INDIA carves the path for steady growth

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Amitava Saha, Co-Founder and CEO, XpressBees
Flower Logistics Africa this year will begin from where we stopped last year and take stock of things that have changed since we met last time in Nairobi. The conference will delve deep into developments in temperature controlled logistics and packaging solutions:

- How can improved trade relations within Africa enhance Africa’s flower trade in global markets?
- How will technology improve the quality of flower supply chain?
- How will compliance be made more friendly and facilitating?
- How can regulatory bodies ensure smooth flow of flower trade out of Africa’s key markets?

As always, the conference will offer the best opportunity to network with all stakeholders.

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The second edition of Perishable Logistics Africa will amplify the call to create industry collaborations to improve Africa’s perishable exports through better logistics network and cold chain infrastructure:

- How can wastage be controlled by building cold chain infrastructure for the African perishable export sector?
- How will Africa’s key perishables exports markets attract foreign investments to create modern warehouses?
- How can technology be exploited to bring in transparency and traceability in perishable logistics value chain?
- How can regional and global trade agreements improve Africa’s prospects to become a leader in perishables export?

As always, the conference will offer the best opportunity to network with all stakeholders in a convivial setting.

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**INDIA CARVES THE PATH FOR STEADY GROWTH**

India has made some positive initiatives to achieve the dream of becoming an air cargo hub. Indian aviation industry is witnessing a historic growth in terms of volumes while adopting worlds’ best practices. Stakeholders predict digitisation, systems integration and automation, and capacity building as key drivers for long term growth. While airport infrastructure is set to grow manifold, it is its pace that will determine the success.

**REVIEW**

**ACI 2018: GIVING WINGS TO GLOBAL AIR CARGO**

Pharmaceuticals makes for the most lucrative and niche product that the air cargo players transport today. Indisputably valuable, the product however demands strict adherence to changing regulations that comes along. The air cargo industry will have to continuously adapt to these requirements for better business returns and to make it a win-win situation for both the sectors.

**INTERVIEW**

**XPRESSBEE SETS TO BE THE LARGEST E-COMMERCE CROSS-BORDER PLAYER**

In the wake of the recent investment from Alibaba Group, Amitava Saha, the Co-Founder and CEO, XpressBees, an e-commerce specialised logistics company, discusses plans for positioning itself as the leader in e-commerce logistics. Saha talks about the unprecedented growth in 2017 while XpressBees being four times more capital efficient compared to its competitors.

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Economy on growth trajectory after sluggish growth

The last quarter of Financial Year 2017-18 has ended and a new Financial Year 2018-19 has commenced. It is therefore appropriate to briefly review some of the key issues and events of the fiscal which has ended.

The most important legislation during the last fiscal from the industry, trade and business perspective was the implementation of Goods and Service Tax (GST) from 1 July 2017. As is the case with any new measure, there were a number of operational issues which needed to be resolved by the concerned authorities to make the process of filing returns and claiming the Input Tax Credit (ITC) smooth and free of hassles. The GST Council has met frequently during the year to review all aspects of GST on the basis of the feedback from trade, business and industry. It is indeed heartening that after review, the Council has recommended many positive changes in the GST Laws which have simplified the compliance processes and have proved beneficial to the indirect tax payers.

As far as the airfreight sector is concerned, the most beneficial change in the GST laws pertains to the exemption from 18 percent GST on export freight, which became effective on 25 January 2018 until 30 September 2018. ACAAI had vigorously pursued the issue of exemption from GST for export freight for many months with the concerned Ministries. Although exemption from GST has not yet been obtained, our efforts in this regard are ongoing.

E- Waybill is a document which has to be generated electronically before the movement of goods both for Intra-State (within a state) and Inter-State (from one state to another) supply having value of more than Rs 50,000. The purpose of the E-Waybill is to eradicate tax evasion and to ensure the ease of doing business by avoiding wastage of time at the check posts. This system was earlier rolled out on 16 January 2018 on a trial basis and implemented mandatorily from 1 February, 2018 for inter-state movement. However, due to technical glitches resulting in the disruption of trade, the same was deferred. The E Waybill system for inter-state movement of goods has now been implemented from 1 April 2018. As per media reports, the rollout of this system for intra-state movement of goods is likely to take place in a phased manner with effect from 1 June, 2018.

In November 2017, Department of Economic Affairs, Ministry of Finance has issued a notification granting infrastructure status for the transport and logistics sectors. This development is likely to have a major beneficial impact on the logistics sector, as it is expected that the transaction costs of this sector will reduce substantially. Currently, the logistics transaction costs in India is around 14% of GDP, whereas the corresponding cost in the major global economies is between 6 to 8 % of GDP. Inclusion of logistics in the infrastructure category will enable this sector to raise funds at competitive rates from lending institutions, which will go a long way in reducing its transaction costs in India.

After several quarters of sluggish GDP growth, the Indian economy is once again showing signs of robustness. The unsettling effects of demonetisation and GST have recessed and the economy is once again on the growth trajectory. It is estimated that the economy will grow at around 7 to 7.2 percent during the next few quarters. This situation bodes well for the logistics and airfreight sectors, as it is expected that manufacturing and exports will be key drivers of the economic growth.

The 2018 ACAAI Convention will be held at Hotel Marriott Al Forsan, Abu Dhabi, from 3 to 5 May 2018. The preparations for this eagerly awaited annual event are in full swing. Approximately 250 to 300 participants are expected to attend the Convention. It is after a period of about 15 years that ACAAI is holding its Convention in the Middle East Region. The Government of India is currently placing great emphasis on enhanced bilateral relations with various countries, including UAE, in this Region. Abu Dhabi offers a number of cultural and tourist attractions and it is also an excellent venue for conferences and conventions. It is therefore befitting that ACAAI’s most prestigious annual event will be held at Abu Dhabi in 2018.

I wish the Convention participants a memorable experience.
India has made some positive initiatives to achieve the dream of becoming an air cargo hub. Indian aviation industry is witnessing a historic growth in terms of volumes while adopting worlds’ best practices. Stakeholders predict digitisation, systems integration and automation, and capacity building as key drivers for long term growth. While airport infrastructure is set to grow manifold, it is its pace that will determine the success.

NAHIDA JAFFERI
It continues to loom large on India that it is the only country of this size that does not have a logistics hub. Predicted to be the world’s fifth largest exporter by 2030, India is far behind its Asian counterparts when it comes to building transshipment hubs.

United Arab Emirates’ (UAE) quality of overall transport infrastructure is ranked third best in the world. Singapore Changi Airport that provides consultation and training to other airports in the world, has been ranked the best airport for six consecutive years. Airport Authority of India and Changi Airports International (CAI) called off collaboration to design, develop and maintain Ahmedabad and Jaipur airports, because both parties could not agree on the commercial terms. Singapore Airports Terminal Services Limited that holds 80 percent in Changi Airport’s cargo handling and catering business, has a 50:50 joint venture with Air India, to offer world class facilities and services at international airports in India like Bengaluru, Delhi, Hyderabad, Mangalore and Trivandrum.

Having said that, adoption of innovation and technology along with substantial infrastructure investments are coming at the right time in the Indian airports sector. India is taking steps in the right direction.

As aviation in India grows, India is on the verge of expanding connectivity by establishing 100 airports in the next 15 years at an investment of Rs 4 lakh crore. Kapil Kaul, CEO of Centre for Asia Pacific Aviation (CAPA), pointed out that Indian airport capacity shortages have reached a near crisis situation, as planning for additional capacity has remained unaddressed for the past 10 years.

