



**5<sup>th</sup>**

# World Financial Symposium

**17 – 20 September 2018**

**Madrid Marriott Auditorium Hotel & Conference Center**





# 7<sup>th</sup> SIS General Meeting

18<sup>th</sup> September 2018

Madrid Marriott Auditorium Hotel & Conference Center



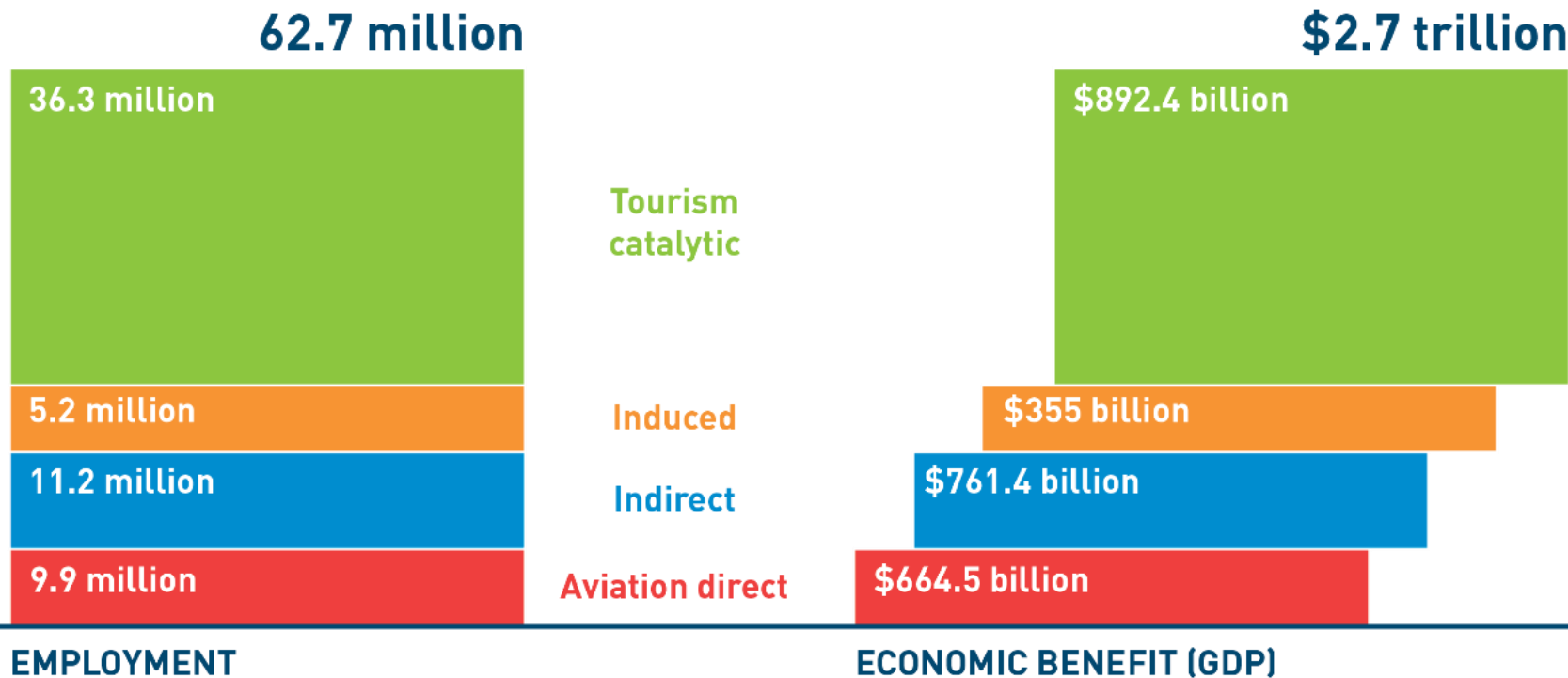
