

Teneo Aviation Outlook 2025

*The impact of tariffs and
other global drivers on
passenger demand covering
2025 – 2026*

Aviation Insights

April 2025



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Section 01

Foreword and Executive Summary



Foreword

Airlines are grappling with a world in flux, shaped by the impact of the Trump administration's tariffs. Teneo has developed scenarios outlining a range of potential outcomes for the global aviation sector.

The Trump administration's tariffs and U.S. foreign policy have introduced potential headwinds for the global aviation industry. Teneo's base case assumes the likely scenario of disruption in the medium term, weighing on aviation demand across the forecast period, with a c. 17% decline in North American international travel in the immediate aftermath of the tariff announcements before recovering later in the year. Despite the 90-day pause, consumers and businesses are likely to remain uncertain about the future, and fears of a recession could dampen confidence. Meanwhile, wider geopolitical realignment resulting from tariff disruption and regulatory changes are threatening to raise airlines' costs and fares.

The impact of these circumstances is highly regional. In Europe, the transatlantic corridor is expected to narrow, and sluggish economic performance is expected to suppress travel demand. U.S.-China tension pose more complex questions around how shifting spheres of influence will likely shift passenger demand across different regions.

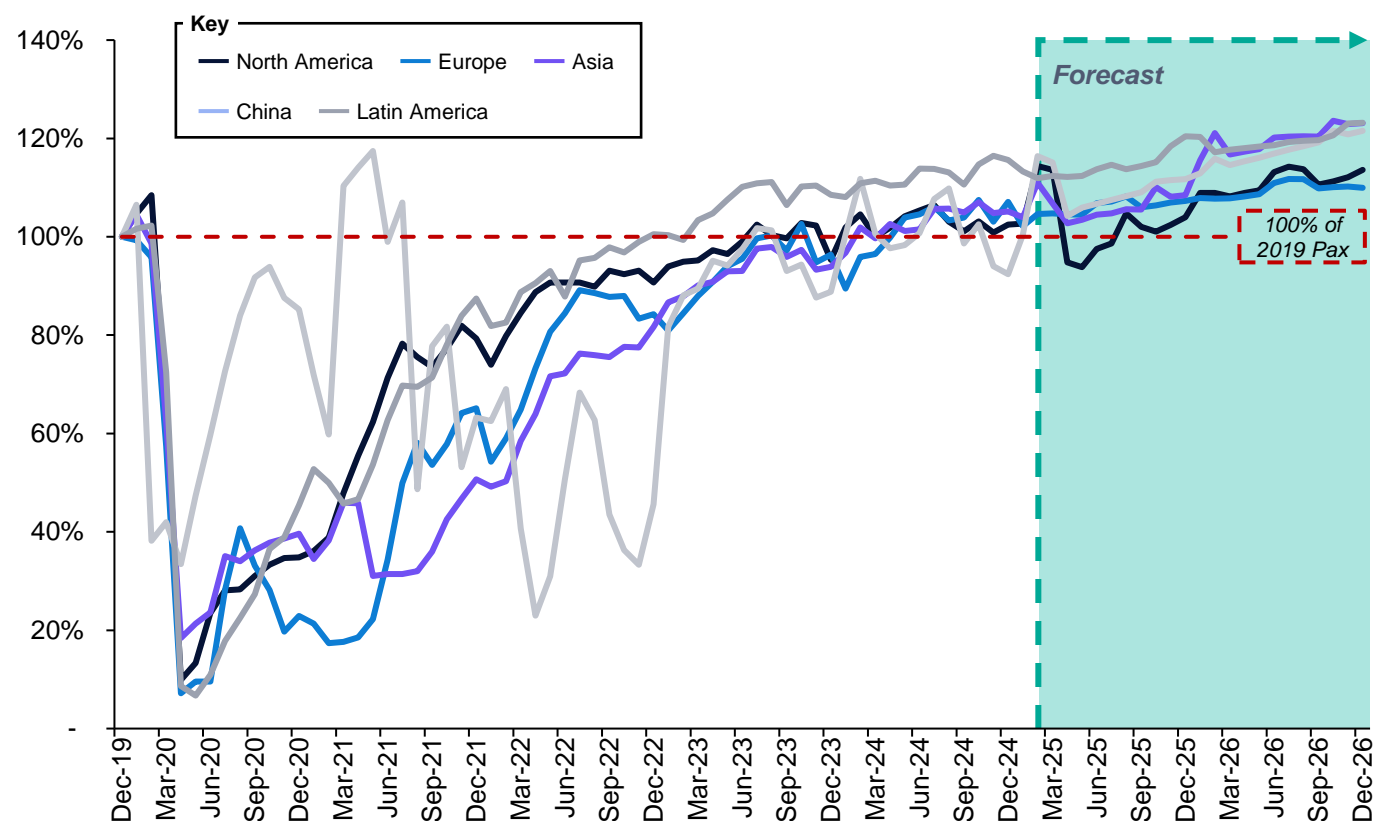
This report combines Teneo's extensive experience in the global transportation industry with its proprietary aviation passenger forecasting model. The model can produce detailed forecasts for every major country and airline, considering a range of drivers and inhibitors. This paper presents Teneo's aviation volume forecast up to the end of 2026 on a regional level.

Executive Summary

In 2025 and 2026, global aviation demand is expected to face significant headwinds amidst economic and geopolitical uncertainty as consumers and businesses adopt risk-averse strategies

Global passenger volumes by region

% of 2019 levels, total traffic (international and regional)



In 2024, aviation demand remained resilient in the face of macroeconomic challenges. Lower inflation across most regions and a recovery in incomes supported this rebound, as consumers and businesses improved their fortunes.

However, the aviation sector faces significant headwinds in the medium term that are at odds with improving consumer and business incomes:

- Globally, the Trump administration's tariffs and wider 'ratcheting up' of trade tensions will likely create uncertainty, and **fears of a recession will likely cause travellers to cancel or postpone travel plans**
- In North America, demand has recovered to pre-COVID levels, but **uncertainty around the impact of the Trump administration's policies** will drive suppression of travel demand as consumers and businesses prepare for turbulence and cut costs
- In Europe, we expect that economic stagnation, coupled with infrastructure challenges and regulatory burden, will likely impact growth as **carriers struggle to remain competitive amongst an increasingly cost-conscious customer base**
- In Asia, strong economic growth, increasing intra-continental trade volumes, and an expansion of the middle class are likely to drive consumption and increase demand for travel as **new demographics gain access and desire to travel**
- Lastly, the aviation sector faces potential supply-side constraints on its ability to service demand – **long-standing delays in aircraft deliveries and persistent labour shortages** are expected to continue into 2026 and beyond

Section 02

Forecasting Methodology



We use a granular, bottom-up methodology to construct our proprietary aviation volume forecasting model

Using 2019 passenger volumes and revenue as a baseline, **historical volume is segmented according to different factors and analysed on a month-by-month basis** to provide a granular view of aviation demand.

Our bottom-up granular forecasting methodology is based on four key steps, which can be applied to any geography or airline



Segments



Time **Monthly**

Passenger revenue is highly seasonal. This month-by-month variation is fundamental to determining the impact of different growth and suppression factors on demand.



Geography **Regional**

Different regions are likely to exhibit different behaviours in the future based on macroeconomic conditions, geopolitical factors and environmental regulation. Forecasts are adjusted using Point of Sale (PoS) considerations to reflect directionality of travel.



Purpose of travel **Business, Leisure**

Different types of passengers are likely to respond differently to geopolitical and economic uncertainty, with business travel particularly exposed to cost constraints and shifting corporate priorities, and leisure travel affected by price sensitivity and consumer confidence



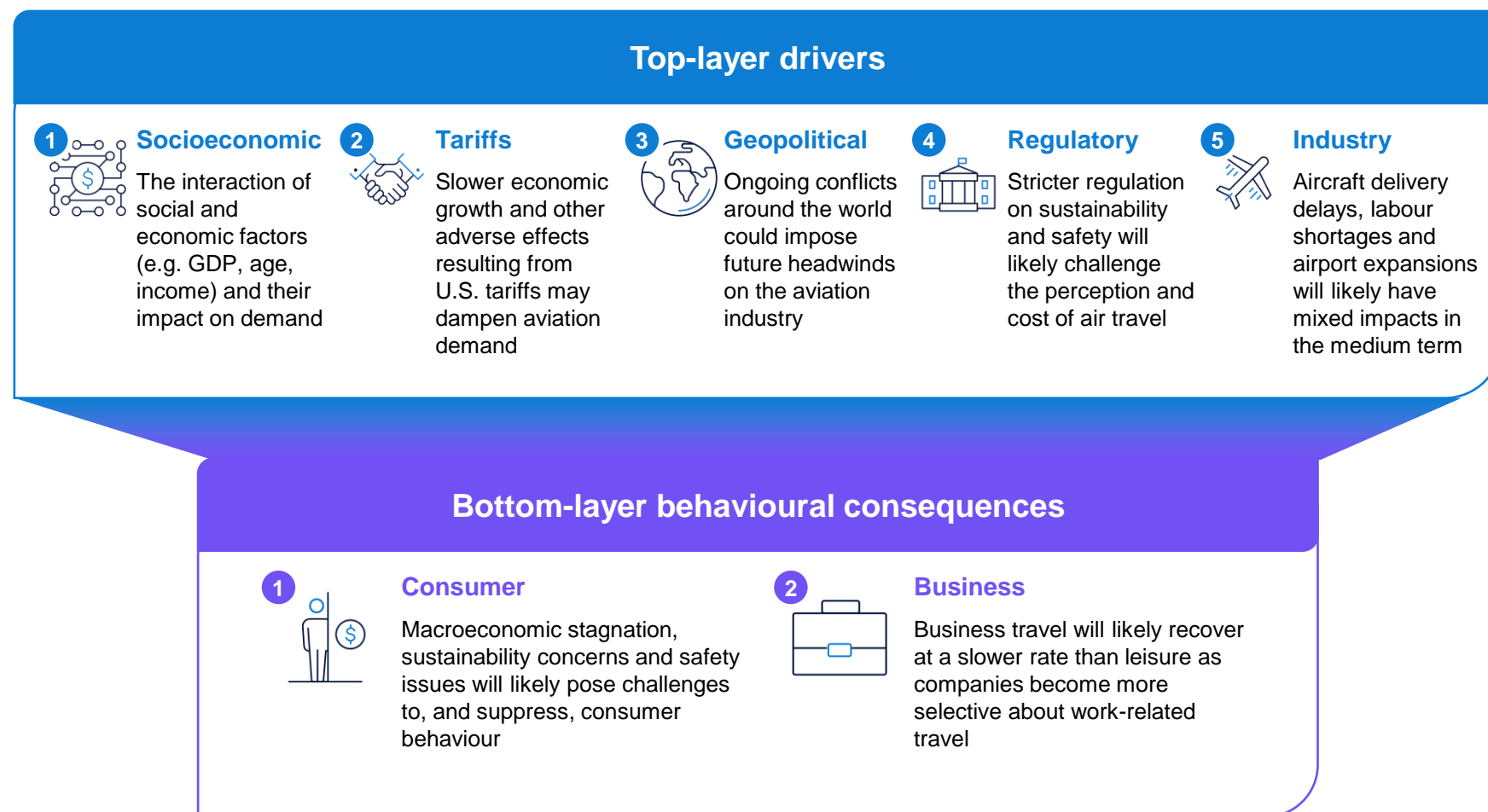
Passenger demographics **Income, Age**

Passengers in different age groups will likely have different preferences, and income is a key factor in dictating the affordability of travel—and, in turn, the impact that economic factors like inflation will have on travel demand.

We use a granular, bottom-up methodology to construct our proprietary aviation volume forecasting model

Various growth and suppression factors are applied to each segment to account for factors such as socioeconomic conditions, the geopolitical environment, the regulatory landscape, industry capacity constraints and the impact of U.S. tariffs.

