

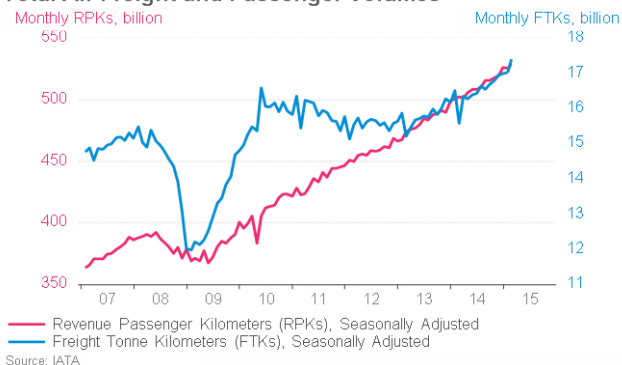
# AIR PASSENGER MARKET ANALYSIS

## FEBRUARY 2015

### KEY POINTS

- ➔ There was a strong 6.2% rise in global air travel in February compared to a year ago, an improvement on the January result of 4.5%. But the acceleration in the year-on-year comparison is partly a result of the Lunar New Year occurring one month later in 2015. The Lunar New Year tends to give a boost to holiday-related leisure travel. Importantly, the underlying trend in volumes confirms robust expansion in air travel.
- ➔ The trend in RPKs (first chart below) shows an expansion in volumes in February compared to January (0.6%). These volumes are adjusted for the different festival timings and therefore provide an indication of the underlying trend in air travel volumes. The February result confirms that growth remains robust.
- ➔ The timing of the Lunar New Year had its impact mostly on Asia Pacific carriers, which recorded a 9.1% rise in February demand year-on-year. The holiday, which tends to boost leisure travel, took place in February, one month later than in 2014. The trend in air travel growth for Asia Pacific carriers is closer to 6-7%.
- ➔ On international markets, carriers in the Middle East and Latin America recorded strong growth of 8.7% and 7.4%, respectively. European airlines' RPK growth has held up, rising 4.8% in February year-on-year, despite the Eurozone reporting very weak economic expansion. Outside the Eurozone, nations like Turkey continue to record strong growth. There have also been some positive developments in leading economic indicators for the region, which suggest easing downward pressure on growth in the months ahead.
- ➔ On domestic markets, China and Brazil statistics showed some of the impact of the Lunar New Year and Carnival, respectively. The Indian market recorded a very strong 14.8% rise in February year-on-year, likely owing to market stimulation by local carriers as well as notable improvements in economic growth. By contrast, air travel in Russia fell significantly, down to 1.3% in February year-on-year. The favorable base effects seen in previous months now appear to have dropped out of the year-on-year comparison, consistent with the economy being on the brink of recession.
- ➔ Industry load factors are starting to show an upturn. Despite lower oil prices, airlines are adding capacity at a slower rate than the expansion in demand.
- ➔ The decline in oil prices over recent months should help support economic activity and passenger demand in 2015. In addition, recent improvement in business confidence, which had been easing throughout much of H2 2014, should help support growth in international travel.

**Total Air Freight and Passenger Volumes**



**Worldwide growth in air travel and business confidence**



## Air Passenger Forecast service

The new joint venture between  
IATA and Tourism Economics



Including comprehensive forecasts down to a country-pair level

### Year on Year Comparison

### Month on Month Comparison

	Feb 2015 vs. Feb 2014			YTD 2015 vs. YTD 2014			Feb 2015 vs. Jan 2015		
	RPK	ASK	PLF	RPK	ASK	PLF	RPK	ASK	PLFpt
<b>International</b>	6.8%	5.7%	77.4%	5.9%	5.7%	77.7%	0.9%	0.3%	0.5%
<b>Domestic</b>	5.3%	5.3%	80.4%	4.4%	4.6%	78.9%	0.1%	0.1%	0.0%
<b>Total Market</b>	6.2%	5.6%	78.5%	5.3%	5.3%	78.1%	0.6%	0.2%	0.3%

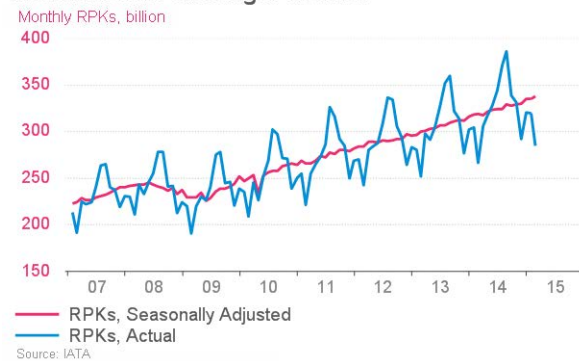
FTK: Freight-Tonne-Kilometers; AFTK: Available Freight Tonne Kilometers; FLF: Freight Load Factor. All figures are expressed in % change Year on Year except FLF which are the load factors for the specific month.

