

## 2020 worst year for air cargo demand since in 1990

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- A Monitor Desk Report

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**Montreal:** The International Air Transport Association (IATA) released data for global air freight markets showing that demand for air cargo decreased by 10.6 percent in 2020, compared to 2019. This was the largest drop in year-on-year demand since [IATA](#) started to monitor cargo performance in 1990, outpacing the 6 percent fall in global trade in goods.

Global demand in 2020, measured in cargo tonne-kilometers (CTKs\*), was 10.6% below 2019 levels (-11.8 percent for international operations).

Global capacity, measured in available cargo tonne-kilometers (ACTKs), shrank by 23.3 percent in 2020 ( 24.1 percent for international operations) compared to 2019. This was more than double the contraction in demand.

Due to the lack of available capacity, cargo load factors rose 7.7 percent in 2020. This contributed to increased yields and revenues, providing support to airlines and some long-haul passenger services in the face of collapsed passenger revenues.

Improvements towards yearend were demonstrated in December when global demand was 0.5 percent below previous-year levels (-2.3 percent for international operations). Global capacity was 17.7 percent below previous-year levels (□20.6

percent for international operations). That is much deeper than the contraction in demand, indicating the continuing and severe capacity crunch. With the stalling of the recovery in passenger markets, there is no end in sight for the capacity crunch.

Economic conditions are picking up as we move into 2021. The new export orders component of the manufacturing [Purchasing Managers' Index](#) (PMI)<sup>9</sup> is in growth territory in both developed and emerging markets. And global industrial production has also recovered.

“Air cargo is surviving the crisis in better shape than the passenger side of the business. For many airlines, 2020 saw air cargo become a vital source of revenues, despite weakened demand. But with much of the passenger fleet grounded, meeting demand without belly capacity continues to be an enormous challenge. And, as countries strengthen travel restrictions in the face of new coronavirus variants, it is difficult to see improvements in passenger demand or the capacity crunch. 2021 will be another tough year,” said Alexandre de Juniac, IATA’s Director General and CEO.