

EASTERN *Promises*

BY BEN FREELAND

Edmonton International Airport (EIA) barely had time to savour the launch of its third non-stop European route (and its first to continental Europe) in May of this year before landing another very big fish. Less than a month after Dutch national carrier KLM launched its inaugural Edmonton-Amsterdam route, Air China Cargo, a joint venture co-owned by Cathay Pacific and Chinese flag carrier Air China, announced that it would be debuting a scheduled cargo route from Shanghai's Pudong International Airport to EIA, and continuing on to Dallas/Fort Worth International Airport.

"This new cargo service is a game changer for the Edmonton Metro region," said Edmonton Mayor Don Iveson in regards to the new route. "Air China Cargo's confidence in Edmonton, as its inaugural Canadian entry market, is underlined by our strong logistics and economic fundamentals. This service was made possible through the efforts of EIA, and both EIA and ACC were key components of our Asia mission this spring."

A true game-changer

To say the new route is a big deal is a colossal understatement. The Shanghai-Edmonton-Dallas route represents Alberta's first ever air cargo connection to Mainland China, and makes Edmonton Air China Cargo's first scheduled Canadian route. The six-weekly service (three weekly departures from Shanghai, three from Dallas) will employ a high-capacity Boeing 777 freighter with a maximum payload of 226,000 pounds (103,000 kilograms), making it the largest regular scheduled freighter to serve

Edmonton. The new route also connects the Edmonton region to the world's third largest air cargo hub at Shanghai Pudong International Airport, whose traffic grew by a robust 8.6 per cent in 2014.

EIA estimates that the new route will produce a \$31 million GDP gain per year for the region, leveraging and expanding Asian investment in Alberta, which has totaled some \$30 billion since 2012. The service is expected to serve as an important conduit for consumer goods like smartphones, tablets, audio/visual components, fashion merchandise, and other retail products into the Edmonton region, while simultaneously furthering Alberta's exports of industrial equipment, agricultural products, and other local products to the Chinese market.

"I applaud EIA for landing such a substantial and important investment for Edmonton and the province," says Lori Sigurdson, minister of Innovation and Advanced Education. "Creating new partnerships and increasing market access are just some of the ways our province is able to support good jobs in a diverse and stable economy. Alberta continues to be a strong and competitive place to do business and Air China Cargo's decision to make Edmonton its first Canadian entry point demonstrates just that."

A passenger route to follow?

While the new Air China Cargo route is not the non-stop Asia-Pacific passenger service that many in the region have been hoping for, industry experts note that a dedicated freighter service can often serve as a precursor to a passenger service.

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Alex Lowe, manager of Cargo Business Development at EIA, notes that in many cases cargo can contribute more than 30 per cent of the revenue towards a long-haul passenger flight, while also showcasing an airport's services, amenities, and economic advantages for the passenger market.

"Demonstrating a strong air cargo market strengthens the overall business case for long-haul passenger service, and has a positive impact of the overall profitability of such a flight," Lowe explains.

In the meantime, the new high-capacity air cargo connection is good news all around for the airport and the region, particularly for Port Alberta and EIA's other Cargo Village stakeholders. "Not only does this new route represent new business to the existing businesses within the Cargo Village, we also expect it will stimulate additional growth within the Cargo Village," says Lowe. "Air China Cargo, in addition to the carriers already flying to EIA, will increase the airport's appeal as a consolidation and de-consolidation point for shippers and freight forwarders."

The new route also further strengthens ties between Alberta and Texas. On the passenger front, EIA already enjoys daily

flights to Dallas/Fort Worth International Airport with American Airlines as well as a twice-a-day connection to Houston Intercontinental Airport with United, making the Lone Star State one of EIA's most important stateside partners. Many of the oil and gas companies located in the Leduc-Nisku industrial corridor have close ties to counterparts in the Dallas and Houston metropolitan areas, making the southeast-bound leg of this new route just as important as its westbound trans-Pacific leg.

"It is with tremendous excitement that we welcome Air China Cargo as part of our business community," says Edmonton Economic Development Corporation (EEDC) president and CEO Brad Ferguson. "Edmonton's businesses are more connected now than ever before. With the establishment of Port Alberta's Foreign Trade Zone, EIA expansion and extensive connectivity to road and rail, Edmonton is quickly building momentum as the primary logistics, transportation and service hub for Western Canada. We are delighted that Air China Cargo has chosen to take advantage of our position."

With the new Air China Cargo route, EIA has once again delivered on its promises. Stay tuned for what comes next. **B**