Session 4: Improving Air Cargo Connectivity in the Supply Chain

Optimizing the End-to-End Journey

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The Second ICAO

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Shaping the Future of Air Cargo

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Air Cargo is Inherently Multimodal

Almost every cargo shipment begins and ends with a truck

Moving air freight may require up to 20 different documents and 7 or more companies to complete the movement from shipper to consignee

Air Cargo Carriers:

- **Airport to Airport Air Carriers**
  - ▶ Belly Cargo Carriers:
    - Finn Air (AY), Delta (DL), United (UA), etc.
  - ▶ Pax Belly Cargo & Freighter Operators:
    - Korean Air (KE), Air China (CA), EVA (BR), etc.
  - ▶ Freighter Operators
    - Suparna (Y8), Cargolux (CV), Polar Air Cargo (PO), etc.

- **Integrator/Express Air Carriers**
  - ▸ Integrator/Express Airlines
    - FedEx (FX), UPS (5X), SF Express (O3), etc.
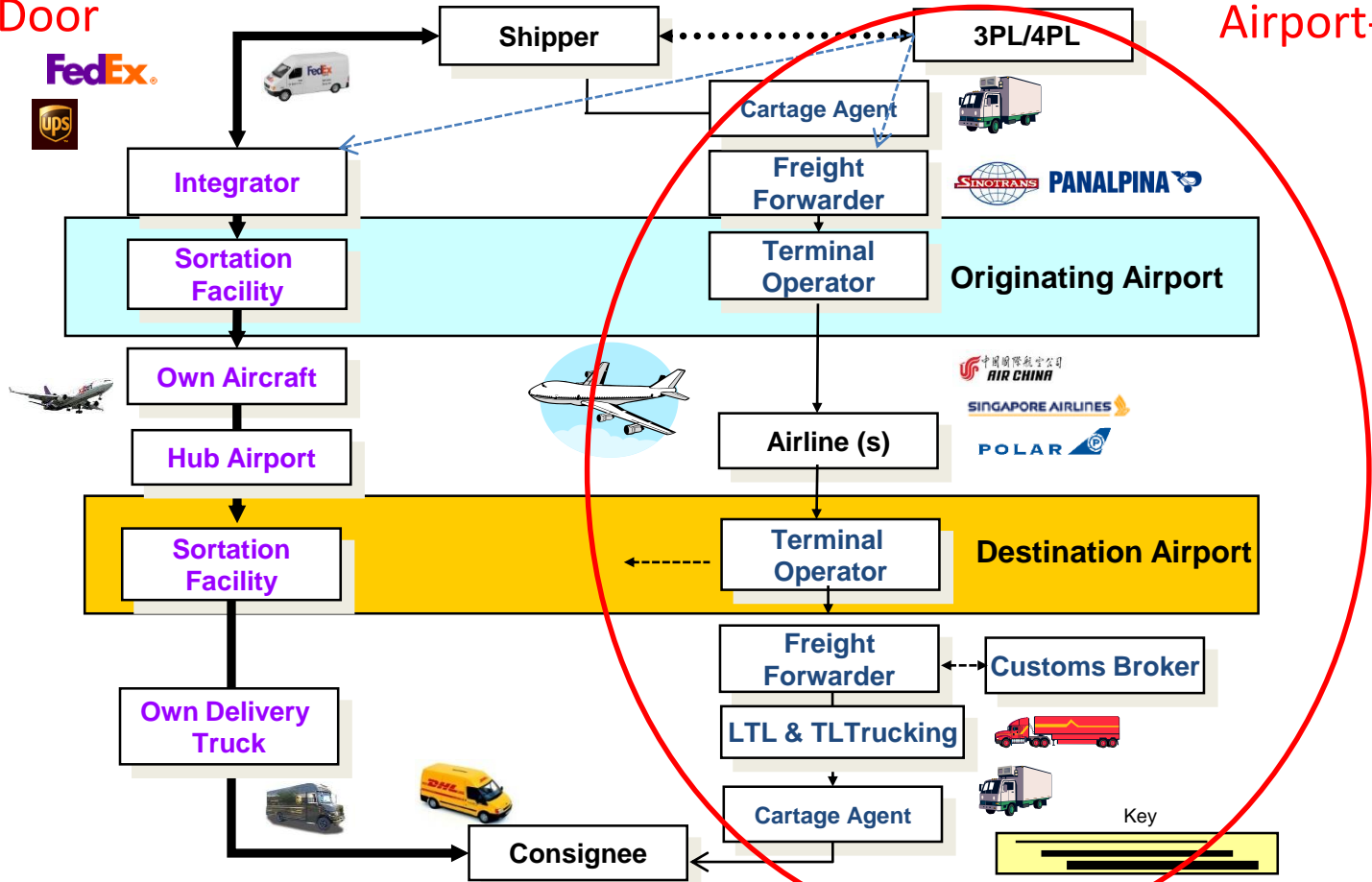 - ▸ Integrator Forwarders
    - DHL, JD.com, Amazon, YTO
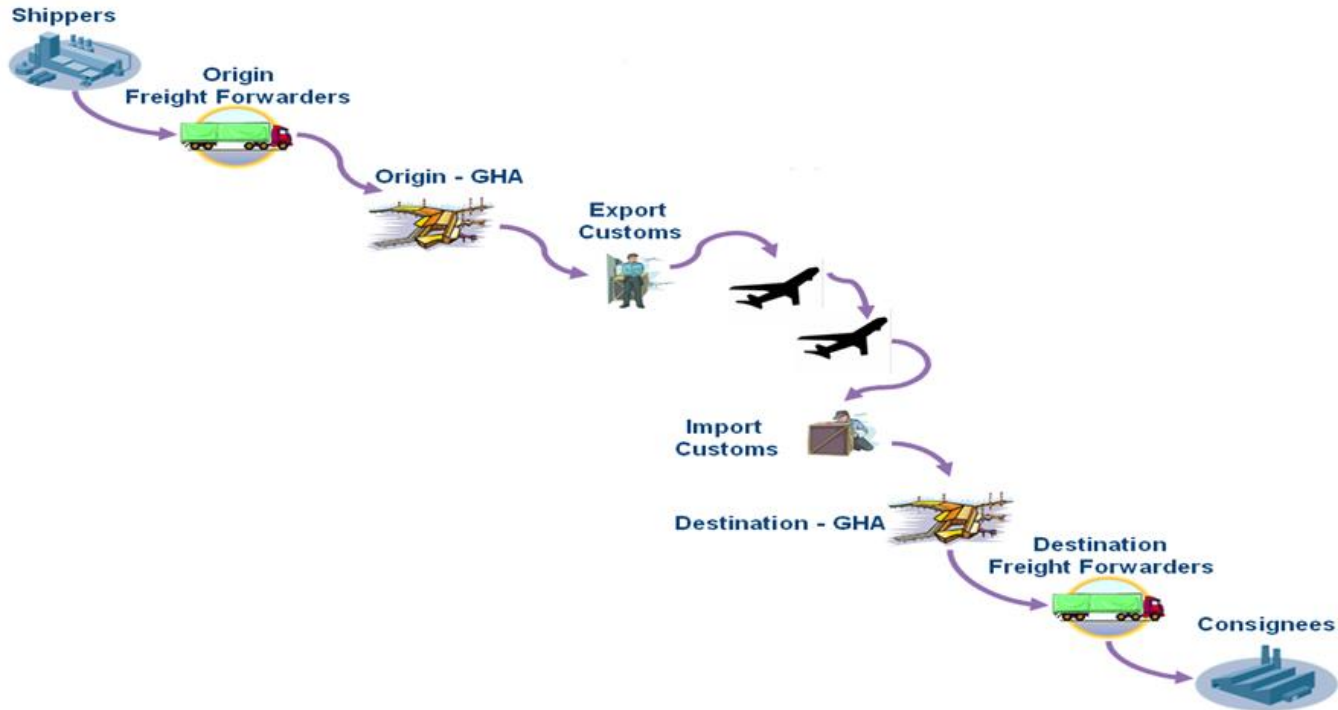
The other air carriers: Road Feeder Service (RFS)

The Air Cargo Supply Chain is a Complicated Process

Door-to-Door

Airport-to-Airport

Shipper

3PL/4PL

Cartage Agent

Integrator

Freight Forwarder

Sortation Facility

Terminal Operator

Originating Airport

Own Aircraft

Airline (s)

Hub Airport

Sortation Facility

Terminal Operator

Destination Airport

Freight Forwarder

Customs Broker

Own Delivery Truck

LTL & TLTrucking

Cartage Agent

Consignee

Key

Relative Degree of Custodial Control

Complex Interfaces Need to be Simplified

Emerging Issues

- An increasingly complex supply chain with many players.

- Changing trend of end-to-end service in air cargo.

- How air cargo connects with other modes of transport and how the cargo supply chain could be improved through more efficient and effective intermodal transport system

- Cross border e-commerce: how to effectively deal with Customs and increased regulation and security compliance requirements.

- The fast growing B2C market requiring last mile to the door delivery.

- The lack of understanding of the role trucks play in the air cargo supply chain resulting in congested terminal facilities, security issues and congested surface streets.

- Lack of data reporting mechanisms for air trucking. Volume of air cargo traveling truck-to-truck is unknown, cargo flows between airports by truck is unreported and number of trucks on airport is unknown.

DISCUSSION