Quarterly Air Transport Chartbook

IATA Sustainability and Economics

Q4 2025

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Glossary

ACTK – Available Cargo Tonne-Kilometers

ASKs – Available Seat-Kilometers

ATJ – Alcohol-to-Jet

ATKs – Available Tonne-Kilometers

BBL – Barrel

BLF – Breakeven Load Factor

CLF – Cargo Load Factor

CORSIA – carbon offsetting and reduction scheme for international aviation

CTK – Cargo Tonne-Kilometers

EBIT – Earnings before interest and taxes

FT – Fischer-Tropsch

GDP – Gross Domestic Product

HEFA - Hydro-processed Esters and Fatty Acids

LF – Load Factor

MoM – Month-on-month

MoUs – Memoranda of understanding

OPEC – Organization of the Petroleum Exporting Countries

O-D – Origin-Destination

PLF – Passenger Load Factor

PMI – Purchasing Managers' Index

PtL – Power-to-Liquid

PPP – Purchasing power parity

RPK – Revenue Passenger-Kilometers

RTK – Revenue Tonne-Kilometers

SA – Seasonally adjusted

SAF - Sustainable Aviation Fuel

QoQ - Quarter-on-quarter

USD – United States Dollar

YoY – Year-on-year

Route areas abbreviations

AE – Africa - Europe

AF – Africa - Far East

AM – Africa - Middle East

CS - Central America / Caribbean - South America

EC - Europe - Central America / Caribbean

EF – Europe - Far East

EM – Europe - Middle East

EN - Europe - North America

ES - Europe - South America

FN – Far East - North America

FP – Far East - Southwest Pacific

MF – Middle East - Far East

MN – Middle East - North America

NC – North America - Central America / Caribbean

NS – North America - South America

PS – North / South America - Southwest Pacific

WC – Within Central America

WE – Within Europe

WF – With Far East

WS – Within South America

Notes:

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

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

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

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

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

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

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

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

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

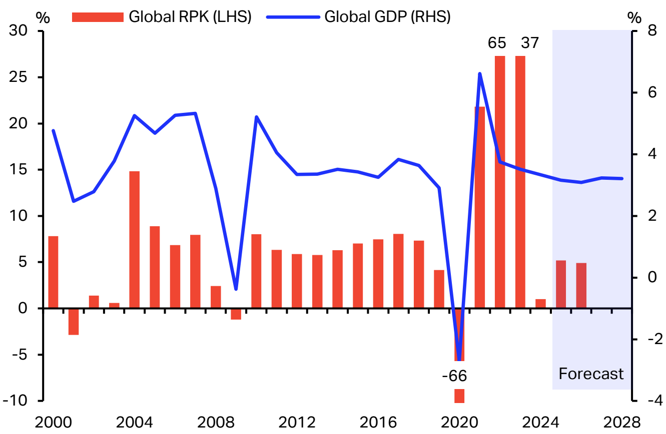
Table of charts

1. The business cycle

- Global GDP probably grew by around 3.2% (real) in 2025, reaching over USD 117 trillion in nominal terms, and it is likely to remain in the vicinity of 3% for the third year in a row in 2026 (Chart 1). This unusual stability in the global business cycle provides a positive backdrop for our industry despite geopolitical challenges and policy uncertainty (Chart 2).
- The US government shut down from 31 January through 3 February, and again on 14 February. With Congress on recess until 23 February, a swift deal appears elusive. TSA (Transportation Security Agency) agents are working without pay, which could mean delays at security checkpoints at airports across the country. Air traffic controllers are working with pay, though, as the Department of Transportation is not affected by the current funding dispute. Meanwhile, financial markets are expecting cuts to the Federal Reserve's (Fed) policy rate potentially at the June meeting, as Jerome Powell's term as Chair of the Board of Governors will end on 23 May 2026 (Chart 3). President Trump has named Kevin Warsh to be the next Fed Chair, and he would need to be confirmed by the Senate. However, Mr Powell's term as a Board Governor runs until 31 January 2028 and it remains unclear whether he will complete that term. Consumer price inflation (CPI) stood at 2.4% year-on-year (YoY) in January, and 2.5% excluding food and energy, both still above the Fed's 2% target (Chart 4). The January jobs report showed a net gain of 130,000 jobs and an unemployment rate of 4.3% (Chart 5). Monthly job creation in November and December 2025 was as low as 41,000 and 48,000, respectively (Chart 6). That gives a 3-month average of 73,000, and a number below 100,000 can be considered a bearish signal. GDP rose by 4.4% annualized in the third quarter (Q3) of 2025, which equates to 1.1% quarter-on-quarter (QoQ), and to 2.3% YoY. US GDP growth is expected to hover around 2.1% to 2.2% for the full year 2026, in line with the average observed since the turn of this century (Chart 7).
- China posted full-year GDP growth of 5.0% in 2025, successfully meeting the official target of "around 5%". Growth in the fourth quarter slowed to 4.5% YoY, the lowest in nearly three years. The property crisis is still weighing on economic activity and household spending, as are local government indebtedness and external trade frictions. China is expected to trim the growth target for 2026, possibly to be expressed as a range between 4.5% and 5.0%. That would be the first downward move following three years of "around 5%". The Chinese property sector, the downturn of which started in 2020 and erupted spectacularly with Evergrande's 2021 default, is still suffering from oversupply and unsold inventory. Completed investments in residential buildings continue to fall as a result, potentially by 10-15% in 2026 (Chart 8). Persistently weak domestic demand suggests an underlying deflationary trend, though China's CPI rose by 0.8% YoY in December 2025, and by 0.2% month-on-month (MoM). Producer price inflation (PPI), however, was negative in December 2025, falling by 1.9% YoY and marking the 39th consecutive month of decline. Youth unemployment remains high at 16.5% in December, driven by a record 12.2 million university graduates in 2025, while the urban unemployment rate was 5.1% in the same month. Key economic and policy goals for 2026 will be set at the CPPCC (Chinese People's Political Consultative Conference) on 4 March and at the National People's Congress (NPC) on 5 March.
- Bulgaria became the 21st member of the euro area on 1 January 2026. That leaves the Czech Republic, Denmark, Hungary, Poland, Romania, and Sweden as the six European Union (EU) members that have not adopted the euro. In the euro area as well as in the European Union (EU) as a whole, GDP rose by 0.3% QoQ in Q4 2025. This yields 1.3% in the euro area and 1.4% YoY in the EU. Ireland was the only Member State to record a decrease in GDP compared to the previous quarter, while Lithuania outperformed most countries in Europe by a wide margin, adding 1.7% QoQ. The euro area is updating its CPI index in 2026. Services will account for 45.7% of the index, followed by non-energy industrial goods at 25.6%. Food, alcohol, and tobacco will weigh 19.3% and energy 9.4%, together just shy of a third of euro area expenditure but responsible for most of the volatility in the index. The January 2026 inflation rate was 1.7% YoY in the euro area, down from 2.0% in December, according to early estimates. Service price inflation remains stubbornly high at 3.2% YoY, though down from 3.4% in December (Chart 9). Slovakia and Croatia have the highest inflation rates in the euro area at 4.2% and 3.6% YoY, respectively. Unemployment edged down to 6.2% in the euro area in December 2025, while for the EU the rate remained stable at 5.9%. Together, these numbers point to a tepid pace of growth, though coupled with an absence of recessionary signals.

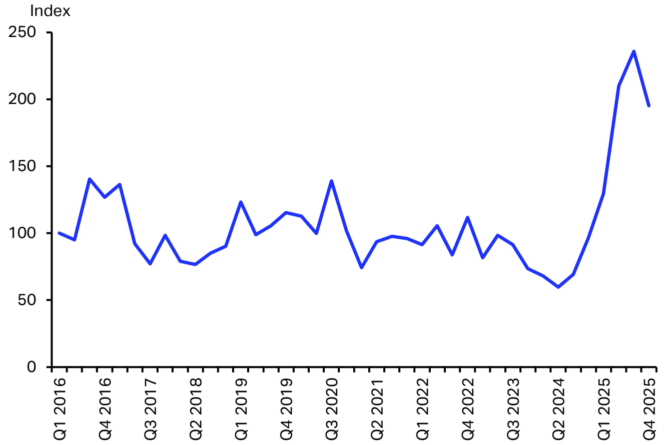
- Japan is only a smidge behind Europe in terms of GDP growth. Full-year growth is estimated at 1.1% in 2025, a one-point improvement from 0.1% in 2024. The final quarter of 2025 likely saw GDP expand by 0.4% QoQ after a 0.6% drop in Q3. The growth rate is unlikely to exceed 1% in 2026. Inflation pulled back to 2.1% YoY in December, from 2.9% in November. In December, the Bank of Japan lifted its policy rate to 0.75%, a 30-year high. Further rate hikes are to be expected this year, notably to manage imported inflation through the weaker yen. The slide in the yen was at least paused thanks to Prime Minister Sanae Takaichi leading the Liberal Democratic Party to a historic victory on 8 February, gaining most of the seats in the lower house of parliament (352 out of 465). This outcome strengthens Prime Minister Takaichi's hand and points to more expansionary fiscal policies ahead. Already in November, a USD 137 billion fiscal package was approved, the largest stimulus since the covid pandemic. The bond market has been rather unconvinced, and the yield on 40-year bonds rose above 4% ahead of the election, the highest on record.
- India's GDP for the fiscal year 2025-2026 (from 1 April 2025 to 31 March 2026) is estimated to grow by 7.4%, up from 6.5% in the previous year. Much of the service sector is growing at 9.9%, while manufacturing is expanding at a pace of 7.0%. CPI has been revised also in India, and January 2026 marks the first month with the new weights. Food has been cut in the consumption basket from 46% to around 37%, which should reduce the volatility in CPI going forward. The revised CPI expands the major spending categories from six to 12. The index will track e-commerce and digital services for the first time, and will include airfares, telecom plans, and selected online services. The number for January might be around 2.4%, up from 1.3% in December under the old series. Unemployment rose a tick in December 2025 to 4.8% from 4.7% in November, but youth unemployment is likely closer to 14%. India implemented several important reforms in 2025 that should support growth going forward. Labor code reform extended social security to around 10 million gig workers; the Goods and Services Tax (GST) was simplified by eliminating two higher-rate categories, and the exemption limits have been raised for taxable income. The 2026 budget contains further reform plans focusing on the financial and industrial sectors. If these reforms help address India's sluggish job creation, the country should continue to be one of the fastest growing among major economies.
- Brazil's economy is slowing. GDP growth in the third quarter was 1.8%, the slowest in three years. High interest rates to combat inflation have weighed on economic activity. Full-year growth in 2025 is likely to land around 2.3%, and it could pull back to 1.6% in 2026. Inflation (IPCA) ticked up to 4.4% in January 2026, from 4.3% YoY in December. Monthly, the increase was 0.3%. The Central Bank of Brazil's Selic rate stands at 15%, the highest since July 2006. With an inflation target rate of 3% and a tolerance range of 1.5 percentage points, the central bank suggested that a rate cut might be in the cards for March. Brazil will hold general elections on 4 October 2026. The 80-year-old President Luiz Inacio Lula da Silva will seek a fourth term, saying it will be his last. The constitution limits presidents to two consecutive terms. Lula previously served two terms between 2003 and 2011. Concerns about fiscal sustainability center on the persistent budget deficit, the high debt burden, and the difficulty of reforming public spending, much of which is mandatory and court-ordered. This puts pressure on the external value of the Brazilian real and explains the cautious stance of the central bank regarding monetary easing.

