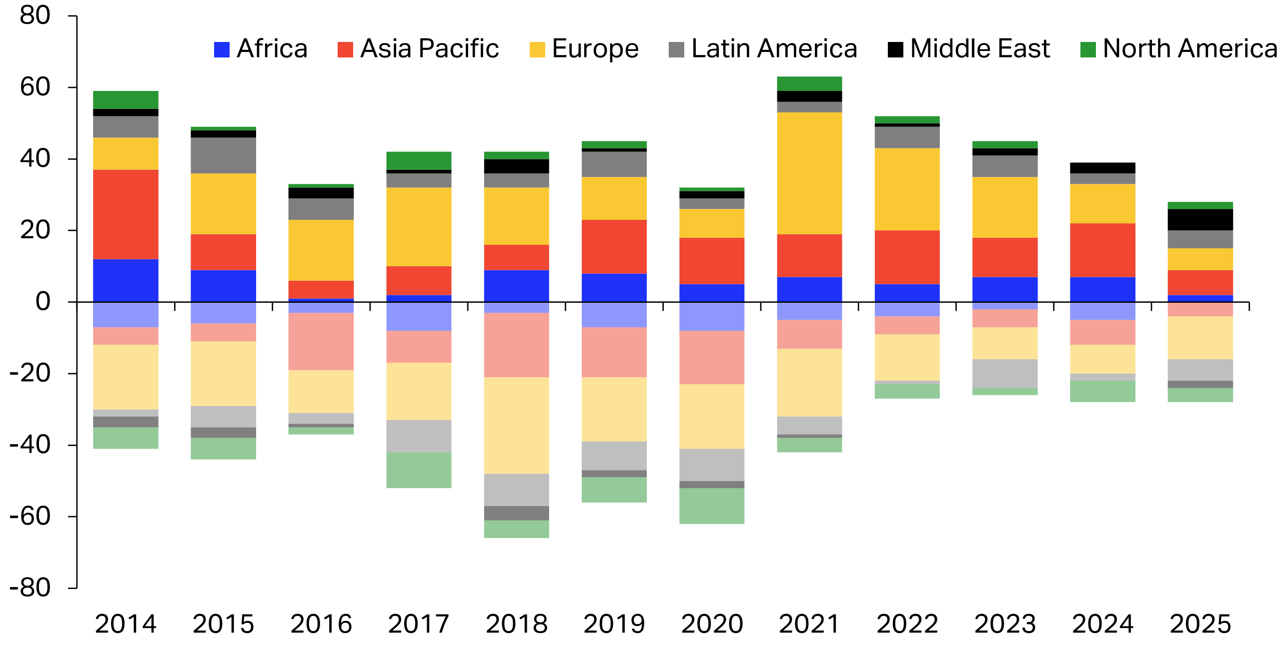
Chart of the Week

6 February 2026

Another Year With Fewer New Airlines Starting Operations

Number of airlines starting and ending operations by region



Source: IATA Sustainability and Economics, based on public sources as well as CH Aviation and FR24 data under license

- In 2025, only 28 new airlines commenced operations, marking the lowest number of market entrants since 1999. This continues the steady decline in new airline launches observed since the post-pandemic peak in 2021. That year saw a temporary spike driven by numerous post-covid reorganizations that temporarily boosted these figures. Since then, the trend has reversed.
- Given relatively strong demand fundamentals—with global air travel growing 5.3% in RPKs and air cargo expanding 3.4% in CTKs in 2025 coupled with record high load factors—the slowdown in new airline creation does not point to market saturation. Instead, it reflects a combination of economic, supply-chain, and geopolitical hurdles. Persistent aircraft, engine, and spare-parts shortages have constrained fleet availability and increased costs. Additionally, policy uncertainty has further complicated strategic planning for new carriers. At the same time, stricter regulatory and certification requirements have increased the complexity of launching operations. These factors collectively shape an environment where strong demand does not automatically translate into favorable conditions for new airline creation.
- On the other hand, the number of airlines ceasing operations stabilized at 28 in 2025, exactly matching the number of new entrants. This equilibrium suggests that, while the industry still operates with razor-thin margins, it has entered a period of relative stability compared with the volatility of the early 2020s. Many airlines have strengthened their balance sheets, restored traffic to pre-pandemic levels, and improved operational efficiency—yet vulnerabilities remain. Of the 28 airlines that exited the market, 21 were full-service carriers, 4 were low-cost carriers, and 3 were leisure airlines.

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