamic sales and service solutions to our partners," Salguero said.

"Our strategy as a company is actively looking at future developments and opportunities in the cargo GSSA industry where artificial intelligence or commercial drone regulations will play a significant role over the years to come."



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Elevating pharmaceutical transportation



AS the second largest cargo hub in the Netherlands, Maastricht Aachen Airport (MST) has established itself as a crucial base for the safe and controlled transport of temperature-sensitive medicines.

When deciding which airport to move pharmaceutical goods through, factors such as cargo handling expertise, facilities and infrastructure, customs and regulatory compliance, and the airport's location all play a key role.

With pharmaceuticals making up a large portion of the high-value cargo MST transports, the airport has invested in cooling facilities that are designed to handle pharmaceutical cargo within specified temperature ranges.

"We also offer a security service for valuables, and our cargo team here at Maastricht is very experienced and renowned for its operational excellence, collaboration, and customer-oriented approach," Jonas van Stekelenburg, CEO of MaastrichtAachen Airport, said.

"Our warehouses, both import and export, are fully certified. We achieved IATA CEIV-Pharma certification in October of 2018.

We became Good Distribution Practices (GDP) certified in 2021, demonstrating our dedication to good distributive practices and quality," van Stekelenburg continued. "We're planning on further expanding our pharma throughput in the near future, as MST continues to expand its capacity and efficiency."

Training and technology

All of MST's cargo handling staff are trained up on basic pharma awareness, and are equipped to handle Envirotainer active temperature control system containers.

"We can also manage relatively late acceptance times for pharma shipments before their scheduled departure time," van Stekelenburg stated. "This is because the placement of our export warehouses are in such close proximity, tarmac transportation can be done last minute to ensure temperature of the products is still correct within the requested temperature range – whether it be controlled cool storage, extended room temperature storage, or controlled room temperature."

MST has developed its very own handling IT system, MACH (Multiple Aviation Controle Hub), where they do all of their time tracking at all handover points.

Their pharma rooms have temperature-sensitive alarms installed, and officers are on duty in the event of an issue.

The complete export warehouse and the roofed ramp build up unit load device (ULD) storage is also temperature monitored.

Industry innovations

Looking at the industry at wide, there are many innovations on the way that are likely to have a significant impact on the role of pharmaceutical goods at regional airports.

The use of drones for pharmaceutical delivery within airport facilities could increase the efficiency and speed of distribution, for example. Tech such as the Internet of Things (IoT) could be used to track and monitor pharmaceutical shipments in real-time. On a stakeholder management level, collaboration between regional airports, pharmaceutical companies,

logistics providers, and regulatory authorities will be essential to ensure the smooth flow of pharmaceutical goods.

"Here at MST, we have observed a rise in the amount of pharmaceutical shipments using passive packaging to guarantee the quality of the medicines," van Stekelenburg highlighted. "While we ensure that they remain in our specially designed pharmaceutical cold rooms for as long as possible before they go airside, we would advocate for the increased use of special thermo covers for ULDs to further protect the cargo."





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LATIN AMERICA'S GO-TO GSSA FOR OVER TWO DECADES

It's not enough to be in the right place at the right time. You have to be with the right GSSA in the right place at the right time. Let's check in with Miami-based PrimeAir, Latin America's premiere General Sales and Service Agent that's been serving the region for over 22 years.

Currently, there's a glut in air cargo capacity as airlines across the world that ordered new freighters during the pandemic are now struggling to fill them. All the while passenger carriers, responding to the strong recovery in travel, are deploying even more aircraft – and more belly-hold capacity.



Despite this, it's the right time to be in Latin America as air trade here is growing with demand for fresh perishable goods around the globe.

The Latin American air freight industry is expected to grow from USD 1.00 billion in 2023 to USD 1.23 billion by 2028, at a CAGR of 4.22 percent during the forecast period (2023–2028), according to the International Air Transport Association (IATA). In fact, Latin American carriers outperformed all other worldwide regions in May, in defiance of the general

declining trend with a rise in cargo volumes of 13.8 percent.

"Air cargo companies looking for the right place to deploy new service are finding Latin America highly desirable, especially considering the sizable year-round production of produce, fresh-cut flowers, and fish throughout the region," says Roger Paredes, CEO of Prime Group.

"As a trusted GSSA in the Americas for over two decades, we've gained a reputation for sustained reliability and high-quality service to our air carrier customers, including some of the most reputable names in global air cargo transport" adds Paredes. "This is precisely why PrimeAir is the go-to GSSA in Latin America."

