

# COVID-19

## Assessing prospects for air cargo

Brian Pearce

Chief Economist

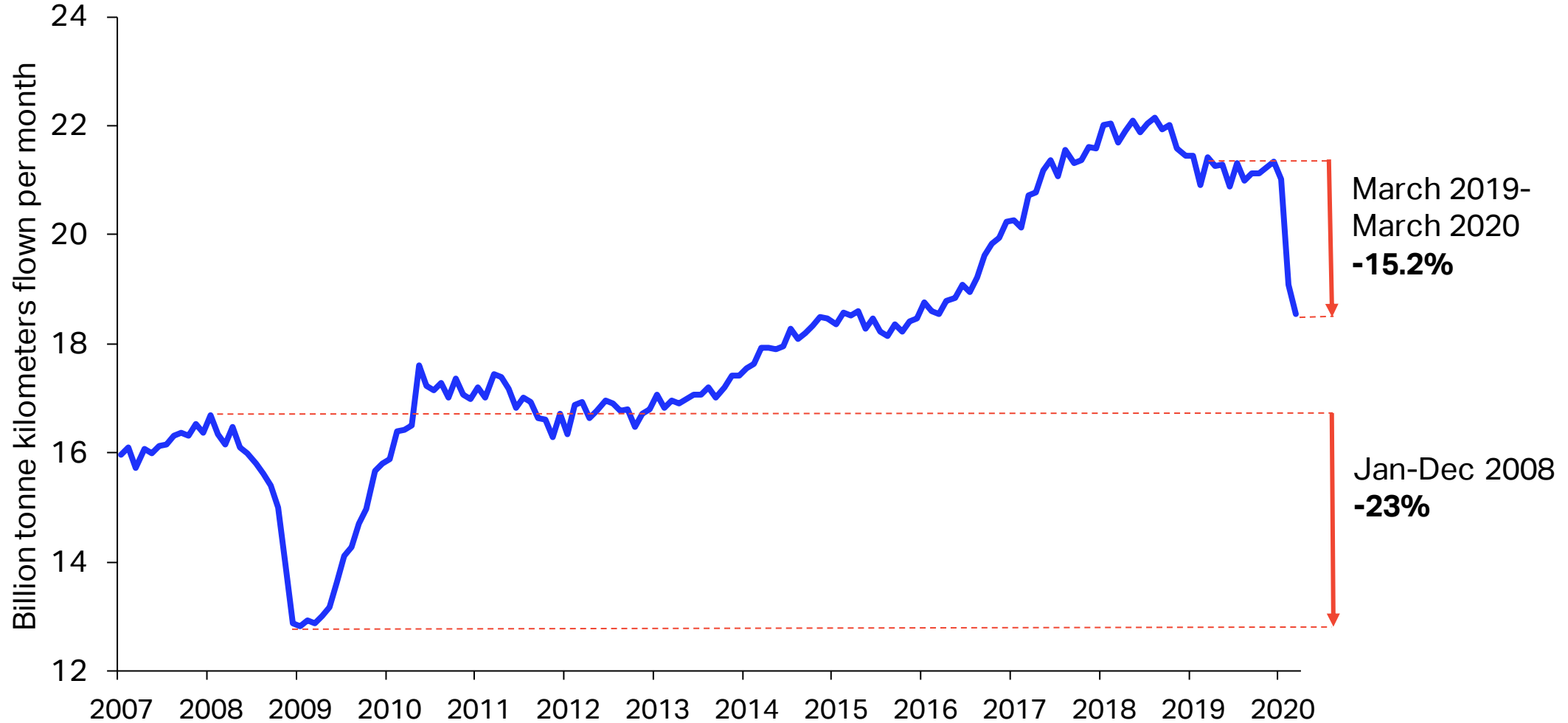
28<sup>th</sup> April 2020



# Air cargo volumes to March down less than during GFC

## Cargo tonne kilometers flown down 15.2% from March last year

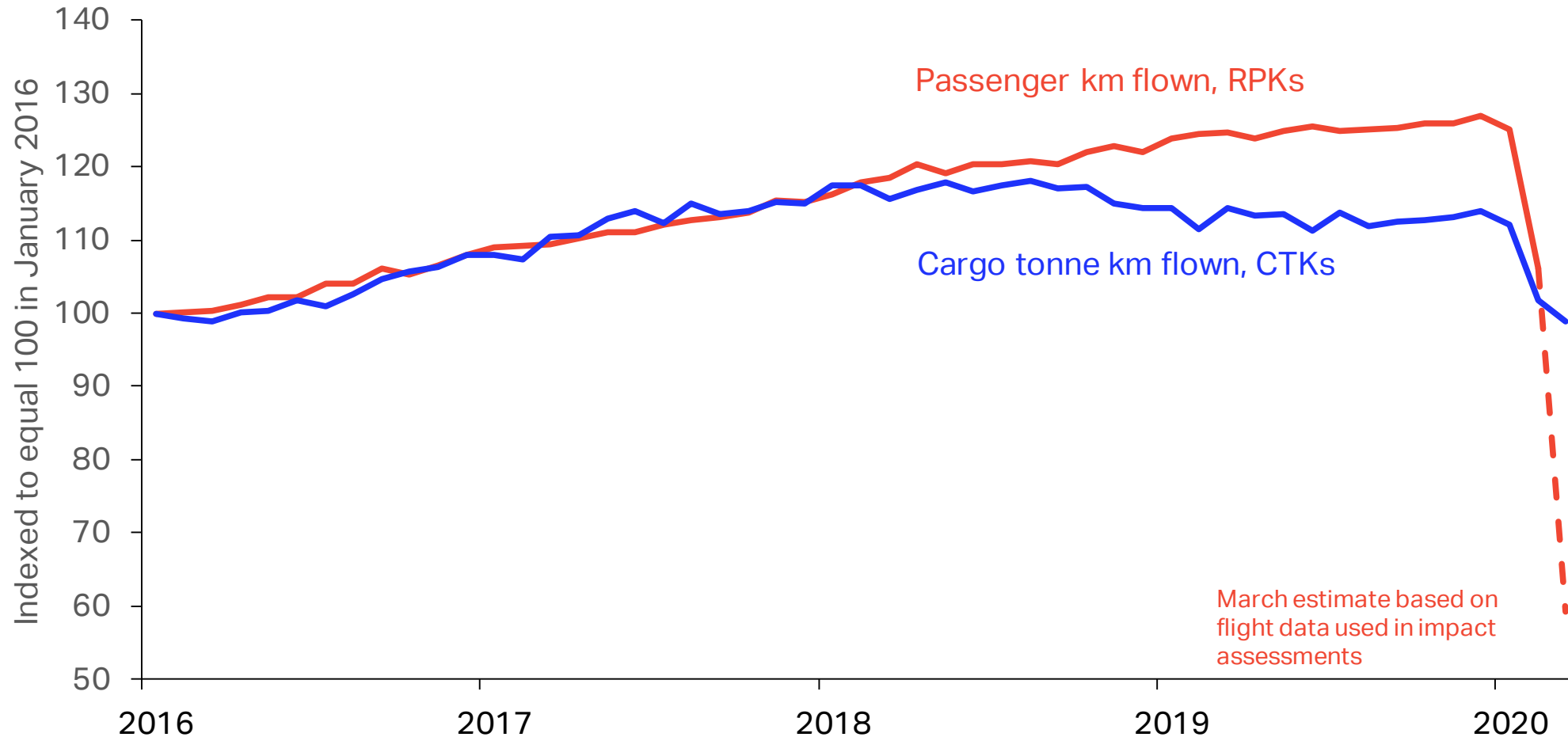
Cargo tonne kilometers flown per month, seasonally adjusted



