COVID-19
Air cargo markets

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Demand for air cargo much more robust than air travel
July cargo tonne km flown down -13.5% yoy vs -79.8% for global RPKs

Global air travel and cargo volume growth

Source: IATA Economics using data from IATA Statistics
Cargo recovery varies across major trade lanes
Pacific market (segment-basis) up 3.7% yoy, N Atlantic down -30.3%

Source: IATA Economics using data from IATA Statistics
Business confidence has rebounded as lock-downs end. High past correlation points to a ‘V-shaped’ recovery in GDP.
Confidence data points to ‘V-shaped’ economic recovery
Survey data consistent with positive yoy growth in global manufacturing

Global manufacturers' business confidence (PMI)
Global manufacturing output growth

Source: IATA Economics using data from Netherlands CPB and Markit
As economy recovers air cargo share should rise sharply
Coupled with slow return of passenger fleet may keep loads & yields firm

Source: IATA Economics using data from IATA Statistics and Netherlands CPB
Export orders up sharply points to strong cargo volumes

Export orders are rising substantially and air cargo outperforms in upturns

Source: IATA Economics using data from IATA Statistics and Markit
Freighters are carrying most cargo on all trade lanes. Usually more than half is carried in the belly holds of passenger aircraft.

Cargo tonnes flown by aircraft type and trade lane:

- **Freighters**
- **Passenger belly hold**

Source: IATA Economics using data from IATA Statistics.
A challenge is the severe shortage of air cargo capacity. Freighter utilization high and widebody passenger aircraft slow to return.

Source: IATA Economics using data from Ascend and Boeing
Shortage of cargo capacity has forced yields higher.

July capacity down -31.1% yoy, yields up 60% vs last year.
Cargo partial offset to collapsed passenger revenues
Cargo’s share of operating revenues had been in decline; now ~25%

Cargo share of total airline industry operating revenue, %

Source: IATA Economics using data from IATA Statistics, own forecasts
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