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IATA E-FREIGHT
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Securing a sustainable future for Air Cargo

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Moscow, 18 November 2010

IATA overview

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

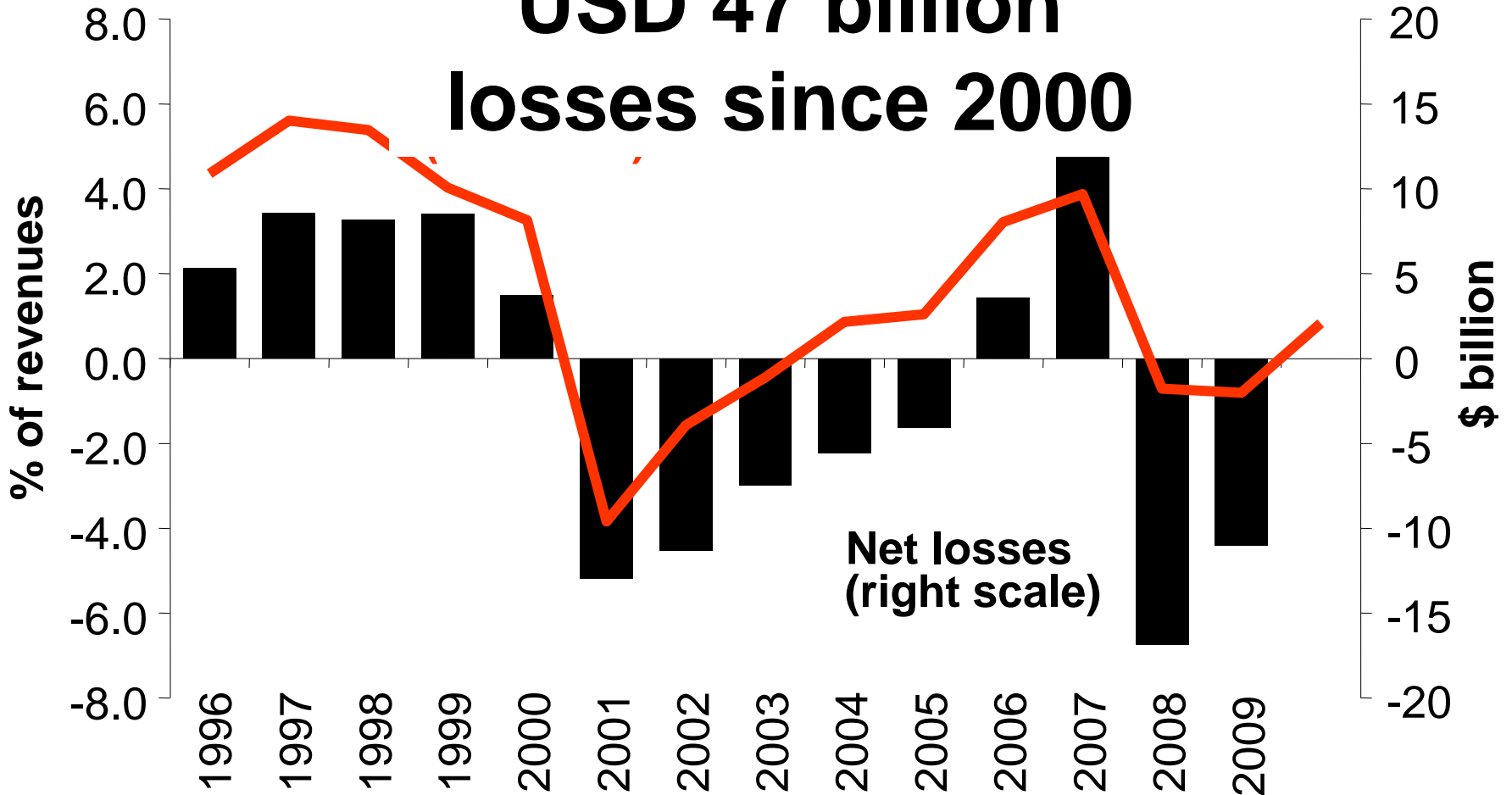
Founded in 1945 with 230 members, in 130 countries, comprising 93% of international scheduled traffic