# Air cargo volumes also have fallen less than air travel

## Global RPKs down 14.4% in Feb. Passenger flights down 30% in March

Cargo & passenger volumes, indexed, seasonally adjusted

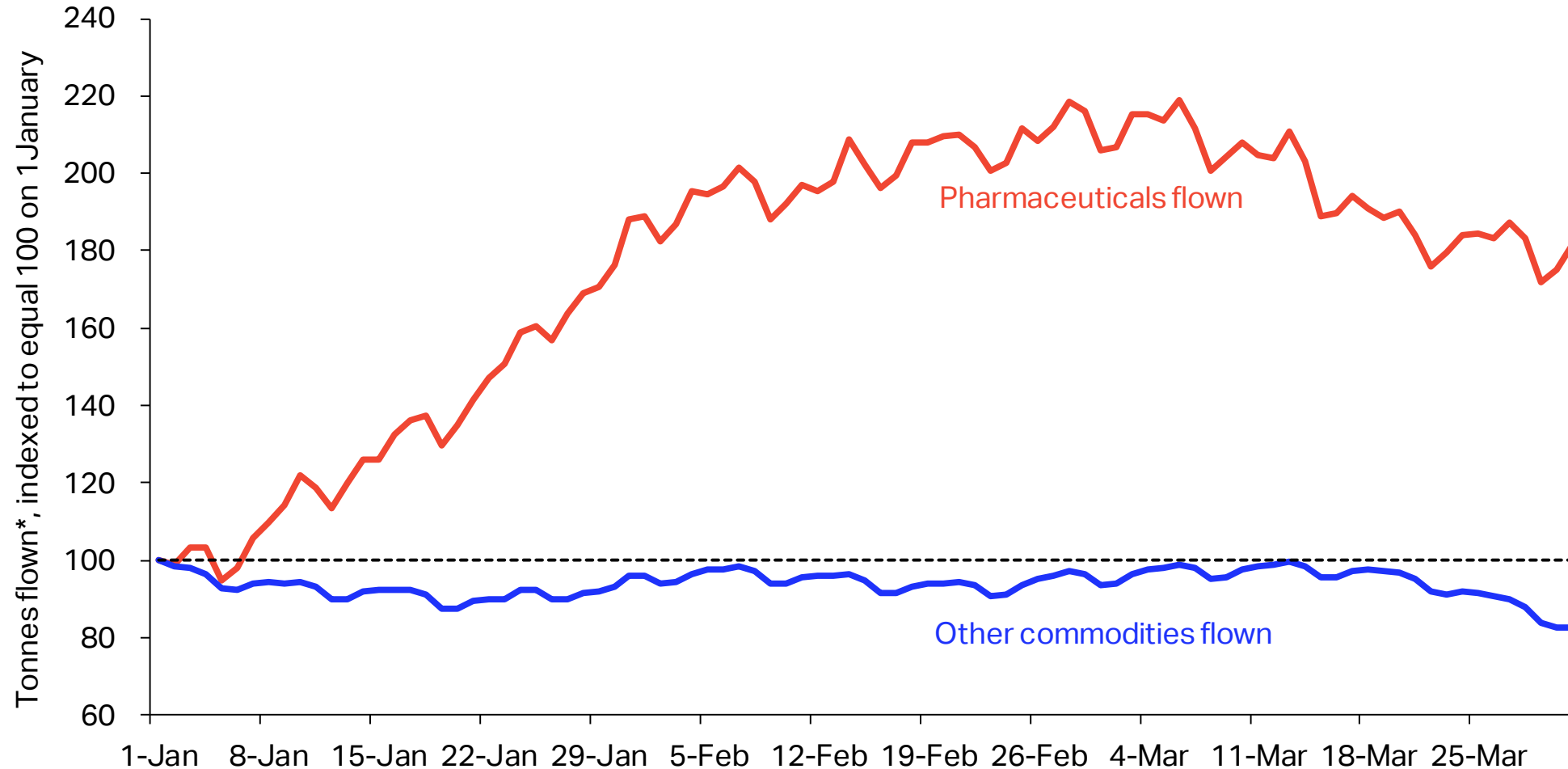


