Market outlook and regulation changes

Special Cargo transported by air
Welcome

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IATA
3-Part Cargo Webinar Series

Market outlook and regulation changes
Cargo operations
5 October 2022, 14h00-15h00 CEST
COMPLETED

Market outlook and regulation changes
Special cargo transported by air
12 October 2022, 14h00-15h00 CEST
LIVE

Market outlook and regulation changes
Dangerous goods transported by air
19 October 2022, 14h00-15h00 CEST
Webinar Housekeeping

This webinar is being recorded and it will be shared with you, along with this presentation.

Have a question? Access the question tab at the bottom of your screen and type in your question.
Agenda

- Economic Outlook
  - Commodity Report
  - Industry Trends and Priorities
  - Focus on sustainability, technological improvements and industry collaboration

- Standard Development
  - Dedicated Board and Working Groups
  - IATA TCR, PCR, LAR Regulations and Guidelines
  - Compassionate Transportation Manual (CTM)

- Compliance
  - CEIV certification programs
  - Air Cargo Compliance Solution
Slowdown is expected to continue in 2023

Economic growth outlook, % year-on-year

- Global GDP growth
- Advanced economies
- Emerging economies

www.iata.org/economics
Recession fears and policy uncertainty

- Recession fears have set new highs.
- Policy uncertainty has risen but not to new highs.

www.iata.org/economics
Spectacular job growth should allay fears

Change in unemployment rate for selected OECD countries between February and April 2022

www.iata.org/economics
Air Cargo Industry
In July 2022, cargo supply remains an upward trend despite a slight decline in demand.
Resilient cargo as passenger-traffic recovery goes on
CTKs stable around 2019 levels, domestic RPKs now on an upward trend

CTKs and RPKs, % ch. vs. the same month in 2019

-100%  -80%  -60%  -40%  -20%  0%  20%

July 2022 versus July 2019

-13.1%  -25.4%  -32.1%  

July 2022

versus

July 2019

Industry CTKs
Domestic RPKs
Passenger Industry total
International RPKs

www.iata.org/economics
Cargo rates remain competitive to container

Ratio of chargeable weight rates per kg for air cargo and container

- Pre-crisis average
- Pre-crisis maximum
- Pre-crisis minimum

Air cargo prices more competitive

Air cargo prices less competitive

www.iata.org/economics
Pressures on operating costs remain. Brent averaged USD 100.4/bbl in August, crack spread still elevated.
Special Cargo
Demand
Special Cargo Demand

Special Cargo Chargeable Weight Index from 2019 to 2022

Based on IATA CargoIS (Intelligence Services)
Special cargo demand by origin region

Pharma chargeable weight index - Index 2019

Perishables chargeable weight index - Index 2019

Live Animals chargeable weight index - Index 2019

Based on IATA CargoIS (Intelligence Services)
Flows of special cargo in Jan-Aug 2022

Distribution of flows by region

0% 10% 20% 30% 40% 50% 60% 70%

North America
Middle East & South Asia
Europe
Central and South America
Asia Pacific
Africa

Pharmaceutical  Perishables  Live Animal

Top country-to-country flow

Based on IATA CargoIS (Intelligence Services)
Top country-to-country pharma flows in Jan-Aug 2022

1. India to United States
2. United States to Netherlands
3. Belgium to United States
4. United States to Japan
5. Germany to China
6. Germany to United States
7. France to United States
8. Belgium to Chinese Taipei
9. Belgium to China
10. United States to China

Based on IATA CargoIS (Intelligence Services)
Top country-to-country perishables flows in Jan-Aug 2022

1. Netherlands to United States
2. Philippines to Chinese Taipei
3. United States to Netherlands
4. United States to Thailand
5. United States to Viet Nam
6. Netherlands to Canada
7. United States to Philippines
8. Netherlands to Mexico
9. United States to Indonesia
10. United States to Belgium

Based on IATA CargoIS (Intelligence Services)
Top country-to-country live animal flows in Jan-Aug 2022

1. Netherlands to United States
2. Philippines to Chinese Taipei
3. United States to Netherlands
4. United States to Thailand
5. United States to Viet Nam
6. Netherlands to Canada
7. United States to Philippines
8. Netherlands to Mexico
9. United States to Indonesia
10. United States to Belgium

Based on IATA CargoIS (Intelligence Services)
Special Cargo

Industry trends
Sustainable operations

Net-zero carbon emissions by 2050

• Sustainable aviation fuels, new aircraft technology, more efficient operations and infrastructure, and zero-emissions energy sources.

