

# Freighter exodus leaves trans-Pacific air cargo on edge after China-US trade deal



*Daily average freighter capacity on the China-US corridor has declined 39% since May 2. Photo credit: Matheus Obst / Shutterstock.com.*

**Greg Knowler, Senior Editor Europe | May 13, 2025, 10:29 AM EDT**

While the reduction in “de minimis” tariffs on Chinese exports to the US is unlikely to spark a surge in demand for air cargo on the trans-Pacific, any increase in demand could tighten capacity and push rates higher given the large numbers of freighter aircraft that have been shifted to other trade lanes.

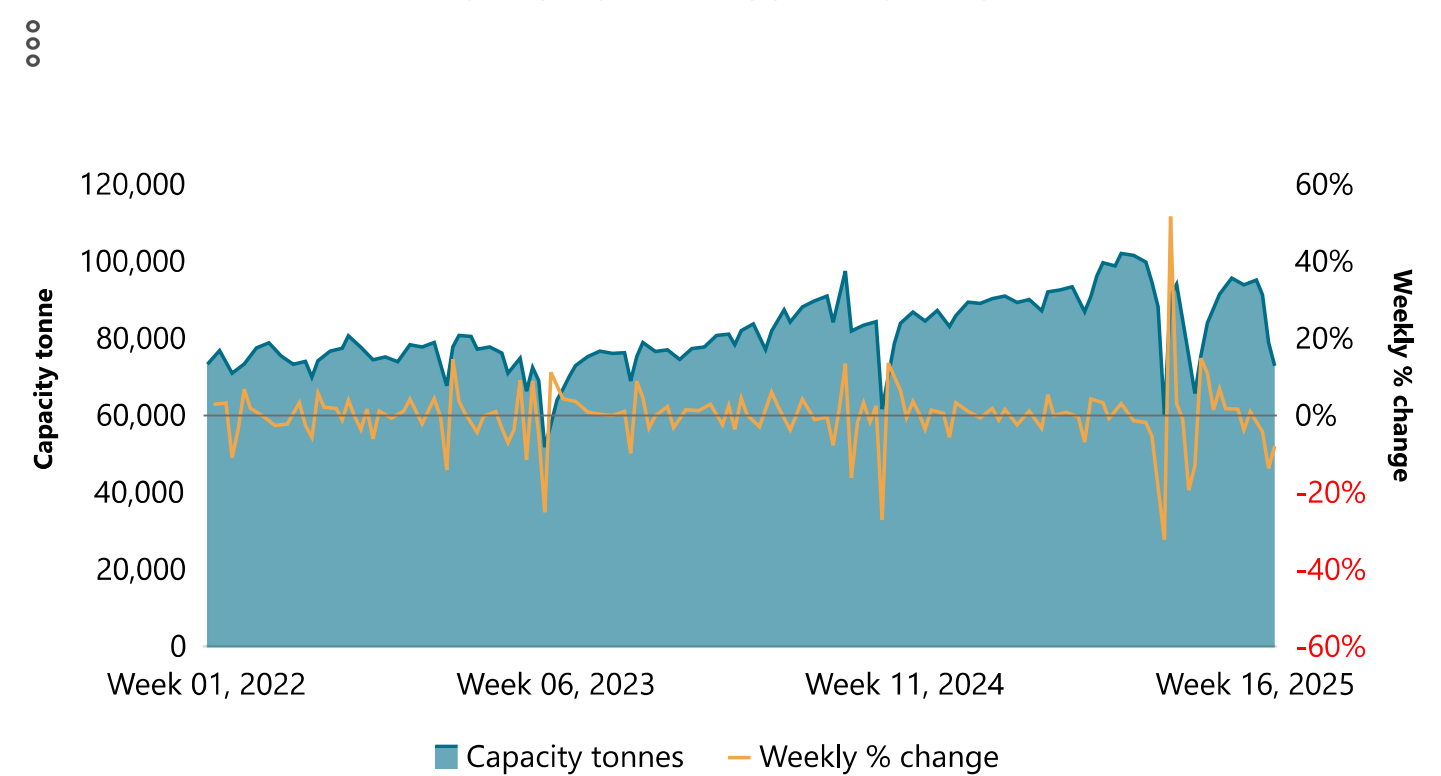
Following weekend trade talks in Geneva between the world’s two largest economies, part of the deal included a reduction of the 120% duty imposed from May 2 on any parcel from China, including Hong Kong, to 54%. An additional per-parcel fee of \$100 will still go into effect May 14 but will not be increased to \$200 in June as planned.

The trans-Pacific market saw a mass exodus of freighter capacity as e-commerce bookings dried up ahead of the Trump administration’s May 2 elimination of the duty-free exemption for low-value shipments, with many aircraft being switched to Latin American routes. Data from air freight analyst Rotate shows daily average freighter capacity on the China-US corridor has declined 39% since May 2.

The tariff impact on demand has been dramatic. Asia-North America air cargo volume is down 20% since the last week of April, at 73,037 tons, while volume on the Asia-Latin America corridor, a much smaller market, grew 23% to 855 tons over the same period, according to Rotate.

Trans-Pacific air cargo nose dives as May 2 'de minimis' tariffs bite

Asia Pacific to North America air freight capacity with weekly percentage change



Source: Rotate

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Kathy Liu, vice president of global sales and marketing at Taiwan-based forwarder Dimerco Express Group, said the cut in tariffs would be positive for the air cargo business, but warned that finding space could be difficult in the days ahead.

“After the last week of April, a lot of orders have been on hold in China for the US market due to the uncertainty,” Liu told the *Journal of Commerce*. “With this new announcement, a certain percentage of the orders will be released gradually. I believe we will see volume increase for air from China to the US from now on.”

## Demand decline pulls down rates

The drop in demand over the past two weeks has dragged down air cargo rates on China-US routes, with the average rate falling 8.8% since late April, according to the Baltic Air Index. Data from rate benchmarking platform Xeneta showed prices have fallen 9% since the May 2 tariffs were imposed.

“Approximately 50% of air cargo shipments on the China-US route is low-value e-commerce ... the oxygen was suddenly and dramatically removed from this demand on May 2, and it has shaken the market to its core,” said Niall van de Wouw, chief air freight officer at Xeneta.

Rotate’s analysts are expecting “some demand” to return to the China-US air corridor, but it was not clear how strong the demand would be following frontloading ahead of May 2 and the prevailing uncertainty around tariff levels as the US continues negotiations with its trade partners.

“Since May 2, some freighters have been parked and some were shifted to other trade lanes,” a Rotate spokesperson told the *Journal of Commerce* Tuesday. “If demand is there, we will probably see most freighter capacity return to the trans-Pacific.”

Ocean carriers are expecting the preliminary China-US trade deal to unleash pent-up demand that has built over the past month, with imports from China quickly filling all available container shipping capacity. In times of severe space constraints in ocean, there is a spillover to air, but considering cost-conscious US importers paused shipments in the first place because of high tariffs, forwarding sources told the *Journal of Commerce* it was unlikely they would be willing to pay air freight prices.

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