The outlook for air cargo markets

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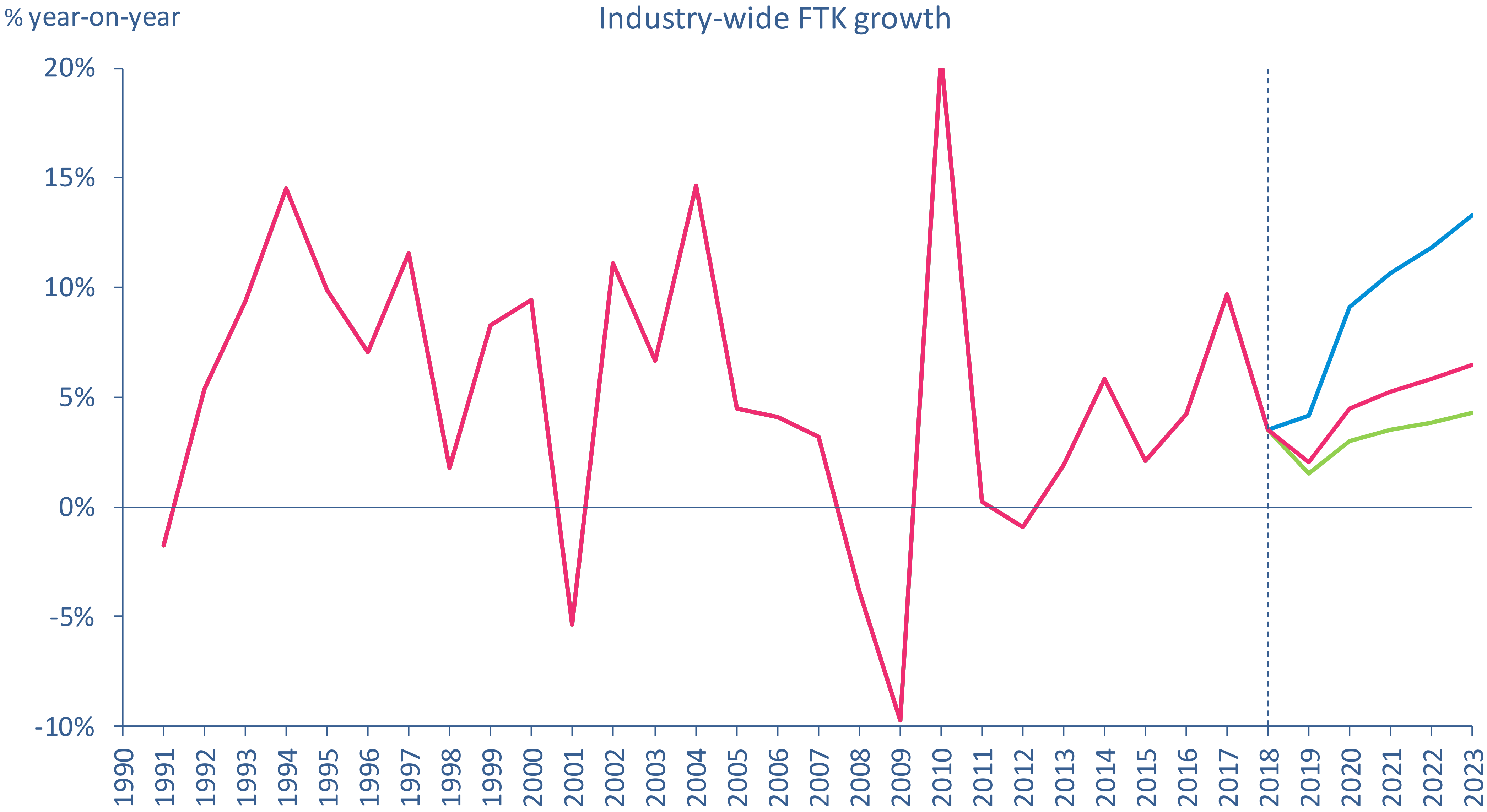
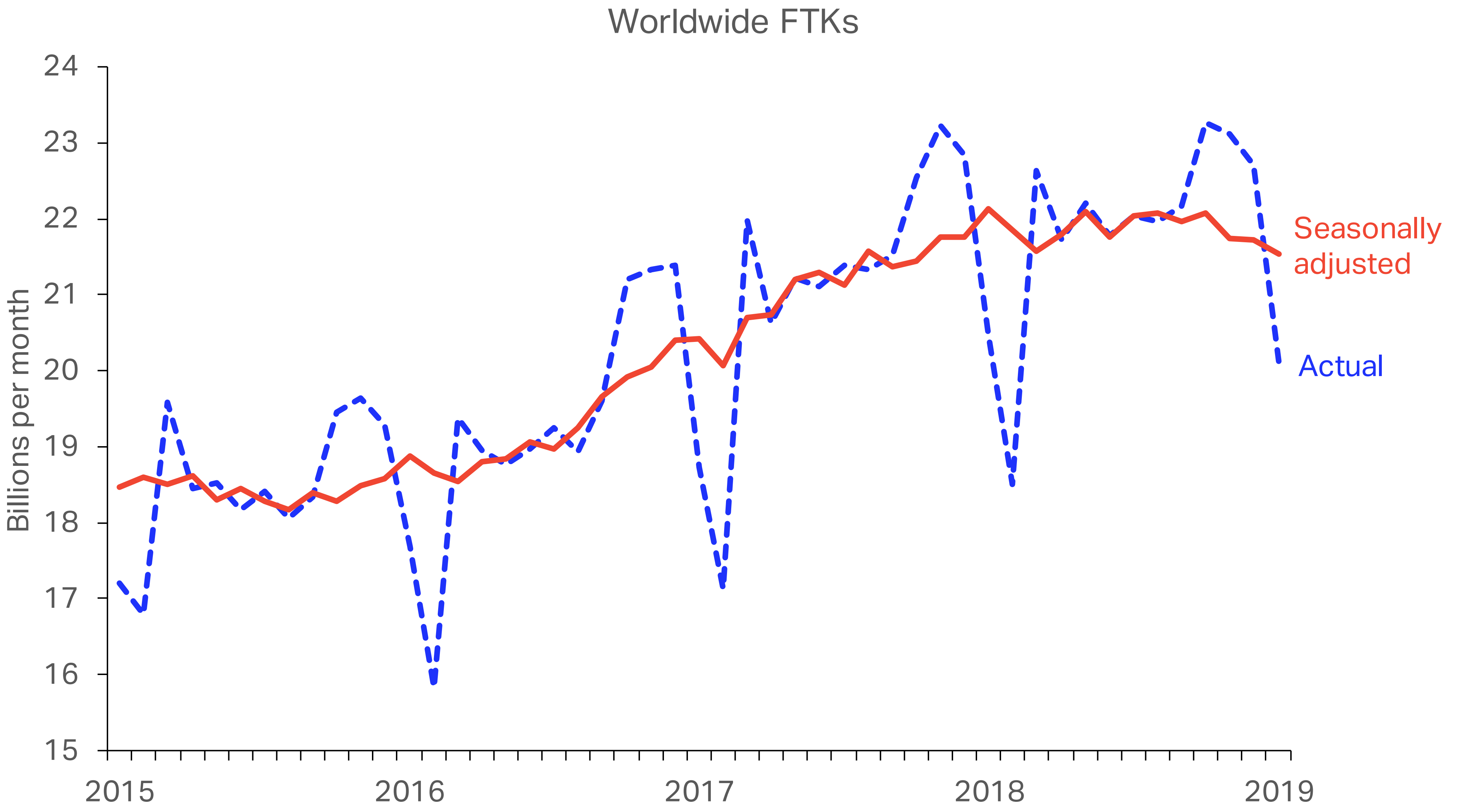
IATA

Which path will air cargo follow?



