



# e-AWB

## Mobilizing on the Mandate

Final Report

Release date: August 2011

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# Executive Summary

# e-AWB mobilizing on the mandate campaign

## ➤ Objectives:

- Raise awareness on the global e-AWB mandate.
- Obtain airline status on e-AWB (level of interest, plans for EDI agreement, plans for e-AWB rollout, internal targets penetration, perceived & confirmed blockers).
- Support the e-AWB targets (100% in 2014)

## ➤ Scope:

- All IATA member airlines and Freight Forwarder Associations (FFA) which are based in a MC99/MP4 market.

## ➤ Process:

- IATA local cargo representatives (CR) meet with the airlines and Freight Forwarder Associations (FFA) to raise awareness and obtain commitment on the e-AWB initiative and when applicable obtain the project plan of airlines for e-AWB.

## ➤ Timeline:

- From 5 April to 31 May 2011



## Background

The e-AWB standard has been adopted by the IATA Cargo Services Conference and the industry in 2010 under Recommended Practice 1670. To date, e-AWB has been piloted by 12 airlines in 10 countries.

The IATA Cargo Committee in Sep 2010 endorsed the move toward 100% e-AWB by end of 2014 and defined an interim target (6% in 2011).

e-AWB can be used on all international trade lanes where the country of origin and country of destination have ratified the same international treaty recognizing the value of an electronic contract. Either (MC99) or (MP4).

The e-AWB replaces the paper Master AWB, 1 of the 12 core documents in scope for e-freight. As the e-AWB standard (the EDI model agreement) was not ready when e-freight was launched, e-AWB was optional within e-freight implementation. Now, the standard is ready and it is highly recommended for new e-freight participants to implement e-AWB with e-freight. For the early e-freight adopters, a grace period exists until the end of 2012 (e-AWB will then be mandatory for e-freight).

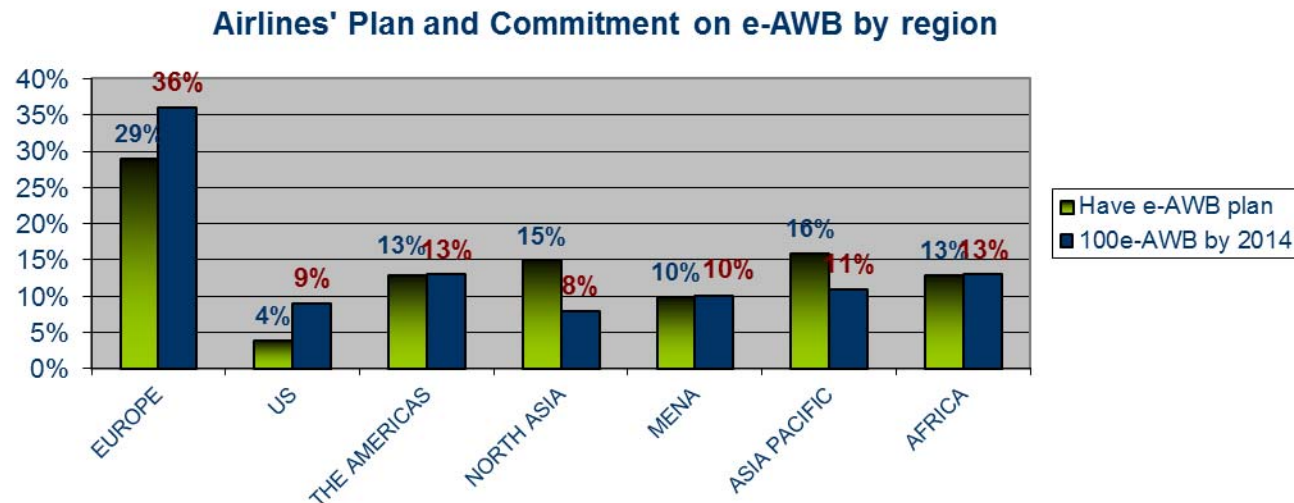
## Key results 1 – Raise the Awareness

	Airlines	Freight Forwarders Associations (FFA)
# of stakeholders engaged	110	64*
% of completion	95%	89%
Aware of e-AWB & 2014 mandate	83	39
Understand what e-AWB is	98%	95%
Understand the e-AWB benefits	97%	91%

\*the 64 local associations engaged by IATA through this campaign represent more than 21'000 freight forwarders worldwide

## Key results 2 – Plans and commitment

- Airlines are already developing e-AWB plans & committing to the 2014 target.
  - 79 airlines have a plan to implement e-AWB and 85 airlines have committed to implement e-AWB by 2014.
  - It is confirmed that the mandate was given at the right date and time.



## Key results 3 – Plans and commitment

- While a large number of airlines have committed to implement e-AWB, most airlines have not defined the rollout plan for 100% e-AWB.
- 86% of the FFA are ready to push for e-AWB amongst their members, but at the same time 60% believe there are obstacles in the way for both their members and the market.
- FFA strongly suggest that the market players are ready to move to electronic (e-AWB, e-freight, e-booking).
  - 70% of the FFA believe that their members are ready to go electronic and 89% of them believe that the airlines are ready.
  - Furthermore, 76% of the FFA believe that the GHA are ready and finally, 60% of them believe customs are ready too.

## Key results 4 – Challenges for e-AWB

- Technical
  - Data quality
  - Lack of messaging capabilities
  - Lack of technical/IT solutions for mid-size players
  
- Legal
  - Difficulty to get the EDI agreements signed
  - Lack of support from local authorities
  - No legal framework in place or international treaties not taken into account locally
  
- Business
  - Cost/investment required for implementing e-AWB
  - Lack of financial incentives for freight forwarders

## Key results 5 – Communication on e-AWB

- Only 6 months after the Cargo Committee issued its 2014 mandate for e-AWB, 80% of IATA member airlines are aware of it.
- The second positive sign is that more than half of the local associations that we met, representing more than 21'000 freight forwarders, were already aware of e-AWB initiative driven by IATA.
- Internally, airlines are starting to inform their staff about e-AWB, but only 20% of our members communicated largely with all staff.

