

## Commercial Aerospace

## Airline Traffic Tracker – 2023 passenger traffic +37% Y/Y, cargo -2% Y/Y

Industry Overview

**Pass. demand +37% Y/Y in 2023, but still -6% vs. 2019**

In December 2023, total market passenger air travel (RPKs) was 2.5% below Dec 2019 pre-pandemic levels, reflecting receding headwinds from ongoing COVID-19 disruptions. In full year 2023, RPKs increased 36.9% Y/Y and remain in line with levels last seen in the late-2010, but still 5.9% below 2019 levels, see Exhibit 7. IATA is estimating a return to 2019 levels by 2024, projecting a Y/Y growth of 9.8%. Passenger demand continues to increase since the beginning of 2023 as the reopening of China accelerated growth in Asia/Pacific.

**PLF levels at 82.1% in December 2023**

Total market capacity (ASKs) was down 2.5% vs. Dec 2019 levels, significantly up from the June 2020 trough of 70% below 2019. In full year 2023, ASKs increased 31.0% Y/Y but remain 5.6% below 2019 levels, see Exhibit 14. Passenger load factor (PLF) was 82.1% in Dec 2023, slightly below the August 2019 peak of 85.7%. PLF has recovered considerably from the bottom of 37.4% in April 2020.

**Intl. markets +42% Y/Y in 2023, but still -11% vs. 2019**

December 2023 international RPKs were down 5.3% vs. Dec 2019. In full year 2023, Intl. RPKs increased 41.6% Y/Y but remain 11.4% below 2019 levels, which is still significantly up from the April 2020 bottom (-98.3% vs. 2019), see Exhibit 21. LTM Economy international passenger volumes (PAX) were 7.1% below 2019 levels, compared to Premium PAX, which was 1.0% below 2019 levels. International PLF was 82.0% vs. the 28.9% low point in April 2020. APAC market RPKs are still down 17.5% vs. Dec 2019, the lowest of all the regions. However, the reopening of China accelerated international growth considerably in recent months.

**Domestic markets +30% Y/Y in 2023, up 4% vs. 2019**

Domestic RPKs were 2.3% above Dec 2019 levels, reflecting a significant recovery from the -84.7% vs. 2019 trough in April 2020. In full year 2023, Domestic RPKs increased 30.4% Y/Y, and remain 3.9% above 2019 levels, see Exhibit 37. Domestic markets continue to be the main driver behind the recovery in air traffic demand, with APAC up 76% Y/Y (largely driven by the reopening in China), and the U.S. up 10% Y/Y. Asia/Pacific domestic markets are already 2.4% above 2019 levels.

**Cargo demand -2% Y/Y in 2023, and still -4% vs. 2019**

Total market cargo demand (CTKs) increased 10.8% Y/Y in Dec 2023 and was up 2.3% vs. Dec 2019. However, in full year 2023, CTKs decreased 1.9% Y/Y, and remain 3.6% below 2019 levels, see Exhibit 49. IATA is estimating a 4.5% Y/Y increase in 2024, which will leave CTKs close to 2019 levels. Total market cargo capacity (ACTKs) is 2.5% above 2019. Increasing lower belly capacity has pressured cargo load factor (CLF). December 2023 CLF of 46% is below 47% a year ago and below 48% vs. 2019. The air cargo market has cooled significantly in recent months after record highs during the COVID-19 pandemic. Parked freighters increased 3ppt year to date. We believe this implies slowing consumer demand and, more broadly, a slowdown in the global economy ([see previous note](#)).

31 January 2024

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RPK: Revenue passenger kilometres

ASK: Available Seat Kilometres

ACTK: Available Cargo Tonne  
Kilometres

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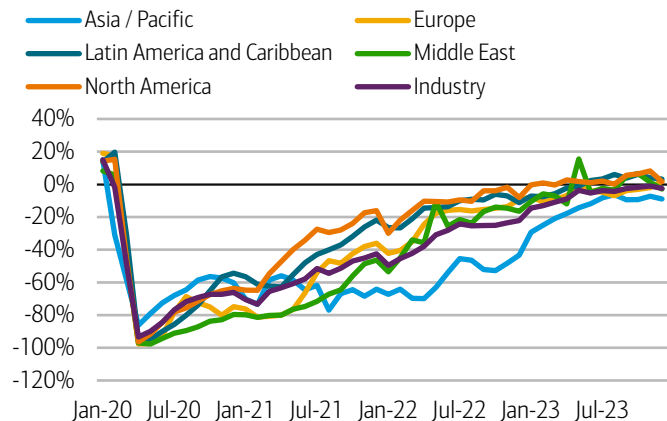
12652970

Timestamp: 31 January 2024 03:00AM EST

## 2023 Total market demand -6% vs. '19

### Exhibit 1: % change in monthly RPKs vs. 2019

Dec 23 Total market demand was down 2.5% vs. 2019

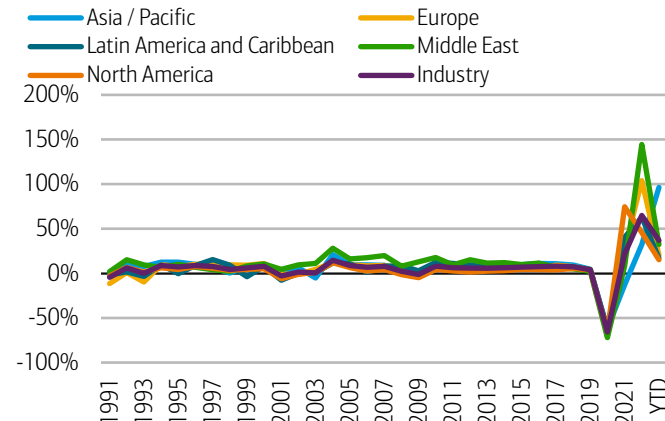


Source: IATA

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### Exhibit 2: Y/Y % change in annual RPKs 1991 to date

The COVID pandemic has caused unprecedented declines on RPKs

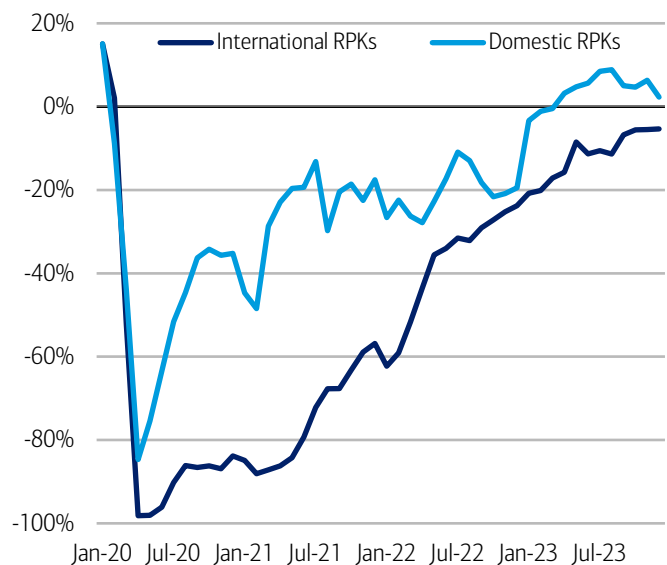


Source: IATA

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### Exhibit 3: % change in monthly RPKs vs. 2019

Dec 23 Domestic RPKs were 2.3% above 2019

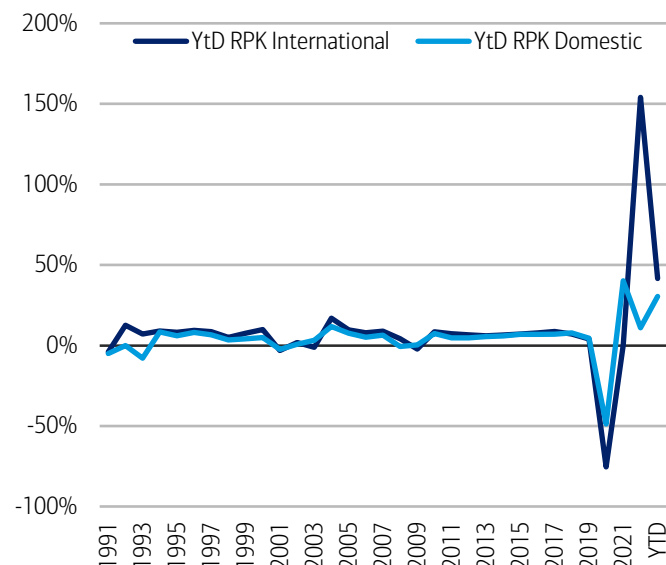


Source: IATA

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### Exhibit 4: Y/Y % change in annual RPKs 1991 to date

