

Success Story

Richard Forson

President and CEO,
Cargolux Airlines International

A photograph of Richard Forson, President and CEO of Cargolux Airlines International, standing in an aircraft hangar. He is wearing a dark suit, a light blue shirt, and a blue patterned tie. He has his hands clasped in front of him and is leaning on a metal railing. In the background, a large white aircraft with a red and blue stripe is visible, along with various hangar equipment and scaffolding.

*« The main differentiator
for success is our
people. »*

Still going strong at 50

TEXT Catherine Moisy
PHOTOS Emmanuel Claude / Focalize

Cargolux is about to celebrate its 50th birthday! A half-century that has seen this air freight company become one of the jewels of the Luxembourg economy, whose influence extends far beyond national borders. To tell us about it and lead us behind the scenes, meet Richard Forson, who has spent his entire career in the air sector and has been piloting Cargolux's destiny since 2012.

Can you explain the different services proposed by the Cargolux company?

Cargolux is Europe's biggest all-cargo airline operating a fleet of 30 Boeing 747-400 and 747-8 freighters, all equipped with nose-door loading/unloading capability and temperature-control for the different zones to move valuable and time-sensitive commodities, e.g. pharmaceuticals, perishables on its global network of more than 75 destinations on scheduled services. Our flights are complemented by an extensive trucking network (especially in Europe), that serves 330 airports.

Since its inception 50 years ago, the airline has established itself as a high-quality, reliable air cargo carrier. Live animals, perishables, temperature-sensitive shipments, valuable shipments and oversized freight benefit from Cargolux's proven expertise. In addition, the carrier offers full or part charter services to cater for all customer needs. Its highly trained and dedicated staff guarantee the best possible handling of its customers' shipments.

Who are your competitors and what are your success?

As a cargo-only operator, we face competition not only from other all-cargo carriers but also increasingly from combination carriers who transport both freight and passengers. These airlines have the option to move cargo in their belly holds which is a significant advantage since the aircraft is already flying passengers. Integrators, such as UPS or DHL, also only operate freighters mainly in the express market segment, (B2C), but are able to offer main-deck freighter capacity in the market for bulk shipments. The number of 747 freighters currently operating is declining in the market as there are no more being produced. Consequently, I believe that the capability of the 747 will become more valuable over time due to its ability of load and carry off-size and heavy freight. As an all-cargo carrier with a single-type fleet, we offer more options for our customers when it comes



to flexibility of operations. Cargolux also offers charter services which are tailored to individual customer requirements, regardless of the shipment.

However, the main differentiator for success is our people. Without their pride, dedication and loyalty towards Cargolux we would not be where we are today, and I sincerely thank them for their contribution to the company.

How are your key figures evolving (volumes transported, aircraft fleet, offices around the world, staff, etc.) since the birth of the company in 1970?

The company has grown significantly since its inception almost 50 years ago when it had a single aircraft and a handful of employees. Despite difficult periods, Cargolux has always pulled through and focused on being successful. As the air cargo industry developed with growing international trade leading to growing air freight demand, so too did Cargolux. Throughout its history the company has strived to position itself as a pioneer and maintain a flexible and adaptable approach to business. Several key milestones, such as the decision to be launch customer of both the B747-400 and B747-8F freighter, have propelled Cargolux as one of the leaders in air cargo. Our global network now counts over 75 destinations and we employ more than 2,000 people worldwide. The company has evolved with the globalization in trade leading to record annual volumes of over 1 million tons in 2017 and 2018. Cargolux is one of the few all-cargo carriers boasting almost 50 years in existence and we have consistently been ranked as one of the top 10 international cargo carriers in the industry.

How many different jobs exist at Cargolux? Can you easily find candidates for these positions?

Cargolux offers a plethora of jobs in all kinds of areas, such as Flight Operations, Maintenance & Engineering, Global Logistics, and Finance and Administration. Our industry requires all sorts of skills and talent on many different levels. Some of the positions are quite unique to air cargo or the aviation industry; such as aircraft mechanics, pilots, loadmasters and flight planning, to name a few. These roles call for specialized competencies and training tailored to the nature of the position. It can be challenging to find matching profiles for such unique jobs. Our search for suitable candidates spans not only Luxembourg but neighboring countries and others within the European Union. We count close to 40 different nationalities among our workforce.

