



# Air Cargo Market Analysis

March 2025

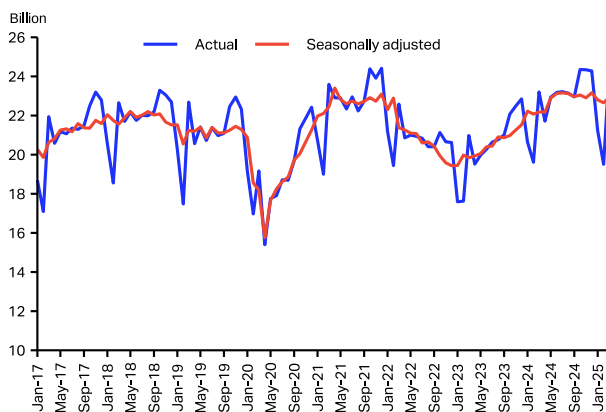
## Demand for air cargo resumes

- The industry's air cargo demand, measured in Cargo-Tonne-Kilometers (CTK), climbed 4.4% YoY in March, returning from February's brief, mild decline. Seasonally adjusted, CTK rose by 3.3% from February 2025, also reversing February's soft fall.
- International CTK saw a rise of 5.5% YoY, with most regions and routes posting single-digit gains. Asia Pacific airlines led with 9.6% YoY growth. The Europe-North America trade lanes recorded an 8.5% increase, while the Africa-Asia route sank for a fourth consecutive month, down 40.2% YoY.
- Global available cargo space, Available Cargo Tonne-Kilometers (ACTK), expanded by 4.3% from last March, while capacity utilization, Cargo Load Factor (CLF), ended up by 0.1 points to 47.5% from March 2024.
- Jet fuel costs dropped by 17.3% YoY, marking nine straight months of yearly decline, while cargo revenue rates climbed by 3.8% yearly and 6.6% from February.

### Global air cargo demand moderately rebounds

Global air freight volumes reached a historic March peak, showing 4.4% YoY growth in CTK. This increase follows a slight decline in February (**Chart 1**). Typically, March volumes rise after a lull in February, driven by the easing of holiday demand. This year's modest single-digit increase aligns with trends observed in years not influenced by post-COVID recovery factors, where such gradual gains were common. Moreover, a frontloading effect could be implemented to mitigate the tariff impacts in April.

**Chart 1** – Industry CTK, billion



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

Air shipments increased by 3.2% month-on-month (MoM) from February to March, after seasonal adjustments. This jump matches past trends, but current events may have contributed to the boost. The sharp rise in U.S. tariffs may have prompted companies and buyers to make purchases in advance to avoid significant import fees.

Air cargo demand grew across most regions in March. **Asia Pacific** led the growth with a 9.3% increase, followed by **Latin America and the Caribbean** at 5.6%. **North American** carriers rebounded from a decline (-1.3%) in February to achieve a growth rate of 3.7%. **European** airlines experienced a 4.4% increase. However, carriers in the **Middle East** and **Africa** faced ongoing challenges for the third consecutive month. The **Middle East** recorded its smallest decline so far at 3.3%, while **Africa** saw its sharpest drop at 13.4%. Both regions are experiencing the effect of a strong 2024, which suggests that 2025 will be a challenging year.

### International trade lane North America bounces back

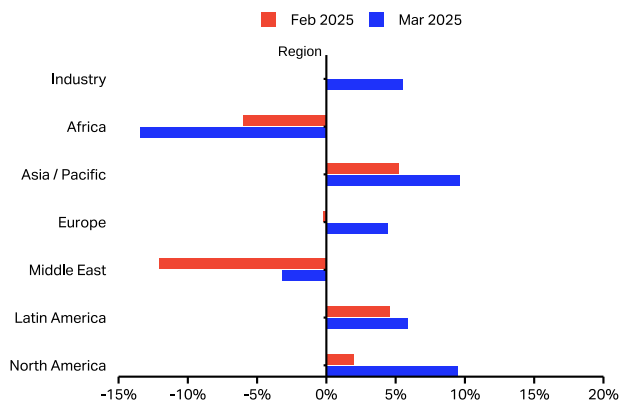
Global freight edged up in March, with cross-border shipments leading. International cargo jumped 4.1% from February with seasonal factors removed and 5.5% YoY without adjustment—marking a sharp recovery from February's stagnant performance (**Chart 2**).

