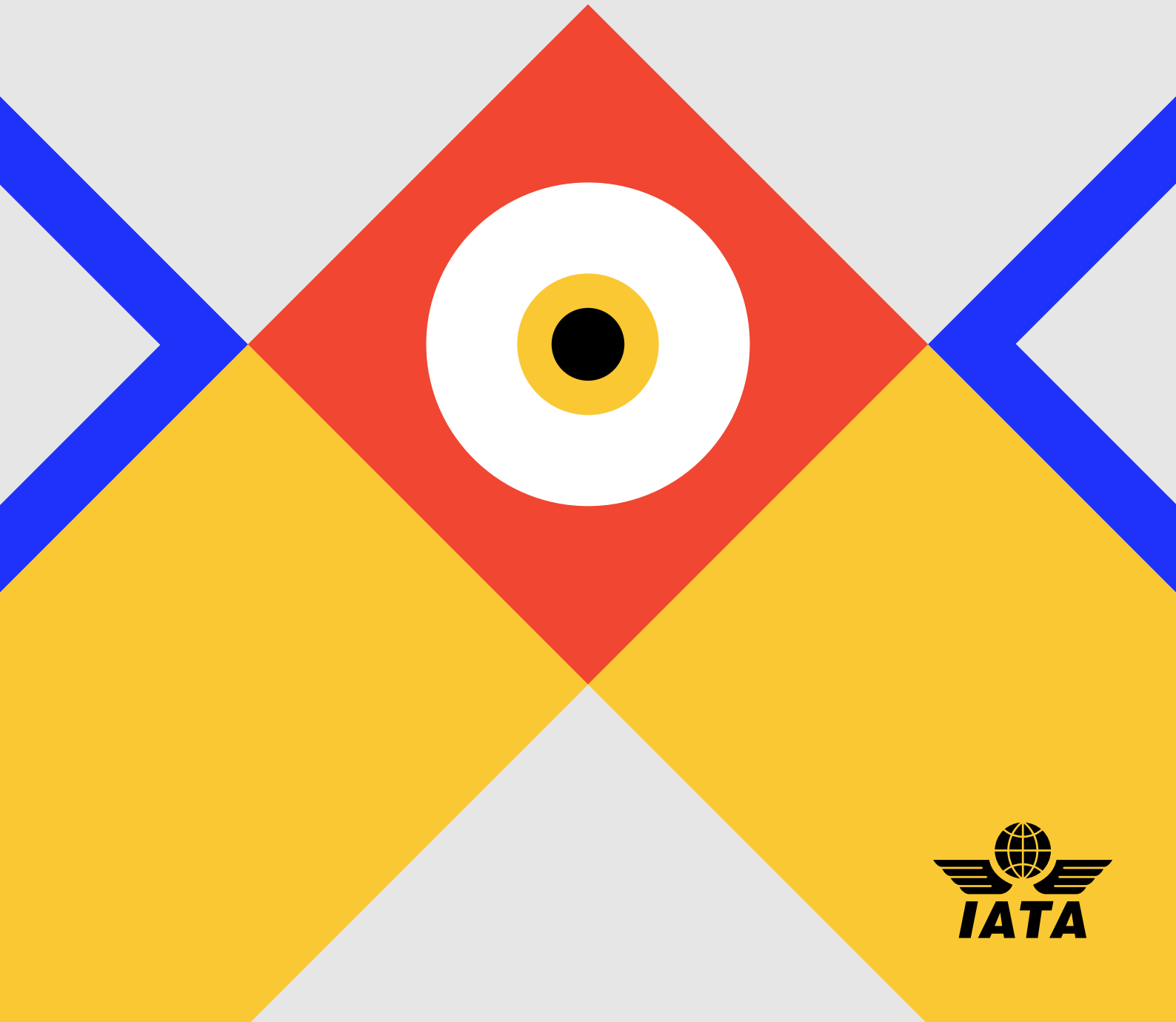
June 2025

IATA Sustainability and Economics

Global Outlook for Air Transport

Protectionism on the rise



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1. Main takeaways

This semi-annual report takes a broad look at developments in the airline industry, the context in which it is operating, and the challenges it is facing.

- Global GDP has stayed just above 3% over the past couple of years and was expected to do so also over the next few years. This outlook has been thwarted by US trade policy that brings protectionism to a level not seen in decades.
- The global economy will likely decelerate to around 2.5% GDP growth in 2025, losing 0.5 percentage points versus the previous consensus. GDP in the US will arguably be the most affected, shedding a full percentage point to approximately 1.5% in 2025. Most other major economies will see slower growth than previously anticipated.
- In the midst of such elevated and unstable tariffs, it is fortunate that the share of trade in goods has shrunk relative to that of services. This fact mitigates the impact of the tariffs across the global economy, as long as services remain exempt.
- The lower oil price lends support to the global economy. We expect the Brent crude oil price to average USD 69 per barrel, a 13% decline from 2024, and an average jet fuel price of USD 86 per barrel.
- If the US dollar were to depreciate meaningfully against its main trading partners, it would also support global economic activity in non-USD-denominated countries.
- Headline global inflation will benefit from the lower oil prices, but US goods prices are likely to increase. Core inflation, excluding food and fuel prices, has been rather sticky and exceeds headline inflation in many countries. This will limit central banks' capacity to lower policy interest rates at a time when the slowing economy could sorely use such help.
- Unemployment rates will rise in slowing economies, and notably in the US, once the federal government layoffs enter the statistics. However, unemployment will rise from near-record lows, and if the increase is limited to potentially around one percentage point, household consumption would still be supported, although less so.
- We expect passenger traffic growth to decelerate to 5.8% YoY in 2025, from 10.6% YoY in 2024. On top of the macro-economic developments mentioned above, supply chain issues will continue to prevent airlines from realizing their full growth potential and curtail progress on reducing CO2 emissions.
- Global growth in air cargo in 2025 should slow more substantially, to only 0.7% YoY. Tariffs will reduce trade, and so will, importantly, the removal of the de minimis exemption, which allowed parcels worth less than USD 800 to enter the US free of customs procedures. Relative competitiveness also matters, and the decline in ocean cargo rates makes air freight less attractive in comparison.
- In such a tumultuous year as 2025 has already proven to be, profits in the airline industry will likely hold up rather well. Lower fuel prices may drive some extra demand. The silver lining of the malfunctioning supply chains is that load factors increase, underpinning profits.
- Aircraft deliveries are now lagging 30% behind their peak levels. The aircraft backlog has risen to a record-high 17,000 aircraft as a result. If the backlog increase were assumed to be caused solely by delivery delays, it would indicate that airlines are short of 5,400 aircraft, 18% of the active fleet. Given the expected annual production of around 2,000 aircraft, this may take 3-5 years to resolve.
- In 2025, we expect airlines' revenues to remain broadly flat compared to 2024. We forecast a net profit of USD 36.0 billion at a still meager 3.7% net profit margin. Although this performance is among the best in the industry's history, it is nevertheless the case that airlines' net margin is only half of what all global industries achieve on average.

2. Protectionism on the rise

Global GDP has been unusually stable and holding just above 3% since 2023. Many economists expected GDP growth to remain around this long-term average also over the coming years. Now the downside risks have come to the fore with the imposition of a universal tariffs on merchandise trade by the US government, coupled with higher tariff rates on selected countries and goods, as well as the various countermeasures taken by targeted US trade partners.

How great that impact will be on the global economy and on the airline industry depends on multiple dynamic relationships between different parts and aspects of the global economy. These relationships are dynamic because they can morph over time, making the outcome difficult to predict. Important factors include the share of trade in each economy, the proportion of total trade subject to tariffs, the extent to which tariffs will increase, and the initial level from which these tariff increases occur. The impact will also depend on how people respond to tariffs, in turn a function of whether a good is irreplaceable and absolutely necessary (imports remain the same), whether there are substitutes that are not subject to tariffs (imports are diverted), or whether the good is simply no longer consumed (imports fall). These choices will be affected by the new absolute and relative prices, and by whether there are any monetary policy responses to changes in inflation. Exchange rates can move in response to interest rate policy and the general economic outlook, as well as to trade flows. An appreciating currency will tend to dampen exports and encourage imports, and President Trump and his administration have long promoted the idea that a weaker US dollar would help manufacturing in America.[1]

A further influence on how tariffs affect trade and the economy is the importance of global supply chains in our world today. These provide the intermediate goods that are essential in international production networks, and trade in intermediate products made up more than 40% of world trade in 2022. In developed countries, this share tends to be even higher. While large multinational companies with numerous subsidiaries around the world characterized globalization in the 1970s and 1980s, that model has largely been replaced by the rise of global supply chains. Production is now distributed across multiple countries, with products crossing several borders—often multiple times—as components and value are progressively added before reaching the final consumer. Firms involved in trade no longer simply import or export; they both import and export. Impacts will likely be amplified as a result, potentially in surprising ways, as tariffs work their way through global supply chains.

This time it's different

Trade is a key driver of GDP growth, and any weakening of trade will likely dampen both the global business cycle and activity in the airline industry (Chart 1).

Global trade reached a record value of USD 33 trillion in 2024, up nearly 4% from 2023, making an important contribution to the around 3% growth in global GDP (real), which reached USD 110 trillion (nominal) last year.[2] World trade has undergone a deep transformation over the years. Trade in services has grown from USD 7.1 trillion in 2005 to USD 17.6 trillion in 2022 (including all modes of supply of services as defined by the WTO GATS, the General Agreement on Trade in Services, (Chart 2).

Chart 1: Trade growth, and GDP growth

Source: IATA Sustainability and Economics using data from WTO, IMF

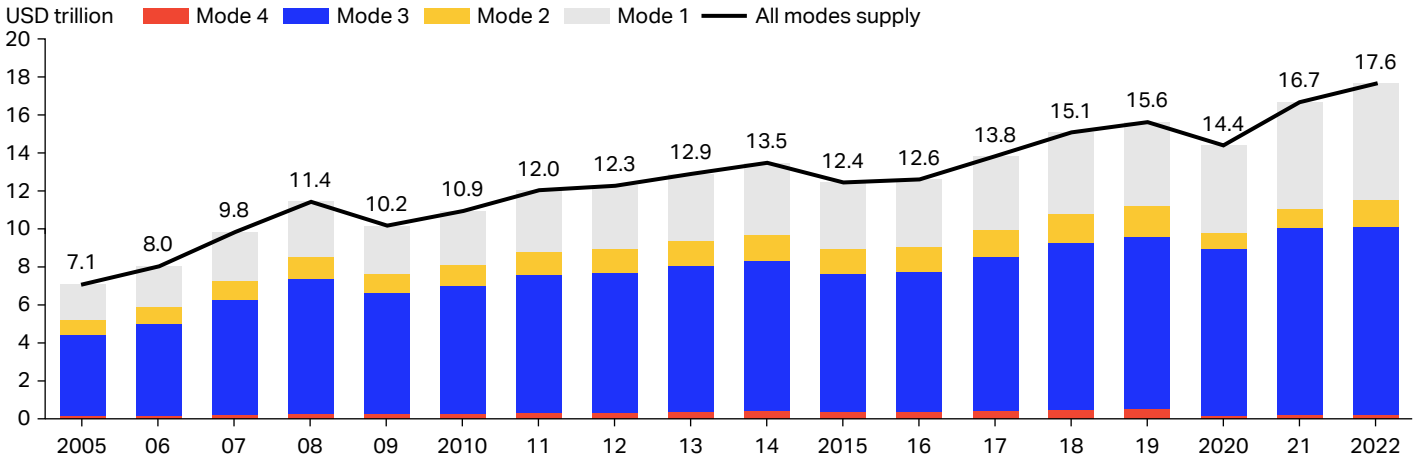
1 Read, for instance, Barry Eichengreen, "Can Trump Dump the Dollar?", Project Syndicate, 10 January 2025.
2 "Global Trade Update", UNCTAD, March 2025.

On that definition, trade in services made up 42% of global trade in 2022, compared to 58% for goods. Limiting trade in services to those delivered cross-border (Mode 1), the value is around USD 6 trillion. Indeed, balance of payments data would put the share of services in total trade at around 22% in 2022.[3] Growth in trade in services has played its part in shifting the whole global economy from "industrialized" to one that is dominated by services, and these now make up 67% of global GDP, more than double the share of industry at 29% in 2022.[4]

Manufacturing represented a mere 9.9% of GDP in the US in 2024, down from 28% in the early 1950s. China too is predominantly a service economy, with 55% of its GDP in this sector, compared to 37% in industry and the remainder in agriculture. Manufacturing has, of course, kept growing over time, but its growth has been outpaced by that in the services sector, and manufacturing's share of the total has declined as a result. As tariffs are placed on goods, rather than on services, the diminishing share of goods in international trade and in the global economy does dampen the impacts of tariffs. However, if the trade war were to extend to services, the consequences would be amplified.

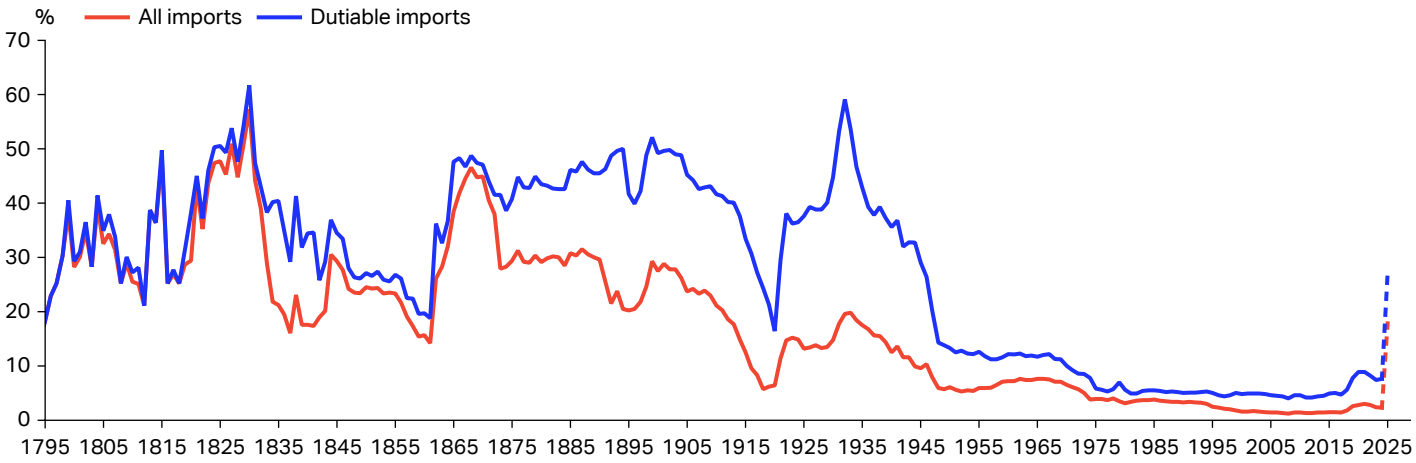
The initial tariff level to which the new tariffs are added is much lower this time around. Prior to the trade wars that started in 2017, average tariffs on imports had reached historic lows, at around 2% in the US. With the currently announced tariffs, the overall average effective tariff rate is estimated at 18% on imports of goods, the highest since the 1930s.[5] The 2025 situation is therefore much more challenging to the global economy than what was seen during the previous Trump administration (Chart 3).

Chart 2: World trade in commercial services by mode of supply, 2005-2022, USD trillion



Source: WTO; Note: Mode1 – cross border supply, Mode 2 – Consumption abroad, Mode 3 – Commercial presence, Mode 4 – Presence of natural person

Chart 3: Average tariffs on total and dutiable imports to the US, %, 1790-2025 (dotted line is projection)



Source: IATA Sustainability and Economics, Macrobond, PIIE, Tax Foundation, US ITC, Yale budget Lab, Bloomberg

3 "World trade in services", Eurostat, July 2024.
4 UNCTAD.
5 "State of U.S. Tariffs: May 12, 2025", The Budget Lab, Yale University.

Tariffs would nevertheless be much lower than those inflicted by the devastating Smoot-Hawley Act signed by President Herbert Hoover in 1930, which lifted tariffs on dutiable imports from around 40% to nearly 60%. This provoked retaliation from abroad, and both deepened and prolonged the Great Depression. Global trade fell by 65% as a result, and the Depression did not end until 1939. The highest tariffs since the late 1700s are the 1828 Tariffs of Abomination (so called by Southern states whose trade was the most affected) imposed by President John Quincy Adams. Incidentally, both Adams and Hoover went on to lose in their respective subsequent elections.

