The Future of Air Cargo
—— ULD has a role to play

LIAO, Zhi Yong, IATA Cargo

Case for change
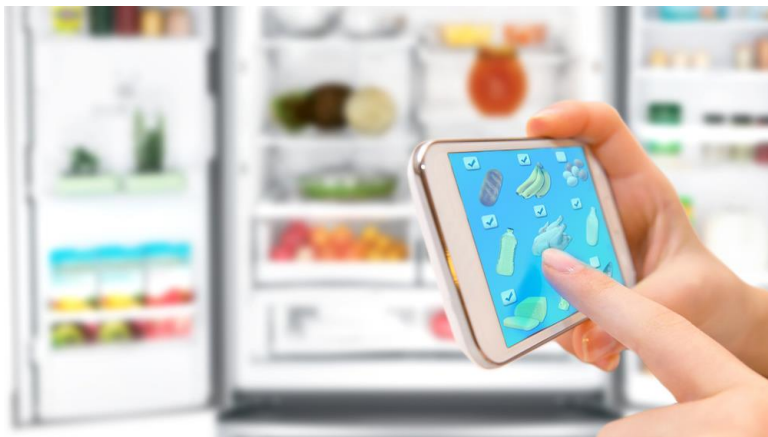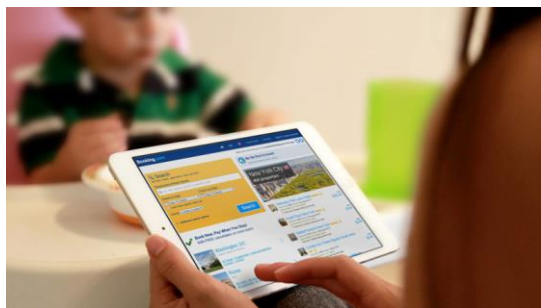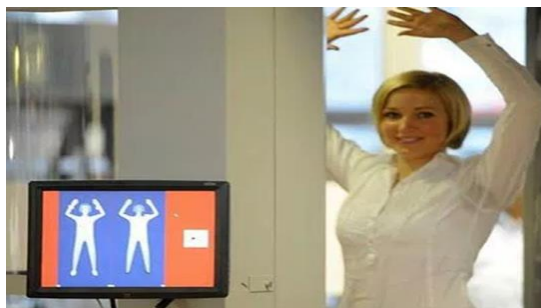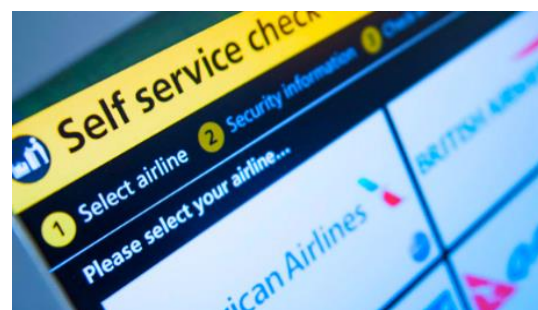
Air travel is transforming

StB — Simplifying the Business

- ET - Electronic Ticketing
- BCBP – Bar-Coded Boarding Passes
- CUSS – Common Use Self-Service
- BIP – Baggage Improvement Program
- EMD – Electronic Miscellaneous Documents
- ABC - Automated Border Control
- Fast Travel
- E-Services
- Security Access and Egress
- Smart Security
- Baggage XML
- NDC - New Distribution Capability
- Future End-to-End Experience
- Passenger Process Optimization at Airport
- Identity
- Customer Contact Information
- Travel Communication
- One Order

What is air logistics doing?

