Air Passenger Market Analysis

July 2026

Passenger Traffic Returned to Growth in July

- Industry-wide Revenue Passenger Kilometers (RPK) increased by 0.2% year-on-year (YoY) in July, after three consecutive months of contraction triggered by the Iran war.
- The industry Passenger Load Factor (PLF) declined marginally by 0.1 percentage points YoY, but remained elevated at 85.2%.
- The drop in traffic of Middle Eastern airlines eased further, while Asia Pacific carriers returned to growth after two months of decline. North American airlines continued to record weaker traffic volumes.
- Domestic traffic resumed growth and was up 0.6% YoY, primarily driven by the rebound in China's domestic market.
- The decrease in international traffic continued to moderate, to just 0.1% YoY in July.
- Scheduled seat capacity is expected to increase by 1.9% YoY in August and by 2.9% YoY in September.

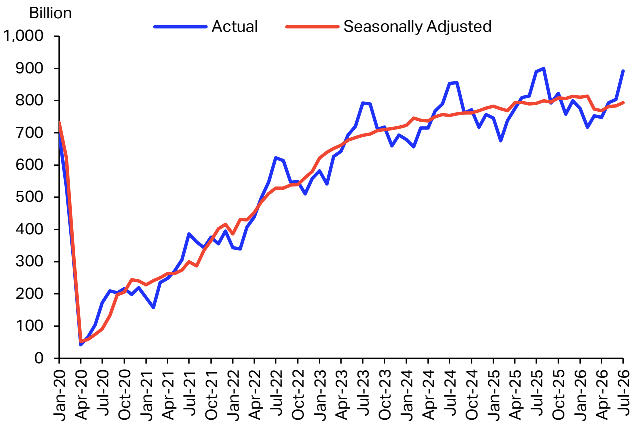
Passenger traffic returned to growth in July as Middle East weakness eased and Asia Pacific recovered

Global passenger traffic returned to growth in July after three consecutive months of contraction, albeit at a modest 0.2% YoY rate. Traffic carried by Middle Eastern airlines decreased, but the pace of the decline continued to moderate. Excluding Middle Eastern carriers, global passenger traffic grew by 1.2% YoY. Asia Pacific airlines returned to growth after two months of contraction, while the decline among North American carriers deepened.

Industry RPK reached 892 billion in July **(Chart 1)**. On a seasonally adjusted basis, passenger traffic increased by 0.3% YoY and performed more strongly on a month-on-month basis, rising by 1.3% compared with June.

Capacity, measured in Available Seat Kilometers (ASK), rose by 0.3% YoY in July. This was the first increase following four consecutive months of capacity contraction. As capacity expansion slightly outpaced demand, the PLF dropped by 0.1 percentage points YoY to 85.2%, but remained on the high end.

Chart 1: Global RPK, billion



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

Air passenger market in detail - July 2026

	World	July 2026 (year-on-year, %)				July 2026 (year-to-date, %)			
	share, % [1]	RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	**100.0**	**0.2**	**0.3**	**-0.1**	**85.2**	**0.6**	**0.1**	**0.4**	**83.4**
International	62.8	-0.1	0.3	-0.3	85.2	0.4	-0.4	0.7	83.5
Domestic	37.2	0.6	0.2	0.3	85.3	1.0	1.0	0.0	83.2

[1] % of industry RPK in 2025

International weakness continued to ease as domestic markets returned to growth

Domestic markets improved significantly in July and returned to growth after two months of contraction. International markets recorded only a marginal decline.

International traffic dropped by 0.1% YoY in July, an improvement from the 0.6% decline recorded in June. Excluding Middle Eastern carriers, global international traffic grew by 1.5% YoY in July. International capacity rose by 0.3% YoY after four consecutive months of reduction. The international PLF was down 0.3 percentage points YoY to 85.2%.

Domestic traffic grew by 0.6% YoY in July after a 2.8% decline in June. The improvement was primarily driven by the Chinese market, which returned to growth. Domestic capacity rose by 0.2% YoY after two months of contraction. As the increase in demand exceeded the capacity gains, the domestic PLF improved by 0.3 percentage points YoY to 85.3%.

Traffic expansion accelerated across most regions, but the PLFs generally remained below 2025 levels

Traffic growth strengthened across most regions in July. The only exceptions were carriers in the Middle East and North America, which continued to see traffic decrease, although the former showed a smaller decline than in June 2026 **(Chart 2)**. The July PLF of airlines in most regions remained below 2025 levels, with only Asia Pacific and North American carriers recording increases **(Chart 3)**.

