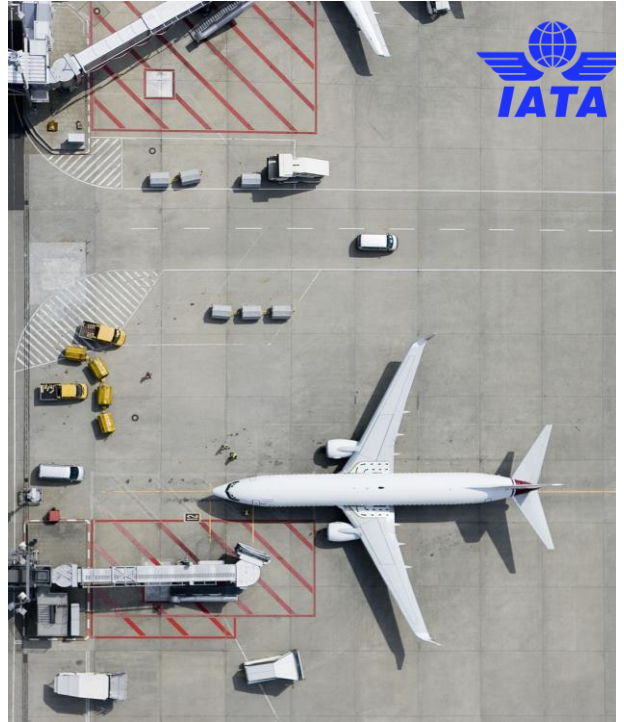




Industry Outlook

Marie Owens Thomsen

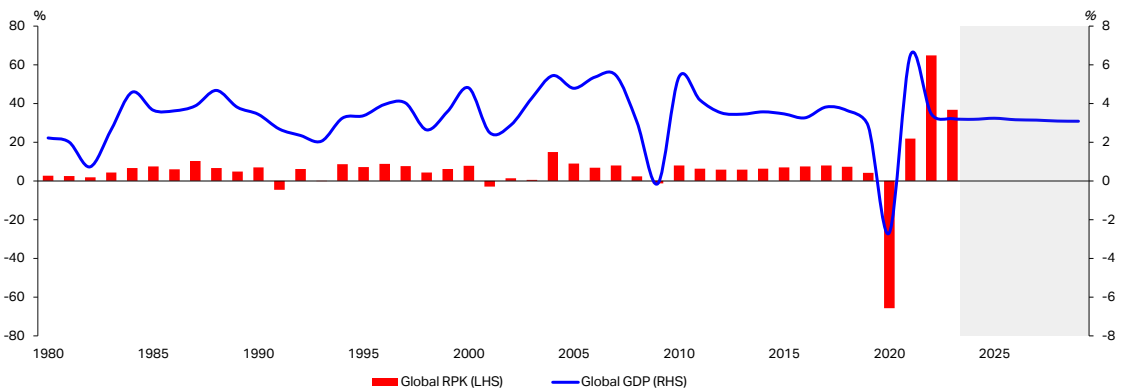
Senior VP Sustainability & Chief Economist
IATA Sustainability and Economics



1

World GDP growth is stable at 3.2%

Growth in World GDP, (right) and Revenue Passenger Kilometers, (left), %, shaded area forecast



Source: IATA Sustainability & Economics, and IMF World Economic Outlook, April 2024.