Think Globally, Act Locally

Providing a global service combined with extensive local knowledge, PrimeAir customizes regional front-line services for airlines and other enterprises from across the globe. They specialize in commercializing air freight capacity, supervising complex local operations, and providing professional sales and marketing support.

PrimeAir's Miami headquarters – located in the "Gateway to Latin America"

– is the perfect point of contact for airlines from all across the world – while the company's hub stations in Ecuador and Colombia closely supervise the action on the ground throughout the region.

Broad Spectrum of GSSA Services

PrimeAir's specialty skills also include international certifications for reception and dispatch of aircraft, airport and cargo security management, and a thorough knowledge of international customs and trade rules. Be it in service to an ad hoc or long-term agreement, PrimeAir's broad spectrum of GSSA services also includes:

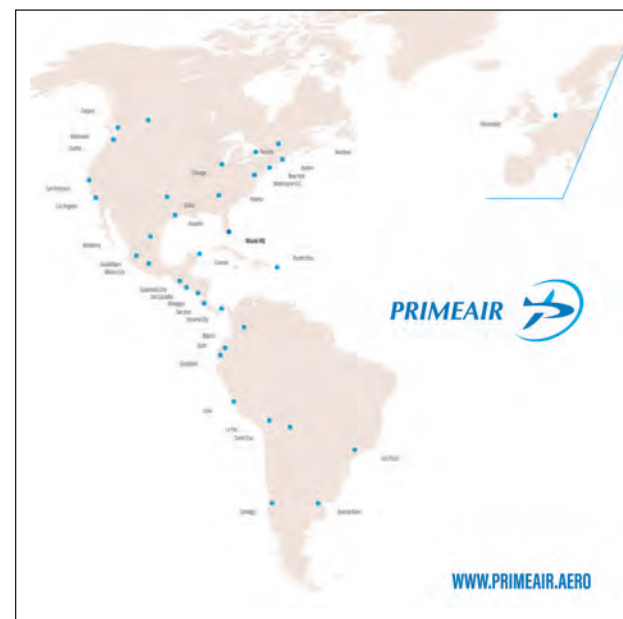
- Air Cargo Charters
- Warehouse Management
- Cold Storage & ULD Control
- Ramp Supervision & Ground Handling
- Data Analysis & Online BI Reporting
- Revenue Accounting & Yield Management
- Management Reports
- Representation at Industry Events
- Direct Mailings & Market Analysis
- Customer Service

Logical Alternatives for Customers

PrimeAir's local-market proficiencies also extend to the U.S. Stepping back to 2022, when a prominent Latin America-based cargo carrier wanted to enter the lucrative North American market, they knew they needed an established GSSA to help them feed new traffic between the U.S. and their South and Central American network.

PrimeAir accepted the challenge to represent their service, increase cargo volumes, and optimize operational efficiency. And business is taking off.

Today, all the extra cargo capacity compared to demand is putting downward pressure on rates worldwide, making this a good time for Latin American shippers and forwarders to double down on air freight – and a good time for air carriers to set up shop with a GSSA that knows the terrain, PrimeAir.





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E-COMMERCE has grown into a pivotal segment within the airfreight market. This shift is primarily attributed to the changing dynamics of online purchases, which were significantly impacted by the re-evaluation of stock management practices in the wake of the pandemic. A key lesson learned from this period was the necessity to diversify suppliers and avoid dependency on a single source.

The emergence of China as a substantial player in the global marketplace has further underscored the importance of e-commerce in airfreight. The market has become truly global, necessitating a comprehensive approach to serve short, medium, and long-haul trade lanes both for incoming and outgoing shipments.

In response to these new requirements, Challenge Group have adapted their strategies and operations to meet the dynamic demands of customers and the e-commerce sector within the airfreight market.

"We have introduced additional ancillaries, including streamlined sorting, customs clearance, consolidation services, temperature-controlled storage, and middle-mile solutions. These enhancements have simplified logistics and optimised their end-to-end e-commerce services, ensuring efficiency and reliability for their clients," Or Zak, Chief Commercial Officer at Challenge Group said. "Our commitment to innovation and adaptability positions us as a leader in the dynamic e-commerce landscape."

Speedy pledge

Challenge Group offers tailored services, including sorting, customs clearance, consolidation, cooled storage, last mile solutions, and B2C customs expertise, to enhance its cargo and e-commerce offerings.

"We focus on providing a holistic end-to-end solution, simplifying processes, and adapting to the changing e-commerce landscape through innovation. Our strategic plans involve further enhancements, expanded partnerships, and reduced clearance times to deliver value to our clients," Or Zak outlined.

