CARGO
magazine

Airlines
Turkish Cargo continues steady growth momentum

Five compliance commitments

Creating the smartest air cargo hub

The modern freight forwarder

De techniek om altijd de juiste mensen te vinden

Continuïteit staat voorop in uw bedrijfsproces. Specialisten die uw personeelsbestand tijdelijk komen versterken moeten meteen kunnen meedraaien. Bij LabourLink heeft u altijd de zekerheid van een ervaren kracht. Bekend met de laatste regelgeving in uw branche. Doordat we verder kijken dan Nederland alléén, kunnen we ook voor úw vacature een perfecte oplossing waarborgen. En die perfectie vindt u ook terug in de samenwerking: persoonlijk en professioneel tegelijk. Zó beheerst LabourLink de techniek. Vooral die om alles tot in de perfectie te regelen.

LabourLink. Beyond the borders.

Steady growth in 2020

2019 has been a challenging year for the global air cargo. We have experienced a substantial contraction due to a general slowdown in international trade. Thankfully, this contraction signifies a pent-up demand, and that is why we anticipate a return to growth in 2020, especially in the e-commerce and special cargo section.

A modal shift is taking place because of consumers' e-commerce delivery expectations. Air cargo is the chief component in this process, so this signifies a positive trend for the sector. We also anticipate an ongoing increased demand in the air transportation of pharmaceuticals, live animals and perishables. The transfer of fresh food from places such as South America and Africa is on the rise. Major growth has also been experienced in the pharmaceutical transport sector. Western medicine, rather than traditional herbal medicine, is gaining ground in Asia, and India is now one of the largest producers of pharmaceuticals in the world. Our industry has invested and specialised in the transportation of this particular commodity. Take vaccines, for example, that need to be kept at a certain temperature from the point of production right through to the point of distribution; these precious and sensitive products often come equipped with specialised sensors to monitor their condition throughout the journey.

IATA is also looking ahead to the upcoming US election year and is expecting a trade deal to be signed between the US and China. If these two big players bury the hatchet, consumer confidence will be raised and that will have a positive effect on global trade.

Another positive aspect is the investment by the air cargo sector in technology. We are happy to see many pockets of innovation around the globe, with integrated data being the main focus. That means that we can work collectively as supply-chain communities. Innovative supply chains have grown into highly integrated local communities, and global standards such as ONE record will ensure that each of these local communities can interact with one another and communicate faster and more effectively.

In the next twenty years we expect air cargo to double, and infrastructure will play an enormous role. Optimisation has now become key in many airports around the world. In certain zones, located mainly in the Middle East and Asia, this upgrading of infrastructure has been anticipated, but in North America and Europe space is limited, so optimisation is vital. That means that we anticipate an investment in automation and in robotisation so that these airports can work faster and smarter within the available area.

All in all, we're expecting 2020 to be a good year for air cargo. Please enjoy this new edition of CargoMagazine.

Glyn Hughes
Global head of Cargo, IATA

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AIRPORT EQUIPMENT

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According to Fatih Ciğal, Senior Vice President of Cargo Marketing at Turkish Cargo, the company strives to become one of the top five air cargo brands in the world by 2023. Read more on page 8. Photo courtesy of Turkish Cargo.

News

Photo courtesy of KLM.

New logistics training course

MBO College Airport, a vocational education training centre that is part of ROC van Amsterdam has started a training course for the logistics sector together with Dutch airline company KLM. The trajectory will see students employed by, and working at, KLM. The students will take classes at MBO College Airport and be instructed on the workfloor. They will work as operational team members at KLM and will be employed for two years. In those two years they will follow logistical training at MBO College Airport, paid for by KLM, in addition to their work. After two years, they can get their MBO level 3 certificate.

Martin Schröder Prize goes to Cargonaut

Cargonaut, Schiphol's digital cargo platform, received the Martin Schröder Prize this year at Nieuwsblad Transport's Air Freight Congress 2019. According to the jury, the non-profit company, which is largely owned by the cargo companies at Schiphol, has, for more than 30 years, made the top position of Dutch air freight in Europe possible by means of its digital innovations. The jury also pointed out that Cargonaut has been part of Schiphol Cargo since it was founded in 1986 and has increasingly become the hub in communication between government institutions such as customs and the business community at the airport.

Lex Werkhove (left) and Jeroen Benda of Cargonaut.

Photo courtesy of Nieuwsblad Transport.

Photo courtesy of Nieuwsblad Transport.
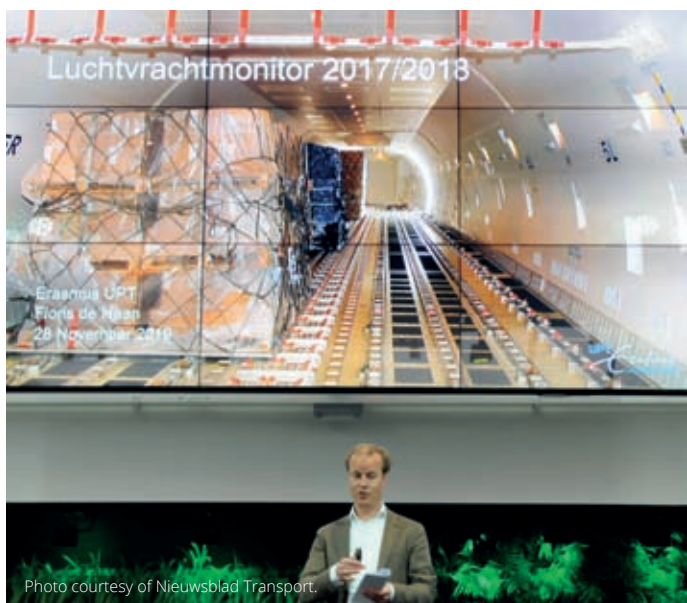
Air Freight Monitor

An initial analysis of the provisional figures from the latest air freight monitor (2018) shows that the number of jobs in the cargo handling and forwarding sector fell by 9% last year. Freight handling accounts for 60% of the jobs in the airfreight sector. However, job losses have hardly had any effect on total employment. With a total of 24,500 jobs last year, it was barely below that of 2017, despite the fact that 10% fewer cargo flights were performed. The supply of freight (1.71 million tonnes) barely decreased, while the added value (2.5 billion euros) actually increased. According to Erasmus University researcher Floris de Haan, the damage was limited because the sector largely absorbed the lost cargo flights by using trucks.

Floris de Haan, Senior Researcher of Erasmus University.

Enforcement and inspection authorities carry out airfreight checks together at the Joint Inspection Centre (JIC).

Customs Schiphol Cargo

Integrating supervision

The Netherlands is a trading nation. In terms of distribution, it is the Gateway to Europe. Huge quantities of goods pass through the Netherlands every day. Dutch Customs is responsible for supervising all cross-border movements of goods. Last year, Dutch Customs processed nearly 170 billion import declarations. They are one of the most modern customs organisations in the world, with over 400 years of experience.

WORDS BY HENRIETTE BONGERS, DIRECTOR OF CUSTOMS SCHIPHOL CARGO.
ALL PHOTOS COURTESY OF CUSTOMS SCHIPHOL CARGO.

The main tasks of Customs are supervising EU external cross-border trade, levying and collecting import duties, VAT excises and consumption taxes, and enforcement in these fields. With the levy of more than EUR 15 billion in excise duties and import duties annually, Customs contribute to both the taxation of the Dutch treasury and the income of the European Union. Equally important, Customs is tasked with the safety of both The Netherlands and the EU as a whole. It does so by supervising the import, export and transit of goods. It determines whether the goods comply with health, safety and environmental standards. With regard to health and the environment, it checks, amongst other things, the quality of medicines and tobacco products and inspects the transportation of live animals. With regard to economic requirements, it checks licences for firearms and ammunition and for counterfeit products.

At Amsterdam Airport Schiphol, Dutch Customs presently employs approximately 1,200 people divided into two divisions: cargo and passengers. Due to the impending Brexit, that number of people is increasing. The cargo

Numerous tools, such sniffer dogs, are at Customs' disposal at Schiphol.

division at Amsterdam Airport Schiphol (AAS, or Schiphol) does almost half of all Dutch Customs cargo controls. Customs Schiphol Cargo has three main units; declaration management, customer management and physical surveillance. Numerous tools are at their disposal, such as mobile scans, nuclear detection vans, a backscatter to scan an airplane's lower deck, a mobile container scan to scan entire trucks and containers, sniffer dogs and camera surveillance.

However, today's challenges are very demanding, and cooperation is key. In June 2005, the WCO Council adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework), to serve as a deterrent to international terrorism, secure revenue collections and promote trade facilitation worldwide. The framework has been regularly updated to effectively address new and emerging developments in the international supply chain. One of the notable additions to the framework was Coordinated Border Management.

Coordinated Border Management

Coordinated Border Management (CBM) refers to a coordinated approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and travel flows, while maintaining a balance with compliance requirements. An essential part of CBM involves dialogue between Customs and other agencies at the border as well as between Customs and the business community. Dutch Customs coordinates checks for various inspection services and carries them out on their behalf. This means there is just one check, a one-stop-shop, and the

Customs is working on an integrated approach, whereby supervision is integrated in the logistics chain.

information gained at these checks is then passed on to the relevant inspection services.

Joint Inspection Centre

Customs is working on an integrated approach for supervision of the cross-border movement of goods, whereby supervision is integrated in the logistics chain. In the Netherlands, Customs has been working together with various other enforcement partners for many years. The work can be difficult, because inspection areas often overlap. Products can be covered by flora and fauna regulations, but also subject to medicine regulations, for example. To enable enforcement and inspection authorities

to carry out airfreight checks together, the Joint Inspection Centre (JIC) was created.

Willem-Alexander, King of the Netherlands, opened the JIC at Schiphol in November 2016. With a gross floor area of approximately 6,300m, the JIC offers space for the duties of Customs, Netherlands Food and Consumer Product Safety Authority (NVWA), the Human Environment and Transport Inspectorate (ILT), the Royal Netherlands Marechaussee (KMar) and the Authority for Nuclear Safety and Radiation Protection (ANVS).

The building houses a dispatch floor, a scanning hall, storage and examination spaces, a quarantine room for small animals, phytosanitary (plants) facility, garages for scanning vehicles, offices and a multi-disciplinary training centre. The JIC facility is on the border between airside and landside and can be used from both sides.

Schiphol SmartGate Cargo

The JIC is just one of the operations that falls under the Schiphol SmartGate Cargo (SSGC) programme; a joint initiative between the Dutch Customs Authority (who represent other Government bodies involved), Amsterdam Airport Schiphol, KLM Cargo and Air Cargo Netherlands (ACN).

SSCG offers an integrated solution for government supervision of the air cargo supply chain. The programme, one of the first public-private cooperative ventures in the air cargo sector worldwide, integrates inspections of five government agencies. Comprehensive pre-arrival and pre-departure information allows for intelligent risk-based selection and inspection. A direct spin-off effect is an optimised information exchange between the industry stakeholders, further enhancing supply chain collaboration.

Objectives of SSGC

The aim of SSGC is to create a perfect balance between law and regulation enforcement and the facilitation of trade, speeding up the air cargo handling process at Schiphol and making it more efficient. This is expressed in five objectives:

– Smart: use smart and innovative methods and means to increase logistical efficiency and improve enforcement.
– Swift: guarantee the predictability and speed of the green flow of goods.
– Safe: promote a flow of goods that does not harm health or the environment.
– Secure: protect the flow of goods against all forms of intentional disruption.
– Sustainable: promote the sustainable growth of Schiphol mainport.

The registration and selection of information regarding freight and freight movements takes place at a central point, the National Customs Tactical Center. Checks are controlled based on their data and (pre)information, resulting in undisturbed 'green', while 'red' has only one control moment. The constant supervision of goods minimises delays yet maximises safety.

