

IATA
ANNUAL
GENERAL
MEETING

Global Outlook for Air Transportation

Marie Owens Thomsen

Senior VP & Chief Economist
IATA Sustainability & Economics



Global GDP Growth

2021

6.3%

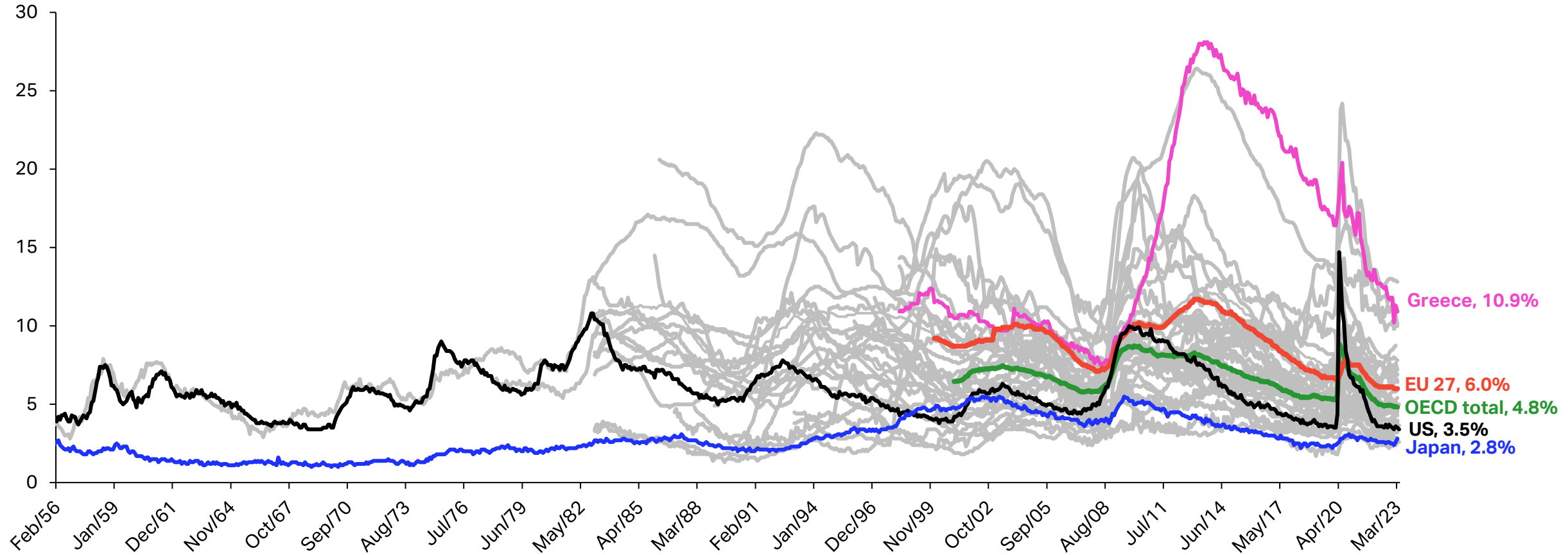
