

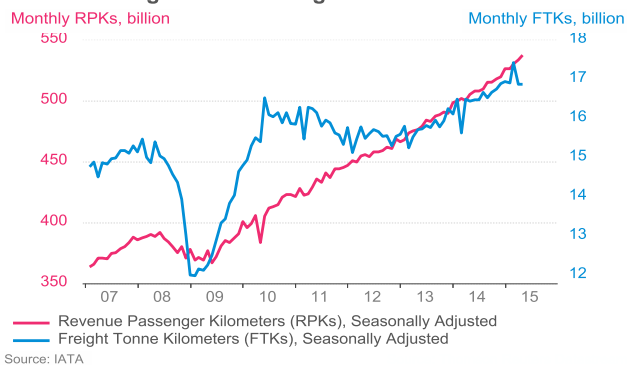
# AIR PASSENGER MARKET ANALYSIS

## APRIL 2015

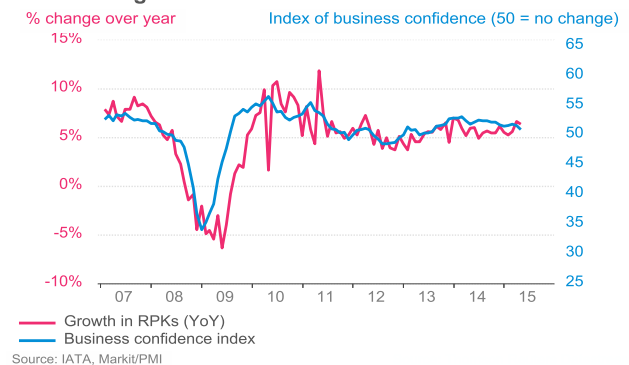
### KEY POINTS

- ➔ Global air travel rose by a robust 5.9% in April compared to a year ago. This is a slight deceleration on March (7.7%), but that month was positively impacted by the Lunar New Year celebrations. So far this year, passenger travel has expanded by a healthy 6.3% compared to the first four months in 2014.
- ➔ The trend in RPKs (first chart below) shows an expansion in volumes in April compared to March (0.7%). These volumes are adjusted for seasonal ups and downs and various holidays, and therefore provide an indication of the underlying trend in air travel volumes. The April result confirms that growth in passenger volumes remains robust.
- ➔ A majority of regions posted strong increases in April compared to a year ago. On international markets, carriers in the Asia Pacific region experienced a 9.0% rise. Although a slowdown compared to the previous months, which were given a boost by Lunar New Year holiday-related travel, the result contributed to the vigorous 8.7% expansion seen so far this year. The strength of international air travel for Asia Pacific carriers comes despite a notable weakening in regional trade activity during recent months. Such developments have the potential to erode demand for business related air travel.
- ➔ In other regions, international air travel for European carriers continues to rise, up 3.7% in April year-on-year. The trend will likely continue, despite some downward pressure on economic progress due to firming in the Euro and oil prices. By contrast, international air travel on North American carriers was up just 0.7%. The Q1 economic growth result was disappointing, with a contraction on the same quarter last year. The strengthening dollar is likely hampering international leisure travel to the US as well.
- ➔ On domestic markets, India continues to record very strong growth, up 20.7%, likely owing to market stimulation by local carriers as well as notable improvements in economic growth. By contrast, air travel in Russia remains weak, rising just 1.7% in April year-on-year. The favorable base effects seen at the start of the year now appear to have dropped out of the year-on-year comparison, consistent with the economy being in recession.
- ➔ Industry load factors are turning up – even though there was only a slight gain in April compared to March, the trend since late 2014 remains positive. Despite lower oil prices, airlines are adding capacity at a slower rate than the expansion in demand.
- ➔ The economic outlook remains broadly positive with the fall in oil prices compared to mid-2014 expected to sustain growth and demand for passenger travel in 2015. Most recently, although improvements in business confidence have stagnated overall due to weakness in emerging markets, some advanced economies are showing improvement, which should help support growth in air travel.

