Quarterly Air Transport Chartbook

IATA Sustainability and Economics

Q3 2026



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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

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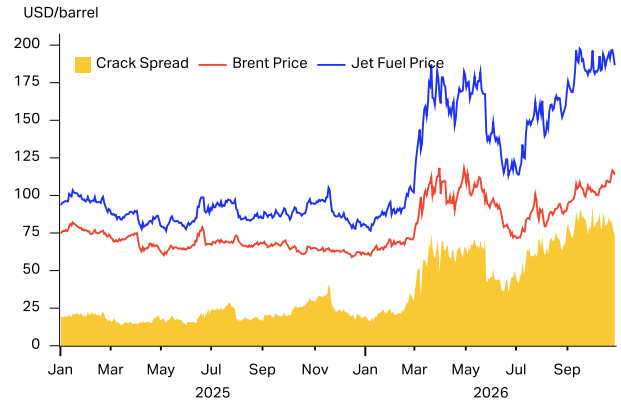
1. The business cycle

- Global GDP growth is holding in the vicinity of 3% in 2026, but the energy-price shock has pushed inflation back up. The price of Brent crude oil is above USD 100 per barrel, and jet fuel costs around USD 170 per barrel **(Chart 1)**. Global inflation is forecast at 4.7% this year, up from an annual average of 4.2% in 2025 **(Chart 2)**. Growth is also narrow: 32 countries now account for 95% of global growth.
- Global debt has reached an all-time high of approximately USD 353 trillion to USD 365 trillion in 2026, according to recent updates from the Institute of International Finance (IIF) and the International Monetary Fund (IMF) - more than three times global GDP. Government debt now exceeds USD 110 trillion, of which USD 41 trillion is owed by the US. Governments worldwide pay approximately USD 3.2 trillion annually strictly in net interest costs. Combined bond issuance for corporations and governments is peaking at USD 29 trillion in 2026, with roughly 78% of OECD government borrowing strictly used to roll over and refinance existing legacy debts. This creates a drain on government revenue and dampens growth as there is little room for new borrowing.
- This is exacerbated by higher consumer price inflation and the rapid increase in interest rates, from central banks' policy rates **(Chart 3)** and across the maturity spectrum **(Chart 4)**. Taken together, high energy prices, elevated inflation, and tighter financial conditions are imparting a distinctly recessionary bias to the global economy, with little indication that these constraints will ease in the near term.
- Several factors, however, continue to support the business cycle. Labor markets remain remarkably strong by historical standards, with unemployment rates close to cyclical lows in many major economies **(Chart 5)**. Simply having an income helps households to cope with the loss of purchasing power caused by inflation. In addition, investment in artificial intelligence and related digital infrastructure continues to provide a powerful source of economic momentum. As in 2025, AI-driven capital expenditure has proven sufficiently strong to counterbalance a range of economic headwinds, supporting business investment, productivity growth, and overall economic activity.
- In the US, GDP growth accelerated in the third quarter to 3.4% annualized, from 2.2% in the second quarter (0.8% and 0.5% respectively, quarter-on-quarter (QoQ) **(Chart 6)**. The unemployment rate remained low in September at 4.2%, up a smidge from 4.1% in August. Inflation rose to 3.7% year-on-year (YoY) in September with price increases seen across the board. Signs of a slowing economy are found in the rising number of bankruptcies, which reached 27,054 companies in the third quarter (Q3) of 2026 from 26,941 in Q2 2026 and 25,960 in Q1 2026 **(Chart 7)**. In Q2, nearly 13% of credit card balances were seriously past due (90+ days), and auto loan serious delinquencies are near a two-decade high. Around 20% of US households reported being late on a debt payment. These factors will likely impact the US mid-term elections that will be held on 3 November.
- In China, GDP figures showed a 4.5% YoY growth in the third quarter, putting the country on track to hit its 2026's target for output growth. Industrial production and exports were the two main drivers for the quarter, while retail sales expanded more moderately. To bolster economic activity, roughly USD 54 billion was injected into the financial system, and new mortgage subsidies and policies designed to curb the downturn in the housing sector were unveiled, among other measures. Following this policy stimulus, new bank lending in China rebounded sharply to 1.1 trillion yuan (USD 161.4 billion) in September–up significantly from just 60 billion yuan in August. An expected Politburo meeting and the annual Central Economic Work Conference in December could offer fresh clues on Beijing's policy priorities for next year.
- The European Union (EU) saw real GDP grow by 0.7% QoQ in the second quarter of 2026, and by 0.6% in the euro area. This is up from Q1 when GDP remained stable in the euro area and increased by 0.1% in the EU. Year-on-year this equates to 1.4% and 1.2% respectively. Ireland recorded the strongest growth in the EU in Q2 (10.2% QoQ), followed by Slovenia (1.8%) and Lithuania (1.7%). Austria was the only Member State that recorded a decrease compared to the previous quarter (-0.1%). Unemployment remains close to historic lows at 6.4% in the euro area in August 2026 and 6.1% in the EU. The EU trade balance in goods narrowed sharply from a surplus of EUR 51 billion in Q1 2025 to a deficit of EUR 22 billion in Q2 2026. The main cause of the deterioration was the energy trade deficit, which worsened from –EUR 71.3 billion in Q1 2026 to –EUR

101.1 billion in Q2 2026, driven by high global energy prices and shifting import dependencies, such as increased reliance on non-Russian gas and oil.

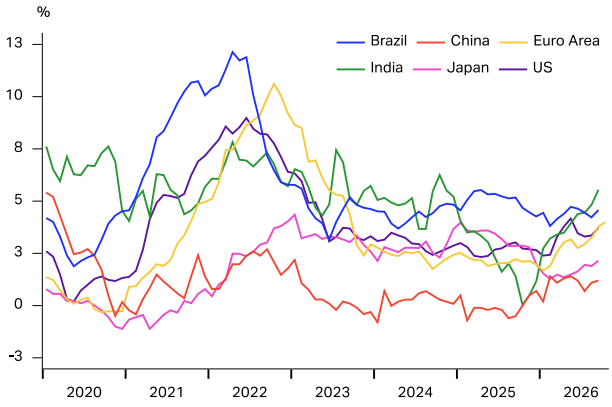
- Japan's GDP growth rate expanded by 0.7% YoY in Q2 2026, up from 0.5% in Q1. Growth slowed marginally, however, from 0.4% to 0.3% QoQ, from Q1 to Q2. The yen remains under pressure near 158 per dollar due in part to the wide interest rate differential versus the US. This contributes to rising import costs and high food prices. The Japanese government adopted a bill early October to lower the 8% consumption tax rate for food items to 1% for two years beginning in April 2027 and to introduce a benefit program targeting low- and middle-income workers. Monetary policy is tightening though, and the Bank of Japan raised its key short-term rate by 25bps to 1.25% in September, taking borrowing costs to their highest level since April 1995. Consumer price inflation reached 1.9% YoY in August, unchanged from July. The more worrying numbers for the Bank of Japan are the September wholesale price inflation at 6.8% YoY, and the yen-based import prices surge of 24.5% YoY in September. On top of these challenges, the IMF predicts that the UK and India will surpass Japan in terms of GDP in 2027, pushing Japan down from 4th to 6th in the global GDP ranking. The US, China, and Germany are the top 3.
- India's GDP grew by 7.8% YoY in the first quarter of financial year 2026–27 (April–June), exceeding market expectations but unchanged from the previous quarter's YoY rate. The Indian Rupee has depreciated by approximately 5.2% to 5.8% year-to-date (YTD) against the US dollar in 2026. While the Reserve Bank of India has stepped in with special dollar windows for state-run oil companies, and restrictions on FX derivatives, it faces a delicate balance between defending the currency and preserving foreign exchange reserves. Inflation increased to 5.5% in September from 4.8% in August of 2026, and the RBI raised its benchmark repo rate by 25 basis points to 5.5% early October, marking the first rise in nearly four years. The fact that India relies on imports to satisfy roughly 42% of its total primary energy needs adds to its woes. India imports about 88% of its crude oil requirements, making it the world's second-to-third largest net importer of oil. Major suppliers include Iraq, Russia, and Saudi Arabia. The labor market, however, is holding up and the unemployment rate stood at 5.0% in September 2026, below expectations and unchanged from the five-month low in the previous month.
- The results of Brazil's runoff elections marked and an unprecedent twist. Incumbent Lula da Silva reversed the loss from the first round against Flávio Bolsonaro and was elected to its fourth tenure with 51.8% of the valid votes. The vote took place against a mixed economic backdrop with low unemployment and a rising exports balance on the one hand, but slowing GDP growth, high interest rates, and growing public debt on the other hand. GDP rose by 0.5% QoQ in Q2, and by 2.0% YoY, down from 1.1% QoQ and up from 1.8% YoY in Q1. The Brazilian real has gained approximately 8% to 9% year-to-date against the US dollar. This is in parts thanks to the Brazilian central bank policy rate (Selic) being as high as 13.75%, following its 5th consecutive rate cut in September 2026. Inflation stood at 4.6% in September, YOY (up from 4.2% in August), and the month-on-month increase was 0.8%. The real also benefits from Brazil's positive energy trade balance, as the country enjoys strong net exports of crude oil and petroleum products. It should be noted though that Brazil's domestic energy matrix is heavily anchored by renewables (around 88% to 95% of electricity generation from hydro, wind, and solar), alongside a massive pioneering ethanol and biodiesel sector (representing over 22% of transport fuels), which reduces the need for fossil fuel imports in the power sector.

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



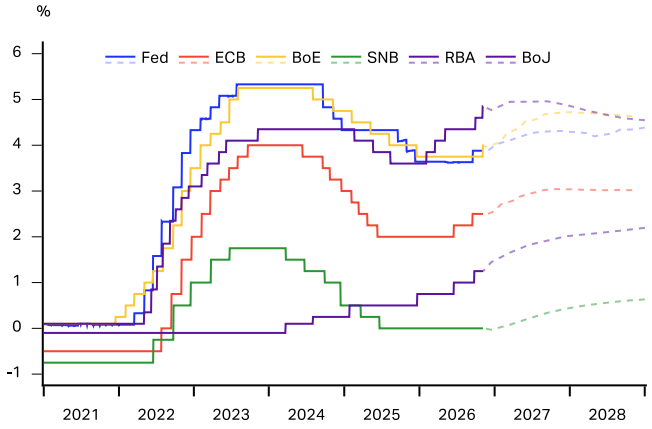
Source: IATA Sustainability and Economics, using data from S&P Global Energy Platts

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



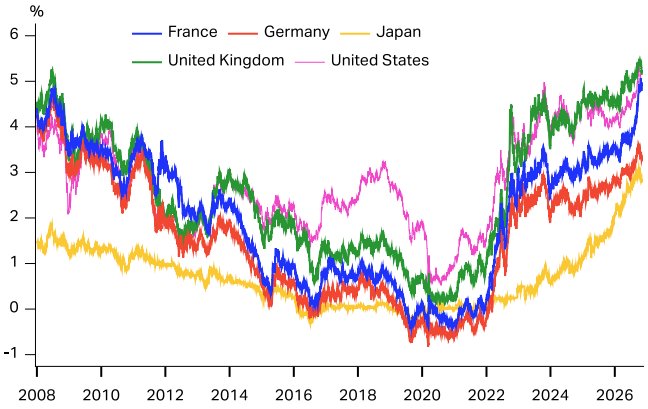
Source: IATA Sustainability and Economics, Macrobond