India has 100 operational airports and is the fastest-growing aviation market in terms of domestic passenger growth. Domestic airlines are also geared to add more airplanes for complementing the connectivity growth. In terms of cargo, the capacity of Indian airports stands at 4.63 million tonnes, and there is a need for additional 2 million metric tonnes to meet the projected air cargo demand of 60 percent in the next five years.

The government of India has earmarked Rs 88,000 crore for capital projects at airport covering air cargo facilities over the next five years. It has built 21 common user domestic cargo terminals in Airport Authority of India (AAI) airports, and plans to reduce cargo release time to two days for air imports, and one day for exports.

It is also a stated objective to bring down logistics cost to 9 percent of GDP by 2022, from the current 13-14 percent. The ministry is working towards improving India’s ranking in World Bank’s Logistics Performance Index (LPI) from 35 to 15 by 2020. This year, India will be introducing a Domestic Logistics Performance Index (LPI) to rank the Indian states as per competition. While India’s neighbouring nations like Singapore, Hong Kong and UAE have made huge strides in the area of logistics, India shall now declare logistics as an industry,
and also increase jobs to 40 million from 20 million by 2022.

The reason why UAE or Hong Kong are major global air cargo hubs is not just because of the airport infrastructure alone but carriers like Etihad, Emirates SkyCargo and Cathay Pacific connect numerous destination with wide body aircraft. It is noteworthy to mention that the sixth freedom traffic that allows a carrier to fly from one foreign country to another by stopping at one’s own country, constitutes 61.14 percent of total international traffic in India reducing direct long haul flights for Indian carriers to 20.5 percent, as per 2015-2016 statistics.

On the other hand, the rise of e-commerce in tier-2 and tier-3 cities has led to the need of better infrastructure and more capacity to process both international and domestic cargo in tier-2 and tier-3 airports. The domestic airlines are flying with an under-load of 60 percent in passenger belly capacity.

When we consider growth as per the commodity segment, the e-commerce, pharma and perishables business are doing well since the past few years in India. Traditionally the pharma markets have been out of Europe, Australia and North America. Mumbai International Airport saw 21 percent increase in pharma growth in 2017.

South India is the biggest exporter of fresh fruits, vegetables, roses, livestock and meat. Bengaluru International Airport (BIAL) saw perishables as the biggest growth contributor. BIAL contributes 11 percent to Karnataka’s GDP which is higher than the global average of two to three percent. Exports of perishables from Bengaluru is growing at CAGR of 20 percent every year. Pomegranates from Bengaluru has peaked 1 tonner per day. AISATS CoolPort at BIAL is key to Karnataka’s pharma and perishables exports.

RAMESH MAMIDALA
Celebi Delhi Cargo Terminal Management

“Some of our airports have been successfully running web-based slot booking system for several years which did contribute to more efficient export acceptance process and resulted in significant reduction in export dwell time. Celebi will also soon implement a similar system for import cargo, which I believe will lead to similar benefits for import.”

THE TRANSSHIPMENT DREAM
Manoj Singh, Senior Vice President and Head of Cargo, GVK-Mumbai International Airport (MIAL), said, “Government of India has been taking various positive steps and initiatives to promote the Indian aviation sector. It is an encouraging move to build new airports in tier-2 and tier-3 cities across the country and adding new air routes under the Regional Air Connectivity scheme.”

Singh further added, “Major gateway airports have immense potential to transform as air cargo hubs provided they have a strong regional connectivity through robust air, sea and road networks. It would be more beneficial in terms of connecting the upcoming airports to the well-established major gateway airports to facilitate a strong hub and spoke model in order to promote air transshipments.”

He emphasised that the harmonisation and simplification of regulatory framework for transshipment clearances and implementation of Authorized Economic Operator (AEO) programme will provide a fillip to this business model. The big questions is whether India would match the volumes of Hong Kong and Dubai airports. Hong Kong airport alone handled 4.9 million tonnes in 2017 while the combined cargo volumes of Indian airports is 3.3 million tonnes. MIAL recorded a 15 percent increase in transshipment volumes in FY2018 over the same period in FY2017. Singh believes that India can achieve the dream of becoming a transshipment hub.

“The upcoming Navi Mumbai airport being geographically positioned, with close proximity to the seaport has enough potential to be transformed into a transshipment/cargo hub with robust multimodal and regional connectivity.”

“Considering the pace of cargo growth at the airport supported by pharma, e-commerce and transshipments, MIAL anticipates Chatrapati Shivaji International Airport (CSIA) to hit the list of top 30 global airports in few years in terms of annual cargo volume,” said Singh.

Ramesh Mamidala, CEO, Celebi Delhi Cargo Terminal Management, said, “In terms
of capability to achieve faster transshipment processes, some of our airports are not far from achieving globally acclaimed standards. Delhi airport has already established an airside dedicated transshipment facility that is being equipped to process transshipment cargo with 3, 6 and 12 hours connection windows for different products and commodities. The transshipment facility infrastructure would include, besides standard handling equipment, DV large screening machines and ETDs.

**INFRASTRUCTURE TO EXPEDITE CARGO**

At MIAL, more than 50 percent of the air cargo transactions have been transformed to digital process reducing the cargo processing dwell time and carbon footprint to a considerable extent. “MIAL is pioneering the airport’s digital initiatives by implementing the country’s first ‘Airport Cargo Community Portal – GMAX’ and adoption of IATA e-Freight. In conjunction with the launch of GMAX, MIAL has also become the first airport in the country to introduce “Air Cargo Custodian Mobile Application” for real-time cargo tracking at the air cargo terminal,” informed Singh. Through elimination of paper transactions at export cargo admittance, import cargo breakdown, import delivery order issuance, automated vehicle management and electronic message exchange with customs and airlines, MIAL has become a pioneer in e-freight adoption setting benchmarks for many airports.

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**MANOJ SINGH**

GVK-Mumbai International Airport

As the air cargo market is always hard to predict, Reto Hunziker, Group Cargo Director, Chapman Freeborn, impressed upon the learning lessons from international airports for India. “Last year, the industry as a whole was poorly prepared for the busiest peak
season in a decade and we saw key airports in Europe and the US severely stretched at times. Across Europe, handling agents were overwhelmed with both import and export cargo; freighter airports too were unable to handle the surge in business. This resulted in aircraft heavily delayed while sometimes leaving only partly loaded," said Hunziker.

As a remedy to the issue, Hunziker suggested that there has to be enough slack built into the system to successfully capitalise on surge in demand. It’s more than just having enough aircraft capacity – there needs to be sufficient slots available for cargo flights, adequate ground handling, and good infrastructure and road networks for onward transit. Without this there’s always the potential for bottlenecks.

One example of how to successfully eliminate such delays is the BruCloud slot booking app of Brussels Airport, which helps to digitise landside management and eliminate waiting and idle times at the ground handlers’ facility which allows for better capacity utilisation.

Mamidala said, "Some of our airports, including Celebi terminal in Delhi, have successfully been running web-based slot booking system for several years which did contribute to more efficient export acceptance process and resulted in significant reduction in export dwell time. Celebi will also soon implement a similar system for import which I believe will lead to similar benefits for import."

The domestic air cargo demand continues to grow. However, the percentage of e-commerce by air has come down to 40 percent from 70 percent in 2014. Dwell time and lack of transparency for booking is cited as the reason. On this Mamidala remarked, "Airlines, airports and Cargo Terminal Operators (CTOs) that process courier cargo need to fully integrate themselves with the e-commerce logistics companies’ IT system for seamless and real-time status update of shipments. Several airports still lack this capability, thus losing out to surface transport which seems to have an edge in providing real-time accurate shipment status update information."

