

A CALL FOR ACTION FOR EUROPEAN AIR CARGO

BACKGROUND

The air cargo business, through its entire value chain, is an essential part of European prosperity as it enables global trade. By facilitating the fast, reliable and secure movement of goods across borders, air cargo sustains seamless supply chains and contributes to the development of economic networks which no other form of transport can provide. Industry globalisation and growing consumer demand for air cargo services puts Europe at the intersection of global trade, with the value of goods transported via air exceeding 5.6 trillion euros (\$ 6.2 trillion) in 2018 globally¹.

The majority of A4E members have air cargo and mail activities. Although it represents 2.6% in trade volumes, European air cargo accounts for nearly 30% of exports and 21% of imports in value², turning the industry into a crucial enabler of economic activity throughout the continent and far beyond.

CHALLENGES

Air cargo is carried on freighters or in the belly of passenger aircraft. To ensure continuous, sustainable growth of air cargo over the next decades, joint efforts are needed to preserve and enhance the competitiveness of the sector for the benefit of European consumers and businesses alike. A4E is calling for the development of a European regulatory framework that focuses on seamless and efficient EU trade with the rest of the world, prioritising security, customs and digitalisation.

Given the sector's high operational and infrastructure costs, commitment from the European Union to the air cargo sector is increasingly important to streamline complex EU regulations and implement them at Member State level. A4E cargo members are asking the EU to focus on the following measures to ensure air cargo industry can continue to thrive:

¹ IATA, air cargo 2018 figures - <https://www.iata.org/whatwedo/cargo/Pages/index.aspx>

² Eurostat, 2018 - https://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods_by_mode_of_transport



POLICY MANIFESTO 2019-2024

1 MORE EFFICIENT AND SEAMLESS AIR CARGO

EU policy makers can significantly contribute to the future transformation efforts of the European air cargo business by developing an appropriate regulatory framework. The evolution of the EU's aviation security regime as well as customs processes and standards are key elements to be considered. For a seamless flow of cargo and mail, risk-based and proportionate security measures must be deployed in a uniform manner across the EU.

In different policy areas, EU directives and regulations are not always harmoniously implemented by national authorities, creating strong disparities between Member States and altering competition between European airlines. This illustrates the cost of non-Europe in air cargo, and requires action at EU level:

✈️ Alongside safety, security is airlines' top priority. Therefore, **A4E is calling for an alignment of standards and practices between Member States in ACC3** (i.e. Air Cargo or Mail Carrier operating into the Union from a Third Country Airport) to avoid double inspection regimes and unnecessary burdens for both national authorities and transport operators. We are also calling for the relaunch of the ACC3 Practitioners Group (APG).

✈️ A4E would support the EU to develop a list of **recognised security technologies and methods**, which could then be proposed at ICAO level. A4E members stand ready to provide input for this list, as well as for an EU-wide list of approved carriers for a secure supply chain in Europe. The air transport industry should be actively involved in this process.

✈️ Air cargo security and customs requirements should not remain in silos. **A4E members ask the European Commission to adopt a holistic approach to PLACI** (Pre-Loading Advance Cargo Information), using existing EU and international transport standards to inform customs and security processes.

✈️ A4E commends the work of the European institutions on the **Union Customs Code (UCC)** and will continue to be an active partner in its implementation. A4E members stress that **implementation of the UCC should be harmonised across Member States and in line with international standards**, for the broad variety of ongoing programmes yet to be integrated (ICS2, Centralised Clearance Import, AES and NCTS 5, Foresight Customs 2040, etc).

2 EU SUPPORT FOR DIGITALISATION AND INNOVATION

Digitalisation is transforming the air cargo business, enabling increased productivity and transparency while offering innovative solutions. In addition, digital technologies are driving the change towards paperless operations, therefore considerably reducing the amount of paper accompanying air cargo on every single flight.

In an evolving and increasingly competitive air cargo environment, efficient infrastructure and processes should also be a top priority in Europe. This requires the creation of comprehensive solutions for the digitalisation of the entire logistics chain, including for customs and security requirements. This should also be tackled by promoting research and development for the increased efficiency of ground operations, monitoring of cargo activities and reporting processes. As such:

✈️ **A4E supports the adoption of the Electronic Freight Transport Information Regulation (eFTI)** and will monitor its implementation in the Member States in the coming years. It should mark the first step towards further digitalisation of reporting processes in the air cargo industry.

✈️ In parallel of the work conducted through the Digital Transport and Logistics Forum (DTLF), **A4E calls on the EU to support IATA's ONE Record project**, aimed at creating an end-to-end digital supply chain where data is easily and transparently exchanged in a digital ecosystem of air cargo stakeholders, communities and data platforms.

✈️ **A4E calls for ambitious EU R&D projects on digitalisation and innovation, covering ground operations, monitoring and reporting** via HORIZON EUROPE, amongst others. Similarly, technical solutions are needed to allow the efficient screening of full pallets or skids and oversized shipments: such research projects should be supported by EU funds.

³ Goal of the Single European Sky - https://ec.europa.eu/inea/sites/inea/files/2015_cef_tran_sesar_final_de_sciscio.pdf

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3 INCENTIVES FOR SUSTAINABLE AIR CARGO

Airlines are committed to environmental protection. Manufacturers and operators are striving for quieter, ever cleaner and more fuel-efficient next generation aircraft to replace older ones. Political momentum is high to update the Single European Sky (SES) regulatory framework, as it could lead to a reduction of CO₂ emissions in Europe of at least 10%³.

A performance-based SES would benefit passenger and cargo traffic alike.

✈️ A4E calls **for EU investment in ambitious carbon-reduction projects to support net-zero carbon emission targets in Europe**. This complements collaborative initiatives from airlines over the past few years to improve sustainability, carbon efficiency and aircraft noise in the industry.

✈️ A4E calls for EU policies to **incentivise the production of sustainable aviation fuels (SAF) and support R&D for ever greener aircraft**.

✈️ A4E calls for the swift adoption of a **revised Single European Sky (SES)**, which will benefit the whole European aviation industry, including air cargo, by reducing flight times and CO₂ emissions.

CONCLUSION

The air cargo sector, through its entire value chain, is an essential part of a thriving European economy. A4E members stand ready to continue to contribute to the sustainable growth of the sector by working hand in hand with the European institutions in the coming years.

