

NEWS RELEASE

Please find here a news release issued today by TIACA

Media contact: Jamie Roche, JRPR

Date: 11th October 2012

T: +44 (0) 1344 631880/1/3

E: jamie@jamierochepr.co.uk



'BETTER AND SMARTER' AIR LOGISTICS SOLUTIONS NEEDED AS INDUSTRY CHIEF EXECUTIVES FORECAST SLOW RECOVERY IN ECONOMY

The slow recovery of the global economy will require companies to offer 'better and smarter' air logistics solutions to recover shipment volumes, according to a panel of leading industry CEO's speaking at the 26th International Air Cargo Forum & Exposition in Atlanta, Georgia.

CEOs from Delta Air Lines, UPS, CEVA Logistics, Atlas Air Worldwide Holdings and Coca-Cola Refreshments addressed key issues affecting the air cargo market at The International Air Cargo Association's (TIACA) biennial forum, which was attended by senior executives from over 100 countries as well as 200 exhibitors.



Ali Velshi, Richard Anderson, Mitch Nichols, William Flynn, John Pattullo and Brian P. Kelley

Speaking at a session moderated by Ali Velshi, Chief Business Correspondent for CNN, the panel predicted a sluggish economy for some time, but said there were pockets of growth for the air cargo industry.

"The global economy is not moving as fast as I'd like," said Mitch Nichols, President of UPS Airlines. "When things slow down people don't want things so fast. But our deferred product is growing and we are still shipping goods."

John Pattullo, CEO of CEVA Logistics, added that he didn't expect to see growth for the next three to four years. "I think we will have a sluggish economy and we will be battling for share in a sluggish but stable economy."

Customers were represented on the panel by Brian Kelley, Chief Product Supply Officer for Coca-Cola, who noted: "I think the volatility will continue, and we will continue to deal with customers who are cautious."

He added that companies needed to ride it out by being "better and smarter".

Mitch Nichols said improved collaboration with customers was needed. "We sit down with customers that might not think of themselves as international and show them how easy it is. We break down the complexities for them – whether it's customs or paperwork. If we can marry what we do well with what our customers do well, then we will both win."

The panel was upbeat about opportunities for growth. "Manufacturing is moving and airfreight remains vital," said Bill Flynn, CEO of Atlas Air. "It is never a smooth, straight line but each time there is a challenge, airfreight recovers and grows."

New consumers in new markets, a shift to a metropolitan population around the world, and growth in developing countries would help boost the industry, the panel said.

The panel also addressed the issue of sustainability, claiming that the airline industry was in a good position.

"I don't think there's an industry that has a better track record than aviation," said Richard Anderson, CEO of Delta Air Lines. "Employees want to be part of a globally responsible company – and airlines, through IATA, are committed to carbon neutral growth by 2020."



But, he warned authorities should be wary of imposing further regulation on the industry.

“More regulation isn’t a good idea. Markets are supposed to be markets. Part of the problem this industry has is that we are treated as quasi-governmental, and some of our competitors are part government-owned. It’s not a good policy.”

He spoke out against the EU’s Emissions Trading Scheme, suggesting only a global solution would work. “The EU is trying to regulate over borders. But if you look at noise, the paradigm for a single standard worldwide has worked well.”

The panel agreed that the industry-wide adoption of e-freight would boost the industry, and denied that costs would be pushed onto an unwilling freight forwarding sector.

“We went from a paper-intensive to data-driven system because that’s what we needed to do to become more efficient,” said Mitch Nichols of UPS Airlines. “If I can absorb that cost by becoming more efficient, the forwarder will be able to see that opportunity as well.”

Richard Anderson agreed: “In most industries the application of technology provides customer benefits.”

TIACA’s Air Cargo Forum & Exposition is celebrating its 50th anniversary in 2012 by returning to Atlanta, the location of its first ever event in 1962. Today, it is the world’s premier air cargo industry event.

-ends-

About TIACA

TIACA is a not for profit trade association for the air cargo industry, pledged to support and assist progressive liberalization of the global market, and easier, enhanced trade between developing and developed economies. It is a worldwide organization that serves a membership which includes all major segments of the air cargo and logistics industry; airlines, forwarders, airports, ground handlers, all-cargo carriers, general sales agents, road carriers, customs brokers, third party logistics companies, integrators, technology and equipment providers, shippers, and educational institutions.

To accomplish its mission and role, TIACA engages in activities that are geared to improve industry cooperation, promote innovation, share knowledge, enhance quality and efficiency, and develop educational programs. TIACA’s activities are aimed to inform both the public and its membership about the role and importance of air cargo, industry developments and technical trends. TIACA is committed to representing and advocating the interests of the air cargo industry at meetings of relevant regulatory bodies including the WCO, ICAO, UNCTAD, OECD and others that are open to trade observers.