



# Air Cargo Market Analysis

May 2025

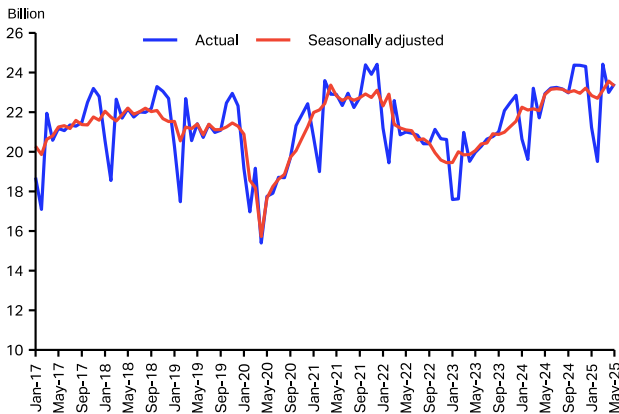
## Air cargo demand grows along with capacity recovery

- The industry's air cargo demand, measured in Cargo Tonne-Kilometers (CTK), climbed 2.2% year-on-year (YoY) in May, compared to 5.8% in April. This slowing momentum is due to the unwinding of the front-loading effect ahead of the new tariffs coming into force.
- International CTK saw a 3.0% YoY rise, with most regions and routes posting single-digit gains. Asia Pacific led the international air cargo growth with an 8.2% YoY increase. On the flipside, the elimination of the de minimis exception and the tariff increase 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 2.0% YoY, while capacity utilization, Cargo Load Factor (CLF), gained 0.1 percentage point compared to May 2024.
- Jet fuel costs dropped by 18.8% YoY and decreased 4.3% month-on-month (MoM), a fourth consecutive monthly decrease. Cargo freight rates declined for the first time in 2025 by 2.9% YoY and 3.7% MoM.

### Global air cargo demand grows, but at a slower rate

Global air freight volumes showed more modest growth in May, while nevertheless adding 2.2% YoY in CTK (Chart 1). This first sign of weakening world trade is less dramatic than feared by many. The US tariff increase and the removal of the de minimis exemption have disrupted established air cargo flows, forcing carriers to adjust or redeploy capacity on certain routes. Uncertainty remains high, which impedes planning and optimization along the supply chain, and further loss of momentum in the coming months cannot be ruled out. Seasonally adjusted (Chart 1) CTK actually contracted by 1.0% MoM.

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 May. **Asia Pacific** posted the strongest growth, up 8.3% YoY. However, this is a 1.6 percentage point decrease compared to the previous month. **European** airlines saw a modest 1.6% YoY increase, down 1.6 percentage points compared with April. After solid gains in April, **Africa's** carriers saw a contraction in May 2025 of 2.1% YoY, down 5.3 percentage points from April.

In contrast, carriers in the **Middle East** continued to build momentum, expanding for the second consecutive month. The region recorded a 3.6% YoY rise, the largest after **Asia Pacific**, which represents a 1.4 percentage point increase compared to April.

**Latin America and the Caribbean** reported a 3.1% YoY increase, though this is a significant 7.2 percentage points contraction compared to April 2025. **North America** reported the worst performance among the regions, decreasing 5.8% YoY and losing 10.3 percentage points compared to April.

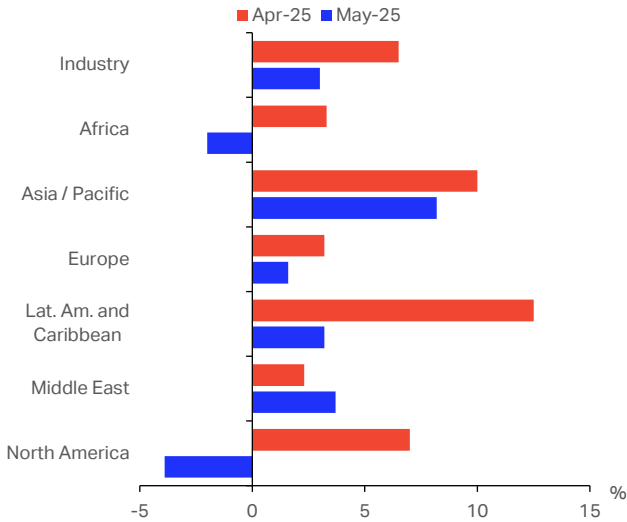
### International cargo limited by North America's performance

International cargo represented 87.3% of the total cargo market in 2024. Cross-border shipments gained 3.0% YoY in May 2025, down 3.5 percentage points from April 2025 (Chart 2).

