



Air Cargo Market Analysis

July 2025

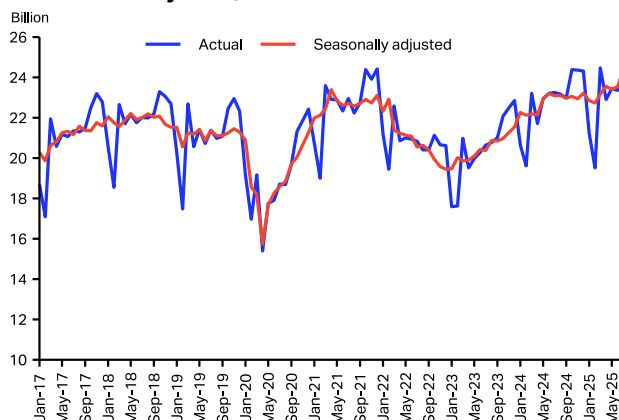
July Delivers a Boost to Air Freight Demand

- The industry's air cargo demand, measured in Cargo Tonne-Kilometers (CTK), increased 5.5% year-on-year (YoY) in July, compared to 0.6% in June, reflecting a rebound of the cargo market amid the trade war.
- International CTK saw a 6.0% YoY rise, with most regions and routes posting single-digit gains. Asia Pacific led the international air cargo growth with an 11.0% YoY increase.
- Global available cargo space, measured in Available Cargo Tonne-Kilometer (ACTK), expanded by 3.9% YoY, while capacity utilization, Cargo Load Factor (CLF), decreased 0.7 percentage points compared to June 2024.
- Jet fuel price dropped by 9.1% YoY, marking the fifth consecutive annual decline, despite a 4.3% MoM increase in July. Cargo yields continued to soften, with freight rates down 2.0% YoY, though they edged up 0.8% MoM.

Global air cargo demand picks up as tariffs loom

Global CTK increased by 5.5% in July compared to the same month of 2024. This is a significant improvement from June's 0.6% YoY increase and matches numbers seen in March and April of this year, when CTK also increase by 5.5% YoY in each month. Seasonally adjusted CTK registered the second largest increase in the year, growing by 5.1% and only staying behind April's performance. These figures are a consequence of the US tariff revisions in July, and shippers' attempts to minimize their impacts by frontloading or opting for air cargo instead of other slower modes of transport (Chart 1).

Chart 1: Industry CTK, billion



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

This tariff-related uncertainty can still loom in the upcoming months, as trading partners seek deals with the US government, and the latter keeps revising the list of goods exempt for specific countries.

Most regions registered an improvement in CTK growth. Carriers registered in [Africa](#) kept the momentum seen in June and posted a 9.4% YoY increase in air cargo demand in July, 5.8 percentage points higher than in June and the best result since August 2024.

Demand for [Asia Pacific](#) carriers also accelerated in July, going from 9.2% YoY in June to 11.1% YoY this month. [European](#) carriers registered a CTK increase of 4.1% YoY in July, up from a decrease of 0.7% YoY in June—revised from an increase of 0.8% YoY in June's report. Furthermore, the European Union and the US have agreed on a framework to set the tariffs for most of the bloc's exports to the US at 15%, which can benefit the region's upcoming cargo numbers.

[Latin America and the Caribbean](#) was the only region that registered a deceleration in CTK growth this month. Carriers from the region posted a CTK increase of 2.4% YoY, down from 3.6% YoY in June. This figure maintains a deceleration trend of cargo demand for the region's carriers, seen since October 2024, with the only exception of April this year.

[Middle East's](#) carriers recovered from the CTK decrease registered in June, expanding 2.6% YoY, after the mitigation of some of the airspace disruptions from the previous month due to local military conflicts.

