Quarterly Air Transport Chartbook

IATA Sustainability and Economics

Q2 2025

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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

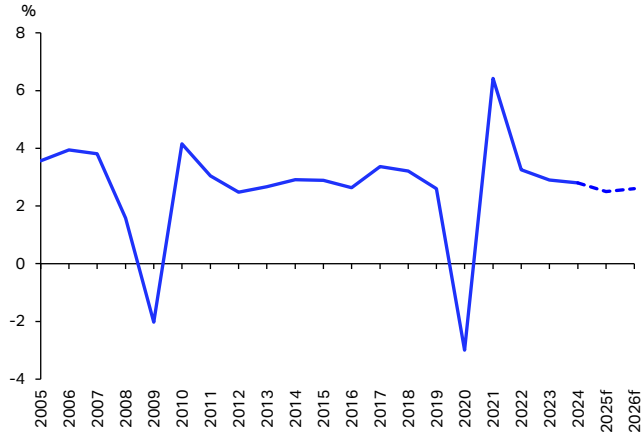
- The global business cycle is caught in a complex interplay of shifts in tariffs, inflation, and monetary policy, in the midst of high policy uncertainty and geopolitical volatility (Chart 1, Chart 2). These factors impact different economies with varying intensity, but overall, the global business cycle is showing signs of moderation in the second quarter. We expect global GDP growth to be around 2.5% year-on-year (YoY) this year and next. That is below the long-term average global growth rate of 3%. For some perspective, global growth contracted by 3.0% in 2020, and by 2.0% in 2009. While we are clearly not near any such global recession, one can argue that global growth below the long-term average causes many households and business to experience the slowdown as recessionary, in turn feeding into loss of confidence and a more hesitant consumption and investment environment that can linger. Risks are on the whole skewed to the downside as a result.
- Mitigating the downside risks in the global business cycle are notably the lower price of oil and the weaker US dollar. A general rule of thumb is that a 10% decline in the oil price can add 0.1-0.2% to global GDP growth. Year-to-date[1], crude oil prices are down 7.9%, and compared to a year earlier, the drop is 11.0% (Chart 3). The extent to which the weaker US dollar boosts global GDP is partially offset by appreciations of local currencies versus the greenback. Still, a weaker dollar undoubtedly adds to the beneficial impact of the lower oil price on growth for all non-USD based economies. The real effective USD exchange rate, trade-weighted and adjusted for inflation, has dropped by 9% during the first half of 2025 (Chart 4).
- On the other hand, the departure from the global quest to minimize tariffs and other impediments to trade will weigh on growth (Chart 5). Exactly how this will eliminate some trade, divert other flows, and cause substitution and potential increases in certain trade flows is difficult to know in this volatile environment. The WTO estimates that the volume of world merchandise trade will decline by 0.2% in 2025 — almost three percentage points (ppt) lower than it would have been without the recent policy shifts (Chart 6). Importantly, the US will eliminate the de minimis exemption, effective 29 August 2025, which previously allowed goods with a value below USD 800 to enter the country duty-free. The value of small parcels sent from China to the US fell to just over USD 1 billion in May 2025, the lowest since early 2023, according to customs data released June 20. That marks a 40% plunge from the same month last year (Chart 7).
- Turning to the major economies, US real GDP increased at an annual rate of 3.0% in the second quarter (Q2), and by 0.7% from Q1 (Chart 8). While that is a rebound from the 0.5% contraction in Q1, the underlying data confirms the deceleration even as inflationary pressures are returning. Consumer spending advanced a modest 1.4%, adding only 1.0 ppt to growth. Business investment was also restrained, gaining only 1.9%. The all-items July consumer price inflation rose by 2.7% YoY, benefitting from the decrease of 1.6% in energy inflation (Chart 9). Excluding food and energy, however, inflation reached 3.1% YoY (Chart 10). This does not point to any swift moves by the Fed to lower interest rates. However, with the unemployment rate ticking up to 4.2% in July (Chart 11), the Fed will increasingly find itself caught between the need to stabilize prices and simultaneously support the labor market.
- In the European Union, YoY GDP increased by 1.4% in the euro area and by 1.5% in the EU in the second quarter of 2025, down from 1.5% in the euro area and 1.6% in the EU in the previous quarter. On a quarterly basis, GDP increased by 0.1% in the euro area and by 0.2% in the EU, down from 0.6% in the euro area and by 0.5% in the EU in the first quarter. Inflation in the euro area is expected to be 2.0% in July 2025, stable compared to June, according to Eurostat's flash estimate. To the extent that these numbers indicate some loss of momentum, it has yet to show up in the unemployment rate. In June 2025, unemployment in the euro area 6.2%, stable compared with May 2025 and down from 6.4% in June 2024. The EU unemployment rate was 5.9% in June 2025, also stable compared with May 2025 and down from 6.0% in June 2024.
- China's economy grew by 5.2% in Q2, beating most expectations and keeping the country on track to meet its full-year target of 5%. The property crisis seems to be bottoming after four years in the doldrums,

[1] As of August 18, 2025.

although property investment is down 12% over the first seven months of the year. Deflation and tariffs are likely to dampen growth somewhat in the second half of the year. Consumer price inflation was flat in July YoY, while producer prices contracted by 3.6%. Fixed asset investment from January to July was up 1.6 YoY, compared to 2.8% in June, emphasizing the importance of policy-backed industries that are still attracting substantial capital, even as overall investment momentum weakens. The scope for policy support exists but is limited, most notably by the rapid increase in government debt (Chart 12).

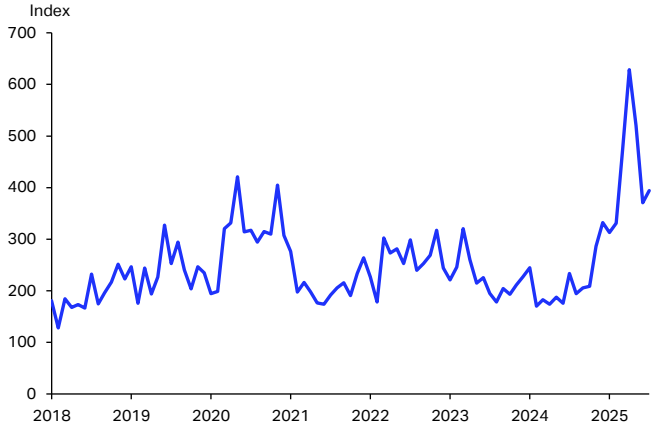
- Japan's economy might be a bit of an exception to the general deceleration in Q2 as its GDP expanded 0.3% quarter-on-quarter (QoQ) and 1.2% YoY, beating consensus forecasts. This outperformance can be explained mainly by net exports, which contributed 0.3 ppt to GDP, and which is quite remarkable given the global trade environment. This performance is unlikely to be sustainable into the year end, however. Nevertheless, Japan's core consumer price index remains above the central bank's target at 2.9% YoY in July, though down from 3.1% in June. The Bank of Japan is expected to revise its inflation forecast upwards at its next policy meeting.
- India's GDP expanded by 7.4% YoY in the first quarter of 2025, which corresponds to the final quarter of its Fiscal Year (FY) 2024-25. This was an acceleration from 6.4% in the previous quarter, supported by stronger activity in construction and manufacturing. The growth figure for Q2 (April–June 2025, or Q1 FY 2025-26) will be released on 29 August 2025. Meanwhile, headline inflation in July pulled back to 1.6% YoY, the lowest inflation rate since June 2017. It was greatly aided by lower food-price inflation, and while most welcome, it suggests some underlying loss of momentum in the economy and likely more accommodative policy action from the central bank going forward.
- Brazil will release its Q2 2025 GDP numbers around 2 September. In Q1, GDP grew by 3.8%, driven by the agricultural sector. However, there are signs of moderation in economic activity in Q2. Brazil's annual inflation rate slowed to 5.2% in July 2025, the lowest in five months and down from 5.4% in June. This likely means that the tightening cycle is mostly over. While an easing cycle could begin at the end of this year, the Selic rate will likely remain above the estimated neutral level of around 10%.

Chart 1: Global GDP growth, YoY, %



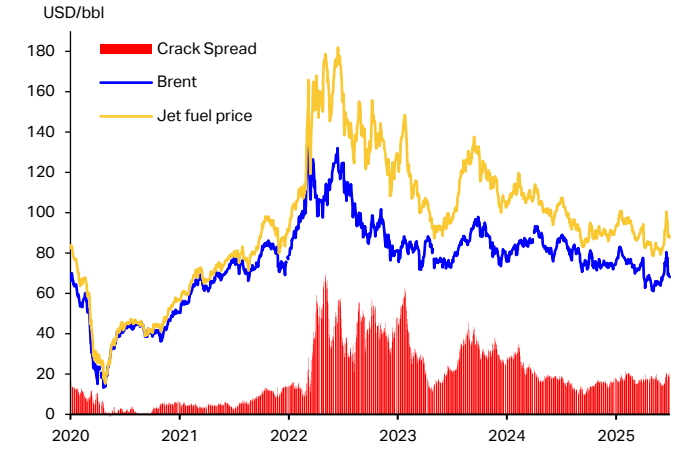
Source: IATA Sustainability and Economics, IMF

Chart 2: World economic policy uncertainty index



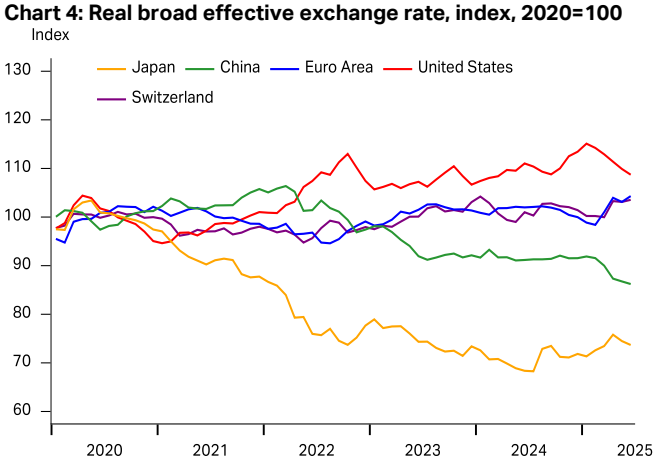
Source: IATA Sustainability and Economics, Economic Policy Uncertainty

Chart 3: Brent crude oil, jet fuel, and crack spread, USD per barrel



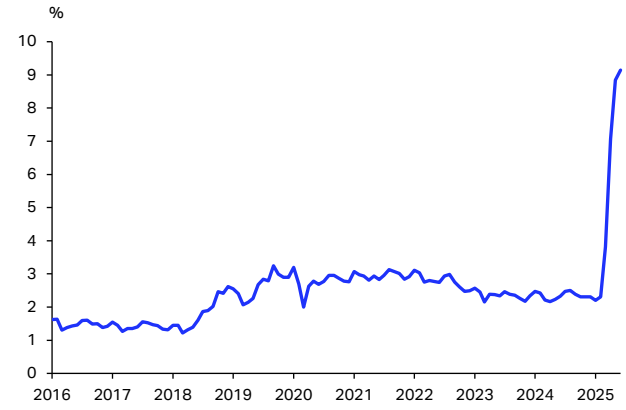
Source: IATA Sustainability and Economics, S&P Global Commodity Insight

Chart 4: Real broad effective exchange rate, index, 2020=100



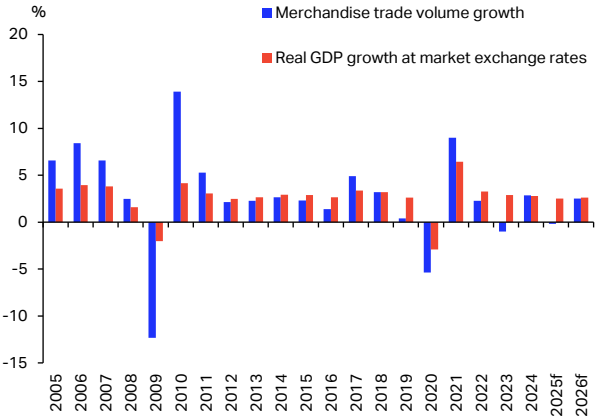
Source: IATA Sustainability and Economics, Macrobond

