



**MORAI** PRESENTS  
LOGISTICS INC.

# THE FIGHT FOR FLIGHT

COMMERCIAL DRONES MAY SOON  
DELIVER YOUR NEXT ORDER ONLINE

# We love to put order in your chaos.

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Morai Logistics Inc. is a 3rd party logistics provider with an operating agency agreement representing Mode Transportation. We are a powerhouse logistics team based in the Greater Toronto Area and do business throughout North America, including Mexico. Our team is dedicated to our terrific clients and we strive to take the chaos out of your supply chain. We are always on the lookout to do exceptional work with remarkable people and companies!



# Introduction

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It was just under three years ago that Amazon.com CEO Jeff Bezos revealed plans for “Amazon Prime Air,” a drone-based delivery system that would’ve been a game-changer for delivery services. At the time, there were a number of news outlets and commentators divided on the topic, with some being excited at the implication of drones that could theoretically reach you anywhere, while others had safety and privacy concerns.

Unfortunately for the company, the project had to be put on hold when the Federal Aviation Administration (FAA) announced that it was still reviewing the laws concerning flying commercial drones on U.S soil. It wasn’t until last year that Amazon was even given the go ahead to test out their prototypes on U.S soil.



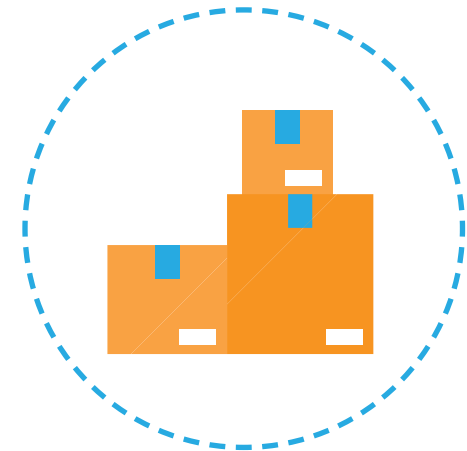
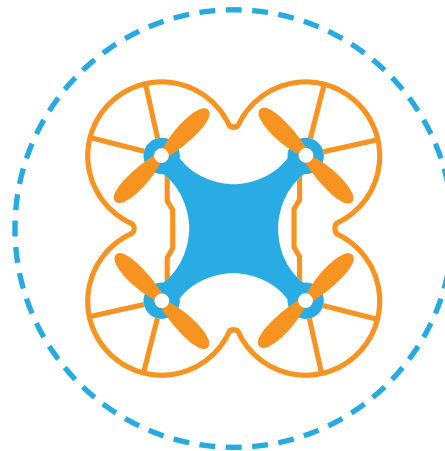


# COMMERCIAL DRONES FINALLY FLY ABOVE GROUND

It has been with some excitement then that news that the FAA and the U.S Department of Transportation jointly came together to announce [the legalization of commercial drone use in a 624-page document](#) outlining the various stipulations just at the [end of last month](#).

Although the news is making its run in industry outlets and blogs, the reception has surprisingly been lukewarm. While commercial drone usage is now much easier for companies to opt into, some of the withstanding stipulations still need review which means that services such Prime Air will continue to be grounded.

