Air Passenger Market Analysis

January 2026

Slower Growth in January due to Timing of Lunar New Year

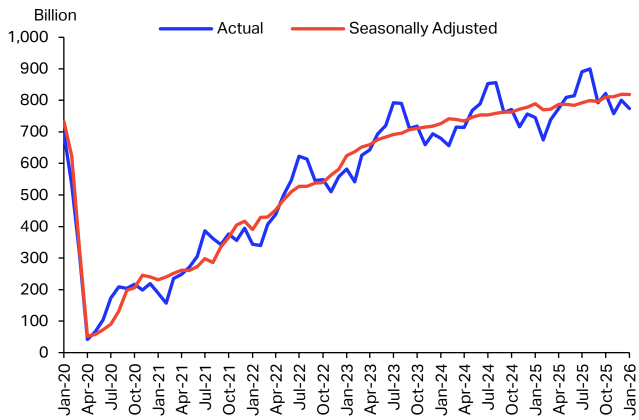
- Industry-wide Revenue Passenger Kilometers (RPK) expanded by 3.8% year-on-year (YoY) in January, down from 5.8% in December.
- The industry-wide passenger load factor (PLF) reached a record high for the month of January at 82.0%. Both international and domestic segments also saw their highest January PLF on record.
- Regions showed a mixed performance in total passenger traffic compared to December. Africa, Latin America and the Caribbean, and North America accelerated, while other regions experienced a slowdown. Asia Pacific growth, in particular, was affected by differences in the Lunar New Year timing.
- Domestic traffic stagnated in January, with RPK up 0.1% YoY. Performance varied across major markets, while the industry load factor edged up to 81.2%.
- International traffic expanded by 5.9% YoY, with all regions recording positive growth.
- Global scheduled seats are projected to grow by 5.2% YoY in February, the fastest since April 2024.

Reduced traffic growth in January

Global passenger traffic increased by 3.8% YoY in January, slowing by two percentage points from the 5.8% growth recorded in December and marking the weakest monthly expansion since June 2025. This moderation partly reflects the timing of the Lunar New Year, which fell in February this year, compared with January in 2025. Industry-wide RPK reached 774 billion during the month (Chart 1). On a seasonally adjusted basis, RPK was 3.7% higher than in January 2025 but declined marginally by 0.1% compared with December 2025.

Industry-wide capacity, measured in available seat kilometers (ASK), rose by 3.5% YoY in January. As capacity growth lagged the increase in demand, the PLF improved by 0.2 percentage points YoY, reaching 82.0%. This represents a record high for the month of January.

Chart 1: Global RPK, billion



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Air passenger market in detail - January 2026

	World share, % [1]	January 2026 (year-on-year, %)			
		RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	**100.0**	**3.8**	**3.5**	**0.2**	**82.0**
International	62.8	5.9	5.8	0.1	82.5
Domestic	37.2	0.1	-0.4	0.4	81.2

[1] % of industry RPK in 2025

Growth in both domestic and international passenger traffic slowed significantly

Both international and domestic passenger segments experienced a marked deceleration in traffic growth in January compared with December. Domestic passenger traffic was particularly weak, stagnating at just 0.1% YoY, which was 2.3 percentage points below the 2.4% growth recorded in December. As a result, domestic markets accounted for less than 2% of the net YoY increase in total passenger traffic for the month. Domestic capacity contracted by 0.4% YoY, which supported a 0.4 percentage point rise in the domestic PLF to 81.2%, the highest level on record for the month of January.

International passenger traffic grew by 5.9% YoY in January, moderating by two percentage points from the 7.9% increase recorded in December. International capacity rose by 5.8% YoY. With demand slightly outpacing supply, the international PLF grew by 0.1 percentage points YoY, reaching 82.5%, another record high for the month of January.

Mixed growth across regions

Total passenger traffic showed a mixed regional performance in January, with half of the regions experiencing acceleration in YoY growth, while the other half demonstrated slower expansions compared to December 2025 (Chart 2). Africa recorded the highest YoY increase in passenger demand, whereas North America posted the slowest.

African airlines recorded the highest YoY increase in passenger traffic among all regions, with a 17.9% YoY surge in total RPK. Latin America and Caribbean carriers followed with an 8.3% YoY gain, placing the region above the industry average of 3.8% for the second consecutive month. Growth was driven mainly by the international segment, which accounted for more than 72% of the region's YoY RPK expansion, alongside the robust domestic performance in key markets such as Brazil, where traffic rose by 10.9% YoY.

