

07. August 2022

Exclusive - Leipzig to be leading general cargo gateway

Leipzig/Halle Airport (LEJ) is best known for its remarkable ascent as a base for DHL Express, becoming the integrator's largest hub worldwide. Lately, Amazon and its subsidiary Prime Air have additionally spurred the throughput of e-commerce, cementing LEJ's position as a leading global gateway for express goods. In contrast, general cargo traditionally only plays second or even third fiddle at the Saxon airport. Management has decided that this has to change and contracted a well-known and respected cargo veteran to accomplish the task.

His name: Steven Verhasselt. The former Chief Commercial Officer and Head of Marketing at Liege Airport has meanwhile set up his own business, focusing on consultancy services for the logistics and cargo industry (<u>www.fbcargos.com</u>). His task at LEJ: to develop a strategy for non-express cargo as precondition for attracting additional freight carriers keen to transport standard shipments such as automotive components, machinery, consumer goods, livestock, or special freight such as temperature-sensitive items as core products in addition to some e-commerce.

The project to push standard freight up front was kicked off at the end of last year, and the plans are meanwhile well advanced. They will be presented publicly for the first time at the 13th International Air Cargo Handling & Logistics (ACHL) Conference, scheduled to take place in Athens, Greece from 05-07SEP22.



LEJ offers plenty of space for expansion - courtesy LEJ

"Great potential"

"Leipzig/Halle's aim is to become a gateway for general cargo to service the market faster than overloaded hubs are doing," Mr. Verhasselt outlines the intent. With the return of the passenger business, the bigger boys are struggling catching up with all the capacity required. "Priority is solving these issues, cargo is taking a step back again, as seen in hubs like AMS, FRA or CDG. In LEJ, however, cargo has the full attention and is priority number one," Mr.

Verhasselt states.

Germany is Europe's leading market in e-commerce and industrial production, nourishing the freight traffic at neighboring country airports, both in imports and exports, the Belgian national states. "*Therefore, it should be the leading European cargo gateway, too*," he exclaims. In 2021, representatives of Leipzig Airport approached him, asking him to develop a concept to leverage the throughput of standard cargo, a matter that has been neglected for years. He then visited the airport several times and familiarized himself with the local conditions. His impressions in a nutshell: "*There is great potential for all commodities making freighter operations successful. The basic requirements are given such as the 24/07/365 operating permit, LEJ's superb intermodal air, rail and road connectivity, the existence of two parallel runways, agile customs processes, available workforce in and around Leipzig and – above all – plenty of real estate located within the airport fence, ready to be developed," he summarizes.*

Liberalizing ground handling policy

In order to attract new business, infrastructure is key, he maintains. Therefore, constructing flexible, multi-user premises offering airside and landside access, including product-related facilities on airport and with integrated offices, are the precondition to scaling up all-cargo services, he exclaims when illustrating his plans to CargoForwarder Global. Digital infrastructure and a cargo community cloud are part of his concept. The approach is holistic and was developed in close cooperation with Konrad Best, Senior VP Business Development & Strategy, as well as with Mario Patyk and Ivan Strelnikov, leading members or LEJ's cargo team. It includes a liberalized ground handling regime.

So far, airport subsidiary PortGround is the dominant player, with competitor Swissport only running a small station. *"There is clearly room for expansion. This concerns the existing handling agents or additional partners."*

Funds are there

Verhasselt's expansion plans should not fail for lack of funds, although these still need to be consented by the top executives and controllers of Leipzig/Halle and Dresden Airport parent, Mitteldeutsche Flughafen AG. In 2019, shortly before the outbreak of the pandemic, the bodies decided on a financing package of 500 million euros, which is still valid. Airport Communications Officer, Uwe Schuhart refers to this when speaking about financing new apron areas, cargo aircraft stands, and the construction of logistics and office complexes on both the north and south sides of the airport. There is sufficient real estate available to realize the construction projects, he confirms.

IATA CEIV certified cool rooms

Touching cool chain issues, he emphasizes that the airport already offers very favorable conditions for processing temp critical items. "*Our handling agent, Port Ground is IATA CEIV certified and operates a cold storage facility with separate temperature areas,*" Mr. Schuhart illustrates. The building offers different chambers with temperatures ranging from +2° C to +25° Celsius. "*Access controls, video and temperature monitoring ensure the highest security standards,*" the airport emphasizes on its website.

Including the DHL traffic and that of its JV partner, AeroLogic (50% DHL / 50% LH Cargo), on average 1,200 freighter flights are operated weekly at LEJ. Currently, more than 70 cargo airlines serve the Saxon Airport, most as feeders for integrator DHL. Thus, 250 destinations across Europe and the rest of the world are listed on LEJ's flight plan.

Heiner Siegmund

We welcome and publish comments from all authenticated users.



Joseph Farley

(Sunday, 07 August 2022 20:38)

Mr. Verhasselt, In short: next level, utilize low cost, excess capacity in rail systems, (track time between trains/trams - part of sunk cost & opportunity cost), to link region-urban distribution demand. Required: Standardized "Feeder-Roll" carts with (RFID/IoT/AI) options for high-speed transfers to/from road "Feeder" vehicles & endless transfer points. Outbound "Feeder-Roll" carts can meet (AM-OM) road traffic constraints. One example See: Orion High Speed Logistics, UK. Regards, J.T. Farley

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