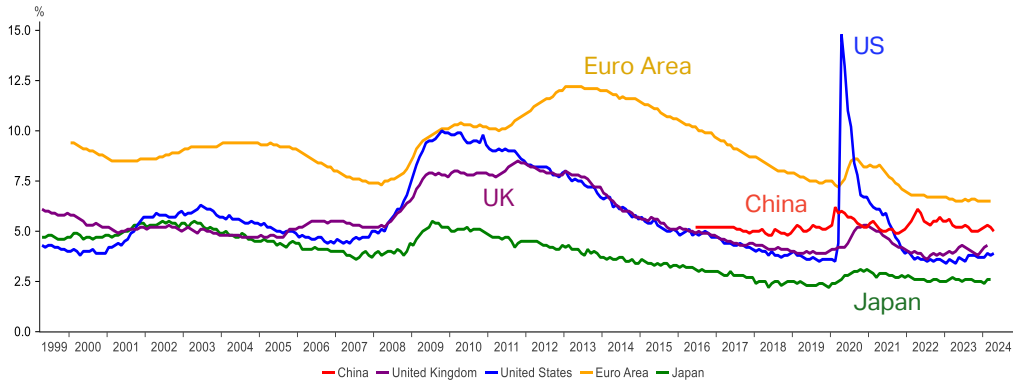
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1

Labor markets remain exceptionally tight

Unemployment rate in selected economies, %



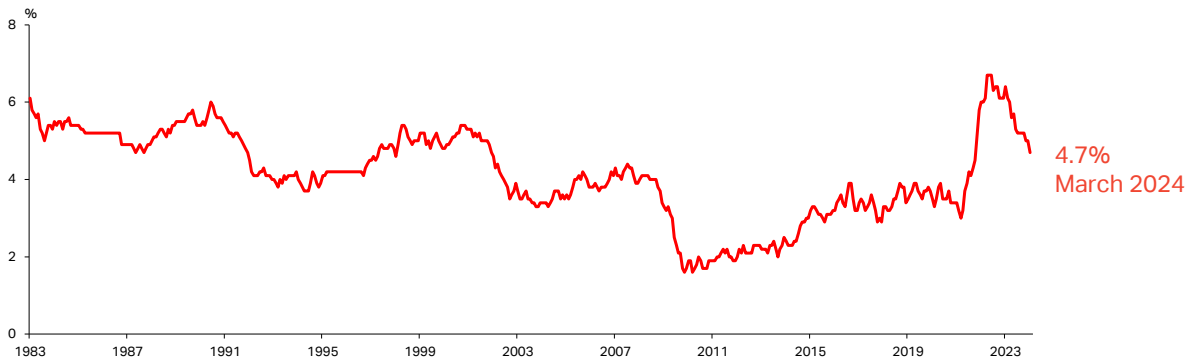
Source: MacroBond



3

Wage growth

US Nominal Wage Growth, % YoY



Source: Federal Reserve Bank of Atlanta



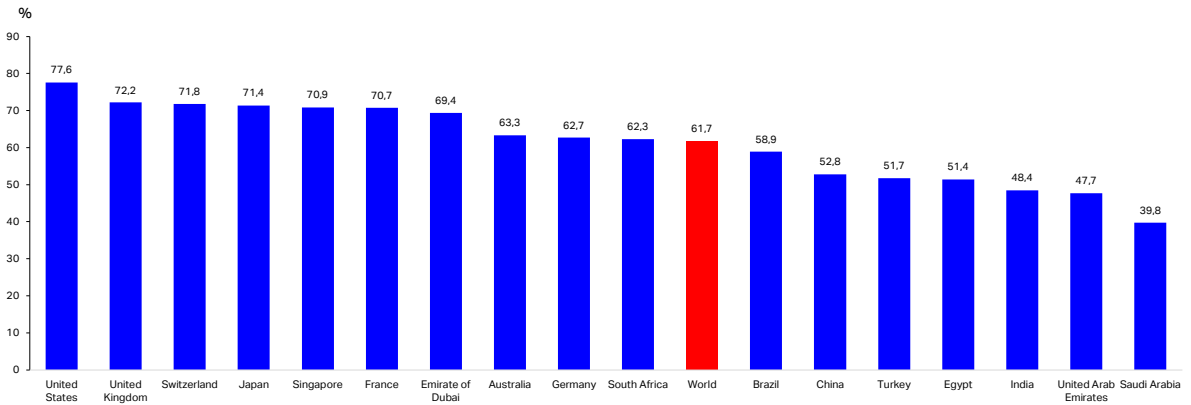
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2

