



**Working to sustain a safe, secure, efficient and  
profitable Air Cargo Industry**

**Des Vertannes –Global Head of Cargo  
AFIF Conference 2012**



# Transforming the Air Cargo Supply Chain

- e-freight (e-AWB)
- Security (ACAS, e-security declaration, Advance Electronic Information, ACC3)
- Modernization of agency program
- ULD - bridging the gap
- Industry collaboration

# e-freight: cargo paperless transportation



- Paperless transportation process for air cargo
- 11% penetration on live trade lanes by end 2011
- Additional growth requires:
  - Technology investment by industry (airlines, forwarders, handlers)
  - Expanding e-freight network, priority on BRICS
  - Increase regulatory engagement for digitization of shipping documents: Cites & Health certificates, DG declarations etc.

# e-AWB: first step in 100% e-freight



- Key transport document in the e-freight process
- 4% penetration @ March 2012
- 100% target e-AWB by 2014 where feasible
  - 15% in 2012
- Actions to remove key blockers
  - Countries to ratify MC99 and accept e-AWB
  - Work on the multilateral EDI agreement
  - Implement the Warsaw concept where airlines print AWB
  - Upgrade to the latest version of EDI messages

# Cargo Security – Top Priority

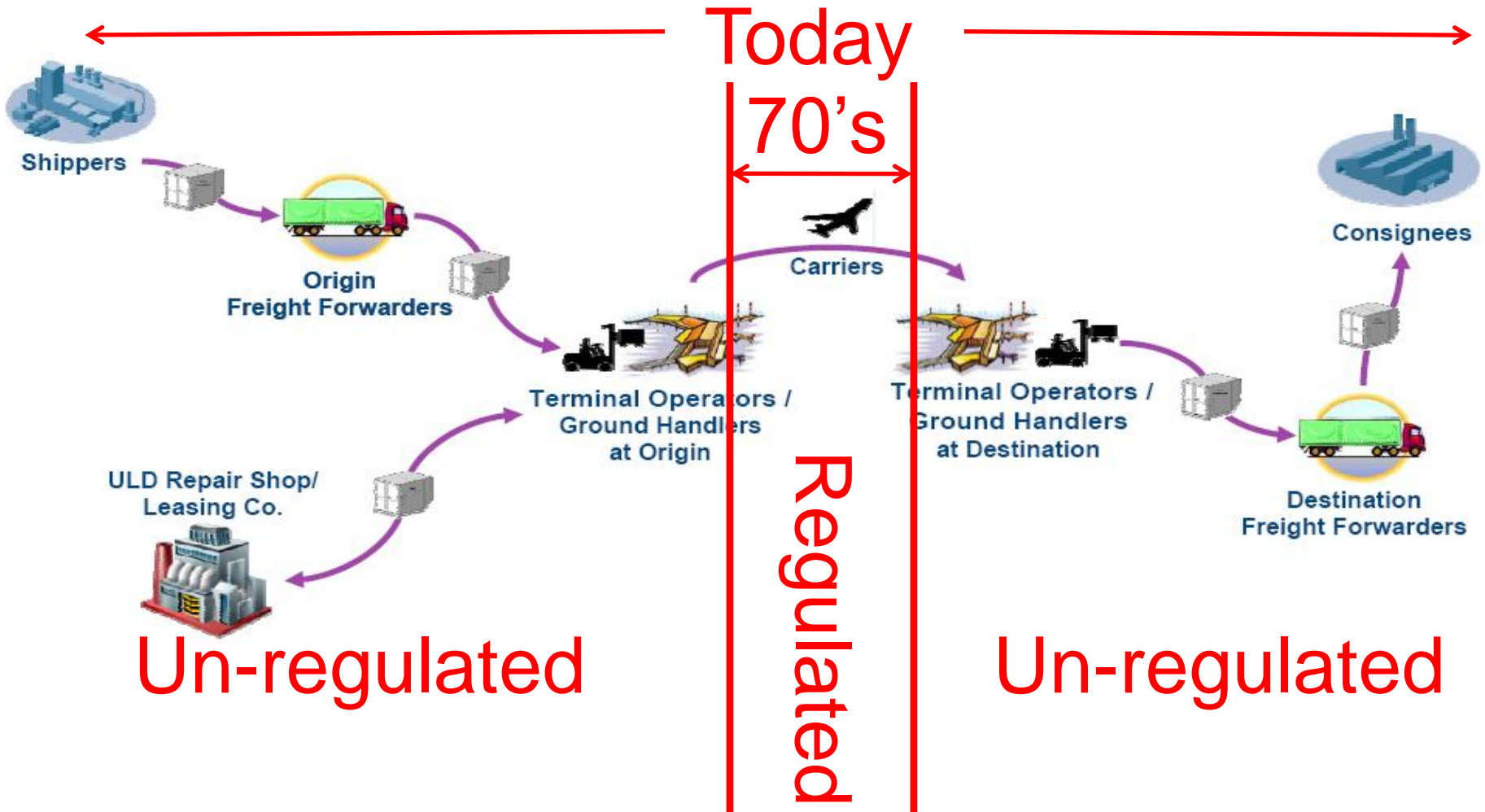
- Work with ICAO, WCO, Regulators & industry to improve Cargo Security
- Support a multi-layered cargo security approach:
  - Layer 1 on advance electronic information
  - Layer 2 on physical security
  - Layer 3 Secure Freight principles
- Developed a standard e-consignment security declaration that provides an audit trail of who secured, what, how and when
  - PoC in UK, NL, CA, DE, CH and others
  - Inclusion of e-CSD in ICAO guidance material
- Continue working with Governments on Secure Freight
  - 2011: Kenya and Mexico
  - 2012: Chile, UAE, South Africa (interest from Brazil & China)



