

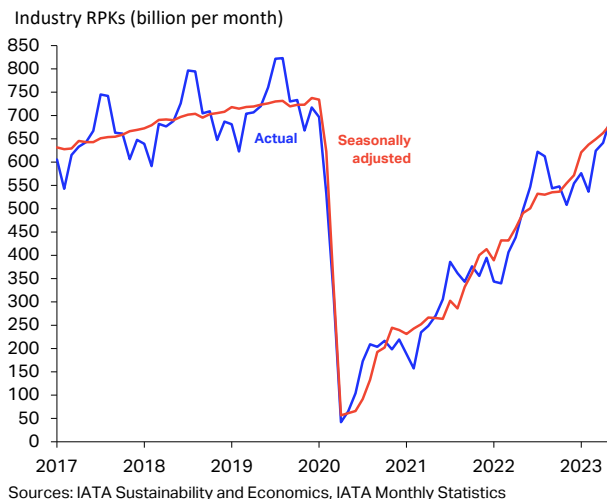
## Another month of solid traffic growth as load factors recover

- Global air passenger demand recorded solid growth in May, with industry-wide revenue passenger-kilometers (RPKs) increasing by 39.1% year-on-year (YoY) and reaching 96.1% of pre-pandemic levels.
- For the second month in a row, domestic RPKs outperformed their pre-Covid levels, rising 5.3% above 2019 RPKs.
- International RPKs continued to expand in May, growing by 40.9% YoY and restoring 90.8% of their 2019 levels. All regions experienced a positive evolution in international traffic demand, while Asia Pacific continued to stand out with 156.7% annual growth.
- Carriers in the Middle East and North America fully recovered their international passenger traffic, with RPKs 17.2% and 1.8% above 2019 levels, respectively.

### Demand and capacity continued to expand in May...

The annual growth in industry-wide revenue passenger-kilometers (RPKs) was 39.1% in May. While this expansion was 6.7 percentage points (ppts) slower than the previous month, growth in global traffic continues to signal a resilient recovery momentum. Seasonally adjusted RPKs rose by 2.8% month-on-month, maintaining the increasing traffic trend established in previous months (**Chart 1**).

**Chart 1** – Global air passengers, revenue-passenger kilometers (RPKs), billions per month



Global available seat-kilometers (ASKs) and passenger load factors (PLF) also increased by 35% and 2.4ppts, respectively, compared to a year ago. At 81.8%, May marked the first month that the global passenger load factor was fully restored to 2019

### Air passenger market overview - May 2023

	World share <sup>1</sup>	May 2023 (% year-on-year)				May 2023 (% ch vs the same month in 2019)			
		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>39.1%</b>	<b>35.0%</b>	<b>2.4%</b>	<b>81.8%</b>	<b>-3.9%</b>	<b>-3.9%</b>	<b>0.0%</b>	<b>81.8%</b>
International	58.0%	40.9%	34.7%	3.6%	82.3%	-9.2%	-11.2%	1.8%	82.3%
Domestic	42.0%	36.4%	35.3%	0.6%	81.0%	5.3%	9.4%	-3.1%	81.0%

<sup>1</sup>% of industry RPKs in 2022

<sup>2</sup>Change in load factor

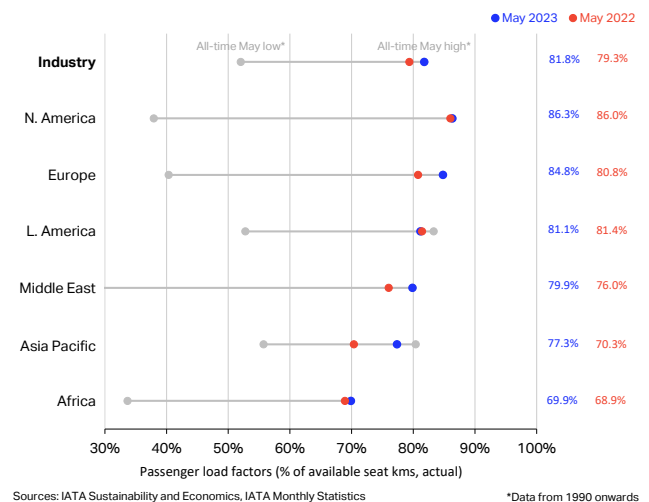
<sup>3</sup>Load factor level

levels. Moreover, the available seat capacity recovered to 96.1% of pre-crisis levels, a 3.6 ppts climb compared to April and the highest recovery level achieved so far.

