



# Air Cargo Market Analysis

February 2025

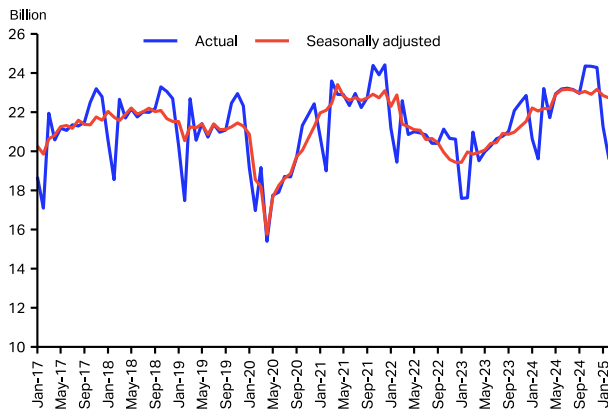
## Total industry cargo demand marginally down

- Global Cargo-Tonne-Kilometers (CTK) dipped 0.1% YoY in February. Adjusted for seasonality, demand fell 0.6% from January 2025 but remain 3.0% above 2024 levels.
- International CTK rose a modest 0.4%, led by Asia Pacific airlines.
- Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), dropped 0.4% YoY. Cargo Load Factor (CLF) in turn edged 0.1 percentage points up from the same month in 2024, reaching 45.0%.
- Jet fuel prices declined slightly by 2.1% MoM. Meanwhile, global air cargo yield dropped by 6.1% MoM and reached a 12-month low.

### Air cargo demand dipped slightly

Global air cargo demand, measured in CTK, posted its first year-on-year (YoY) decline in February, marking a turning point following a period of moderate growth in recent months (**Chart 1**).

**Chart 1 – Industry CTK, billion**



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

The industry peaked in October 2024 at 24.4 billion CTK but has entered a phase of gradual deceleration. Seasonal factors were partly to blame. Air cargo volumes typically crest during the winter months and subsequently cool down after the holiday shopping season. Nonetheless, YoY growth rates remained positive through January, with volumes exceeding those of the previous year. However, that trend reversed in February. Global air cargo demand

slipped 0.1% YoY, the first decline since mid-2023. On a month-on-month (MoM) basis, seasonality adjusted demand fell 0.6% from January.

Note that February 2024 included an extra day due to it being the leap year, complicating comparisons. After correcting for seasonality, including the difference in the numbers of days, the air cargo traffic in February 2025 is 3.0% above that recorded in February 2024. This is roughly in line with January's growth rate.

Broader macroeconomic pressures added to the headwinds, especially heightened global trade tensions. This is further exacerbated by policy volatility under the new US administration, which has further dampened business confidence and disrupted international commerce.

While carriers in the [Asia Pacific](#) and [Latin America and Caribbean](#) continued to post annual gains, overall pace of expansion has lost momentum since mid-2024 across all regions. [North American](#) and [European](#) airlines reported their first YoY contractions this February since late 2023. The steepest decline came from carriers in the [Middle East](#) and [Africa](#), which extended January losses with February drops of 11.9% and 5.7% YoY, respectively.

### Asia Pacific airlines led growth on international trade lanes

International cargo traffic followed a similar trend, falling month on month since November 2024. On a YoY basis, however, international cargo traffic rose a modest 0.4%, or 3.5% after corrected for leap year and

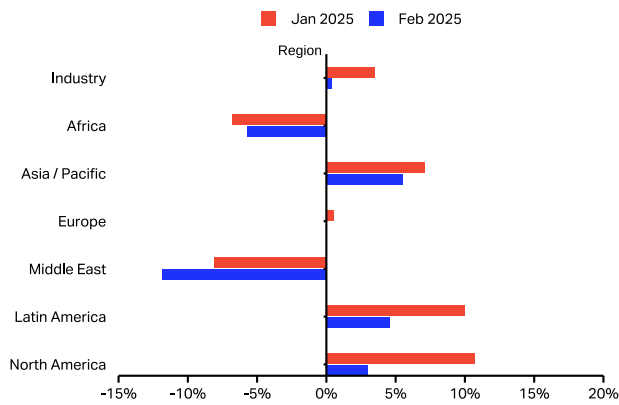
### Air cargo market in detail - February 2025

	World share <sup>1</sup>	February 2025 (% year-on-year)				February 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>-0.1%</b>	<b>-0.4%</b>	<b>0.1%</b>	<b>45.0%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>-0.5%</b>	<b>44.7%</b>
International	87.3%	0.4%	1.1%	-0.3%	50.9%	2.0%	3.7%	-0.8%	49.4%

Note 1: % of industry CTK in 2024

other seasonal effect, edged up from 3.4% growth recorded in January (**Chart 2**).

