

# Air Passenger Market Analysis

December 2023

## 2023 was marked by strong industry-wide recovery

- Industry-wide revenue passenger-kilometers (RPKs) increased 25.3% year-on-year (YoY) in December. In 2023, industry RPKs reached 94.1% of 2019 levels.
- Available seat-kilometers (ASKs) grew by 24.1% YoY and recovered to 94.4% of pre-pandemic capacity over the whole year. Global passenger load factor stood at 82.3%, slightly under the 2019 threshold.
- Domestic markets have seen diverse developments as the year closed, total domestic traffic in 2023 nevertheless surpassed 2019 numbers by 3.9%.
- International traffic achieved great recovery this year while attaining 88.6% in 2023.

### Air passenger market in detail - 2023

	World	Year-on-year %			Year-on-year % vs 2019			PLF (level)
	share <sup>1</sup>	RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>36.9%</b>	<b>31.0%</b>	<b>3.6%</b>	<b>-5.9%</b>	<b>-5.6%</b>	<b>-0.3%</b>	<b>82.3%</b>
Africa	2.1%	36.4%	35.5%	0.5%	-6.6%	-7.9%	1.0%	72.8%
Asia Pacific	31.7%	96.3%	75.1%	8.7%	-14.0%	-12.3%	-1.6%	80.3%
Europe	27.1%	20.2%	15.8%	3.1%	-4.8%	-3.9%	-0.8%	84.4%
Latin America	5.5%	17.0%	14.5%	1.8%	0.4%	-0.4%	0.7%	83.2%
Middle East	9.4%	32.3%	24.6%	4.7%	-1.9%	-6.6%	3.8%	80.0%
North America	24.2%	15.3%	14.0%	0.9%	2.4%	2.8%	-0.4%	84.4%

<sup>1</sup>% of industry RPKs in 2023

### 2023 was marked by strong industry-wide recovery

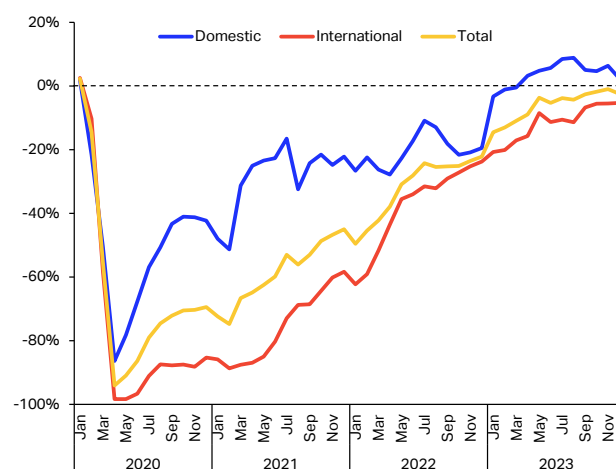
Strong demand for air travel continued to propel the recovery of passenger markets in 2023. The total industry achieved a remarkable 36.9% year-on-year (YoY) growth, as traffic, measured in revenue passenger-kilometer (RPKs), reached 94.1% of 2019 levels, a significant increase from 2022 when it stood at 68.7%. The supply of seats slightly exceeded the demand for travel compared to 2019 (pre-pandemic), resulting in an industry-wide load factor of 82.3%, which was only 0.3 ppt lower than the load factor in 2019.

Domestic traffic set new highs in 2023, most of the monitored markets surpassed the pre-pandemic levels by mid-2023. The definitive reopening of China in January 2023 shaped the industry's recovery profile as total domestic RPKs remained largely above pre-pandemic levels for most of the year reflecting the buoyant activity this major market has observed (**Chart 1**). In 2023, total domestic RPKs grew 30.4% YoY and stood 3.9% over 2019 levels.

On the other hand, international traffic remained lower than its levels of 2019 while maintaining a stable yet robust growth pace. Industry-wide international RPKs increased 41.6% YoY and totaled 88.6% of pre-Covid levels. Although airlines across the globe saw various outcomes, all regions contributed to those developments by achieving resilient growth in international passenger traffic. Asia Pacific airlines

more than doubled their RPKs, growing 126.1% compared to 2022, overcoming a large part of the setback caused by past strict travel restrictions, however, they remained 27.3% under pre-pandemic levels. On the other hand, North American carriers have surpassed their 2019 record by 1.4%, leading the regions in terms of international recovery.

