



Air Cargo Market Analysis

June 2025

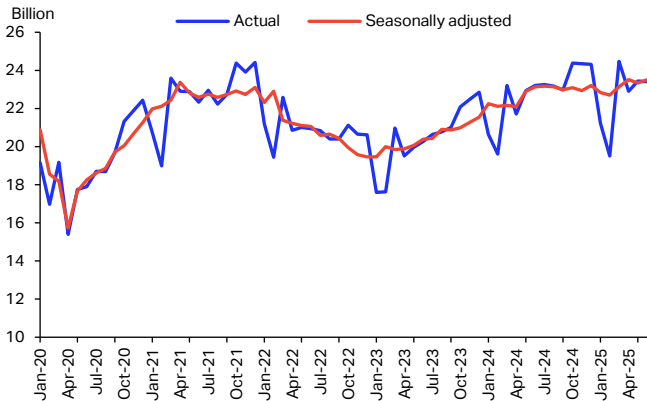
Air cargo demand slows down amid trade uncertainty

- The industry's air cargo demand, measured in Cargo Tonne-Kilometers (CTK), increased 0.8% year-on-year (YoY) in June, compared to 2.2% in May, reflecting the cargo market's uncertainty amid the trade war.
- International CTK saw a 1.6% YoY rise, with most regions and routes posting single-digit gains. Asia Pacific led the international air cargo growth with an 8.3% YoY increase. In contrast, the trade measures implemented by the US government in the past months led to a significant decline in traffic to and from North America.
- Global available cargo space, measured in Available Cargo Tonne-Kilometers (ACTK), expanded by 1.7% YoY, while capacity utilization, Cargo Load Factor (CLF), decreased 0.4 percentage points compared to June 2024.
- Jet fuel price dropped by 12% YoY, marking the fourth consecutive annual decline, despite an 8.6% MoM increase in June. Cargo yields continued to soften, with freight rates down 2.5% YoY, though they edged up 0.9% MoM.

Global air cargo demand grows, but at a slower rate

Global air freight volumes barely showed growth in June, adding just 0.8% YoY in CTK (Chart 1), exhibiting weakening world trade derived from the US-enforced tariffs that disrupted established air cargo flows. As such, carriers are adjusting to the new trade order, redeploying capacity on certain routes. Still, much remains unclear as tariffs will be reviewed by July 2025, making it hard to plan or streamline the supply chain and raising the risk of a deeper cargo slowdown ahead. Seasonally adjusted CTK showed a stronger result, expanding by 1.6% MoM (see Chart 1).

Chart 1: Industry CTK, billion



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

Technology, electronics, fashion, and consumer goods that were typically shipped between April and June, ahead of the summer retail cycle, were largely front-

loaded this year, as shippers accelerated deliveries to avoid the impact of incoming tariffs. Other goods are currently facing shipment delays, in some cases because production has relocated to countries with more favourable exporting conditions.

Air cargo traffic continued to grow in most regions in June. **Asia Pacific** posted the strongest growth, up 9.0% YoY, showing a slight 0.3 percentage point increase compared to the previous month. **European** airlines saw a modest 0.8% YoY increase, down 0.4 percentage points compared with May. After suffering a 3% contraction in May, **Africa's** carriers saw a significant 3.9% YoY rise in June 2025, increasing 6.8 percentage points from the previous month.

In contrast, carriers in the **Middle East** lost momentum due to rising geopolitical tensions, which led to airspace restrictions affecting operations at key regional hubs. The region recorded a 3.2% YoY drop, the second largest after **North America**, which represents a 6.8 percentage point decrease compared to May.

Latin America and the Caribbean reported a 3.5% YoY increase, 0.3 percentage points above May 2025. In contrast, **North America** reported the worst performance among the regions, contracting for the second consecutive month, dropping 8.3% YoY and losing an additional 2.5 percentage points compared to the previous month.