### Air cargo market in detail - March 2025

|                     | World share <sup>1</sup> | March 2025 (% year-on-year) |             |             |              | March 2025 (% year-to-date) |             |              |              |
|---------------------|--------------------------|-----------------------------|-------------|-------------|--------------|-----------------------------|-------------|--------------|--------------|
|                     |                          | CTK                         | ACTK        | CLF (%-pt)  | CLF (level)  | CTK                         | ACTK        | CLF (%-pt)   | CLF (level)  |
| <b>TOTAL MARKET</b> | <b>100.0%</b>            | <b>4.4%</b>                 | <b>4.3%</b> | <b>0.1%</b> | <b>47.5%</b> | <b>2.4%</b>                 | <b>3.2%</b> | <b>-0.4%</b> | <b>45.6%</b> |
| International       | 87.3%                    | 5.5%                        | 6.1%        | -0.3%       | 53.7%        | 3.1%                        | 4.6%        | -0.7%        | 50.8%        |

Note 1: % of industry CTK in 2024

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

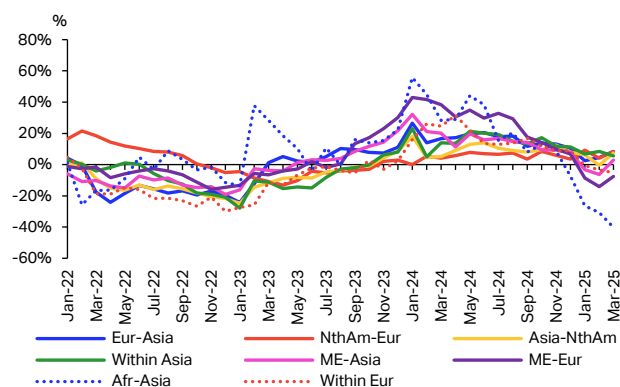


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Asian Pacific carriers led international air cargo growth with 9.6% YoY—above February’s 5.2%. North American airlines saw the biggest gain from the prior month, up 7 percentage points to reach 9.5%, likely driven by a trade surge ahead of U.S. tariffs on Chinese goods set for April, which will raise import costs for U.S. buyers. Latin American services rose to 5.8%, and European carriers rebounded to 4.5% from February’s slight decline.

Middle Eastern and African airlines were the only ones to ship less than last year, down 3.3% and 13.4% YoY. The Middle East improved from February’s 12.1% drop, while Africa slid further from -6%. Both regions had a standout 2024, moving record volumes of international air cargo levels that have yet to be matched in 2025.

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



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

Air freight volumes experienced growth across major trade corridors in March 2025, with a few notable exceptions: Africa-Asia, Middle East-Europe, and within Europe (Chart 3).

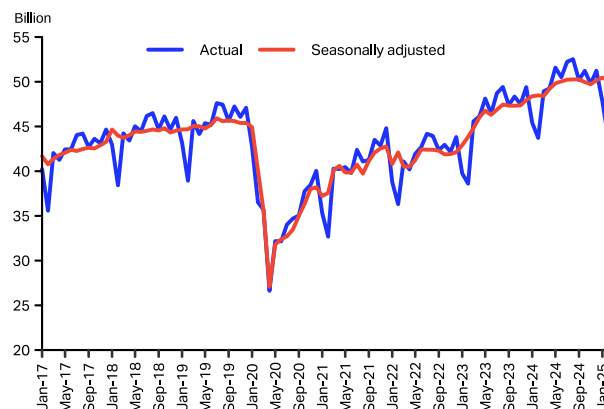
The expansion ranged from an increase of 8.5% to 2.9% YoY CTK, while the three contracting routes saw declines between -5.2% and -40.2%. The

Europe-North America corridor led the way with an 8.5% YoY increase. In 2024, this was the third most significant global air cargo trade route by volume. Europe-Asia, the second most important cargo route last year, grew by 8.3% YoY. Asia-North America followed with a 7.3% YoY increase.

Africa-Asia recorded its fourth straight yearly fall, at -40.2%, representing a deteriorating trend. This corridor was Africa’s second-largest route by CTK in 2024, accounting for 30% of the total, following Europe, which comprised about half. Middle East-Europe, the second biggest for the Middle East after Middle East-Asia corridor, dropped by -7.5% YoY. Meanwhile, a smaller lane, Within Europe, which accounted for less than 5% of Europe’s CTK last year, shrank by 5.2%.

