LET'S MOVE THE WORLD, TOGETHER
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THE SITA BOARD IS TASKED WITH SUPERVISING THE ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES TO ENSURE THE EFFECTIVE OPERATION OF THE GROUP
KEEPING THE WHEELS OF THE AIR TRANSPORT INDUSTRY IN MOTION

CHAIR’S STATEMENT

Dr Omar Jefri
Q. WHAT WERE THE BOARD’S MAIN TAKEAWAYS DURING 2018?

A. The SITA Board recognizes 2018 as another very good year for SITA. Our role on the Board includes overseeing SITA’s financial and operating results, and we were pleased with SITA’s accomplishments through the year.

The last two years have shown SITA’s return to growth, as outlined in the CEO Report. In 2018 we witnessed good financial performance, along with important ongoing operational improvements throughout SITA’s organization, as part of SITA’s transformation.

The Board believes it is to SITA’s credit that, through the ability to constantly transform, SITA remains as relevant today as when it was founded to deliver global communications for the fledgling air transport industry.

In fact, SITA has successfully worked at the heart of the air transport community for decades, with 2019 being its 70th anniversary year.

As we make clear in this Activity Report, SITA has always played a major role in moving passengers around the world, providing IT and communications services that keep the wheels of the air transport industry in motion.

Over the years, air transport has become increasingly complex and global. And in the IT space, the industry is seeing far more competition than ever before. So SITA has done well to remain a leading player in its chosen markets.

The SITA Board also believes that the last two years have been extremely important in enabling SITA’s turnaround. They have put in place strong foundations on which to build for SITA’s future, guided by a clear strategic direction.

Q. PLEASE TELL US ABOUT SETTING THAT STRATEGIC DIRECTION?

A. SITA’s strategic direction is set out in its Long-Term Business Strategy. The Board plays a key role here, working with SITA’s leadership team and the SITA Council to help drive the development and implementation of the SITA strategy.

In addition, each year we approve the three-year rolling business plan, which sets out the organization’s 2019-2021 priorities.

In doing this, we are helped by the fact that SITA Board Members have experience and expertise spanning aviation, technology, operations, legal, financial and business transformation. This ensures a close understanding of the needs and ambitions of our community and SITA’s Members and customers, and it enables us to appreciate the strengths of SITA’s business plan.

The context of that plan is a changing market. The industry is seeing the emergence of new and intense competition. This includes some of the industry’s biggest players.

In the face of this, setting the right strategic direction for SITA is critical. There are excellent opportunities for SITA to grow. The Board is pleased to see that the Three-Year Business Plan aims for an annual growth rate which compares well with the overall annual growth rate of SITA’s target markets.

Those growth markets for SITA are focused at airports and around aircraft. They include airport management, baggage processing, border management, and aircraft communications.

“SITA has successfully worked at the heart of the air transport community for seven decades. The organization has always played a major role in moving passengers around the world, providing IT and communications services that keep the wheels of the air transport industry in motion.”
The air transport industry needs to work together to resolve common concerns and imagine new solutions. For this reason, SITA has never been more relevant and never better positioned to help global air transport continue to grow and prosper.

Q. WHAT DOES THE BOARD SEE AS BEING MOST CRITICAL TO SITA’S GROWTH AND SUCCESS?
A. It is critical that SITA stays focused on its strategic direction. Importantly, this includes building on the strengths of SITA people, equipping them with essential skills for today and the years ahead. This is a 2019 priority, which is seen as ‘A Year of Learning’ for the SITA organization.

Let me single out two of the other critical priorities for the year ahead, which are part of SITA’s business plan. They are the simplification and transformation of SITA’s portfolio, and innovation. Both are key to SITA’s continued growth and future success.

The Board sees the good progress already made in restructuring and simplifying SITA’s product and solution portfolio. The approach very much centers on SITA’s community role, addressing key trends and helping to tackle the painpoints that the industry faces.

SITA’s community role continues to be reflected in its approach to innovation too. The SITA Board supported several areas of focus for innovation. As a priority for SITA, we see this as delivering great value to the air transport community – a key SITA objective.

Q. WHAT IS THE BOARD’S VIEW OF THE TRANSFORMATION TAKING PLACE AT SITA?
A. In addition to SITA’s Long-Term Business Strategy and business plan, the SITA Board has oversight of the company’s ongoing transformation, across the areas of the customer journey, delivery, portfolio transformation and culture.

We see SITA’s continued organizational transformation across all of these areas as essential for the company’s strategy and business plan to succeed, for SITA to meet its growth goals and satisfy the requirements of customers.

The changes introduced over the past two years are very encouraging. They have been meeting – and in many cases exceeding – expectations.

We have noted an increasing Net Promotor Score, helped by a strong rise in on-time project delivery, and successes in streamlining software production.

The Board has been impressed with the progress being made, including SITA’s own operational efficiency. The CEO Report explains this further (see page 18).

There is always much more to do – and demanding targets for the future have been agreed. But there is a direction and drive behind SITA’s strategy and transformation with an emphasis on key metrics for success and the further simplification of SITA.

Q. WHAT WILL THAT SIMPLIFICATION ENTAIL?
A. In 2018, the SITA Board and SITA Council approved an important transition program called ‘SimplySITA’. The purpose of the program is to bring important changes to SITA’s structure and how the business of SITA is conducted.

SimplySITA aims to simplify SITA’s structure and reinforce SITA’s position as a strong provider of connected IT products and services to the air transport industry. At the same time, it will retain SITA’s governance and unique position of being wholly owned by the industry.

The envisioned changes to the structure will be in line with SITA’s Long-Term Business Strategy, taking into account the changing technology landscape in which applications and networks need to be more and more integrated. The plan is to reinforce SITA’s position as an industry innovator, as well as its ability to adapt to business and regulatory changes across the world.

SimplySITA aims to enable SITA to be an agile partner. It will deliver a stronger SITA, a sustainable SITA and a simplified SITA.
Q. YOU MENTIONED KEY TRENDS IN THE INDUSTRY?
A. The industry is seeing more growth in passenger numbers, stable margins and 10 years of net post-tax profit. Some slowdown in growth is likely, but long-term the pressure on capacity and passenger flow will build.

SITA is closely following these trends, introducing technology that is critical to handling more passenger numbers. Again, SITA’s response is community-led. For IATA’s Resolution 753, for example, SITA launched BagJourney. Another example is SITA Smart Path™, which brings biometrics to the task of creating the seamless passenger journey.

Q. FINALLY, WHAT ARE YOUR REFLECTIONS AS SITA CELEBRATES ITS 70TH IN 2019?
A. I believe the 11 airlines who founded SITA in February 1949 had great foresight. They recognized that sharing communications resources would provide cost efficiencies and global standards, to help the industry grow (see page 24).

Collaboration and sharing have always been central to SITA’s vision. This original vision has never been lost. In today’s highly interconnected global air transport industry, this focus on sharing and cooperation is more important than ever, if we are to truly achieve ‘Easy air travel every step of the way’.

So we need to work together to resolve common concerns and imagine new solutions. For this reason, SITA has never been more important and never better positioned to help global air transport continue to grow and prosper.

Dr Omar Jefri
SITA Board Chair
COUNCIL PRESIDENT’S STATEMENT

Ashish Jain

SITA IS ALL ABOUT COLLABORATING AS A COMMUNITY
Q. WHAT WERE THE YEAR’S HIGHLIGHTS FOR THE SITA COUNCIL?

A. The SITA Council was pleased to be working with the SITA Board and SITA management at several levels during 2018. We continued to represent the interests of the SITA Membership. We played a key role in evaluating the value that SITA provides to the air transport community and we ran the first SITA Council Awards, to recognize the work of SITA employees in the areas of innovation and customer service.

We concluded the year by canvassing the thoughts and opinions of our Council Representatives on where to best focus our efforts in 2019. And we continued the life-changing work of the SITA Air Transport Community (ATC) Foundation.

“SITA is all about collaborating as a community to determine the strategic direction of air transport technologies and innovation. That’s why SITA Membership is so important, to ensure we are all represented and can address the issues we face collectively.”

Q. YOU MENTIONED SITA MEMBERSHIP?

A. Yes. SITA is all about collaborating as a community to determine the strategic direction of air transport technologies and innovation. That is why SITA Membership is so important, to ensure we are all represented and can address the issues we face collectively.

SITA Council Representatives remain the voice of SITA Members, calling on aviation experience from every corner of the globe. They are very proud of their role in helping to steer the direction of SITA, which has been a focal point for our industry’s IT development for 70 years.

Our Representatives continue to provide guidance and expertise on the needs and interests of all SITA Members, from the largest airlines to the smallest airports. We aim to represent and safeguard those interests, and ensure that SITA and the SITA Board understand Membership perspectives.

Q. HOW HAS SITA MEMBERSHIP EVOLVED?

A. We have seen many changes in our community over the years. This has led not only to substantial consolidation, but also to new entrants who have come and, in some cases, gone. Not surprisingly, as the industry itself sees these changes, so too has SITA’s Membership.

