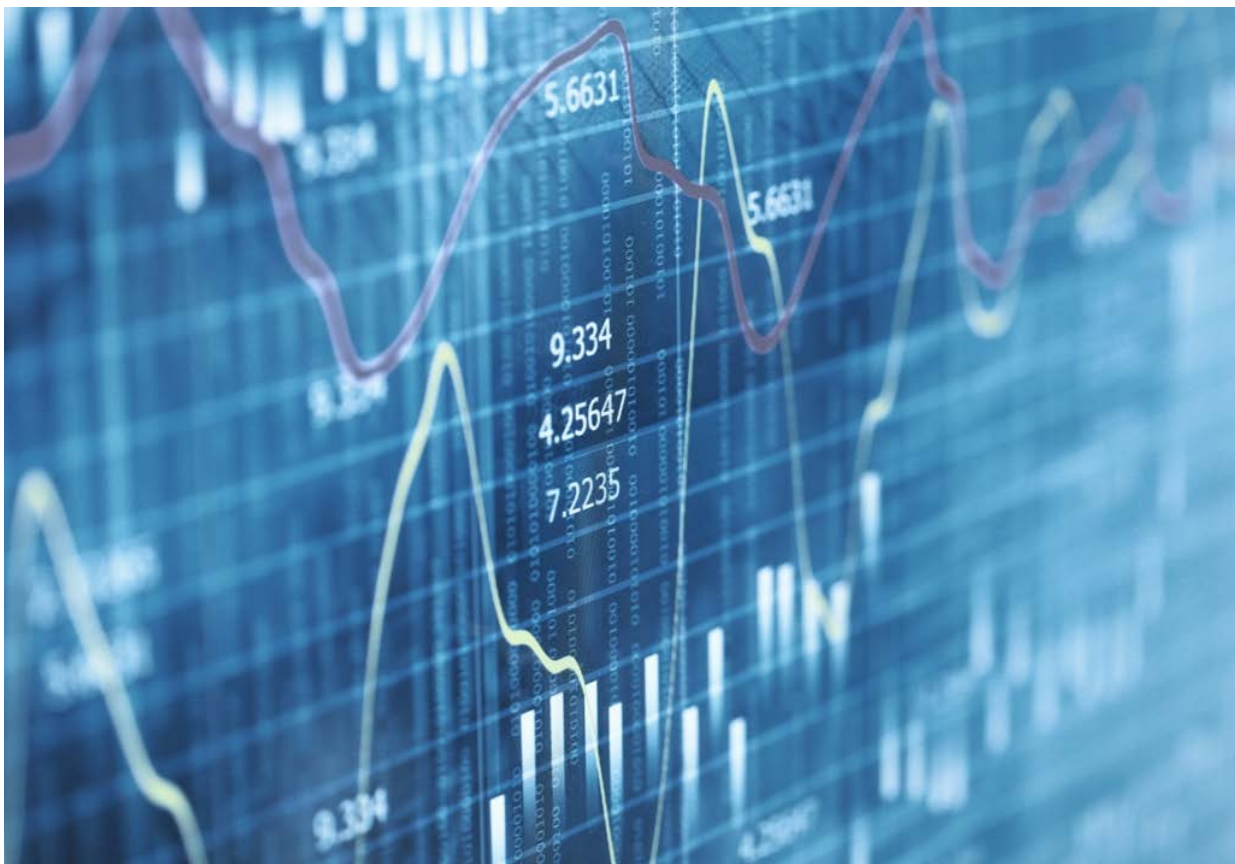


Supply chain issues continue to drive air cargo demand

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By Damian Brett



Air cargo demand continued to increase in September as ongoing supply chain issues pushed companies to utilise airfreight.

The latest figures from airline association IATA show that demand in cargo tonne km terms (CTK) increased by 9.1% in September compared with the same month in 2019.

Capacity in available CTK for September was down by 8.9% on two years earlier and as a result load factors improved by 9.1 percentage points to 55.3%.

“The key story currently for air cargo is the significant congestion on supply chains,” IATA said.

“Strong demand for goods, combined with Covid control measures, have disrupted production at manufacturers.

“As there is not enough capacity for shipments on most modes of transport, this translates into long delivery times and delays.”

IATA added: “The upshot is that trade and manufacturing activity are impacted by supply chain issues, but air cargo benefits from its speed, which helps meeting peak season demand and will allow it to continue to over perform global goods trade.”

The association’s director general Willie Walsh said that “severe capacity constraints” continue to limit the ability of air cargo to absorb extra demand.

“If not addressed, bottlenecks in the supply chain will slow the economic recovery from Covid-19,” Walsh added. “Governments must act to relieve pressure on global supply chains and improve their overall resilience.”

IATA has called on governments to: ensure that air crew operations are not hindered by Covid-19 restrictions designed for air travelers, implement the commitments governments made at the ICAO High Level Conference on Covid-19 to restore international connectivity and provide innovative policy incentives to address labor shortages where they exist.

Looking at regional performance, airlines from the Asia Pacific region in September saw CTKs decline by 0.2% compared with 2019.

“Demand is being affected by slowing manufacturing activity in China,” IATA said. “International capacity is significantly constrained in the region...

“Looking forward, the decision by some countries in the region to lift travel restrictions should provide a boost for capacity.”

Demand at North American carriers increased by 22.6% in September compared with two years earlier as new export orders and demand for faster shipping times underpin performance.

European carriers registered a 5.9% increase versus 2019 as manufacturing activity, orders and long supplier delivery times remain favorable to air cargo demand.

“Demand was strongest on the large North Atlantic trade lane,” IATA said.

Middle Eastern airline noted a 17.6% increase in September.

Latin American airlines in September were down 15.7% on two years ago and African carriers reported a 32.8% increase.