Paperless Goods Tracking System (PGTS)

The most recent innovation at Schiphol was the introduction of the Paperless Goods Tracking System
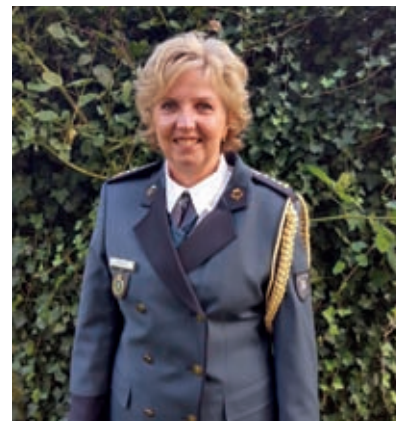
Henriette Bongers, Director of Customs Schiphol Cargo.

(PGTS), a software application that was developed by trade association ACN in close cooperation with Schiphol Customs.

PGTS replaces the airport community's former tracking system, DGVS (abbreviation of Documentloos Goederen Volg Systeem). DGVS, introduced in 2005, supported the FreeZone, a customs procedure that disappeared when the Union Customs Code was introduced on 1 May 2016. Initially, adjustments made to DGVS in 2016 to facilitate Temporary Storage requirements, but DGVS was approaching its end of life. Instead, the new PGTS application was developed.

PGTS went live in January 2019. The first phase was its implementation for participants at the Schiphol area. In the next phase, it becomes available for participants outside the Schiphol area, and eventually throughout the Netherlands. Due to legal restrictions, usage outside the Netherlands is not possible.

At present, over 50 participants (handling agents and forwarders) use PGTS, including all ground handlers and main forwarders at Schiphol. PGTS covers nearly all cargo movements, inbound and outbound, as well as road feeder services (RFS).

PGTS is a community application with a track-and-trace system similar to those used by courier services like TNT, DHL or FedEx. The tracking system enables Customs and other participants to monitor the movements of goods almost entirely in real-time.

With PGTS, the major part of the (administrative) supervision of both storage and handling is done digitally. Supervision on entry (ICS) and exit (ECS), transit (NCTS), import and export are separate processes.

The PGTS system allows for direct communication and transfers between participants. Moreover, participants and Customs can monitor a 90-day storage period and register the discharge of Temporary Storage after movements among participants.

The electronic exchange of data means paperwork is no longer needed, while physical supervision is required merely on specific shipments. The next step in PGTS is the Smart Cargo Mainport Program (SCMP), about which you can read more on page 38.

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Turkish Cargo continues steady growth momentum

Turkish Cargo, one of the fastest growing and developing brands in the world, operates at Istanbul and Ataturk airports as a dual hub service and, based on the World Air Cargo Data October'19 reports, has achieved a growth rate of 5.6% across the industry, whereas the global air cargo market experienced a 5.0% shrinkage. Moreover, based on the October 19 FAB (flown as booked) data, the carrier has attained the level of 88.9% with respect to the capacity to ship the cargo without any offload, and kept seventh rank across the global air cargo market.

WORDS BY MR FATIH CIĞAL, SENIOR VICE PRESIDENT OF CARGO MARKETING AT TURKISH CARGO.
ALL PHOTOS COURTESY OF TURKISH CARGO.

Turkish Cargo grows in different regions and offers air cargo services to 116 European destinations, 28 of which are direct ones.

Fatih Ciğal, Turkish Cargo's Senior Vice President of Cargo Marketing.

Successful operations in Europe

Increasing capacity day-by-day with its successful operations, Turkish Cargo grows in different regions and offers air cargo services to 116 destinations, 28 of which are direct ones. In Western and Southern European regions, the company offers air cargo services to fourteen direct cargo destinations (Brussels, Liège, Basel, Zürich, Frankfurt, Barcelona, Madrid, Paris, Shannon/Ireland, London, Malpensa/Italy, Amsterdam, Maastricht, and Porto). According to CASS October '19 reports, Turkish Cargo achieved a 17.4% increase in terms of CW during the first ten months, while the market was falling by 11.3%. The company has meanwhile intensively carried out pharma/temperature control operations. We increased the regional market share to 4.6% in July 2019 with our CEIV-certified operations and strong infrastructure. We also carry automobiles/automobile parts, PES seafood/fish, and other perishable products.

As Turkish Cargo, the Netherlands and Belgium are two of our destinations to which we thoroughly carry out operations and there, we continue our successful acceleration. Turkish Cargo was thus the third largest carrier in the Belgian air cargo market for two consecutive months, namely in June and July 2019. In Belgium where pharma/temperature controlled shipments, technological products, dangerous goods, and live animals are carried, we have achieved an increase of 30.1% tonnage. We continue our operations with three weekly freighter flights departing from Brussels Airport and one weekly freighter flight from Liège Airport. In the Netherlands, where we mostly carry technological products, vegetables/fruits, flowers, pharmaceuticals that require protection, and vehicles, we have achieved a 31.9% tonnage increase by October this year when compared to 2018. Turkish Cargo carries out freighter operations departing from Maastricht/Aachen Airport via nine weekly flights and from Amsterdam Airport Schiphol via one weekly flight, in addition to four daily passenger wide-body flights, also from Schiphol.

Special cargo services

Turkish Cargo provides services with special cargo containers allowing different temperature ranges. The company offers special solutions for a broad range of cargo, including:
– TK Live for a comfortable travel experience
– TK Care for highly sensitive consignments to be carried as accompanied by expert teams
– TK Fresh for consignments required to be carried at appropriate temperature to keep them just as fresh as the day they were produced
– TK Valuable and TK Vulnerable for highly-protected storage and transportations
– TK Pharma for medicinal products
– TK Courier for fast and privileged consignments.

Turkish Cargo is able to transport freight to any destination around the world by preserving the same temperature range, thanks to thermal temperature-controlled CSafe RKN and Envirotainer containers.

CARGOHUB

QUALITY & COMPLIANCE PLATFORM

5 RISK ASSESSMENT & MONITORING

3 CORRECTIVE AND PREVENTIVE ACTIONS

INVESTIGATE

2

COMMUNICATE

4

1 IDENTIFY, REGISTER & MANAGE

Event management - License monitor - Audit management - Document management

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Beechavenue 54 – 80 • 1119 PW Schiphol-Rijk • The Netherlands

Turkish Cargo has a fleet of 24 cargo aircrafts.

Investing in e-commerce

Turkish Cargo is highly experienced in port-to-port shipments and is now focusing on door-to-door shipments, among other things, thanks to e-commerce-oriented investments. The e-commerce market is composed of dynamics such as high service standard, low delivery cost, high technology, speed, and door delivery.

Turkish Cargo provides solutions like product and service diversification, loading priority, airmail development, business partnerships, fast transit connections, hub connectivity, IT solutions, port-to-port service, instant data sharing with stakeholders, and air and land connection. Turkish Cargo carried 28,000t of cargo in e-commerce transports between January and October 2019. In this sense, the company will continue to increasingly serve the e-commerce area through the Hong Kong-based joint venture company, established with the Chinese express cargo brand ZTO and PAL Air of Hong Kong. The company called 'We World Express' will deliver services including door-to-door logistics activities, collection, transportation, receiving at address and distribution, freight transportation, cross docking, and final mile delivery.

Istanbul Airport

Operating air cargo operations to more than 300 global destinations, Turkish Cargo is expanding investments at Istanbul Airport with a mega facility to be built on a total area of 185,000m², and aims to reach an annual handling capacity of 4t million of cargo. Accessing more than 60 capital cities in a flight period of seven hours or less, Istanbul Airport is one of the closest hubs to many global logistics centres. To be completed in two different phases, the facility that is being constructed will be equipped with IT developments and optimisation, robotics automatic storage systems (ASRS-PCHS), as well as the special cargo services PER, AVI, and Express which are e-commerce operational areas.

Turkish Cargo will keep performing operations by means of technology-assisted services such as inter-communication of all systems and operations participants thanks to IoT and Big Data, enhancement of the operational efficiency enabled by unmanned vehicles (UGVs and UAVs), gaining area and minimisation of human-oriented operations, shifting to digital processes from paper-based processes thanks to E-Freight, and minimisation of error rates and costs thanks to RPA.

Top five air cargo brands in 2023

Combining its extensive service network and operational capabilities with the unique geographical advantages of Turkey, Turkish Cargo maintains its operations with the aim of continuous growth in line with its vision set for 2023. By exceeding the 1t million level in 2017, we crossed an important threshold. In the year 2018 when we performed numerous important carriage operations, we raised our share in the global tonnage market to 3.6% by carrying 1.4t million of cargo. As of November 2019, we carried 1,404,000t of air cargo, and our target is to have carried 1.6t million in total by the end of the year. While maintaining growth acceleration with 348 aircraft in the fleet, 24 of which are cargo aircrafts, and our operations, Turkish Cargo works with over 300 destinations, 88 of which are direct cargo destinations. We thus reach 126 countries in the world and we are continuing to develop our flight network. We plan to launch the Quito (Ecuador), Narita (Japan), Ouagadougou (Burkina Faso), Harare (Zimbabwe), Sharjah (UAE), Addis Ababa (Ethiopia), Maputo (Mozambique), Yangon (Myanmar), Düsseldorf (Germany), and Guadalajara (Mexico) destinations. This is how we strive to become one of the top five air cargo brands in the world by 2023.

i. turkishcargo.com.tr/en

Frank Swart (l) and Krista Zuurmond (r) of Rhenus Logistics Air & Ocean.

The first airfreight CO_2 reduction programme

Rhenus Logistics introduces RHEGREEN

Encouraged by national rules and regulations, the logistics industry is searching for solutions to reduce the ecological footprint of transport. In a modal shift, the transport of goods by road is moving towards rail and inland waterways, and ample innovations in the area of more environmentally-friendly trucks, trains, vessels, and aircrafts also contribute to greener transport. With RHEGREEN, Rhenus Logistics now introduces a digital solution to make air transport even more environmentally-friendly.

ALL PHOTOS COURTESY OF RHENUS LOGISTICS AIR & OCEAN.

"RHEGREEN originates from our Rhevo innovation programme", Krista Zuurmond, Quality Manager of Rhenus Logistics Air & Ocean says. "With this programme, all employees are encouraged to identify innovative ideas for processes, services, and products, and to further develop and realise the ideas by means of digital concepts. Within the programme, 175 ideas where presented resulting in a shortlist of 20 projects. These 20 projects were assessed by the management, and RHEGREEN has finally been granted support and budget for further development and implementation."

Greenest route
The idea of RHEGREEN is to reduce the amount of CO_2 emissions of airfreight shipments by offering the greenest option on a certain route. "Take, for example, a shipment from Amsterdam Airport Schiphol to Shanghai", states Frank Swart, Procurement & Product Development Air at Rhenus Logistics Air & Ocean. "For this shipment, 40 alternatives are available with different types of aircrafts using various direct and indirect routes. With the help of RHEGREEN, we can find the route with the lowest level of CO_2 emission. This will often be the shortest route but surprisingly this is not always the case, as the outcome also depends on the type of aircraft used."

Competitive advantage
Ms Zuurmond gives an example: "In choosing the Airbus A350 or Boeing 787 Dreamliner for shipping 1,000kg from Schiphol to Shanghai, a reduction of around one tonne of CO_2 can be realised, compared with the average CO_2 emission on this specific route. A mix of new and older aircrafts is currently in use by airlines and RHEGREEN shows the greenest aircrafts on a route." According to Mr Swart, the programme can be considered as a true promotional tool for the airlines.

Rhenus Logistics Air & Ocean
is part of Rhenus Group.

For shipping perishable, vulnerable and/
or valuable goods, shipping by aircraft is in
most occasions still the best option.

About Rhenus

Rhenus Logistics Air & Ocean is part of Rhenus Group, a leading logistics service provider with global business operations and an annual turnover of EUR 5.1 billion. Rhenus has business sites at 660 locations worldwide and employs 31,000 people. The Rhenus Group provides solutions for a wide variety of different sectors along the complete supply chain, including multimodal transport operations, warehousing, customs clearance, and innovative value-adding services.

