



Air Passenger Market Analysis

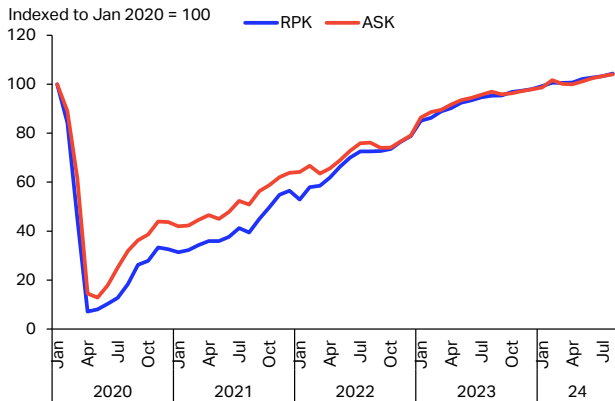
August 2024

Air travel keeps growing with record load factors in August

- Industry total Revenue Passenger-Kilometer (RPK) in August grew 8.6% year-on-year (YoY), versus 6.5% YoY growth in Available Seat-Kilometer (ASK). Passenger load factor (PLF) reached a new record high of 86.2%, indicating strong demand for air travel.
- Domestic traffic for the industry grew 5.6% YoY. PR China led with a 10.7% annual increase. Japan came second, with 7.6% YoY, more than doubling July's growth rate.
- Industry international passenger traffic in August marked 10.6% YoY. Asia Pacific and Latin America regions experienced double-digit growth, 19.9% and 13.6%, while the other regions grew between 4.3% and 10.1%.
- Air travel demand in the coming months displays signs of increased travel appetite vis-a-vis the previous year. Ticket sales for both international and domestic travel accelerated, with an average expansion of 5.7%.

Gradual increase for industry in passenger traffic

Chart 1 – Global RPK and ASK, Seasonally Adjusted, Indexed to Jan 2020 = 100



Sources: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Commercial air passenger traffic for the industry, measured in Revenue Passenger-Kilometers (RPK), remained on its steady growth trend in August 2024, accelerating from the previous month of 7.9% YoY to 8.6%: August 2024's RPK recorded 4.4% above levels achieved in January 2020, in seasonally adjusted terms. RPK rose by 0.4% MoM, as the fifth consecutive month of positive MoM growth (**Chart 1**).

Seats' supply, measured in Available Seat-Kilometers (ASK), remained positive. Global ASK increased by 6.5% year-on-year (YoY). In August, RPK expanded more than ASK, resulting in a historic high load factor (PLF) of 86.2% for the industry, 1.7 percentage points higher than a year before. This hints at higher demand

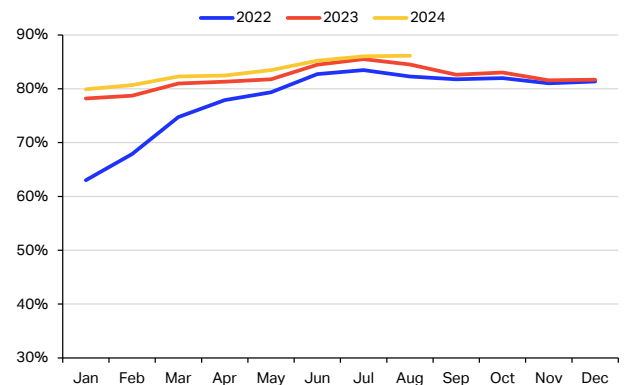
Air passenger market in detail - August 2024

	World share ¹	August 2024 (% year-on-year)				August 2024 (% year-to-date)			
		RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	8.6%	6.5%	1.6%	86.2%	11.9%	10.2%	1.3%	83.4%
International	60.1%	10.6%	10.1%	0.4%	85.7%	15.5%	15.2%	0.2%	83.1%
Domestic	39.9%	5.6%	1.2%	3.6%	86.9%	6.7%	3.0%	2.9%	84.0%

¹% of industry RPKs in 2023

for air travel, while the adverse effect of protracted supply-chain constraints also contribute (**Chart 2**). PLF reached 83.4% in year-to-date terms, 1.2 percentage points above the previous year's.