To guarantee a comprehensive service, Challenge Group relies on its subsidiaries and strategic partners who align with and meet their standards. These trusted entities play a crucial role in their network, allowing them to provide seamless e-commerce logistics solutions that encompass the entire supply chain.

"By collaborating with partners who share our commitment to quality and efficiency, we can offer our customers a reliable and trustworthy full-service experience, addressing the increasing demand for end-to-end e-commerce solutions," Or Zak said.

Controlling the supply chain and the middle mile delivery, Challenge Group is able to deliver to the first domestic distribution centre offering a cost efficient and time saving service to e-commerce operators.

"We ensure a 48-hour delivery promise for e-commerce shipments, a critical requirement in

this fast-paced sector, by maintaining control over the supply chain and focusing on the middle mile delivery," Or Zak explained. "This approach allows us to swiftly deliver goods to the first domestic distribution centre. By managing this crucial middle mile, we offer an efficient and cost-effective solution that saves time for e-commerce operators, ensuring their commitment to timely deliveries."

Connecting China and Europe

The establishment of a robust route network linking Hong Kong to Europe has become crucial for Challenge Group due to the rapid growth of e-commerce.

"This enhancement ensures a swift and dependable connection between Hong Kong, a major e-commerce gateway, and Liège Airport, strategically located in Europe's golden triangle. With a daily service, we can effectively address the rising e-commerce demands and meet the need for speedy deliveries in the sector," Or Zak stated.

The addition of the B767 freighter to Challenge Group's fleet significantly bolsters e-commerce operations. It provides them with the much-needed flexibility to offer the right capacity on a daily basis, especially when complemented by their existing 747 service.

This combined capacity enables Challenge Group to meet the growing demands of e-commerce effectively, ensuring that they can provide customers with timely and reliable transportation solutions.

"With the B767 freighter, we have the versatility to adapt to the dynamic requirements of the e-commerce sector, allowing us to ship items on the day of purchase or, at the latest, the following day, thus upholding our commitment to swift and efficient deliveries," Or Zak added.

e-commerce expansion

Challenge Group is currently expanding its e-commerce operations in Asia, beginning with an increase in the aforementioned Hong Kong service. With the recently bolstered fleet, they are actively exploring opportunities to expand services to other destinations in Southeast Asia to cater to the increasing demand in emerging markets.

"This expansion plan includes increasing the number of flights and optimising our capacity to ensure that we can continue to provide efficient and reliable e-commerce logistics solutions to the region," Or Zak said.

Challenge Group's focus on the e-commerce space reflects their strong commitment to future growth and innovation.

"Recognising that online purchasing is not only the present but also the future of trade, we are proactively investing in new technologies and tools," Or Zak stated. "By doing so, we position ourselves to be the partner of choice for businesses and customers engaged in e-commerce. Our forward-looking approach ensures that we are well-prepared to adapt to the ever-evolving landscape of global trade, offering innovative solutions and staying at the forefront of the industry."

CSM

Making SAF from sewage



FIREFLY Green Fuels is looking to cut aviation's carbon footprint and transform the way the world's airlines are powered through an innovative method: Sewage.

Taking sewage sludge from water utilities, Firefly puts it into a high pressure reactor to separate it into two useful materials: Biochar, a fertiliser for the agriculture industry, and bio-crude, which can be refined into jet fuel.

"Firefly's route to sustainable aviation fuel (SAF) is unique in that it uses a completely biogenic and otherwise problematic material as a feedstock – sewage," James Hygate, Firefly Green Fuels CEO, said. "This cheap and abundant feedstock will never run out and the SAF we can produce with it is almost identical to fossil jet fuel."

"Sewage is interesting to work with. At the moment the only other disposal route in the UK is through agricultural spreading,

a practice which will likely be outlawed as soon as a better route is secured," he added. "Our process gives this waste a new purpose, creating SAF whilst supporting biodiversity in ecosystems currently plagued by agricultural runoff."

Multiple approaches

Currently, the approved SAF routes cannot cover the necessary demand in the aviation industry, requiring more solutions to be developed.

"We really do need every different route to SAF to work out if we want to meet ambitious global targets," Hygate said. "That means that more support is needed from governments and other technologies need to also be developed alongside SAF. We really don't have much time to make these changes if we want to make a significant impact on climate change."

"I think that every route to SAF is incredibly innovative and will be an important part of the puzzle moving forward, but our SAF made from sewage is an incredibly effective and green solution that promises to be very cost-effective too," Hygate continued. "When looking exclusively at biogenic wastes, the Firefly route shows potential to be the largest single source of SAF globally."