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



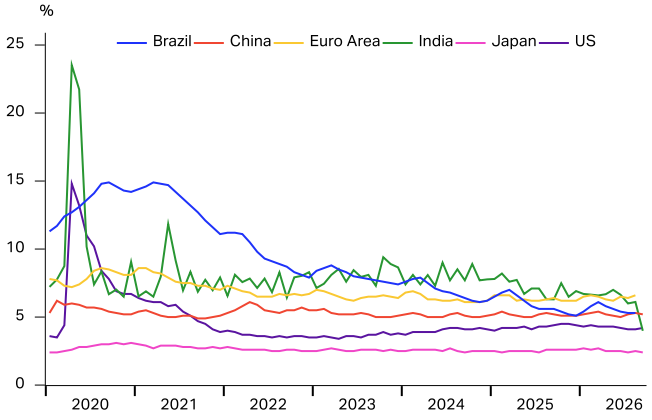
Source: IATA Sustainability and Economics, Macrobond
Note: Dashed lines correspond to future contracts on each interest rates

Chart 4: 10-year government bond yield, selected economies, %



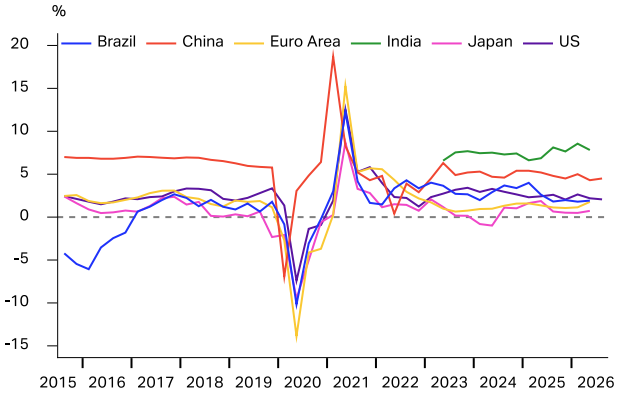
Source: IATA Sustainability and Economics, Macrobond

Chart 5: Unemployment rate, major economies, %



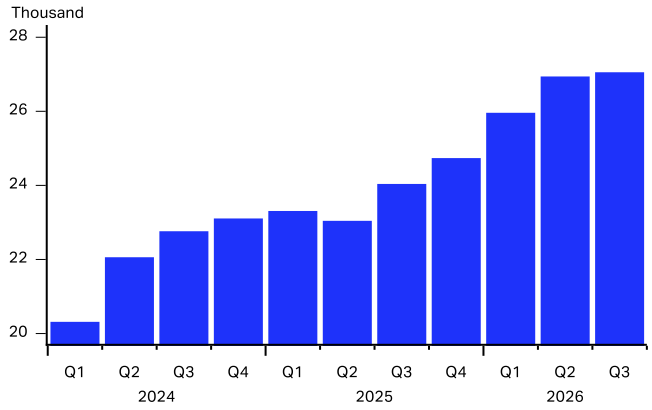
Source: IATA Sustainability and Economics, Macrobond

Chart 6: Real GDP growth rate, major economies, YoY, %



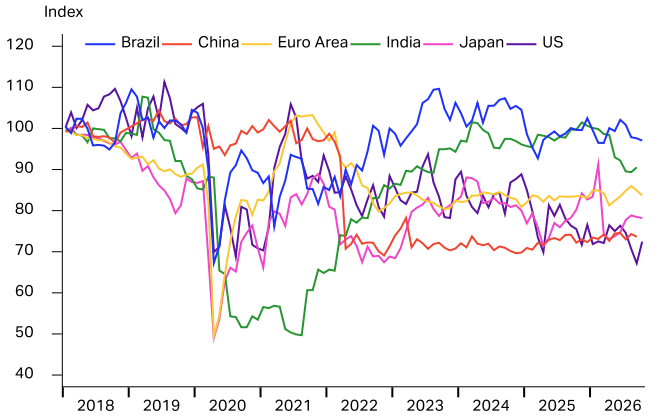
Source: IATA Sustainability and Economics, Macrobond

Chart 7: United States business bankruptcies filings



Source: IATA Sustainability and Economics, Macrobond, US Courts

Chart 8: Consumer confidence, major economies, Jan 2018 = 100

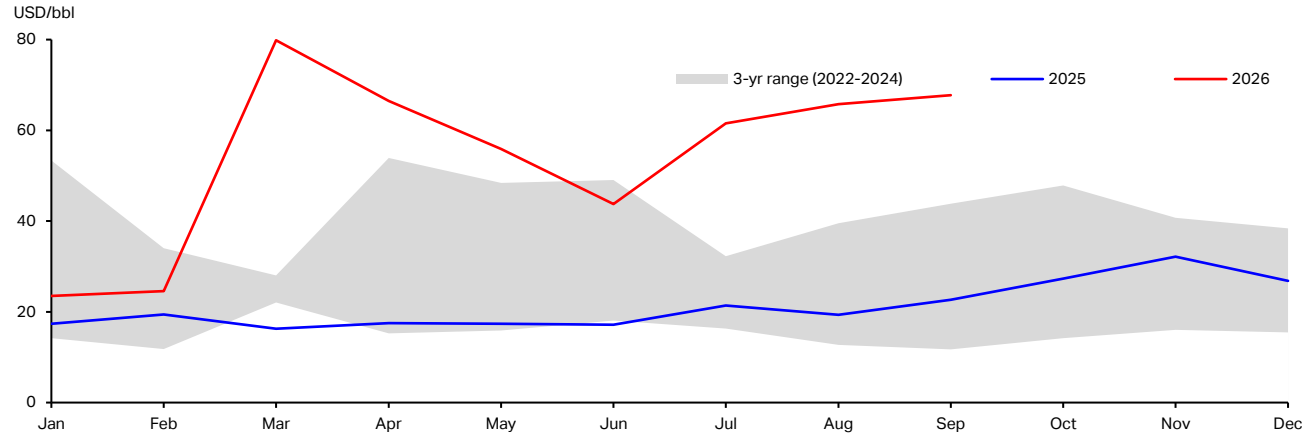


Source: IATA Sustainability and Economics, Macrobond

2. Aviation fuel

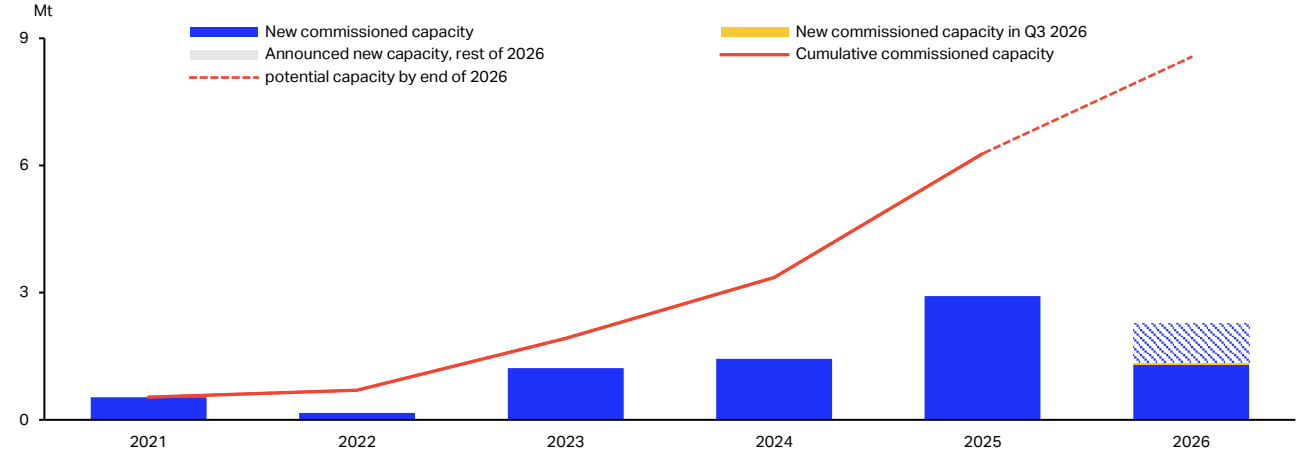
- Crude oil prices averaged USD 97.0/BBL in Q3 2026, down 7% quarter-on-quarter from USD 103.8/BBL in Q2 2026. The lower quarterly average largely reflected weaker prices at the start of the quarter. Reports of recovering crude flows from the Persian Gulf following the US-Iran ceasefire in April eased supply concerns and reduced geopolitical risk premia. However, the market rallied sharply towards the end of the quarter, with prices remaining significantly above USD 100/BBL throughout most of September. Renewed tensions in the Middle East revived concerns over prolonged disruptions to global oil supplies. Escalating hostilities, attacks on vessels operating in the region, and strikes on critical energy infrastructure, including Saudi Arabia's East-West Pipeline, constrained oil shipments and heightened concerns about a tightening global crude balance. These were compounded by already-low crude inventory levels, which remained near the bottom of their recent range.
- Global jet fuel prices averaged USD 162.0/BBL in Q3 2026, up 3% from USD 158.0/BBL in Q2 2026. Despite lower crude oil prices over the quarter, expectations of tighter middle distillate markets, particularly for diesel and jet fuel, translated into stronger jet fuel margins, reflected in a widening jet fuel crack spread **(Chart 9)**. Alongside ongoing constraints on refined product exports from the Middle East, continued Ukrainian attacks on Russian oil infrastructure disrupted refining operations and contributed to a government-imposed export ban on petroleum products. The resulting reduction in global diesel supply supported higher diesel prices. In response, refiners increasingly favoured diesel production over jet fuel, further constraining jet fuel availability and driving jet fuel crack spreads sharply higher.
- After the record annual increase in commissioned SAF capacity in 2025, when nearly 3 Mt of new capacity came online, growth appears to be moderating in 2026. The 2025 increase was driven predominantly by HEFA and co-processing projects. Slightly more than 2 Mt of additional SAF production capacity is expected to be commissioned by year-end **(Chart 10)**. Around 60% of this capacity came online during the first half of the year. Activity slowed significantly in Q3 2026, with only one commercial-scale co-processing facility reported to have entered operation in India. Around 0.9 Mt of additional capacity is expected to come online in Q4 2026. Nevertheless, capacity does not imply production. Actual SAF production is estimated to reach around 2.4 Mt in 2026, compared with global SAF capacity of around 9 Mt.
- The first methanol-to-jet (MtJ) demonstration facility was commissioned in Switzerland and will produce small volumes of SAF for testing and validation. This marks an important milestone following American Society for Testing and Materials (ASTM) certification of the MtJ pathway earlier this year, enabling an additional technology route for e-SAF production when renewable methanol is used. However, these technical advances must be matched by a sequenced and supportive policy framework to facilitate the transition from demonstration-scale projects to commercial deployment. To date, only one commercial e-SAF project has reached final investment decision globally, highlighting the need for stronger policy support to accelerate scale-up.
- Beyond the limited commissioning activity, Q3 2026 saw important milestones in SAF project development. In Indonesia, two additional co-processing projects were announced and, once operational, will further expand the country's SAF production capacity alongside the existing operational facility. In the US, a renewable natural gas-to-SAF project using Fischer-Tropsch technology reached key development milestones and is expected to become operational by 2031. In France, the country's first industrial-scale alcohol-to-jet (AtJ) SAF project was announced. It is scheduled to begin operations in 2030 with a production capacity of 50 kt per year.

