



Newsletter 

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Healthy Growth for Cargolux Asia

2008 is a challenging year for the airfreight industry as fuel prices continue to climb throughout the year and competition becomes fiercer than ever.

Thanks to Cargolux's great customer support, there is still continuous and stable growth out of Asia.

The growth rate in terms of tonnages carried out of Asia in the first 6 months of 2008 has been 2.9%.

The main contributors to these excellent results are Thailand, Malaysia, Hong Kong, Shanghai and Singapore.

Hong Kong and Shanghai in particular have made an important contribution to the positive

development in Cargolux's Asia operation. Shanghai shows a healthy growth of around 4%, despite the additional capacity added by a few carriers in 2008; the magnitude of which has leveled off.

Due to the rising costs, in particular fuel, some carriers even pulled out part of their capacity.

The support to Cargolux's Hong Kong flights remains strong, especially on all direct flights out of Hong Kong to Barcelona, Helsinki and Budapest.

On June 19th 2008, Hong Kong started the weekly Hong Kong – Vienna service to further complement Cargolux's existing Budapest service.

Furthermore, in October 2007, Cargolux started an all-new twice weekly Ho Chi Minh City – Luxembourg service, bringing the number of online gateways in Asia/Pacific to thirteen.

We appreciate your valued support to Cargolux and we will continue to provide you with the best quality service.

Matthew Ma, Vice-President Head, of Asia & Pacific



Number 16!

Cargolux accepted its final Boeing 747-400 freighter, LX-YCV - 'City of Contern', at a ceremony in Seattle. The aircraft arrived in Luxembourg on July 22nd. It is the sixteenth -400F that Cargolux has bought new from Boeing. Like the fifteen aircraft

before, the new addition to the fleet has left Seattle with a full load of cargo, thereby maximizing its utilization and potential.

For the occasion, Cargolux had invited a number of guests to Seattle, including representatives of the commune of Contern, after which the aircraft is named, and of the Luxembourg media. At the delivery ceremony in Seattle, Cargolux praised the versatility and effectiveness of its long-time workhorse and noted that this aircraft type was instrumental in the growth and profitability of the company over the past 15 years. LX-YCV comes with a modified one-off livery, with the traditional red and white stripes fading away instead of reaching all the way to the tail. This hints at a new and revamped design that will be introduced on the B747-8F.

In 1993, Cargolux pioneered the introduction of the B747-400F when it became the first operator of the type worldwide. At that time, its decision to acquire this brand-new, purpose-built freighter had been widely questioned

throughout the industry, but many of those who voiced their concern soon rushed to acquire their own fleets of -400 freighters. "Up until Boeing developed the B747-8F, the B747-400F was the most economical freighter for long range markets", explains Ulrich Ogiermann, Cargolux's President and CEO. "It allowed us to eliminate technical stops on many routes, thus improving the flow of goods and services upon which our customers rely. The B747-400F is also the most fuel-efficient long-range freighter aircraft. This has always been a key asset for Cargolux, allowing strong increases in the productivity and cost-effectiveness of our operation, at the same time providing the most environment-friendly transport of goods." The freight-specific design of the B747-400F offered great flexibility to adapt to shippers' demand: its capacity to sub-divide into four independent temperature zones makes it a particularly efficient transporter of live animals as well as perishable goods. At the same time, thanks to its nose cargo door, it is equally well suited for transporting large, bulky or heavy equipment to anywhere in the world. The first five of Cargolux's B747-400Fs are powered by General Electric engines, while the remainder of the fleet is equipped with Rolls Royce RB211-524H-Ts.

From 2009 on, Cargolux will receive 13 new B747-8 freighters that will gradually replace the -400F fleet. The new and improved -8F will be powered by General Electric's new GENx engines that are again more fuel efficient and show remarkable improvements in noise, engine and CO2 emissions. At a time, when fuel costs make up over 40% of Cargolux's cost base, the decision to again invest in the most fuel-efficient and environmentally friendly aircraft available makes perfect sense, just as it did in 1993. Only this time, there are no critical voices to be heard.



New Service from Hong Kong to Vienna

On June 19th, Cargolux started of a weekly service from Asia directly into Vienna/Austria. The new flight, CV 7534, is operated every Thursday out of Hong Kong, departing at 07.00 p.m. local, with arrival in Vienna at 03.05 a.m. on Friday morning.

Departure from Vienna is at 05.50 a.m. with arrival in Luxembourg at 07.30 a.m.

