

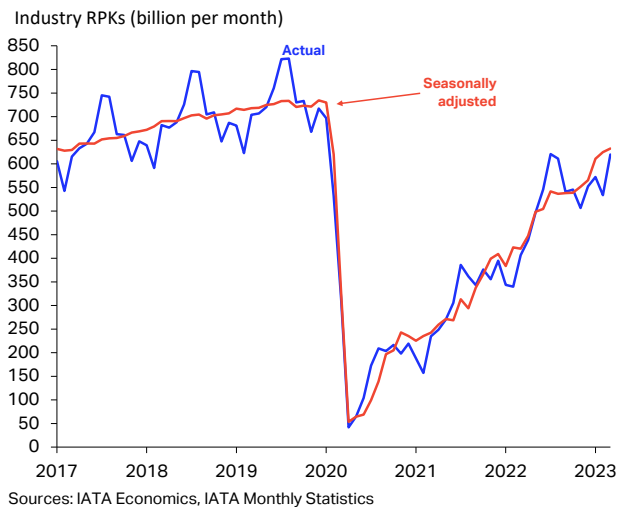
Another month of solid growth, capping a robust first quarter

- Global passenger traffic exhibited strong growth in March, with industry-wide revenue passenger-kilometers (RPKs) increasing by 52.4% year-on-year (YoY) and reaching 88.0% of March 2019 levels.
- Domestic RPKs were almost fully recovered, only 1.1% below pre-pandemic levels after growing 34.1% YoY.
- The annual growth in international RPKs was 68.9%, demonstrating resilient demand for air travel. International load factors also climbed to 80.7%, slightly higher than their pre-pandemic level.
- The reopening of China and easing of travel restrictions has accelerated the recovery of domestic and international traffic. Asia Pacific carriers experienced the fastest annual growth in total RPKs at 158.9%, with a significant increase in international passengers between the region and the rest of the world.

Demand and capacity growth continued in March...

The strong recovery in global passenger traffic continued in March with industry-wide revenue-passenger kilometers (RPKs) increasing 52.4% year-on-year (YoY) and 1.2% month-on-month (MoM) in seasonally-adjusted terms (**Chart 1**). The slowdown in the latest MoM trend is consistent with deceleration observed in the annual growth rate for passenger traffic over the past two months. Still, based on the latest data, global RPKs are only within 12.0% of their 2019, pre-crisis level.

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



Compared to a year ago, available seat-kilometers (ASKs) grew by 41.2% in March, which increased the industry-wide load factor by 5.9 percentage points

Air passenger market overview - March 2023

	World share ¹	March 2023 (% year-on-year)				March 2023 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	52.4%	41.2%	5.9%	80.7%	-12.0%	-10.5%	-1.4%	80.7%
International	57.9%	68.9%	48.0%	10.1%	81.3%	-18.4%	-18.8%	0.4%	81.3%
Domestic	42.1%	34.1%	32.8%	0.8%	79.8%	-1.1%	4.1%	-4.3%	79.8%

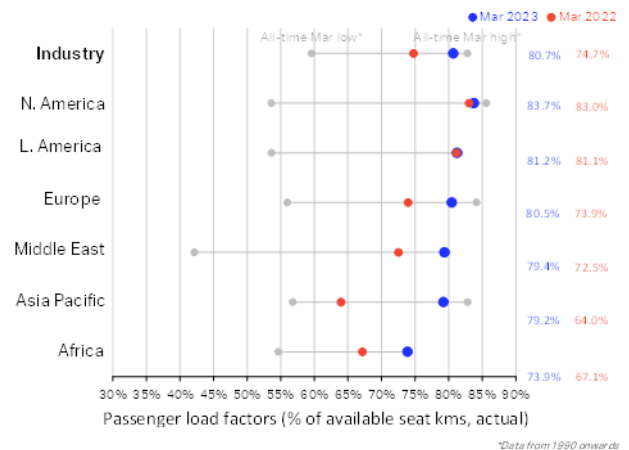
¹% of industry RPKs in 2022

²Change in load factor

³Load factor level

(ppts) to reach 80.7%. These load factor improvements were broad based and pushed the industry load factor close to its all-time high for the month of March. Load factors reached 79.2% for Asia Pacific carriers, leading the regions with a 15.3ppts increase from last year's levels (**Chart 2**). While carriers from all regions continued to grow their passenger traffic and seat capacity, the global recovery is now primarily being driven by airlines registered in the Asia Pacific region.