International market demand has been stronger YTD

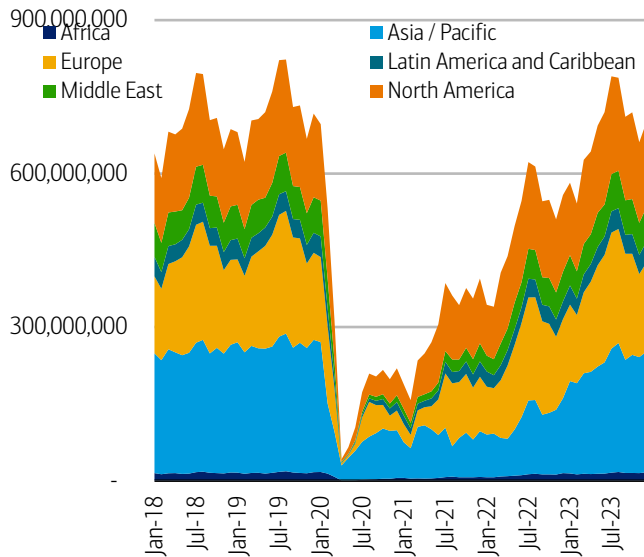


Source: IATA

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**Exhibit 5: Exhibit 5: Total market RPKs**

Global RPK recovery accelerated in 1H23

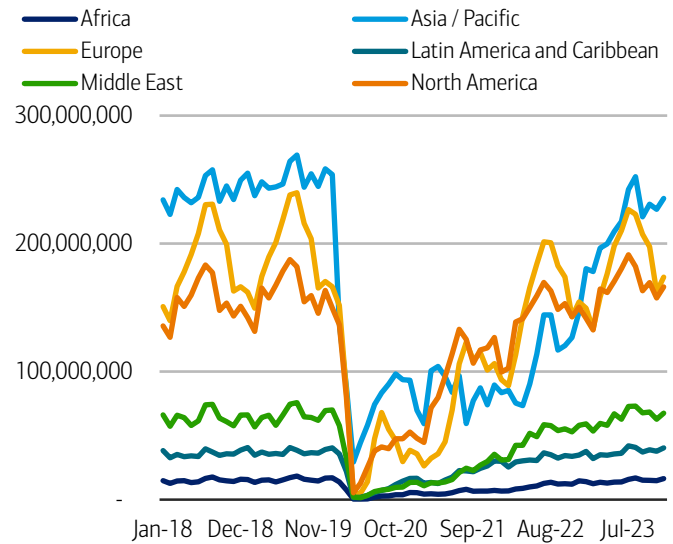


Source: IATA

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**Exhibit 6: Exhibit 5: Total market RPKs**

APAC RPKs increased considerably in 2023

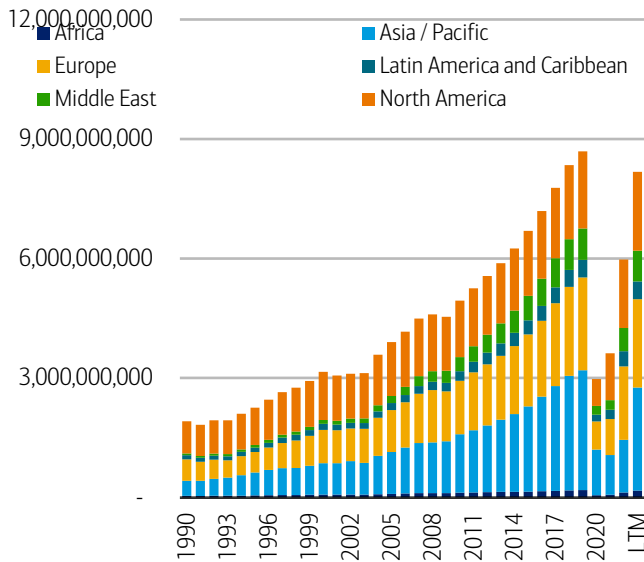


Source: IATA

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**Exhibit 7: Annual RPKs 1991 to date**

RPKs on a LTM basis are in line with levels last seen in late-2010s

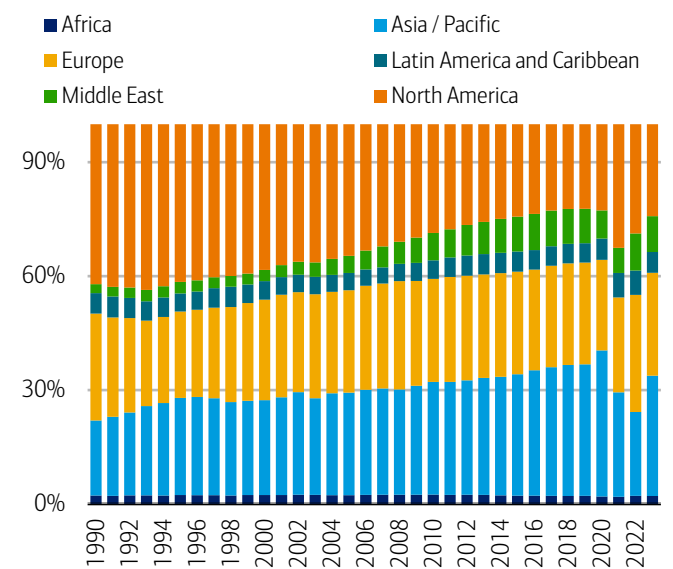


Source: IATA

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**Exhibit 8: Annual RPKs 1991 to date – share by region**

Asia/Pacific above 30% of total RPK in LTM

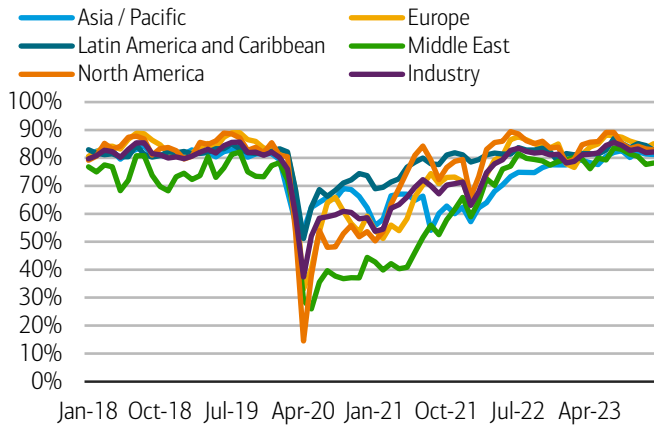


Source: IATA

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**Exhibit 9: Total market PLF**

PLF improved to 82.1% from a low of 37.4% in 2020

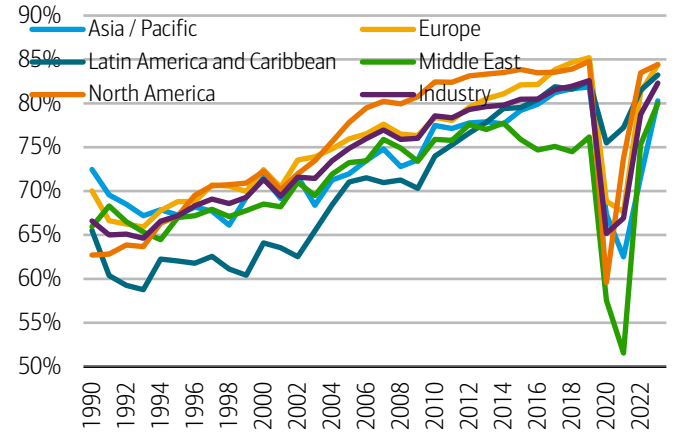


Source: IATA

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**Exhibit 10: Annual PLF 1990 to date**

Prior to COVID-19, PLF levels were at 76% in February 2020

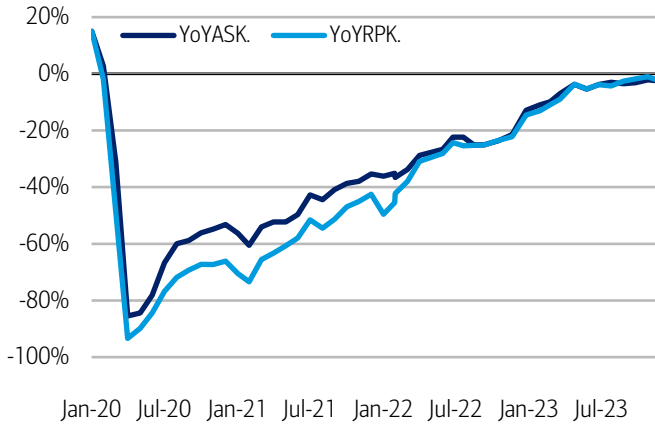


Source: IATA

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**Exhibit 11: % change in monthly RPKs and ASKs vs. 2019**