World share <sup>1</sup>		May 2025 (% year-on-year)				May 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>2.2%</b>	<b>2.0%</b>	<b>0.1%</b>	<b>44.5%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>-0.1%</b>	<b>45.2%</b>
International	87.3%	3.0%	2.6%	0.2%	50.6%	4.0%	4.6%	-0.3%	50.7%

Note 1: % of industry CTKs in 2024

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

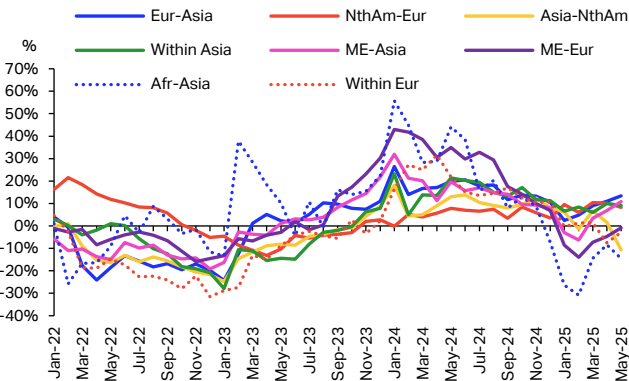


Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

The **Asia Pacific** region's carriers led international air cargo growth with 8.2% YoY, below the 10.0% YoY in April. Exports of goods for the tech sector supporting the market despite the US tariffs. **European** carriers grew more modestly at 1.6% YoY in May, below the 3.2% YoY increase observed in April 2025.

**Middle Eastern** airlines continued to gain traction in May, up 3.7% YoY. This was the only region that improved their international freight, adding 1.4 percentage points from April. **African** carriers showed a mild 2% contraction YoY on the international segment, which translated into a 5.3 percentage point loss versus April 2025. **Latin America** achieved a moderate 3.2% YoY increase; however, the international cargo segment for the region reported a considerable 9.3 percentage points drop compared to April. Finally, **North American** airlines reported the largest contraction on international routes, down 3.9% YoY, 10.9 percentage points below April'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 May 2025 increased on major trade corridors **from/within Europe** and **Middle East-Asia**. However, other relevant trade routes, **from/within Asia** and **from North America** have decreased significantly in the recent month (Chart 3).

Cargo corridors **from and within Europe** performed exceptionally well in May 2025, benefiting from the tariff induced shifts in cargo flows. The **Asia-Europe** corridor gained as much as 13.4% YoY in May, up 2.3 percentage points from April 2025. The **Middle East-Europe** trade route recovered 3.9 percentage points compared to April. Also, air cargo traffic **within Europe** added 4.7 percentage points compared to April 2025, yet it contracted by 2.8% YoY.

The transatlantic **North America-Europe** corridor, the second busiest route in the world, still delivered a strong 8.2% YoY increase. However, the cargo flow on this airway fell 1.9 percentage points from April.

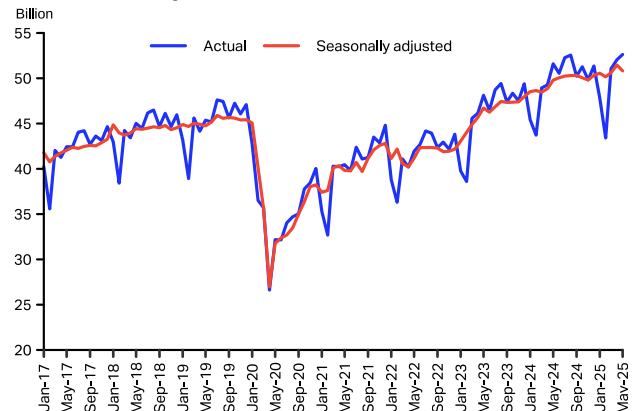
**Middle East-Asia** consolidated its position as the second best-performing corridor, expanding by 10.8% YoY in May 2025 and surpassing April's results by 3.9 percentage points. Ongoing trade route reshaping favors the region's strategic cargo hubs.

Even though cargo flows **within Asia** grew by 9.1% YoY in May, they declined by 0.8 percentage points from April 2025. The **Africa-Asia** corridor contracted sharply, by 14.6% YoY, a 6.2 percentage points decline from April.

The **Asia-North America** corridor was heavily impacted by the end to the de minimis tariff exemption as of 2 May 2025. As a result, the trade flows on this route dropped by 10.7% YoY, which represents a 12.3 percentage points decrease compared to April 2025.

**Load factors indicate capacity recovery**

**Chart 4: Industry ACTK, billion**



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

Global air cargo capacity reached an all-time high of 52.6 billion ACTK in May 2025, representing a 2.0% YoY increase (Chart 4).

