

# Air Transport Economic Outlook

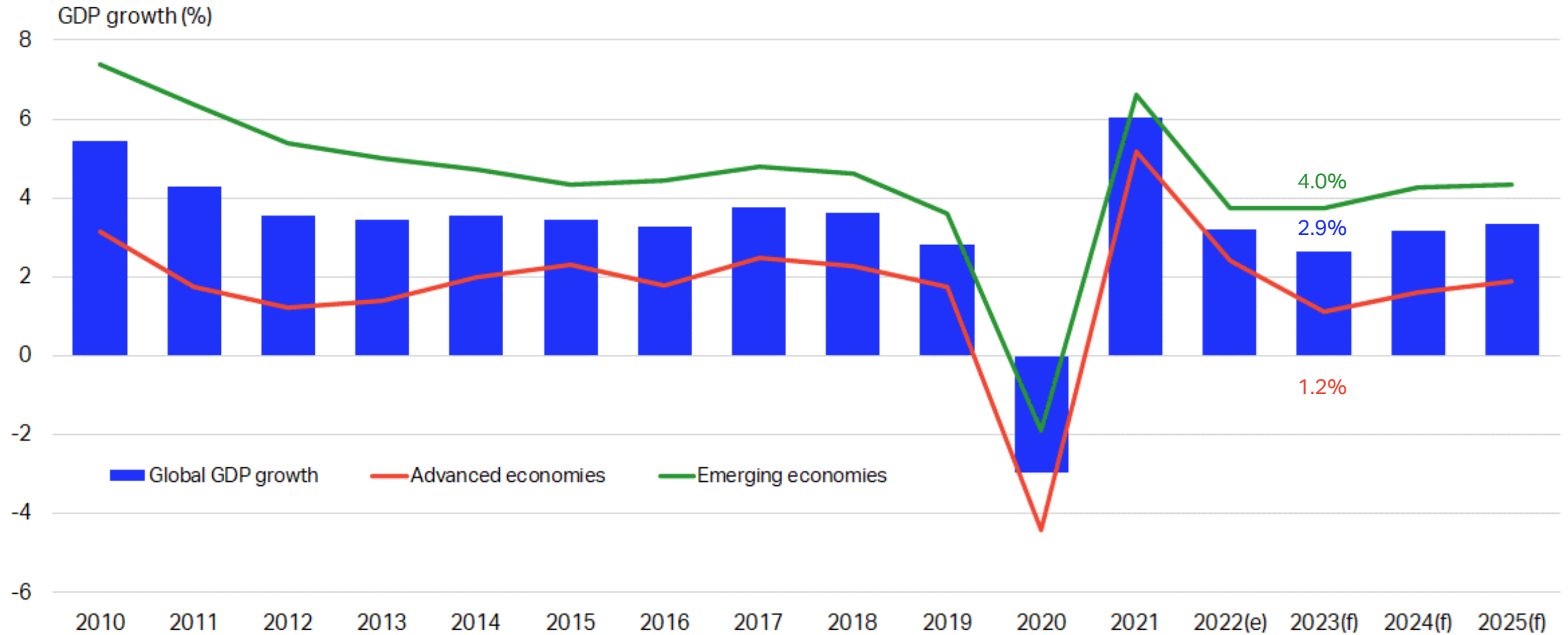
**Martina Bednarikova**  
Economist Policy Analysis  
IATA Sustainability and Economics

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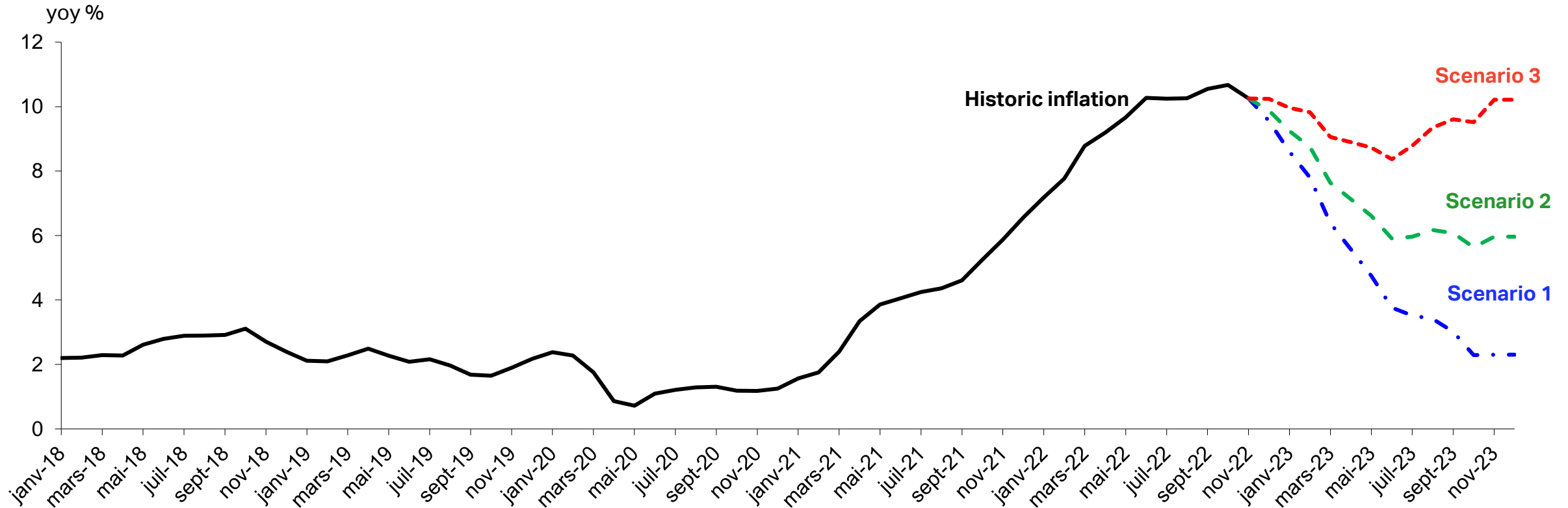
# Global economic growth moderated in 2022

