

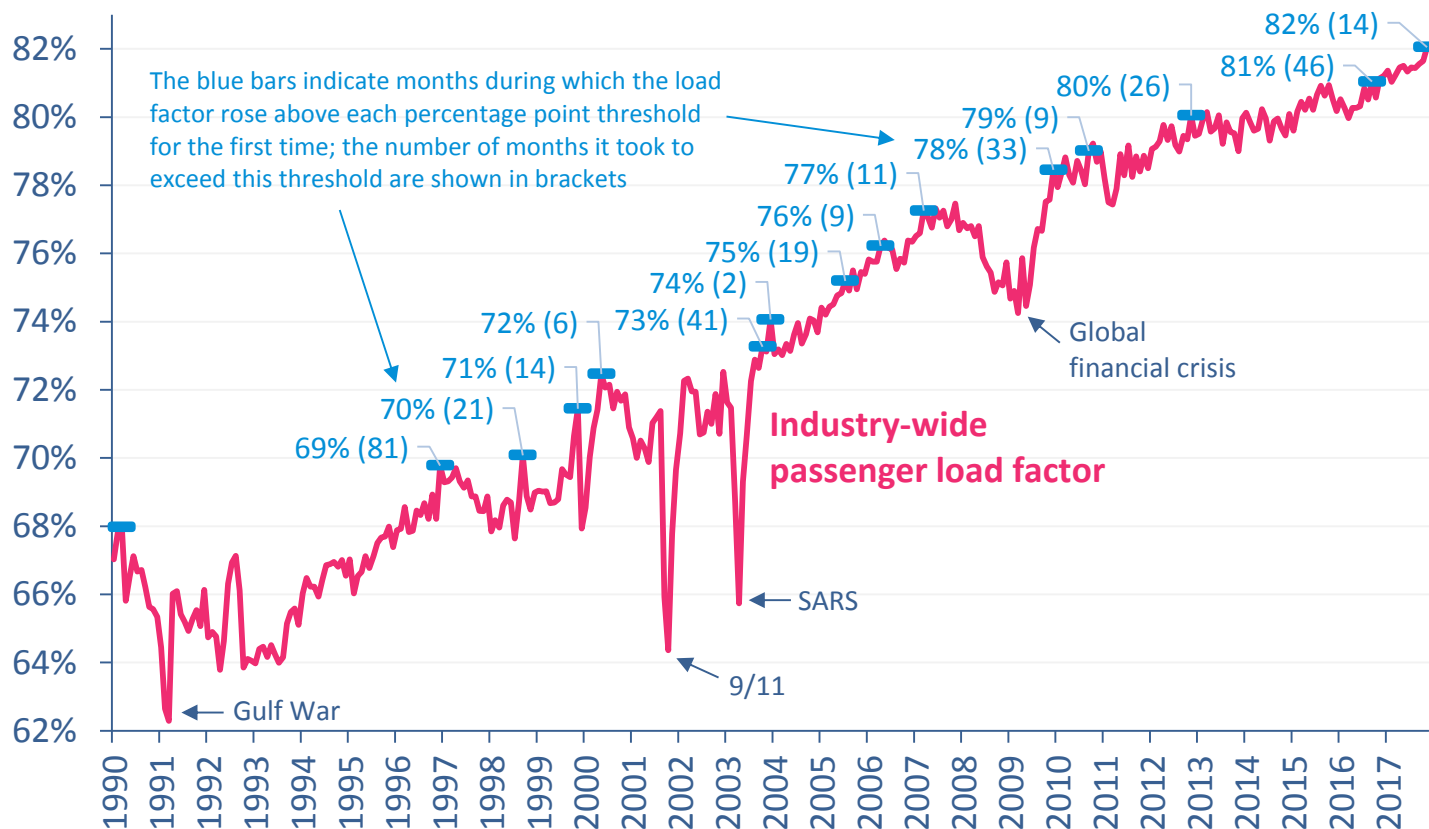


## IATA ECONOMICS' CHART OF THE WEEK

19 JANUARY 2018

### PASSENGER LOAD FACTOR RISES ABOVE 82% FOR THE FIRST TIME

% of ASKs (seasonally adjusted)



Sources: IATA Economics, IATA Monthly Statistics

- The industry-wide passenger load factor reached a new milestone in November 2017, exceeding 82% on a seasonally-adjusted basis for the first time on record, and taking only 14 months since it first reached 81% to do so. The upward trend in the achieved load factor over time has been a necessary response from airlines to help offset a similar steady rise over time in the load factor required to deliver financial breakeven.
- On average since 1990, it has taken two years for the load factor to exceed each percentage point threshold, albeit with significant variation. As can be seen in this week's chart, the shortest period was in late-2003 during the post-SARS rebound, when the load factor took just two months to move from 73% to above 74%. At the other end of the scale, a combination of factors meant that it took nearly seven years for the series to make the jump from 68% to 69% in the early-1990s.
- Sustained high load factors have been a key factor behind the industry's improved financial performance in recent years, ensuring that the achieved load factor has remained above the breakeven level. And with the breakeven load factor expected to increase in 2018 alongside rising unit costs, keeping achieved load factors at elevated levels will be crucial if the industry is to deliver another year of solid profits and good returns for investors, as we forecast.

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