Quarterly Air Transport Chartbook

IATA Sustainability and Economics

Q1 2026

Table of contents

Glossary

ACTK – Available Cargo Tonne-Kilometers

ASKs – Available Seat-Kilometers

ATJ – Alcohol-to-Jet

ATKs – Available Tonne-Kilometers

BBL – Barrel

BLF – Breakeven Load Factor

CLF – Cargo Load Factor

CORSIA – carbon offsetting and reduction scheme for international aviation

CTK – Cargo Tonne-Kilometers

EBIT – Earnings before interest and taxes

FT – Fischer-Tropsch

GDP – Gross Domestic Product

HEFA - Hydro-processed Esters and Fatty Acids

LF – Load Factor

MoM – Month-on-month

MoUs – Memoranda of understanding

OPEC – Organization of the Petroleum Exporting Countries

O-D – Origin-Destination

PLF – Passenger Load Factor

PMI – Purchasing Managers' Index

PtL – Power-to-Liquid

PPP – Purchasing power parity

RPK – Revenue Passenger-Kilometers

RTK – Revenue Tonne-Kilometers

SA – Seasonally adjusted

SAF - Sustainable Aviation Fuel

QoQ - Quarter-on-quarter

USD – United States Dollar

YoY – Year-on-year

Route areas abbreviations

AE – Africa - Europe

AF – Africa - Far East

AM – Africa - Middle East

CS - Central America / Caribbean - South America

EC - Europe - Central America / Caribbean

EF – Europe - Far East

EM – Europe - Middle East

EN - Europe - North America

ES - Europe - South America

FN – Far East - North America

FP – Far East - Southwest Pacific

MF – Middle East - Far East

MN – Middle East - North America

NC – North America - Central America / Caribbean

NS – North America - South America

PS – North / South America - Southwest Pacific

WC – Within Central America

WE – Within Europe

WF – With Far East

WS – Within South America

Notes:

North America: Bermuda, Canada, St. Pierre and Miquelon, United States including Alaska and Hawaii, but excluding Puerto Rico and United States Virgin Islands

Central America / Caribbean: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Granada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Monserrat, Netherlands Antilles, Nicaragua, Panama, Puerto Rico, St. Kitts-Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad & Tobago, Turks and Caicos Islands, United States Virgin Islands

South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela

Europe: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faeroe Islands, Finland, France, Georgia, Germany, Greece, Greenland, Hungary, Iceland, Ireland (Republic of), Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia (former Republic of Yugoslavia), Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, Ukraine, United Kingdom

Middle East: Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen

Northern Africa: Algeria, Egypt, Libya, Morocco, Sudan, Tunisia

Southern Africa: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Democratic Republic of the Congo, Djibouti, Eritrea, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Reunion, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe

Far East: Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, People's Republic of China, Hong Kong (SAR, China), India, Indonesia, Japan, Kazakhstan, Korea (Democratic People's Republic of), Korea (Republic of), Kyrgyzstan, Lao People's Democratic Republic, Macao (SAR, China), Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Chinese Taipei, Tajikistan, Thailand, Timor Leste, Turkmenistan, Uzbekistan, Vietnam

Southwest Pacific: American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, United States Minor Outlying Islands, Vanuatu, Wallis & Futuna Islands

Table of charts

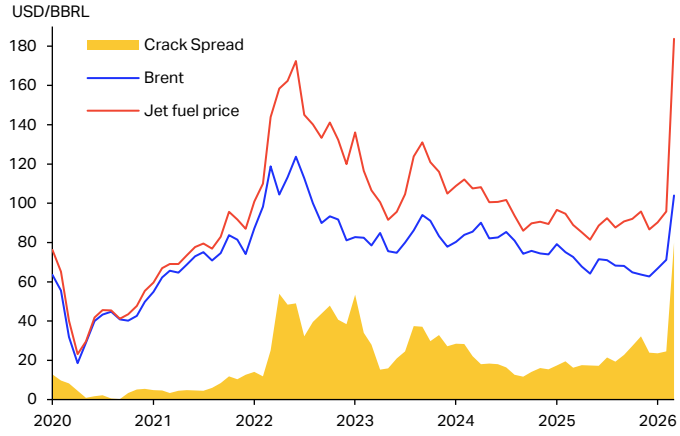
1. The business cycle

- Geopolitical developments took center stage in the first quarter of 2026, casting significant uncertainty over what would otherwise have been a resilient global growth picture. The war in Iran and the unprecedented rise in crude oil prices will weigh on economic activity, especially in oil-importing countries. The even greater increase in jet fuel prices will disproportionately affect the airline industry (Chart 1). Inflation will rise across economies and product categories, and interest rate expectations have been revised higher (Chart 2). These factors will squeeze real incomes and dampen the economic outlook further, raising the specter of some form of stagflation, i.e., slow economic growth coupled with high inflation. It is now quite possible that global GDP will dip below 3% this year for the first time since 2020. While that would not spell a recession, 3% is the long-term average growth rate, and anything below it risks feeling like a recession to a lot of people.
- The US economy expanded by 2.1% in 2025 (Chart 3), consistent with its long-run trend, and 2026 will struggle to exceed this performance. Q4 was weak, with an annualized growth rate of 0.5% (obtained as 4 times the quarter-on-quarter (QoQ) 0.12% growth rate). Growth in the first quarter of the year reached 2% annualized. The labor market is still resilient, with unemployment at 4.3% in March 2026, down 0.1 percentage points from February but up 0.1 percentage points from March last year (Chart 4). Retail sales surprised positively in March with a 1.7% month-on-month (MoM) growth rate, the highest in a year, though this can largely be explained by higher gasoline prices. Inflation remains well above the Fed's 2% target, with March headline CPI (all items) showing a concerning acceleration at 0.9% MoM, equal to 3.3% year-on-year (YoY) (Chart 5). Core inflation (excluding food and energy) was less concerning at 0.2% MoM and 2.6% YoY, and this will be a key inflation measure to watch going forward. The Federal Reserve (Fed) held the policy rate steady at 3.5-3.75% at its latest meeting, acknowledging the simultaneous upside risks to inflation and downside risks to employment. Moreover, trade policy uncertainty remains elevated, although a Supreme Court ruling in February ruled out the use of the International Emergency Economic Powers Act for broad-based tariffs (Chart 6). Fiscal policy is expected to remain broadly supportive throughout the year, acting as a tailwind, though the deficit trajectory continues to accelerate dangerously.
- China's economic growth rebounded more than expected in the first quarter of 2026, with GDP expanding at 5% YoY, at the upper bound of the government's revised 4.5–5% growth target. This is a strong performance given that Q1 2025 was an exceptional quarter, buoyed by the front-loading of imports from China ahead of the introduction of US tariffs and therefore setting a high bar for the YoY comparison. Exports rose by 15% YoY in Q1, from this high base. Weakness in the Chinese economy is concentrated in the consumer sector, with retail sales growing by just 1.7% YoY in the first quarter. Consumers are still exposed to the prolonged property crisis, as is the construction sector, and property investment contracted by 11.2% YoY in Q1 (Chart 7). Furthermore, labor market conditions softened in Q1 2026, with the surveyed urban unemployment rate rising to a 12-month high of 5.4% in March. Deflationary pressures have eased somewhat, with producer price inflation (PPI) rising at 0.5% YoY in March, the first positive print in 3.5 years. CPI stood at 1.1% YoY in March. While it is still unclear how the war in Iran will ripple across the world, it is likely that China will be helped by its strategic pivot towards more renewable energy and fuel production on the one hand, and by the fact that their strategic oil reserves are possibly the highest in the world.
- The euro area economy outpaced the US in Q4 2025, growing by 0.2% QoQ (0.8% annualized). This nevertheless reflects a slight slowdown in growth momentum from 0.3% in Q3. The European Union also grew by 0.2% QoQ, down from 0.4% in Q3. For the full year 2025, the euro area grew by 1.4%, up from 0.9% in 2024, while the European Union grew by 1.5% in 2025 after 1.1% in 2024. In the first quarter of the year, growth weakened somewhat to 0.1% QoQ in both the euro area and the European Union. Hungary was the fastest-growing economy in the region, with 0.8% QoQ in Q1, while Ireland, Lithuania, and Sweden saw their GDP contract from the previous quarter. Unemployment for the euro area was 6.2% in March, down from 6.3% in February. In the EU, it was stable at 6%. Turning to inflation, headline inflation (HICP) rose to 2.6% YoY in March in the euro area and 2.8% in the EU, equating to a monthly gain of 1.3% and 1.1%, respectively. Denmark registered the lowest annual inflation rate with 1% YoY, while Romania, Croatia and Lithuania topped the list with 9.0%, 4.6% and 4.4%, respectively. The energy shock has led to higher policy rate expectations. The European Central Bank (ECB) kept the policy rate unchanged at 2% at its April meeting. Due to Europe's heavy reliance on fossil fuel imports, the energy shock from the war in Iran is weighing on

the outlook, though the significant and ongoing fiscal boost from Germany's EUR 500 billion special fund to finance infrastructure, defense spending, and decarbonization measures will provide some structural support.

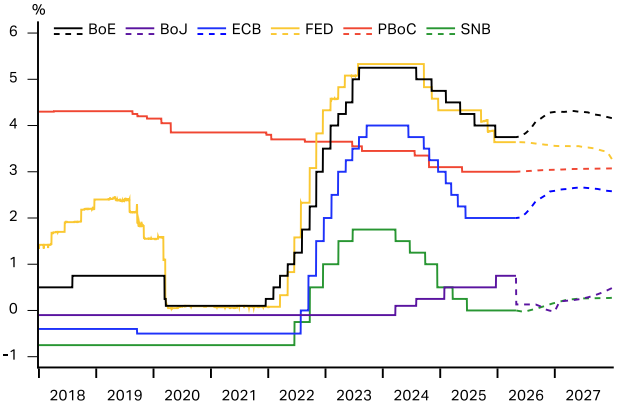
- Japan's economy expanded by 1.2% in 2025, slightly below the European growth rate. The last quarter of the year saw GDP grow by 0.3% QoQ following a 0.7% contraction in Q3. Unemployment stood at 2.6% in February, a tick down from 2.7% in January. The war in Iran will dent Japan's economic activity, particularly given the country's strong reliance on Middle Eastern oil imports. Core inflation accelerated to 1.8% in March, while wage pressures are expected to intensify following Japan's largest labor union reporting that its workers secured an average pay increase of more than 5%. The Bank of Japan's (BoJ) policy rate might be lifted from the current 0.75%. Consumer confidence dropped to 33.3 in March, down 6.4 points from February and the largest such drop since the covid pandemic (Chart 8). Japanese 10-year yields rose sharply, exceeding 2.4% amid concerns about inflation and the expansive fiscal agenda of Prime Minister Sanae Takaichi. Finally, the yen remained weak, approaching the 160 level versus the USD, which has historically prompted interventions.
- The Indian economy expanded by 7.5% in 2025, up 0.6 percentage points from 2024. The unemployment rate stood at 6.6% in March, down 1 percentage point on the year. Headline CPI (all items) accelerated to 3.4% YoY in March, with a 0.3% increase MoM. The rupee depreciated to an all-time low of 95 against the USD at the end of March. This is a direct cost shock for an economy that imports roughly 85% of its oil, along with substantial volumes of cooking gas and fertilizer. The prospect of below-normal monsoon rains could also drive food prices higher, adding to inflationary pressures. Limiting the rupee's weakness would require the central bank to raise interest rates, which now stand at 5.25%, but would risk dampening economic growth. In this context, foreign investors have cooled on India to some extent, with March equity outflows reaching a record USD 12.14 billion.
- Brazil's GDP grew at 2.3% in 2025. GDP growth in the second half of the year was disappointing, with 0.1% and 0.6% QoQ annualized in Q3 and Q4, respectively. The central bank index of economic activity nevertheless points toward resilience in the first quarter of 2026, suggesting a growth rate of 1.4% QoQ. The central bank lowered the Selic rate by 25 basis points for the second straight meeting in April, with the rate now standing at 14.5%. Inflation stood at 4.1% YoY and 0.9% MoM in March. This is getting close to the upper end of the 3% inflation target, around which the central bank applies a 1.5 percentage-point tolerance band. The unemployment rate edged up to 5.8% in February, adding 0.4 percentage points from January. With elections coming up on 4 October 2026, the government's incentive to shield consumers from rising energy prices is high. The fiscal response has already been meaningful, including temporarily eliminating taxes on biodiesel and aviation fuel, subsidizing local diesel production, and supporting cooking gas imports.

