

Biofuel supply chain

- project proposal

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Proposal

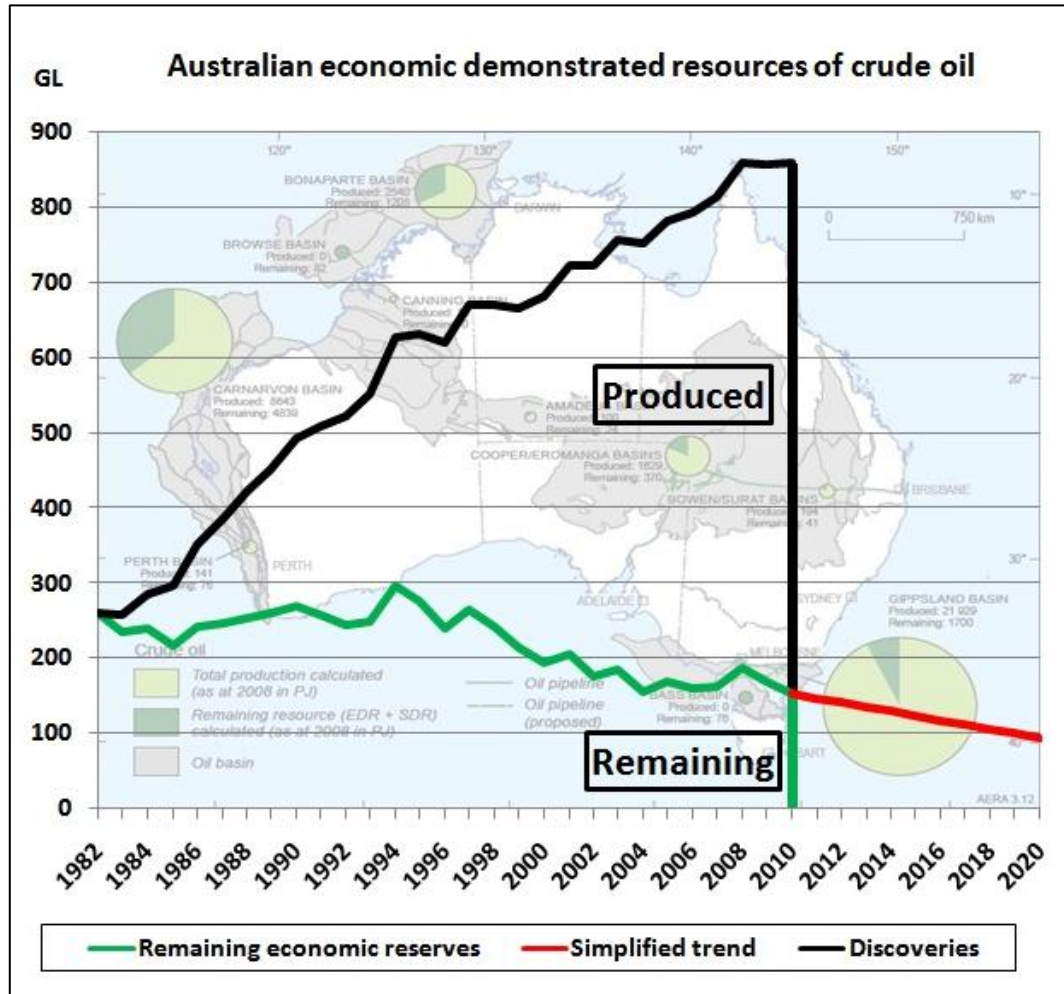


- ❧ Qantas to partner with a local supply chain - ***.
- ❧ Why??
 - ❧ In order to hit Qantas' target on cutting down CO₂ emission by half in 2050.
- ❧ Our proposal will also contribute to Qantas's profit and will provide with first move advantages.

Shifting from petroleum is a must!



