



Air Passenger Market Analysis

May 2024

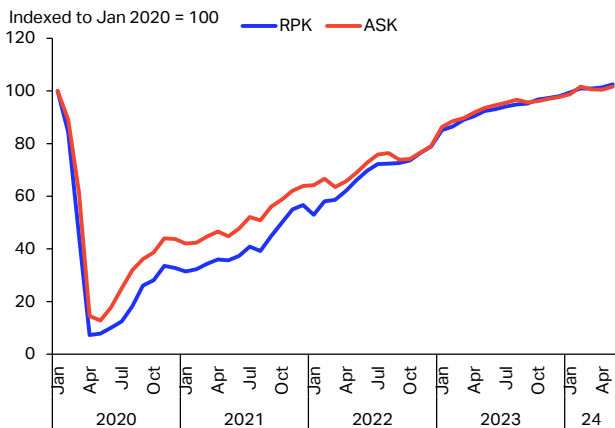
Passenger demand worldwide displays no sign of abatement

- Industry total Revenue Passenger-Kilometer (RPK) in May grew 10.7% year-on-year (YoY), slightly outpacing the 8.5% YoY growth in Available Seat-Kilometer (ASK). Passenger load factor (PLF) is still elevated against previous years, indicating stronger demand for air travel as industry-wide traffic continues to rise. In May, the total load factor reached 83.5%, 1.7 percentage points (ppt) higher than the same month in 2023.
- Domestic traffic was still on the rise, increasing 4.7% YoY. PR China saw 7.6% annual increase, the fastest growth among the monitored markets this month. Japan RPK contracted for two consecutive months as May figures were 1.8% lower than the previous year.
- Industry international passenger traffic in May surged by 14.6% YoY and levels are at all-times high, a fact mirrored by values at regional level. The regions recorded sizeable growths, Asia Pacific led the pack with 27.0% YoY, followed by Latin America and Africa at, respectively, 15.9% and 14.1%.
- Demand for air travel in the months ahead keeps pushing the boundary higher than the previous year. Ticket sales for both domestic and international travel decelerated vis-à-vis the previous month's figures, to 3.5% for the former and to 9.0% for the latter. Total ticket sales for travel in June and July increased by 5.8% over the year.

Steady rise in passenger traffic continues

Industry-wide air passenger traffic, measured in Revenue Passenger-Kilometers (RPK) remained on its steady growth trend in May 2024, rising 10.7% over the year and 0.9% from the month prior in seasonally adjusted terms (**Chart 1**).

Chart 1 – Global RPK and ASK, Seasonally Adjusted, Indexed to Jan 2020 = 100



The latter increase remained within the stable range observed over the past months and was mainly driven by European carriers. On the seats supply side, measured in Available Seat-Kilometers (ASK), the trend was broadly aligned with passenger demand. Global ASK increased by 8.5% year-on-year (YoY),

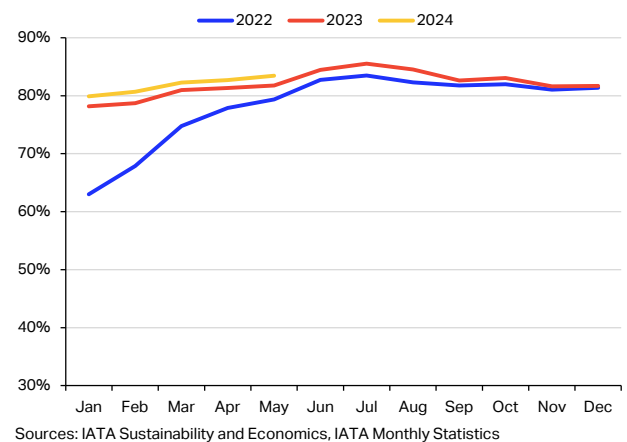
Air passenger market in detail - May 2024

