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Air cargo traffic rebound set for long-term growth

AMSTERDAM, Nov. 2, 2010 /[PRNewswire](#)/ -- World air cargo traffic will expand at a 5.9 percent annual rate over the next two decades, with worldwide air freight traffic expected to triple through 2029, according to the Boeing (NYSE: BA) World Air Cargo Forecast 2010/2011.

Boeing released the biennial forecast, which is widely cited by airlines and industry groups, at the International Air Cargo Forum and Exhibition 2010 in Amsterdam.

Air cargo traffic rebounded strongly beginning in November 2009 and continuing through the first eight months of 2010. As a result, world air cargo traffic is expected to regain its 2007 peak by the end of this year.

"Economic activity – world gross domestic product – is the key driver of the air cargo market," said Jerry Allyn, vice president, Strategic Planning and Analysis, Boeing Commercial Airplanes. "Following the recession and a year of recovery, world economic growth is forecast to average 3.2 percent over the next two decades."

The 2008-2009 period marked the first time that air cargo traffic contracted for two consecutive years. The decline affected nearly all geographic markets, but markets connected to industrial freight flows generally fared worse than markets less dependent on these flows. The nearly 13 percent drop in cargo traffic in 2008-2009 reflected the steep plunge in industrial activity attendant to the global economic downturn.

In August 2009, industrial activity began to recover, particularly in Asia. Monthly air cargo traffic statistics turned positive in November 2009, and the first eight months of 2010 have seen an estimated 24 percent growth in traffic, compared to the same period in 2009.

World air cargo traffic is on pace to regain the peak it reached in 2007 by the end of this year. In addition to the strong economic rebound, anecdotal evidence suggests that many industrial shippers have turned to air cargo in response to the overcorrection that constrained capacity in other modes of transport, particularly containerships.

"Industrial requirements are driving the rebound, as air cargo is an essential tool for industry and commerce to manage supply chains and bring goods to market," said Allyn. "As airlines return to profitability, they will begin to consider fleet renewal to improve long-term operating costs."

In addition to world economic growth, Asian production fundamentals remain solid and continued growth in China will have positive market effects, as will fewer barriers to international air trade.

Asian air cargo market growth will continue to lead all global traffic routes. Domestic Chinese and intra-Asian markets will grow 9.2 percent and 7.9 percent per year, respectively. Asia-related markets will grow faster than the global average.

Boeing research indicates the world freighter fleet will increase to 2,967 airplanes from 1,755 during the 20-year period, with large freighters – such as the Boeing 747 and 777 – ultimately representing 33 percent of the fleet, compared to 27 percent today.

Freighter demand will be met by 743 new factory-built airplanes and 1,751 conversions from passenger and passenger-freighter combination airplanes, with a total estimated value of \$180 billion in current US dollars. Conversions will account for about 70 percent of total demand.

Boeing provides the most complete and efficient freighter product line, including new production freighters and passenger-to-freighter conversions, teaming with industry leaders to provide innovative conversion solutions to match virtually any air cargo requirement.

The World Air Cargo Forecast 2010/2011 is available at <http://www.boeing.com/commercial/cargo> and the full text is downloadable in PDF format. Boeing has published the biennial World Air Cargo Forecast as an individual report since 1986.

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