



\$125 BILLION TRADE HITS MAJOR COVID HEADWINDS

IMMEDIATE RELEASE - 9 DECEMBER 2021

A new report released today by [Infrastructure Partnerships Australia](#) shows the unparalleled disruption COVID-19 has wrought on Australia's \$125 billion airfreight trade.

The latest edition of our *International Airfreight Indicator* provides the most detailed picture available of the impact of COVID-19 on Australia's multi-billion industry and the outlook for airfreight trade as the world emerges from the pandemic.

"When you sit on a flight you probably don't realise that in the belly of your plane is a plethora of goods consumed by Australians, or high value exports destined for key markets," said Infrastructure Partnerships Australia, Chief Executive Adrian Dwyer.

"When aviation was all but grounded in early 2020, so too was our crucial supply chain capacity.

"Almost overnight, the pandemic grounded approximately 90 per cent of international passenger flights - which had carried approximately four in every five airfreight shipments in prior years.

"Overall, air freight volumes declined by almost a third in 2020, with exports experiencing the most significant falls as a result of the pandemic and trade tensions with China.

"In some cases, the cost of transporting goods by airfreight increased up to 13 times pre-COVID rates.

"The biggest hit we saw during the pandemic was to airfreight exports of predominantly high-value meat, fruits, vegetables, and dairy bound for Asian markets.

"Exports of these goods declined by 35 per cent in 2020 compared previous year.

"Airfreight imports of mainly electronics and online shopping goods were also hit hard – declining by 16 per cent.

"As we seek to build back our supply chain connections, governments will need to grapple with the implications of an evolving international passenger network that is still subject to substantial disruption and constraint.

"While major airports are likely to see a return of airfreight as international routes reopen, the market is unlikely to go back to its pre-pandemic form, with smaller airports the most exposed.

"The growing demand for ultra long-haul passenger routes on top of an increasing concentration in airfreight trade at our major airports could have significant impacts on the future of an industry that has historically flown under the radar.





“If governments want to capitalise on the economic potential of airfreight trade over the coming decade, we need to shine more of a spotlight on the industry in our broader trade debate and freight network planning,” said Mr Dwyer.

The 2021 International Airfreight Indicator can be accessed [here](#).

Infrastructure Partnerships Australia is an independent think tank and executive member network providing policy research focused on excellence in social and economic infrastructure.

MEDIA CONTACT: Michael Player 0424 698 189

2021 INTERNATIONAL AIRFREIGHT INDICATOR - KEY FACTS

- More than 730,000 tonnes of goods were carried by airfreight in 2020 - the equivalent of 15 fully-loaded Boeing 747-8 freighters leaving and arriving in Australia each day.
- While airfreight only represents one per cent of Australia’s trade volume, it punches well above its weight in value, accounting for one in every five dollars of our total trade – valued at almost \$125 billion.
- Between 2016 and 2019, the value of airfreight imports increased by 15 per cent, while exports grew by an impressive 26 per cent.
- Overall, air freight volumes declined by almost a third in 2020, with exports experiencing the most significant falls as a result of the pandemic and trade tensions with China.
- In some cases, the cost of transporting goods by airfreight increased up to 13 times pre-COVID rates.
- Airfreight exports of predominantly high-value meat, fruits, vegetables, and dairy bound for Asian markets declined by 35 per cent in 2020 compared previous year.
- Airfreight imports of mainly electronics and online shopping goods were also hit hard – declining by 16 per cent.

