



Air Cargo Market Analysis

March 2026

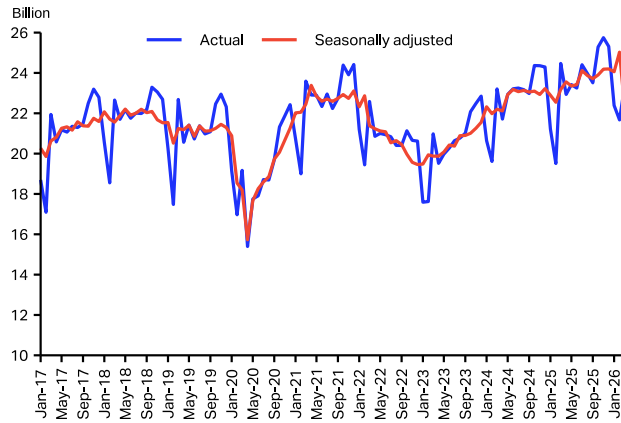
Air Cargo Demand Contracts Amid Gulf Disruption

- Global air cargo demand (Cargo Tonne-Kilometers, CTK) fell 4.8% year-on-year (YoY), reflecting a challenging operating environment shaped by Middle East disruption and seasonal effects. Africa was the main outperformer, rising 7.0%, while the Middle East recorded a sharp contraction of 54.3%.
- International cargo traffic declined by 5.5% YoY, with Africa recording the highest growth. By contrast, Middle East carriers experienced a steep 54.2% contraction as hub connectivity and network reliability deteriorated.
- Industry capacity (ACTK) fell 4.7% YoY, broadly in line with demand. The cargo load factor (CLF) remained stable at 47.9%.
- Energy markets showed high volatility. Brent climbed by 43.1% YoY amid supply concerns. Jet fuel rose 106.6% by YoY reaching its highest level in more than 23 years, pushing cargo yields up 18.9% in a distinctly inflationary pricing environment.

Industry Cargo Demand Contracts Under Combined Geopolitical and Seasonal Pressure

Industry-wide cargo-tonne-kilometers declined by 4.8% year-on-year, reflecting one of the most complex operating environments in recent years (**Chart 1**). March was shaped by overlapping Chinese New Year distortions, escalating geopolitical instability in the Middle East, and higher fuel costs, all of which disrupted established traffic patterns.

Chart 1: Industry CTK, billion



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Demand weakness was broad-based, driven by seasonal factors and elevated operating costs, but was most

pronounced in regions exposed to transit disruption through the Gulf. While bypass flows supported select corridors, they were insufficient to offset the structural loss of Gulf-linked volumes, resulting in a market outcome characterized by both cyclical softness and geopolitical fragmentation of global freight networks.

Regional Cargo Performance Diverges as Middle East Collapse Offsets Modest Gains Elsewhere

Regional performance remained uneven, with modest growth across Africa, Asia Pacific, Europe, and Latin America and the Caribbean unable to compensate for severe declines in the Middle East. African carriers posted the strongest expansion at 7.0% YoY, supported by bypass traffic. Europe and Latin America and the Caribbean registered smaller gains. North America softened slightly, reflecting weaker transatlantic momentum (**Chart 2**).

The Middle East was the defining drag on industry performance. CTK contracted 54.3% year-on-year, reflecting the sharpest deterioration across all major markets as conflict disrupted hub connectivity and reduced aircraft utilization. In nominal terms, Asia Pacific added 470 million CTK, Europe contributed 120 million CTK, Africa contributed about 36 million CTK, and Latin America and the Caribbean delivered ~13

