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Rotate Reports

Market developments and implications for the industry

October 2025

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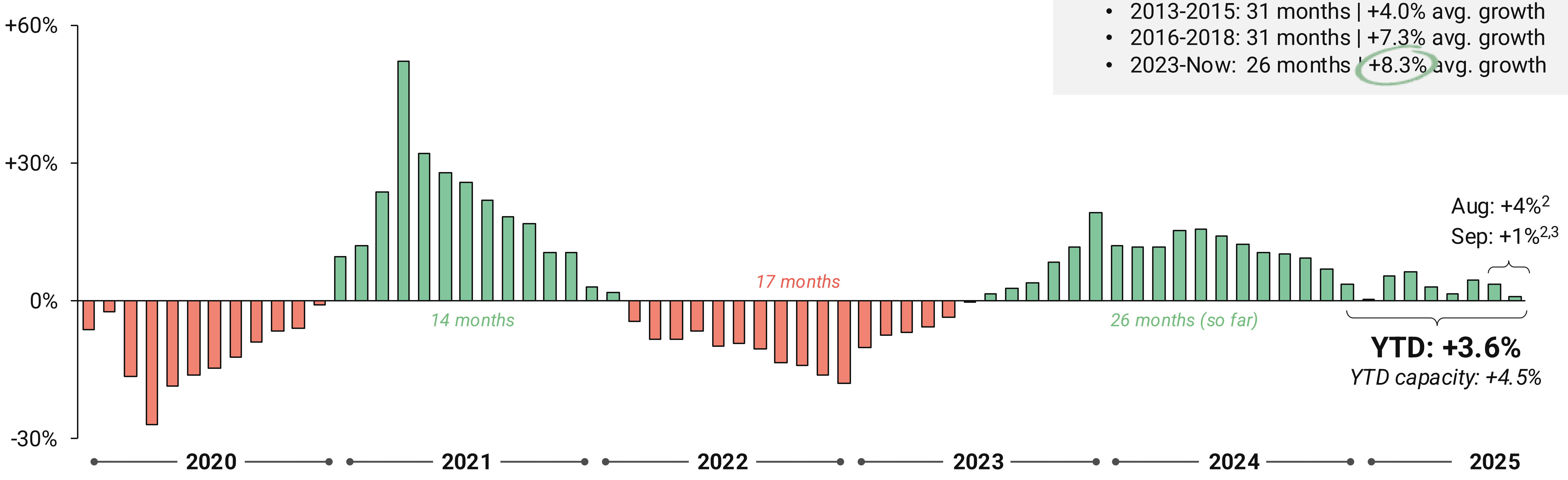
Highlights of this report

- Air cargo is now in its third-longest growth streak
- Tariffs have caused shippers to adjust supply chains
- Freighters are the biggest contributor to capacity growth

Air cargo demand continues to grow, now at moderate pace

International air cargo demand growth

YoY change of FTKs[1] (%)



Air cargo is nearing its longest stretch of growth, with higher growth than previous periods:

- 2013-2015: 31 months | +4.0% avg. growth
- 2016-2018: 31 months | +7.3% avg. growth
- 2023-Now: 26 months | +8.3% avg. growth

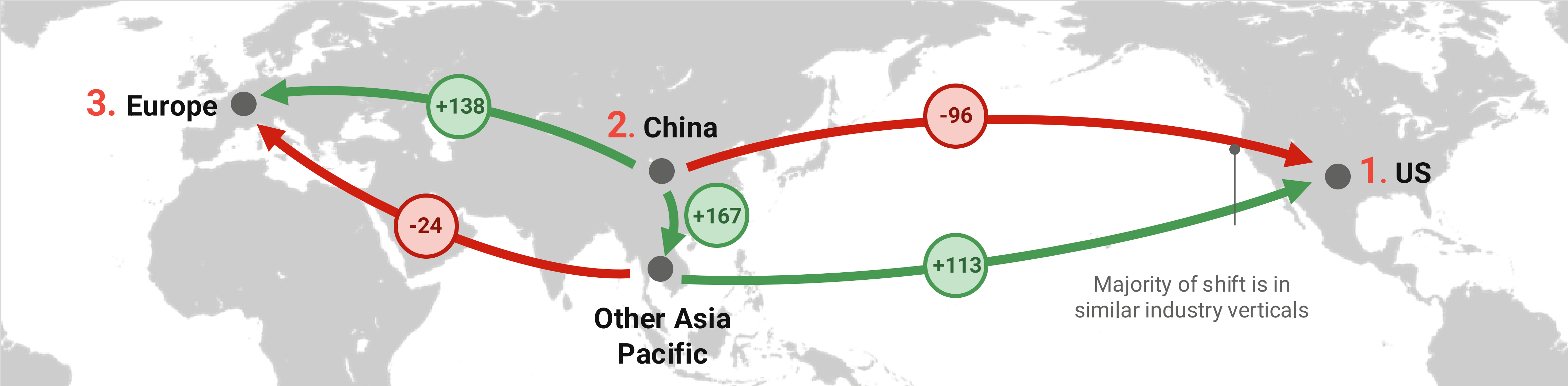
Note: 1) FTK = Freight Tonne Kilometer; 2) Demand growth based on Xeneta chargeable weight; 3) Based on first two weeks of September
Source: IATA Global Monthly Statistics; Xeneta air cargo demand data; Rotate analysis (September 2025)