### ... while load factors were up in most regions

The improvement in passenger load factors was widespread across regions, indicating strong demand for air travel amid a broad-based recovery. The highest load factor was recorded by North American carriers at 86.3% in May. European and Latin American airlines followed, with 84.8% and 81.1% load factors, respectively (**Chart 2**).

**Chart 2** – Passenger load factors, by airline region of registration

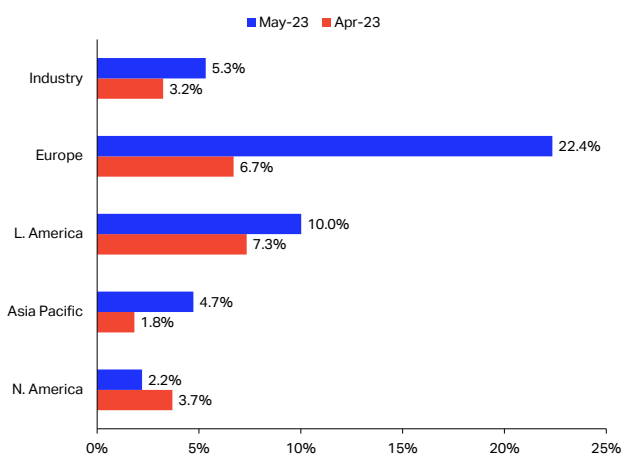


Carriers registered in the [Middle East](#) and [Asia Pacific](#) regions both witnessed an increase in their passenger load factors, which stood at 79.9% and 77.3%, respectively. However, load factors for [Asia Pacific](#) carriers remained 3ppts below pre-pandemic levels while Middle East outperformed their 2019 load factors by 6.8ppts. Load factors for airlines in [Africa](#) improved from the previous month, but at 69.9% they continued to be the lowest across all regions.

#### Domestic demand remained above 2019 levels...

Domestic RPKs rose by 36.4% YoY and stayed above their 2019 figures by 5.3%. [European](#) airlines stood out this month with a 22.4% increase in domestic traffic compared to 2019 levels, which was the highest growth recorded across all regions. Carriers in [Asia Pacific](#) and [Latin America](#) maintained their positive momentum and surpassed their pre-pandemic levels by 4.7% and 10%, respectively. In contrast, the expansion of domestic RPKs slowed down by 1.5ppts for [North American](#) carriers, while staying 2.2% above 2019 levels (**Chart 3**).

**Chart 3** – Domestic RPK growth by airline region of registration, YoY% change versus 2019



The growth in the domestic traffic for [Asia Pacific](#) airlines was in large part driven by the 312% annual increase in [China's](#) domestic passenger demand. Accounting for 6.4% of industry-wide domestic traffic, [China's](#) domestic RPKs were 7.8% above May 2019 levels this month (**Chart 4**).

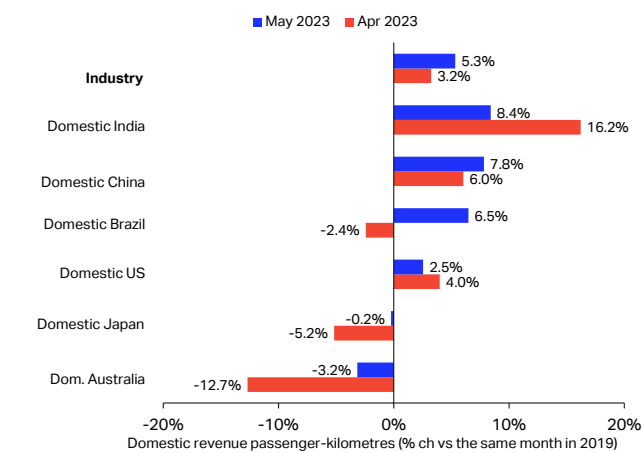
Carriers in [India](#) saw an easing in their domestic traffic growth, which slowed down from 18.3% YoY last month to 13.6% in May. Despite this slow down, domestic demand remained 8.4% above 2019 levels this month.