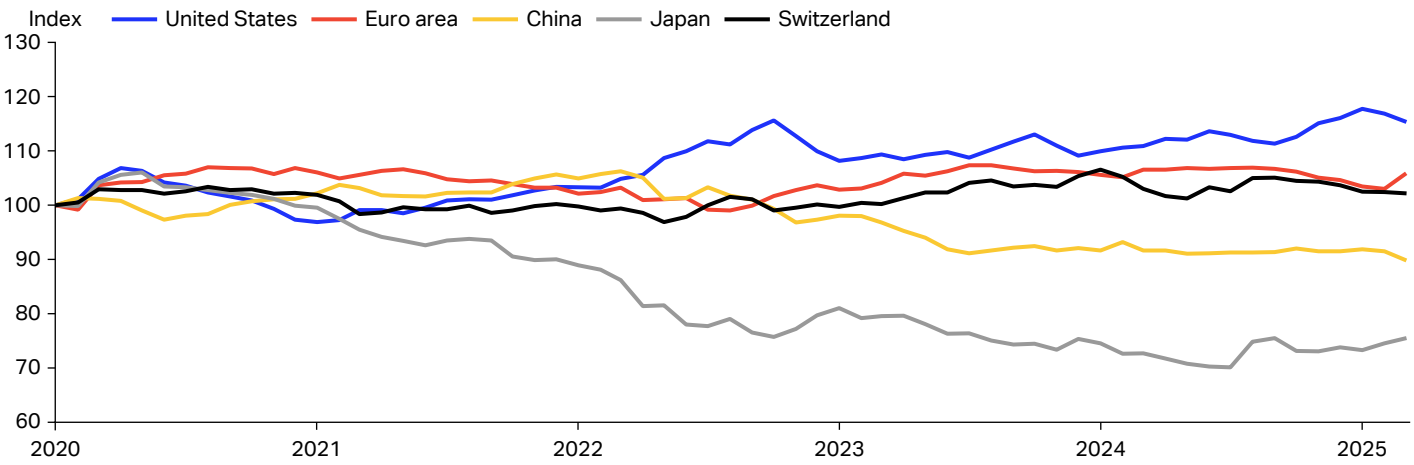
The external value of the US dollar

In addition to raising tariffs, the US administration is discussing ways to weaken the US dollar against other currencies. On the whole, the global economy performs better when the US dollar depreciates, making USD-denominated trade cheaper, and lessening the burden of debt held in that currency for non-US borrowers (Chart 4). For the airline industry, both of these factors are important, given that fuel accounts for 30% of airlines' costs and debt-service costs are elevated (though shrinking). In these respects, a weaker dollar would help mitigate some of the negative impacts of higher tariffs for the airline industry.

Why the US would itself seek to depreciate the dollar is less obvious. At first glance, a weaker currency would help exporters and penalize importers—though this depends on the substitutability of goods as mentioned above. Clearly, a weaker currency drives up the price of imports, adds to inflation, and dampens domestic consumption. Moreover, the US has to finance both its deficit on the current account (3.9% of GDP in 2024 and in deficit since 1975, almost without exception) and its USD 36 trillion federal government debt by attracting capital from abroad. If foreigners were to expect the US dollar to depreciate, or if they find better investment propositions elsewhere, the US will have to lift interest rates to attract more capital. This would slow the economy further, which could add to the currency's depreciation, forcing interest rates to go yet higher, in a negative feedback loop. The US is mostly spared this dilemma because it has the "exorbitant privilege", as Valéry Giscard d'Estaing said, of being the issuer of the world's reserve currency.[6] This privilege entails that the US dollar tends to appreciate in response to any signs of trouble, even when the US itself is the source of the trouble.

While there is much uncertainty around how global protectionism will evolve throughout the year, there is a high degree of consensus regarding the negative macro-economic effects of import tariffs. Overall, empirical studies show that the negative impacts outweigh any positive effects.[7] Growth in GDP of the country imposing the import tariffs is dampened, with negative effects also on exports and investment. The negative impacts are amplified by the existence of global value chains. Consumer price inflation rises in the short term but then falls back. There are reasons to believe that increased protectionism will lead to reduced trade and lower GDP also in the long run. A shortfall of investment will curtail the potential growth rate and the level of GDP, shrinking the economy. The longer-term consequences can be amplified by damage to global value chains, as these make the most obvious contribution to increased productivity via lower imported input prices and greater knowledge transfer.

Chart 4: Real Effective Exchange Rate Index, Broad, 2020=100



Source: IATA Sustainability and Economics, using data from MacroBond

Note: Real Effective Exchange rates, REER, are trade-weighted across all trading partners and adjusted for inflation

6 Valéry Giscard d'Estaing coined the phrase in the 1960s when he was the French Minister of Finance.
7 Hans Dellmo, "Macroeconomic effects of increased import tariffs", Sveriges Riksbank, January 2025.

Down but not out

Taking on board the developments regarding tariffs as we know them as of the middle of May, global GDP growth is likely to drop by 0.5 percentage points in 2025 compared to prior to these developments, putting it at around 2.5%. US GDP is likely to lose a full percentage point, pulling back to around 1.5% in 2025. Growth in the euro area will struggle to reach 1%, and in Japan, it is unlikely to exceed 0.5%. China's GDP growth rate is likely to be closer to 4% than to the government's target of 5%, and India's could be limited to 6%. Sharp decelerations are expected in Mexico and Russia.

Global inflation will in all probability decelerate, very much thanks to the lower oil price, and we anticipate an average price of Brent crude of USD 69 per barrel in 2025.

Unemployment can only go up, one would think, as unemployment rates are at or close to record lows in major economies and will be impacted by the slowing business cycle and the efforts in the US to shrink the federal workforce. However, our GDP growth outlook is one of deceleration, not one of recession, and this should limit the rise in unemployment rates to less than a percentage point. Such an outcome would still mean historically low unemployment rates and would continue to provide support, though waning, for household consumption, including demand for air transportation.

Demand for air transportation is likely to grow by less than previously anticipated in 2025. This weaker demand growth comes at a time when the price of oil is low, and the supply of aircraft is limited, both acting to protect yields in certain ways, lowering costs and pushing load factors higher. Of course, the tariffs on aircraft and parts upend the already struggling supply chains of aircraft manufacturers and perturb already fraught delivery schedules. This would be a good time for all to recognize that air transportation is arguably the most global of global industries, and that since the inception of global civil aviation in 1944, when the Chicago Convention was first signed by 52 States,[8] the aim of States has been to provide the industry with harmonized rules and regulations, and to protect it from willful fragmentation. Additionally, the 1979 multilateral agreement on aircraft and parts supports those exempt from tariffs. Never since that year has this been more urgent and necessary.

8 Chicago Convention on International Civil Aviation, 7 December 1944.

3. Traffic normalization and limited capacity

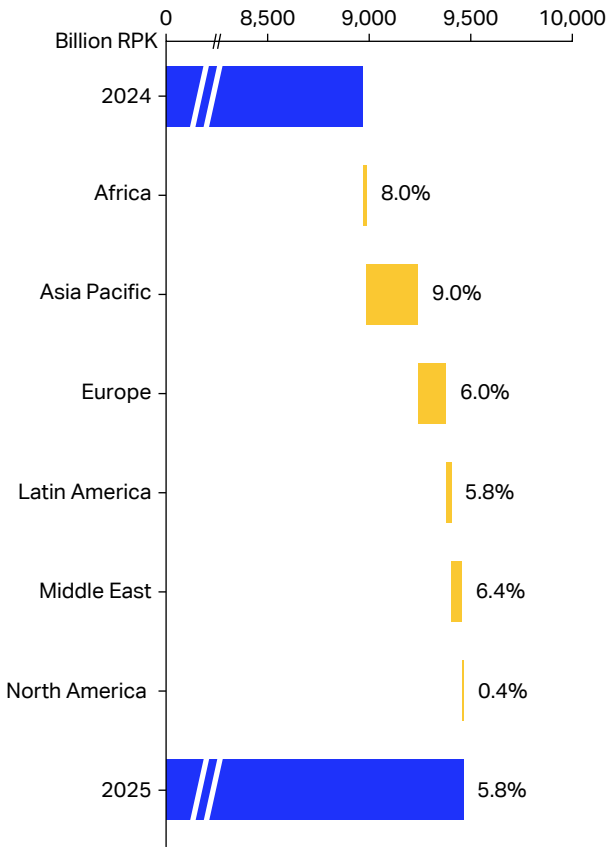
3.1 Air passenger traffic

The robust recovery in the global economy seen over the past few years is now tapering off. Recent policy shifts under the new US administration have added to uncertainty and intensified an already fragile geopolitical landscape. While this will dampen growth in air transportation, at this stage, we do not anticipate large-scale impacts on passenger traffic for the industry as a whole. Persistent and growing concerns about disruptions in supply chains affecting aircraft manufacturers will also weigh on traffic growth. Airlines are forced to maximize load factors and utilization of their fleets to maintain growth.

The demand for air travel is projected to grow by 5.8% in 2025, measured in Revenue Passenger Kilometers (RPK). This reflects a downward revision from 8.0% YoY projected in the December 2024 edition of our Global Outlook. Asia-Pacific will be the fastest-growing region, with a 9% YoY increase, contributing 52% of the industry's RPK growth in 2025 (Chart 5). This highlights the region's economic momentum and the expansion of international travel. Europe places second, with an estimated growth of 6% YoY in RPK terms, contributing 28% of total growth in 2025. Despite being a mature market, there is still potential for above-average growth, driven by the low-cost carriers (LCC) segment, which was suffering in 2024, primarily due to engine-reliability issues.

We estimate RPK growth in the Middle East at 6.4% in 2025, driven by the region's strategic location and government investments. Latin America's growth will drop to 5.8%, aligning with the industry's average, reflecting a fragile macro-economic situation in the region 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 our December 2024 forecast, as a result of lower GDP growth expectations both globally and in the US.

Chart 5: Contribution to passenger traffic growth by region, billion RPK, annual growth %



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

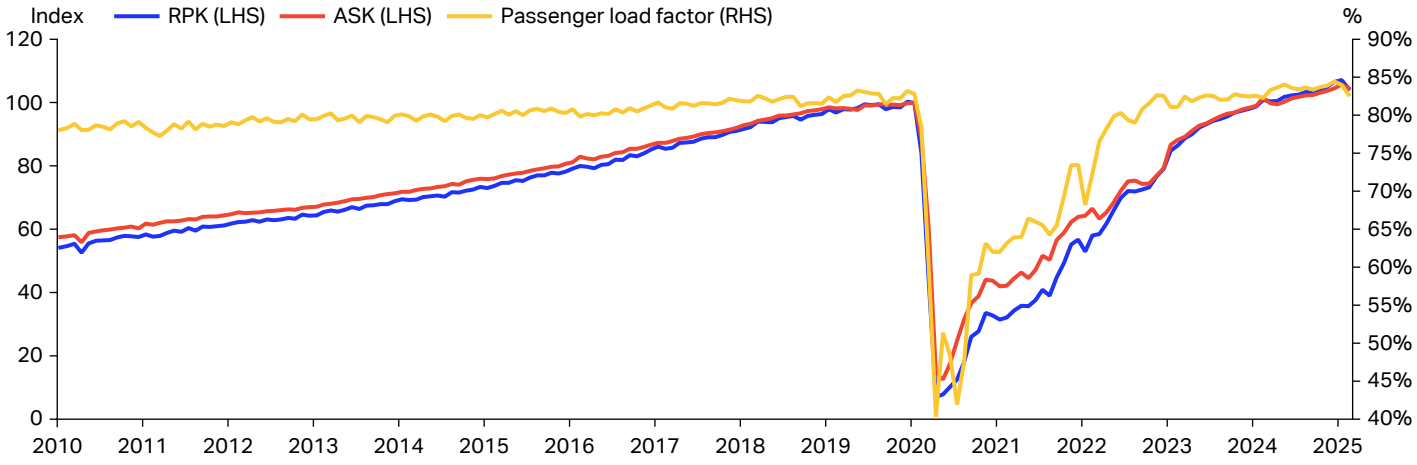
The industry passenger load factor is expected to reach a record high this year at 84%, a 0.5 percentage point (ppt) improvement over 2024 (Chart 6). Load factors should rise in all regions apart from North America and Latin America. The decline in North America is likely caused by travel hesitancy amid the uncertainty regarding tariffs, tightening migration policies, and efforts to reduce employment in the federal government. In Latin America, the decline is related to the depreciation of various local currencies against the USD, which impacts the purchasing power of local customers, especially on domestic routes.

The first quarter (Q1) of 2025 saw anemic growth in domestic traffic at 1.4% and a decline in the world's largest market—the US. In contrast, international markets are faring better. While all regions experienced lower growth rates compared to 2024, most reached record traffic levels nominally. This momentum is primarily driven by above-average performance in the Asian markets, particularly in Central Asia, where passenger traffic expanded by a rather remarkable 9.4% YoY in the international market and by 22.4% in total.

This performance was aided by increased trade and tourism, relative political stability, and its advantageous geographical position, which serves as a natural hub connecting Europe and Asia. Additionally, carriers in this region are opening new routes and enhancing connectivity with other high-performing neighbors, such as Southeast Asia (Chart 7).

Emerging air transport markets expanded significantly, and the increase in air passenger numbers demonstrates considerable potential. Countries in Northern Africa outpaced the industry average, growing by 18.0% YoY in the first quarter, benefiting from their proximity to more mature markets in Europe and the Middle East. Eastern and Central European markets (2.4% YoY) performed below the industry average (5.3%), despite strong gains in Poland and Hungary. However, the ongoing conflict between Russia and Ukraine has hindered growth and overall performance in that subregion.

Chart 6: RPK and ASK, seasonally adjusted, indexed January 2020 = 100, and passenger load factor

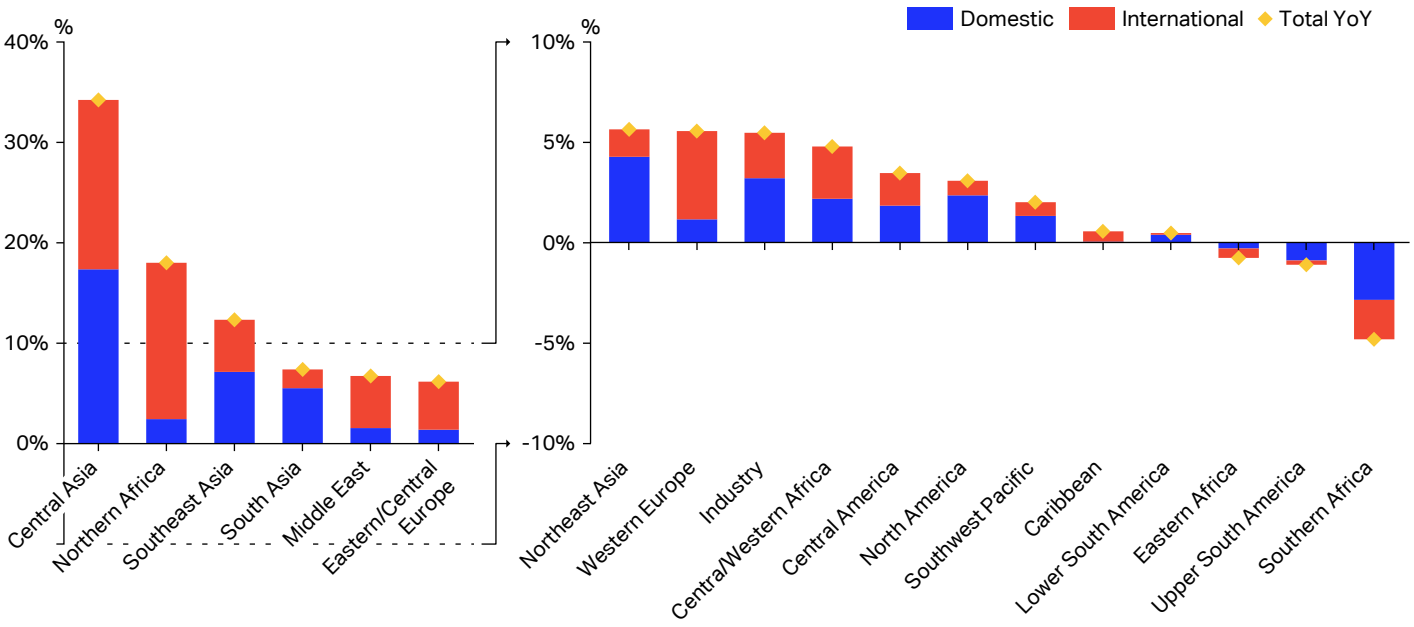


Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

In contrast, we see a noticeable shift in the Americas. North America, which was the leading region to recover after the 2020 drop, is now slowing down, with traffic from Canada and Mexico faltering following recent developments in US trade and migration policies. Declining momentum in the US market also has an impact on neighboring subregions; the Caribbean, Central America, and South America are showing signs of decreased traffic across both domestic and international segments.

The 2025 developments come on the back of highs set in 2024, when all regions posted all-time records in origin-destination passenger traffic. The highest growth was recorded in Asia Pacific (+17.3% YoY) and Africa (+13.3% YoY). The Middle East grew by an impressive 9.5% YoY. Total traffic rose by 10.6% YoY, while ASK expanded by 8.8% YoY, leading to a remarkable rise in the load factor by 1.3 ppt, to a record-high level of 83.5%.