	World share ¹	May 2024 (% year-on-year)				May 2024 (% year-to-date)			
		RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	10.7%	8.5%	1.7%	83.4%	14.5%	12.4%	1.6%	81.8%
International	60.1%	14.6%	14.1%	0.3%	82.8%	18.8%	18.4%	0.3%	81.3%
Domestic	39.9%	4.7%	0.1%	3.8%	84.5%	8.3%	3.8%	3.4%	82.8%

¹% of industry RPKs in 2023

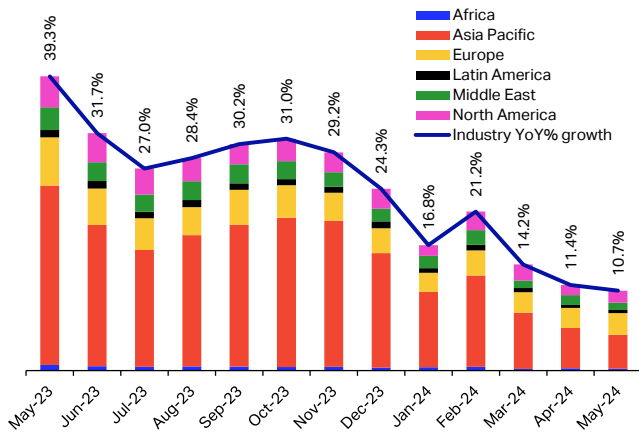
while being slightly outpaced by the expansion in passenger traffic, resulting in an average load factor (PLF) of 83.4% across the industry. In May 2024, industry-wide load factor was 1.7 percentage points (ppt) superior to the previous year (**Chart 2**). Both domestic and international traffic saw higher cabin occupancy this month, with an increase in load factor of 3.8 and 0.3 ppt respectively. Overall, global passenger load factor remains consistently above the levels measured in 2023, indicating higher demand for air travel as well as efficient airline resource management. In year-to-date terms, PLF was 1.6 ppt higher than the previous year.

Chart 2 – Industry PLF, %share of ASK



Asia Pacific airlines remained the main contributor to industry-wide growth in traffic in May, bringing around 42% of the net increase observed over the year (**Chart 3**). European airlines followed, contributing nearly 27%.

Chart 3 – Regional contribution to industry annual total RPK growth

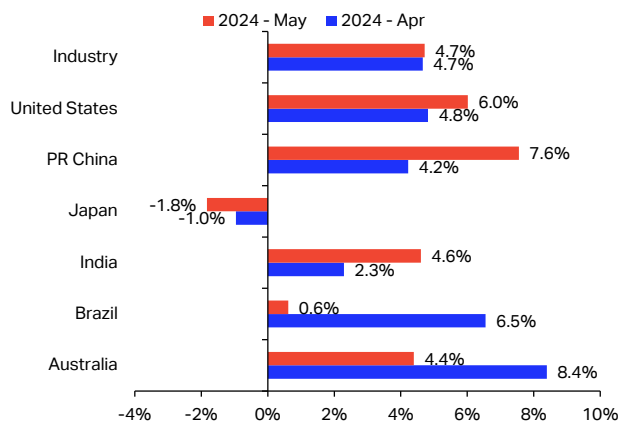


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Annual growth rates are expected to glide down towards lower levels as the industry moves away from the pandemic period. This trend is felt in all regions however especially in Asia Pacific, which saw traffic surges from low levels in 2023. As a result, the apparent deceleration of industry total passenger traffic growth mainly results from this cooling effect in Asia Pacific (**Chart 3**).

PR China propels total domestic traffic growth

Chart 4 – Domestic RPK growth by market, YoY%



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Industry total domestic RPK rose 4.7% YoY in May, nearly identically as the previous month, reflecting the stability observed in most domestic markets (**Chart 4**).

The week-long holidays following Labour Day in **PR China** triggered a surge in air travel demand, RPK increased 3.8% MoM in seasonally adjusted terms maintaining air traffic levels within the country outside of seasonal norms. In addition, traffic in this key market is still rising above the pre-pandemic benchmark,

making a significant contribution to the global rise in air traffic. Since the start of 2024, domestic traffic in PR China contributed to 7% of industry total net increase in RPK.

