

The “coolest” off-airport hub in Italy

In Italy, Swiss WorldCargo and the company Freschi & Schiavoni are “one and the same”. Our transportation and ground-handling partner shares the facilities at the Milan Vignate off-airport terminal with the Swiss WorldCargo Italian team. Over the years, the two companies have developed their business in close cooperation to meet the ever-changing needs of the Italian air cargo market. Together, they seem to be ready to face the challenges of the future. We took the opportunity of a visit to the recently expanded cool facilities in Vignate to have a talk with the co-owners, Betty and Primo Schiavoni.



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As Betty Schiavoni introduced me to her father, who is 80 years old and who founded the company in the sixties, she told me he took her in a truck for the first time when she was six months old. She sure has a lot to say about the industry. She and her brother Primo have been working for the company for about 30 years, and are now managing the family business together, respectively in the roles of Commercial and Operations Directors.

Besides providing transportation services for major international airlines and, more recently, GSAs, air freight agents and NVOCCs, the company offers a wide range of physical and document handling services, security checks, customs assistance, handling of special products, including temperature-controlled shipments – with passive and active solutions. Every year, they handle and transport around 130 million kilos of cargo, mostly in the form of exports or towards the airport of Milan Malpensa, XX of which on behalf of Swiss WorldCargo.

The company operates domestic connections with Swiss WorldCargo's offline stations in Italy, namely Venice, Bologna and Turin, where shipments are collected before they are transported to the Milan Vignate off-airport terminal and, further on, to Zurich and Geneva with daily scheduled truck

operations. The Vignate facilities may not be the biggest in Italy in terms of size and traffic, but they are definitely among the most state-of-the-art ones in the country.

Why an “off-airport” hub?

Primo: The “off-airport handling” model was actually launched by SwissAir in cooperation with our company. The former Swiss national carrier was in fact the first airline to introduce scheduled feeder services in Italy about 40 years ago. When air cargo started to expand in the 70's, Alitalia did not have enough capacity. Due to the poor infrastructure at Italian airports at that time, foreign carriers had to find local RFS companies to transport the cargo to the major airports across the Alps and then ship them across their network.

Is this model still dominant in the Italian air cargo market?

Betty: Even though the scenario has become more complex and full freighters operating from Milan Malpensa are now big competitors (50% of air cargo traffic is transported via the northern Italian hub), most

belly cargo carriers from Europe still rely on RFS and off-airport handlers, because they mainly operate with small aircraft having little or no cargo capacity. Anyway, we are the only company still operating international RFS on behalf of airlines in Italy today: the stringent cost review process implemented over the last few years has discouraged many Italian forwarding companies from using air freight and opting for sea freight instead.

How do you manage to remain competitive?

Primo: The industry is becoming increasingly demanding and in order to remain competitive and meet our customer's requirements, we are constantly investing in improving our service and our infrastructure. Swiss WorldCargo has always been a driver for such investments: for instance, during the course of 2017 we have expanded our cool facilities to cater for the increasing demand for pharma and food shipments.

At the end of May we inaugurated a storage room which offers expanded capacity (about 200 euro pallets) for temperature-controlled shipments (COL, FRO, CRT). Re-

Swiss WorldCargo Italy – Pharma & Food traffic figures 2017

+21%
pharma traffic
overall from Italy



+23.5%
pharma traffic
from Milan

+50%
of shipments with
active solutions



Main pharma
destinations:
JFK, TLV,
HKG, SJU



+10%
traffic of foodstuffs
overall



+7.9%
traffic of foodstuffs
from Milan

Main food destinations
from Italy:
JFK, LAX,
HKG



cently, we also secured HACCP compliance for perishable goods, as well as GDP and CEIV compliance for the handling, storage and distribution of pharma products.

We have quite considerable experience in temperature-controlled shipments after all: Since 2000, we have been the official handler for Envirotainer in Italy and we were among the first companies to invest in temperature-controlled trucks: half of our fleet of 40 vehicles are actually TC and next year several more will be introduced.

Why was there such growing demand for pharma & food shipments?

Betty: The pharma industry is constantly growing on a global scale and it is also one of the main pillars of the Italian economy at the moment, with a large number of international and local companies having their production sites in the country. As a multi-site, global business, the pharma industry relies on air transport for its speed, reliability and efficiency in delivering high-value, time-sensitive, temperature-controlled cargo. From Milan, pharma shipments (which account for 80% of the total Swiss WorldCargo traffic) have increased by about 23% this year.

As for food, what do people think of first when you say Italy? Definitely the excellence of its food! Food & wine have always been one of the country's main export sectors. The demand for “good food” has increased over the last few years though, with the “foodies culture” spreading especially among the younger generations. Swiss WorldCargo transports a large amount of cheese and cold cuts – especially ham – but also wine, oil, pickled vegetables or vegetables preserved with oil and other delicacies, for the joy of gourmets from the US and Asia. From Milan, it represents about 20% of the traffic and this year it has increased by about 8%.



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We have talked about the challenges of the past and the present: let's talk about the future.

Primo: We believe we can only meet the future if we invest in digitalization and automation, in order to improve efficiencies and data transparency. Of course, we have already started. For example, we have provided our drivers with an “app” which allows them to manage deliveries and send real-time information to our customers' tracking systems. Our warehouse is already semi-automated, with a management system running on iPads. Soon we will also invest in technology making it possible to weigh and measure shipments simply using a picture or barcode scan or via RFID.

Together with Swiss WorldCargo we are sure we will find the best way into the future. Swiss WorldCargo is “our heart”, and we will continue to adapt our business in close cooperation and with the same pragmatic approach.

More information at:
freschieschiavoni.it