

# air cargo update

Vol.07 Issue 10, No. 58, December 2017

The first and only PAN-Regional Magazine  
Middle East - Africa - Asia and beyond



السعودية SAUDIA CARGO

## Air freight

bounces back in new pace and time



The Lounge



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Chairman and Managing Director, SpiceJet



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## EDITORIAL

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Middle East, Africa, Asia & beyond

Air Cargo Update serves as a platform to share news and discuss critical issues within the Air Cargo Industry from the Middle East, South Asia and African region.

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PO Box: 9604, SAIF Zone, Sharjah - UAE  
Tel: +971 6 557 9579, Fax: +971 6 579569,  
info@7dimensionsmedia.com  
www.7dimensionsmedia.com

**Chief Editor**

Gemma Q. Casas  
gemma@7dimensionsmedia.com

**Contributors**

Nirmala Rao  
Ayesha Rashid  
ayasha@aircargoupdate.com

**Sales & Marketing**

Israr Ahmad  
israr@7dimensionsmedia.com  
Tousif Ahmed  
tousif@7dimensionsmedia.com

**Head Operations**

Jamal Ahmad  
jamal@7dimensionsmedia.com

**Photo Journalist**

Wasim Ahmed  
wasim@7dimensionsmedia.com

**Creative Head**

Mohammed Imran  
imran@7dimensionsmedia.com

**WORLDWIDE MEDIA REPRESENTATIVES**

France, Belgium, Monaco, Spain:  
Aidmedia, Gerard Lecoeur; Tel: +33 (0) 466 326 106; Fax: +33 (0) 466 327 073  
India:  
RMA media, Fareedoon Kuka;  
Tel: +91 22 5570 3081; Fax: +91 22 5570 3082  
Taiwan:  
Advance Media Services Ltd, Keith Lee;  
Tel: (886) 2 2523 8268; Fax: (886) 2 2521 4456  
Thailand:  
Trade and Logistics Siam Ltd, Dwight A Chiavetta;  
Tel: +66 (0) 2650 8690; Fax: +66 (0) 2650 8696  
UK, Ireland, Germany, Switzerland,  
Austria: Horseshoe Media, Peter Patterson; Tel: +44 208 6874 160

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# Editor's Note

## Robust 2017, Rosy 2018

2017 will end with many good memories for the air freight industry with volumes up and a growing global multibillion online retail trade that demands speed, reliability and efficiency, which ultimately will generate more business activities for the sector and the supply-chain.

While figures for the last quarter of 2017 are yet to be finalized, all indications point to positive growth with belly cargo unusually high along with the year's record passenger traffic volume of about 4 billion complimented with the onset of the holiday peak season.

The International Air Transport Association said the October 2017 global freight ton kilometers (FTK) grew by 5.9% year-on-year with reports from the industry indicating a strong freight demand in November and December.

Separately, WorldACD, which culled data from 75 airlines, said October 2017 figures jumped by 6.9% YoY, attributing the growth to an impressive yield increase from Europe, the Middle East and South Asia, India in particular. The Asia-Pacific Region also rallied with Vietnam (+16.6%), Australia (+15.9%) and Japan (+12.3%) posting the highest percentage.

On this issue, we look back at the year that was and what lies in the horizon in this fragile industry, which although generally insulated from external factors, still exhibit market sensitivity.

Competition and innovation on how airlines and cargo carriers will deal with the demand of the e-Commerce industry, estimated to reach about \$4.5 trillion by 2021, will challenge the aviation and air freight sectors.

We also examine the growing demand for exporting flowers from India, which in the last few years had grown tremendously, with increasing prices in Africa pushing buyers to look for alternative source-markets.

On technology, we'll share with you the world's largest ongoing nuclear power plant project located in the UAE and a hydrogen-powered vehicle in a major logistics zone.

These and more news and features in this year-end edition of the **Air Cargo Update**.

Happy New Year!

**Gemma Q. Casas**

**Editor**



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United Arab Emirates  
Dubai Airport Free Zone  
Office # 4e-A115  
Phone: +971 4 295 0772  
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**Azerbaijan**  
Head Office  
Heydar Aliyev International Airport  
Baku AZ1044, Azerbaijan  
Phone: +994 (12) 437 40 41  
Fax: +994 (12) 498 20 42

**Turkey**  
Turizm Ltd Sti.  
IDTM A-2 Blok Kat: 9 No: 306  
Yesilköy / Istanbul  
Phone: +90 212 4655 472  
Fax: +90 212 4655 471

**Frankfurt, Germany**  
Main Airport Center,  
Unterschweinstiege 2-1460549  
Phone: +49 (69) 65007040  
+49 (69) 6500704/ex 151  
Fax: +49 (69) 6500704190

**New York, USA**  
Building 75, Ste. 230, Cargo  
Area D JFK Intl.  
Airport, Jamaica, NY 11430  
Phone: +1718 9955010  
Fax: +1718 9955011





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## The LOUNGE

# SpiceJet chairman spices up his life with boxing

Ajay Singh wears many hats but he is probably best known in India as the man who founded the low-cost carrier SpiceJet in 2005. Sold it and successfully revived from near closure in 2014, taking over from the buyer when the company was buried in mountains of debts.

"I did not take over SpiceJet, when it was on the verge of a shutdown two years ago, to become rich. I did that as I had an emotional connect with the employees and the company, which I founded in 2005," Singh was quoted in the Indian media as saying.

Today, SpiceJet is debt-free and is considered as India's third largest private airline with about 200 aircraft. Its stock was up 124 percent in 2017 and has gained more than 800 percent since its near-demise in December 2014 with market value of US\$1.2 billion.

And Singh is credited for the airline's dramatic turnaround and expansion overseas.

SpiceJet currently flies 10 times a week to Dubai from several key cities in India. The airline plans to add more flights once India and the UAE sign new bilateral air agreements allowing more slots for Indian carriers to serve the route.

Well exposed and experienced in business even at an early age, Singh was raised in a family that successfully dabbled in real estate and fashion accessories business in India where the majority of the population are women.

His ability to resurrect a company from near death has been noticed early on when he successfully brought to profits the Delhi Transport Corporation in 1996. Back then, the company had only 300 buses and within two years, Singh grew it to 6,000 buses with good revenues.



**Ajay Singh**

Chairman and Managing Director, SpiceJet

As a student, Singh was into crickets and hockey, even playing as a captain for his cricket team at St. Columba's School in New Delhi.

After finishing his engineering degree in New Delhi, he went to the United States where he took up his MBA in Finance at Cornell University.

He initially joined his family's business before setting his sights in India's private sector.

The aviation billionaire said he doesn't have much free time with his many responsibilities at SpiceJet and his other businesses but when he does, he likes to spend it with his family, the simple things in life and his new advocacy—promoting boxing in India.

"I don't have that much free time," he told **Air Cargo Update** in an interview on the sidelines of Aviation Show MENASA held in Dubai where he was among the panelists. "When I do get free time, I watch movies. I listen to music and watch a lot of sports."

"I have two wonderful daughters and I like to spend time with them. One is studying in the US and the other is just one-year-old," he added.

As President of the Boxing Federation of India, Singh said he devotes time to promote the sport among Indians saying the country needs to professionalize boxing.

Among his priorities is to provide boxers with the best training, coaches and technical officials as well as improve infrastructure related to the sport.

"We will try to win a lot of medals in boxing in the coming Olympics," said Singh who is bent on winning no matter what the battle is.



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## GLOBAL NEWS

## \$5.9B cargo in 2016 and growth forecast up

**DUBAI:** The global air freight industry moved some \$5.9 billion worth of cargo in 2016 and forecast growth this year is up with shipping goods via air given preference online shoppers.

The multibillion e-Commerce industry is feeding the air cargo industry with necessary revenues with more people buying and ordering online than going to traditional stores.

At the five-day Dubai Airshow 2017 held last month, Glyn Hughes, Global Head of Cargo IATA, noted air freight accounted for \$5.9 billion of cargo moved in 2016, some 35% of global trade.

"Today air cargo is the premium cargo movement method. We have seen accelerated growth in the last year and a decline in ocean freight. In fact, the growth rate of air cargo is increasing faster than that of global trade," said Hughes.

"An order for 10,000 shoes goes in a container on a ship. But 10,000 shoes ordered by individual shoppers will go by air freight. The industry has moved on from moving boxes. It's all about solutions for all commodity types. The industry's success relies on global connectivity, so it's good to see airlines investing in new aircraft and routes, especially here at the Dubai Airshow," he added.

Cargo Zone was introduced for the first time at the Dubai Airshow 2017 providing venue for leading experts to discuss pressing issues about the air freight industry.

### Analyzing the verticals

Nabil Sultan, Divisional Senior Vice President, Emirates SkyCargo, said: "The cargo industry is moving towards a major change in the way it is conducted. The days of simply moving cargo from A to B are gone. Specialisation is now part and parcel of what we do. Today, we must understand each vertical industry, the stress points and provide solutions, not just space. There has been a



revolution in the way we look at cargo."

Sultan said Emirates SkyCargo analysed every single vertical sector it serves, to create a service over and

in under five hours by a fleet of bonded trucks.

Emirates SkyCargo, the freight division of the world's largest airline—Emirates—has signed a Memorandum of Understanding with Dubai CommerCity—the first free zone dedicated to e-Commerce in the Middle East and North Africa region located in Dubai.

Dubai CommerCity is a joint venture between DAFZA and Wasl Asset Management Group. Launched in October 2017, Dubai CommerCity aims to strategically promote Dubai's position as a focal point for international e-commerce and retail.

The MoU calls for the development of new solutions for the global e-Commerce sector, a growing vertical for the air cargo industry worldwide.

Emirates SkyCargo offers cargo capacity on both passenger and freighter aircraft across its global network of over 155 destinations across six continents.

The air cargo carrier operates a modern, all wide-body fleet of over 260 aircraft including 14 freighters—13 Boeing 777-Fs and one B747-400ERF—from its hub in Dubai.

**"The days of simply moving cargo from A to B are gone.**

**Specialisation is now part and parcel of what we do. Today, we must understand each vertical industry, the stress points and provide solutions, not just space.**

**There has been a revolution in the way we look at cargo."**

**-Nabil Sultan**

above simply transporting cargo, and stressed that cargo can be shifted between Dubai International Airport and Al Maktoum International Airport



## American Airlines Cargo touts green initiatives saved it millions while helping environment

DALLAS/FORT WORTH, TEXAS: American Airlines Cargo's green initiatives continue to make a difference, saving the company millions while helping the environment with its carbon footprint dramatically reduced over the years.

American Airlines Cargo said ever since employees led the innovative Fuel Smart initiative back in 2005, it has saved millions of gallons of fuel from being consumed by its aircraft and support vehicles, while also cutting millions of pounds of CO2 emissions from being thrust into the atmosphere.

The initiative led to other projects in finding more creative ways to save on energy at every turn.

The company said its Cargo team personified that commitment to the environment through the following measures:

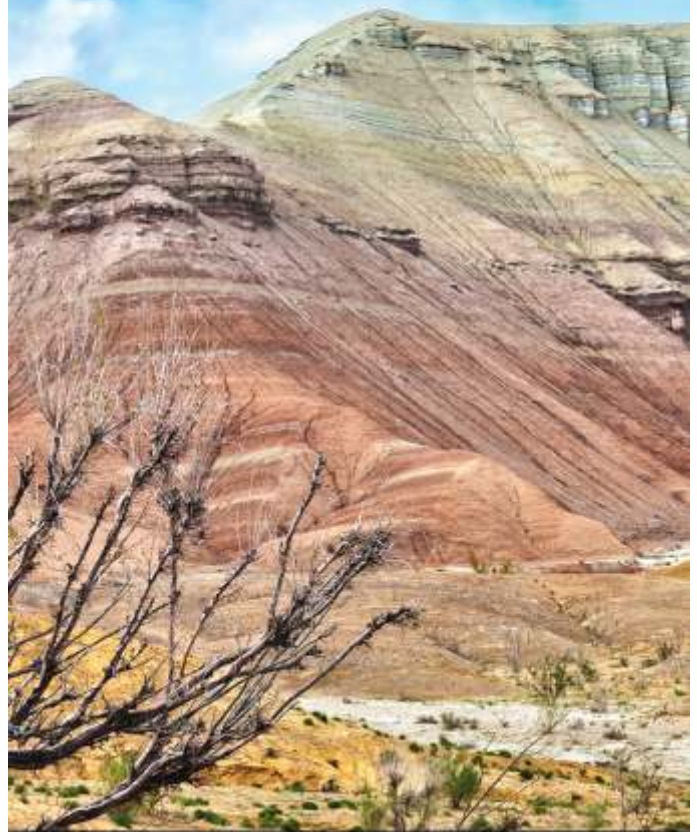
"NAS operates a very successful service to and from Kenya and provides an essential link to and from Europe for companies in and around Nairobi.