He states, "It is obvious that only the greenest aircrafts appear in the list of alternative routes, providing airlines with the latest low-emission aircrafts, which is a competitive advantage."

Free of charge service

"For each air cargo shipment, the decision for which airline to choose could be based on price, quality, speed, and CO_2 reduction", Mr Swart explains. "Speed certainly remains an important issue but by offering RHEGREEN as a free of charge service, we want to raise our customers' awareness about the possibilities of reducing CO_2 emissions caused by their air freight shipments. We are sure that this awareness will ultimately contribute to a considerable reduction of CO_2 in the entire logistics chain."

"For our customers," adds Ms Zuurmond, "using RHEGREEN also endorses their CSR policy, as the use of the programme and the reduction of CO_2 emissions are genuine proof of their CSR efforts." "Apart from this," she continues, "in transport tender procedures, the ecological footprint is playing an increasingly important role and as a RHEGREEN user, our customers can actually show their CO_2 reduction efforts."

The best option

When looking at sustainability, other options for long distance shipping are of course available such as sea transport but not all goods, just think of fresh food and medicines, can be shipped by seagoing vessels. "For shipping perishable, vulnerable and/or valuable goods, shipping by aircraft is in most occasions still the best option", Mr Swart says. "However with RHEGREEN, customers can find the greenest airfreight options and this will often lead to shipping the cargo on services

RHEGREEN is now available for airfreight from Schiphol, Frankfurt, and Brussels to destinations worldwide, but it is expected that more origins will soon become available.

Additional service next to speed, price and reliability, at no extra cost

Create customers' awareness of their choice and impact on the environment

First CO$_2$ reduction service worldwide

RHEGREEN IS UNIQUE

It is not a compensation program

Reduces up to 40% CO$_2$ emissions, helping to reduce customer CO$_2$ footprint

with the latest, most environmentally-friendly aircrafts. Manufacturers have made a lot of progress in reducing the ecological footprint of aircrafts, but there are today still a lot of operational older aircrafts and without some kind of governmental incentive, the older ones will keep on flying until their economic life has ended."

One of a kind
RHEGREEN is presently one of a kind in the market, which puts Rhenus in a fine position compared with the competition. "Of course," Ms Zuurmond says, "there are other programmes available on the market, but these are mainly based on compensating CO$_2$. RHEGREEN is the world's first programme aiming for CO$_2$ reduction. Only with our programme can one see what can be saved by opting for CO$_2$ efficient alternatives." RHEGREEN is now available for airfreight from Schiphol, Frankfurt, and Brussels to destinations worldwide, but it is expected that more origins will soon become available. Mr Swart explains, "Rhenus Logistics Air & Ocean is operating on a worldwide scale, and it is obvious that we are looking at the implementation of

RHEGREEN from other airports too. In the discussions on this extension, we find abundant positive reactions from many of our international colleagues."

Challenge
"Apart from air cargo," Ms Zuurmond adds, "we also think that the RHEGREEN programme is suitable for sea freight. By adding other means of transport modalities, the emission of CO$_2$ within the supply chain could be even further reduced."
One of the challenges within the programme is to keep all available data up to date. "Our programme contains a lot of information that is subject to changes", Ms Zuurmond states. "That is why we have to put ample effort into receiving information from the airfreight industry. This is in fact a fulltime job for our team and shows that no matter how digitalised our industry becomes, human effort will always remain indispensable."

i. rhenus.com/en/nl

Customers come first

C.H. Robinson to invest EUR 900 million in technology

This year, airfreight tonnage has decreased by about 5% worldwide compared to 2018, but according to C.H. Robinson there are still plenty of reasons to be optimistic. In fact, the third-party logistics and supply chain management provider will be investing more than EUR 900 million in technology over the next five years.

ALL IMAGES COURTESY OF C.H. ROBINSON.

The threat of Brexit and the US-China trade-war caused demand for air freight capacity to soar in 2018. According to logistics specialist C.H. Robinson, companies front-loaded their shipments, filling their warehouses to ensure they were able to continue to satisfy the demand for their products despite the uncertainty in international trade. "However, by the end of 2018, many companies had converted their initial peak demand for airfreight into sea freight", says Ivo Aris, Vice President – Europe

Global Forwarding of C.H. Robinson. "In 2019, we have seen capacity decline slightly on the trans-pacific lane, most likely due to the current US-China trade war, but we continue to see companies shift operations to South East and South Asia. Air and ocean-freight forwarding, as well as road transportation activities in Europe, have continued to grow in 2019 and we have a positive outlook for 2020."

He adds: "Globally the tonnage decreased by about 5% compared to 2018. However, we do see a positive result when comparing 2019 to 2017. We have seen stabilisation in recent months and overall C.H. Robinson remains strong."

Ideal position

According to Mr Aris the services of a freight forwarder are still invaluable to companies looking to ship their goods across the globe. "The freight forwarder is ideally positioned between the shipper and the vast number of air, ocean, and road carriers, as well as customs organisations", he says. "Crossing borders in Europe, and around the world, comes with complications if you're not familiar with the nuances of each country's customs' process. Offering customs brokerage and trade

compliance services helps our customers' goods get where they need to be without being held up at the border." The company's main aim is to continue putting its customers first, says Mr Aris. This starts by giving them real-time visibility at all points in the shipping journey. "Technology and consumer expectations have evolved quickly. Visibility is at the core of these expectations and at the centre of where we will lead the industry", he says. "We continue to put the customers first and adjust our structure and strategy to make sure the experience for them is seamless. We are investing in technology and support to provide our teams with the tools and resources to ensure their success."

Investing in global talent

Earlier this year, C.H. Robinson announced its plan to invest more than EUR 900 million in technology over the next five years. "We are adapting our systems to changing needs", says Mr Aris. "Big data and digital technologies, including artificial intelligence, machine learning and predictive analytics, are having a profound impact on the supply chain marketplace, so it's important to leverage both technology and talent to best serve our customers. With more than 1,000 data scientists, engineers and developers, we continue to invest in global talent in this critical area." C.H. Robinson uses transportation management system Navisphere to offer customers planning, execution, business intelligence, and freight payment capabilities. The global technology platform has been built by, and for, supply chain professionals and allows customers to reliably track their shipments. In the coming years, the system will be further enhanced in order to be able to process more transactions and serve more customers and carriers. "Robotic process automation, advanced algorithms, and intelligent workflows allow us to work smarter and focus on the most important work. The aim is to increase our scalability to move us from millions to billions of transactions ", explains Mr Aris. "We're also improving the stability of our technology platform to eliminate downtime. Technology will continue to make us more efficient and will continue to enable us to add more value to our customers' supply chains."

Looking to the future

C.H. Robinson is continuously looking for opportunities to strengthen its service offerings for customers, says Mr Aris. "Part of that is expanding our global footprint with local providers that share our commitment of best-in-class service and execution, further technology developments and innovations." In 2019, the company added Space Cargo and Dema to its global network. Mr Aris: "It strengthened our global suite of service offerings and carrier relationships, adding more robust capabilities for our customers and scale to our business. We will continue to look for opportunities like these and we will continue to support customers of all sizes, from small businesses in Europe to large global customers."

i. chrobinson.com

Ivo Aris, Vice President – Europe Global Forwarding at C.H. Robinson.

C.H. Robinson is one of the leading third-party logistics and supply chain management companies.

Brussels Airport: acting, not just talking

With BE-GATE goods can be cleared much quicker. This is a big advantage for e-commerce, as in this industry shipments often consist of a great amount of relatively small packages.

When looking at the strategic vision of Brussels Airport (Strategic Vision 2040-Connection Belgium to the Future), air cargo, and the logistics operation involved is one of the spearheads for the further growth of Brussels Airport. Cargo Magazine talks with Nathan De Valck, Head of Cargo Product and Route Development at Brussels Airport, to learn more.

ALL PHOTOS COURTY OF BRUSSELS AIRPORT.

"The Belgian economy," Mr De Valck says, "is an open economy, requiring highly efficient logistics. For high-quality and temperature-sensitive goods that need to be transported quickly, air cargo transport plays a central role." According to the strategic vision, the added economic value of Brussels Airport to Belgium may double by 2040 to EUR 6.4 billion per year.

Upgrading

"In achieving our goals, is it important that the logistics facilities on and around the airport meet the high quality expectations of our partners", comments Mr De Valck. "Being centrally located in Europe, with a dense multimodal network towards the hinterland, gives us an excellent proposition as one of Europe's leading logistics hubs but of course, it is of great significance to keep on investigating and innovating in order to stay ahead." For the upcoming years, Brussels Airport plans to upgrade its cargo area BRUcargo. A reorganisation of the area will increase efficiency and improve cooperation. Mr De Valck explains, "We are building a new warehouse infrastructure, we will replace obsolete buildings in the cargo area and others will be modernised. We also still have land available for new facilities. In the BRUcargo West area, around 50,000m^2 of new warehouse facilities are currently being realised."

Improved anticipation

In parallel with the focus on investments for real estate development at BRUcargo, Brussels Airport made an organisational change in the Cargo department. "Because of our plans with BRUcargo," Mr De Valck explains, "it was recently decided to bring Cargo Development and Cargo Real Estate together in one department. The Cargo Department has always had a good relationship with customers and thus knows a lot about their demands, even before the Cargo Real Estate was taken care of by the overall Real Estate department. In combining the two activities into one department under the responsibility of our director Cargo Steven Polmans, Cargo Real Estate specialists moved from the general real estate department to Cargo. It is obvious that this new way of working with a clear focus on cargo will result in a high efficiency and fast response to customers' requests." Within this new cargo department structure, Mr De Valck will head the cargo product and route development, whilst reporting to Steven Polmans.

Nathan De Valck, Head of Cargo Product and Route Development at Brussels Airport.

When looking at air freight, Brussels Airport has built an impressive track record in a number of niche markets, such as pharmaceutics and biotechnology, perishable products, and e-commerce.

Artist impression of BRUcargo West. For the upcoming years, Brussels Airport plans to upgrade BRUcargo. A reorganisation of the area will increase efficiency and improve cooperation.

BE-GATE

One of the niche markets that Brussels Airport focusses on is e-commerce. A study of the University of Antwerp concluded that three factors are important for the players in this market segment: good infrastructure, a fine logistics ecosystem with sufficient e-commerce expertise and knowledge, and at the top of the list stands excellent customs facilities. Mr De Valck, "With this knowledge in mind, the new digital platform called BE-GATE, initiated by the Belgian Customs authorities, is a good initiative that will benefit the e-commerce shipments handled at the airport. This platform is now used by Brussels Airport, Liege Airport, and the ports of Antwerp and Zeebrugge. This combination of four cargo hubs using the same tool makes it a one-of-a-kind proposition for the Asian market. The portal serves to accelerate and increase the efficiency of customs clearance in the cross-border flow of goods. The free-of-charge portal is designed for processing large amounts of data and guarantees rapid clearance of customs applications."

Customs approved

With BE-GATE, a high number of shipment data for pre-notification can be simultaneously transmitted via an official customs-approved electronic form. For shipments of less than or equal to EUR 22, this form also serves as a declaration of release for consumption. For all other shipments, the declaration in the Belgian customs software solution PLDA is required. Retailers also automatically receive information on which shipments have been selected for customs control. All other shipments are immediately released. In addition, the software solution provides alternatives based on defined criteria for the determination of the customs value, in case the customs value cannot be determined by an alternative method.

Ready for use

"With BE-GATE," Mr De Valck says, "goods can be cleared much quicker, in many occasions even upon arrival of the aircraft at Brussels Airport. This is a big advantage for e-commerce, as in this industry shipments often consist of a great amount of relatively small packages. With BE-GATE, they can be taken care of much faster, safer, and more efficiently." BE-GATE is now technically ready for use and various users in Belgium have been audited and certified by customs, so the system is now ready for use. "Most e-commerce cargo that travels through Belgian ports and airport consists of incoming goods, which is why the use of BE-GATE will focus on the import side. However, the tool can also be used for export", Mr De Valck adds.

