iXRT

Air Market News by Xeneta

January 23, 2026

The Xeneta Air iXRT provides an overview of market movements, the key risks and issues to be aware of and insight on how these may develop in the coming weeks and months.

Topics covered in this iXRT Report include:

- Trump's latest tariff threat should act as warning
- Semiconductor tariff comes into force
- Red Sea – a return will not be plain sailing
- E-commerce: signs growth is slowing?
- Looking ahead in 2026

Global air cargo demand, measured in chargeable weight, began 2026 on a softer note.

In the first three weeks to 18 January, global demand rose by 3.5% year-on-year, down from a punchier 6% in December 2025.

In contrast, capacity measured in cubic meters continued to expand at a steady pace of +5%, just as it has been doing since October 2025.

Air freight rates tend to react to, or lag, shifts in the supply-demand balance. Global air spot rates slipped 2% year-on-year to USD 2.57 per kg in the first three weeks of January. This extends a decline that has persisted since May 2025.

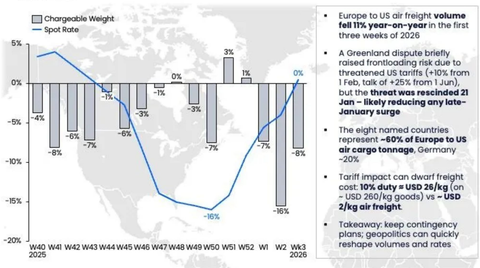
While still falling year-on-year, the pace of the decline in freight rates has moderated, perhaps because December's stronger demand left the market with a faint afterglow.

A tariff shock due to Greenland dispute is averted – but sends a warning

Transatlantic air freight volumes are the current laggard. In the first three weeks of 2026, air cargo demand from Europe to the US fell 11% year-on-year - its sharpest drop in two-and-a-half years - while most other lanes still managed growth of +4%.

Transatlantic air cargo: demand slumps, tariff reversal limits frontloading

Europe to the US air cargo chargeable weight and spot rate year-on-year developments
(in percentage)



- Europe to US air freight **volume fell 11% year-on-year** in the first three weeks of 2026
- A Greenland dispute briefly raised frontloading risk due to threatened US tariffs (+10% from 1 Feb, talk of +25% from 1 Jun), but the **threat was rescinded 21 Jan – likely reducing any late-January surge**
- The eight named countries represent **~60% of Europe to US air cargo tonnage**, Germany ~20%
- Tariff impact can dwarf freight cost: **10% duty = USD 26/kg** (on ~ USD 260/kg goods) vs **~ USD 2/kg air freight**.
- Takeaway: keep contingency plans; geopolitics can quickly reshape volumes and rates

Source: Xeneta

That slump may not last. A dispute over Greenland between the US and eight European countries (Denmark, Norway, Sweden, France, Germany, Britain, the Netherlands and Finland) has created a perverse incentive to ship sooner.

The US threatened an additional 10% tariff on imports from those countries from 1 February, on top of existing duties of 10–15%, with talk of a jump to 25% on 1 June. On 21 January, Trump rescinded this threat, perhaps also averting a rush of cargo in late January as shippers try to beat the 1 February deadline. This would have temporarily lifted volumes and, potentially, rates.

The eight countries affected account for nearly 60% of Europe–US air cargo tonnage in the first 10 months of 2025, according to the US Census. Germany alone represents about 20% of the corridor's total.

Shippers should be continuously assessing this risk, so they are able to act decisively in the event of further geopolitical incidents. With customs values around USD 260 per kg on the Europe to US corridor, an extra 10% duty is effectively USD 26 per kg - dwarfing an air freight bill of roughly USD 2 per kg. Air freight can suddenly look like a bargain when an adverse event hits – if shippers are able to move fast enough.

While this latest tariff threat appears to have lowered, the potential exposure was not trivial and should act as a warning, if one were needed, that air freight still operates under the constant shadow of an unpredictable geopolitical landscape.

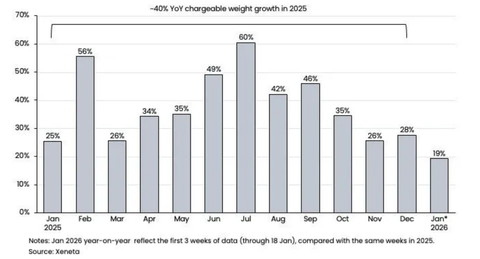
Semiconductor tariffs: exemptions soften the blow

The US semiconductor tariff has been in the making for a long time and finally took effect on 15 January, imposing 25% on imports.

