

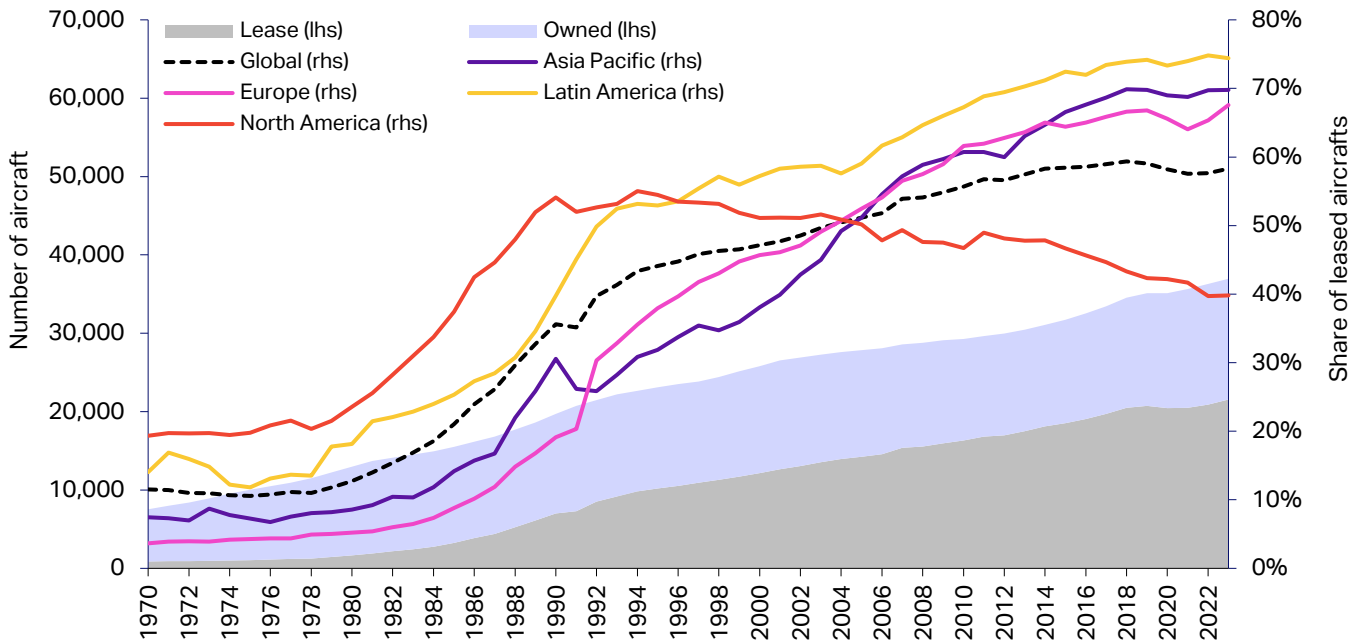


# Chart of the Week

12 April 2024

## More aircraft are leased than owned by airlines globally

### World commercial fleet by type of ownership



Source: IATA Sustainability and Economics, Cirium

- Airlines have a choice between buying their aircraft or leasing them. Leasing has emerged as the preferred option, rising from roughly 10% of the total fleet in the 1970s to 58% at the end of 2023. This most spectacular increase occurred between 1980 and 2010, and the share first crossed the 50% mark in 2004. In recent years, it has stabilized around the current 60% level, suggesting that this might be “the optimal” split between leasing and owning in the industry.
- Leasing first took off in North America, where airlines were deregulated in 1978 (along with trucking, buses, and railroads). The subsequent increase in air traffic demand helped push the share of leased aircraft up from 20% to 50% over the decade that followed.
- Since then though, the regions of Europe, Latin America, and Asia have taken to leasing to such an extent that their share of leased aircraft is now close to 70% of the total fleet, leaving North America far behind at 40% - down from 50% in 2010 and the lowest among regions.
- The reason behind the lower share of leased airplanes in North America can be explained by a couple of reasons. Firstly, North American airlines have better access to capital markets and relatively cheap alternative financing options like corporate debt. Secondly, large legacy carriers, which historically hold the majority of the market share, directly own a significant portion of their aircraft fleet. Lastly, the relatively better financial performance of the North American region favored the ownership model. On the other hand, the higher lease share displayed in other regions, except for Africa, appears to have enabled faster fleet renewal. For the average fleet age by region, please refer to our [Chart of the Week from September 2023](#).

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