



AS IT IS

Airlines Are Changing Passenger Jets to Carry Products

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Air travel companies are permanently changing their older passenger jets into airplanes that carry goods for trade.

The companies expect a large increase in **e-commerce** in the future. At the same time, the value of used passenger airplanes is falling because coronavirus restrictions mean that fewer people are traveling. Air Canada and China's CDB Aviation are just a few of the companies making the changes.

As a result, companies that convert, or change, passenger planes into **freighter** planes see a big chance for more business. These permanent changes are sometimes called P2F, or passenger-to-freighter, conversions.

Cirium, a company that studies **aviation** data, expects the number of P2F conversions will rise by 36 percent to 90 planes in 2021. That number could increase to 109 airplanes in 2022.

Chris Seymour is Cirium's Head of Market Analysis. "We estimate that most **slots** are sold for 2021 and at least 40% for 2022," Seymour said.

The business advisory company Ishka said the value of 15-year-old planes has fallen between 20 percent and 47 percent since the start of the year. This drop in value makes freighter conversions more attractive, or pleasing, to businesses.

P2F conversions are more costly than temporary conversions that many airlines have made during the coronavirus health crisis.

Temporary conversions remove passenger seats to carry more freight. Permanent conversions are a financial prediction that air freight demand will remain strong for years to come as people buy more online. Freight demand was weak before the COVID-19 crisis. The airline industry estimates it will take until 2024 for passenger traffic to return to 2019 levels.

Normally, about half of the world's freight is carried inside passenger planes. "2020 has seen record high freighter aircraft" use, said CDB Aviation chief executive Patrick Hannigan.

P2F conversions cost millions of dollars in addition to the cost of the aircraft. They also take three to four months to complete, said ST Engineering Aerospace president Jeffrey Lam. His company plans to convert at least 18 A321 planes next year. That is eight more than in 2020. "We are all booked out for 2021 for aircraft conversions," Lam said. "The first slots are well into 2022."

Israel Aerospace Industries (IAI) said it can convert 18 or more 767s each year. The company produces most of those used by Amazon.com Inc. "We are investing a lot of effort to meet the market demand," said Yosef Melamed, general manager of IAI's aviation group.

U.S.-based Aeronautical Engineers is also seeing a large increase in demand for conversions, said Robert Convey. He is a vice president for sales and marketing for the company. The move to more airplane conversions is also helping aviation repair and **overhaul** companies. They have lost some of their business from the decrease in passenger air travel.

I'm John Russell.

Jamie Freed, Ari Rabinovitch and Allison Lampert reported on this story for Reuters. John Russell adapted it for Learning English. Mario Ritter, Jr. was the editor.

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Words in This Story

e-commerce – *n.* activities that relate to the buying and selling of goods and services over the Internet

aviation – *n.* the business or practice of flying airplanes, helicopters, etc.

freighter -*n.* a ship or airplane designed to carry goods and products over long distances

slot - *n.* a period of time that is available or used for a particular occurrence, event, etc.; a place or position in an organization, group, etc.

overhaul - *n.* to act of looking at every part of (something) and repairing or replacing the parts that do not work
