



# ACW

AIR CARGO WEEK


## DAILY NEWS



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**S**ustainable logistics is an important pillar of the FedEx Cares programme, a global community engagement initiative created to help make the world a better place through in-kind shipping, employee volunteering, and charitable giving.

The transportation company collaborates with non-profit organisations that provide innovative solutions to climate challenges and protect the environmental health of communities where team members live and work.

FedEx has increased its financial support of volunteer-based sustainable community projects across 11 Asia Pacific markets by 30 percent year-on-year (YoY) in its last fiscal year up to 31st May.

Across the region, FedEx team members have volunteered their time to clean beaches and riversides and planted 3,400 trees to restore and protect the environment.

Building a sustainable future also requires having a talent pipeline with individuals who are eager and able to contribute. FedEx is helping prepare young people with an entrepreneurial spirit through its International Trade Challenge, an initiative it runs jointly with Junior Achievement.

The annual challenge has helped more than 5,000 students across 10 Asia Pacific markets gain a better understanding of global trade, product



distribution, competition and sales, and this year, teams were tasked with creating a market entry strategy for a product to address sustainable delivery solutions.

"We have a responsibility to take bold action to address the environmental challenges our region is facing," Kawal Preet, Regional President, Asia Pacific of FedEx, said.

"Across our business here in Asia Pacific, we are seeking out projects and opportunities to ensure that our planet can continue supporting global economic growth and prosperity. We have raised the bar this year and increased our contributions towards programmes that drive sustainable logistics and foster a green culture among our employees and in the community."

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# RATES STAY FIRM DRIVEN BY ASIA AND MIDDLE EAST

**A**ir cargo rates are holding firm during what is traditionally a quieter period for the market, boosted by continuing strong demand and high spot rates from Asian and Middle Eastern origins, according to the latest weekly figures and analysis from WorldACD Market Data.

Although total worldwide tonnages in the last full week (10th-16th June) slipped by 2 percent, average rates remained more or less stable at US\$2.51 a kilo, up 8 percent compared with the equivalent week last year and significantly above pre-Covid levels, based on the more than 450,000 weekly transactions covered by WorldACD's data. Combining the figures for the last two full weeks reveals a 1 percent rise in both rates and tonnages.

Comparisons with last year show that both tonnages and rates are well above last year's levels, thanks to significantly higher demand from all the main worldwide origin regions, led by higher rates and tonnages from the Middle East and South Asia.

Analysis of certain individual lanes reveals some interesting changes taking place in the last few weeks in the big Asia Pacific-USA and China-USA markets. For example, there have been some significant increases in average spot prices in the last five weeks to the USA from Asia Pacific as a whole, taking those prices up 52 percent and 38 percent above their levels this time last year.

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## BEIJING CAPITAL AIRLINES LAUNCHES CARGO ROUTE TO LIEGE AIRPORT



LIEGE Airport has announced a new cargo flight route operated by Beijing Capital Airlines.

Launched on 24th June, the inaugural flight arrived at Liege Airport on at 2:30 AM, connecting Nanchang Changbei International Airport (KHN) to Liege Airport (LGG) with three weekly scheduled flights.

This new route will enhance the cargo transportation network between China and Belgium, providing efficient and reliable logistics solutions for businesses.

"We warmly welcome Beijing Capital Airlines as a new cargo airline partner in LGG. The new freighter link from Nanchang will further cement Liege Airport's role as the biggest European freighter hub," Torsten Wefers, Vice President of Sales and Marketing of Liege Airport, said.

"This new cargo service underscores our commitment to expanding our global network and supporting international trade. We look forward to the opportunities this route will bring for our logistics partners and the broader business community."

## ACTIVITY ACROSS ASIA



The Asia Pacific (APAC) region was traditionally the strongest region for airfreight, with the big production hubs in Greater China, South Korea, Japan and Southeast Asia. Now, on top of the traditional automotive, semiconductor and electronics production, there has been heightened growth in the e-commerce sector, which is giving some of the declines in traditional products a boost.