In the meantime, domestic RPKs for [Australia](#) grew by 2.1% YoY and recovered to 96.8% of 2019 levels while [Japan](#) experienced a 39% annual growth in RPKs to fully restore its pre-pandemic traffic.

The [US](#) domestic market experienced a 7.1% annual rise in passenger traffic this month. Growing faster than the 5.5% YoY increase recorded in April, domestic demand was 2.5% higher than 2019 levels.

[Brazil](#) achieved an important milestone in May, outperforming its domestic traffic levels from 2019 by 6.5% and joining the group of domestic market that have fully restored their pre-pandemic passenger traffic. Brazil's domestic passengers were 2.4% below pre-pandemic levels in April.

**Chart 4** – Domestic RPK growth by market, YoY% change versus 2019



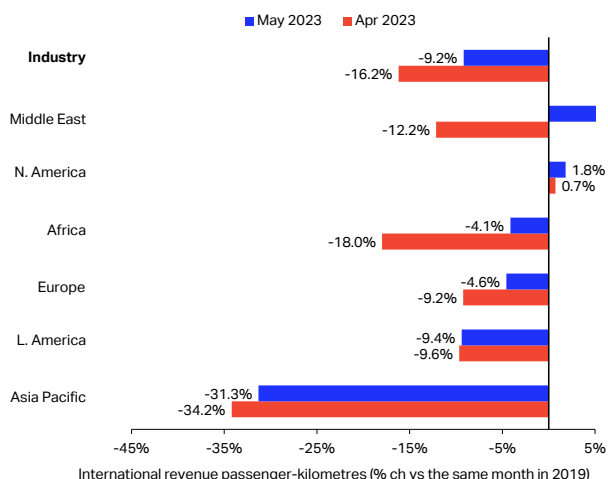
#### ... supported by robust capacity growth

Industry-wide domestic ASKs continued their strong expansion in May, exceeding their 2019 figures by 9.4%. Moreover, important domestic markets such as [China](#) and the [US](#), which account for more than 25% of the world's domestic market share, added 24.4% and 3.2% more capacity, respectively, than in 2019. [Australia](#) and [Japan](#), also two big markets for domestic travel, followed the global expansion trend with 3.4% and 7.1% annual growth in domestic capacity, respectively. However, only [Australia](#) outperformed its pre-pandemic capacity by 0.1%.

#### International traffic maintained its swift recovery ...

International RPKs continued to climb globally, growing 34.7% YoY, and now sitting only 9.2% under 2019 levels. Carriers from all regions achieved additional recovery in May 2023 compared to April (**Chart 5**), with [Middle Eastern](#) carriers experiencing a surge in traffic to be 17.2% above 2019 levels and now leading other regions in terms of recovery. [North American](#) carriers continued to over perform their pre-covid levels of traffic this month. Overall, international passenger load factors for most regions were higher in May compared to the same month in the previous year and in 2019.

**Chart 5 – International RPK growth by airline region of registration, YoY% change versus 2019**



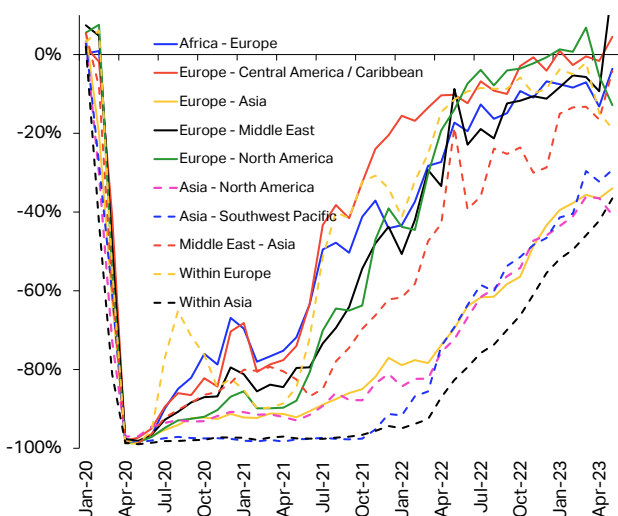
Sources: IATA Sustainability and Economics, IATA Monthly Statistics

