



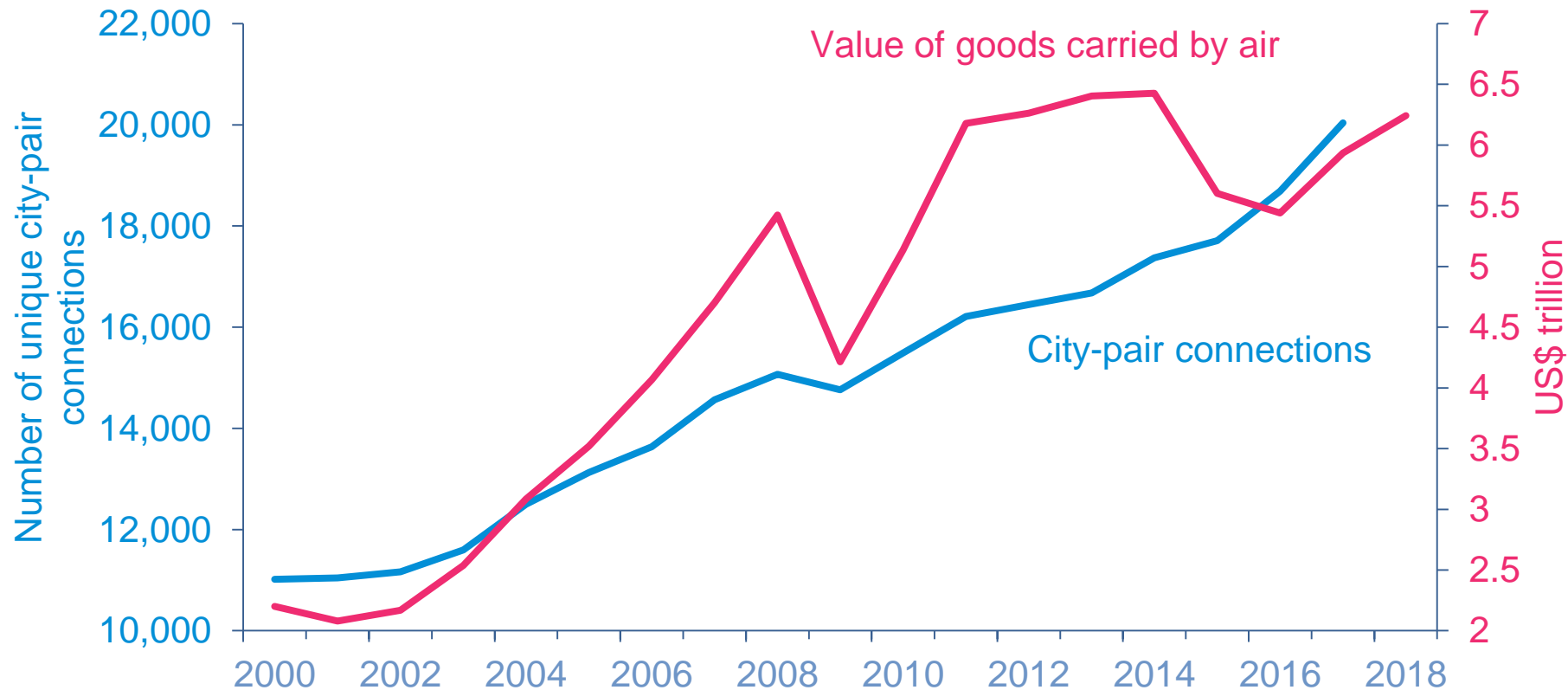
# Air cargo economic benefits, markets and industry performance

Brian Pearce,  
Chief Economist,  
IATA

[www.iata.org/economics](http://www.iata.org/economics)

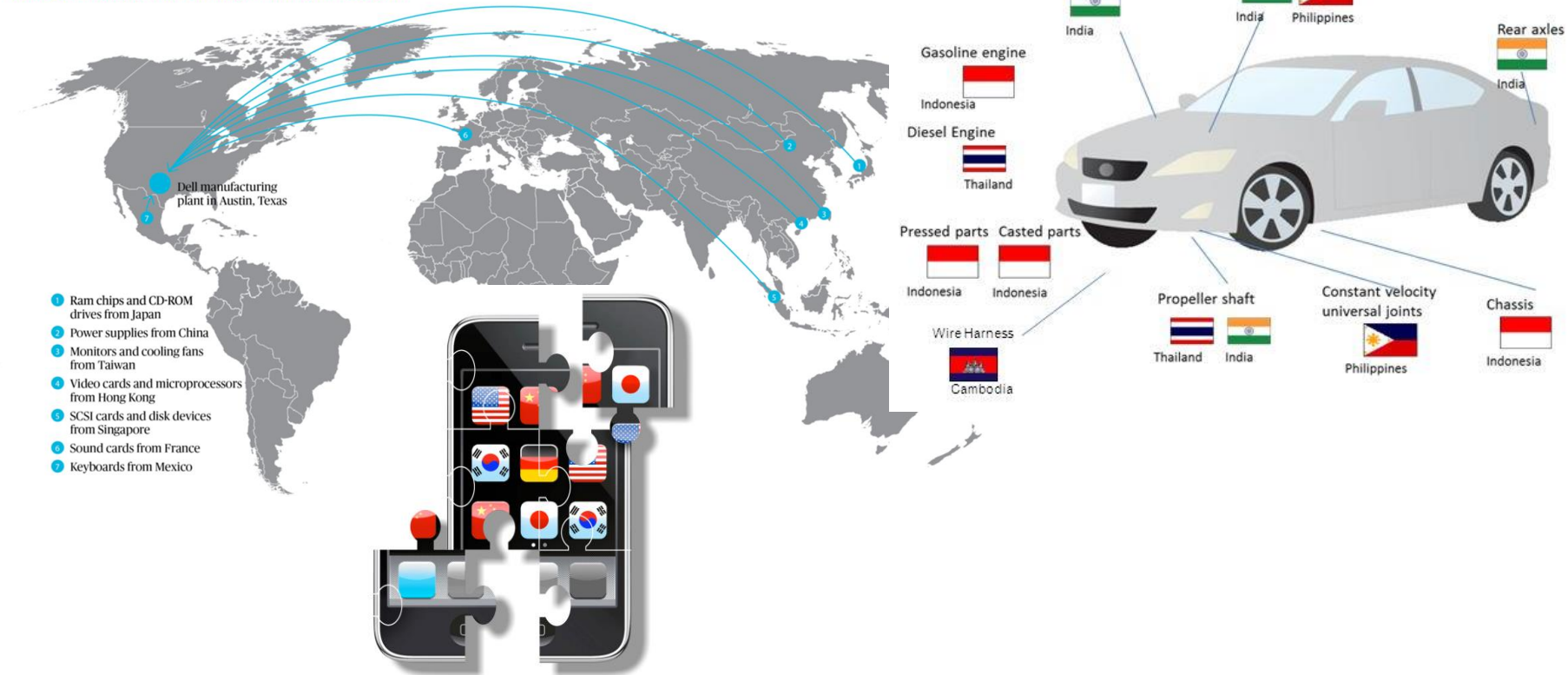
# Value of goods carried by air rises to \$6.2 trillion in 2018

