

# Cargo Update

**Brendan Sullivan**

Global Head of Cargo

Operations, Safety and Security

**Julia Seiermann**

Head of Industry Analysis

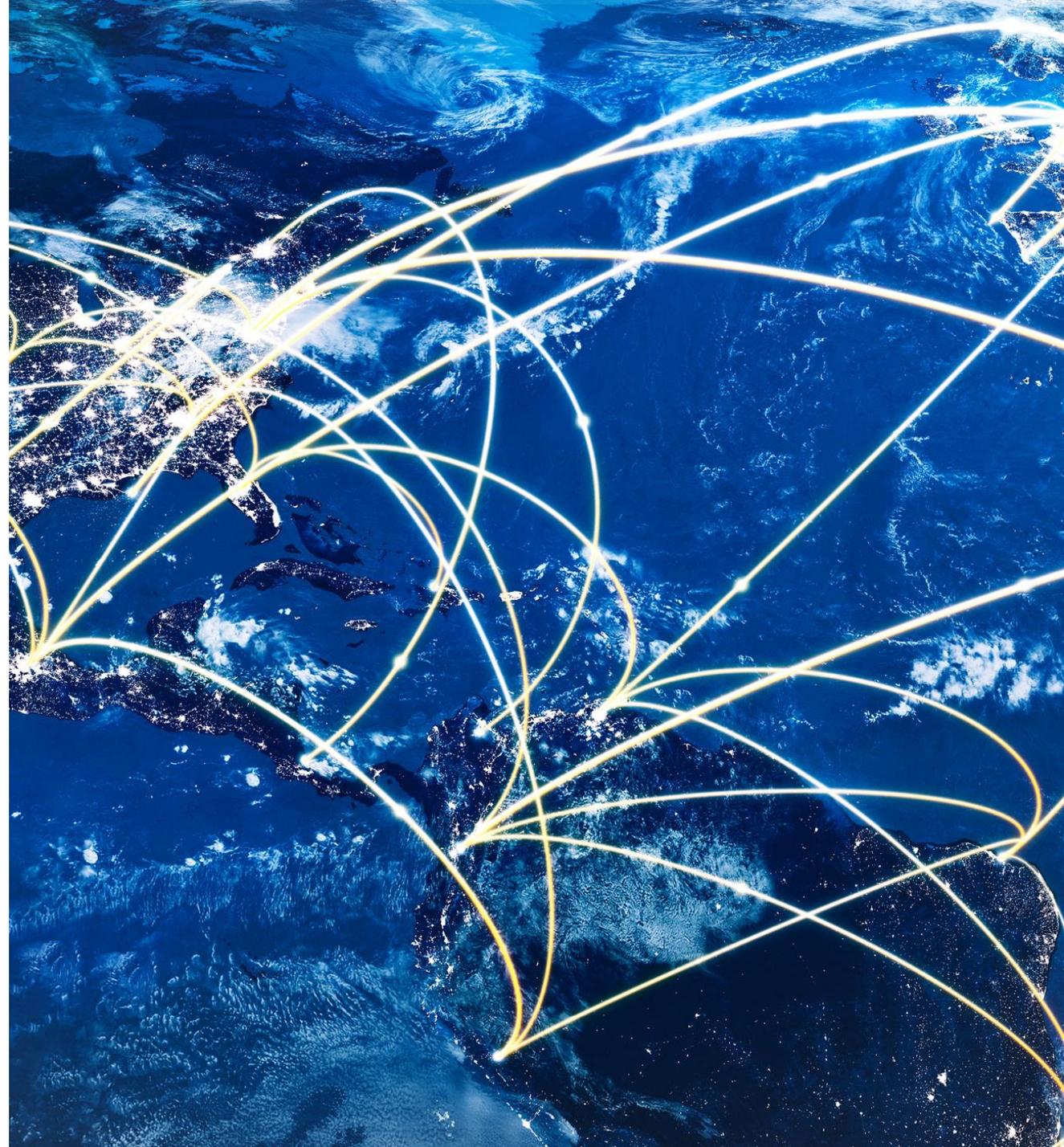
IATA Sustainability and Economics

10 December 2025



# The New Trade Map

Why a fragmented world needs agile air cargo



## **Global Trade is Transforming**

Global trade patterns are shifting due to new tariffs, geopolitical realignments, and evolving supply-chain strategies. These forces are creating more fragmented and dynamic trade routes.

## **Agility is Essential**

As trade routes shift and tariffs reshape supply chains, agility becomes essential for adapting quickly to sudden changes and maintaining continuity.

## **Air Cargo's Role is Key**

Air cargo provides the flexibility and speed needed to keep supply chains functioning in this environment. It has repeatedly shown its ability to adapt quickly when trade routes or sourcing patterns change.



# Industry Priorities

Brendan Sullivan

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# Delivering Agility, Efficiency, and Simplification

## Digitalization

Reduce the heavy paper reliance

Streamline operations

Adapt quickly to changes

## Harmonized Processes

Harmonize implementation at country level

Align local slot rules with global WASG principles to ensure fair, non-discriminatory access for all operators

## Regulatory Simplification

Consistent implementation of PLACI regimes by State

Align usage of eCSD

# Fair Access for a Connected World

## Equal Slot Rights for Air Cargo

**Transparency** in capacity declarations and slot availability

**Neutrality and independence** of coordinators

**Inclusive Coordination Committees** at all Level 3 airports

**Avoidance of arbitrary limits** on capacity, parking, and slot eligibility

**Shared commitment** to fair and non-discriminatory practices



# Solutions

## Digitalization

ONE Record – the digital backbone for agility.

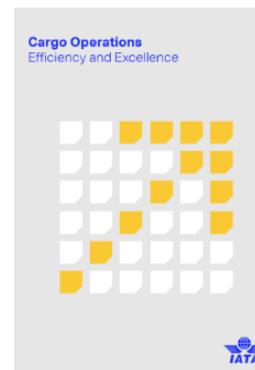
Data – the backbone for AI & Automation



## CSD Reform

Harmonize implementation at country level

Align regulation and procedures



## Safety of the supply chain

Annex 18  
Amendments

- Management of safety risks
- State safety promotion across supply chain



# Proposed Amendments to Annex 18



## Management of safety risks



## State safety promotion



## Dangerous goods transported as cargo or mail & carried by passengers



## States promotion of positive safety culture throughout the supply chain

# Safety of the cargo supply chain

Everyone has a role to play

- States to look at existing supply chain dynamics and determine, and empower, the agency to take primary oversight responsibility.
- Airports to develop a local ecosystem, which involves the supply chain partners that increases knowledge, confidence and trust in their ability to transport complying cargo
- Freight forwarders to adopt systems and processes which tie in to educate and assist shippers to screen for, and transport, dangerous goods safely.
- Security Agencies involved in the air transport supply chain, in reviewing or developing their Security Management Systems (SeMS) consider how they might strengthen supply chain safety.

# Air Cargo – The engine of trade flexibility

Modernization and agility are not optional—they're essential for survival in today's trade environment.

Trade patterns are shifting faster than ever

Air Cargo is the shock absorber for constant disruption

Agility requires modernization



# Thank you

**Brendan Sullivan**

Global Head of Cargo

Operations, Safety and Security



# Economic Outlook Update

Julia Seiermann

Head of Industry Analysis

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# Tariffs, trade and air cargo

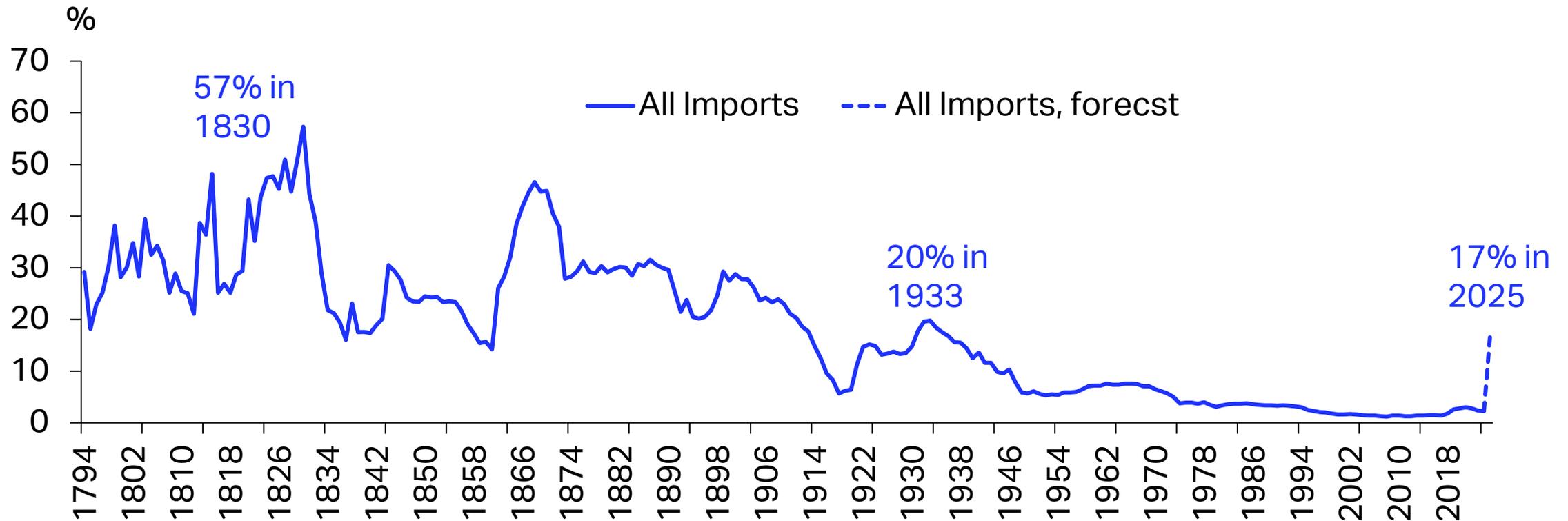


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# Volatile trade policy environment and highest US tariffs in almost 100 years in 2025

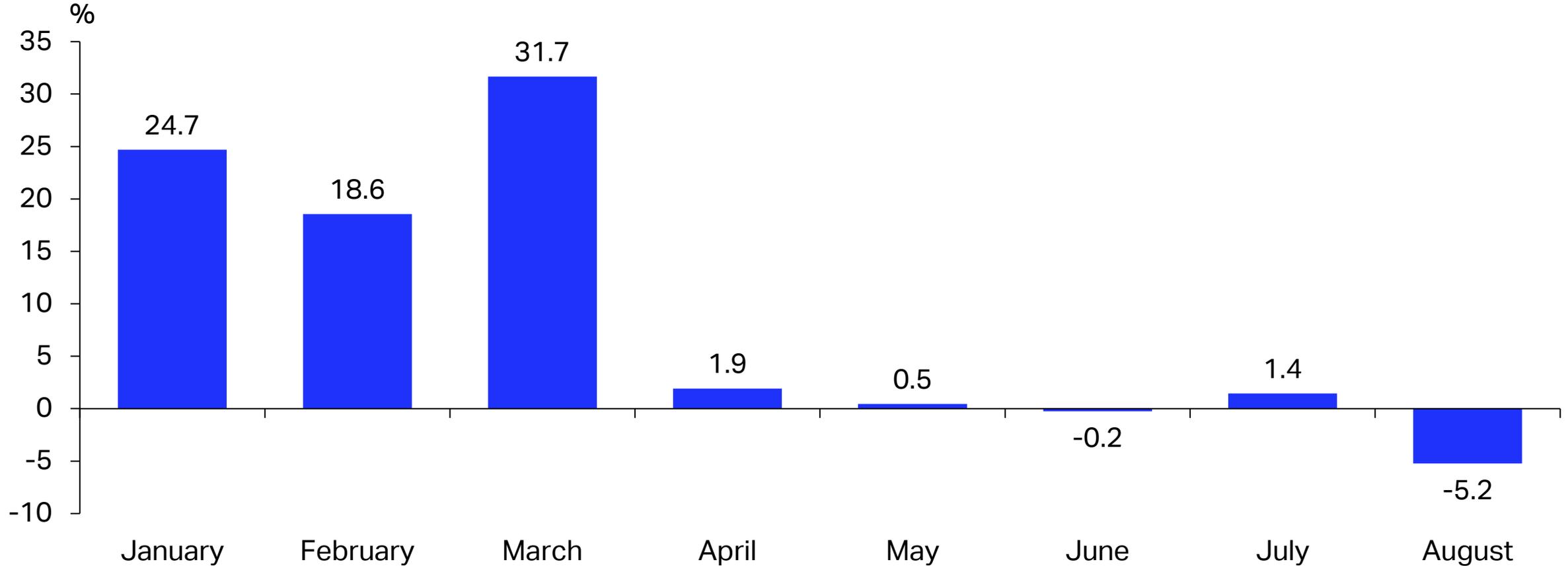
## Average tariff rate in the US on imports, %, 1795-2025