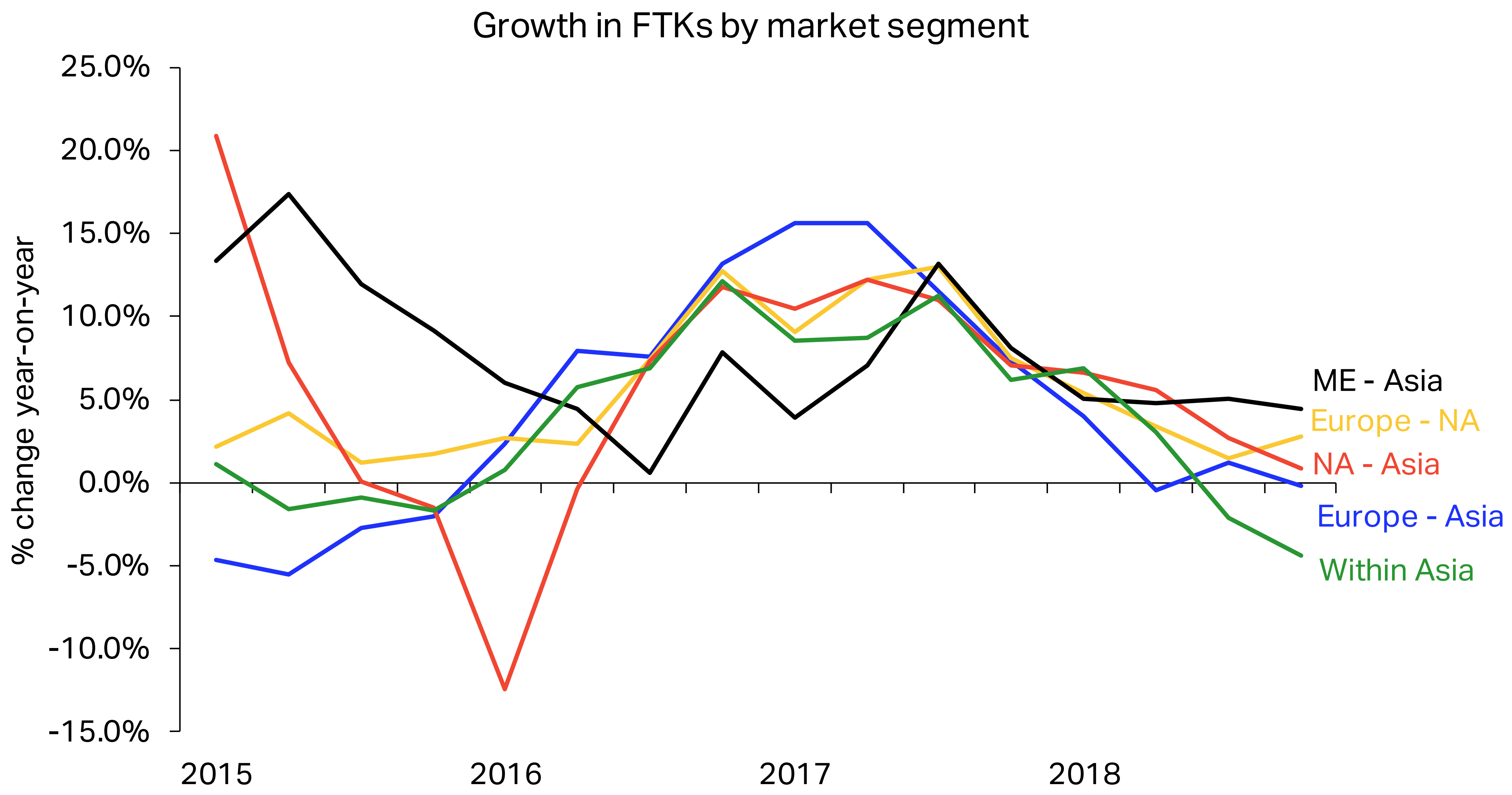
Source: IATA Economics using data from IATA Statistics and own forecasts

FTKs have not grown for more than 12 months



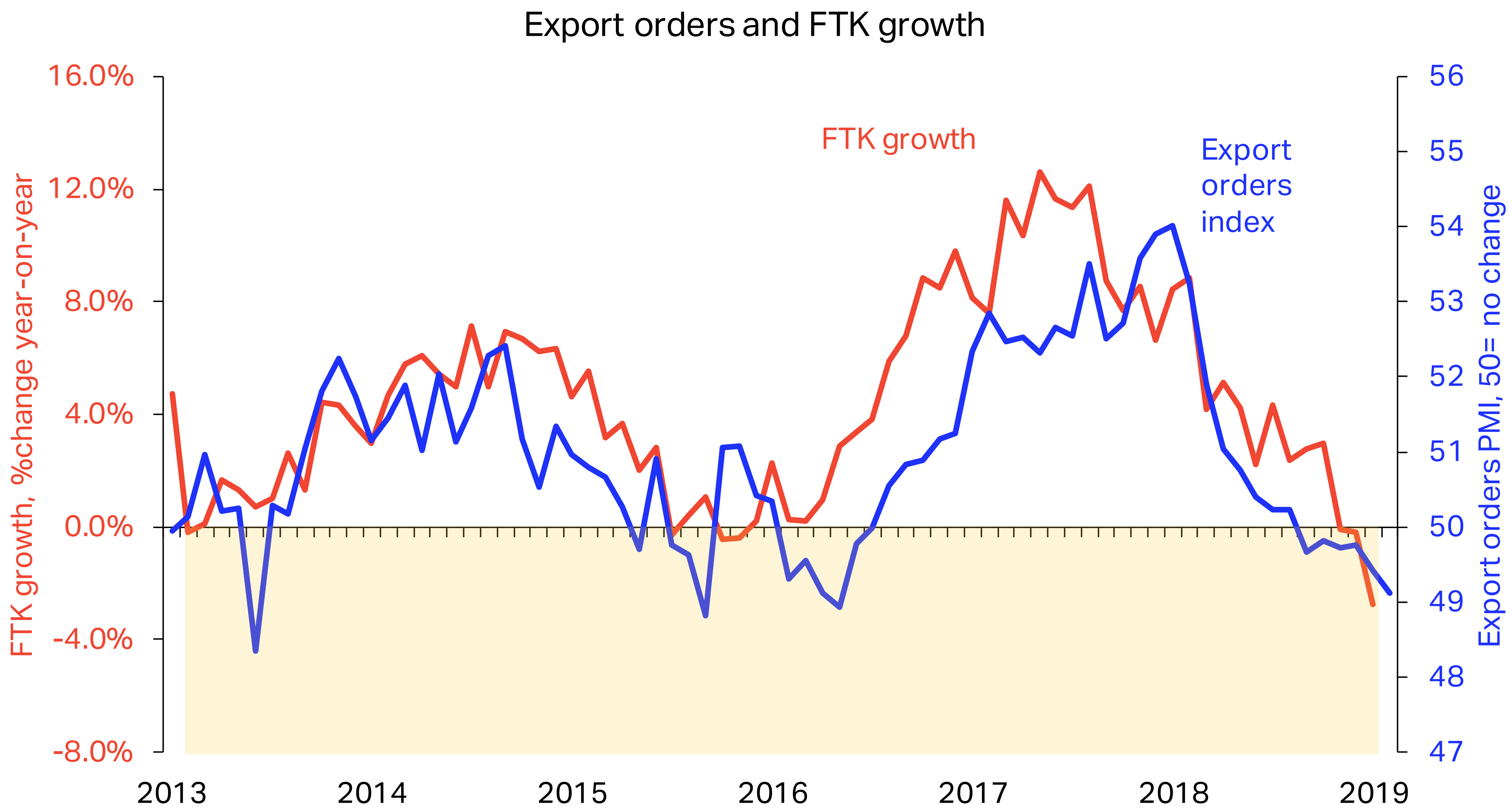
Source: IATA Economics using data from IATA Statistics