**"Through our collaboration with our interline partners, we have created a network that helps us reach even more destinations in the APAC region."**

"Next to being the biggest commercial airline on the Transpacific, we also have the most diverse network of all in the region by serving North, Central, South Asia, Australia, New Zealand, and as well our hub in Guam, with

connections in Micronesia," Mirco Renfer, VP of APAC for United Cargo, explained.

"As we are unable to truck in APAC between most of the countries, the biggest key to connectivity is building a strong interline network that goes way beyond traditional interlining from the past.

"Through our collaboration with our interline partners, we have created a network that helps us reach even more destinations in the APAC region. Most importantly, it's built for success for United, our interline partners and our customers.

"We always hope for additional flights as we've run above our own capacity for years. As a large passenger airline, we always try to find alternatives outside our own network to build new partnerships and opportunities to grow outside our own belly capacity.

"Our network, along with our interline opportunities to serve those hubs, has created a one-stop shop for every market in the APAC region."

### Targeted approach

Having designed their products for all transit time requests and customer needs, United Cargo works closely with teams across the world to ensure they are always refining operational processes to meet customers' needs.

For example, with the opportunity in the market at the moment, United Cargo is working to capitalise on trending commodities, such as automotive, semi-conductor, electronics, and e-commerce.

"From traditional general cargo via various express products and TempControl shipments, all the way to smaller shipment solutions via QuickPak, our approach delivers the full operational excellence of United Cargo," Renfer stated.

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# PEARL OF THE ORIENT'S POSITION



**S**hanghai boasts several significant advantages as an airport hub in the Asia-Pacific region, particularly in terms of connectivity and density of the network, which links Shanghai to the rest of the world.

Being a harbour city, Shanghai has a long history as a centre of trade and logistics. As a large-scale composite hub integrating the functions of a local distribution hub, gateway hub and domestic and international transit hub, Shanghai's two airports now own a total of four terminals, one of the world's largest single satellite halls, five cargo areas, six runways, 435 parking spaces, and the design capacity of passenger and cargo has reached 120 million passengers and 5.2 million tonnes.

At present, Shanghai's two airports have opened two remote city cargo terminals in the Yangtze River Delta region, which enhances the service radiation scope to the Yangtze River Delta region. The subsequent construction of Shanghai's aviation hub will serve the development of the Shanghai Pilot Free Trade Zone and the new area, give full play to the rich route resources and unique location advantages of the Pudong Airport Comprehensive Bonded Zone. Therefore, Shanghai will continue to improve and be a leading world class airport.

"In today's interconnected global economy, being based at such a strategic location provides advantages for businesses navigating the complexities of international trade and logistics," Carsten Hernig, Deputy General Manager at PACTL, highlighted.

"As a leading cargo terminal at Shanghai Airport, PACTL plays a pivotal role in facilitating the movement of goods between the Far East and the rest of the world. Such a crucial location enables us to reduce transit times, increase efficiency, and provide access to a larger market, all of which are vital for meeting the demands of modern supply chains.

"By serving as one of the most important gateways in Asia, PACTL facilitates quicker connections between major manufacturing centres in the Far East and global markets, ensuring just-in-time delivery and enhancing supply chain reliability.

"Furthermore, our commitment to first-class service and multimodal transportation options allows us to offer seamless connectivity to cities on five continents. This strategic advantage attracts businesses seeking to optimise their supply chains and take advantage of the emerging opportunities in the dynamic Far East region.

"In essence, being based at such a strategic hub enables PACTL to provide efficient, reliable, and seamless connectivity between Far East and global markets. This empowers businesses to thrive in an increasingly interconnected world."

