

Schiphol Group: 440k ATM cap and potential air cargo implications

March 2023



Final presentation

Impact of Air Transport Movements (ATMs) cap on Schiphol air cargo traffic



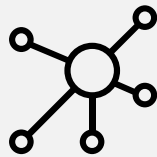
Reducing 2030 schiphol air cargo traffic by

-29%
vs 2021



Utilization of warehouse capacity

~50%
In 2030



Ripple effects

identified which potentially reduce cargo traffic even further in 2030

Executive summary

Cargo operations at Schiphol are expected to be **impacted** disproportionately by the limitation of the annual ATMs at schiphol to **440K**

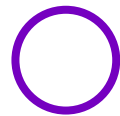
The findings enable future air cargo operations **strategic planning** for air cargo **stakeholders** and **policymakers**

9 key findings of the study impacting various stakeholders of the air cargo community are summarized below:

- A cap on 440k ATMs will likely result in a **-29%** traffic drop in 2030 compared to 2021, up to **-46%** in a pessimistic scenario; **freighter traffic** is expected to be impacted most significantly (**-60%**)
- **Far East** and **Middle East inbound** trade lanes expected to be most severely constrained when introducing ATM caps
- **High tech** (especially from inbound Far East), **raw materials** and **machinery parts** commodity volumes expected to be impacted most in terms of tonnage
- The **Netherlands air trade** will become more important for Schiphol, but Schiphol will become less important as main gateway to carry Netherlands air trade
- Within **trucking distance** of Schiphol, well-connected alternative air cargo gateways exist to carry **cargo volumes** which cannot be accommodated at **Schiphol**
- **Ripple effects** can severely impact Schiphol's 2030 air cargo traffic outlook up to a total of **~130-210K** traffic tonnes
- **Excess handling warehouse** capacity at Schiphol will grow, as **only half** of the warehouse capacity is expected to be utilized in 2030
- **Relocation** of Dutch shippers unlikely as a result from the 440k ATM cap
- **Cross-border trucking** will reduce for The Netherlands, but a 440k ATMs cap likely to drive an increase at the European level