Recent weakness is widespread



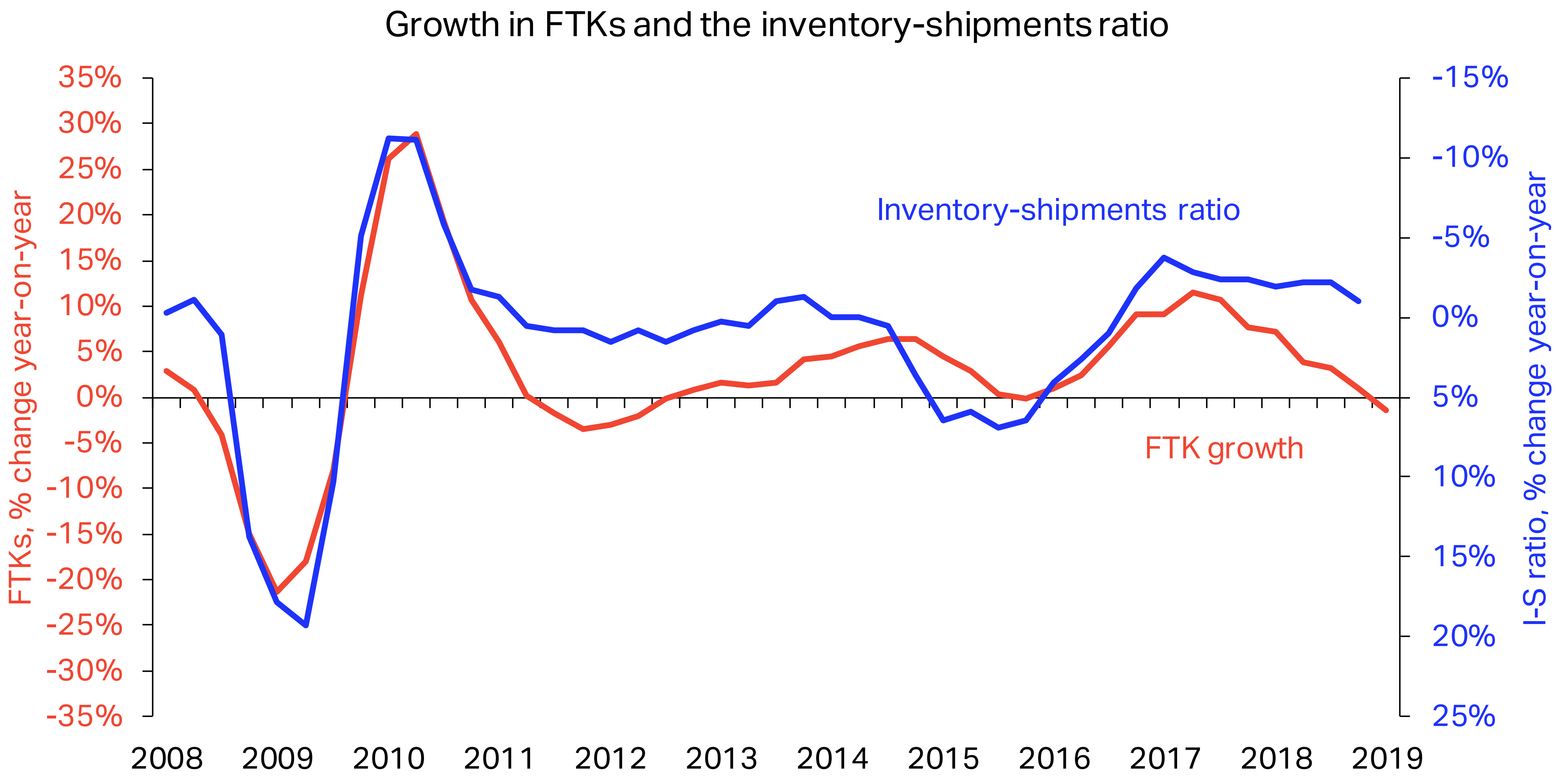
Source: IATA Economics using data from IATA Statistics

Export orders point to further decline in near term



Source: IATA Economics using data from Thompson Reuters Datastream, IATA Statistics

Weakness only partly due to restocking cycle

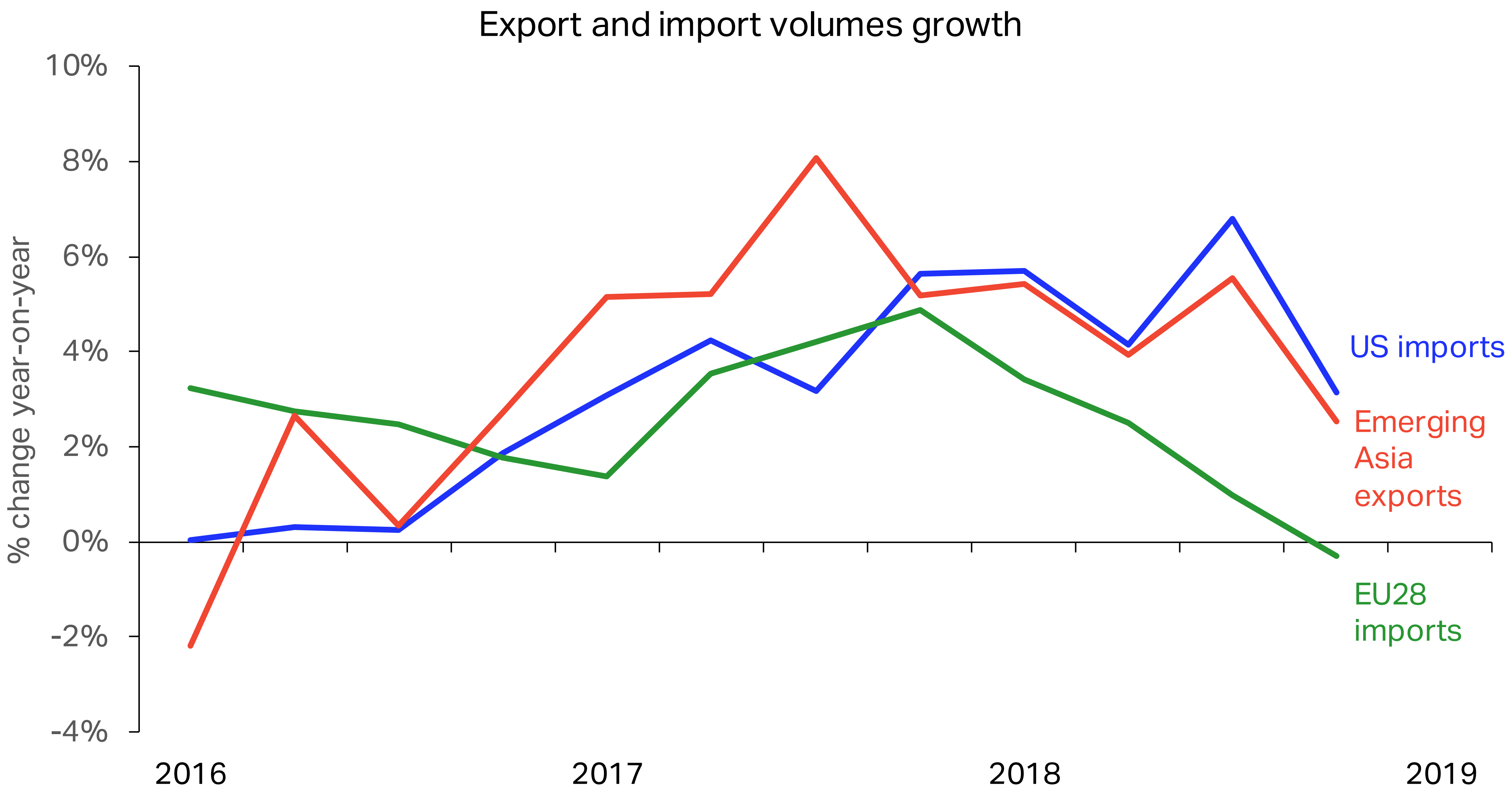


Source: IATA Economics using data from Thompson Reuters Datastream, IATA Statistics

