



Air Passenger Market Analysis

March 2025

Single-digit growth extended to March

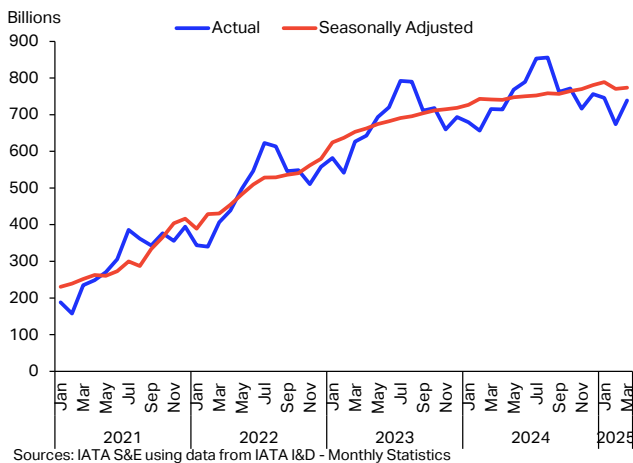
- Industry-wide Revenue Passenger Kilometers (RPK) continued to grow at a modest pace, posting a 3.3% year-on-year (YoY) increase in March to reach 738.8 billion.
- The Passenger Load Factor (PLF) declined to 80.7% on average, reflecting weakness across both domestic and international markets.
- Domestic air travel posted a marginal gain of less than 1%, weighed down by declines in the US and Australian markets.
- International RPK increased 4.9% YoY, despite softness among carriers in Middle East and North America.
- Published flight schedules suggest that airline flight activity continues to grow in April and May.

Weak traffic growth and modest load factor...

Global air passenger traffic posted tepid growth in March (**Chart 1**), with industry-wide RPK rising 3.3% YoY to 738.8 billion. This extends muted, single-digit growth since last year. After adjusting for seasonal effects, global RPK rose just 0.4% month-over-month, after a 2.3% contraction in February.

The supply side expanded relatively more, surging 5.3% in available seat capacity. This imbalance pushed the industry's average PLF down to 80.7%, a decline of 0.4 percentage points (ppts) from February and 1.6 ppts below the level recorded a year earlier.

Chart 1 – Global RPK, Actual and Seasonally Adjusted, Billion



...in both domestic and international market

This decline in seat occupancy was particularly evident in the international market, where the average load factor slipped below 80%, representing a 1.7 ppts decrease YoY. This decline occurs when international seat capacity rose 7% YoY, primarily driven by double-digit expansions from airlines in Latin America and the Asia-Pacific region. In contrast, international traffic demand rose by only 4.9% YoY (**Chart 2**). This marks a slowdown from February and a sharp deceleration compared to January's robust gains: growth in March fell to less than half the pace recorded at the start of the year.

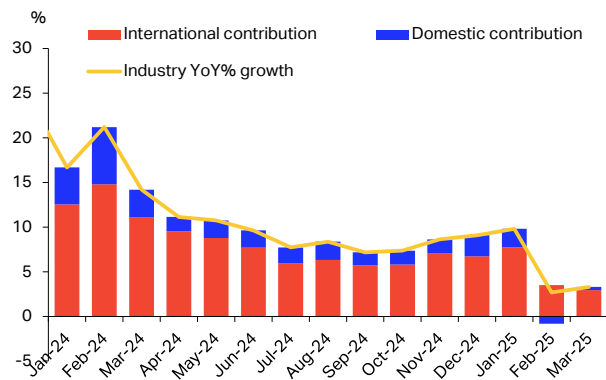
Domestic markets contribute much less to the growth of global air passenger traffic. Traffic growth flipped from a 2% YoY decline in February to a marginal gain of 0.9% in March. On the supply side, a substantial 14.5% expansion in ASK within India's domestic market helped offset capacity reductions in Australia and China. Overall domestic seat capacity rose modestly by 2.5% YoY on a global average. This still outpaced the sluggish growth in demand, resulting in the domestic load factor decline of 1.3 ppts YoY to 82.0% in March.

Air passenger market in detail - March 2025

	World share ¹	March 2025 (% year-on-year)				March 2025 (% year-to-date)			
		RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	3.3%	5.3%	-1.6%	80.7%	5.3%	4.9%	0.3%	81.2%
International	61.8%	4.9%	7.0%	-1.7%	79.9%	7.7%	6.8%	0.7%	80.9%
Domestic	38.2%	0.9%	2.5%	-1.3%	82.0%	1.4%	1.8%	-0.3%	81.7%

¹ % of industry RPK in 2024

Chart 2 – Domestic and International traffic contribution to industry-wide RPK growth, YoY%