Agenda



Historical air cargo development



Cargo community's view on Schiphol



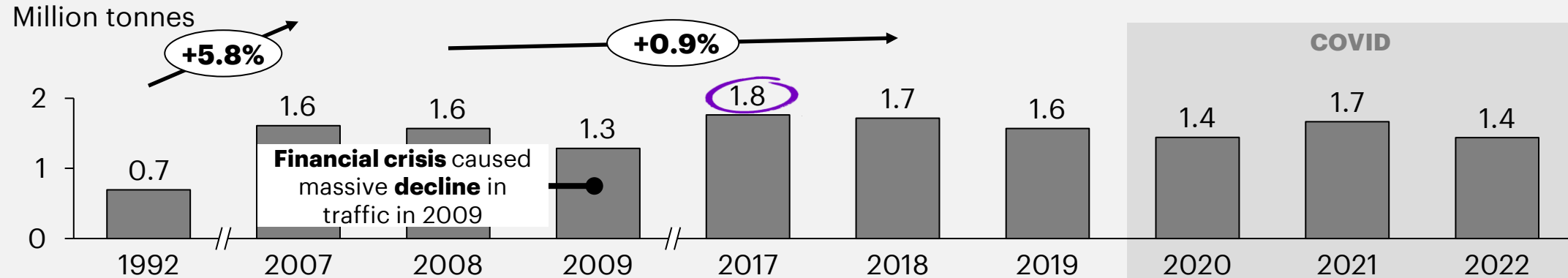
Air cargo outlook at 440k ATMs cap



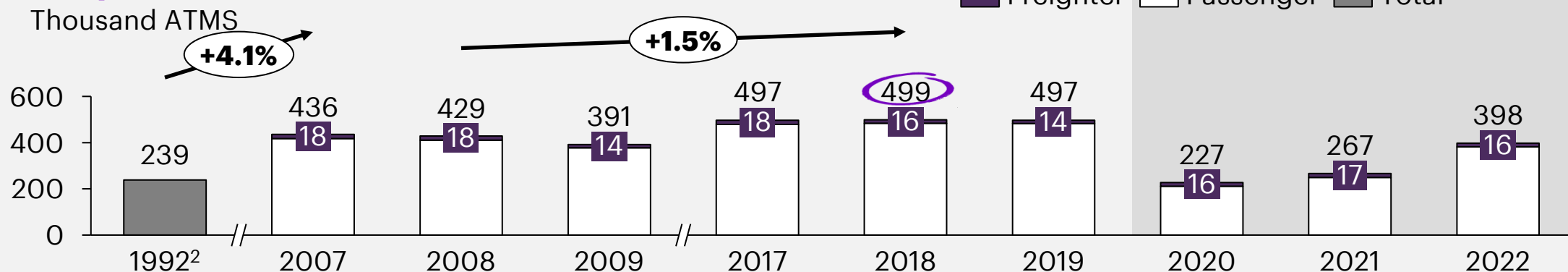
ATMs cap and implications on warehouse capacity

Pre-financial crisis cargo traffic and ATM¹ growth at Schiphol was significant, post-financial crisis it has been relatively flat

Schiphol air cargo traffic, 1992-2022



Schiphol Air Traffic Movements, 1992-2022



In 2017, Schiphol was operating at peak cargo traffic throughput of 1.8M tonnes with ~18k freighter ATMs, while operating close to 500k ATMs limit

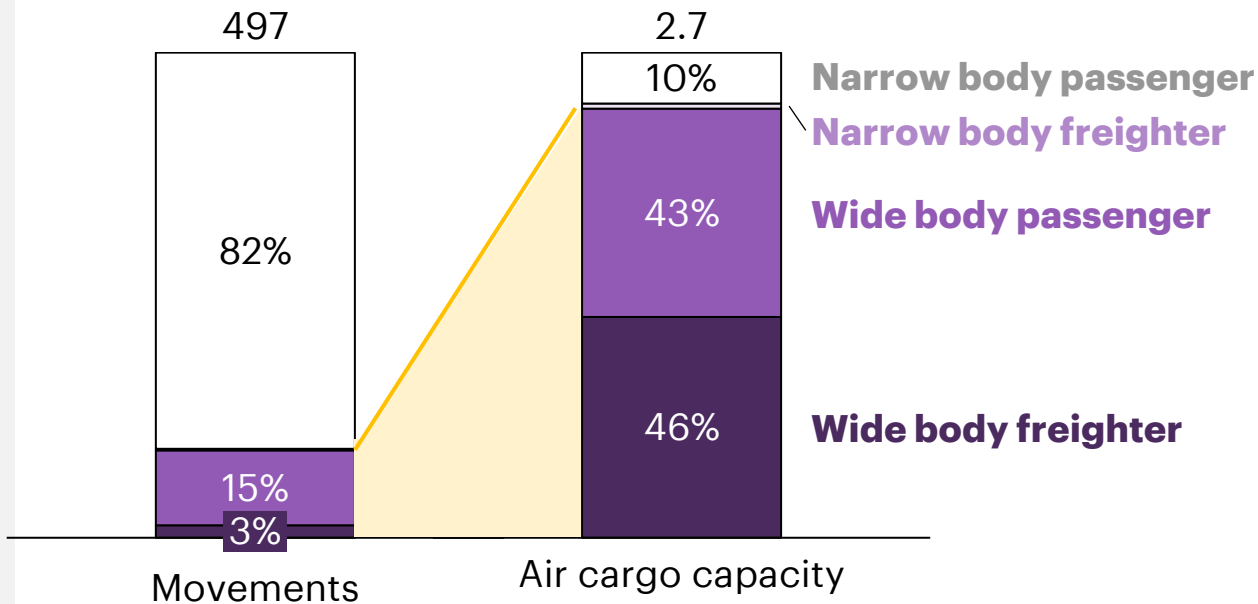


1) ATM stands for "Air Traffic Movements", representing the number of arrivals and departures by commercial aircraft at Schiphol (excluding general aviation); 2) Freighter ATMs not available; Source: Schiphol traffic and transport statistics 1992-current; Freighter ATMs year 2020-2022 Seabury Capacity Tracking Database;