The problem is with overall world trade

Source: IATA Economics using data from Oxford Economics and the Netherlands CPB

Late last year US & Asia added to EU trade weakness

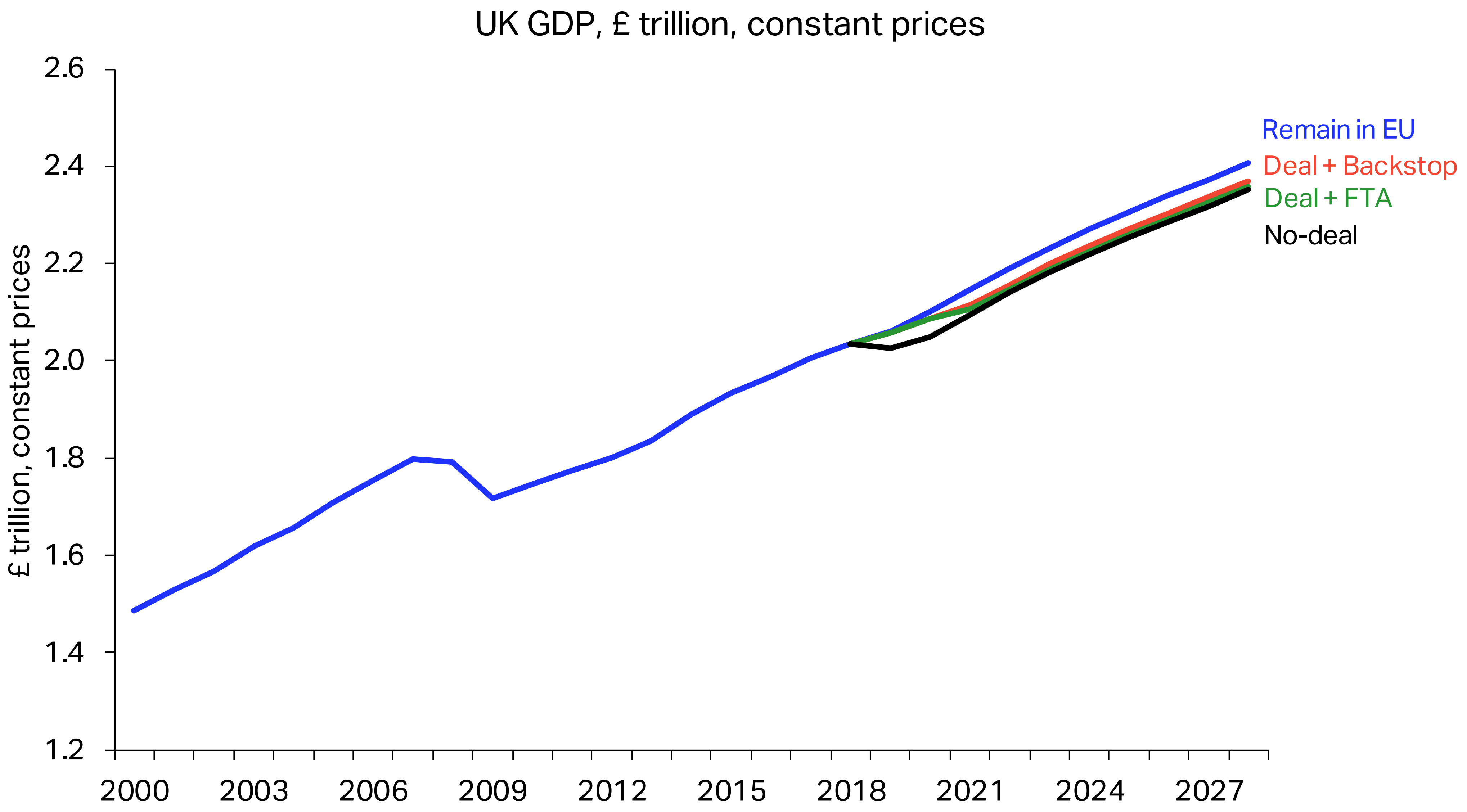


Source: IATA Economics using data from Thompson Reuters Datastream

Trade wars add uncertainty to the outlook

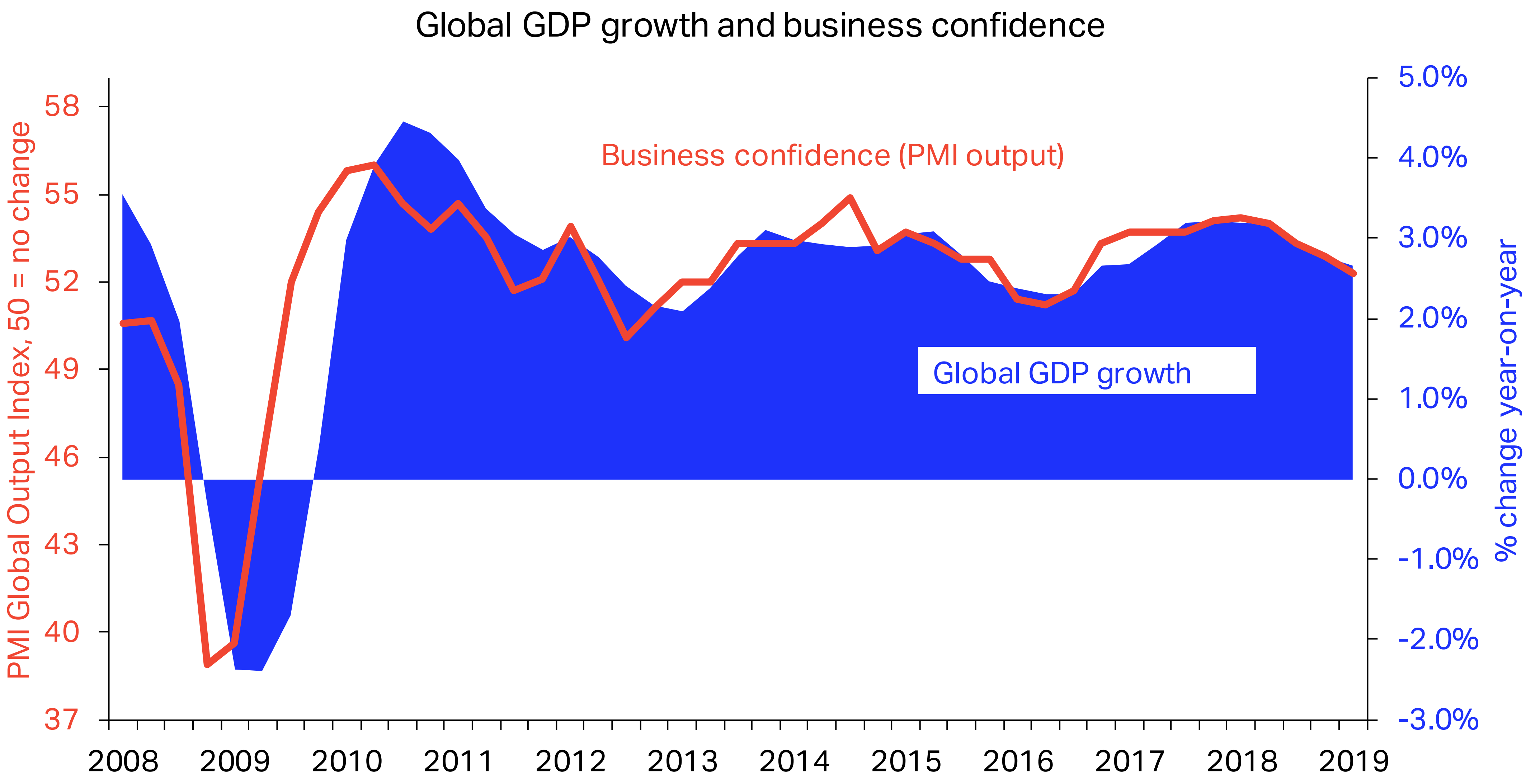
Source: IATA Economics using data from IMF, Citi 'US-China Tariffs-Limbo on the Verge of Trade Wars' 3 December 2018

As does Brexit!