Chart 7: Total passengers by sub-region of traffic origin, Q1 2025, %



Note: the bar segments represent the international and domestic traffic's contribution to the sub-regional total growth

Source: IATA Sustainability and Economics using data from DDS

Table 1: Summary of key passenger traffic metrics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Segment passengers, million	**4,560**	**1,779**	**2,304**	**3,452**	**4,426**	**4,779**	**4,988**
O-D passengers, million	3,974	1,570	2,017	2,962	3,792	4,100	4,291
RPK, billion	**8,688**	**2,974**	**3,623**	**5,973**	**8,171**	**9,037**	**9,565**
% change YoY	4.1%	-65.8%	21.8%	64.9%	36.8%	10.6%	5.8%
Aircraft departures, million	**37.5**	**19.7**	**24.2**	**29.5**	**35.5**	**37.4**	**38.3**
% change YoY	-0.8%	-47.5%	22.8%	21.9%	20.3%	5.2%	2.6%
ASK, % change YoY	**3.4%**	**-56.6%**	**18.7%**	**40.1%**	**31.1%**	**8.8%**	**5.2%**
Passenger load factor, % ASK	**82.6%**	**65.2%**	**66.9%**	**78.7%**	**82.2%**	**83.5%**	**84.0%**

Source: IATA Sustainability and Economics

3.2 Air cargo traffic

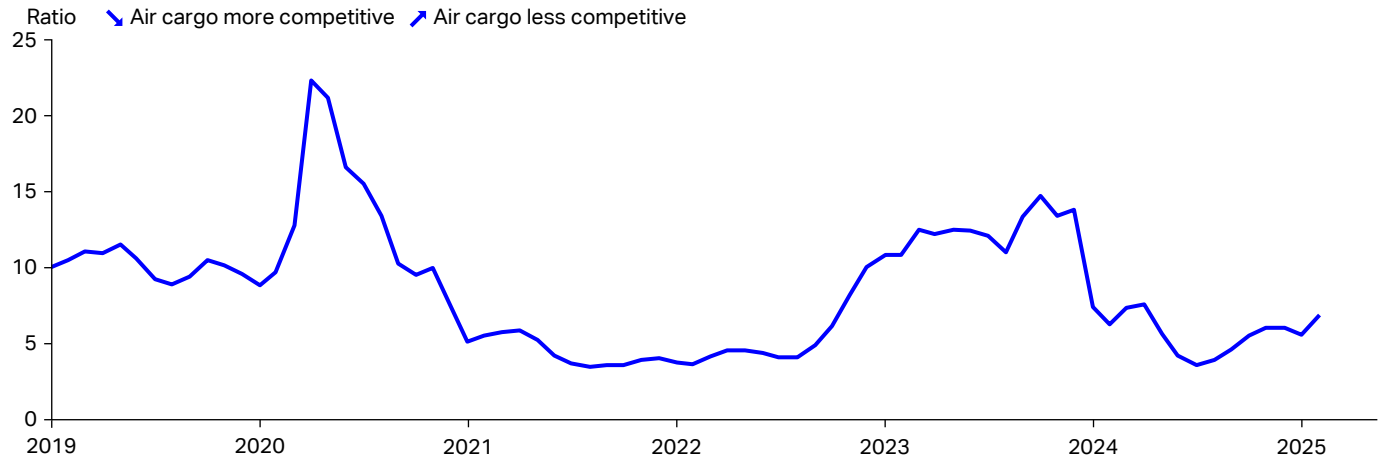
Global trade in goods grew in 2024, and the key sectors that supported the growth were apparel (3% YoY), office equipment (10% YoY), and electronics (6% YoY), fueled primarily by greater e commerce activity.[9] On the downside, sectors, including metals and automobiles, declined by 6% and 1% YoY, respectively.[10] Military conflicts in the Middle East and Ukraine have also impacted global trade and restricted airspace availability.

The World Trade Organization (WTO) expects trade volumes to remain largely unchanged in 2025. The rise in protectionism has added to global supply chain disruptions and dampened trade volumes. Events in the Middle East have resulted in higher shipping costs and delays, affecting the timely delivery of goods and deterring some international trade activities. Air freight has benefited to a certain extent, as rates became more competitive in 2024 compared to maritime shipping (Chart 8). As a result, more goods shifted from ship holds to airplanes.

This comparative advantage, however, began to unwind in early 2025, and ocean cargo rates are now mostly back to January 2024 levels (Chart 9).

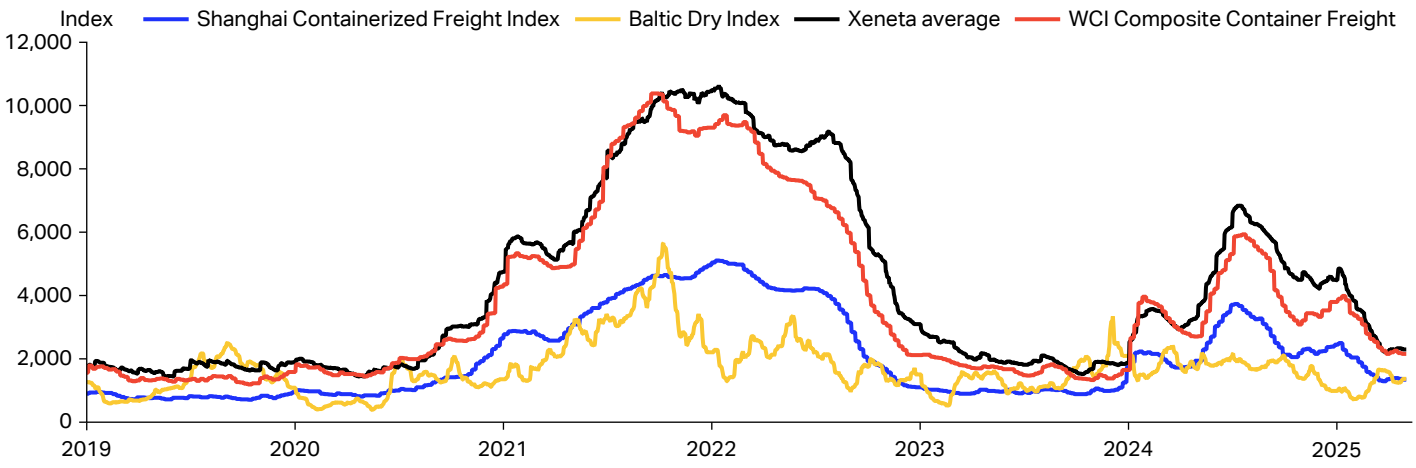
Demand for air cargo will undoubtedly be impacted by the relative cost of air freight compared to ocean shipping, and by tariff-related changes in demand. Importantly, the US removal of a de minimis exemption, which allowed items worth less than USD 800 to be shipped to the US without having to pay duties or import taxes, will curtail e-commerce growth notably on the Asia-US trade lane. In 2024, the US reported receiving over 1 billion parcels by air under this category. We can assume an average weight of 1.3 kg per parcel, and that around 45% of these parcels likely originated in China, based on an annual volume of approximately 7 billion CTK.

Chart 8: The relative price of shipping by air over maritime cargo ratio



Source: IATA Sustainability and Economics, Xeneta, Baltic Dry Index, WCI, Shanghai Exchange, CargoIS, Bloomberg

Chart 9: Global ocean cargo rates, index



Source: IATA Sustainability and Economics, Xeneta, Baltic Dry Index, WCI, Shanghai Exchange, Bloomberg

9 WTO.
10 WTO.

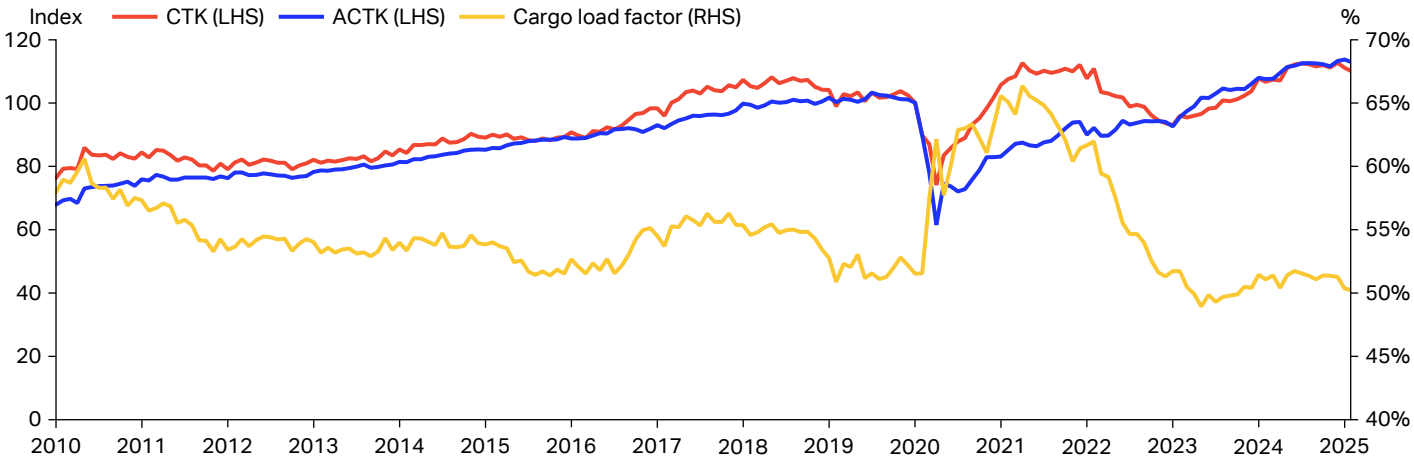
On this basis, de minimis trade could account for 7% of Asian CTK and nearly 3% of global air cargo traffic. This trade is likely to drop significantly, which will have a considerable impact on freight rates to the US from China. However, Chinese e-commerce brands may shift their focus from the US to other markets, or even ship their products from other countries. On a positive note, both pharmaceuticals and electronics, the two important product categories transported by air, are exempt from tariffs.

Air cargo demand, measured by cargo-tonne kilometers (CTK), hit a new high in 2024, rising by 11.3% compared to 2023 and exceeding the historical peak seen in 2021 by 0.6% ppt (Chart 10). CTK grew by 2.4% YoY in the first quarter of 2025 (Chart 11). This increase was helped, to some extent, by the front-loading of imports in anticipation of the introduction of tariffs, and demand growth is likely to decelerate further going forward. We project that growth in total air cargo volumes will be limited to 0.7% YoY in 2025.

From a regional perspective, air cargo grew across all regions in 2024. Over Q1 2025, most of the regions recorded further growth in air cargo traffic, though Africa and the Middle East slipped by 8.9% and 7.7% respectively from a high 2024 base (Chart 11).

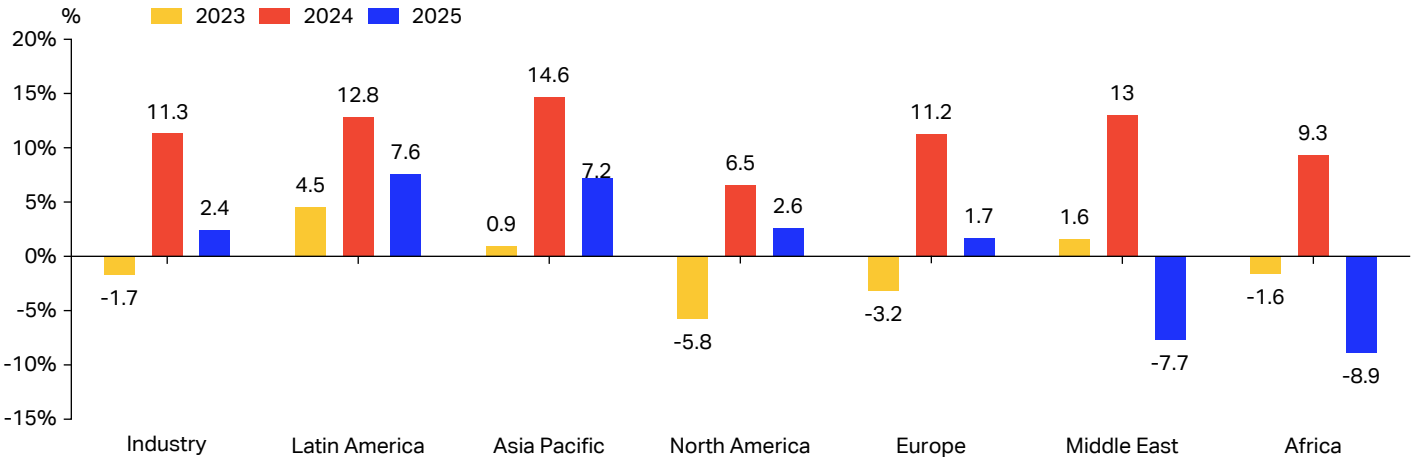
Latin American carriers topped the chart in Q1 2025, expanding at a pace of 7.6% YoY, benefiting from a delayed recovery in cargo traffic that only surpassed 2019 levels in 2024. Asia-Pacific followed with a 7.2% YoY increase in the first quarter, driven by exclusive Russian airspace access and rising demand for Asian goods. North America and Europe saw more modest growth, up 2.6% and 1.7%, respectively. However, changes in trade policy are expected to slow or even reverse these gains in the months ahead, in part because of the front-loading of import orders in anticipation of higher tariffs.

Chart 10: Global seasonally adjusted ACTK and CTK, indexed January 2020 = 100, and cargo load factor



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

Chart 11: Global CTK change, % YoY, 2022-Q1 2025



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

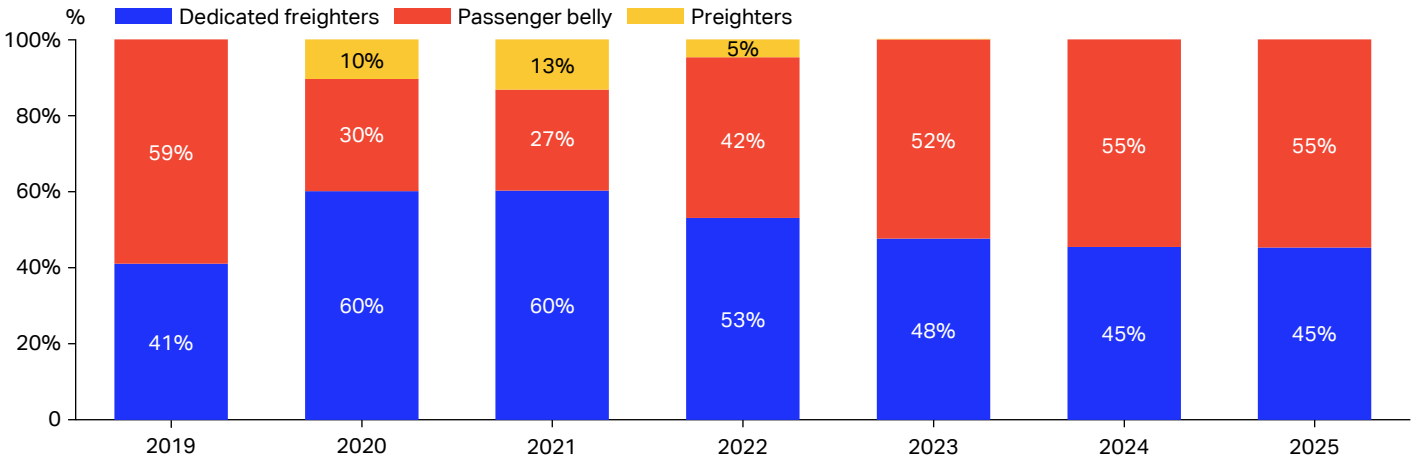
Air cargo capacity expanded by an impressive 7.4% YoY in 2024 from 2023, followed by a deceleration to 3.2% YoY growth in Q1 2025. Capacity growth is capped by ongoing supply chain malfunction and persistent problems with aircraft availability.

The most substantial traffic increase in 2024 came from long-haul routes, where traffic climbed by 16.6% YoY in 2024, and by 3.1% YoY in Q1 2025. Much of this rise can be attributed to passenger aircraft belly space, which jumped by 14.4% in 2024 and 4.3% in Q1 2025, both YoY. Belly cargo now handles 55% of air freight, up from 52% in 2023, moving closer to the 2019 share of 59% (Chart 12). Dedicated freighters made more modest gains, with YoY growth of 4.5% in 2024 and 2.2% in early 2025.

The cargo load factor (CLF), which indicates demand for air cargo on one hand and supply on the other hand, reached 45.9% in 2024, up 1.6 points from 2023. While demand for air cargo rose, so did capacity. In Q1 2025, the CLF slipped somewhat to 45.6%, on the back of softer air cargo demand and more intense competition from ocean cargo.

As we expect a significant slowing of demand for air cargo in 2025, given the ongoing trade war, it is most likely that the CLF will moderate as well.