CLF remains unchanged from previous year

**Chart 4 – Industry ACTK, billion**



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

Global air cargo capacity grew in March, rising 4.3% YoY (ACTK). Though still strong, this marks a slowdown from the 10.6% surge seen in March 2024, signaling that growth is easing. March’s steady rise lifted hopes for continued capacity gains in 2025, a sharp contrast to February’s -0.2% YoY dip, which had sparked concern (Chart 4).

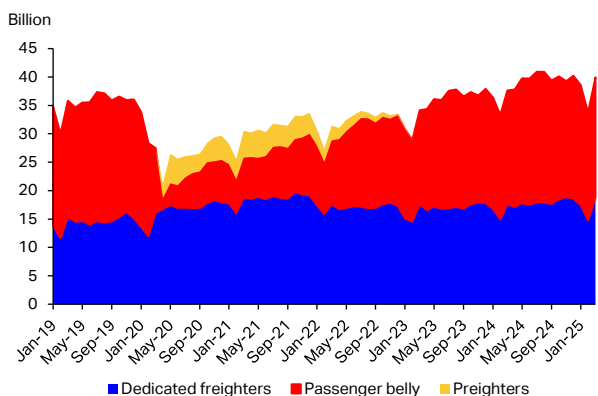
Last month, capacity use—measured by the Cargo Load Factor (CLF, CTK divided by ACTK)—reached 47.5%. This marks an increase of 2.8 percentage points from February and is slightly above March 2024. Most regions contributed to the overall increase in the global CLF versus March 2024, except for Africa and the Middle East, both of which experienced declines. Europe posted the highest CLF at 59.6%, an increase of 0.9 percentage points. Asia Pacific followed with a CLF of 48.6%, gaining 0.8 percentage points. North America reached 40.7%, experiencing a rise of 0.5 percentage points. Latin America and the Caribbean climbed to 39.5%, adding 0.2 percentage points. In contrast, Africa’s CLF decreased by 10.4 percentage

points to 37.1%, and the **Middle East** fell by 2 percentage points to 47.6%.

In March 2025, air cargo capacity heavily relied on belly-hold space. The distribution between belly-hold and dedicated freighters remained steady over the past year, with belly-hold contributing 53.3% and freighters 46.7%. Notably, dedicated freighters gained 0.1 percentage point market share compared to March 2024. This change is significant, especially considering that in February 2025, the share of freighters had dipped to 43.7%.

While belly-hold space reached a record high in March after a 5.9% YoY rise, the supply of freighters grew even faster, jumping 6.4% YoY, and nearing its peak volume levels from March 2021. This growth is impressive given February's 1.2% YoY contraction (**Chart 5**).

**Chart 5 – International ACTK by cargo business type, billion**



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

### Jet fuel price's notable decline while yields rise

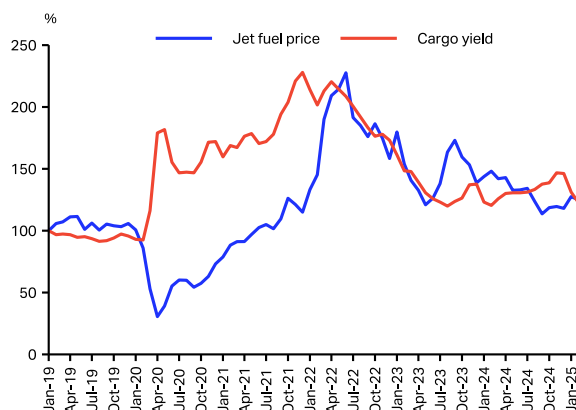
Oil markets experienced significant changes in March, primarily driven by increased production from non-OPEC+ nations, amid slower global demand due to trade friction. Brent crude's average price in March fell to USD 72.6, marking eight straight months of YoY decline. This represents a 15.1% decrease compared to last year and a 3.5% drop from February. Jet fuel costs plunged even more sharply, falling 17.3% YoY to USD 88.9 and decreasing 6.0% MoM—marking the second month in a row of declines.

This sharper fall in jet fuel compared to oil narrowed the crack spread to USD 16.3, a 26.2% drop from last March's USD 22.1. Like fuel prices, the spread saw its second straight monthly fall, sliding 3.5%.

