



Air Cargo Market Analysis

October 2024

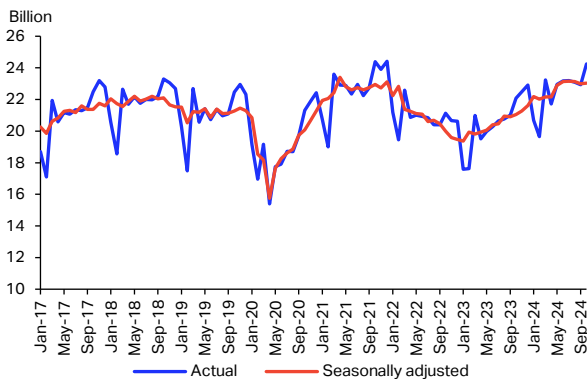
Industry capacity reaches new peaks.

- Global Cargo Tonne-Kilometers (CTK) grew by 9.8% year-on-year (YoY) in October, marking the 15th consecutive month of growth. Month-on-month (MoM) demand increased by 5.7% after seasonal adjustments.
- International CTK expanded by 10.3% compared to last year, with growth evident across all regions and major trade lanes. Latin America and Caribbean carriers led with a 17.6% YoY increase. The Middle East-Europe trade lane recorded a significant 15.3% annual rise in cargo demand.
- Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), grew by 5.9% YoY in October, reaching record-high levels.
- Global air cargo yield continues to rise, while jet fuel prices have fallen YoY.

Air cargo demand enters 15-month consecutive YoY growth

October marked the global air cargo industry's 15th consecutive month of demand growth, with a 9.8% YoY (**Chart 1**). In MoM terms, the industry's CTK grew by 5.7%, reversing a brief contraction seen in the previous two months (after seasonal adjustment).

Chart 1 – Industry CTK, billion



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

The largest contributors to the industry's annual CTK's growth remained carriers from Asia Pacific, followed by North American ones, taking the second spot for the first time since August 2023. Of the industry's 9.8% YoY, Asia Pacific carriers contributed

46.1% and North American one contributed 26%. The increased growth from North American carriers was likely driven by the three-day port strike in the USA, prompting maritime shippers to mitigate the risk by transporting some commodities by air. Additionally, the Golden Week holiday in China, during which factories shut down for a week, may have further boosted demand for air freight handled by these carriers. European airlines contributed 16.6%, while the Middle East contributed 6.4% during the same period.

In year-to-date terms, the industry's air cargo demand in October surged 12.2% compared to 2023. Concurrently, the latest CTK volume reached a new year-to-date record.

Healthy growth in international cargo demand in October from all regions

International routes have seen remarkable traffic for five consecutive months, with a 10.3% YoY increase in October. Airlines benefit from the growing e-commerce demand in the US and Europe, especially with the ongoing capacity limits in ocean shipping. Carriers worldwide have experienced growth in international traffic for most of the year, with October increasing between 1.8% and 19.8% (**Chart 2**).

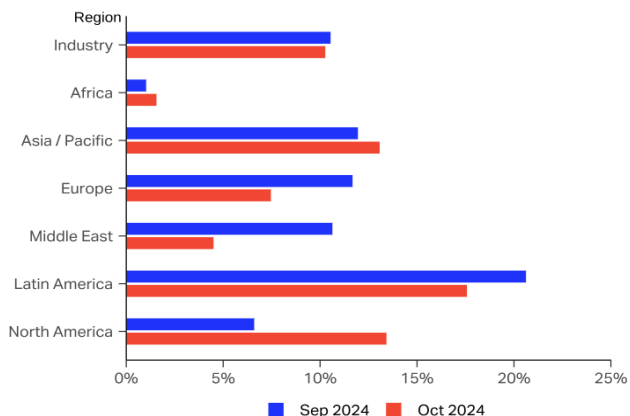
Airlines in [Latin America and the Caribbean](#) again marked the highest annual growth in international CTK at 17.6% YoY. [North American](#) airlines followed with 13.4%, and [Asia Pacific](#) airlines saw a 13.1% increase.