Value of goods carried by air and city-pair connections



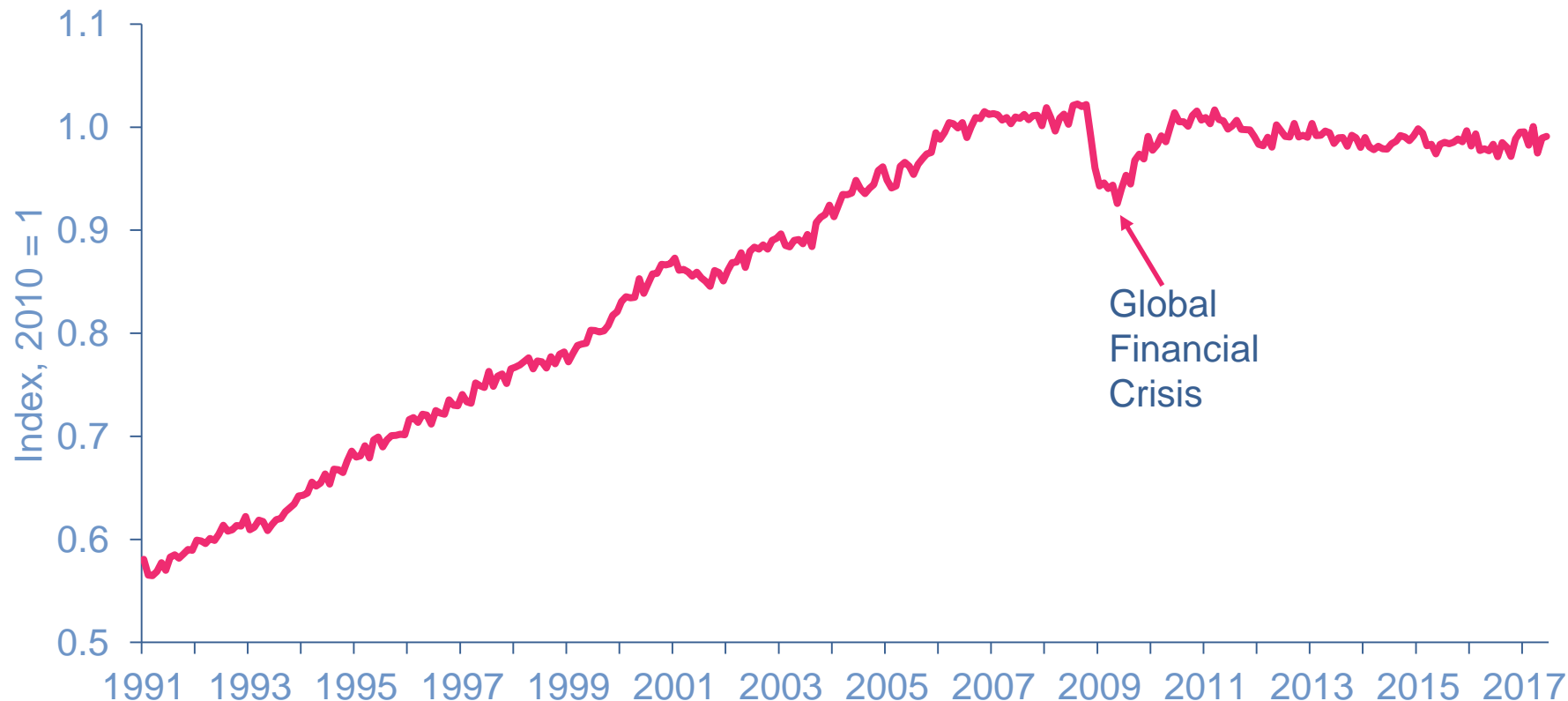
# Air cargo remains a key driver of economic development

