

## MEDIA RELEASE

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### Wide body passenger jets a boost for SA freight exporters

The growing number of international airlines introducing wide body aircraft for passenger services out of Adelaide has greatly improved South Australia's direct air freight capacity to markets in Asia, the Pacific and the Middle East.

Adelaide has been well served for some time by wide body aircraft to Singapore (Singapore Airlines), Hong Kong (Cathay Pacific) and Kuala Lumpur (Malaysia Airlines).

Now, in addition to these long-standing airline customers, the introduction of wide body aircraft serving new destinations such as Dubai (Emirates), Doha (Qatar Airways) and Guangzhou (China Southern) has greatly improved South Australian exporters' avenues to market.

Adelaide Airport Managing Director, Mark Young, said it wasn't that long ago that the greater majority of our SA's freight exports travelled interstate first before heading to overseas markets.

"The recent arrival of state-of-the-art wide body aircraft is proving to be a game changer for SA's exporters," Mr Young said.

"Up to 60 per cent of our exports are now carried direct out of Adelaide to destinations like Singapore, Hong Kong, Guangzhou, Kuala Lumpur, Dubai and Doha.

"In fact, Qatar Airways, with its new Airbus A350, is now carrying Victorian exports out of Adelaide. It's the export equivalent of 'reversing the brain drain'.

"The launch of Adelaide's first Boeing 787 'Dreamliner' wide body service last month has also increased opportunities to Auckland with connections to the US.

"There's a significant difference between having virtually no freight capacity on a narrow body Airbus A320 aircraft to Auckland compared with Air New Zealand's new, much larger Boeing 787 Dreamliner that can deliver up to 25 tonnes of freight each flight to New Zealand or onwards to the United States.

"Most of our direct air freight is carried in the hold of wide body passenger jets as they provide a more regular and cost effective mode to market.

"Direct regular passenger and freight services create faster, cheaper and more regular paths to market and reduces the time from farm to fork for our perishable goods and so also increases the premium that our exporters can achieve. But 40-50 per cent of our air freight still travels via interstate airports such as Sydney and Melbourne, so there's still plenty of scope to create more direct links for our exporters to overseas markets."

## **SA air freight statistics:**

- Agricultural air freight exports have increased approximately 50 per cent by both weight and value over the past two years.
- Adelaide is continuously growing to become a key strategic hub supported by key infrastructure to facilitate growth in State's overseas exports, goods and services. Adelaide now serves 9 international destinations with an average of 46 weekly flights. The network coverage from our airline partners offer 319 unique one-stop destinations to our State.
- The vast majority of air freight exported through Adelaide is carried on passenger aircraft. Currently seven airlines have regular international services that carry freight. Current estimations are that average utilisation of belly freight is about 75%.
- The introduction of new services from our international airline partners have increased freight opportunities. For example:
  - The value of freight exports from China Southern's Guangzhou service is \$22m per annum;
  - The upgauge of Air New Zealand's A320 to Dreamliner has created freight opportunity across Trans-Tasman (up to 25 tonnes of cargo per flight); and
  - The increase in Qatar Airways' frequency from five weekly to daily service from December 2017 will provide additional freight capacity of 23 tonnes per flight. Qatar Airways generates \$41m per annum for the SA economy and created 228 jobs across the State.
- South Australia's total air freight value was \$1.5 billion for FY17
- South Australia's total air freight by weight was 30k tonnes for FY17

## **SA general export stats**

- China is now our biggest trading partner by weight followed by Singapore, having grown by 37% and 31% respectively in the in the last 12 months. The growth in these markets has replaced previous freight demand on traditional markets Malaysia and Hong Kong. The growth on both China and Singapore markets has come from exports from SA.
- Whilst some export markets are quite predictable, for example tuna is the biggest export commodity for Japan, others are not, for example, fresh grapes are the biggest export commodity to Thailand, and Potatoes and Watermelons are big commodities for export to the UAE.
- Agriculture, Food and Wine products accounted for 82% of the total export volumes over that time (by weight). Most of the growth has occurred in food exports, with Meat and Seafood up 79%, Prepared Food up 97% and Fruit & Vegetables up 26%.