

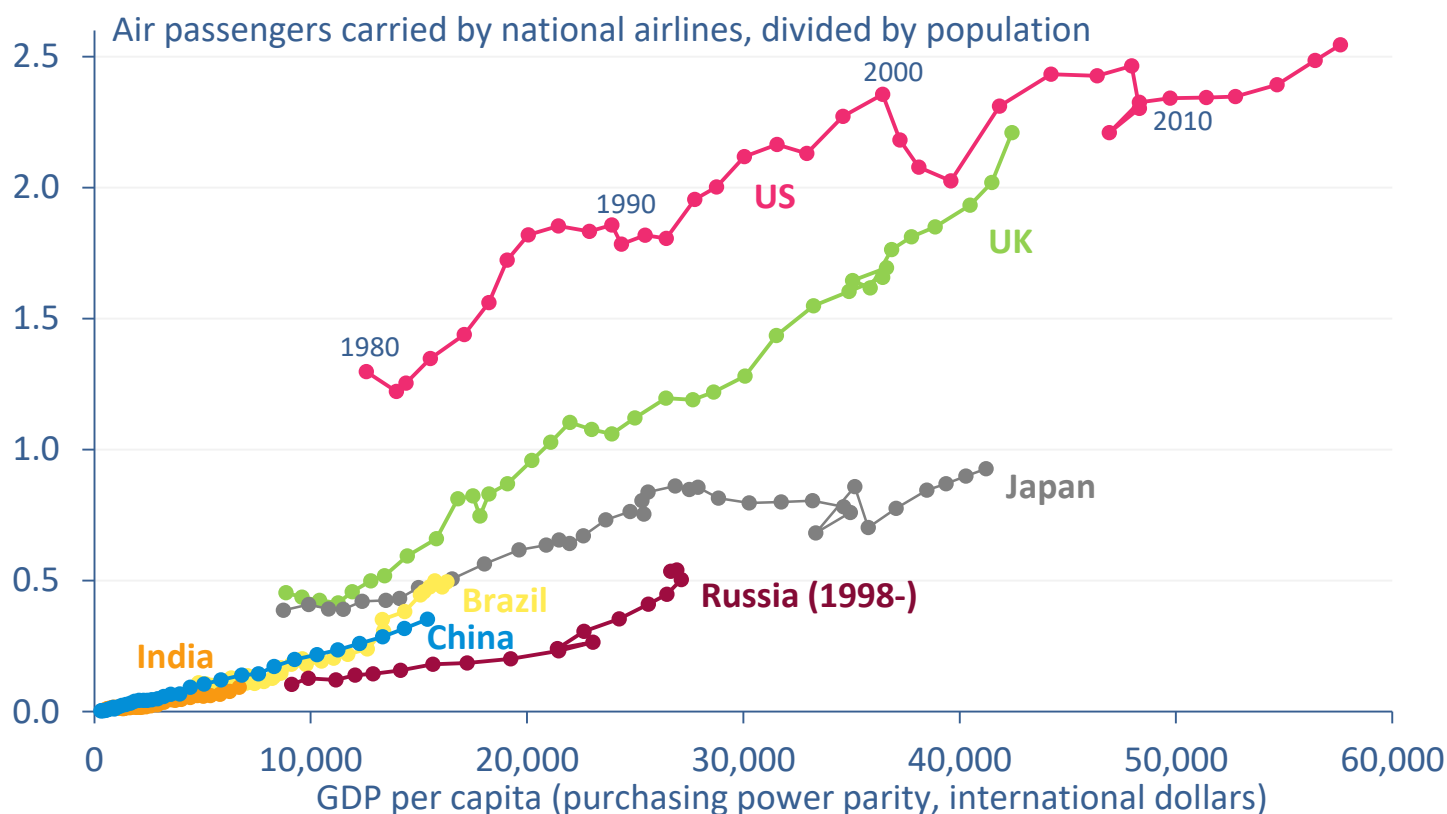


IATA ECONOMICS' CHART OF THE WEEK

18 MAY 2018

AIR TRANSPORT MARKET EVOLUTION: SAME, SAME BUT DIFFERENT

Passenger traffic per capita vs. economic development (1980-2016, selected countries)



Sources: IATA Economics, IMF, World Bank

- Earlier in the year ([link](#)), we looked at how air passenger demand across a range of countries (the total number of pax carried on national airlines) shifted with changes in incomes and economic development (the level of GDP per capita) over time. Today's chart utilizes the same data set to build on that initial work.
- A striking initial finding was that Chinese airlines fly 55% more passengers than airlines based in America did when the US was at a similar stage of economic development. As we noted at the time, this is of course, partly a function of population size. Today we adjust for population to compare the number of trips *per capita* with economic development.
- The adjustment goes a long way to narrowing the divergence between the US and UK. But it does not do so for the other high-income country shown – Japan – where the pax/pop ratio has been relatively flat for almost two decades despite increases in income over that period. That said, an upward trend has re-emerged in the past five years or so. For the emerging countries, Brazil is performing on par with Japan and the UK at the same stage of their development, and China isn't far behind. A strong pick-up in Russia in recent years has closed the gap to Japan. Although India has the lowest level of income, its pax/pop ratio is tracking a similar path to both Brazil and China at a similar stage of development.
- The opportunity in emerging countries for catch-up and future growth in air transport – both making air travel more widely accessible and increasing the number of journeys per person – is clear. But equally, country-specific factors (eg income distribution, connectivity, infrastructure, geography and regulation) will also lead to differences in the path of evolution.

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