



Air Cargo Market Analysis

November 2024

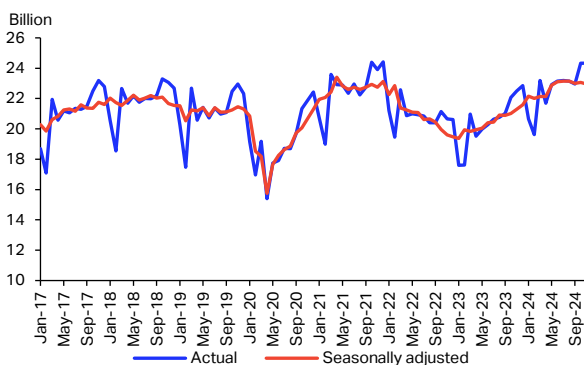
Industry capacity and demand achieve new records

- Global Cargo Tonne-Kilometers (CTK) grew by 8.2% year-on-year (YoY) in November, marking the 16th consecutive month of growth. However, month-on-month (MoM), demand dropped by 0.5 % after seasonal adjustments.
- Yearly growth rates have been decelerating since September to single digits, indicating a move back to pre-2021 values. Meanwhile, the latest CTk volumes were the highest of any November on record.
- International CTk expanded by 9.5% compared to last year with most regions, excluding Africa, and all major trade lanes seeing growth. North American carriers led with a 13.4% YoY increase. Among major trade lanes, Asia-North America trade led with a 13% annual rise in cargo demand.
- Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), grew by 4.6% YoY in November.
- Jet fuel prices rose in MoM terms for a second month, while global air cargo yield continued to increase in MoM terms, for its ninth consecutive month.

Air cargo demand keeps expanding for 16 consecutive months

The global air cargo industry experienced its 16th straight month of yearly demand growth in November, with an 8.2% YoY increase compared to the same month last year (**Chart 1**). However, on a MoM basis, CTk fell by 0.5%, after adjusting for seasonal variations.

Chart 1 – Industry CTk, billion



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

The biggest contributors to the industry's annual CTk growth were carriers from the Asia Pacific region, followed by those from North America. North

Air cargo market in detail - November 2024

	World share ¹	November 2024 (% year-on-year)				November 2024 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	8.2%	4.6%	1.6%	49.0%	11.8%	7.7%	1.7%	45.7%
International	86.6%	9.5%	6.5%	1.5%	54.6%	12.7%	9.9%	0.4%	51.3%

Note 1: % of industry CTks in 2023

American carriers held the second spot for the second consecutive month, replacing European airlines. Asia Pacific carriers contributed 53%, an increase of 3.7 percentage points from November 2023. North American carriers contributed 22%, an increase of 16.7 percentage points from the previous year, reflecting a stronger economy walking out of the shadow of inflation concerns. European airlines contributed 14.9%, down 5.7 percentage points, while Middle Eastern carriers contributed 6.2%, experiencing a sharper decline of 15.7 percentage points compared to November 2023.

Year-to-date, the industry's air cargo demand in November increased by a remarkable 11.8% compared to 2023. At the same time, the latest CTk volume set a new year-to-date record.

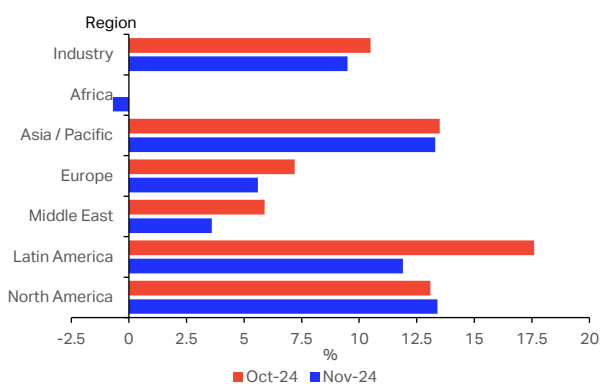
Growth in international cargo demand for nearly all regions

In November, international air traffic rose by 9.5%, fueled by increased e-commerce demand in the US and Asia Pacific, and continued restriction in ocean shipping. Most airline regions saw growth, with changes ranging from a 13.4% increase to a minor 0.7% decrease (**Chart 2**).

North American airlines led with a 13.4% annual growth in international air cargo traffic. Asia Pacific airlines

followed closely with 13.3%, while [Latin America and Caribbean](#) airlines experienced an 11.9% increase. African airlines were the only ones that saw a slight decline, following zero growth in the previous month.