Chart 5: US effective tariff rate, %



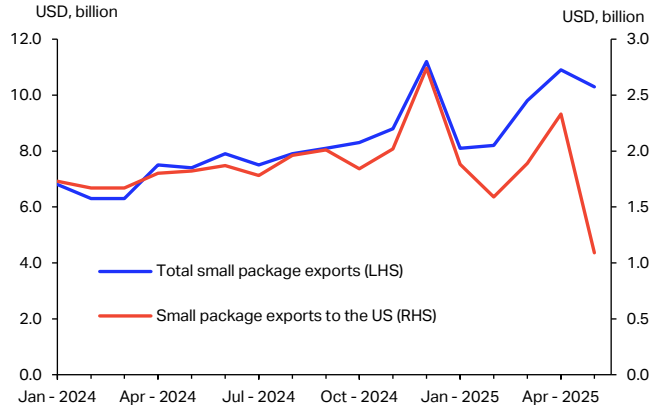
Source: IATA Sustainability and Economics, for goods exceeding USD 1 billion in 2024, Bloomberg

Chart 6: World merchandise trade volume and GDP growth, YoY, %



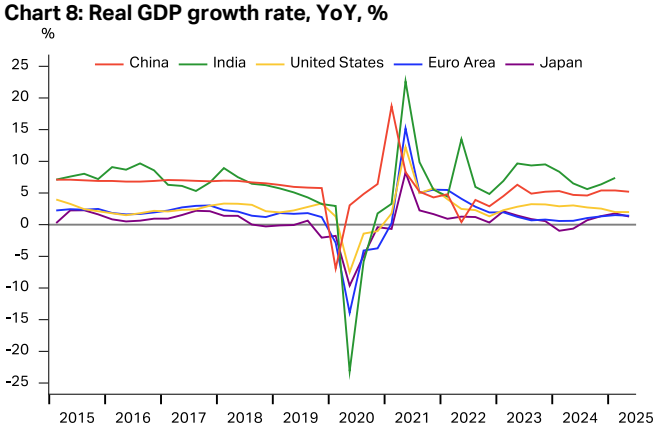
Source: IATA Sustainability and Economics, WTO, and IMF

Chart 7: Small package exports from China, USD billion



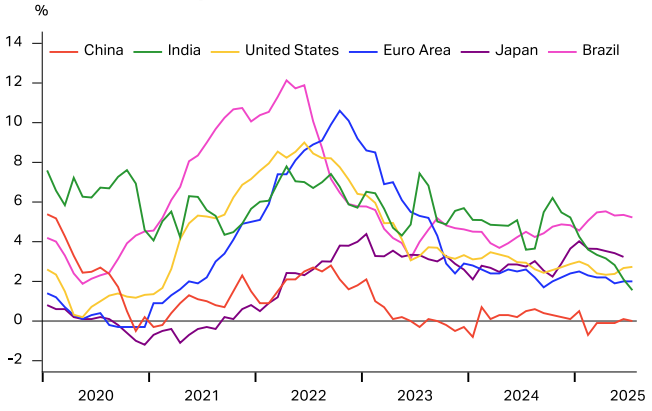
Source: IATA Sustainability and Economics, Bloomberg

Chart 8: Real GDP growth rate, YoY, %



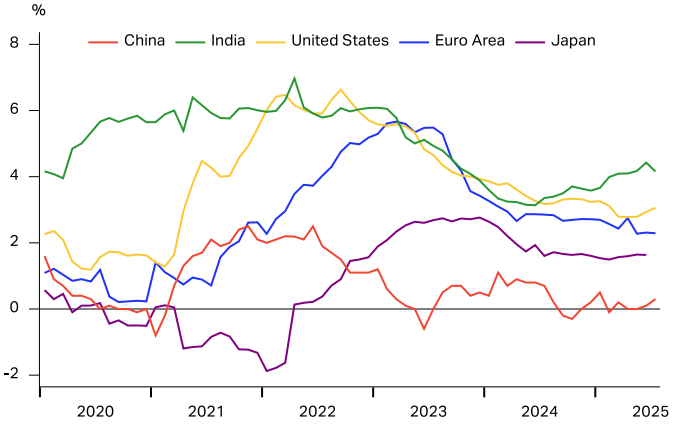
Source: IATA Sustainability and Economics, Macrobond

Chart 9: Consumer price inflation, major economies, YoY, %



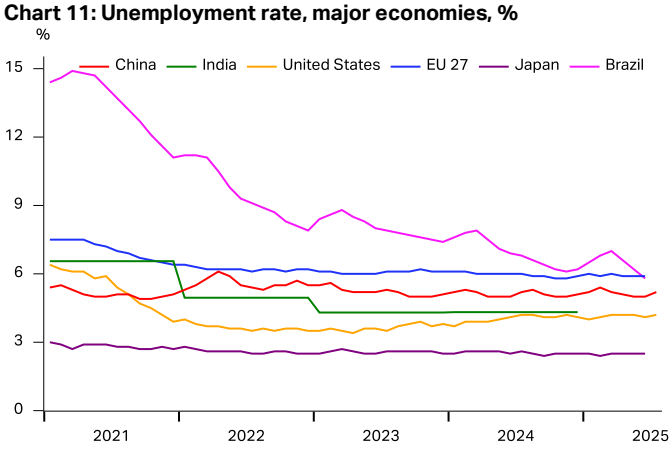
Source: IATA Sustainability and Economics, Macrobond

Chart 10: Core consumer price index, major economies, YoY, %



Source: IATA Sustainability and Economics, MacroBond

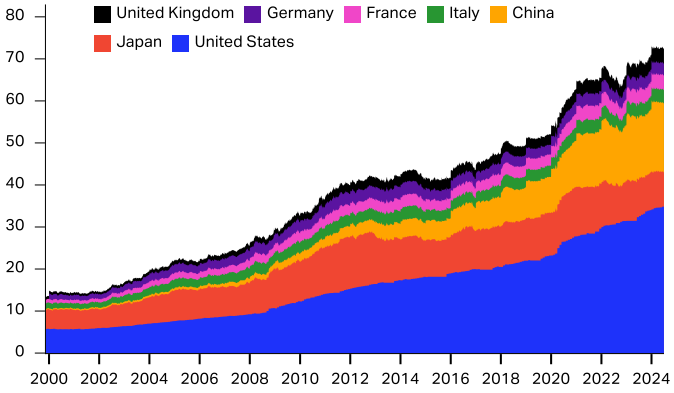
Chart 11: Unemployment rate, major economies, %



Source: IATA Sustainability and Economics, Macrobond

Chart 12: Public debt, selected economies, USD trillion

USD, trillion

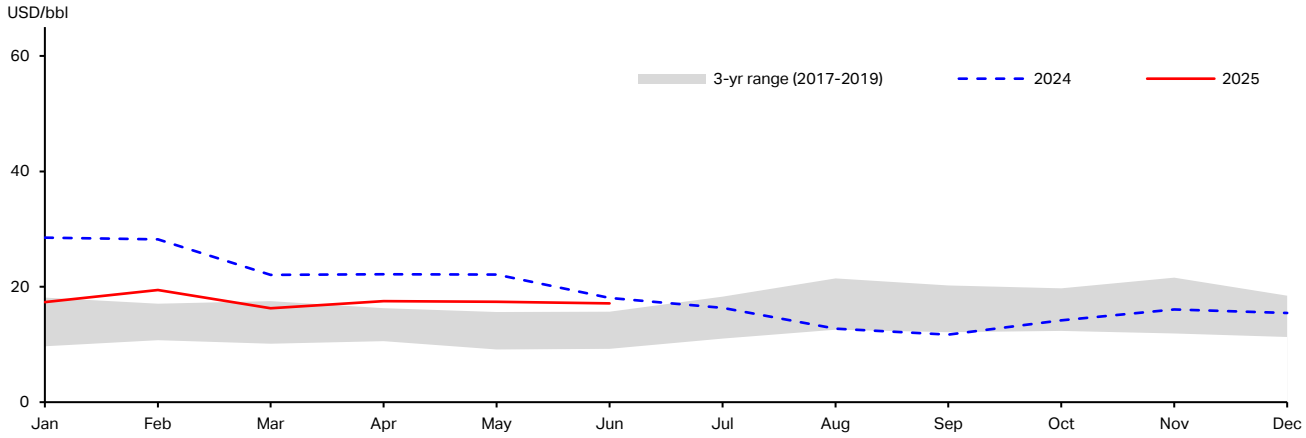


Source: IATA Sustainability and Economics, for goods exceeding USD 1 billion in 2024, Bloomberg, and IMF

2. Aviation fuel

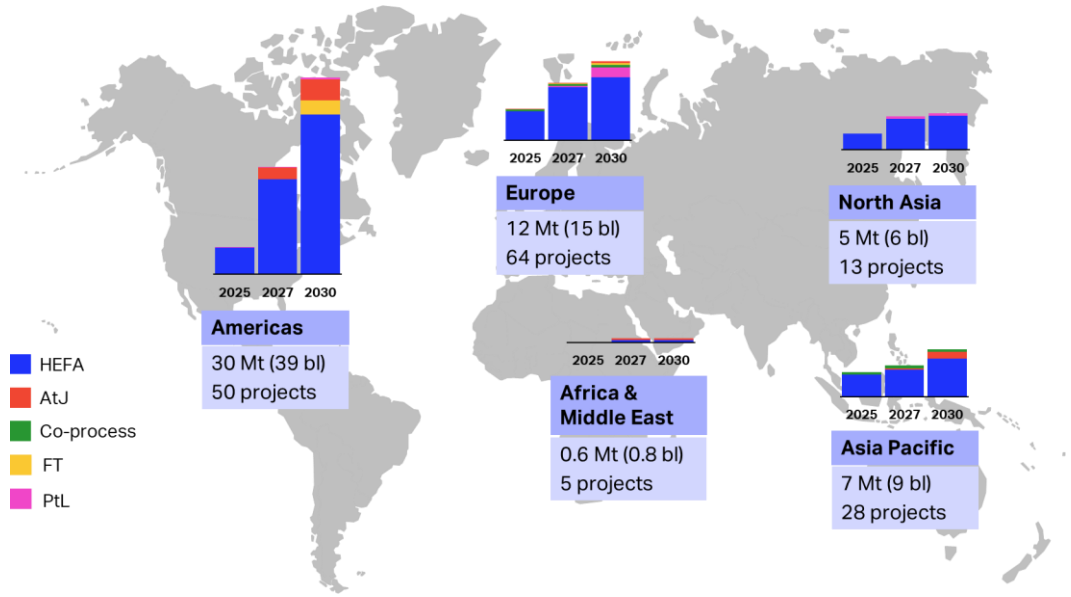
- Global crude oil prices declined in Q2 2025, averaging USD 67.9 per barrel, a decrease of USD 7.8 from Q1, amid ample supply (Chart 3). A key driver was the unwinding of 2.2 million barrels per day of voluntary production cuts by OPEC+ member countries, and further production increases could be delivered at the 7 September meeting. Demand slowed in Q2, with the IEA cutting its forecast again as they note that Japan's demand hit multidecade lows, alongside lower-than-expected demand growth in China, Brazil, India and Egypt. An ever-more over-supplied oil market could of course spell still lower oil prices into the year-end.
- The jet fuel crack spread consistently exceeded pre-pandemic levels in Q2, underpinned by low diesel inventories in the US and Europe, which incentivized refiners to prioritize diesel output over jet fuel. The jet fuel crack spread averaged USD 17.3 per barrel in Q2 (Chart 13). Several refinery closures in the US and Europe tightened regional refined product supply, supporting global refining margins, but pointing to potential supply issues going forward regarding both fossil-based jet fuel as well as SAF.
- IATA forecasts that SAF production will reach approximately 2 Mt by 2025, representing 0.7% of this year's total jet fuel consumption. This assessment factors in new SAF announcements made during the Q2 period, bringing the total number of SAF projects to over 300, of which 160 are considered operational or progressing toward SAF production by 2030. These projects span 40 countries and have an aggregated renewable fuel capacity of approximately 55 Mt (Chart 14).
- Significant progress was made in Q2 2025 in scaling up Power-to-Liquid (PtL) SAF production. Construction began on the first commercial-scale PtL plant in the United States, with an announced capacity of approximately 20 kt. The facility is expected to begin operations in 2027. Furthermore, in June, the world's largest pilot-scale PtL facility started producing SAF in Europe, with a plant capacity of 2.5 kt. These key developments come just months before several other projects must reach Final Investment Decision (FID) to ensure sufficient volumes are available to meet the upcoming UK and EU eSAF sub-mandates entering into force in 2028 and 2030, respectively.
- In Q2, 10 SAF purchase agreements were publicly announced, bringing the total number of deals signed since 2013 to 170 (Chart 15). As of June 2025, more than 80 airlines worldwide are actively supporting the net zero transition by signing SAF uplift agreements. The focus remains on the more technologically established and readily available HEFA-based fuels. However, there is growing interest in diversifying feedstocks and scaling alternative technologies, namely PtL, Alcohol-to-Jet (AtJ), and Fischer-Tropsch (FT).