Our mission is to represent, lead & serve the industry

IATA delivers Standards and Solutions to ensure a safe and successful air transport

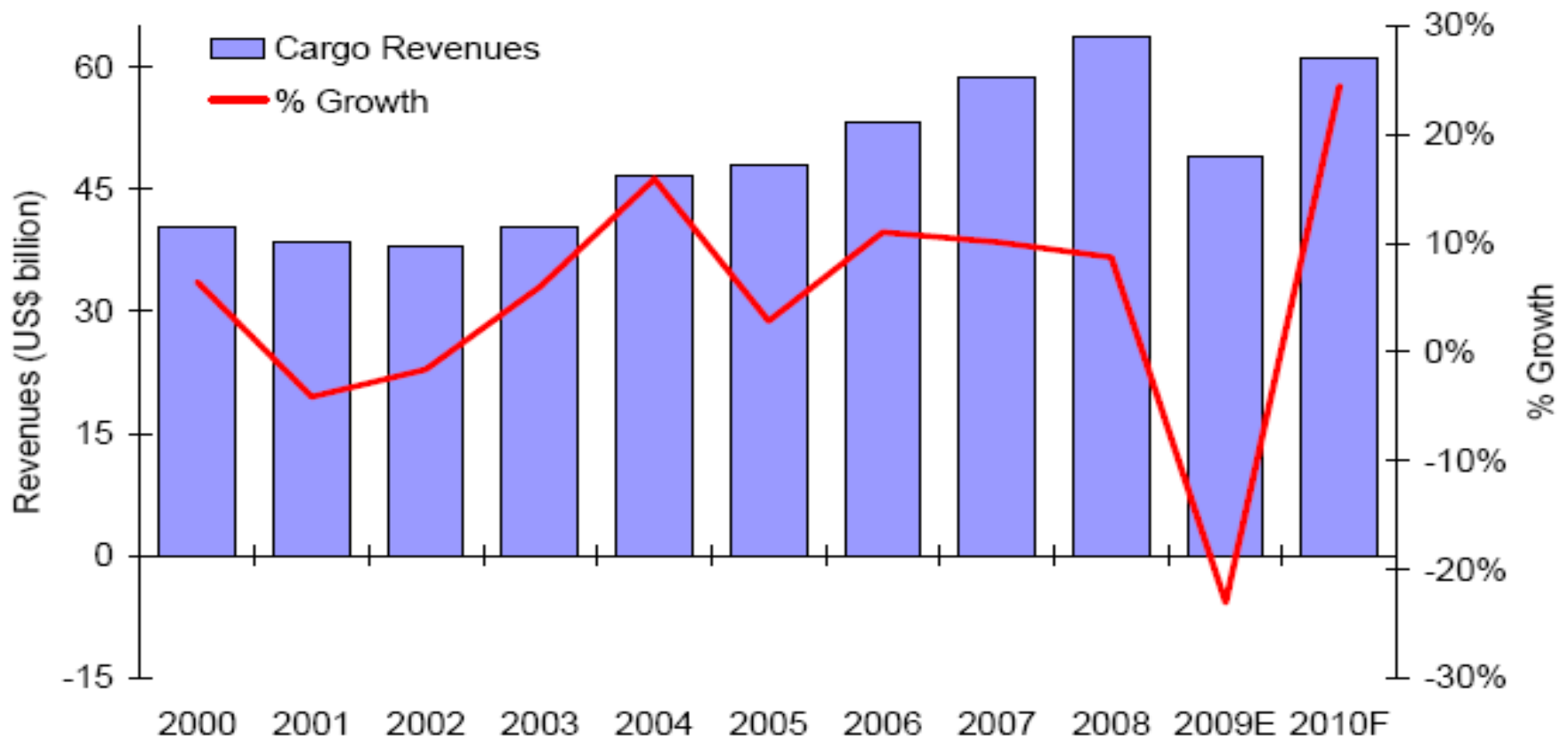
In 2009, IATA Settlement Systems processed sales amounting to over US\$210 billion to airlines, including US\$21 billion for cargo