Chart 2 – Industry PLF, RPK's % share of ASK

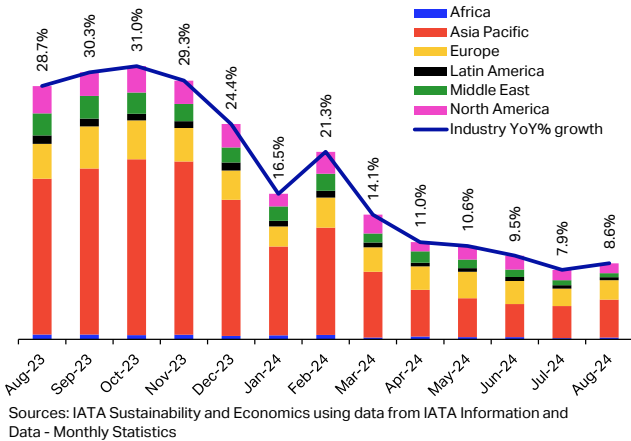


Sources: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Asia Pacific airlines continue to lead the industry's traffic growth in August, a trend consistent with recent years. However, overall growth rates are slowing as the industry adjusts to more conservative post-pandemic figures (**Chart 3**). Compared to the same period a year before, Asia Pacific airlines' contribution to the industry growth fell by 11.6 percentage points, while the Middle East's contribution dropped by 3.4 percentage points. In contrast, Europe's and North America's airlines increased their contribution by 12 and 2.1 percentage points, respectively (**Chart 3**).

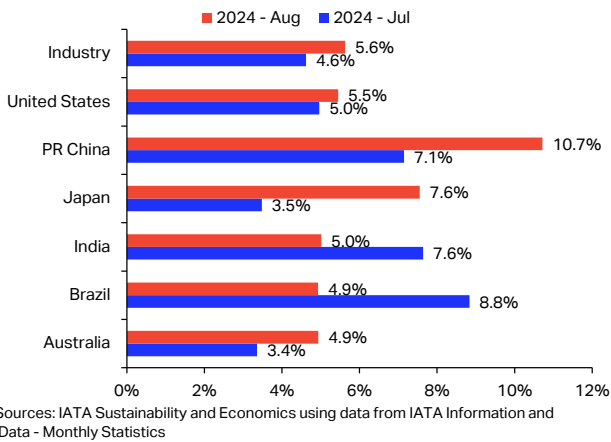
China's economy showed ongoing signs of slowing in August, with declines in both industrial output and retail sales, despite the summer holiday boost for the latter. This weighs heavily in its region since it is the biggest market, which would explain some of the contraction of Asia Pacific's growth contribution to the industry.

Chart 3 – Regional contribution to industry annual total RPK growth



PR China & Japan lead in domestic traffic growth

Chart 4 – Domestic RPK growth by market, YoY%

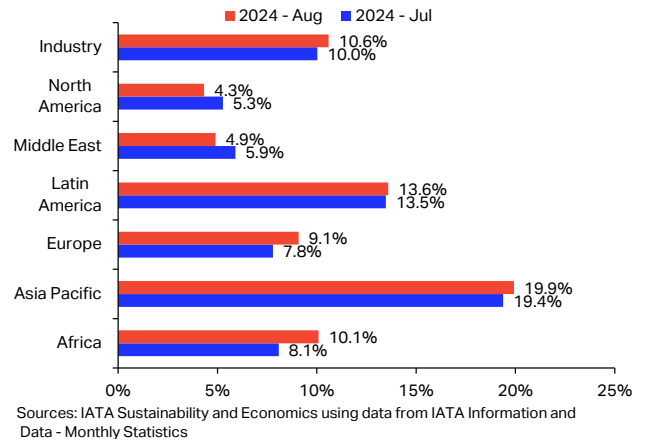


Industry total domestic RPK rose 5.6% YoY in August, a one percentage point increase from July (Chart 4). Domestic RPK volumes remain higher than in previous Augusts, both for the industry as a whole and across major markets. Domestic RPK YoY in the main markets were all above 4.9%, with PR China leading at 10.7% YoY. The domestic market of PR China in August 2024 has marked another new benchmark, and RPK volumes display no sign of deceleration, despite the weakening economy. Japan's domestic passenger market growth came second, at 7.6% YoY, an acceleration of 3.1 percentage points from the previous month. For the third consecutive month, Japan's domestic RPK volumes have marked all-time highs, signalling an improving economic performance. Passenger demand growth in Brazil decelerated from July, being at 4.9% YoY in August, which is in line with

its seasonal pattern. Since April, Brazil's RPK volumes have continued to create new unprecedented peaks, suggesting a positive outlook for the remainder of the year. The US' and India's domestic traffics in August continued their upward trend, with annual growth of 5.5% and 5.0%, respectively. Both have also recorded a monthly historic high in August with respect to RPK volumes.

