

Air cargo growth continues in January

A Monitor Report

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Geneva : The International Air Transport Association (IATA) released data for global air cargo markets showing slower growth in January 2022. Supply chain disruptions and capacity constraints, as well as a deterioration in economic conditions for the sector dampened demand.

Global demand, measured in cargo tonne-kilometers (CTKs), was up 2.7 per cent compared to January 2021 (3.2 per cent for international operations). This was significantly lower than the 9.3 per cent growth seen in December 2021 (1 per cent for international operations).

Capacity was 11.4 per cent above January 2021 (10.8 per cent for international operations). While this is in positive territory, compared to pre-Covid-19 levels, capacity remains constrained, 8.9 per cent below January 2019 levels.

Supply chain disruptions as well as a deterioration in economic conditions for the sector are slowing growth.

Supply chain disruptions resulted from flight cancellations due to labor shortages, winter weather and to a lesser extent the deployment of 5G in the USA, as well as the zero-Covid policy in mainland China and Hong Kong.

The Purchasing Managers' Index (PMI) indicator tracking global new export orders fell below the 50-mark in January for the first time since August 2020, indicating that a majority of surveyed businesses reported a fall in new export orders.

The January global Supplier Delivery Time Purchasing Managers Index (PMI) was

at 37.8. While values below 50 are normally favourable for air cargo, in current conditions it points to delivery times lengthening because of supply bottlenecks. The inventory-to-sales ratio remains low. This is positive for air cargo as it means manufacturers may turn to air cargo to rapidly meet demand. The Russia Ukraine conflict will have a negative impact on air cargo. Several specialised cargo carriers are registered in Russia and Ukraine, particularly those involved with heavy lift operations.