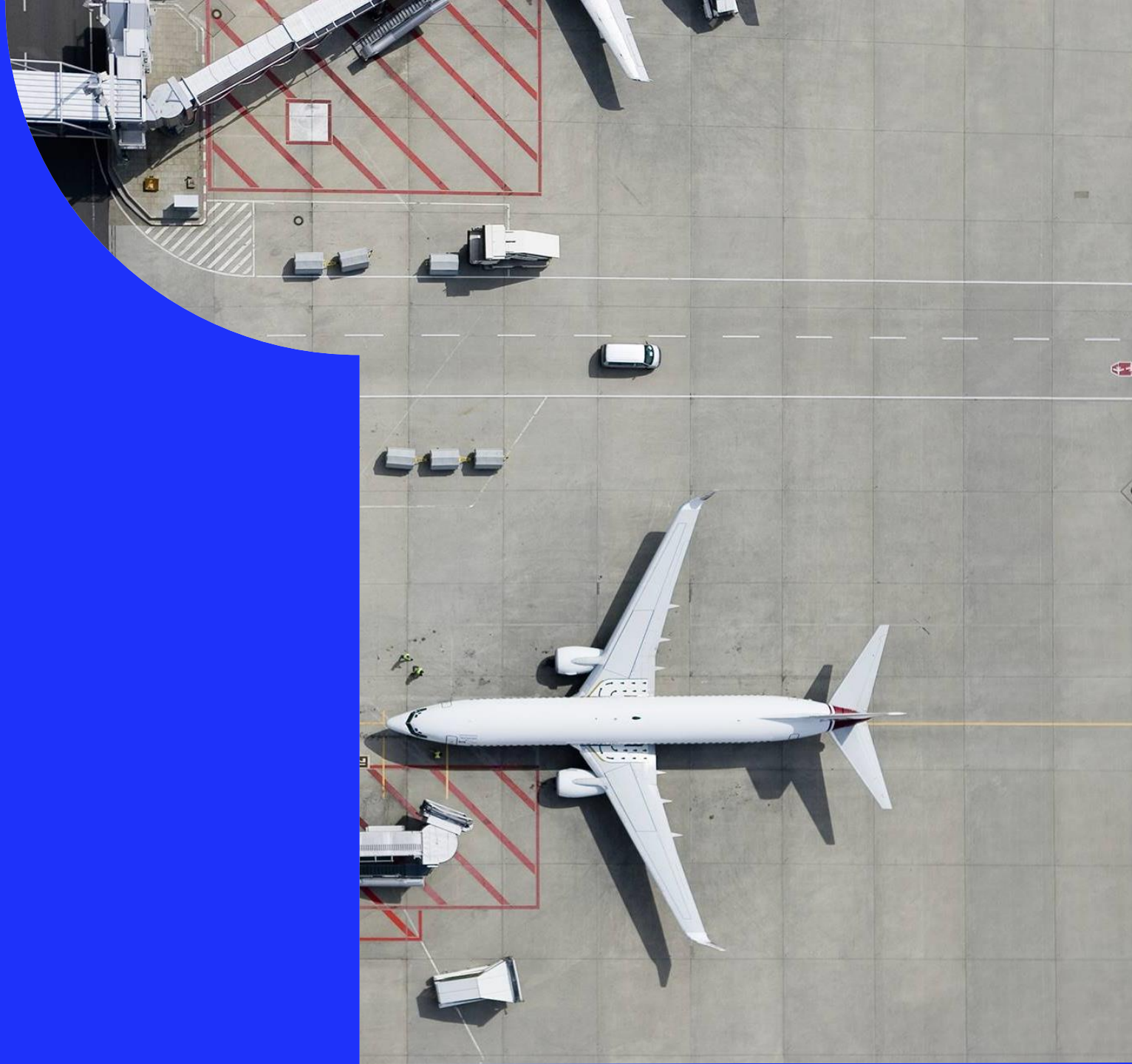


WFS

Industry Outlook

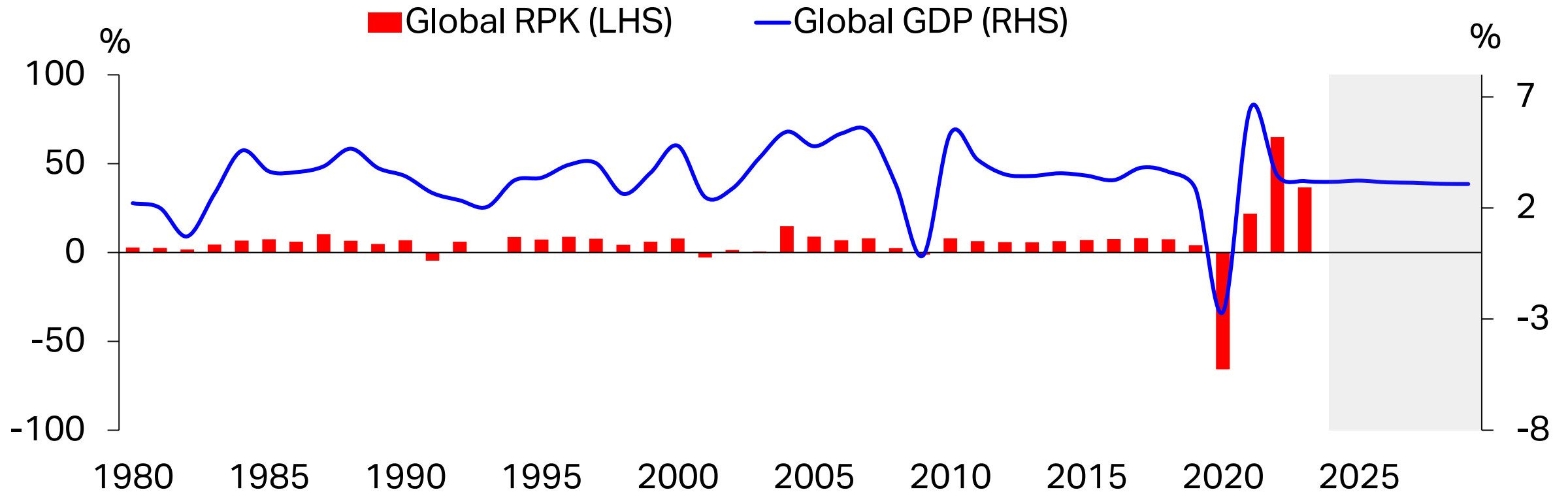
Marie Owens Thomsen
Senior VP & Chief Economist
IATA Sustainability and Economics

