



International Civil Aviation Organization

MIDANPIRG STEERING GROUP

**Sixth Meeting (MSG/6)
(Cairo, Egypt, 3 – 5 December 2018)**

Agenda Item 5.1: State of Air Transport in the MID Region

MID REGION AVIATION STATISTICS AND FORECASTS

(Presented by the Secretariat)

SUMMARY

This paper presents the MID Region Aviation Statistics and Forecasts to support regional air navigation planning and implementation processes.

Action by the meeting is at paragraph 6.

REFERENCES

– ICAO State of Air Transport 2017

1. INTRODUCTION

1.1 The development of forecasts for major traffic flows from, to and within the MID Region is necessary to support regional air navigation planning and implementation processes.

2. GLOBAL STATE OF AIR TRANSPORT IN 2017 (SCHEDULED SERVICES)

2.1 The Total number of passengers carried on scheduled services rose to 4.1 billions in 2017 with an increase of 7.2% compared to 2016 and the total number of departures reached 36.7 million in 2017, with an increase of 3.1% compared to 2016.

2.2 Passenger traffic, expressed in terms of total scheduled Revenue Passenger-Kilometers performed (RPKs), posted an increase of 7.9 per cent, with approximately 7 699 billion RPKs performed in 2017.

2.3 In 2017, the operating profit of scheduled airlines of Member States was estimated at about 7.9 per cent of operating revenues. The operating profit was expected to be around USD 60 billion in 2017 based on operating revenues of USD 758 billion.

2.4 After an estimated 3.1 per cent growth in real Gross Domestic Product (GDP) in 2017, the World Bank has forecasted growth to remain unchanged at 3.1 per cent GDP growth for 2018. Accordingly, ICAO has forecasted that total passenger traffic will grow by about 7.5 per cent in 2018. The operating profit for the industry is expected to increase to around USD 56 billion in 2018 due to the

combined effects of improving economic growth, continuing traffic growth, and better capacity utilisation that is expected to offset the increase in jet fuel prices in 2018.

2.5 According to the latest ICAO long-term air traffic forecasts, the 4.1 billion airline passengers carried in 2017 are expected to grow to about 10.0 billion by 2040, and the number of departures is projected to rise to some 90 million in 2040.

3. MID REGION STATE OF AIR TRANSPORT IN 2017 (SCHEDULED SERVICES)

3.1 The Middle East has been the fastest growing region for passenger and cargo traffic since 2011, and airlines in the MID region have posted double-digit passenger traffic growth every year since 2012 except for 2017. Traffic is mainly international and the region now ranks third in international passenger traffic, overtaking North America in 2012. The Load factors remain lower than the world average and airlines also have lower costs than the average.

Passenger traffic performed - Revenue Passenger-Kilometers (RPK)

3.2 The Middle East Region, representing 9 per cent of the world traffic, accounted for 14 per cent of international RPKs and recorded a growth rate of 6.5 per cent in 2017, significantly lower than the double-digit growth recorded in previous years.

3.3 The 2017 growth was supported by the expansion of air carriers such as Saudi Arabian Airlines (+15.4%) and Oman Air (+19.0%). Those air carriers expanded their networks and benefited from their excellent geographical position to link different cities with only one stop in their respective hubs. Moreover, passenger traffic growth among the top 15 was more balanced in the region with one State, namely Yemen, experiencing a decrease of -45.4%. Airlines of the United Arab Emirates, Qatar and Saudi Arabia account for 74.8% of the total passenger traffic of airlines in Middle East

3.4 International traffic of air carriers in the Middle East represented 95.9% of the airlines' total RPK in 2017. Saudi Arabia and the Islamic Republic of Iran were the largest domestic markets in the Middle East with 55.2% and 40.4%, respectively, of domestic traffic in the region. Domestic traffic in the Middle East increased by +5.9% in RPK in 2017 with growth in capacity of +7.0%.