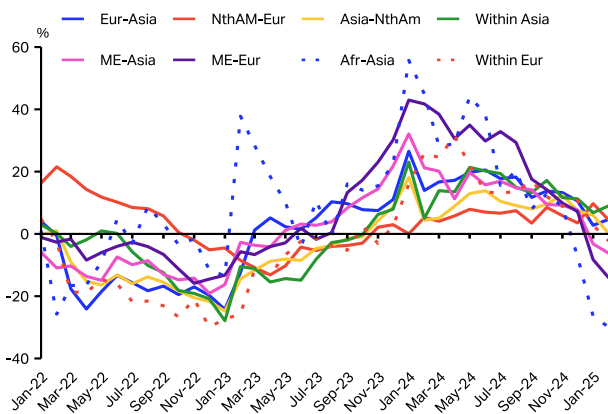
**Chart 2 – International CTK by airline region of registration, YoY, %**



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

Asia Pacific carriers led the February advance with a 5.5% YoY gain, though they still decelerated from 7.1% in the prior month. Airlines in North and Latin America also posted slower growth, at 3.0% and 4.6%, respectively. In contrast, African and Middle Eastern airlines both carried less cargo traffic on international routes from a year ago, and contracted by 5.8% and 11.9%, respectively. European airlines saw nearly flat traffic compared to 2024, although slightly down from January 2025 after adjusted for seasonality.

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



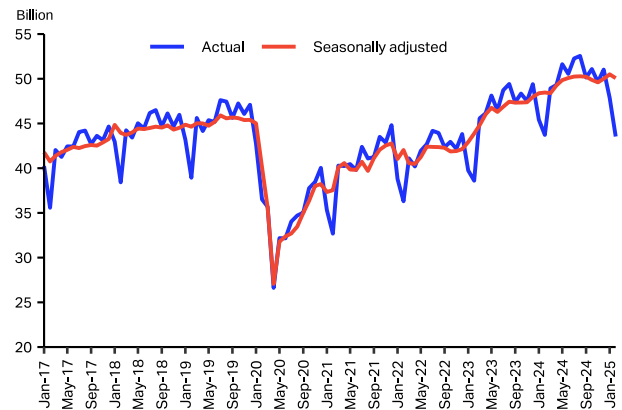
Source: IATA Sustainability and Economics using data from IATA Information and Data

Trans-pacific corridor remained the busiest trade lane in the world, despite being clouded by the high volatile trade policies between the US and China, the two largest economies on this trade lane. Air cargo traffic on this route area reached 3.8 billion CTK in February, roughly unchanged from February 2024 (**Chart 3**). The route connecting Europe and Asia saw strong growth of 4.7% and narrowed its gap with the trans-pacific lane with a 3.6 billion CTK during

February. The trans-Atlantic trade lane also registered growth of 4.5% YoY. The highest growth among all route areas was observed for cargo traffic within Asia, surged by an impressive 9% YoY. With this strong growth, routes within Asia became the fourth busiest worldwide, surpassing the route between Middle East and Asia, which declined by 6.2% YoY. Cargo traffic between Europe and Middle East, and within Europe both saw contractions YoY, by 14.1% and 2.3%, respectively.

Lower capacity boosted CLF up

**Chart 4 – Industry ACTK, billion**

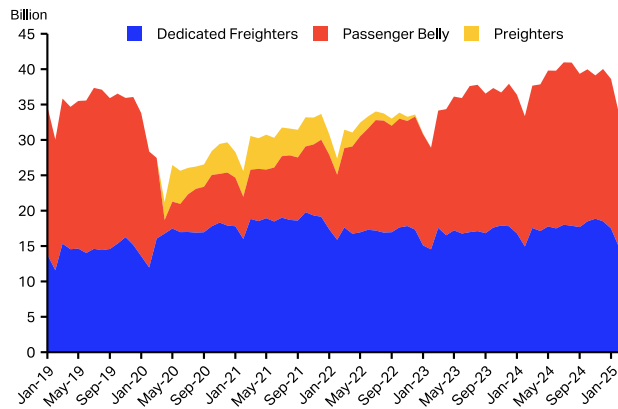


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Industry total air cargo capacity reached 43.5 billion ACTK in February, down 0.4% YoY. After adjusted for seasonality, capacity fell slightly compared to January, while remaining 3.3% above the level observed a year ago (**Chart 4**). The Cargo Load Factor (CLF) for February 2025, which measures the utilization of the available cargo capacity, edged 0.1 percentage points up from the same month in 2024, reaching 45.0%. Asia Pacific saw the largest improvement, with CLF rising one percentage point YoY. European airlines achieved the highest overall utilization, with a CLF of 58.1%, buoyed by strong performance on the trade lane between Europe and Asia. At the other end of the spectrum, Latin American carriers posted the lowest CLF at 36.5%, a decline of 0.5 percentage points YoY.

