

# IATA records healthy growth of 6.3% for global passenger demand

The International Air Transport Association has announced its global passenger traffic results for October. The results reveal that demand (measured in revenue passenger kilometers, or RPKs) rose by 6.3% compared to October 2017; marking a rebound from 5.5% growth recorded in September, which was an eight-month low.



ty\_yang via [Pxabay](#)

Here, capacity also grew 6.3% and load factor was flat at 81.1%, matching last year's record for the month.

"October's healthy performance is reassuring after the slower demand growth in September—some of which was attributable to weather-related disruptions. However, the bigger picture is that traffic growth has moderated compared to earlier in the year, reflecting a more mixed economic backdrop and reduced demand stimulation from lower fares," said Alexandre de Juniac, IATA's director general and CEO.

## International passenger markets

October international passenger demand rose by 6.3% compared to October 2017, up from 5.1% growth in September. Airlines in all regions recorded gains, with total capacity climbing by 6.1%, and a load factor reflecting an increase of 0.1 percentage points to 79.8%.

**European carriers'** October demand climbed by 7.5% over October 2017, which was the strongest growth among regions and well up on the 5.3% increase for September. Here, capacity rose by 7.0%, while the load factor edged up by 0.4 percentage points to 85.2% - the highest among regions. Given mixed signals on the economic situation for the region, it's unclear if the rebound is sustainable.

**Asia-Pacific airlines'** traffic rose 5.8% compared to the year-ago period, up from 5.4% year-over-year growth in September. Capacity climbed 5.4% and load factor rose 0.3 percentage points to 78.9%. Underlying passenger demand is continuing to be supported by structural changes, including rising living standards in the region, as well as network changes that stimulate demand.

**Middle East carriers** experienced a 4.4% rise in demand in October compared to 2017 – the slowest among the regions for the seventh time in 12 months. It was, however, an increase over the 3.3% increase in September. Capacity increased by 6.4%, and the load factor slid down by 1.3 percentage points to 69.8% - the lowest among regions. Carriers have been buffeted by policy measures and geopolitical tensions in recent years, including the ban on portable electronic devices and travel restrictions. However, while volatile, passenger volumes are trending up solidly in seasonally-adjusted terms.

**North American airlines'** traffic climbed by 5.6% in October compared to the year-ago period, which was up from 4.9% growth in September. A strong momentum in the US economy is helping to drive robust international demand. Here, capacity rose by 3.7%, while the load factor surging up by 1.4 percentage points to 80.4%.

**Latin American airlines** were the only carriers to experience a slowdown in growth as demand rose by 5.9% versus 6.3% in September. Here, the capacity climbed by 9.1%, while the load factor dropped by 2.4 percentage points to 80.4%.

**African airlines'** traffic grew 6.8% year-on-year in October, raised from 6% annual growth in September. The upward trend in passenger demand remains strong notwithstanding challenges in the economic backdrop of the continent's largest economies, Nigeria and South Africa. Capacity rose 5.5%, and load factor climbed 0.9 percentage point to 70.3%.

## Domestic passenger markets

Domestic demand climbed by 6.4% compared to October 2017, unchanged from September, while capacity rose by 6.7%. The load factor slipped by 0.2 percentage points to 83.3%. China, India and Russia led all markets with double-digit growth rates.

October 2018 (% year-on-year)	World share <sup>1</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>Domestic</b>	<b>35.9%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>-0.2%</b>	<b>83.3%</b>
Australia	0.9%	1.0%	0.0%	0.8%	82.4%
Brazil	1.2%	3.4%	5.8%	-1.9%	81.4%
China P.R.	9.1%	12.2%	11.1%	0.8%	85.2%
India	1.4%	15.0%	17.4%	-1.7%	83.1%
Japan	1.1%	1.7%	2.2%	-0.4%	75.1%
Russian Fed.	1.4%	11.7%	8.8%	2.2%	83.8%
US	14.3%	4.3%	5.6%	-1.1%	84.8%

<sup>1</sup>% of industry RPKs in 2017 <sup>2</sup>Year-on-year change in load factor <sup>3</sup>Load factor level

\*Note: the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

Russia enjoyed double-digit domestic traffic growth for the third consecutive month as traffic rose by 11.7% compared to

the year-ago period.

Japan's domestic demand recovered after the significant typhoon-related disruptions in September; causing traffic to decline by 4.7% compared to a year ago, while October traffic rose by 1.7%.

## **The big picture**

"Demand for air travel is strong as we head into the holiday travel season. Trade wars and uncertainty around the political and economic impact of Brexit remain concerns but the recent easing of fuel prices is a welcome development," concluded de Juniac.

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