Global supply chains are realigning after US tariffs

Change in trade between selected regions (including e-commerce)

Thousand tonnes, May-June 2025 vs 2024

Next slides: Industries deep dive



1. US imports shift sources
from China to other (Asian) countries following 50% tariffs

2. China exports find other markets
mostly in Europe (+138k tonnes) and other Asia (+167k tonnes)

3. Europe realigns supply
by reducing imports from other Asian countries

Source: Rotate Air Demand; Rotate analysis (September 2025)

E-commerce, technology, consumer goods lead supply chain shifts

Change in trade between selected regions, by industry

Thousand tonnes, May-June 2025 vs 2024

Industry	1. US imports shift sources: From China	1. US imports shift sources: From other Asia	2. China exports find other markets: To US	2. China exports find other markets: To Europe	3. Europe realigns supply: From China	3. Europe realigns supply: From other Asia
E-commerce	-59	-	-59	+114	+114	-
Technology	-25	+96	-25	+5	+5	-11
Consumer goods	-11	+21	-11	-1	-1	-3
Industrial	0	+9	0	+16	+16	+1
Others[1]	-1	-13	-1	+2	+2	-11
Total	**-96**	**+113**	**-96**	**+138**	**+138**	**-24**

Significant e-commerce shift from US to Europe

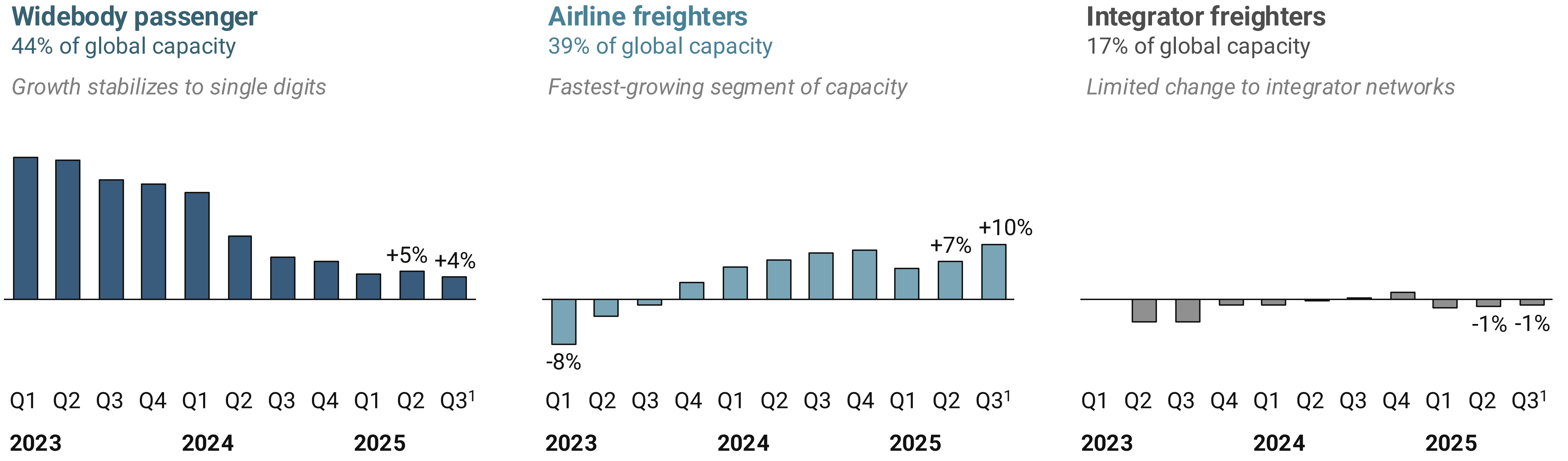
Mostly driven by (electrical) parts & components

Note: 1) Includes (in order of size of change) fashion, chemicals, raw materials, health care, automotive, food and beverages, perishables, and special categories like aerospace and valuables; Source: Rotate Air Demand; Rotate analysis (September 2025)

Airline freighter capacity is up 10% this quarter, the highest in 3 years

International air cargo capacity growth by quarter

YoY change of tonnes (%)



