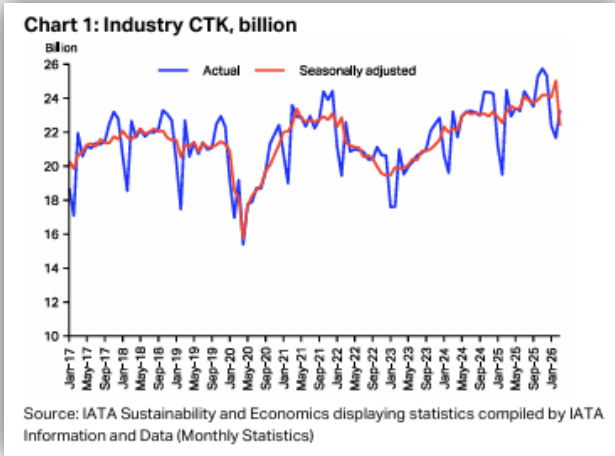




CURRENT STATE

Industry Cargo Demand Contracts Under Combined Geopolitical and Seasonal Pressure:



Source: IATA

Observations & takeaway

- Global air cargo demand (Cargo Tonne-Kilometers, CTK) fell 4.8% YoY, reflecting a challenging operating environment shaped by Middle East disruption and seasonal effects.
- Planned capacity increases by major Gulf carriers during the month were suspended and, in some cases, reversed due to escalating geopolitical tensions in the Middle East.
- Additional drone attacks linked to Iran or its proxies impacted the UAE, including:
 - 4 May: Strike on the Fujairah Oil Industry Zone.
 - 17 May: Drone attack targeting the Barakah nuclear power plant.
- The overall market outlook in the Gulf remains highly volatile and uncertain, continuing to pressure airline operational planning and capacity recovery efforts.
- Energy markets showed high volatility. Brent climbed by 43.1% YoY amid supply concerns. Jet fuel rose 106.6% by YoY reaching its highest level in more than 23 years, pushing cargo yields up 18.9% in a distinctly inflationary pricing environment.

JET FUEL DEVELOPMENTS

Jet Fuel Price Moderation Brings Temporary Relief:

- Jet fuel prices declined to approximately USD 162 per barrel during the week of 15 May, compared to a peak of USD 209 per barrel in early April.
- The reduction of more than 20% has helped improve airline confidence regarding global fuel availability.
- Refinery prioritization of jet fuel production globally has also contributed to easing concerns around widespread fuel shortages.

Impact on Air Cargo Market:

- The recent decline in fuel prices reduces the immediate risk of additional significant global air freight rate increases driven by fuel costs.
- Despite the recent easing, jet fuel prices remain approximately 80% higher year-over-year.
- Fuel shortages continue to affect certain regions, resulting in:
 - Service cancellations on selected routes.
 - Slower recovery and reintroduction of capacity in some markets.
- Airlines remain cautious regarding network expansion and capacity restoration given the ongoing geopolitical instability and operational constraints.

Air cargo market in detail - March 2026

| | World share, % ¹ | March 2026 (year-on-year, %) | | | | March 2026 (year-to-date, %) | | | |
|---------------------|-----------------------------|------------------------------|------|------------|-------------|------------------------------|------|------------|-------------|
| | | CTK | ACTK | CLF (%-pt) | CLF (level) | CTK | ACTK | CLF (%-pt) | CLF (level) |
| TOTAL MARKET | 100.0 | -4.8 | -4.7 | -0.1 | 47.9 | 3.3 | 1.9 | 0.6 | 46.4 |
| International | 88.0 | -5.5 | -6.8 | 0.8 | 54.8 | 3.6 | 2.3 | 0.7 | 51.6 |

