Quarterly Air Transport Chartbook

IATA Sustainability and Economics

Q2 2026



Table of contents

Table of contents **2**

Glossary **3**

Route areas abbreviations **4**

Table of charts **5**

1. The business cycle **7**

2. Aviation fuel **10**

3. Passenger and cargo traffic **12**

3.1. Passenger traffic 12

3.2. Cargo traffic 14

4. Regional performance **16**

4.1. Africa 16

4.2. Americas 18

4.3. Asia Pacific 20

4.4. Europe 22

4.5. Middle East 24

Glossary

ACTK – Available Cargo Tonne-Kilometers

ASK – Available Seat-Kilometers

ATJ – Alcohol-to-Jet

ATKs – Available Tonne-Kilometers

BBL – Barrel

BLF – Breakeven Load Factor

BoE – Bank of England

BoJ – Bank of Japan

bps – basis points

CLF – Cargo Load Factor

CPI – Consumer Price Index

CTK – Cargo Tonne-Kilometers

EBIT – Earnings before interest and taxes

ECB – European Central Bank

FED – Federal Reserve

FT – Fischer-Tropsch

GDP – Gross Domestic Product

HEFA - Hydro-processed Esters and Fatty Acids

LF – Load Factor

MoM – Month-on-month

PLF – Passenger Load Factor

ppt – Percentage point

PtL – Power-to-Liquid

RPK – Revenue Passenger-Kilometers

SA – Seasonally adjusted

SAF – Sustainable Aviation Fuel

SNB – Swiss National Bank

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 – Within 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

Chart 1: Brent crude oil, jet fuel, and crack spread, USD per barrel 8

Chart 2: Consumer price inflation (Headline), major economies, YoY, % 8

Chart 3: Central banks' policy rates and market-implied trajectories, % 9

Chart 4: Real GDP growth rate, major economies, YoY, % 9

Chart 5: Unemployment rate, major economies, % 9

Chart 6: Consumer confidence, major economies, Jan 2018 = 100 9

Chart 7: 30-year government bond yield, selected economies, % 9

Chart 8: Jet fuel crack spread between global jet fuel price and Dated Brent, USD per barrel 11

Chart 9: SAF capacity additions by start-up year and cumulative commissioned capacity 11

Chart 10: Industry total RPK, billion 13

Chart 11: Regional contribution to industry annual RPK growth, YoY, % 13

Chart 12: Total RPK and ASK by airline region of registration, YoY, % 13

Chart 13: International RPK by cabin class and airline region of registration, YoY, % 13

Chart 14: Domestic RPK growth by country market, YoY, % 13

Chart 15: Scheduled seats by region of departure, YoY, % 13

Chart 16: Industry CTK, billion 15

Chart 17: Industry CTK, seasonally adjusted, QoQ 15

Chart 18: International CTK by airline region of registration, YoY, % 15

Chart 19: International ACTK by airline region of registration, YoY, % 15

Chart 20: Industry cargo load factor, seasonally adjusted, % 15

Chart 21: International cargo load factor by major route area, % of ACTK 15

Chart 22: Africa, international air passenger traffic and seat capacity by route area, YoY, % 17

Chart 23: Africa, air passenger load factor by route area, % of ASK 17

Chart 24: Traffic from Africa to its top 10 destinations by market size, YoY, % 17

Chart 25: Number of passengers traveling to and from major country pairs serving Africa, YoY, % 17

Chart 26: Africa, air passenger seats capacity scheduled for Q3 2026, YoY, % 17

Chart 27: Africa, international air cargo traffic and capacity by route area, YoY, % 17

Chart 28: Americas, international air passenger traffic and seat capacity by route area, YoY, % 19

Chart 29: Traffic from North America to its top 10 destinations by market size, YoY, % 19
Chart 30: Traffic from Latin America to its top 10 destinations by market size, YoY, % 19
Chart 31: Number of passengers traveling to and from major city pairs serving Americas, YoY, % 19
Chart 32: Americas, air passenger seats capacity scheduled for Q3 2026, YoY, % 19
Chart 33: Americas, international air cargo traffic and capacity by route area, YoY, % 19
Chart 34: Asia Pacific, international air passenger traffic and seat capacity by route area, YoY, % 21
Chart 35: International air passengers from China by destination region, Q2 each year, index, 2019=100 21
Chart 36: Traffic from Asia Pacific to its top 10 destinations by market size, YoY, % 21
Chart 37: Number of passengers traveling to and from major city pairs serving Asia Pacific, YoY, % 21
Chart 38: Asia Pacific, air passenger seats capacity scheduled for Q3 2026, YoY, % 21
Chart 39: Asia Pacific, international air cargo traffic and capacity by route area, YoY, % 21
Chart 40: Europe, international air passenger traffic and seat capacity by route area, YoY, % 23
Chart 41: Europe, air passenger load factor by route area, % of ASK 23
Chart 42: Traffic from Europe to its top 10 destinations by market size, YoY, % 23
Chart 43: Number of passengers traveling to and from major country pairs serving Europe, YoY, % 23
Chart 44: Europe, air passenger seats capacity scheduled for Q3 2026, YoY, % 23
Chart 45: Europe, international air cargo traffic and capacity by route area, YoY, % 23
Chart 46: Middle East, international air passenger traffic and seat capacity by route area, YoY, % 25
Chart 47: Middle East, air passenger load factor by route area, % of ASK 25
Chart 48: Traffic from Middle East to its top 10 destinations by market size, YoY, % 25
Chart 49: Number of passengers traveling to and from major country pairs serving Middle East, YoY, % 25
Chart 50: Middle East, air passenger seats capacity scheduled for Q3 2026, YoY, % 25
Chart 51: Middle East, international air cargo traffic and capacity by route area, YoY, % 25

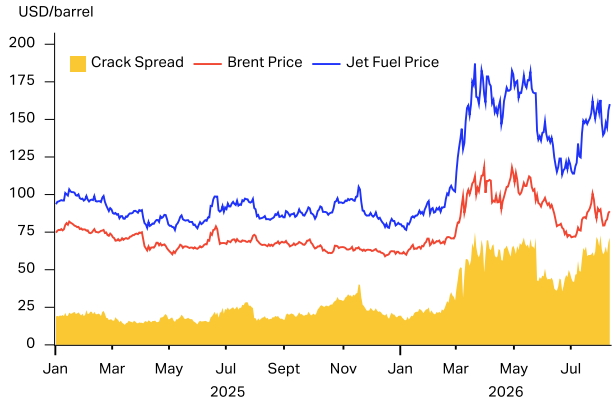
1. The business cycle

- Developments in the Middle East continued to shape the macro-economic environment in Q2 2026, driving significant volatility in oil prices **(Chart 1)**. Jet fuel price increases have far exceeded those in crude oil prices as the world is experiencing a compounding crisis in refinery capacity, in addition to that in crude oil supply. A US–Iran agreement temporarily brought some respite, with crude prices briefly falling below pre-conflict levels as hostilities eased and transit through the Strait of Hormuz partially resumed. The de-escalation proved short-lived, however, and renewed hostilities have pushed oil prices back up. Higher energy prices are feeding through to consumer price inflation across major economies **(Chart 2)**, eroding household purchasing power and weighing on growth prospects. This has prompted an upward repricing of interest rate expectations in an unhelpful feedback loop **(Chart 3)**. The risk of lasting energy supply disruptions is mounting as stocks are progressively drained. There is a high likelihood that oil and jet fuel prices remain high well into 2027, adding to inflation and curtailing growth.
- The US economy's growth rate slowed to an annualized (which is 4 times the quarter-on-quarter (QoQ) growth rate of 0.4%) growth rate of 1.5% in Q2 2026 and 2.1% year-on-year (YoY) **(Chart 4)**. The labor market remained resilient throughout this quarter, adding 231,000 jobs while the unemployment rate edged down 0.1 percentage point (ppt) to 4.2% in June **(Chart 5),** mostly thanks to lower labor force participation. Inflation reached a three-year high of 4.2% YoY in May, before easing to 3.5% in June following the partial retracement in energy prices. Real wages fell by 0.8% in May, a two-year low, and a clear sign that higher energy prices are hurting households' purchasing power. This is arguably reflected in the University of Michigan consumer sentiment index, which fell to 49.5 in June, well below the 60.7 seen a year earlier. Real consumption nevertheless rose by 2.1% YoY in May **(Chart 6)**. Against this backdrop, the Federal Reserve (Fed) kept its policy rate unchanged at 3.5-3.75% at the June meeting, though the newly appointed Fed Chair, Kevin Warsh, adopted a more hawkish tone, increasing the market-implied probability of a rate hike by year-end. Long-term borrowing costs soared to multi-decade highs across major economies, led by a rise in the US 30-year Treasury yield to 5.33%, its highest level since 2007 **(Chart 7)**. The increase, reflecting renewed concerns about inflation and persistently large fiscal deficits as the US national debt surges past USD 40 trillion, will tighten financial conditions and act as a headwind to investment and economic growth.
- China's GDP growth slowed to 4.3% YoY in the second quarter of 2026, below the growth target band of 4.5%-5%, and down from 5% in Q1 2026. Exports remained the bright spot, rising 19.3% YoY in May, supported by surging AI-related hardware demand, while industrial output accelerated to 4.5% YoY. Domestic demand, by contrast, weakened across the board: retail sales fell 0.6% YoY in May, the first outright decline since December 2022, while fixed asset investment contracted 4.1% YoY in the first five months of the year, dragged down by a 16.2% slump in property investment. Home prices continued to fall by 3.5% YoY in May, weighing on household wealth and consumption. Producer price inflation, lifted by war-driven energy costs and AI-related demand, rose 4.1% YoY in June, the fastest since July 2022. Consumer inflation eased to 1% YoY in June, down from 1.2% in May. Meanwhile, China's oil imports fell to 7.8 mb/d in May, down from around 11 mb/d before the Middle East crisis, helping to contain the rise in global oil prices.
- The euro area expanded solidly in the second quarter, posting growth of 0.4% QoQ, equal to that seen in the US. The European Union outpaced the US with a 0.5% gain in the quarter. Ireland recorded the highest growth rate at 3.9% QoQ, while GDP was unchanged in Belgium and Austria compared to the previous quarter. Growth in the first quarter was revised down to 0% in the euro area and 0.1% in the European Union. The labor market stayed resilient. Euro area unemployment stood at 6.2% in May, unchanged from April and down 0.1 percentage points on a YoY basis. In the European Union, the unemployment rate was stable at 6% in May. Inflation, however, moved higher. The harmonized index of consumer prices rose by 3.2% YoY in May before easing to 2.8% in June. The dominant driver is energy prices, which were up by 10.9% YoY in May and 8.5% YoY in June. This prompted the European Central Bank to raise its deposit facility rate by 25 basis points (bps) to 2.25% in June, its first hike since September 2023.
- Japan's economy expanded by 1.8% QoQ annualized, which equates to 0.45% QoQ (in line with the US and Europe) and 0.3% YoY. The unemployment rate held steady at 2.5% in May, unchanged from one year earlier. Price pressures continued to build: core Consumer Price Index (CPI) rose by 1.6% YoY in June, its fastest pace in over two years. With the Bank of Japan (BoJ) warning that fuel-cost pass-through was progressing

quickly enough to risk pushing underlying inflation above target, the central bank raised its policy rate by 25 bps to 1.0%, the highest since 1995. The Iran conflict exposed the vulnerability of Japan's import-dependent industrial base to higher oil and energy prices, prompting the government to subsidize gasoline to cushion consumers. Consumer sentiment deteriorated through the quarter, and the yen weakened sharply, breaching JPY 162 against the dollar, beyond the level that had previously triggered official intervention.