Source: IATA Sustainability and Economics, PIIIE, US International Trade Commission

# US trade policy affected US imports

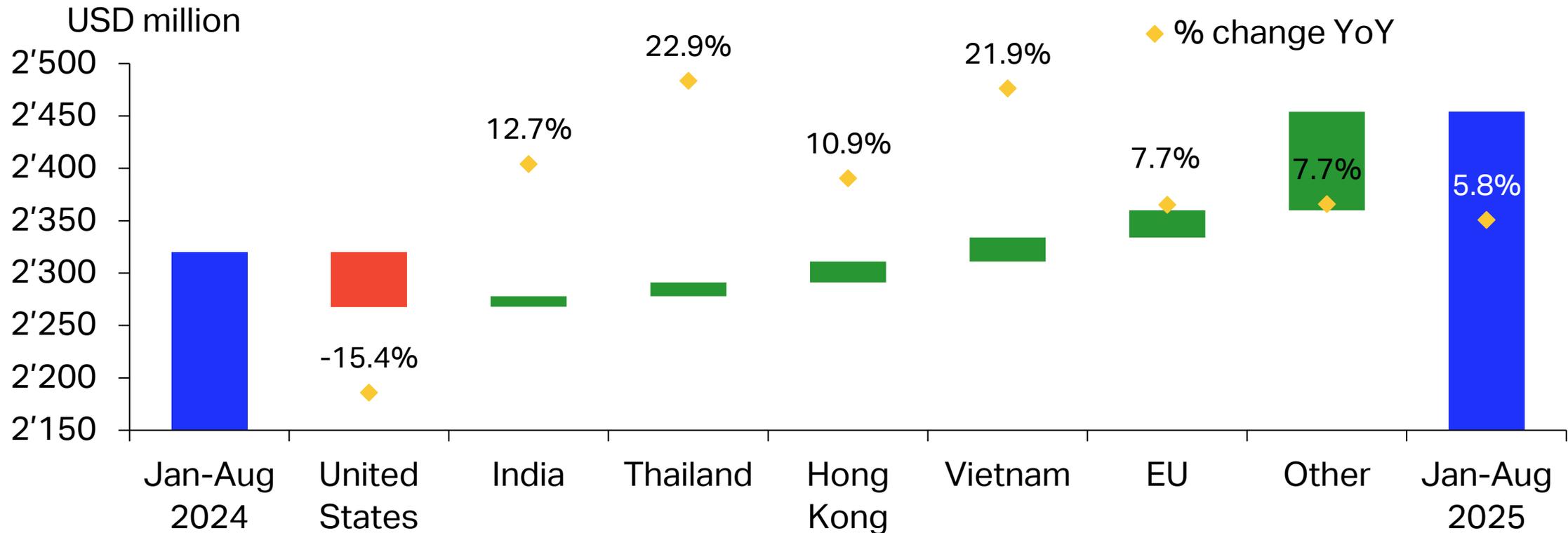
## US imports from all partners, value, YoY growth, January-August 2025



Source: IATA Sustainability and Economics, Global Trade Tracker

# Tariffs prompted major shifts in global trade, such as Chinese exports

**Chinese exports by country, nominal change YoY, USD billion, January-August 2025**

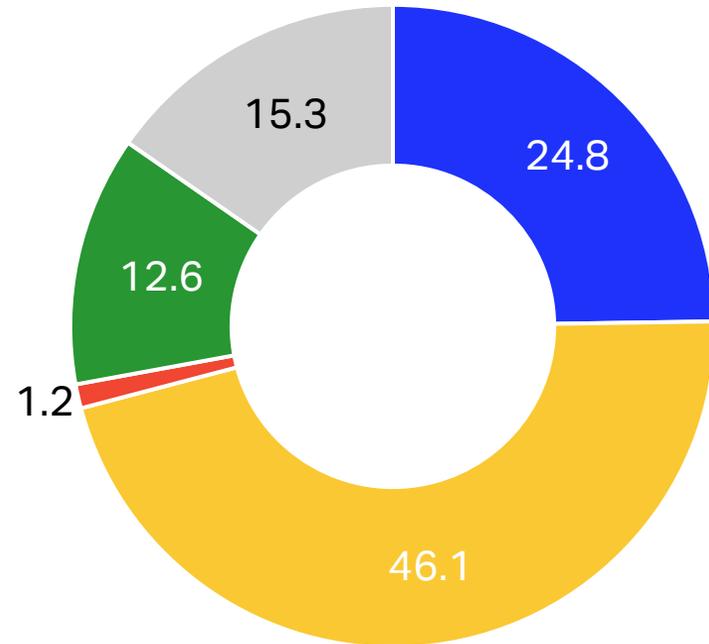


Source: IATA Sustainability and Economics, Global Trade Tracker

# Air cargo is a key enabler of trade by value

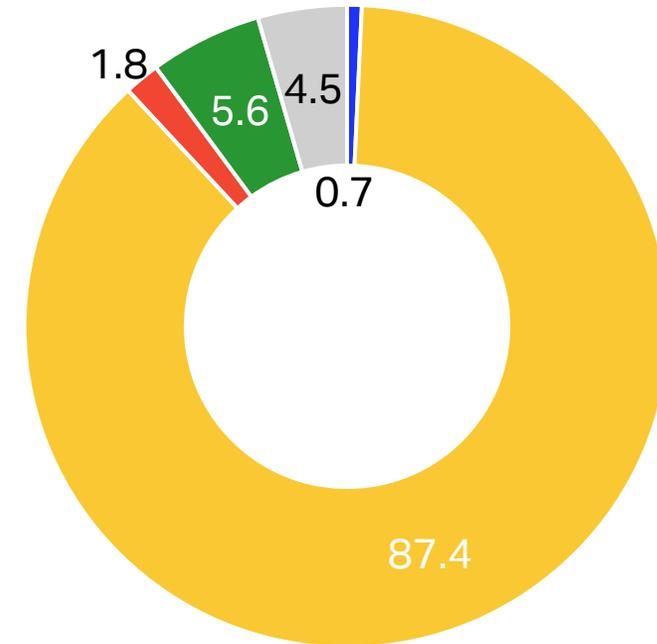
**Trade by mode of transport, % of value in USD, 2024**

■ Air ■ Sea ■ Rail ■ Road ■ Others including non-specified



**Trade by mode of transport, % of weight in Kgs, 2024**

■ Air ■ Sea ■ Rail ■ Road ■ Others including non-specified

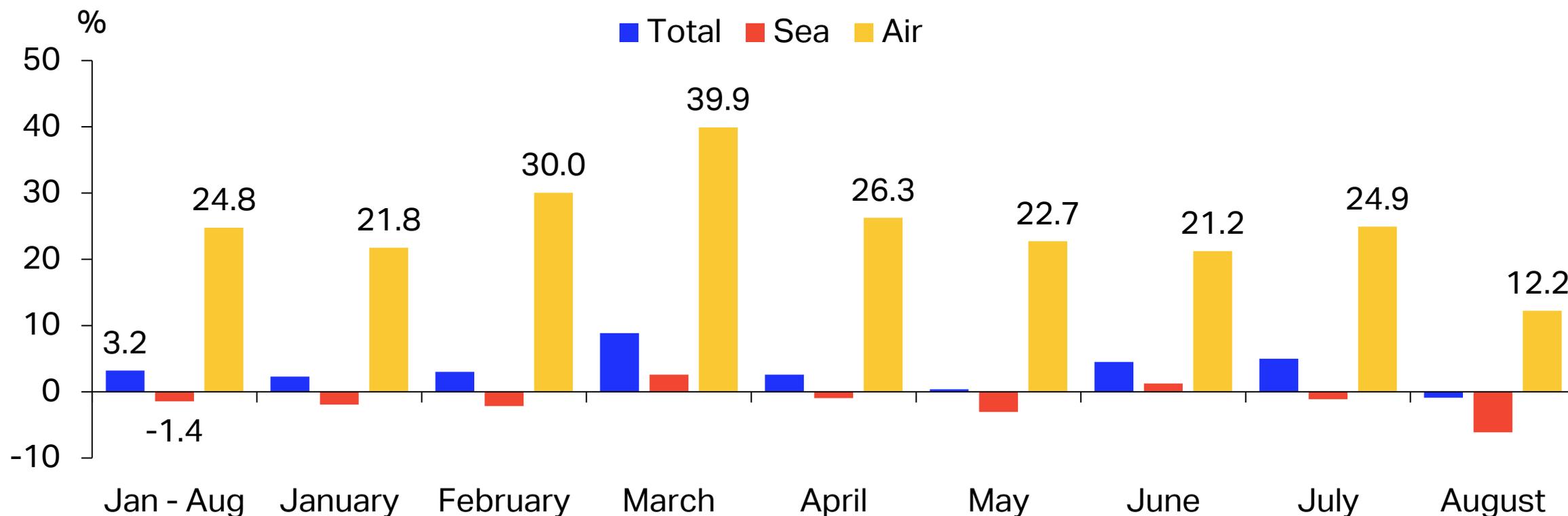


Source: IATA Sustainability and Economics, Global Trade Tracker

(sample of 47 countries reporting trade by mode of transport, representing 37% of global trade in 2024)

# Air cargo enabled rapid adjustment of trade flows in 2025

## Trade by mode of transport, value, YoY growth, 2024-2025



Source: IATA Sustainability and Economics, Global Trade Tracker

(sample of 47 countries reporting trade by mode of transport, representing 37% of global trade in 2024)

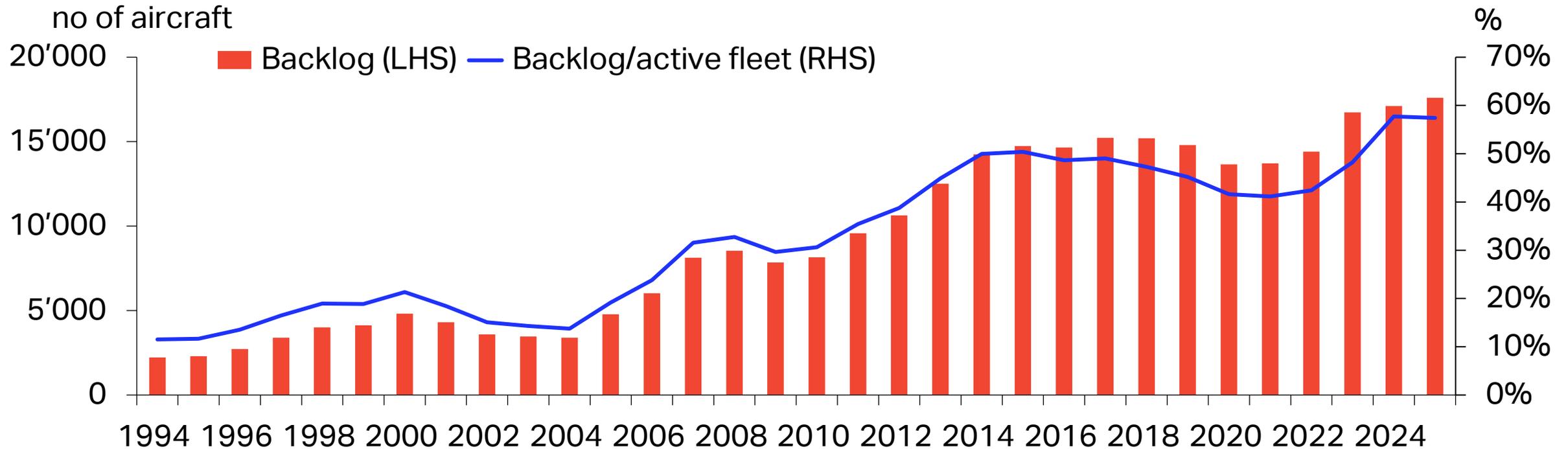
# Capacity constraints



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# The global backlog is at a record high and equals 11x deliveries