**Despite the setback, the market for commercial drones has—pardon the pun—soared since 2013.**



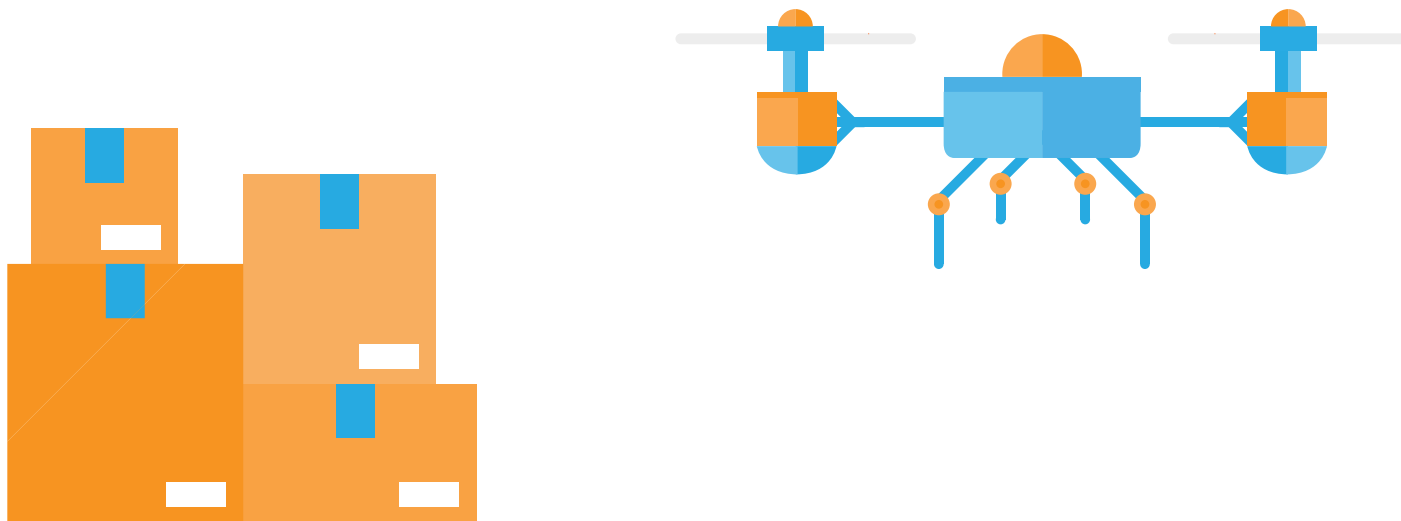


# DRONE INVESTMENTS CONTINUE TO SOAR

Although Prime Air and similar services may continue to be out of reach (at least until the next review, which the FAA promises will be soon), it doesn't mean that the market for commercial drones hasn't taken off in recent years.

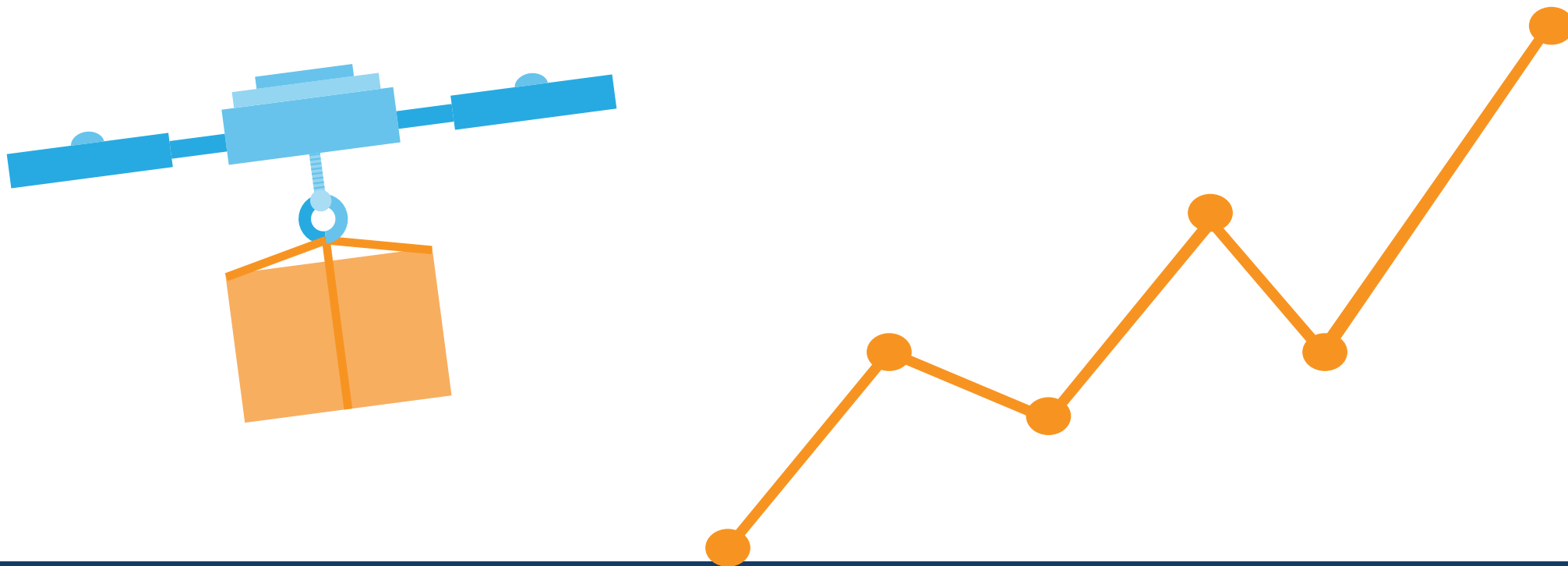
Investment in the technology has seen an immense increase since 2013, as many companies are trying to develop their own drones and services in preparation for the big day when the FAA finalizes its regulations concerning commercial drone usage.

