



# Air Passenger Market Analysis

September 2022

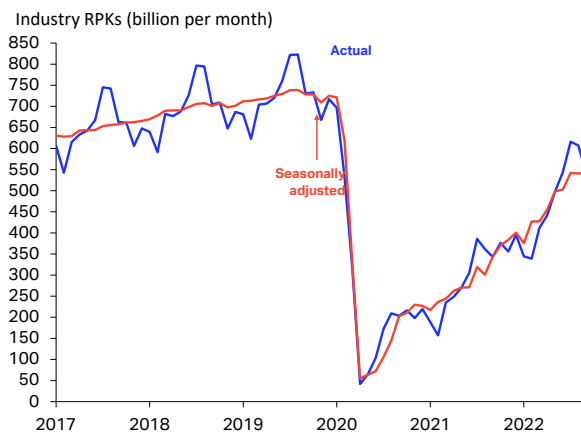
## Recovery momentum continued in September

- industry-wide RPKs increased by 57.0% year-on-year in September 2022, reaching 73.8% of pre-pandemic levels and continuing the post-covid recovery.
- Total Domestic traffic grew by 6.9% this month, reaching 81.0% of the September 2019 level. Most of the main domestic markets continue to achieve strong results, trending close to pre-covid levels. However, renewed restrictions in China P.R. resulted in a sharp drop in domestic traffic.
- International passenger traffic achieved 122.2% YoY growth, now reaching 69.9% of 2019 levels this month. Major international routes are still tracking near 2019 levels, with the exception of routes between Asia Pacific and the rest of the world continue which continue to lag.
- Passenger load factors are close to or above those achieved in 2019 and averaged 81.6% industry-wide this month, Industry-wide seat capacity decreased slightly, developments across regions diverge.
- Forward bookings provide an optimistic outlook for both international and domestic passenger traffic for the months to come, despite macroeconomic headwinds.

### Sustained momentum in September

In September 2022, Industry-wide revenue passenger-kilometers (RPKs) grew by 57.0% YoY. Global passenger traffic is now at 73.8% of 2019 levels and has been stable for the past three months (**Chart 1**). Historically, the month of September has always been marked by lower traffic levels compared to the high summer periods. However, seasonally adjusted data continue to illustrate strong industry momentum.

**Chart 1: Global air passengers, RPK billion**



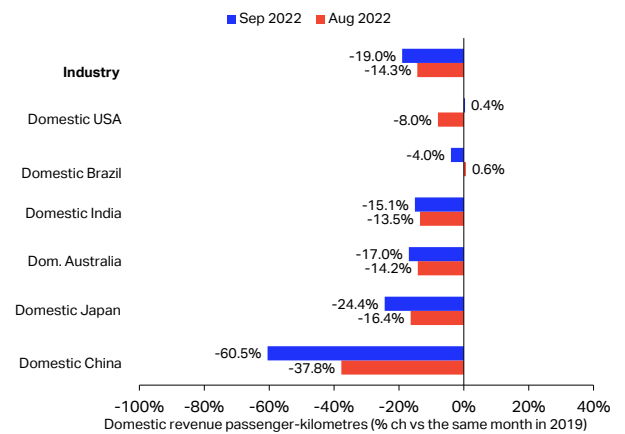
Sources: IATA Economics, IATA Monthly Statistics

Passenger load factors (PLF) remained stable this month and continue to trend near pre-pandemic levels. International traffic achieved an 82.2%

passenger load factor and domestic 80.6% in September.

### Decline in China P.R., resilience, and stability in other major markets

**Chart 2 – Domestic RPK growth (airline region of registration basis), YoY% change versus 2019**



Sources: IATA Economics, IATA Monthly Statistics

Total domestic RPKs grew by 6.9% YoY in September and ASKs contracted 3.2%, with divergences among the main domestic markets. Achieved traffic reached 81.0% of the September 2019 results (**Chart 2**).

Recent developments in **China** indicate a significant contraction in domestic traffic compared to last month, following the re-introduction of travel

	World share <sup>1</sup>	September 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>57.0%</b>	<b>29.1%</b>	<b>14.5%</b>	<b>81.6%</b>	<b>73.9%</b>	<b>46.3%</b>	<b>12.3%</b>	<b>77.6%</b>
International	37.7%	122.2%	64.2%	21.5%	82.2%	191.1%	101.9%	23.6%	77.1%
Domestic	62.3%	6.9%	-3.2%	7.6%	80.6%	13.7%	6.9%	4.7%	78.3%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

restrictions in some provinces RPKs decreased by 43.3% month-on-month, with achieved traffic levels now 60.5% below September 2019 -down 22.7 ppts from last month. Given the significance of the China domestic market, travel policies in the country continue to impact global figures.

