Air Cargo Market Analysis

May 2026

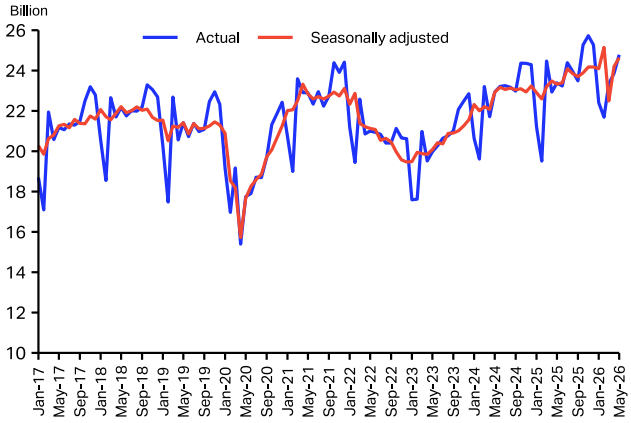
Trans-Pacific Strength Anchors Global Cargo Expansion

- Global air cargo demand (Cargo Tonne-Kilometers, CTK) expanded by 6.0% year-on-year (YoY), with growth anchored in Asia Pacific and North American carrier performance. Middle East hub disruption continued to reshape parts of the network, but the largest cargo markets absorbed much of the drag.
- International cargo traffic advanced by 6.5% YoY. Asia Pacific and North American carriers provided the main structural support, while Middle East carriers continued to contract despite a less severe pace of decline.
- Global capacity (ACTK) increased by 1.9% year-on-year, substantially below the pace of demand growth, resulting in higher cargo load factors (CLF). Additions from Asia Pacific, North American and European carriers outweighed reductions elsewhere, although Middle East capacity withdrawals materially limited the net expansion.
- Energy markets softened as crude oil and jet fuel prices retreated from recent highs. Tight fuel fundamentals and stronger cargo utilization nevertheless kept pricing conditions firm, with air cargo yields rising by 37.9% YoY.

Global Cargo Demand Extends Expansion While Growth Becomes More Selective

Global air cargo demand advanced again in May 2026, with industry-wide cargo tonne-kilometres increasing by 6.0% year-on-year **(Chart 1)**. The headline result pointed to a market still expanding, but the underlying pattern was narrower than the aggregate figure implied.

Chart 1: Industry CTK, billion



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

Growth did not come from a uniform improvement across all regions. A limited group of large cargo markets generated most additional traffic, while weakness among Middle East carriers absorbed part of the gains recorded elsewhere.

The broader economic setting was mixed. Manufacturing activity signalled expansion, while export-order indicators stayed below growth territory. In that environment, air cargo benefited from firm Asian trade flows, shifting sourcing patterns and the value of time-sensitive transport under supply-chain uncertainty.

Asia Pacific and North America Drive Most Additional Cargo Volumes

Industry growth was concentrated in Asia Pacific and North America carriers. Together they generated more than 1.2 billion additional CTKs, accounting for the overwhelming majority of incremental industry traffic. Asia Pacific carriers were the largest source of additional demand. They added roughly 669 million CTKs while expanding by 8.0% YoY, reinforcing the region's position as the principal engine of worldwide growth **(Chart 2)**.

North American carriers also outperformed, with demand advancing by 10.5% year-on-year and contributing more than 580 million additional CTKs. The strength reflected international freight dynamics rather

Air cargo market in detail - May 2026

	World	May 2026 (year-on-year, %)				May 2026 (year-to-date, %)			
	share, %[1]	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**6.0**	**1.9**	**1.8**	**46.3**	**4.1**	**1.5**	**1.1**	**46.3**
International	87.9	6.5	2.8	1.8	52.4	4.4	1.9	1.2	51.8

