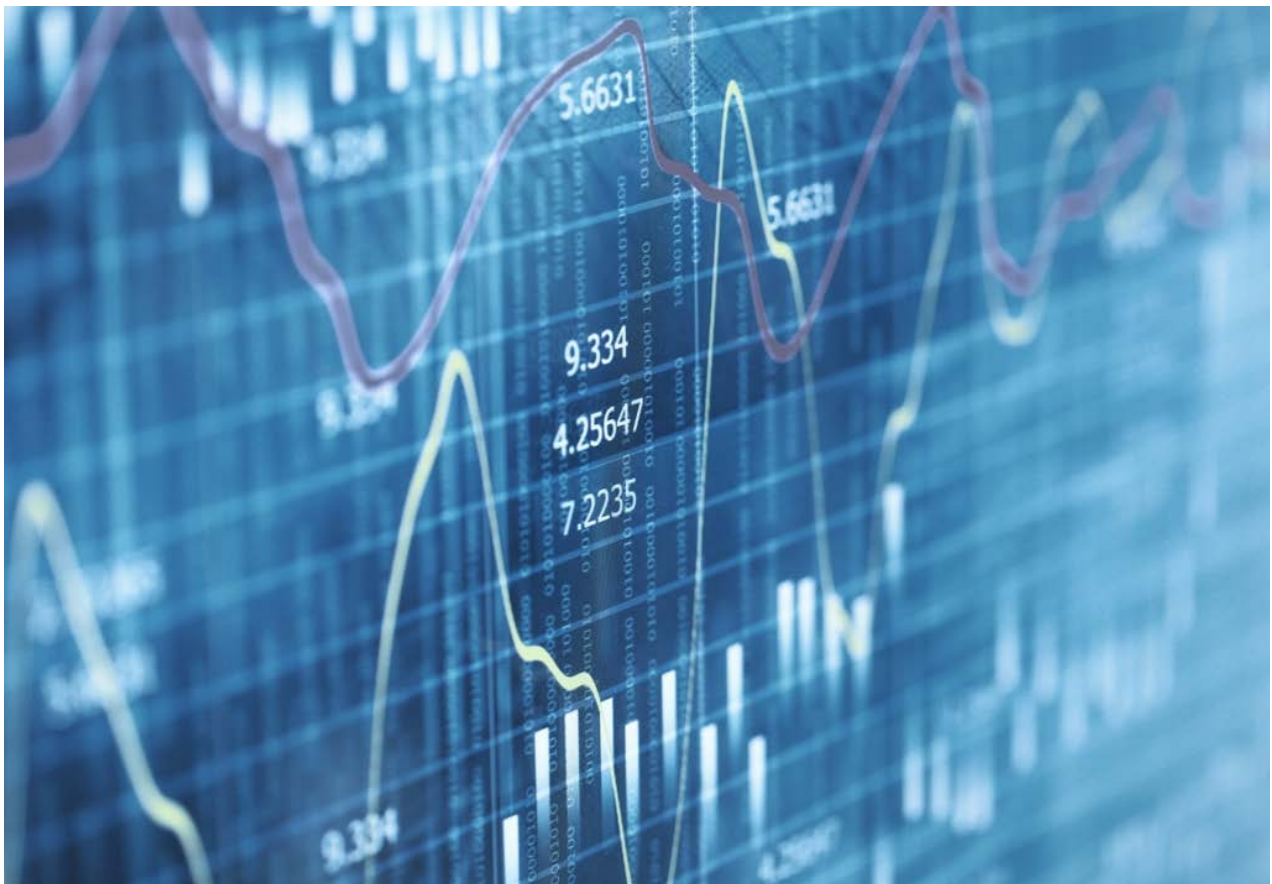


## Air cargo rates continue to decline in November

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*Photo: Shutterstock*

Air cargo pricing on some of the world's major trade lanes continued to decline in November, bucking usual seasonal trends.

The latest statistics from the Baltic Exchange Airfreight Index (BAI) show that spot and contract rates paid by forwarders on services from Hong Kong to North

America slipped to an average of \$6.49 per kg, compared with \$6.74 per kg in October.

Rates on the trade lane are also down on a year ago when forwarders were paying a whopping \$11.54 per kg.

Average prices from Hong Kong to Europe were also down on a month earlier, slipping to \$5.62 per kg from \$5.78 per kg in October.

Last year rates on the lane for November stood at an average of \$7.91 per kg.

Prices usually increase in the run-up to December as the industry enters its peak season.

The declines come as the air cargo market continues to slow after rapid growth in 2021.

Inflation, slowing economies, the war in Ukraine and Covid lockdowns in China have all resulted in demand declines, [IATA said in its latest monthly summary](#).

Also, ocean shipping has recovered from the bottlenecks experienced last year and prices have come down resulting in some modal shift back to seafreight.

Meanwhile, belly capacity is returning to many markets resulting in lower load factors.

It should also be noted that prices still remain far above pre-Covid levels. In 2019 rates from Hong Kong to North America in November stood at \$3.84 per kg while in 2018 – a bumper year for air cargo – prices on the trade averaged at \$5.37 per kg during the month.

“Recent rises in equity markets, particularly in Europe following falls in the gas price there, have raised some hopes that the decline in pricing may be coming to end,” said Tac Index in its latest market report.

“But renewed lockdowns in China have also raised fears supply chains will be further disrupted – with recent protests in major cities a further cause for concern.”

**[TAC Index monthly airfreight rates](#)**