Chart 13: Jet fuel crack spread (global jet fuel price minus dated Brent), USD per barrel



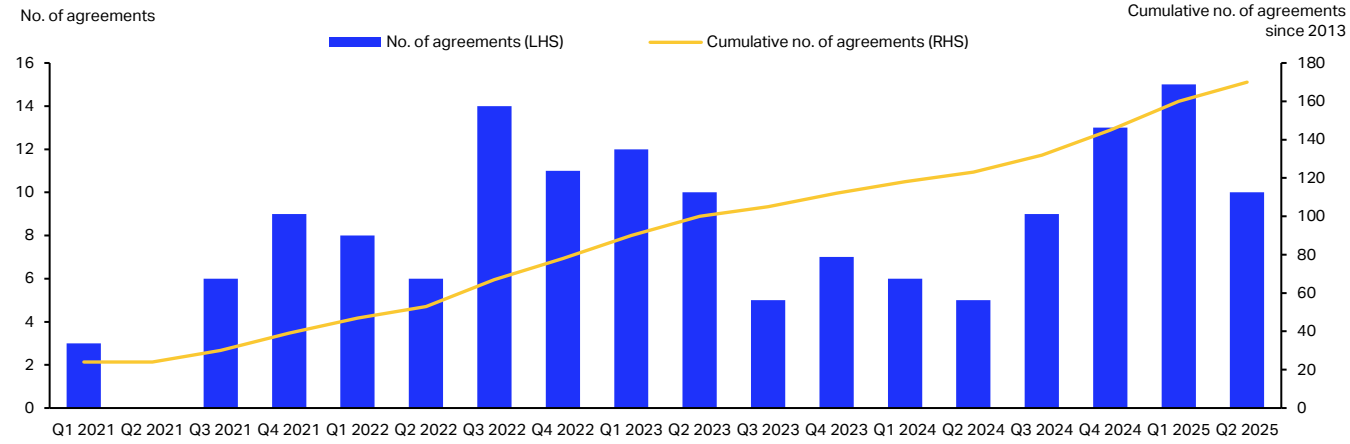
Source: IATA Sustainability and Economics using data from S&P Global Commodity Insight

Chart 14: Projects and SAF pathways to 2030, million tonnes



Source: IATA Sustainability and Economics

Chart 15: First SAF commitment per airline, and cumulative number of announcements



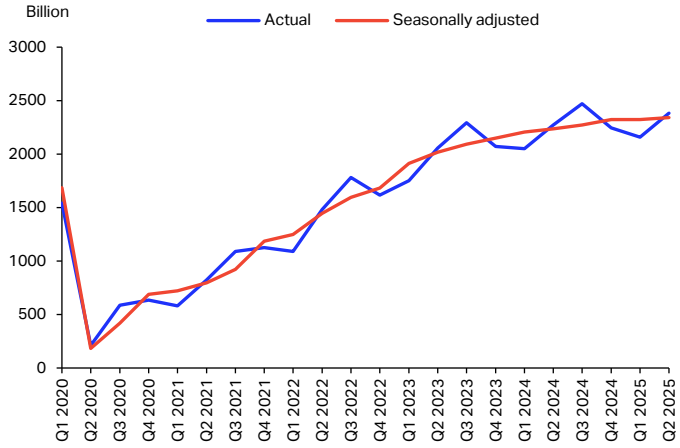
Source: IATA Sustainability and Economics

3. Passenger and cargo traffic

3.1. Passenger traffic

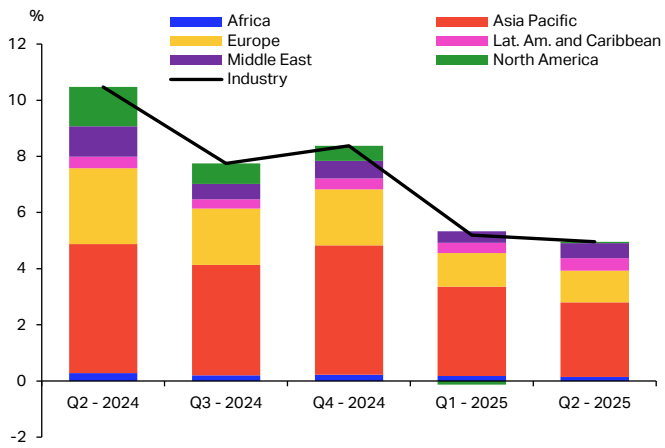
- Passenger traffic grew 4.9% YoY in Q2 2025, reaching 2.4 trillion Revenue Passenger Kilometers (RPK) (Chart 16). Seasonally adjusted quarter-on-quarter (QoQ) growth slowed to 0.7%, marking the second consecutive quarter growing less than 1% and falling short of the 2024 average of 2% QoQ. International traffic grew 6.5% YoY, with over 6% gains in both business and economy classes, and outpacing the 2.4% YoY rise in domestic traffic. Capacity, measured in Available Seat Kilometers (ASK), climbed 4.8% YoY, slightly lagging demand and lifting the average Passenger Load Factor (PLF) by 0.1 ppt to 83.8%. For Q3 2025, global seat capacity is set to expand 2.6% YoY.
- Asia Pacific airlines are the biggest contributor to global RPK growth, accounting for over half of the increase in Q2 (Chart 17). Passenger traffic rose 8.3% YoY, supported by a 6.6% expansion in capacity (Chart 18). PLF improved 1.4 ppt YoY to 83.8%. Growth was strong across both international and domestic markets. International RPK increased 11.7% YoY, the highest of all regions (Chart 19), driven mainly by the 11.9% YoY growth in premium economy and economy cabins. In domestic markets, China and India, now the second and third largest domestic markets after the US, posted solid gains of 6.0% and 6.6% YoY, respectively (Chart 20). Japan and Australia saw slower growth, both under 3%. The seat capacity provided to depart from the region looks set to rise 3.3% YoY in Q3 (Chart 21).
- European carriers were the second largest contributor to overall traffic growth, with passenger traffic up 4.0% YoY. International traffic carried by European airlines gained 4.7% YoY, with a subdued 0.9% YoY expansion in business-class travellers, and a more buoyant fillip to economy travel of 5.0%. Domestic traffic in Europe declined 1.4% YoY, the weakest domestic performance across all regions. The total number of seats originating from the region in Q3 is scheduled to increase by 3.2% YoY.
- Passenger traffic carried by Middle Eastern airlines rose 5.7% YoY in Q2 2025, keeping them as the third largest contributor to global traffic growth since surpassing North American carriers in late 2024. Capacity grew 5.0% YoY, and PLF rose 0.6 ppt to 80.7%. International RPK added 5.6% YoY, boosted by an 8.8% surge in the business-class travel, compared to 5.3% regarding economy. Seat capacity is projected to expand by 4.7% YoY in Q3.
- Latin American and Caribbean airlines recorded the fastest passenger traffic growth globally, overtaking Asia Pacific carriers for the first time with a 9.0% YoY increase. Domestic traffic surged by 15.3% YoY, mostly thanks to Brazil, and international traffic climbed 10.5%. Demand for business-class travel jumped 16.1% YoY regarding international segments, compared to a 10.1% rise in the economy class. The increase in scheduled seats from the region will likely slow to 3.0% YoY in Q3, down from 4.7% YoY growth in Q2 2025.
- North American airlines posted relatively weaker performance in Q2 with passenger traffic inching up just 0.2% YoY in Q2 2025. The main drag was a 0.6% YoY decline in the US domestic market, marking the second consecutive quarter of YoY contraction. International traffic carried by North American airlines rose modestly by 1.5% YoY, the slowest growth across all regions. Economy-class travel only gained 0.7% YoY, while demand for business-class tickets remained buoyant, adding 6.4%. Looking ahead, total seats departing from the North America region are scheduled to rise only 0.9% YoY in Q3, down from 2.1% in Q2.
- The passenger traffic carried by African airlines grew by 6.7% YoY in Q2 2025. The growth mostly came from the international market, which added 6.6% YoY, boosted by a strong 12.5% surge in business-class passengers. Demand for economy-class travel was still robust at 6.2% YoY. Scheduled seat capacity from the region is projected to expand by 5.7% YoY in Q3, which would be the fastest expansion among all regions.

Chart 16: Industry total RPK, billion



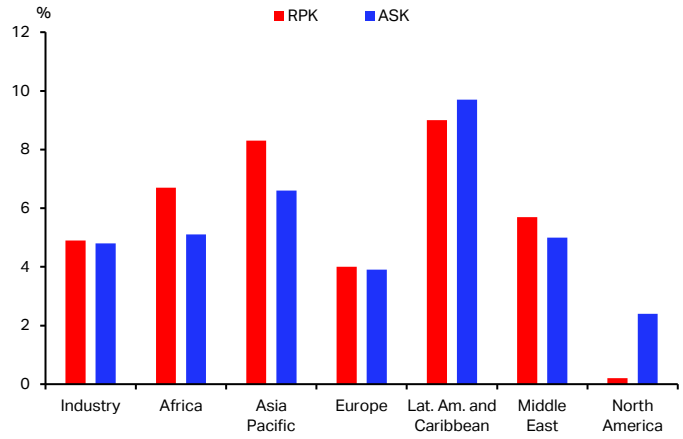
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 17: Regional contribution to industry annual RPK growth



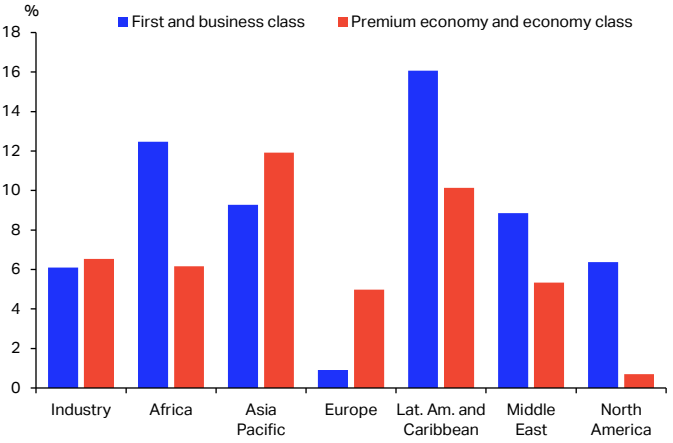
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 18: Total RPK and ASK by airline region of registration, YoY, %



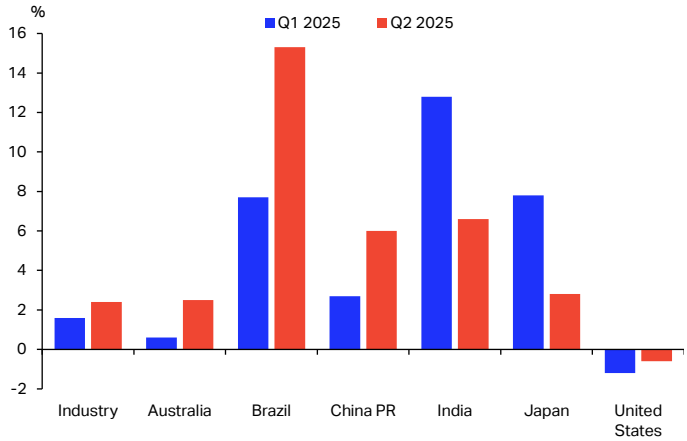
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 19: International RPK by cabin class and airline region of registration, YoY, %