2023

2.8%

Labor markets remain tight

With the unemployment rate at historic lows

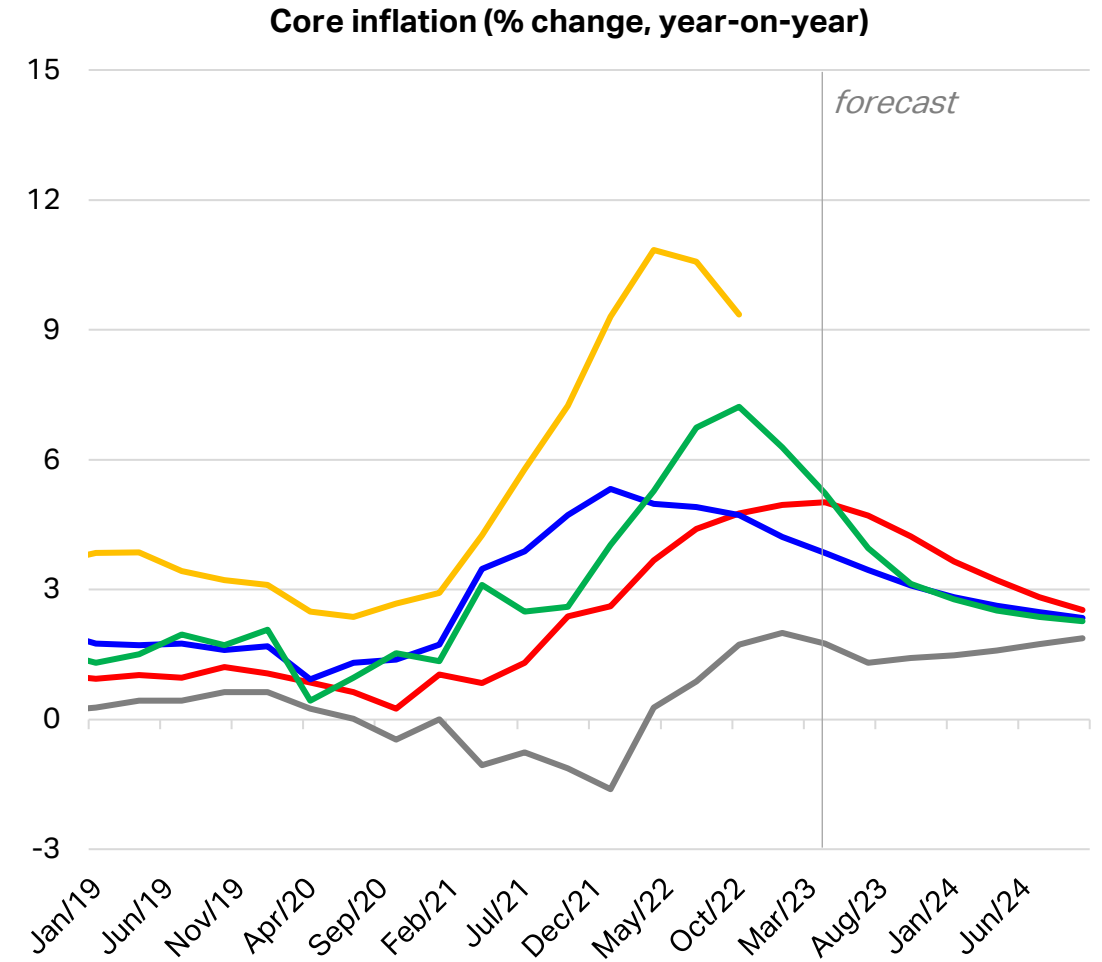
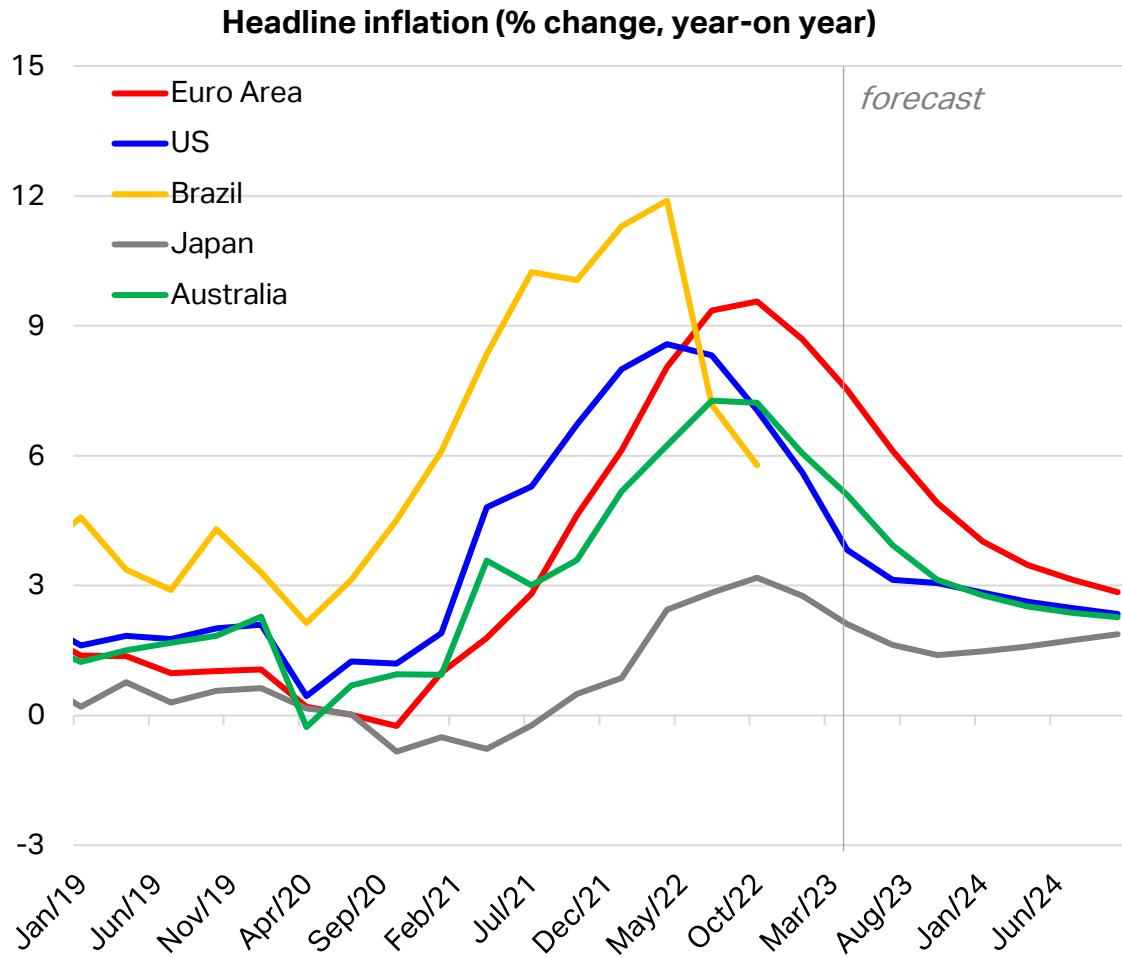
Unemployment rate, % share of labor force