The supply chain in the past

… and today

ACW
AIR CARGO WEEK
The weekly newspaper for air cargo professionals
Air Charter Service
ACS
Air Cargo Charter Broker of the Year
Winner 2013, 2014 & 2015
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Transformation needed of air cargo industry
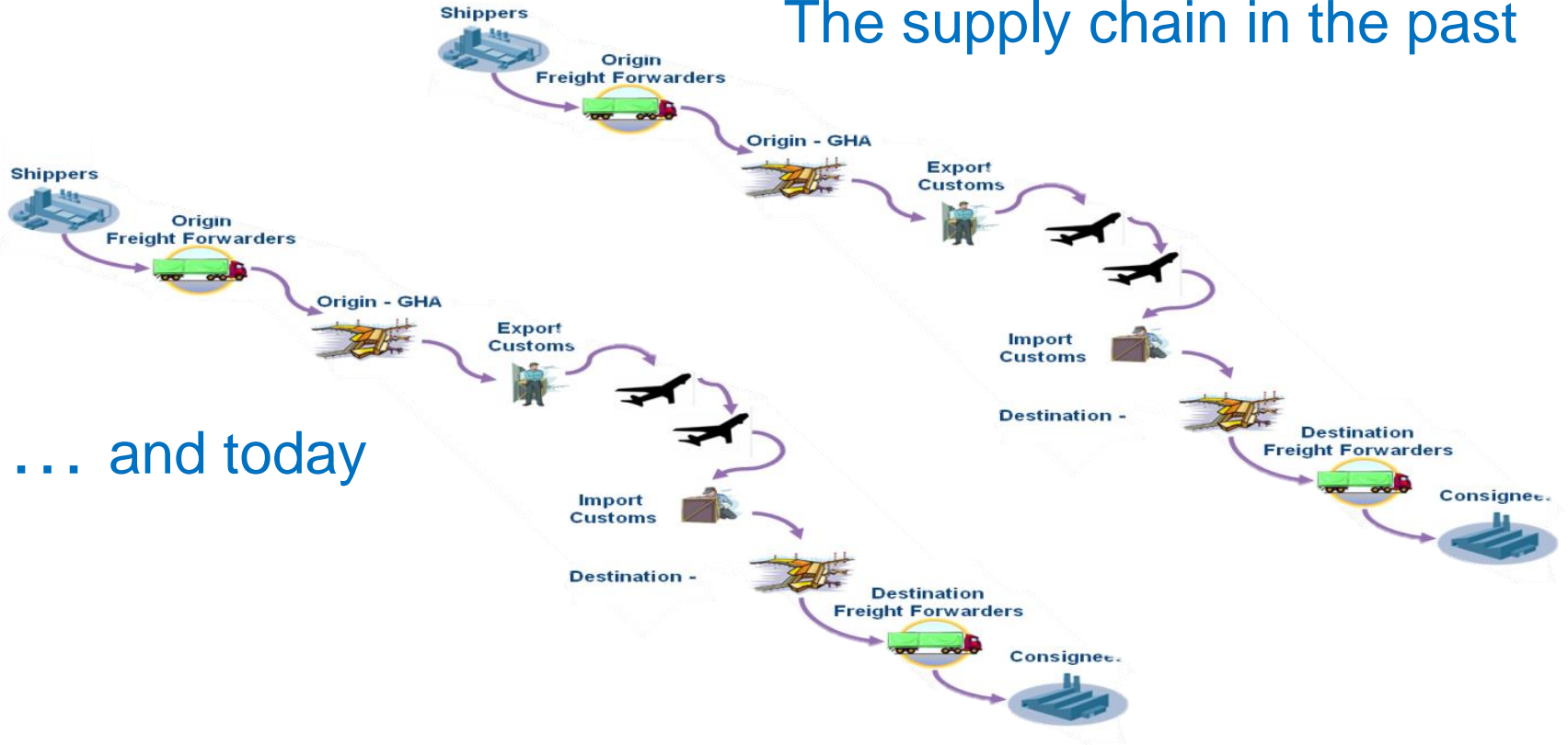
IATA calls for continued transformation at the 10th World Cargo Symposium

Posted By: stattimes   on: March 15, 2016   In: Aviation, Breaking News, main banner

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Mar 15, 2016: At the opening of the 10th annual World Cargo Symposium (WCS) held in Berlin from March 15-17, the International Air Transport Association (IATA) called for continued transformation in the air cargo industry with a focus on raising the quality of its offering

THE LOADSTAR
MAKING SENSE OF THE SUPPLY CHAIN

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Amazon air freight plan a wake-up call: improve standards or customers will become competitors

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QUICKER SLICKER AIR CARGO NEEDED TO DEMONSTRATE GREATER VALUE SAYS GSF

Air Cargo must transform itself into a lean, adaptive and innovative industry centered around increasingly sophisticated customer demands

