

Flying high: the data and insight keeping us in the air

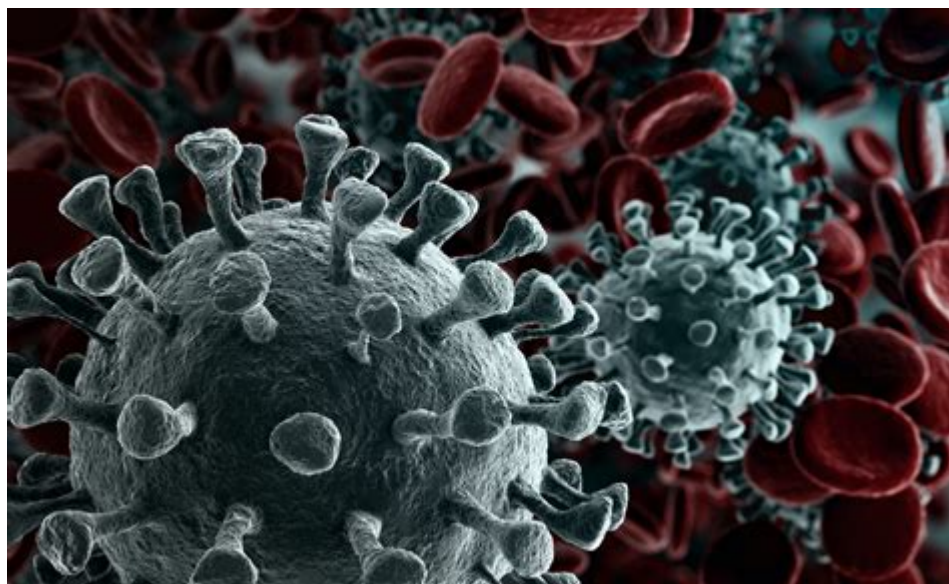
Kain Glensor, Ministry of Transport



Background



What to do when this:



Causes this:



... to happen to the airfreight system?

Problem

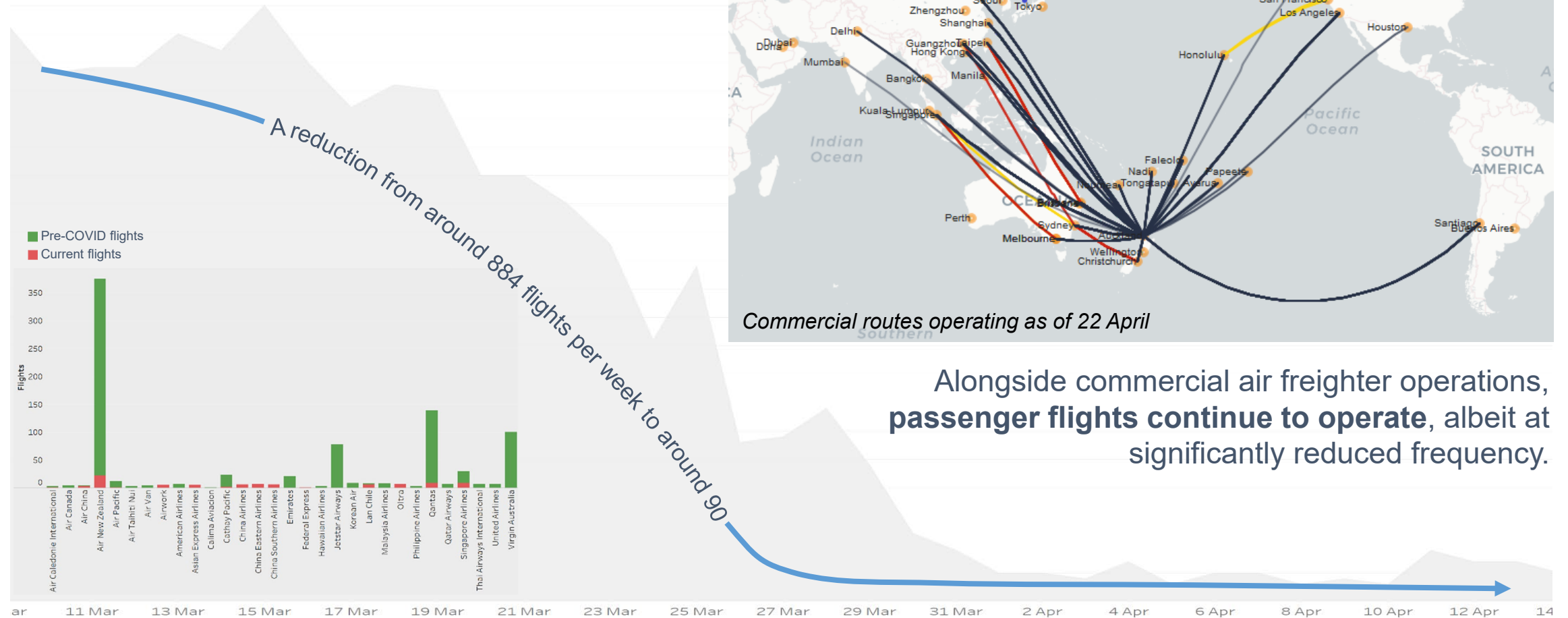


- Pre-COVID
 - > 80% of international air freight - bellyhold of passenger aircraft
- Covid-19 – very few flights
- Existing freighters insufficient
- Passenger aircraft can fly as freighters
 - Not economically sustainable without passengers

Passenger flights have reduced substantially



The number of passenger flights in and out of NZ has reduced by **over 90%** since March.



