![IATA]

Air Cargo Market Analysis

January 2025

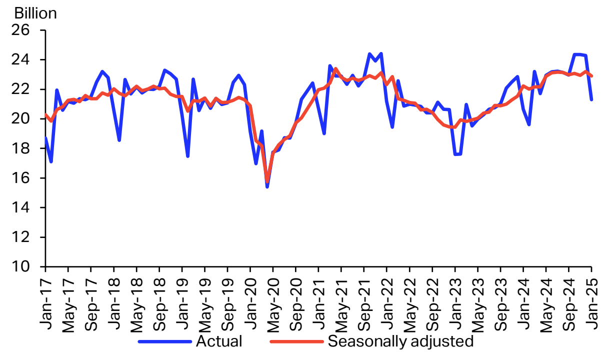
Total industry cargo demand slows to low single digit

- Global Cargo-Tonne-Kilometers (CTK) rose 3.2% year-over-year (YoY) in January, marking a year and a half of consistent expansion. Adjusted for seasonality, demand posted a 3.1% month-on-month (MoM) increase.
- International CTK grew 3.6% YoY, with most major regions and trade lanes recording single-digit gains. Airlines in the Latin America and Caribbean region saw the strongest growth at 10.0%, the only region to reach double digits. Among trade lanes, Europe-North America led with a 9.7% YoY rise.
- Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), increased by 6.8% YoY in January. Cargo Load Factor (CLF) declined to 43.9%, the lowest in 17 months.
- Jet fuel prices fell 11.2% YoY, continuing a decline that began in July 2024. Meanwhile, global air cargo yield remained on an upward trajectory, rising 7.0% YoY, a trend that began in June 2024, but dropped by 9.9% MoM.

Air cargo demand expansion cools

The air cargo industry continued to grow, with 3.2% YoY, in January 2025 albeit at a considerably lower rate than the previous year. Nevertheless, the latest figures marked 18 consecutive months of expansion **(Chart 1)**. Seasonal adjustments reveal a similarly modest 3.1% uptick from the previous month.

Chart 1 – Industry CTK, billion



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

In January 2025, the new U.S. administration introduced tariffs on imports from Canada, Mexico, and China, causing trade uncertainty. Although tariffs were paused for Canada and Mexico, the 10% tariff on Chinese imports remained, coming into effect from February.

The global market expansion faced headwinds from reduced activity in Africa and the Middle East during January 2025, following their exceptional performance in 2024, as African carriers grew at 15.9% and Middle Eastern ones at 26.2%, likely influenced by the Red Sea situation. In contrast, carriers from the Asia/Pacific region continued to be the primary catalyst of annual CTK growth, contributing the largest share. To put this in perspective, all other regions' CTK values are compared to Asia/Pacific's, which is the benchmark. North America came in second, accounting for half of Asia/Pacific's CTK contribution. Latin America and the Caribbean took third place, contributing 12% of Asia/Pacific's CTK, while Europe followed closely with 11%.

Modest International cargo demand growth worldwide; Latin America and Caribbeans Stands Out

Last month, global international air traffic increased by 3.6%, which is typical for this slower time of year following the Christmas shopping rush. International air cargo traffic displayed mixed performance with growth rates ranging from a 10% increase to a decrease of 8.3%, mostly staying within single digits **(Chart 2)**.

Airlines registered in the region Latin America and Caribbean continued to lead the way, for the fifth consecutive month, with a 10% YoY, followed by North America with 9.4%. Asia Pacific, the largest market by cargo volume, experienced a 7.4% increase. In contrast, both African and Middle Eastern registered

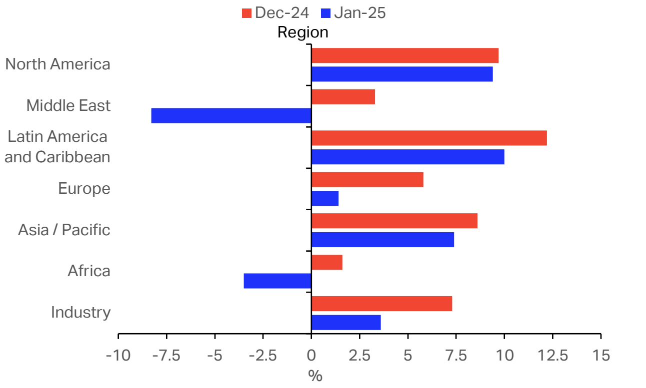
Air cargo market in detail - January 2025