I am delighted to report that in 2018 we had a record number of applications for SITA Membership, as well as confirmed new SITA Members. This has been helped by a number of innovations and changes to our Membership program over the last two years, to ensure its continuing attraction and relevance.

In the 70th anniversary year of SITA (2019), I would like to pay tribute to the many SITA Members who have been with us over the decades (you can see some of the major anniversary milestones this year for our Members on page 16). But also, let me commend and recognize the 11 original airline Members who had the foresight to create SITA all those years ago (see page 24).
Question: It's a SITA Objective to provide value for members. How was that reflected in 2018?

Answer: The initiatives taken to deliver value to our community of members are summed up in SITA's Community Value Index (CVI). This is derived from online surveys of all SITA customers (with almost 1,000 responses during the year), as well as SITA Council Representatives.

The result this year was strong, exceeding both the 2017 score and the target. SITA's CVI, at 3.76, has increased greatly, exceeding the target of 3.60 and 2017's score of 3.61. There was a notable improvement in Council Representatives' perceptions of all value drivers, but particularly in community value.

For reasons obvious to every member, innovation is critical to building stronger community value. That explains the new invitation-only SITA Innovation Forum in 2018, following the Annual General Assembly. The Forum set out to identify use cases for innovation and new technologies that would be of value to our community. Areas included technology-enabled collaboration, predictive disruption, the seamless passenger journey and the autonomous airport. Some 290 use cases were identified for further study.

Other innovation opportunities retained a strong focus on delivering community value. The Aviation Blockchain Sandbox and Digital Twins projects, for example, where SITA is exploring new and innovative ideas with potential to add real value. (See the Business Review, page 26.)

Council Changes

We thank those whose term on the SITA Council ended in 2018 and we welcome those new representatives who took their place. We remember particularly Hazem Khalil from EgyptAir, whose untimely passing shocked us all.

Ashish Jain of Qatar Airways succeeded Jappe Blaauw as Council President at the 2018 Special General Assembly, and Kerry Peirse of Cathay Pacific was elected as Deputy President at the 2018 Annual General Assembly.

The following left the Council during 2018: Eash Sundaram - North America Group (JetBlue Airways); Giorgio Callegari (PJSC "Aeroflot"); Gregory Gilchrist (Information Communication Technology Group (Sabre)); Jappe Blaauw (KLM and former Council President); Jim Phoenix (American Airlines); Juan Pablo Muñoz (LATAM Airlines Group); Ken He - North Asia & Pacific Group (Hainan Airlines); Richard Forson (Cargolux Airlines); Roberto Jimenez - Latin America & Caribbean Group [LATAM Airlines Brasil].

The following were appointed to the SITA Council during 2018: Adib Charif - Middle East & India Group (Middle East Airlines — Air Liban); Andrew He - North Asia Group (Hainan Airlines); Dirk John [LATAM Airlines Group]; Ilia Perevalov (PJSC "Aeroflot"); Jose Luis Quesado - Latin America & Caribbean Group [LATAM Airlines Brasil]; Juraj Liska - Northern Europe Group (Ceske Aerolinie); Martin Bordt [Cargolux Airlines]; Paul Elich (KLM); Sherine Fahmy - Middle East & North Africa Group (Egyptair); Wayne Moss (Delta Air Lines).

Another example is SITA's membership in August of the Sovrin Foundation to help support the development of an independent network for decentralized identity management and self-sovereign identity. This will give travelers or identity holders control of their data, without requiring management by a central authority.

I should also mention the value that SITA's research continues to bring to the community, providing benchmarks and IT intelligence for airlines and airports. In 2018, this included SITA's Air Transport IT Insights and Cybersecurity Insights research, and of course the SITA Baggage IT Insights report.
“Our SITA Council Representatives are the voice of SITA Members, calling on aviation experience from every corner of the globe. We are proud of our role in helping to steer the direction of SITA, which has been a focal point for our industry’s IT development for 70 years.”

Q. SO INNOVATION REMAINS A BIG FOCUS. HOW DID THE SITA COUNCIL AWARDS HELP?

A. The Awards, established in 2018, recognize the efforts and successes of SITA teams across the world in providing value to the air transport community. They also reinforce the close and continuing relationship with Members. ‘Innovation’ was one category, and ‘Stepping Up for the Customer’ another. Over 50 entries were received.

After a review by a SITA Executive Team, eight submissions in each category were passed to the SITA Council Award Panel. Their recommendations were discussed by the Council in December 2018 and the winners announced at SITA Sales events in early 2019.

First in the ‘Innovation’ category was the introduction of Mobile Passport Control at Miami International Airport. Second was Flight Disruption Prediction at Changi International Airport and third was the introduction of SITAONAIR’s weather awareness solution – eWas – at Air France. The biometric initiative developed with JetBlue was also commended.

Joint winners in the ‘Stepping up for the Customer’ category were: the support provided for the opening of Changi T4, and a project completed for the Australian Department of Home Affairs. Third came SITA support provided to Delta Air Lines.

Q: TELL US ABOUT THE SITA ATC FOUNDATION’S PROGRESS?

A. The SITA Council set up the SITA ATC Foundation to help build skills capability in the next generations of young people in Africa. Many sub-Saharan African airlines and airports have been among SITA’s most loyal Members and customers. Today the continent is changing radically, economically and socially, with huge potential.

We wanted to help by creating access to, and opportunities in, IT. By selecting programs that look at three levels of education (secondary, graduate and post-graduate), we have been building a sustainable approach to learning and broadening the horizons of students who may not otherwise have the chance.

You can read more about the SITA ATC Foundation on page 42. But I can tell you that since it launched its first projects, around 83,000 students have been positively impacted across five African countries. In keeping with the aims of the Foundation to bring ICT and education to young people, we have adopted the UN Sustainable Development Goals (SDGs) of Quality Education and Gender Equality as key criteria.

We have been able to create new computer labs at schools, train teachers, fund courses and support some of the most promising students through tertiary education. This is making a real difference and I hope that we can keep building on these early successes.

Ashish Jain
SITA Council President
SITA COUNCIL REPRESENTATIVES

OUR COUNCIL REPRESENTATIVES ARE THE VOICE OF SITA’S 400-PLUS MEMBERS

Ashish Jain
Qatar Airways
Council President

Kerry Peirse
Cathay Pacific Airways
Council Deputy President

Radin Asrul Adza
Airport Group
(Malaysia Airports)

Martin Bordt
Cargolux

Adib Charif
Middle East & India Group (Middle East Airlines-Air Liban)

Kelly Cunningham
United Airlines

Abe Dev
Etihad Airways

Susan Doniz
Qantas Airways

Paul Elich
KLM

Sherine Fahmy
Middle East & North Africa Group
(Egyptair)

Siti Hafsah
Malaysia Airlines

Elizabeth Haun
British Airways
# SITA MEMBERS

## MEMBER MILESTONES

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# Welcome to Our New Members in 2018

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CHIEF
EXECUTIVE OFFICER’S REPORT

MEETING THE INDUSTRY’S CHALLENGES, TOGETHER

Barbara Dalibard
INTRODUCTION

I am pleased to report that SITA is clearly back on a path to growth. At US$1.84 billion, 2018’s revenue came in above budget and represented 4.2% growth over 2017*. We can attribute a 17% rise in revenues to our portfolio of newer generation solutions.

Our figures for margin and cash were also strong, and we saw a rise in customer satisfaction. SITA’s Net Promoter Score (NPS) improved by 17%, reaching 36.5%.

The score reflects the successes of our transformation program. We have improved the quality and speed of our project delivery, and made strong progress in reducing our lead-time-to-market and time-to-fix for software defects.

Given all our efforts, we were particularly happy to be named ‘Service Provider of the Year’ in the Annual Air Transport Industry Awards.

OUR VISION FOR AIR TRANSPORT

Our vision, ‘Easy air travel every step of the way’, recognizes that to keep passengers moving, our community must invest in the effective use of technology across every stage of the journey.

SITA has always played a key part in the evolution of the industry’s IT and communications, having now been at the heart of air transport for 70 years. Our approach is to:

- Facilitate air transport industry collaboration.
- Help the community to achieve operational excellence.
- Deliver the seamless passenger journey.

COLLABORATION

As air travel becomes more complex, more stakeholders span the journey experience. Every time we take a flight, for example, around 20 companies might enable that journey.

So, along the travel chain, there is a need to bring stakeholders together. SITA facilitates this collaboration, working day-to-day with stakeholders around the world, across passenger processing, airport operations, baggage processing, border management and aircraft operations.

There are many examples where SITA acts as the industry ‘glue’ that binds stakeholders and processes, to smooth the journey’s steps.

One of them is SITA’s infrastructure, which enables sharing and communication globally, while providing the means to manage industry growth. By 2030, for instance, the world’s airports will need 18,000 airline communication connections. In 2018, AirportHub™ – our expanding shared communications platform – accounted for more than 7,000 connections in 500 airports across 157 countries.