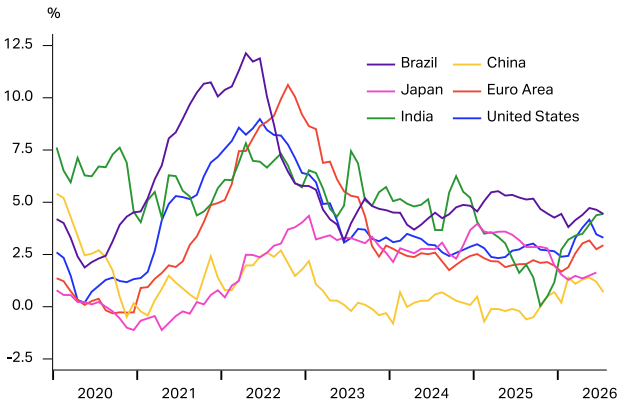
- India's economy remained the fastest growing among major markets. GDP was up 7.8% YoY, and 3.9% QoQ in the first quarter of 2026, though the unemployment rate ticked up to 5.5% in May from 5.2% in April. Heavy dependence on imported crude oil has made India particularly exposed to the Middle East crisis. The rupee continued to depreciate, amplifying the local-currency cost of energy and lifting imported inflation more broadly. Headline inflation accelerated to 3.9% YoY in May from 3.5% in April, though it remained just below the Reserve Bank of India's 4% medium-term target. This allowed the central bank to keep its policy rate on hold at 5.25% at its June meeting. The quarter also underscored the rise in solar energy production. The share of renewables in power generation reached a record this summer, accounting for roughly a fifth of production through June. That progress faces a near-term test regarding hydropower generation, which fell by 24.4% YoY in June as the El Niño climate phenomenon brought significantly drier weather. Coal-fired output rose by 14% to fill the gap.
- Brazil's economy regained momentum in Q1 2026. GDP expanded by 1.1% QoQ, a sharp acceleration from 0.3% in Q4, even as the YoY rate eased to 1.8%. The unemployment rate fell to 5.6% in the quarter through May, down from 5.8% in the previous period. Inflation rose to 4.7% YoY in May from 4.4% in April, above the ceiling of the central bank's 3% ±1.5 percentage points target range, driven mainly by food and energy prices. The central bank nevertheless lowered the main policy rate, the Selic rate, by 25 bps to 14.25% at its June meeting, marking its third consecutive cut. The real remained resilient throughout the quarter, supported by the wide interest rate differential with the US, which continued to attract foreign inflows into the real. Government support to households remained generous ahead of October's general elections, with income tax cuts, subsidized diesel and cooking gas, and easier access to consumer credit helping to underpin spending.

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



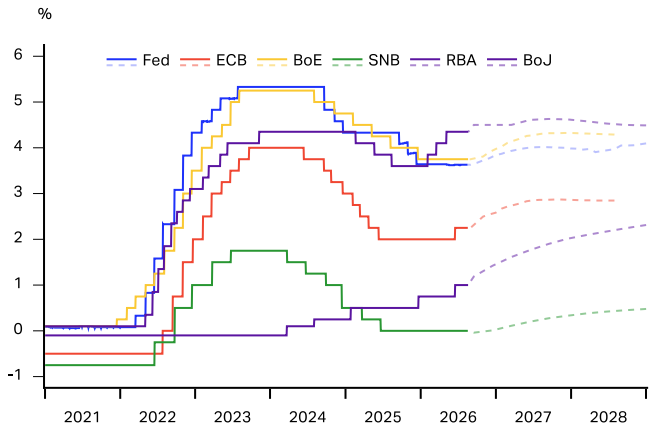
Source: IATA Sustainability and Economics, using data from S&P Global Energy Platts

Chart 2: Consumer price inflation (Headline), major economies, YoY, %



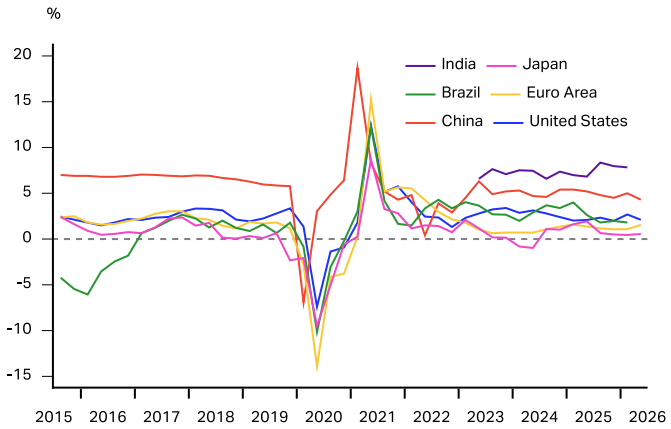
Source: IATA Sustainability and Economics, Macrobond

Chart 3: Central banks' policy rates and market-implied trajectories, %



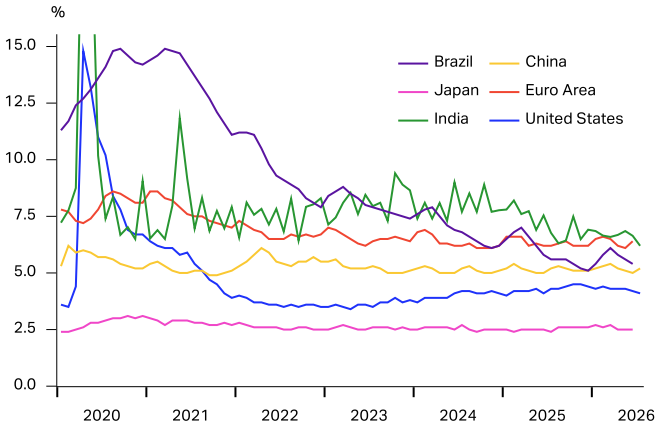
Source: IATA Sustainability and Economics, Macrobond
Note: Dashed lines correspond to future contracts on each interest rates

Chart 4: Real GDP growth rate, major economies, YoY, %



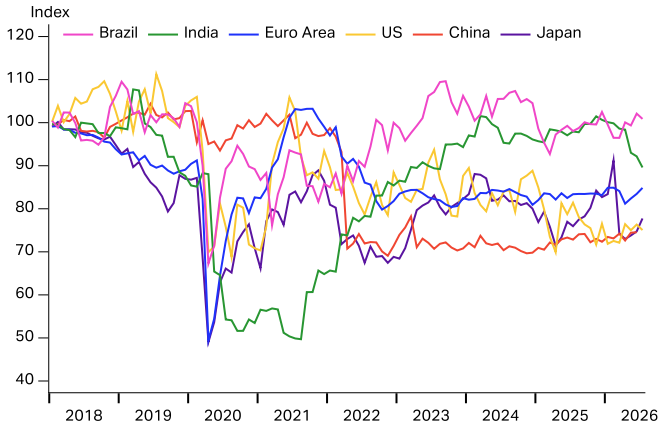
Source: IATA Sustainability and Economics, Macrobond

Chart 5: Unemployment rate, major economies, %



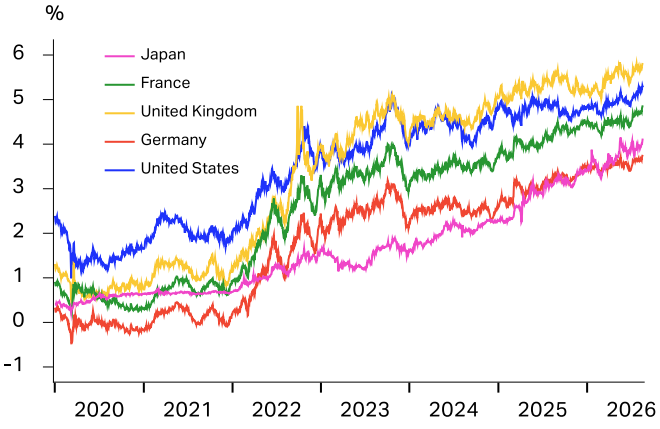
Source: IATA Sustainability and Economics, Macrobond

Chart 6: Consumer confidence, major economies, Jan 2018 = 100



Source: IATA Sustainability and Economics, Macrobond

Chart 7: 30-year government bond yield, selected economies, %

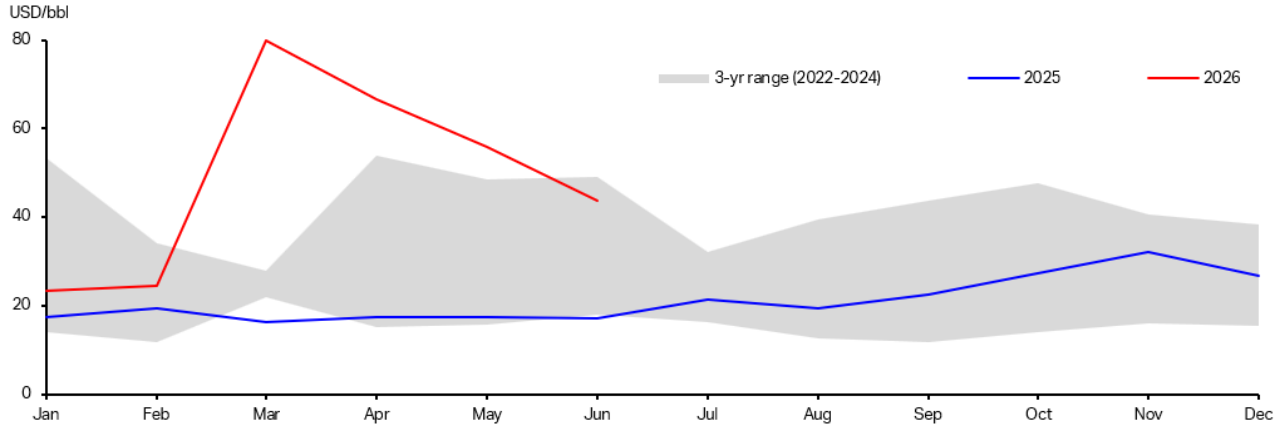


Source: IATA Sustainability and Economics, Macrobond

2. Aviation fuel

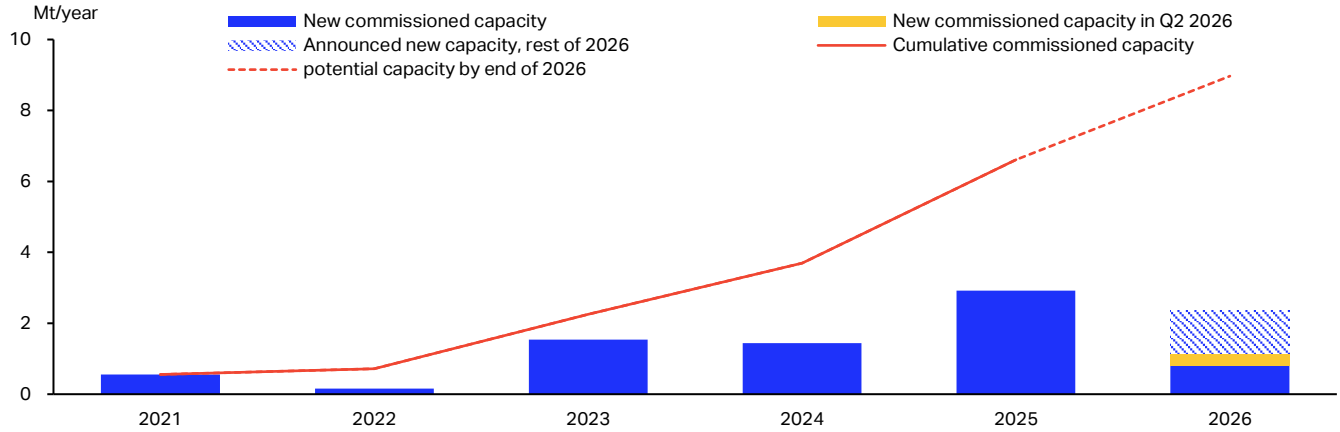
- Crude oil prices averaged USD 103.8 per barrel in Q2 2026, up 28% from USD 81.1 per barrel in Q1 2026. The increase was driven by severe disruptions to Persian Gulf oil exports following the closure of the Strait of Hormuz. Dated Brent averaged USD 120.5 per barrel in April and surged to a record USD 144.4 per barrel as approximately 10 million barrels per day of supply was effectively removed from the global market. Prices eased through May and June as optimism surrounding a US-Iran agreement and ceasefire reduced geopolitical risk premiums and supported a gradual recovery in regional oil flows. By June, vessel traffic through the Strait of Hormuz had recovered to nearly half of its pre-conflict level, returning more than 5 million barrels per day of crude oil to the global market, though this flow is again being curtailed presently.
- Global jet fuel prices averaged USD 158.0 per barrel in Q2 2026, up 27% from USD 124.7 per barrel in Q1 2026, as disruptions to Persian Gulf exports had a disproportionate impact on refined products, including jet fuel. The price of jet fuel peaked at USD 188.4 per barrel in April amid a sharp decline in jet fuel exports from the region, while Asian refiners were forced to reduce throughput due to their heavy reliance on Middle Eastern crude feedstock. Although prices moderated during the remainder of the quarter on expectations that the Strait of Hormuz would reopen and oil flows would improve, jet fuel market fundamentals remained strong, with crack spreads averaging USD 55 per barrel in Q2 2026 **(Chart 8)**. Elevated jet fuel margins relative to diesel encouraged refiners to maximize jet fuel yields at the expense of diesel production, helping to mitigate the combined impact of lower Persian Gulf exports and reduced jet fuel output from refineries dependent on Middle Eastern crude. However, these adjustments only partially offset the resulting supply shortfall. Robust aviation demand and persistently low inventories kept the jet fuel market tight throughout the quarter, and these conditions will likely persist into 2027.
- Commissioned SAF capacity increased from a low base in 2021–2022, with annual additions of around 1.5 Mt in both 2023 and 2024. Growth accelerated in 2025, when nearly 3 Mt of new SAF capacity was commissioned, marking a record annual increase **(Chart 9)**. Additions in 2026 are currently expected to be lower than in 2025, although cumulative commissioned capacity is projected to reach around 9 Mt/year by year-end. Capacity does not imply production: actual SAF production is estimated to reach around 2.4 Mt in 2026, representing roughly 0.8% of global aviation fuel consumption.
- Two HEFA projects were commissioned in Q2 2026, one in the US and one in Thailand, adding approximately 360 kt/year of SAF production capacity. Looking ahead, further capacity growth is expected from standalone HEFA and co-processing projects, primarily in China and India. Collectively, the 13 projects anticipated to come online in the second half of 2026 could add approximately 1.2 Mt/year to global SAF capacity.
- Efficient global trade flows are essential to connect supply with demand and enable the utilization of commissioned capacity. In Q2 2026, the Chinese government issued a new round of SAF export quotas, increasing the number of authorized exporters to six. The newly approved producer received an allocation of 305 kt for 2026, raising China's total SAF export quota for the year to around 1.7 Mt.
- Regarding future capacity, SAF momentum is growing in Brazil, with two large HEFA standalone projects reaching final investment decisions in Q2. The two projects, which are expected to become operational in 2029 and 2030, will have a combined SAF production capacity of around 0.7 Mt.