**Chart 1** – Global domestic and international RPKs, YoY% change vs.2019

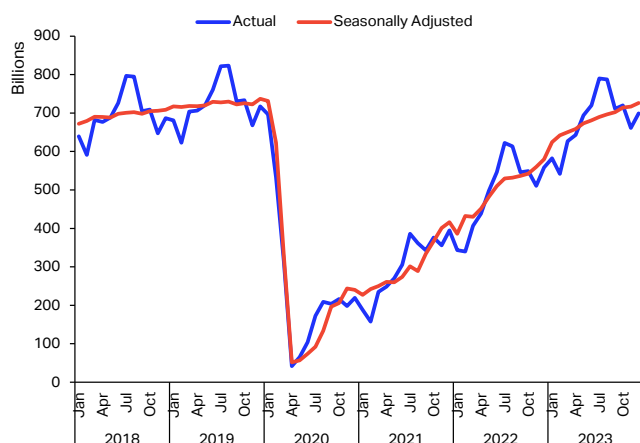


Sources: IATA Sustainability and Economics, IATA Monthly Statistics

While the airline industry had recovered the majority of its traffic 2019 levels as of December 2023, network restoration remained relatively uneven as connectivity and passenger demand to and from Asia Pacific has not yet reached its pre-pandemic status.

## Industry-wide growth was resilient in December...

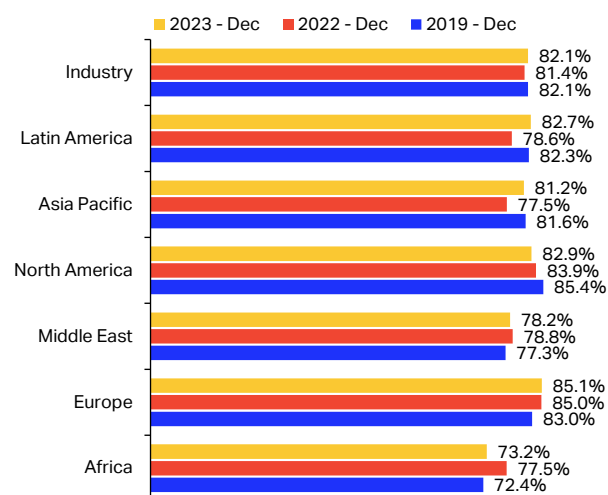
**Chart 2** – Global air passengers, RPKs, billions per month



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Air passenger traffic, measured in RPKs, increased 25.3% YoY in December. Compared to the same month in 2019, traffic levels in 2023 were 2.5% lower. In seasonally adjusted terms, RPKs grew 1.3% month-on-month (MoM) aligning with the pace the industry saw over the past year, thus demonstrating the ongoing positive trend (**Chart 2**).

**Chart 3** – Passenger load factors, by airline region of registration % share of ASKs



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Industry seat capacity, measured in ASKs, grew by 24.1% compared to December 2022 and reached 97.5% of pre-pandemic levels. Passenger load factors (PLF) remained in the vicinity of 2019 levels (**Chart 3**). Industry-wide seat occupation was 0.8 ppt superior to the previous year and in line with the December 2019 number.

### Air passenger market in detail - December 2023

	World share <sup>1</sup>	December 2023 (% year-on-year)			December 2023 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	PLF
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>25.3%</b>	<b>24.1%</b>	<b>0.8%</b>	<b>-2.5%</b>	<b>-2.5%</b>	<b>0.0%</b>	<b>82.1%</b>
International	60.1%	24.2%	24.9%	-0.5%	-5.3%	-5.7%	0.3%	82.0%
Domestic	39.9%	27.0%	22.9%	2.7%	2.3%	2.9%	-0.5%	82.3%

