

## Post-tariff air freight market diversifies into 'US-plus one' strategy: Tiaca



*Trans-Pacific freighter aircraft that were unemployed after the US scrapped its “de minimis” exemption were quickly redeployed to other trade lanes. Photo credit: MKPhoto12 / Shutterstock.com.*

[Greg Knowler](#) | Oct 3, 2025, 10:15 AM EDT

The widespread imposition of US tariffs has changed trade flows as manufacturers take a “US-plus one” approach to production, driving a diversification of air cargo trade lanes that spells good news for the industry, the head of The International Air Cargo Association (Tiaca) says.

Tiaca Director-General Glyn Hughes told an air cargo webinar hosted by rate benchmarking platform Xeneta Thursday that carriers were agile enough to respond quickly to big geographical changes in demand driven by US policy and deploy the required capacity appropriately.

“Over the last few years, we’ve heard ‘China-plus one’ from a production perspective to diversify supply chain risks, and we’re now hearing much more about ‘US-plus one’ from a consumption perspective,” Hughes said.

“We will see a lot more production shifts to parts of Southeast Asia and a diversification of consumer markets under those conditions, and more areas of production and more areas of increasing consumption is really good for air cargo,” he added.

The shift in air cargo trade lanes was a result of the May 2 removal by the White House of the “de minimis” exemption from duties on Chinese imports valued at under \$800. Dozens of daily freighters serving the massive trans-Pacific demand for e-commerce were no longer required, forcing airlines to urgently look for new markets.

But as quickly as US demand for Chinese e-commerce plummeted, giant online platforms Temu and Shein shifted their estimated billion-dollar marketing budget from the US to Europe, providing employment for the fleet of no-longer-surplus freighters.

“The Chinese online platforms were able to decide, nearly overnight, instead of spending a billion dollars of advertising in the US, it was moved to Europe and we started buying, shifting [air cargo] capacity all the way from the trans-Pacific into Europe as a result,” said Niall van de Wouw, chief air freight officer at Xeneta.

“It was done so effectively that the rates have remained fairly stable despite tremendous fluctuations with a massive increase in volumes into Europe and a decrease in volumes into the US. I find this astounding,” van de Wouw told the Xeneta webinar.

## **Muted activity on trans-Pacific**

Global air cargo spot rates registered a fifth consecutive month of year-over-year declines in September, falling 4% to an average of \$2.54 per kilogram, according to Xeneta. Much of the downward pressure came from muted activity on trans-Atlantic and trans-Pacific routes, where repeated extensions of US tariff deadlines appear to have pulled forward volumes into the summer months.

While rates declined globally, average outbound Shanghai-Europe rates from May through September were flat year over year at \$4.20/kg, while average Shanghai-Chicago rates for the same period were down 9% at \$5.10/kg, Baltic Air Index (BAI) data showed.

In a market update Friday, Cargo Facts Consulting noted that with the global de minimis repeal now in effect and the US-China 90-day tariff truce set to expire in November, demand patterns remained highly uncertain, with tactical redeployments of freighter aircraft continuing to shape capacity.

## US policy diverting trade

Tiaca's Hughes said the shifting of air freight capacity will not be limited to e-commerce developments as the uncertainties around doing business with the US spill over into other sectors.

"We're going to see other industries saying the potential volatility of moving freight to the US market could be too fractured or too risky where all of a sudden your cargo, whether it goes by air or ocean, could be hit with a 25%, 40%, 50% tariff, which makes it uneconomic and too risky to produce and send," Hughes told the Xeneta webinar.

Cargo Facts Consulting noted in its update that global trade momentum was positive, but the composition has shifted with e-commerce and time-sensitive components gaining market share of air cargo, while discretionary consumer electronics tied to China-US flows have remained under pressure.

"The policy backdrop is prompting strategies that prioritize flexibility, additional entry points and country-of-origin diversification," Cargo Facts said.

In its fourth-quarter outlook, the consultancy expects continued volatility into the peak season as the US removal of the de minimis exemption collides with reduced winter airline schedules and incremental net freighter growth.

"Asia-Europe should remain the relative outperformer, supported by e-commerce, postal-parcel re-routing and alternative sourcing from North and Southeast Asia," the Cargo Facts outlook noted. "Trans-Pacific strength will depend on how quickly platforms and consolidators adapt labeling, screening and routing to the new US requirements."

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