

Global airline industry to hit \$30.5 b net profit in 2024

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Montreal, Canada: The global airline industry is projected to report a higher net profit of \$30.5 billion and record revenue of nearly \$1 trillion, IATA said on Monday (June 6) as the sector is growing profitably after recovering from the coronavirus pandemic impact.

The International Air Transport Association, which represents more than 330 airlines, however, said the return on invested capital is expected to be 5.7pc, which is 3.4pc lower than the average cost of capital in 2024.

Industry revenue is expected to reach an historic high of \$996 billion while passenger revenue is projected to be 15.2% higher at \$744 billion this year.

"Profitability is expected to strengthen in 2024 as revenues grow slightly faster than expenses (+9.7pc vs +9.4pc, respectively)... net profits, however, are expected to grow slightly more slowly at +11.3pc

from \$27.4 billion estimated for 2023 to \$30.5 billion estimated for 2024," IATA said in a release.

The industry's expenses are expected to rise to \$936 billion this year, which will be 9.4pc higher than 2023.

Fuel is expected to average \$113.8/barrel in 2024 translating into a total fuel bill of \$291 billion, accounting for 31pc of all operating costs, according to the outlook released at the IATA annual general meeting [here](#).

IATA's Director General Willie Walsh said the expected aggregate net profit of \$30.5 billion in 2024 is a great achievement considering the recent deep pandemic losses.

He noted that a record five billion air travellers are expected in 2024. "A 5.7pc return on invested capital is well below the cost of capital, which is over 9pc. And earning just \$6.14 per passenger is an indication of just how thin our profits are, barely enough for a coffee in many parts of the world," Walsh said.

The grouping has flagged wars and supply chain issues as among the risks.

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