# Global Industry Update

*SIS General Meeting  
18<sup>th</sup> September 2018*



**Nicole Bousioti**  
Head, Member &  
External Relations Europe

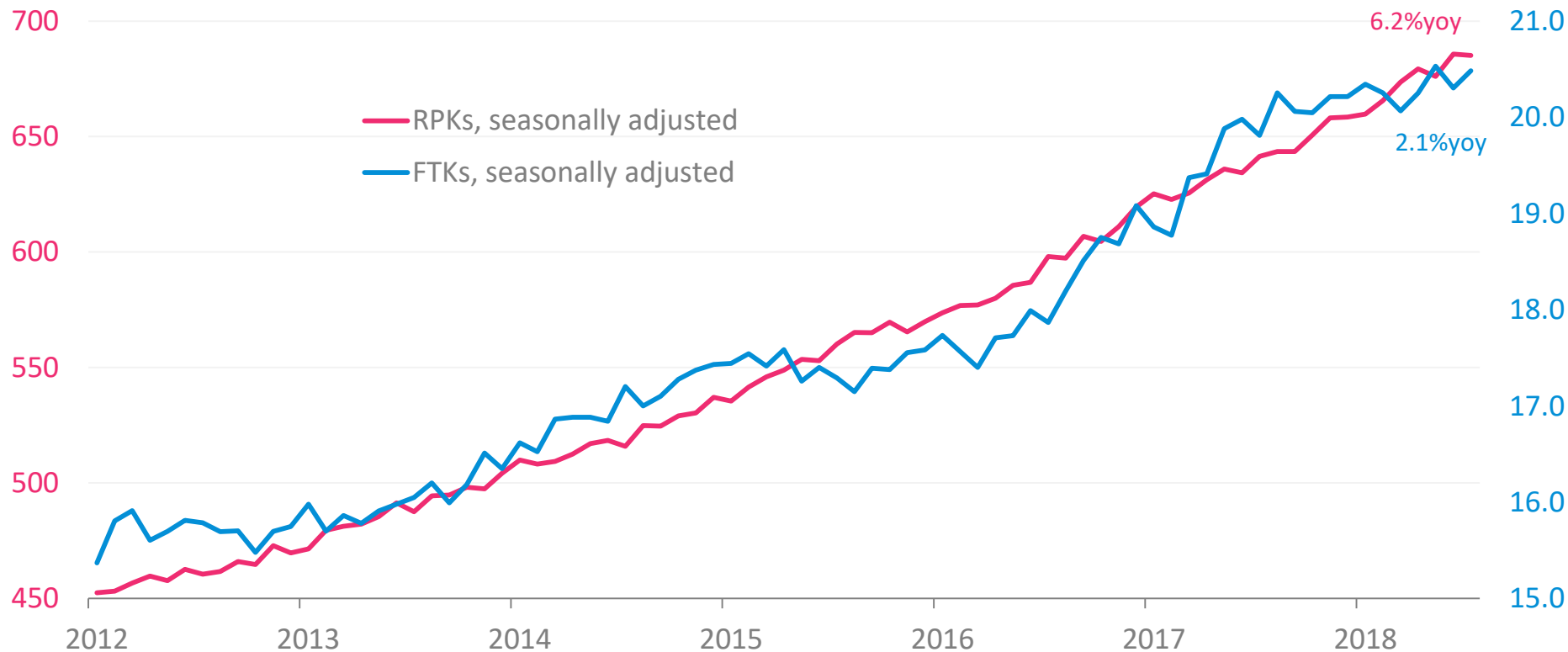
# AVIATION IS AN ECONOMIC ENABLER



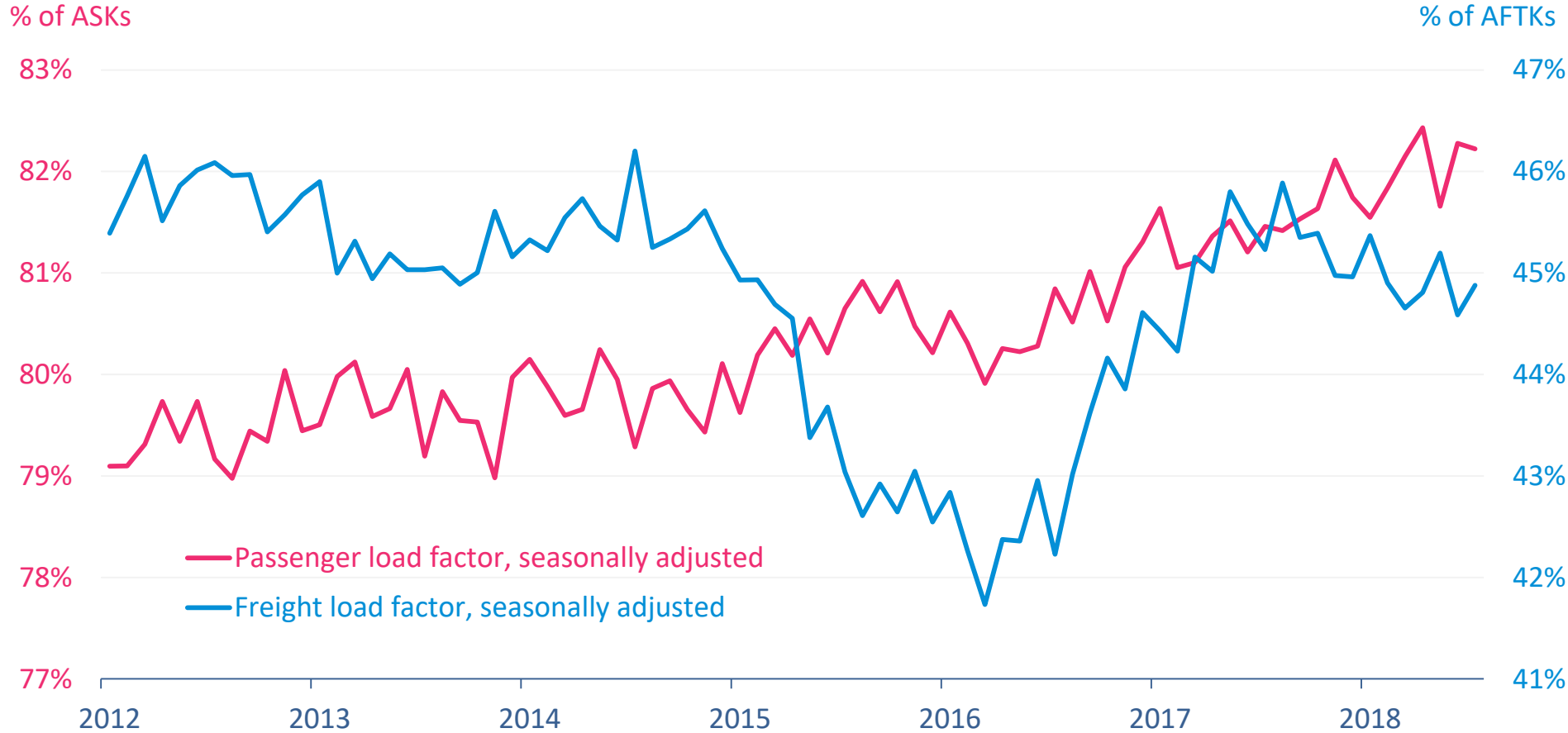
# Robust pax volumes growth but some easing for freight