• Recommended Practice RP1678 on CO2 Emissions Measurement Methodology to calculate emissions.

• Global standard to measure air cargo carbon footprint at the shipment level.

• Ongoing update of RP1678 to adapt to the reality of the industry
Reducing perishables waste

- Growing consumer demand for healthy products all year round.
- UN Sustainable Development Goals (UN SDGs) to “ensure sustainable consumption and production patterns”.
- Temperature excursion more frequent in transit.
- Real-time data to prevent wastes.
- Increased use of specialized storage rooms to guarantee freshness.
Digital transformation

Data quality and control
- Full control of data quality. Data stays at the source and owners grant access

Visibility and transparency
- Cover end-to-end transportation chain, from shippers to consignees. Share data with relevant parties

Plug & Play connectivity
- Facilitates direct connectivity between all stakeholders with web API. New cooperative IT solutions and innovation
Growing demand for healthcare

- World's population grows, becomes wealthier and ages. Demand for treatment of chronic diseases is rising, increase in healthcare products transports.
- Deliver quickly and safely with no incident that would affect efficacy.
- Digitalization and cybersecurity drive end-to-end visibility and security of the healthcare supply chain. Temperature monitoring with real-time tracking devices for better visibility of shipments and intervention in case of deviations.
- Industry-recognized certification programs are becoming more common place for better compliance with regulations.
Reduce illegal trade in wildlife

• Illegal wildlife trade worth between $7 and $23 billion a year. 4th largest illegal global trade.

• The trafficking of wildlife by-passes health checks at borders and presents a threat of disease transmission to both animals and humans.

• IATA signed a Memorandum of Understanding with the World Association of Zoos and Aquariums (WAZA) to enhance standards of transportation for live animals and benefit the conservation of species of wild fauna.
Standard Development

Sonia Ben Hamida, Head Special Cargo
Maria Jitomirski, Manager Special Cargo
Lucy Exell, Manager Cargo Industry Programs
IATA supports aviation with global standards for airline safety, security, efficiency and sustainability.

IATA sets standards for the airline industry’s business processes and operations.
Setting standards for industry by industry

IATA Airlines

Live Animals & Perishables Board (LAPB)
12 members

LAPB Advisory Group
6 members

Perishable Cargo Working Group
20 members

Healthcare Cargo Working Group
20 members

Join us to take part in standard setting activities.
Temperature Control Regulations (TCR)

Contains information to ship compliant temperature-sensitive products: from packaging to documentation and labelling.

2023 Significant Changes

- Added and aligned definitions with Dangerous Goods Regulations
  - overpack, package, packaging
- Added definitions from the IATA ULD Regulations
  - Active Temperature Controlled Container; Aircraft Container; Aircraft ULD; Non-Aircraft Container; ULD, etc.
- State & Operator variations

New IATA Healthcare Cargo Working Group

- Develop standards & guidelines to ensure the quality and integrity of healthcare cargo and the promotion of sustainable practices
Time is of the essence with perishables

- Time and temperature sensitive goods
- Delaying premature product deterioration
- Prevent damage, spoilage
Strength of the Uninterrupted Cold Chain

Supply Chain + Temperature Control = Cold Chain Logistics

- Speed Operations Logistics
- Packaging Documentation Labeling Storage Facilities

Industry Collaborative Efforts
Perishable Cargo Regulations (PCR)

Has all the up-to-date, best-practice and guidance information you need to develop loss-minimizing perishable shipping processes.

