

Air cargo up 7.7% in August from 2019, but capacity lags demand

The International Air Transport Association (IATA) has released its August 2021 data for global air cargo markets showing that demand continued its strong growth trend but pressure on capacity is rising.



Source: ©Péter Gudella - [123RF](#)

As comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of Covid-19, unless otherwise noted, all IATA's comparisons below are to August 2019 which followed a normal demand pattern.

- Global demand, measured in cargo tonne-kilometers (CTKs), was up 7.7% compared to August 2019 (8.6% for international operations). Overall growth remains strong compared to the long-term average growth trend of around 4.7%.
- The pace of growth slowed slightly compared to July, which saw demand increase 8.8% (against pre-Covid-19 levels).
- Cargo capacity recovery paused in August, down 12.2% compared to August 2019 (-13.2% for international operations). In month-on-month terms, capacity fell by 1.6% – the largest drop since January 2021.

Economic indicators

Economic conditions continue to support air cargo growth but are slightly weaker than in the previous months indicating that global manufacturing growth has peaked:

- The August manufacturing output component of the Purchasing Managers Indices (PMIs) was 51.9, indicating a short-term boost to demand if those orders are shipped by air. This was a decline from 54.4 in July.
- The August new export orders component of the PMIs was favorable for air cargo, despite being less supportive than in the previous months. Expansion continued at the global level, however, there was contraction in emerging economies.
- The inventory-to-sales ratio remains low ahead of the peak year-end retail season. This is positive for air cargo, however, further capacity constraints put this at risk.

“Air cargo demand had another strong month in August, up 7.7% compared to pre-Covid levels. Many of the economic indicators point to a strong year-end peak season. With international travel still severely depressed, there are fewer passenger planes offering belly capacity for cargo. And supply chain bottlenecks could intensify as businesses continue to ramp up production,” said Willie Walsh, IATA’s director general.



IATA's latest data shows strong growth for air cargo demand

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August regional performance

African airlines’ saw international cargo volumes increase by 33.9% in August, the largest increase of all regions. Investment flows along the Africa-Asia route continue to drive the regional outcomes with volumes on the route up 26.4% over two years ago. International capacity decreased 2.1%.

Asia-Pacific airlines saw their international air cargo volumes increase 3.0% in August 2021 compared to the same month in 2019. This was a slowdown in demand compared to the previous month’s 4.4% expansion. Demand is being affected by an easing in growth momentum in key activity indicators in Asia, and by congested supply chains especially on Within Asia and Europe-Asia routes. International capacity is significantly constrained in the region, down 21.7% vs. August 2019.

North American carriers posted an 18% increase in international cargo volumes in August 2021 compared to August 2019. New export orders and demand for faster shipping times are underpinning the North American performance. The downside risk from capacity constraints is high; international cargo capacity remains restricted and many of the key air cargo hubs are reporting severe congestion, including Los Angeles and Chicago. International capacity decreased 6.6%.

European carriers saw a 6% increase in international cargo volumes in August 2021 compared to the same month in 2019. This was on a par with July’s performance. Manufacturing activity, orders and long supplier delivery times remain favorable to air cargo demand. International capacity decreased 13.6%.

Middle Eastern carriers experienced an 15.4% rise in international cargo volumes in August 2021 versus August 2019, an improvement compared to the previous month (13.4%). The large Middle East–Asia trade lanes continue to post strong performance. International capacity decreased 5.1%.

Latin American carriers reported a decline of 14% in international cargo volumes in August compared to the 2019 period, which was the weakest performance of all regions. Capacity remains significantly constrained in the region, with international capacity decreasing 27.1% in August, the largest fall of any region.

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