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



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

Chart 10: SAF capacity additions by start-up year and cumulative commissioned capacity, Mt



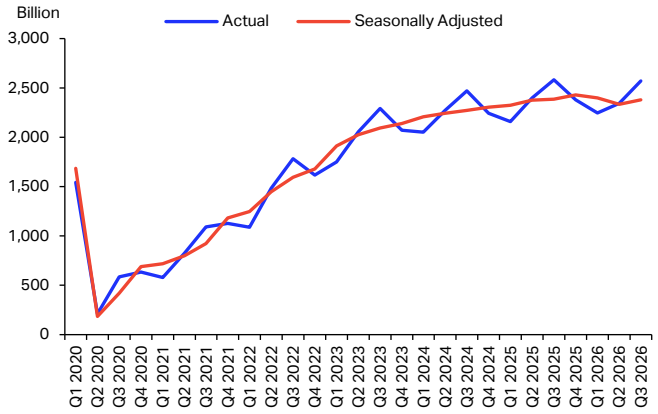
Source: IATA Sustainability and Economics

3. Passenger and cargo traffic

3.1. Passenger traffic

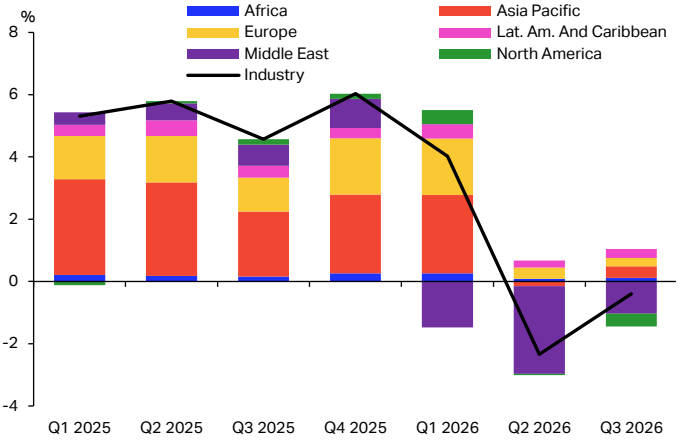
- Industry-wide passenger traffic totaled 2.6 trillion revenue passenger-kilometers (RPK) in Q3 2026, edging down by 0.4% year-on-year (YoY) **(Chart 11)**. This represented a marked improvement from the 2.3% YoY contraction recorded in Q2, as the disruption associated with the conflict in the Middle East eased. On a seasonally adjusted basis, traffic increased by 2.1% quarter-on-quarter (QoQ). Capacity, measured in available seat-kilometers (ASK), edged up by 0.2% YoY. As capacity expanded while demand declined slightly, the passenger load factor (PLF) fell by 0.5 percentage points (ppt) YoY to 84.5%.
- The Middle East remained the main source of weakness on industry performance, although its negative contribution narrowed considerably compared with Q2 **(Chart 12)**. Traffic carried by airlines in the region fell by 10.9% YoY, compared with a substantially larger contraction in the previous quarter, when traffic was down 29.7% YoY **(Chart 13)**. Capacity declined by 6.5% YoY, less than demand, pushing the PLF down by 3.9 ppt to 79.4%. North American carriers also recorded a decline, with traffic down by 1.9% YoY and capacity falling by 1.2%. Their PLF decreased by 0.6 ppt to 84.4%.
- Traffic increased across the other four regions. Airlines in Latin America and the Caribbean and Africa recorded the strongest performance, with traffic rising by 5.4% YoY in both regions. Capacity expanded faster than demand, up 6.0% YoY for Latin American and Caribbean carriers and 8.0% for African airlines, reducing their PLFs by 0.5 ppt and 1.9 ppt to 84.3% and 75.4%, respectively. Asia Pacific traffic returned to positive territory, rising by 1.1% YoY after contracting in Q2, while capacity expanded by 0.6%, lifting the PLF by 0.4 ppt to 84.5%. European carriers posted a 1.0% YoY increase in traffic alongside a 1.2% rise in capacity, resulting in a 0.2 ppt decline in the PLF to 87.2%.
- Industry-wide international passenger traffic declined by 0.2% YoY in Q3 2026, as premium travel contracted 5.6% YoY while economy-class demand remained broadly stable **(Chart 14)**. Much of the weakness was driven by Middle Eastern carriers, whose international traffic fell by 10.5% YoY, with premium-class demand down 22.5% and economy-class traffic falling by 9.2%. International traffic carried by North American airlines also contracted, down 1.4% YoY, as a 13.4% fall in premium travel outweighed a 0.4% gain in economy-class demand. By contrast, Latin American and Caribbean carriers recorded international traffic growth of 7.3% YoY, supported by a 14.5% expansion in premium-class demand and a 6.8% increase in economy-class traffic. International traffic carried by Asia Pacific airlines was unchanged from Q3 2025, as 2.4% growth in premium travel offset a 0.2% decline in economy-class demand.
- Global domestic passenger traffic declined by 0.7% YoY in Q3 2026, a smaller contraction than in the previous quarter **(Chart 15)**. China returned to positive territory, with domestic traffic up 4.9% YoY after falling by 3.5% in Q2. Brazil recorded a 4.1% YoY increase, while traffic rose by 2.0% in Australia and 0.5% in Japan. By contrast, India shifted into contraction, with traffic down 6.8% YoY, the weakest performance among the major domestic markets, against a backdrop of softer macroeconomic conditions. The US remained in negative territory, with RPK declining by 2.4% YoY amid subdued consumer confidence.
- Looking ahead, global scheduled seat capacity is expected to increase by 1.8% YoY in Q4 2026, broadly in line with the pace recorded in Q3 **(Chart 16)**. Africa is projected to post the strongest expansion, at 7.1% YoY, followed by Asia Pacific at 2.4% and North America at 2.2%. Capacity is also expected to rise in Europe and Latin America and the Caribbean, by 1.4% and 1.1% YoY, respectively. The Middle East is the only region where seat capacity is scheduled to remain below the previous year's level, although the 6.1% YoY decline would be less pronounced than the 7.0% contraction recorded in Q3.

Chart 11: Industry total RPK, billion



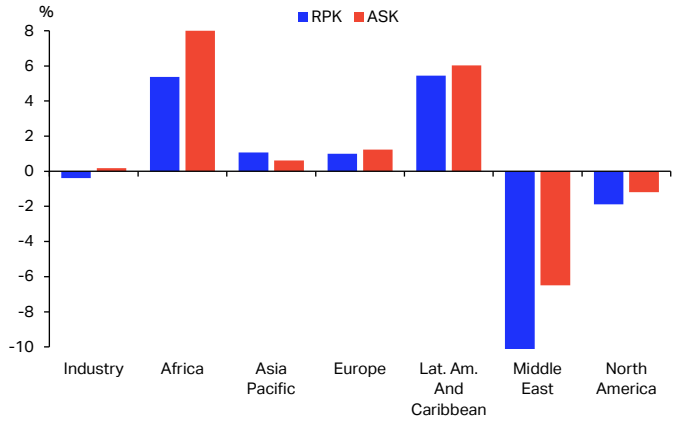
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



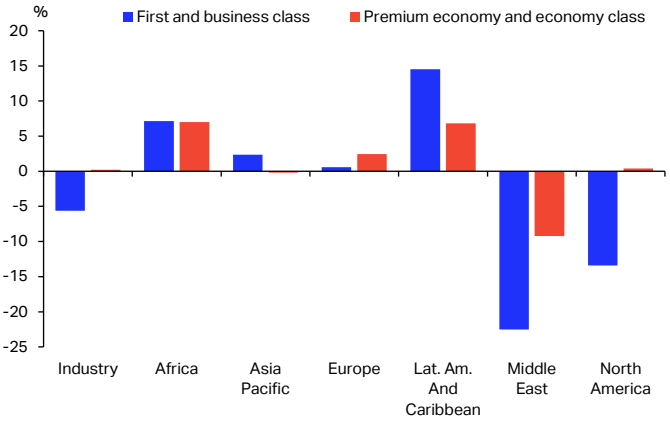
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



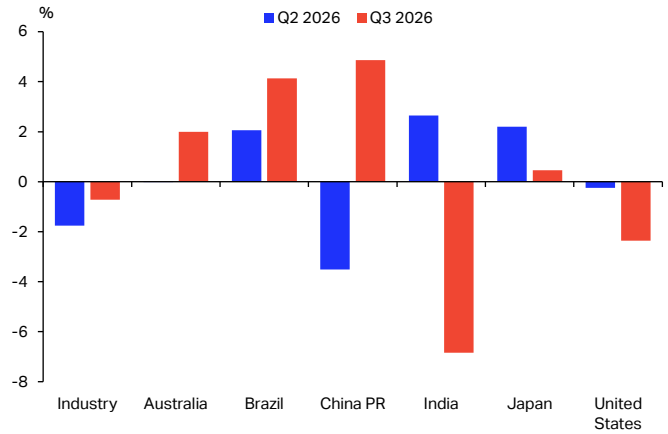
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



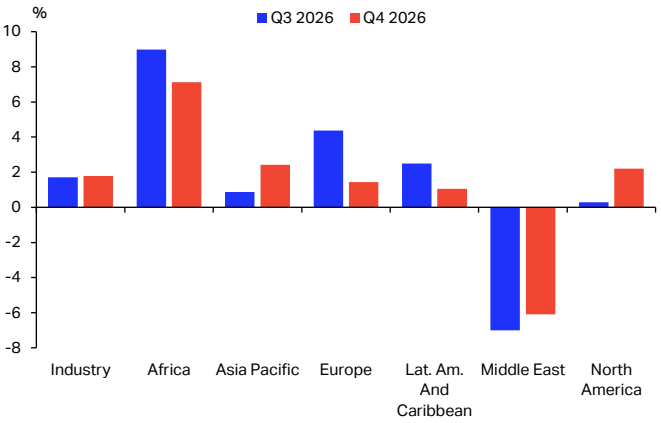
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



