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Air Passenger Forecasts

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Country Report - United States

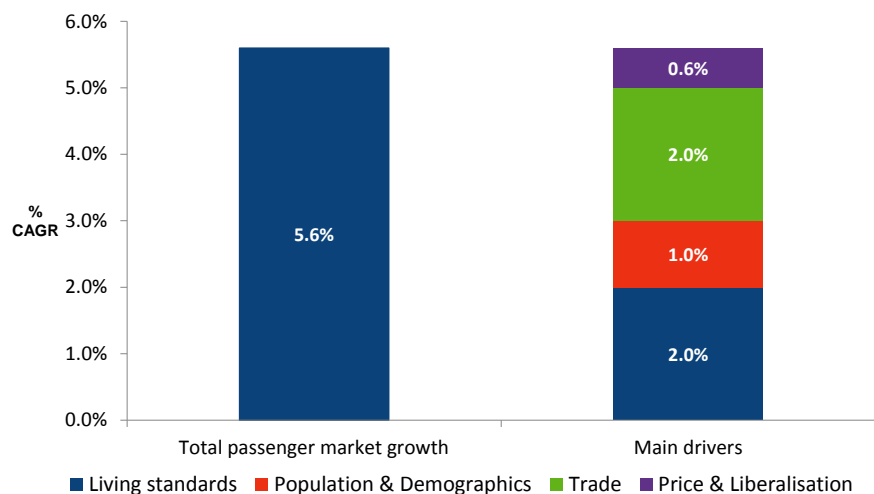
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United States - Passenger Market Overview

Decomposition of growth, 2014-2034



The United States air passenger market is forecast to grow at an average annual growth rate of 5.6% per annum over the next 20 years. This puts the United States in the 77th percentile of fastest growing markets in our forecast during the period 2014-2034. Improvements in living standards contribute 2 percentage points to annual growth. Favourable population and demographic factors are forecast to contribute 1 percentage points to annual growth. Other factors, mainly future technological gains, will contribute 0.6 percentage points per year.

Explanation of the main drivers of growth (for more details, see the *Global Report*)

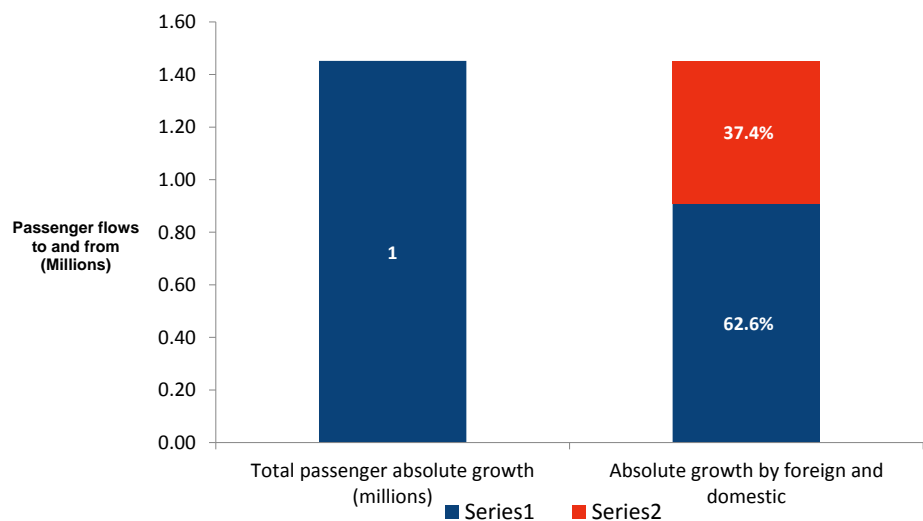
Living standards: We proxy a country's standard of living by its level of Gross Domestic Product per capita (ie, the total amount of output produced in an economy each year divided by its population). The living standards channel captures the clear relationship between the number of trips taken on average by inhabitants of a country each year and that country's standard of living.

Population and demographics: Forecasting air passenger markets requires a further understanding of how many people there will be to demand air travel in the future. This will depend on changes in total population sizes over time as well as changes in demographic structures ; given that older people tend to fly less often than people in working-age groups, air market growth in countries whose populations are projected to age considerably over the coming 20 years is likely to face headwinds.

Trade flows: A high correlation is observed between a country's trade openness – measured by exports and imports as a proportion of an economy's total output – and its propensity to travel. We therefore include Oxford Economics' forecasts of trade intensity over time into our modelling.

Price and liberalisation: The decline in the price of air travel – that is the cost of air travel in both monetary terms and the time saved by more direct routes – has been a notable feature of the industry over the past 60 years or so. We expect the downward trend in the unit cost of air travel to resume in the future, mainly reflecting new technologies and efficiencies being realized. The introduction of new longer-range mid-size aircraft will connect many more city and country pairs too and lead to considerable time savings for passengers. Future potential for reductions in travel times will also be driven by changes in regulatory regimes.