US domestic traffic continues to achieve pre-pandemic levels, with September standing 0.4% up compared to the same month in 2019. With seat capacity down 3.0% vs 2019, the passenger load factor is 2.9% higher than in 2019, at 85.4%.

Domestic RPKs in Brazil, were up 14.9% YoY in September, falling below pre-pandemic levels by 4.0%. With a passenger load factor of 80.5% and with only slight differences to pre-pandemic activity levels for the past months, this market is close to full recovery.

In India, domestic RPKs increased by 42.6% YoY and ASKs by 30.7%. Even so, passenger traffic remains 15.1% below the same month in 2019. After the harsh Omicron impact the country experienced, recovery is well underway, but is lagging compared to other large markets.

The Japan domestic market continues to recover, with passenger traffic up 127.9% YoY. After a sharp recovery, seasonally adjusted domestic RPKs have been trending at around 80% of pre-crisis levels since June 2022.

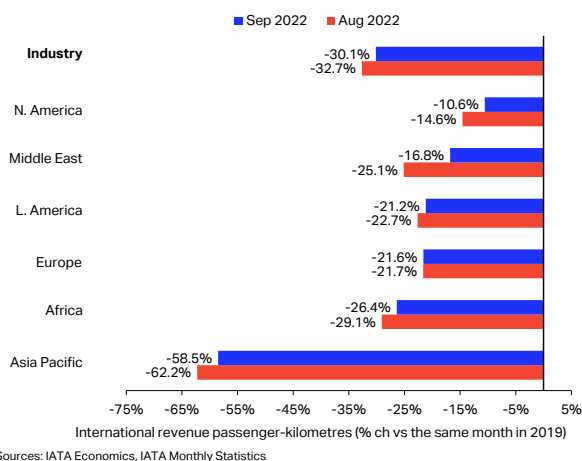
Australia recorded a 276.0% YoY increase in domestic traffic and is now 17.0% below achieved numbers in 2019. This market has also trended above 80% of 2019 levels since April 2022, sustaining the gained momentum coming out of last year's removal of travel restrictions.

Insufficient data do not allow us to report on market developments for domestic Russia.

### Worldwide international traffic recovery continues

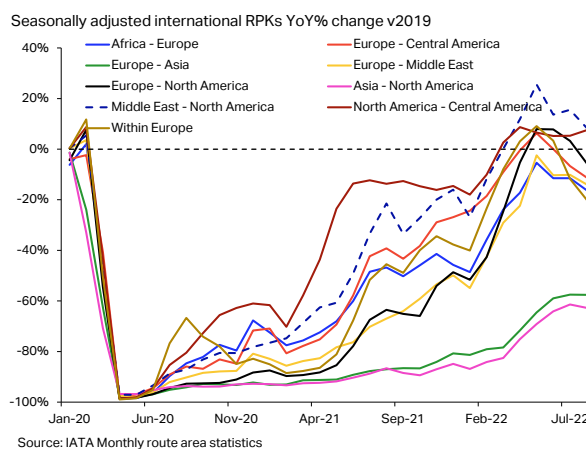
International RPKs rose by 122.2% YoY in September, showing continued recovery and momentum (Chart 3). Traffic remains 30.1% down on 2019 levels, a 2.6 ppts improvement from last month.

**Chart 3:** International RPK growth (airline region of registration basis), YoY% change versus 2019



Airlines based in Asia Pacific continued to record the strongest YoY growth rates for international RPKs in September, at 464.8%. In seasonally adjusted terms, recent developments show sustained recovery but with a significant lag compared to other regions. In September 2022, international RPKs were down 58.5% compared to September 2019. In addition, routes between Asia Pacific and other regions (Chart 4) still lag the performance of major international traffic routes.

**Chart 4:** Seasonally adjusted international RPKs, selected routes



In Europe, airlines have maintained stable growth, achieving 78.3% growth in international RPKs over the year to September and reaching 78.4% of pre-crisis levels. While recovery to 2019 levels is stable averaging 77% over the past four months, international RPKs performed by European carriers has grown significantly in seasonally adjusted terms since the beginning of this year. Within the region, international traffic is 74.8% of 2019 levels.

Airlines in Latin America have achieved clear growth in international RPKs from January to September 2022, rising from 52% to 78% of their 2019 levels. Seat capacity is up 73.7% YoY, however still down 22% compared to September 2019. On the other hand, the passenger load factor is up 0.8ppts from the same period in 2019, at 83.5%. Additionally, routes between

the Latin American region and the rest of the world continue to deliver strong results (Chart 4).

**North America** recorded 128.9% YoY growth in international RPKs this month reaching 89.4% of pre-crisis levels, a 4.0ppts increase from August 2022. North American carriers are still the best performers on international traffic (Chart 3).