International traffic growth picks up moderately

Chart 5 – International RPK growth by airline region of registration, YoY%



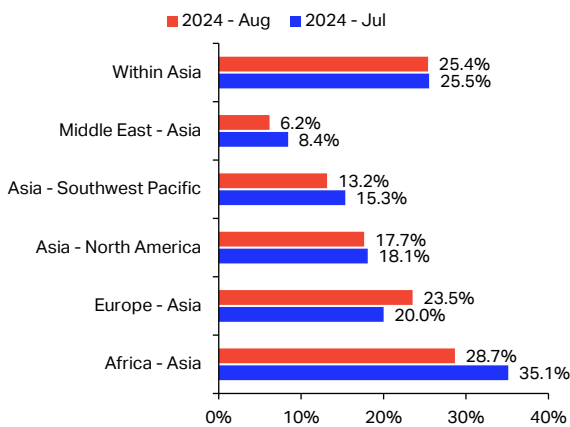
International passenger traffic in August, the primary driver of industry-wide growth, grew by 10.6% YoY, adding 0.6 percentage points to July's YoY (Chart 5). All regions' international markets achieved RPK YoY rates above 4.3%, with North America and the Middle East slightly decelerating compared to July, in line with their typical seasonal patterns. Airlines from the Asia Pacific region continued to lead, achieving the highest growth at 19.9% YoY, followed by Latin America and Africa, at 13.6% and 10.1%, respectively.

As of August 2024, international air travel demand's monthly volumes have marked historic highs, or inched closer to them, for all regions including for the whole industry, except for Asia Pacific, which is 8 percentage points from full recovery. PR China's economic woes and geopolitical tensions probably have an outsized effect on its region's and the industry's growth, given its market heft. Despite the current global political uncertainty, the strong demand for international travel in August points to a promising outlook.

Asia routes in August saw double-digit growths, except for Asia - Middle East (Chart 6). Africa-Asia retained the highest YoY growth in August with 28.7%, followed by international traffic within Asia at 25.4% and Europe - Asia at 23.5%. The route Asia - Middle East marked 6.2% YoY, the lowest YoY figure among the route-pairs. Notably, yearly growth has been positive for more than 30 consecutive months for all pairs from Asia. For the top three pairs in RPK volumes from Asia, namely within Asia, Asia - Europe, and Asia

– **Middle East**, the growth streak has been of 41 months each, in a sign of solid ties between the regions. Nonetheless, most markets have yet to reach previous highs in RPK volumes achieved in the month of August, except for the pairs **Asia - Africa** and **Asia – Middle East**. This is likely affected by the war in Ukraine, making flying over Russian airspace unfeasible for Western carriers, and geopolitical issues, mostly between Western countries and PR China, neither expected to dissipate in the near future.

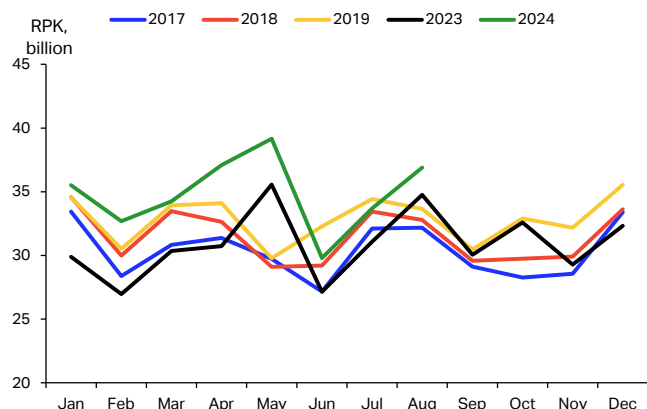
Chart 6 – International RPK, YoY% – Major route areas from and to Asia



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Asia-Middle East link continues to grow in importance

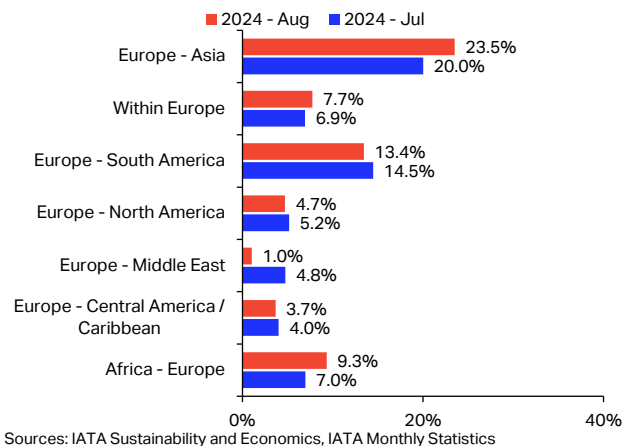
Chart 7 – International RPK for route pair Asia - Middle East



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

International RPK volumes originating from Asia maintain an upward trend. In particular, routes between Asia and the Middle East exhibit the highest levels of traffic in 2024 in most months including August, with significant peaks in May, compared to previous years, indicating strong growth.

