

# Air cargo forecasts: the mergeglobal forecast

[Environment](#), [Air](#)



The MergeGlobal forecast entitled Steady Climb speaks of the air freight tonnage growth after the traffic boom of 2004, following years of stagnation in 2002 and 2003 because of the dot-com bubble and collapse in technological spending in 2001 (Clancy & Hoppin, 2006, p. 65).

After the global traffic boom came to the slow but positive growth from 2005 until 2010 (Clancy & Hoppin, 2006, p. 65). What we ask, therefore, is how long it would take before the next downturn of growth rate begins again.

MergeGlobal, however, forecasts that “[G]lobal traffic growth is most likely to maintain and to gently accelerate over the next five years” (Clancy & Hoppin, 2006, p. 65). Because of sustained economic growth in North America, Europe, and Japan, there would be additional demand in world intercontinental air freight, while increasing metric tons by 3. 0% from 2000 to 2005, and by 6. 4% from 2005 to 2010 (p. 65).

Industrial goods production from North America and Europe would be transported to Asia via air freight because of persistent congestion and delay problems in the ocean transport system, and thus, creating a positive upgrade and effect to the world intercontinental air freight.

As indicated above, the absence of a downturn would lead to a compound average growth rate that is 6. 4% that is double the growth rate from 2000 to 2005.

This is more than twice the forecasted growth rate in 2000, and slightly above the long-term growth trend of the air cargo tonnage. As indicated too, “ the single most important driver of air freight traffic growth is consumption growth, broadly measured by Gross Domestic Product” (p. 66).

Because there appears to be sustained positive GDP growth in the world's most important air freight regions (except China), then it is presumed that consistent with the historical patterns of the globe, the air freight tonnage is expecting steady growth until 2010.

The majority of the new traffic is expected to boom in the Asian regions for trade and industry. This includes Australia and the Indian subcontinent; while Mexico is put in the Latin America category.

### **Reference:**

1. Clancy, B., & Hoppin, D. (2006, August). Steady climb: MergeGlobal forecasts accelerating intercontinental air freight demand growth through 2010. Retrieved July 30, 2009, from the MergeGlobal database: [http://www.mergeglobal.com/articles/2006-08\\_Steady-Climb\\_Article.pdf](http://www.mergeglobal.com/articles/2006-08_Steady-Climb_Article.pdf).