Air cargo market in detail - October 2024

	World share ¹	October 2024 (% year-on-year)				October 2024 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	9.8%	5.9%	1.7%	47.3%	12.2%	8.1%	1.7%	45.4%
International	86.6%	10.3%	7.2%	1.5%	52.9%	13.1%	10.4%	0.2%	50.9%

Note 1: % of industry CTKs in 2023

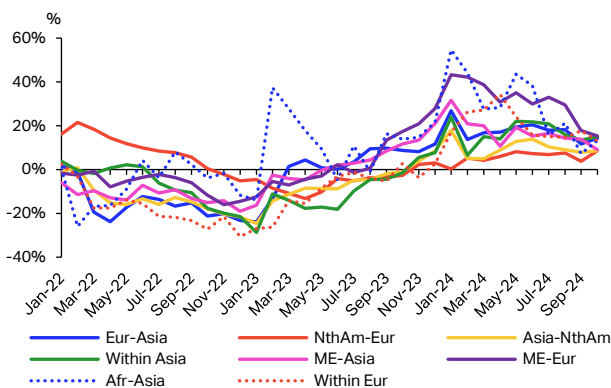
Chart 2 – International CTK by airline region of registration, YoY, %



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

Annual international CTK growth was positive across all major routes, though at varying degrees (**Chart 3**). The highest increase was on the **Middle East-Europe** route at 15.3%, marking 14 months of double-digit growth and 15 consecutive months of overall growth. **Within Asia**, cargo traffic followed with 15% YoY growth, sustaining growth for 12 months, including eight months at double digits. **Europe - Asia** ranked third, rising 14.3% YoY, maintaining 20 consecutive months of growth, 11 of which were double digits. **Asia-North America**, the largest market, grew more moderately at 8.6% for 12 consecutive months.

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



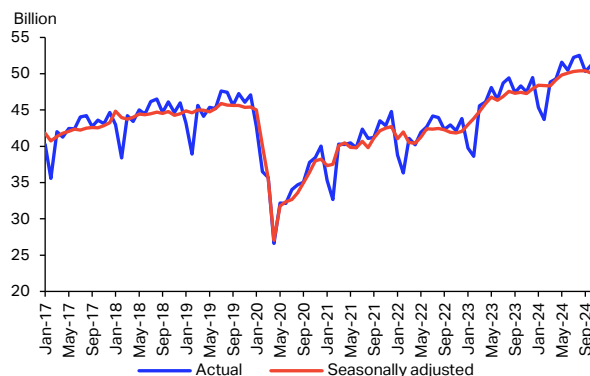
Source: IATA Sustainability and Economics using data from IATA Information and Data

October extends record-breaking air cargo capacity growth

In October, global ACTK increased by 5.9% YoY, while decreasing by 0.6% MoM after seasonal adjustment (**Chart 4**). Throughout 2024, industry capacity has reached record highs for ten straight months. Year-to-date, ACTK has surged by 8.1%, highlighting 2024 as an outstanding year for cargo capacity. Additionally, the air cargo load factor (CLF), which measures the balance between demand and supply, rose by 1.7 percentage points compared to the year-to-date value in October 2023. This

increase in CLF is expected to boost airline revenue and profitability.

Chart 4 – Industry ACTK, billion

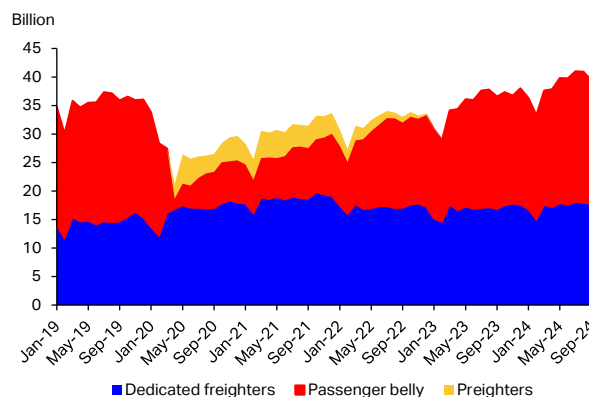


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Last month, air cargo capacity growth aligned with demand trends, primarily driven by international routes, which saw a 7.2% YoY increase. This growth continued the recent pattern, with international belly-hold capacity rising by 8.5% YoY, marking the 43rd consecutive yearly growth month in this category (**Chart 5**).

Yearly growth in belly-hold capacity has slowed since its peak in April 2021, but volumes remained at record highs in the last month, continuing the trend since April. Meanwhile, dedicated freighter capacity increased by 5.6% YoY in October, marking the seventh consecutive month of growth, with volumes nearing their 2021 peaks.