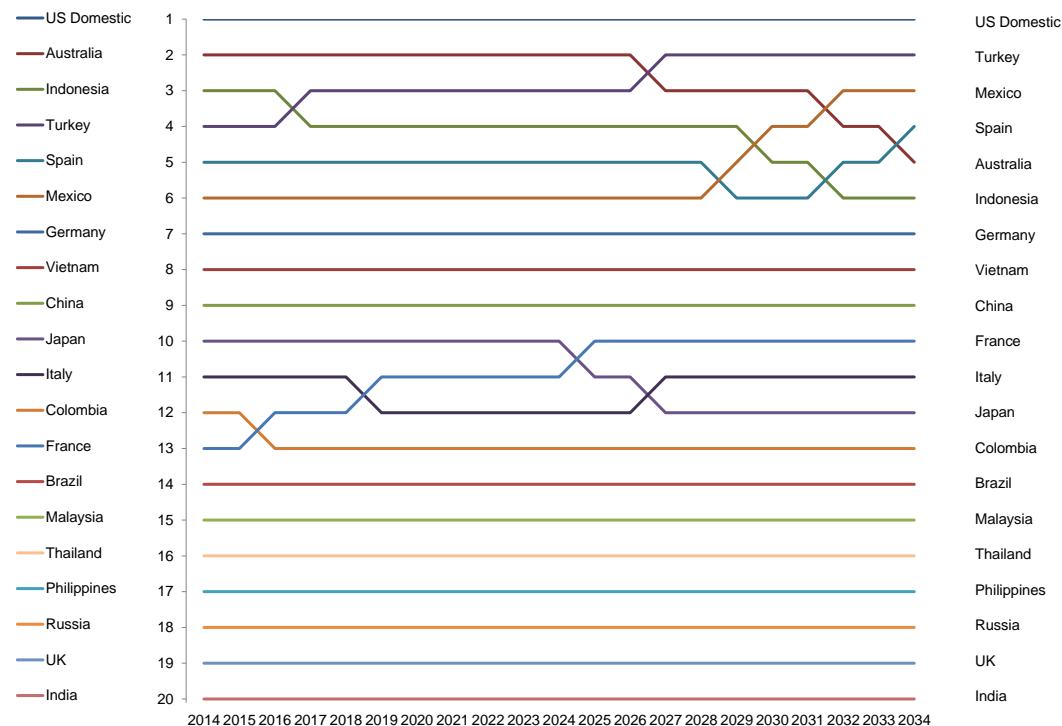
Change in passenger numbers, 2014-2034



The United States is forecast to gain an additional 1.45 million passengers by 2034, compared to 2014. Whilst the United States is in the 77th percentile in terms of fastest growing markets over the next 20 years, it is forecast to be ranked as the largest market based on the total number of passengers in 2034. Domestic passengers will represent 62.6% of total growth over this period, accounting for 0.91 million additional passengers. Foreign passengers will contribute less to overall growth, representing 37.4% of total growth, equal to 0.54 million additional passengers.

Rank	Country	2014	2019	2024	2034	5 year	10 year	20 year
		Passenger numbers ('000s)				CAGR %		
1	US Domestic	1,222	1,404	1,613	2,131	2.8%	2.8%	2.8%
2	Australia	453	503	560	692	2.1%	2.1%	2.1%
3	Indonesia	441	493	551	689	2.3%	2.3%	2.3%
4	Turkey	440	495	556	704	2.4%	2.4%	2.4%
5	Spain	427	482	544	693	2.4%	2.4%	2.4%
6	Mexico	414	473	539	701	2.7%	2.7%	2.7%
7	Germany	397	449	507	649	2.5%	2.5%	2.5%
8	Vietnam	394	442	495	622	2.3%	2.3%	2.3%
9	China	360	405	455	574	2.4%	2.4%	2.4%
10	Japan	338	379	424	532	2.3%	2.3%	2.3%
11	Italy	319	365	418	549	2.7%	2.7%	2.7%
12	Colombia	318	359	405	515	2.4%	2.4%	2.4%
13	France	316	366	424	569	3.0%	3.0%	3.0%
14	Brazil	293	331	374	478	2.5%	2.5%	2.5%
15	Malaysia	266	302	343	441	2.6%	2.6%	2.6%
16	Thailand	250	284	323	418	2.6%	2.6%	2.6%
17	Philippines	232	258	287	354	2.1%	2.1%	2.1%
18	Russia	229	253	280	342	2.0%	2.0%	2.0%
19	UK	217	241	268	331	2.1%	2.1%	2.1%
20	India	185	212	242	317	2.7%	2.7%	2.7%

Top US country pairs ranked by passenger numbers, 2014-2034



The United States domestic market is ranked 1st in 2014, and is forecast to remain as the largest market in 2034; taking 47% of the total market in 2034, up from 40.8% in 2014.