## Global picture

The evolving global landscape may introduce uncertainties that could affect operations at the Shanghai hub. Airspace restrictions and closures, possibly stemming from geopolitical tensions, may necessitate route adjustments for carriers, potentially leading to increased costs and logistical challenges.

While such instabilities pose challenges, it's crucial to view them as part of the dynamic nature of the aviation industry. In other words, dealing with instability will remain an issue for always - but the key to success is to find new opportunities in the changes. Those opportunities are usually found when you focus on your customer needs and develop adequate new solutions for the client's needs in a rapidly changing environment. There are plenty of opportunities ahead of us!

Additionally, the global economic climate and trade policies also play their role in the future, which we can expect.

"Taking all this together, one could say the environment could be better, but at the same time, we know that this has always been our daily environment in this industry and this airport," Hernig outlined.

"In other words, despite all that is happening, there is reason to be strongly optimistic because success is driven by doing the right thing in the respective scenario – and that is what we are good at."



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# TRAVERSING ASIA'S TRENDS

There has been a notable transformation in market demands in the airfreight sector. This 'new normal' reflects a significant departure from pre-Covid business patterns, with a marked increase in online shopping as consumers opt for the convenience of home-based purchases. As a result, spending behaviours have shifted, leading to a distinct shift in demand patterns that diverge

significantly even from those figures observed in the pre-Covid era of 2019. In light of shifting behaviour, where almost instant delivery is increasingly expected, the industry anticipates that the speed of goods delivery will continue to define the future of the airfreight industry.

"We prioritise flexibility and agility in our cargo operations to effectively navigate supply chain challenges," Ludovica D'Angelo, MSC Air Cargo's Head of Marketing & Communications, explained.

"With a fleet of four aircraft, we possess the capability to swiftly adapt schedules and operations, often more rapidly than larger airlines.

"Additionally, our extensive network enables us to efficiently reposition assets, ensuring seamless movement of cargo even amidst evolving logistical complexities.

"Operating on a global scale, we connect the Americas, Europe, and Asia through a robust network.

"Our emphasis on the Asia-Pacific region is significant, where we seamlessly support and handle diverse sectors including high tech, automotive, specialised cargo, aerospace, pharmaceuticals, and e-commerce. This enables us to bridge continents effectively and meet the dynamic demands of the market."

## Shift in demand

The e-commerce market is often tied to seasonal fluctuations in consumer demand. During periods of heightened global spending, cargo clients of MSC Air Cargo tend to favour airfreight for faster deliveries.

External factors such as port strikes or regional disruptions, like the current situation in the Red Sea, prompt customers to seek alternative solutions, including a switch to airfreight. Similarly, when airfreight costs become prohibitive, there is a migration towards sea freight as a cost-effective alternative for clients who cannot absorb those increased costs.

"Our focus remains on maintaining efficiency amidst these dynamics. With our fleet comprising a single type of aircraft, the Boeing 777-200F, we gain invaluable flexibility to swiftly adapt to diverse market conditions and tailor our network accordingly," D'Angelo highlighted.

"This strategic approach allows us to remain agile and responsive, ensuring that we meet the evolving needs of our customers while navigating the complexities of the airfreight landscape."

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**“Our focus remains on maintaining efficiency amidst these dynamics. With our fleet comprising a single type of aircraft, the Boeing 777-200F, we gain invaluable flexibility to swiftly adapt to diverse market conditions and tailor our network accordingly”**

#### Factors in focus

The China +1 policy has significantly diversified investors' portfolios, leading to substantial growth. This growth has created new logistics demands, which we are well-prepared to accommodate and support with our air cargo services.

Sustainability is integral to operations at MSC and across the airfreight industry. MSC's fleet, comprised of four Boeing 777-200F aircraft (soon to be five), reflects the carrier's commitment to minimising environmental impact. These aircraft are currently the most fuel-efficient in the industry, aligning with the company's goal of reducing carbon emissions.

