

Our cargo strategy

Timely, reliable and easy
to do business with



Heathrow will be one of Europe's best airports for cargo

Heathrow is Britain's largest port by value, handling 30% of non-EU exports. Our ambition is to become one of Europe's best airports for cargo. We have listened to our customers and developed a cargo strategy that will take us there.

Our cargo strategy will lift freight volumes to three million tonnes a year by 2040 through improved service and increased capacity from a third runway. Our aim is to become a trusted partner – timely, predictable and easy to do business with.

Our plan for cargo

- Halve current throughput times to be more efficient
- Make cargo throughput times predictable to reduce costs
- Add cargo capacity at the airport to generate additional cargo volumes for our airline partners
- Work with the cargo community, through engagement and discussion
- Grow cargo sustainably, while minimising the impact we have on our neighbours
- Be 100% e-freight compliant to reduce waste, costs and delays
- Be a great airport of choice for cargo
- Provide a safe working environment.



The natural choice for a primary cargo airport

The UK economy depends on airfreight, and Heathrow is at the heart of that business. We're the UK's largest port by value, transporting more than Felixstowe, Southampton and Liverpool combined.

95% of the global economy is within reach of a direct flight from Heathrow. We're also uniquely placed as a transatlantic and European gateway. Nowhere is better placed to connect UK exporters to the world and help the UK achieve its target of doubling UK exports to £1 trillion by 2020.

32%

(= £107bn) of all UK goods by value

70%

of all UK air-cargo trade

Enlarged and more efficient cargo infrastructure

As part of our strategy to become one of Europe's best airports for cargo, we are redesigning our facilities and infrastructure:

- We will redevelop areas and build new facilities to meet rising demand when required, in association with SEGRO and in consultation with the cargo community
- We will consult with our stakeholders on a revised commercial model to support and incentivise cargo volume growth
- We are actively reviewing facilities to better meet shippers' and forwarders' needs such as a perishable / pharmaceutical centre, goods vehicle call forward facilities and a distribution and consolidation centre close to the airport.

Faster security and free flow of traffic

We will consult with stakeholders to identify, change or remove processes that cause delay in export or import clearance times.

Our plans include:

- More efficient airside access with airlocks and compounds to move cargo between landside and airside
- Streamlining paperwork – to reduce errors and speed up access to aircraft
- Automated systems for vehicle tracking and access.





Speedier air-to-air transhipment

We will simplify air-to-air transhipment to reduce costs for handlers and airlines whilst making it easier to connect to global markets.

- Set up an on-airport facility to eliminate the need for transhipments to go through the cargo area or pass through control posts twice.

Streamlining our air-to-air processes is good for all parties:

- Reducing aircraft-to-aircraft transit times
- Creating opportunities for new freight connections
- Reducing trucking costs for handlers
- Reducing emissions
- Freeing up warehouse space
- Improving customer satisfaction.

We have listened to the industry

We know what we need to do to become one of Europe's best airports for cargo because we've listened to our stakeholders and are now turning insights in to action. We are confident because we've done it before for passenger service.



- Best Airport in Western Europe for three years running, as voted for by passengers in the Skytrax World Airport awards.

Now we've set ourselves the target of becoming one of the best European airports for delivering a timely and predictable cargo process – protecting stakeholder interest, driving revenue for shareholders and growing the UK economy.

Making cargo more sustainable

We're continually working to diminish the environmental impact of our cargo operation. Our plans involve a much more efficient operation using fewer cargo vehicles which will run on alternative sources of fuel. Efficiency also reduces waiting times which means less engine idling from all vehicles connected with cargo.

Since 95% of Heathrow cargo flies bellyhold in passenger aircraft, our operation is inherently more sustainable. The bulk of Heathrow cargo travels in aircraft that would be flying anyway.

By expanding our cargo operation, we attract more efficient aircraft to Heathrow – planes that fly cleaner and more quietly also have greater cargo capacity.