Teneo's aviation forecast considers multiple drivers and their consequences on consumer and business behaviour





Section 03

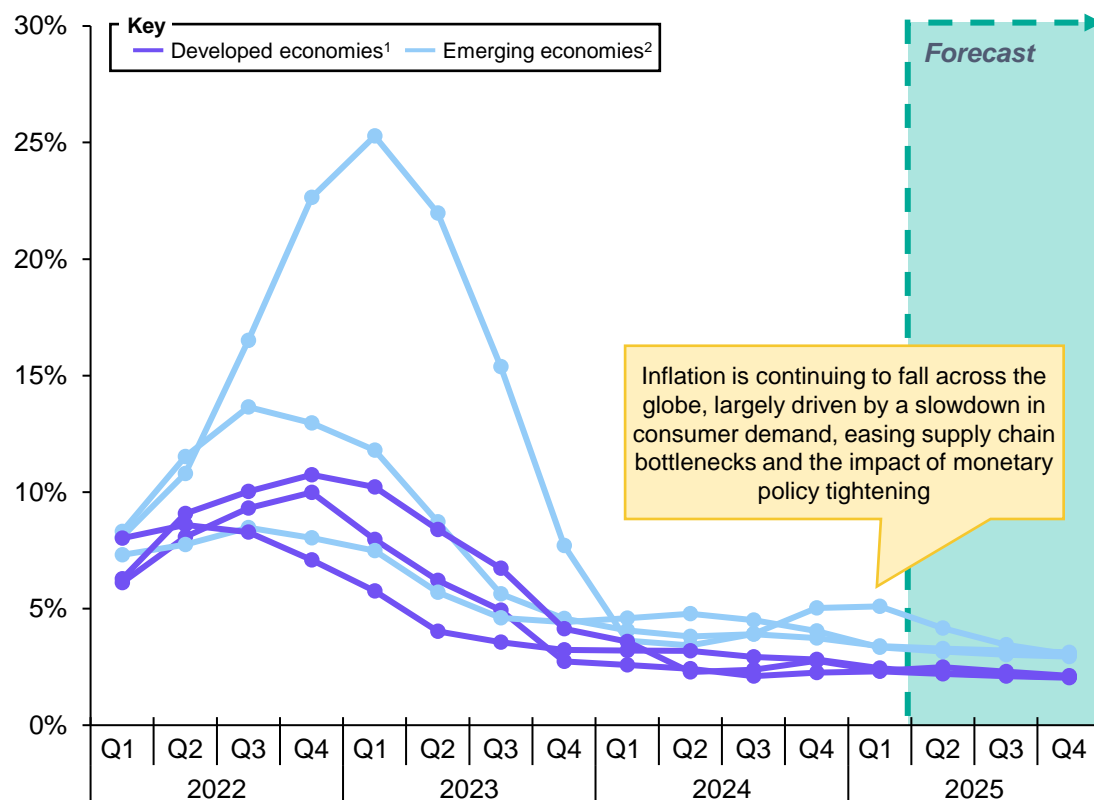
Key Themes Impacting Aviation Volume to 2027

Demand Drivers – General Economic Outlook

Global economic conditions are easing across developed and emerging economies, which will likely have positive effects on consumers' willingness to pay, driving passenger demand

Consumer Price Index (CPI) inflation is declining across countries

% change year-on-year



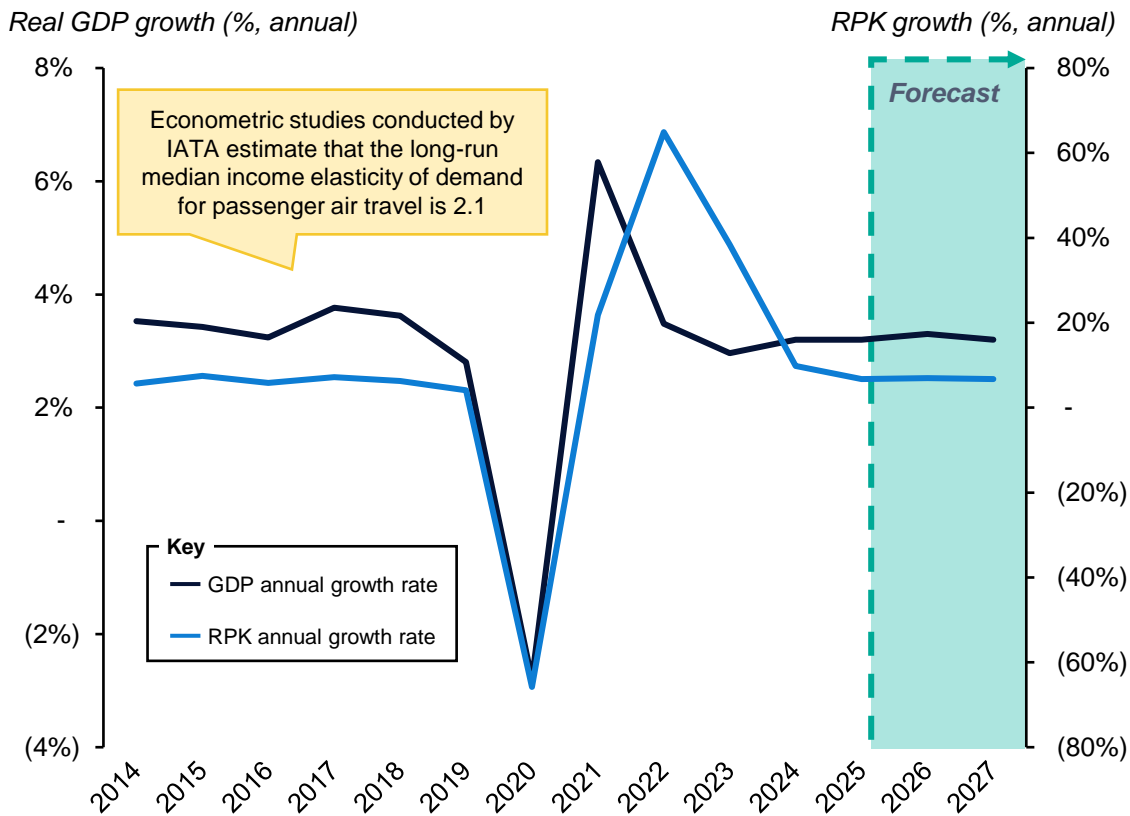
Economic conditions are improving, though regional recovery paths vary

- 
North America
 While North American economies have remained resilient thus far, **uncertainty is emerging amid policy shifts under the Trump Administration**, which may precipitate a worsening economic situation.
- 
Europe (incl. UK)
 European **GDP growth is expected to lag the rest of the world** in the near-term due to inflation, high interest rates and a downturn in trade and investment. Travel demand will likely see slower growth than other regions.
- 
Asia (excl. China)
Rapid economic growth in emerging markets, like India and Southeast Asia, combined with a **rising middle class**, is driving strong travel demand in short-haul and regional markets.
- 
China
China's economy is stabilising with steady GDP growth following events such as COVID and the property sector crisis. However, China **faces several structural challenges**, including high youth unemployment and an ageing population.
- 
Latin America
 Modest economic growth and an **expanding middle class** are likely supporting travel demand, especially for leisure. However, the **overall economic outlook is mixed** due to cost sensitivity and regional volatility.

Demand Drivers – Real Income

Real GDP growth continues to be the strongest predictor of passenger demand and is expected to remain stable over the next three years

Global GDP growth is expected to be a key driver of revenue passenger kilometres (RPK) growth¹









The global economy is expected to grow between 3.2% and 3.3% annually from 2025 to 2027. While conditions are gradually improving, growth remains uneven amid lingering effects of tight monetary policy, restrictive financing costs and a continued downturn in trade and investment.

Emerging economies with solid fundamentals are expected to fare better than advanced economies as consumer spending, exports and investment surge in countries such as India and Indonesia.

Historically, income has been the fundamental driver of passenger growth (measured by RPK²). Generally, the income elasticity of demand for air travel is higher for developing economies, as demand is primarily driven by disposable income and the level of aviation infrastructure.




Going forward, rising economic uncertainties are creating potential risks to global growth - these are explored further in the following slide.

Region		Forecasted annual GDP growth ³		
		2025	2026	2027
	Global	3.2%	3.3%	3.2%
	Asia (excl. China)	4.4%	4.3%	4.1%
	China	4.5%	4.1%	3.6%
	Latin America	2.5%	2.7%	2.8%
	North America	2.1%	2.0%	2.1%
	Europe	1.6%	1.7%	1.6%

Demand Drivers – U.S. Foreign Policy

New tariffs and policy uncertainty in the U.S. signal a renewed shift towards trade protectionism, increasing the risk of retaliation, trade wars and slower economic growth – all of which could have a negative effect on travel demand

Key economic policies under the Trump administration are likely to dampen aviation demand
(Non-exhaustive)

Policy area	Overview	Impact on aviation demand
 Trade and tariffs	<p>The U.S. has implemented a baseline 10% tariff on all imports, with higher, country-specific tariffs applied to nations it considers to be engaging in unfair trade practices.</p> <p>For now, further escalation beyond this baseline has been paused as negotiations continue.</p>	<p>Uncertainty is already impacting consumer and business confidence, leading to delays or cancellations in travel bookings.</p> <p>If further escalation occurs, this could amplify economic uncertainty and reduce discretionary spending – likely dampening both leisure and business travel demand, particularly on international routes.</p>
 Immigration	<p>The Trump administration is pursuing stricter immigration and deportation policies, including fines for overstaying.</p> <p>Tightening immigration policy will likely continue to weigh on U.S. growth by constraining the labour market, though with less disruption over time as businesses adjust.</p>	<p>Stricter immigration and deportation policies may deter international visitors from visiting the U.S., especially from regions most affected by the changes.</p> <p>This could reduce inbound travel volumes, particularly for tourism and short-term business trips as visa processing times increase or entry becomes more restrictive.</p>
 Tax and economy policy	<p>Trump is seeking to extend and expand the 2017 TCJA tax cuts, reducing corporate and individual taxes to spur jobs growth and GDP.</p> <p>However, it will likely drive inequality and raise national debt, with consequential inflation, high interest rates and reduced public investment.</p>	<p>Proposals to extend tax cuts may stimulate short-term growth, but are also expected to increase inequality, inflation and interest rates over time.</p> <p>These macroeconomic pressures could lower disposable income and reduce the affordability of air travel, especially for price-sensitive consumers in the U.S.</p>

This is explored on the following pages in more detail

Demand Drivers – U.S. Tariffs

U.S. tariffs are the key driver of uncertainty, and this is expected to weigh down GDP growth and air travel demand in the medium term

U.S. tariff policies remains uncertain despite the 90-day pause



On 2nd April, the Trump Administration announced **across-the-board tariffs on U.S. trading partners**, marking a major shift towards protectionism, **reversing decades of free trade policy**.



China has responded with retaliatory tariffs, promoting further U.S. action. **Broader escalation is paused for 90 days** amid ongoing negotiations.

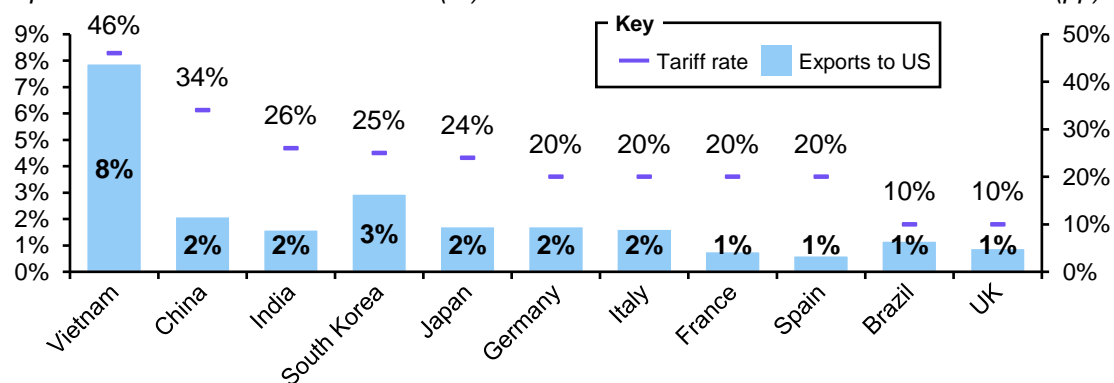


While a global recession is not currently forecast, the U.S. economy may enter a mid-cycle slowdown as **policy uncertainty weighs on business investment and trade activity**.