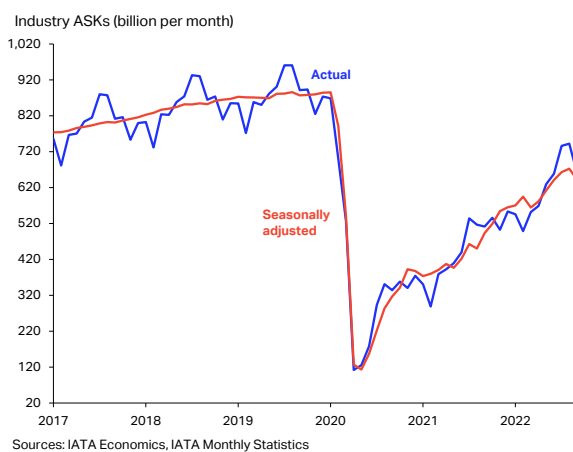
**Middle Eastern carriers** recorded growth of 149.7% YoY in September. International RPKs now sit 16.8% below pre-covid figures. The passenger load factor increased by 27.6ppts from last year, to 80.0% this month. Seasonally adjusted traffic figures continue to suggest a strong upwards trend, while traffic between the Middle East and North America, and Europe continue to outperform (Chart 4).

For airlines based in **Africa**, September was another month of steady recovery with 90.5% YoY growth. International RPKs have recovered consistently accelerating in 2022. Nevertheless, RPKs remain 26.4% lower than in the same month of 2019.

**Industry-wide available-seat kilometers decline slightly, uneven outcomes globally**

In seasonally adjusted terms, industry-wide ASKs declined 4.5% month-on-month. Over the world, airlines in different regions have achieved different results. Airlines of Asia Pacific and Europe offered less seat capacity than the month before, while elsewhere, airlines continued to increase capacity.

**Chart 5:** Passenger ticket sales, Domestic and International, YoY% versus 2019

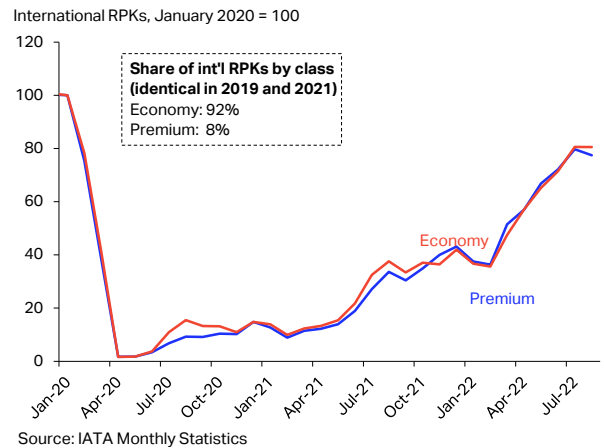


**Premium and Economy demand continue to recover**

Recovery trends for traffic in the **Premium and Economy cabin classes** remain broadly aligned, apart from the recent summer season during which economy class travel took the lead. Economy class RPKs – which include premium economy (and account for 92% of total RPKs) – reached 80.53% of their January 2020 level in July 2022. Premium RPKs –

which capture travel in first and business class cabins – fared nearly as well at 77.48% of the January 2020 level (**Chart 6**). In all regions, premium and economy class RPKs have recovered at a similar rate over the past few months.

**Chart 6:** International RPKs by cabin class

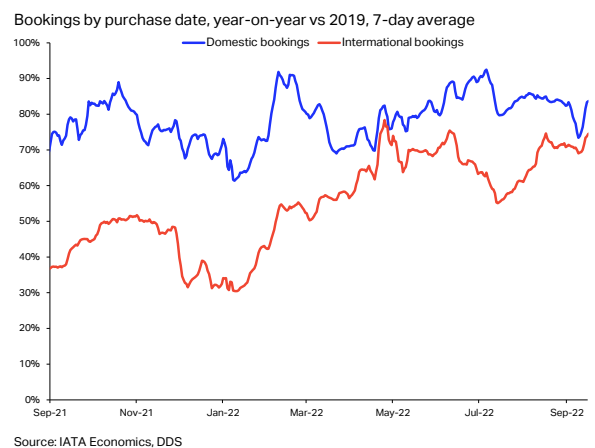


**Bookings resilient globally, international bookings recovery closing in on domestic**

The lifting of travel restrictions in the Asia Pacific have been met positively by consumers., In particular, international bookings to key tourist destinations in the region have greatly increased as a result.

Domestic bookings on the other hand have not seen broad changes in September, apart from the renewed restrictions in China. While demand for domestic travel globally has been resilient, bookings have been largely trending sideways in recent months. As a result, international bookings closed in once again on domestic as demand for international travel is enabled by easier travel policies (Chart 7). Overall, forward bookings continue to give an optimistic outlook despite the macroeconomic pressures on the industry and passengers.