Data are seasonally adjusted. All figures are expressed in % change MoM except, FLFpt which are the percentage point difference between LF of two months.

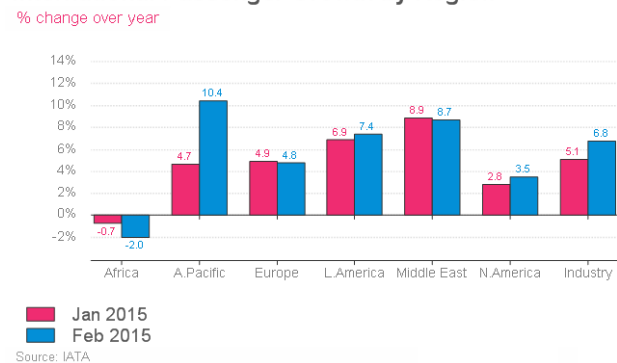
## PASSENGER MARKET

### International Markets

#### International Passenger Market

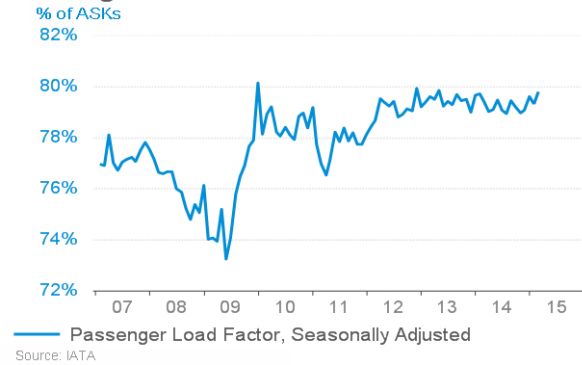


#### International Passenger Growth by Region

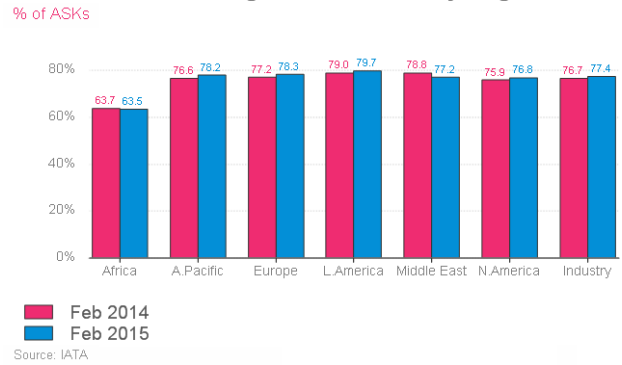


- The timing of the Lunar New Year, which took place in February, one month later than in 2014, had an impact on Asia Pacific carriers, which recorded a 10.4% rise in international RPKs year-on-year. The Lunar New Year tends to give a boost to holiday-related leisure travel.
- Carriers in the Middle East and Latin America recorded strong growth of 8.7% and 7.4%, respectively. Middle Eastern economies are comparatively well-placed to withstand the plunge in oil revenues and regional airlines continue to gain market share. Markit's measures of business activity in non-oil sectors continue to show improvement and point to strong growth. While growth in the Brazilian economy has stagnated, regional trade volumes have continued to improve in recent months. Favorable base effects continue to support annual growth rates for the region's carriers, but that may not continue much longer.
- European airlines' RPKs have held up, rising 4.8% in February year-on-year, despite the Eurozone reporting very weak economic expansion. Carriers in some nations, including Turkey, continue to record strong growth. There have also been some positive developments in leading economic indicators for the region, which suggest easing downward pressure on growth in the months ahead.
- North American airlines experienced solid growth of 3.5% in international RPKs in February year-on-year, slightly above the 3.1% expansion in 2014 overall. The US economy remains a stand-out performer among developed nations, and recent gains in trade volumes bode well for business-related travel.
- International RPK growth for African carriers was weakest among all regions, with volumes down 2.0% in February year-on-year. The negative result appears to reflect adverse economic developments in parts of the continent, not least in its largest economy, Nigeria, which is highly reliant on oil revenues.