Schiphol's air cargo capacity is heavily reliant on a limited number of widebody aircraft movements

Schiphol ATMs and cargo capacity by aircraft type, 2019

Thousand movements, million tonnes



widebody aircraft account for

~20%

of Schiphol's movements ...

... providing

~90%

of Schiphol's air cargo capacity

Allocation of 60k ATMs reduction over aircraft types is crucial for Schiphol's air cargo capacity outlook



Note: As narrowbody passenger aircraft represent a limited share of Schiphol Airport air cargo capacity and are generally not fully utilized by airlines, air cargo capacity offered by narrowbody passenger aircraft will be neglected in subsequent analysis; Source: Seabury Cargo Capacity Tracking database; Schiphol airport traffic statistics (2019)



Agenda





- Historical air cargo development
- **Cargo community's view on Schiphol**
- Air cargo outlook at 440k ATMs cap
- ATMs cap and implications on warehouse capacity
















All stakeholders recognize the importance of Schiphol as a major enabler for air cargo trade growth in Europe

High-level overview of interview insights

 Level of importance expressed by stakeholder group

Stakeholders in the air cargo value-chain

-  **Shipper**
Direct connectivity is vital; already using other airports
-  **Freight forwarder**
Some easier than others, but all goods can be rerouted
-  **Ground handler**
Reducing footprint is a serious option when traffic is not sufficient
-  **Carrier**
Freighters are vital and a minimum frequency is key

	1 Importance of Schiphol and growth	2 Importance of freighters	3 Ripple effects	4 Alternative thoughts on ATM cap
Shipper	 Requires airport that can accommodate growth in shipping volumes	 Some commodities require main deck capacity		 Additional trucking kilometers and therefore emissions are inevitable
Freight forwarder	 Stakeholders expect	 Need flexibility to fly demand peaks of time-sensitive cargo	 Without minimum traffic it is necessary	 therefore emissions are inevitable
Ground handler	 strong growth in air cargo demand, looking at Schiphol to	 Freighters cause peaks in volumes and drive revenue	 to stop investing and reduce footprint	 Reducing emissions of airside equipment can also help
Carrier	 accommodate growth	 Belly network is insufficient to run proper cargo division	 A minimum level of service is needed to continue operations	 Consider the specific impact of aircraft types at Schiphol

Freighters are perceived crucial in supporting the cargo industry at Schiphol



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Reducing ATMs by -12% to 440k affects air cargo at Schiphol disproportionately, up to -18% in 2030

Expected difference between **500k** and **440k ATMs¹** cap scenario in **2030F**



Air Transport Movements



Air Cargo Capacity
Tonnes



Air Cargo Traffic
Tonnes

Total

-12%
(-60k)

-450k
(-20%)

-18%
(-245k)

Freighter

-41%
(-4k)

-420k
(-41%)

-40%
(-260k)

Widebody belly

-2%
(-2k)

-30k
(-2%)

