

IATA EXPECTS AVIATION INDUSTRY TO EARN EUR 21.5 BILLION IN 2023



The International Air Transport Association (IATA) has forecasted that the aviation industry's net profits will increase to \$23.3 billion (€21.5 billion) by 2023 and further rise to \$25.7 billion (€23.8 billion) by 2024. This comes after three years of losses caused by the COVID-19 crisis.

According to forecasts released by the Association, total revenues in 2024 are expected to grow by 7.6% year-on-year to a record \$964 billion (€893 billion), while expenditure growth will be slightly lower at 6.9%, for a total of \$914 billion (€846 billion).

Meanwhile, some 4.7 billion people are expected to travel in 2024, an all-time high that exceeds the pre-pandemic level of 4.5 billion recorded in 2019. Cargo volumes are estimated at 58 and 61 million tons in 2023 and 2024, respectively.

IATA Director General Willie Walsh said that the projected net profit of \$25.7 billion in 2024 is evidence of the aviation industry's recovery despite massive losses in recent years. Walsh also highlighted the extraordinary recovery speed, given that the pandemic had set the industry back by around four years of growth. Walsh said the outlook for passengers and cargo looks positive, with more normal growth patterns expected from 2024 onwards.

Although the recovery is impressive, Walsh admits that the expected net profit margin of 2.7% is relatively low compared to other sectors. According to Walsh, the airline industry is challenged by stringent regulations, fragmentation, high infrastructure costs, and an oligopolistic supply chain. Although airlines fiercely compete for customers, they must improve their ability to perform optimally.

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