

IATA: Air cargo up in February but uncertainty looms

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Global air cargo demand was up 2.9% in February compared to February 2021 although capacity is still constrained, according to the latest International Air Transport Association (IATA) data.

Cargo is tracking above pre-COVID-19 levels said the trade association. Demand, measured in cargo tonne-kilometers (CTKs) rose 2.5% for international operations year on year.

Adjusting the comparison for the impact of the Lunar New Year (which can cause volatility in reporting) by averaging [January's](#) and February's performance, demand increased 2.7% year-on-year, explained IATA. While cargo volumes continued to rise, the growth rate decelerated from the 8.7% year-on-year expansion in December.

Capacity was 12.5% above February 2021 (8.9% for international operations). However, compared to pre-COVID-19 levels, capacity remains constrained at 5.6% below February 2019 levels.

Several factors benefitted air cargo in February compared to January, noted IATA. Manufacturing activity ramped-up quickly after the early February Lunar New Year holiday, which benefited demand.

Capacity was positively influenced by the general and progressive relaxation of COVID-19 travel restrictions, reduced flight cancellations due to Omicron-related factors (outside of Asia), and fewer winter weather operational disruptions.

IATA added that the impact of Russia's invasion of Ukraine had limited effect globally on February's performance as it occurred very near the end of the month, but the negative impacts of war and related sanctions (particularly higher energy costs and reduced trade) will become more visible from March.

"Demand for air cargo continued to expand despite growing challenges in the trading environment. That is not likely to be the case in March as the economic consequences of the war in Ukraine take hold. Sanction-related shifts in manufacturing and economic activity, rising oil prices and geopolitical uncertainty will take their toll on air cargo's performance," said Willie Walsh, IATA's director general.

IATA noted that the zero-Covid policy in mainland China and Hong Kong continues to create supply chain disruptions as a result of flight cancellations due to labour shortages, and because many manufacturers cannot operate normally.

February 2022 (% year-on-year)	World share ¹	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
Total Market	100.0%	2.9%	12.5%	-4.9%	53.2%
Africa	1.9%	4.6%	8.2%	-1.7%	50.2%
Asia Pacific	32.4%	3.0%	15.5%	-7.1%	59.2%
Europe	22.9%	2.2%	10.0%	-4.8%	63.6%
Latin America	2.2%	21.2%	18.9%	0.9%	47.6%
Middle East	13.4%	-5.3%	7.2%	-7.0%	52.9%
North America	27.2%	6.1%	13.4%	-3.0%	42.9%

¹ % of industry CTKs in 2021 ² Change in load factor ³ Load factor level

Air cargo market in February 2022. Source: IATA

Available capacity in Asia Pacific remains heavily constrained – up 15.5% compared to February 2021, but down 14.6% compared to February 2019.

Meanwhile Asia-Pacific airlines saw their air cargo volumes increase 3% in February 2022 compared to the same month in 2021.

European carriers saw a 2.2% increase in cargo volumes in February 2022 compared to the same month in 2021. This was slower than the previous month (6.4%), partially attributable to the war in Ukraine which started at the end of the month. Seasonally adjusted demand on the Asia-Europe route, one of the most affected by the conflict decreased by 2% month on month. Capacity was up 10% in February 2022 compared to February 2021, and down 11.1% compared to pre-crisis levels (2019).

North American carriers posted a 6.1% increase in cargo volumes in February 2022 compared to February 2021. Capacity was up 13.4% compared to February 2021.

Middle Eastern carriers experienced a 5.3% year-on-year decrease in cargo volumes in February. The weak performance was attributed to a deterioration in traffic on several key routes, but data indicates that the region is likely to benefit from traffic being redirected to avoid flying over Russia, stated IATA. Capacity was up 7.2% compared to February 2021.

Latin American carriers reported an increase of 21.2% in cargo volumes in February 2022 compared to the 2021 period, with some of the largest airlines in the region are benefitting from the end of bankruptcy procedures. Capacity in February was up 18.9% compared to the same month in 2021.

African airlines saw cargo volumes increase by 4.6% in February 2022 compared to February 2021. Capacity was 8.2% above February 2021 levels.