March estimate based on flight data used in impact assessments



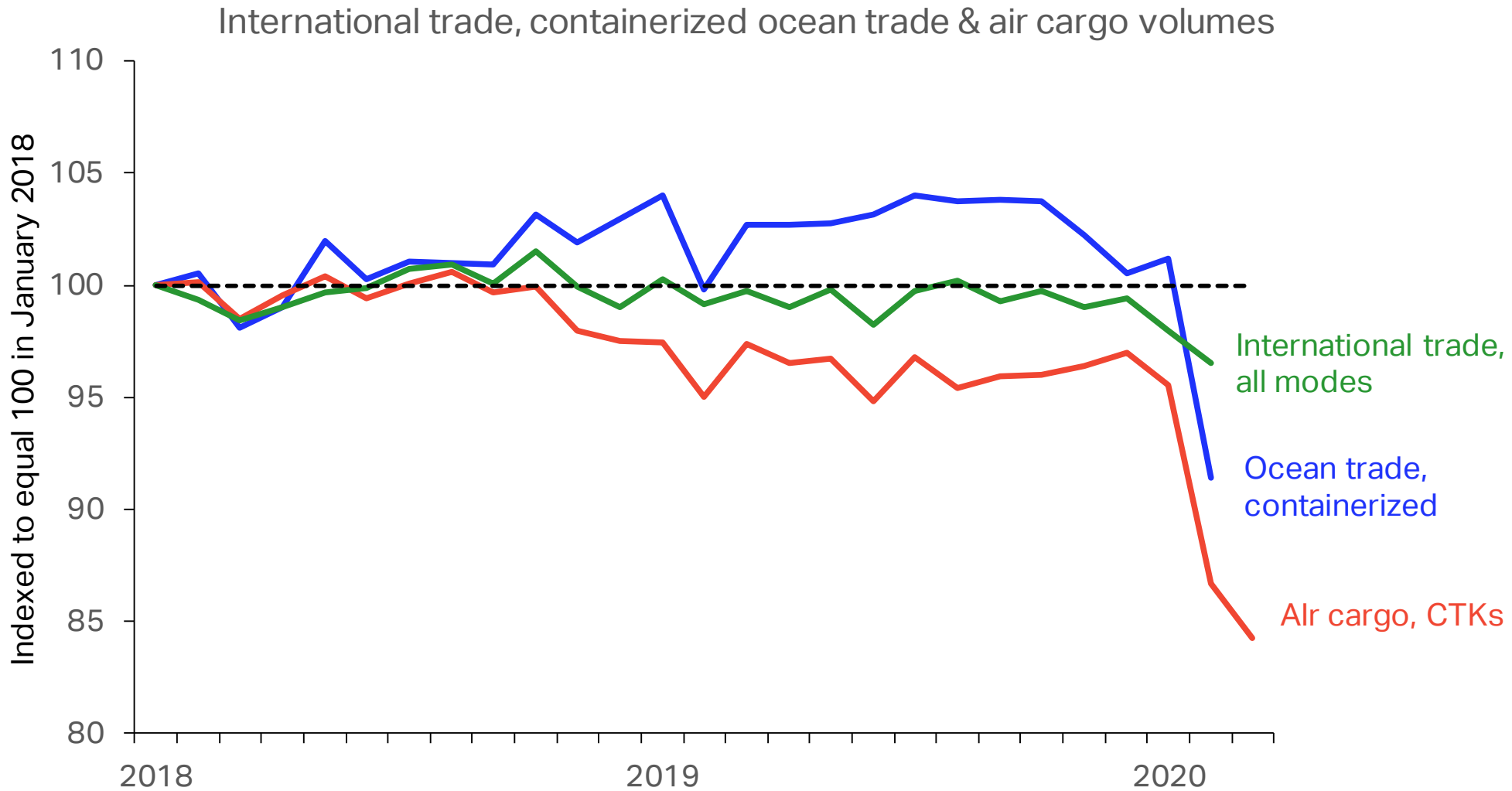
# Partly because of the demand to fly medical supplies Pharmaceuticals flown have doubled. Medical equipment not included