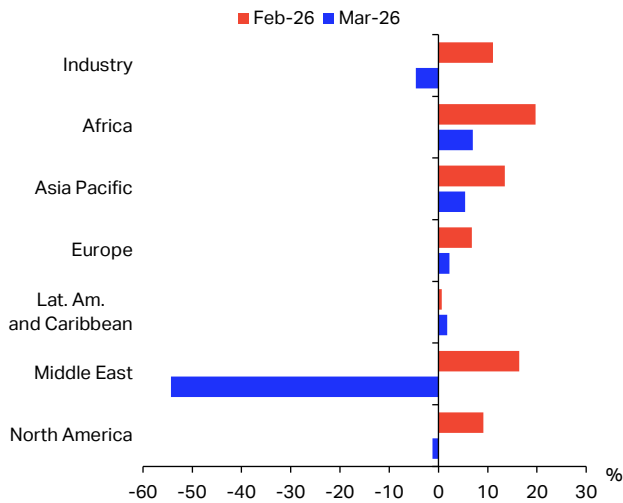
Air cargo market in detail - March 2026

	World share, % ¹	March 2026 (year-on-year, %)				March 2026 (year-to-date, %)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0	-4.8	-4.7	-0.1	47.9	3.3	1.9	0.6	46.4
International	88.0	-5.5	-6.8	0.8	54.8	3.6	2.3	0.7	51.6

¹ % of industry CTK in 2025

million CTk. By comparison, Middle East carriers removed 1,742 million CTk from the global market, overwhelming incremental gains elsewhere.

Chart 2: Total CTk by airline region of registration, YoY, %

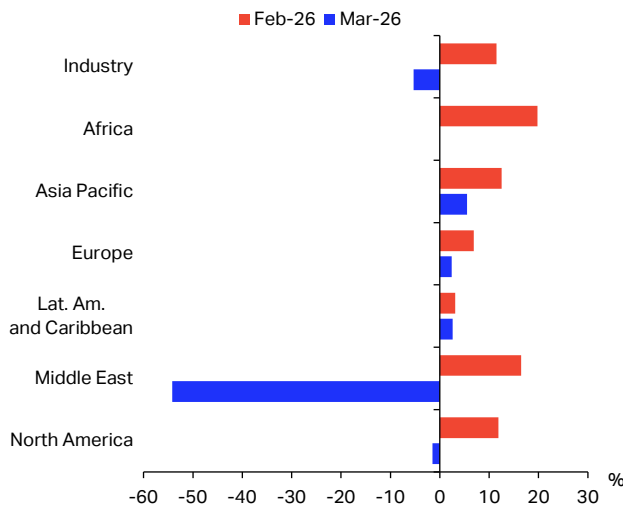


Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

International Cargo Trends Reflect Geographic Imbalance and Network Disruption

International cargo demand contracted by 5.5% year-on-year. Global trade disruption, elevated costs, and rerouting inefficiencies weighed disproportionately on cross-border freight, particularly on corridors linked to Gulf connectivity (**Chart 3**). International cargo remained vulnerable to shifting network structures as airlines adjusted schedules around restricted airspace and longer routings.

Chart 3: International CTk by airline region of registration, YoY, %



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

International regional performance showed a clear divide between resilient Asia-linked markets and heavily

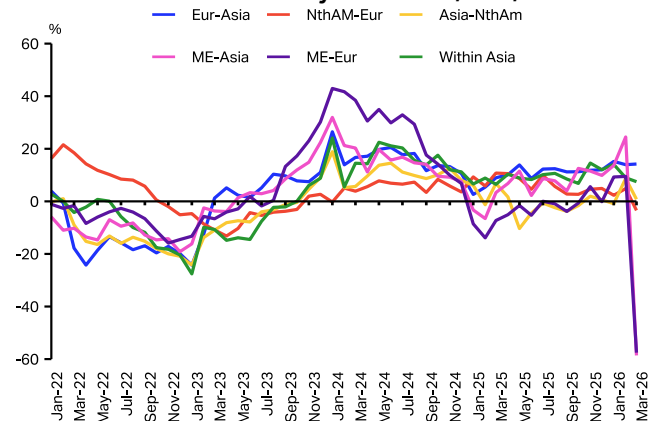
exposed Middle Eastern operators. Africa and Asia Pacific advanced, respectively, by 7.0% and 5.5%, maintaining upward momentum despite moderating from the prior month, while Europe and Latin America and the Caribbean showed smaller gains. North America slipped into contraction, reflecting the fade-out of prior-year distortions that had temporarily elevated both demand and capacity in the region.