# Modernization of agency program

- Consider today's relationship between Airline & Forwarder
- IATA DG made this commitment at the WCS in KUL
- Protect what has mutual benefits but no sacred cows
- IATA & FIATA began discussions - agreed ToRs 27 April '12
- Global application and reduce complex governance

## Typical ULD Operational Chain



## Airworthiness & Flight Safety Regulations

### Air Operator's Certificate

Airlines shall comply with civil aviation regulations to ensure safety operations.

**Any party involved in ULD operations shall comply with civil aviation regulations.**





# Objectives of IATA ULD Roadmap

- Ensure regulatory compliance
- Promote best business practice

## Achieved

- Published ULD Operational Guidelines-2011
- Created ULD e-Learning and classroom courses-2010
- Established Australian ULD Operational Task Force-2011

## Ongoing

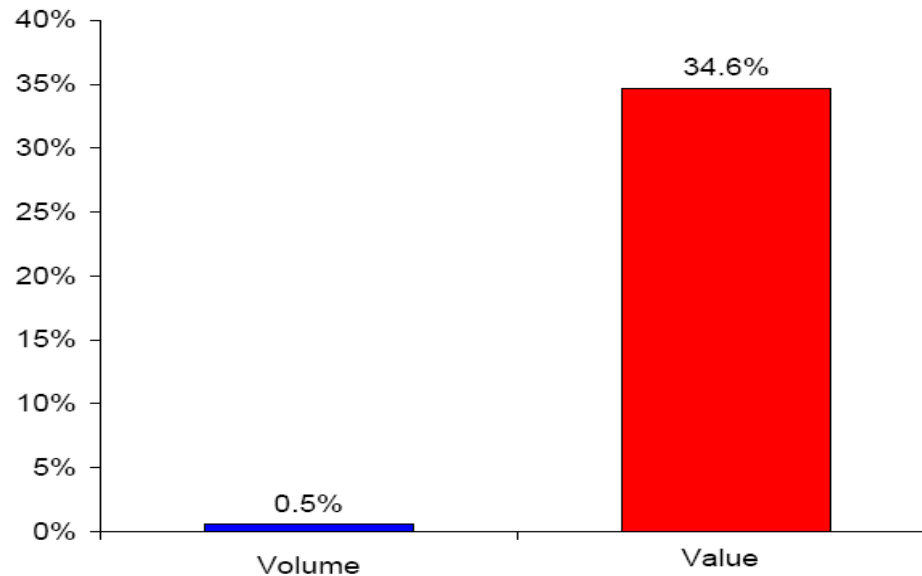
- Creating IATA ULD Regulations for publication Q4 2012
- Promoting ULD training requirements
- Ensure regulatory compliance via IOSA & ISAGO audits
- Reaching out entire industry
- Prevent c. US\$200m repair cost

# Promoting The Value of Air Cargo

- \$60 billion industry, 12% of airlines revenues (3 times first class revenues – 2% less than Business)
- Drives global trade & business travel
- Facilitates modern life
- Leading economic indicator

# Over 34% of global trade in value

**Chart 3.9: Proportion of global trade transported by air**



**USD 5.15  
Trillion**

Source : The Colography Group<sup>19</sup>, Oxford Economics

# Value of Air Cargo – Communicating the message



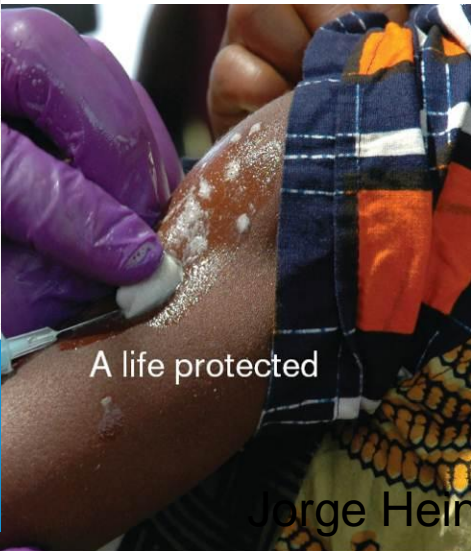


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From his field to your vase

Jorge Heineremann

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8 March: Australia

23-25 March: Malaysia

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Air cargo makes it happen...

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# GACAG: Partnering with the supply chain

## GLOBAL AIR CARGO ADVISORY GROUP (IATA, FIATA, TIACA & GSF)

### Objective:

Establish vision, strategy and deliver the priorities for the global air cargo supply chain;

Execution through industry task forces;

- Security
- E-commerce
- Customs and Trade Facilitation
- Sustainability of the Air Cargo Industry

Promote industry position to states and regulatory bodies such as , TSA, EU, ICAO & WCO



**Thank you...**