Proposed tariffs¹ significantly impact all U.S. major trade partners

Exports to the US as a share of GDP (%)

Additional tariff (pp)



Teneo envisions two potential outcomes from U.S. trade disputes on the global economy



Contained disruption

- Given the 90-day pause, tariffs are likely to be less than what was initially announced. While tensions remain elevated, negotiations are underway with key trading partners
- A contraction in economic activity occurs, but global growth continues at a subdued pace, dampening overall aviation demand

Base case assumption used in forecast modelling²

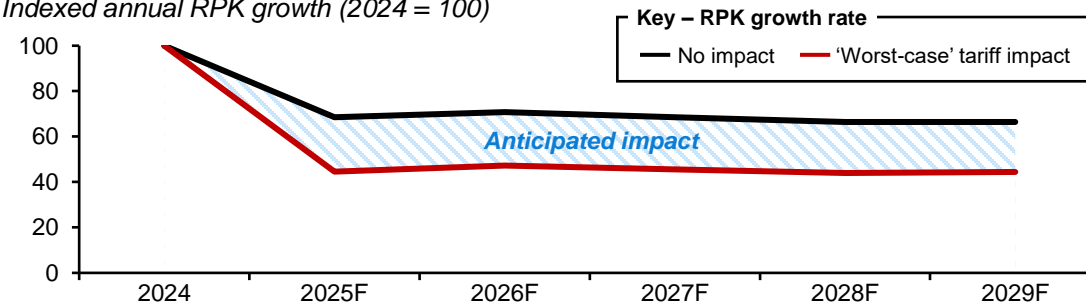


Prolonged trade war with slowed global growth

- If the U.S. and major partners – especially China and the EU – sustain or escalate tariffs, global growth will likely slow down in the medium term
- Ongoing uncertainty would weigh on investment, supply chains and travel planning, though the impact would vary across regions

Anticipated impacts on demand depend on the severity of trade tensions

Indexed annual RPK growth (2024 = 100)

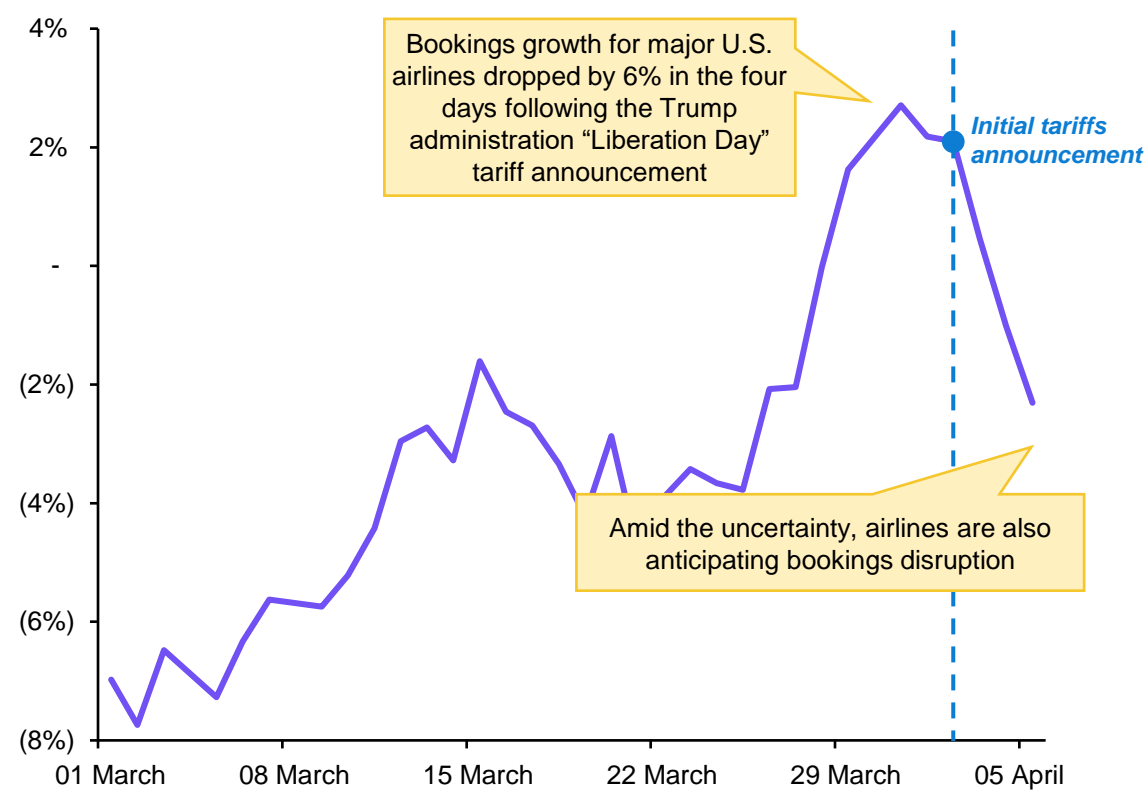


Demand Drivers – U.S. Tariffs

The impact of tariff announcements are already weighing on the aviation sector, with a sharp decline in bookings growth following the initial tariff announcements

Travel bookings growth has declined sharply in April 2025 following initial tariff announcements¹

Trailing 7-day YoY growth (%)



Tariffs primarily drive lower aviation demand through uncertainty and fear

- 1

Tariff uncertainty increases

Tariff announcements or threats introduce instability, leaving consumers or businesses fearing a worsening of their future economic situation
- 2

Reduced confidence in the economic outlook

This weakens consumer and business spending confidence, particularly for discretionary expenses such as leisure travel
- 3

Travel plans are delayed or cancelled

Consumers and businesses delay or cut back on travel plans to reduce costs and mitigate the financial impact of future risks
- 4

Drop in forward bookings

Fewer trips leads to a visible decline in advance bookings as consumers and businesses delay or cancel travel plans
- 5

Lower travel volumes

Overall demand for air travel declines as forward bookings decline and uncertainty persists

Demand Drivers – Geopolitical Flashpoints Across the Globe

More broadly, there are several ongoing geopolitical flashpoints and conflict zones across the globe which continue to disrupt the aviation sector

Key geopolitical flashpoints by region



Europe: *Russia-Ukraine War*

The Russia-Ukraine conflict has resulted in continued **airspace restrictions over Russia**, forcing airlines to reroute flights.

European carriers face reduced long-haul capacity and higher operating costs, which are likely to be passed on to passengers. This dynamic is contributing to **suppressed long-haul aviation demand in Europe**, due to reduced competitiveness and intensified pricing pressure.



Asia: *Middle East conflict*

Tensions in the Middle East continue to disrupt flight routes and airspace access, **forcing airlines to reroute flights** and contributing to **higher fuel costs and price volatility**.

Broader geopolitical instability and safety concerns have reduced regional connectivity and **negatively impacted traveller sentiment**.



China: *International relations*

Ongoing trade tensions with the U.S. continue to create uncertainty for China's economic outlook, contributing to a slower recovery in aviation volumes.

Moreover, ongoing geopolitical and industry disputes with the West, such as flight restrictions and caps, are **slowing the recovery of international travel demand**.



Latin America: *Political instability*

Political and economic instability across parts of the region is **creating uncertainty for operators**, affecting route planning and investment in airport infrastructure.

Ongoing safety concerns are also weighing on traveller sentiment, likely contributing to slower growth in aviation demand.

Demand Drivers – Regulatory Challenges

A range of regulatory trends are impacting aviation demand differently across regions, with Europe imposing some of the most stringent requirements

Key regulatory trends by region



North America

A series of accidents has damaged consumer confidence towards air travel in the U.S., with **concerns around both safety and regulatory oversight**.

This decline in confidence is expected to suppress demand – particularly in the North American domestic market – as **passengers increasingly opt for alternate modes of transport**.



Europe

Airlines face rising costs from ongoing EU environmental mandates.

Operating costs are forecast to rise, while policies like passenger taxes and improved rail are reshaping the competitive landscape.

These pressures are expected to dampen aviation demand as costs rise and passengers consider alternative modes of transport.



Asia

Asia's aviation sector remains **focused on growth and connectivity**, with governments offering incentives and financial support to expand capacity.

Though Asia has been **slower in implementing formal environmental mandates** compared to Europe, momentum is building through regional SAF initiatives – though these are more commercially-driven.



China

China **introduced a new SAF policy in 2024** aimed at scaling production and promoting adoption of blending SAF with conventional jet fuel¹ – supporting its 2060 net zero targets.

To accelerate uptake, the government has also rolled out **financial incentives for producers and airlines that exceed SAF blending requirements**.



Latin America

Regulatory frameworks for aviation sustainability remain limited across Latin America, though SAF development is gaining momentum.

Rather than regulation, **governments are supporting growth through financial incentives**, such as tax breaks and recovery funding for airlines, **to stabilise the sector and promote long-term expansion**.

Supply Drivers – Industry

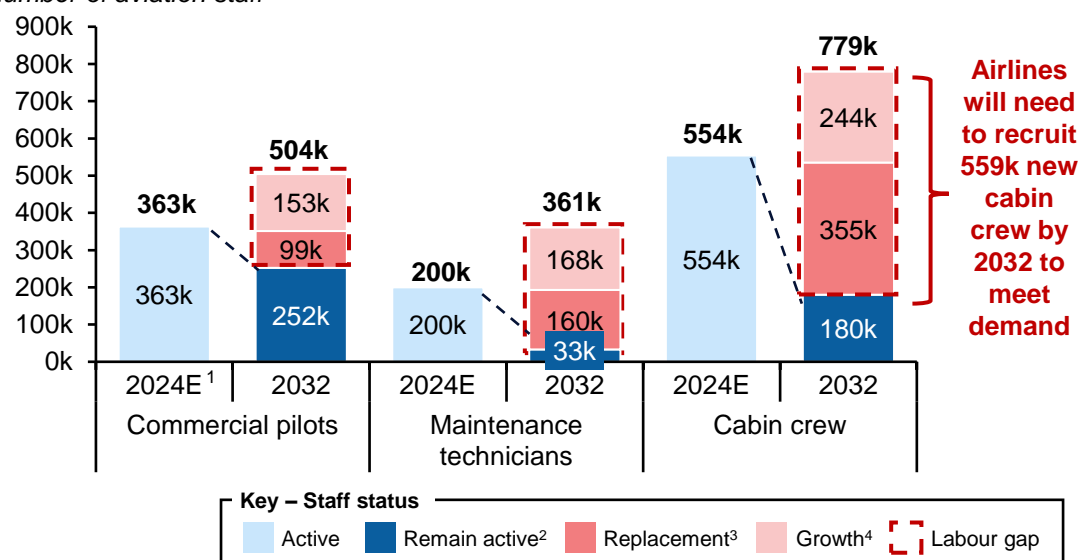
Continued skills gaps and delays in aircraft deliveries are likely to pose persistent challenges to airlines' capacity to serve demand and drive continued growth

Labour shortages

In 2025 and 2026, airlines are likely to continue struggling with a **talent deficit** brought about by COVID. There has been a concerted effort to hire more aviation professionals, with American carriers adding over 200,000 new jobs in June 2024, but there still exists a **significant labour gap which will only worsen over the next 8 years**.

