



Air Passenger Market Analysis

October 2023

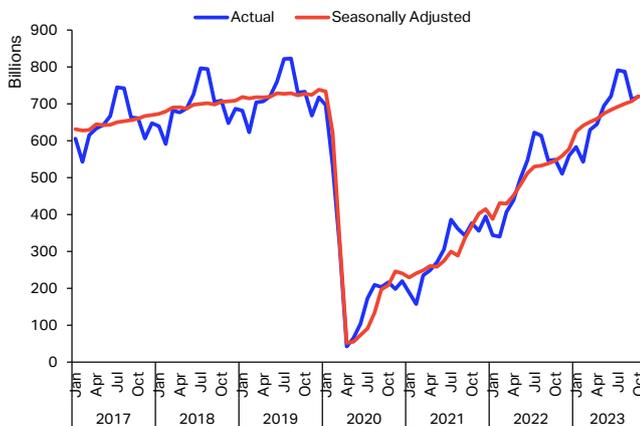
Passenger traffic growth remains on track in October

- Industry-wide revenue passenger-kilometers (RPKs) increased 31.2% year-on-year (YoY) in October and closed the gap to pre-Covid levels to within 2%.
- Available seat-kilometers (ASKs) climbed by 29.4% YoY, recovering to 97.0% of pre-pandemic capacity. As seat capacity stood in line with passenger demand, the global passenger load factor (PLF) remained at 83%.
- Domestic traffic growth over 2019 levels stabilized at 4.8% with an annual growth rate at 33.7%. International passenger traffic reached 94.4% of pre-pandemic levels with a 29.7% growth YoY.
- Air ticket sales trended close to 2019 levels, indicating resilient demand for air travel despite the economic challenges faced by consumers.
- Despite reduced airline operations to and from Israel due to the Israel-Gaza conflict in October 2023, global and regional traffic seemingly remained largely unaffected.

October saw resilient passenger traffic growth...

In October, the air passenger traffic continued its upward trend with a 31.2% year-on-year, measured in revenue passenger-kilometers (RPKs), edging closer to pre-pandemic figures. Global RPKs are now just 1.8% shy of 2019 levels, and on a seasonally-adjusted basis, they saw a steady 1.2% month-on-month rise. (Chart 1).

Chart 1 – Global air passengers, RPKs, billions per month



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Available seat-kilometers (ASKs), a metric for seat capacity, increased by 29.4% year-on-year, reaching 97.0% of the levels seen before the pandemic. Since May, the industry's passenger load factor (PLF) has aligned closely with pre-pandemic figures, and ending October with 1.2 and 1.0 percentage points higher than the same months in 2022 and 2019, respectively.

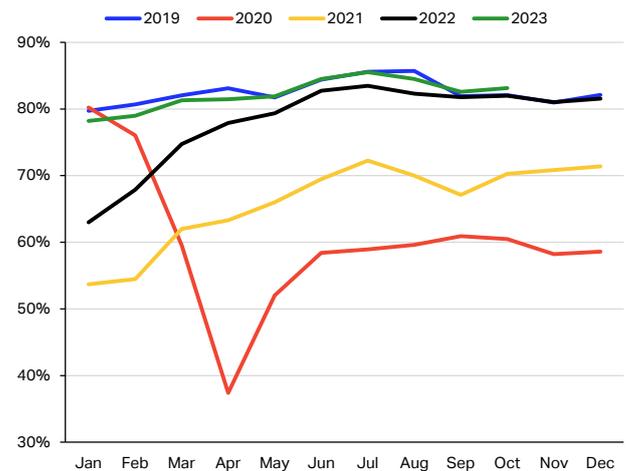
Air passenger market in detail - October 2023

	World share ¹	October 2023 (% year-on-year)			October 2023 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	31.2%	29.4%	1.2%	-1.8%	-3.0%	1.0%	83.1%
International	58.1%	29.7%	28.0%	1.1%	-5.6%	-7.8%	2.0%	83.2%
Domestic	41.9%	33.7%	31.8%	1.2%	4.8%	5.5%	-0.6%	83.0%

¹ % of industry RPKs in 2022

(Chart 2). Notable improvements in seat occupancy are observed in both international and domestic flights, indicating a sustained high interest in air travel.