Chart 8: 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 9: SAF capacity additions by start-up year and cumulative commissioned capacity



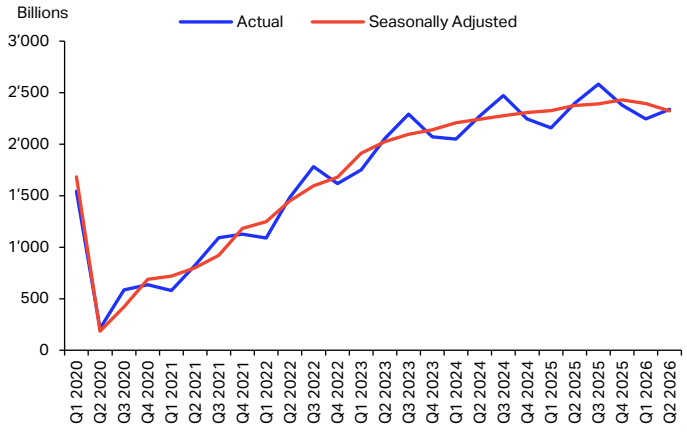
Source: IATA Sustainability and Economics

3. Passenger and cargo traffic

3.1. Passenger traffic

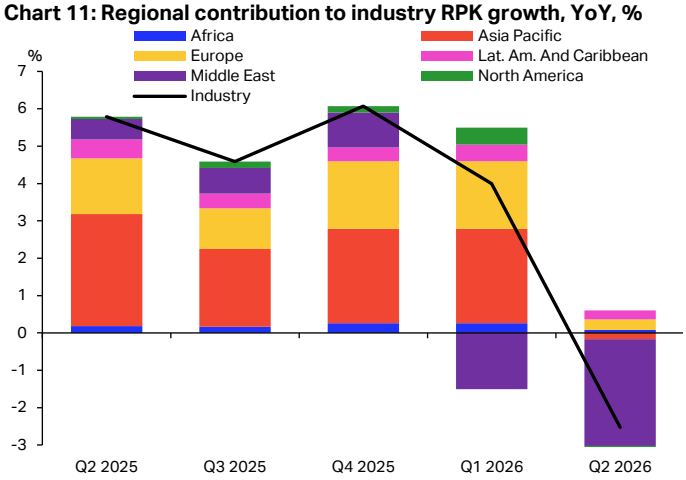
- Industry-wide passenger traffic totaled 2.3 trillion revenue passenger kilometers (RPK) in Q2 2026, down by 2.4% YoY, marking the first quarterly decline since covid **(Chart 10)**. Passenger traffic was heavily affected by the Iran war, both through operational disruptions to flight routes across the Middle East, and through elevated fuel prices. On a seasonally adjusted basis, traffic declined by 3.0% QoQ. Capacity contracted more slowly, with available seat kilometers (ASK) declining by 2.1% YoY. Consequently, the passenger load factor (PLF) declined by 0.3 percentage points (ppt) YoY to 83.5%.
- The monthly decline in traffic carried by Middle Eastern carriers moderated in Q2 2026 following the peak disruption caused by the Iran war in March. However, the region remained the primary driver of the industry-wide contraction during the quarter **(Chart 11)**. Traffic carried by airlines in the region fell by 30.1% YoY **(Chart 12)**. Capacity contracted by 24.2% YoY, less than the reduction in traffic, pushing PLF down by 6.3 ppt to 74.4%. This was the largest decline in PLF among all regions.
- While carriers from some regions benefited from traffic diverted from the Middle East in March 2026, higher fuel prices weighed on airline performance across all regions in Q2. Consequently, every region recorded weaker traffic growth than in Q1, with traffic carried by Asia Pacific and North American carriers slipping into contraction. Airlines in Asia Pacific recorded their first YoY traffic decline since the pandemic, as traffic fell 0.5% YoY. Capacity declined by 1.2% YoY, primarily due to capacity rationalization on short-haul routes. As a result, the PLF increased by 0.6 ppt to 84.2%, making Asia Pacific the only region to record an improvement in PLF. North American carriers also experienced a 0.5% YoY decline in traffic. However, capacity decreased more slowly by 0.2% YoY, causing PLF to decline by 0.2 ppt to 83.7%.
- Airlines in Latin America and the Caribbean, Europe, and Africa continued to record positive traffic growth in Q2. Latin American and Caribbean carriers posted the strongest growth among regions, as traffic rose by 4.3% YoY. Capacity increased slightly faster, at 4.4% YoY, resulting in a 0.1 ppt decline in the PLF to 82.5%. African airlines recorded traffic growth of 3.4% YoY. Capacity matched demand growth, leaving the PLF unchanged at 75.2%. European carriers saw traffic increase by 1.1% YoY. Capacity rose marginally faster, up 1.2% YoY, which reduced PLF by 0.1 ppt to 85.9%.
- Industry-wide international passenger traffic declined by 2.7% YoY in Q2 2026, and economy-class demand contracted more sharply than premium travel **(Chart 13)**. Much of the decline was driven by Middle Eastern carriers, whose international traffic fell by 30.8% YoY. International traffic carried by North American airlines also contracted, down 0.3% YoY, despite strong premium-class growth of 13.7% YoY. By contrast, Latin American and African carriers recorded robust growth. International traffic increased by 7.7% and 5.7% YoY, respectively, supported by double-digit expansion in premium travel. European and Asia Pacific carriers posted more moderate growth of 1.9% and 1.8% YoY in international traffic.
- Global domestic passenger traffic also contracted in Q2, though by less than international traffic, down by 1.9% **(Chart 14)**. The decline was driven primarily by weakness in the world's two largest domestic markets, the US and China, where traffic fell by 0.6% and 3.5% YoY, respectively. Domestic traffic in Australia also slipped into contraction, declining by 0.2% YoY. India recorded the strongest performance among major domestic markets and was the only such market to improve from the previous quarter, gaining 2.7% YoY. Meanwhile, growth in Brazil and Japan moderated from Q1, easing to 2.1% and 1.2% YoY, respectively.
- Looking ahead, capacity growth is set to recover in Q3 2026. Global scheduled seats are projected to increase by 3.1% YoY, compared with a 0.7% contraction in Q2 **(Chart 15)**. Although seat capacity in the Middle East is still expected to decline by 2.5% YoY, this would mark a substantial improvement from the 27.5% YoY contraction in Q2. Asia Pacific capacity is set to return to growth in Q3 after the contraction in Q2, rising by 3.5% YoY. Capacity growth is forecasted to strengthen in the other regions, led by Africa at 8.7% YoY, followed by Europe at 4.7% YoY, and Latin America and the Caribbean at 2.8% YoY. North America is expected to see only modest growth of 0.3% YoY.

Chart 10: Industry total RPK, billion



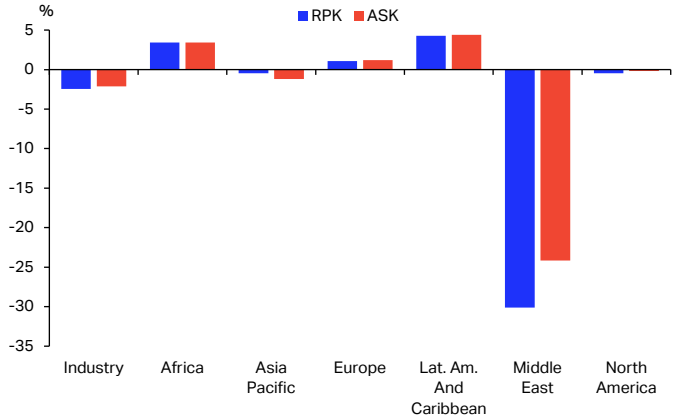
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 11: Regional contribution to industry RPK growth, YoY, %



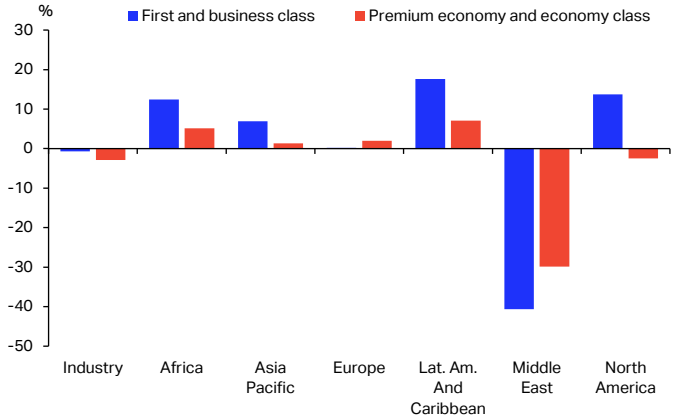
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 12: Total RPK and ASK by airline region of registration, YoY, %



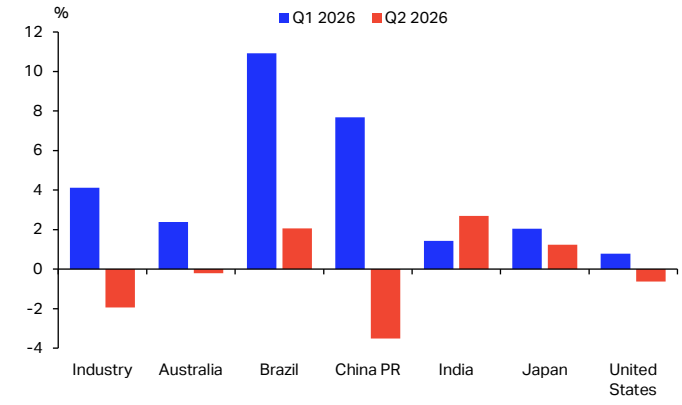
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 13: International RPK by cabin class and airline region of registration, YoY, %