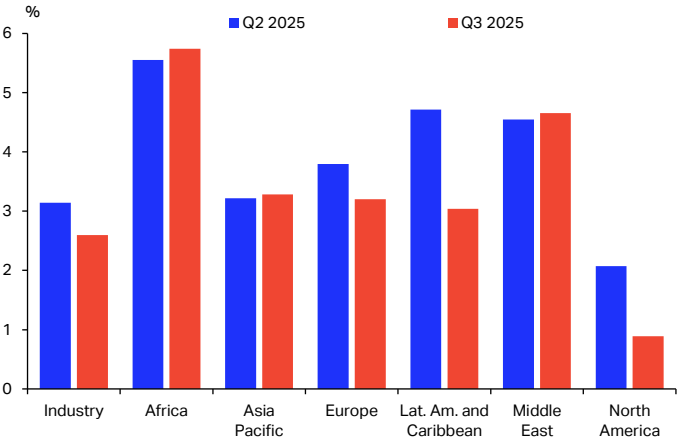
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 20: Domestic RPK growth by country market, YoY, %



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

Chart 21: Scheduled seats by region of departure, YoY, %

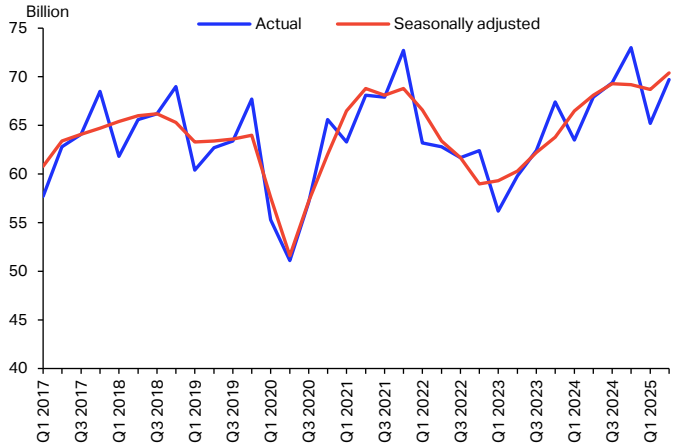


Source: IATA Sustainability and Economics using data from OAG

3.2. Cargo traffic

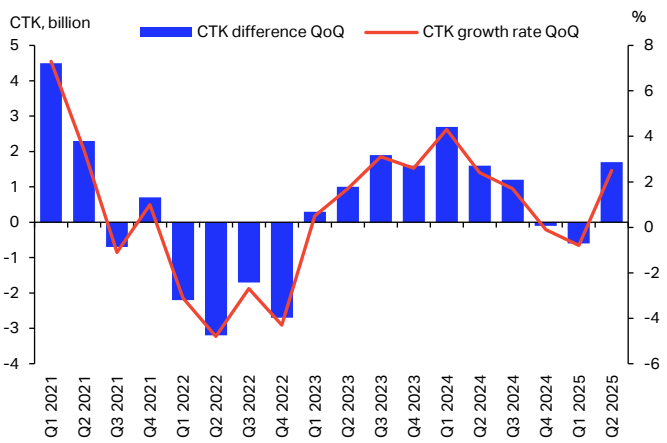
- Air cargo demand rose 2.8% YoY in Q2 2025, reaching an all-time high in Q2 since 2017, at 69.7 billion CTK (Chart 22). This marks the eighth straight quarter of YoY gains, though the momentum has been softening since mid-2024. The slowdown is mainly linked to airspace disruptions in the Middle East region and heightened uncertainty in global trade following changes to US trade policy. Part of the Q2 growth was supported by front-loading that began in February and extended into April. Seasonally adjusted CTKs gained 2.5% QoQ, equivalent to an additional 1.7 billion CTK from Q1 (Chart 23).
- International air cargo traffic hit 61.4 billion CTK in Q2 2025, up 3.5% YoY, completing the eighth consecutive quarter of YoY growth (Chart 24). Growth has been uneven across regions. Asia Pacific carriers led with a 9.0% YoY rise, and Latin American airlines followed at around 6.6%. CTKs flown by airlines from Europe and Africa posted more modest gains of 1.7% and 1.2%, respectively. The escalating geopolitical tensions led to unexpected airspace restrictions over Iran, Iraq, Israel, Jordan, and Lebanon, prompting airlines to reroute or suspend operations. Despite the difficult situation, the Middle Eastern airlines' international air cargo traffic expanded by 0.9% YoY, as opposed to the contraction seen in Q1. International cargo traffic carried by North America airlines dropped 1.8% YoY, down 9.2 ppt from the growth rate recorded in Q1.
- Air cargo capacity measured in available tonne-kilometers (ACTK) rose 2.9% YoY in Q2, the tenth consecutive quarterly such gain, and bringing cargo capacity to the highest level in history (Chart 25). All regions' airlines added capacity from last year except those based in North America, which contracted by 0.1% YoY. Airlines based in Europe expanded capacity the most at 6.3%, followed by airlines in the Middle East at 5.6%, Asia Pacific and Africa each at 5.4%, and in Latin America and the Caribbean a marginal 0.8% was added.
- The average cargo load factor (CLF), which measures the percentage of available cargo space that was actually used, reached 45.9% after seasonal adjustment (Chart 26), equal to an uptick of 0.1 ppt YoY. Dedicated freighters operating on international routes filled on average 64.0% of their capacity, down 1.8 ppt YoY, mainly because of the contraction on the Asia-North America corridor, where a majority of such aircraft operate. Cargo carried in the belly holds of passenger planes filled 39.4% of their capacity, showing a modest 2.0% YoY improvement.
- Shippers advanced deliveries to mitigate the impact of impending US tariffs, while cargo traffic adapted by rerouting. The shift in manufacturing and business operations from China to other Asian countries, for example, supported intra-Asia traffic and boosted CLF in this market more than two ppt YoY. The trans-Atlantic route also recorded efficiency gains, though from a relatively low base. All other routes saw YoY declines in CLF, with Asia's connections to Europe, North America, and the Middle East falling by one to two ppt, and Europe-Middle East routes dropping by more than four ppt (Chart 27).

Chart 22: Industry CTK, billion



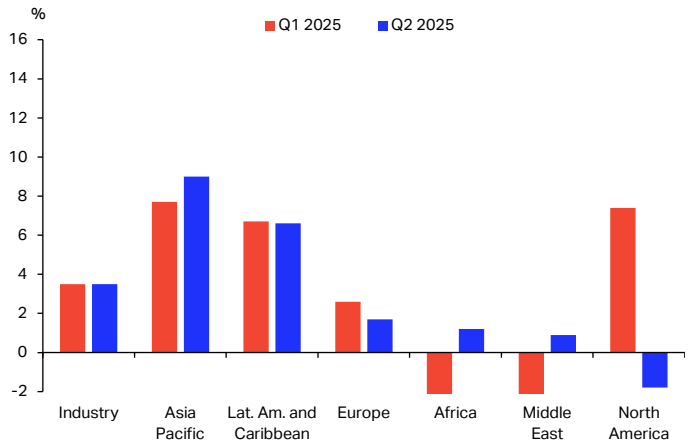
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 23: Industry CTK, seasonally adjusted, QoQ



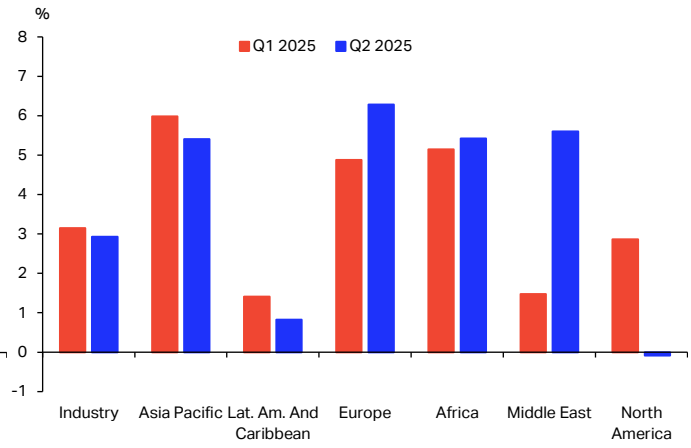
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 24: International CTK by airline region of registration, YoY, %



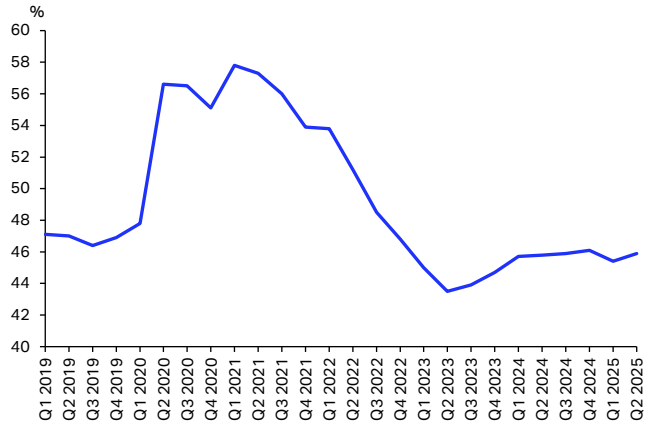
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 25: Industry ACTK by airline region of registration, YoY, %



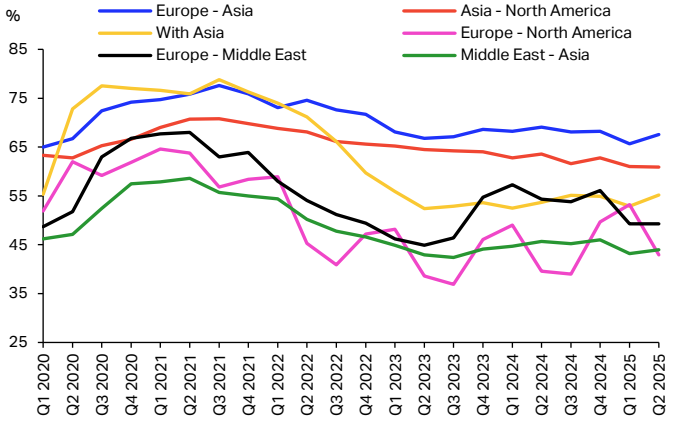
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 26: Industry cargo load factor, seasonally adjusted, %



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

Chart 27: International cargo load factor by major route area, % of ACTK



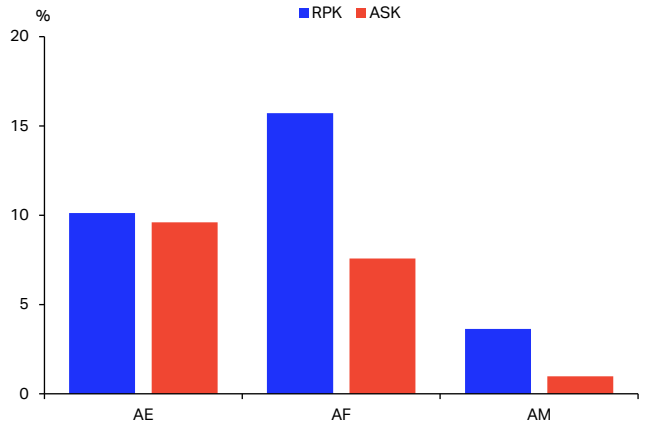
Source: IATA Sustainability and Economics using data from IATA Information and Data

