

Air Cargo Overview May 2019

Air Freight Segments



Belly-Cargo: Freight in the baggage hold of passenger flights

All-Cargo: Freight on the main deck of all-cargo aircraft

Integrators: Freight on the main deck of all-cargo aircraft



Importance of Air Freight for Passenger Airlines



Air freight accounts for 12% of the total revenue of the airline industry

North Atlantic Routes: 5% to 15% of the revenue

North Pacific roads: 5% to 20% of the revenue

Very few international flights would be profitable without air cargo revenues.

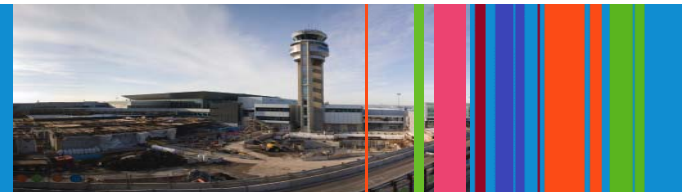
Air Freight User Profile



- Time-sensitive goods (aerospace, flowers, perishables)
- Temperature sensitive products (food products, pharmaceuticals)
- High value items
- Live animals
- Couriers and documents



Air Freight Markets by Community



YVR

- Intermodal: air and sea freight
- Seafood
- Perishable goods (cherries)

