



2021-2040 Jet Freighter Forecast

Cargo Facts Asia Virtual Conference 20-21 April 2021



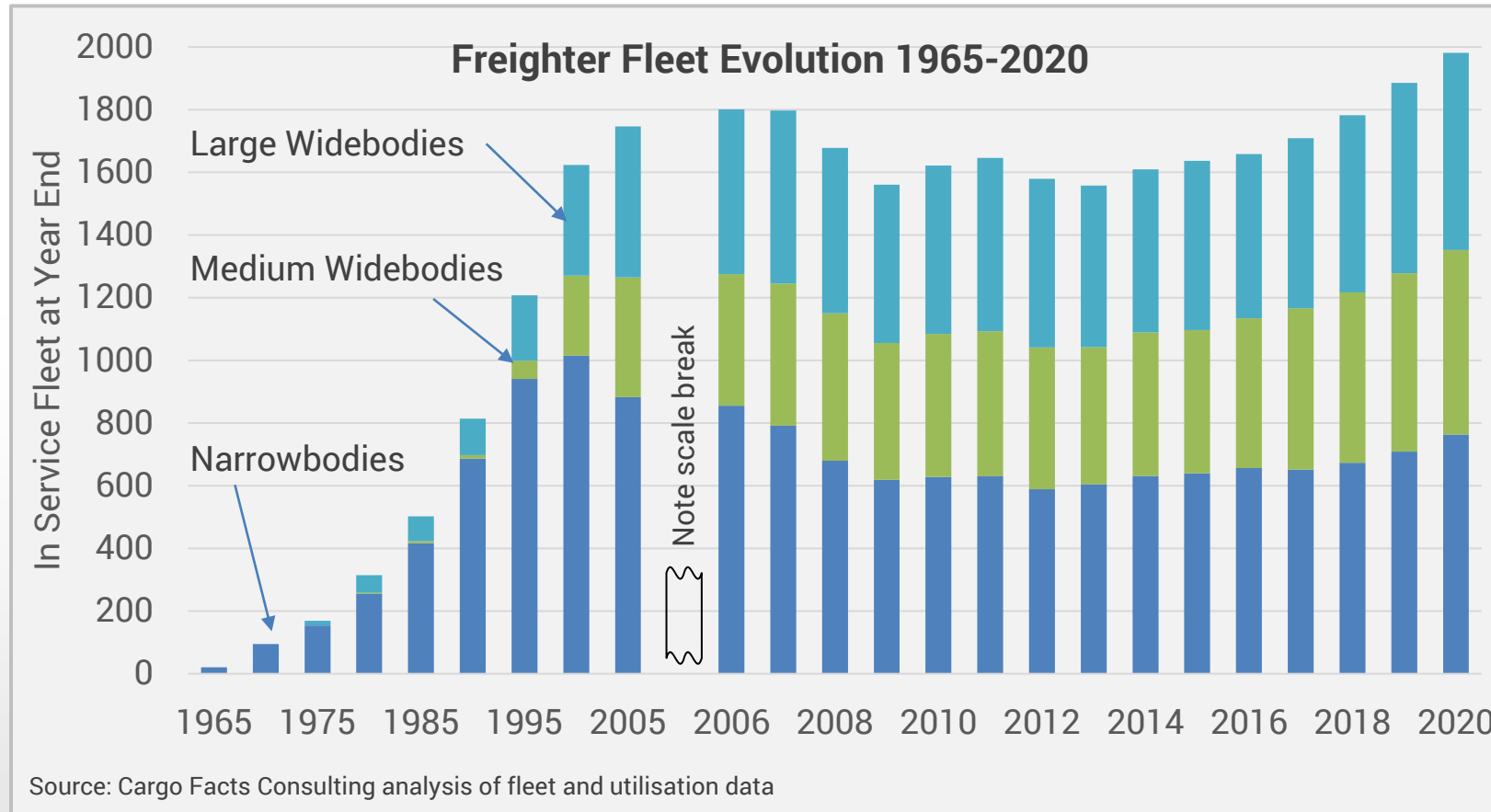
- To be released: next week
- 20 year forecast of retirements and additions of conversions and production freighters.
- Covers feeders, narrowbodies, medium and large widebodies.
- Chapters on pandemic impacts, e-commerce and the conversion market.
- Interactive forecast and feedstock analysis tool.
- Can be purchased via an [Insights](#) subscription or as an [individual report](#).