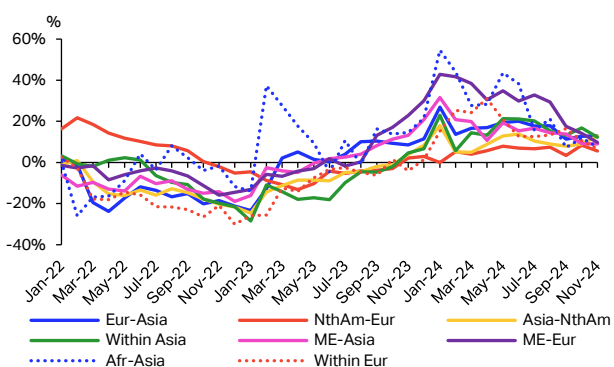
Chart 2 – International CTK by airline region of registration, YoY, %



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

Annual international cargo traffic showed growth across all major route areas (**Chart 3**). The [Asia-North America](#) route, the largest market based on CTK volumes, saw the highest increase at 13%, marking 13 straight months of growth. [Europe - Asia](#) followed with 12.9% YoY growth, sustaining growth for 21 months, including the past 12 months in double digits. [Within Asia](#) ranked third, rising 12.2% YoY, maintaining 13 consecutive months of growth, and the latest 9 of which were double digits. [Europe-North America](#), the third largest market, grew more moderately at 5.6% in its 13th consecutive month of growth.

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



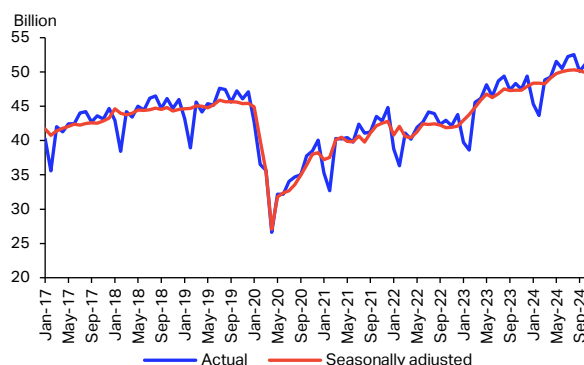
Source: IATA Sustainability and Economics using data from IATA Information and Data

Air cargo capacity expansion extends to November

In November, global ACTK rose by 4.6% YoY. However, MoM, after seasonal adjustments, it declined by 0.6% for the third straight month (**Chart 4**). Year-to-date, ACTK jumped by 7.7%. The cargo load factor (CLF), which indicates the balance between demand and supply, increased by 1.6

percentage points year-to-date compared to the value in November 2023. An increasing CLF is typically associated with a boost in airline earnings and financial performance.

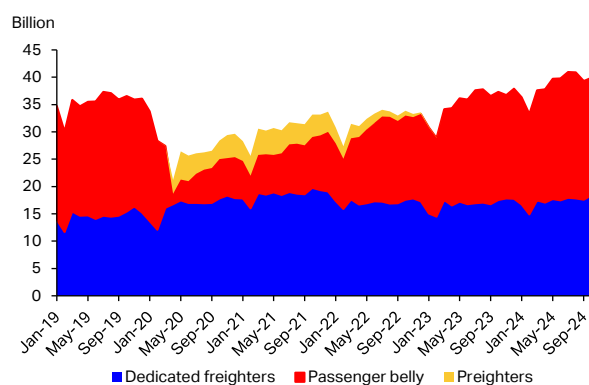
Chart 4 – Industry ACTK, billion



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

International air cargo capacity expanded by 6.5% YoY in November, marking 16 months of continuous growth, and thus remained the main driver of total air cargo capacity. International belly-hold capacity continued to rise, by 6.9% YoY, despite some deceleration. Meanwhile, dedicated freighter capacity rose by 6.1% YoY, marking the eighth consecutive month of growth. As of November 2024, belly capacity covered 51.6% of total capacity, 3.2 percentage points higher than freighters. (**Chart 5**).