YYC

- Distribution for the prairies
- Aerospace
- Agri-Food
- Livestock
- Oil rigs

YEG

- Retail distribution
- Oil rigs

YYZ

- Aerospace
- Pharma
- Electronics
- Freight Consolidation
- Distribution Center

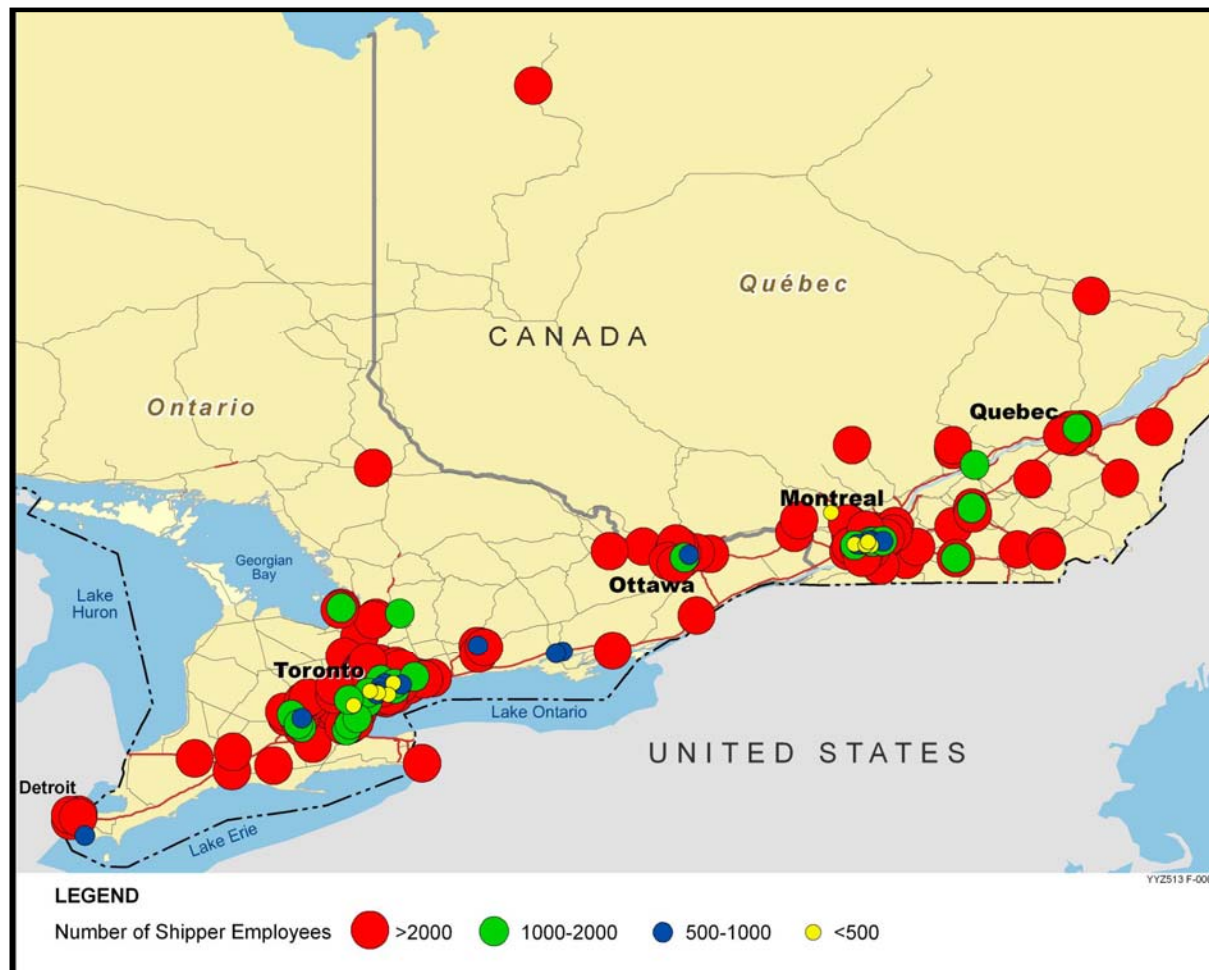
YUL/YMX

- Aerospace
- Pharma
- Electronics
- Freight Consolidation
- Distribution Center for QC

ON-QC Trade Corridor



Air Freight Users

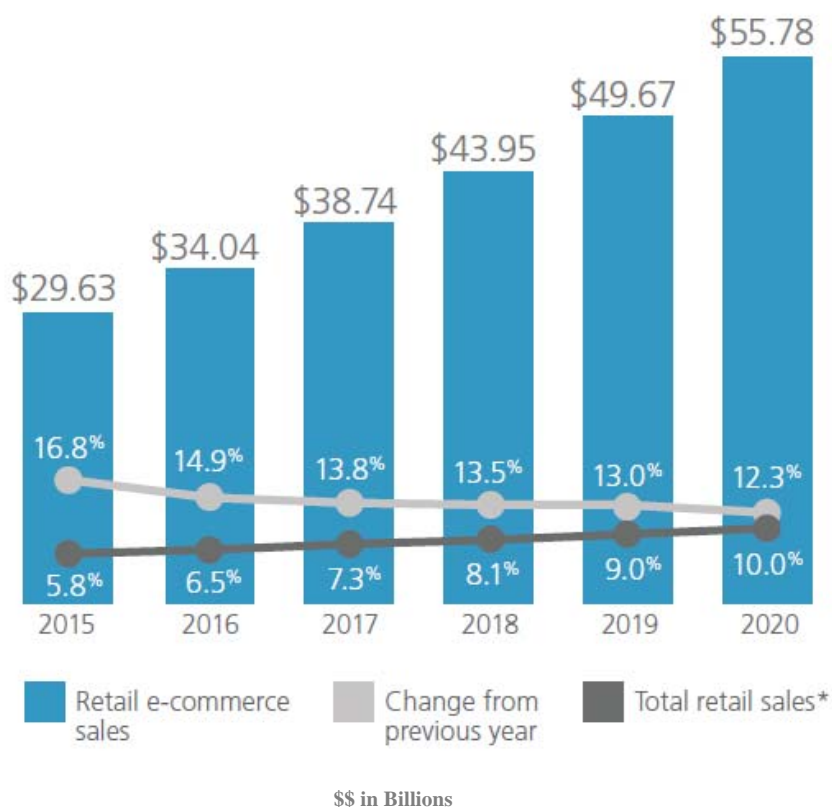
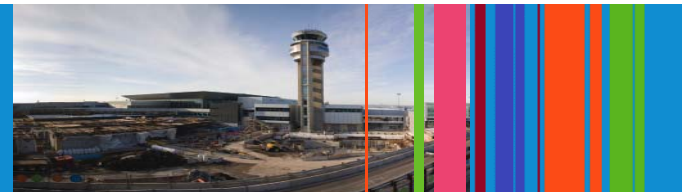