Agenda

- Freighter Fleet Evolution
- Long Term Forecast 2021-2040
- Short to Medium Term Outlook 2021/2022

Freighter Fleet Evolution

The jet freighter fleet grew by 5% last year as freighter demand stayed high thanks to a massive loss of belly capacity.



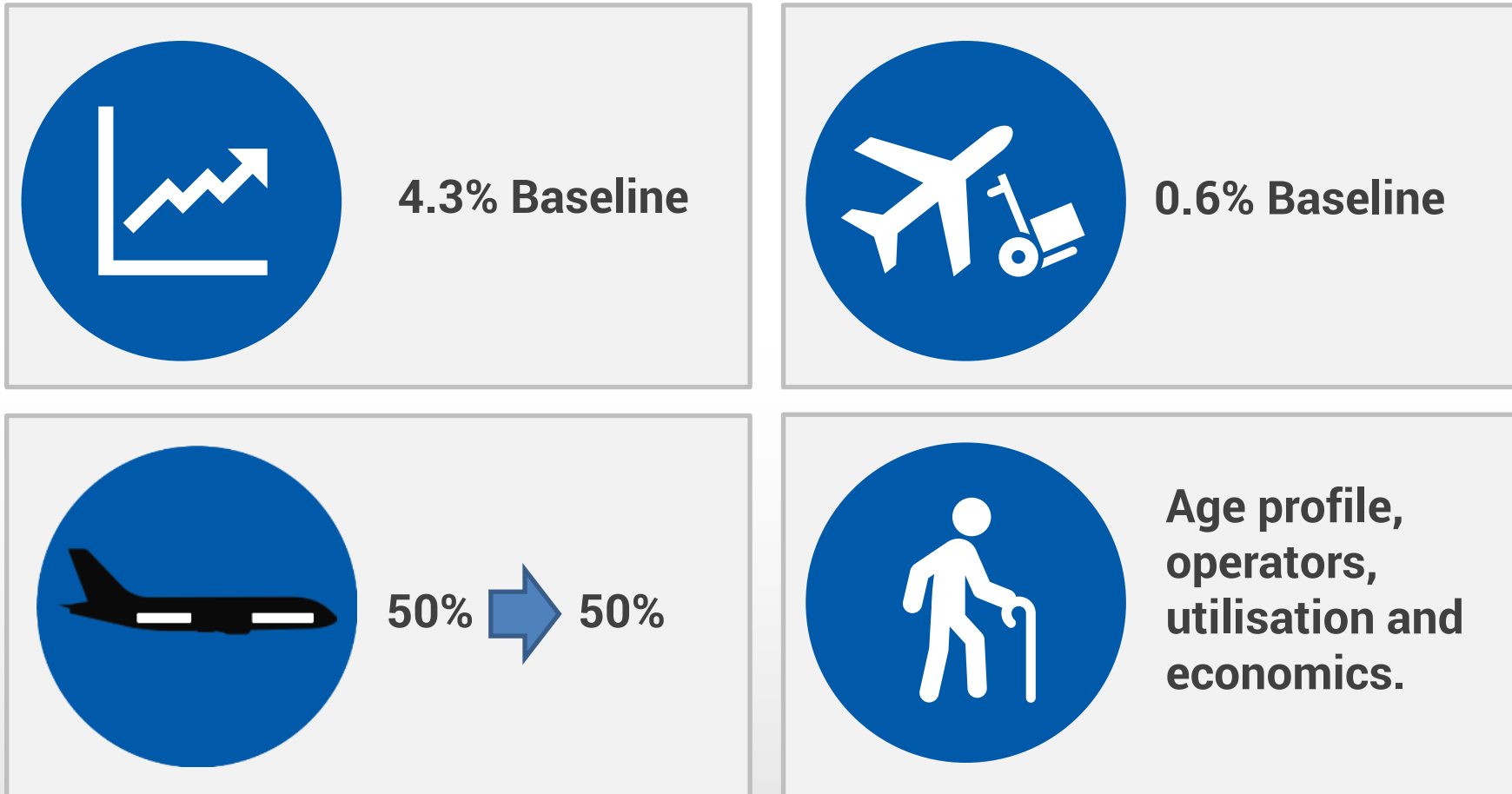
While in 2019 the biggest growth was in the large widebody segment, 2020 saw the most growth in the narrowbody segment.

