

UPDATE - April 2021

Air Passenger Forecasts

Global Report



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Introduction

Details of our coverage

Our forecast service contains annual forecasts of air passenger flows for almost 4,000 country pairs over the next 20 years on an origin-destination basis¹. Our main focus is on the largest country-pair relationships – those where at least 1,000 passengers a month currently travel between them (on a bi-directional basis). These are the present-day powerhouses. Our forecasts also include almost 800 country pair relationships that, while below our threshold of 1,000 passengers a month at present, we assess are likely to exceed it over the coming 20 years.

The following word cloud depicts some of the countries that make up the fastest-growing country pairs, where the size of the lettering for each country indicates its relative prominence in our list of upcoming markets; the 'markets of tomorrow'. As this report will explain, it is no surprise that the most prominent countries in the word cloud are from the emerging world.

Our forecasting framework

Our approach boils down the myriad factors that will combine to shape air travel markets in the long run into just three main drivers; doing so offers a simple but powerful framework to think about long-term trends in the industry. As a result of COVID-19 we have added a COVID-19 'overlay' to our forecast process, which uses off-model estimates of the impact of testing and vaccines on the reduction of air travel restrictions and passenger confidence to shape the short-term recovery path.

Most factors that will influence air travel markets in the long run, from shifting dynamics in energy markets to structural economic reforms, will affect air markets through one of the three following channels.



April 2021 update

The remainder of this report provides an overview of our main forecast numbers and stories. Additional details can be found in the accompanying long-term Forecasting Framework report.

The COVID-19 pandemic is a shock to the air transport industry unlike any other. Since the start of the crisis, recent developments and short-term drivers have taken a great importance to determine the future path of air passenger traffic. For this reason, as for the previous updates since the start of the crisis in early 2020, we have put more focus on the short-term outlook.

The 'markets of tomorrow'



¹ The passenger numbers in our service are taken from IATA's Direct Data Solutions service (DDS – see more at www.iata.org/dds). The data cover scheduled flights only and measure the annual flow of air passengers between two countries on a bi-directional basis (eg, the country pair 'United States - United Kingdom' includes passenger flows from the US > UK as well as from the UK > US). The country pairs are also reported on an origin-destination basis. For example, if a passenger flies from an origin in the UK to a destination in the US via a connection in another country, the trip will be recorded as a passenger traveling from the UK to the US.