## ...and is forecast to be weaker again in 2023



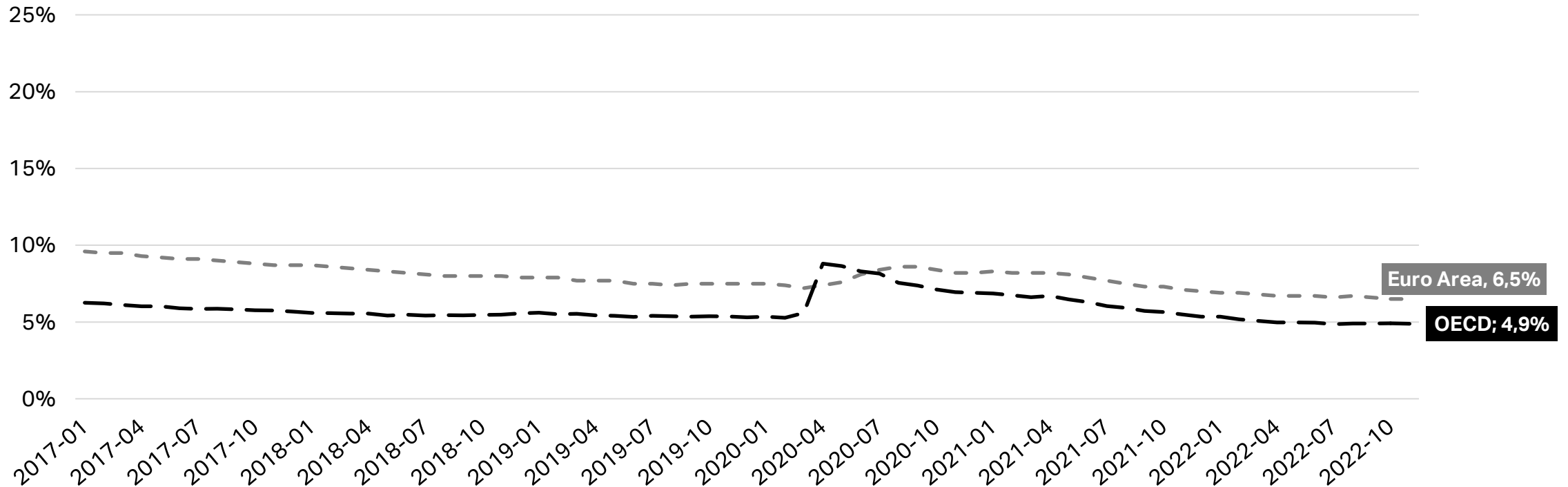
# Inflation has peaked in 2022

Inflation in 2023 under different scenarios



# Labor markets continue to show strength

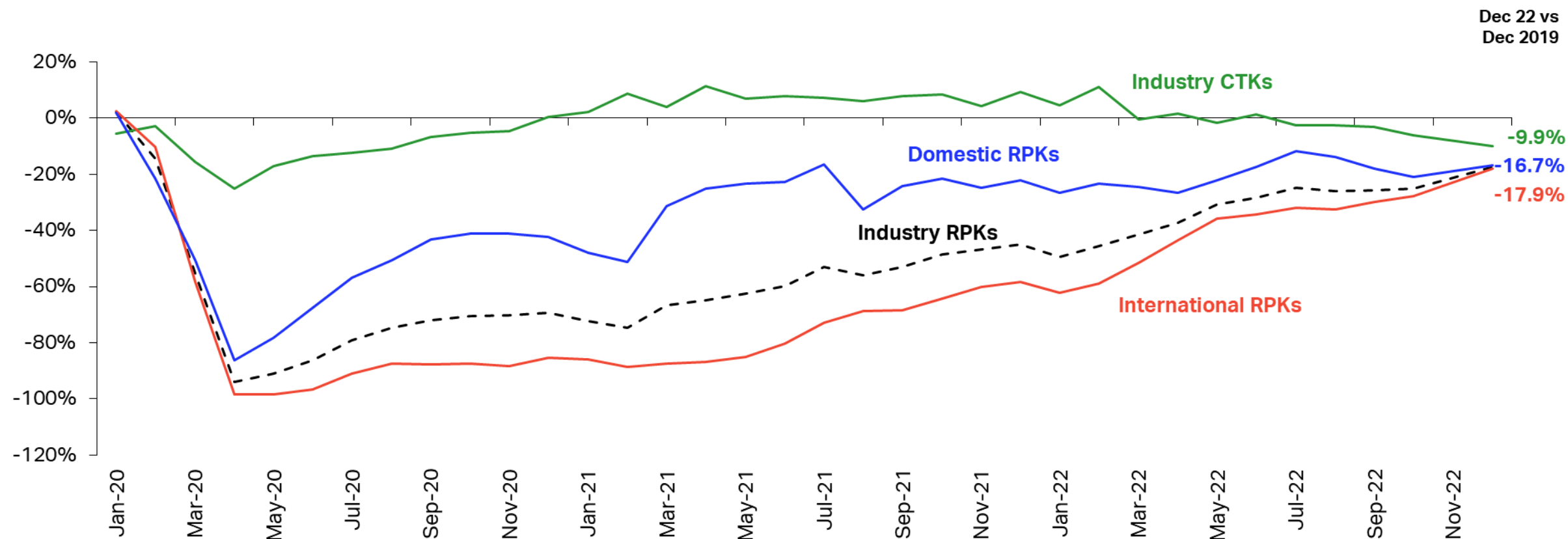
Unemployment rate, % of labor force, 2017 Jan – 2022 Nov



Source: IATA Economics, OECD (2023) Unemployment rate data.