Billions per month

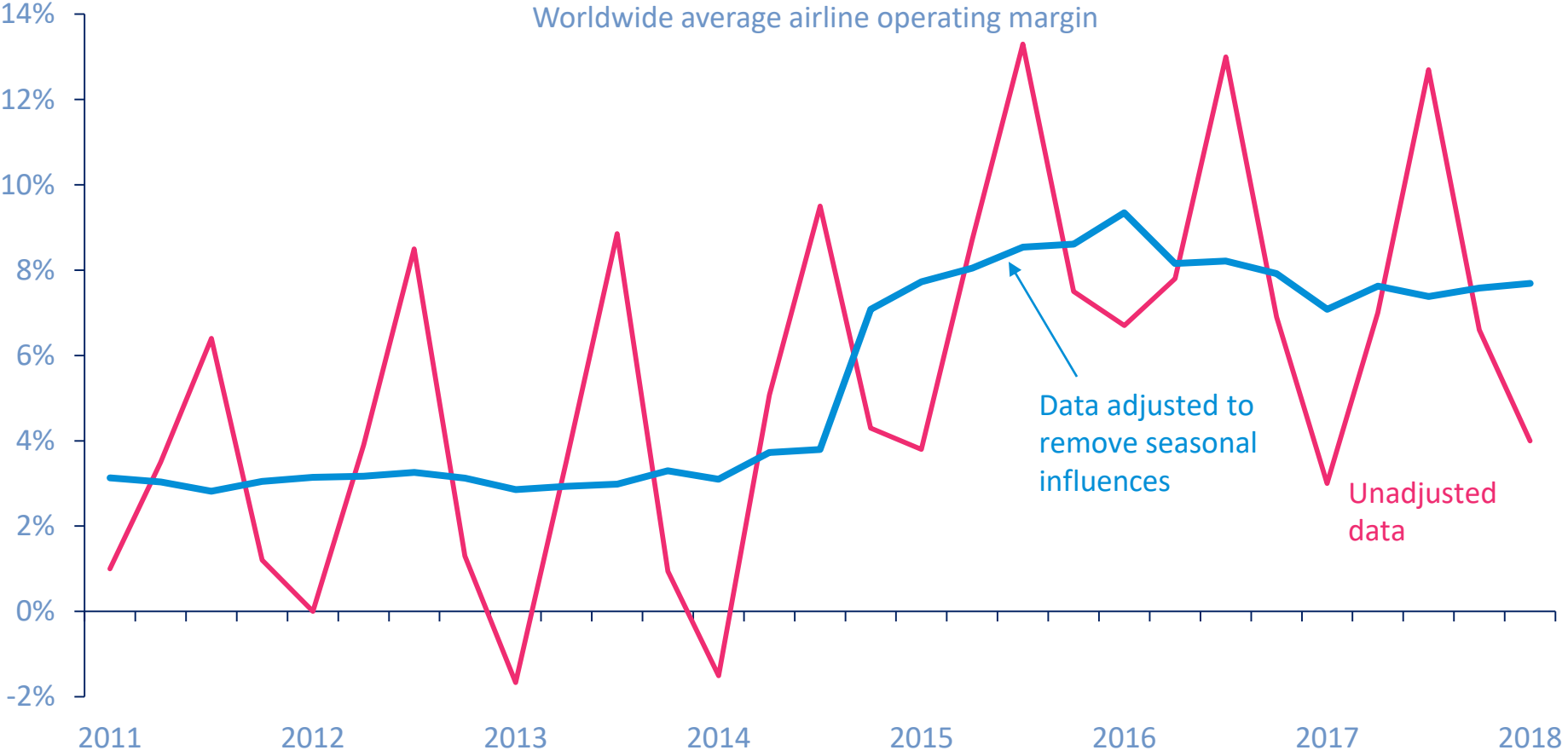
Billions per month



# ...and load factor trends have begun to diverge



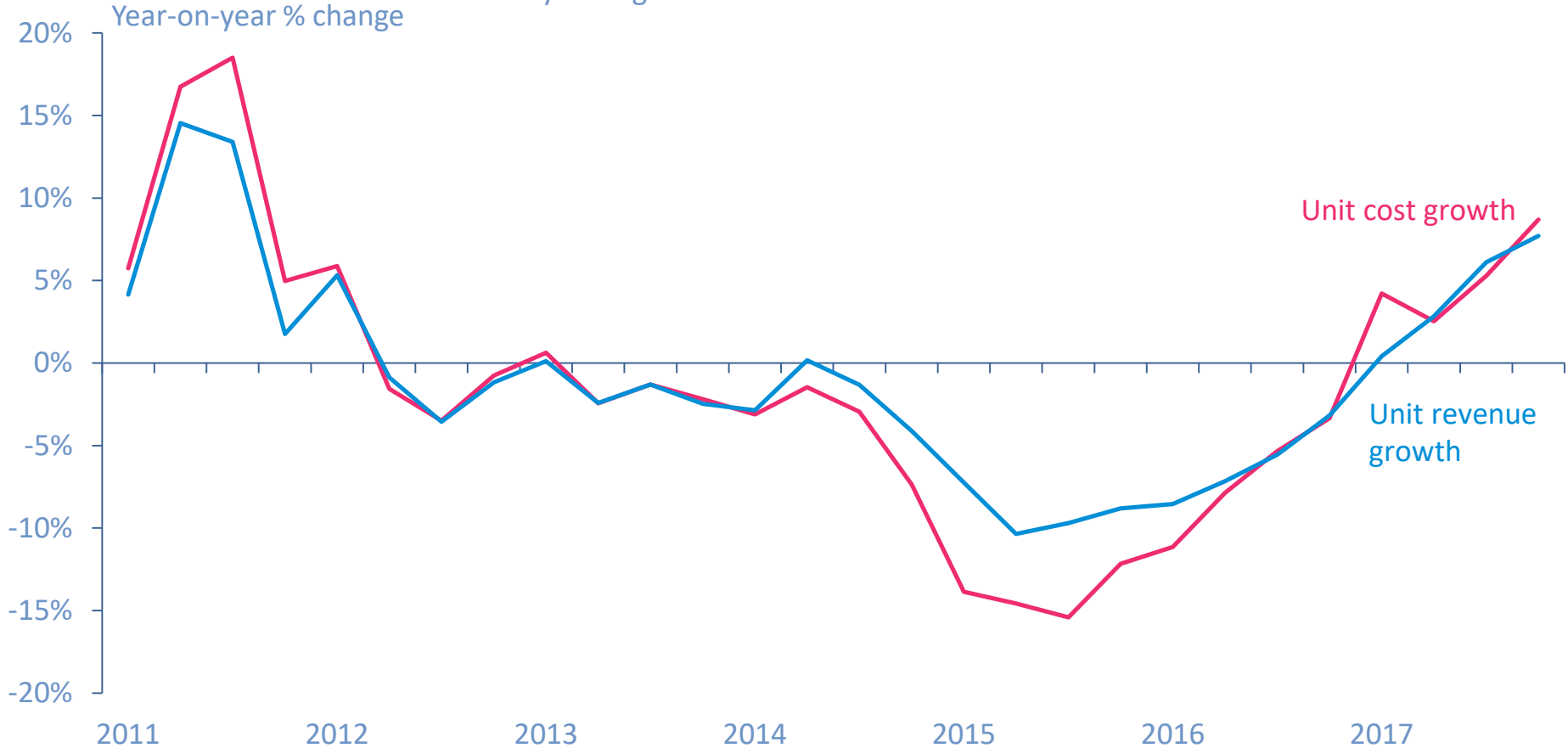
# Industry profitability still high and now stabilizing