Narrow Body 1Q 2021 (2020)	Medium Widebody 1Q 2021 (2020)	Large Widebody 1Q 2021 (2020)
763 (+7%) Total Units	589 Total Units (+4%)	629 Total Units (+5%)
14 (11) BAe 146	4 (4) A310-300F	14 (16) MD/DC-10-30/-40
23 (27) DC-9, 19 (16) MD-80	5 (9) A300B4, 164 (163) A300-600	110 (113) MD-11
13(14) B737-200	38 (38) A330-200F, 3 (3) -200P2F	200 (179) B777
28 (32) B727-100/-200	6 (3) A330-300P2F	5 (0) 747-200F, 1 (0) 747-300F
125 (122) 737-300, 161 (145) 737-400	57 (58) B767-200	49 (48) 747-400SF/BCF
8 (6) B737-700, 51 (20) 737-800	189 (168) 767-300F	157 (155) B747-400F/ERF
2 (0) A321-200F	119 (109) 767-300BCF/BDSF	93 (90) B747-8
4 (5) TU-204C, 315 (311) 757-200	4 (14) MD/DC-10-10	

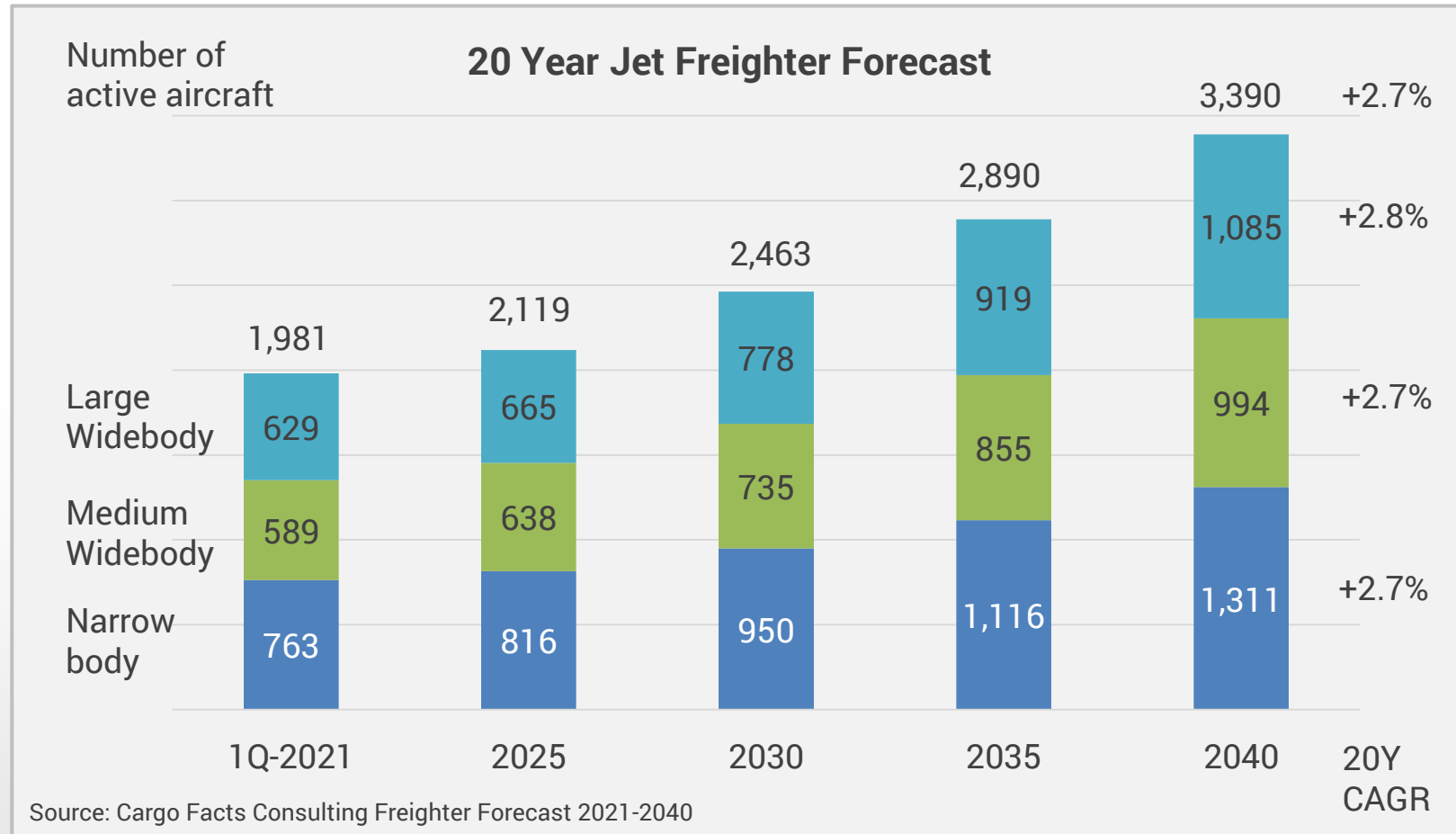
Source: Cargo Facts Consulting, Cargo Facts, Ch-Aviation. Refers to operating fleet in Feb/Mar 2021.