2015 Global Shippers' Survey

IATA 2015 global shippers survey
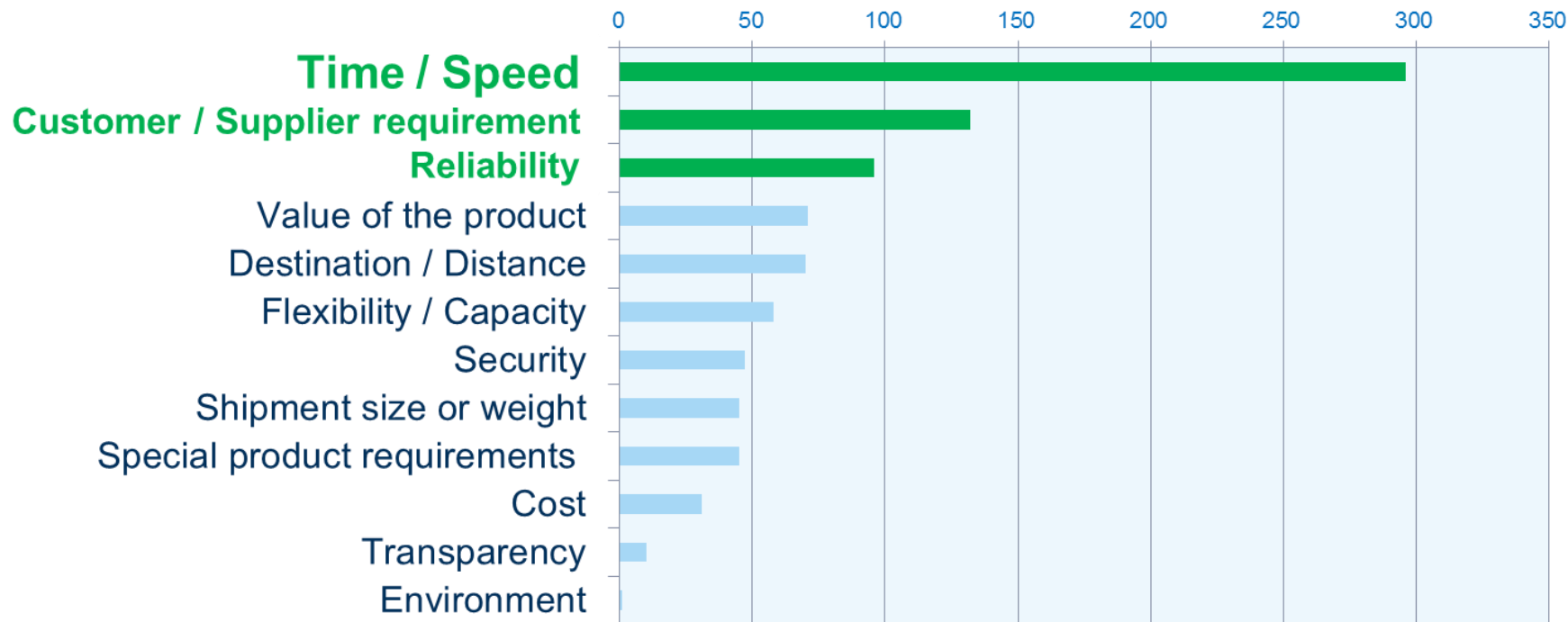
- Short online questionnaire
- 336 answers received in 6 weeks
- Part of IATA's overall **transformation strategy**
- Good feedback for airlines

➔ We know because we asked!

Why do customers choose air?

Average score for the 316 customers using air

What are the 3 main advantages of using air cargo over other modes of transport?

How satisfied are airfreight customers?

7.08

7% **very unhappy customers**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
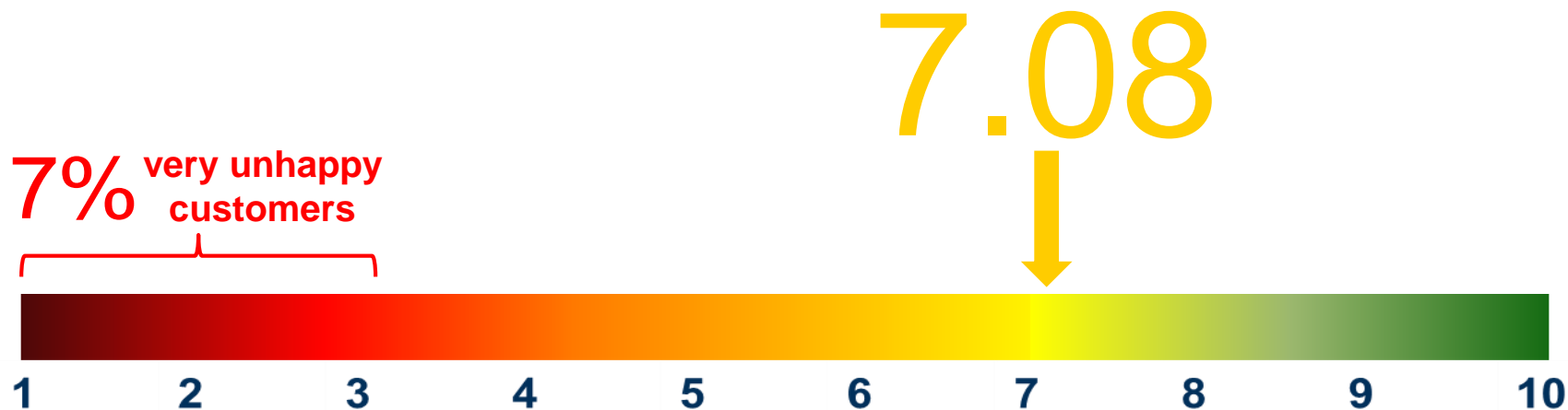
Average score for the 316 customers using air