Regionally North America has the highest market growth and share. Europe and Asia Pacific are also growing at a healthy rate.



In terms of numbers, Goldman Sachs industry [research](#) predicts that the global commercial drone market is expected to grow to \$20.6 billion USD over the next five years. Research and Markets predict in the [Global Commercial Drones Market Research and Analysis, 2015-2021](#) report that the global commercial drones market is expected to grow at an exponentially high CAGR of 41% for the forecasted period between 2016-2021.

Within the U.S, annual revenue from sales of commercial-use drones is projected to go to an upwards of 84% this year, which is approximately \$481 million USD, according to a recent [report](#) by Juniper Research.





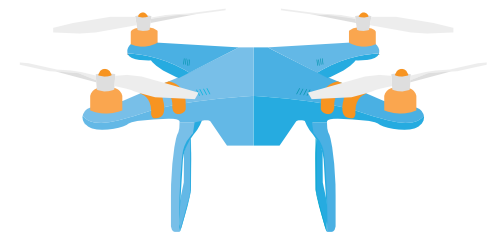
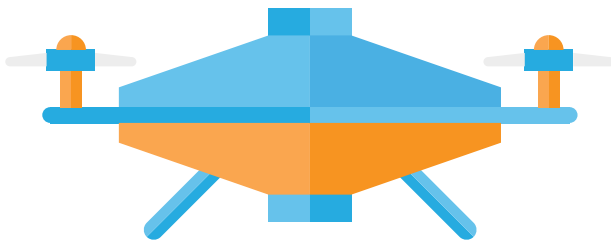


# THERE'S A DRONE BOOM BREWING

Even for just this year, the number of commercial drones is predicted to spike. According to the FAA, there are roughly 20,000 drones currently registered for commercial use. However, because of the new rule that was recently implemented, the FAA is now expecting some 600,000 drones to be registered by year's end, which is a 30-fold increase.

The market is forecasted to continue flying high. For example, in an industry forecast for the period between 2016-2025:

- North America will lead in deployment of commercial drones with 1.4million in use by 2025
- By 2018, UAVs will be used by nearly every major manufacturing company to control logistics
- By2021,UAVswillalso be used bynearly every automobile manufacturer in metropolitan areas and along major highways to provide ubiquitous wireless coverage based on a combination of LTE, 5G, and satellite communications

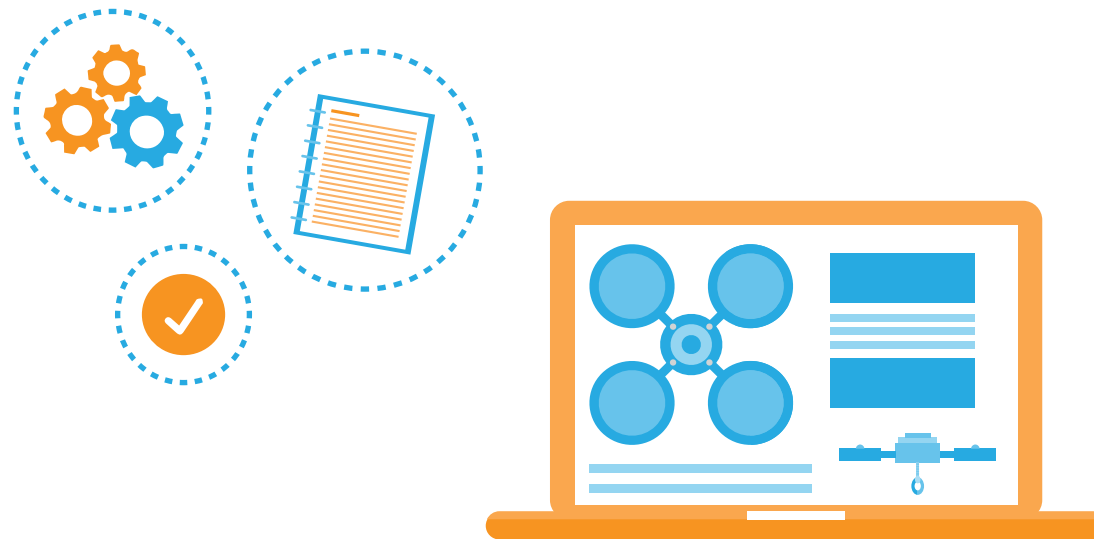




NO NEED TO BE A PILOT TO FLY

The major change to the regulations that has some companies excited is that to become a commercial drone pilot, you no longer need a traditional pilot's licence or to obtain a special case-by-case permission from regulators. Instead, drone operators will now need to pass a new **certification test** and follow already established guidelines.

