

The Importance of Cargo



AirportCity

Amsterdam Airport Schiphol exudes the atmosphere of a true world metropolis and is a prime example of an AirportCity that provides its visitors and the businesses established there the services they require, 24 hours a day, 7 days a week.

Royal Schiphol Group is an airport business with Amsterdam Airport Schiphol as its main airport. We aim to create sustainable value for our stakeholders, with due regard for their various interests. It is Schiphol Group's ambition to develop Schiphol into Europe's Preferred airport. Royal Schiphol Group's mission is Connecting the Netherlands: facilitating optimal links with the rest of the world in order to contribute to prosperity and well-being in this country and elsewhere.

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There are no more than a handful of airports in the world of aviation which successfully handle both passengers and cargo. In 2016, 1,662,282 tonnes of cargo were transported via Amsterdam Airport Schiphol. Schiphol takes third place in Europe, making it one of the leading European cargo airports.





The importance of cargo

Cargo has always been part of Schiphol's history. The first military flights, on 19 September 1916, transported military cargo. KLM's first civil flight in 1920 also had cargo on board: a stack of newspapers and a letter from London for the mayor of Amsterdam. Today, cargo – along with passenger transport – remains one of the two pillars of Amsterdam Airport Schiphol's Mainport strategy. It started with airmail, newspapers, medicines and flowers. Today, a far greater range of goods is transported by air.



The air cargo market is driven by consumer goods having increasingly reduced life-cycles, and the fact that components are increasingly manufactured on different continents and eventually have to be brought together in one place.



Full freighter aircraft

Cargo aircraft make up only a small proportion of the total number of air transport movements. Of the 478,864 air transport movements at Schiphol in 2016, 3.7% were cargo flights,

transporting 60% of all air cargo. The rest of the air cargo was transported on passenger aircraft. The top-ten cargo airlines at Schiphol primarily ship to intercontinental destinations with full freighters, and with the most quiet newest cargo aircraft, the B747-8F. Transporting freight by 'belly' – in a passenger aircraft – has been strongly on the rise in recent years.

Economic significance

Amsterdam Airport Schiphol is Europe's third leading airport when it comes to cargo. Air cargo comprises about 25% of the aviation activities and makes an important contribution to the development of the



regional and Dutch economy. Some 25,000 people are employed by the chain of companies that operate in the air cargo segment at Schiphol, such as handling agents, air cargo carriers, lorry operators and logistics service providers.

Top speed

Air transport is used in particular for goods that need to be quickly moved from A to B. Those goods are often perishable (like vegetables and flowers), or goods with a short life-cycle or high value, such as the latest fashions, state-of-the-art electronics and pharmaceutical products. Air transport is also used when time is of the essence, for instance in transporting medicines and organs, urgent deliveries of various components for computers or machines, and for emergency aid when disasters occur around the world. Businesses specialised in handling goods that are perishable or require urgent processing are established directly behind the aprons at Schiphol.

Inspection stations

Imports of live animals, meat and fish destined for consumption, and goods containing animal products (such as some medicines for humans and animals, as well as sperm for breeding horses and bulls for instance) have to comply with special EU regulations. These types of goods must first be inspected, and those inspections take place in specially designed stations. Amsterdam Airport Schiphol has four such inspection stations. KLM Special Care and DNATA are licensed to inspect livestock, meat and fish and goods containing animal products, and to house or store these. At Schiphol KLM is the leading airline for the transport of animals such as horses, pets such as dogs and cats, and chicks. Animals travelling by air have their own facility. Special carers travel with important animals, such as racing horses or dressage horses.



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One company, Freshport, specialises in the ground handling of fresh and frozen meat and fish, and live tropical fish, and it inspects such goods according to the relevant EU regulations. Any airline or forwarding agent can make use of this facility. And finally, ground handling companies Menzies, Swissport and WFS Holland also maintain a facility for storing goods which require inspection.