He cited the example of Celebi’s new domestic terminal, which is dedicated for Indigo in Delhi, where it has deployed the best technology for shipment handling and information processing. "In first of its kind, we have deployed inline volume scanning machines that are completely integrated with the x-rays and the terminal management IT system. As a result, we saw a reduction of up to 50 percent in processing cycle times and connection windows," informed Mamidala.

With regards to Ground Support Equipment (GSE) pooling, Mamidala said that it is difficult to pool resources amidst active competition at one airport. "It has obvious purchase cost and efficiency advantages, but I do not foresee this happening in airports where we have actively competing ground handlers," he remarked.

GSE pooling is where all GSE equipment is owned by airport or Airline Operating Committee and stored centrally, which can be leased by ground handlers as per requirement. It helps to reduce apron congestion and saves the purchase and maintenance costs. London Luton Airport has recently resorted to GSE pooling along with Swissport and Menzies.

Another important issue in India is that of self-handling. The government allows domestic carriers in India to carry out 100 percent self-handling at airports that proves detrimental to airlines, and handlers as it increases costs. Mamidala commented, "Any one airline that does about 300,000 tonnes of annual cargo in a single location should consider self-handling for obvious reasons. Unfortunately, we do not have airlines that are large, in any location that can benefit from economies of scale for self-handling. In such a scenario, self-handling will obviously increase the cost for an airline, in addition to depriving other airlines and handlers from benefit of economies of scale leading to increase in unit cost."

**CARGO AGENTS PERSPECTIVE**

Talking about dwell time, Bharat J Thakkar, Joint Managing Director, Zeus Air Services, said, "At some airports, it takes weeks or months to return misrouted shipments, which results in penalties, detention by CTOs, and revenue loss to carriers. Having said that, we need to adopt global best practices to deal with misrouted cargo."
Services, said that the biggest disadvantage is that India is the only country which has made Indian Consol Agents (Break Bulk Agents) responsible for filing advance Import General Manifest before shipments land into India. Globally, it is done by the country of origin as they are aware of what is being uplifted for a destination. Several recommendations have been made to the Central Board of Indirect taxes and Customs & Ministry of Civil Aviation to make the process seamless and bring down dwell time.

The dwell time at airports in India can come down if the free time is reduced from current 72 hours to 48 hours. Further reduction of free time is not advisable at the moment, unless all processes are system driven and paperless transaction is adopted by CTOs, stakeholders, nodal agencies and regulators,” stated Thakkar, who was also the president of Air Cargo Agents Association of India (ACAAI).

“Today, many Indian airports with least amount space, have specially assigned task force to ensure shipments are cleared within six hours of arrival. India’s largest air importers with over 33,000 import shipments, have set up a system with stakeholders to clear the cargo in the same day,” informed Thakkar.

Thakkar emphasized on import irregularities and advocated that the request by airlines for amendment of import manifest should be permitted on the day of arrival, in case of excess or misrouted cargo of other destination. “This should be done on the basis of segregation report made by CTO, which is supported by airlines that provide Master Airways Bill (MAWB) manifest and House Airway Bill (HAWB) in case of consol cargo, and AWB for direct shipment. There should be no penalties imposed in case of short or excess receipt of cargo. A common system-driven process followed by all airports in India is required. The system should be in line with existing passenger baggage process,” he said.

“At some airports, it takes weeks or months to return misrouted shipments, which results in penalties, detention by CTOs, and revenue loss to carriers,” lamented Thakkar. “Having said that, we need to adopt global best practices to deal with misrouted cargo.”

For instance, if a cargo destined to Hong Kong from UK, is misrouted to Mumbai and for any reason that same airline has no flights from Bombay to Hong Kong, they may have to take it back to UK to ship it to its correct destination. This amounts to revenue loss to airlines.

Infrastructure and regulatory support, in addition to a home carrier with better share in international traffic from India is the need of the hour. The private sector is driving the growth for air cargo with its efforts in digitisation, capacity building and efficiency. With historic growth recorded in 2017, dedicated investments, innovative IT solutions and upcoming airports, air cargo in India seems to be well on its way to achieve the brilliance it envisages.

Reto Hunziker
Chapman Freeborn

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Air Cargo India
giving wings to global air cargo industry

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NAHIDA JAFFERI
Vandana Aggarwal, Economic Advisor, Ministry of Civil Aviation, Government of India, urged the delegates at Air Cargo India 2018, to tell what it needs from the government, and announced that it has earmarked INR 88,000 crore for capital projects at airport covering air cargo facilities over the next five years.

The conference cum exhibition kick started on a positive note as Aggarwal in her keynote inaugural address impressed upon that the government shall bring down logistics costs to 9 percent of GDP by 2022, from the current 13-14 percent. “The ministry is also working towards improving India’s ranking in World Bank’s Logistics Performance Index (LPI) from 35 to 15 by 2020. This year, we shall be introducing a Domestic Logistics Performance Index to rank the Indian states as per competition,” informed Aggarwal.

The three-day event witnessed the innovative spirit of the industry with the launch of new initiatives and key partnerships, while the stakeholders discussed ways for making the air cargo business efficient. The event gathered close to 500 delegates, 79 exhibitors and about 2500 trade visitors.

The International Air Shippers Association (IASA) was launched on the first day that was also marked by many new deal announcements at the event. Des Vertannes, Director General of IASA, and former chief of cargo, IATA, said, “The objective is to give the air cargo shippers a platform where their voices can be heard because they are the ones behind the industry moving $6.4 trillion worth of goods around the world.”

At the Pharma Air Shippers’ Forum, Penta Freight and Amerijet International officially signed their new full memberships with Pharma.Aero, a cross-industry collaboration of Pharma Shippers, CEIV certified cargo communities, airport operators and other air cargo industry stakeholders.

Manoj Singh, the Senior Vice President-Head Cargo, Mumbai International Airport- GVK, announced, “MIAL is working on a prototype to the much expensive cool dollies which is expected to go live by March end. It will be a game changer for moving export cargo from India. Pharma handling at MIAL grew by 21 percent in 2017. The pharmacy centre at MIAL will be IATA CEIV certified by mid-March.” IATA CEIV certification helps mitigates the risk in pharma handing.

Marking another innovative launch at the event, Dheeraj Kohli, VP and global head for travel and transportation, Unisys, a global IT firm, announced its Digipl Pet solution, an Internet of Things (IoT) device that enables pet owners to monitor and talk to their pets from their personal devices, while they are transported via air.

Glyn Hughes, Global Head of Cargo, IATA, moderated the first panel discussion on ‘charting a new flight path for Indian air cargo as a global destination’. Hughes put forth an important question: is India ready for consistent growth in air cargo? Russi Bhatiwalla, CEO, Chapman Freeborn, mentioned that the industry was not prepared for the upturn in 2017 due to the limited aircrafts including freighters, and not enough ground staff at airports. “The shippers were also forced to pay high rates. We’ve got people like Airbus and Boeing, IATA, legacy carriers, but we failed,” he said.

Air cargo in India witnessed a 15 percent growth in 2017, and expects to grow by 20 percent in 2018. While gauging the perceptions of the delegates, Aggarwal emphasized on India losing out on being a transshipment hub despite its geographic location. Hemanth DP, COO, Aerocommercial Cargo & Asia Pacific Flying School, GMR Airport, responded by saying that India’s import by air is less compared to export; only if the carriers come into wide-body and start offering connectivity the way they do on the domestic side, then transshipment would not be a far off dream.

Addressing the question on adding domestic freighter capacity, DP said, “We have nearly 600 aircraft doing close to 2000 flights a day with a capacity of 3000 tonnes, connecting 40-50 airports in the country. 60 percent of the domestic belly air cargo has an underload. If there is lot of cargo to be moved, shippers will be more than happy to send it via air provided the price point is right,” he reasoned.