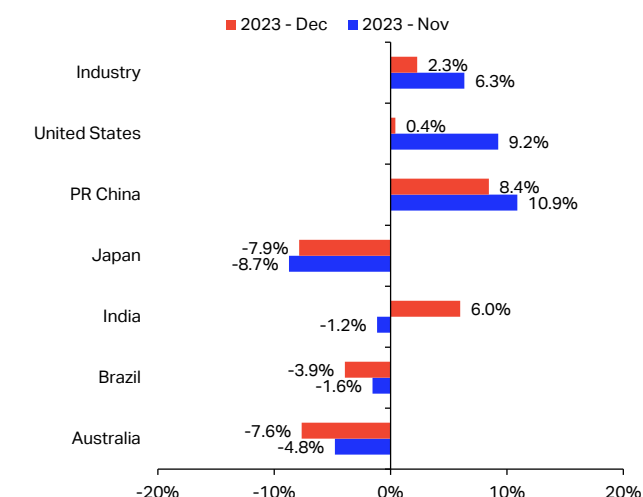
<sup>1</sup>% of industry RPKs in 2023

The same observation applied to most regions, showing the alignment between demand for air travel and airline seat capacity globally. Asia Pacific and North American carriers saw slightly lower load factors compared to the same month in 2019, a result driven by seat supply outpacing passenger numbers in China and US domestic markets respectively. Europe led among the regions, exceeding December 2019 PLF by 2.1ppt as RPKs surpassed the pre-pandemic threshold by 2.0%, for the first time since 2020 (**Chart 3**).

### ...while total domestic traffic expansion continued globally and most markets

Total domestic RPKs grew 27.0% YoY while maintaining a strong positive course in seasonally adjusted terms. RPKs were 2.3% above pre-pandemic levels, a lower result compared to the level observed in November 2023 that reflects the latest traffic numbers in US (**Chart 4**).

**Chart 4** – Domestic RPK growth by market, YoY% change vs. 2019



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

US domestic traffic increased 9.6% YoY and 0.4% over December 2019 RPKs. This is a large variation in perspective to the last months, especially in comparison to November 2023 when growth over the latest pre-pandemic year had reached 9.2%. In December 2019, domestic RPKs had increased by 9.9% YoY thus standing out from the previous observations of the pre-Covid years. Consequently, this market has not seen any sign of slowdown (**Chart 4**).

**PR China** domestic traffic increased more than twofold, surging 147.1% YoY and exceeding 2019 numbers by 8.4%. Passenger load factor was 13.4ppt higher than the past year, however, 3.3ppt lower than in 2019, still reflecting the large improvements this market has seen from the last Covid year and traffic expansion in comparison to 2019 (**Chart 4**).

In **India** domestic traffic also continued to expand, increasing 8.2% over the year and surpassing pre-pandemic levels by 6.0%. Somewhat mirroring the economic situation and slowing domestic consumption, domestic RPKs contraction is confirmed in **Japan**. In seasonally adjusted terms, passenger numbers decreased on average 1.3% per month. Nevertheless, RPKs were 0.9% superior to December 2022 and 7.9% lower than pre-pandemic.

**Australia** domestic RPKs increased 6.6% over the year and sat 7.6% under pre-Covid levels. **Brazil** saw 5.9% YoY growth in domestic RPKs. Traffic continued to trend around pre-pandemic levels (**Chart 4**).

#### International passenger traffic recovery remained stable in December

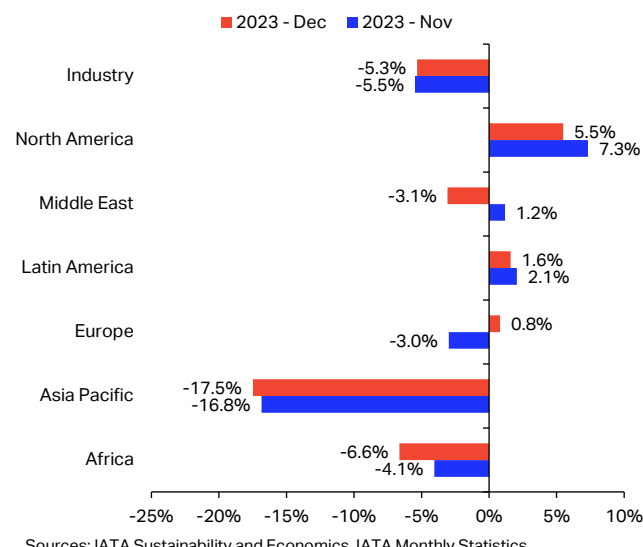
International traffic growth saw only modest changes from the previous month, RPKs saw 24.2% yearly growth while sitting 5.3% under pre-Covid numbers. Regions also experienced minor developments in terms of growth while maintaining an upward trajectory in seasonally adjusted terms, however, sustaining their growth momentum in terms growth over 2019 levels. **North American** carriers continued to lead, increasing their performance by 5.5% over 2019 levels. **Europe** saw monthly recovery in international traffic for the first time, surpassing December 2019 RPKs by 0.8%. International RPKs performed by **Latin American** carriers still trend above pre-Covid levels as December levels were 1.6% higher than the same month in 2019 (**Chart 5**). These three regions continued to see solid growth compared to the same month in 2022. Europe international RPKs grew 13.6% YoY while North American and Latin American carriers saw 13.5% and 26.5% YoY growth.