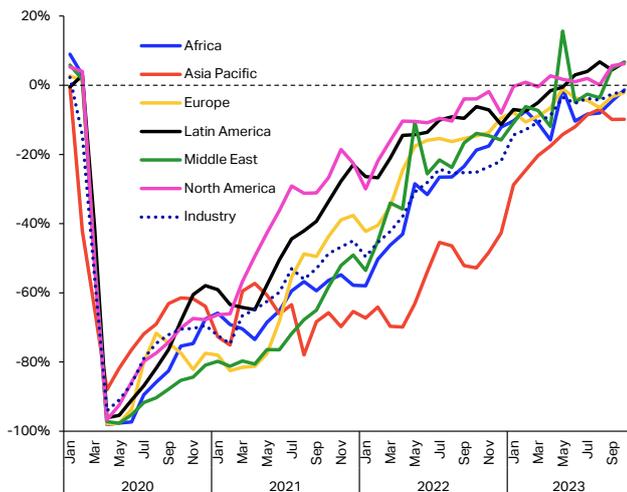
Chart 2 – Industry-wide passenger load factors, % share of ASKs



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

All regions witnessed strong growth in passenger traffic, with the Middle East, North America, and Latin America surpassing their 2019 RPKs by more than 6%. Meanwhile, African and European airlines are close to their recovery milestones, trailing by just 1.3 and 2.1 percentage points, respectively, from their pre-pandemic levels (see Chart 3). With a more than 90% annual growth rate, Asia Pacific airlines stood at less than 10% below its pre-pandemic levels.

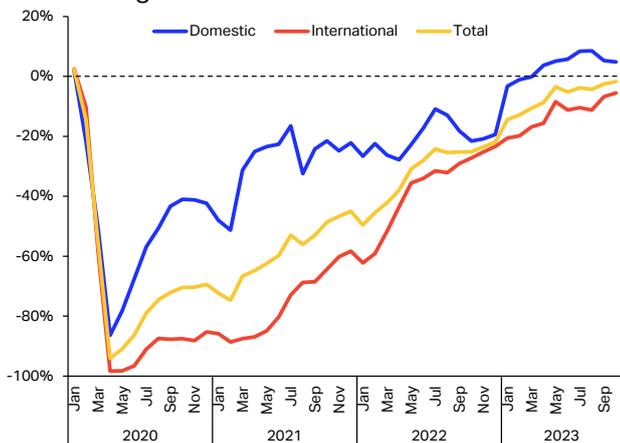
Chart 3 – Total RPKs by airline region of registration, YoY% change vs. 2019



...while total domestic traffic stabilized and international remained on track

In October, international passenger traffic continued its upward trend, with RPKs increasing by 29.7% year-on-year, approaching pre-Covid levels with a mere 5.6 percentage point gap, as shown in **Chart 4**. This growth trend was consistent across all regions over the past year. In contrast, domestic traffic experienced a slight downturn, yet it remains strong overall at 4.8% above 2019's RPKs.

Chart 4 – Global domestic and international RPKs, YoY% change vs. 2019



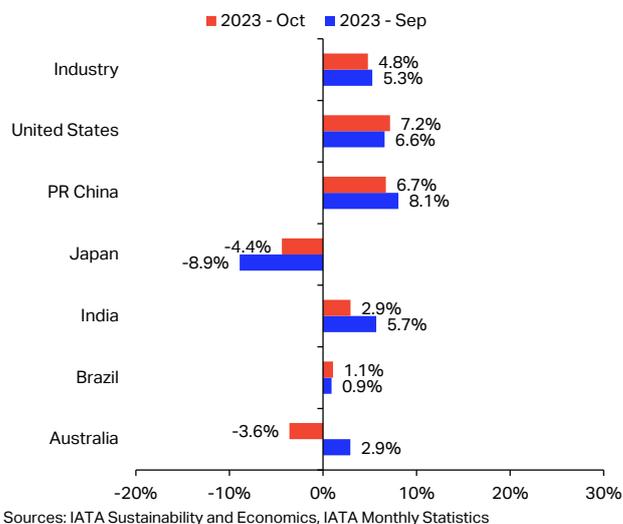
Robust results among monitored markets

China's domestic passenger traffic saw exceptional growth over the year, surging 252.6% YoY, a result mainly driven by a base effect as this market was affected by the reintroduction of travel restrictions in October 2022. As the pent-up tourism demand cools down, passenger traffic growth over 2019 levels has gradually slowed over the past months and reached 6.7% in October 2023 (**Chart 5**). The market's seat capacity however remained elevated compared to the increase in passenger traffic, standing 13.1% above

the October 2019 level partly driven by the now more frequent use of widebody aircrafts in domestic operations.

The steady recovery in global domestic traffic was also mirrored in majority of monitored markets. Traffic in India continued on its growth momentum, RPKs and ASKs increased 10.0% and 9.2% YoY. In October, Japan was the only market, amongst those monitored, to outperform its 2019 passenger load factor. The 2.2 ppt increase was driven by demand for air travel slightly outpacing the growth in available seats. Over the year, growth in RPKs remained stable, climbing 7.8% YoY while ASKs contracted 2.3% YoY (**Chart 5**).

