

African airlines see 4.7% drop in cargo volumes

Global air cargo demand grew for the first time in 19 months in August 2023, according to data from the International Air Transport Association (IATA). Demand, measured in cargo tonne-kilometers (CTKs), increased by 1.5% year-on-year, while capacity, measured in available cargo tonne-kilometers (ACTKs), increased by 12.2%.

The increase in capacity was largely due to a 30% increase in belly capacity, as airlines increased operations to meet peak-northern summer travel season demand.



Image source: [Gallo/Getty](#)

Factors in the operating environment to note:

- In August, both the manufacturing output Purchasing Managers Index or PMI (49.4) and new export orders PMI (47.0) saw a slight improvement to the previous month. They remained, however, below the critical threshold represented by the 50 mark, indicating a continuing, if slower, annual decline in global manufacturing production and exports.
- Global cross-border trade contracted for the fourth month in a row in July, decreasing 3.2% year-over-year. This reflects the cooling demand environment and general macroeconomic conditions.
- Inflation saw a mixed picture in August, with an increase in US consumer prices for the second month in a row. Meanwhile, in Europe and Japan, consumer and producer prices fell. In China, which is fighting deflationary pressures, consumer prices rose.

"Air cargo demand grew by 1.5% over the previous August. This is the first year-on-year growth in 19 months, so it is certainly welcome news. But it is off a low 2022 base and market signals are mixed.

Looking ahead, while many uncertainties remain, we can take some optimism from PMI data moving towards positive territory. This is particularly significant as we head into air cargo's traditional peak year-end season," says Willie Walsh, IATA's director general.

Air cargo market in detail

	World	August 2023 (% year-on-year)			
	share ¹	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
TOTAL MARKET	100.0%	1.5%	12.2%	-4.4%	42.0%
Africa	2.0%	-4.7%	3.8%	-3.5%	38.8%
Asia Pacific	32.4%	4.9%	28.5%	-9.9%	44.3%
Europe	21.8%	-0.2%	3.6%	-1.8%	48.4%
Latin America	2.7%	6.2%	13.7%	-2.3%	32.6%
Middle East	13.0%	1.4%	15.7%	-5.8%	40.7%
North America	28.1%	-1.2%	2.7%	-1.5%	37.7%

¹% of industry CTKs in 2022

²Year-on-year change in load factor

³Load factor level

August regional performance

African airlines had the weakest performance in August 2023, with a 4.7% decline in cargo volumes compared to August 2022. This was a significant decrease in performance compared to July (+2.3%). Notably, Africa–Asia routes declined by 1.1% in August following an 11.2% growth in July. Capacity was 3.8% above August 2022 levels.

Asia-Pacific airlines saw their air cargo volumes increase by 4.9% in August 2023 compared to the same month in 2022. This was a significant improvement in performance compared to July (+2.3%). Carriers in the region benefited from growth on two major trade lanes: Europe-Asia (up from 3.1% in July to 8.8% in August) and Middle East-Asia (up from 2.7% in July to 3.5% in August).

Additionally, the within-Asia trade lane also performed better in August, with international CTKs contracting by 4.7% compared to the 9.7% annual decline in July. Available capacity for the region's airlines increased by 28.5% compared to August 2022 as more belly capacity came online from the passenger side of the business.

North American carriers saw their air cargo volumes decrease by 1.2%. This was an improvement in performance compared to July (-5.4%). Carriers in the region benefitted from a slight improvement in growth on two major trade lanes: North America – Europe (2.9% annual contraction in August, 1.2 percentage points better than in July) and Asia - North America (declined 4.2% in August compared to 4.4% decrease in July). Capacity increased by 2.7% compared to August 2022.

European carriers saw their air cargo volumes decline by 0.2% in August compared to the same month in 2022. This was however, an improvement in performance versus July (-1.0%). Volumes saw an increase due to the aforementioned Europe–Asia performance and a small increase in the Middle East - Europe markets by 0.4%. Capacity increased by 3.6% in August 2023 compared to 2022.

Middle Eastern carriers experienced a 1.4% year-on-year increase in cargo volumes in August 2023. This was an improvement from the previous month's performance (-0.1%). The demand in the Middle East–Asian market has been trending upward in the past three months, expanding its year-on-year growth from 1.8% in June to 3.5% in August. Capacity increased by 15.7% compared to August 2022.

Latin American carriers had the strongest performance in August 2023, with a 6.2% increase in cargo volumes compared to August 2022. This was a significant increase in performance compared to the previous month (+0.5%). Capacity in August was up 13.7% compared to the same month in 2022.

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