Global aviation labour demand by role

Number of aviation staff



New aircraft deliveries

Since 2019, there have been severe delays in the delivery of aircraft, resulting in a **backlog equivalent to 13 years of production** at current delivery rates or approximately 17,000 aircraft. This has led airlines to maximise fleet utilisation on existing models and turn to the secondary market, whose **prices are at a record high** and could increase further with the announcement of Trump's tariffs on materials used in aircraft production such as aluminium.

Airbus and Boeing backlogs have persisted into 2024

Book-to-bill ratio⁵





North America

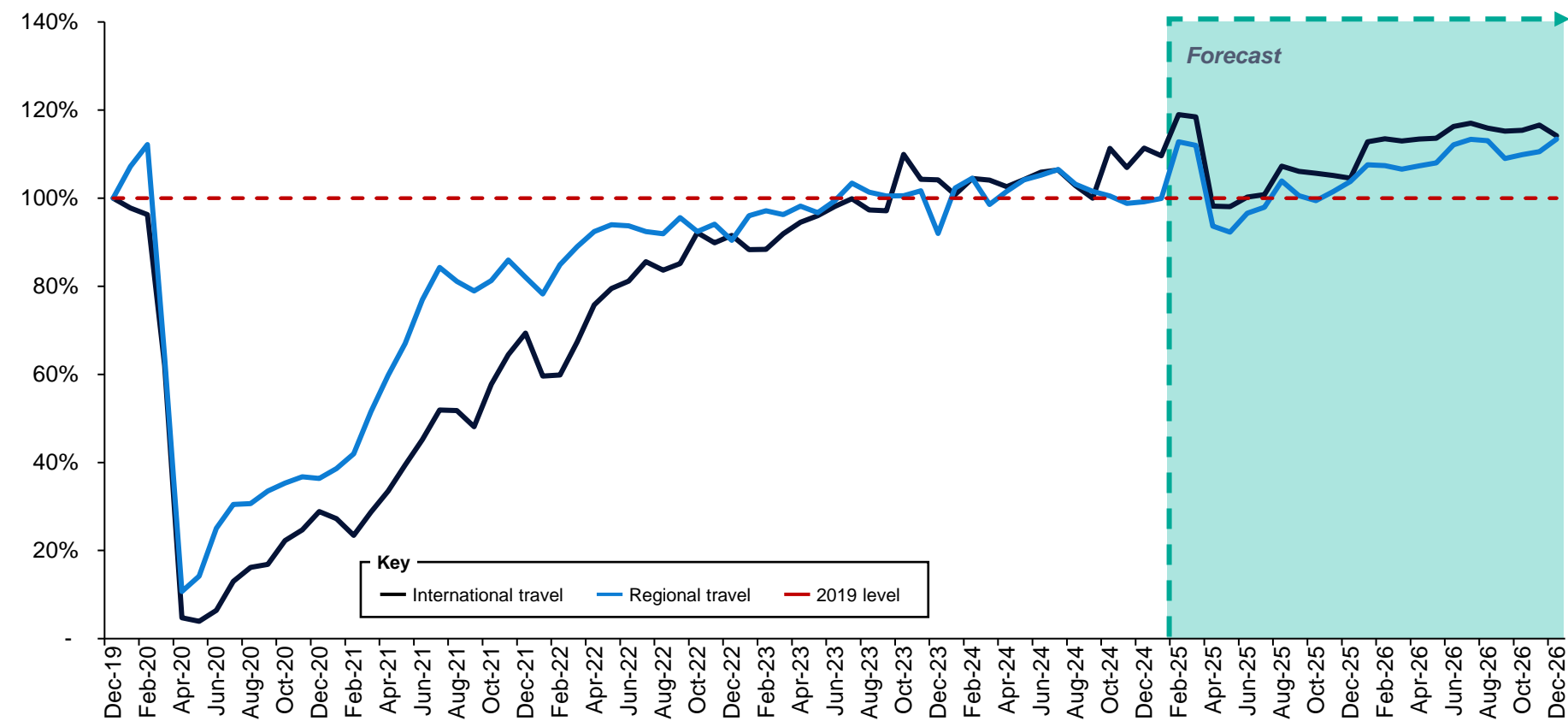
North American air travel demand is expected to soften amid rising economic, political and regulatory uncertainty

Demand growth is expected to fall dramatically in North America and recover slowly and unevenly through 2026 as economic uncertainty weighs on both consumer and business travel sentiment, largely driven by U.S. trade tariffs and broader policy shifts under the Trump administration.

At the same time, recent safety incidents have weakened public confidence in air travel, prompting some consumers to opt for alternative domestic and regional transport options such as bus and rail.

North America: Regional Outlook, 2019 – 2026F

Forecasted North America monthly passenger volume
% of 2019 levels, total traffic (international and regional / domestic)

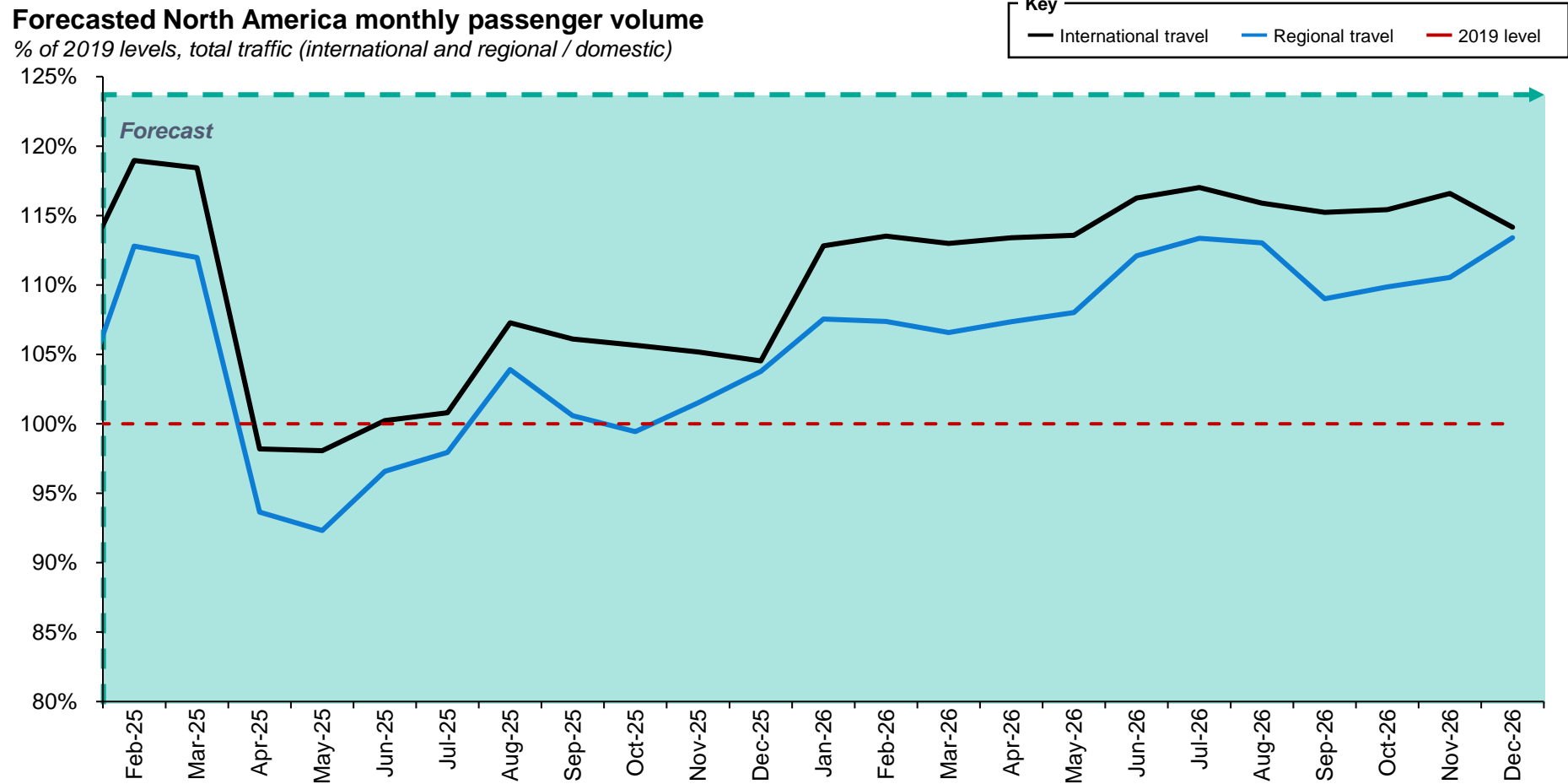


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North America: Regional Outlook, 2025F - 2026F

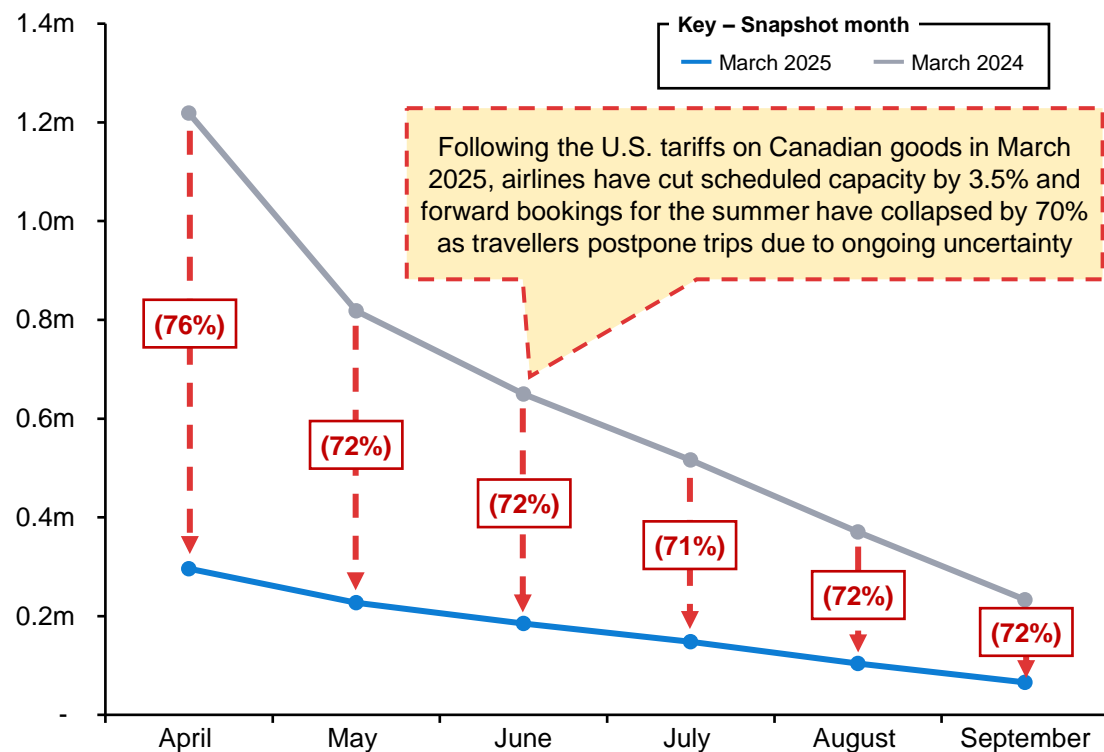


North America: Trade Protectionism

U.S. foreign policy under the Trump Administration, particularly changes to tariffs, are contributing to economic and geopolitical uncertainty that poses grave consequences for aviation demand

Forward summer season bookings, Canada – U.S. routes

Number of seats booked in March for future dates in the same year



Uncertainty around U.S. tariffs by the Trump Administration introduces **fears of weak economic growth and high inflation** that could dampen demand for discretionary spending. Major North American airlines have all **reduced scheduled capacity in the two weeks following tariff announcements**.

