

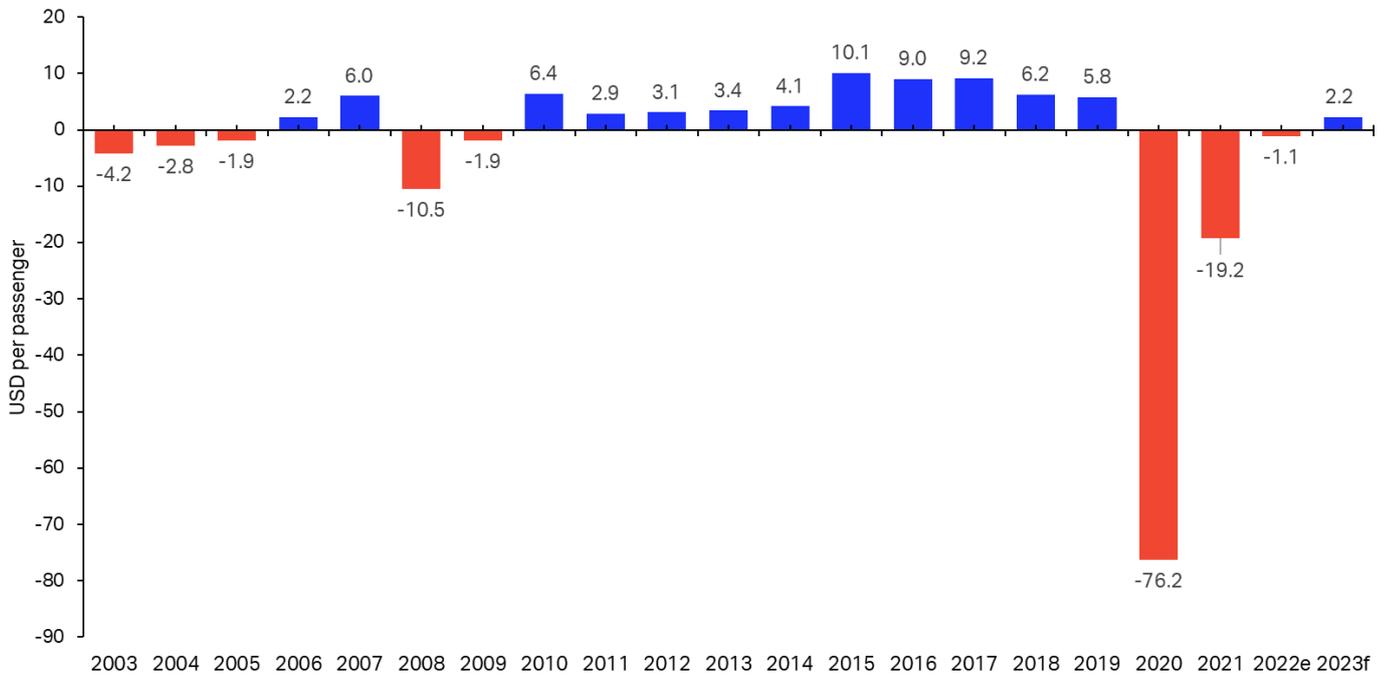


# Chart of the Week

9 June 2023

## Airlines to show a profit in 2023 - a first since Covid

Net profit per passenger (USD)



Source: IATA

- Following the profound financial disruption caused by the Covid-19 pandemic and the impact of significantly higher fuel costs last year, the airline industry is forecast to return to a net profit position in 2023, at USD 9.8 billion. On a per passenger basis, however, net profitability in 2023 is limited to USD 2.2 - roughly the price of half a cup of coffee in Geneva.
- At the depth of the Covid crisis in 2020, the net loss per passenger reached USD 76.2, more than seven times larger than the losses seen in 2008 following the global financial crisis. Financial results improved markedly in the subsequent two years, showing losses of USD 19.1 and narrowing to USD 1.1 per passenger in 2021 and 2022 respectively.
- Being able to report a profit in 2023 is a remarkable achievement, given the depth of the preceding crisis and the mere three years since. This illustrates not only the resilience of the industry in terms of adapting to external shocks but also the willingness of passengers to travel, as well as the need for air transportation in the wider economy.
- Risks abound though, and they include slower GDP and trade growth, higher interest rates, tight labor markets, energy costs, and various forms of capacity constraints. Moreover, climate change impacts and aviation's transition to net zero emissions by 2050 will add to the pressure on airlines' already slim margins. These factors might slow the pace of financial improvement in the industry going forward.
- Additional information on the financial forecast can be found in our recent Global Outlook [here](#).

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IATA Sustainability and Economics  
[economics@iata.org](mailto:economics@iata.org)