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Central Asia has long been seen as a peripheral market for airfreight, overshadowed by the Gulf and major Eurasian hubs. But geopolitical shifts and new infrastructure are changing that dynamic. For Silk Way West Airlines, the region is no longer secondary — it is fast becoming central to its growth strategy.

A market on the rise

Airfreight traffic across Central Asia has expanded by nearly 40 percent in just four years. "Air cargo traffic in the region has grown steadily and significantly from 1.8 million tonnes in 2020 to 2.5 million tonnes by 2024," said Vugar Mammadov, Vice President CIS, Central Asia and Turkey at Silk Way West Airlines.

This growth is being fuelled by cross-border e-commerce, rising demand for high-value goods, and supply chains reconfigured by the closure of Russian airspace. "Geopolitically, the region sits at the intersection of Europe, Asia and the Middle East, offering strategic connectivity for both East-West and North-South trade," he added.

That strategic location is now being reinforced by new infrastructure. Investments in airports at Baku, Almaty and Tashkent are creating capacity for larger volumes and more specialised cargo flows. Multimodal corridors — linking road, rail, sea and air — are also beginning to knit together.

"These fundamentals position the region as a prime destination for long-term investment in logistics, warehousing and distribution facilities," Mammadov said, pointing to Kazakhstan's transit role and Azerbaijan's trade and consumption base as evidence that the market is moving beyond its traditional function.

Shifts in Silk Way's portfolio

The airline's own performance reflects the shift. In 2022, Central Asia accounted for 29 percent of Silk Way West's sales. By 2024, that figure had climbed to 45 percent. "This 60 percent gain in just two years demonstrates the region's contribution to our profitability and the effectiveness of our focus on high-potential trade corridors," Mammadov said.

Silk Way West has entrenched its market leadership in Azerbaijan and built strong positions in China, Kyrgyzstan, Uzbekistan and



Georgia. Its footprint in the Gulf — in markets such as the UAE, Saudi Arabia and Kuwait — remains more modest, but the airline sees those as long-term opportunities to scale.

Mammadov described a dual approach: consolidating dominance in smaller, fast-growing Central Asian markets while steadily expanding into the Gulf for scale and stability. "Central Asia is emerging as the next air cargo growth engine, while the Gulf provides the scale and stability to anchor regional networks," he said.

This strategy recognises that while the Gulf hubs dominate global flows, Central Asia offers agility, proximity to China, and access to new trade corridors. For an airline like Silk Way West, which operates a widebody freighter fleet across continents, combining these advantages is central to its positioning.

Mammadov stressed that the shift is not only about location but about structural change. Liberalisation of air rights, investment in

handling facilities, and the rise of e-commerce are all transforming what was once a secondary theatre into a primary market. "The fundamentals are in place for long-term growth," he said.

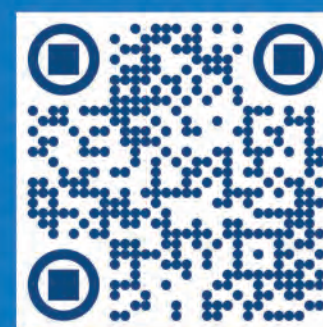
But the region also faces hurdles: fragmented infrastructure, fuel price volatility and the need for greater digitalisation in cargo handling. Whether Central Asia's airports and carriers can sustain growth will depend on how quickly these challenges are addressed.

Silk Way West's regional bet reflects a wider trend. Airlines, forwarders and investors are increasingly treating Central Asia as a logistics corridor in its own right rather than an adjunct to Russia or the Gulf. If current growth rates continue, the region's volumes could double again before the end of the decade.

For Mammadov, the direction is clear. "Geography has always been our advantage, but now the ecosystem is catching up," he said. "The next phase is about building scale and resilience — and Central Asia will be at the heart of it."



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HOW ALMATY AIMS TO ANCHOR EURASIAN TRADE

BY Anastasiya SIMSEK

WHEN Russia’s invasion of Ukraine closed off one of the world’s busiest air corridors, Central Asia suddenly found itself at the centre of east–west logistics. Routes that once bypassed the region were forced south, and the “Middle Corridor” - long treated as a geopolitical talking point - became an operational reality.

For Goker Köse, President and CEO of Almaty International Airport, that shift is still playing out.

“Under Covid-19 it was more of a concept, but starting from Covid and after the closure of Russian airspace, it became a mutual reality that the countries located in this corridor are gaining more and more attraction,” he told delegates at the Caspian Air Cargo Summit in Baku.

A region repositioned

Kazakhstan is geographically unavoidable: the ninth-largest country in the world, it sits on the land bridge between China and Europe. But for years, the lack of modern infrastructure kept Central Asian airports on the margins of the air cargo map.

Now, as trade flows reroute, airports from Baku to Tashkent are racing to upgrade facilities. Almaty, the country’s main cargo hub, is positioning itself as a central node. The airport handled around 130,000 tonnes of freight last year, supported by carriers including Turkish Cargo, Silk Way West, Lufthansa Cargo and a growing roster of Chinese airlines.

Caspian Air Cargo Summit

Köse sees this as only the beginning. “Kazakhstan has become one of the leading actors in the air cargo business in Central Asia,” he said. “We don’t see our neighbouring airports as competitors, but as complementary to the service we are providing.”

That collaborative stance is unusual in a sector defined by sharp rivalries. But in a region still piecing together supply chains and trade corridors, cooperation may prove more realistic than competition.

Almaty’s cargo bet

The airport is not leaving growth to chance. A series of projects is already in motion to expand and modernise facilities. In July, work began on a US\$200 million overhaul of airfield infrastructure: runway reconstruction, new taxiways, an expanded de-icing platform and a cargo apron with capacity for 10 widebody freighters.