- **Lightweight containers:** American deploys more than 5,000 reusable lightweight composite cargo containers, reducing weight and saving more than 1 million gallons of fuel every year.
- **New aircraft:** American's 777-300 aircraft burns one-third less fuel than older 747s, and it emits 20 percent less CO2 than the nearest competitor.
- **Recycling efforts:** American's Cargo stations recycle about 85,000 pounds (38,555 kilograms) of shrink-wrap every year. That's equivalent to 1.2 million water bottles!
- **Saving paper:** The carrier's eFreight initiative will bring the logistics process into the digital age and cut down on the thousands of pounds of paper every year.

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## GLOBAL NEWS

## Dubai non-oil foreign trade up 13% to US\$94B



H.H. Sheikh Hamdan bin  
Mohammed bin Rashid Al Maktoum

**DUBAI:** Despite economic and geopolitical conflicts in the Middle East, Dubai's non-oil foreign trade for the third quarter of 2017 grew 13% to AED344 billion (about USD94 billion) assuring investors of uninterrupted business flow.

World Bank lifted from 21st to 13th place the UAE's worldwide index in 2017 in terms of "Ease of Doing Business" making it the top business hub in the Arab region.

The government said Dubai's non-oil foreign trade in Q3 2016 amounted to AED305 (about USD83 billion).

**The government said  
Dubai's non-oil foreign  
trade increased to  
AED344 billion (about  
USD94 billion) in Q3  
2017, up 13% year-on-  
year from AED305  
billion (about USD83  
billion) in  
Q3 2017.**



During the same period this year, it grew to AED344 billion (about USD94 billion). Re-exports were the key driver of the current growth, rising 34% to AED103 billion, a relatively strong performance given the challenging geopolitical backdrop.

Dubai saw growth across all three trade components (direct, free zones, customs warehouses) with free zone trade growing by a significant 21% in the quarter, direct trade by 9% and customs warehouses by 8%.

Growth was also seen across all modes of cargo with air, land and sea growing by 12%, 15% and 13%, respectively. Value traded through sea reached AED124 billion, air AED153 billion and land AED67 billion.

H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council, said: "Dubai's resilience to external economic turbulence demonstrates the strong fundamentals of its economy and its ability to constantly find new avenues for growth. Sustainability along with innovation and diversification are deeply embedded in Dubai's economic strategies as well as its key initiatives."

"This dynamism has been driven by the development vision of Vice President and Prime Minister of the UAE and Ruler of Dubai His Highness Sheikh Mohammed bin Rashid Al Maktoum and his determination to ensure Dubai ranks among the leading cities of the world. New projects together with the hosting of Expo 2020 promise to provide another strong boost to its economic vitality. Dubai is well-positioned to further enhance its growth momentum in the years ahead," he added.

Chairman of Ports, Customs and Free Zone Corporation, Sultan Ahmed bin Sulayem, added: "This is testament to the best-in-class infrastructure that we have built & our firm commitment to serving our customers, which has allowed trade to flourish....Our aim is to continue to build on our success. We strive to further improve efficiencies and remove bottlenecks to allow business to prosper."

Dubai's non-oil foreign trade volumes, measured in weighed tons,

grew by 5.1% to 23.4 million tons in Q3 2017, driven primarily by export cargo, which grew 11.4% year-on-year in the third quarter and import cargo, up 5.2% y-o-y.

Dubai remains a key trading hub for jewelry and electronics, especially mobile phones.

### HK Airlines signs AOG logistics contract with B&H Worldwide

**HONG KONG:** B&H Worldwide, the world's best-in-class aerospace logistics supplier, has signed an AOG and time critical freight services contract with Hong Kong Airlines.

B&H will control the business from its 24/7 365 Hong Kong facility and in particular manage freight import and Customs clearances for Hong Kong Airlines to ensure the timely arrival of its critical engineering parts and supplies, the company announced.

As the carrier continues its expansion program through the addition of new routes, B&H will also provide AOG logistics to and from the new destinations. Its in-house designed IT system, OnTrack, will be utilized in providing a cost-effective freight solution to Hong Kong Airlines.

"This further strengthens our relationship with Hong Kong Airlines and we are very excited to be part of their expansion plans. As the airline adds new routes to its network, we will ensure its critical engineering logistics requirements are fully supported via the B&H global network and our suite of aerospace logistics services," said B&H Worldwide CEO Stuart Allen.





## Virgin Australia's new HK route meets high cargo demand



**MELBOURNE:** Virgin Australia's daily Melbourne-Hong Kong services launched on November 12 is hailed as a timely boost to meet growing demand for cargo capacity on the route, according to Virgin Atlantic Cargo, which provides long-haul international cargo sales and management for the airline.

Volumes have been increasing steadily in both directions since Virgin Australia commenced five Airbus

A330-200 flights a week in July. The extra capacity provided by the new daily service will support the peak perishables season ex Australia as well as thriving e-commerce and courier business from Hong Kong.

Virgin Atlantic Cargo has generated over 1,200 tons of freight and courier traffic since the route began. Other regular shipments have included garments, shoes, electronics goods, vitamins, milk powder and meat.

Fresh lobster, Abalone and chilled salmon from Tasmania to Hong Kong are also regularly shipped.

Continued inward business investment in Melbourne is also expected to help sustain long-term cargo demand. Amazon is one of the latest global brands to announce fresh investment in the state of Victoria with its plans for a 24,000 square meter e-Commerce fulfillment center in Melbourne.

Virgin Atlantic, which has provided long-haul international sales for Virgin Australia since 2009, also sells capacity on Virgin Australia's operations from Sydney, Brisbane and Melbourne to Los Angeles. Shipments to and from Australia can also connect with Virgin Atlantic's global network over both Los Angeles and Hong Kong.

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## GLOBAL NEWS

## Turkish Technic & Saudia Aerospace strengthen business alliance



Turkish Technic CEO Ahmet Karaman, 2nd left, with executives from Saudia Aerospace Engineering Industries, at the Dubai Air Show 2017.

**DUBAI:** Turkish Technic and the Saudia Aerospace Engineering Industries (SAEI) have agreed to strengthen their business alliance to support Saudi Arabia and adjoining markets' need for MRO as well as to prepare for the eventual opening of an aircraft maintenance industry in the Kingdom.

Under their Memorandum of Understanding signed at the five-day Dubai Air Show 2017 held last month, Turkish Technic and SAEI agreed to expand their support & maintenance solutions in the component service

to keep up with the demands of customers in KSA and nearby markets for maintenance, repair and overhaul.

The MoU also calls for improving their partnership in warehouse and logistics services.

Under the terms of the MOU, the companies will cooperate in component maintenance and component pool services, and improve their partnership by working together for warehouse and logistics services.

"The Middle East region is extremely important for us. Extending cooperation with the SAEI fits perfectly Turkish Technic's global strategy for increasing customer services and widening its network," said Turkish Technic CEO Ahmet Karaman.

SAEI Managing Director Ali Al Ashban said the strategic partnership will pave the way for KSA to develop an aircraft maintenance industry in accordance with the Kingdom's Vision 2030.

"We are delighted with this strengthened cooperation with Turkish Technic. The agreement will set the guidelines for case-by-case and project-by-project approach to create better collaboration between two great market players (TT and SAEI) for a better value proposition for our customers," said Ali Ashban.

**We are delighted with this strengthened cooperation with Turkish Technic. The agreement will set the guidelines for case-by-case and project-by-project approach to create better collaboration between two great market players (TT and SAEI) for a better value proposition for our customers.**

-Ali Al Ashban



## NAS extends contract with AFS Kenya

**NAIROBI:** Network Airline Services (NAS) has signed a two-year extension to its contract for Africa Flight Services Kenya (AFS Kenya) to provide cargo handling for its four flights a week into Nairobi.

AFS Kenya will handle some 11,500 tons of cargo a year for NAS' MD-11 and Boeing 747 freighter operations, which arrive in Nairobi from Liege, Belgium, carrying general cargo and then continue onto Doncaster Sheffield Airport in the United Kingdom with shipments of fresh flowers, fruits and vegetables for the UK and European consumer markets.

AFS Kenya, one of the largest cargo handlers in Kenya, operates a special facility in Nairobi to support customers moving perishable cargoes from Kenya. This includes 4,735 sqm of dedicated 2°C - 8°C temperature-controlled storage and an ETV system with 172 ULD storage positions.

"NAS operates a very successful service to and from Kenya and provides an essential link to and from Europe for companies in and around Nairobi. The recent addition of its fourth weekly freighter service ex Nairobi reflects this demand and AFS is proud to be playing an important role in its success," Gonzalo Jacob, CEO of Africa Flight Services Kenya, commented. "It is thanks to the quality of service and reliability we provide that we have earned this new contract with NAS and we hope to be part of its continued long-term expansion in the region."





## Russian firm tests new pipeline scanner for extreme heat & cold weather



YEKATERINBURG: A major logistics firm in Russia has successfully tested an electromagnetic scanner that can withstand extreme weather in the desert and cold countries when transporting oil and gas.

Associated Cargo Experts (ACEX), the first Russian worldwide logistics alliance, said VST Logistic, an air freight agent for Turkish Airlines, Lufthansa, British Airways, KLM, S7 Airlines, among others, said the scanning equipment weighing 1.5 tons has already been tested in the UAE, Komsomolsk-on-Amur and Khabarovsk and is scheduled to be brought to Mirnyi in Yakutiya, Russia.

An electromagnetic scanner is a device mainly used for diagnostics of the gas, oil and product pipelines as part of the diagnostic and service equipment.

ACEX said the scanner falls under the classification of hazardous goods due to its electromagnetic origin. It requires additional documentation, and due to its weight, the equipment must be shipped in separate boxes at 600 kilos each.

# Saudi Future Airports Summit

14 & 15 March 2018, Riyadh, Kingdom of Saudi Arabia

## Event Overview

Nispana is excited to launch the Future Airports Summit to be held in Saudi Arabia. With the growing demand in the aviation sector, the summit will bring key stakeholders of the region to educate and discuss the best practices of the industry towards creating efficient airports in Saudi Arabia. Join us, as we bring together attendees at this high level summit with the stellar line up of speakers and panelists over two days to inspire you on the region's trending topics.

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## GLOBAL NEWS

## US\$20M joint venture oil facility Schmidt Logistics Bahrain opens



**MANAMA:** Schmidt Logistics Bahrain, the US\$20 million joint venture between Bahrain's National Oil and Gas Authority (NOGA) and Belgium's Schmidt Heilbronn officially opened last month.

Located in the Bahrain Logistics Zone, the new joint venture facility that created over 100 jobs will support the zone's expanding operations, particularly in the chemical and petrochemical logistics market.

"Our new facility will have a significant positive impact on the regional chemical and petrochemical industries and facilitate quicker and easier transportation of goods around the GCC. Through our partnership with Schmidt, we are proud to have supported the establishment of this facility, and will continue to provide support for its operations in the future," said Sheikh Mohamed bin Khalifa Al Khalifa, the Minister of Oil and Chairman of nogaholding, the parent company of the joint venture.

Thomas Schmidt, CEO and Managing Partner of Schmidt Group, said the project is a reflection of anticipated huge growth in the logistics sector in the kingdom and their confidence to its leadership.

**US\$200M investment  
in logistics will create  
more than 1,000 jobs  
over the next three  
years in Bahrain.**



"We originally chose to locate a significant proportion of our services in Bahrain because of the strong transportation links with neighboring countries, excellent logistics infrastructure and supportive regulations. We are now in a position to be able to capitalize further on these competitive advantages and expand our regional offering," he said.