Another area that will benefit from better stakeholder collaboration is aircraft turnaround. Today, this is being helped by SITA’s collaborative decision-making capabilities, including SITA’s Airport Management Solution (AMS). With its own turnaround and transfer management modules, AMS allows parties to share data in real time, to better control resources and operations.

Last year, we reached AMS agreements with Brazil’s Florianópolis-Hercílio Luz International Airport, and Canada’s Toronto Pearson International Airport, with more on the cards.

*US$1.7 billion excluding revenue from SITA’s PSS business.
INTRODUCTION
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OUR VISION FOR AIR TRANSPORT
Our vision, ‘Easy air travel every step of the way’, recognizes that to keep passengers moving, our community must invest in the effective use of technology across every stage of the journey.
SITA has always played a key part in the evolution of the industry’s IT and communications, having now been at the heart of air transport for 70 years. Our approach is to:
• Facilitate air transport industry collaboration.
• Help the community to achieve operational excellence.
• Deliver the seamless passenger journey.

COLLABORATION
As air travel becomes more complex, more stakeholders span the journey experience. Every time we take a flight, for example, around 20 companies might enable that journey.
So, along the travel chain, there is a need to bring stakeholders together. SITA facilitates this collaboration, working day-to-day with stakeholders around the world, across passenger processing, airport operations, baggage processing, border management and aircraft operations.
There are many examples where SITA acts as the industry ‘glue’ that binds stakeholders and processes, to smooth the journey’s steps.
One of them is SITA’s infrastructure, which enables sharing and communication globally, while providing the means to manage industry growth. By 2030, for instance, the world’s airports will need 18,000 airline communication connections. In 2018, AirportHub™ – our expanding shared communications platform – accounted for more than 7,000 connections in 500 airports across 157 countries.

“Our approach is to develop technology and innovate collaboratively with the many stakeholders who span the processes making up the journey experience. This underpins our vision of ‘Easy air travel every step of the way’.”

LET’S MOVE THE WORLD, TOGETHER
Turnaround times remain a focus area for innovation at SITA. It is further supported by the launch of SITAONAIR’s e-Aircraft® DataHub, which is a leap forward in unlocking the potential of data generated by modern aircraft. With Rolls-Royce as the launch customer, the service enables airlines to share aircraft performance data from diverse fleets in different formats.

**OPERATIONAL EXCELLENCE**

Given the pressure on the air transport industry’s operations, there is great potential for improvement. Airport infrastructure will not increase as passenger numbers rise. Technology must underpin operational excellence.

To drive efficiencies, SITA works with customers in key areas such as airport management, baggage management, passenger flow, mission-critical infrastructure, data analytics and more.

Again, 2018 saw several examples. In baggage handling – where mishandled baggage costs the industry US$2.4 billion a year [2018] – there is clearly the need for further operational improvement. SITA’s BagJourney enables airlines to comply with IATA Resolution 753, which requires bag tracking at every stage.

By the end of 2018, more than 20 airlines had taken on SITA BagJourney. In 2018, our baggage tracing network, WorldTracer®, also included the capability to track a bag from its destination airport through to the passenger’s hotel or home.

Operational excellence was one of the focus areas of SITA’s 2018 Innovation Forum (see page 12), where delegates heard about Singapore Changi Airport’s pioneering work with SITA in Artificial Intelligence (AI). Working with the airport, we developed the ability to accurately predict flight arrival times, through a predictive model using AI and data analytics.

SITA has introduced a FlightPredictor solution for the air transport community. Flight delays currently cost the industry around US$25 billion a year, for example, which is almost US$70 million a day.

**THE SEAMLESS PASSENGER JOURNEY**

SITA’s 2019 Passenger IT Insights research demonstrates that the more IT and automation there is along the journey, the happier the passenger. IT and automation are taking us towards our goal of the seamless journey.

Of course, this demands cooperation among airlines and airports, as well as governments, ground handlers, air

“Our approach centers on addressing key trends and tackling the pain points that the industry faces, while encouraging collaboration and sharing.”
ACCELERATING INNOVATION

Innovation is a top priority for SITA. For years we have co-innovated with customers, and we work with proven innovative companies, early stage players and universities. To further accelerate innovation, we have dedicated additional resources for prototypes with customers, or advanced proofs-of-concept.

Such collaborative innovation has always been at the heart of SITA’s approach, in which SITA takes on the risk of evaluating new and emerging technologies for the benefit of the air transport community.

We also have in place mechanisms for encouraging co-innovation and developments with customers, including our SITA Innovation Forum, our Customer Advisory Boards in each geographic area, and our high level SITA Executive Advisory Forum.

SITA’s innovation initiatives today address disruptive technology areas such as data science, biometrics, encryption, blockchain, Internet of Things, artificial intelligence (AI), mixed reality, and more.

In biometrics, for example, we continue to build on successful trials, such as our ‘world-first’ project with JetBlue and the US Customs and Border Protection agency, which demonstrated the importance of collaboration. Using Smart Path™, the project showed the way forward for air travel, providing a paperless and device-less self-boarding process – ‘board in a snap’ – based on one quick photo.

We used the same technology at Orlando International Airport with British Airways, enabling biometric boarding at the gate, on flights from Orlando to London Gatwick. The trial resulted in the boarding of international flights for almost 240 passengers in around 15 minutes.

We are exploring blockchain too, to deliver secure and efficient collaborative working across air transport stakeholders. Blockchain holds many promises, but exploring it in individual organizations is not the most productive way forward. Our Aviation Blockchain Sandbox initiative has brought together over 50 industry participants (see page 39).

Following our flight prediction project with Changi airport, we remain focused on AI for airports and airlines, including a chatbot proof-of-concept. Based on our efforts last year, in early 2019 we announced Aeromexico’s world first in integrating WorldTracer® with its passenger chatbot, to respond to customer queries about the location of baggage.

In the meantime, for our aircraft services customers, in 2018 SITAONAIR embarked on its BlueSky Innovation Program. The program involves a cross-functional team of over 40 people to challenge existing services and boundaries, with a focus on both customer and technology innovation.

My final example of innovation is our work to create a mixed reality airport operations center with Helsinki Airport, using Microsoft HoloLens. We are exploring this concept with other airports too, including LaGuardia (see page 39), as well as working with Virgin Atlantic on augmented reality training. This allows cabin crew to walk through and acquaint themselves with the layout of the airline’s Boeing 787 Dreamliner without visiting the airport or getting onto the plane.

“Collaborative innovation has always been SITA’s approach, with SITA taking on the risk of evaluating new and emerging technologies for the benefit of air transport. To help us accelerate innovation, we have dedicated additional resources for prototypes with customers.”
THANK YOU

I want to conclude first, by thanking everyone across SITA’s staff, the senior leadership team, the SITA Board and the SITA Council for their support, enthusiasm, commitment and encouragement during 2018. It was a year full of change, but also full of success and targets met.

Thank you also to our customers and Members, who have been the crucial element in our successful 70 years at the heart of the air transport community.

We were created by the industry, for the industry, and we will continue to learn, build and innovate collaboratively with our Members and customers in the coming decades.

Barbara Dalibard
SITA CEO

OUR PEOPLE, A KEY ENABLER

Of course, the success of SITA depends on our constant attention to strengthening our people, as part of our organization’s transformation. We made strong progress in 2018. Our values are now embedded in our performance and reward management processes [see page 41].

We will continue to reflect values in our policies and people-related processes. We are deploying a culture of continuous improvement, and we are simplifying the way we work, placing key capabilities and skill sets where they are most needed, and enabling more agile decision-making.

We are also strengthening four targeted professions: customer solutions, project management, product management, and technology management. The number of staff in those professions increased from 38.6% of our total workforce in 2017, to 39.2% in 2018.
SITA AT 70

MAKING AIR TRAVEL EASIER ... FOR SEVEN DECADES

In 2019, as SITA commemorates 70 years at the heart of air transport, we are reminded of the company’s contributions to the technological advances that are keeping ever-increasing numbers of passengers moving around the world.

During those seven decades, SITA has worked closely with airlines, airports, industry bodies and other industry ‘players’ to address the challenges faced by the community.

SITA’s story begins with innovation: a decision by 11 airlines in 1949 to share communications resources. Establishing SITA as a unique independent organization, the airlines became both ‘shareholder members’ and users.

The principle of shared technology remains as relevant today as it was to those founding airlines. Put simply, it makes sense to collaborate rather than compete in areas of common purpose. Where there is little or no competitive advantage to be gained by acting alone, there can be considerable advantage in acting together.

FOUNDED AND OWNED BY AIR TRANSPORT

Founded and owned by the industry, SITA’s mandate was to deliver common benefits to the global air transport community. Steered by more than 30 aviation industry IT leaders on the SITA Board and Council, SITA today represents the community’s interests through more than 400 Members in almost every corner of the globe.