Chart 12: Global international ACTK by cargo business type, share of total, %, 2019 – Q1 2025



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

Table 2: Summary of key cargo metrics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Nominal freight rate, USD cents/CTK	**39.6**	**61.3**	**77.2**	**82.6**	**56.4**	**54.3**	**51.5**
% change YoY	-26.2%	-39.1%	-43.0%	-34.3%	-31.6%	-37.0%	-40.9%
Real freight rate, 2024 USD cents/CTK	**51.3**	**76.7**	**93.5**	**95.6**	**60.1**	**54.3**	**49.4**
compared to 2014	79.4%	118.7%	144.7%	147.9%	93.0%	84.0%	76.4%
Freight carried by air, million tonnes	**62.7**	**56.5**	**65.0**	**60.9**	**61.4**	**68.2**	**68.6**
% change YoY	-0.2%	-9.8%	15.1%	-6.3%	0.7%	11.1%	0.5%
CTK, billion	**254.3**	**229.1**	**272.1**	**250.1**	**245.8**	**273.6**	**275.7**
% change YoY	-3.2%	-9.9%	18.8%	-8.1%	-1.7%	11.3%	0.7%
World merchandise trade, volume, % YoY	**0.1 %**	**-5.4 %**	**9.0 %**	**2.3 %**	**-1.0 %**	**2.9 %**	**-0.2 %**
CPI, global, % YoY	**3.5 %**	**3.3 %**	**4.7 %**	**8.6 %**	**6.6 %**	**5.7 %**	**4.3 %**

Source: IATA Sustainability and Economics

4. Airline financial performance

In spite of persistent upsets in the supply chain and more restrictive trade policies, profits in the airline industry are likely to hold up well, though with lower turnover.

Lower fuel prices are helping to counterbalance the impact of headwinds, potentially leading to reduced ticket prices and bolstering demand, which on balance should protect margins. Although problematic for airlines, supply chain disruptions also stimulate improved operational efficiency and maximized utilization of fleets.

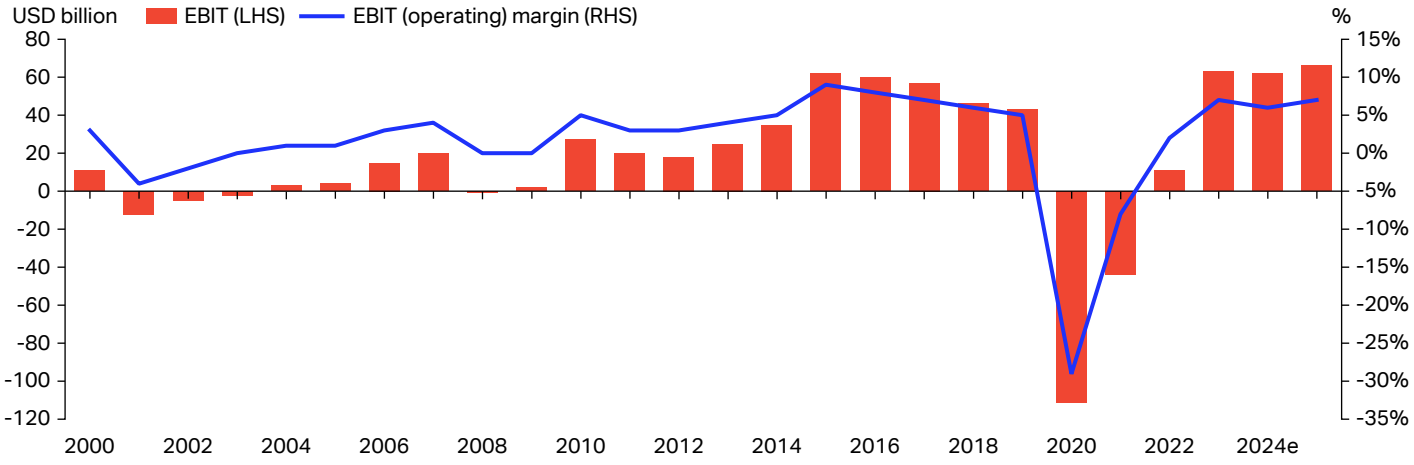
In 2025, we anticipate a slight recovery in profitability, with an EBIT (earnings before interest and taxes) margin of 6.7% (adding 0.3 percentage points YoY), marking the highest nominal EBIT in the industry's history—USD 66 billion (Chart 13). The net margin, in turn, is expected to reach 3.7%, 0.4 ppts below the record set in 2023 (Table 3).[11]

We predict that passenger yields will decline for the second year in a row, on the back of a 13% YoY lower jet fuel price in 2025. However, the decrease in yields may not directly translate into weaker profitability for the industry. Airlines could absorb some of the benefits of lower fuel prices for themselves, as capacity constraints should heavily limit growth opportunities for airlines in 2025, and slightly tilt the supply-demand balance toward airlines. The limited supply, coupled with some increase in demand, could support profitability globally. Any weakening of the USD against major currencies would also support the profitability of airlines outside of the Americas (most notably European and Chinese carriers). The continued unbundling of offers helps raise ancillary revenue; ancillary revenue could be the single most significant contributor to nominal sales growth in 2025. We do not expect trade policy to reduce passenger traffic radically, though bookings on specific routes are moderating.

Capacity constraints act as a double-edged sword. Limited capacity growth does boost load factors, support yields, and dilute unit cost. We estimate that if the traffic growth rate in 2024 had remained unchanged in 2025, revenue would have increased by 7% YoY, instead of the much lower 1.3% YoY we estimate currently. This translates into a nominal reduction in EBIT of roughly USD 4 billion due to the slower growth in traffic. Conversely, slower growth means a stronger emphasis on fleet utilization and load factor management. These two factors have an important impact on profitability. A 1 ppt increase in EBIT margin could potentially add as much as USD 10 billion to the industry's EBIT. Therefore, while traffic growth is beneficial, it is ultimately the margin that drives the profit.

Moreover, a higher load factor in 2025 could enhance the margin by 0.5 ppt, which would imply an additional USD 4 billion in EBIT. The sustained growth in fleet utilization, now at its highest level since 2019 (Chart 14), should facilitate better cost dilution and increase profitability further. A 1 ppt decrease in unit cost growth per ATK could improve the EBIT by as much as USD 7 billion.

Chart 13: Global airline EBIT (operating profit), USD billion, and EBIT (operating) margin, as % of revenue



Source: IATA Sustainability and Economics using data from Airfinance Global

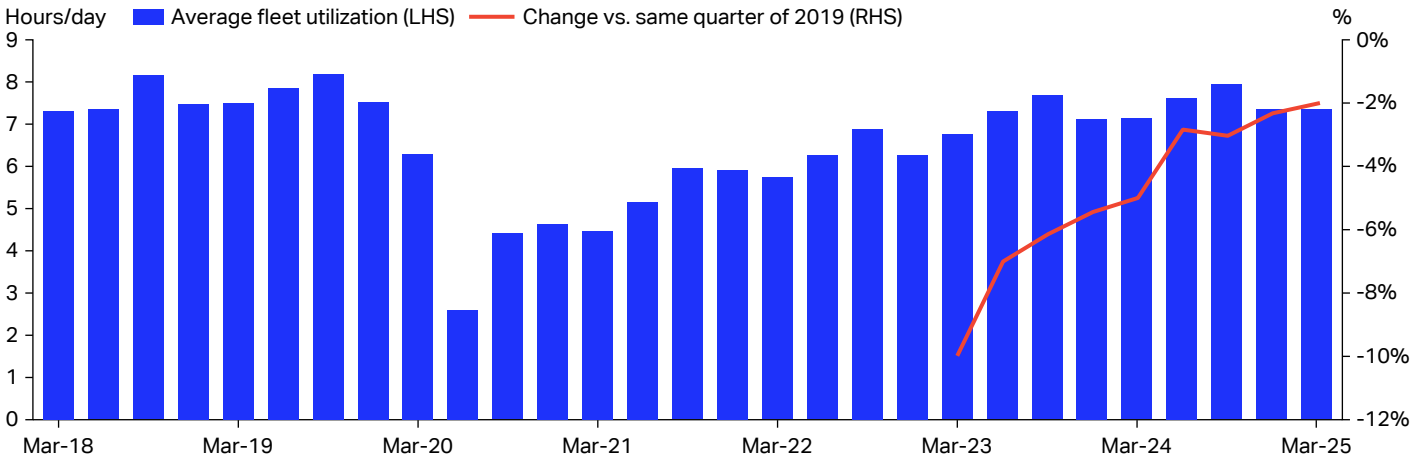
11 The net margin is the ratio of net profits to total revenue. Net profits are calculated by deducting all company expenses from its total revenue.

The impact of trade policy changes on air cargo is not straightforward to predict. Overall, we expect both a decline in cargo yields (5.2% YoY in 2025) and a slowdown in cargo traffic growth, to a mere 0.7% YoY compared with 11.3% YoY in 2024.

We expect modest revenue growth in 2025 of 1.3% YoY, to USD 979 billion. This represents a downward revision of 3 ppt, stemming from weaker passenger and cargo yields and a reduction in projected traffic following the downgrades in GDP and trade forecasts for 2025. On a positive note, we anticipate that most of the downward revision in revenue of USD 29 billion will be offset by lower fuel prices, cutting those costs by USD 13 billion, and by a reduction in non-fuel costs of USD 15 billion, stemming from limited capacity growth.

Airlines' balance sheets also show continuous improvement in the industry's financial health. Airlines saw solid cash flow over 2023 and 2024. In addition, airlines have been compelled to cut their capital expenditure due to a lack of available aircraft in the market. Strong cash flow, paired with high borrowing costs, enabled and encouraged airlines to reduce their debt levels significantly, both in gross and net terms, when adjusted for cash. Our forecast for 2025 is that the adjusted net debt/EBITDAR (earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs) ratio may reach 2.8x, implying a further drop from the 3.1x estimated for 2024. This is an unprecedented low level for the industry, and it is well below the average of 4x observed over the past decade.

Chart 14: Average quarterly fleet utilization



Source: IATA Sustainability and Economics using data from Cirium

Table 3: Summary of key financial metrics

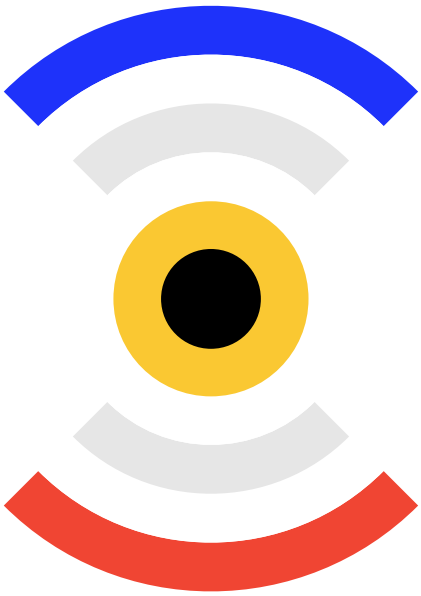
Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Passenger revenue, USD billion	**607**	**189**	**242**	**437**	**648**	**682**	**693**
% change YoY	0.3%	-68.9%	27.9%	80.9%	48.3%	5.3%	1.6%
Cargo revenue, USD billion	**101**	**140**	**210**	**206**	**139**	**149**	**142**
compared to 2014	-11.1%	39.3%	49.6%	-1.7%	-32.9%	7.2%	-4.5%
Ancillary and other revenue, USD billion	**130**	**55**	**61**	**95**	**122**	**135**	**144**
% change YoY	38.9%	-57.6%	10.9%	55.7%	28.8%	10.1%	6.5%
EBIT (operating profit), USD billion	**43.1**	**-110.9**	**-43.5**	**11.3**	**62.9**	**61.9**	**66.0**
% margin	5.1%	-28.8%	-8.5%	1.5%	6.9%	6.4%	6.7%
Net profit, USD billion	**26.4**	**-137.7**	**-40.4**	**-3.5**	**37.3**	**32.4**	**36.0**
% margin	3.1%	-35.8%	-7.9%	-0.5%	4.1%	3.4%	3.7%

Source: IATA Sustainability and Economics

Regarding 2024, traffic growth decelerated in the fourth quarter, primarily due to tight capacity. However, tighter capacity translated into slightly stronger yields, improving our profitability estimate, and we now see 2024 EBIT at USD 62 billion, implying a 6.4% operating (EBIT) margin (Chart 13). Net profits in 2024 are estimated at USD 32 billion for the industry, with a net profit margin of 3.4% (Table 5).

Key elements that impacted the cost structure in 2024 include:

- As the freeze on salaries was slowly lifted after the pandemic years, fueled by the return of profitability and persistent labor shortage in the industry, unprecedented salary pressure emerged.
- Maintenance costs rose as delays in aircraft deliveries led to rapid fleet aging. The average fleet age climbed to 15 years compared with 13 years a few years ago. Supply chain issues added to the cost of aircraft parts, and engine reliability problems and forced aircraft groundings caused extra one-off costs.
- Airports in several countries raised their fees in 2024, claiming higher costs due to salary pressure and weaker contributions from non-aerospace revenue, such as from retail and commercial spaces.
- Aircraft ownership costs rose in 2024 in tandem with higher interest rates and more delivery delays, pushing lease rates to their highest levels in years.



The key assumptions underpinning the 2025 financial forecast:

- Global real GDP growth will likely drop from around 3.0% to 2.5% YoY in 2025.
- Inflation rates will ease gradually in 2025, having peaked in 2022, though they still exceed some central banks' target of 2%.
- Nominal interest rates will drop only slightly in 2025, notably in the US, where inflation might rise.
- Labor markets will become somewhat less tight, leading to reduced wage pressure going forward.
- The average price of Brent crude oil is assumed to be USD 69 per barrel in 2025. The jet fuel crack spread is anticipated at USD 17 per barrel. This yields an average jet fuel price of USD 86 per barrel in 2025.
- Obligations under CORSIA are projected to cost airlines an additional USD 1 billion in 2025.
- The price of SAF is estimated at USD 2,691 per tonne in 2025. This estimate reflects both a lower market price of SAF and a higher price paid in the EU, where Refuel EU is having the effect of adding significant compliance surcharges.
- Supply chain disfunction will continue to affect passenger and fleet growth rates, putting pressure on the supply/demand balance and maintaining high load factors.
- The outlook for the airline industry depends critically on the evolution of tariffs. We assume that US tariffs remain at 10% for most countries and that tariffs on China will remain elevated. Electronics, pharmaceuticals, and crude oil are assumed to remain exempt from tariffs, while the de minimis exemption has been lifted.

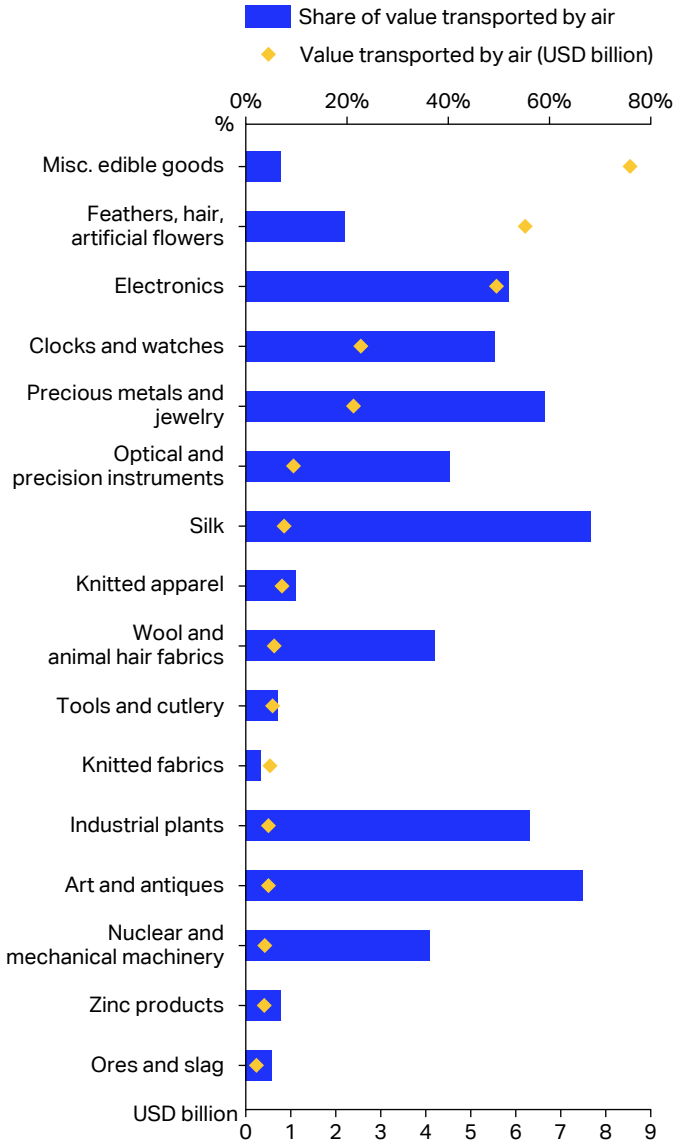
4.1 Revenue developments

In 2025, we forecast a 4% decline in yields, on the back of falling jet fuel prices. We expect a 13% YoY drop in the price of jet fuel in 2025, following a 12% YoY decline in 2024. Tight capacity should maintain load factors elevated. This situation may slightly widen the gap between revenue per ATK and fuel cost per ATK (Chart 15). A potentially weaker US dollar could also support yields, especially in domestic markets. We predict 2025 revenue to reach USD 979 billion, reflecting a modest growth of 1.3% YoY. Revenue will be supported by an expected 5.8% YoY increase in passenger traffic, but this comes with lower yields and a weaker cargo market.