Digitalisation is revolutionising operations, as MSC remains dedicated to

innovation and the continual evolution of its services. By embracing digital transformation, particularly in the realm of airfreight, the carrier is able to deliver high-level services across the globe.

“Our focus is on streamlining processes and enhancing efficiencies, ensuring swift and seamless operations that meet the demands of our customers in today's fast-paced world,” D'Angelo outlined.

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With 25 years of extensive ground service experience in the air cargo industry, PACTL offers state-of-the-art air cargo solutions at Shanghai Pudong International Airport (PVG). Now, we are serving over 70 international and domestic airlines and over 200 forwarders. With 3 terminals at PVG, 2 terminals at SHA, 1 terminal at NTG, we provide highly secured, efficient air cargo handling for your shipments. The launch of our Cool Center marked PACTL becoming the first IATA CEIV Pharma Certified ground handler in China. PACTL Cross-border E-commerce Cargo Handling Center started operation in 2020 and can handle 200,000 shipments per day.

For more information, please visit [www.pactl.com](http://www.pactl.com)

# ADAPTIVE ALLIANCE



**T**he cargo industry is always subject to change. The sector faced its biggest crisis ever, Covid, where air cargo proved a crucial asset that helped airlines mitigate the dramatic drop in passenger revenues. Right now, it's a very challenging market, with passenger capacity growing rapidly after the pandemic, resulting in overcapacity for cargo. Elsewhere in the sector, other areas like digitalisation, pharma, e-commerce are evolving rapidly.

"As an alliance, we have the capabilities to respond well to the ever-changing environment and work together on initiatives," John Engelaan, SkyTeam Cargo's Vice President of Cargo, declared.

"We inform each other what challenges we face and how we deal with them, and we support each other if needed. Obviously, connecting our networks is vital to fill white spots and offer more routing options, but at the same time, it is complex; accessing each other's networks still requires a lot of work to make this easy for our customers.

"Right now, SkyTeam Cargo has 3,500 aircraft operating to 850 destinations globally - the biggest air cargo alliance in the world.

"At the same time, we remain competitors, so we need to comply with strict competition law rules. However, exchanging ideas of legitimate interest and enabling cross-pollination of best practices is inspiring and contagious."

## Shifting segments

Offering both tailor-made and standardised solutions under one unified brand enables SkyTeam to adapt to market volatility and move quickly. It's well-established and clearly branded SkyTeam products are its foundation, bolstered by exploring where they can improve and fine-tune other products.

"Cargo is a business-to-business market, and it proved to be very beneficial to have a unified branded portfolio like ours – something we've offered for more than 20 years - because it makes shipping cargo much more straightforward for our customers," Engelaan outlined.

SkyTeam Cargo has seen growth very clearly and rapidly across the Asia Pacific region. Next to boosting the e-commerce industry, the alliance with two major players – China Cargo Airlines and Korean Air Cargo – in the region has seen centres of industry shifting to other countries in the Far East.

"We all feel the sense of urgency here, so our focus remains on these



**"Right now, SkyTeam Cargo has 3,500 aircraft operating to 850 destinations globally - the biggest air cargo alliance in the world"**

segments; we keep a close eye on developments, and we keep investing in equipment, warehousing, and tooling to ensure we're ready to meet customers' evolving needs," he added.

"We look forward to bringing the industry up to speed on the latest SkyTeam Cargo developments in Shanghai and we will have cargo representatives available throughout Air Cargo China from the SkyTeam Cargo Alliance members who can expand on all elements of our operations."

A black and white photograph of Michael Jordan in a crouching pose, looking forward with a determined expression. He is wearing a basketball jersey with the number 23. The background is dark and out of focus.

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

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**THERE WAS GSSA.  
UNTIL THE DAY  
THERE WAS ECS GROUP.**

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**ECS**GROUP



# ASIA'S FREIGHTER OUTLOOK

**T**he Asia-Pacific (APAC) region has long been a powerhouse of global trade, fuelled by robust economic growth, expanding consumer markets, and strategic geographical advantages.

