

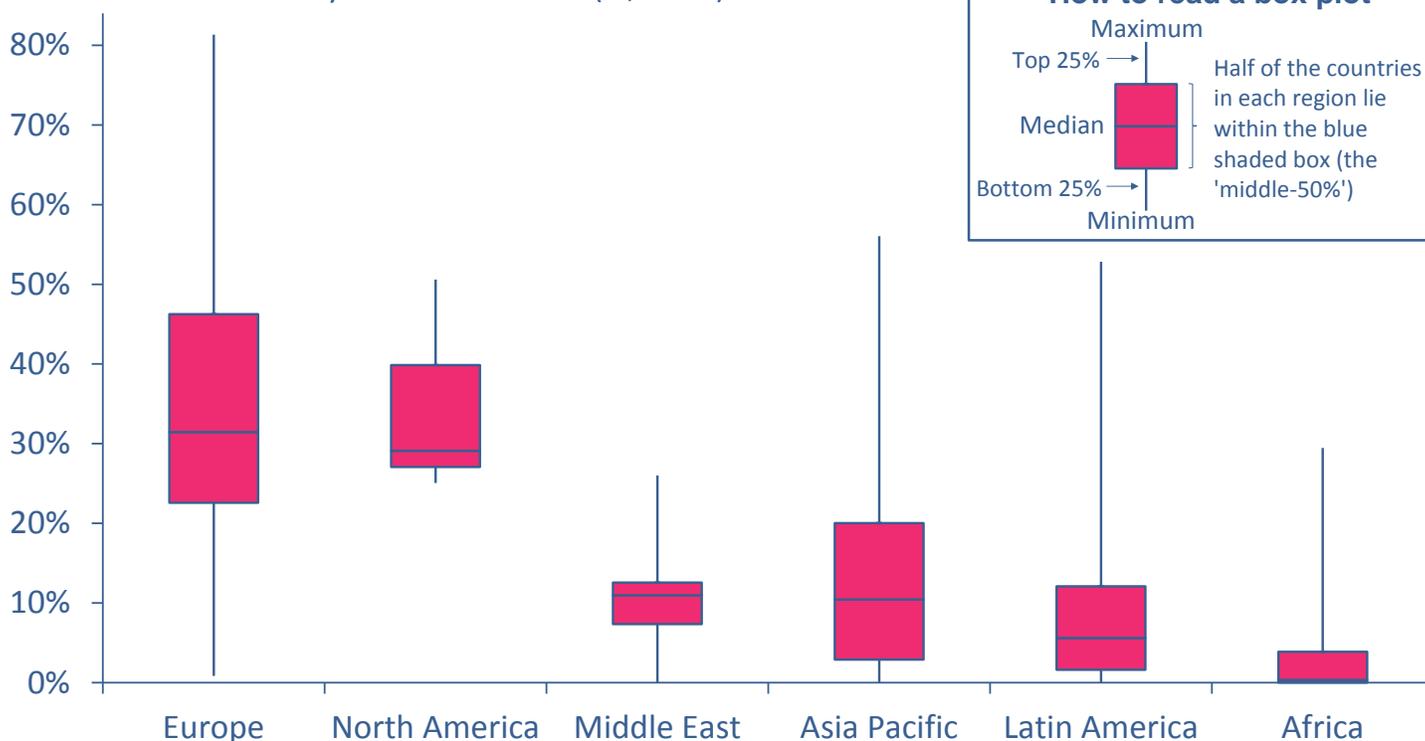


IATA ECONOMICS' CHART OF THE WEEK

24 FEBRUARY 2017

LOW-COST CARRIER PENETRATION VARIES WIDELY BY REGION

Share of seats flown by low-cost carriers (% , 2016)



Max. value: Latvia (81%) Mexico (51%) Kuwait (26%) Philippines (56%) Brazil (53%) Morocco (30%)

Sources: IATA Economics, SRS Analyzer

- Low-cost carriers (LCC) accounted for 27% of total seats flown globally in 2016, up from 19% a decade ago. Of course, the global figure masks significant differences from country to country. To help to illustrate the diverse distributions of LCC penetration at a regional level, this week's COTW uses a box-and-whisker chart to plot the latest full-year data.
- While there is a wide range in outcomes in the region, LCC penetration is the highest in Europe. The share of seats flown by LCCs remains very low in a number of ex-Soviet states, but it is far higher in the region's biggest markets (eg, nearly 50% of seats flown from or within the UK, Italy and Spain, and around 25% of seats in Germany and France).
- Similarly, there is a wide spread of LCC penetration in Asia Pacific and Latin America. In the former, the average LCC share for the main ASEAN countries is nearly 50%, led by the Philippines (56%). But LCC prevalence is much lower in other parts of the region, particularly China (3.4%). Meanwhile, with an LCC share of 53%, Brazil is the major outlier in Latin America; indeed, half of the countries in the region had LCC shares between just 2 and 12% last year.
- The narrow range of LCC penetration in North America partly reflects the small number of countries in the region. More than half the seats flown from Mexico in 2016 were by LCCs, followed by the US (29%) and Canada (25%).
- LCC penetration in the Middle East and Africa is typically low, with no country from either region having an LCC share higher than 30%. In the former, this reflects the dominance of the full-service Gulf-3 airlines. Meanwhile, although more than 25% of seats flown from or within both Morocco and South Africa were by LCCs in 2016, nearly half of the countries in Africa had no LCC presence at all.

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