Source: The Airline Analyst, IATA

# Rising costs are a key challenge

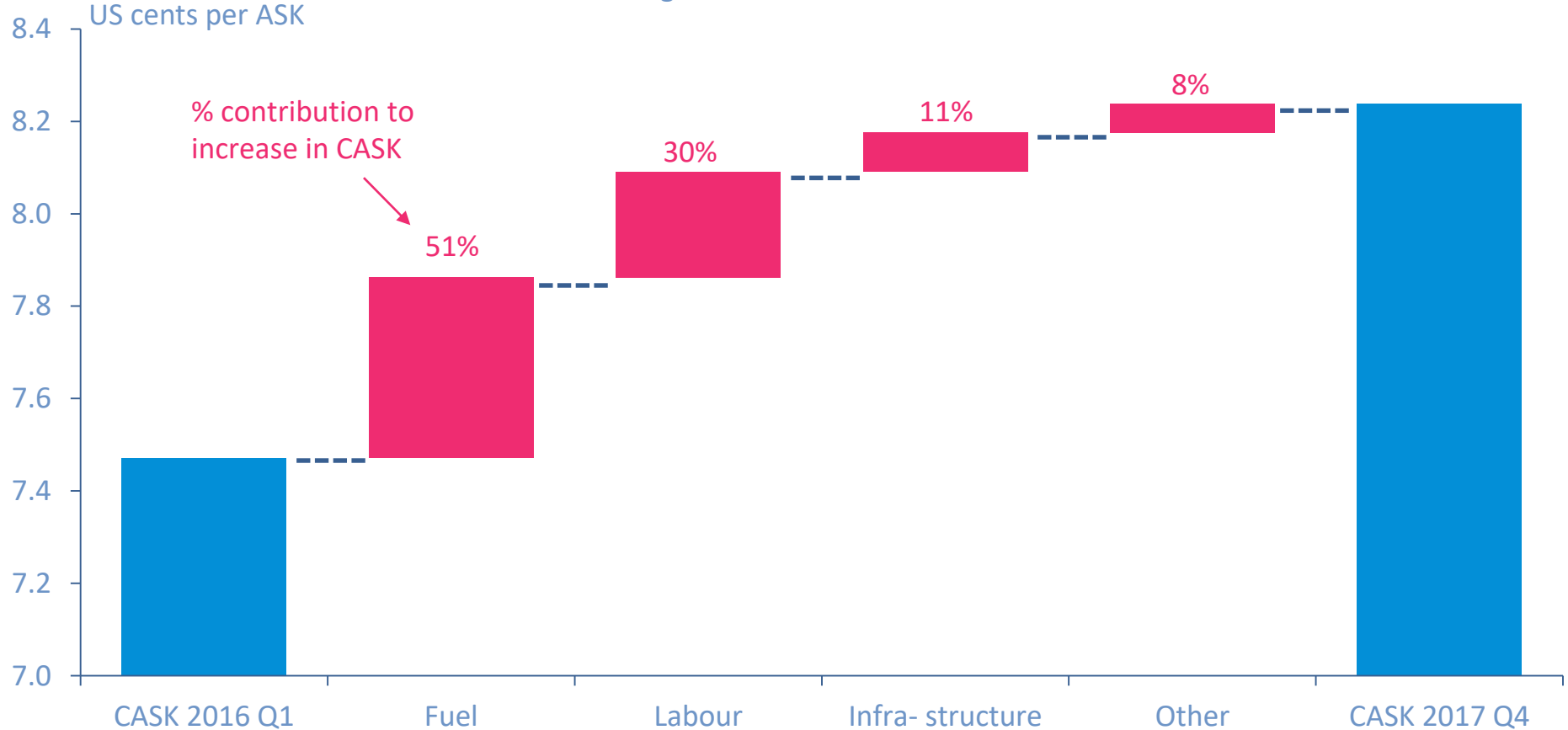
Industry wide growth in unit revenues and unit costs