Chart 5 – International ACTK by cargo business type, billion



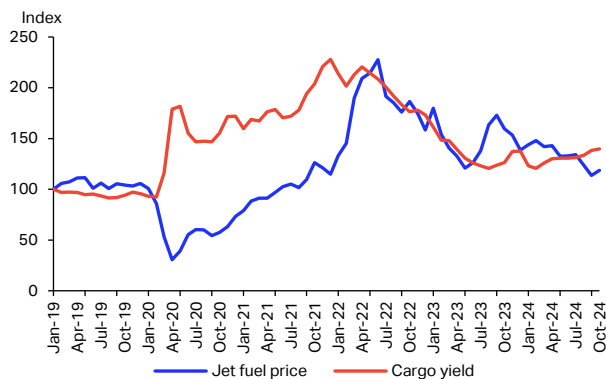
Source: IATA Sustainability and Economics using data from IATA Information and Data

Air cargo profits grow as fuel costs continue to drop

In October, average global jet fuel prices rose by 4.4% from the previous month, marking the first increase in three months. On the other hand, in YoY terms, they dropped by 25.7% YoY, the fifth consecutive decrease, settling at USD 89.8 per barrel on October 31.

The average monthly jet fuel crack spread widened slightly to USD 14.2, reversing a seven-month decline. Global oil demand growth is slowing, partly due to weaker consumption in China. Given these developments, airlines stand to benefit from lower oil prices through reduced jet fuel costs, which are a significant part of their operating expenses (**Chart 6**).

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

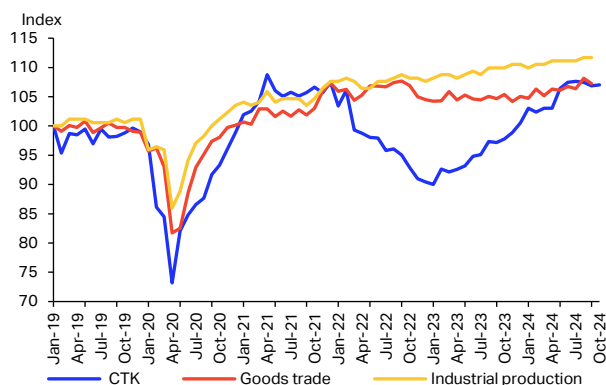


Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, CargoIS

In the meantime, global air cargo yield (including surcharges) increased by 1.2% MoM and 10.6% YoY, marking the second consecutive month of double-digit growth. By the end of October, air cargo yields were 49% above 2019 levels. This favorable yield is partly driven by booming e-commerce, with Asian companies shipping products directly to American and European consumers. Additionally, the reduced reliability of ocean shipping and associated rate hikes, primarily due to geopolitical tensions, have led some shippers to switch from sea to air transport.

Industrial production and trade grow mildly as manufacturing PMIs signal expansion

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



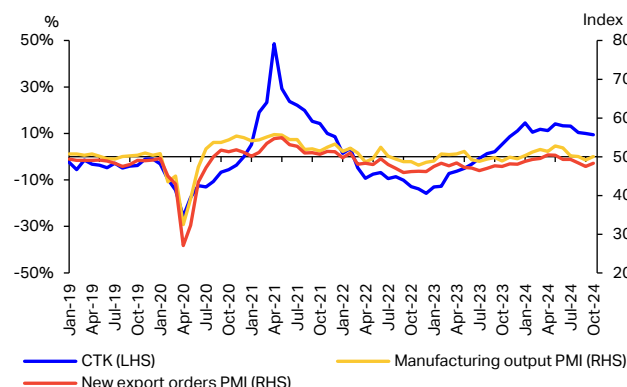
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, Macrobond

In September, industrial production, including mining, manufacturing, and utilities, remained flat month-over-month in constant USD terms (**Chart 7**). On the

contrary, the index grew 1.6% YoY, maintaining the growth rate seen in August. Global goods trade increased by 2.4% from the previous year, while monthly growth contracted by 0.9%. The rise in trade is partly ascribed to inventory stockpiling in anticipation of potential uncertainties, such as the port strike in the US.