The cargo terminal itself has been re-equipped to handle sensitive products, with new cold storage and a radioactive materials room. Pharma, perishables and high-value goods are all being targeted. Köse’s ambition is clear: “Our aim is to reach 200,000 tonnes in the coming years.”

That is part of a much larger 25-year, US\$1.5 billion masterplan that foresees passenger and cargo growth quadrupling capacity. The airport’s

owners - TAV Airports and its parent company Groupe ADP — are betting that Almaty can transform from a Soviet-era facility into a modern Central Asian hub.

Structural headwinds

Not everything can be solved with concrete and steel. One of the biggest constraints in Kazakhstan has been fuel. For years, limited refinery capacity and high VAT distorted the domestic jet fuel market, forcing carriers to tanker fuel from abroad or pay inflated prices.

Köse acknowledged the challenge but pointed to progress. A VAT reform has eased costs for carriers, while fuel imports from China are starting to balance supply. “The government is aware, and steps have been taken. It is not solved overnight, but we are moving in the right direction,” he said.

The airport is also preparing to align with broader sustainability trends. Electrification of ground support equipment is underway, and Köse signalled that Almaty is watching carefully how EU and US regulators approach carbon accounting for transit hubs. For a market that relies heavily on overflight and technical stops, these rules could be decisive.

A fragile opportunity

Central Asia’s logistics renaissance depends on sustained investment, political stability and the ability to deliver reliable, efficient services at scale. Infrastructure plans are ambitious, but execution will be the test.

For now, Köse remains optimistic. “We believe this is only the start,” he said. “Kazakhstan has a strategic location, and Almaty can play a leading role in connecting east and west.”



A COCK AND BULL STORY

BY Michael SALES

During the long-distance coaching era of the 18th and 19th centuries, when news was frequently passed on and discussed, the town of Stony Stratford in Buckinghamshire became a vital staging post. Located roughly halfway between London and Birmingham, as well as between the east and west of the country, it acted as a hub for stagecoaches. It was served by two inns, the Cock and the Bull, where weary travellers could refresh themselves or drown their sorrows while exchanging news and gossip.

The two establishments competed with each other for customers, spreading news, gossip, and scandalous revelations. Without doubt, just as today’s fake news is spread via social media, so exaggerated

or false tales became prevalent between rival groups. The phrase ‘a cock and bull story’ evolved from these exchanges: a highly dubious or even totally false piece of news.

The transport hub concept dates back to Roman times with their system of a post office network, but the first attempts at commercial aviation soon needed the same kind of hub networks.

During the 1920s, the German government decided to promote aviation development, followed by the British, the Dutch, the Russians, and the French, keen to enhance communications with their far-flung empires. However, the United States, with its established rail network, had less interest in aviation as an urgent travel medium, though delivering mail was important. The famous Lindbergh flight in

1927 ignited the passion for US air travel. It was the French who invented the terminology with words such as ‘aérodrome’ and ‘airport.’ Early airports were very simple structures, or even tents. Protective hangars for the fragile canvas-covered aircraft were the most pressing need.

Several airfields were established throughout Europe during this era, notably Amsterdam Schiphol, Berlin Tempelhof, and London Croydon. In the US, the Air Commerce Act of 1926 created a national network of airports with hard runways, including Chicago, Newark, and Ford Airport at Dearborn, Michigan.

Mail and news were a major ingredient of aviation, just as in the previous era—though perhaps with less fake news?

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BY Michael SALES

IN airfreight, the customer's trust rests on one thing above all else: service reliability. Cargo must move on time, arrive in full, and remain in good condition. Yet even the best-run operations suffer inevitable disruptions — shipments go missing, are delayed, or arrive damaged. When that happens, the clock starts ticking. The way a logistics provider responds in those first hours can make the difference between a retained customer and a lost one.

This is where a dedicated tracing strategy comes into its own — not just as a back-office function, but as a frontline defence for service quality. As Raoul Paul, founder and CEO of Schiphol-based CargoHub, puts it: "The service recovery (tracing) team is a critical component of cargo operations, often unsung yet vital in preserving customer relationships during operational setbacks."

Why dedicated tracing teams matter

In traditional airfreight operations, service recovery is often handled alongside day-to-day operational duties. Ramp agents, warehouse staff and operations controllers are pulled in to help find missing shipments or update customers, even while managing routine flight loads and warehouse throughput. The result is stretched resources and inconsistent responses.

A dedicated tracing team changes that dynamic. Their sole focus is post-incident recovery: locating lost cargo, resolving claims, identifying the root cause of service failures and — crucially — maintaining clear, consistent communication with customers.

"Transparent and empathetic communication during a service failure often determines whether a customer will be retained afterwards," Paul explains. "Tracing teams bridge the gap between disruption and satisfaction."

The challenge, however, is that many tracing operations are bogged down by inefficiency. Without full visibility across cargo systems, agents spend hours chasing updates from different stakeholders in different time zones. Much of this work is done via long email chains and scattered spreadsheets — a setup that drains time and energy from the actual resolution process.

The hidden administrative load

Tracing work may sound reactive, but in practice it involves a significant amount of structured process management. Each disruption requires full documentation: gathering details from airlines, ground handlers and customs; converting technical updates into customer-friendly messages; and storing records for audits, claims and performance reviews.

Paul points out the strain this creates: "Much of a tracing agent's day is spent navigating inboxes and spreadsheets instead of actively resolving issues."

The consequences ripple outward: slower response times as agents are consumed by administrative tasks; inconsistent updates when customers receive fragmented or outdated information; and agent burnout caused by the sheer volume of repetitive work in a high-pressure environment.