USD 47 billion losses since 2000



Global Airline Industry Cargo Revenues

Source: ICAO, IATA



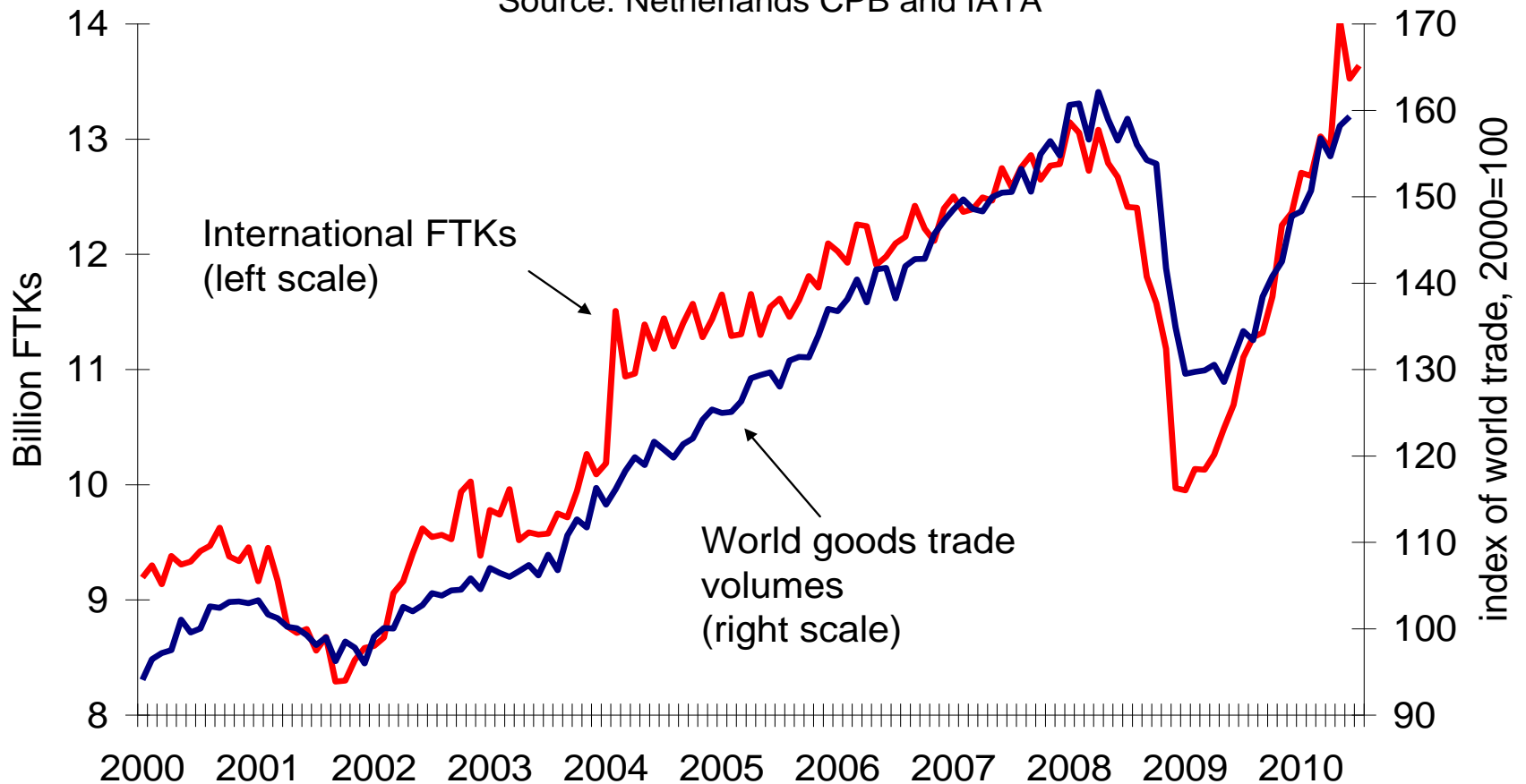
Air Cargo Value proposition

- Facilitator of Int trade...global village
- Critical supply chain mode of transport
 - Perishable products
 - High value
 - Time sensitive
- Customer expects quality and efficiency
- >35% total global trade value
- <2% total global trade volume