Preferred choice

So far, the plans of Brussels Airport are clear and when looking at cargo, the hub is ready for entering the next decade. "Brussels Airport continues to focus on specialised markets which, unsurprisingly, includes sectors in which Belgium excels. "When looking at air freight, Brussels Airport has built an impressive track record in a number of niche markets, such as pharmaceutics and biotechnology, perishable products, and e-commerce", Mr De Valck states. "It is not our intention to be the largest cargo airport in Europe, but the best hub for the goods we are specialised in. Our new department structure and the innovative BE-GATE tool reveal that we do not just talk about plans, but act upon them, too. Both will genuinely help us to remain a preferred choice for many customers in the market", he concludes.

i. brusselsairport.be

How to screen (steel) drums?

PMT Cargo Security calls for clearer rules

When it comes to the transport of cargo in drums, there is a lot of uncertainty about the best screening methods. PMT Cargo Security is calling for more scientific research into the pros and cons of the various methods, a more universal approach to screening and more information upfront about the contents of each shipment.

WORDS BY DICK MEIJAARD, MANAGING DIRECTOR OF PMT CARGO SECURITY.
ALL PHOTOS COURTESY OF PMT CARGO SECURITY.

For a lot of different reasons, steel drums are used to pack liquid airfreight. In the last ten years, there has been some discussion about the best method to screen drums, but no conclusive solution has been found. Until now, the reasoning has been that it is up to the screener on the spot to make the decision on which method of screening is best.
Currently, the screening options are:
– X-ray: but how can the screener judge the permeability of the liquid in the drum without at least ten years of chemistry training?
– Explosive Detection Dogs (EDD): but how can they know whether the content is airtight sealed or not without any information of the shipper? And what is airtight in a plastic drum, jerry-can or IBC, when these drums have permeable, sweating wall?
– Explosive Trace Detection (ETD): this is no longer allowed without opening the drum and taking a sample from the inside.
– Hand searching: this is no option at all.
– Metal detection: this is clearly not an option for steel drums.

Changing regulations
So, the only options available are X-ray and EDD, the latter having a big economical advantage for the customer. At least, that was the case until recently. Recently, German authorities decided that Explosive Detection Dogs were not capable of screening steel drums, so this screening method was forbidden.
The industry was quick to respond: all drums were sent to the Netherlands and Belgium for EDD screening. And within a few months, the Dutch authorities responded in kind: EDD was no longer an allowed screening method for drums. Not only steel drums, but also plastic drums, jerry-cans, and Intermediate Bulk Containers (IBCs) were forbidden territory for the dogs. Remote Explosives Scent Tracing (REST) with dogs is now also forbidden for all types of drums. Free running screenings are allowed only if a dog has had specialised training. However, the Dutch authorities admitted that no such training exists.
For now, the quick solution for the industry is to ship drums to Belgium, where screening with EDD is still allowed. Of course, this is not a desirable solution at all. The aim, for both shipping companies and the aviation industry as a whole, is not to find loopholes in the international interpretation of the rules, but to ship airfreight safely and securely.

Different interpretations
Since the EU-300/2008 regulation, we have seen different interpretations in the European countries with regard to the application of screening methods of airfreight. Some countries were very quick to ban REST as a method of screening airfreight, some countries took ten years to decide that free running is a valid screening method for airfreight and the regulations around Explosive Trace Detection are a separate subject all together.

The remaining options
EDD: at this moment there are no solid solutions available. Training an EDD combination is not an option when there are no courses available.

Using something made of steel on the back side of the drum can help the screener judge the content of a drum.
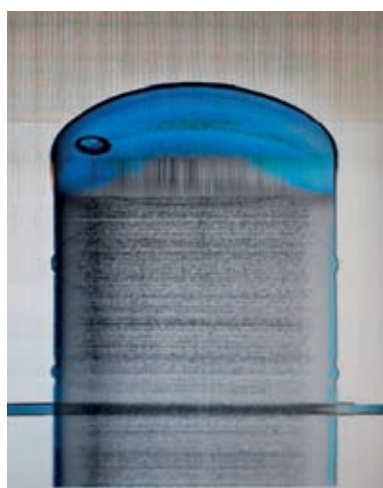
X-ray: the possibility of using X-ray depends on the penetrating power of the X-ray machine and the transparency of the content. At this moment, state-of-the art equipment penetrates through a maximum of 4cm of steel, which is enough to see through any drum, but the liquid inside takes up most of the penetrating power. There are mobile X-rays with double the penetrating power of the static one, but their use is reserved for special forces and government agencies.

In normal warehouse conditions, it is hard for screening personnel to accurately assess the contents of the drums, because there is often no information about the transparency of the liquid content of the drum. Even if there was, the screener would need a PhD in chemistry to interpret this information. The unlucky truth is that you first have to put the drum into the X-ray machine to be able to judge if there are any black holes in the picture on your screen; a very costly and time-consuming method. Experience will help and so will more powerful

PMT Cargo Security's Explosive Detection Dogs are no longer allowed to screen steel drums.

> In normal warehouse conditions, it is hard for screening personnel to accurately assess the contents of the drums, because there often is no information about the transparency of the liquid-content of the drum.

X-ray equipment, but this equipment comes with stricter requirements for safe operations, such as thicker concrete walls, as well as regulations for the protection of personnel and the environment.

As it stands, the best way to X-ray drums is to screen each drum individually. A pallet with four or six drums might not be transparent enough when the whole pallet is screened as a whole. But screening the drums one-by-one can give a very good result. Another aid can be the use of a steel rod on the outside of the drum. The picture will not be clearer,

but the screener can judge, depending on seeing the steel rod on his screen, whether he can see through the drum. This way, one can better judge the grey areas.

Information is needed

The main conclusion is that what we really need is more information. It would help enormously if the sender could add information about his shipment, such as whether the content is airtight packed, vacuum sealed or not. This information could be a standard box to tick on the airway bill accompanying every air shipment. If we, as an industry, could mark drums that are airtight closed, the screener on the spot can make a valid judgement on which method to apply.

More research

What we also need is actual, scientific research, not popular talk, panic reactions, or blindly following the lead of other countries. We all agree that security of air freight is of the utmost importance. So next to all of the research that is invested in developing machines, it is time to expand research on a more operational level. How can we support the screener in the warehouse with making the best judgement on which method to apply? Of course specialised training would help, as well as more discipline throughout the whole logistic chain to add information to make this judgement on the floor more feasible.

Known Consignor

Last but not least, the industry should take matters into their own hands and make sure that every company that ships steel drums, IBCs et cetera makes an effort to become a Known Consignor, someone who has proven that their procedures sufficiently comply with the common security rules and standards. In that capacity, their drums will be offered as secure air freight and will not require additional screening. What could be better?

Judging the suitability of steel drums for X-ray is difficult, particularly when no information is available on the density of the liquid content.

i. cargosecurity.nl

A robust allocation

Air cargo in need of airport slots

In the summer of 2020, the Dutch government will approve the new Luchtvaartnota 2020-2050 (Note on air transport 2020-2050) that the Dutch Ministry of Infrastructure and Water Management has been working on since mid-2018.

This new note will be the guideline on how aviation will be able to further develop in the upcoming decades, taking the interest of safety, sustainability, and quality of life into account. The position of air freight at Amsterdam Airport Schiphol (Schiphol) is currently under pressure due to a lack of available airport slots. According to Maarten van As, Managing Director of Air Cargo Netherlands, the industry association for the air cargo sector in the Netherlands, it is important that the airfreight sector blows its whistle. "Today," he explains, "the airfreight industry suffers from the lack of slots at Schiphol and it is therefore crucial that air cargo should somehow be included as a topic in the new Luchtvaartnota. We have therefore asked our lobby in The Hague for recognition of the economic and societal importance of air cargo for the Netherlands and for the contribution that air cargo makes to the quality of Schiphol's network."

Advisory board

He continues, "For the realisation of this note, a temporary 'sounding board' was founded by the Ministry. It is positive that in this board the airfreight sector is represented by ACN, Schiphol, and KLM. Evofenedex, which is a Dutch organisation representing the interests of some 15,000 companies in the Netherlands that export, import, and transport goods, is also a member of this board. With this broad coalition, we wrote a joint position paper for the Luchtvaartnota. This entry was finalised and presented to the Ministry at the end of 2018. I think that as a sector, we can be very proud of this joint effort."

Economy booster: EUR 2.5 billion, 25,000 jobs

According to Mr van As, it is evident that the lack of slots endangers the position of Schiphol as a cargo hub. "We lose cargo to airports abroad because of the lack of slots and this negatively affects our national economy", he states.

Airfreight is a real economy booster, with around 25,000 persons working both directly or indirectly in this business.

Photo courtesy of ACN.

Photo courtesy of Amsterdam Airport Schiphol.

It is difficult for cargo aircraft to retain slots, as they fly less regularly than passenger flights.

Photo courtesy of ACN.

Maarten van As, Managing Director of
Air Cargo Netherlands.

"Recent figures of the Dutch Luchtvaartmonitor, which is a survey conducted by the Erasmus University Rotterdam, show that 25% of the added value of Schiphol is generated by airfreight, with a value of approximately EUR 2.5 billion. Considering the fact that only 3% of the total number of flights to and from Schiphol includes full freight, it is clear that airfreight is a real economy booster, with around 25,000 persons working both directly or indirectly in this business."

Local Rule

Due to the lack of slots and the rules determining how airline companies receive and retain slots, cargo aircrafts especially are under a lot of pressure. It is difficult for cargo aircraft to retain slots, as they fly less regularly than passenger flights. And in times of scarcity, it is almost impossible to subsequently get a new slot back. In order to break with this tradition, a number of solutions are available. A guideline ('Local Rule II') for the allocation of

slots has already been released during the season. It is designed to ensure that in-season capacity is administered in a flexible, neutral, non-discriminatory, and transparent way. "The Local Rule II is positive," Mr van As explains, "but the guideline does not provide a structural solution, as hardly any slots are given back. Other challenges are that whenever these ad hoc slots become available for cargo flights, it is often unexpectedly, which leads to a lot of last-minute organising for all involved. Not only at the airlines, but also for the ground handlers."

Cargo pool

As a more structural solution, Schiphol recently suggested the establishment of a so-called cargo pool. "The idea of this cargo pool," voices Mr van As, "is to make a reservation of a certain percentage of the total number of flights (3-4% of the current annual 500,000) for freight. This solution is for the industry necessary on a short term, as it will give full freighters a dedicated amount of slots and it will bring

Photo courtesy of ACN.

The lack of slots endangers the position of Schiphol as a cargo hub.

confidence back to the market. The constraint situation makes it very difficult for a lot of stakeholders to plan their operations. As a branch organisation, we take this threat very, very serious as we strive to make Schiphol the best cargo airport in Europe."

Domino effect

"At this moment, approximately half of the cargo shipped to and from Schiphol concerns full freight," Mr van As says, "and the other half is belly freight. We know that for many airlines, belly freight is necessary to keep passenger flights profitable. A shortage of full cargo capacity could lead to the loss of cargo companies as freight forwarders (who organise the shipment of goods) have less and less choice as to how and when they can transport their cargo. Freight forwarders could depart to foreign cargo hubs with a larger full freighter network. In this case, continuously less volume and less varied cargo would be transported via Schiphol and there would subsequently be less cargo to be carried in the belly of a passenger aircraft. Passenger flights could then become less economically viable. And so one domino could topple the next. This damages the quality of the Schiphol network, the airline companies at Schiphol, companies' export opportunities, and employment in the region."

Now the time is right

For Mr van As, it is evident that the time is now right to find the sufficient amount of stable slots for air cargo. "We have presently reached the stage that the Dutch government has become aware of the importance of air cargo. This really is

Photo courtesy of Amsterdam Airport Schiphol.

