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Air charter freight flying high

Gustavo Mundel of PML looks at how Brexit and the pandemic are impacting the sector



The airfreight sector has shown significant growth in recent years with global airfreight volumes reaching 61.3m tonnes in 2019 (source: Statista 2020).

Two dominant factors can be identified which have led to the clear increased demand for air transportation services capable of transferring commercial goods. The meteoric rise of e-commerce and the ability to purchase products from all over the world simply by the click of a button has stimulated a dramatic interest in delivery services that can provide a means of speedy fulfilment, to match consumer expectations.

In addition to this, while airline fuel prices reached an all-time high in 2012 which attributed to slow growth in air freight volumes, the notable fall in the cost of airline fuel in 2016 resulted in clear evidence of a growth in airfreight volume.

Although passenger traffic has been seriously compromised by the global outbreak of coronavirus, many of the

Benefits of airfreight

For a company involved in the transportation of temperature-sensitive, perishable goods, the advantages of moving consignments via airfreight lanes are clear. Firstly, the sheer speed of transit – air travel is by far the fastest mode of transport and hence, for products which have a finite shelf-life, the opportunity to maximise the length of time during which the goods can remain on sale in store, is critical. The difference between moving goods by air or sea can represent an extended shelf-life of up to 48 hours.

In addition, flights to destinations all over the world (under normal conditions), are frequent, providing a much wider window of opportunity to book in the expeditious transfer of cargo.

Finally, given the much-debated impact of Brexit, air travel provides the ability

the number of chartered airfreight services transferring consignments out of these hubs and delivering them to local

to transcend border delays and while the pandemic obviously has had a major impact on passenger numbers, airports largely have been able to remain operational and have been able to continue providing a much-needed service to maintain the supply of essential goods – including PPE – around the world.

Competitive charters

Within the specific chartered air freight sector competition is fierce. There are a number of carriers now offering their services directly rather than via a charter broker and in some ways, these airlines are starting to operate as logistics providers in their own right.

From merely selling space on the aircraft, they are increasingly offering a complete one-stop shop to secure business and ensure flights are filled to maximum capacity.

The impact of the global pandemic continues to be felt in all sectors of industry and the chartered airfreight

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airlines have been quick to seize the opportunity to retrofit aircraft to enable them to operate as cargo carriers providing the ability to continue flying at improved capacity.

Trends for 2021

But what does the future hold for chartered airfreight services? There is no sign of any slow-down in the world of e-commerce, in fact quite the opposite. With so many consumers forced to adapt their shopping habits in response to the restrictions imposed as a result of Covid-19, it is likely that the changes that have been made will be long lasting.

While the world remains optimistic that the traditional retailers will be able to resume normal trading, the fact is that consumers will have become accustomed to revising their approach to purchasing and will be loathed to turn their back on the speedy digital shopping experience.

In response to this, more and more aircraft are being reconfigured to carry cargo, rather than passengers and there has been a spike in the number of aircraft retrofit businesses able to undertake these specialist works.

Since the production of the Boeing 747 has stopped in favour of the more fuel efficient, newer 777, so interest in the procurement of 777s to lease or buy has increased and while some of these may already be converted for cargo, we are likely to see more of these passenger aircraft configured to accommodate the exclusive handling of cargo.

The world of e-commerce traditionally focuses on a high proportion of goods being transported out of China into major European hubs. As a result, there is likely to be a predicted growth in

European markets. This means that once again, the pressure for space will be intensified on these flights.

Given the world's growing mandate to address the need to slow down climate change, it is also likely that the future will bring new breakthroughs in fuel efficient engines which represent an improved carbon emissions proposition.

For companies who trade on their 'green' credentials, this will enable them to potentially reconsider the use of chartered aircraft, which will in turn create further demand for space.

Impact of Brexit

Brexit has effectively provided a massive boost to the chartered airfreight industry. Companies which specialise in perishable goods cannot risk being caught up in cross-border delays, delays which can have a devastating impact on time-sensitive produce. UK supermarkets and independents demand quality fresh produce, with a good shelf-life.

Goods that have been kept in transit when they should have been on the shelves will have a reduced shelf-life triggering substantial losses to the producer.

For PML, the speed of transit associated with chartered aircraft services, supported by the company's ability to handle product with an unbroken cold chain thanks to its unique relationship with Heathrow's only dedicated chilled airside facility, has dictated an even stronger interest in chartered air freight in the wake of Brexit. Such is the demand that PML, has seized the initiative to charter its own aircraft to ensure the seamless and timely transfer of fresh produce.

Coronavirus crisis

sector is certainly not exempt. As countries begin to prepare for massive vaccination programmes the priority for many airlines is to capitalise on the opportunity to carry the vaccines and as a result the race for space on chartered flights continues to heat up.

Competition for space in turn brings with it spiralling prices. Now the charters are becoming even more expensive due to the potential to charge a premium price for the transportation of PPE and vaccines.

Looking ahead

As the biggest independent perishable goods importer, PML continues to work hard to stay ahead of the curve. In addition to chartering its own twice-weekly flight from Nairobi to Heathrow, the company is watching the market to identify new opportunities to increase the number of flight rotations operated by PML and its partner network.

Having an in-house air charter service division, headed up by someone who has acted on both sides of the fence, working for an airline as well as an independent charter broker means that the company is well placed to access the very best air trade lanes. But as anyone in the logistics business will testify, these will be challenging times for the industry.

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