

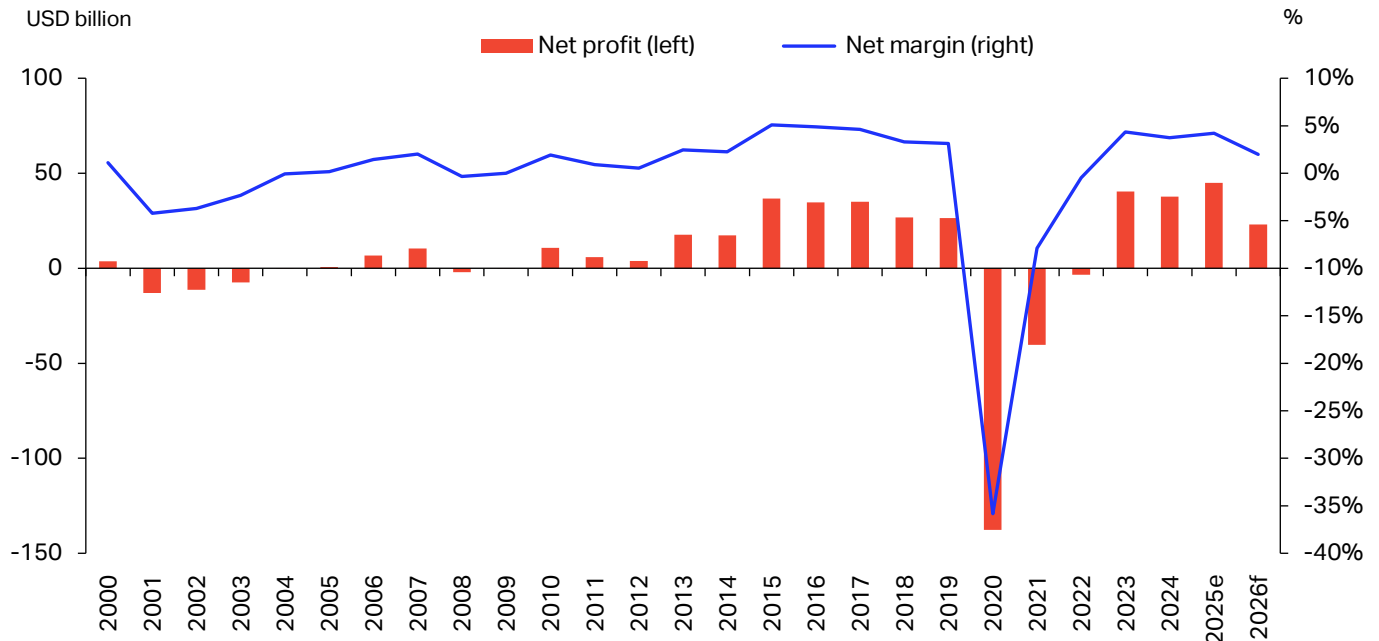


Chart of the Week

19 June 2026

Profits and Margins to Shrink in 2026 - but Remain Positive

Global Airlines' net profit, USD billion, and net profit margin, % of revenue



Source: IATA Sustainability and Economics using data from Airfinance Global.

- Faced with record jet fuel prices and the major disruption in traffic in the Middle East, the air transport industry is still expected to remain profitable in aggregate in 2026. However, we have halved our forecast for the industry's net profit to USD 23 billion on total revenues of USD 1.17 trillion, with a net margin of just 2.0%. Prior to the war in Iran, we expected this year's profits to reach USD 45 billion and a 4.2 % margin.
- This, under the circumstances, positive result benefits from a projected 2.1% growth in passenger traffic, record-high load factors – at 84% - and some hedging against the higher jet fuel prices. Passenger numbers are expected to edge higher to just above 5.1 billion, which will also limit the per-passenger profit airlines collect. The net profit per departing passenger is likely to fall to just USD 4.5 in 2026, from USD 9.1 in 2025.
- The main challenge is that costs are rising faster than revenues. Industry revenues are projected to increase by around 9.5% in 2026, supported by higher passenger and cargo yields. Yet expenses are expected to grow by 13.1%, more than offsetting the revenue gains. Fuel is, of course, generating the greatest cost increase, though costs are rising across the board. The industry's fuel bill is set to reach USD 351 billion, lifting fuel's share of total operating costs to 31.4%.
- The industry's agility is again on full display, being able to show positive numbers under the current exceptional duress. However, robustness - the ability to withstand the next crisis – is hampered by structurally low profits as the industry has never posted a net profit margin higher than 5%.

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