RPKs were more negatively impacted by COVID-19 than ASKs

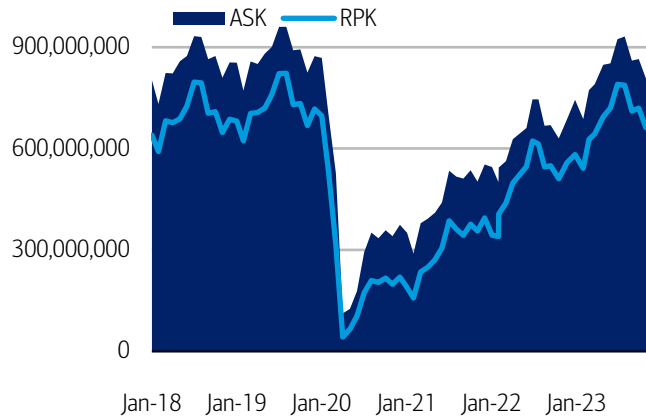


Source: IATA

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**Exhibit 13: Monthly ASKs and RPKs Jan 2018 to date**

RPKs decreased faster than ASKs at the onset of COVID

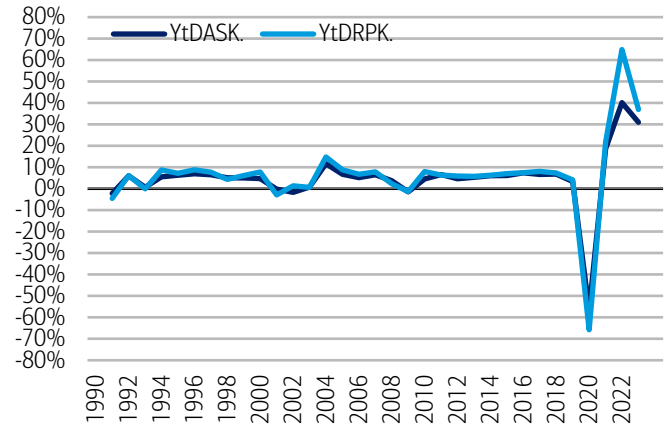


Source: IATA

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**Exhibit 12: Y/Y % change in annual ASKs and RPKs 1991 to date**

Y/Y % change in annual ASKs and RPKs 1991 to date

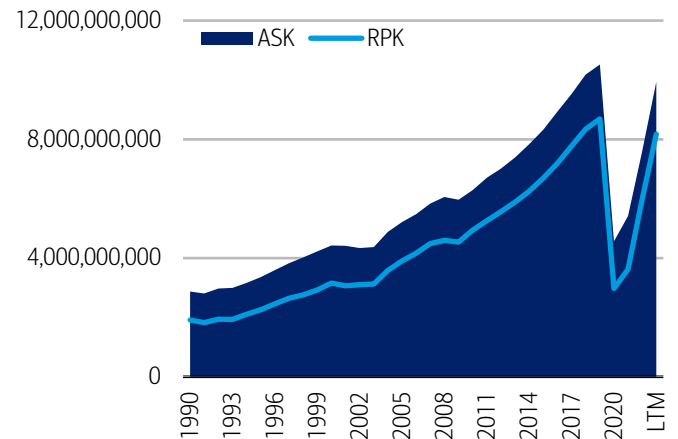


Source: IATA

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**Exhibit 14: Annual ASKs and RPKs 1990 to date**

Total market capacity (ASKs) was down 5.6% vs. 2019 levels



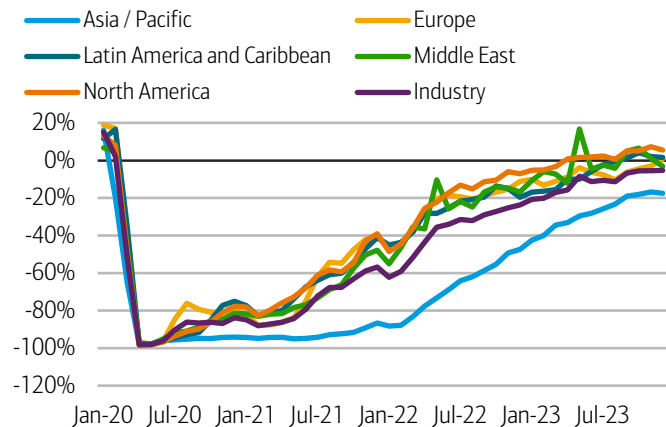
Source: IATA

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# 2023 Intl. demand down 11% vs. 2019

## Exhibit 15: % change in monthly RPKs vs. 2019

Dec 23 International RPKs were 5.3% below 2019 levels

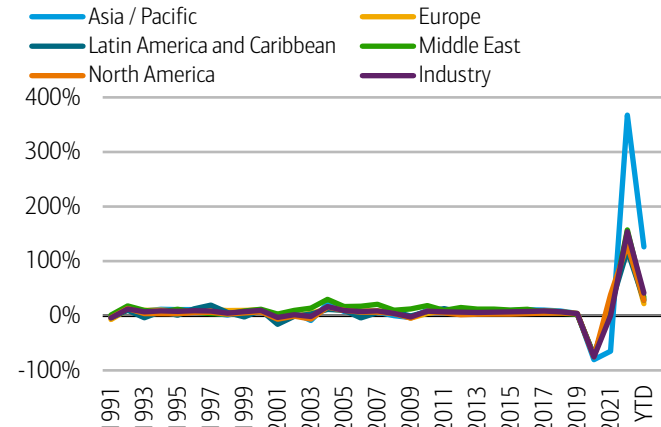


Source: IATA

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## Exhibit 16: Y/Y % change in annual RPKs 1991 to date

The pandemic caused unprecedented declines in international demand

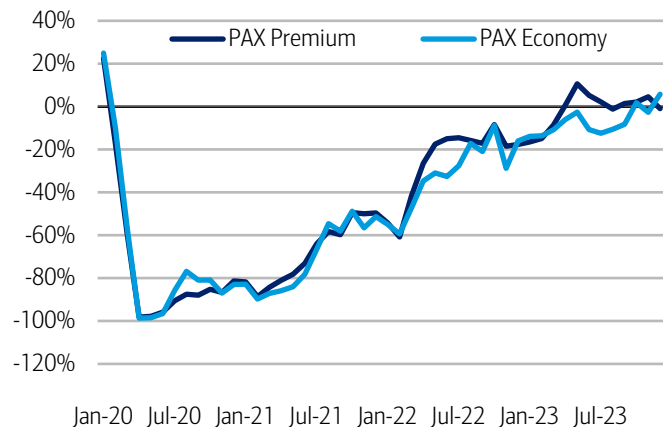


Source: IATA

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## Exhibit 17: % change in monthly PAX volumes vs. 2019

Both premium and economy PAX volumes are recovering

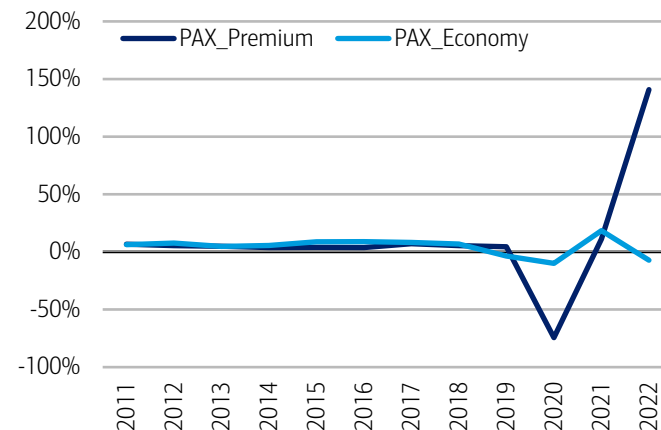


Source: IATA, note there is one month lag in data

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## Exhibit 18: Y/Y % change in annual Premium vs. Economy passengers – 2011 to date\*

Premium passenger volumes rose significantly in 2022 Y/Y

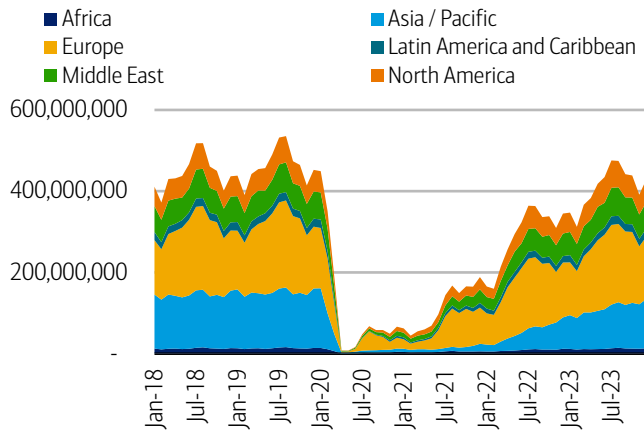


Source: IATA, note there is one month lag in data

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**Exhibit 19: Monthly RPKs Jan 2018 to date**