Problems



- Difficult to access to critical imports
 - COVID-19 equipment, medicines and other medical equipment
 - Other imports important for NZ businesses
- Some export businesses rely on airfreight
- Possible loss of connection to key export and tourism markets, and position in market
- Some airlines may not return, or delay returning
 - Damaging the competitiveness and sustainability of our aviation sector
 - Make recovery harder for both air freight and passenger movement
- 50% of airfreight in NZ was previously moved by Air NZ
 - Viability important
 - Domestic and international connectivity

We found out how airfreight moves....

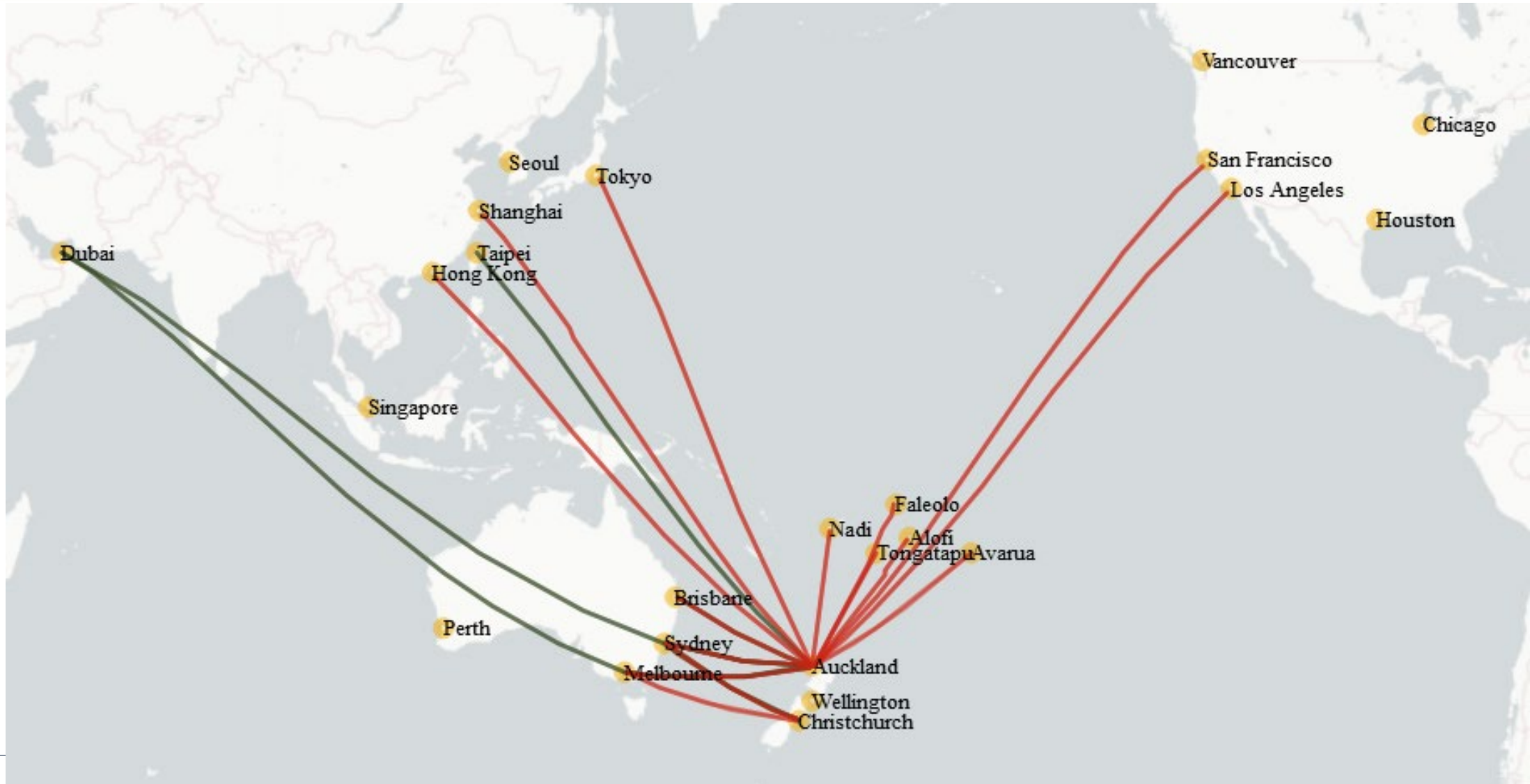


- We undertook an in-depth analysis of customs data for medicine and medical equipment to see what came from which ports
- We worked with MPI, NZTE, and Customs to understand the type, volume, and movement of exports and imports, and impacts being seen by exporters.
- We engaged with freight forwarders, the Air Cargo Council, Air NZ, BARNZ, Auckland and Christchurch airports to see which freight was moved by which airport, to which routes, and by which carriers.
- We collected information on current air cargo operators to see if operators were staying in market, and continue to track cargo movement of airlines through slot information and through our role as approval of air services.



- Supports airlines to fly freight on selected flights/routes
 - Mostly passenger, some freighters
- Provides security to exporters that flights will leave
 - They can prepare goods for export
- 56 rotations per week, 15-16 destinations

Key routes are covered





- Success is:
 - Exporters confident that capacity will be available to get their high value exports to market
 - Critical imports come to New Zealand
 - “Reasonable” airfreight prices (roughly no more than 2x pre-COVID rates)
- We don’t want to:
 - Intervene in the airfreight market for longer than we need to
 - Subsidise importers and exporters to pre-COVID rates
 - Support every operator on every route
 - Spend all the money in the first few weeks
- Caution needed
 - Avoid wasting taxpayers’ money
 - Export subsidies (WTO challenges)

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