Dell's global supply chain, made possible by air transport



# World trade still being weakened by the new 'localism'

World trade as a ratio of world industrial production



Source: IATA Economics using data from Netherlands CPB

# Brexit could damage UK and the EU trade

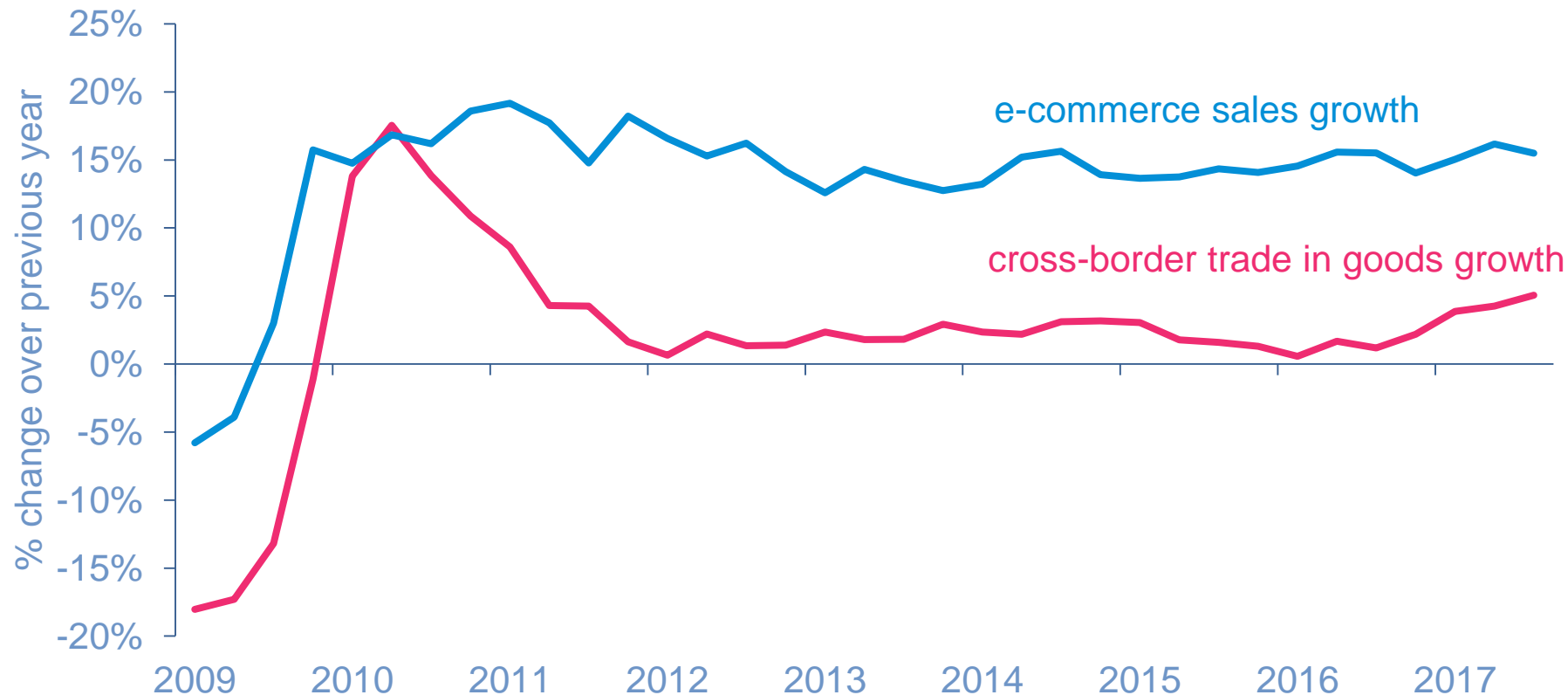
Table 3.A: Effect of leaving the EU on total trade volumes (% difference from level in EU after 15 years)

	EEA	Negotiated bilateral agreement	WTO
Lower end of the range	-9	-14	-17
Upper end of the range	-9	-19	-24

*Details of the supporting analysis are given in Annex A.*

# E-commerce emerging as a new driver of air cargo

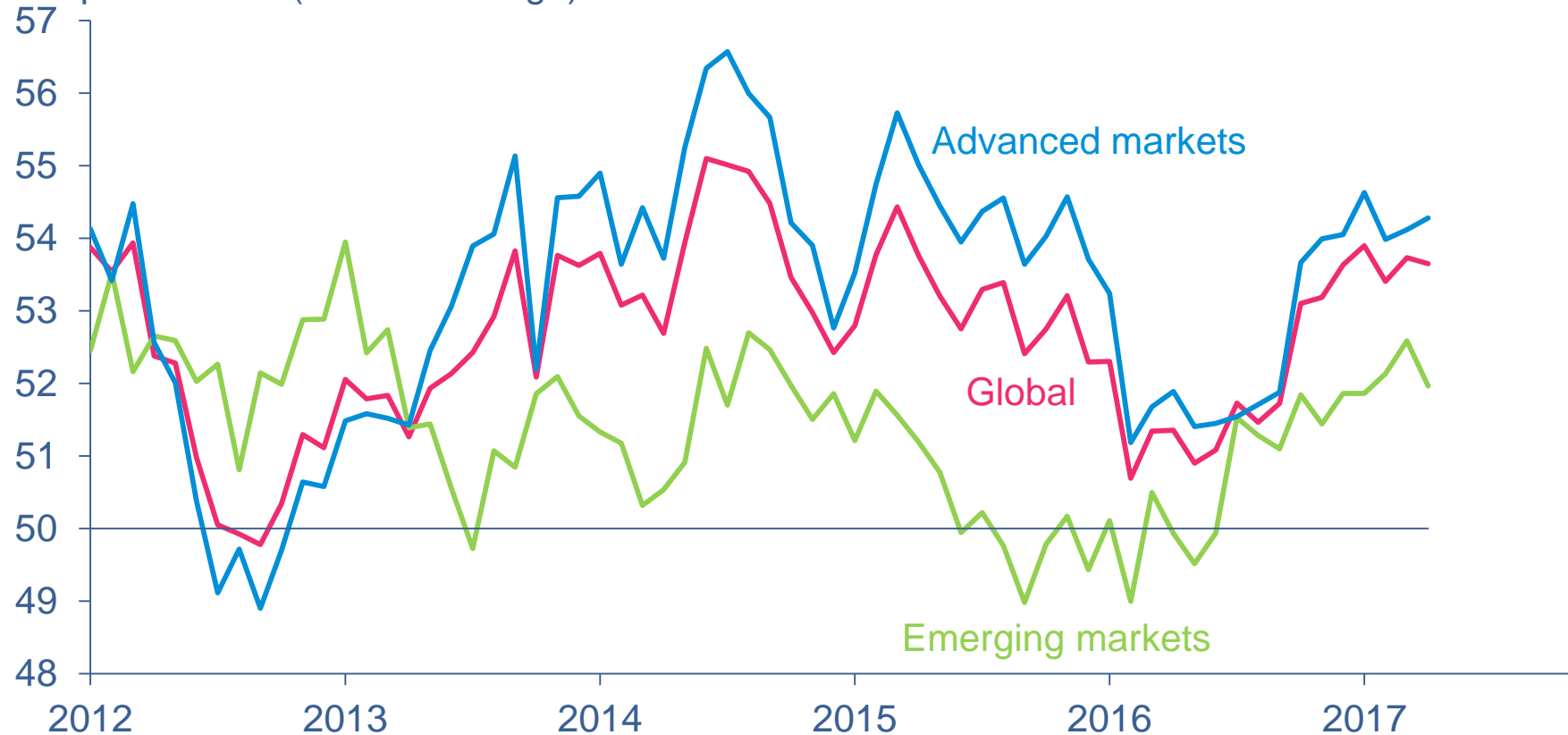
Growth of international trade in goods and US e-commerce sales



