



ECONOMIC PERFORMANCE OF THE AIRLINE INDUSTRY

Industry Forecast - December 2016

Worldwide airline industry	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016E	2017F
REVENUES, \$ billion	413	465	510	570	476	564	642	706	720	751	718	701	736
% change	9.1	12.6	9.6	11.7	-16.5	18.4	14.0	9.8	2.1	4.3	-4.4	-2.4	5.0
Passenger, \$ billion	323	365	399	444	374	445	512	531	539	539	518	504	530
Cargo, \$ billion	47.9	53.2	58.8	62.6	48.4	66.1	66.9	63.5	60.7	62.5	52.8	47.8	49.4
Traffic volumes													
Passenger growth, rpk, %	8.9	6.9	7.9	2.4	-1.2	8.0	6.3	5.3	5.2	5.7	7.4	5.9	5.1
Sched passenger numbers, millions	2,139	2,258	2,456	2,493	2,483	2,700	2,864	2,999	3,152	3,328	3,568	3,773	3,959
Cargo growth, ftk+mtk, %	2.3	6.3	4.7	-0.7	-8.8	19.4	0.4	-0.9	0.6	5.0	2.3	3.4	3.5
Freight tonnes, millions	40.8	43.4	45.4	45.1	41.1	49.1	49.3	48.8	49.5	51.5	52.2	53.9	55.7
World economic growth, %	3.5	4.0	4.0	1.5	-2.0	4.1	2.9	2.4	2.5	2.7	2.6	2.2	2.5
Passenger yield, %	1.0	6.6	1.7	8.3	-13.7	9.5	7.5	-1.4	-3.9	-5.5	-10.7	-8.0	0.0
Cargo yield %	0.5	4.4	5.6	7.0	-15.2	14.4	0.8	-4.2	-4.9	-2.0	-17.4	-12.5	0.0
EXPENSES, \$ billion													
EXPENSES, \$ billion	409	450	490	571	474	536	623	687	695	716	659	643	687
% change	8.9	10.1	8.8	16.5	-16.9	13.1	16.2	10.4	1.1	3.1	-8.0	-2.5	7.0
Fuel, \$ billion	91	127	146	203	134	151	191	228	231	224	180	124	129
% of expenses	22.2	28.4	29.8	35.6	28.3	28.3	30.7	33.2	33.2	31.3	27.3	19.2	18.7
Crude oil price, Brent, \$/b	54.5	65.1	73.0	99.0	62.0	79.4	111.2	111.8	108.8	99.9	53.9	44.6	55.0
Jet kerosene price, \$/b	71.0	81.9	90.0	126.7	71.1	91.4	127.5	129.6	124.5	114.8	66.7	52.1	64.9
Fuel consumption, billion gallons	68	69	71	70	66	70	72	73	74	77	81	85	88
CO ₂ emissions, million tonnes	650	657	674	667	633	664	683	694	711	734	775	814	842
Non-fuel, \$ billion	318	324	344	367	340	385	431	459	464	492	479	519	559
cents per atk (non-fuel unit cost)	37.7	36.6	36.5	38.0	36.7	40.0	42.3	43.7	42.7	42.9	39.3	40.1	41.1
% change	-3.4	-2.9	-0.3	4.0	-3.4	9.1	5.8	3.3	-2.5	0.5	-8.4	2.0	2.5
Capacity growth, atk, %	6.1	4.8	6.6	2.7	-4.2	3.7	6.0	3.0	3.7	5.4	6.3	6.2	5.0
Flights, million	24.9	25.5	26.7	26.5	25.9	27.8	30.1	31.2	32.0	33.0	34.8	36.6	38.4
Break-even weight load factor, %	61.2	60.7	60.3	62.2	61.8	63.5	64.1	64.7	64.5	63.9	61.3	60.8	61.8
Weight load factor achieved, %	61.8	62.7	62.7	62.1	62.0	66.8	66.1	66.4	66.8	67.0	66.9	66.3	66.1
Passenger load factor achieved, %	75.0	76.1	77.1	76.1	76.2	78.7	78.5	79.4	79.7	79.9	80.4	80.2	79.8
OPERATING PROFIT, \$ billion													
OPERATING PROFIT, \$ billion	4.4	15.0	19.9	-1.1	1.9	27.6	19.8	18.4	25.3	35.1	59.5	58.3	48.5
% margin	1.1	3.2	3.9	-0.2	0.4	4.9	3.1	2.6	3.5	4.7	8.3	8.3	6.6
NET PROFIT, \$ billion													
NET PROFIT, \$ billion	-4.1	5.0	14.7	-26.1	-4.6	17.3	8.3	9.2	10.7	13.7	35.3	35.6	29.8
% margin	-1.0	1.1	2.9	-4.6	-1.0	3.1	1.3	1.3	1.5	1.8	4.9	5.1	4.1
per departing passenger, \$	-1.92	2.21	5.98	-10.47	-1.85	6.41	2.90	3.07	3.40	4.12	9.89	9.43	7.54
RETURN ON INVESTED CAPITAL, %													
RETURN ON INVESTED CAPITAL, %	3.3	4.7	5.7	1.3	1.9	6.2	4.7	4.6	4.8	5.9	9.3	9.4	7.9

Data sources: Historic data to 2014 from ICAO, except fuel detail and global passenger and freight. IATA forecasts 2017 and estimates for some 2014, 2015 and 2016 items. IATA Economic Industry Performance. IATA Economic Industry Performance (IATA Economics)

Note: Bankruptcy reorganization and large non-cash costs are excluded.