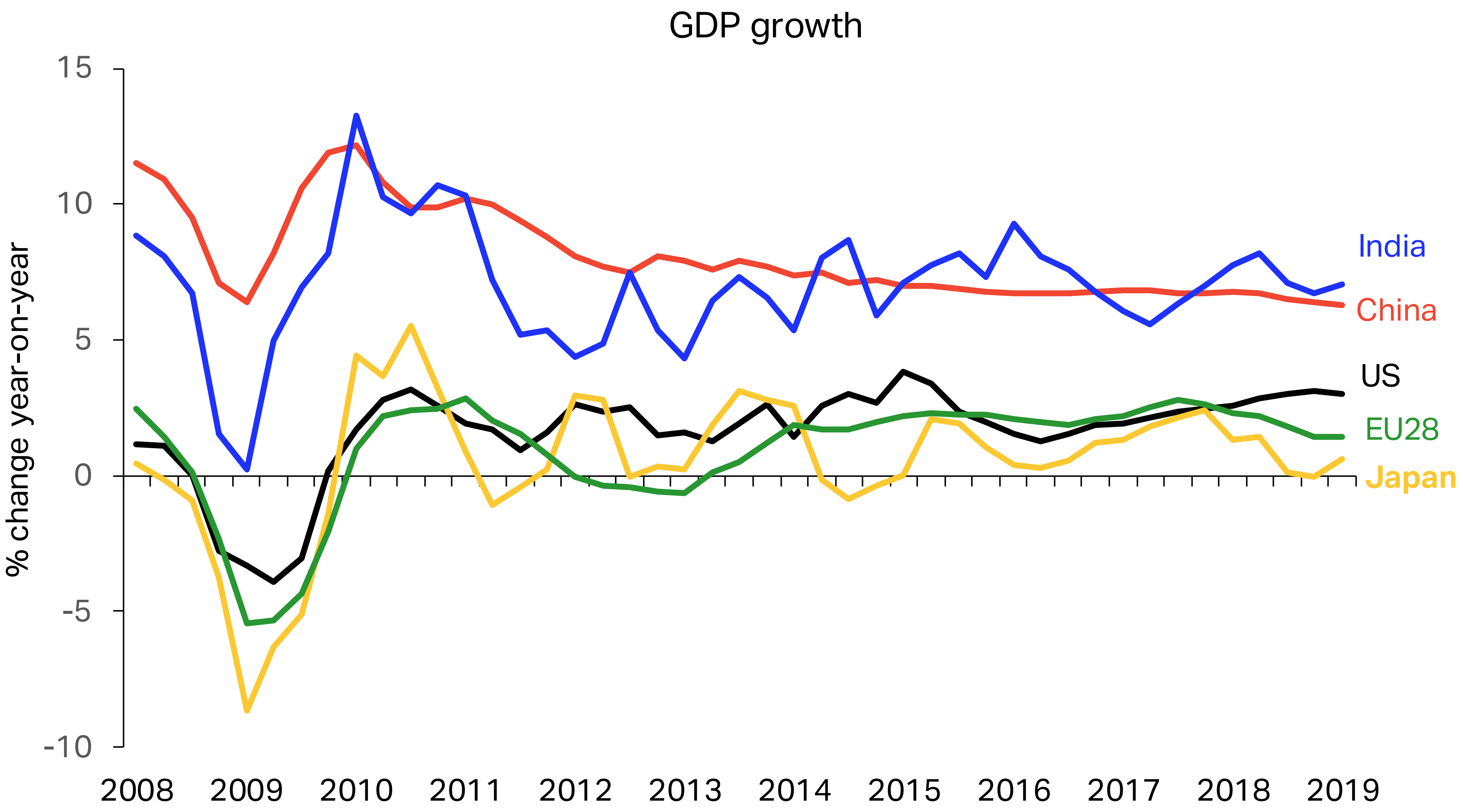
Source: IATA Economics using data from Oxford Economics, NIESR Brexit Impacts Report 26th November 2018

Overall GDP growth is down but is still good



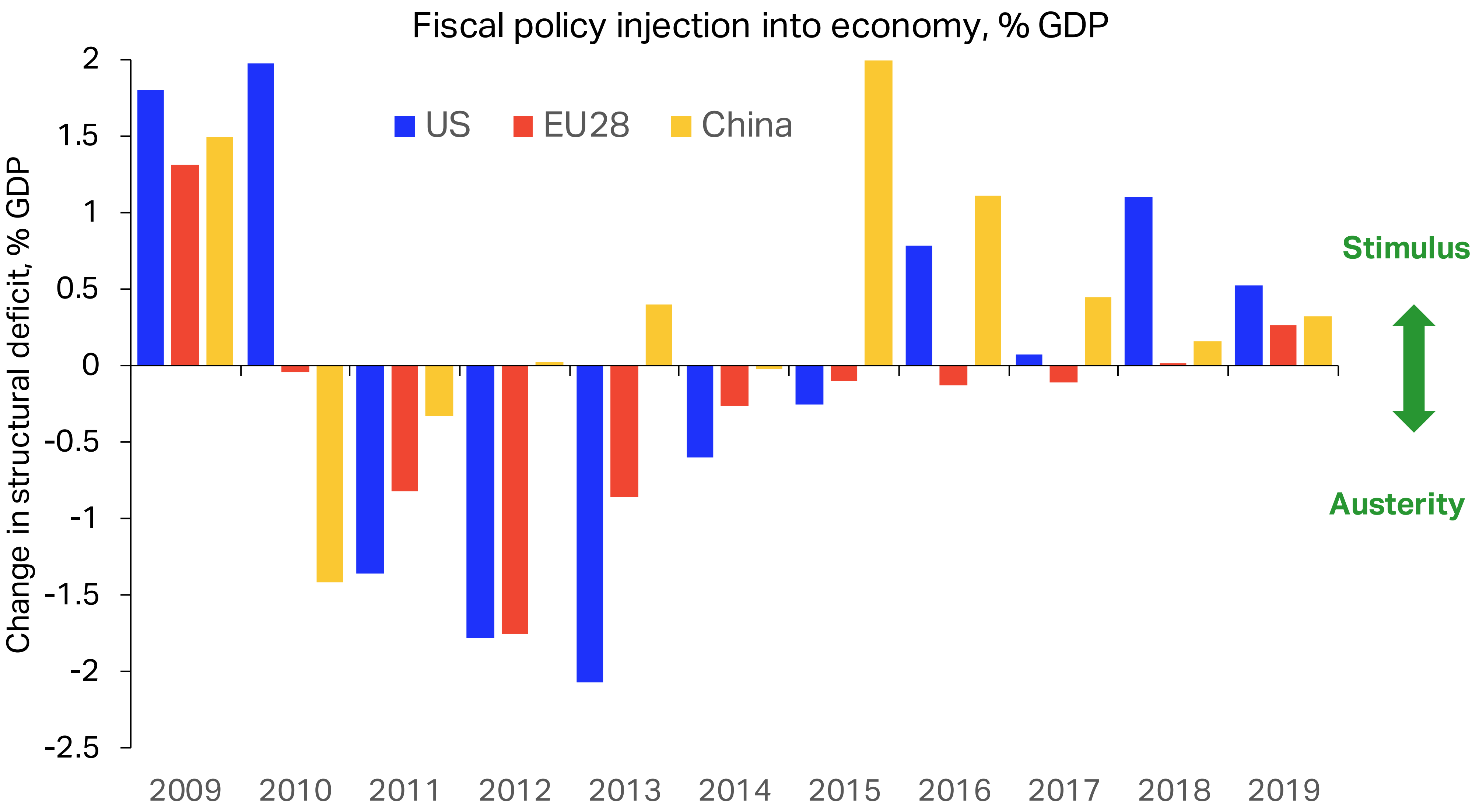
Source: IATA Economics using data from Oxford Economics and Thompson Reuters Datastream

