



MIDDLE EASTERN CARRIERS SAW 12% RISE IN DEMAND IN MARCH

News / Airlines



The International Air Transport Association (IATA) has announced global passenger traffic results for March showing that demand (measured in revenue passenger kilometers, or RPKs) rose 5.3%, compared to the same month last year, with African airlines continuing to enjoy strong demand, with traffic up 11.2%.

Capacity grew slightly faster at 5.9% which pushed the average load factor down by half a percentage point to 79.6%.

March performance shows a moderate slowdown on the year-on-year growth rates recorded in January (7.2%) and February (8.6%) even after adjusting for the leap-year impact in February. Demand for international traffic grew significantly more quickly (6.2%) than that for domestic travel (3.7%).

Middle East carriers experienced a 12% rise in demand in March, which was the largest increase among regions. Capacity increased 13.6%, however, and load factor dropped 1.1 percentage points to 76.5%.

“While in line with long-term trends, demand growth in March represented a slow-down compared to January and February. It is premature to say whether this marks the end of the recent very strong results. We do expect further stimulus in the form of network expansion and declines in travel costs. However, the wider economic backdrop remains subdued,” said Tony Tyler, IATA’s

Director General and CEO.

International Passenger Markets

March international passenger demand rose 6.2% compared to March 2015, which was a decline compared to the 9.1% increase in February. Airlines in all regions recorded growth. Total capacity climbed 6.9%, causing load factor to slip 0.5 percentage points to 78.5%.

Asia-Pacific airlines' traffic rose 6% in March compared to the year-ago period; however, capacity increased 7.8%, which caused load factor to slide 1.3 percentage points to 77.4%. Key routes within Asia, across the Pacific and to the Middle East grew strongly in the opening months, although Asia to Europe routes lagged behind.

European carriers saw March demand climb 5.5% over March 2015. Capacity rose 5.4% and load factor edged up 0.1 percentage points to 80.8%, highest among regions. The largest routes, including between the UK and Germany, and to and from Spain, have seen strong growth this year. It is too soon to know how the terrorist attacks in Brussels will affect demand.

North American airlines' traffic climbed 0.7% in March compared to the year-ago period, the slowest pace since April 2013. Carriers here have been concentrating their efforts on the larger and stronger domestic markets. Capacity rose just 0.6% and load factor was flat at 80.5%.

Latin American airlines had a 7.9% increase in traffic in March, down from a 10.4% increase in February, suggesting the upward trend in business-related international demand has softened. Capacity climbed 6.3%, causing load factor to surge 1.2 percentage points to 78.5%.

African airlines continued to enjoy strong demand, with traffic up 11.2% compared to March 2015. The turnaround after several difficult years coincides with expansion of long-haul networks by the region's carriers. Capacity rose 9.7%, and load factor strengthened to 66.6%, up 0.9 percentage points.

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