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

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

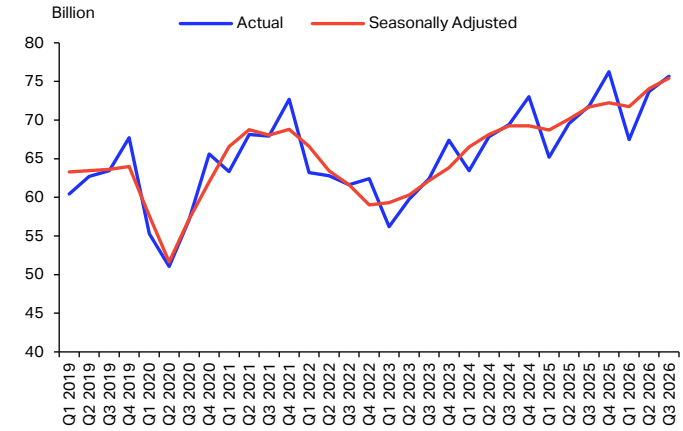


Source: IATA Sustainability and Economics using data from OAG

3.2. Cargo traffic

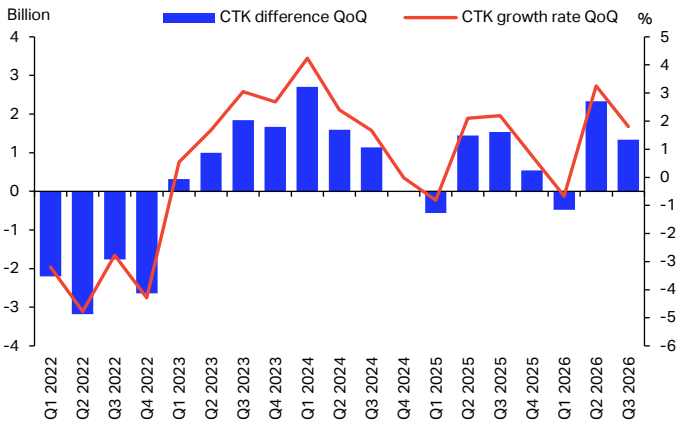
- Global air cargo demand rose by 5.4% YoY in Q3 2026, while seasonally adjusted traffic increased by 2.7% QoQ **(Chart 17 and Chart 18)**. Growth was concentrated in the two largest carrier regions: Asia Pacific and North America contributed 38.1% and 35.6% of the industry increase, respectively, together accounting for nearly three quarters of additional traffic. Technology-related shipments remained an important source of trans-Pacific demand, with semiconductors, servers and other AI-infrastructure equipment supporting continued double-digit traffic growth. Europe supplied a further 18.1% of the industry increase, while Africa was the only carrier region to contract, albeit marginally.
- International traffic outpaced the total market, rising by 6.3% YoY, although momentum varied across regions of registration **(Chart 19)**. North American carriers led with 11.2% growth, while Asia Pacific airlines expanded by 6.9%, albeit at a slower pace than in Q2. Latin American and Caribbean carriers accelerated to 5.0%, partly reflecting the modest 0.7% growth recorded a year earlier. Notably, Middle Eastern carriers returned to growth at 2.3% after contracting in Q2, despite continued disruption across some of the region's major connecting hubs. African airlines were the sole regional exception, with international CTK down 0.3%.
- Capacity expanded much more slowly than traffic, tightening the industry's demand-supply balance. Industry-wide available cargo tonne-kilometers (ACTK) increased by 1.6% YoY **(Chart 20)**. Asia Pacific supplied roughly two thirds of the net increase in industry capacity, while Middle Eastern capacity continued to recover as operations normalized from the severe disruption earlier in the year. These additions were partly offset by North America, where capacity contracted by 1.3% YoY. Latin American and Caribbean carriers recorded the fastest percentage growth, at 5.4%.
- With demand growing faster than available capacity, the industry cargo load factor (CLF) increased by 1.7 percentage points YoY to 46.6% **(Chart 21)**. Utilization improved across most carrier regions, led by North America and Europe, where CLF rose by 3.6 and 2.0 percentage points, respectively. The gains reflected wide gaps between traffic and capacity growth, including contracting capacity in North America. The Middle East was the principal exception: capacity recovered faster than traffic, lowering CLF by 1.1 percentage points to 43.8%.
- Route-area analysis, which captures all airlines operating a corridor rather than grouping traffic by airlines' region of registration, shows that load factors strengthened across most major international markets. Europe-North America and Middle East-Asia recorded the largest improvements, with CLF rising by 4.2 and 4.0 percentage points, respectively **(Chart 22)**. The latter is particularly noteworthy: Middle East-Asia CTK contracted by 17.5%, indicating that the higher load factor reflected an even sharper reduction in available capacity rather than stronger traffic. Europe-Asia and Asia-North America remained the most highly utilized major corridors, with load factors of 67.1% and 64.5%, respectively.

Chart 17: Industry CTK, billion



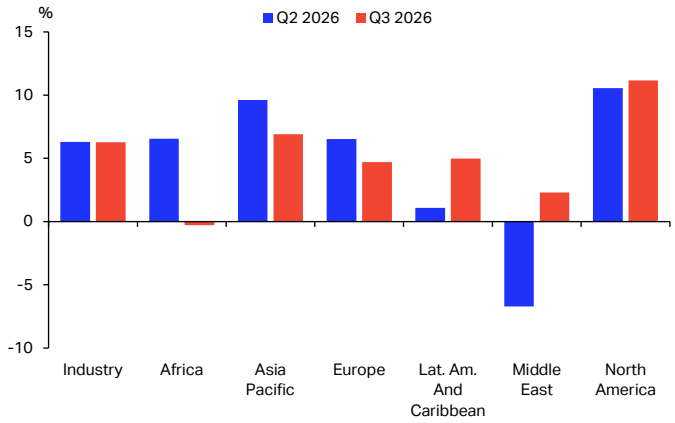
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 18: Industry CTK, seasonally adjusted, QoQ



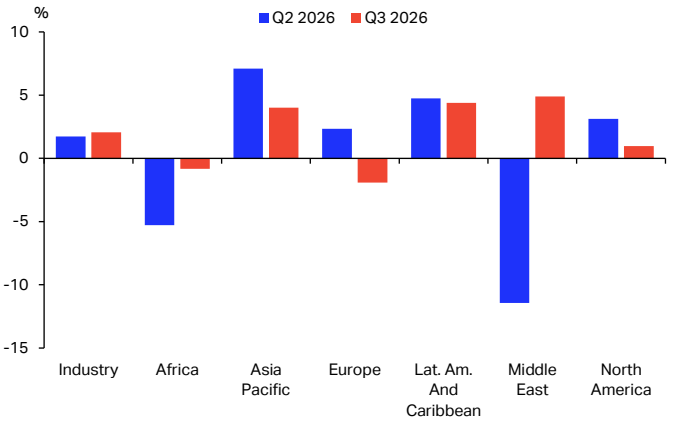
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



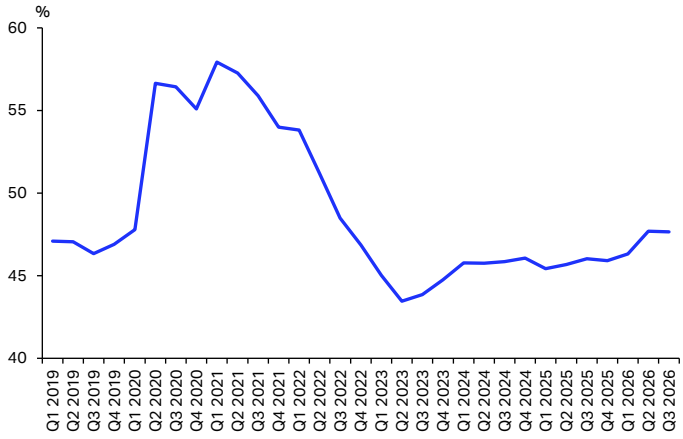
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



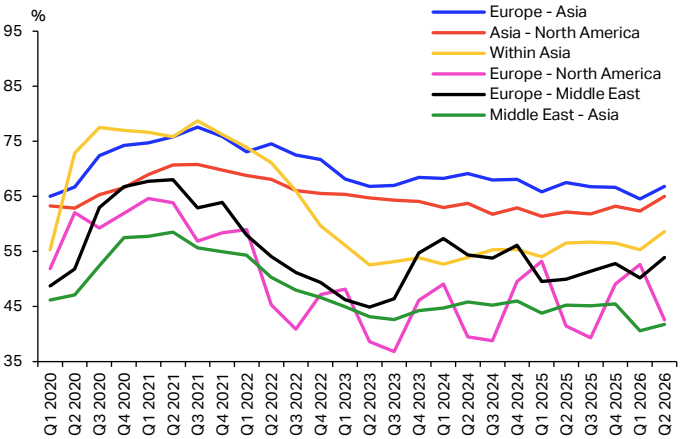
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



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

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



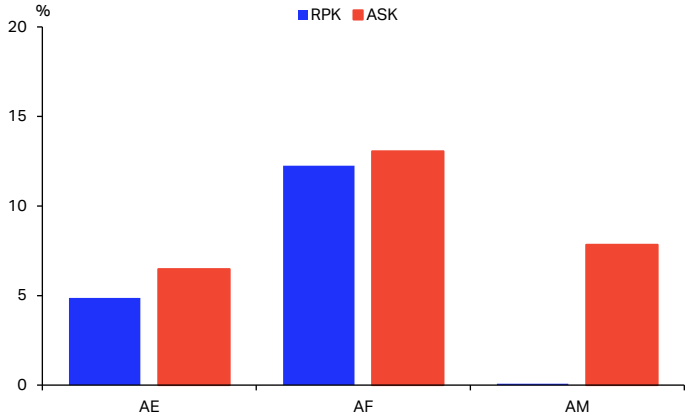
Source: IATA Sustainability and Economics using data from IATA Information and Data

4. Regional performance

4.1. Africa

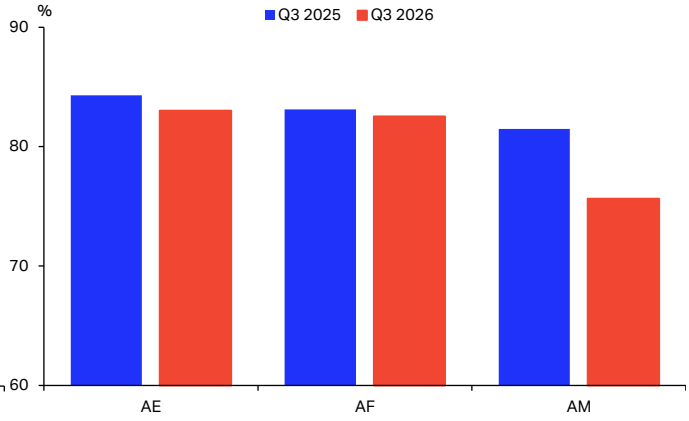
- African airlines regained some of the momentum seen at the beginning of the year, with capacity increasing 8% YoY in Q3 2026. This was 3.1 percentage points (ppt) above the growth recorded in the previous quarter. Demand, however, increased by a more moderate 5.4% YoY. Consequently, the PLF decreased 1.9 ppt to 75.4%, around 9 ppt below the industry average.
- Capacity increased across all route areas. Africa–Middle East capacity shifted from a nearly 15% YoY contraction in Q2 2026 to 7.8% YoY growth in Q3 2026 **(Chart 23)**. Africa–Asia Pacific recorded the strongest growth, at 13% YoY, while Africa–Europe capacity increased 6.5% YoY. Demand on Africa–Middle East also recovered following the initial disruption caused by the war in Iran. RPK increased 0.1% YoY in Q3 2026, following a contraction of nearly 20% YoY in the previous quarter. As a result, PLF decreased 5.9 ppt to 75.6%. In the other two route areas, demand growth was marginally below capacity growth. RPK increased 4.9% YoY on Africa–Europe and 12.2% YoY on Africa–Asia Pacific. PLF movements were also less pronounced, decreasing 1.3 ppt on Africa–Europe and 0.6 ppt on Africa–Asia Pacific compared with Q3 2025 **(Chart 24)**.
- Most outbound destinations from Africa registered growth in Q3 2026, with the UAE and the US the only exceptions **(Chart 25)**. Traffic to the UAE, still affected by the conflict, decreased by 15.3% YoY. Meanwhile, traffic to the US fell by 2.6% YoY, which may be partially attributable to tighter visa and entry restrictions implemented in 2026. Traffic to Saudi Arabia recovered from the previous quarter, growing by 8.3% YoY in Q3 2026. Belgium maintained double-digit growth, with demand increasing by 12.9% YoY, the second-largest increase after Türkiye, which expanded by 13.2% YoY.
- Air passenger traffic growth across Africa's major country pairs remains uneven but mostly positive **(Chart 26)**. Egypt-Saudi Arabia, the largest country pair for the region, reversed the decline from Q2 2026 and grew by 4.3% YoY in Q3 2026. Six of the top ten country pairs are to and from Egypt, with demand increasing in almost all of them. Among these six, Egypt-UK recorded the strongest growth, at 9.4% YoY, followed by Egypt-Italy at 7.3% YoY. Demand between Egypt and Kuwait and between Egypt and the UAE decreased, with the Egypt-Kuwait country pair falling by 25.4% YoY in Q3 2026.
- Capacity growth in Q4 2026 is expected to follow the trend observed throughout the year. Egypt is expected to grow by almost 10% YoY, similar to Morocco **(Chart 27)**. Nigeria should maintain high double-digit growth, with capacity expanding by more than 20% YoY next quarter. South Africa is expected to record the lowest capacity growth in Q4 2026, at only 0.1% YoY.
- Both cargo demand and capacity for African airlines decreased in Q3 2026. CTK declined 0.3% YoY, while ACTK contracted 0.6% YoY. CLF increased 0.1 ppt to 43.9%. Air cargo capacity contracted across all route areas, while demand increased only on Africa–Europe, where CTK rose 1.8% YoY **(Chart 28)**. CTK contracted 6.9% YoY on Africa–Asia Pacific and 7.4% YoY on Africa–Middle East. ACTK decreased 3.9% YoY on Africa–Europe, 4.6% YoY on Africa–Asia Pacific and 17.3% YoY on Africa–Middle East.

