

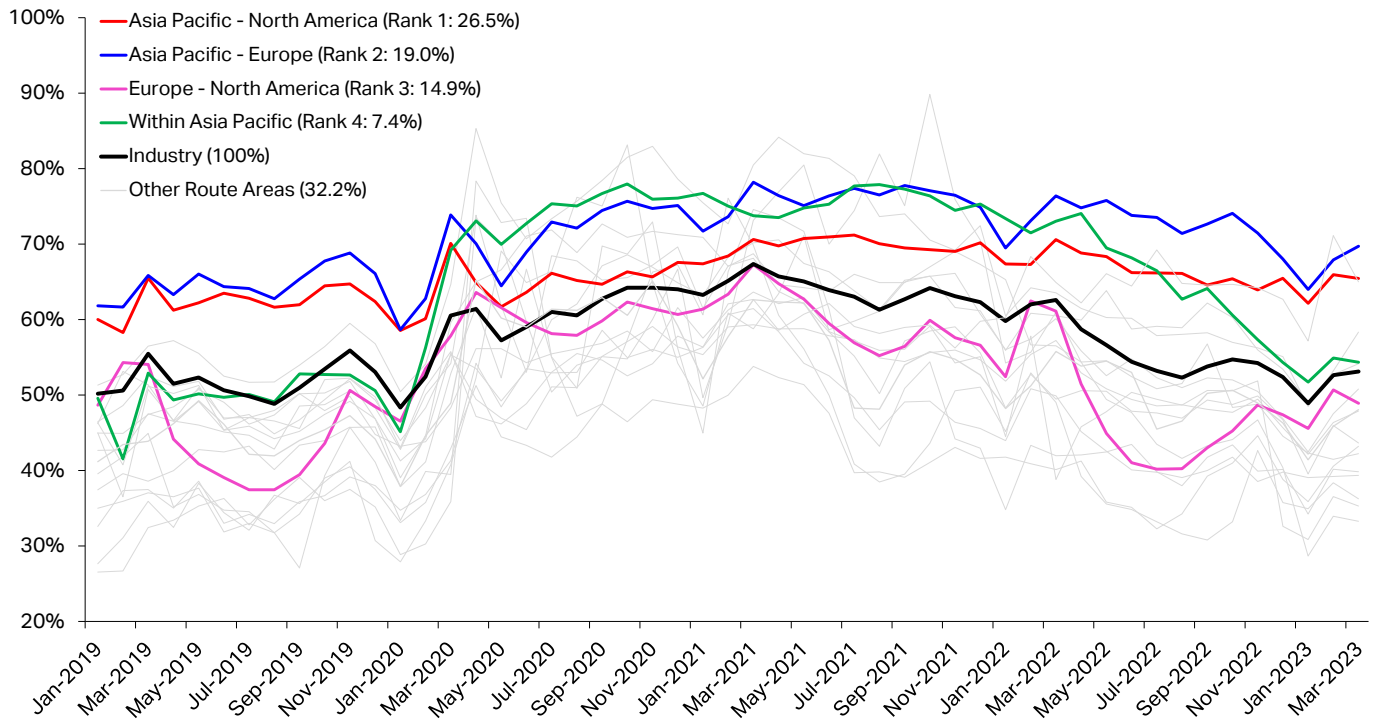


Chart of the Week

05 May 2023

Cargo load factors on major route areas outperform industry average

Air cargo load factors on major route areas (% share of available cargo tonne-kilometers)



Source: IATA S&E Economics, IATA Monthly Statistics

Notes: Rankings and shares based on 2022 cargo tonne-kilometers (CTKs); data above represent international cargo only

- Industry-level air cargo load factors (CLFs) have been trending downward since the spring of 2021 due to softening air cargo demand and the recovery of belly-hold cargo capacity on passenger flights. Over the same period, load factors on major trade lanes declined moderately, while remaining above the industry average. Of the top-four route areas that accounted for almost 70% of the industry total cargo tonne-kilometers (CTKs) in 2022, three have posted higher CLFs than the industry average since the onset of the Covid-19 pandemic.
- With 26.5% of total CTKs in 2022, the Asia Pacific – North America route area was the busiest market, maintaining relatively stable CLFs around 65-70% over the past year. This was followed by the Asia Pacific – Europe route area (19.0% of total CTKs in 2022), which saw the highest CLFs ranging between 70-75% in 2022, before its recent decline early this year. The fact that the two largest markets sport these elevated and steady CLFs is a reflection of the strategic capacity adjustments airlines made when air cargo demand experienced significant year-on-year declines following Russia's invasion of Ukraine early in 2022 (see our latest [cargo market analysis](#)).
- In contrast, the trade lane between Europe and North America, which accounted for 14.9% of the industry CTKs in 2022, was the only market of the top-four with CLFs below the industry average. While monthly CTKs in this route area have stayed between 2.5 and 2.8 billion since 2022, the available air cargo capacity for relevant routes has surged on the back of growing passenger aircraft operations over the same period.
- Lastly, the within-Asia Pacific market (7.4% of the total CTKs in 2022) was affected by China's tighter Covid-19 policy introduced in October 2022, which caused a significant decline in the region's cargo demand when airlines were not prepared to reduce capacity. Although this led to a substantial drop in CLFs in this market, the evolution over the past few months show that the rate of decline is abating.

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