Growth in key economies looks reasonable



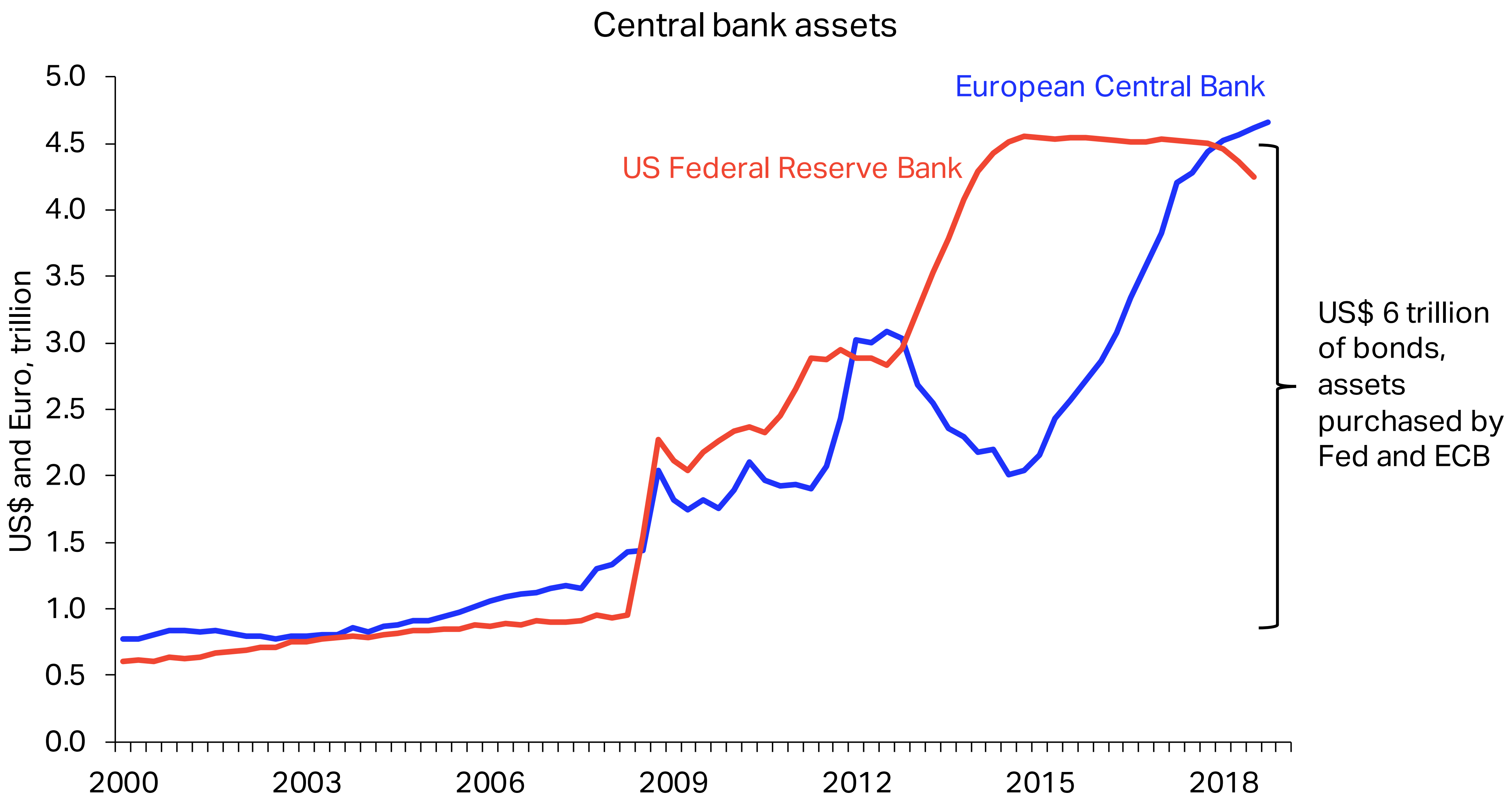
Source: IATA Economics using data from Oxford Economics

Government fiscal policy remains expansionary



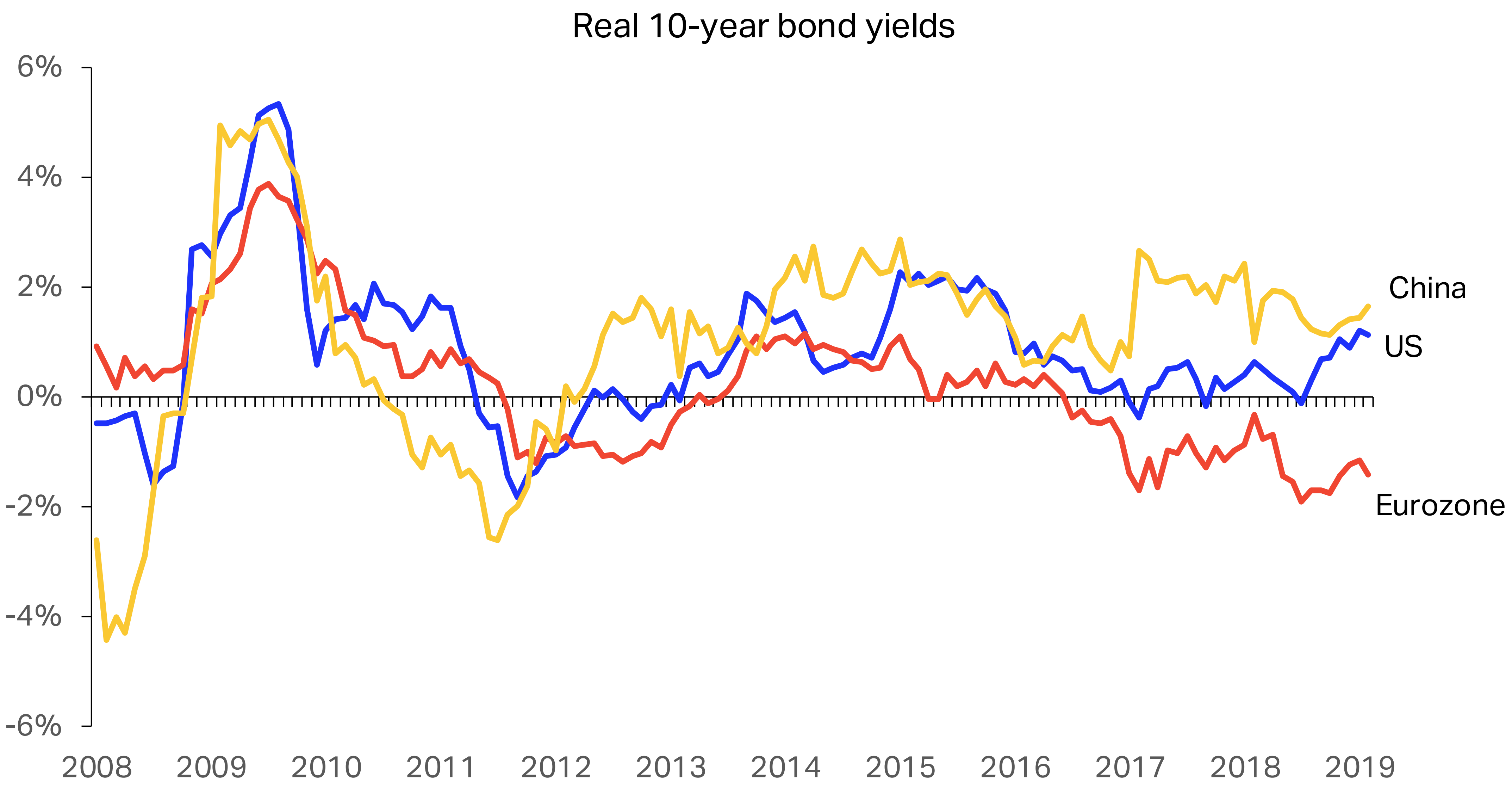
Source: IATA Economics using data from IMF World Economic Outlook Database, October 2018