Source: IATA Economics using data from Netherlands CPB and Datastream

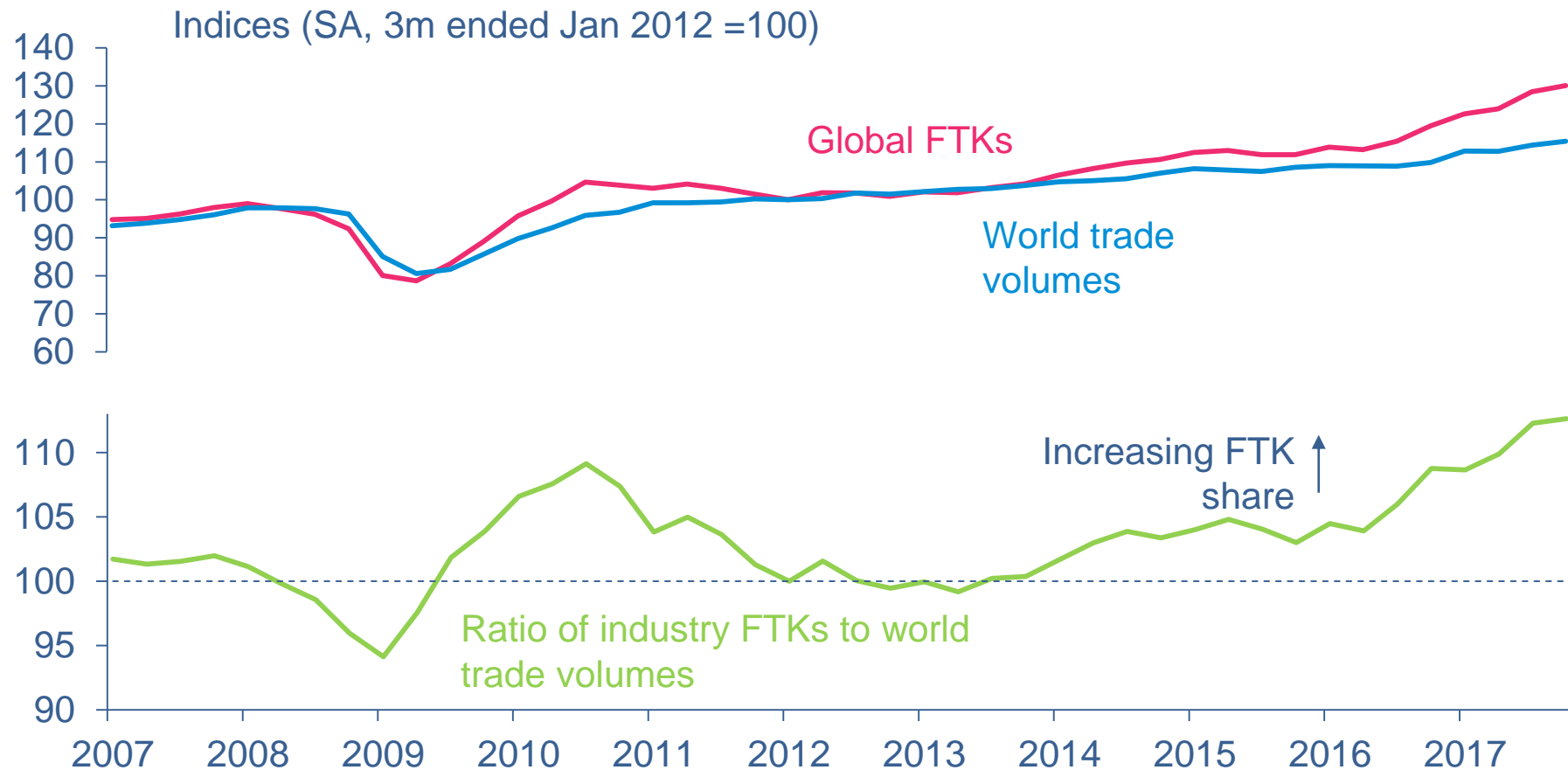
# Strong and widespread economic upturn

Composite PMIs (50 = no change)



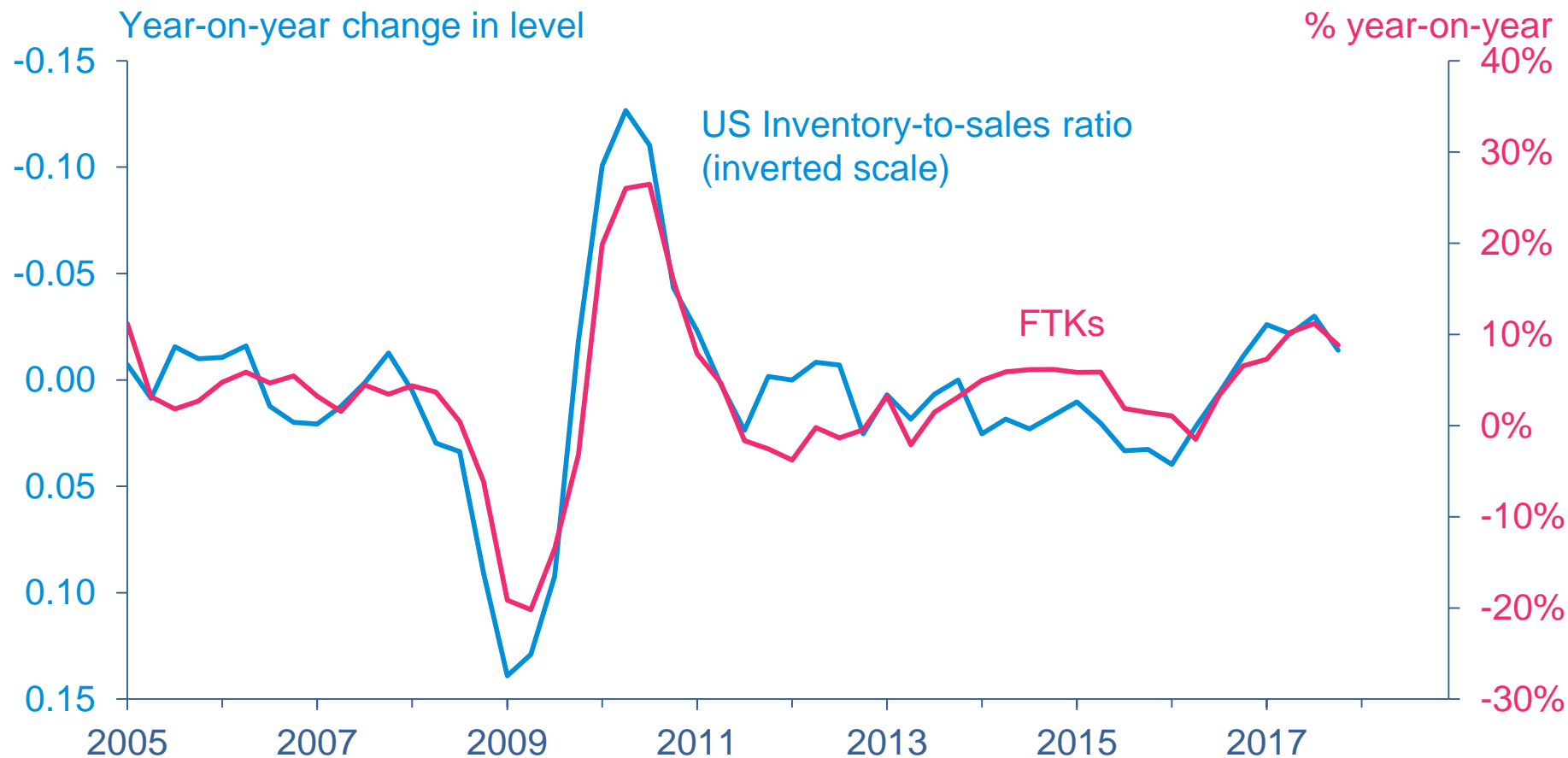
Source: IATA Economics using data from Markit and Datastream