Pharmaceuticals and other commodities flown by air cargo



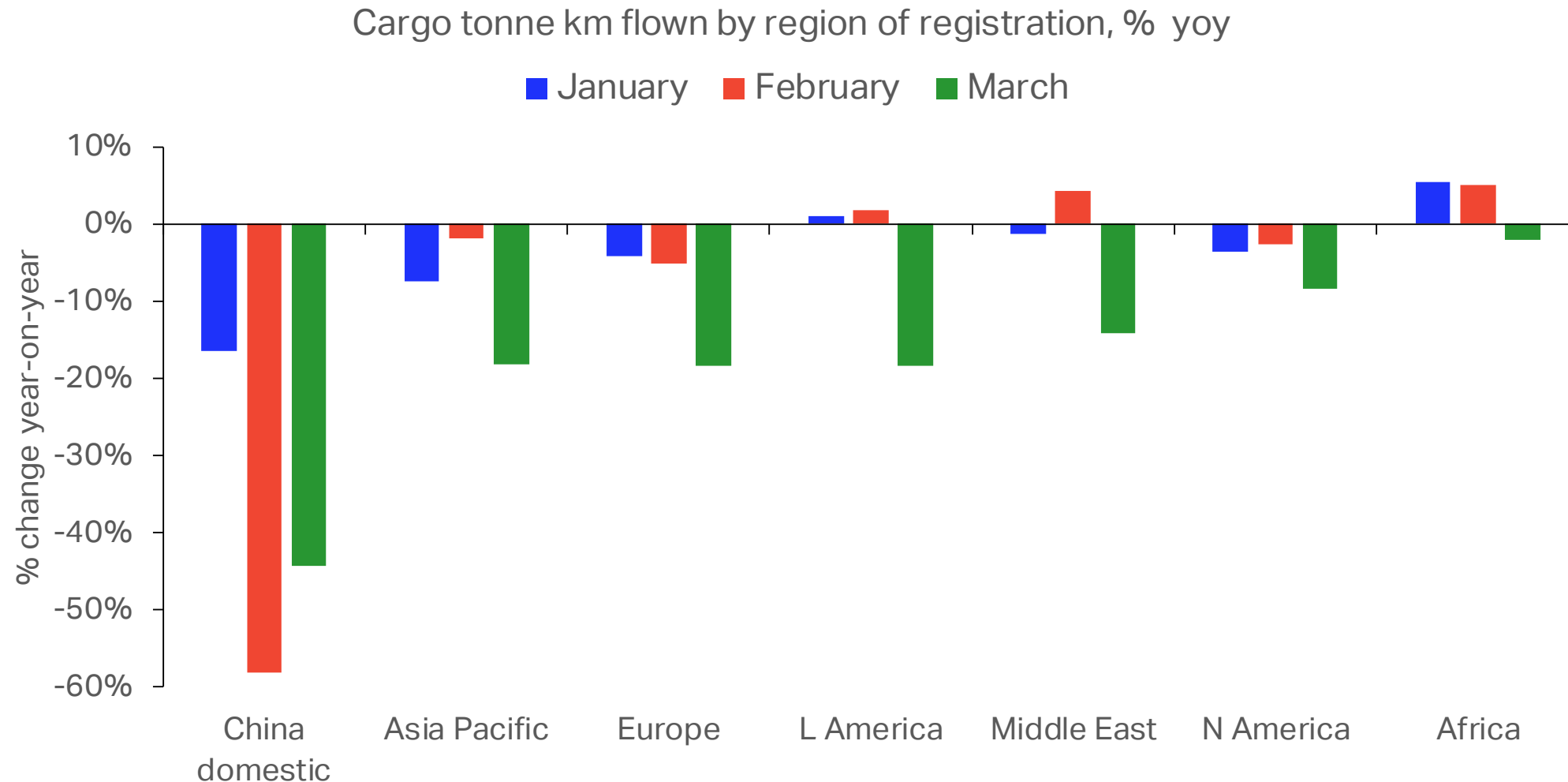
# Air cargo has also supported global supply chains