This new service was initiated upon clients' request, based on increased traffic directly into Vienna, for timely and cost efficient connections with Austria and the Eastern European region. It complements the company's existing Asia - Budapest service, with currently six flights per week (four out of Hong Kong and two from Taipei/Bangkok). Commodities flown to Vienna mainly include electronics, such as mobile phones, flat panel screens, and other electronic components. More and more manufacturing units of shippers are moving towards the Eastern part of Europe, welcoming this new time saving service that avoids the heavy road traffic and proves less costly than operations via the major traditional West European hubs.

Commodities out of Austria include heavy machinery and general cargo.

Out of Vienna, Cargolux offers an extensive trucking distribution network into the major Eastern European capitals. [view flyer](#).



Three Sea-Tac Airlines Recognized as Good Neighbors with Port of Seattle

The Port of Seattle Commission recognized three airlines at Seattle-Tacoma International Airport as winners of the 2007 Fly Quiet Awards.

For the second year in a row, SkyWest Airlines won the award for passenger airlines while Cargolux received top honors for cargo airlines. Horizon Air was also recognized as honorable mention.

The Fly Quiet incentive program was designed to honor airline companies that work to reduce the impacts of jet noise on the region. Evaluations include measuring each airline on its noise abatement flight paths, overall noise level of its operations, and compliance for testing engines on the ground. The annual awards were established by Port staff and a citizen advisory committee to increase airline and pilot awareness to benefit local communities. "We applaud the Fly Quiet Award winners as good neighbors to the communities affected by aircraft noise," said John Creighton, Port of Seattle Commission President. Both SkyWest and Horizon scored well due to their jets following noise abatement flight paths and through operation of many quieter Bombardier CRJ's (Canadian Regional Jets) which produce lower average noise levels. Cargolux scored the highest in noise abatement procedures and won a close contest over Federal Express, who had won the award three straight years.



Cargolux Kazakhstan Service

Since the early 2000's already, Cargolux had served the Kazakhstan market via Baku/Azerbaijan. Based on the steady positive market development, Cargolux started direct services to Almaty/Kazakhstan in August 2007, first with one flight per week, followed by a second frequency already in October 2007, and a third one in March of this year.

CV 8924/8934 is operated out of Luxembourg on Thursdays with continuation to Hong Kong and returns via Budapest, while CV 7987/7991 is operated on Sundays via Shanghai, and CV 7322/7333 on Tuesdays via Hong Kong, also returning via Budapest. Two of the return flights from Asia make a technical stop for fueling and crew change in Almaty.

As an oil- and gas-rich country, the Western part of Kazakhstan is also calling for reliable air cargo services. Currently, Cargolux serves Atyrau, the oil capital on the Caspian Sea shore, via Baku, in cooperation with Silk Way Airlines, and additional services are offered to Atyrau, Aktau, Aktobe and Uralsk.

On board Cargolux's flights to Kazakhstan, mainly general cargo, engineering infrastructure equipment, hi-tech items, cars, perishables and foodstuffs are flown, while upon return from Asia to Europe mostly IT related components, telecommunications and audio equipment, machinery and textiles are transported. Tonnages to Kazakhstan are increasing, while airfreight exports from the country are rather limited.

Cargolux is ready to further support the growth of the region and to offer tailor-made services with the expertise and experience of more than 35 years.

In Kazakhstan, Cargolux is represented by its GSA, Nomad Cargo. [view flyer](#)



Cargolux Fuel Surcharge

The Cargolux Fuel Price Index is subject to local laws and regulations, which prevail over the Cargolux index mechanism.

For flights originating in the European Union, the FSC is charged in Euros, otherwise the equivalent amount in local currency is due.

The weekly calculated Fuel Price Index (FPI) of Cargolux Airlines International S.A. uses an index point system, wherein 100 index points are equivalent to a price of 0.54 US dollars per US gallon jet fuel. The index value is calculated by using the prices of the following spot markets: US West Coast, US Gulf Coast, Rotterdam, Mediterranean, Arabian Gulf and Singapore. Each spot market price is weighted according to the relative

uplift percentage of Cargolux in the respective spot market area.

As these percentages are subject to change, Cargolux reserves itself the right to evaluate the uplift percentages on a quarterly basis and adapt them if changes throughout the Cargolux network have occurred.

The FSC is determined for flights originating in any given country based on:

- i. local laws and regulations, or
- ii. the equivalent amount converted in local currency if applicable, and
- iii. market circumstances.

Due to the increasing fuel prices Cargolux has recently raised its fuel surcharge, but unfortunately these additional surcharges do not cover the increased fuel cost of Cargolux.

In general the rising fuel prices are already affecting the aviation industry.

Many airlines are facing losses and in the last 6 months 24 of them have gone bankrupt. Especially airlines with older fuel inefficient aircraft are having difficulties to survive. Therefore, Cargolux foresees that, in the market, aircraft capacity will be taken out, to face higher fuel costs and lower demand.

