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## Dynamic Load Factor Press release

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### TIACA Calls for the Use of the Dynamic Load Factor Methodology to Measure Air Cargo Performance

FOR IMMEDIATE RELEASE

Miami, 26 October 2020

The International Air Cargo Association (TIACA) is joining CLIVE Data Services (CLIVE), an air cargo data company, in a call for the air cargo industry to adopt the dynamic load factor methodology as the industry standard for measuring the utilization of air cargo capacity.

Introduced in 2019 by CLIVE, the dynamic load factor methodology measures how full an aircraft is by considering both freight volume and weight. CLIVE and TIACA consider this as a major improvement compared to the traditional weight-based load factors which are misleading and paint an unnecessarily negative image of the airfreight industry. The reason is that, in most of the cases, the space in an aircraft runs out before reaching its maximum weight capacity. It is due to aircraft's higher capacity density (calculated as available kg per cubic meter) than the average density of the goods moved by air.

Using industry's traditional way of measuring load factors solely by weight, the average load factor for September 2020 was 47%, according to CLIVE. However, the same data from airlines calculated taking into account both weight and volume reveals a more accurate and realistic dynamic load factor of 70%.

#### **Dynamic load factor versus weight load factor**

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**The International Air Cargo Association**

General Secretariat: P.O. Box 661510, Miami, FL 33266-1510 USA

Tel: +1 786 265 7011 • Facsimile: +1 786 265 7012 • E-mail: [secgen@tiaca.org](mailto:secgen@tiaca.org)

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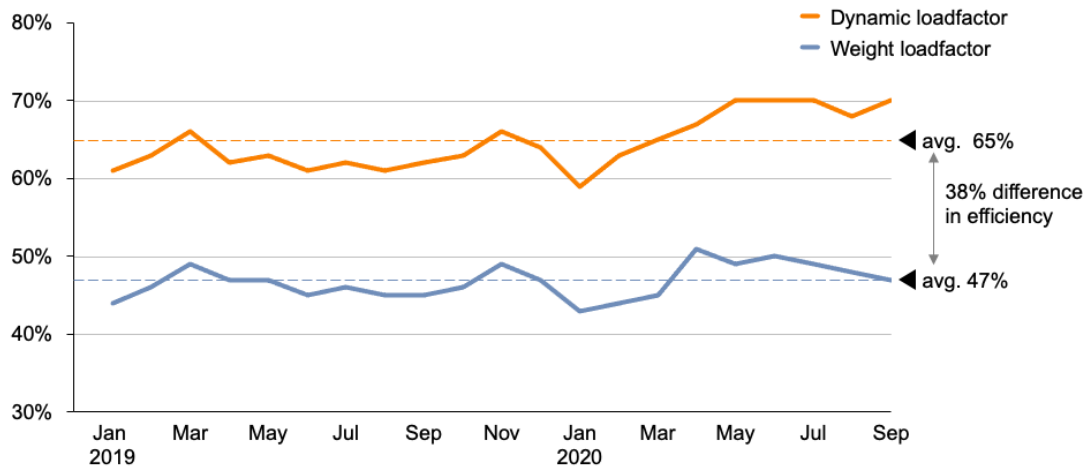


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## Air cargo capacity is 38% better utilised than traditional weight loadfactor suggests

Global air cargo loadfactor development 2019 - 2020  
(%)



Source: CLIVE Data Services

Steven Polmans, Chair of TIACA's Board of Directors, is leading the call for change: "So many business decisions in air cargo industry are influenced by the perceptions of cargo load factors which do not show the true figures. Adopting the dynamic load factor will enable cargo professionals and stakeholders to make informed decisions based on timely and more accurate data."

Beyond the proof of data, there is a growing industry support for this new cargo capacity measurement. A recent TIACA survey which gathered feedback from over 80 members attending association's Economics4Cargo webinar revealed a 98% support for the dynamic load factor methodology.