The case of passenger responses to tariffs imposed on Canada suggests a strong negative impact on travel demand for the rest of the world. **Overseas bookings in March from the U.S. to the rest of the world are 13% lower** compared to the same period last year.¹



“Liberation Day” tariffs are likely to reduce consumer confidence as fears of a recession and inflationary pressure take hold.



Aviation demand is expected to be severely affected as travel is increasingly seen as discretionary by consumers and businesses.



Carriers are likely to offload capacity to ex-U.S. routes in response to lower travel demand.



A ‘ratcheting up’ of protectionism is likely as countries retaliate to tariff restrictions – further exacerbating negative consumer effects.

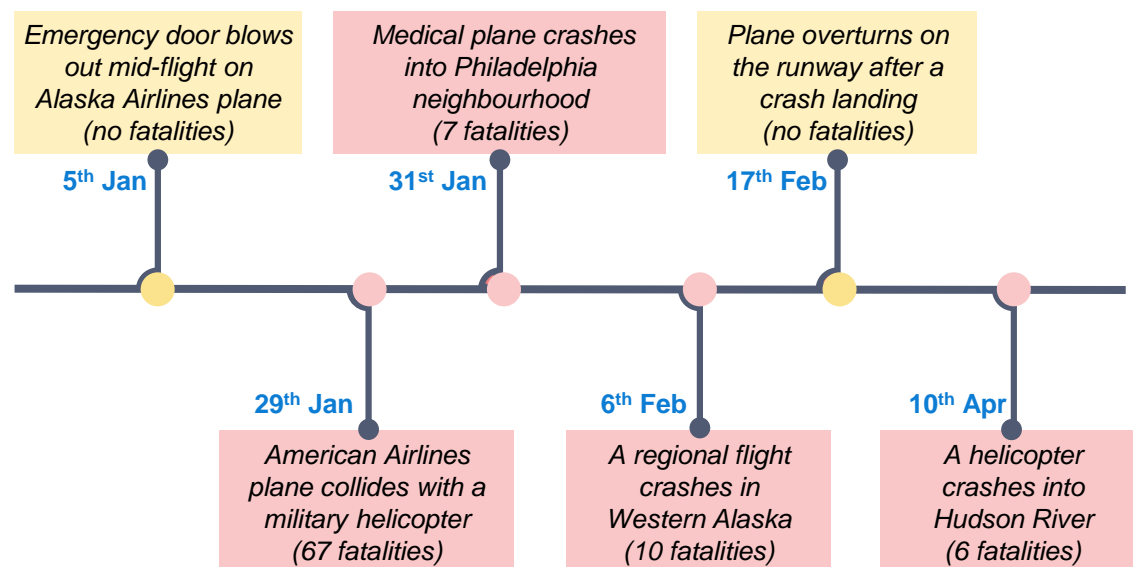
North America: Safety Incidents

Recent accidents in the U.S. have triggered a wave of public concern, raising new challenges for air travel's reputation while the regulatory response remains uncertain

Recent U.S. airline accidents are shaping negative public perceptions of air travel

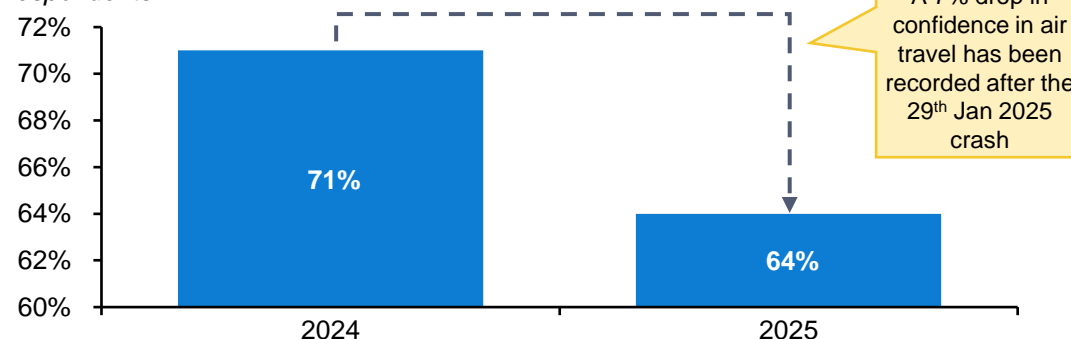
The number of airline accidents in the U.S. so far in 2025 is lower than in recent years; however, several have been notably severe, significantly impacting public perception of air travel.

A series of high-profile accidents involving U.S. mainline carriers has eroded trust in air travel and sparked concerns on the adequacy of FAA regulation.



Consumer confidence in air travel is declining¹

% respondents



Confidence in air travel has decreased regarding the FAA's ability to regulate air travel safely and airlines' ability to protect passengers. This shift is reflected in a quadrupling of online searches for 'is it safe to fly?' – highlighting heightened anxiety around air travel.

Meanwhile, **alternative modes of transport are gaining traction**, as consumers perceive these as safer and more reliable. Intercity bus travel is rising, with providers like Greyhound and FlixBus reporting double-digit growth, highlighting a **potential shift away from air travel**.

While the FAA has taken concrete regulatory actions in response to recent accidents, ongoing discussions about potential regulatory rollbacks in consumer protection and air traffic control under the Trump Administration could influence future aviation safety efforts, **contributing to a further weakening consumer confidence towards plane travel**.

North America: Behavioural Consequences

Future demand for travel is likely to be impacted by economic uncertainties and regulatory barriers introduced by the uncertainty around tariffs

Leisure travel

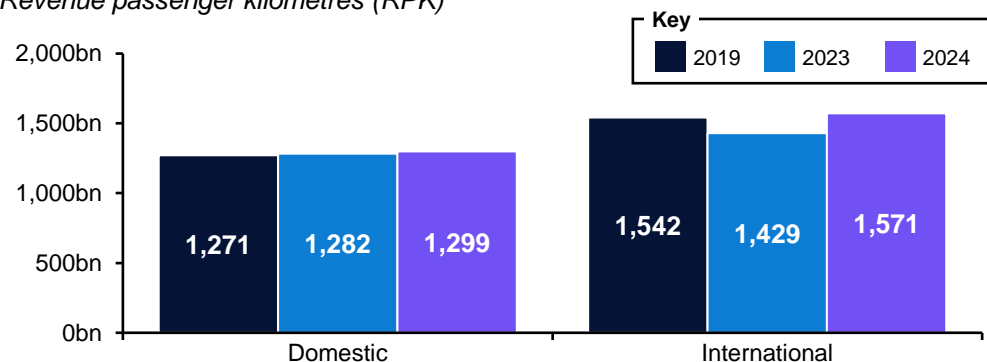
Future leisure growth in North America may be tempered by uncertainty around tariffs and travel restrictions. Domestically, demand is expected to soften given economic uncertainty and persistent inflation which has led consumers to curtail spending. Concerns over safety may also prompt some **travellers to seek alternative modes of transport** for domestic travel.

International travel demand may remain slow due to increasing regulatory requirements and rising geopolitical tensions deterring outbound travel.

As governments, NGOs and the public increase scrutiny on the aviation industry's environmental impact, consumers are increasingly seeking to travel more with **airlines that adopt low-carbon technologies**.

North America revenue passenger kilometres (RPK) by routes

Revenue passenger kilometres (RPK)



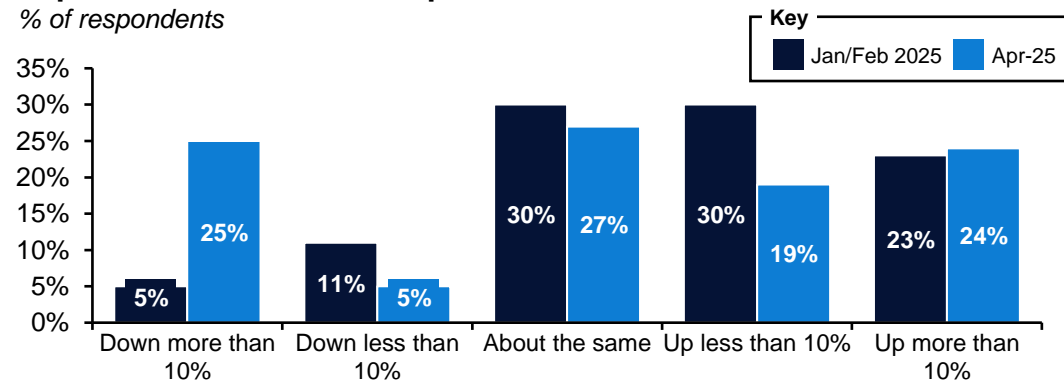
Business travel

Business travel recovered at a slower pace than leisure; however, as business leaders reemphasise the value of face-to-face interaction, **business travel has since fully recovered**, exceeding 2019 levels by 6% by late 2024.

While the tariffs proposed on Liberation Day have yet to be finalised, the associated uncertainty is expected to affect business travel. According to a recent survey, **41% of business travellers reported that negative economic indicators** – such as stock market volatility, the threat of a trade war and declining consumer confidence – **have a significant impact on their companies' travel activities**.

Expected business travel spend in 2025 vs. 2024¹

% of respondents





Europe (incl. UK)

Air travel in Europe is expected to grow slowly, constrained by weak economic growth and environmental regulations

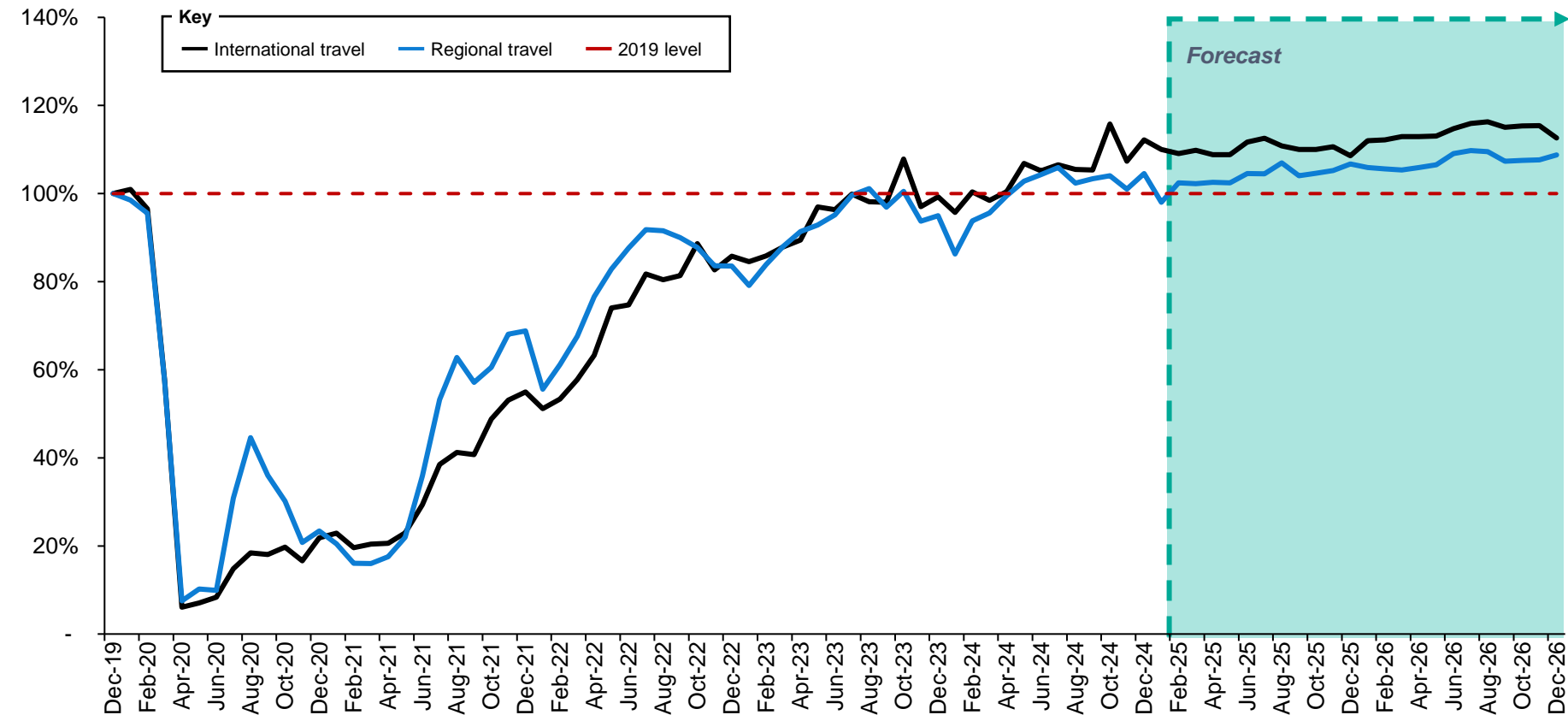
While demand continues to grow, the outlook for European air travel is shaped by persistent inflation, high interest rates and weak consumer sentiment.

