

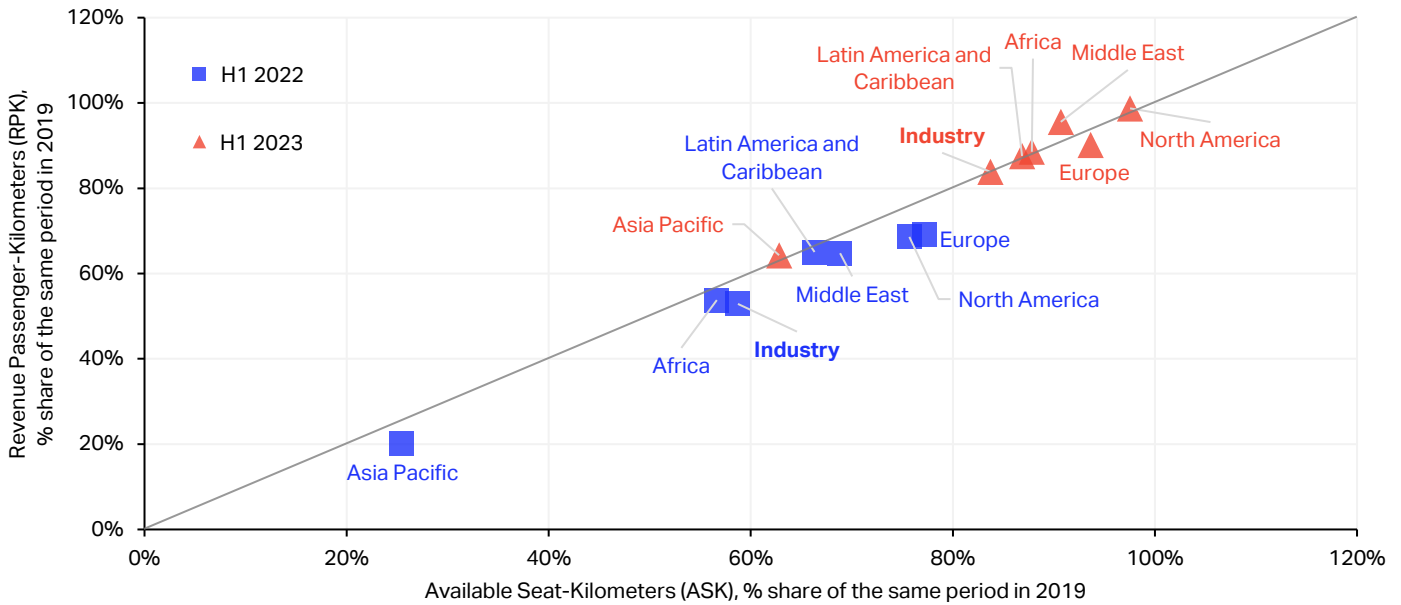


Chart of the Week

11 August 2023

Int'l RPK and ASK growth realign, restore load factors

International passenger traffic and capacity growth by airline region of registration, H1 2022 and H1 2023



Source: IATA Sustainability and Economics, IATA Monthly Statistics

- Our latest [Air Passenger Monthly Analysis](#) highlighted the very positive developments achieved by the global air passenger industry over the first half (H1) of this year. Domestic passenger traffic has rebounded beyond pre-pandemic levels, fueled by robust demand across all regions. This resurgence was bolstered by the strong performance of major domestic markets, including the US and PR China. On the other hand, international traffic is still recovering, but at a rapid pace propelled by pent-up demand.
- In H1 2022, European and North American airlines led the global recovery in terms of international revenue passenger-kilometers (RPKs) and available seat-kilometers (ASKs). They benefitted from the earlier lifting of travel restrictions, while the Omicron variant significantly limited air travel in the Asia Pacific region. Nevertheless, all regions' capacity growth outpaced demand in H1 2022 (as indicated by the 2022 data points positioned below the diagonal in the chart above). Consequently, the industry-wide passenger load factor remained 8.1 percentage points (ppts) lower than pre-pandemic levels, standing at 73.1%.
- As the entire industry continued to converge towards full traffic restoration in H1 2023, the recovery gap between regions has narrowed. With the removal of remaining travel restrictions, RPKs grew faster than ASKs during this period, pushing passenger load factors to 81.4%, 0.2 ppts above 2019 levels. Europe remains the only region situated below the diagonal in H1 2023, as the seat capacity offered by airlines continues to outpace passenger traffic in this region.
- This year's higher load factors also signify improved financial health for airlines, a welcome development considering the current challenges faced by the industry and the broader global economy. Further restoration of traffic in the Asia Pacific region is likely to drive the industry-wide recovery in international air travel, given that airlines from the region performed 30% of international RPKs in 2019, the second-largest share, trailing behind European airlines with a 38% share in the same year.

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