Khalid Al Rumaihi, Chief Executive of the Bahrain Economic Development Board (EDB), said "the manufacturing and logistics sector is one of the strongest in the Kingdom and Bahrain attracting more than US\$200 million of investment into this sector in the first half of the year - investments that will create more than 1,000 jobs over the next three years."

He said the project will enable growth in the industry & create employment opportunities for the local market.

## RSA National, new one-stop shop for cargo

**DUBAI:** RSA Global and National Air Cargo have completed their joint venture forming a new company named RSA National set to be fully operational by the end of Q1 2018.

RSA National's new cargo terminal and logistics hub will act as a one-stop shop for cargo shipments. It is designed to offer multimodal services connecting land, sea and air, as well as last mile transportation.

Abhishek Ajay Shah, co-founder and group CEO of RSA Global, said the new partnership is an "innovative step for RSA Global as it will provide one single point of contact to our customers, saving them time and allowing them to focus on what they do the best — growing their business."

Jacob Mathew, President Middle East and Asia, National Air Cargo, said the new partnership will allow the companies "to integrate multiple types of cargoes through different points of the supply chain."

The member companies under RSA Global include RSA Logistics, RSA-TALKE, RSA Cold Chain and RSA NATIONAL. RSA Global offers storage and 360-degree supply chain solutions, including distribution, transportation, and international freight.



## Over 700 Al Shaqab Arabian horses safely flown overseas via Qatar Airways Cargo



Al Shaqab Executive Director Khalifa Al Attiya, left, was all smiles receiving his Qatar Airways Cargo recognition.

**DOHA:** Qatar Airways Cargo says it has transported more than 700 Arabian horses, including champions, for Al Shaqab since 2012 and more are lined-up as Qatar Foundation's leading equestrian center grows.

Spread over 980,000 sqm of land in Qatar, the Al Shaqab stable can accommodate more than 400 horses and is considered the leading equine education resource and breeding center for Arabian horses, offering endurance and equine education.

Shaped in a horseshoe, Al Shaqab is designed to preserve Qatar's heritage by promoting the Arabian horse breed and setting the highest standards in horse welfare, breeding, equine education and research.

Qatar Airways says it transports more than 100 champion horses every year for Al Shaqab's annual CHI AL SHAQAB event, the Concours Hippique International competition of its kind in the Middle East and Asia sanctioned by the FEI (Fédération Equestre Internationale or International Equestrian Federation) and one of only four CHI equestrian events in the world, featuring the Olympic disciplines of Show Jumping, Dressage and Para-Dressage.

Among the horses transported are Olympic and other world-class tournament winners.

The cargo carrier also transports horses for the Longines Global Championship Tour held at Al Shaqab every year, and had transported 100 horses last November for the grand finale of the Championship tour.

In recognition of Al Shaqab's enduring business partnership with Qatar Airways Cargo, it gave an award to Al Shaqab Executive Director Khalifa Al Attiya.

Al Attiya says Qatar Airways "is exceptionally professional and proficient in equine transportation" and is a reliable carrier in transporting live animals safely.

"Its expansive network and freighter fleet ease our collaboration by

offering speedy and safe equine transportation for our major events in Doha and overseas. We are particularly pleased with the cargo carrier's dedicated staff and its spacious live animal center at Hamad International Airport that ensure stress-free transfer of our sensitive and high value horses. We know we can rely on Qatar Airways Cargo to provide the required special care during all phases of transportation," he said in a statement.

Qatar Airways Group Chief Executive Akbar Al Baker said Al Shaqab is at the heart of its core business and rightfully deserves recognition.

"We have been honored to be Al Shaqab's preferred equine carrier over the years, and we look forward to further cementing our business relationship. At Qatar Airways Cargo, we provide the highest standard of air transfer for horses that guarantees care, comfort and safe movement from origin to destination," he said.

Qatar Airways Cargo offers a modern fleet of Boeing 777, Airbus A330 and Boeing 747 freighters with controlled temperature zones, a network of more than 150 destinations, comfortable and spacious horse stalls and seats for grooms on board the freighters.

Its state-of-the-art, live animal facility in Doha offers a temperature-controlled environment with air conditioned holding stalls, a paddock and on-site veterinary personnel.

**Qatar Airways Cargo offers a modern fleet of Boeing 777, Airbus A330 and Boeing 747 freighters with controlled temperature zones, a network of more than 150 destinations, comfortable and spacious horse stalls and seats for grooms on board the freighters.**







## GLOBAL NEWS

## WFS wins 5 new cargo handling contracts in France



**PARIS:** Worldwide Flight Services (WFS) has been awarded five new cargo handling contracts by passenger and freighter airlines from France, Vietnam, Israel, Moldova and Italy for their France routes.

Four of the contracts cover Paris CDG as well as handling at WFS' other 11 cargo stations across France. Vietnam

Airlines has renewed its cargo handling agreement with WFS, while CAL Cargo Airlines has appointed WFS to provide receiving points for cargo which is then trucked to Belgium to connect with its Boeing 747 freighter services ex Liege.

WFS has also won contracts for the whole of France from the Moldovan airline FlyONE for freight carried

onboard its weekly Airbus A319/320 flights to Chişinău International Airport as well as from the Italian carrier, Meridiana.

Air France has also chosen WFS as its cargo handling partner at three airports in France: Lyon, Toulouse & Nantes.

"These contracts reflect the size and diversity of our cargo operation across France. We are proud to be increasing WFS' relationship with Air France and to be the preferred handling partner of all-cargo and passenger airlines from Vietnam, Israel, Moldova and Italy," Stephane Scholving, WFS Director of Cargo Sales Europe, said.

"Our highly experienced cargo teams across all of our French stations will ensure we provide the quality of service as well as the high standards of safety and security each of our new customers needs to support the growth of their businesses," he added.

## MENA region will see spike on DHL prices starting January 2018

**DUBAI:** The Middle East and North Africa (MENA) will see price increase of up to 4.9 percent on DHL services in the region starting January 1, 2018 with the adjustments attributed to inflation, currency dynamics and other operational costs related to enhanced security regulations.

The move comes as the UAE begins implementing the 5 percent value added tax (VAT) on all goods and services transacted from January 1, 2018. Other countries in the Gulf Cooperation Council (GCC) region are expected to follow the UAE lead in new taxation policy in the post-oil economic era.

DHL Express, the world's leading international express services provider, said in the UAE the average price increase for Time Definite International shipments weighing up to 300 kg will be 4.9%. An additional

rate increase will be applied for heavier and bulkier Time Definite International shipments weighing over 300 kg based on overall weight and size of shipment.

"Over the last year, we have added new hubs with automated sorting capabilities to our international network and further strengthened our security measures globally in order to meet the requirements of our customers, partners and transport authorities....Our annual price increase ensures that we can make the investments needed to meet our customers' expectations and to continue to make them successful over the long-term," said Geoff Walsh, Country Manager, DHL Express, UAE.

DHL said price adjustments will vary from country to country, depending on local conditions, and will apply to all customers where contracts allow.

### JAL and CHAMP Cargo systems agree to do joint projects

**TOKYO:** Japan Airlines and CHAMP Cargosystems, the leading supplier of integrated IT solutions to the air cargo industry, agreed to undertake a series of joint IT-related projects.

In 2014, JAL transformed its global cargo business activities through the introduction of CHAMP's suite of advanced cargo applications.

Under their new partnership agreement, the companies will work on innovative technology solutions designed to further transform the airline's cargo business.



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## GLOBAL NEWS

## Lufthansa Technik and MTU Aero Engines set up MRO joint venture



**MUNICH:** Lufthansa Technik and MTU Aero Engines have set up a joint venture for the maintenance, repair and overhaul (MRO) of geared turbofan engines with combined investment of about 150 million Euros, with each company holding a stake of 50 percent.

The new JV named Engine Maintenance Europe (EME Aero) was finalized by the two companies on December 4.

Derrick Siebert (CEO) from Lufthansa Technik and by Dr. Uwe Zachau (COO), his counterpart at MTU Aero Engines, will lead the new company which will be based in Poland with about 800 employees.

The facility is slated to be up and running in 2020. The planned annual capacity is over 400 shop visits of PW1000G-series geared turbofans, which power the Airbus A320neo family of aircraft and other airliners.

"With this project we have taken the big challenge to get EME Aero up and running in a short time. Without our combined project team, unifying the strengths of both stakeholders, it would not have been possible to achieve this milestone on schedule. For us it is a tremendous motivation to push this project of providing maintenance for an entirely new

**MTU Aero Engines  
Polska, a subsidiary  
of MTU Aero  
Engines, opened  
shop in 2009.**



generation of commercial engines in Europe to a successful start," said CEO Derrick Siebert.

COO Zachau added: "The launch of the company marks a key milestone for us. Over the coming two years, we'll have to tackle an ambitious ramp-up plan for our joint shop. We are very confident that with our excellent team, made up of colleagues from both shareholders, we'll successfully solve this challenge."

MTU Aero Engines has already gained very positive experience with setting up a company in Poland. MTU Aero Engines Polska, a subsidiary of MTU Aero Engines, opened shop in 2009.

For Lufthansa Technik, the new JV is the second big move in stepping up its activities in Poland. In September 2017, the foundation stone was laid in Sroda Slaska for its joint venture company with engine manufacturer GE Aviation that will overhaul GENx-2B engines and, later on, GE9X engines.

### Jet Airways & AFKL Cargo agree to expand partnership

**MUMBAI/AMSTERDAM:** Jet Airways Cargo (9W Cargo) and Air France KLM Cargo (AFKL Cargo) have agreed to create and offer expanded high-value cargo services, including offering innovative products tailored to pharmaceuticals, express and e-Commerce, aside from individual clients.

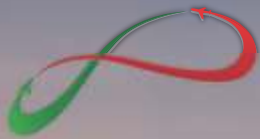
Under their new Memorandum of Understanding, the partners will offer a comprehensive set of higher value services that are complementary including those on high frequency routes as well as bringing in new and unique destinations into the servicing framework via their respective hubs and gateways, both in India (Mumbai and Delhi) and in France (Paris-Charles de Gaulle) and The Netherlands (Amsterdam Schiphol).

The MoU also complements their passenger codeshare agreements which had since tripled their combined bellyhold cargoes.

With the aim of eventually creating an integrated commercial and operational cargo cooperation model between India and Europe, the partners will work through several steps that will comprise synergising their respective cargo networks, bringing in efficiencies in warehousing, exchanging capacities and making blocked space arrangements.

Jet Airways Cargo and Air France KLM Cargo will also collaborate to optimise and expand volumes from emerging Indian markets such as Bengaluru and Chennai where intercontinental connectivity by direct services has recently been enabled.





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UN is appealing to authorities allow them to enter eastern Ghouta where as many as 400,000 people remain besieged and cut-off from life-saving assistance. Among them, over 240 people require urgent advanced medical care, including 29 "priority" patients – mostly children – in critical condition who need immediate medical evacuation.

The UN said plans are in place for medical evacuations from Ghouta to hospitals and medical facilities in the capital, Damascus, and elsewhere. Medicines have also been prepared for immediate dispatch. But no formal approval for evacuations has been received.

"The situation is heartbreaking," said Elizabeth Hoff, the head of the UN World Health Organization (WHO) operations in Syria.

"We have now reached a critical point, where the lives of hundreds of people, including many children, are at stake. If they do not immediately get the medical care they urgently need, they will most likely die."

The devastating Syrian civil war that left millions displaced and close to 500,000 dead is hoped come to an end with the defeat of the Islamic State and repeated pushbacks of Syrian rebel groups.

## UAE sends 36K liters of diesel to power up hemodialysis centers in Yemen

**SHABWA:** The Emirates Red Crescent (ERC) has provided several hemodialysis centers in the Mayfa'a district with supplies of fuel to ensure continuity of their operations to treat dialysis patients as the country's ongoing civil war lingers.

A truck carrying 36,000 liters of diesel was sent to run the hemodialysis centers which treat patients with kidney problems.

Mohammed Saif Al Muhairi, Head of ERC Team in Shabwa, said the move was in response to the needs of the dialysis centers, highlighting the desire of the UAE to support the Yemeni people.

He added that the fuel shipment is part of a multistage process to support hemodialysis centers in Yemen, which included providing shipments of medicines.

## UNHAS at a glance

**SHABWA:** The Emirates Red Crescent (ERC) has provided several hemodialysis centers in the Mayfa'a district with supplies of fuel to ensure the continuity of their operations to treat dialysis patients as the country's ongoing civil war continues.