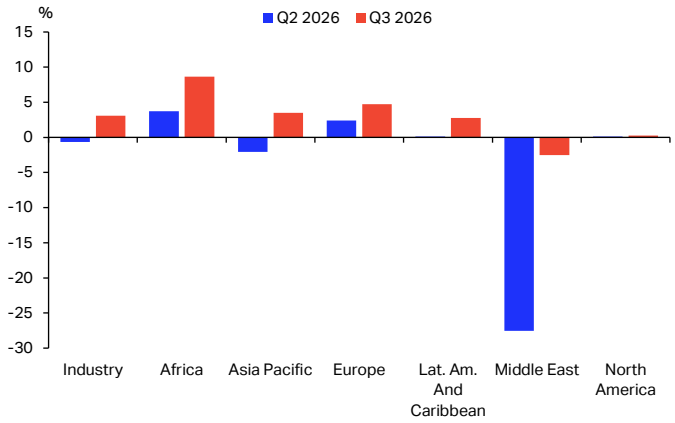
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 14: Domestic RPK growth by country market, YoY, %



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

Chart 15: Scheduled seats by region of departure, YoY, %

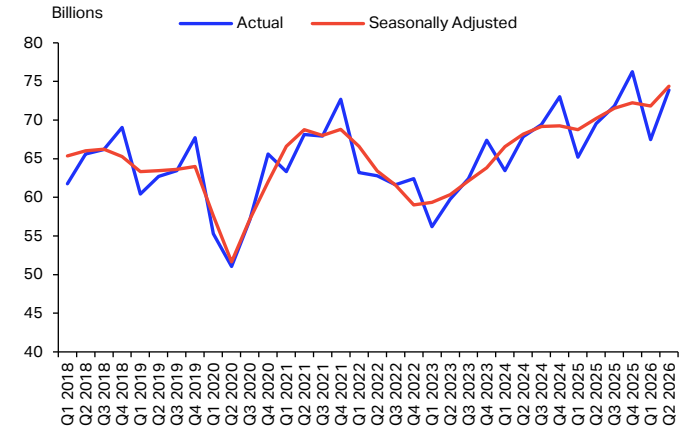


Source: IATA Sustainability and Economics using data from OAG

3.2. Cargo traffic

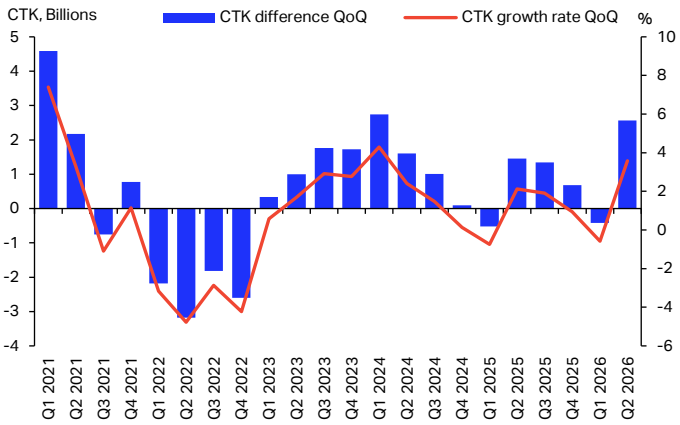
- Air cargo demand accelerated in Q2 2026. Industry cargo tonne-kilometers (CTK) increased by 6.2% YoY, almost 3 ppt faster than in Q1 2026 **(Chart 16)**. North America and Asia Pacific carriers helped drive the result in Q2. The former's CTK expanded by nearly 10% YoY, while the latter recorded close to 9% YoY growth during the quarter. The strong performance in North America reflected a somewhat lower base following the impact of trade policies that affected demand in 2025, while Asia Pacific returned to double-digit growth after five quarters. Both regions benefited from AI and semiconductor demand from Asia to the US. On a seasonally adjusted basis, global traffic returned to QoQ growth, reflecting recovery from the geopolitical disruptions in Q1 2026 **(Chart 17)**.
- International CTK increased by 6.6% YoY in Q2 2026, and most major regions recorded solid growth rates **(Chart 18)**. North American carriers expanded their cargo traffic by 11.4% YoY and contributed 2.2 ppt to industry growth. Asia Pacific airlines recorded a 10.0% YoY increase in demand and, given their large market share, accounted for 3.6 ppt of total industry growth. European carriers added 6.7% YoY and contributed 1.6 ppt to growth of the industry. The Middle East was the only region to record a decline in CTK. However, the 7.0% YoY contraction in Q2 2026 was smaller than in Q1 2026, reflecting a brief period of fragile stability in the region.
- International capacity (ACTK) grew by less than demand, at 2.3% YoY in Q2 2026 **(Chart 19)**. The strongest capacity growth was recorded by carriers in Asia Pacific and Latin America and the Caribbean, at 7.5% and 5.6% YoY, respectively. Capacity among North American carriers expanded by 3.9% in the quarter, adding 1.1 ppt compared with Q1 2026. In contrast, European airlines slowed to 2.4% YoY growth. Africa and the Middle East were the only regions to register capacity declines. Capacity among African carriers contracted by 6% YoY, while Middle Eastern carriers shed 10%, as in Q1 2026.
- The seasonally adjusted industry-wide cargo load factor (CLF) increased by 1.8 ppt YoY to 47.5%, the sharpest increase since Q3 2024. At the same time, it recorded its highest level since Q3 2022 **(Chart 20)**. The largest increase was seen among African carriers, up 6.4 ppt and pushing the CLF to its highest level since Q1 2021. Only Latin American and Caribbean carriers saw cargo capacity utilization fall, and CLF stood 1.6 ppt below its level in Q2 2025.
- AI- and semiconductor-related shipments supported route performance during the second quarter, and major Asia-linked corridors recorded strong increases in CLF. The Asia-North America corridor accelerated compared to Q1 2026, and the CLF rose by 3.1 ppt YoY in Q2 2026. Some of this strength spilled over to intra-Asia routes, where CLF increased by 2.2 ppt YoY. In contrast, routes between the Middle East and Asia, and between the Middle East and Europe, recorded the largest declines in CLF, both down 3.4 ppt **(Chart 21)**.

Chart 16: Industry CTK, billion



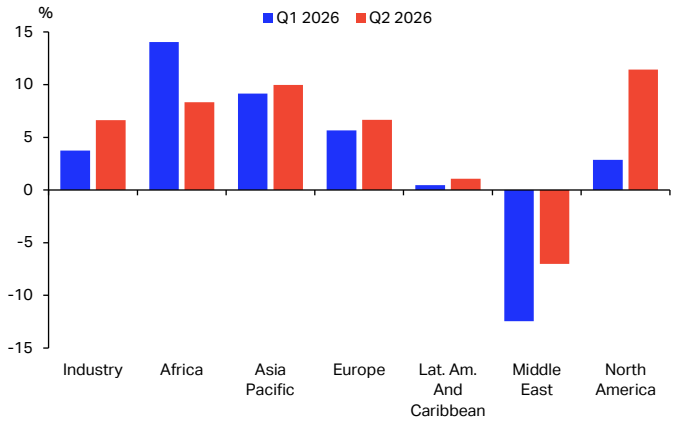
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 17: Industry CTK, seasonally adjusted, QoQ



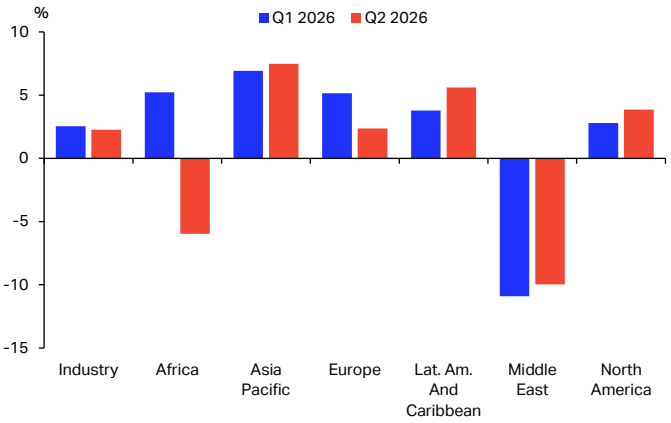
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 18: International CTK by airline region of registration, YoY, %



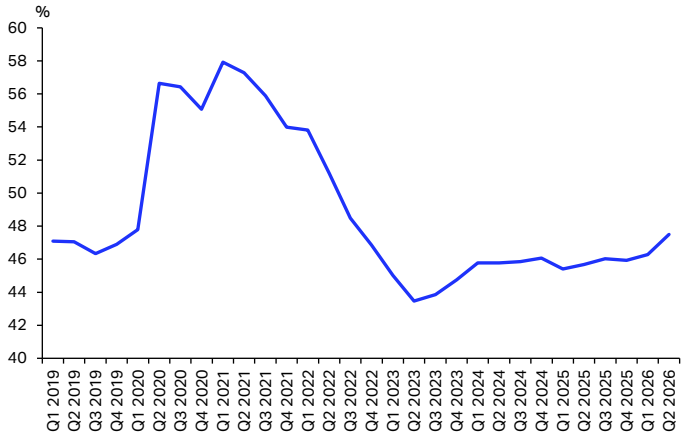
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



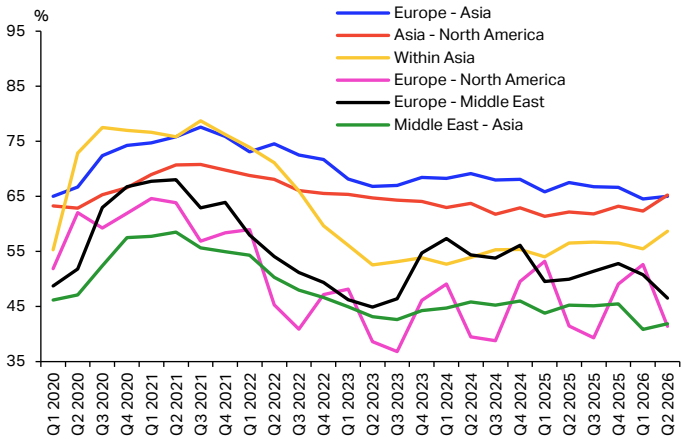
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 20: Industry cargo load factor, seasonally adjusted, %



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

Chart 21: International cargo load factor by major route area, % of ACTK



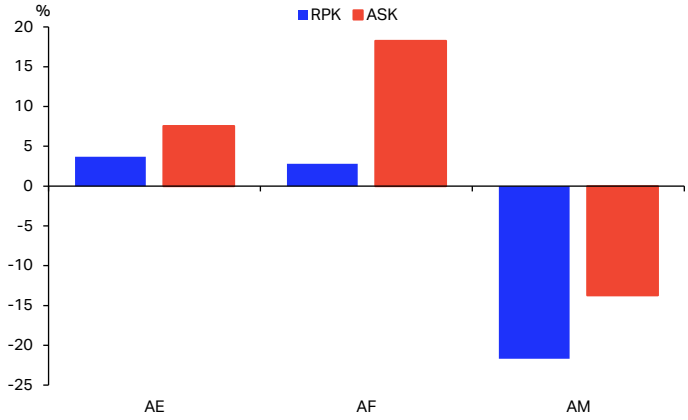
Source: IATA Sustainability and Economics using data from IATA Information and Data