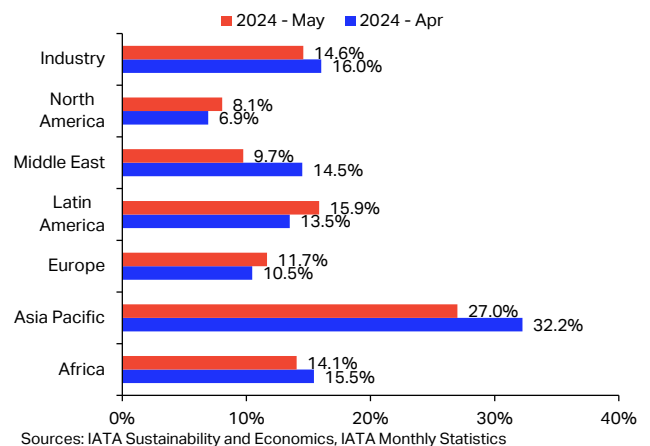
Passenger traffic increase in **Brazil** slowed down significantly from the month prior, reaching 0.6% YoY in May. The floods that have affected a localized part of the country did not have a huge impact on the country's air traffic, despite triggering the closure of some airports for most of the month of May.

Australia RPK stood 4.4% above last year and remained on the steady positive trend that started in early 2023 (**Chart 4**). Similarly, in the **US** and **India**, domestic traffic was still on the rise in May with an annual growth of 6.0% and 4.6% respectively.

Domestic air traffic in **Japan** contracted for the second month in a row and decreased 1.8% over the year. The second half of 2023 was marked by low business and consumer confidence in the country as well as low domestic consumption, coincidentally with lower demand for air travel. Even though these indicators have seen positive developments since, passenger load factor was 1.1% lower than the previous year, possibly indicating slightly easing travel demand.

International traffic growth at slower pace yet levels at all times high for most regions

Chart 5 – International RPK growth by airline region of registration, YoY%

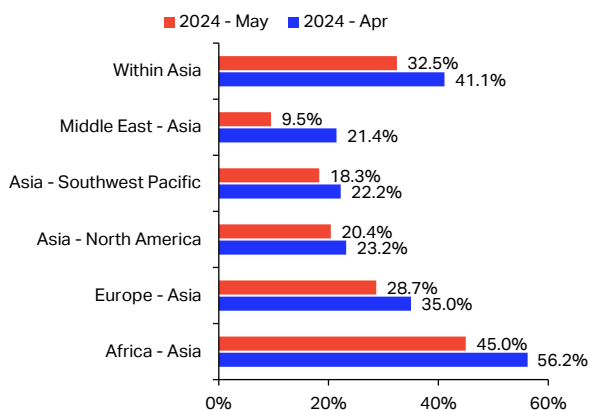


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

International passenger traffic in May, as has been mostly the case since 2011, continued to be the primary driver of industry-wide growth, surging by 14.6% YoY (**Chart 5**). Airlines across all regions achieved growth rates exceeding 8%, with three regions surpassing their respective growth of the previous month, namely North America, Latin America, and Europe, and the remaining three witnessing a deceleration in growth. The region **Asia Pacific** recorded the highest growth at 27.0%, followed by **Latin America** and **Africa** at, respectively, 15.9% and 14.1%. Importantly, RPK levels in May 2024 for all

regions and the industry total are at all-time highs, apart from the region [Asia Pacific](#) which is on track to recover fully its RPK values from its last pinnacle in May 2019. This picture denotes the general strong demand for international travel.

