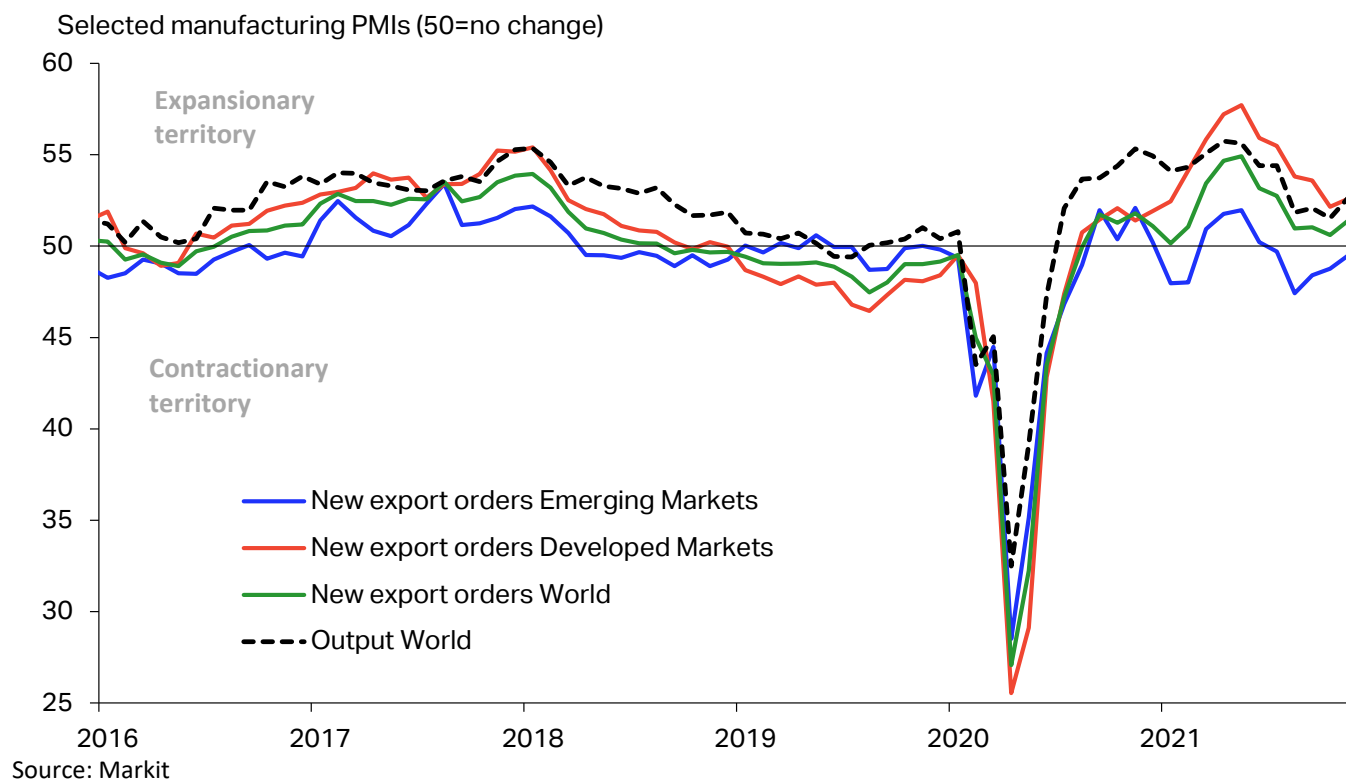




## IATA Economics' Chart of the Week

10 December 2021

### Uptick in new export orders supports continued air cargo strength



- Next week, IATA will publish a [Cargo Chartbook](#) for Q4 2021, which will outline the latest developments in air cargo volumes, capacity and market drivers. This week's chart presents a preview into this publication.
- There are signs that air cargo will remain buoyant in the near-term. Indeed, there was a widespread, if partly unexpected, uptick in the new export orders component of the manufacturing PMI in November, a metric that has historically been associated with growth in air cargo volumes. At the global level, the PMI reached its highest level since July and remains above the 50-mark associated with an expansion in new export orders, driven by improvements in both emerging and developed economies. The same PMI also improved in key export markets such as China – as energy shortages eased there in November, the US, Japan and Korea.
- The latest PMI uptick is partly explained by increased business confidence globally, as illustrated by the third consecutive month of gains in the global Composite PMI in November. Future manufacturing output is also expected to be strong, with the corresponding PMI rising to 64.3 in November, the largest score since June. Moreover, the global manufacturing output PMI increased in November to its highest value since July.
- All in all, air cargo drivers remain supportive. This will provide a cushion in case the Omicron variant leads to a fall in air cargo capacity and renewed shortages of labour and inputs. On the other hand, the variant may also encourage consumers stuck at home to buy more goods, as was the case during previous lockdowns.
- One of the key challenges for air cargo is limited capacity, which means reinstating air connectivity is critical not only for passenger but also for cargo traffic. This would also help delivering festive supplies and gifts to loved ones. Season's greetings to all!

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