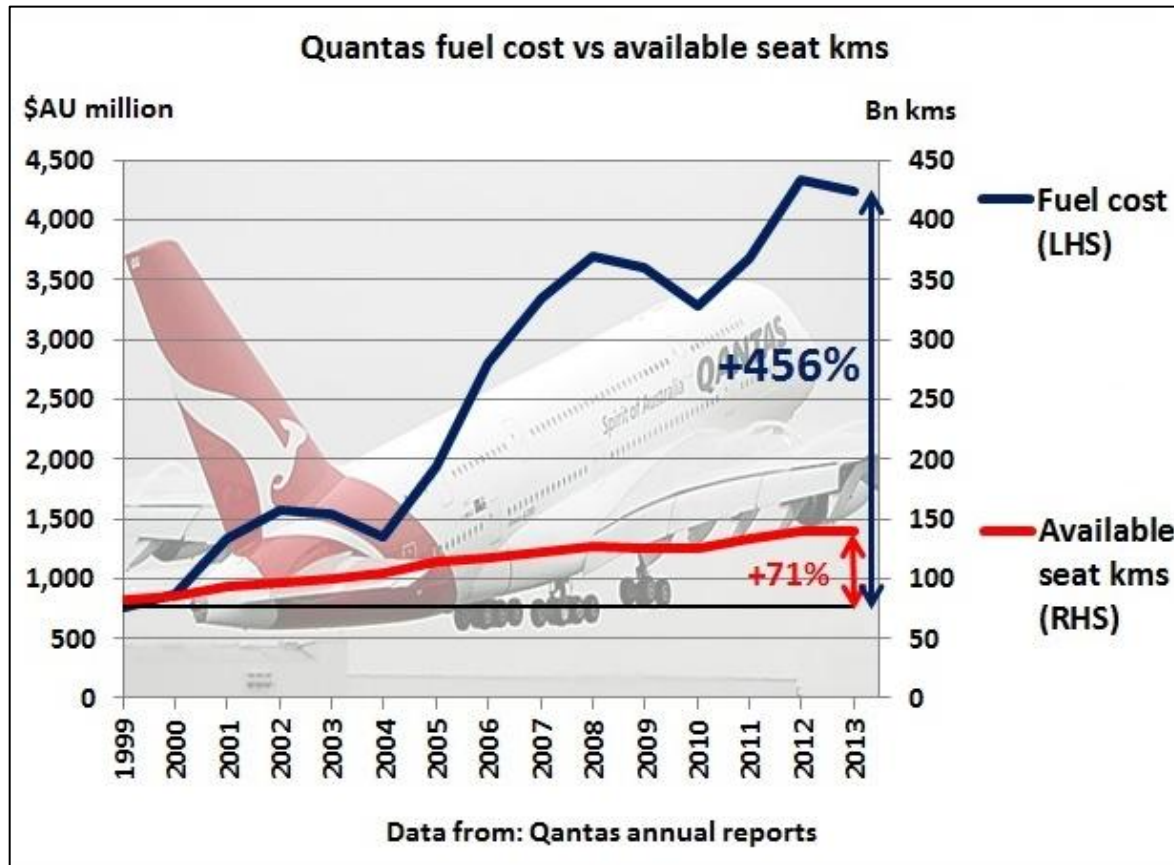
Oil availability



The depletion rate from existing oil fields is somewhere in the order of 4.5 - 6 per cent per annum.

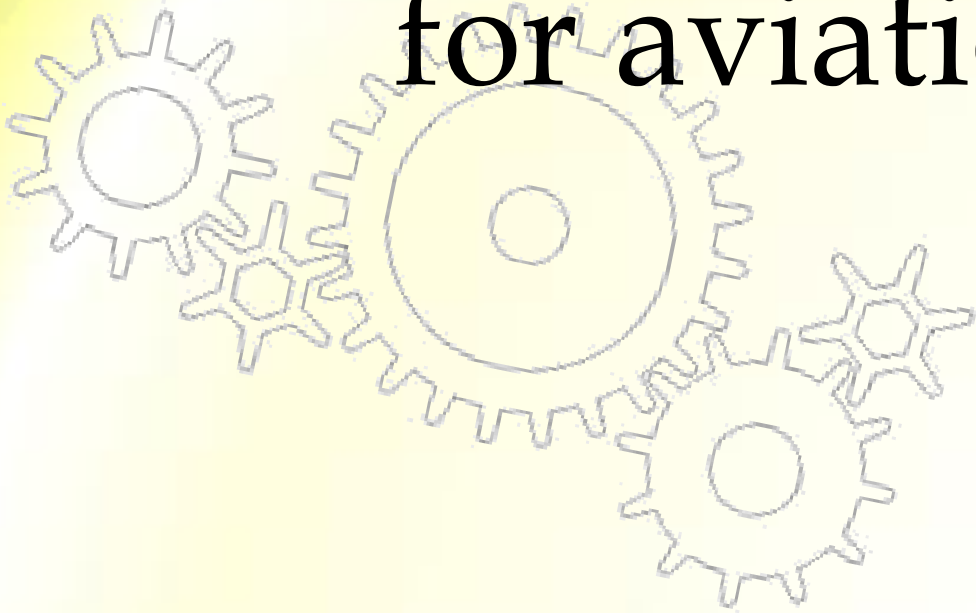
World oil production is unlikely to grow much, if at all in coming decades, indeed the opposite is more likely the case.

