

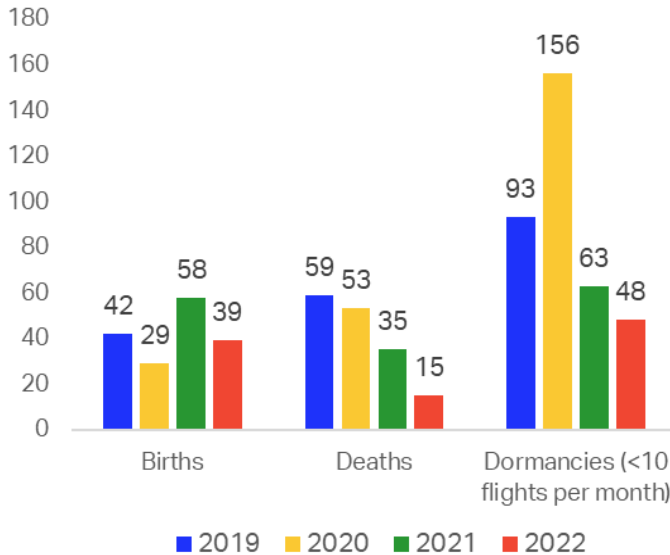


IATA Economics' Chart of the Week

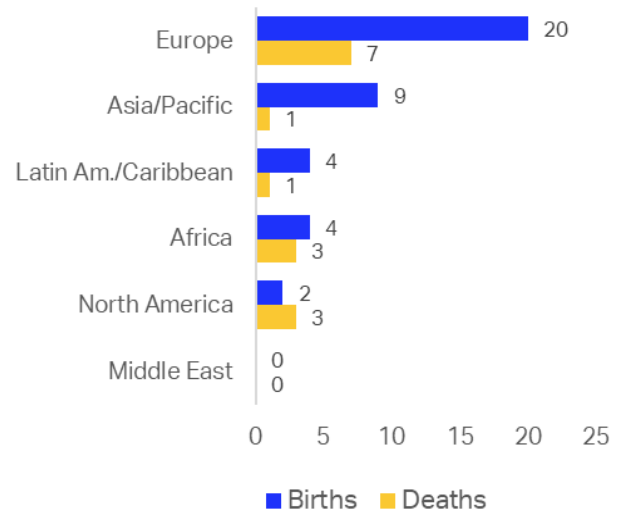
20 January 2023

Europe accounts for half of all new airline "births" in 2022

Panel A. Number of airline births, deaths, and dormancies, by year.



Panel B. Number of airline births and deaths in 2022, by region.



Source: IATA compilations using data from FR24, public sources.

- Globally, the year 2022 brought about 39 new commercial airline operators (see Panel A). This figure brings airline "births" back to pre-pandemic levels after a downturn to 29 in 2020 followed by a steep recovery in 2021 as births doubled to 58. Despite the high degree of competition and numerous challenges facing the airline industry, the pandemic has also created opportunities for start-up airlines, in part thanks to the buoyant second-hand aircraft market (making aircraft leasing more affordable).
- Over the past three years, the number of both airline deaths – the cessation of an airline's Air Operator Certificate (AOC) – and dormancies (airlines operating fewer than 10 flights per month) trended downward, with only 15 airlines ceasing operations in 2022. In 2021 and 2022, the number of airline births exceeded the number of "deaths", producing a net increase in the number of airlines globally. While the total number of deaths had already started to fall in 2020 (from 59 in 2019 to 53), this has to be viewed in conjunction with the sharp increase in the number of airlines going dormant in the same year (156 airlines). Without the important government support provided during the pandemic, the number of airline deaths would almost certainly have been substantially higher.
- At a regional level, Europe accounted for about half of all airline births in 2022, with a total of 20 new airlines and only 7 airlines closing up shop (see Panel B). Asia Pacific also showed net growth with 9 airline births and only one airline ceasing operations – notwithstanding the travel restrictions and Covid disruptions which impacted this region more so than any other in 2022. Interestingly, North America was the only region where the number of airline deaths exceeded births in 2022.
- Overall, the rising number of new and resurrected airlines, coupled with fewer deaths, show that the industry remains attractive to entrepreneurs and investors alike, supporting the continued recovery we expect in 2023.

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