The broader cargo market will likely face a significant challenge following the introduction of tariffs. However, as long as electronics and pharmaceuticals remain exempt from the new tariffs, the airline industry will be somewhat protected, as these are two key product categories shipped by air (Chart 16).

The removal of the US de minimis exemption on low value packages could heavily impact yields on China-US routes and adversely affect global rates. These could decline by 5.2% YoY in 2025, despite a relatively strong start of the year, as the average rate for January-February 2025 rose by 6% YoY.

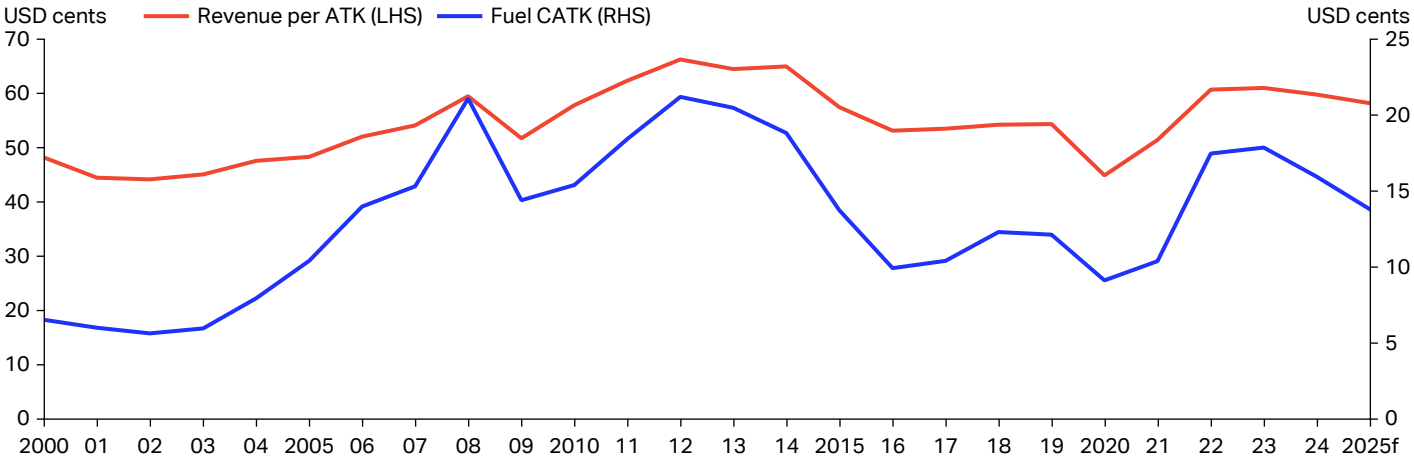
Chart 16: Share of selected products transported by air and their value, US imports from China 2023



The chart includes categories with the highest value of air transport.

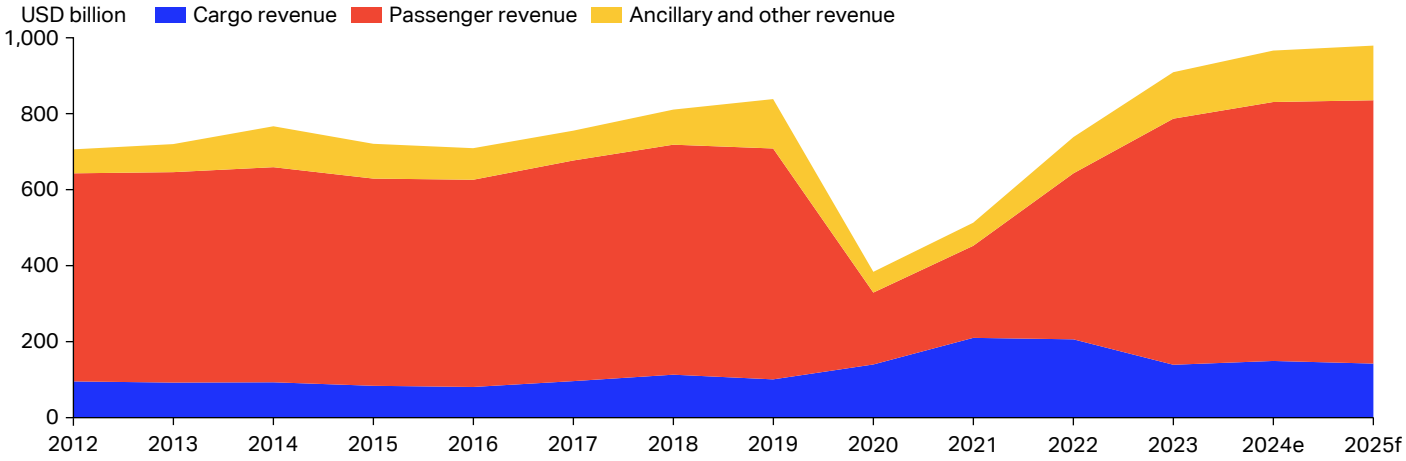
Source: IATA Sustainability and Economics using data from Global Trade Tracker

Chart 15: Revenue and fuel cost of air travel, unit revenue and cost per ATK, USD cents



Source: IATA Sustainability and Economics

Chart 17: Breakdown of revenue by type, USD billion



Source: IATA Sustainability and Economics using data from Airfinance Global

Table 4: Summary of key fare metrics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Nominal one-way fare, USD	**153**	**120**	**120**	**148**	**171**	**166**	**162**
% change YoY	-1.9%	-21.3%	-0.5%	23.2%	15.9%	-2.6%	-2.9%
Nominal return fare incl. ancillaries, USD/PAX	**361**	**308**	**298**	**359**	**406**	**399**	**390**
% change YoY	0.4%	-14.6%	-3.3%	20.5%	13.1%	-1.9%	-2.2%
Real return fare incl. ancillaries, 2024 USD/PAX	**467**	**386**	**361**	**416**	**433**	**399**	**374**
compared to 2014	-26.2%	-39.1%	-43.0%	-34.3%	-31.6%	-37.0%	-40.9%
Nominal freight rate, USD/kg	**1.61**	**2.48**	**3.23**	**3.39**	**2.26**	**2.18**	**2.07**
% change YoY	-10.9%	54.5%	30.0%	4.9%	-33.4%	-3.5%	-5.0%
Real freight rate, 2024 USD/kg	**2.08**	**3.11**	**3.91**	**3.92**	**2.41**	**2.18**	**1.98**
compared to 2014	-22.2%	16.1%	46.2%	46.5%	-10.1%	-18.7%	-25.9%

Source: IATA Sustainability and Economics

4.2 Profitability

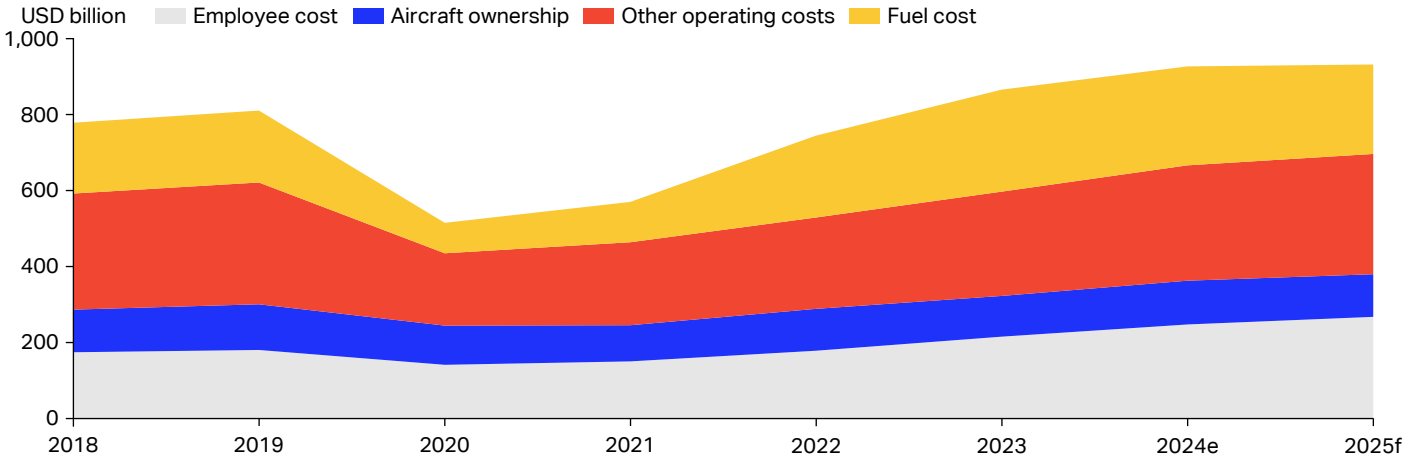
In 2025, we anticipate a slight recovery in profitability, with an EBIT margin of 6.7% (adding 0.3 ppt YoY), marking the highest nominal EBIT in the industry's history—USD 66 billion. The net margin, in turn, is expected to reach 3.7%, 0.4 ppts below the record set in 2023, as airlines will begin to pay the standard level of tax in 2025 after utilizing tax losses incurred during the pandemic.

Although this seems impressive in absolute terms, such a margin is merely half of the average net margin across all global industries.[12] Furthermore, the per passenger profit is USD 7.2, a number that is low in absolute terms as well as in relation to the average return fare of USD 399 per passenger recorded for 2024.

The key factor affecting profitability is the decline in yields. Historically, airlines have both passed on fluctuations in the oil price to passengers and internalized some of the effects. With fuel representing 30% of airlines' cost base, the lower oil price holds out some hope for improved profitability.

On the net profit level, we estimate that the margin has dropped by 0.7ppt YoY in 2024 to 3.4% (Table 5). In 2019, airlines achieved a similar net margin, while having a 2ppt higher EBIT margin. This indicates that more costs have shifted from operating to financial, resulting in increased financial costs.

Chart 18: Breakdown of costs, pre-tax level, USD billion



Source: IATA Sustainability and Economics using data from Airfinance Global

Table 5: Summary of key profitability metrics

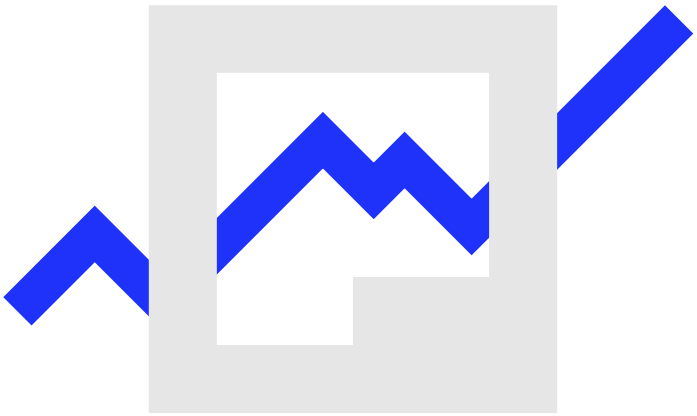
Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
ROIC, % invested capital	**5.8%**	**-19.3%**	**-8.0%**	**2.0%**	**6.9%**	**6.6%**	**6.7%**
EBIT (operating profit), USD billion	**43.1**	**-110.9**	**-43.5**	**11.3**	**62.9**	**61.9**	**66.0**
% margin	5.1%	-28.8%	-8.5%	1.5%	6.9%	6.4%	6.7%
EBITDAR, USD billion	**148.1**	**-27.8**	**37.3**	**105.8**	**150.5**	**155.3**	**160.0**
% margin	17.7%	-7.2%	7.3%	14.3%	16.6%	16.1%	16.3%
Net profit, USD billion	**26.4**	**-137.7**	**-40.4**	**-3.5**	**37.3**	**32.4**	**36.0**
% margin	3.1%	-35.8%	-7.9%	-0.5%	4.1%	3.4%	3.7%
Net profit per passenger, USD	**5.8**	**-77.4**	**-17.5**	**-1.0**	**8.4**	**6.8**	**7.2**

Source: IATA Sustainability and Economics

12 Damodaran Online, Operating and Net Margins by Industry Sector.

4.3 Cost of capital

The airline industry has long tended to operate with some of the thinnest margins among global industries. Over the past 25 years, the average net margin has hovered around zero, reaching up to 5% in the best years to as low as -35% during various crises. In contrast, average net profitability across all global industries is usually closer to 8%.[13] Apart from lower-than-average profitability, the air transport industry faces unprecedented volatility in profits due to its very high operating leverage, with roughly half of the cost base being fixed. The industry also relies heavily on financial leverage, carrying a significant amount of debt in the balance sheet structure to finance the fleet.

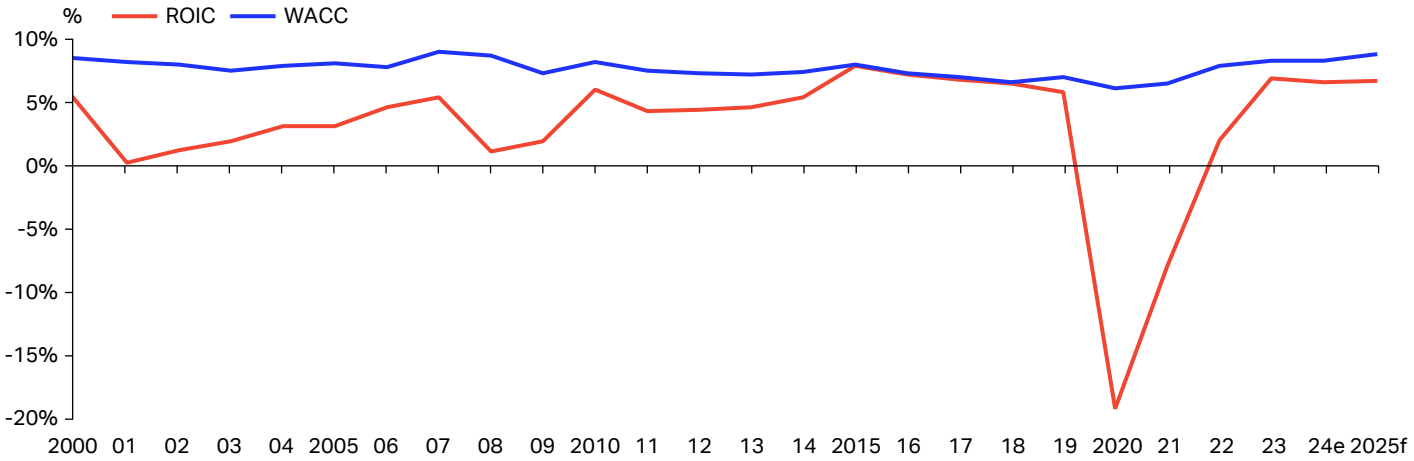


As a result, the global airline industry often struggles to deliver returns that investors find attractive. Put differently, the return on invested capital (ROIC) has typically fallen short of the weighted average cost of capital (WACC) in this industry.

The ROIC in 2024 is estimated to have reached 6.6%, a notch below the decade-high of 6.9% in 2023. While this is sufficient in some years to cover the WACC, the latter has been pushed higher by central banks' interest rate hikes since 2022. The WACC is estimated at 8.3% in 2024 and climbs to 8.8% in 2025. The significant deleveraging of airlines is expected to continue in 2025. While a positive development, the deleveraging raises the proportion of equity cost in the cost of capital structure, and equity is twice as expensive as debt.

In 2025, we expect a slight increase in ROIC from 6.6% to 6.7%, supported mainly by further deleveraging, thus reducing the invested capital. Nevertheless, a negative gap persists between ROIC and WACC despite the improvement in the former (Chart 19).

Chart 19: Return on capital invested in airlines globally, 2000-2025f, % of invested capital



Source: IATA Sustainability and Economics using data from Airfinance Global

13 Damodaran Online, Operating and Net Margins by Industry Sector.

4.4 Aircraft and ownership

With supply chain constraints and production limitations likely to be further aggravated by tariffs, aircraft deliveries are now lagging 30% behind their peak levels (Chart 20). At present production rates and given the record-high backlog, the implied waiting time for delivery is approximately 14 years.

These challenges impact the air transport industry in several ways:

- With fewer aircraft entering the market, leasing rates for older models have risen, and prices for new aircraft on the secondary market are also climbing.
- The average age of aircraft has increased from 13 to 15 years over the past decade, leading to higher maintenance costs and increased average fuel consumption. These factors have stalled the gains in fuel efficiency that the industry has delivered over its entire history. While airlines have replaced 5-6% of their fleets each year historically, this pace has nearly halved since 2020.
- Delays in aircraft deliveries complicate short-term capacity planning and can lead to inefficiencies. Carriers in some parts of the world are even forced to operate larger aircraft, resulting in empty seats.