## Next steps

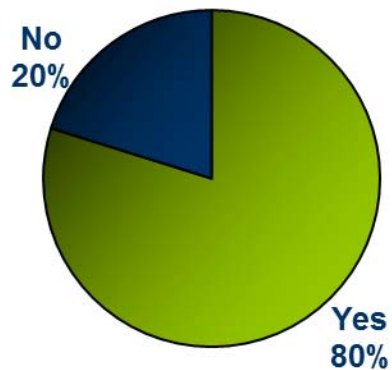
- Build local action plans (by stakeholder and by country) to grow-up e-AWB adoption
- Publish the e-AWB materials to continue supporting IATA member airlines and their partners to implement e-AWB: handbook, e-learning module, interactive map, scorecards
- Communicate and share best practices (local & regional workshops, articles)
- Continue enhancing the standard and the EDI model agreement (with the e-AWB Advisory Group)
- Monitor the local issues reported by the industry (customs requirement for paper, specific paper processes, IT issues)
- Lobby appropriate stakeholders to remove blockers

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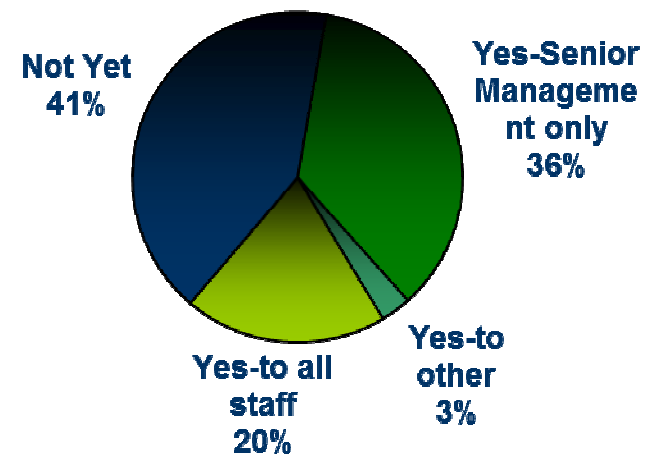
## Detailed Results

## Airlines' awareness of e-AWB

Aware of the e-AWB initiative and the 2014 mandate

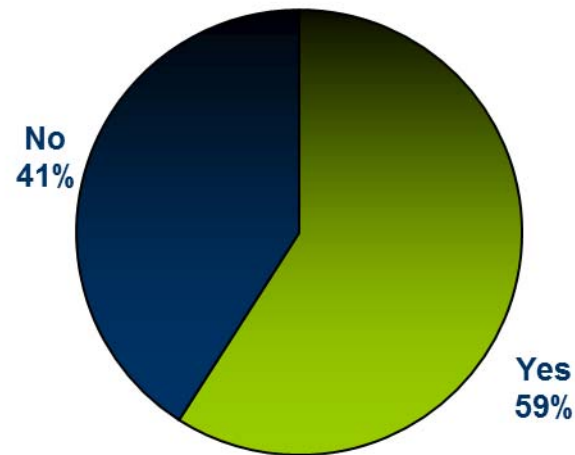


Airline's internal communication on e-AWB



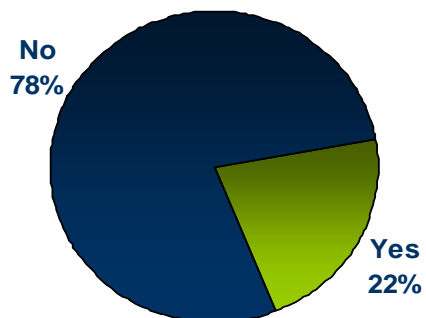
## FFA awareness on e-AWB (1/2)

Was FFA aware of the e-AWB initiative and the 2014 mandate?

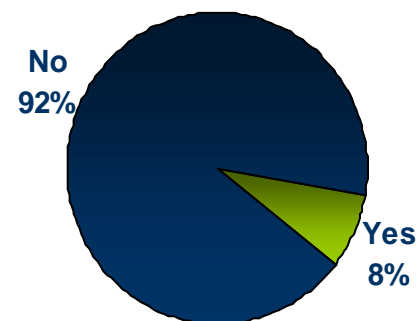


## FFA awareness on e-AWB (2/2)

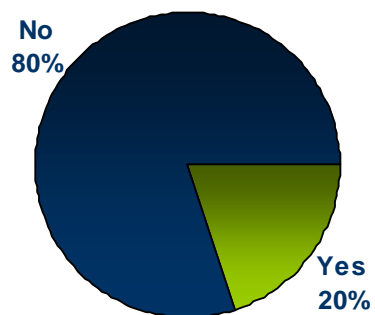
Did the FFA's members recently communicate with the FFA on e-AWB?



Did the GHAs recently communicate with the FFA on e-AWB?



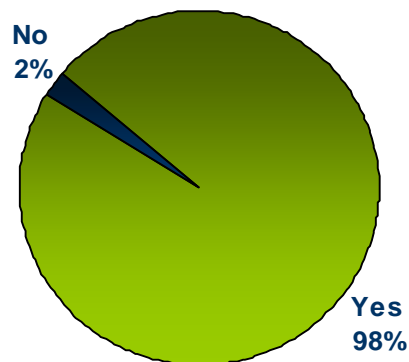
Airlines communication with the FFA on e-AWB



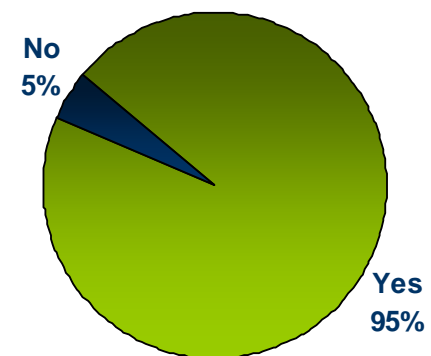
## Understanding what e-AWB is – Airlines & FFA

- A very satisfying result on the industry's understanding of e-AWB
- 102 of the airlines and 61 of the FFA answered that e-AWB is clear to them now

Airline understands what e-AWB is



FFA understands what e-AWB is

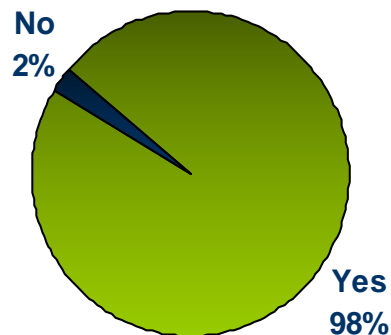


# Understanding the e-AWB benefits

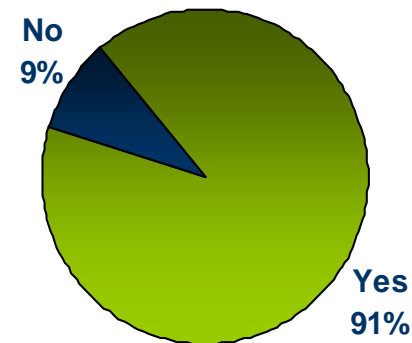
## Airlines & FFA

- Again, an almost absolute understanding on the benefits that e-AWB is able to offer to airlines and FFA once implemented.
- 101 of the airlines and 59 of the FFA answered that they understand the benefits of e-AWB.