Transport hub

The air cargo volume at Schiphol consists of three 'flows'. The import flow consists of goods which come to Europe from the rest of the world via the Netherlands. The export flow consists of goods which come from the Netherlands or were produced there, as well as goods which are brought to the Netherlands from other European countries on lorries and leave the EU from there. This flow of goods from other countries is important for maintaining a good balance between import and export. The Schiphol region is a transportation hub, where flows of goods from all over the world come together before being shipped on again. That makes it particularly appealing to many European distribution centres as a location to base themselves. In turn, these businesses generate even more transport. Just between Aalsmeer Flower



Auction and Schiphol, hundreds of lorries travel back and forth on a daily basis. Other products with a limited shelf-life, such as electronics, newspapers or donor organs also continue their journey from Schiphol by lorry to their final destinations in the Netherlands or elsewhere in Europe.



Of course there are also flows in the opposite direction, of products being delivered to Schiphol by lorries and loaded onto aircraft. The proximity of Rotterdam harbour makes the Netherlands a magnet for logistics companies. Both the harbour and Schiphol benefit from this. Schiphol has a powerful network of forwarding services and lorry operators. Most of the cargo handled at Schiphol is transfer cargo not intended for the Dutch market, destined for elsewhere. Such transfer cargo strengthens Schiphol's position as a hub.

An appealing base

One of Amsterdam Airport Schiphol's strengths is the large number of destinations it serves.

In 2016, passengers and cargo had access to direct scheduled flights to 322 destinations in 96 countries. Cargo was shipped to 162 destinations. Schiphol's excellent network of destinations and flight frequencies encourages international companies to specifically choose the airport region as a base for their EDCs (European Distribution Centres).

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More than 50% of Asian and American companies with European distribution centres have chosen the Netherlands as their base. To a large extent, they make that choice based on the quality of the storage and transshipment facilities at and around Schiphol. Within the airport grounds,



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directly at the aprons, lie the first-line companies of the airlines and the cargo ground handlers, who ensure that goods are taken to and from the aircraft on time.

Directly behind these first-line companies lie ones referred to

as second-line companies. These companies, the forwarders, ensure customs inward clearance of air cargo, its packaging and further transport on-land. Around the airport grounds, too, there are various business parks for cargo-related businesses. In this way, Amsterdam Airport Schiphol offers companies the space they need for future growth. Schiphol has cargo warehouse space totalling 525,000 m² of which 60% has direct access to the cargo aprons. This makes Schiphol one of the few major airports in Europe that is able to continue offering more space to airlines, forwarders and logistics services providers. Examples include Schiphol Logistics Park across from Schiphol-Rijk and Schiphol Trade Park.



Flowers

Flowers are one of the best known and most appealing of air cargo products. Aalsmeer Flower Auction is the centre of the international flower trade and has become as large and world-famous as it is partly because of Schiphol. About 25% of the total cargo volume at Schiphol consists of flowers. Some 60% of all flowers in the global flower trade travel via Schiphol. Many flowers are flown in from East Africa and South America. Some of those are auctioned the same morning at Aalsmeer Flower Auction, and depart again the same day by air to destinations such as North America and Asia. KLM Cargo, Etihad, Cargolux and LANCargo are



the primary flower transporters. Flower transport reaches a peak in the first quarter, partly because of Valentine's Day and International Women's Day, while August is the peak season for the export of bulbs.



Night cargo

One of the most important reasons for Amsterdam Airport Schiphol to remain open 24 hours a day is the difference in daytime and night-time hours around the world. When it is daytime here, it is night-time on the other side of the world, and vice versa. Flights between the Far East and Europe, in particular, cross so many time zones that it is almost impossible to depart and arrive during daytime hours. Although only a limited proportion of night flights are cargo flights, that is precisely why it is so important for cargo transport that Schiphol remains open at night. The overwhelming majority of cargo transport is intercontinental, which often means that multiple time zones are traversed.

Important markets

Asia is Schiphol's most important market. Around 35% of all air cargo volumes travel to and from this region. In particular the emergence of e-commerce goods in air cargo in recent years has contributed to



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the tremendous growth of cargo being transported to and from China. The most important goods include electronics, fashion items, but also milk powder and baby formula. East Africa and South America are important to the flower sector.