**Chart 7:** Passenger ticket sales, Domestic and International, YoY% versus 2019



## Air passenger market in detail - September 2022

	World share <sup>1</sup>	September 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>57.0%</b>	<b>29.1%</b>	<b>14.5%</b>	<b>81.6%</b>	<b>73.9%</b>	<b>46.3%</b>	<b>12.3%</b>	<b>77.6%</b>
Africa	1.9%	89.2%	50.2%	15.3%	74.3%	81.2%	49.5%	12.4%	71.0%
Asia Pacific	27.5%	51.9%	22.2%	14.6%	74.7%	26.0%	13.8%	6.7%	69.5%
Europe	25.0%	60.4%	34.1%	13.9%	84.7%	131.0%	88.0%	14.9%	80.1%
Latin America	6.5%	47.8%	39.4%	4.7%	82.3%	79.4%	66.7%	5.7%	81.0%
Middle East	6.6%	138.6%	57.7%	26.9%	79.5%	183.5%	78.6%	27.4%	74.1%
North America	32.6%	39.7%	18.1%	13.3%	85.5%	55.8%	34.6%	11.3%	83.2%
<b>International</b>	<b>37.7%</b>	<b>122.2%</b>	<b>64.2%</b>	<b>21.5%</b>	<b>82.2%</b>	<b>191.1%</b>	<b>101.9%</b>	<b>23.6%</b>	<b>77.1%</b>
Africa	1.5%	90.5%	47.2%	16.7%	73.6%	85.1%	48.2%	14.0%	70.2%
Asia Pacific	3.1%	464.8%	165.3%	41.5%	78.3%	365.1%	119.5%	37.0%	70.0%
Europe	18.7%	78.3%	43.8%	16.3%	84.1%	183.2%	113.9%	19.4%	79.4%
Latin America	2.1%	99.4%	73.7%	10.8%	83.5%	152.7%	111.9%	13.2%	81.8%
Middle East	6.0%	149.7%	63.5%	27.6%	80.0%	202.4%	87.3%	28.3%	74.4%
North America	6.2%	128.9%	63.0%	24.6%	85.4%	160.6%	83.9%	23.6%	80.3%
<b>Domestic</b>	<b>62.3%</b>	<b>6.9%</b>	<b>-3.2%</b>	<b>7.6%</b>	<b>80.6%</b>	<b>13.7%</b>	<b>6.9%</b>	<b>4.7%</b>	<b>78.3%</b>
Dom. Australia <sup>4</sup>	0.8%	276.0%	144.9%	29.4%	84.4%	91.3%	56.7%	13.9%	77.1%
Domestic Brazil <sup>4</sup>	1.9%	14.9%	15.8%	-0.6%	80.5%	43.6%	43.4%	0.1%	79.3%
Dom. China P.R. <sup>4</sup>	17.8%	-46.4%	-45.9%	-0.6%	67.0%	-39.0%	-33.1%	-6.3%	65.4%
Domestic India <sup>4</sup>	2.0%	42.6%	30.7%	6.6%	78.9%	86.4%	61.6%	10.5%	79.2%
Domestic Japan <sup>4</sup>	1.1%	127.9%	44.9%	23.8%	65.2%	95.3%	53.6%	12.3%	57.8%
Domestic US <sup>4</sup>	25.6%	16.8%	3.7%	9.6%	85.4%	30.6%	18.2%	8.0%	84.4%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

<sup>4</sup>Note: the seven domestic passenger markets for which broken-down data are available account for approximately 54% of global total RPKs and 86% 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.

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		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>-26.2%</b>	<b>-25.9%</b>	<b>-0.3%</b>	<b>81.6%</b>
Africa	1.9%	-23.1%	-25.0%	1.8%	74.3%
Asia Pacific	27.5%	-51.9%	-48.4%	-5.5%	74.7%
Europe	25.0%	-19.0%	-17.2%	-1.9%	84.7%
Latin America	6.5%	-10.4%	-10.8%	0.4%	82.3%
Middle East	6.6%	-16.6%	-21.2%	4.5%	79.5%
North America	32.6%	-3.8%	-6.9%	2.8%	85.5%
<b>International</b>	<b>37.7%</b>	<b>-30.1%</b>	<b>-30.6%</b>	<b>0.5%</b>	<b>82.2%</b>
Africa	1.5%	-26.4%	-27.9%	1.5%	73.6%
Asia Pacific	3.1%	-58.5%	-58.4%	-0.2%	78.3%
Europe	18.7%	-21.6%	-19.1%	-2.7%	84.1%
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Domestic Japan <sup>4</sup>	1.1%	-24.4%	-10.0%	-12.4%	65.2%
Domestic US <sup>4</sup>	25.6%	0.4%	-3.0%	2.9%	85.4%

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7 November 2022

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