Global manufacturing activity rebounded in October, with the Purchasing Managers' Index (PMI) rising to 50.9, indicating expansion. This marks a turnaround from the previous month's contraction. Meanwhile, the global new export orders PMI remained below the 50-point threshold, signaling a fifth consecutive month of decline in international trade demand. This reflects ongoing uncertainty and weakness in global trade, with purchasing managers anticipating further shrinkage in new export orders. (**Chart 8**).

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

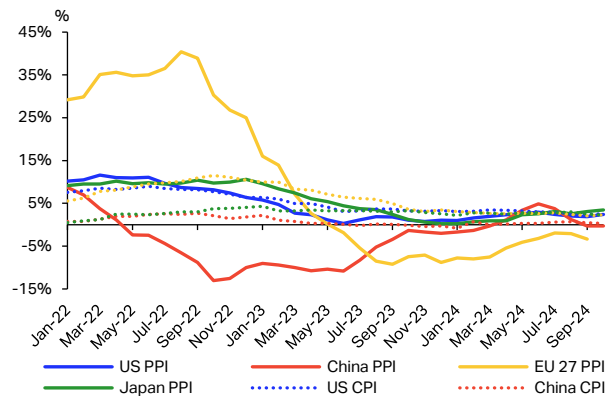


Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, S&P Global Market

Consumer price inflation is within the Central Banks' target rate for major economies but China

U.S. headline inflation, measured by the annual Consumer Price Index (CPI), rose by 0.17 percentage points to 2.58% in October, ending a six-month decline. Similarly, EU inflation increased by 0.24 percentage points to 2.33%. Conversely, Japan's consumer price inflation rate fell by 0.25 percentage points to 2.25%, the second month of deceleration in a row. In all these markets, inflation levels within central bank targets signal economic stability, ensuring consistent operating costs for air cargo and fostering a favorable environment for demand growth. China's consumer inflation fell to 0.29% in October, sparking concerns about an economic slowdown. Weak domestic activity may lead to reduced air cargo exports as lower consumer spending and deflationary pressures on producers could decrease demand for imported goods and reduce outbound 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), a measure of price changes at the producer level, often indicates future consumer inflation trends. In October, the U.S. PPI rose to 2.4%, up 0.5 percentage points—the first increase in four months. Japan’s PPI also climbed to 3.4%, gaining 0.3 points. Meanwhile, China’s PPI remained at -0.3%, marking its second month of deflation. The EU’s PPI for September fell further into deflation at -3.3% YoY, with October data pending.

These PPI changes can impact air cargo supply and demand. Rising PPI figures in the U.S. and Japan may increase production costs, potentially reducing air cargo demand as businesses adjust. On the other hand, deflation in China and the EU might result in lower production costs, which could enhance air cargo demand as exports become more competitive.

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TOTAL MARKET	100.0%	9.8%	5.9%	1.7%	47.3%	12.2%	8.1%	1.7%	45.4%
Africa	2.0%	1.6%	7.7%	-2.4%	40.1%	10.7%	16.3%	-2.1%	41.8%
Asia Pacific	33.3%	13.4%	9.3%	1.8%	49.3%	15.3%	12.0%	1.4%	46.8%
Europe	21.4%	7.6%	3.9%	1.9%	55.5%	12.9%	8.7%	2.0%	53.2%
Latin America	2.8%	18.5%	5.8%	4.4%	41.1%	12.6%	7.9%	1.5%	36.6%
Middle East	13.5%	4.5%	0.8%	1.7%	48.0%	15.0%	6.8%	3.3%	46.6%
North America	26.9%	9.5%	5.8%	1.4%	41.1%	6.4%	3.6%	1.0%	39.7%
International	86.6%	10.3%	7.2%	1.5%	52.9%	13.1%	10.4%	0.2%	50.9%
Africa	2.0%	1.6%	7.7%	-2.5%	41.1%	10.6%	16.1%	2.2%	42.9%
Asia Pacific	29.8%	13.1%	12.4%	0.3%	55.8%	15.3%	15.8%	0.4%	54.3%
Europe	21.0%	7.5%	4.4%	1.7%	57.1%	13.1%	9.2%	0.3%	55.2%
Latin America	2.4%	17.6%	5.6%	4.8%	47.3%	11.5%	9.3%	0.2%	40.7%
Middle East	13.4%	4.5%	0.7%	1.8%	48.3%	15.0%	6.8%	0.2%	46.9%
North America	17.9%	13.4%	7.9%	2.5%	50.3%	8.6%	6.3%	-1.0%	47.1%

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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