



# Air Passenger Market Analysis

June 2022

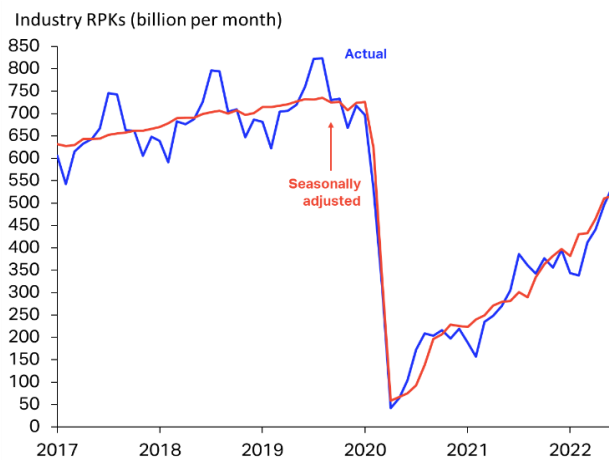
## Strong global recovery trend persists in June

- Global air passenger demand continued its strong recovery, with Revenue passenger kilometers (RPKs) rising by 76.2% in year-on-year (YoY) terms in June.
- International RPKs grew by 229.5% YoY and domestic RPKs increased by 5.2% YoY. Domestic traffic levels are now 18.6% below their pre-pandemic 2019 levels.
- The industry-wide passenger load factor was 82.4% in June, up 12.9 percentage points (pp) over the past year and returning to above 80% for the first time since January 2020.
- Looking ahead, the re-opening of the Asia Pacific markets will provide renewed impetus to the global passenger recovery while inflation and higher interest rates may eventually begin to dampen the pent-up demand for air travel.

### Industry continues to reach for pre-pandemic levels

In June 2022, industry-wide revenue passenger-kilometers (RPKs) grew by 76.2% YoY. The global industry recovery is now well-entrenched and RPKs have now risen to 70.8% of 2019 levels (**Chart 1**).

**Chart 1:** Global air passenger volumes (RPKs)



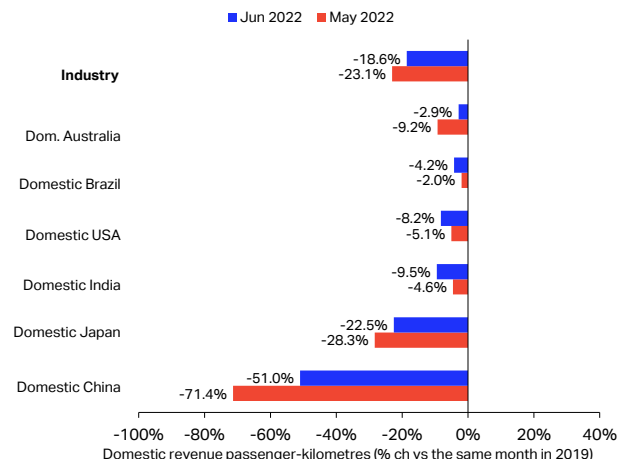
The industry-wide passenger load factor (PLF) returned to above 80% for the first time since January 2020 and has increased by 12.9pp over the past year. Both the domestic and international PLFs are above 80%, with the latter increasing significantly – by almost 30pp – over the past 12 months.

### Domestic air traffic volumes resilient, major improvements in China

Industry-wide domestic RPKs grew by a solid 5.2% over the year to June, showing a tentative indication of moving out of the clear sideways trend that has prevailed over the past 9 months or so.

Compared with June 2019, global RPKs are still almost 20% lower (**Chart 2**).

**Chart 2 – Domestic RPK growth (airline region of registration basis), YoY% ch vs 2019**



In **China**, domestic RPKs surged this month, increasing by 70.2%. After a period of strict Covid-related lockdowns, China is gradually reopening to air travel.