Airlines in **Africa** experienced the lowest increase in international RPKs among the regions, nevertheless close to double-digit growth. RPKs grew 9.5% YoY and reached 93.4% of pre-Covid levels. **Middle Eastern** carriers' international traffic fared near its pre-pandemic levels, totaling 96.9% of December 2019 RPKs.

Following a swift recovery in early 2023 and the end of 2022, **Asia Pacific's** international passenger numbers

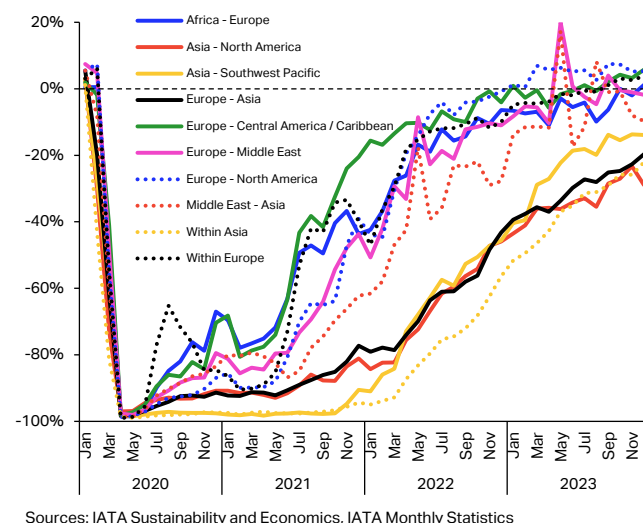
have been trending roughly sideways since July 2023 in terms of recovery to 2019 levels. Nonetheless, the region saw the highest yearly growth again in December, with RPKs increasing 56.9% YoY.

**Chart 5 – International RPK growth by airline region of registration, YoY% change versus 2019**



Reflecting the relative stability in international recovery different airline regions experienced, the main international route markets have seen modest changes in their respective growth trends. Passenger traffic on the **North America – South America** route area grew 5.4% over 2019 levels, taking the lead in December. Between **North America and Europe**, RPKs continued to exceed pre-pandemic numbers and grew 5.3% over December 2019 levels. The **Africa – Europe** route area surpassed pre-Covid levels by 1.2%, passing the threshold for the first time since 2020.

