

IATA's updated CORSIA Sectoral Growth Factor Forecast

August 2025

Background

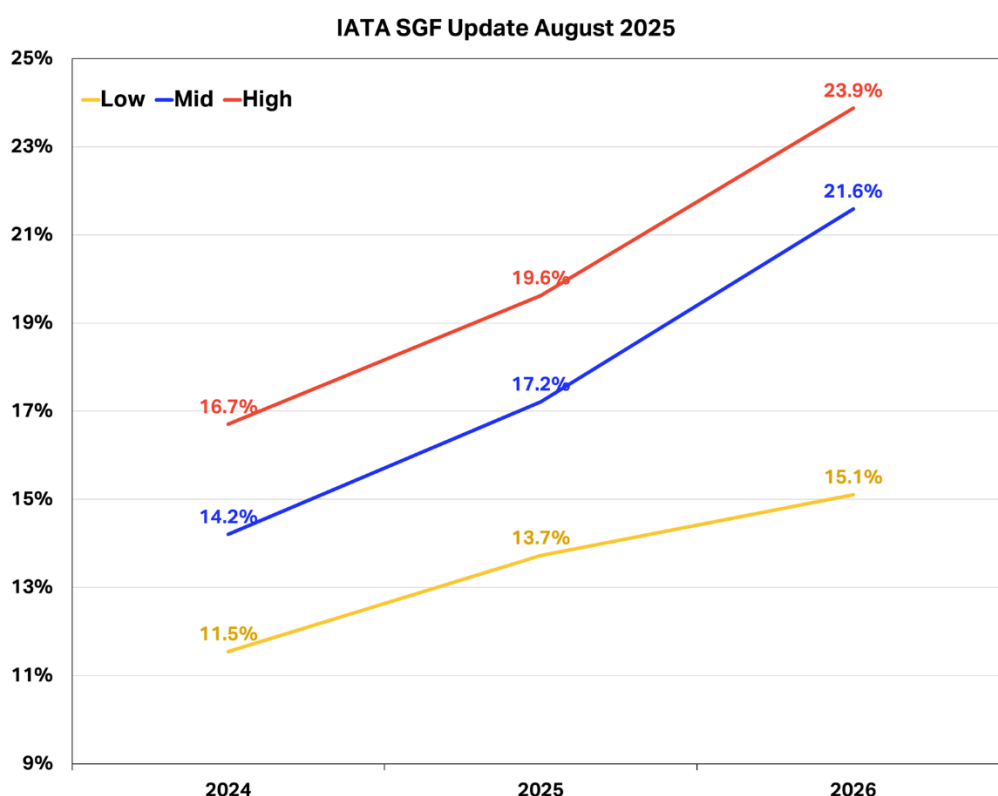
The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is a global market-based carbon-offsetting mechanism under the auspices of the International Civil Aviation Organization (ICAO), designed to stabilize international aviation emissions from 2021. Here, IATA's updated projection for CORSIA's annual Sectoral Growth Factor (SGF) and the annual offsetting requirements forecasts for the scheme's first phase from 2024 to 2026 are presented.

Projection of CORSIA compliance requirements

Updated Sectoral Growth Factor Forecasts

The annual Sectoral Growth Factor (SGF) is an important parameter affecting airlines' yearly offsetting requirements under CORSIA and, therefore, the emission reduction potential across its lifespan. The figure below illustrates the annual SGF for CORSIA's first phase (2024 to 2026), between three modelled scenarios (High, Low, and Mid), which vary from each other based on updated traffic projections from IATA. For example, in 2024, the SGF is expected to fall between 11% and 17%. ICAO will calculate and release the 2024 SGF by the end of October 2025.