At the exhibition, Aggarwal visited the Saudi Cargo stand that was based on the ‘Fly Perishables & Fly Pharma’ theme. She emphasized on the strong relations and growing trade between India and Saudi Arabia. Major Indian exports to Saudi Arabia include fruits, vegetables, meat, fish, basmati rice, textiles and machinery, while imports include organic and inorganic chemicals, metal crap, leather, gold and oil.

At the panel session on ‘air cargo facilitating global trade’, moderated by Bart Poutsels, Director Business Development Cargo, Amsterdam Airport Schiphol, said, “It is critical to digitise the operations and make better use of the information.” Mark Sutch, Regional GM, Middle East & South Asia, Middle East & Africa, Cathay Pacific Group pointed out, “Developing free trade agreements are helping the cargo in a bigger way.”

In a discussion on digitalisation, the panelists stressed upon the need of blockchain, the looming challenge of data transparency due to stakeholder’s reluctance to share data on cloud platforms, urgent need for standardisation, and much more. It also raised speculations on whether the days of freight forwarders are numbered due to digitisation led data transparency.

Burak Omero Lu, Middle East and South Asia Regional Senior Vice President, Turkish Airlines, said, “We use the e-AWB, in addition to the

VANDANA AGGARWAL
Ministry of Civil Aviation

“We have earmarked INR 88,000 crore for capital projects at airport covering air cargo facilities over the next five years. The ministry is also working towards improving India’s ranking in World Bank’s Logistics Performance Index (LPI) from 35 to 15 by 2020.”
technologies at the facilities to make cargo visible. We are ensuring that our new state-of-the-art facilities would make use of high end technologies from the very beginning."

Highlighting an exciting initiative, Ramesh Mamidala, CEO, Celebi Delhi Cargo Terminal Management, said, "We are considering the use of drones in our warehouses to carry out live inventory and are working with regulators to make it a reality." He added that the biggest challenge is the fragmented interface with multiple stakeholders like customs, airports, airlines and the absence of standardisation."

Echoing similar views, Amar More, CEO, Kale Logistics Solutions called for a union of all the standard setting bodies as the regulators have a huge role to play in making industry holders adopt digitalisation. Kale Logistics, MIAL and Schipol Airport, Netherlands and Cargonaut have pioneered a digital air corridor between India and the Netherlands. Kale Logistics and Cargonaut will collaboratively develop a shared interface between their respective air cargo community systems, which will facilitate flow of information within the stakeholder chain and optimise cargo visibility across the stakeholder network.

Following the brainstorming sessions on the second day of ACI 2018, the STAT Times International Award for Excellence in Air Cargo was held to honour the industry players. The STAT Times Lifetime Achievement award was bestowed upon Arvind Parikh. 91-year-old Parikh is the chairman of Lemuir Group, and one of the living legends of the Hindustani classical music.

The third day covered e-commerce retail, the biggest contributor to the 2017 upturn for the air freight industry after years of lull. Pinakiranjan Mishra, partner and national leader, retail and consumer products, E&Y, suggested the industry to do something transformational like adding drone capacity to deliver profitability faster. Mishra said, "In the Indian market, e-commerce shipments through air cargo has gone down from 60 percent to 70 percent in 2014, to 40 percent today. The only way the industry can win is by making it low cost by forming an ecosystem with the efficient technology that the Indian tech startups are building."

Abhishek Middha, Founder, The BOHO Street, pointed towards the reliability and transparency factor in the air cargo industry. He stated, "The tracking updates from freight forwarders are not reliable to us. Also, from India international delivery by air, takes 2-3 weeks. China is delivering the same shipment in 7-8 days in economy service." Middha cited the example of China Post that has a tie up with USPS to let shippers deliver across border to US at a lower price, and urged to take cue.

Setting a cautious tone, Tom Crabtree- Regional Director, Airline Market Analysis, Marketing and Business Development, Boeing, said, "E-commerce is changing consumers’ expectations and increasing manufacturing demand. Airlines are considering capacity additions. However, we are not over excited about the growth, since..."
“China Post has a tie up with USPS to let shippers deliver across border to US at a lower price. Also, from India international delivery by air takes 2-3 weeks. China is delivering the same shipment in 7-8 days in economy service.”

Tushar Jani, Chairman of Cargo Service Center responded, “Air cargo is the relay race. That is why you hand over your cargo in someone else’s hand. The data has to come from shipper to ensure efficiency in supply chain. It is the shipper who is reluctant to pass over the data.”

However, Steven Polmans, Vice Chairman, TIACA, opined, “We need to create data transparency for the entire organization and not just the shipper, to reduce the dwell time significantly. We don’t need transparency to tell the shipper some information without being able to reduce the dwell time.”

ACI 2018 clearly gave out the message that if the industry has to move forward, it needs to arrive at a consensus on steps to be taken. The event enabled the industry to understand that collaboration between stakeholders and competitors, coupled with the logistics backbone of technology, and transparency is the way forward for enhancing air cargo share in global trade.

we have key learnings from the downturn in 2008.”

From the airport perspective, Steven Verhasselt, VP, Commercial, Liege Airport, called for collaborative thinking. He said “Different airports need to work on the supply chain together to meet the requirements of e-commerce. An airport building an extra warehouse is not efficient enough because cargo needs to be in the airplane and not lying in the warehouses.”

While moderating the session on ‘Industry collaboration to ensure profitable supply chains’, Emir Pineda, Manager Aviation Trade & Logistics, Miami-Dade Aviation Department, MIA, asked the panelists the importance of trust factor with their customers in the air cargo industry.

RUSSI BATLIWALA
Chapman Freeborn

“The industry was not prepared for the upturn in 2017. We’ve got people like Airbus and Boeing, IATA, legacy carriers, but we failed.”

Russi Batliwala
Chapman Freeborn
As always, STAT Times International Award for Excellence in Air Cargo brought a lot of excitement, as industry stalwarts waited with bated breath to hear their names being announced for the prestigious awards. The night was filled with fun and excitement as the industry players cherished the moments of recognition in front of all major air cargo leaders under one roof. An assortment of awards including the STAT Times Lifetime Achievement Award, International Cargo Airline of the Year, International Cargo Airport of the Year, Air Cargo Brand of the Year were presented at the glittering evening of entertainment and celebrations.
Fastest growing International Cargo airline of the year (Highly Acclaimed)
Ethiopian Cargo

International Cargo handler of the year (Winner)
Worldwide Flight Services

International Cargo handler of the year (Highly Acclaimed)
SATS

International General Sales Agent of the year (Highly Acclaimed)
Air Logistics Group

International General Sales Agent of the year (Winner)
ECS Group

Emerging Cargo Airport of the year - Region - India (Highly Acclaimed)
Rajiv Gandhi International Airport
Hyderabad

Emerging Cargo Airport of the year - Region - India (Winner)
Kempegowda International Airport
Bengaluru

Cargo Airport of the year - Region - India (Highly Acclaimed)
Chennai International Airport

Cargo Airport of the year - Region - India (Winner)
GVK Mumbai International Airport

Cargo Airline of the year - Region - India (Highly Acclaimed)
Air India Cargo

Cargo Airline of the year - Region - India (Winner)
Indigo Cargo

International Cargo Airport of the year (Highly Acclaimed)
Frankfurt Airport

International Cargo Airport of the year (Winner)
Brussels Airport

Fastest Growing International Cargo Airline of the year (Highly Acclaimed)
Turkish Cargo

Fastest Growing International Cargo Airline of the year (Winner)
Emirates SkyCargo

Cargo Airport of the year - Region - India (Highly Acclaimed)
Qatar Airways Cargo

Cargo Airport of the year - Region - India (Winner)
Turkish Cargo

International Cargo Airline of the year (Highly Acclaimed)
Saudia Cargo

International Air Cargo Marketer of the year (Winner)
Turkish Cargo

International Air Cargo Marketer of the year (Winner)
Saudia Cargo
Need for SPEED for high-tech logistics

In this highly demanding “need-it-yesterday” world of high-tech cargo where product life-cycles are ever-shrinking, air freight plays a critical role. To cater to this demand, the warped-up speed at which high-tech products are manufactured and flooded in the market requires the co-operation and support of an agile and responsive supply chain network.