	World share <sup>1</sup>	June 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>76.2%</b>	<b>48.5%</b>	<b>12.9%</b>	<b>82.4%</b>	<b>82.9%</b>	<b>52.3%</b>	<b>12.5%</b>	<b>74.6%</b>
International	37.7%	229.5%	118.4%	28.1%	83.4%	264.3%	128.3%	27.3%	73.0%
Domestic	62.3%	5.2%	2.3%	2.2%	81.1%	14.0%	7.1%	4.7%	76.6%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

Compared with June 2019, traffic levels within the country are still down 51.0%, although this represents a significant improvement on the -71% outcome observed last month. The experience in many other countries is that domestic air travel demand rebounds sharply once restrictions are eased. While in its early stages, China so far appears to be following a similar path in this regard.

US domestic traffic remained essentially unchanged in June compared with May, increasing by just 0.3%. Compared with the same month in 2019, traffic volumes eased a little on this occasion to be 8.2% below the June 2019 level, from a decline of around 5% in May.

In Brazil, domestic passenger volumes are up 37.6% YoY in June, and are now just 4% below the level of 2019. That said, the level of domestic RPKs has been trending broadly sideways for the past five months.

Contrasting fortunes were evident in India and Japan this month. For India, domestic RPKs increased by 264.4% YoY, but a decline in the monthly result saw the comparison with the 2019 level fall to -9%. In Japan, the domestic market recovery continued in June, with traffic volumes up 146% YoY. Domestic RPKs are 22.5% below their pre-pandemic level.

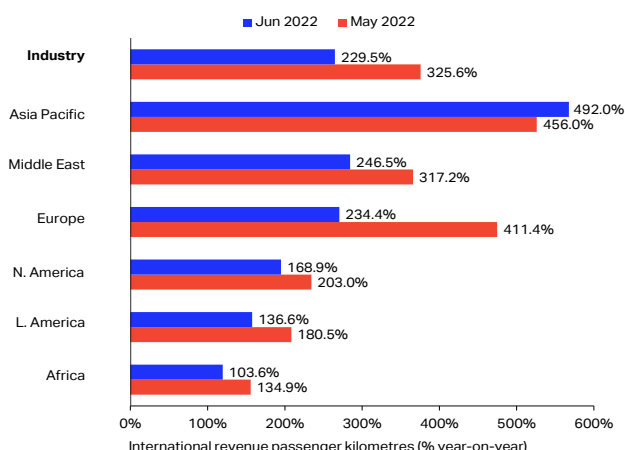
The domestic market in Australia recorded a relatively modest 5.7% MoM increase in June. However, this moves local traffic to within just 3% of its pre-pandemic level.

Insufficient data do not allow us to report on market developments for domestic Russia.

### International traffic continues its strong recovery

International RPKs rose by 229.5% YoY in June, sustaining the recent strong growth outcomes (Chart 3).

**Chart 3:** International RPK growth (airline region of registration basis), %YoY



Sources: IATA Economics, IATA Monthly Statistics

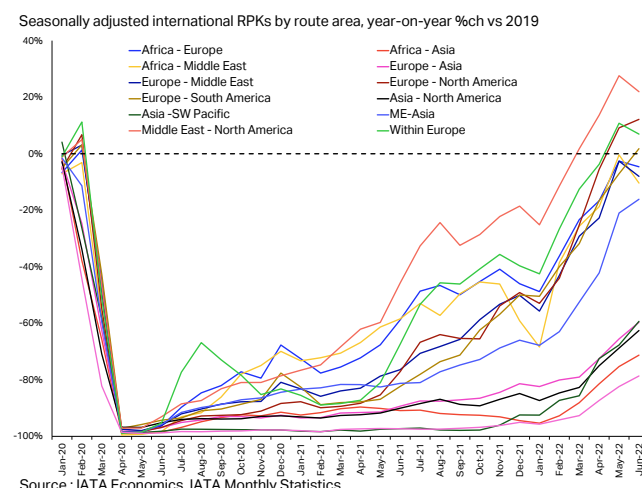
Although the YoY growth rate has slowed in recent months from an unsustainable pace, this more reflects some very strong monthly gains in 2021 dropping out of the annual calculation, rather than a weakening of the recovery.