Chart 2 – Passenger load factors, by airline region of registration

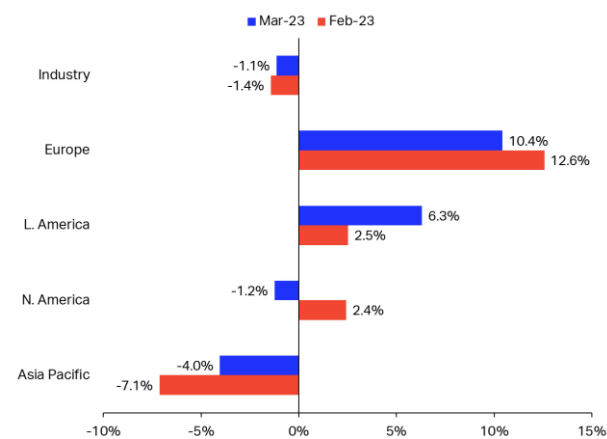


... and total domestic traffic approached full recovery

Total domestic RPKs were only 1.1% below pre-covid levels in March, after rising 34.1% over the previous year's levels (**Chart 3**). Domestic seat capacity, measured in ASKs, exceeded those of March 2019 by

4.1% while the passenger load factor remained 4.3ppts lower.

Chart 3 – Domestic RPK growth by airline region of registration, YoY% change versus 2019



Looking at traffic by carrier region of registration, domestic RPKs for Asia Pacific airlines continued to trend towards full recovery in March, while carriers registered in Europe and Latin America maintained RPKs above pre-pandemic levels. Compared with 2019 levels, the performance of domestic traffic for airlines registered in North America, however, was weaker than in February (**Chart 3**).

Europe’s carriers continued to lead in terms of annual traffic growth compared to 2019. Domestic RPKs stood above pre-pandemic levels for the 11th consecutive month with 10.4% growth over March 2019 RPKs.

Growth picked up for Asia Pacific carriers

Carriers from the Asia Pacific region have seen significant improvements in domestic markets over the past three months. This trend continued in March, pushing the region’s traffic even closer to pre-crisis levels. Domestic RPKs accounted for 96.0% of March 2019 levels this month and doubled compared to last year, growing 103.7% YoY.

... with triple-digit growth for China

The sustained recovery of domestic traffic in China continues to influence the traffic patterns for the wider Asia Pacific region’s airlines. Growing from a low base in 2022, domestic passenger traffic for China’s airlines nearly tripled in March, rising 195.2% YoY and recovering to 96.7% of pre-pandemic levels (**Chart 4**).

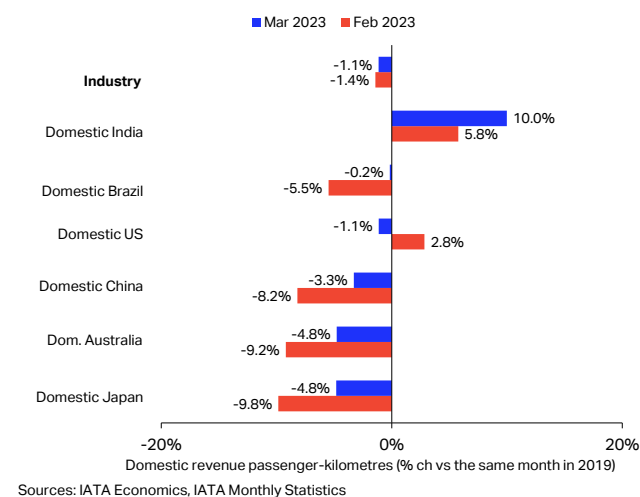
... followed by Japan, Australia, and India

Japan and Australia nearly fully recovered their domestic RPKs in March, after traffic for their registered airlines increased 61.1% and 44.7%, respectively, over the past year. Domestic RPKs for India’s airlines have also been following a positive recovery trend since November 2022. Growing

another 20.3% YoY in March, they reached 10.0% above pre-pandemic levels.

Carriers in the US have mostly recovered their domestic traffic, while Brazil’s airlines made significant progress in March, leaving them 0.2% below March 2019 levels. In general, accounting for nearly 75% of total domestic RPKs, the key domestic markets we follow have experienced strong growth in recent months. They have continued to drive the recovery of total domestic RPKs (**Chart 4**).

