



# Embracing China

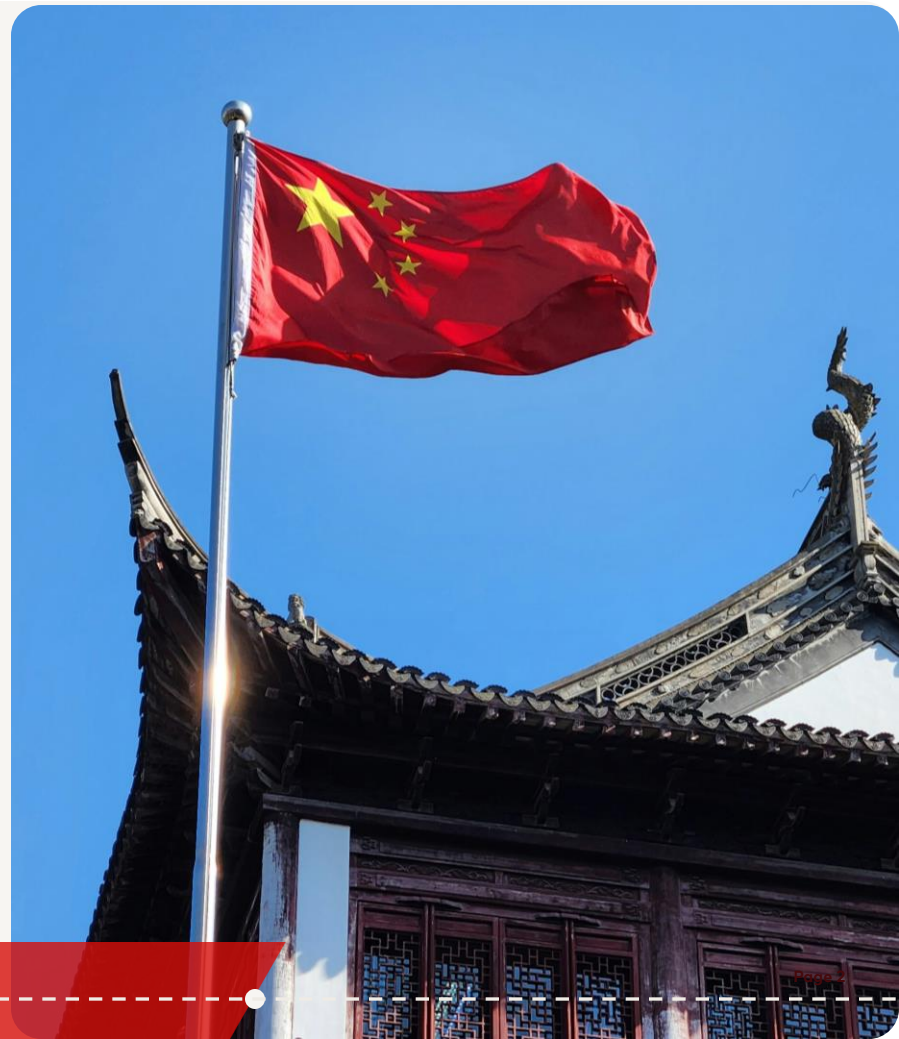
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# The China success story

- China's growth story and integration into the global economy over the past 20-30 years is impressive
- China has strategically introduced changes over time including significant investment in infrastructure and incentives to attract foreign investment
- It has transformed itself to become a technological superpower with cutting-edge technology companies and an expanding influence across the globe
- Now navigating a transition from rapid expansion to slower, higher-quality growth focusing on what's been termed "new productive forces," such as AI, robotics, and advanced semiconductors (WEF).
- Swissport has been a beneficiary of China's desire to open up to international partnerships and invite expertise within our Ground Handling community, and I'll be talking more about this today.



# Market context: China's aviation landscape

**8-10%**



## Annual Passenger growth

China's aviation market continues its rapid expansion, driving demand for services.

**2000+**



## New aircraft by 2030

Significant fleet expansion projected for Chinese carriers, creating new opportunities.

**\$10B+**



## Ground Handling Market

The estimated value of the Chinese ground handling market, growing steadily.

**20%**



## Global Air Traffic Share

China's strategic importance to global aviation continues to increase.

**11.8%**



## International Passenger growth

China leads global international aviation growth, with demand rising 11.8% year-on-year in 2024.

**29.3%**



## International Cargo growth

International cargo and mail transportation volume saw substantial 29.3% year-on-year growth in 2024.

**84%**



## International Flight recovery

International flights reached 6,400 per week in 2024, recovering to 84% of pre-pandemic levels.

**\$61B+**



## Aviation Services Market by 2043

China will become the world's largest aviation services market, nearly tripling from \$23B in 2024.