Total monthly RPKs decreased in Dec 2023

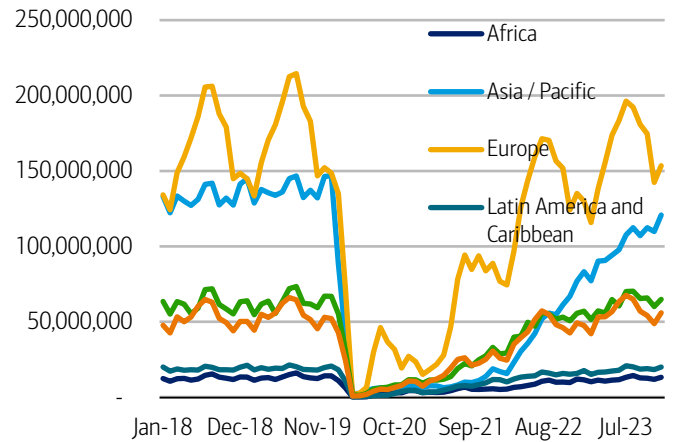


Source: IATA

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**Exhibit 20: Monthly RPKs Jan 2018 to date by region**

Europe RPKs showed a significant recovery in summer 2022

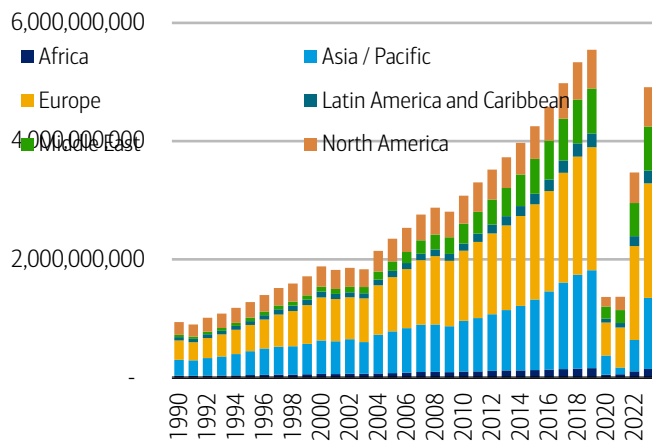


Source: IATA

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**Exhibit 21: Annual international RPKs 1990 to date**

LTM RPKs continue to recover post-COVID, down 11% vs 2019

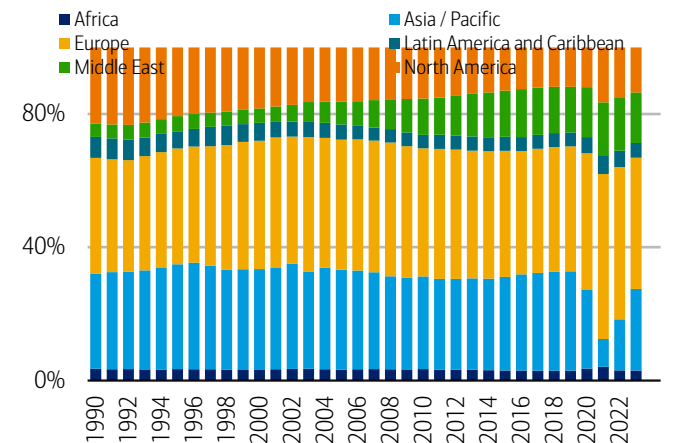


Source: IATA

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**Exhibit 22: Annual RPKs 1990 to date – share by region**

Europe represents ~50% of international demand

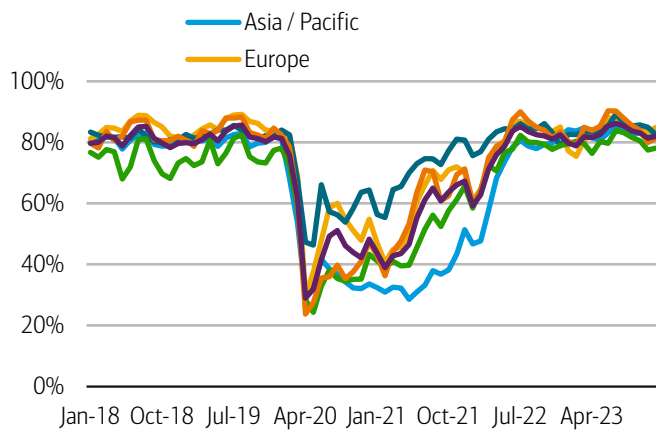


Source: IATA

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**Exhibit 23: Monthly PLFs Jan 2018 to date**

PLFs were 82.0% in Dec 2023

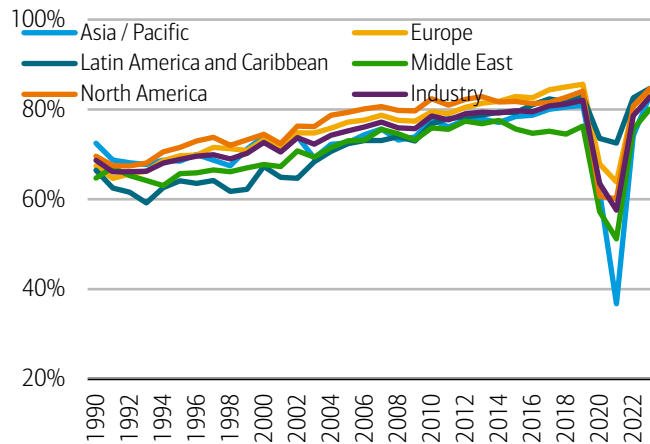


Source: IATA

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**Exhibit 24: Annual PLFs 1990 to date**

Industry PLF is showing signs of recovery

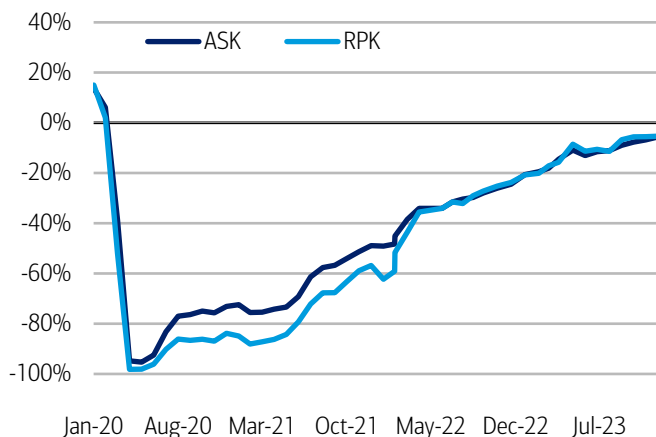


Source: IATA

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**Exhibit 25: % change in monthly ASKs and RPKs vs. 2019**

RPK declines have exceeded ASK cuts since the beginning of the pandemic

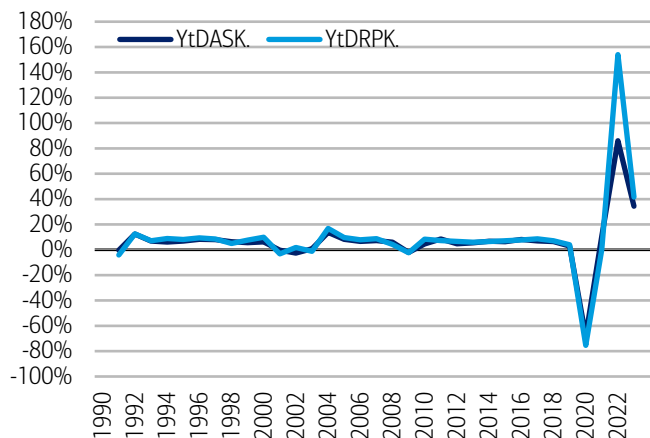


Source: IATA

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**Exhibit 26: Annual ASKs and RPKs 1991 to date - y/y % change**

Strong recovery in ASKs and RPKs in 2022



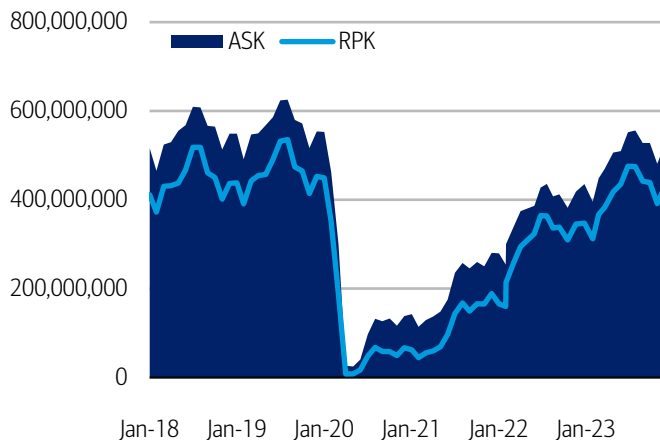
Source: IATA

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**Exhibit 27: Monthly ASKs and RPKs Jan 2018 to date**