20 Year Forecast

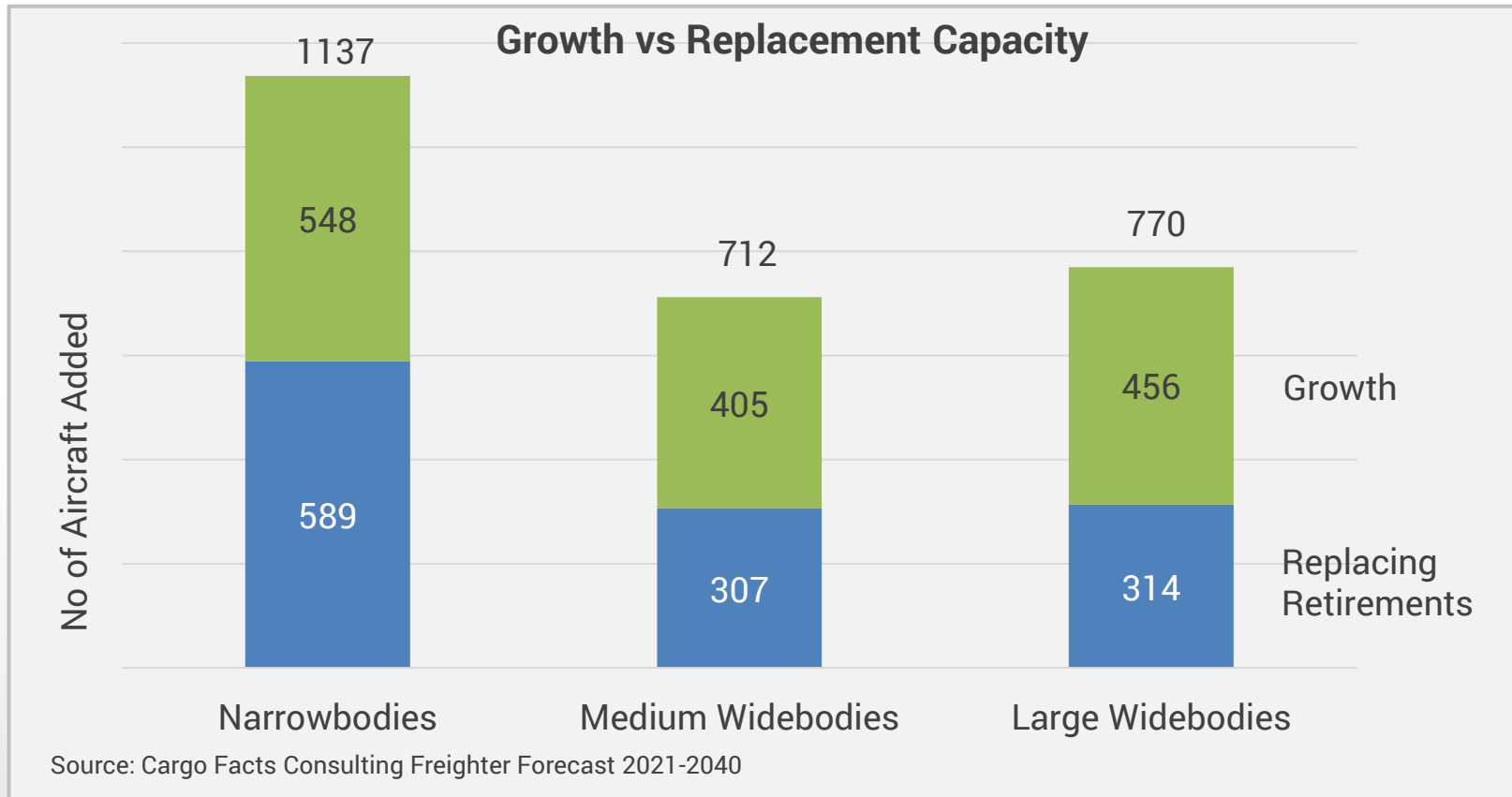
Our forecast is driven by key assumptions on traffic, productivity, and belly share and estimate of retirements.