Chart 6 – International RPK, YoY% – Major route areas from and to Asia

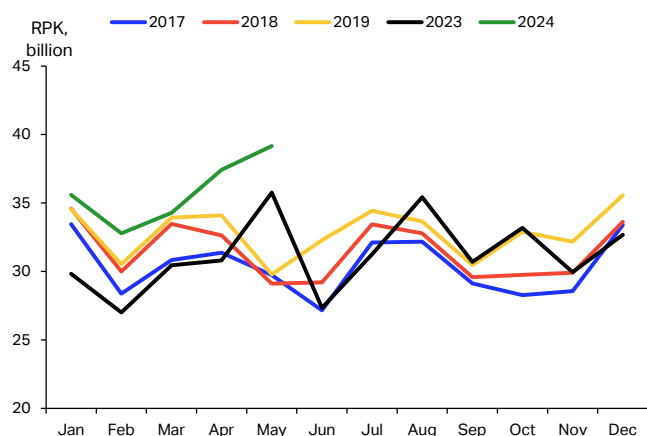


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Asia routes in May maintained double-digit growths, exemplifying the sustained demand of international travel both within and from the region (**Chart 6**). Growth decelerated across the board, by 4 to 11 ppt, compared to April's figures, as per historical seasonal patterns. [Africa – Asia](#) route pair maintained the highest YoY growth in May with 45%, testament to the ever-strengthening economic ties between the two regions, followed by [within Asia](#) international traffic at 32.5%. The YoY of the route [Asia - Middle East](#) reached 9.5% against 12.7% in April 2024, the lowest figure among the route-pairs.

[Asia keeps strengthening link to Middle East](#)

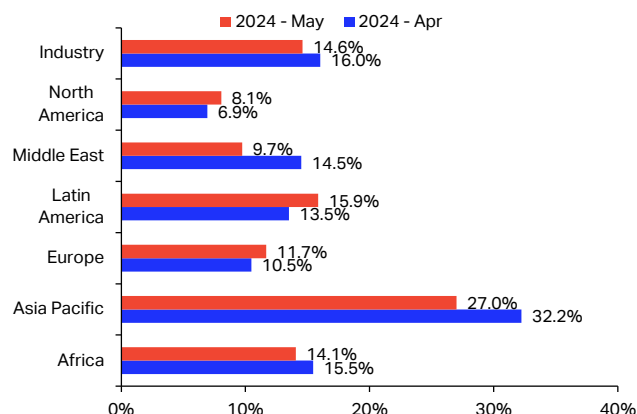
Chart 7 – International RPK for route pair Asia - Middle East



International RPK levels, a measure to gauge passengers' demand, of Asia as origin continue to soar compared to previous years. All route pairs with [Asia](#) have been regaining passengers' demand vis-a-vis the same month a year earlier, while also approaching

levels seen last in 2019, the current peaks. A region pair stands out however, and that is [Asia - Middle East](#), which ranks second only to [within Asia](#) in terms of RPK levels. The route pair has regained 2019 levels and set new records to-date for the whole 2024, standing 32% above the corresponding value of 2019 thus demonstrating strengthening flight demand between the two regions. Contributing factors to this disproportionate demand are geopolitical tensions and war in Ukraine which would divert passengers through the Middle East to reach Asia as a safer route (**Chart 7**).

Chart 8 – International RPK, YoY% – Major route areas from and to Europe

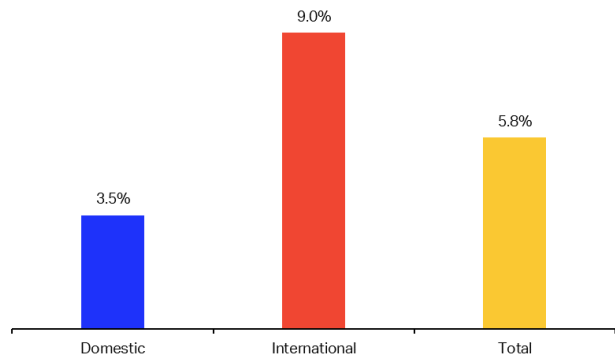


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Air travel from Europe displays an even more positive landscape for international RPK than Asia's. All routes but [Europe - Asia](#) have now surpassed or caught-up on pre-Covid levels of traffic. A notable route-pair is [Europe - Middle East](#) which not only has regained pre-Covid levels but also maintained a reverse in historical seasonal pattern first occurred in 2023, from a decrease to an increase of RPK from April to May, all the while accounting for a sizeable increase in RPK from the previous month but also the same month a year prior. Growth YoY decreased for all route pairs, except for route-pairs [Europe - Central America](#) and [Within Europe](#) which surged over the previous month YoY rate, while maintaining growth momentum. Growth YoY ranged from 28.7%, for [Europe - Asia](#), to 1.9%, for route [Africa - Europe](#). Second and third were routes [Europe - South America](#) and [Within Europe](#), respectively at 12.4% and 11.5% (**Chart 8**).

