

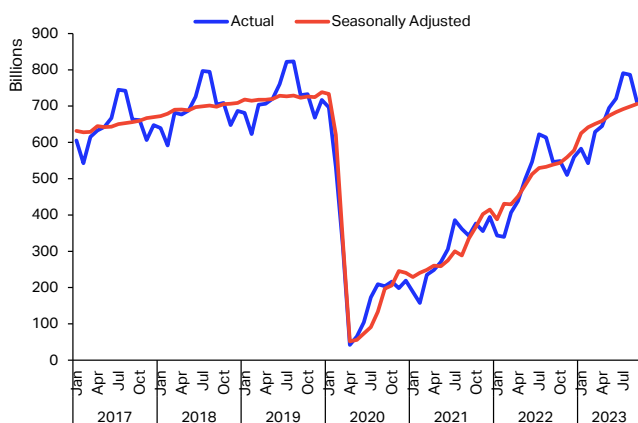
## Robust third quarter concludes with strong passenger growth

- In September, the industry showed continued strength in the air travel recovery, with revenue passenger-kilometers (RPKs) growing 30.1% year-on-year (YoY), reaching 97.3% of 2019 levels.
- Available seat-kilometers (ASKs) rebounded by 28.8% YoY, recovering to 96.5% of pre-pandemic capacity. Industry-wide passenger load factors rose to 82.6%.
- Domestic passenger traffic achieved 28.3% annual growth in September, and surpassed 2019 RPKs by 5.0%. International passenger traffic resumed recovery, with international RPKs increasing by 31.2% compared to the same month a year ago, reaching 93.1% of pre-pandemic levels.
- Despite these positive trends, slowing domestic demand and ticket sales highlight potential challenges in the industry's recovery.

### September showed continued strength in demand...

Across the industry, revenue passenger-kilometers (RPKs) grew 30.1% year-on-year (YoY) in September, bringing them closer to 2019 traffic levels. Seasonally-adjusted data indicate a steady expansion in RPKs, showing a 1.0% month-on-month (MoM) increase over August's numbers (**Chart 1**). Global RPKs are now within 2.7% of 2019 levels, marking substantial progress towards full recovery. Airlines in North America, Latin America and the Middle East have not only achieved full recovery in traffic volumes but have also experienced further growth in passenger traffic.

**Chart 1 – Global air passengers, revenue-passenger kilometers (RPKs), billions per month**

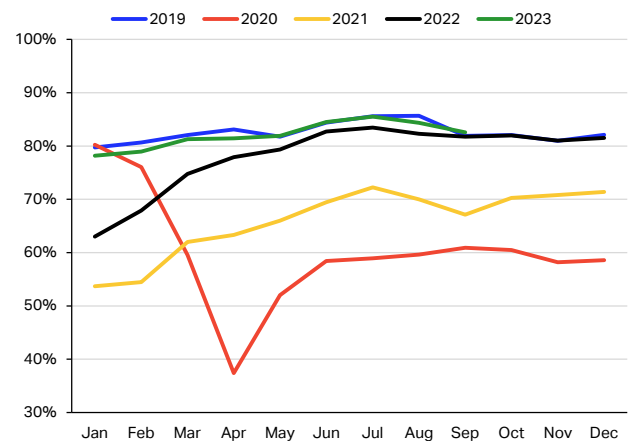


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Industry-wide capacity, which is measured in available seat-kilometers (ASKs), grew 28.8% YoY in September

and recovered to 96.5% of the levels seen in 2019. The passenger load factor (PLF) for the entire industry continued to trend near pre-Covid levels and is currently 0.7 percentage points (ppts) higher than it was a year ago (**Chart 2**). While there have been variations in results among different regions, the latest data show that airlines across the industry have fully recovered load factors.

**Chart 2 – Industry-wide passenger load factors, % share of available seat-kilometers (ASKs)**



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

### ...helped by domestic and international traffic growth

In September, the industry continued its ascent to new heights in domestic passenger traffic, with RPKs growing 28.3% YoY and surpassing September 2019 levels by 5.0%. However, this performance was not as

### Air passenger market in detail - September 2023

	World share <sup>1</sup>	September 2023 (% year-on-year)				September 2023 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>30.1%</b>	<b>28.8%</b>	<b>0.8%</b>	<b>82.6%</b>	<b>-2.7%</b>	<b>-3.5%</b>	<b>0.7%</b>	<b>82.6%</b>
International	58.1%	31.2%	29.2%	1.3%	83.8%	-6.9%	-9.2%	2.1%	83.8%
Domestic	41.9%	28.3%	28.2%	0.1%	80.7%	5.0%	7.1%	-1.6%	80.7%

