

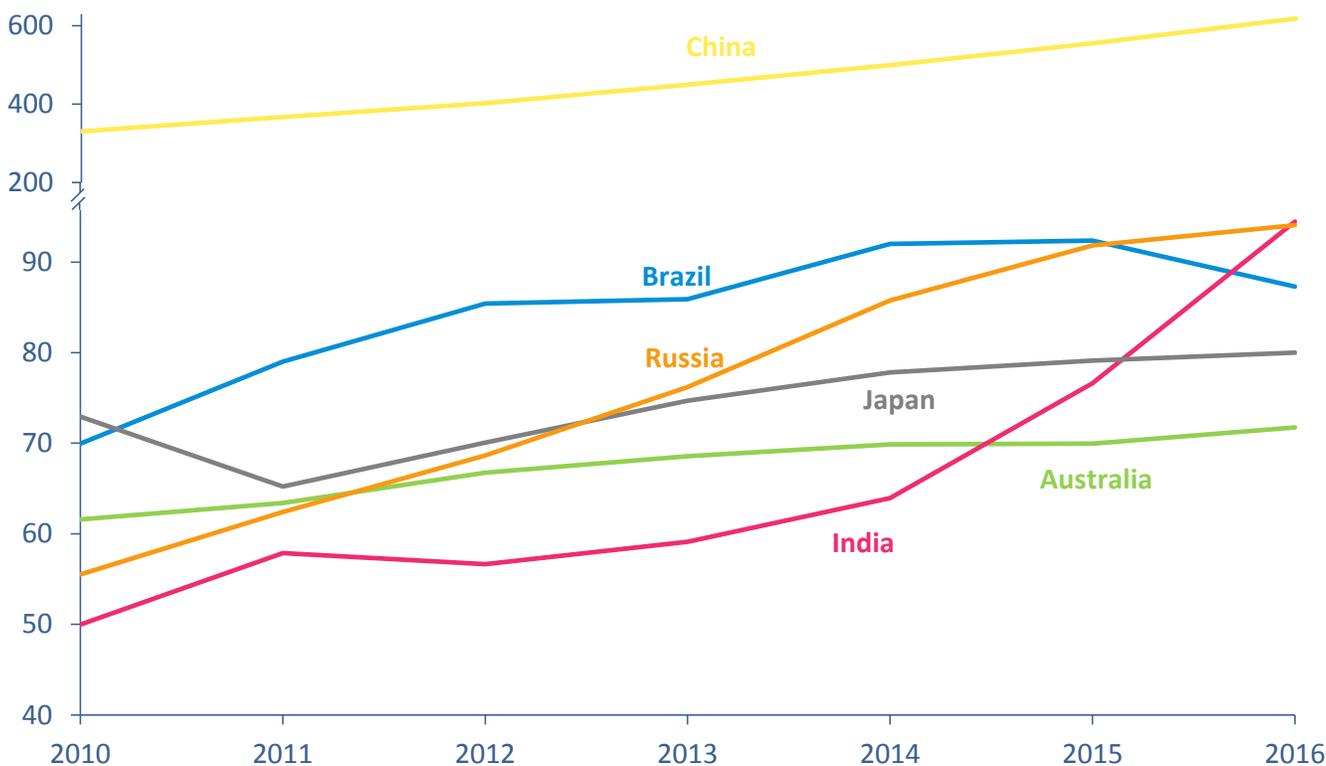


## IATA ECONOMICS' CHART OF THE WEEK

18 AUGUST 2017

### COMMEMORATING THE 70<sup>TH</sup> 'BIRTHDAY' OF INDIA AND PAKISTAN

Domestic RPKs (billion)



Source: IATA Monthly Statistics

- This week saw the 70<sup>th</sup> anniversary of the partition of British India and the creation of the independent dominions of India and Pakistan (which ultimately became the sovereign states of India, Pakistan, and Bangladesh). To mark this occasion, we take a closer look at recent developments in the aviation markets of India and Pakistan.
- India is one of the seven major domestic markets that we monitor in our monthly passenger analysis notes, and regular readers will be well aware of the rapid traffic growth seen in recent years. Strong growth in consumer spending, as well as network changes that have translated into time savings for domestic travelers and have helped to stimulate demand, mean that domestic India RPKs posted their 34<sup>th</sup> consecutive month of double-digit annual growth in June. As highlighted in this week's chart, this period of rapid growth resulted in the domestic India market overtaking Australia in terms of domestic RPKs during 2015, and it subsequently surged past Japan, Brazil, and Russia last year.
- Regrettably, we do not have the same level of detailed data for Pakistan. However, other sources show that its aviation market is less developed than its much larger neighbor, even after adjusting for its smaller population (195 million vs India's 1.3bn). This is partly because per capita incomes in Pakistan are around 15-20% lower than in India. But even so, it has still posted impressive growth in air passenger traffic since 2010, of around 8% per year.
- Looking forward, despite challenges in both countries and the region more broadly, the outlook for air transport demand is quite bright – particularly given the expected gains in living standards, and favorable demographic profiles. In fact, the latest IATA and Tourism Economics' [forecast](#) expects passenger numbers to, from and within each country to grow by just over 6% each year over the next 20 years. If realized, this will see each of the air transport markets more than treble in size by 2036.

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IATA Economics  
[economics@iata.org](mailto:economics@iata.org)