# Passenger-traffic recovery goes on

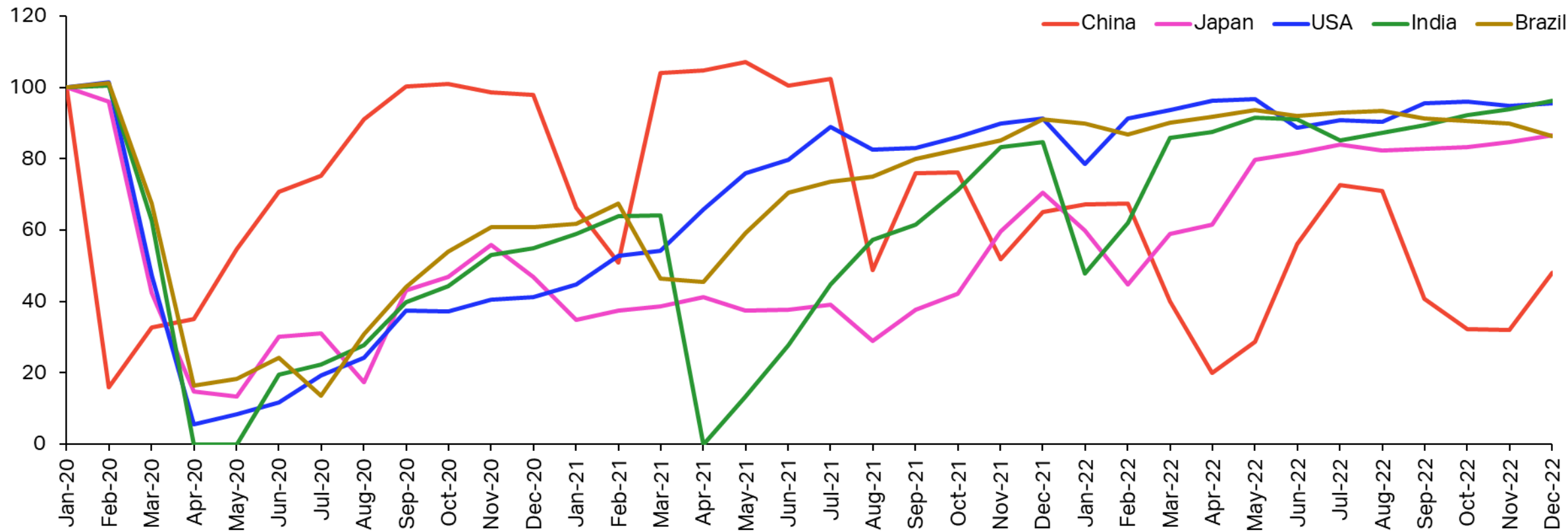
CTKs stable around 2019 levels, both domestic and international RPKs now on an upward trend



# Strong recovery for major domestic markets

## V-shape recovery for China continues

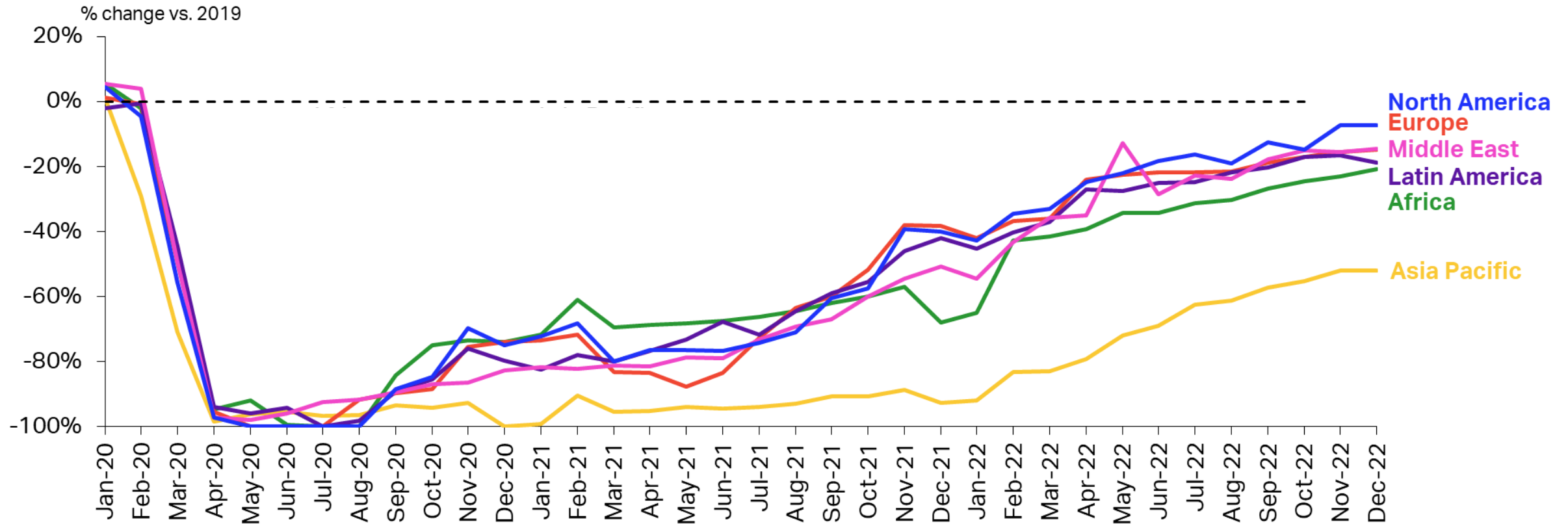
Seasonally adjusted domestic RPKs (indexed to 100 in Jan 2020)