Chart 1: Global GDP and RPK growth, YoY, %



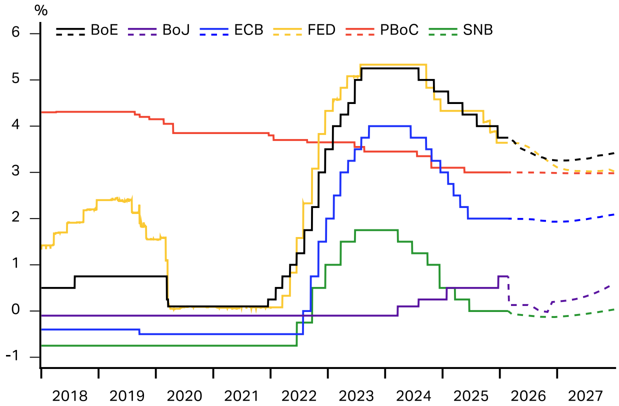
Source: IATA Sustainability and Economics, IMF

Chart 2: World uncertainty index, global, index



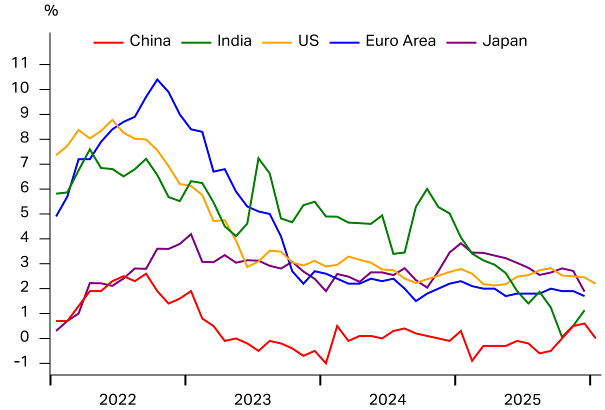
Source: IATA Sustainability and Economics, Federal Reserve Bank of St. Louis

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



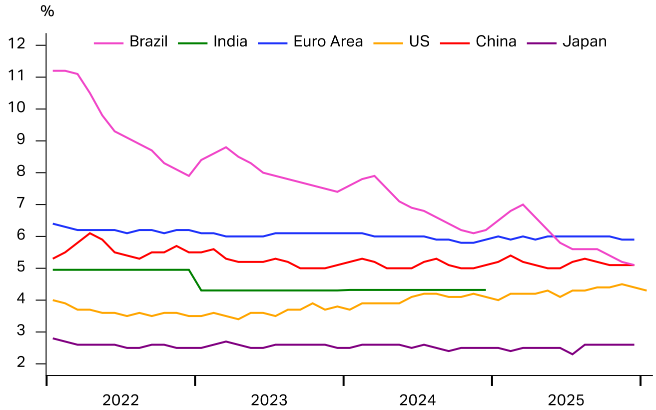
Source: IATA Sustainability and Economics, Macrobond
Note: Dashed lines correspond to future contracts on each interest rates

Chart 4: Consumer price inflation, major economies, YoY, %



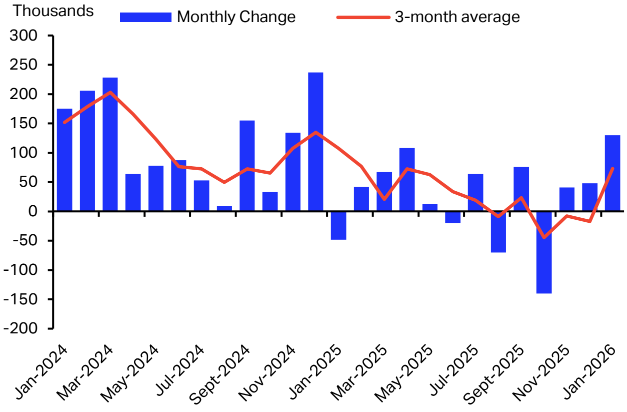
Source: IATA Sustainability and Economics, Macrobond

Chart 5: Unemployment rate, major economies, %



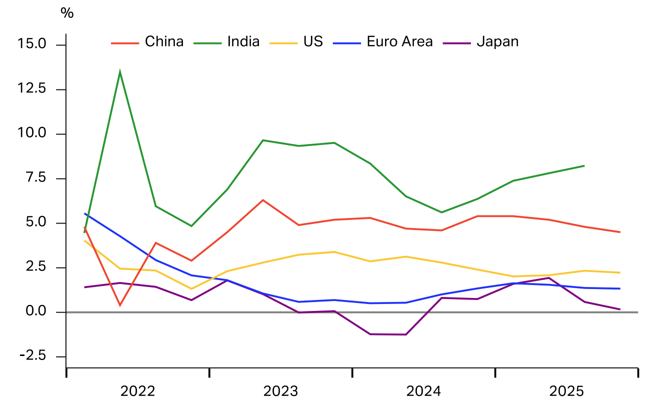
Source: IATA Sustainability and Economics, Macrobond

Chart 6: US non-farm payroll, monthly job creation



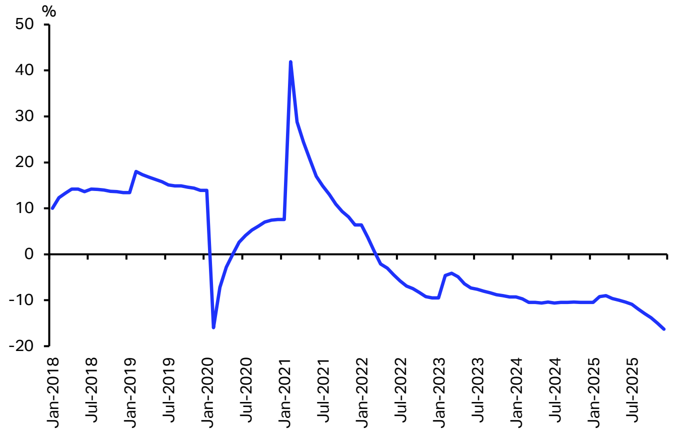
Source: IATA Sustainability and Economics, Macrobond

Chart 7: Real GDP growth rate, YoY, %



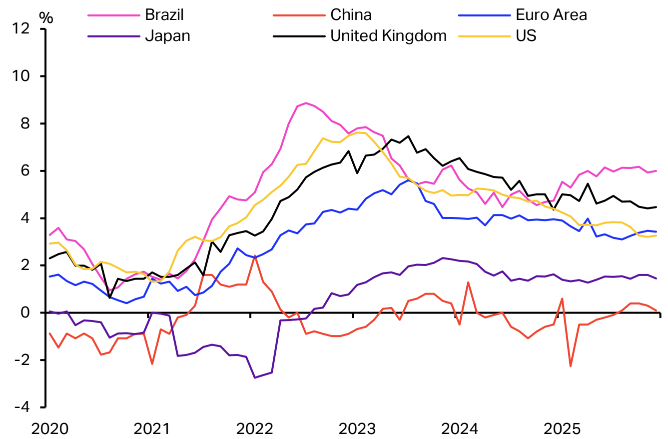
Source: IATA Sustainability and Economics, Macrobond

Chart 8: China completed investment in real estate, residential buildings, YoY, %



Source: IATA Sustainability and Economics, Macrobond

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

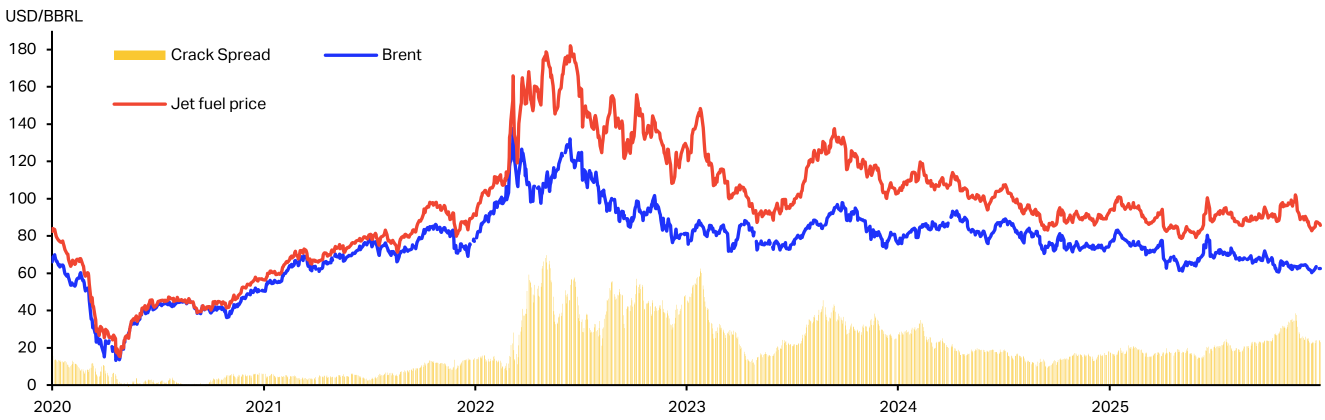


Source: IATA Sustainability and Economics

2. Aviation fuel

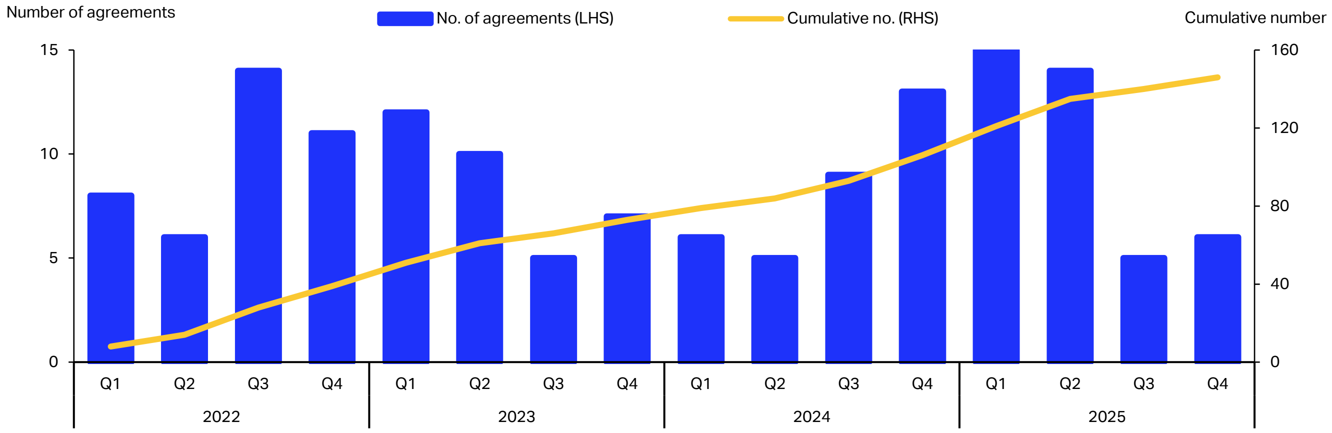
- Crude oil prices averaged USD 63.7 per barrel in Q4 2025, representing an 8% decline from Q3 2025 (Chart 10). The drop in prices was primarily driven by mounting concerns over persistent oversupply in the global crude market. Stricter sanctions on Iranian and Venezuelan oil offered only limited support, as increased output from non-OPEC producers –led by the US, Canada, Brazil, Guyana, and Argentina– more than offset these disruptions and kept the market oversupplied throughout the quarter. The bearish sentiment was further reinforced by US-brokered peace talks between Russia and Ukraine, which raised expectations of a potential easing of sanctions on Russian oil and the risk of an additional supply glut.
- Global jet fuel prices remained broadly stable in Q4 2025, averaging USD 91.4 per barrel, up by 1% QoQ. The jet fuel crack spread widened by 30% to USD 27.7 in Q4 2025 compared to the previous quarter (Chart 10). Coordinated measures by the EU, the UK, and the US to curb Russian oil flows tightened the supply of refined products, particularly middle distillates, including jet fuel. At the same time, Ukraine's drone strikes on Russian oil infrastructure constrained refining capacity, supporting stronger jet fuel margins.
- In 2025, global SAF production is estimated at 1.9 Mt, accounting for 0.6% of total jet fuel consumption and nearly doubling the 1Mt produced in 2024. The SAF output is projected to increase further in 2026, though at a slower pace, reaching 2.4 Mt, or 0.8% of jet fuel demand. Ineffective policies of which notably SAF mandates are leading to fragmentation, higher prices, though not any discernible increase in production or in CO_2 emissions reduction. Mis-managed risk and low returns are the prime blockages that so far have been left largely unaddressed by policymakers.
- Q4 2025 saw an additional setback for oil majors' SAF projects, with the formal cancellation of plans to convert a US Gulf Coast refinery into a biofuel facility. More encouragingly, several noteworthy projects emerged in developing economies. A key milestone was the start of SAF production in Malaysia and Brazil– two countries with a prominent slice of global feedstock availability. In Malaysia, a 0.4 Mt HEFA greenfield plant was commissioned, marking the country's first SAF supply, while construction began on a second 0.7 Mt HEFA facility, scheduled for completion in 2028. In Brazil, a fossil refinery began co-processing corn oil and soybean oil to produce SAF, delivering an initial batch of around 2.5 Kt. Progress was also observed in Egypt, where two HEFA plants with a combined capacity of approximately 0.8 Mt were announced. In the US, the world's first production of Alcohol-to-Jet (AtJ) SAF at a commercial-scale plant was reported. Finally, domestic US SAF production rose sharply in Q4 2025, reaching approximately 0.3 Mt.
- SAF purchase agreement activity stabilized in Q4 2025, with 6 deals announced, just above the 5 recorded in the previous quarter (Chart 11). This brought the total number of agreements signed in 2025 to 39, the highest annual total to date. All but one of the Q4 deals were for HEFA-based SAF, with the remaining deals involving e-SAF. This confirms HEFA's continued dominance, accounting for roughly 75% of all agreements signed in 2025. Deals for co-processed SAF followed at 10%, while among emerging technologies, e-SAF represented around 5% of the total.
- It should be noted that the current ASTM fuel standard allows for co-processing up to 5% in fossil fuel refineries, which would allow the world to achieve the 2030 target right now and with limited investment needs. The UK took the inspired decision in 2025 to raise the limit for co-processing to 30%. This illustrates what is actually possible already today.

