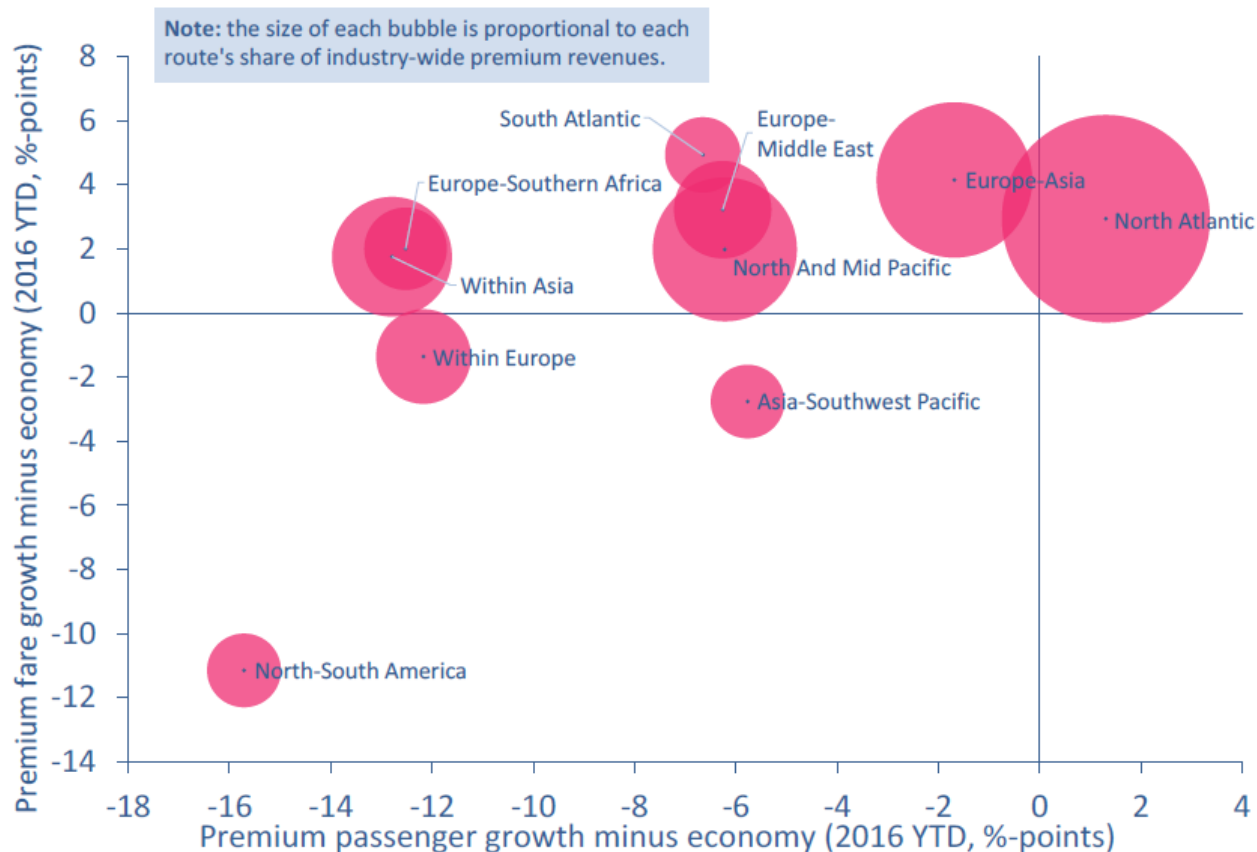




## IATA ECONOMICS' CHART OF THE WEEK

13 MAY 2016

### PREMIUM TRAVEL OFFERING AN IMPORTANT FINANCIAL BUFFER ON KEY ROUTES



Source: IATA Economics, DIIO

- Today's Chart plots the Premium vs Economy cabin growth differential for both traffic and airfares on key routes.
- Premium (defined as first and business class) international passenger traffic has grown more slowly than its economy counterpart so far this year, with the exception of the North Atlantic. On an Origin-Destination basis, premium international journeys accounted for 5.6% of the total in Jan and Feb 2016 combined, down from 6.0% in 2015.
- However, premium airfares have held up better than economy fares on many of the key premium routes; those above the horizontal 'zero' line on the chart. As a result, premium's share of revenue on some routes has increased in annual terms.
- In the current environment of downward pressure on yields, the higher-yielding premium segment can offer an important buffer for airline financial performance. Our latest *Airlines Financial Monitor* can be found [here](#).

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