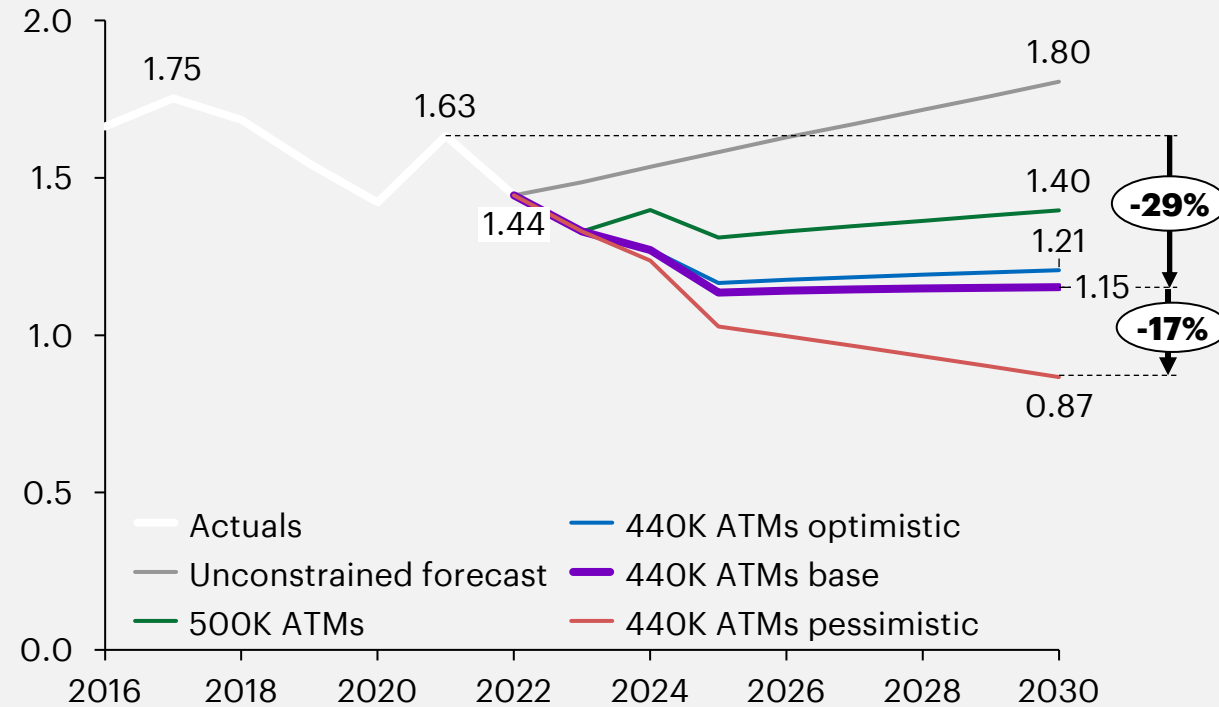
+2%
(+20k)

Note: the expected impact on air cargo in 2030 is derived from comparing Schiphol's air cargo forecast at the current capacity of 500k ATMs per year, with the forecast at a reduced capacity of 440k ATMs per year; 1) Based on the 440k ATM base forecast scenario, Source: Seabury Cargo analysis

A 440k ATMS cap will likely result in a **-29% traffic drop in 2030 compared to 2021**, up to **-46%** in a pessimistic scenario

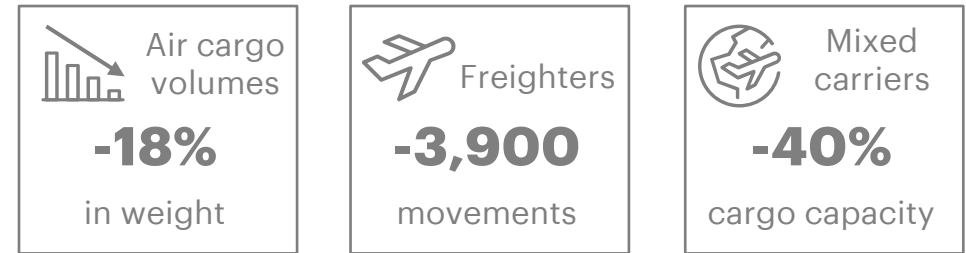
Schiphol air traffic outlook, 2018-2030F

Million tonnes



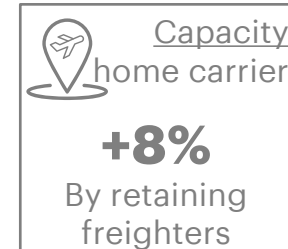
From 500k ATMs in 2030F...