Middle East carriers recorded the steepest deterioration, declining by 54.2% year-on-year as operational disruptions intensified. The pace of contraction accelerated suddenly relative to the previous month, underscoring how geopolitical friction rapidly altered cargo routing patterns. Asia Pacific and Europe also slowed relative to February, indicating that while rerouted demand provided some support, it was insufficient to sustain earlier growth rates.

Asia-Europe Leads Corridor Expansion While Gulf-Linked Routes Face Severe Disruption

Route-area analysis captures all airlines operating a corridor, rather than registration alone, providing a holistic view of cross-border flows. Corridor performance diverged greatly between rerouting beneficiaries and Gulf-exposed markets (**Chart 4**). Europe-Asia emerged as the strongest major lane, expanding 14.2% year-on-year and extending a 37-month streak of uninterrupted growth. Within Asia also remained resilient, rising 7.5% and continuing a prolonged expansion supported by regional manufacturing and intra-Asian trade flows.

Chart 4: International CTk by route area, YoY, %



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

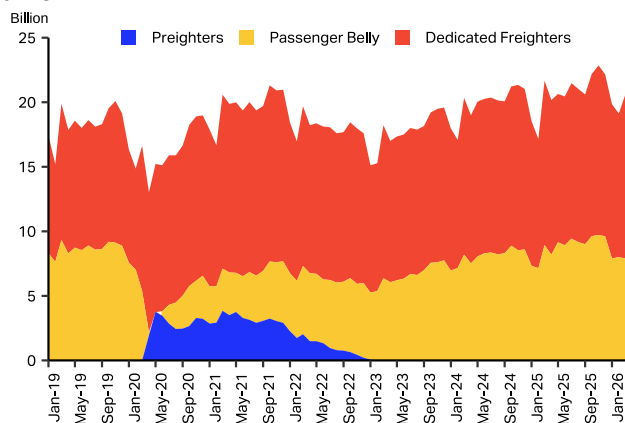
Asia-North America remained positive but lost momentum, increasing just 0.8% as growth moderated after earlier strength. The moderation in transpacific flows suggests the unwinding of last year's temporary demand pull-forward in North America, which had distorted comparative growth rates and capacity allocation patterns.

The most pronounced weakness centered on Gulf-linked trade lanes. [Middle East–Asia](#) contracted by 58.6%, while [Europe–Middle East](#) declined by 57.6%, reflecting airspace disruption, reduced hub connectivity, and declining capacity from Gulf-based operators. [Europe–North America](#) edged into contraction at 3.4%, marking its first annual decline in nearly a year. The movement primarily reflects normalization from last year’s tariff-related front-loading in North American demand, which had temporarily elevated baseline volumes.

Dedicated Freighters Prove More Resilient Than Belly Cargo During Market Downturn

Both cargo type segments contracted during the month, although dedicated freighters demonstrated greater resilience than passenger belly demand (**Chart 5**). Freighter volumes edged lower by 0.9% year-on-year, while belly cargo fell 12.1%, reflecting the heavier exposure of passenger-linked freight to schedule reductions and disrupted connecting traffic.

Chart 5: International Industry CTK by cargo business type, billion



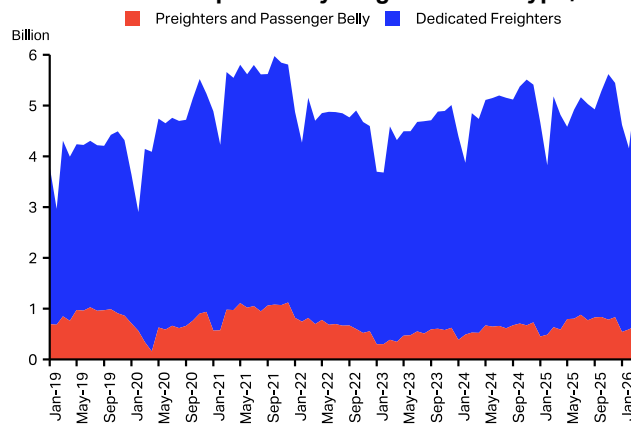
Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Dedicated freighters benefited from operational flexibility and continued to capture displaced flows on rerouted long-haul corridors, particularly across Asia-linked trade lanes. Passenger belly demand, by comparison, weakened severely as airlines adjusted networks around restricted Gulf airspace and reduced frequencies.