Chart 1: Brent crude oil, jet fuel, and crack spread, USD per barrel



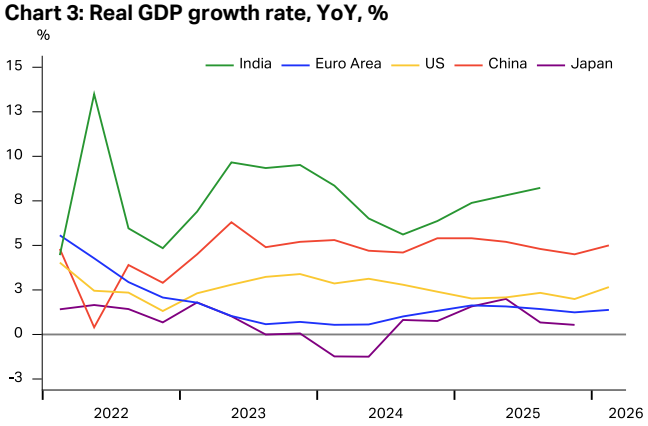
Source: IATA Sustainability and Economics, using data from S&P Global Energy Platts

Chart 2: Central banks' policy rates and market-implied trajectories, %



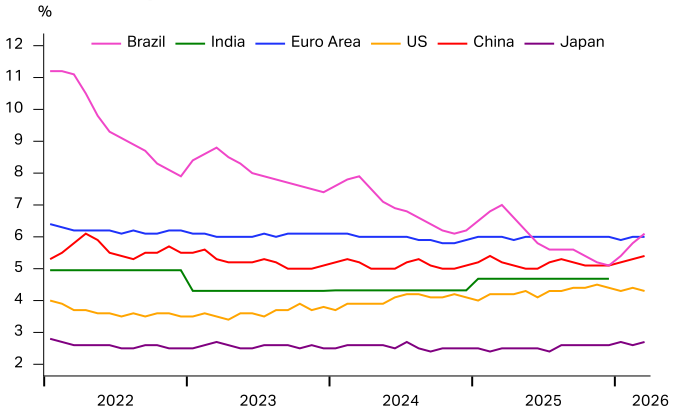
Source: IATA Sustainability and Economics, Macrobond
Note: Dashed lines correspond to future contracts on each interest rates

Chart 3: Real GDP growth rate, YoY, %



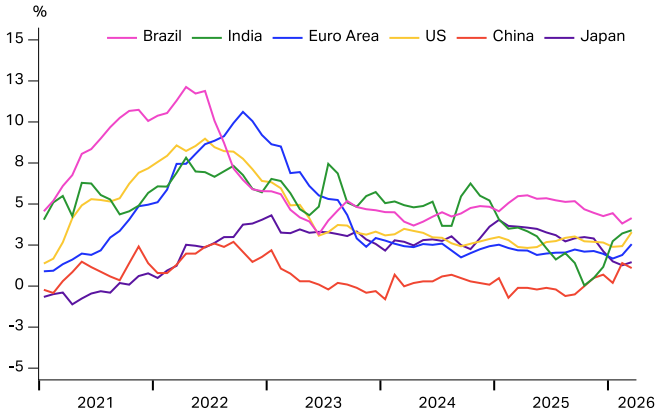
Source: IATA Sustainability and Economics, Macrobond

Chart 4: Unemployment rate, major economies, %



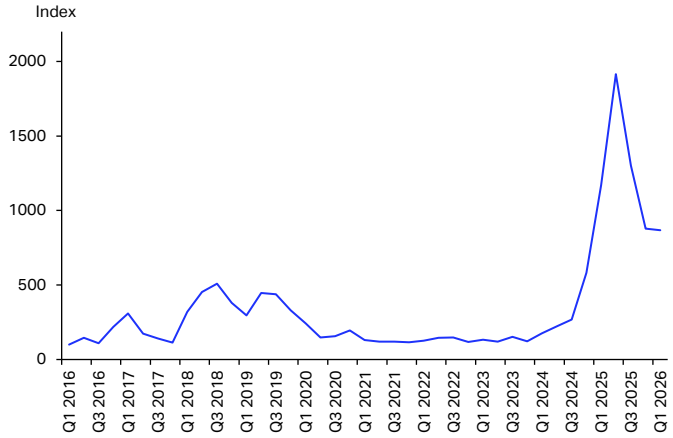
Source: IATA Sustainability and Economics, Macrobond

Chart 5: Consumer price inflation (Headline), major economies, YoY, %



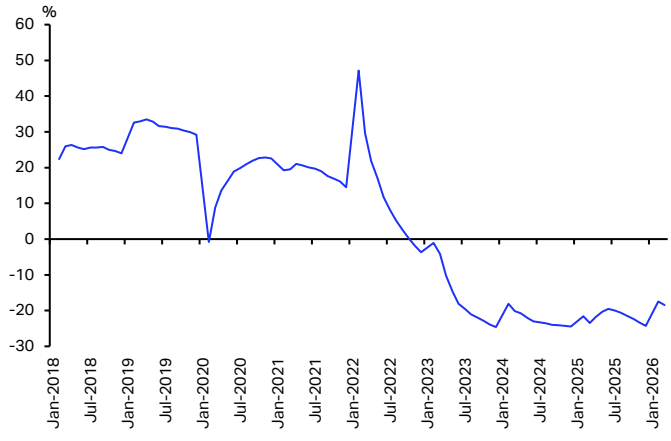
Source: IATA Sustainability and Economics, Macrobond

Chart 6: Trade Policy Uncertainty, index



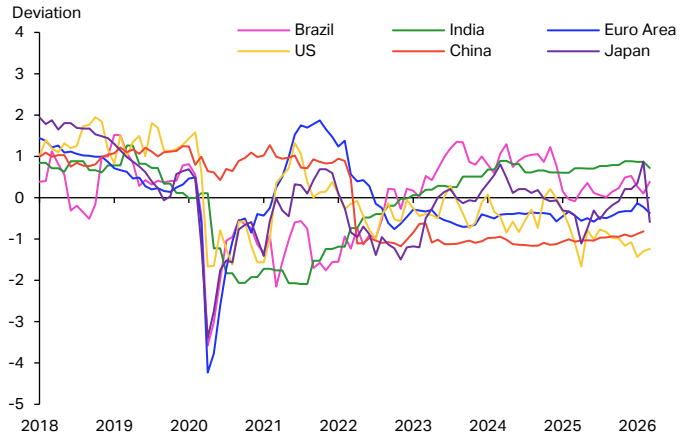
Source: IATA Sustainability and Economics, Caldara, Iacoviello, Molligo, Prestipino and Raffo

Chart 7: China completed investment in real estate, residential buildings, YoY, %



Source: IATA Sustainability and Economics, Macrobond

Chart 8: Consumer confidence index, major economies, index

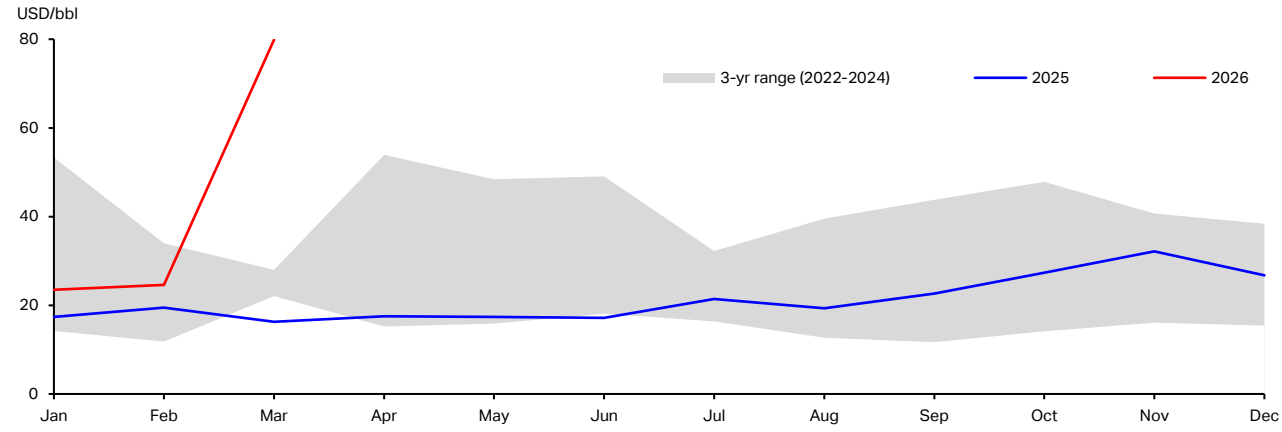


Source: IATA Sustainability and Economics, Macrobond
Note: Deviation from average. Negative numbers correspond to confidence below sample average

2. Aviation fuel

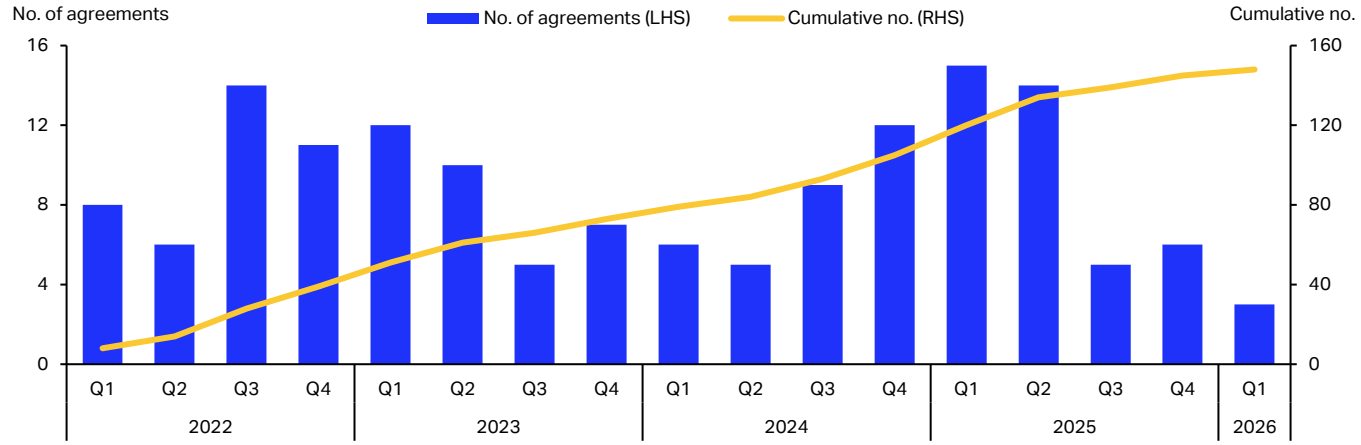
- The escalation of conflict in the Middle East from late February had a pronounced impact on crude oil markets. Prices spiked in March, averaging USD 103.9 per barrel, as concerns mounted over a potential global supply shortfall following the effective closure of the Strait of Hormuz. This key chokepoint for Middle Eastern seaborne oil flows accounts for more than 15% of global crude supply. Extensive damage to regional energy infrastructure added to fears of more persistent supply disruptions. These events drove dated Brent prices to an averaged of USD 81.1 per barrel in Q1 2026, up 27% QoQ.
- Jet fuel prices rose even more sharply. In Q1 2026, prices increased by 36% YoY to an average of USD 124.7 per barrel. Supply concerns were particularly acute in Asia, which relies heavily on Middle Eastern crude for jet fuel production, and in Europe, where around half of jet fuel imports originate from the region. Traders moved aggressively to secure scarce spot volumes. Tight inventories, combined with limited substitution options relative to other transport fuels, amplified price pressures. As a result, the jet fuel crack spread widened to USD 43.5 per barrel in Q1 2026 (Chart 9). On a monthly basis, the crack spread surged to an average of USD 79.9 per barrel in March, up USD 55.3 per barrel MoM.
- Following a near doubling of output in 2025 to around 1.9 million tonnes (Mt), global SAF production is expected to grow at a more moderate pace in 2026, reaching about 2.4 Mt. This would account for roughly 0.8% of annual global jet fuel consumption. Uncertainty remains around the potential impact of the conflict in the Middle East on SAF supply and uptake. However, tighter supply conditions and higher fossil jet fuel prices are unlikely to stimulate SAF demand. Current geopolitical developments instead reinforce the need to scale diversified SAF supply chains, supported by a broader mix of technologies and feedstocks to limit exposure to fossil fuel price volatility and geographic concentration risks.
- Q1 2026 saw several important developments in global SAF project deployment. In Italy, two HEFA projects reached final investment decisions, with a combined renewable fuel capacity of more than 1 Mt per year. Both facilities are expected to enter operations in 2028, supporting Italy's emergence as one of the largest SAF markets by 2030, after the US, PR China, and the Netherlands. In the latter, construction began on a 0.1 Mt per year HEFA facility. In the US, one of the country's largest biorefineries initiated a turnaround aimed at completing upgrades by Q2, targeting SAF production capacity of around 0.35–0.44 Mt per year (120–150 million gallons). Once operational, the plant will rank among the largest SAF facilities in the Americas.
- Since 2022, airlines have announced a total of 148 SAF purchase agreements. Only three new deals were disclosed in Q1 2026, confirming a slowdown that began in H2 2025 after the surge in activity between late 2024 and early 2025 (Chart 10). That earlier peak was largely driven by first-time SAF commitments, particularly among Asian carriers. In total, 91 airlines have announced at least one agreement to date, with two additional carriers entering the SAF market in Q1 2026.