... helped by the rise in Middle East passenger traffic

Route areas between Middle East and other regions have seen a surge in traffic in May. Passenger traffic from Europe to Middle East, increased 27ppts in recovery levels from April, now reaching 17.6% of May 2019 traffic numbers. Other thin markets have seen similar trends, such as Middle East – Asia and Africa – Middle East (Chart 6). Data on ticket sales also suggested that the Middle East region has seen a significant increase in connecting and direct traffic in May.

Reflecting these developments, carriers based in the region surpassed pre-Covid levels in international traffic for the first time in May. International RPKs were 17.2% above the same month in 2019.

**Chart 6 – International RPKs, YoY% change versus 2019 – Top 10 route areas in 2019, ranked by performed traffic level**



Source: IATA Sustainability and Economics, IATA Monthly Statistics

Recovery momentum remained strong in Asia Pacific...

Asia Pacific carriers continued to lead in growth among the regions, posting a 156.7% YoY increase in international RPKs. Available seat capacity also more than doubled, increasing 136.1% over the year, while the international passenger load factor witnessed by those airlines was 6.4ppts and 1.3ppts higher than last year and 2019, respectively. Compared to the same month in 2019, international RPKs remained 31.3% lower in May (Chart 5).

International passenger flows from and to Asia Pacific continued to ramp up, still propelled by the resilient recovery momentum the region has seen over the past year (Chart 6).

... while all regions saw further recovery

Compared to last month, all regions have made more progress towards full recovery (Chart 5). Carriers in North and Latin America saw a modest improvement in recovery levels, while growing international RPKs 31.0% and 26.3% YoY. Seat capacity also grew in line with demand, up 23.2% and 27.3% YoY, respectively. Growth in capacity accommodated the high demand for international air travel both regions are experiencing.

Passenger flows from and to the Americas remained strong this month again. Between North and Central America, RPKs stood 44.6% above their pre-pandemic levels largely explained by the fact that the seasonal pattern in traffic did not materialise in this market, resulting in larger traffic for May. Over the Atlantic, May results differed with RPKs from Europe to Central America surpassing 2019 levels by 4.5% while traffic from Europe to North America saw a contraction compared to pre-pandemic levels, now 12.9% under May 2019 international RPKs.

International RPKs operated by European carriers maintained a positive trend in May, reaching 95.4% of 2019 levels, mirroring the resilience in international markets from and within Europe.

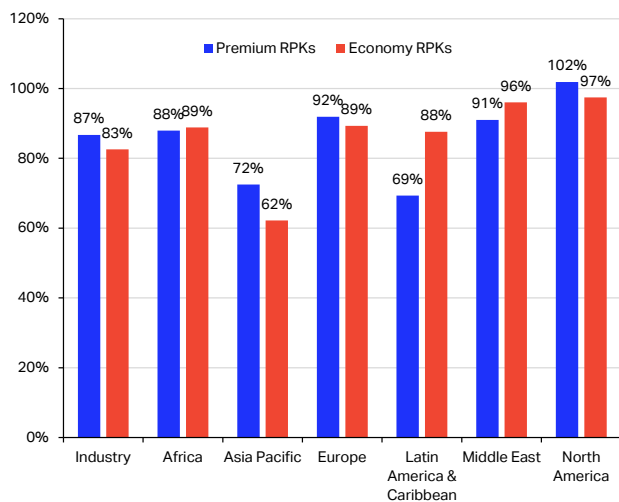
Premium cabin class traffic continued to recover ahead of Economy

At the industry level, premium international RPKs continued to recover ahead of economy RPKs. The balance of economy and premium cabin class traffic remained broadly unchanged this year over the considered period compared to the previous year, with premium class accounting for 8% of total international RPKs (Chart 7).

