TAC Data Confirms Air Freight Rates in Fifth Week of Decline

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For the fifth consecutive week, global air cargo prices have edged lower, according to the latest data from the TAC Index (https://www.tacindex.com). The persistent decline underscores a shift in market conditions that has been gathering momentum since early spring, with rates across major trade lanes showing no immediate signs of recovery.

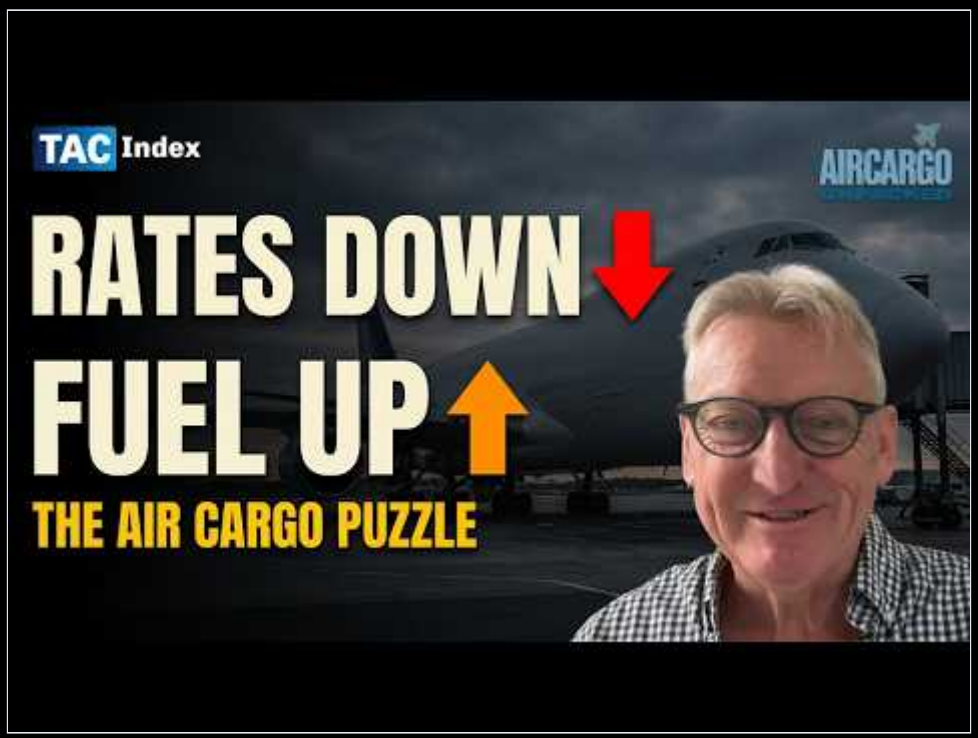
TAC Index records persistent weakness

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The TAC Index, a widely referenced barometer for air freight pricing, aggregates rate data from key routes connecting Asia, Europe, and the Americas. Its latest reading confirms that the week-on-week slide has now stretched into a fifth week. While the

pace of the decline has been modest, the duration marks the longest sustained drop this year.



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The Air Cargo Rates Puzzle: Falling Prices, Surging Fuel, Rising Tension— by The Freight Buyers' Club on YouTube

Air freight rates are falling, so why is jet fuel surging and what does the return of Middle East tension mean for shippers?

Industry observers note that such a trend is uncharacteristic for this time of year, as the approach of the third quarter typically brings a seasonal uptick in demand. The current weakness suggests that broader economic headwinds are outweighing usual cyclical patterns.

Demand and capacity dynamics weigh on rates

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Several factors are contributing to the softening market. Global trade volumes have faced headwinds from high inflation, rising interest rates, and sluggish consumer spending in key economies. At the same time, belly cargo capacity—space carried in the lower decks of passenger aircraft—has continued to recover, boosting overall supply. With airlines adding more long-haul flights, the available cargo space has expanded, putting downward pressure on rates.

Additionally, the e-commerce boom that fueled extraordinary demand during the pandemic has normalised, and inventory destocking across many sectors has reduced the urgency for expedited shipping. As a result, the balance has tipped in favor of buyers of freight services.

