



Felix Keck, Managing Director,  
Traxon Europe

TRAXON India, founded in 1994, is a joint venture between TRAXON Europe and the Bird Group of India. Globally, TRAXON is a specialist when it comes to electron+fc air cargo communication, and its global network guarantees a seamless and reliable information flow. TRAXON has been offering customs solutions for India, USA and Canada for some years now, and the experience gained has helped the company to develop sophisticated customs solutions for additional countries where new regulations have become or will become mandatory.

The changing security scenario across the globe has necessitated countries to implement stricter rules for airfreight imports and exports. Traxon has taken upon itself the challenge to equip stakeholders in the air cargo with custom-made solutions in e-freight management.

In an exclusive interview with **CargoConnect**, Felix Keck, Managing Director, Traxon Europe shares the changing trends in the airfreight industry.

# Get prepared to tackle EU regulations: Keck

SHYAM KUMAR

## What are the different trends or transformations that are happening in the communication field in relation to air freight?

After a long gestation period, electronic communication is finally gaining acceptance on a mass scale in the airfreight industry. Trend drivers have been manifold. At the beginning it was the aim of airlines and freight forwarders to catch up with integrators in terms of service quality, ease to-do-business-with and supply chain transparency that fuelled the demand for e-solutions. Further pressure came from shippers who wanted to raise global supply chain efficiency. This was accompanied by the call for cost reductions.

Since 9/11, further impetus came from customs authorities and security agencies. Since the beginning of this century an increasing number of countries have introduced new legislation for airfreight imports and exports aimed at raising security levels in supply chains. Europe will follow this trend with the new EU Import Control System (ICS) which will go live in all European Union (EU) member states effective January 1, 2011.

The new ICS regulation is similar to the AMS (Advance Manifest System) or 10+2 supply chain security initiative introduced in the USA in 2004 and in Canada in 2006. Other countries such as India and South Africa also require advanced electronic reporting for security reasons.

Last but not least important initiatives came from the airline industry, i.e. IATA, which initiated the e-freight program that aims to reduce the use of paper documents in the airfreight supply chain by moving to a simpler, paper-free, electronic environment. It involves among others: airlines, shippers, freight forwarders, ground handling agents, and customs authorities.

**New customs regulations will be in place in EU and also some other countries in 2011. How would the new regime change the**

## air freight management and what are the new products and services you plan to introduce for your air cargo clients to equip them to meet the new regulations?

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Our latest additions to our Air Cargo Customs (ACC) portfolio have been solutions for South African customs, European customs ECS and, of course, ICS which will become mandatory as of January 01, 2011. Moreover, we are working on a solution for Nigerian customs which will be available in October.

Naturally, we also did not neglect the second big trend – e-freight. We have launched a document and message management system named eCargo Pouch® early this year which provides full communication transparency across the entire supply chain and is compliant to the IATA e-freight initiative.

# Interest in e-communication is increasing: Chaturvedi



Puneet Chaturvedi,  
Chief Executive Officer, Traxon India.

Indian freight forwarders still use local IT softwares which hesitate to integrate with Cargo Community System (CCS). On the other hand, their counterparts overseas have well-integrated IT solutions. While TRAXON has good penetration in the large and medium-sized forwarders in the country, the sheer number of small players is a challenge for solution providers like them. However, the company has created solutions to bring this huge mass of SME market into the e-world. Puneet Chaturvedi, Chief Executive Officer, Traxon India, gives the details.

SHYAM KUMAR

**Since Traxon is operating in the India market for almost two decade now, could you please share with us your experiences in terms of the receptiveness of Indian air freight stakeholders towards the changes happening in the e-freight?**

IT has not played an important role in the forwarding industry in India to date with respect to interfaces between the various stakeholders of the transport chain. In addition, many carriers servicing the Indian market have not got as advanced IT systems as the major global carriers.

At the same time, Indian forwarders are losing market share in their home territory due to intense competition from global players. The latter have already cornered a big share, approx. 60 per cent, of the trade. The international forwarders all have sophisticated IT systems. They have been trying to encourage their representatives and agents in India to modernize their respective IT systems and use CCS (Cargo Community System) providers.

Many Indian companies, however, still use home grown IT products and administrative systems as well as local software demanded by their clients. These do not easily integrate with CCSs. This is a hurdle we have to take at TRAXON. But I am convinced we can meet this challenge. So far, the airport offices can handle electronic documents in parts but the acceptance by the authorities is still a question mark. IATA had set a target of end 2010 for the roll-out of e-freight in India. However, so far only a small part of the preparatory work has been done. The Indian government is pushing the issue of e-freight to achieve a higher level of transparency with respect to foreign trade activities. However, it is still some way to go.

**What is the current market penetration of Traxon India, and what are the advantages your products and services enjoy over other competing products and services in the market?**

Among large and medium sized forwarders and international carriers we have a pretty good coverage. Concerning smaller forwarders, it is more difficult to tell. Their sheer number is a

challenge. But for us they are as important as the large and medium sized forwarders. We have, in fact, developed special solutions for these SMEs. Even the smallest forwarder can participate in the e-world with our product TRAXON LINE.

With seven offices in India, we feel, we are well prepared to provide our services to the Indian market. Moreover, Traxon India is an authorized 'e-channel' for access into the Indian Customs Electronic Data Interchange System.

**What are the new opportunities you see in the India market and what kind of investment you plan to tap these opportunities?**

The interest in e-communication is increasing. National and state governments as well as most major cities have huge modernization processes underway which embrace logistics. Here we can participate in many ways, from consulting to developing customized service solutions.

Compared with many other parts of the world, Indian Customs is electronically well

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advanced. Linking this with our customs experience in Europe and other countries and our global messaging expertise will help to connect the Indian market to the world.

Traxon provides quality e-communications solutions which are robust, cost effective and at the same time meet international standards. These solutions increase an organisation's productivity and competitiveness.

We have invested in a team of professionals with vast experience and understanding of various modern day technologies and e-communication requirements. We operate offices in Delhi, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, and Trivandrum to be close to our customers. Our aim is to double our footprint in this market in the next twelve months.