## Air cargo may now be gaining market share, but not visible in February



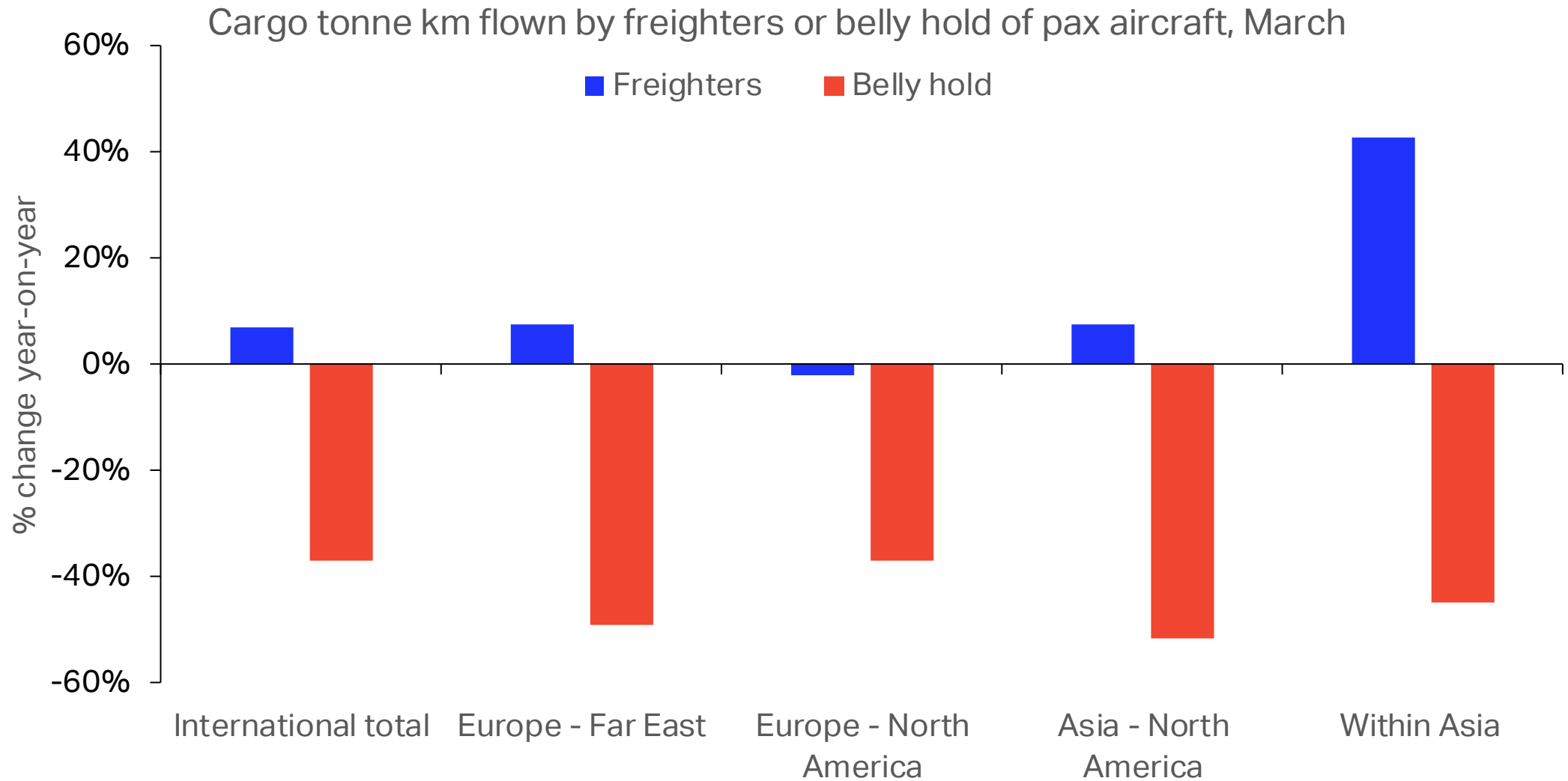
# China return to work visible in domestic improvement

