

Frankfurt, February 2<sup>nd</sup> 2010

## Bellyhold cargo will gain importance

This is the result of aviainform's January 2010 poll. By far the majority of over 300 unique participants (81,3%) expects a rising share of cargo carried on passenger flights. What might be the reason for this clear judgement? The global downturn has hit the air transport industry severely. In particular, doubts on the profitability of all-cargo business obvious arise.

Operating a scheduled freighter network is capital-intensive and rather inflexible making economic success dependent on air cargo business only. The continued weak economic performance of cargo carriers makes a flat or even decreasing number of freighters in the future likely. While full-freighter operation is required to meet demand on trunk routes, belly capacity is an attractive complement enhancing flexibility of air cargo operation. Furthermore, on the "spokes" with rather low demand bellyhold cargo could be the only profitable alternative for air carriers. Additionally, bellyhold or lower-hold cargo contributes positively to the operating profit of economically critical passenger operation with some air carriers earning up to 40 or more per cent while the industry average is well below 20 per cent.

Since full-freighter operation is not profitable, joined operation could ensure a dense network of passenger and cargo services. However, for bellyhold cargo to gain importance it is required that scheduling and operation of passenger services account for cargo needs too. If this is not being a primary target for the labour divided air cargo industry, it is most likely that they'll lose their share of the market to the integrated carriers such as DHL, FedEx or UPS.

This poll was conducted by aviainform and participants have been able to vote during their website visits in January 2010. Our readers poll for February 2010 will focus on the market share of the Top10 Forwarders. For further details, please visit [www.aviainform.org](http://www.aviainform.org).