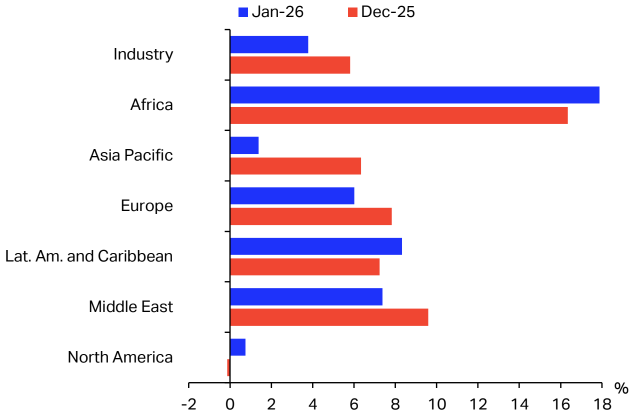
Middle Eastern carriers saw total traffic rise by 7.4% YoY in January. Airlines from the region were the second-largest contributor to global passenger growth in January, accounting for nearly 20% of the net increase in industry-wide RPK.

European airlines posted a 6.0% YoY increase in passenger traffic, supported by a 6.3% expansion in their international market. Europe accounted for over 37% of industry-wide traffic growth, making it the largest contributor to passenger growth in January.

Passenger traffic for Asia Pacific airlines rose by 1.4% YoY, easing significantly from the 6.3% YoY pace recorded in December. The slowdown reflects the shift in Lunar New Year, which moved from January in 2025 to February in 2026. The region placed below the industry average of 3.8% alongside North American carriers. The January growth was led primarily by the international segment, which expanded by 4.4% YoY. Airlines in the region contributed around 13% of the net increase in global RPK, making Asia Pacific the third-largest driver of worldwide passenger growth.

North America posted a modest 0.8% YoY increase in passenger demand, reversing the 0.1% YoY decline recorded in December. The growth was due to a 3.4% YoY expansion in international traffic, which offset the 0.7% contraction in the US domestic market.

Chart 2: Total RPK growth by airline region of registration, YoY, %



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

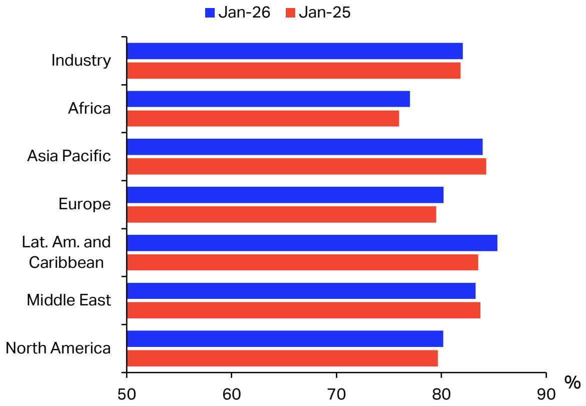
Only Middle East and Asia Pacific reported lower PLF

North American carriers posted a YoY increase in PLF in January (Chart 3). Capacity in the region rose by 0.1% YoY, outpaced by the 0.8% growth in passenger demand, and pushed the PLF up by 0.5 percentage points to 80.2%. This marked the first YoY improvement in PLF after eleven consecutive months of decline in the region.

Latin American and Caribbean airlines recorded the highest PLF globally at 85.3%, an increase of 1.8 percentage points YoY, which is the highest PLF gain among all regions.

For Middle Eastern carriers, the PLF fell by 0.5 percentage points YoY to 83.3%, ending three consecutive months of YoY PLF gains. In Asia Pacific, the PLF reached 83.9% in January, down 0.3 percentage points YoY after nine straight months of increase.

Chart 3: Regional and industry passenger load factors, RPK share of ASK, %



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Domestic growth was limited at the start of 2026

Industry-wide domestic passenger traffic stagnated in January. Growth in the India, Brazil and Japan domestic markets were offset by contractions in the US, China and Australia (Chart 4).

Brazil recorded double-digit growth, ranking as the strongest-performing major domestic market in January. RPK increased by 10.9% YoY, while capacity rose by 8.3%, allowing the load factor to climb by two percentage points to 84.9%. This placed Brazil among the highest-load domestic markets for the month.