The introduction of U.S. tariffs and continued geopolitical tensions are weighing on trade and transatlantic travel. Meanwhile, environmental mandates and rising fuel costs are putting upward pressure on fares.

ATC disruptions, labour shortages and delays to airport expansion are further limiting capacity growth.

Regional Outlook – Europe (incl. UK), 2019 – 2026F

Forecasted Europe (incl. UK) monthly passenger volume
% of 2019 levels, total traffic (international and regional / domestic)



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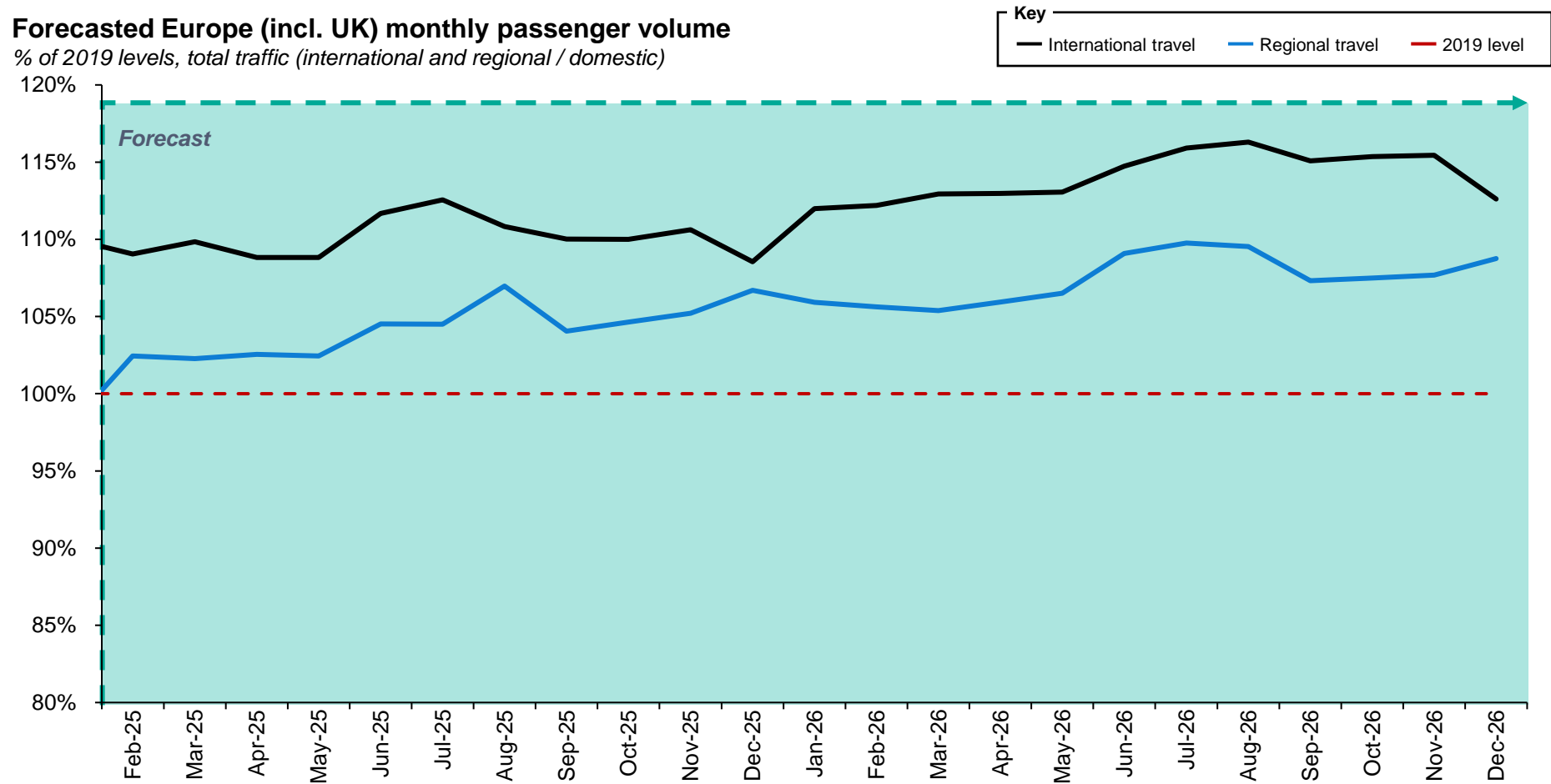
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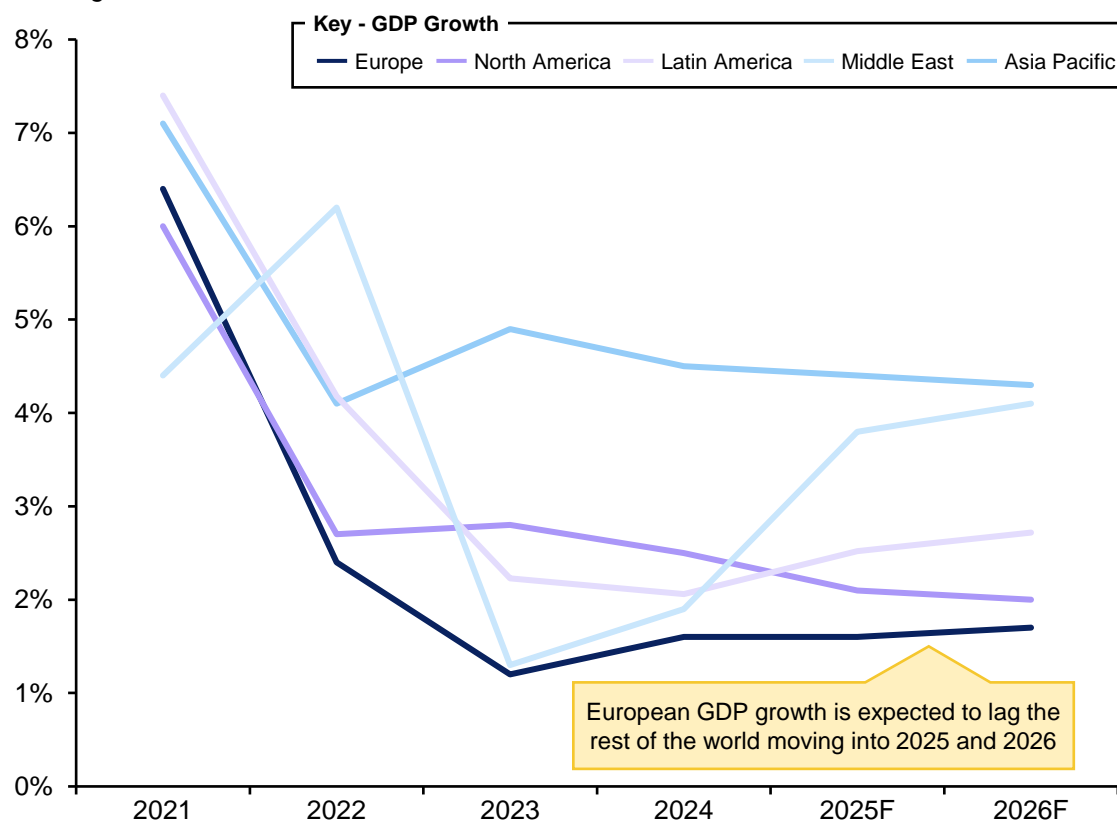


Europe: Socioeconomic Trends

Income growth across Europe remains subdued, reflecting a slow recovery amid persistent inflation and tighter monetary policy – this will likely drive slower demand growth compared to other regions

Real GDP Growth in the EU remains slower than other regions¹

% Change - GDP



Key socioeconomic factors slowing travel demand in Europe



Macro-economic headwinds

Persistent high energy, food prices and ongoing supply chain disruptions have kept **inflation elevated**, prompting **governments to keep interest rates high** and contributing to a decline in trade and investment.



Low consumer spending

Although consumer spending has increased modestly, this is largely driven by higher prices. **Household budgets remain under strain** as real wages remain suppressed compared to 2021 levels. Discretionary spending has suffered with **c. 40% of consumers reducing non-essential spending in 2024**.




Ageing population


Europe's ageing population will likely reduce labour supply, with countries like Italy forecast to experience a c. 30% decrease in working-age population by 2050. This **may lead to slowing growth** as productivity and discretionary spending decreases, **weakening demand for air travel**.


Europe: Impact of U.S. Tariffs


The prospect of new tariffs on the EU is fuelling uncertainty, weighing on growth forecasts and dampening aviation demand, particularly for transatlantic travel, as consumer purchasing power weakens

The EU’s outlook on U.S. tariffs remains uncertain

- 

The U.S. has threatened a **baseline 10% tariff on all imports**, with higher rates for select countries. Although a 20% tariff on EU goods was proposed, **escalation has been paused amid ongoing negotiations**. The UK faces the baseline rate.
- 

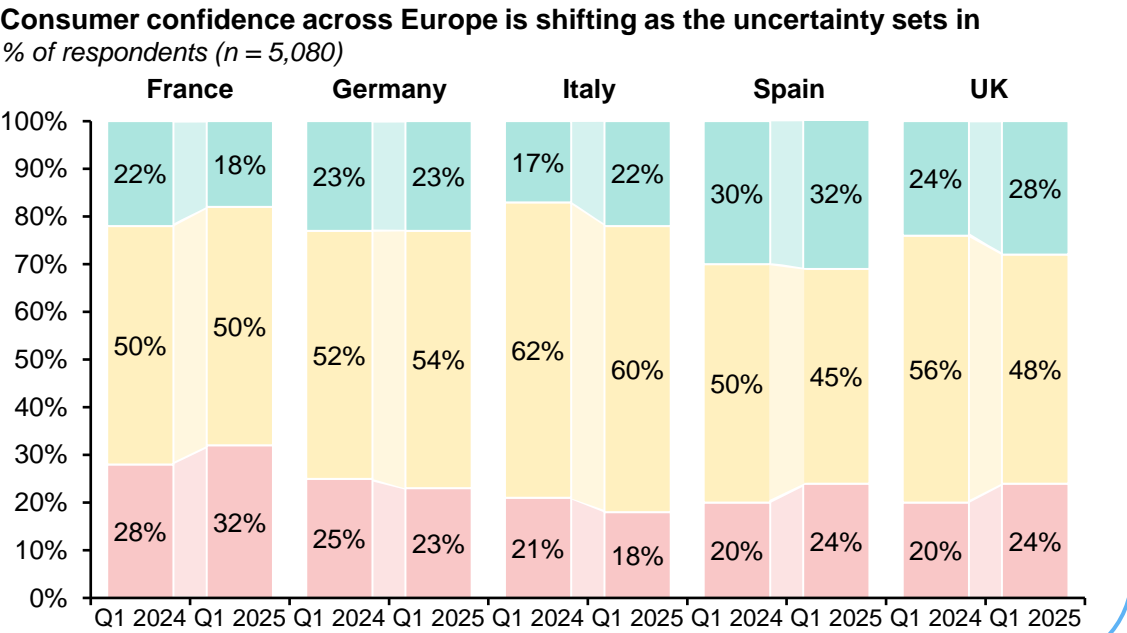
The **EU remains open to negotiations** but is preparing a list of retaliatory measures, potentially leveraging the Anti-Coercion Instrument. **Matching the scope of U.S. tariffs may prove challenging**. To date, the EU has imposed 25% retaliatory tariffs on selected U.S. goods; however, these are currently on hold and may be revised as discussions progress.
- 

Tariff uncertainty has lowered EU GDP growth forecasts from 1.0% to 0.6%. While short-term price pressures may rise, trade tensions are expected to have disinflationary effect over time due to **weaker demand and rising consumer uncertainty**.
- 

Export-heavy economies like Germany, Ireland and Italy are the most exposed. Airbus has urged proportionate EU responses to avoid harming domestic firms that rely on U.S. markets or components.