28 October 2024



Steady she goes

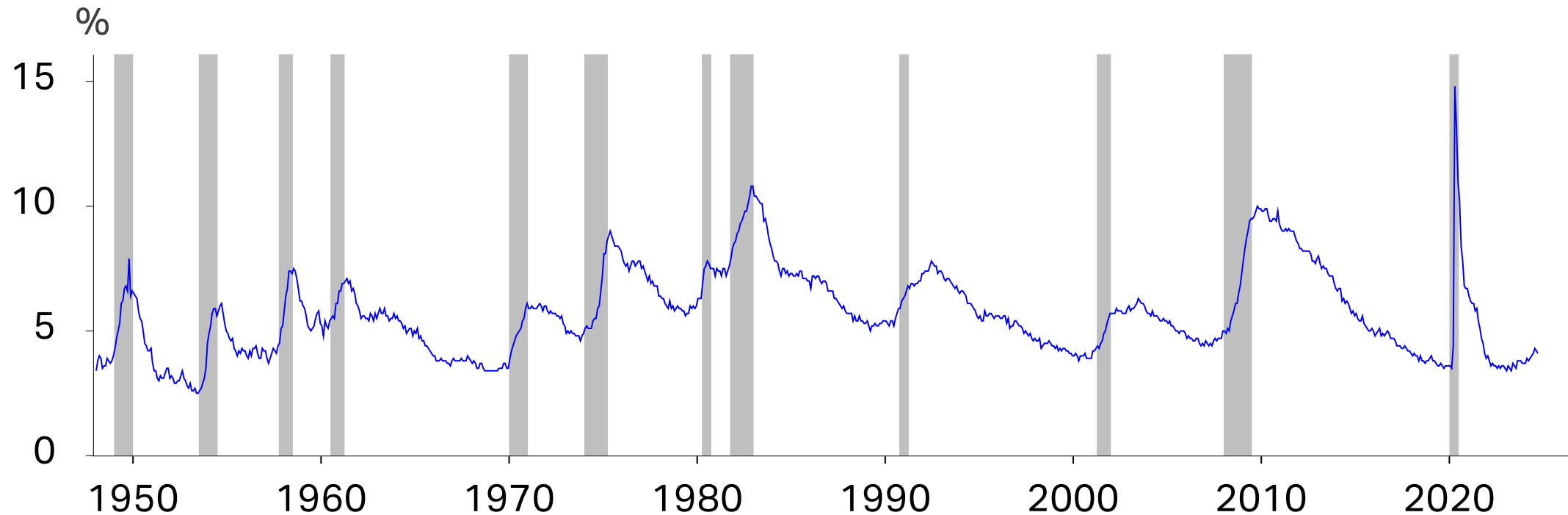
World RPK and GDP Growth Rate



Source: IATA Sustainability and Economics using data from IMF World Economic Outlook, April 2024.

More services = longer periods of expansion

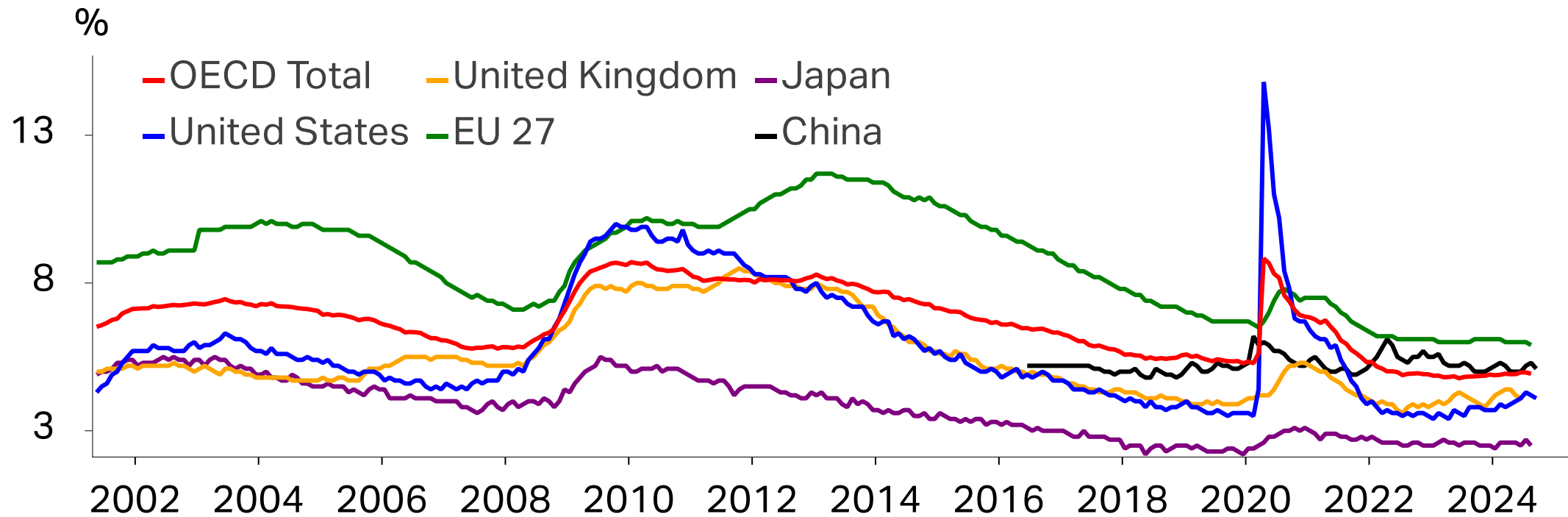
US Business Cycle (grey) and Unemployment Rate, %



Source: IATA Sustainability and Economics using data from Federal Reserve Bank of St. Louis