Chart 9: Jet fuel crack spread between global jet fuel price and Dated Brent, USD per barrel



Source: IATA Sustainability and Economics, using data from S&P Global Energy Platts

Chart 10: SAF purchase agreements since January 2022



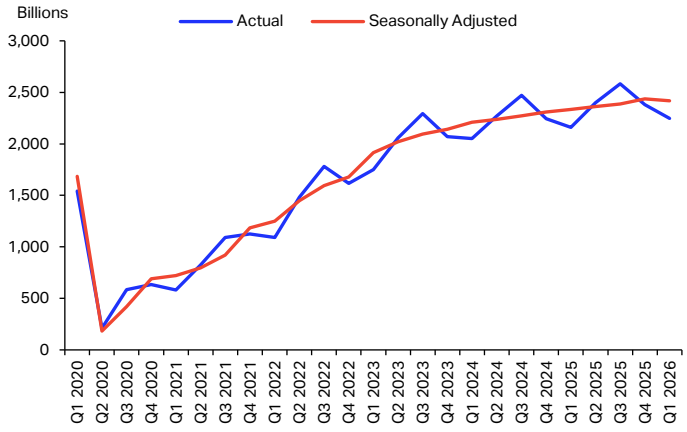
Source: IATA Sustainability and Economics

3. Passenger and cargo traffic

3.1. Passenger traffic

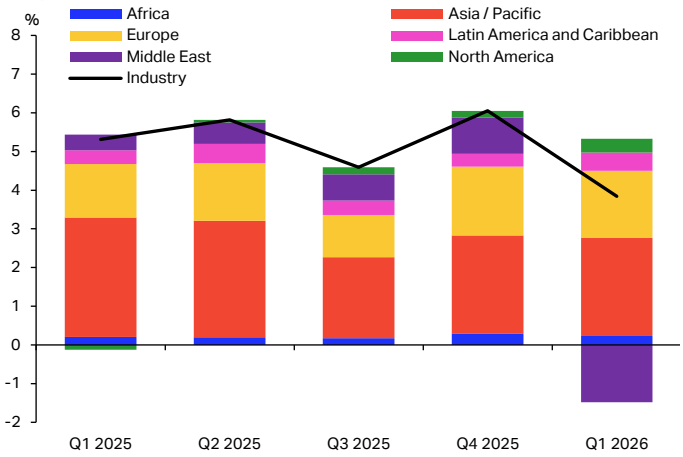
- Industry-wide passenger traffic reached 2.2 trillion revenue passenger kilometers (RPK) in Q1 2026, up 4.0% YoY (Chart 11). On a seasonally adjusted basis, however, traffic edged down by 0.8% QoQ. Capacity growth remained more restrained, with available seat kilometers (ASK) increasing by 2.5% YoY. As a result, passenger load factor (PLF) grew by 1.3 percentage points YoY to 82.4%, the highest for a first quarter in the series.
- Asia Pacific, European and African airlines saw increased traffic from diversions away from the Middle East in March amid the conflict. Asia Pacific carriers posted traffic growth of 7.4% YoY, making the region the largest contributor to global RPK gains (Chart 12). With capacity up 5.7% YoY, the PLF rose by 1.4 percentage points to 85.6%, the highest among all regions. European ones recorded traffic growth of 6.5% YoY, the second-largest contribution to global growth, while slower capacity expansion of 4.3% YoY lifted the PLF by 1.7 percentage points to 80.0%.
- Elsewhere, Latin American and Caribbean carriers delivered solid growth, with passenger traffic up 8.6% YoY. Capacity increased by a more moderate 5.9% YoY, lifting the PLF by 2.2 percentage points to 84.2%. African carriers recorded the strongest growth globally, with traffic rising by 10.1% YoY and the PLF improving by 2.8 percentage points to 76.7% (Chart 13).
- By contrast, North American carriers posted modest traffic growth of 1.6% YoY. Nonetheless, restrained capacity expansion supported an increase in the PLF to 81.3%. Middle Eastern carriers were the most adversely affected by the conflict, with passenger traffic contracting by 15.6% YoY in the quarter–march alone dropped almost 60%. Capacity fell by 14.6% YoY, making the Middle East the only region to register a decline in PLF, down 1.0 percentage point to 79.1%.
- Industry-wide international passenger traffic grew by 3.9% YoY in Q1 2026, with economy class demand expanding slightly faster than premium travel (Chart 14). Regional performance diverged. African and Latin American and Caribbean carriers recorded the strongest gains, with international traffic up 12.5% and 12.3% YoY, respectively, underpinned by robust premium-class demand. Asia Pacific and European carriers also posted solid growth of 8.1% and 6.8% YoY. North American carriers recorded more moderate growth of 4.2% YoY overall, despite strong premium-class expansion of 8.8% YoY. In contrast, international traffic in the Middle East fell sharply, down 16.3% YoY, reflecting steep declines across both cabins.
- Global domestic passenger traffic increased by 4.2% YoY in Q1 2026 (Chart 15), broadly in line with capacity growth of 3.9%. Brazil recorded the strongest expansion, with traffic up 11.4% YoY, while China also delivered robust growth of 7.7% YoY. Japan posted more moderate RPK growth of 2.4% YoY; however, capacity cuts of 1.4% lifted the passenger load factor by 3.1 percentage points. Growth was weaker in Australia and India, at 2.1% and 1.1% YoY, respectively. In India, domestic traffic was dampened by disruptions to onward international connections to the Middle East in March. Domestic traffic growth in the US remained subdued at 0.2% YoY.
- Looking ahead, growth in scheduled seats in Q2 2026 is expected to remain modest at the global level, with capacity increasing by 1.6% YoY (Chart 16). Africa is set to record the strongest expansion, with schedules up 5.5% YoY, followed by Europe at 3.4% and Asia Pacific at 2.0%. Capacity growth is expected to be more muted in Latin America and the Caribbean and in North America, at 1.5% and 1.1% YoY, respectively. By contrast, a sharp contraction in scheduled seats serving the Middle East is anticipated, with capacity down 20.8% YoY, weighing heavily on overall global capacity growth.

Chart 11: Industry total RPK, billion



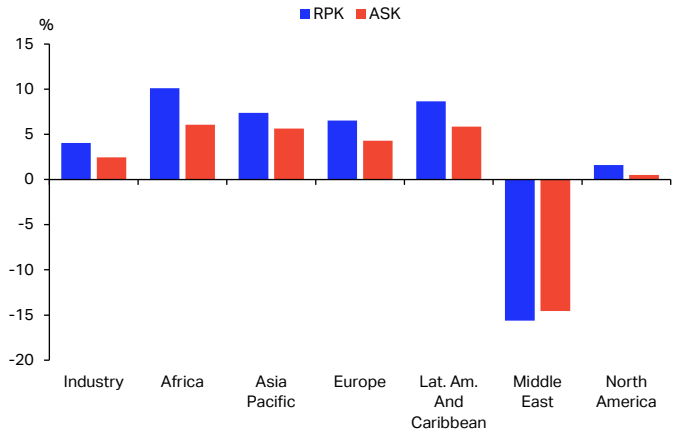
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 12: Regional contribution to industry annual RPK growth, YoY, %



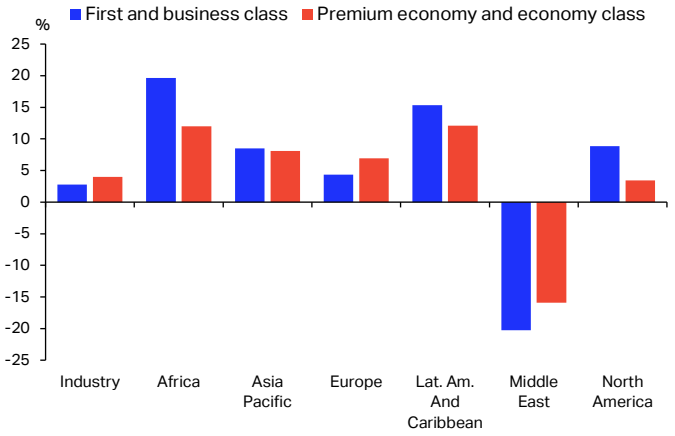
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 13: Total RPK and ASK by airline region of registration, YoY, %



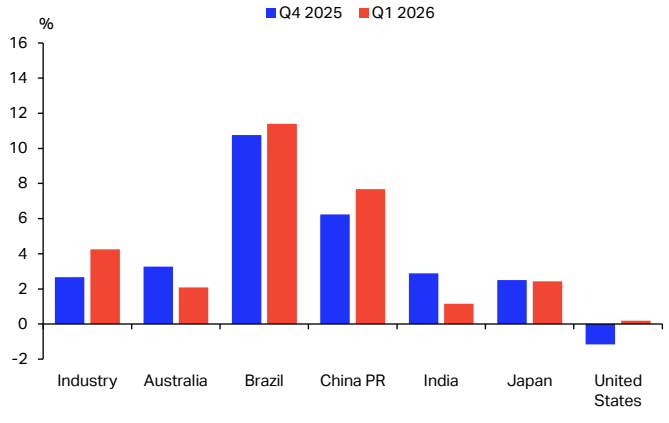
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 14: International RPK by cabin class and airline region of registration, YoY, %



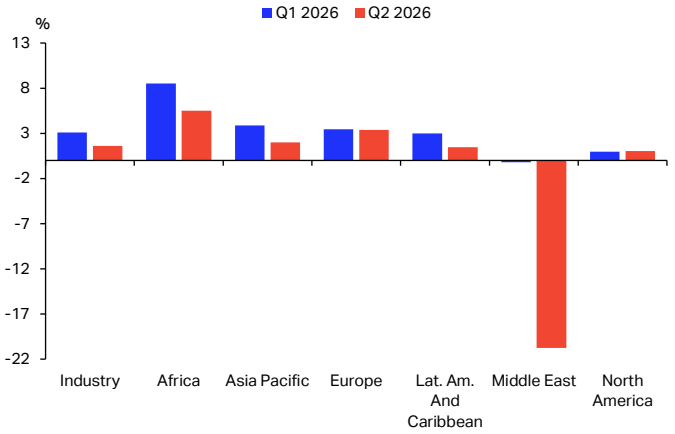
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 15: Domestic RPK growth by country market, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 16: Scheduled seats by region of departure, YoY, %