2023 Significant Changes
- Perishable Facts & Types
- Addition and alignment of glossary terms
- State & Operator variations

New IATA Perishable Cargo Working Group
- Industry effort to enhance the IATA PCR with standards and regulations and address sustainability requirements, such as reduction of single-use plastics and product loss.
Live Animal Transport by Air

Animal safety & welfare considerations

Compliance (containers, equipment, facilities, etc.)

Training, communication and information sharing
Live Animal Transport by Air

What are Shipper Responsibilities?

- **Route and special care** required prior to acceptance
- **Documents and information** for Shipper’s Certificate
- **Compliance with national, carrier and IATA regulations**
- **Container with marking & labelling**
- **Bedding and food**
- **Name and quantity of animal**
- **Wild caught or captive bred?**
- **Feeding and watering instructions**
- **Date and time that food and water was last given**
- **Any medication given**
- **Veterinary health certificate, CITES export permit, etc.**
- **24-hour emergency number**

What are Operator Responsibilities?

- **Route and special care** required prior to acceptance
- **Documents and information** for Shipper’s Certificate
- **Compliance with national, carrier and IATA regulations**
- **Container with marking & labelling**
- **Bedding and food**
- **Name and quantity of animal**
- **Wild caught or captive bred?**
- **Feeding and watering instructions**
- **Date and time that food and water was last given**
- **Any medication given**
- **Veterinary health certificate, CITES export permit, etc.**
- **24-hour emergency number**

IATA 7.6.2 In-Cabin Live Animal Acceptance Checklist (Cabin/Excess Baggage)

An example of the Live Animal Acceptance Checklist for animals traveling in-cabin is shown hereafter. For all requirements related to this Checklist see section 10.1 of these Regulations.

- **Information on the flight:**
  - Flight origin:
  - Flight number:
  - Destination:
  - If the shipment is part of an interline agreement has the passenger/shipper confirmed that all arrangements are in place for the interline sector?

- **Information on the owner:**
  - Name:
  - 24-hour contact number:

- **Questions to consider:**
  - Is species of origin permitted? Is all necessary documentation provided (e.g. health certificate)?
  - Is the animal clean and does it appear to be fit to travel? Has the owner confirmed the animal is not sicked? Is documentation available proving that the animal is at least 8 weeks old?

- **Questions on the container to consider:**
  - Is the size of the container suitable for the animal? Does the consignment weight/dimension comply with the operators policy? For cats and dogs:
    - Can the animal sit, stand, turn around and lie down in a natural position?
    - Does the container have at least 15% ventilation on all sides?
    - Is the container leak and escape proof? Is the container clearly labelled with a live animal label? Does the container comply with IATA UN standards?

- **Veterinary health certificate, CITES export permit,** etc.

- **24-hour emergency number**

If any question is answered with "No", do not accept the shipment.

IATA
Live Animals Regulations (LAR)

Covers animal transport of all kinds and contains comprehensive information about the requirements for protected and endangered species as lab animals, livestock and domestic animals.

2023 Significant Changes:
- Amendments to Shipper’s Responsibilities on sedation
- 8.1.4.1 Sedation, Tranquilization and use of Psychoactive Drugs
- Container Requirements
- 10.1 Best practice for operators
- 10.3.1/10.4.1 Handling Requirements
- State & Operator variations
Compassionate Transportation Manual (CTM)

Contains the guidance needed for funeral operators, airlines and freight forwarders on how to prepare, ship and handle this special cargo.

What's inside the manual
- State & Operator information
- Requirements on documentation, packing, handling, marking and labeling
- CTM checklist
- Sustainable and Environmentally friendly options

Contributors
IATA Member Airlines - Funeral Home Associations - Manufacturers and Distributors
Excellence beyond Compliance

David Wall
Global Director, Cargo & Safety Solutions
IATA
1) Information Access. ONE Source – transparency and visibility

Find validated aviation capability and infrastructure information

New Certifications

CEVA Logistics - PVG
Shanghai
CEVA Lithium Batteries

What is ONE Source?

IATA ONE Source is the industry platform for validated aviation capability and infrastructure information. Find the right business partner for your needs, from specific infrastructure requirements such as temperature-controlled rooms to IATA certifications.