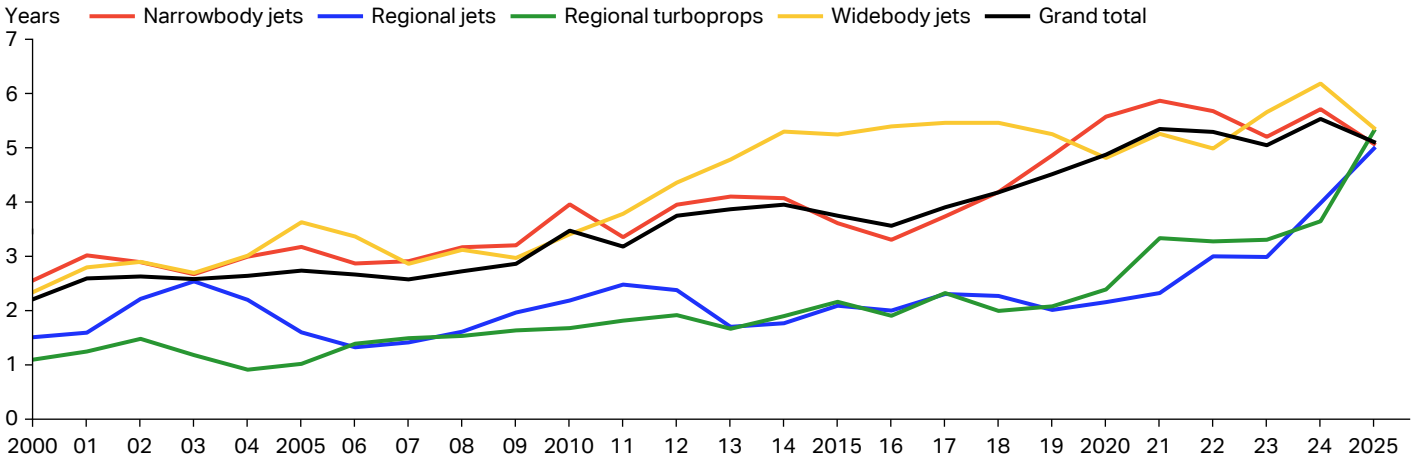
Aircraft deliveries fell by 8% YoY in 2024, when a total of 1,266 aircraft were delivered. This number is well below the peak level seen in 2018 at 1,813 (Chart 21). Traffic levels, however, have surpassed those seen in 2018 and 2019.

In 2025, 1,692 aircraft are expected to be delivered. Although this would mark the highest level since 2018, it is almost 26% lower than estimates made a year ago for 2025 (Chart 22). Further downward revisions are likely, given that supply chain concerns are expected to persist in 2025 and possibly to the end of the decade.

The backlog of aircraft orders reached a record high of 17,000 aircraft as of the end of 2024, compared to a more habitual backlog of between 10,000 and 11,000 in previous years. The current backlog is notable not only in the absolute terms but also relative to the size of the fleet. The latter metric has increased from about 40% before 2019 to 57% in 2024. If this backlog increase were assumed to be caused solely by delivery delays, it would indicate that airlines are short of 5,400 aircraft. This implies 15% of the total commercial fleet or almost 20% of the active fleet. Given the expected annual production of around 2,000 aircraft, this may take at least 3-5 years to resolve.

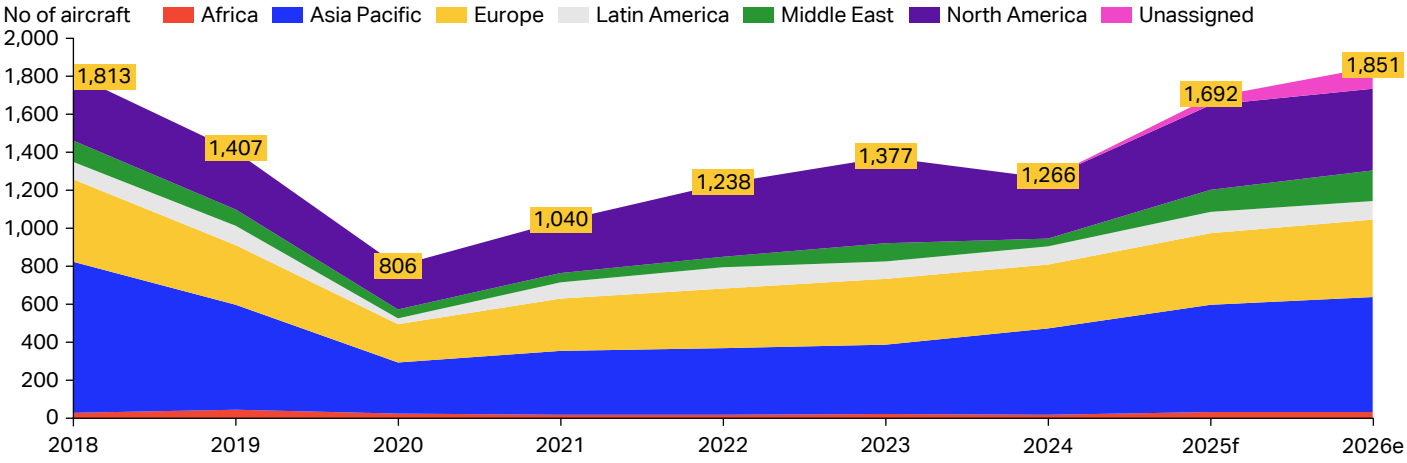
In addition to the delivery delays, engine problems and a shortage of spare parts exacerbate the situation and have caused record-high groundings of certain aircraft types. The number of aircraft younger than 10 years in storage is currently at more than 1,100, constituting 3.8% of the total fleet compared to 1.3% between 2015 and 2018. A significant portion of these grounded aircraft—69%—are equipped with PW1000G engines (Chart 23).

Chart 20: Aircraft waiting time (period between order and delivery date), by year of delivery, years



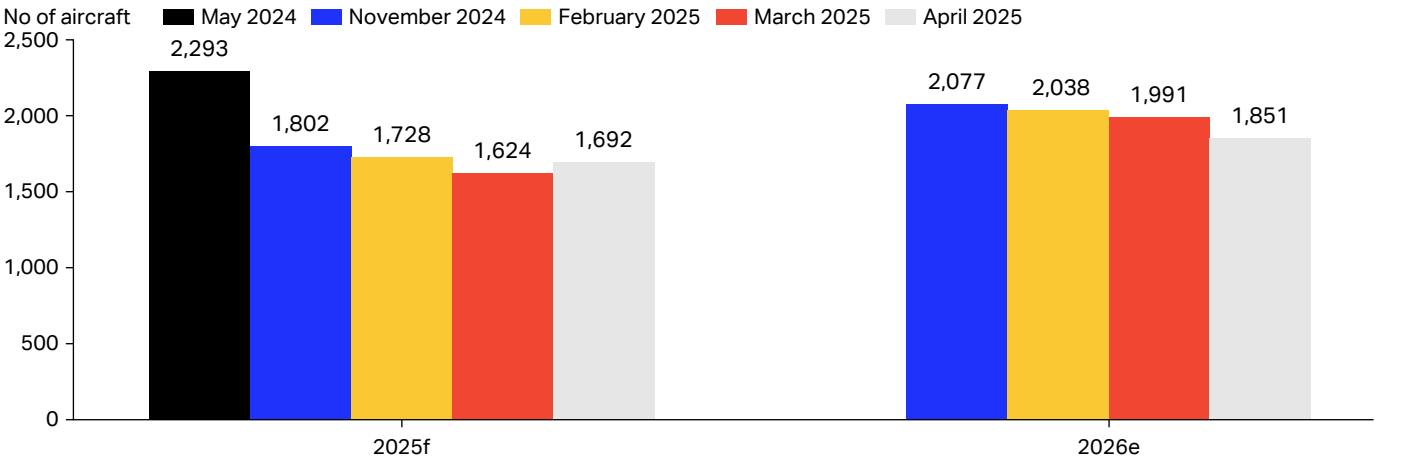
Source: IATA Sustainability and Economics using data from Cirium – 2025 data include deliveries from January to March 2025

Chart 21: Aircraft deliveries by region (placed and scheduled), Cirium estimate



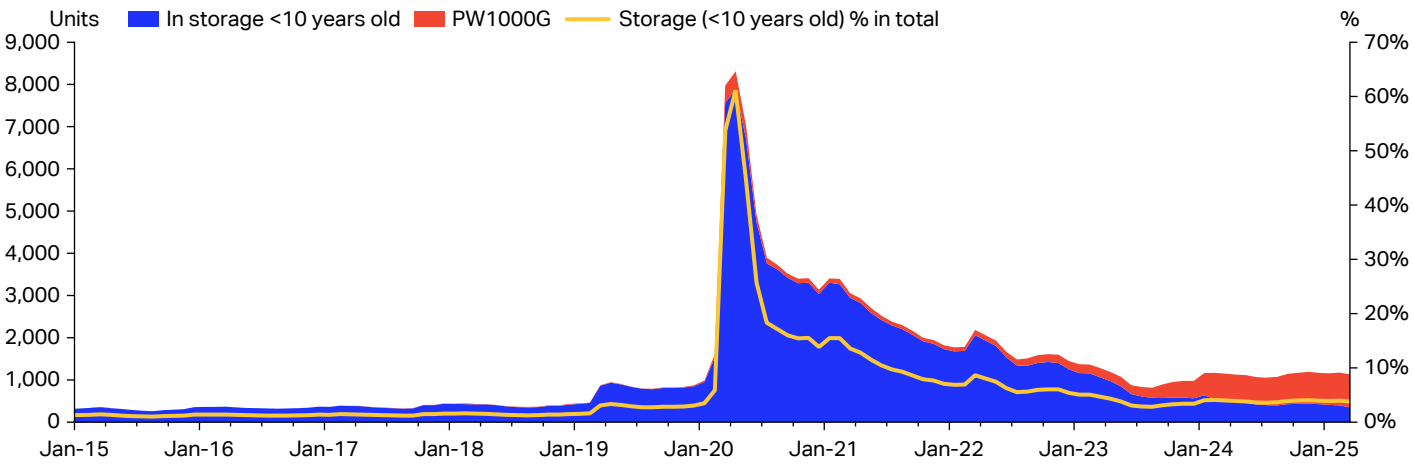
Source: IATA Sustainability and Economics based on Cirium estimate, April 2025

Chart 22: Revision of scheduled aircraft deliveries



Source: Cirium, IATA Sustainability and Economics using data from Cirium

Chart 23: Number of aircraft (< 10 years old) in storage



Source: IATA Sustainability and Economics using data from Cirium

4.5 Labor

The estimated average salary in the airline industry in 2024 was 26% higher than in 2019, almost in line with the global inflation rate for the same period of 32% (Chart 24). Having nearly caught up with inflation, salary pressures might finally ease in 2025, especially in the economies that are spared more persistent and higher inflation (Table 6). Employee strikes at airlines and airplane manufacturers caused numerous disruptions in the industry in 2024 and resulted in substantial one-off costs. We estimate that the average salary in the airline industry increased by 8% YoY in 2024, marking the fourth consecutive year with salary growth of more than 5%.

In 2025, the negative impact of salary pressure on airlines' cost base should lessen as slower aircraft deliveries ease labor shortages. Airlines are also expected to achieve record-high aircraft utilization rates, which will dilute employee costs.

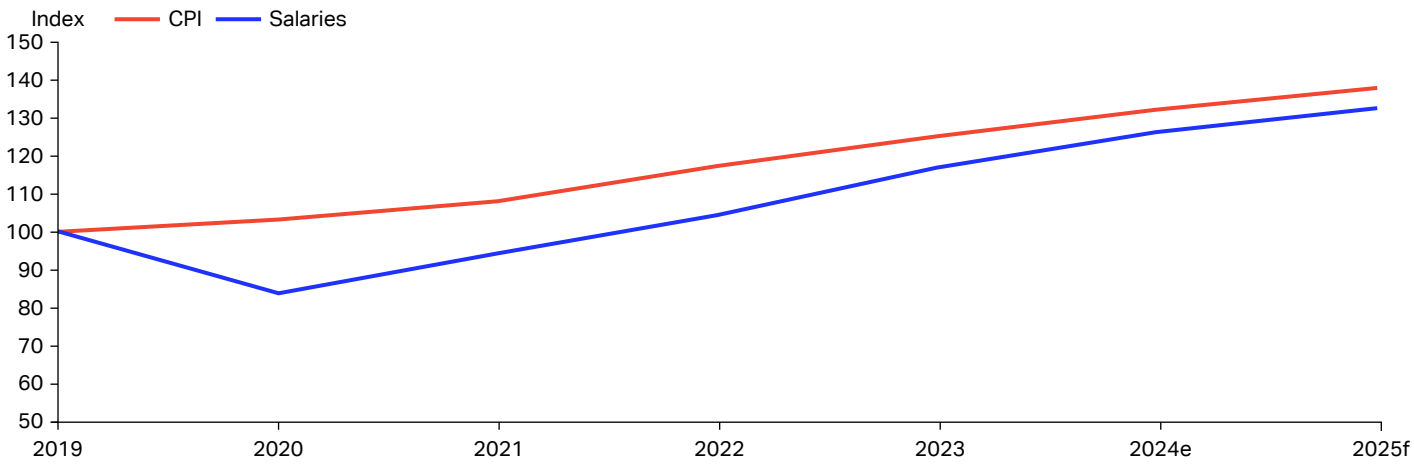
Despite these trends, the industry continues to struggle with labor shortages, especially among pilots, mechanics, and aircraft maintenance workers. The workforce is aging substantially, and there is a lack of younger workers to replace those who are retiring.

Table 6: Summary of key labor metrics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Labor costs, USD billion	**180**	**141**	**150**	**178**	**215**	**247**	**267**
% change YoY	3.5%	-21.5%	6.5%	18.5%	21.0%	14.5%	8.2%
Employment, million	**2.9**	**2.8**	**2.6**	**2.8**	**3.0**	**3.19**	**3.28**
% change YoY	0.3%	-6.2%	-5.5%	7.1%	8.0%	6.0%	3.0%
Productivity, thousand ATK/employee	**525**	**311**	**383**	**437**	**495**	**506**	**512**
% change YoY	2.6%	-40.8%	23.1%	14.0%	13.4%	2.2%	1.2%
Unit labor costs, USD/ATK	**11.7**	**16.5**	**15.1**	**14.6**	**14.5**	**15.3**	**15.9**
% change YoY	0.6%	41.4%	-8.5%	-3.0%	-1.2%	5.7%	3.8%

Source: IATA Sustainability and Economics

Chart 24: Wage growth index in the airlines industry compared with global inflation, index, 2019 = 100



Source: IATA Sustainability and Economics, IMF

4.6 Jet fuel

While fossil fuels represent over 80% of global energy use, there are signs of fuel substitution. China's demand for diesel and gasoline is slowing thanks to electrification and a shift to liquefied natural gas.[14] This is evidenced, for instance, by the installation of 1 million charging points in China in 2024 and the fact that EVs now account for over half of all new vehicle purchases in China.[15] More generally, demand for oil will also soften as a result of the weaker global economic business cycle. Supply, on the other hand, should be ample, in part thanks to some OPEC countries increasing production limits. Oil prices are likely to see further downward pressure as a result.

The average crude oil price in 2024 was USD 81 per barrel and only 2% lower YoY, but the year's closing price in 2024 was USD 75 per barrel. The price remained around USD 76 in Q1 2025. However, in April 2025, the price began to decline further as the massive tariffs introduced by the US on its global trading partners and the retaliations from some created concerns about the future of the global economy and oil demand. A new, local low of USD 59.4 per barrel was set on 5 May (Chart 25).

We are assuming an average Brent crude oil price of USD 69 per barrel in 2025, 15% lower YoY.