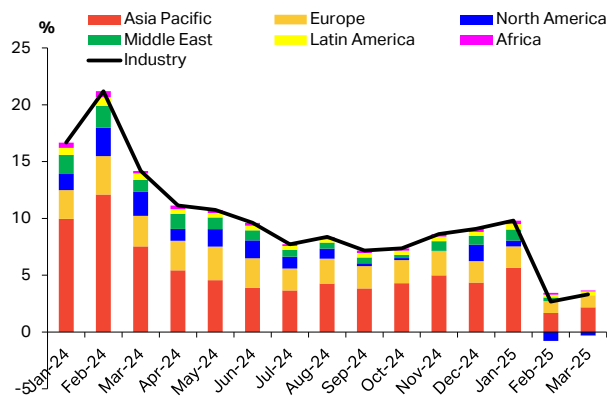


Sources: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics.

North American airlines weighed on global performance

Traffic demand growth varies for airlines from different regions (**Chart 3**). North American airlines continued to weigh on global performance with a second month of decline. In March, passenger traffic carried by North American airlines, measured in RPK, fell by 1.1%, following a 3.5% drop in February. Middle Eastern carriers also contributed to the slowdown, with a 0.7% decline in March. Ramadan likely played a significant role in the observed decline, as travel activity tends to be suppressed during the holy month. Notably, Ramadan spans nearly all of March this year, whereas it covered only about two-thirds of the month last year, which amplified the comparative impact. Nonetheless, this marked their first YoY contraction in four years. Asia-Pacific airlines showed some resilience, with passenger traffic rising 6.3% in March. Although this growth is less than half the rate seen in 2024, it was still the highest among all regions, followed by Latin American airlines who registered a 6.2% YoY growth during the same period. European and African airlines also recorded growth rates above global average, at 4.4% and 4.1%, respectively.

Chart 3 – Regional contribution to industry-wide RPK growth, YoY%



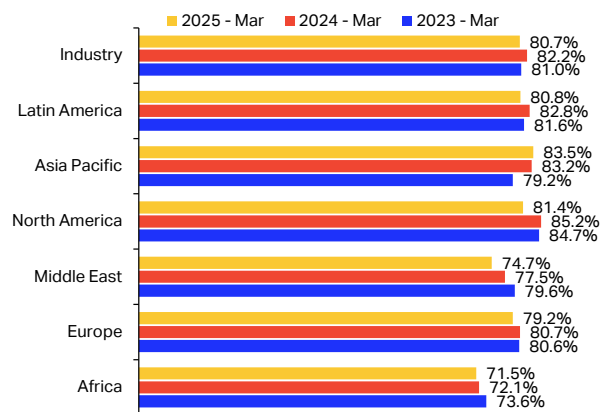
Sources: IATA S&E using data from IATA I&D - Monthly Statistics

Growth in demand lags behind capacity expansion across most regions, with North America exhibiting the widest disparity in March. Despite negative passenger traffic growth, North American airlines increased seat capacity by 3.5% YoY, pushing the PLF down to 81.4%. This figure was notably lower than the approximately 85% recorded in both March 2023 and March 2024 (**Chart 4**). The decline was largely driven by softening in the US domestic market, the largest market for North American airlines, where the PLF fell to 80.3% in March, the lowest among all major domestic markets.

One exception to the declining PLF across the board is Asia-Pacific, where airlines posted a modest improvement in PLF, edging up to 83.5%. This is also the highest PLF in March among all regions, underpinned by strength in both international and domestic segments served by Asia Pacific airlines. On international routes, Asia-Pacific carriers maintained a solid PLF of 84.1%. Meanwhile, the region’s key domestic markets, including China, India, and Japan, also recorded PLFs exceeding 83%.

Japan stood out in particular, where domestic air travel surged by 8.0% YoY in March. With capacity expanding by just 2.7% over the same period, the resulting PLF rose to 84.4% in March. This represents an increase of 4.2 ppts from March 2024 and sets a new all-time high for the month of March.

Chart 4 – Regional and industry passenger load factors, RPK's %share of ASK

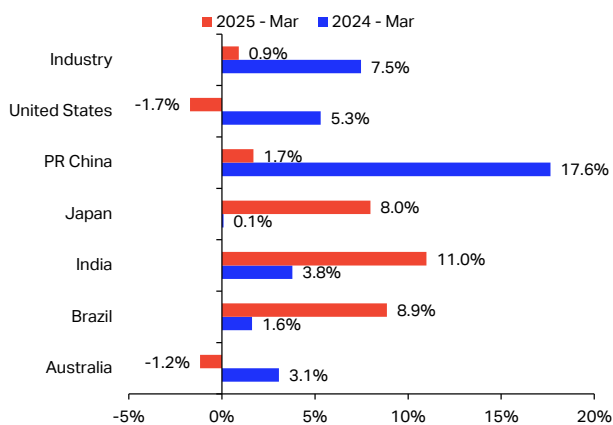


Sources: IATA S&E using data from IATA I&D - Monthly Statistics

India, Brazil, and Japan led growth in domestic markets

March also marks the third consecutive month of double-digit growth for India's domestic traffic, which increased 11% YoY. Brazil recorded strong YoY growth rising 8.9%, accelerating from the growth rate recorded a year ago. China, on the other hand, saw a more modest increase of 1.7%, but this is on top of a 17.6% surge in 2024. The US and Australia continued to post declines in traffic within country borders, with both markets contracting by more than 1% in March, extending their downward trends observed in February (Chart 5).