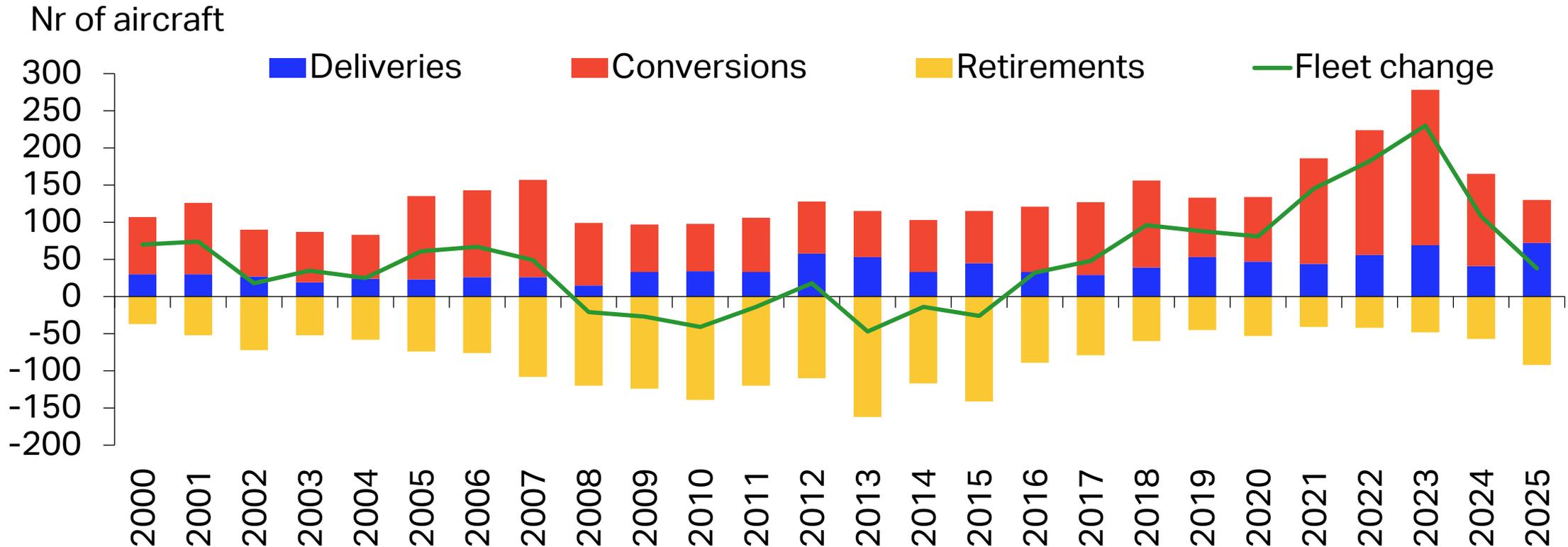
## Global aircraft backlog (total number of outstanding orders)



Source: IATA Sustainability and Economics, Cirium Fleets Analyzer

# Cargo capacity is becoming tighter

## Cargo fleet size change by event type



Source: IATA Sustainability and Economics, Cirium estimates, October 2025.

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# Cargo traffic in 2025

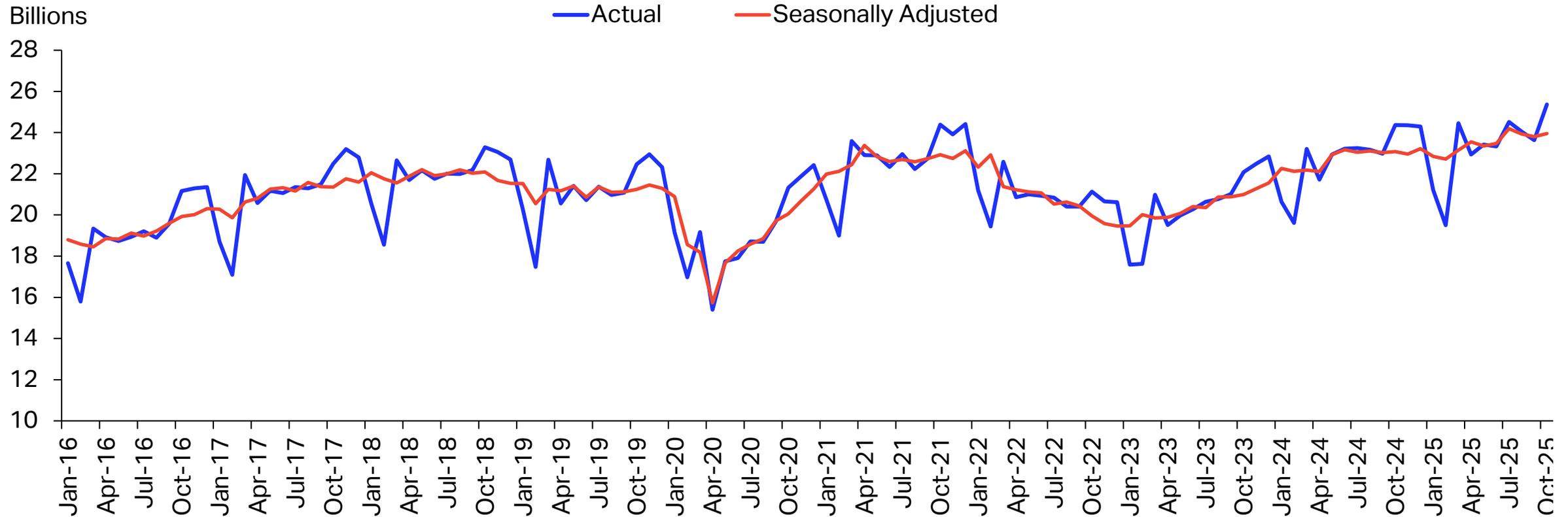


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# Air cargo demand continues to grow, reaching all-time high in October 2025

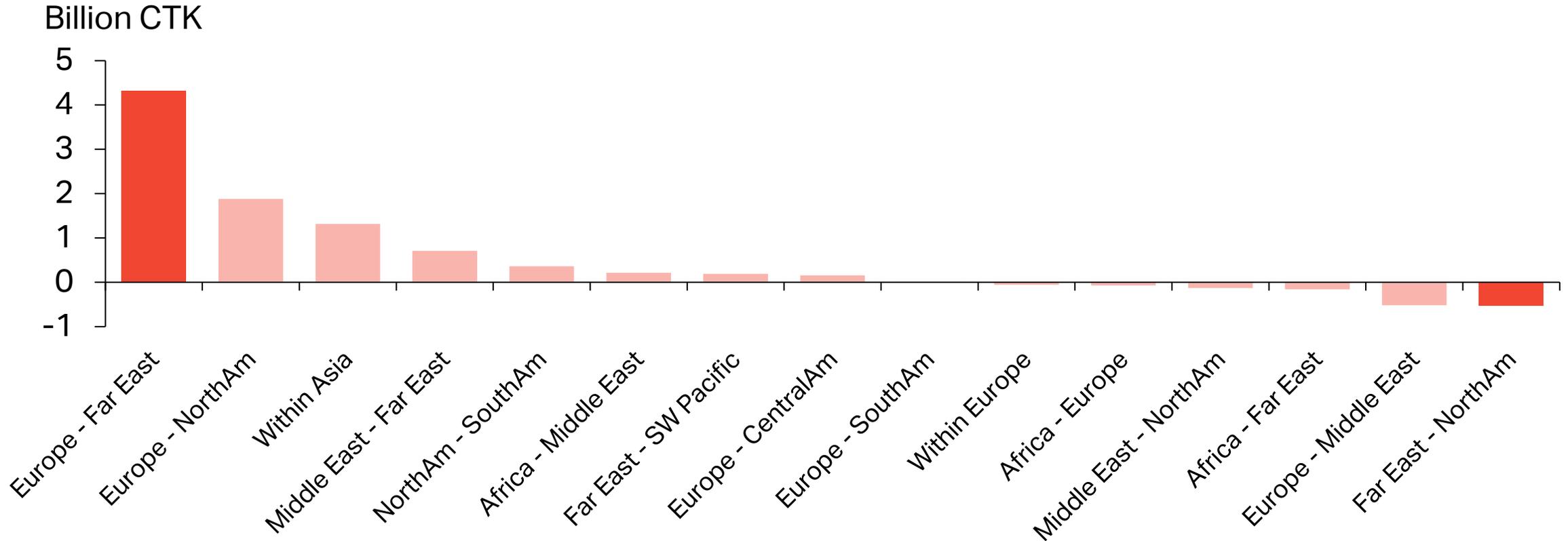
## Industry Cargo Tonne Kilometers (CTK), billion



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

# Far East - Europe traffic more than offsets weak Far East - North America

International cargo traffic growth, YTD (January-October), nominal growth YoY, 15 largest pairs



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

# Outlook to 2026

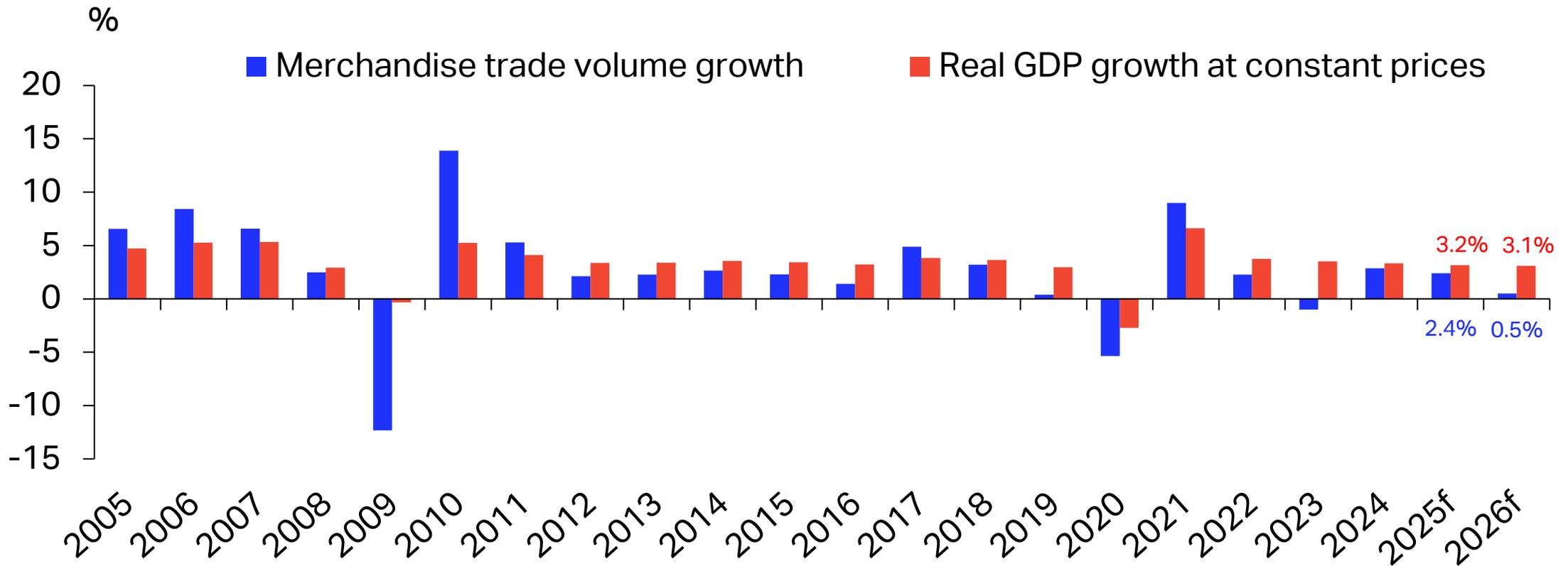


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# Tariff impact on trade moves mostly to early 2026

## Trade growth, and GDP growth, % YoY

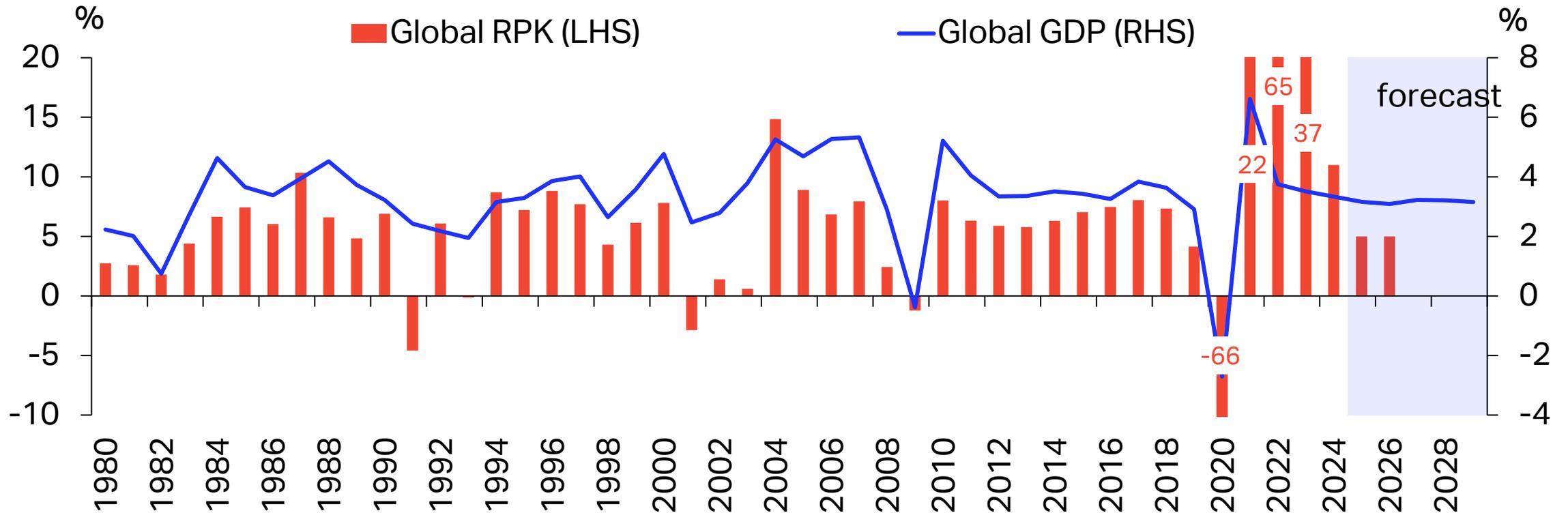


Source: IATA Sustainability and Economics, WTO Global Trade Outlook, IMF World Economic Outlook, October 2025



