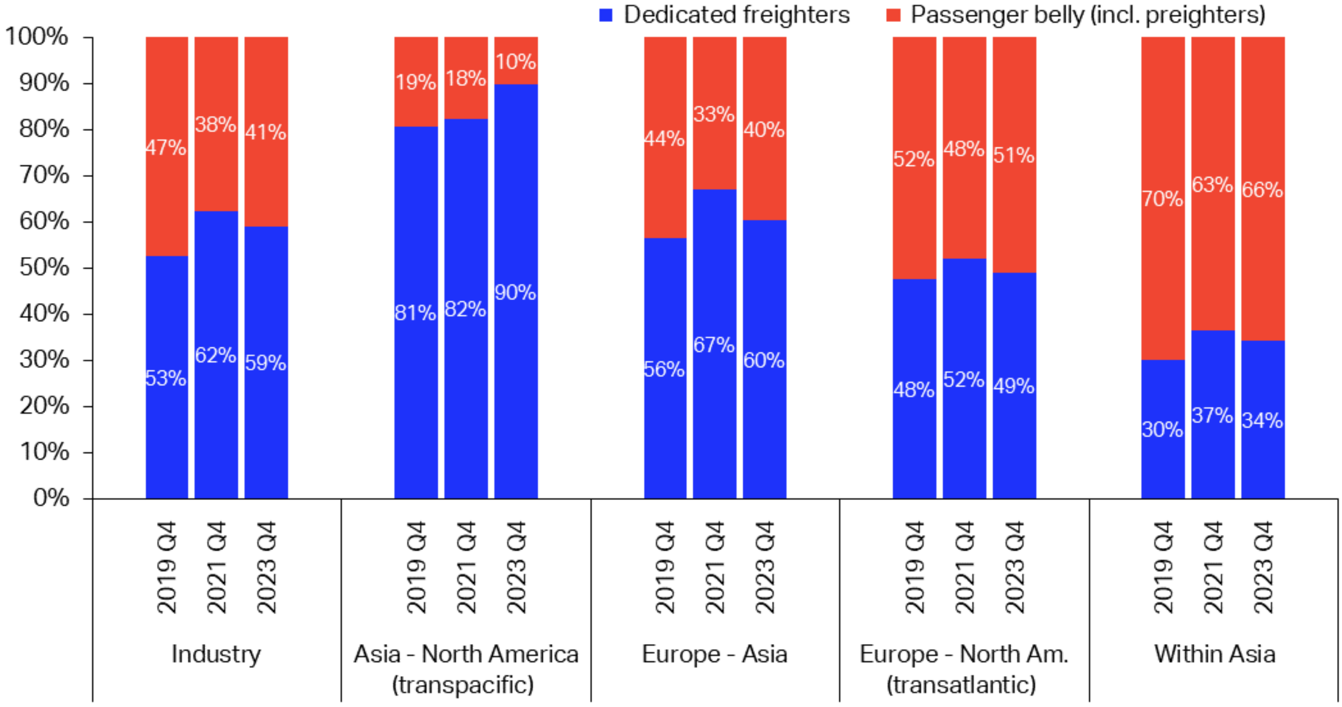
Chart of the Week

16 February 2024

Air freighters increase market share on transpacific route

International Cargo Tonne-Kilometers by major route area and aircraft type (% of total)



Source: IATA Sustainability and Economics, IATA Monthly Statistics.
Note: The chart depicts Q4 values for 2023 and two relevant years of comparison: 2021 during the Covid-19 pandemic, and 2019, before the pandemic.

- In the fourth quarter of 2023, the airline industry recorded 58.2 billion international Cargo Tonne-Kilometers (CTKs), which amounts to 99% of the Q4 2019 level and 92% of the peak demand observed in Q4 2021. This recent recovery in demand for air cargo was driven by the gradual return of international passenger traffic and the associated belly-hold capacity. In line with this, the global share of air cargo transported on dedicated freighters is slowly coming down from the heights seen in Q4 2021 and is inching closer to its pre-pandemic level, now standing at 59% of the total in Q4 2023.
- The market share of dedicated freighters differs widely across the four largest routes. The figure is currently increasing on the Asia–North America trade lane, where freighters filled 90% of the demand in the fourth quarter, up from around 80% before and during the pandemic. The strong performance of freighters on the transpacific route reflects the fact that the post-pandemic recovery of passenger belly capacity lags that of other geographic areas, combined with a generally elevated US demand for goods imported from Asia.
- In the other three major markets, the returning passenger belly capacity post-pandemic led to a reduction in the proportion of international CTKs operated by dedicated freighters. In the fourth quarter of 2023, their share dropped to 60% on the Europe–Asia trade lane, to 49% on flights between Europe and North America, and to 34% on routes within Asia. As for the overall industry, air freighters' market shares have now reverted to their pre-Covid levels.
- Looking ahead, the balance between dedicated freighters and passenger bellies will likely continue to shift in response to changing market dynamics. The proven agility of air cargo operations in recent years raises the question of which role this business might play in shaping the future of the airline industry going forward.

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