



Air Passenger Market Analysis

August 2022

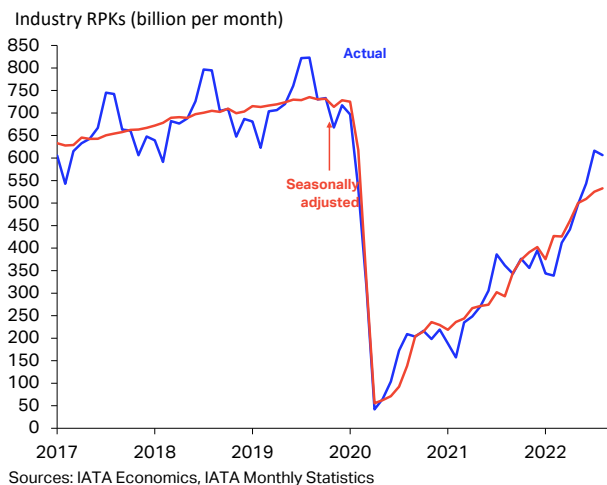
The strong positive trend continued in August

- The robust positive trend for air passenger markets continued in August, with revenue passenger kilometers (RPKs) rising by 67.7% in year-on-year (YoY) terms. The global industry conserved its momentum as the summer drew to a close.
- Domestic RPKs grew by 26.5% YoY and reached 85.6% of 2019 levels in August, with diverging outcomes among the main markets.
- International RPKs increased 115.6% YoY in August with stable results across the industry. North American carriers delivered an 87% passenger load factor, thus leading the industry in terms of international flights.
- The industry-wide passenger load factor stood at 81.8%, with European carriers leading at 86.2%. International markets sported an 83.2% load factor compared to 79.7% regarding domestic travel.
- Forward bookings continue to paint a positive outlook, as international demand rose again in August, closing the gap with already elevated domestic demand.

The strong positive trend continued in August

Industry-wide revenue passenger-kilometers (RPKs) grew by 67.7% YoY in July 2022. Global traffic is now at 73.7% of 2019 levels, which is a slight contraction from July 2022 (**Chart 1**). Seasonality analysis shows an average growth rate of 1.6% month-on-month (MoM) over the past ten years between July and August, though decreases have been observed on six occasions. August 2022 falls in this latter category, with a drop in global RPKs of 1.6% MoM. However, seasonally adjusted data continue to indicate a strong positive direction, as can be seen in Chart 1.

Chart 1: Global air passengers, RPK billion

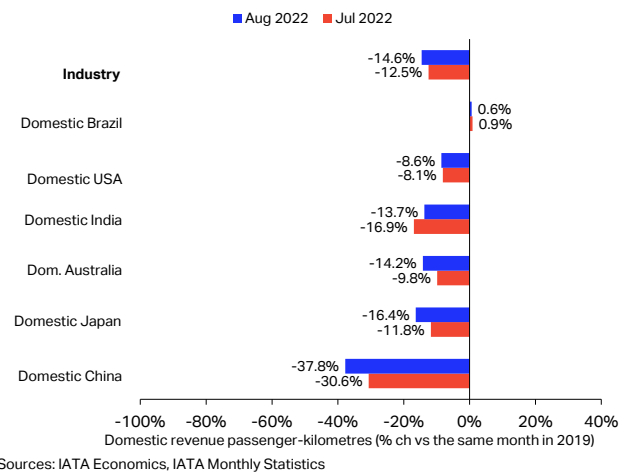


Passenger load factors (PLF) remains high and stable. In international markets, the load factor increased by 11.8 percentage points (ppts) YoY and reached 81.8% in August. The domestic load factor sat slightly below 80% in the same month.

Domestic traffic stable globally

Global domestic RPKs grew by 26.5% YoY in August, though outcomes diverge across the major domestic markets. Compared to 2019, domestic traffic remained close to the levels achieved over the previous months and stood at 14.6% shy of 2019 levels in August (**Chart 2**).

Chart 2 – Domestic RPK growth (airline region of registration basis), YoY% change versus 2019



	World share ¹	August 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	67.7%	43.6%	11.8%	81.8%	76.6%	48.9%	12.1%	77.1%
International	37.7%	115.6%	68.4%	18.2%	83.2%	205.9%	108.8%	24.3%	76.4%
Domestic	62.3%	26.5%	18.9%	4.7%	79.7%	14.5%	8.3%	4.3%	78.0%

¹% of industry RPKs in 2021

²Year-on-year change in load factor

³Load factor level

In **China**, domestic RPKs have recovered in a V-shaped fashion while remaining at a rather low 62.2% of the 2019 level in August. Nevertheless, traffic increased by 45.1% YoY in that month.