The world is a service economy

Services, % of GDP, latest year available



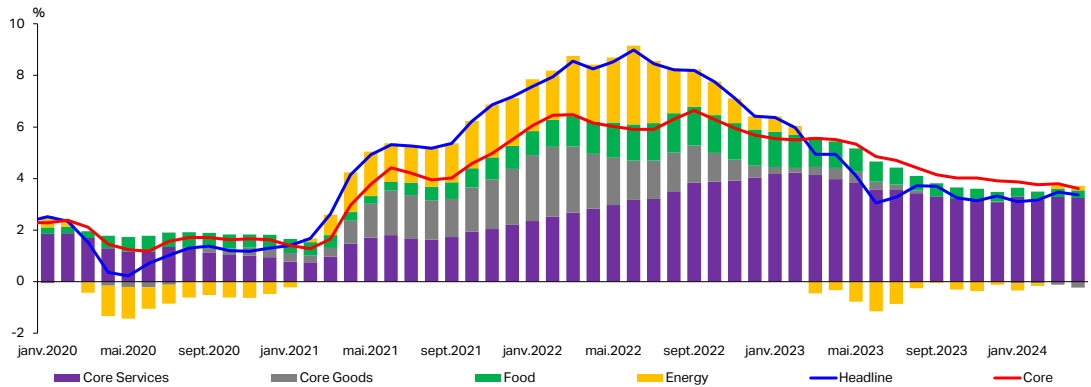
Source: World Bank, World Development Indicators, MacroBond; and Dubai Statistics Center, 2021 (IATA calculation) for the Emirate of Dubai.



5

Inflation is mostly in services

US CPI and its components, % YoY



Source: IATA Sustainability & Economics, based on data from US Bureau of Labor Statistics.

3 June 2024



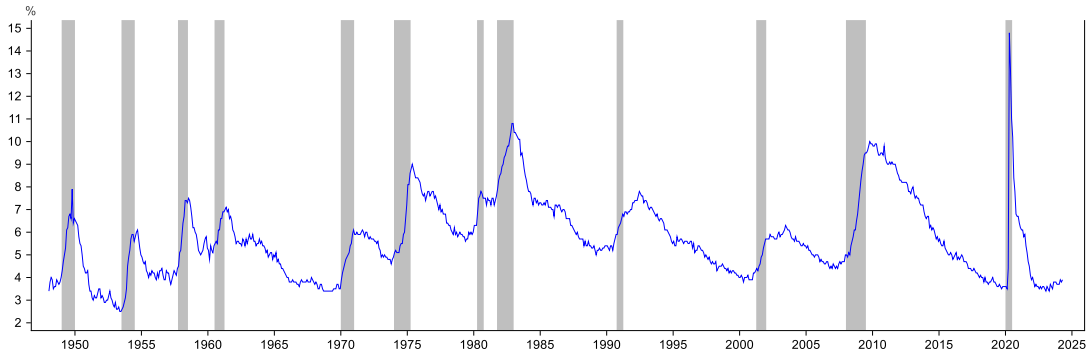
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3