Source: IATA Sustainability and Economics using OECD Statistics



Inflation likely peaked in 2022



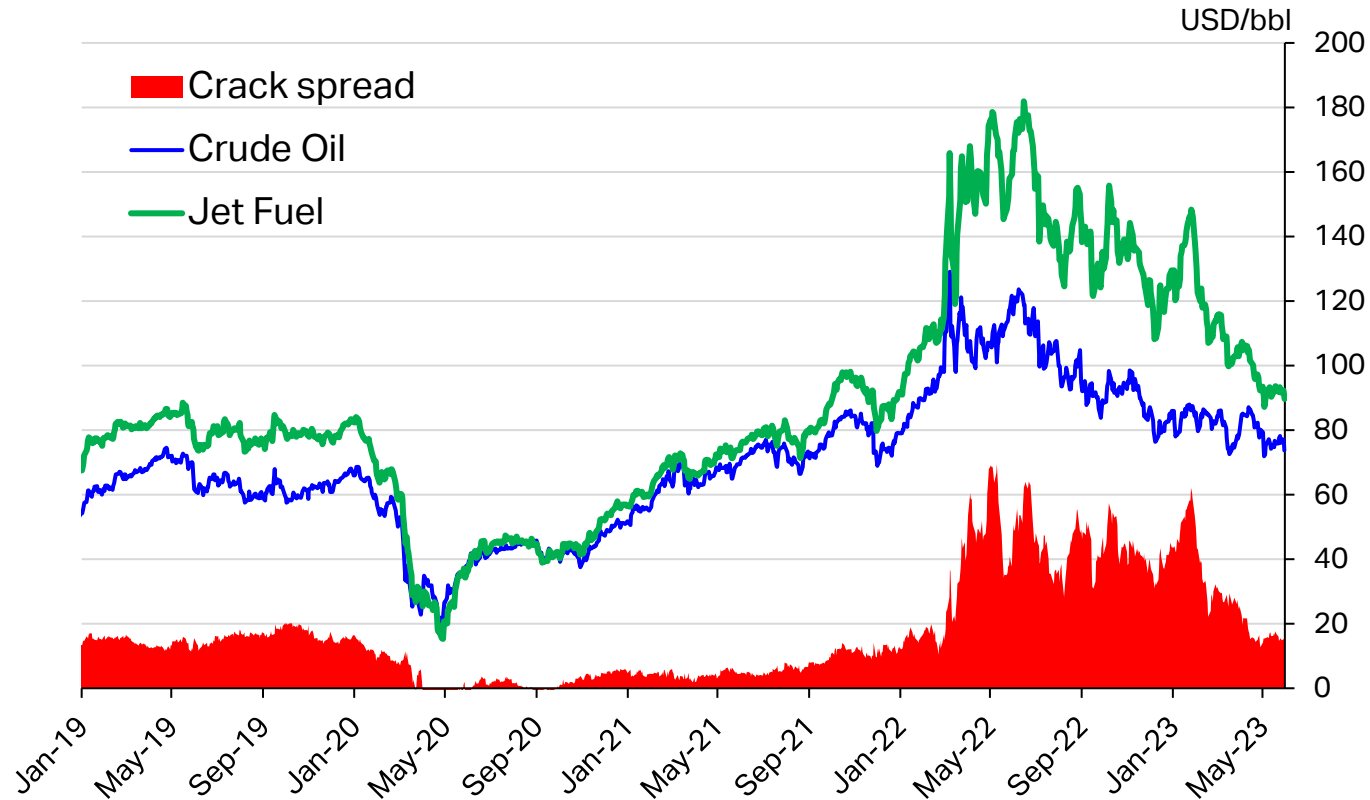
Source: IATA Sustainability and Economics using OECD Economic Outlook