International cargo continues to be limited by North America's performance

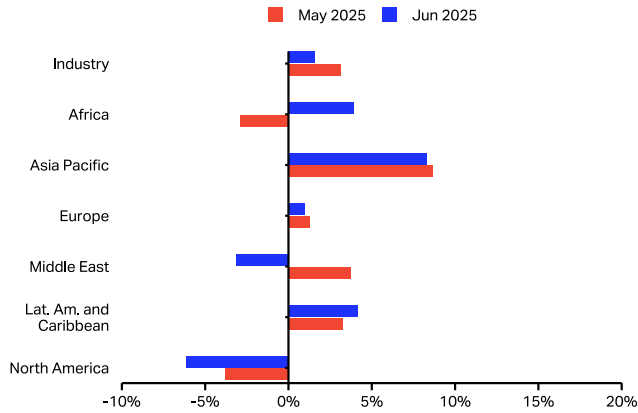
Air cargo market in detail - June 2025

	World share ¹	June 2025 (% year-on-year)				June 2025 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	0.8%	1.7%	-0.4%	45.5%	2.8%	3.0%	-0.1%	45.2%
International	87.3%	1.6%	2.8%	-0.6%	50.3%	3.5%	4.3%	-0.4%	50.7%

Note 1: % of industry CTKs in 2024

International cargo represented 87.3% of the total cargo market in 2024. Cross-border shipments gained a modest 1.6% YoY in June 2025, losing 1.5 percentage points from May 2025 (Chart 2).

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



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

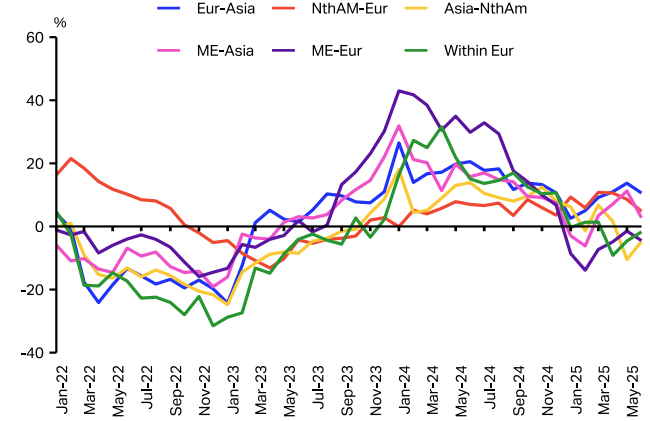
The **Asia Pacific** region's carriers led international air cargo growth with 8.3% YoY, below the 8.7% YoY in May, partially supported by the e-commerce flows. **European** carriers grew more modestly at 1.0% YoY in June, just below the 1.3% YoY increase observed in May 2025.

The geopolitical tensions in the region led **Middle Eastern** airlines to suffer flight cancellations or undertake rerouting strategies that caused longer transit times and higher costs, gravely affecting their operations in June. As a result, carriers in the region experience a 3.1% YoY fall, representing a sharp drop of 6.8 percentage points compared to May 2025.

On the other hand, **African** carriers showed a 3.9% increase YoY on the international segment, which translated into a 6.8 percentage point rebound versus May 2025. **Latin America** achieved a considerable 4.1% YoY increase, up 0.8 percentage points from the previous month.

North American airlines reported the largest contraction on international routes for the second consecutive month, exhibiting a 6.1% YoY decrease, losing 2.3 percentage points from May's result.

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



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

Air freight volumes in June 2025 increased on most trade corridors with **Asia**, as well as the route between **North America and Europe**. In contrast, routes **within Europe** and between **Europe and the Middle East** are decreasing. However, the most concerning is the **Asia-North America** corridor - the largest and most active cargo route - that is contracting for the second consecutive month (Chart 3).