While the same observation can be made for carriers registered in the three main regions, - Europe, North America and Asia Pacific – carriers from Africa, Middle East and Latin America have experienced the opposite

trend. At the industry level, recovery between cabin classes remained aligned.

**Chart 7** – International RPKs Jan – May 2023 by cabin class, % share of the same period in 2019



Source: IATA Sustainability and Economics, IATA Monthly Statistics

## Air passenger market in detail - May 2023

	<i>World</i>	May 2023 (% year-on-year)				May 2023 (% ch vs the same month in 2019)			
	<i>share</i> <sup>1</sup>	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>39.1%</b>	<b>35.0%</b>	<b>2.4%</b>	<b>81.8%</b>	<b>-3.9%</b>	<b>-3.9%</b>	<b>0.0%</b>	<b>81.8%</b>
Africa	2.1%	38.6%	36.7%	0.9%	69.9%	-0.9%	-3.9%	2.1%	69.9%
Asia Pacific	22.1%	130.4%	109.5%	7.0%	77.3%	-15.0%	-11.7%	-3.0%	77.3%
Europe	30.8%	19.1%	13.5%	4.0%	84.8%	-1.9%	-3.1%	1.1%	84.8%
Latin America	6.4%	16.2%	16.5%	-0.2%	81.1%	-0.4%	2.2%	-2.1%	81.1%
Middle East	9.8%	30.1%	23.8%	3.9%	79.9%	16.2%	6.3%	6.8%	79.9%
North America	28.8%	14.0%	13.6%	0.3%	86.3%	2.1%	1.8%	0.2%	86.3%
<b>International</b>	<b>58.0%</b>	<b>40.9%</b>	<b>34.7%</b>	<b>3.6%</b>	<b>82.3%</b>	<b>-9.2%</b>	<b>-11.2%</b>	<b>1.8%</b>	<b>82.3%</b>
Africa	1.8%	45.2%	44.2%	0.5%	68.8%	-4.1%	-6.5%	1.7%	68.8%
Asia Pacific	8.9%	156.7%	136.1%	6.4%	80.0%	-31.3%	-32.5%	1.3%	80.0%
Europe	26.5%	19.8%	14.2%	3.9%	84.4%	-4.6%	-4.8%	0.2%	84.4%
Latin America	2.8%	26.3%	27.3%	-0.7%	83.8%	-9.4%	-9.1%	-0.2%	83.8%
Middle East	9.4%	30.8%	25.0%	3.6%	80.2%	17.2%	6.7%	7.2%	80.2%
North America	8.7%	31.0%	23.2%	5.1%	85.1%	1.8%	0.3%	1.3%	85.1%
<b>Domestic</b>	<b>42.0%</b>	<b>36.4%</b>	<b>35.3%</b>	<b>0.6%</b>	<b>81.0%</b>	<b>5.3%</b>	<b>9.4%</b>	<b>-3.1%</b>	<b>81.0%</b>
Dom. Australia <sup>4</sup>	1.0%	2.1%	3.4%	-0.9%	73.6%	-3.2%	0.1%	-2.5%	73.6%
Domestic Brazil <sup>4</sup>	1.5%	8.6%	6.2%	1.7%	76.5%	6.5%	13.6%	-5.2%	76.5%
Dom. China P.R. <sup>4</sup>	6.4%	312.0%	233.1%	13.9%	72.8%	7.8%	24.4%	-11.2%	72.8%
Domestic India <sup>4</sup>	2.0%	13.6%	2.7%	8.7%	91.6%	8.4%	6.6%	1.5%	91.6%
Domestic Japan <sup>4</sup>	1.2%	39.0%	7.1%	16.9%	73.8%	-0.2%	-1.2%	0.7%	73.8%
Domestic US <sup>4</sup>	19.2%	7.1%	9.6%	-2.0%	86.9%	2.5%	3.2%	-0.6%	86.9%

<sup>1</sup>% of industry RPKs in 2022

<sup>2</sup>Change in load factor

<sup>3</sup>Load factor level

<sup>4</sup>Note: the six domestic passenger markets for which broken-down data are available account for approximately 31.3% of global total RPKs and 74.6% 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.

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