State of the Industry:
Charts from the monthly reports & related sources

IATA Economics
September 2019
More cities connected at lower real cost

Unique city-pairs and real transport costs

Number of unique city-pairs

- Unique city-pairs
- Real transport costs

Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts
Flows of trade and tourism boosted

Value of trade carried by air and the spending of tourists

Source: IATA Economics using data from UNWTO, Oxford Economics, IATA Economics forecast
More than 2.9 million airline jobs in 2019

Airline industry jobs and value added (GDP) per employee

Source: IATA Economics using data from ICAO, ATAG, IATA forecasts
Increasing accessibility of air travel

Passenger numbers and months before next trip for world population

Average number of months before average member of world population takes a flight

Source: IATA Economics using data from IATA Statistics, UN, IATA forecasts
But airline industry profit margins under pressure

Source: The Airline Analyst, IATA Economics
As unit costs rise and cost recovery falters

Unit cost and unit revenue growth

% change year-on-year

Source: IATA Economics using data from Airline Analyst
...and cost pressures are broader than just fuel

Source: The Airline Analyst
Breakeven rises, narrowing gap with load factor

Breakeven and achieved load factor

Source: The Airline Analyst, IATA
Net profits fall to $28 billion, but still better than before 2015

Source: IATA Economics, Economic Performance of the Airline Industry, Mid-Year 2019
Regional profitability remains very uneven

Net post-tax profit margins

Source: IATA Economics using data from ICAO, The Airline Analyst, IATA forecasts
Driven largely by N.America, Europe & Asia

Source: ICAO, IATA
Per passenger (net) profit shows wide regional variation

Profit per passenger (US$)

Source: IATA Economics
...but expected growth varies widely across regions

GDP Growth (% per year)

- Euro area: 1.4%
- Emerg. Europe: 2.5%
- Emerg. Asia: 6.2%
- Latin America: 2.4%
- ME & Nth. Afr: 2.6%
- S-Saharan Africa: 3.8%
- China: 5.9%
- India: 7.6%
- US: 1.8%

Source: IMF – April 2019
Passenger and freight load factors continue to diverge in the long run.

Source: IATA Monthly Statistics
The global air transport industry:

Aviation’s global employment and GDP impact

- **65.5 million jobs**
  - 36.7 million jobs (Aviation direct)
  - 7.8 million jobs (Induced)
  - 10.8 million jobs (Indirect)
  - 10.2 million jobs (Tourism catalytic)

- **$2.7 trillion GDP**
  - $896.9 billion (Tourism catalytic)
  - $454.0 billion (Induced)
  - $637.8 billion (Indirect)
  - $704.4 billion (Aviation direct)

Source: IATA
Every day in 2018…

12 MILLION PASSENGERS

104,400 FLIGHTS

$18.2 BILLION WORTH OF GOODS CARRIED

Source: IATA
Average price of air travel (real terms)

Source: IATA
Demand for air travel to double over the next 20 years

Passengers (billion, O-D basis)

- Current trends scenario
- Protectionism deepens scenario
- Return to globalization scenario

Source: IATA/Tourism Economics
Demand for air travel to double over the next 20yrs...

3.9%
Average annual growth in global air passenger journeys over the next 20 years

2.1x
The number of air passenger journeys in 2038 compared with today

Source: IATA/Tourism Economics
20-year air passenger growth is shifting East & South

Source: IATA/Tourism Economics
Where’s the growth coming from?

**Additional pax journeys per year in 2038 vs 2018 (million) & CAGR (% per year)**

- **North America**: 589m, 2.5%
- **Europe**: 568m, 2.1%
- **Middle East**: 273m, 4.4%
- **Latin America**: 457m, 4.1%
- **Africa**: 208m, 4.5%
- **Asia Pacific**: 2,810m, 5.2%

Source: IATA/Tourism Economics
Top 10 largest air passenger markets over time (ranked by passenger numbers, to/from and within each country)

Source: IATA/Tourism Economics
Top 10 domestic air passenger markets 2018-38

Top domestic passenger markets, ranked by passenger numbers

1. United States
2. China
3. India
4. Indonesia
5. Japan
6. Brazil
7. Australia
9. Mexico
10. Turkey

Source: IATA/Tourism Economics
Changes in market share over time...

Share of global passenger revenue...

North America
Asia Pacific
Europe
Middle East
Latin America
Africa

...and freight tonne kilometres*

Asia Pacific
North America
Europe
Middle East
Latin America
Africa

*Region of registration basis

Source: IATA Statistics
The Americas
In North America, air transport supports...

...7.3 million jobs & $844 billion of GDP

Source: ATAG
Total jobs and GDP supported by air transport in North America

- Jobs:
  - Total: 7.3 m
  - Tourism catalytic: 1.5 m
  - Induced: 1.5 m
  - Indirect: 1.9 m
  - Aviation direct: 2.4 m

- GDP:
  - Total: $844 bn
  - Tourism catalytic: $149.7 bn
  - Induced: $180.5 bn
  - Indirect: $227.8 bn
  - Aviation direct: $286.3 bn

Direct jobs generated by air transport in North America

- 1.5% Air traffic management
- 21.5% Aerospace
- 4% Airports
- 22.5% Airlines
- 50.5% Other on-airport

Source: ATAG
Jet aircraft deliveries made & scheduled

Aircraft deliveries to the Americas (as of September 2019)

# deliveries made & due

Source: Ascend
Europe
In Europe, air transport supports...

...12.2 million jobs & $823 billion of GDP

Source: ATAG
Total jobs and GDP supported by air transport in Europe

- **Total Jobs:** 12.2 m
  - Aviation direct: 2.6 m ($192.6 bn)
  - Indirect: 3 m ($225.5 bn)
  - Induced: 1.5 m ($111.4 bn)
  - Tourism catalytic: 5.1 m ($293.6 bn)

- **Total GDP:** $823 bn
  - Aviation direct: 3% ($25.6 bn)
  - Direct jobs: 13% ($108.1 bn)
  - Indirect jobs: 20% ($165.1 bn)
  - Induced: 6.5% ($53.5 bn)
  - Tourism catalytic: 57.5% ($478.8 bn)

Source: ATAG
Jet aircraft deliveries made & scheduled

Aircraft deliveries to Europe (as of September 2019)

# deliveries made & due

Source: Ascend

2017: 316 Narrowbody, 50 Widebody
2018: 365 Narrowbody, 55 Widebody
2019: 286 Narrowbody, 92 Widebody
Asia Pacific
In the Asia Pacific, air transport supports...

...30.2 million jobs & $684 billion of GDP

Source: ATAG
Total jobs and GDP supported by air transport in Asia-Pacific

- Jobs Total: 30.2 m
- GDP Total: $684 bn

Direct jobs generated by air transport in Asia-Pacific

- Air traffic management: 2%
- Aerospace: 5%
- Airports: 5.5%
- Airlines: 30%
- Other on-airport: 57.5%

Source: ATAG
Freight volumes – FTK growth comparison

Growth in air freight volumes

FTKs, % Growth year-on-year

Source: IATA Statistics

Note: Asia-Pacific includes North Asia
Jet aircraft deliveries made & scheduled

Aircraft deliveries to the Asia Pacific (as of September 2019)

# deliveries made & due

Source: Ascend
North Asia
Business confidence - manufacturing PMIs

50=no change, seasonally adjusted

Source: Markit
Jet aircraft deliveries made & scheduled

Aircraft deliveries to China & the Asia Pacific (as of Sep 2019)

# deliveries made & due

People's Republic of China

Asia Pacific

Source: Ascend

Source: Ascend
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