The air cargo business is one of the few bright spots today, in an airline industry under enormous pressure from COVID-19. Cargo revenues had been growing as the capacity shortage caused by the grounding of the passenger fleet (which carried half of cargo volumes in normal times) forced yields higher. Now volumes are rising significantly, with worldwide cargo tonne-kilometers flown much improved in July at -13.5% versus the same month last year. However, the strength of traffic by trade lane varies tremendously, from up 4% versus last year on the North Pacific (Asia Pacific to/from North America) to minus 30% on the North Atlantic (Europe to/from North America).

A part of this variation relates to demand: trade tensions notwithstanding, US trade with China was down just 0.8% in July, compared with a 13% fall in US trade with Germany. But a major part of the explanation seems to be due to differences in capacity, caused by the lack of the cargo-carrying capacity of wide-body passenger aircraft. Before the crisis, 75% of cargo traffic across the North Pacific was carried by freighters, compared to only 42% across the North Atlantic and 29% on the Within Asia market. There has been some redeployment of fleet: today those percentages are 90%, 75% and 63%, together with elevated daily utilization of freighters. But clearly a major problem for airlines responding to the demand for air cargo is a lack of the right sort of aircraft in the right place.