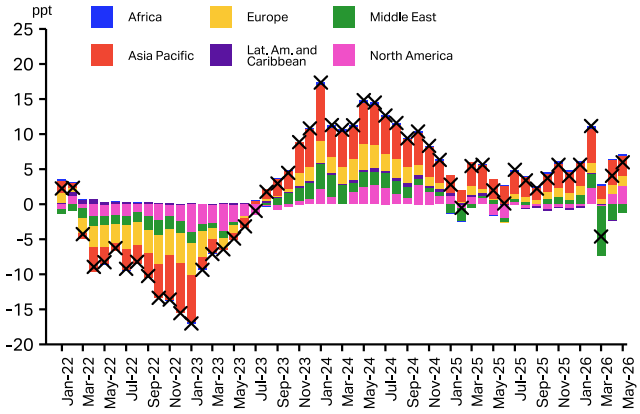
[1] % of industry CTK in 2025

than a purely domestic market story. Higher-value air trade flows helped compensate for the structural adjustment following the end of US de minimis exemptions.

Africa recorded the strongest percentage increase among major regions, with carrier CTKs rising by 13.3%. Its contribution to global growth was comparatively modest because the region operates from a smaller traffic base. Europe expanded by 6.7%, adding another meaningful source of support.

The main drag came from Middle East carriers. Demand contracted by 8.9%, removing almost 280 million CTKs from the global total and partially offsetting gains achieved in the larger growth markets.

Chart 2: Regional contribution to industry-wide CTK growth, YoY%



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

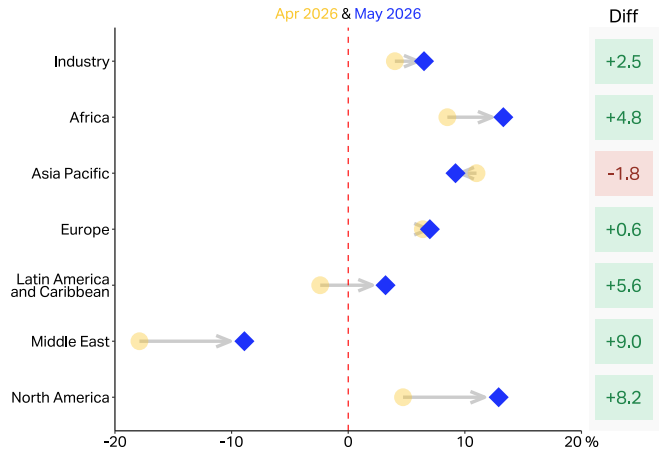
International Markets Rebalance Around Asia-Centered Trade Flows

International cargo markets provided the foundation for industry growth, with international CTKs increasing by 6.5% year-on-year **(Chart 3)**.

International demand improved across most carrier regions. Asia Pacific carriers expanded international CTKs by 9.2% YoY, while North American carriers advanced by 12.9%. The latter also gained momentum relative to the previous month, accelerating by 8.2 percentage points.

Africa registered the fastest international growth rate at 13.3% YoY, although Its influence on worldwide volumes was smaller than that of Asia Pacific and North America, reflecting the difference between percentage momentum and market scale. Europe strengthened by 7.0%, indicating steady participation in the international expansion.

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



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

Elsewhere, Latin American and Caribbean carriers posted a modest 3.2% increase but emerging from April's YoY contraction. By contrast, Middle East carriers remained under pressure despite an improvement in momentum metrics. International traffic contracted by 8.9% YoY, indicating that operational challenges continued outweighing any short-term stabilization.

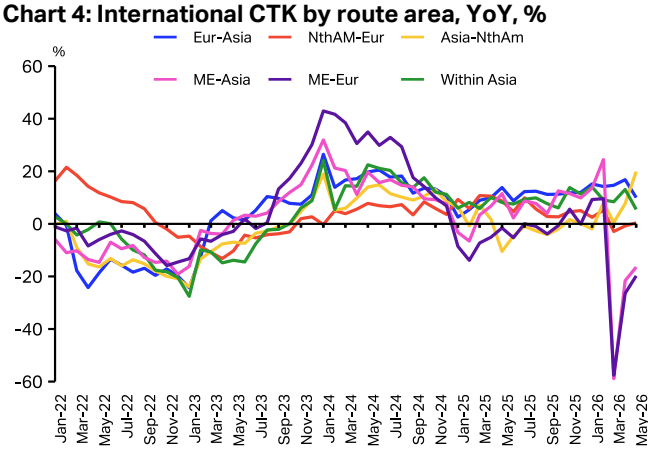
Asia-Linked Corridors Lead While Middle East Hub Routes Contract

Corridor analysis reflects all operators serving a trade lane, providing a more complete picture of international cargo connectivity.