This operational drag is more than just an inconvenience — it undermines service quality at the precise moment when customers are most sensitive to delays and uncertainty.

Digital tools that transform tracing

For tracing to fulfil its potential as a strategic function, it needs the same level of digital support as other parts of the cargo operation. The most effective improvements fall into four categories:

Automation of tracking and reporting — consolidating data from multiple cargo systems to create real-time visibility and automatically update case files.

Centralised communication platforms — replacing fragmented email exchanges with structured case management tools accessible to all relevant stakeholders.

Proactive notifications — using system alerts to flag potential delays or service failures before a customer notices, enabling faster intervention.

Data-driven workflows — prioritising cases based on urgency, customer importance or contractual service level agreements.

Paul says the aim is clear: "By empowering tracing teams with the right tools and support, airlines and cargo handlers can turn disruptions into opportunities to demonstrate reliability, accountability and care."

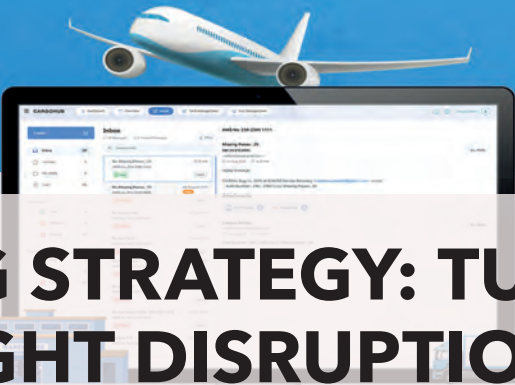
Tracing as a strategic asset

The tracing team's role is often under-recognised, but its impact on customer loyalty is significant. A swift, well-managed recovery process can turn a service failure into proof of a provider's reliability and accountability. In a competitive market, that reputational resilience can be as valuable as on-time performance metrics.

Paul argues this requires a mindset shift: "Recognising and addressing the administrative challenges tracing teams face is not just an operational improvement — it's a strategic investment in customer satisfaction and loyalty."



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BY Anastasiya SIMSEK

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"The two big strategic pillars we are building our future upon are the fleet renewal of Silk Way West Airlines and the construction of our own cargo airport in the Alat Free Economic Zone," Wolfgang Meier, President and CEO of Silk Way West Airlines, declared at the Caspian Air Cargo Summit in Baku. "Those are the foundations of our future strategy."

That blunt assessment captures both the scale of Azerbaijan's ambition and the stakes involved in the new Alat airport project. Positioned on the Caspian shore, 70 kilometres south of Baku, the airport is the centrepiece of a free economic zone designed to connect air, sea, road and rail freight along the so-called Middle Corridor. Unlike the incremental expansions seen at established hubs, Alat is a Greenfield project that aspires to redefine how a mid-sized country positions itself in the global cargo market.

A strategic leap for Silk Way West Airlines

Silk Way West Airlines has grown into one of the region's leading freighter operators with a fleet of over two dozen widebody aircraft. Its next phase, Meier argues, requires infrastructure of its own.

"We started this fleet renewal four years ago," he said. "At the same time, the second strategic pillar is the construction of our own cargo airport in the Alat Free Economic Zone. Those are the two main pillars we are building our future upon."

Why Baku? Geography, above all. "Baku connects the global markets with the local and regional markets," Meier explained. "It's this mixture of connectivities which makes it a very attractive place to be. Entry barriers for doing business here are very low. It's a perfect place to do logistics."

The Alat site is designed to capitalise on that. Its central opportunity lies in multimodality. "The biggest opportunity I see is the multimodal offering facilitated through the new airport," Meier added. "We are going to connect air freight

with railway and overland transport along the Middle Corridor. That will enhance the logistics offering through the new airport."

This strategy also reflects the limits of existing infrastructure. Heydar Aliyev International Airport, Baku's current gateway, has been under pressure from both passenger and cargo growth. A new dedicated cargo airport, directly integrated with a free zone, is seen as the logical next step.

Building a new hub from scratch

Jawad Dbila, CEO of Silk Way AFEZCO, frames the decision in straightforward terms. "It was very wise to take such a decision to have our own airport, because so far Silk Way West Airlines is among the biggest cargo airlines in the region," he told ACW. "The idea came just three years ago. We decided the best place is the Alat Free Economic Zone, because first of the location, second, it's a multimodal free zone. There's a seaport, a train station — in the middle between north, south, east, west. The only missing piece was the airport."

Construction began in April 2024, with completion scheduled for late 2026 or early 2027. The scale is notable. A 4,000-metre-long, 75-metre-wide runway is being laid, with 18 Code F parking stands. A 30,000 sq m cargo terminal is underway, in joint venture with dnata, which will handle ground services, catering and operations.

"We are building the biggest cargo terminal in the region," Dbila said.

The project is not limited to freight. "We will also build business aviation facilities," he noted, pointing to Silk Way West Airlines' purchase of new Gulfstream aircraft and a joint venture with Luxair to operate them. "In the future, we are thinking to build a passenger terminal, ready in 2029. It will be complementary to Heydar Aliyev airport, because there are destinations they don't fly to. We will not compete with them but offer more options for Azerbaijani and foreign passengers."

This dual strategy reflects pressure on the capital's existing airport. Azerbaijan's tourism sector is expanding, fuelled by events such as Formula 1 and winter tourism in Shahdag. "As in any capital, you need at least two airports," Dbila argued.

Sustainability as a test case

If Alat is to make its mark, sustainability will be central. Dbila calls it a "green airport" project, with sustainability designed in from the outset. "Every flight begins at the airport... two miles of road takes you nowhere, but two miles of runway takes you everywhere," he said at the Caspian Air Cargo Summit 2025. "That is why we decided to construct a new green airport in our area."