# Air cargo is now growing much faster than other modes



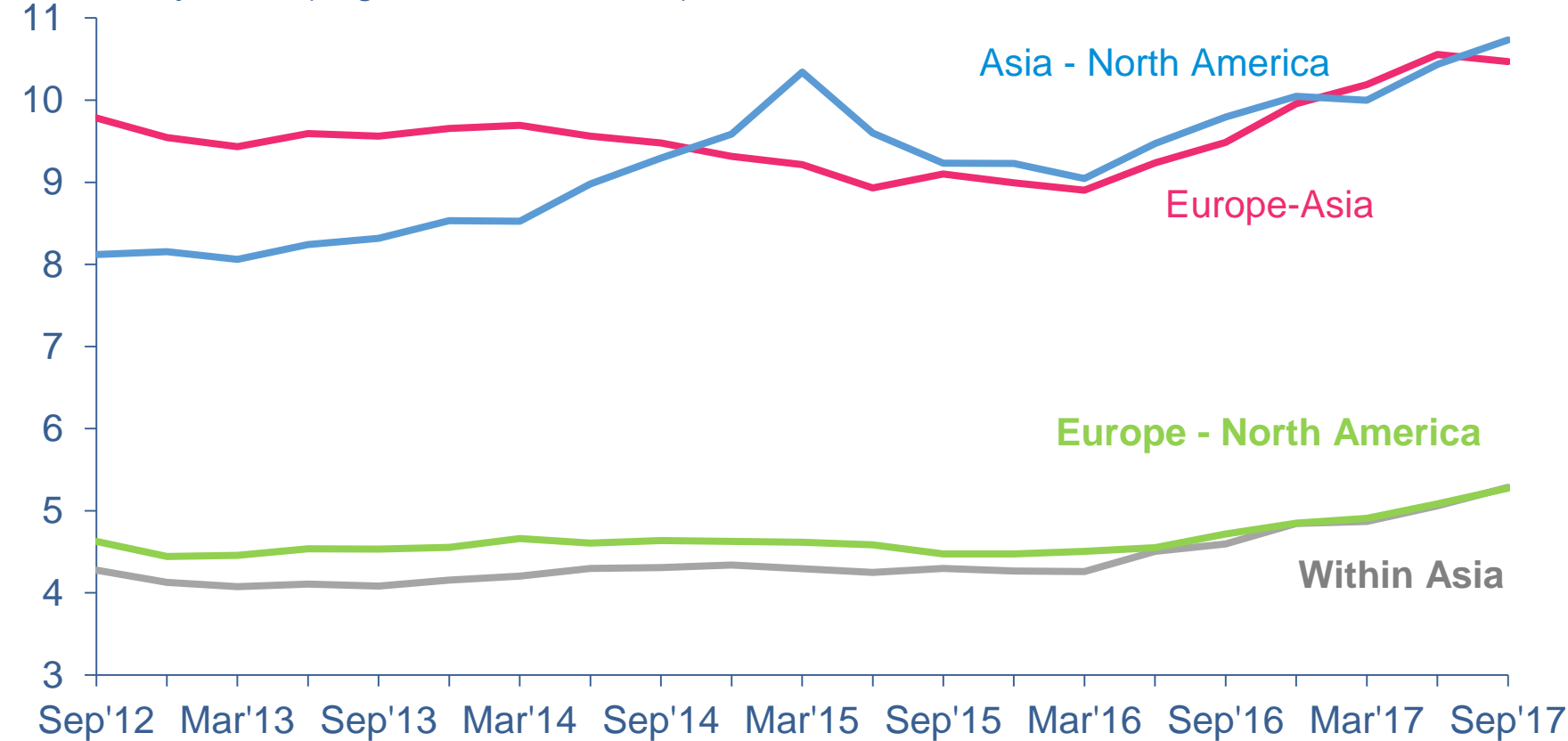


# Rapid re-stocking of inventories boosting air cargo



# All major trade lanes seeing good growth