4. Regional performance

4.1. Africa

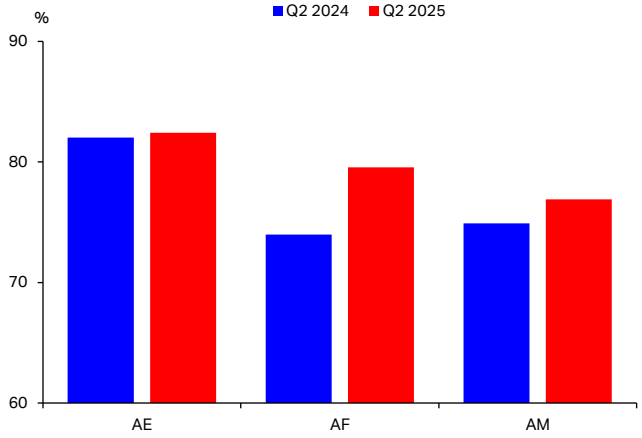
- African airlines transported 6.7% more passengers YoY in Q2 2025, outpacing the industry average of 4.9%. Seat supply expanded by 5.1%, lifting the PLF by 1.2 ppt to 75.2%. Despite the improvement, PLF for African carriers continued to trail the averages on key international routes serving the continent.
- The Africa-Asia corridor exhibited the sharpest demand growth, with RPK climbing 15.7% YoY (Chart 28). Capacity rose by a more restrained 7.6%, propelling the average PLF to 79.6%, up 6 ppt (Chart 29). Africa-Europe routes achieved the highest PLF at 82.4%, supported by a balanced 10% YoY increase in both passenger traffic and seat capacity. The Africa-Middle East market delivered a more moderate performance, with demand edging up 3.6% against a 1.0% capacity gain, resulting in the PLF adding 2 ppt to 76.9% in Q2 2025.
- Cargo traffic carried by African airlines lagged the global industry average in Q2 2025, growing only 1.2% YoY despite a 5.7% YoY expansion in capacity. As a result, the CLF for African carriers averaged 41.8% thas quarter, below the global average of 44.8% for the quarter. Cargo demand on Africa-Asia routes contracted by 9.6% YoY, because of the base effect, having surged nearly 40% in Q2 2024 (Chart 30). Cargo traffic between Africa and Europe also slipped by 1.4% with minimum change in capacity. The only bright spot was the Africa-Middle East corridor, where cargo demand expanded by 15.6% YoY, and available capacity was up by 13.5%.
- Passenger flows from Africa to its top destinations strengthened in the second quarter compared with the same period in 2024, except for a slight 2.8% dip to Saudi Arabia, mostly driven by double-digit contractions recorded in volumes from both Morocco and Algeria. All other destinations recorded higher inflows from Africa. France and UK advanced 6.0% and 8.3% YoY respectively, while along with Saudi Arabia they remained the top three destinations for African travellers (Chart 31). Germany and UAE each welcomed approximately 11% more African visitors during the quarter. The Southern European markets of Italy and Spain recorded the most pronounced gains, both exceeding 20% YoY. Flows from Africa to the US, Türkiye, and Belgium also increased.
- Egypt to Saudi Arabia led with the largest passenger flows among all country pairs serving Africa (Chart 32). More than three million passengers flew between the two countries during Q2 2025, up 0.9% YoY. The connection between Morocco and France ranks second in volume, posting a 4.2% uplift, followed by Algeria-France in third, where traffic advanced by 13.6%. Egypt-Italy recorded the most pronounced surge, with passenger volume soaring by 40.5% YoY. The Egypt-UK corridor also expanded significantly, gaining 23.6%, followed closely by Egypt-Germany at 22.1%. Morocco and Spain, lying at the shortest distance between Europe and Africa, registered more than one million passengers after a 20.6% upswing. Other major connections also recorded notable improvements. Passenger traffic between the Morocco and UK climbed by 16.8%, and the Egypt-UAE route advanced by 7.8%.
- Looking ahead to the third quarter, scheduled passenger seat capacity in Africa's ten largest aviation markets appears set to diverge. Tanzania is projected to expand capacity the most, by 18.8%, followed by South Africa at 12.6% and Kenya at 10.9% (Chart 33). Algeria's scheduled capacity is expected to expand by 9.4%, while Egypt, Morocco, and Ethiopia are each anticipated to post gains of roughly 5%. Capacity in Tunisia and Ghana will remain broadly unchanged. Nigeria, by contrast, is projected to experience a significant contraction of 14.2%.

Chart 28: Africa, international air passenger traffic and seat capacity by route area, YoY, %



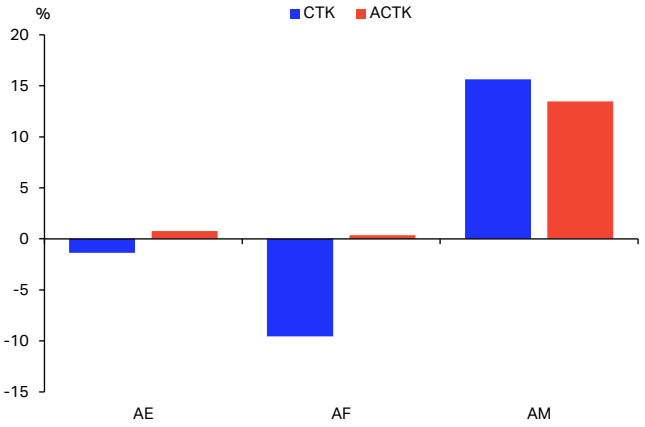
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 29: Africa, air passenger load factor by route area, % of ASK



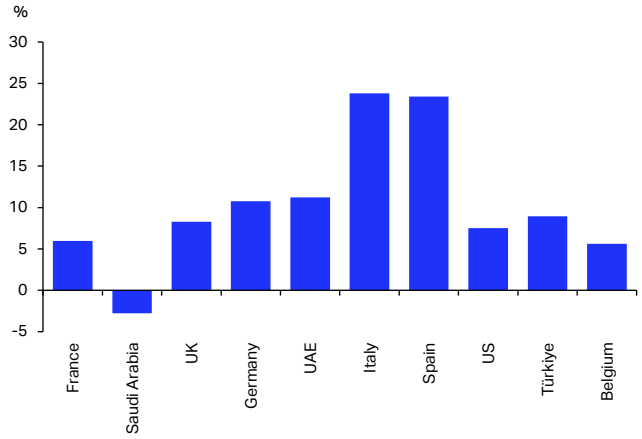
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 30: Africa, international air cargo traffic and capacity by route area, YoY, %



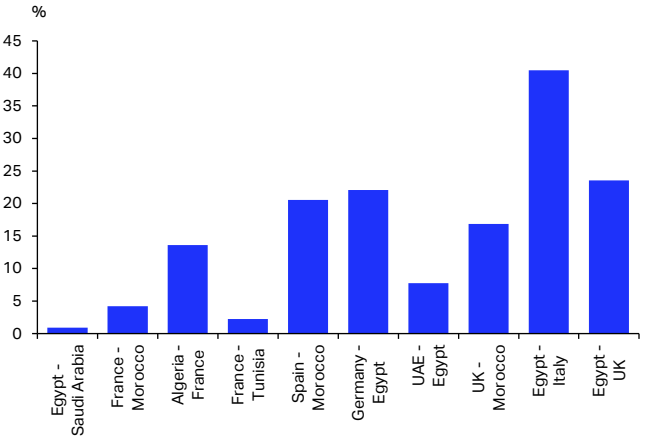
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



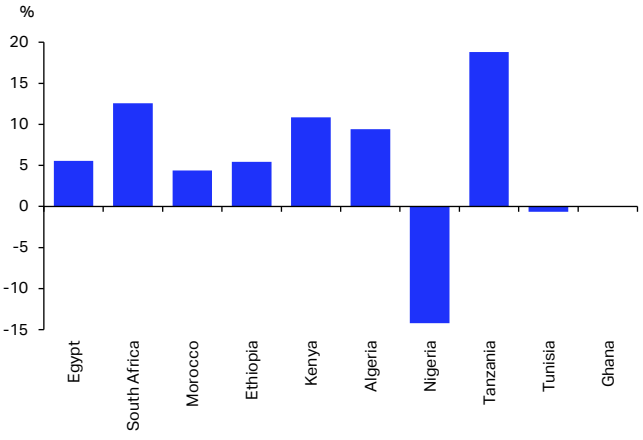
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 32: The number of passengers travelling 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 33: Africa, air passenger seats capacity scheduled for Q3 2025, YoY, %



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

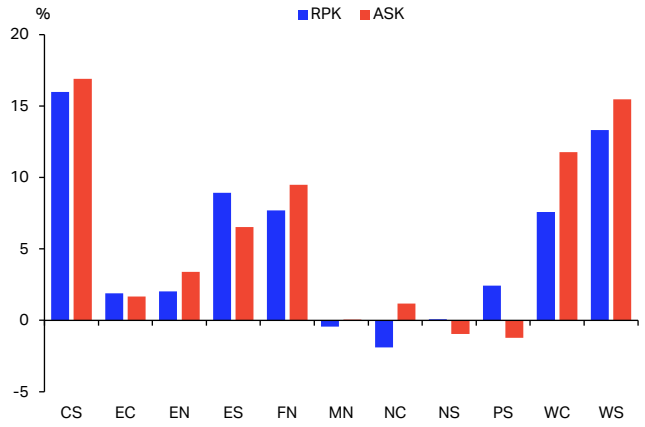
	Share of Industry RPKs in 2024	Q2 2025, % *YoY*				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	***100***	**4.9**	**4.8**	**2.8**	**2.9**	**83.8**	**44.8**
Africa[2]	*2.2*	6.7	5.1	1.2	5.7	75.2	41.8

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

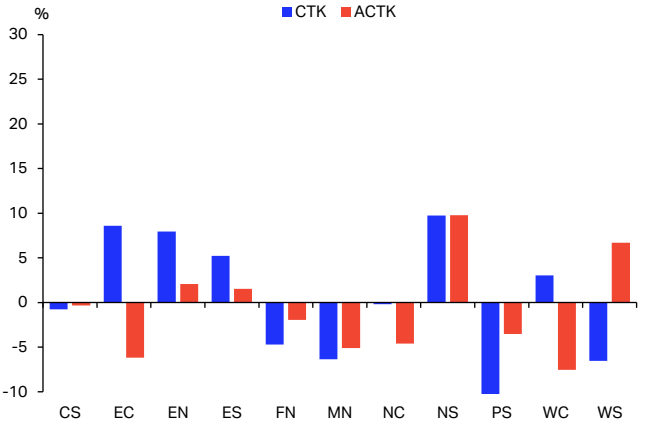
- Latin American and Caribbean airlines outperformed the global industry average in terms of traffic growth during Q2 2025. Passenger traffic rose 9.0% YoY, compared to the global average of 4.9%. Seat capacity growth of 9.7% outstripped demand, resulting in a lower PLF at 82.4%. In contrast, North American carriers are facing a tougher situation with demand barely increasing at 0.2% YoY and seat capacity outpacing passenger growth by 2.2 ppt. Nevertheless, the PLF, at 83.9%, is 0.1 ppt above the industry average.
- Both passenger traffic and capacity expanded on most international most routes. The best-performing route in Q2 2025 was between Central America / Caribbean and South America, where passenger demand surged by 16.0% YoY and capacity by 16.9% YoY. This is a result of the considerable growth in traffic from Peru, Argentina, and Colombia to the main markets in Central America and the Caribbean. Passenger traffic within South America also grew remarkably at 13.3% YoY, met by a 15.5% YoY capacity increase, driven mainly by Brazil's strong performance, Peru's recovery led by the new LIM airport, and Argentina's positive market evolution. The transatlantic corridor, the busiest international pathway serving the Americas, showed a moderate 2.0% YoY increase in demand in Q2 2025, accompanied by a capacity expansion of 3.4% YoY. Routes from North America to the Middle East and Central America, on the other hand, decreases by 0.4% and 1.9% YoY, respectively (Chart 34).
- Cargo flows have been weakening. Traffic contracted on routes from North America to the Middle East and Asia by 6.3% and 4.7% YoY, respectively (Chart 35). On the other hand, CTKs from North America to Europe and South America increased by 8.0% and 9.7% YoY respectively. Carriers have adjusted capacity to the waning cargo demand trend to assure an efficient service.
- Passenger traffic on routes from North America were up in Q2 2025, except to Germany which fell by 7.8% YoY. The Dominican Republic, Puerto Rico, and India saw traffic from North America increase by just under 3% YoY, while the UK was essentially flat. In contrast, passengers flying to France, Mexico, and Spain showed solid growth, increasing 6.0%, 6.9% and 7.8% YoY, respectively. Italy expanded even faster, at 11.6% YoY. Non-traditional markets such as Japan continued to be the fastest-growing destinations of all, adding an impressive 23.3% YoY (Chart 36).
- Traffic from Latin America to Canada shrank 3.0% YoY, while to the US rose a modest 0.9% (Chart 37). The connection between Latin America and Europe remained strong, evidenced by a 10.1% YoY increase in passengers travelling from Latin America to Italy and a 7.6% rise in Spain. Traffic to Portugal also added a solid 5.3% from the previous year, while France mustered a more feeble 1.4% increase. The UK, the Netherlands, Germany, and Switzerland all reported reductions in incoming Latin American travelers in Q2, down by numbers ranging from 1% to 4% YoY.
- Short- and medium-haul travel is an important feature of the Americas supported by regional integration efforts. The region hosts two major domestic markets, the US and Brazil, as well as mid-sized ones such as Mexico and Colombia. The three busiest city pairs were all domestic routes within Brazil, Mexico, and Colombia, respectively, and each experienced a contraction in traffic in Q2 2025 (Chart 38). The Rio de Janeiro-São Paulo corridor, the region's most heavily traveled route and the only one surpassing one million passengers, saw a 3.1% YoY decline. Passenger volumes between Cancun and Mexico City receded by 1.5%, while traffic on the Bogotá-Medellín route dropped by 11.7%.
- By contrast, travel between Porto Alegre and São Paulo more than doubled from last year, reflecting a sharp rebound following severe flooding in Rio Grande do Sul that had previously disrupted local travel, including through Porto Alegre. Traffic also expanded by 23.0% between Mexico City and Monterrey, and by 15.0% on the transcontinental route linking Los Angeles and New York. More restrained, single-digit advances were observed on routes connecting Cuzco and Lima, Chicago and New York, and New York and Orlando.
- Planned airline seat capacity for Q3 2025 shows mixed growth trends across the region (Chart 39). Peru and Panama are projected to lead with double-digit increases. Argentina continues to benefit from the implementation of the "Open Skies" policy, resulting in an 7.6% YoY increase in scheduled seat capacity. Mexico, Colombia, Chile, and the Dominican Republic are expected to post single-digit growth. In North America, little additional seat capacity is planned in the US in Q3, while Canada is expected to reduce capacity by 5.4% YoY.

