IATA: SEPTEMBER SHOWS CONTINUED STRONG TRAFFIC DEMAND

News / Airlines

The International Air Transport Association (**IATA**) announced global passenger **traffic** results for **September** showing solid demand growth compared to September 2014 for domestic and international traffic.

Total revenue passenger kilometers (RPKs) rose 7.3% compared to the year-ago period, slightly above the 7.1% growth achieved in August. September capacity (available seat kilometers or ASKs) increased by 6.6%, and load factor rose 0.5 percentage points to 80.7%.

“The demand for air travel in September was robust—even with the economic slowdown in some key emerging markets such as China. The industry seems set for a positive end to 2015,” said Tony Tyler, IATA’s Director General and CEO.

International Passenger Markets

September international passenger demand rose 7.0% compared to September 2014, with airlines in all regions recording growth. Total capacity climbed 6.9%, and load factor edged up 0.1

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percentage points to 80.5%.

European carriers saw demand increase by 7.1%, supported by economic recovery in the region. Capacity climbed 6.6% and load factor rose 0.4 percentage points to 85.1%, highest among the regions.

Asia-Pacific airlines' September traffic rose 6.8% compared to the year-ago period. Capacity increased 5.9% and load factor climbed 0.7 percentage points to 77.0%. The healthy performance occurred in spite of notable declines in trade activity in Emerging Asia as well as slower than expected growth in China.

North American airlines' traffic climbed 4.1%, which was matched by a capacity expansion of 4.1%. As a result, load factor was flat at 82.4%. Expectations for better economic performance are supporting travel demand.

Middle East carriers had a 9.9% demand increase in September, well down on the 13.7% year-over year growth experienced in August, but still a very healthy result. Capacity rose 12.9% and load factor slipped 2.1 percentage points to 75.7%. Major economies in the region, including Saudi Arabia and the United Arab Emirates, have experienced slowdowns in non-oil sectors, however rates of growth remain robust.

Latin American airlines saw September traffic climb 7.9% compared to September 2014. Capacity increased by 8.5%, however, causing load factor to dip 0.5 percentage points to 80.0%. Despite recessionary conditions in Brazil and Argentina, solid international trade activity has provided a boost to business-related travel.

African airlines experienced their third consecutive month of positive traffic growth in September, posting a 5.2% rise compared to a year ago. However, the result could be owing to volatility in reported volumes, as fundamental economic drivers remain weak. Capacity rose 3.5%, and load factor improved 1.2 percentage points to 71.6%.

Domestic Passenger Markets

Domestic travel demand rose 7.8% in September compared to September 2014. All markets except Brazil showed growth with the strongest increases occurring in India, China and Russia. Domestic capacity climbed 6.1%, and load factor improved 1.3 percentage points to 81.0%.

Brazil's domestic demand slipped 1.3% in September compared to September 2014 as the economy slid further into recession with rising unemployment, and the Brazilian Real continued to decline against the dollar.

The Bottom Line : "Aviation's connectivity is vital to the health and well-being of the global economy. And financial strength is critical to the industry delivering its best. While the overall outlook is for a collective profit that covers the industry's cost of capital, parts of the industry are really struggling. The poor economic performance in Brazil is having a dramatic negative impact on the industry's performance in Latin America's largest market. There are a number of swift policy options that the government could take to stimulate the sector by reducing the burden of onerous taxes, punitive regulation and a crippling fuel pricing regime. A comprehensive policy response would unleash the power of aviation connectivity and pay big dividends across the economy. There is no time for complacency," said Tyler.

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