Does the airline understand the benefits for it and its partners?



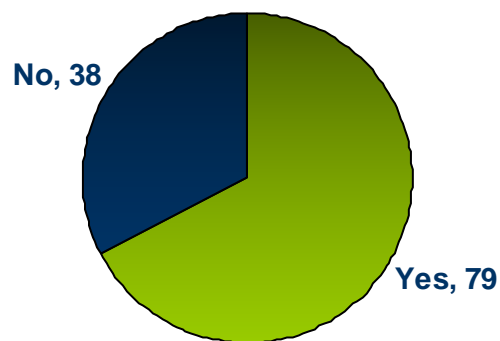
Does FFA understand the e-AWB benefits for its members?



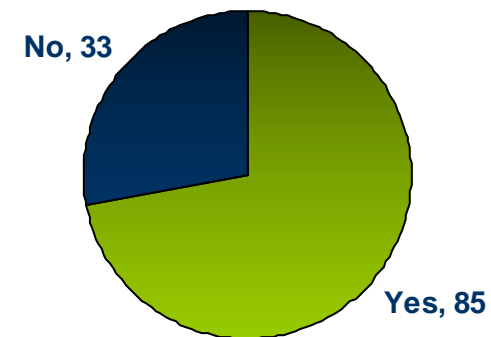
## Commitment on e-AWB - Airlines

- A large number of the airlines already have plans for e-AWB.
- Furthermore, a larger number of airlines are committed to implement e-AWB by 2014.