Dedicated Freighter Strength Concentrates on Asia-Linked Trade Lanes

Across major trade lanes, dedicated freighters accounted for the largest share of nominal cargo growth, reinforcing their importance during periods of disruption, with the exception of Asia–North America.

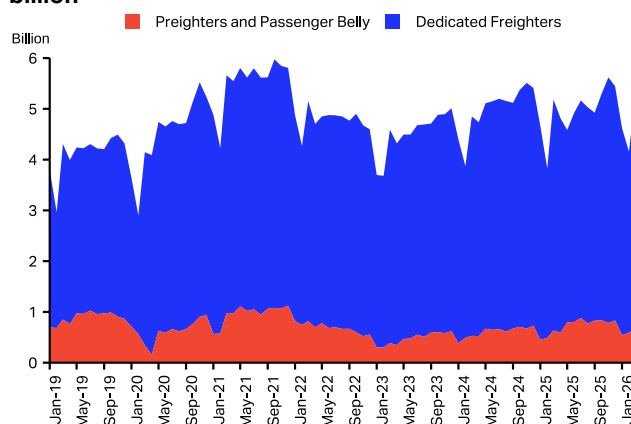
Chart 6: Asia-Europe CTK by cargo business type, billion



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Dedicated freighter demand remained strongest on Asia-focused corridors, where airlines redirected cargo flows away from disrupted Gulf transit networks. [Europe–Asia](#) posted the strongest expansion at 17.9%, extending a 2-year growth streak and marking a seventh consecutive month of double-digit gains (**Chart 6**). [Within Asia](#) also strengthened, advancing 13.3% as regional freight remained supported by manufacturing supply chains and intra-regional demand (**Chart 8**).

Chart 7: Asia-North America CTK by cargo business type, billion



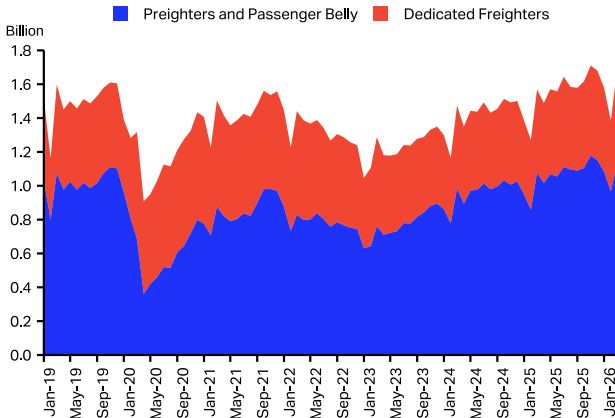
Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Europe–Asia generated the largest nominal gain, adding 469 million CTK, while within Asia contributed ~66 million CTK. [Asia–North America](#) grew only marginally, rising 0.4%, as momentum moderated sharply relative to earlier months (**Chart 7**). [Europe–North America](#) represented the lone contraction, declining 2.4% amid weaker transatlantic demand and rising operating costs (**Chart 9**).

Freighters outperformed belly cargo on several corridors, particularly on Europe–Asia route, where dedicated aircraft maintained stronger positioning amid rerouting and longer transit times. This suggests cargo

operators prioritized reliability and schedule certainty over passenger-linked capacity during periods of disruption.