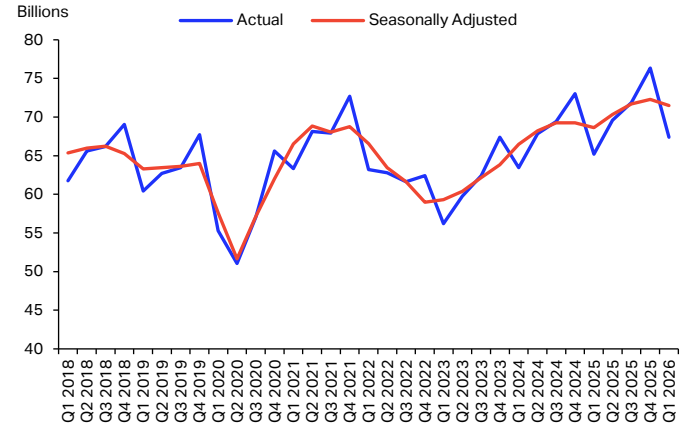


Source: IATA Sustainability and Economics using data from OAG

3.2. Cargo traffic

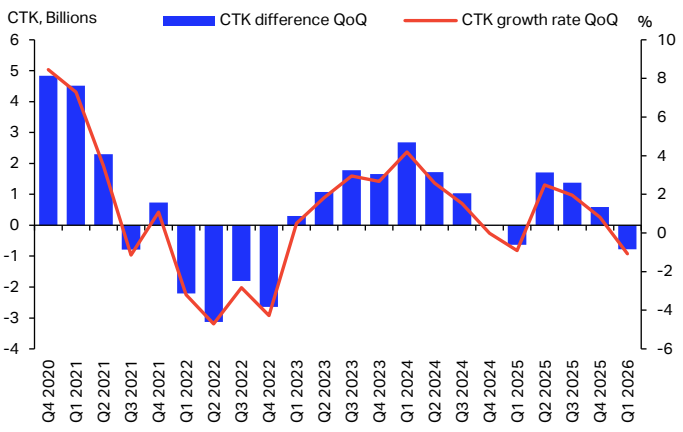
- Global air cargo demand continued to expand in Q1 2026, although growth eased from the strong momentum seen at the end of 2025. Industry-wide cargo tonne-kilometers increased by 3.4% YoY, extending the run of quarterly gains but at a slower pace. Base effects from North American front-loading in early 2025 intensified, while regional divergence became more pronounced, notably due to ongoing disruptions in the Middle East (Chart 17). On a seasonally adjusted basis, QoQ developments pointed to the first deceleration since Q1 2025 (Chart 18), as rising geopolitical risks and cost pressures began to weigh.
- International air cargo demand rose by 3.7% YoY (Chart 19), with growth uneven across regions. Africa and Asia Pacific led performance, with gains of 14.4% and 9.1%, supported by strong intercontinental flows and resilient demand on key trade lanes. European carriers posted solid growth of 5.0%, reflecting stronger connectivity with Asia and stable transatlantic demand. North America and Latin America recorded more modest increases, with the latter showing some recovery following earlier weakness. In contrast, Middle Eastern carriers saw a sharp contraction of 12.4%, driven by the impact of geopolitical tensions in March.
- International capacity increased slightly faster than total capacity, rising by 2.3%. Asia Pacific led capacity growth with a 6.3% increase, followed by Europe at 5.0% and Latin America and the Caribbean at 3.8%. Africa and North America also contributed positively to ACTK growth, albeit at more moderate rates. The Middle East recorded a steep decline of 10.9%, due to the region's reliance on passenger-belly hold (Chart 20).
- The seasonally adjusted industry cargo load factor rose by 0.8 percentage points YoY to 46.1%, indicating that demand growth broadly kept pace with capacity expansion (Chart 21). Improvements were most evident in Africa and Asia Pacific, where demand diversion away from the Middle East supported higher utilization. By contrast, Middle Eastern carriers faced renewed pressure following the recent Gulf conflict.
- Route-area analysis, which captures all airlines operating a corridor rather than airlines' region of registration, provides a more comprehensive view of cross-border flows. Within Asia recorded the strongest improvement, with load factors up 1.9 ppt YoY (Chart 22), reflecting robust intra-regional trade and resilient short-haul demand. Europe–Middle East followed with a 1.3 ppt increase, while Asia–North America also improved by 1.3 ppt, supported by steady transpacific demand and e-commerce-related shipments. In contrast, Europe–North America declined by 0.7 ppt, Europe–Asia fell by 1.4 ppt, and Middle East–Asia dropped sharply by 2.9 ppt, underscoring the impact of geopolitical disruption.

Chart 17: Industry CTK, billion



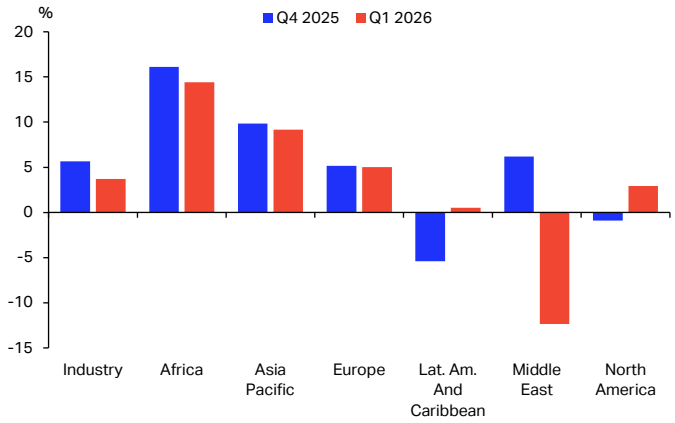
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 18: Industry CTK, seasonally adjusted, QoQ



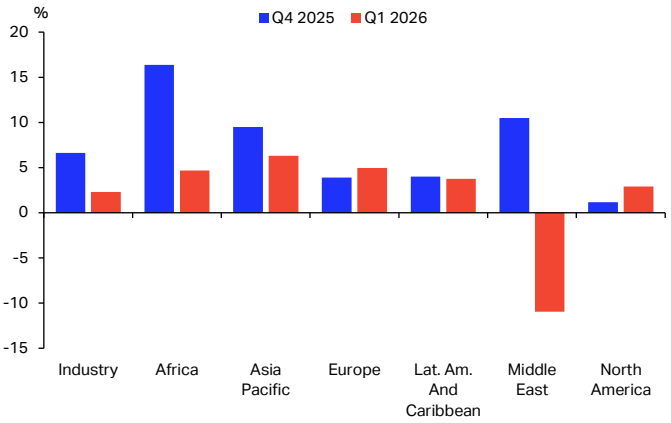
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 19: International CTK by airline region of registration, YoY, %



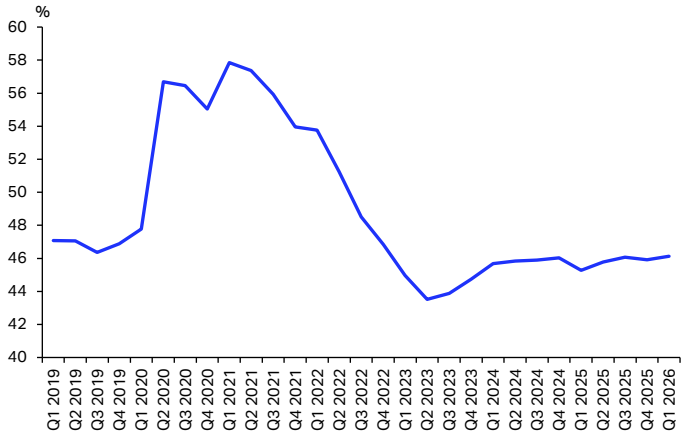
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 20: International ACTK by airline region of registration, YoY, %



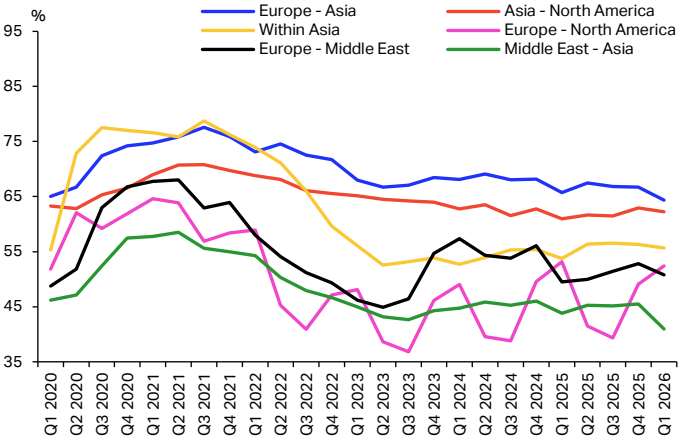
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 21: Industry cargo load factor, seasonally adjusted, %



Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 22: International cargo load factor by major route area, % of ACTK



Source: IATA Sustainability and Economics using data from IATA Information and Data

4. Regional performance

4.1. Africa

- African airlines derived some benefit from the disruption caused by the conflict in the Middle East, as traffic was partially re-routed through the region. Passenger demand grew faster than capacity in the quarter, with RPKs up 10.1% YoY and ASKs rising by 6.1%. This lifted the passenger load factor by 2.8ppt to 76.7%. The divergence was most pronounced on intercontinental routes.

- Both Africa–Europe and Africa–Asia Pacific markets recorded stronger growth in demand than in capacity, reflecting substitution away from Middle East routings (Chart 23). On Africa–Europe services, RPKs increased by 12.4% YoY, compared with a 9.4% rise in capacity. On Africa–Asia Pacific routes, demand surged by 23.0% YoY, well ahead of capacity growth of 14.3%. As a result, passenger load factors improved by 2.2ppt and nearly 6ppt, respectively. By contrast, Africa–Middle East traffic weakened, with both demand and capacity contracting by around 9% YoY (Chart 24).

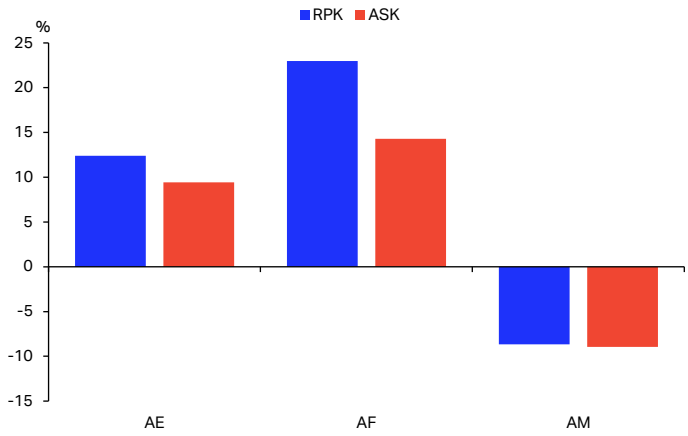
- Outbound travel from Africa remained predominantly oriented towards Europe, with all major European destinations recording growth during the quarter (Chart 25). Italy stood out, with passenger numbers up 22.6% YoY. Traffic to Saudi Arabia also expanded even with the conflict in the Middle East, rising by 2.1% YoY, as travellers sought alternatives to traditional Gulf hubs for onward connections. By contrast, travel to the UAE declined sharply, with passenger numbers down by close to -9.5% YoY. The United States was the only other major destination to register slow growth, up by 0.2% YoY.

- Egypt played a central role in the region's performance, particularly on European routes. Passenger traffic between Egypt and Italy rose by nearly 40% YoY in Q1 2026, making it the strongest-performing corridor, while Egypt–Germany traffic increased by 21% YoY (Chart 26). Traffic on Egypt–Saudi Arabia routes grew by 5.0% YoY, partially offset by a 6.4% YoY decline on Egypt–UAE services.

- Cargo markets showed a similar re-routing pattern, although performance across corridors was more uneven than in passenger markets. Africa–Asia Pacific posted the strongest gains, with cargo demand, measured in CTK, rising by 36.2% YoY in Q1 2026, supported by a 16.2% increase in capacity (Chart 27). CLF on these routes climbed sharply, up nearly 10ppt to 62.8%. In contrast, Asia-Europe cargo flows were broadly flat. Demand edged up by just 0.4% YoY, while capacity increased by 1.5%, limiting improvements in utilisation. Africa–Middle East cargo traffic was more adversely affected than passenger markets, as capacity fell by 11.5% YoY and demand declined by a steeper 14.5%, resulting in weaker utilization levels.