US domestic traffic remained stable and close to previously achieved levels, with August posting a 0.5 ppt drop from July 2022 and a MoM decline of 8.6% Domestic RPKs are showing signs of a sideways trend in this market, where further recovery is limited by supply constraints. Nonetheless, RPKs and ASKs (available seat kilometers) have increased 7.0% and 3.3% YoY respectively.

In **Brazil**, domestic passenger volumes were up 25.7% YoY in August, exceeding pre-pandemic levels by 0.6% YoY. This market is thus proving to be quite resilient in this complex global context. In **India**, domestic RPKs increased by 55.9% YoY in August which nevertheless remains 13.7% below the same month in 2019. This, in turn, is an improvement from the -16.9% seen in July.

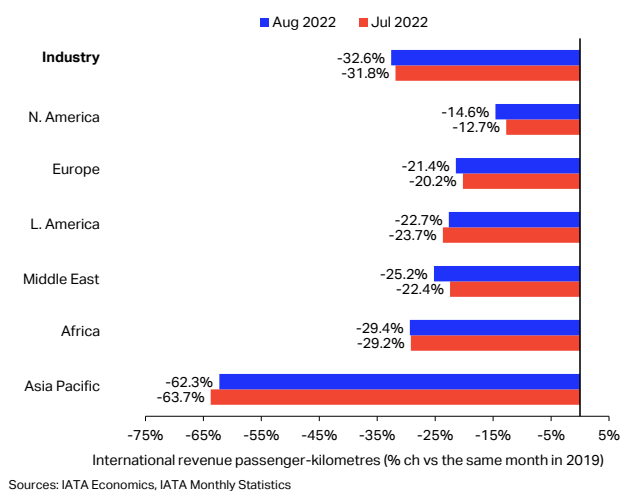
Japan too, continues to recover, with traffic volumes up 112.3% YoY. Domestic RPKs trend close to pre-pandemic levels at -16.4% of August 2019.

The domestic market in **Australia** recorded a 449.0% YoY increase and is now 14.2% short of 2019 levels, a 4.4 ppts decrease from July. The comparison with 2021 is skewed by past travel restrictions.

Insufficient data do not allow us to report on market developments for domestic Russia. **The international recovery held steady in August**

International RPKs rose by 115.6% YoY in August, demonstrating that achieved results are stable for this second high-activity month (**Chart 3**). International traffic fell 32.6% short of the pre-covid level in the month of August.

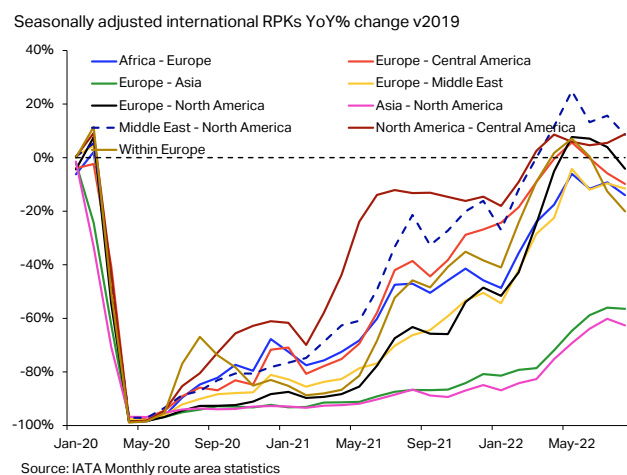
Chart 3: International RPK growth (airline region of registration basis), YoY% change versus 2019



Airlines based in **Asia Pacific** continued to record the strongest YoY growth rates for international RPKs in August, at 449.2% - a 1.4 ppts increase compared to 2019. This represents a slight improvement over July, a result that is heavily impacted by remaining travel restrictions in China.

As a result, the recovery is still lagging in this region (**Chart 4**), as routes between Asia Pacific and other parts of the world contrast with routes where traffic has already reached or surpassed pre-pandemic levels.

Chart 4: Seasonally adjusted international RPKs, selected routes



Airlines based in **Europe** sustained growth of 78.8% in international RPKs over the year to August and achieved 78.6% of pre-crisis levels. Within Europe, international traffic currently stands 20.1% below pre-pandemic levels in seasonally adjusted terms.