	World share [1]	January 2025 (% year-on-year)			
		CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	***100.0%***	**3.2%**	**6.8%**	**-1.5%**	**43.9%**
International	*87.3%*	3.6%	7.3%	-1.7%	47.6%

Note 1: % of industry CTK in 2024

airlines contracted, respectively, by 3.5% and 8.3%, the result of a base effect as January 2024 proved to be an outstanding month for these two regions.

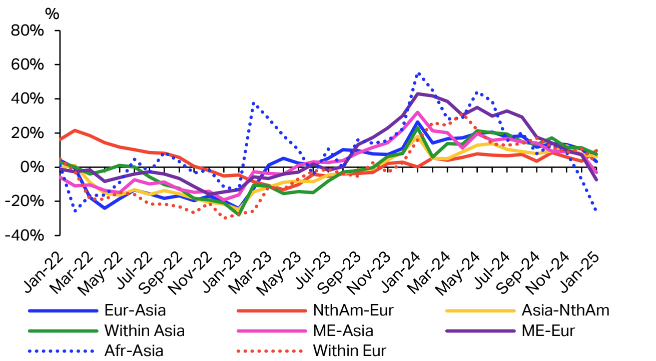
Chart 2 – International CTK by airline region of registration, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Global air cargo demand remained positive although at single digit rates, with most key trade routes recording gains. However, Africa-Asia, along with Middle Eastern pathways to Asia and Europe saw respective declines of 26.1%, 7.3%, and 3%.

Chart 3 – International CTK by route area, YoY, %

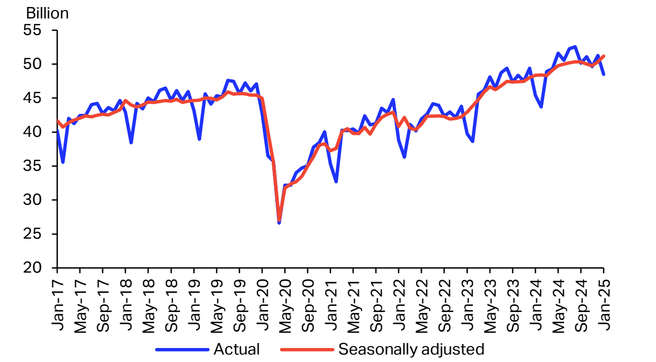


Source: IATA Sustainability and Economics using data from IATA Information and Data

Europe-North America corridor led growth, surging by 9.7% YoY, possibly influenced by anticipatory shipping ahead of potential U.S. trade tariffs. Within Asia saw a 7.6% rise, extending its positive trajectory into 15 months. The Asia-North America route, the industry's largest cargo market, posted a 6.1% increase, also expanding for 15 consecutive months. The Europe–Asia lane, ranking third in cargo volume, displayed modest yet steady progress with a 2.3% YoY increase, marking almost two years of consecutive gains **(Chart 3)**.

Excess capacity drives CLF to recent low

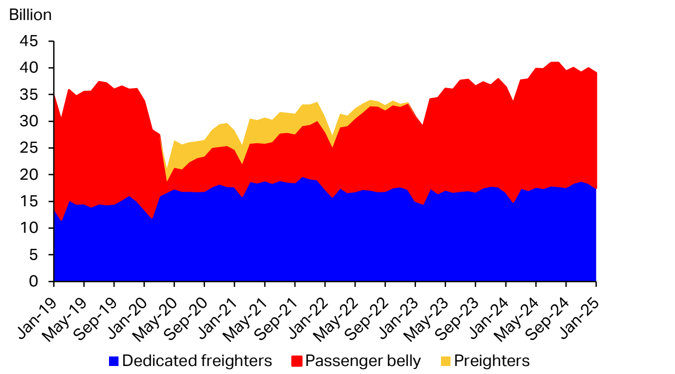
Chart 4 – Industry ACTK, billion



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

ACTK for the industry demonstrated a solid increase last month, with an 6.8% YoY and a seasonally adjusted 1.7% MoM rise, also reaching a new record CTK volume for any past January **(Chart 4)**. However, the CLF for January 2025, which measures the balance between supply and demand, decreased by 1.5 percentage points from the same month in 2024, settling at 43.9%. This marks the lowest CLF since September 2023, as the industry experienced a surplus of capacity, resulting in underutilized space.