Have plans for e-AWB

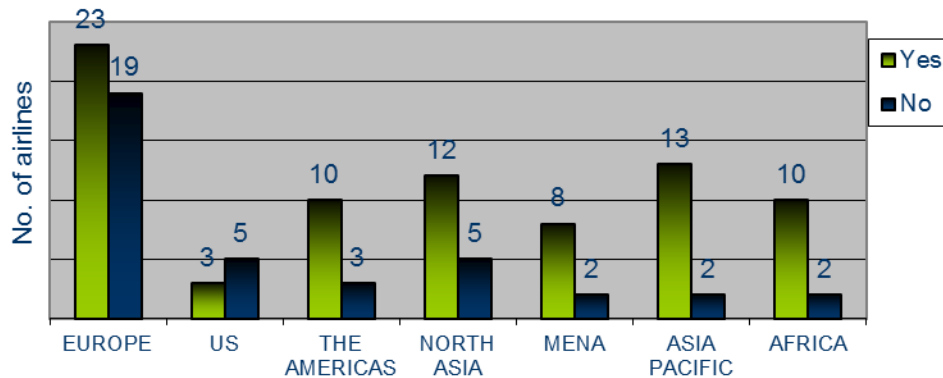


Committed to implement 100% e-AWB by 2014

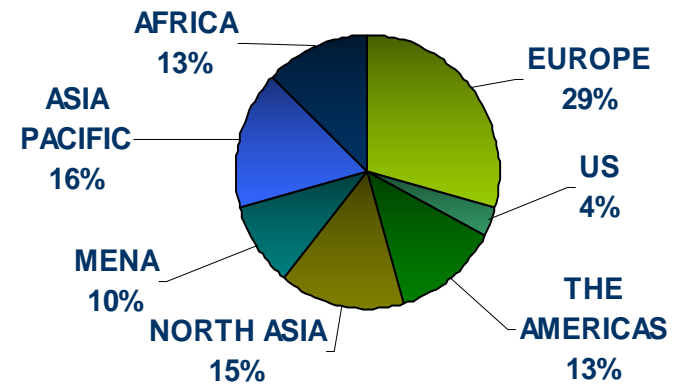


# Plans for e-AWB by region – Airlines

Have a plan for e-AWB

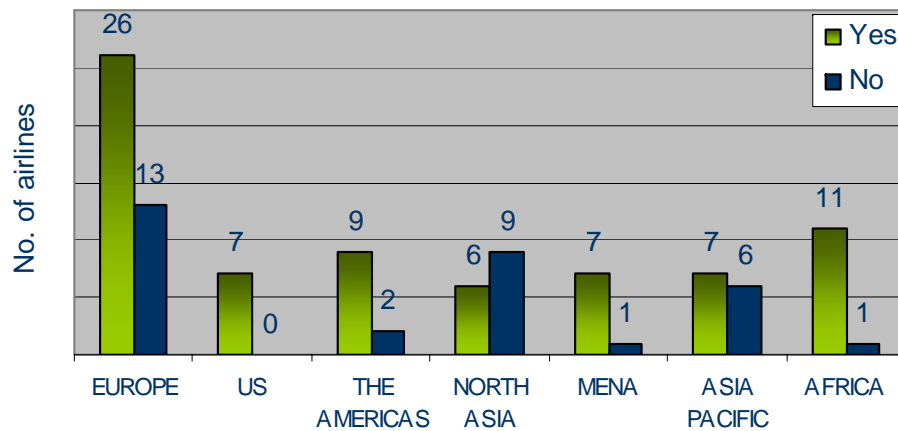


e-AWB plans spread by region

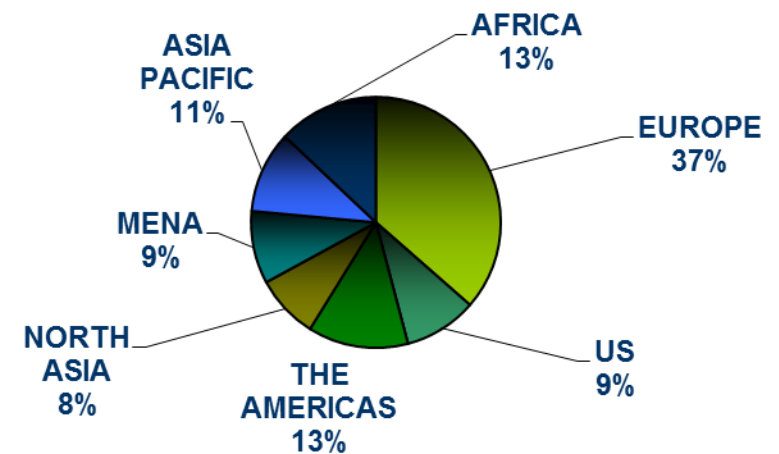


# Commitment on e-AWB by region - Airlines

Committed on 100% e-AWB by 2014



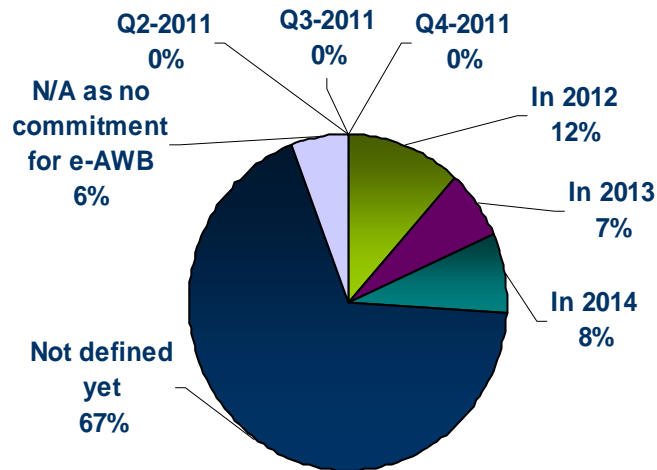
100% e-AWB by region



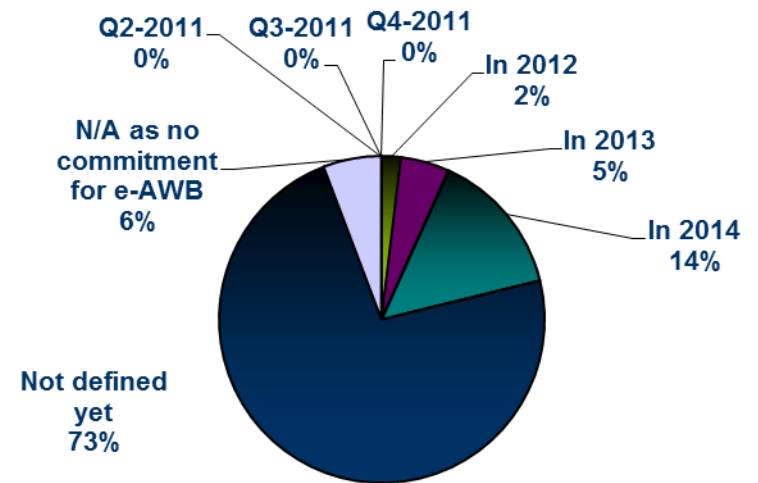
## Towards 100% e-AWB - Airlines

- 6 months after the Cargo Committee issued its 2014 mandate for e-AWB, very few airlines have already defined their roll-out plan and implementation targets.
- According to the feedback from IATA member airlines, 4 airlines are planning to have 100% e-AWB out of their home market in 2010

Plan to be 100% e-AWB out of home market?



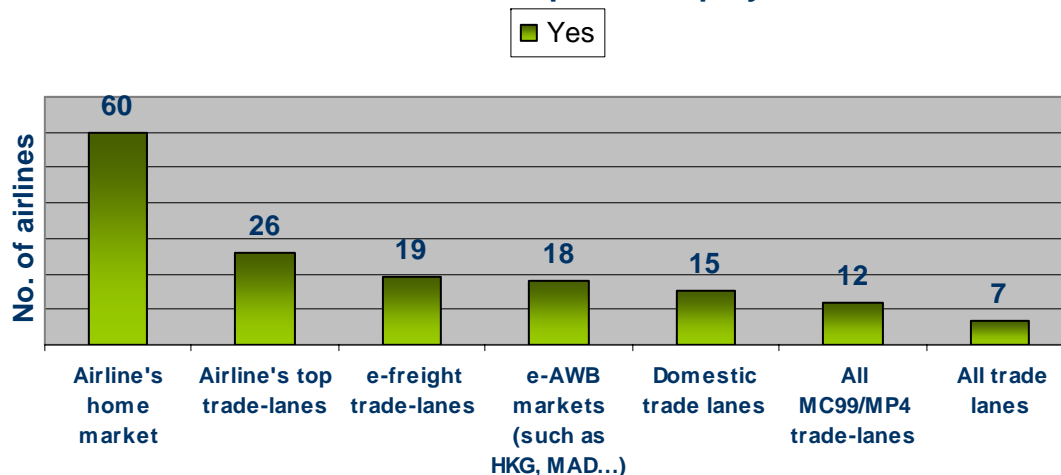
Plan to be 100% e-AWB



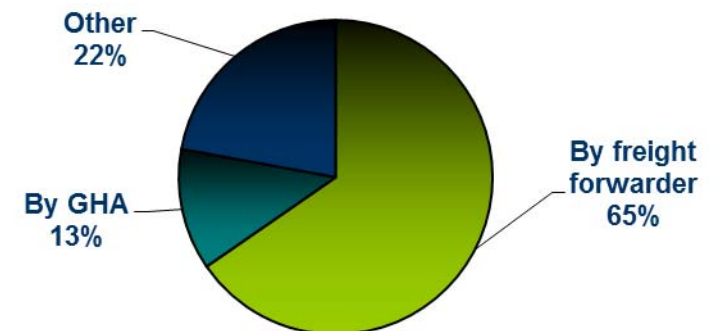
## e-AWB deployment strategy - Airlines

- More airlines are considering as an option to deploy e-AWB in their home markets and their top trade lanes.
- 68 of the airlines plan to deploy e-AWB by freight forwarders and 13 by GHA.