Source: Statistiques Canada

E-commerce



E-Commerce in Canada

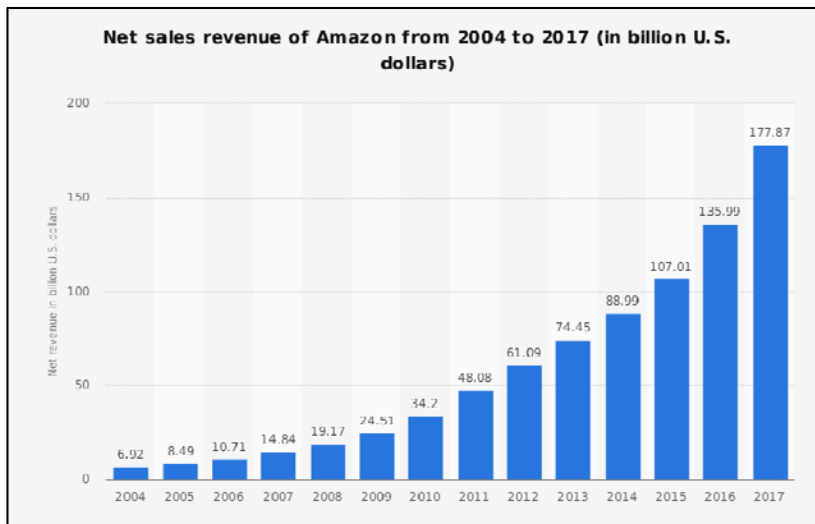


- 95% of Canadians aged 18 to 34 shop online
- E-commerce accounts for 9.5% of retail sales in Canada

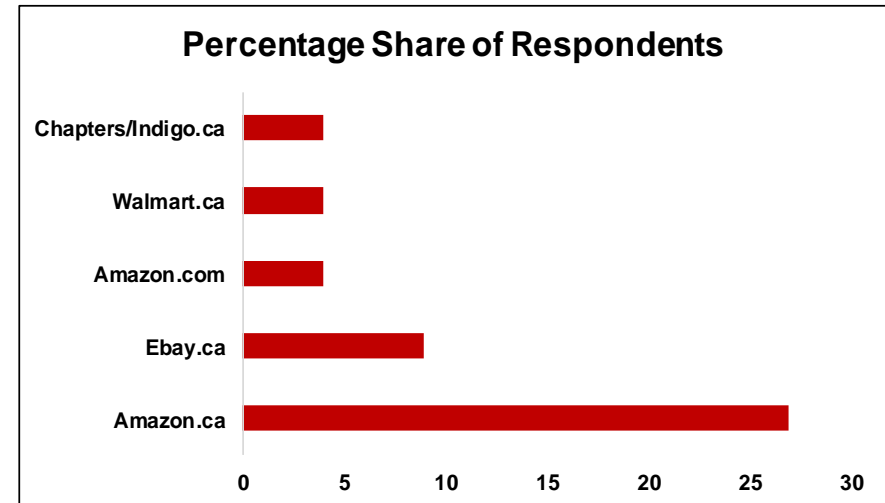
E-commerce is the new engine of air cargo growth



Market Share – E-commerce (2017)