Unemployment is at or near historic lows

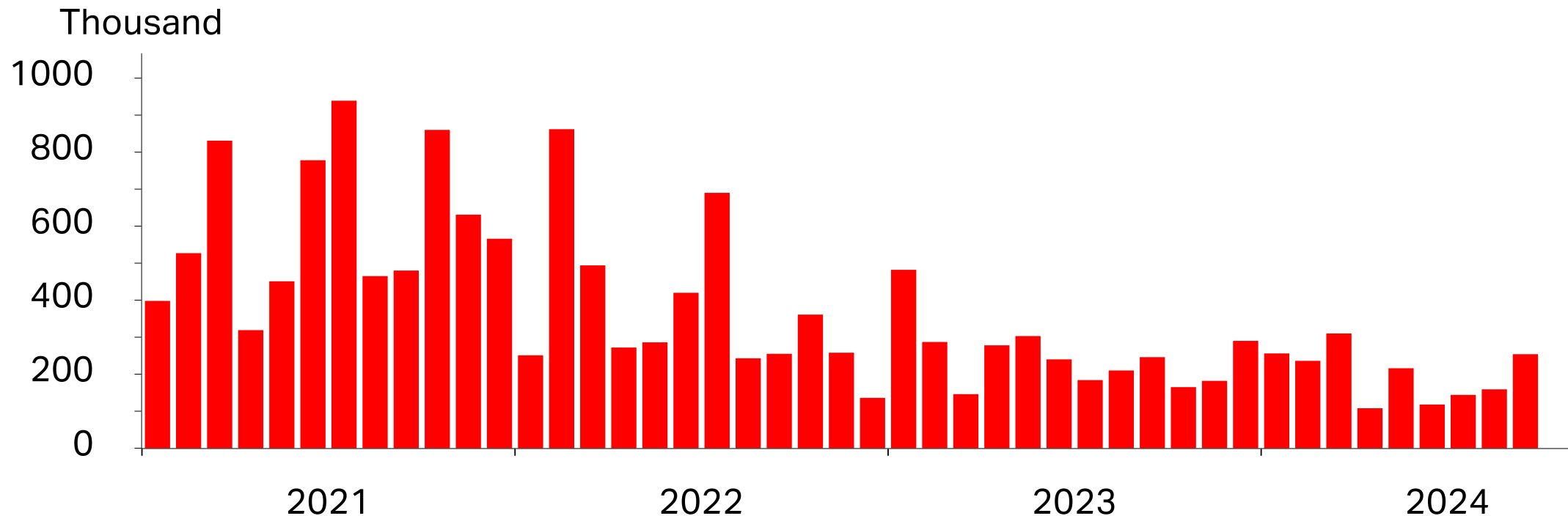
Unemployment rate, %



Source: IATA Sustainability and Economics using data from OECD and China National Bureau of Statistics

Job creation is slowing

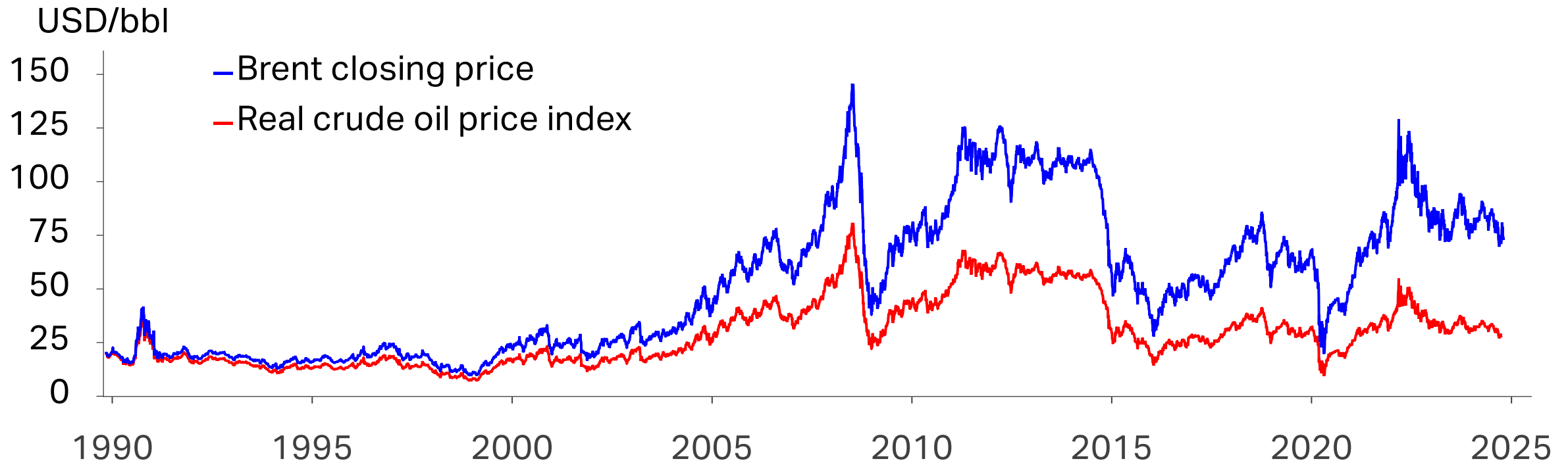
US nonfarm payroll, monthly gains, thousand



Source: IATA Sustainability and Economics using data from MacroBond

The oil price has dropped, and is yet lower in real terms

Nominal crude oil price and real crude oil price



Source: IATA Sustainability and Economics using data from MacroBond

Oil is unusually cheap too expressed in gold

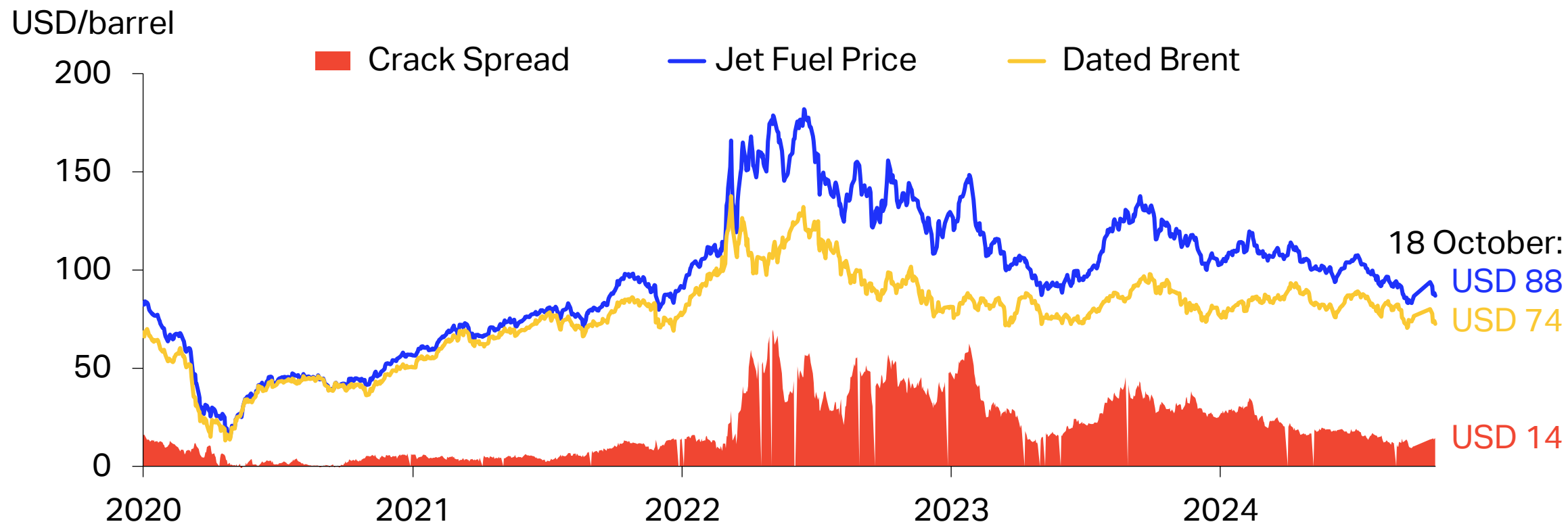
Gold price (USD/troy ounce) to Brent crude oil (USD/bbl), ratio = barrels per ounce of gold