Power of partnerships

Wizz Air has been a supportive partner of Firefly, signing a significant offtake agreement with them earlier this year.

"We're hopeful that other airlines will see the potential in our solution and also reach out for partnership in the near future," Hygate explained. "Additionally, we have worked very closely with key figures across the aviation and water industries to date, who have all been extremely supportive for our solution which they recognise to be a real game-changer."

Recently Firefly has been in conversations with officials in a major metropolitan area who believe that, through the sewage-to-SAF process, they could power up to 80% of flights from their international airport using SAF alone.

"People around the world are waking up to the fact that SAF is about to become a huge market disruptor in the fuel industry and we're starting to see airlines and governments more vigorously back SAF producers," Hygate said.

"SAF really is the future of air travel, it's not just a pie in the sky idea and its production will only continue to gather pace," he declared.

Path forward

Firefly is working at pace towards the realisation of a first-of-a-kind plant in the UK within this decade. However, that's just the start. As the feedstock is globally relevant, they plan to roll this technology out around the world.

"With the quantity of sewage produced globally there is the potential to provide a significant proportion of the global SAF demand in the coming decades," Hygate explained.

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GOING ALL-IN ON THE GSSA SECTOR

ECS Group is working to deliver the most comprehensive air cargo management solution in the industry through its 'All-In' product that provides Total Cargo Management (TCM) to customers' entire network.

Crucially, ECS Group's approach to TCM is inherently hybrid. The modularity and adaptability of its offerings, reflected in tools like Squair for back-office efficiency and Mail & More for e-commerce transport, underscore the company's ability to customise solutions.

Their "à la carte" approach allows ECS Group to address specific aspects or entire facets of cargo management, providing clients with tailored solutions that precisely align with their unique needs.

"ECS Group's hybrid business model is a testament to its dedication to workforce evolution, perfectly aligning with the specific demands of clients in reflection of the dynamic evolution of the airfreight industry," ECS Group's Chairman and Chief Executive Adrien Thominet said. "ECS Group has successfully nurtured a pool of highly competent resources capable of meeting the diverse demands of customers," Thominet added.

Recognition of the profound transformation required for GSAs to offer modular solutions and utilise cutting-edge tools is ingrained in ECS Group's strategy.

"The loyalty dynamic flows in all directions—towards airline partners, employees, and vice versa. This reciprocal loyalty, combined with the fusion of technology and human expertise, defines ECS Group as a true hybrid business model. This distinctive approach transcends the traditional role of a GSA, positioning ECS Group as a forward-thinking and adaptable partner that distinctly stands out in the market," Thominet continued.

Digital leverage

The commercial DNA of ECS Group, rooted in a commitment to technological advancement and human-centric values, is one of its points of pride.

ECS Group has strategically utilised digitalisation, creating a hybrid model that not only enhances operational efficiency but also fosters the professional development of its workforce.

"The airlines have totally changed their expectations of the GSSA. Sales and bookings are expected. Now, they want to have more intelligence and visibility. The digital investments we are

providing are answering the new needs of customers; the pricing, the forecasting, the way to do business," Thominet highlighted.

At the core of this strategy lies the Discovery platform, a robust training tool. Through digitalised training initiatives, employees have undergone significant professional evolution, acquiring new skills in revenue management, strategy formulation, and the adept use of predictive market tools.

"This transformative approach has redefined traditional roles, creating opportunities that resonate particularly well with younger generations, enriching ECS Group with a dynamic and forward-thinking team," he stated. "These roles signify a dynamic shift in responsibilities, empowering employees to actively contribute to the strategic aspects of operations, enhancing their engagement and impact on the profitability of airline partners."

"The emphasis on continuous learning and upskilling through digitalisation ensures that the ECS Group workforce remains adaptable and well-prepared to navigate the dynamic landscape of the air cargo industry," Thominet outlined. "Importantly, these newly crafted roles have become highly attractive to younger generations, reinforcing ECS Group as a hub of innovation and a sought-after workplace in the air cargo industry."

International opportunity

ECS Group is looking to ride the wave of opportunity in Asia, as the region's growing and emerging markets become an increasingly integral part of the supply chain.

Beyond Singapore, Southeast Asia's biggest trading hub, ECS Group has established a presence in Cambodia, Indonesia, Malaysia, Vietnam and more. Recently, the GSSA developed additional operations in North Asia.

"China is waking up in terms of activity, which is very much feeding Southeast Asia," Thominet explained. "The airfreight market this year has been very weak due to the Chinese situation. The Chinese economy was not very dynamic but it's picking up now. Europe was pretty stable and the USA was pretty similar to Asia. It's all picking up now, which is a very positive signal."

