
Double digit growth for global air freight demand in July

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The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), **increased by 11.4% in July 2017** compared to the same period a year ago.

This was the fourth time in five months that double-digit annual growth was recorded. July's year-on-year increase in demand is nearly four times higher than the ten year average growth rate of 3.1%.

Freight capacity, measured in available freight tonne kilometers (AFTKs), **grew by 3.7%** year-on-year in July 2017. Demand growth continues to significantly outstrip capacity growth, which is positive for airline yields and the industry's financial performance.

The robust growth in air cargo demand is consistent with an uptick in global trade, rising export orders and upbeat business confidence indicators. There are, however, signs that demand growth for air freight may be nearing a peak. Seasonally-adjusted air freight volumes were flat in June and fell in July; and the global inventory-to-sales ratio has stabilized. Air cargo often sees a boost in demand at the beginning of an economic upturn as companies look to restock inventories quickly. This tapers as inventories are adjusted to new demand levels.

"July was a strong month for air cargo with double-digit growth. And for the third consecutive month demand for **air freight grew at a faster pace than demand for air travel**. While the outlook for the rest of the year remains positive, there are signs that the cyclical growth period may be nearing a peak," said Alexandre de Juniac, IATA's Director General and CEO.