Chart 5 – Domestic RPK growth by market, YoY% change vs. 2019



Traffic development in Australia carried on in seasonally adjusted terms RPKs grew 1.5% MoM and 14.9% annually in actual terms. In the US, domestic RPKs grew by 7.2% over pre-Covid levels. Brazil saw 5.0% annual growth in passenger traffic, surpassing 2019 levels by 0.8% (**Chart 5**).

All regions achieved further recovery in international traffic

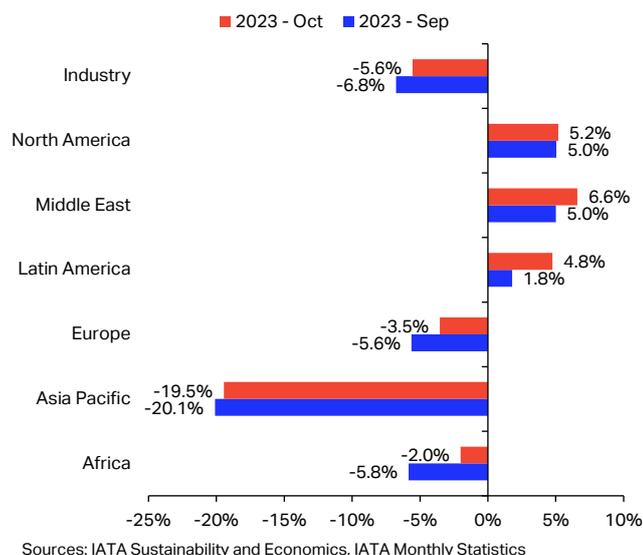
In October, international RPKs recovery remained on track, increasing 1.7% MoM in seasonally adjusted terms and 29.7% YoY in actual terms. The industry was only 5.6% short on 2019 RPKs levels while seat occupation reached 83.2%, 2.0 ppt above pre-pandemic. October was marked by the conflict in Israel and the Gaza Strip. Many international airlines have suspended service to Israel. These recent events have not significantly impacted October traffic levels at the global scale. Most of flights were previously operated by European and Middle Eastern airlines, which have not seen significant consequences.

Middle Eastern carriers posted strong results in October, international RPKs increased 24.1% YoY and 6.6% over 2019 levels. The number of available seats were nevertheless under those of 2019 by 2.7% while

high demand pushed the monthly load factor up 7 ppt, reaching 80.6%. European airlines saw 16.1% YoY growth in international traffic and were 3.5 ppt away from recovering their pre-Covid levels.

Asia Pacific carriers' international rebound remained on track, despite the recovery momentum unwinding over the past months. the region still leads in yearly growth with 80.3% and 72.5% YoY increases in RPKs and ASKs respectively. Nevertheless, compared to 2019, international RPKs made a modest progress of 0.6 ppt from September to October 2023 and stood 19.5% away from total recovery (Chart 6).

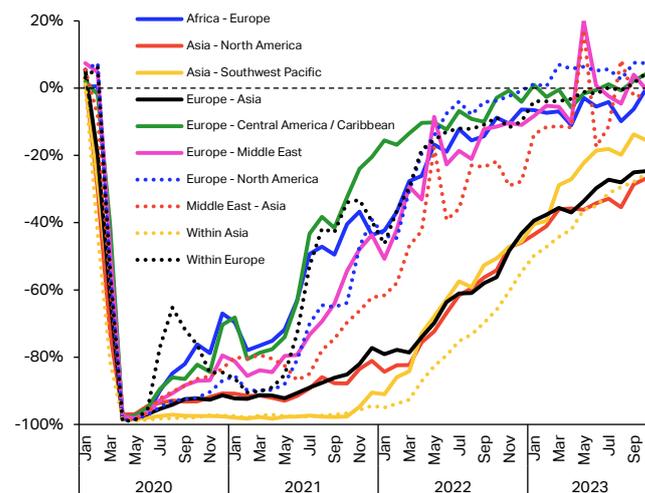
Chart 6 – International RPK growth by airline region of registration, YoY% change versus 2019



International traffic levels remained robust for North American and Latin American airlines, outperforming 2019 levels by 5.2% and 4.8%, mainly driven by resilience in passenger demand and traffic between the Americas, the Middle East and Europe, as well as within the region (Chart 7).

Airlines in Africa achieved 98.0% of October 2019 international RPKs, further approaching complete recovery. The region saw buoyant recovery in international connectivity on intra-regional routes and to its neighboring regions, Europe and the Middle East (Chart 7). The Africa – Europe route area was amongst the 10 most traffic intense worldwide in 2019 and reached complete monthly recovery for the first time in October.