Figure 1: IATA CORSIA SGF Forecast during the first phase from 2024 to 2026 (August 2025)

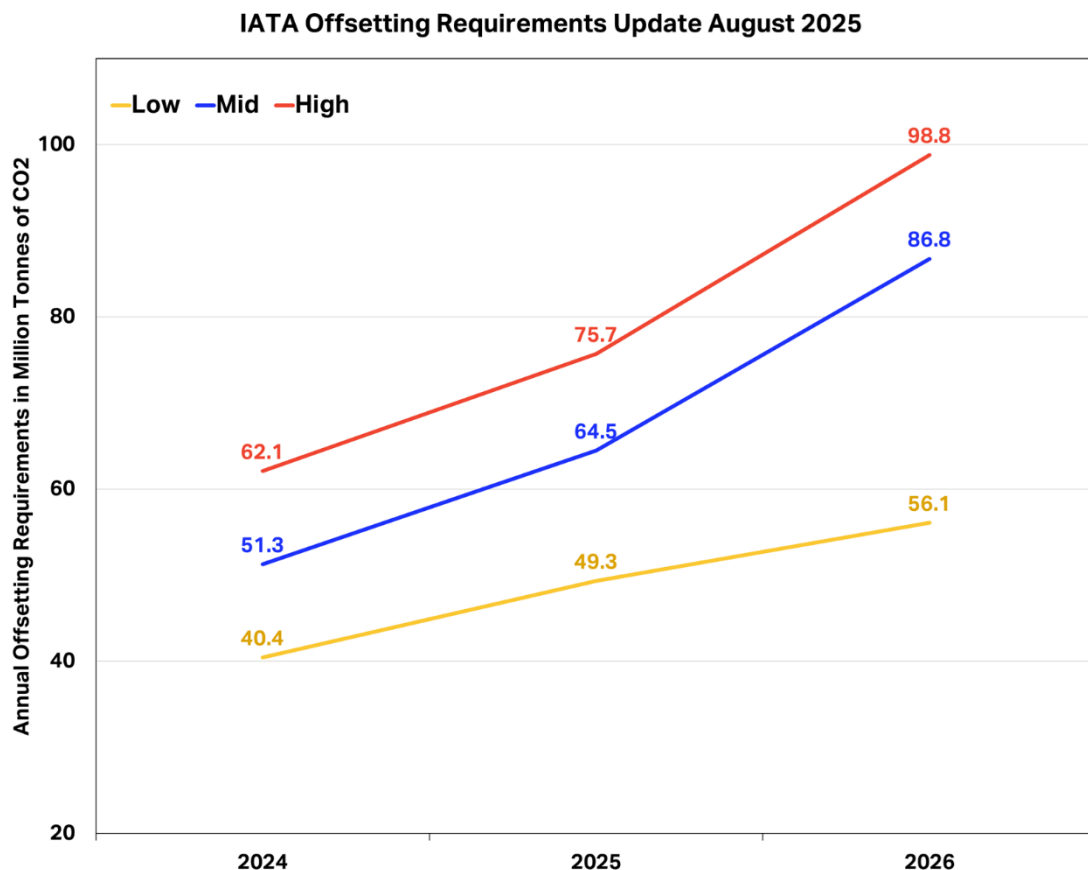


Source: IATA Sustainability and Economics

Updated Forecasts of Annual Offsetting Requirements

Similarly, the forecasts for the annual offsetting requirements are presented for the three modelled scenarios in Figure 2. The offsetting requirements begin from 2024 onwards, when it is projected to fall between 40 and 60 million tonnes of CO₂. Furthermore, the offsetting requirements, translating to demand for CORSIA Eligible Emissions Units (EEUs), in the entire first phase, is expected to lie between 146 and 236 million tonnes of CO₂.

Figure 2: IATA CORSIA offsetting requirements forecast during the first phase from 2024 to 2026 (August 2025)



Source: IATA Sustainability and Economics

Key takeaways

The increase in projected offsetting requirements for CORSIA's first phase, compared to the previous projections from September 2024, is driven by more optimistic traffic projections for the period. It also takes into account recent developments regarding the participation of ICAO Member States in CORSIA, reflected in the ICAO Document titled "[CORSIA States for Chapter 3 State Pairs](#)". Key observations from the updated projection are listed below:

- Offsetting requirements will begin in 2024, falling between 40 and 60 million tonnes of CO₂. The corresponding **SGF for 2024 is expected to fall between 11.5% and 16.7%**.
- The offsetting requirements for **the first phase (from 2024 to 2026) is expected to lie between 146 and 236 million tonnes of CO₂**. Most of these offsetting requirements are expected to be satisfied through CORSIA EEUs, given the limited production and certification forecasts for CORSIA Eligible Fuels (CEFs) during this period.