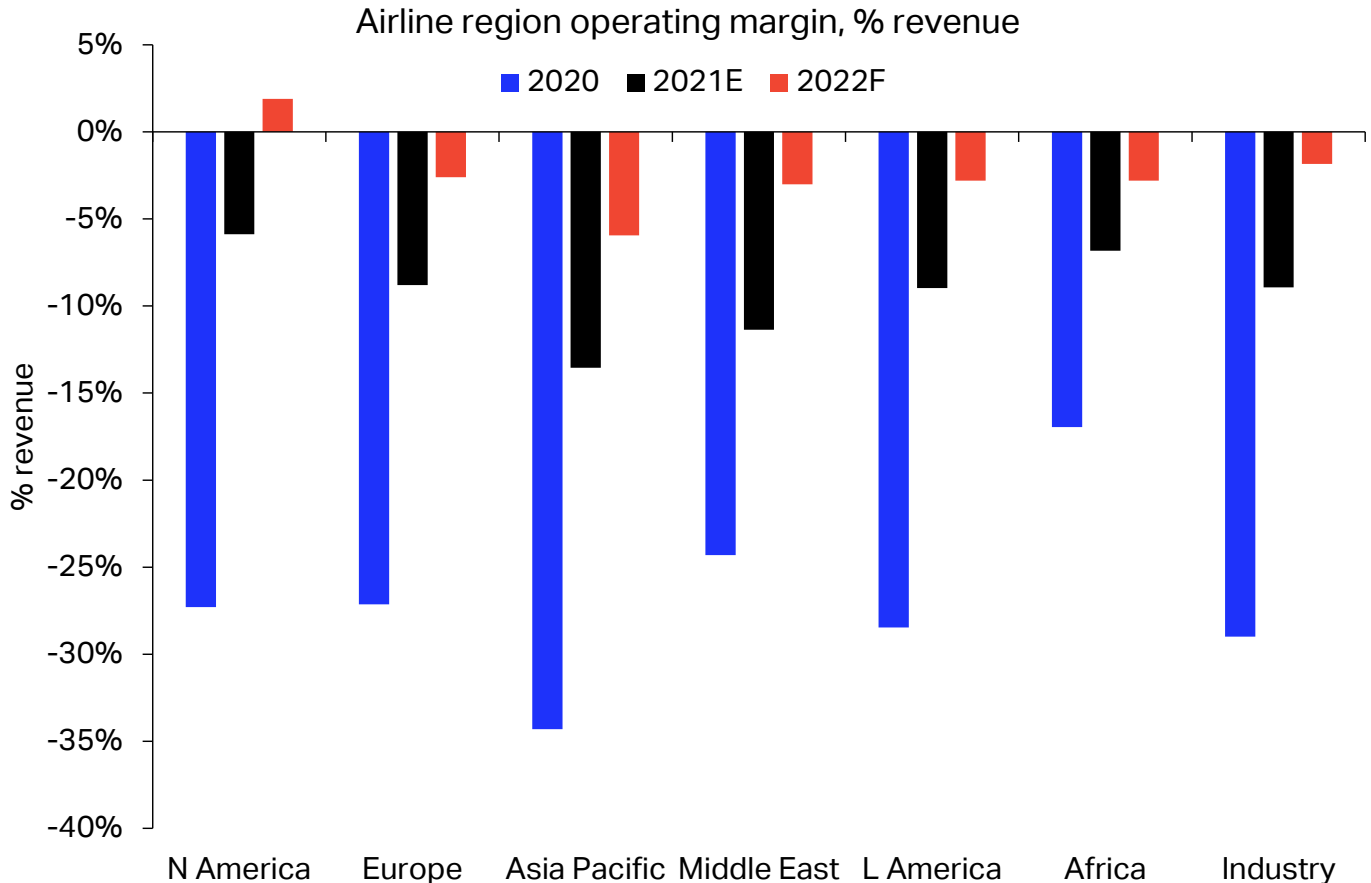




# IATA Economics' Chart of the Week

1 July 2022

## Recovery in EBIT margins is on track in all regions



Source: IATA Economics

- Following the release of our [Global Outlook for Air Transport](#) report, we showed the evolution of industry-wide net post-tax profit figures in [last week's chart of the week](#). After a hit to net post-tax profits of close to USD 138 billion in 2020, the loss is forecasted to be limited to USD 9.7 billion in 2022. This represents an EBIT (earnings before interest and taxes) margin of -1.8% which is a significant improvement compared to -29% in 2020 and better than our October 2021 forecast of -2.7%.
- In today's chart, we take a closer look at regional variation in EBIT margins. EBIT margins in all the regions are forecast to improve in 2022 compared to 2021. North American airlines are expected to be the outperformers. They are forecast to turn to positive at operating level ahead of airlines in other regions. This is stemming from the large US domestic market, fast recovery in traffic to/from Latin America and across the North Atlantic. Despite remaining in negative territory, European airlines are expected to be the second-best performers with strong demand for summer travel and improvement in yields.
- Asia Pacific airlines will likely be the weakest performers among all regions as the recovery in regional traffic lags other regions due to travel restrictions. China's zero-COVID policy has a significant impact on airline traffic in the region and, going forward, the policy response to potential new COVID-19 outbreaks creates additional uncertainty regarding airlines' finances in this region.

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