World trade in goods and air FTKs

Source: Netherlands CPB and IATA



IATA Cargo Agenda



1. Protecting cash: Cargo Accounting Settlement System
2. Ensuring safety & efficiency: Cargo Standards
3. Modernizing airfreight: e-Cargo
4. Improving quality: Cargo 2000
5. Keeping cargo secure: Secure Freight

Air Cargo Challenge...

- Matching capacity and demand
- Trade flow imbalance
- Security compliance
- E-cargo
- Pressure on infrastructure
- Need for Facilitation modernization
- Shipper demands for quicker and cheaper
- Modal competition



E-Cargo - modernization challenge

➤ Today the air cargo industry still relies on paper & human intervention

➤ Airfreight shipment generates up to 30 different paper documents!

➤ Behaviors have still not changed, bookings, track & trace still predominantly based-on human intervention

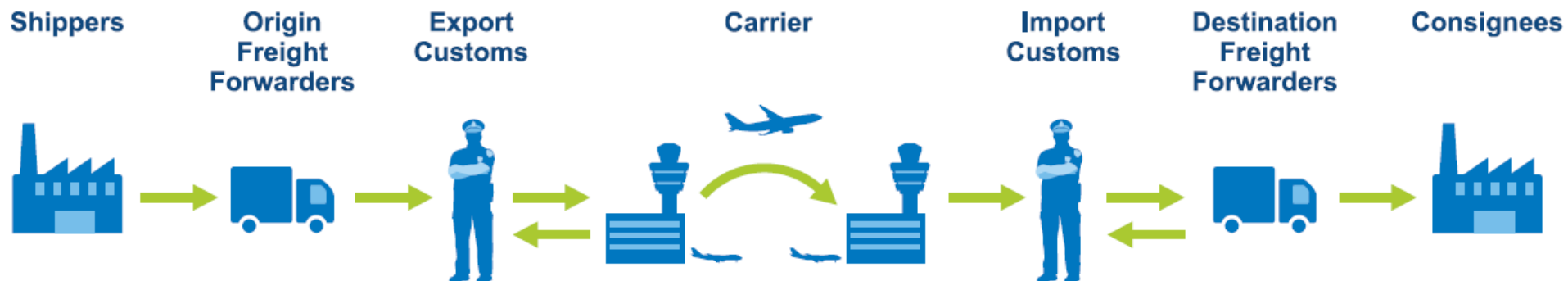


The industry is ready for “e”

WCO, FIATA, ICAO, CITES, TIACA, IATA, IT providers ... worked together toward the same vision to ensure a paper-free infrastructure is available.

20 multimodal standard electronic messages available

300+ airports in 31 countries and 4 domestic markets ready



The industry is moving to the “e” world!

➤Pioneers are using e-freight: 30 airlines, 1'000+ freight forwarders, 10'000+ consignments per month on 500+ international trade-lanes.

➤Airlines are driving e-AWB adoption and are committed to move to 100% e-freight by the end of 2015.

➤100% e-freight will only happen with the support & commitment from the air freight community.



The industry is moving to the “e” world!

➤Pioneers are using e-freight: 30 airlines, 1'000+ freight forwarders, 10'000+ consignments per



But what about Russia ?

➤100% e-freight will only happen with the support & commitment from the air freight community.

Russian Air Cargo today?

- Growing international reputation of cargo carriers
- 2010 ytd vs 2009 ... Export RTKs up 40.0%
- Uniquely positioned as global transit hub
- Political leadership committed to modernization and innovation
- IATA / Russian MoT signed MOU
- Insufficient infrastructure...presents huge risk

The Russian challenge for tomorrow...