Healthy demand for air travel as industry enters peak-period

Chart 9 – Ticket sales, made in May – June for travel in June – July, YoY%



Sources: IATA Sustainability and Economics, DDS

Overall, the increase in trip bookings made in May and the first half of June for travel during the second half of June and the whole of month of July suggests that air traffic and demand in both domestic and international segments are expected to maintain a positive trend. Domestic sales were up 3.5% YoY and international 9.0%, for a total increase of 5.8% industry-wide, a strong start for the global industry as the peak period begins (**Chart 9**).

Air passenger market in detail - May 2024

	World share ¹	May 2024 (% year-on-year)				May 2024 (% year-to-date)			
		RPK	ASK	PLF (%-pt)	PLF (level)	RPK	ASK	PLF (%-pt)	PLF (level)
TOTAL MARKET	100.0%	10.7%	8.5%	1.7%	83.4%	14.5%	12.4%	1.6%	81.8%
Africa	2.1%	13.4%	8.5%	3.2%	72.9%	15.9%	15.2%	0.4%	73.1%
Asia Pacific	31.7%	14.9%	9.2%	4.0%	81.8%	24.6%	18.6%	4.0%	82.5%
Europe	27.1%	10.3%	9.7%	0.4%	85.2%	10.8%	10.3%	0.3%	81.2%
Latin America	5.5%	7.9%	5.3%	2.0%	83.4%	9.6%	7.3%	1.8%	83.2%
Middle East	9.4%	10.2%	8.9%	0.9%	80.8%	14.0%	13.0%	0.7%	79.7%
North America	24.2%	6.5%	6.5%	0.0%	85.8%	7.1%	7.0%	0.1%	83.1%
International	60.1%	14.6%	14.1%	0.3%	82.8%	18.8%	18.4%	0.3%	81.3%
Africa	1.8%	14.1%	8.2%	3.7%	72.3%	15.3%	14.1%	0.7%	72.4%
Asia Pacific	14.7%	27.0%	26.0%	0.6%	81.6%	38.5%	37.6%	0.6%	83.7%
Europe	23.6%	11.7%	11.3%	0.3%	84.7%	11.8%	11.5%	0.2%	80.4%
Latin America	2.7%	15.9%	14.3%	1.2%	85.1%	17.3%	15.2%	1.5%	84.7%
Middle East	9.1%	9.7%	9.0%	0.5%	80.7%	14.0%	13.3%	0.5%	79.7%
North America	8.1%	8.1%	9.7%	-1.2%	84.0%	11.4%	13.1%	-1.3%	81.5%
Domestic	39.9%	4.7%	0.1%	3.8%	84.5%	8.3%	3.8%	3.4%	82.8%
Dom. Australia	0.8%	4.4%	1.4%	2.3%	79.1%	7.2%	6.4%	0.6%	77.0%
Domestic Brazil	1.2%	0.6%	-3.0%	2.9%	79.4%	2.3%	1.5%	0.6%	79.5%
Dom. China P.R.	11.2%	7.6%	-4.8%	9.4%	82.3%	18.6%	6.4%	8.4%	81.8%
Domestic India	1.8%	4.6%	8.2%	-3.0%	88.6%	3.9%	3.8%	0.1%	87.8%
Domestic Japan	1.1%	-1.8%	-0.4%	-1.1%	72.3%	1.7%	-1.0%	2.0%	74.0%
Domestic US	15.4%	6.0%	5.3%	0.6%	86.7%	5.3%	4.2%	0.8%	83.6%

¹% of industry RPKs in 2023

Note: the six domestic passenger markets for which broken-down data are available account for approximately 31.4% of global total RPKs and 78.8% of total domestic RPKs

Note: The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

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