

IATA cuts global airline profit guidance over geopolitical, economic uncertainty

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Dhaka: The International Air Transport Association (IATA) said it now expects airlines to report a combined net profit of USD 36 billion, a slight dip from the previous forecast of USD 36.6 billion set in December 2024.

IATA cut its 2025 earnings guidance for the global airline sector, citing “significant” economic uncertainty, a fall in consumer confidence and “off-the-chart unacceptable” supply chain challenges.

Combined operating profit is forecast to stand at around USD 66 billion, down from the previous estimate of USD 67.5 billion.

The association stated that the profit forecasts for 2025 still track higher than 2024, and attributed this to lower jet fuel prices, which will bring down operating costs.

Still, Willie Walsh noted, "Earning a USD 36 billion profit is significant. However, that equates to just USD 7.20 per passenger per segment. It is still a thin buffer and any new tax, increase in airport or navigation charge, demand shock or costly regulation will quickly put the industry's resilience to the test."

He pointed out that airlines are also squeezed by a litany of supply chain challenges, including delivery delays and reliability issues.

IATA noted that aircraft delivery estimates for 2025 have also been cut by 26 percent from forecasts a year ago and warns that "further downward revisions are likely", given that supply chain issues will persist "possibly to the end of the decade".

Walsh added, "Manufacturers continue to let their airline customers down. Every airline is frustrated that these problems have persisted so long. And indications that it could take until the end of the decade to fix them are off-the-chart unacceptable."

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