



## GSA/GSSA SUPPLEMENT

### ATC growing by leaps and bounds

*Ingo Zimmer CEO of ATC Aviation is a remarkably confident man given the generally weak state of the air cargo markets. "Recently I am very much positive and I am not feeling threatened by market conditions," he said in a phone interview with Payload Asia. Michael Mackey has the story.*

Part of the reason for this is the expansion, by leaps and bounds, that ATC is going through. Another component is the number of carriers the company works for – 65 at the last count.

This is a lovely mixed group going from A to Z and seemingly most places in between. This ranges from ANA to Air Zimbabwe via Ethiopian and Royal Air Maroc to name less than a handful. Complicating this mix is niche contracting. "We don't represent each airline in each destination" Zimmer said.

Another explanation is the business it is doing. This is a GSA firm and as he points out, one of the biggest capacity providers in Germany at 7,000 tonnes per month and very strong in Switzerland. It is also one that seemingly unbothered by what Zimmer describes as the slightly shrinking German market. This he puts down to a number of public holidays in May.

The rest of the picture is rosy although as he says "different from country to country." ATC is doing extremely well in the US and well in Spain – an unexpected comment given the seriousness of the Euro crisis in that country, with Zimmer attributing it to textiles in the Zaragoza area.



Ingo Zimmer

What gives Zimmer his optimism is not so much what ATC already has but what it is planning to have. "New markets will generate business and we are established in the developing markets," he told *Payload Asia*.

And what expansion it is. His news is that ATC Mozambique is to open next month growth in Africa, being an ongoing process. This is the second ATC on that continent. Nor does it stop there as "our target is two other countries in the English speaking part (of West Africa)."

Nor is Africa alone. "We are going to open Argentina next month" he said, and he makes it sound interesting – exciting even – before mentioning plans to expand into Chile and Ecuador.

#### Looking to Asia

This is seemingly just a prelude to the real thing, expanding in Asia which is slated for 2015/2016. ATC already has what he terms a small set up in Hong Kong and more intriguing, still "some contracts off line but interesting in India." The plan is to buy companies. "I don't think we can make it on organic growth" he said.

What underpins this hopefulness, this bounciness is a belief that whilst the market changes there will still be a role for the GSA even though they themselves are under pressure, especially as the market doesn't so much consolidate, as starts to see big groups, often from the Gulf, emerge.

What Zimmer argues is there is still space for the GSA, although the smaller ones burdened by costs and the need for a network reach, might be squeezed. But the very expansion of airlines requires agents to be there. "That's our strategy to be at the locations where the airlines will be," he said.

Zimmer also – and this might well explain his sunny outlook – seems to have found a way to deal with the basic problem of GSAs and maybe even GSSAs. Build up someone else's business

and they might want to make it their own. There is a fine line between doing the job well and doing it so well they want it for themselves.

The first part of that last sentence is a key as to why GSAs look set to endure. In order for a carrier to want the business it has to be a critical mass as Zimmer called it. Sometimes it's not and even when it is the issue of costs, such as dedicated staff and local expertise often

weigh-in against the decision to take the business back.

As he points out, ATC with its 40 staff in Germany and 20 in Switzerland would be an "enormous cost" to any carrier wanting the business to contemplate setting up.

It does, of course, happen. Zimmer tells the story of how ATC was the agent for Asiana for 10 years but when Asiana took to direct sales, ATC helped

them. And yes, you read that correctly, it helped them. This went as far as finding new staff, but the strategy was a good amicable divorce rather than a messy one.

The basic goal was to keep business relationships good. "We want to keep our reputation, that's important," said Zimmer. The way he put it, twice in one conversation, was: "It's a small world – you always meet twice." ✦