4. Regional performance

4.1. Africa

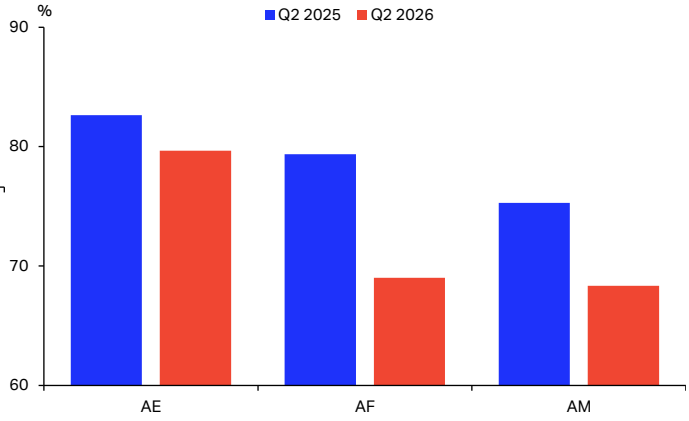
- African carriers maintained positive passenger growth of 3.4% YoY in Q2 2026, although momentum slowed considerably from the previous quarter. Growth moderated as the demand boost that had supported carriers earlier in the year diminished following the disruption caused by the war in Iran. Capacity expanded in line with demand, rising 3.4% YoY during the quarter. As a result, the PLF remained unchanged at 75.2%, well below the industry average of 83.5%.
- Both Africa–Europe and Africa–Asia Pacific markets experienced slower growth than in Q1, and capacity growth exceeded demand in Q2 2026 **(Chart 22)**. On Africa–Europe services, RPK increased by 3.7% YoY, while capacity rose by 7.5% YoY. Africa–Asia Pacific routes saw demand growth of 2.8% YoY, significantly slower than the 18.3% YoY increase in capacity. As a result, the PLF declined by nearly 3.0 ppt and 10.4 ppt, respectively **(Chart 23)**. By contrast, demand on Africa–Middle East routes contracted by 21.7% YoY, while the decline in capacity was limited to 13.7% YoY, pushing the PLF down by 7.0 ppt. The PLF eased across all routes on a quarter-on-quarter basis, as well.
- Outbound travel from Africa remained heavily oriented toward Europe, with all major European destinations recording growth during Q2 **(Chart 24)**. Belgium stood out, as passenger numbers increased by 17.5% YoY. Traffic to Saudi Arabia declined by 11.9% YoY amid the continued conflict in the Middle East, reversing the growth recorded in Q1 2026. Travel to the UAE continued to weaken, and passenger numbers were down by 26.4% YoY. Traffic to the United States also contracted, by 1.5% YoY.
- Egypt played a central role in the region's performance. Passenger traffic between Egypt and Italy increased by 9.2% YoY in Q2 2026, making it the strongest-performing corridor **(Chart 25)**. Traffic on Middle Eastern routes contracted sharply. The Egypt–UAE corridor recorded the steepest decline, down 19.7% YoY. Other routes between Africa and the Middle East also weakened with Egypt-Saudi Arabia traffic declining by 17.0% YoY.
- Looking ahead to Q3 2026, strong seat capacity growth is scheduled across Africa **(Chart 26)**. Egypt remains the largest market in Africa, and seat capacity is expected to increase by 10.6% YoY. Nigeria stands out as available seats are forecasted to grow by more than 37% YoY, well above the regional average, followed by Tanzania at 12.3% YoY. Larger markets are also set to expand. Seat capacity in South Africa and Morocco is projected to rise by 4.6% and 9.4% YoY, respectively. Solid growth is also anticipated in Ethiopia, Algeria, Tunisia, and Ghana, where increases range from 4.9% to 9.4% YoY.
- Air cargo demand for carriers in the region continued to grow in Q2 2026 but decelerated compared to the previous quarter. The Africa-Asia route recorded the strongest gains, up by 9.4% YoY **(Chart 27)**. Capacity growth on this route lagged demand, rising by 2.4% YoY, which pushed the CLF up to 58.7%. In contrast, Africa-Europe cargo flows were broadly flat as demand edged up by just 0.2% YoY, while capacity contracted by 1.8% YoY, improving utilization. The Africa-Middle East cargo corridor was less adversely affected than its passenger counterpart, as demand fell by 17.0% YoY and capacity shed 10.3% YoY, resulting in a lower cargo load factor.

Chart 22: Africa, international air passenger traffic and seat capacity by route area, YoY, %



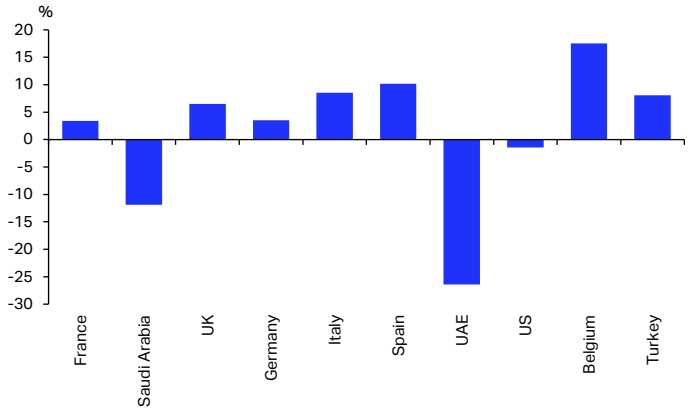
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 23: Africa, air passenger load factor by route area, % of ASK



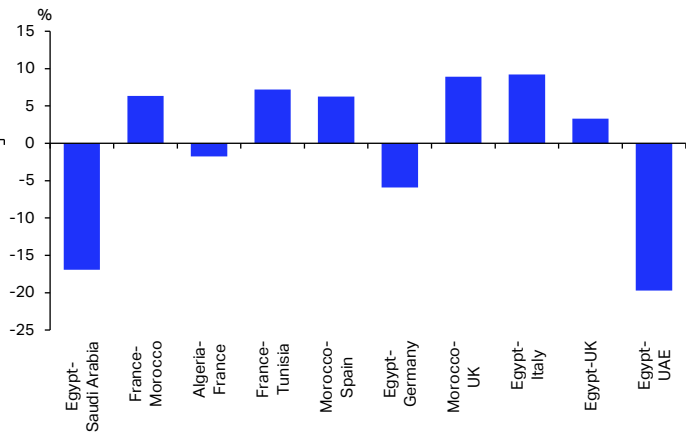
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 24: Traffic from Africa to its top 10 destinations by market size, YoY, %



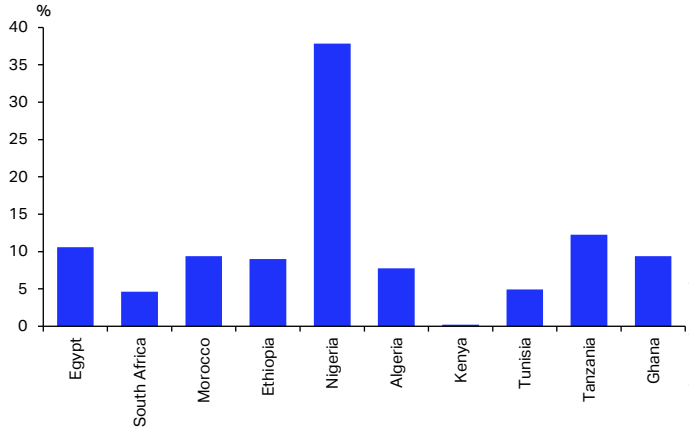
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 25: Number of passengers traveling to and from major country pairs serving Africa, YoY, %



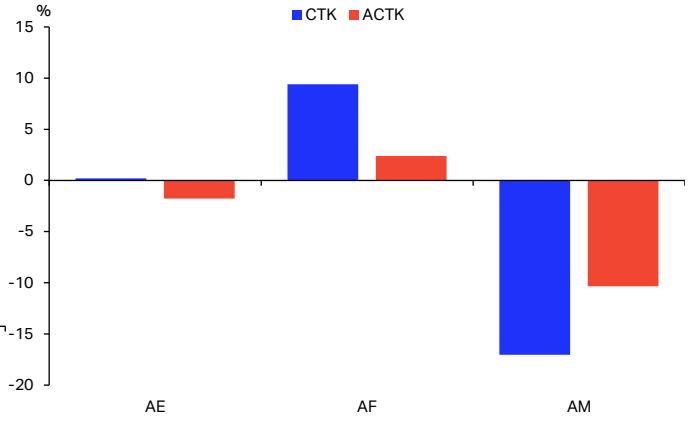
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 26: Africa, air passenger seats capacity scheduled for Q3 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. 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]

Share of Industry RPK in 2025		Q2 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-2.4**	**-2.1**	**6.2**	**2.0**	**83.5**	**46.4**
Africa[2]	2.2	3.4	3.4	8.3	-6.4	75.2	48.6

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

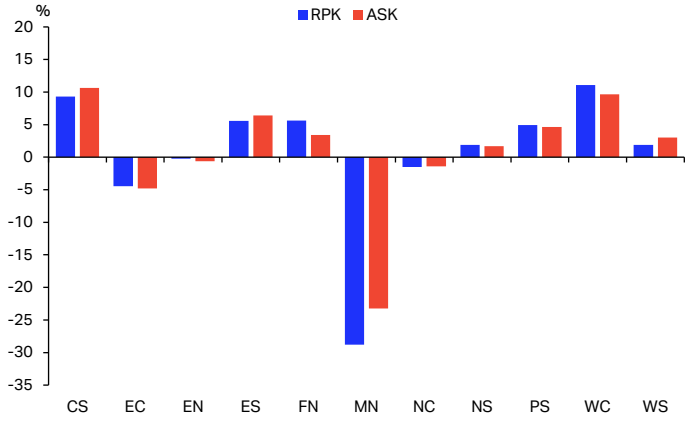
Notes:

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

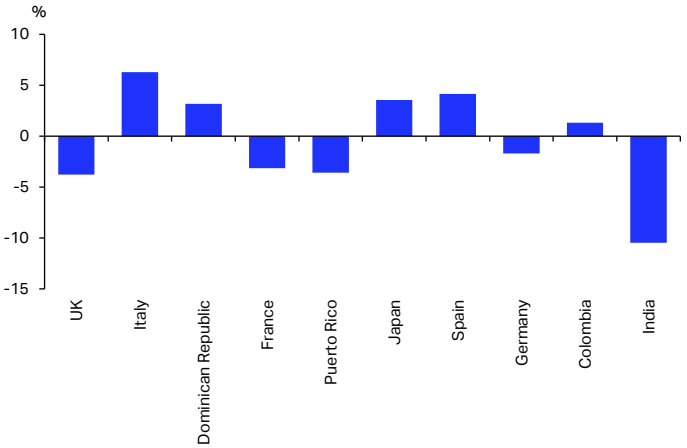
- North American carriers were broadly stagnant in Q2 2026, as traffic and capacity declined by 0.5% and 0.2% YoY, respectively, amid weaker domestic demand and slower US economic momentum. By contrast, Latin American carriers outperformed and added 4.3% YoY to RPK and 4.4% YoY to capacity.
- International passenger performance was mixed **(Chart 28).** RPK within Central America rose 11.1% YoY and increased by 9.3% YoY between Central America/Caribbean and South America. Middle East–North America, on the other hand, contracted by as much as 28.8% YoY regarding RPK and by 23.2% YoY concerning ASK, due to airspace disruptions.
- Traffic from North America to its ten largest destinations softened compared to Q1, led by declines to India of 10.5% YoY, the UK of 3.8% YoY, and Puerto Rico of 3.6% YoY **(Chart 29)**. Reduced traffic between North America and India mainly reflected a capacity-led correction and airspace disruptions. At the same time, traffic to Italy grew by 6.3% YoY, followed by Spain at 4.2% YoY, Japan at 3.5% YoY, the Dominican Republic at 3.2% YoY, and Colombia at 1.3% YoY, all of which are less impacted by the war in Iran.
- Latin America's top international destinations remained resilient but uneven in Q2 2026 **(Chart 30)**. Portugal recorded the highest growth at 11.6% YoY, underpinned by Brazil–Portugal flows, which account for 81.4% of regional traffic to Portugal, as well as gains from the Dominican Republic and Mexico. Italy expanded by 7.1% YoY, followed by the Netherlands at 5.8% YoY, and Germany at 4.0% YoY. In contrast, traffic to France and Canada declined by 8.1% and 6.3% YoY, respectively, potentially affected by selective long-haul capacity allocation. Contraction in demand from Latin America to France aligns with disciplined capacity growth in 2026 amid high fuel costs and geopolitical uncertainty, while Canada's Q2 weakness appears more linked to broader Latin America-North America softness.
- Major city-pair flows were mixed. Rio de Janeiro–São Paulo grew by 4.7% YoY, supported by dense domestic demand, while New York–Orlando increased by 2.4% YoY, benefiting from the US summer season and incremental World Cup-related capacity positioning around New York/New Jersey **(Chart 31)**. Mexico City-Monterrey posted Mexico's strongest domestic growth at 7.5% YoY, amplified by World Cup preparations but underpinned by structural demand, business travel, and Monterrey's industrial base. The broader regional trend remains consistent with Brazil remaining one of Latin America's strongest domestic markets and Panama, Argentina, Colombia, and Mexico among the fastest-growing scheduled capacity countries.
- Looking ahead to Q3 2026, planned capacity is set to increase across all top 10 markets. Panama and Argentina stand out, with projected growth of 11.4% and 10.0% YoY, respectively. This is supported by hub-led connecting traffic in Panama and liberalization, new routes, and stronger domestic and regional connectivity in Argentina. Colombia and Peru are each forecasted to expand by 4.8% YoY, while Brazil is expected to grow 4.7% YoY. The gains reflect solid domestic demand, stronger international links, Lima-centered gains, and Brazil's resilient domestic market **(Chart 32)**.
- Air cargo outperformed passenger traffic in Q2 2026. Industry CTK increased by 6.2% YoY, while ACTK rose by 2.0% YoY and lifted the load factor to 46.4%. North American carriers led regional growth as CTK was up 10.0% YoY. By contrast, demand among Latin American airlines rose by only 0.8% YoY despite a 5.6% YoY expansion in capacity.
- Route-level cargo performance remained mixed **(Chart 33)**. CTK within Central America surged by 35.0% YoY. However, the Central America/Caribbean–South America and Europe–South America corridors declined by 5.1% and 3.7% YoY, respectively. A notable exception was the Middle East–North America market, where cargo traffic increased by 23.0% YoY despite a 10.8% YoY fall in capacity. As a result, cargo load factors increased as freight demand was redirected to offset the loss of belly-hold capacity amid the ongoing war in Iran.