Chart 8: Within Asia CTK by cargo business type, YoY, %

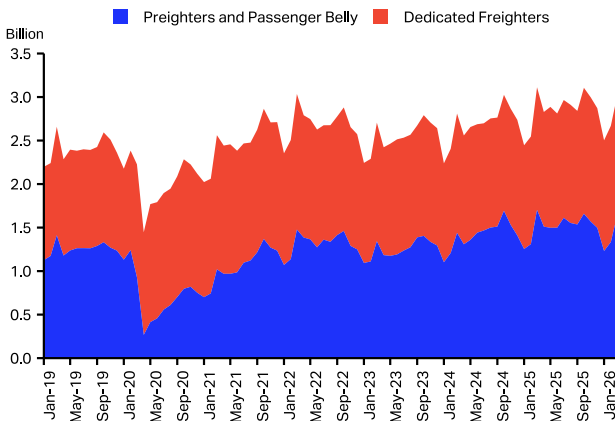


Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Passenger Belly Cargo Slows as Network Disruption Limits Connectivity

Passenger belly demand continued to expand across several major corridors, although growth moderated significantly compared with prior months. Europe–Asia remained the strongest lane, increasing 9.2% year-on-year and sustaining a multi-year expansion streak. Within Asia also advanced, while Asia–North America maintained growth despite a marked slowdown in momentum.

Chart 9: Europe-North America CTK by cargo business type, billion



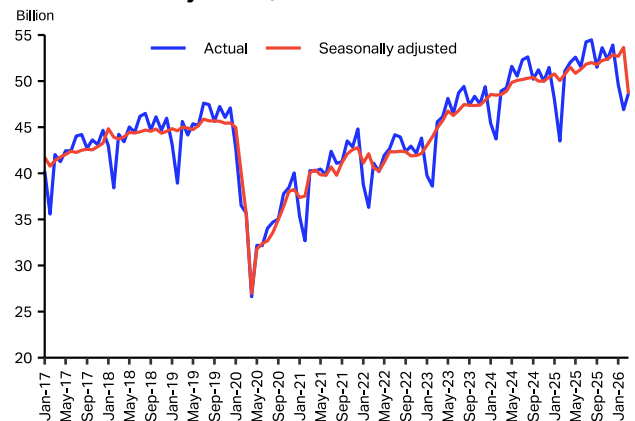
Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Nominal gains were concentrated in Europe–Asia, which added ~177 million CTK, followed by Within Asia at ~52 million CTK and Asia–North America at 23 million CTK. However, growth rates softened broadly across all expanding corridors, suggesting weaker demand conditions and reduced schedule flexibility.

Europe–North America entered contraction territory, declining 4.3% year-on-year and marking its first annual decline in over three years. Much of this weakness reflects a high comparison base from the same period last year, when tariff-related front-loading temporarily boosted transatlantic freight demand and belly capacity deployment. As those distortions unwound, passenger-linked cargo volumes normalized, contributing to softer year-on-year performance despite continued underlying network activity.

Capacity Contracts Alongside Demand as Gulf Disruption Reshapes Networks

Chart 10: Industry ACTK, billion



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Industry-wide available cargo tonne-kilometers (ACTK) declined by 4.7% year-on-year (Chart 10), reflecting both weaker underlying demand and pronounced regional reallocation effects, including the unwinding of last year’s elevated capacity base in North America and the sharp contraction in Middle East operations during March 2026. Capacity reductions were concentrated among Middle East and African carriers, where airspace closures, operational uncertainty, and reduced schedules constrained network availability.

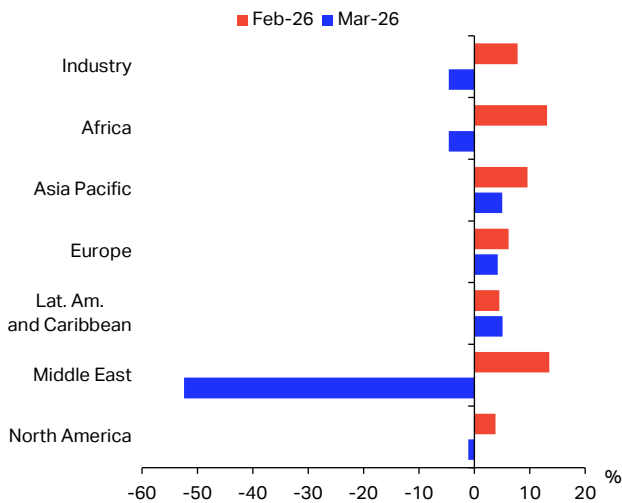
Outside the Gulf, capacity remained comparatively resilient as airlines in Asia Pacific, Europe, and Latin America and the Caribbean expanded available lift through rerouting and targeted deployment across alternative corridors. However, these increases were insufficient to offset the scale of contraction seen in the Middle East.