Chart 5 – International ACTK by cargo business type, billion

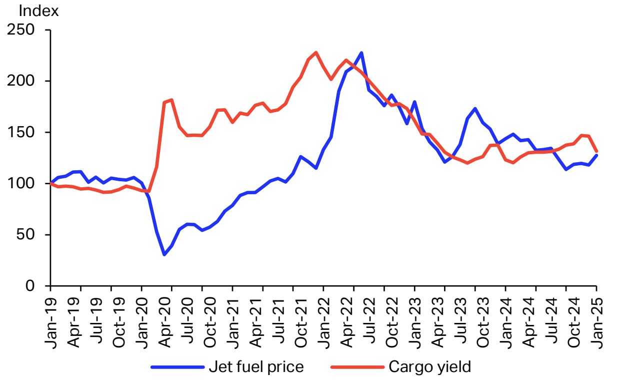


Source: IATA Sustainability and Economics using data from IATA Information and Data

Last month, international air cargo capacity's growth was driven by belly-hold capacity which grew by 10.0% YoY, making it its 46th month of expansion. Belly-hold cargo now accounts for 55.2% of international shipping, up from 53.9% a year ago, underscoring its increasing importance in air freight. Pure cargo aircraft availability extended its upward trend for the 10th month running, with a 4.2% annual increase, though its international freight capacity share decreased to 44.8% from 46.1% in the January 2024 **(Chart 5)**.

Fuel Costs Drop, Yields Rise Year-on-Year

Chart 6 – Jet fuel price and air cargo yield (with surcharges), global index, Jan 2019 = 100



Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, CargoIS

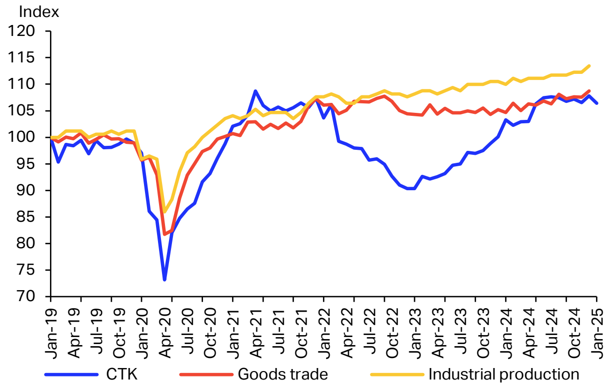
In January, average monthly global jet fuel prices fell by 11.2% YoY, the seventh consecutive fall. In contrast, in MoM terms it experienced an increase of the opposite magnitude at 8.1%. The monthly jet fuel crack spread finished at USD 17.40, down from USD 28.50 from the same month in 2023 but widening from USD 15.50 in December 2024. The yearly decline in global oil prices can be attributed to various factors. On the supply side, non-OPEC+ producers are expected to drive a significant increase in global oil supply in 2025, led by the Americas. Meanwhile, China's petrochemical sector is driving its oil demand growth, but at a slower pace than in recent years. Additionally, India and other emerging Asian economies are taking up increasing shares of global oil demand growth. As a result, OECD demand is forecast to return to structural decline, further contributing to the downward pressure on prices **(Chart 6)**.

Global air cargo yield, including surcharges, dropped significantly by 9.9% MoM, a larger decline than the 0.4% decrease the previous month. This marks the second month in a row of decline. However, it still underwent a 7.0% YoY increase, continuing its YoY growth for the eight consecutive months. Several circumstances are sustaining the annual rise in air cargo profitability. The persistent expansion of digital retail is generating a substantial uptick in e-commerce shipping needs. Moreover, the prolonged disturbances in maritime transport, notably the Red Sea impasse caused by Houthi militant assaults on commercial vessels, are prompting shippers to shift to air freight. This diversion of cargo is further straining available air transport capacity, thus bolstering yields.