Pressures on operating costs peaked in 2022

Jet crack spread also narrows

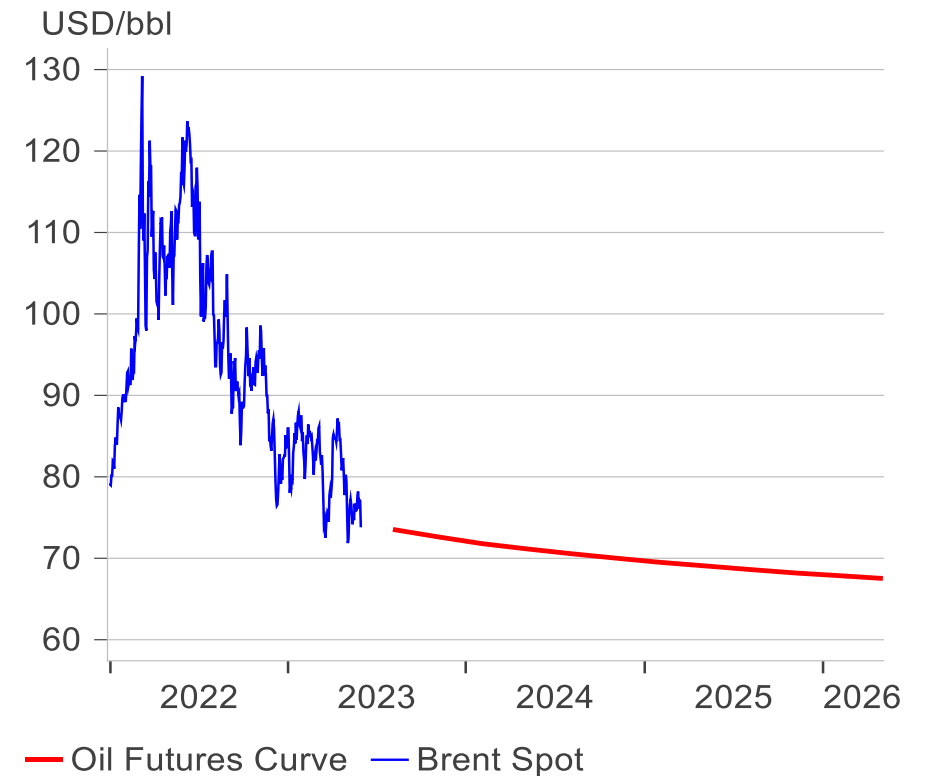
Jet fuel price and crude oil price



Source: IATA Sustainability and Economics, Platts – S&P Global, Macrobond

Brent Oil, Spot Price

ICE Oil Futures as of 31-May-23 (qtrly)