Air cargo market in detail - July 2025

	World share, % ¹	July 2025 (year-on-year, %)				July 2025 (year-to-date, %)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0	5.5	3.9	0.7	45.1	3.1	3.2	0.0	45.2
International	87.3	6.0	4.5	0.7	50.4	3.8	4.3	-0.2	50.6

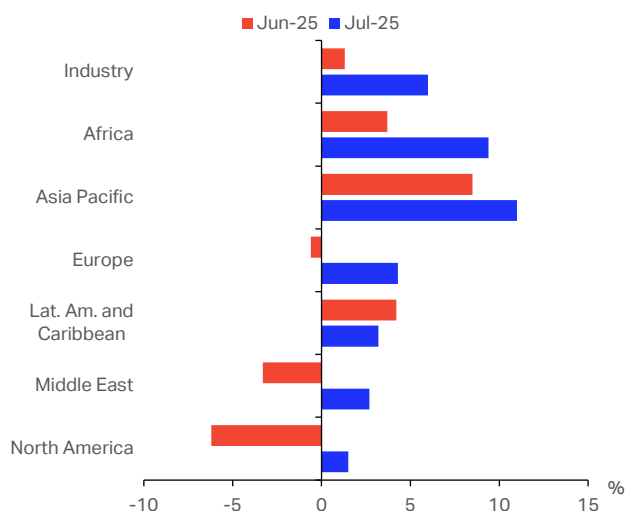
¹ % of industry CTK in 2024

North American carriers saw the biggest improvement when compared to June, although the growth rate was still thin. Carriers from the region saw a CTK increase of 0.7% YoY, an 8.6 percentage point improvement from a decrease of 7.9% YoY registered in June.

North America's carriers reversed the fall from the previous month

International CTK growth accelerated significantly in July, boosted especially by e-commerce flows from Asia to European countries. Asia Pacific's carriers hence registered the highest YoY growth rate among regions, at 11% YoY. Carriers from Africa followed behind with an increase in international CTK of 9.4% YoY (Chart 2).

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



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Carriers from Europe, the Middle East, and North America reversed the decrease registered in June, with international CTK growing 4.3%, 2.7%, and 1.5% YoY in July, respectively. North America's rebound specifically contributed to the overall performance of international air cargo.

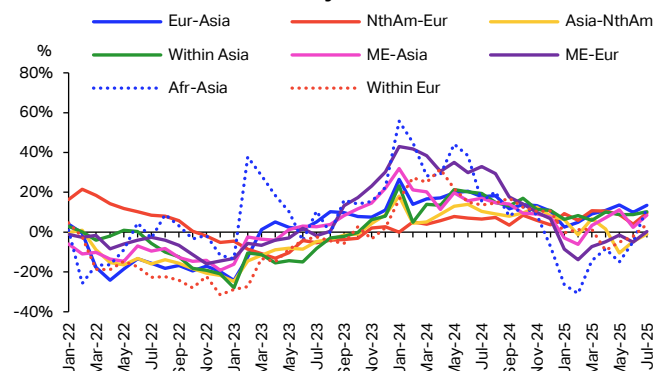
Latin America and the Caribbean was again the only region to register a deceleration in growth. International CTK increased by 3.2% in July when compared to the same month in 2024, down from 4.2% YoY from June.

International air cargo demand rose in July 2025 compared with July 2024 across all main trade lanes, except Asia-North America, which posted a 1.0% drop, its third month of decline. Still, this corridor showed improvement from June's 4.7% fall. Recently introduced tariffs by the US government continue to weigh on air demand for affected goods (Chart 3).

Other major lanes posted gains, ranging from 0.3% to 13.5%. Asia-Europe, Africa-Asia, and Within Asia all saw double-digit growth of 13.5%, 12.1%, and 10.3% respectively, each surpassing June's results. Africa-Asia

rose by 17 percentage points, Asia-Europe by 3.5, and Within Asia by 1.4.