Chart 34: Americas, international air passenger traffic and seat capacity by route area, YoY, %



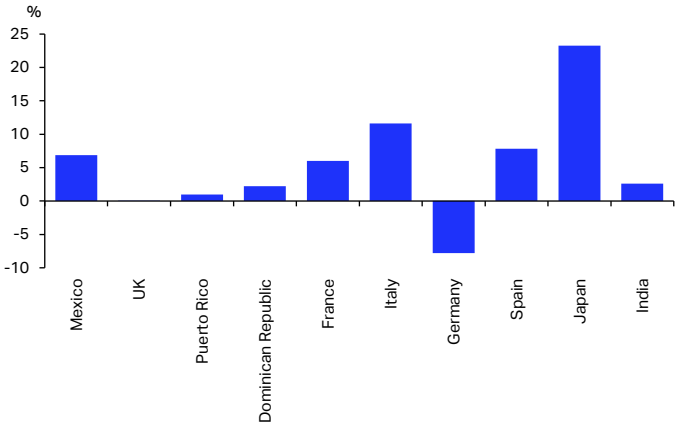
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 35: Americas, international air cargo traffic and capacity by route area, YoY, %



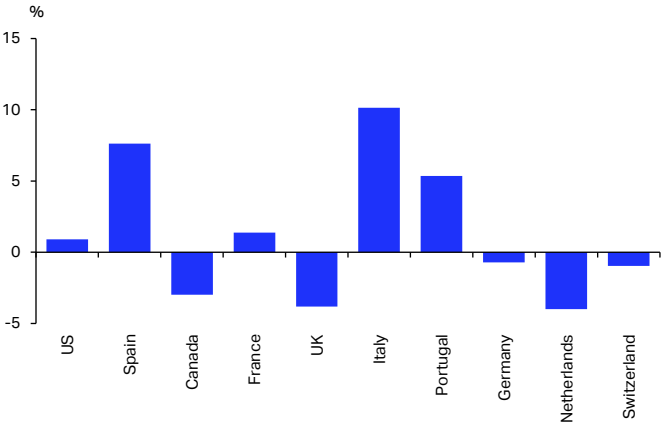
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 36: Traffic from North America to its top 10 destinations by market size, YoY, %



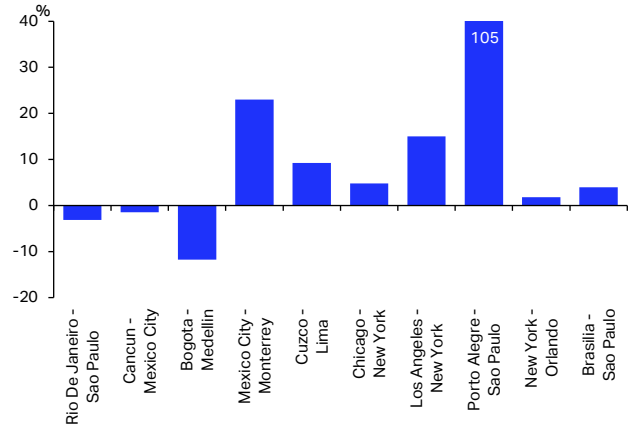
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



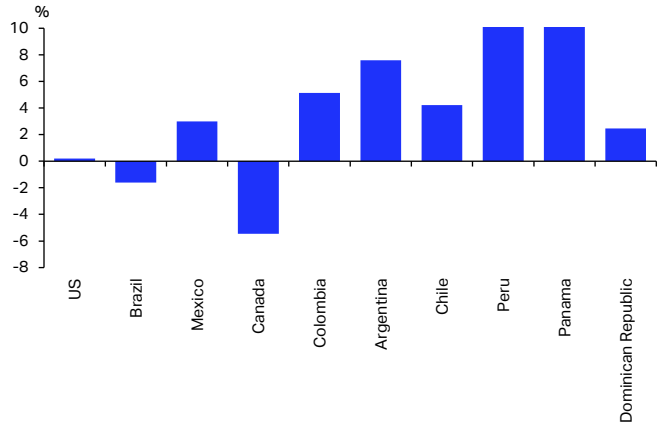
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 38: The number of passengers travelling 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 39: Americas, air passenger seats capacity scheduled for Q3 2025, YoY, %



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

	Share of Industry RPKs in 2024	Q2 2025, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	***100***	**4.9**	**4.8**	**2.8**	**2.9**	**83.8**	**44.8**
North America[2]	*22.9*	0.2	2.4	-3.9	-2.8	83.9	38.9
Latin America[2]	*5.3*	9.0	9.7	5.6	3.7	82.4	37.2

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

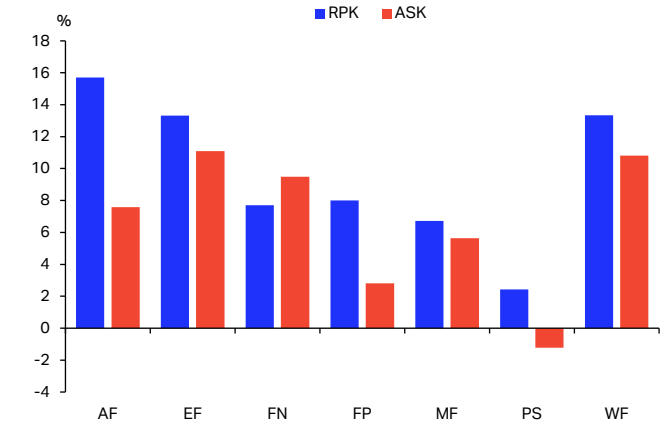
Notes:

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

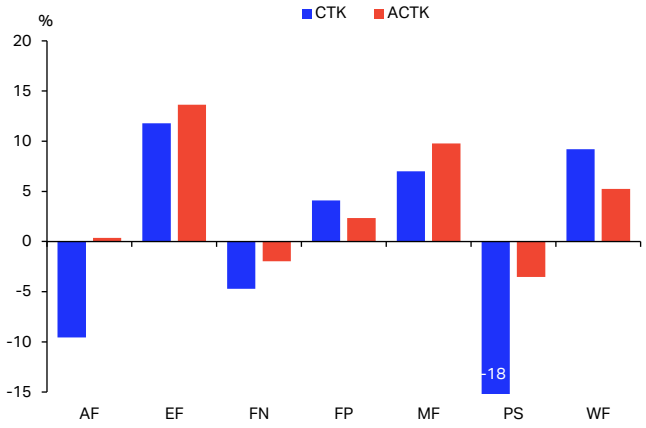
- Carriers in the Asia Pacific region posted strong gains across both international and domestic markets in Q2 2025. All major route areas serving the region saw demand growth surpassing the industry average, except the Americas-Southwest Pacific route, which traffic grew more modestly at 2.4%, accompanied by a slight decline in capacity. The two largest passenger traffic route areas, within Asia and between Asia and Europe, both added 13.3% YoY (Chart 40).
- Across most routes, demand outpaced capacity and led to improved PLF. The only exception were the routes between Asia and North America, where capacity growth exceeded that in demand by just over 1 ppt, and the load factor slipped to 85.1% in Q2. Nonetheless, this is still the highest load factor of all Asia Pacific routes.
- Cargo traffic between Asia and North America, the busiest trade corridor in the world, declined by 4.7% (Chart 41). In contrast, traffic between Asia and Europe surged by 11.8%, the fastest expansion among all Asia Pacific routes. This divergence stems largely from transshipment strategies in response to the new US trade policy, and it narrowed the cargo traffic gap between Asia-Europe and Asia-North America to just a quarter billion CTK. This is the closest the two markets have been in size since cargo traffic in Asia-North America surpassed that in Asia-Europe more than a decade ago. Intra-Asia Pacific cargo traffic rose 9.2% YoY, while traffic between Asia and the Middle East increased by 7.0%. The most significant decline was observed on routes between the Southwest Pacific and the Americas, which fell 17.7%, followed by a 9.6% decrease on routes between Asia and Africa.
- Outbound traffic from the Asia Pacific region posted solid growth in Q2 2025 (Chart 42). The US remained the top destination, with passenger volumes from the region advancing 8.1% YoY, underpinned by a surge from Japan of 22.4% and an uplift from China of 10.1%. The UAE emerged as the second most popular destination for Asia Pacific travelers, with traffic up 13.5%. Other destinations with double-digit gains include France, Italy, and Qatar. In contrast, the number of passengers from Asia Pacific travelling to Saudi Arabia and Türkiye grew more moderately by less than 2% YoY.
- International outbound travel from mainland China continued its steady growth in Q2 2025 (Chart 43). The number of passengers from China to North America increased by 17.6% YoY, while all other regions received over 20% more travelers from China. In Q2, Asia remained the largest international market for Chinese travelers, accounting for over three-quarters of outbound traffic and growing 21.6%. Europe followed as the second-largest market, up 20.5% YoY. The Middle East added 21.5%, while Latin America and the Caribbean, though still a small market due to geographic distance, gained the most at nearly 30% YoY.
- The world's nine busiest city pairs by air passenger traffic are all located within the Asia Pacific region. Jeju-Seoul is the most heavily traveled route, with 3.3 million passengers flying between the two cities in Q2 2025, despite a 5.2% YoY reduction (Chart 44). Sapporo-Tokyo ranked second after a 3.2% shrinking in passengers flows. The Fukuoka-Tokyo corridor is the third busiest and expanded by 2.7% in passenger volume. The sharpest uplift occurred on the Shanghai-Shenzhen route, where 17.4% more passengers traveled YoY. Passenger volumes also climbed on the Beijing-Shanghai and Guangzhou-Shanghai corridors, with respective YoY gains of 7.2% and 7.9%. The number of passengers flying between Hanoi and Ho Chi Minh City expanded by 9.0%, while air traffic between Melbourne and Sydney edged down by 1.6%.
- Asia Pacific destinations are set to record expansions in scheduled seat capacity in Q3 2025 (Chart 45). Vietnam leads with a 13.5% YoY rise, followed by Malaysia at 12.3% and Thailand at 7.6%, reflecting strong demand for Southeast Asian destinations. China and Australia also expect solid growth of around 5%. Japan, Korea, and the Philippines anticipate more moderate increases of less than 5%. In contrast, the capacity to India and Indonesia is set to decline by 1.6% and 5.4%, respectively.