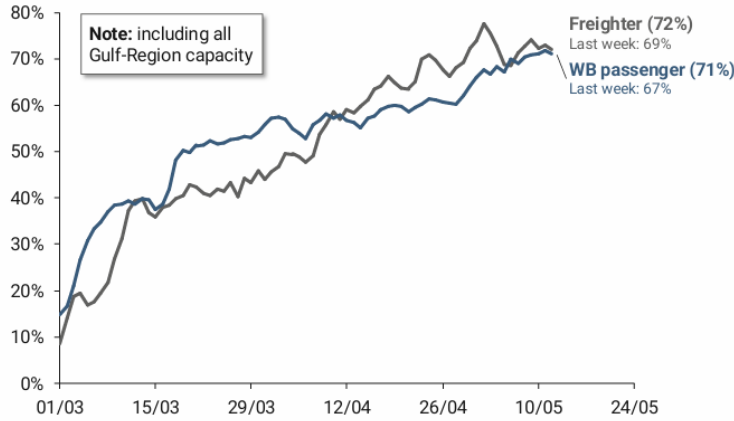
¹% of industry CTK in 2025

Source: IATA

Capacity: Gulf capacity creeps up further as BAH restarts operations

Capacity recovery¹ from the Gulf Region², since 1 March

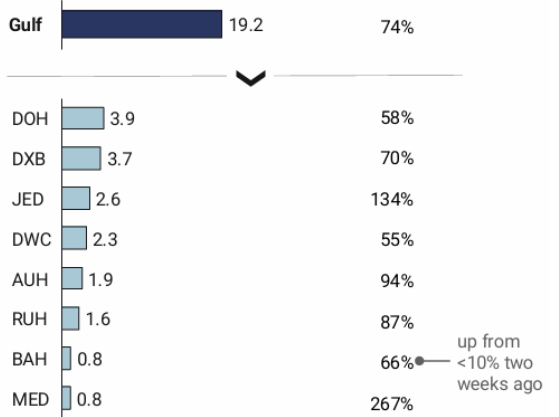
Index: average 2026 weekday² = 100%



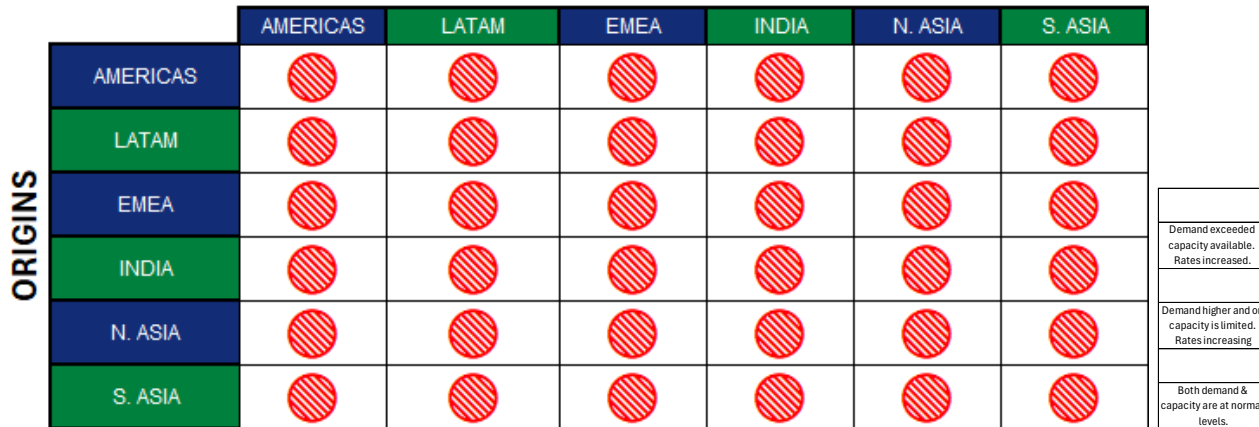
Capacity per Gulf airport, 12 May 2026

Thousand tonnes

Recovery³, %



DEMAND & CAPACITY



AIR CARGO CAPACITY GROWTH (last month):

Capacity growth per trade lane

Growth in tonnes, %, April 2026 vs April 2025

