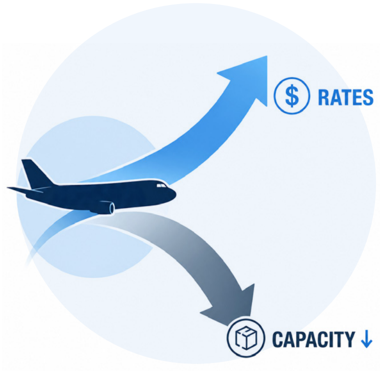
Feature by Liesl Venter and Ed Richardson

Rates expected to increase



The first half of 2026 has proved far more turbulent for global airfreight than initially anticipated, with conflict in the Middle East disrupting capacity, pushing up rates and halting the expected shift of cargo back to ocean freight.

Xeneta data shows that global airfreight demand remained resilient despite the disruption, increasing by 7% year on year in June after contracting by 3% in March. Demand growth for the year is now tracking at around 3%, at the upper end of Xeneta's original forecast of 2-3%.

Peter Sand, chief analyst at Xeneta, said global capacity had increased by 3% year on year in June, recovering from a 6% contraction in March and a further 1% decline in April. However, Xeneta has revised its full-year capacity growth forecast from 3-4% to 2-3% due to the impact of the conflict.

"It has been an interesting but highly turbulent period for airfreight," said Sand. "Considering the importance of the Middle East as a hub for global airfreight supply chains, it is not surprising that the year has unfolded very differently from what we anticipated at the end of 2025."

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> – Peter Sand

At the height of the disruption, outbound capacity from the Middle East fell by more than 90%, affecting major transhipment hubs connecting Asia with Europe and, to a lesser extent, the east coast of North America.

Sand said the disruption and resulting market pressure were unlikely to ease significantly in the near term.

"We expect rates and capacity pressures to remain elevated for the rest of the year because uncertainty surrounding the Middle East is unlikely to peter out anytime soon."

On the upside, the sector has recorded solid demand growth in recent weeks.

"Considering the contraction recorded in March and the subsequent recovery, there is clearly no such thing as a dull day in the airfreight market," said Sand.

The combination of disrupted capacity and recovering demand has pushed up airfreight rates across most major trade lanes. Xeneta initially expected shipper rates to decline by between 5% and 10% this year but now forecasts an increase of between 5% and 15%.

Global rates were 38% higher year on year in June, with the average spot rate reaching $3.40 per kilogram. The transatlantic market was the notable exception, recording a decline of around 25%.

Sand cautioned that the divergence between trade lanes meant businesses could not rely on global rate indicators alone.

"You need to examine individual trade lanes and understand how developments affect your company's specific needs," he said.

The global dynamic load factor stood at 62% in June, three percentage points higher than a year earlier. LV

Industry shifting to value-dense cargo

A transition from Just-in-Time (JIT) to Just-in-Case (JIC) inventory management is impacting global airfreight logistics.

JIT minimises inventory by ordering goods only as needed, while JIC builds resilience by holding larger safety stocks.

Disruptions such as extreme weather, Covid-19 shutdowns, geopolitical tensions and port congestion have encouraged many firms to adopt JIC practices.

While this provides a buffer, airfreight is still needed to carry cargo when vessels, rail or road transport is disrupted long enough for inventories to run down.

Airfreight also has a role to play where companies distribute inventory across multiple locations to reduce supply chain risk, particularly when emergency replenishment of regional distribution centres is needed.

> "Disruptions reshaping logistics are no longer temporary, but structural – and geopolitics is the primary engine driving that shift.
> – Report

Industries such as electronics, pharmaceuticals and automotive manufacturing rely on airfreight to avoid production interruptions and maintain service levels.

Including airfreight as a backup means of transportation strengthens supply chains.

Cost is a deciding factor.

The Council of Supply Chain Management Professionals' *2026 State of Logistics Report* found that the airfreight market was shifting toward value-dense cargo where speed and reliability outweigh freight cost.

"The clearest and most consequential finding of this year's report is that the disruptions reshaping logistics are no longer temporary, but structural – and geopolitics is the primary engine driving that shift.

"Resilience is no longer an attribute that organisations aspire to, but the minimum viable condition for operating," it states.

