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## FREIGHT FORWARDERS SUPPLEMENT

Your guide to the latest developments in the international airfreight industry





THE LINCHPIN OF THE GLOBAL SUPPLY CHAIN

CIFFA: 75 YEARS YOUNG

## Your air cargo partner of choice





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reight forwarders are the vital intermediaries bridging the gap between companies initiating airfreight shipments and the ultimate recipients of goods. While they do not physically execute the transport, they play a pivotal role in facilitating the movement of goods. They do this by offering airfreight movements as well as other modes, including sea/air, maritime, railfreight and road transport.

Leveraging their extensive network of trusted contacts with carriers and partners, ranging from air transport specialists to trucking companies and transoceanic lines, freight forwarders adeptly negotiate the most favourable pricing arrangements. This involves evaluating established commercial routes with frequent departures or considering charter options. They will assess each offer to determine the optimal route that balances speed, cost-efficiency and reliability while factoring in the myriad variables pertinent to each unique consignment.

Typically, freight forwarders handle substantial shipment volumes, often spanning international destinations, making them indispensable players in triangular operations. Triangular operations involve three distinct companies situated in different countries - the manufacturer, intermediary, and final customer - all coalescing for a single delivery of goods via a unified transport system. This operational complexity extends to documentation and, particularly, tax considerations, particularly with regard to VAT settlement.

Freight forwarders, when presented with single cargo, perhaps just a packing case, will send it as part of a 'groupage' consignment where goods despatched by several different companies are 'bundled' into one load.

Many freight forwarders attain the status of Authorized Economic Operators (AEO), affording them the privilege of simplified customs clearance procedures. This includes deferred payment options for import duties and fees that would otherwise demand upfront settlement prior to goods release. An AEO designation signifies compliance with stringent customs and security standards in the majority of the world's most sophisticated and important markets.

As well as the straightforward movement of goods, freight forwarders can offer shippers a range of value-added services that encompass a spectrum of critical functions. They can, for a price, provide counsel on managing freight charges, specialised documentation costs, customs clearance expenses, and customs duties. They can also provide favourable terms and competitive premiums for safeguarding cargo during transit with the right insurance policies. Guidance on proper packaging, labelling, loading and stowage techniques for merchandise can be provided.

Freight forwarders can also report performance metrics. They can generate comprehensive reports, custom performance assessments and carbon footprint Key Performance Indicators (KPIs) to enhance transparency and accountability. These have become increasingly important to many shippers and consumers. Delivering strategic advice on selecting the optimal means of transport and the most suitable route based on factors such as origin, nature of the merchandise, destination, seasonality, hazard level and urgency across airfreight shipments and the other modes.

In essence, freight forwarders are instrumental in streamlining the intricate logistics of global trade, ensuring the efficient movement of goods while offering a suite of invaluable services that enhance the overall supply chain management process. Quite simply, a freight forwarder serves as the linchpin, whether it is a small-scale local operation or a multinational giant, orchestrating the seamless flow of commodities across the intricate web of the supply chain to bolster the global economy. That is what it is all about.

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"We had worked tirelessly to make this day a reality; it unfolded Halifax to Toronto." here is more to Canada than ice hockey, bears and vast acres of untamed and untouched Arctic landscapes. There is a 'disruptor' air cargo operator that has swiftly tailored its offering to deliver groundbreaking logistics solutions to the Canadian market.

On February 29, 1996, WestJet embarked on its maiden passenger flight, marking a significant milestone in Canadian aviation, all the more remarkable as it occurred on a leap year day. WestJet had become the chosen moniker thanks to the creative input of co-founder Mark Hill's mother; a choice the airline appreciates, given its superiority to alternatives such as ABC Air.

From that auspicious day onward, the airline's commitment to enhancing the lives of individuals through secure, welcoming and affordable air travel has remained unwavering. Its dedication to prioritising the well-being of passengers and staff from the very beginning has cultivated a culture of admiration and respect, earning a distinguished status within Canada's corporate landscape. The airline now serves over 100 destinations.