Where does the airline plan to deploy e-AWB



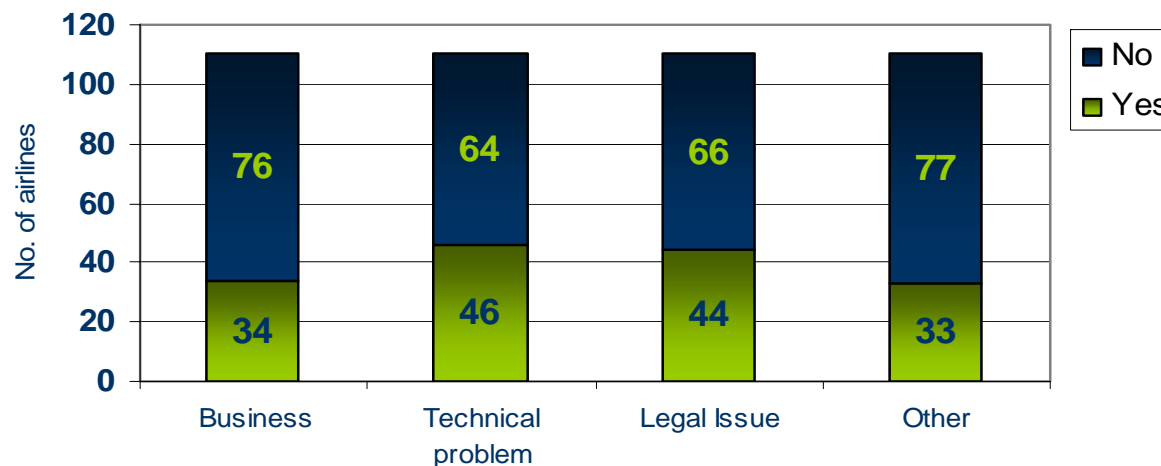
Airline's deployment strategy



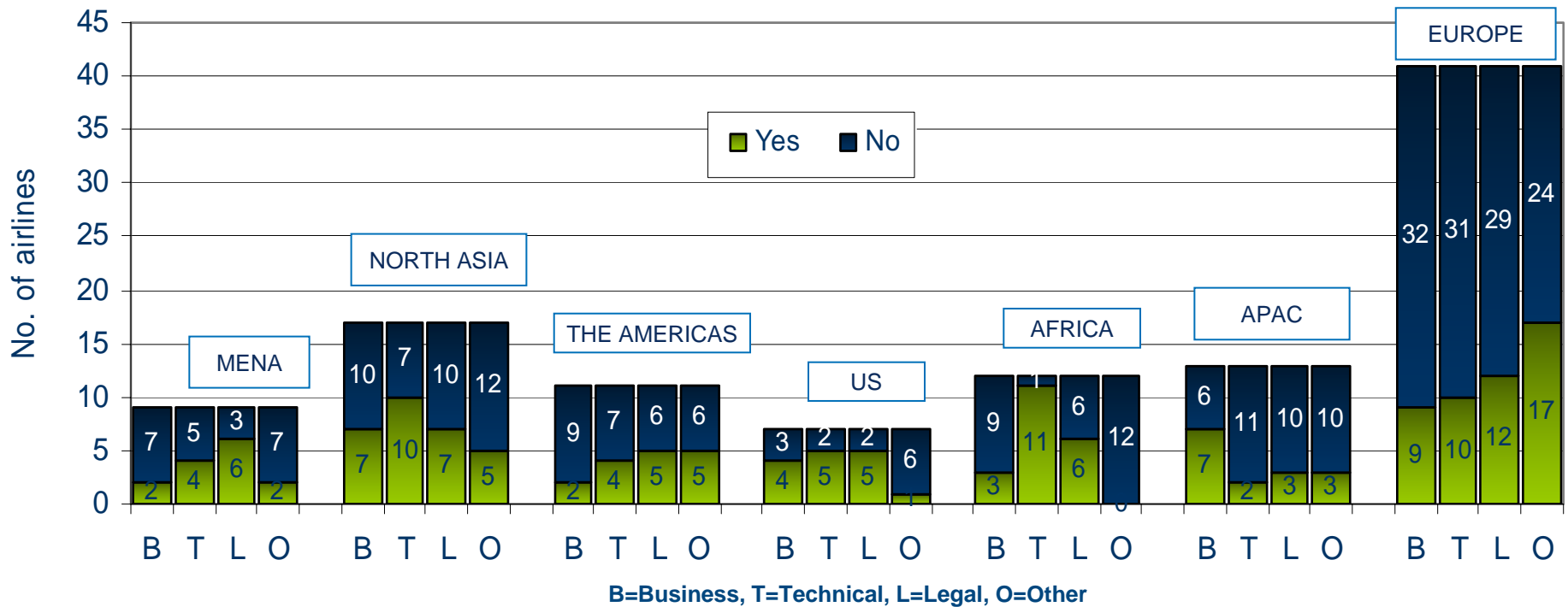
# Challenges faced when implementing - Airlines

- Out of the 110 airlines surveyed:
  - 30% forecast business challenges
  - 42% forecast technical issues
  - 40% forecast legal issues

Challenges faced when implementing e-AWB



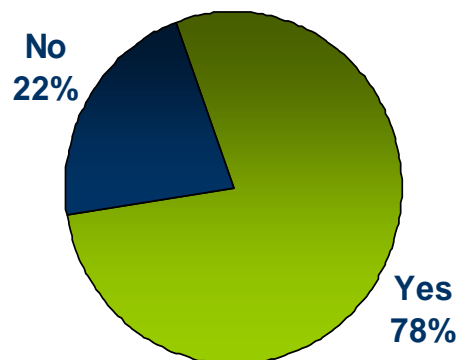
# Challenges faced by region - Airlines



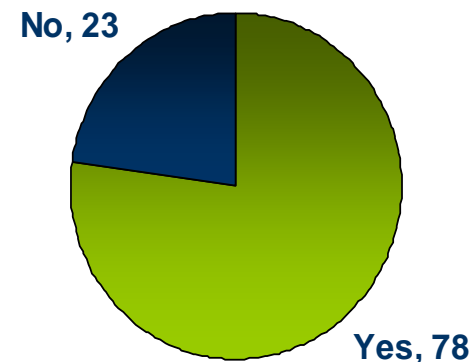
## Importance of challenges faced - Airlines

- The majority of the airlines believe that the challenges faced when trying to deploy e-AWB are critical .
- At the same time, airlines believe that IATA can help them to overcome those challenges.

Are the challenges critical?



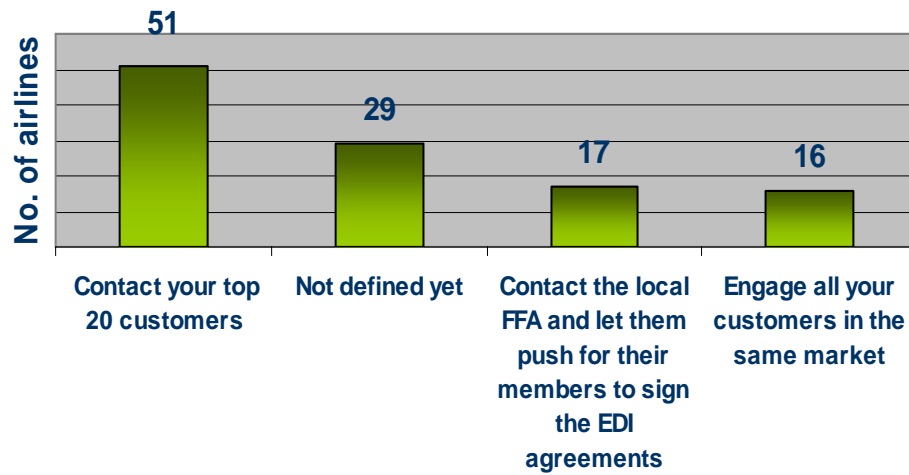
Can IATA help?