The challenge, he admits, is that there are no unified international standards for sustainable airports. ICAO offers guidelines on airline emissions, but little on airport operations. "Airport operations cover approximately three percent of pollution. Aircraft operations — landing, take-off, taxiing — consume 57 percent, and road transport 40 percent," he said, citing a study of 400 airports. "We, as airport operators, can reduce only 3 percent, but we must prepare the field for airlines to reduce their 57 percent."

The roadmap involves six steps: policy establishment, planning green infrastructure, sustainable construction methods, procurement of low-emission ground equipment, operational standards on waste management and biodiversity, and incentives for eco-friendly partners.

Construction choices reflect this. Green building materials, low-energy lighting, water conservation and biodiversity protection are all built into the design. Solar generation is planned: Azerbaijan's solar potential is 50 percent higher per square metre than the European average. Most ground equipment will run on electric power; minimal diesel units will be replaced with biodiesel.

Noise is another consideration. The airport is located 6.5 km from Alat (12,700 residents) and 26 km from Salyan (881 residents). "We think the noise contour will not exceed 60 decibels at the edge of the city," Dbila said.

The goal, he stresses, is not abstract. "Alat airport should be the benchmark for sustainable operations in the region. We will continue cooperation with ICAO and stakeholders for continuous improvement and long-term commitment to environmental stewardship."

Alat's place on the map

Lars-Gunnar Comén, Director of Euroavia International and



Organiser of the Caspian Air Cargo Summit, offers an outside view.

"I believe it will be unique. How many airlines build their own airports? Not many. Maybe initially I wondered why they do this. But now, when I see the development and how Azerbaijan and Silk Way West Airlines are growing, I think this is exactly the right time. It's a great opportunity," he said.

For Comén, the impact goes beyond Silk Way West Airlines. "When you create such a strong base and build up such a strong hub, it automatically puts the country in a stronger position. It creates jobs, opportunities and development for the whole

logistics sector, not only Silk Way West Airlines."

Today, Silk Way West Airlines handles over 500,000 tonnes annually. Dbila sets ambitious targets. "In the next three or four years, we will raise that to 1.2 to 1.5 million tonnes per year," he said.

The driver is Alat Free Economic Zone. "Ninety-five percent of our cargo has been transit. Only 5 percent originates in Azerbaijan. With the free zone, we hope to increase that to 40–50 percent," Jawad Dbila explained. New residents - from light industry to pharma and perishables - are expected to generate substantial flows.

Digitalisation and the operational layer

Technology partners are already being lined up. Dnata, the cargo handling specialist, will run the 30,000 sq m terminal. Automation will be central. "Our cargo terminal will be more advanced than dnata's new Amsterdam terminal," Dbila claimed. "We are using the latest technology from Lödige. We will have a fully automated system - ASRS - at the cargo terminal."

Another innovation is in airfield lighting. "We will be the first airport in the world to use the latest AGL technology," he said. "It's low energy, cable-based, and provides all the data about each lamp and substation. It's cheap, efficient and supports our aim of being the first green airport in Azerbaijan."

For Bernhard Kindelbacher, CEO of ACL Airshop, which supplies ULD Management solutions to Silk Way West Airlines, the opportunity lies in digitalisation of equipment flows. "We will support them to make sure their hub is as efficient and digital as possible," he told ACW. "Airlines and handlers can use this data to make processes more efficient, faster, and serve customers better."

He is clear about the industry's shortcomings. "We still use a lot of manual processes, but not enough real-time actions. Sharing data across the chain would increase efficiency in each process, while giving transparency and ideas to the next partner," Kindelbacher said.

Between promise and proof

Alat's ambition is vast. Runways and warehouses are easy to measure, but the test will be whether the new hub can deliver the connectivity, efficiency and sustainability its backers promise. There are geopolitical risks. The Middle Corridor is shaped by shifting trade flows away from Russia, with all the uncertainty that entails.

Yet for Azerbaijan, the logic is clear. Control of its own infrastructure gives it leverage over its role in global trade. "Every flight begins at the airport," Dbila said.



TURBULENCE AHEAD FOR TRANS-PACIFIC TRADE



BY Edward HARDY

FROM late August 2025, the elimination of the de minimis exemption — a rule that has allowed millions of low-value parcels to bypass formal customs clearance — will come into force. For an industry that has long relied on the rapid movement of lightweight e-commerce shipments from Asia to the United States, the implications are vast.

The question now is how quickly airlines, integrators, shippers and regulators can adjust to a reality in which more than a billion additional shipments must pass through formal customs processing every year.

The removal of the exemption could send a wave of disruption across the Pacific, where flows of consumer goods underpin much of the trade. Stephen Dyke, Principal Solutions Consultant Manager at FourKites, described the challenge as “a delicate balancing act” that will demand both speed and restraint.

“If operators take two to six weeks to restructure their strategies to counter the de minimis exemption, only to have policies revert, they risk significant operational disruption and wasted investment,” Dyke explained. “This uncertainty is driving a measured, collaborative approach rather than panic-driven changes.”

The scale is unprecedented. According to the White House, US Customs and Border Protection processed more than 1.36 billion de minimis shipments in the last financial year. From 29 August 2025, all of them will require formal entry filings. “Collaboration is key and actively underway between air cargo operators and their customers, working as partners to navigate these changes together,” Dyke noted.

In practice, this collaboration means differentiating between mission-critical cargo and lower-value items. “Non-critical inventory and lost revenue goods are being adapted to broader bulk air cargo strategies,” Dyke said. “Mission-critical goods laser focus on customs clearance efficiencies with associated duty costs absorbed into broader financial strategies.”