Traffic carried by Middle Eastern carriers fell by 10.0% YoY. Although still the weakest regional performance, the contraction moderated from 13.8% YoY in June as geopolitical disruptions partially eased. Capacity declined by 6.2% YoY, a slower pace than the fall in demand, resulting in a 3.4 percentage point decline in the PLF to 80.7%.

North American carriers reported a 1.2% YoY decline in traffic, marking a third consecutive month of contraction. This decline reflected softer international traffic, alongside continued weakness in the US domestic market. Capacity fell by 1.8% YoY, a faster pace than demand, lifting the PLF to 87.3%.

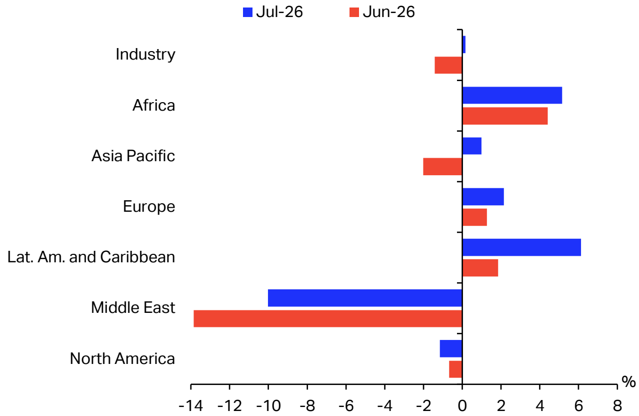
Airlines in Latin America and the Caribbean recorded the strongest traffic growth among regions in July, with demand rising by 6.1% YoY. The performance was driven by international traffic, which increased by 7.1% YoY, as well as strong growth in key domestic markets such as Brazil. Capacity grew by 6.6% YoY, slightly outpacing demand, and the PLF was down by 0.4 percentage points to 85.3%.

African carriers showed 5.2% YoY growth in demand. Capacity expanded by 7.3% YoY, outpacing demand and leading to a 1.5 percentage point decline in the PLF to 75.1%.

European airlines posted a 2.1% YoY increase in passenger traffic, supported by a 3.1% rise in international demand. Capacity grew slightly faster, by 2.3% YoY, and the PLF dropped by 0.1 percentage points to 87.7%. This was the highest PLF among regions in July.

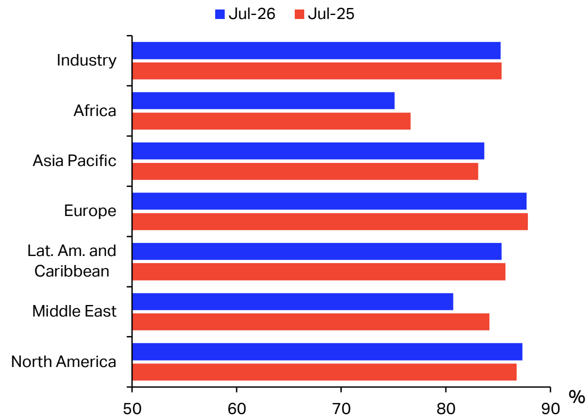
Carriers from Asia Pacific recorded a 1.0% YoY rise in passenger traffic in July, after contracting in the previous two months. Growth was supported by stronger demand in key domestic markets, including China, the region's largest domestic market, and Japan. Capacity expanded by 0.3% YoY, pushing the PLF up by 0.6 percentage points to 83.7%, a record high for July.

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



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

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



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

Domestic traffic returned to growth

Total domestic passenger traffic returned to growth in July, increasing by 0.6% YoY after two consecutive months of declines. The rebound was driven by China, while Brazil and Japan also recorded traffic increases. By contrast, India posted a sharp drop, and domestic traffic decreased modestly in Australia and the US **(Chart 4)**.

China led the recovery in global domestic traffic. Domestic RPK increased by 5.3% YoY, after declining in May and June. Reductions in domestic fuel surcharges from early July could have supported traffic demand. Capacity expanded by 4.7%, which was slightly below the pace of demand growth and increased the domestic PLF by 0.5 percentage points to 83.6%.

Brazil recorded the highest growth among the major domestic markets, with RPK increasing by 6.0% YoY. Capacity expanded more rapidly, by 8.0% YoY, leading to a 1.5 percentage point decline in the PLF to 84.1%.