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



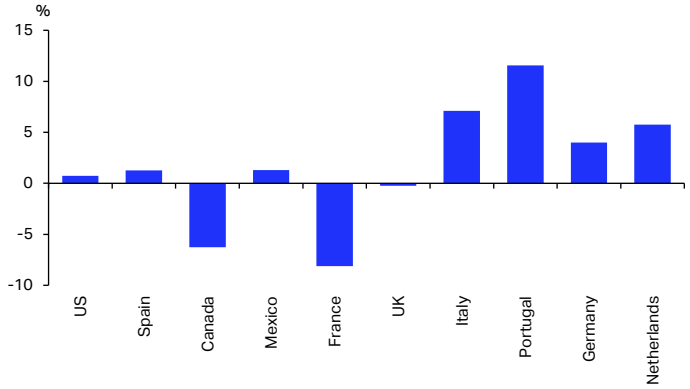
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 29: Traffic from North America to its top 10 destinations by market size, YoY, %



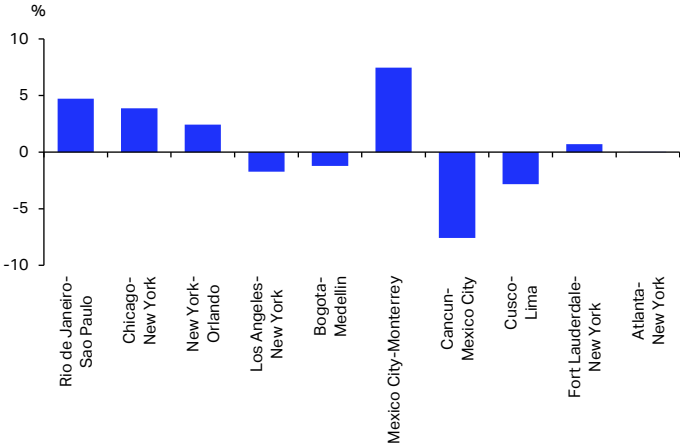
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



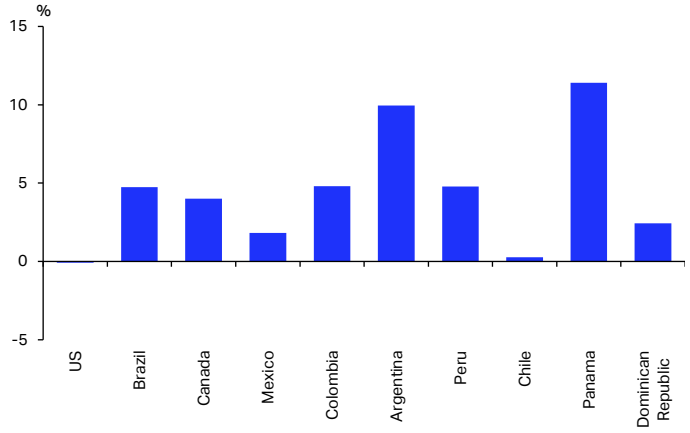
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 31: Number of passengers traveling to and from major city pairs serving Americas, YoY, %



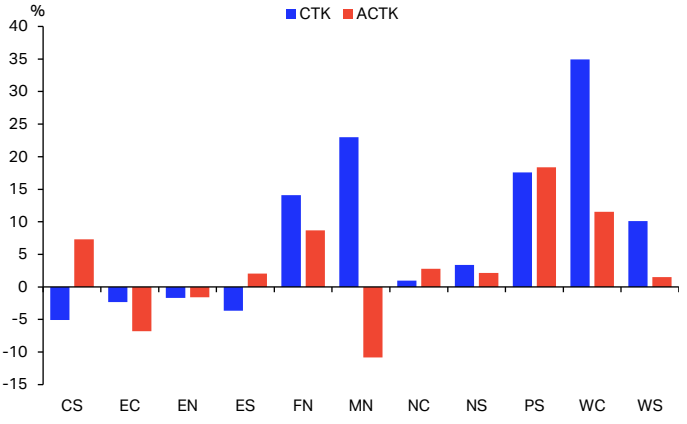
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 32: Americas, air passenger seats capacity scheduled for Q3 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. 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]

	Share of Industry RPK in 2025	Q2 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-2.4**	**-2.1**	**6.2**	**2.0**	**83.5**	**46.4**
North America[2]	21.8	-0.5	-0.2	10.0	3.3	83.7	41.0
Latin America[2]	5.4	4.3	4.4	0.8	5.6	82.5	35.3

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

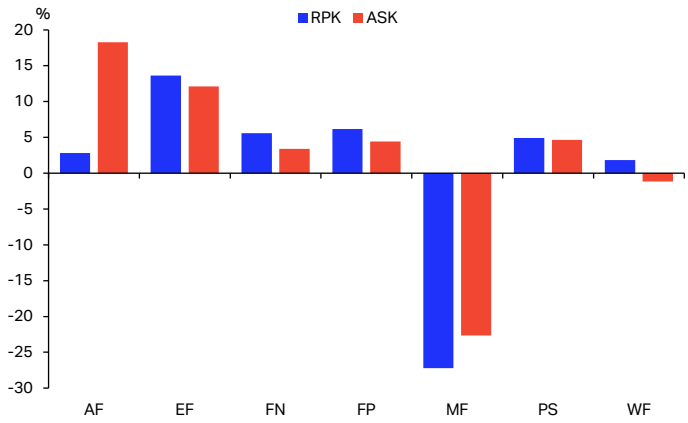
Notes:

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

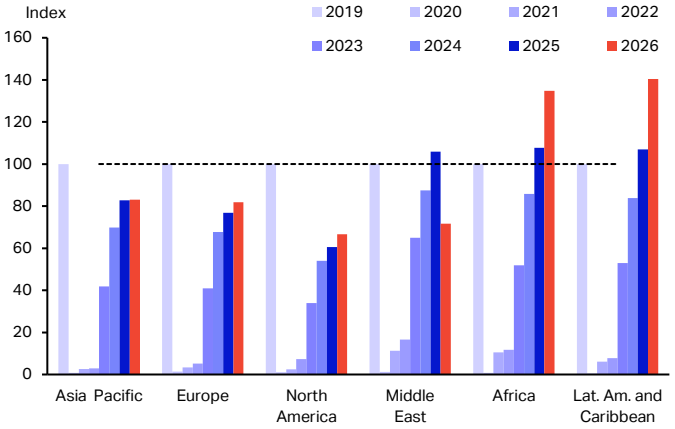
- Passenger demand among Asia Pacific carriers declined slightly in Q2 2026, as RPK fell by 0.5% YoY and reversed the growth recorded in the previous quarter. Capacity contracted at a faster pace, down by 1.2%. As a result, the PLF increased to 84.2%.
- Asia Pacific airlines recorded traffic growth across six of the seven major international route areas serving the region in Q2 2026. Asia-Europe had the strongest performance, as RPK increased by 13.6% YoY and capacity rose by 12.1% YoY **(Chart 34).** Traffic also outpaced capacity on Asia-Southwest Pacific routes, where RPK was up 6.2% YoY, and on Asia-North America routes, where demand increased by 5.6% YoY. Within Asia, traffic rose by 1.9% despite a 1.2% YoY decline in capacity. By contrast, traffic between Africa and Asia lagged capacity expansion. Asia-Middle East was the only route area to contract, where traffic fell by 27.2% YoY and capacity declined by 22.7% YoY.
- International travel from China continued to recover in Q2 2026, with marked differences across destination regions **(Chart 35)**. Traffic from China exceeded pre-pandemic levels on routes to Africa and Latin America and the Caribbean, reaching 135% and 140% of their Q2 2019 levels, respectively. North America remained the weakest major destination market, at 67% of pre-pandemic levels, while traffic to Europe was at 82% of 2019 levels. Asia Pacific remained the largest destination region, broadly unchanged from last year, at 83% of its 2019 benchmark. Passenger volumes to the Middle East fell from 106% of 2019 levels in Q2 2025 to 72% in Q2 2026.
- Passenger traffic from Asia Pacific to its top destinations showed mixed trends in Q2 2026 **(Chart 36)**. The US remained the largest destination and recorded growth of 1.4% YoY. The United Arab Emirates ranked second despite a 24.2% YoY decline, the steepest drop among the ten major markets. Traffic to Saudi Arabia and the UK decreased by 8.7% and 4.9% YoY, respectively. Germany, France, and Italy posted more moderate declines, while Spain was broadly unchanged. Canada registered the strongest growth at 8.1% YoY, followed by Türkiye at 3.4% YoY.
- Six of the ten largest city pairs serving Asia Pacific saw lower passenger volumes in Q2 2026 compared with last year **(Chart 37)**. Jeju–Seoul remained the largest route, although traffic fell by 8.6% YoY. Sapporo–Tokyo and Fukuoka–Tokyo followed, as passenger numbers increased by 6.1% and 4.2% YoY, respectively. Seoul–Tokyo posted the strongest traffic increase at 15.4% YoY. Passenger demand on Guangzhou-Shanghai was up by 2.4% YoY, while other major routes contracted.
- Looking ahead at scheduled seats for Q3 2026, China remains the largest Asian market, with capacity set to increase by 7.2% YoY **(Chart 38)**. By contrast, six out of the ten largest markets have fewer scheduled seats than a year earlier. Capacity in India and Japan is expected to fall by 2.3% and 2.4% YoY, respectively. Indonesia is scheduled to add 3.9% more seats YoY, while Australia is projected to have a 0.9% YoY reduction. Vietnam is likely to post the largest increase at 9.6% YoY, whereas capacity in Malaysia and the Philippines is forecasted to decline by 6.6% and 4.1% YoY, respectively.
- Air cargo traffic for Asia Pacific carriers expanded in Q2 2026. Cargo traffic grew by 8.7% YoY, while capacity rose by 5.0% YoY. As a result, the CLF was up to 48.7%. At the route-area level, cargo traffic increased across six of the seven major route areas serving Asia Pacific during this quarter, supported by the conflict-related re-routings **(Chart 39)**. The Americas–Southwest Pacific corridor recorded the strongest gains, as CTK grew at 17.6% YoY, broadly matching capacity expansion.
- By contrast, cargo traffic between the Middle East and Asia was the only route area to contract, as traffic was down by 13.8% YoY and capacity contracted by 6.8% YoY. Asia–North America traffic surged by 14.1% YoY, while capacity rose by 8.7%. CTK on Africa–Asia routes grew by 9.4% YoY, ahead of the 2.4% YoY increase in capacity. Europe–Asia cargo volumes were up by 9.2% YoY compared with a 13.5% YoY expansion in capacity. Within Asia, CTK gained 8.6% YoY, outpacing the 4.6% YoY increase in capacity. Asia–Southwest Pacific marked a 6.1% YoY growth in CTK, while capacity was broadly unchanged.