Across regions, the recovery in international RPKs has continued apace, alongside the reduction or removal of travel restrictions and the re-opening of markets.

Airlines based in Asia Pacific recorded the strongest YoY growth rates for international RPKs this month, at 492.0%. This sharp uptake reflects the recent policy decisions in countries including Japan and China to re-open travel markets.

However, this international recovery is still in its early stages, with traffic levels still more than 70% lower than their pre-pandemic 2019 levels. This is highlighted in the route area data shown in Chart 4, where the main Asia Pacific routes lag those of other regions by some margin.

**Chart 4:** Seasonally adjusted international RPKs, selected routes



Airlines based in Europe recorded growth of 234.4% in international RPKs over the year to June. Traffic is currently around 20% below the 2019 level. The Within Europe market remains one of the strongest performers at the route area level, with RPKs almost 7% above the pre-pandemic level in seasonally adjusted terms.

Carriers in Latin and North America recorded YoY growth in international RPKs of 136.6% and 168.9% respectively. For North America, international RPKs are now 16.5% below their 2019 level, the best performing of all regions for this metric. International RPKs for the Latin American carriers are currently 27% below the pre-pandemic level.

Strong outcomes on some of the key international markets were sustained in June including:

- North America – Central America: 9.2% above the level of June 2019;
- Middle East – North America: 21.9% above 2019; and
- Europe – North America: 12.2% above 2019.

For [Middle East](#) airlines, the recovery in international traffic also continues on a strong trend, with volumes up 246.5% YoY in June – a performance second only to Asia Pacific. International RPKs are currently around 25% below their level of June 2019.

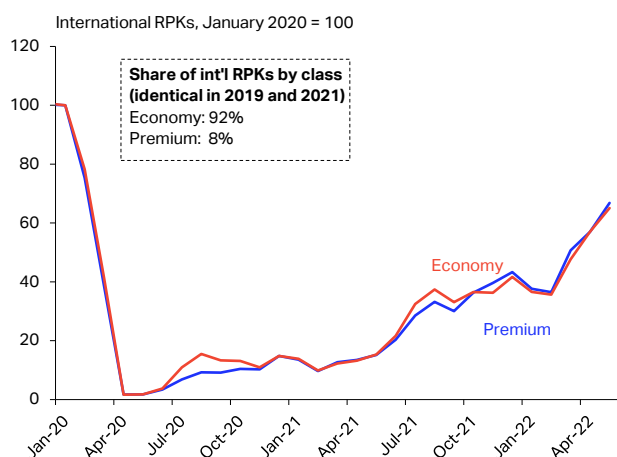
Airlines based in [Africa](#) recorded a doubling of international RPKs over the year to June, with an increase of 103.6%. In total, international RPKs have recovered to be around 35% below their 2019 level at present. At a route area level, the performance of international traffic between Africa and neighboring regions is approaching pre-pandemic levels:

- Africa – Europe: 4.6% below June 2019; and
- Africa – Middle East: 10.4% below 2019.

#### Aligned recovery continues for Premium and Economy cabins

The broad recovery trends for traffic in the [Premium and Economy](#) cabins remained aligned in June. Economy RPKs – which include premium economy (and account for 92% of total RPKs) – were at 65.1% of their January 2020 levels in May 2022. Premium RPKs – which capture travel in first and business class cabins – were at 66.8% of January 2020 traffic levels in May (**Chart 5**).

**Chart 5:** International RPKs by cabin class



Source: IATA Monthly Statistics

#### Industry capacity increases with passenger traffic

Industry-wide available seat-kilometers (ASKs) grew by 48.5% over the year to June, continuing the recovery in global capacity. However, capacity is still down around 28% compared with the level of 2019.

Across regions, total industry capacity is 11-12% below the pre-pandemic level in both North and Latin America. Unsurprisingly, given the developments noted above, the recovery in Asia Pacific lags that of the other regions, with capacity still 49% below the level of 2019.