The Asia–North America corridor was the strongest-performing major trade lane. Demand growth accelerated sharply and reached the highest pace among major corridors, highlighting the persisting importance of trans-Pacific manufacturing and e-commerce flows **(Chart 4)**. Europe–Asia maintained a long-running expansion trend, although momentum moderated from exceptionally strong levels. Intra-Asian traffic also continued to grow, supported by regional production networks and supply-chain integration.

Corridors involving the Middle East moved in the opposite direction. Traffic between Europe and the Middle East, as well as between the Middle East and Asia, contracted as network disruptions constrained flows through major hub locations.

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



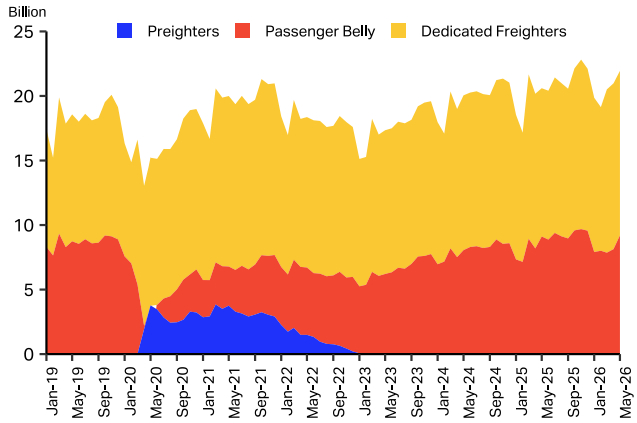
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Freighters Remain the Primary Source of Demand Growth

Industry expansion was concentrated in dedicated freighter operations. Freighter traffic advanced by 11.0% year-on-year and accounted for the majority of incremental cargo volumes **(Chart 5)**. Passenger belly traffic returned to positive territory, although growth was comparatively modest.

Freighters therefore kept a strategic role in the network. They accommodated cargo flows that passenger operations could not fully absorb, with nominal dedicated freighter growth reaching 15 times that of belly cargo.

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



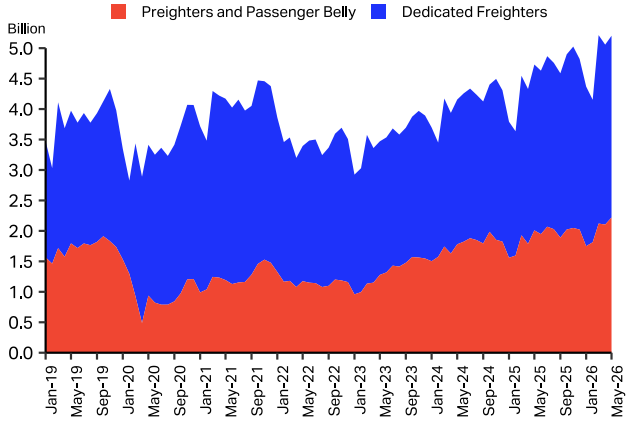
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Trans-Pacific Markets Lead Freighter Expansion

Freighter demand was strongest on Asia-linked trade lanes. The Asia–North America corridor generated by far the largest increase in freighter volumes and recorded exceptionally strong growth momentum **(Chart 7)**. Europe–Asia also contributed to freighter expansion, although the pace moderated from earlier highs **(Chart 6)**.

Europe–North America was the only monitored corridor to record a decline in freighter traffic, suggesting a reversion toward more typical market conditions following earlier demand distortions **(Chart 9)**.