Chart 5 – International ACTK by cargo business type, billion



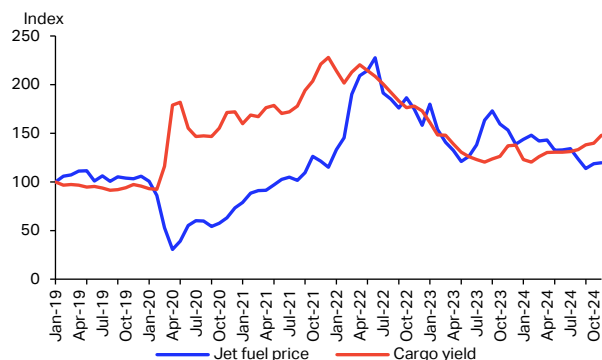
Source: IATA Sustainability and Economics using data from IATA Information and Data

Persistent growth in air cargo earnings amid stabilized fuel expenses

Average monthly global jet fuel prices in November dropped in YoY terms by a stunning 22%, the fifth consecutive fall, continuing a trend that started in February 2024. In contrast, the price expanded by 0.8% in MoM terms, as did the monthly jet fuel crack spread to USD 16.1, its second month in a row. Several factors are driving down global oil prices from its peak in early 2022. Notably, increased oil production from Libya and

Kazakhstan has led to an oversupply. Additionally, China's economic slowdown, characterized by reduced consumer spending and industrial activity, continues to impact oil prices. Consequently, falling oil prices have led to lower jet fuel costs, providing some relief to airlines' operating expenses (**Chart 6**).

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

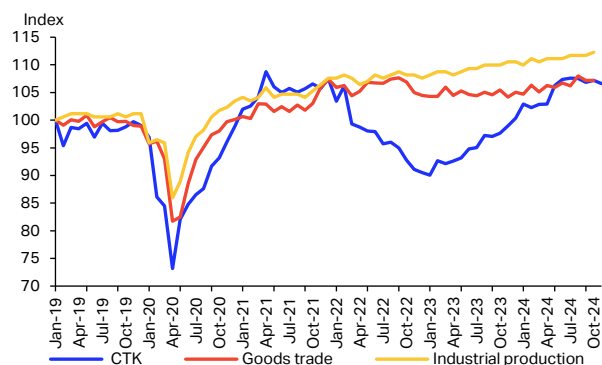


Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, CargoIS

Meanwhile, global air cargo yield (including surcharges) rose by 5.8% MoM and 7.8% YoY. By the end of November, air cargo yields were 52% higher than in 2019. The increasing yield, from the MoM perspective, is driven by several factors. One is the strong e-commerce demand as the holiday season approaches. Another is the limited air cargo capacity between Asia and North America, and Asia and Europe, due to air space restrictions. Additionally, ongoing disruptions in sea shipping such as the effective blockade in the Red Sea caused by Houthi-rebel attacks on merchant ships, are causing some shippers to choose air transport instead.

Industrial production outpaces trade while PMIs signal further expansion for industrial production

Chart 7 – CTK, industrial production at constant USD prices, and cross-border goods trade volume, global index, seasonally adjusted, Jan 2019 = 100



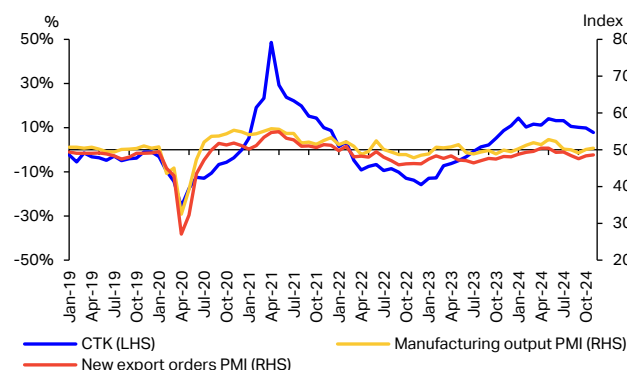
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, Macrobond

Production in the industrial sector experienced a 0.5% increase from September in constant dollar values,

breaking a two-month stalemate (**Chart 7**). On a YoY basis, the index demonstrated even more impressive gains, rising by 2.1%, marking continuous expansion since October 2020. The global merchandise trade followed a similar trend, with a 1.6% YoY surge, its seventh consecutive month of growth, while monthly growth remained stable, a notable improvement over the previous month's decline (**Chart 7**).

Economic benchmarks, known as Purchasing Managers' Indexes (PMIs), are derived from monthly surveys of private sector companies, measuring economic trends in manufacturing and services. In November, the global manufacturing activity showed signs of stabilization, with the PMI rising to 50.4. In contrast, the global new export orders PMI remained subdued, stuck below the 50-point mark at 48.6 for the sixth month in a row, indicating contraction in cross-border demand (**Chart 8**).