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



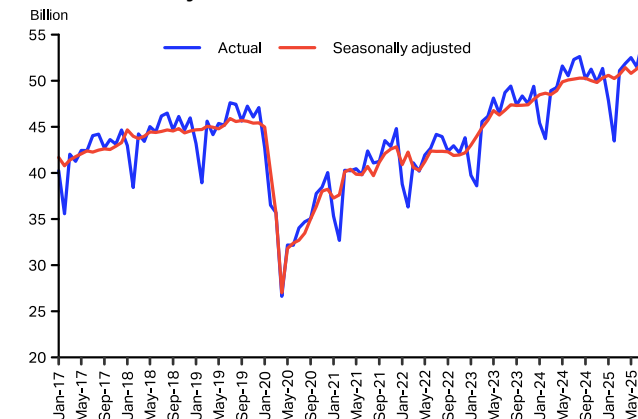
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Europe-North America climbed 9.6% YoY, 3 percentage points above the same month last year and 5.6 points higher than June 2025. Asia-Middle East advanced by 8.5% YoY, up 6.1 points from June.

Within Europe rebounded 4.0% YoY after a -2.1% drop in June. Europe-Middle East was broadly stable at 0.3% YoY, but still a marked recovery from the 5.1% contraction in June.

Stronger-than-expected demand for the month pushes Cargo Load Factor up

Chart 4: Industry ACTK, billion



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Industry capacity, measured by ACTK, increased 3.9% YoY in July, accelerating from June's revised 1.9%. With the stronger increase in demand, CLF as a percentage of ACTK increased 0.7 percentage points to 45.1% in July compared to the same month of 2024. Compared to last month, CLF decreased less than what was observed in previous years, which corroborates a stronger-than-expected demand for the month (Chart 4).

African carriers registered the biggest growth in CLF YoY across all regions, standing at 46.8% (+4.1

percentage points YoY). This is the region's highest CLF ever registered for July.

All regions registered improvement in CLF development, with the exception of [Latin America and the Caribbean](#). The region registered a decrease of 0.4 percentage points in July compared to 2024. Additionally, it was the region with the strongest decline in CLF on a monthly comparison, contracting 2.9 percentage points versus the previous month.

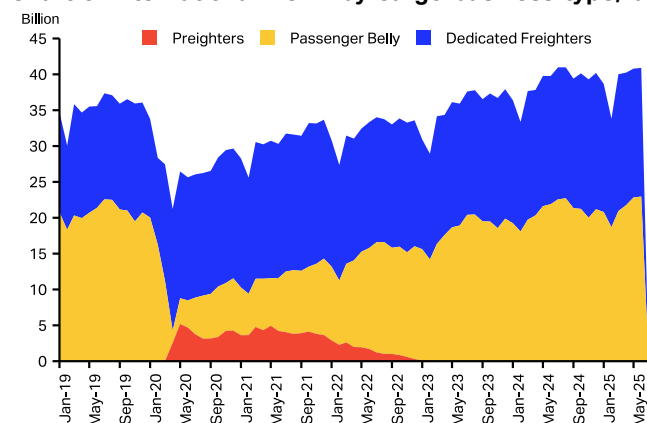
[Asia Pacific's](#) carriers' CLF increased 1.7 percentage points on a yearly comparison, standing at 49.3%. European carriers assumed the first place as carriers with the highest CLF, standing at 49.5% in July—a similar result to the same month of 2024 and 0.7 percentage points above June's figure.

CLF of [Middle East's](#) carriers fell for the second month in a row to 44.6%, however, at a lower rate. This suggests that capacity adjustments are still off balance with the region's demand after last month's disruptions.

Carriers registered in [North America](#) recovered part of the CLF YoY decrease from June and recorded an increase of 0.5 percentage points YoY, standing at 39%.

Air cargo capacity in July 2025 continued to rely partially on belly-hold space. The distribution between belly-hold and dedicated freighters remained steady over the past year, with belly-hold representing, on average, 56% and freighters 44% of total capacity.