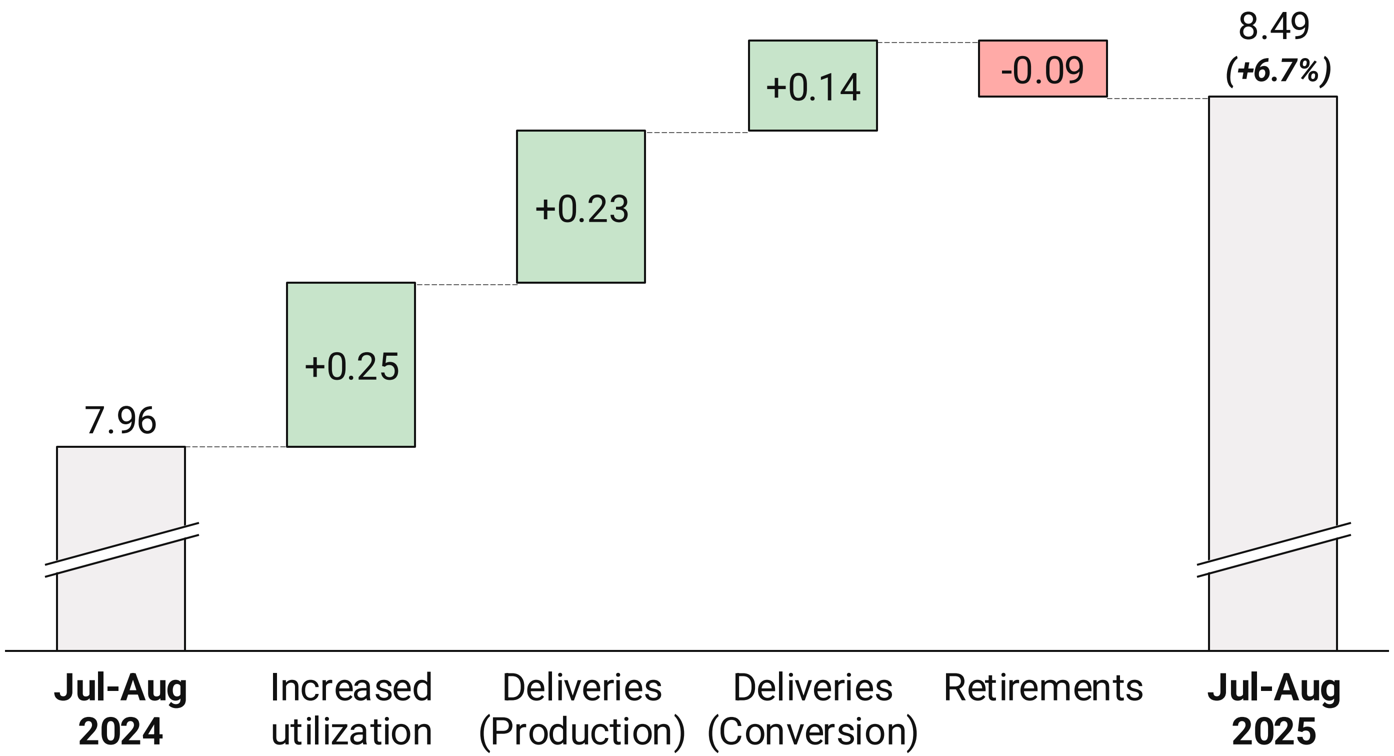
Jan-Aug capacity growth: **+4.5%**

Freighters only: +6.7%

Note: "Integrator" category includes airlines operating for or on behalf of integrators (FedEx, UPS, DHL, Amazon and SF Express); 1) Includes July and August only
Source: Rotate Live Capacity; Rotate analysis (September 2025)

Fleet growth and utilization gains contribute equally to freighter capacity growth

Breakdown of international freighter capacity growth
Million tonnes, Jul-Aug 2025 vs 2024



Takeaways

- ~50% of freighter capacity growth in 2025 can be attributed to a **higher aircraft (block hour) utilization**
  - With utilization again at all-time highs, this growth will subside
- ~50% of freighter capacity growth is the result of **net fleet increases**
  - 25x B777-200LRF delivered year-to-date
  - New A350F and B777X will continue to drive growth after their introductions

Source: Rotate Live Capacity; Boeing; Rotate analysis (September 2025)