Regional Capacity Growth Fails to Offset Sharp Gulf Retrenchment

Latin America and the Caribbean recorded the strongest capacity increase at 5.1% (Chart 11), followed by Asia Pacific and Europe. North America softened modestly, reflecting selective network adjustments.

The Middle East remained the largest drag on global supply, with available cargo tonne-kilometers falling 52.4% year-on-year. Africa also shed capacity from last year, with ACTK declining by 4.6% YoY. In nominal terms, Asia Pacific added ~890 million ACTK and Europe contributed ~365 million ACTK, while Middle East and African carriers removed approximately 3,538 and 53 million ACTK from the market. Capacity redistribution toward Asia-Europe bypass flows helped absorb part of the disruption but introduced inefficiencies and longer transit times.

Chart 11: Total ACTK by airline region of registration, YoY, %



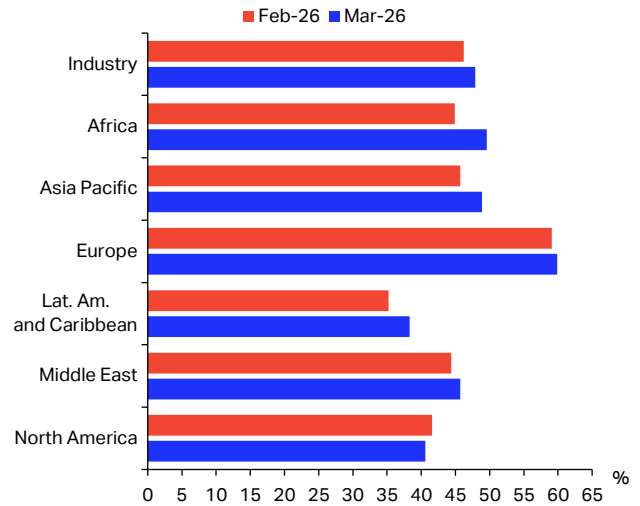
Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Industry Cargo Load Factors Hold Stable Despite Falling Demand and Capacity; only Asia Pacific Improves Utilization

Industry-wide cargo load factor remained broadly unchanged at 47.9% (Chart 12), reflecting offsetting regional dynamics across tightening Africa and Asia, a disrupted Middle East, and a reversion to baseline conditions for North America following last year's demand and capacity distortions. Stability in the aggregate therefore conceals substantial divergence at the regional level, where tightening utilization in Asia-linked markets was broadly balanced by easing conditions in North America and structurally weak performance in the Middle East.

Load factor resilience was notable given the scale of disruption across Gulf-linked operations. Tight capacity management and rerouting likely prevented a more pronounced decline in utilization, particularly as carriers prioritized higher-yield freight and adjusted schedules around constrained corridors.

Chart 12: Total CLF by airline region of registration, %



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics)

Regional load factor performance showed mild deterioration across most markets, with Africa and Asia Pacific as the main exceptions. Carriers in the two regions increased load factors by 5.4 and 0.2 percentage points respectively, reaching 49.6% in Africa and 48.9% in Asia Pacific, reflecting stronger cargo utilization supported by resilient demand and bypass traffic.

Europe and Latin America and the Caribbean recorded declines of 1.1 and 1.3 percentage points respectively, while the Middle East posted the steepest deterioration at 1.9 percentage points. North America remained broadly flat. The divergence highlights that regional load factor dynamics are increasingly driven by structural rebalancing effects rather than uniform demand trends, with Asia reflecting genuine utilization tightening, while North America and parts of Europe continue to normalize from last year's front-loaded demand environment.