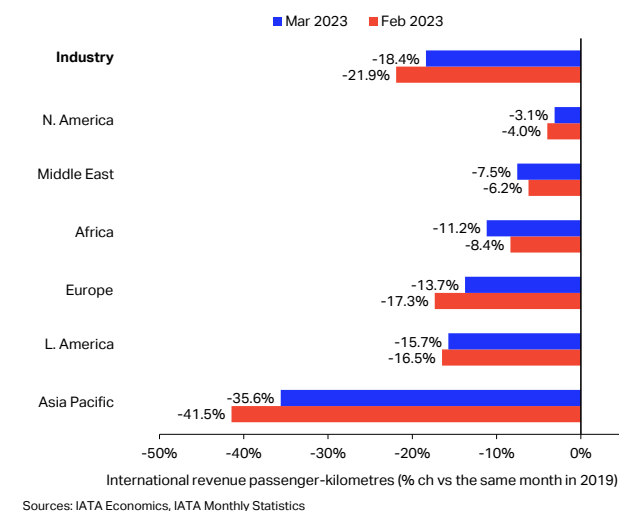
Chart 4 – Domestic RPK growth by airline region of registration, YoY% change versus 2019



International traffic growth was broad based in March

International RPKs rose 68.9% YoY in March and stood 18.4% below 2019 levels (**Chart 5**). The annual increase in international ASKs was 48.0%, which recovered load factors to be 0.4ppts higher than pre-pandemic levels. All regions, except for Europe, achieved higher load factors compared to March 2019. For airlines registered in Europe, the recovery in seat capacity continued to outpace their passenger traffic recovery.

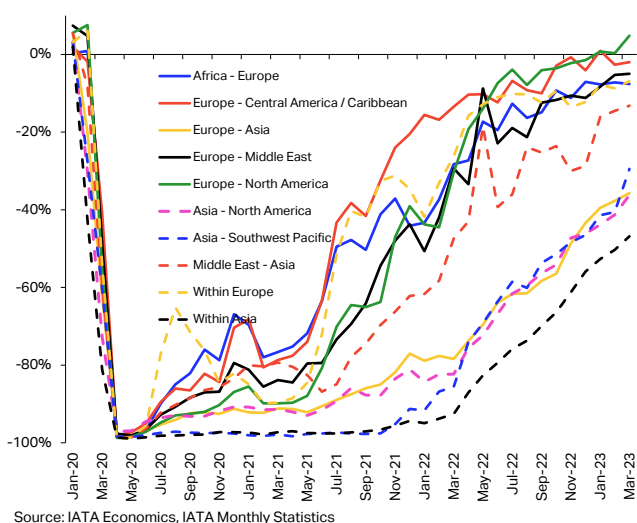
Chart 5 – International RPK growth by airline region of registration, YoY% change versus 2019



Asia Pacific's carriers experience three-digit growth in international traffic, aided by China's recovery

Reflecting positive developments in China's travel policies, Asia Pacific carriers continued to show strong signs of recovery in March, with an annual growth of 283.1% in international RPKs. Over the same period, the region's airlines saw their RPKs increase from 16.8% to 64.4% of 2019 levels (**Chart 5**). International traffic flows from and within the region have continued to see recovery and growth. Within Asia Pacific, traffic reached 53.1% of pre-pandemic levels (**Chart 6**).

Chart 6 – International RPKs, YoY% change versus 2019 – Top 10 route areas in 2019, ranked by performed traffic level



International traffic grew in Europe despite headwinds...

European airlines carried 38.5% more international passenger traffic in March compared with the previous year and 13.7% less than in 2019 for the same period. Within the region, RPKs have been stable even though their growth has slowed in recent months due to various economic headwinds. International RPKs reached to 93.1% of their pre-covid level this month (**Chart 6**).

... with more recovery in the Americas, Middle East, and Africa

In March, international RPKs for airlines registered in North America and Latin America grew 51.6% and 36.5% YoY, respectively. Traffic on international route areas between Europe and the Americas continued to trend near pre-pandemic levels (**Chart 6**).

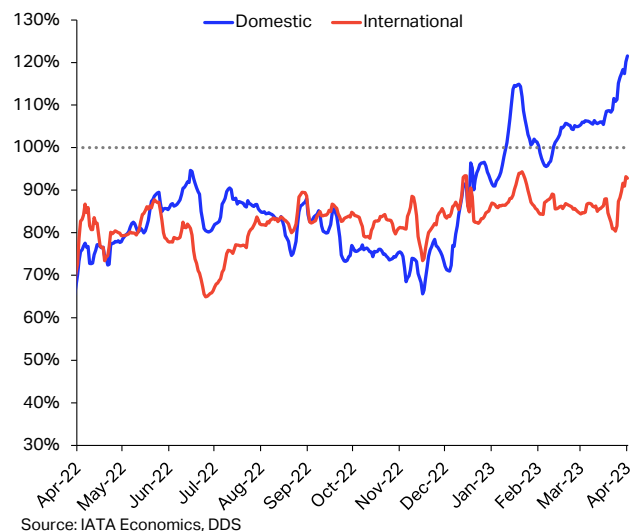
International RPKs performed by Middle East carriers grew 43.1% YoY, recovering to 92.5% of 2019 levels. Meanwhile, airlines registered in Africa achieved 71.7% annual growth in RPKs, with their traffic rising to 88.8% of pre-crisis levels.