The emphasis is on avoiding what he calls a “tidal wave” effect on operations. Instead of reacting bluntly, companies are taking a more surgical approach: evaluating strategies, exploring alternatives, and adapting procedures gradually. Yet the real stress test will come when enforcement begins in earnest, particularly at high-volume gateways such as Los Angeles, Miami and New York.

Modal shifts and pricing power

One of the biggest questions is whether this policy change could accelerate a shift from air to ocean transport for e-commerce. Dyke believes the risk is real but not straightforward. “The key factors determining this modal shift are ensuring supply availability, managing transit lead times, and implementing proper inventory management to support the transition,” he said.

Chinese exporters and US importers have already begun stockpiling inventories via ocean freight in anticipation of tighter rules. The calculus comes down to whether the cost of carrying additional inventory outweighs the duty costs of moving goods by air. “These changes are forcing companies to perform detailed analysis on current state operations, costs, and supply/demand processing so financial impacts can justify changes in logistics strategy,” Dyke explained.

For airlines, the immediate effect could be pressure on spot rates, which some analysts warn may fall below US\$3 per kg on certain lanes. Carriers are adjusting by experimenting with tiered pricing structures. “The primary strategy is offering the market lock-in periods that can navigate the fluidity of global trade,” Dyke said. “Airlines are responding with tiered pricing strategies: offering longer-term stability at premium rates for risk-averse shippers, while maintaining spot capacity for those willing to accept volatility.”

The result is a shift away from pure volume towards what Dyke terms “revenue quality and predictability”. In other words, the value lies not in how much freight is moved, but in how well its movement can be forecast and monetised.

Yet volatility remains the defining feature. “Long-term implications will be validated and stabilised only as global trade policies settle and companies complete their detailed analysis,” Dyke stressed. “Currently, air cargo providers are under pressure to raise rates while forecasting volume declines and possibly altering route schedules. Expect continued volatility until new equilibrium points emerge based on actual operational data rather than projections.”

Adapting networks and fulfilment models

If the trans-Pacific trade is to weather the storm, much will depend

on how quickly networks adapt. Customs brokers have called this the “largest paperwork shock in a decade”, with new requirements for 10 digit HTS codes and the end of Entry Type 86 for low-value imports from China and Hong Kong. Previous pilot attempts led to severe backlogs at JFK, underscoring the risks.

“Terminal operators at major gateways face unprecedented processing volumes,” Dyke said. “The infrastructure hardening continues, but questions remain about adequate staffing and system capacity to handle the surge.” Longer dwell times at express hubs could become the norm, forcing operators to introduce tiered service levels that prioritise mission-critical goods while leaving standard e-commerce to wait.

Ground handling is also shifting. Dyke pointed to the “pressure test” already building at airports such as LAX and MIA. “Ground handlers must reconfigure from high-frequency small parcel processing to lower-frequency, higher-volume consolidated shipments, requiring different equipment, labour allocation and scheduling patterns,” he said.

The search for resilience is extending beyond the US. Some companies are examining nearshore options in Central America or Mexico, where distribution centres could absorb inventory before final movement into the US. “The opportunity isn’t in compliance avoidance but in strategic positioning,” Dyke explained. “Using nearshore facilities for value-add operations, final assembly or inventory staging optimises the total landed cost equation while maintaining service levels.”

At the same time, renewed interest in bonded zones and Foreign Trade Zones reflects the scramble for financial levers to offset rising compliance costs. “The interest is selective rather than universal,” Dyke noted. “The key determinant is whether operational sophistication and volume justify the investment in FTZ infrastructure and compliance systems.”

Ultimately, he believes the structural foundations of airfreight will remain intact. “I don’t believe it will permanently change the fundamental structure,” he said. “The anticipated shift from 90 percent air freight to a 60–40 percent blend of direct fulfilment and forward stock represents evolution rather than revolution. The winners will be those who best balance service, cost and inventory investment based on true customer willingness to pay.”

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IS SUSTAINABILITY BECOMING A REGIONAL DIFFERENTIATOR?

BY Anastasiya SIMSEK



"Changi Airport believes in the importance of adopting a broad-based and community approach."

Changi Airport is quietly pulling ahead in a race few regional hubs have yet committed to: decarbonising air cargo operations with enforceable timelines and infrastructure to match.

While most of Southeast Asia's gateways remain focused on throughput and expansion, Singapore's aviation strategy is increasingly shaped by carbon limits - starting with a sustainable aviation fuel (SAF) mandate that will come into effect in 2026.

SAF mandate puts timeline pressure on operators

"As an airport registering a high volume of cargo on a daily basis, CAG is facilitating the adoption of sustainable aviation fuel (SAF) by airlines," said Lim Ching Kiat, Executive Vice President, Air Hub and Cargo Development at Changi Airport Group.

All flights departing Singapore will be required to use SAF from 2026, starting with a 1 percent blend. That figure is expected to rise to 3–5 percent by 2030, depending on global availability. While the target is modest, the policy is one of the region's clearest steps toward aligning air freight with emissions goals.

Airside operations go electric – or off-grid

Decarbonisation on the ground is advancing in parallel. Changi Airport has already installed over 100 EV charging points on the airside to support its electric baggage tractor fleet. From 2025, all new airside light vehicles, tractors and forklifts must be electric. The airport is targeting full conversion of all airside vehicles to clean energy by 2040.

"As airport partner needs evolve, the charging network will grow to over 300 points," Lim said. Where electric alternatives aren't yet viable,

Changi is trialling renewable diesel as a transitional fuel.

Solar infrastructure is also being scaled up. Rooftop solar panels are being installed across the airport — including Cargo Agent Buildings — in what will become Singapore's largest single-site rooftop system when completed in end-2025.

