

# Air Cargo COVID Impact

**Andrea Gruber**  
Head, Special Cargo  
**IATA**

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# Industry Challenge

## December Cargo Demand

Air Cargo Volumes 2020 vs. 2019

- 10.6 %

- Air cargo volumes improved significantly during the year, down only 0.5% year-on-year in December.

## December Cargo Demand

Available Capacity 2020 vs. 2019

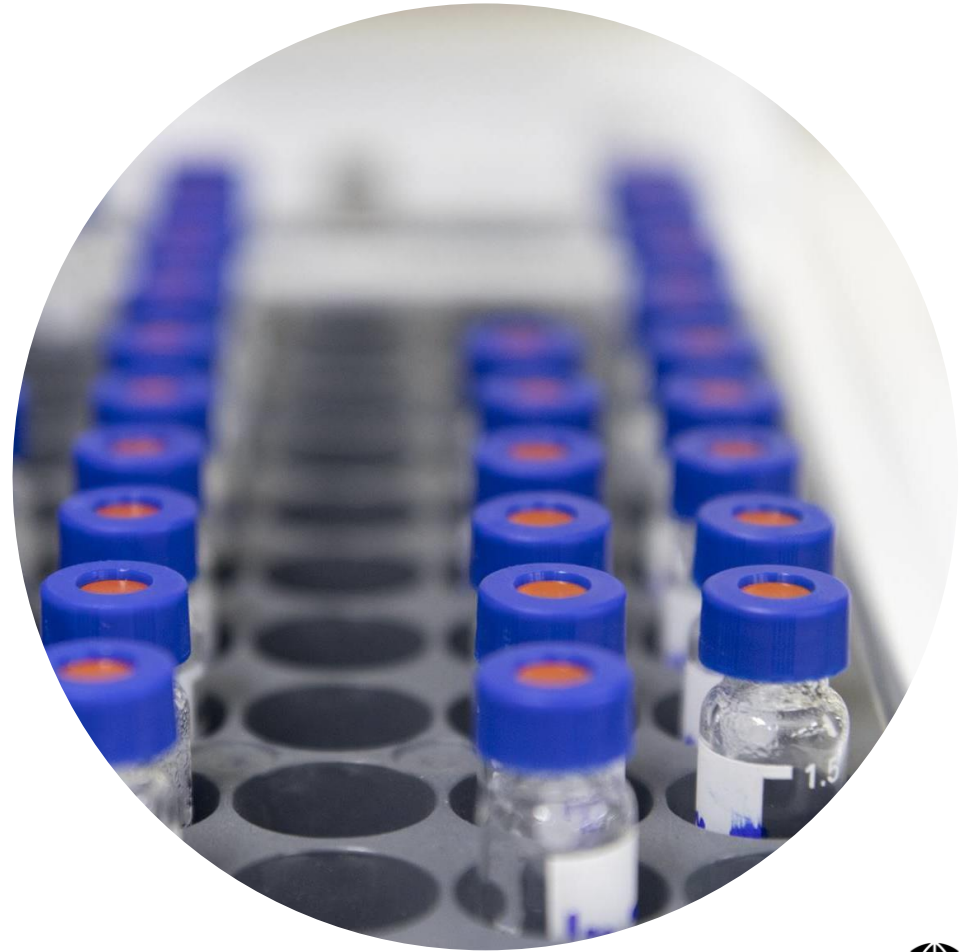
- 23.3%

- The lack of capacity has been caused by schedule reductions and aircraft grounding in the passenger market.