**Total Air Freight and Passenger Volumes**



**Worldwide growth in air travel and business confidence**



# Air Passenger Forecast service

The new joint venture between  
IATA and Tourism Economics



Including comprehensive forecasts down to a country-pair level

## Year on Year Comparison

## Month on Month Comparison

	Apr 2015 vs. Apr 2014			YTD 2015 vs. YTD 2014			Apr 2015 vs. Mar 2015		
	RPK	ASK	PLF	RPK	ASK	PLF	RPK	ASK	PLFpt
<b>International</b>	5.2%	5.9%	78.6%	6.4%	6.1%	78.2%	0.7%	0.8%	0.0%
<b>Domestic</b>	7.2%	6.4%	80.8%	6.1%	5.4%	80.3%	0.7%	0.4%	0.3%
<b>Total Market</b>	5.9%	6.1%	79.4%	6.3%	5.8%	79.0%	0.7%	0.6%	0.1%

FTK: Freight-Tonne-Kilometers; AFTK: Available Freight Tonne Kilometers; FLF: Freight Load Factor. All figures are expressed in % change Year on Year except FLF which are the load factors for the specific month.

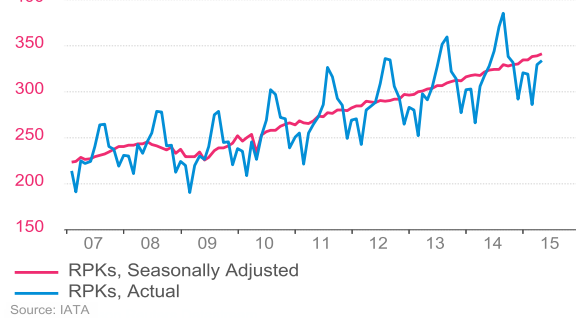
Data are seasonally adjusted. All figures are expressed in % change MoM except, FLFpt which are the percentage point difference between LF of two months.

## PASSENGER MARKET

### International Markets

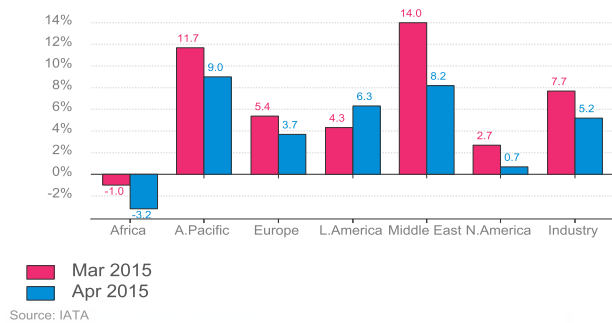
#### International Passenger Market

Monthly RPKs, billion



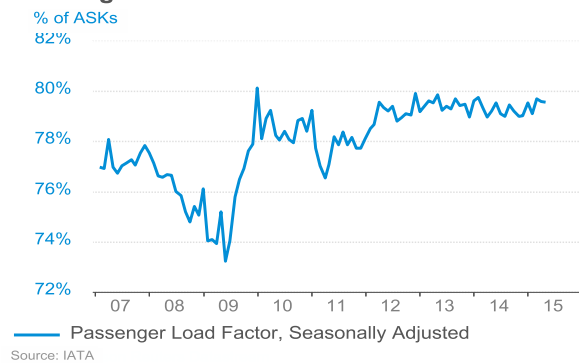
#### International Passenger Growth by Region

