

IATA: Air cargo demand in Africa falls as global markets recover in 2023

The International Air Transport Association (IATA) has released data on the global air freight markets, indicating a revival in air cargo demand throughout 2023. Despite economic uncertainties, the fourth quarter exhibited robust performance. The overall demand for the full year reached levels slightly below those observed in 2022 and 2019.



Image source: [Gallo/Getty](#)

Global air freight demand, measured in cargo tonne-kilometers (CTKs), experienced a 1.9% decline in 2023 compared to 2022 (with a 2.2% decrease for international operations). When compared to the pre-pandemic year of 2019, the decrease was 3.6% (with a 3.8% decline for international operations).

In contrast, the capacity in 2023, measured by available cargo tonne-kilometers (ACTKs), showed a significant increase of 11.3% from 2022 (with a 9.6% rise for international operations). When compared to the pre-Covid levels of 2019, overall capacity rose by 2.5%, while international operations remained stagnant at 0.0%.

December 2023 marked an exceptionally strong performance, with global demand soaring to 10.8% above 2022 levels (an 11.5% increase for international operations). This performance represented the most robust annual growth over the past two years. Simultaneously, global capacity registered a significant growth of 13.6% above 2022 levels (with a 14.1% increase for international operations).

Key indicators include global cross-border trade, which recorded growth for the third consecutive month in October, reversing its previous downward trend. In December, inflation in the United States and the EU, as measured by the corresponding Consumer Price Indices (CPI), remained below 3.5% year-on-year. However, China's CPI indicated deflation for the third consecutive month, raising concerns about an economic slowdown.

Additionally, both the manufacturing output and new export order Purchasing Managers Indexes (PMIs), crucial indicators of global air cargo demand, continued to hover below the 50-mark in December, indicating contraction in the usual markers for these indices.

"Despite political and economic challenges, 2023 saw air cargo markets regain ground lost in 2022 after the extraordinary Covid peak in 2021. Although full-year demand was shy of pre-Covid levels by 3.6%, the significant strengthening in the last quarter is a sign that markets are stabilising towards more normal demand patterns. That puts the industry on very solid ground for success in 2024. But with continued, and in some cases intensifying, instability in geopolitics and economic forces, little should be taken for granted in the months ahead," said Willie Walsh, Iata's director general.

2023 regional performance

African airlines reported a decrease in demand of 1.8% in 2023 compared to 2022 and an increase in capacity of 5.6%. In December airlines in the region posted the weakest performance of all with a 1.2% decrease in demand compared to 2022. Capacity grew 7.4% during the same period.

Asia-Pacific airlines posted a 0.9% increase in demand in 2023 compared to 2022 and a capacity increase of 28.5%. In December, airlines in the region recorded the best performance of all regions, posting an 18.5% increase in demand compared to 2022. Capacity increased 31.1% during the same period.

North American carriers reported the worst year-on-year performance of all regions, with a 5.7% decrease in demand in 2023 compared to 2022 and a capacity increase of 0.3%. In December airlines in the region reported a 2.0% decrease in demand, compared to 2022. Capacity increased by 2.4% during the same period.

European carriers posted a 3.9% decrease in demand in 2023 compared to 2022. During the same period, airlines posted a capacity increase of 4.5% for both global and international operations. In December, airlines in the region posted an 8.6% increase in demand compared to 2022. Capacity increased by 7.4% during the same period. Airlines in the region continued to be most affected by the war in Ukraine.

Middle Eastern carriers reported an increase in demand of 1.6% for global and international demand in 2023 compared to 2022 and an increase in capacity of 13.5%. In December airlines in the region posted an 18.3% increase in demand for both global and international operations compared to 2022. Capacity increased 17.7% during the same period.

Latin American carriers posted the strongest year-on-year performance of all regions, with a 2.0% increase in demand in 2023 compared to 2022. During the same period, airlines posted a capacity increase of 13.2%. In December airlines in the region posted growth in demand of 6.4% compared to 2021. Capacity grew 3.5% during the same period.

Red Sea disruption

In November and December, air cargo experienced a modest rise in demand and yields due to disruptions in the Red Sea. The following was observed when comparing data for the week commencing 4 November 2023 and the week ending 9 December 2023:

- A 1% increase in global air cargo demand coupled with a 5% rise in yields;
- In the Asia-Pacific region, demand grew by 2% and yields by 6%;
- A 1% increase in demand between China and the rest of the world and an 11% increase in yields;
- Europe's demand remained steady, but yields increased by 3%;
- In the Middle East, demand was constant with a 4% rise in yields.

Data for the last half of December showed a normalisation of demand and yields.

"The recent disruption to maritime routes in the Red Sea has seen some shippers pivot to air cargo. The increased demand saw a spike in air cargo yields on related trade lanes. A similar spike is expected in January as disruptions intensified. While not all cargo is suitable for air transport, it is a vital option for some of the most urgent shipments in extraordinary circumstances. And that is critical to the continuity of the global economy," says Walsh.

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