

Global air cargo demand up by 4.4% in March compared to pre-Covid levels

The International Air Transport Association (IATA) has released its March 2021 data for global air cargo markets showing that air cargo demand continued to outperform pre-Covid levels (March 2019) with demand up 4.4%.



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March demand reached the highest level recorded since the series began in 1990. Month-on-month demand also increased albeit at a slower pace than the previous month with volumes up 0.4% in March over February 2021 levels.

Because comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of Covid-19, unless otherwise noted all comparisons to follow are to March 2019 which followed a normal demand pattern.

Global demand, capacity

- Global demand, measured in cargo tonne-kilometres (CTKs), was up 4.4% compared to March 2019 and 0.4% compared to February 2021. This was a slower rate of growth than the previous month, which saw demand increase 9.2% compared to February 2019.

A weaker performance by Asia-Pacific and African carriers compared to February contributed to softer growth in March.

- Global capacity, measured in available cargo tonne-kilometres (ACTKs), continued to recover in March, up 5.6% compared to the previous month.

Despite this, capacity remains 11.7% below pre-Covid-19 levels (March 2019) due to the ongoing grounding of passenger aircraft. Airlines continue to use dedicated freighters to plug the lack of available belly capacity. International capacity from dedicated freighters rose 20.6% in March 2021 compared to the same month in 2019 and the belly-cargo capacity of passenger aircraft dropped by 38.4%.

Underlying economic conditions remain supportive for air cargo:

- This is evidenced in the new export orders component of the manufacturing Purchasing Managers' Index (PMI) which stood at 53.4 in March.

Results above 50 indicate manufacturing growth versus the prior month.

- Demand for exports grew broadly in March. This was concentrated in developed countries during January and February.
- Delivery times for manufactured goods are increasing which normally indicates increased demand for air cargo in efforts to reduce shipping time.
- Global trade rose 0.3% in February – the ninth consecutive

March 2021 (% chg vs the same month in 2019)	World share ¹	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
Total Market	100%	4.4%	-11.7%	9.0%	58.8%
Africa	2.0%	23.1%	-4.6%	11.2%	49.9%
Asia Pacific	32.4%	-2.9%	-18.6%	10.7%	66.1%
Europe	22.3%	0.9%	-17.1%	12.2%	68.5%
Latin America	2.4%	-21.4%	-39.9%	10.6%	45.3%
Middle East	12.9%	9.1%	-12.5%	12.1%	61.3%
North America	27.9%	17.5%	3.8%	5.5%	47.2%

¹ % of industry CTKs in 2020 ² Change in load factor vs 2019 ³ Load factor level

March regional performance

- **Asia-Pacific airlines** saw demand for international air cargo drop by 0.3% in March 2021 compared to the same month in 2019. The slight weakness in performance compared to the previous month was seen on most of the trade lanes connected with Asia. International capacity remained constrained in the region, down 20.7% versus March 2019. The region's airlines reported the highest international load factor at 78.4%.
- **North American carriers** posted a 14.5% increase in international demand in March compared to March 2019. This strong performance reflects the strength of the economic recovery in the US. In Q1, US GDP rose by 6.4% in annualised terms, up from 4.3% in Q4 bringing the country's economy close to pre-Covid levels.

The business environment for air cargo remains supportive; the new export orders component of the PMI rose to its highest level since 2007. International capacity grew by 1.8% compared with March 2019.

- **European carriers** posted a 0.7% increase in demand in March compared to the same month in 2019. Improved operating conditions and recovering export orders contributed to the positive performance. International capacity

decreased by 17% in March 2021 versus March 2019.

- **Middle Eastern carriers** posted a 9.2% rise in international cargo volumes in March 2021 versus March 2019. Month-on-month, Middle East carriers posted the strongest growth of all regions, up 4.4%.

Of the region's key international routes, Middle East-North America and Middle East-Asia have provided the most significant support, rising 28% and 17% respectively in March compared to March 2019. International capacity in March was down 12.4% compared to the same month in 2019.

- **Latin American carriers** reported a decline of 23.6% in international cargo volumes in March compared to the 2019 period; this was the worst performance of all regions. Drivers of air cargo demand in Latin America remain relatively less supportive than in the other regions. International capacity decreased 46.0% compared with March 2019.

- **African airlines'** cargo demand in March increased by 24.6% compared to the same month in 2019, the strongest of all regions. Robust expansion on the Asia-Africa trade lanes contributed to the strong growth. March international capacity decreased by 2.1% compared to March 2019.

[View the March 2021 Air Cargo Market Analysis.](#)

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