Meanwhile, stronger load factors in 2025, combined with decreased fuel costs, contributed to a rise in air cargo yields. These yields jumped 3.8% from last year and 6.6% from February. This rebound ends a three-

month streak of monthly yield declines that lasted through February (**Chart 6**).

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

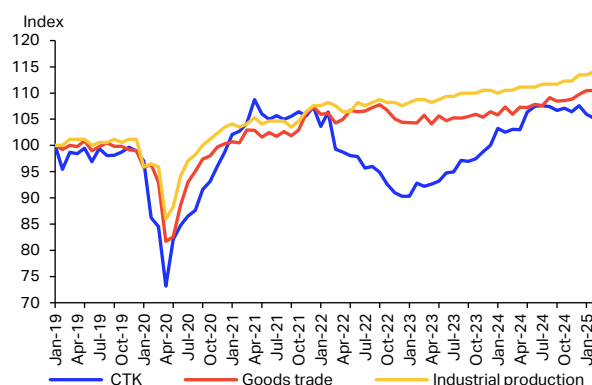


Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, CargoIS

### Global production and trade held firm

Global economic indicators showed positive signals in February 2025. World industrial output, seasonally adjusted, grew 3.2% YoY, unchanged from January. Trade volume expanded 2.9% YoY but stagnated MoM, making the first occurrence since the latest contraction in September 2024. Air cargo traffic, adjusted for seasonality, climbed by 3.3% annually in March 2025, slightly outpacing overall trade growth. While this signifies continuous expansion since August 2023, the gains have moderated to single-digit growth rates since October 2024. The growth has remained below 5% in 2025. Monthly cargo movement rose by 1.2%, representing the first increase this year and the strongest growth since June 2024 (**Chart 7**).

**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**

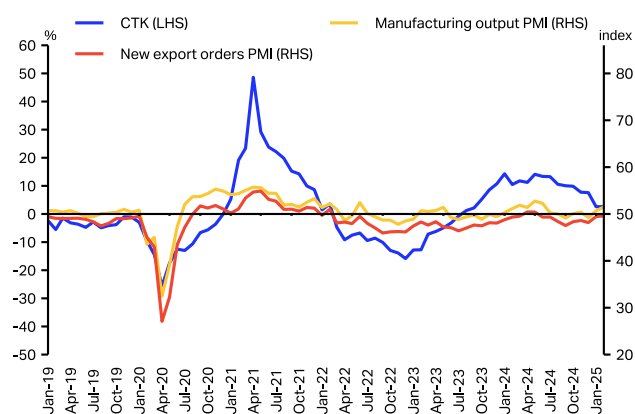


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, Macrobond

Purchasing Managers' Indexes (PMIs), based on monthly business surveys, track shifts in factory and service

activity worldwide. In March, global manufacturing output stayed just above the growth line at 50.49—its third straight month in positive ground. However, this figure was a decrease from February’s 51.52, hinting at cooling confidence. New export orders returned to expansion at 50.12, breaking a downward trend that began in June 2024. While this suggests recovery, some of the increase may be due to companies rushing to place orders ahead of anticipated U.S. tariffs, which could result in a temporary uptick (**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

### Inflation decelerates in advanced economies

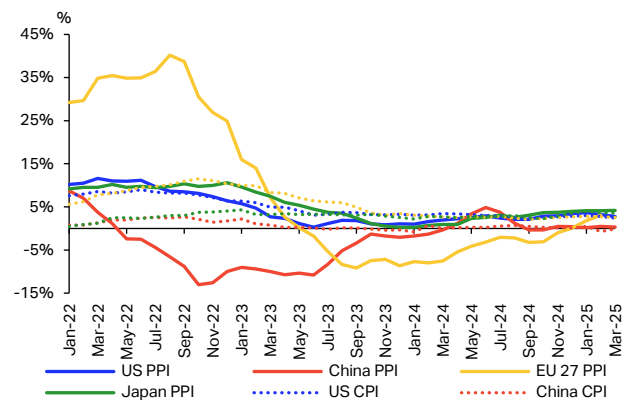
In March 2025, most major economies saw a slowdown in consumer prices increases, except for China, where prices continued to fall.