ASKs and RPKs still lag pre-pandemic levels

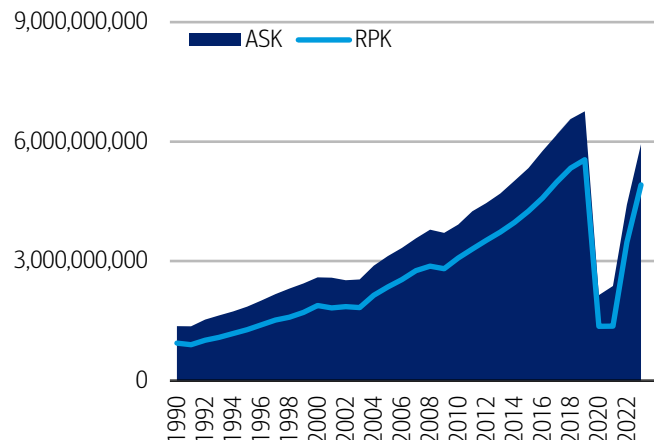


Source: IATA

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**Exhibit 28: Annual ASKs and RPKs 1990 to date**

The recovery since the trough in April 2020 continues

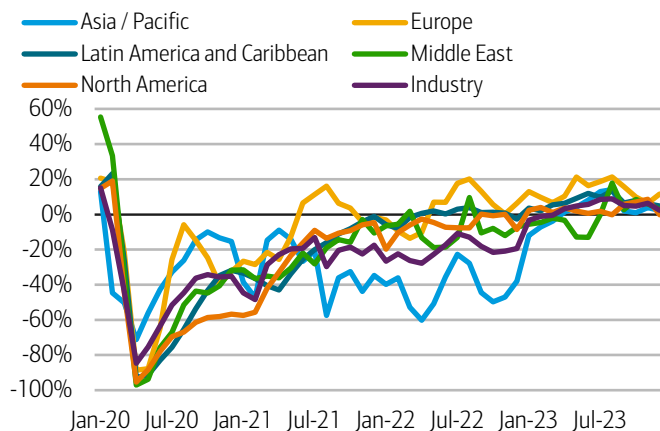


Source: IATA

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**2023 Domestic demand up 4% vs. '19****Exhibit 29: % change in monthly RPKs vs. 2019**

Domestic RPKs are recovering to pre-COVID levels

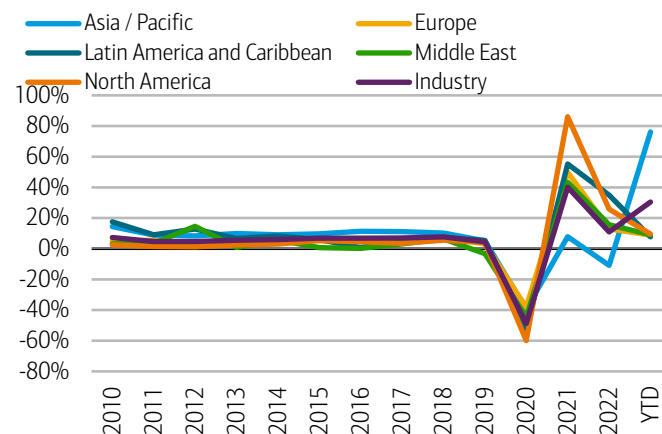


Source: IATA

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**Exhibit 30: Y/Y % change in annual RPKs 1991 to date**

The COVID pandemic has caused unprecedented declines on RPKs

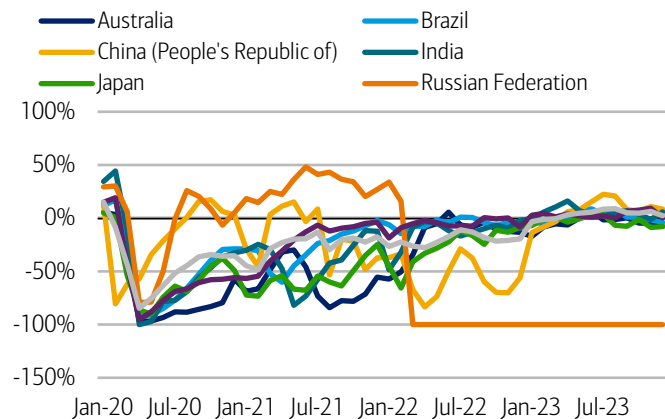


Source: IATA

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**Exhibit 31: % change in monthly RPKs vs. 2019**

US RPK shows the higher recovery from 2019 levels

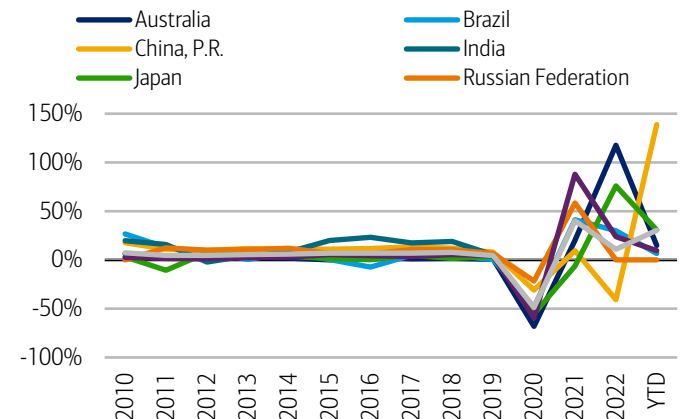


Source: IATA

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**Exhibit 32: Y/Y % change in annual RPKs 2010 to date by country**

China RPKs show the most improvement in 2023

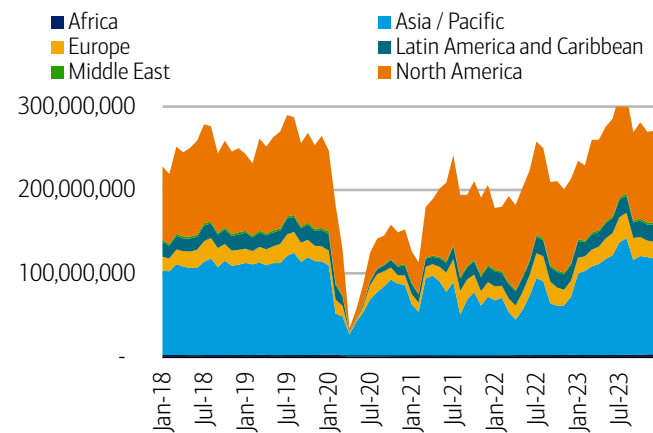


Source: IATA

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**Exhibit 33: Monthly RPKs Jan 2018 to date**

North American Monthly RPKs were lower in Dec

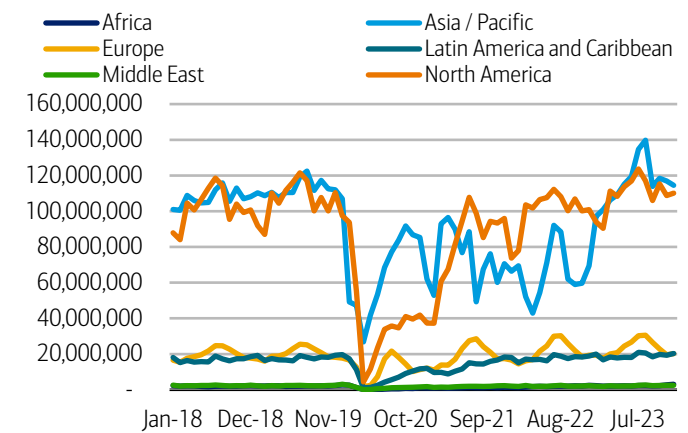


Source: IATA

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**Exhibit 34: Monthly RPKs Jan 2018 to date by region**

Asia Pacific improved significantly recently

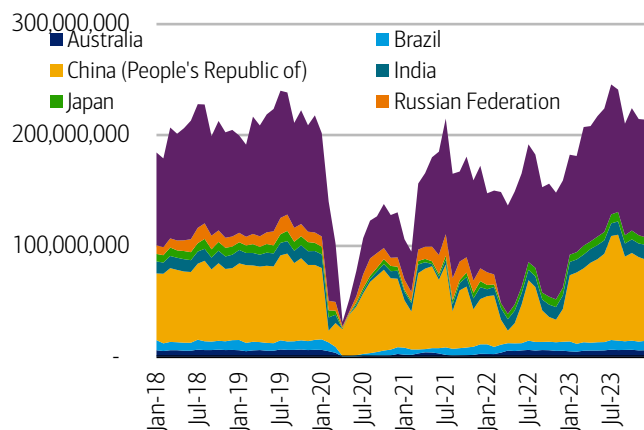


Source: IATA

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**Exhibit 35: Monthly RPKs Jan 2018 to date by country**

