

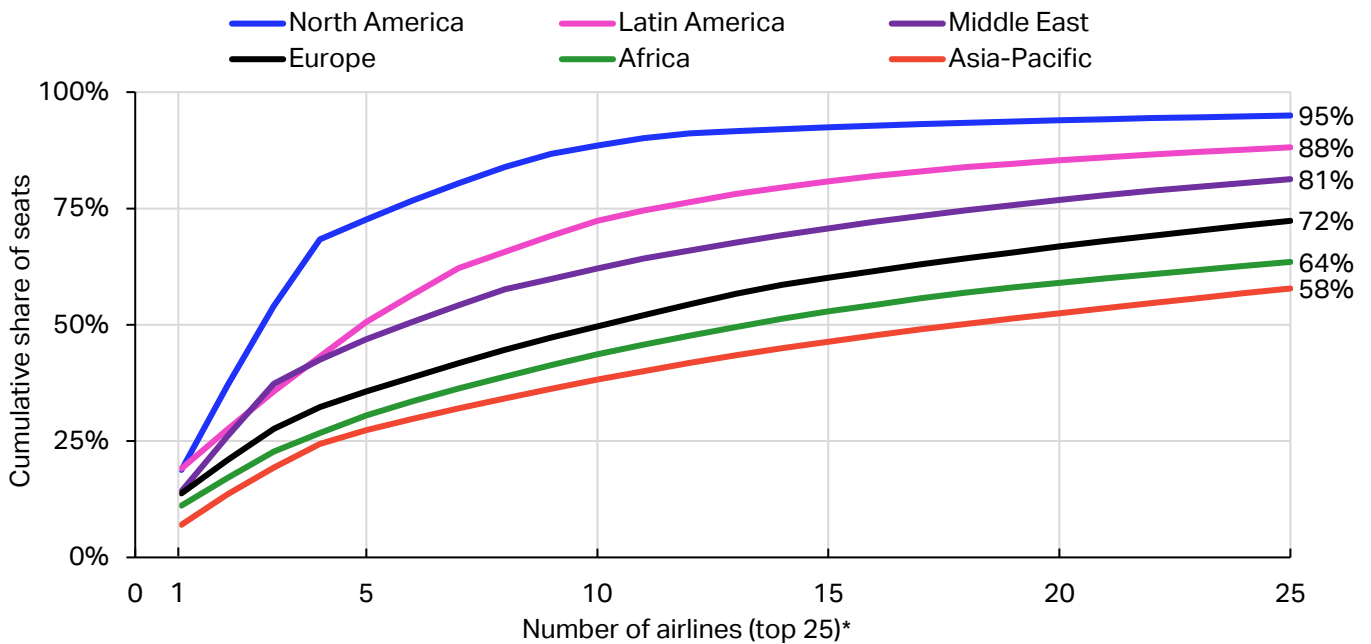


Chart of the Week

17 November 2023

Airline market share profiles vary across regions

Cumulative share of total scheduled seats by region and number of airlines, 2023



Source: IATA Sustainability and Economics based on OAG airline schedules for the 2023 calendar year (advanced schedules for November and December 2023).
 * Airlines are ordered by market share, without accounting for ownership groups or region of registration.

- As the airline industry recovers to pre-pandemic activity levels this year, understanding how airlines are positioned for efficiency and growth is paramount. Looking at the cumulative scheduled seat capacity for the top 25 airlines across different regions reveals stark differences in airline market structures (see chart).
- The three largest regional markets – North America, Europe, and Asia-Pacific – exhibit varying degrees of market concentration. North America's steep curve indicates a high level of concentration, with the top 3 airlines holding 50% of the region's scheduled seat capacity, and the top 10 airlines capturing 89% of the total market. At the other end of the spectrum, the Asia-Pacific market is the least concentrated. There as many as 18 airlines needed to account for half of the region's total market.
- Other regions fall somewhere in between these two models. In Europe, it takes 10 carriers to collectively reach the same 50% threshold, nearly 40 percentage points the service the same number of airlines provide in North America, a market of a similar size.
- Africa's top 5 carriers account for 30% of scheduled capacity in the region, reaching 44% for the top 10 airlines. In Latin America, the top 5 airlines serve 51% of the market, growing to 72% for the top 10, indicating a somewhat more concentrated environment. The Middle East's top 5 airlines account for nearly half the region's market share, and the following 5 airlines bring that number up to 62%.
- Despite global restructuring in response to the pandemic, regional market shares of airlines have mostly maintained their pre-pandemic profiles. As international flights resume, market consolidation could play a bigger role in managing capacity growth and controlling costs. This strategy is key for any industry facing challenges in expanding their workforce and in distributing capacity efficiently across markets, and it should be an option also for airlines.

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