**Chart 6 – International RPKs, YoY% change vs. 2019 – Top 10 route areas in 2019**



## Air passenger market in detail - December 2023

	<i>World share<sup>1</sup></i>	December 2023 (% year-on-year)			December 2023 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	PLF
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>25.3%</b>	<b>24.1%</b>	<b>0.8%</b>	<b>-2.5%</b>	<b>-2.5%</b>	<b>0.0%</b>	<b>82.1%</b>
Africa	2.1%	12.1%	18.7%	-4.3%	-1.8%	-2.8%	0.8%	73.2%
Asia Pacific	31.7%	60.7%	53.4%	3.7%	-8.9%	-8.5%	-0.4%	81.2%
Europe	27.1%	12.5%	12.3%	0.1%	2.0%	-0.6%	2.1%	85.1%
Latin America	5.5%	16.3%	10.4%	4.2%	3.2%	2.7%	0.4%	82.7%
Middle East	9.4%	16.4%	17.2%	-0.6%	-2.9%	-4.1%	1.0%	78.2%
North America	24.2%	10.6%	12.0%	-1.0%	1.6%	4.8%	-2.6%	82.9%
<b>International</b>	<b>60.1%</b>	<b>24.2%</b>	<b>24.9%</b>	<b>-0.5%</b>	<b>-5.3%</b>	<b>-5.7%</b>	<b>0.3%</b>	<b>82.0%</b>
Africa	1.8%	9.5%	17.7%	-5.3%	-6.6%	-6.0%	-0.5%	71.6%
Asia Pacific	14.7%	56.9%	56.3%	0.3%	-17.5%	-17.8%	0.4%	82.2%
Europe	23.7%	13.6%	13.7%	-0.1%	0.8%	-0.7%	1.2%	84.9%
Latin America	2.7%	26.5%	20.7%	3.8%	1.6%	0.7%	0.7%	82.6%
Middle East	9.1%	16.6%	17.9%	-0.9%	-3.1%	-4.0%	0.7%	78.1%
North America	8.1%	13.5%	16.5%	-2.2%	5.5%	9.9%	-3.4%	81.3%
<b>Domestic</b>	<b>39.9%</b>	<b>27.0%</b>	<b>22.9%</b>	<b>2.7%</b>	<b>2.3%</b>	<b>2.9%</b>	<b>-0.5%</b>	<b>82.3%</b>
Dom. Australia	0.8%	6.6%	4.1%	1.9%	-7.6%	-6.7%	-0.9%	82.1%
Domestic Brazil	1.2%	5.9%	0.7%	4.0%	-3.9%	-0.8%	-2.6%	81.4%
Dom. China P.R.	11.1%	147.1%	105.0%	13.4%	8.4%	13.0%	-3.3%	78.4%
Domestic India	1.8%	8.2%	6.1%	1.8%	6.0%	3.1%	2.5%	90.6%
Domestic Japan	1.1%	0.9%	-2.4%	2.4%	-7.9%	-12.8%	4.0%	73.8%
Domestic US	15.4%	9.6%	10.2%	-0.5%	0.4%	3.4%	-2.5%	83.4%

<sup>1</sup>% 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 78.7% 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.

## Air passenger market in detail - 2023

	<i>World share</i> <sup>1</sup>	Year-on-year %			Year-on-year % vs 2019			PLF (level)
		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>36.9%</b>	<b>31.0%</b>	<b>3.6%</b>	<b>-5.9%</b>	<b>-5.6%</b>	<b>-0.3%</b>	<b>82.3%</b>
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North America	24.2%	15.3%	14.0%	0.9%	2.4%	2.8%	-0.4%	84.4%
<b>International</b>	<b>60.1%</b>	<b>41.6%</b>	<b>34.4%</b>	<b>4.2%</b>	<b>-11.4%</b>	<b>-12.3%</b>	<b>0.8%</b>	<b>82.8%</b>
Africa	1.8%	38.7%	38.3%	0.2%	-9.3%	-9.9%	0.5%	71.9%
Asia Pacific	14.7%	126.1%	101.8%	9.0%	-27.3%	-29.3%	2.2%	83.1%
Europe	23.7%	22.0%	17.5%	3.1%	-7.0%	-5.1%	-1.8%	83.8%
Latin America	2.7%	28.6%	25.4%	2.1%	-5.8%	-7.9%	1.9%	84.7%
Middle East	9.1%	33.3%	26.0%	4.4%	-2.0%	-6.7%	3.8%	80.1%
North America	8.1%	28.3%	22.4%	3.9%	1.4%	0.7%	0.6%	84.6%
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Dom. Australia	0.8%	14.8%	13.2%	1.1%	-4.2%	-3.9%	-0.2%	80.5%
Domestic Brazil	1.2%	6.7%	4.7%	1.5%	0.9%	3.4%	-2.0%	80.7%
Dom. China P.R.	11.1%	138.8%	103.4%	11.3%	7.1%	18.5%	-8.2%	76.4%
Domestic India	1.8%	22.3%	14.4%	5.7%	5.3%	5.6%	-0.3%	87.1%
Domestic Japan	1.1%	30.7%	7.3%	13.5%	-3.2%	-5.1%	1.5%	75.2%
Domestic US	15.4%	9.6%	10.4%	-0.6%	3.3%	4.8%	-1.2%	84.0%

<sup>1</sup>% of industry RPKs in 2023

Note 1: the six domestic passenger markets for which broken-down data are available account for approximately 31.3% of global total RPKs and 74.6% of total domestic RPKs

Note 2: 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.

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