Services drive longer business-cycle expansions

US Business Cycle, shaded areas are recessions, and US Unemployment rate, %



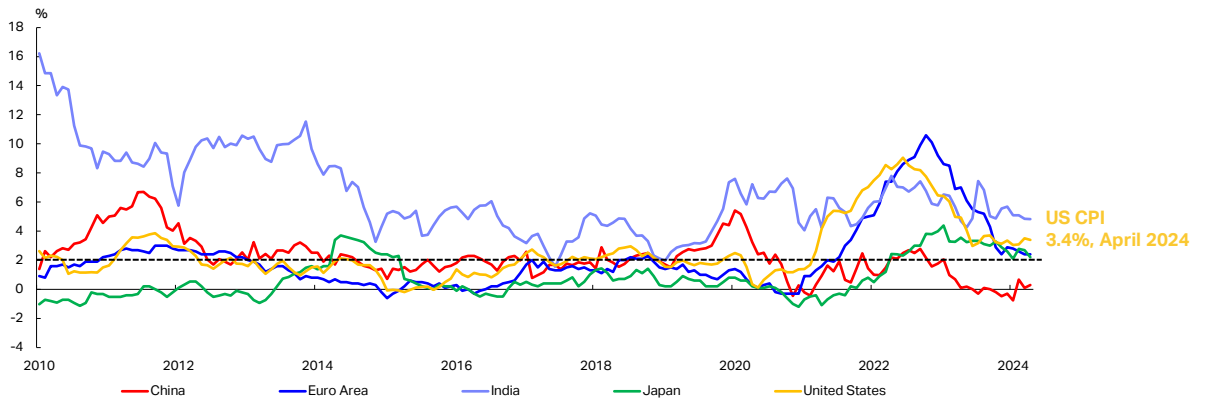
Source: Federal Reserve Bank of St. Louis



7

Inflation is still too high for big policy rate cuts

Consumer Price Inflation in selected economies, %



Source: MacroBond



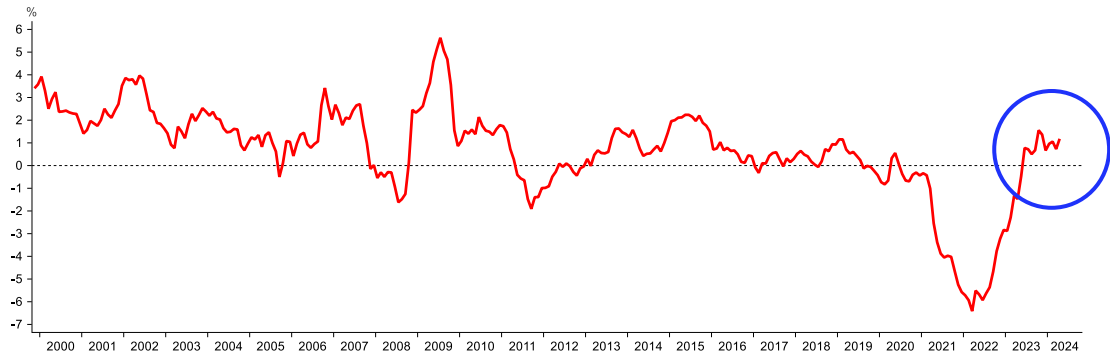
8



4

Real interest rates will rise further

Real US 10-year interest rate, %



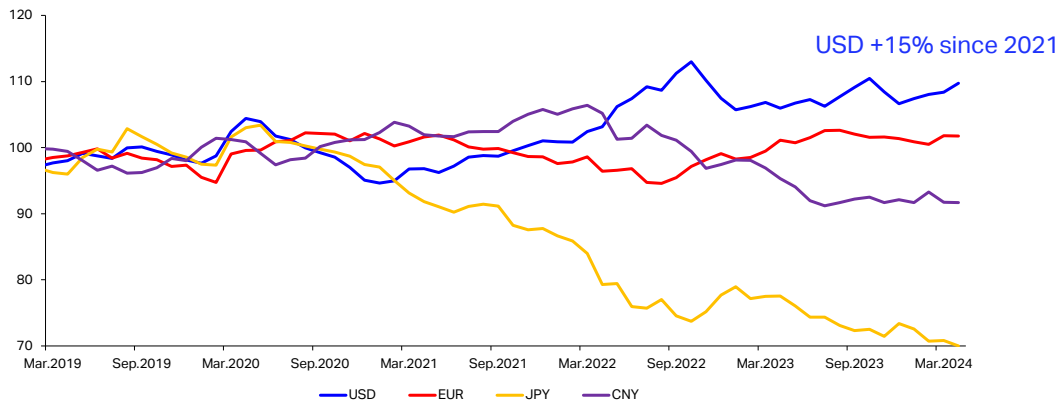
Source: MacroBond



9

Higher US interest rates supports the US dollar

Real Effective Exchange Rate Index, Broad, i.e., inflation adjusted, and trade weighted against all trading partners, 2010 = 100