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



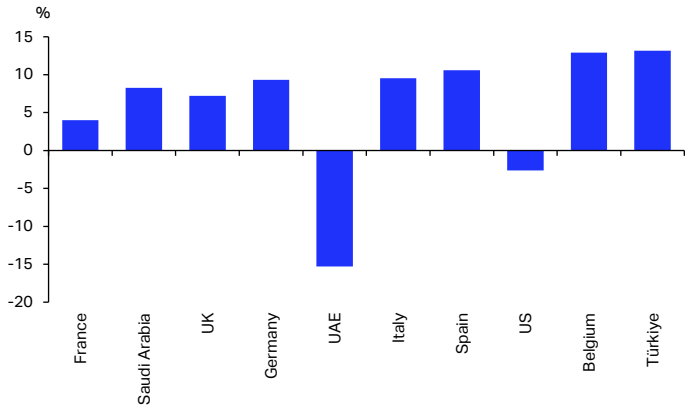
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



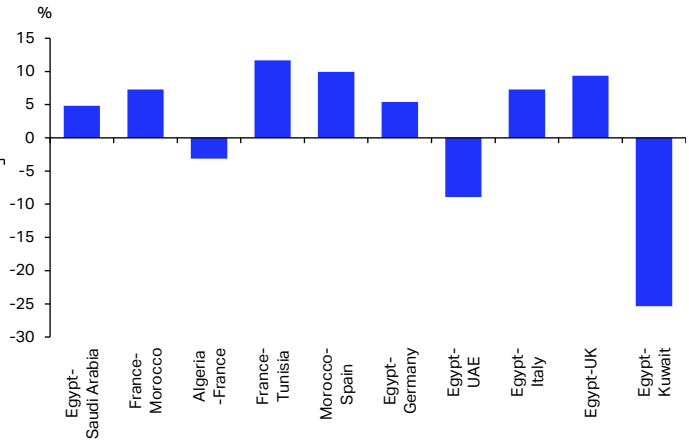
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



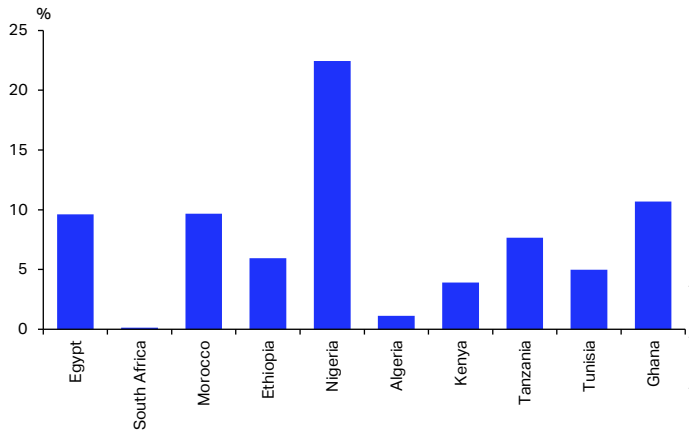
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



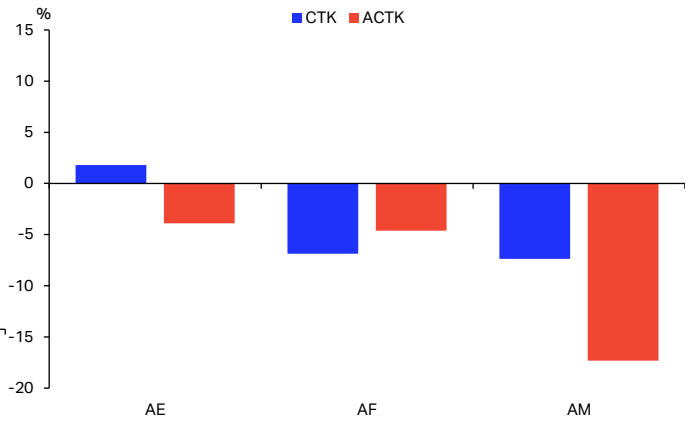
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 27: Africa, air passenger seats capacity scheduled for Q4 2026, YoY, %



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

Chart 28: 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		Q3 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-0.4**	**0.2**	**5.4**	**1.6**	**84.5**	**46.6**
Africa[2]	2.2	5.4	8.0	-0.3	-0.6	75.4	43.9

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

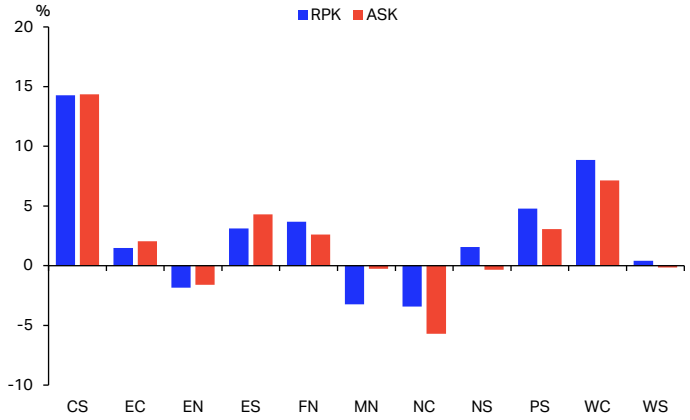
Notes:

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

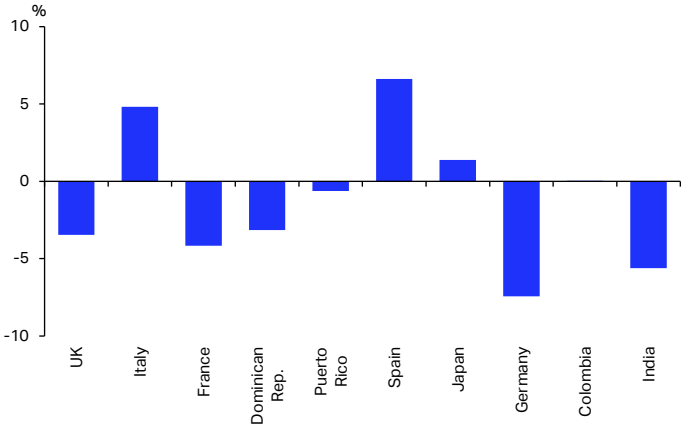
- Performance across the Americas differed markedly from the industry overall. Latin American carriers remained the strongest performers, with RPK up 5.4% and capacity by 6.0%. In contrast, North American carriers recorded declines of 1.9% in RPK and 1.2% in capacity, amid softer US domestic demand and disruptions on selected long-haul routes that prompted capacity adjustments.
- This regional divergence was also evident across international passenger markets in Q3 2026 **(Chart 29).** RPK rose 14.3% YoY between Central America and Caribbean and South America, and 8.9% within Central America and Caribbean, supported by stronger intraregional connectivity. Europe–South America traffic increased 3.1%, slightly below the 4.3% expansion in capacity. Meanwhile, North America–Central America/Caribbean traffic fell 3.4%, alongside a sharper 5.7% contraction in capacity. Middle East–North America RPK declined 3.2% amid airspace disruptions.
- Traffic trends diverged across North America's largest international markets in Q3 2026 **(Chart 30)**. Spain and Italy led the gains, with traffic increasing 6.6% and 4.8% YoY, respectively. Japan grew 1.4%, while Colombia was broadly stable. Germany recorded the sharpest decline, down 7.4% YoY, followed by India at 5.6%, France at 4.2%, the UK at 3.5%, and the Dominican Republic at 3.2%. Puerto Rico was broadly stable, declining just 0.6%. India's weakness partly reflected temporary suspensions and reductions in North American services amid continued airspace restrictions and elevated fuel costs. Across Europe, Southern European markets therefore outperformed the UK, France, and Germany.
- Latin America's international markets remained comparatively resilient, although performance varied significantly by destination **(Chart 31)**. Overall, growth shifted towards selected European destinations, while North American routes remained comparatively softer. Portugal led growth at 11.6% YoY, followed by Italy at 7.1%, the Netherlands at 5.8%, and Germany at 4.0%, supported by stronger momentum and capacity growth on selected routes. Conversely, France declined 8.1%, while Canada fell 6.3% amid broader capacity weakness between Latin America and North America. Higher fuel costs may also have encouraged more selective capacity deployment, although continued network expansion suggests that Canada's decline was cyclical rather than structural. At the city-pair level, market-specific dynamics were even more pronounced in Q3 2026 **(Chart 32)**. Bogotá–Medellín and Chicago–New York led growth, increasing 7.5% and 7.2% YoY, respectively, while New York–San Francisco rose 2.4%. By contrast, New York–Orlando and London–New York were down 11.0% and 10.7%, respectively, while Atlanta–New York fell 7.3%, reflecting route-specific capacity adjustments, low-cost carrier retrenchment, and broader network rationalization. In Latin America, Bogotá–Medellín remained strong, while Rio–São Paulo and Cancún–Mexico City softened despite broader market growth. The wide variation across city pairs points to airline capacity and network decisions rather than broad-based demand weakness.
- Looking ahead, scheduled seat capacity suggests that the regional divergence will persist into Q4 2026. Panama and Peru lead the expansion, with capacity increasing 8.1% and 7.6% YoY, respectively **(Chart 33)**, followed by the Dominican Republic at 6.3%, while Brazil and Canada grow by around 4%. Growth is more moderate in the US at 2.0%, while Mexico remains broadly stable and Argentina contracts 5.5%. Panama's outlook reflects continued hub and network expansion, while growth in the Dominican Republic is supported by expanding airline capacity and tourism demand. Q4 schedules therefore reinforce the stronger capacity momentum across selected Latin American and Caribbean markets relative to North America.
- Cargo growth across the Americas was marked by several standout lanes, including CTKs rising 35.3% within Central America and Caribbean, 14.3% within South America, 13.8% on Asia Pacific–North America and 12.2% on Middle East and North America **(Chart 34).** Conversely, North America–Central America and Caribbean traffic declined 1.8%.

