

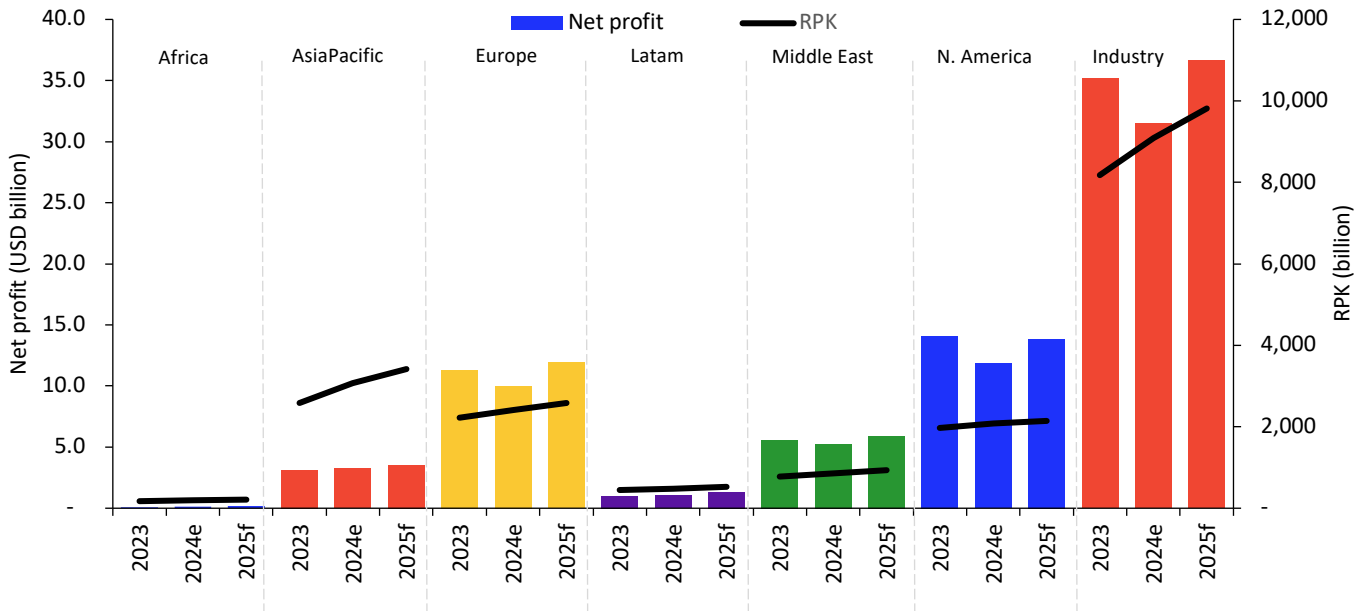


Chart of the Week

20 December 2024

North America and Europe show highest profits in 2025

Net profit by region, USD billion (left), and revenue passenger kilometer, billion (right)



Source: IATA Sustainability and Economics, Airfinance Global

- While not all regions will show increased net profits in 2024, we anticipate that every region will see growth in their bottom lines in 2025, culminating in USD 36.6 billion for the industry.
- North America** continues to dominate in terms of absolute net profit results. However, it is the only region that has yet to match its pre-pandemic profitability levels. The weaker performance is mainly caused by the low-cost (LCC) segment, which has continued to lag since the pandemic. **Europe** has been facing numerous challenges in 2024, including rising wages, fleet groundings, noise-related flight restrictions, and higher airport charges and national taxes. Profits will decrease slightly to USD 10 billion in 2024, representing a net margin of 3.9%. However, 2025 should benefit from healthy growth in RPKs at 7%, helped by the expected improvement in the LCCs.
- Asia Pacific** recorded a stellar RPK growth rate of 18.6% this year, compared to 2023. We estimate a net profit for the region in 2024 of USD 3.2 billion, which corresponds to a 1.3% net margin. In 2025, we expect profitability to improve further on the back of still-strong traffic growth and higher load factors. This should lift the net profit to USD 3.6 billion. **The Middle East** is likely to show a net profit of around USD 5.3 billion and a 7.7% net profit margin in 2024. Middle Eastern carriers established their globally prominent position a decade ago but turned profitable only in the wake of the covid pandemic, benefiting from the region's subsequent robust economic performance, strong investment activity, and geopolitical situation.
- Latin America** has seen a steady improvement in financial performance since 2020 but is expected to generate a net profit limited to USD 1 billion in 2024, broadly unchanged from 2023. This figure is expected to improve in 2025 to USD 1.3 billion, thanks to the conclusion of several Chapter 11 proceedings and more favorable exchange rate movements. **Africa** is set to deliver a marginal but encouraging profit of around USD 0.1 billion in 2024, and a small increase in 2025.

Chart of the week will be back on January 17, 2025

IATA Sustainability & Economics

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