# Managing a global temperature-controlled supply chain for vaccines, health, and humanitarian supplies

## Key considerations:

- Capacity & Connectivity
- Capabilities & Facilities
- Infrastructure & Equipment
- People & Processes
- Border Management
- Facilitation Procedures
- Security & Safety
- Interconnected Logistics Networks





# Supply Chain Challenges



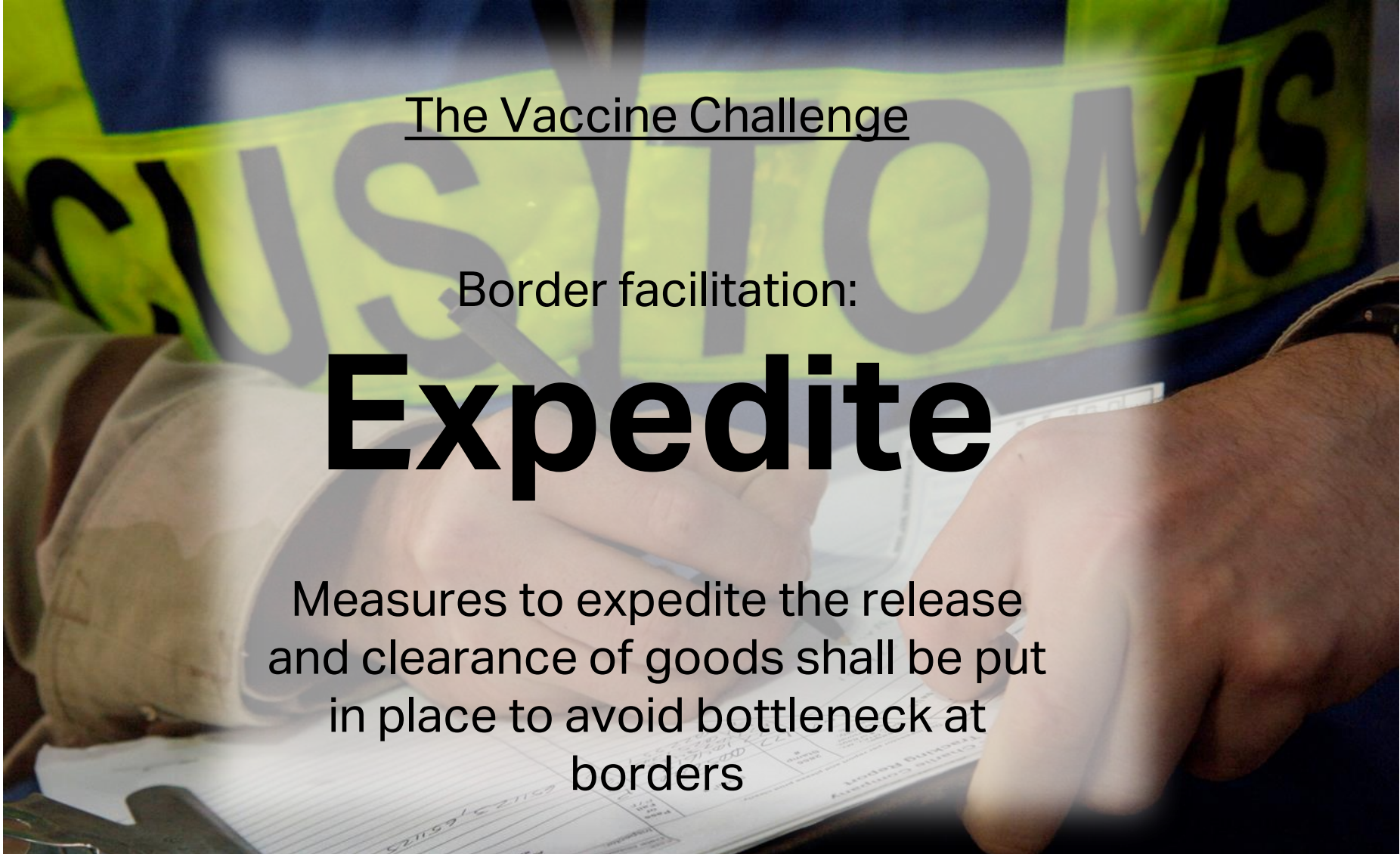
# Supply Chain Challenges

## The Vaccine Challenge

Border facilitation:

# Expedite

Measures to expedite the release and clearance of goods shall be put in place to avoid bottleneck at borders



# Supply Chain Challenges

## COMMUNICATION



Uncertainties have a great number of implications on the supply chain planning efforts