# Global GDP growth decelerating, to accelerate in late 2026

## World RPK and GDP Growth Rate

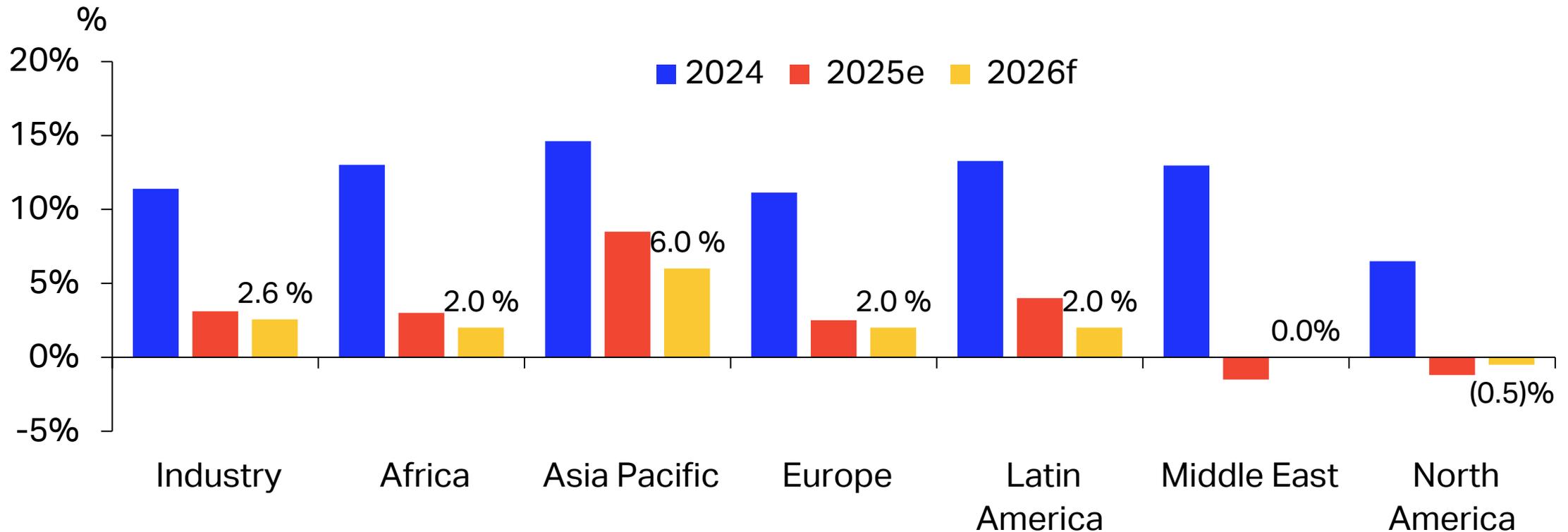


Source: IATA Sustainability and Economics, IMF World Economic Outlook, October 2025



# In 2026, global cargo traffic is expected to stabilize at 2.6%

## Annual growth in Cargo Tonne-Kilometers (CTK) by world region



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

# Financial performance

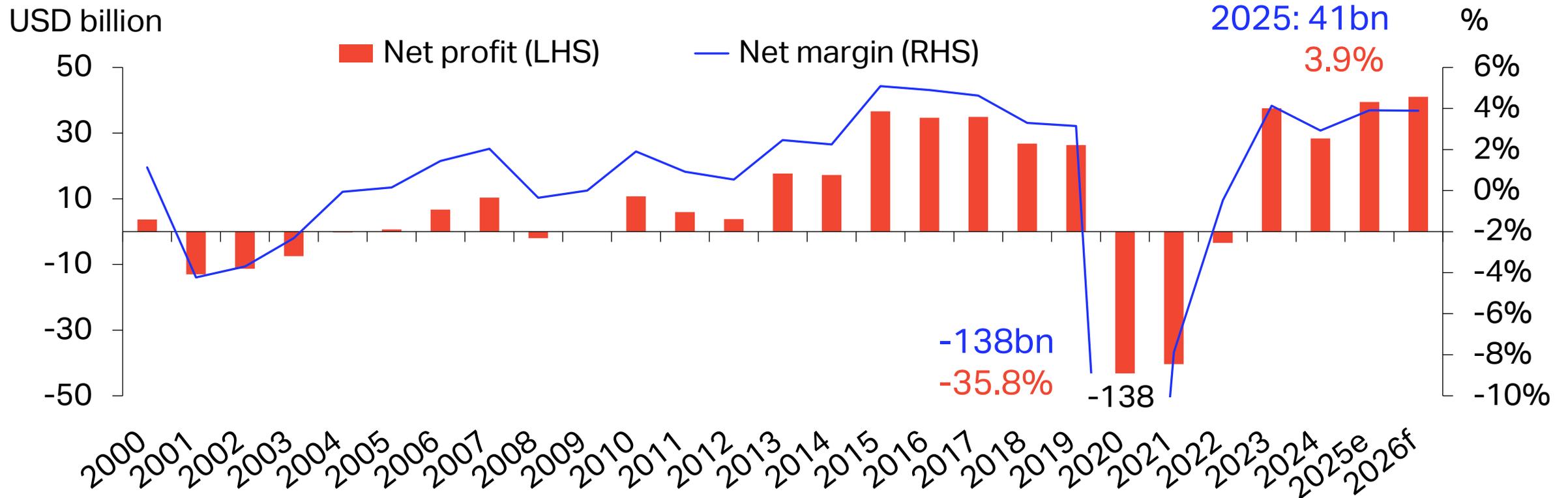


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# Profit forecast for the industry in 2026: USD 41 bn coupled with growing profit margins

## Global airline net profit in USD billion and net margin, as % of revenue

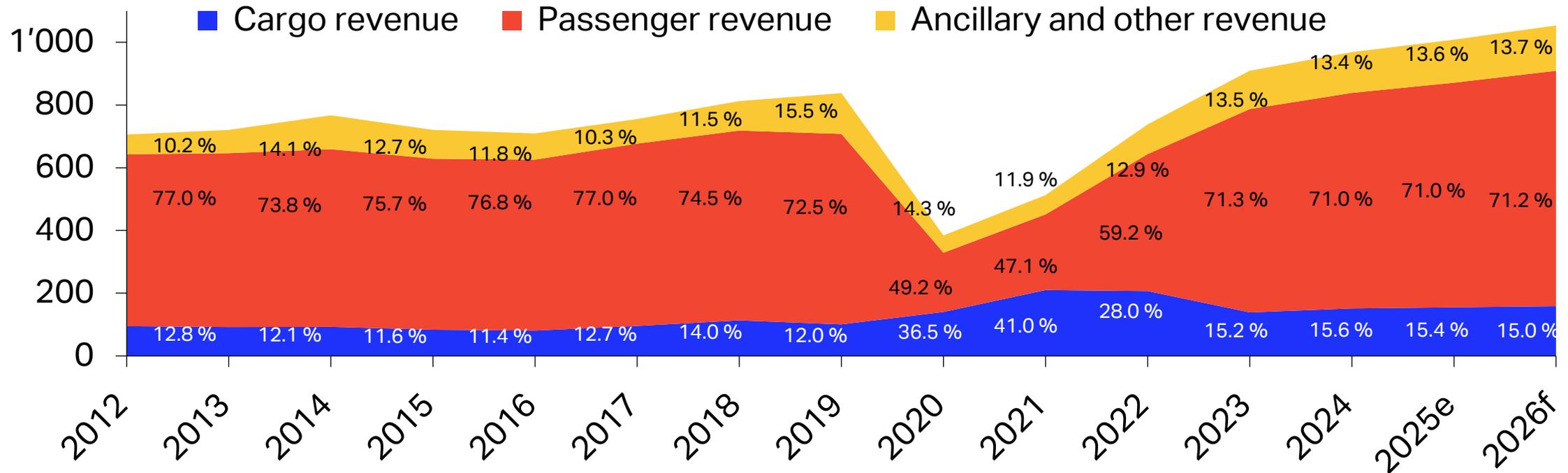


Source: IATA Sustainability and Economics using data from Airfinance Global

# Cargo represents 15% of global airline revenue

## Airline passenger, cargo, and ancillary and other revenue, USD billion

USD billion



Source: IATA Sustainability and Economics using data from Airfinance Global

# Steady growth outlook for airline & cargo financials

	2023	2024	2025E	2026F
<b>REVENUES, USD billion</b>	<b>909</b>	<b>969</b>	<b>1,008</b>	<b>1,053</b>
<i>% change YoY</i>	23.2%	6.5%	4.1%	4.5%
Passenger revenue	648	687	716	751
Cargo revenue	139	151	155	158
Other revenue	122	130	137	145
<b>EXPENSES, USD billion</b>	<b>-846</b>	<b>-905</b>	<b>-941</b>	<b>-981</b>
<b>OPERATING PROFIT, USD billion</b>	<b>63</b>	<b>64</b>	<b>67</b>	<b>73</b>
<i>% margin</i>	7.0%	6.6%	6.6%	6.9%
<b>NET PROFIT, USD billion</b>	<b>38</b>	<b>28</b>	<b>39</b>	<b>41</b>
<i>% margin</i>	4.1%	2.9%	3.9%	3.9%
per departing passenger, USD	8.5	5.9	7.9	7.9

- **Total revenue** on track to exceed USD 1 trillion for the first time in 2025
- **Total revenue growth** of 4.5% expected in 2025
- **Cargo revenue** continues steady growth
- **Airlines' net profit margin** stabilizing at 3.9%

Source: IATA Sustainability and Economics



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10 December 2025



# Unlocking value with digitalization

Jonathan Parkinson  
Head of Cargo Digitalization



# Why Digitalization Matters for Air Cargo



- **Visibility:** Customers expect real-time visibility and predictability
- **Efficiency:** Efficiency depends on accurate, shared data
- **Security:** and compliance require trusted, traceable information
- **Automation:** and AI require digital, structured data

# ONE Record is central to that digitalization



# Benefits for all stakeholders

## Airline

Fewer exceptions, smoother operations, and clearer end-to-end visibility.

## Freight Forwarder

Simple, consistent digital exchange with reduced manual intervention.

## Ground Handling Agent

Faster acceptance and standardized handovers powered by trusted data.

## IT Service Provider

One global model to build scalable, interoperable digital solutions.

## Customs/ Border Authority

Real-time, standardized data that strengthens compliance and oversight.