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



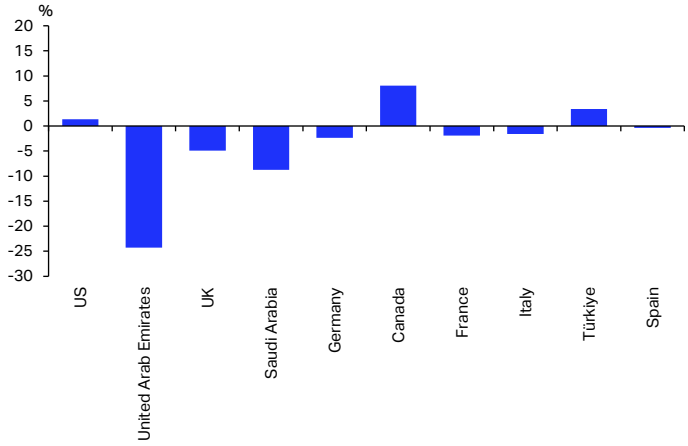
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 35: International air passengers from China by destination region, Q2 each year, index, 2019=100



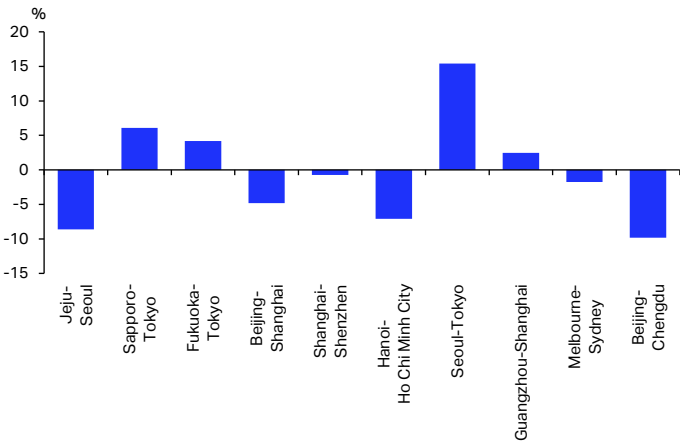
Source: IATA Sustainability and Economics using data from DDS

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



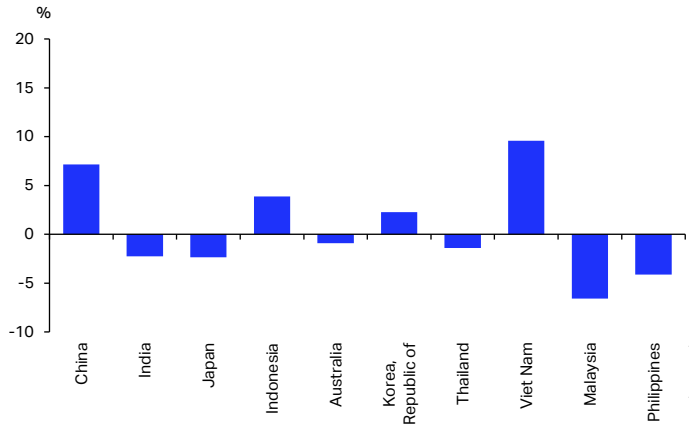
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 37: Number of passengers traveling to and from major city pairs serving Asia Pacific, YoY, %



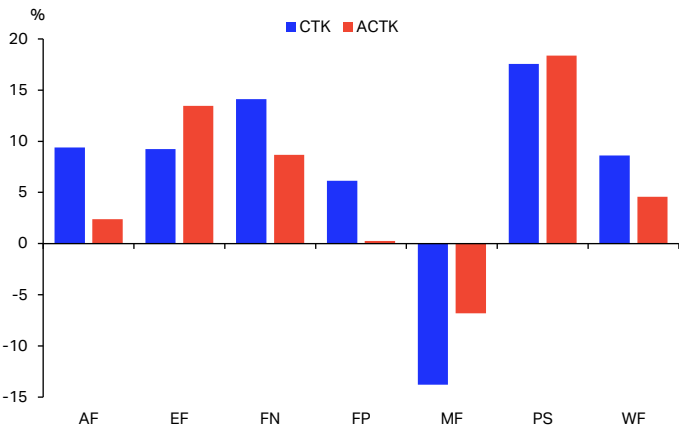
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 38: Asia Pacific, air passenger seats capacity scheduled for Q3 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. 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]

Share of Industry RPK in 2025		Q2 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-2.4**	**-2.1**	**6.2**	**2.0**	**83.5**	**46.4**
Asia Pacific[2]	34.4	-0.5	-1.2	8.7	5.0	84.2	48.7

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

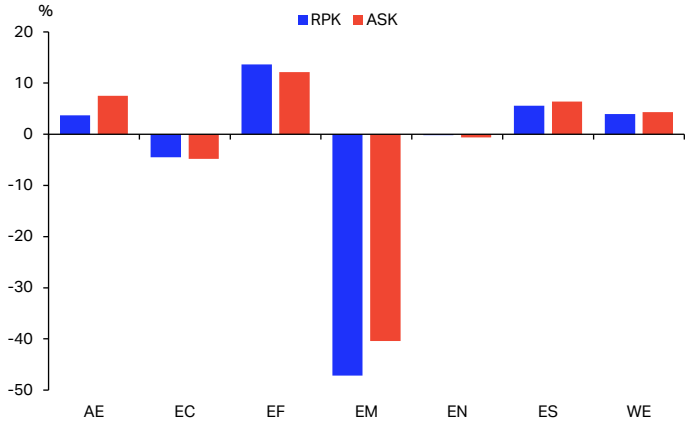
Notes:

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

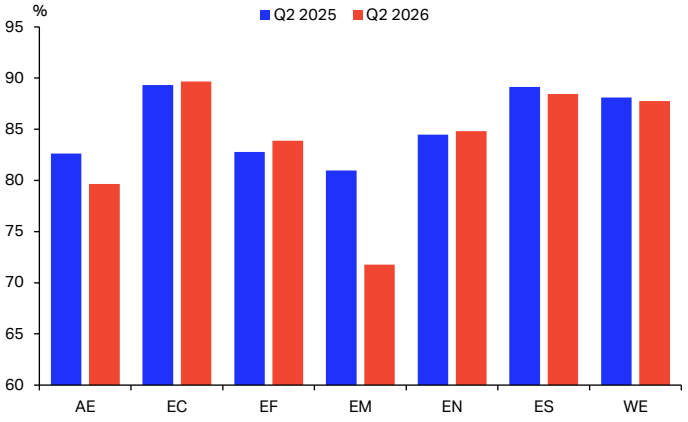
- European airlines maintained resilient passenger performance in Q2 2026. Demand growth broadly matched capacity expansion. RPK increased by 1.1% YoY, while capacity rose by 1.2% YoY. As a result, the PLF remained broadly stable and declined by just 0.1 ppt to 85.9%. Most markets continued to expand during the quarter. The only exceptions were routes to the Middle East, Central America and Caribbean, and North America, where both demand and capacity weakened.
- On Europe–Middle East services, capacity was shifted away in response to continued softness in demand amid ongoing conflicts in the region and tighter capacity management. Some of this capacity was redirected to Europe–Asia Pacific and Europe-Africa routes. Passenger demand on Europe–Middle East services fell by more than 47% YoY, while capacity declined at a slower pace of 40.4% YoY **(Chart 40)**. As a result, the PLF on this route decreased by 9.2 ppt to 71.8% **(Chart 41)**. In contrast, Europe–Asia Pacific and Europe-Africa services recorded traffic growth of 13.6% and 3.7% YoY, respectively. The load factor on Europe–Asia Pacific corridor increased to 83.9%, while the Europe-Africa load factor was down by 3.0 ppt to 79.7%.
- The Europe-Central America and Europe-North America corridors contracted in Q2 2026. Capacity declined faster than demand, and supported higher load factors. The Europe–South America corridor was the second-strongest performing market in terms of demand growth. Passenger traffic on this route rose by 5.6% YoY, while capacity grew by 6.4% YoY. As a result, PLF decreased 0.7 ppt to 88.4%. Intra-European travel, the largest market, also maintained solid momentum. Passenger demand increased by 3.9% YoY, while capacity expanded by 4.3%, reducing load factors to 87.7%.
- Outbound travel patterns diverged by destination. The UAE, Saudi Arabia, Israel, and India were the only major markets to record contractions, with passenger traffic from Europe declining by 56.0%, 30.9%, 15.3%, and 12.1% YoY in Q2 2026, respectively **(Chart 42)**. In contrast, most leading destinations outside Europe recorded growth. Passenger numbers to Morocco increased by 9.2% YoY, while Tunisia and Egypt posted more moderate gains of 4.9% and 3.6% YoY. Travel to Canada and the US also expanded, rising by 8.8% and 0.3% YoY, partly supported by travel associated with the FIFA World Cup in North America.
- At the country-pair level, most of Europe's largest markets remained intra-European, with the UK–US route the main exception. Traffic on UK-US routes fell by 3.6% YoY **(Chart 43)**. Italy-UK recorded the strongest growth among major pairs, as passenger numbers increased by 10.9% YoY, followed by Greece-UK at 10.2% YoY and Italy-Spain at 8.3% YoY. Germany-Türkiye was the only major intra-European route to record a decline, with traffic slipping by 0.5% YoY.
- Looking ahead, scheduled seat capacity from Europe is projected to return to growth in Q3 2026, following capacity adjustments made in response to tensions in the Middle East. Capacity to and from Italy is expected to record the highest increase among Europe's major markets, up by 9.8% YoY. Spain and Greece are expected to follow, with growth of 5.8% and 5.2% YoY, respectively **(Chart 44)**. France, Germany, the Netherlands, and Portugal are set for a more modest gain of lower than 2% YoY.
- The air cargo market remained strong in the region. Demand rose by 6.3% YoY, outpacing capacity growth of 2.9% YoY and driving the CLF up to 52.5%. Among the corridors, Asia Pacific and the Middle East stood out. On Europe–Asia Pacific routes, cargo demand increased by 9.2% YoY, although capacity expanded more rapidly at 13.5% YoY. In contrast, Europe–Middle East cargo demand contracted sharply by 29.6% YoY, a steeper decline than the 24.4% YoY reduction in capacity, which led to weaker utilization **(Chart 45)**.

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



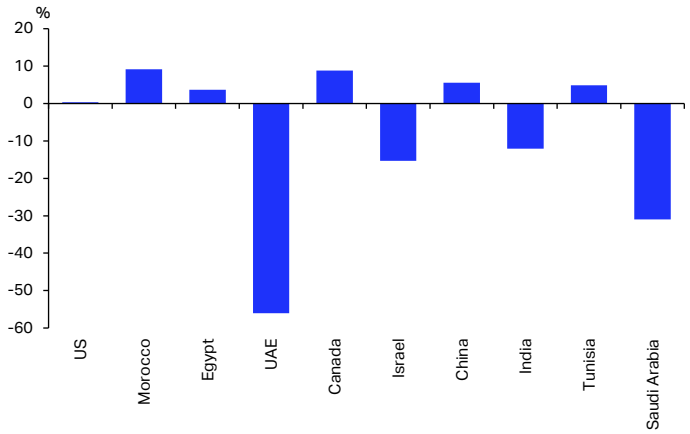
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 41: Europe, air passenger load factor by route area, % of ASK



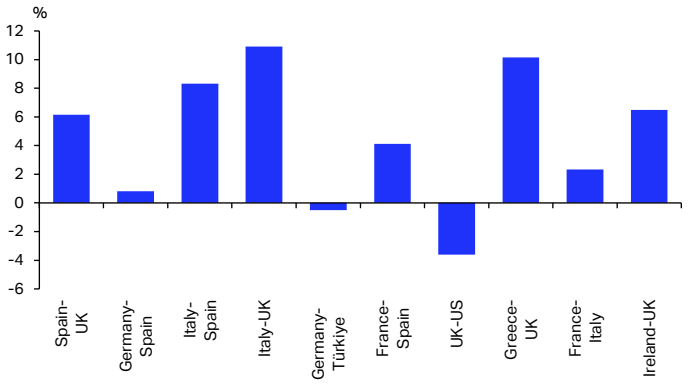
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