How satisfied are you with the air cargo services that you have used in the last 12 months? (1 = not satisfied at all -- 10 = extremely satisfied)

IATA Cargo Transformation program

What's wrong with air cargo?

Air cargo represents less than 0.5% of our shipments but around 2% of time and effort spent – Too complex!

It's a pain to pick up and drop off cargo – Painful experience!

Long lead times compared to cost – Value proposition is weak!

Replies to inquiries for simple things like rates can take days! & Poor websites to handle transactions on my own – Poor customer service, very old-fashion!

To much repetitive data entry for necessary documentation – Inefficient processes!

Cargo not flying as booked – Lack of transparency!

[Time & temperature sensitive] product not handled very well in airports – Lack of quality!

When something goes wrong it takes time to get information – Lack of visibility & real-time information!

Simplifying the Business (StB) Cargo Program
former Air Cargo Transformation Program

StB Cargo: let's do something about it!

- ❑ A program to strengthen industry value proposition

- ❑ And foster innovative thinking to build new growth engine for long-term sustainability

Simplify & modernize processes

Enrich customer experience

Improve competitiveness
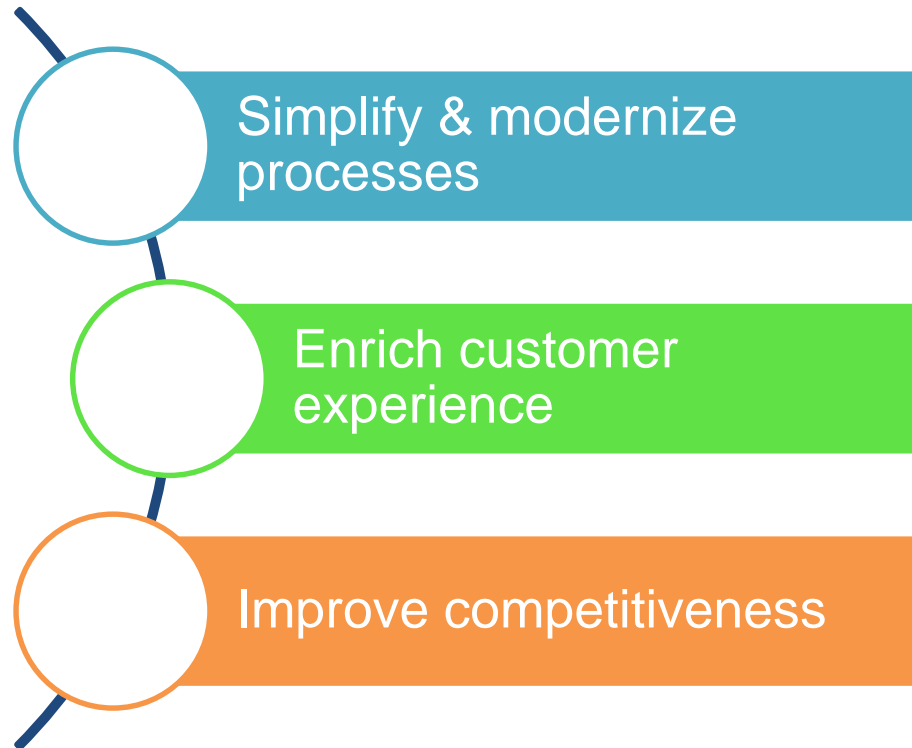
The six goals of the program