## Shanghai growth – the e-commerce capital

- Shanghai airports handled 4.5 million tons of cargo in 2025
- Cargo routes covering 112 cities in 31 countries
- E-Commerce surge driven by rapid delivery, livestreams, and AI-driven personalised shopping, with specialised sectors like quick commerce
- Chinese platforms, like Shein and Temu are setting new global benchmarks in e-commerce
- Economic expansion
- Digital hub focus
- Favourable business environment



# E-Commerce: China as the engine of global volume growth

## Scale of the market and Air cargo impact



China accounts for **~40–45% of global e-commerce transactions** by volume

Cross-border e-commerce exports exceed **USD 350bn annually**, with double-digit growth

E-commerce now represents **30–40% of international air cargo uplift** on key Asia–Europe and Asia–US lanes

Growth driven by **high-frequency, low-weight, time-critical shipments**

## Platform-driven acceleration



**Air freight becomes the default, not the exception: Ultra-fast D2C platforms (e.g. Shein, Temu)** design their business around speed, making air cargo a core enabler rather than a premium option.

Volume bypasses **traditional distribution channels**- shipments move directly from origin to consumer, pushing high-frequency, fragmented volumes straight into airports and cargo terminals.

**Demand shifts** from seasonal peaks to permanent base load algorithm-driven sales create continuous, non-seasonal cargo flows, increasing operational intensity year-round.

## Global Implications



Increased pressure on **cargo terminals, ground handling capacity, customs processing, and labour models**

Airports and handlers with **e-commerce-ready infrastructure** gain a competitive advantage

**strategic partners**, not just service providers

Competitive advantage comes from **speed, reliability, and scalability**, not only price

**China's e-commerce growth is not cyclical – it is structural, and it is redefining global air cargo flows, capacity planning, and commercial strategies.**

# SMARGO – ‘A Cargo Powerhouse’

- In 2022 Shanghai Airport Logistics development company and China Eastern Air Logistics Co. Ltd. jointly established Shanghai SMARGO Logistics Service Co. Ltd.
- SMARGO dedicated to pioneering a digital and intelligent operational model of air cargo terminal
- Established the second largest intelligent cargo facility in the world at Shanghai Pudong International Airport (PVG)
- Adopted latest technologies, automation and AI to drive performance – the facility is world class
- Connects airlines, airports, shippers and consignees
- In 2025, Swissport entered a strategic partnership with SMARGO, leveraging its expertise and global network
- SMARGO has the vision and Swissport, as the global leader and expert in air cargo, to execute
- Invested in deep, trust-based relationships that transcend transactional dealings, fostering mutual growth and loyalty
- Will be one of the greatest cargo success stories of our time.



# Swissport – SMARGO Smart Terminal Partnership

The second largest warehouse in the world



智汇港  
SMARGO

IN PARTNERSHIP WITH





智汇港  
SMARGO

IN PARTNERSHIP WITH





# Swissport – SMARGO

## A winning partnership

Here's why...

Swissport is the only ground handler to achieve  
EcoVadis Platinum rating.



# We are both industry leaders

Swissport is a global leader in aviation services, with global reach, proven expertise, performance and partnerships.



**65K**  
colleagues



**300**  
airports



**247M**  
passengers



**5M**  
tons of  
Air Cargo



**6.2M**  
Lounge  
customers

# We share the same core values & priorities

## What Chinese carriers value most: **Safety & Operational Excellence**

### Safety first



Safety is the absolute top priority. All operational decisions are filtered through a safety lens, and any perceived safety risk will immediately disqualify a proposal.



### Operational stability



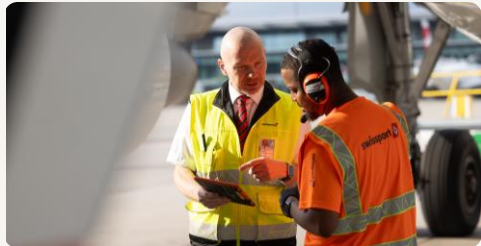
Consistency and stability in operations are paramount. Chinese carriers value predictable, reliable service delivery



### Incident management



Strong incident and damage management capabilities are essential. How problems are handled matters as much as preventing them in the first place.



# We are committed to innovation to improve safety & performance

- Driverless cars
- Aircraft proximity detector system
- Telematics, equipment monitoring, real time GPS, workforce apps and real time monitoring of temperature and alerts to keep workforces better informed and improve safety
- Knowledge One and AI Assist
- Cargo digital toolkit technology



# Long term commitment

APAC entry to China did  
not happen overnight

- Read the market shift early
- Reset the strategy
- Strengthened leadership
- Introduced structured engagement
- Aligned our value proposition
- Converted strategy into results
- Got to know the culture, the people and their decision-making priorities.



## Swissport is focused on end-to-end setup of the SMARGO centre and we're making good progress

- Governance
- Building the team – supporting local economy
- Integration of operating systems and use of technology, automation and AI for max efficiency
- Customer Service Platform
- Data Communication
- Safety Systems
- Controlled build to max efficiency and output



**swissport** 