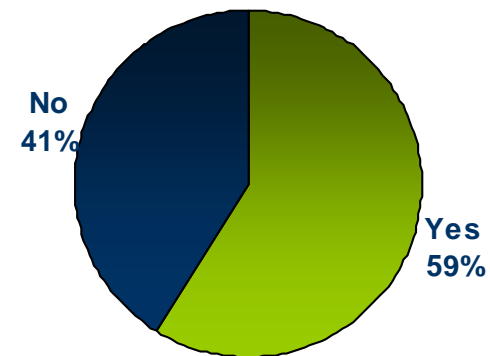
## Airlines plan to sign first - EDI agreement

- Only 16% of the airlines plan to sign their first EDI in 2011, and more than half of the airlines have not defined a plan yet
- Most of the airlines having an already defined strategy plan to engage their top 20 customers first to sign their first EDI agreements
- Half of the interviewed airlines forecast challenges in this first step of the e-AWB implementation

Airline strategy for first EDI



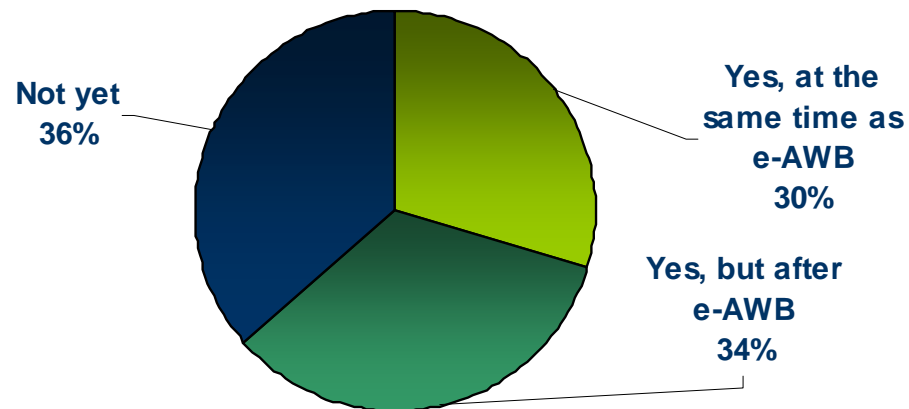
Challenges for the first step



## e-freight & e-AWB - Airlines

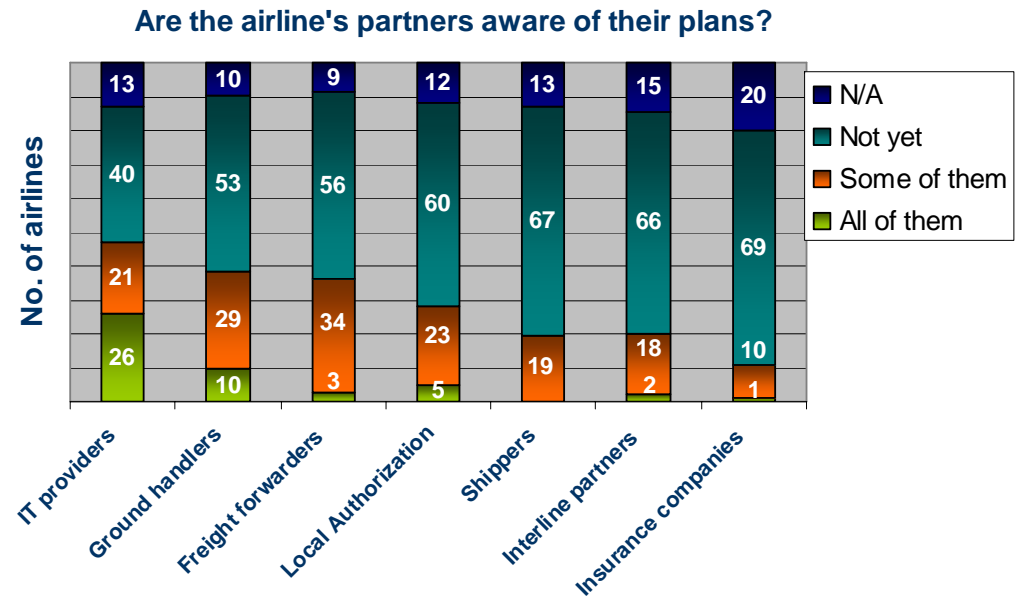
- 26 of the airlines will implement e-AWB at the same time that they will implement e-freight and 30 will implement e-AWB first.

### Implement e-freight together with e-AWB



# Plan awareness & alignment – Airline's partners

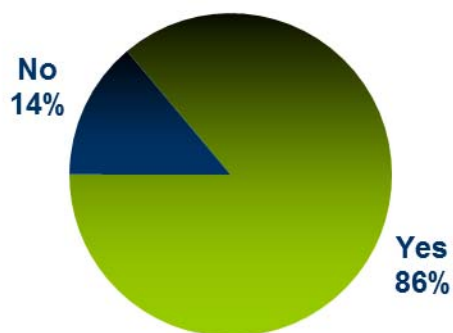
- 6 months after the Cargo Committee issued its 2014 mandate for e-AWB, very few airline's partners are aware and aligned with the airlines plans regarding e-AWB.
- It seems that airlines that have already engaged their partners are contacting first their IT solution providers (to ensure their technical readiness), and then their ground handlers and customers.



## Promoting e-AWB – FFA

- The vast majority of FFA declare that they are ready to promote & push for e-AWB amongst their members.

FFA ready to promote e-AWB amongst its members

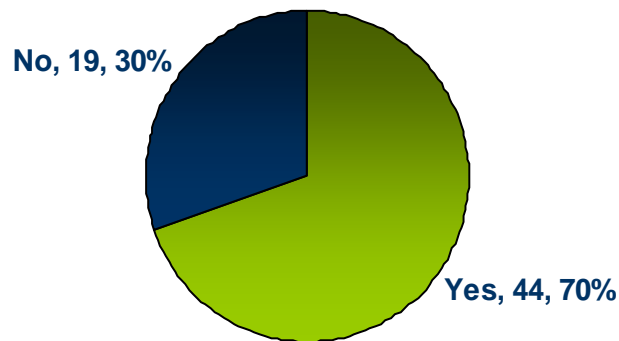


- At the same time, 60% of the engaged FFAs believe that there are challenges on the way for their members and the market into moving to e-AWB.
- The main perceived challenges from the freight forwarding community are:
  - Lack of technical/IT solutions for middle size players
  - Cost/investment required for implementing e-AWB
  - Lack of financial incentives for freight forwarders
  - No legal framework (international treaty signed but no local implemental laws)
  - Lack of support from Customs authorities