# International traffic on the rise

Asia Pacific lags, as uneven travel restrictions remain in the region

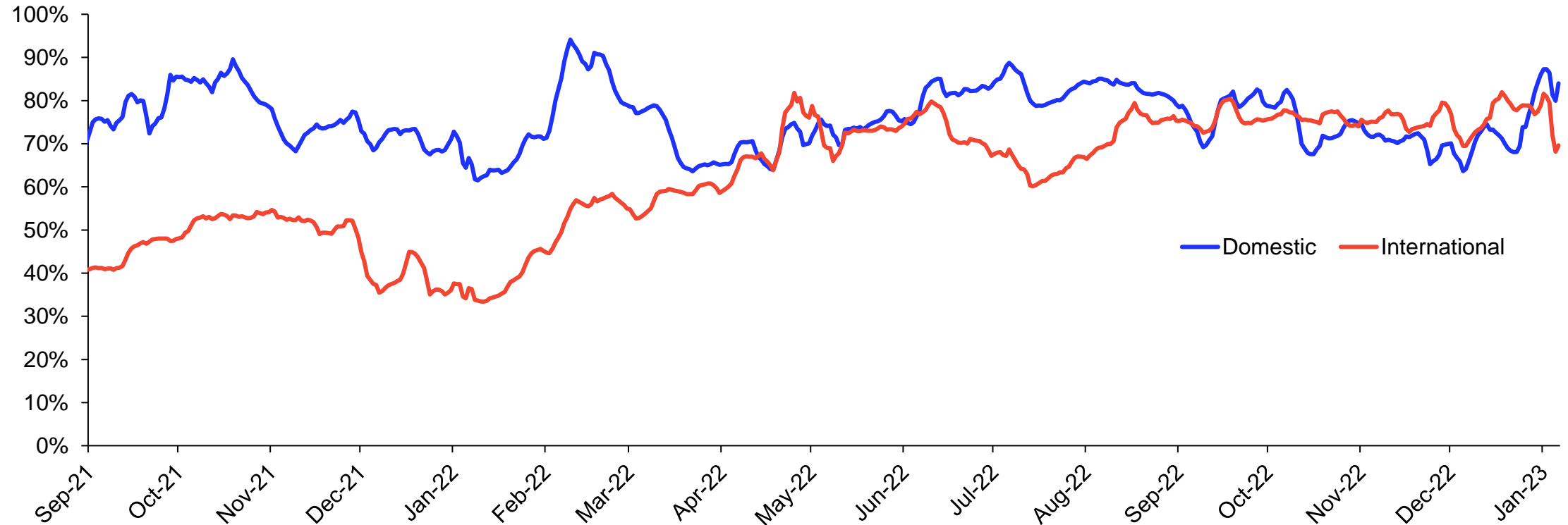
Seasonally adjusted international RPKs



# Ticket sales for forward travel give a positive outlook

With international catching up with domestic traffic

**Tickets sold by purchase date, year-on-year vs 2019, 7-day moving average**



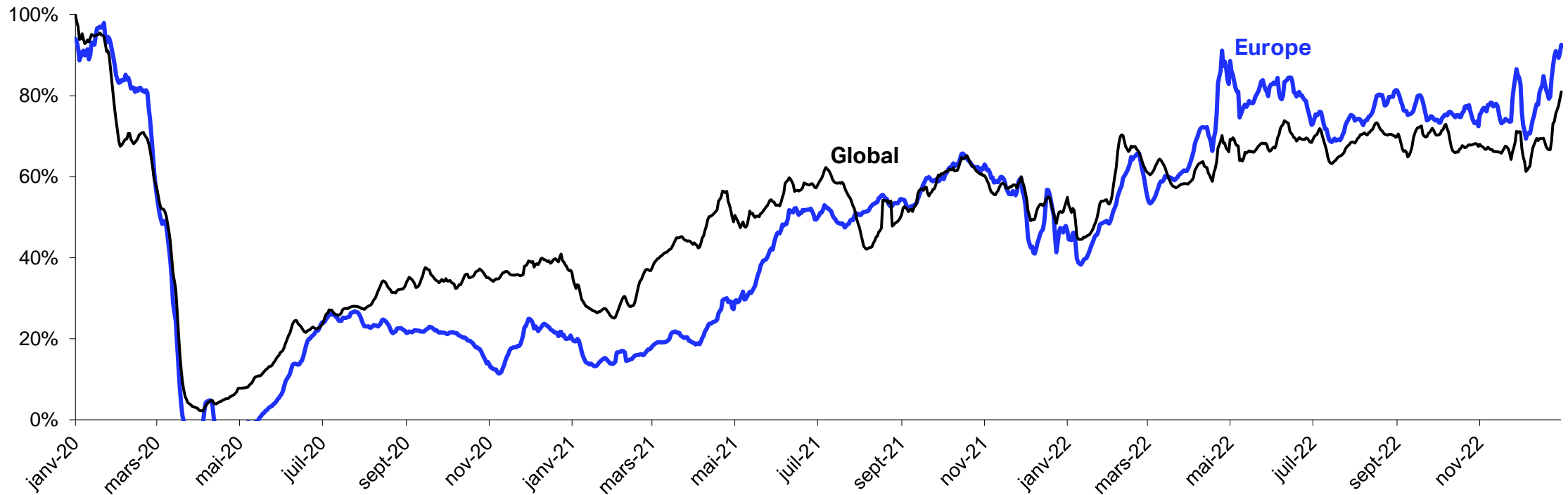
Source: IATA Economics, DDS data.