...to 440k ATMs base scenario

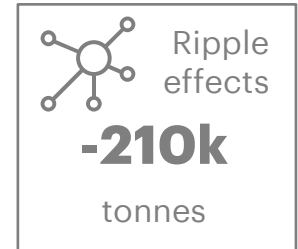
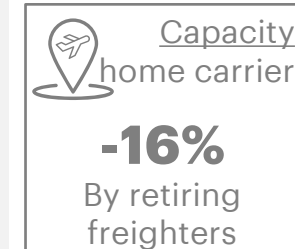


From 440k ATMs base in 2030F...

.. to 440k ATMs positive scenario



..to 440k ATMs pessimistic scenario



2030F base scenario outlook of 1.15M tonnes is well below the 1.75M peak in 2017





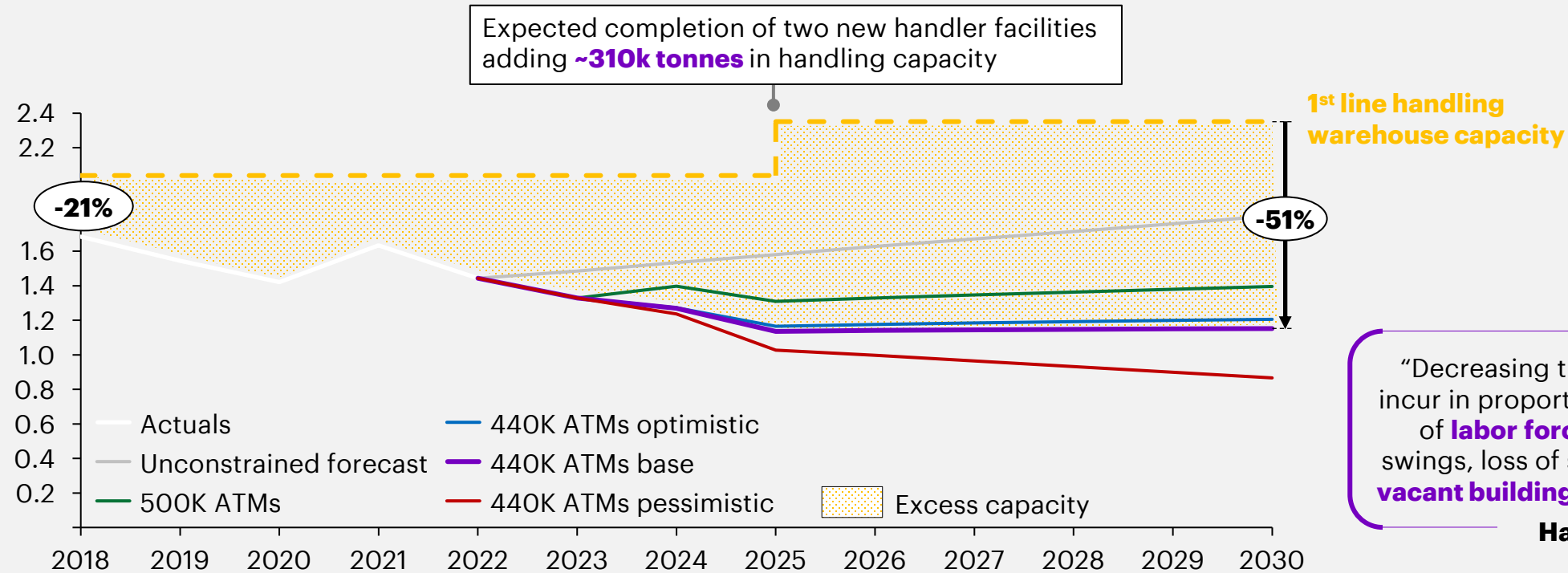
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Excess handling warehouse capacity at Schiphol will grow; only half of capacity expected to be utilized in 2030

Schiphol air cargo traffic forecast vs. planned handling warehouse capacity

Million tonnes



Cargo handling facilities may be forced to downsize as a response