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

Making air cargo easier, smarter and faster

Strategic inputs

Economic Outlook | Air Cargo SWOT | Shippers' Survey | Cargo Think Tanks | White Papers

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

Mature projects

e-freight & e-AWB

Cargo iQ

Smart Facility

New projects

Airport of the Future

Digital Cargo

Interactive Cargo

Potential projects

NDC Cargo

Easy Mail

Drones

Fast Cargo

Smart ULD

ACID – Air Cargo Incidents Database

Supporting infrastructure

Cargo XML | Industry Master Data | Digital ID | Industry Connectivity

Cargo iQ is run by its dedicated interest group (former Cargo 2000)
Airport of the Future is led by APCS Airport
Drones and ACID, if confirmed, will be co-driven with SFO
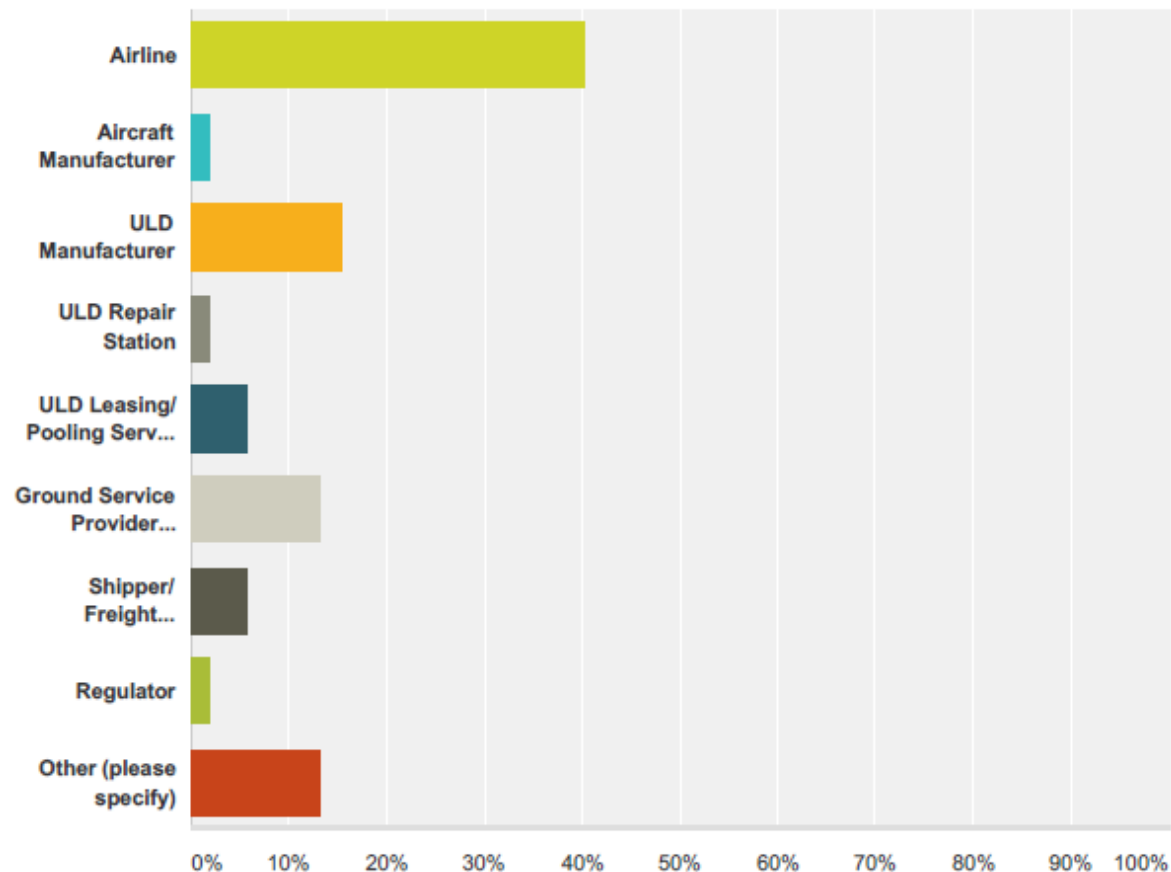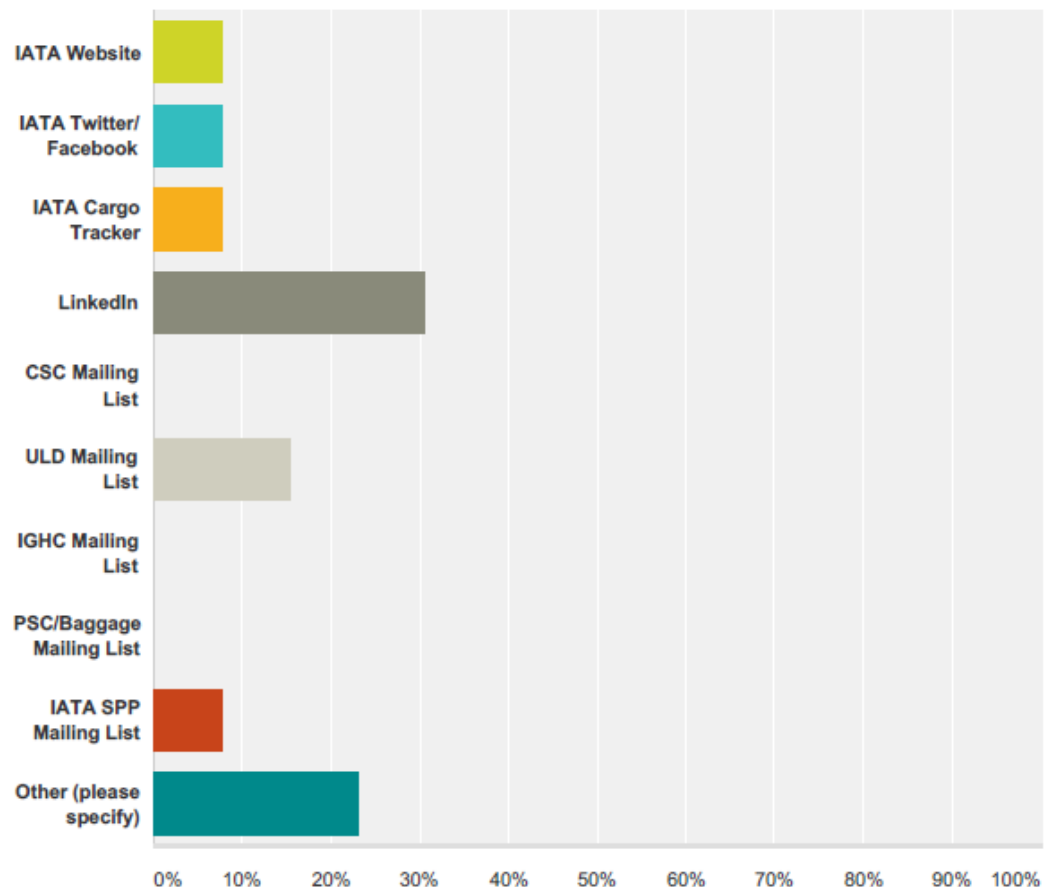
Your ULD Vision Survey
https://twitter.com/IATA/status/768374934087368704

