

# AIR TRANSPORT TAKES OFF DESPITE HEADWINDS



Against a backdrop of generally slower economic growth, the recovery in global air transport continues to support the forecasts of a return to 2019 traffic levels in 2024 at the aggregate level, confirmed IATA Chief Economist Marie Owens Thomsen.

Forward bookings remain strong, international bookings are accelerating despite the persistence of Covid-19-related travel restrictions in Asia, in particular in China.

**Marie Owens Thomsen notes that global GDP growth is expected to reach about 3% this year, half the growth recorded in 2021.** "Emerging economies will bear the brunt of the challenges this creates," she explains.

At the same time, "spectacular" job growth should help mitigate the impact of rising inflation and interest rates on air transport. According to the expert, "high inflation means lower real interest rates even if nominal rates rise. High inflation also reduces the real value of debt.

In terms of the long-term outlook for the tourism industry, the forecast is for a compound annual growth rate (CAGR) of 3.4% between 2019 and 2040.

The impact of Covid-19 and related travel restrictions, however, was such that it estimated the lost traffic between 2020 and 2022 as equivalent to 1.8x RPK 2019.

And in 2040, if current forecasts for air transport hold, **traffic will still be 6 percent lower than pre-pandemic forecasts**, she said.

Marie Owens Thomsen points out that aviation is a necessary ingredient for economic development, "for the global welfare and development recognized more than 75 years ago by the drafters of the 1944 Chicago Convention".

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