

ACSA to ramp up infrastructure for air cargo traffic

Airports Company South Africa (ACSA) plans to boost its efforts in supporting air cargo traffic growth with initiatives that aim to ease congestion and expand warehouse space in the short term and infrastructure developments that will develop capacity in the longer term.



Speaking after the recent Air Cargo Africa conference and exhibition in Ekurhuleni, the general manager of OR Tambo International Airport Bongiwe Pityi said that while air cargo tonnages are currently under pressure, development of new infrastructure in collaboration with the sector is needed to ensure that maximum advantage can be taken of the next upswing.

Total air cargo processed through OR Tambo International Airport in 2016 of 350,500 tons was about 10% down on the preceding year as global trade came under pressure. In spite of this dip, Pityi says the cargo facilities at OR Tambo International Airport are already operating at close to capacity.

“The balancing act we need to achieve is to have the infrastructure in place for when economic conditions turn, but not so far in advance that it creates an unreasonable cost burden,” says Pityi. “No one likes a white elephant, but it would be most unfortunate if the infrastructure is not there when it’s needed most,” she says.

Airfreight growth opportunities

Pityi says delegates at the Air Cargo Africa event referred to airfreight growth opportunities in pharmaceuticals, perishables and automotive parts.

"We are listening and taking note of this. Airports Company needs to hear more from air cargo stakeholders about the particular kind of infrastructure that will support their ambitions. We have assured the sector that we will not put infrastructure in the ground without being certain that it will do the job it needs," she says.

In the short term, ACSA will reconfigure and upgrade the access and frontage roads around the cargo buildings at O.R Tambo International Airport to ease congestion and reduce in-transit times.

In the medium to long term, plans for a midfield cargo terminal are being aligned with a master development plan for the entire airport precinct. Pityi says the master development plan has a horizon of decades and careful consideration has to be given to integrating plans for infrastructure that will have a potential life span of 30 to 40 years.

Further, Pityi points to major commercial and retail expansion in the airport's western precinct which is part of the Gauteng City Region's aerotropolis plan, with announcements of the precinct implementation anticipated in the near future.

Business development function

In addition to the focus on infrastructure, Airports Company South Africa has established a business development function to actively pursue new cargo routes and additional flights.

The business development function does market research and analysis, marketing, promotes traffic development and seeks opportunities to develop and manage airports.

A particular focus in terms of route development is what we know as the "southern corridor" which includes South East Asia and South America.

"The business development function is the practical mechanism for helping us achieve our vision to attract more air cargo traffic via South Africa and to maintain our status as the logistics and distribution hub for sub-equatorial Africa," says Pityi.

Attract international business

The ambition for air cargo is to attract international air transport companies to choose OR Tambo International Airport or one of the other ACSA airports as a hub for their international and regional operations.

Pityi hopes that the air cargo sector, facing reduced volumes and tight margins, will feel some relief from the 35% reduction in tariffs from 1 April 2017. "While landing fees, parking fees and other charges make up a relatively small component of total costs, margins are such that a significant reduction in charges can make a real difference at the margins," she says.

Pityi believes there is still a great deal of room in the airports space to improve processes through digitisation.

"Airports Company is investing in acquiring the skills that are needed for a digitised business as part of the strategic shift of our new operating model. There are around 35 separate digitisation projects in the pipeline for the next one to three years that will streamline the experience for airport users. In the cargo sector, one of the important projects will be cargo analytics which will enhance our ability to understand our customers in real time and to respond quickly to changing needs and new requirements," says Pityi.