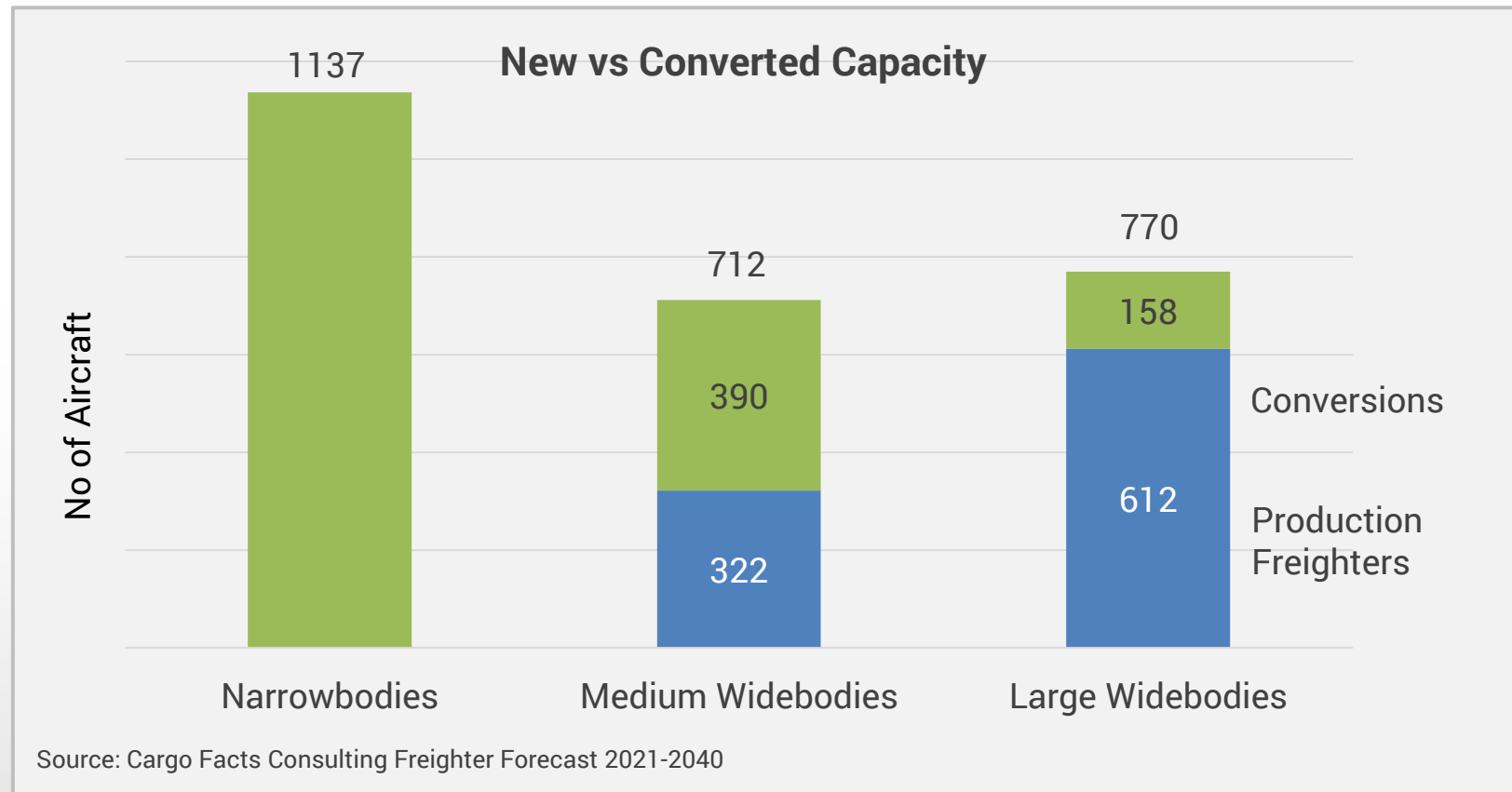
We expect the world's freighter fleet to grow by 70% in the next 20 years.



