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Fitch: Resilient Air Cargo Volumes Benefit Some Airports Amid Pandemic

Fitch Ratings-New York-26 August 2020: Air cargo volumes have been more resilient to coronavirus pandemic-related effects than passenger traffic activity, but the overall effect on stabilizing airport revenues is mostly limited to the largest cargo hubs, given smaller cargo revenue contributions at the majority of US airports, says Fitch Ratings. At the 10-largest US cargo airports, passenger volumes were down 80%-90% in the initial period of peak declines after March 2020, while cargo volumes have seen more mild declines or, in a few cases, significant growth.

Despite the negative economic fallout of the pandemic, stay-at-home orders and increased ecommerce and online purchases have bolstered cargo volumes in the short-term. However, Fitch believes volumes could soften over the medium term due to global economic uncertainties. Historically, air cargo trends have exhibited a strong correlation with GDP growth, suggesting that volumes are susceptible to declines in the event of prolonged economic downturns.

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