Chart 10: 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 11: SAF purchase agreements since January 2022



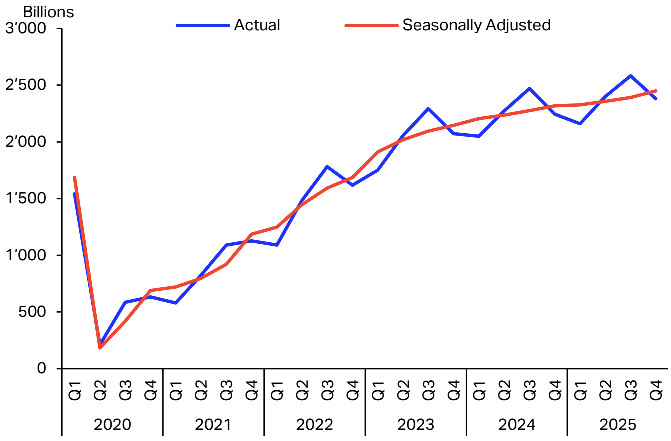
Source: IATA Sustainability and Economics

3. Passenger and cargo traffic

3.1. Passenger traffic

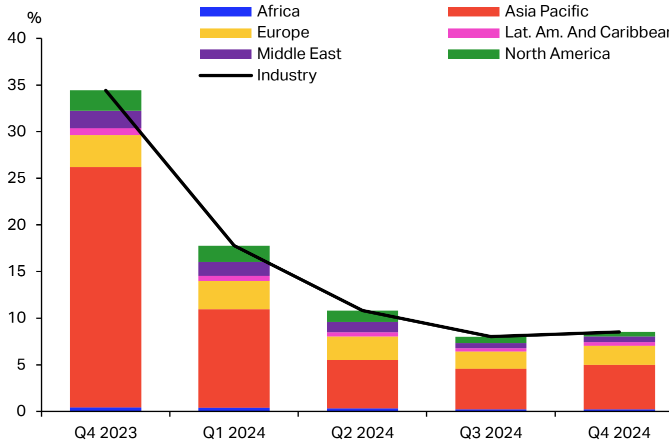
- Industry-wide passenger traffic reached 2.4 trillion Revenue Passenger Kilometers (RPK) in Q4 2025, representing a 6.0% YoY increase (Chart 12). On a seasonally adjusted basis, RPK expanded by 2.5% QoQ, marking the strongest quarterly growth recorded in 2025. Industry-wide capacity, measured in Available Seat Kilometers (ASK), increased by 5.7% YoY, but at a slower pace than passenger traffic, leading to a 0.2 percentage point (ppt) rise in the Passenger Load Factor (PLF) to 84.0%.
- Passenger traffic carried by Asia Pacific carriers grew by 7.4% YoY, contributing over 40% of global RPK gains (Chart 13). With their capacity expanding more slowly at 6.5% YoY, the PLF lifted by 0.7 ppt to 84.7% (Chart 14). European carriers accounted for nearly 30% of global RPK growth, with traffic up 6.6% YoY, capacity rising by 6.0% YoY, and a 0.4 ppt increase in the PLF to 86.4%. Middle Eastern airlines recorded a strong 9.9% YoY increase in passenger traffic—second only to Africa—and contributed over 15% of global net RPK gains. Capacity expanded by 8.5% YoY, while PLF increased by one ppt to 81.8%. Latin American and Caribbean carriers posted 5.5% YoY growth in both traffic and capacity, keeping the PLF steady at 84.0%. African airlines delivered the fastest regional growth, with traffic up 11.8% YoY and capacity rising at a slower pace by 11.1% YoY, lifting the PLF by 0.5 ppt to 74.9%. North American carriers saw the weakest performance, with traffic increasing only 1.0% YoY. Capacity rose by 2.3% YoY, leading to a 1.1 ppt decline in the PLF to 82.3%, marking the region's fourth consecutive quarterly decrease.
- Industry-wide international passenger traffic grew strongly by 8.0% YoY, with economy class demand rising by 8.1% YoY, outpacing the 6.7% YoY growth in premium class (Chart 15). The international segment contributed over 80% of total net RPK gains. Among regions, Middle Eastern carriers recorded the strongest growth in international traffic at 9.9% YoY, supported by robust demand across both cabins. African airlines followed closely with a 9.8% YoY increase, also driven by solid premium and economy performance. In Asia Pacific, international traffic rose by 9.3% YoY, with premium demand up 7.3% YoY and economy up 9.5% YoY. International traffic in Europe expanded by 7.4% YoY, largely reflecting a 7.8% YoY rise in economy class demand. Latin American and Caribbean carriers saw international traffic increase by 6.6% YoY, boosted by a 13.2% YoY surge in premium cabins. North America posted the weakest international performance at 4.1% YoY, though premium demand grew a notable 9.1% YoY.
- Global domestic passenger traffic increased by a modest 2.8% YoY (Chart 16). Brazil led the major domestic markets with a robust 10.3% YoY rise. In Asia Pacific, China and Australia showed solid gains of 6.2% and 3.2% YoY, respectively, while India and Japan expanded at slightly below the global average. By contrast, the US domestic market contracted by 0.7% YoY in Q4, marking its fourth consecutive quarterly decline in 2025.
- Global scheduled seat capacity is forecast to grow by 3.3% YoY in Q1 2026, moderating slightly from 3.7% YoY in Q4 2025 (Chart 17). Regional growth will remain uneven. The Middle East is set to lead with a 6.1% YoY increase, followed by Africa at 5.3% YoY and Europe at 4.8% YoY. Capacity in Latin America and the Caribbean is projected to rise by 4.4% YoY, while the Asia Pacific region is expected to expand by 3.0% YoY. North America will see only modest growth, with scheduled seats increasing 1.3% YoY in Q1 2026.

Chart 12: Industry total RPK, billion



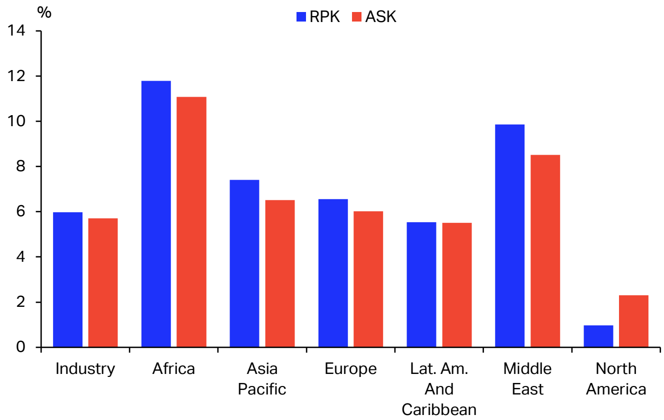
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



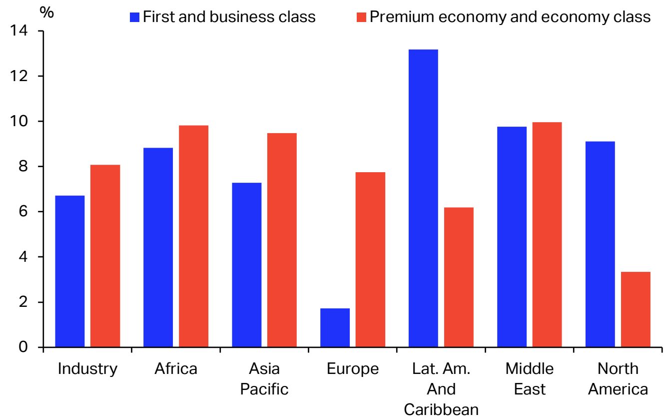
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 14: Total RPK and ASK by airline region of registration, YoY, %



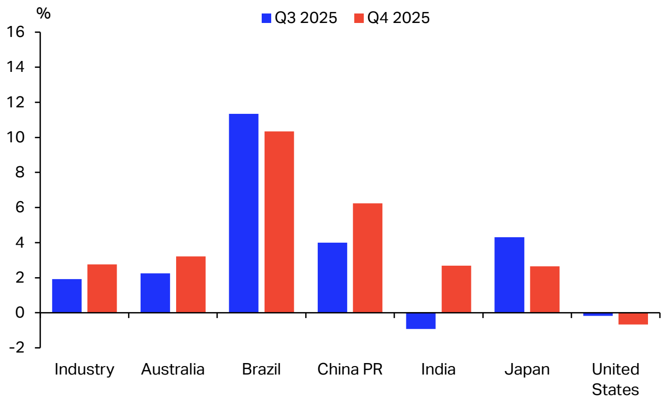
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 15: International RPK by cabin class and airline region of registration, YoY, %



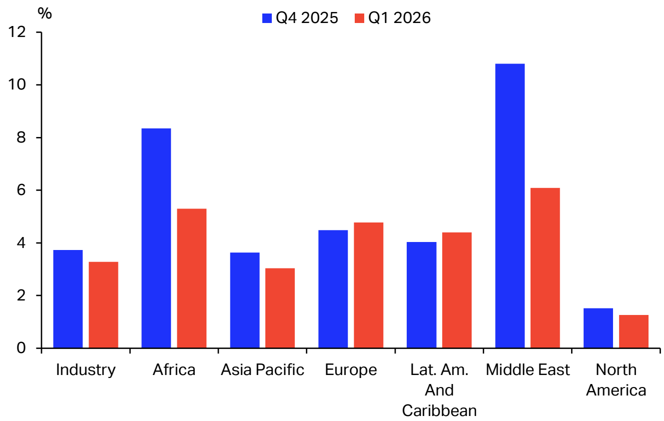
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 16: Domestic RPK growth by country market, YoY, %