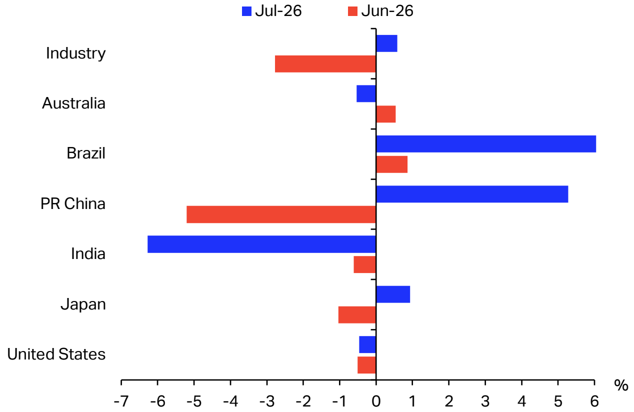
Japan returned to growth and domestic traffic increased by 0.9% YoY after dropping in June. Capacity rose by a more modest 0.4% YoY, resulting in a 0.4 percentage point improvement in the PLF to 81.8%.

Domestic traffic in the US continued to slow, with domestic RPK declining by 0.5% YoY. July was the third consecutive month of traffic decrease. Capacity fell by 1.4% YoY, a larger decline than demand, which pushed the PLF up by 0.8 percentage points to 86.7%. This remained the highest PLF among the major domestic markets.

Australia's domestic market contracted by 0.5% YoY. Capacity increased by 1.2% YoY, leading to a 1.5 percentage point drop in the PLF to 83.6%.

India's domestic market posted the weakest performance, with traffic dropping by 6.3% YoY, deepening the fall recorded in June. Capacity declined by 6.0%, broadly in line with demand, resulting in a 0.2 percentage point reduction in the PLF to 82.7%.

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



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

International traffic stabilizes as Middle East drag moderates

International passenger traffic was broadly unchanged in July, with RPK down by 0.1% YoY. Solid growth among Latin American and Caribbean, African, and European carriers was offset by declines in the Middle East, North America, and Asia Pacific. The Middle East remained the largest drag, although the contraction eased further compared with June **(Chart 5)**.

International traffic carried by Middle Eastern airlines decreased by 9.5% YoY, which was still the deepest decline across regions but an improvement from the 13.9% drop in June. Capacity decreased by 5.8% YoY, less than the fall in demand and pushing the PLF down by 3.3 percentage points to 80.9%.

North American airlines continued to record weak international performance in July, with both demand and capacity declining by 2.3% YoY. As demand and capacity moved in tandem, the PLF remained unchanged at 88.2%, the highest among all regions.

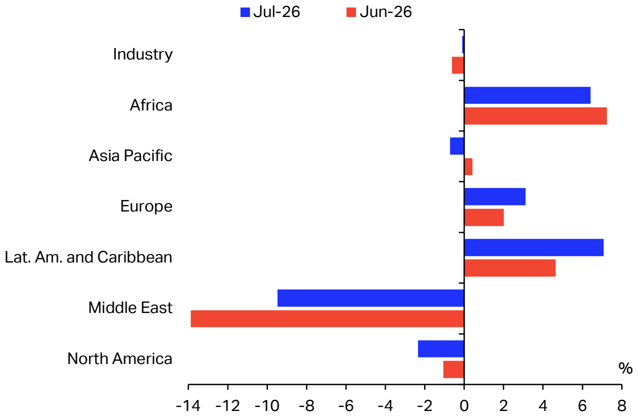
Asia Pacific carriers registered a 0.7% YoY decline in international traffic. The 1.7% reduction in capacity was larger than the fall in demand, raising the PLF by 0.9 percentage points to 84.5%.

By contrast, Latin American and Caribbean carriers recorded the strongest performance among regions, with international traffic growth accelerating to 7.1% YoY. Capacity kept pace at 7.2% YoY, leaving the PLF broadly steady at 85.7%.

African airlines continued to record strong performance, with international RPK increasing by 6.4% YoY, the second-fastest pace across regions. A larger 9.0% YoY expansion in capacity, however, reduced the PLF by 1.8 percentage points to 74.1%, which remained the lowest among regions.

European carriers recorded a 3.1% YoY rise in international RPK. Capacity growth was almost identical at 3.2% YoY, keeping the PLF broadly unchanged at 87.1%.