Central banks maintaining extraordinary support



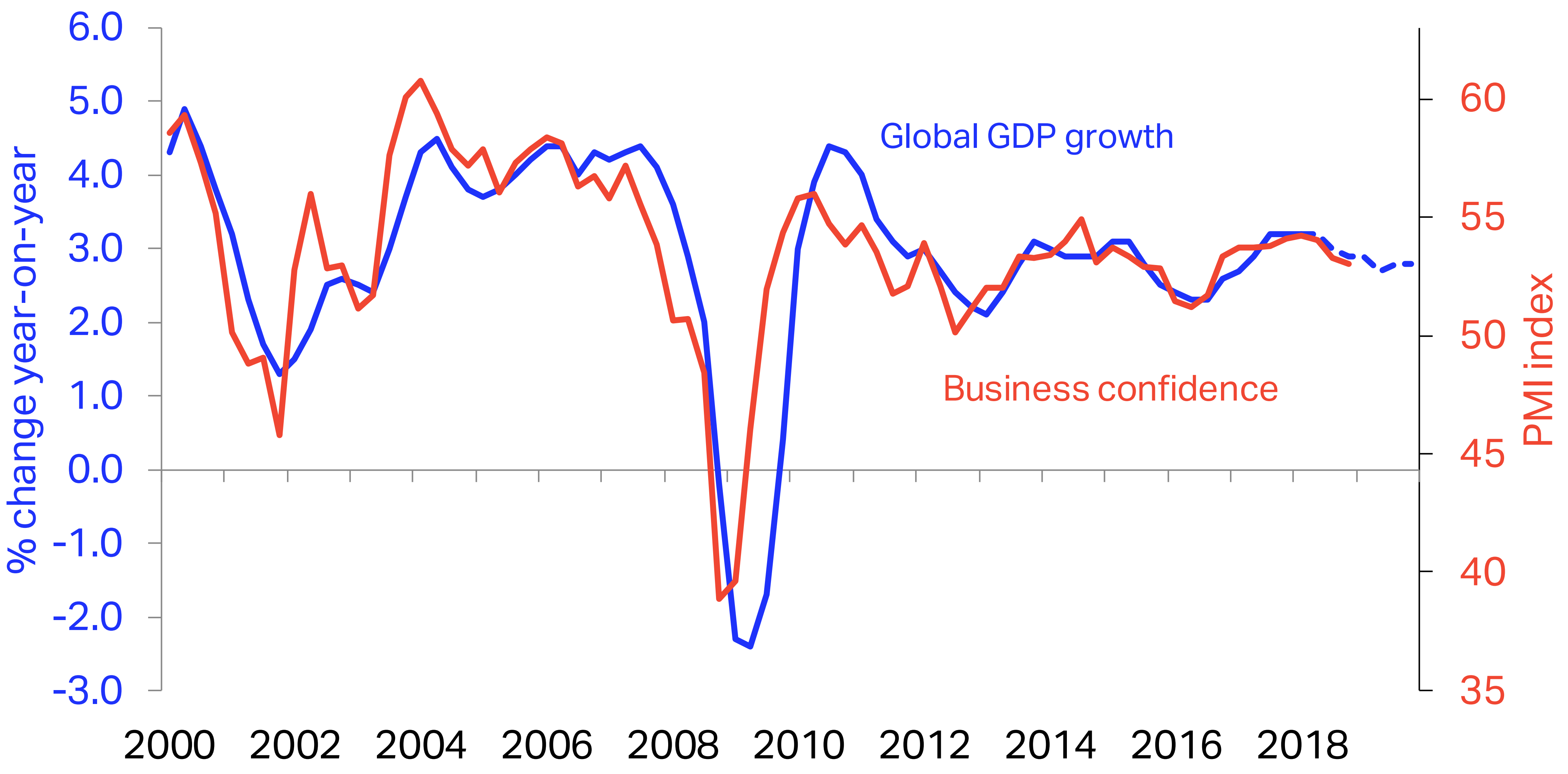
Source: IATA Economics using data from Thompson Reuters Datastream

Real borrowing costs still in post-GFC range



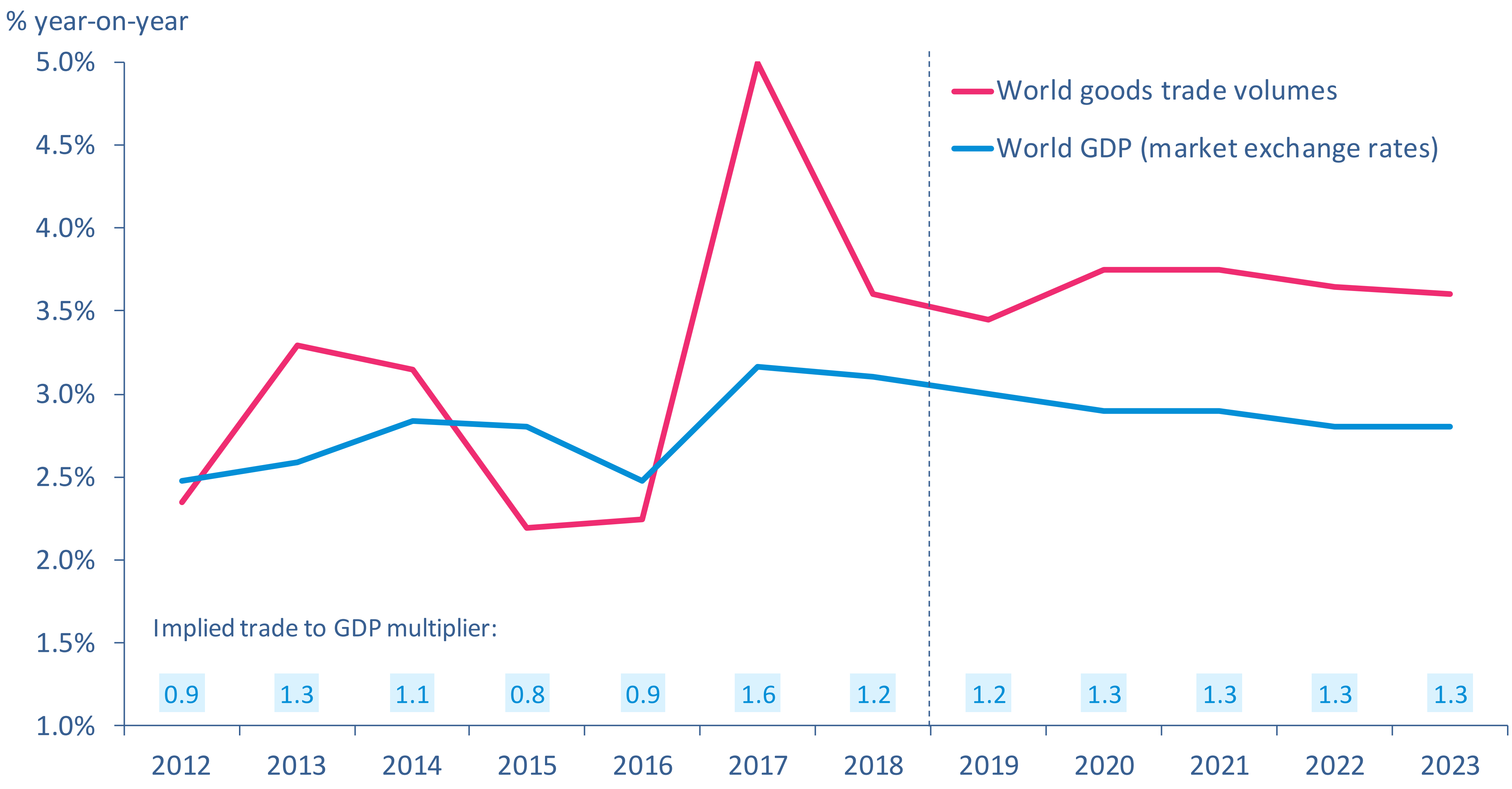
Source: IATA Economics using data from Thompson Reuters Datastream