RPKs continue their recovery vs. 2020 low

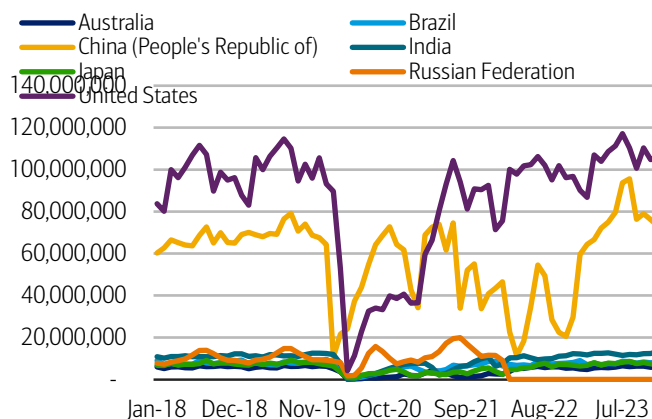


Source: IATA

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**Exhibit 36: Monthly RPKs Jan 2018 to date by country**

China RPKs were depressed by COVID lockdowns but increased considerably in 2023

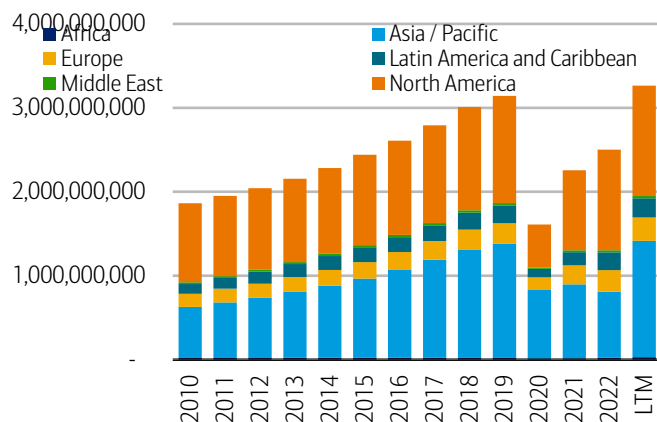


Source: IATA

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**Exhibit 37: Annual RPKs 1991 to date**

North American RPKs above 2019

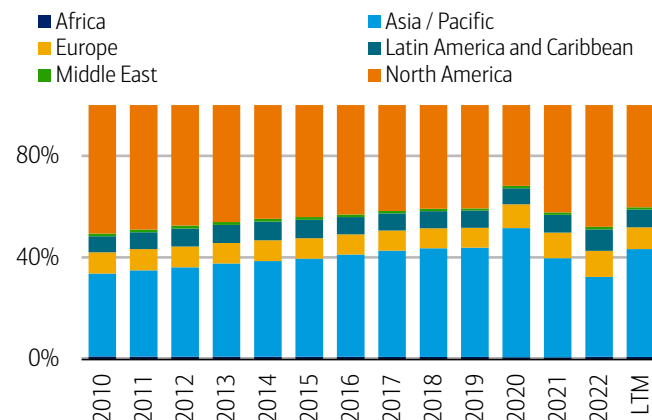


Source: IATA

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**Exhibit 38: Annual RPKs 1991 to date – share by region**

Asia/Pacific were depressed by COVID lockdowns in China

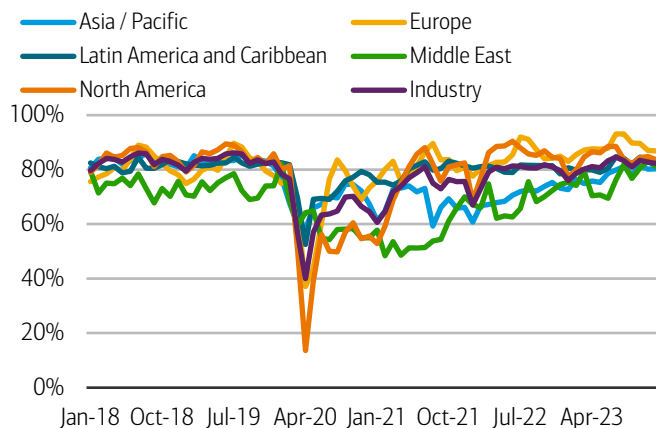


Source: IATA

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**Exhibit 39: Monthly PLF Jan 2018 to date**

Domestic PLF increased to 82% from 40.0% in 2020

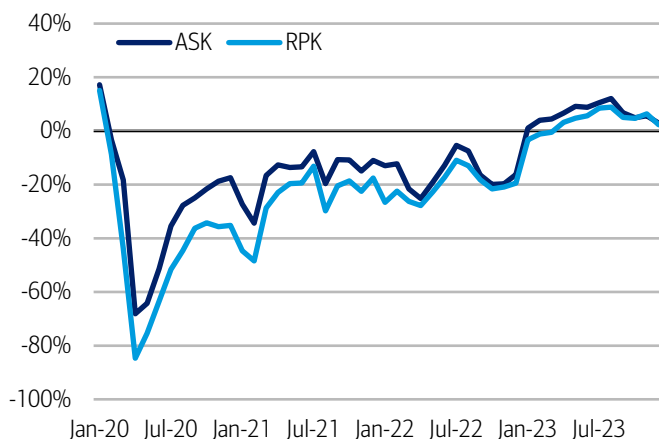


Source: IATA

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**Exhibit 41: % change in monthly ASKs and RPKs vs. 2019**

RPK declines have exceeded ASK cuts since the beginning of the pandemic

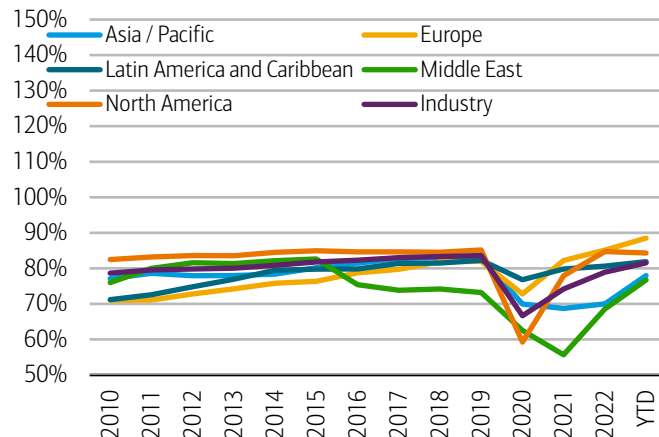


Source: IATA

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**Exhibit 40: Annual PLF 1990 to date**

Industry PLF recovery slowed in recent months

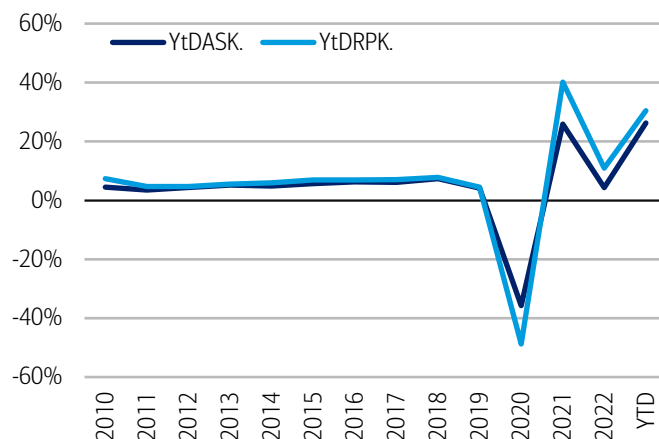


Source: IATA

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**Exhibit 42: Y/Y % change in annual ASKs and RPKs 1991 to date**

The pandemic caused unprecedented declines in ASKs and RPKs

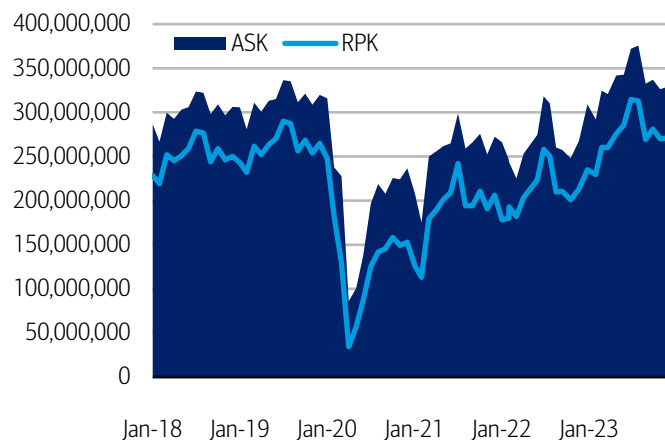


Source: IATA

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**Exhibit 43: Monthly ASKs and RPKs Jan 2018 to date**

