

Air cargo demand up 1.9pc, sustains moderate growth

-A Monitor Report

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Geneva : International Air Transport Association (IATA) released data for September 2023 global air cargo markets, showing continuing demand recovery. Global demand, measured in cargo tonne-kilometers, increased by 1.9 per cent compared to September 2022 levels (+6pc for international operations).

Capacity, measured in available cargo tonne-kilometers, was up 12.1 per cent compared to September 2022 (+0pc for international operations). Growth was largely related to international belly capacity which rose 31.5 per cent year-on-year as airlines scaled up operations to meet peak-northern summer travel season demand.

"Air cargo eked out modest growth (1.9pc) in September despite falling trade volumes and high jet fuel prices. That clearly shows the strength of air cargo's value proposition. With the key export order and manufacturing PMIs hovering near positive territory, we can be

cautiously optimistic for a strong year-end peak season," said Willie Walsh, Director General, IATA.

In September, both the manufacturing output Purchasing Managers Index or PMI (49.7) and new export orders PMI (47.7) saw a slight improvement to the previous month. They remained, however, below the critical 50-point threshold, indicating a continuing, but slightly slower, annual decline in global manufacturing production and exports.

Global cross-border trade contracted for the fifth month in a row in August, decreasing 3.8 per cent year-over-year. This reflects the cooling global macroeconomic environment.

Annual growth in US consumer prices stabilized in September at 3.7 per cent, the same rate as in August. In Europe and Japan consumer price inflation slowed by 1.0 and 0.2 percentage points, respectively, to 4.9 per cent and 3.0 per cent, (also respectively). In China, deflation-fighting policy measures saw an annual rise in consumer prices of 0.1 per cent.

In September, the average price of jet fuel was USD 131.0 per barrel, marking a 43.1 per cent increase from the May 2023 price. Recouping some of this added cost from surcharges in September contributed to the first increase in air cargo yields since November 2022.