## Rest of Asia Pacific, Europe and Latin America hit hardest in March



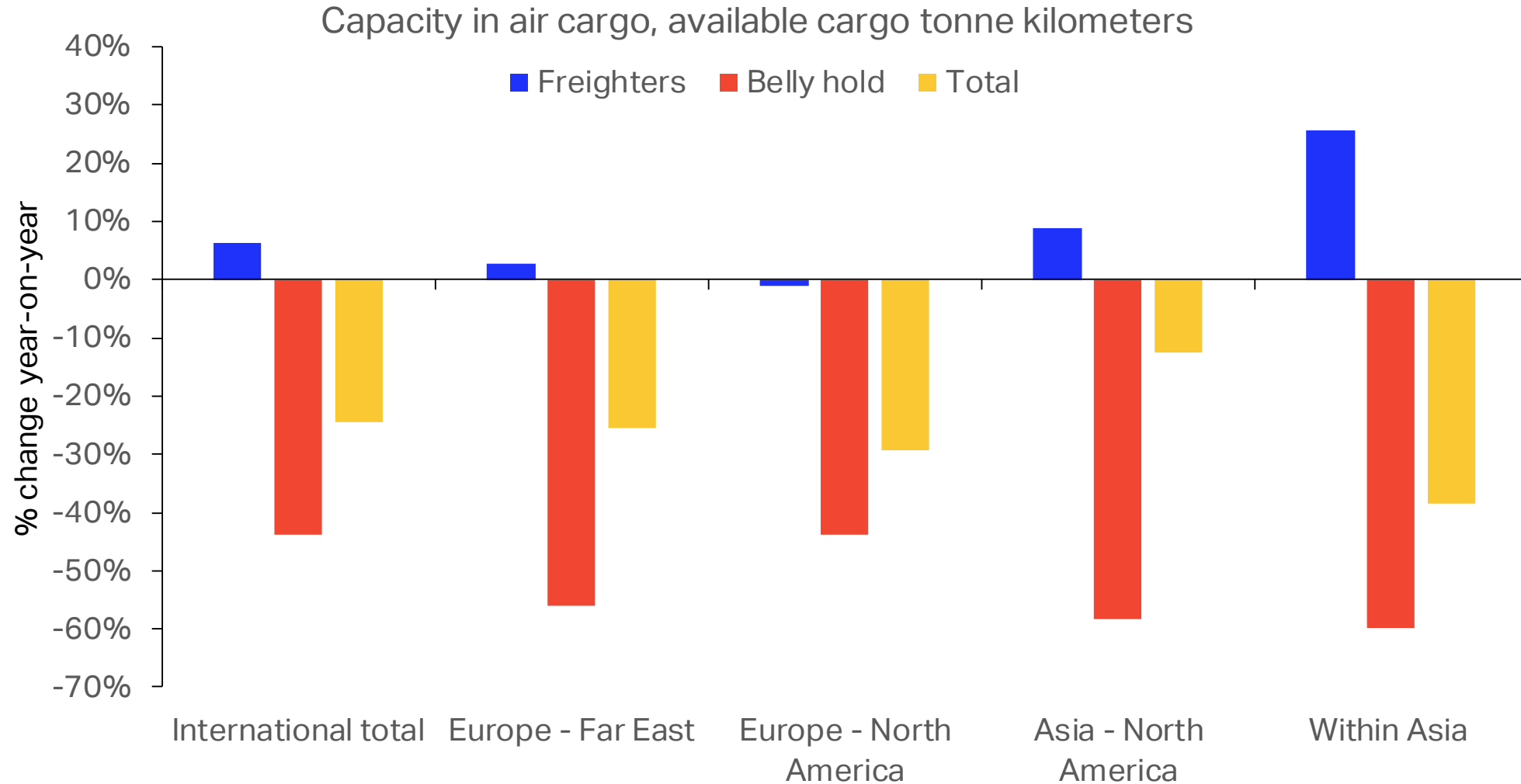
# Freighters in high demand as belly capacity disappears