**A truck carrying 36,000 liters of diesel was sent to run the hemodialysis centers which treat patients with kidney problems.**







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**Anticipating  
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**JUAN PEREZ**  
Chief Information and  
Engineering Officer, UPS

**Monday, April 9  
9:30 AM – 10:00 AM**

**Welcome to MODEX 2018**

**GOVERNOR NATHAN DEAL**  
Governor of Georgia

**Tuesday, April 10  
8:45 AM – 9:45 AM**

**Harnessing Our  
Digital Future**  
How the Digital  
Revolution is Accelerating  
Innovation, Driving  
Productivity and Irreversibly  
Transforming Employment  
and the Economy

**ANDREW MCAFEE**  
Co-Founder &  
Co-Director, Initiative  
on the Digital Economy

**Wednesday, April 11  
8:45 AM – 9:45 AM**

**2018 MHI Annual Industry  
Report Keynote Panel**

**GEORGE W. PREST**  
CEO, MHI

**SCOTT SOPHER**  
Principal, Deloitte  
Consulting LLP

**Wednesday, April 11  
1:00 PM – 2:00 PM**

**Why Dirty Jobs Matter**



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## Air Cargo Update Legal Forum

### Question No. 1:

**We're engaged in the logistics industry and our clients are slow in processing payments. With cash flow problems, the salaries of our employees are sometimes delayed for a week. How much grace period are employers entitled to before it can be constituted as delayed salaries?**

#### Answer:

The Ministerial Decree No. 739 of 2016 ("MD-739") Concerning the Protection of Wages issued by Federal Ministry of Human Resources and Emiratisation ('MOHRE') (formerly known as the Ministry of Labor) adopted on 29/09/2016, ensures that employees wages must be fully paid within a period not exceeding 10 days from the registered due date in the WPS (wage protection system).

The Decree clearly stipulates that an employer shall be deemed as late in paying wages if the wage is not paid to the employee within 10 days of the due date. Therefore, since your company is managing to pay the wages within the time limit of 10 days, it shall not constitute as delay pursuant to the MD-739 and UAE Labor Law.

### Question No. 2:

**We are a startup company and we wish to have our first office based in Dubai. We hired a number of employees for this project though it hasn't started. Under the UAE laws, should we pay them their monthly salaries even though the office is not in operation yet? What are the penalties if we don't pay them as agreed in our contracts with them?**

#### Answer:

The Ministerial Decree No. 739 of 2016 ("MD-739") Concerning the Protection of Wages issued by Federal Ministry of Human Resources and Emiratisation ('MOHRE') (formerly known as the Ministry of Labor) repeals MD 788 in relation to penalties for late payment of wages and details a number of different penalties, depending on the length of the delay in payment and the size of the Employer.

The main penalties duly introduced are;

a. If an employer has 100 or more employees and commits a Payment Delay, the MOHRE will, for delays of at least:

- i. Upon 10 days of delay shall give the employer a warning notice that the penalty mentioned below will be imposed if the payment becomes delayed by 16 or more days.
- ii. Upon 16 days of delay the MOHRE shall suspend the employer from granting any more work permits and give the employer a warning notice that the penalties described below will be imposed if the payment becomes a month late.

The Decree clearly states, if a company delays wages a month from the due date, which means the company has entered into the refrainment phase, then the Ministry shall inform the judicial authorities and other related parties to

take all necessary punitive measures against it, causing a complete strike against the other companies owned by the same employer, plus prohibiting the employer the ability of registering any new companies.

Furthermore, if a company continues to refrain wages, the ministry shall take necessary measures to use the bank guarantee, in addition to downgrading the company into the third category and enable the workers to move to another company.

If the company fails to pay wages for 60 days from the due date, then administrative fines of minimum AED5,000 per worker shall be imposed and reaching a maximum of AED50,000 in the event multiple workers complaining about delayed wages for over 60 days.

The decree reiterates that if the company repeats the violation then the ban duration doubles each consecutive time.

Additionally, if the ministry came across any sort of salary delays or refrains by companies that employ less than one hundred workers, the current regulations shall apply, from work permits ban to fines then public trial referral if the company fails to pay the wages within 60 days. However, if the company commits such violations more than once in one year, then, in this case, the ministry shall apply penalties stated for companies that employ over 100 workers.

The decree clearly states the ministry shall not proceed with any transactions with companies that did not register in the WPS, in addition, to stop dealing with the owners of these companies until they register in the system, all to ensure workers' rights have been met.

### Question No. 3:

**What is the best thing to do if customs authorities seized a large shipment due to suspicion of carrying fake items?**

#### Answer

We assume that you are a freight forwarding Company. Since the shipment belongs to the Customer/Consignee, your Company as a Shipper is not liable for the clearance of the goods at the Customs due to non-conformity of the goods as per the law.

Moreover, the Federal Law No. 19 on Combating Commercial Fraud, clearly defines that the commercial fraud act includes importing, exporting, re-exporting, manufacturing, selling, exhibiting, possessing for the purpose of sale, storage, rental, marketing or trade of counterfeit or adulterated goods.

In this matter, a proper procedure needs to be followed by the Consignee for release of the goods. However, the UAE Law does empower the concern officers to destroy the goods or return the shipment and consequences of which shall be borne by the Consignee.





# One-stop legal solution

Hani Al Jasmi Advocates & Legal Consultants is a full-service boutique law firm established in 2009 with offices in Dubai and Ajman.

Our law firm is duly licensed to perform legal services and advocacies before all UAE Courts and Arbitration Centers with commendable and strong practice experience in all corporate and business legal matters—Commercial, Banking, Maritime, Transport, Labor, Aviation, Logistics and Real Estate.

We are a multilingual firm offering services in Arabic, English, Russian, Urdu, Hindi, Tamil, Malayalam, Iranian and Filipino.

We are known for our professionalism and result-based approach, committed to provide you the best legal representation in your business and other needs.

Established in 2009, this boutique law firm, the Hani Al Jasmi Advocates & Legal Consultants, is well known for representing clients in bank cases, aviation & logistics laws as well as concluding contracts & proxies, technology communication and banking legislation.

A practicing lawyer in the UAE for more than two decades now, Advocate Hani Al Jasmi is considered a highly-experienced arbitrator, litigator and legal adviser exposed to a myriad of different cases in both civil and criminal matters.



Advocate Hani Al Jasmi

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LEGAL  
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## Air Cargo Update Legal Forum

*Air Cargo Update readers may send in*

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*Answers will be published in the magazine's soon to be  
introduced legal forum section.*

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Liberty Building Near Sharjah Bank, Al Garhoud Office No. 203

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# Air freight

bounces back in new pace and time





## COVER STORY

2017 is a robust year for both passenger and cargo volumes despite economic and political challenges across the world.

By the end of this year, a record 4 billion people would have traveled in different regions, sprucing up freight belly statistics in the process, analysis points out.

Technological advancements have tremendously contributed to the growth of commercial civil aviation with many passengers taking control of their own itineraries through online bookings, cutting travel agencies in the process to save money and time. Add to that is the emergence of more Low Cost Carriers (LCCs) which give them cheaper fare options as opposed to legacy carriers.

The rise of the social media, which changes the way how airlines and other companies reach out to their target markets, also significantly contribute to this phenomenon.

The Kingdom of Saudi Arabia's newly-launched budget airline, flyadeal, booked 10,000 seats online within 24 hours without any print ads, its CEO Con Korfiatis announced at the recently concluded Aviation Show MENASA (the Middle East, North Africa and South Asia), a remarkable feat given the reclusive kingdom's conservative policies on many things digital.

Elsewhere in the Middle East, where more than half of the population are below 25, the digital footprint of online bookers are growing, with many opting online transactions for safety and security reasons.

**Global e-Commerce is projected to grow from US\$1.9 trillion in 2016 to US\$4.5 trillion in 2021**





## COVER STORY

## Opposite Profit Margins

But while passenger volumes are up, the profit margins of airlines are getting thinner for many different reasons.

It's the reverse, however, for the air freight industry which adjusts prices as demand grows, especially during the holiday season or Valentine's Day.

Muhammad Al Bakri, regional SVP AME International Air Transport Association (IATA), said at the Arab Air Carriers Association Annual General Membership held last month in Sharjah, one of the emirates in the UAE, aviation remains the beating

**“As history shows, it is not unusual for freight volumes to continue to rise even after the peak of the growth cycle. Indeed, periods in which freight volumes have fallen typically only occur alongside wider shocks to global economic and trade conditions, such as that seen following the dot-com boom in the early-2000s and after the global financial crisis. In the absence of such a global shock, it seems reasonable to expect that air freight volumes will build on a very strong 2017 with another year of solid growth in 2018.” – IATA**



## Air freight market detail - October 2017

	World share <sup>1</sup>	October 2017 (% year-on-year)				% year-to-date			
		FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>	FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>5.9%</b>	<b>3.7%</b>	<b>1.0%</b>	<b>46.9%</b>	<b>9.7%</b>	<b>3.8%</b>	<b>2.4%</b>	<b>44.6%</b>
Africa	1.6%	30.3%	9.2%	4.3%	26.8%	26.7%	8.6%	3.6%	25.1%
Asia Pacific	37.4%	4.4%	3.9%	0.3%	56.0%	8.8%	4.4%	2.2%	54.4%
Europe	23.5%	6.4%	2.5%	1.8%	48.7%	12.1%	5.7%	2.6%	45.8%
Latin America	2.8%	7.2%	4.4%	1.0%	37.5%	5.8%	3.9%	0.6%	33.2%
Middle East	13.9%	4.6%	3.4%	0.6%	47.2%	8.4%	2.4%	2.5%	44.5%
North America	20.8%	6.6%	3.8%	1.0%	37.9%	8.4%	1.6%	2.3%	36.1%
<b>International</b>	<b>86.7%</b>	<b>6.0%</b>	<b>3.6%</b>	<b>1.1%</b>	<b>51.2%</b>	<b>10.6%</b>	<b>4.0%</b>	<b>2.9%</b>	<b>48.6%</b>
Africa	1.6%	28.5%	9.7%	4.0%	27.2%	27.2%	9.0%	3.7%	25.6%
Asia Pacific	33.2%	5.0%	3.4%	0.9%	61.8%	9.6%	3.8%	3.2%	59.6%
Europe	23.0%	6.4%	2.7%	1.7%	50.0%	12.2%	5.3%	2.9%	47.5%
Latin America	2.4%	7.7%	5.7%	0.8%	44.6%	6.2%	3.1%	1.1%	38.5%
Middle East	13.9%	4.7%	4.2%	0.2%	47.3%	8.5%	3.4%	2.1%	44.6%
North America	12.7%	6.5%	3.2%	1.4%	44.6%	11.3%	1.9%	3.6%	42.1%

Source: IATA

heart of the Middle East supporting 2.4 million jobs and USD157 billion in economic activity but times are changing.

“Financially, airlines in the region are seeing their profits eroded and margins squeezed. The average profit per passenger globally in 2017 is forecast to reach 7.7 US dollars. In the Middle East, it is only expected to reach 1.8 dollars per passenger,” he noted.

Statistically, Al Bakri said global aviation generates 3.5 percent of the world's GDP valued at about USD2.7 trillion and supports 62.7 million jobs.

In addition, 35 percent of world trade worth US\$6.4 trillion is transported by air annually.

With high volumes of gifts sent this holiday season, the air cargo industry is at its busiest with shippers scrambling for space and customers willing to pay more.

Freightos WebCargo data shows air freight prices in certain locations have already risen by over \$1 per kilo yet the demand for e-Commerce shipments keeps on rising.

Experts said e-Commerce and pharmaceutical shipments will be an

important driver for the growth of the air freight industry now and in the long-term.

Global e-Commerce is projected to grow from USD1.9 trillion in 2016 to \$4.5 trillion in 2021 with 19 percent annual compound growth rate over the next five years, according to the leading aviation consultancy firm Air Cargo Management Group.

Allan Hedge, senior director of ACMG, said E-commerce has disrupted retail and is now revolutionizing logistics and the air cargo industry.



