iXRT

Air Market News by Xeneta

October 31, 2025

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:

- Volumes spike to defy usual Golden Week trend
- Volumes from Mainland China and Hong Kong to Europe and US remain subdued compared to 12 months ago
- Global air freight rates have below last year's levels for spot contracts seasonal contracts
- E-commerce continues to defy wider falling demand
- Impact of US-China trade truce

Golden Week – temperature check for the market

There is rarely a dull moment in the air cargo industry. Traditionally, volume trends ahead of Golden Week at the start of October usually serve as a helpful temperature check for the market. But this year it is more difficult to use volumes in this period as a barometer for the peak season ahead due to the impact of Typhoon Ragasa and temporary closure of the China-Europe railway at the Poland border.

Volumes spiked over the Golden Week holiday, defying the usual trend that accompanies Chinese factories shutdowns. Carriers scrambled to clear backlogs created by earlier disruptions, pushing traffic sharply higher than seasonal norms.

Abnormality to the start of this year's air cargo peak season

Mainland China and Hong Kong to Europe and US air cargo volume
(In chargeable weight, index 100 = week 31 of respective year)



Source: Xeneta

Despite the untraditional uptick in demand in Golden Week, outbound volumes from Mainland China and Hong Kong to Europe and US remain subdued compared to 12 months ago.

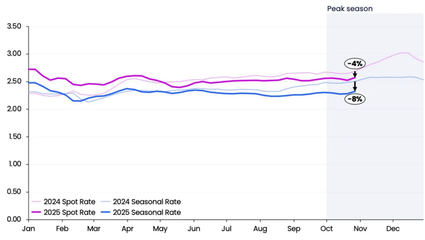
The frontloading of imports earlier in the year triggered by the US tariffs and de minimis ban has blunted demand for air freight into the US. A subdued picture is also seen on China-Europe lanes where growth lags last year's pace.

Global Overview

China's slowdown mirrors a global trend. Since May, global air freight rates have remained below last year's levels, for both spot contracts (valid for up to one month) and seasonal contracts (valid for longer than one month).

Year-end air cargo peak season to stay subdued compared to 12 months ago

Global air cargo spot and seasonal rate developments
(USD per kg; spot = valid for up to one month; seasonal = valid for over one month)



Source: Xeneta

Seasonal rates, in particular, have suffered as market sentiment weakens, down -8% from last year and falling faster than spot prices.

The ocean freight market offers similar clues. Carriers have struggled to keep rates up, especially on the Transpacific route as earlier frontloading triggered by frequent shifts in US import tariffs saw inflated inventories across the supply chain. Average ocean spot rates on major fronthaul trades are still down significantly compared to the summer, despite an October uptick.

As this build-up of inventories was supply-driven rather than demand-led, it left importers sitting on excess stock. Normalising those inventories will take months, dampening appetite for fresh exports and eroding business confidence. When taking all the above into account, the signs point towards a late – and likely moderate – air cargo peak season in 2025.

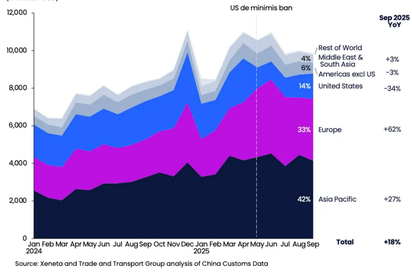
E-commerce continues to defy wider falling demand

China's cross-border e-commerce sector remains the one bright patch in an otherwise lacklustre air cargo market.

According to China Customs, cross-border e-commerce sales rose 33% in the first nine months of the year. September alone was up 18% year-on-year – far outpacing the 4% growth in global air cargo demand.

China cross-border e-commerce remains a bright spot despite US de minimis ban

China low-value and e-commerce export values
(in million USD)



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

Europe has become the growth engine for China e-commerce.

Sales from China to Europe, which account for roughly a third of cross-border e-commerce trade, surged 62% in September and 75% year-on-year between May and September.

With de minimis exemptions removed for imports into the US, e-commerce giants such as Temu and Shein have diverted advertisement budgets to Europe.

The impact is striking, with sales to the US plunging 41% between May and September. The US share of China's cross-border e-commerce was at near parity with Europe a year ago, but stands at just 14% today.

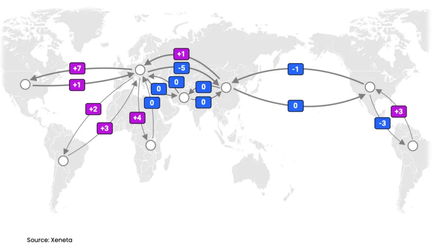
Freight rate development amid global trade uncertainties

Despite the e-commerce flow shift, Asia to Europe and Transpacific eastbound air cargo rates remain relatively flat in the first four weeks of October compared to a month ago.

This stability is largely due to the freighter cargo industry's ability to pivot, deploying capacity where demand exists.

Even so, both corridors recorded year-on-year declines - high single-digit drops on Asia-Europe routes and double digits across the Pacific.

Air cargo spot rate developments by trade lane, first three weeks of October 2025 vs September 2025
(Changes in percentage)



Source: Xeneta

In contrast, air cargo spot rates on the Transatlantic corridor stand out as being more resilient. Spot rates on routes from Europe to North America rose in the first four weeks of October, driven by rising seasonal demand and shrinking passenger-belly capacity as airlines switch to winter schedules.

Transatlantic is one of the few lanes where spot rates exceed last year's levels – up 2% to North Americayear-on-year alongside Latin America which is up 12%.

A Fragile Truce

A potential reignition of the China-US tariff dispute has been deferred, for now.

Following two days of talks in Malaysia on 26 October, negotiators agreed to extend a tariff truce that was due to expire on 10 November, therefore delaying Trump's threat of 100% tariffs on Chinese goods beginning 1 November. The move has likely quelled any last-minute rush to ship goods before potential new duties.

Even before the talks, however, Chinese exporters showed little urgency to frontload shipments, having already done so twice earlier in the year.

With the US de minimis ban likely to remain in place, e-commerce volumes to the US – now roughly two-third last year's volume – are unlikely to provide much lift to the corridor during this year's peak season.

Additionally, it is unclear whether Washington's latest proposal to ban flights through Russian airspace featured in the discussions. Regardless, any impact would be limited, touching less than 4% of total corridor cargo capacity.

In summary, the air cargo market's temperature check through Golden Week reveals a sector buffeted by storms. A delayed and subdued peak season underscores an industry still in search of lift.