## Cargo carried by freighters up on most markets especially within Asia



# Capacity down in all markets, despite freighter utilization

## Airlines are converting passenger aircraft because of capacity crunch

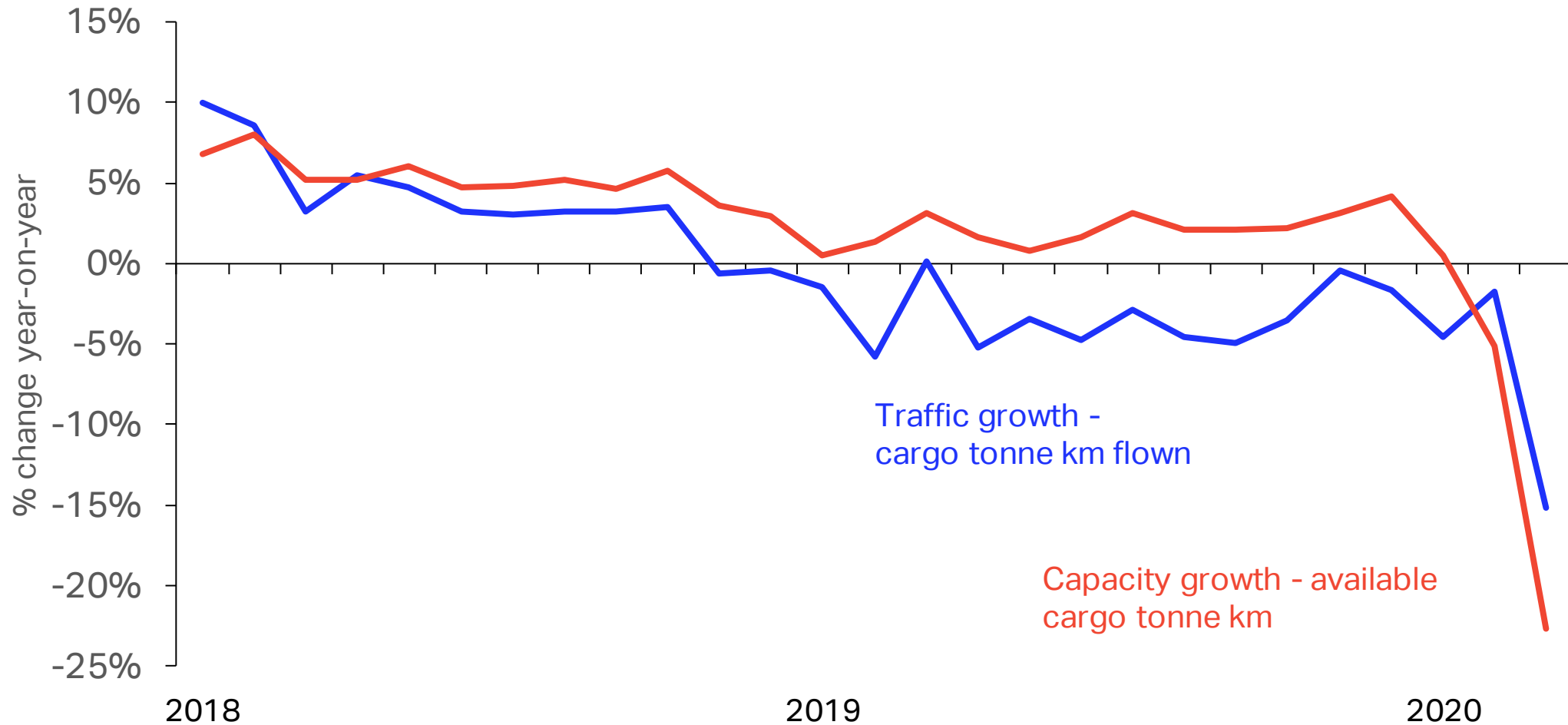




# Cargo rates have spiked as a result of capacity crunch

## Market has pushed up cost of air cargo as belly capacity disappears

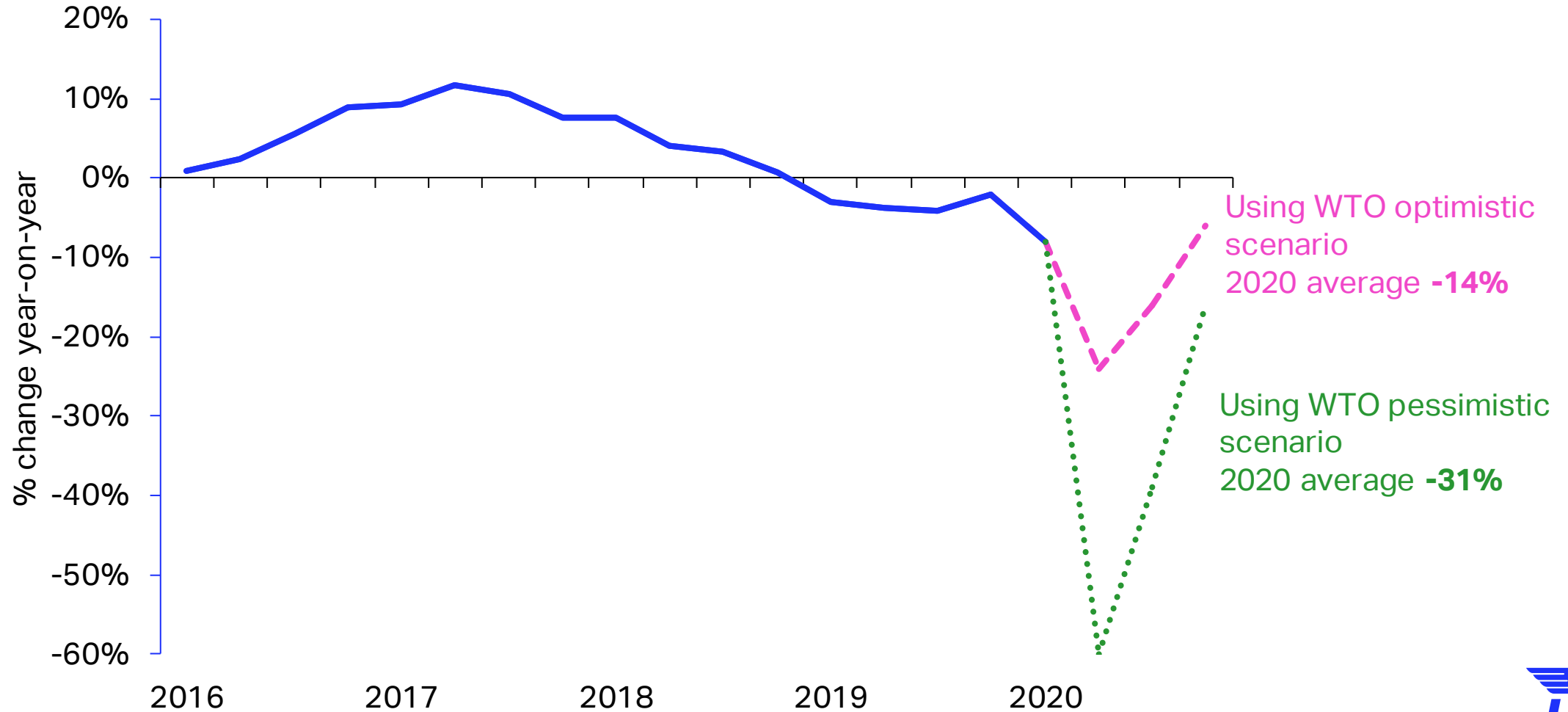
Air cargo tonne km flown and capacity growth