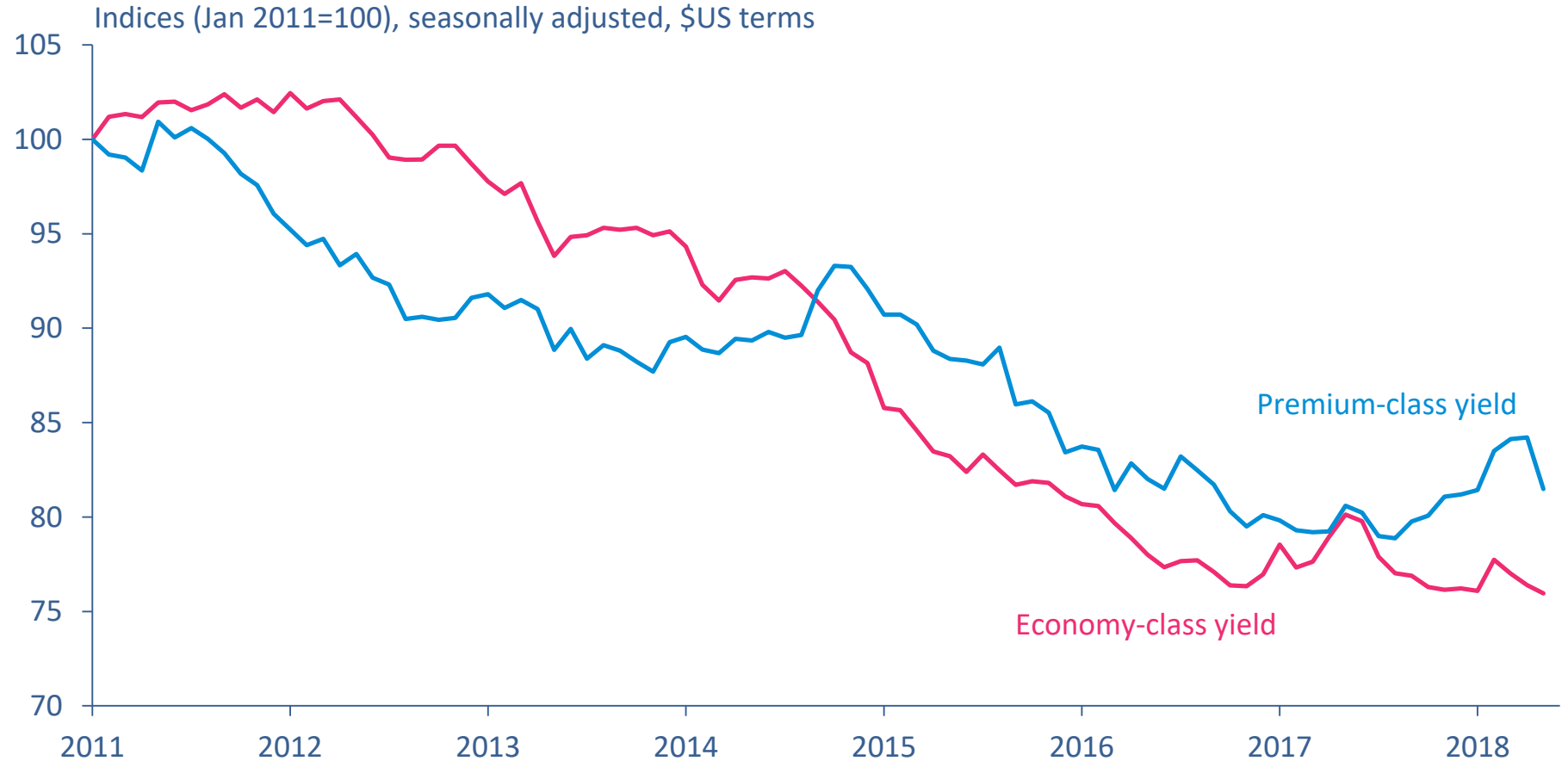


# ...and its not only due to oil prices

Unit cost changes between 2016 Q1 and 2017 Q4

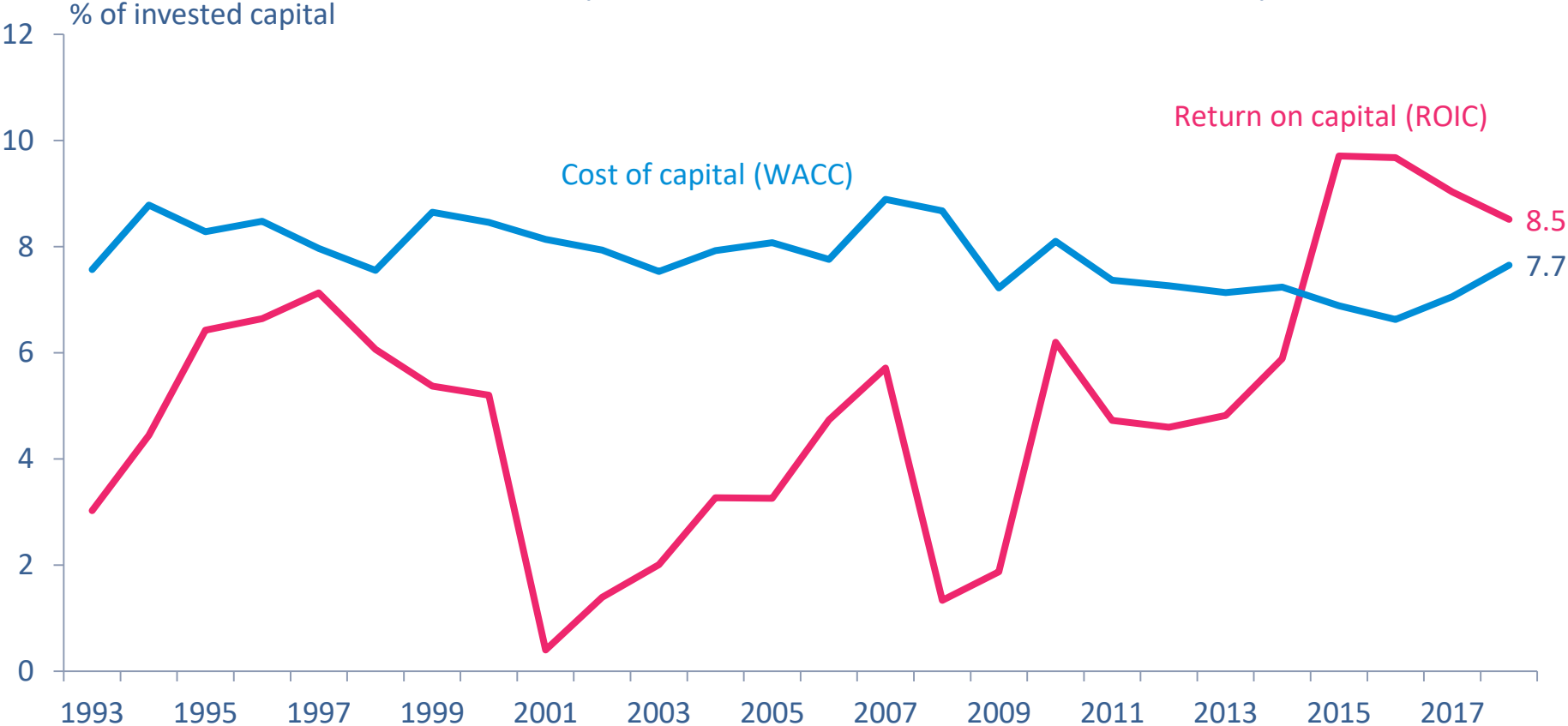


# Divergent trends in premium & economy pax yields (base fare)



# Producing good returns for investors for a 4<sup>th</sup> year

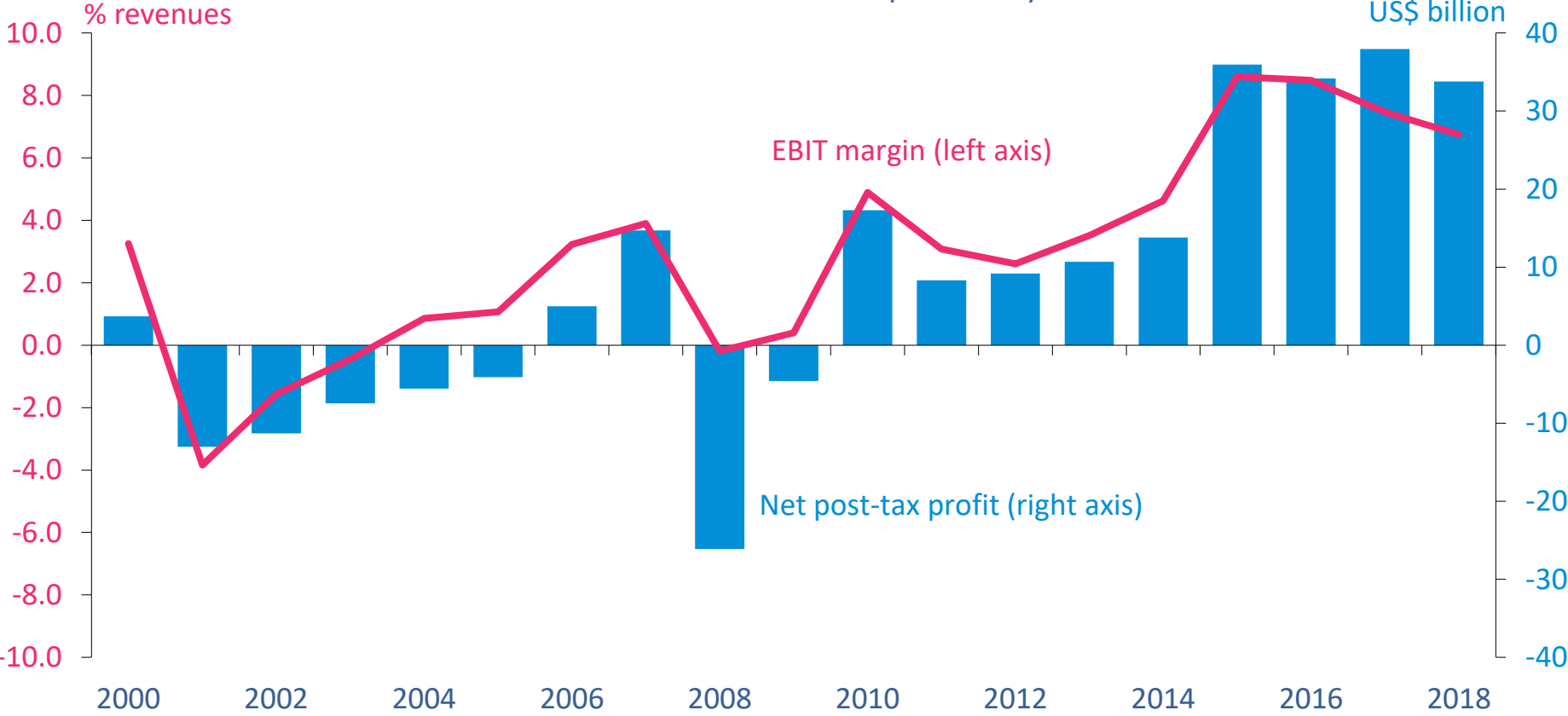
Return on capital invested in airlines and their cost of capital