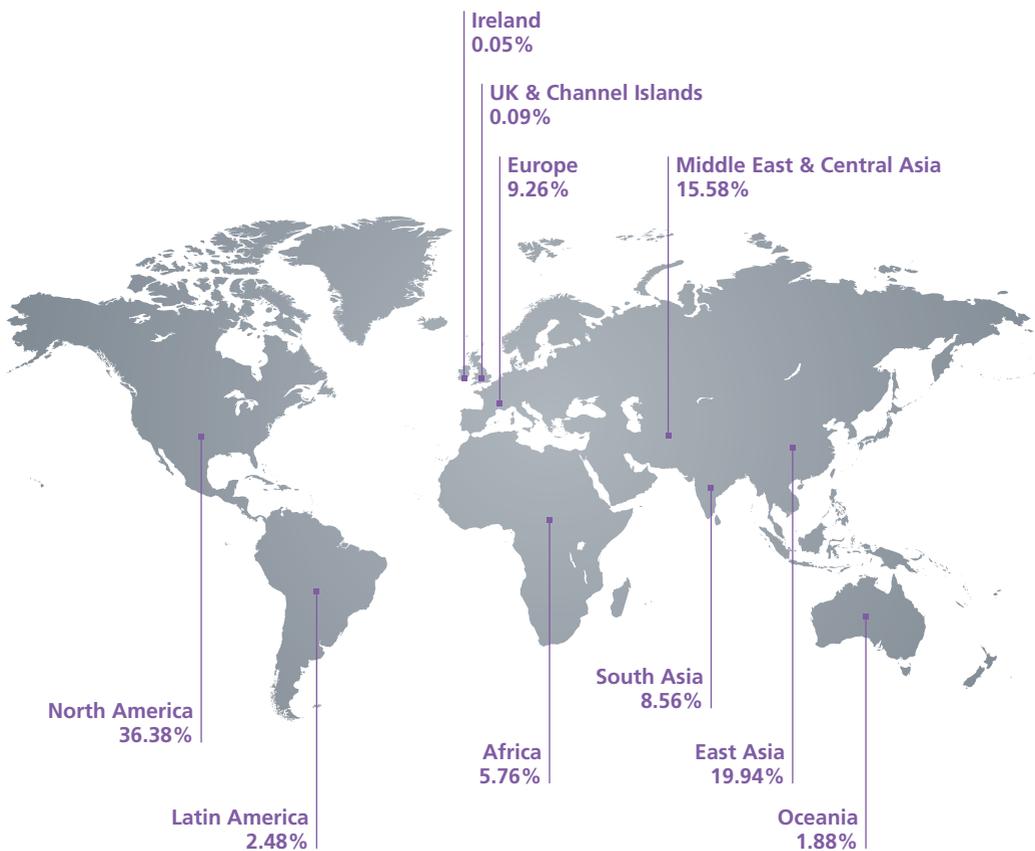
95%

of Heathrow cargo flies bellyhold in passenger aircraft





Cargo volume in 2016 (by market)



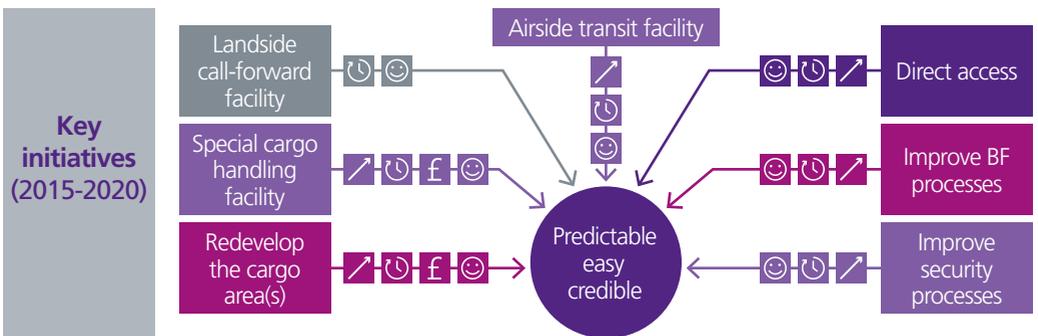
Total 1.54m tonnes

Heathrow's cargo zone: well-placed for all four terminals



Ambition	Be the best European airport* for delivering a timely and predictable process
Purpose	Make Heathrow an easy airport to do business at
Objective	Be a credible airport for cargo

Key themes				
	Minimise and stabilise throughput time	Grow cargo capacity and volume	Grow cargo revenue	Improve customer satisfaction



*European airports >1 million tonnes (relevant peer group)



Exporting flavour

With the mission to create the best-tasting popcorn in the world, Joe & Seph's gourmet popcorn is hand-made in small batches using all-natural ingredients.

Founded six years ago, the family business employs fifty people at their North London home, producing 40 "air-popped" award-winning flavours.

All-natural ingredients mean a shorter shelf life compared to other brands on the market, so time to market is critical - and with over 2,500 stockists globally, air freight has become an increasingly important part of Joe & Seph's growth strategy.

Using forwarders including Bolloré and Kuehne Nagel, they now export to over 25 countries from Heathrow, including the UAE, Nigeria, Maldives, Japan, Suriname, Australia, and the United States, delivering popcorn to Hong Kong in less time than it takes to transport it to Germany by other methods.



95%
of Heathrow's freight travels
bellyhold in passenger aircraft



Some of the items we carry

If you have any comments or suggestions,
or would like to know more, please contact:
w: heathrow.com/cargo
e: cargo@heathrow.com

© Heathrow Airport Limited 2017
TRI v3 May 2017

Heathrow