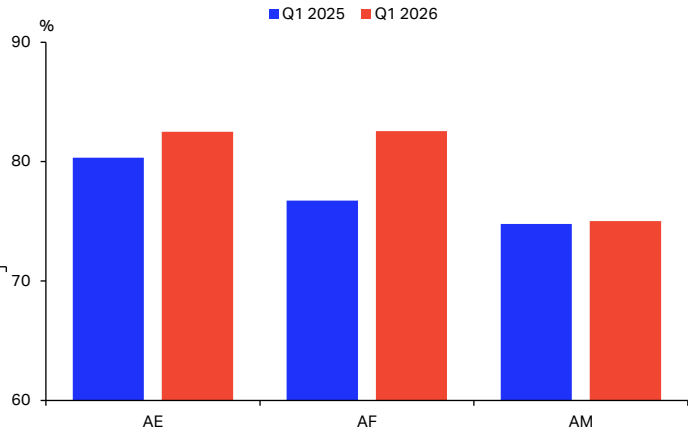
- Looking ahead, the capacity outlook for Africa remains broadly positive. Most markets are scheduled to see additional seats deployed in Q2 2026, with the exceptions of Kenya and Tunisia (Chart 28). Nigeria stands out, with capacity set to increase by nearly 30% YoY, well above the regional average, followed by Algeria at 9.3% and Morocco at 8.3%. Larger markets are also expanding. Seat capacity in South Africa and Ethiopia is projected to rise by 5.0% and 4.2%, respectively, supporting continued growth momentum into the next quarter.

Chart 23: Africa, international air passenger traffic and seat capacity by route area, YoY, %



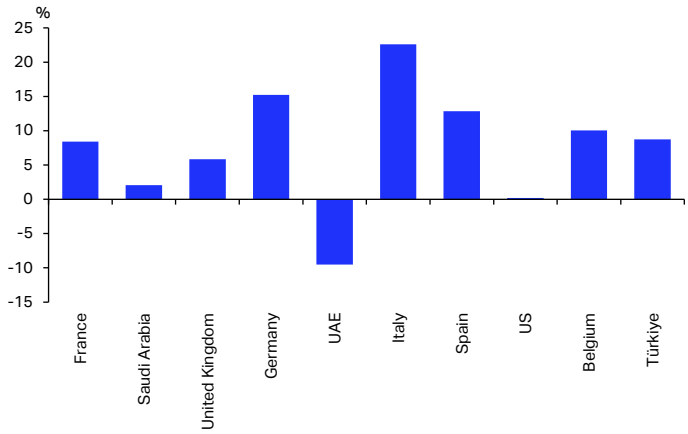
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 24: Africa, air passenger load factor by route area, % of ASK



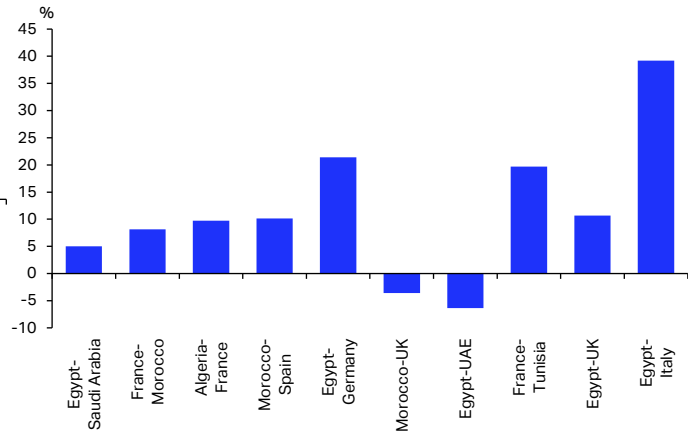
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 25: Traffic from Africa to its top 10 destinations by market size, YoY, %



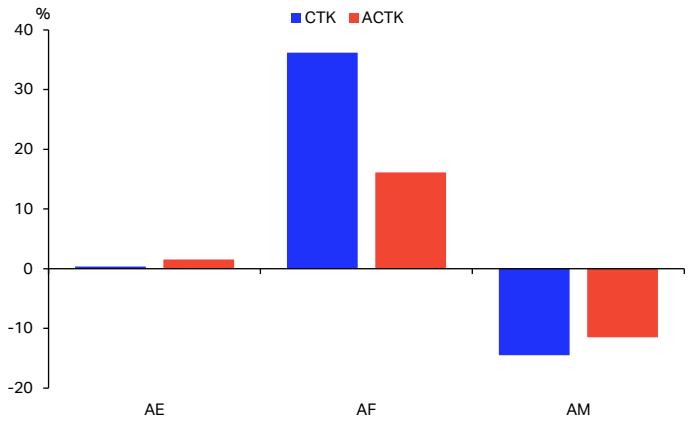
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 26: Number of passengers traveling to and from major country pairs serving Africa, YoY, %



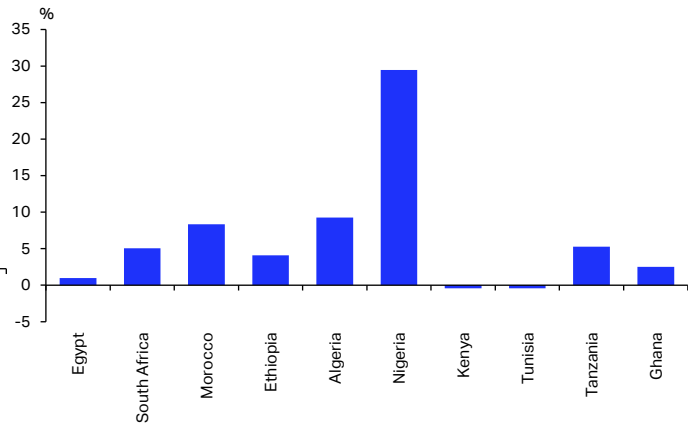
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 27: Africa, international air cargo traffic and capacity by route area, YoY, %



Source: Sustainability and Economics using data from IATA Information and Data[1]

Chart 28: Africa, air passenger seats capacity scheduled for Q2 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. Markets are ordered by size, from larger to smaller

	Share of Industry RPKs in 2025	Q1 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**4.0**	**2.5**	**3.4**	**2.0**	**82.4**	**46.4**
Africa[2]	2.2	10.1	6.1	14.2	2.5	76.7	46.8

Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

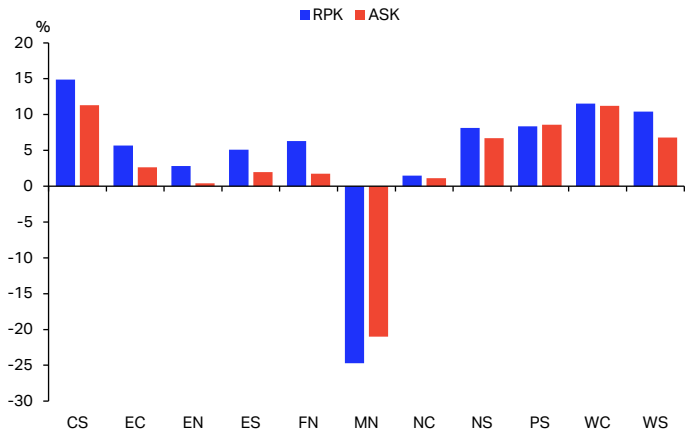
Notes:

1. AE = Africa and Europe; AF = Africa and Far East; AM = Africa and Middle East.
2. The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered regional traffic.

4.2. Americas

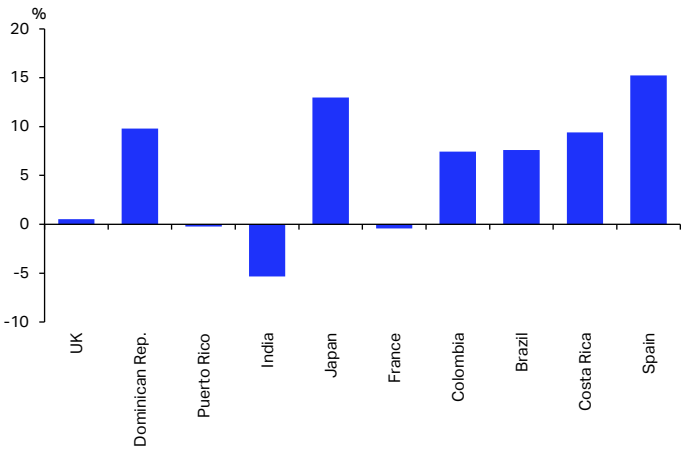
- Passenger traffic in the Americas expanded in Q1 2026, led by Latin America and the Caribbean where RPKs increased by 8.6% YoY, outpacing the global average. Capacity rose more slowly, supporting a modest improvement in PLF. In North America, demand remained subdued. RPKs grew by around 1.6%YoY, while capacity increased by 0.5%YoY. Despite this restraint, PLFs stayed below the industry average.
- Most international markets recorded higher traffic and capacity. The strongest gains were on routes between Central America and the Caribbean and South America, as well as within Central America. Passenger demand rose by 14.9% YoY and 11.5%YoY, respectively, broadly matched by capacity growth of 11.3% YoY and 11.2% YoY (Chart 29). Expansion was concentrated in key hubs. The Dominican Republic accounted for more than 57% of Caribbean to South America traffic, while Panama handled nearly 21% of Central America's passenger flows and over half of traffic between Central and South America.
- By contrast, traffic to and from Cuba declined across all routes, reflecting persistent fuel shortages on the island. The Middle East to North America corridor was the only market to contract, with passenger traffic down 24.7% YoY and capacity reduced by 21.0% YoY, highlighting the impact of geopolitical disruption.
- From North America, passenger traffic increased across most major routes. India, France and Puerto Rico, were the only destinations to record declines, with traffic down 5.4% YoY, 0.4% YoY, and 0.2% YoY, respectively (Chart 30). Travel to Spain, Dominican Republic, and Costa Rica the grew by 15.2% YoY, 9.8% YoY, and 9.4% YoY. Japan remained one of the fastest-growing non-traditional destinations, with traffic up 13.0% YoY.
- Flows between Latin America and other regions remained resilient. Traffic to the US increased by 3.0% YoY despite tighter migration policy (Chart 31). Links with Europe strengthened further. Passenger traffic to Portugal, Italy, and Spain rose by 23.0%YoY, 12.2%YoY, and 9.5%YoY, respectively. Traffic to the Netherlands and Germany also increased, while flows to France declined by 4.4%YoY and traffic to the UK edged down by 1.0%YoY.
- The busiest city pairs in Latin America remained domestic markets in Colombia, Mexico, and Brazil. Two of the five largest routes contracted in Q1 2026 (Chart 32). Cancún to Mexico City declined by 13.2%YoY, while Cusco to Lima fell by 11.1%YoY. In contrast, Bogotá to Medellín grew by 21.2%YoY, and Rio de Janeiro to São Paulo increased by 11.8%YoY, supported by seasonal demand and Brazil's ongoing recovery. In North America, the largest routes were centered on New York, with traffic from Los Angeles, Orlando, and Fort Lauderdale rising between 5.4% and 11.1%.
- Cargo trends were mixed. CTKs between Central and South America declined by 5.9%YoY and by 5.3%YoY on the Middle East to North America route. On the latter, capacity fell more sharply, down 14.6%YoY (Chart 33). In contrast, cargo demand increased strongly within Central America and between North America and Central America and the Caribbean, rising by 20.2%YoY and 18.7%YoY, respectively. Capacity growth lagged demand on these lanes, driven by seasonal flower exports from Colombia and Ecuador linked to Valentine's Day, as well as advance shipments ahead of Mother's Day.
- Planned seat capacity for Q2 2026 shows growth across most markets (Chart 34). Panama is expected to lead, with capacity up 11.5%YoY, followed by the Dominican Republic at 6.4%YoY, supported by the Caribbean high season. Growth in Brazil is projected to remain modest. Canada, the US, and Mexico are increasing capacity to accommodate demand linked to the 2026 World Cup, while Colombia, Peru, and Argentina are expected to record increases in the range of 1.8% to 3.4%YoY.