Chart 5 – Domestic RPK growth by market, YoY%



Sources: IATA S&E using data from IATA I&D - Monthly Statistics

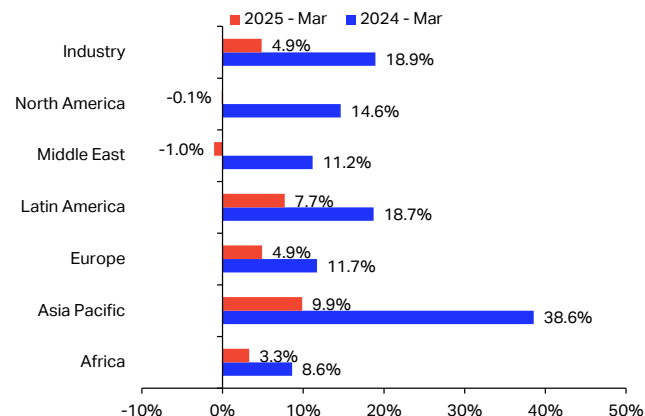
Asia Pacific airlines led in international markets

International RPK continued its slowing trend, rising just 4.9% YoY in March (Chart 6). This deceleration was evident across all regions.

Growth in international traffic carried by Asia-Pacific airlines fell sharply to 9.9%, highest among all regions, despite a steep drop from the nearly 40% increase recorded a year earlier. Europe, Africa, and Latin America airlines also saw growth slow to single-digit levels, though they still managed to post positive YoY gains.

North American carriers, on the other hand, reported a slight decline in international traffic, down 0.1% YoY in March. Middle Eastern airlines faced the largest contraction, with international RPK falling by 1.0% YoY affected by Ramadan.

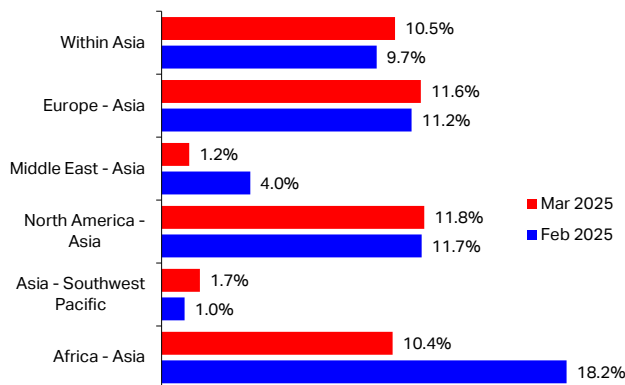
Chart 6 – International RPK growth by airline region of registration, YoY%



Sources: IATA S&E using data from IATA I&D - Monthly Statistics

The strong growth among Asia Pacific airlines was driven by traffic expansion on several key international routes, with the North America to Asia corridor leading the way at 11.8% YoY growth (Chart 7). Other notable increases came from international traffic within Asia, as well as traffic between Europe and Asia, and between Africa and Asia, all of which posted double-digit growth. In contrast, traffic between the Southwest Pacific and Asia grew modestly by 1.7%, while Asia to the Middle East increased by just 1.2% YoY.

Chart 7 – Asia Pacific international route areas, RPK YoY%

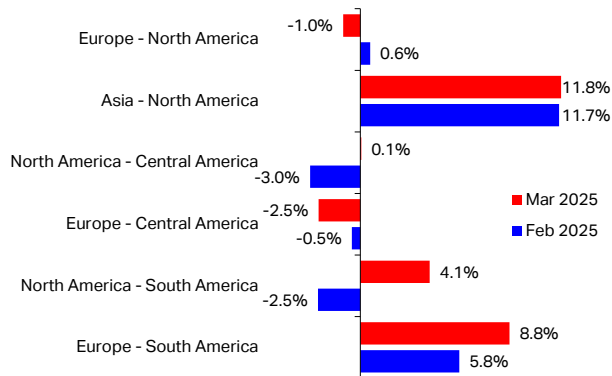


Sources: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, ordered by market size of each route.