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

Chart 17: Scheduled seats by region of departure, YoY, %

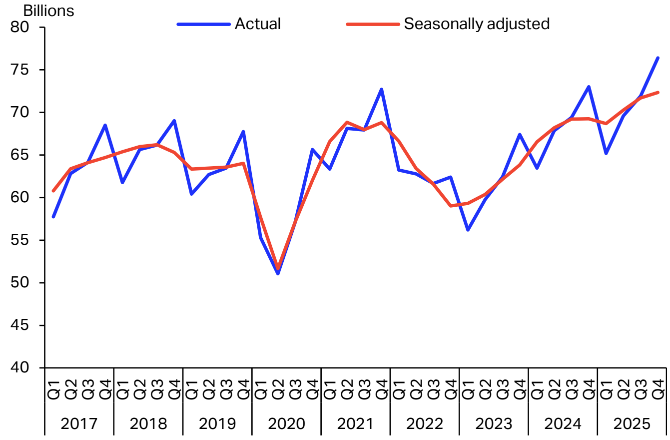


Source: IATA Sustainability and Economics using data from OAG

3.2. Cargo traffic

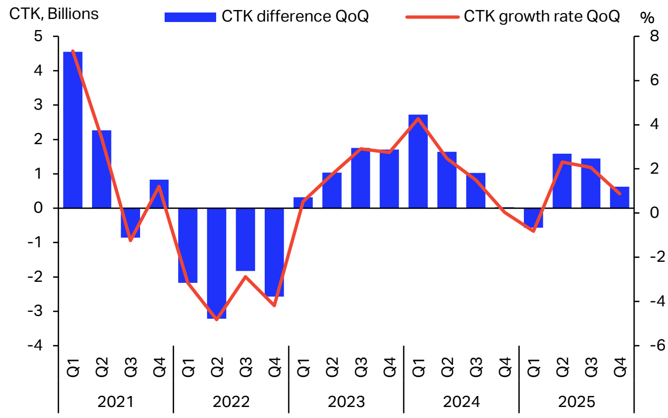
- Global air cargo demand demonstrated strong momentum in Q4 2025, expanding by 4.6% YoY, reaching 76.4 billion Cargo Tonne-Kilometers (CTK), which was the highest quarterly growth of the year and another record-setting volume for the industry (Chart 18). This marked the tenth consecutive quarter of YoY growth, reflecting sustained resilience despite differing regional trajectories. Seasonally adjusted CTKs mirrored this quarter's CTK growth, rising 4.5% YoY, equivalent to 0.9% QoQ, adding 0.6 billion CTK to the global air cargo traffic compared to the previous quarter (Chart 19). This extended the sequence to a third consecutive quarter of positive quarterly gains, confirming sustained underlying momentum beyond typical seasonal effects.
- International air cargo traffic climbed to 67 billion CTK in Q4 2025, the 10th consecutive quarterly gain, adding 5.7% YoY (Chart 20). Nearly all regions contributed to this increase, except Latin America and the Caribbean and North America, where international air cargo traffic declined by 4.7% and 0.7% YoY, respectively. A key difference is that Latin American cargo expanded by 2.3% in 2025, despite Q4 softness. While in North America, front-loading ahead of trade tariffs enabled a temporary 2.5% YoY uplift in Q1 2025, which was nevertheless insufficient to prevent the full-year decline of 1.3%. Asia Pacific remained the dominant driver of industry cargo growth, increasing 9.9% YoY in Q4 2025, thanks to growth across its major corridors. African and Middle Eastern carriers accelerated from the previous quarter, the former gaining 15.1% YoY and the latter expanding by 6.1% YoY. Early-year contractions in Africa and the Middle East were driven by high base from early 2024, and geopolitical constraints, respectively, and these thankfully eased from Q2 onward. Africa's recovery was reinforced by the growth of Middle-East-Africa corridor, consistent with the role of Middle-East as a resilient hub-and-spoke. Middle Eastern cargo volumes also exceeded 2024 levels from the second quarter onwards. European cargo traffic grew more modestly at 5.5% YoY, a rate that nonetheless translated into substantial absolute CTK gains on the back of strengthened links with Asia and, to a lesser extent, North America. Europe is the world's third-largest air cargo market.
- Industry capacity reached new highs, with total ACTK rising by 4.7% YoY in Q4 (Chart 21). This quarter was the strongest in 2025 and also the 12th consecutive quarterly YoY expansion, uninterrupted since Q1 2023, despite delays in new aircraft deliveries. Gains in international cargo capacity were balanced between passenger belly-hold, up 6.5% YoY, and dedicated freighters, adding 6.4% YoY, the fastest growth in 2025 for both categories. Regionally, all carriers added capacity in comparison with Q4 2024, except North America, which contracted by 1.9% YoY. Carriers in Asia Pacific grew their cargo capacity by 7.9% YoY, increasing their ACTK by more than 4.0 billion YoY, and setting a new all-time high for the region's cargo capacity. Middle Eastern airlines added 2.1 billion YoY in capacity volume, up by 10.5% YoY. Europe expanded by 4.2% YoY, Africa by 16.9% YoY, and Latin America and the Caribbean grew by 3% YoY, making the smallest absolute contribution to the global cargo capacity increase.
- The industry cargo load factor (CLF) remained broadly stable despite ongoing capacity growth. The CLF reached 45.9% in seasonally adjusted terms, dipping only 0.1 ppt YoY (Chart 22). Demand generally kept pace with supply, even as capacity expanded across most regions. However, route-level performance diverged. Europe–Asia, the industry's highest-utilization lane, saw a 1.4 ppt YoY fall in CLF to 66.8% (Chart 23). Africa–Asia shed 1.5 ppt YoY to 56.3%, and Europe–Middle East dropped 3.6 ppt YoY to 52.5%. In contrast, intra-Asian markets outperformed, with CLF up 1.2 ppt YoY to 56.0%, and the Asia–North America corridor increased by 0.3 ppt YoY to 63.0%.

Chart 18: Industry CTK, billion



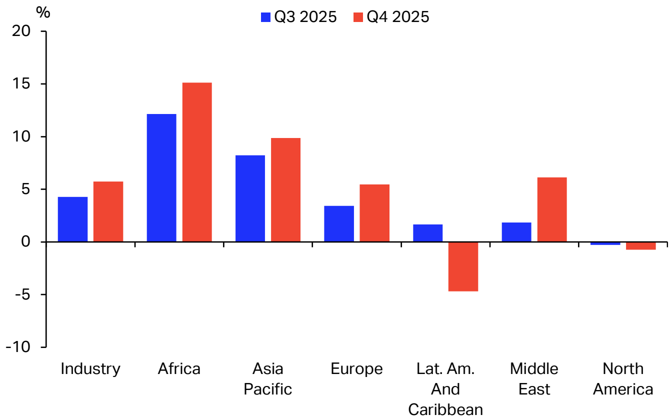
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 19: Industry CTK, seasonally adjusted, QoQ



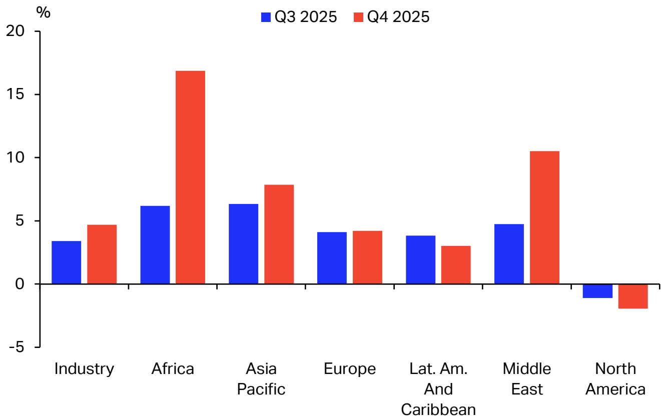
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

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



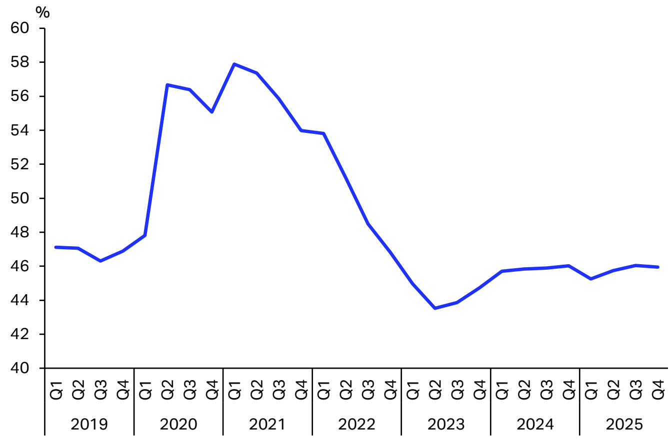
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 21: Industry ACTK by airline region of registration, YoY, %



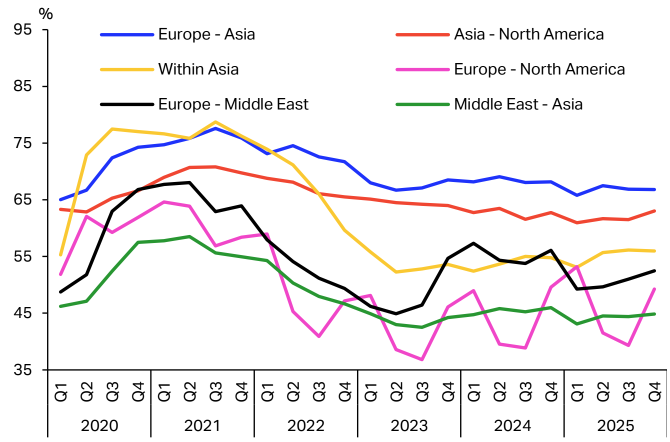
Source: IATA Sustainability and Economics using data from IATA Information and Data - Monthly Statistics

Chart 22: Industry cargo load factor, seasonally adjusted, %



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

Chart 23: International cargo load factor by major route area, % of ACTK



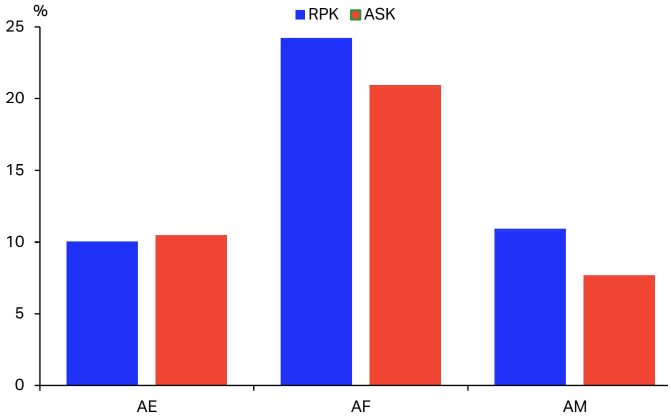
Source: IATA Sustainability and Economics using data from IATA Information and Data

4. Regional performance

4.1. Africa

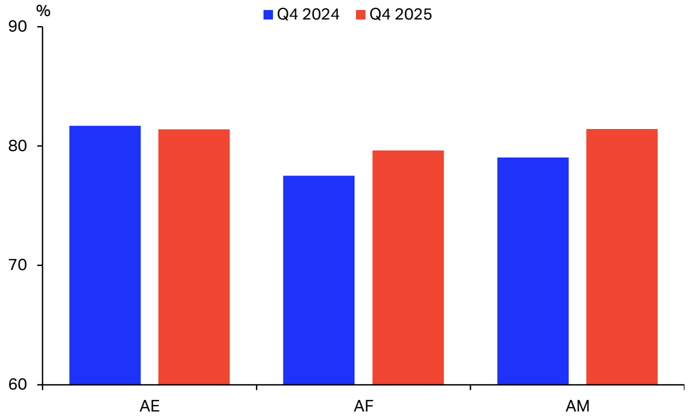
- African carriers recorded an 11.8% YoY increase in passenger demand in Q4 2025, the highest YoY growth among the regions (Chart 14). Capacity expanded by 11.1% YoY during the quarter, slower than the traffic growth, lifting the PLF to 74.9%, an increase of 0.5 ppt compared with Q4 2024. However, it remained below the industry average.
- The Africa-Asia route maintained its momentum from the previous quarter, with demand rising by 24.2% YoY in Q4 2025 (Chart 24). This outstripped capacity growth of 20.9% YoY, and the PLF gained by 2.1 ppt YoY to 79.6% as a result (Chart 25). On the Africa-Europe corridor, the PLF reached 81.4% in Q4 2025, remaining broadly stable on a YoY basis, as demand and capacity expanded at a similar pace of nearly 10% YoY. Meanwhile, on the Africa-Middle East lane, demand grew by 10.9% YoY, outpacing capacity growth of 7.7% YoY, which pushed PLF up by 2.4 ppt to 81.4% in the last quarter of 2025. However, the PLF eased across all routes on a quarter-on-quarter basis.
- Most major destinations from the region recorded growth in passenger flows this quarter, with the exception of Türkiye, to which destination, traffic declined by 6.1% YoY (Chart 26). France remained the leading destination, up by 6.0% YoY. Travel to Saudi Arabia rose by 13.7% YoY in Q4 2025, extending the growth from Q3 following the contraction earlier in the year. Passenger traffic to the UK and UAE grew by 11.6% and 6.7% YoY, respectively, though decelerating from Q3. Traffic to Belgium expanded by 11.8% YoY, rebounding from the contraction observed in the previous quarter. Other key destinations from the region recorded positive passenger traffic growth, accelerating from the prior quarter.
- The main market for African airlines remained Egypt-Saudi Arabia, with demand increasing by 10.1% YoY in Q4 2025 (Chart 27). Growth in Algeria-France and Morocco-UK rose by 1.6% and 7.5% YoY, respectively. The France-Tunisia route rebounded strongly, with passenger traffic growing by 15.1% YoY in Q4 2025. In contrast, Egypt-UAE contracted by 1.0% YoY. Egypt-Italy and Egypt-Kuwait were the fastest-growing markets during the quarter, expanding by 42.5% and 20.7% YoY, respectively.
- Strong seat capacity growth is scheduled across Africa for Q1 2026 (Chart 28). Egypt remains the largest market in Africa, with seat capacity set to increase by 12.1% YoY. South Africa, the second-largest market in Africa, is expected to expand by 11.7% YoY. Tanzania is projected to lead seat capacity growth, with a robust 14.1% YoY increase. In Nigeria, capacity is set to increase by 8.6% YoY, marking a turnaround after two consecutive quarters of contraction. Other North African countries, such as Algeria and Morocco, are also expected to post solid growth, at 11.7% and 12.1% YoY, respectively. More moderate increases, ranging from 0.9% to 5.5% YoY, are anticipated for Tunisia, Kenya, and Ghana.
- Cargo demand for African airlines recorded the highest YoY growth of the year in Q4 2025, rising by 15.1% YoY. Cargo capacity expanded at an even faster pace of 16.9% YoY, resulting in a 0.7 ppt YoY decline in the CLF to 43.6%. The Africa-Asia route was the main growth driver, accounting for more than 60% of the net increase and posting a 16.2% YoY rise in international cargo demand. This was the second consecutive quarter of positive growth following contractions earlier this year. The Africa-Middle East corridor registered a 5.6% YoY expansion, slowing somewhat from Q3. Africa-Europe saw only a marginal 0.2% YoY increase in cargo demand, while capacity grew faster at 5.0% YoY in Q4 2025 (Chart 29).