Positive Signals from Global Production and Trade

December 2024's economic landscape revealed a robust industrial sector, as reflected in the World Bank's Global Economic Monitor (GEM) data. The industrial production index, a key bellwether for future economic activity, posted a 2.6% YoY increase, marking 24 consecutive months of expansion. Moreover, the MoM growth rate accelerated by 1.0%. This uptrend in industrial production is a strong indicator of heightened manufacturing activity, which typically fuels demand for air cargo services.

Chart 7 – Seasonally adjusted industry CTK, industrial production at constant USD prices, and cross-border goods trade volume, global index, seasonally adjusted, Jan 2019 = 100

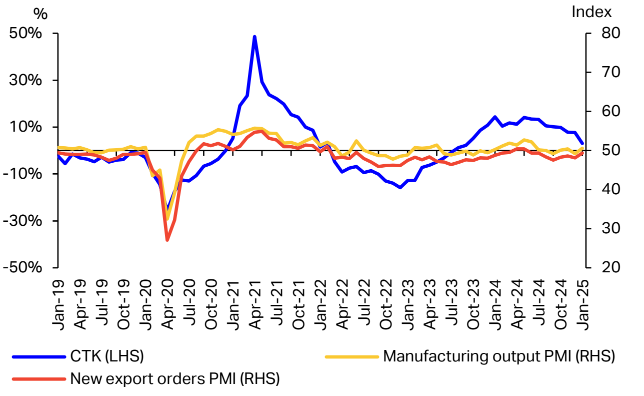


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, Macrobond

Meanwhile, the global merchandise trade, as tracked by the CPB Netherlands Bureau's World Trade Monitor, continued its upward trajectory. This indicator, which measures the volume of physical goods traded internationally, surged by 3.3% YoY in December 2024, its ninth consecutive month of growth. The MoM expansion rate stood at 1.1%, a reversal from the previous month's contraction. This positive trend in global trade volumes bodes well for the commercial air cargo industry, as it often translates to increased demand for air cargo services. In fact, our industry's YoY growth rate for CTK in January 2025 stood at 3.2%, further corroborating this trend **(Chart 7)**.

The pulse of the global economy is taken through Purchasing Managers' Indexes (PMIs), which provide valuable insights into the private sector's performance. The latest data for January 2025 suggests a renewed sense of optimism, with the manufacturing sector poised for a rebound, registering a score of 50.62. This marks a significant turnaround from the previous month's contraction and represents the highest reading since July 2024. Furthermore, new export orders are on the upswing, rising to 49.37, just shy of the growth threshold. This 1.22-point increase from last month is the largest since June 2024, indicating a potential resurgence in export activity. However, this growth spurt is tempered by the fact that export orders have remained below the 50-point mark for eight consecutive months, a trend that may be exacerbated by the protectionist policies of the new US administration, which could potentially stifle export growth in the coming months **(Chart 8)**.

Chart 8 – Seasonally adjusted industry CTK, YoY, % (LHS), and global manufacturing and new export orders PMIs, 50 = no change (RHS)



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, S&P Global Markit

Price pressures vary: US-Japan up, China subdued

Global consumer inflation trends in January 2025 showed mixed signals. In the United States, the Consumer Price Index (CPI) rose 3.0% YoY, marking four consecutive months of growth and the largest increase in seven months. This surge was likely driven by the avian flu outbreak, which led to an egg shortage and businesses raising prices at the start of the year. Similarly, the EU27's CPI growth rate edged up to 2.8%, driven mainly by services inflation. Japan's CPI continued to soar, reaching 4.0%, its highest level since January 2023, fueled by rapid food price increases and high energy costs.

In contrast, China's CPI growth rate rebounded to 0.5% in January, reversing a four-month disinflation trend. Seasonal factors, such as the Lunar New Year, boosted consumer spending and prices, while fresh produce prices also increased during the festive period. However, the property market downturn and financial tightening have helped keep CPI subdued.