Waste management gains operational footing

Environmental targets extend beyond energy. At Changi Airfreight Centre (CAC), the airport has introduced new recycling infrastructure for tenants and holds regular e-waste collection drives. The measures are modest but signal a shift toward more systemic, operationally integrated waste reduction practices.

"In building a more sustainable air cargo hub, Changi Airport believes in the importance of adopting a broad-based and community approach," Lim said.

Key focus areas include reducing energy consumption, electrifying airside fleets, improving waste management and working with industry partners to embed sustainability into shared infrastructure.

The shift is not purely environmental. As carbon reporting obligations increase and cargo owners demand cleaner end-to-end supply chains, environmental performance is becoming a competitive variable - not a PR concern.

Most regional hubs have yet to put deadlines or mandates in place. Changi's combination of SAF regulation, airside electrification, solar investment and operational policy gives it a head start. Whether others in the region follow — or fall behind — remains to be seen.

THE FUTURE OF AVIATION'S CARBON CHALLENGE

BY Edward HARDY

The aviation industry faces mounting pressure to cut carbon emissions while maintaining safety, performance, and operational efficiency. Alternative aviation fuels have emerged as a key solution, but many existing options come with limitations—whether in blend ratios, energy density, or supply scalability.

Recent advances in fuel technology are shifting that narrative. New fuel formulations offer higher energy density, improved performance, and compatibility with current aircraft, enabling airlines to reduce emissions without sacrificing range or payload. These breakthroughs also support a more resilient and distributed production network, addressing critical supply chain challenges.

As the industry moves towards net-zero goals, the race is on to develop sustainable fuels that can be produced at scale, delivered reliably, and adopted seamlessly. Understanding these innovations is vital to grasp how aviation can balance growth with environmental responsibility in the coming decades.

The facility spans six acres and is intentionally designed as a scalable blueprint for future sites globally. It aims to produce 30,000 gallons of advanced fuels annually by early 2026, with engineering that supports expansion to a 100 million gallon commercial-scale facility. Mukund Karanjikar, CEO and founder of CleanJoule highlighted that “the key aspects are process integration and balance of plant, which once demonstrated, allow known scale-up engineering to take place.”

This approach differs from simply expanding one plant; instead, CleanJoule plans to replicate the CJ1 blueprint across multiple facilities worldwide. “Our goal is a globally-distributed, resilient fuel infrastructure network,” Karanjikar states. The repeatable manufacturing protocols and standardised operational procedures create a solid foundation for scaling without compromising quality or efficiency.

Crucially, this model addresses a persistent challenge in the alternative aviation fuel industry: securing enough supply to meet demand while maintaining consistent fuel quality. By enabling multiple plants in diverse geographies, CleanJoule’s strategy mitigates risks linked to supply chain disruptions and regional feedstock shortages.

Advanced fuel formulations

CleanJoule’s innovation isn’t just about scaling production—it’s also about redefining what sustainable aviation fuel can deliver in terms of performance. Their two formulations, CycloSAF and CycloRP, offer markedly different advantages over traditional SAF.

“CycloSAF is 10 percent more energy dense than typical Jet A or Jet A-1,” Karanjikar notes. “This translates into greater range, higher payload capacity, or improved fuel efficiency.” Unlike many alternative aviation fuels limited to 50 percent blending with conventional jet fuel, CycloSAF is designed to be a 100 percent drop-in replacement. “That means no engine modifications are needed, which makes adoption far easier for airlines,” he adds.

CycloRP, meanwhile, targets aerospace applications, particularly rocket propulsion. “It delivers over four percent improvement in energy density compared to conventional kerosene fuels used in liquid rockets,” Karanjikar says. “It also offers superior ultra-cold flow properties, which

is critical for space missions.”

Both fuels are produced from abundant biomass, primarily waste agricultural materials, using CleanJoule’s proprietary manufacturing process. This feedstock flexibility and focus on waste not only reduce carbon emissions but also address concerns over land use and food competition that often accompany biofuel production.

“Our process has been successfully proven on 11 different feedstocks,” Karanjikar points out. “This flexibility allows scaling anywhere, tapping into existing agricultural supply chains without requiring new land dedication.” In the U.S., for example, declining ethanol demand frees up billions of bushels of corn, creating abundant feedstock for alternative aviation fuels production by 2030.

Certification, partnerships and readiness

Reaching market scale depends not only on production but also regulatory certification and partnerships. CleanJoule is nearing the end of the ASTM International D4054 qualification process, a key step for commercial approval.

“All required testing for a 10 percent blend of CycloSAF with Jet A has shown that it meets and even improves upon Jet A’s performance,” Karanjikar reports. “We expect qualification by the end of 2025, which will open the door for commercial use.” The CJ1 commissioning validated the facility’s readiness to produce these fuels at industrial scale, aligning technical and economic viability.

Moreover, CleanJoule has already secured significant offtake agreements. “Our airline investors have signed 90 million gallons of offtake from our next facility, CJ2, which is soon to be commissioned,” Karanjikar reveals.

Collaborations extend beyond commercial aviation, with CleanJoule recently powering a rotating detonation rocket engine (RDRE) using CycloRP in partnership with Venus Aerospace. “This test demonstrated the versatility of our fuels, proving they can power both conventional and advanced propulsion systems without compromising performance,” he explains. This opens opportunities in defence and spaceflight, broadening the impact of sustainable fuels.

Addressing the industry’s challenges

The broader aviation industry is grappling with tightening regulations and aggressive net-zero commitments. Yet many current alternative aviation fuels options face “blend walls” limiting their use to 50 percent blends and suffer from lower energy densities compared to fossil fuels.