Chart 5: International ACTK by cargo business type, billion



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

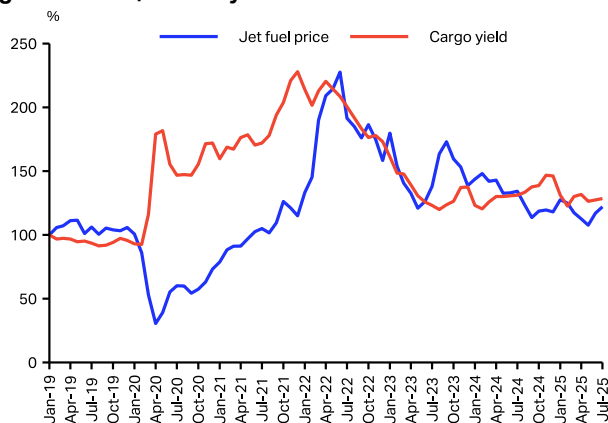
Belly-hold cargo capacity achieved the highest level since 2019, gaining a 7.3% YoY in July 2025, increasing by 5.2% MoM, continuing on the growth path for the fifth consecutive month (Chart 5). This is an expected result considering that, following the passenger demand surges in the northern hemisphere's summer, additional belly-hold capacity was introduced, alleviating capacity constraints caused by aircraft delivery backlogs.

Meanwhile, dedicated freighter supply showed a small expansion in July 2025, increasing 1.0% YoY. However, this type of capacity saw a 3.8 percentage point increase in the growth rate versus June 2025. This was

expected considering the continued contraction seen along the main international corridor of [North America-Asia](#), which is heavily reliant on dedicated freighters, and the remaining high-risk or restrictive airspace on the cargo routes to and from the [Middle East](#) derived from the geopolitical tension initiated the past month.

Jet fuel price remains below 2024's

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



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

Global oil demand was flat in OECD countries in July 2025 with respect to June, with Japan at multi-decade lows. Demand from China, India, and Brazil, though weaker than expected, still offset this stagnation. Global supply held steady at 105.6 million barrels per day, as 230,000 barrels drop in OPEC+ output was matched by a similar rise from non-OPEC+.

This stable supply-demand balance had a significant impact on oil prices. Benchmark crude prices held near USD 70/bbl in July, as easing trade strains and tighter sanctions on Russia met expectations of steady supply. Brent crude's average monthly price fell again in July 2025, to USD 71. It dropped 16.8% YoY, the twelfth monthly fall in a row, with the last six months all in double digits. On a MoM basis, the price eased 0.7% in July, after jumping 11.4% in June 2025.

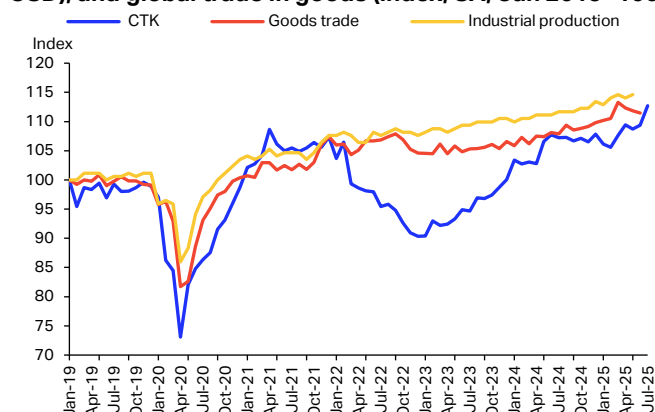
Jet fuel followed suit. Its average price slid 9.1% YoY to USD 92.4. Concurrently, the price to date has remained below 2024's, to the benefit of airlines' costs. Yet MoM it rose for a second month, up 4.3%. The crack spread widened 31.3% YoY, adding USD 4.3 to reach USD 21.4. This reflects the sharper fall in crude than in jet fuel. It is the widest spread in 2025, and the largest since March 2024. (Chart 6).

Air cargo volumes remained strong in most markets despite the continued disruption or high-risk usage of the airspace in the Middle East and the consecutive contractions presented in the transatlantic corridor. Consequently, cargo yields reported a 2.0% YoY decrease. However, the strong growth presented in July on other cargo routes allowed the market to achieve a 0.8

percentage points increase compared to the previous month.