A shortage of full cargo capacity could lead to the loss of cargo companies.

a battle that we have won. And now we all know what to do: find a solution on the short term to make a reservation for full freighter on Schiphol, and ask the Dutch government for recognition of the economic and societal importance of air cargo for the Netherlands and the contribution that air cargo makes to the quality of Schiphol's network." For the near future, despite discussions about sustainability which we should certainly not avoid, air cargo will remain a necessity for a broad range of goods. With a better allocation of slots, we will be able to strengthen the international position of the airport as a cargo hub. This will contribute to promote the excellent proposition of the Dutch air cargo industry."

i. acn.nl

Cargonaut launches Compliance Checker platform

Smart Cargo Mainport Program spinoff

The number of rules and regulations is growing in the logistics industry. A great variety of compliance rules changes on an irregular basis and differs per country and type of good. This makes the shipment of goods increasingly complex. The manual compliance control of shipments is time-consuming and it is for most companies challenging to keep up to date, and the risk of failures is high. To make the shipping of goods less complicated, Cargonaut has now introduced the Compliance Checker platform.

ALL PHOTOS COURTESY OF CARGONAUT.

Richard van Det, Team Lead Services at Cargonaut, explains, "It is very important for companies and organisations to have sufficient knowledge of the compliance rules in order to avoid non-compliant shipments. This is usually not the case, not in the least as it is difficult for most companies to keep up with the rapid changes. The lack of knowledge not only costs a lot of time to finally get things compliant, it can also result in expensive penalties which is a waste of money, as most penalties can be very easily avoided." "With the Compliance Checker platform," he continues, "users can verify whether Airway and Houseway bills are compliant with customs rules." In short, the Compliance Checker shows the status of a shipment at the earliest possible stage of the logistics process, taking every selected relevant compliance

rule into account. For each specific file, the various statuses of a shipment are indicated with green (compliant) or red (non-compliant).

A green fast lane
The Compliance Checker platform is a spinoff of the Smart Cargo Mainport Program (SCMP) which, among other things, aims to increase predictability and visibility of shipments via Schiphol. Before launching the Compliance Checker, the partners KLM / Air France Martinair Cargo, Royal Schiphol Group, and Cargonaut piloted various ways of making shipments via Amsterdam Airport Schiphol (Schiphol) compliant as early as possible in the supply chain. A so-called green fast lane can hence be created for cargo shipped via Schiphol, with the ultimate goal being a compliant Schiphol Cargo Community as a whole.

The Compliance Checker Suite simplifies administrative processes.

Richard van Det, Team Lead Services at Cargonaut.

For Schiphol, the Compliance Checker offers an excellent competitive proposition towards other European air cargo hubs.

Eric Aarsen, Managing Director at VCK Logistics Airfreight:
"The Compliance Checker is in fact an unburdening service. Without the tool, freight forwarders have to continuously keep themselves up to date on all rules and information concerning shipments. A mistake is easily made this way. All rules are up to date in the Compliance Checker. Controls can also be forced forward. Everything is made much more efficient, making goods ready-for-carriage far more swiftly."

Maarten van As, Managing Director at Air Cargo Netherlands:
"Because of the growth in international worldwide trade, the transnational risks of terrorism, the geopolitical situaton and the emergence of e-commerce, compliance is getting more and more important, but also complex. The Compliance Checker platform helps forwarders, agents and airlines to have their shipping documents and goods compliant at an early stage. For the shorter term, an important next step is the extension with export rules and sanction lists, making the tool even more unique for the community."

Mr van Det continues, "Shipping goods as predictably as possible with first time right handling is of great importance for everyone, and with obvious reasons. Simplifying the administrative routine by using automated and up-to-date compliance checks is one solution. Most large shipping companies can afford their own automated systems, but for mid-size and smaller companies it is too expensive to have their own systems. With the Compliance Checker platform, we can offer companies a valuable and standardised tool

with a shared knowledge base behind it that can even be used on network level." The importance of a Compliance platform that can be used by everyone is acknowledged by the Smart Cargo Mainport Program. The Compliance Checker platform was originally created for air cargo, but can be used for sea freight as well. "This is even a requirement for many of our users, as they want to have their entire network of shipments compliant without having to use several systems", Mr van Det comments.

A much higher level
The system is based on a database of international rules and regulations, meaning that worldwide customs rules can be checked at every level, ranging from one parcel up to a complete aircraft. Mr van Det discloses, "The system not only checks the compliance of the bills, but is also capable of checking on consistency. Is the sum of the weight on the Houseway bills, for example, the same as the total weight indicated on the Master Airway bill? For the user it is good to know that the system not only indicates faults, but also tells exactly what is wrong and what needs to be adjusted. So a lot of time can be saved and the quality of the digital documents and data reaches a much higher level, as they will provide correct and complete information on the shipment involved." As the Compliance Checker database is constantly filled with ample information, data analytics can show patterns. With this information, Cargonaut can further help its customers to optimise their operation. "With our data analytics tools, we can see what type of mistakes are most common, so we can help our users beforehand to further improve their administrative procedures", voices Mr van Det.

Maintained on a permanent basis
The database of rules is maintained and collected on a permanent basis by Cargonaut, but the database can also be filled with specific rules by users themselves. Mr van Det says, "Keeping our database up to date is of great importance, and for this, we collaborate with, among others, the Dutch air freight industry association, Air Cargo Netherlands (ACN). Being at the heart of the community, ACN also points out any changes in regulations. In their sector meetings, we are regularly invited to discuss developments in rules and regulations. We also organise expert meetings with our current users to keep our database up to date as well but a user can also add some specific rules themselves to check their documents against, as we understand that each situation might require different types of compliance checks."

The Compliance Checker shows the status of a shipment at the earliest possible stage of the logistics process, taking every selected relevant compliance rule into account.

Several users

The Compliance Checker platform is currently already used by several companies. "KLM Cargo was the first user of the system and so far, they are very enthusiastic", Mr van Det explains. "Apart from KLM Cargo, logistics service providers, forwarders, and agents also use the Compliance Checker platform, and with their experience in using the system, we can improve it further."

It is no surprise to Mr van Det that the present users are satisfied with the Compliance Checker. He says, "Forwarders, for example, can already check the goods when they are still stored in their warehouses, and for airlines the checker ensures that the entire aircraft is green before it takes off. This also applies for arriving aircrafts, as the compliance of the cargo can already be confirmed before departure from other airports with destination Schiphol." Users are furthermore allowed to check documents several times before these are made definite. "A user thus knows that the Airway bill is 100% compliant before activating it for a shipment. It is good to know that we will only charge per unique Airway bill, so users of the platform are encouraged to check the documentation multiple times and hence raise the quality", Mr van Det comments.

Preparing the next step

The database of the Compliance Checker presently consists of rules that are aimed at customs compliance. Now that the system is live, Cargonaut is preparing the next step; making the system capable of checking documents (and hence the cargo involved) on international export rules and sanction lists. The platform can in the near future be

Johan Twisk, Director Operations at Cyberfreight:
"Using the Compliance Checker underwrites our Authorised Economic Operator (AEO) certification. Simply saying that you just consult some websites and call Customs when in doubt is not a serious option for us to underwrite our AEO certification. For us, the Compliance Checker is a much better tool to do this, especially in situations in which you are not aware that something is going wrong and a shipment is not compliant."

expanded with the possibility to check on the rules of the Netherlands Food and Consumer Product Safety Authority, on phytosanitary rules, and on the rules concerning the transport of dangerous goods. "Adding new checks to our systems is not relevant for everyone and will therefore only be available as an option. For this purpose, we are going to connect third party programmes to our tool." When the demand from the community is high, the priority will be high as well.

Mr van Det is convinced that the Compliance Checker platform extends Schiphol airport's lead. "The Compliance Checker Suite simplifies administrative processes and creates opportunities. For Schiphol, the Compliance Checker offers an excellent competitive proposition towards other European air cargo hubs and gives every company using Schiphol an advantage."

i. cargonaut.nl

Trucking CDM
"Moving forward to 100% transparency and predictability"

In the previous edition of Cargo Magazine (Summer 2019) we wrote about the basic principles of the 'Trucking CDM platform' whereby truck movements become transparent and (more) predictable for parties in the chain. Cargohub BV has been working hard these last few months, further developing the platform. We would like to follow up the previous article with the practical experiences of Wallenborn, Menzies and Airbridge Cargo during the initial tests of the platform. In addition, educational opportunities in the area of transport management are outlined.

WORDS BY ESTHER KORT-BOREAS.
ALL PHOTOS COURTESY OF CARGOHUB.

Objective
The Trucking CDM's objective is to provide transparency and predictability in the transport chain for air cargo industry stakeholders. The main reason to develop the Trucking CDM platform was the absence of good coordination of information between hauliers and handling agents. As a direct result, loading or unloading availability from handlers does not always match the truck planning resulting in undesired waiting hours or congestion at the handling agent's entry point.

The solution is clear
In order to be able to minimise lost time, cargo handling agents need reliable information from the hauliers regarding truck movement(s) and their estimated arrival times. In the CDM platform all truck movements are visible to the handling agents and expected arrival times are continually updated. It is important for the hauliers to know on a timely basis if deviations of planned loading/

unloading times are to be expected. Handling agents can use the expected arrival time information to confirm timeslots and, via the platform, handling agents are advised if delays have arisen. Should this be the case, hauliers can decide if drivers should first pick up other loads in order to utilise their permitted driving time as efficiently as possible and also avoid waiting. This also benefits the airport's infrastructure by reducing congestion on the roads around the handling agents' warehouses.

Intra-European solution for chain partners
Predictability and transparency of truck movements is necessary for all parties involved at the various airports in order to facilitate road transport of air cargo to its loading and unloading destinations as efficient as possible. When hauliers share trucking movement data it is automatically made available to handling agents at every airport. In this way from the moment of loading to unloading, the transport of air cargo goods between parties at different international airports can be entirely predictable.

Linking systems
Although the Trucking CDM provides an integrated call forwarding solution for handling agents, an interface is also being made available to make it possible to exchange data with participating parties' own systems. The kiosk at handling agent Swissport, about whom we wrote in the 2019 summer edition of Cargo Magazine, can also be linked, so there will be no need to carry out separate procedures in two systems.

Erwin Roeleveld, Project Leader Cargo Operations, Menzies World Cargo, Schiphol:
"Our initial experiences with the Trucking CDM platform have been positive. It appears to be a good planning tool providing insight into the departure and arrival times of trucks. It will probably allow us to optimise our door management system. A benefit of the platform is its comprehensiveness for the whole chain, from source to destination, not only for the trucker but also for the airline and handling agent. The fact that our own warehouse management system can be connected with the platform via an interface is particularly pleasing. We do not have to

Photo (from left to right): Dennis Smit, Henk-Jan van Keulen, Giovanni Douven, Raoul Paul, Erwin Roeleveld.

acquire a new system. Menzies embraces technological innovations beneficial to both our customers and us. We already work with several CargoHub modules such as the cargo and ULD damage registration system. CargoHub is an experienced partner with whom we are pleased to work. Menzies has committed to the Schiphol Cargo Mainport Program (SCMP) which is also examining truck movements and their predictability. It would be great if the platform could be aligned with the SCMP for vital synergy."

Added value for airlines

The added value of the Trucking platform for an airline is the transparency of cargo being trucked by road. At present this insight is not automatic so an airline often has to have telephone contact with the trucking company. The platform offers a solution by allowing the airline to access real-time information.

Henk-Jan van Keulen, Country Manager The Netherlands, Airbridge Cargo:

"We are very enthusiastic about the platform. That both our internal and external customers can follow their consignments themselves at any time via an app is a huge advantage. It results in far less email traffic. Even foreign stations, often in other time zones, can at any moment of the day see where a truck is located. I feel the value of the Trucking CDM platform will be even further enhanced when the forwarders also get involved in the system. Perhaps this is an idea for the near future."