A return to expansion was posted in India, where traffic rose by 3.4% YoY after December's contraction. Capacity grew more quickly at 4.5% YoY, leading to a 0.9 percentage point decline in the load factor to 87.2%. Despite the easing, utilization remained the highest among large domestic markets.

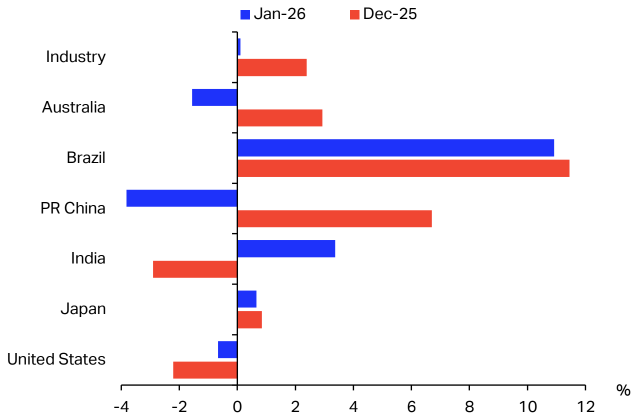
More modest growth was recorded in Japan, with domestic RPK increasing by 0.7% YoY. Capacity declined by 2.0%, with Japanese carriers prioritizing international capacity expansion. This tightened domestic supply and lifted the load factor to 75.9%, up by two percentage points. This increase was among the more notable changes across major domestic markets in January.

Elsewhere, traffic contracted. Domestic RPK in the US declined by 0.7% YoY, the third consecutive month of contraction. This was accompanied by a 1.2% reduction in capacity, with the US government shutdown contributing to the reduction in both demand and capacity. The load factor rose by 0.4 percentage points to 78.7%, remaining below the industry average.

Passenger volumes in Australia also fell by 1.6% YoY in January. The later school holiday schedule this year shifted part of the travel demand into February, reducing traffic volumes in January. Capacity expanded by 3.4%, resulting in a 3.8 percentage point decline in the load factor to 75.4%, the lowest among major domestic markets.

China recorded a decline in January, a pattern most often seen when the Lunar New Year falls in a different month than the year before. Domestic RPK fell by 3.8% YoY, matching the contraction in capacity. The load factor edged down slightly to 83.1%.

Chart 4: Domestic RPK growth by market, YoY, %



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

International traffic showed slightly slower expansion in January

Airlines from all regions recorded positive international traffic growth. However, most regions posted decelerated expansions, except for Africa and Latin America and the Caribbean (Chart 5).

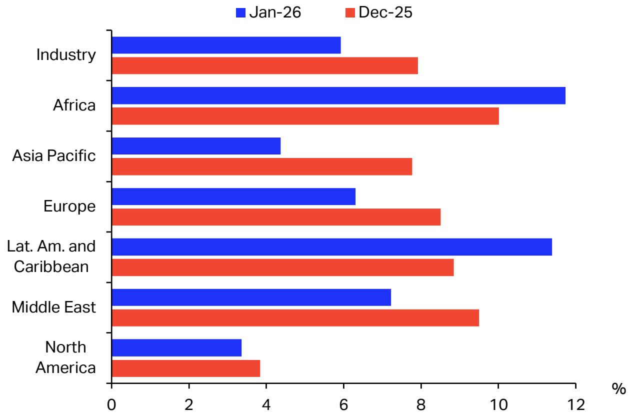
Carriers in Africa recorded the fastest international traffic growth, with RPK up 11.7% YoY. Capacity rose by 10.1%, lifting the load factor by 1.1 percentage points to 77.4%. Double-digit growth was also observed in Latin America and the Caribbean. Traffic rose by 11.4% YoY, while capacity expanded by 8.9%, resulting in a two-percentage point increase in the load factor to 86.5%, the highest among all regions.

The Middle East recorded traffic growth of 7.2% YoY, accompanied by 7.8% capacity expansion. The load factor declined modestly by 0.4 percentage points to 83.2%. European carriers posted 6.3% YoY growth in international RPK. Capacity increased by 5.7%, resulting in a 0.5 percentage point rise in the load factor to 79.4%. The load factor stood below the industry average for the month.

For airlines in the Asia Pacific region, international RPK increased by 4.4% YoY, below recent levels. Differences in Lunar New Year timing compared with last year affected the YoY comparison, particularly in markets that observe the festival or have significant exposure to Lunar New Year–related travel flows, including China, Singapore, Malaysia, and Japan. Capacity grew by 5.2%, leading to a 0.7 percentage point decline in the load factor to 85.9%.