Q1 What type of organization are you?

Answered: 52   Skipped: 0

Q2 Where did you receive the Survey from?

Answered: 52   Skipped: 0

Q3 What would you expect a ULD to be like in the future? - DESIGN

Importance Score(0-10)

	0 - Least important	1	2	3	4	5	6	7	8	9	10 - Most important	Total
100% compatible with other modes of transport to facilitate intermodal transport	3.85% 2	3.85% 2	3.85% 2	7.69% 4	5.77% 3	21.15% 11	3.85% 2	7.69% 4	15.38% 8	9.62% 5	17.31% 9	52
Interchangeable contour for different aircraft types	3.85% 2	1.92% 1	5.77% 3	0.00% 0	1.92% 1	13.46% 7	5.77% 3	7.69% 4	26.92% 14	9.62% 5	23.08% 12	52
Lighter than current light-weight ULDs	7.69% 4	0.00% 0	5.77% 3	5.77% 3	1.92% 1	11.54% 6	5.77% 3	7.69% 4	25.00% 13	9.62% 5	19.23% 10	52
Collapsible	9.62% 5	1.92% 1	7.69% 4	3.85% 2	11.54% 6	17.31% 9	7.69% 4	19.23% 10	9.62% 5	1.92% 1	9.62% 5	52
Fire containment capability as standard	7.69% 4	1.92% 1	0.00% 0	5.77% 3	5.77% 3	7.69% 4	11.54% 6	9.62% 5	13.46% 7	11.54% 6	25.00% 13	52
Blast resistance capability as standard	9.62% 5	1.92% 1	3.85% 2	7.69% 4	5.77% 3	13.46% 7	15.38% 8	3.85% 2	11.54% 6	7.69% 4	19.23% 10	52