# Where is the industry today?

**ONE Record** has been endorsed as the preferred data sharing standard for all air cargo stakeholders as of **1 Jan 2026**

- **Strong momentum** towards 2026
  - A mature, fit for purpose and open standard, freely accessible, published on GitHub
  - 30+ ongoing pilot projects covering use cases across operations, commercial and billing



# Pulse Survey: Key Insights from the Industry

Over  
70%

awareness among  
stakeholders

Industry readiness to  
implement ONE  
Record nears

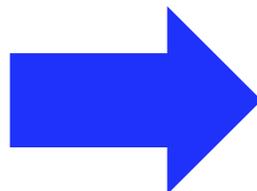
50%

# What is the industry requesting?

# What IATA is doing

78%

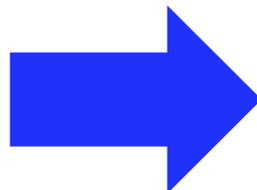
Pilots and Demonstrators



Expanding pilots across all major stakeholder groups

75%

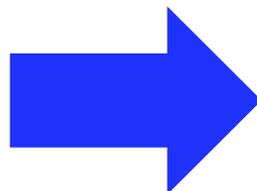
Peer examples and shared learning



Training, webinars, and ONE Record certification

80%

More regular IATA communication and guidance



Publishing best practices and success stories  
Engaging regulators for alignment  
Supporting IT providers to embed ONE Record

# ONE Record in action (December 2025)



## Production

### Cathay Pacific

1R eAWB Submission, Shipment Tracking and Customs Clearance Status

### CHAMP

Booking Pre-Advice enabling carriers to sync booking data with their Ground Handlers in real time

### Turkish Cargo

Shipment-based tracking capabilities in 1R format for all cargo transported or processed by Turkish Cargo



## Pilot Project

### Shandong Airline

Booking operations between Freight Forwarder and Airline on the route of TAO-Japan

### Korean Air / GLS-KR

Shipment Record data received from the 3rd party CCS and create new Shipment Record in GLS-KR

### Schenker / Riege / Lufthansa

End-to-end Shipment Tracking integration from forwarder TMS via IT Service Provider to a 1R airline system

### Cathay / Intel / Time Matters / PACTL

Perform the export process at piece level with 1R data sharing, including SLI, AWB, HAWB and events updates

# Digitalization Leadership Charter

## Charter Signatories



# Thank you

Jonathan Parkinson  
Head of Cargo Digitalization



# Future Trends in Cargo Operations and Special Cargo

Andre Majeres  
Head of E-Commerce and  
Cargo Operations

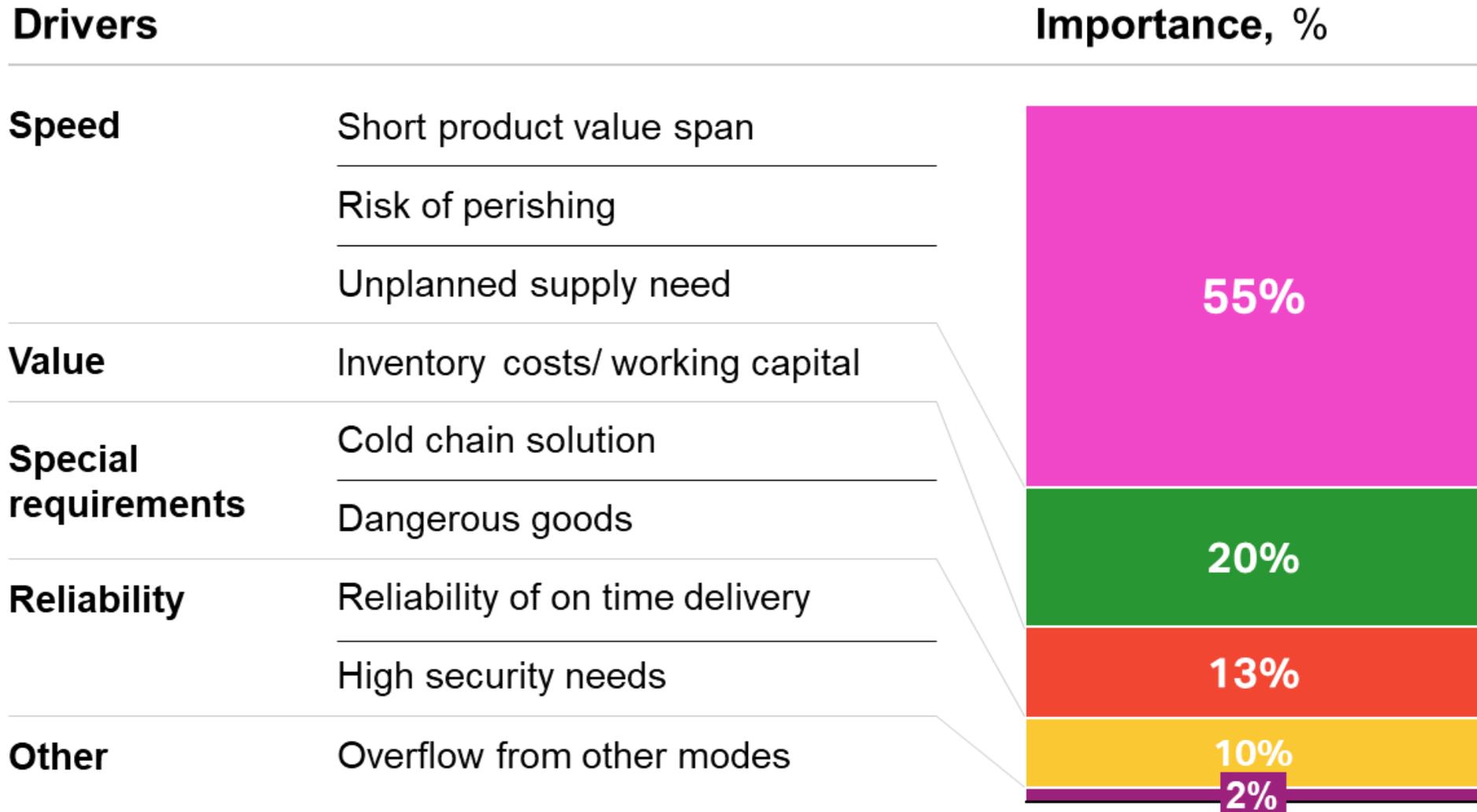


**Air Cargo is built  
for E-Commerce**

**Over 80%**  
of cross border  
e-commerce is  
transported by  
air in 2024

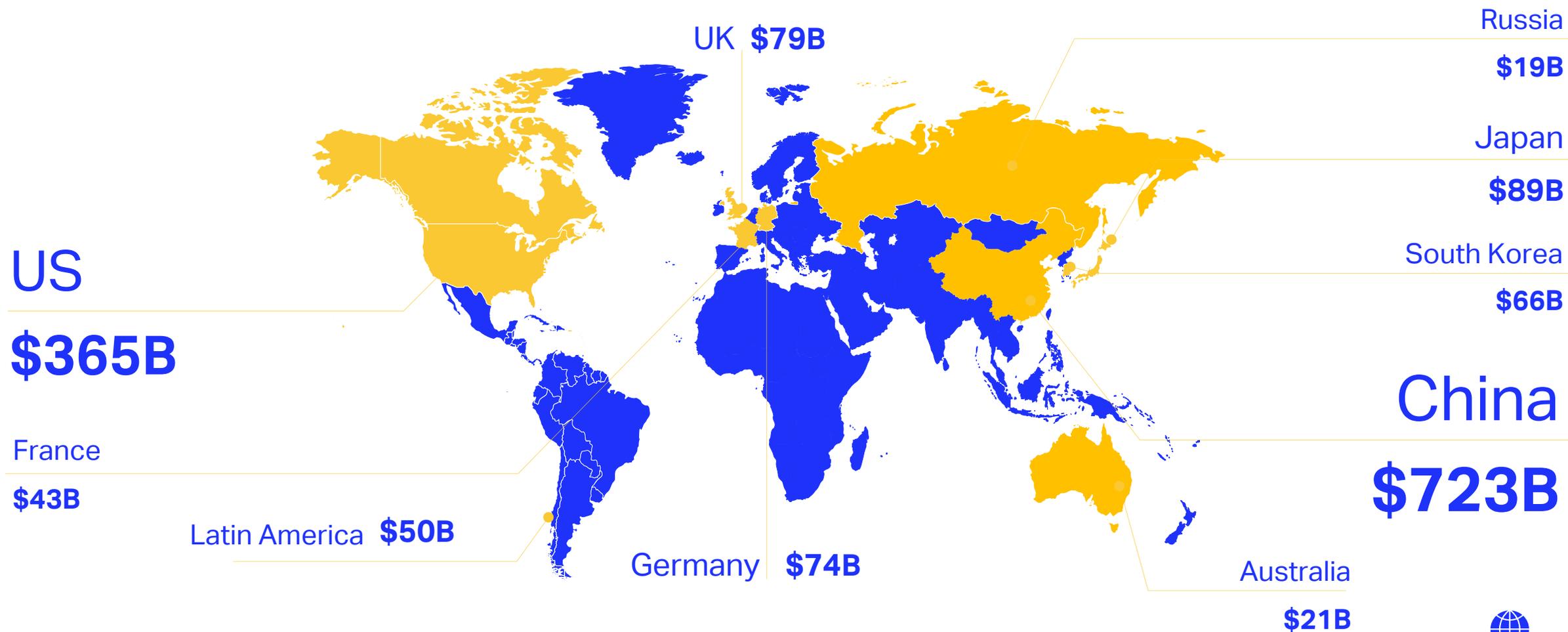


# Benefits of Air Cargo for E-Commerce



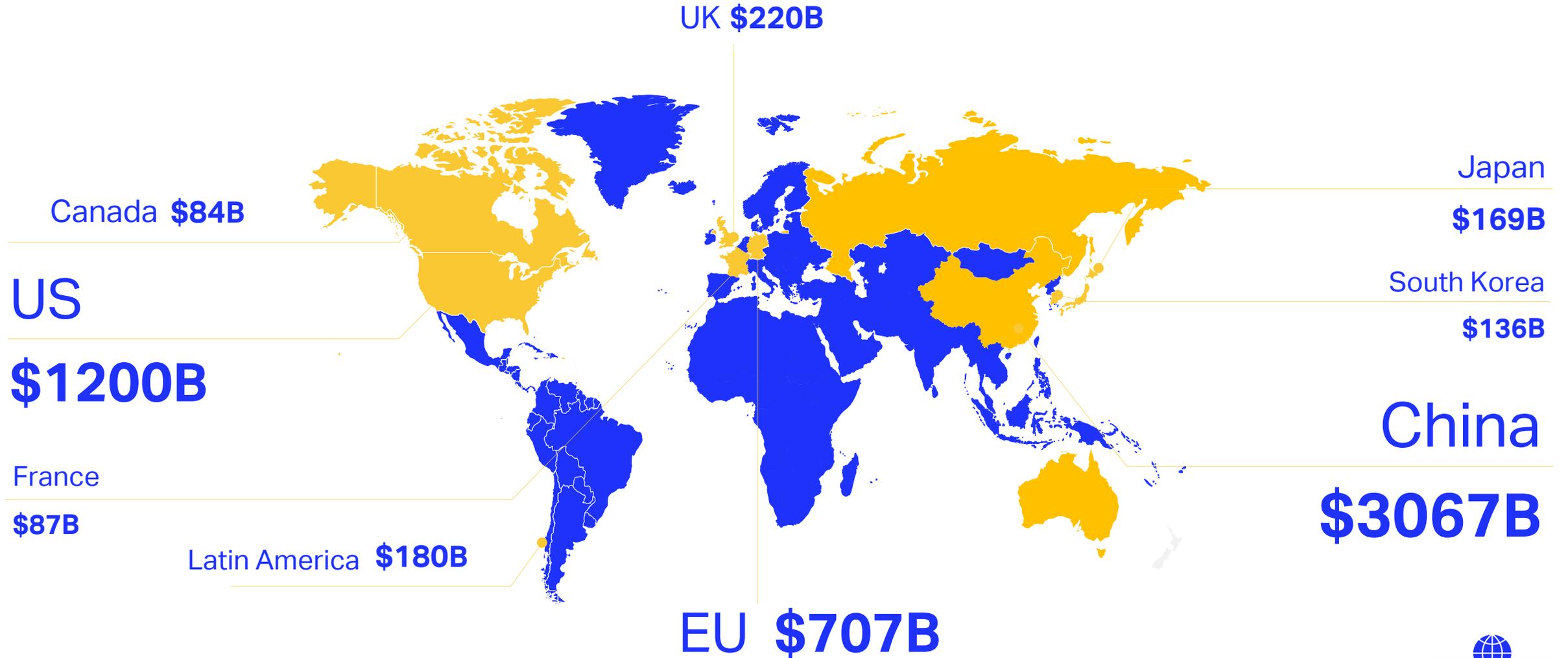
# E-Commerce snapshot in 2019

## 3.351 Trillion USD



# E-Commerce snapshot in 2024

## 6.330 Trillion USD



# Value of Air Cargo

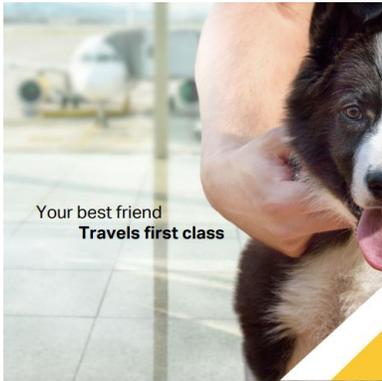


Sky high demand  
Connecting the world

**Air cargo makes it happen**

Global air cargo demand is over 240 billion Cargo Tonne Kilometers (CTK) annually. Air Cargo provides a unique advantage over other transportation modes, enabling fast delivery of goods across borders over large distances.

iata.org 



Your best friend  
Travels first class

**Air cargo makes it happen**

Over 4 million pets are transported by air. Cargo ensures your best friend gets there safely and happily wagging his tail.

iata.org 



Speed and precision  
Racing round the world

**Air cargo makes it happen**

880 tons of air freight is transported for each Formula 1 event. Requiring 6-7 Boeing 747 planes. The cargo crates are specially designed to effectively fill all the space available in planes.

iata.org 



Connecting hearts  
One flower at a time

**Air Cargo makes it happen**

Over 95% of cut flowers are transported by air. Air cargo accounts for not even 1% of the total global food supply chain but these perishable goods along with flowers constitute 17% of the total air freight.

