

Airline passenger market: Africa leads all regions with a 5.0% demand increase

The International Air Transport Association (IATA) has released its global passenger traffic results for 2019. The results show that passenger demand rose by 4.2% compared to 2018. "Airlines did well to maintain steady growth last year in the face of a number of challenges. A softer economic backdrop, weak global trade activity, and political and geopolitical tensions took their toll on demand. Astute capacity management, and the effects of the 737 MAX grounding, contributed to another record load factor, helping the industry to manage through weaker demand and improving environmental performance," said Alexandre de Juniac, IATA's director general and CEO.



Image source: [Gallo/Getty](#)

The 2019 result is a slowdown compared to 2018's annual growth of 7.3% and marked the first year since the global financial crisis in 2009 with passenger demand below the long-term trend of around 5.5% annual growth. Full-year capacity for 2019 climbed by 3.4%, while the load factor rising by 0.7 percentage points to a record high of 82.6%. The previous high was 81.9% set in 2018.

December 2019 RPKs increased 4.5% against the same month in 2018 – this was an improvement over the 3.3% annual growth recorded in November, primarily due to solid demand in North America.

International passenger markets

Twenty-nineteen international passenger traffic climbed by 4.1% compared to 2018, down from 7.1% annual growth the year before. Capacity rose by 3.0%, while the load factor edged up by 0.8 percentage points to 82.0%.

Asia-Pacific airlines' traffic increased by 4.5% in 2019, which was a large decline compared to 8.5% growth in 2018. This reflected the impact of the US-China trade war as well as weakening business confidence and economic activity. Capacity rose by 4.1%, while the load factor ticked up by 0.3 percentage points to 80.9%.

European carriers saw a 4.4% traffic rise in 2019, which was down from 7.5% annual growth in 2018. Capacity rose by 3.7%, with the load factor increasing by 0.6 percentage points to 85.6%; the highest for any region.

The lowered results are attributable to generally slowing economic activity; declining business confidence, compounded by industrial disputes (strikes); Brexit uncertainty and the collapse of a number of airlines.

Middle Eastern airlines' passenger demand increased by 2.6% last year, the slowest pace of expansion among all regions and down from 4.9% growth in 2018. However, demand began to recover in the fourth quarter and the monthly growth of 6.4% in December led all regions. Annual capacity climbed by 0.1%, with the load factor surging 1.8 percentage points to 76.3%.

North American airlines saw traffic growth slow to 3.9% last year, down from 5.0% in 2018, amid softer US economic activity and weaker business confidence compared to 2018. Capacity climbed by 2.2%, with the load factor strengthening by 1.3 percentage points to 84.0%; the second-highest among the regions.

Latin American airlines' traffic climbed by 3.0% in 2019, a dramatic slowdown compared to 7.5% annual growth in 2018. Capacity rose by 1.6%, with the load factor increasing by 1.1 percentage points to 82.9%.

The year was impacted by social unrest and economic difficulties in a number of countries in the region.

African airlines led all regions with a 5.0% demand increase, down from 6.3% growth recorded for 2018. Capacity rose 4.5%, with the load factor edging up by 0.3 percentage points to 71.3%.

Airlines in the region benefitted from a generally supportive economic backdrop in 2019 as well as increases in air transport connectivity.

Domestic passenger markets

Domestic air travel climbed 4.5% in 2019, which was down from 7.8% in 2018. All markets showed annual growth, led by China and Russia. Capacity rose by 4.1%, while the load factor was 83.7%, up 0.4% percentage point compared to 2018.

China's airlines saw domestic passenger traffic expand by 7.8% in 2019, the slowest pace since the global financial crisis. Softer economic activity amid the US-China trade war, compounded by weaker consumer spending and unrest in Hong Kong all contributed to the slowdown. Looking into early 2020, any positive impacts of the 'phase one' trade agreement with the US likely will be countered by the impact of the coronavirus outbreak.

Indian airlines' four years of double-digit demand growth came to a halt in 2019, as traffic rose 5.1%, down from 18.9% in 2018. The bankruptcy of Jet Airways and weakening economic activity were the main culprits of the slowdown.

"Twenty-nineteen was a difficult year for aviation and 2020 is off to a tragic and challenging beginning. The shooting down of PS 752 in January was inexcusable. Commercial aircraft are instruments of peace, not military targets. To honour the victims of this tragedy we must address this challenge with governments and stakeholders. Our thoughts are also with the injured, and the families of those who lost their lives, in the PC2193 accident in Turkey yesterday.

"Safety is the aviation industry's number one priority and we are united in our desire to understand and learn from the

circumstances of this tragedy.

"Today, headlines are also focused on the novel coronavirus. From our experience of past outbreaks, airlines have well-developed standards and best practices to keep travel safe. Airlines are assisting the World Health Organisation (WHO) and public health authorities in efforts to contain the outbreak in line with the International Health Regulations. There currently is no advice from WHO to restrict travel or trade. But it is clear that demand has fallen on routes associated with China, and airlines are responding to this by cutting capacity for both domestic and international China.

"The situation is evolving fast, but we are observing significant schedules adjustments for February," said de Juniac.

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