The Asia-North America route was the only corridor achieved double-digit growth for carriers serving the Americas region (Chart 8). While traffic between North and South America and between Europe and South America showed modest gains, these markets were not large enough to offset declines on two key corridors. Traffic between Europe and North America, the region's busiest route, fell by 1.0% YoY, marking its first decline since early 2021. Traffic between Europe and Central America dropped by 2.5%. Both YoY

growth rates weakened further compared to those recorded in February.

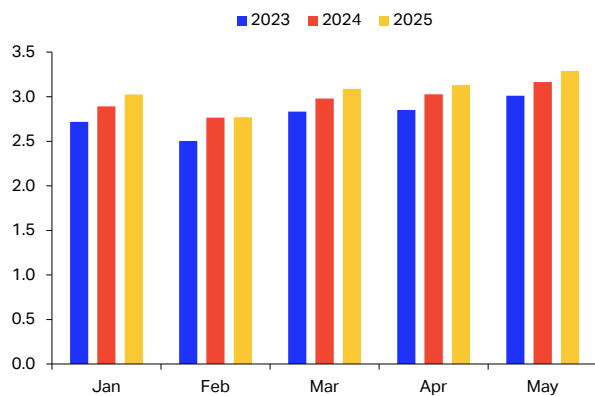
Chart 8 – Selected Americas international route areas, RPK YoY%



Sources: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics, ordered by market size of each route.

Looking forward, despite ongoing global uncertainties, aviation activity worldwide will continue to expand, surpassing levels seen in the same period last year (**Chart 9**). In March and April, the number of scheduled passenger flights rose by around 3.5% YoY, compared to the corresponding months in 2024. This upward trend is expected to hold steady into May, with current schedules indicating a 3.9% increase from May 2024.

Chart 9 – Industry-wide scheduled flights, millions



Sources: IATA Sustainability and Economics, OAG Schedules

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	World share ¹	March 2025 (% year-on-year)				March 2025 (% year-to-date)			
		RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	3.3%	5.3%	-1.6%	80.7%	5.3%	4.9%	0.3%	81.2%
Africa	2.2%	4.1%	5.0%	-0.6%	71.5%	8.0%	6.4%	1.1%	74.3%
Asia Pacific	33.5%	6.3%	5.9%	0.3%	83.5%	8.9%	6.8%	1.7%	84.4%
Europe	26.7%	4.4%	6.4%	-1.5%	79.2%	5.5%	5.3%	0.2%	78.7%
Latin America	5.3%	6.2%	8.8%	-2.0%	80.8%	6.3%	8.2%	-1.4%	81.9%
Middle East	9.4%	-0.7%	3.0%	-2.8%	74.7%	4.2%	2.9%	1.0%	80.2%
North America	22.9%	-1.1%	3.5%	-3.8%	81.4%	-0.8%	1.4%	-1.7%	80.0%
International	61.8%	4.9%	7.0%	-1.7%	79.9%	7.7%	6.8%	0.7%	80.9%
Africa	1.8%	3.3%	3.5%	-0.2%	70.1%	7.5%	5.4%	1.4%	73.8%
Asia Pacific	16.8%	9.9%	11.6%	-1.3%	84.1%	13.9%	12.3%	1.1%	85.5%
Europe	23.5%	4.9%	6.9%	-1.5%	78.2%	6.6%	6.1%	0.4%	77.8%
Latin America	2.8%	7.7%	12.1%	-3.3%	80.9%	9.3%	12.6%	-2.5%	82.3%
Middle East	9.0%	-1.0%	2.8%	-2.9%	74.6%	4.0%	2.9%	0.9%	80.1%
North America	7.9%	-0.1%	2.0%	-1.8%	83.0%	0.8%	-0.1%	0.7%	81.4%
Domestic	38.2%	0.9%	2.5%	-1.3%	82.0%	1.4%	1.8%	-0.3%	81.7%
Dom. Australia	0.8%	-1.2%	-4.1%	2.4%	81.8%	0.9%	-4.0%	3.8%	78.7%
Domestic Brazil	1.1%	8.9%	8.3%	0.4%	80.4%	7.7%	6.5%	0.9%	81.3%
Dom. China P.R.	11.3%	1.7%	-0.8%	2.1%	83.2%	2.7%	0.0%	2.2%	84.3%
Domestic India	1.6%	11.0%	14.5%	-2.6%	83.3%	12.9%	13.9%	-0.8%	87.1%
Domestic Japan	1.0%	8.0%	2.7%	4.2%	84.4%	8.6%	2.6%	4.5%	80.7%
Domestic US	14.4%	-1.7%	4.2%	-4.8%	80.3%	-1.7%	2.0%	-3.0%	79.0%

¹% of industry RPK in 2024

Note: the six domestic passenger markets for which broken-down data are available account for approximately 30.2% of global total RPKs and 79.1% 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.

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