

Africa's air cargo traffic falls by 6.2% in March

According to the latest data released by the International Air Transport Association (Iata), global air cargo markets have continued to decline in March 2023 compared to the previous year's demand performance, continuing a trend that began in March 2022.



Image source: [Gallo/Getty](#)

The global demand, measured in cargo tonne-kilometres (CTKs*), fell 7.7% (8.1% for international operations) compared to March 2022, which is a slight improvement over the previous month's performance. However, it is still half the rate of annual decline observed in January and December.

The report suggests that it is uncertain whether this is a sign of a potential improvement or market volatility. Despite this, March's performance has fallen back into negative territory compared to pre-COVID levels (-8.1%). On the other hand, the available cargo tonne-kilometres (ACTK) capacity has increased by 9.9% compared to March 2022, reflecting the addition of belly capacity as the passenger side of the business continues to recover.

Several factors in the operating environment should be noted:

- Even with record-low unemployment rates, the global economy continues to decelerate due to a combination of factors such as tightening global financial conditions, high levels of global debt, and supply chain problems including those linked to the war in Ukraine.
- In line with the weakening global trade, the Purchasing Manager Indices (PMIs) for new export orders at the global level remained below the 50-critical line for a full year as of March. China's PMI retreated to below the 50-mark in March, following a slight improvement observed in February.
- The PMI for supplier delivery times indicates high inventory levels, which tends to have a negative impact on air cargo.
- Global goods trade decreased by 2.6% in February; this was a faster rate of decline than the previous month of -1.0%.

"Air cargo had a volatile first quarter. In March, overall demand slipped back below pre-Covid-19 levels and most of the indicators for the fundamental drivers of air cargo demand are weak or weakening. While the trading environment is tough, there is some good news. Airlines are getting help in managing the volatility with yields that have remained high and fuel prices that have moderated from exceptionally high levels.

"Looking ahead, with inflation reducing in G7 countries policymakers are expected to ease economic cooling measures and that would stimulate demand," said Willie Walsh, Iata's director general.

March regional performance

Asia-Pacific airlines saw their air cargo volumes decrease by 7.3% in March 2023 compared to the same month in 2022. This was a slight decrease in performance compared to February (-5.4%).

The drop in demand suggests that air cargo traffic in the region has not yet stabilized following China's reopening in January. Available capacity in the region increased by 23.6% compared to March 2022 as more belly capacity came online from the passenger side of the business.

North American carriers posted the weakest performance of all regions with a 9.4% decrease in cargo volumes in March 2023 compared to the same month in 2022. This was a decrease in performance compared to February (-10.3%). The transatlantic route between North America and Europe saw traffic declining at an accelerated pace throughout March. Capacity increased by 0.4% compared to March 2022.

European carriers saw the most substantial improvement in demand in March over the previous month. Airlines in the region saw their air cargo volumes decrease by 7.8% in March 2023 compared to the same month in 2022. This was an improvement in performance versus February (-15.9%). Airlines in the region continue to be most affected by the war in Ukraine. Capacity increased 8.8% in March 2023 compared to March 2022.

Middle Eastern carriers experienced a 5.5% year-on-year decrease in cargo volumes in March 2023. This was also an improvement to the previous month's decline (-7.1%). The demand for Middle East-Europe routes has been trending upward in recent months. Capacity increased 9.7% compared to March 2022.

Latin American carriers had the strongest performance of all regions in March despite posting a decline in performance over the previous month. Carriers in the region reported a 5.3% decrease in cargo volumes in March 2023 compared to March 2022. This was a drop in performance compared to February which saw a 2.9% decrease. Capacity in March was up 12.9% compared to the same month in 2022.

African airlines saw cargo volumes decrease by 6.2% in March 2023 compared to March 2022. This was an improvement in performance compared to the previous month (-7.4%). Notably, Africa to Asia routes experienced significant cargo demand growth in March. Capacity was 4.1% below March 2022 levels.

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