Even potential commercial drone pilots are excited about the rule change, as on the first day it took effect, more than **3,000 people had pre-registered** to take the exam.

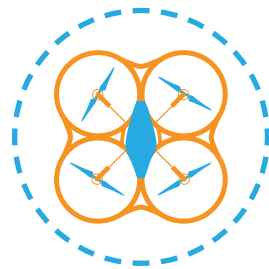
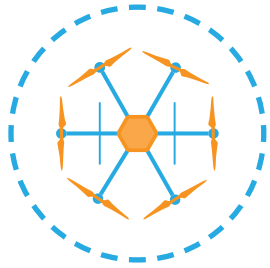




# LIMITATIONS GROUNDING DRONES

The regulations that are keeping drone-based delivery services on the ground are the following:

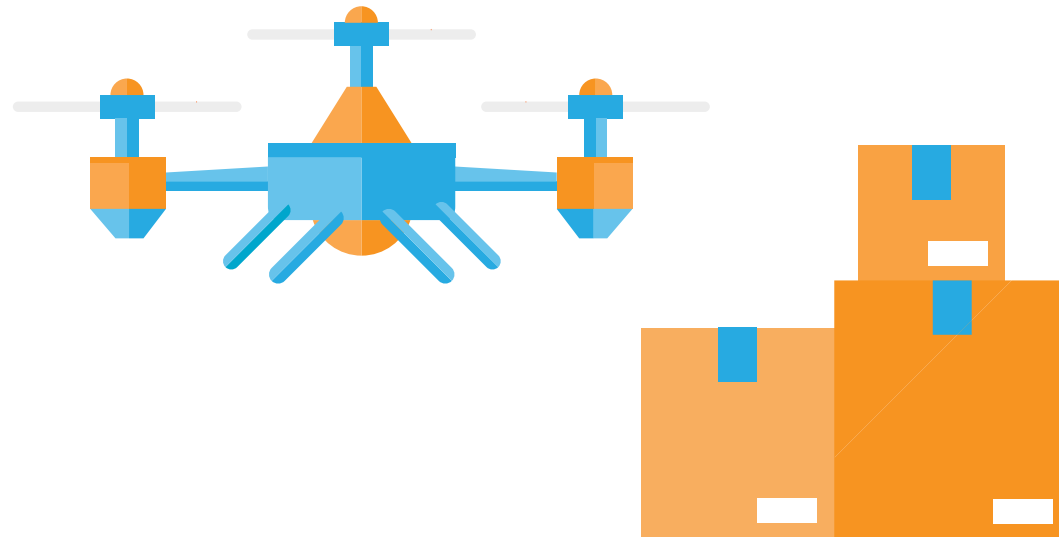
- **The drone is to remain within the visual line of sight of the remote pilot-in-command and the person manipulating the flight controls.** (Alternatively, the drone must remain within the visual line of sight of a second individual, a designated but unrequired “visual observer,” who is not piloting it)
- **Remain close enough to the pilot and the person manipulating the flight controls for those people to see the aircraft with unaided vision** (with the exception of corrective lenses)
- **Not operate over any persons not directly participating in the operation**
- **Operate only during daylight or “civil twilight”** (30 minutes before official sunrise to 30 minutes after official sunset, local time) **with appropriate anti-collision lighting**
- **Not exceed a maximum altitude of 400 feet above ground level unless within 400 feet of a structure**
- **Operate in a minimum weather visibility of 3 miles from control station**



Previously, commercial drone operation was illegal unless a business qualified for an exemption, which was a lengthy and expensive process. Remember, despite Amazon having prototypes ready for testing almost three years ago, it was only last year that the company was able to test them in the U.S.

While Amazon Prime Air, and similar services are still illegal on U.S soil given the limitations of the existing rules, the government's seemingly positive attitude toward commercial drone operations and the huge market demand for the technology shows enormous promise for future developments.

**Perhaps the 30 minute delivery time promised back in 2013 won't be long now, just a little late.**



# SOURCES

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