MACROBOND

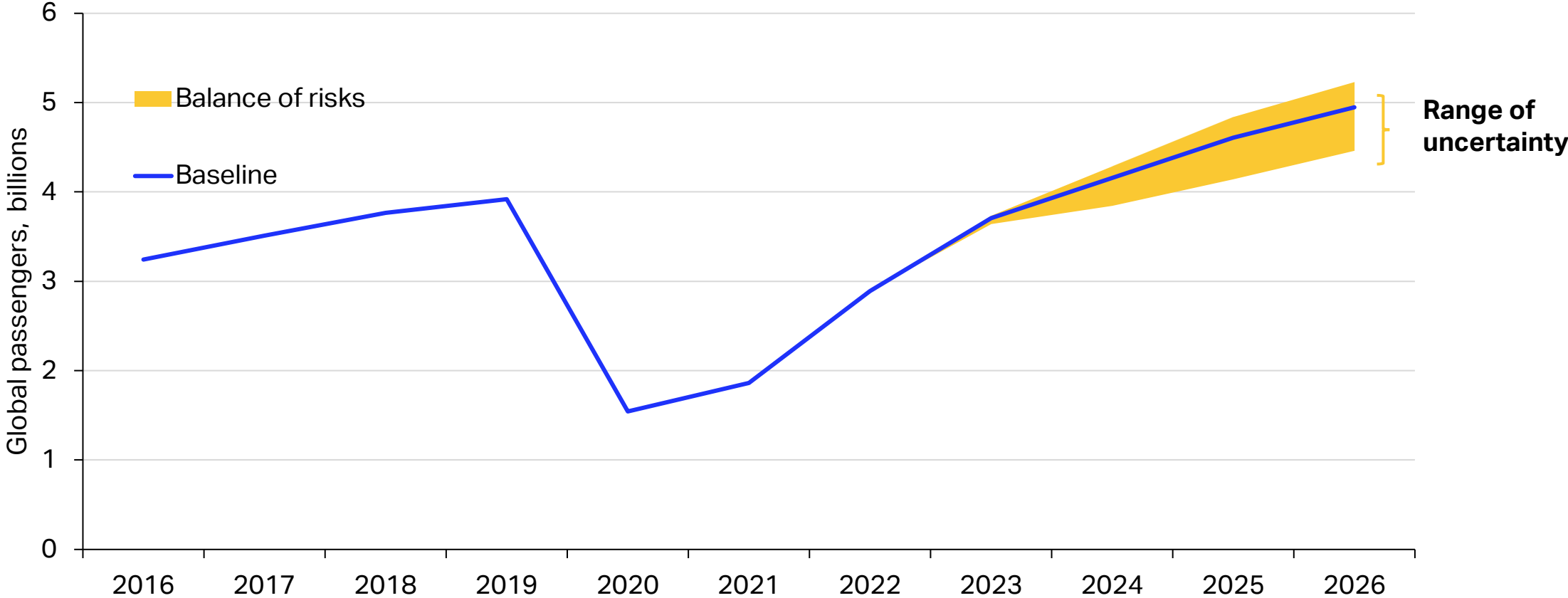




Traffic at -12.2%
Full year 2023 RPKs versus 2019

Passenger traffic expected to recover in 2024

Risks are still tilted to the downside



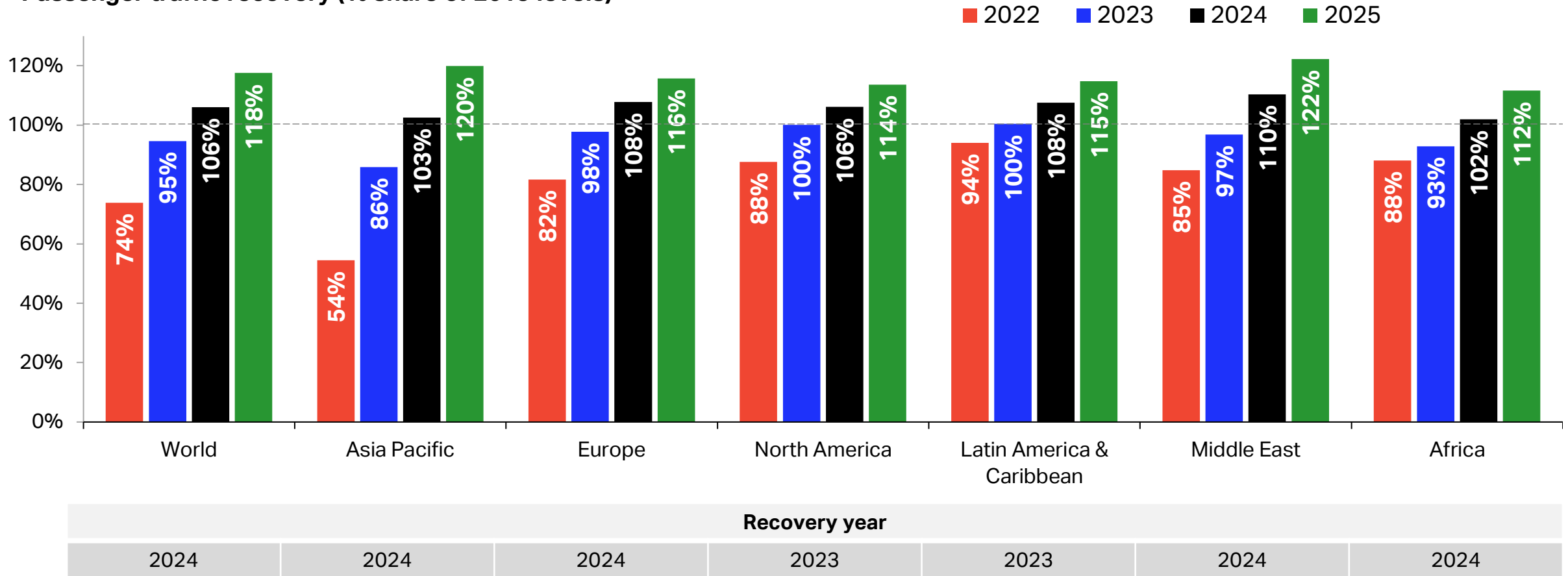
Source: Tourism Economics/IATA Sustainability and Economics



