AI-Driven Innovations in Air Cargo

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September 25, 2025 IATA CEC Brussels
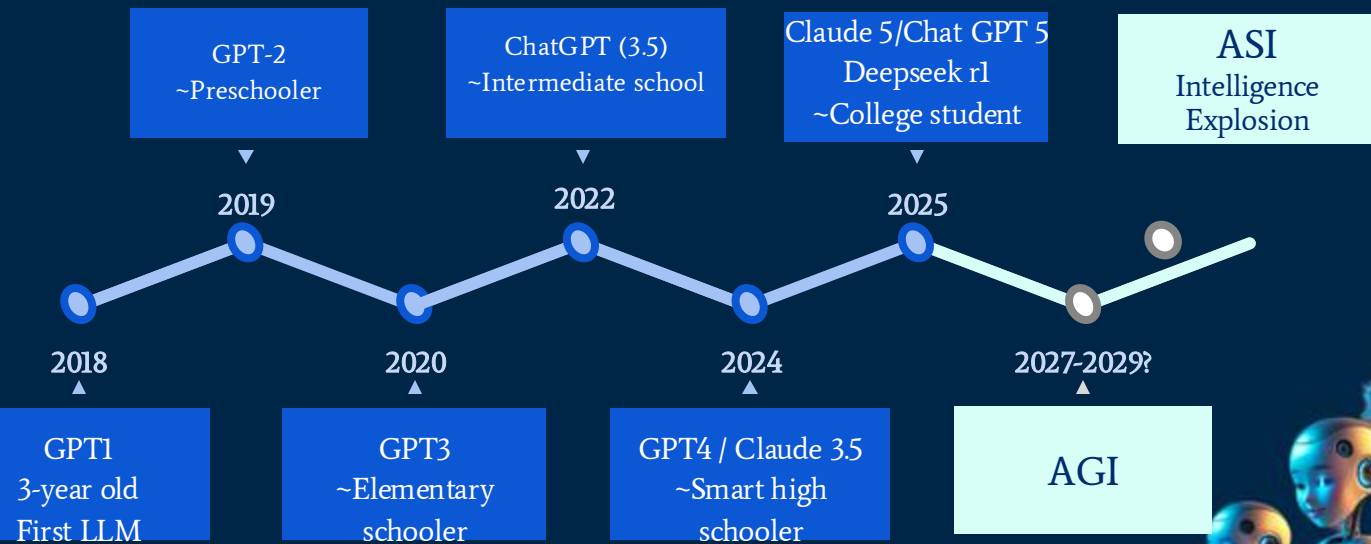
Agenda

→ AI progress and risks

→ Air cargo use cases

→ Case study: SkyRate - Dynamic Pricing

→ Next steps and best practices

AI progress and risks

AI pace of progress - 2x+ a human's development

GPT-2
~Preschooler

ChatGPT (3.5)
~Intermediate school

Claude 5/Chat GPT 5
Deepseek r1
~College student

ASI
Intelligence
Explosion

2019

2022

2025

2018

2020

2024

2027-2029?

GPT1
3-year old
First LLM

GPT3
~Elementary
schooler

GPT4 / Claude 3.5
~Smart high
schooler

AGI

Inspired by *SITUATIONAL AWARENESS: The Decade Ahead*
By Leopold Aschenbrenner, June 2024

I AM MAD

AI PROGRESS	AI RISK
Intelligence	Misuse
Agency	Alignment failure
Machines – robotics	Disruption – economic/societal

For example just since August

Progress

Intelligence

ChatGPT 5 launch (thinking/reasoning) version, millions of people will access to it

Agency

Getting a dinner reservation with friends that includes multiple constraints and preferences via AI mode on Google

Machines - robotics

Toyota and Boston Dynamics. Working autonomously

Risks

Misuse

Prompt Injection Phishing, PromptFix

Misalignment

"Emergent Misalignment"

Disruption - **Economic/Societal**

MIT study shatters AI hype: 95% of generative AI projects are failing

AI adoption linked to 13% decline in jobs for young US workers

AI in cargo

Where to apply rapidly advancing AI in Air Cargo?

Well, everywhere:

General AI use cases using generic chatbots like ChatGPT/Claude (LLMs)

- Document digitization and management
- Automated customer support

Use cases that require specialized AI algorithms:

- Optimize plane loading
- Operations. Exception handling.

Use cases that require unique industry data and specialized AI:

- Network design, interlining, trucking
- Pricing: Tenders (RFQs), dynamic pricing, spot pricing

AI Case study - dynamic pricing
SkyRate: Smart Kinetic Yield & Rate AI Tariff Engine