Domestic and International ticket sales suggest further recovery

Following the peak in total ticket sales driven by the Lunar New Year celebrations, bookings for domestic air travel continued to increase and surpassed their 2019 level by 20% globally in mid-April. This recovery reflected the accelerating growth in domestic RPKs we have observed since the reopening announcement of China. International ticket sales on the other hand have maintained a stable sideways trend (**Chart 7**).

With domestic RPKs having nearly reached their pre-pandemic levels in March, the strong growth in ticket sales suggest that a full and sustained recovery is around the corner. The recovery in international RPKs has also demonstrated resilience and continues to be supported by healthy ticket sales and positive developments in the Asia Pacific region.

Chart 7 – Passenger ticket sales by purchase date, % share of the same day in 2019, 7-day average



Air passenger market in detail - March 2023

	<i>World</i>	March 2023 (% year-on-year)				March 2023 (% ch vs the same month in 2019)			
	<i>share</i> ¹	RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	52.4%	41.2%	5.9%	80.7%	-12.0%	-10.5%	-1.4%	80.7%
Africa	2.1%	66.1%	51.0%	6.7%	73.9%	-10.6%	-12.7%	1.7%	73.9%
Asia Pacific	22.1%	158.9%	109.0%	15.3%	79.2%	-21.6%	-19.1%	-2.5%	79.2%
Europe	30.7%	37.0%	25.9%	6.5%	80.5%	-11.1%	-7.4%	-3.4%	80.5%
Latin America	6.4%	19.9%	19.8%	0.1%	81.2%	-5.4%	-4.9%	-0.4%	81.2%
Middle East	9.8%	40.4%	28.3%	6.9%	79.4%	-7.4%	-14.0%	5.7%	79.4%
North America	28.9%	16.9%	15.9%	0.7%	83.7%	-1.9%	0.3%	-1.9%	83.7%
International	57.9%	68.9%	48.0%	10.1%	81.3%	-18.4%	-18.8%	0.4%	81.3%
Africa	1.8%	71.7%	56.2%	6.5%	72.2%	-11.2%	-12.3%	0.9%	72.2%
Asia Pacific	8.9%	283.1%	161.5%	26.8%	84.5%	-35.6%	-38.8%	4.1%	84.5%
Europe	26.3%	38.5%	27.0%	6.6%	79.4%	-13.7%	-8.3%	-5.0%	79.4%
Latin America	2.9%	36.5%	33.4%	1.9%	82.8%	-15.7%	-16.8%	1.1%	82.8%
Middle East	9.4%	43.1%	30.5%	7.0%	79.4%	-7.5%	-14.3%	5.8%	79.4%
North America	8.7%	51.6%	34.0%	9.8%	84.8%	-3.1%	-4.2%	1.0%	84.8%
Domestic	42.1%	34.1%	32.8%	0.8%	79.8%	-1.1%	4.1%	-4.3%	79.8%
Dom. Australia ⁴	1.0%	44.7%	25.9%	10.7%	82.5%	-4.8%	-8.4%	3.1%	82.5%
Domestic Brazil ⁴	1.5%	8.0%	8.7%	-0.6%	78.6%	-0.2%	2.8%	-2.3%	78.6%
Dom. China P.R. ⁴	6.4%	195.2%	153.0%	10.3%	72.3%	-3.3%	13.6%	-12.7%	72.3%
Domestic India ⁴	2.0%	20.3%	15.4%	3.5%	85.6%	10.0%	11.4%	-1.1%	85.6%
Domestic Japan ⁴	1.2%	61.1%	14.2%	23.0%	79.0%	-4.8%	-8.8%	3.3%	79.0%
Domestic US ⁴	19.3%	4.4%	8.4%	-3.2%	82.9%	-1.1%	3.3%	-3.7%	82.9%

¹% of industry RPKs in 2022

²Change in load factor

³Load factor level

⁴Note: the six domestic passenger markets for which broken-down data are available account for approximately 31.4% of global total RPKs and 74.5% 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.

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 04 May 2023

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