Q4 What would you expect a ULD to be like in the future? - Automation (including interaction with other equipment)

Importance Score(0-10)	0 - Least important	1	2	3	4	5	6	7	8	9	10 - Most important	Total
Facilitates automated ULD buildup	7.69% 4	0.00% 0	3.85% 2	1.92% 1	1.92% 1	11.54% 6	7.69% 4	17.31% 9	17.31% 9	7.69% 4	23.08% 12	52
Automated security screening of built up ULD	0.00% 0	0.00% 0	3.85% 2	0.00% 0	0.00% 0	9.62% 5	3.85% 2	13.46% 7	28.85% 15	7.69% 4	32.69% 17	52
Automated weighing and dimension measuring to determine if the ULD is built up within aircraft and	5.77% 3	0.00% 0	0.00% 0	0.00% 0	3.85% 2	3.85% 2	5.77% 3	13.46% 7	25.00% 13	11.54% 6	30.77% 16	52
Automated aircraft loading	7.69% 4	0.00% 0	5.77% 3	5.77% 3	3.85% 2	11.54% 6	13.46% 7	15.38% 8	5.77% 3	9.62% 5	21.15% 11	52
Automated inspection on serviceability condition	7.69% 4	1.92% 1	0.00% 0	3.85% 2	3.85% 2	15.38% 8	11.54% 6	11.54% 6	19.23% 10	9.62% 5	15.38% 8	52
Automated ULD repair	19.23% 10	3.85% 2	9.62% 5	3.85% 2	3.85% 2	19.23% 10	9.62% 5	3.85% 2	15.38% 8	1.92% 1	9.62% 5	52

Q5 What would you expect a ULD to be like in the future? - Interaction

Importance Score(0-10)	0 - Least important	1	2	3	4	5	6	7	8	9	10 - Most important	Total
Self-identification and self-location for real time tracking and tracing of ULD	0.00% 0	0.00% 0	0.00% 0	0.00% 0	1.92% 1	9.62% 5	3.85% 2	7.69% 4	11.54% 6	19.23% 10	46.15% 24	52
Self-identification and self-location for real time tracking and tracing of content (cargo, mail, baggage)	0.00% 0	0.00% 0	1.92% 1	0.00% 0	0.00% 0	7.69% 4	9.62% 5	3.85% 2	17.31% 9	19.23% 10	40.38% 21	52
Self-monitoring and self-recording external forces such as shock/ impact/ tamper with real time alert	1.92% 1	1.92% 1	3.85% 2	0.00% 0	7.69% 4	13.46% 7	5.77% 3	11.54% 6	30.77% 16	3.85% 2	19.23% 10	52

												Total
Self-monitoring and self-controlling of temperature with real time alert when temperature is outside the set range	0.00% 0	1.92% 1	1.92% 1	0.00% 0	1.92% 1	13.46% 7	7.69% 4	15.38% 8	17.31% 9	11.54% 6	28.85% 15	52
Self-maintenance of repair records with real time alert when it's time for repair	1.92% 1	3.85% 2	5.77% 3	7.69% 4	9.62% 5	15.38% 8	13.46% 7	11.54% 6	7.69% 4	5.77% 3	17.31% 9	52
Real time alert if the ULD is loaded on the wrong aircraft position	0.00% 0	0.00% 0	3.85% 2	1.92% 1	5.77% 3	7.69% 4	9.62% 5	9.62% 5	5.77% 3	13.46% 7	42.31% 22	52
Real time alert if the ULD is not correctly engaged with Cargo Loading System (e.g. locks not raised)	0.00% 0	0.00% 0	1.92% 1	0.00% 0	0.00% 0	9.62% 5	11.54% 6	9.62% 5	3.85% 2	15.38% 8	48.08% 25	52
Self-monitoring ULD inventory level with real time alert when inventory is too low or too high	1.92% 1	0.00% 0	3.85% 2	3.85% 2	3.85% 2	7.69% 4	11.54% 6	11.54% 6	11.54% 6	11.54% 6	32.69% 17	52

Thinking ahead,
Driving innovation,
Inspiring people…

…for a lean, adaptive & innovative Air Cargo industry

Ready for take-off!