Chart 40: Asia Pacific, international air passenger traffic and seat capacity by route area, YoY, %



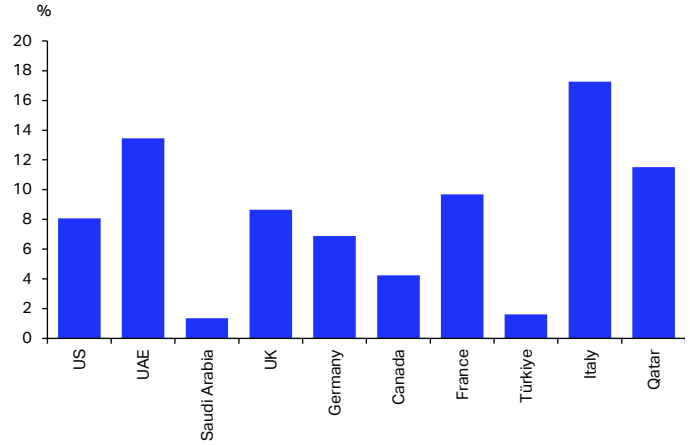
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 41: Asia Pacific, international air cargo traffic and capacity by route area, YoY, %



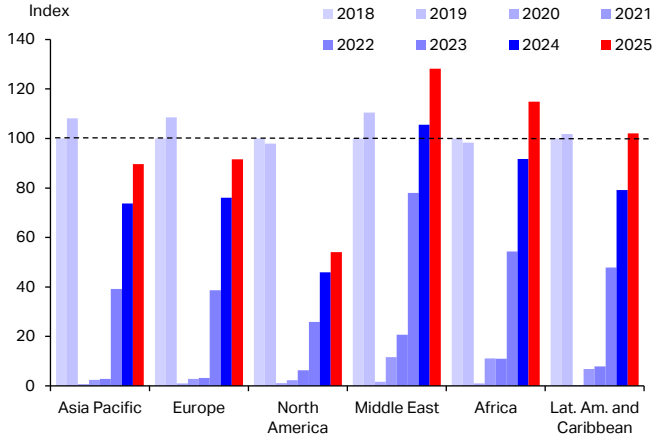
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 42: Traffic from Asia Pacific to its top 10 destinations by market size, YoY, %



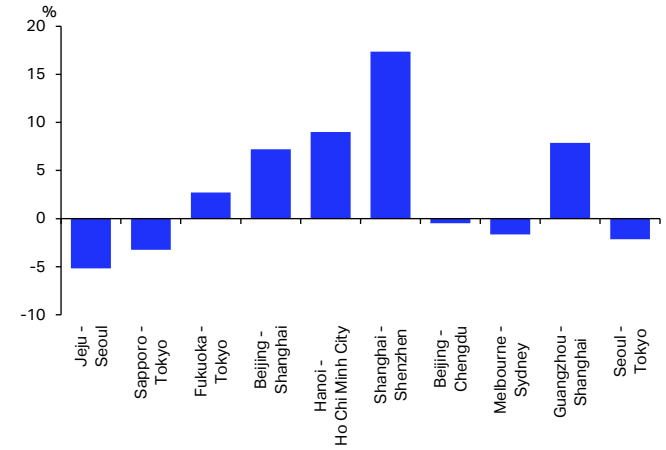
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 43: International air passengers from China by destination region, Q2 each year, index, 2018=100



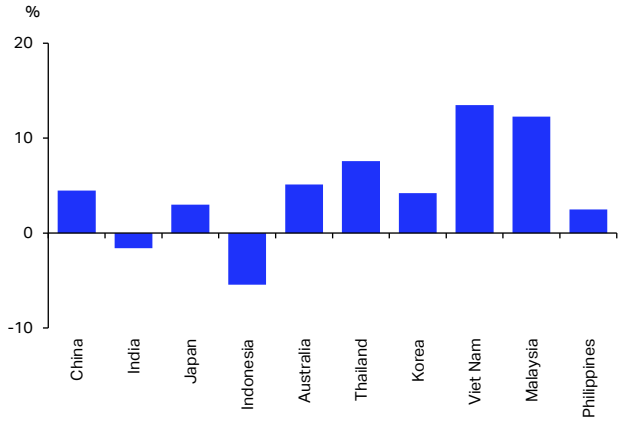
Source: IATA Sustainability and Economics using data from DDS

Chart 44: The number of passengers travelling 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 45: Asia Pacific, air passenger seats capacity scheduled for Q3 2025, YoY, %



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

	Share of Industry RPKs in 2024	Q2 2025, % *YoY*				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	***100***	**4.9**	**4.8**	**2.8**	**2.9**	**83.8**	**44.8**
Asia Pacific[2]	*33.5*	8.3	6.6	9.2	7.9	83.8	47.0

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

Notes:

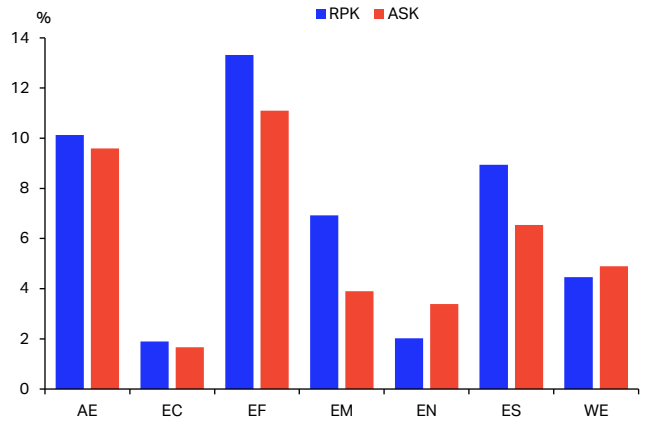
1. AF = Africa and Far East; EF = Europe and Far East; FN = Far East and North America; FP = Far East and Southwest Pacific; MF = Middle East and Far East; PS = North / South America and Southwest Pacific; WF = Within Far East.

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

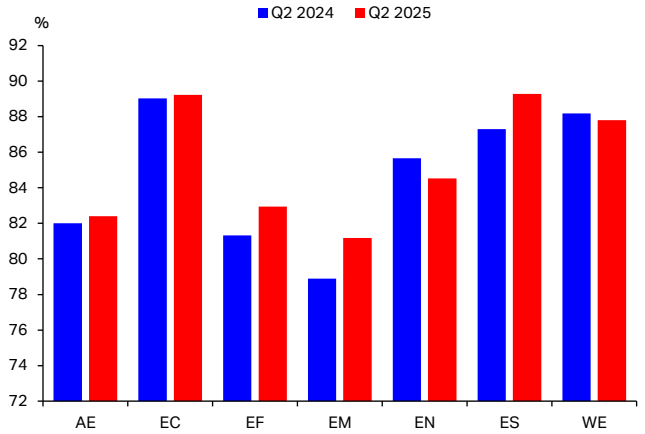
- European airlines expanded both demand and capacity by about 4% YoY, roughly 1 ppt below the industry average. The passenger load factor stood at 85.8% in Q2, 2 ppt above the global average, in line with seasonal trends.
- The busiest market for European carriers remains intra-European routes, where traffic demand rose 4.5% by YoY (Chart 46). Capacity increased by a similar 4.9%, keeping the PLF broadly unchanged from last year at 87.8% (Chart 47). The trans-Atlantic corridor, Europe's second-largest route area, grew more slowly, at 2.0% YoY. The PLF on these routes slipped slightly to 84.5% but remained above the global average thanks to summer travel peaks spanning Q2 and Q3. Europe-Asia routes, which are normally less influenced by seasonality, showed the strongest gains among all routes serving Europe, with demand up 13.3% YoY and capacity expanding by 11.1%, resulting in an improved PLF of 82.9%. The highest PLF was recorded on routes connecting Europe with Central and South America, which reached a record high of 89.3% - this is also the highest PLF globally in Q2 2025.
- European carriers maintained the highest CLF among all regions as well, a position they have held since surpassing Asia-Pacific airlines in 2022. In Q2 2025, their average CLF stood at 51.1%, more than 6 ppt above the global average. Among Europe's key cargo routes, the Europe-Asia corridor remained the busiest, growing 11.8% YoY (Chart 48). This pushed the CLF on this route to 68.0%, the highest across all major cargo corridors. Other notable gains included 8.6% YoY in cargo demand between Europe and Central America, and 8.0% on Europe-North America routes. In contrast, cargo volumes declined on Europe-Middle East and intra-European routes, down 3.6% and 5.1% YoY, respectively.
- North America retained its position as the top long-haul destination for European air travellers, with a 5.2% increase in traffic to the US and a 6.2% to Canada (Chart 49). Morocco remains Europeans' most popular destination in Africa, with passenger numbers rising 8.4% YoY. Traffic from Europe to other Middle Eastern and North African destinations grew by double-digits. Israel led with a remarkable 43.2% YoY increase, rebounding after losing more than a third of its European traffic in the same quarter a year earlier. Travel to Saudi Arabia, the UAE, and Egypt also recovered strongly, rising by 16.4%, 16.9%, and 18.3%, respectively. Long-haul routes to Asia experienced significant gains as well. China received 21.3% more passengers from Europe, while those travelling to India were 12.2% more numerous. In contrast, traffic to Tunisia remained flat.
- Short-haul travel serving Europe was led by the Spain-UK corridor, also the most heavily travelled country pair in the world, which carried more than 13 million passengers in Q2 2025, marking a 6.0% YoY increase (Chart 50). The second busiest connection was Spain-Germany, with 7.7 million passengers, up 1.9% YoY. The sharpest growth was recorded on the Spain-Italy corridor, the third largest, where volumes climbed 10.1%. Passenger traffic between Italy and the UK expanded 7.1% YoY, while the UK-Greece route advanced by 5.2%. Flows between the UK and the US rose by just 1.0%. Meanwhile, air traffic contracted by about 2% on both the Germany-Türkiye and France-Italy routes.
- Looking ahead to Q3, Spain continues to lead as the top destination by scheduled seat capacity (Chart 51). Following a 4.8% increase in passenger traffic in Q2, Spain is set to see a more moderate 2.5% expansion in available seats for incoming travellers. The UK and Italy, as the second and third largest destination, are both expected to have around 1% increase in seat capacity. Türkiye stands out with a notable 8.1% surge in scheduled seats in Q3, while Portugal follows with a 5.5% growth. Germany, Greece, the Netherlands, and Switzerland are all anticipating seat growth of around 4% YoY. Seat capacity to France is expected to hold steady at the elevated level reached during the Summer Olympics without further YoY expansion in Q3 2025.