On another notable date twenty-seven years later, April Fool's Day, the Calgary-based airline opened WestJet Cargo freighter bookings for the first of its four 737-800 Boeing Converted Freighters (BCF) expected to be delivered this year.

Kirsten de Bruijn, executive vice-president, cargo knows there was nothing foolish about choosing that date, which was exactly three

weeks before the first of the freighters took off.

She says: "Since the launch, our freighter bookings have shown a steady and robust upward trend. The growth has been consistent. Despite the occasional market fluctuations, we've maintained a strong and upward momentum, showcasing our resilience and commitment to meeting the increasing demand in the air cargo sector."

#### **Lobsters to Asia**

On April 22, 2023, three weeks after bookings opened, the inaugural flight of Westjet's first 737-800 BCF was highly anticipated by the carrier's teams.

De Bruijn says: "We had worked tirelessly to make this day a reality; it unfolded Halifax to Toronto. This historic flight carried lobsters to Asia connecting via Toronto, and we take immense pride in the collective effort that made it possible. It stands as a testament to the power of teamwork, resilience, and the ability to overcome challenges and criticism. This first flight will forever hold a special place in our hearts as a genuine success, marking a significant milestone in our journey.

"We've showcased our unparalleled agility by swiftly tailoring solutions to meet our clients' specific needs within the Canadian market while simultaneously adhering to a precise global strategy. In just a matter of six months, we've successfully launched a remarkable number of new destinations: Miami, Havana, Toronto, Calgary, Los Angeles, Vancouver, significantly expanding our reach. What's more,



we've forged robust partnerships within the industry. Our ambition is to continue delivering groundbreaking logistics solutions to the Canadian market, driving innovation, and setting new standards that redefine the air cargo industry. This, along with our unique ability to meet international demand, sets us on an extraordinary path of global impact."

#### **Boosting cargo capacity**

While it might seem that the freighters will only complement and expand cargo capacity on existing WestJet routes, De Bruijn is quick to reassure the market that the aircraft will open up exciting new opportunities for freight clients by developing cargo-only destinations as well as venturing into ad hoc rentals.

She says: "Indeed, our freighters are significantly boosting cargo capacity on our current routes where we have passenger belly capacity available, such as in Toronto, Vancouver and Los Angeles, Halifax and Calgary. However, we've taken a bold step by introducing freighter-only destinations, notably Miami and Havana, Cuba.

"This marks a strategic move toward developing a dedicated freighter network in select areas. As for ad hoc rentals, if you are referring to charters and ACMI services, then yes, they are part of our offerings. We're fully equipped to cater to these needs. All four of our aircraft have been outfitted with HF and SATCOM, which not only extends their range but also enhances our ability to expand

our network further and serve our clients with greater flexibility and efficiency."

#### **Load factors**

While the airline declined to provide specific numbers such as load factors, for the new maindeck capacity, it is important to note that it embarked on this journey in challenging conditions, facing fierce competition, notes De Bruijn.

"Nevertheless, we've successfully built robust baseloads, ensuring our customers have access to a stable network," she says. "As part of our ongoing development efforts, we're continuously expanding our network and enhancing our product offerings. This, in turn, empowers our talented sales team to provide an array of options to meet our customers' diverse needs.

"Absolutely, our adaptability is one of our key strengths. We've diversified our maindeck cargo to include a wide range of items that were not typically accommodated in passenger plane bellies.

"This includes AAY containers for e-commerce, the safe transportation of large animals, and charter services for oil and gas equipment.

"Additionally, we've demonstrated our capability to expertly manage Big and Heavy underscoring our commitment to meeting all our customers' cargo needs, regardless of their complexity," she notes.