Dennis Smit, Manager of the Wallenborn transport company at Schiphol:

"The article on the Trucking CDM platform which appeared in the previous edition of Cargo Magazine caught my attention. I read about the solutions the platform offers for problems that we as a transport company experience.
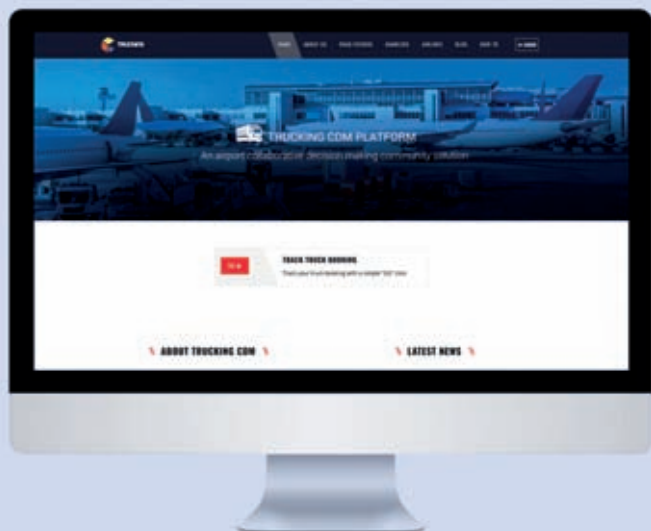
The Trucking CDM platform is available at trucking.aero.

I refer to the lack of transparency in the chain and the limited data exchange between the handling agent, airline and ourselves. We enter load instructions and cargo lists into the platform manually at present, but this will be automated at a later stage. The idea is that airlines will, at a glance, be able to see where our truck is. This will improve our efficiency as we will not be spending time answering telephone calls and emails at shipment level. Currently we manually input details of a shipment such as for example airwaybill number, number of packages and weight but we are already testing the exchange of data between our transport management system and the Trucking CDM platform. All data will soon be processed in a fully automated manner." In response to the question of what would be the ideal situation for Wallenborn, Dennis advised: "Transparency by means of automatic information exchange between airlines, handling agents and transport companies will, amongst other things, reduce administrative procedures, reduce waiting times at the handling agents, allow more efficient use of vehicles and automatically provide the status of consignments to our customers. Furthermore, in this way we can also play our part in reducing traffic congestion at the entry point."

Educational opportunity
The Trucking platform is an innovative solution for which further research should certainly be undertaken. The

subject is therefore interesting for students of logistics to study and escalate to a higher level; a great opportunity for students to complete their studies with this as a thesis subject.

Giovanni Douven, Project Manager and Research Fellow, InHolland:
"The Trucking CDM platform is a very suitable graduation and research subject. Five graduate students will commence work on this in the middle of January: four students will be researching the platform's logistical opportunities. They will do this in-house at a handling agent, a trucking company, a forwarder and an airline. The fifth student will look at the marketing aspect, researching the platform's revenue model and its viability. InHolland is keen to contribute to initiatives for the air cargo sector to work together efficiently and effectively and there is also an important sustainability angle. Indeed, data sharing whereby truck movements become transparent, will ultimately result in a reduction in CO_2 emissions and particulates and therefore improve quality of life."

Truck RU7007 24/10 completely transparent
Wallborn truck RU7007 on the route Amsterdam (Menzies World Cargo) to Liege (Aviapartners) on 24 October 2019 was the very first truck fully supplied with arrival, loading and unloading times. Wallenborn and Menzies World Cargo, as participating pilot partners, independently provided the trucking platform with data.

Raoul Paul, Managing Director of CargoHub:
"These last few months our pilot partners have provided a lot of input. Not only is data being shared with chain partners but their needs to support the complete truck management process must be facilitated within the platform in order to reach an optimal process design. This is all being further developed. The support of Wallenborn, Menzies and Airbridge Cargo has enabled us to test the initial basis of the platform. We have reached a next phase in which we will start sharing 100% truck planning information from Wallenborn to handling agents and airlines. Support from the community is crucial and therefore we are delighted to welcome Swissport, Jan de Rijk, dnata, Malaysia Airlines, Fast Forward Freight and Connex air cargo network (subsidiary of Georgi Transport) as well to our project. Last but not least we are honoured to welcome the Air Cargo Netherlands."

i. **cargohub.nl**
i. **trucking.aero**

OneRecord and iSHARE

Best of both worlds in data sharing

There are significant risks to the traditional way of data sharing. This is why new developments are offering data owners greater security when sharing their information with other parties.

Up until now, logistics companies have shared their own data with other companies in a traditional way: by sending a digital file. This way of data sharing has some significant disadvantages. Data is not just sent once; it also needs to be kept up to date. In addition to this, the owner loses control over his data because he doesn't know what the receiving party will do with it. Will they make changes? Will they update certain elements? Who might they share the data with? This can result in a big risk for the owner of the data, a risk which needs to be covered one way or other. Jos Nuijten, VP Network Integration Strategy at Descartes, brings us up to speed on recent developments.

OneRecord

The IATA initiative OneRecord takes data sharing to the next level. In this system, data is not sent from one company to another. The data remains in the data-owner's system. He only shares the link to his system, enabling the other party to consult the data. The data-owner remains in control of the actual values.

An added advantage of this approach is that only information which is of interest to a company needs to be managed or stored. For example, Customs forces airlines to keep data regarding the shipments they carry onboard their aircraft even though airlines don't use or need this data from the shipper (for example, the address of the shipper or consignee, or detailed information regarding the goods). By using OneRecord, airlines don't have to save all this data since it is stored on the shipper's own system. The moment Customs needs information regarding a certain shipment, the airline just shares the link to the data in the shipper's system.

iSHARE

A system like OneRecord, however, does need a solution to the issue of how information can be shared in a safe and trusted way. The answer could be iSHARE. The basis of iSHARE is a set of agreements covering the identification, authentication and authorisation of the companies playing a role in the logistics process. The platform enables these parties to share data with other parties. Because of the agreements, companies can share their data with other companies in the logistics chain even though they don't know each other. The owner of the data is always ahead when it comes to granting access to his data, and always in control.

Photo courtesy of Descartes.

Jos Nuijten, VP Network Integration Strategy at Descartes.

1 + 1 = 3

Looking at the features of both iSHARE and OneRecord, one can imagine the massive synergy resulting from integrating and combining these systems. There is a benefit for all parties involved, since it makes the logistics process faster, easier and more flexible. Data can be shared with trustworthy parties, both known and unknown, since identification, authentication and authorisation have been covered via the iSHARE agreements.

Descartes' role in data sharing

Descartes is a supporter of both iSHARE and OneRecord. The company facilitates the data-sharing process by developing applications and IT systems. Although both platforms show an upward tendency, the degree of their success is dependent on the number of participating companies working with the platforms. There is also a need for both OneRecord and iSHARE to coexist with the more traditional ways of information-sharing. Descartes has developed tools to bridge the new and the old, and supports an exponential growth in these new ways of sharing.

i. descartes.com
i. ishareworks.org

Photo courtesy of Customs Knowledge/Shutterstock.com

VAT on imports

Not always a clear case of 'black or white'

Value Added Tax (VAT) is generally speaking due on all goods that enter and remain in the EU. In this respect, customs duty rules are applied. But are these valid if they lead to unusual results? Further, what happens in a situation where an intra-Community transaction follows on the import of goods and irregularities are subsequently committed? This year there have been several important judgments delivered which show that, when it comes to VAT, jurisprudence is not a simple case of black or white.

WORDS BY BART BOERSMA.

Considering the nuances

The import of goods is a taxable event for turnover tax (VAT, or BTW in Dutch). The general rule is that VAT upon import is treated as a customs duty. If a customs debt is

incurred, a VAT debt is simultaneously incurred.
An interesting situation arises when goods, following their import into the EU, are transported to another Member State. In this case, VAT is not due in the EU Member State where the goods were initially imported. But what happens if fraud is subsequently committed?

Recent jurisprudence has demonstrated that the position taken by the Tax and Customs authorities is not always correct. It is not a case of being either black or white. There are many nuances to be considered.

Import and subsequent intra-Community transaction

I will discuss a judgment on VAT upon import where irregularities took place in a transaction that followed on the import of goods, namely when the goods were already delivered to another Member State after the import. Does an exemption apply in this case?

Vetsch, ECJ Ruling C-531/17, 14 February 2019

The issue for this ruling related to whether the exemption from VAT on the import of goods into Austria from Switzerland could be applied when these goods were

> *"Recent jurisprudence has demonstrated that the position taken by the Tax and Customs authorities is not always correct. It is not a case of being either black or white. There are many nuances to be considered."*

then transferred to Bulgaria. Vetsch, an Austrian transport company, acted as an indirect representative for its Bulgarian customers. It later eventuated that these customers committed fraud. The Tax and Customs authorities deemed Vetsch jointly and severally liable for the VAT upon importation and Vetsch was unable to apply the VAT exemption.

The European Court of Justice, however, ruled that the exemption could not be denied to Vetsch. Given the fact that the customers committed fraud at a later stage. Furthermore, it appeared that Vetsch neither knew, nor could have known, that fraud was committed.

This judgment makes clear that a company applying the VAT exemption upon import cannot be held liable for fraud, in case VAT is not legally declared by another party at a later stage.

VAT upon import

As mentioned before, the general rule is that a VAT debt arises simultaneously with a customs debt. In principle, a customs debt is the result of a regular import. A customs debt is not incurred if the goods are placed under a special Customs procedure, such as inward processing. However, should the conditions of the special procedure not be met, a customs debt will be incurred. Consider, for example, the situation where goods are withdrawn from customs supervision because they were stolen whilst placed under the Customs transit procedures. In the Federal Express judgment, the European Court of Justice ruled as to whether the main rule should be applied in this situation.

Federal Express, ECJ Ruling C-26/18, 10 July 2019

The facts are as follows. Goods from outside the EU were transported by air to Germany with Greece being their final destination and where the goods actually arrived. The goods were placed under

Bart Boersma, Lawyer and Director of Customs Knowledge.

Photo courtesy of Customs Knowledge.

the external Community transit procedure for transport from Germany to Greece. However, Germany discovered irregularities in transit procedure. As a result of this, German Customs levied VAT on the imports. The dispute related as to whether VAT has been correctly levied on the import into Germany while the goods had actually arrived in Greece.

The European Court ruled positively – for the private sector. An answer was given to the following question: "If a product is brought into a Member State through an irregular customs procedure and as a result of this a customs debt is incurred upon import, has that product entered the economic circuit of the Union?"

Before the Court reached its final judgment, the Court ruled that goods which had been imported in an irregular way into the customs territory of the Union are presumed to have entered the economic circuit of the Union in the territory of the Member State where they were brought into the Union. This means that, in this case, VAT should have been levied upon the import into Germany. However, when the Court took into consideration the fact that VAT is a consumption tax, the Court introduced a significant nuance. The Court held that such an assumption can be refuted. In the present case, the introduction via an unlawful customs procedure was insufficient basis upon which to assume that the goods had actually entered the Union's economic circuit and no arguments could be put against this. Important was the fact that the goods had been transported to another Member State. This Member State was the final destination and was also the Member State where the goods were consumed. In other words, this was where the goods ultimately entered the economic circuit and thus why VAT was due upon import into Greece.

This judgment is therefore an exception to the general rule and has, in my opinion, far-reaching consequences. After all, there are various situations where a customs debt is incurred while it is clear that the goods have either left that Member State or the EU. In these cases, it is clearly incorrect to assume that a VAT debt always arises.

### Conclusions with regard to these two recent judgments

It is evident that VAT issues are nowhere near as clear-cut as Customs issues. The declarant (upon import) must exercise due care and try to prevent VAT fraud. However, he is certainly not automatically liable for VAT upon import if a customs debt arises.

