

CONTINUING TRAFFIC GROWTH AND RECORD AIRLINE PROFITS HIGHLIGHT 2015 AIR TRANSPORT RESULTS

News / Airlines



Preliminary figures released today by the International Civil Aviation Organization (ICAO) show the total number of passengers carried on scheduled services rising to 3.5 billion in 2015, a 6.4 per cent increase over last year.

The number of departures reached approximately 34 million globally, and world passenger traffic, expressed in terms of total scheduled revenue passenger-kilometres (RPKs), posted an increase of 6.8 per cent with approximately 6,562 billion RPKs being performed.

The aviation industry, composed of some 1,400 commercial airlines, 4,130 airports and 173 air navigation services providers (ANSPs), continued to play a critical role over 2015 in fostering the growth of tourism and trade. Over half of the world's 1.1 billion tourists are transported by air today, while aircraft carry 35 per cent of world trade by value.

International scheduled passenger traffic (RPK) growth in 2015

WORLD: +6.7%

International scheduled passenger traffic expressed in terms of RPKs grew by 6.7 per cent in 2015, up from the 6.0 per cent recorded in 2014. European traffic increased by 5.5 per cent and

accounted for the largest share of international RPKs at 37 per cent. The Asia/Pacific, meanwhile, had the second largest share with 28 per cent and grew by 8.2 per cent. The Middle East region moved 14 per cent of world RPKs and recorded growth of 12.1 per cent compared to 2014, while North America, also with a 14 per cent RPK share, recorded 3.3 per cent growth. Carriers in Latin America and the Caribbean managed 4 per cent of world RPK traffic and recorded 7.9 per cent growth, and Africa, with a 3 per cent share, grew at a rate of 0.6 per cent.

In terms of domestic scheduled air services, overall markets grew by 6.9 per cent in 2015. North America, the world's largest domestic market with 43 per cent share of the world domestic scheduled traffic, experienced around 4.7 per cent growth in 2015. The Asia/Pacific region, which accounted for 39 per cent of world domestic scheduled traffic, grew strongly by 10.3 per cent in 2015 – mainly due to strong double digit growth in India and China.

Low-cost carrier activity

Low-cost carriers (LCCs) carried more than 950 million passengers in 2015, approximately 28 per cent of total scheduled passengers. LCCs in Asia/Pacific represented 31 per cent of total LCC passengers carried, followed by Europe with 30 per cent and North America with 26 per cent. The increasing presence of LCCs in emerging economies is considered to have been an important contributing factor to overall growth in passenger traffic.

Falling oil prices fuel positive 2015 results

Despite sluggish economic growth in advanced economies and most emerging markets, global passenger traffic (RPK) growth in 2015 still increased by around one percentage point compared to the previous year. A nearly 40 per cent decline in the average 2015 jet fuel price gave air carriers some flexibility to lower air fares and help stimulate this increase.

Passenger Capacity boosted

Seating capacity offered by the world's airlines in 2015, expressed in available seat-kilometres (ASKs), increased globally by around 6.1 per cent. While capacity growth ranged from 0.1 per cent in Africa to 13.8 per cent in the Middle East, the average global passenger load factor improved by 0.5 percentage points over 2014; ranging from 68.9 per cent for Africa to 83.5 per cent for North America.

Despite an increase in capacity offered in all regions, continued air carrier optimization resulted in average passenger load factors reaching 80.2 per cent compared to 79.7 per cent in 2014.

Air cargo still facing challenges

World scheduled freight (air cargo) traffic, measured in freight tonne-kilometres (FTKs), grew by 2.2 per cent in 2015 – less than half of the 4.9 per cent growth rate registered in 2014. This is considered a reflection of the stagnating general economic situation worldwide.

The international segment of freight traffic, which represents nearly 87 per cent of total air freight, grew by around 2.9 per cent after registering 5.2 per cent growth in 2014. The scheduled international freight load factor declined from around 50 per cent in 2014 to 47 per cent in 2015, also mirroring generally weak world trade trends. 2015 also saw more and more air carriers improving their cargo capacity utilization by moving higher volumes of freight via passenger aircraft, rather than making use of dedicated freighters.

Airline financial results

Fuel accounted for nearly a third of air carrier operating costs in 2014. The significant decline in fuel costs and the positive effects of growth in traffic offset the mixed effects of a strong US dollar on the yields and unit costs of the air carriers.

As a result, the airline industry is expected to end 2015 with another record operating profit of around USD 60 billion and an operating margin of 7.6 per cent. 2014 had seen an operating profit of USD 42 billion and operating margin of 5.5 per cent.

More than a third of world airline profits in 2015 were generated by North American carriers. Looking forward to 2016, a further decline expected in oil prices, coupled with an improving economic scenario, should see passenger traffic and profits continue their upward trend.

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