

ME carriers see 15.3pc demand growth for air cargo

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Riyadh: Middle Eastern airlines witnessed a 15.3 percent year-on-year demand growth for cargo in May, driven by growing e-commerce and maritime issues, an analysis showed.

In its latest report, the International Air Transport Association said that airlines in the Middle East region handled 13.5 percent of the overall cargo globally, a figure that remained unchanged from the previous month.

IATA also highlighted that the total cargo capacity of carriers in the region increased by 2.7 percent in May compared to the same month of the previous year.

Countries in the Middle East region, including Saudi Arabia, have strengthened their aviation sector over the past few years as they continue to reduce their dependence on oil and continue their economic

diversification journey.

Saudi Arabia's national aviation strategy outlines an ambitious plan aimed at handling 4.5 tonnes of cargo by the end of this decade, along with establishing more than 250 direct destinations from the Kingdom's airports to global locations.

"Air cargo demand moved sharply upwards in May across all regions. The sector benefited from trade growth, booming e-commerce and capacity constraints on maritime shipping," said Willie Walsh, director-general of IATA.

The report revealed that the demand for air cargo routes between the Middle East and Europe grew at an annual rate of 33.8 percent in May.

Freight demand between the region and Asia expanded by 18.6 percent year-on-year in May.

Global outlook

According to the release, the total demand for air cargo globally, measured in cargo tonne-kilometers, surged by 14.7 percent in May, compared to the same month of the previous year, marking the sixth consecutive month of double-digit year-on-year growth.

IATA revealed that African airlines saw 18.4 percent year-on-year demand growth for air cargo over the period - the strongest of all regions.

Moreover, demand for air cargo routes between the African and Asian markets increased by 40.6 percent in May compared to the same month of the previous year, marking the most robust performance among all trade lanes.

The report added that African airlines' air cargo capacity also surged by 21.4 percent year-on-year in the fifth month of the year.

Similarly, the Asia Pacific region witnessed a year-on-year growth in air cargo handling in May at 17.8 percent.

The capacity of Asia Pacific carriers also grew by 8.4 percent in May, compared to the same month of the previous year.

On the other hand, European carriers witnessed a 17.2 percent year-on-

year demand growth for air cargo.

The report revealed that intra-European air cargo rose by 25.6 percent compared to May 2023, the fifth month in a row of double-digit annual growth, while demand increased by 33.8 percent on the Europe - Middle East routes.

Similarly, air cargo capacity of European airlines surged by 11.9 percent in May compared to the same month of the previous year.

Latin American carriers saw a growth rate of 12.7 percent year-on-year in May, while the capacity of these carriers increased by 8 percent during the same period.

On the other hand, North American carriers witnessed a growth rate of 8.7 percent in air cargo handling, the weakest among all regions. The airlines' capacity in this region also rose marginally by 2.5 percent in May compared to the same month of the previous year.

"For Asia-North America, the largest trade lane by volume, the question remains what will happen following the US crackdown on e-commerce deliveries out of China. Rising costs and increasing transit times of shipments valued less than \$800 could dampen US consumers' appetite for e-commerce, which could have an impact on the whole air cargo sector," the report warned.

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