



# ECONOMIC PERFORMANCE OF THE AIRLINE INDUSTRY

## Industry Forecast – December 2017

System-wide global commercial airlines	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017E	2018F
<b>REVENUES, \$ billion</b>	<b>465</b>	<b>510</b>	<b>570</b>	<b>476</b>	<b>564</b>	<b>642</b>	<b>706</b>	<b>720</b>	<b>767</b>	<b>721</b>	<b>709</b>	<b>754</b>	<b>824</b>
% change	12.6	9.6	11.7	-16.5	18.4	14.0	9.8	2.1	6.5	-6.1	-1.6	6.3	9.4
Passenger, \$ billion	365	399	444	374	445	512	531	539	541	514	502	532	581
Cargo, \$ billion	53.2	58.8	62.6	48.4	66.1	66.9	63.5	60.7	62.4	52.3	47.5	54.5	59.2
<b>Traffic volumes</b>													
Passenger growth, rpk, %	6.9	7.9	2.4	-1.2	8.0	6.3	5.3	5.2	5.7	7.3	7.4	7.5	6.0
Sched passenger numbers, millions	2,258	2,456	2,493	2,483	2,700	2,864	2,999	3,152	3,328	3,561	3,810	4,081	4,311
Cargo growth, ftk+mtk, %	6.7	5.0	-0.7	-8.8	19.3	0.4	-0.9	0.6	4.8	1.5	3.8	9.3	4.5
Freight tonnes, millions	43.4	45.4	45.1	41.1	49.1	49.3	48.8	49.5	51.5	52.8	54.9	59.9	62.5
World economic growth, %	4.0	4.0	1.5	-2.0	4.1	2.9	2.4	2.5	2.7	2.7	2.5	3.0	3.1
Passenger yield, %	6.1	1.9	8.3	-13.7	9.5	7.5	-1.4	-3.9	-5.5	-11.9	-8.8	-1.5	3.0
Cargo yield %	4.0	5.3	7.0	-15.2	14.4	0.8	-4.2	-4.9	-2.0	-17.4	-12.5	5.0	4.0
<b>EXPENSES, \$ billion</b>	<b>450</b>	<b>490</b>	<b>571</b>	<b>474</b>	<b>536</b>	<b>623</b>	<b>687</b>	<b>695</b>	<b>725</b>	<b>661</b>	<b>644</b>	<b>691</b>	<b>757</b>
% change	10.1	8.8	16.5	-16.9	13.1	16.2	10.4	1.1	4.4	-8.9	-2.6	7.3	9.6
Fuel, \$ billion	127	146	203	134	151	191	228	230	224	174	132	130	156
% of expenses	28.4	29.8	35.6	28.3	28.3	30.7	33.2	33.2	30.9	26.4	20.6	18.8	20.5
Crude oil price, Brent, \$/b	65.1	73.0	99.0	62.0	79.4	111.2	111.8	108.8	99.9	53.9	44.6	54.2	60.0
Jet kerosene price, \$/b	81.9	90.0	126.7	71.1	91.4	127.5	129.6	124.5	114.8	66.7	52.1	65.6	73.8
Fuel consumption, billion gallons	69	71	70	66	70	72	73	74	77	81	85	88	92
CO2 emissions, million tonnes	657	674	667	633	664	683	694	710	733	770	811	844	874
Non-fuel, \$ billion	324	344	367	340	385	431	459	464	501	486	511	561	602
cents per atk (non-fuel unit cost)	36.5	36.4	37.8	36.5	39.8	42.1	43.5	42.5	43.4	39.7	39.3	40.8	41.6
% change	-3.1	-0.5	4.0	-3.4	9.1	5.8	3.3	-2.4	2.1	-8.5	-1.2	4.0	2.0
Capacity growth, atk, %	5.0	6.8	2.7	-4.2	3.7	6.0	3.0	3.7	5.7	6.0	6.4	5.4	5.2
Flights, million	25.5	26.7	26.5	25.9	27.8	30.1	31.2	32.0	33.0	34.0	35.4	36.8	38.6
Break-even weight load factor, %	60.8	60.3	62.2	61.8	63.5	64.1	64.7	64.5	63.3	61.4	60.8	62.9	63.3
Weight load factor achieved, %	62.8	62.7	62.1	62.0	66.8	66.1	66.4	66.8	66.9	67.0	67.0	68.6	68.9
Passenger load factor achieved, %	76.1	77.1	76.1	76.2	78.7	78.5	79.4	79.7	79.9	80.3	80.3	81.2	81.4
<b>OPERATING PROFIT, \$ billion</b>	<b>15.0</b>	<b>19.9</b>	<b>-1.1</b>	<b>1.9</b>	<b>27.6</b>	<b>19.8</b>	<b>18.4</b>	<b>25.3</b>	<b>41.7</b>	<b>59.8</b>	<b>65.2</b>	<b>62.6</b>	<b>66.9</b>
% margin	3.2	3.9	-0.2	0.4	4.9	3.1	2.6	3.5	5.4	8.3	9.2	8.3	8.1
<b>NET PROFIT, \$ billion</b>	<b>5.0</b>	<b>14.7</b>	<b>-26.1</b>	<b>-4.6</b>	<b>17.3</b>	<b>8.3</b>	<b>9.2</b>	<b>10.7</b>	<b>13.7</b>	<b>35.9</b>	<b>35.3</b>	<b>34.5</b>	<b>38.4</b>
% margin	1.1	2.9	-4.6	-1.0	3.1	1.3	1.3	1.5	1.8	5.0	5.0	4.6	4.7
per departing passenger, \$	2.2	6.0	-10.5	-1.9	6.4	2.9	3.1	3.4	4.1	10.1	9.3	8.5	8.9
<b>RETURN ON INVESTED CAPITAL, %</b>	<b>4.7</b>	<b>5.7</b>	<b>1.3</b>	<b>1.9</b>	<b>6.2</b>	<b>4.7</b>	<b>4.6</b>	<b>4.8</b>	<b>5.9</b>	<b>9.7</b>	<b>10.3</b>	<b>9.6</b>	<b>9.4</b>