Industry ASKs were up vs. 2022

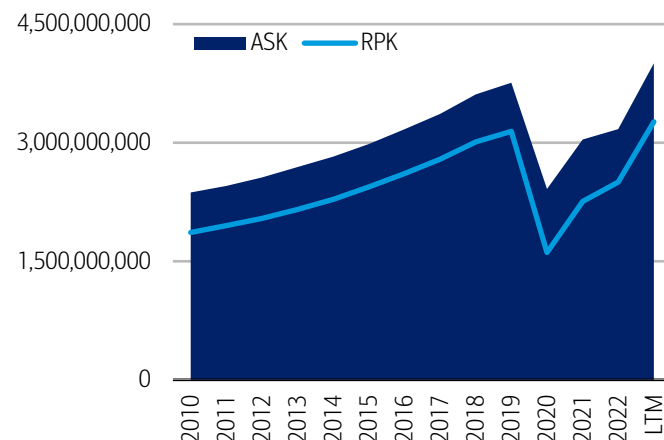


Source: IATA

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**Exhibit 44: Annual ASKs and RPKs 1990 to date**

Domestic RPK declines exceeded ASK cuts since the pandemic started

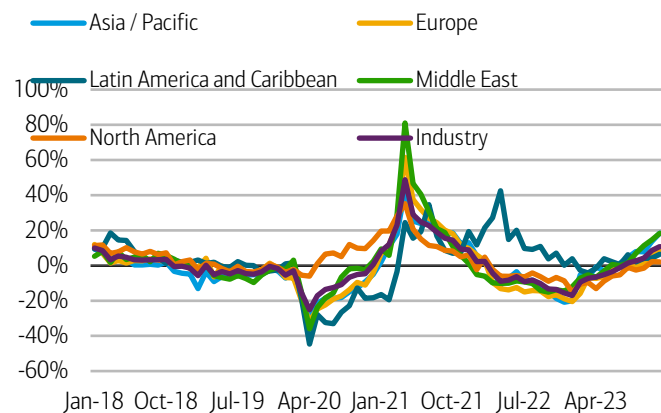


Source: IATA

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**2023 Total mkt. cargo demand -4% vs. '19****Exhibit 45: Y/Y % change in monthly CTGs Jan 2018 to date**

CTGs were 10% above Dec 2022 levels

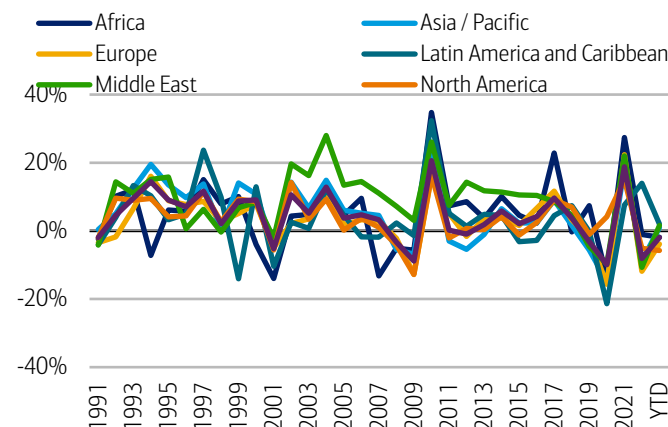


Source: IATA

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**Exhibit 46: Y/Y % change in annual CTGs 1991 to date**

Europe's CTGs increased in Dec

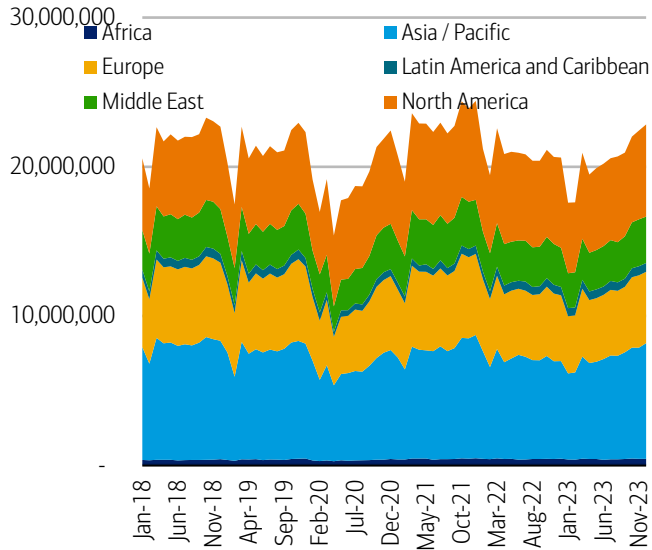


Source: IATA

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**Exhibit 47: Monthly CTKs Jan 2018 to date**

Dec 2023 CTKs were 2.3% above Dec 2019 levels

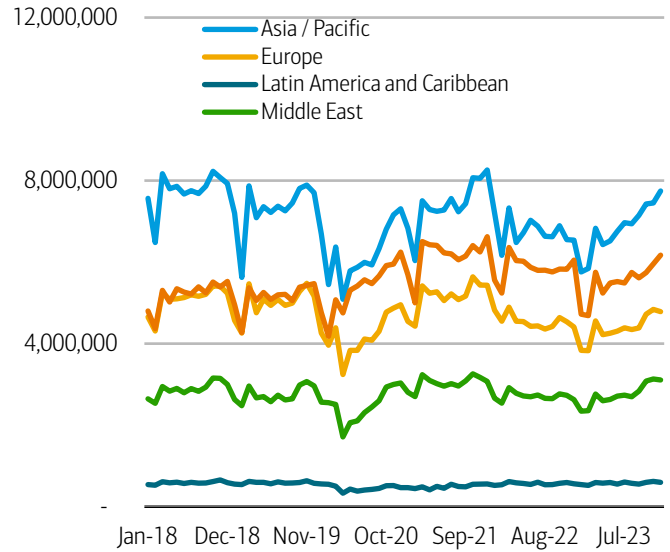


Source: IATA

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**Exhibit 48: Monthly CTKs Jan 2018 to date**

Industry CTK increased in Dec 2023

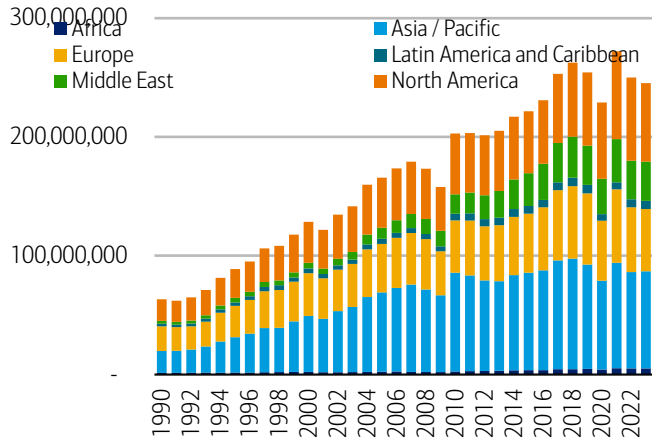


Source: IATA

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**Exhibit 49: Annual CTKs 1991 to date**

Cargo demand is 4% below 2019 levels

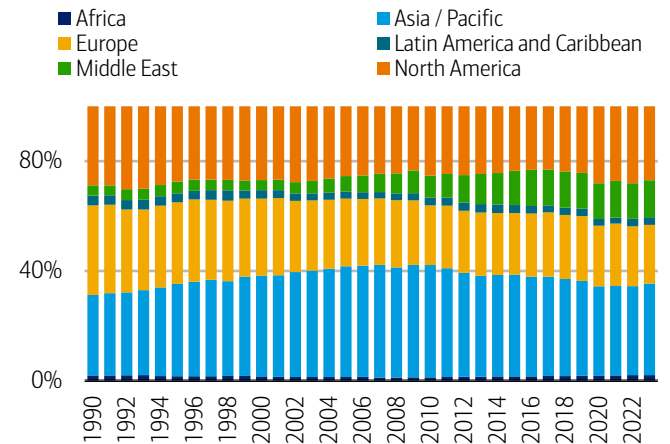


Source: IATA

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**Exhibit 50: Annual CTKs 1991 to date – share by region**