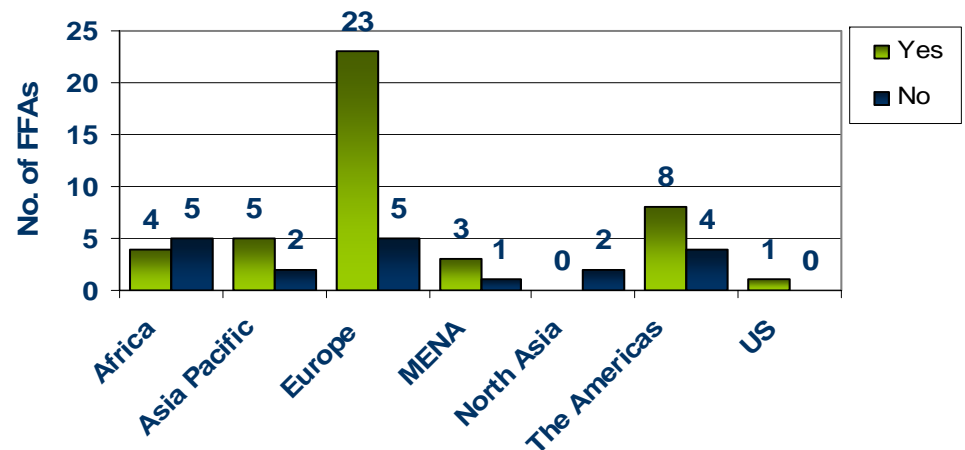
## Ready to go to electronic – FFA members

- The majority of FFA believe that their members are ready to move to electronic (e-AWB, e-freight, e-booking).
- European FFA are the most confident, while clearly North Asian and African FFA still have reservations on their members' readiness to move to electronic.

FFA believes its members are ready to move to electronic (e-AWB, e-freight, e-booking)



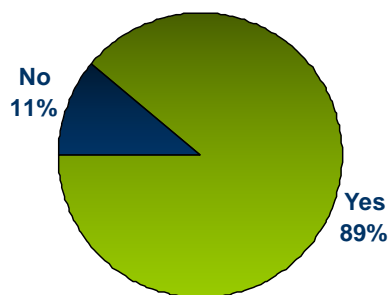
FFA's members ready to move to electronic By region



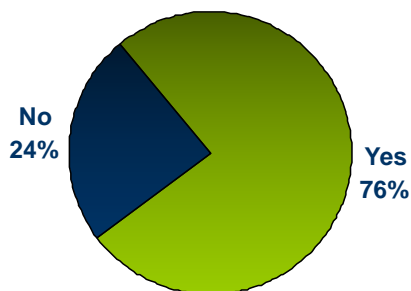
## Ready to go to electronic – FFA for airlines

- The vast majority of FFA believe that the airlines are ready to move to electronic (e-AWB, e-freight, e-booking).
- Regarding the GHA, most of the FFA believe that they are ready to move to electronic.
- As far as customs are concerned, fewer FFA than previously are convinced about the customs authorities readiness to move to electronic.

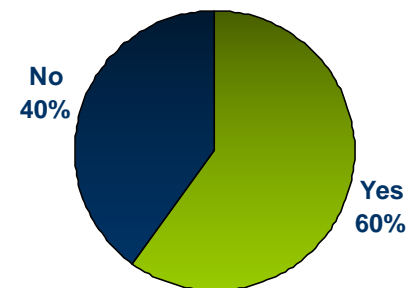
FFA believes airlines are ready



FFA believes GHAs are ready



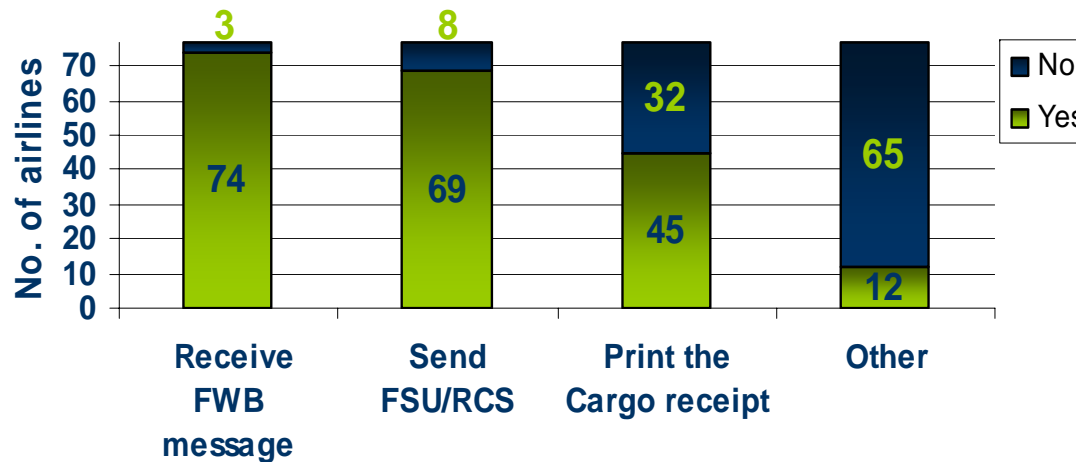
FFA believes customs are ready



# e-AWB technology readiness - Airlines

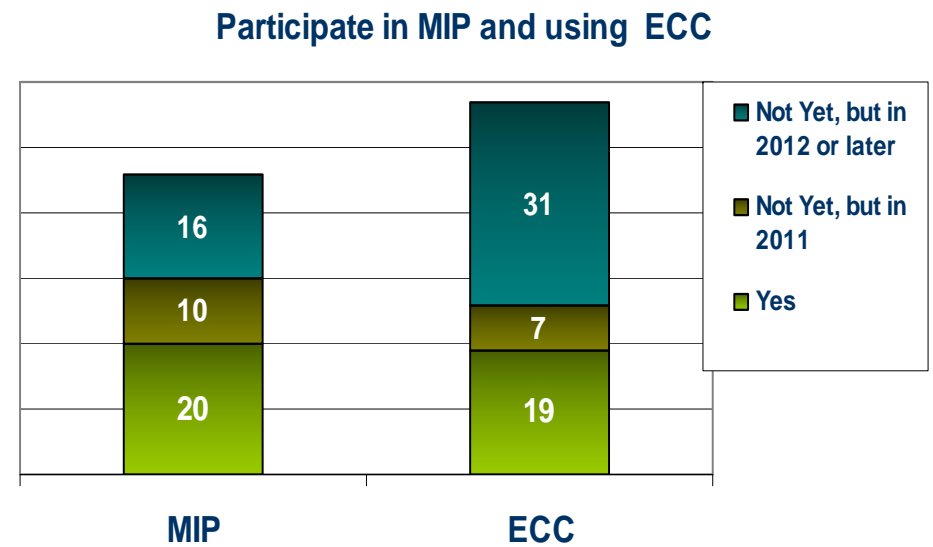
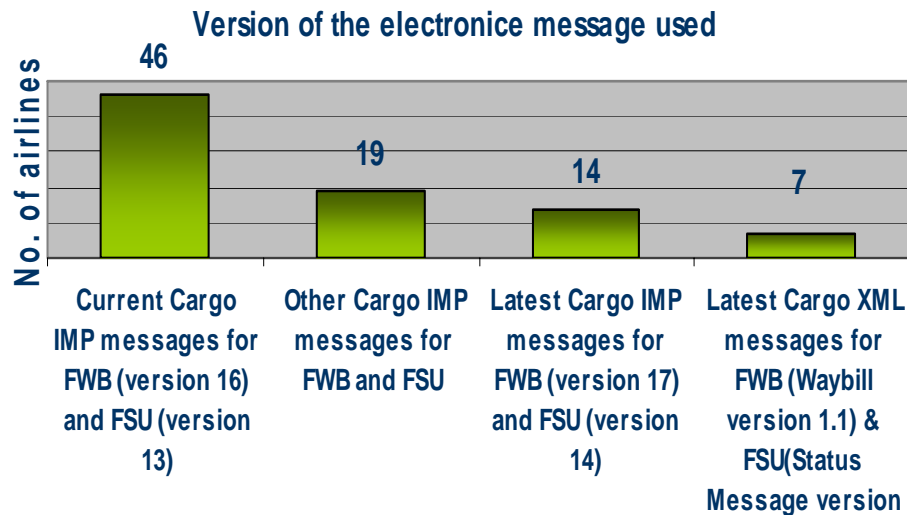
- 72% of the airlines believe they have the technology required to support the e-AWB.