Well equipped for cargo

Amsterdam Airport Schiphol has received many prestigious awards as the best cargo airport in the world and in Europe, due to the quality of its cargo facilities, and the efficiency and innovation in the cargo handling.

Amsterdam Airport Schiphol works closely with every partner in the transport chain to deliver the best facilities for every company working in air cargo. The Schiphol South East cargo zone still has enough room for further expansion.

The airport has various lorry parks. There are two lorry parks where parking spaces are leased to local carriers on subscription basis. In addition, there is a lorry park where international lorry drivers can park briefly in anticipation of loading and unloading international cargo. There are various facilities for the drivers, including sanitary facilities, a waiting room and Wi-Fi. This lorry park has the potential for further expansion.

Schiphol SmartGate Cargo

The innovative Schiphol SmartGate Cargo programme is a public-private initiative set up by the Tax Authorities/Customs, Schiphol, Air Cargo Netherlands (ACN) and KLM Cargo. The aim is to achieve safer, faster, more efficient and cheaper cargo handling. SmartGate Cargo comprises a Joint Inspection Center which began operations at the end of November 2016, an ultra-modern ULD scan and radiation portal monitors.

Air cargo companies at Schiphol can also purchase their own X-ray machine which satisfies the quality requirements imposed by Customs. This will allow them to scan their own cargo. A Customs analyst in the Joint Inspection Center will watch along remotely in real time. Rhenus Logistics and Fast Forward Freight already have their own scanner. At the entrance to the handlers' zone, radiation portal monitors will be installed. These will also be connected to the Joint Inspection Center.



Fast data systems

Cargonaut directs information flows for cargo from and to Schiphol, thus easing the burden on the logistics chain parties and Customs by providing complete and reliable information on air cargo. Cargonaut manages the Cargo Community Information Platform at Schiphol. Partners in the logistics chain and the various chains can exchange information and share this for reuse.



Airlines, handlers, forwarders, logistics service providers, Customs and other supervisory bodies work together to this end. Based on the available information in the platform, chain parties and software suppliers build their own smart applications and optimise industry processes with these. cargonaut.nl



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Information

For more information on cargo at Amsterdam Airport Schiphol go to www.schiphol.nl/cargo



Key figures 2016

63.6 million passengers (incl. transito)
1,662,282 tonnes of cargo
478,864 air transport movements, of which
17,817 cargo flights with full-freighters (3.7%)

322 scheduled flight destinations, of which
29 destinations with only full-freighters, in
96 countries, with
111 airlines

Approximately 500 companies within
the airport grounds, with
65,000 employees

1st in Europe in terms of total air transport movements
3rd in Europe in terms of passenger volumes
3rd in Europe in terms of cargo volumes



Terminology

First line:

the area bordering the aprons where the transfer of air cargo to and from the aircraft takes place.

Second line:

the area directly behind the first line where the transfer of air cargo between transporters, forwarding agents and handling agents takes place.

Full freighter:

an aircraft used only for transporting cargo (no passengers).

Pax/combi:

an aircraft that transports both cargo and passengers.

Handling agent:

a company that conducts the loading and unloading of air cargo in the aircraft.

Logistics service provider:

a company that provides physical storage, transshipment and/or transportation of cargo, as well as the administrative handling that goes with it.

Forwarder:

a forwarder organises the shipment of goods. In addition to the actual transport, forwarders also deal with the administrative formalities such as requesting the required permits, requests for quotations, price comparisons, price negotiations and booking road transport, goods storage, organising groupage of small lots of goods, dealing with any Customs formalities, providing coordination between the various parties, etc.

Distribution centre/EDC:

a European Distribution Centre (EDC) is a central collection and despatch area for cargo, used by a single or multiple transporters. Multiple markets or countries are usually served from this point. In the EDC goods are stored, made ready for market, packaged and possibly combined with other goods or consignments before being sent to other destinations or distributed.