Chart 29: Americas, international air passenger traffic and seat capacity by route area, YoY, %



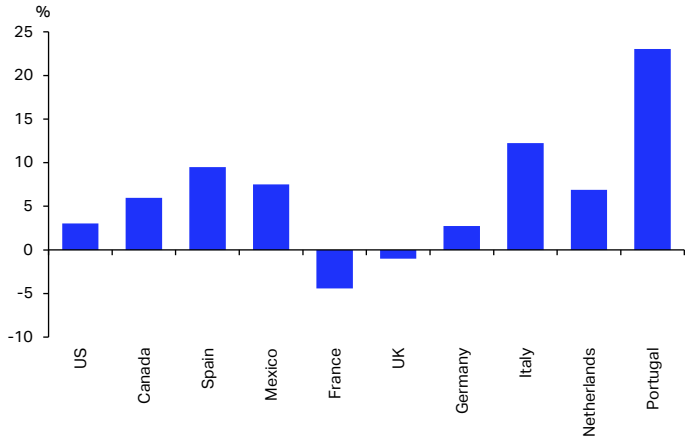
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 30:Traffic from North America to its top 10 destinations by market size, YoY, %



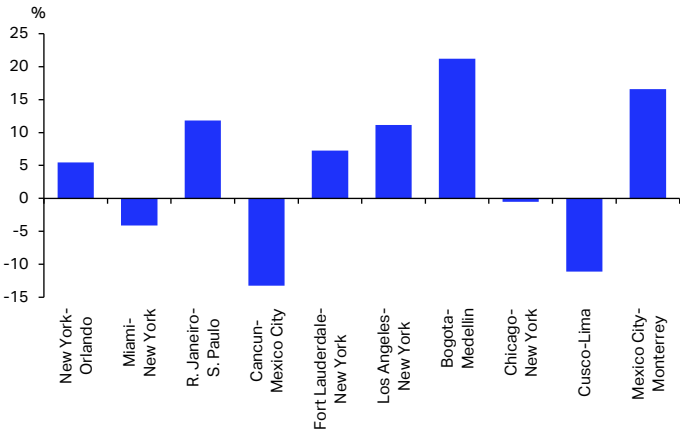
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 31: Traffic from Latin America to its top 10 destinations by market size, YoY, %



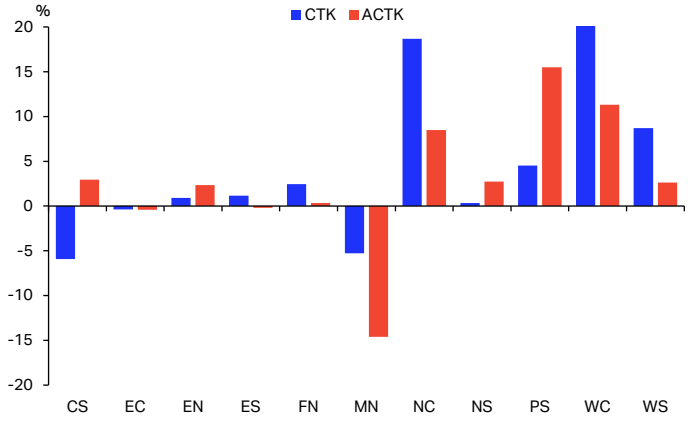
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 32: Number of passengers traveling to and from major city pairs serving Americas, YoY, %



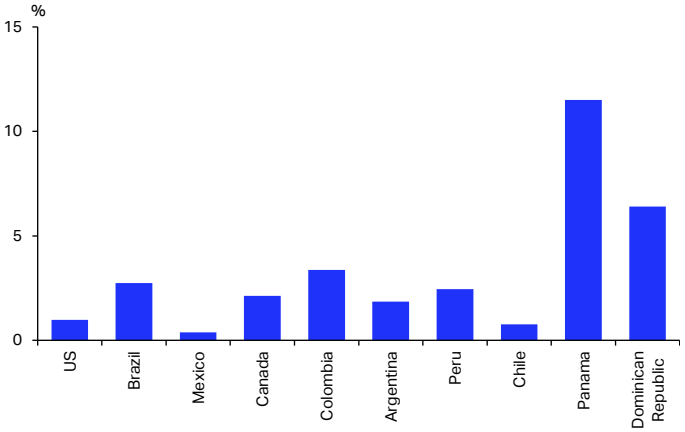
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 33: Americas, international air cargo traffic and capacity by route area, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 34: Americas, air passenger seats capacity scheduled for Q2 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. Markets are ordered by size, from larger to smaller

	Share of Industry RPKs in 2025	Q1 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**4.0**	**2.5**	**3.4**	**2.0**	**82.4**	**46.4**
North America[2]	21.8	1.6	0.5	1.8	0.2	81.3	41.8
Latin America[2]	5.4	8.6	5.9	-1.0	4.0	84.2	34.7

Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

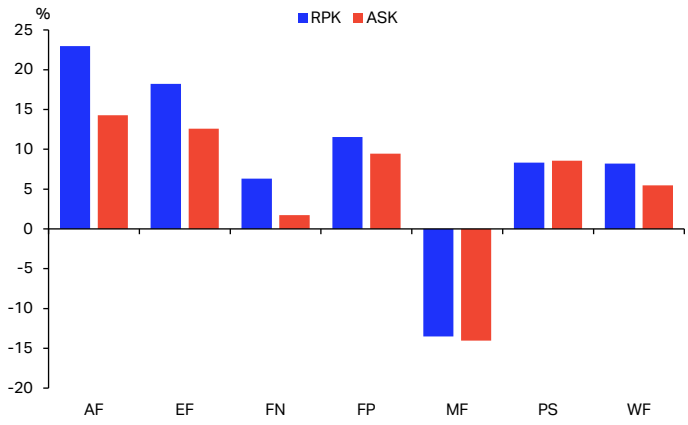
Notes:

1. CS = Central America / Caribbean and South America; EC = Europe and Central America / Caribbean; EN = Europe and North America; ES = Europe and South America; FN = Far East and North America; MN = Middle East and North America; NC = North America and Central America / Caribbean; NS = North America and South America; PS = North / South America and Southwest Pacific; WC = Within Central America; WS = Within South America.
2. The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered regional traffic.

4.3. Asia Pacific

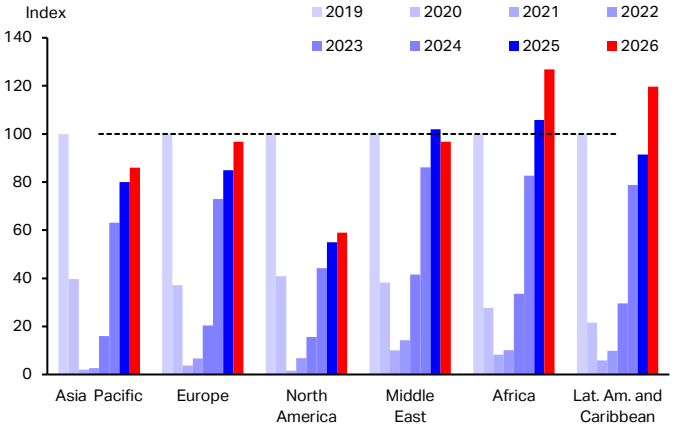
- Passenger demand among Asia Pacific carriers continued to expand in Q1 2026, outperforming the industry average. Revenue passenger kilometers (RPK) increased by 7.4% YoY, while capacity grew at a more moderate pace of 5.7% YoY, lifting the passenger load factor (PLF) by 1.4 percentage points to 85.6%.
- Asia Pacific airlines recorded an 8.1% YoY increase in international passenger traffic, although performance varied significantly across route areas (Chart 35). Traffic patterns shifted in response to the conflict in the Middle East, leading to a redistribution of demand across major corridors. The Europe–Asia market RPK rose by 18.2% YoY alongside a 12.6% YoY increase in capacity. On routes between Asia and the Southwest Pacific, demand grew by 11.5% YoY, outpacing capacity growth of 9.5% YoY. Within Asia, RPK increased by 8.2% YoY, well ahead of the 5.5% YoY expansion in available seat kilometers (ASK).
- Traffic between Asia and North America recorded a more moderate gain of 6.3% YoY, supported by limited capacity growth of 1.7% YoY. On routes linking the Americas and the Southwest Pacific, traffic rose by 8.3% YoY, broadly in line with capacity growth. By contrast, demand on routes between the Middle East and Asia contracted by 13.5% YoY. The Africa–Asia corridor recorded the strongest growth, with traffic up 23.0% YoY.
- International travel from China continued to recover in Q1 2026, with marked differences across destination regions (Chart 36). Passenger flows to Asia Pacific reached 86.0% of their Q1 2019 level, while traffic to Europe was close to full recovery at 96.8%. North America remained the weakest major destination market, at 58.9% of pre-pandemic levels. By contrast, traffic to Africa and to Latin America and the Caribbean exceeded Q1 2019 levels. Passenger volumes to the Middle East stood at 96.8% of pre-pandemic levels, despite a 5.0% YoY decline.
- Outbound passenger travel from Asia Pacific to major long-haul destinations showed mixed trends (Chart 37). The US remained the largest destination market, with passenger volumes broadly stable at 0.5% YoY, while traffic to Canada increased by 9.9% YoY. Among major European destinations, growth was widespread but uneven, led by Italy, while traffic to the United Arab Emirates, Saudi Arabia and Qatar declined due to the Middle East conflict.
- The largest city pairs in Asia Pacific remained concentrated in domestic and short-haul intra-regional markets (Chart 38). Jeju–Seoul continued to be the largest route, with passenger volumes up 16.0% YoY. This, however, was due to a lower base in Q1 2025 when capacity to and from Jeju was significantly reduced following an accident from the main operator in the airport. Several major routes recorded mixed trends, including declines on Sapporo–Tokyo and Melbourne–Sydney, while Seoul–Tokyo expanded by 5.5% YoY.
- Cargo traffic for Asia Pacific carriers expanded in Q1 2026, with cargo tonne–kilometers (CTK) up 8.9% YoY and available cargo tonne–kilometers (ACTK) rising by 6.2%, raising the cargo load factor by 1.2 percentage points to 46.6%. At the route-area level, cargo markets also benefited from conflict-related re-routing (Chart 39). One of the strongest gains was recorded on Europe–Asia routes, where CTK rose by 14.4% YoY alongside a 16.9% YoY increase in ACTK.
- Within Asia, CTK expanded by 10.1% YoY, outpacing the 6.3% YoY increase in ACTK. Growth was more moderate on routes between Asia and the Southwest Pacific, where CTK rose by 2.9% YoY compared with a 5.3% YoY increase in ACTK, and between Asia and North America, with CTK up 2.4% YoY alongside a 0.3% YoY rise in ACTK. By contrast, cargo traffic between the Middle East and Asia contracted sharply, reflecting the impact of the conflict. Routes between Africa and Asia recorded the strongest growth, with CTK surging by 36.2% YoY and ACTK increasing by 16.2% YoY.
- Scheduled seat capacity for Q2 2026 shows wide divergence across selected Asia Pacific departure markets (Chart 40). The Philippines is set to record the strongest growth, followed by South Korea and China, while India is also expected to expand. Growth is more limited in Thailand and Australia. By contrast, scheduled capacity is expected to contract in Japan, Indonesia, Viet Nam and Malaysia.