Airlines with the technology to support e-AWB are able to:



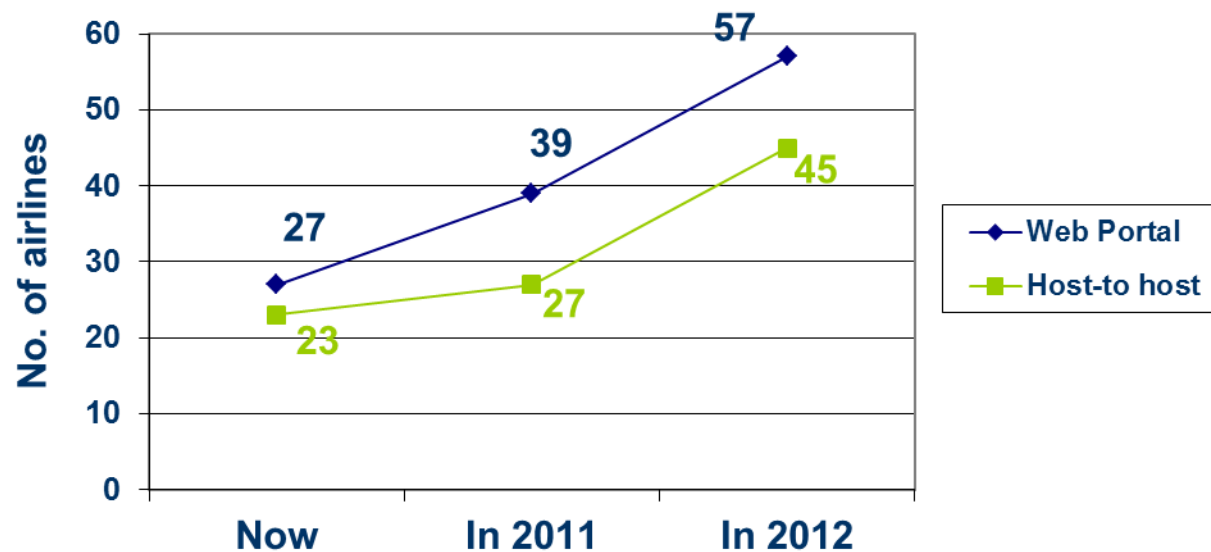
# e-AWB technology readiness - Airlines

- Most of the airlines are using the current cargo IMP messages for FWB and FSU, with other cargo messages being used as well.
- In terms of participating in MIP to improve the quality of the FWB data, more airlines need to include it in their agenda.
- The special handling code to identify e-AWB shipments needs also to be adopted.



## Airline plans - EDI vs non-EDI

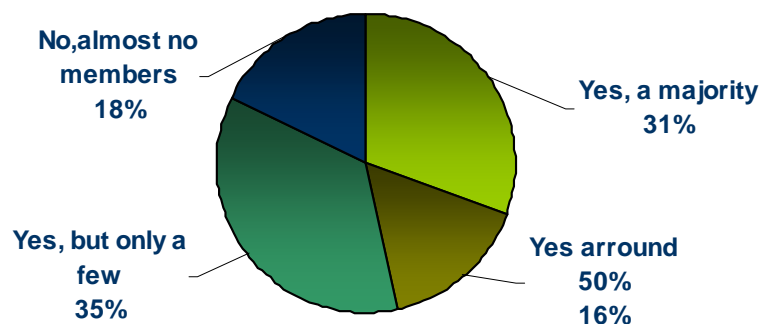
- 39 airlines plan to offer a web portal for their non-EDI capable customers in 2011. Another 18 plan to do that later.
- 27 airlines plan to offer a host-to-host fully integrated solution for their EDI capable customers in 2011. 18 more airlines have planned to offer the solution later.



## Freight forwarders **messaging capabilities**

- According to the 64 associations, representing more than 21,000 forwarders:
  - 60% of their members are EDI capable
  - 44% of them are XML capable
- It appears that FFA believe that a fair number of their members are able to send and receive messages for e-AWB.

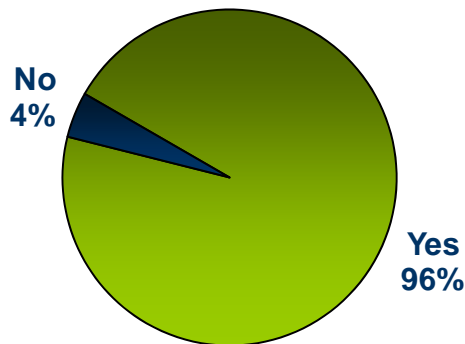
Are the members able to send FWB and receive FSU/RCS messages?



## Regional e-Cargo workshop – Airlines & FFA

- It is clear that the vast majority of airlines and FFA are interested in participating in a regional e-Cargo workshop.
- e-Cargo workshop would encompass e-freight, e-security declaration, IATA XML, e-booking and more along with e-AWB.

Interested in participating in an e-Cargo regional workshop (Airlines)



Interested in participating in an e-Cargo regional workshop (FFAs)

