



GatiShakti
one year on

INDIAN AIR CARGO SECTOR Challenges and Opportunities Ahead



Elimination of GST Exemption



Satish Lakkaraju, Senior Vice President, Global Head - Air Freight & Pharma, Wiz Freight



Suneet Gupta, Global Head Community Solutions, Kale Logistics

Digital Innovations in Air Cargo Industry



Amit Maheshwari
Founder, MD
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Parvinder Singh
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Digital Innovations in Air Cargo Industry



The digital innovations will facilitate global air freight movement, promoting a contactless air cargo environment and greater cross-border trade flexibility in the face of future pandemic threats.

For far too long, the air cargo industry has lacked true digital integration. This situation prevents stakeholders from collaborating effectively, increases reliance on manual processes, and creates a lack of door-to-door visibility and transparency from the customer's perspective.

According to an ICAO press release issued in early 2022, ICAO and the United Nations Economic Commission for Europe (UNECE) have completed new digital air cargo technical specifications guidance that will aid in the transition to safer and more flexible supply chains while also significantly contributing to COVID-19 response and recovery efforts.

The digital innovations will enable the air transportation sector to move away from long-standing paper-based documents used to facilitate global air freight movement, promoting a contactless air cargo environment and greater cross-border trade flexibility in the face of future pandemic threats.

The specifications, which are in line with the recommendations of the ICAO Council's Aviation Recovery Task Force (CART), will help reduce physical contact among international trade and transport professionals, thereby protecting the fluidity of cross-border trade and international transport

operations from pandemic-related restrictions.

On similar lines, Cargo Insights interviewed industry veterans to learn about their perspectives and where the industry in India stands in terms of air cargo digitisation. "Pandemic is one event that reminded the world of how important the air cargo industry is to the world," said **Suneet Gupta**, Global Head of Community Solutions at Kale Logistics, not only in terms of revenue but also in providing life-saving vaccines and equipment. While the panic over the pandemic has subsided and everyone is talking about recovery, it is critical that we focus on sustainability, modernisation, and safety.

"With the supply chain disruptions and the necessity of developing an effective delivery chain for the critical medical supplies and vaccines across the globe during COVID-19, the flexibility of the air cargo industry



Because of the disruption in ocean freight, the importance of consistency in air freight becomes critical.
-SATISH



Satish Lakkaraju, Sr. VP, Global Head - Air Freight & Pharma, Wiz Freight

has definitely been tested," says **Satish Lakkaraju**, Senior Vice President, Global Head - Air Freight & Pharma, Wiz Freight. Because of the disruption in ocean freight, the importance of consistency in air freight becomes critical. "With the restoration of flights, there is now much more stable air freight capacity, and the air cargo market is now developing and adding freighters to certain trade lanes to ensure the effective transport of cargo in international space."

According to **Amit Maheshwari**, Founder, and MD, Softlink Global, "Air cargo is critical for any nation's economic development." Air cargo is one of the industries that has been severely impacted by the global pandemic while also gaining prominence.

As per **Parvinder Singh**, MD, Hans Infomatic, "During the pandemic, the air cargo industry was a lifeline for society." In fact, it

was the crucial mode of transport for delivering critical medical supplies, vaccines, and other necessities around the world while also driving international supply chains. During the pandemic, air cargo demonstrated its flexibility and is emerging stronger. Now is the time to keep the momentum going and continue to strengthen the roots,

The challenge now is to maintain the momentum gained in digitalisation and other customer-focused efficiency gains. When passenger flights were grounded, cargo became a much-needed source of revenue for many airlines. Though the surge in demand for air cargo and attractive returns are not without impediments, In fact, pandemic restrictions led to severe global supply-chain congestion. "But affability has been demonstrated throughout the crisis, and with that same focus in the future, we will overcome these challenges."

Technology: backbone of the Air Cargo industry

"For the record, technology is already the backbone of the air cargo industry, and the advancement is much faster than expected," **Suneet** said. This is due to the severe staff shortage that existed during the pandemic and is still being addressed by technology today. Most importantly, it not only

automates critical tasks in various functions but also significantly reduces costs. For example, e-air waybill adoption stood at 75 per cent in 2021, and it was predicted that it would reach 100 per cent by the end of 2022, which we are very likely to achieve. This is because every airline, airport, cargo handler, transporter, and other stakeholder sees digitisation as the best way to address some of their most pressing business issues. As a result, technology has already become the backbone of the air cargo industry.

"Digital transformation and sustainability became the two megatrends as a response to the pandemic and the broader supply chain crisis," **Satish** believes. However, it was the efficiency and dependability of digital processes and innovations, which reduced human error and provided significant cost savings and risk reduction for businesses worldwide, that seemed to have caught on in the air cargo sector."

Similarly, **Amit** believes that "the digital revolution has brought the world closer." Every business and industry, including the air cargo industry, is undergoing a digital transformation. The process has already begun, and technology is transforming the air cargo logistics industry. Everything is done digitally, from document verification to compliance and record keeping to tracking. "The industry is moving toward becoming completely paperless, and Softlink Global has been a pioneer in digitalising the global freight and logistics industry for the last 25 years."

"The pandemic accelerated digitalisation in some areas because contactless processes were introduced in a much shorter



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period of time," **Parvinder** explained. As a result, the same momentum has been created, not only to drive improvements in operational efficiency, but also to meet the needs of our customers. Air freight is a critical enabler of cross-border trade, especially for express deliveries, long-distance travel, and the efficient transportation of sensitive and critical cargo. Customers for these products now want to know where their items are and how they are doing at all times while they are in transit. This necessitates the use of digitalisation and data.

