

Global air cargo demand continues growth, up 3.8% in October 2023

The October 2023 global air cargo market data released by the International Air Transport Association (IATA) reveals a consistent upward trend in year-on-year demand for the third consecutive month. Global demand, quantified in cargo tonne-kilometres (CTKs), experienced a 3.8% increase compared to October 2022, with international operations slightly trailing at 3.5%. Meanwhile, capacity, measured in available cargo tonne-kilometres (ACTKs), surged by 13.1% from October 2022 (11.1% for international operations), primarily attributed to the expansion of belly capacity. Notably, international belly capacity witnessed a substantial 30.5% year-on-year growth, driven by the resilience of passenger markets.



Image source: [Gallo/ Getty](#)

Several factors in the operating environment should be noted:

- Economic activities slowed in October. With the Purchasing Managers' Index for manufacturing output and export orders for major economies (excluding the US) remaining below the critical 50 mark, there is a clear marker for economic challenges ahead.
- Inflation in major advanced economies continued to ease from its peak in terms of the Consumer Price Index (CPI), reaching between 3% and 4% for the US and the EU respectively, in October. China's CPI, however, indicated deflation for the second time this year, raising concerns of an economic slowdown.

- Global trade reversed its downward trajectory and stabilized in September. Although below its 2022 peak, global cross-border trade is more than 5% above pre-pandemic levels.
- After a continuous 17-month decline, cargo yields ticked up in September and continued into October with a 2.6% month-on-month gain, remaining well above pre-pandemic levels.

"Demand for air cargo was up 3.8% in October. That marks three consecutive months of year-on-year growth, placing air cargo on course to end 2023 on a much stronger footing than it began the year.

"Recovering demand, slightly stronger yields and the uptick in trade are all good news. But with demand still 2.4% below pre-pandemic levels, and much uncertainty remaining over the trajectory of the global economy, optimism must be balanced with caution. Nonetheless, a continued strong peak year-end season will certainly help the sector to manage through whatever turns the global economy might take in 2024," said Willie Walsh, IATA's director general.

Air cargo market

October regional performance

African airlines saw their air cargo volumes increase by 2.9% in October 2023, much improved compared to September's performance (-0.1%). Carriers in the region benefitted from the strongest annual growth since May (+16.7%). Capacity was 9.8% above the October 2022 levels.

Asia-Pacific airlines saw their air cargo volumes increase by 7.6% in October 2023 compared to the same month in 2022. This performance was close to par with the previous month (+7.7%).

Carriers in the region benefitted from ongoing growth in international CTAs on three major trade lanes: Africa-Asia (+16.7%, the greatest annual growth since May), Middle East-Asia (+10.3%) and Europe-Asia (+8.5%). Available capacity for the region's airlines increased by 30.0% compared to October 2022 as more belly capacity came online from the passenger side of the business (a year ago, the key Asian markets of Japan and China were still largely under severe Covid-19 travel restrictions).

North American carriers had the weakest performance in October with a 1.8% decrease (year-on-year) in cargo volumes. This was a slight performance improvement compared to September (-2.2%). Although the North America-Asia trade lane recorded an increase in international CTAs (from -1.8% in September to -0.9% in October) and the North America-Europe market saw a slight improvement in international CTAs (from -2.7% in September to -2.1% in October), carriers in the region did not benefit significantly. Capacity increased by 2.4% compared to October 2022.

European carriers saw their air cargo volumes increase by 1.0% in October compared to the same month in 2022. This was a stronger performance than in September (-1.5%). Carriers in the region benefitted from the first growth in international CTAs in the Europe market since January 2022 (-4.2% in September vs +3.4% in October). Gains made from the expansion in the Middle East-Europe trade lane (+17.1% in October) also benefitted carriers in the region. Capacity increased by 7.0% in October 2023 compared to 2022.

Middle Eastern carriers had the strongest performance in October 2023, with a 10.9% year-on-year increase in cargo volumes. This was a significant improvement from the previous month's performance (+2.5%). Carriers in the region benefitted from growth in the Middle East-Asia (+10.3%) and Middle East-Europe markets (+17.1%). Capacity increased

by 15% compared to October 2022.

Latin American carriers experienced a 4.0% increase in cargo volumes compared to October 2022, a notable increase compared to the previous month's gain (+2.3%). Capacity in October was up 8.3% compared to the same month in 2022.

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