Although a hard-line approach in the fight against VAT fraud is understandable, we still see the Tax and Customs authorities continuing to hold firm to the main rule (a customs debt leads to a VAT debt) in spite of these recent rulings. It has been shown that this is not always correct. Determine, therefore, if VAT upon import (if it can be neither deducted nor waived) has been correctly levied.

i. customsknowledge.nl
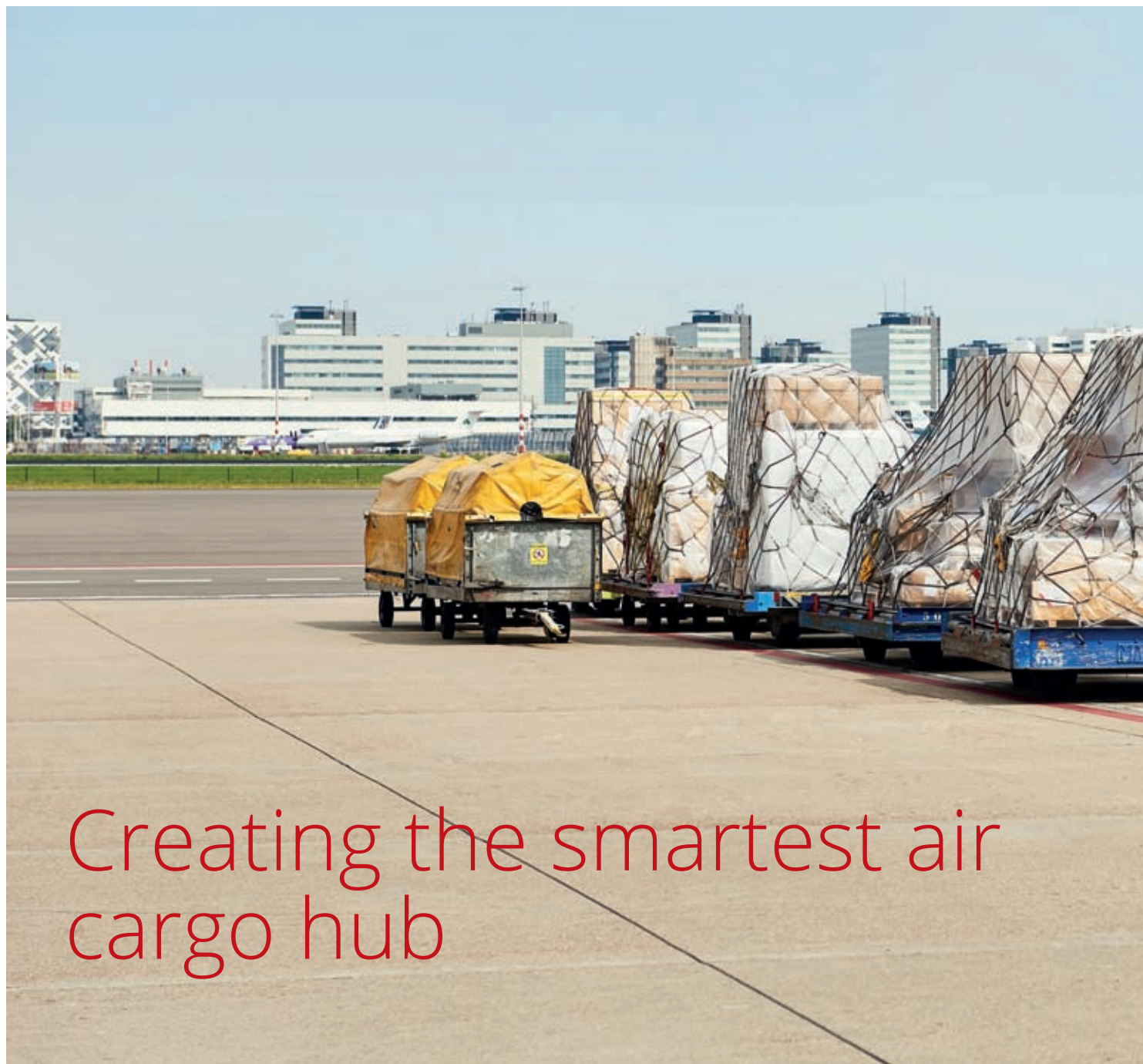
Creating the smartest air cargo hub

Smart Cargo Mainport Program (SCMP) aims to make Amsterdam Airport Schiphol a pioneer in sustainable innovation and an example of airfreight chain optimisation by building a cargo hub that is ready for the future.

ALL PHOTOS COURTESY OF SCMP.

SCMP wants to provide greater visibility, improve the speed and predictability of cargo and product flows, increase supply-chain value, improve the participants' asset utilisation and expand the effective catchment area of Schiphol and its cargo stakeholders. Edwin Wenink has been SCMP's Program Manager since 2019. In an interview with CargoMagazine, he highlights the program's tasks, goals and challenges.

Q: What is your role in SCMP?
A: "After 12½ years of delivering community projects and programs in the floriculture sector, I have switched to airfreight as the new Program Manager of SCMP. My role is to manage the ambition and vision of SCMP and support all parties to find the right direction to achieve the goals that have been set."

SCMP looks for ways to ensure smart, efficient and sustainable cargo handling.

Q: What are the advantages of SCMP?

A: "SCMP is a community initiative, so it is set up for, and by, all chain partners at Schiphol. In this collaboration, we are able to cover and tackle the main bottlenecks in the air-cargo supply chain. The partnership enables us to find (innovative) solutions to tackle these problems."

Q: Why was SCMP created?

A: "Nowadays, collaboration and digitisation are the driving forces behind our industry. With the daily increase in customer demands, the air-cargo sector needs to work together 'physically' and be able to share and integrate information in order to keep up with demand. The supply chain should be seen as a supply network, in which real efficiencies are gained by sharing information throughout the supply network. Only then can we make a difference, be more transparent and increase the quality of our physical

SCMP wants to have the most optimal air cargo supply chain at Amsterdam Airport Schiphol.

Goods should flow seamlessly within the airport area.

Edwin Wenink is Program Manager of SCMP.

processes by creating customer value. That's why SCMP was started in 2016, because of the need to stay on top in this rapidly changing world. Together with our partners, we are looking for innovative ways to ensure smart and efficient cargo handling that will also be sustainable in the future."

Q: What are the most important tasks of SCMP?
A: "Making sure that goods flow seamlessly within the airport area. We want to streamline the product flow by looking in detail at the supply chain. Considerable

steps have been taken in recent months. A number of projects are approaching completion. The Automatic Nominating project and the Compliance Checker project are progressing. The Automated Nomination project helps Ground Handlers to plan their operations more efficiently, with import shipments being automatically assigned to the correct forwarder before they actually arrive at Schiphol. Automating this process decreases through-put times and increases accuracy, as manual errors are substantially reduced. The Compliance Checker application makes it possible to determine, before departure, whether freight meets the customs' rules at the place of destination. SCMP also works on optimising the logistics on the land side within the Landside Pickup & Delivery project.

Q: Does that mean that SCMP is ready to go?
A: "SCMP is already in place, but the delivery of the various projects is in different phases. Together with the steering committee, we have made the decision to create teams for starting up specific projects. We have identified the following six innovation drivers: infrastructure & capacity, logistical means, chain optimisation, trade compliance, digitalisation and sustainability.
But it doesn't stop there. Actually, there is a 2nd track concerning the change management aspect. You come up with a concept in three days, its implementation takes six months but the actual change, the internalisation of the project, takes years."

Q: How does SCMP stimulate sustainability?
A: "Schiphol has the ambition to be a CO_2-neutral Cargo

Airport by 2030. All indicated projects within SCMP have a sustainable component as well. By optimising the supply chain for example, we ensure shorter waiting times and that means fewer CO_2 emissions."

Q: What are the goals of SCMP?

A: "Having the most optimal air-cargo supply chain, from, to and at Schiphol. Becoming a paperless airport and ensuring efficient use of energy sources. Making sure quality data and information is available for and in applications. Guaranteeing that 100% of shipped & received cargo is compliant and known in advance, seamless (efficient) operations by promising 100% predictable through-put times, creating one process and one standard.

Q: What does the future look like with SCMP in place?

A: "Our dream is to become and remain the smartest airport in the world. We would like to create even more projects together with the community. I believe in working together and in synergies. We want to be an example for other companies and institutions around Schiphol and rest of the world."

Q: What challenges do you encounter in realising this future?

A: "As with many change programs and collaborative projects, the challenges are to have everybody aligned, and working in the right direction."

Q: How do you keep the different parties involved facing the same direction?

A: "My favourite quote is one by Albert Einstein: 'We cannot solve our problems with the same thinking we used when we created them.' I do not focus on the problem but on the common interest. In a community, not everyone has the same problem. That is why we have to look at the interests of as many parties as possible. Only then can we estimate how SCMP can make the greatest contribution, how we can manage and how, and with whom, we can work. We try to link as many parties as possible for each project so that chain-wide innovation is achieved. People in logistics are often too busy with the daily operations to focus on real fundamental innovations and that is where we step in. SCMP recognises that everyone works hard all day, but we challenge businesses to ask themselves: do you work 'smart' as well?"

i. schiphol.nl/en/cargo/page/smart-cargo-mainport-program/

Mileviewer CEO Frederik Schottey at the Supply Chain Awards 2019.

A birds-eye view on shipments

Software company Mileviewer has been selected as one of the four finalists for the Supply Chain Award's Project of the year 2019.

ALL PHOTOS COURTESY OF MILEVIEWER.

The nomination was based on the successful implementation of the Mileviewer software program at freight forwarder Damco. The company's successful software programme ensured 52% less overtime and 24.8% more profit margin at Damco.

When a developer, business analyst and a former freight forwarding manager get together in one room, magic happens. Mileviewer was built on the common ground between hands-on industry knowledge and a technological

innovation mindset. In order to establish the business, Mileviewer's three founders; CEO Frederik Schottey, CTO Ben Jorissen and Sales Manager Benny Schut sat down with various freight forwarders to see where there was room for improvement. They quickly distilled three problem areas: visibility, priority and communication. Together they designed a system to come up with a solution.

Mr Schottey explains: "Processes are being digitised without thinking about the human factor. But in the freight industry, when something goes wrong, you need a person to solve the problem. Mileviewer was built to enable those people to help their customers in the best possible way."

"Mileviewer can be used by freight forwarders, but also by their customers: importers and exporters. It combines three important assets for the freighter; visibility, priority and communication. With our software, your shipments become visible. You can see in real time what is in transit and where

it is, at the customs, in the plane, in the truck etc. That way you monitor the active status of your shipments."

"You can also prioritise if there are any unforeseen issues. Think of a delay at customs. As soon the programme indicates that the process is taking longer than expected at customs, it will move to the top of the list and become a priority shipment. Before, customers used to call and say, 'my shipment should have been here yesterday, but it's still not here.' Now, with Mileviewer, the freight forwarder can call their customer and say, 'Your shipment had a small delay in customs, but we were able to fix it in time. Your shipment will arrive tomorrow morning, as planned.' With Mileviewer, we have created a pro-active process instead of a reactive process."

Brainstorming at the office, Mileviewer.

Mileviewer combines three important assets for the freighter; visibility, priority and communication.

"Last but not least, Mileviewer also streamlines communication. If you have your shipments under control, you can give that transparency to your customer as well. That means you can offer your clients track and trace and send them automatically generated emails based on the shipment status."

Mileviewer features an interactive control panel, a built-in mailing client, predictive analytics and artificial intelligence. Three versions of software can be rented, the standard one, called Falcon, provides an overview to prioritise your shipments, which increases the margin and decreases the likelihood of penalties. Then there is the pro version, called Parrot, which represents a built-in communication platform to communicate shipment updates to your clients. Finally, you can opt for the advanced version, Raven, that uses AI

and superior analytics to leverage your data into milestone forecasting.

Mileviewer started up in March of 2019 and is already actively used in all modalities such as air, ocean, road and rail. In less than a year, it has been used to process more than one million shipments. The software can be rented on a monthly basis.