Through the years, SITA’s focus has broadened from airline communications to encompass IT and applications, as well as a growing customer base of airports, ground handlers, air navigation service providers, governments, industry bodies and other players. The company now does business with nearly every airline and airport in the world, across 200 countries and territories.

A HISTORY OF COLLABORATION

The pace of change over the decades has been relentless, with many milestones along the way (see page 25). Constant collaboration has remained a SITA principle, not only with customers, but with industry bodies such as IATA, ACI, CANSO and ICAO to help drive standards and services.

In the process, SITA has contributed to industry-wide programs that have delivered billions of dollars of cost reductions across air transport operations. Key to this has been a strategic partnership with IATA – helping to realize major programs such as Simplifying the Business [StB] and Fast Travel, as well as the IATA/ACI Smart Security initiative.

A NEW DIGITAL ERA

In its seventieth year, SITA is deeply involved in the air transport industry’s digital transformation, as it embarks on data-based digital infrastructure programs that will underpin operations and the seamless journey of tomorrow.

The company is co-innovating with customers and industry bodies across new and emerging technologies, such as identity management and biometrics, artificial intelligence, data analytics, blockchain, the Internet of Things, mixed reality, robotics and more.

Driven by vast amounts of data and up-to-the-second intelligence and analysis, these technologies are transforming air transport. SITA is a vital link in that process – bridging as much as 60% of air transport data exchange among airlines, airports, aircraft and border agencies.

EASY AIR TRAVEL EVERY STEP OF THE WAY

As we fast approach the next decade, SITA remains committed to developing and delivering the digital technologies that will make its vision of ‘Easy air travel every step of the way’ a reality. As in the past 70 years, the approach will always involve close collaboration with the air transport community, to help move passengers smoothly and swiftly, wherever they may travel.

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1 The 11 airlines that founded SITA in 1949 were: KLM, Air France; British European Airways Corporation (BEAC), British Overseas Airways Corporation (BOAC), British South American Airways (BSAA); Swedish A.G. Aerotransport, Danish Det Danske Luftfartselskab A/S, Norwegian Det Norske Luftfartselskap, Sabena, Swissair and TWA.
1949 - SITA is created by 11 airlines.

1950 - takes its first steps to create the world’s largest data network.

1957 - grows rapidly to 52 airline Members and 75 communication centers.

1966 - launches the world’s first working network to use packet switching principles.

1969 - activates the world’s first nodal distributed network, three years before the US Defense Dept network that led to the internet.

1970 - expands and speeds up the network using the world’s first communication satellites, operating at speeds of up to 120 words per minute.

1971 - pioneers the first ever common carrier packet-switched network to handle data traffic in real time.

1976 - expands the business to provide IT and applications, a game-changer for the company.

1984 - introduces VHF AIRCOM, a revolution in air-to-ground data communications.

1984 - launches Common Use Terminal Equipment (CUTE) system, enabling airlines to share check-in terminals.

1992 - introduces SATELLITE AIRCOM to provide data/voice communications for cockpit crew and air-to-ground telephony for passengers.

1995 - makes e-commerce history, launching the first real-time travel bookings and payments website.

1996 - develops the world’s first e-visa system, ready for the 2000 Sydney Olympic Games.

1997 - pioneers the first ever common carrier packet-switched network to handle data traffic in real time.

1998 - makes e-commerce history, launching the first real-time travel bookings and payments website.

1999 - launches SITAONAIR, leader in inflight and aircraft connectivity.

2001 - sets up Advanced Travel Solutions, to provide web-based applications and e-commerce integration services.

2004 - CHAMP Cargosystems formed, giving rise to a global leader in IT solutions for air cargo.

2005 - pioneers inflight passenger mobile communications with the launch of ONAIR.

2008 - expands innovation and research into new areas with the roll out of SITA Lab, including cutting edge mobile and wireless technologies.

2010 - acquires WorkBridge and ComNet, to help realize the intelligent airport, enhancing passenger communication systems and mobile resource management.

2011 - introduces the first industry dedicated community cloud to provide on-demand availability of software and data services.

2015 - launches SITAONAIR, leader in inflight and aircraft connectivity.

2016 - becomes ‘IT Company of the Year’ for 2nd time in three years (Air Transport News Awards).

2017 - introduces ground-breaking digital biometric ID management technology with SITA Smart Path™, to deliver the seamless passenger journey.

2018 - acquires MEXIA Interactive and its advanced passenger analytics technology to further streamline the passenger journey.

2018 - acquires MEXIA Interactive and its advanced passenger analytics technology to further streamline the passenger journey.

2020 - launches the world’s only Command Center wholly dedicated to the air transport industry.

2020 - launches the world’s only Command Center wholly dedicated to the air transport industry.

2020 - launches the world’s only Command Center wholly dedicated to the air transport industry.

2023 - looks ahead to another 70 years of ‘Moving the world, together’!
Throughout every one of those decades, collaboration with the community has remained paramount, in the areas of airline operations, airport management, baggage processing, border management, passenger processing, and aircraft cockpit and cabin communications.

Today, SITA continues to work closely with ‘players’ across the community, to:

• Facilitate collaboration to support a more efficient air transport industry.
• Aim for operational excellence.
• And deliver a seamless passenger journey.

FOCUSED AT AIRPORTS AND AROUND AIRCRAFT, SITA’S IT AND COMMUNICATIONS SOLUTIONS HAVE HELPED TO ‘MOVE THE WORLD’ FOR THE PAST 70 YEARS – SMOOTHING STEPS ALONG THE PASSENGER JOURNEY AND UNDERPINNING THE AIR TRANSPORT INDUSTRY’S OPERATIONS.
FACILITATING COLLABORATION ACROSS THE AIR TRANSPORT INDUSTRY

The air transport industry is a complex, multi-stakeholder ecosystem. More than ever, bringing stakeholders together is crucial, to achieve greater efficiencies. As part of the industry, working with its many ‘players’ around the world, SITA is positioned to facilitate this collaboration.

A prime example is the evolution in 2018 of SITA’s Air Travel Solutions (ATS) portfolio, which includes Total Airport Management Services. This is unique in providing management services from landside to airside, and landing to take off. The portfolio meets airports’ operational needs to handle burgeoning demand with limited capacity.

Better decisions, better operations

Capacity constraints mean that airports must make better use of assets and resources. This requires working with every business in the airport: from airlines to concession holders, ground handlers to caterers. SITA’s Airport Collaborative Decision-Making (A-CDM) solution is the enabler, with a proven record of collaboration and process optimization airside.

Total Airport Management takes this further by enabling efficient data sharing across the airport community. In 2018, São Paulo’s GRU Airport was one of several to embrace SITA’s A-CDM and operational intelligence tools (see ‘Airport collaboration: 2018 highlights’).

As a ‘concept-to-commission’ solution, Total Airport Management includes consulting and managed services to integrate technologies, along with the ability to create a collaborative control center operation.

By using SITA’s solution for an integrated airport control center, for example, airports can develop a single airport control center which integrates command and control capability across multiple traditionally standalone functions.

In 2018, AERIS Holdings, airport operator for Juan Santamaria International Airport in Costa Rica, selected SITA to implement its control center solution. In addition to A-CDM, it provides a centralized and integrated view of everything happening at the airport, from security to boarding gates, and ground handling to facilities management.

“Brisbane Airport Corporation has chosen SITA as an ongoing partner because they share our values around collaboration, innovation and a focus on the customer. This focus helps us with our overarching gateway strategy and helps us continually improve as we focus on becoming a world-class airport.”

Stephen Goodwin, General Manager Operations, Brisbane Airport Corporation Pty Limited
Evolving airport operations
SITA’s professional services and technology for integrated airport command and control centers are evolving ever better ways to consume operational and situational awareness data, calling on data from SITA and third-party applications. Proofs-of-concept have been completed with major European and US airports, and SITA continues to seek partners to bring radical change to airport operations.

At the same time, in 2018 an increasing number of airports embraced SITA’s Airport Management Solution (AMS), which enables further collaboration and offers software applications for airport operations. The 150 deployments of SITA AMS include more than 91 airports, 50 airports using ground handling, nine multi-airport environments, and eight airlines. This represents 500 million passengers annually resulting from 4.6 million flight movements.

“SITA has been a trusted partner to help transform our two airports. We now look forward to partnering with SITA and introducing its innovative range of smart airport technologies, which will allow us to have world-class operations and double the total capacity of the airports we manage.”

Sardjono Jhony Tjistrokusumo, Director Business Development, PT Angkasa Pura I | Persero

AIRPORT COLLABORATION: 2018 HIGHLIGHTS

• In 2018, Bogota’s El Dorado International Airport achieved a three-fold fall in check-in to boarding time, as well as cost reductions, using SITA AMS.

• As part of a major investment program, Brazil’s Florianópolis-Hercílio Luz International Airport is using SITA’s AMS, AirportCentral and AirportVision®. Completion of the program is due in 2019.

• The first phase of Istanbul Airport, set to become one of the world’s biggest airports, opened in 2018. SITA AMS and other SITA solutions are in action. They will support 75 flight departures an hour, 3,500 flight operations a day and 1,000 bags per flight.