<sup>1</sup>% of industry RPKs in 2022

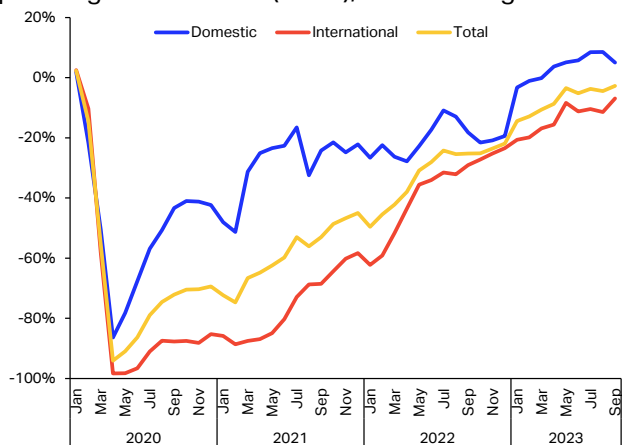
<sup>2</sup>Change in load factor

<sup>3</sup>Load factor level

strong as the growth witnessed in recent months when compared to 2019 numbers (**Chart 3**).

International traffic resumed recovery in September, after several months of stagnation. Growing 29.2% over September 2022 numbers, international RPKs reached 93.1% of pre-pandemic levels.

**Chart 3 – Global domestic and international revenue passenger-kilometers (RPKs), YoY% change vs. 2019**



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

**Domestic air travel recovery eased in PR China...**

China's domestic RPKs more than doubled with 168.7% YoY growth in September, exceeding 2019 levels by 8.1%. The strong annual growth, however, is partly due to a low base in September 2022 when travel restrictions were reintroduced in some Chinese provinces, leading to significant traffic contractions (**Chart 4**).

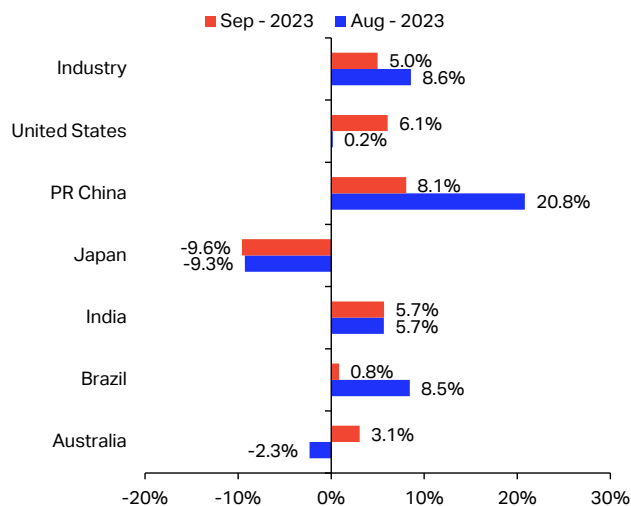
Seasonally adjusted data through September 2023 show that the growth momentum in China's domestic traffic is now tapering off, contributing to the industry-wide slowdown in the recovery of domestic traffic. ASKs remained 17.6% higher than in 2019, resulting in a market load factor lower than the 2019 level.

**... while other major domestic markets stabilized**

With the exception of Japan, all monitored domestic markets experienced growth in September, compared to their traffic levels in 2019 (**Chart 4**). In August, Japan's air system faced challenges due to typhoons and saw a year-on-year contraction in ASKs. However, RPKs and ASKs rebounded in September by 19.9% and 4.3% YoY, respectively. Domestic traffic in Japan is now at 90.4% of its September 2019 levels, approaching full recovery.

In India, domestic traffic sustained rapid growth in September, with a 17.2% annual increase in RPKs and a 5.7% rise over 2019 levels. Australia's traffic remained close to pre-pandemic numbers, growing by 3.1% over September 2019 levels, driven by strong traffic growth compared to the past seasonal patterns of September (**Chart 4**).

**Chart 4 – Domestic RPK growth by market, YoY% change vs. 2019**



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

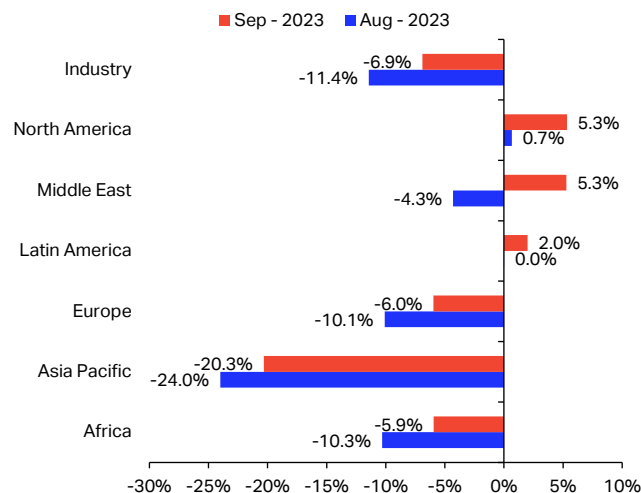
In the US, domestic RPKs grew by 5.5% YoY and by 6.1% over pre-Covid levels in September, as a positive trend in seasonally adjusted terms persisted. Brazil saw 5.0% annual growth in passenger traffic, surpassing 2019 levels by 0.8% (**Chart 4**).

