



# Critical Trends Affecting the Global Air Cargo Industry

## A Freight Forwarder's Perspective

Airport Council International – North America Annual Conference  
Montreal - September 25, 2016

William Gottlieb – Past President FIATA



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**"Freight Forwarders account for a large segment of all shipments transported by air and constitute a critical element for strengthening the air cargo supply chain around the world."**



Raymond Benjamin, Secretary General of ICAO - July 2011



# Forwarders are Logistics Professionals

Tasked to organize the movement of goods

Experts in Supply Chain Management

Contracting with Carriers and Warehouses

Specialists in Expediting Customs Formalities

Trained to ensure the safe transport of goods



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An industry that handles in excess of 85% of all international air freight.

FIATA represents over 40,000 companies

Employing more than 40 million personnel



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Founded in 1926 Vienna, Austria

Headquarter in Zurich, Switzerland

Members in over 160 countries

The largest international nongovernmental organization representing service providers in international trade logistics and supply chain management in **ALL** modes of transport



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Addis Ababa



Dar es Salaam



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Doc 9284  
AN/905



ICAO FIATA Dangerous Goods Training Programme

# **Technical Instructions for the Safe Transport of Dangerous Goods by Air**

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Consignor

Emblem of National Association

**FBL**

**NEGOTIABLE FIATA MULTIMODAL TRANSPORT BILL OF LADING**

issued subject to UNCTAD/DOC Rules for Multimodal Transport Documents (CC Publication 481)

Consigned to order of

Notify address

Place of receipt

Ocean vessel

Port of loading

Port of discharge

Place of delivery

Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement

according to the declaration of the consignor

Declaration of Interest of the consignor in timely delivery (Clause 6.2.)

Declared value for ad valorem rate according to the declaration of the consignor (Clauses 7 and 8):

The goods and instructions are accepted and dealt with subject to the Standard Conditions printed overleaf.

Taken in charge in apparent good order and condition, unless otherwise noted herein, at the place of receipt for transport and delivery as mentioned above.

One of these Multimodal Transport Bills of Lading must be surrendered duly endorsed in exchange for the goods, in Witness whereof the original Multimodal Transport Bills of Lading all of this tenor and date have been signed in the number stated below, one of which being accomplished the others to be void.

Freight amount	Freight payable at	Place and date of issue
Cargo Insurance through the undersigned <input type="checkbox"/> not covered <input type="checkbox"/> Covered according to attached Policy	Number of Original FBL's	Stamp and signature
For delivery of goods please apply to:		

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Industry has Come Together Unlike Any Time Before

GACAG Task Forces

Security

Sustainability

e-Commerce Task Force

Customs and Facilitation



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Freight Forwarders Make It Happen  
Customer Satisfaction is High  
Customer Expectations are Equally High  
Innovation Helps Shift Focus From Rates to Service





### Industry Challenges - **Commercial Relationships**

Shift from traffic managers to procurement managers

Drive to fine tune supply chains – lower costs & risk

Relationships – Lack of customer's ability to commit

Finding that ideal balance – Best price – Best service

Air & Ocean cargo capacity is a perishable

Miss-declaration or failure to declare Dangerous Goods  
household goods, aerosols, lithium batteries, etc.



## Industry Challenges – Infrastructure

Industry shoulders the cost of poor infrastructure not governments

Government planning fails to take into account of today's private sector needs, if we do not survive today there will be no tomorrow.

Promises ... Promises .... Promises

Cost overruns, project delivery delays undermine public confidence





## Industry Challenges – **Regulatory Compliance**

Desire to be 100% Compliant – to be Good Corporate Citizens

Government implementation planners lack understanding of commercial realities.

Lack willingness to consider warning signs that the supply chain is not ready for full implementation.

Failure to foresee potential negative effects on the country's economic interests, or react quickly to amend programs when economic harm is identified.