Cooling momentum in trade and air cargo growth

Chart 7: Industry CTK (SA), industrial production (constant USD), and global trade in goods (index, SA, Jan 2019=100)



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

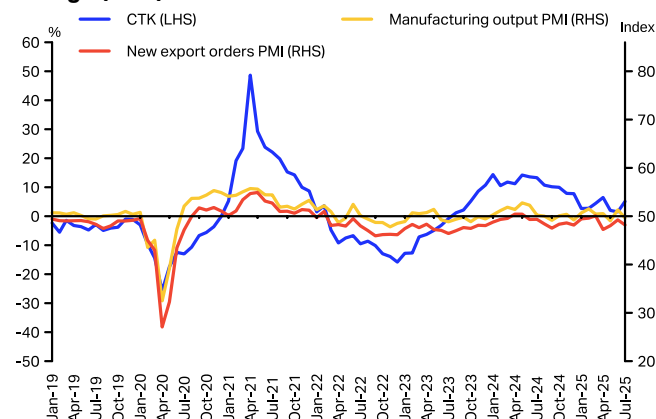
Industrial production and trade in goods are strongly interconnected, with manufacturing output influencing both the volume and value of traded goods as well as demand for air freight. Global industrial production June's data point remains pending. World trade grew 3.1% YoY in June, the 20th month of such growth, but this marks a slowdown. This cooling trend, corroborated by a 0.3% month-over-month drop, suggests the growth spurt since March 2025 is now leveling off.

Similarly, air cargo demand in June 2025, CTK in seasonally adjusted terms, rose 1.5% YoY, down 0.5% from May, following the same trend as world trade (Chart 7).

In July 2025, the global PMI output index lingered below the neutral 50 mark, signaling a dim industrial mood. This slide stems largely from fading pre-tariff stockpiling and fresh fears over U.S. tariffs shaking global trade. At 49.66, the July manufacturing PMI sat just under the no-change line, down from 51.3 in June. This was the second contraction since January (the other in May), as sentiment soured amid rising trade tensions, especially in Asia and export-driven economies.

New export orders also fell, with the PMI at 48.2. That marked a fourth straight month below the 50 threshold. After two months of gains, July saw demand drop 2.1 points, a sign of waning confidence—possibly tied to chaotic U.S. trade policy. In year-on-year terms, export outlook fell 2.4%, marking four months of declines since April. Only March showed slight optimism with a 50.1 reading. (Chart 8).

Chart 8: Industry CTK (SA), change YoY, %, global manufacturing, and new export orders PMIs, 50 = no change (RHS)



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics, S&P Global Market

Air cargo market in detail - July 2025

	World	July 2025 (year-on-year, %)				July 2025 (year-to-date, %)			
	share ¹ , %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0	5.5	3.9	0.7	45.1	3.1	3.2	0	45.2
Africa	2.0	9.4	-0.1	4.1	46.8	-0.1	3.7	-1.6	42.5
Asia Pacific	34.2	11.1	7.3	1.7	49.3	8.9	7.8	0.5	46.6
Europe	21.4	4.1	4.0	0	49.5	2.1	2.6	-0.2	53.1
Latin America and Caribbean	2.9	2.4	3.8	-0.4	33.6	5.9	5.3	0.2	36.4
Middle East	13.6	2.6	5.9	-1.4	44.6	-2.6	1.9	-2.1	44.5
North America	25.7	0.7	-0.6	0.5	39.0	-0.5	-1.5	0.4	40.0
International	87.3	6.0	4.5	0.7	50.4	3.8	4.3	-0.2	50.6
Africa	2.0	9.4	-0.4	4.3	48.1	-0.1	3.1	-1.4	43.9
Asia Pacific	30.6	11.0	8.7	1.2	56.0	8.8	10.1	-0.6	53.4
Europe	21.0	4.3	3.8	0.3	52.1	2.2	2.1	0.1	55.4
Latin America and Caribbean	2.5	3.2	4.2	-0.3	37.2	6.1	4.9	0.5	40.6
Middle East	13.6	2.7	5.8	-1.4	44.9	-2.5	1.8	-2.0	44.8
North America	17.5	1.5	-1.2	1.3	46.6	2.2	-0.3	1.2	48

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.

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 28 August 2025

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