Mr Schottey says: "Mileviewer is popular because it solves a problem. We help transport planners have live visibility on containers, shipments, or even SKUs. We automatically send updates to clients, suppliers or partners. We gather all relevant data in a real-time control panel, giving the manager everything needed to steer the process. Without switching apps. We also safeguard a close relationship with our customer base. We want to make the life of the modern freight forwarder easier. We're busy building a world in which freight forwarders have all the tools to streamline their core business."

i. mileviewer.com

Mileviewer is located at Corda campus, a leading tech campus in Hasselt, Belgium.

The modern freight forwarder

Flexport success continues to grow

In the world of freight forwarders, Flexport is a relative newcomer. However, in almost seven years, the company has become one of the fastest growing, with nearly 10,000 customers and suppliers across 116 countries. And judging by its expansion plans, there is more to come.

ALL PHOTOS COURTESY OF FLEXPORT.

When Flexport was founded in 2013, the goal was simple: streamlining the global freight transport business by using automation and software to allow customers to track and control their cargo. To do so, it developed its own digital platform. And it is this technology that has proven to be the road to success, says Jan van Casteren, Vice President Europe of Flexport. "Flexport was built with technology from day one, and we believe this is what will ultimately drive innovation in the supply chain space", he says.

Flexport has invested heavily in technology to ensure that wherever shipments happen to be, they are also visible digitally. "Through integrating data from data solutions such as Crux Systems, we are able to gain a wider picture,

delivering deeper insights and collaboration", says Mr van Casteren. "Utilising data in this way not only enables us to build a digital representation of the world, it also allows us to gain valuable insights and to optimise and automate our processes."

End-to-end control

Currently, the shipping of air freight faces several challenges. One of the main ones is the imbalance and volatility around supply and demand, which impacts the price of air freight. Mr van Casteren says, "Especially during seasons when the market may peak or be slow, it becomes difficult to predict needed – versus available – capacity, expected demand and shipping costs. This is why our clients are increasingly looking for visibility and control over their shipments, capacity and rates, and why ensuring consistent pricing is paramount."

In order to meet these challenges, Flexport has invested in warehouse infrastructure that allows the company to control cargo end-to-end. "We have entered into extensive

> *"Utilising data in this way not only enables us to build a digital representation of the world, it also allows us to gain valuable insights and to optimise and automate our processes."*

capacity agreements with many of the world's leading air carriers which gives us a great deal of flexibility in managing our customers' needs and lets us deliver continuous milestone visibility to our clients. Teaming up with key partners throughout the supply chain will become more and more important."

Full freight visibility

Flexport is built on a combination of technology, logistics infrastructure, and industry expertise. "Our customers reap the results: we deliver faster, more reliable and predictable transit times, visibility and control, and lowered supply chain costs", explains Mr van Casteren. "Flexport customers can track when their goods arrive, access the fastest modes of transportation, including air, and partner with logistics experts in real-time to find the most efficient routes

Each Flexport client is assigned a Squad: a dedicated team of sales, operations and data experts.

Jan van Casteren, Vice President Europe of Flexport.

possible. It also gives them the freedom to focus on what matters: creating products, meeting demand and planning for the long term."

According to Mr van Casteren, clients work with Flexport for three key reasons: increased visibility, the company's Squad model (each client has a dedicated team of sales, operations and data experts) and its network. "All clients have access to the Flexport platform, alongside their suppliers, partners and our Squads. That means everyone has full visibility into their freight, down to the Stock Keeping Unit-level. Our Squads allow clients to focus on long-term strategy and planning as opposed to worrying about exceptions or tracking down invoices. Lastly, our network: we've built our platform to support everyone in the supply chain, enabling a flow of information throughout the life of a client's shipment."

European expansion

Flexport was founded in San Francisco in 2013 by entrepreneur Ryan Petersen. In those early years, the company's singular focus was on achieving scale on the Trans-Pacific East Bound (TPEB) trade lane. "That strategy paid off. Within five years, Flexport became the seventh largest freight forwarder on the TPEB – something that took others decades to achieve", explains Mr van Casteren. "We grew to EUR 400 million in revenue in 2018 and we brought

on thousands of clients and suppliers who are serviced from nearly twenty Flexport offices and warehouses."

A key milestone in the company's international expansion has been its investment in Europe. In 2016, Flexport opened its European headquarters in Amsterdam. "The choice to HQ in Amsterdam was an easy one", comments Mr van Casteren. "We are close to Europe's largest seaport in Rotterdam and to Amsterdam Airport Schiphol. Most importantly, it is a strategic location within Europe where we can ensure excellent connections to all major European markets."

Since opening the Amsterdam headquarters, Flexport has continued to expand across Europe with an office in Germany and most recently in Denmark, to serve customers across the continent. Mr van Casteren: "We are also close to finalising our plans for the United Kingdom. The UK is an important market for us where we already have significant traction. Our ambition is to expand our base within the UK and work more closely with our clients in this market."

i. flexport.com

Five compliance commitments

Trade issues often make headlines. On the one hand, facilitating trade and economic growth is paramount; on the other, law-enforcement and trade barriers increasingly hamper the free flow of goods around the world. In the Netherlands, banks are under growing pressure due to their position as watchdog over financial transactions.

WORDS BY KESTER MEIJER, DIRECTOR OPERATIONAL INTEGRITY, COMPLIANCE & SAFETY AT KLM CARGO.
ALL PHOTOS COURTESY OF KLM CARGO.

When transport service providers fail to strictly adhere to the decree on strategic goods, they are held accountable in court. For many companies, compliance has become a primary area of focus. The key question is: how far does a company's duty to investigate go? Doing nothing is not an option, as it can lead to criminal prosecution. But the situation also provides an opportunity. By taking care of compliance as early as possible and addressing potential impediments to the safe movement of goods before transportation commences, transport service providers can eliminate liability issues later on.

Integrated compliance approach
For the air cargo transport sector – which accounts for one third of global trade in value – the impact of the increased monitoring and enforcement is severe, as they operate in many cross-border territories when moving air cargo. Many airfreight transport businesses struggle with their current role; are they just a transport service provider, or are they an enforcement agency?
Air France KLM Martinair Cargo's policy is to integrate its compliance approach. The approach can be divided into three categories.
Naturally, the safety of aircraft crews, passengers and cargo is the primary concern. The second category involves complying with the licenses that are required in order to operate in specific domains; from import and export

controls to live animals, from strategic military dual-use goods to security, safety and more.

The third category is the responsibility towards the environment and public health that air-freight service providers have. Carrying illicit wildlife trade or counterfeit goods, such as fake medicine, needs to be avoided at all times. Counterfeit goods pose risks to lives and jobs, so they technically also fall under the first category. Moreover, the money made from counterfeits can also finance illegal activities detrimental to security and safety.

Five key principles

The integrated compliance approach at Air France KLM Martinair Cargo (AFKLMP Cargo) has five key principles, that are called 'the five compliance commitments'.

Commitment 1: Know what you transport

When you look at e-commerce and all the entities that manufacture and ship small parcels, the number of parcels is enormous, whereas the timeline is short. So how can their contents be monitored? How can the bad actors be determined?

To enable risk management, a detailed level of information is needed about the shipper, the consignee, the nature of the goods and their purpose. Undeclared dangerous goods and hidden lithium batteries are one of the biggest risks to airline safety today, so having authentic and reliable data about shipments is a key element in knowing what you are transporting.

Recent court rulings clearly call upon the obligation of transport service providers to investigate more thoroughly. Strict adherence to regulations and decrees is mandatory; the failure to do so constitutes an offence and is subject to criminal prosecution. Even if customers have a trusted AEO status, transport service providers have a duty to investigate. As they carry goods into a territory, they become subject to scrutiny by the authorities. Since all air cargo transports land in a concentrated area (airport), that concentration makes it attractive and efficient for enforcement agencies to focus on airlines and ground handlers. They are the ones who face the consequences, while the root cause may lie with an upstream entity.

Commitment 2: Catch discrepancies as early as possible

To catch discrepancies in time, you need to build a targeting capacity based on data, technology, people and concept of operations. The World Customs Organization has a Cargo Targeting System for nations, and the digital detection capability of these countries is increasing. Multi-layered detection capability and advanced-warning air cargo systems provide feedback to customers, commercial departments and operations, essential in detecting and handling anomalies.

Analysis of the execution of process and procedures should lead to additional safety and security measures. Taking a close look at all actors during the export acceptance process and adhering strictly to the industry master operating plan should help identify gaps. In some cases, the authorities will perform the risk targeting and provide a referral. In others, modules on specific topics have to be

Kester Meijer, Director Operational Integrity, Compliance & Safety at KLM Cargo.

Until an identified risk has been mitigated, the shipment must be put on hold in such a way that it cannot move until it gets the green light.

When transport service providers fail to strictly adhere to regulations, they are held accountable in court.

built or bought. Integrating all these signals into a simple (traffic light) alert enables front-line staff to act on these alerts.

Commitment 3: No means no

The human factor is often mentioned in incidents and occurrences. The air-freight sector is in need of a paradigm shift; from *Cargo must always fly* to *When in doubt, do not confirm, accept or transport*. A shift that must start at the top, speaking with authority when discussing the importance of compliance, for example, or by making awareness-training on these topics mandatory and, in case things go wrong, providing feedback with lessons

> "The airfreight sector is in need of a paradigm shift; from *Cargo must always fly* to *When in doubt, do not confirm, accept or transport.*"

learned. There are so many rules and restrictions that it seems impossible for a human being to keep track of everything. Tooling should therefore support customers and employees in identifying risks and asking the right questions. Until an identified risk has been mitigated, the shipment must be put on hold in such a way that it cannot move until it gets the green light. Proactive feedback to customers at a very early stage can prevent unnecessary hold-ups.

Commitment 4: Prepare for continuous change

With the present geopolitical tensions, trade sanctions and logistical barriers, the fourth commitment is to be prepared for continuous change. There needs to be an open channel with partners such as airlines, handling companies and road feeders, to share regulatory changes impacting the movement of goods. Again, monitoring world news and other resources about conflict areas can help indicate and anticipate emerging barriers.

In addition, implementing specific measures at origin can prevent unsafe situations. Public-private co-creation with creative and innovative regulators and enforcement agencies is very valuable. Sharing methods to identify risks and build solutions together is an absolute must. One example is AFKLMP Cargo's contribution to the EUIPO Anti-Counterfeiting Blockathon Forum Meeting; another is working closely together with US Customs Border Protection on ACAS and the handling of referrals. AFKLMP Cargo has also engaged with Dutch Customs on the Secure and Smart Trade Lanes (SSTL) pilot.

Commitment 5: Integrate and innovate

The increasing complexity and sheer quantity of rules and regulations require a forward-looking approach. At AFKLMP Cargo, the fifth commitment is to integrate and innovate.

The digital challenges for supply-chain stakeholders are enormous. The industry is hampered by data silos, incorrect good descriptions and data gaps. As a result, sharing data in a transparent and trusted manner is cumbersome.

Meanwhile, accountability, quality assurance and efficiency are under mounting pressure. As said before, transport service providers are increasingly accountable for what they ship. True innovation is not about adding another feature to existing infrastructure. A pivotal change is required in authentication throughout the supply chain. AFKLMP Cargo is working with odyssey.org on the biggest hackathon in Europe, to co-create a protocol for authentication throughout their supply chain. Building a reliable ecosystem could bridge the trust gap in the air cargo community. The goal of the project is to unite all parties in the supply chain by enabling them to give and receive relevant and compliant data. To build the prospective logistical infrastructure, AFKLMP Cargo is working together with customers and suppliers. On the technological level, they are including Blockchain, Artificial Intelligence and Internet of things (IoT) to increase the reliability and availability of data and events. The new data ecosystem will contribute to achieving the United Nations' sustainable development goals on industry innovation and infrastructure. Several innovative governmental entities have also joined the project, so it could even contribute to peace, justice and strong institutions.

i. afklcargo.com