

PRESS RELEASE



COYNE WARNS CARRIERS MUST EMBRACE CHANGE TO SURVIVE

London, UK, Thursday 22nd May 2014 - Carriers must embrace change to survive in a new airfreight landscape defined by emerging global brands, modal shift, and growing freight capacity on passenger planes, according to Larry Coyne, CEO, Coyne Airways.

Cargo migrating to both surface transport and passenger planes has changed the economics of freighter operations, putting traditional operators and owners under pressure, he told delegates at the 10th Annual Meeting of the Air Cargo Club (ACC) last week.

At the same time, the rise of a small number of global brands will cause casualties amongst independents and force a seismic shift in the way the industry operates, he said.

"I believe our industry is undergoing revolutionary change," he said.

"At Coyne we are embracing that change because we know it will be good for us. In the next 20 years, more carriers will have to do the same and adapt to survive."

He said passenger carriers were becoming bigger and more aggressive players in the long-haul freight business, and ownership of large freighters was becoming an unattractive proposition.

"There is a likelihood that more and more carriers will exit that business," he said.

He added that deliveries of wide-body planes, which were, in effect, "mini-freighters", were predicted to grow by over 8000 in the next 20 years, bringing more services to more destinations and cutting into the main deck freighter market.

"There are only about 500 wide-body freighters operated today, mainly by express carriers, so you can see what adding passenger cargo capacity equal to around 100 freighters a year will do to this market," he said.

He pointed to a recent survey by Seabury revealing that an estimated 15.2 million tonnes of airfreight had been lost to surface between 2000 and 2013, equal to 11,000 B777 freighter flights a year.

"It is creaming off some of the growth that air used to enjoy and has reduced it from a potential 7.3% growth to 2.6% a year," he said.

Meanwhile, legacy carriers are lining up to co-brand, and younger airlines are using minority ownership to create powerful single brands as an alternative to alliances or code sharing.

"I see the emergence of global brands in various forms, as an alternative to consolidation," he said.

"A smaller number of world brands is going to make life difficult for independent carriers unless they have a special niche they can protect.

"Airlines not part of one of these global brands will find it increasingly difficult to compete and many will be forced to join in or risk being driven out of business."

The ACC is an annual gathering in St Paul de Vence, France, which has just completed its tenth meeting. It consists of air cargo and aviation professionals that share a common interest for the challenges facing the aviation world and, in particular, the air cargo industry.

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For a high resolution photo of Larry Coyne, contact Emma.

ABOUT COYNE AIRWAYS Coyne Airways is an all-cargo airline based in London, UK, with a separate operation in Dubai, UAE, from where it serves all Gulf destinations with connections from North America, Europe, and Asia via a large network of interline partners. It operates scheduled cargo flights to Georgia, Armenia, Azerbaijan, Kazakhstan, Afghanistan, Iraq, and the UAE, using Antonov, Boeing, and Ilyshin aircraft, as required. Launched in 1993, Coyne Airways, provides reliable and secure scheduled cargo services to some of the world's most difficult to reach destinations, and has pioneered routes into the Caucasus, Central Asia, the oil and gas rich Sakhalin Island, Iraq, and Afghanistan. In 2012, Coyne spread its wings to Africa, working with regional partners to link the Middle East, North America, and Europe with a number of African destinations. Coyne also provides charter services into the areas it serves with scheduled services. [Visit Coyne Airways' website](#)