

Global air cargo volume up 11pc YoY, spot rate 15pc

- A Monitor Report

Date: 01 February, 2025



Oslo : Air freight intelligence platform Xeneta reports that the global air cargo market cruised into 2025 on the back of 14 consecutive months of double-digit growth in demand as volumes climbed +11 per cent year-on-year in December 2024 and average spot rates finished the year +15 per cent higher.

While Xeneta forecast more demand growth of +4-6 per cent in 2025, Chief Airfreight Officer Niall van de Wouw said, the air cargo industry's "cautious optimism remains tempered by its susceptibility to geopolitical tensions, a subdued manufacturing outlook, and political interventions in an increasingly volatile world".

With cargo capacity supply growth of just +2 per cent in December continuing to lag well behind resilient air cargo demand, Xeneta's dynamic load factor rose 3-percentage points year-on-year to 62 per cent. Dynamic load factor is Xeneta's measurement of capacity

utilisation based on volume and weight of cargo flown alongside available capacity.

In line with this, the December global air cargo spot rate increased +15 per cent year-on-year to USD 2.99 per kg, although the comparison with the high-rate level in December 2023 made this the slowest growth rate in the last seven months.

As projected in Xeneta's previous monthly analyses, the 2024 year-end peak season concluded with a more moderate spot rate increase of +11 per cent between September and December. This contrasts sharply with the corresponding period of 2023, which surprised many with a much steeper +21 per cent surge in spot rates.

Looking ahead, Xeneta projects 2025 global air cargo demand to grow +4-6 per cent year-on-year, continuing to outpace global cargo capacity supply growth of +3-4 per cent.

While the threat of further US East Coast port strikes seems to have now been removed, any further disruptions to global ocean freight is likely to see shippers resorting to the predictability of air freight for urgent shipments, triggering further spikes in air cargo rates. October's three-day strike at US ports produced a +12 per cent jump in air cargo volumes month-on-month from Europe to the US.

Inevitably, the upcoming air freight tender season for the new year is set to be challenging. Historical trends indicate that, in 2024, shippers demonstrated a growing preference for longer-term air freight contracts, with durations of one year or more.

These contracts accounted for 63 per cent of all agreements valid in Q4 2024, marking a 16-percentage point increase compared to the same period in 2023.