Chart 7 – International RPKs, YoY% change vs. 2019 – Top 10 route areas in 2019

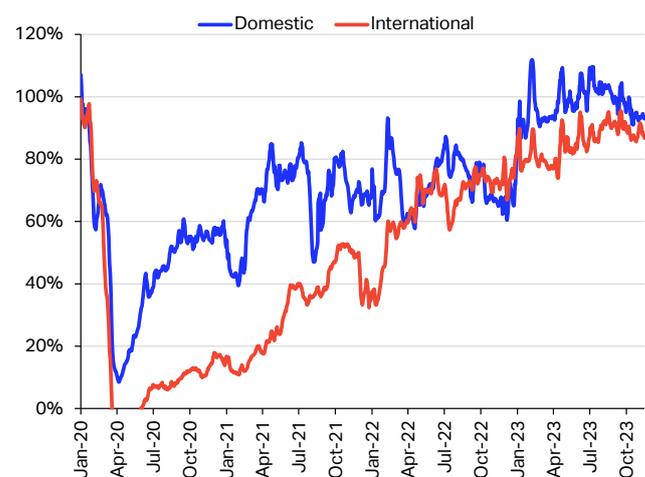


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Solid demand for air travel despite economic challenges posed to consumers

Over the past weeks, total air ticket sales trended horizontally, remaining close to the sales volumes observed in 2019 (Chart 8). Domestic ticket sales continued to reflect the slowdown in PR China and stagnated in early November. International ticket sales growth also steadied, however, remaining aligned with the stable demand recovery trend observed since early 2022. Despite the optimism that resilience in demand for air travel brings for the near future, elevated costs of living, high energy prices and pressures on household incomes continue to pose challenges for consumers.

Chart 8 – Ticket sales by purchase date, 7-day moving average - % share of 2019 levels



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		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	31.2%	29.4%	1.2%	-1.8%	-3.0%	1.0%	83.1%
Africa	2.1%	21.4%	29.0%	-4.4%	-1.3%	-2.4%	0.7%	70.7%
Asia Pacific	22.1%	90.9%	77.9%	5.6%	-9.8%	-10.6%	0.7%	82.1%
Europe	30.8%	14.7%	12.4%	1.7%	-2.1%	-1.8%	-0.3%	85.6%
Latin America	6.4%	13.6%	12.0%	1.3%	6.7%	2.6%	3.2%	84.8%
Middle East	9.8%	23.9%	21.4%	1.6%	6.6%	-2.8%	7.1%	80.6%
North America	28.8%	10.5%	13.7%	-2.4%	6.2%	6.4%	-0.2%	83.6%
International	58.1%	29.7%	28.0%	1.1%	-5.6%	-7.8%	2.0%	83.2%
Africa	1.8%	25.3%	32.4%	-4.0%	-2.0%	-3.4%	1.0%	70.3%
Asia Pacific	8.9%	80.3%	72.5%	3.6%	-19.5%	-22.6%	3.2%	82.9%
Europe	26.5%	16.1%	14.5%	1.2%	-3.5%	-2.2%	-1.1%	85.1%
Latin America	2.8%	21.2%	22.3%	-0.8%	4.8%	-0.3%	4.2%	85.3%
Middle East	9.4%	24.1%	22.2%	1.2%	6.6%	-2.7%	7.0%	80.6%
North America	8.7%	17.5%	17.5%	0.0%	5.2%	3.3%	1.5%	83.9%
Domestic	41.9%	33.7%	31.8%	1.2%	4.8%	5.5%	-0.6%	83.0%
Dom. Australia	1.0%	7.5%	11.4%	-3.1%	-3.6%	-2.8%	-0.7%	83.0%
Domestic Brazil	1.5%	8.9%	3.3%	4.3%	1.1%	1.9%	-0.7%	83.3%
Dom. China P.R.	6.4%	252.6%	188.2%	14.7%	6.7%	13.1%	-4.8%	80.6%
Domestic India	2.0%	10.0%	9.2%	0.6%	2.9%	2.9%	0.0%	83.7%
Domestic Japan	1.2%	7.8%	-2.3%	7.5%	-4.4%	-7.0%	2.2%	79.8%
Domestic US	19.2%	7.9%	12.9%	-3.8%	7.2%	9.1%	-1.5%	83.2%

¹% of industry RPKs in 2022

Note: the six domestic passenger markets for which broken-down data are available account for approximately 31.3% of global total RPKs and 74.6% of total domestic RPKs

Note: The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.

IATA Sustainability & Economics

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