Airlines in **Latin and North America** recorded YoY growth in international RPKs of 102.5% and 110.4% respectively in August. North American carriers conserved momentum and are the best performers at 85.4% of 2019 traffic. International RPKs for the Latin American carriers are now 77.3% of the pre-pandemic level.

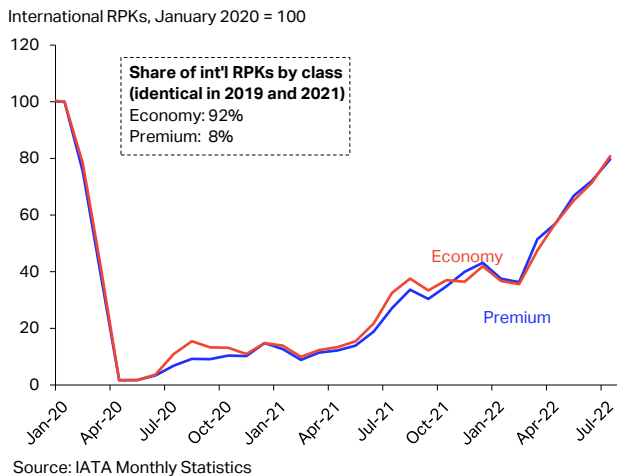
Middle Eastern carriers recorded growth of 144.9% YoY in August and international RPKs are now 25.2% below the August 2019 level. International operations are stable for airlines based in **Africa** at 70.6% of the level seen in August 2019 and showing an increase of 69.5% YoY.

Cabin classes recover in tandem

Recovery trends for traffic in the **Premium and Economy cabin classes** are aligned, apart from past summer seasons during which economy class travel took the lead. Economy class RPKs – which include premium economy (and account for 92% of total RPKs) – reached 80.8% of their January 2020 level in July 2022. Premium RPKs – which capture travel in

first and business class cabins – fared nearly as well at 79.7% of the January 2020 level (**Chart 5**).

Chart 5: International RPKs by cabin class



The international capacity recovery is on the rise as domestic steadies sideways

Industry-wide available seat-kilometers (ASKs) grew by 43.6% YoY in August. Offered capacity is currently at 77.2% of pre-pandemic levels. Globally, North and Latin America are still in the lead with total capacity standing just 9% below the pre-pandemic level. On a global scale, international capacity increases continue to drive the industry recovery.

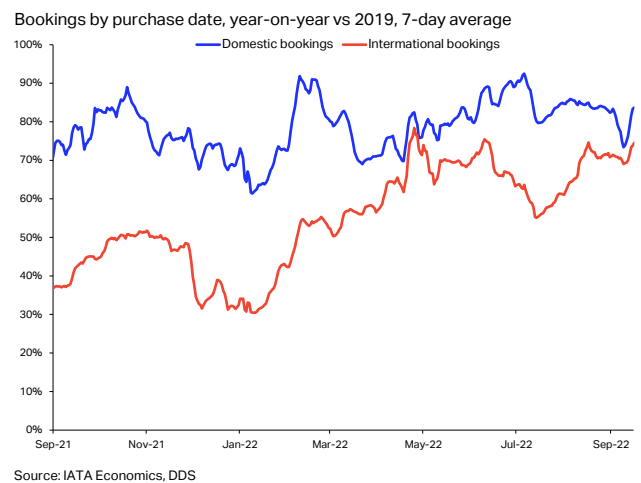
Forward bookings suggest a positive outlook

International bookings rose in August after having lost momentum in July 2022. In the spring, domestic and international traffic levels sported virtually equal

shares of their respective 2019 levels. Since then, the gap has widened again, with international falling behind domestic. This can mostly be explained by the partial reopening of the China PR market, boosting domestic bookings.

Over the past year, the introductions and removals of travel restrictions have dictated the fluctuations in the gap between domestic and international traffic in the region. In August, this gap shrunk again with international bookings accelerating once more. Overall, forward bookings continue to give a positive outlook and confirm that the willingness to travel is resilient for both domestic and international traffic globally.

