

Air Transport Market Analysis - Market 2012

These are the key points from full report that was released this week and which looks at air transport markets in February.



- Passenger and freight volumes in February were considerably higher than a year ago, but this strength was exaggerated by several factors;
- Air travel markets were up 8.6% in February compared to the same month a year ago, and air freight markets rebounded strongly from a weak January to expand by 5.2%;
- However, there were distortions to the February results for several reasons - weaker air traffic during Arab Spring a year ago, postponed shipments of cargo in January from the Chinese New Year holidays and Carnival in Brazil occurring a month early in 2011;
- Regions most impacted by these events show significantly exaggerated year-on-year growth rates in February - passenger travel increased by more than 20% in Africa and the Middle East and by 16% in Latin America, while freight markets in Asia/Pacific grew 9%;
- After adjusting for the distortions, passenger traffic has been increasing at an annualised rate close to the 20-year trend, 6%, since the Arab Spring;
- By contrast, freight traffic continued to fall beyond the Arab Spring at an annualised rate of 5% through to September 2011;
- But has subsequently stabilised and has moved around a broadly flat trend through to February 2012
- Capacity has expanded at a slightly lower rate than the growth in demand, allowing a further rise in passenger load factors in February;
- Together with stabilisation in freight load factors, this will help to contain the damage to airline profitability from high fuel costs;
- The outlook for markets still remains fragile, however, with improvements in business confidence slowing in February, containing the upside for business travel, and higher fuel costs threatening price sensitive markets.

[Read the full report](#)