The slowest growth was observed for North American airlines, where international RPK rose by 3.4% YoY, below the industry-wide average. Capacity increased by 2.6%, pushing the load factor up by 0.6 percentage points to 82.3%.

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



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Decelerated growth for most route areas for Asia Pacific

Most major international route areas serving Asia Pacific recorded slower traffic growth in January, reflecting the absence of Lunar New Year–related international travel during the month (Chart 6). The only exception was the North/South America–Southwest Pacific corridor, which saw accelerated growth.

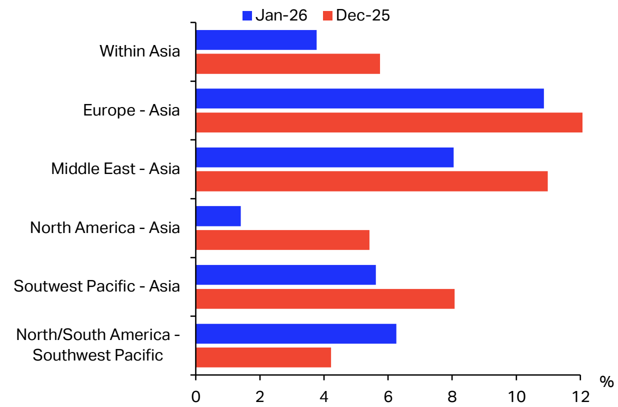
International traffic within Asia, the region's largest international route area, grew by 3.8% YoY in January, easing from the 5.7% growth in December. Several major source markets for this corridor registered YoY declines, including China, Japan, Thailand, and Singapore. The contractions underscore the effect of altered Lunar New Year–related travel on these markets. Adding to the slowdown in growth, traffic from China to Japan halved YoY in January, with the weakness exacerbated by ongoing bilateral tensions.

Growth in traffic between Europe and Asia was more resilient, with the corridor expanding by 10.9% YoY. January is typically a strong month for Europe–Asia travel, supported by European winter outbound leisure demand to South and Southeast Asia, which helped mitigate the impact of the shift in Lunar New Year timing.

By contrast, traffic growth on the Middle East–Asia, North America–Asia, and Southwest Pacific–Asia corridors slowed more markedly, with expansions of 8.0%, 1.4%, and 5.6% YoY, respectively. However, traffic on these routes is expected to strengthen in February as Lunar New Year–related travel shifts into that month. Meanwhile, traffic between North/South America and the Southwest Pacific increased by 6.3% YoY, accelerating from 4.2% growth in December, as Lunar New Year has a limited influence on travel demand in this corridor.

The PLFs declined YoY across most major international route areas serving Asia Pacific in January. The sole exception was the within-Asia corridor, where the PLF rose by 0.6 percentage points to 81.6%, as traffic growth outpaced the 3.0% increase in capacity. In contrast, the North/South America–Southwest Pacific corridor saw a 2.4 percentage point YoY decline in PLF, driven by the 9.5% YoY capacity expansion that outstripped demand.

Chart 6: RPK growth across major Asia Pacific international route areas, YoY, %



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics. Route areas are ordered by size, from largest to smallest

Better performance in international routes for Latin America compared to North America

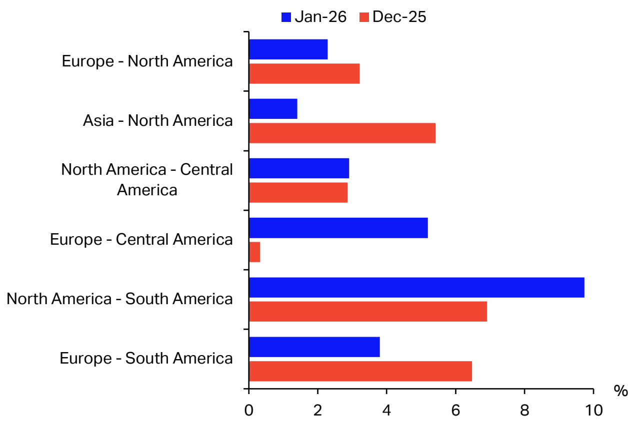
In January, international route areas serving Latin America generally recorded stronger growth and outperformed those linked to North America (Chart 7).