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



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

Most international routes for Asia Pacific continued to grow

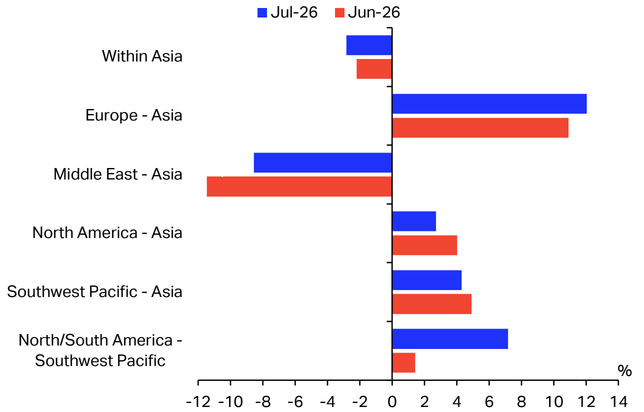
The performance across most major international routes serving Asia Pacific was broadly in line with June. All major corridors recorded traffic growth except within Asia and between the Middle East and Asia **(Chart 6)**.

Within Asia, the region's largest international route area, passenger traffic declined 2.8% YoY in July. Capacity fell by a larger 4.6% YoY, reflecting capacity discipline by some carriers amid higher fuel costs. Consequently, the PLF rose by 1.5 percentage points to 82.2%.

Traffic on the Middle East-Asia corridor declined by 8.5% YoY, an improvement from the double-digit drops recorded over the previous four months. Capacity decreased by a slightly smaller 7.7% YoY, reducing the PLF by 0.7 percentage points to 75.9%, the lowest among Asia Pacific's major international route areas.

Passenger traffic between Europe and Asia was up by 12.1% YoY, the strongest expansion among all major international route corridors globally. Growth was also robust on the North/South America-Southwest Pacific and Southwest Pacific-Asia corridors, where traffic increased by 7.1% and 4.3% YoY, respectively, placing both among the five fastest-growing international route areas globally in July. North America-Asia also recorded expansion, with passenger traffic rising by 2.7% YoY.

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

International corridors serving the Americas lose momentum in July

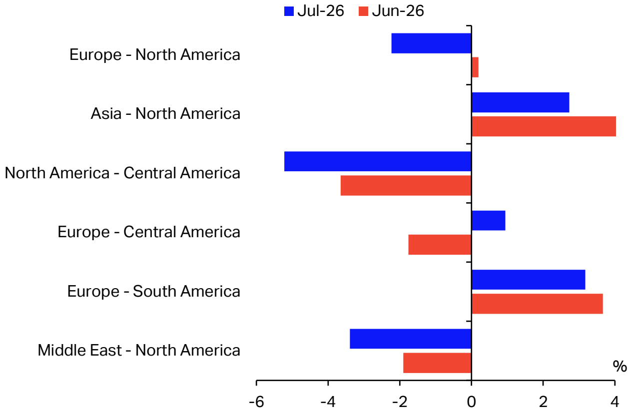
Most major international routes serving the Americas weakened in July compared with June. Traffic declined on three of the six largest corridors **(Chart 7)**.

Traffic on the trans-Atlantic corridor, by far the largest international route area serving the Americas, dropped by 2.2% YoY in July after recording marginal growth in the previous two months. Traffic from several key European source markets fell, including the United Kingdom, France and Spain.

Traffic on the North America-Central America and Middle East-North America corridors declined by 5.2% and 3.4% YoY, respectively, representing steeper contractions than in June. Capacity on the Middle East-North America route remained flat, and the PLF fell by 3.1 percentage points to 85.1%, the lowest among the major international corridors serving the Americas.

By contrast, the Europe-Central America corridor returned to growth, expanding by 0.9% YoY after decreasing in June. Traffic between Asia and North America and between Europe and South America continued to increase and rose by 2.7% and 3.2% YoY, respectively, although the expansion moderated slightly from June.