Source: IATA Sustainability and Economics using data from MacroBond

This time, jet fuel benefits from lower crude prices

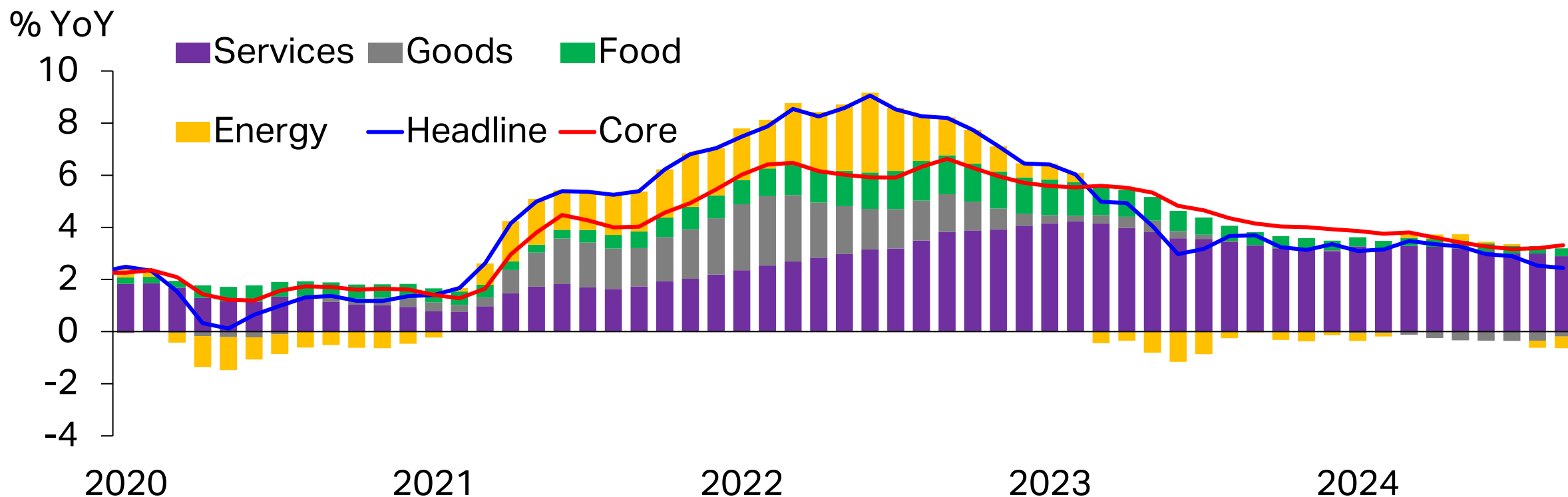
Jet fuel, Brent crude, and Crack Spread, USD per barrel



Source: IATA Sustainability and Economics using data from Platts, S&P Global Commodities Insights

US core inflation is still high, at 3.3% in September 2024

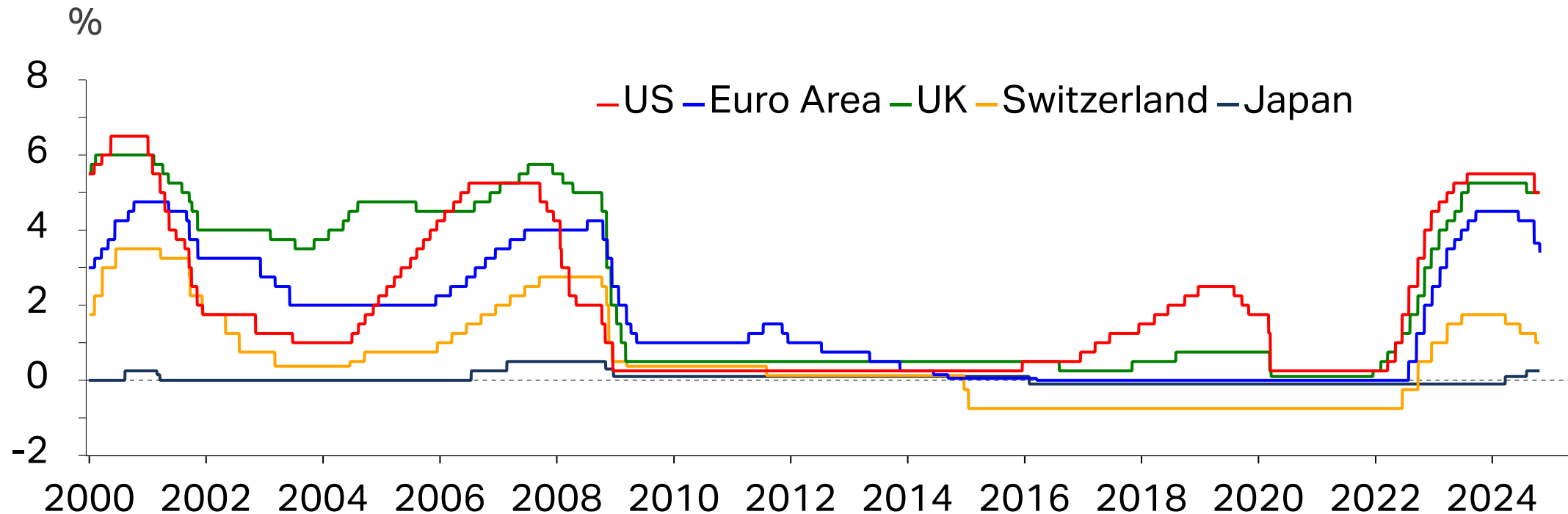
US CPI by components, YoY, %



Source: IATA Sustainability and Economics using data from US Bureau of Labor Statistics