"Nevertheless, we've successfully built robust baseloads, ensuring our customers have access to a stable network"

# FIATA VISIT TO ETHIOPIA SHOWCASES MILESTONE REGIONAL INDUSTRY PROGRESS



"Africa is one of the fastest moving continents worldwide, with a large young workforce"

ddis Ababa, Ethiopia was at the heart of a landmark visit by the International Federation of Freight Forwarders Associations (FIATA) which made its first official visit to Ethiopia at the end of July 2023. FIATA, hosted by its Association Member, the Ethiopian Freight Forwarder and Shipping Agents Association (EFFSAA), had the opportunity to visit the rapidly growing region and engage with key supply chain

EFFSAA is a very active FIATA Association Member in the Africa and Middle East region, and one of its strong points is the distribution of the FIATA diploma in freight forwarding, with more than 180 certificates awarded. EFFSAA has also been validating FIATA training programmes since 2011. In Spring 2023, it completed a Train the Trainer (ToT) course with around forty participants. EFFSAA was also a finalist in the bid for the 2025 FIATA World Congress, which was awarded to Vietnam, and is still looking to continue its bid to be the third African country, after South Africa and Egypt, to host the world's biggest global logistics event.

The FIATA director general Stéphane Graber joined the ToT award ceremony, hosted by the EFFSAA. During the ceremony, students were honoured, highlighting their commitment to capacity building and excellence in the freight forwarding industry.

"Africa is one of the fastest moving continents worldwide, with a large young workforce. FIATA is honoured to collaborate with EFFSAA, who have been working hard on improving training standards and growing their training services," said the FIATA director general. He continued "Capacity building and digitalisation are key priorities for FIATA for Region Africa and Middle East, to create a strong and more resilient supply chain for all in the region."

During their visit, FIATA had the opportunity to visit key facilities in

Ethiopia, including the African Union Headquarters and the state-of-the-art cargo facilities of Ethiopian Airlines. Various meetings were held with government officials, including the Ministry of Transport and Logistics, the Ethiopian Maritime Authority, the Ministry of Tourism, Ethiopia's Shipping and Logistics (ESL) and the Customs Commission. These meetings provided the opportunity for FIATA to engage on key issues on behalf of the industry. All government institutions expressed their full support to FIATA and to EFFSAA in the inclusive digitalisation of the supply chain, as well as Ethiopia becoming the third country in Africa to host a FIATA World Congress.

The visit also brought together FIATA representatives to the IATA-FIATA Consultative Council (IFCC) from all world regions to further advance the ongoing work towards a comprehensive Global Air Cargo Programme. Hosted by FIATA's Airfreight Institute Chair Dawit Woubishet (EFFSAA), the meetings provided the opportunity to consider possible solutions to address the rapidly evolving airfreight market environment in the interests of bringing a fit-for-purpose, modern framework that can benefit all regions worldwide. The Global Air Cargo Programme work builds upon the considerable achievements of the previous IATA Cargo Agency Modernisation Programme (CAMP) and the IATA-FIATA Air Cargo Programme (IFACP). The objective is to streamline and harmonise the complex web of overlapping rules around the world through globally harmonised rules that, unlike the current legacy agency rules, reflect the commercial realities of freight forwarders as customers, rather than agents, of the airlines. Addis Ababa, Ethiopia, as a strategic airfreight hub for the region, was an excellent location to hold such discussions, and provided the opportunity for FIATA to better understand the needs of the African region towards a Global Air Cargo Programme by engaging with various actors in airfreight.

## The Ideal Cargo Gateway



### OH CANADA! CIFFA AT 75



"With our expanded membership base, we become involved in all movement types, from air, marine, rail, road to local drayage"

he Canadian International Freight Forwarders Association is celebrating its 75th anniversary this year. It was founded September 1948 in Montreal and was started by a small group of freight forwarders who saw a need to create an industry association to meet the professional demands of its members.

Bruce Rodgers, executive director, CIFFA has taken time away from the anniversary celebrations to discuss with Air Cargo Week his thoughts on the first 75 years and what might come next.