Chart 24: Africa, international air passenger traffic and seat capacity by route area, YoY, %



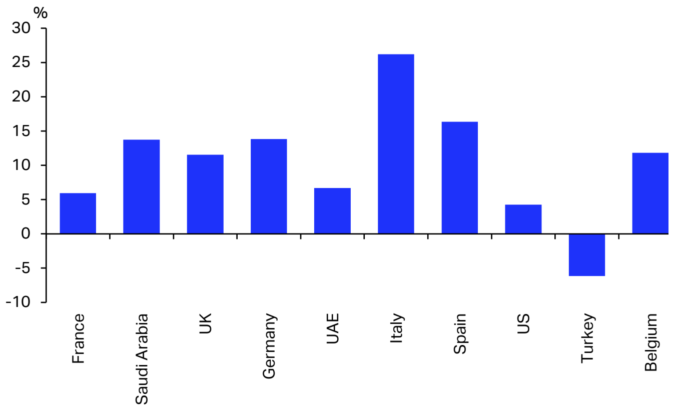
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 25: Africa, air passenger load factor by route area, % of ASK



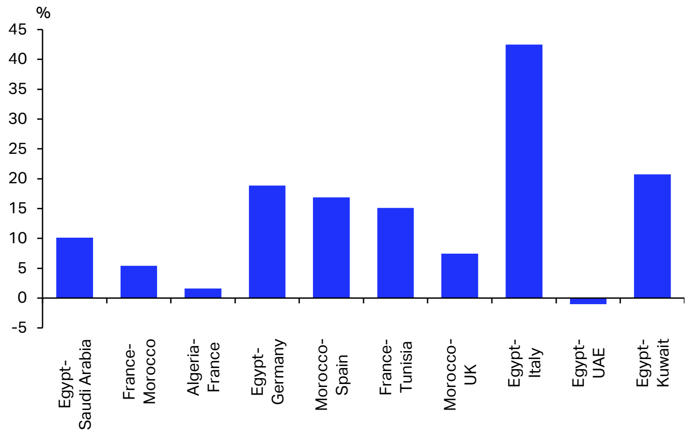
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 26: Traffic from Africa to its top 10 destinations by market size, YoY, %



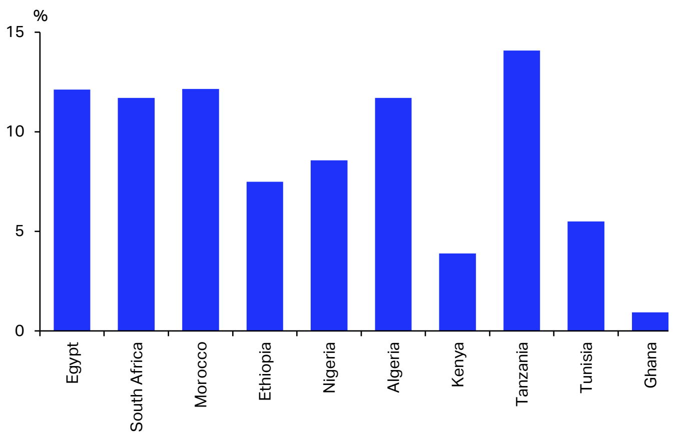
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 27: Number of passengers traveling to and from major country pairs serving Africa, YoY, %



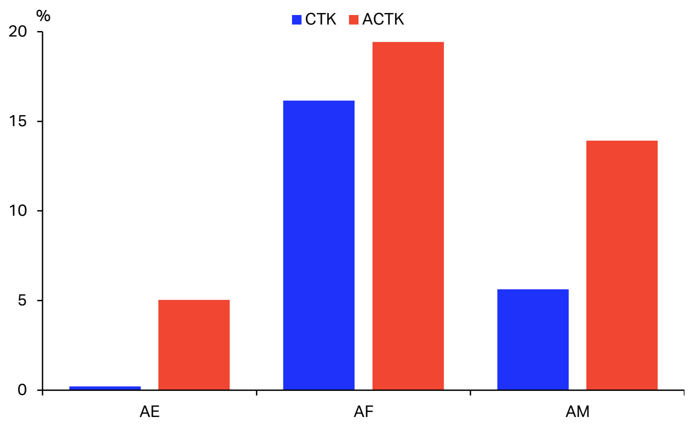
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 28: Africa, air passenger seats capacity scheduled for Q1 2026, YoY, %



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

Chart 29: Africa, 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 RPKs in 2025	Q4 2025, %					
		YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**6.0**	**5.7**	**4.6**	**4.7**	**84.0**	**47.8**
Africa[2]	2.2	11.8	11.1	15.1	16.9	74.9	43.6

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

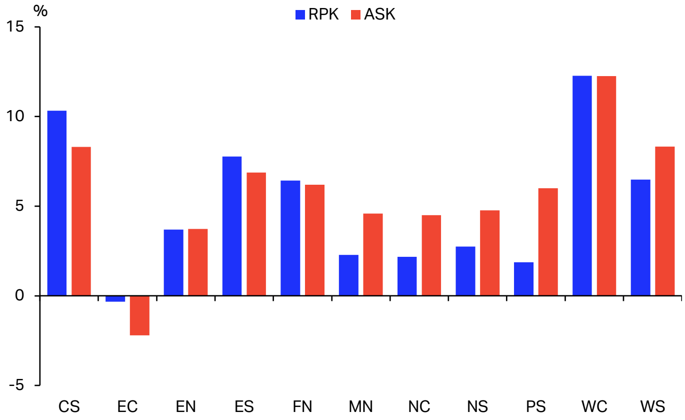
Notes:

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

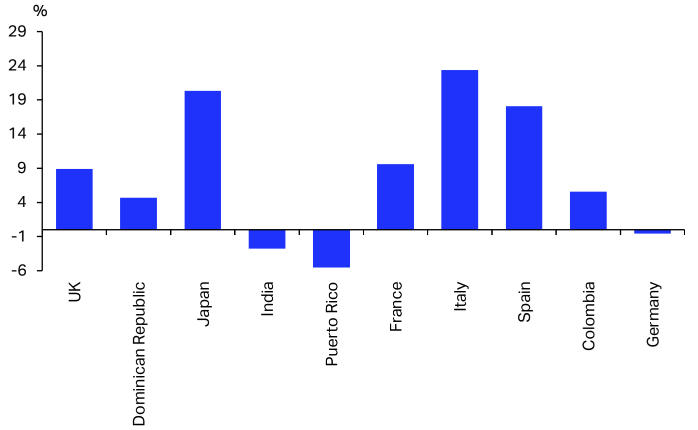
- Latin American and Caribbean airlines underperformed the global industry average in terms of traffic growth in Q4 2025, a first in that year. Passenger traffic rose 5.5% YoY, below the global average of 6.0% YoY, while seat capacity in the region grew at the same rate as regional RPK expansion, rising 5.5% YoY (Chart 14). As a result, the PLF held steady at 84.0%, mirroring the global average. North American carriers' performance remained subdued in Q4. Demand rose by a mere 1.0% YoY and seat capacity by a modest but larger 2.3% YoY, resulting in a drop in the PLF to 82.3%, which is 1.7 ppt below the industry average.
- Both passenger traffic and capacity expanded on most international routes. The best-performing routes in Q4 2025 were within Central America, followed by Central America/Caribbean-South America, where passenger demand surged by 12.3% and 10.3% YoY, respectively. This was met with increased capacity on the corresponding routes of 12.3% and 8.3% YoY (Chart 30). It was driven by Panama's connectivity hub, which handles nearly 21% of Central America's passenger movements and more than 50% of traffic between South and Central America. As the third fastest-growing corridor, passenger traffic from South America-Europe grew at 7.8% YoY, coupled with a 6.9% YoY capacity increase. The transatlantic corridor, the busiest international route serving the Americas, recorded a moderate 3.7% YoY increase in demand in Q4 2025, matched by an equivalent expansion in capacity. Traffic between Europe and Central America was the only route to decelerate, dropping 0.3% YoY, accompanied by a steeper fall in capacity by 2.2% YoY.
- Passenger traffic on most top routes from North America expanded in Q4 2025. Puerto Rico, India, and Germany were the only destinations to see a decrease in traffic from North America, receding by 5.5%, 2.8%, and 0.5% YoY, respectively (Chart 31). In contrast, passengers flying to Italy and Spain showed solid gains, increasing 23.4% and 18.1% YoY, respectively. Non-traditional markets such as Japan continued to be among the fastest-growing destinations, rising by an impressive 20.3% YoY.
- Traffic from Latin America to the US grew by 4.3% YoY, despite the latter's recent tightening of migration policy (Chart 32). Canadian passenger flows from Latin America were down 0.5% YoY. The connection between Latin America and Europe remained robust overall, supported by double-digit YoY increases of 24.5%, 17.2%, and 14.6% in passengers traveling to the Netherlands, Portugal, and Italy, respectively. Moreover, traffic to Spain and Germany increased by 5.6% and 3.7% YoY. Traffic to France leveled off, showing minimal growth, and the UK reported a 5.3% YoY decline in incoming Latin American travelers in Q4.
- The busiest city pairs in Latin America were all domestic routes within Brazil, Mexico, Colombia, and recently Peru. Traffic declined on two of the four largest lanes in Q4 2025 (Chart 33). The Cancún-Mexico City route fell by 10.2% YoY, while the Cusco-Lima route –the most important domestic line in Peru– dropped by 7.7% YoY. In contrast, traffic on the Bogotá-Medellín lane increased by 4.2% YoY, and the biggest corridor in the region –Rio de Janeiro-São Paulo– saw a modest 3.5% YoY growth. The most important routes in North America were operated to/from New York. Corridors from Los Angeles, Chicago, Orlando, Atlanta, and Fort Lauderdale to New York saw expansions in the last quarter of the year, ranging from 2.4% to 6.2% YoY. The iconic international route between London and New York also saw a 4.2% YoY increase.
- Planned airline seat capacity for Q1 2026 indicates growth across the region, with Chile the only market projected to post a 5.6% YoY contraction (Chart 34). Panama is anticipated to lead with a 12.5% YoY double-digit expansion. Argentina continues to benefit from the implementation of the "Open Skies" policy, resulting in an 8.5% YoY increase in scheduled seat capacity. Brazil and Mexico –the largest markets in Latin America– are expected to post significant growth, increasing seat availability by 6.6% and 3.3% YoY, respectively. Meanwhile, the Dominican Republic, Peru, and Colombia are expected to achieve average growth ranging from 3.2% YoY to 4.2% YoY. In North America, only minimal additional seat capacity is planned for Q1 2026 in the US and Canada, with growth unlikely to surpass 1.2% YoY.
- Cargo flows showed mixed performance. CTKs declined by 19.4% YoY within Central America and by 11.3% from South America to Central America and the Caribbean route. Capacity allocated to these corridors fell by 5.0% and 4.1% YoY, respectively (Chart 35). The fastest-growing lane in Q4 was between North America and the Middle East, which recorded a remarkable 18.6% YoY increase in cargo demand. Capacity expanded by 11.1% YoY to accommodate the fast-paced demand. On the North America-Europe route, CTKs rose by 4.5% YoY, lagging the ACTK growth of 5.2% YoY. The North America-Asia line posted only a marginal 0.2% YoY gain, while capacity contracted by 0.2% YoY, indicating stabilizing demand on this corridor.