Thanks to its fuel efficient fleet, Cargolux's growth plan will not be affected.



Racing in the Sky

On June 17th, 2008, Cargolux was honoured to transport two Pratt & Miller Corvette Race Cars, vehicle reg. BTBGG15, on board CV 7703 with final destination Chicago/USA.

Forwarding agent was First Air Worldwide Logistics of London (www.first-air.com) with whom Cargolux has maintained a longstanding good relationship. For the third consecutive year, Cargolux has moved these Corvettes from the 'Le Mans Race' to Chicago. During the grueling twenty-four hour race, the corvettes did sustain some minor body damage. Thus, it is imperative that the cars are handled with absolute care upon their return to the consignee.

It is also of greatest importance that the race cars are returned to Chicago within the three available days from the 'Le Mans Race' and handed over in the utmost condition.

Gary Pratt and Jim Miller founded Pratt & Miller Engineering & Fabrication in 1989. Their aim was to create a world-class engineering, fabrication, and racing company that could take automotive-based programs all the way from concept to reality. (see www.prattmiller.com/motorsports).



Cargolux Leads IATA E-freight at Luxembourg

Cargolux Airlines has been nominated as the leading carrier for the IATA e-freight project at Luxembourg, thereby further enhancing Luxembourg's position as a leading hub for air cargo. This endorsement was ratified at the Annual General Meeting of the International

Air Transport Association which took place last month in Istanbul, Turkey.

This appointment is part of the second phase of the IATA e-freight project; the first pilot phase was successfully implemented in November 2007 across six global locations.

The aim of the IATA e-freight project is to reduce the use of physical documents from the air cargo supply chain and replacing it with electronic messaging.

The air cargo industry today relies on paper-based processes to support the movement of freight. According to IATA, more than 30 physical documents are involved in the transport of a single shipment by air; these are generated and passed between the parties involved in the supply chain: shippers, freight forwarders, handling agents, carriers, brokers, Customs and other government authorities. This is inefficient, expensive and does not meet the speed and security requirements of modern air cargo transport.

Participants from Luxembourg's air freight industry will implement IATA e-freight standards with the objective to move the first paper-free shipments by the end of 2008.



Welcoming VIP Guests

Among a variety of commodities transported on board Cargolux's B747-400 freighters, the transportation of live animals has become an important part of the company's daily operation. Regular guests on board CV flights are horses, alpacas, day-old chicken,

lobsters, worms, turkeys, fish, cats, and dogs, to name a few. With over 35 years of experience, Cargolux has become a well-known expert in the industry for safe animal transportation.

A major part of the animals transported on board Cargolux aircraft are horses, mostly from the U.S.A., from Australia, and from New Zealand. Cargolux's B747-400 freighters and modern horse stalls are ideally inspected and maintained. The Cargolux horse stall provides for a secure compartment in front of the horses to allow the groom the possibility to ensure the safe transport of the horses during the air transportation of such VIP guests. Air conditioning and ventilation systems create the perfect environment for transportation of live animals by air.

The safety and security of animal shipments is paramount to Cargolux. Each horse container is cleaned, disinfected and continuously being cleaned during the entire flight. Sawdust, water canisters, and hay are prepared for every horse. Furthermore, an animal kit is on board the aircraft in case of any emergency.

About one hour prior to loading, the horses are led into their horse stalls, to get them acquainted with the new environment, and to exclude any flight delays. Some horses are easy to load and are really 'frequent flyers', while others need all the patience there is. Horses are the last to board in order to maintain their comfort during the aircraft loading process. This allows also for the horses to be the first to be disembarked upon arrival at destination. When the horses are transported on the tarmac to and from the aircraft, the speed of the transportation vehicle cannot be faster than 5 km/hour, that being walking speed. From the transportation vehicle the horse containers are placed on the high-loaders for loading on board Cargolux's B747-400 freighters. It is vital to handle the valuable guests with the utmost care and attention. Once the horse-containers are loaded onto the aircraft, the loading supervisor does a final check if all doors and partitions of the containers are in place and locked. The drain plugs must be in the drain holes, to avoid urine spill. He/she also rolls up the draft curtains on the containers and makes sure that the groom-doors on either side of the container are closed. If the loading supervisor finds everything in order, and the temperature correctly set for the required area, he/she will release the aircraft.

