ICAO Air Cargo Development Forum

Session 3

Logistics Integration Model: An Industry Perspective

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Where We Stand Now

Air Freight And World Trade Growth  (IATA, WTO)

World FTK and AFTK Dynamics  (IATA)

Freighter & belly capacity on order  (SEABURY)

World RPK and ASK Dynamics  (IATA)

- AFTK growth has been recently driven by pax demand, not cargo
- Stop dreaming about growth and get used to exist in a 0% growth environment
Are Freighters Needed?

- Nearly 60% of world cargo is transported by freighters
- Fewer restrictions on special cargoes
- Freighter networks do not depend on passenger gateways
- Airlines can make supply chain solutions more cost-effective

**Conclusion:** Market does need Freighters!

**Question:** At what price?

**Challenge:** Maintain competitive cost base and ensure positive margin
Ways to live along the crisis

**Costs:**
- Horizontal integration
- Product specialization
- Cost efficiency: lean, low cost, outsourcing
- Alliances as a vehicle to reach:
  - Either economy of scale
  - Or access to horizontal integration benefits
- Asset optimization:
  - Most efficient fleet
  - Mono type fleet with maximum capabilities (*ABC’s choice of 747-8Fs*)

**Quality:**
- Increase of process transparency (on-line booking, track&trace, C2K, etc.)
- Tailor made solutions (destinations, schedule and fleet)
  - Volga-Dnepr Group’s Cargo Supermarket Concept
- Minimum delivery time
Volga-Dnepr Group Today

- **13 B-747F**
  - AirBridgeCargo Airlines
- **10 AN-124-100**
  - Volga-Dnepr Airlines
- **5 IL-76TD-90VD**
  - Volga-Dnepr Airlines
- **2 B-737F**
  - Atran Airlines

- **✓ Volga-Dnepr Airlines**
  - Global leader in unique and super-heavy air transportation
- **✓ AirBridgeCargo Airlines**
  - The largest Russian scheduled cargo airline
- **✓ Atran Airlines**
  - The only Russian express cargo carrier
✓ 10 years on the market
✓ Global network coverage
✓ Best choice to Russia
✓ The newest cargo fleet in the industry
ABC in China

- In China since the inaugural flight in 2004 with 42 weekly departures now
- First and largest foreign cargo carrier in CGO since 2010
- ‘Best All Cargo Carrier’ in 28th Asian Freight And Supply Chain Awards

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Winter Schedule 2014
Thank you — 谢谢！