Monetary policy switches to easing

Central Bank policy rates for the US, Euro area, UK, Switzerland, and Japan, %

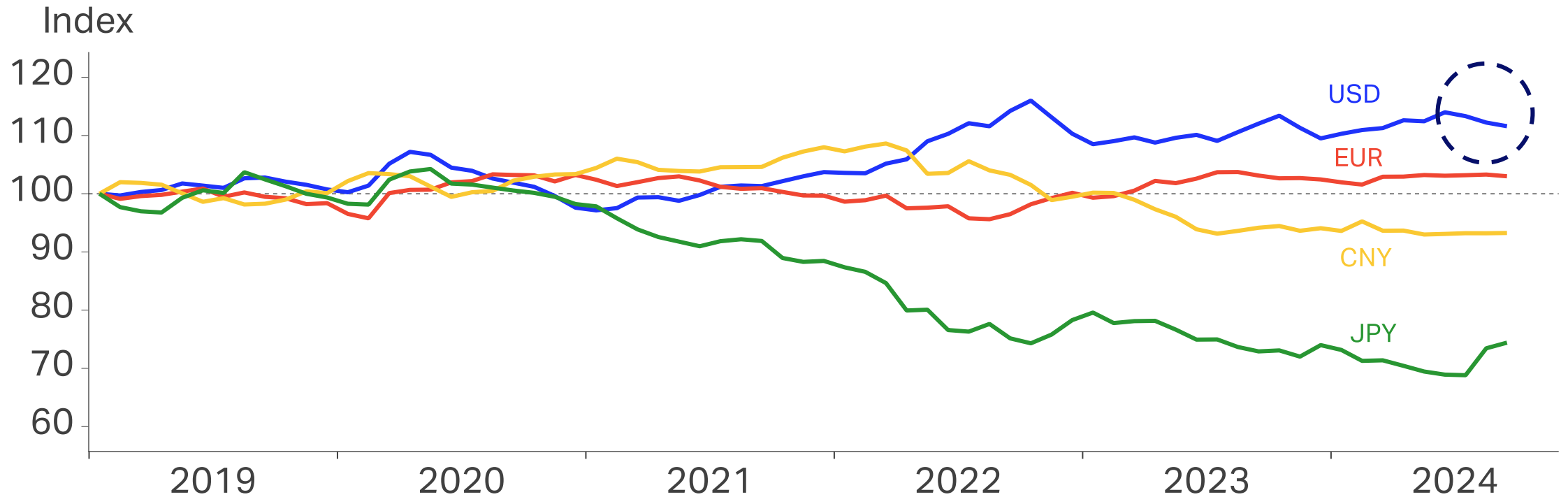


Source: IATA Sustainability and Economics using data from MacroBond.

Notes: US federal funds target rate (upper limit), European Central Bank main refinancing operations rate, Bank of England bank rate, Swiss National Bank policy rate, Bank of Japan short-term policy rate.

The USD is losing some of its shine

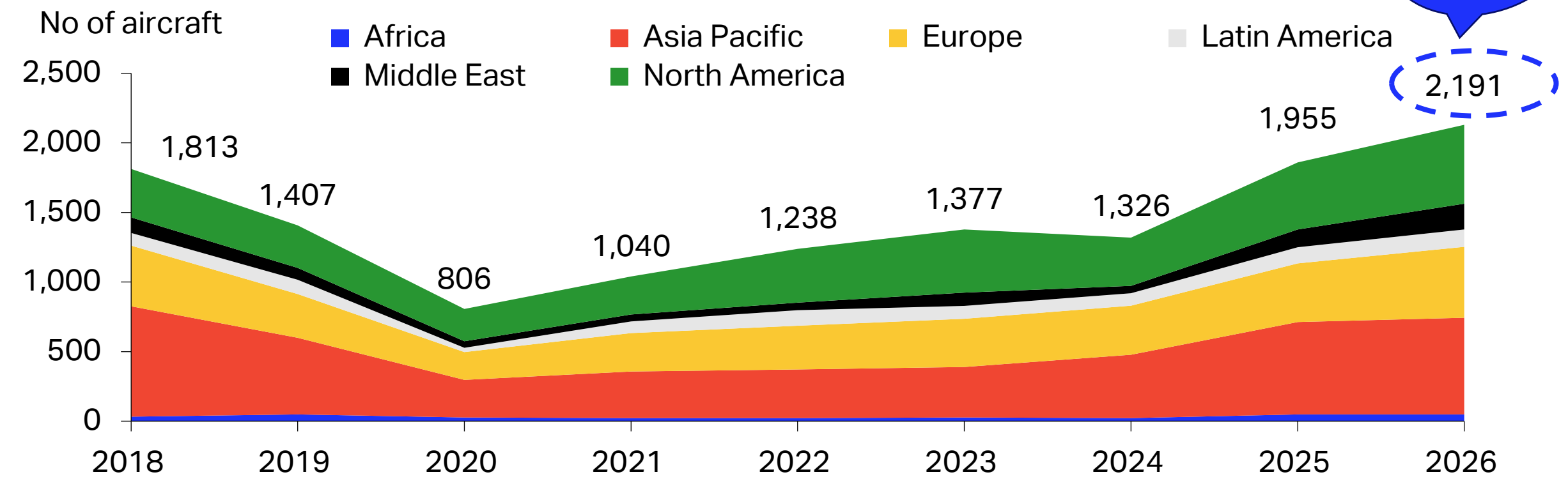
Real Broad Effective Exchange Rate, index, Jan 2019 = 100