Locally, the Department of Transport's airfreight strategy for South Africa notes: "Growth in airfreight is unlikely to occur from capturing freight from other transport modes.

"It would rather be stimulated by economic growth, in general, by increased production sophistication (less export as unprocessed bulk and more as value-added goods such as electronics) and by having a more outward-looking trade orientation (as promoted under the AfCFTA)."

This view is supported by IATA's latest industry statistics, which show a modest 0.7% growth in cargo between 2025 and 2026, generating $162 billion in revenue for airlines, which is well down on the $210bn Covid lockdown–induced peak in 2021.

To make informed decisions, cargo owners and logistics services suppliers need to be plugged into global events and trends, according to the report.

"The enterprises pulling ahead are those that have built the organisational and technological infrastructure to operate adaptively, which means sensing changes faster, making better decisions under uncertainty and reconfiguring resources more quickly than their competitors". ER

E-commerce drives demand

Rapid growth in e-commerce shipments from Asia is reshaping airfreight demand across Airlink Cargo's domestic and regional network.

According to Hardus Kuschke, executive manager of ground operations at Airlink Cargo, e-commerce and courier shipments have become the airline's biggest cargo drivers.

"The growth in e-commerce, accelerated by the Covid pandemic, has been phenomenal and cannot be ignored," he told *Freight News*. "We are also seeing an uptick in demand for courier items, particularly regionally."

However, Kuschke said the viability of e-commerce supply chains depended on more than air connectivity. While Airlink Cargo could transport shipments over the longest part of their journey, reliable and efficient last-mile delivery remained critical.

Efficient customs clearance and cargo handling are equally important, particularly for cross-border and longer-distance international shipments.

Beyond e-commerce, Airlink is seeing steady regional demand for small mining, machinery and automotive components, electronics and other high-value, low-weight manufactured goods.

Fresh produce, including cut flowers, fruit and wine, also continue to generate demand across domestic and regional markets, while live-animal transportation remains another important segment of the airline's cargo business.

Kuschke said these varied cargo flows demonstrated airfreight's importance in connecting regional markets and supporting time-sensitive supply chains. LV

New aircraft expand regional network

Airlink Cargo is positioning itself for expansion into new regional markets, including West Africa, as the airline rolls out its fleet of Embraer E195-E2 aircraft.

According to Hardus Kuschke, executive manager of ground operations at Airlink Cargo, the aircraft's improved range and payload performance will bring several new destinations and trade lanes within reach.

“We have invested in ten new aircraft. Four have been delivered, with three more arriving this year and the remaining three in 2027,” he told *Freight News*. “They represent the latest generation of aircraft and engine technology and were designed to significantly reduce fuel consumption and emissions.”

Kuschke described the new aircraft as a game changer for the airline. “Although the E195-E2 provides marginally more cargo capacity than the E1 variant, its biggest benefits are its operational cost efficiency and range-payload performance. These put many exciting new destinations and markets within our reach, with several already on our radar.”

However, the volatility of jet fuel prices brought about by the Middle East conflict remains one of the sector's biggest challenges.

“It has been a major headache over the past five months,” said Kuschke. “Jet fuel is not a price-regulated product and, even before the current crisis, its price was about 17% above the global average.”

With the Strait of Hormuz closed, suppliers moved quickly to secure alternative fuel sources in Asia and South America. Airlink recovered some of the additional expense through fuel surcharges, while also absorbing costs by adjusting schedules and deploying aircraft more closely matched to demand on certain routes.

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> By virtue of Airlink's fleet, route network and schedule, Airlink Cargo serves a market segment that most others cannot.
> – **Hardus Kuschke**

Kuschke said airlines had faced significant disruption since more than 400 instrument flight procedures for airports and designated airways were withdrawn from use in July 2024 after the Air Traffic and Navigation Services (ATNS) failed to revalidate them before they expired.

The problem was compounded by the departure of experienced air traffic controllers and airspace and procedure designers, resulting in prolonged delays and missed connections. Although improvements were made as ATNS worked to clear the backlog and restore the procedures, Kuschke said it could still take several months for the situation to normalise.

Turning to the market outlook, Kuschke said domestic airfreight volumes were expected to remain largely flat in the short term, while regional demand continued to increase year on year.