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



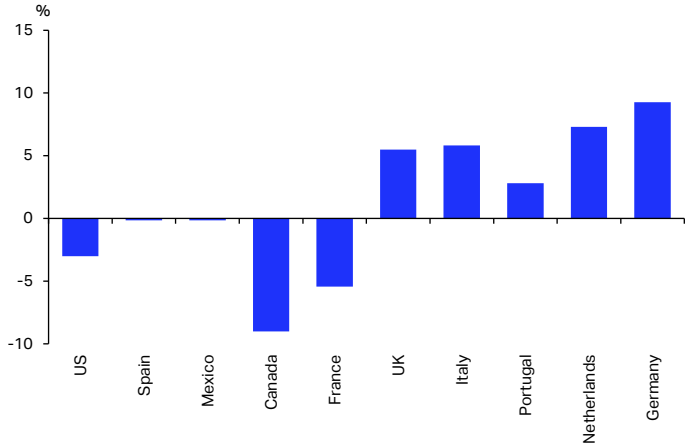
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



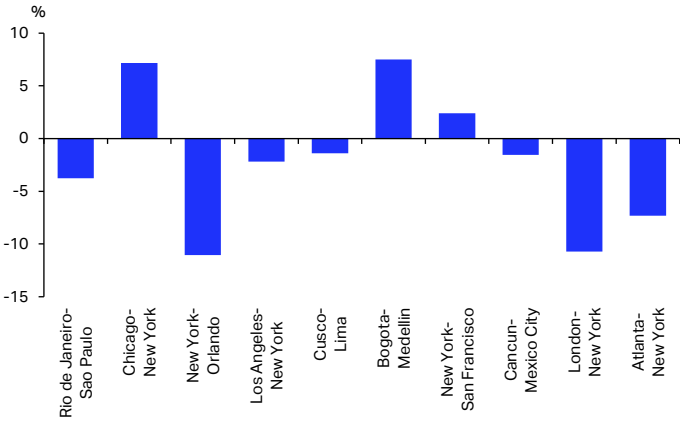
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



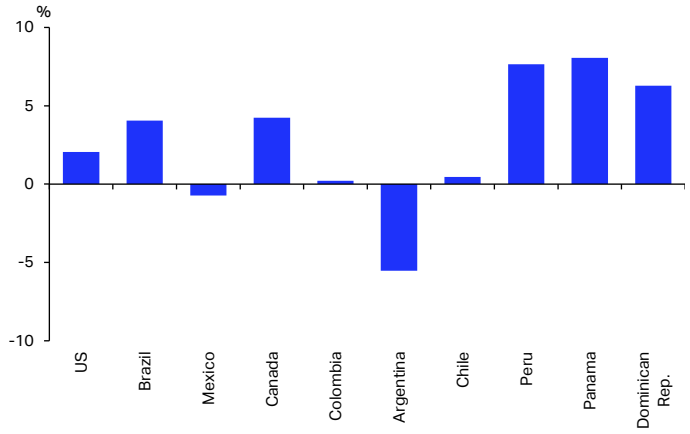
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



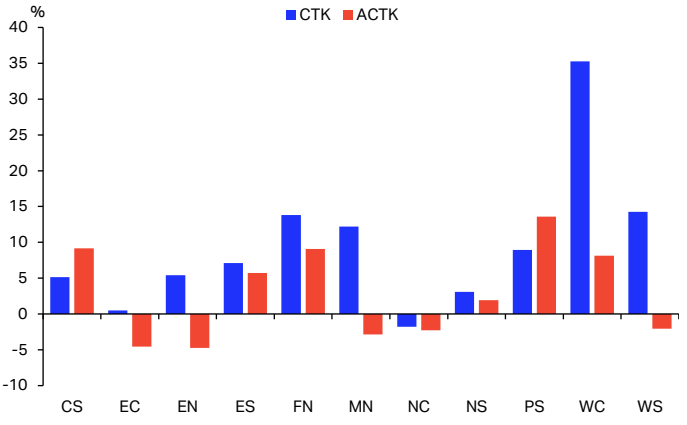
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 33: Americas, air passenger seats capacity scheduled for Q4 2026, YoY, %



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

Chart 34: 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	Q3 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-0.4**	**0.2**	**5.4**	**1.6**	**84.5**	**46.6**
North America[2]	21.8	-1.9	-1.2	7.8	-1.3	84.4	42.5
Latin America[2]	5.4	5.4	6.0	5.3	5.4	84.3	33.9

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

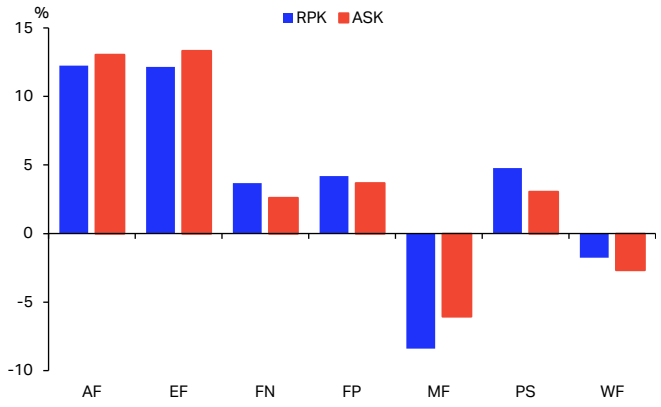
Notes:

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

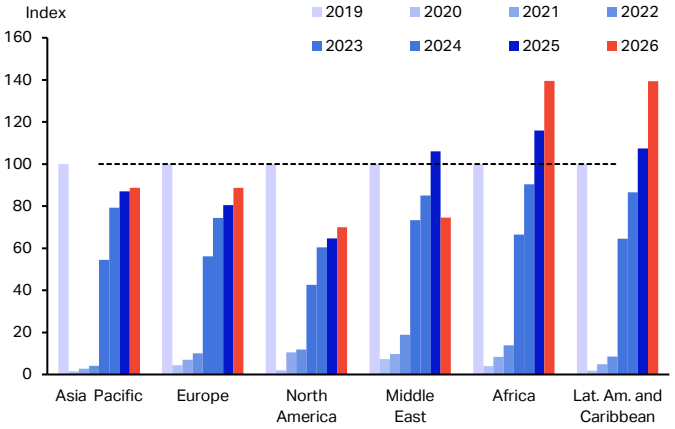
- Passenger traffic carried by Asia Pacific airlines grew modestly in Q3 2026. RPK increased by 1.1% YoY, slightly outpacing the 0.6% expansion in ASK. Consequently, the PLF rose by 0.4 ppt to 84.5%.
- International traffic increased across five of the seven major route areas serving the region, although performance remained uneven **(Chart 35)**. Africa–Asia and Europe–Asia led the expansion, with RPK rising by 12.2% YoY on both corridors. Capacity grew faster, at 13.0% and 13.3% YoY, respectively. Traffic growth was more moderate on the Americas–Southwest Pacific, Asia–Southwest Pacific and Asia–North America routes, at 4.8%, 4.2% and 3.7% YoY, respectively. On all three corridors, demand growth matched or outpaced capacity growth.
- Traffic contracted in the remaining two route areas. Within Asia Pacific, traffic fell by 1.8% YoY, while a larger reduction in capacity, at 2.7%, supported a higher load factor. Middle East–Asia Pacific remained the weakest market: traffic declined by 8.4% YoY, compared with a 6.1% reduction in capacity, lowering the PLF by 1.9 ppt to 75.1%.
- International travel from China continued to recover in Q3 2026, but progress varied considerably across destination regions **(Chart 36)**. Passenger traffic to Asia Pacific reached 88.7% of its Q3 2019 level, while traffic to Europe recovered to 88.6%, up from 80.4% a year earlier. Traffic to North America also improved but remained comparatively subdued at 70.0% of its pre-pandemic level. Disruption to Middle East connectivity reduced the region's recovery rate to 74.5%, while traffic to Africa and Latin America and the Caribbean reached around 140% of Q3 2019 volumes.
- Traffic from Asia Pacific to its largest long-haul destinations showed a similarly mixed picture **(Chart 37)**. Türkiye led growth at 17.4% YoY, followed by Canada at 8.8% and Spain at 5.6%. Gains in Italy, Germany and the US were more moderate. By contrast, traffic to the UAE fell by 10.6% YoY, while traffic to Saudi Arabia declined by 3.7%. Traffic to France and the UK remained broadly stable, slightly below year-ago levels.
- Among the region's major city pairs, Guangzhou–Shanghai and Sapporo–Tokyo recorded the strongest traffic growth, at 12.2% and 10.8% YoY, respectively **(Chart 38)**. The steepest declines occurred on Hanoi–Ho Chi Minh City and Jeju–Seoul, where passenger numbers fell by 10.7% and 9.8% YoY, respectively, followed by a 7.6% contraction on Osaka–Tokyo.
- In Q4 2026, scheduled capacity is expected to expand most strongly in Viet Nam and China, by 10.0% and 5.1% YoY, respectively **(Chart 39)**. Indonesia, Thailand and Japan are scheduled to record more modest increases of around 1% or less. Capacity is expected to decline in the other five major markets. Malaysia is expected to record the largest decline, at 3.2%, followed by Australia at 1.5%, India at 1.2%, the Philippines at 0.6% and the Republic of Korea at 0.5%.
- Cargo traffic carried by Asia Pacific airlines increased by 5.7% YoY in Q3 2026, while capacity expanded by 3.2%. The CLF stood at 49.5%. International cargo traffic grew by 6.9% YoY, outpacing the 4.0% increase in international capacity. Among the major route areas, Asia Pacific–North America recorded the strongest traffic growth, at 13.8% YoY, followed by Americas–Southwest Pacific at 8.9% and within Asia Pacific at 7.8% **(Chart 40)**. Growth was more moderate on Asia Pacific–Southwest Pacific and Europe–Asia Pacific routes. By contrast, cargo traffic on Middle East–Asia Pacific contracted by 17.5% YoY, while traffic on Africa–Asia Pacific declined by 6.9%.