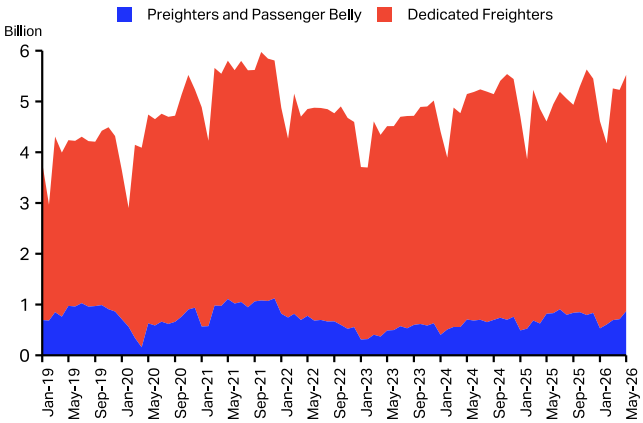
Chart 6: Asia-Europe CTK by cargo business type, billion



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

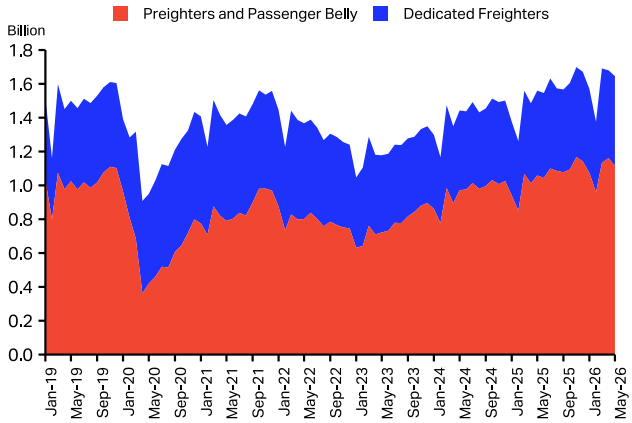
Across major trade lanes, dedicated freighters were the dominant contributor to volume growth. Asia–North America was overwhelmingly freighter-led, while Europe–Asia also relied primarily on dedicated cargo aircraft. Within Asia, passenger belly operations played a more prominent role because regional passenger networks are denser **(Chart 8)**.

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



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

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



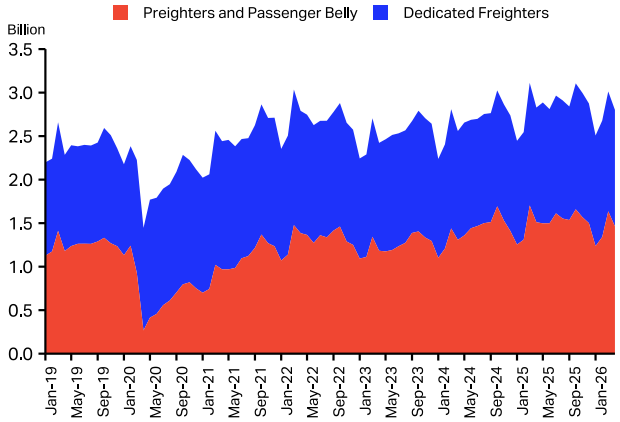
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Belly Cargo Expansion Reflected Network Recovery

Passenger belly cargo expanded across all monitored trade lanes. The improvement indicated that recovering passenger networks added cargo-carrying capability to the market. Europe-Asia was the strongest-performing belly market, supported by sustained passenger connectivity and trade activity. Asia-North America and intra-Asian routes also stayed positive, although growth rates moderated from earlier highs.

Europe-North America returned to expansion. The result pointed to a better balance between passenger capacity deployment and freight demand on the Atlantic corridor.

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



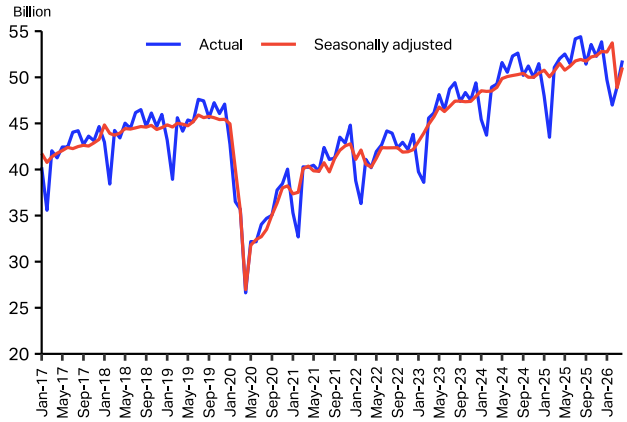
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Capacity Additions Lagged Behind Traffic Growth

Industry-wide ACTK increased by only 1.9% year-on-year, substantially below the pace of demand growth **(Chart 10)**. The gap between demand and supply tightened market conditions during May 2026.