## COVER STORY

In a separate report, Boeing forecast e-Commerce to grow from USD1.7 trillion in 2016 to USD3.6 trillion by 2020, largely fueled by the growth of the middle-class in the Asia-Pacific region, most notably China, the world's largest e-Commerce market with some USD590 billion goods sold in 2015.

Boeing said the online retail trade will, thereby, push growth in the air cargo industry as consumers prefer fast shipments of goods.

**New Pace & Phase**

Though slower than commercial aviation in embracing technological developments, the air cargo industry has undoubtedly adjusted to the times with many companies investing on new software solutions and technology where shipments can easily be placed and tracked, costs calculated in an instant and even options for land connectivity.

In today's fully globalized world, the need to connect in an instant is paramount in doing business, especially where movement of goods are concerned.

"The ability to electronically exchange air waybills, house bills and status messages enables our customers to further automate and streamline processes, meet expanding carrier electronic communications requirements, increase visibility and improve performance. Customers benefit from simple and fast activation on



Descartes' GLN from CDM Software Solutions' e-Commerce friendly software platform," explained Darrell Ortiz, CEO and founder of CDM, on the importance of Descartes' GLN which also provides users with connectivity to air carriers around the globe to help them meet IATA's electronic air waybill (e-AWB) initiative.

Nagarjun Peri, Kale Logistics Solutions regional manager for international sales in the Middle East and Africa, said today's business climate demands speed, efficiency and transparency and all that can only be provided through customized software solutions.

The India-based company has more than 500 clients across the world, including about 200 airlines, which

are also linked to air cargo carriers and freight forwarding companies.

Air cargo volumes consistently posted positive growth month-by-month in 2017. In October, shipments were up 5.9 percent and IATA forecast the freight volumes to continue rising in 2018.

"Going in to next year, the cyclical drivers of freight demand appear relatively supportive of continued increases in freight volumes. In fact, factors such as the long-awaited pick-up in investment in Europe, as well as reports of strong growth in international e-commerce flows look set to help underpin freight demand in the near term," IATA said in its October 2017 analysis report.

"As history shows, it is not unusual for freight volumes to continue to rise even after the peak of the growth cycle. Indeed, periods in which freight volumes have fallen typically only occur alongside wider shocks to global economic and trade conditions, such as that seen following the dot-com boom in the early-2000s and after the global financial crisis. In the absence of such a global shock, it seems reasonable to expect that air freight volumes will build on a very strong 2017 with another year of solid growth in 2018," it added.

**"Digitalization is driving innovation and disruption at an ever-increasing pace in all kinds of industries, and therefore for all users of airfreight. This is putting unprecedented pressure on all of us to redouble and accelerate our efforts to transform, adapt, and streamline processes in concert with regulators." Oliver Evans, former chairman of the International Air Cargo Association**







# India's blooming business of scented flowers



**Worldwide, floriculture products generate nearly \$40 billion in sales annually. India's US\$82 million floriculture industry is miniscule but it's getting a boost lately with growing demand for its roses, lilies, jasmine, anthuriums, tulips, marigold and other scented flowers.**





## FEATURES

**F**loriculture is an age-old farming activity in India, though it is only off late that the sector is getting organized in terms of production, marketing, exports, branding, and so on.

Though India's share in global floriculture trade may be insignificant it has potential as an important destination to source flowers. In recent years it has emerged as a profitable agribusiness in India and with international practices being introduced in floriculture, the sector is all set to bloom.

The production and trade of floriculture has increased consistently over the last 10 years. In India, the floriculture industry

### 100% export oriented status

After liberalization, the Government made floriculture a sunrise industry and accorded it 100 percent export oriented status. The liberalization of industrial and trade policies paved the way for the development of export oriented production of cut flowers.

The new seed policy has already made it feasible to import planting material of international varieties. Floriculture products mainly consist of cut flowers, pot plants, cut foliage, seeds bulbs, tubers, rooted cuttings and dried flowers or leaves.

The important floricultural crops in

estimated to be 1695000 MT of loose flowers and 528000 metric tons in 2016-17. Fresh and dried cut flowers dominate floriculture exports from India. Total flower production is 2277 (000MT).

### US\$82 million exports

India exported floriculture products worth over US\$82 million in 2014-15. Still its overall share is quite low in the global trade of nearly US\$40 billion.

There is a great demand for Indian flowers in Gulf countries. Besides the major cut flowers, the export of traditional flowers such as jasmine and marigold is also gaining momentum in recent times.

Among the states in India, Karnataka is the leader in floriculture with about



comprises flower trade, production of nursery plants and potted plants, seed and bulb production, micro propagation and extraction of essential oils.

The annual domestic demand for flowers is growing at a rate of over 25 percent. The global floral production value is estimated at US\$55 billion; tree nursery – production of trees, shrubs and other hardy plants is worth another US\$35 billion.

India's share in international market of flowers is negligible. However, India is having a better scope in the future as there is a shift in trend towards tropical flowers and this can be gainfully exploited by India with high amount of diversity in indigenous flora.

the international cut flower trade are roses, carnation, chrysanthemum, gerbera, gladiolus, orchids, anthurium, tulip and lilies. Floriculture produce such as gerberas, carnation, etc. are grown in green houses. The open field crops are chrysanthemum, roses, gaillardia, lilies, marigold, aster, tuberose, etc.

According to Handbook on Horticulture Statistics, the total area under flower crops in 2016-17 was 328 thousand hectares. Total area under floriculture in India is second largest in the world and only next to China. Production of flowers was

29,700 hectares under floriculture cultivation.

Other major flower growing states are Tamil Nadu and Andhra Pradesh in the South, West Bengal in the East, Maharashtra in the West and Rajasthan, Delhi and Haryana in the North.

Surprisingly, the small land-holding pattern, considered a handicap for the country's agricultural production, comes as an advantage in floriculture due to its 'low volume high value' character. Since the sector has huge export potential, a number of small and marginal farmers have started turning towards flower production. The north eastern states of India, especially Mizoram, have also turned towards cultivating flowers of export





## FEATURES

**The annual world trade in marigold is currently estimated to be around US\$90 million. In recent times, flower importers have been shifting their focus to India and Ethiopia for cheaper flowers in the wake of rising production cost in Kenya—the world's largest exporter.**



varieties in a big way.

Though major export destination of Indian cut flowers (flowers harvested in clusters or in single along with their stems) were the USA, UK, Germany, Netherlands and UAE during 2014-15, loose flowers (flowers harvested without stalk) like jasmines and marigold are generally exported to Sri Lanka, Malaysia, Singapore and West Asian countries. China, India and Peru are leading producers and exporters of marigold.

The annual world trade in marigold is currently estimated to be around US\$90 million. In recent times, flower importers have been shifting their focus to India and Ethiopia for cheaper flowers in the wake of rising cost of production in Kenya—the world's largest exporter.

#### **Valentine's Day, big business**

There are many drivers for flower exports, one of the biggest is Valentine's Day which falls on February 14 every year. Marriages, important religious festivals, and other mega events push sales up.

Bangalore, the state capital of Karnataka, is a major producer of flowers. Nearly five million roses are exported every year from Bangalore which produces the best varieties in India.

C.G. Nagaraju, Managing Director, International Flower Auction Bangalore (IFAB) Ltd., said roses were grown on nearly 250 hectares in and around Bangalore, while the daily production was around 15 lakh stems.

The varieties that are in demand are 'Taj Mahal', 'Grand Gala' and 'First Red'. He said while roses did not have a market all round the year, they were in demand on certain days, such as Valentine's Day and Mother's Day.

In 2017, due to harsh weather in Europe, the demand for long-stemmed roses increased up to 25% with about 4 million stems imported. Major exports are made to European countries, Gulf countries, Australia, New Zealand, Singapore and Malaysia.

The Vice President of the South India Floriculture Association Jhansi Lakshmi said the floriculture industry needs support from both the Central and State governments.

He said there is urgent need for a single window system for exporting flowers, with customs and phytosanitation under single window. It is also seeking subsidies & import duty exemptions.

#### **Emirates Skycargo top performer**

International airlines are tapping this market and one of the top freight

carriers is Emirates Skycargo which has witnessed encouraging growth in the export of flowers from major Indian hubs in 2017.

Emirates Skycargo airlifted over 550 tons of flowers in 2016 (January to December) from India and in 2017 it hauled over 200 tons, mostly roses. Other exotic flowers which are in demand include Jasmine, Orchids and Carnations from hubs like Bangalore and Mumbai.

The transportation of flowers by airlines is a year-round activity from its hubs such as Bangalore, Mumbai, Chennai and Kolkata. This year, Bangalore and Mumbai already witnessed a record uplift of close to 150 and 80 tons, respectively, in just the first two months of the year.

Keki Patel, Cargo Manager (India & Nepal) at Emirates SkyCargo, said: "Many regions in India have the ideal climate for cultivating flowers all year round, offering excellent growing conditions. We have witnessed a surge in flower demand this year from destinations like Europe who have experienced a harsh winter this year. We have reported strong volumes of flower transport in the weeks leading up to Valentine's Day this year which will play a substantial part in the total yearly volume recorded for 2017."

Sophisticated logistics by Emirates SkyCargo ensures quick and reliable air transport of these delicate goods to destinations across its global network. State of the art equipment and facilities help avoid the wilting of flowers.

Roses are hand harvested and then sorted, arranged in bouquets and hand-packed into boxes, which are then loaded on the aircraft. Key destinations Emirates SkyCargo has transported Valentine's Day flowers are Amsterdam, London, Gulf countries like Kuwait Bahrain and the UAE, US destinations like New York and San Francisco.

Other airlines such as Qatar Airways, Etihad Airways & the Indian Int'l air carriers do carry horticulture and floriculture produce from India to the Middle East & beyond.



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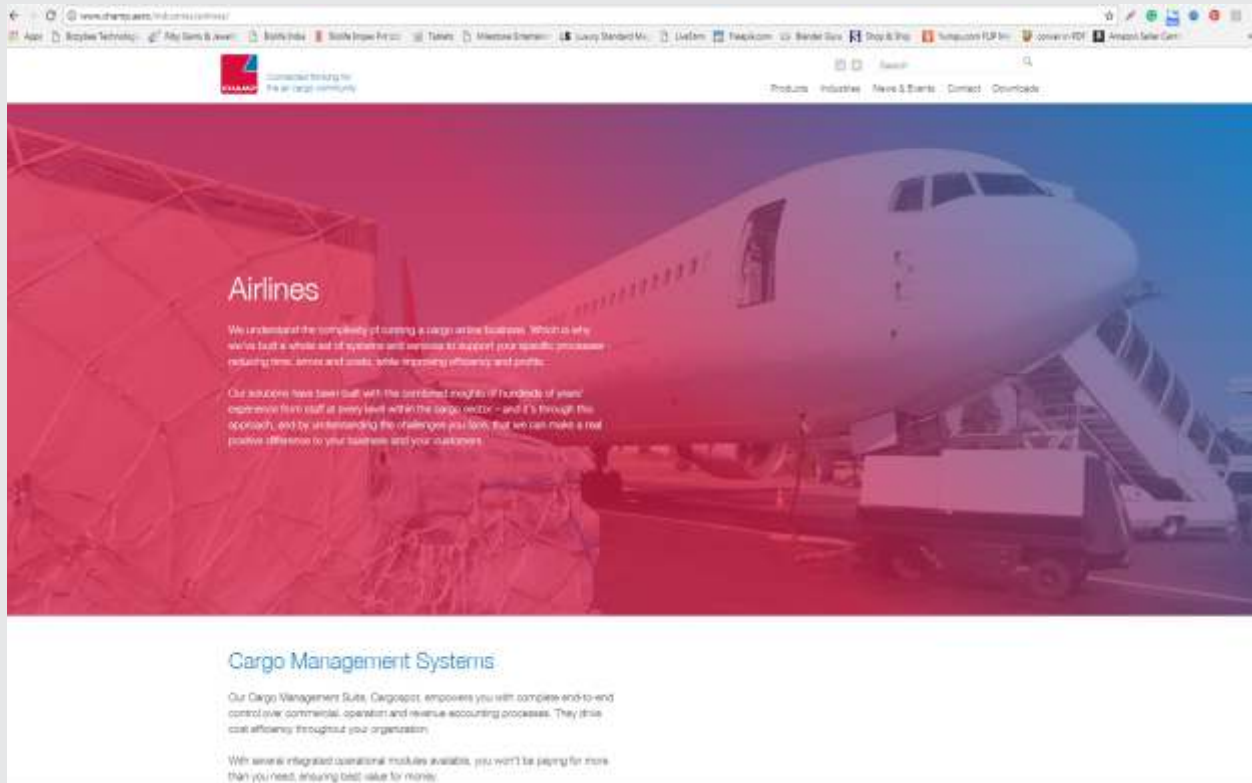






## FEATURES

# Adding agility and speed with Champ's Cargospot



**T**ransport is often seen as the harbinger of broader economy. In a marketplace where increased competition and slowing growth are common, carriers are intent on securing every possible dollar of revenue by reducing operational costs.