Growth on the trans-Atlantic corridor, the largest international route area for the Americas, moderated to 2.3% YoY from 3.2% in December. Traffic on the Asia–North America corridor expanded by only 1.4% YoY, making it the weakest-performing major route area serving the Americas. Meanwhile, traffic growth between North and Central America remained relatively stable, at 2.9% YoY.

By contrast, traffic between Europe and Central America accelerated sharply, surging to 5.2% YoY from just 0.3% growth in December. This improvement was driven by particularly strong demand on routes linking Europe with the Dominican Republic, Costa Rica, and Panama. The North–South America corridor also remained robust, expanding by 9.7% YoY in January. Growth on the Europe–South America corridor softened slightly, however, slowing to 3.8% YoY.

In terms of the PLF, the Asia–North America and North–Central America corridors recorded marginal YoY declines, as capacity growth outpaced demand. By contrast, all other major international route areas serving the Americas saw PLF growth, with Europe–Central America and Europe–South America posting increases of more than two percentage points.

Chart 7: RPK growth across major Americas international route areas, YoY, %



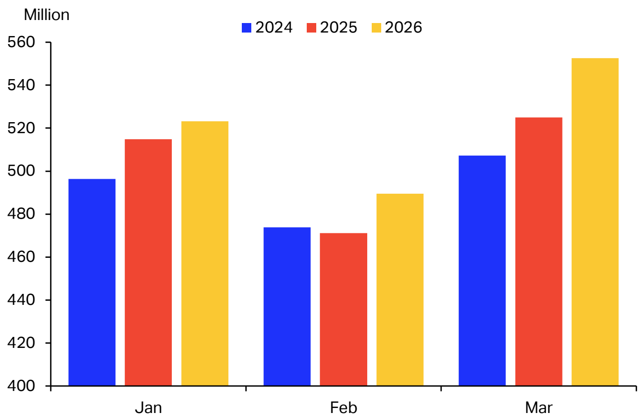
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics. Route areas are ordered by size, from largest to smallest

Strong growth in scheduled seats for March

Global seat capacity started 2026 on a solid footing. Although growth in January was relatively modest at 1.6% YoY, this largely reflected slower expansion in the Asia Pacific region, due to the shift in months for the Lunar New Year (Chart 8). Capacity growth strengthened noticeably in February, with global seats increasing by 3.9% YoY.

Looking ahead, growth is expected to accelerate further in March, with global seat capacity projected to expand by 5.2% YoY. This would mark the strongest monthly growth rate since April 2024, underscoring improving momentum in the global aviation market. The rebound in capacity growth is generally broad-based across regions. Capacity expansion is particularly robust in Africa, the Middle East, and Asia Pacific, where seat capacity will rise by 9.4%, 7.5%, and 6.8% YoY, respectively, in March.

Chart 8: Industry-wide scheduled seats



Sources: IATA Sustainability and Economics, OAG schedules

Air passenger market in detail - January 2026

	World share, %[1]	January 2026 (year-on-year, %) RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	**100.0**	**3.8**	**3.5**	**0.2**	**82.0**
Africa	2.2	17.9	16.3	1.0	77.0
Asia Pacific	34.4	1.4	1.8	-0.3	83.9
Europe	26.7	6.0	5.1	0.7	80.2
Latin America and Caribbean	5.4	8.3	6.0	1.8	85.3
Middle East	9.5	7.4	8.0	-0.5	83.3
North America	21.8	0.8	0.1	0.5	80.2
International	**62.8**	**5.9**	**5.8**	**0.1**	**82.5**
Africa	1.9	11.7	10.1	1.1	77.4
Asia Pacific	17.7	4.4	5.2	-0.7	85.9
Europe	23.6	6.3	5.7	0.5	79.4
Latin America and Caribbean	2.9	11.4	8.9	2.0	86.5
Middle East	9.1	7.2	7.8	-0.4	83.2
North America	7.6	3.4	2.6	0.6	82.3
Domestic	**37.2**	**0.1**	**-0.4**	**0.4**	**81.2**
Dom. Australia	0.8	-1.6	3.4	-3.8	75.4
Dom. Brazil	1.2	10.9	8.3	2.0	84.9
Dom. China P.R.	11.3	-3.8	-3.8	-0.1	83.1
Dom. India	1.7	3.4	4.5	-0.9	87.2
Dom. Japan	1.0	0.7	-2.0	2.0	75.9
Dom. United States	13.6	-0.7	-1.2	0.4	78.7

Note [1]: % of industry RPK in 2025

Note [2]: 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.

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