

# June global passenger demand rises by 7.7%

The International Air Transport Association (IATA) has announced its global passenger traffic results for June showing a demand (measured in total revenue passenger kilometres or RPKs) rise of 7.8% percentage points compared to June 2017 - this is up from 6.0% year-over-year growth recorded in both May and April, with the capacity for June (available seat kilometres or ASKs) increasing by 6.5%, with the load factor rising by 1.0 percentage points to 82.8%.



ty\_yang via [Pxabay](#)

The first six months of 2018 produced demand growth of 7.0%, a strong performance, but down from 8.3% growth recorded in the first half of 2017.

"The first half of 2018 concluded with another month of above-trend demand growth, which is a good indicator for the peak summer travel season in the northern hemisphere, but the looming prospect of a global trade war is casting a long shadow. Additionally, rising cost inputs— fuel prices have soared by approximately 60% over the past year—are reducing the stimulus of lower fares," said Alexandre de Juniac, IATA's director general and CEO.

## International passenger markets

June international passenger demand rose by 7.7% compared to June 2017. All regions recorded growth, led by airlines in the Middle East and Africa. Capacity climbed by 5.9%, with the load factor increasing by 1.4 percentage points to 81.9%.

June 2018 (% year-on-year)	World share <sup>1</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>Total Market</b>	<b>100.0%</b>	<b>7.8%</b>	<b>6.5%</b>	<b>1.0%</b>	<b>82.8%</b>
Africa	2.2%	6.3%	1.8%	2.9%	68.0%
Asia Pacific	33.7%	11.2%	9.8%	1.0%	81.7%
Europe	26.6%	5.8%	4.5%	1.0%	86.4%
Latin America	5.2%	5.3%	6.5%	-1.0%	80.3%
Middle East	9.5%	10.3%	7.5%	1.8%	71.1%
North America	23.0%	5.5%	4.3%	0.9%	87.2%

<sup>1</sup>% of industry RPKs in 2017 <sup>2</sup>Year-on-year change in load factor <sup>3</sup>Load factor level

Image via [Travel Daily News](#)

- Asia-Pacific airlines' June traffic rose by 9.5% compared to the year-ago period, up from 7.7% growth recorded in May year-over-year. Capacity rose by 7.4% and the load factor edged up by 1.5 percentage points to 80.6%. Demand is being stimulated by robust regional economic growth and increased city-pair options for travellers.

- Middle Eastern carriers posted an 11.0% demand increase in June compared to the same month last year. This was a sharp turnaround from the flat traffic growth in May, which was partly attributable to the timing of Ramadan between the two years. Results were also affected by unfavourable developments in the year-ago period, including the ban on large portable electronic devices, as well as the travel restrictions imposed by the US for visitors from certain the Middle East and African countries. Capacity rose by 8.0% and the load factor climbed by 1.9 percentage points to 71.0%.

- European carriers saw traffic rise by 6.1% in June compared to June 2017, down slightly from a 6.3% year-over-year increase recorded in May. Capacity climbed by 4.8% and the load factor rose by 1.1% percentage points to 86.8% - the highest among the regions. Growth is supported by a relatively healthy economic backdrop, however, the possibility of air traffic control strikes could affect growth over the coming months.

- North American airlines' demand rose by 5.9% compared to June a year ago, an improvement from 5.0% growth recorded in May. Capacity climbed by 3.6%, with the load factor increasing by 1.9 percentage points to 86.7%. Increasing momentum in the US economy is supporting growth in passenger volumes, but prospects of further escalation in trade disputes could affect future demand.

- Latin American airlines experienced a 5.6% rise in traffic compared to the same month last year. This was down from by 7.9% year-over-year growth in May and there are some possible indications of a slowing in demand growth. Capacity increased by 6.5%, with the load factor slipping by 0.7 percentage points to 81.4%. Latin America was the only region to post a decline in load factor in June.

- African airlines' traffic soared by 10.9% in June, up substantially from just 2.1% growth in May, although this partly also reflect volatility in the monthly data. Capacity rose by 5.5%, with the load factor jumping up by 3.3 percentage points to 68.0%. Higher oil and commodity prices are buoying the economies in a number of countries, including Nigeria.

## **Domestic passenger markets**

Demand for domestic travel climbed by 7.9% in June compared to June 2017, up somewhat from the 6.7% annual growth seen in May. June capacity increased by 7.5%, with the load factor edging up by 0.3 percentage points to 84.5% - led once again by double-digit gains in India and China, all markets reported demand increases, but with wide variation.

June 2018 (% year-on-year)	World share <sup>1</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>Domestic</b>	<b>36.2%</b>	<b>7.9%</b>	<b>7.5%</b>	<b>0.3%</b>	<b>84.5%</b>
Australia	0.9%	1.8%	1.2%	0.5%	78.0%
Brazil	1.2%	5.3%	8.0%	-2.0%	78.2%
China P.R	9.1%	15.3%	16.3%	-0.7%	84.6%
India	1.4%	17.6%	17.0%	0.5%	85.8%
Japan	1.1%	3.7%	1.3%	1.6%	70.9%
Russian Fed.	1.4%	6.0%	5.4%	0.5%	84.3%
US	14.5%	5.3%	4.8%	0.4%	87.9%

<sup>1</sup>% of industry RPKs in 2017 <sup>2</sup>Year-on-year change in load factor <sup>3</sup>Load factor level **\*Note:** the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

Image via [Travel Daily News](#)

- Brazil's domestic traffic rose by 5.3% in June, up from 3.8% in May. Despite the improved performance, demand was still affected by the residual impact of the recent general strikes.

- Japan's domestic traffic climbed by 3.7% in June compared to a year ago, which was well up on the 1.7% growth recorded in May, however, there are some possible indications of a softening economic backdrop going forward.

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