The impact, however, is more limited than earlier fears of a blanket 100%. The duty applies to a narrow group of advanced computing chips and related products, such as Nvidia's H200 and AMD's MI325X. Exemptions soften the blow, with chips imported to support the build-out of America's technology supply chain and domestic manufacturing capacity for downstream products not covered by the tariff.

Taiwan to US air cargo volume showed ~40% growth in 2025

Taiwan to the US air cargo chargeable weight year-on-year developments
(in percentage)



Notes: Jan 2026 year-on-year reflect the first 3 weeks of data (through 18 Jan), compared with the same weeks in 2025.
Source: Xeneta

Taiwan remains the linchpin of the semiconductor industry, accounting for more than 60% of global foundry revenue and over 90% of leading-edge chip manufacturing. Its air cargo volumes to the US rose by nearly 40% year-on-year in 2025 despite existing tariffs. However, recent momentum has eased, with air cargo volume growth slowing to below 30% in the final two months of 2025 and to below 20% in the first three weeks of January.

Red Sea – a return will not be plain sailing

Developments in ocean container shipping remain a key wildcard for air freight, with the Red Sea situation requiring close attention. Since late last year, major carriers CMA CGM, and more recently Maersk, have tested routings via the Suez Canal. Maersk, among the more risk-averse carriers, recently announced that its MECL service would resume Suez transits in a notable step towards a Red Sea return.

Then reality intervened. Only days later CMA CGM said its FAL1, FAL3 and MEX services - having resumed Suez transits on backhaul voyages - would revert to sailing around the Cape of Good Hope, citing a "complex and uncertain international environment".

Even if the Red Sea were to return to "normality", a rapid modal shift from air back to ocean looks unlikely in the first quarter of 2026. Transit times still exceed six weeks, and schedule changes back to Suez Canal transits take time to execute. Reallocating capacity at this scale within a single quarter is unrealistic.

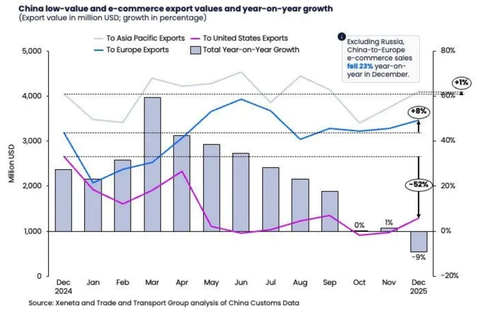
E-commerce: signs growth is slowing?

The more significant forces impacting air freight from an e-commerce perspective may be structural rather than geopolitical. China customs data for December shows low-value and e-commerce exports falling 8% year-on-year - the first decline since January 2022 and follows two months of flat growth. For an air cargo market that has been turbocharged by cross-border e-commerce since late 2023, that is not encouraging.

Europe looks particularly exposed. China-to-Europe e-commerce exports growth slowed to roughly 8% in December, after growing 54% over the first 11 months of 2025. And if excluding Russia, e-commerce sales from China to the rest of Europe declined a considerable 23% year-on-year.

China's cross-border e-commerce growth declined for the first time in four years

China low-value and e-commerce export values and year-on-year growth
(Export value in million USD; growth in percentage)



Source: Xeneta and Trade and Transport Group analysis of China Customs Data

Regulation is adding friction to e-commerce trade. US de minimis bans, the EU's proposed processing fee and new rules in Japan and Thailand all threaten to dull one of air freight's most reliable sources of demand.

Looking ahead

Barely three weeks into 2026, the market already appears uncertain. The next fortnight of airline sell-side data should offer clearer signals. For example, will semiconductor-related flows remain resilient despite the new 25% duty? Will there be any meaningful capacity reallocation follows the Red Sea's latest reversals? Will there be further tariff threats between the US and Europe?

Some predictable seasonality does remain in air freight, with Lunar New Year expected to offer a temporary lift.

With Lunar New Year falling in mid-February this year - later than last year's late-January - some pre-holiday export demand from mainland China, Taiwan, South Korea and Vietnam may only begin to surface from this week (week commencing 19 January), as shippers move goods ahead of factory closures.

In air cargo, timing is everything - and 2026 is already testing the timetable.