

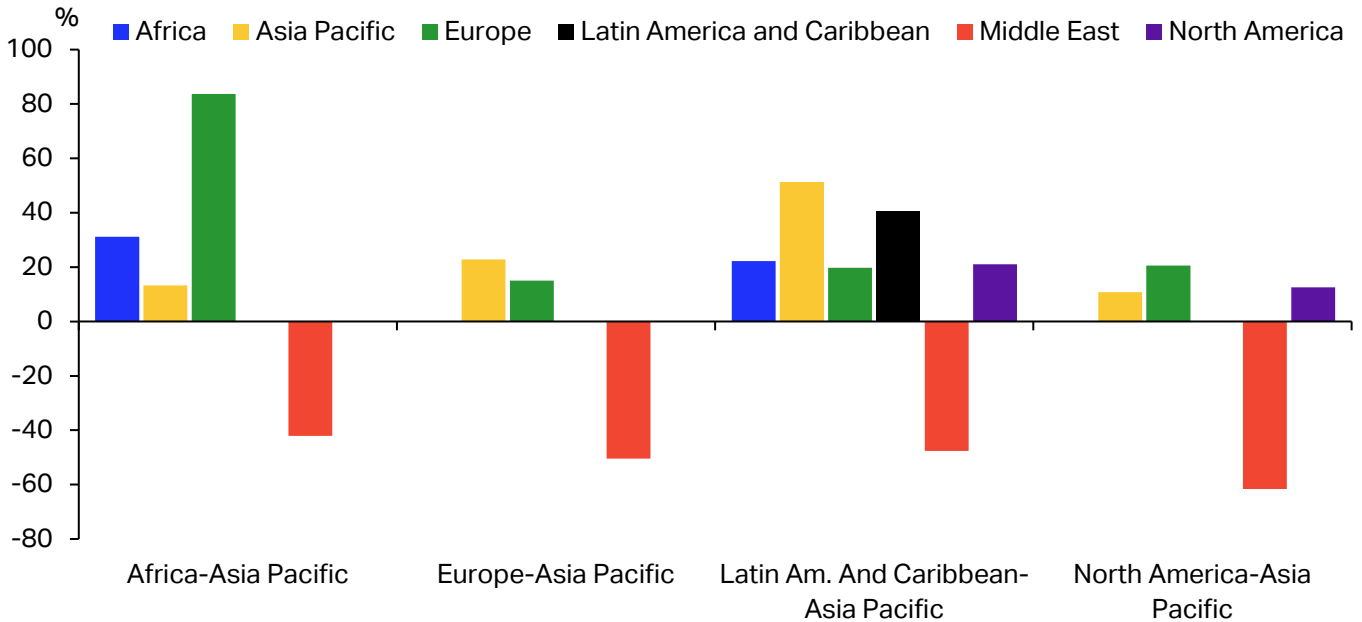


Chart of the Week

15 May 2026

Airlines Rebalance Asia Pacific Traffic Amid Iran War

Passenger traffic on Asia Pacific routes, by carriers' region of registration, PAX YoY, %, March 2026



Source: IATA Sustainability and Economics, DDS.

Note: For each route-area pair, only the carriers with a market share higher than 1% is shown.

- The Middle East’s geographic position makes it a major global transfer hub, shaping traffic flows across many long-haul corridors, particularly linking Asia Pacific with other regions. Following the war in Iran, flight cancellations by Middle Eastern carriers disrupted these flows, causing a significant rebalancing of air traffic in four major region-pairs that were heavily dependent on Middle East for connectivity: Africa-Asia Pacific, Europe-Asia Pacific, Latin America and the Caribbean-Asia Pacific, and North America-Asia Pacific.
- Europe-Asia Pacific represents the largest share of connecting traffic handled by Middle Eastern hubs, while Africa-Asia Pacific is the most dependent on the region’s airports, making these markets the most exposed to recent disruptions. In March, European, African and Asia Pacific airlines absorbed the displaced demand by Middle Eastern carriers on Africa-Asia Pacific corridor, with European airlines posting growth of more than 80% year-on-year (YoY) from a low base. On Europe-Asia Pacific routes, Asia Pacific and European carriers posted traffic growth of nearly 23% and 15% YoY, respectively. A similar pattern was seen on routes to/from Latin America and the Caribbean, and North America.
- Scheduling data also indicate that airlines outside the Middle East increased capacity to compensate for lost service from Middle Eastern carriers, but not enough to fully offset the decline. This pushed passenger load factors to record highs in March 2026, indicating tighter market conditions rather than full substitution.
- Despite the disruptions in supply, the passenger demand remained resilient in March. Traffic to and from Asia Pacific grew by 3.6% YoY, which suggests that the current shock affecting the region resembles more of a supply-side disruption, rather than a demand-driven downturn.

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