Source: BIS



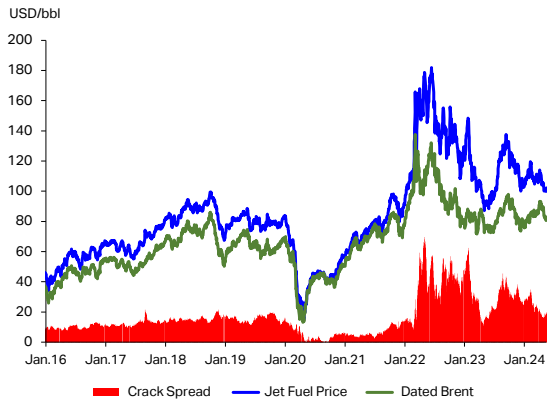
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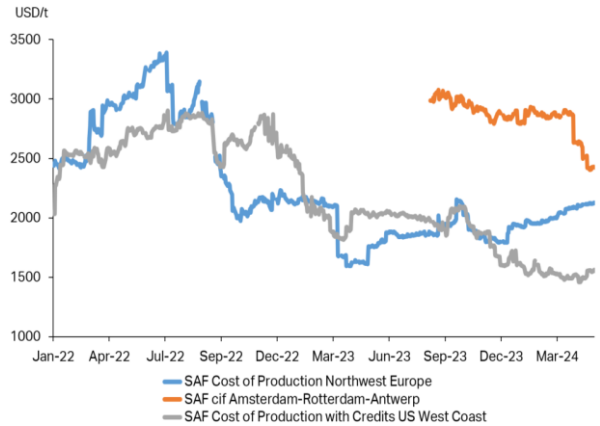
Fuel: Jet and SAF

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



Source: Platts, S&P Global Commodities Insights

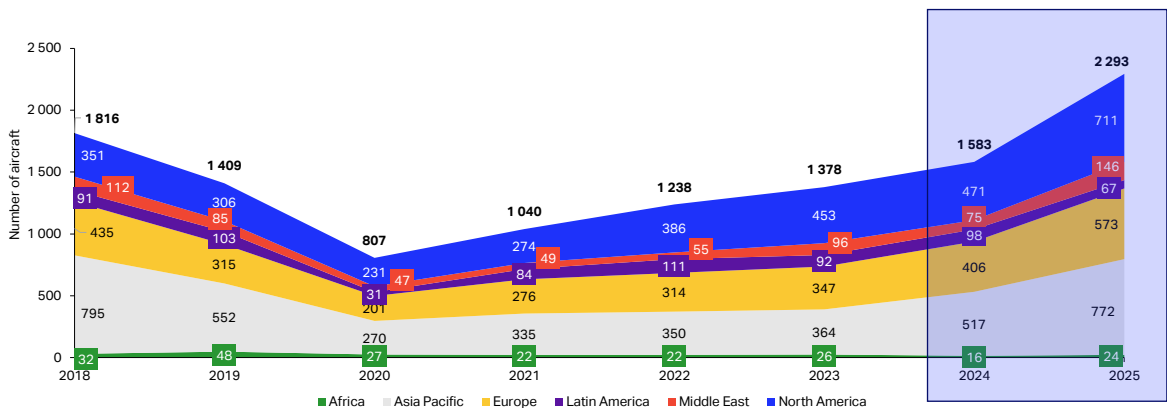
SAF cost of production and price estimates, USD per tonne