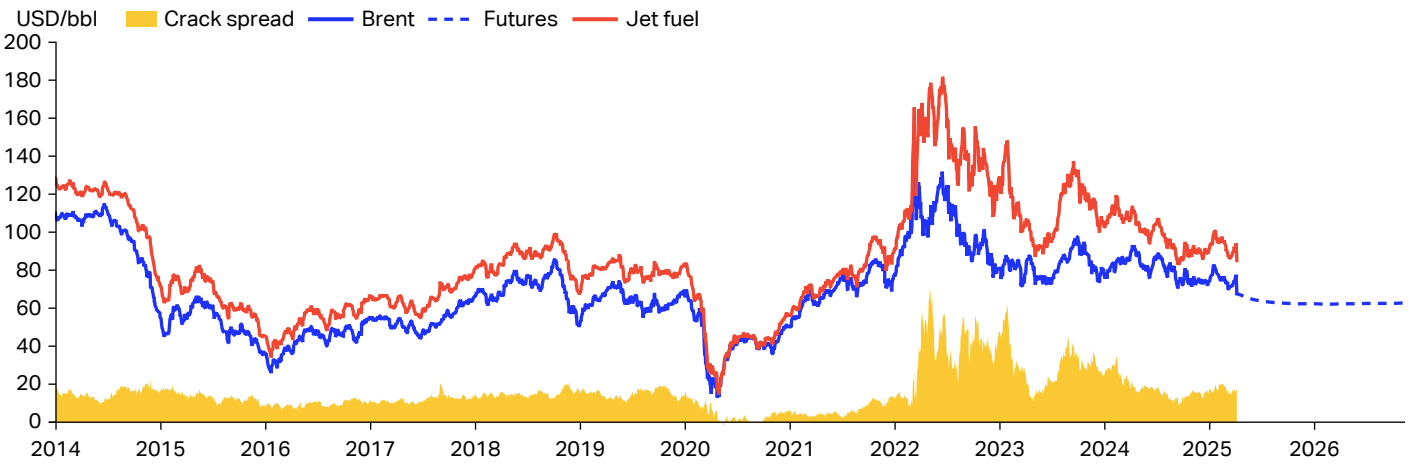
The decline in crude oil prices has benefited jet fuel prices. These dropped to USD 99 per barrel in 2024, down by 12% YoY, closing the year at USD 93 per barrel and staying around this level in Q1 2025. The spread between jet fuel prices and crude oil prices (jet fuel crack spread) has narrowed recently to below USD 20 per barrel.

The crack spread is impacted by demand for diesel and by higher natural gas prices globally, both of which may keep this spread above the long-term average.

We assume the crack spread of USD 17 per barrel on average in 2025, resulting in a jet fuel price estimate of USD 86 per barrel in 2025. This represents a 13% decrease YoY.

Recent financial data indicate minimal hedging activity over the past year, leading us to believe that airlines will generally benefit from the reduced fuel cost. We anticipate that fuel CATK will drop by 13% YoY. This move can translate into a total CATK impact of -3.6% YoY, assuming a flat fuel price YoY. Some of this reduction will be absorbed through lower yields. We estimate that revenue per ATK will decline by 2.7% YoY, and if so, it will improve airlines' ability to cover non-fuel costs and potentially underpin overall profitability.

Chart 25: Brent crude oil price with futures curve, jet fuel price, and jet crack spread, USD per barrel



Source: IATA Sustainability and Economics, Platts, ICE

14 What's driving decreasing gasoline consumption in China? U.S. Energy Information Administration (EIA).
15 Rising new energy vehicle sales in China: falling gasoline demand, rising uncertainty, The Oxford Institute for Energy Studies, April 2025.

Box 1: Jet fuel and tariffs

- In April 2025, the United States introduced a wave of tariffs, but crude oil imports were explicitly exempt from these measures. This decision reflects the strategic importance of crude oil in domestic energy security and industrial production.
- However, Executive Order 14245, enacted concurrently, imposes a 25% tariff on all goods imported from countries that purchase Venezuelan oil, creating potential indirect effects on global oil trade flows and market dynamics.
- Jet fuel is not directly subject to the US tariffs. Furthermore, due to its superior refining capacity, the US remains a net exporter of jet fuel.

Table 7: Summary of key industry fuel metrics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Fuel spend, USD billion	**190**	**80**	**106**	**215**	**269**	**261**	**236**
% change YoY	1.5%	-58.0%	32.3%	103.6%	25.2%	-3.2%	-9.5%
% of operating costs	23.9%	16.1%	19.0%	29.6%	31.8%	28.8%	25.8%
Fuel use, billion gallons	**96**	**52**	**62**	**76**	**92**	**99**	**103**
% change YoY	2.2%	-45.9%	19.9%	22.9%	19.9%	8.2%	3.6%
Fuel efficiency, liters/100 ATK	**23.6**	**23.0**	**23.7**	**23.8**	**23.3**	**23.3**	**23.1**
% change YoY	-0.6%	-2.7%	3.0%	0.7%	-2.1%	-0.2%	-0.6%
Fuel consumption, liters per 100 km/passenger	**4.2**	**6.6**	**6.5**	**4.8**	**4.2**	**4.2**	**4.1**
% change YoY	-1.8%	58.0%	-1.6%	-25.4%	-12.4%	-2.2%	-2.1%
Fuel market price, USD/barrel	**80**	**47**	**78**	**139**	**112**	**99**	**86**
% change YoY	-7.4%	-41.5%	67.0%	78.1%	-18.9%	-11.8%	-13.2%
Spread over Brent crude oil price, USD/barrel	**15**	**5**	**7**	**38**	**30**	**18**	**17**
CORSIA cost, USD million	**-**	**-**	**-**	**-**	**-**	**700**	**1,000**

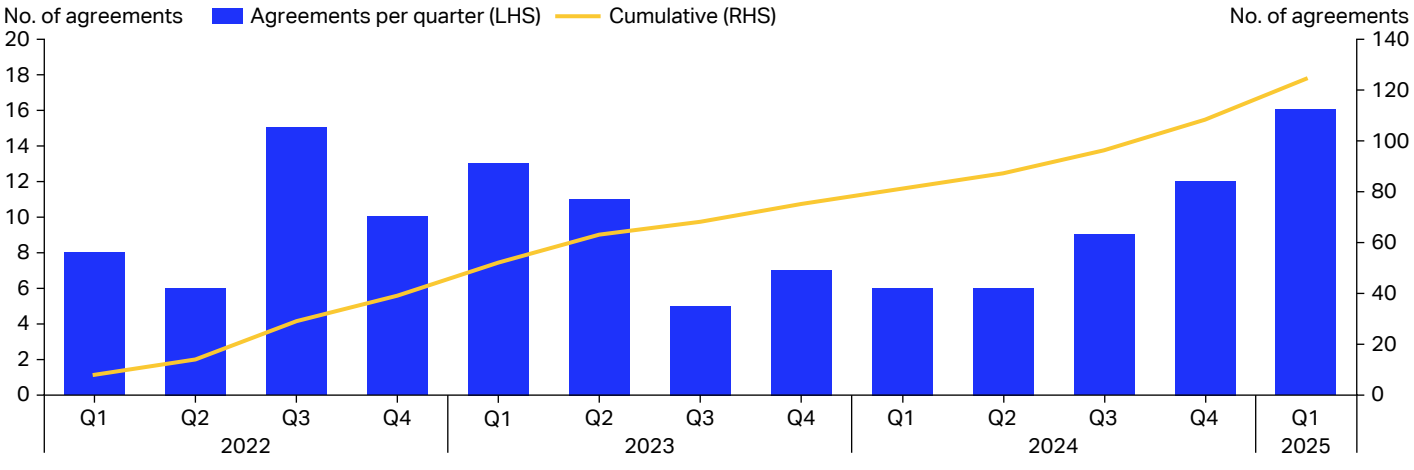
Source: IATA Sustainability and Economics

4.7 Sustainable Aviation Fuel and CORSIA

Sustainable Aviation Fuel (SAF) is the most important lever in the airline industry's decarbonization efforts. How much of the world's total renewable energy production will be in the form of SAF will depend on the production pathway, operators' optimization of the product mix at refineries, and policy drivers. According to our estimates, SAF production was around 1 Mt in 2024. The airline industry consumed all the SAF produced at a hefty price tag of USD 2,350 per tonne (or 3.1x jet fuel) in 2024, adding an incremental USD 1.6 billion to the industry's fuel bill. In 2025, we expect that SAF production will rise to 2 Mt or 0.7% of airlines' total fuel consumption, adding USD 4.4 billion to the fuel bill at USD 2,691 per tonne (or 4.2x conventional jet fuel). The price of SAF in Europe is rising due to the 2% blend mandate in the EU and the UK. Fuel suppliers are adding surcharges to comply with this mandate and to account for potential future penalties, resulting in an average charge of USD 3,505 per tonne, nearly double the market price of USD 1,846 per tonne.

Since January 2022, the air transport industry has signed 124 SAF offtake agreements to boost SAF production and ensure supply (Chart 26). Of these agreements, 86 are binding purchase commitments, while 38 are non-binding. As of March 2025, 72 airlines, three aircraft manufacturers, and two airports have publicly announced at least one SAF purchase agreement. Hydro-processed Esters and Fatty Acids (HEFA) SAF dominates current offtake agreements, making up 64% of all deals signed. However, there is considerable interest in alternative SAF production pathways, particularly Power-to-Liquid (PtL), which accounts for 12% of off-take agreements despite there not being any industrial-scale projects that have reached the final investment decision (FID). Other agreements include SAF produced through co-processing (9%), Fischer-Tropsch (8%), and Alcohol-to-Jet (7%).

Chart 26: Number of SAF offtake agreements



Source: IATA Sustainability and Economics

4.8 Regions

Africa

In 2024, African airlines generated a modest yet encouraging net profit of approximately USD 0.1 billion. The region continues to face inherently high operational costs and a low propensity for air travel.

Africa is facing a scarcity of airplanes and spare parts, posing significant challenges for this region. Airlines have reported potential disruptions due to difficulties in securing necessary aircraft components for maintenance. The fragmented market and small average fleet size make it more difficult for spare parts centers to develop, exacerbating the problem. The scarcity of aircraft and delivery delays have dampened growth in the region. Several countries face balance-of-payments issues and an associated shortage of foreign currency, adding to the risk perception of the region and limiting financing options.

Proposed US visa bans on some African countries are expected to have a limited impact on the air transport industry. These bans primarily affect countries with already struggling economies and minimal traffic to the US.

The impact of the US tariffs on Africa is difficult to quantify but certainly non-negligible. While Africa may not be the primary focus of US trade policy, and the absolute impact might be smaller than in other regions, these tariffs can be particularly disruptive for low-income countries.

Despite these obstacles, there is a sustained demand for air travel in Africa. We forecast that the region will grow by 8% in 2025. This demand is expected to contribute to a slight improvement in the region's profitability, increasing from 1% in 2024 to 1.1% and USD 0.6 billion in 2025.

Asia Pacific

Asia Pacific delivered an impressive RPK growth of 17.3% in 2024, with a projected increase of 9% in 2025. The industry has welcomed recent relaxations in visa requirements in several Asian countries, particularly China, Vietnam, Malaysia, and Thailand, supporting both international tourism and intraregional travel.

However, the economic landscape poses some challenges. The GDP forecast for the region, particularly China, has been revised down from 4.6% to 4% primarily due to the US trade policy and China's domestic demand issues.[16] These economic pressures are anticipated to have a significant impact on cargo traffic and cargo rates.

Overcapacity issues are showing signs of improvement due to better fleet deployment between domestic and international travel. Despite these advancements, pressure on yields remains a concern. Restrictions on flights to the US remain in place, which currently limit flights in either direction to 100 per week, down from more than 150 each prior to 2020.

China's substantial investments in high-speed rail present both challenges and opportunities for air transport. While high-speed trains compete with short-haul domestic flights up to 1,500 km, they generate feeder traffic to airports, creating a dynamic interplay between rail and air travel.

Financially, the region is estimated to have achieved a net profit of USD 4 billion in 2024, corresponding to a 1.6% margin. In 2025, profitability is projected to improve further, driven by strong traffic growth and increasing load factors. This positive trend is anticipated to bring the net profit to USD 4.9 billion, implying a 1.9% net margin.

Europe

2024 was a challenging year for European airlines, marked by rising wages, fleet groundings, noise-related flight restrictions, increasing airport charges, national taxes, and air traffic controller strikes. Still, 20% of the European airspace remains closed, and several airlines had to cut connections to China due to competition from non-European carriers which keep flying over Russia. As a result, European airlines generated a net profit of USD 9 billion in 2024, representing a 3.8% net profit margin, which is a decline compared to 2023.

In 2025, the industry is expected to benefit from a healthy growth in RPK of 6%, driven by the expansion of LCC. These carriers will see their fleets return to service after engine-related groundings, although the issue is not yet fully resolved. The EU's open skies agreements with North Africa will further support the growth of LCC, allowing them to capitalize on new opportunities.

A stronger euro is anticipated to provide a further boost to profitability. This will increase the top line, lifting revenue denominated in USD, while costs denominated in USD, such as fuel, will become smaller in relation to revenues. Load factors are expected to rise to 85%, indicating improved efficiency and utilization of capacity.

European airlines are projected to achieve a net profit of USD 11.3 billion and a 4.3% net profit margin in 2025, reflecting a positive turnaround from the previous year.

16 IMF.

Table 8: Regional financial performance

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
AFRICA							
EBIT, USD billion	**0.1**	**-1.0**	**-0.5**	**-0.4**	**0.5**	**0.6**	**0.6**
EBIT margin	1.0%	-16.9%	-6.8%	-3.1%	3.5%	3.9%	3.9%
Net profit, USD billion	**-0.3**	**-1.8**	**-1.1**	**-0.8**	**0.1**	**0.2**	**0.2**
Net profit margin	-1.8%	-30.0%	-14.6%	-7.0%	0.5%	1.0%	1.1%
Per passenger, USD	**-2.2**	**-48.9**	**-20.5**	**-8.2**	**0.6**	**1.2**	**1.3**
RPK growth, %	**4.7%**	**-68.2%**	**17.0%**	**84.3%**	**36.5%**	**13.3%**	**8.0%**
ASK growth, %	**4.5%**	**-62.1%**	**18.5%**	**51.4%**	**35.6%**	**9.9%**	**7.3%**
Load factor, % ASK	**71.8%**	**60.2%**	**59.4%**	**72.3%**	**72.8%**	**75.0%**	**75.5%**
Load factor, % ATK	**56.6%**	**48.8%**	**50.5%**	**60.0%**	**61.4%**	**61.7%**	**61.5%**
ASIA PACIFIC							
EBIT, USD billion	**8.4**	**-33.9**	**-12.7**	**-11.6**	**10.7**	**10.3**	**11.5**
EBIT margin	3.3%	-29.6%	-9.7%	-7.2%	4.6%	4.1%	4.4%
Net profit, USD billion	**4.9**	**-45.0**	**-13.4**	**-13.8**	**4.4**	**4.0**	**4.9**
Net profit margin	1.9%	-39.3%	-10.2%	-8.6%	1.9%	1.6%	1.9%
Per passenger, USD	**2.9**	**-58.2**	**-16.9**	**-14.1**	**2.8**	**2.3**	**2.6**
RPK growth, %	**4.7%**	**-62.0%**	**-12.8%**	**32.3%**	**95.9%**	**17.3%**	**9.0%**
ASK growth, %	**4.4%**	**-53.8%**	**-6.1%**	**15.5%**	**75.0%**	**12.8%**	**6.9%**
Load factor, % ASK	**81.9%**	**67.4%**	**62.5%**	**71.6%**	**80.2%**	**83.4%**	**85.0%**
Load factor, % ATK	**73.4%**	**65.0%**	**64.5%**	**66.2%**	**68.7%**	**71.3%**	**72.0%**
EUROPE							
EBIT, USD billion	**10.0**	**-25.4**	**-11.2**	**7.6**	**15.5**	**14.2**	**17.0**
EBIT margin	4.8%	-31.2%	-10.4%	3.9%	6.6%	5.6%	6.5%
Net profit, USD billion	**6.1**	**-34.2**	**-12.5**	**5.2**	**11.0**	**9.6**	**11.3**
Net profit margin	2.9%	-42.0%	-11.6%	2.7%	4.6%	3.8%	4.3%
Per passenger, USD	**5.1**	**-88.5**	**-24.1**	**5.5**	**9.7**	**8.0**	**8.9**
RPK growth, %	**4.2%**	**-69.5%**	**27.5%**	**103.9%**	**20.3%**	**8.8%**	**6.0%**
ASK growth, %	**3.5%**	**-62.3%**	**29.8%**	**69.6%**	**16.0%**	**8.1%**	**5.9%**
Load factor, % ASK	**85.2%**	**68.8%**	**67.6%**	**81.3%**	**84.3%**	**84.8%**	**85.0%**
Load factor, % ATK	**74.0%**	**64.4%**	**65.7%**	**74.3%**	**76.0%**	**76.9%**	**77.2%**

Source: IATA Sustainability and Economics

Latin America

Since 2020, Latin American airlines have experienced a steady improvement in their financial performance. However, the performance across the region has been quite varied.

Latin America is characterized by several large domestic and short-haul markets, with prices typically set in local currencies. This poses challenges for many airlines, especially when local currencies depreciate against the US dollar, increasing the cost base. Limited transfer traffic in many Latin American countries curtails any potential benefits of local currency depreciation.

A positive development for the industry was Argentina's signing of the open skies agreement, which has been widely welcomed. This agreement is expected to enhance connectivity and competition, benefiting both airlines and passengers.

On the other hand, Brazil's proposal to impose 26.5% VAT on tickets could significantly impact the market. The Brazilian market is already considered expensive to operate in compared to other countries, and this tax hike could further strain airlines operating in the region.