The TAC Index breakdown shows that rates were lower on most major east-west routes, including services from Asia to Europe and the transpacific trades. While some regional lanes held relatively steady, the overall direction was clearly downward.

What the decline means for logistics operators

For shippers and freight forwarders, the sustained dip in air freight rates offers a welcome reprieve after years of elevated costs. Companies that rely on air cargo for

time-sensitive goods—such as high-tech components, pharmaceuticals, and perishables—can now secure space at more competitive prices. Many forwarders are using the opportunity to renegotiate longer-term contracts, locking in favorable terms ahead of any potential rebound.

Carriers, however, are facing margin pressure. Some airlines have begun to adjust their freighter schedules and defer capacity additions until the market finds a new floor. The situation is particularly challenging for dedicated freighter operators that do not benefit from passenger revenue streams.

For businesses that depend on air cargo, particularly those whose supply chains extend from manufacturing hubs in Asia, the decline presents an opportunity. Services such as air freight from China (https://freightquotechina.com/) are becoming more cost-effective, enabling importers to reduce landed costs and improve inventory positioning.

Rate trajectory and market indicators

The table below consolidates the key metrics shaping the current air freight rate environment:

Air Freight Rate Decline Overview

Metric	Detail
Duration of decline	Five consecutive weeks
Index source	TAC Index
Affected routes	Major global trade lanes, particularly Asia-Europe and transpacific
Primary drivers	Slowing demand, increased passenger belly capacity, inventory destocking
Beneficiaries	Shippers and freight forwarders
Pressure points	Airline cargo margins and freighter operators

Broader market outlook

The fifth weekly decline in global air freight rates points to a market that is recalibrating after years of disruption. While lower rates are good news for shippers, they also signal softer economic conditions that could dampen trade activity ahead of the traditional peak season. Forwarders and carriers alike will be watching upcoming index reports closely to gauge whether the trend will stabilise or extend further.

Procurement teams are being advised to stay agile as the industry updates. With the TAC Index serving as a real-time indicator, the evolving rate landscape will continue to shape logistics strategies worldwide.

Key Figures

This story includes concrete figures such as 5 weeks. The points below pull out the key numbers so the reporting is easier to scan and verify.

- **Duration of decline:** 5 weeks Consecutive weekly drops in global air freight rates reported by TAC Index

Why This Matters

The sustained decline in air freight rates signals a market rebalancing that offers cost relief to shippers but pressures carrier margins, potentially influencing capacity deployment and inventory strategies ahead of the peak shipping season.

FAQ

What is the TAC Index?

The TAC Index is a leading provider of air cargo rate data, offering benchmarks for air freight pricing across major global trade lanes. It is widely used by shippers, forwarders, and carriers to track market trends.

How long have air freight rates been declining?

According to the TAC Index, global air freight rates have now fallen for five consecutive weeks, reflecting a steady downward trend after a period of relative stability.

What is causing the drop in air freight rates?

The decline is largely attributed to easing demand following the post-pandemic surge, along with increased belly capacity from passenger flights and overall economic uncertainties weighing on global trade.

Who benefits from lower air freight rates?

Shippers and freight forwarders typically benefit from lower rates as transportation costs decrease, potentially leading to reduced consumer prices. However, sustained low rates can impact carrier profitability and future capacity investments.

Sources

TAC Index (https://www.tacindex.com) (tacindex.com)

Source: STAT Times (https://news.google.com/rss/articles/CBMisAFBVV95cUxNM0RrTGN6QTFTRUpxZFpyVWJmdVVBWUhzQmxZQmtLa0tISFh3eFp2b19zM1MzQU1SeUdCY3d3bFdWcFJUc0VGMklIYjMteWFlNU9MQlJWZGJaWWk4ZUFSNnpwa3JDbndxS1JHU19hR05QYXVqVE9EOUJiSXNZakI3bmNZZEs0NlFiQzJzQ0NuUUk4TGthbkJNbk93SHB2a1d4U1NkWkVTSkRha2dtNjQzRNIBsAFBVV95cUxNM0RrTGN6QTFTRUpxZFpyVWJmdVVBWUhzQmxZQmtLa

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