LUNAR NEW YEAR TRAVEL ADDS TO STRONG TRAFFIC GROWTH IN FEBRUARY

The International Air Transport Association (IATA) has announced global passenger traffic results for February showing a strengthening in demand growth compared to February 2014.

Total revenue passenger kilometres (RPKs) rose 6.2%, which was an improvement on the January year-over-year increase of 4.5%. Monthly results were positively impacted by the Lunar New Year holiday which occurred in February this year, one month later than in 2014. February capacity (available seat kilometres or ASKs) increased by 5.6%, and load factor rose 0.5 percentage points to 78.5%.

Said Tony Tyler, IATA’s Director General and CEO: ‘Lunar New Year celebrations, particularly in the Asia-Pacific region, certainly contributed to the robust February performance, but it is also clear that solid demand for connectivity is offsetting economic weakness in some regions including the Eurozone.’

International passenger markets
February international passenger demand rose 6.8% compared to the same month last year, with airlines in all regions except Africa recording growth. Capacity climbed 5.7% and load factor rose 0.7 percentage points to 77.4%.

• Asia-Pacific airlines’ February traffic surged 10.4% compared to the year-ago period. Although the strong results reflect leisure traffic around the Lunar New Year, the underlying trend in volumes confirms robust expansion in air travel. Capacity rose 8.2% and load factor climbed 1.6 percentage points to 78.2%.

• European carriers saw demand increase by 4.8% in February versus February 2014. Despite feeble economic expansion in the Eurozone, some carriers including those in Turkey, continued to report strong growth. Capacity climbed 3.4% and load factor rose 1.1 percentage points to 78.3%.

• North American airlines experienced a 3.5% rise in traffic compared to February a year ago, which was above the 3.1% expansion in 2014 overall. The US economy remains a stand-out performer among developed economies. Capacity rose 2.3% and load factor was 76.8%, up 0.9 percentage points over a year ago.

• Middle East carriers’ demand climbed 8.7% in February. Economies in the region are comparatively well placed to withstand the plunge in oil revenues
and regionally-based carriers continue to gain market-share. Capacity climbed 11.0%, causing load factor to fall 1.6 percentage points to 77.2%.

• Latin American airlines experienced a 7.4% rise in traffic compared to February 2014. Capacity rose 6.5% and load factor rose 0.7 percentage points to 79.7%, highest among the regions. Growth in the Brazilian economy has stagnated but regional trade volumes have continued to improve.

• African airlines’ traffic fell 2.0% in February year-to-year, while ASKs slipped 1.7%, resulting in a 0.2 percentage point dip in load factor to 63.5%, which was the lowest for any region. The results most likely reflect adverse economic developments in parts of the continent, including Nigeria, Africa’s largest economy, which relies heavily on oil revenues.

**Domestic passenger markets**
Domestic travel demand rose 5.3% in February compared to February 2014, with the strongest growth occurring in India and Brazil, followed by China, which benefitted from Lunar New Year-related travel. Total domestic capacity also was up 5.3%, and load factor was unchanged at 80.4%.

• India’s domestic demand soared 14.8% in February compared to a year ago. Market demand began to improve in the latter part of 2014, partly owing to market stimulation, and that has continued in 2015.

• Brazilian domestic traffic climbed 9.2% year-over-year. This is attributable in part to the fact that Carnival celebrations fell entirely in February in 2015, whereas in 2014 the holiday overlapped in March.

**The Bottom Line:**
*The millions of people who travelled for Lunar New Year remind us of the vital role that aviation plays in connecting our world. On an average day some nine million people travel on 100,000 flights. Doing that safely is the industry’s top priority. Words cannot express the shock and sadness that we all feel over the Germanwings tragedy. Our thoughts are with the families and friends of those onboard the aircraft. The best tribute that we can pay them is to make flying even safer. While the criminal investigation has come to some conclusions, a thorough air accident investigation is imperative to help guide the industry forward,*’ said Tyler.

**About IATA**
IATA (International Air Transport Association) represents some 250 airlines comprising 84% of global air traffic.
Domestic RPKs account for about 37% of the total market. It is most important for North American airlines as it is about 67% of their operations. In Latin America, domestic travel accounts for 47% of operations, primarily owing to the large Brazilian market. For Asia-Pacific carriers, the large markets in India, China and Japan mean that domestic travel accounts for 44% of the region’s operations. It is less important for Europe and most of Africa where domestic travel represents just 11% and 14% of operations respectively. And it is negligible for Middle Eastern carriers for whom domestic travel represents just 5% of operations.

Total passenger traffic market shares by region of carriers in terms of RPK are: Asia-Pacific 35.0%, Europe 23.5%, North America 23.5%, Middle East 10.0%, Latin America 5.9%, and Africa 2.2%.