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Airfreight demand lifts in April

After a sharp fall in March, global airfreight volumes recovered slightly in April, IATA figures reveal

The International Air Transport Association (IATA) has released data for global air freight markets showing that demand, measured in freight tonne kilometres (FTKs), rose 4.1 per cent in April 2018, compared to the same period the year before. This was up from the 1.8 per cent growth in annual demand recorded in March 2018.

Freight capacity, measured in available freight tonne kilometres (AFTKs), grew by 5.1 per cent year-on-year in April 2018. This was the second time in 21 months that capacity growth outstripped demand growth, the IATA said.

After a sharp fall in March 2018, to a 23-month low, global air freight volumes recovered slightly in April 2018. The pace at which demand is growing, however, remains significantly slower than in much of 2017, according to the association.

It said the weaker growth in air cargo is primarily due to the end of the restocking cycle, during which businesses rapidly increase their inventory to meet unexpectedly high demand.

Commenting on the market data, IATA's director general and CEO Alexandre de Juniac said: "April saw a strengthening from the abrupt slowdown in growth experienced in March. This is good news.

"We remain cautiously optimistic that demand will grow in the region of 4 per cent this year," he added. "But the forecast appears to have increasing downside potential. Oil prices continue to rise as does protectionist rhetoric. Borders open to people and to trade drive economic growth and social prosperity. We are all disadvantaged when they are closed."

Regional Performance

All regions reported growth on 2017 levels, albeit at different levels of expansion, IATA figures showed.

Asia-Pacific airlines saw freight demand recover in April 2018 to grow 3.9 per cent compared to the same period last year. Capacity increased by 6.7 per cent. As the largest freight-flying region, carrying close to 37 per cent of global air freight, the risks from protectionist measures impacting the region are disproportionately high, the IATA said.

North American airlines' freight volumes expanded 3.2 per cent in April 2018 compared to the same period a year earlier. This was a slight deceleration in demand from the previous month. Capacity increased by 3.4 per cent. The weakening of the US dollar over the past year has helped boost demand for air exports. Data from the US Census Bureau shows an 11.7 per cent year-on-year increase in air export volumes from the US in Q1 2018, compared to a slower rise in imports of 7.5 per cent. More recently however, the US dollar has been rising.

European airlines posted a 2.4 per cent increase in freight volumes in April 2018. This was over double the rate of growth of the previous month. Capacity increased 4 per cent. Seasonally-adjusted volumes are broadly trending sideways. The strength of the Euro and a softening of

Latin American airlines experienced growth in demand of 10.6 per cent in April

demand grow 5.6 per cent in April 2018 compared to the same month last year, export orders in Germany pose downside risks to European carriers.

Middle Eastern carriers posted the second fastest year-on-year growth in freight volumes in April 2018, up 7.3 per cent. This was a significant acceleration in demand over the 0.8 per cent recorded the previous month. The increase mainly reflects developments from a year ago rather than a substantive change in the near-term trend.

2018 - the largest increase of any region for the second consecutive month. Capacity decreased by 4.6 per cent. The pick-up in demand over the last 18 months comes alongside signs of economic recovery in the region's largest economy, Brazil. Seasonally-adjusted international freight volumes are now back to the levels seen at the end of 2014.

African carriers saw freight

after a decline of 3.4 per cent in March. Capacity increased by 23 per cent. After a surge in international FTK volumes last year, seasonally-adjusted international freight volumes have trended downwards from a peak in late-2017 and are now at levels seen mid-2017.