Chart 8 – Seasonally adjusted industry CTK, YoY, % (LHS), and global manufacturing and new export orders PMIs, 50 = no change (RHS)



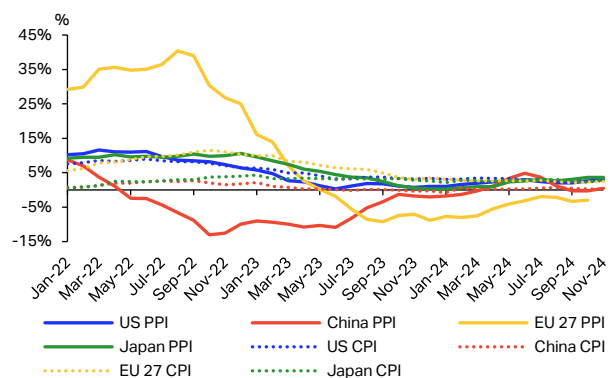
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, S&P Global Market

Producer price trends reflect mixed inflation dynamics across major economies

In the United States, the cost-of-living index, as measured by the annual percentage change in Consumer Price Index (CPI), experienced a second consecutive monthly increase, gaining 0.1 percentage points to reach 2.7% in November. Likewise, the European Union's CPI growth rate ticked up by 0.2 percentage points to 2.5%. Japan's CPI saw a significant jump of 0.6 percentage points to 2.9%, marking the first month of rapid expansion since August. In all these regions, inflation rates have not been able to stay sustainably at targets, which could result in unpredictable business environment for air cargo and economic growth. On the other hand, China's CPI growth rate declined to 0.2% in November, a 0.1 percentage point down from October, sparking additional worries about a slowdown in economic growth. Sluggish domestic demand could lead to a decrease in air cargo shipments as reduced household expenditures and downward pressure on manufacturers result in lower

demand for foreign goods and diminished international trade volumes (**Chart 9**).

Chart 9 – Consumer price index and producer price index in major economies, YoY, %



Source: IATA Sustainability and Economics using data from Macrobond

The Producer Price Index (PPI) monitors price fluctuations at the wholesale level and serves as a crucial predictor of future price trends. In November, the U.S. PPI climbed by 3% compared to the same period last year, marking a 0.4 percentage point surge and the second consecutive monthly gain. Japan's PPI edged up to 3.7% YoY, gaining 0.1 points. China's PPIs rebounded to 0.5% in YoY terms, exiting a two-month period of declining prices. The EU's PPI for September, still in a state of declining prices, improved to -3.0% YoY, a 0.3-point increase from the previous month, with November figures yet to be released.

These PPI fluctuations have a direct impact on air cargo dynamics. The 3% and 3.7% PPIs in the U.S. and Japan, respectively, indicate higher production expenses, which could lead to reduced air cargo demand as businesses manage their expenditures. In contrast, China's modest 0.5% PPI rise suggests minimal price pressures, offering stable production costs that may support air cargo flows. Meanwhile, the EU's -3.0% PPI likely continues to lower manufacturing expenses, enhancing export competitiveness, and potentially boosting air cargo demand on outbound routes.

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TOTAL MARKET	100.0%	8.2%	4.6%	1.6%	49.0%	11.8%	7.7%	1.7%	45.7%
Africa	2.0%	-0.7%	0.4%	-0.5%	42.5%	9.4%	14.7%	-2.0%	41.9%
Asia Pacific	33.3%	13.2%	9.4%	1.7%	50.0%	15.2%	11.8%	1.4%	47.1%
Europe	21.4%	5.6%	4.3%	0.7%	57.6%	11.7%	8.1%	1.8%	53.5%
Latin America	2.8%	11.6%	6.4%	1.9%	39.6%	12.6%	7.8%	1.6%	36.9%
Middle East	13.5%	3.6%	-0.6%	2.0%	49.4%	14.0%	6.1%	3.3%	46.9%
North America	26.9%	6.9%	2.2%	1.9%	43.8%	6.6%	3.4%	1.2%	40.1%
International	86.6%	9.5%	6.5%	1.5%	54.6%	12.7%	9.9%	0.4%	51.3%
Africa	2.0%	-0.7%	0.2%	-0.4%	43.7%	9.4%	14.5%	2.5%	42.9%
Asia Pacific	29.8%	13.3%	12.6%	0.3%	56.5%	15.2%	15.4%	0.6%	54.6%
Europe	21.0%	5.6%	4.3%	0.7%	59.1%	11.9%	8.4%	0.4%	55.5%
Latin America	2.4%	11.9%	7.4%	1.8%	45.3%	11.5%	9.1%	0.1%	41.1%
Middle East	13.4%	3.6%	-0.6%	2.1%	49.7%	14.0%	6.1%	0.6%	47.2%
North America	17.9%	13.4%	6.4%	3.3%	53.4%	9.0%	6.3%	-0.8%	47.7%

Note 1: % of industry CTKs in 2023

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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