SURYA KANNOTH
When a new iPhone is announced, especially at high-volume times of the year like the holiday season, the clock starts ticking faster-than-the-speed-of-light for its logistics team. On November 3 last year, when the iPhone X was launched, Apple’s logistics team monitored hundreds of flights, thousands of carrier delivery hubs and tens of thousands of delivery vehicles — just to make sure that its fulfillment rate stood at 100 percent.

That’s the kind of pressure that logistics partners catering to high-tech products have to go through to ensure the timely delivery of shipments. “The high-tech industry is one of the most demanding industries when it comes to speed, accuracy and visibility due to consumers’ behavior. End customers can’t wait anymore for the product to arrive at retail points of sales, they pre-buy it and book it online, weeks before it is released in the markets,” states Amer Abu Obeid, regional director – Europe, Saudia Cargo. The Middle Eastern airline ranks among the world’s leading specialist airfreight carriers and flies high tech shipments through the year from the US, Europe and Asia into the Kingdom of Saudi Arabia and the region.

Moving computers, semiconductors and other high-tech products around the globe requires a well-orchestrated network of logistics stakeholders to take advantage of peak market cycles. From the speed at which they arrive at the destination country to the speed they move through customs, the product needs to be kept moving to effectively manage dynamic product life cycles. Customs clearance, import and export regulations, documentation and classification, tariffs, currency exchange, coordination with multiple trading partners, unfamiliar regulations, even the new distribution models — all these stages must be dealt with seamlessly.

“The high-value nature of hi-tech goods demands both speed and visibility, particularly for the shipper, his customer and the freight agent. In the case of new product launches, there is an added need for the utmost security in handling, due to commercial sensitivity in the pre-market stocking phase,” explains Vivien Lau, executive director, Hactl.

Given Hong Kong’s strategic location, Hactl is very accustomed to handling pressures during product launch phases where the demand for delivery peaks. “Our staff has developed a great deal of experience in product launch support. Our facility has plentiful spare capacity to handle more throughput, particularly the freighters that are often chartered in for sudden and short term traffic peaks caused by new product launches. And any problems that might occur in landing slots availability at HKG can easily be balanced by Hacis providing efficient and cost-effective RFS links to other airports in the region,” said Lau.

Lau further informs that Hactl has a recognised capability to speedily process smaller hi-tech shipments through its express facility, and have the added resource of Hacis value-added logistics subsidiary which provides complementary customised solutions.

Hong Kong Air Cargo Terminals Limited (Hactl), one of the world’s leading air cargo terminals with the unique world-class facilities, highly efficient operation, and innovative technology, is a major transshipment hub for high-tech goods. Tens of thousands of high value and high-tech air cargo pass through SuperTerminal 1 every day and the terminal ensures that security is never compromised.

Electronic products are generally prone to heavy pilferages, often to the tune of 0.5-2 percent, due to the high value and quick saleabil-
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ViVien lau
Hactl

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Specialised Solutions for Hi-tech Cargo

Last July, global logistics player DHL set up DHL Semiconductor Logistics, an operation combining various existing services into an end-to-end supply chain solution covering inbound and outbound logistics for chip manufacturers. The suite of services covers the entire value chain from inbound to manufacturing facilities through to final distribution to end users and provides end-to-end visibility of products, full compliance with international regulations and maximum security of sensitive and high-value goods. It also launched a global capital support center with teams in Europe, Asia Pacific and the US.

In a press statement issued then, president of DHL’s technology sector, Rob Siegers, had said, “With more than 3,000 dedicated employees and 50 facilities worldwide, we have built extensive infrastructure and expertise for the semiconductor industry.”

“With our new offer, we connect DHL’s broad capabilities, enabling us to individually service our customers along their complete supply chain in a cost-efficient way. This becomes crucial for an industry that requires special logistics to be a competitive differentiator.”

DHL said its new semiconductor teams are experienced in the unique handling and transportation requirements of the industry and offer round-the-clock proactive monitoring supported by a specifically designed IT solution leveraging the latest technical developments.

DHL Customer Solutions & Innovation semiconductor business development Doug Whaley said, “In light of the challenges the industry is facing when it comes to supply chain management, the new center allows us to provide our customers with a truly holistic view of their supply chain and effectively manage their logistic needs.”

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“Together with the data on our customers’ logistics movements, we can identify potential issues early and consistently optimize logistics costs,” Whaley added.

**CAPITALISING ON OPPORTUNITIES**

In an attempt to seize opportunities, airfreight carriers and logistics providers are now responding with new routes and services to manufacturing hubs, especially in the Asian continent.

Last year, AirBridgeCargo doubled its online network in Asia Pacific in the last two years to 12 destinations, with flights to Tokyo, Seoul, Singapore, Hanoi, Phnom Penh, Hong Kong, Shanghai, Beijing, Chengdu, Chongqing, Zhengzhou and most recently Taipei. The Taipei route has seen strong demand, particularly for hi-tech products, and is now carrying 1,000 tonnes a month on the route.

Meanwhile, IAG Cargo will be launching a new direct flight between Madrid and San Francisco, making it the only carrier to offer a direct route between the two cities, from summer 2018. An A330-200, operated by Iberia, will service the route three times per week offering capacity of up to 14 tonnes per flight. The 2018 summer schedule will be further enhanced by additional wide body capacity between IAG Cargo’s hub in Madrid and Tel Aviv (TLV). The TLV service will benefit from an increase in wide body flights from the existing three frequencies per week to daily services, increasing capacity by an additional 20 pallets each week.

David Shepherd, commercial director, IAG Cargo, commented, “San Francisco has a well-established technology hub, with computer and electronic products being California’s top export category in 2016. California is also a vital market for exports, contributing to over $2 trillion of US goods and services exports last year. We anticipate that the new route will offer a welcome boost to tech and SME exporters transporting their goods into Europe and across our wider network, with the new flight increasing the number of routes out of our Spanish gateway to 54.”

It is expected that the San Francisco route will also carry products such as machinery parts, chemicals and transport equipment. For the first year, the thrice-weekly MAD-SFO service will be operated from the end of April through to the end of September.

Also, UPS, a global leader in logistics, expanded its Worldwide Express package service to reach 124 countries and territories, providing an earlier delivery option for customers to more locations. This is expected to benefit businesses in the fast-paced high-tech industries where it operates as it gives flexibility over their supply chain.

“A smart global logistics network is key to the markets in the Indian Subcontinent, Middle East and Africa (ISMEA) region that continue to focus on building stronger infrastructures and adopting business-friendly policies in efforts to foster further growth,” said Mohammed Kamal, Middle East Country Manager, UPS in a press statement.