### Passenger Load Factor on International Market

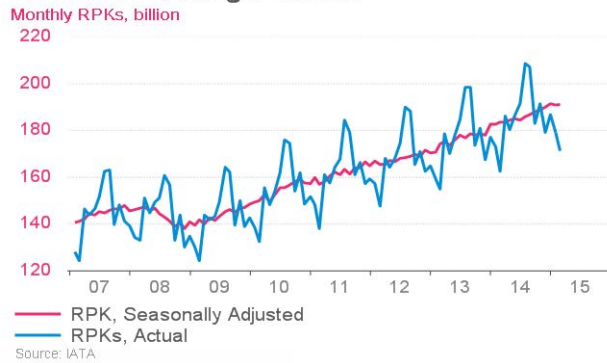


### International Passenger Load Factor by Region

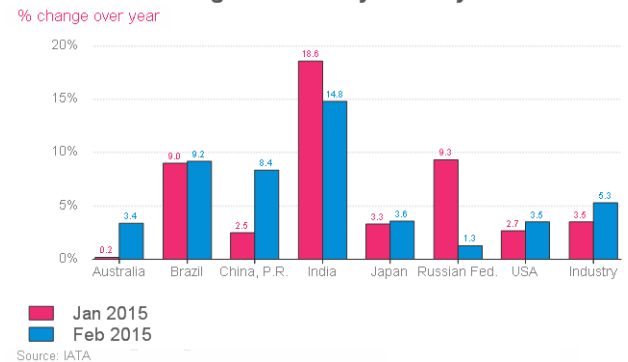


## Domestic Market

### Domestic Passenger Market

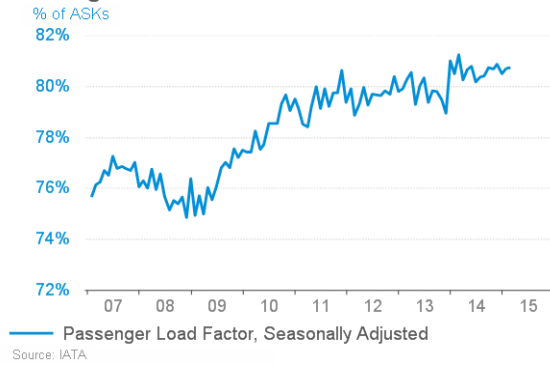


### Domestic Passenger Growth by Country

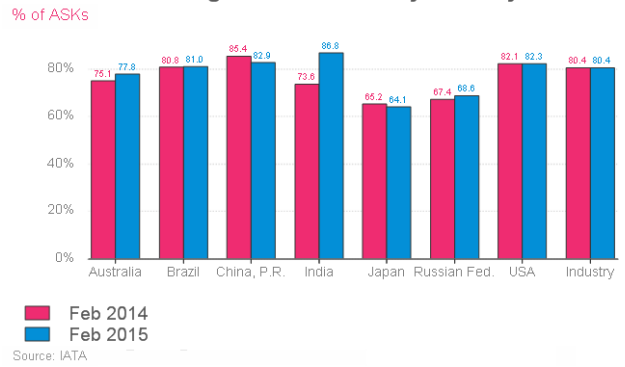


- ➔ On domestic markets, China and Brazil statistics showed some bias due to the Lunar New Year and Carnival – the February demand for these markets was up 8.4% and 9.2%, respectively. The Carnival celebrations in Brazil fell entirely in February 2015, whereas they overlapped into March in 2014. The festivities tend to give a boost to holiday-related leisure travel.
- ➔ The Indian market recorded a very strong 14.8% rise in February year-on-year, likely owing to market stimulation by local carriers as well as notable improvements in economic growth.
- ➔ Air travel in Russia fell significantly in February, down 1.3% versus February 2014. The favorable base effects seen in previous months now appear to have dropped out of the year-on-year comparison. This is consistent with the fact that the economy is on the brink of recession.
- ➔ Growth in domestic air travel in Australia improved in February, with a 3.4% rise in volumes compared to a year ago. Volumes had experienced very little growth since the middle of 2013 as the economy has struggled to rebalance away from mining investment-led growth. The February result could be reflecting some early signs of economic growth edging up, with Q4 2014 data suggesting a slight improvement on the earlier sluggish trend.
- ➔ Domestic air travel in Japan was weak throughout the middle of the year following April's sales tax increase and the subsequent recession. Nonetheless, the economy appeared to have stabilized in Q4 and seasonally-adjusted domestic air volumes showed some increase in the final months of 2014 and into 2015. The February result was a moderate rise of 3.6% compared with a year ago.
- ➔ The US domestic market also trended up in the latter months of 2014, coinciding with a pick-up in consumer confidence and rising employment activity. The market was up 3.5% in February year-on-year. That said, the US air travel market is very mature, the prospects for strong growth in air travel demand remain limited.