Chart 30: Americas, international air passenger traffic and seat capacity by route area, YoY, %



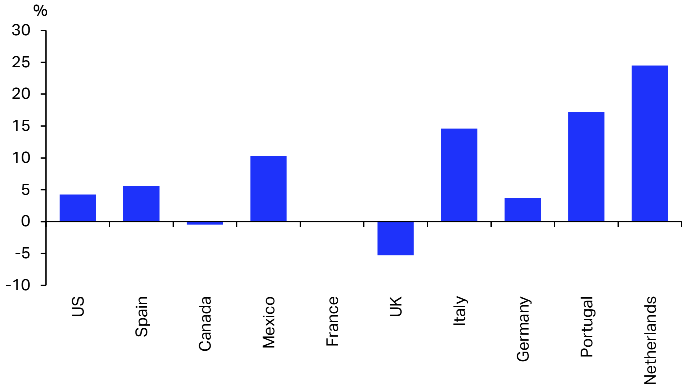
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



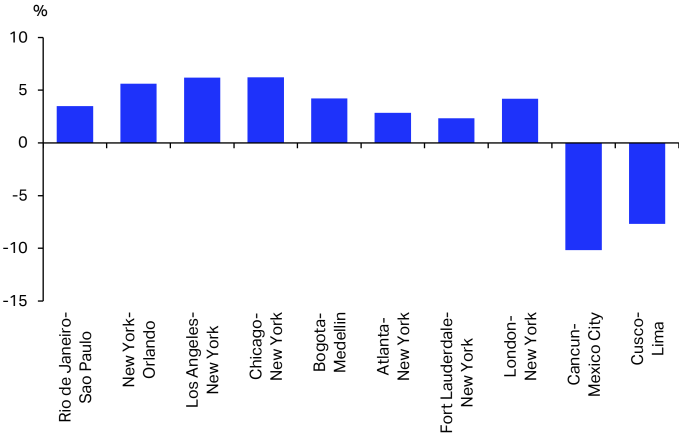
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 32: Traffic from Latin America to its top 10 destinations by market size, YoY, %



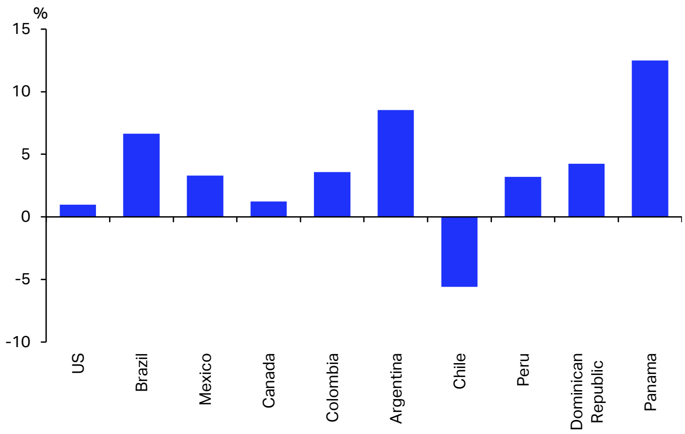
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 33: The number of passengers traveling to and from major city pairs serving Americas, YoY, %



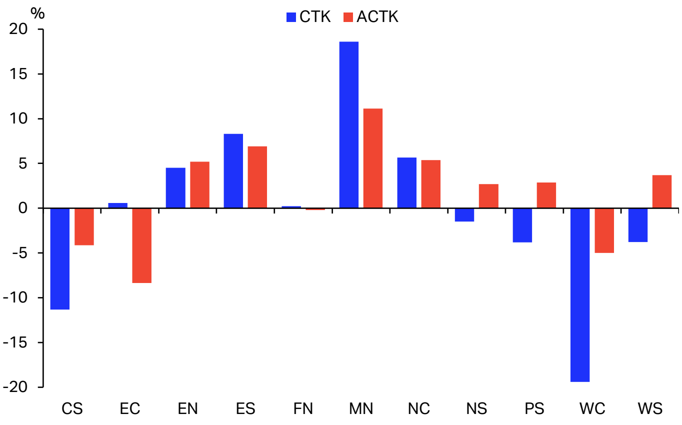
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 34: Americas, air passenger seats capacity scheduled for Q1 2026, YoY, %



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

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



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

	Share of Industry RPKs in 2025	Q4 2025, % YoY RPK	ASK	CTK	ACTK	PLF	CLF
TOTAL MARKET	**100**	**6.0**	**5.7**	**4.6**	**4.7**	**84.0**	**47.8**
North America[2]	21.8	1.0	2.3	-2.3	-1.9	82.3	42.4
Latin America[2]	5.4	5.5	5.5	-3.8	3.0	84.0	35.8

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

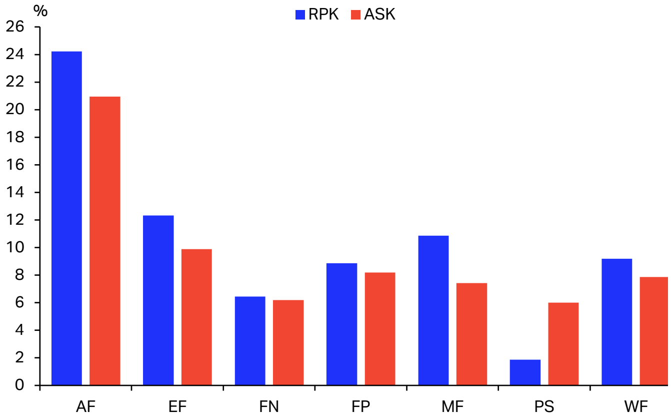
Notes:

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

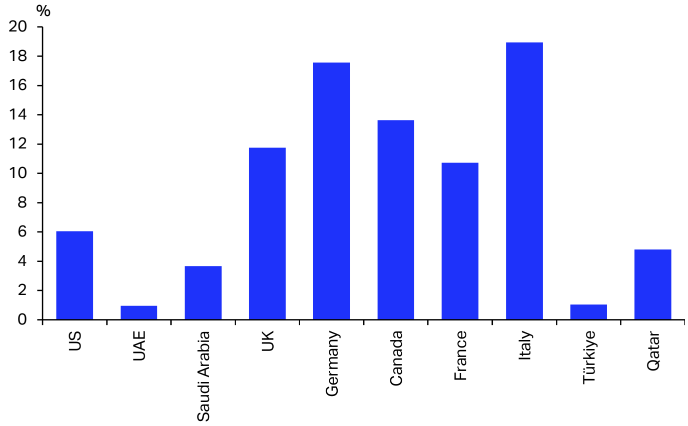
- Passenger demand for carriers in the Asia Pacific region accounted for more than one-third of global RPK in 2025, making it the largest contributor to worldwide traffic. In Q4 2025, passenger demand increased by 7.4% YoY, outpacing the global growth rate of 6.0% YoY (Chart 14). Capacity expanded by 6.5% YoY, slower than the demand growth, lifting the PLF to 84.7%, slightly above the industry average.
- Passenger traffic across international corridors for Asia Pacific airlines grew 9.3% YoY in Q4 2025, with performance varying across route areas (Chart 36). Demand within Asia Pacific increased by 9.2% YoY, continuing to underpin international activity across the region. The strongest expansion was observed in routes between Africa and Asia, where RPK rose by 24.2% YoY, partly due to the smaller traffic base on this corridor. Traffic on routes linking Europe and Asia, as well as those between the Middle East and Asia, gained 12.3% and 10.9% YoY, respectively. Demand on routes between Asia and North America rose by 6.4% YoY, broadly in line with capacity expansion, while traffic between the Americas and the Southwest Pacific increased by 1.9% YoY, lagging the 6.0% YoY rise in capacity, which lowered the PLF on that corridor.
- Outbound passenger traffic from Asia Pacific expanded across all major destination markets in Q4 2025 (Chart 37). Among European destinations, Italy and Germany recorded the strongest increases, with traffic rising by 18.9% and 17.6% YoY, respectively. The UK and France grew at 11.8% and 10.7% YoY, while Türkiye posted a modest gain of 1% YoY. Travel to North America showed stronger growth than in Q3, with a 13.6% YoY increase in demand to Canada, and a 6.1% rise in passenger volumes to the US. In the Middle East, traffic to Qatar and Saudi Arabia increased by 4.8% and 3.7% YoY, while flows to the UAE recorded only marginal growth of 1.0% YoY.
- International passenger traffic from mainland China in Q4 2025 exceeded pre-pandemic levels across several destination regions (Chart 38). Travel flows to the Middle East, Africa, and Latin America and the Caribbean were well above pre-crisis benchmarks. Traffic to Asia Pacific stood slightly above the 2018 mark, while Europe reached around 95% of 2018 levels. Passenger flows to North America remained below pre-pandemic volumes at roughly two-thirds of their 2018 level.
- The busiest city pairs serving the Asia Pacific region in Q4 2025 remained concentrated on major domestic and short-haul intra-regional routes (Chart 39). Jeju–Seoul remained the largest city pair by passenger volume, with traffic increasing by 0.5% YoY, followed by Fukuoka–Tokyo and Sapporo–Tokyo, which recorded gains of 4.4% and 0.9% YoY, respectively. The Hanoi–Ho Chi Minh City corridor posted a solid YoY expansion of 7.9%. Among China's major domestic routes, passenger volumes on Beijing–Shanghai and Shanghai–Shenzhen rose by 6.7% and 12.8% YoY, respectively, while growth on the Guangzhou–Shanghai and Beijing–Chengdu corridors was more moderate. Melbourne–Sydney and Seoul–Tokyo routes recorded modest expansion, reflecting their status as mature domestic and intra-regional markets.
- Scheduled seat capacity for Q1 2026 shows predominantly positive growth, with most markets expanding (Chart 40). China remains the largest market by scheduled seats, with capacity planned to increase by 4.5% YoY, followed by India, with growth of 2.1% YoY. Japan is the only major market where scheduled seat capacity is declining, down 2.1% YoY. Indonesia is expected to grow 4.1% YoY, while Australia and Thailand plan further additions of 5.1% and 6.5% YoY, respectively. Stronger growth is evident in several markets, with scheduled seats rising by 9.9% YoY in the Republic of Korea and by around 11.0% YoY in both Viet Nam and Malaysia. The Philippines sits at the upper end of the range, with scheduled capacity up 11.7% YoY.
- Cargo traffic for Asia Pacific carriers increased by 9.1% YoY in Q4, alongside a 7.9% YoY rise in available capacity, setting the CLF at 49.7%. Cargo performance across international route areas for Asia Pacific airlines also improved by 9.9% YoY in Q4, with uneven trends across markets (Chart 41). Freight volumes on routes within Asia increased by 12.4% YoY, remaining an important component of regional cargo activity. Routes between Africa and Asia recorded the fastest expansion, with CTK up 16.2% YoY, while capacity rose by 19.4% YoY. Cargo traffic on routes linking Europe with Asia and the Middle East with Asia grew by 11.6% and 11.0% YoY, respectively, along with stronger capacity growth of 13.9% and 13.8% YoY. This indicates looser supply–demand conditions on these routes. Demand on routes between Asia and North America was broadly flat. Cargo traffic between the Americas and the Southwest Pacific contracted by 3.8% YoY, while capacity increased by 2.9% YoY, pushing the CLF up.