**Data sources:** Historic data to 2014 from ICAO, except fuel detail and global passenger and freight. 2018 forecasts by IATA and estimates for some 2017, 2016 & 2015 items. IATA Economic Industry Performance (IATA Economics)

**Note:** Bankruptcy reorganization and large non-cash costs are excluded.

**Updated:** 12/2017 Next Update: 06/2018

## Financial Results

System-wide global commercial airlines	EBIT margin, % revenues								Net profit, \$ billion							
	2011	2012	2013	2014	2015	2016	2017E	2018F	2011	2012	2013	2014	2015	2016	2017E	2018F
Global	3.1%	2.6%	3.5%	5.4%	8.3%	9.2%	8.3%	8.1%	8.3	9.2	10.7	13.7	35.9	35.3	34.5	38.4
Regions																
North America	3.0%	3.4%	6.8%	11.0%	14.9%	14.4%	13.2%	12.7%	1.7	2.3	7.4	11.1	21.7	16.5	15.6	16.4
Europe	0.8%	0.7%	2.0%	2.4%	5.4%	6.2%	6.3%	6.6%	0.3	0.4	1.0	1.9	7.5	8.8	9.8	11.5
Asia-Pacific	6.6%	4.7%	2.9%	2.5%	8.0%	9.9%	8.5%	8.1%	5.0	5.8	2.3	0.3	7.3	8.1	8.3	9.0
Middle East	3.1%	3.0%	0.9%	2.3%	3.6%	2.4%	0.6%	1.1%	1.0	1.0	0.3	1.1	2.1	1.3	0.3	0.6
Latin America	2.0%	1.5%	2.2%	2.2%	1.6%	5.9%	5.7%	6.5%	0.2	-0.2	0.2	0.0	-1.6	0.7	0.7	0.9
Africa	0.6%	-0.4%	-0.5%	-2.5%	-4.6%	0.1%	0.5%	0.3%	0.0	-0.1	-0.5	-0.8	-1.0	-0.1	-0.1	-0.1

**Data sources:** ICAO revised data 2010-15. IATA estimates for regions in 2011-17. IATA forecast for 2018.

**Note:** Bankruptcy reorganization and large non-cash costs are excluded.

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## Traffic Results

System-wide global commercial airlines	Passenger traffic (RPK), % Year-on-Year								Passenger capacity (ASK) % Year-on-Year							
	2011	2012	2013	2014	2015	2016	2017E	2018F	2011	2012	2013	2014	2015	2016	2017E	2018F
Global	6.3	5.3	5.2	5.7	7.3	7.4	7.5	6.0	6.6	4.0	4.8	5.5	6.7	7.5	6.3	5.7
Regions																
North America	2.9	1.0	2.3	2.7	5.3	4.2	4.0	3.5	2.8	0.0	2.0	2.5	5.0	4.6	3.9	3.4
Europe	8.4	4.6	3.9	5.7	6.0	5.4	8.0	6.0	8.9	2.6	2.7	5.1	4.8	5.7	6.2	5.5
Asia-Pacific	6.6	6.1	7.2	6.9	10.1	10.9	10.0	7.0	7.0	5.3	7.1	7.4	8.4	9.9	8.3	6.8
Middle East	10.0	14.7	11.6	12.1	10.4	11.3	6.5	7.0	9.8	12.0	12.3	10.9	12.9	13.1	6.6	4.9
Latin America	11.3	9.4	6.3	7.0	7.6	4.5	7.5	8.0	9.3	7.3	4.5	4.7	6.9	3.4	5.9	7.5
Africa	1.6	7.5	4.6	0.3	0.0	9.4	7.0	8.0	3.2	6.3	4.0	2.5	-0.2	8.2	3.3	7.5

**Data sources:** IATA. Domestic and international traffic. IATA Economic Industry Performance (IATA Economics)

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