CleanJoule aims to overcome these limitations. “Our fuels are designed not just to be cleaner but better-performing,” Karanjikar emphasises. “This allows airlines to meet climate goals without operational trade-offs.” The company’s distributed manufacturing also supports energy independence and supply chain resilience, vital considerations amid geopolitical and market volatility.

He adds, “We see advanced fuels as one of the most practical and immediate ways to reduce emissions across aerospace—from today’s commercial flights to future space missions.” By offering drop-in solutions that require no engine changes, CleanJoule is lowering barriers for industry-wide adoption.

“This flexibility allows scaling anywhere, tapping into existing agricultural supply chains.”



THE HIDDEN ENGINE OF DEFENCE

BY Edward HARDY

BENEATH the headlines of global conflicts lies a crucial component: military logistics. These operations determine whether a military force can sustain itself and operate effectively, turning strategy into reality. Recent geopolitical developments, particularly Russia's war against Ukraine, have sharpened global awareness of this complex web. Military logistics is no longer just about moving tanks or ammunition; it encompasses planning for

rapid deployment, anticipating disruptions, and integrating civilian partners. "The best weapon systems, both in quantity as well as quality, cannot have a lasting impact if essential supplies are not available in a timely manner and in the necessary quantities," Brigadier General Ralph Lungershausen, Chief of Division Planning II, Strategic Capability Development, Bundeswehr, told a recent audience, stressing that: "Logistics does not win wars, but wars are lost without logistics."

The Bundeswehr, Germany's armed forces, has recently restructured its logistic operations to meet contemporary security demands. Brigadier General Lungershausen explained that, unlike civilian logistics sectors where roles are often specialised and siloed, the Bundeswehr integrates all key functions under one umbrella. "We are the joint logistic command of the Bundeswehr with approximately 18,000 members," he said, "responsible for all missions abroad, and of course, also important for operations in Germany itself."

This joint structure incorporates army, navy, and air force elements, creating a network capable of responding swiftly and efficiently to national defence and collective NATO obligations. "Early and comprehensive integration of logistic aspects into operational planning is absolutely necessary," he noted, reflecting on lessons from Ukraine. "We rely on a sophisticated logistical network and important commercial contractors to support our operations."

To strengthen this network, Germany merged its operations command and home defence command into a unified Bundeswehr Joint Force Command. Supporting it, the Bundeswehr Joint Support Command now functions as a superior authority with around 55,000 members. Its mandate includes maintaining the functionality, sustainability, and survivability of forces, ensuring that limited resources are optimally utilised.

The command also emphasises civil-military collaboration. "Our capabilities and resources are only available in limited quantities, so we rely on civil contractors, even in air transport," Brigadier General Lungershausen said.

The complex web

The Bundeswehr's logistic system is designed around a central principle: delivering the right service, in the right place, at the right time, to the right user. Brigadier General Lungershausen illustrated this with a concept he calls the "coupling bridge," a network that links Germany's domestic capabilities with theatres of operations abroad. This bridge depends heavily on civilian contractors, tasked with transporting more than 75 percent of all material from Germany to operational areas.

"This is not T-shirts we are talking about," he emphasised. "We are talking about ammunition, heavy equipment, and other complex cargo that must reach the frontlines without delay."

The reliance on contractors is complemented by military assets and multinational cooperation, creating a three-tier transport system. Military aircraft, commercial contracts, and allied contributions ensure both redundancy and resilience, allowing the Bundeswehr to operate effectively even under threat.

Air transport, in particular, remains a critical element. While heavy air cargo missions are no longer routine, Brigadier General Lungershausen pointed out that "effectiveness is way more important than efficiency... air transport is expensive, but it is definitely our last resort when other options won't work."

In 2024, Bundeswehr air operations included over 180 flights supporting UN missions in Lebanon and dozens more for counter-terrorism operations, demonstrating that rapid, reliable airfreight remains indispensable.

A challenging environment

Despite sophisticated planning, challenges remain. Brigadier General Lungershausen acknowledged the risks posed by conflicts on NATO's eastern flank. While civilian contractors can handle logistics in low-risk areas, military personnel must assume responsibility in high-threat zones. "We have some threat cycles... where there is a high-risk area, we will do our job," he explained.

Infrastructure is another concern. Roads, rails, and bridges in Germany may not always support the heavy transport needed for armoured vehicles and ammunition. The Bundeswehr is coordinating with government agencies to ensure these vulnerabilities are addressed, but as Lungershausen conceded, "It is a work in progress. I have no solution for that yet."

Even supply chain continuity during conflict is complex. The withdrawal of major contractors like Schenker poses challenges, yet the command maintains multiple contracts to fill gaps. Brigadier General Lungershausen stressed the careful planning involved: "We bring our requirements to procurement and find contractors to fill these gaps. We aim to have at least two options for every essential transport."

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BRIAN HODGES

Director of Strategy at American Airlines Cargo

BY Anastasiya SIMSEK

Brian Hodges is Director of Strategy at American Airlines Cargo, where he brings a sharp engineering background into the fast-paced world of commercial air logistics. Starting his cargo journey in revenue management, Hodges has built a career focused on harnessing data to make smarter decisions—and never misses an opportunity to blend strategy with a touch of fun.

How did you get into airfreight/logistics?

My background is engineering, and at one point in my career, I decided to switch over into a commercial industry that had to win every single day and compete. I found that with American Airlines, and American Airlines Cargo in particular. I started out in revenue management, actually managing pricing for Europe.

What was your dream job as a child?

Playing centre field in Major League Baseball.

What's the biggest change you've seen in the industry?

Digital is changing every aspect of our business. What digital really means for us is data and being able to react to things in real time. So anytime you can digitise a transaction, now I've got a record—and if I can have that in real time, I can take action. We can head off things from an operational perspective and maximise our revenue potential. I love seeing that change.