In fact, about 71 percent of air cargo executives would consider new cargo management systems to lower overall costs, improve business agility and speed deployment, according to Accenture 2015 survey Air Cargo Research.

The complexity of the air cargo business demands a dynamic business strategy that allows carriers to quickly and efficiently

adjust their business strategy in response to fluctuating market conditions. Those that manage to do this get a distinctive competitive advantage.

Aviation currently provides 58 million jobs & contributes \$2.4 trillion in GDP based on the analysis of the International Air Transport Association (IATA). This is expected to increase to 105 million jobs and \$6 trillion in GDP in 2034 with demand for air transport projected to grow at an all time high.

Air Cargo Update met with Lee Booth, Champ Cargosystems SA VP Global Products, to discuss how the company's cargo management system Cargospot adds agility to air cargo business.



**FEATURES****Cargospot**

Cargospot is an end-to-end system supporting the customers' business by managing their complete business process.

This ranges from capacity control, pricing and reservations of the airline ensuring the best utilization and yield, through to operational handling of the shipments in the warehouse, making sure that the cargo is at the right place at the right time to allow aircraft to depart on-time.

Finally, and most importantly, accounting for the shipments as soon as they're flown ensuring cash-flow is as optimized as possible.

Lee Booth notes, "CHAMP has created this management platform as an integrated, yet modular system. That means information need only be captured once at source and is then available for use by the rest of the business processes until the shipments are accounted and the money is in the bank."

**Cargospot is built with the following integrated modules:**

- **Airline**
- **GSA**
- **Handling**
- **Revenue accounting**
- **Business Intelligence**

Cargospot is a community system with more than 130 customers benefitting from it. These can range from small to large airlines, full freighter operators, mixed-fleet operators to belly only airlines.

It also has a wide range of GSAs and GHAs from small single station operators through to large, world-wide ground handlers. All of these customers benefit from the CHAMP community, because all enhancements and regulatory changes, which are made to Cargospot, are immediately available to the complete community.

To support this, Cargospot is highly configurable such that the customer can choose which features to activate and which business process behavior the system should support.

CHAMP's solution does not just include Cargospot – Cargospot is integrated with other operational management components (ULD management and Freight Weight & Balance) as well as our eFreight (Customs [Traxon Global Customs], Quality [CDMP, MIP]) and our community integration services (TraxoncargoHUB).

**A Lego system**

"CHAMP is a one-stop shop for our customers. It is a Modular solution that gets tailored in line with clients' needs. Many think of it as a Lego system, which can be the full set (Booking, invoicing, business intelligence, handling, customs, quality monitoring) or just the few that you need," explains Booth.

Furthermore, it seamlessly integrates with other CHAMP or 3rd party software. Therefore, it can be as comprehensive as the client needs it.

Cargospot is highly configurable with all customers on a single source, although each customer has its own system. To achieve this, Cargospot is rich with configurations, allowing Customer A to have a feature behaving one way and Customer B having the same feature behaving a different way. These configurations are set during the implementation phase of a customer's go-live.

"We have many customers who have more than one airline in their group, allowing them to perform revenue accounting for each airline in their group," said Booth.

**Cost effective management**

CHAMP has the largest air cargo community demonstrating that it can provide cost-effective management solutions helping its Cargospot clients to achieve savings in improved yield-control, reducing costs, optimizing resource and overhead allocations.

Additionally, CHAMP's solutions are offered as a software as a Service, hence the customer only pays on usage, ensuring an attractive, and cost-effective proposition.

"CHAMP believes that it should benefit when the customer benefits,

so we charge for our services on a per-use basis. This means that our customers can focus on their growth, knowing that their system will grow with them and they will only be charged for what they use. This is a strong benefit to customers who previously had to provision their own systems and bear the cost fully, irrespective of their business performance," said Booth.

"CHAMP is a leading end-to-end solution provider to the air cargo industry. As such, we also have a messaging and connectivity platform TraxoncargoHUB, which currently connects over 3000 forwarders, GSAs, GHA, Postal authorities, shippers to over 100+ airlines.

"Forwarders using TraxoncargoHUB as their Cargo Community Solution (CCS) Provider, will benefit from messaging services regardless of protocol and messaging type. Cargospot also is able to handle C-XML message."

**Business intelligence module**

Cargospot not only produces reports, but also offers a Business Intelligence module that allows customers to visualize their business performance as well as being able to customize their reports needed for their businesses.

Its offering also includes SLA and CDMP modules, which monitor the performance of the shipments, and alerts should there be any deviation from the committed service levels.

"As Cargospot is an integrated system, all data is available for each 'modular view' as soon as it is in the system (either manually captured, or more normally when received by messages from other parties in the supply chain)," Booth explained.

"That means that the revenue accounting department can see bookings as soon as they're made (or received) in the system by the airline. Equally they can see the moment shipments have departed origin – they don't need to wait for a 'data-feed', or worse, recapture the data manually. This is a significant boost to productivity," he added.





## FEATURES

Top-10 airlines (ranking by e-AWB volume)					Top-10 freight forwarders (ranking by e-AWB volume)				
Rank (previous)	Airline	e-AWB penetration (previous)	e-AWB penetration (current)		Rank (previous)	Freight forwarder	e-AWB penetration (previous)	e-AWB penetration (current)	
1 (1)	CGK - Cathay Pacific Group	82.0%	79.3%		1 (1)	DIF - DHL GLOBAL FORWARDER FORWARDER	99.9%	94.6%	
2 (2)	AKG - Air France - KLM Group	83.3%	83.4%		2 (2)	BOHNERKE	83.1%	88.7%	
3 (4)	EK - Emirates	38.1%	39.0%		3 (3)	EXPEDITORS GROUP	88.2%	87.9%	
4 (3)	SQ - SIA Cargo	73.0%	73.2%		4 (4)	PANALPINA	84.2%	80.3%	
5 (5)	QR - Qatar Airways	73.0%	73.5%		5 (5)	KUEHNE + NAGEL	31.3%	30.1%	
6 (6)	KE - Korean Air	53.2%	50.6%		6 (7)	BOGLIORE	55.8%	57.8%	
7 (7)	LH - Lufthansa Cargo	41.0%	38.5%		7 (8)	UPS - UNITED PARCEL SERVICE	83.9%	89.3%	
8 (8)	CI - China Airlines	83.0%	83.9%		8 (9)	DBV AIR & SEA	57.1%	52.0%	
9 (9)	UAG - International Airline Group	48.6%	48.4%		9 (9)	NIPPON EXPRESS	43.3%	36.8%	
10 (10)	DL - Delta Air Lines	72.6%	72.4%		10 (11)	CEVA GROUP	57.2%	56.5%	

**The company serves over 200 airlines and GSAs, and links these with some 3,000 forwarders and GHAs worldwide. CHAMP's solutions help its customers and their clients adapt to critical and continuous changes in air transport logistics to meet global trade demands.**



Cargospot is fully integrated into the industry settlement systems so it allows the invoice to be generated as early as possible, improving the airline's cash flow.

"CHAMP understands that our prospects already have systems in place to manage their day-to-day operations. They may have their own in-house systems for example, but with technology evolving, they may want to make a switch to newer IT and prefer to start slowly and start replacing one module at a time for pricing or continuity," said Booth.

"All CHAMP products integrate with each other or 3rd party software. CHAMP understands that the air cargo community needs to collaborate and has hence put in efforts to integrate with other systems on the market. Our Cargospot portfolio is built on a platform that enables integration with external software to maximize benefits and efficiencies for our

clients," he added.

### Digitalization drives growth

The industry is moving to digitization primarily through the e-AWB initiative. CHAMP drives to this automation through its e-AWB ready systems.

IATA said two of the Top 5 airlines ranking for e-AWB penetration are relying on Cargospot to get them to this position. Four out of the Top 10 airlines ranking for e-AWB volume make use of our TraxoncargoHUB providing distribution and integration among the supply chain stakeholders.

And five of the Top 10 freight forwarders ranking for e-AWB volume are connected to the air cargo community via CHAMP's TraxoncargoHUB.

Market leadership not only comes about from a strong service offering, but also from the capabilities to adept and evolve with the ever-changing market and regulatory requirements.

"I think this gets down to the full offering, from entire air cargo supply chain portfolio on offer, the ability to implement small, medium and large complex projects, the service provided, the ability to support your client base with day-to-day performance, but also with their ambitions for the future. So it's the IT, technology, innovation, the people with air cargo know-how.

"CHAMP has 475+ Cargo professionals and is fully dedicated to air cargo IT. This is something very unique. We have implemented 150+ core management projects with airlines and handlers in 75 different countries. So we have obtained strong expertise in different business processes across different clients,

enabling us to not only provide the IT solutions, but also the consultancy on how to best merge processes and IT together," concludes Booth.

### About CHAMP Cargosystems

CHAMP Cargosystems provides the most comprehensive range of integrated IT solutions and distribution services for the air cargo transport chain. The portfolio spans core management systems, messaging services, and eCargo solutions. These include applications to meet customs and security requirements, quality optimization as well as e-freight and mobility needs. The products and services are well known under the Cargospot, Traxon and Longitude brands.

The company serves over 200 airlines and GSAs, and links these with some 3,000 forwarders and GHAs worldwide. CHAMP's solutions help its customers and their clients adapt to critical and continuous changes in air transport logistics to meet global trade demands.

CHAMP Cargosystems is headquartered in Luxembourg and operates offices in London, Zurich, Frankfurt/Main and Manila.

### In air cargo moving to digital even has more benefits:

- **Limit the amount of data that needs re-entering across the other supply chain stakeholders Save time & increase accuracy**
- **Less costs for printing, storing and transporting the documents on the planes**
- **Ability to optimize load factor of aircrafts**
- **Ability to analyze better overall performances and improve the processes to streamline air cargo, make it even faster and keep shippers and consignees happy.**



# 12<sup>th</sup> WORLD CARGO SYMPOSIUM

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We look forward to welcoming you in Dallas, famous for being commercial and cultural, combining artistic and entrepreneurial, and knowing how to have fun!

It is the perfect place to bring big thinking, big ideas and to celebrate success as we think about the future of air cargo at the 12th WCS.

Mark your agenda for WCS 2018 and join over 1100 air cargo leaders for this action-packed event!

**When:** 13-15 March 2018

**Where:** Dallas, TX - USA

**Venue:** Hilton Anatole

**Audience:** Open to all

Find more information and to register, visit

**[www.iata.org/wcs](http://www.iata.org/wcs)**







TRUCKING

# Tesla Semi

seen to shake-up trucking industry



That's Tesla Semi, Elon Musk's newly unveiled fully-electric Class 8 semi truck, making a major buzz in the global transport industry even before the first prototype is scheduled to be released in 2019.





**I**magine hauling shipments up to 80,000 pounds in a truck without refueling for 500 miles on a full charge. And with Enhanced Autopilot feature, it can drive on its own on highways, with automatic braking, lane keeping and lane departure warnings.

**Founded in 2003, the American automaker and energy company Tesla, which pioneered in self-driving vehicles, now has more than 33,000 employees with assets of over US\$22.6 billion. Traded in NASDAQ as TSLA, its share prices rose by 2.95 percent to US\$315.55 as of November 24.**



That's Tesla Semi, Elon Musk's newly unveiled fully-electric Class 8 semi truck, making a major buzz in the global transport industry even before the first prototype is scheduled to be released in 2019.

Musk said the full drivetrain of the truck will be guaranteed up to one million miles but pricing hasn't been announced.

The truck, which features a sleek, modern design with no trailer, is igniting so much curiosity with its battery that can last up to 500 miles on a full charge which would spell a lot of savings compared to the traditional fuel-generated truck.