As the world emerges from the challenges of the Covid-19 pandemic, the region's economy is poised for a resurgence, driving demand for air logistics services and shaping the future of freighter fleets in the process.

## Economic recovery

With economies gradually reopening and vaccination efforts underway, the APAC region is witnessing a gradual recovery from the economic impact of the pandemic. Governments are implementing stimulus measures and infrastructure investments to stimulate growth, while businesses are adapting to new market realities and consumer behaviours.

As trade rebounds and supply chains stabilise, the outlook for air logistics in the APAC region remains positive. e-commerce continues to thrive, driving demand for express delivery services and spurring investment in air cargo infrastructure and capacity expansion. Moreover, the region's position as a manufacturing hub for electronics, automotive, and consumer goods ensures sustained demand for airfreight services.

Marvin Tan, Senior Vice President of Cargo at Singapore Airlines, expressed his views on the importance and readiness of the air cargo segment by explaining: "Over the weekend, with what happened over in with Iran and Israel, we've compiled issues now that we're going to grapple with, right, because a lot of our capacities and medical, so the flights will go non-stop, and they have to go non-stop for the passenger experience.

"But it means, unfortunately, cargo gets the short end of the stick, we have to adapt with that, we have to quickly find some solutions, work with our partners, to try to recover the cargo that's been held back."

## Industry trends

In response to shifting market dynamics, airlines operating in the APAC region are adapting their fleet strategies to optimise capacity and meet evolving customer demands. The grounding of passenger aircraft during the pandemic highlighted the importance of dedicated freighter fleets in maintaining supply chain resilience and meeting the surge in demand for air cargo services.

Thus, as a result of this, Singapore Airlines is preparing for the arrival of its first Airbus A350F as it continues to manage the hurdles challenging the freighter market across its network. Singapore Airlines Cargo has a fleet of 10

dedicated freighter aircraft consisting of 7 Boeing 747-400F and Boeing 777F. Being the first Boeing 747-400F operator to place an order of 7 Airbus A350F, the carrier has decided to gradually phase out its 747F by 2026.

"From an operational perspective, I think two things. One is that you lose the nose-loading capability; for us, this is a fairly small segment of the cargo, so I think it's manageable for us. The other aspect, of course, is more just the loading configuration. Because of the different contours of the aircraft, some adjustment is needed there," Tan stated.

Airlines are investing in modernising and expanding their freighter fleets to capitalise on opportunities in the APAC air cargo market. New-generation freighter aircraft, such as the Boeing 777F and Airbus A330-200F, offer increased payload capacity, fuel efficiency, and range, enabling airlines to enhance operational flexibility and cost-effectiveness.

"All these factors come into play in terms of us figuring out how best to make use of the capacity that we have on hand until, of course, the A350Fs come online," Tan added.

Moreover, the conversion of passenger aircraft into temporary freighters has emerged as a viable solution to address the capacity crunch in the APAC region. Airlines are leveraging cargo-only operations to maximise utilisation of existing fleet assets and capitalise on the growing demand for air cargo services.

## Logistics outlook

Looking ahead, the APAC region is poised for continued growth and innovation in trade and air logistics. The implementation of trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will further facilitate cross-border trade and investment, driving demand for air cargo services.

However, challenges remain, including geopolitical tensions, supply chain disruptions, and environmental sustainability concerns. Stakeholders in the APAC air logistics industry must collaborate closely to address these challenges and seize opportunities for growth and development.

By investing in infrastructure, embracing digitalisation, and adopting sustainable practices, the APAC region can strengthen its position as a leading hub for trade and air logistics. With a focus on innovation, collaboration, and resilience, the region is poised to shape the future of global commerce and air transportation in the years to come.

"I think there will be opportunities where the numbers are very strong and very robust, which will make a good case for freight operations," Tan concluded.

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