

Global load factor reaches record high in August 2024

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Air Passenger Market in Detail

AUGUST 2024 (% YEAR-ON-YEAR)	WORLD SHARE ¹	RPK	ASK	PLF(%-PT) ²	PLF(LEVEL) ³
Total Market	100%	8.6%	6.5%	+1.6%	86.2%
Africa	2.1%	9.6%	6.7%	+2.1%	77.9%
Asia Pacific	31.7%	13.4%	8.7%	+3.6%	86.0%
Europe	27.1%	7.8%	7.3%	+0.4%	87.9%
Latin America	5.5%	6.5%	8.1%	-1.3%	84.0%
Middle East	9.4%	5.0%	5.9%	-0.7%	82.3%
North America	24.2%	4.8%	2.4%	2.0%	87.1%

1) % of industry RPKs in 2023 2) Year-on-year change in load factor 3) Load Factor Level

Dhaka : In August 2024, passenger load factor worldwide reached a new record high-86.2 per cent (+1.6ppt compared to August 2023). Also, the total global passenger demand was up 8.6 per cent, compared to August 2023, while the total capacity was up 6.5 per cent year-on-year, according to the International Air Transport Association (IATA). The association's analysis further stated, international demand rose 10.6 per cent, compared to August 2023. Capacity was up 10.1 per cent year-on-year and the load factor rose to 85.7 per cent (+0.4ppt compared to August 2023).

On the other hand, domestic demand rose 5.6 per cent, compared to August 2023. Capacity was up 1.2 per cent year-on-year and the load factor was 86.9 per cent (+3.6ppt compared to August 2023).

The market for air travel is hot and airlines are doing a great job at meeting the growing demand for travel, as per Willie Walsh, Director

General of IATA.

He said, "Efficiency gains have driven load factors to record highs while the 6.5 per cent capacity increase demonstrates resilience in the face of persistent supply chain issues and infrastructure deficiencies."

"Looking ahead, the continued strong demand growth signals that we could be fast approaching an infrastructure capacity crunch that would restrict connectivity and choice for passengers and businesses," he added, as per the report.

"If governments want to maximise the benefits of aviation, they must take bold decisions to ensure sufficient infrastructure capacity. And, in the interim, both airports and air navigation service providers need to do more with the resources they currently have," he suggested.

"In particular, the variance in declared capacity of airports with broadly the same infrastructure needs to be resolved, with airports emulating the best performers. The industry cannot afford to underutilise the airport infrastructure that we have," claimed the Director General.

Int'l passenger markets



All regions showed growth for international passenger markets in August 2024 compared to August 2023. Ticket sales in May-July for travel in August-September showed a 6.6 per cent year-on-year increase, which bodes well for further strong growth this year.

Asia-Pacific airlines achieved a 19.9 per cent year-on-year increase in demand. Capacity increased 18.8 per cent year-on-year and the load factor was 85.2 per cent (+0.8ppt compared to August 2023).

Asia-Pacific is still growing robustly and is now just 8 percentage points from full recovery to pre-pandemic volumes, as per the association's report.

European carriers saw a 9.1 per cent year-on-year increase in demand. Capacity increased 8.5 per cent year-on-year, and the load factor was 87.2 per cent (+0.5ppt compared to August 2023).

The Europe-Asia route was by far the fastest-growing, however, it is still markedly below its 2019 peak.

Middle Eastern carriers saw a 4.9 per cent year-on-year increase in demand. Capacity increased 5.6 per cent year-on-year and the load factor was 82.5 per cent (-0.6ppt compared to August 2023).

North American carriers saw a 4.3 per cent year-on-year increase in demand. Capacity increased 3.8 per cent year-on-year, and the load factor was 88.2 per cent (+0.4 ppt compared to August 2023), the highest among regions.

Latin American airlines saw a 13.6 per cent year-on-year increase in demand. Capacity climbed 15.2 per cent year-on-year. The load factor was 85.1 per cent (-1.2ppt compared to August 2023).

African airlines saw a 10.1 per cent year-on-year increase in demand. Capacity was up 7.3 per cent year-on-year. The load factor rose to 77.8 per cent (+2.0ppt compared to August 2023).

Domestic passenger markets

Domestic demand increased in August, with growth in all key markets, especially China.

Domestic ticket sales for August-September grew 4.3 per cent year-on-year.

It underpinned solid growth prospects for the rest of the year.

Cargo

IATA also released data for August 2024 global air cargo markets showing continued strong annual growth in demand.

Total demand rose by 11.4 per cent compared to August 2023 levels (12.4 per cent for international operations).

This is the ninth consecutive month of double-digit year-on-year growth, with overall levels reaching heights not seen since the record peaks of 2021.

Capacity increased by 6.2 per cent compared to August 2023 (8.2 per cent for international operations).

This was largely related to the growth in international belly capacity, which rose 10.9 per cent on the strength of passenger markets.

Industry-wide capacity has reached an all-time high.

As per IATA, several factors in the operating environment should be noted:

(1) Industrial production stayed level in August month-on-month and global cross-border trade fell marginally with -0.3 per cent.

(2) In August, both the Purchasing Managers Index (PMIs) for global manufacturing output and the PMI for new export orders were below the 50-mark at 49.9 and 48.4 respectively, indicating contraction.

(3) Inflation saw a mixed picture in August. In the US and EU, inflation rates fell to 2.6 per cent and 2.4 per cent respectively, the lowest rates since 2021. In contrast, Japan's inflation ticked up 0.3 percentage points to 3.0 per cent, the highest rate in ten months. China's inflation rate continued its moderate upward trend, growing by 0.1 percentage points to reach 0.7 per cent, the highest rate in six months.

"We continue to see very good news in air cargo markets. The sector recorded a second consecutive month of record high demand year-to-date," according to Walsh.

"Even with record levels of capacity, yields are up 11.7 per cent on 2023, 2 per cent on the previous month, and 46 per cent above pre-pandemic levels," he added.

"This strong performance is underpinned by slow but steady growth in global trade, booming e-commerce, and continuing capacity constraints on maritime shipping," concluded Walsh.