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### Connecting to Compete

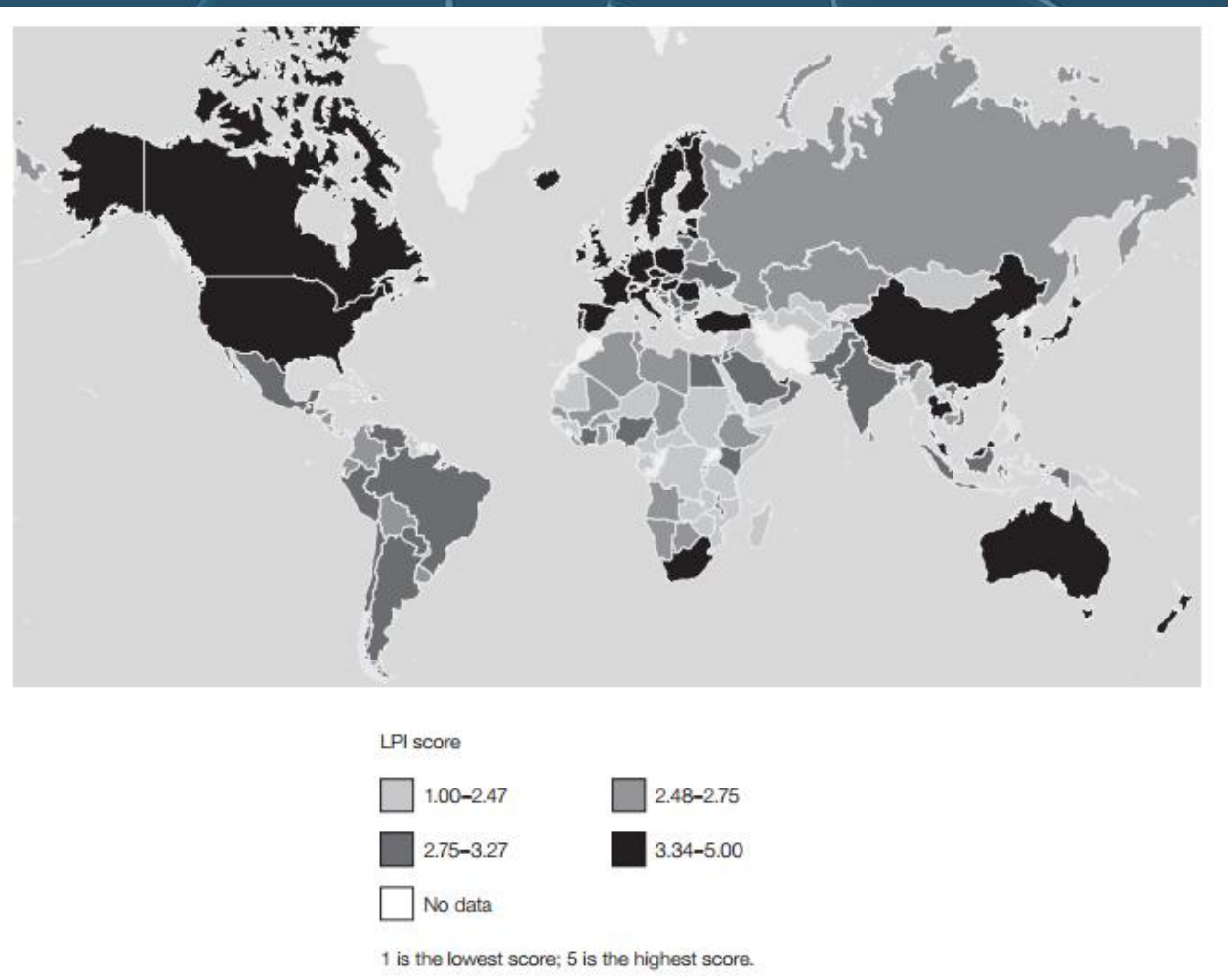
2014

Trade Logistics in the  
Global Economy





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## Industry Challenges – **Other Issues**

Modal Shift – Reality of Supply Chain Sophistication

Transit Times – Fallacy if Faster => They will Come

Passenger Driven – Facilities – Carriers - Regulators

Technology - Airships – Drones – Tracking Devices

Competition Law Compliance

Modernization of Forwarder – Airline Relationship

Remember - Transportation is not a Perfect Science





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### Industry Challenges – **Paperless e-AWB**

Current market penetration July 2016 – 39.6%

12 months pervious August 2015 penetration – 31.7%

December 2016 e-AWB penetration target - 56%

Is it Reasonable to expect the Paper AWB to Retire by 2020 ?



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### Industry Challenges – e-Freight

Is Paperless the air cargo industry's Holy Grail?

It is something that you want very much

But that is very hard to achieve

It seems so .....



## Industry – Consolidation M&A Activity

XPO – The Wall Street Approach

Hanjin Shipping – The Bankruptcy Route

DSV – Uti - Global growth through acquisition

FedEx – TNT - Growing complimentary networks US - EU

Baby Boomers Retirement – M&A Bonanza



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### On – Airport “Cargo Village”

Mirabel YMX 1975 - 1997



Dubai DXB 1991 -







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And please remember, if you got it

It's because a Forwarder brought it



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**Thank You**