#### Would you describe CIFFA as 75 years 'young' this year?

• I would say that CIFFA is now maturing as an association. CIFFA has evolved over the past 75 years, from representing solely the freight forwarder to now becoming the voice of the supply chain in Canada. Our membership base has expanded to now include: freight forwarders, freight brokers, customs brokers, warehouse operators and drayage. CIFFA exists to support our members as they do the complex work of moving goods by air, land and sea. We do that by delivering on high education standards, advocating for the interests of those in our industries and keeping our members informed.

#### How important is airfreight activity to CIFFA and its members?

• With our expanded membership base, we become involved in all movement types, from air, marine, rail, road to local drayage. CIFFA members leverage their expertise to optimise routes, handle documentation, and navigate complex regulations and requirements associated with airfreight shipments. We have a dedicated committee focusing on the air sector, as there are many regulated initiatives being proposed that will affect the expedition of goods into and from Canada.

#### Can you imagine the CIFFA and freight forwarders in Canada 25 years in the future at your centenary?

• Without question. The freight forwarder's role is the architect to the efficient and cost-effective movement of goods. While the core functions of freight forwarders, such as co-ordinating shipments, managing documentation and optimising logistics will persist. Their role will likely evolve to encompass more advanced technology integration, sustainability initiatives, and customisation of services. Adaptability and a forward-thinking approach will be key for the freight forwarding industry to thrive in the coming decades.

#### How would you consider freight forwarding in Canada and generally has changed in the last 75 years?

• Freight forwarding in Canada, like in many countries, has undergone significant changes over the last 75 years due to advancements in technology, changes in global trade dynamics, shifting customer demands and evolving regulatory and environmental considerations. The most significant change has been the digitisation of the industry, transitioning from manual paperwork to digital systems, allowing for a more efficient and streamlined processes.

#### What do you think is the direction freight forwarding will go in the next decades: more automation, AI, etc?

• The freight forwarding industry is likely to continue evolving in the coming decades, with a strong emphasis on automation and the integration of Al and technology. Overall, the freight forwarding industry is likely to become more automated, data-driven and customer-centric. Companies that adapt to these technological changes and embrace innovation will be better positioned to thrive in the evolving landscape.



In an increasingly interconnected world, efficient cargo delivery is the linchpin of global trade. The airfreight forwarding business is no place for the faint-hearted. As an airfreight forwarder, you understand the stakes. Every cargo delivery must be swift, secure, and smooth. That's where Cargonet, your dedicated neutral airfreight wholesaler, comes in.

For over a decade, Cargonet has served as a crucial link in the logistics chain, connecting airfreight forwarders with the resources they need to succeed. Our role? To ensure you, our valued customers, can meet and exceed the demands of your clients with unmatched efficiency.



So, what makes an airfreight wholesaler like Cargonet the ideal choice for forwarders? It all starts with our offering of competitive rates and vast capacity options. These benefits directly translate into cost savings and flexibility for your business, helping you to deliver outstanding service to your clients while protecting your bottom line.

But that's just the tip of the iceberg. Our global reach allows you to extend your services to every corner of the world. With our extensive network and strong partnerships with carriers, you're able to guarantee your clients a truly global service.

At Cargonet, we pride ourselves on our customer-centric approach. We believe that every customer is unique and deserves personalised solutions and services.

This belief drives us to offer customised services that meet your specific needs and assist you in navigating any challenges you may face. A UK-based customer's testimonial encapsulates this commitment perfectly, "Cargonet is our unwavering ally in airfreight. Their exceptional rates, wide-ranging capacity, and personalised customer service are unparalleled."

As we help you serve your clients better, we don't forget our responsibilities. In an industry where compliance and security are paramount, we take every measure to ensure that cargo entrusted to us is handled with the utmost care and strictly adheres to all regulations.

