

## Air cargo demand grows 4.4pc in March says IATA

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### **Dhaka: Air cargo demand rebounded in March as businesses accelerated shipments in anticipation of impending US tariffs.**

According to data from the International Air Transport Association (IATA), demand, measured in cargo tonne-kilometres, rose by 4.4pc year-on-year.

Meanwhile, air cargo capacity increased by 4.3pc, and the cargo load factor remained stable at 47.5pc, reflecting steady utilization of available space.

The uptick in demand comes as companies seek to move goods ahead of the expected tariff changes, signaling renewed confidence in global trade.

The airline association said that the March demand levels were a record for the month, while performance also reversed a decline of 0.1pc

registered in February.

IATA director general Willie Walsh said the increase is likely to be linked to the buildup of inventory before US tariffs kicked in.

"March cargo volumes were strong. It is possible that this is partly a front-loading of demand as some businesses tried to beat the well-telegraphed 2 April tariff announcement by the Trump Administration," Walsh said.

"The uncertainty over how much of the 2 April proposals will be implemented may eventually weigh on trade. In the meantime, the lower fuel costs, which are also a result of the same uncertainty, are a short-term positive factor for air cargo.

"And, within the temporary pause on implementation, we hope that political leaders will be able to shift trade tensions to reliable agreements that can restore confidence in global supply chains."

IATA's assumption appears to be backed by emerging economic reports. The US trade deficit in March jumped by more than 9pc to \$162bn.

Commentators suggest this is down to companies quickly importing into the US to avoid the tariffs.

Looking at trade indicators, world industrial output grew 3.2pc year on year, and trade volumes expanded 2.9pc, IATA said.

US inflation was 2.4pc, down 0.4 percentage points from February, EU consumer inflation was 2.5pc and Japan's rate fell 0.1pc to 3.6pc.

"China remains in deflation but this eased to -0.1pc," IATA said.

In terms of regional performance, airlines from Asia Pacific noted a 9.6pc increase in cargo traffic in March - the strongest growth of any region.

North American carriers weren't far behind with a 9.5pc improvement. There was a 4.5pc increase for European airlines, while Middle Eastern carriers noted a 3.2pc fall.

In Latin America, there was a 5.8pc improvement and African airlines suffered a 13.4pc drop.

"The Europe-North America route was the busiest trade lane in March. The largest trade lane by market share, Asia-North America, also grew strongly, possibly encouraged by front-loading shipments ahead of potential increased tariffs," IATA said. "Europe-Middle East and Africa-Asia were the only trade lanes to decline in March."

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