What's the most unusual thing you've ever shipped?

Definitely sharks. We had sharks in little aquarium containers that we moved, and everybody wanted to see that.

If you could swap jobs with anyone for a day, who would it be?

I said my dream job was to play centre field in Major League Baseball, and that really hasn't changed. I'd like to take a couple of innings at least.

What's your guilty pleasure TV show or movie?

It's a throwback movie—same theme—Major League Baseball.

If you could introduce one new regulation in air cargo, what would it be?

I'd prefer to take a few away.

Describe your job in three words?

Make cargo smarter.

What's something on your bucket list?

I would love to travel to New Zealand and Australia. I haven't made it there yet.

What's the best airport in the world, and why?

I'm going to be very selfish and say Dallas Fort Worth, because it's the easiest to travel out of if you live there.

What quote has resonated most with you?

Nothing is impossible, if you put your mind to it.

What's the most adventurous thing you've ever done?

A late-night food tour in New Delhi—it was absolutely a blast.

If you could have any superpower, what would it be?

Fly. I want to be able to fly.

What's your proudest moment and your biggest regret?

My proudest moment is definitely becoming a dad to two beautiful girls. My biggest regret? I wanted to be a fighter pilot growing up, and unfortunately, my eyesight didn't allow for that.

View From The Maindeck

SMALL PACKAGES, BIG DISRUPTION

BY Edward HARDY



Airfreight, once dominated by bulk shipments of high-value goods, is being changed by a tidal wave of smaller, lighter parcels travelling across borders every day.

The traditional model, built around predictable cargo flows, is being challenged by the fragmentation of e-commerce shipments. Instead of large consolidated loads, airlines are increasingly dealing with irregular but consistent flows of small parcels from diverse origins. This shift is forcing operators to rethink everything from cargo handling to customs clearance.

"e-commerce has created a completely different profile of traffic," Jonathan Fredericks, Managing Director of Mail&More said. "We are no longer talking about a few tonnes of cargo loaded in one place and delivered to another. We are talking about thousands of smaller parcels, moving in multiple directions, requiring speed, flexibility and traceability."

Hybrid solutions

The fragmentation of parcel flows is opening the door to hybrid mail-cargo solutions—where airlines, postal operators and e-commerce platforms collaborate more closely to manage capacity.

Fredericks explained: "We see fragmentation in e-commerce parcel flows as a catalyst for hybrid mail-cargo solutions. It challenges traditional models and creates the need for specialised handling, routing and consolidation services. That is where scalable, plug-and-play solutions come in, matching variable flows with optimised airfreight capacity."

At the heart of this change is technology. Mail&More's MAIL EDI platform, for example, enables aggregation, forecasting and flexible routing, allowing airlines to adapt to fluctuating demand. "It means airlines can maximise their aircraft load factor while maintaining service reliability," Fredericks stated.

The role of postal integrators and consignment consolidators has also become critical. By aggregating parcels from multiple sources and matching them with available capacity, they help reduce transit times and simplify customs clearance. "They are vital in streamlining cross-border fulfilment," Fredericks noted. "We work closely with them to enhance route efficiency, pre-plan capacity and ensure traceability. This helps avoid bottlenecks, particularly during peak seasons."

Under pressure to modernise

The rapid growth in e-commerce is also reshaping airports, where handling capacity is being tested like never before. Hubs designed to process larger, palletised shipments now face the challenge of managing high-density, small-parcel flows with minimal dwell time.

"A data-driven approach ensures parcels are processed quickly and efficiently, even during peak periods," Fredericks said. "The challenge for airport hubs is adapting infrastructure and processes so ground operations can receive, sort and move shipments without delay."

Ground handling agents, he argues, are central to this transformation. "They must modernise warehouses, embrace digital solutions and refine workflows to keep pace," he continued.

The innovation driving this change extends to parcel scanning, routing and reconciliation across multi-carrier networks. "Our cloud-based MAIL EDI system transforms how e-commerce flows are managed," Fredericks added. "It automates booking, enables real-time tracking, improves transparency and reduces misrouting. That accuracy is critical when you are handling millions of parcels across multiple carriers."

Regulation and rising expectations

Alongside operational pressures, the regulatory environment for

cross-border e-commerce is evolving rapidly. Europe's Import Control System 2 (ICS2), for instance, demands detailed shipment data in advance, reshaping how airlines and postal operators manage compliance.

"The regulatory landscape is changing at speed," Fredericks outlined. "We embed updates into our systems so partners can remain compliant, reduce risk and avoid delays—particularly in corridors affected by geopolitical shifts and trade policy changes."

But perhaps the most powerful force shaping the sector is consumer expectation. "Customers, especially younger demographics, expect deliveries that are not just fast but flexible and trackable," Fredericks observed. "That expectation is pushing airfreight operators to provide real-time visibility, automated routing and analytics. Transparency is now as important as speed."

Returns logistics add another layer of complexity. Many postal networks are not designed for the unpredictable nature of reverse flows. "Returns are a pain point," Fredericks admitted. "Airfreight can help by offering fast, trackable return routes, especially for high-value items. Forecasting tools and digital systems make it possible to plan capacity and manage returns more effectively across borders."

"You cannot manage what you cannot see," Fredericks highlighted. "Just like you cannot monitor an activity without a dashboard and KPIs. Data and digitalisation are the foundation of success."

Looking ahead, there is consensus that airfreight's future will be defined by flexibility, collaboration and technology. As Fredericks put it: "e-commerce has turned operational complexity into a competitive advantage for those who can adapt. Those who embrace data-driven processes, work with integrators and invest in digital tools will be best placed to meet the demands of global consumers."