Furthermore, as a company deeply committed to the environment, we make it a priority to minimise our carbon footprint through sustainable practices. By choosing Cargonet, you're not only choosing a service that benefits your business, but also one that contributes to a greener planet.

In essence, choosing Cargonet as your airfreight wholesaler means choosing to enhance your business's efficiency, flexibility, and profitability. It means being able to promise your clients a service that is superior in its reliability and reach. It means gaining a competitive edge in the marketplace.

For more information:

We invite you to experience the difference that Cargonet can make to your airfreight business. Explore the services we offer by visiting our website at www.cargo-net.co.uk, or reach out to us directly at sales@cargo-net.co.uk to discuss a custom solution tailored to your needs.

With Cargonet your cargo is our commitment, your success, and our shared goal.





"Celebrating its 30-year milestone in June, cargopartner Slovakia commenced operations with a mere two employees back in 1993" argo-partner, the Austrian-based forwarder and info-logistics provider, is marking its milestone 40th year of operation across the global stage. At the same time, a number of regional entities throughout Eastern Europe are simultaneously celebrating their own remarkable milestones. Notably, the Czech and Slovakian branches have reached their "thirtieth" anniversaries, while most recently, cargo-partner joyfully commemorated two successful decades of operation in Bulgaria.

On October 5, 2023, cargo-partner Bulgaria hosted an exclusive customer gala at its prestigious iLogistics Center in Sofia, in honour of the nation's 20th anniversary within the network. This grand occasion served as a platform for company executives and managers to extend their heartfelt appreciation to cargo-partner's loyal clientele for unwavering support and business and to reflect upon the company's achievements over the past two decades in Bulgaria.

In his opening address, Stefan Krauter, the founder and CEO of cargo-partner, articulated: "In 1983, we inaugurated our headquarters at Vienna Airport and swiftly recognised the immense market potential of Eastern Europe in the wake of the Iron Curtain's fall. This realisation prompted our expansion to various regional airports, including Bulgaria. Two decades ago, we astutely identified Bulgaria's strategic importance, with the Sofia airport emerging as a linchpin in our pan-European distribution network. As we confront the contempo-



rary challenges of digitalisation and globalisation, we remain resolute in our commitment to nurturing growth, fostering innovation, and championing collaboration within the dynamic logistics landscape of Eastern Europe."

cargo-partner's presence in Bulgaria began in October 2003, initially concentrating on air transport. In due course, the service portfolio expanded to include specialised offerings such as live animal transportation, charter services, emergency solutions and on-board courier services. In 2018, it ventured into warehousing by inaugurating the state-of-the-art iLogistics Center in Sofia, boasting a capacity of 22,000 pallet slots. Presently, cargo-partner considers itself the foremost airfreight provider in Bulgaria, as per airline statistics, and provides a comprehensive suite of logistics solutions encompassing air, sea, land transport and warehousing services.

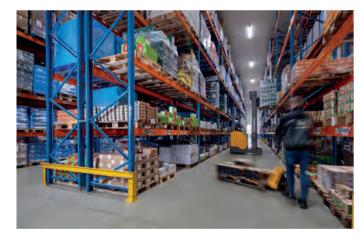
#### Slovakia in the network

Celebrating its 30-year milestone in June, cargo-partner Slovakia commenced operations with a mere two employees back in 1993. Today, the subsidiary boasts a workforce of over 200 professionals, operating from four strategically located offices and managing two cutting-edge warehouses in Bratislava and Dunajska Streda, collectively covering an expansive area of 26,400 sq m. The latter facility enjoys direct connectivity to the Metrans rail terminal, facilitating swift transshipment. This year, cargo-partner Slovakia earned the prestigious AAA Platinum Excellence credit rating from Dun & Bradstreet, an accolade conferred upon companies that have consistently maintained the highest credit rating in the nation for five consecutive years.