Digitisation is set to transform the air cargo industry as well as the logistics industry as a whole. It is also paving the way for a slew of new businesses. Though technology is the driving force in the digitisation process, it must be implemented carefully so that it does not complicate things and

instead remains beneficial to productivity and value addition, which should ultimately improve data-driven decision making.

During and after the pandemic, major corporations around the world took steps to transition their operations from old traditional methods to new digital ones, and they will now remain digitally activated in this technology-driven sector."

Initiatives

"Kale Logistics Solutions is on a mission to digitise the entire logistics industry globally," says Suneet, "and we are gradually moving toward this goal. We are working with over 100 airport cargo stations around the world to digitise their operations. We created the world's first digital freight corridor between India and the Netherlands, created and deployed North America's first Airport Cargo Community System in Atlanta, and helped India rise from 130th to sixth in the world in terms of e-Air Waybill adoption. Our solutions not only help the air cargo industry eliminate the most pressing challenges, but they also significantly reduce costs and help them achieve their sustainability goals. Airports can save 1500–1800 trees per year using our Cargo Community System, and transporters can save a lot of money on fuel while lowering carbon emissions. All of these

initiatives will continue until we achieve our ultimate goal of simplifying the logistics industry."

"The WIZ portal is raising industry standards and promoting modernisation by investigating new technologies and their applications in the air cargo supply chain." Wiz Portal is designed with the goal of reducing inaccuracies, reducing paperwork and reliance on manual labour, and ensuring improved communication. Simply put, it replaces all paper documents exchanged between the air freight forwarder and the carrier. Customs papers, commercial documents, transportation documents, and any other paperwork are examples of these documents. "This also benefits the customer in terms of transparency and visibility," **Satish** explained.

"Softlink Global has over two decades of domain knowledge and experience in the logistics and freight forwarding industry." With our product line, we were the first to digitalise the logistics industry. Among our product offerings is Logi-Sys, the most advanced integrated cloud platform for logistics and freight forwarding operations, which connects every aspect of freight forwarding within the system and efficiently manages the shipments processed. It improves agility and the ability to respond to rapid changes in the industry," **Amit** explained.

"As a technology solution provider to the cargo industry, the responsibilities these days are more on our shoulders to support the industry, especially in difficult times," **Parvinder** stated. We aided businesses by providing cloud-based solutions, resulting in continuous and result-oriented productivity even during the crisis.



With our product line, we were the first to digitalise the logistics industry.
-AMIT



Amit Maheshwari, Founder, MD, Softlink Global

We developed some new cloud-based digital solutions that can be accessed remotely by any device with an internet connection. We implemented the "Work From Home" model fairly smoothly, ensuring business continuity for clients without sacrificing quality or productivity. During the pandemic,

a few mobile apps were also released, such as an HR app with geotagging to facilitate work from home, remote workforce management, and operations.

Parvinder adds, "Hans also helped the air cargo community manage cargo operations, from paperless and contactless to gate pass management." Our cargo community system brought all stakeholders under one roof, including customs, customs brokers, airlines, ground and cargo handlers, freight forwarders, and shippers, facilitating the seamless movement of goods and data across the logistics ecosystem. This eliminated unnecessary documentation and delays, bringing transparency to the supply chain, and improved the sector's ease of doing business. Furthermore, Hans and PHD have



collaborated on the online generation of Certificates of Origin (e-COO) via the PHD chamber. This eliminates manual and physical processes, as well as increased delays and transaction costs."

NLP's support on digitisation

"The National Logistics Policy is a game-changing measure because it is a roadmap to improve efficiency and reduce costs in India's logistics sector," **Suneet** said. The most important aspect of the policy is interconnectivity, or leveraging different modes of transportation to move cargo quickly, and air cargo will play an important role in this. This includes modernising existing airport cargo complexes and ensuring zero cargo movement glitches."

"The NLP focuses on connecting the entire trade through the unified logistics portal, which will improve the process of document transfer and speed up the entire process while reducing errors and the required time," **Satish** explained. The service improvement point's portal, E-logs, will address queries and issues through a single dashboard with established service levels and an escalation matrix. Making all offline processes online would result in a faster turnaround time and greater transparency of the details. These initiatives will help to improve the overall system, especially for air cargo, which is a quick and time-bound process.

Similarly, **Amit** responds, "The Indian government's new logistics policy will be a game changer for the industry." The air cargo industry plays a critical role in this. Through this policy, the



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-PARVINDER



Parvinder Singh, MD, Hans Infomatic

government hopes to achieve three major goals by 2030, with digitisation being one of the key components. The policy's three main goals are to reduce logistics costs, place India among the top 20 nations in the logistics performance index, and develop a data-driven decision support mechanism. If we look closely at these targets, we can see that they are impossible to achieve without digitisation."

"The new National Logistics Policy (NLP) comes with a special emphasis on streamlining processes for seamless coordination and reduction in overall logistics costs, in addition to pushing employment generation and workforce skilling," says. The emphasis is on re-

engineering, digitisation, and multimodal transportation, which will improve the "Ease of doing business" for all industries and stakeholders. Under this new policy, the Unified Logistics Interface Platform (ULIP) will consolidate all digital transportation services into a single portal, freeing exporters from a slew of time-consuming and inefficient processes.

Parvinder continues, "In addition, a new digital platform called "Ease of Logistics Services - e-logs" has been launched. Through this portal, industry associations can directly address any issues affecting their operations and performance with government agencies. As a result, the digitalisation of the logistics sector and the development of unified portals will be critical to bringing the sector together. The government has recently worked on measures such as paperless EXIM trade through "E-Sanchit," faceless Customs assessment, and provisions for "e-Way bills," among others, which have increased industry efficiency. "The NLP with a focus on digitisation will be a driving force in the sector's progress and will help India set global standards for going paperless." ●