In 2017, imports to India grew 21 per cent – to nearly $42 billion – compared to 2016. That growth comes from multiple industries including electronics and industrial machinery. Businesses that are part of these rapidly growing industries can use the newly expanded express service to receive orders earlier than before. In the Asia Pacific region, South Korea is one of 14 countries included in the expansion of UPS Express service. South Korea continues to lead the way in the auto electronics market, the UPS Express expansion will afford automotive aftermarket manufacturers and distributors located in major industrial areas a competitive edge by connecting them more quickly to other partners across the supply chain. Customers in Europe will benefit from faster shipping time to growth economies in Asia and Latin America. UPS is committed to investing $2 billion in its European network by 2019, and this investment has already made UPS faster on more than 350 city pairs between 27 European countries.
In the wake of the recent investment from Alibaba Group, Amitava Saha, the Co-Founder and CEO, XpressBees, an e-commerce specialized logistics’ company, discusses plans for positioning itself as the leader in e-commerce logistics, in a tête-à-tête with Nahida Jafferi. XpressBees spun out of FirstCry- an online baby products portal, in 2015, and saw 150 percent growth in 2017 while being 4X more capital efficient compared to its competitors, and how. Edited Excerpts:

Post investment from Alibaba, what are the growth plans and initiatives of XpressBees?
Alibaba infused around $100 million in XpressBees, which is a mix of primary and secondary investment. Our aim is to grow 5X in next two years. The capital will be utilized to consolidate our leadership position in the current vertical, and expanding our warehousing and cross-border logistics capability. Our investment focus shall continue to be technology, since it plays a major role in optimizing business operations. We plan to expand without burning a lot of money.

Will the Alibaba funded companies use XpressBees for its 3PL business?
We will be the primary 3PL partner for most Alibaba funded companies. Simultaneously, we will be working with other companies in the ecosystem as an
independent player. Even today, the total business that we have from any of the Alibaba group companies is not more than 15 percent-20 percent. Alibaba is expected to route a major share of the logistics business in India through XpressBees.

With a total funding of $120 million till date, how do you have a competitive edge in the e-commerce logistics sector?
Till date, we have been over 3.5X to 4X more capital efficient than our competition. In the pin codes we service, we carry a bigger portion of the load compared to our competitors. Before the Alibaba deal, most of our developments were carried out with the $20 million initial investment, compared to the over $100-$200 million raised by our peers. We have an operating expenses (OPEX) driven variable model while a lot of our competition has a capital expenditure (CAPEX) driven fixed cost model.

“We expect airlines to invest in technology that offers transparency on aircraft cargo space availability to book space couple of hours in advance.”

What is the infrastructure support that XpressBees provides the ecommerce industry in terms of cross-border trade, fulfillment centres and tailored software solutions?
XpressBees aims to be the largest cross-border player in India in the next few months. We plan to have an end-to-end cross-border supply chain solution. XpressBees will operate fulfillment centers across different parts of China to begin with, and later expand to South East Asia and Middle East. We have 500 last-mile delivery centres in India. We do not plan to open FCs in China. We will work with Cainiao (Alibaba owned logistics company) that operates 200 FCs in China.

We will also be developing software to enable faster goods clearance through the ports. Through API integration technology, we will be able to deliver order details to the customs. This will allow to receive a proper view of what the bag and air cargo container contains, in order to ensure faster clearance.

Is XpressBees planning to go global?
We will venture into South East Asia first. Alibaba has made investments in companies across the globe to set up logistics infrastructure. As an Alibaba Group company, we can take advantage of that infrastructure support and set up our presence everywhere.

Does this mean you will serve overseas e-commerce players or only fulfill the sourcing needs of the Indian e-commerce players?
Both ways. We can empower Indian companies to sell in South East Asia possibly through Lazada, an Alibaba-owned online shopping company network. India remains to be the primary focus. There has been talks of FirstCry- an online baby products store, going global due to its overseas demand. The bigger play would be to help Indian companies source from outside as the Indian customers have a good appetite for imported goods.

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In 2016, XpressBees handled over 1 lac packages per day, while covering 3000 pin codes. What is the figure this year?
Today, we deliver over 2.5 lakh + packages daily over 4500+ pin codes. With our aggressive expansion, we aim to reach to 8000+ pin codes in the next 3 months. We work with over 250+ clients that includes large e-commerce players across the country.

How much did XpressBees rake in last year? What percentage growth have you witnessed in terms of logistics revenues?
We grew by over 150% in the last financial year without using too much capital. In 2017, we did close to INR 200 crores against INR 75 crores in only 7-8 months of operation in 2016. XpressBees is only two and a half years old company and e-commerce delivery has been around for 7-8 years.

What percentage of shipments that you handle is routed through air cargo?
35 percent of the shipments are routed through air and the remaining 65 percent shipped on surface.
In what better ways can air cargo deliver to the e-commerce industry for cross-border trade and express delivery?

Cross-border will be the fastest growing segment in e-commerce for the coming years. We expect the air cargo industry to invest in technology where transparency on space availability is much higher for booking a couple of hours in advance. It is not always the space that is a constraint. Despite the space availability, the technology issues do not allow to schedule things appropriately. Once you offload you cannot make it to the next flight since re-routing takes time. Sometimes, it is routed in a sub-optimal manner. The connecting flight for Delhi to Bangalore would have a stopover at Goa, which is not the most desirable route. While we try to put the cargo through a particular flight, it usually turns out to be overbooked. Despite another flight scheduled half an hour away, it goes to a flight which would depart in 3 hours because of the long cargo handling procedures.

What kind of technology are you working on? Is predictive analytics a part of the plan?

We will invest in technology in a major way. We have plans to venture into machine learning and data science technology-backed product development. Right now, we do not use predictive analytics technology. Our clients may want us to hold some of their inventory closer to the door of their customers (pre-stocking) based on predictive analytics. Being the last-mile and first-mile solutions provider, it could deliver optimum results for our customers. XpressBees is the only delivery partner for Xiaomi, a Chinese electronics company that is offering one-day and four hour delivery to its customers. Our last-mile and warehouse management system is completely managed in-house.

What has been the industry response for XpressBees Try & Buy service? Is it viable or demand driven in the Indian scenario?

Try & Buy service is primarily used by Fashion e-tailers and also by established horizontal players for launching new category/product offering. Try & Buy is an open delivery model that helps to build customer trust and reduce the brand’s marketing cost. What it proves is that we have the technology to give specialized on-demand services to our clients within a certain territory as well as category.

How can the cost be minimized on return logistics?

We have started a new service which enables doorstep QC in reverse logistics. This helps in picking up the right product along with providing faster resolution to the customer. Technology helps the delivery personnel know exactly what to check in the product and confirm with the market player, which allows real-time customer issue redressal.

"We cover 4500+ pin codes and aim to expand our reach to 8000+ pin codes in the next 3 months."

"Alibaba is expected to route a major share of the logistics business in India through XpressBees."

Established in 2012, XpressBees spun out of FirstCry in 2015. What triggered the idea and how has been the journey?

I am an entrepreneur at heart. Prior to starting FirstCry, Supam (His business partner and CEO of FirstCry) and I came up with a successful venture. While contemplating about our next venture, we realized that babies could be a good sector since we frequently travelled abroad and brought for our children some gifts that are not available in India. We launched FirstCry, to offer variety in the baby products segment. At the initial stages of FirstCry’s launch, our Net Promoter Score (NPS) was very high. But later, the NPS score remained stagnant for a while because our delivery experience was not nice. Despite working with the best logistics players in the industry at that point of time, our customer satisfaction scores were always capping at a certain level. That is when we decided to start our own delivery service - XpressBees in 2012. In early 2015, we started working with other e-commerce companies after we had made a reputation in delivery. A few entrepreneur friends reached out to us for their product deliveries. We thought we would in the process optimize our field strength as well. No sooner, we realized there is a real business opportunity, especially as a technology company. Our clients came up to us and said that if we grow the business, then they would be happy to put up a bigger share of the pie.

