

cargo facts UPDATE

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PacAvi begins first A320 P-to-F conversion. PacAvi Group inducted its first Airbus A320 aircraft (293, ex-Hermes Airlines) for conversion to freighter configuration at the HAITEC facility at Frankfurt Hahn Airport (HHN) [FAT 002081]. German-American aviation company PacAvi launched its A320 Family P-to-F conversion program in September last year, and with the first unit now entering conversion, says it expects final approval of its STC by FAA and EASA in 2016. (We note that this is a relatively short time frame for certification of a completely new passenger-to-freighter conversion program, even if everything goes smoothly.) *Cargo Facts* believes at least one customer has placed a firm order, and senior executives from PacAvi have confirmed that the company “will begin to announce customers shortly.”



The A320 freighters are coming! PacAvi inducted an A320 for P-to-F conversion at the HAITEC facility at Hahn.

In related news, **PacAvi this week announced an agreement with Guangzhou Aircraft Maintenance Engineering Co., Ltd.**

(GAMECO), under which GAMECO will perform passenger-to-freighter conversions of A320 and A321 aircraft for PacAvi customers in the Asia-Pacific region. While all of the major conversion houses have partnerships with MROs in China (and elsewhere in Asia), The PacAvi/GAMECO partnership is interesting for a couple of additional reasons:

- First, while GAMECO is not well known for doing conversions, it does have some history in that regard. It performed a number of 737-300 P-to-F conversions for Bedek Aviation Group (the conversion/MRO arm of Israel Aerospace Industries) several years ago. It also performed the first A300-600 P-to-F conversion for Flight Structures Inc, before that program was effectively abandoned.
- Second, GAMECO is 50% owned by China Southern Airlines, which has the largest A320/A321 fleet in China, made up of 120 A320s and 75 A321s.

Precision Aircraft Solutions this week began freighter conversion of another 757-200 (25886, ex-Air China)

for SF Airlines, the Shenzhen-based air arm of Chinese express giant SF Express [FATs 002082 – 2083]. This is the tenth 757 P-to-F conversion SF Airlines has ordered from Precision, and will be done at the Air China Technic facility in Chengdu (CTU). It is interesting because, as was the case with the ninth, it is of an aircraft SF had originally planned to have converted by Singapore Technologies Aerospace (ST Aero). In late 2013, SF Airlines placed a five-unit order with ST Aero for 15-pallet 757 conversions, becoming the launch customer for ST's 15-pallet offering. The order for five conversions by ST Aero is still in force, but SF Airlines' need is so urgent that it has shifted several aircraft awaiting conversion at ST Aero's Seletar facility (XSP) to Chengdu, while ST Aero awaits certification of its first 15-pallet conversion (a third has been moved but has not yet entered conversion). SF currently operates ten 757-200Fs, three 737-400Fs, and six 737-300Fs. As we have reported earlier, SF Airlines recently ordered an undisclosed number (which we believe to be five) of 767-300BCF conversions from Boeing, and is expected to soon begin conversion of six or more 737-300s, probably with PEMCO World Air Services.

Modern Logistics to acquire its first freighter. Brazil-based multi-modal logistics startup Modern Logistics reached a long-term dry-lease agreement with an unidentified lessor for a 737-400F (24683, ex-Orenair), following conversion by PEMCO World Air Services at the COOPESA facility at Juan Santamaria Airport (SJO) in San Jose, Costa Rica [FATs 002084 – 2085]. The aircraft was formerly owned by GECAS, but *Cargo Facts* believes it has since been acquired by another company. Modern Logistics plans to operate an integrated heavyweight freight network connecting Brazil's major industrial centers, and says it expects its freighter fleet to grow to forty units within five years. *Cargo Facts* believes this is more than a little optimistic, but does expect to see some more conversions announced in the near future.

(More news on page 2)

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A record year for AirBridge. Moscow-based AirBridgeCargo, the scheduled-service subsidiary of Volga-Dnepr Group, reported 2014 cargo volume up 17.6% over 2013 to 401,000 tonnes. While volume growth in prior years was not as high as the 17.6% seen in 2014, AirBridge nonetheless has achieved compound annual volume growth of 11% over the past five years – no mean feat in a period that saw demand worldwide either stagnant or declining for much of the time. Over the course of 2014, AirBridge added two freighters, a 747-8F and a 747-400ERF, and currently has another -400ERF on order. Once this latter unit enters service, AirBridge will operate a fourteen-unit freighter fleet, made up of six 747-8Fs, five 747-400ERFs, and three 747-400Fs.

Saudia Cargo reflecting imminent. As we have reported, Saudi Arabian aviation regulator GACA last year issued an edict requiring the country's airlines to remove from their fleets all aircraft twenty years old or older. Saudia Cargo ACMI-leases ten 747-400Fs (seven from Air Atlanta Icelandic, three from Turkey-based myCargo) of which nine do not meet the under-twenty-year standard. The carrier was given a grace period, but *Cargo Facts* has learned from a source close to the matter that the deadline is approaching and that both Air Atlanta and myCargo are well along in the process of acquiring 747-400Fs currently in the US desert, re-registering them, and moving them into operation for Saudia. How many, and how long will they stay with Saudia, are open questions, as the carrier recently acquired two 747-8Fs and has four 777Fs on order. As for the units that are about to come out of the Saudia Cargo fleet, many are unlikely to ever find a new home, and will be parted out, while a few will probably end up parked in the desert on the stands formerly occupied by the freighters that are replacing them.

West Air Sweden is about to take delivery of its first widebody jet freighter, a 767-200F (22224, ex-ABX Air [FAT 002086]). The acquisition is part of a deal which saw US-based Air Transport Services Group (ATSG, parent of ABX Air) take a 25% stake in West Atlantic Group (West Air's parent). Reports in the European media indicate the freighter will be operated for one of the big express companies (hardly a surprise), but West Air tells *Cargo Facts* that no contract has been finalized.

EAT Leipzig is adding another A300-600F (872, ex-Trans Mediterranean Airlines), bringing the total of the type in its fleet to twenty [FATs 002087 – 2088]. EAT is a subsidiary of Deutsche Post-DHL, and will operate the freighter for DHL Express. In addition to the twenty A300-600Fs, EAT Leipzig also operates eleven 757-200Fs, four 737-400Fs, eight 737-300Fs, and three ATR turboprop freighters.

Hong Kong Air Cargo Terminals (Hactl) reported its full-year 2014 handle, adjusted for the loss of Cathay Pacific's business last year, up 8.7% to 1.81 million tonnes. The adjusted growth was led by a 28.6% jump in transshipment volume to 131,000 tonnes, while import volume was up 10.3% to 498,000 tonnes and export volume rose 6.7% to 1.04 million tonnes. Hactl now also reports "Other" volume (including mail, express, and on-board courier shipments), which turns out to be fairly significant – 150,000 tonnes in 2014, up 3.1% over the previous year.

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Photo: Alex Kwanten

While many carriers have struggled in recent years, AirBridgeCargo has seen its volume grow at about 11% annually.

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