

Air cargo slows as US trade tensions rise: IATA

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Dhaka: Global air cargo demand rose by only 2pc year-on-year in January 2025, marking a slower-than-expected start to the year and a sharp contrast to the double-digit monthly gains recorded throughout 2024.

Despite concerns that rising tariff tensions could trigger a trade war and dampen growth, analysts at Xeneta caution that such fears may be premature.

January's data was impacted by the earlier Lunar New Year reducing volumes out of China, but the big drop in demand was still as a surprise, says Xeneta's Chief Airfreight Officer, Niall van de Wouw.

However, van de Wouw sees no immediate reason to change Xeneta's +4-6pc growth forecast for global air cargo in 2025 despite the market's nervousness over new tariffs introduced by the United States -

particularly on China -and their subsequent retaliation.

"The lower growth in air cargo demand in January was not down to President Trump, nor, entirely, the earlier Lunar New Year. It also compares to an unusually high comparison in January 2024," van de Wouw said.

"Nonetheless, the air cargo market is entering a period of uncertainty, which makes planning extremely challenging.

"The implementation of tariffs by the US and the responses of China, Canada, and Mexico are just the start of a negotiation. It's all transactional. We could end up in a global trade war, but in the case of President Trump, we have someone who's ready to negotiate everything and the rest of the world can influence the outcome, as we have already seen.

The consistency here is he's looking for a deal," van de Wouw said.

"We don't know what will happen, but we do understand that uncertainty is not good for trade confidence, and it doesn't help investment. People like to see some kind of stability before they put their money down," he added.

"If I was a shipper, I would not be rushing to make too many plans or take any drastic measures. I'd have my team ready to do things differently, but I'd wait to see what actually happens because, right now, there's a lot of sabre rattling and noise but little clarity."

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