

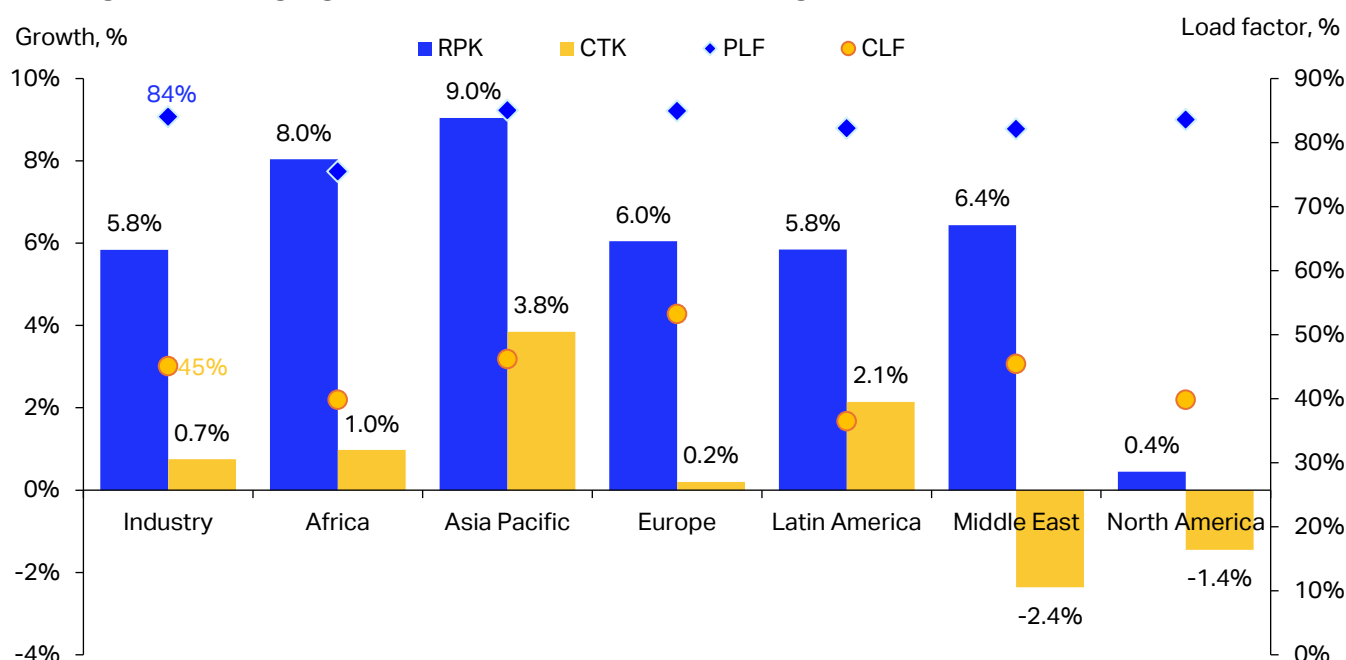


Chart of the Week

6 June 2025

Asia Pacific is the engine of growth in 2025

Passenger and cargo growth rates and corresponding load factors, %



Source: IATA Sustainability and Economics.

- The demand for air travel is projected to grow by 5.8% in 2025, measured in Revenue Passenger Kilometers (RPK). Slower global GDP growth and trade policy impacts explain the downward revision from the 8.0% YoY growth in traffic projected in the December 2024. This nevertheless strong performance is coupled with a record-high passenger load factor (PLF), at 84%.
- Asia-Pacific will be the fastest-growing region in 2025, at 9% YoY, contributing 52% of the industry's growth. The region is notably benefiting from renewed buoyancy in international travel. Europe places second, up 6% YoY, contributing 28% of total growth in 2025. Despite being a mature market, there is still potential for above-average growth, thanks to low-cost carriers recovering from engine-reliability issues in 2024.
- The Middle East should see traffic expand by 6.4% in 2025, driven by the region's strategic location and by government investments. Latin America will likely slow to 5.8%, aligning with the industry's average, reflecting unfavorable macroeconomics and currency fluctuations. Interestingly, this year, North America will add fewer RPK than Africa. As the most developed market, slower growth in North America is to be expected. However, at 0.4% YoY, this is a downgrade from the 3.0% forecast in December 2024, as the region is uniquely exposed to both local and global economic policy volatility.
- Tariffs will likely stall global growth in trade. Specifically, the removal of the de minimis exemption, which allowed parcels worth less than USD 800 to enter the US free of customs procedures, will reduce trade between Asia and the US. Moreover, ocean cargo rates are falling currently, making air freight less competitive in comparison. As a result, we expect global growth in air cargo to slow substantially, adding 0.7% YoY to the industry's Cargo Tonne-Kilometers (CTK) in 2025. This would put the cargo load factor (CLF) at 45% for the industry, compared to 45.9% in 2024.

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