Source: IATA Sustainability and Economics using data from BIS

Capacity constraints will persist in 2025 and beyond

Aircraft deliveries by region

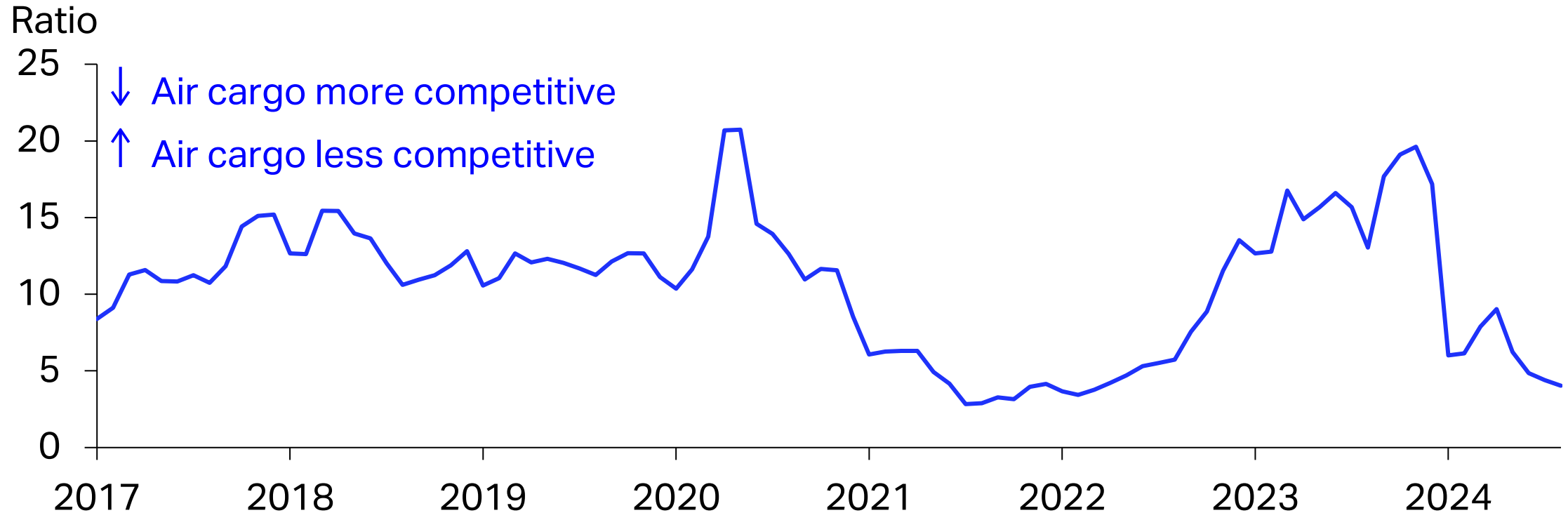


Source: IATA Sustainability and Economics using data from Cirium



Sharp drop in relative air cargo rates in 2024

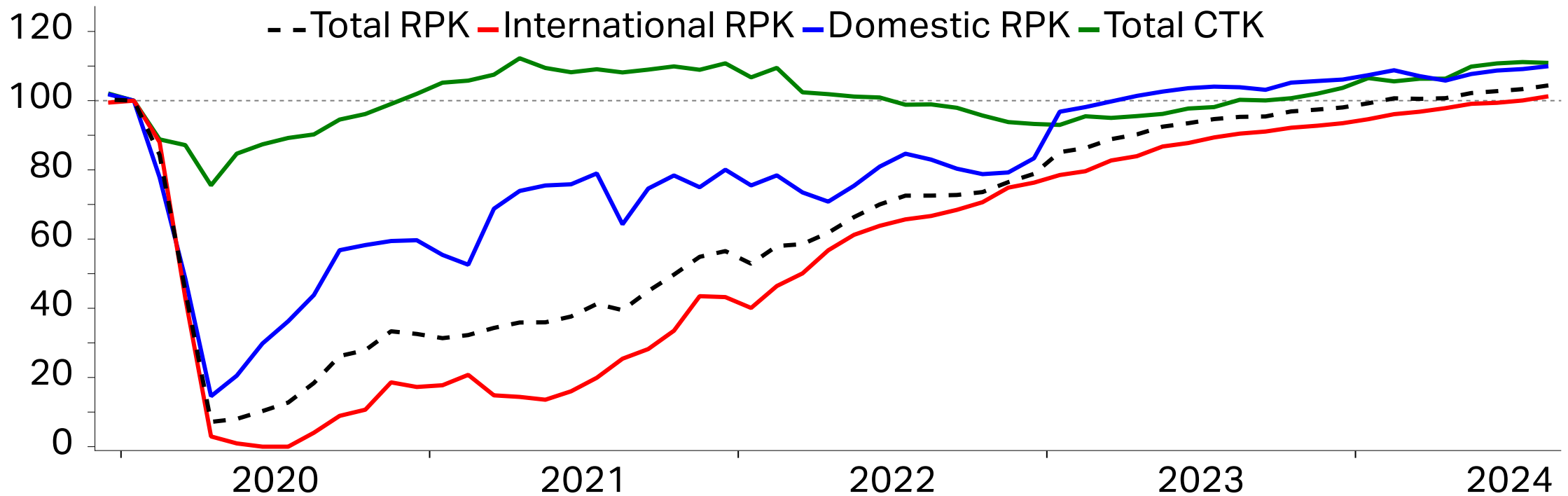
The relative price of shipping by air over maritime cargo, USD per kg



Source: IATA Sustainability and Economics using data from IATA CargoIS, Refinitiv/Freightos Baltic Index