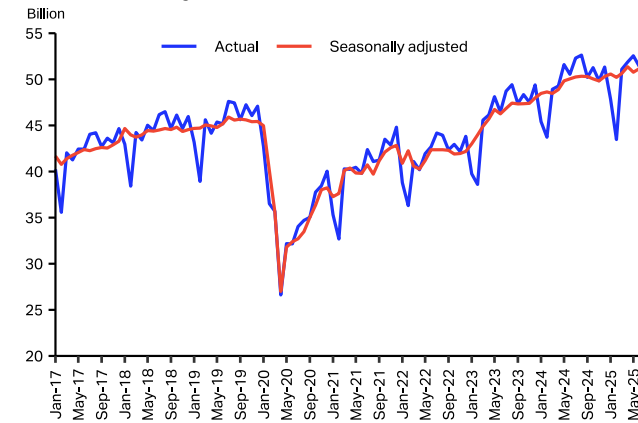
Cargo corridors **within Europe** performed weakly in June 2025, decreasing 1.7% YoY. However, air cargo volumes increased 2.9% MoM, benefiting from seasonal inventory flows and steady e-commerce demand. On the upside, the **Asia-Europe** corridor continued growing in June 2025. It reported the highest growth rate among the six major trade routes and gained 10.5% YoY, supported by tech, pharma, and luxury goods flows between the regional hubs. The transatlantic **North America-Europe** corridor, the second busiest route in the world, still delivered a moderate 4.8% YoY increase. However, the cargo flow on this airway fell 3.7 percentage points from May, showing signs of a slowdown.

On the downside, the European Union Aviation Safety Agency (EASA) issued a Conflict Zone Information Bulletin (CZIB No. 2025-02) concerning the Middle East, specifically the airspace over Iran, Iraq, Israel, Jordan, and Lebanon, recommending airlines to avoid operations in the affected airspace. In consequence, the cargo corridor **Middle East-Europe** significantly decreased, losing 3.0 percentage points compared to the previous month. The above-mentioned disruptions also affected other key markets in the region. For instance, the **Middle East-Asia** route that was consolidating a robust growth in the past months saw a steep 8.4% MoM decrease in June 2025.

The **Asia-North America** corridor continues to be affected by the trade measures the US government applies to exported goods from China. As a result, trade flows on this route dropped by 4.7% YoY in June 2025, marking the second consecutive period in negative territory.

Load factors indicate capacity is growing at a slower rate, adjusting to the new market conditions

Chart 4: Industry ACTK, billion



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

Global air cargo capacity reached 51.4 billion ACTK in June 2025, representing a 1.7% YoY increase. However, capacity was reduced by 2.2 percentage points compared to May 2025, a clear sign of capacity adjustments to accommodate air cargo's softer demand. (Chart 4).

The CLF—measured as CTK divided by ACTK—stood at 45.5%, a 0.4 percentage point decline compared to June 2024. This marginal decrease indicates that front-loading has likely ended. Moreover, a strong expansion in belly capacity, thanks to the passenger market adapting to the busy summer season in the northern hemisphere, may reduce load factors further.

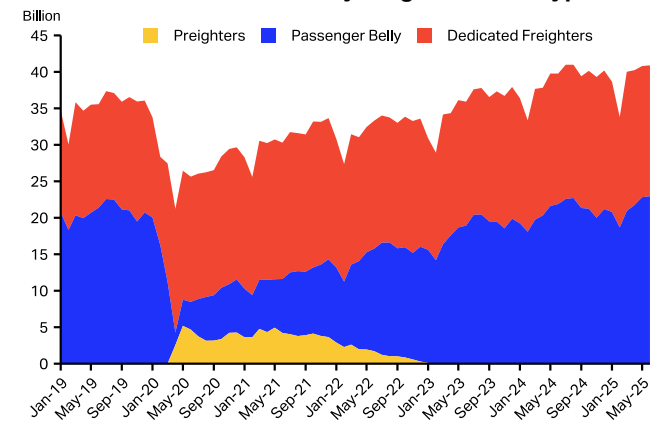
Most regions contributed to the overall decline in the global CLF compared to the previous year. [Latin America and the Caribbean](#) and [Asia Pacific](#) were the exceptions, recording modest growth of 1.4 and 0.6 percentage points YoY, respectively. On one side, [Latin America and the Caribbean](#)'s strong perishable goods exports plus the capacity constraints in main markets (e.g. Brazil) supported the region's CLF, which stood at 36.6%, 0.4 percentage points above May 2025. Meanwhile, [Asia Pacific](#)'s slight increase continues to illustrate the regional trade resilience, supported by strong [intra-Asia](#) demand. The region's CLF stood at 50.3%, up 4.1 percentage points from the previous period.

