

# Tiaca tells air cargo to brace for 'unprecedented challenges' in Q4

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Supply chain group Tiaca has warned that the air cargo sector faces “unprecedented challenges” in the fourth quarter.

The air cargo organisation pointed out that industry is already under pressure due to the lack of bellyhold capacity, modal shift due to issues in ocean shipping, unpredictable supply chain worker covid restrictions and a buoyant market.

The situation is expected to worsen as demand ramps up further during the fourth-quarter peak season.

Meanwhile, some PAX aircraft being used for cargo operations are being diverted back to passenger operations in response to rising demand in that sector.

It therefore urged governments to fast-track ad hoc charter permits and consider supporting 7th freedom regimes where they are being implemented.

“States are also urged to work with industry representatives to identify in advance potential system blockages in order for them to be addressed before they further impact supply chains,” Tiaca said.

Meanwhile, air cargo companies, forwarders and shippers should take steps to prepare for the surge in demand.

“With states, particularly China, introducing a growing number of Covid related worker restrictions which are unlikely to be lifted in the near future, the industry is urged to commence preparations urgently,” Tiaca said.

“Such restrictions are causing cargo to be disbursed across neighboring countries and airports, causing further challenges. Shippers are therefore encouraged to work with forwarder partners to secure required capacity as early in the cycle as possible.”

Tiaca said that the industry must also adopt efficiency tools such as enhanced data sharing “as a matter of urgency”.

“Contingency plans must be established to deal with all eventualities that may arise,” it said. “The key to success is planning and communication.”

Steven Polmans, Tiaca chairman, said: “Air cargo has played a vital role these past 18 months and is facing a potentially record fourth quarter, but planning must start now.

“Resourcing and capacity will be issues, handling and facility space will be an issue, delivery and drivers will be an issue.

“We should be proud of the innovative, agile and flexible approaches adopted by the industry these past 18 months and now we must equally rise proactively to these new challenges as the weight of customer expectations mount.”

Rising rates are one sign of the strength of the current air cargo market.

Air Cargo News reported that [rates out of Asia continued to climb](#) last week as the region catches up following Typhoon Chanthu and the Chinese Golden Week holiday approaches.

Last week, Baltic Exchange Airfreight Index prices from Hong Kong to North America breached the \$10 per kg mark for the first time since the index started in 2015.

According to the index, average rates on the route last week stood at \$10.52 per kg compared with \$9.70 per kg in the previous week. Compared with a year ago, rates are up by 105.9%.

ICAO's new secretary general has also urged member states to [temporarily lift restrictions for air cargo operators](#).