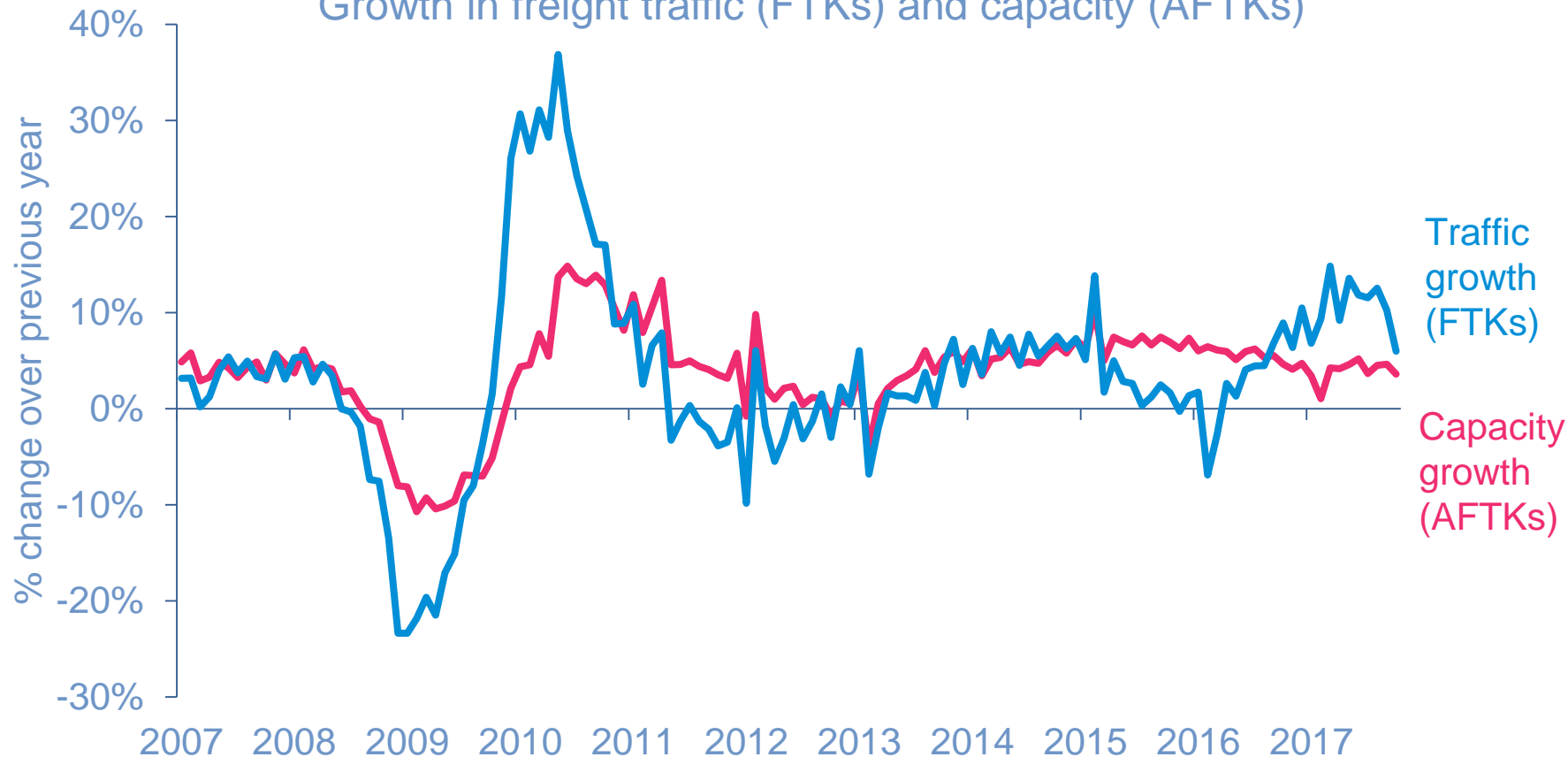
Int'l FTK by route (segment-basis, billion)



Source: IATA Cargo Chartbook 2017 Q3

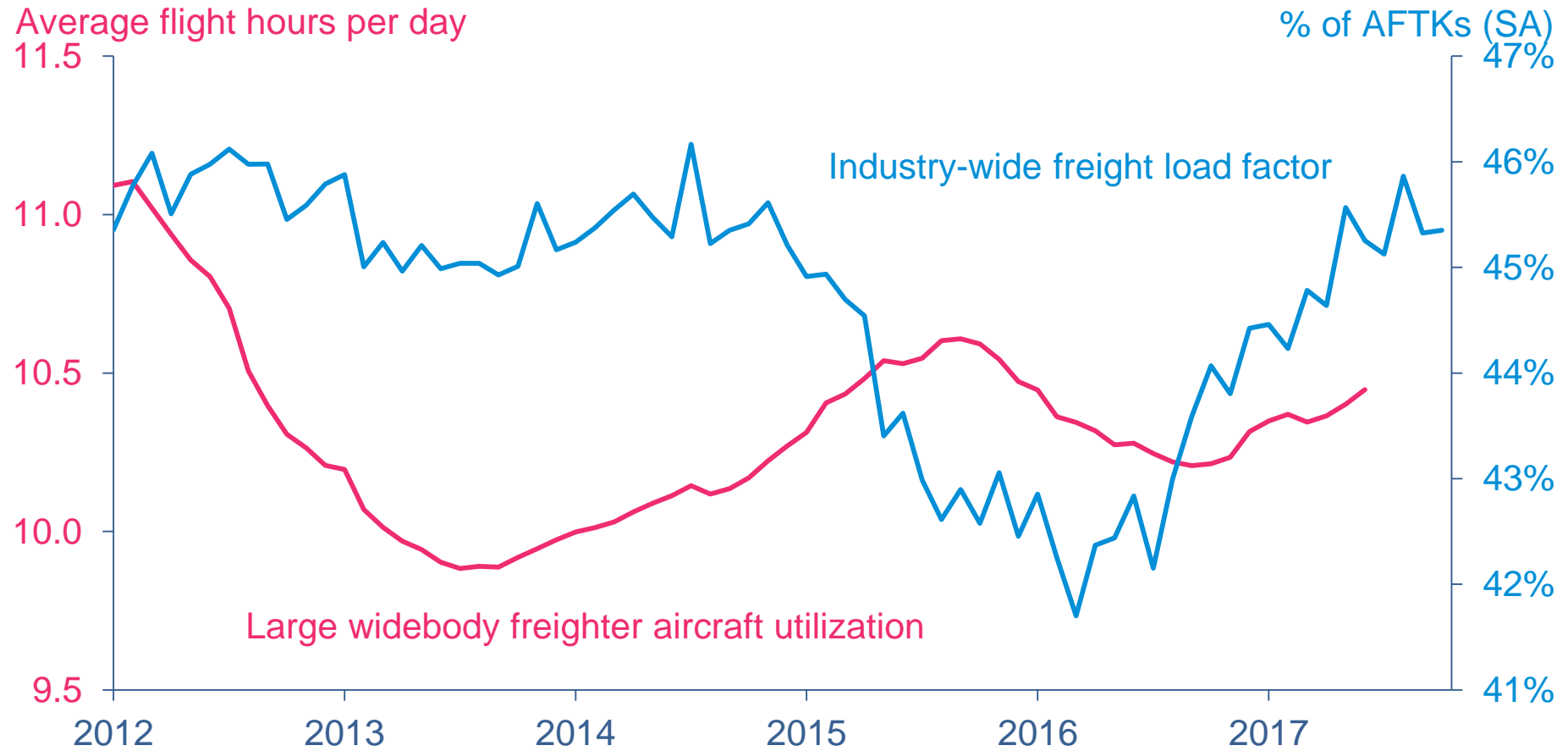
# Demand for cargo now growing faster than capacity

