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The FRED® Blog

Air freight prices to and from Asia

FRED Blog's 750th post looks to Marco Polo



Posted on December 20, 2021



CPI +3.2 % Chg. from Yr.
Ago on Feb 2024

Civ. Unemploy. Rate 3.9 %
on Feb 2024

10-Yr. Treas. Rate 4.22 %
on 2024-03-22

Real GDP +3.2 %, Comp.
Annual Rate of Chg.
on Q4 2023

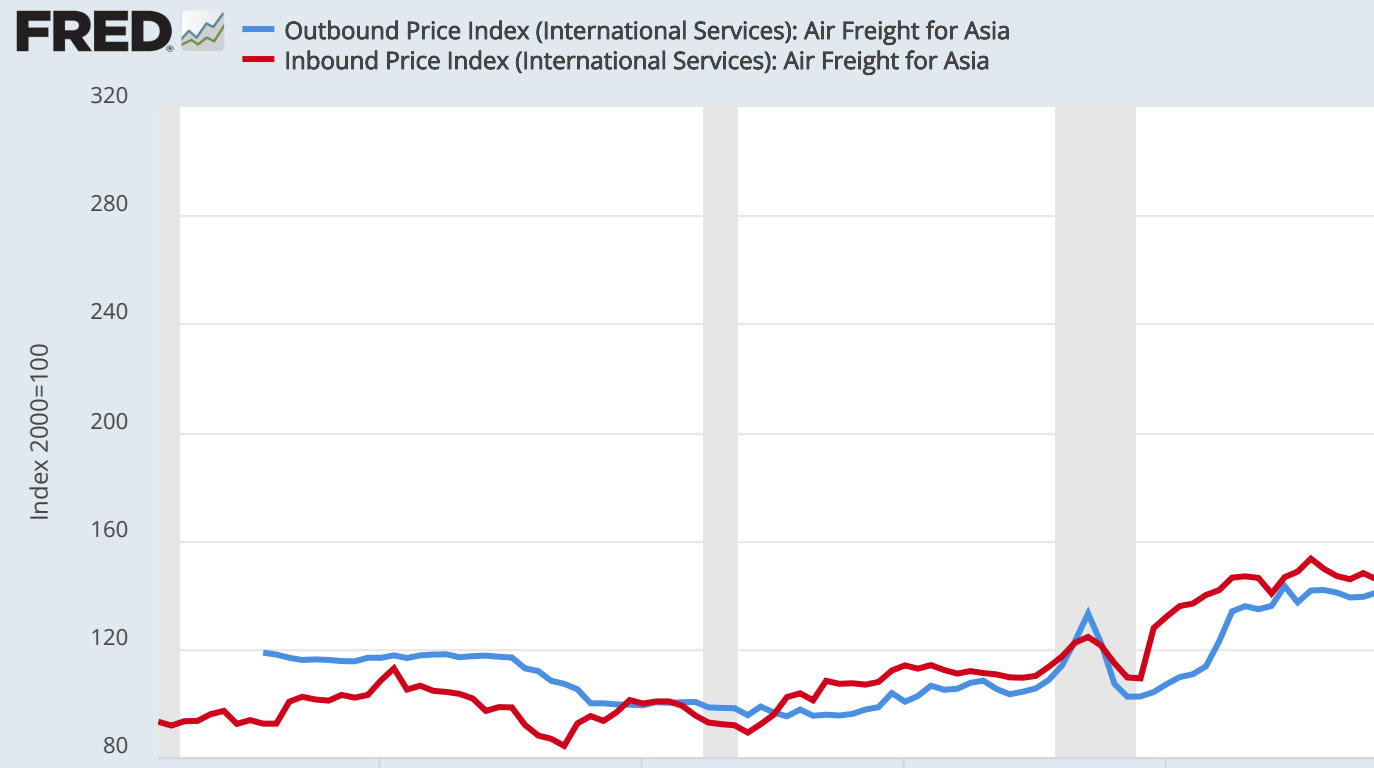
IP +0.1 % Chg.
on Feb 2024

Payroll Employment +275 Chg., Thous. of
Persons on Feb 2024

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Today, the FRED Blog offers its 750th post of engaging graphs from the FRED data library. To celebrate, we draw a serendipitous connection between historical and current economics.

In 1271, 750 years ago, Marco Polo first left Venice for Asia. In the spirit of this traveling merchant, the FRED Blog compares air freight costs to and from Asia, which is not as straightforward as you might think.

The FRED graph above shows the price index for air freight (cargo) reported by the U.S. Bureau of Labor Statistics: U.S. cargo outbound to Asia in blue and U.S. cargo inbound from Asia in red. Because this data series uses an index number, equal to 100 in the year 2000, we can't compare the actual price levels for flying cargo back and forth between the U.S. and Asia. However, we can compare the rates of growth of air freight prices and point out some thought-provoking patterns.

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Between 1992 and 2020, both inbound and outbound air freight prices moved nearly in lockstep. That should be expected if the back-and-forth routes are very similar. Then, between February and May 2020, the COVID-19 pandemic caused a large spike in prices due to the drop in overall international travel driven by health and safety protocols. However, since mid-2020, inbound air freight prices have maintained a faster rate of growth than outbound air freight prices.

The reason for this disparity? Supply and demand.

This [article from the Bureau of Labor Statistics](#) describes how air freight flies both in dedicated cargo planes and in the holds of passenger planes. Increased U.S. demand for COVID-19-related masks, gowns, and other personal protection equipment drove air shipping costs up at the same time that inbound passenger travel decreased.

If Marco Polo were collecting mementos from trips to Asia today, he would be paying significantly more to ship them home than he would to send thank-you gifts to Asia for the hospitality he received.

How this graph was created: Search for and select “Outbound Price Index (International Services): Air Freight for Asia.” From the “Edit Graph” panel, use the “Add Line” tab to search for and select “Inbound Price Index (International Services): Air Freight for Asia.” To change the line style of the series use the “Format” panel.

Suggested by [Diego Mendez-Carbajo](#).