• SITA announced the first deployment of its A-CDM solution in North America – at Toronto Pearson International Airport. In the meantime, using A-CDM, São Paulo’s GRU Airport has automated 95% of its 830 daily aircraft movements, while decreasing check-in allocation time from one hour to five minutes.
Digital platforms and data sharing

Ever since being founded 70 years ago, SITA has provided a backbone of platform and data services for the global air transport industry, to enable collaboration and sharing. Today, that backbone includes a network spanning 95% of all international destinations, along with 1,800 VHF (Very High Frequency) ground stations in more than 160 countries. SITA also enables the sharing and bridging of 60% of the air transport industry’s operational data exchange among airlines, airports, aircraft and border agencies.

With continued investment during 2018 in common platform and data portfolios, SITA is aiming to become air transport’s digital platform and Application Programming Interface (API) leader. This will enable cloud-based business within the industry and the ready sharing of information, among airlines, airports, aircraft and other stakeholders.

SITA ATS developments in 2018 included transforming the portfolio into a platform model and introducing Software-Defined Networks and Wide Area Networks (SDN and SD-WAN).

Already two major customers have selected SITA for SD-WANs, and in a 2018 outsourcing contract, London Heathrow Airport chose SITA to transform the management of the airport’s vast communication network into a smarter, automated service. This will introduce emerging automation and self-healing technologies, allowing remote monitoring and management.

Platform leadership

Critical to SITA’s platform leadership is AirportHub™ – SITA’s airport-wide shared digital platform for airlines, ground handlers and maintenance companies at the airport. AirportHub™ addresses the need for resiliency, high bandwidth, on-demand communications, plus the performance requirements of new aircraft and cloud-based applications. Enabling data sharing across the airport, it has the potential to change processes and generate new insights into operations for all those within the ecosystem.

In 2018, with 60 new sites deployed, AirportHub™ reached 500 airports. More than 430 customers use services based on this platform, which is expected to cover 90% of international destinations by 2020. Among many new AirportHub™ contracts in 2018 were Virgin Atlantic Airways and Scoot. Leveraging Virgin Atlantic’s use of AirportHub™, SITA is providing secure, high-speed connectivity between the airline’s London hub to 66 airport, sales and cargo locations in 19 countries.

For Scoot, Singapore Airlines’ low-cost carrier, SITA’s AirportHub™ simplifies the way the airline connects its central IT systems to airports in its rapidly-growing route network.

Another 2018 development by SITA ATS was the launch of NDC Exchange in partnership with ATPCO (the Airline Tariff Publishing Company) and with Air Canada as launch partner. NDC Exchange facilitates data exchange between airlines and travel sellers to support adoption of IATA’s New Distribution Capability (NDC), which it does through cost-effective API connectivity. Early adopters included British Airways, Delta Air Lines, United Airlines, the airlines of the LATAM Group, Finnair and the global travel search site Skyscanner.

SITA’S COMMUNITY CYBER THREAT CENTER

As a collaborative initiative providing a security information sharing service, the SITA Community Cyber Threat Center (CCTC) is run specifically for cybersecurity professionals throughout SITA member organizations. During 2018, it reached 29 active members.

The center supports a community-wide response by promoting the proactive and timely exchange of contextualized, actionable cyber threat information between members. Participating organizations can also choose to receive automated threat intelligence feeds, which relate to malicious activity observed within air transport and other industries.

This machine-driven sharing of intelligence indicators provides valuable information to help airlines and airports identify potential threats to their systems, enabling a timely response when needed.
Government data and relationships

SITA’s role as a facilitator among industry players has been equally important in helping airlines to meet government data requirements around the world. As the industry introduces more controls and regulations to ensure secure international travel, SITA has led the way in providing operational systems to bridge passengers and airlines with governments.

As it stood in 2018, SITA’s iBorders Government Gateway accounted for the integration of data between passengers, over 400 airlines and over 40 government agencies. As the biggest such hub in the world, it vastly reduces the complexity, cost and risk for hundreds of airlines. This helps airlines to mitigate against fines and penalties for incorrect, late or poor quality data.

Throughout the year, SITA’s existing relationships with international governmental organizations and industry bodies continued to grow, focusing on border management and public protection to support the air transport community. SITA collaborates with parties such as IATA Security and Facilitation, the European Union, Interpol, the United Nations, the International Organization for Migration, the World Travel & Tourism Council, and many more.

Collaborating to tackle growing cyber threats

Collaboration is vital too in tackling the cyber threat facing air transport. Here again, SITA is facilitating collaboration across the community, helping to educate, inform and protect airline and airport customers. In November 2018, for instance, SITA’s third annual SITA Aviation Cybersecurity Symposium brought together IT and cybersecurity experts from across air transport, to chart the way forward for the community.

Cybersecurity remains a focus of SITA’s platform and data services – from cloud and infrastructure security, to security operations center (SOC) and consultancy services. It includes an air transport-specific security portfolio, with a cybersecurity toolkit and database, to help airports and airlines establish a cybersecurity practice. See also: ‘SITA’s Community Cyber Threat Center’ (see page 30).
OPERATIONAL EXCELLENCE – THROUGH BETTER INTELLIGENCE

In the drive for operational excellence, airlines and airports are looking to minimize the impact of disruption. Within the industry’s highly interdependent ecosystem, this creates a growing need for holistic operational analytics across multiple areas, including passenger, baggage, airport and aircraft operations. (For eAircraft data sharing, see ‘SITAONAIR’.)

Evolving business intelligence

Just as SITA ATS is evolving its common digital platform and data services, so the organization is also continuing to invest in business intelligence (BI) to deliver increasingly rapid reporting and prediction, with clear visibility of different areas of the airport ecosystem.

Late in 2018, SITA acquired MEXIA Interactive, a leading provider of curb-to-gate passenger analytics based in Winnipeg, Canada. The company’s technology provides seamless integration with SITA’s existing passenger flow management, airport management and BI solutions.

AI innovation

SITA’s mission to enhance industry operations is driving further innovation in artificial intelligence (AI), to offer visual tracking and monitoring of all stakeholders around an aircraft, with proactive turnaround management and coordination.

Thanks to SITA FlightPredictor – launched in 2018 – multiple sources of data, both historical and real time, can now be fed into various AI platforms to offer look-ahead windows of up to 24 hours for airport users, increasing to 72 hours out for airline users. This is a cloud-based service that can also be delivered via an API, or airports can choose both.

Better baggage tracking – from start to finish

Despite major improvements in baggage mishandling cited in SITA’s annual ‘Baggage IT Insights’ research, considerable scope remains for further improving operations and saving costs through end-to-end bag tracking.

With IATA Resolution 753 coming into effect midway through 2018, SITA continued to build on its recognized leadership in bag tracking and tracing for more than 25 years, with systems in every major airport in the world.

SITA’s Baggage Management portfolio includes a full range of services to enable compliance. One such service is BagJourney, which provides a precise picture of a bag’s location, based on 3.36 billion baggage information messages a year harnessed across 260 airports, for over 550 airlines. For airlines handling hundreds of millions of bags each year, it can enable a 30% reduction in mishandling rates.

To date, SITA has worked with multiple customers to enable compliance, including Aeroflot, Alitalia, Air India, Bahamasair, Delta Air Lines, Etihad Airways, Airports Authority of India, Istanbul New Airport, Kotoka International Airport, TAP Air Portugal and Qatar Airways.

In 2018, SITA introduced its WorldTracer Baggage Delivery Service®. The new service tracks bags from a passenger’s final destination airport to their hotel or home. Passengers, with expectations fueled by consumer experiences, can now track their mishandled baggage just like they would a delivery from an online supplier. The service went live in January 2019.

AI AT CHANGI: ‘PREDICTIVE PIONEERS’

Singapore Changi Airport is pioneering work in AI and predictive disruption. Using AI, valuable insights are gained from masses of historical data accumulated from flights and delays coupled with real-time information.

The airport is a complex network involving over 200 organizations. Any insight the airport can get into flight arrival times to plan resources is invaluable. Working closely with the airport, SITA developed the ability to accurately predict arrival times disruption, through a predictive model using AI and data analytics.
MAKING THE PASSENGER JOURNEY SEAMLESS

Two forces are driving the move to a seamless passenger journey. First, increasingly digitized passengers are happier when using self-service and automation along the steps of the travel journey, as SITA Passenger IT Insights research shows. Second, the industry is facing increasing pressure with passenger and aircraft numbers expected to double within the next 20 years.

SITA is playing a leading role in identifying and exploring opportunities in end-to-end passenger processing – with frictionless self-service based on biometrics, to mobile enablement of wayfinding to bag tracking, and more.

A leading example in the ATS portfolio is SITA’s Smart Path™, which provides whole journey identity management using biometrics. In 2018, airlines and airports continued to adopt it. Now rolled out globally, it has begun to play an essential role in the delivery of seamless travel.