Case Study: Air France-KLM fare cuts

Amid weakening travel demand, **Air France-KLM has reduced economy class prices on transatlantic routes**. Premium fares remain steady, but overall uncertainty – **driven by weaker purchasing power in the U.S. and Europe** – continues to pose risks, especially for airlines heavily reliant on transatlantic traffic.



Europe: Russia-Ukraine Conflict

The ongoing Russia-Ukraine conflict has forced European airlines to reroute or cancel flights through Russian airspace – there is potential for further route restrictions if the conflict spills-over into other geographies

Impact on global aviation since start of Russia-Ukraine conflict

Due to continued airspace restrictions over Russia and Ukraine, many airlines – especially those operating international routes between Europe and Asia – are rerouting or cancelling flights, resulting in longer travel times and reduced route efficiency.

To-date, this has affected **6% of global international flights**, which have seen flight costs rise by an average of **13%** due to the conflict. It is estimated that **3% of global international flight routes have been cancelled**.

Potential near-future scenarios – outcome of peace negotiations

Peace negotiations to end the war in Ukraine are ongoing; however, the wider geopolitical situation in the region has seen Eastern and Northern Europe re-arming in anticipation of a spread of the conflict.



Optimistic scenario

Material cessation of hostilities

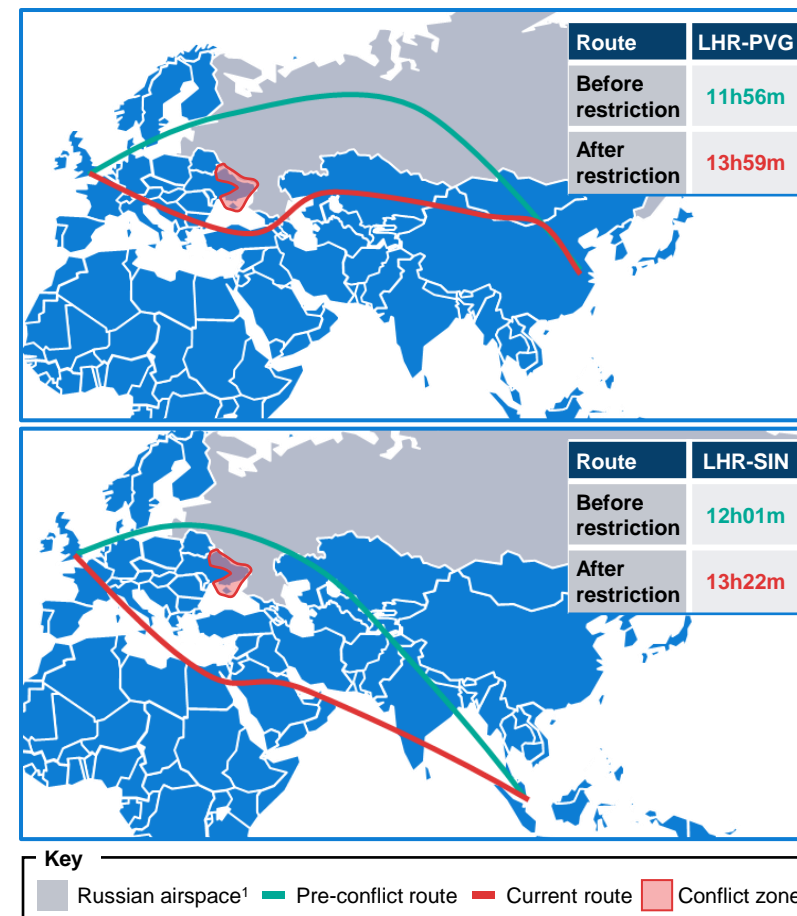
- A long-term ceasefire, or a full cessation of hostilities, could potentially reopen Russian and neighbouring airspace to most international routes
- With more fuel-efficient routes available again, the cost of air travel will likely fall as airlines no longer need to pass additional costs onto fares



Pessimistic scenario

Expansion of conflict to other countries





- Renewed conflicts with other countries bordering Russia could precipitate further airspace closures over new conflict zones
- This would be especially devastating to routes currently operating through the Black Sea region as this is a vital corridor



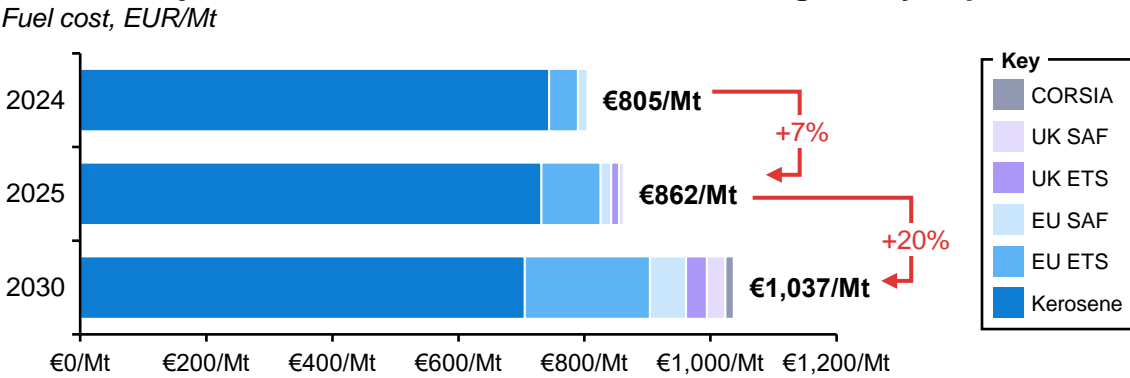
Europe: Environmental Mandates





With ongoing and upcoming environmental mandates, it is becoming increasingly difficult for European airlines to keep costs down, driving potential increases in ticket prices

European environmental regulations impose additional costs on airlines, who then pass on costs to consumers

Key regulation	Impact on PAX demand	Description
 Carbon Free Allowances	➔	Free carbon allowances are gradually being phased out for intra-EEA flights before complete removal by 2026.
 SAF Fuel	⬇️	EU blending mandates require airlines to currently blend 2% SAF and 6% by 2030; the industry average was only 0.3% in 2022.
 Anti-tankering	⬇️	Aircraft operators must only refuel with the aviation fuel necessary to operate the flight to avoid excessive emissions relating to extra weight / carbon leakage.
 CO ₂ Emission Monitoring	➔	Non-CO ₂ emissions like contrails, NOx and soot account for a significant part of aviation's climate impact. The EC is developing a system for monitoring, reporting, and verifying these effects.

Forecasted jet fuel costs are set to rise due to the regulatory impacts



-  Airlines have raised **concerns about managing costs** due to the EU's strict regulations, particularly regarding the use of SAF, which remains expensive and in limited supply.
-  European carriers are **seeking a level playing field**, particularly as the U.S. moves towards deregulation under the Trump Administration, which could impact competitiveness.
-  New and proposed passenger taxes across Europe, including **potential 'frequent flyer levies'**, are **adding to the cost burden** for both airlines and passengers.
-  The EU's TEN-T policy aims to double high-speed rail by 2030 and triple it by 2050, focusing on improving cross-border connectivity and **promoting greener modes of travel**.



Europe: Air traffic Control (ATC) Disruptions

Europe's aviation infrastructure faces challenges with ongoing delays due to ATC disruptions, which risks constraining airlines' abilities to service passenger demand

Air traffic control disruptions



Highly congested airspace over key European corridors, such as France, Germany and southern Europe, has led to widespread delays, especially during peak summer travel months.



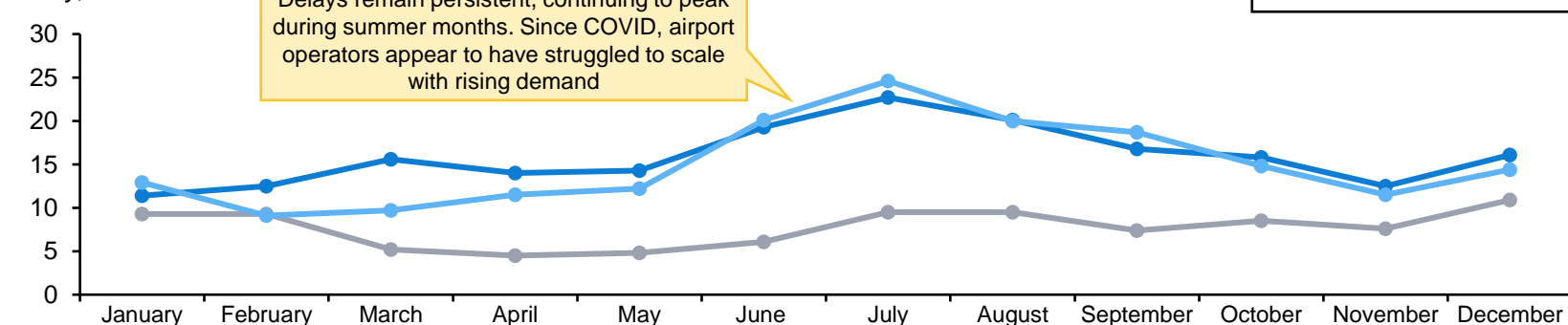
Delays and cancellations have been further exacerbated by **staff strikes** and a **general undersupply of ATC personnel** across Europe, with a current shortage of c. 1k ATCs in the EU.



Such issues have **hindered carriers' abilities to scale flight volumes in response to rising demand** – with 1/3 European flights in 2024 arriving behind schedule; the worst level of delays recorded since 2001.

Average delay per flight on arrival across Europe, 2021 - 2024

Delay, mins



Europe: Airport Expansion Plans

Tensions are mounting between recent airport expansion efforts and the need to align with sustainability goals; with many projects on hold, the impact on aviation demand and capacity has been limited but may constrain airlines' ability to service future demand

Planned and ongoing airport expansions could add significant capacity

Airport	Passengers per year, current and estimated additional capacity from planned expansions	Expansion summary	Status
Heathrow Airport, UK	Current 84m Expansion 55m 139m	Third runway, new terminal buildings and infrastructure upgrades	Approved
Madrid Barajas Airport, Spain	66m 30m 96m	Refurbishment and expansion of existing terminals	Underway
Athens International Airport, Greece	32m 10m 42m	Terminal expansions and infrastructure upgrades; long-term plan for new runway	Underway
Stockholm Arlanda Airport, Sweden	22m 20m 42m	Terminal expansions, infrastructure upgrades and broader airport city development	Underway
Helsinki Vantaa Airport, Finland	15m 15m 30m	Terminal expansions and infrastructure upgrades	Complete

Recent airport expansions are heightening tensions between capacity planning and environmental sustainability goals



The UK government has recently backed expansion plans at multiple airports, including Heathrow, to meet rising demand.



While seen as an economic opportunity and a response to growing travel volumes, these plans have also drawn criticism from environmental and political groups.

For example, an expansion to the Leeds Bradford Airport was initially approved in 2021 but then withdrawn due to strong local opposition.



