

#AirCargoCAN... A National Air Cargo Supply Chain Roundtable

A Challenge of our Time

The COVID-19 pandemic continues to have an unprecedented impact – not only on public health, but on social and economic wellbeing worldwide. Every day, cargo being shipped by air includes both the critical goods that Canadians rely on such as pharmaceuticals, personal protective equipment (PPE) and everyday items we rely on in our daily lives such as information technology components and high-value foodstuffs. It has never been clearer how important the movement of goods and the businesses that makes this possible are to the health and prosperity of our nation.

Air cargo moves in to and across Canada either in the belly of passenger flights or on dedicated cargo flights. COVID-19's impact on the global aviation sector has been staggering and Canada has been no exception. Between April and June 2020, our nation's airports saw passenger traffic volume decreases of approximately 80 percent compared to 2019. This disruption to connectivity has ripple effects that further challenge an already hard-hit global economy and impacted air cargo capacity. In Canada, that has meant lost jobs, reduced productivity and missed or deferred opportunities.

This could have been dire for a country as vast and sprawling and reliant on trade as Canada, however members of the aviation and air cargo sector rose to the occasion with innovations and bold decisions and found ways to mitigate that risk.



All participants in the air cargo supply chain, whether an airport, airline, logistics company, shipper or trucking company, have modified their operations, made bold decisions about their business and adapted to a new goods movement environment to fight the COVID-19 crisis and provide fuel to enable economic recovery.

- Deborah Flint, President and CEO, Greater Toronto Airports Authority

On June 26, 2020, Greater Toronto Airports Authority and the Canadian Chamber of Commerce hosted Minister of Transport, The Honourable Marc Garneau, for a discussion with stakeholders from the critical air cargo component of the nation's supply chain. The insights from this discussion will help shape the sustained movement of critical cargo operations throughout Canada as we continue the fight against COVID-19 and its impacts as well as our country's economic restart and recovery.



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Air Cargo Is Meeting the Challenge

The air cargo supply chain has proven itself during the COVID-19 pandemic. Supply chain partners—from airlines to freight forwarders to customs and government - continue to work around the clock to keep critical supplies and essential goods moving.

The air cargo sector is committed to working together to continue supporting Canada's supply chain during COVID-19 and its economic recovery. Moving forward successfully is based on four principles:

- 1** The safety and security of the air cargo system and the health and safety of workers is foundational to the sector.
- 2** The air cargo supply chain is the sum of its parts and must be viewed holistically as we move forward.
- 3** Innovation and modernization will help strengthen Canada's supply chain and allow us to emerge more resilient and competitive.
- 4** Air cargo and its importance to Canada and its communities is often overlooked – this cannot continue to be the case.



Air cargo supports supply chain resiliency by providing a means for business and consumers to receive critical goods and inputs. It is also acts as an important vehicle for Canadian companies to export their products abroad. Our growth-led recovery needs to have air cargo at the forefront to be successful.

-The Hon. Perrin Beatty, PC, OC, President and CEO, Canadian Chamber of Commerce

The Path to Recovery depends on Continued Collaboration

Collaboration between industry and government has never been more vital and will be increasingly important as we all look to build the roadmap to recovery. Areas of collaboration include:

Infrastructure

- The infrastructure that supports air cargo runs far beyond the planes that carry goods and the runways they land on. This important sector that brings pharma, high value food stuffs, just in time goods, etc. does not stay at the airport but relies on trade enabling infrastructure at and around airports such as roads and bridges.



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Government should recapitalize the National Trade Corridor Fund and work with industry to build the necessary flexibility into the program so that it better placed to support trade enabling air cargo projects.

Innovation, Digitization and Modernization

- Canada lags behind some of its international counterparts when it comes to statistics and transparency on air cargo - the sector remains heavily paper based and therefore fragmented.

Government should come to the table to support efforts to increase data collection and reporting transparency and to digitize the air cargo sector to improve efficiency, modernize the touchless flow of information and help address physical limitations of COVID-19

Trade, Cooperation and Connectivity

- As a trading nation, it is important to keep goods moving across the border with ease. Businesses rely on governments around the world to reduce inequalities and inefficiencies brought about by different legal frameworks and requirements.
- Further, global supply chains bringing goods into Canada rely on border clearance services and current delays and backlogs are a significant challenge.
- Regulatory and implementation inconsistencies within a country - interprovincial trade barriers - and across the globe have a compounding debilitating effect on businesses and trade during a crisis.
- Industry and government have an opportunity to work more closely with international groups such as IATA and ICAO to boost the air cargo industry's profile and find solutions.

Working with industry, government should:

Work to enhance bilateral agreements to reflect the importance of air cargo within them and to better leverage new trade agreements for market opportunities.

Support initiatives that improve service levels with Canada Border Services Agency to facilitate the movement of goods.

Identify and implement best practices that foster coordinated actions to better enable business and trade with other levels of government.



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