#### **Mastery in temp-controlled logistics**

At the same time, cargo-partner's dedicated team in the Czech Republic hosted a celebratory event in honour of cargo-partner's 30th anniversary within the country. Today, the subsidiary's competencies extend beyond air and sea freight, encompassing temperature-controlled warehousing capabilities at its iLogistics Center in Dobrovíz, situated in close proximity to Prague and offering more than 12,500 sq m of storage capacity. Recently, the local entity achieved the AAA Gold Excellence certification, a distinction reserved for organisations that have garnered the highest credit rating from Dun & Bradstreet for





three consecutive years.

In 2023, cargo-partner in Slovakia and the Czech Republic joined the HHLA Program, a strategic initiative organised in collaboration with Metrans and the Port of Hamburg. This programme seeks to reduce carbon emissions by implementing electric locomotives on routes to and from the ports of Hamburg, Bremerhaven, and Koper.

#### Sustained growth over 15 years

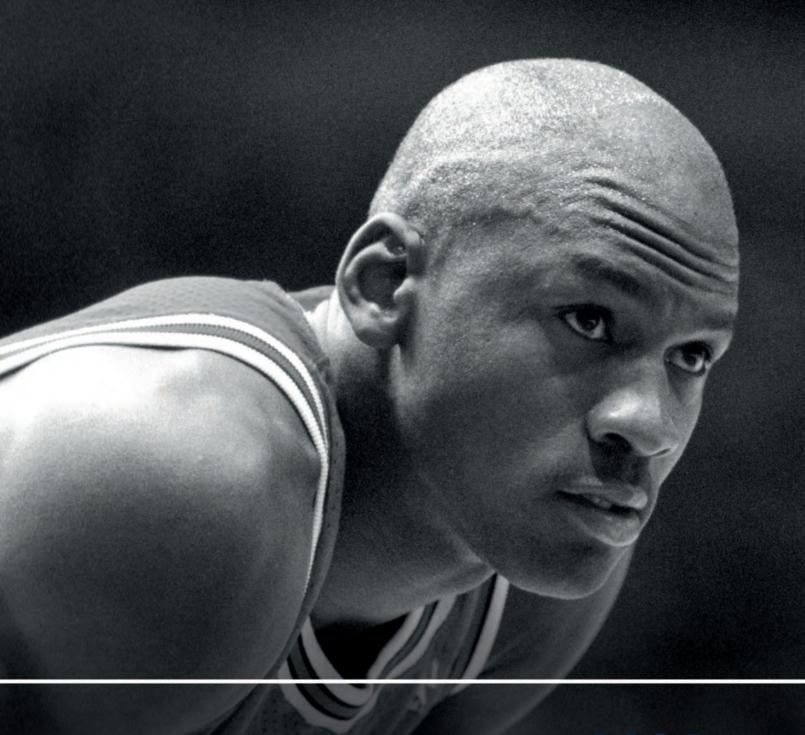
Established in 2008, cargo-partner's presence in Bosnia and Herzegovina continues to flourish. This year, it was honoured with recognition by the business magazine "Poslovne Novine" as one of the fastest-growing companies in the nation. The dedicated team in Sarajevo offers a comprehensive suite of logistics solutions, including air, sea, and land transport, warehousing services, customs brokerage and specialised expertise in handling oversized project cargo, live animals, temperature-sensitive goods and dangerous goods.

In 2018, cargo-partner made its inaugural foray into Türkiye, subsequently establishing a robust presence across eleven key locations in the country. In July, it unveiled a brand-new 20,000 sq m warehouse in Istanbul, further solidifying our position in the region. Notable strengths of cargo-partner in Türkiye encompass temperature-controlled foodstuffs shipments, emergency services and efficient short-sea solutions.

"Established in 2008, cargo-partner's presence in Bosnia and Herzegovina continues to flourish."



## THERE WAS BASKETBALL. UNTIL THE DAY THERE WAS MICHAEL JORDAN.



THERE WAS GSSA.

UNTIL THE DAY

THERE WAS ECS GROUP.

ECSGROUP