The CLF—measured as CTK divided by ACTK—stood at 44.5%, a 0.1 percentage point decline compared to May 2024. This marginal decrease indicates that the front-loading has likely ended. Moreover, a strong expansion in belly capacity, thanks to the busy summer season in the passenger market, regardless of cargo demand, may have further impacted load factors.

Most regions contributed to the overall decline in the global CLF compared to the previous year. **Asia Pacific** was an exception, recording modest growth of 1.1 percentage points YoY. This slight increase illustrates regional trade resilience, supported by strong intra-**Asia** demand. The region's CLF stood at 46.1%, up 1.5 percentage points from April.

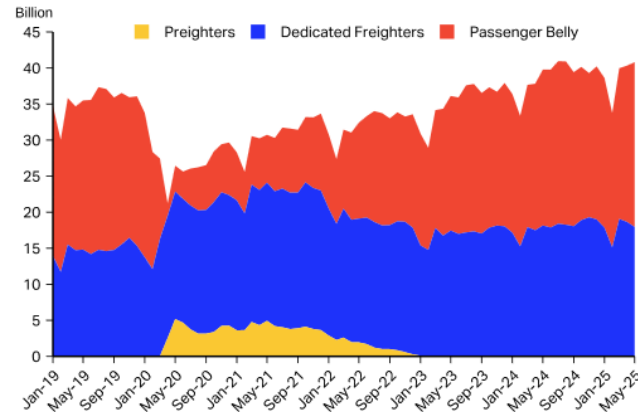
**Europe** maintained the highest CLF among all regions in May 2025, reaching 51.8%. However, this represents a 0.3 percentage point decline compared to April 2025. Meanwhile, the **Middle East** recorded a 0.3 percentage point YoY drop in the CLF. Nonetheless, the subregion gained the most compared to April, increasing CLF by 2.8 percentage points.

As businesses recalibrated supply chains in response to evolving tariff structures and economic conditions, the **Americas** had lowest CLFs across regions, coupled with the steepest declines compared to April 2025. **North America's** CLF pulled back to 38.2%, losing 1.5 percentage points MoM, while **Latin America** reported the lowest CLF at 36.1%, a 2.9 percentage point decline from April.

**Africa's** CLF stood at 42.2%, down 2.0 percentage points YoY but up 0.9 percentage points from April 2025, the third consecutive month of growth.

Air cargo capacity in May 2025 continued to rely 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 gained 5.8% YoY and 5.5% MoM in May 2025, the highest since 2019 (Chart 5). As passenger demand surges in summer, additional belly-

hold capacity will be introduced, alleviating capacity constraints caused by aircraft delivery backlogs.

In contrast, dedicated freighter supply showed a slight contraction, decreasing 1.2% YoY, which represented a 3.8% drop versus April 2025. This was expected considering the evident contraction seen along the main international corridor of **North America-Asia**, which is heavily reliant on dedicated freighters.

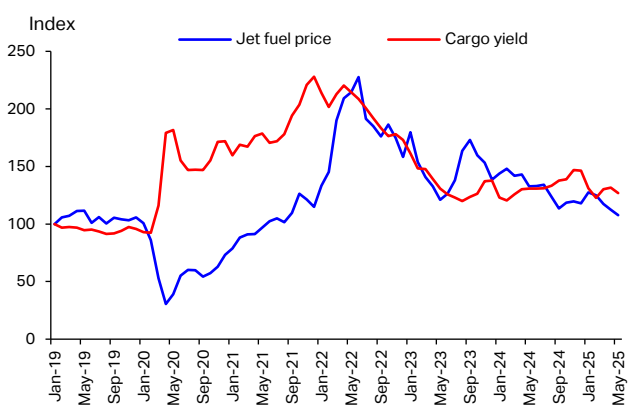
### Cheaper jet fuel is leading to significant cost reduction

Oil prices continued the downward trajectory in May, driven by increased production from non-OPEC+ nations, signs of a slowdown in global demand, and the OPEC+ decision to further unwind production cuts.

Brent crude's average price fell to USD 64.2 per barrel in May 2025, marking the tenth straight month of YoY decline. This represents a 21.7% decrease compared to last year and a 5.4% drop from April 2025. Jet fuel also fell sharply by 18.8% YoY and by 4.3% MoM, the fourth consecutive monthly decrease.