Despite these challenges, RPKs are expected to grow by 5.8% in 2025. However, the financial outlook for the airlines shows a slight decline. Net profits likely reached USD 1.3 billion in 2024, with a net margin of 2.8%. In 2025, net profits are expected to decrease to USD 1.1 billion and a net margin of 2.4%, mostly driven by weak local currencies.

The Middle East

The Middle East air transport industry is expected to continue to experience strong growth in 2025, driven by robust fundamentals.

The region's GDP is forecast to grow by 3.7% in 2025, supported by a thriving real estate market, tourism, and trade.[17] This economic expansion provides a solid foundation for increased air travel demand, both for business and leisure purposes. Lower oil prices are beneficial for airlines, which already benefit from some of the lowest jet fuel prices in the world. This, coupled with the expected expansion of network carriers and LCC in the region, may lead to yield stabilization in 2025.

The region's economy remains heavily reliant on oil exports. Despite falling crude oil prices, producers have managed to increase supply, which helps stabilize the economic environment.

Like other regions, the Middle East faces delays in aircraft deliveries, particularly wide-body aircraft. However, delays in deliveries of wide-bodies are especially noticeable in this long-haul-focused market. As a result, airlines are embarking on extensive retrofit projects to modernize fleets and maintain high service standards, which puts temporary limitations on capacity in the region and hinders growth opportunities.

We estimate that the region generated a net profit of around USD 6.1 billion and an 8.9% net profit margin in 2024. This translated into the highest regional net profit per passenger at 28.5 USD that year. In 2025, we forecast net profits to increase slightly to USD 6.2 billion, with an 8.7% net margin.

North America

The North American market can expect to be impacted by the slowdown in US GDP growth and the causes thereof. Tariffs are eroding both consumer and business sentiment, likely dampening consumption and investment going forward.

Further capping growth in the region is the persistent shortage of pilots, which remains more pronounced here than in other parts of the world.

Nevertheless, low-cost carriers (LCC), in particular, are retrofitting the interiors of their fleet. This includes installing premium seating and transitioning to an unbundled offer with paid seat choice and paid luggage, aimed at maximizing profits through customer segmentation.

Developments also include the continued unbundling of services. This strategy is intended to boost ancillary revenue in an environment of falling passenger yields. However, engine-reliability problems continue to plague the sector, and these are most notably affecting low-cost carriers.

Financially, the region recorded a net profit of USD 11.5 billion in 2024, implying a margin of 3.5%. In 2025, a slight recovery is expected, with net profits projected to reach USD 12.7 billion, corresponding to a 4% net profit margin.

17 Bloomberg consensus.

Table 9: Regional financial performance

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
LATIN AMERICA							
EBIT, USD billion	**1.1**	**-4.6**	**-2.4**	**-0.7**	**5.5**	**6.4**	**5.6**
EBIT margin	2.9%	-30.0%	-11.0%	-1.9%	12.3%	13.6%	12.2%
Net profit, USD billion	**-0.7**	**-12.3**	**-7.0**	**-3.5**	**1.1**	**1.3**	**1.1**
Net profit margin	-1.8%	-80.2%	-32.0%	-9.5%	2.4%	2.8%	2.4%
Per passenger, USD	**-2.4**	**-114.5**	**-43.7**	**-13.1**	**3.5**	**4.1**	**3.4**
RPK growth, %	**4.2%**	**-62.5%**	**40.5%**	**62.9%**	**16.8%**	**7.8%**	**5.8%**
ASK growth, %	**3.0%**	**-59.0%**	**37.3%**	**54.4%**	**14.4%**	**7.1%**	**7.8%**
Load factor, % ASK	**82.6%**	**75.5%**	**77.2%**	**81.5%**	**83.2%**	**83.7%**	**82.2%**
Load factor, % ATK	**68.8%**	**65.1%**	**67.4%**	**68.9%**	**69.4%**	**70.2%**	**69.5%**
MIDDLE EAST							
EBIT, USD billion	**-1.9**	**-7.2**	**-6.8**	**3.9**	**8.5**	**9.2**	**9.1**
EBIT margin	-3.2%	-25.9%	-20.7%	7.2%	13.0%	13.3%	12.8%
Net profit, USD billion	**-1.5**	**-9.6**	**-4.4**	**2.4**	**6.1**	**6.1**	**6.2**
Net profit margin	-2.6%	-34.7%	-13.4%	4.4%	9.3%	8.9%	8.7%
Per passenger, USD	**-7.9**	**-163.4**	**-58.9**	**14.6**	**30.1**	**28.5**	**27.2**
RPK growth, %	**2.3%**	**-72.1%**	**8.5%**	**144.4%**	**32.4%**	**9.5%**	**6.4%**
ASK growth, %	**0.1%**	**-63.0%**	**21.2%**	**67.2%**	**24.7%**	**8.4%**	**4.6%**
Load factor, % ASK	**76.2%**	**57.6%**	**51.5%**	**75.3%**	**79.9%**	**80.8%**	**82.2%**
Load factor, % ATK	**63.9%**	**54.9%**	**54.9%**	**62.7%**	**63.3%**	**65.4%**	**65.8%**
NORTH AMERICA							
EBIT, USD billion	**25.4**	**-38.8**	**-9.9**	**12.6**	**22.0**	**21.3**	**22.0**
EBIT margin	9.6%	-27.9%	-4.7%	4.5%	7.0%	6.5%	6.9%
Net profit, USD billion	**17.9**	**-34.7**	**-1.9**	**7.2**	**14.6**	**11.5**	**12.7**
Net profit margin	6.8%	-24.9%	-0.9%	2.6%	4.6%	3.5%	4.0%
Per passenger, USD	**16.5**	**-83.5**	**-2.7**	**7.2**	**13.3**	**10.1**	**11.1**
RPK growth, %	**4.0%**	**-65.1%**	**74.6%**	**45.7%**	**15.1%**	**4.7%**	**0.4%**
ASK growth, %	**2.9%**	**-50.3%**	**41.1%**	**28.7%**	**14.0%**	**4.7%**	**1.3%**
Load factor, % ASK	**84.8%**	**59.6%**	**73.7%**	**83.5%**	**84.3%**	**84.3%**	**83.6%**
Load factor, % ATK	**66.1%**	**52.4%**	**59.3%**	**64.2%**	**65.0%**	**65.6%**	**65.2%**

Source: IATA Sustainability and Economics

5. Appendix

5.1 Industry statistics

Table 10: Key industry statistics

Global airline industry	2019	2020	2021	2022	2023	2024E	2025F
Segment passengers, million	**4,560**	**1,779**	**2,304**	**3,452**	**4,426**	**4,779**	**4,988**
O-D passengers, million	3,974	1,570	2,017	2,962	3,792	4,100	4,291
Flights, million	37.5	19.7	24.2	29.5	35.5	37.4	38.3
Passenger growth, RPK, % YoY	4.1%	-65.8%	21.8%	64.9%	36.8%	10.6%	5.8%
Cargo growth, CTK, % YoY	-3.2%	-9.9%	18.8%	-8.1%	-1.7%	11.3%	0.7%
Capacity growth, ATK, % YoY	2.9%	-44.5%	16.4%	22.1%	22.4%	8.3%	4.2%
Total load factor, % ATK	70.1%	59.8%	61.9%	67.2%	68.7%	70.2%	70.5%
Passenger load factor, % ASK	82.6%	65.2%	66.9%	78.7%	82.2%	83.5%	84.0%
World economic growth, real, % YoY	2.9%	-2.7%	6.6%	3.6%	3.5%	3.3%	2.5%
CPI, world, % YoY	3.5%	3.3%	4.7%	8.6%	6.6%	5.7%	4.3%
Revenues, USD billion	**838**	**384**	**513**	**738**	**909**	**966**	**979**
% change YoY	3.2%	-54.1%	33.4%	44.1%	23.1%	6.2%	1.3%
Passenger, USD billion	607	189	242	437	648	682	693
Cargo, USD billion	101	140	210	206	139	149	142
Ancillary and other, USD billion	130	55	61	95	122	135	144
Passenger ticket yield, % YoY	-3.7%	-9.1%	4.9%	9.7%	8.4%	-4.8%	-4.0%
Passenger total yield, % YoY	-1.4%	-1.4%	2.0%	7.4%	5.9%	-4.1%	-3.2%
Cargo yield, % YoY	-8.2%	54.7%	25.9%	7.0%	-31.7%	-3.7%	-5.2%
Revenue per ATK, USD cents	54	45	51	61	61	60	58
% change YoY	0.3%	-17.4%	14.6%	18.0%	0.5%	-2.0%	-2.7%
Expenses, USD billion	**-795**	**-495**	**-556**	**-727**	**-846**	**-904**	**-913**
% change YoY	3.8%	-37.7%	12.3%	30.8%	16.4%	6.8%	1.0%
Fuel, USD billion	-190	-80	-106	-215	-269	-261	-236
% of expenses	23.9%	16.1%	19.0%	29.6%	31.8%	28.8%	25.8%
Crude oil price, Brent, USD/barrel	65	42	71	101	83	81	69
Jet fuel price, USD/barrel	80	47	78	139	112	99	86
Fuel consumption, billion gallons	96	52	62	76	92	99	103
Non-fuel, USD billion	-605	-415	-450	-512	-577	-643	-677
Cost per ATK excl. fuel, USD cents	39	49	45	42	39	40	40
% change YoY	1.6%	23.7%	-6.8%	-6.9%	-8.0%	2.9%	1.0%
EBITDAR, USD billion	**148.1**	**-27.8**	**37.3**	**105.8**	**150.5**	**155.3**	**160.0**
% EBITDAR margin	17.7%	-7.2%	7.3%	14.3%	16.6%	16.1%	16.3%
EBIT, USD billion	**43.1**	**-110.9**	**-43.5**	**11.3**	**62.9**	**61.9**	**66.0**
% EBIT margin	5.1%	-28.8%	-8.5%	1.5%	6.9%	6.4%	6.7%
Net profit, USD billion	**26.4**	**-137.7**	**-40.4**	**-3.5**	**37.3**	**32.4**	**36.0**
% net profit margin	3.1%	-35.8%	-7.9%	-0.5%	4.1%	3.4%	3.7%
per departing passenger, $	5.8	-77.4	-17.5	-1.0	8.4	6.8	7.2
Return on invested capital, %	**5.8%**	**-19.3%**	**-8.0%**	**2.0%**	**6.9%**	**6.6%**	**6.7%**

Source: IATA Sustainability and Economics

Note: Bankruptcy reorganization and large non-cash one-off costs are excluded. Includes all commercial airlines. Historical data are subject to revision.

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Table 11: Regional financial results

Global airline industry	EBIT margin, % of revenue					EBIT, USD billion				
	2021	2022	2023	2024E	2025F	2021	2022	2023	2024E	2025F
Global	**-8.5%**	**1.5%**	**6.9%**	**6.4%**	**6.7%**	**-43.5**	**11.3**	**62.9**	**61.9**	**66.0**
Regions										
Africa	-6.8%	-3.1%	3.5%	3.9%	3.9%	-0.5	-0.4	0.5	0.6	0.6
Asia Pacific	-9.7%	-7.2%	4.6%	4.1%	4.4%	-12.7	-11.6	10.7	10.3	11.5
Europe	-10.4%	3.9%	6.6%	5.6%	6.5%	-11.2	7.6	15.5	14.2	17.0
Latin America	-11.0%	-1.9%	12.3%	13.6%	12.2%	-2.4	-0.7	5.5	6.4	5.6
Middle East	-20.7%	7.2%	13.0%	13.3%	12.8%	-4.4	2.4	6.1	6.1	6.2
North America	-4.7%	4.5%	7.0%	6.5%	6.9%	-9.9	12.6	22.0	21.3	22.0

Source: IATA Sustainability and Economics

Table 12: Regional financial results

Global airline industry	Net margin, % of revenue					Net profit, USD billion				
	2021	2022	2023	2024E	2025F	2021	2022	2023	2024E	2025F
Global	**-7.9%**	**-0.5%**	**4.1%**	**3.4%**	**3.7%**	**-40.4**	**-3.5**	**37.3**	**32.4**	**36.0**
Regions										
Africa	-14.6%	-7.0%	0.5%	1.0%	1.1%	-1.1	-0.8	0.1	0.2	0.2
Asia Pacific	-10.2%	-8.6%	1.9%	1.6%	1.9%	-13.4	-13.8	4.4	4.0	4.9
Europe	-11.6%	2.7%	4.6%	3.8%	4.3%	-12.5	5.2	11.0	9.6	11.3
Latin America	-32.0%	-9.5%	2.4%	2.8%	2.4%	-7.0	-3.5	1.1	1.3	1.1
Middle East	-13.4%	4.4%	9.3%	8.9%	8.7%	-4.4	2.4	6.1	6.1	6.2
North America	-0.9%	2.6%	4.6%	3.5%	4.0%	-1.9	7.2	14.6	11.5	12.7

Source: IATA Sustainability and Economics

Table 13: Regional traffic results

Global airline industry	Passenger traffic (RPK)					Passenger capacity (ASK)				
	% change versus previous year					% change versus previous year				
	2021	2022	2023	2024E	2025F	2021	2022	2023	2024E	2025F
Global	**21.8%**	**64.9%**	**36.8%**	**10.6%**	**5.8%**	**18.7%**	**40.1%**	**31.1%**	**8.8%**	**5.2%**
Regions										
Africa	17.0%	84.3%	36.5%	13.3%	8.0%	18.5%	51.4%	35.6%	9.9%	7.3%
Asia Pacific	-12.8%	32.3%	95.9%	17.3%	9.0%	-6.1%	15.5%	75.0%	12.8%	6.9%
Europe	27.5%	103.9%	20.3%	8.8%	6.0%	29.8%	69.6%	16.0%	8.1%	5.9%
Latin America	40.5%	62.9%	16.8%	7.8%	5.8%	37.3%	54.4%	14.4%	7.1%	7.8%
Middle East	8.5%	144.4%	32.4%	9.5%	6.4%	21.2%	67.2%	24.7%	8.4%	4.6%
North America	74.6%	45.7%	15.1%	4.7%	0.4%	41.1%	28.7%	14.0%	4.7%	1.3%

Source: IATA Sustainability and Economics

Note: Bankruptcy reorganization and large non-cash one-off costs are excluded. Includes all commercial airlines. Historical data are subject to revision.

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5.2 Glossary

ACTK	Available Cargo Tonne-Kilometers
ASK	Available Seat-Kilometers
ATJ	Alcohol-to-Jet
ATK	Available Tonne-Kilometers
BBL	Barrel
BLF	Breakeven Load Factor
CAGR	Compound average growth rate
CLF	Cargo Load Factor
CORSIA	Carbon offsetting and reduction scheme for international aviation
CTK	Cargo Tonne-Kilometers
EBIT	Earnings before interest and taxes
GDP	Gross Domestic Product
HEFA	Hydro-processed Esters and Fatty Acids
LCC	Low-cost carriers
LF	Load Factor
MMBtu	Million British thermal units
MoM	Month-on-month
NGL	Natural Gas Liquids
OEM	Original Equipment Manufacturer
OPEC	Organization of the Petroleum Exporting Countries
O-D	Origin-Destination
PAX	Passengers
PLF	Passenger Load Factor
PMI	Purchasing Managers' Index
PtL	Power-to-Liquid
ppt	Percentage points
REER	Real Effective Exchange Rate
RPK	Revenue Passenger-Kilometers
RTK	Revenue Tonne-Kilometers
SA	Seasonally adjusted
SAF	Sustainable Aviation Fuel
QoQ	Quarter-on-quarter
USD	United States Dollar
YoY	Year-on-year
YTD	Year-to-date

Note: Region definitions

North America: Bermuda, Canada, St. Pierre and Miquelon, United States including Alaska and Hawaii, but excluding Puerto Rico and United States Virgin Islands.

Central America/Caribbean: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Granada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Monserrat, Netherlands Antilles, Nicaragua, Panama, Puerto Rico, St. Kitts-Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad & Tobago, Turks and Caicos Islands, United States Virgin Islands.

South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela.

Europe: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faeroe Islands, Finland, France, Georgia, Germany, Greece, Greenland, Hungary, Iceland, Ireland (Republic of), Israel, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia (former Republic of Yugoslavia), Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom.

Middle East: Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen.

Northern Africa: Algeria, Egypt, Libya, Morocco, Sudan, Tunisia.

Southern Africa: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Democratic Republic of the Congo, Djibouti, Eritrea, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Reunion, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

Far East: Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, People's Republic of China, Hong Kong (SAR, China), India, Indonesia, Japan, Kazakhstan, Korea (Democratic People's Republic of), Korea (Republic of), Kyrgyzstan, Lao People's Democratic Republic, Macao (SAR, China), Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Chinese Taipei, Tajikistan, Thailand, Timor Leste, Turkmenistan, Uzbekistan, Vietnam.

Southwest Pacific: American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, United States Minor Outlying Islands, Vanuatu, Wallis & Futuna Islands.

5.3 List of charts

5.4 List of tables

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