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



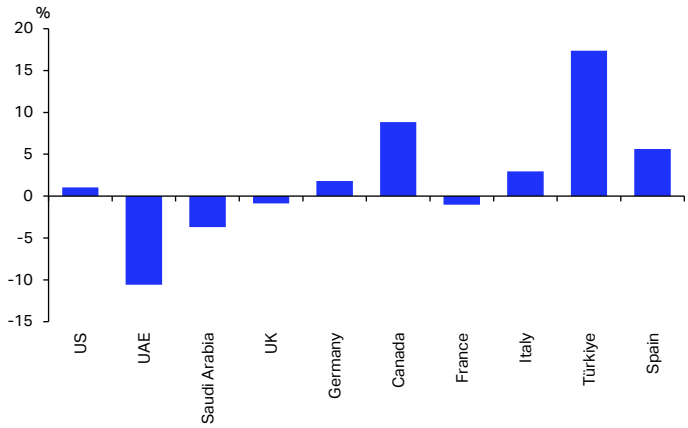
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 36: International air passengers from China by destination region, Q3 each year, index, 2019=100



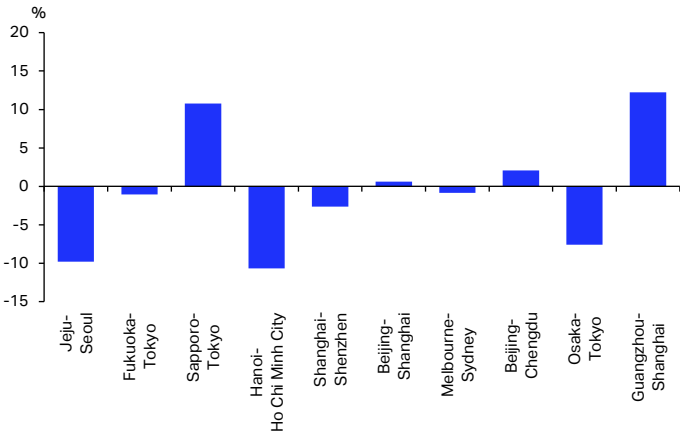
Source: IATA Sustainability and Economics using data from DDS

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



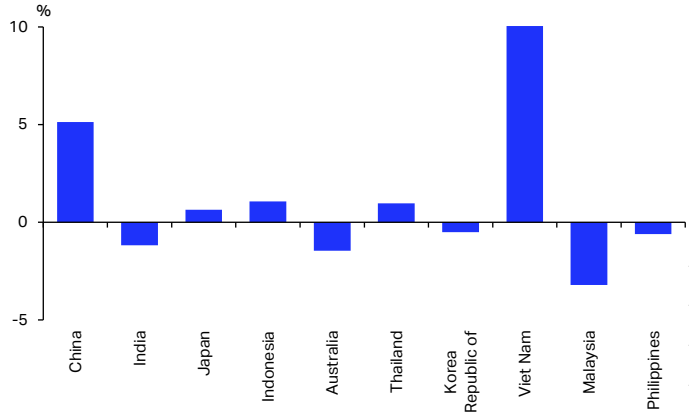
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



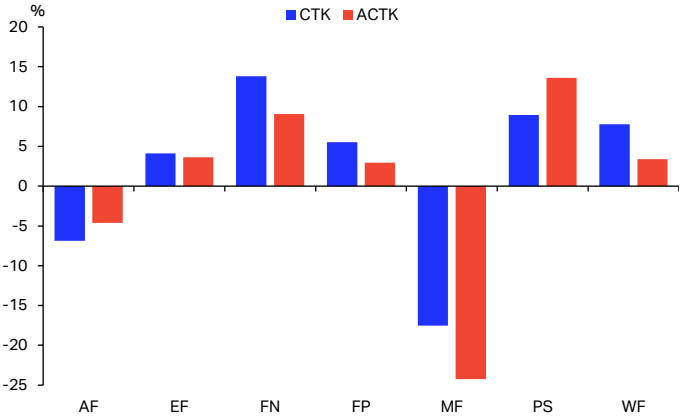
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 39: Asia Pacific, air passenger seats capacity scheduled for Q4 2026, YoY, %



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

Chart 40: 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	Q3 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-0.4**	**0.2**	**5.4**	**1.6**	**84.5**	**46.6**
Asia Pacific[2]	34.4	1.1	0.6	5.7	3.2	84.5	49.5

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

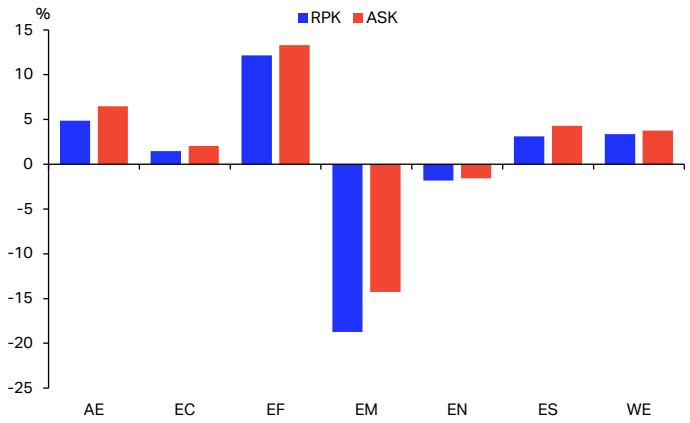
Notes:

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

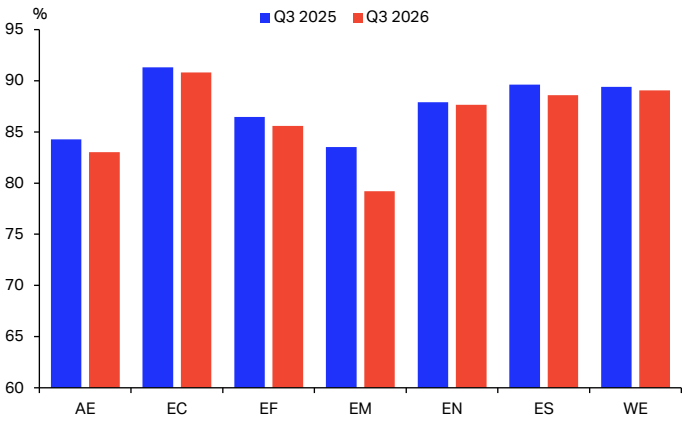
- Passenger demand for airlines registered in Europe increased 1% YoY in Q3 2026, 0.4 ppt below the growth recorded in the previous quarter, while capacity rose 1.2% YoY. Performance was therefore broadly in line with the previous quarter. PLF decreased 0.2 ppt YoY to 87.2%, the highest across all regions.
- Europe–Middle East and Europe–North America were the only corridors where both capacity and demand contracted in Q3 2026 **(Chart 41)**. RPK decreased 18.7% YoY on Europe–Middle East and 1.8% YoY on Europe–North America, while ASK declined 14.4% YoY and 1.6% YoY, respectively. Europe–Asia Pacific continued to be the best-performing market for Europe, with passenger demand growing 12.2% YoY and capacity increasing 13.3% YoY. PLF declined across all international routes, with Europe–Middle East recording the largest decrease, at 4.3 ppt YoY **(Chart 42)**. PLF on Europe–Africa recorded the second-largest decline, falling 1.3 ppt YoY to 83%.
- Demand accelerated across most outbound destinations from Europe in Q3 2026, with only three markets remaining in negative territory **(Chart 43)**. The US, the largest destination, fell by 2% YoY, after growing by just 0.1% YoY in Q2 2026. The other two markets to contract were the UAE and Saudi Arabia, although the declines moderated significantly. Demand from Europe to Saudi Arabia decreased by 1% YoY, recovering from a 30.9% YoY fall in the previous quarter. Traffic to the UAE contracted by 26% YoY in Q3 2026. Israel and India reversed their Q2 2026 performance, expanding by 14.9% YoY and 0.9% YoY, respectively.
- Only two country pairs registered contractions in Q3 2026. UK-US repeated the performance of the previous quarter, falling by around 4% YoY, while Türkiye-UK contracted by 9.3% YoY **(Chart 44)**. Country pairs involving Spain posted growth across the board. Italy-Spain recorded a 14% YoY increase in demand, while Spain-UK, France-Spain, and Germany-Spain expanded by 11% YoY, 5.2% YoY, and 3.7% YoY, respectively.
- Capacity in Q4 2026 should change significantly, with Türkiye, Germany, and France reversing their Q3 2026 growth following the decision to extend cancellations to the Middle East **(Chart 45)**. Available seats from these countries should decrease by 1.1% YoY, 2% YoY, and 2.5% YoY, respectively. In contrast, Spain and Italy should maintain strong capacity growth, adding 3.5% YoY and 7.5% YoY, respectively.
- Air cargo demand growth for European airlines eased marginally in Q3 2026 compared with the previous quarter. CTK increased 4.6% YoY, down from 6.2% YoY. Capacity growth was more limited, with ACTK increasing 0.4% YoY, while CLF rose 2 ppt YoY to 52%. Europe–Middle East was the only corridor where cargo demand contracted, with CTK declining 18% YoY **(Chart 46)**. Cargo capacity on this route fell 18.9% YoY, helping to maintain CLF levels. The strongest CTK growth was recorded on Europe–South America and Europe–North America, at 7.1% YoY and 5.7%, respectively.

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



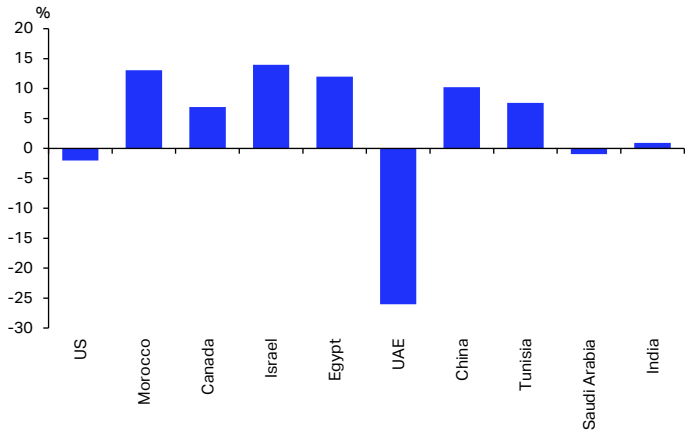
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



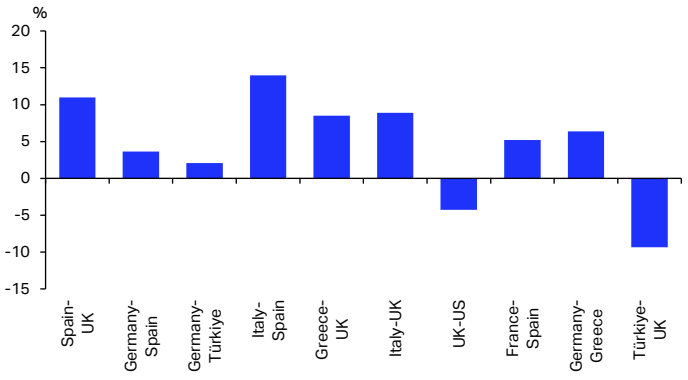
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



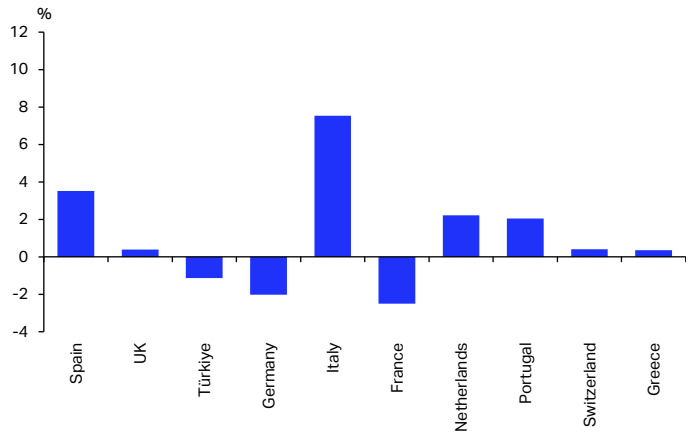
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



