

IATA: MIDDLE EAST CARRIERS RECORDED THE STRONGEST ANNUAL PASSENGER TRAFFIC GROWTH



According to the IATA (International Air Transport Association), the Middle East carriers achieved a 13 % annual growth in 2014, with regions capacity increasing by 11.9% and load factor rising to 78.1%, after a 0.8 % increase. This is the strongest annual passenger traffic growth.

The IATA further reported that **economies in the region continued to show robust growth even in non-oil sectors, a factor that makes them withstand the plummeting revenues from oil.** For instance, there was a 5.9% increase in demand in global passenger traffic in 2014 when compared to 2013. This was above the average 10-year growth rate, which stands at 5.6%. Moreover, it was more than the 5.2% annual growth in 2013, in comparison with 2012. Carriers in the Middle East realized double-digit growth, while their African counterparts barely moved beyond previous-year levels, said IATA Director and CEO, Tony Tyler.

There was a 5.6% increase in global air passenger capacity, increasing load factor by 0.2 %. A record 3.3 billion passengers travelled using aircrafts in 2014, a 170 million increase from 2013. 2014 saw growth in demand that cut across all regions. Over 50% of the growth in passenger travel occurred in emerging market airlines, including the Middle East and Asia- Pacific. This is attributed to an increase in domestic tourism among the Chinese (+11%) in 2014. People will undoubtedly continue to travel in large numbers. However, the loss of confidence in business seen in recent months could see a leveling off in demand for international travel, observed Tyler.

While international passenger traffic increased by 6.1% in 2014, with capacity rising to 6.4% and load factor slipping to 79.2 %, Asia Pacific carriers achieved a 5.8% increase, the largest among the 3 biggest regions. A slowdown in regional production activity has however seen a flat in passenger traffic over the last 4 months. Capacity increased by 7%, while load factor decreased to 76.9 from 78%.

In Europe, international traffic in carriers increased by 5.7% in 2014 with capacity increasing by 5.2 % and load factor by 0.6% to get to 81.6%. There was robust travel on low fare airlines, as well as on airlines registered in Turkey, which helped offset economic risks and weakness in the region.

In North America, demand in airlines rose by 3.1% in 2014, with capacity increasing by 4.6 % and load factor decreasing by 1.1%. The U.S. is the best performing country among the developed economies.

In Latin America, passenger traffic increased by 5.8% with capacity increasing by 4.7%. The lowest growth in annual demand was seen in Africa, as it only increased by 0.9% in 2014 when compared to 2013. There was a 3 % increase in capacity, and a 1.5% decrease in load factor.

3.3 billion people travelled using aircrafts in 2014, showing a general increase in demand across all regions. **However, 50% of the growth occurred in emerging market airlines, for instance the Middle East.** Other regions like Europe, America and Africa also showed some growth. America

takes the lead among developed economies, while Africa did not perform very well. The Middle East showed remarkable performance with its carriers achieving a 13 % annual growth in 2014. People will continue to travel in large numbers. However, factors like losing confidence in business may cause demand for international travel to level off, something that spells doom in passenger traffic if not resolved, sooner than later.

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