In the U.S., inflation, as measured by the Consumer Price Index (CPI), rose 2.4% YoY—its third straight month of easing, down 0.4 points from February. The EU27 followed a similar trend, with CPI at 2.5%, also indicating slower gains for three months. Japan posted the highest inflation rate at 3.6%, but it, too, exhibited signs of cooling, having decreased by 0.1 percentage points from February. China experienced a deflationary trend for the second consecutive month, with the prices declining. However, the rate of deflation eased from -0.7% to -0.1%.

On the production side, the Producer Price Index (PPI) signals cost pressures in the supply chain before they reach consumers. In March, US PPI grew by 2.8% YoY, easing from February’s 3.2%. Japan’s PPI rose by 4.2% YoY, adding 0.1 points from February and marking the fourth consecutive YoY at or above 4%. Meanwhile, China’s producer prices showed signs of disinflation, rising just 0.3% YoY in March, a slowdown from 0.5% in February. In Europe, producer prices climbed 3.1% YoY in February, following a strong rise from December 2024, and marking a third straight gain

after a deflation stretch from June 2023 to November 2024. Data for March is still pending (**Chart 9**).

**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 - March 2025

|                      | <i>World share</i> <sup>1</sup> | March 2025 (% year-on-year) |             |              |              | March 2025 (% year-to-date) |             |              |              |
|----------------------|---------------------------------|-----------------------------|-------------|--------------|--------------|-----------------------------|-------------|--------------|--------------|
|                      |                                 | CTK                         | ACTK        | CLF (%-pt)   | CLF (level)  | CTK                         | ACTK        | CLF (%-pt)   | CLF (level)  |
| <b>TOTAL MARKET</b>  | <b>100.0%</b>                   | <b>4.4%</b>                 | <b>4.3%</b> | <b>0.1%</b>  | <b>47.5%</b> | <b>2.4%</b>                 | <b>3.2%</b> | <b>-0.4%</b> | <b>45.6%</b> |
| Africa               | 2.0%                            | -13.4%                      | 10.8%       | -10.4%       | 37.1%        | -8.9%                       | 4.0%        | -5.6%        | 39.5%        |
| Asia Pacific         | 34.2%                           | 9.3%                        | 7.6%        | 0.8%         | 48.6%        | 7.2%                        | 7.3%        | 0.0%         | 45.3%        |
| Europe               | 21.5%                           | 4.4%                        | 2.8%        | 0.9%         | 59.6%        | 1.7%                        | 2.3%        | -0.4%        | 56.9%        |
| Latin America        | 2.9%                            | 5.6%                        | 5.2%        | 0.1%         | 39.5%        | 7.6%                        | 7.8%        | -0.1%        | 36.5%        |
| Middle East          | 13.6%                           | -3.3%                       | 0.9%        | -2.0%        | 47.6%        | -7.7%                       | -1.4%       | -3.0%        | 43.9%        |
| North America        | 25.8%                           | 3.7%                        | 2.6%        | 0.5%         | 40.7%        | 2.6%                        | 0.4%        | 0.9%         | 41.4%        |
| <b>International</b> | <b>87.3%</b>                    | <b>5.5%</b>                 | <b>6.1%</b> | <b>-0.3%</b> | <b>53.7%</b> | <b>3.1%</b>                 | <b>4.6%</b> | <b>-0.7%</b> | <b>50.8%</b> |
| Africa               | 2.0%                            | -13.4%                      | 10.5%       | -10.5%       | 38.1%        | -9.0%                       | 3.3%        | -5.5%        | 40.9%        |
| Asia Pacific         | 30.6%                           | 9.6%                        | 11.3%       | -0.8%        | 55.2%        | 7.5%                        | 10.3%       | -1.4%        | 51.5%        |
| Europe               | 21.0%                           | 4.5%                        | 2.0%        | 1.5%         | 62.1%        | 1.7%                        | 1.8%        | -0.1%        | 59.2%        |
| Latin America        | 2.5%                            | 5.8%                        | 4.7%        | 0.5%         | 45.0%        | 6.8%                        | 7.9%        | -0.4%        | 40.9%        |
| Middle East          | 13.6%                           | -3.2%                       | 0.8%        | -2.0%        | 48.0%        | -7.6%                       | -1.4%       | -3.0%        | 44.3%        |
| North America        | 17.5%                           | 9.5%                        | 6.1%        | 1.5%         | 51.0%        | 7.3%                        | 2.8%        | 2.1%         | 49.7%        |

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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 29 April 2025

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