Source: Amazon

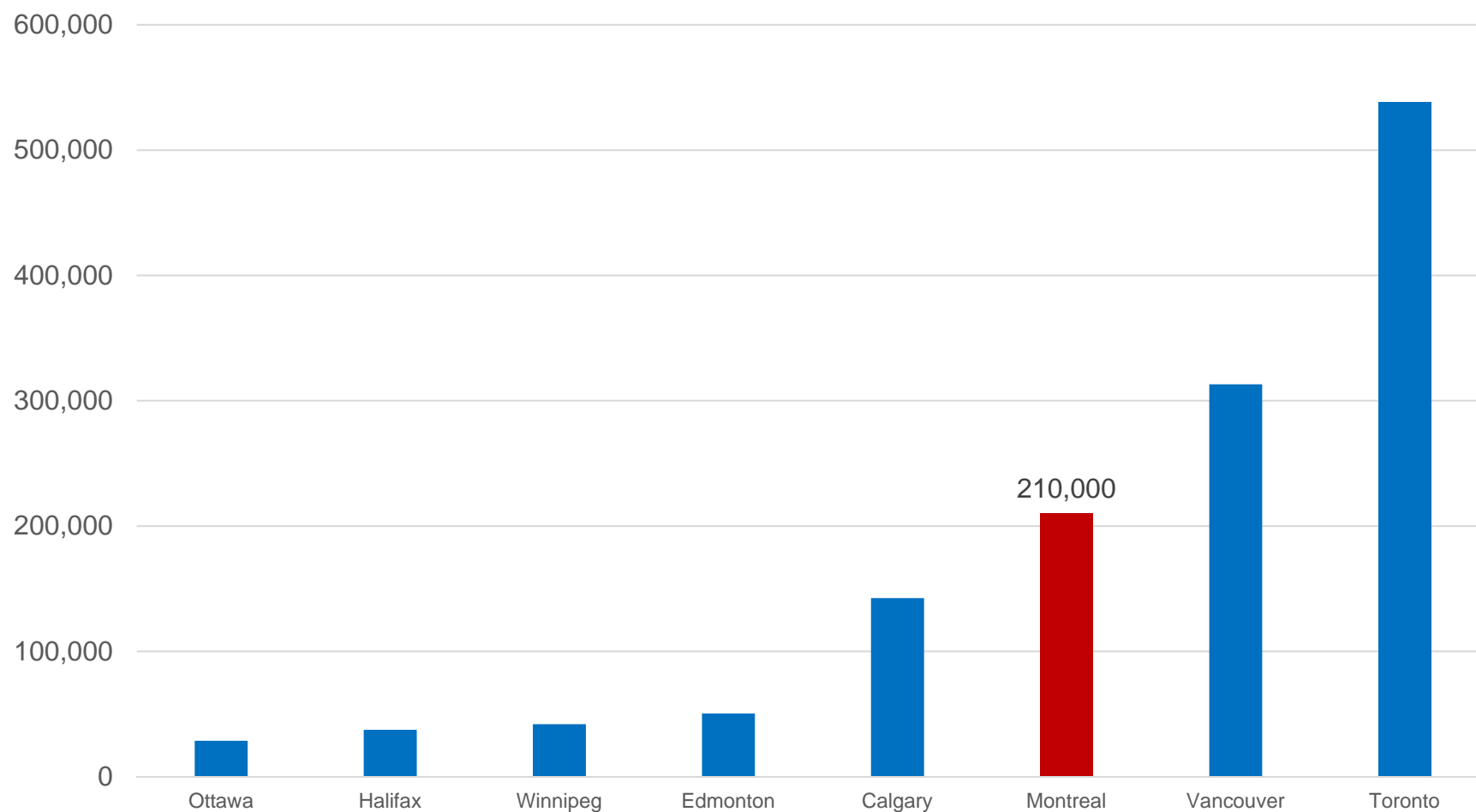
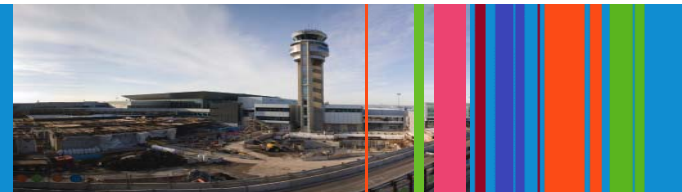