Manufacturer



Consumers



Road  
Transport



Road  
Transport



Freight  
Forwarders



Freight  
Forwarders



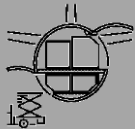
Airlines



Airports



Origin  
Ramp/Cargo  
Handlers



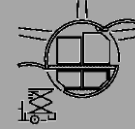
Origin  
Authorities



Destination  
Authorities



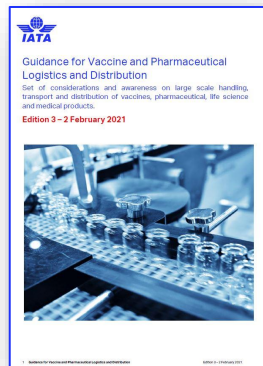
Destination  
Ramp/Cargo  
Handlers



Airports



# Industry Readiness and Preparedness



## Guidelines

3<sup>rd</sup> Edition  
2 February 2021



## Regulations

Global Standards



## Training

3,2K people trained



## Certification – Risk Mitigation

296 certified  
75 in progress  
26 communities



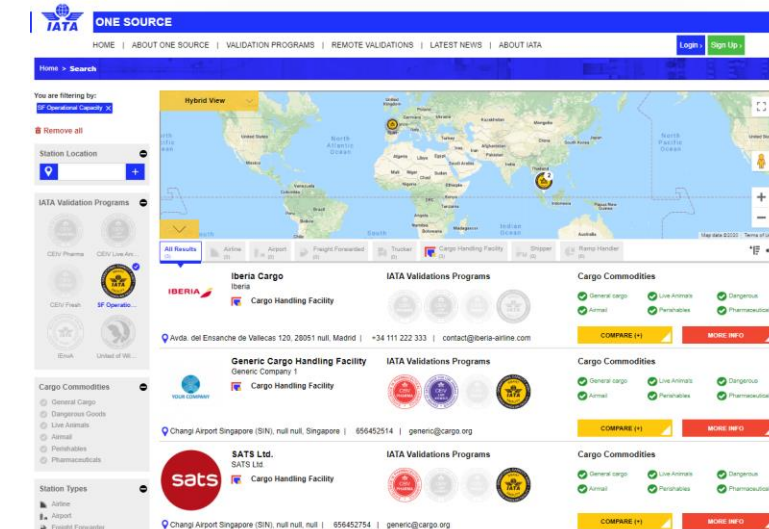
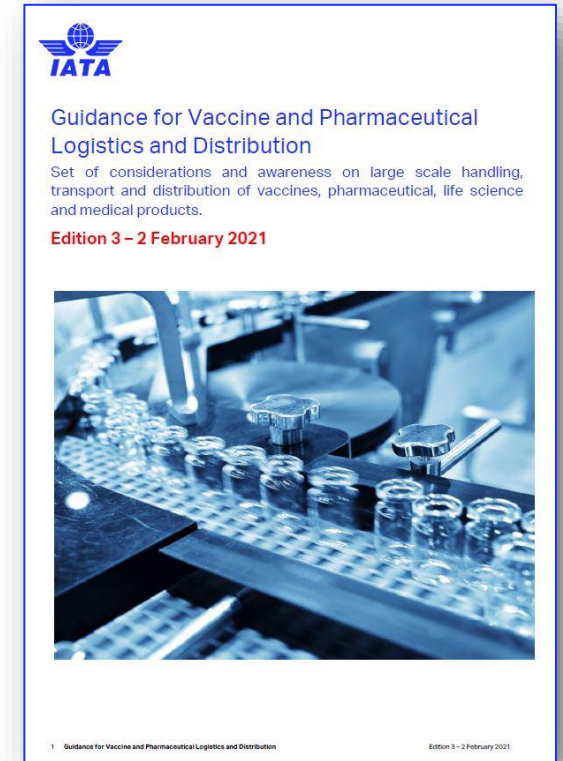
## Registry

400+ companies



# Industry Call To Action

- **Sharing information - Global Collaboration**
  - Plan - Prepare - Perform
  - Engage and communicate with partners/suppliers on scale up projects and initiatives to support COVID-19 vaccines distribution or humanitarian aid
  - Accessible on [iata.org/cargo](https://iata.org/cargo)
- **Capabilities & infrastructure industry platform – ONE Source**
  - Visibility of facilities with validated information
  - Demonstrate competencies in handling expertise
  - Showcase adherence to quality standards
  - OneSource accessible [here](#)