Much of the added capacity is due to the recovery in international travel, where ASKs have increased by almost 120% over the past year. With the exception of Africa (62%) and North America (95%), all other regions have more than doubled available international capacity over this period.

In contrast, domestic ASKs have increased by a more modest 2.3% YoY. Of the main domestic markets that we monitor, ASKs in India have increased by around 180% and, despite recent developments, domestic China ASKs are down almost 40% YoY.

#### Domestic forward bookings on the rise, slowdown for international

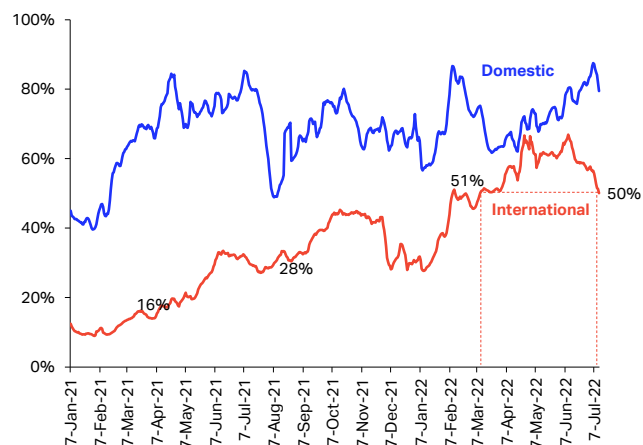
Looking through the volatility in the data, domestic bookings have been trending upwards strongly since March.

The performance of international bookings, however, has been more mixed. International forward bookings caught up to domestic sales for a period in May but have recently reversed course and have trended lower in recent weeks.

As these data are not seasonally adjusted, the recent pull-back could reflect the natural correction following the seasonal peak purchase period for the summer holiday season (**Chart 6**).

Overall, the latest bookings data suggest that, notwithstanding high energy prices, disruptions relating to labor and capacity constraints in some markets, and various other pressures on the industry, consumers' willingness to travel remains strong.

**Chart 6:** Passenger ticket sales (dom. vs. int'l), global, YoY% ch vs 2019



Source: IATA Economics, DDS

## Air passenger market in detail - June 2022

	World share <sup>1</sup>	June 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>76.2%</b>	<b>48.5%</b>	<b>12.9%</b>	<b>82.4%</b>	<b>82.9%</b>	<b>52.3%</b>	<b>12.5%</b>	<b>74.6%</b>
Africa	1.9%	97.1%	62.0%	13.2%	74.3%	81.7%	49.3%	12.2%	68.2%
Asia Pacific	27.5%	33.7%	18.9%	8.1%	72.9%	3.5%	0.5%	1.9%	65.6%
Europe	25.0%	155.1%	96.1%	19.9%	86.0%	217.0%	140.0%	18.5%	76.2%
Latin America	6.5%	74.0%	67.2%	3.2%	81.7%	99.1%	81.0%	7.3%	80.3%
Middle East	6.6%	216.8%	89.3%	31.1%	77.2%	213.9%	87.1%	28.5%	70.6%
North America	32.6%	39.2%	26.4%	8.2%	89.1%	74.5%	44.7%	13.8%	81.0%
<b>International</b>	<b>37.7%</b>	<b>229.5%</b>	<b>118.4%</b>	<b>28.1%</b>	<b>83.4%</b>	<b>264.3%</b>	<b>128.3%</b>	<b>27.3%</b>	<b>73.0%</b>
Africa	1.5%	103.6%	61.9%	15.2%	74.2%	88.3%	48.9%	14.0%	67.1%
Asia Pacific	3.1%	492.0%	138.9%	45.8%	76.7%	280.7%	89.8%	31.5%	62.7%
Europe	18.7%	234.4%	134.5%	25.8%	86.3%	339.5%	189.2%	25.8%	75.6%
Latin America	2.1%	136.6%	107.4%	10.3%	83.3%	193.2%	134.7%	16.0%	80.5%
Middle East	6.0%	246.5%	102.4%	32.4%	78.0%	240.2%	97.1%	29.8%	70.8%
North America	6.2%	168.9%	95.0%	24.1%	87.7%	198.1%	93.1%	26.6%	75.6%
<b>Domestic</b>	<b>62.3%</b>	<b>5.2%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>81.1%</b>	<b>14.0%</b>	<b>7.1%</b>	<b>4.7%</b>	<b>76.6%</b>
Dom. Australia <sup>4</sup>	0.8%	78.6%	43.5%	15.9%	80.8%	41.0%	28.6%	6.4%	72.7%
Domestic Brazil <sup>4</sup>	1.9%	37.6%	47.3%	-5.4%	75.4%	59.7%	51.1%	0.8%	78.6%
Dom. China P.R. <sup>4</sup>	17.8%	-45.0%	-37.6%	-8.9%	65.9%	-48.2%	-39.8%	-10.2%	62.8%
Domestic India <sup>4</sup>	2.2%	264.4%	179.8%	19.0%	81.8%	67.3%	38.2%	13.9%	80.0%
Domestic Japan <sup>4</sup>	1.1%	146.4%	79.7%	15.7%	58.2%	83.1%	56.4%	7.6%	52.2%
Domestic US <sup>4</sup>	25.6%	8.7%	4.1%	3.9%	89.8%	46.9%	28.2%	10.6%	83.4%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Year-on-year change in load factor