Using facial recognition, Smart Path™ creates a secure digital travel ID for use at every touchpoint. Whether at check-in, self-bag drop, border control or aircraft boarding, this digital ID removes the need to show a passport or boarding pass. Importantly, it does this while integrating with SITA’s existing common-use infrastructure of check-in kiosks and boarding gates.

The march of Smart Path™

Smart Path™ is in use or has been trialed at a growing number of airports across the world, including Brisbane, Hamad International (Doha), Muscat (Oman), Orlando (with British Airways and Lufthansa), Boston (with JetBlue) and Athens.

More US, European and Asia Pacific airports are coming on stream, including Smart Path™ for Lufthansa flights from Miami International Airport to Munich, and an initial trial of Smart Path™ Mobile at Brisbane Airport, with Qantas Airways. Passengers were able to upload their passports to mobile devices and check in before arriving at the airport.

Smart Path™ also featured in a major 2018 initiative at Orlando International Airport. The airport was the first in the US to commit fully to deploy the US Customs and Border Protection (CBP) Biometric Entry and Exit program, a focus for the US Government. It involved integrating Smart Path™ at 64 boarding lanes and 30 international boarding gates, significantly speeding up the boarding process. During a Smart Path™ trial earlier in the year, British Airways boarded flights of some 240 customers in around 15 minutes.

“Biometric boarding is an efficient and hassle-free form of travel that helps speed up the boarding process while also increasing security. We are thrilled to be the launch airline that introduces this technological advancement at Miami International Airport.”

Dr Bjoern Becker, Group Senior Director Product Management Ground & Digital Services, Lufthansa
Creating seamless borders

Governments increasingly desire frictionless, seamless borders to cope with growing traveler numbers, terrorism, trans-national crime and irregular migration.

During 2018, as market leader, SITA’s border management portfolio, iBorders, met the needs of more than 40 governments in Asia Pacific, Australasia, the Middle East, the Americas and Europe. Currently, iBorders processes over 2.2 billion traveler journeys a year.

iBorders provides comprehensive insights to enhance every aspect of border operations, along with automated border technology that enables governments to clear large numbers of passengers in record time.

By using iBorders, governments are able to prevent threats even before the journey starts in the country of departure, thanks to advanced risk assessment and identity management.

SITA’s leadership was acknowledged during the year when it was named winner of the respected Air Transport World ’Aviation Technology Achievement 2018’. The award recognized SITA’s work with JetBlue and the US CBP for the world’s first biometric boarding system using just a facial scan to board passengers, while also completing the US Government’s customs and border exit checks.

The integration of the two parties’ systems by SITA demonstrated how airlines and government border agencies can work together to enhance security, while reducing friction points for passengers.

SITA is now accelerating investment in the next generation iBorders solution, providing biometric pan-global and government authorized passenger journeys, machine learning identity networks and risk identification, and multi-modal travel and migration control.

“Working closely with SITA at Orlando has allowed us to explore various ways of incorporating the US biometric exit check. Together we have designed a really smooth and secure departure process for our customers, including children.”

Raoul Cooper, Digital Airport Design Manager, British Airways
BORDER HIGHLIGHTS IN 2018

- Integration of SITA’s iBorders and the Saudi Pilgrim system to support the annual Haj and migration of two million pilgrims traveling to Saudi Arabia within one month.

- Roll out of 100 of SITA’s Automated Border Control kiosks across three major airports in Mexico. The kiosks use biometric fingerprint technology to verify identities, reducing passenger time spent in line by as much as 40%.

- Introduction of SITA’s Automated Border Control Gates at the Dominican Republic’s Punta Cana International Airport, for passengers from the US and Canada, as well as Spain, UK, and France.

“Since we started using SITA’s automated border gates, we have seen a significant reduction in queue times, with passengers taking as little as 10 seconds to go through the border checks.”

Frank Elías Rainieri, CEO, Punta Cana International Airport, Dominican Republic

SITA PASSENGER SERVICE SYSTEM

In August, SITA announced a reorganization of its Passenger Solution Line with the creation of a separate company – SITA Passenger Service System (SITA PSS).

With more than 150 customers, in 2018 the company’s Horizon PSS enabled 105 million passenger boardings and 139 million check-ins worldwide. Horizon serves tier 2 airline customers such as Air India and Jeju Air, which renewed its contract in 2018, as well as a growing number of tier 3-4 airlines.

Two new flags were added in the Americas region in 2018. US-based Southern Airways Express migrated to Horizon to enable continued growth in the southern and mid-Atlantic regions of the country. Sky High Aviation also adopted SITA PSS – operating scheduled and charter operations from the Dominican Republic to destinations across the Caribbean.

The year saw continuing development of Horizon® Departure Control Services (HDCS), SITA’s latest technology to help airlines and ground handlers process passengers and improve the customer experience at check-in and boarding. In 2018, HDCS was in controlled launch with customers including Air Arabia, with over 125,000 passengers processed using the new system.

As part of its strategy, during 2018 SITA continued to assess its PSS business, to determine its best strategic direction, and with a view to positioning it for the future for the benefit of all stakeholders.
SITAONAIR – REINVENTING AIRCRAFT OPERATIONS AND ONBOARD EXPERIENCES

SITAONAIR continues to forge ahead in nose-to-tail aircraft communications, data management and digital transformation, unlocking the value of the connected aircraft for airlines, passengers, OEMs, MROs and ANSPs. Embracing today’s digital shift will reinvent aircraft and flight operations, along with the on-board passenger experience – making air travel safer, more efficient and enjoyable.

Enabling aircraft tracking

In 2018, ICAO’s requirement for aircraft tracking came into effect. SITAONAIR had already prepared airlines worldwide with its AIRCOM® FlightTracker.

Used by airlines operating over 400,000 flights every month, without the need for aircraft modifications, the service delivers global real-time aircraft position alerts, greatly exceeding the minimum tracking requirement of 15-minutes. Early adopters include Avianca Brasil, Azul, Norwegian Air Shuttle, Singapore Airlines and Vistara.

Flying safely in congested air space

Cockpit safety communications remain at the forefront of SITAONAIR’s work to serve airline and flight operations customers. In 2018, SITAONAIR exceeded Single European Sky expectations, by establishing a multi-frequency European datalink infrastructure to increase air traffic management capacity.

The business rolled out an enhanced air-ground datalink service to support airlines and ANSPs in implementing CPDLC, dramatically improving performance. SITAONAIR also invested in its VHF ground network, deploying almost 10% more stations around the world in 2018, as well as upgrading and refreshing existing infrastructures.

IP in the cockpit – leading the way

Initiatives to integrate emerging technologies into aircraft data messaging included the addition of satellite networks, exploration of communication links such as ACARS over IP, and ground-based terrestrial cellular networks for data exchanges while the aircraft is on the ground.

SITAONAIR’s partnership with Inmarsat’s SB-S next-generation flight deck communications platform also enlists ACARS technology. This offers a global, secure and high-speed dedicated IP connection to the cockpit, paving the way for airline operational applications and future safety applications. In 2018, SITAONAIR also launched AIRCOM AppsConnect, allowing airline applications to connect onboard safely and cost efficiently.

GLOSSARY

ACARS: Aircraft Communications Addressing and Reporting System
ANSP: Air Navigation Service Provider
CPDLC: Controller-Pilot Data Link Communication
eWAS: EFB Weather Awareness Solution

IFC: Inflight Connectivity
IP: Internet Protocol
MRO: Maintenance, Repair and Operations
OEM: Original Equipment Manufacturer
SB-S: SwiftBroadband-Safety
Digital transformation inflight

SITAONAIR continues to drive digital transformation of cockpit operations, with applications such as eWAS, already used by over 10,000 pilots. It enables inflight viewing of weather in real-time. August 2018 saw eWAS adopted as a partner application for Inmarsat SB-S, alongside SITAONAIR’s role as SB-S value-added reseller.

Seamless cabin connectivity

Airlines are also embracing a digital shift in the cabin. Russia’s Rossiya Airlines adopted SITAONAIR’s CrewTab solution. Enabling remote internet access to airline information resources and systems, CrewTab streamlines interaction between the airline’s internal organizational units, reducing costs and significantly enhancing passenger service.

Likewise, the passenger inflight experience is entering a new era. Milestones for SITAONAIR’s IFC services included Emirates’ passengers passing one million SITAONAIR-enabled Wi-Fi sessions a month, as well as enabling Saudi Arabian Airlines to offer free WhatsApp messaging inflight to their passengers.

SITAONAIR continues to extend its mobile offering, Mobile ONAIR, while preparing for the future of 5G with an emphasis on ensuring seamless connections and laying the foundations for tailored revenue models through partnerships with mobile network providers.

New customers for IFC services over Inmarsat’s high-speed GX Aviation broadband network included Aircalin and Kuwait Airways. Meanwhile, long-standing IFC customer Singapore Airlines continues to innovate with SITAONAIR’s GX Aviation IFC services to passengers.

