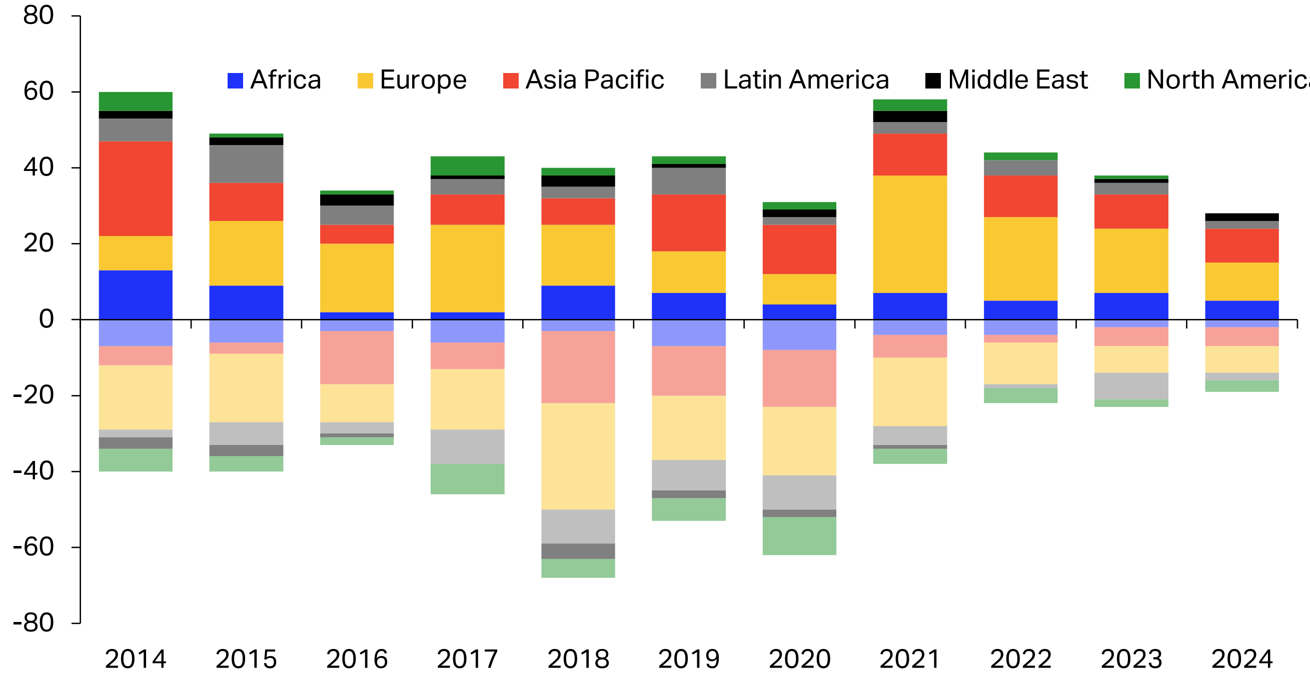
Chart of the Week

7 February 2025

Fewer new airlines starting but also fewer exits

Number of airlines starting and ending operations by region



Source: IATA Sustainability and Economics, based on public sources as well as FR24 data under license

- In 2024, 28 new airlines started operations, while 19 airlines ceased flying. This marks the lowest number in a decade for both new entrants and exits, which may signal a temporary market stabilization.
- Looking back at 2024 and the past decade, Europe and Asia-Pacific emerged as the leading regions for new airline launches. This can be explained by the market liberalization and the robust economic growth respectively. In contrast, North America saw a relatively small number of new operators, reflecting its status as a mature and consolidated market.
- The number of new airlines starting operations has been on a downward trend since a peak in 2021, a year marked by numerous post-COVID reorganizations that temporarily boosted these figures. The low number of new airline entrants in 2024 can be attributed to a combination of economic, supply chain, and geopolitical challenges. Economic uncertainty played a major role, as global inflation, rising operating costs, and borrowing costs, have made it challenging for new airlines to secure the necessary funding and resources to launch operations. Additionally, on-going supply chain disruptions continued to affect the availability of aircraft and parts, leading to delays and increasing costs for new entrants trying to enter the market. Conflicts in regions such as the Middle East, Africa, and Eastern Europe have created an unstable environment for air travel. Furthermore, stricter regulatory requirements have added to the operational complexities and costs that new entrants face.
- The number of airlines that ceased operations has also declined. Last year, seven low-cost carriers, eleven traditional airlines, and one cargo airline halted their operations. Only three cases involved transformation and mergers, while the rest had to exit the market due to financial difficulties and intense competition.

IATA Sustainability & Economics

economics@iata.org