Where are we now?

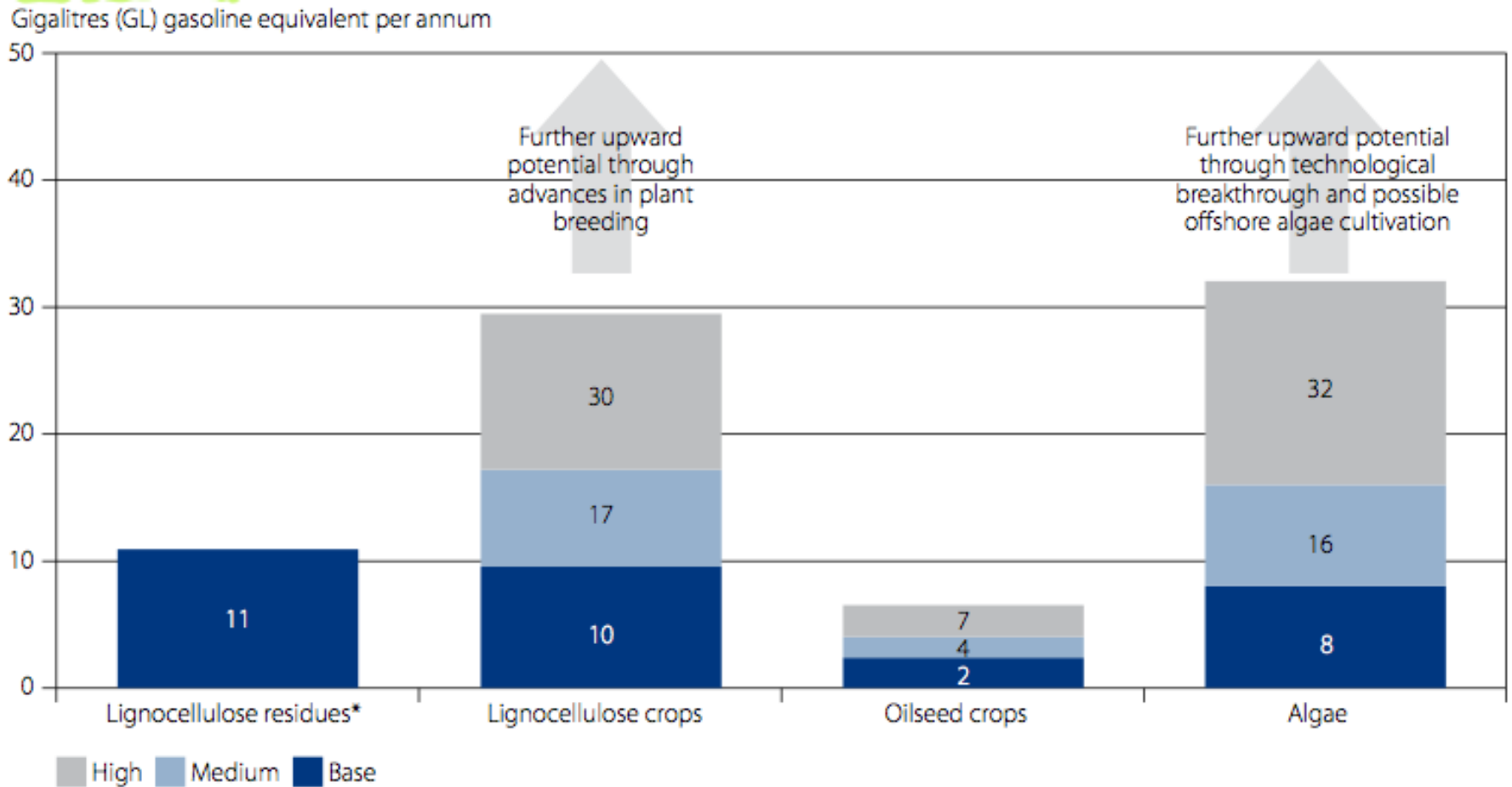


Since 1999 – fuel costs have increased 5.6 times while available seat kms increased by only 1.7 times