Forecast upgrades reflecting recent developments

North America and Latin America to recover in 2023, ASPAC in 2024

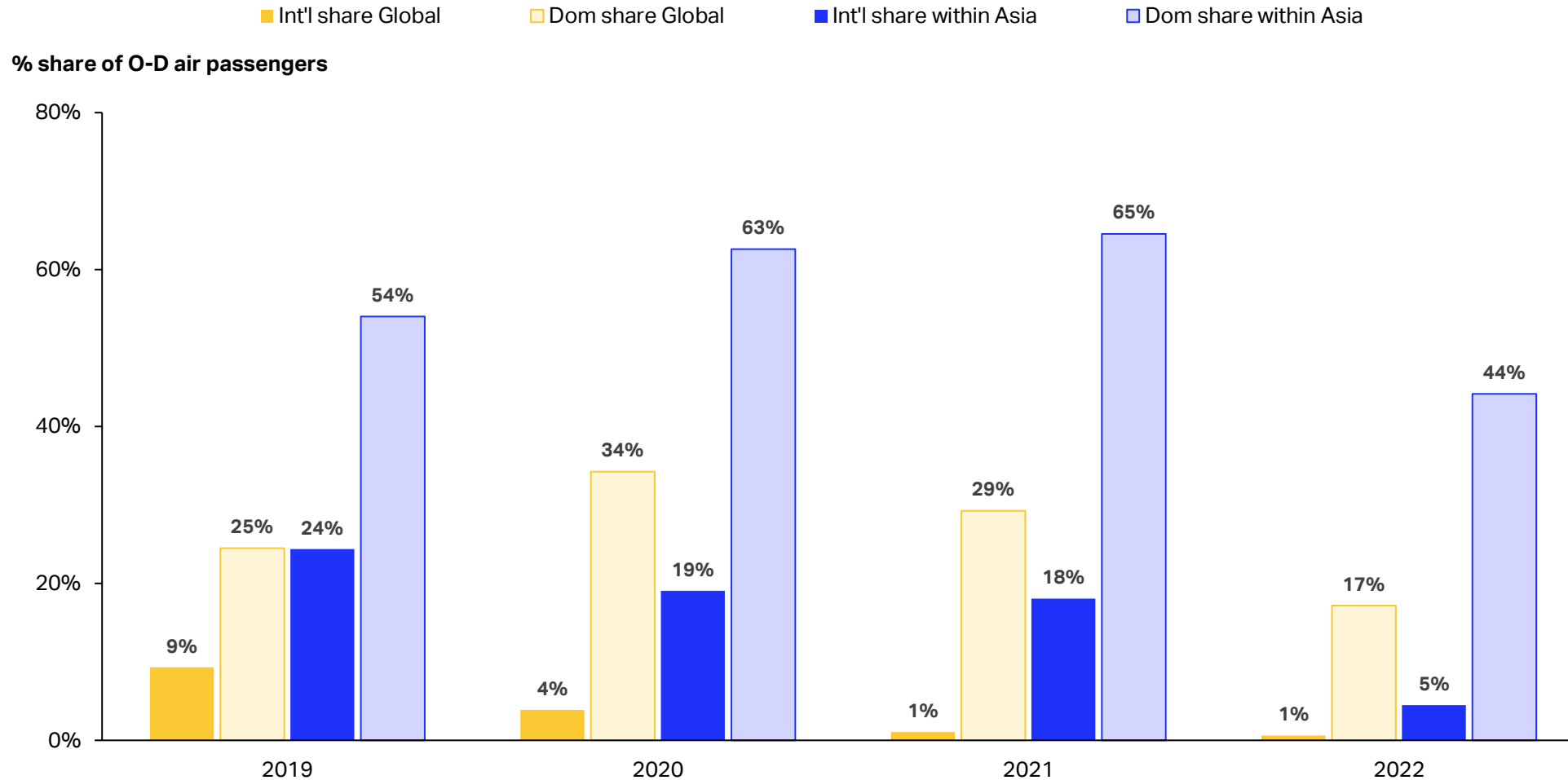
Passenger traffic recovery (% share of 2019 levels)



Source: Tourism Economics/IATA Sustainability and Economics Air Passenger Forecasts as of March 2023