In April 2018, SITAONAIR became connected aircraft service consultant and technology supplier to Taqnia Space, the Saudi organization responsible for localizing technology in Saudi Arabia and commercializing outputs of Saudi R&D centers.

SITAONAIR’s IFC solutions and open cabin approach allow airlines to deliver bespoke, high-speed and intuitive experiences to passengers, with the ability to offer tailored ancillary services.

In late 2018, Rolls-Royce became the launch customer for SITAONAIR’s e-Aircraft® DataHub. This enables operational efficiencies by collecting raw data from diverse fleets, then classifying, decoding, storing and dispatching appropriate sets to the airline’s selected OEM, MRO team or airframer.

Ambitious innovation program

In 2018, SITAONAIR embarked on an ambitious innovation program which included an onboard Internet of Things platform demonstrator with AirBridgeCargo and CargoLogic, at the Farnborough Air Show. The proof-of-concept enables airlines to monitor and receive real-time alerts of temperature-sensitive high-value cargo.

SITAONAIR continues to work towards the next big innovations for connected aircraft, involving analytics and artificial intelligence, to deliver flight optimization and improve turnaround time. It is also involved in cryptography innovations powered by quantum-physics technology and the application of blockchain in areas like drones, and more.

“SITAONAIR’s e-Aircraft® DataHub creates a much-needed neutral environment where operators have the freedom to securely share their data while maintaining control. This will help create the kind of open and collaborative innovation marketplace that unlocks the greatest possible value for airline customers.”

Nick Ward, Head of Product Management, Servitisation and User Experience, Rolls-Royce

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INCREASING INNOVATION WITH CUSTOMERS AND PARTNERS

Innovation represented a top priority for SITA during 2018, and continues to do so. The company innovates collaboratively with the industry, as well as through partnerships and acquisitions. SITA aims to take on the risks of evaluating new and disruptive technologies for the industry’s benefit. This involves increasingly co-innovating through proofs-of-concept and trials with customers, while cooperating closely with proven innovative companies, early stage players and universities.

SITA focuses on tackling industry pain points, such as identity management, baggage management, A-CDM, disruption prediction and management, aircraft data management and more. With further resources committed to innovation for the years ahead, initiatives continue to address potential opportunities in disruptive technology areas such as data science, biometrics, encryption, blockchain, IoT, AI, drones, digital twins and applied robotics.

“Innovation is the lifeblood of a modern airline. SITA has long been a partner in exploring the frontiers of technology and this AR (Augmented Reality) application is no exception.”

Don Langford, CIO, Virgin Atlantic

SITA Lab – exploring emerging tech

In addition to innovation projects by the portfolio teams across SITA, the SITA Lab works throughout the company with colleagues and customers to explore technologies that promise to contribute to the industry’s operational efficiency and the seamless journey.

In the first half of the year, for example, the SITA Lab developed mobile and cloud services enabling mobile applications to interact with SITA Smart Path™. Trials were conducted in late 2018 and a number of airlines are in active discussions for use of the technology.

Another example is the development of mobile and cloud services to enable the submission of electronic travel authorization via mobile devices. After a successful proof-of-concept early in 2018 with the Australian Department of Home Affairs, the project is being used as a model for passenger interaction, such as the issuing of government credentials via mobile technology with governments in other regions. Further development is underway as part of SITA’s Mobile Passport Control iBorders portfolio.

In the area of chatbots, exploratory work took place with Virgin Atlantic Airways. This included a chatbot interface to airline process manuals for frontline staff, covering procedures such as check-in and boarding. The approach was found to be an efficient way of querying airport policies, and remains an area of ongoing interest for SITA.
Digital twins – co-innovation in action

During the year, the SITA Lab ramped up activity around the concept of digital twins for airport operations control. A digital twin is a digital replica of physical assets, processes and systems that continuously learns and updates itself from multiple sources to represent its near real-time status, working condition or position.

One example is SITA’s work to create a digital twin airport operations center with LaGuardia Gateway Partners, using an immersive 3D interface with a conversational user interface to create a total airport management view of airport operations. The digital twin was subsequently also deployed in London Heathrow Airport to visualize inbound aircraft and estimate the flow of passengers into immigration.

Augmented reality is another area of opportunity for the industry. The SITA Lab worked with Virgin Atlantic Airways to use augmented reality as part of cabin crew training, as highlighted in the CEO Report. This included a high definition 3D model of a Virgin Atlantic 787 with an augmented reality portal viewer that works on iPhone or iPad for use by crew during classroom-based training. The app is being rolled out to all cabin crew.

Blockchain research

In a major co-innovation initiative in the third quarter of 2018, the SITA Lab launched its Aviation Blockchain Sandbox to accelerate research into the use of blockchain technologies as a driver for better collaboration within the industry. As well as providing the sandbox platform itself, the Lab created a reference blockchain app, FlightChain, specifically around the sharing of flight data. There have been more than 50 expressions of interest from airlines, airports and other industry players.

Digital identity

Digital identity is another area of interest. In mid-2018, SITA became a Founding Steward of the Sovrin Foundation, an international non-profit organization whose mission is to enable self-sovereign identity online. Self-sovereign means a lifetime portable identity for any person, organization, or thing that allows the holder to present verifiable credentials in a privacy-protecting way.

SITA is collaborating with the Sovrin Foundation and other Sovrin Stewards to create, operate and maintain the foundation’s decentralized digital identity network. In December, the SITA Lab successfully completed a joint development with a leading airline group to demonstrate how Sovrin could be used to support passenger identity in international air travel. A live trial is anticipated in the near future.

“One example of co-innovation is SITA’s work to create a digital twin airport operations center with LaGuardia Gateway Partners, using an immersive 3D interface with a conversational user interface to create a total airport management view of airport operations.”
CUSTOMER SERVICE PERFORMANCE

• SITA’s Net Promoter Score stood at 36.5% by year end, up from 30.6% in 2017, including an improved response rate at 13%, up from 9%.

• SITA has seen a year-on-year reduction of 7% in the rate of incidents per asset, and an 11% reduction in the number of major incidents.

• Following the 2017 award of ISO/IEC 20000-1:2011 Certification in Service Management, SITA’s Command Centers (SCC) were awarded ISO/IEC 27001 certification in December 2018.

• The ISO27K certification of security processes provided by the Command Centers are a key component of the company’s enhanced security program, given the confidential nature of the support services SITA provides to its customers.

• SITA Global Services, the company’s customer service function, continues to embed security tools into services to proactively detect and address cybersecurity threats. Ongoing security health checks are undertaken on SITA managed services in airports to ensure compliance with ISO/IEC 27001 Information Security Management System.

INVESTING CONSTANTLY IN CUSTOMER SERVICE

SITA’s focus on operational excellence will help the industry to better manage the complexity of operations at the airport and for aircraft. But operational excellence is also, of course, equally important in SITA’s own internal operations, as the CEO Report says on page 20.

A large part of SITA’s internal organizational transformation program is to drive improvements in the quality and speed of project delivery, and to reduce lead-time-to-market, as well as decreasing the time it takes to fix software defects. Strong progress has been achieved.

The transformation program includes multiple customer service initiatives, such as the move to ServiceNow, a best-of-breed Service Management platform that provides more visibility and insights to customers, allowing them to better manage their environment and better serve their end-customers. In 2018, over 100 customers migrated onto ServiceNow.

Improvements for customers

As a result of sustained investment in managed infrastructure environments, tools and processes, SITA achieved marked enhancements in its global service offering during 2018. At the same time, transformation of the company’s project management capability continued, leading to significant improvements in delivery times, beating 2018 targets for on-time project delivery and network lead-times.

Other major initiatives included the continued move to DevOps practices, which puts into place a simpler, stronger and more agile interface between product development and operations. This is improving time to market and operational readiness through closer collaboration between service design, development and operations.

At the same time, Smart Infrastructure Management will reset how SITA’s Data Center and cloud infrastructure is managed. It will enable hybrid cloud solutions, offering customers a choice between public cloud, private cloud and on-premise consumption models.

New technology focus

Further work is being progressed to bring efficiencies to the way the company operates and manages its services, including self-remediation automation capabilities. Robotic process automation technology is being explored to eliminate low value administration tasks for employees. For the future, SITA’s service organization has a number of key areas of work, including continued preparation for evolution towards Software-Defined Networks.
INVESTING IN SITA PEOPLE

The success of SITA depends on continuously strengthening the company’s staff, which is a critical element of the organizational transformation underway. Embedding SITA’s values and driving a culture of continuous improvement are key areas of focus.

Launched in January 2018, the company’s values – which encourage collaboration, customer focus and simplification – are now a part of people-related processes. By year-end, approximately 70% of staff had attended dedicated workshops to bring the values to life.

Building skills and collaboration

The company continues to focus key capabilities and skill sets where they are most needed, to achieve greater levels of collaboration, as part of its location strategy. This involves developing strategic hubs, keeping customer-facing teams close to customers, and central functions close to each other.

