

Global air freight markets down 1.1% in November 2019

Data for global air freight markets, released by the International Air Transport Association (IATA), shows that demand decreased by 1.1% in November 2019. This marks the thirteenth consecutive month of year-on-year declines in freight volumes. Despite this decline, November's performance was the best in eight months, with the slowest year-on-year rate of contraction recorded since March 2019.



Image source: [Gallo/Getty](#)

November's outcome reflects the growing importance of large e-commerce events such as Singles Day in Asia and Black Friday.

While international e-commerce continues to grow, overall air cargo demand continues to face headwinds from the effects of the trade war between the US and China, the deterioration in world trade, and a broad-based slowing in global economic growth.

"Demand for air cargo in November was down 1.1% compared to the previous year. That's better than the 3.5% decline posted in October. But it is a big disappointment considering that the fourth quarter is usually air cargo's peak season. Looking forward, signs of a thawing in US-China trade tensions are good news. But trading conditions at present remain very challenging," said Alexandre de Juniac, IATA's Director General and CEO.

Freight capacity, measured in available freight tonne kilometres (AFTKs), rose by 2.9% year-on-year in November 2019. Capacity growth has now outstripped demand growth for 19 consecutive months.

Regional performance

Airlines in Asia-Pacific, Latin America and the Middle East suffered sharp declines in year-on-year growth in total air freight volumes in November 2019, while North American carriers experienced a more moderate decline. Europe and Africa were the only regions to record growth in air freight demand compared to November 2018.

African carriers posted the fastest growth of any region in November 2019, with an increase in demand of 19.8% compared to the same period a year earlier. Strong trade and investment links with Asia contributed to positive performance. Here, capacity grew 13.7% year-on-year.

Asia-Pacific airlines saw demand for air freight contract dropping by 3.7% in November 2019, compared to the year-earlier period. This was the sharpest drop in freight demand of any region for the month. Capacity, however, increased by 1.8%.

The US-China trade war has significantly affected the region, with demand on the large Asia-North America market down 6.5% year-on-year in October. However, the thawing of US-China trade relations and robust economic growth in key regional economies are positive developments.

North American airlines saw demand decrease by 1.1% in November 2019, compared to the same period a year earlier. Capacity increased by 3.3%. Slower growth in the US economy and trade tensions with China have affected demand. However, positive progress in trade negotiations between both countries highlighted by the 'phase one' deal is a positive development.

European airlines posted a 2.6% increase in freight demand in November 2019 compared to the same period a year earlier. Better than expected economic activity in the third quarter in some of the region's large economies helped support demand. Here, capacity increased by 4.0% year-on-year.

Middle Eastern airlines' freight volumes decreased by 3.0% in November 2019 compared to the year-ago period – a significant improvement over the 5.7% decrease in October. Here, capacity increased by 2.6%.

Against a backdrop of operational and geopolitical challenges facing some of the region's key airlines, seasonally-adjusted freight volumes in the region have continued a modest upwards trend, which is a positive development for the region's carriers. However, escalating geopolitical tensions threaten the regions' carriers in the period ahead.

Latin American airlines experienced a decrease in freight demand in November 2019 of 3.4% compared to November 2018. Various social and economic headwinds in the region's key economies have impacted the region's air cargo performance. Capacity decreased by 2.3% year-on-year.

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