Chart 46: Europe, international air passenger traffic and seat capacity by route area, YoY, %



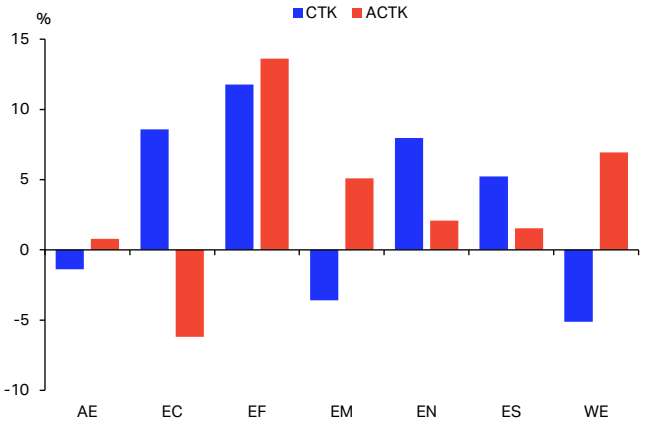
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 47: Europe, air passenger load factor by route area, % of ASK



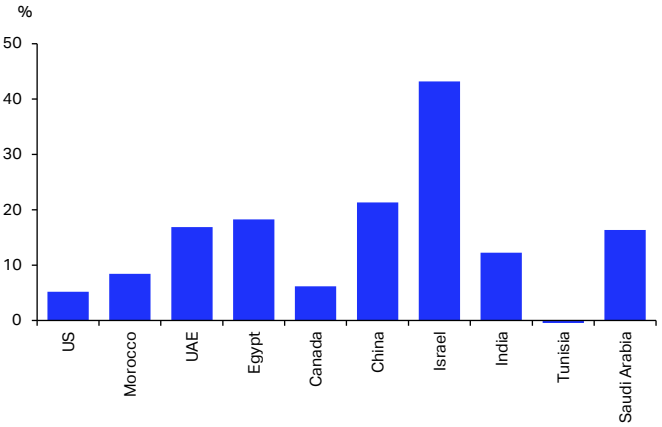
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 48: Europe, international air cargo traffic and capacity by route area, YoY, %



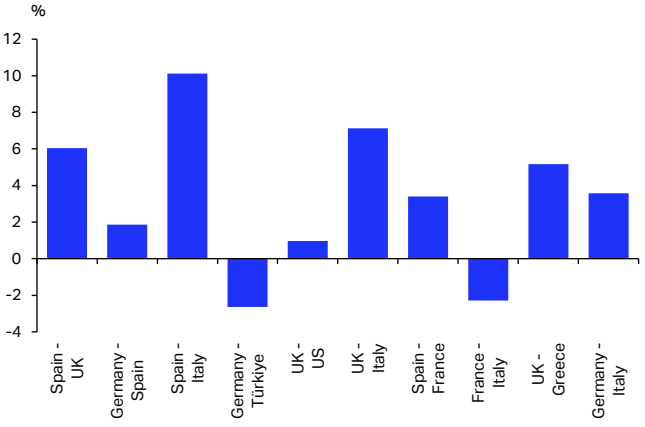
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



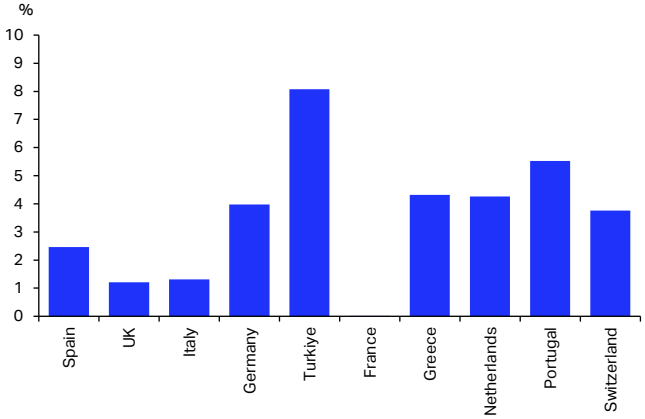
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 50: The number of passengers travelling 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 51: Europe, air passenger seats capacity scheduled for Q3 2025, YoY, %



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

	Share of Industry RPKs in 2024	Q2 2025, % *YoY*				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	***100***	**4.9**	**4.8**	**2.8**	**2.9**	**83.8**	**44.8**
Europe[2]	*26.7*	4.0	3.9	1.7	2.3	85.8	51.1

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

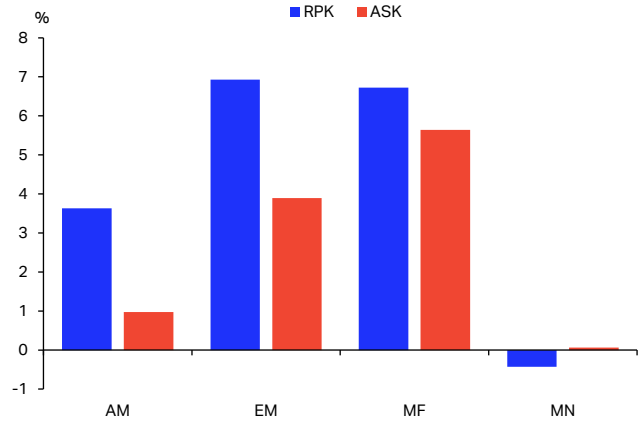
Notes:

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

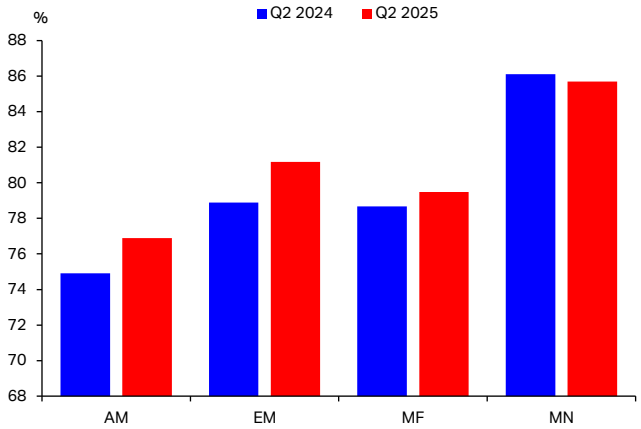
- Middle Eastern airlines outperformed the global industry average in Q2 2025, with passenger traffic climbing 5.7% YoY. The strongest growth occurred in routes linking the Middle East with Europe, where traffic rose by 6.9% YoY (Chart 52), outpacing capacity growth by 3 ppt and pushing the PLF up by more than 2 ppt to 81.2%. Passenger traffic between the Middle East and Asia was up 6.7% YoY with a PLF of 79.5% (Chart 53). The highest load factor was on Middle East-North America routes, at 85.7%, where it has exceeded 85% since mid-2024, despite a 0.4% dip in traffic and flat capacity. Middle East-Africa services recorded the lowest load factor at 76.9%, though this marked a two-point improvement from a year earlier, supported by a 3.6% increase in traffic against a modest 1.0% gain in capacity.
- Air cargo traffic carried by Middle East airlines rose just 0.8% YoY in Q2 2025, 2 ppt below the global industry average. This weak overall performance reflects a mixed regional trend (Chart 54). Solid growth was recorded on trade lanes between the Middle East and Asia, the region's largest cargo market, with a 7.0% increase in demand, met by a strong 9.8% expansion in available cargo capacity. The Middle East-Africa corridor, though the smallest by volume, saw an even stronger rise of 15.6% YoY in demand and 13.5% boost in available capacity. Conversely, cargo traffic on Middle East - Europe and Middle East - North America routes contracted by 3.6% and 6.3%, respectively. The latter has registered YoY declines for three consecutive quarters, while the former has done so for two.
- South Asia countries are among the top destinations for passenger traffic originating from the Middle East, reflecting strong ties through labor migration and family networks (Chart 55). Overall traffic to India grew 4.9% YoY, with the UAE-India corridor alone handling four million passengers, up 16.7% YoY (Chart 56). Other South Asian markets were weaker: flows from the Middle East to Pakistan contracted 3.0% YoY, with sharper declines on Saudi Arabia-Pakistan at -8.6% and UAE-Pakistan at -6.9%. Travel from the Middle East to Bangladesh also edged down by 0.8% YoY. Beyond South Asia, traffic to Türkiye contracted 5.2% YoY.
- Links between North Africa and Middle East were more resilient. More than three million passengers flied between Saudi Arabia and Egypt during the quarter, although volumes expanded only 0.9% YoY. The UAE-Egypt market, though smaller in volume, performed better, advancing 7.8% YoY. Within the Middle East itself, travel stayed firm as UAE-Saudi Arabia traffic rose 9.2% YoY.
- European destinations registered the strongest momentum. Traffic from the Middle East to Italy surged 29.8% YoY, while volumes to Germany and the UK climbed 20.4% and 10.8%. Passenger numbers to France also strengthened by around 9%. This strengthened connectivity was also evident on specific country pairs, with the UAE-UK corridor expanding 16.6% YoY and the Saudi Arabia-UK corridor growing 13.4% YoY.
- Passenger seat schedules for Q3 2025 show Israel in the lead at 13.9% YoY (Chart 57). The UAE and Saudi Arabia, the region's two largest markets, are anticipating additional seat availability, advancing by 6.7% and 9.8% respectively. Kuwait, Oman, and Jordan will likely see capacity gains of about 5%, while Qatar is to remain broadly stable. Bahrain, on the other hand, looks set to contract by 8.8% YoY. Substantial reductions are also projected for Iraq and Iran, of 21.9% and 29.7% respectively.

Chart 52: Middle East, international air passenger traffic and seat capacity by route area, YoY, %



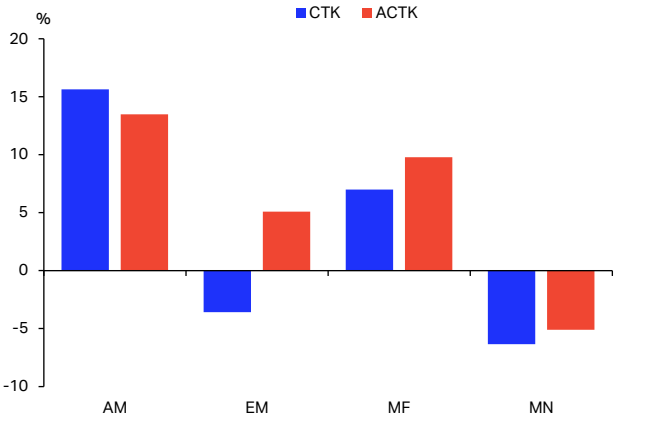
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 53: Middle East, air passenger load factor by route area, % of ASK



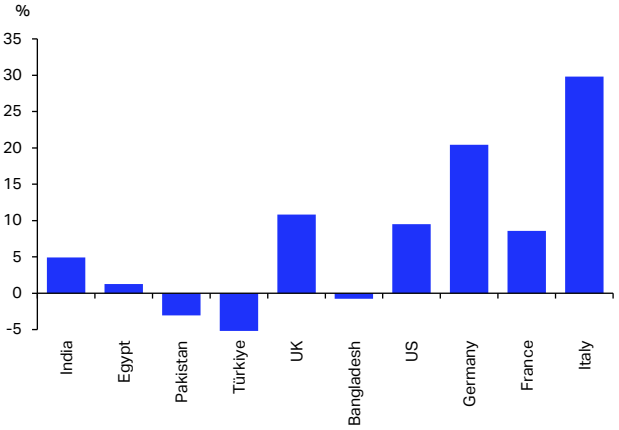
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 54: Middle East, international air cargo traffic and capacity by route area, YoY, %



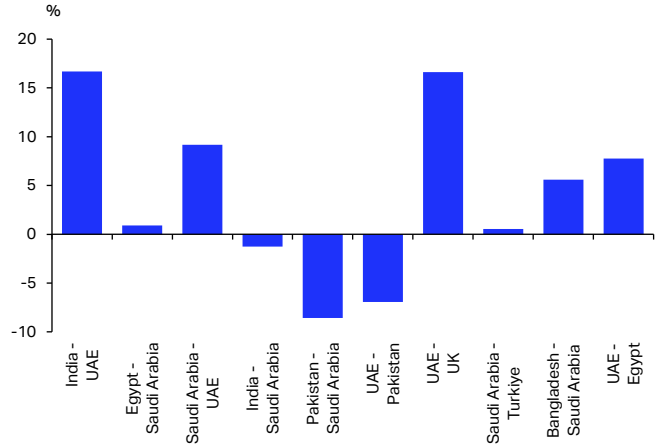
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 55: Traffic from the Middle East to its top destinations by market size, YoY, %



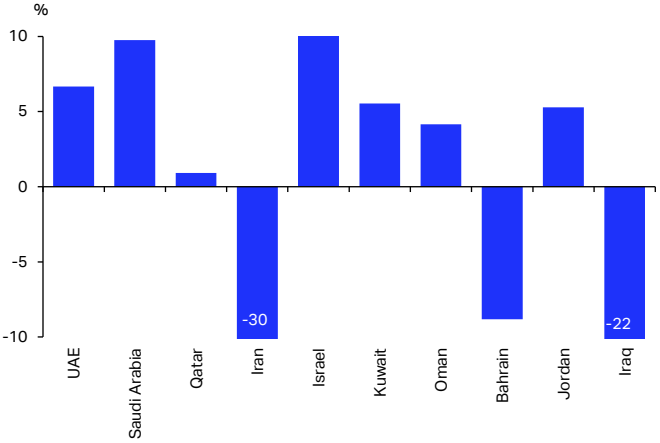
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 56: The number of passengers travelling 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 57: Middle East, air passenger seats capacity scheduled for Q3 2025, YoY, %



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

	Share of Industry RPKs in 2024	Q2 2025, % *YoY*				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	***100***	**4.9**	**4.8**	**2.8**	**2.9**	**83.8**	**44.8**
Middle East[2]	*9.4*	5.7	5.0	0.8	3.7	80.7	45.0

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.

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