[Europe](#) recorded the second-highest CLF among regions in June 2025, reaching 49.6%. However, this represents a 2.1 percentage point decline compared to May 2025. [Africa's](#) CLF stood at 42.1%, down 0.9 percentage points YoY, just 0.1 percentage points above May's result. As expected, due to the current events, the [Middle East](#) recorded a considerable 2.2 percentage point YoY drop in the CLF in June, losing 1.1 percentage points compared to May.

As businesses recalibrated supply chains in response to evolving tariff structures and economic conditions, the [Americas](#) had the lowest CLFs across regions. [North America's](#) CLF stood at 38.5%, showing a slight recovery in June, increasing 0.2 percentage points compared to the previous month, while [Latin America and the Caribbean](#) reported an even lower CLF, standing at 36.6%.

Air cargo capacity in June 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 4.8% YoY in June 2025, increasing a 0.6% MoM, continuing on the growth path for the fourth 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 June 2025, increasing 0.4% YoY. However, this type of capacity saw a 1.4 percentage point increase in the growth rate versus May 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 disruptions on the cargo routes to and from the [Middle East](#) derived from the geopolitical tension.

[Geopolitical tension increases jet fuel, leading to higher costs.](#)

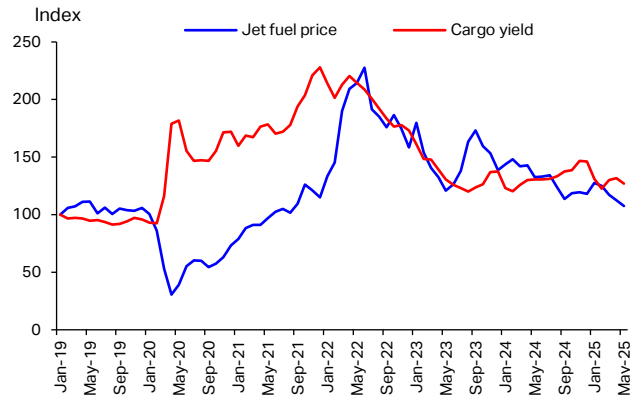
For the first time in three months, oil prices pivoted up in June 2025, driven by uncertainties on the oil supply resulting from rising tensions in the Middle East. Brent crude's average price reached USD 71.5 per barrel, which in turn represents a 11.4% MoM increase.

Amid the sudden price increase, the Brent crude price still reported a 13.4 percentage point YoY drop, marking the eleventh straight month of YoY decline. As a result, Jet

fuel also reported a 12.0% YoY decrease, albeit the price increased by 8.7% MoM, ending the streak of consecutive price decreases over the past months.

This sharper fall in jet fuel compared to Brent narrowed the crack spread to USD 17.1 per barrel, a 5.5% drop from June 2024.

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, CargolS

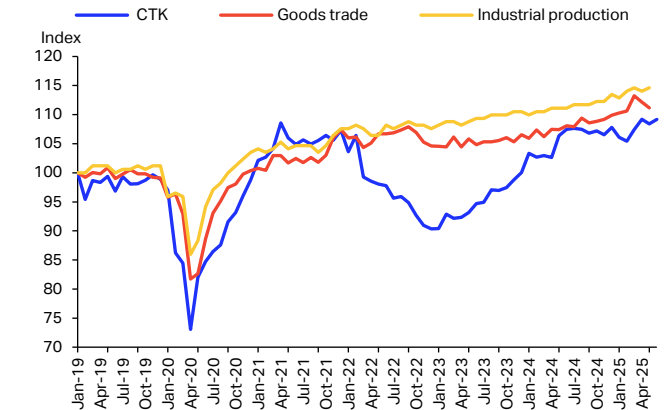
Despite the restrictive US trade policy, air cargo volumes remained strong in most markets. However, in June 2025, the disruption of the airspace in the Middle East hindered the region's potential to develop and expand operations through its hubs. As a result, many routes connecting North America and the Middle East have seen a marked drop in demand. Consequently, cargo yields reported a 2.5% YoY decrease. However, the market has absorbed part of the initial shock, slightly rebounding 0.9 percentage points compared to the previous month (Chart 6).