11

Aircraft delivery slowing down, record backlog

Aircraft deliveries by region, number of aircraft, shaded area forecast



Source: IATA Sustainability and Economics, Cirium



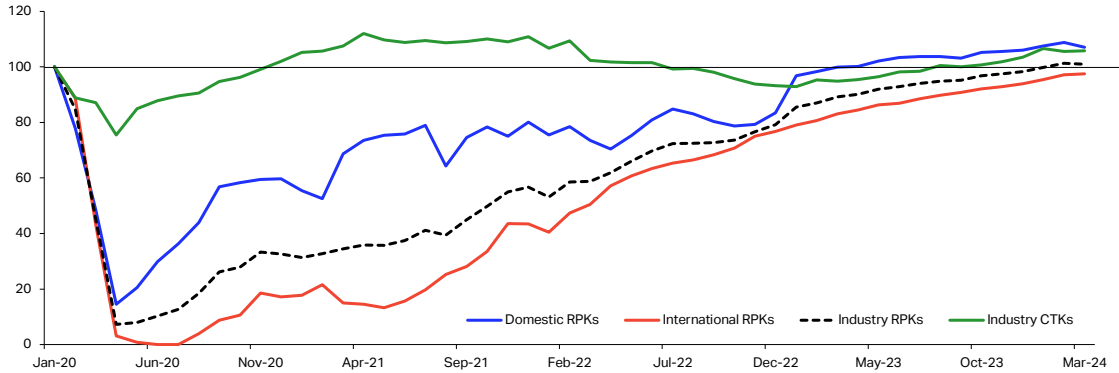
12



6

Solid uptrend in passenger traffic, cargo holding up

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



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

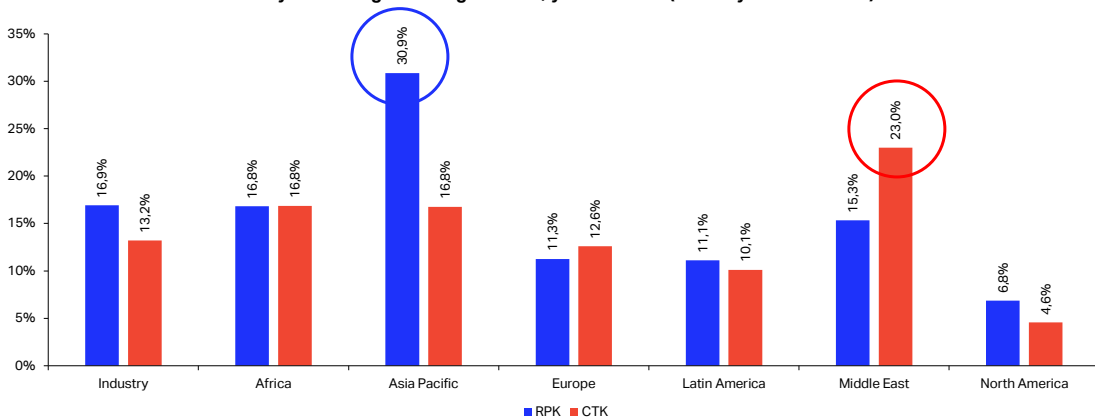
Source: IATA Sustainability & Economics, IATA Monthly Statistics



13

AsiaPac leads on pax and ME on cargo in Q1 2024

Growth in total RPK and CTK by airline region of registration, year-to-date (January – March 2024)