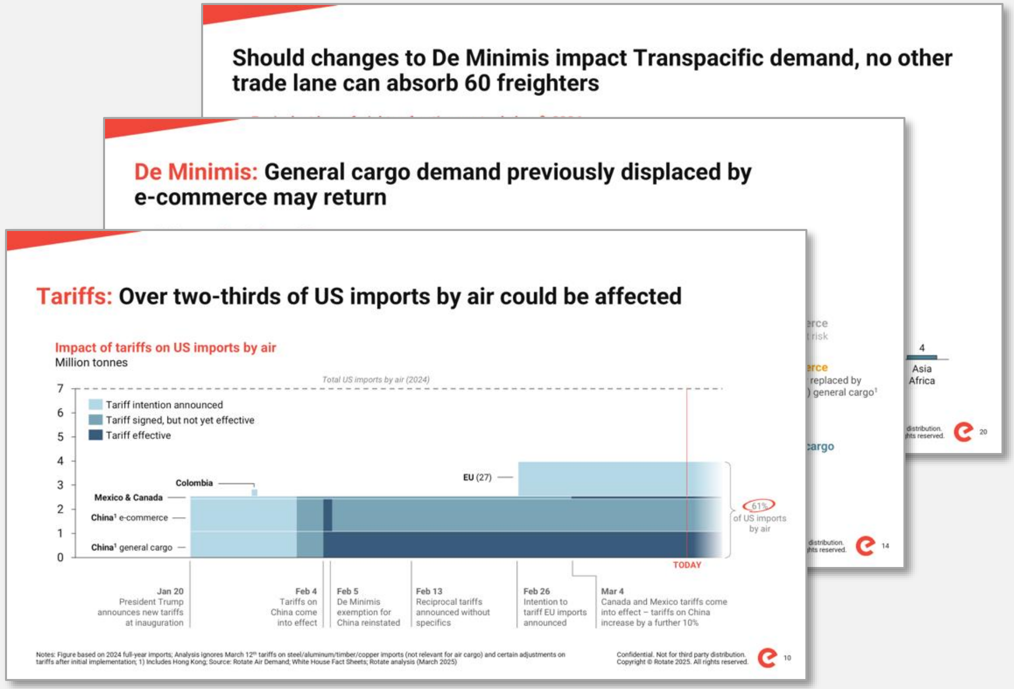
Other topics covered in this Rotate Report

- **Industry-specific trade shifts:**
  - How technology, consumer goods, and e-commerce are driving changes in global flows
  - The impact of tariff changes on sourcing patters
- **China's regional transition:**
  - Manufacturing moving inland and its effect on air cargo exports
  - Regional cost and policy dynamics shaping capacity deployment
- **Market dynamics:**
  - Trends in yields, spot rates, and profitability across major trade lanes
  - Airlines' short-term levers to balance supply and demand
- **Fleet and capacity outlook:**
  - The outside role of Middle Eastern carriers in airline orderbooks
  - Long-term constraints from slower freighter deliveries

Gain more insights in our full Rotate Reports, exclusively available to our customers

Contact us at commercial@letsrotate.com and gain access to industry insights, software and data

About Rotate Reports



Selection from earlier Rotate reports

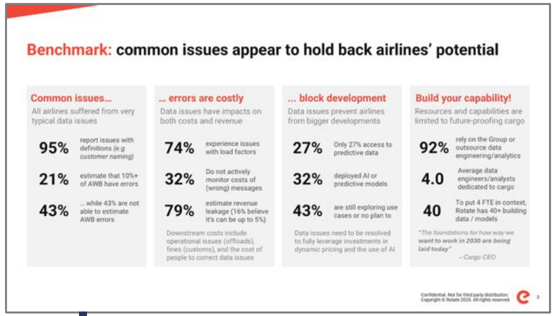
Thought pieces by Rotate Consulting

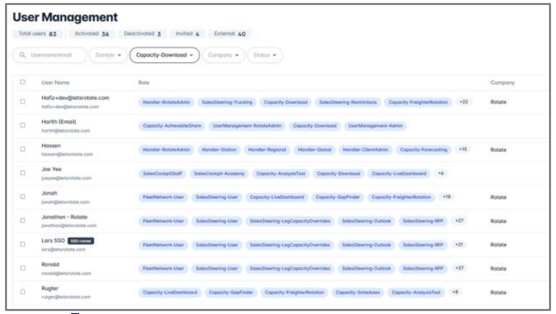
- Our team of 10 consultants has worked on 100+ assignments across airlines, airports, integrators, forwarders, handlers, investors and governments

These Rotate Reports are exclusive to our customers

- Rotate offers industry-leading capacity and demand data, having launched its air demand product in 2025
- If you are interested in learning more about Rotate's strategy consulting capabilities and data products, please reach out to commercial@letsrotate.com

What’s new at Rotate?





New features for Air Demand data!

- Release of front-end **dashboards**
- Expanded coverage with full detail on Japan, South Korea and Taiwan (more countries included soon)

Benchmark of airline data issues

To validate our Data Services team’s hypotheses we **asked 19 airlines** (34% of global ATKs) about their recurring issues, to great response.

Curious to learn more about this survey? Contact our Data Services lead Thomas Schummer (thomas@letsrotate.com)

Updates to existing software!

- Client **user management** across all products
- Indirect capacity enhancements
- User analytics in Sales Cockpit
- Enhanced Sales Cockpit logic
- Improved filters

It ~~never~~ works for Cargo

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