# Lessons Learned since the first vaccine roll out

## Non-exhaustive examples

### Capacity

- Capacity remains constrained from the loss of available belly cargo space as passenger aircraft remain parked. Airline members are focusing highly on cargo only flights and "freighters."
- Lessons learned from distribution of PPE in early 2020 has helped prepare for the distribution effort.
- Humanitarian organizations are calling airlines to ensure to dedicate enough space to transport vaccines across the globe.
- With some exceptions, governments and authorities have been lacking preparedness in organizing the vaccine distribution nationally, which slows down the vaccination programs.
- The industry has not yet reached the large scale of volumes and global distribution that was expected. The air freight supply chain has been managing positively the first roll out of vaccines.
- Today still a limited number of vaccines are approved for full use and manufacturers are experiencing some delays in the production and/or availability of raw materials. Manufacturers are starting to scale-up their capacity as countries around the globe and international organizations have been ordering and pre-purchasing different type of vaccines, which will be transported following approval for use.

### Regulatory

- The use of dry-ice as a refrigerant for vaccines has raised some operational challenges. There is a requirement for an acceptance check for packages containing dangerous goods. The acceptance check requires that the operator, or their ground handling agent, verify the marks and labels on packages. Where there are significant numbers of packages of vaccines that contain dry ice, the time to accept the packages increases significantly. This needs to be factored in for the time required from delivery to the airport to flight departure.

### Infrastructure

- Ensuring temperature-controlled storage facilities are in place from manufacturer to their final destination for distribution and administration remains a challenge especially in remote areas.
- There have been few instances of temperature excursions identified in the transportation chain, but these remain exception as much attention is given to such high value products.



# Lessons Learned since the first vaccine roll out

## Non-exhaustive examples

### Public- Private Partnership

- IATA's call for collaboration has resulted in positive developments between the private and public sector.
- The work with the regulators and with ICAO allowed the existing requirements to be revised (e.g., relaxation on data loggers and/or cargo tracking devices requirements), that definitively facilitated the movement of cargo and provides more flexibility for manufacturers and operators.
- The work with the World Customs Organizations has resulted in airline members not encountering specific obstacles so far to current border processes for these critical shipments.

### Communication

- Airport communities have been established in response to the pandemic with the aim of addressing the logistics challenges through alignment and appropriate preparation.
- A number of industry task forces have been set up to ensure visibility and bring business partners together to develop capacity analysis and concrete action plans

### Collaboration

- To assist further the global distribution of vaccines and provide transparency on the available cargo capacity and connectivity, IATA organized together with UNICEF and the Pan American Health Organization (PAHO) a virtual meeting with major global airlines on the expected capacity requirements and discussed ways to transport close to 2 billion doses of COVID-19 vaccines in 2021.
- Bringing the industry together with international agencies, also allowed UNICEF to launch the Humanitarian Airfreight Initiative, where over 10 leading airlines have signed agreements with UNICEF to support the prioritization of delivery of COVID-19 vaccines.



# Lessons Learned since the first vaccine roll out

## Non-exhaustive examples

### Sustainability

- An upcoming challenge identified is the bio medical waste (e.g., needle, PPE, syringes etc.) that will need to be destroyed after use and some countries will require assistance as they don't have the means or infrastructure to carry out this task.

### Focus on quality

- Companies that implemented quality-driven strategy programs such as the IATA CEIV Pharma program were well placed to mitigate the impact of logistical constraints in their strategies by defining and adopting a risk-based approach.

### Security

- Working effectively with health and customs authorities is essential to ensure timely regulatory approvals, increased security measures, appropriate handling and customs clearance.
- A number of options have been implemented such as the possible trucking access directly to the aircraft apron.
- Information flow controls to protect against cyber interference/attacks.





# Keeping Cargo Flying!

## Thank you

**Andrea Gruber**

Head, Special Cargo

**IATA**

[grubera@iata.org](mailto:grubera@iata.org)

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