Develop a supply chain for aviation fuel

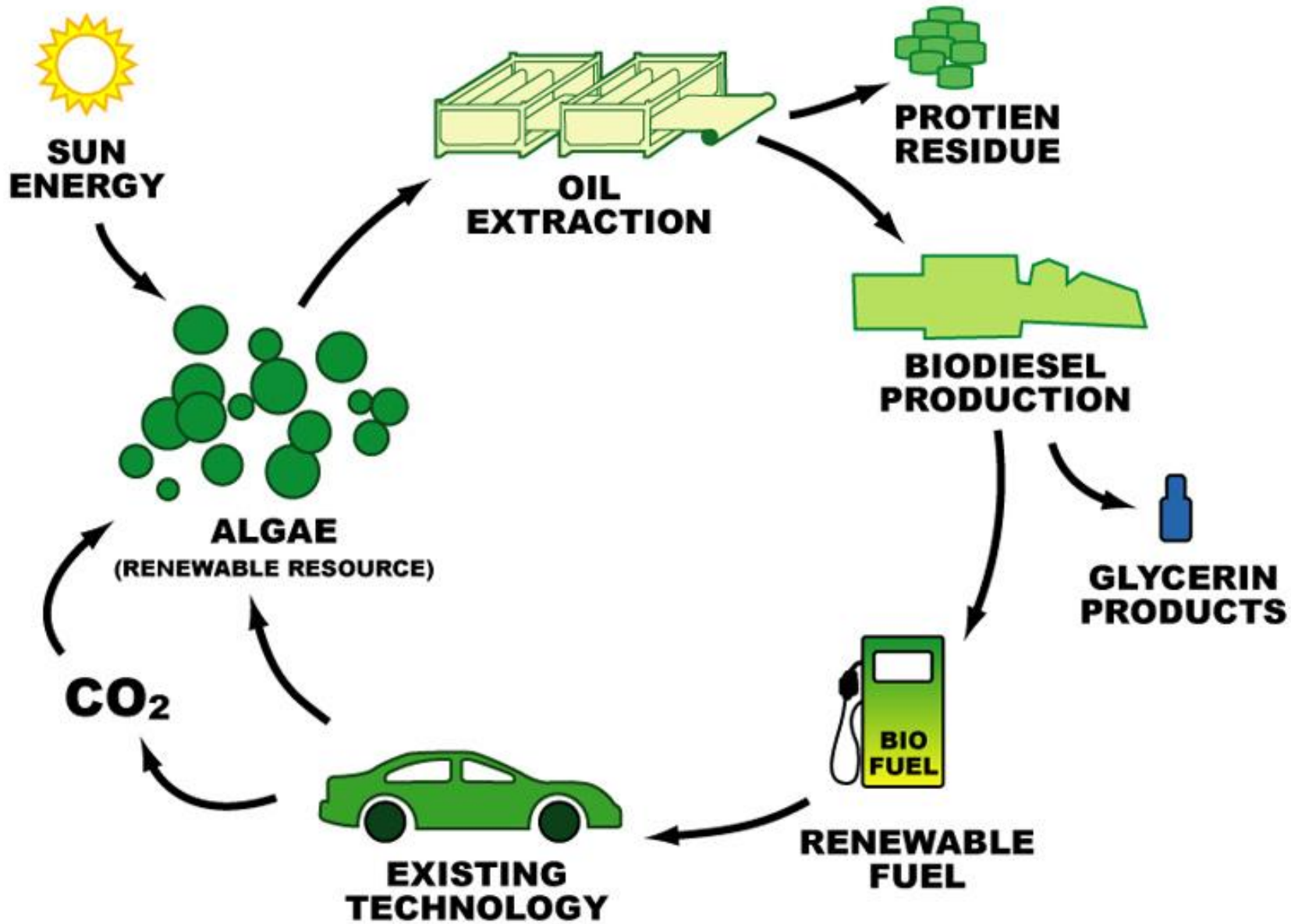


Technology and capacity



* Lignocellulose residues include divertible quantities of agricultural, wood, forest and waste residues)