➤ Losing ground vs G20 countries and other BRIC states

	2010	2009
Singapore	1	1
Hong Kong	2	2
Korea, Republic	27	26
China	48	49
India	84	76
Brazil	87	87
Russian Federation	114	109

World Economic Forum

Global Enabling Trade
Report 2010

The Russian challenge for tomorrow...

➤ Losing ground vs G20 countries and other BRIC states

	2010 rank	vs Num 1
Germany	1	100%
Singapore	2	99%
Korea, Republic	23	84%
China	27	80%
Brazil	41	70%
India	47	68%
Russian Federation	94	52%

World Bank
Logistics Performance
Index 2010

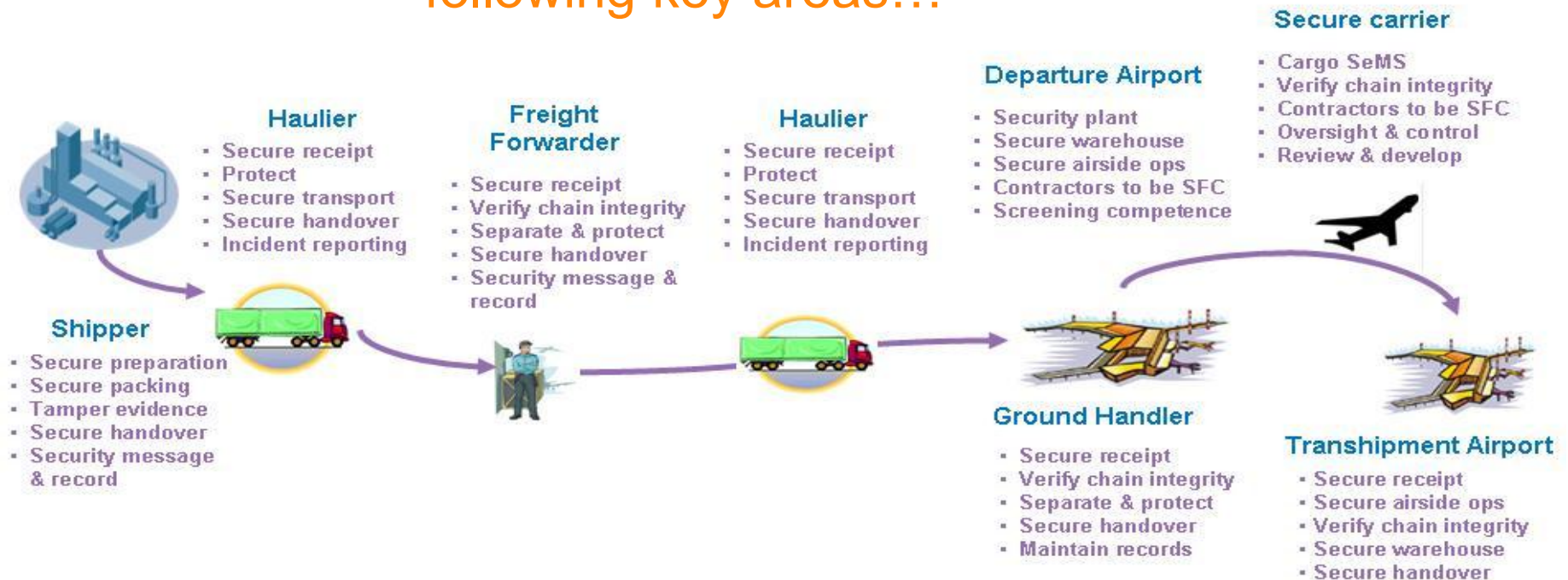
Cargo Security – top of the agenda

- Recent events...
- ICAO annex 17 amendments
- WCO SAFE framework
- IATA advocates risk based measures...
 - Supply chain solution not airport
 - Intelligence based screening
- IATA Secure Freight Program
 - Adoption of SC Security standards...where none exist
 - Mutual recognition
 - Ensuring the supply chain doesn't break

Secure Freight

Vision: “100% air cargo supply chains secured”

...delivery as a minimum requires the following key areas...



Thank You