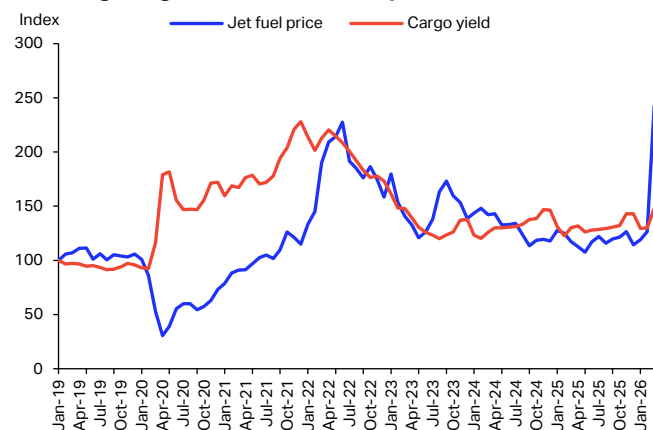
Fuel Shock and Supply Disruption Push Cargo Economics Into Extreme Territory

Jet fuel prices surged extremely during March, rising 106.6% year-on-year alongside a 43.1% increase in dated Brent and a 390.2% jump in crack spreads. Energy markets reacted to escalating Middle East instability. Reduced petroleum shipments through the Strait of Hormuz and refinery constraints tightened aviation fuel availability. Jet fuel price levels, which averaged USD 183.7 per barrel, reached their highest point in more than 23 years, while month-on-month (MoM) gains reached 92.0%, marking one of the

strongest monthly increases on record. Brent crude also climbed rapidly as supply concerns intensified despite coordinated strategic reserve releases by the International Energy Agency. The widening crack spread reflected refinery stress and limited availability of aviation fuels relative to crude supply.

Cargo yields rose alongside energy costs, increasing 13.6% year-on-year and 13.6% month-on-month to reach 2.75 USD per kilogram (Chart 13). The MoM nominal increase of 0.33 USD per kilogram reflected both supply-side constraints and demand substitution from disrupted sea freight. Longer routings, elevated fuel burn, reduced maritime reliability, and constrained cargo lift combined to create a sharply inflationary pricing environment across global freight markets.

Chart 13: Jet fuel price and air cargo yield (with surcharges), global index, January 2019 = 100



Source: IATA Sustainability and Economics displaying statistics compiled by Jet fuel price monitor, Cargolis

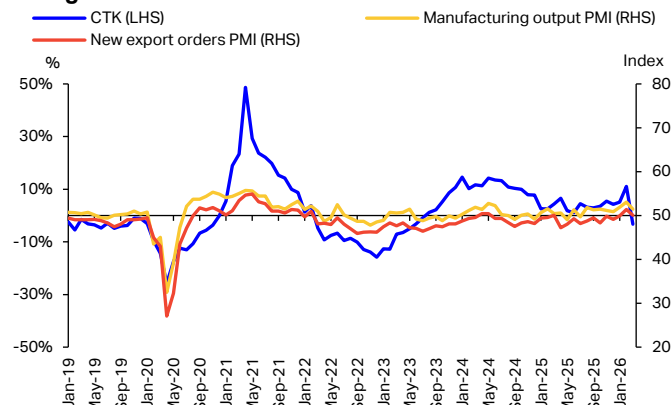
Manufacturing Momentum Remains in Expansion Territory Despite Softening Trade Signals

Purchasing Managers' Indexes (PMIs) are diffusion indicators of private-sector activity, where readings above 50 signal expansion and below 50 signal contraction. Global manufacturing activity remained in expansion territory during the month, though momentum softened compared with previous readings. The Global Manufacturing Output PMI stood at 51.4, while the New Export Orders Index registered 50.1, indicating continued, albeit marginal, growth in both production and external demand (Chart 14).

Both indicators remained just above the expansion threshold, reinforcing that underlying industrial conditions continue to support cargo demand, even as momentum weakens. The recent easing reflects a loss of short-term traction rather than a cyclical downturn. Manufacturing output fell by 1.7 points MoM, marking the weakest reading in three months and the sharpest monthly decline in 20 months. Export orders similarly eased by 1.3 points to a two-month low, signaling more

cautious global ordering behavior and softer replenishment cycles across supply chains.