Updated: December 2016. Next update June 2017



Financial Results

System-wide global commercial airlines	Net Profit, \$ billion													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016E	2017F
Global	-5.6	-4.1	5.0	14.7	-26.1	-4.6	17.3	8.3	9.2	10.7	13.7	35.3	35.6	29.8
Regions														
North America	-10.0	-6.7	1.0	5.5	-19.7	-2.7	4.2	1.7	2.3	7.4	11.2	21.5	20.3	18.1
Europe	1.1	1.6	2.4	6.4	0.0	-4.3	1.9	0.3	0.4	1.0	1.0	7.5	7.5	5.6
Asia-Pacific	3.4	1.2	1.7	3.0	-4.7	2.7	9.2	5.0	5.8	2.3	1.9	7.8	7.3	6.3
Middle East	0.2	0.2	-0.1	-0.1	-0.3	-0.6	0.9	1.0	1.0	0.3	0.4	1.1	0.9	0.3
Latin America	0.1	-0.1	0.1	0.1	-1.4	0.5	1.0	0.2	-0.2	0.2	0.0	-1.7	0.3	0.2
Africa	-0.3	-0.4	-0.2	-0.2	-0.1	-0.1	0.1	0.0	-0.1	-0.5	-0.8	-0.9	-0.8	-0.8

System-wide global commercial airlines	EBIT margin, % revenues						EBIT (actual values), \$ billion							
	2011	2012	2013	2014	2015	2016E	2017F	2011	2012	2013	2014	2015	2016E	2017F
Global	3.1	2.6	3.5%	4.7%	8.3%	8.3%	6.6%	20.8	19.9	25.3	35.1	59.5	58.3	48.5
Regions														
North America	3.0	3.4	6.8%	11.1%	14.7%	14.2%	12.9%	5.9	7.0	14.3	24.4	32.1	29.8	27.6
Europe	0.8	0.7	2.0%	2.0%	5.4%	5.7%	4.5%	1.5	1.4	4.0	4.3	10.4	10.5	8.6
Asia-Pacific	6.6	4.7	2.9%	2.5%	8.0%	8.1%	5.2%	11.5	9.6	5.8	5.3	15.3	16.4	11.3
Middle East	3.1	3.0	0.9%	1.2%	2.1%	1.7%	0.7%	1.3	1.4	0.5	0.7	1.5	1.0	0.5
Latin America	2.0	1.5	2.2%	2.1%	1.3%	3.4%	2.9%	0.6	0.5	0.7	0.7	0.6	1.0	0.9
Africa	0.6	-0.4	-0.5%	-2.4%	-3.8%	-3.3%	-3.6%	0.1	-0.1	-0.1	-0.3	-0.3	-0.5	-0.5

Data sources: Global data to 2014 and regional data to 2010 from ICAO. IATA Economics estimates for regions in 2011-16 and forecasts 2017 figures.

Note: Bankruptcy reorganization and large non-cash costs are excluded.

Traffic Results

System-wide global commercial airlines	Passenger traffic (RPK) % change over year							Passenger capacity (ASK) % change over year						
	2011	2012	2013	2014	2015	2016E	2017F	2011	2012	2013	2014	2015	2016E	2017F
Global	6.3	5.3	5.2	5.7	7.4	5.9	5.1	6.6	4.0	4.8	5.5	6.7	6.2	5.6
Regions														
North America	2.9	1.0	2.3	2.7	5.3	3.2	2.5	2.8	0.0	2.0	2.5	5.0	3.8	2.6
Europe	8.4	4.6	3.9	5.7	6.0	3.8	4.0	8.9	2.6	2.7	5.1	4.8	3.8	4.3
Asia-Pacific	6.6	6.1	7.2	6.9	10.1	8.9	7.0	7.0	5.3	7.1	7.4	8.4	8.2	7.6
Middle East	10.0	14.7	11.6	12.1	10.4	10.8	9.0	9.8	12.0	12.3	10.9	12.9	13.9	10.1
Latin America	11.3	9.4	6.3	7.0	7.6	3.5	4.0	9.3	7.3	4.5	4.7	6.9	2.2	4.8
Africa	1.6	7.5	4.6	0.3	0.0	5.8	4.5	3.2	6.3	4.0	2.5	-0.2	6.2	4.7

Data sources: Historical data to 2016 YTD from IATA Statistics. IATA Economics estimates for 2016 and forecasts for 2017.

Note: Includes domestic and international traffic.