

# Air Cargo

## Cumulative Cargo Volume Breaches the 30 Million Tonne Mark

International air cargo traffic at Narita Airport has rapidly increased since the opening of the airport in 1978. On 29 May 2003, the cumulative total exceeded the 30 million mark. This was an astoundingly rapid achievement, coinciding with the airport's 25th anniversary.

Over the past 10 years, cargo has posted steady growth despite a downturn in the Japanese economy, with the exception of 1998 when the Asian currency crisis occurred. This is attributed to the following reasons:

The US economy, the world's largest, continued to post steady growth despite the collapse of the Japanese bubble economy and this kept cargo movement brisk.

Since the 90's, when the Japan's bubble economy disintegrated, companies have been relocating their production centers offshore in Asia in order to reduce production costs.

There has been a growing trend toward inventory cutbacks to become more efficient. This necessitated speedy transportation and prompted a shift from sea to air transportation.

Fiscal 2002 posted a record 2,030,149 tonnes in cargo, a year-on-year increase of 27% (approx. 426,000 tonnes), and the highest growth rate on record, bringing

Narita's cumulative total to 2 million tonnes. In Narita Airport's very first fiscal year of operation, it handled 328,526 tonnes (1,042 tonnes a day) of cargo. Today, the airport handles more than 6 times that volume.

The growth is attributed to increased services by United Parcel Service and other cargo carriers with the opening of the interim parallel runway in April 2002 which brought on a 50% increase in slots. Another contributing factor is the recovery in the US and Asian economies in the first half of the year, activating trade with Asia, particularly China,

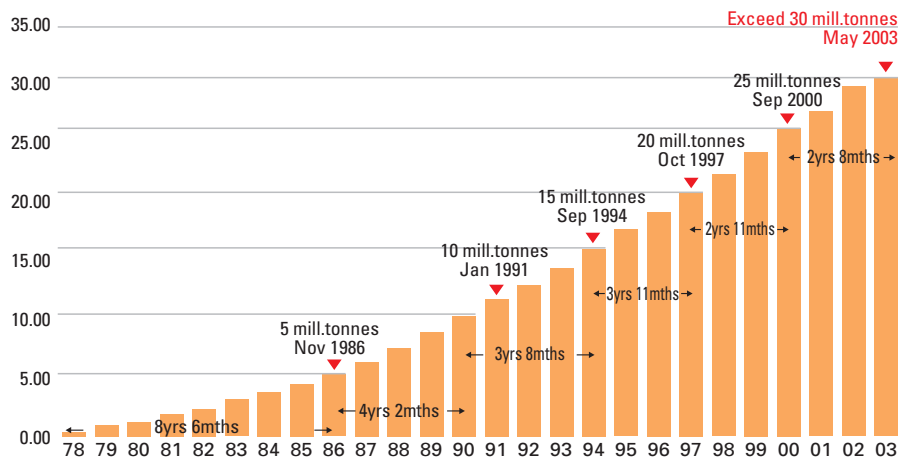
Hong Kong and Korea.

Value-based exports in fiscal 2002 grew 13.1% to 9.0287 trillion yen and imports 2.5% to 9.2065 trillion yen totaling around 18 trillion yen in all. This is equal to approximately 19% of Japan's total trade figure (96 trillion yen). Narita towers above other ports and airports in terms of its value of exports and imports, far outstripping Nagoya in second place to retain its top position.

ICs and other semi-conductor parts, VCRs, computers and office equipment and scientific optical instruments make up much of the exports while ICs and

### Cumulative Cargo Volumes

Total Cargo Volume : Million tonnes



other semi-conductor parts, computers and office equipment, scientific optical instruments and pharmaceuticals are common import items.

### More Facilities to Meet Growing Cargo Demand

Narita is steadily driving forward with more cargo facilities and development projects to meet rapidly increasing air cargo demand. Cargo warehouses with a floor space of 10,000m<sup>2</sup> were opened in April 2001 in the airport's maintenance area and Cargo Building No. 6 with a floor space of 2,900m<sup>2</sup> was opened in June 2002. Extensions in Cargo Building No. 5 also offer an extra 5000m<sup>2</sup> of floor space. With these developments, Narita Airport's cargo facilities now occupy an area of 250,000m<sup>2</sup> with warehouses offering 170,000m<sup>2</sup>. Each square meter of space in the warehouses has the capacity to handle between 10 and 12 tonnes a year, giving the warehouse area an annual capacity of around 2 million tonnes. However, NAA expects cargo will exceed 3 million tonnes in the near future and is driving forward with the development of a new cargo area as an urgent priority.

The infrastructure development in the Tennami Area and the south side of the Maintenance Area are part of this drive.

On April 14, 2003, four warehouses (floor space 6,000m<sup>2</sup>) were opened in the



Tennami Area. This area is situated near Runway A on the north side of the airport and is 70,000m<sup>2</sup> in size. Plans are also underway to set up a new 200,000m<sup>2</sup> South Cargo Area on the south side of the Maintenance Area.

The plan involves the construction of 6 cargo buildings by the end of 2005 in the first phase, and South Cargo Buildings No.1 and No.2 (floor space 16,000m<sup>2</sup>) have just opened on July 31. The two buildings have the capacity to handle around 100,000 tonnes of cargo annually. Cargo Buildings No.3 and No.4 are slated for spring 2004, and Buildings No.5 and No.6 for completion in spring 2005. When all the buildings are complete, overall annual capacity will be increased by 400,000 tonnes to 2.4 million

tonnes. This will provide sufficient capacity to handle demand for the foreseeable future. However, further expansions are needed to meet the 3 million tonne demand forecast by NAA.