A sample air cargo search on Freightos WebCargo from talk at WCS 2023

A sample air cargo search on Freightos WebCargo from 2025

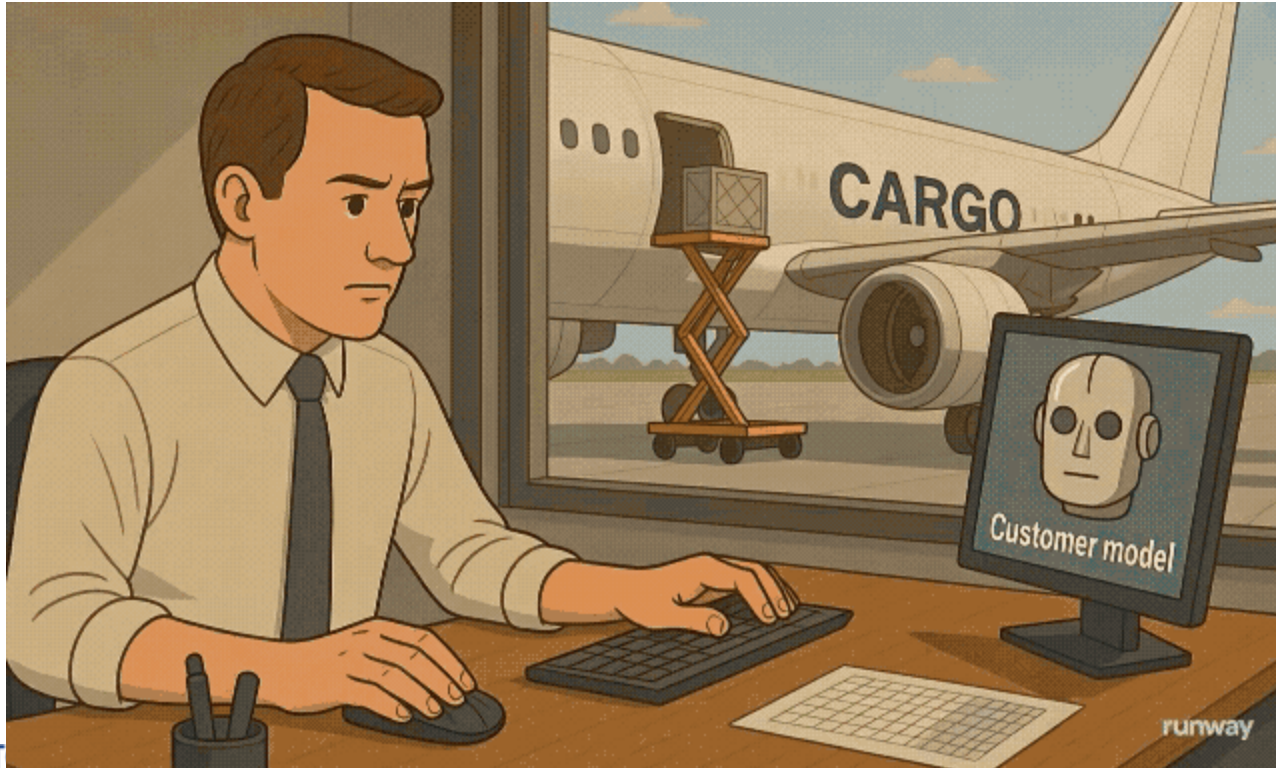# Replace the pricing manager with AI?

Replace the pricing manager with AI?

Provide pricing manager with AI model of customer!
How much will customers book at different prices, given current market prices, and model of customer behavior?

Machine Learning: Millions of bookings
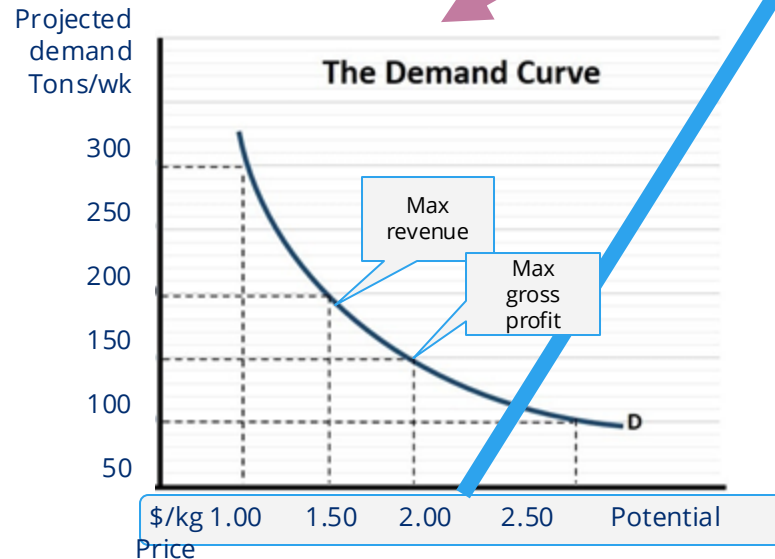## ~90% prediction of customer choices!

Enter AI: The SkyRate concept

Current market conditions

SkyRate: AI model trained to predict customer behavior

Projected demand Tons/wk

The Demand Curve

300

250

Max revenue

200

Max gross profit

150

100

50

$/kg 1.00   1.50   2.00   2.50   Potential

Price

D

→ Pricing manager decision on strategy given demand curve

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Next steps & best practices

FREIGHTOS

What's next in pricing?

→ Dynamic pricing based on market data and AI models

→ From dynamic pricing to search-specific spot pricing

→ Digital distribution - airline portals and platform distribution

General AI best practices

➔ Make sure every single employee is using AI day to day for productivity

➔ Identify processes to automate

➔ Identify human judgement that would be better based on data and AI

➔ Ensure clean, accessible data

➔ As in the case study - think carefully *what* to model

➔ Choose LLM or one of the specialized ML models. Consult AI!

➔ Train, test and iterate

➔ Each month there are new AI advancements so stay alert

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Let's talk AI

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