Slower but continued GDP growth expected



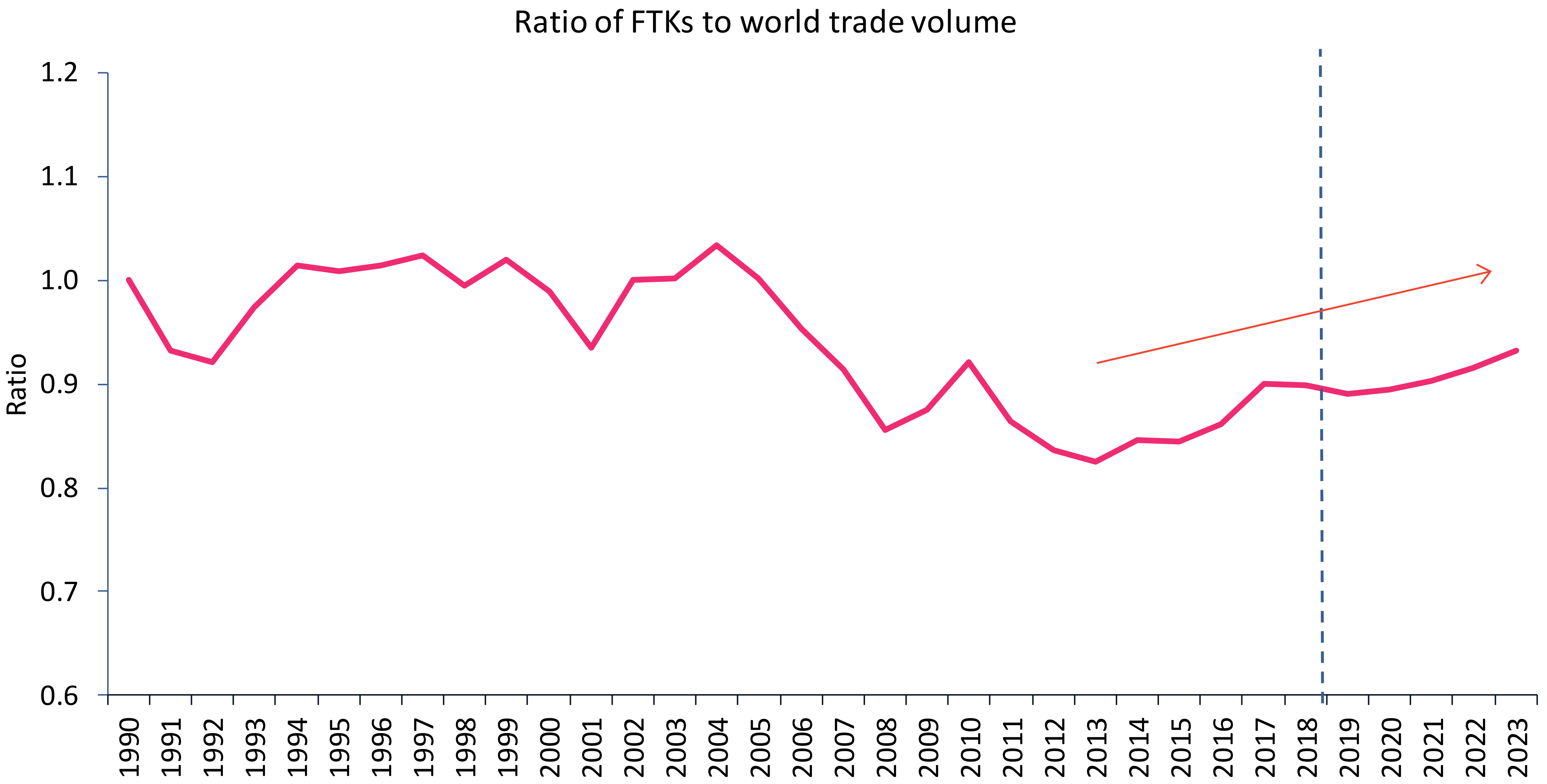
Source: IATA Economics using data from Markit, IMF World Economic Outlook January 2019

After weaker 2019 modest rise in trade forecast



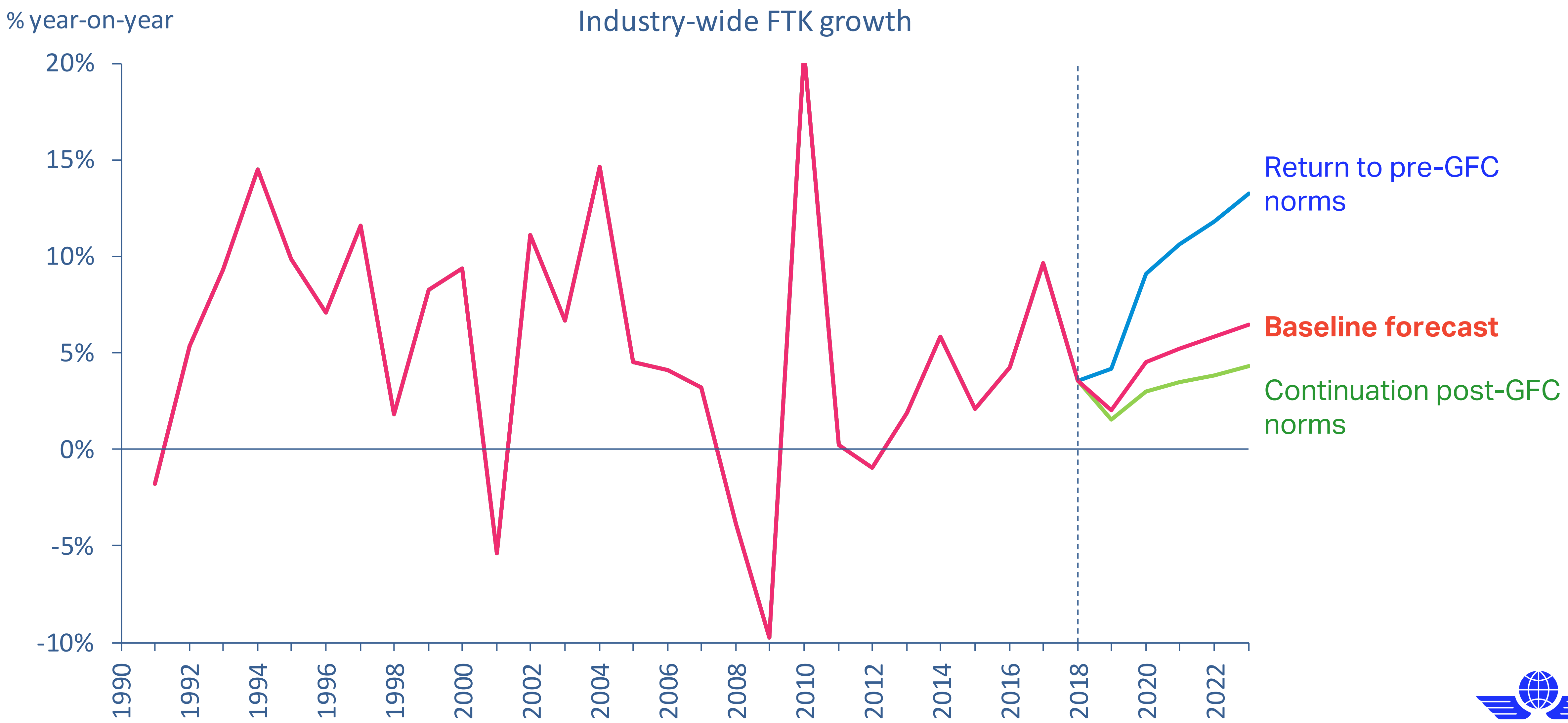
Sources: IATA Economics using data from the IMF World Economic Outlook, January 2019

Reasons for optimism on share of world trade



Sources: IATA Economics using data from the IMF World Economic Outlook Database, IATA Statistics

Weak 2019 outlook but improving trend



Source: IATA Economics 5-year Air Freight Forecast, March 2019

Thank you

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