# Capacity crunch may ease as recession hits demand

## Based on WTO scenarios, air cargo kms flown could fall 14-31% in 2020

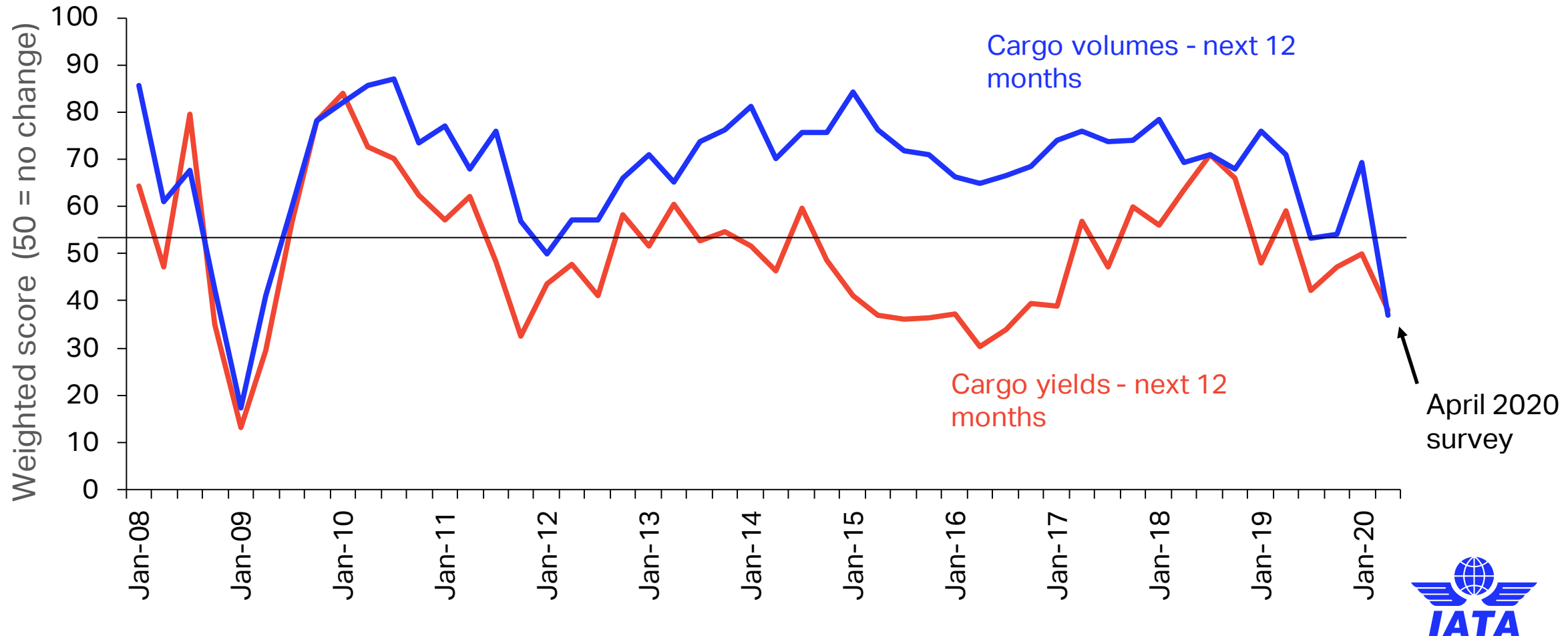
Growth in air cargo tonne km flown, historic data and forecast



# Heads of cargo expect a milder downturn than the GFC

## April survey shows volumes & yields expected to fall, but less than 2009

Survey of head of cargo business confidence



# Contacts

[economics@iata.org](mailto:economics@iata.org)

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