The truck's giant battery has four independent electric motors—one for each rear wheel—similar to Model 3. The battery powers can be recharged within a short period of time—30 minutes or so—with which it can travel for another 400 miles. In the United States, most freight trucks

move less than 250 miles.

At the unveiling, Musk said a standard model and an upgraded version with an aerodynamics package will both be available. He said the Tesla Semi could reach zero to 60 mph in just five seconds and when carrying the maximum load, it can reach that's speed in just 20 seconds.

Though Musk's latest innovation is not fully autonomous, it carries features that will make it very convenient to be used and ease for the driver when traveling. It also has the ability to move as a convoy using the platooning method where multiple trucks follow one human driver leader.

Orders are filing for Tesla Semi even

of Transport and Logistics at the Netherlands late November, it will use the electric semi trucks to carry cargo between its factory in Fremont California and its battery factory in Nevada.

"Tesla will be the first customer for the truck. We will use our own truck to carry cargo in the US between our different facilities. We have an assembly facility in California, the Gigafactory in Nevada, so we will use the trucks to carry things in between," he said.

Founded in 2003, the American automaker and energy company Tesla, which pioneered in self-driving vehicles, now has more than 33,000 employees with assets of over



before the first production could be released in two years time. In the United States, several companies in the retail and grocery sectors have already placed orders.

But it looks like Tesla will be the first customer with the company's VP for Truck Programs, Jerome Guillen, announcing at the annual conference

US\$22.6 billion. Traded in NASDAQ as TSLA, its share prices rose by 2.95 percent to US\$315.55 as of November 24.

Analysts said Tesla Semi's entry to the market will disrupt the energy sector, the production line of semi manufacturers, including the lives of truck drivers—for the better.



## US\$114 billion deals made at Dubai Airshow

**DUBAI:** Record deals worth more than \$113.8 billion in new aircraft orders and lease agreements were made at the five-day Dubai Air Show 2017 with Boeing and Airbus dominating the market, officials announced.

The amount is nearly triple of what were ordered in 2015 with many airlines replacing their old fleet and opting for the more fuel-efficient planes. But it still fell short of the US\$200 billion sales made in 2013.

The deals highlight the importance of the Middle East as an aviation market for manufacturers despite the geopolitical challenges in the region, experts said.

"The figures speak for themselves – it's been another successful year. Dubai is geographically at the center of the global aviation world, & Dubai Airshow is where the sector comes to do business. We have seen incredible, unmatched deals, innovations and ideas," said Michele van Akelijen, Managing Director of organizers, Tarsus F&E LLC Middle East.

**BOEING:** Boeing estimated the new orders and commitments for 302 airplanes, including 50 options, at about US\$50 billion at list prices.

"This has been a very successful show for Boeing. Our regional customers have maintained their trust in our products and technology, and our partnerships in the Middle East region continue to grow," said Bernard Dunn, President, Boeing Middle East, North Africa and Turkey.

The US manufacturer secured orders for both commercial and defense aircraft with a host of airlines in the region and elsewhere.

"We signed agreements with key airline partners including Emirates, flydubai, Azerbaijan Airlines, ALAFCO and Ethiopian Airlines. In addition, Egyptair became a new customer for the 787. Finally the airshow was a great opportunity to introduce our newest business unit, Boeing Global Services, to the Middle East market and reiterate the importance of the region to the Boeing Company," said Dunn.

**AIRBUS:** Though the French company Airbus failed to secure orders from Emirates, it emerged victorious with a surprise order from the Arizona-based Indigo Partners for 430 A320 neo family planes worth nearly US\$50 billion.

The new orders will be allocated among the ultra low-cost airlines Frontier Airlines (United States), JetSMART (Chile), Volaris (Mexico) and Wizz Air (Hungary) upon the completion of final purchase agreements between Airbus and the four airlines, Airbus announced.

The 430-aircraft commitment is comprised of 273 A320neos and 157 A321neos worth \$49.5 billion at list prices.

Bill Franke, Managing Partner of Indigo Partners, and John Leahy, Airbus Chief Operating Officer Customers, Airbus Commercial Aircraft, said in a joint statement that when added to existing Airbus A320 Family orders, the new agreement will make Indigo Partners one of the largest customers by order number in the world for the Airbus single-aisle aircraft family.

"This significant commitment for 430 additional aircraft underscores our optimistic view of the growth potential of our family of low-cost airlines, as well as our confidence in the A320neo Family as a platform for that growth," said Franke. "Our airlines know that a great aircraft coupled with a great business plan will create value for our customers. We look forward to bringing comfort and low fares to more passengers around the world as Wizz Air, Volaris, JetSMART and Frontier continue to expand."

"Indigo Partners have been a tremendous customer and supporter of the Airbus single-aisle fleet for many years," said Leahy. "We are proud to augment their airline fleets in Latin America, North America and Europe with the single-aisle aircraft that offers the lowest operating costs, longest range and most spacious cabin: the A320neo Family."

The A320neo Family incorporates the very latest technologies, including new generation engines and Sharklet wing-tip devices, which together will deliver 20 percent fuel savings by 2020.

With more than 5,200 orders received from 95 customers since its launch in 2010, the A320neo Family has captured nearly 60 percent market share.

**EMIRATES:** The world's largest airline, Dubai's Emirates, was Boeing's largest customer, placing 40 orders of 787-10 Dreamliners valued at \$15.1 billion at current list prices.

The airline which is also the largest 777



Boeing operator will receive its 777X in 2020.

Emirates says it chose Dreamliners because of its 25 percent better fuel efficiency per seat and emissions capabilities.

His Highness Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive of Emirates Airline and Group, said Emirates orders will be delivered from 2022, taking the airline well into the 2030s.

"Some of these will be replacements so that we maintain a young and efficient fleet, and others will power our future network growth. We see the 787 as a great complement to our 777 and A380 fleet, providing us with more flexibility to serve a range of destinations as we develop our global route network," he said.





Boeing Commercial Airplanes President & CEO Kevin McAllister described the Boeing 787-10 Dreamliner "as an airplane that will set a new benchmark for operating economics in the commercial aviation industry when it enters service next year."

#### flydubai

flydubai is expanding its network with the purchase of US\$27 billion 225 Boeing 737 MAX aircraft, including 50 options. This is the airline's third aircraft order in its eight-year history.

The Dubai-based flydubai marked its fifth Dubai Air Show by unveiling its brand-new Boeing 737 MAX 8, the first of its 76 orders, scheduled to be fully delivered by 2023.

Six of these aircraft will join the flydubai fleet by the end of the last



quarter of 2017.

"We are gearing up and putting the final touches to these new aircraft which will improve our overall fleet performance, bring more flexibility and efficiency to our operations and further support our commitment to opening up new destinations, whilst delivering an exceptional onboard experience for our passengers," said flydubai's Chief Executive Officer Ghaith Al Ghaith, commenting on the arrival of the MAX 8.

flydubai's new Boeing 737 MAX 8s will initially be deployed on the furthest points on the carrier's network. Destinations including Bangkok, Prague, Yekaterinburg and Zanzibar will be among the first to be served by the MAX 8. The additional aircraft being delivered over the next few years will be rolled out across the fleet and will become available on most of the routes on the network.

Since the beginning of 2017, flydubai has launched six new destinations and grown its network to more than 95

destinations, increased the schedule to more than 1,700 flights per week as well as rolled out its new uniform worn by more than 2,500 uniformed staff.

#### EGYPTAIR & BOMBARDIER

Egypt's national carrier, Egyptair signed a letter of intent (LOI) for up to 24 CS300 aircraft with Canada's Bombardier Commercial Aircraft.

The deal includes 12 CS300 aircraft with purchase rights for an additional 12 aircraft with their firm order contract valued at US\$1.1 billion.

Should EgyptAir also exercise the 12 purchase rights for CS300 aircraft, the contract value would increase to nearly \$2.2 billion.

"It is our pleasure to have this new partnership with Bombardier, which came as a continuation of our fleet modernization strategy. We undertook a thorough evaluation process of our fleet and realized that the CS300 would fit perfectly into our business plans and growth strategy," said Egyptair Chairman & CEO Satwat Musallam.

He said the C Series aircraft serves best their domestic and regional destinations, including neighboring Arab cities in the Middle East.

Fred Cromer, President of Bombardier,



said: "We're thrilled that EgyptAir selected the CS300 aircraft to renew its fleet. Bombardier's 20-year market outlook foresees demand for 450 airplanes in the 60- to 150-seat category for the region and this LOI confirms the need for right-sized aircraft in the Middle East."

Established on May 7, 1932, Egyptair was the first airline in the Middle East

and Africa and the seventh in the world to join IATA.

#### AIR ARABIA

The Sharjah-based low cost carrier Air Arabia signed a lease agreement for six Airbus A321 neo long-range aircraft at the show.

**The new (A321neo LR) will join Air Arabia's existing fleet of 50 A320 aircraft that serve over 133 routes from five hubs in the UAE (Sharjah and Ras Al Khaimah), Morocco, Egypt & Jordan.**



The additional planes are due for delivery in 2019 and will be used for high density routes as well as in Southeast Asia and Africa.

"We continue to witness growth in passenger traffic across our hubs and remain focused on our business model and mission to provide affordable fare and value for money to passengers. The addition of A321neo Long Range aircraft allow us to expand our service to longer range destinations and helps offer more flexibility in our existing high density routes," said Adel Al Ali, Group Chief Executive Officer of Air Arabia.

The new (A321neo LR) will join Air Arabia's existing fleet of 50 A320 aircraft that serve over 133 routes from five hubs in the UAE (Sharjah and Ras Al Khaimah), Morocco, Egypt and Jordan.

John Leahy, Chief Operating Officer Customers, Airbus Commercial Aircraft, said the A321 is a great addition to complement Air Arabia's Airbus fleet.

"With its unique customized interior and passenger comfort, the aircraft will enable Air Arabia to continue to innovate and lead the low cost air travel market in the MENA region while providing its customers with a great value driven product," he said.





## AIRLINES

## Turkish Airlines posts US\$939M net profit in Q3 2017



Turkish Airlines  
Chairman of the  
Board and Executive  
Committee Ilker Ayci

**ISTANBUL:** Turkish Airlines made US\$939 million net profit in the third quarter of 2017, a record in its more than 84-year history, as the global passenger demand hits a new high this year of more than 4 billion.

Its subsidiary, Turkish Cargo, also raked in profits during the period at almost 40 percent to US\$343 million. It was adjudged as the "Best Air Cargo Carrier in Asia" in 2017.

The company said the successful 3rd quarter marked a 23 percent increase on total revenues compared to the same period of 2016, reaching US\$ 3.6 billion. The 9-monthly average on total revenues marked US\$ 8.2 billion with an 8 percent increase.

According to Turkish Airlines 2017 Q3 financial results; the margin of its earnings before interest, taxes, depreciation and amortization (EBITDA) increased 90 percent to USD

1.5 billion. The 41 percent EBITDA margin confirms the Airline's position amongst the most profitable airlines of the industry.

"The net profit recorded in 2017 Q3, clearly demonstrates our capacity to generate cash. As the Turkish Airlines family with our common aim to become one of the leading five star airlines of the world, we will continue this growth trend without ever compromising form our service quality. As largest exporter of Turkey, our march will continue to position Istanbul as a major hub for international airport," said Ilker Ayci, Turkish Airlines Chairman of the Board and Executive Committee.

The airline recorded more than 80 percent load factor in Q3 2017 covering 21.3 million in passenger traffic. This brings to 52 million the passengers it had served over the past nine months in the current year.

## Gulf Air leases 5 Boeing 787-9 Dreamliners



**DUBAI:** Bahrain's Gulf Air is leasing five Boeing 787-9 Dreamliner from Dubai Aerospace Enterprise as it embarks on its expansion plan starting 2018.

DAE said the leased aircraft are fuel efficient and will be delivered next year.

"We look forward to supporting Gulf Air as it continues to grow," said Dubai Aerospace Enterprise Chief Executive Officer Firoz Tarapore.

Gulf Air Deputy Chief Executive Officer Capt. Waleed Abdulhameed Al Alawi said the new aircraft deliveries "represent an important step in our strategic direction towards furthering Gulf Air's fleet modernization process, enhancing passenger comfort and broadening our network as we look to strengthen our presence across the globe."

