

IATA predicts 5b flyers in 2025

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Geneva : Air passenger numbers are projected to surpass five billion next year, with the aviation sector's revenues crossing the trillion mark for the first time, the International Air Transport Association (IATA) announced on Tuesday (Dec 10).

"Passenger numbers are expected to reach 5.2 billion in 2025, a 6.7pc increase compared to 2024 and the first time the total has exceeded the five billion mark," IATA said in a statement.

The industry's revenues are forecast to hit \$1.007 trillion, driven by falling oil and fuel prices. This milestone marks the first time the global aviation industry will generate over \$1 trillion in revenue, the statement added.

Revenues will be up 4.4 per cent from 2024, it said.

'All of this gives us a financial performance which I think is absolutely

worth popping the champagne' for after a post-pandemic rebound, IATA chief economist Marie Owens Thomsen told a news conference in Geneva.

The aviation body's Director General Willie Walsh said in the statement that IATA expected profits of \$36.6 billion despite 'persistent supply chain challenges, infrastructure deficiencies, onerous regulation and a rising tax burden'.

Walsh voiced frustration however at delays to aircraft and engine suppliers, accusing them of failing to meet their commitments.

IATA said that 1,254 aeroplanes were delivered to airlines in 2024 — 30 per cent fewer than had been predicted — and said there was a backlog of 17,000 undelivered planes.

The delays were forcing airlines to run older, less efficient planes, it said.

'Supply chain issues are frustrating every airline with a triple whammy on revenues, costs, and environmental performance,' Walsh said in a statement on the issue.

'Manufacturers are letting down their airline customers and that is having a direct impact of slowing down airlines' efforts to limit their carbon emissions.'

Plane-maker Boeing saw its production hit this year during a nearly two-month strike by workers.

Its rival Airbus in June lowered its production target for the year to 770 from 800, after problems with suppliers.

IATA said two per cent of aircraft in the world — about 700 planes — were currently grounded for engine inspections.

Airlines have been hit by rising fuel costs since Russia invaded Ukraine in 2022 but IATA said it expected this factor to ease next year, with the cost of jet fuel averaging \$87 a barrel, down from \$99 in 2024.

'Lower oil prices and resulting fuel costs are a major driver of improved prospects for airlines in 2025,' it said.

'Should these not materialise for any reason and considering the

industry's thin margins, the outlook could change significantly.'

IATA warned of 'uncertainties' linked to the incoming administration of US president-elect Donald Trump.

He has threatened heavy tariffs on some imports that could hit demand for air cargo, but is seen as business-friendly and has vowed to stimulate oil production.

That would lower oil prices and 'obviously help our industry in terms of limiting the evolution of our costs', Owens Thomsen told news agency.

IATA represents around 340 companies that account for 80 per cent of world air traffic.

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