Chart 8 – International RPK, YoY% – Major route areas from and to Europe

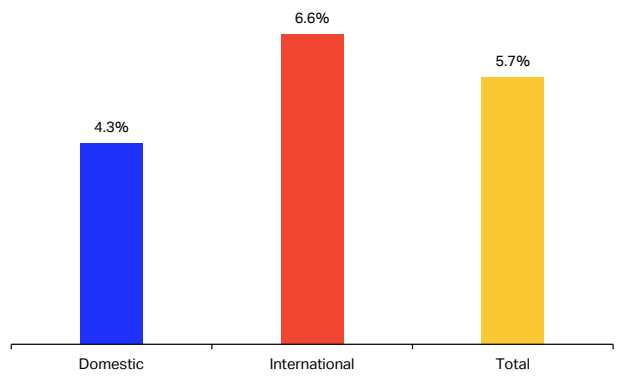


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Air travel from Europe in August denoted another positive month for international RPK, with YoY rates above 1% for all pairs (**Chart 8**). Most growths are now in the single digit, following recent growth stabilization across the world. **Europe – Asia** leads with 23.5%, the third most important pair by RPK volumes. Overall, all route pairs originating from Europe have been on a growth streak since early 2021, boding well for the region amid political instabilities, while RPK volumes in August have marked all-time highs for all pairs. The only exceptions are pairs **Europe – Asia** and **Europe – Middle East**, the former still markedly below its respective peak value of 2019 of the same month.

Outlook of demand for air travel remains optimistic

Chart 9 – Ticket sales, made in May – July for travel in August – September, YoY%



Sources: IATA Sustainability and Economics using data from DDS

Compared with last year, trip bookings made between May and July for travel during August and September saw a 5.7% YoY increase in industry ticket sales. Despite the typical seasonal upcoming slowdown, commercial air traffic is expected to keep rising. The international segment led the growth with a 6.6% rise, while domestic sales followed at 4.3% (**Chart 9**).

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TOTAL MARKET	100.0%	8.6%	6.5%	1.6%	86.2%	11.9%	10.2%	1.3%	83.4%
Africa	2.1%	9.6%	6.7%	2.1%	77.9%	13.5%	11.4%	1.4%	74.4%
Asia Pacific	31.7%	13.4%	8.7%	3.6%	86.0%	19.4%	14.5%	3.4%	83.2%
Europe	27.1%	7.8%	7.3%	0.4%	87.9%	9.4%	9.0%	0.3%	84.2%
Latin America	5.5%	6.5%	8.1%	-1.3%	84.0%	8.7%	7.7%	0.8%	83.7%
Middle East	9.4%	5.0%	5.9%	-0.7%	82.3%	11.0%	10.6%	0.3%	80.6%
North America	24.2%	4.8%	2.4%	2.0%	87.1%	6.2%	6.2%	0.0%	84.9%
International	60.1%	10.6%	10.1%	0.4%	85.7%	15.5%	15.2%	0.2%	83.1%
Africa	1.8%	10.1%	7.3%	2.0%	77.8%	13.2%	10.9%	1.5%	73.9%
Asia Pacific	14.7%	19.9%	18.8%	0.8%	85.2%	31.1%	30.4%	0.4%	84.0%
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North America	8.1%	4.3%	3.8%	0.4%	88.2%	8.7%	10.1%	-1.1%	84.5%
Domestic	39.9%	5.6%	1.2%	3.6%	86.9%	6.7%	3.0%	2.9%	84.0%
Dom. Australia	0.8%	4.9%	0.7%	3.5%	87.1%	4.4%	3.9%	0.4%	79.5%
Domestic Brazil	1.2%	4.9%	6.7%	-1.4%	81.7%	4.2%	3.1%	0.8%	80.9%
Dom. China P.R.	11.2%	10.7%	1.4%	7.3%	86.3%	13.9%	4.0%	7.2%	82.8%
Domestic India	1.8%	5.0%	7.3%	-1.8%	82.9%	4.7%	5.3%	-0.5%	86.8%
Domestic Japan	1.1%	7.6%	2.0%	4.5%	87.2%	2.4%	-0.7%	2.3%	76.2%
Domestic US	15.4%	5.5%	1.9%	2.9%	86.2%	5.2%	4.5%	0.5%	84.8%

¹% of industry RPKs in 2023

Note: the six domestic passenger markets for which broken-down data are available account for approximately 31.4% of global total RPKs and 78.8% 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. Historical statistics are subject to revision.

IATA Sustainability & Economics

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