Free of charge
Reliable
Global reach
At your fingertips

https://onesource.iata.org/
2) Identifying Operational change:

Embedding Safety & Compliance first

- Assess (Need)
- Change (Action)
- Apply (SOP & Automation)
- Scale (Train)
- Validate & Certify (Results)
Established following a call-to-action to standardize process, improve operation and enhance training in relation to transport and handling of air freight shipments

- Address industry challenges, concerns & pain points
- Establish a globally consistent, recognized and standardized certification program
- Raise the bar in the industry & give visibility
Excellence beyond compliance

Standards & Regulations

- Comprehensive information about the requirements for handling and transporting live animals
- Compliance with national and international guidelines and regulations

Quality Program

- Harmonization of standards
- Applicability of regulations
- Benchmark the quality and standard of your organization

BECOME RECOGNIZED FOR THE SAFE, COMPLIANT AND EFFICIENT TRANSPORT OF SPECIAL CARGO COMMODITIES
3) Tools to assist Operational Excellence

IATA TACT: moving a Shipment from VIE to LON?

New Partnership: Global Trade Information Helpdesk

- Do you know what are the temporary trade measures?
- Do you know what are the documentary requirements & trade info. to export avocados from Mexico to Spain?
- The Global Trade Helpdesk (GTH) is a multi-agency initiative jointly led by ITC, UNCTAD, and the WTO that aims to simplify market research for companies, and especially Micro, Small and Medium Enterprises (MSMEs), by integrating trade and business information into a single online portal.
- IATA is working with ITC to refine integration requirements of the Global Trade Helpdesk into TACT Online
Moving a Shipment from VIE to LON?

Coverage limited to:
- US Sanctions Lists
- UN Sanction List
- EU Sanction List
- UK Sanctions List
- Coming up: CAN, AUS, PL
# Moving a Shipment from VIE to LON?

## State and Operator Variations:
- Country of Export
- Country of Import
- Airline
- Cargo Border Management Bulletins applicable to the geographic scope selected
Moving a Shipment from VIE to LON?

<table>
<thead>
<tr>
<th>From</th>
<th>Arrival</th>
<th>Est. Drop Off</th>
<th>Latest Arrival</th>
<th>Commodity</th>
<th>Load Type</th>
<th>Total Pieces</th>
<th>Total Gross Weight</th>
<th>Total Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>LHR</td>
<td>HEL</td>
<td>2022 Sep 24 00:00</td>
<td>2022 Sep 29 00:00</td>
<td>CONSOL</td>
<td>Bulk</td>
<td>1</td>
<td>50 kg</td>
<td>0.12 m³</td>
</tr>
</tbody>
</table>

**All-in rate per kg over the last three months for London - Helsinki**

- Feb 2022: 2.15USD / 1.90EUR
- Mar 2022: 3.76USD / 3.43EUR
- Apr 2022: 6.14USD / 4.75EUR

This chart displays city-city aggregated and anonymized average rates per kilo, and is based on historic IATA CargoIS data over the last three months. For more information about this data, please visit IATA CargoIS.

**Quote & Book:**
- Real-time pricing and booking for spot requests
- Filters to view specific results
- Co2 Emissions (Beta)
As an industry, we still work with siloed content
Air Cargo Compliance Solution

Brings together:

Standards, Regulations & Best Practice.
Reference. Active & Dynamic

Information.

Data.
Actionable. Transactional. Business Intelligence

…to provide access to real time, live, integrated and up to date standards, information & data to help facilitate compliance, automate procedures, inform decisions…
To deliver this:

- A new solution, web-based, aligned with industry standards
- Supporting the air cargo shipment lifecycle
- Delivering value to the end user
- Automating Compliance Checks at every step

meuniera@iata.org: Please contact Arnaud Meunier for more info
Welcome to Q&A
Questions you ask will show up here. Only host and panelists will be able to see all questions.

Type your question here...

Ask Questions here
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Today’s webinar

Today’s recording and presentation will be shared with you via email.
Thank you

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