### Passenger Load Factor on Domestic Market

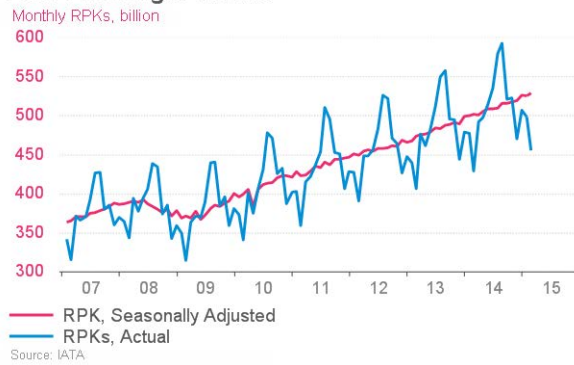


### Domestic Passenger Load Factor by Country

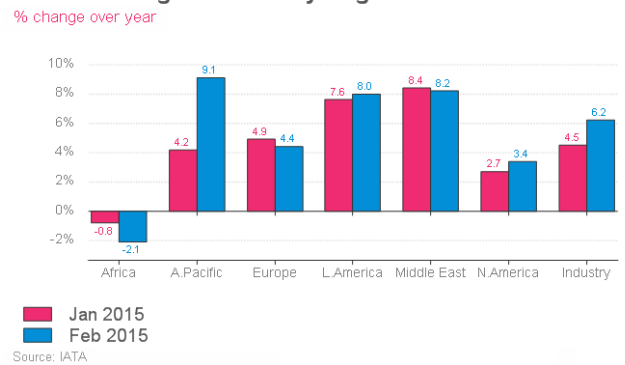


### Total Market (Domestic + International)

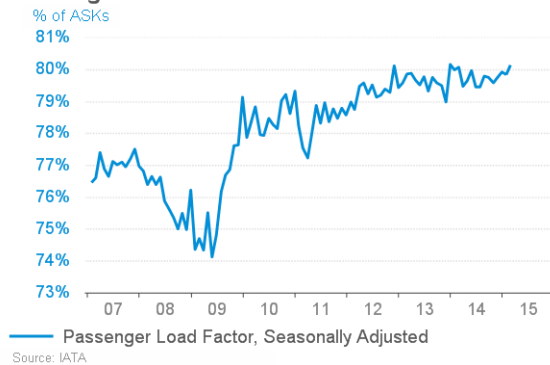
#### Total Passenger Market



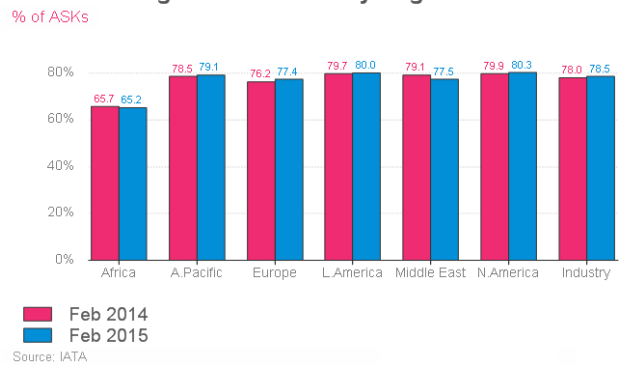
#### Total Passenger Growth by Region



### Passenger Load Factor on Total Market



### Total Passenger Load Factor by Region



## ANNEX

Year on Year Comparison	Feb 2015 vs Feb 2014			YTD 2015 vs. YTD 2014		
	<i>RPK</i>	<i>ASK</i>	<i>PLF</i>	<i>RPK</i>	<i>ASK</i>	<i>PLF</i>
Africa	-2.0%	-1.7%	63.5%	-1.3%	-0.4%	66.0%
Asia/Pacific	10.4%	8.2%	78.2%	7.3%	7.0%	77.8%
Europe	4.8%	3.4%	78.3%	4.9%	4.1%	77.9%
Latin America	7.4%	6.5%	79.7%	7.1%	6.1%	80.7%
Middle East	8.7%	11.0%	77.2%	8.8%	10.9%	78.4%
North America	3.5%	2.3%	76.8%	3.1%	3.2%	78.2%
<b>International</b>	<b>6.8%</b>	<b>5.7%</b>	<b>77.4%</b>	<b>5.9%</b>	<b>5.7%</b>	<b>77.7%</b>
Australia	3.4%	-0.2%	77.8%	1.7%	-0.2%	77.3%
Brazil	9.2%	8.8%	81.0%	9.1%	6.1%	83.0%
China P.R.	8.4%	11.7%	82.9%	5.5%	8.2%	80.5%
India	14.8%	-2.7%	86.8%	16.7%	-1.6%	85.3%
Japan	3.6%	5.2%	64.1%	3.4%	3.3%	62.5%
Russian Federation	1.3%	-0.5%	68.6%	5.3%	3.7%	67.4%
US	3.5%	3.3%	82.3%	3.1%	4.3%	80.7%
<b>Domestic</b>	<b>5.3%</b>	<b>5.3%</b>	<b>80.4%</b>	<b>4.4%</b>	<b>4.6%</b>	<b>78.9%</b>
Africa	-2.1%	-1.2%	65.2%	-1.4%	-0.4%	66.7%
Asia/Pacific	9.1%	8.3%	79.1%	6.6%	6.5%	78.0%
Europe	4.4%	2.8%	77.4%	4.7%	3.6%	76.9%
Latin America	8.0%	7.6%	80.0%	7.8%	6.4%	81.2%
Middle East	8.2%	10.4%	77.5%	8.3%	10.4%	78.8%
North America	3.4%	2.9%	80.3%	3.1%	3.8%	79.8%
<b>Total Market</b>	<b>6.2%</b>	<b>5.6%</b>	<b>78.5%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>78.1%</b>

