



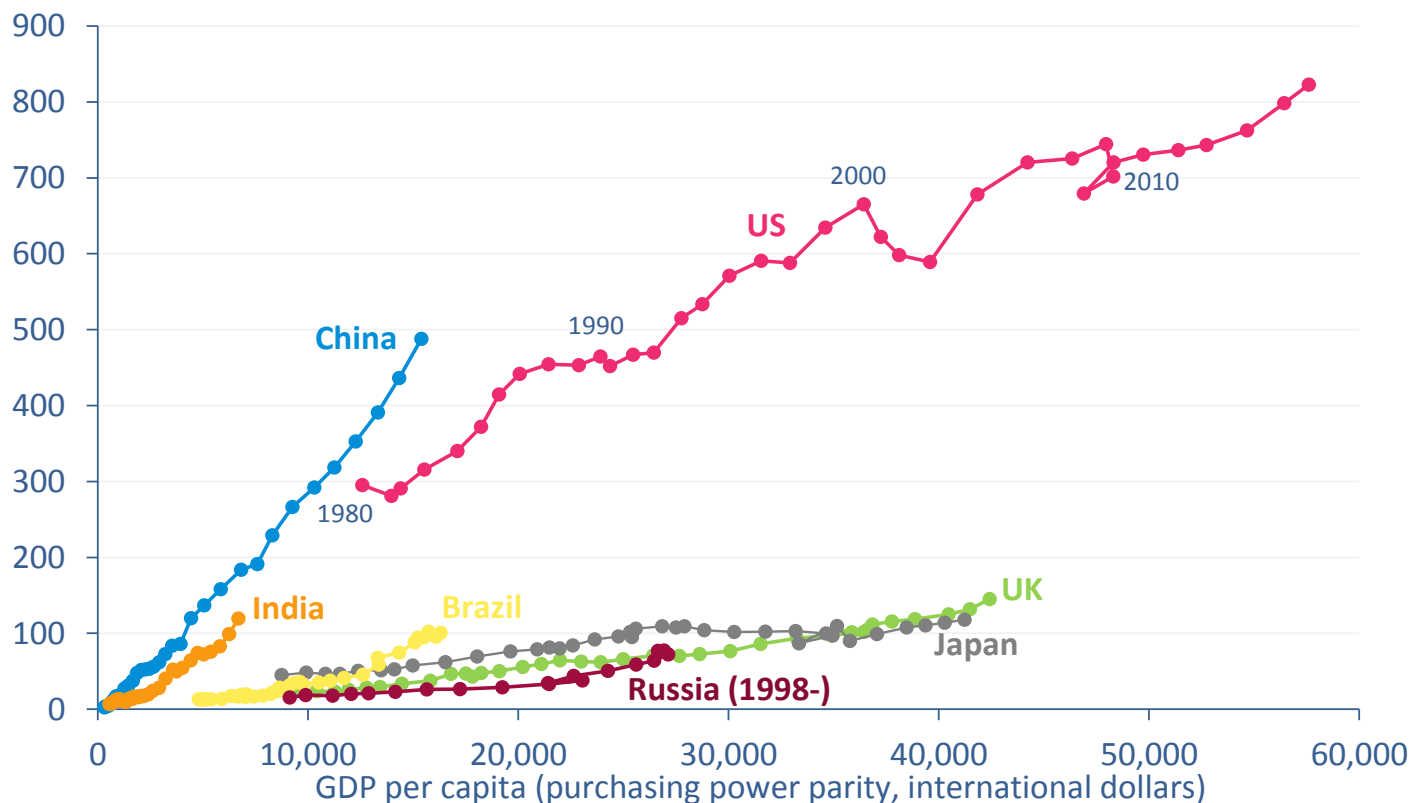
## IATA ECONOMICS' CHART OF THE WEEK

26 JANUARY 2018

### EMERGING AIR PASSENGER MARKETS ARE FOLLOWING THEIR OWN PATHS

Air passenger demand versus economic development (1980-2016, selected countries)

Air passengers carried by national airlines (million)



Sources: IATA Economics, IMF, World Bank

- This week's chart plots the evolution of air passenger demand in a group of selected countries relative to living standards over time. It is, of course, intuitive that demand for air passenger travel should increase over time as living standards rise, and this pattern is evident in the upward-sloping lines on the chart. However, it is also clear that there is no such thing as a 'typical' path of development of air passenger demand. Two key things stand out:
- The first is that the development of air passenger demand is not always smooth; demand is frequently being punctuated by economic downturns and other shocks events. These are particularly visible in US carrier traffic post-9/11 and through the global financial crisis, as well as more recently in Brazil following its deep economic recession. Encouragingly, the industry has proven resilient to such shocks in the past. (For previous analysis on this issue, see [here](#).)
- The second thing that stands out is the striking rise of passenger demand in the so-called emerging markets. Note, for example, that Chinese airlines currently fly 55% more passengers than airlines based in America did when the US was at a similar stage of economic development in the early-1980s. Similarly, Indian airlines currently carry more passengers than those in Japan, despite the fact that the average Japanese person is more than six times richer than the average Indian.
- Of course such disparities largely reflect the huge populations in the major emerging markets, but this is a story for another day. Nonetheless, this week's chart further underlines the extent the aviation's centre of gravity is shifting eastwards.

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