% change over year

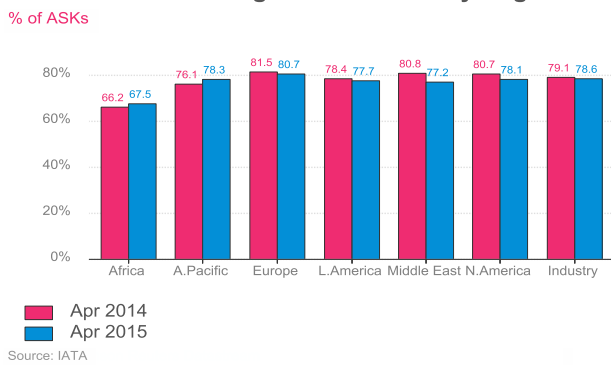


- ➔ A majority of regions posted strong increases in April compared to a year ago, including Asia Pacific. On international markets, carriers in this region experienced a 9.0% rise. Although this is a slowdown compared to the previous months, which were given a boost by Lunar New Year holiday-related travel, the result is healthy and has contributed to the 8.7% expansion seen so far this year. So far, the sharp reversal in regional trade activity after strong gains in late 2014 has not had an adverse impact on business-related international air travel. Nonetheless, this economic development will be an important factor in how regional economies perform in the months ahead and if demand for air travel will be sustained at current rates.
- ➔ In other regions, international air travel for European carriers continues to rise, up 3.7% in April year-on-year. Recent signs of a positive response to the ECB stimulus have faltered slightly, owing to firming in the Euro and oil prices. But the trends, both in positive economic developments and growth in air travel, will likely continue as economic stimulus is likely to help ease downward pressure on demand.
- ➔ Carriers in the Middle East recorded strong growth of 8.2%. Middle Eastern economies are comparatively well-placed to withstand the plunge in oil revenues and regional airlines continue to gain market share. Market's measures of business activity in non-oil sectors continue to show improvement and point to strong growth.
- ➔ Growth on Latin American carriers accelerated in April, rising 6.3% year-on-year. Favorable base effects continue to support positive growth rates for the region's carriers, but that may not continue much longer. Regional trade volumes have been improving over recent months, but the Brazilian economy continues to stagnate and could negate these positive developments in international business.
- ➔ By contrast, international air travel on North American carriers was up just 0.7%. The Q1 economic growth result was disappointing, with a contraction on the same quarter last year. The strengthening dollar is likely hampering international leisure travel to the US as well.
- ➔ International RPK growth for African carriers was weakest among all regions, with volumes down 3.2% in April year-on-year. The recent weakness appears to reflect adverse economic developments in parts of the continent, not least in its largest economy, Nigeria, which is highly reliant on oil revenues.