# Europe's demand for air travel is also strong

## Ticket sold by purchase date and regions (7-day moving average)

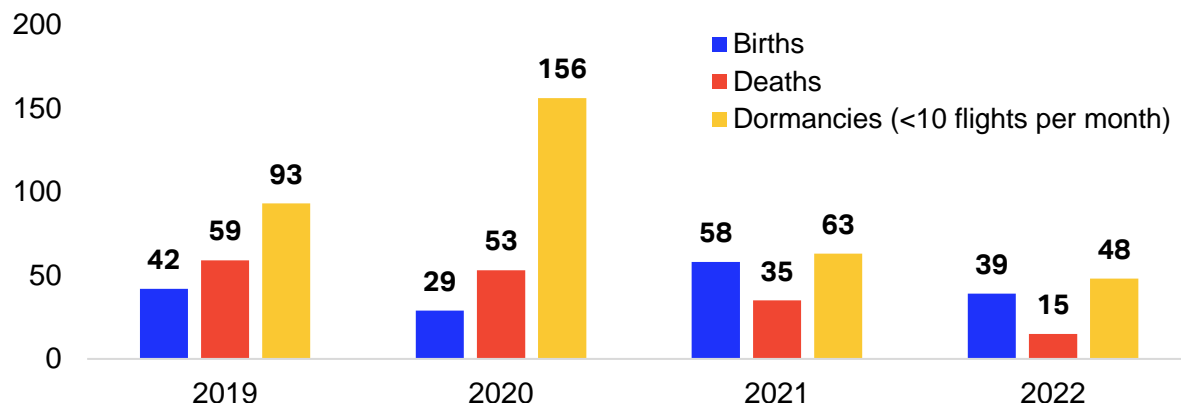
% change vs the same month in 2019



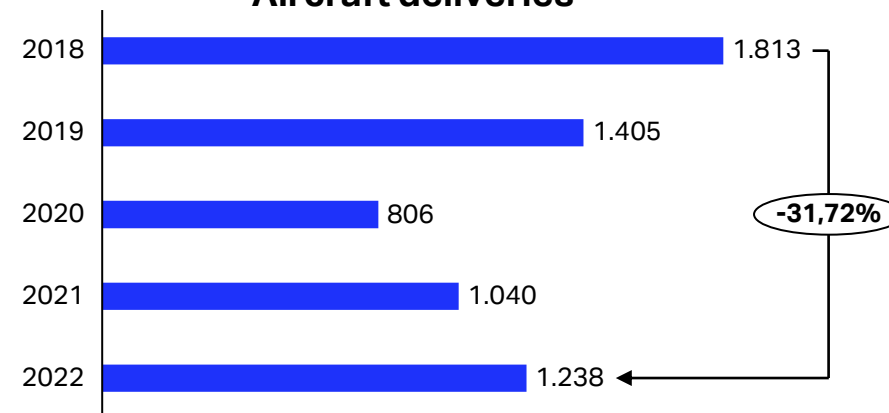
Source: IATA Economics, DDS data.

# Europe accounted for half of new airline “births” and North America accounted for around 30% of all new aircraft deliveries in 2022

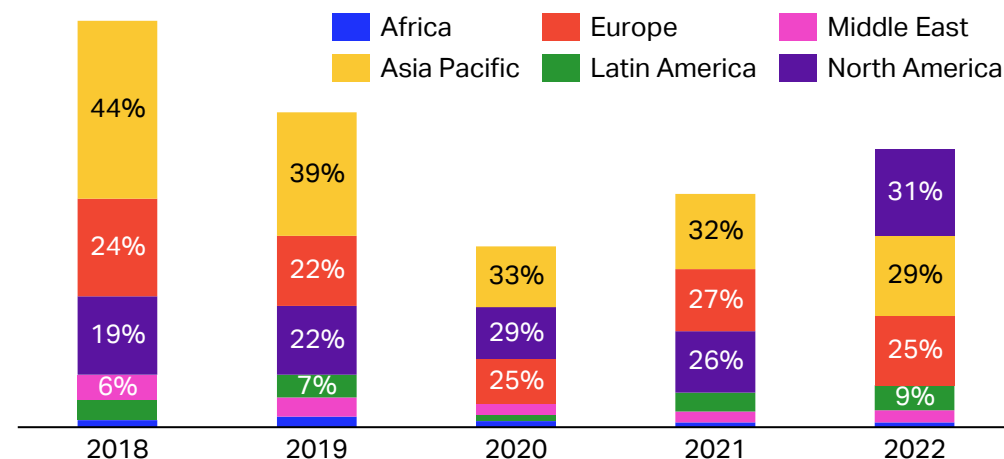
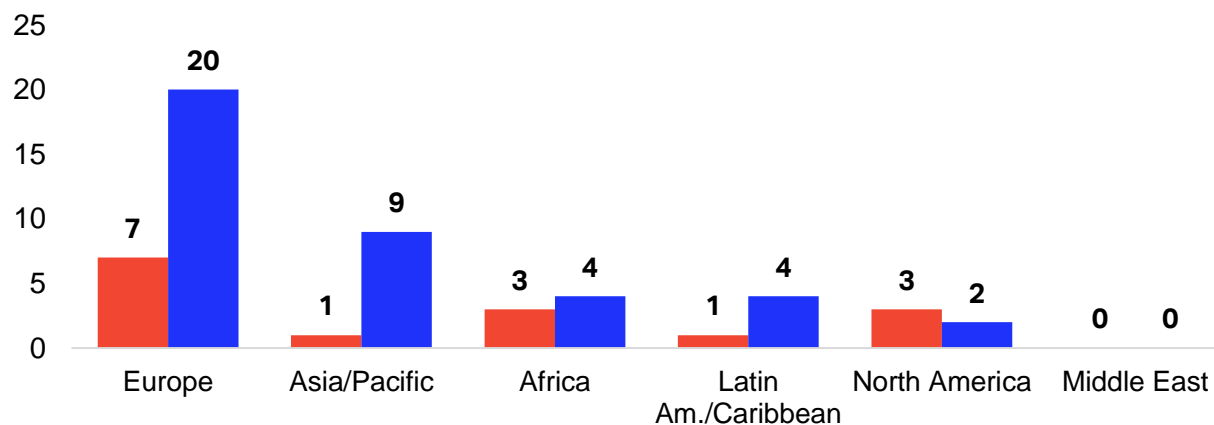
Number of airline births, deaths, and dormancies