<sup>3</sup>Load factor level

<sup>4</sup>Note: the seven domestic passenger markets for which broken-down data are available account for approximately 54% of global total RPKs and 86% of total domestic RPKs

Note: The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.

## Air passenger market - 2022 vs. 2019

	World share <sup>1</sup>	June 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>-29.2%</b>	<b>-27.5%</b>	<b>-2.0%</b>	<b>82.4%</b>
Africa	1.9%	-31.4%	-34.3%	3.2%	74.3%
Asia Pacific	27.5%	-54.6%	-48.8%	-9.3%	72.9%
Europe	25.0%	-18.7%	-17.3%	-1.4%	86.0%
Latin America	6.5%	-13.8%	-12.1%	-1.6%	81.7%
Middle East	6.6%	-25.5%	-26.2%	0.8%	77.2%
North America	32.6%	-11.2%	-11.4%	0.2%	89.1%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Change in load factor vs same month in 2019

<sup>3</sup>Load factor level

	World share <sup>1</sup>	June 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>International</b>	<b>37.7%</b>	<b>-35.0%</b>	<b>-34.8%</b>	<b>-0.3%</b>	<b>83.4%</b>
Africa	1.5%	-34.7%	-37.6%	3.3%	74.2%
Asia Pacific	3.1%	-70.2%	-68.4%	-4.7%	76.7%
Europe	18.7%	-20.4%	-19.0%	-1.5%	86.3%
Latin America	2.1%	-27.0%	-26.5%	-0.7%	83.3%
Middle East	6.0%	-25.7%	-27.1%	1.6%	78.0%
North America	6.2%	-16.5%	-16.3%	-0.2%	87.7%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Change in load factor vs same month in 2019

<sup>3</sup>Load factor level

	World share <sup>1</sup>	June 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>Domestic</b>	<b>62.3%</b>	<b>-18.6%</b>	<b>-13.9%</b>	<b>-4.6%</b>	<b>81.1%</b>
Dom. Australia	0.8%	-2.9%	-5.9%	2.5%	80.8%
Domestic Brazil	1.9%	-4.2%	3.8%	-6.3%	75.4%
Dom. China P.R.	17.8%	-51.0%	-37.0%	-18.8%	65.9%
Domestic India	2.2%	-9.5%	-0.9%	-7.7%	81.8%
Domestic Japan	1.1%	-22.5%	-5.2%	-13.1%	58.2%
Domestic US	25.6%	-8.2%	-8.4%	0.2%	89.8%

<sup>1</sup>% of industry RPKs in 2021

<sup>2</sup>Change in load factor vs same month in 2019

<sup>3</sup>Load factor level

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 4 August 2022

### Get the data

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