IATA

Transforming the Air Cargo Supply Chain

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Agenda

- About IATA
- The value of Air Cargo - Communicating the message
- Shifting epicentre of air cargo
- Air cargo’s modernization challenge
- Partnerships at work
About IATA

► The International Air Transport Association is the industry’s global trade association

► Founded in 1945 with 230 members in 130 countries, IATA represents 93% of international scheduled traffic

► IATA’s mission is to represent, lead and serve the air transport industry

► In Cargo, IATA takes a supply chain approach to all its initiatives, with an aim to benefit all parties (airlines, forwarders, governments, customs and shippers)

► IATA delivers Standards and Solutions to ensure a safe and harmonized air transport system
Our Vision for Cargo:

Safe, secure, reliable, efficient and profitable air cargo supply chain
The value of Air Cargo – Communicating the message

- $60 billion industry
- Drives global trade
- Leading economic indicator
  - Reliability and predictability therefore remain key
  - Spreading the word…communicating the importance of Air Cargo and it’s impact on today’s economy and our daily lives
The global airfreight industry – setting the scene

Chart 3.9: Proportion of global trade transported by air

USD 5.15 Trillion

Source: The Colography Group, Oxford Economics
Critical value of air transport becomes clear when it is not there

10 million roses ruined, 5K Kenya workers laid off

Ash cloud grounds U.S. produce, fish and parts

Volcano disrupts BMW supply chain to S.C.

Volcano Fallout: Where's the Tuna and Pineapples?
Shifting epicentre of air cargo

- Emergence and expansion of BRICS as major consumer markets (Brazil, Russia, India, China and South Africa)
- More balanced trade flows...as we are already seeing in China
- Discerning high end consumers
Global middle class in 2009 and prediction for 2030

Source: OECD, Standard Chartered Bank Research
Air cargo’s modernization challenge

Today the air cargo industry still relies on paper & human interaction

Airfreight shipment generates up to 30 different paper documents!

Behaviors have not changed: bookings, track & trace still need human interaction
Single Window Concept

UN/CEFACT Recommendation 33
“A Single Window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.”

» Facilitates data sharing between Single Windows
» Enables Supply Chain Security
» Provides global cooperation in trade and transport
E-freight & Single Window: Common Objectives

▶ The air freight supply chain faces increasing demands
  ▶ Customers want more reliability, increase speed and lower costs
  ▶ Regulators want more security, more information and in advance

▶ The best way to meet these requirements is for traders, forwarders and carriers to:
  ▶ Enter data once and exchange electronically on one operating process and one harmonized standard
  ▶ Lodge standardized electronic data with a single entry to fulfill import, export & transit regulatory requirements
E-freight & Single Window: Similar Benefits

e-freight mirrors the benefits of the Single Window concept:

- **Cost Savings:** Reduced costs in document processing – Increase productivity
- **Speed:** Reduced delivery time
- **Reliability:** Reduction in inventory – more accurate data
- **Compliance:** Reduction in customs penalties
- **Efficiency:** Increase market share versus other modes of transport
E-freight & Single Window: Different Mandate

The e-freight mandate is Paper Free

▷ Process whereby air freight supply chain does not transport paper but;

▷ There may be a requirement (by exception) to produce paper in original, copy or printed e-document form

The Single Window environment provides one entrance for the submission of standardized data to regulators

▷ Either in electronic format (data)

▷ Or in physical format (paper document)
The industry is ready for “e”

UNCEFACT, WCO, FIATA, ICAO, CITES, TIACA, IATA, IT Co … worked to this vision and created a paper-free infrastructure

- 20 multimodal standard electronic messages available
- 43 locations 100+ major airports
- 42 Live Airlines 400+ Forwarders
GACAG: Partnerships at work

GLOBAL AIR CARGO ADVISORY GROUP (IATA, FIATA, TIACA & GSF)

Objective:
Establish vision, strategy & priorities for air cargo supply chain;

• Security
• E-commerce
• Customs and Trade Facilitation
• Sustainability of the Air Cargo Industry

Promote industry position to regulators and inter-governmental organizations (WCO and ICAO etc).
Thank You
Questions & Answers

- For more information, visit the Cargo website
  www.iata.org/cargo

- Join the 2012 World Cargo Symposium “Partnership at Work” in Kuala Lumpur, Malaysia (13 – 15 March)
  http://www.iata.org/events/wcs/Pages/index.aspx