The majority of air cargo for international trade continued to be shipped using the belly space of passenger flights (**Chart 5**). In February, passenger belly capacity accounted for a total 18.9 billion ACTK, which represents 56.0% of total international air cargo capacity. On the other hand, the capacity provided by dedicated freighters contracted slightly by 0.7% YoY in the international cargo sector, in contrast with a 2.4% expansion of passenger belly capacity.

**Chart 5 – International ACTK by cargo business type, billion**



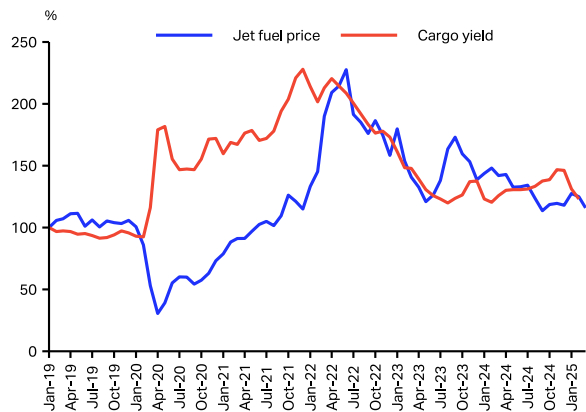
Source: IATA Sustainability and Economics using data from IATA Information and Data

**Fuel Costs Drop YoY while and Yields Drop MoM**

Crude oil supply rose in February due to higher production from both OPEC+ countries and the Americas. Escalated trade tensions clouded macro sentiment and dampened outlook for oil demand. Crude oil price thus fell to USD 75.2 per barrel, down 5.1% from January. During the same period, global jet fuel prices dropped by only 2.1% MoM, averaging USD 94.6 per barrel in February. This resulted in an increase of Crack Spread from USD 17.4 in January to USD 19.4, marking a 12.0% MoM increase (Chart 6).

Historically, global air cargo yield has closely tracked jet fuel price, but it dropped by 6.1% MoM in February. This decline marks the third consecutive month of decreases, bringing air cargo yield to its lowest level in 12 months. Consequently, air cargo has become more competitive against maritime shipping in terms of pricing.

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

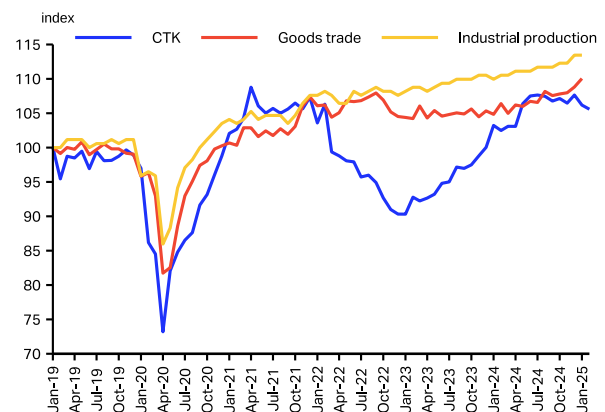


Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, CargoIS

**Global Production and Trade Remains Positive**

The global economic landscape continued to show strength in January. This can be reflected in both industrial production and goods trade worldwide. The industry production index rose by 3.2% YoY, the highest growth in two years (Chart 7). World trade also expanded 5.0% from the same period last year. This positive environment has partially passed on to the global air cargo traffic, which rose 3.0% YoY after seasonal adjustment.

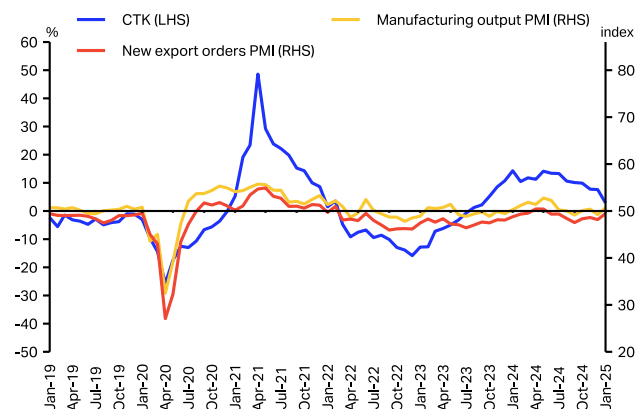
**Chart 7 – Seasonally adjusted industry CTK, industrial production at constant USD prices, and cross-border goods trade volume, global index, seasonally adjusted, Jan 2019 = 100**



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

We can further assess the pulse of the global economy through Purchasing Managers' Indexes (PMIs). Global manufacturing output extended the expansion for the second month in a row with a reading of 51.5 in February (Chart 8). On the other hand, new export orders remained below the critical 50 line for nine months. The February reading of 49.6 is slightly higher than the previous months, suggesting some improvement in new export orders, but it is not strong enough to reverse the course of back-to-back contractions seen since mid-2024.