Chart 6: Passenger ticket sales, Domestic and International, YoY% versus 2019



Air passenger market in detail - August 2022

	World share ¹	August 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	67.7%	43.6%	11.8%	81.8%	76.6%	48.9%	12.1%	77.1%
Africa	1.9%	69.6%	47.6%	9.8%	75.7%	79.7%	49.3%	11.9%	70.4%
Asia Pacific	27.5%	141.6%	76.5%	19.9%	74.0%	23.0%	12.8%	5.7%	68.8%
Europe	25.0%	59.6%	37.8%	11.8%	86.2%	147.4%	99.0%	15.6%	79.6%
Latin America	6.5%	55.0%	46.6%	4.5%	82.4%	84.6%	71.0%	5.9%	80.8%
Middle East	6.6%	135.5%	65.4%	23.7%	79.6%	191.7%	81.8%	27.6%	73.3%
North America	32.6%	29.6%	20.0%	6.4%	85.6%	58.0%	37.1%	11.0%	82.8%
International	37.7%	115.6%	68.4%	18.2%	83.2%	205.9%	108.8%	24.3%	76.4%
Africa	1.5%	69.5%	45.3%	10.8%	75.9%	84.1%	48.3%	13.6%	69.7%
Asia Pacific	3.1%	449.2%	167.0%	40.1%	78.0%	349.2%	112.9%	36.0%	68.5%
Europe	18.7%	78.8%	48.0%	14.7%	85.5%	210.8%	129.4%	20.6%	78.8%
Latin America	2.1%	102.5%	80.8%	8.9%	83.5%	162.3%	118.3%	13.7%	81.6%
Middle East	6.0%	144.9%	72.2%	23.7%	79.8%	212.2%	91.0%	28.6%	73.7%
North America	6.2%	110.4%	69.7%	16.9%	87.2%	165.9%	87.1%	23.6%	79.6%
Domestic	62.3%	26.5%	18.9%	4.7%	79.7%	14.5%	8.3%	4.3%	78.0%
Dom. Australia ⁴	0.8%	449.0%	233.7%	32.1%	81.9%	78.8%	49.8%	12.3%	76.2%
Domestic Brazil ⁴	1.9%	25.7%	23.4%	1.5%	81.2%	48.3%	47.8%	0.2%	79.2%
Dom. China P.R. ⁴	17.8%	45.1%	25.7%	9.0%	67.4%	-38.2%	-31.6%	-6.9%	65.3%
Domestic India ⁴	2.0%	55.9%	42.3%	6.9%	78.9%	93.6%	66.5%	11.1%	79.2%
Domestic Japan ⁴	1.1%	112.3%	40.0%	24.0%	70.6%	91.2%	54.8%	10.8%	56.9%
Domestic US ⁴	25.6%	7.0%	3.3%	3.0%	84.6%	32.3%	20.3%	7.6%	84.2%

¹% of industry RPKs in 2021

²Year-on-year change in load factor

³Load factor level

⁴Note: the seven domestic passenger markets for which broken-down data are available account for approximately 54% of global total RPKs and 86% 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.

Air passenger market - 2022 vs. 2019

	World share ¹	August 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	-26.3%	-22.8%	-3.9%	81.8%
Africa	1.9%	-26.7%	-26.9%	0.2%	75.7%
Asia Pacific	27.5%	-46.7%	-39.5%	-10.0%	74.0%
Europe	25.0%	-18.2%	-15.5%	-2.9%	86.2%
Latin America	6.5%	-10.2%	-9.3%	-0.8%	82.4%
Middle East	6.6%	-24.2%	-21.8%	-2.4%	79.6%
North America	32.6%	-10.9%	-9.2%	-1.6%	85.6%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level

	World share ¹	August 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
Domestic	62.3%	-14.6%	-8.1%	-6.0%	79.7%
Dom. Australia	0.8%	-14.2%	-14.1%	-0.1%	81.9%
Domestic Brazil	1.9%	0.6%	2.1%	-1.2%	81.2%
Dom. China P.R.	17.8%	-37.8%	-19.1%	-20.2%	67.4%
Domestic India	2.0%	-13.7%	-6.7%	-6.5%	78.9%
Domestic Japan	1.1%	-16.4%	-3.8%	-10.6%	70.6%
Domestic US	25.6%	-8.6%	-6.4%	-2.0%	84.6%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level

	World share ¹	August 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
International	37.7%	-32.6%	-30.6%	-2.5%	83.2%
Africa	1.5%	-29.4%	-29.6%	0.2%	75.9%
Asia Pacific	3.1%	-62.3%	-59.9%	-4.9%	78.0%
Europe	18.7%	-21.4%	-18.1%	-3.7%	85.5%
Latin America	2.1%	-22.7%	-22.3%	-0.4%	83.5%
Middle East	6.0%	-25.2%	-22.8%	-2.6%	79.8%
North America	6.2%	-14.6%	-13.5%	-1.1%	87.2%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level

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