

Speech by the IATA Vice President, Raphael Kuuchi  
On the Occasion of the ICAO Air Cargo Development Forum  
Held in Lome, Togo  
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Your Excellency the Prime Minister of the Republic of Togo  
The Hon. Ninssao Gnofam, Minister of public Works and Transport of the Republic of Togo  
Dr. Bernard Aliu, President of the ICAO Council  
Mr. Boubacar Djibo, Director, Air Transport Bureau, ICAO  
Ms. Angela Gittens, Director General of ACI World  
Dr. Elijah Chingosho, Secretary General of AFRAA  
Mr. Augustin Tompieu-Zouo, Commissioner for Urban and Community Planning and Transport, UEMOA  
Mr. Abdullai Alhassan, Director General of the Ghana Civil Aviation Authority  
Mr. Dokisime Gnama Latta, Director General of the National Civil Aviation Agency of Togo  
Distinguished Guests  
Ladies and gentlemen

Air cargo is a trade facilitator that contributes to the global economic development and creates millions of jobs. The global economy depends on the ability of airlines to deliver high quality products at competitive prices to consumers worldwide. Air cargo transports over US\$6.4 trillion worth of goods, approximately 35% of world trade by value. The sector itself generates nearly \$70 billion in revenues every year.

The demand for air freight is however limited by cost, typically priced 4–5 times that of road transport and 12–16 times that of sea transport. Air freight rates generally range from \$1.50–\$4.50 per kilogram.

Though air cargo growth is showing solid improvement compared to a year ago, supported by the cyclical upswing in the global economy, the high jet fuel prices and weakness in yields continue to place downward pressure on financial performance. The global economic outlook for 2014 remains improved on 2013, but the rate of expected growth has been revised down slightly since the start of the year. Although rates of expansion in emerging markets are still much stronger than in advanced economies, there has been some slowdown this year, particularly in Latin America and Africa.

Africa has 15 landlocked countries, most with poor surface transport infrastructure. Air cargo has therefore been very critical in moving high value products, medicines and perishables to/from markets in these countries.

But the main difficulty for landlocked developing countries is to generate enough traffic to attract air freight services that are both frequent and competitively priced. Permitting free competition, or “open skies,” for air cargo services can make a significant impact in facilitating trade and business development in these countries.

IATA is delighted that this meeting will focus on recent trends in the delivery of air cargo services and the regulatory framework to be implemented for the sustainable development of air cargo in Africa.

In addition, the many challenges preventing the development of African air cargo industry in reaching its potential will be reviewed in relation to specific areas, such as, liberalisation of air cargo services, the enhancement of air cargo connectivity in Africa, as well as the improvement of the air cargo value chain’s regulatory environment.

From an IATA perspective, transportation of cargo by air remains a top priority recognized by the very fact that although air cargo accounts for 0.5% of the volume of global trade shipments, it accounts for some 35% by value. This implies that air cargo generally carries goods of high value, perishables and/or time-sensitive.

Structurally IATA is now better geared to support the delivery of the industry’s manifold cargo agenda through:

The recently set-up division called: Airports, Passenger, Cargo and Security (APCS) with cargo sitting firmly under one roof. Under this Division, we now have the Africa Head, APCS in Nairobi who works closely with Area Managers for different sub-regions at key hubs in Nairobi, Johannesburg, Lagos and Dakar to execute IATA programs.

Now allow me to expand briefly on IATA main areas of focus as regards the Cargo agenda:

Driving e-AWB penetration is IATA’s top priority and I am happy that in moving forward this programme, we have the full support of industry partners including ICAO, WTO, WCO, TIACA, FIATA.

E-Airway bill is like a plane ticket for cargo and as you are all aware the paper ticket has long been phased out in the system and replaced by E-ticket. This was successfully led by IATA under the Simplifying-the-Business (StB) initiative.

Despite all the challenges when the migration was launched in 2004, no one today would like to go back to the old paper ticket days.