Weaker global production might imply a trade slowdown

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. World industrial output, seasonally adjusted, grew 3.2% YoY in May 2025, leading to a 1.9% YoY increase in total cargo traffic in the same period, while overall global trade grew by 3.5% YoY in May 2025.

In June 2025, seasonally adjusted CTK grew by 1.6% YoY, standing 0.7% above May's reported levels. Although growth remains positive, the traffic volumes are reflecting a slower momentum on the cargo side, highly impacted by the new trade policy enforced by the US since February and the recent airspace closures suffered in the Middle East, hindering growth on several major corridors (Chart 7).

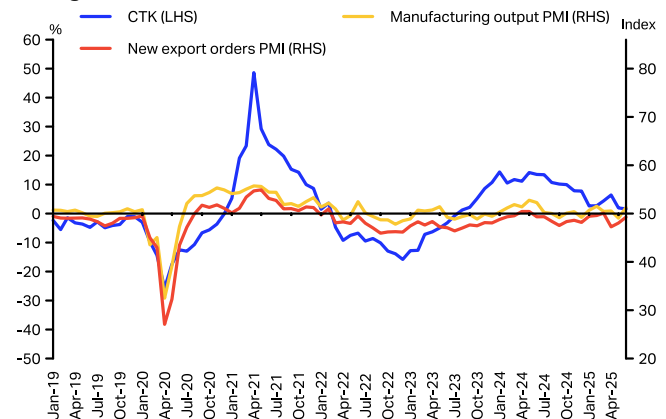
Chart 7: Industry CTK (SA), industrial production (constant USD), and global trade in goods (index, SA, Jan 2019=100)



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

Global manufacturing output, measured by the PMI, returned above the 50 threshold, achieving a 51.2 in June 2025. However, this represented a 1.6% YoY decrease and a sudden 4.5% increase compared to the previous month. While output increased in June, new export orders grew 1.2 index points from May, reaching 49.2, still below the 50 mark. New export orders continue to be affected by the US trade policy changes, which have reshaped global demand dynamics and impacted trade flows (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 Markit

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		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	0.8%	1.7%	-0.4%	45.5%	2.8%	3.0%	-0.1%	45.2%
Africa	2.0%	3.9%	6.2%	-0.9%	42.1%	-1.6%	4.3%	-2.5%	41.9%
Asia Pacific	34.2%	9.0%	7.8%	0.6%	50.3%	8.4%	7.8%	0.3%	46.1%
Europe	21.5%	0.8%	2.6%	-0.9%	49.6%	2.1%	2.3%	-0.1%	53.9%
Latin America	2.9%	3.5%	-0.4%	1.4%	36.6%	6.5%	5.6%	0.3%	36.9%
Middle East	13.6%	-3.2%	1.5%	-2.2%	45.2%	-3.5%	1.2%	-2.2%	44.5%
North America	25.8%	-8.3%	-5.1%	-1.3%	38.5%	-0.8%	-1.6%	0.3%	40.2%
International	87.3%	1.6%	2.8%	-0.6%	50.3%	3.5%	4.3%	-0.4%	50.7%
Africa	2.0%	3.9%	5.9%	-0.8%	43.1%	-1.6%	3.6%	-2.3%	43.3%
Asia Pacific	30.6%	8.3%	9.6%	-0.6%	55.6%	8.4%	10.3%	-0.9%	52.9%
Europe	21.0%	1.0%	2.3%	-0.7%	51.9%	2.1%	1.8%	0.2%	56.2%
Latin America	2.5%	4.1%	-2.0%	2.4%	40.7%	6.6%	5.0%	0.6%	41.3%
Middle East	13.6%	-3.1%	1.4%	-2.1%	45.6%	-3.4%	1.1%	-2.1%	44.8%
North America	17.5%	-6.1%	-4.7%	-0.7%	46.3%	2.5%	0.1%	1.1%	48.3%

Note 1: % of industry CTKs 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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