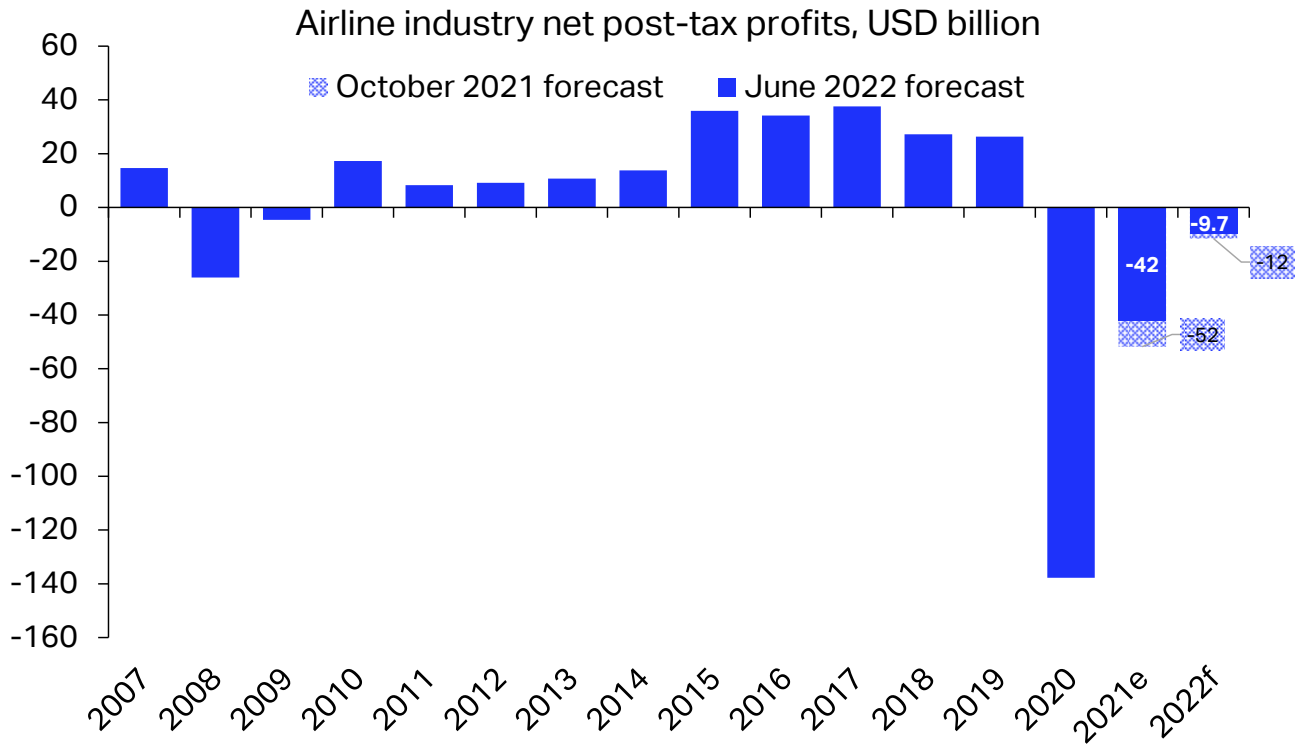




IATA Economics' Chart of the Week

24 June 2022

Profitability in sight after three challenging years



Source: IATA Economics

- This week, we released our updated airline industry forecasts in our [Global Outlook for Air Transport](#) report. Although our industry has been impacted by war in Europe and there are broad-based global cost increases as well as severe capacity constraints in many areas, airlines are getting closer to profitability in the year ahead.
- The chart shows the evolution of industry net post-tax profit figures (2007- 2022). We revised our 2021 net loss estimate from USD 52 billion to USD 42 billion, which is a significant improvement compared to the net loss of USD138 billion in 2020. For 2022, we are now forecasting industry losses to shrink to USD 9.7 billion compared to our October forecast of USD 12 billion.
- Despite the higher fuel bill forecast (*USD192 billion based on an average jet fuel price of USD 125.5 per barrel*) than our earlier estimate, the combination of strongly rebounding air passenger traffic and solid cargo revenues drive the lower net loss forecast for 2022. The recovery in passenger traffic is expected to gain pace this year (*2022 RPKs to be 18% below 2019 levels*) as people are keen to travel as soon as travel restrictions are lifted. [Low unemployment rates](#) support household income in the face of the global increase in inflation and underpin passenger demand. Cargo revenues are expected to be robust (*USD191 billion, slightly down from the record level of USD204 billion in 2021*) even as cargo yields moderate with the additional belly capacity.
- Cost pressures will remain the focus for airlines also beyond fuel, including labor, infrastructure, operations, etc. The outlook further hinges on the evolution of the war in Europe and on potential new outbreaks of COVID-19 in the winter. China's policy response to COVID will continue to have a crucial impact on airline traffic as well as on the global economy.

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