



ECONOMIC PERFORMANCE OF THE AIRLINE INDUSTRY

Industry Forecast - June 2016

Worldwide airline industry	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015F	2016F
REVENUES, \$ billion	379	413	465	510	570	476	564	642	706	720	751	718	709
% change	17.7	9.1	12.6	9.6	11.7	-16.5	18.4	14.0	9.8	2.1	4.3	-4.4	-1.3
Passenger, \$ billion	294	323	365	399	444	374	445	512	531	539	539	518	511
Cargo, \$ billion	46.6	47.9	53.2	58.8	62.6	48.4	66.1	66.9	63.5	60.7	62.5	52.8	49.6
Traffic volumes													
Passenger growth, rpk, %	14.8	8.9	6.9	7.9	2.4	-1.2	8.0	6.3	5.3	5.2	5.7	7.4	6.2
Sched passenger numbers, millions	1,997	2,139	2,258	2,456	2,493	2,483	2,700	2,864	2,999	3,152	3,328	3,568	3,783
Cargo growth, ftk+mtk, %	11.6	2.3	6.3	4.7	-0.7	-8.8	19.4	0.4	-0.9	0.6	5.0	2.3	2.1
Freight tonnes, millions	39.8	40.8	43.4	45.4	45.1	41.1	49.1	49.3	48.8	49.5	51.5	52.2	53.2
World economic growth, %	4.0	3.5	4.0	4.0	1.5	-2.0	4.1	2.9	2.4	2.5	2.6	2.4	2.3
Passenger yield, %	2.8	1.0	6.6	1.7	8.3	-13.7	9.5	7.5	-1.4	-3.9	-5.5	-10.7	-7.0
Cargo yield %	3.9	0.5	4.4	5.6	7.0	-15.2	14.4	0.8	-4.2	-4.9	-2.0	-17.4	-8.0
EXPENSES, \$ billion													
EXPENSES, \$ billion	376	409	450	490	571	474	536	623	687	695	716	659	647
% change	16.2	8.9	10.1	8.8	16.5	-16.9	13.1	16.2	10.4	1.1	3.1	-8.0	-1.9
Fuel, \$ billion	65	91	127	146	204	134	152	191	228	230	226	181	127
% of expenses	17.3	22.2	28.4	29.8	35.7	28.3	28.3	30.8	33.1	33.1	31.6	27.5	19.7
Crude oil price, Brent, \$/b	38.3	54.5	65.1	73.0	99.0	62.0	79.4	111.2	111.8	108.8	99.9	53.9	45.0
Jet kerosene price, \$/b	49.7	71.0	81.9	90.0	126.7	71.1	91.4	127.5	129.6	124.5	114.8	66.7	55.4
Fuel consumption, billion gallons	66	68	69	71	70	66	70	72	73	74	78	82	86
CO ₂ emissions, million tonnes	628	651	658	675	669	634	665	685	693	709	739	781	817
Non-fuel, \$ billion	311	318	324	344	367	340	384	431	460	465	490	478	519
cents per atk (non-fuel unit cost)	39.1	37.7	36.6	36.5	37.9	36.6	40.0	42.3	43.8	42.7	42.7	39.2	40.1
% change	1.0	-3.4	-3.0	-0.3	3.9	-3.4	9.1	5.8	3.5	-2.5	0.1	-8.3	2.2
Capacity growth, atk, %	10.1	6.1	4.8	6.6	2.7	-4.2	3.7	6.0	3.0	3.7	5.4	6.3	6.3
Flights, million	23.8	24.9	25.5	26.7	26.5	25.9	27.8	30.1	31.2	32.0	33.0	34.8	36.8
Break-even weight load factor, %	60.9	61.2	60.7	60.3	62.2	61.8	63.5	64.1	64.7	64.5	63.9	61.3	60.4
Weight load factor achieved, %	61.5	61.8	62.7	62.7	62.1	62.0	66.8	66.1	66.4	66.8	67.0	66.9	66.2
Passenger load factor achieved, %	73.6	75.0	76.1	77.1	76.1	76.2	78.7	78.5	79.4	79.7	79.9	80.4	80.0
OPERATING PROFIT, \$ billion													
OPERATING PROFIT, \$ billion	3.3	4.4	15.0	19.9	-1.1	1.9	27.6	19.8	18.4	25.3	35.1	59.5	62.2
% margin	0.9	1.1	3.2	3.9	-0.2	0.4	4.9	3.1	2.6	3.5	4.7	8.3	8.8
NET PROFIT, \$ billion													
NET PROFIT, \$ billion	-5.6	-4.1	5.0	14.7	-26.1	-4.6	17.3	8.3	9.2	10.7	13.7	35.3	39.4
% margin	-1.5	-1.0	1.1	2.9	-4.6	-1.0	3.1	1.3	1.3	1.5	1.8	4.9	5.6
per departing passenger, \$	-2.8	-1.9	2.2	6.0	-10.5	-1.9	6.4	2.9	3.1	3.4	4.1	9.9	10.4
RETURN ON INVESTED CAPITAL, %													
RETURN ON INVESTED CAPITAL, %	3.3	3.3	4.7	5.7	1.3	1.9	6.2	4.7	4.6	4.8	5.9	9.3	9.8

Data sources: Historic data to 2014 from ICAO, except fuel detail and global passenger and freight. IATA forecasts 2016 and estimates for some 2014 & 2015 items. IATA Economic Industry Performance. IATA Economic Industry Performance (IATA Economics)

Note: Bankruptcy reorganization and large non-cash costs are excluded.