*RPK: Revenue-Passenger-Kilometers; ASK: Available-Seat-Kilometers; PLF: Passenger-Load-Factor;*  
*All Figures are expressed in % change Year on Year except PLF which are the load factors for the specific month.*

Month on Month Comparison	Feb 2015 vs. Jan 2015			Market Share
	RPK	ASK	PLFpt	RPK
Africa	-0.5%	-0.5%	0.0%	2.2%
Asia/Pacific	2.0%	1.0%	0.8%	30.5%
Europe	0.6%	0.0%	0.5%	33.4%
Latin America	0.6%	0.9%	-0.2%	5.0%
Middle East	0.3%	0.5%	-0.1%	15.3%
North America	0.6%	-0.4%	0.8%	12.9%
<b>International</b>	<b>0.9%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>100.0%</b>
Australia	1.6%	-0.2%	1.4%	3.0%
Brazil	0.6%	-2.0%	2.1%	4.3%
China P.R.	0.1%	1.3%	-0.9%	26.6%
India	-0.7%	-1.1%	0.4%	3.1%
Japan	-2.6%	-0.5%	-1.4%	3.2%
Russian Federation	-3.8%	-2.8%	-0.8%	2.9%
US	-0.2%	-1.6%	1.2%	39.0%
<b>Domestic</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	
Africa	-0.5%	1.4%	0.5%	2.2%
Asia/Pacific	0.6%	-0.4%	1.3%	35.0%
Europe	0.2%	0.8%	1.9%	23.5%
Latin America	3.2%	2.2%	1.2%	5.9%
Middle East	1.1%	-0.7%	0.5%	10.0%
North America	1.6%	2.2%	0.0%	23.5%
<b>Total Market</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>100%</b>

*Data are seasonally adjusted. All figures are expressed in % change MoM except, PLFpt which are the percentage point difference between load factors of two months.*

IATA Economics  
E-Mail: [economics@iata.org](mailto:economics@iata.org)  
2<sup>nd</sup> April 2015

#### FURTHER ANALYSIS AND DATA

Access data related to this briefing through the Monthly Statistics publication:

#### NEW RELEASE ALERTS

To receive email notification of new analysis from IATA Economics, select