Demand for air transport is growing but more slowly

Industry RPKs and CTKs, Seasonally Adjusted, index, January 2020 = 100

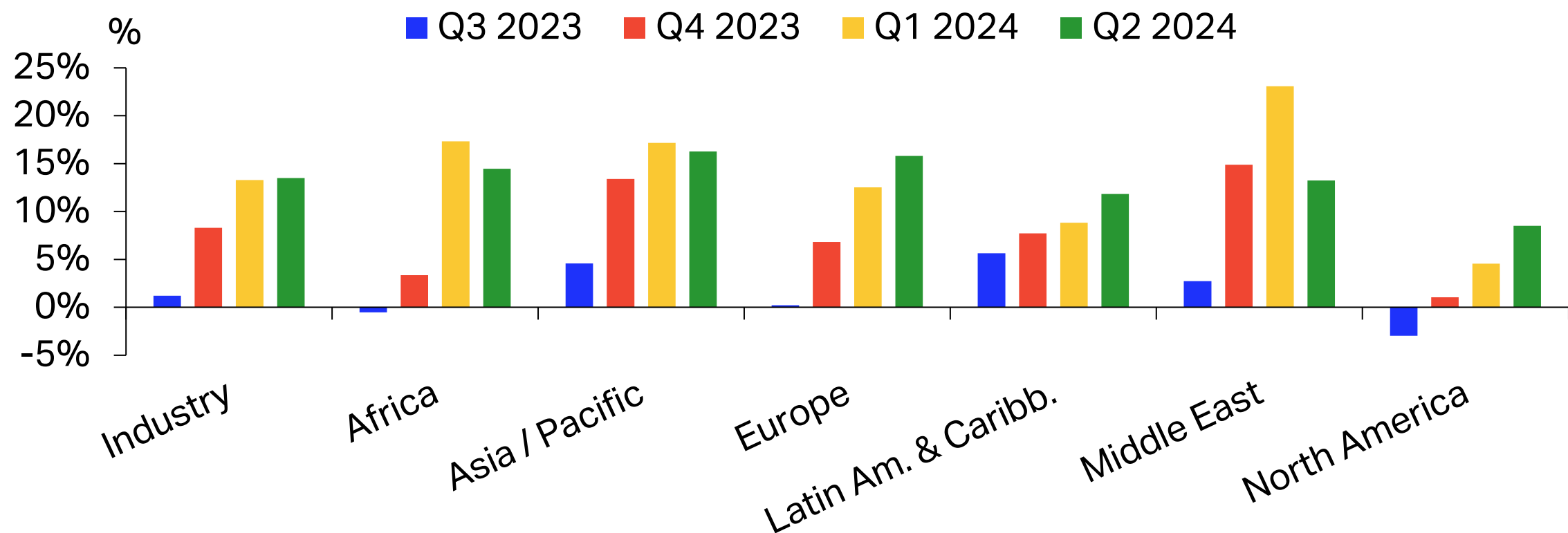


Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

RPK: Revenue Passenger-Kilometers; CTK: Cargo Tonne-Kilometers

Cargo demand per region in Q2 2024

CTK growth by region, YoY, %

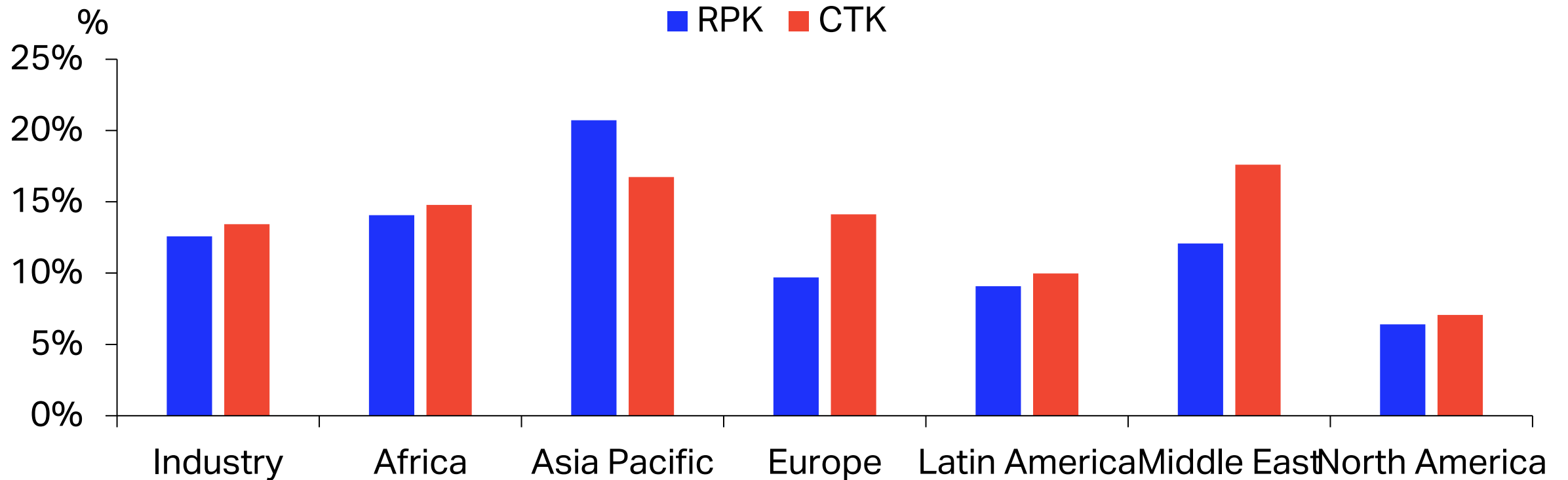


Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics



Pax and cargo growth per region

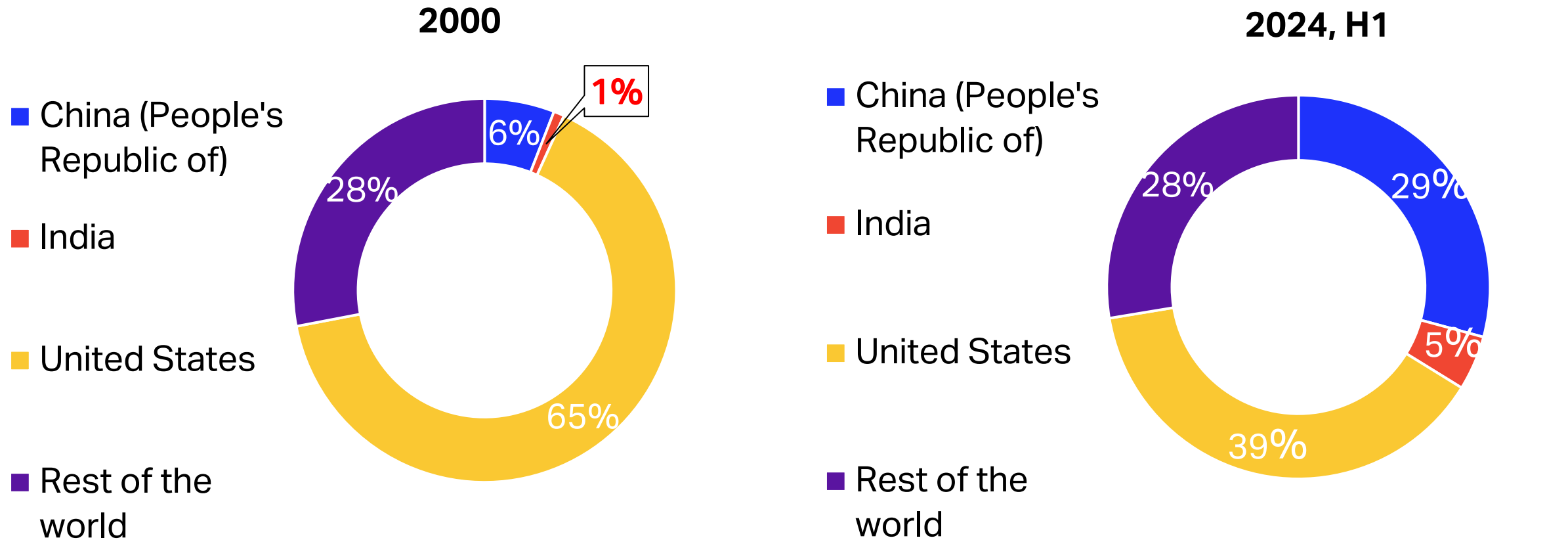
Growth in total RPK and CTK by airline region of registration, H1 2024, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