A major part of SITA’s evolution is the strengthening of targeted professions, such as technology management, project management, customer solutions and product management. The number of staff in our targeted professions has increased considerably, and continues to do so.

Benchmarked against external best practice, this effort has resulted in clear career structures for staff, while setting the basis for in-depth understanding of critical skills for SITA’s future.

Diversity, inclusion and wellness

Following a review of workforce structure and trends, SITA is reinforcing diversity in the organization’s core people processes. Added to that, a more inclusive work environment is promoted through awareness events such as International Women’s Day and deployment of an employee resource groups network.

At the same time, a global employee wellness program, launched in the year, leverages existing best practice and offers a variety of activities and services in all key countries. The program promotes an inclusive, healthy and productive work environment.
POSITIVE IMPACT THROUGH CORPORATE SOCIAL RESPONSIBILITY

SITA delivered programs in 2018 to support the company’s responsible business practices for the environment and society, reaffirming commitment to the United Nations Global Compact principles. In addition, SITA projects reflect Sustainable Development Goals, particularly climate change, gender equality and quality education.

Carbon credits to address climate change

SITA’s Corporate Social Responsibility (CSR) strategy maintains a key focus on reducing environmental impact, with 2018 seeing a new project to address emissions from air travel. An internal ‘carbon levy’ on all flights now funds carbon credits to offset emissions generated from flying.

This is invested in environmental and social programs to support biodiversity, reforestation, access to solar power, and community and education projects in Borneo and India. As a result, SITA’s air travel has been carbon neutral, with more CO2e (carbon dioxide equivalent) being offset than generated.

Environmental performance

Overall, SITA reported a decrease in energy and emissions intensity from operations around the world, as well as a drop in water and paper consumption. All environmental targets were met for the year. SITA retains ISO14001:2015 (Environmental Management Systems) at six key global sites, together with a commitment to continual improvement.

‘Press for Progress’

Throughout the business, SITA teams adopted the ‘Press for Progress’ theme of International Women’s Day. From London to Singapore, and Atlanta to Delhi, discussions took place on how to support and champion female colleagues.

Supporting our communities

SITA’s ‘Value in Volunteer Action’ program – which gives employees a paid day to undertake voluntary activities in their communities – saw over 4,000 hours recorded. Beneficiaries included elder communities in Paris; food banks in the US, Canada, UK and Australia; health care projects in Ireland and India; and many more.

Focus on Africa

The SITA Air Transport Community (ATC) Foundation continued to give access to IT and education for young people in Africa, with programs including:

- Secure and equipped ICT labs for secondary schools in Uganda and Zambia, as well as the provision of solar power.
- Teacher training in Zambia, Zimbabwe and Ethiopia.
- University student funding in South Africa. Courses include IT, Computer Sciences, Electrical and Information Engineering, and Aeronautical Engineering.
- A US$10,000 innovation award for students in South Africa.

To date, the ATC Foundation has positively impacted over 83,000 students, 51.4% of whom are female.

Corporate Social Responsibility Report

A full CSR Report is available on www.sita.aero/csr

“With the help of this bursary I was able to complete my two years research project in Computer Science. The focus of my project was to improve the prediction accuracy of six combined climate change prediction models using machine learning techniques. Thank you again for your investment in the University of the Witwatersrand and students like me.”

JC, Student
AVIARETO

Aviareto, the joint venture between SITA and the Irish Government, celebrated its one millionth registration of aircraft assets in January 2019. Aviareto holds the contract with ICAO to operate the International Registry of Mobile Assets – used to record financial interests in airframes, aircraft engines and helicopters.

To date over half a trillion dollars’ worth of assets have been securely registered, ensuring a clear priority is established between competing interests. This is particularly important in the case of defaults and disputes. Registration reduces the risk associated with financing the assets and, in turn, the cost of doing so.

Facilitating financing, leasing, sales and more

The basis for the International Registry of Mobile Assets is the Cape Town Treaty, an international treaty adopted in 2001 by ICAO and UNIDROIT. This treaty facilitates financing, leasing and sale of aircraft, engines and helicopters, including through the electronic registration of financial interests in one global registry.

To date, more than 74 countries have ratified the treaty, with more expected to do so over the next few years. This is one of the fastest ratified international commercial treaties in history.

Aviareto has operated the registry since 2006. It is an online and highly secure system managed in Ireland, used by lessors, airlines, banks, private individuals, corporations and legal firms worldwide.
CHAMP – MAKING
AIR CARGO ‘SIMPLER,
FASTER, BETTER’

As a leader in air cargo IT, CHAMP Cargosystems continues to evolve its technology and services to meet the complex demands of the industry. To use the company’s mantra, CHAMP’s solutions enable ‘simpler, faster and better’ air cargo logistics and global trade. They include:

• Cargo Management Applications (for carriers, forwarders, handlers and general sales agents).
• Supply Chain Integration Services and Application Programming Interfaces (APIs).
• Regulatory Compliance Services.
• Community Marketplace Services.
• Cargo Insight Services.

Traxon milestones

Among the many milestones reached in 2018, several were achieved by CHAMP’s Traxon portfolio. MNG Airlines became the first customer to use Traxon Global Security (TGS), which enables the airline to comply with the US Air Cargo Advance Screening (ACAS) requirement.

This is the first of many Pre-Loading Advance Cargo Information regulations that the industry will need to implement in the years ahead. Later in 2018, Icelandair Cargo used TGS to participate in Canada’s Pre-Load Air Cargo Targeting pilot.

At the same time, Japan’s sole Cargo Community System (Cargo Community System Japan Co) signed with CHAMP for its Traxon cargoHUB solution to provide a new cloud-based air cargo operational messaging platform.

Thai Airways and Oman Air implemented Traxon cargoHUB too, while Turkish Cargo took on CHAMP’s performance measurement solution, Traxon CDMP, for measuring over one million shipments a year. Today, this solution measures over 40% of the worldwide Cargo iQ airline shipments.

During the year, CHAMP launched Traxon Quality, a new performance measuring tool enabling airlines to track their own shipments as well as movements crossing the whole supply chain.

Advancing the cargo community

Further advances in the air cargo community came with CHAMP’s flagship Cargospot suite of cargo management solutions. Royal Brunei Airlines signed an agreement in the year for Cargospot Airline and Revenue, while Cargospot Handling achieved success with the signing of France Cargo Handling, Lebanese Air Transport, Charleroi Airport, Airtrans, and Belgium Airport Services.

The year saw over 15 major cutovers delivered, including Japan Airlines, Swissport and Cathay Pacific. Cathay received a major upgrade for its Cargospot solution to enhance its booking capability, supporting the airline’s strategic partnership with Lufthansa in jointly managing their cargo capacity.

And as part of its Cargo Insight Services for the community, CHAMP successfully introduced its DataAnalytics solution, comprising of standard as well as customizable dashboards that enable real-time insights and predictive analytics.
Community collaboration

Collaboration is a key element in the development of new CHAMP services. Technically advanced forwarders and shippers, for example, are now using CHAMP’s range of APIs to integrate data from the community directly into their systems to deliver enhanced services.

Other partners are augmenting CHAMP’s portfolio in niche areas, such as specialist air mail operations to help cargo system clients grow their e-commerce business. One example is Global Logistics System Hong Kong, which built a mail operations system for Cathay Pacific, that it now sells to other carriers. CHAMP signed a reseller agreement with GLS Hong Kong, having integrated its solution with Cargospot.

Another example is PayCargo, which provides a platform for organizations to settle payments peer-peer. CHAMP’s integration with PayCargo means that CHAMP cargo management customers are able to see such payments, enabling goods to be released faster.

Collaboration with the technology developer community is playing an increasingly important role in building new ideas and solutions. In September, IATA launched its first ever Digital Cargo Hackathon in Geneva, based on the format of its Airline Industry Retailing Passenger Hackathon. It focused on building an API to IATA’s ONE Record platform. CHAMP participated in this unique cargo event, aimed at nurturing innovation to the wider air cargo community and helping to develop solutions for the future.

CHAMP’s aim is to be a trusted provider of cargo IT services. But it is also to become a technological partner for learning and understanding in the community. Work took place in 2018 to prepare for the launch of the CHAMP Academy in 2019. The objective is to provide CHAMP’s customers in the community with web-based tools to train their sales and operational staff on CHAMP’s solution.

Corporate Social Responsibility

Committed to acting responsibly as a corporation, CHAMP is focusing on education, the environment, children, and the less fortunate. In particular, the company has worked extensively with local organizations in the Philippines, helping to provide a range of benefits, from laptops to educational books to potable water. CHAMP has also been actively involved in recycling, waste segregation, and in the Philippines, tree planting activities.

“Any carrier can only be digitized as much as its clients and partners are. Therefore, it is vital that together we have the knowledge and solutions on the ground for everyone to feel their benefits. CHAMP has provided the technologies to support us in our transformation.”

Mohammed Ali Al Musafir, Senior Vice President—Commercial Cargo, Oman Air
LET'S MOVE THE WORLD, TOGETHER