Aircraft deliveries



Number of airline births and deaths in 2022, by region

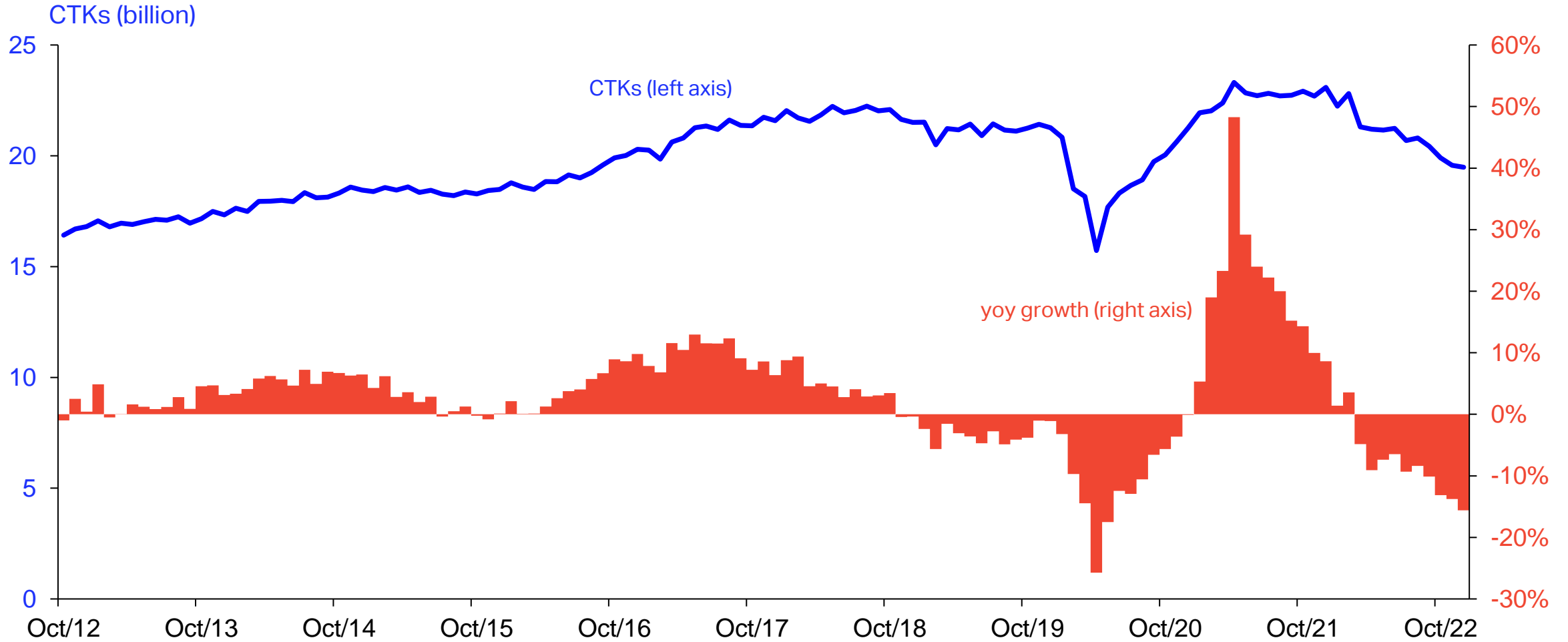


Source: IATA Economics using data from FR24, public sources.

Source : IATA Economics using data from Cirium Fleet Analyzer.

