



Air Canada (TSX:AC) Stock Launches Cargo Planes to the Sky

Description

Air Canada ([TSX:AC](#)) finally launched the company's long-awaited cargo plane on Dec. 8. Air Canada stock announced the first Boeing 767-300ER freighter aircraft was in service between Toronto and Vancouver. The goal of the cargo aircraft is to aid with the supply chain disruptions affecting British Columbia.

What happened?

Supply chain disruptions are a world-wide problem right now. The pandemic has put a serious hamper on production, from a variety of reasons from new products to labour shortages. These disruptions are likely to continue, but in British Columbia, it's been extra hard.

This comes from wildfires and flooding continuing to hurt production and shipping. The new aircraft from Air Canada stock aims to help with the growing demand by providing nearly 58 tonnes of capacity for its commercial service freighter fleet.

"Our first freighter is being deployed earlier than initially planned in order to provide additional cargo capacity needed into and out of Vancouver to meet ongoing demand as a result of the flooding that disrupted British Columbia's transportation network," Jason Berry, vice president of cargo, [said in a statement](#). "The freighter is planned to operate 12 trips between our Toronto and Vancouver cargo hubs. Our teams have also worked extremely hard over the last several days to get our freighter into service early to aid in the transport of goods to Vancouver."

So what?

Air Canada stock isn't new to cargo. It's had to adjust in the face of the pandemic. However, this new freighter operation adds an additional cargo capacity. Prior to this, in November alone, the company had cargo capacity of 586 tonnes. This was to provide critical supplies to British Columbia.

Yet, as management says, this is just a part of the company's growth strategy. Air Canada stock had to

move towards new revenue streams in the face of COVID-19. The growing e-commerce industry created a new revenue stream, as it tried to get back on track.

Now, the pandemic continues to be a strain. True, Air Canada stock managed to return the remaining [government](#) aid to the federal government recently. It now has \$7.1 billion in finances on its own terms. However, it could be until 2024 that we see some return to normalcy.

That makes this new growth strategy incredibly important. In 2022, Air Canada stock plans to fly from Toronto to Miami, Quito, Lima, Mexico City and Guadalajara. Additional airports include Madrid, Halifax, St. John's, and, of course, Vancouver.

Now what?

This new revenue stream is one thing: stable. The company can sign on to long-term contracts that will allow the freighters to continue shipments even should the pandemic continue. And when it's over, those funds will simply continue.

Air Canada stock plans to move goods from every industry, aerospace parts to oil and gas equipment, pharmaceuticals to food. Air Canada has already moved 13,000 all-cargo flights since March 2020, and that looks to only be growing.

Again, the keyword is *stable* here. These shipments can run no matter what's happening. However, it's true revenue comes from the business flights. So, once both are online, investors could see a massive increase in revenue. Even from pre-pandemic levels.

Shares of Air Canada stock trade at \$22 as of writing — almost exactly where they were a year ago.

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