This was a disciplined capacity outcome rather than a broad supply surge. Airlines added lift in several regions, but the industry did not match the pace of traffic growth. That restraint created a more supportive environment for utilisation and yields.

Chart 10: Industry ACTK, billion

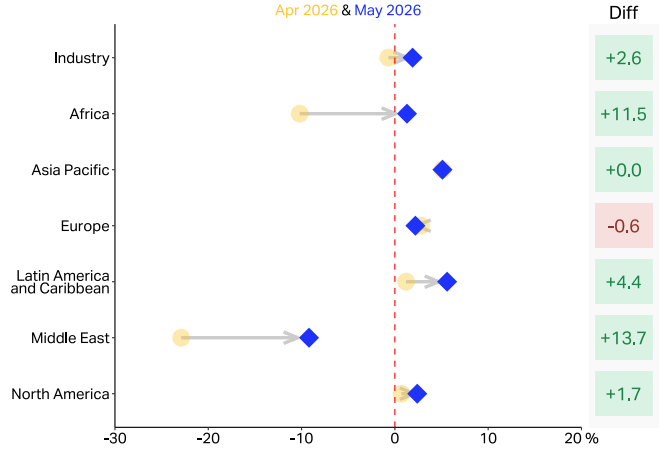


Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Asia Pacific carriers supplied the largest share of incremental capacity during May 2026. Their contribution, more than 0.9 billion ACTKs, outweighed the net industry increase after accounting for reductions in other regions. North American and European carriers also expanded available lift. Growth rates of 2.4% and 2.2% respectively suggested a measured response to improving demand conditions **(Chart 11)**. Latin American and Caribbean carriers recorded the fastest capacity increase at 7.4%, but from a comparatively smaller base.

Middle East carriers provided the main counterweight to global expansion. Their capacity contracted by 9.2%, removing roughly 630 million ACTKs from the market.

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



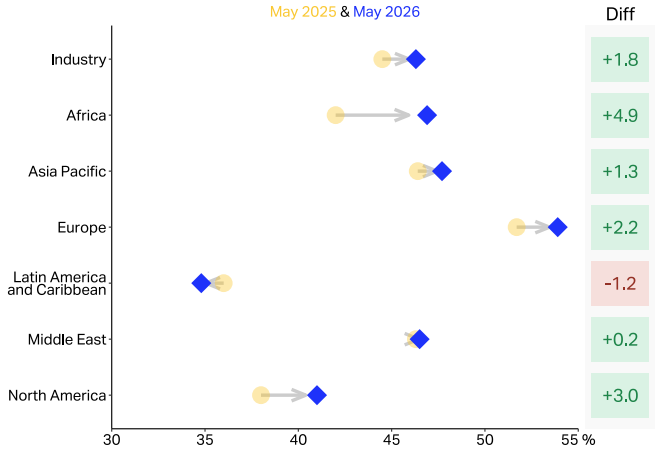
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Utilisation Improved as Demand Outpaced Available Lift

Cargo load factor increased by 1.8 percentage points YoY to 46.3% The improvement resulted from demand growth exceeding the increase in available capacity. **(Chart 12)**. The decomposition is straightforward. Traffic volumes rose more quickly than available lift. Aircraft therefore operated fuller across the aggregate industry.

The implication is not that every market strengthened in the same way. Higher utilisation came from different mechanisms across regions, including strong demand in some markets and capacity withdrawal in others.

