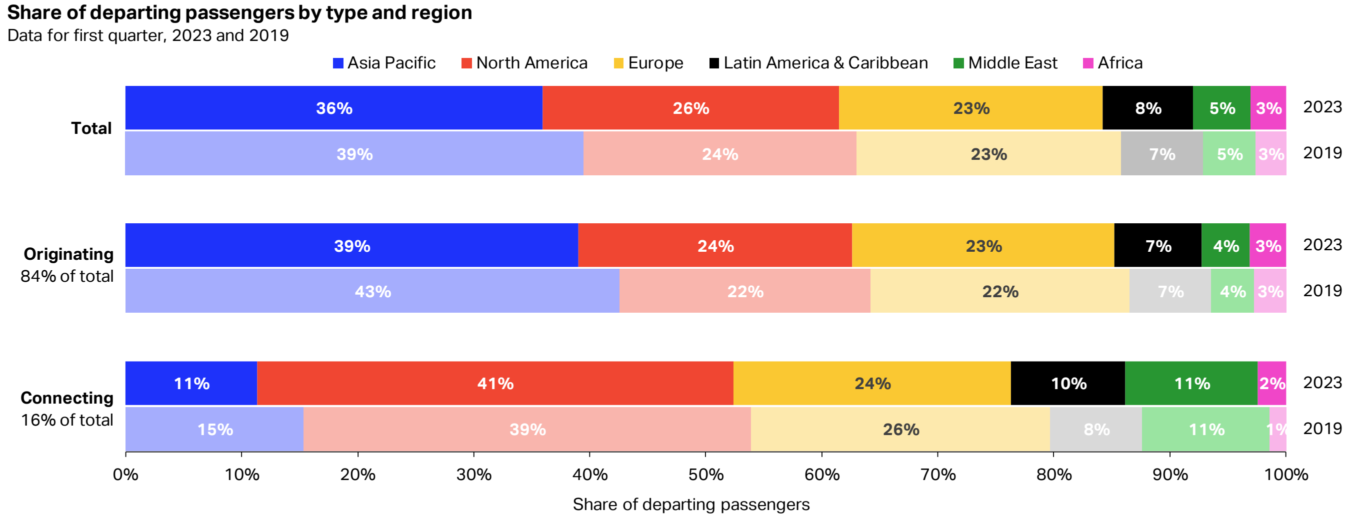
Chart of the Week

4 August 2023

Regions maintain shares of originating and connecting pax



Source: IATA Sustainability and Economics, using data from DDS (updated Sep 2023).

- Despite the staggered re-opening between countries and regions, which has influenced the pace of the post-Covid recovery across aviation markets, it is interesting to note how stable the global traffic share of different regions has remained. In the first quarter (Q1) of 2023, the Asia Pacific region remained the largest market, accounting for 36% of departing passengers, followed by North America and Europe with 26% and 23%, respectively, all of which are remarkably close to their shares in Q12019.
- The majority of departing passengers, accounting for as much as 84% in both 2023 and 2019, are originating passengers who are commencing their journeys, while the remaining 16% are connecting passengers. In Q12023, departing passengers from the Asia Pacific region made up 39% of all originating passengers, somewhat lower than their 43% share in 2019. However, this can be expected to increase again as the post-pandemic recovery matures in the region. Moreover, Asia's population growth and rising incomes will likely drive the region's share of global originating passengers beyond the 2019 level in due course. It is therefore doubtful whether North America and Europe will be able to maintain the marginal increases in their market shares of originating passengers observed between 2019 and 2023. The shares of other regions were essentially unchanged over the same period.
- Changes in the proportions of connecting passengers have been more noticeable. Following the reopening of China in Q12023, the Asia Pacific region's departing passengers made up 11% of all connecting passengers but were still down from 15% in Q12019. Meanwhile, North America had a dominant 41% share of global connecting passengers, owing to the strong hub-and-spoke operations in the US that facilitate connecting domestic and international travel. European airports accounted for around 24% of connecting passengers.
- While Latin America maintained its share of global originating passenger traffic, it gained some market share in global connecting passengers, rising from 8% to 10%. Middle East airports, due to their advantageous geographic positioning enabling efficient connecting points between continents, accounted for a disproportionately higher share of connecting passengers, at 11% in 2023 and 2019, compared to their 4% share of originating passengers. Africa had the same share of global originating and connecting passengers, 3% and 2%, respectively, in both 2023 and 2019.
- Looking ahead, the proportions of originating and connecting traffic in each region will continue to be influenced by key factors, including geography, airline network strategies, income levels, air travel costs, and the population size of regional markets, all of which will drive the future demand for air travel.

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