Domestic air passenger traffic, market share

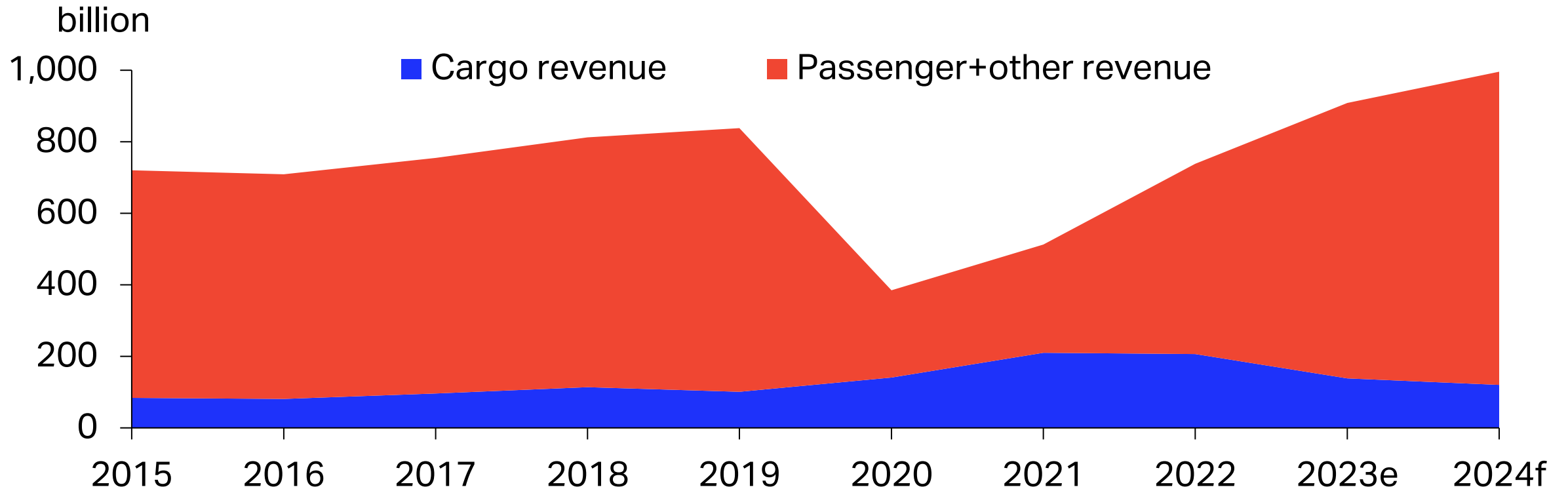
Domestic air passenger traffic, market share, % of total, in 2000 and in 2024



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Revenue growth is driven by the passenger segment

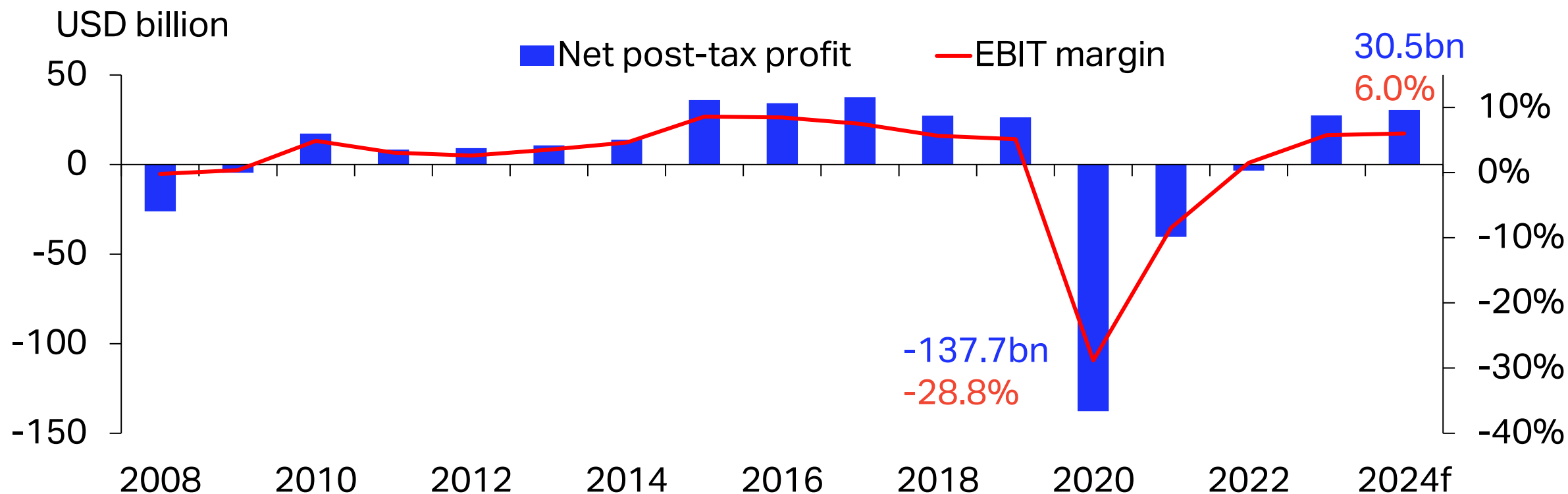
Airline revenue, USD billion



Source: IATA Sustainability and Economics using data from The Airline Analyst

Profit forecast for the industry in 2024: USD 30.5 bn

Global airline net post-tax profit, USD billion (left), and EBIT margin, % (right)



Source: IATA Sustainability and Economics using data from The Airline Analyst



USD 6.1 per passenger

Middle East: USD 15.2

N. America: USD 13.1

Europe: USD 6.9

Lat. America: USD 1.9

Asia Pacific: USD 1.2

Africa: USD 0.9

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