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Air cargo demand lifts above pre-Covid levels

Global demand for airfreight rises 9.4 per cent above pre-Covid levels in May, IATA reveals



The International Air Transport Association (IATA) has released May 2021 data for global air cargo markets showing that demand continued its strong growth trend.

Global demand, measured in cargo tonne-kilometers (CTKs), was up 9.4 per cent compared to May 2019. Seasonally adjusted demand rose by 0.4 per cent month-on-month in May, the 13th consecutive month of improvement.

The pace of growth slowed slightly in May compared to April which saw demand increase 11.3 per cent against pre-Covid-19 levels (April 2019). Notwithstanding, air cargo outperformed global goods trade for the fifth consecutive month.

North American carriers contributed 4.6 percentage points to the 9.4 per cent growth rate in May. Airlines in all other regions except for Latin America also supported the growth.

Capacity remains constrained at 9.7 per cent below pre-Covid levels (May 2019) due to the ongoing grounding of passenger aircraft. Seasonally adjusted capacity rose 0.8 per cent month-on-month in May, the fourth consecutive month of improvement indicating that the capacity crunch is slowly unwinding.

Underlying economic conditions and favourable supply chain dynamics remain supportive for air cargo, IATA said.

Global trade rose 0.5 per cent in April, and the Purchasing Managers Indices (PMIs) - leading indicators of air cargo demand - show that business confidence, manufacturing output and new export orders are growing at a rapid pace in most economies.

The cost-competitiveness of air cargo relative to that of container shipping has improved. Pre-crisis, the average price of air cargo was 12 times more

expensive than sea shipping. In May 2021 it was six times more expensive.

Commenting on the latest data, IATA director general Willie Walsh said: "Propelled by strong economic growth in trade and manufacturing, demand for air cargo is 9.4 per cent above pre-crisis levels. As economies unlock, we can expect a shift in consumption from goods to services. This could slow growth for cargo in general, but improved competitiveness compared to sea shipping should continue to make air cargo a bright spot for airlines while passenger demand struggles with continued border closures and travel restrictions."