

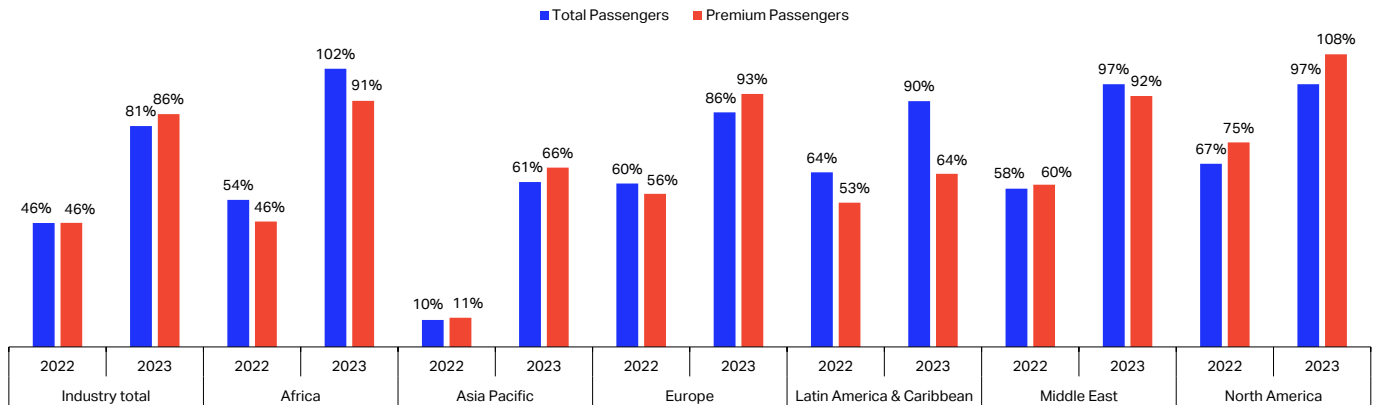


Chart of the Week

14 April 2023

Premium class air travel recovers ahead of total traffic

February 2022 and 2023 passenger traffic, % share of February 2019



Source: IATA Monthly Statistics

- In February 2023, the total number of air passengers continued to approach pre-pandemic levels. It is interesting to note that at the global scale, premium traffic has recovered faster than total passenger traffic. The data refers to the premium cabin class, encompassing first and business class, but does not enlighten us as to the purpose of travel, and might thus include leisure travelers who choose to travel in greater comfort.
- The Asia-Pacific region, which faced significant travel restrictions during the pandemic, had a 65.9% recovery rate for premium passengers in February 2023 compared to February 2019 levels. This is a considerable improvement from February 2022, when this recovery rate stood at only 10.7%. The region's total passenger numbers have also shown progress, reflecting the positive impacts of eased travel restrictions and increased business activity in countries such as China and India.
- Europe and North America both reported strong recovery rates in premium passenger numbers. Europe's premium passenger recovery rate in February 2023 was 93.1%, a significant increase from 56.3% in February 2022. In North America, the same number reached 107.7% in February 2023, thus surpassing pre-pandemic levels, and up from 75.3% in February 2022. These outcomes indicate that demand for premium travel has benefited from the economic recovery and pent-up demand for travel.
- Premium travel has also risen strongly in the Middle East and Africa. In the Middle East, this category reached 92.3% in February 2023, up from 59.6% in February 2022, likely benefiting from the region's strategic location as a transit hub for long-haul flights. Africa experienced a 90.5% recovery rate in February 2023, compared to 46.1% in February 2022, supported by the growing African tourism industry and increased intracontinental business travel.
- Latin America and the Caribbean, however, saw premium travel lag compared to other regions. The recovery rate for premium passengers was 63.6% in February 2023, a moderate improvement from 53.0% in February 2022. The slower recovery in this region may be due to lingering travel restrictions, economic instability, and a slower vaccine rollout in some countries in the region.
- While it is still unclear if consumer preferences and business travel patterns have been durably affected by the pandemic, the overall trend continues to suggest a positive trajectory for premium class air travel.

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