

Putzger perspective: Cargo capacity alignments

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Air France Cargo has ordered four Airbus A350Fs, with purchase rights for an additional four. Copyright: Airbus S.A.S. 2021 - computer rendering by FIXION - MMS - 2021

In mid-April [Air France-KLM inked an order for four A350 freighters](#), with options on another four. Both airlines that make up the tandem have a long and proud history in cargo, but the years before the pandemic saw their freighter fleet shrink to two B777-200Fs.

Airline planning horizons must extend beyond temporary gluts and shortages in the market, so this order from an outfit that flew through the past decade with a pessimistic take on air cargo indicates strong expectations that demand for

freighters will remain robust for years to justify a significant investment out of coffers that are still hurting from the lost passenger business of the past two years.

Nobody is expecting the current market conditions to last, not only because rising inflation is casting a shadow over consumption, which has been the biggest driver of the tidal wave of cargo that has overwhelmed ocean carriers, ports, rail and truck operators as well as the airfreight industry.

Already there are signs that soaring costs are giving beneficial cargo owners pause for thought.

Still, airfreight capacity will be in short supply. Large beneficial cargo owners and forwarders will gladly jettison some of the chartered capacity that they have signed up for, but there is broad agreement that they will retain dedicated lift on key routes.

Bellyhold capacity has shown a bumpy road to recovery, with the biggest hurdles in the long-haul markets, where it played the most significant role before Covid. That role is going to be diminished.

Quite a few widebodies will not return to those routes, as airlines field B737 max and A321neo aircraft instead, which have no serious cargo capacity to speak of.

Cargojet chief executive Ajay Virmani sees a structural shift in this that will benefit freighter operators. He made these remarks after his airline had [announced a strategic agreement with DHL](#).

Under the five-year deal, Cargojet will run another five B767 freighters for the integrator (on top of 12 currently in that capacity), and DHL will be the launch customer of Cargojet's first two B777 freighters.

All of Cargojet's incoming planes for the coming years are already committed, as its primary strategic partners – DHL and Amazon – keep asking for more aircraft.

Likewise, the logistics arms of Alibaba and JD.com keep forging agreements with freighter operators to meet their need for capacity. Qatar Airways now runs a weekly 777 freighter for Cainiao between China and Brazil.