Source: IATA Sustainability & Economics, IATA Monthly Statistics



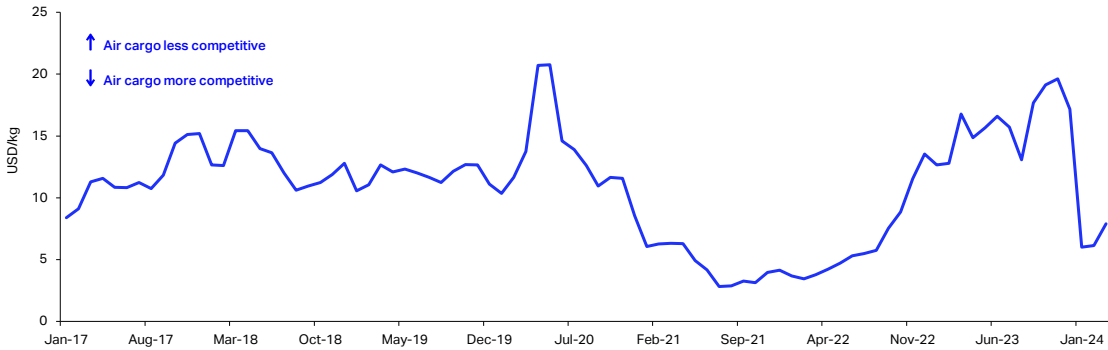
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7

Air cargo more competitive again versus maritime

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



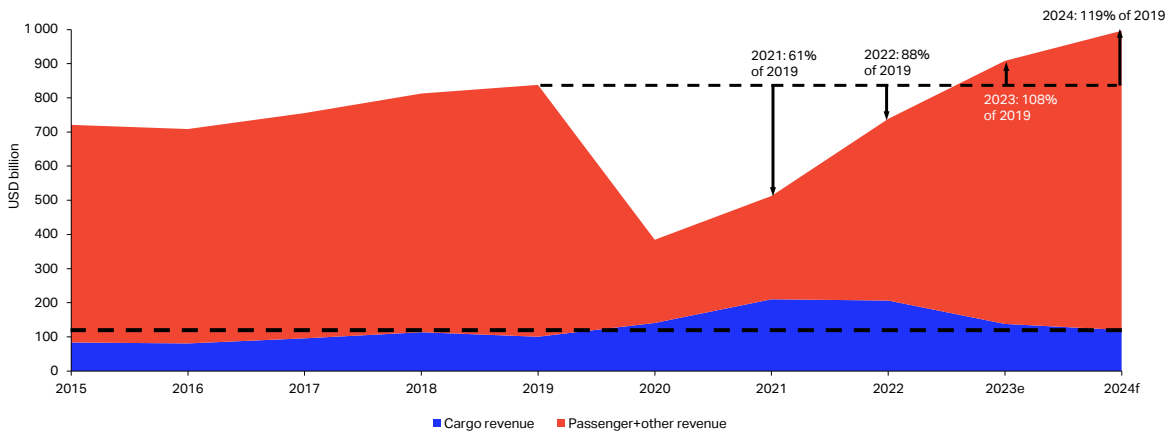
Source: IATA Sustainability and Economics, IATA CargoIS, Freightos Baltic Index



15

Revenue growth is on the passenger side

Airline passenger and cargo revenue, USD billion



Source: IATA Sustainability and Economics, The Airline Analyst

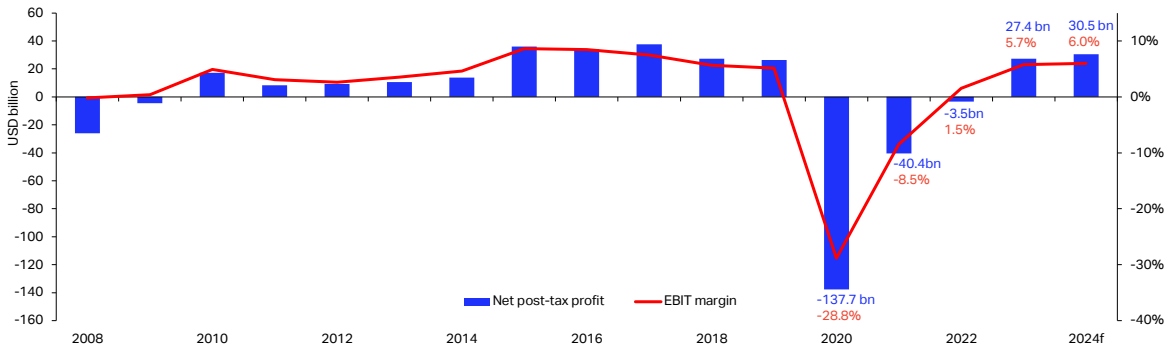


16



Airlines to show USD 30.5 billion profit in 2024

Global airline profits, USD billion, (left), and EBIT margin, %, (right)