Source: Consumer Survey – Statista.com

Amazon has changed the expectations of buyers

Guaranteed Delivery in 48 Hours = Growth in Air Freight Demand

Air Cargo Gateways in Canada

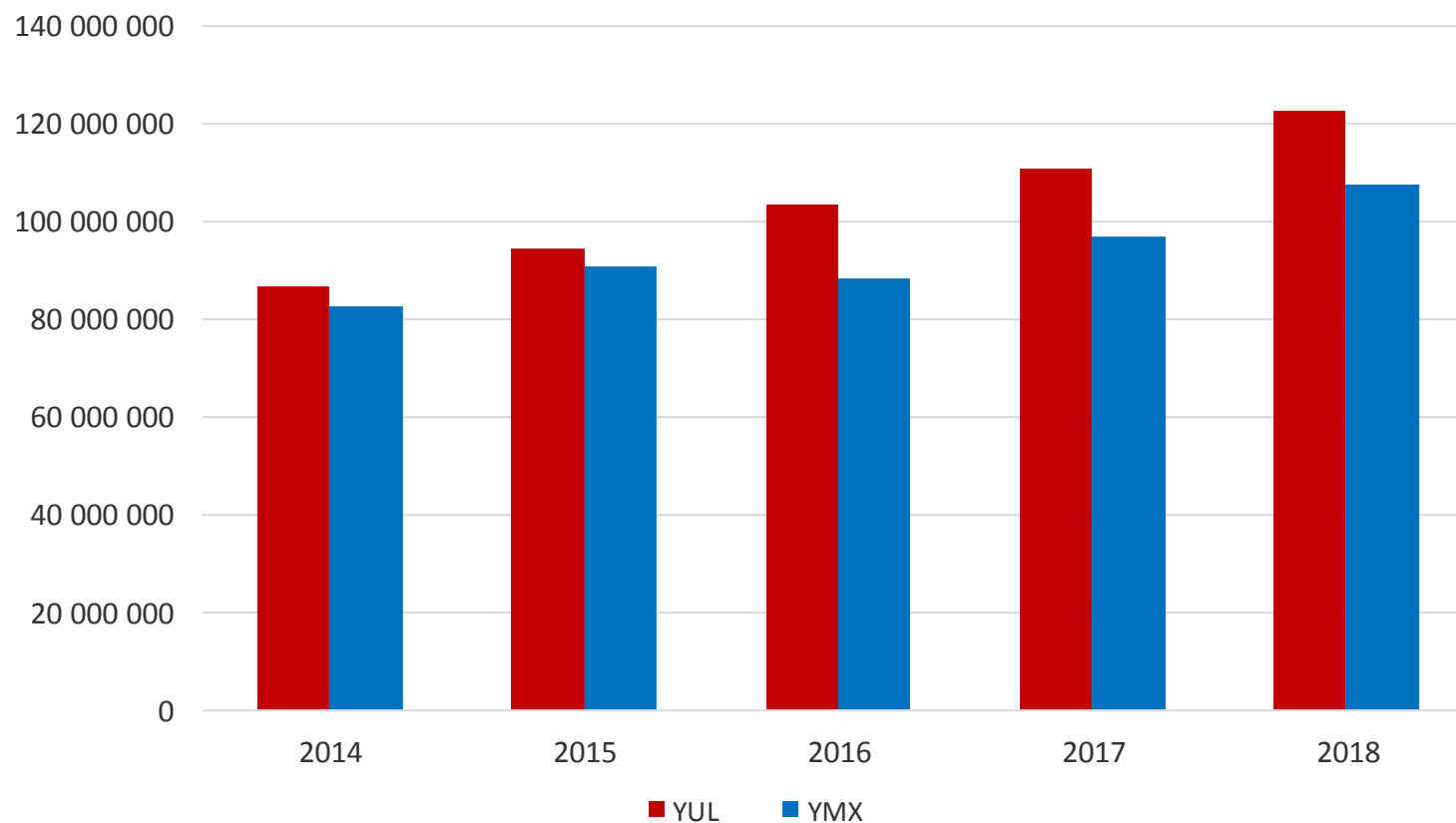
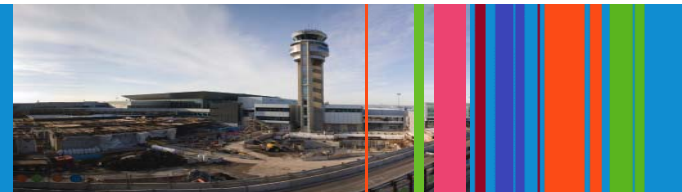


What do airport need to become a leading air freight gateway



- Freight Forwarders Cluster
- Affordable costs
- Fast intermodal platform (access to main highways)
- Cooler space
- Security Services (air cargo screening)
- 24/7 Customs
- Dedicated cargo aprons and sufficient equipment to support simultaneous cargo operations
- Handling equipment for oversized cargo
- Specialized equipment for live animal handling
- Adequate facilities to handle air freight (warehouses with airside access)
- World class cargo and ramp handling services

Tonnage Growth 2014-2018



Mirabel Airport



Trudeau Airport



Focus on Growth





Airports stimulate trade in the 21st century as much as:

Highways in the 20th century

Railways in the 19th century

Maritime ports in the 18th century