Whilst the United States domestic market is the largest market in 2014; the 2nd largest market is Australia, accounting for 15.9% of total passengers which is forecast to rise marginally to 16.1% by 2034.

The biggest three markets in 2014 are the US Domestic, Australia and Indonesia, while in 2034 they are forecast to become the US Domestic, Turkey and Mexico respectively.

The largest riser in the 20 year period is forecast to be Mexico rising 3 places to be ranked 3rd largest market in 2034.

Whilst the biggest faller in the period 2014-2034 is forecast to be Australia falling 3 places to be ranked 5th largest market in 2034.

United States - Annual Outlook (%)

To/from the United States

Note: full access to our forecast database is available through our online webtool. Please contact us for more details (contact details can be found on the Glossary tab).

Annual % change	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual								Forecast													
Domestic	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
North America	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Canada	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Europe	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Germany	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
France	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Italy	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
UK	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Russia	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Asia	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Japan	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
China	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
India	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Indonesia	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Latin America	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Brazil	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Mexico	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Middle East	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Saudi Arabia	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
UAE	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Africa	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Nigeria	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
South Africa	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Total	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%

United States - Annual Outlook (Passenger numbers)

To/from the United States

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Passenger numbers ('000s)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Actual										Forecast											
Domestic	1,188	1,222	1,256	1,291	1,328	1,365	1,404	1,443	1,484	1,526	1,569	1,613	1,659	1,706	1,754	1,803	1,854	1,906	1,960	2,015	2,072	2,131
North America	1,523	1,558	1,594	1,631	1,668	1,707	1,747	1,787	1,828	1,871	1,914	1,958	2,003	2,050	2,097	2,146	2,195	2,246	2,298	2,351	2,406	2,461
Canada	164	168	171	175	179	183	187	191	195	199	204	208	213	217	222	227	232	237	242	248	253	258
Europe	1,351	1,379	1,407	1,435	1,464	1,494	1,524	1,555	1,587	1,619	1,652	1,685	1,719	1,754	1,789	1,826	1,863	1,900	1,939	1,978	2,018	2,059
Germany	387	397	407	417	427	438	449	460	471	483	495	507	520	533	546	560	574	588	603	618	633	649
France	306	316	325	335	345	355	366	377	388	400	411	424	436	450	463	477	491	506	521	537	553	569
Italy	311	319	328	337	346	356	365	375	386	396	407	418	430	442	454	466	479	492	506	520	534	549
UK	212	217	221	226	231	236	241	246	251	257	262	268	273	279	285	291	298	304	310	317	324	331
Russia	224	229	233	238	243	248	253	258	263	269	274	280	285	291	297	303	309	315	322	328	335	342
Asia	1,677	1,726	1,775	1,826	1,878	1,932	1,987	2,044	2,103	2,163	2,225	2,289	2,355	2,422	2,492	2,563	2,637	2,712	2,790	2,870	2,952	3,037
Japan	331	338	346	354	362	370	379	387	396	405	415	424	434	444	454	464	475	486	497	508	520	532
China	352	360	369	377	386	395	405	414	424	434	444	455	465	476	488	499	511	523	535	548	561	574
India	180	185	190	195	200	206	212	217	223	229	236	242	249	256	263	270	277	285	293	301	309	317
Indonesia	432	441	451	461	472	482	493	504	516	527	539	551	564	577	590	603	617	630	645	659	674	689
Latin America	1,763	1,800	1,838	1,876	1,915	1,955	1,996	2,037	2,080	2,123	2,167	2,213	2,259	2,306	2,354	2,403	2,453	2,504	2,556	2,610	2,664	2,719
Brazil	286	293	300	308	315	323	331	339	348	357	365	374	384	393	403	413	423	434	445	456	467	478
Mexico	404	414	425	437	448	460	473	485	498	511	525	539	554	568	583	599	615	631	648	665	683	701
Middle East	1,348	1,380	1,413	1,447	1,482	1,518	1,554	1,591	1,629	1,669	1,709	1,750	1,792	1,835	1,879	1,924	1,970	2,017	2,066	2,115	2,166	2,218
Saudi Arabia	178	182	186	189	193	197	201	205	209	214	218	222	227	232	236	241	246	251	256	261	266	272
UAE	58	59	60	62	63	65	66	68	69	71	73	74	76	78	80	82	83	85	87	89	91	94
Africa	1,510	1,543	1,577	1,612	1,647	1,684	1,721	1,759	1,797	1,837	1,877	1,919	1,961	2,004	2,049	2,094	2,140	2,187	2,235	2,285	2,335	2,386
Nigeria	116	119	123	126	129	132	136	139	143	146	150	154	158	162	166	171	175	179	184	189	194	199
South Africa	27	28	29	29	30	31	31	32	33	33	34	35	36	36	37	38	39	40	41	42	42	43
Total	2,773	2,831	2,890	2,951	3,012	3,075	3,140	3,205	3,272	3,341	3,411	3,482	3,555	3,629	3,705	3,783	3,862	3,942	4,025	4,109	4,195	4,283