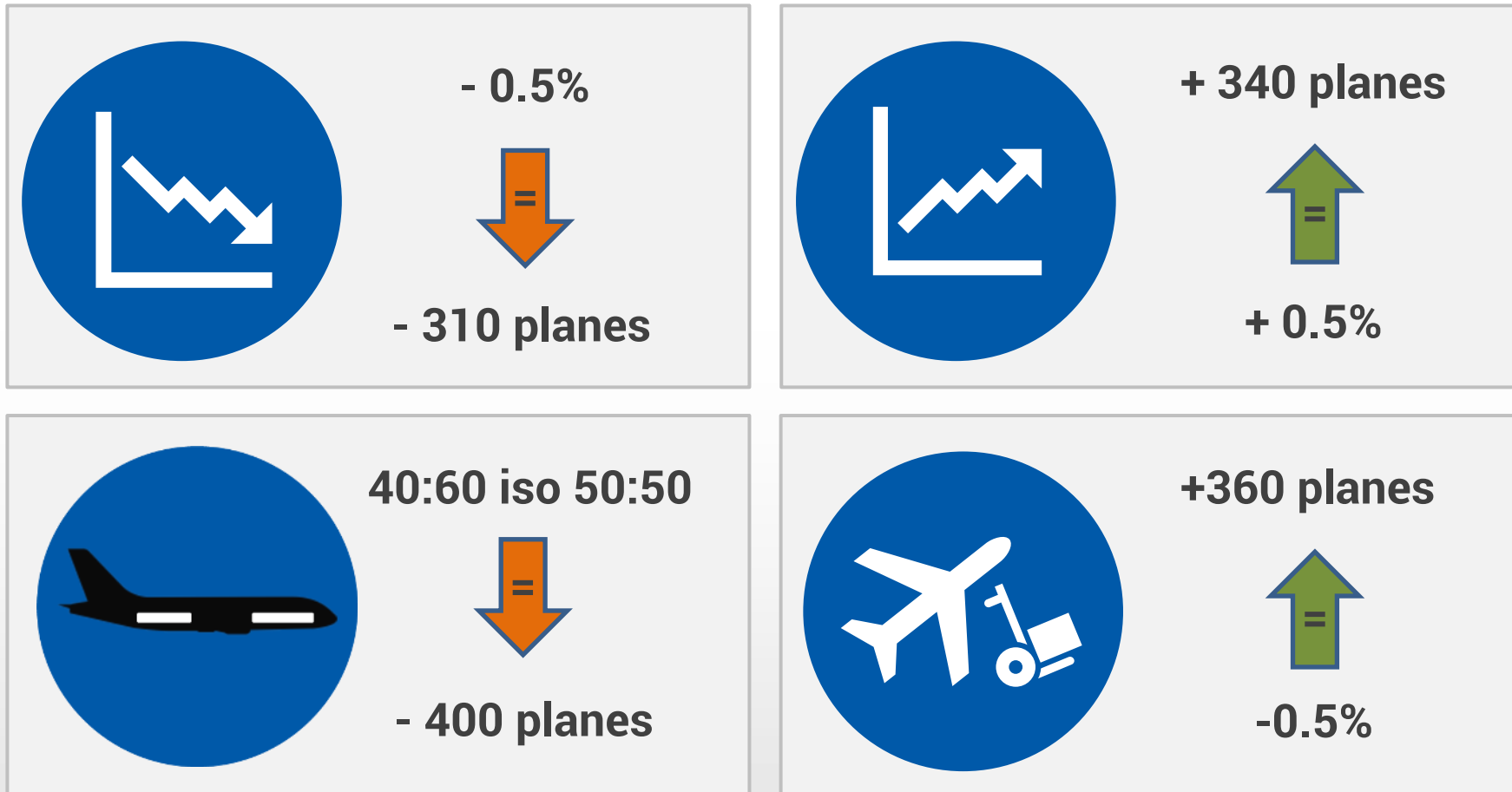
65% of fleet additions are expected to cater for growth. We are bullish on the prospects for the large widebody segment.



Conversions are expected to dominate the narrowbody and medium widebody sector, but not the large widebody segment.



The belly share assumptions have huge impacts particularly on the large widebody fleet.