Source: IATA

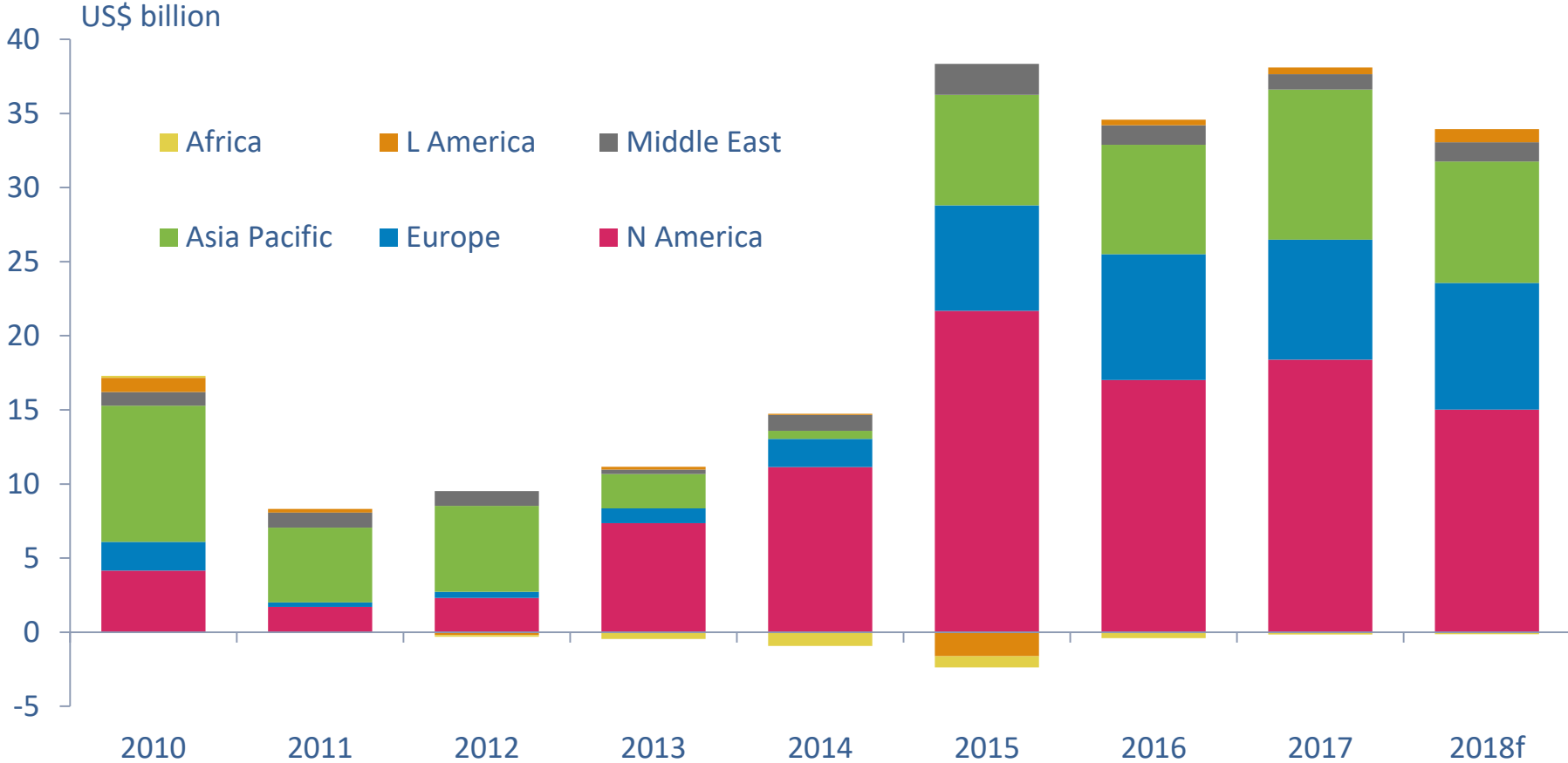
# Industry profits under pressure in 2018, but still high