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The sky's the limit  
Powering trade worldwide

**Air cargo makes it happen**

Air cargo transports over US \$8 trillion worth of goods, accounting for approximately 33% of world trade by value. The global economy depends on cargo to deliver high-quality products to consumers worldwide.

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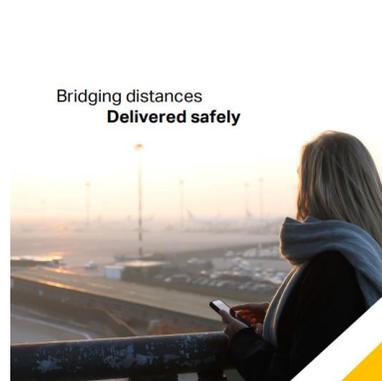


Transporting  
Tomorrow's Aircraft

**Air cargo makes it happen**

The Airbus Beluga ST (AIBT) transported 2 H175 helicopters from Toulouse, France to Qingdao, China in September 2024. The AIBT freight compartment is 7.4 m (24 ft) in diameter and 37.7 m (124 ft) long; maximum payload is 47 tonnes.

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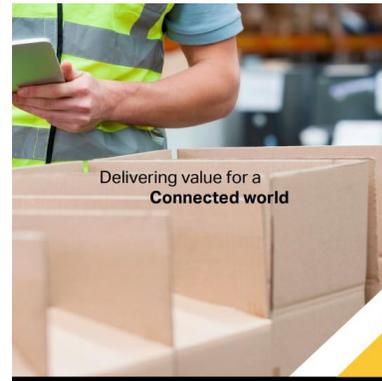


Bridging distances  
Delivered safely

**Air cargo makes it happen**

Over 1 billion smartphones are safely transported per year. Allowing you to connect with your loved ones near and far on your latest smartphone.

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Delivering value for a  
Connected world

**Air cargo makes it happen**

The e-commerce packaging market is valued at \$53.35 billion. Did you know that 80% of cross-border e-commerce is transported by air.

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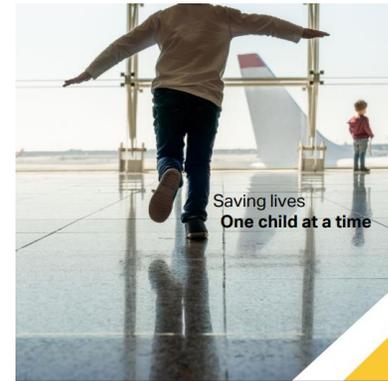


Wings of trust  
Airlifting horses safely

**Air cargo makes it happen**

Over 10,000 horses are transported by air annually. Each flight can carry up to 87 horses in custom-made stalls. On board, horses are cared for by professional flying groomers, who monitor their condition throughout the flight.

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Saving lives  
One child at a time

**Air cargo makes it happen**

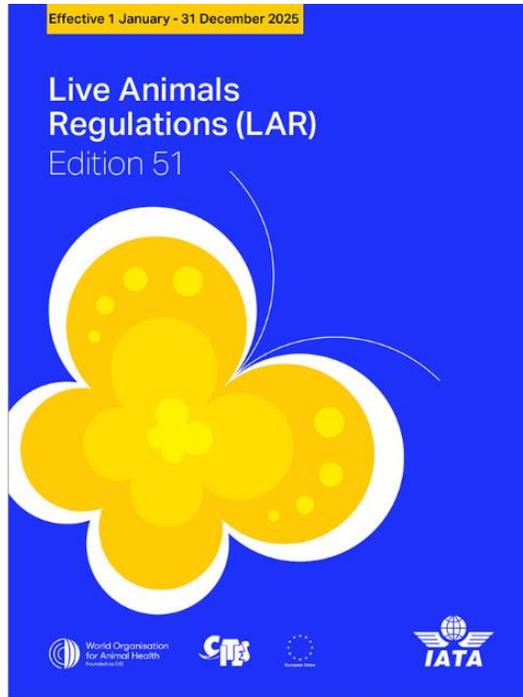
Vaccines prevent up to 3 million deaths every year. Air cargo safely transports pharmaceuticals in a safe, secure and temperature-controlled environment

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# Live Animals, Perishables and Pharmaceuticals

# LAR: Brazil latest adopter out of 46 countries



The countries or regions listed have formally adopted the provisions of the IATA Live Animals Regulations as part of their legislation or through the issuance of a permit authorizing air operators to carry live animals by air as defined in these Regulations.

Australia	Lithuania
Austria	Luxembourg
Belgium	Malaysia
Brazil	Malta
Brunei	Netherlands
Canada	New Zealand
People's Republic of China <sup>(1)</sup>	Norway
Cyprus	Oman
Czech Republic	Pakistan
Denmark	Philippines
Egypt	Poland
Estonia	Portugal
Fiji <sup>(1)</sup>	Slovakia
Finland	Slovenia
France	Singapore
Germany	South Africa <sup>(1)</sup>
Greece	Spain
Hong Kong (SAR)	Sweden
Hungary	Thailand
Indonesia	United Arab Emirates
Ireland	United Kingdom <sup>(2)</sup>
Italy	United States <sup>(3)</sup>
Kenya	
Latvia	

(1): Accepted but not formally adopted.

(2): The IATA Live Animals Regulations must, by law, be complied with when shipping live animals by air to from or within the United Kingdom.

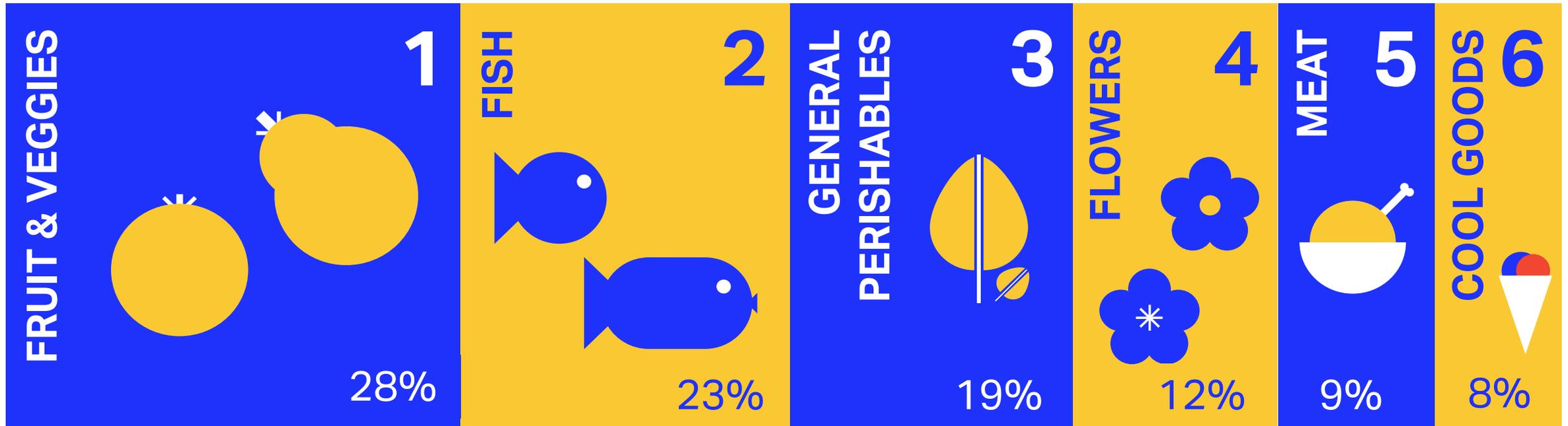
(3): The US Fish and Wildlife Service has adopted the container requirements of the IATA Live Animals Regulations for transporting wild mammals and birds to the United States.

The IATA Live Animals Regulations (LAR) are applicable to:

All operators which are Members of IATA according to the provisions of Cargo Services Conference Resolution 620;



# Top 6 perishable goods shipped by air in 2025



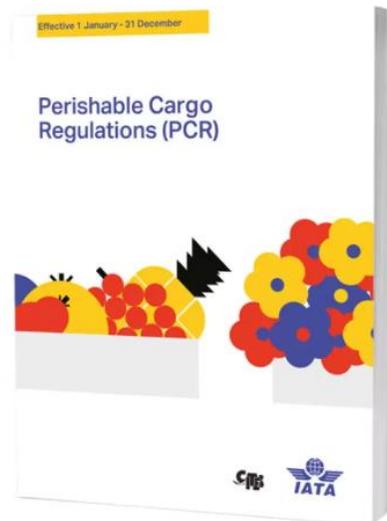
Fruit and Vegetables were by far the biggest segment in 2025, representing almost a third of all Perishable Goods transported by air. The next biggest segments were Fish (23%), General Perishables (19%), Flowers (12%) and Meat (9%).

The fastest-growing segments were Cool Goods, up 62% YoY and Fish, up 10% YoY in 2025.

# Perishable Loss Reduction

Perishable “loss” occurs before the goods reach the consumer as a result of issues in the production, **storage**, processing, and **distribution** phases.

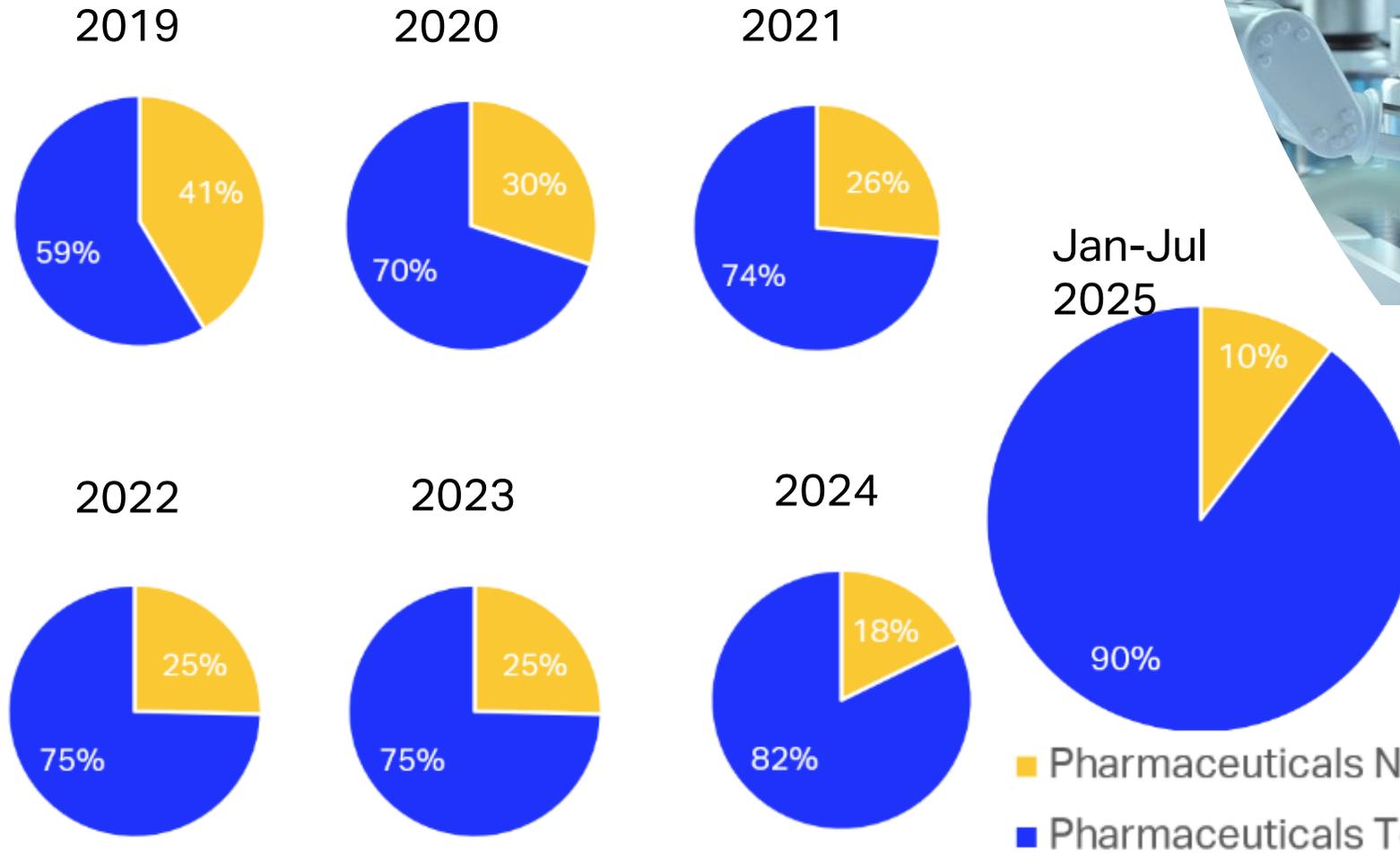
Globally, around **14 percent** of food produced is lost between harvest and retail.