### Passenger Load Factor on International Market

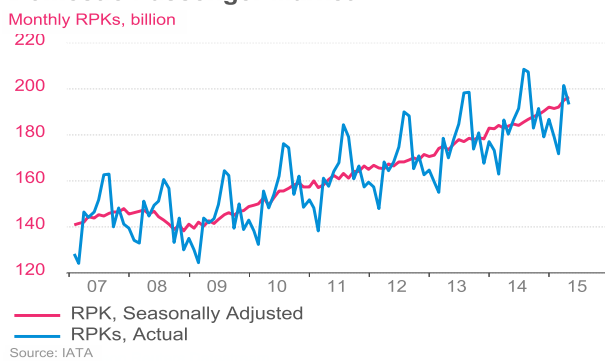


### International Passenger Load Factor by Region

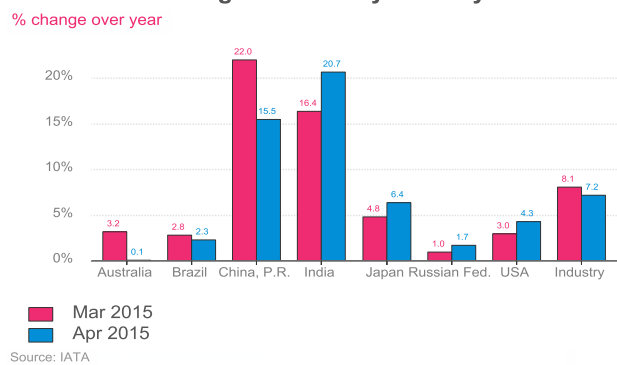


## Domestic Market

### Domestic Passenger Market

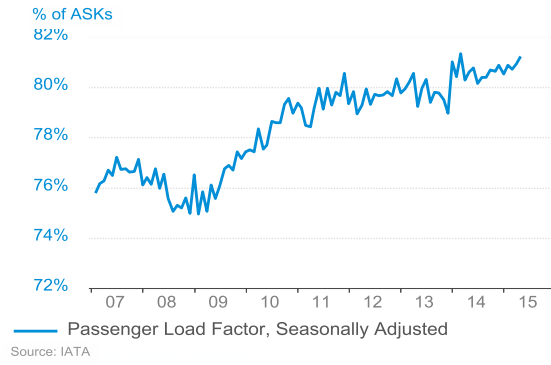


### Domestic Passenger Growth by Country

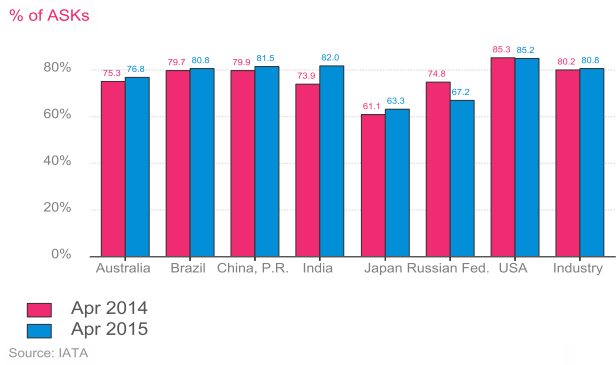


- ➔ On domestic markets, India continues to record very strong growth, up 20.7%, likely owing to market stimulation by local carriers as well as notable improvements in economic growth.
- ➔ Domestic RPKs in China were up by a strong 15.5% in April year-on-year. The first quarter air travel performance for China is unlikely to be indicative of the underlying trend. Recent data show that Q1 2015 GDP growth was 7% compared to same period a year ago, which is a slowdown on Q4 2014 growth of 7.3%.
- ➔ By contrast, air travel in Russia remains weak, rising just 1.7% in April year-on-year. The favorable base effects seen at the start of the year now appear to have dropped out of the year-on-year comparison, consistent with the economy being in recession.
- ➔ Domestic air travel in Japan recorded a vigorous month in April, up 6.4% year-on-year. The economy stabilized in Q4 2014 and expectations for 2015 are becoming more positive. Air travel demand should receive a boost if predictions for wage growth in 2015 are realized.
- ➔ Growth in domestic air travel in Australia slipped in April, up just 0.1% compared to a year ago. Volumes had experienced very little growth since the middle of 2013 as the economy has struggled to rebalance away from mining investment-led growth. There have been signs of economic growth edging up, with Q4 2014 GDP data suggesting a slight improvement on the earlier sluggish trend. That has yet to translate to a consistent improvement in demand for air travel.
- ➔ The US domestic market trended up in the latter months of 2014, coinciding with a pick-up in consumer confidence and rising employment activity. The market was up 4.3% in April year-on-year, which is a solid result as latest data show a temporary slump in Q1 GDP growth.