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



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

Africa carriers achieved the strongest improvement in cargo load factor, adding 4.9 percentage points YoY. The increase aligned with the region's strong demand performance and showed that traffic gains exceeded capacity additions. Europe and North American carriers also recorded notable advances in utilisation. Asia Pacific carriers saw load factors edge upward as freight demand expanded faster than available lift. The result pointed to a supportive market environment rather than an abrupt supply squeeze.

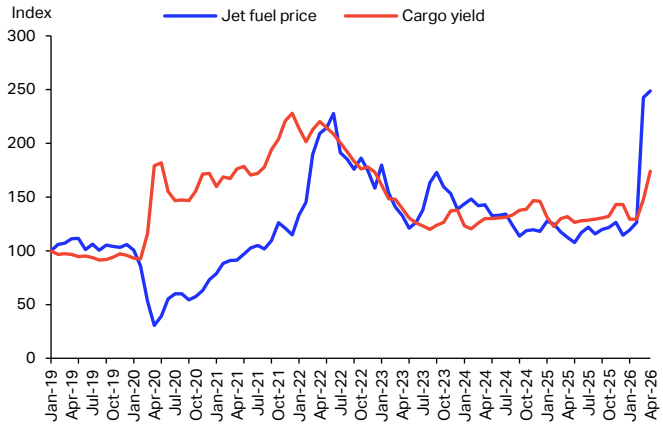
A different mechanism operated among Middle East carriers. Utilisation increased slightly even though traffic declined because available capacity contracted more sharply. Higher load factors therefore stemmed from reduced lift rather than a broad-based improvement in demand. Latin American and Caribbean carriers experienced softer utilisation as capacity growth outstripped traffic gains. CLF declined by 1.2 percentage points YoY, now in its 11th month of YoY contraction.

Fuel Prices Ease but Underlying Energy Markets Stay Tight

Jet fuel prices stood 93.5% above year-earlier levels, while Brent crude and crack spreads were substantially elevated on the same basis **(Chart 13)**. The annual comparison still pointed to a costly fuel environment for airlines.

Month-to-month (MoM) movements nevertheless showed some moderation. Jet fuel prices declined by 16.3% while Brent crude fell by 10.7%. The adjustment reflected expectations that Middle East energy flows could gradually normalize. Optimism surrounding a potential US-Iran agreement reduced part of the geopolitical risk premium embedded in crude markets. This helped lower benchmark prices without eliminating the underlying tightness in physical fuel 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, CargoIS

Even though fuel prices fell during the month, the market was still tight. Fuel stocks were being used up, refineries were not producing enough, and jet fuel supply remained limited. Because of that, aviation fuel prices could only fall so much.

Air cargo yields maintained an upward trajectory during May 2026. Annual pricing growth was firmly positive, while monthly indicators also pointed to further strengthening.

Air cargo yield in USD increased by 0.3% MoM, extending to a third consecutive month of expansion. The annual picture was considerably stronger, with yields 37.9% above year-earlier levels. Firm pricing indicated that capacity conditions were supportive even as airlines gradually expanded available lift in several regions. Softer fuel prices reduced one cost pressure, but tighter cargo market balances sustained yield performance.

Manufacturing Activity Expands While Export Orders Lag

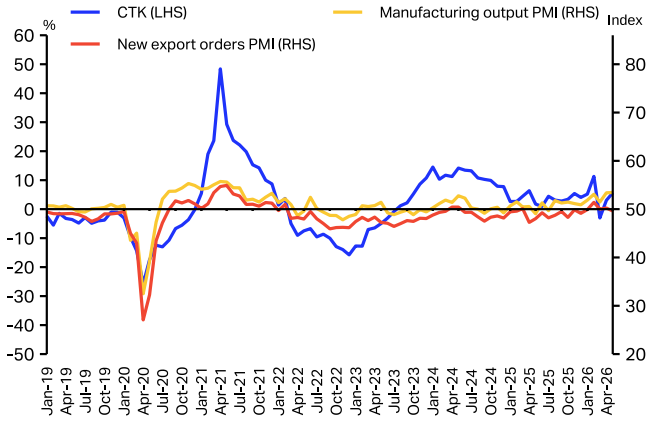
Purchasing Managers' Indexes (PMIs) gauge private-sector momentum. Readings above 50 indicate

expansion, whereas readings below 50 indicate contraction.