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



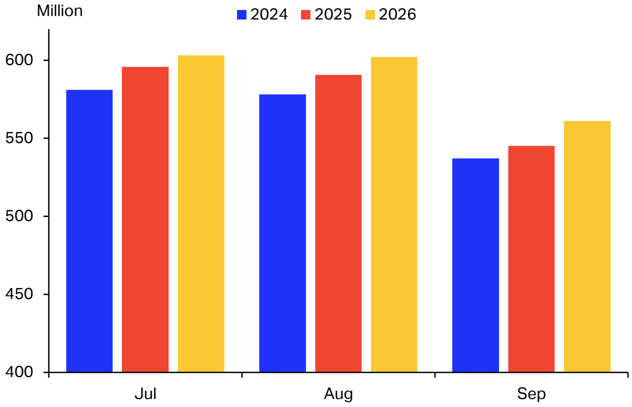
Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics. Route areas are ordered by size, from largest to smallest[1]

Global seat capacity expected to strengthen further in August and September

Global scheduled seat capacity is expected to build up in August and September after already increasing by 1.2% YoY in July **(Chart 8)**. Based on schedules available at the time of publication, global seat capacity is projected to expand by 1.9% YoY in August and by 2.9% YoY in September.

In the Middle East, where the decline in seat capacity moderated to 6.5% YoY in July after four consecutive months of double-digit contractions, conditions are likely to improve further in August and September. Seat capacity is projected to decline by 5.4% and 3.8% YoY, respectively. Asia Pacific, which recorded flat seat capacity growth in July, is expected to see expansion strengthen to 1.1% YoY in August and 3.4% YoY in September.

Chart 8: Industry-wide scheduled seats, million



Source: IATA Sustainability and Economics, OAG schedules

[1] Note: Europe – Central America routes include flights between Europe and Central America, Caribbean, Bolivia, Colombia, Ecuador, French Guiana, Peru, Suriname or Venezuela; Europe – South America routes include flights between Europe and Argentina, Brazil, Chile, Paraguay or Uruguay.

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	World	July 2026 (year-on-year, %)				July 2026 (year-to-date, %)			
	share, %[1]	RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	**100.0**	**0.2**	**0.3**	**-0.1**	**85.2**	**0.6**	**0.1**	**0.4**	**83.4**
Africa	2.2	5.2	7.3	-1.5	75.1	7.4	6.0	1.0	75.8
Asia Pacific	34.4	1.0	0.3	0.6	83.7	3.1	2.0	0.9	84.7
Europe	26.7	2.1	2.3	-0.1	87.7	3.5	2.7	0.6	84.1
Latin America and Caribbean	5.4	6.1	6.6	-0.4	85.3	6.3	5.4	0.7	83.6
Middle East	9.5	-10.0	-6.2	-3.4	80.7	-21.1	-17.4	-3.6	77.4
North America	21.8	-1.2	-1.8	0.6	87.3	0.5	-0.2	0.6	83.5
International	**62.8**	**-0.1**	**0.3**	**-0.3**	**85.2**	**0.4**	**-0.4**	**0.7**	**83.5**
Africa	1.9	6.4	9.0	-1.8	74.1	8.9	6.8	1.5	75.8
Asia Pacific	17.7	-0.7	-1.7	0.9	84.5	4.1	1.7	2.0	86.4
Europe	23.6	3.1	3.2	-0.1	87.1	4.1	3.1	0.7	83.4
Latin America and Caribbean	2.9	7.1	7.2	-0.1	85.7	9.6	8.2	1.1	84.6
Middle East	9.1	-9.5	-5.8	-3.3	80.9	-21.6	-17.9	-3.6	77.4
North America	7.6	-2.3	-2.3	0.0	88.2	1.1	0.0	0.9	84.9
Domestic	**37.2**	**0.6**	**0.2**	**0.3**	**85.3**	**1.0**	**1.0**	**0.0**	**83.2**
Australia	0.8	-0.5	1.2	-1.5	83.6	0.8	2.7	-1.4	78.6
Brazil	1.2	6.0	8.0	-1.5	84.1	6.4	6.6	-0.2	81.9
China P.R.	11.3	5.3	4.7	0.5	83.6	2.6	2.8	-0.1	84.0
India	1.7	-6.3	-6.0	-0.2	82.7	1.0	1.5	-0.4	85.1
Japan	1.0	0.9	0.4	0.4	81.8	1.9	-0.9	2.2	80.3
United States	13.6	-0.5	-1.4	0.8	86.7	0.2	-0.2	0.3	82.5

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.
Note 3: the six domestic passenger markets for which broken-down statistics are available account for approximately 29.6% of global total RPK and 79.4% of total domestic RPK

IATA Sustainability & Economics
economics@iata.org
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