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



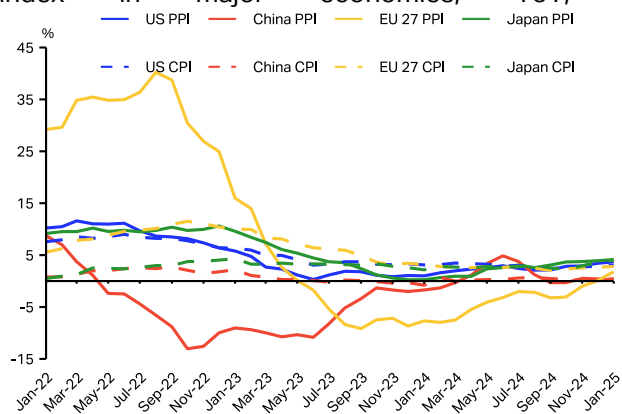
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, S&P Global Markt

Price pressures vary: persistent inflation in advanced economies, deflation in China

Consumer Price Index (CPI) is used to track the price consumers face through the average price of a representative basket. The YoY change of this price measures inflation. February data reveals that inflations continue to diverge across major economies. In the US, buoyed by resilient consumer demand, inflation held firm, with prices rising 2.8% YoY in February, edging down from January's 3.0%. Europe and Japan followed a similar trajectory: inflation in both regions eased modestly last month but remained at elevated levels. In contrast, consumer price declined in China, resulting yet another negative reading, marking the first decline in 11 months. This suggested that China's economy still faces deflationary pressures.

On the production side, Producer Price Index (PPI) serves as a leading indicator of inflation, providing insights into the cost pressures building within the supply chain, before they reach the consumers. In the US, PPI rose by 3.2% YoY, retreated from a 3.7% peak recorded in January, but remained lifted by broader price increases, especially energy and trade services. Similarly, producer price in Japan rose by 4.0% YoY, also edged lower in February from the previous peak. Europe producer price rose by 1.8% in January, a jumping up from 0.1% in December, after continuous declines for the past 18 months. China's deflationary pressure is less pronounced on the producer side, where the price index rose by a modest 0.5% YoY in February.

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



Source: IATA Sustainability and Economics using data from Macrobond

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<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.4%</b>	<b>0.1%</b>	<b>45.0%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>-0.5%</b>	<b>44.7%</b>
Africa	2.0%	-5.7%	-0.6%	-2.3%	42.3%	-6.2%	0.8%	-3.0%	40.8%
Asia Pacific	34.2%	5.1%	2.7%	1.0%	44.5%	6.2%	6.4%	-0.1%	44.0%
Europe	21.5%	-0.1%	-0.2%	0.1%	58.1%	0.2%	1.9%	-0.9%	55.5%
Latin America	2.9%	6.0%	7.6%	-0.5%	36.5%	8.7%	9.1%	-0.2%	34.9%
Middle East	13.6%	-11.9%	-4.0%	-3.9%	43.4%	-10.0%	-2.6%	-3.5%	42.1%
North America	25.8%	-0.4%	-3.5%	1.2%	39.9%	2.8%	0.0%	1.1%	41.9%
<b>International</b>	<b>87.3%</b>	<b>0.4%</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>50.9%</b>	<b>2.0%</b>	<b>3.7%</b>	<b>-0.8%</b>	<b>49.4%</b>
Africa	2.0%	-5.8%	-1.5%	-2.0%	43.9%	-6.3%	-0.1%	-2.8%	42.3%
Asia Pacific	30.6%	5.5%	5.7%	-0.1%	51.1%	6.4%	8.7%	-1.1%	50.1%
Europe	21.0%	0.0%	-0.4%	0.3%	60.6%	0.3%	1.8%	-0.9%	57.7%
Latin America	2.5%	4.6%	7.8%	-1.3%	40.6%	7.3%	9.6%	-0.8%	38.9%
Middle East	13.6%	-11.9%	-4.1%	-3.9%	43.8%	-10.0%	-2.6%	-3.5%	42.4%
North America	17.5%	3.0%	-1.5%	2.2%	49.6%	7.0%	2.3%	2.2%	48.8%

Note 1: % of industry CTK 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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 31 March 2025

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