



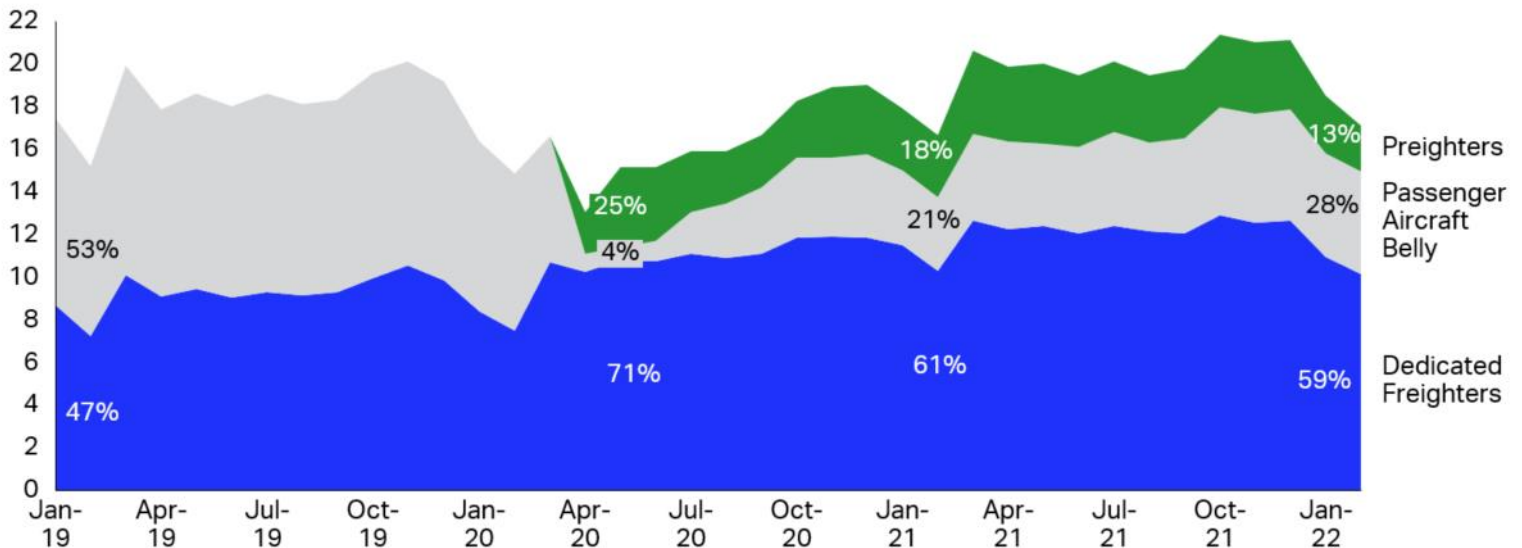
IATA Economics' Chart of the Week

15 April 2022

The importance of 'preighters' seems to start to diminish

Breakdown of total international cargo traffic (CTKs) by category, Jan 2019-Feb 2022

CTK billions



Source: IATA Statistics

- One of the unusual market developments triggered by the COVID-19 pandemic has been the emergence of passenger-freighters, or the so-called 'preighters'. These are passenger aircraft that are operated temporarily for cargo-only missions, using the belly space, and in some cases also using the passenger cabin (with or without seats). The chart looks at how the prevalence of this new category has evolved over the past two years.
- Before the breakout of COVID-19, about half of air cargo transported globally traveled in the belly of passenger aircraft. As the pandemic resulted in the sudden grounding of passenger airplanes, a large chunk of the belly cargo capacity disappeared from the market: belly cargo represented only 4% of total cargo volumes in May 2020. Airlines reacted to this by increasing the utilisation of dedicated freighters and by starting to operate preighters, the latter representing up to 25% of the total cargo volume transported worldwide in Q2 2020.
- As passenger-freighters entered the market in response to an acute shortage of capacity, we can expect them to be gradually phased out as passenger aircraft capacity comes back online. With COVID-related travel restrictions easing across many jurisdictions and an increase in passenger demand, we might be currently observing the start of this phase-out process. In February 2022, only 13% of the total cargo volume was transported by preighters – the lowest share since they first appeared in the market in April 2020 and 5%-points lower than in the same month last year. Part but not all of this reduction is accounted for by a seasonal drop in cargo demand that takes place every January-February after the year-end holiday season. However, while the total cargo volume in February was 19% below that of December last year, the volume carried in preighters dropped by a larger 34% during the same period. In contrast, belly volume shrunk by only 8%, suggesting that substitution of preighter capacity for belly capacity might have started.
- In parallel, the FAA terminated exemptions that allowed airlines to put cargo in the cabin (not the hold) of passenger aircraft on 31 December 2021. In the EU, a similar exemption will cease on 31 July 2022.

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