Chart 36: Asia Pacific, international air passenger traffic and seat capacity by route area, YoY, %



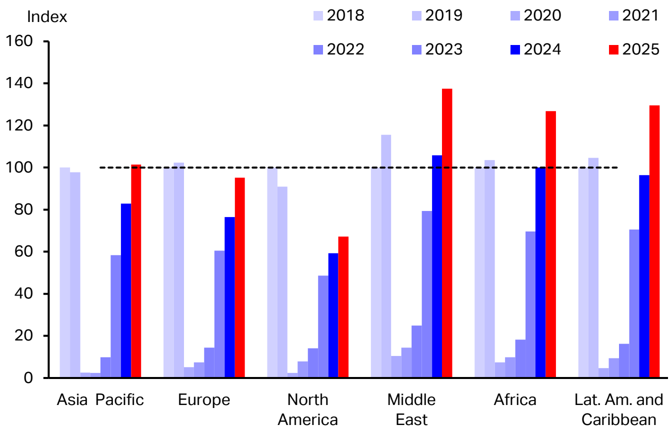
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

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



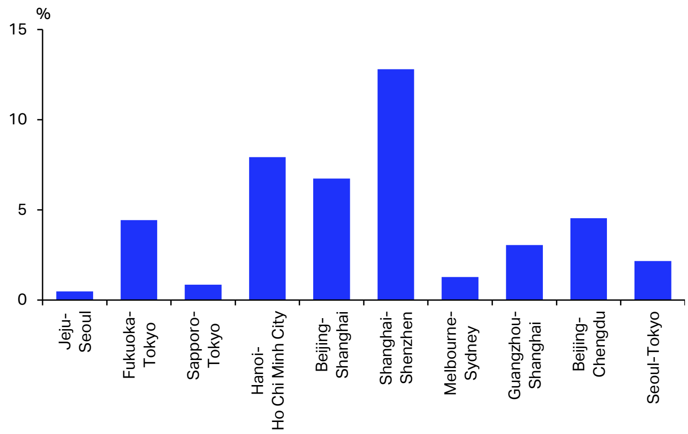
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 38: International air passengers from China by destination region, Q4 each year, index, 2018=100



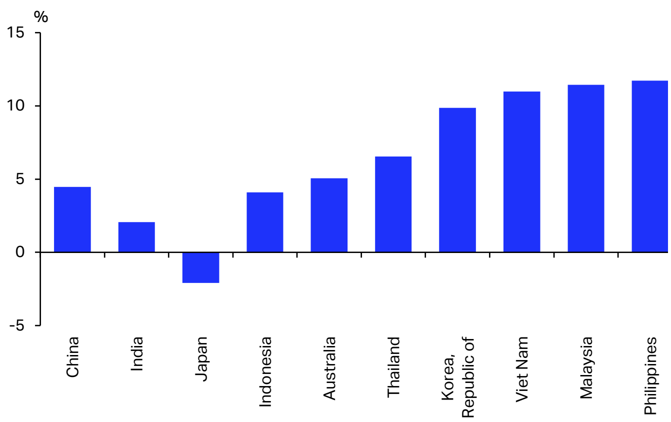
Source: IATA Sustainability and Economics using data from DDS

Chart 39: The number of passengers traveling to and from major city pairs serving Asia Pacific, YoY, %



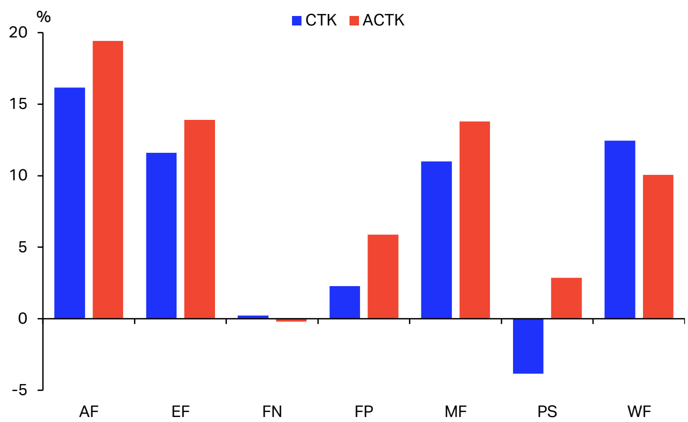
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 40: Asia Pacific, air passenger seats capacity scheduled for Q1 2026, YoY, %



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

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



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

	Share of Industry RPKs in 2025	Q4 2025, %					
		YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**6.0**	**5.7**	**4.6**	**4.7**	**84.0**	**47.8**
Asia Pacific[2]	34.4	7.4	6.5	9.1	7.9	84.7	49.7

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

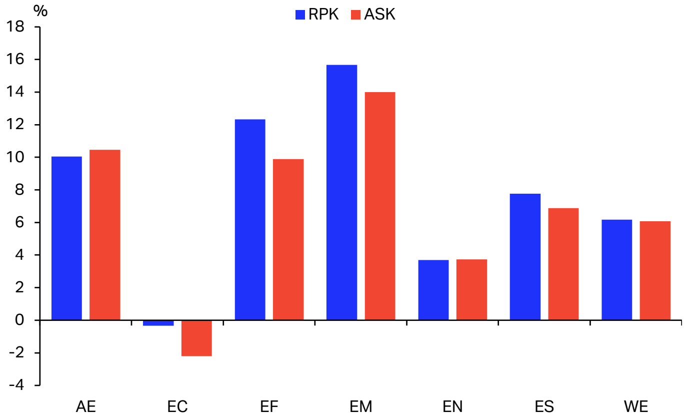
Notes:

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

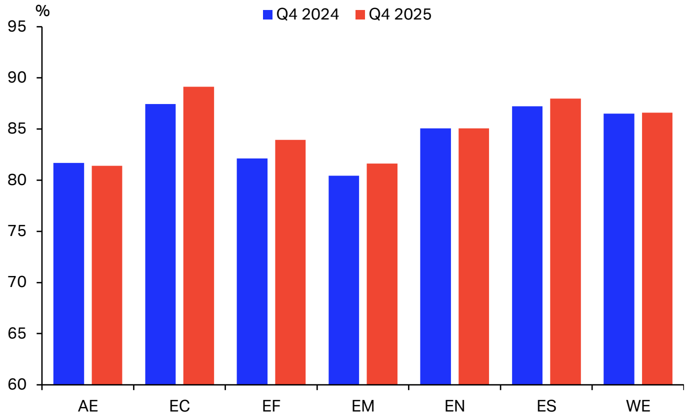
- Accounting for over 26% of global RPKs in 2025, European airlines ranked as the second-largest contributor to worldwide traffic. In Q4 2025, passenger demand grew by 6.6% YoY, with capacity rising 6.0% YoY (Chart 14). As a result, the PLF increased marginally by 0.4 ppt YoY, to 86.4%, the highest of all regions.
- About one-third of Europe's international passenger traffic is within the European market, which posted a 6.2% YoY growth in Q4, in line with the earlier quarters of the year (Chart 42). Capacity expanded at a similar pace, maintaining a stable PLF on an annual comparison at 86.6% (Chart 43). On the Transatlantic corridor, demand increased by 3.7% YoY this quarter, matched by capacity growth of 3.7% YoY, keeping the PLF unchanged at 85.1%. Europe-Asia routes saw a 12.3% YoY increase in demand, with capacity growing 9.9% YoY, pushing the PLF up by 1.8 ppt YoY to 83.9%. The highest growth rates were recorded on routes connecting Europe and the Middle East, where demand rose by 15.7% YoY and capacity increased by 14.0% YoY. Demand on Europe-Central America routes contracted by 0.3% YoY with capacity declining 2.2%, and the PLF reaching 89.1%, 1.7 ppt above the same quarter of 2024. Europe-South America and Africa-Europe corridors saw increases of 7.8% and 10.0% YoY, respectively, with their capacity expanding at 6.9% and 10.5% YoY.
- The US remained the leading destination from Europe, with passenger traffic increasing by 9.3% YoY, accelerating from the previous quarter (Chart 44). Canada, the next most popular destination in North America, was up 19.3% YoY. Morocco ranked as the second-largest destination for European travelers, rising by 10.3% YoY in traffic from Europe. Passengers flying to Israel surged for the fourth consecutive quarter in 2025, increasing by as much as 66.8%, as carriers rebuilt capacity after extensive suspensions due to the military conflicts in the region. Among Asian destinations, traffic to China grew by 20.9% YoY and India by 3.5% YoY.
- Country-pair-wise, most of the main markets serving Europe were short-haul, with Spain-UK being the biggest corridor. Passenger traffic between the two countries rose by 8.3% YoY in Q4 2025, surpassing 10 million passengers (Chart 45). The Germany-Spain route grew by 8.8% YoY, rebounding from a contraction in the previous quarter. Italy-Spain and Germany-Türkiye added 10.5% YoY and 9.9% YoY, respectively. Germany-United Kingdom expanded modestly by 1.3% YoY, while Germany-Italy posted the strongest performance among the top 10 route pairs in Europe, rising by 12.9% YoY.
- In Q1 2026, the seat schedule for the UK, which is the largest market in Europe, is expected to increase by 1.7% YoY (Chart 46). Spain will likely follow closely at 1.8% YoY growth in seat capacity, while Türkiye is projected to expand strongly by 7.4% YoY. The Netherlands is set for a modest gain of 0.9% YoY. Norway is the only market expected to contract, decreasing by 1.0% YoY. The remaining major markets are predicted to grow between 1.2% YoY (Germany) and 4.2% YoY (Italy).
- Cargo demand in the region expanded in Q4 2025, rising by 5.1% YoY. This was above the 4.2% YoY capacity increase in the region, which drove the CLF up to 56.3%, retaining its position as the highest CLF across all regions in Q4. The Europe-Asia corridor remained strong in Q4, and cargo demand grew by 11.6% YoY, outpaced by capacity at 13.9% (Chart 47). Cargo flown on transatlantic routes added 4.5% YoY, slower than the capacity growth of 5.2% YoY, pushing the CLF down to 49.3%. The Europe-Middle East corridor recorded a moderate 1.6% YoY increase in cargo demand, rebounding after contractions in previous quarters. Capacity expanded faster at 8.6% YoY, leading to a 3.6 ppt YoY decline in CLF to 52.5%. Routes within Europe saw a decline in cargo demand, falling by 0.9% YoY in the quarter, while capacity rose by 1.7% YoY, causing the CLF to drop by 0.87 ppt YoY to 32.6%.

Chart 42: Europe, international air passenger traffic and seat capacity by route area, YoY, %



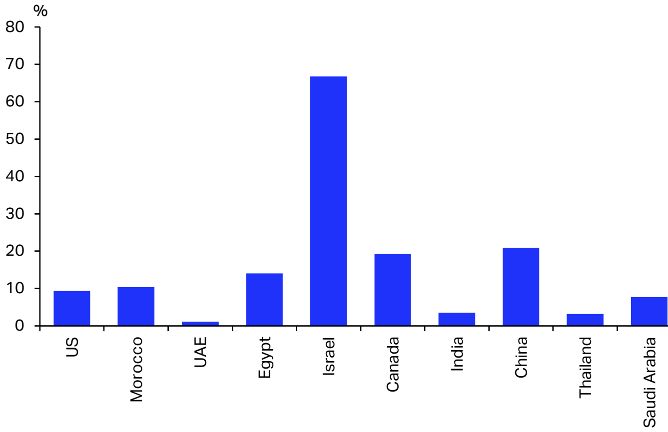
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 43: Europe, air passenger load factor by route area, % of ASK



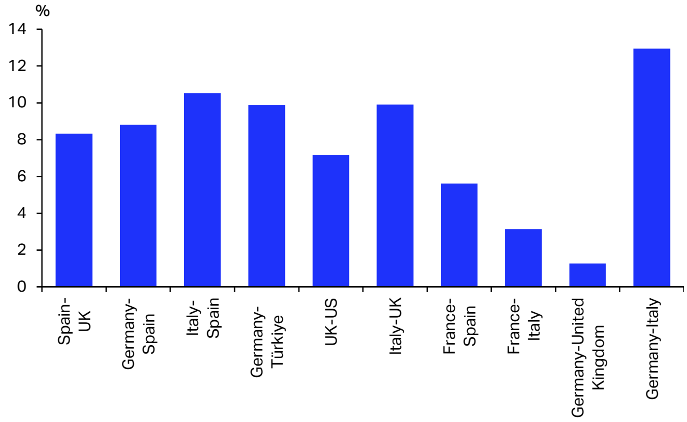
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 44: Traffic from Europe to its top 10 destinations by market size, YoY, %