**International traffic growth picked up pace...**

In September, total international RPKs increased 1.0% MoM, marking a faster pace of growth compared to the previous months of the peak season. While airlines in North America, Latin America and the Middle East reached their pre-pandemic traffic levels this month, Asia Pacific carriers nearly doubled their international RPKs compared to the previous year.

Airlines in the Asia Pacific region maintained their fast recovery, with international RPKs growing by 92.6% YoY in September. This brought traffic for the region's carriers within 20.3% of their 2019 levels (**Chart 5**). The significant RPK growth outpaced the annual increase in ASKs, resulting in the region's PLF reaching 82.5%, 4.5 ppts above the previous year's levels and 4.0 ppts higher than 2019 levels.

**Chart 5 – International RPK growth by airline region of registration, YoY% change versus 2019**



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

African and Middle Eastern carriers both experienced robust growth in their international passenger traffic, with their RPKs increasing 28.1% and 26.6% above September 2022 levels, respectively (Chart 5). Both regions outperformed their pre-pandemic PLFs. Middle East carriers, alongside Latin American and North American airlines, also surpassed their 2019 international RPK levels.

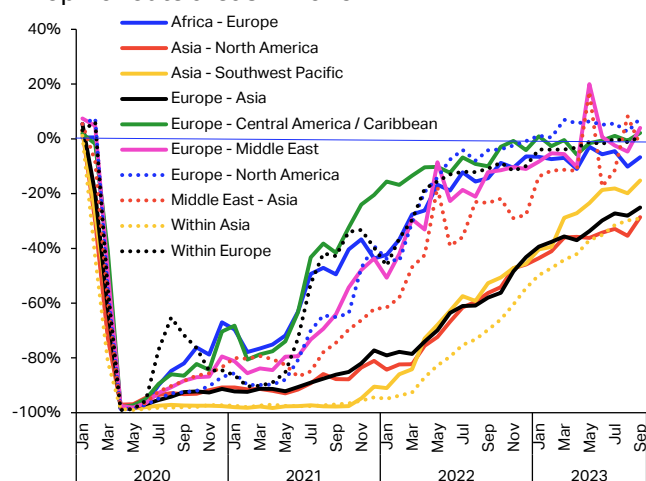
Latin American carriers expanded their recovery beyond pre-Covid levels in September, with a remarkable 26.8% annual growth in international RPKs. Airlines in North America continued to advance their recovery, achieving an 18.9% growth in international RPKs compared to the previous year and exceeding September 2019 levels for the sixth month in row, now with a substantial margin of 5.3% (Chart 5).

Apart from airlines registered in Africa, international RPKs outpaced ASKs, leading to an increase in the international PLF across the board by 1.3 ppts compared to the September 2022 level, and a 2.1 ppt improvement over the September 2019 PLF.

... with the recovery in international traffic broadly reflected across major route areas

Traffic performance for major route areas showed an increase in traffic across most monitored routes in September, reversing the trend observed in August when international RPKs saw a slight contraction in their recovery to 2019 levels. Apart from the Middle East-Asia route area, routes that had fully recovered to pre-pandemic levels expanded their recovery in September (Chart 6).

Chart 6 – International RPKs, YoY% change vs. 2019 – Top 10 route areas in 2019



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

The Europe-North America route area's RPKs exceeded 2019 levels by 7.5%. Europe-related routes generally performed well, with Europe-Central America/Caribbean, Europe-Middle East, and Within Europe reaching 2019 levels in September (Chart 6). Route areas that remained below 2019 levels also

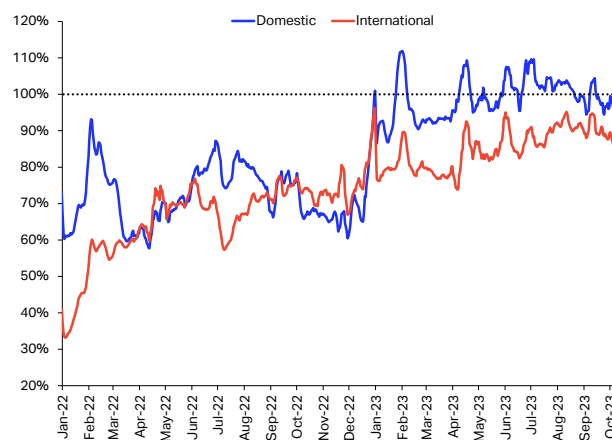
advanced their RPK recovery, with Asia-North America experiencing the largest improvement of 6.8 ppts, bringing the route area's traffic to be within 28.6% of full recovery.