Is the vertical e-commerce business like FirstCry more lucrative compared to logistics?

Today, FirstCry is a brand on its own. People come to buy from FirstCry and they do not necessarily come to buy a category brand. It is more of a brand play than a vertical play. Most of the traffic we get online is from people who come to FirstCry on their own. Just a FirstCry board does the trick. The e-commerce business is more lucrative.

There are a lot of peaks and troughs in the e-commerce business. What would you do with the built-up resources later?

During peak period, we add temporary resources. We outsource and insource, or increase the headcount for a month or two. We mechanize our fulfillment centres and hubs to handle that capacity. Booking temporary space and putting up temporary infrastructure works well, too.
Indo-French Defence Summit strengthens ties in aerospace and defence sector

Strengthening their relations further, following the constructive discussions between PM Narendra Modi and French President Emmanuel Macron in March this year, the Society of Indian Defence Manufacturers (SIDM) and the Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS) signed an MoU for partnership and maintain a sustainable framework in the field of aerospace and defence.

The summit was organised by GIFAS with the support of SIDM from the April 16 to 19 with a series of events followed by B2B meetings in New Delhi, Mumbai, Hyderabad and Bengaluru. GIFAS represents an industry whose 2016 sales turnover was 60.4 billion, and that exports 86 percent of its output, directly employs 187,000 individuals and annually invests more than 14 percent of its sales turnover in R&D.

The MoU aims to promote a sustainable framework between the French aerospace industry and the Indian defence industry for present and future partnerships and cooperative actions by endorsing the inevitability to expand trade, through stronger economic and industrial co-operation, between France and India as well as towards export customers.

Pierre Bourlot, managing director of GIFAS and Lt Gen Subrata Saha, director general of SIDM were confident that the signing of this MoU is an excellent opportunity to develop co-operation between France and India and shape the aerospace and defence industry of the future.

Delivering the inaugural address at the event, Jayant Sinha, Minister of State for Civil Aviation, opined that time was right for companies to establish their manufacturing facilities in India and export to other parts of the world as the ‘Make in India’ movement is gaining momentum. Sinha added, “The potential for Indian & French companies to collaborate for manufacturing & innovation in the defence industry is extraordinary.” The minister also added that for companies wanting to develop their businesses, they need to adapt their products for the Indian market.

The minister stated that the civil aviation sector has witnessed a steady rate of growth and is gearing-up to handle a billion passenger trips in the next 15 to 20 years. He also informed that the government is already working on a draft policy on drones and remarked that India would be the land of “air rickshaws” in future.

Goa to be developed as cargo hub

Central government in collaboration with state government and private partners is working on to promote Goa as a tourism destination as well as a cargo hub, stated Union Minister for Civil Aviation Suresh Prabhu. He was addressing media persons at Dabolim Airport, Goa after the inspection of ongoing renovation work. Mopa Airport will commence operations by September 2020. Dabolim Airport will continue to remain operational along with Mopa added Prabhu.

A renovation work worth Rs 300 crore is going on at Dabolim airport. By July, new multi-layer parking complex will be operationalised. At Dabolim airport, one counter shall be allocated to Goa Tourism Department to operate taxi services and one counter will be allocated to the state government for sale of local products, souvenirs, and vegetables. Transportation of cargo will help farmers access international market, said Prabhu. When Goa will have two airports passenger handling capacity will increase to 3 crores, he further added.

Under the Skill Development and Startup India initiative, Civil Aviation Ministry is in talks with the representatives of World Bank and other major institutions to promote Goa as a market destination. Major Airlines like Singapore Airlines, Lufthansa Airlines are interested to be part of market destinations in India.
Fraport inks pact with Swissport for air cargo warehouse

Fraport AG and Swissport have signed a long-term lease agreement for a new air cargo facility for Swissport in CargoCity South at Frankfurt Airport (FRA). The facility will consist of 16,900 square meters, with an additional 2,260 square meters for office and social space. The construction is slated to begin in 2019. In the beginning of the third quarter of 2020, the completion and handover to Swissport Cargo Services Deutschland GmbH will be done. This modern air cargo facility is designed for flexible usage in accordance with the latest industry standards. “Thanks to the excellent location in CargoCity South and a flexible design, this new warehouse will allow Swissport to meet and continually optimize air freight handling requirements. Therefore, the innovative facility will provide Swissport with long-term growth opportunities at Frankfurt Airport,” explained Christian Balletshofer, senior VP of real estate at Fraport AG.

Etihad Cargo to enhance its cool chain service with DoKaSch’s Opticooler

Etihad Cargo and DoKaSch Temperature Solutions—a provider of climate-controlled solutions for air cargo—have signed a master agreement for Opticooler.

The master agreement will allow Etihad Cargo to expand its TempCheck cool chain service offering for temperature-controlled pharmaceuticals, as its customers will be able to lease the Opticooler, the “flying warehouse,” from Etihad Cargo.

The Opticooler, a German made, electric airconditioned container, can keep pharmaceuticals exactly within their temperature range, regardless of a tropical summer or arctic winter. Due to redundant components, the Opticooler has a very high fail-safety and is considered to be a reliable product. Just like in a normal warehouse, a constant temperature can be maintained if the Opticooler is occasionally connected to the power grid.

“Our focus in 2018 is “closer customer engagement” and, by adding additional solutions for the most critical, time- and temperature-sensitive shipments, we are moving in the right direction to cater to our customers’ needs, hand in hand with DoKaSch Temperature Solutions,” said Justin Carr, vice president, Etihad Cargo.

“We offer a specially designed product using the latest equipment, processes and SOPs to keep the cargo’s integrity and make sure it arrives in the quickest possible time adhering to the highest compliance guidelines,” Carr added.

Meanwhile Andreas Selltz, managing director of DoKaSch Temperature Solutions, said, “With Etihad Cargo we are able to expand our service network for Opticoolers further. All leading airlines of the Middle East are now our partners as they want to offer their clients the most reliable packaging solution to transport highly temperature-sensitive air cargo shipments.”

Apart from its cargo hub in Abu Dhabi, the agreement between DoKaSch Temperature Solutions and Etihad Cargo makes the Opticooler being available at Etihad Cargo’s whole network across more than 90 destinations in over 50 countries.

WCA Time Critical Network’s member companies achieve validation

WCA’s Time Critical Network has achieved complete validation of all its network members, aligning members to be even more competitive as specialist movers on the global stage.

“This is huge for us and our members,” said Adam McKenna, GM of WCA Time Critical. “It took hard work and determination from our members to reach this point, and in order to keep this status, all future members will undergo a comprehensive validation exam as part of their application process.”

Validation will now allow the group to compete on new international levels being that members now surpass current industry standards in the sector.

The Group’s global partners are now able to fully validate trade lanes, they also have the knowledge to help ensure that shipments are handled with maximum efficiency and within the required time frames.

Complete validation was something the group wanted to achieve. According to McKenna, members were excited to participate in 100 percent validation as they knew it would help them gain new business.

“Working together will enable the WCA Time Critical members to collaborate on a totally new level,” said McKenna. “And that is something the members expressed was vital to their future success.”
Pathankot starts operation as 21st airport under UDAN – RCS

The maiden flight for the Pathankot Airport took off from the Terminal 3, IGI Airport, New Delhi, recently. With this, Pathankot now gets operationalised as the 21st airport under UDAN (Ude Desh ka Aam Naagrik) – RCS (Regional Connectivity Scheme).