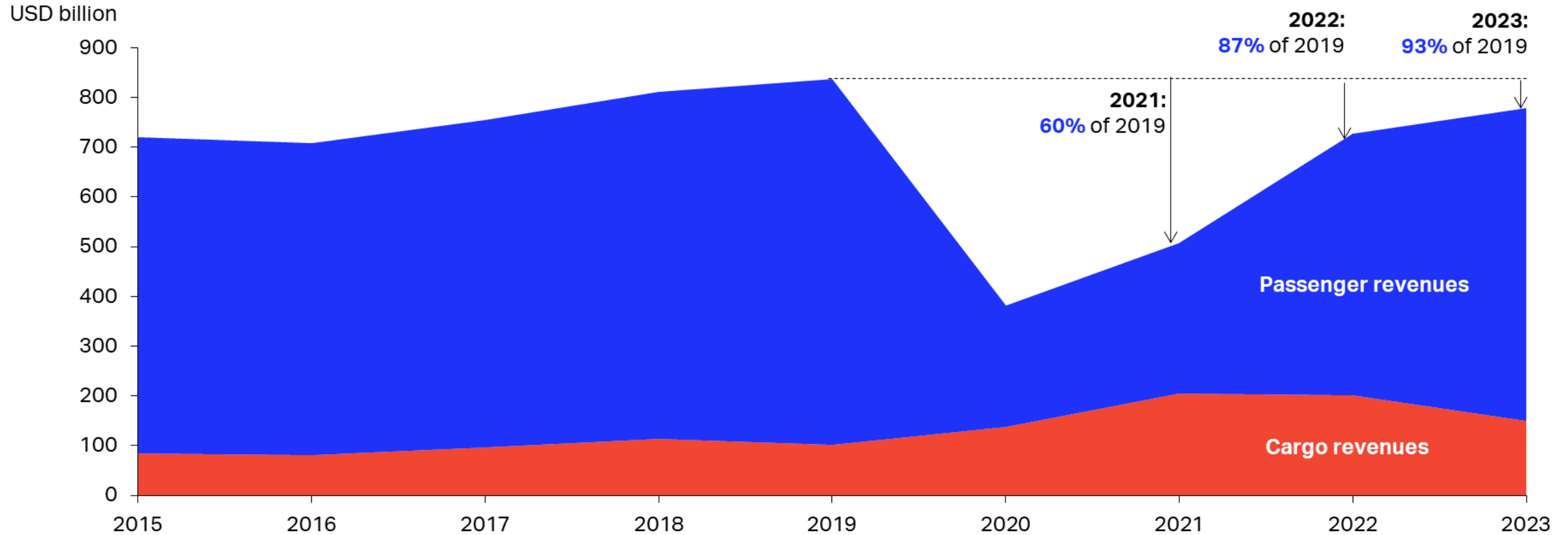
# Air cargo volumes are declining

## Currently more than 10% lower in year-on-year terms



# Passenger revenues almost in pre-covid levels

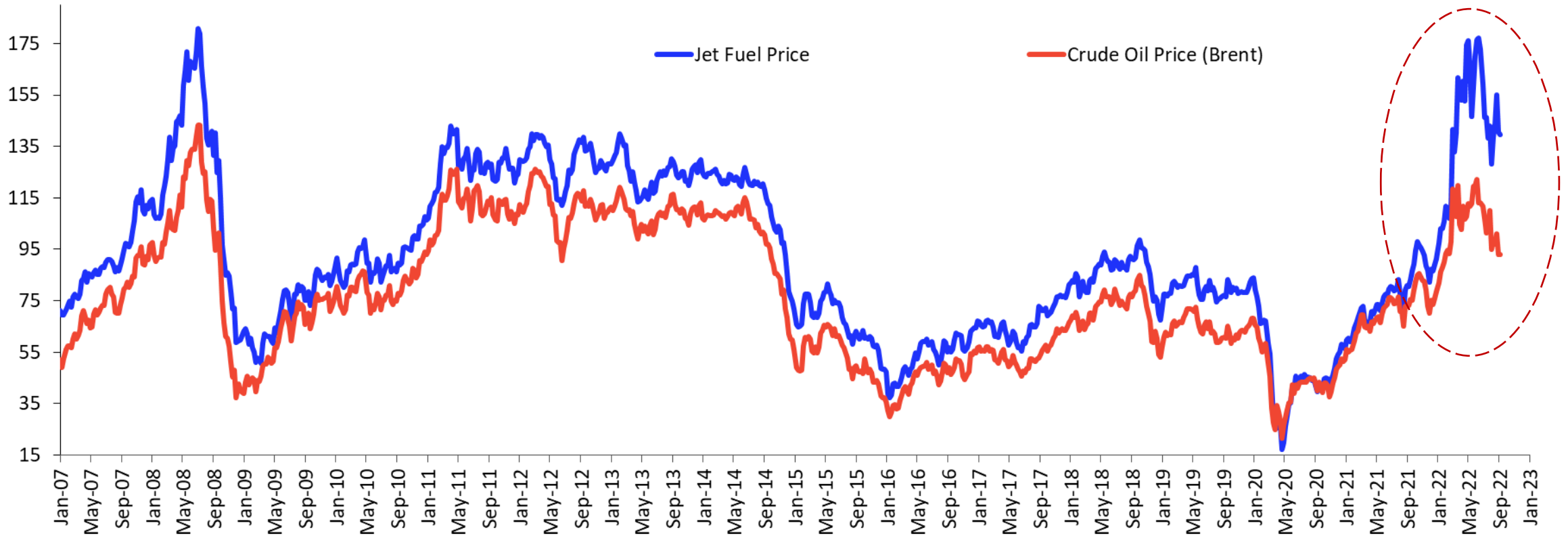
## Cargo revenues back to normal



# Pressures on operating costs remain

Brent averaged USD 106.7/bbl in Jan, crack spread still unusually wide

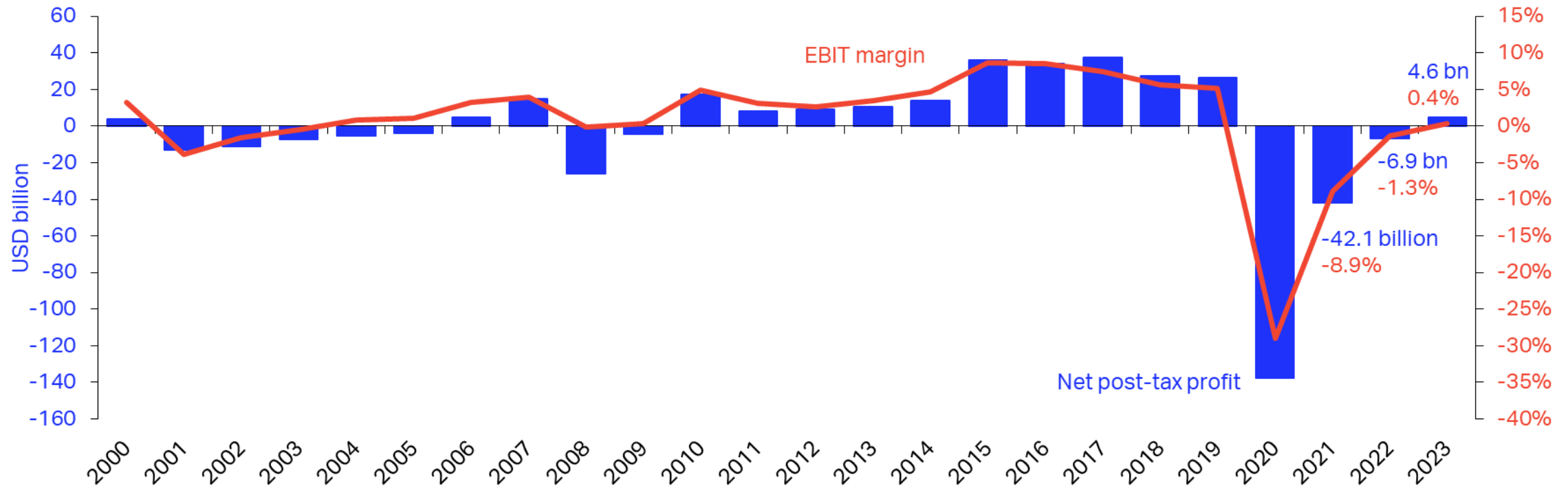
Jet Fuel & Crude Oil Price (\$/barrel)