Shares of China's aviation market in global and Asia

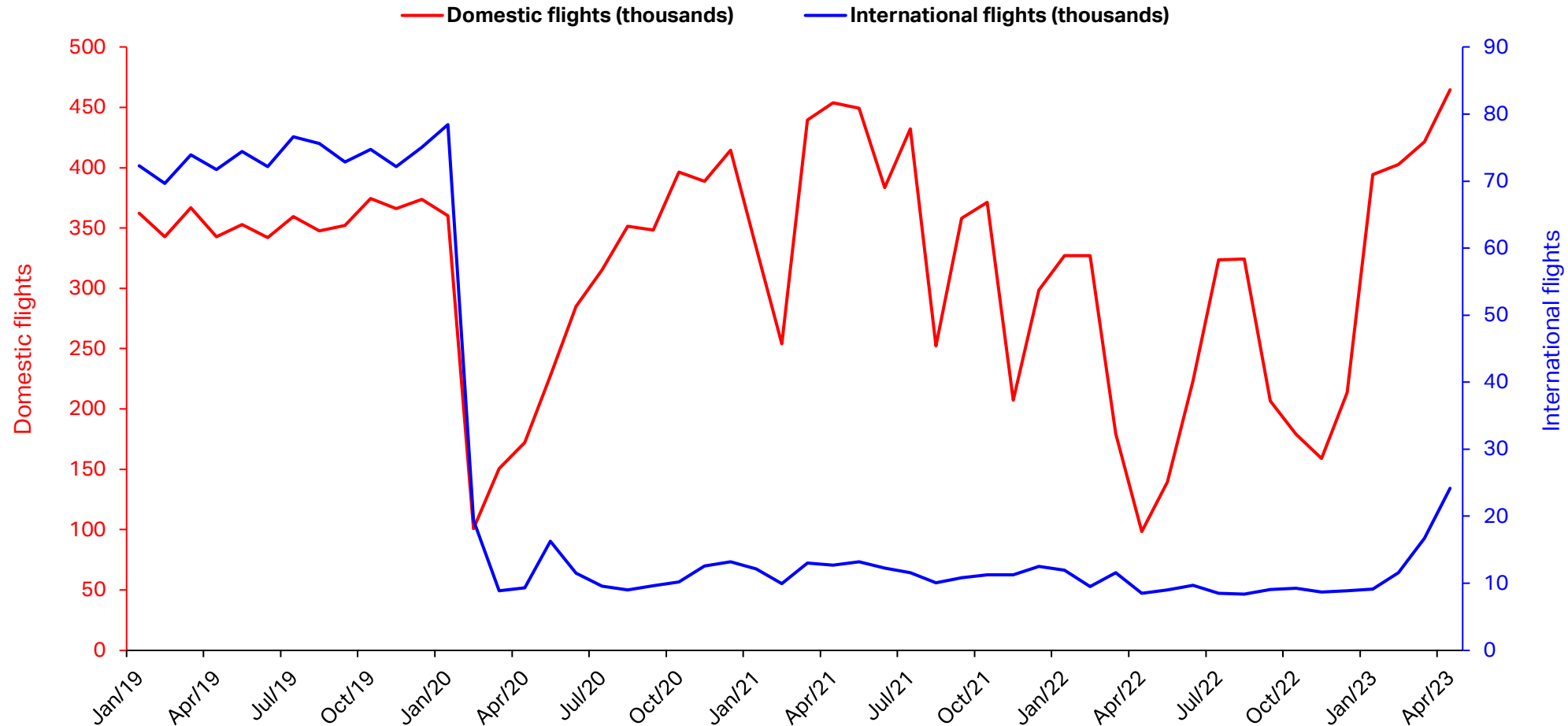


Source: IATA Sustainability and Economics, using data from DDS for inbound and outbound origin-destination (O-D) passengers

Note: Based on OAG data, scheduled seat capacity shares of China in 2019 were 9% of global international, 22% of global domestic, 17% of international within Asia, and 51% of domestic within Asia.



