TIACA Q4 Economics Briefing
powered by Clive

Q4 2021 data has reflected CLIVE's statement earlier in the year that issues facing the general air cargo market were driven by supply chain challenges, and less so by soaring volumes. Cargo capacity has remained slow to return to the pre-Covid level.

In December 2021, it remained at -12% to December 2019.

The big growth curve in Q4 of 2021 was in airfreight rates, which in December climbed at a global level to 168% ahead of December 2019 (+42%versus December 2020), following earlier monthly gains compared to 2019 of 155% and 159% in October and November 2021 respectively.

It was certainly more complex to ship goods from A to B in 2021 by all modes of transport, which has continued to increase rates. In the general air cargo market, we've seen airlines focus more on managing margins than on filling aircraft," said Niall van de Wouw, CLIVE's Managing Director. "From a volume perspective, compared to 2019, November and December did not produce 'the peak of all peaks'.

"The capacity and 'dynamic loadfactor' trends were more or less in line with earlier months, but rates kept on climbing. So, what is at play here?

This latest December data amplifies what we saw in November, with issues on the ground impacting the efficiency of the value chain. The rapid increase on Omicron and its impact on staff availability, hard lockdowns and their impact on business and consumer confidence are likely at play here." He added: "Looking at 2021 overall, after a very strong start to the year and pretty solid middle months, we witnessed a not-so-strong ending of the year. The wear and tear of close to 20 months of Covid started to really impact the efficiency of the value chain towards the end of 2021, and there are still no fundamental changes expected in the short-term that would change the current dynamics of supply chain shortages and elevated rates."