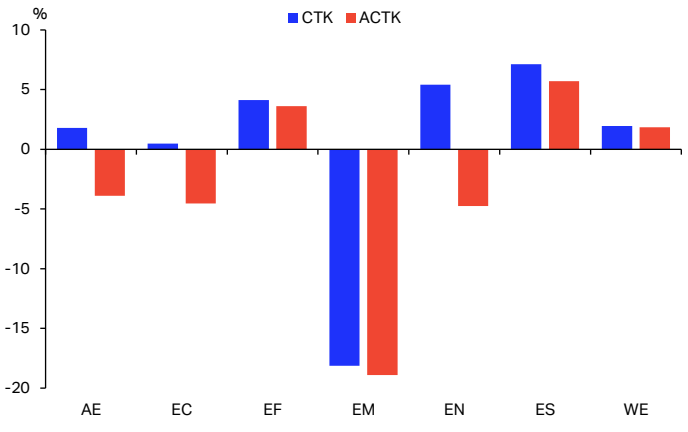
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 45: Europe, air passenger seats capacity scheduled for Q4 2026, YoY, %



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

Chart 46: 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		Q3 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-0.4**	**0.2**	**5.4**	**1.6**	**84.5**	**46.6**
Europe[2]	26.7	1.0	1.2	4.6	0.4	87.2	52.0

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

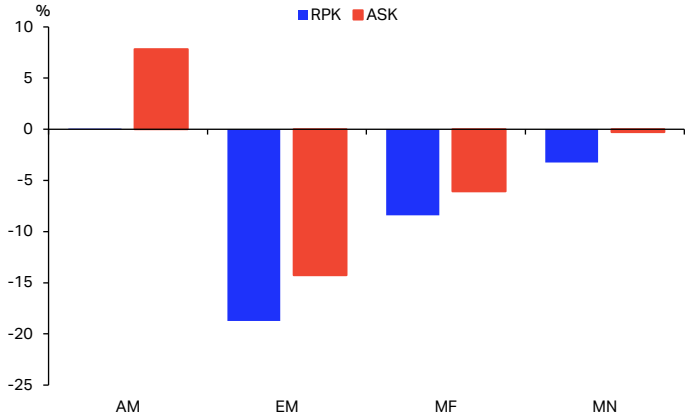
Notes:

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

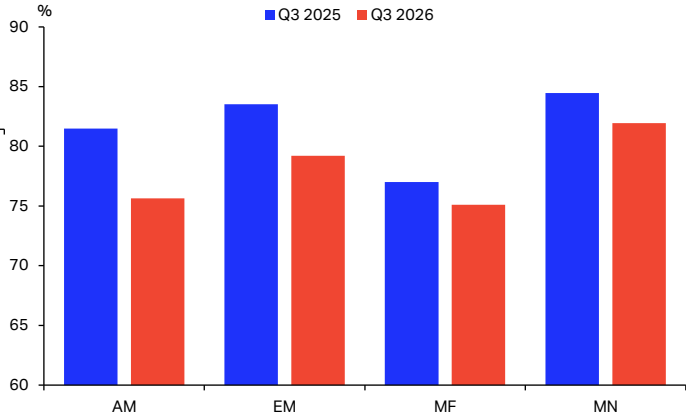
- Middle East carriers' operations continued to recover in Q3 2026. Capacity contracted by 6.5% YoY, improving from a 24.2% YoY decline in Q2 2026. Demand recovered more cautiously, with RPK contracting by 10.9% YoY, compared with a 29.7% YoY decline in Q2 2026. PLF therefore fell by 3.9 ppt YoY to 79.4%.
- The Europe–Middle East corridor remained the most affected, with capacity down 14.3% YoY and passenger demand falling 18.7% YoY **(Chart 47)**. PLF in these markets declined by 4.3 ppt YoY to 79.2%. Middle East–Asia Pacific recorded the second-largest contraction in Q3 2026. RPK and ASK declined by 8.4% YoY and 6.1% YoY, respectively, less than half the declines recorded in Q2 2026. PLF therefore contracted by 1.9 ppt YoY to 75.1% **(Chart 48)**.
- Middle East–Africa routes were the only ones to reverse the capacity declines recorded in previous quarters, while demand remained marginally above zero. ASK increased by 7.8% YoY in Q3 2026, while RPK rose by 0.1% YoY, leading to a 5.9 ppt YoY decline in PLF. The Middle East–North America market also improved significantly compared with Q2 2026, although metrics remained negative. Demand contracted by 0.3% YoY in Q3 2026, while supply declined by 3.2% YoY and PLF fell by 2.5 ppt YoY.
- Passenger demand from the Middle East to India fell by 4.3% YoY in Q3 2026 **(Chart 49)**. The UAE–India and Saudi Arabia–India markets contracted by 6% YoY and 1.7% YoY, respectively **(Chart 50)**. Outbound travel demand to Egypt, the Middle East's second-largest destination, declined by 1.7% YoY, despite a 4.8% YoY increase in Egypt–Saudi Arabia passenger demand. Travel to Pakistan reversed the previous quarter's growth and declined by 2.3% YoY in Q3 2026. The Pakistan–UAE market fell by 7.7% YoY, while Pakistan–Saudi Arabia grew by just 0.7% YoY. Bangladesh was the only Asian market where outbound travel demand from the Middle East increased during the quarter, rising by 5.5% YoY. Demand recovery within the Gulf countries remained the weakest, with travel between Saudi Arabia and the UAE contracting by 34.9% YoY.
- Passenger travel to most European destinations declined during the quarter as European airlines postponed the return of operations to the Middle East. Greece was the only exception, with outbound passenger demand from the Middle East increasing by 2.9% YoY. Demand to Türkiye fell by 9.6% YoY in Q3 2026, despite travel from Saudi Arabia to Türkiye growing by 15.2% YoY.
- Passenger capacity for Q4 2026 still presents YoY deceleration for relevant markets. Capacity from the UAE and Qatar is expected to contract by 8.3% YoY and 6.6% YoY, respectively, next quarter **(Chart 51)**. Among the top three markets, only Saudi Arabia is expected to record a modest increase of 0.1% YoY. Available seats departing from Iran and Iraq are expected to intensify the contraction recorded in Q3 2026, declining by 38.1% YoY and 27.1% YoY, respectively. Israel and Jordan are the other two countries expected to record increases in seats, rising by 2.3% YoY and 5.4% YoY, respectively.
- Air cargo demand for carriers in the region expanded for the first time in the year, increasing by 2.3% YoY in Q3 2026. Capacity grew faster, rising by 4.8% YoY and driving CLF down by 1.1 ppt YoY to 43.8%. Middle East–North America was the only corridor where demand increased during the quarter, rising by 12.2% YoY despite a 2.8% YoY decline in capacity **(Chart 52)**. CTK in the Middle East–Africa corridor contracted by 7.4% YoY, while Middle East–Europe and Middle East–Asia Pacific declined by 18.1% YoY and 17.5% YoY, respectively. On the supply side, ACTK in Middle East–Africa markets decreased by 17.3% YoY. ACTK in Middle East–Europe and Middle East–Asia Pacific fell by 18.9% YoY and 24.2% YoY, respectively.

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



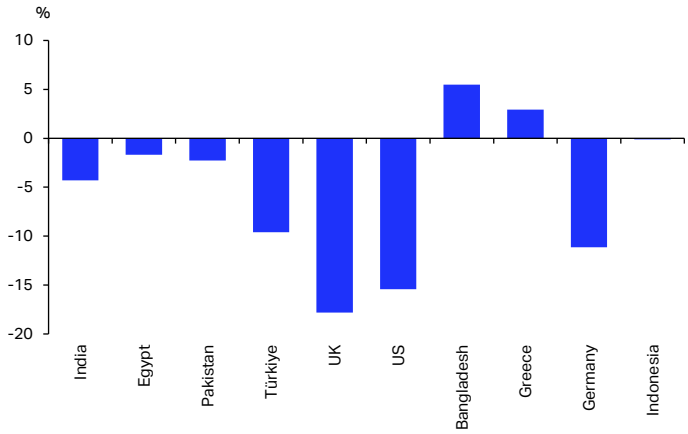
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



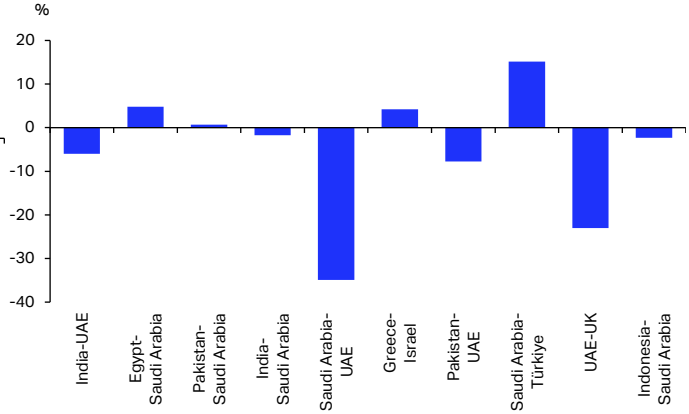
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



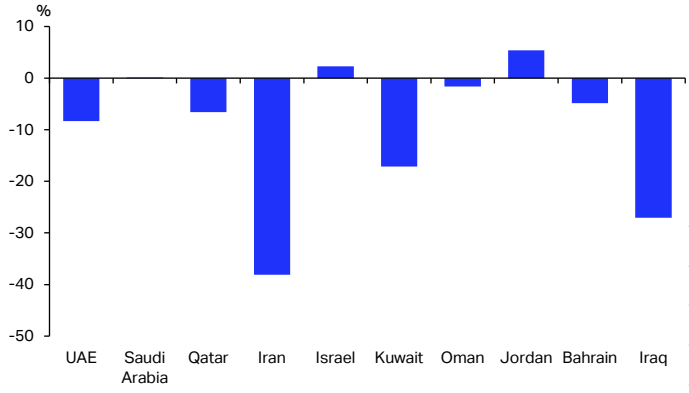
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

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



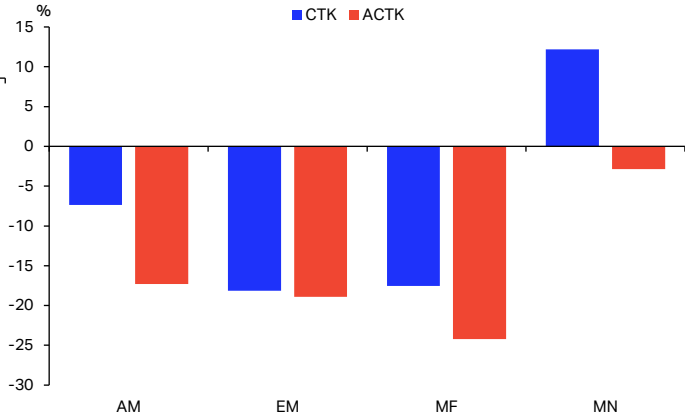
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 51: Middle East, air passenger seats capacity scheduled for Q4 2026, YoY, %



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

Chart 52: 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		Q3 2026, % YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**-0.4**	**0.2**	**5.4**	**1.6**	**84.5**	**46.6**
Middle East[2]	9.5	-10.9	-6.5	2.3	4.8	79.4	43.8

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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