About Us

IATA

The International Air Transport Association (IATA) represents some 240 airlines comprising 84% of global air traffic. IATA's Economics team enjoys a strong reputation for delivering insightful analysis into aviation market and industry developments. IATA's comprehensive suite of statistical services also offers timely access to high-quality intelligence into global air markets.

Contacts

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Tourism Economics

Tourism Economics is an Oxford Economics company with a singular focus on quantitative analysis of the travel industry. By combining rigorous modeling with industry knowledge, Tourism Economics develops custom market strategies, industry forecasts, policy analysis and economic impact studies. Our parent company, Oxford Economics, is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice.

Contacts

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Glossary

Country pair

Annual flow of air passengers between two countries on a bi-directional basis (eg, the country pair 'United States - United Kingdom' includes passenger flows from the US to the UK as well as from the UK to the US). The country pairs are reported on an origin-destination basis. For example, if a passenger flies from an origin in the UK to a destination in the US via a connection in another country, the trip will be recorded as a passenger traveling from the UK to the US.

Annual percentage change

Amount of growth or decline from the same period last year. Calculated as $((\text{This year} - \text{Last year}) / \text{Last Year}) * 100$.

Passenger market

The annual flow of air passengers to, from and within the market in question. Equals the sum of the country-pair flows for that country.

Market

Market totals measure the annual flow of passenger to, from and within the country or region in question.

Compound Annual Growth Rate (CAGR)

The smoothed annualized growth rate over a given time period. Calculated as $(\text{Ending Value} / \text{Beginning Value})^{(1 / \text{Number of Years})} - 1$.

Definition of passengers

The passenger numbers in our service are taken from IATA's Passenger Intelligence Service (better known as PaxIS: www.pax-is.com) and are derived from ticket sales settled through IATA's Billing and Settlement Plan offices around the world. The PaxIS data directly cover 80% of the world ticket sales, but include accurate estimates of other sales channels such as direct sales by airlines and by low cost carriers, to capture 100% of traffic. The data cover scheduled flights only and measure the annual flow of air passengers between two countries on a bi-directional basis (eg, the country pair 'United States - United Kingdom' includes passenger flows from the US to the UK as well as from the UK to the US). The country pairs are also reported on an origin-destination basis. For example, if a passenger flies from an origin in the UK to a destination in the US via a connection in another country, the trip will be recorded as a passenger traveling from the UK to the US.

Market and regional definitions

Note that the market totals are calculated from our underlying bi-directional country-pair forecasts. The individual markets therefore represent the total number of passenger journeys to, from and within a given market. As with the individual market totals, the regional numbers represent the total number of passenger journeys to, from and within a given region. Note that for conceptual reasons, and to avoid double counting, regional totals do not equal the sum of their respective individual markets.

Living standards

We proxy a country's standard of living by its level of Gross Domestic Product per capita (ie, the total amount of output produced in an economy each year divided by its population). The living standards channel captures the clear relationship between the number of trips taken on average by inhabitants of a country each year and that country's standard of living.

Population and demographics

Forecasting air passenger markets requires a further understanding of how many people there will be to demand air travel in the future. This will depend on changes in total population sizes over time as well as changes in demographic structures over time; given that older people tend to fly less often than people in working-age groups, air market growth in countries whose populations are projected to age considerably over the coming 20 years is likely to face headwinds.

Trade flows

A high correlation is observed between a country's trade intensity – measured by exports and imports as a proportion of an economy's total output – and its propensity to travel. We therefore include Oxford Economics' forecasts of trade intensity over time into our modelling.

Price and liberalisation

The decline in the price of air travel – that is the cost of air travel in both monetary terms and the time saved by more direct routes – has been a notable feature of the industry over the past 60 years or so. We expect the downward trend in the unit cost of air travel to resume in the future, mainly reflecting new technologies and efficiencies being realized. The introduction of new longer-range mid-size aircraft will connect many more city and country pairs too and lead to considerable time savings for passengers. Future potential for reductions in travel times will also be driven by changes in regulatory regimes.

Passenger market

The annual flow of air passengers to, from and within the market in question. Equals the sum of the country-pair flows for that country.