The flight from Delhi to Pathankot will operate on Mondays, Tuesdays and Thursdays, departing Delhi at 0955 hrs. and arriving at Pathankot at 1130 hrs. On its return from Pathankot, the flight will depart at 1150 hrs. and arrive at Delhi at 1335 hrs. Suresh Prabhu, Minister of Civil Aviation in the presence of other dignitaries inaugurated the maiden Alliance Air flight from Delhi Airport. Alliance Air is flying its ATR aircraft on this route, which is its 19th route under the UDAN scheme. Alliance Air presently operates a network of 49 stations.

The minister during the recently held Global Logistics Summit has stated that 56 new airports will become functional in the next few years. On this occasion, he added that efficient logistics is critical for countries like India to harness trade and facilitate greater and faster integration with both the domestic as well as world economy.

AAI inks MoU with IIM-B for customised training programmes for its officials

In order to augment the skill-set of its middle-senior level employees identified for succession planning, Airports Authority of India (AAI) has entered into a Memorandum of Understanding (MoU) with the Indian Institute of Management (IIM Bangalore). As per the MoU, customised training programs in the area of management and leadership development will be offered by IIM-B for AAI officers at the levels of assistant general manager, joint general manager, general manager and executive director. The MoU has been signed for a period of three years starting from 1st April 2018 and a total of nine batches comprising of 20-25 officers in each batch will be conducted during this period.

The MoU was signed by Sanjay Jain, executive director (HR), AAI and Professor R Srinivasan, chairperson, EEP, IIM Bangalore. The board members of AAI were present during the ceremony.

Speaking on the occasion, Anuj Aggarwal, member (HR), mentioned that training and development has been one of his top priorities since he assumed the charge of member (HR) in AAI. AAI has been undertaking new initiatives in creating an environment of training in line with Government of India’s Skill India Mission.

Professor G Raghuram, director-IIM Bangalore expressed his pleasure to be associated with the leading player in civil aviation industry and remarked that this partnership will be equally beneficial to IIM-Bangalore in terms of exploring the challenges faced by this industry.

Apart from IIM-Bangalore, AAI is also exploring business partnerships with other leading management institutes to provide a gamut of training inputs to its employees.

GVK MIAL wins ‘Excellence Award’ at Global Economic Summit

GVK Mumbai International Airport Private Limited (MIAL), the company that manages the Chhatrapati Shivaji International Airport (CSIA), was conferred with an ‘Excellence Award’ at the 7th Global Economic Summit held in Mumbai recently.

The award given to Mumbai International Airport recognises the efforts undertaken by them to improve efficiency and perform consistently in air cargo operations. Manoj Singh, senior vice president and head, MIAL Cargo, accepted the award from General VK Singh, Minister of State for External Affairs, in the presence of various government officials and representatives from Micro Small and Medium Enterprises (MSME). With global trade being a key theme of the summit, the role played by Mumbai International Airport in economic development and trade relations was recognised.

At the Global Economic Summit, with the theme of ‘Global Value Chains: Accelerating MSME Growth, Development and Sustainability’, representatives from various sectors and industries discussed the opportunities and challenges faced by SMEs to enhance their participation in global value chains (GVCs). The forum also deliberated on the relevance of GVCs for overall economic growth and sustainable development.
Emirates’ new airfreight product to swiftly transport aircraft parts

In an attempt to expeditiously dispatch critical aircraft components across the globe, leading cargo airline Emirates SkyCargo, recently launched a unique airfreight product, Emirates AOG.

Every day, Emirates SkyCargo transports spare parts by air at short notice to help repair aircraft, which are stranded due to technical reasons and lack of availability of the right spare parts.

Emirates AOG is Emirates SkyCargo’s latest product offering for the global aviation industry. It’s built to respond to needs of airlines wanting to service grounded aircraft, by rapidly despatching critical aircraft components unavailable at the destination.

According to Emirates SkyCargo, leaving an aircraft grounded at a remote location can cause adverse impact on the reputation and economics of any airline. Hence, there was a need for swift transportation of spare parts to repair the aircraft.

The core aim of Emirates AOG flies spare parts on the quickest possible flight connection, without compromising on the quality of handling and customer service.

Special features of the new product include a late cut-off time for cargo acceptance at origin up to four hours prior to scheduled time of departure for shipments weighing less than 100 kilograms; expedited delivery at destination maximum of 2.5 hours from actual arrival time of the aircraft; and track and trace visibility of the consignment during transportation and priority handling.

Emirates SkyCargo has also created a unique ‘Must Go’ bag for bulk loading of small AOG shipments. Designed in a striking red colour, the bag alerts Emirates SkyCargo staff to the urgent nature of shipment, which ensures dedicated priority handling for the aircraft part in transit, especially during airside operations.

“Emirates SkyCargo is committed to constantly improve our service levels and introduce new products that can respond to our customers’ needs,” said Nabil Sultan, divisional senior vice president, cargo, Emirates.

“Emirates AOG builds on a number of strengths. In includes our extensive network spanning over 155 destinations across six continents, frequency of operations to destinations, as well as our vast experience in transporting aircraft parts for Emirates’ fleet. With Emirates AOG, customers can be assured of a rapid, efficient and reliable service to transport parts that can help get their aircraft back into service at the earliest.”

Emirates SkyCargo, the freight division of Emirates, offers customers cargo capacity on its modern, all-wide-body fleet of over 260 aircraft including 14 freighters 13 Boeing 777-Fs and one B747-400ERF.

The air cargo carrier has developed a number of transportation solutions targeted at specific industry verticals. It includes Emirates Pharma for secured transportation of temperature sensitive pharmaceuticals, Emirates Fresh transportation of fresh produce, such as fruits, vegetables, seafood and meat, and Emirates Wheels to move luxury and premium automobiles.

Hong Kong tops ACI’s world busiest cargo airport ranking

According to the recent data released by Airports Council International (ACI), the cumulative air cargo volume across 20 busiest airports grew by 6.8 percent in 2017. The airports collectively handled about 51 million metric tonnes of cargo, which represents 43 percent of global air cargo volumes.

Hong Kong tops the list of ACI, as it reportedly handled over five million metric tonnes of cargo in 2017. Volumes at the Hong Kong International Airport (HKG) grew by 9.4 percent year-on-year. Shanghai, Chicago and Doha witnessed a double digit growth of 11.2 percent, 12.6 percent, and 15.0 percent, respectively.

According to ACI, the air cargo industry experienced a revival across several world’s airports in 2017, and the upward trend continues in 2018. Even with the uncertainty regarding the threat of trade wars, and the growth of protectionist sentiments across the world, business confidence remains strong across inventory build-ups, and increased export orders in 2017.

The robust economic growth in the United States, along with an increase in global industrial production, followed by strong US dollar has boosted the inbound air cargo markets in the recent years.

“The surge in cargo volumes and passenger numbers across several world’s airports will help in increasing the business and consumer confidence, at least in the short term,” said Angela Gittens, director general, ACI World.

“The world’s airports continue to be a vital link for growth of the economy, which the aviation sector provides,” said Gittens.

“The universal access to online retail and e-commerce platforms represents a competitive pressure to the traditional brick-and-mortar retail shops in certain markets, but the huge growth in e-commerce has further fuelled the air cargo side of the airport business. It has resulted in increased global activity, especially in major markets, such as China and the US,” said Gittens.

“The spectre of uncertainty in trade policy among major economies comes at a time when global commerce and our industry has recently thrived. The trans-pacific link, for instance, is an important ingredient in boosting international passenger traffic and international freight volumes,” he said.

“Connecting people, business and places still remains paramount to the aviation sector, despite recent threats of a step backwards in the market liberalisation in some major economies,” said Gittens.
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