Chart 35: Asia Pacific, international air passenger traffic and seat capacity by route area, YoY, %



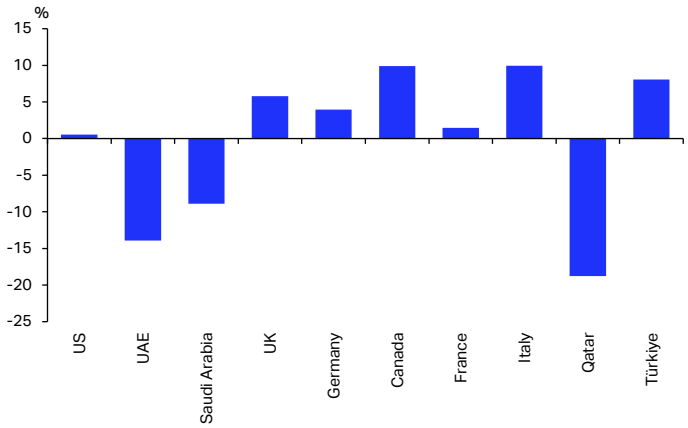
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 36: International air passengers from China by destination region, Q1 each year, index, 2019=100



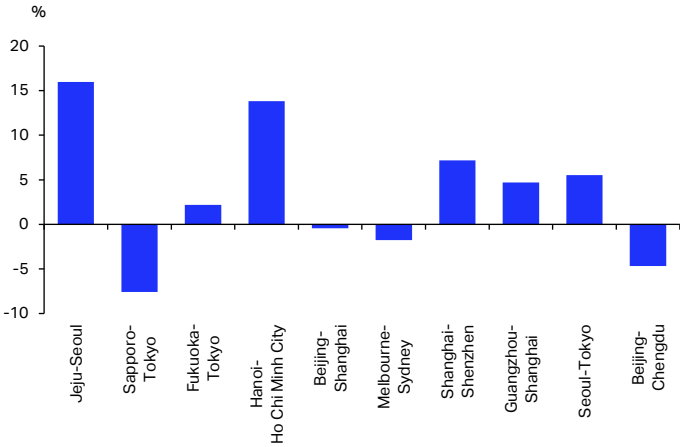
Source: IATA Sustainability and Economics using data from DDS

Chart 37: Traffic from Asia Pacific to its top 10 destinations by market size, YoY, %



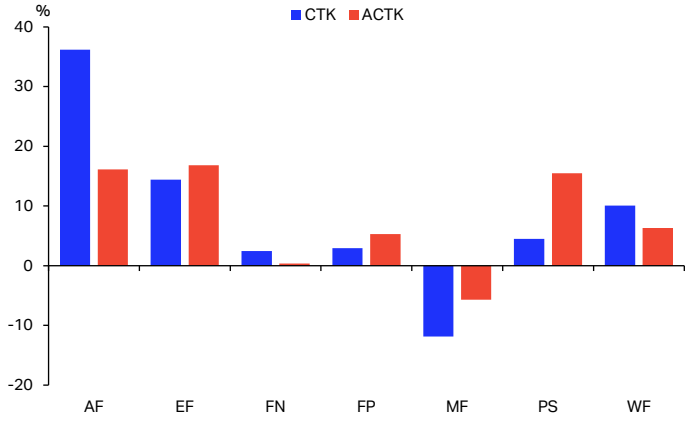
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 38: Number of passengers traveling to and from major city pairs serving Asia Pacific, YoY, %



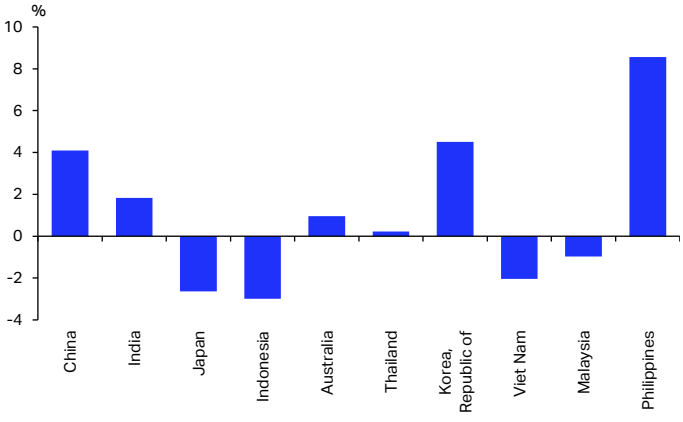
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 39: Asia Pacific, international air cargo traffic and capacity by route area, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 40: Asia Pacific, air passenger seats capacity scheduled for Q2 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. Markets are ordered by size, from larger to smaller

Share of Industry RPKs in 2025		Q1 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**4.0**	**2.5**	**3.4**	**2.0**	**82.4**	**46.4**
Asia Pacific[2]	34.4	7.4	5.7	8.9	6.2	85.6	46.6

Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

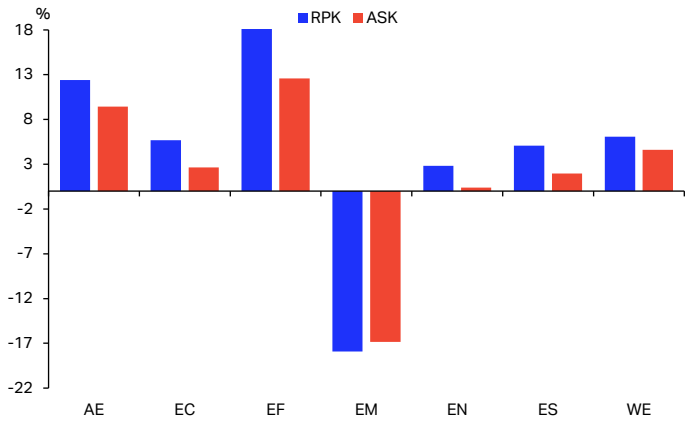
Notes:

1. AF = Africa and Far East; EF = Europe and Far East; FN = Far East and North America; FP = Far East and Southwest Pacific; MF = Middle East and Far East; PS = North / South America and Southwest Pacific; WF = Within Far East.
2. The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered regional traffic.

4.4. Europe

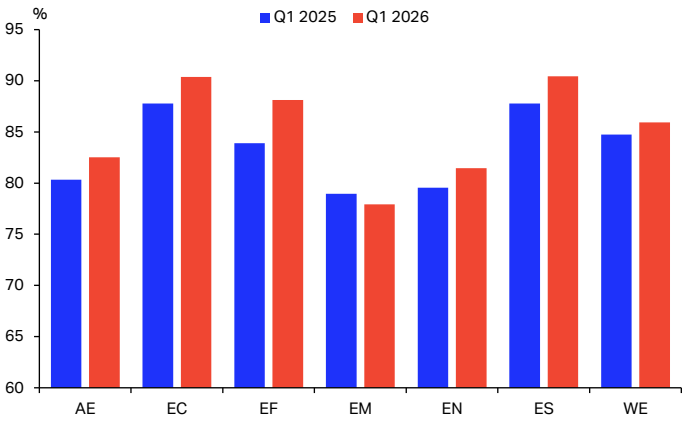
- European airlines experienced some re-routing during Q1 2026, supporting overall passenger performance. RPK increased by 6.5% YoY, while capacity rose by a more moderate 4.3%. This lifted the passenger load factor by 1.7ppt to 80.0%. Demand growth exceeded capacity across all major markets except routes to the Middle East.
- The most pronounced shift was a partial reallocation of traffic away from Europe–Middle East services towards Europe–Asia Pacific routes, although part of this flow was not fully captured by Europe-registered carriers. Passenger demand on Europe–Middle East routes fell by nearly 18% YoY, broadly mirrored by an increase of around 18% YoY on Europe–Asia Pacific services (Chart 41). Load factors on the latter climbed sharply to about 88%, up 4.2ppt compared with a year earlier (Chart 42).
- The Europe–Africa corridor was the second-strongest performing market and remained an important pillar for the region, accounting for around 10% of total European demand. Traffic on these routes grew by 12.4% YoY, outpacing capacity growth of 9.4% and supporting higher load factors. Intra-European travel, the largest market, also showed solid momentum. Passenger demand increased by 6.1% YoY, while capacity rose by 4.6%. Load factors on within-Europe services reached a high 86%.
- Outbound travel patterns showed marked divergence by destination. The UAE and Israel were the only major markets to register a contraction, with passenger numbers from Europe down 21.6% YoY and 15.8% YoY in Q1 2026, respectively. By contrast, most leading destinations outside Europe recorded strong growth (Chart 43). Passenger numbers to Morocco increased by 10.3% YoY, while Egypt posted particularly robust gains of 27.4% YoY. Travel to China also expanded sharply, up 23.8% YoY, partly reflecting seasonal strength around the Chinese New Year period. Saudi Arabia, the second-largest Middle Eastern destination for European outbound travel, also performed surprisingly well, with passenger numbers rising by 7% YoY.
- At the country-pair level, most of Europe's largest markets remained intra-European, with the UK–US route the main exception. Germany–Türkiye recorded the strongest growth among major pairs, with passenger numbers up 11.9% YoY, followed by Italy–UK at 8.5% and Ireland–UK at 6.4% (Chart 44). Only two large markets declined. Traffic on France–Italy routes fell by 3.0% YoY, while Germany–Spain slipped by 0.7%.
- Air cargo markets were less volatile than passenger traffic. Across most European routes, cargo demand in Q1 2026 remained broadly stable, with YoY changes ranging between -0.4% and 3.4% (Chart 45). Asia Pacific and the Middle East again stood out. On Europe–Asia Pacific routes, cargo demand increased by 14.4% YoY, but capacity grew faster at 16.9%. In contrast, Europe–Middle East cargo demand declined by 15.7% YoY, slightly less than the 17.8% contraction in capacity. Overall, CLF across Europe was relatively stable, holding at 57.6%.
- Looking ahead, airlines have begun adjusting capacity in response to Middle East tensions and their impact on Brent crude and jet fuel prices. Capacity reductions are most pronounced on short-haul European markets. Seat capacity to and from Spain, UK and Italy is still expected to increase by 5.6%, 2.4% and 6.7%. Supply in Germany, Türkiye and Switzerland should contract by 1% YoY, 0.7% YoY and 3.6% YoY, respectively, reflecting cancellations and network adjustments by European carriers (Chart 46).

Chart 41: Europe, international air passenger traffic and seat capacity by route area, YoY, %



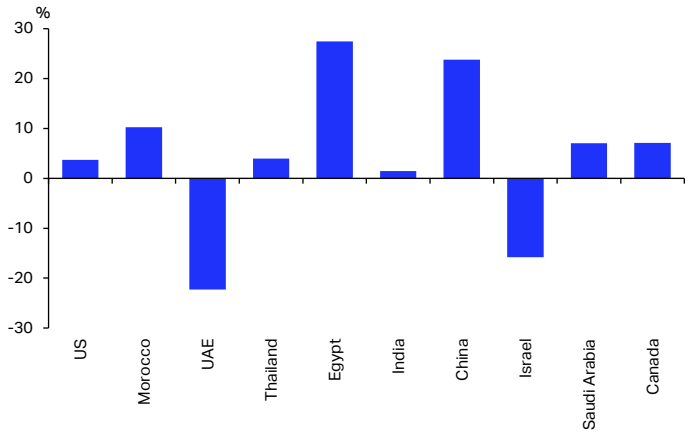
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 42: Europe, air passenger load factor by route area, % of ASK



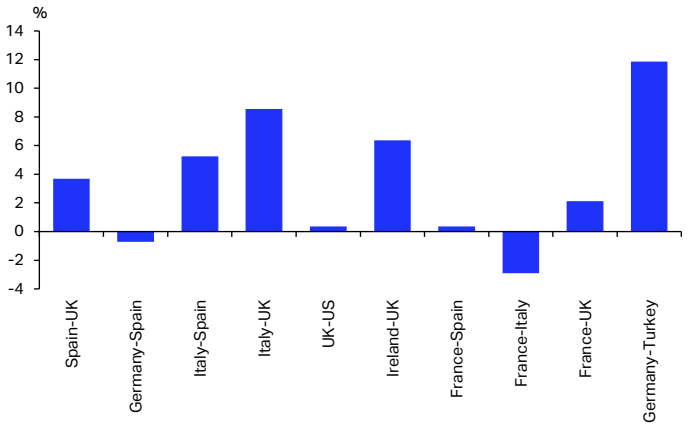
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 43: Traffic from Europe to its top 10 destinations by market size, YoY, %



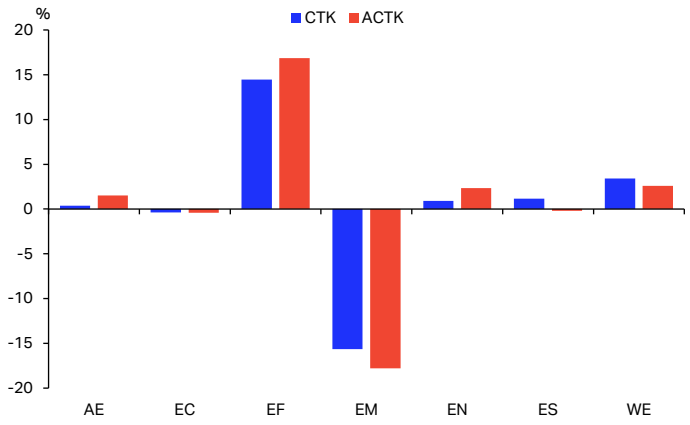
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 44: Number of passengers traveling to and from major country pairs serving Europe, YoY, %