ECS Group's global presence helps the GSSA understand the situation on the ground in key markets and adapt operations to ensure that customers are not impacted by any potential disruption or challenges.



CHANGING DEMANDS IN THE GSSA SECTOR

As the GSSA market continues to evolve, companies operating in this industry aim to provide comprehensive services to airlines and other clients.

This includes offering tailored solutions for cargo and passenger handling, marketing, and other services based on the unique needs of each customer. In a highly competitive market, GSSAs strive to differentiate themselves by employing advanced technology, leveraging their networks, ensuring regulatory compliance, and providing excellent customer service.

Additionally, some have extended their offerings beyond traditional services to cater to market shifts and emerging trends, such as e-commerce logistics and digital transformation.

Ultimately, the main role and target of GSSAs in the evolving market are to act as trusted partners to their clients and help them operate more effectively, efficiently, and sustainably amid the challenges and opportunities in the aviation industry.

"In recent years, the air cargo, logistics, and aviation industry in Europe and the Americas has witnessed changing market demands due to the pandemic," Julia Knecht-Ostwaldt, Strike Aviation Group's Chief Operating Officer for Europe, said.

"However, Strike, as a major player in the industry, has observed that our niche market has been relatively less affected by the massive economic shifts compared to other sectors. We attribute this resilience to our specialised focus and adaptability to meet the evolving needs of our customers in a rapidly changing landscape."

Sustainability and innovation

GSSAs play a role in helping their customers achieve their goals. Firstly, GSSAs can assist their clients in adopting sustainable practices by providing guidance on reducing carbon emissions, optimising fuel efficiency, and implementing eco-friendly initiatives throughout their operations. They can also support customers in navigating sustainability regulations and certifications. Furthermore, GSSAs are well-positioned to facilitate technological innovation for their clients. They can offer insights and recommendations on leveraging emerging technologies such as artificial intelligence, and blockchain to streamline operations, enhance efficiency, and improve customer experience.

"By staying up-to-date with industry trends and collaborating with technology partners, GSSAs can help their customers stay competitive and adapt to the changing digital landscape. Finally, GSSAs can play a crucial role in expanding their customers' networks. With their extensive industry knowledge and established relationships, GSSAs can connect their clients with strategic partners and stakeholders, helping them access new markets, forge collaborations, and expand their reach," Knecht-

Ostwaldt added. "By supporting their customers' sustainability initiatives, driving technological innovation, and facilitating network expansion, GSSAs contribute to the overall growth and success of their clients in the aviation and logistics industry."

Technology, such as artificial intelligence (AI) and automation, can greatly improve efficiency for GSSAs. By automating tasks like data analysis and report generation, GSSAs save time and reduce errors. AI-powered chatbots enhance customer support, while customised avatars automate the creation of explanatory videos for training purposes. AI algorithms enable GSSAs to analyse customer preferences and identify collaboration opportunities.

"Strike, for example, already uses AI and customised avatars to automate the production of explainer videos for internal and external training purposes. These technologies streamline operations, improve decision-making, and enhance collaboration," Knecht-Ostwaldt highlighted.

Industry adjustments

In the air cargo, logistics, and aviation industry, GSSAs have observed a shift in the balance between the bellyhold and freighter market as the industry returns to the new normal.

With the decrease in passenger flights during the pandemic, there has been a significant reduction in available bellyhold capacity for cargo transportation.

As a result, there has been a greater reliance on freighter aircraft to meet the demand for air cargo services. Companies have adapted by increasing the utilisation of freighter aircraft or converting passenger aircraft into makeshift freighters to bridge the gap left by reduced bellyhold capacity.

This shift has led to an increased demand for dedicated freighters, especially in industries where time-sensitive and high-value cargo are transported. While the bellyhold market is expected to slowly recover as travel restrictions ease and passenger flights resume, the pandemic has highlighted the importance of a robust freighter market to ensure the continuous flow of goods.

"As the industry reaches the new normal, we anticipate a more balanced approach between bellyhold and freighter operations, with companies leveraging both modes to optimise capacity and meet evolving customer needs," Knecht-Ostwaldt said.

"The future of the airfreight industry will be shaped by the e-commerce boom, sustainability initiatives, and technological advancements. The exponential growth of online shopping is driving increased demand for airfreight services, while the industry is under pressure to reduce its environmental impact and adopt more sustainable practices," she continued. "Technology, such as digitisation and automation, will play a significant role in streamlining operations and improving efficiency in the airfreight sector."

"The future of the airfreight industry will be shaped by the e-commerce boom, sustainability initiatives and technological advancements"



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