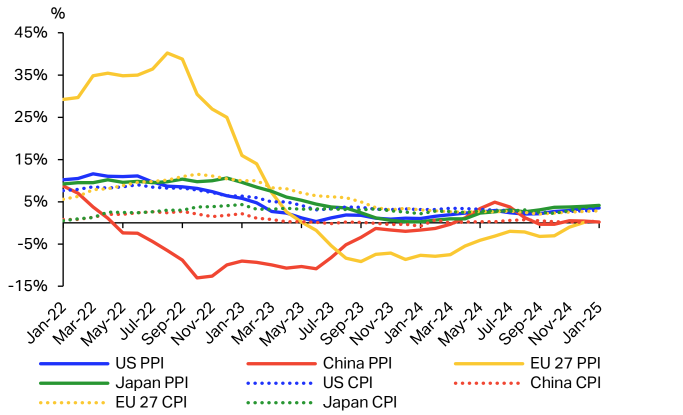
The mixed bag of global inflation trends is likely to influence air cargo and economic growth trajectories. Prolonged high inflation in the US, European Union, and Japan may curb consumer appetite and business investment, while China's inflation rebound could spark a short-term uptick in domestic consumption. However, the unclear inflation outlook may create a sense of unease, affecting economic stability. **(Chart 9)**.

As measured by the Producer Price Index (PPI), wholesale price trends offer a glimpse into future inflation directions. In the US, Januarys PPI data showed a 3.5% YoY surge, marking a tenth consecutive month of above-target inflation, driven partly by rising energy costs and increased demand for goods and services. Japan's PPI, meanwhile, reached 4.2% YoY, fueled by capital goods and energy price hikes.

In contrast, China's PPI dipped to 0.2%, its third straight monthly decline, signaling a persistent disinflationary trend. The recent imposition of US tariffs on Chinese goods has added to China's economic growth pressures, on top of weak demand, and overcapacity in certain sectors, such as manufacturing, chemicals, steel, and Electric Vehicles (EVs) and Solar Panels. The timing of the Chinese New Year also introduces volatility into the data, as factories close and consumer spending patterns shift. The European Union's PPI for December 2024, meanwhile, eked out a 0.1% YoY gain, finally breaking free from an 18-month deflationary spell. This upswing was driven primarily by price increases for capital goods and non-durable consumer goods. January 2025 figures for the EU27 are still pending release.

Changes in production costs can have a cascading effect on our industry. The US and Japan's rising PPIs may lead companies to reassess their budgets, potentially impacting air cargo demand. In contrast, China's subdued PPI growth suggests a stable cost environment, which could help maintain air cargo volumes. Meanwhile, the EU27's modest PPI increase may make its exports more competitive, potentially boosting air cargo traffic on outbound routes.

Chart 9 – Consumer price index and producer price index in major economies, YoY, %



Source: IATA Sustainability and Economics using data from Macrobond

Air cargo market in detail - January 2025

	World share [1]	January 2025 (% year-on-year)			
		CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	***100.0%***	**3.2%**	**6.8%**	**-1.5%**	**43.9%**
Africa	*2.0%*	-3.4%	5.4%	-3.6%	39.5%
Asia Pacific	*34.2%*	7.5%	10.9%	-1.4%	43.3%
Europe	*21.5%*	1.3%	3.5%	-1.2%	53.8%
Latin America	*2.9%*	11.2%	10.6%	0.2%	33.5%
Middle East	*13.6%*	-8.4%	-1.2%	-3.2%	40.8%
North America	*25.8%*	5.3%	7.5%	-0.9%	41.9%
International	***87.3%***	**3.6%**	**7.3%**	**-1.7%**	**47.6%**
Africa	*2.0%*	-3.5%	4.8%	-3.5%	40.9%
Asia Pacific	*30.6%*	7.4%	12.8%	-2.4%	48.8%
Europe	*21.0%*	1.4%	3.5%	-1.2%	55.7%
Latin America	*2.5%*	10.0%	11.1%	-0.4%	37.4%
Middle East	*13.6%*	-8.3%	-1.2%	-3.2%	41.0%
North America	*17.5%*	9.4%	9.5%	0.0%	45.9%

Note 1: % of industry CTK in 2024

Note 2: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

IATA Sustainability and Economics
economics@iata.org
27 February 2025

Get the data

Access data related to this briefing through IATA's Monthly Statistics publication:
www.iata.org/monthly-traffic-statistics

IATA Economics Consulting

To find out more about our tailored economics consulting solutions, visit:
www.iata.org/consulting