Ticket sales continued to signal weakening global demand for air travel

In September, industry-wide traffic recovered to 97.3% of 2019 levels, despite a slowdown in domestic markets. However, recent developments in ticket sales data continue to signal declining demand for domestic travel. Over the past weeks, the decrease in passenger demand in China has been the main contributor to the global trend in domestic demand. The latest data suggest that total domestic passenger traffic growth could remain flat or decline as pent-up tourism in China cools down, impacting industry-wide and regional numbers (Chart 7).

International ticket sales steadily increased over the third quarter but now follow a similar downward trend as domestic sales. Despite the elevated risks posed by high consumer prices and a slowdown in China, air travel demand could remain resilient to these headwinds in the coming months.

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



Sources: IATA Sustainability and Economics, DDS

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		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>30.1%</b>	<b>28.8%</b>	<b>0.8%</b>	<b>82.6%</b>	<b>-2.7%</b>	<b>-3.5%</b>	<b>0.7%</b>	<b>82.6%</b>
Africa	2.1%	24.6%	27.2%	-1.5%	73.1%	-4.6%	-5.4%	0.6%	73.1%
Asia Pacific	22.1%	87.9%	75.5%	5.3%	80.0%	-10.1%	-9.9%	-0.2%	80.0%
Europe	30.8%	13.8%	12.8%	0.8%	86.0%	-3.6%	-3.0%	-0.6%	86.0%
Latin America	6.4%	15.7%	14.3%	1.1%	83.9%	4.7%	2.3%	1.9%	83.9%
Middle East	9.8%	26.1%	22.8%	2.2%	81.6%	5.2%	-3.3%	6.6%	81.6%
North America	28.8%	9.7%	12.5%	-2.1%	83.0%	5.4%	5.0%	0.3%	83.0%
<b>International</b>	<b>58.1%</b>	<b>31.2%</b>	<b>29.2%</b>	<b>1.3%</b>	<b>83.8%</b>	<b>-6.9%</b>	<b>-9.2%</b>	<b>2.1%</b>	<b>83.8%</b>
Africa	1.8%	28.1%	29.9%	-1.0%	72.6%	-5.9%	-6.6%	0.5%	72.6%
Asia Pacific	8.9%	92.6%	82.1%	4.5%	82.5%	-20.3%	-24.2%	4.0%	82.5%
Europe	26.5%	15.7%	14.9%	0.6%	85.5%	-6.0%	-4.5%	-1.4%	85.5%
Latin America	2.8%	26.8%	24.7%	1.4%	85.8%	2.0%	-1.8%	3.2%	85.8%
Middle East	9.4%	26.6%	23.7%	1.9%	81.8%	5.3%	-3.2%	6.6%	81.8%
North America	8.7%	18.9%	18.0%	0.6%	85.6%	5.3%	2.4%	2.4%	85.6%
<b>Domestic</b>	<b>41.9%</b>	<b>28.3%</b>	<b>28.2%</b>	<b>0.1%</b>	<b>80.7%</b>	<b>5.0%</b>	<b>7.1%</b>	<b>-1.6%</b>	<b>80.7%</b>
Dom. Australia <sup>4</sup>	1.0%	7.2%	11.7%	-3.6%	84.7%	3.1%	0.3%	2.3%	84.7%
Domestic Brazil <sup>4</sup>	1.5%	5.0%	3.9%	0.8%	81.4%	0.8%	1.3%	-0.4%	81.4%
Dom. China P.R. <sup>4</sup>	6.4%	168.7%	135.2%	9.6%	76.7%	8.1%	17.6%	-6.8%	76.7%
Domestic India <sup>4</sup>	2.0%	17.2%	13.0%	3.1%	84.7%	5.7%	7.0%	-1.0%	84.7%
Domestic Japan <sup>4</sup>	1.2%	19.9%	4.3%	9.7%	74.9%	-9.6%	-6.2%	-2.8%	74.9%
Domestic US <sup>4</sup>	19.2%	5.5%	10.4%	-3.8%	81.3%	6.1%	7.7%	-1.3%	81.3%

<sup>1</sup>% of industry RPKs in 2022

<sup>2</sup>Change in load factor

<sup>3</sup>Load factor level

<sup>4</sup>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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9 November 2023

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