The Global Manufacturing Output PMI reached 53.5 in May 2026, marking one of the strongest readings of recent years **(Chart 14).** The increase from the previous month was modest at 0.1 points, suggesting expansion was steady rather than accelerating sharply.

Export orders were the weaker part of the macro picture. The New Export Orders Index remained for the second consecutive month below the expansion threshold at 49.6. The gap between production activity and external demand suggested that cargo growth was being driven by selected trade flows rather than by a broad-based acceleration in global exports.

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



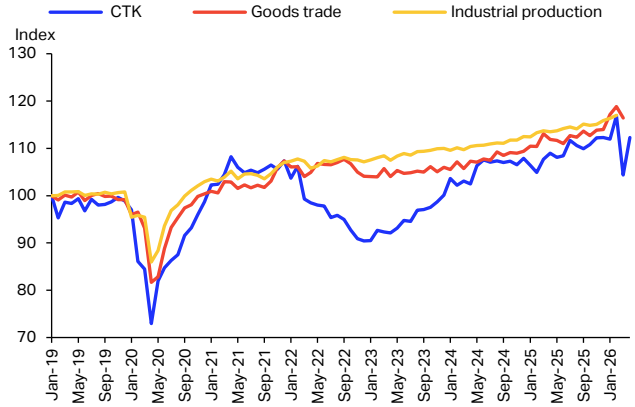
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics, S&P Global Markit

World trade conditions provided a more supportive macroeconomic backdrop for air cargo in April 2026. The CPB World Trade Monitor total volume index increased by 0.7% month-on-month, reversing the contraction recorded in March and suggesting that cross-border goods flow regained momentum.

The annual picture was also supportive. Trade volumes stood 5.0% above April 2025, extending a 25-month sequence of year-on-year expansion. Although monthly export-order indicators remained subdued, the sustained increase in realized trade volumes pointed to resilient merchandise flows, reinforcing the demand environment underpinning international air cargo activity.

For air cargo, the improvement in trade volumes reinforced the demand narrative already visible across Asia-linked corridors. Stronger goods flows do not eliminate the weakness in export orders, but they provide a more favorable backdrop for international freight activity and time-sensitive shipments.

Chart 15: 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

Air cargo market in detail - May 2026

	World	May 2026 (year-on-year, %)				May 2026 (year-to-date, %)			
	share[1], %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**6.0**	**1.9**	**1.8**	**46.3**	**4.1**	**1.5**	**1.1**	**46.3**
Africa	2.1	13.3	1.3	5.0	46.9	12.7	1.1	4.8	46.6
Asia Pacific	35.8	8.0	5.1	1.3	47.7	9.0	6.1	1.2	46.7
Europe	21.4	6.7	2.2	2.3	53.9	5.8	4.0	0.9	56.0
Latin America and Caribbean	2.9	1.9	5.6	-1.2	34.8	-0.8	3.8	-1.6	35.2
Middle East	13.2	-8.9	-9.2	0.2	46.5	-12.7	-12.9	0.1	44.4
North America	24.6	10.5	2.4	3.0	41.0	4.4	0.9	1.4	41.5
International	**87.9**	**6.5**	**2.8**	**1.8**	**52.4**	**4.4**	**1.9**	**1.2**	**51.8**
Africa	2.1	13.3	1.8	4.9	48.1	12.7	1.4	4.8	48.1
Asia Pacific	32.1	9.2	7.8	0.7	55.7	9.5	7.2	1.1	53.7
Europe	21.0	7.0	2.4	2.4	56.3	6.0	4.1	1.1	58.3
Latin America and Caribbean	2.5	3.2	5.9	-1.0	39.3	0.4	3.6	-1.3	40.1
Middle East	13.2	-8.9	-9.2	0.2	46.9	-12.8	-13.1	0.2	44.8
North America	17.1	12.9	4.5	3.7	49.2	5.3	2.4	1.4	49.2

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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