Capacity – Available Seat Kilometers (ASK)

3.5 Middle-Eastern airlines increased their capacity in ASK by +6.2% in 2017. The capacity in ASK increased by +6.1% for international air services and by +7.0% for domestic services. In absolute terms, the States that contributed the most to increased capacity were Qatar (+10.5%), Oman (+20.7%) and Kuwait (+40.1%).

Passenger load factor

3.6 The passenger load factor increased in 2017. It reached 74.5% compared to 74.3% the previous year. The passenger load factor achieved 74.5% for international services and 76.2% for domestic services.

Freight Traffic - Freight Tonne Kilometers (FTK)

3.7 Cargo traffic performed by Middle-Eastern carriers recorded an annual growth of +8.7% in 2017 in terms of FTK, compared to +7.7% in 2016. Air freight services performed by Middle-Eastern

carriers are mostly international, and carriers of United Arab Emirates and Qatar, accounting for 89.3% of the traffic, recorded annual growth of +2.3% and +19.2%, respectively.

Low Cost Carriers (LCCs)

3.8 The Middle East had a lower LCC traffic share than the world average. In 2017, around 21% of the available seats within the region were offered by LCCs, -12 percentage points lower than the world average. The number of seats within the region offered by LCCs has increased from 2008 to 2017. In 2008, there were about 5.3 million seats offered by LCCs, and this increased to around 25.8 million in 2017. LCC market share in the Middle East has increased rapidly in the last ten years. The percentage of seats within the region offered by LCCs increased from only 9% in 2008 to 21% in 2017. The total increase, +12 percentage points, is faster than the world total growth of +9 percentage points. LCC penetration in the Middle East has grown rapidly in the last ten years.

Air Traffic – Nr. of Scheduled Commercial Departures

3.9 The airlines of the MID Region showed a stable growth in terms of aircraft departures. The total number of scheduled commercial departures in 2017 grew at a pace of **5.4 per cent** to reach about **1.37 million departures**, compared to **1.3 million departures** in 2016 and **1.08 million departures** in 2013.

4. TRAFFIC FORECASTS

4.1 According to the ICAO forecasts, the passenger traffic to, from and within the MID Region on the five major route groups concerned for the period **2012-2042** is expected to increase at an average annual rate of **5.2 per cent**. In 2042, the **Middle East-Central South West Asia** Route Group is expected to become the largest traffic route group to/from Middle East with an average annual growth rate of **8.2 per cent** per annum, followed by Europe-Middle East, North Asia and Pacific South East Asia-Middle East, Africa-Middle East and North America-Middle East Route Groups with growth rates of **2.9 per cent**, **3.5 per cent**, **4.7 per cent** and **3.4 per cent**, respectively, for the period concerned.

5. ICAO EUR/MID AVIATION DATA ANALYSES SEMINARS

5.1 An ICAO Aviation Data Analyses Seminar was held in Tehran, Iran, 20-23 February 2017; and the ICAO EUR/MID Aviation Data Analyses Seminar was held in the ICAO EUR/NAT Office, Paris, France, 4 – 6 April 2018. Unfortunately, the level of attendance to both Seminars was very low.

5.2 The main objective of the Seminars was to bring together all stakeholders (Regulators, Air Navigation Service Providers (ANSPs), Aerodrome Operators, Aircraft Operators, International Organizations and Industry) and foster the dialogue on the use of aviation data and analysis to facilitate data-driven decision making, including the synergies between aviation, tourism and trade. The Seminars provided also an opportunity to participants to learn about the new ICAO solutions with respect to the available aviation data and analysis to help States to optimize the social and economic benefits of air transport.

5.3 The Documentation and presentations delivered during the Seminars are available at: <https://www.icao.int/MID/Pages/2017/Aviation%20Data%20and%20Analysis%20Seminar.aspx>; and <https://www.icao.int/Meetings/aviationdataseminar/Pages/default.aspx>, respectively.

6. ACTION BY THE MEETING

6.1 The meeting is invited to take into consideration the MID Region Aviation Statistics and Forecasts in the regional air navigation planning and implementation processes.

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