Our company also offers positions that demand more mainstream skills in areas such as finance, human resources, or sales, for example. Employees are also provided with on-the-job training to ensure service

excellence regardless of the position they hold in the company. We are continuously looking for new talents to complement our teams.

Your company is a member of Cluster4logistics. What does that mean to you? What interactions do you have with other logistics players in Luxembourg?

Cluster4logistics offers all players a platform to exchange and collaborate to ensure that the best and smoothest solutions are found for logistics issues. The organization acts as a window to showcase the Grand-Duchy's logistics sector. All members are invited to take part in conferences and working groups to define priorities and further establish logistics as a viable commercial enterprise.

As Europe's number one all-cargo carrier and a major player in the Luxembourg logistics sector, it is crucial for Cargolux to promote transparency and collaboration in the field. The airport and cargo center are established as a transit hub for freight and with the development of multimodal transport solutions in Luxembourg, it is crucial to encourage transparency and cooperation between all actors in the logistics industry. The Grand-Duchy is intent on developing

this sector to diversify its economic activities; the presence of an uncongested airport, local cargo airline, as well as road and rail transport options, offer unmatched potential.

How do you see the growing concern for environmental issues: is this an opportunity or a threat to your business?

Aviation as an industry is strongly concerned by environmental issues and for many years already strives to take action to mitigate its negative impact. As regards Cargolux, one of the airline's key business principles is to continuously strive to operate with the smallest possible impact on the environment, be it in terms of CO2 emissions, noise or other waste materials. Accordingly, the airline invested close to US\$ 3 billion in acquiring 14 747-8F freighters, that are currently the quietest and most fuel-efficient aircraft in their category, in renewing part of its fleet. We have also developed countless fuel-saving programs and flight procedures throughout the company to enhance efficiency and reduce unnecessary fuel burn.

The airline demonstrated its commitment to environmentally sound operations in 2007 already, by signing up to the UN Global Compact. In doing so, the airline pledged to apply 10 key principles of sound management from





an environmental and social point of view. As much as the aviation sector is targeted at the moment in terms of emissions, the airline industry has made enormous efforts over the last decades to improve environmental efficiency, both in terms of fuel burn, CO2 emissions and noise. Technological advancements and updated procedures are continuously implemented to further enhance aircraft efficiency. The whole logistics chain is embracing these changes and such issues have become a priority for us as an operator, as well as for our supplier and customers. Cargolux has a solid background of putting these issues at the center of its commercial strategy, an initiative that is increasingly commended by our stakeholders. As an all-cargo carrier, Cargolux has a certain amount of flexibility when it comes to operations. Our business depends on customer demands and commercial hotspots which enables us to adapt our services to trade lanes. We do not have the same restrictions as passenger airlines when it comes to scheduling; this allows us to optimize our routings and network on a continuous basis. From an emissions perspective all airlines, passenger and cargo, contribute 2% of current emissions and the continuing development by the manufacturers of more efficient aircraft,

such as the B787, A350 and B777X (under test still) and the significant investment by airlines in these aircraft demonstrates the significant commitment by the aviation industry to play its part in reducing CO2 emissions.

You are one of the partners of Expo 2020 Dubai. What does this partnership consist in? Why is it important for Cargolux?

As a Luxembourg based company operating globally, it is important for us to promote our home country's expertise and potential on a global scale. Cargolux is considered an ambassador for the Grand-Duchy and we are always proud of supporting initiatives that increase Luxembourg's visibility and look forward to taking part in this adventure. In the framework of the Expo 2020 in Dubai, Cargolux is a partner of the organization. We are proud to contribute our support to showcase the Grand-Duchy's expertise on the theme "Connecting Minds, Creating the Future". —

Useful link:

For more Information about Cargolux:
www.cargolux.com/Home

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04. Cargolux has more than 85 offices in over 50 countries.