During the flight, qualified horse grooms, provided by our shippers, ensure the comfort of the horse so that no incident occurs. Since 1981, our company has been a member of the AATA, the Animal Transportation Association, adhering to the principles that established this organization, devoted to the humane transport of animals. Cargolux staff is currently holding a position on the Board of Directors of the AATA and held a position as President of the Association from 1995 to 1997 ([more info on this subject](#)). Cargolux has also held a seat on the IATA Live Animals and Perishables Board that consists of 12 members. Cargolux complies with all IATA regulations and EU Directives of Animal Transportation, and the USDA Animal Welfare Act for which the company is certified. [view folder](#).



Cargolux Transports Aircraft Body

On May 29th, 2008, an impressive Bombardier aircraft body was picked up at Grob Aerospace, Tussenhausen-Mattsies / Germany, and trucked by Mueller, Munich to Luxembourg, to be loaded on board CV 7745 to Los Angeles, departing on May 30th.

Forwarding Agent was Kuehne & Nagel (AG & Co.) KG, Munich.

Grob Aerospace is one of the world's largest and most experienced composite aircraft manufacturers since 1971. The company's head office is in Zurich, Switzerland, with its research, development, manufacturing and assembly facilities in Tussenhausen-Mattsies/Germany, where it maintains its own purpose built airfield. Within its 37 years of history, Grob Aerospace delivered more than 3,500 aircraft that have flown over seven million hours on five continents. Its product range evolved from pioneering gliders of the 70s, the record-breaking high-altitude aircraft of the 80s and 90s, to today's leading edge designed and state-of-the-art business jets (sp-n luxury jets), and to training aircraft (G 115E/EG - G 120A - G 140TP), and a special mission aircraft (for example air ambulance, maritime patrol, freight operations, hale). (see www.grob-aerospace.net.)



Cargolux Nordic Operations

On May 21st, Cargolux and Haugsted arranged an evening on the seaside outside Copenhagen where some 35 agents were invited for dinner and drinks.

This event emphasizes the company's strong presence in the area.

Cargolux counts among the major players in the Nordic region, focussing especially on the adhoc/offsize market where service and quality are of main importance. At the same time, Cargolux also ensures the flexibility to react to different market conditions.

In addition to the weekly Helsinki-Luxembourg service, Cargolux offers daily trucking services between Luxembourg and all Scandinavian ports, to feed into the company's worldwide route network.

So far, Cargolux has not seen any sign of the general tendency of dropping volumes, mainly due to shippers switching from airfreight to seafreight based on higher fuel costs, however, an increase of Asian carriers operating into the Nordic region, especially into Stockholm, can be noticed.



Cargolux Trucking Network

Cargolux operates one of Europe's largest road feeder networks to supplement its worldwide 747 freighter flights.

Cargolux has contracted around 20 trucking companies to deliver intercontinental

airfreight arriving in Luxembourg.

From Dublin to Helsinki, from Oslo to Alicante, Cargolux delivers to any site in Europe where airfreight cannot fulfil the requirement. Forwarders in Asia and America use Cargolux trucking to get more efficient delivery to major European airports and to customers' inbond warehouses. Compared with shipping through larger but more congested hubs, Cargolux's high service standards through Luxembourg save at least half a day in transit time and significantly reduce airport handling and delivery costs.

In cooperation with forwarders, special arrangements allow to pick-up and delivery at customer's door or transport any special commodity. Cargolux' trucking now carries almost one-third of its shipments directly between airport and customers' facilities. Subcharter distribution via truck from Luxembourg is also available.

Apart from Cargolux's European Trucking Services, additional Road Feeder Services are also offered in the Americas, in Central Asia, Asia/Pacific and the Middle East & Gulf Region.

see [Export / Import Trucking Schedule Europe](#).



Helicopters Onboard Cargolux

This Sikorsky Helicopter S76A++, leased from CHC Helicopter Ltd., the largest provider of helicopters for the world's offshore oil industry, was returned when its lease contract was ended, and flown onboard one of Cargolux's spacious B747-400 freighters. The

helicopter was loaded on flight CV7492, on May 21st, 2008 from Bangkok to Luxembourg, and further on to

Malabo, the capital of Equatorial Guinea in the Bioko Norte Province, onboard a PAN charter flight. Equatorial Guinea is an oil producing nation since 2004, with approximately 360,000 barrels/day. For safe air transportation, the main rotor and tail rotor blade of the helicopter, as well as the nose cover (radar cover) and the helicopter landing gears (3 sets), were carefully removed and separately packed, and together with the helicopter body, all parts were secured with straps and covers, prior to palletization and loading onto the maindeck of the aircraft. Forwarding agent was Panalpina World Transport (Thailand) Ltd, who - together with Cargolux's GSA for Thailand - Wallem Shipping (Thailand) Ltd. - ensured that everything went fine, to the consignee's entire satisfaction.

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