## SpiceJet nearly doubles profit in third quarter 2017

**GURGAON:** India's third largest airline, SpiceJet, reported a profit of INR 105.3 crore in Q3 2017 as against INR 58.9 crore in the same period last year. The airline said this is its highest quarterly profit in its history with operating revenue of INR1814.3 crore in Q3.

The company witnessed a 7% increase in its passenger yields (Revenue per Available Seat Kilometer) while its average load factor across the network was 93.1%. SpiceJet has recorded more than 90% load factor for the period.

"This has been yet another great quarter for us....We launched new flights on maiden routes and further emphasized our commitment for UDAN as we introduced our fourth daily flight under the scheme," said Ajay Singh, SpiceJet CMD. The airline ordered 50 Bombardier Q400, the single largest order made for that model with the Canadian manufacturer.





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## AIRPORTS

## 400 flights delayed at Paris CDG due to unclaimed bags



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气氛紧张，航班延误，交通受阻，遗弃行李，意味着 2000 名旅客的行程受到延误。

**PARIS:** Groupe ADP has launched an awareness campaign on the human and economic costs of unclaimed bags with reports showing that 400 flights were delayed at Paris CDG in

the first nine months of 2017 due to unattended bags.

"More than 1,000 operations were carried out in the first nine months of 2017 to deal with unattended luggage at Paris-Charles de Gaulle Airport," said Groupe ADP chairman and CEO, Augustin de Romanet.

Groupe ADP, the operator of Paris-Charles de Gaulle Airport, is making the campaign available in French, English and Chinese. The company says the stakes are high for the airlines and public authorities, including airport operators.

"Depending on where the unattended luggage is located, the entire terminal or a part of the terminal may/must be evacuated. Delays can be considerable for some flights. Since the start of the year, around 60% of unattended luggage has been left at Paris-Charles de Gaulle Airport, with 40% of these bags left at the Air France-KLM hub. In August 2017 alone, 214 bags were left by their owners, i.e. an increase of approximately 30% compared to August 2016," Groupe ADP said.

More than 1,000 unattended bags were recorded from January to September this year at Paris-CDG. Group ADP handled via Paris Aéroport more than 97 million passengers & 2.2 million metric tons of freight & mail at Paris-CDG and Orly in 2016 and an additional over 42 million passengers in airports abroad through its subsidiary ADP Int'l. The Group's revenue stood at €2,947 million and net income at €435 million during the period.

## Festive spirit at Munich Airport

From November 18 until December 30, 2017, Munich Airport's MAC Forum will once again be transformed into a winter wonderland – for the 19th time. Amid the pine forest surrounding the big ice rink, visitors from near and far can enjoy seasonal treats and plenty of good cheer daily from 11 am to 9 pm. Like every year, the market is a feast for all of the senses – including the ears: the live music program will include many local acts playing a range of styles for every taste.



## No lighters allowed in Indian airports



**MUMBAI:** If you're thinking of traveling to India, ditch your lighters before reaching the airports if you don't want to be arrested and detained.

India's Central Industrial Security Force (CISF) is now empowered to arrest passengers carrying lighters at airports. The precautionary move aimed at thwarting any possible security attacks have so far resulted to 10 arrests on a daily basis, officials said.

The offense is not considered criminal in nature but passengers caught with lighters are required to make a written apology before they are released.



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## EXECUTIVE MOMENTS

## Gulf Air names new CEO as airline prepares for expansion



H.E. Zayed Bin Rashid Alzayani, Chairman of Gulf Air's Board of Directors, left, with Krešimir Kučko, the airline's new CEO.

**MANAMA:** Gulf Air has named aviation industry veteran Krešimir Kučko as the new Chief Executive Officer of the Kingdom of Bahrain's national carrier.

The Croatian executive's appointment last month comes as the airline prepares for expanding its routes with the delivery of 39 new Boeing and Airbus aircraft starting early 2018.

H.E. Zayed Bin Rashid Alzayani, Chairman of Gulf Air's Board of Directors, welcomed Kučko to his new post, saying: "On behalf of the airline's Board of Directors and executive management team, I welcome Mr. Kučko to the Gulf Air family. He brings with him exceptional industry knowledge that I am confident will add considerable value to our business and I look forward to the journey ahead for the Kingdom of

Bahrain's national carrier."

Kučko will team up with newly-appointed Deputy Chief Executive Officer, Capt. Waleed Abdulhameed Al Alawi, in steering the airline to its new era with modernized fleet and better products and services.

An International Exchange graduate from the University of Zagreb in Croatia, Kučko began his aviation career in 1992 with Croatia Airlines which he later served as president and chief executive officer.

Kučko is a member of several highly-ranked associations—Croatian-Swiss Chamber of Commerce, as well as SKAL Club Zurich, BAR Swiss and Benelux, Star Alliance, CSC in Belgium and CSC in the Netherlands, where he was voted Vice-Chairman in 2012 and appointed Chairman in 2013.

### Menzies appoints new CEO for AMI

**LONDON:** Menzies Aviation has appointed Jonathan Clark as CEO of its subsidiary Air Menzies International (AMI), the world's leading neutral airfreight & express wholesaler. He will join AMI in January 2018.

Clark has spent over 30 years in the airfreight sector, holding positions with MSAS Cargo International (now part of DHL), Lufthansa, Qatar Airways, DB Schenker and (most recently) Cargolux Airlines, where he has served as Africa Director since 2016.

Forsyth Black, President and Managing Director of Menzies Aviation, said the company wanted "a recognized expert in the cargo market to lead AMI into the next stage of its development" and Clark fits the profile.

Clark said he's excited about the prospect of leading AMI and working with a team that is "quality-driven, customer-focused and has given AMI its excellent name in the market."

## MOU between the United Arab Emirates & Kuwait



H.E. Saif Mohammed Al Suwaidi, Director General of the UAE's General Civil Aviation Authority, left, with H.E. Sheikh Salman Sabah Al Salem Al Hamoud Al Sabah, President of Directorate General of Civil Aviation Kuwait, during the Memorandum of Understanding signing ceremony establishing a framework of cooperation between the UAE and Kuwait in the civil aviation sector.

The UAE, which has one of the most advanced aviation sectors globally and ranked as the top ICAO member state in compliance level with ICAO requirements under the USOAP Program, pledged to help Kuwait modernize its aviation industry.





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## EXECUTIVE MOMENTS

### **Etihad Airways appoints Justin Carr as new VP for cargo**



**ABU DHABI:** Etihad Airways has named Justin Carr as the new VP Cargo effective this month.

Carr, who joined the company in the summer from DHL where he was head of MNC Business Development for the ME & Africa region, will be joined by Andre Blech, the new Head of Cargo Delivery.

Strengthening the leadership team, Andre Blech has been announced as the new Head of Cargo Delivery.

Also reporting to Carr, Roberto Gilardoni will expand his current role to include Freighters, Global Customer Management and Industry Verticals.

Etihad Aviation Group (EAG) is a diversified global aviation and travel group comprising five business divisions – Etihad Airways, the national airline of the United Arab Emirates, Etihad Airways Engineering, Etihad Airport Services, Hala Group, and Airline Equity Partners.

Etihad Airways, which has a fleet of more than 100 airbus and Boeing aircraft, flies to 100 passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas.

### **Virgin Atlantic Cargo names new directors**



**LONDON:** Virgin Atlantic Cargo has designated Paul Fallon as the new Director Commercial and Business Development and Tania Wilson as Director Operations.

The changes follow Dominic Kennedy's promotion to Managing Director of Virgin Atlantic Cargo in August.

Paul began his career in Virgin's Commercial team in year 2003 and later spent over five years as Head of Business Development before taking the post of Director Cargo Operations and Business Development in August 2015.

Tania, who will take up her new post in January 2018, is currently Head of Safety at Virgin Atlantic, responsible for flight safety, ground operations safety, engineering safety, cabin safety and occupational health and safety. Tania joined Virgin Atlantic from Airbus UK in year 2001 as a Development Engineer and took up her existing role in year 2013.

In their new roles, Paul and Tania will be based at Virgin's VHQ headquarters near London Gatwick Airport.

### **CEVA promotes Jérôme Lorrain to COO Freight Management**



**HOOFFDORP, THE NETHERLANDS:** CEVA Logistics has promoted Jérôme Lorrain to Chief Operating Officer Freight Management adding the responsibility for Air and Ocean Freight to his current position as head of the ground business line.

Lorrain, a French national, will continue to serve on the company's Executive Board and takes over the air and ocean role from Helmut Kaspers who has left the company.

Michael O'Donoghue, currently Managing Director of the UK, Ireland & Nordics cluster, will be taking up the reins as Managing Director for North America from Lorrain from January 1, 2018. A replacement for O'Donoghue's current role will be announced in due course.

Lorrain has extensive knowledge of the supply chain, logistics and transport industries in almost every market sector.

Before joining CEVA, he was CEO of Wallenborn Transports in Luxembourg May 2009 to May 2014 and prior to that worked at Kuehne + Nagel for nearly a decade beginning in 2000 in senior executive positions across the world.





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## UAE's first nuclear power plant is largest new project in the world



**ABU DHABI:** The construction of the United Arab Emirates' state-of-the-art Barakah Nuclear Power Plant is pushing forward with one of the four APR-1400 reactors about to be completed next year followed by the others in time for their intended use in 2020.

The UAE forecast its electricity demand of just 15.5 GWe in 2008 to shoot to over 40 GWe in 2020 as businesses and urbanization grow. Natural gas supplies, however, are sufficient for only half of its power demand.

Imported coal was dismissed as an option due to environmental and energy security implications and renewables would be able to supply only 6-7% of the needed power by 2020, thus, the nuclear energy program was mulled, according to the World Nuclear Association.

In close consultation with the International Atomic Energy Agency, the UAE nuclear project costing \$24.4 billion began in 2012 with the South Korean consortium, Korea Electric Power Corporation (KEPCO), leading the construction.

The UAE government said the overall completion of the four units is now more than 84% complete, with Unit 1 now more than 96% completed. Once

the four reactors are online, the facility will deliver up to a quarter of the UAE's electricity needs, and save up to 21 million tons of carbon emissions every year.

With four identical reactors being built simultaneously, the Barakah Plant, located in the Al Dhafra Region of the capital Abu Dhabi, is now the world's largest nuclear new build project.

In 2017, the Reactor Containment Building Liner Dome section was installed and concrete pouring for the dome was completed on Unit 3, and the Reactor Containment Liner Plate Rings, Reactor Vessel, Steam Generators and Condenser were installed on Unit 4. Testing and commissioning activities are progressing steadily on Units 1 and 2.

H.H. Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in the Al Dhafra Region, visited the Barakah Nuclear Energy Plant to witness the latest construction milestones and receive a briefing on progress of the UAE Peaceful Nuclear Energy Program.

The management teams highlighted that construction of the Barakah Plant is progressing safely and steadily, making it a role model for all new nuclear energy programs globally.

### Dubai South seeks hydrogen powered smart transportation

**DUBAI:** Fuel may be cheaper in the Middle East to power up cars and other modes of transportation but innovations are slowly creeping up to spare the use of the region's most precious resource in favor of more environment-friendly options.

Dubai South, the UAE's newest economic zone, has commissioned AAQIUS of Switzerland, to explore the use of environmentally friendly transportation and mobility solutions in the area, based on STOR-H, an innovative hydrogen storage technology developed by the Swiss company.

The companies signed a Memorandum of Understanding (MoU) to collaborate on the project that will be used at Dubai South, which supports a number of activities such as logistics, aviation, commercial, exhibition, humanitarian, residential and other related businesses around the Al Maktoum International Airport, with planned annual capacity of 12 million tons of cargo and about 160 million passengers.

STOR- H technology will represent a quantum leap in reducing carbon dioxide from transport and will promote sustainable transport and mobility solutions through the deployment of a new energy standard for green mobility.

The MoU was inked at the Dubai Air Show 2017 and was signed by Khalifa Al Zaffin, Executive Chairman of Dubai Aviation City Corporation, and Michael Levy, Vice President of Research and Innovation of AAQIUS.



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Standing from left: The Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum with H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council. Seated right: His Highness Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive of Emirates Airline and Group

His Highness Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive of Emirates Airline and Group, with the flydubai CEO Ghaith Al Ghaith H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council





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