Short to Medium Term Outlook

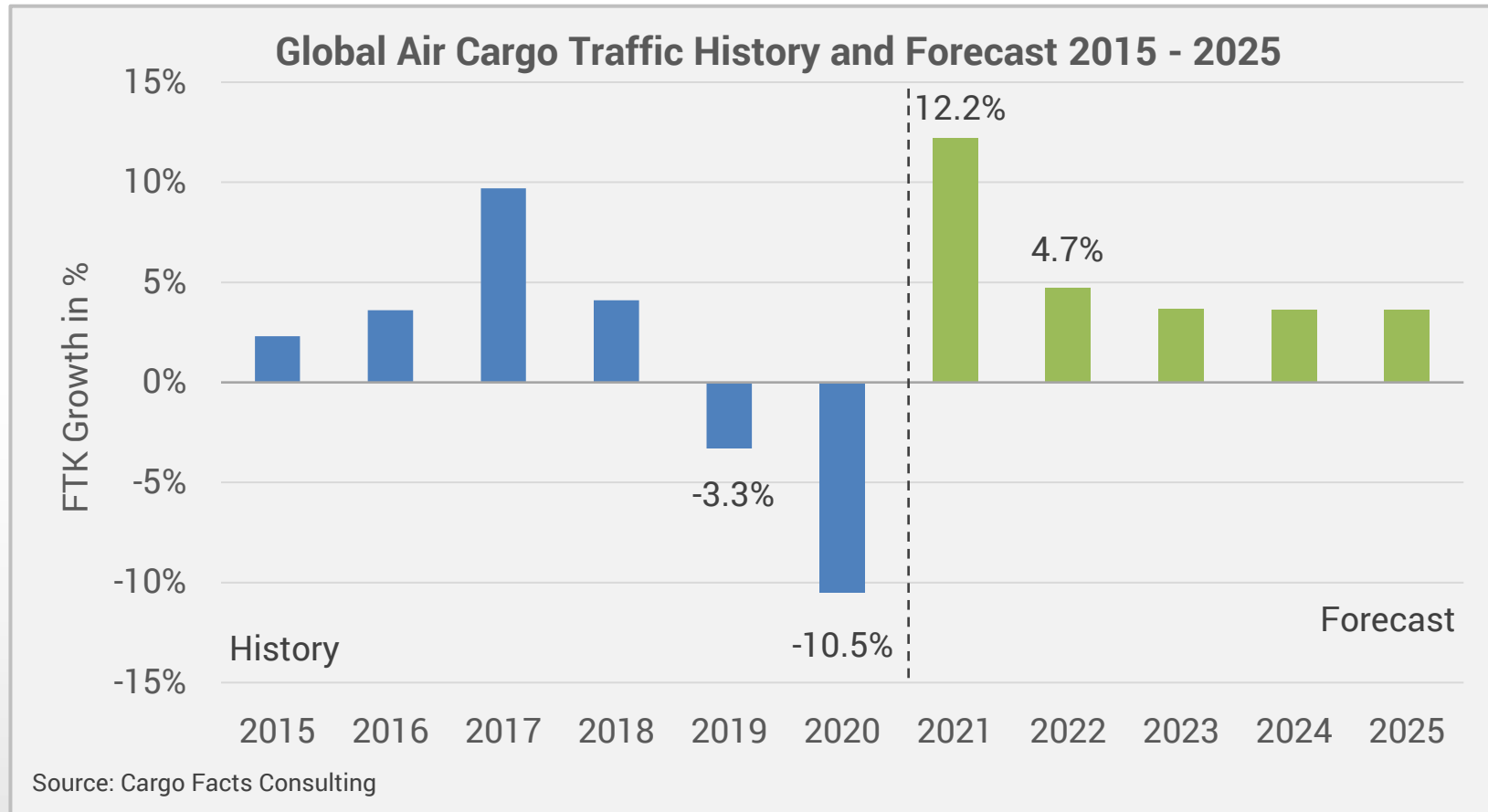
What we said last year: drivers of air cargo market prospects in 2020/2021

- Lockdowns, Virus case numbers, hospitalisations and death
- Stimulus– which parts of the economy are receiving Government assistance and when
- Spending – Consumer and Government, but probably not business investment
- B2C acceleration and the paralysis of brick-and-mortar retail
- Supply Chain Disruptions – due to lack of global synchronisation and low inventories
- Passenger capacity – speed of recovery

What happened in 2020 and 2021 so far

- Demand didn't decline as much as anticipated – more like 10% vs 15%. But there were big regional differences and PPE was a big driver of demand.
- Industrial production numbers were in growth territory since middle of the year despite economic declines
- Freighter operators did extremely well due to lack of capacity and super high rates
- Lots of passenger freighters
- Express market was operating at peak season levels throughout the year, courtesy of business to consumer e-commerce

At this stage, we forecast traffic back at 2019 levels by the end of 2021 or early 2022



Drivers of air cargo market prospects in 2021/2022

- Lockdowns and vaccination rates
- Stimulus and spending
- Demand and capacity imbalances – particularly with regard to passenger capacity
- Trade tensions with China

Q&A / Discussion

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