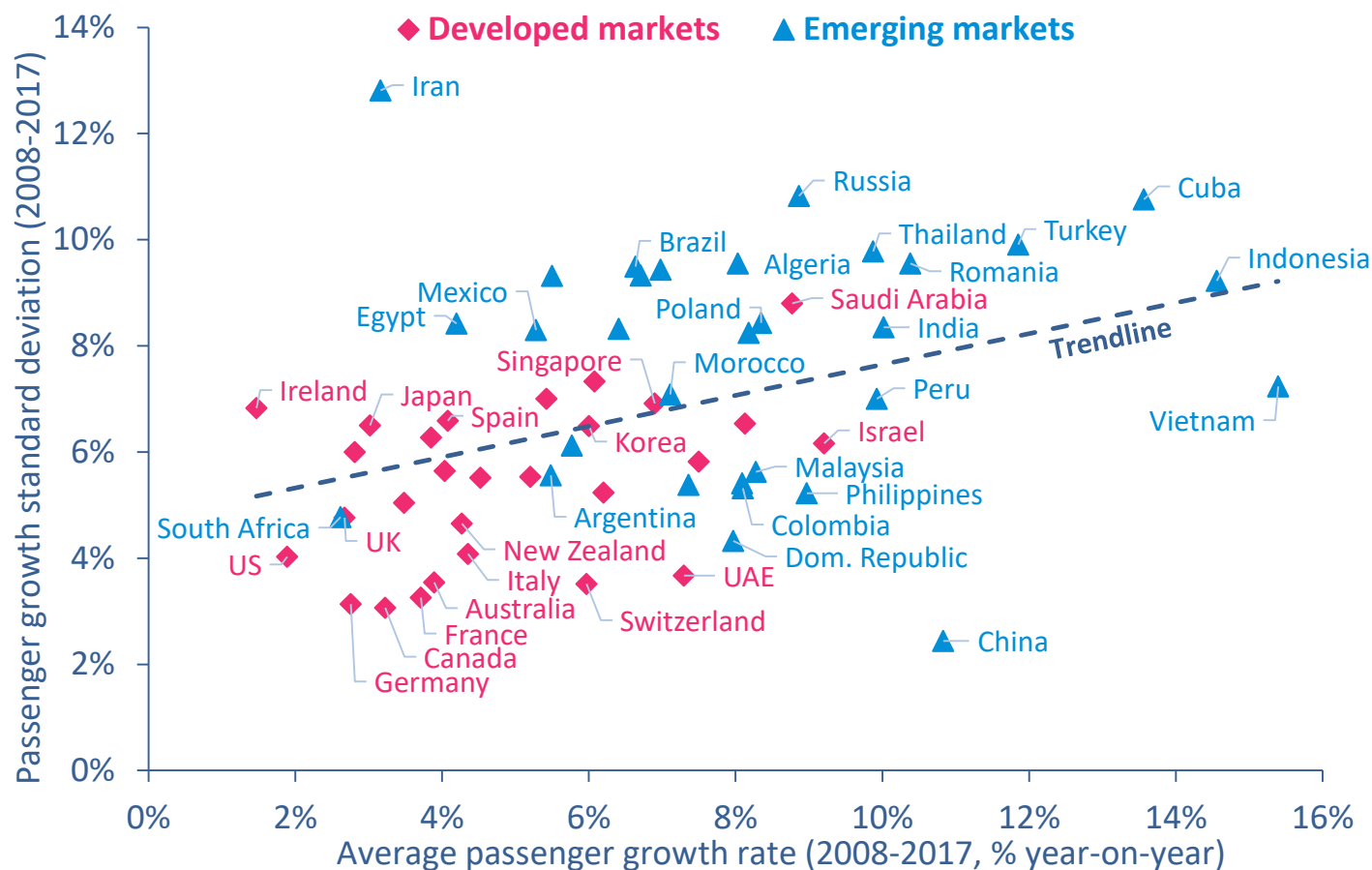




IATA ECONOMICS' CHART OF THE WEEK

24 AUGUST 2018

PERIODS OF VOLATILITY ARE NOT UNUSUAL IN EMERGING MARKETS



Source: IATA PaxIS

*Origin-destination basis; to, from and within each country

- This week's chart plots the average growth rate and volatility seen in air passenger volumes in a range of countries over the past decade. Unsurprisingly, there has been a wide range in performance from country to country, which reflects the differing stages of maturity and characteristics of passenger markets. Nonetheless, the key point is that passenger growth in emerging markets (shaded blue) has typically been faster but more volatile than in developed markets.
- A few countries stand out, notably China. Despite having seen passenger growth average more than 10% each year over the past decade, China has also seen the lowest volatility of all the countries in the chart, which partly reflects the strong state involvement in the industry in the country. Passenger demand in Vietnam has grown even faster, but has still been less volatile than expected. At the other extreme, Iran has experienced the unwelcome combination of comparatively slow but also volatile passenger growth, driven in part by the impact of international sanctions.
- The chart also puts the current period of turmoil facing air passenger demand in Turkey into context. (See our recent [note](#) for further analysis.) While Turkey has grown strongly over the past decade, its position above the trendline indicates that demand growth has been more volatile than expected. This stems in large part from the turbulence seen in 2016, including the impact of the failed coup, terror attacks, and the deterioration in diplomatic ties with Russia (which is Turkey's largest source market for international visitor arrivals). More generally, though, today's chart illustrates that periods of instability and uncertainty are not unusual in emerging markets.

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