Growth in freight traffic (FTKs) and capacity (AFTKs)



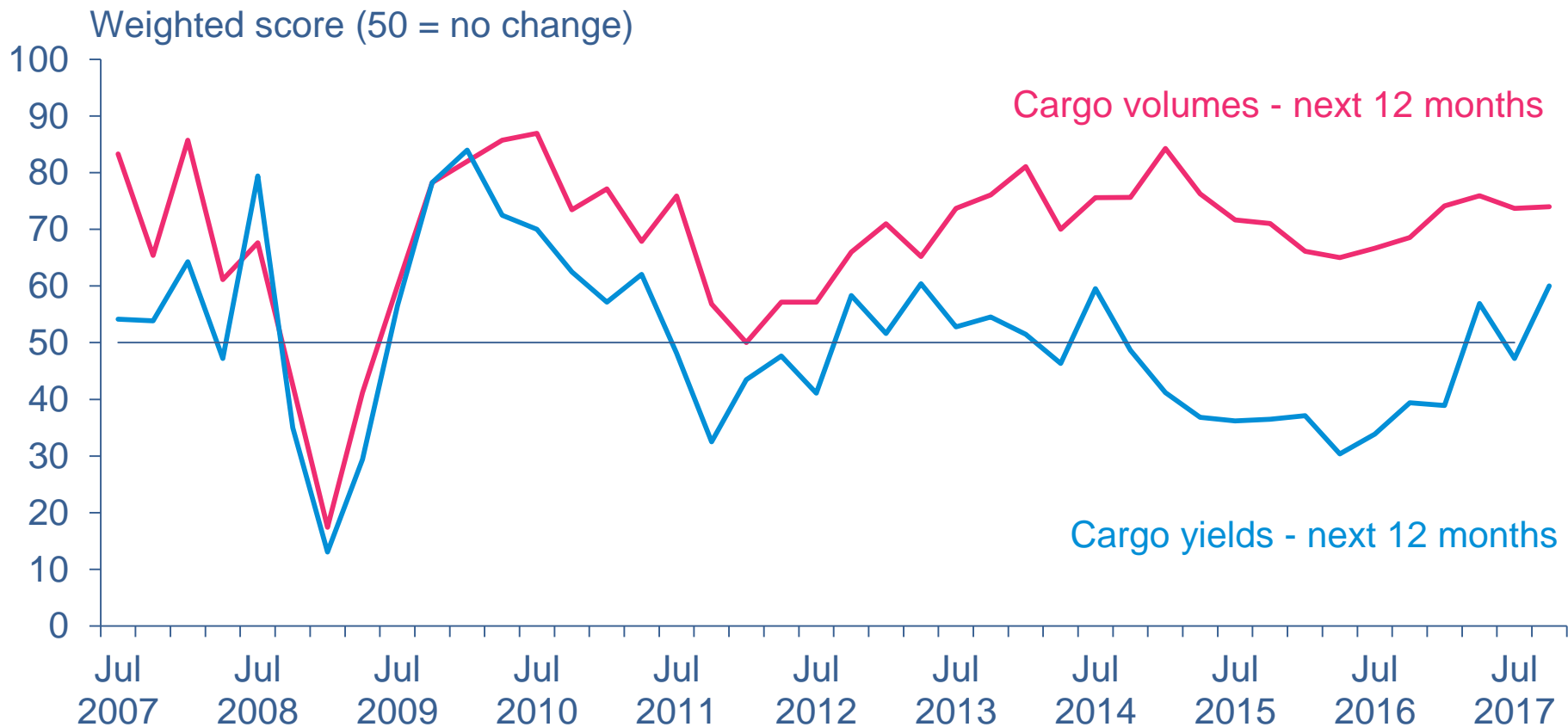
Source: IATA Economics using data from IATA Statistics

