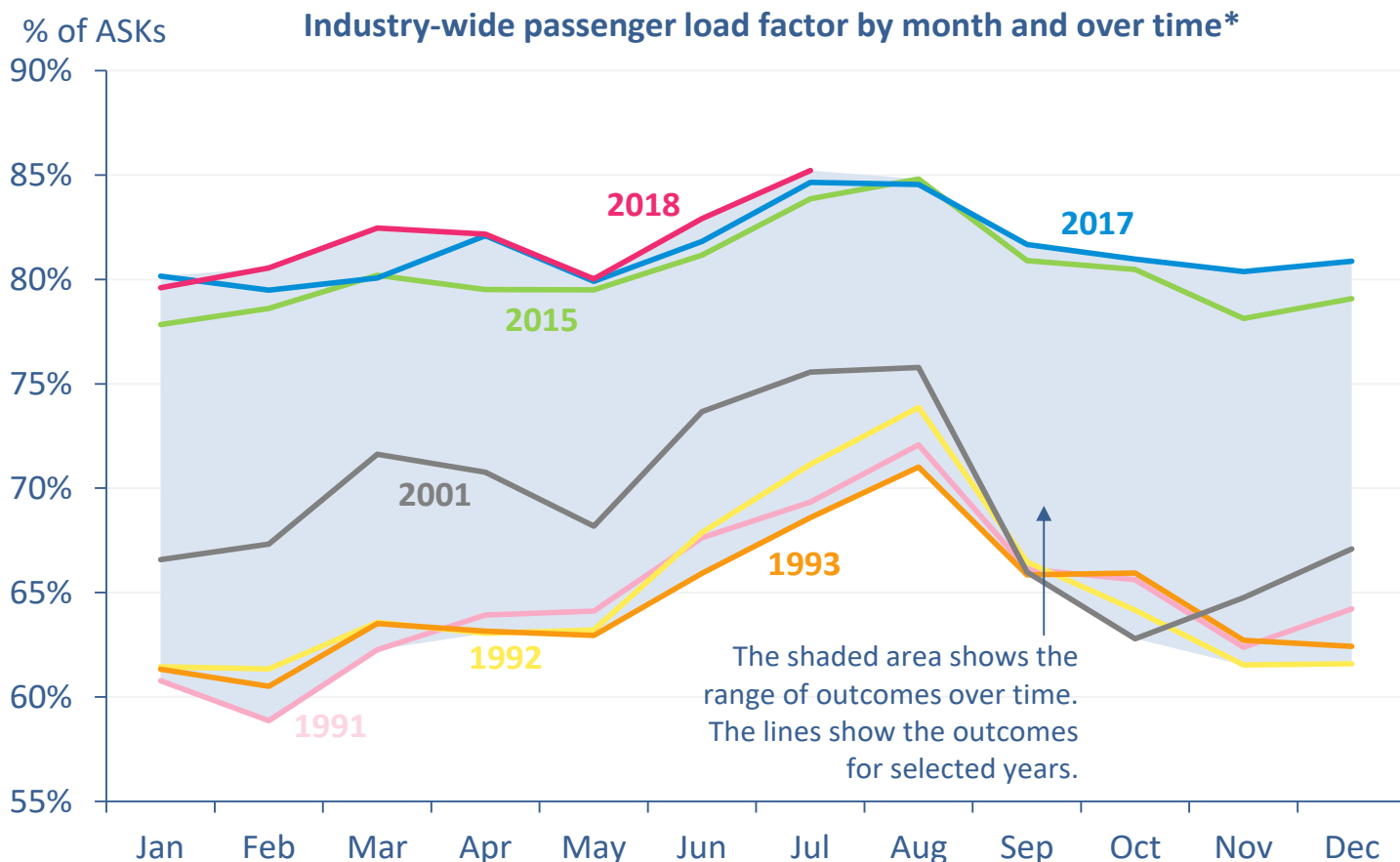




IATA ECONOMICS' CHART OF THE WEEK

7 SEPTEMBER 2018

RECORD HIGH PASSENGER LOAD FACTOR DURING 2018'S PEAK SEASON



Source: IATA Monthly Statistics

*Data from 1990 onwards

- This week's chart highlights two notable trends in the industry-wide passenger load factor: the first is the extent to which it varies throughout the year – it tends to peak during the Northern hemisphere summer season and to be lower in winter – while the second is how it has risen over the past 28 years for which we have data.
- The record lows over the period were mainly set in the early-1990s, particularly around the time of the Gulf War and the economic disruption in Europe at the time. Indeed, the all-time low was set in February 1991 at 58.9% – nearly 22 percentage points below February 2018. The one exception is in September/October 2001, around the time of 9/11.
- Things are very different now. Having risen steadily over time, the load factor has posted record monthly highs in 10 of the past 12 months. This includes this year's peak season in July, during which the load factor reached an all-time record of 85.2% – 0.6 percentage points higher than in 2017, and 16.6 percentage points higher than the lowest July outcome, in 1993. At a regional level, European airlines achieved an 89.0% load factor in July 2018. Meanwhile, the domestic Russian load factor peaked even higher, at 90.9%.
- The upward trend in the achieved load factor over time has been a necessary response by airlines to offset a simultaneous increase in the load factor required to reach financial breakeven. Given the current upward pressure on breakeven load factors from increasing input costs, notably fuel, maintaining high levels of achieved load factors will be crucial for airlines to keep delivering solid profits and good returns for investors.

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