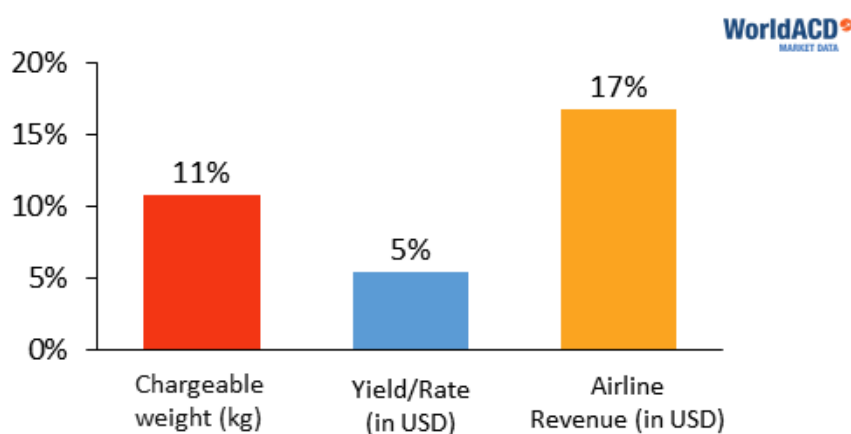


Guarded optimism as air cargo volumes improve in May

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By Damian Brett

Month-on-Month Change from Apr to May 2020



The air cargo market showed some signs of improvement in May although a full rebound is not expected soon, according to analyst WorldACD.

The analyst said that worldwide, chargeable weight carried by air, decreased by 29% compared with May 2019, which is an improvement on the 34% drop registered in April.

“Although this small recovery does not promise a full rebound any time soon, in a number of markets some guarded optimism may be justified,” WorldACD said.

The improvement was also visible month-over-month, as May showed an increase over April of 11%.

Meanwhile, rates continued to increase during the month with yields improving by 5% compared with the April level, which was in turn 63% up on March.

“In other words, worldwide yields/rates still went up, from \$3.74 per kg to \$3.95 per kg, in spite of additional capacity coming to the market by an increasing number of passenger aircraft being (partly) converted into freighters,” WorldACD said.

However, there was some drop-off in prices as the month progressed.

WorldACD data shows that the Middle East & South Asia (MESA) suffered the most in April (-70% YoY), but came back strongest in May (+45% MoM).

WorldACD added: “The other origin regions showed a MoM increase varying from 4% (North America) to 14% (Central & South America). The origin Africa showed the largest increase in US dollar-yields/rates (+13% MoM) whilst changes in other regions hovered between -10% (Europe and North America) and +12% (Asia Pacific & MESA).”

WorldACD said that in terms of product categories, the most “unexpected development” was a 1% YoY decrease in pharmaceuticals & temperature-controlled goods, the first such decrease for this category in 2020.

The larger perishable categories outperformed the market as a whole in MoM growth: Fruits & Vegetables +16% and Fish & Seafood +26%.

“The much-reported increase in passenger aircraft being transformed into ‘quasi-freighters’ was clearly visible in the strong load factor jump in passenger aircraft (see below),” WorldACD said.

“Within the month of May, we also noted a drop in the market share of the freighter companies between the first full week of May and the last one, another sign that the conversions started to have some impact.”