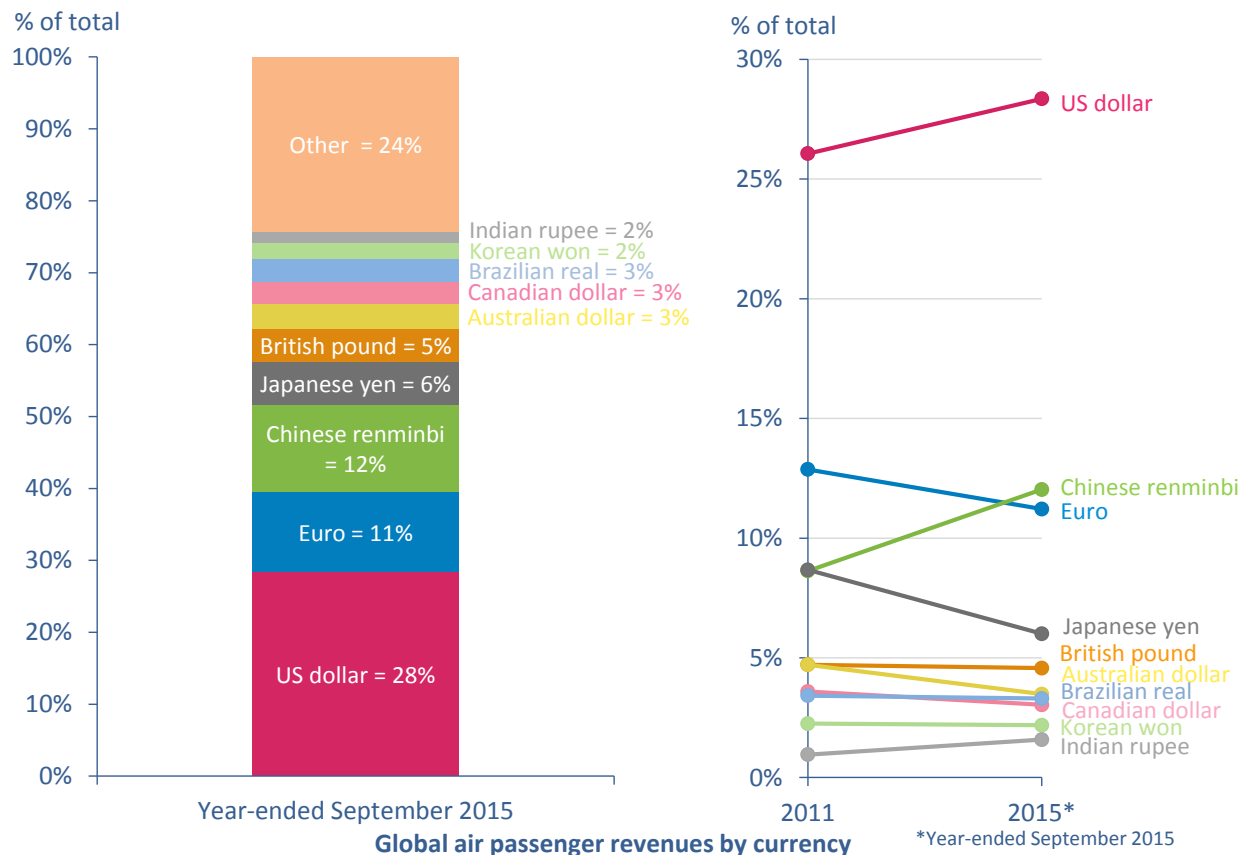




# IATA ECONOMICS' CHART OF THE WEEK

4 DECEMBER 2015

## YUAN-WAY BET



Source: IATA DDS

- The Chinese renminbi was this week accepted into the select group of currencies used to calculate the IMF's reserve asset, the Special Drawing Right (SDR). The move marks an important way-point in China's progress towards full integration into the global financial system, and echoes the increasing share of international payments that are denominated in renminbi.
- A similar rising trend is evident in global air passenger revenues too. Renminbi-denominated air passenger revenues rose from under 9% of the global total in 2011 to around 11% in 2014, and are on track to overtake euro revenues for the first time ever this year. With China set to surpass the US as the world's largest air passenger market in the late-2020s (see [here](#)), the upward trend in the global share of renminbi revenues looks to be a one-way bet.
- Large swings in currency markets – such as the strong appreciation in the US dollar over the past 18 months or so – can introduce distortions into the industry-wide figures, which are often presented in US dollar terms. Understanding the composition of air passenger revenues by currency allows us to focus on and analyze the *underlying* industry trends. (See, for example, a previous chart of the week, which looks at the distortionary impact of exchange rates on average global passenger airfares.)
- For further details on how exchange rates affect airlines, be sure to read our latest report ([link](#)).

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