China's domestic and international monthly flights

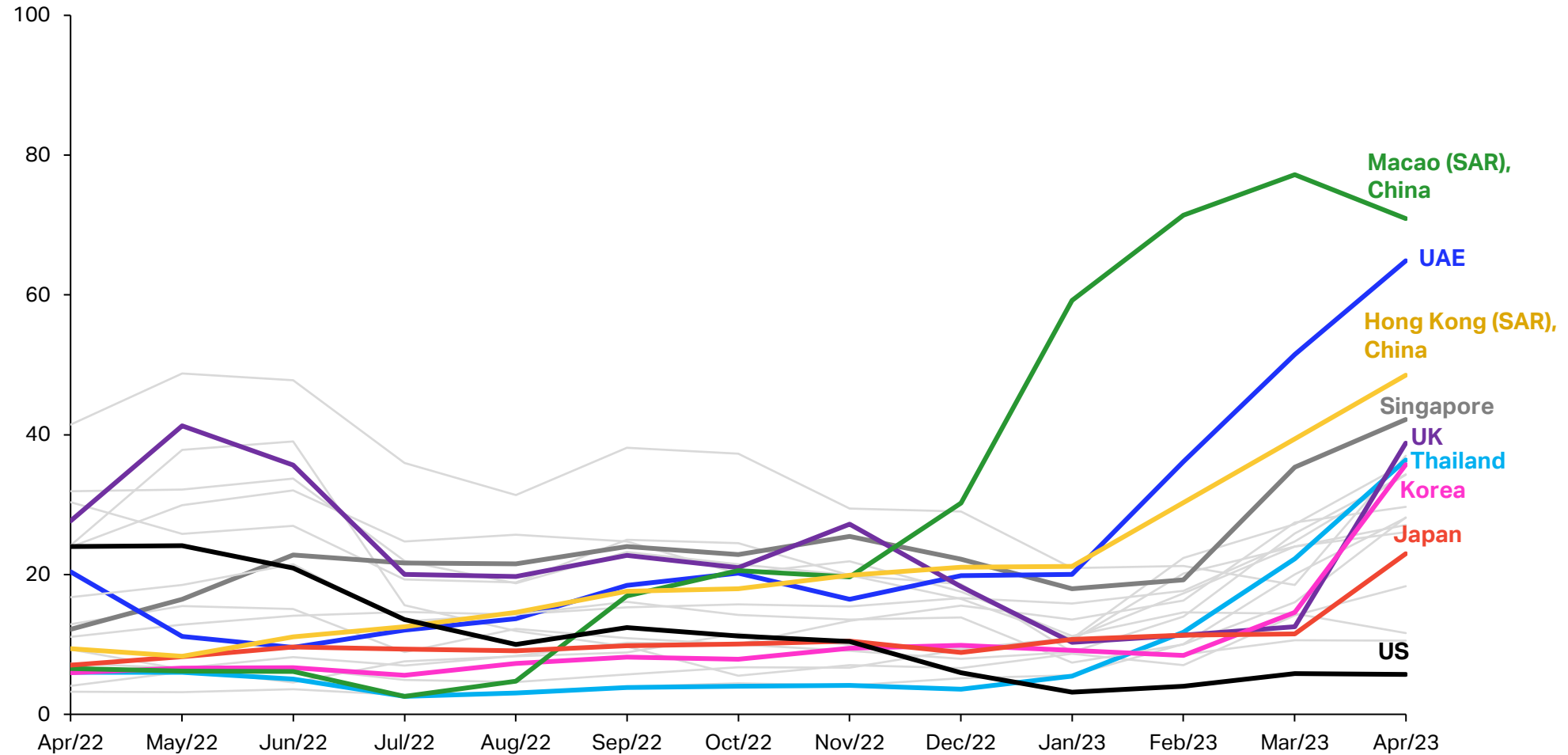


Source: IATA Sustainability and Economics, market statistics compiled by IATA using FlightRadar24 under license



The status of China's international inbound capacity

Inbound monthly international and regional flights to China by origin market (Indexed, 2019 = 100)



Source: IATA Sustainability and Economics, market statistics compiled by IATA using FlightRadar24 under license



Industry risks highlighted for 2023



USD 803 billion

revenue in 2023

USD 781 billion

expenses in 2023

USD 22 billion
Operating profit in 2023

- Revenue + 9.7% YoY versus Expenses +8.1% YoY
- Pax Yield -1.1% in 2023 versus +9.8% in 2022



CARGO

USD 142 billion
revenue in 2023



versus
USD 100 billion in 2019

-28.6%
Yield, YoY



But +55%, +26%, +7%,
in 2020, 2021, and 2022

An aerial photograph of a rocky coastline. The water is exceptionally clear, showing various shades of turquoise and blue, with the seabed and rocks visible beneath the surface. The rocks are light-colored and jagged, forming a rugged shoreline. The sky is a deep, dark blue, providing a high-contrast background for the white text.

USD 9.8 billion

Net profit in 2023

= 1.2% margin



USD bn

North America

11.5

Europe

5.1

Middle East

2.0

Africa

-0.5

Latin America

-1.4

Asia Pacific

-6.9

USD
-1.10

Per passenger,
2022 and 2023

USD
2.25



It's time to think
outside the cup,
to **protect and**
grow what's
inside it.

IATA
ANNUAL
GENERAL
MEETING

Thank you



IATA
ANNUAL
GENERAL
MEETING

Global Outlook for Air Transportation

Marie Owens Thomsen

Senior VP & Chief Economist
IATA Sustainability & Economics