“Regionally, we expect slow and steady growth, particularly in markets and industries such as mining, where shipments need to move by air because suitable road or rail infrastructure is unavailable,” he said. “Airfreight is also essential where the distances involved and the time required to move goods overland could disrupt customers' operations.”

Kuschke said the increase in regional cargo volumes reflected economic growth in the markets Airlink served. “The same holds true in the domestic market, where economic conditions are reflected in largely flat airfreight volumes.”

He described the air cargo market as a useful barometer of economic performance and said operating in a constantly changing environment required resilience and agility.

“By virtue of Airlink's fleet, route network and schedule, Airlink Cargo serves a market segment that most others cannot,” he said.

He said that although oil prices had fallen below $80 a barrel, jet fuel prices remained stubbornly high. “The wide crack spread reflects the increased costs of shipping, insurance and infrastructure, as well as the margins applied by refineries and distributors. Nevertheless, we have seen no negative impact on demand for our air cargo services or any reduction in shipment volumes.” LV

Capacity constraints an ongoing challenge

The airfreight market remains highly sensitive to international political developments, a trend that was again evident during the first half of 2026.

According to Heinrich Kirstein, SACO Shipping's Cape Town branch manager, expectations are nevertheless positive for the third and fourth quarters, which traditionally mark the peak season and often bring increased flight capacity and higher cargo volumes.

International statistics paint a mixed picture about volumes, largely due to the continued rerouting of global trade. Despite this, Kirstein said general cargo volumes locally had remained resilient and stable.

"We attribute this stability to local businesses using airfreight to bypass port congestion and move time-sensitive components, consumer goods and industrial spares, thereby keeping local supply chains moving."

He said global maritime disruptions continued to drive the shift from sea to airfreight as businesses sought to mitigate delays and maintain supply-chain continuity. "This modal shift, together with our tailored, hands-on and personalised business model, shows that freight forwarders are not simply looking for space on an aircraft. They want a dedicated partner that provides proactive communication, flexibility and customised service," said Kirstein.

At SACO Shipping, considerable effort goes into understanding the unpredictable and complex supply-chain challenges facing clients.

"We have focused on maintaining a direct, hands-on approach," Kirstein told *Freight News*. "A one-size-fits-all model does not work for everyone. We develop customised solutions for individual shipments and tailor our services to the needs of forwarding clients."

> "Intra-African trade is showing strong growth potential as regional business ties strengthen and forwarders seek better connections to southern and East African hubs.
> – Heinrich Kirstein

He said the company had refined its co-loading and scheduled consolidation services significantly into and out of Cape Town International Airport. At least three additional flights are expected during the coming peak season, further strengthening its service offering.

"With the maritime sector facing challenges such as port delays, forwarders will continue to rely on flexible airfreight solutions to meet the needs of importers and exporters. However, our primary challenge remains capacity constraints."

Kirstein said seasonal perishables accounted for a significant portion of airfreight volumes at Cape Town International Airport, making it challenging to secure consistent, year-round belly-hold capacity for general cargo.

"Fluctuations in fuel prices, security surcharges and exchange rates require daily monitoring to ensure we protect our clients and provide stable pricing. It would be irresponsible to ignore the challenges created by dynamic pricing. Selling cargo space in the same way that budget airlines sell passenger seats can deter project cargo and we avoid exposing our clients to the risk of uncertain pricing."

These pricing and capacity challenges are particularly evident on certain trade lanes, with some routes experiencing far greater pressure than others.

"We are seeing significant shifts. European routes remain our steady baseline, but inbound and outbound lanes connecting Cape Town with Asian manufacturing hubs via Middle Eastern gateways are experiencing the tightest capacity," said Kirstein.

He added that intra-African trade was showing strong growth potential as regional business ties strengthened

Limited airfreight capacity continues to place pressure on shippers moving time-sensitive cargo.

and forwarders sought better connections to southern and East African hubs.

The rapid growth of e-commerce is also reshaping the airfreight market and adding to existing capacity pressures.

"Large volumes from global e-commerce platforms are taking up much-needed airline capacity. This makes our consolidated space allocations and customised solutions particularly valuable to local forwarders who need guaranteed space for their cargo."

However, Kirstein said the growth in e-commerce could also support the introduction of additional flights into Cape Town and, potentially, the dedicated freighter service the market needed. LV