Everything About Cargo

- Welcome Remarks
- Cargo Operations
- e-Commerce
- Digital Cargo
- StB Cargo Projects
Welcome

Brendan SULLIVAN
Head of Cargo Operations
Border Management
CEIV +
eA WB > 50%
Smart Facility
Expanding e-Commerce
Air Cargo strong growth
PEDs and Lithium Batteries
IATA AGM Cargo Reso
2017 Shipper Survey
Smart DATA
Operational Obstacles
TFA coming into force
Digital Cargo development
ULD damage reduction
Cargo Operations
Special Load Task Force
Safety Campaign
Industry Collaboration
Enable Global Tracking of ULD Assets

IATA ULD Regulations
Smart Facility
Cargo operations are carried out at thousands of airports by hundreds of companies

**Complexity:**
Thousands of Cargo Facilities assessed / audit cycle by each user (~22,250)

**Redundancy:**
~121,500 airline man days
~$60 million spent on audits, per cycle

**Physical Proof:**
Ability to have physical proof of the facility and procedure assessed.

**Deriving Actions**
Analyze assessments in a cost & time effective manner to drive sustainable actions
IATA Cargo Audit Landscape

Capability Level

- Excellency in Special Cargo Handling
- Basic Operational Capacity in Cargo Handling
- Safe Handling Operations

Audit Scope

- ISAGO
- Smart Facility OC
- CEIV

IATA Cargo Transformation program
Case for Change

The world freighter fleet will grow by 70% in the next 20 years from 1770 to 3010 airplanes.

- Passenger forecast set to double in 20 Years
- 70% freighter growth in 20 years
- Airport Capacity Issues

SINGLE’S DAY:
657 MILLION PACKAGES WORTH $17.8 BILLION

There are 3,200 AIRPORTS worldwide and 60,000 TRADE LANES

- E-Commerce Growth
- Strong Competition
The cargo facility of the future will be smart, connected, green, safe and secure, and fit for purpose in size, location and for the people who use it.
“… scope (but not their rewards) needs to be reduced in order to allow them go deeper. It’s extremely important as you scale, because every topic becomes increasingly more complex.”
E-Commerce

Scanning the Horizon
An IATA Cargo white paper
e-commerce growth is the ‘not-to-be-missed’ opportunity!

1.9 trillion USD in 2016
3.5 trillion USD in 2019

e-commerce is a growth driver for the air cargo industry.
Parcel delivery volume more than doubled in the past decade

Online Sales (2019: est.)
Retail e-commerce sales worldwide, 2015-2020

Source: eMarketer, August 2016. Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets.

2015: $1,548, 7.4%
2016: $1,915, 8.7%
2017: $2,352, 10.0%
2018: $2,860, 11.5%
2019: $3,418, 13.0%
2020: $4,058, 14.6%
What challenges do you face with your cross-border e-commerce (other than cost)?

- Navigating customs compliance: 51
- Tracking deliveries across borders: 46
- Managing delivery expectations: 43
- Managing risk across borders: 35
- Creating a seamless experience for customers abroad: 35
- Cross-border logistics: 30
- Cross-border returns: 24
- Working with partners: 22
- Collecting data from customers across borders: 19
- Managing demand across borders: 16
- Processing foreign currencies: 3

Source: eft report of 2018 hot trends based on survey of retailers, manufacturers and distributors.
Digital Cargo
e-freight

- e-SDDG “dangerous goods declaration” → 3 e-pilots
- e-CSD “Consignment Security Declaration”
- e-AWB 360 – single process in 37 airports (31 airlines)
- Cargo XML → e-Customs
  - MoU with UNCTAD on ASYCUDA
  - World Customs Organization: Cargo Targeting System

*e-Freight aims to remove all paper processes from airfreight. Main focus is on the AWB → e-AWB*
State of e-AWB usage

Potential for e-AWB

2018 → 68%
e-AWB share 51%
Digital Cargo

- **e-freight**
  - baseline e-processes and systems

- **ONE Record data standard**
  - industry single shipment record

- **ONE Record API standard**
  - connectivity standard for air cargo transport and logistics

- **Digital Cargo**
  - digital ecosystem for plug & play business connectivity
Questions?
StB Cargo
Facilitating industry transformation
The 6 goals of the program

Capitalizing on e-commerce
Moving to data on-demand
Developing real-time interaction
Making quality relevant
Optimizing the end-to-end journey
Modernizing cargo distribution

Making air cargo easier, smarter and faster
A portfolio of 6 projects

- Accelerating change in the areas of
  - Digitalization
  - Visibility
  - Safety

- e-freight & e-AWB
- ONE Record
- Interactive Cargo
- Smart Facility
- ACID Air Cargo Incidents Database
- Cargo Connect

New

New
Interactive Cargo

Making cargo talk

- Tracking at piece level
- Sensors & data loggers
- Notification / real-time data sharing

iata.org/interactive-cargo
ACID  Air cargo Incident Data

Data-driven improvements

- Big data
- Incidents database
- Improving safety

iata.org/acid
Innovation groups

White papers

IATA Innovation Awards

Driving innovation

Released in 2017:
- FACE vision 2030
- Air cargo serving e-commerce
- Cargo facility of the future
- Drones for tomorrow’s air cargo

Innovation talks at FACES, CES, CNS, etc.

2nd edition in 2017 with 46 submissions, 5 finalists, 1 winner ($20,000)

Next edition will be in 2019

1st Horizon, the IATA Cargo Innovation Forum in March 2017

1st DronesLAB in October 2017

There will be 2nd editions in 2018!
Technologies on StB Cargo innovation radar

- Online services
- e-docs
- Cloud
- Cyber Security
- Big Data
- AI & Cognitive
- IoT
- Smart tattoos
- Wearables for animals
- Augmented reality
- Virtual reality
- Robots
- Biometrics
- Screening
- Drones
- Airships
- Blockchain
- 3D printing
Questions?