# Asset utilization has improved substantially



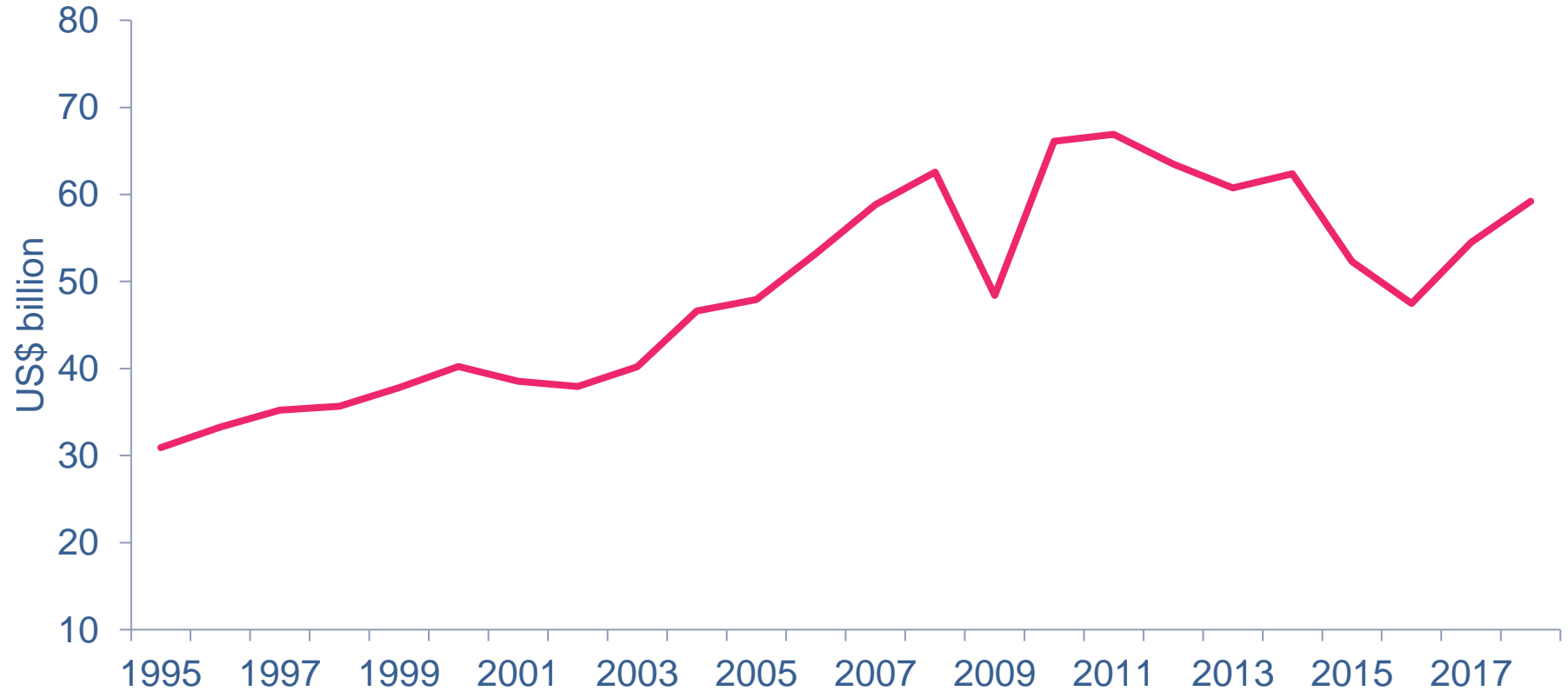
Source: IATA Cargo Chartbook 2017 Q3

# Heads of cargo confident about 2018 markets



# Strong recovery in cargo revenues to continue in 2018

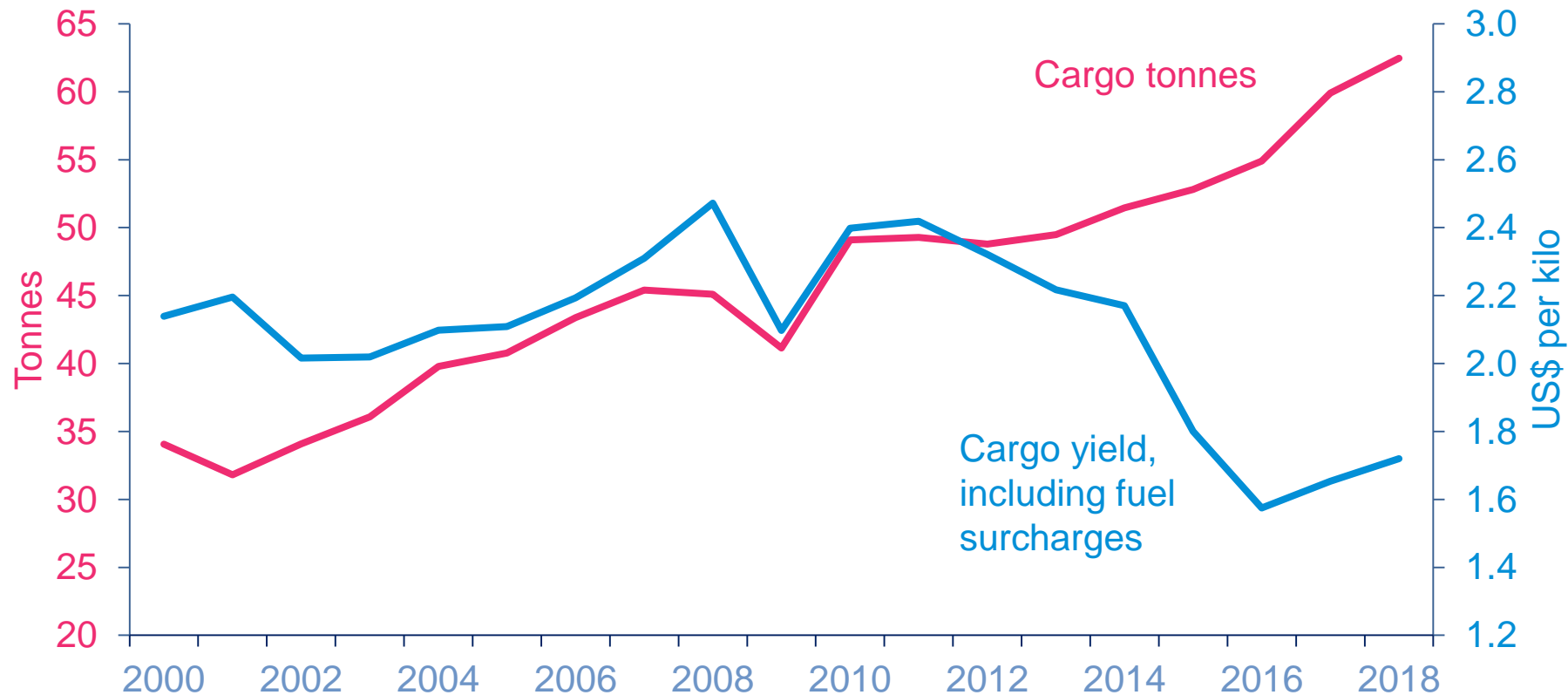
Airline cargo revenue



Source: IATA Economic Performance of the Airline Industry – End-2017 report

# Driven by stronger volumes and better yields in 2018

Cargo tonnes and cargo yields, including fuel surcharges



Source: IATA Economic Performance of the Airline Industry – End-2017 report

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