



Jointly organized by:



**Air Freight Asia Conference 2011,  
8- 9 March, AsiaWorld Expo, Hong Kong**

*The 'Golden Dragon': China's air cargo market continues to shine*

**8 March, 0900 – 1030: Asian Aerospace 2011 Opening Ceremony**

**8<sup>th</sup> March 2011, Session 1**

**1045 – 1145: “China’s air cargo environment in flux”**

Chinese aviation officials have recently indicated a desire to strengthen the country's domestic air cargo logistics capabilities to capture a more significant share of cargo volumes into and out of the Chinese market - a market currently dominated by foreign carriers. This is to be accomplished by various means, including regulatory measures, incentives, promotion of industry consolidation (including mergers & acquisitions), infrastructure development and a strengthening of overall logistics capabilities including a strong e-freight push. Another key aspect is the stated ambition to establish one of China's domestic cargo carriers among the world's top five largest within the next few years.

This session will examine the status of China's current air cargo environment and provide updates and discussion of possible strategic directions the government has planned for the industry including new infrastructure, e-freight and consolidation.

The session's key discussion points will include:

- Updates on the Chinese government's air cargo logistics strategy
- Plans for new cargo airports/cargo facilities
- Will Tianjin supplant Beijing as the key cargo hub for Beijing-Bohai region?
- Consolidation among air cargo carriers - what will this mean for shippers and freight forwarders?
- Status of the e-Freight initiative
- Developments in China's domestic air cargo environment
- How will government's efforts to encourage manufacturers to shift inland impact the industry

Session Chair & Moderator: **Donald Urquhart, Editor, Payload Asia**

Invited panelists include:

- Senior Representative from Civil Aviation Authority of China (*invited*)
- **Wei Zhenzhong, Secretary General, China Aviation Transport Association**
- **Solomon Cai, Globelink China Logistics Ltd**
- Senior Representative from China Southern Airlines (*invited*)
- **Yvonne Ho, Country Manager, IATA**

1145 – 1215: Tea Break

*Programme subject to changes. Programme correct as of 18 February.*

## 8<sup>th</sup> March 2011, Session 2

### 1215 – 1315: “Southern China Air Cargo Hubs – Developments & Trends”

With the rapid development and growth of air cargo hubs in the southern Chinese mainland (or more commonly known as the Pearl River Delta) particularly in Shenzhen, Guangzhou and Zhuhai, Hong Kong's preeminent position as the leading cargo hub of Asia appears to come under increasing pressure, not merely because the mainland hubs offer lower costs, but also because efficiencies in the mainland airports are on the rise. Direct cross-strait flights between Taiwan and mainland China has also somewhat changed the cargo equation for the region.

However despite what seems to be intense competition amongst these hubs, there is the intent to cooperate and collectively draw on the strengths of the various stakeholders in the PRD to further enhance the region's competitive advantage. This could be seen in the region's 12<sup>th</sup> 5 year Plan for transportation, Cathay Pacific's construction of its own cargo terminal at HKIA, the various infrastructure development projects being planned and executed (including the region's high speed rail system) appears to reaffirm this intent.

The session's key discussion points will include:

- The recent unveiled plans for China's southern air cargo hubs calls on the individual hubs to cooperate and draw upon each of their strengths to future develop the region. What are the key developments that could be expected for the region?
- How will the individual airports collaborate to enhance the region's competitive advantage and what are the challenges moving forward? What fresh opportunities will arise from this climate of cooperation?
- What is the future of the cross straits flights - is it just a temporary blip, or a long term trade?
- Cargo security checks – what needs to be done? How is it to be done? What are the potential impacts?

Session Chair & Moderator: **Donald Urquhart, Editor, Payload Asia**

Invited panelists include:

- **Tony Wines, Director & CEO, Turnkey Consulting**
- **Julia Yan, General Manager, Strategic Planning & Development, Hong Kong International Airport**
- Sunny Ho, Executive Director, Hong Kong Shippers Council (*invited*)
- Senior Representative from Airports Council International, Asia Pacific Region (*invited*)

1315: End of Day's programme

*Programme subject to changes. Programme correct as of 18 February.*

**9<sup>th</sup> March 2011, Session 1**

**1000 – 1100: “Air cargo growth for China’s neighbours”**

While China's economy continues to grow, neighbouring countries are enjoying both spill-over and economic growth in their own right, with countries like Vietnam benefiting from a strategy pursued by some manufacturers of establishing secondary facilities in adjacent countries, known as the China+1 strategy.

Others such as Taiwan are benefiting from a warming of ties with Beijing which has allowed a substantial increase in cross-straits flights (currently over 230 weekly flights) resulting in a booming cargo market between the two. South Korea, whose economy performed well throughout the global recession of 2009, has emerged with a booming air cargo sector and the countries of Southeast Asia continue strong growth as well, fueling the growth of the intra-Asia trade lane.

Panelists will discuss the potential of neighbouring air cargo markets like Vietnam, Taiwan and South Korea, as well as the burgeoning intra-Asian trade and what potential lies there.

The session's key discussion points will include:

- Will China's rising labour costs and difficulty in sourcing labour push more business countries like Vietnam?
- Is Vietnam becoming a significant cargo market?
- How is the cross-strait cargo market - who are the players, what's moving and what is the future of this trade?
- How is the intra-Asia trade developing, is it becoming a major trade lane in its own right?

Invited panelists include:

- **Do Xuan Quang, Managing Director, Vector Aviation Vietnam**
- **Didier Lenormand, Head of Marketing, Freighter Aircraft, Airbus**
- **Kelvin Leung, CEO, North Asia Pacific, DHL Global Forwarding**
- **James Edgar, Regional Marketing Director, Commercial Airplanes, The Boeing Company**

1100 – 1130: Tea Break

*Programme subject to changes. Programme correct as of 18 February.*

## 9<sup>th</sup> March 2011, Session 2

### 1130 – 1230: “The supply & demand challenge of China’s air cargo market”

The China market has been a perennial and lucrative attraction for foreign carriers who have flocked to tap the vast volumes of export cargo, despite often severe cargo imbalances between inbound and outbound loads. At times the attractiveness of the market has resulted in over-capacity in the market resulting in depressed rates.

Following the downturn of 2009, most carriers have been more cautious about putting capacity back into the China market, but with healthy demand and a more robust Chinese domestic economy that now sees substantial import volumes, carriers are rapidly putting capacity back into the market.

This session will focus on the capacity issue and any potential impact on foreign carriers of moves to strengthen the domestic cargo carriers, as well as the future of this dynamic market.

The session’s key discussion points will include:

- What will be the impact on foreign carriers of moves to strengthen the market share of China’s own carriers?
- Have carriers learnt their lesson, or will they flood the China market with capacity once again?
- Will the earlier trend of foreign/China JVs continue?
- What obstacles do foreign carriers meet in doing business in China?
- What is the long term potential of the China cargo market?
- How will the rising imports into China – and alleviating the imbalance problem - impact the cargo market?

Invited panelists include:

- **Robert Song, Vice President Asia Pacific, AirBridgeCargo**
- **Johannes Zinkl, Managing Director, Tianjin AirCargo Terminal**
- **Roberto Gilardoni, Commercial Director, Cargotalia**
- **John Cheetham, Regional Commercial Manager, Asia Pacific, BA World Cargo**

1230: End of AFA Conference 2011

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