SOURCE: L.E.K. research, interviews and analysis



The company



First move advantage



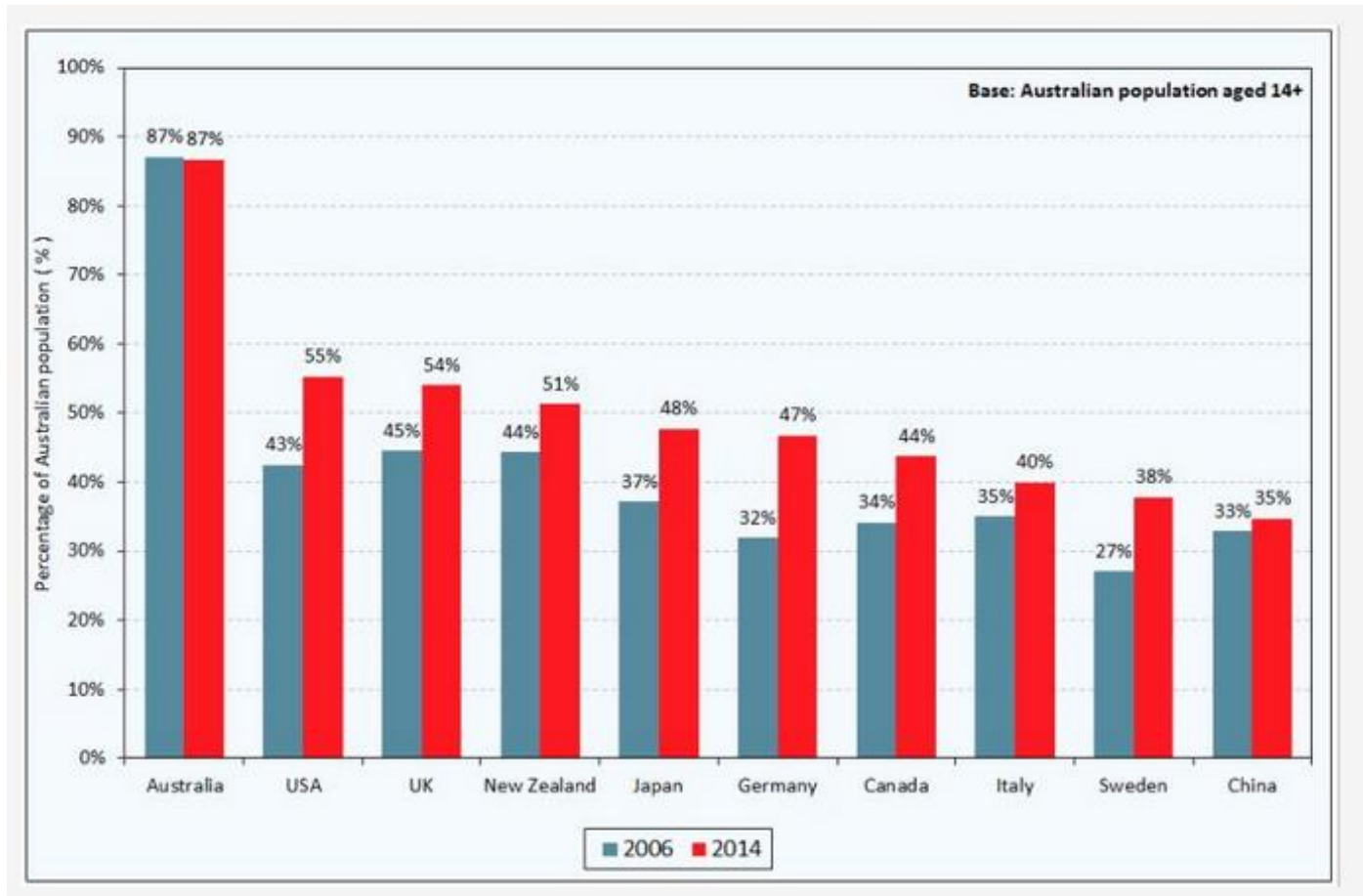
☞ Technology leadership

☞ Control of resources

☞ Customer-switching benefit

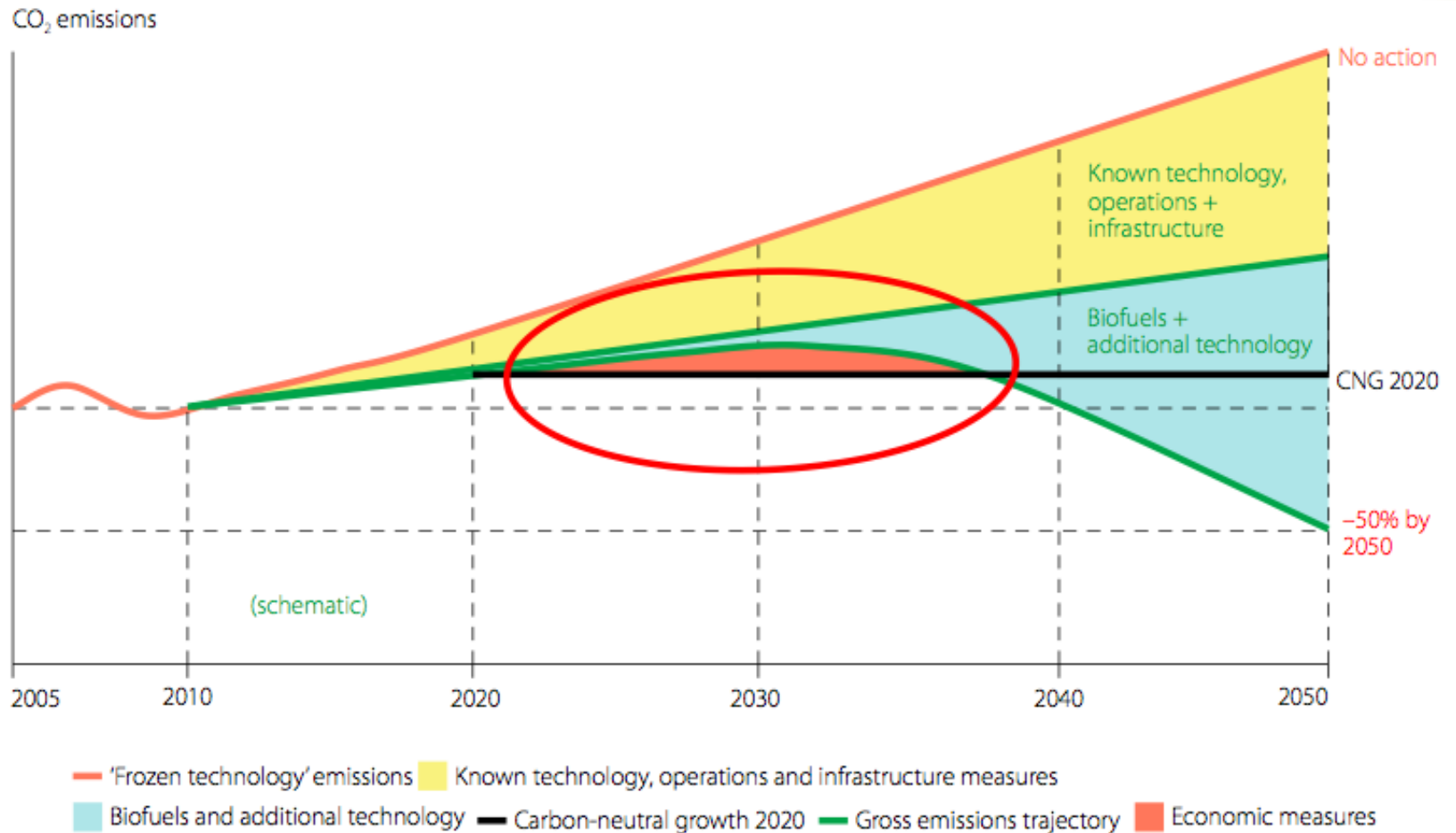


Expansion of customer market



Australian preference by country of origin, 2006 & 2014 (Roy Margen Single source)

Meet the target by 2050 !



Global aviation emission reduction (Green growth 2013)



To develop a local supply chain is an optimal solution !



References



- ❧ <http://crudeoilpeak.info/qantas-fuel-cost-increased-three-times-more-than-seat-kms>
- ❧ <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features20Jun+2010>
- ❧ <http://www.referenceforbusiness.com/management/Ex-Gov/First-Mover-Advantage.html>