

Luxembourg airfreight market continues to flourish

By **Justin Burns** - Jul 1, 2017



Air cargo is vitally important to Luxembourg and there is no country of a similar size where the industry has such a standing.

Last year, more than 800,000 tonnes were handled at Luxembourg Airport, ranking it the sixth busiest in Europe and is looking to handle about 900,000 tonnes in 2017.

Cluster for Logistics (C4L) Luxembourg senior manager, Malik Zeniti (pictured below) says the sector is not exhausted yet. "The uncongested CargoCenter has a potential of one million tonnes as the parking places for widebody cargo aircraft are being extended from 8 to 12 to cope with the activity in 2019."

Luxembourg was second in the World Bank Logistics Performance Index (LPI) just beaten by Germany, an impressive achievement for a landlocked country and one of the smallest in Europe.

Zeniti says the country's challenge is to defend this position by keeping up excellent services in the best categories "timeliness" and "ease of arranging shipments" while enhancing other areas where Luxembourg achieved a top 10 position.



He explains: "The C4L's challenge is to highlight Luxembourg's strengths to international actors that ignores Luxembourg because of lack of direct access to the sea. This is where the airfreight sector close to 50 per cent of European Union (EU) GDP comes in."

The cooperation agreement penned in May between Cargolux and Emirates SkyCargo will further help Luxembourg grow its airfreight sector and network with freight flights from Dubai.

Cargolux is also expanding at Luxembourg Airport while Qatar Airways and Panalpina are also growing.

An increasingly important trade lane is China, and Zeniti says Luxembourg has gaining ground in the Chinese airfreight market with extension of the Cargolux Luxembourg-Zhengzhou route.

Currently there 15 flights a week, which is strengthening the Chinese airport of the Henan province to become a central point of the new silk road and shipments to and from Luxembourg account for nearly one fourth of Zhengzhou's shipments.

Luxembourg PM Xavier B ttel called it the "Silk road in the Air" when he headed an economic mission to Beijing and Zhengzhou recently, Zeniti explains.

C4L itself has come a long way since its creation in 2009 and since a full-time manager was installed in 2011 it has been able to address logistics programs across all transport modes directly.

Zeniti adds: "Since then, projects have focused on the expansion of the different sectors, addressing infrastructure subjects in Luxembourg in order to tackle traffic issues for example. The inauguration of the new railway hub will increase multimodality across Europe."

Around 100 companies are currently registered in C4L, not limited to logistics operators but including a large variety of service providers. The stakeholders have been involved more strongly in the process in recent years.

Zeniti says better understanding of air cargo also helps the cluster to address issues like customs operations and a recent study aimed to find new ways to reinforce air transport of perishables.

C4L runs various initiatives and these include promoting quality cool chain operations emphasizing customers can rely on Luxembourg's uncongested fast track procedures in both the perishables and pharma sectors.

Pharma is an important focus sector and Zeniti says the market and its specialised logistics services generate value in Luxembourg, in line with the mission and slogan of C4L – "Adding value is the key".

"The GDP certified hub and specialised service providers with dedicated pharma warehouses facilitate the expansion of this sector. The new partner of Cargolux, Emirates SkyCargo, is also expanding the range of solutions available to pharma customers through agreements with SkyCell and va-Q-tec for global container rental services," notes Zeniti.

C4L is also educating and is directly involved in a high school training programme, allowing for companies to find the right people for their future.

"The digital natives will help companies in an increasingly digitalised environment and a master in supply chain management is available in partnership between Luxembourg University and MIT," says Zeniti.

He explains C4L aims to enhance excellence with new education offers and further dedicated training programmes are in the pipeline.

Reducing carbon emissions at Luxembourg Airport is a key priority and C4L is the national office for the Lean & Green (L&G) program in Luxembourg.

Zeniti says according to Eurostat, the transport sector is the only major sector in the EU where greenhouse gas emissions are still rising and the logistics sector needs to do more to reach the EU's intermediate goal of reducing emissions from transport by 20 per cent, compared with 2008 levels, by 2030.

He adds: "Reducing your carbon emissions means a gain in efficiency as well. And saving fuel means saving money which led Cargolux to be the first L&G airline certified. An increasing number of customers and large shippers are asking for sustainable transport and being unable to provide a sustainable transport will harm competitiveness."

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