Guidance on  
**Perishable Loss Reduction**  
in Air Cargo



# Pharmaceuticals: Temperature-controlled market share growth



■ Pharmaceuticals Non-Temperature Controlled  
■ Pharmaceuticals Temperature Controlled

# Strategy and Roadmap



**Digitalization of documentation**



**Supply Chain Collaboration Framework**



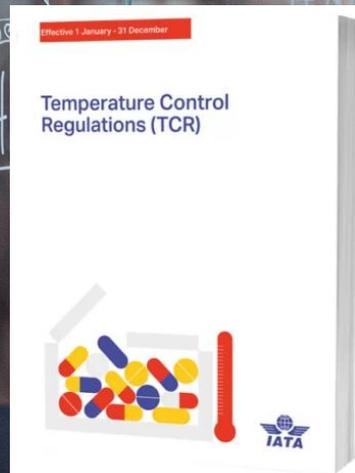
**Enhanced Risk Management Approach**



**Global Regulatory Harmonization**



**Sustainable Temperature Control Solutions**



# What is Personalized Medicine

## **Examples:**

Cell-and-gene therapies, clinical trials, pharmacogenomics (drug-gene matching), targeted cancer therapies, etc.

## **Cell & Gene Therapy**

Uses living cells to repair, replace, or regenerate (Cellular immunotherapy or stem-cell transplants).

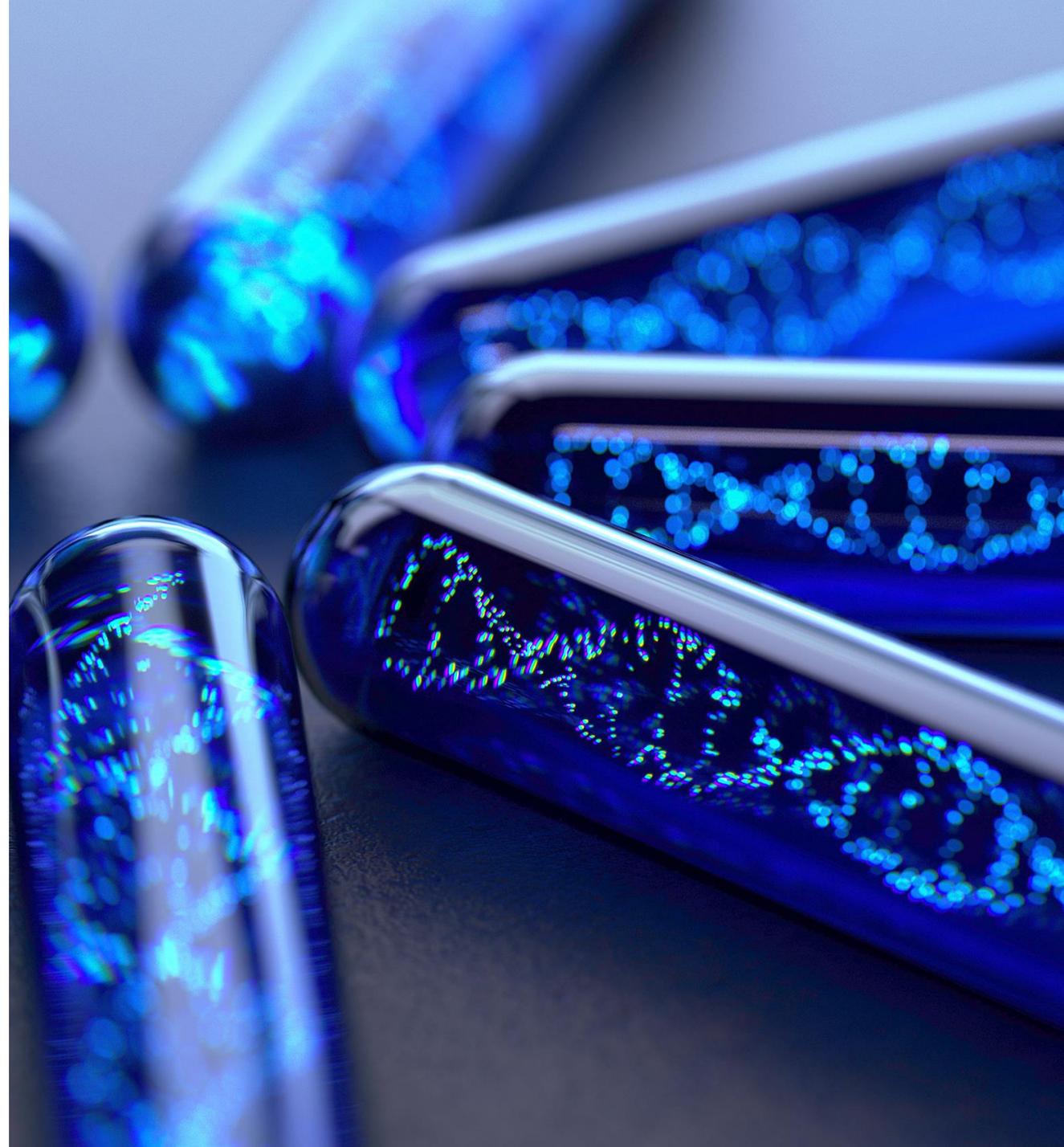
Introduces, or edits genetic material inside a patient's cells to correct defects or fight disease.

## **Why They Are Unique**

Highly individualized ("vein-to-vein" model), also called Personalized Medicine.

Extremely sensitive to time, temperature, and handling.

High value, low volume, life-saving products



# Logistics Requirements

- **Strict Temperature Control**
  - Cold chain requirements
- **Packaging & Equipment**
  - Compliant packaging (active or passive systems).
  - Temperature sensors, data loggers, and tamper-evident seals.
- **Transport Flow**
  - Time-critical shipment
  - Increase in **“just-in-time”** logistics: real-time tracking, chain-of-identity (COI) and chain-of-custody (COC) systems, and 24/7 control towers.

1. Chain of Identity & Chain of Custody

2. 24/7 monitoring & intervention capability

3. Risk mitigation

4. Rapid pick-up and delivery windows

5. Regulatory compliance

6. Highly trained personnel



# From Operational Efficiency to Excellence

- Applying the right processes in your daily operations to maximize your efficiency
- Quality and consistency
- Considerations in building your Cargo Facility of the Future
- Capitalizing on innovations and new technologies for your customers' experience and optimization

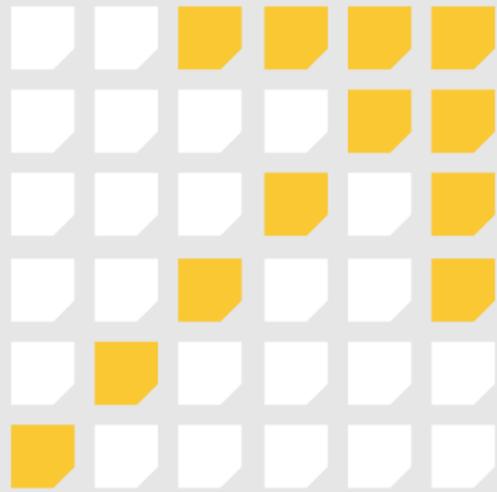


# Vision for the Facility of the Future



# IATA Whitepapers

**Cargo Operations**  
Efficiency and Excellence



**2025 Vision for the Future  
of Air Cargo Facilities**  
Reimagining Logistics  
Through Technology and Innovation



Find out more



# Where speed meets specialized care **Air Cargo is built for every need**



Thank you

# IATA Cargo Security

Christian Piaget  
Head Cargo Border Management

10 December 2025



# Air Cargo industry priorities



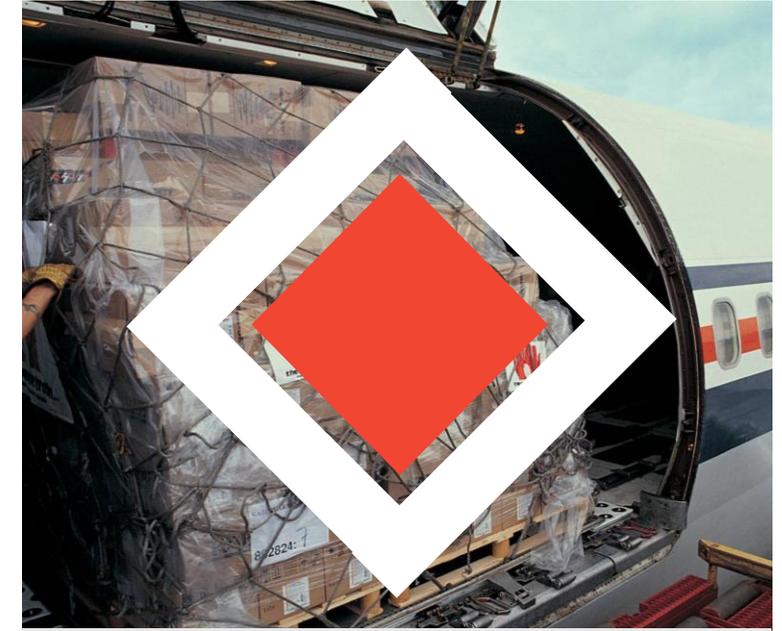
## Digitalization

Move from the legacy messaging standard that is 50 years old to a data-sharing approach based on web APIs



## Sustainability

Support industry Net Zero commitments, increase efficiency and reduce waste in air cargo operations



## Safety & Security

Securing and facilitating cross-border movements

# CSD/e-CSD Reform Initiative

## Reform Purpose:

### To address CSD/e-CSD and IATA Resolution 651 adoption and implementation challenges:

1. Some airlines and jurisdictions are not implementing effectively
2. Inconsistent interpretation and implementation
3. Opportunity for refinement and modernization
4. The need for **digitization**: Less than 50% of countries surveyed in 2022 accept the e-CSD



  
Consignment Security Declaration Layout

Regulated Entity Category (KC, RA or AO) and Identifier (of the regulated party issuing the security status)		Unique Consignment Identifier (if AWB format is nnn-nnnnnnn)	
1		2	
Contents of Consignment			
3			
<input type="checkbox"/> Consolidation			
Origin	Destination	Transfer/Transit points (if known)	
4	5	6	
Security Status	Reasons for issuing the Security Status		
7	Received from (codes)	Screening Method (codes)	Grounds for Exemption (codes)
	8	9	10
Other Screening Method(s) (if applicable)			
11			
Security Status Issued by		Security Status Issued on	
12		13	
Name of Person or Employee ID		Date (ddmmmyy) ..... Time (tttt) ....	
Regulated Entity Category (KC, RA or AO) and Identifier (of any regulated party who has accepted the security status given to a consignment by another regulated party)			
14			
Additional Security Information			
15			

# CSD/e-CSD Reform Initiative

## Reform Priorities and other considerations:

- Collecting and transferring the Security status must be **consistent** and **harmonized**
- **Global application** – not targeted for specific region/s
- Ideally entirely **digitized** (with paper-based option for exceptional circumstances)
- Maintaining alignment and compliance with **ICAO Annex 17 Standard 4.6.8**



# Air Cargo and Supply Chain Sabotage

**In July 2024, air cargo and supply chains were targeted with acts of sabotage:**

- 2 parcels containing Improvised Incendiary Devices (IIDs) caught fire at cargo facilities in Europe, causing localized damage.
- The devices were designed to cause damage and disruption
- Further acts of similar sabotage in Europe have occurred since then.