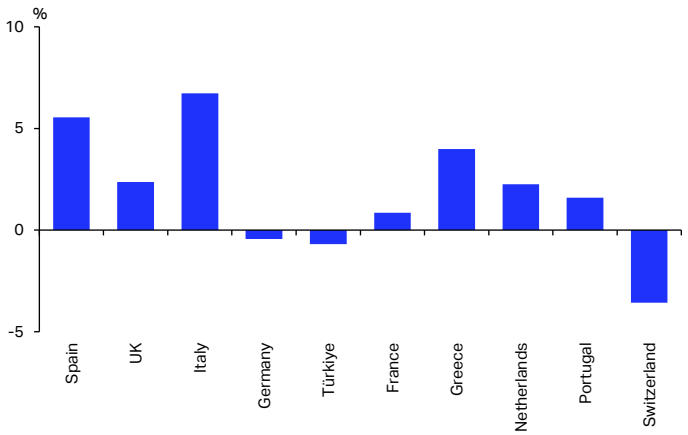
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 45: Europe, international air cargo traffic and capacity by route area, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 46: Europe, air passenger seats capacity scheduled for Q2 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. Markets are ordered by size, from larger to smaller

Share of Industry RPKs in 2025		Q1 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**4.0**	**2.5**	**3.4**	**2.0**	**82.4**	**46.4**
Europe[2]	26.7	6.5	4.3	4.8	5.0	80.0	57.6

Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

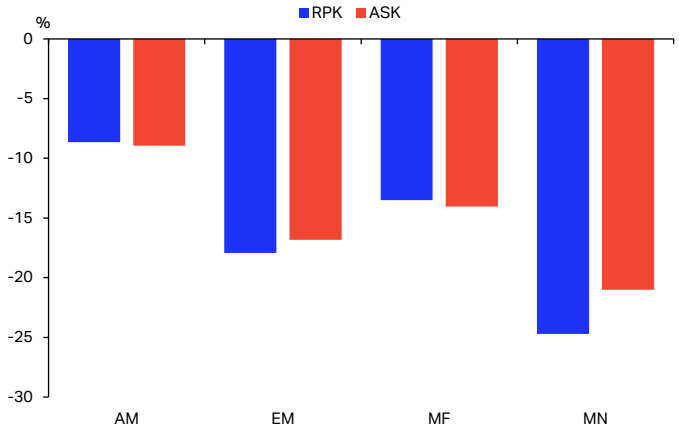
Notes:

1. AE = Africa and Europe; EC = Europe and Central America / Caribbean; EF = Europe and Far East; EM = Europe and Middle East; EN = Europe and North America; ES = Europe and South America; WE = Within Europe.
2. The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered regional traffic.

4.5. Middle East

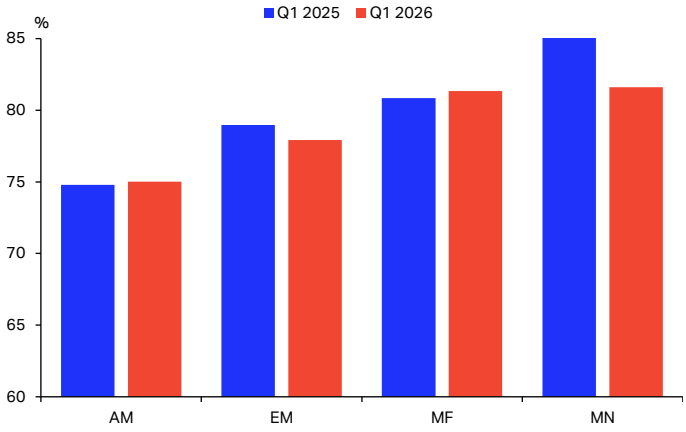
- The escalation of conflict in the Middle East weighed heavily on regional air transport in March (-60% YoY), offsetting positive results from January and February when the region registered RPK growth of 7.4% YoY and 0.6% YoY, respectively. As carriers cancelled services, passenger capacity fell by 14.6% YoY. Demand declined more sharply, down 15.6% YoY, pushing the PLF down by 1ppt to 79.1%.
- The Middle East–North America corridor was the most affected. RPK contracted by around one quarter, while ASK fell by over 20% (Chart 47). These routes also recorded the steepest decrease in PLF, down 4ppt to 81.6% in Q1 2026. Traffic between Europe and the Middle East, which accounts for around one third of the region's total RPK, declined by 18% YoY, broadly in line with a 17% cut in capacity.
- By contrast, routes linking the Middle East with Africa and Asia Pacific experienced the smallest contractions and were the only corridors to preserve and even exceed last year's PLF. On Middle East–Africa services, ASK was cut by 9%, matching the fall in RPK and keeping PLF stable at 75%. Middle East–Asia Pacific demand and capacity declined by 13.5% and 14.0%, respectively, with PLF edging up marginally by 0.5ppt.
- Passenger traveling to India and Pakistan weakened overall. Arrivals to India fell by 12.5% YoY, largely reflecting contractions on its two largest Middle East markets (Chart 49). Traffic on the India-UAE and India-Saudi Arabia routes declined by 14.5% YoY and 14.1% YoY, respectively (Chart 50). Pakistan was less impacted, with arrivals down by 3.1% YoY, supported by flat traffic on the Pakistan-Saudi Arabia market and only a modest 2.9% YoY decline on the Pakistan-UAE route.
- Egypt, the leading African destination from the Middle East, was the only market to record growth, with arrivals rising by 1.0% YoY. This was underpinned by a 5.0% YoY increase in passenger flows with Saudi Arabia.
- In contrast, traffic within and beyond the Gulf was notably weaker. Saudi Arabia–UAE flows contracted sharply by 38.4% YoY, weighing on several downstream markets. Türkiye, the largest European destination, saw arrivals decline by 3.7% YoY, despite strong growth of 15.0% YoY on the Saudi Arabia–Türkiye route. Other European destinations posted more pronounced declines, including France (-6.7% YoY) and Germany (-19.3% YoY), while UAE–UK traffic fell by 12.5% YoY.
- In Asia, Indonesia and Bangladesh recorded declines of 19% YoY and 4.7% YoY, respectively, reflecting weaker demand on routes linked to Saudi Arabia, particularly the Indonesia-Saudi Arabia market (-16.8% YoY).
- Air cargo was also adversely affected, reflecting the region's heavy reliance on passenger aircraft belly-hold capacity. The Middle East–Europe lane saw the sharpest capacity reduction, with ACTK down 17.8% YoY (Chart 51). Cargo demand fell by a slightly smaller 15.7%, allowing the CLF to hold at 51%.
- Middle East–North America routes recorded the second-largest capacity cut, yet demand proved comparatively resilient. ACTK declined by 14.6% YoY in Q1 2026, while CTK fell by just 5.3%. As a result, CLF increased by 4.1ppt to 41.9%. In the Middle East-Asia Pacific market, capacity declined by 5.7%, but demand fell by more than double that pace (-11.8%), pushing CLF down by 2.9ppt to 41.0%. Cargo flows between the Middle East and Africa, the region's smallest cargo market, also weakened, with demand down 14.5% YoY versus an 11.5% reduction in capacity. CLF slipped by 1.3ppt to 38.6%.
- Schedule data for Q2 2026 underscores the uneven impact of the conflict across the region (Chart 52). Seat capacity to and from Saudi Arabia and Oman was adjusted the least, with reductions of 7.6% YoY and 7.3% YoY, respectively. By contrast, Gulf markets experienced the sharpest cuts, with capacity to and from Qatar down by around 34% YoY and the UAE by 20% YoY.

Chart 47: Middle East, international air passenger traffic and seat capacity by route area, YoY, %



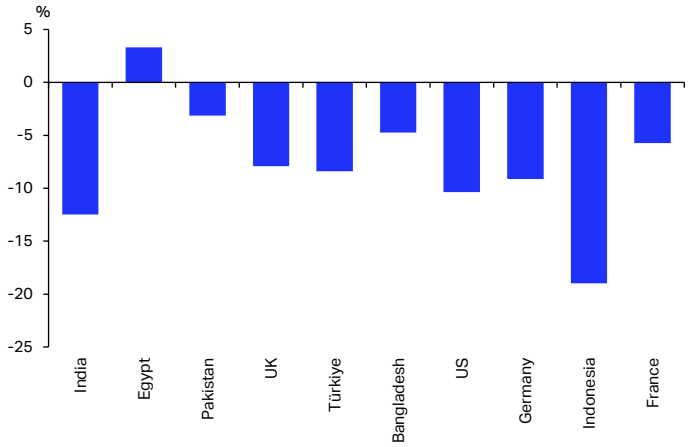
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 48: Middle East, air passenger load factor by route area, % of ASK



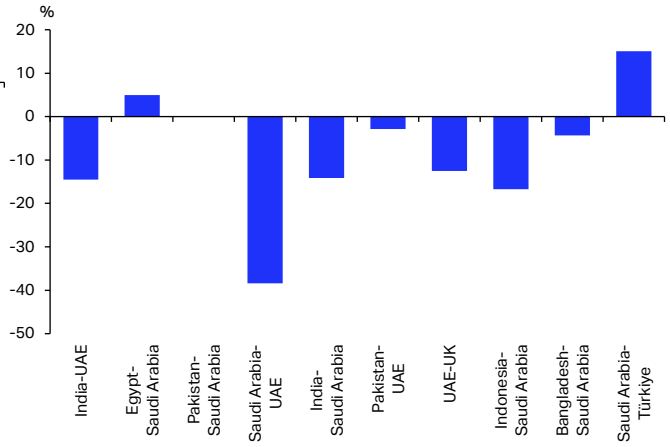
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 49: Traffic from Middle East to its top 10 destinations by market size, YoY, %



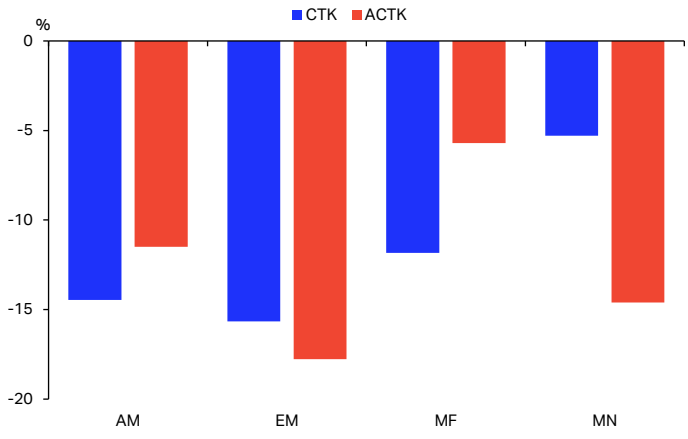
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 50: Number of passengers traveling to and from major country pairs serving Middle East, YoY, %



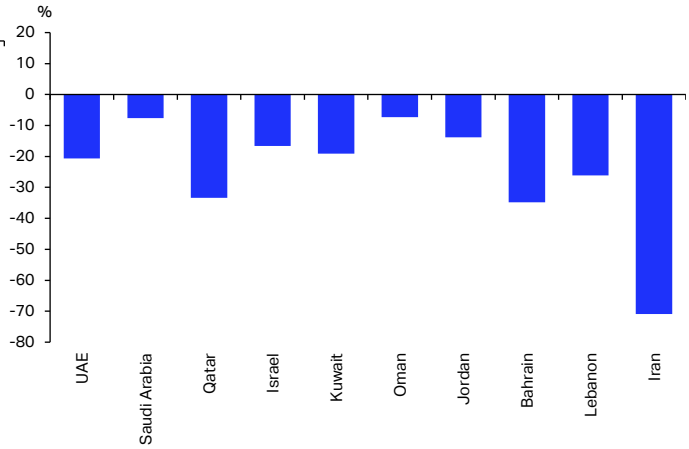
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 51: Middle East, international air cargo traffic and capacity by route area, YoY, %



Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 52: Middle East, air passenger seats capacity scheduled for Q2 2026, YoY, %



Source: IATA Sustainability and Economics using data from OAG. Markets are ordered by size, from larger to smaller

	Share of Industry RPKs in 2025	Q1 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**4.0**	**2.5**	**3.4**	**2.0**	**82.4**	**46.4**
Middle East[2]	9.5	-15.6	-14.6	-12.4	-10.8	79.1	43.1

Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Notes:

1. AM = Africa and Middle East; EM = Europe and Middle East; MF = Middle East and Far East; MN = Middle East and North America.
2. The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered regional traffic.

iata.org/economics
economics@iata.org