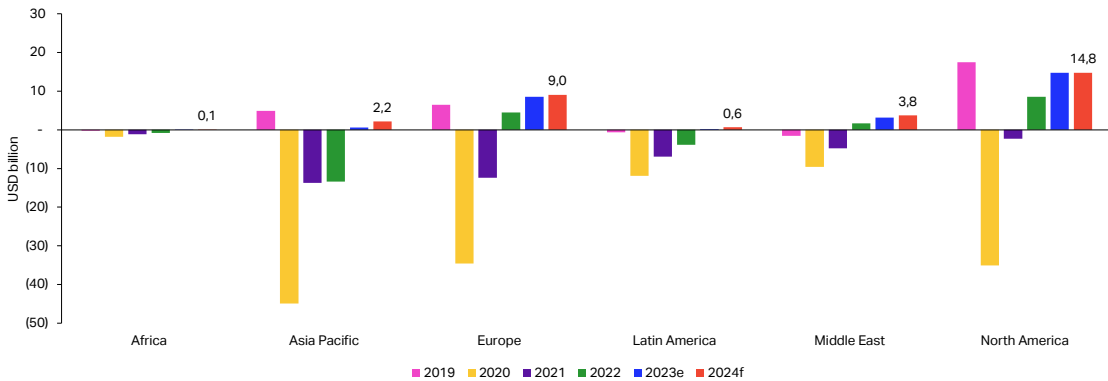
Source: IATA Sustainability and Economics, The Airline Analyst



17

All regions show profits with N. America in the lead

Net profit by region, USD billion



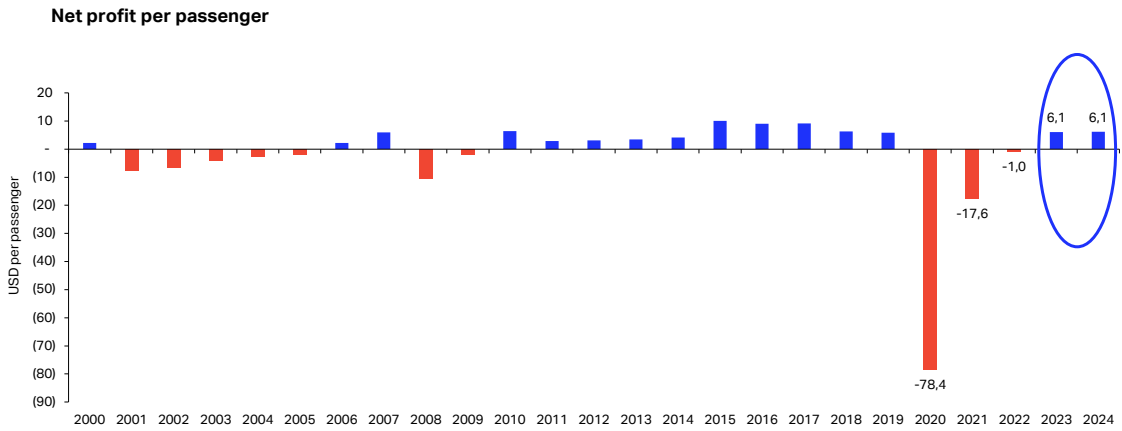
Source: IATA Sustainability and Economics, The Airline Analyst



18



Per passenger profit at USD 6.1



Source: IATA Sustainability and Economics, The Airline Analyst



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