

Air transport industry forecast, December 2012

IATA (the International Air Transport Association) released their air transport industry forecast 2012-2016 showing that airlines will carry some 3.6 billion passengers in 2016 (about 800 million more than in 2011), representing an average annualized growth rate of 5.3%. China will account for nearly one in four additional passengers.

The increase in passenger numbers will see almost 500 million new passengers on domestic routes and 331 million new passengers on international services. International freight volumes will grow at 3% per annum, to reach 34.5 million tonnes in 2016. That is 4.8 million more tonnes of cargo more than the 29.6 million tonnes carried in 2011.

The emerging economies of Asia-Pacific, Latin America and the Middle East will see the strongest passenger growth. This will be led by routes within or connected to China, which are expected to account for 193 million of the 831 million new passengers over the forecast period (159 million on domestic routes and 34 million traveling internationally). Passenger growth within the Asia-Pacific region (domestic and international) is expected to add around 380 million passengers over the forecast period.

Through 2016, the United States will continue to be the largest single market for domestic passengers (710.2 million). In the same year, passengers on international routes connected to the United States will total 223 million, making it the largest single market for international travel as well. Reflecting the maturity of the United States market, growth rates (2.6% for domestic and 4.3% for international) will remain below the international average (5.3% for international travel and 5.2% for domestic traffic).

In spite of the current economic uncertainty, expected demand for connectivity remains strong and that is good news for the global economy, as growing air transport activities generate jobs and support economic growth.

Forecast Highlights:

International Passenger Development

International passenger numbers are expected to grow from 1.11 billion in 2011 to 1.45 billion passengers in 2016, bringing 331 million passengers for a compound annual growth rate of 5.3%.

Five of the 10 fastest growing markets for international passenger traffic are among the Commonwealth of Independent States or were part of the former Soviet Union with the others in Latin America, Africa and the Asia-Pacific region. Kazakhstan leads at 20.3%, followed by Uzbekistan (11.1%), Sudan (9.2%), Uruguay (9%), Azerbaijan (8.9%), Ukraine (8.8%), Cambodia (8.7%), Chile (8.5%), Panama (8.5%) and Russia (8.4%).

By 2016, the top five countries for international travel measured by number of passengers will be the United States (at 223.1 million, an increase of 42.1 million), the United Kingdom (at 200.8 million, 32.8 million new passengers), Germany (at 172.9 million, +28.2 million), Spain (134.6 million, +21.6 million), and France (123.1 million, +23.4 million).

Domestic Passenger Development

Domestic passenger numbers are expected to rise from 1.72 billion in 2011 to 2.21 billion in 2016, a 494 million increase, reflecting a growth of 5.2% over the period.

Kazakhstan will experience the fastest growth rate at 22.5%, adding 3.9 million passengers in 2011. India will have the second highest growth rate at 13.1%, adding 49.3 million new passengers. China's 10.1% rate will result in 158.9 million new domestic passengers. No other country is expected to experience double-digit growth rates over the forecast period. Brazil, which has the industry's third largest domestic market after the United States and China, will experience an 8% growth, adding 38 million new passengers.

By 2016 the five largest markets for domestic passengers will be the United States (710.2 million), China (415 million), Brazil (118.9 million), India (107.2 million), and Japan (93.2 million).

International Freight Developments

International freight volumes are expected to grow at a five-year rate of 3%, the result of an upward growth trend over the forecast period, starting at 1.4% in 2012 and reaching 3.7% in 2016.

The five fastest growing international freight markets will be Sri Lanka (8.7%), Vietnam (7.4%), Brazil (6.3%), India (6%) and Egypt (5.9%). Five of the 10 fastest growing countries are in the Middle East North Africa region, reflecting this region's growing importance in international air freight.

By 2016, the largest international freight markets will be the United States (7.7 million tonnes), Germany (4.2 million tonnes), China (3.5 million tonnes), Hong Kong (3.2 million tonnes), Japan (2.9 million tonnes), the United Arab Emirates (2.5 million tonnes), the Republic of Korea (1.9 million tonnes), the United Kingdom (1.8 million tonnes), India (1.6 million tonnes) and the Netherlands (1.6 million tonnes).

Freight carriage within the Asia-Pacific region will account for around 30% of the expected total increase in freight tonnage over the period.

Regional Outlook for the forecast period (2012-2016)

Asia-Pacific passenger traffic is forecast to grow at 6.7%. Traffic within the Asia-Pacific region will represent 33% of global passengers in 2016, up from 29% in 2011. This makes the region the largest regional market for air transport (ahead of North America and Europe, who each represent 21%). International freight demand will rise 3%, in line with global growth over the period. Routes within and connected to the Asia-Pacific region will comprise some 57% of cargo shipments.

Africa will report the strongest passenger growth with 6.8%. International cargo demand will rise 4%.

The **Middle East** is expected to have the third fastest growth rate at 6.6%. International freight demand will grow at 4.9%, the strongest growth among the regions.

Europe will see international passenger demand growth of 4.4%, while international freight demand for the region will grow 2.2%, the slowest for any region.

North America will record the slowest international passenger demand growth: 4.3%. International freight demand will rise 2.4%.

Latin America will see international passenger demand grow 5.8% and international freight demand increase 4.4% per year.

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Source: IATA (International Air Transport Association).
IATA represents some 240 airlines comprising 84% of global air traffic.