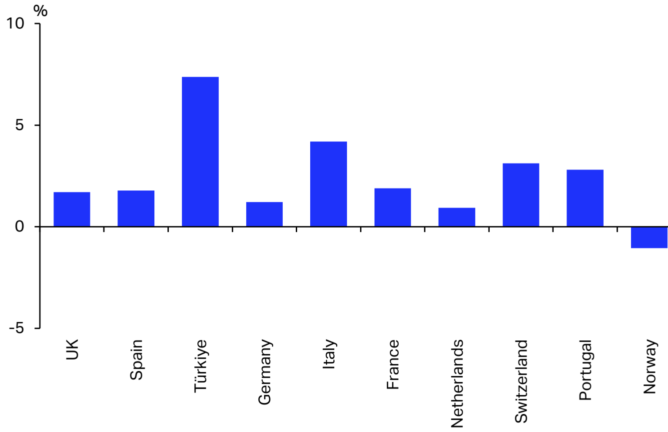
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 45: The number of passengers traveling to and from major country pairs serving Europe, YoY, %



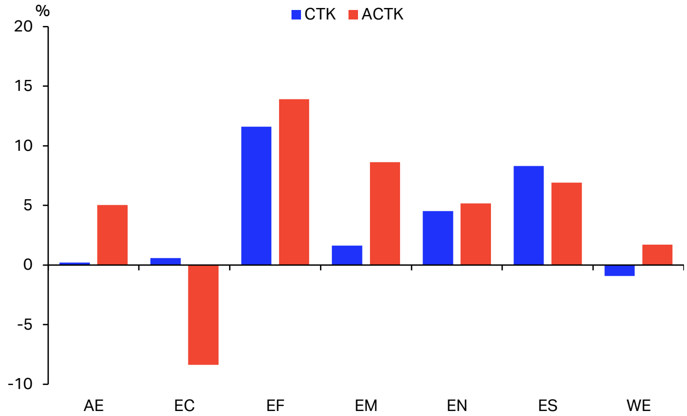
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 46: Europe, air passenger seats capacity scheduled for Q1 2026, YoY, %



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

Chart 47: 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 RPKs in 2025	Q4 2025, %					
		YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**6.0**	**5.7**	**4.6**	**4.7**	**84.0**	**47.8**
Europe[2]	26.6	6.6	6.0	5.1	4.2	86.4	56.3

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

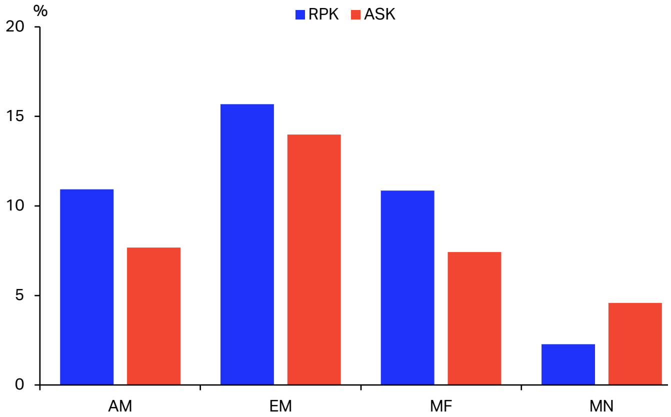
Notes:

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

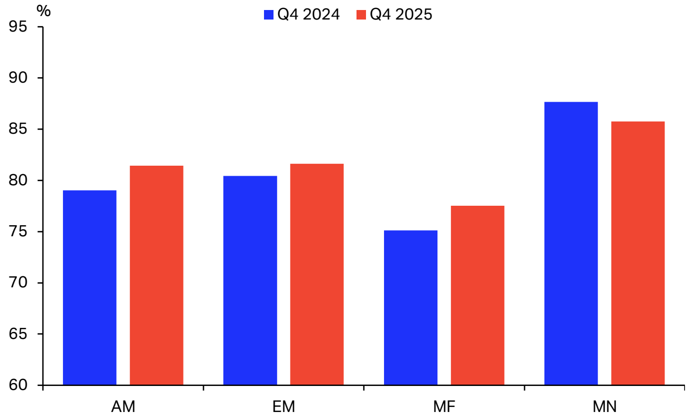
- Carriers in the Middle East sustained significant growth in Q4 2025, picking up pace from the previous quarter. Passenger demand rose by 9.9% YoY, while capacity expanded by 8.5% YoY, lifting the PLF to 81.8% (Chart 14).
- Passenger demand on the Asia-Middle East corridor, the region's largest international market, rose by 10.9% YoY in the quarter (Chart 48). Capacity on these routes increased by 7.4% YoY, and the PLF was up by 2.4 ppt to 77.5% (Chart 49). Traffic between Europe and the Middle East grew by 15.7% YoY, with capacity adding 14.0% YoY, pushing the PLF up 1.2 ppt YoY to 81.6%. The Middle East-North America market returned to growth after two consecutive quarters of contraction, with demand growing 2.3% YoY against a 4.6% YoY increase in capacity, which reduced the PLF by 1.9 ppt to 85.7%. Demand in Africa-Middle East grew by 10.9% YoY, outpacing a 7.7% YoY rise in capacity. The PLF on these routes climbed by 2.4 ppt YoY to 81.4%.
- India and Egypt were the main destinations of travelers from the Middle East. Traffic to India was down 2.6% YoY (Chart 50), partly due to the India-UAE market decreasing 0.4 % YoY and the India-Saudi Arabia route falling by 6.3% YoY in Q4 2025 (Chart 51). Egypt, the leading destination in Africa, received 8.0% YoY more passengers from the region, supported by a 10.1% YoY increase on the Egypt-Saudi Arabia market. Pakistan, the second largest destination in Asia after India, grew by 8.8% YoY, benefiting from a rise in passenger flow between the country and Saudi Arabia of 18.0% YoY, partially offset by a 1.4% YoY decline on the Pakistan-UAE route in Q4 2025.
- The UK was the main European destination in Q4, with traffic up 13.2% YoY, supported by a 10.2% YoY increase on the UAE-UK market. Türkiye ranked second, recording 7.0% YoY growth, driven by a 9.5% YoY expansion on the Saudi Arabia-Türkiye route. France, Italy, and Germany posted the highest increases among destinations for travelers from the Middle East, rising 33.2%, 31.2%, and 28.4% YoY, respectively. The US also recorded solid growth, with passengers from the Middle East up 26.7% YoY.
- Looking to Q1 2026, capacity is expected to increase across most major markets in the region (Chart 52). The UAE and Saudi Arabia could expand capacity by 6.1% YoY as new airlines enter their markets. Israel is likely to record a sharp rise of 32.5% YoY, supported by the renewed allocation of airline capacity to the country. Jordan should also see strong growth, with capacity up 30.6% YoY. By contrast, Iran may face an 18.9% YoY decline in capacity due to geopolitical tensions, while Iraq could expand capacity by 15.1% YoY.
- Air cargo demand for carriers in the region accelerated compared to the previous quarter. In Q4 2025, demand increased by 6.0% YoY, while capacity rose by 10.5% YoY. This drove the CLF down by 2.0 ppt YoY to 46.4%. The Asia-Middle East corridor remained buoyant this quarter, with cargo demand up 11.0% YoY, outpaced by capacity growth of 13.8% YoY (Chart 53). Cargo demand in the Europe-Middle East market expanded by 1.6% YoY after three consecutive quarters of contraction, but capacity rose more sharply at 8.6% YoY. As a result, the CLF declined 3.6 ppt YoY to 52.5%. Following four consecutive quarters of contraction or modest growth, the Middle East-North America market recorded an 18.6% YoY rise in cargo demand. Capacity increased by 11.1% YoY, and the CLF was lifted by 2.9 ppt YoY to 45.9% in Q4 2025. The Africa-Middle East corridor softened relative to the previous quarter, with demand rising 5.6% YoY and capacity expanding 13.9% YoY, reducing the CLF by 3.1 ppt YoY to 40.0%.

Chart 48: Middle East, international air passenger traffic and seat capacity by route area, YoY, %



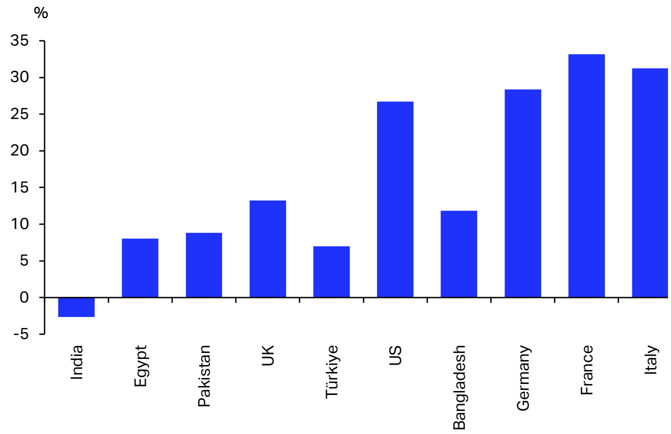
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 49: Middle East, air passenger load factor by route area, % of ASK



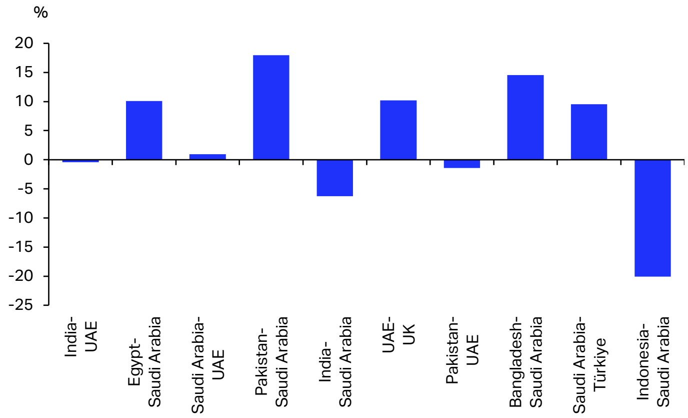
Source: IATA Sustainability and Economics using data from IATA Information and Data[1]

Chart 50: Traffic from the Middle East to its top destinations by market size, YoY, %



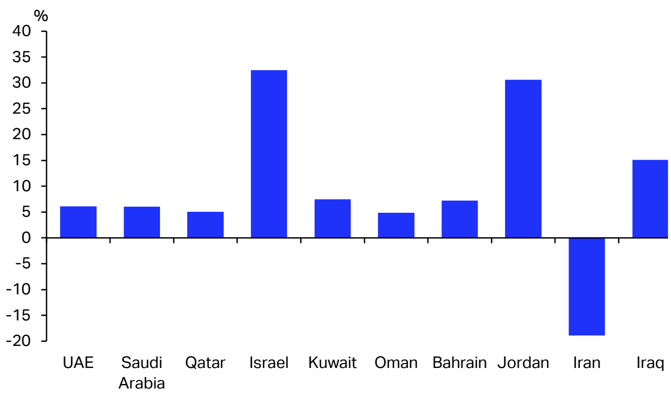
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 51: The number of passengers traveling to and from major country pairs serving Middle East, YoY, %



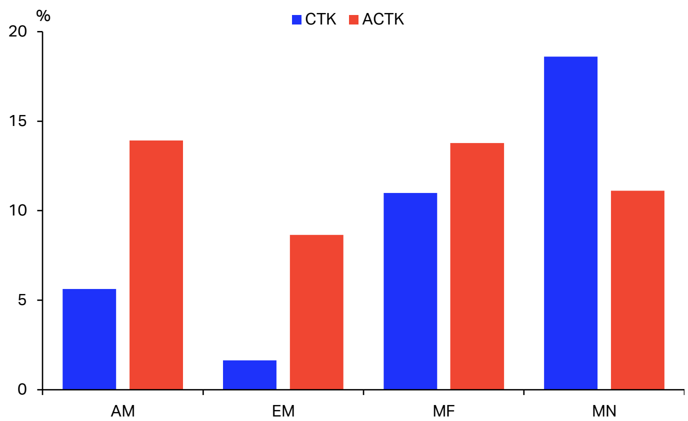
Source: IATA Sustainability and Economics using data from DDS. Markets are ordered by size, from larger to smaller

Chart 52: Middle East, air passenger seats capacity scheduled for Q1 2026, YoY, %



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

Chart 53: 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 RPKs in 2025	Q4 2025, %					
		YoY				PLF	CLF
		RPK	ASK	CTK	ACTK		
TOTAL MARKET	**100**	**6.0**	**5.7**	**4.6**	**4.7**	**84.0**	**47.8**
Middle East[2]	9.5	9.9	8.5	6.0	10.5	81.8	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.

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