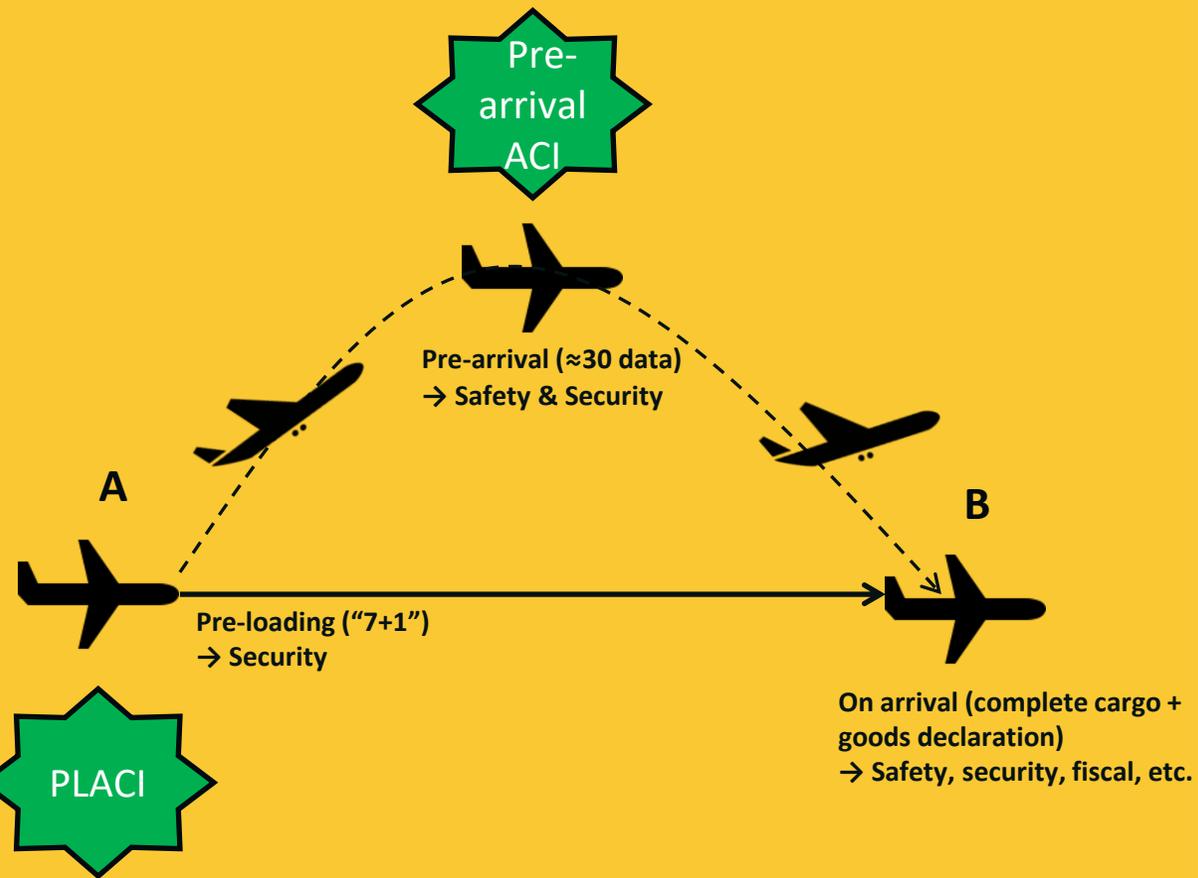
# Air Cargo and Supply Chain Sabotage

## IATA's Priorities and Ongoing Response:

- IATA IID Guidance, Ver. 2 released in August 2025
- Relevant enhancements to IATA manuals, training and standards
- Engagement with Governments and ICAO to ensure:
  - Air cargo screening innovation and uplift
  - Risk-based, proportionate measures
  - Pre-decisional industry consultation
  - Enhance information sharing and international cooperation



# Pre-Loading Advance Cargo Information




**US**

**ACAS** - Air Cargo Advance Screening  
 Live: June 2018  
 Enforcement: June 2019



**CA**

**PACT** - Preload Air Cargo Targeting  
 Live: June 2024  
 Enforcement: April 2025



**EU**

**ICS2** - Import Control System 2  
 Live: Mar - Oct 2022  
 All Air Cargo & Mail



**UAE**

**NAI Center** - National Advance Information Center  
 Legislation: 2018 - 2019  
 Enforcement: June 2025



# Thank You!

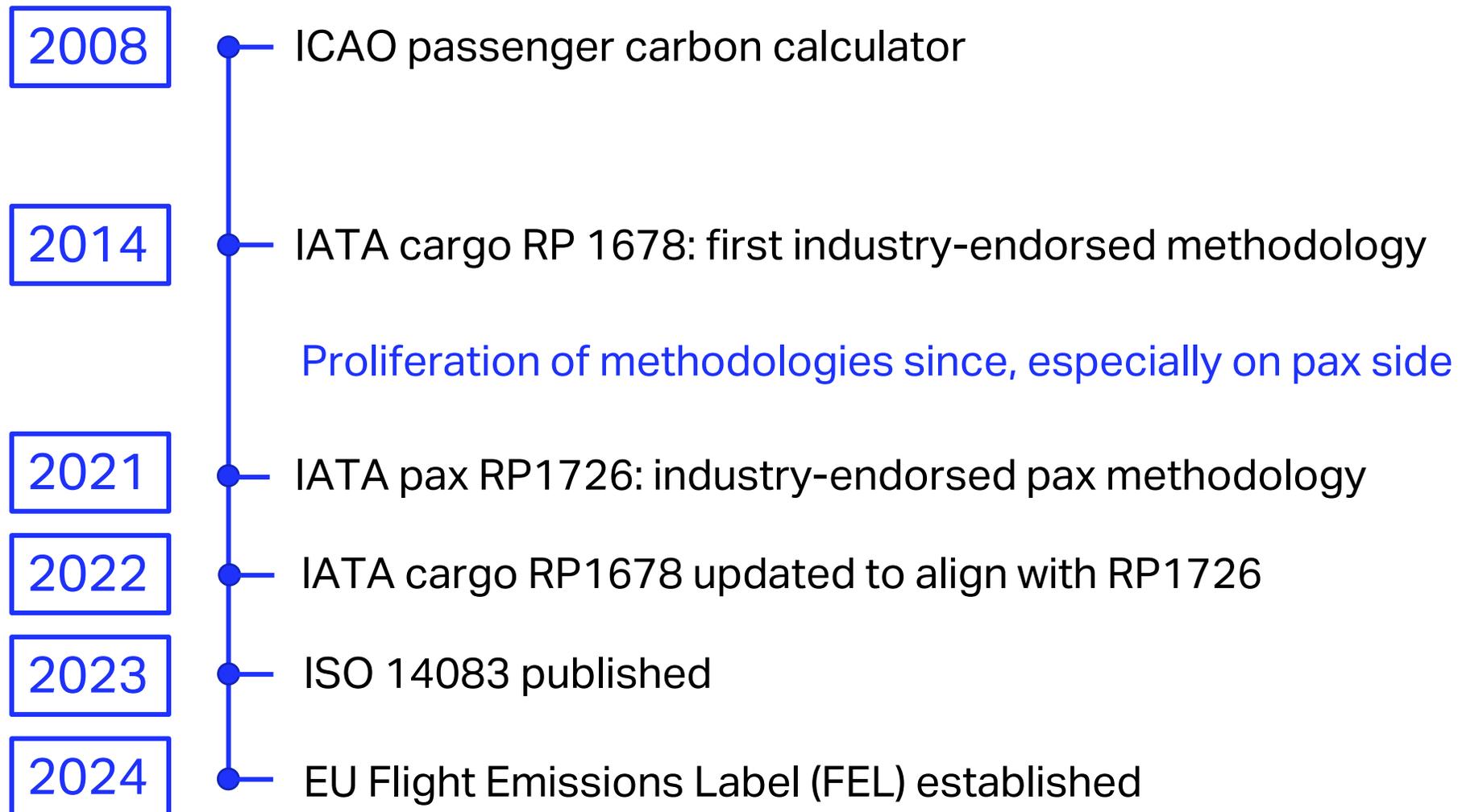


# CO2 Methodologies Explained

Ismar Sabanovic  
Manager Sustainability Programs, IATA



# Shipment/passenger CO<sub>2</sub> data history



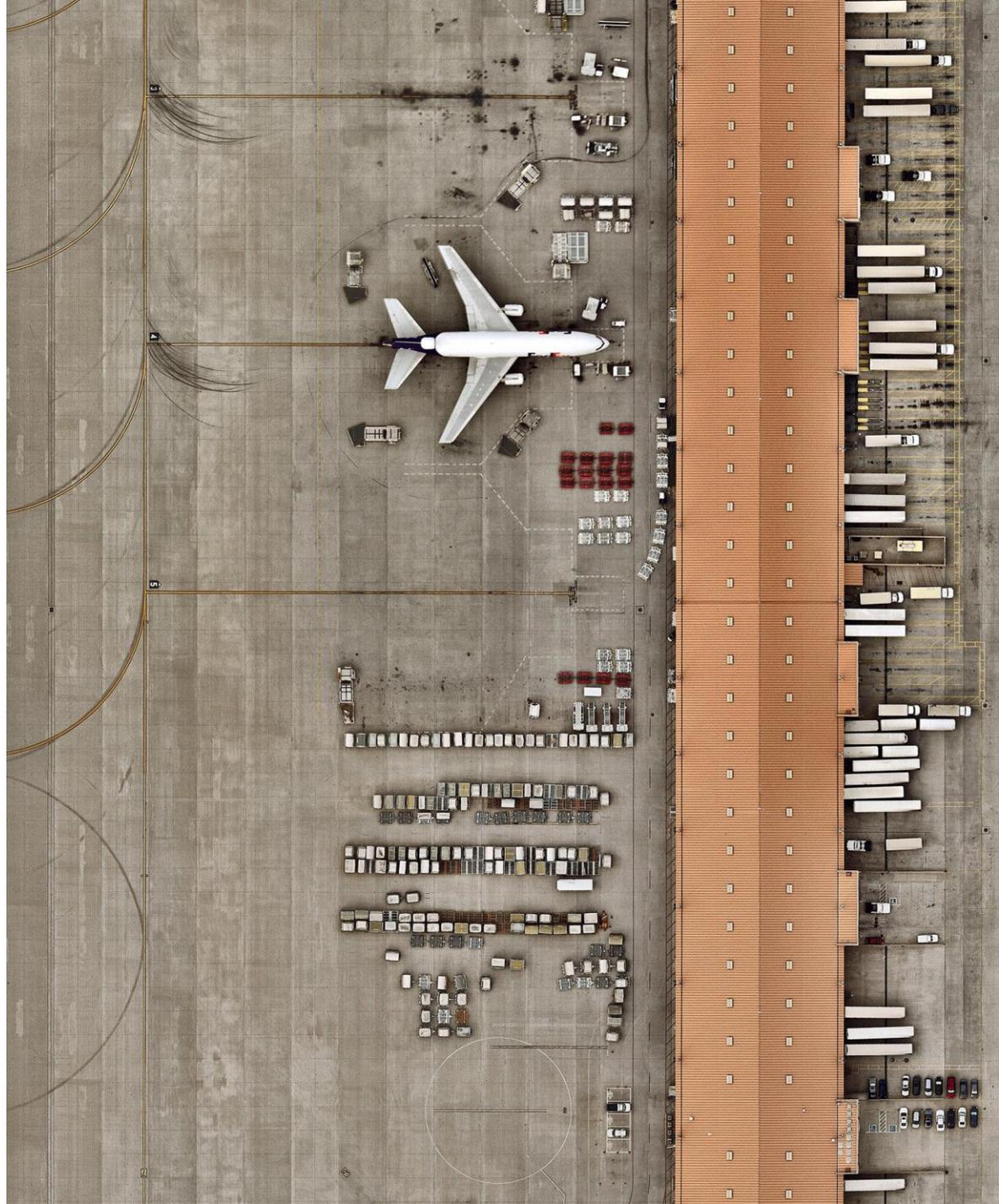
# RP1678: Key calculation principles

- Allocating CO<sub>2</sub> of a flight
  - Belly cargo -> proportional, mass-based allocation between pax and cargo
  - Freighter -> all emissions allocated to cargo
- Leg based emission factors:
  - $3.16 * (\text{average total fuel burn}) / (\text{average total payload}) = \text{kg CO}_2 / \text{kg cargo}$   
(for a route)
- Network based emission factors:
  - $[ 3.16 * (\text{average total fuel burn}) ] / [ (\text{average total payload}_i) * (\text{distance}_i) ] = \text{kg CO}_2 / \text{kg-km cargo}$

# Looking ahead

- IATA RP1678 provides a reliable methodology for shipment-level CO<sub>2</sub> data
  - Industry-endorsed
  - Transparent
  - Aligned with ISO 14083, GLEC framework, and EASA FEL Methodology
- Standardized methodology combined with accurate data can:
  - Provide emissions transparency
  - Support air cargo decarbonization

# Q&A



**Thank you!**



# Wrap-up and Q&A

Brendan Sullivan

Global Head of Cargo

Operations, Safety and Security

10 December 2025