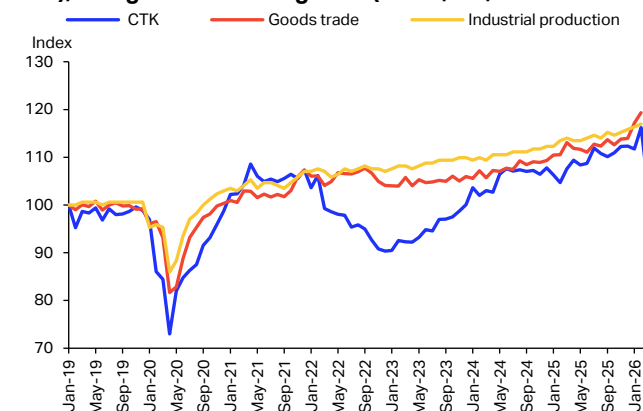
Chart 14: Industry CTK (SA), change YoY, %, global manufacturing, and new export orders PMIs, 50 = no change



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics), S&P Global Market

Industrial production continued to provide a firmer counterbalance to softer survey data. The global industrial production index rose 0.5% month-on-month in February 2026, extending a four-month sequence of gains, while year-on-year growth reached 3.1%, marking the 38th consecutive month of expansion (Chart 14). In parallel, global goods trade strengthened, with the World Goods Trade Index increasing 8.0% year-on-year, up from 6.0% in January. On a monthly basis, trade growth slowed to 1.9% from 2.8%, indicating some moderation in sequential momentum despite a stronger annual trend. Taken together, the divergence between softer PMIs and still-expanding industrial production and trade suggests that the manufacturing cycle remains fundamentally intact, but with clearer signs of cooling in forward-looking demand indicators.

Chart 10: Industry CTK (SA), industrial production (constant USD), and global trade in goods (index, SA, Jan 2019=100)



Source: IATA Sustainability and Economics displaying statistics compiled by IATA Information and Data (Monthly Statistics), Macrobond

Air cargo demand reflected this underlying resilience, rising 11.0% in seasonally adjusted terms during

February, supported primarily by production-linked and trade-driven shipments. Overall, these indicators suggest that cargo markets entered early 2026 on a stable macroeconomic footing, even as growth momentum continued to normalize from earlier peaks.

Air cargo market in detail - March 2026

	World	March 2026 (year-on-year, %)				March 2026 (year-to-date, %)			
	share ¹ , %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0	-4.8	-4.7	-0.1	47.9	3.3	1.9	0.6	46.4
Africa	2.1	7.0	-4.6	5.4	49.6	14.3	3.6	4.3	46.3
Asia Pacific	36.0	5.4	5.0	0.2	48.9	8.9	6.2	1.2	46.6
Europe	21.3	2.2	4.2	-1.1	59.9	4.8	5.0	-0.1	57.6
Latin America and Caribbean	2.9	1.8	5.1	-1.3	38.3	-1.0	4.0	-1.8	34.7
Middle East	13.2	-54.3	-52.4	-1.9	45.7	-12.4	-10.8	-0.8	43.1
North America	24.5	-1.2	-1.1	0.0	40.6	1.8	0.2	0.6	41.8
International	88.0	-5.5	-6.8	0.8	54.8	3.6	2.3	0.7	51.6
Africa	2.1	7.0	-4.6	5.5	51.3	14.3	3.5	4.6	48.0
Asia Pacific	32.2	5.5	3.5	1.1	56.2	9.1	6.3	1.4	52.9
Europe	21.0	2.4	4.1	-1.0	62.2	5.0	5.0	0.0	59.9
Latin America and Caribbean	2.5	2.6	4.7	-0.9	44.2	0.5	3.8	-1.3	39.6
Middle East	13.2	-54.2	-53.0	-1.3	46.7	-12.4	-10.9	-0.7	43.6
North America	17.1	-1.5	-0.6	-0.5	49.7	2.9	2.9	0.0	48.9

Note 1: % of industry CTK in 2025

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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