



IATA ECONOMICS' CHART OF THE WEEK

12 JANUARY 2018

WHAT'S THE OUTLOOK FOR REGIONAL FINANCIAL PERFORMANCE IN 2018?

- Our first *Chart of the Week* of 2018 focuses on the regional outlook for the industry over the year ahead. Further details on our latest near-term forecasts can be found [here](#).

Once again, the strongest financial performance is expected to be delivered by airlines in **North America**. This is underpinned by consolidation, which is helping to sustain load factors, and ancillary revenues, which limit the impact of higher fuel costs.

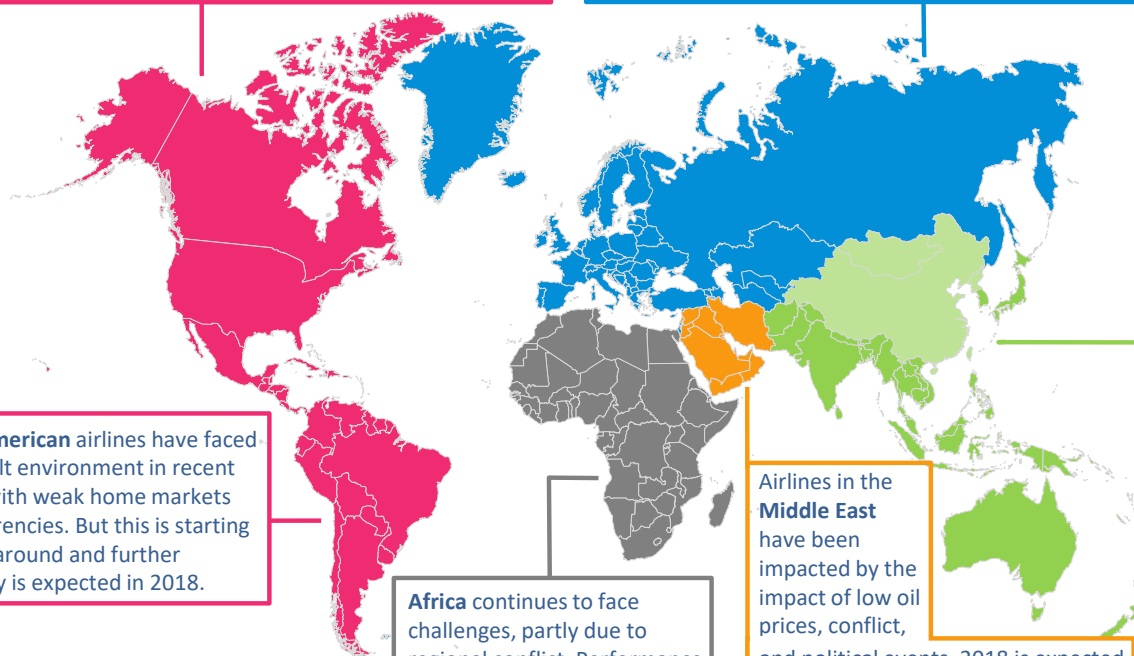
Europe's competitive open aviation area and high regulatory costs mean that breakeven load factors are highest in the world. But, a strengthening regional economic backdrop, and moderate growth in announced schedules, is helping support improved airline financial performance.

Airlines in **Asia Pacific†** have very diverse performances. The impact of higher fuel costs in 2018 will be offset partly by improved cargo performance, which is particularly important in this manufacturing region.

Latin American airlines have faced a difficult environment in recent years, with weak home markets and currencies. But this is starting to turn around and further recovery is expected in 2018.

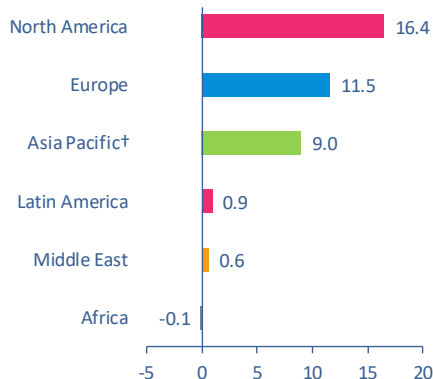
Africa continues to face challenges, partly due to regional conflict. Performance is improving, but only slowly.

Airlines in the **Middle East** have been impacted by the impact of low oil prices, conflict, and political events. 2018 is expected to see an improved performance.

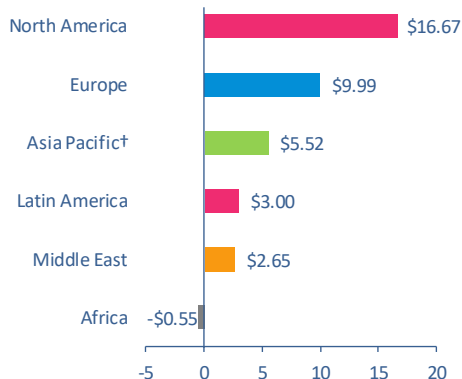


IATA Economics' forecasts for 2018*

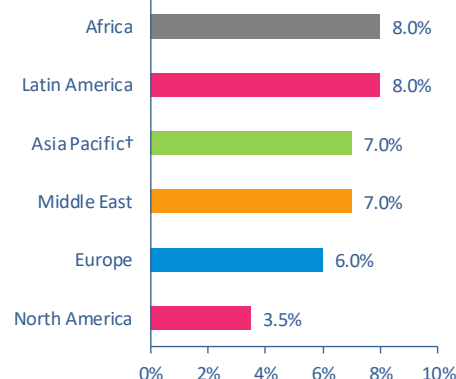
Net post-tax profit (US\$ billion)



Net post-tax profit per passenger (US\$)



RPK growth (% year-on-year)



* Forward-looking industry financial assessments should not be taken as reflecting the performance of individual airlines, which can differ significantly.

† Including North Asia.

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