This sharper fall in jet fuel compared to Brent narrowed the crack spread to USD 17.4 per barrel, a 0.5% drop from April 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

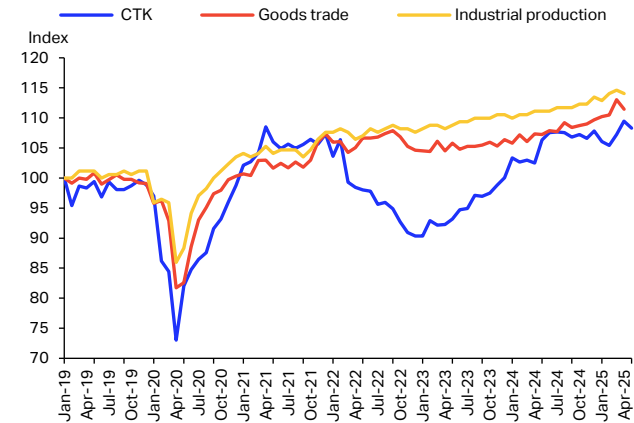
Despite the restrictive US trade policy in May 2025, air cargo volumes remained strong in most markets. However, most routes to/from North America have shown a sharp contraction in demand. As a consequence, cargo yields reported a 2.9% YoY decrease and a 3.7% drop MoM, breaking the two-month consecutive growth observed in the past (Chart 6).

### Weaker global production and trade

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 2.6% YoY in April 2025, leading to a 6.8% YoY increase in total cargo traffic, outpacing overall trade growth of 3.8% YoY in April 2025.

In May 2025, seasonally adjusted CTK fell into negative territory, standing 1.0% lower compared to April. This period ended a short two-month growth spurt (Chart 7).

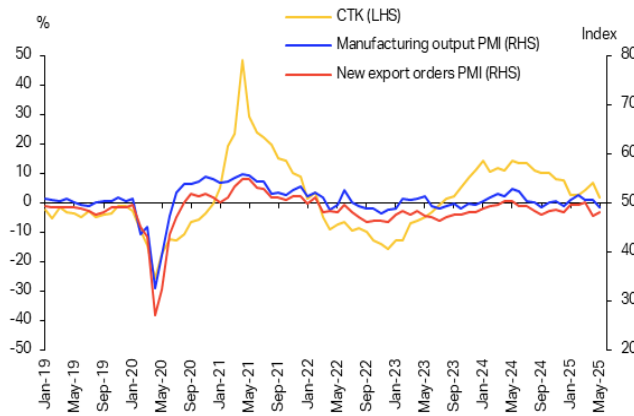
**Chart 7: Industry CTK (SA), industrial production (constant USD), and global trade in goods (index, SA, Jan 2019=100)**



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

Global manufacturing output, measured by the PMI, dropped below the 50 threshold to 49.1 in May, for the first time in 2025. This was a 6.9% YoY decrease and a 2.8% drop compared to April 2025, indicating a slight weakening in global manufacturing production compared to April 2025. While output declined in May, new export orders grew 1.6 index points from April, to 48. New export orders have been directly 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 Market

## Air cargo market in detail - May 2025

	World share <sup>1</sup>	May 2025 (% year-on-year)				May 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>2.2%</b>	<b>2.0%</b>	<b>0.1%</b>	<b>44.5%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>-0.1%</b>	<b>45.2%</b>
Africa	2.0%	-2.1%	2.7%	-2.0%	42.2%	-4.1%	4.1%	-3.5%	41.1%
Asia Pacific	34.2%	8.3%	5.7%	1.1%	46.1%	8.2%	7.5%	0.3%	45.4%
Europe	21.5%	1.6%	1.5%	0.0%	51.8%	2.5%	2.3%	0.1%	55.0%
Latin America	2.9%	3.1%	3.5%	-0.2%	36.1%	7.1%	6.9%	0.1%	36.9%
Middle East	13.6%	3.6%	4.2%	-0.3%	46.3%	-3.6%	1.1%	-2.1%	44.3%
North America	25.8%	-5.8%	-3.2%	-1.1%	38.2%	1.2%	-0.4%	0.6%	40.5%
<b>International</b>	<b>87.3%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>0.2%</b>	<b>50.6%</b>	<b>4.0%</b>	<b>4.6%</b>	<b>-0.3%</b>	<b>50.7%</b>
Africa	2.0%	-2.0%	2.7%	-2.1%	43.4%	-4.1%	3.3%	-3.3%	42.6%
Asia Pacific	30.6%	8.2%	7.6%	0.3%	54.5%	8.3%	10.1%	-0.9%	52.5%
Europe	21.0%	1.6%	0.8%	0.4%	54.0%	2.5%	1.8%	0.4%	57.2%
Latin America	2.5%	3.2%	1.5%	0.7%	40.4%	7.2%	6.6%	0.2%	41.4%
Middle East	13.6%	3.7%	4.1%	-0.2%	46.7%	-3.5%	1.1%	-2.1%	44.7%
North America	17.5%	-3.9%	-3.9%	0.0%	46.4%	4.8%	1.5%	1.6%	48.7%

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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 30 June 2025

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