## The support for the dynamic load factor methodology by air cargo

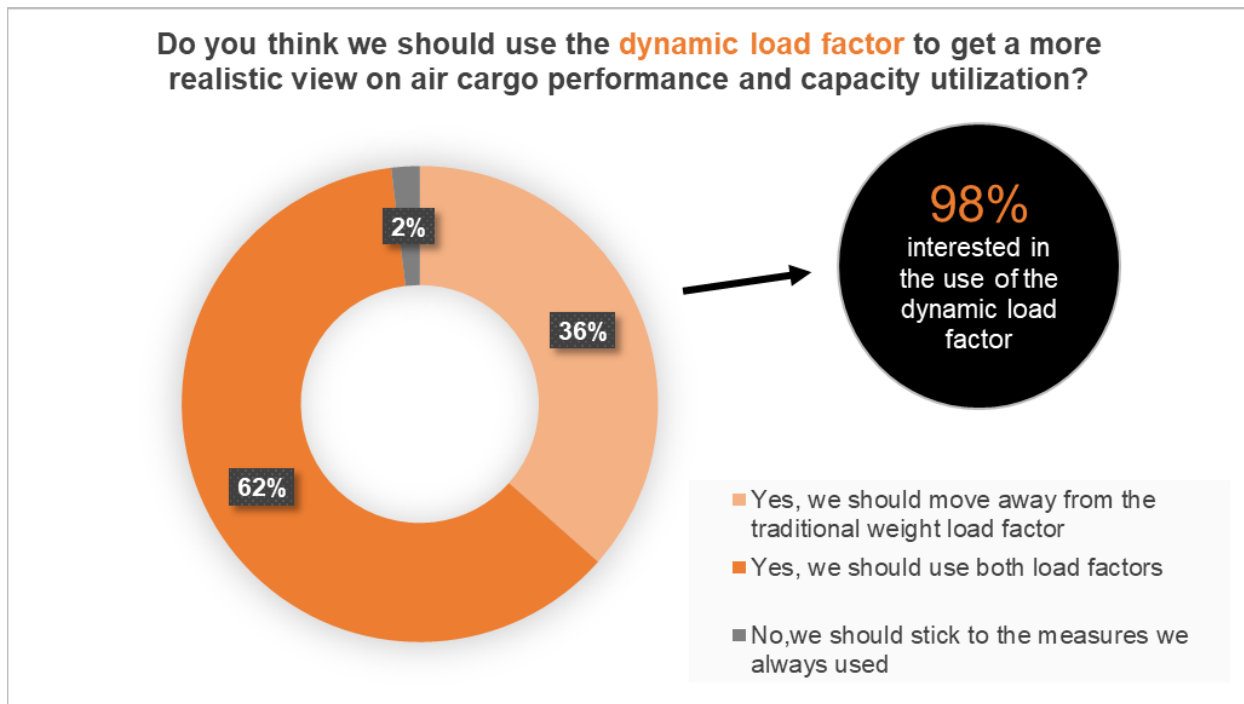
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## Regular economic data intelligence and monthly reporting

TIACA will continue working with CLIVE to bring regular dynamic load factor-based analysis to its members. In addition to the regular Economics4Cargo webinars offered to TIACA members since summer 2020, CLIVE will now be delivering a monthly detailed lane analysis, based on prime markets to and from North America, Europe, Asia Pacific, Latin America, Africa and the Middle East.

“We welcome TIACA’s support and our growing collaboration with the association’s members to deliver the most insightful air cargo market analysis. Our dynamic load factor reflects the reality of air cargo capacity utilization. Looking only at weight-based load factors is not enough anymore and can lead stakeholders to wrong conclusions. We must establish a common benchmark on the utilization of air cargo capacity, particularly if airlines want forwarders and shippers to understand why rates behave as they do. It is otherwise difficult to explain why rates are spiking when the traditional load factor measurement suggests aircraft are operating only half-empty,” added CLIVE’s Managing Director, Niall van de Wouw.