# Financial performance improves for 2022

Industry returning to profitability in 2023

Airline industry net profits and EBIT margin

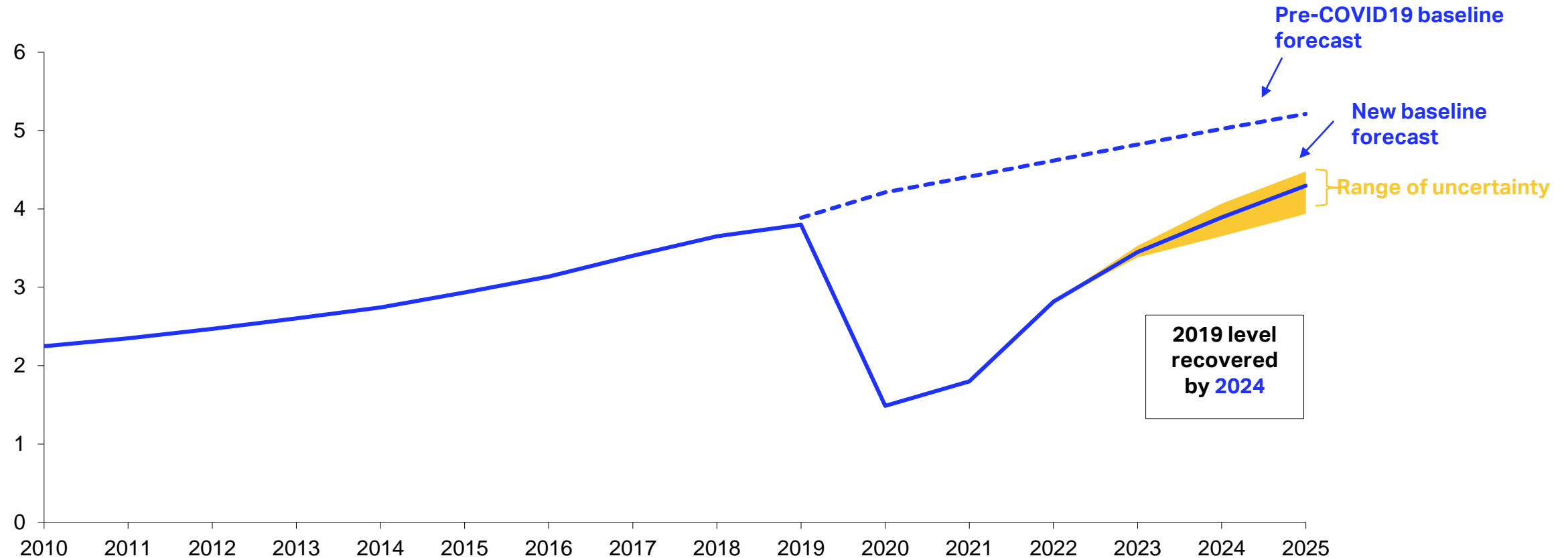


Source: IATA Economics.

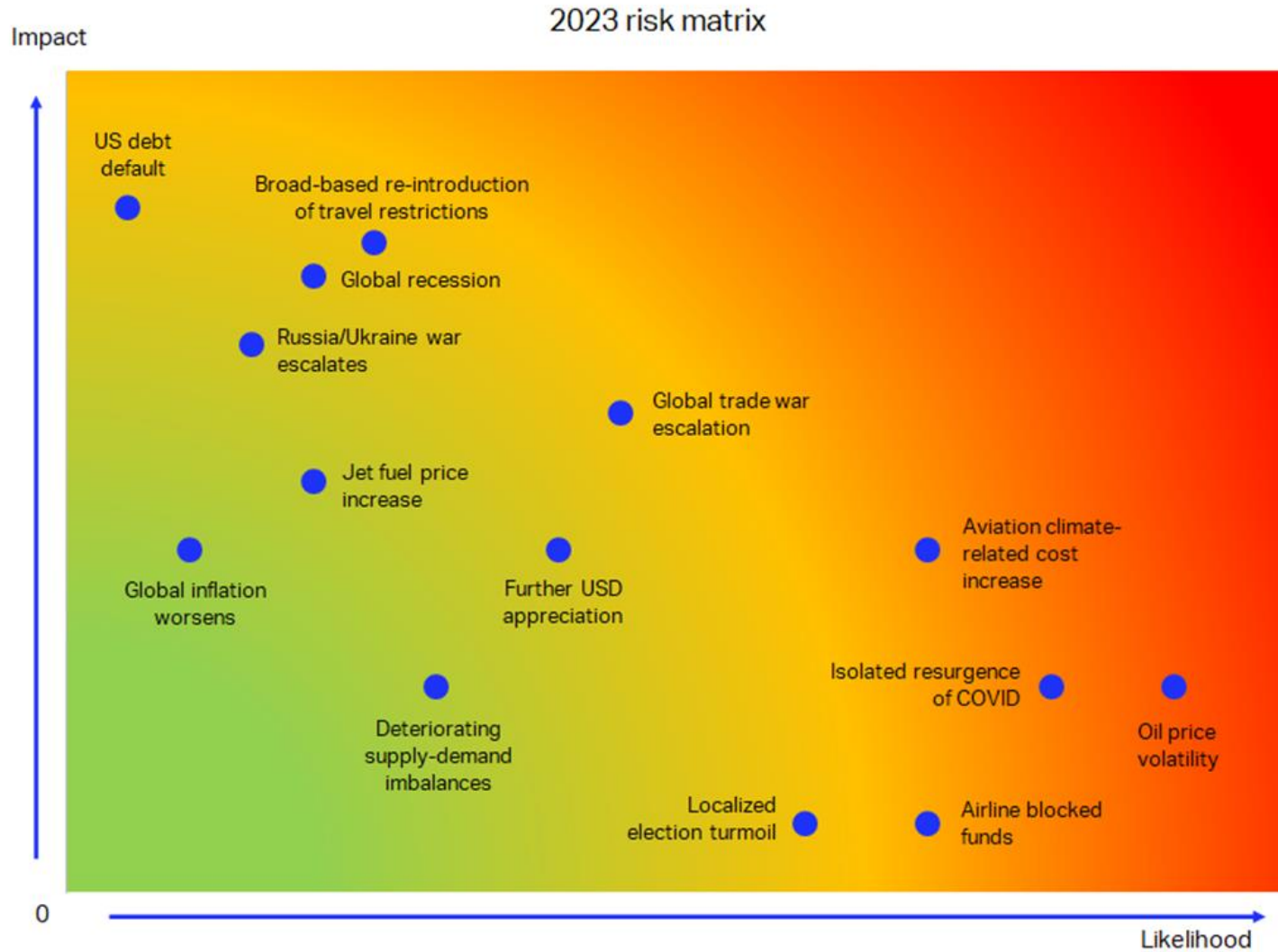
# The demand is expected to reach the 2019 levels in 2024

## Near-term risks remain tilted to the downside

Global RPKs, trillions per year



# The biggest challenges for 2023





Contact us:  
[bednarikom@iata.org](mailto:bednarikom@iata.org) or  
[economics@iata.org](mailto:economics@iata.org)

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