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ASIA

E-freight Has its time come?

Asian carriers optimistic, but vigilant
Small size, big ambitions for Lao Airlines

EDIfly looks set to fly high

A new IT tool is making waves among carriers and ground handlers for its simplicity and ability to not only save money, but provide access to more information. By Heiner Siegmund.

Henrik Ambak of Cargolux describes EDIfly as "Google for cargo airlines and handling agents." Others like Ingo Roessler, the former VP of Royal Jordanian Airlines Cargo and now chief commercial officer of EDIfly, speaks of the Electronic Data Interchange as a sort of Skype. Not without reason since EDIfly, as the system is branded, transmits aviation process data for cargo and passenger via the worldwide web. Basically every company that is connected to the Internet can use this new tool developed last year by Danish entrepreneur Anders Jensen and in production since July 2011.

First Cargolux applied the system, reporting substantial cost advantages affected by EDIfly compared to the traditional SITA system utilised by most airlines and handlers. Meanwhile, EDIfly is installed at a growing number of players in the air freight arena like Hong Kong's HACTL, Shenzhen's ICCS and Frankfurt-based handling agent LUG.

"Hactl is undergoing testing with EDIfly with a target go live date in 1H 2012," said Tan Chee Hong, executive director, Hactl. "We always work hard to accommodate the special requirements of our customer airlines, and are very pleased we have been able to facilitate Cargolux's wish to implement EDIfly as its messaging provider."

Furthermore, the Arab Air Carrier's Association (AACO), comprising Qatar Airways, Saudi Arabian Airlines, Oman Air decided on testing the system since this October.

Now, UK-based Hermes Logistics Technologies (HLT) Ltd, market leader in delivering IT solutions for airlines, ground handlers, and airports also decided to start cooperating with EDIfly, *Payload Asia* was informed. "It allows our customers an innovative solution for Type B messaging, commonly referred to as SITA messages," said HLT in a statement.

"Handlers can now provide a new service to their airline clients offering a safe and secure transmission of these messages using the public Internet – fully encrypted and digitally signed." Their announcement further reads:



Kai Yu

"Subscribers to EDIfly can achieve significant savings as the EDIfly solution is offered as an annual flat fee irrespective of the data volumes transmitted."

Commenting on his company's experience with EDIfly, Wolfgang Korte, managing director of LUG said: "By exchanging messages via EDIfly we can help the airlines achieve significant savings, while assuring the highest level of security, reliability and redundancy. Moreover, there was no training required for our staff outside the IT team, which made the set up a breeze."

Not only handling agents and airlines benefit from this innovative approach but also forwarding agents. Riege Software International, a leading service provider of electronic tools for the cargo industry uses EDIfly for a simplified transmission of data between forwarders and airlines.

"EDIfly enables us to manage interchange of all shipment related messages for our logistics' clients with airlines and handlers connected to this innovative service; allowing us to remove cumbersome management of direct connections," said managing director and owner Johannes Riege. "Applying the innovative tool enables us to offer our clients an enhanced product and the electronic integration of a variety of services."

Meanwhile technical expert Henrik Ambak, VP Commercial IT at Cargolux estimates that EDIfly will save his airline a six-digit euro amount annually,

depending on the number of ground handlers and forwarders linked to the system.

ICCS goes EDIfly

We spoke to Kai Yu, senior IT manager of ground handler International Cargo Centre Shenzhen (ICCS) about the new electronic data manager.

PLA: How long have you been utilising EDIfly?

Yu: I got the first information about EDIfly on 9 June and shortly after we received the test version. Eight days after we started setting up the EDIserver and commenced testing message transmission between ICCS and Jade Cargo. This was done successfully.

PLA: Why did you decide on this information manager?

Yu: In one aspect it is unlike other software which requires a lot of work regarding the interfacing. With debugging during the implementation phase, it is a transparent layer between our applications and the SITA gateway. Another reason is the cost side. It will mainly reduce the messaging cost for our airline customers. The third thought is that it can be a backup line in addition to the SITAtex for us. In addition we can use 'double signature' to bypass our SITA cost to the airline we serve. If an increasing number of ground handling agents link their network it will also result in a reduction of our costs on telex transmission.

PLA: Did you implement EDIfly to replace another system or do you use it complementary?

Yu: No, we use it additionally. I believe this is a good feature of their software; I use it on top of SITAtex. It can be an enhancement or supplement of our messaging transmission services. So far we run the trial version so I could not test the full functionality yet. Nevertheless, our main requirements can be fulfilled very well and compared to SITAtex, we can retrieve more information. ✦

Small size, but big ambitions for Lao Airlines

Lao Airlines – the government-owned, national airline of Laos – is planning to build up its small cargo operation incrementally despite financial, facility and equipment limitations. Michael Mackey reports from Vientiane.

The carrier operates domestic services to ten destinations and international services to Cambodia, China, Thailand, Vietnam and Singapore. Headquartered at Wattay Airport in the Laotian capital Vientiane, Lao Airlines's cargo operations are limited by the small size of the homebase economy and the dominant role well-established carriers such as Thai have in that market.

Tellingly Wattay is the only airport in the country to have any cargo facilities. There are airports at Luang Prabang, Pakse and Savannakhet but these, as well as being built around passengers, offer only internal flights.

"Inbound is very heavy and outbound is small," said Thongsamouth Srioudom, duty manager of Lao Airlines Cargo Department. Imports are largely electronic and textiles from Malaysia

with high quality Laos silk also being a big part of the exports.

Some statistics from Lao Airlines underscore these points, as well as making a further one – it might be a small market, but it is a persistent one.

In 2005 Lao moved 1.63 million kilograms of freight and just over quarter of a million kilograms of post and mail. Last year those figures were 1.77 million kgs of freight and 274,000 kgs of post. Till September this year they were 1.38 million kgs of freight and 142,000 kgs of post.

Another non-Lao source pointed out another reason why the market is limited. "The planes outbound are small and mostly go via Bangkok. There is no capacity out of Laos. All flights are on baby planes with a maximum capacity of one tonne."


But the carrier is gradually upsizing its fleet and in addition to its current



fleet of ATR 72 and Chinese-made Xian MA60 aircraft, the carrier recently took delivery of in November 2011, of the first of two Airbus A320s. The second A320 is scheduled to arrive in December 2011, both of which will help boost the carriers cargo carrying ability.

Despite the challenges Lao Airlines is not throwing in the towel and hopes the plans to expand the airport's connectivity with flights to destinations such as Hong Kong, Guangzhou, Incheon and Rangoon will bring it new business. It also hopes to increase the services it offers with plans for a cool room.

"Some customers need to send perishables like mushrooms, vegetables" said Thongsamouth. "This year I will submit to build a room....I think it's a necessity for us to have a cool room." ✦



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