Updated: June 2016. Next update December 2016



Financial Results

System-wide global commercial airlines	Net Profit, \$ billion													
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015E	2016F
Global	-7.5	-5.6	-4.1	5	14.7	-26.1	-4.6	17.3	8.3	9.2	10.7	13.7	35.3	39.4
Regions														
North America	-3.4	-10	-6.7	1	5.5	-19.7	-2.7	4.2	1.7	2.3	7.4	11.2	21.5	22.9
Europe	-1.5	1.1	1.6	2.4	6.4	0	-4.3	1.9	0.3	0.4	1.0	1.0	7.4	7.5
Asia-Pacific	-0.7	3.4	1.2	1.7	3	-4.7	2.7	9.2	5.0	5.8	2.3	1.8	7.2	7.8
Middle East	-0.1	0.2	0.2	-0.1	-0.1	-0.3	-0.6	0.9	1.0	1.0	0.3	0.4	1.4	1.6
Latin America	-1	0.1	-0.1	0.1	0.1	-1.4	0.5	1.0	0.2	-0.2	0.2	0.0	-1.5	0.1
Africa	-0.8	-0.3	-0.4	-0.2	-0.2	-0.1	-0.1	0.1	0.0	-0.1	-0.5	-0.8	-0.7	-0.5

System-wide global commercial airlines	EBIT margin, % revenues							EBIT (actual values), \$ billion						
	2010	2011	2012	2013	2014	2015E	2016F	2010	2011	2012	2013	2014	2015E	2016F
Global	4.9	3.1	2.6	3.5	4.7	8.3	8.8	27.6	20.8	19.9	25.3	35.1	59.5	62.2
Regions														
North America	5.7	3.0	3.4	6.8	11.1	14.7	15.4	10.6	5.9	7.0	14.3	24.4	32.1	32.4
Europe	2.4	0.8	0.7	2.0	2.0	5.3	5.6	3.9	1.5	1.4	4.0	4.3	10.4	10.5
Asia-Pacific	8.0	6.6	4.7	2.9	2.5	7.7	8.4	10.3	11.5	9.6	5.8	5.3	15.3	16.9
Middle East	3.7	3.1	3.0	0.9	1.2	2.5	2.8	1.3	1.3	1.4	0.5	0.7	1.5	1.8
Latin America	5.1	2.0	1.5	2.2	2.1	1.9	2.6	1.3	0.6	0.5	0.7	0.7	0.6	0.8
Africa	1.7	0.6	-0.4	-0.5	-2.1	-2.5	-1.1	0.2	0.1	-0.1	-0.1	-0.3	-0.3	-0.2

Data sources: Global data to 2014 and regional data to 2010 from ICAO. IATA Economics estimates for regions in 2011-15 and forecasts 2016 figures. .

Note: Bankruptcy reorganization and large non-cash costs are excluded.

Traffic Results

System-wide global commercial airlines	Passenger traffic (RPK) % change over year							Passenger capacity (ASK) % change over year						
	2010	2011	2012	2013	2014	2015	2016F	2010	2011	2012	2013	2014	2015	2016F
Global	8.0	6.3	5.3	5.2	5.7	7.4	6.2	4.6	6.6	4.0	4.8	5.5	6.7	6.8
Regions														
North America	4.5	2.9	1.0	2.3	2.7	5.3	4.0	2.3	2.8	0.0	2.0	2.5	5.0	4.3
Europe	4.3	8.4	4.6	3.9	5.7	6.0	4.9	1.7	8.9	2.6	2.7	5.1	4.8	5.8
Asia-Pacific	11.8	6.6	6.1	7.2	6.9	10.1	8.5	6.3	7.0	5.3	7.1	7.4	8.4	9.1
Middle East	17.6	10.0	14.7	11.6	12.1	10.4	11.2	13.3	9.8	12.0	12.3	10.9	12.9	12.2
Latin America	12.4	11.3	9.4	6.3	7.0	7.6	4.2	6.8	9.3	7.3	4.5	4.7	6.9	3.7
Africa	12.3	1.6	7.5	4.6	0.3	0.0	4.5	9.3	3.2	6.3	4.0	2.5	-0.2	5.3

Data sources: Historical data to 2015 from IATA Statistics. IATA Economics forecasts for 2016. **Note:** Includes domestic and international traffic.