Europe represents 50% of total

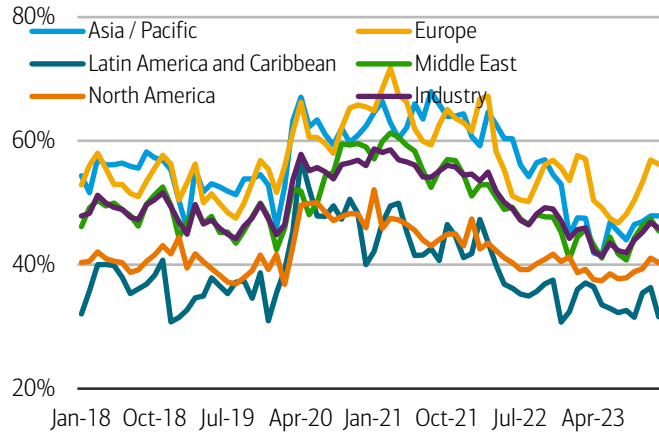


Source: IATA

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**Exhibit 51: Total market CLF**

Increased lower belly capacity is pressuring CLF

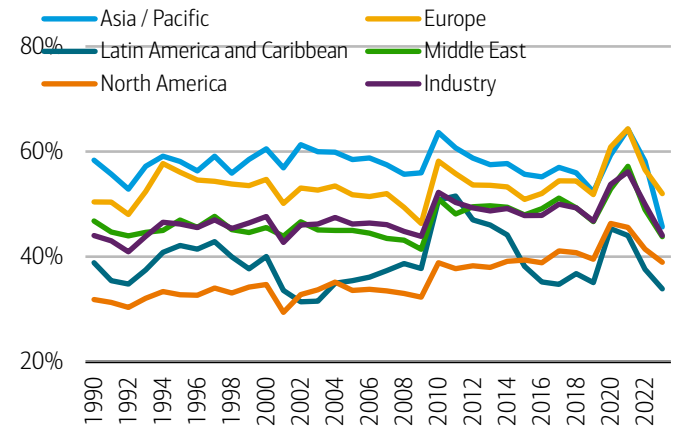


Source: IATA

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**Exhibit 52: Annual CLF 1990 to date**

CLF is below 2022 levels

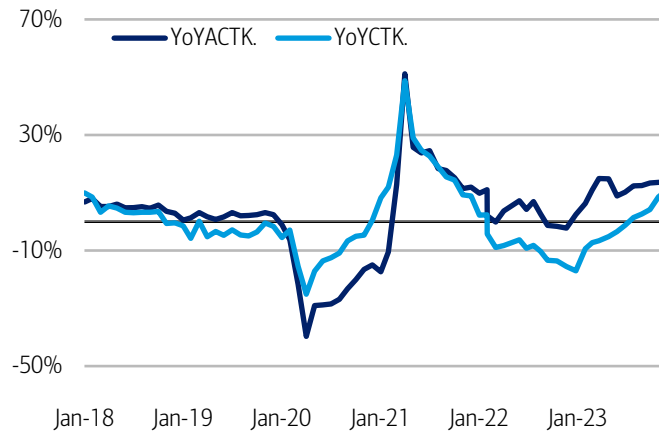


Source: IATA

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**Exhibit 53: Total market ACTK vs. CTk growth**

Both remain above 2022 levels

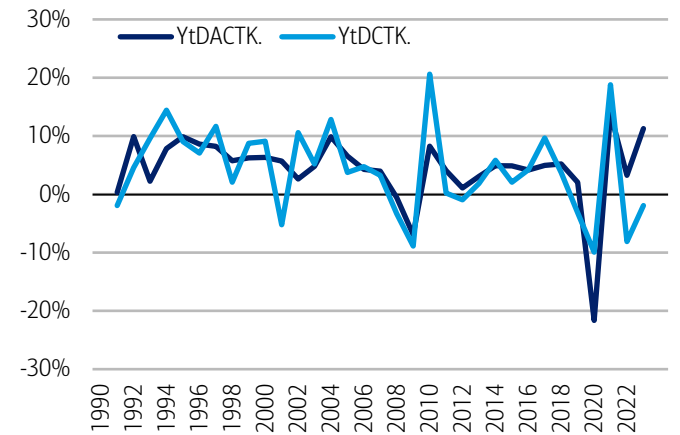


Source: IATA

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**Exhibit 54: Y/Y % change in annual ACTKs and CTk 1991 to date**

YTD CTk were lower

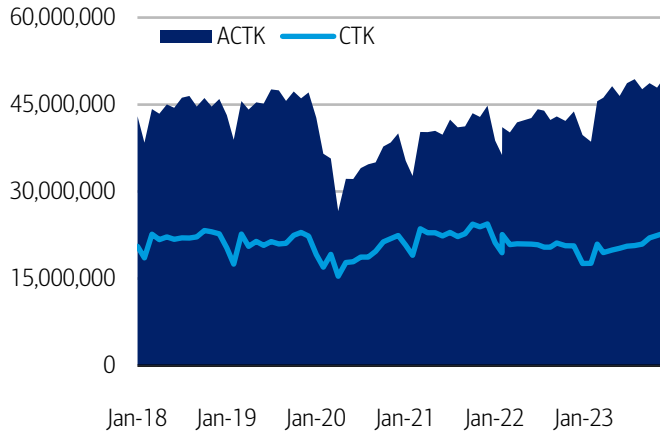


Source: IATA

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**Exhibit 55: Monthly ACTKs and CTKs Jan 2018 to date**

The cargo market is showing some signs of softening

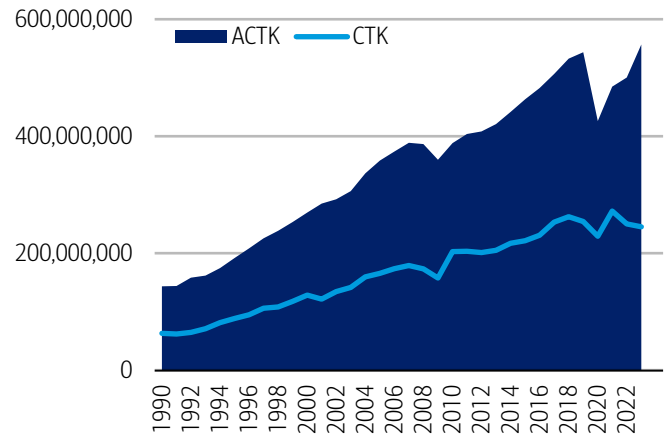


Source: IATA

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**Exhibit 56: Annual ACTKs and CTKs 1991 to date**

Air cargo market has cooled in recent months after record highs during the pandemic

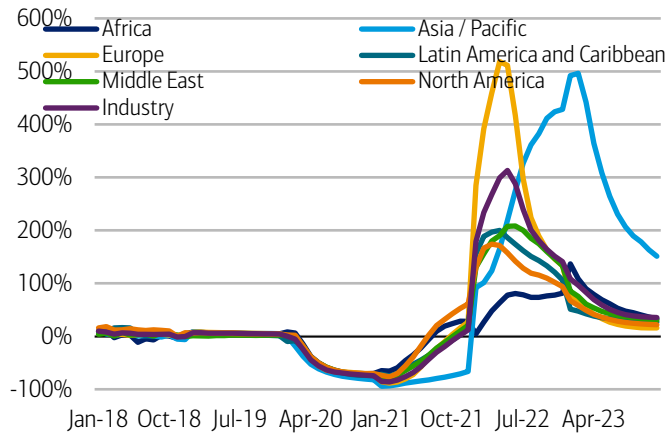


Source: IATA

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**Exhibit 57: Y/Y % change in monthly international FRT volumes - Jan 2018 to date\***

International FRT volumes recovering YTD

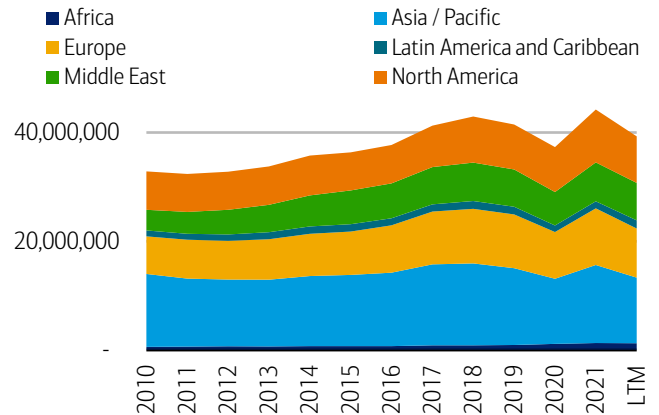


Source: IATA, note there is one month lag in data

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**Exhibit 58: Annual international FRT volumes 2010 to date**

LTM FRT volumes below 2018 peak



Source: IATA

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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