Global commercial airline profitability



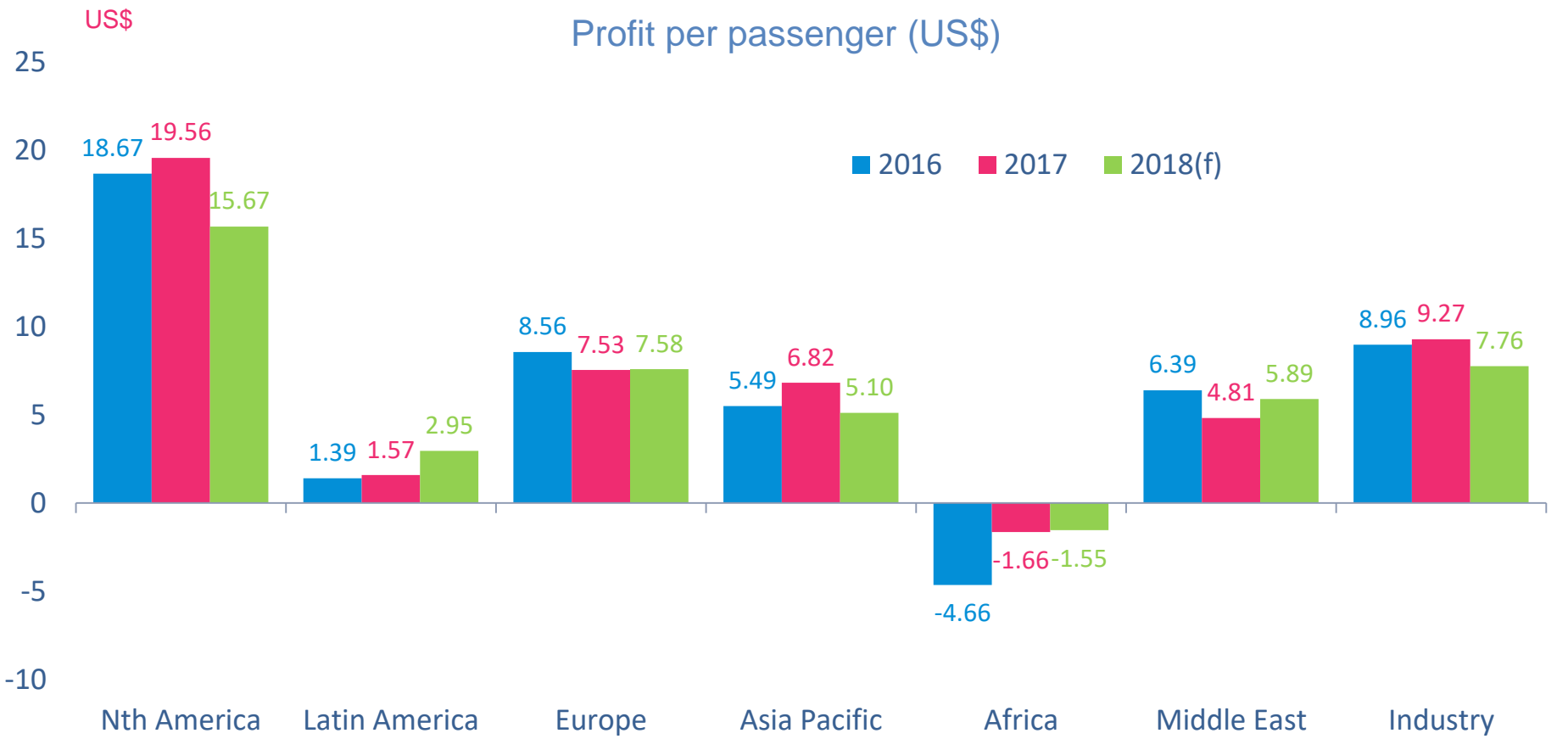
Source: ICAO, IATA

# Driven largely by N.America (again) plus Europe & Asia



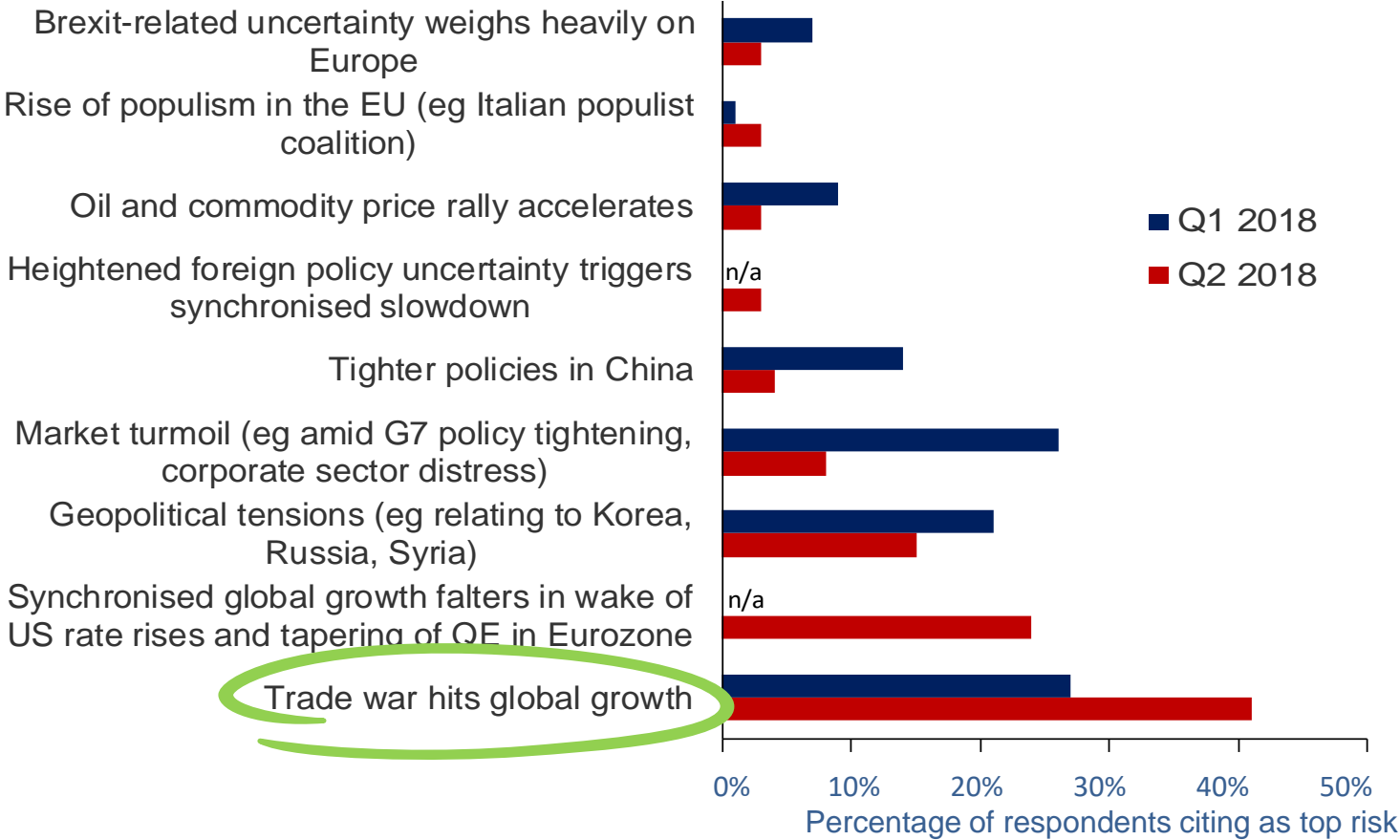
Source: ICAO, IATA

# Per passenger (net) profit shows wide regional variation



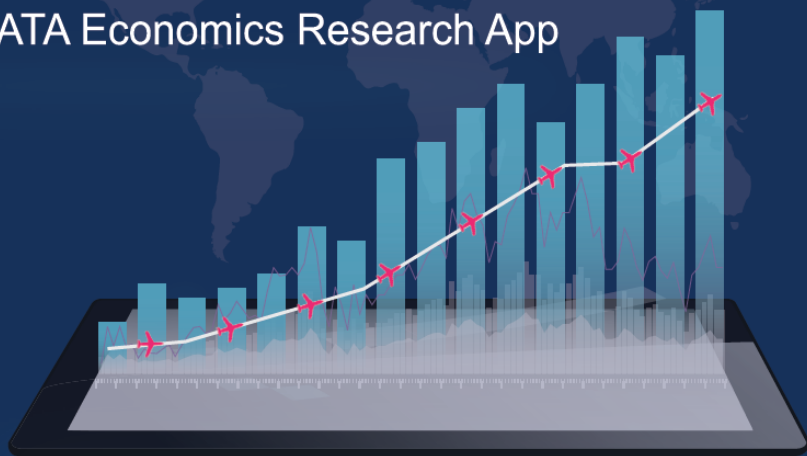
Source: IATA

# Key downside global risks?



# LOOKING FOR INSIGHTS INTO AIR TRANSPORT MARKETS AND ISSUES?

Download the new  
IATA Economics Research App



Available for  iOS and  Android

## NEW IATA ECONOMICS RESEARCH APP

Keep up to date with IATA Economics' latest analysis on key aviation issues and market trends.

Receive personalised notifications when new research is available, share content through social media and email, and read your favourite content off-line, perfect for people on the go!



Access industry-leading economic analysis on key aviation issues and market trends through:

- ✈ Reports
- ✈ Charts
- ✈ Presentations
- ✈ Videos and more.

To find out more visit:  
[www.iata.org/econapp](http://www.iata.org/econapp)