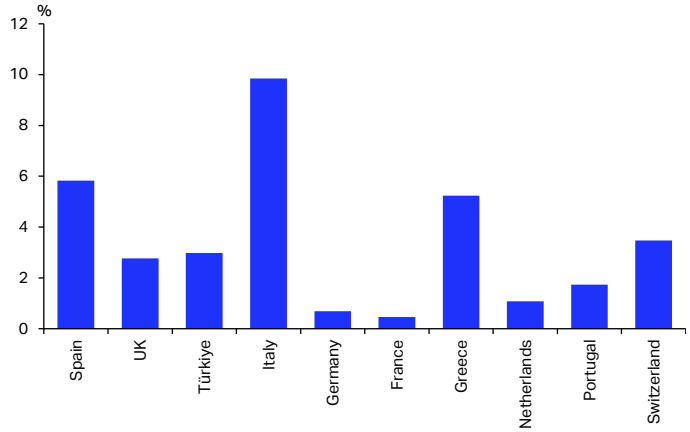
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 43: Number of passengers traveling to and from major country pairs serving Europe, YoY, %



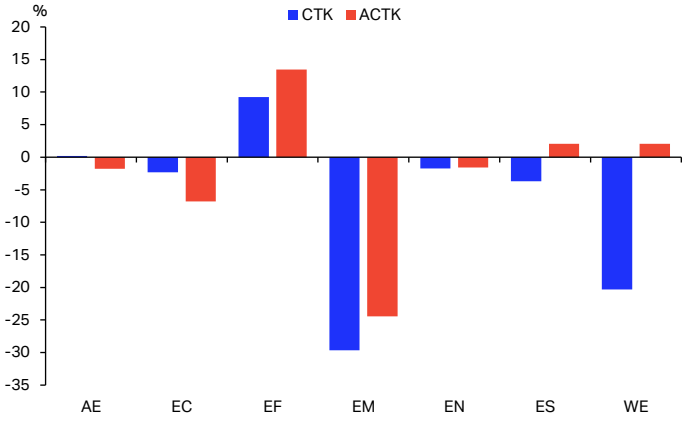
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 44: Europe, air passenger seats capacity scheduled for Q3 2026, YoY, %



Source: IATA Sustainability and Economics using Data from OAG. 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]

Share of Industry RPK in 2025		Q2 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-2.4**	**-2.1**	**6.2**	**2.0**	**83.5**	**46.4**
Europe[2]	26.7	1.1	1.2	6.3	2.9	85.9	52.5

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

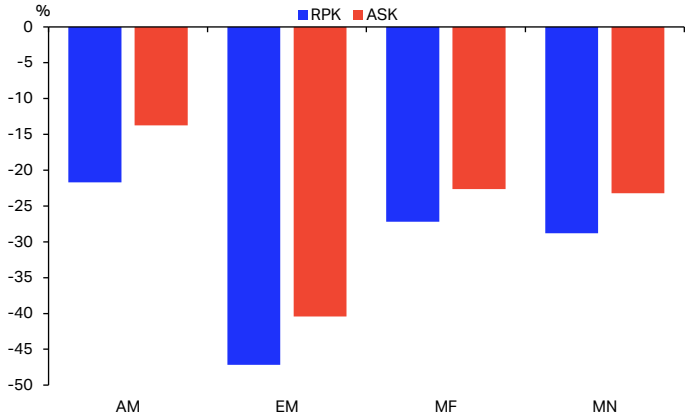
Notes:

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

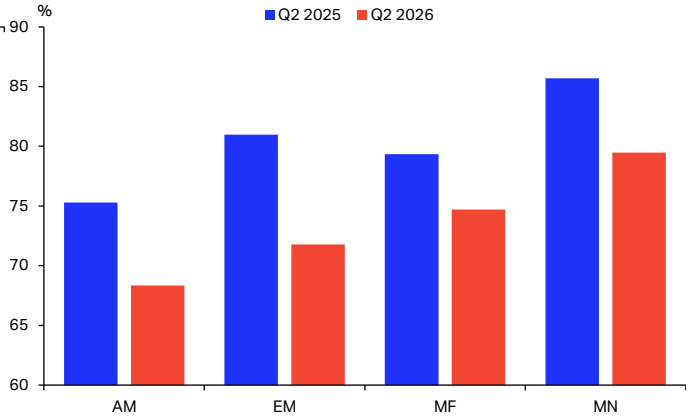
- Middle East carriers marked a 30.1% YoY drop in passenger traffic in Q2 2026. While still severe, the monthly contraction moderated in this quarter, as regional disruptions eased following the ceasefire in the Iran conflict and the partial easing of flight restrictions, supporting a gradual recovery in demand. As carriers continued canceling services, passenger capacity fell by 24.2% YoY. As demand declined more sharply than capacity, the PLF decreased by 6.3 ppt to 74.4%.
- The Middle East–Europe corridor was the most affected. RPK nearly halved and ASK fell by more than 40% YoY **(Chart 46)**. This route also recorded the steepest decrease in PLF, down 9.2 ppt to 71.8% in Q2 2026 **(Chart 47)**. Traffic between Asia and the Middle East, accounting for nearly half of the region's total RPK, declined by 27.2% YoY, exceeding the 22.7% YoY reduction in capacity.
- By contrast, routes linking the Middle East with Africa experienced the smallest contraction. RPK fell by 21.7% and ASK was cut by 13.7%, which pushed PLF down to 68.3%. On the Middle East–North America corridor, demand and capacity fell by 28.8% and 23.2% YoY, respectively, and reduced the PLF to 79.5%.
- Passenger travel to India weakened by 18.9% YoY **(Chart 48)**, as traffic on its main routes such as India-UAE and India-Saudi Arabia decreased by 22.4% YoY and 9.7% YoY, respectively **(Chart 49)**. In contrast, arrivals to Pakistan increased by 5.9% YoY, supported by 13.5% YoY growth on the Pakistan-Saudi Arabia market and a modest 1% YoY increase on the Pakistan-UAE route. Arrivals to Bangladesh also rose by 5.2%, despite a 6.0% YoY contraction in traffic on the Bangladesh-Saudi Arabia route.
- Egypt, the leading African destination from the Middle East, recorded a nearly 20% YoY contraction, reversing the growth observed in Q1. This was underpinned by a reduction in passenger flows with Saudi Arabia and the UAE, which declined by 17.0% and 19.7% YoY, respectively.
- Traffic within and beyond the Gulf was notably weaker. Saudi Arabia–UAE flows contracted sharply by 54.0% YoY, weighing on several downstream markets. Türkiye, the largest European destination, saw arrivals decline by 34.8% YoY, alongside a 15.9% YoY contraction in traffic on the Saudi Arabia–Türkiye route. Other European destinations posted even steeper reductions, including the UK (-47.7% YoY), France (-36.9% YoY), and Germany (-45.6% YoY), while UAE–UK traffic fell by 54.0% YoY.
- Looking ahead, schedule data for Q3 2026 underscores a gradual recovery of scheduled capacity following the double-digit capacity declines recorded across the region in Q2 **(Chart 50)**. Israel, Jordan, Saudi Arabia, and Oman are expected to return to growth in the next quarter, with capacity expanding by 17.3%, 11.9%, 3.0%, and 1.4% YoY, respectively. Seat capacity to and from other major countries in the region is projected to remain below year-ago levels, although the pace of contraction is expected to moderate.
- 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, and ACTK was down 24.4% YoY **(Chart 51)**. Cargo demand fell faster at 29.6% YoY, pushing CLF down to 46.5%.
- Middle East–North America routes recorded the second-largest capacity cut, however the demand recorded growth. ACTK declined by 10.8% YoY in Q2 2026, while CTK grew by 23.0%. As a result, CLF increased by 14 ppt to 51.0%. In the Middle East-Asia Pacific market, capacity contracted by 6.8%, but demand fell by double that pace (-13.8%), which pushed CLF down by 3.4 ppt to 41.9%. Cargo flows between the Middle East and Africa, the region's smallest cargo market, also weakened, where demand decreased by 17.0% YoY versus a 10.3% reduction in capacity. CLF slipped by 2.9 ppt to 36.1%.

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



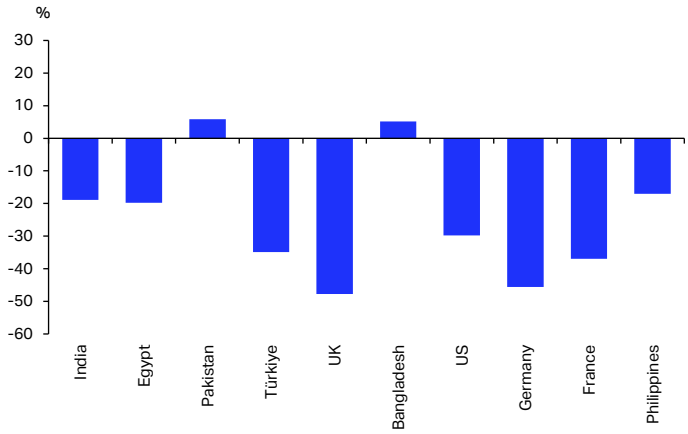
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



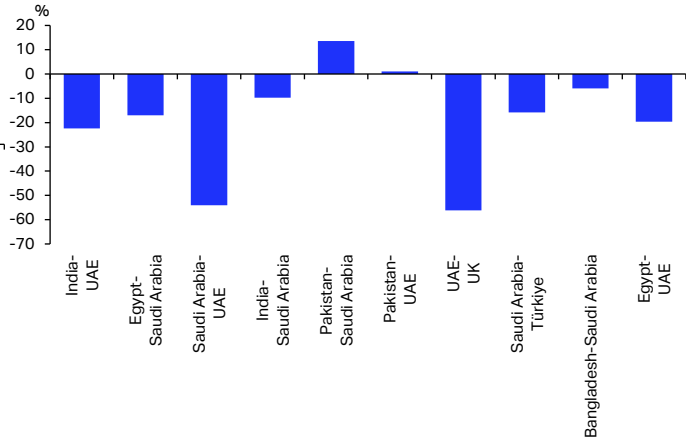
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 48: Traffic from Middle East to its top 10 destinations by market size, YoY, %



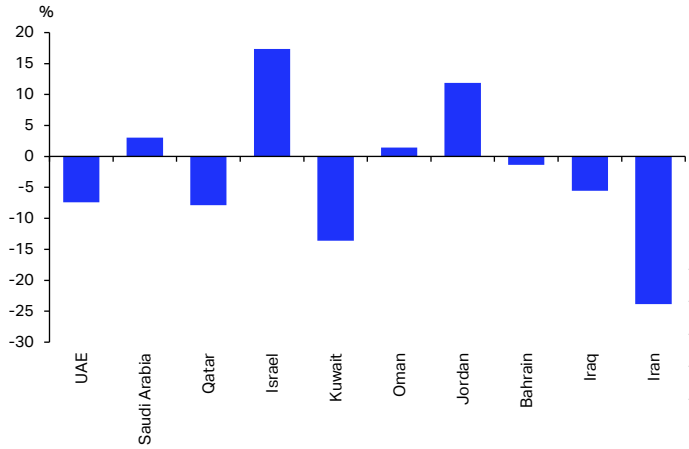
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 49: Number of passengers traveling to and from major country pairs serving Middle East, YoY, %



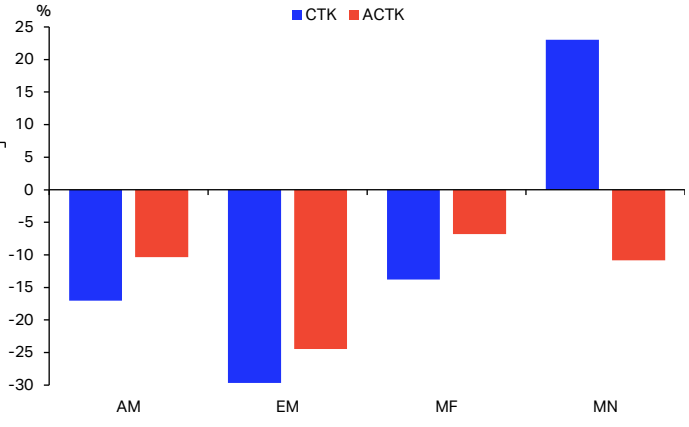
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 50: Middle East, air passenger seats capacity scheduled for Q3 2026, YoY, %



Source: IATA Sustainability and Economics using data from OAG. 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]

Share of Industry RPK in 2025		Q2 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-2.4**	**-2.1**	**6.2**	**2.0**	**83.5**	**46.4**
Middle East[2]	9.5	-30.1	-24.2	-7.0	-9.9	74.4	46.4

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 - Public content



iata.org/economics
economics@iata.org