It is more convenient to travel all over the world without the need for any printed document. So why do we still use paper documents in the air cargo industry?

Shifting from paper airway bills to e-AWBs will save costs, increase productivity, enhance reliability and allow for compliance with regulatory standards.

IATA has estimated that getting rid of paper documentation would save 4.9 billion dollars a year for the entire air freight industry under the E-Freight Programme and just by removing airway bills alone, between 1 to 2 billion dollars could be saved.

IATA salutes WCO drive for customs to implement SAFE Standards as part of their Modernisation Programme and support for the removal of paper AWB/Cargo Manifests.

In Africa we are seeing a small but growing number of Customs Authorities that are not insisting on paper AWB/Paper Cargo Manifest anymore and accept printout of E-AWB. IATA is engaging with Customs Authorities to support airlines implement e-AWB across Africa.

Customs compliance enables the exchange of e-AWB messages using the global standards and supports airlines exchange of electronic Cargo Manifest and Advance Cargo Information.

I am pleased to share with you that the e-AWB penetration in Africa has doubled from 13% at the end of 2013 to about 26% at the end June this year.

This tremendous achievement is mainly driven by Ethiopian airlines, South African Airways and Kenya Airways with the full support of the freight forwarder community.

In the spirit of the State Letter sent by the ICAO Secretary General early this year urging all States to support and encourage the universal adoption of the Montreal Convention of 1999 (MC99), IATA would like to re-iterate its support to this drive.

MC99 creates a solid legal framework for the use of e-AWB in replacement of paper in the air cargo supply chain. This will improve air cargo security; ensure better customs compliance and faster shipment – the bottom line of which is enhanced trade competitiveness.

Distinguished delegates, in closing my brief remarks, I would like to touch on some of the other programme that IATA is supporting, trusting that the esteemed panelists will deliberate further on same over the next two days:

**Secure Freight** – Through Secure freight, IATA aims to promote the implementation of global air cargo supply chain security standards and programs with regulatory support around the world in order to facilitate safe, secure and efficient operations of air cargo. In Africa, the Kenya Secure Freight Pilot Project report was submitted by IATA to the CAA with the intention to be included in Kenya National Cargo Security Manual.

**ACC3** – IATA, encouraged by its member airlines and the European Regulators has been at the forefront of supporting stakeholders and helping to prepare air carriers for the ACC3 EU Security Validation process.

The IATA Training and Development Institute (ITDI) created a Center of Excellence for Independent Validators (CEIV) to train, advice and support industry stakeholders to meet the ACC3 requirements.

Last year, we delivered complimentary one-day awareness and sensitisation workshops in Johannesburg and Nairobi to around 150 participants from across Africa; including

many African State regulators. This year, a number of 3 day training sessions were organized for air cargo stakeholders in different countries across Africa.

Together with the air cargo industry, IATA recognizes that there is an urgent need to invest in people, promote gender diversity, and attract and develop young talent. Through the Future Air Cargo Executive (FACE) program IATA aims to address the pressing human resource issue through a three-pillar strategy that supports executive management development among rising stars in air cargo and logistics.

IATA organized the first FACE Summit (FACES) in 2013 during the World Cargo Symposium, to highlight the important role young leadership plays in the future growth of the air cargo industry. In 2014, the second edition of the summit focused on the importance of innovation as a vehicle for air cargo transformation and in how young leaders can contribute to change.

In addition, the FACE Program aspires to strengthen the links with universities to attract new blood to our industry. By participating in the “Speakers for U” initiative, air cargo experts can share their professional experience, transmit their passion and inspire students to consider a career in the industry.

In concluding, I would like to once again emphasize the commitment of IATA to continue providing this industry with Air Cargo Standards & information that will help to improve efficiency, reduce cost and ultimately make air cargo competitive.

In light of this, cargo support solutions such as Dangerous Goods (DG) Manual, Live Animals Regulation & Tack Rules and Regulations even if not much talked about remain key focus areas for IATA.

Thank you all for your attention.