### Passenger Load Factor on Domestic Market

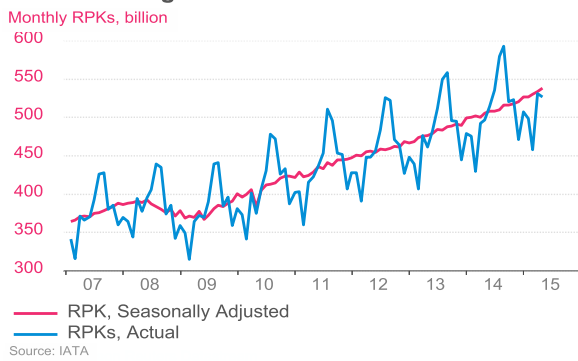


### Domestic Passenger Load Factor by Country

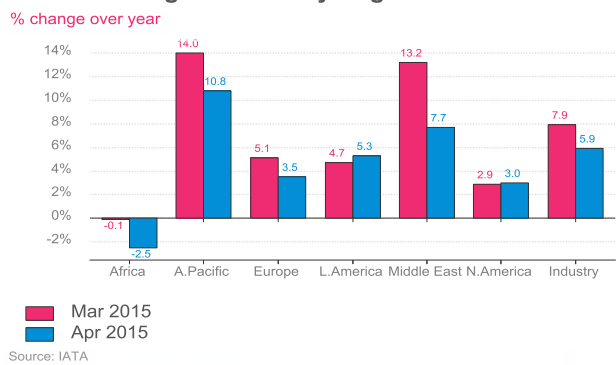


### Total Market (Domestic + International)

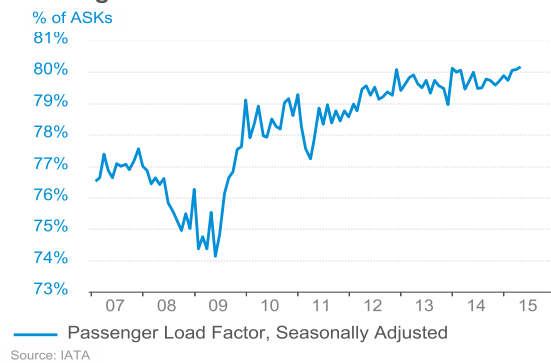
#### Total Passenger Market



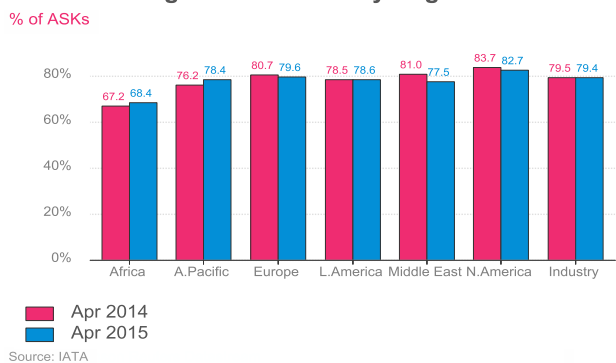
#### Total Passenger Growth by Region



### Passenger Load Factor on Total Market



### Total Passenger Load Factor by Region



## ANNEX

Year on Year Comparison	Apr 2015 vs Apr 2014			YTD 2015 vs. YTD 2014		
	RPK	ASK	PLF	RPK	ASK	PLF
Africa	-3.2%	-5.0%	67.5%	-1.7%	-2.1%	66.2%
Asia/Pacific	9.0%	6.0%	78.3%	8.7%	6.9%	78.1%
Europe	3.7%	4.7%	80.7%	4.8%	4.2%	79.5%
Latin America	6.3%	7.3%	77.7%	6.2%	6.3%	79.1%
Middle East	8.2%	13.3%	77.2%	11.6%	14.2%	77.8%
North America	0.7%	4.1%	78.1%	2.4%	3.2%	78.8%
<b>International</b>	<b>5.2%</b>	<b>5.9%</b>	<b>78.6%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>78.2%</b>
Australia	0.1%	-1.8%	76.8%	0.8%	-0.8%	76.6%
Brazil	2.3%	0.9%	80.8%	4.8%	3.2%	80.9%
China P.R.	15.5%	13.2%	81.5%	12.1%	11.7%	81.5%
India	20.7%	8.7%	82.0%	20.2%	4.8%	83.0%
Japan	6.4%	2.6%	63.3%	5.0%	3.4%	65.2%
Russian Federation	1.7%	13.2%	67.2%	3.5%	6.1%	67.9%
US	4.3%	4.4%	85.2%	3.3%	3.6%	83.6%
<b>Domestic</b>	<b>7.2%</b>	<b>6.4%</b>	<b>80.8%</b>	<b>6.1%</b>	<b>5.4%</b>	<b>80.3%</b>
Africa	-2.5%	-4.3%	68.4%	-1.3%	-1.6%	67.2%
Asia/Pacific	10.8%	7.6%	78.4%	9.5%	7.6%	78.4%
Europe	3.5%	5.0%	79.6%	4.6%	4.0%	78.4%
Latin America	5.3%	5.2%	78.6%	6.0%	5.5%	79.6%
Middle East	7.7%	12.6%	77.5%	10.9%	13.4%	78.1%
North America	3.0%	4.2%	82.7%	3.0%	3.4%	81.8%
<b>Total Market</b>	<b>5.9%</b>	<b>6.1%</b>	<b>79.4%</b>	<b>6.3%</b>	<b>5.8%</b>	<b>79.0%</b>

RPK: Revenue-Passenger-Kilometers; ASK: Available-Seat-Kilometers; PLF: Passenger-Load-Factor;  
All Figures are expressed in % change Year on Year except PLF which are the load factors for the specific month.

Month on Month Comparison	Apr 2015 vs. Mar 2015			Market Share
	RPK	ASK	PLFpt	RPK
Africa	-0.7%	-1.3%	0.4%	2.1%
Asia/Pacific	2.2%	1.0%	1.0%	27.6%
Europe	0.4%	0.7%	-0.3%	37.6%
Latin America	0.9%	0.9%	0.0%	4.3%
Middle East	0.0%	0.8%	-0.6%	14.6%
North America	-0.5%	0.9%	-1.1%	13.0%
<b>International</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>100.0%</b>
Australia	0.0%	-0.3%	0.2%	3.1%
Brazil	-1.9%	-2.3%	0.3%	3.8%
China P.R.	1.2%	1.1%	0.0%	23.5%
India	1.8%	1.1%	0.6%	3.2%
Japan	0.6%	-0.1%	0.5%	3.2%
Russian Federation	-1.0%	4.0%	-3.5%	3.1%
US	0.9%	0.8%	0.1%	43.0%
<b>Domestic</b>	<b>0.7%</b>	<b>0.4%</b>	<b>0.3%</b>	
Africa	-0.9%	-1.4%	0.3%	2.1%
Asia/Pacific	1.7%	0.6%	0.8%	31.8%
Europe	0.3%	0.7%	-0.3%	26.5%
Latin America	0.3%	0.0%	0.2%	5.1%
Middle East	-0.1%	0.7%	-0.6%	9.6%
North America	0.4%	0.8%	-0.3%	24.7%
<b>Total Market</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>100%</b>

Data are seasonally adjusted. All figures are expressed in % change MoM except, PLFpt which are the percentage point difference between load factors of two months.

Contact: Julie Perovic  
[perovicj@iata.org](mailto:perovicj@iata.org)  
4<sup>th</sup> June 2015

#### FURTHER ANALYSIS AND DATA

Access data related to this briefing through the Monthly Statistics publication:

<http://www.iata.org/publications/Pages/monthly-traffic-statistics.aspx>

#### NEW RELEASE ALERTS

To receive email notification of new analysis from IATA Economics, select 'Economic Briefings' from:

[www.iata.org/optin](http://www.iata.org/optin)