Airport development plans are seen as contradictory to national climate targets, with airport capacity growth likely to raise aviation emissions.

Europe: Behavioural Consequences

Future demand for leisure and business travel is expected to grow, though remains constrained by cost pressures and environmental consciousness

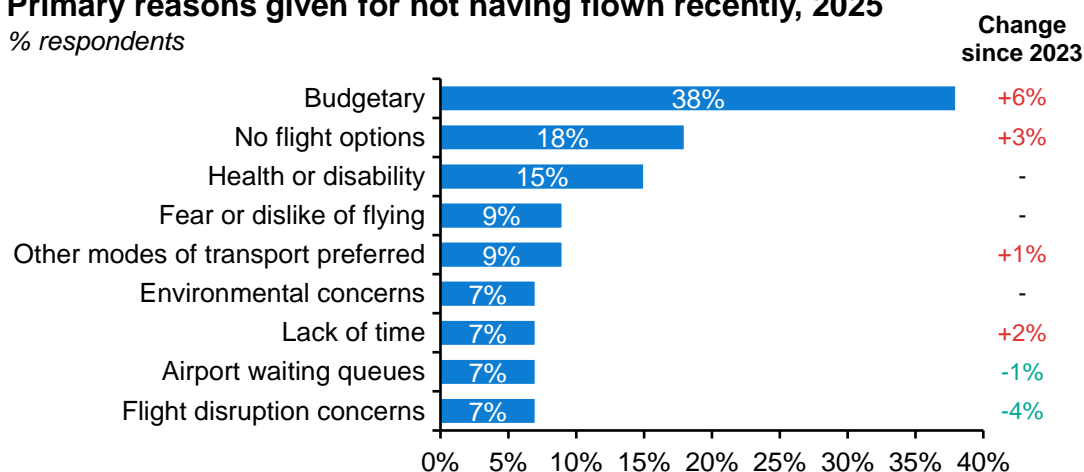
Leisure travel

Consumer demand continues to grow beyond pre-COVID levels, with **driven by younger demographics**. However, socio-economic challenges (see p.24), coupled with fears of U.S. tariffs (see p.25) mean that **affordability remains a key barrier for many travellers**, making low-cost carriers (LCCs) particularly appealing for intra-European travel.

While demand is on the rise, **growth may remain moderate in the near term**, with cost pressures and stringent environmental policies acting as headwinds.

Primary reasons given for not having flown recently, 2025

% respondents



Business travel

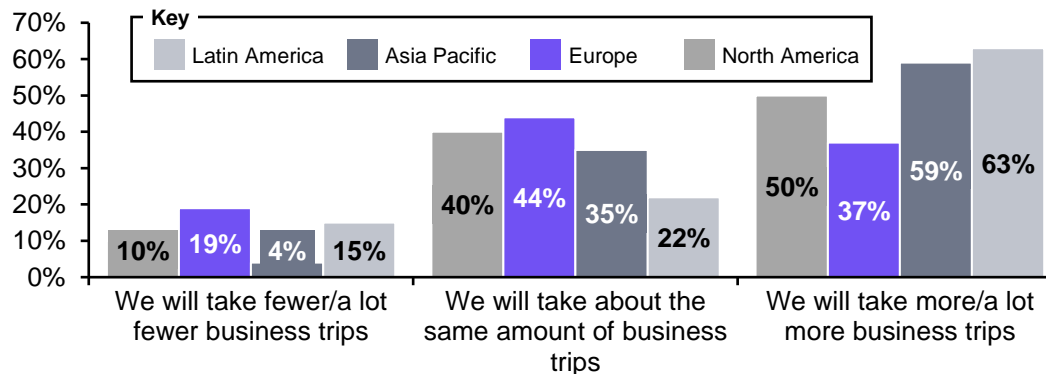
Business travel represents c. 30% of air travel in Europe but just c. 12% of passengers, representing a concentrated group of frequent flyers. **Volumes are likely to remain stable but grow slower than that of other regions** due to cost and emissions concerns.

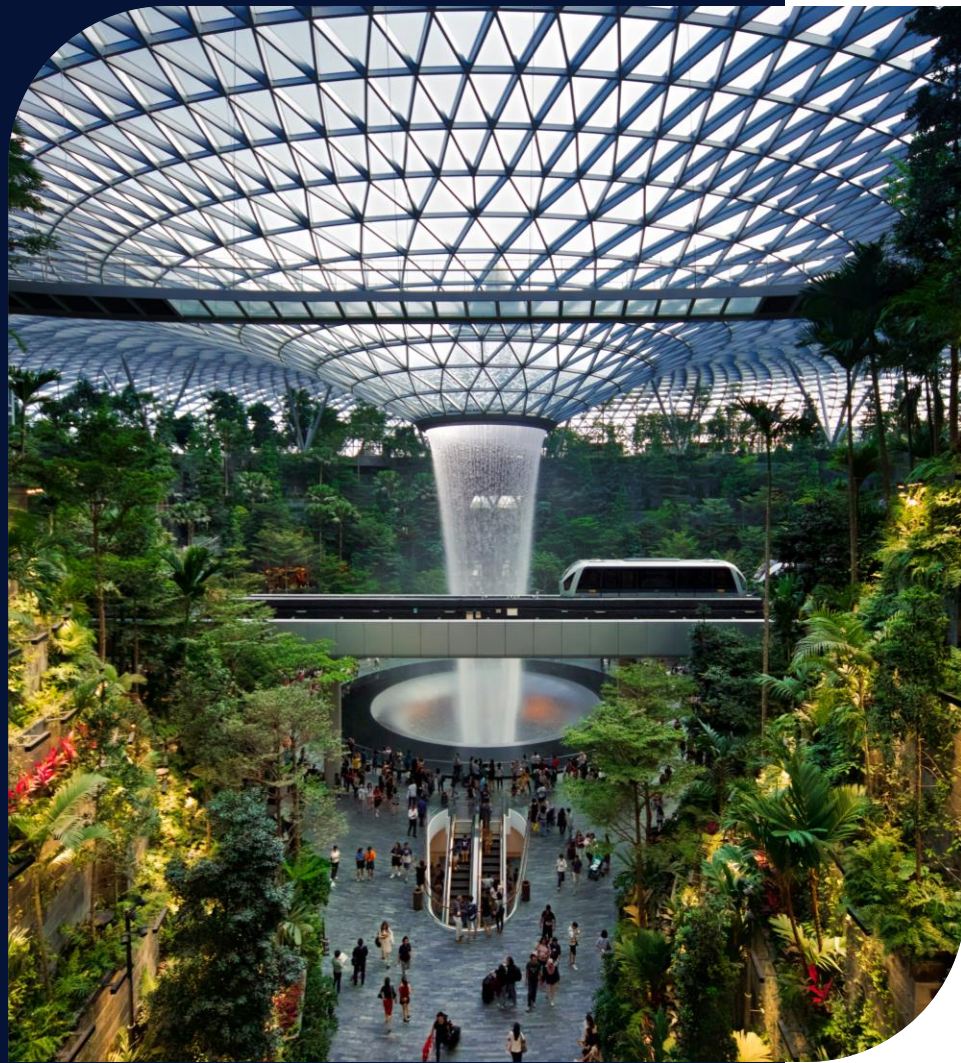
Rising costs are placing pressure on businesses, with nearly one-third of corporate travel and procurement professionals citing it as their top challenge for 2025.

New EU sustainability rules (CSRD) will apply to a growing number of companies over the next few years, requiring companies to disclose environmental impacts. Increased scrutiny may **keep businesses conscious of their carbon footprints and have them reassess their travel needs**.

Expected business travel by region, 2025

% respondents





Asia (excl. China)

Economic growth in Asian economies is likely to continue to fuel a significant increase in air travel

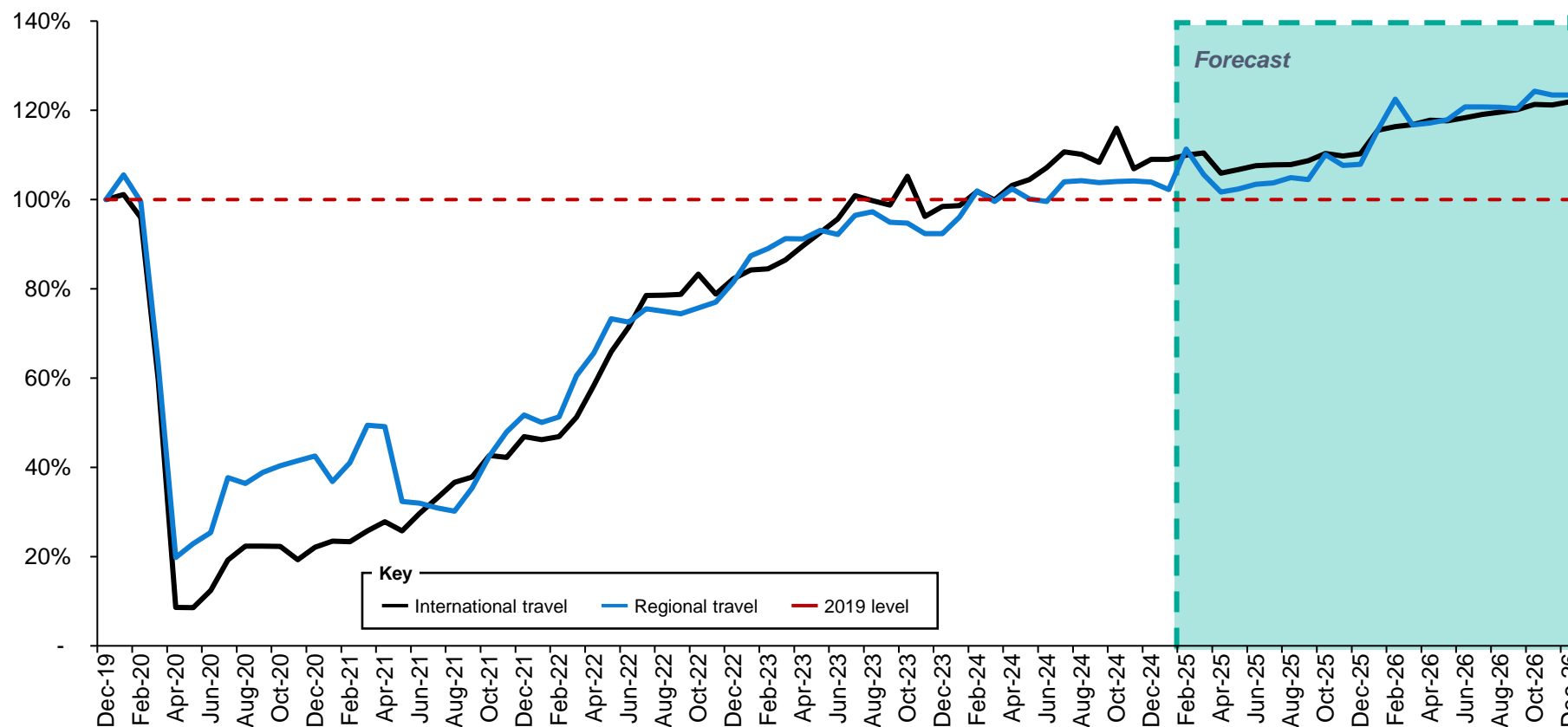
Asia's aviation market is set to lead global aviation growth, underpinned by sustained GDP expansion, rapid urbanisation and the emergence of new travel hubs. The region's rising middle class is unlocking new demand for both domestic and international travel, while ongoing investment in infrastructure is enhancing regional connectivity.

However, conflict-related disruptions in the Middle East, as well as broader concerns over affordability and safety in parts of the region, may dampen growth in the near term.

Regional Outlook – Asia (excl. China), 2019 – 2026F

Forecasted Asia (excl. China) monthly passenger volume

% of 2019 levels, total traffic (international and regional / domestic)

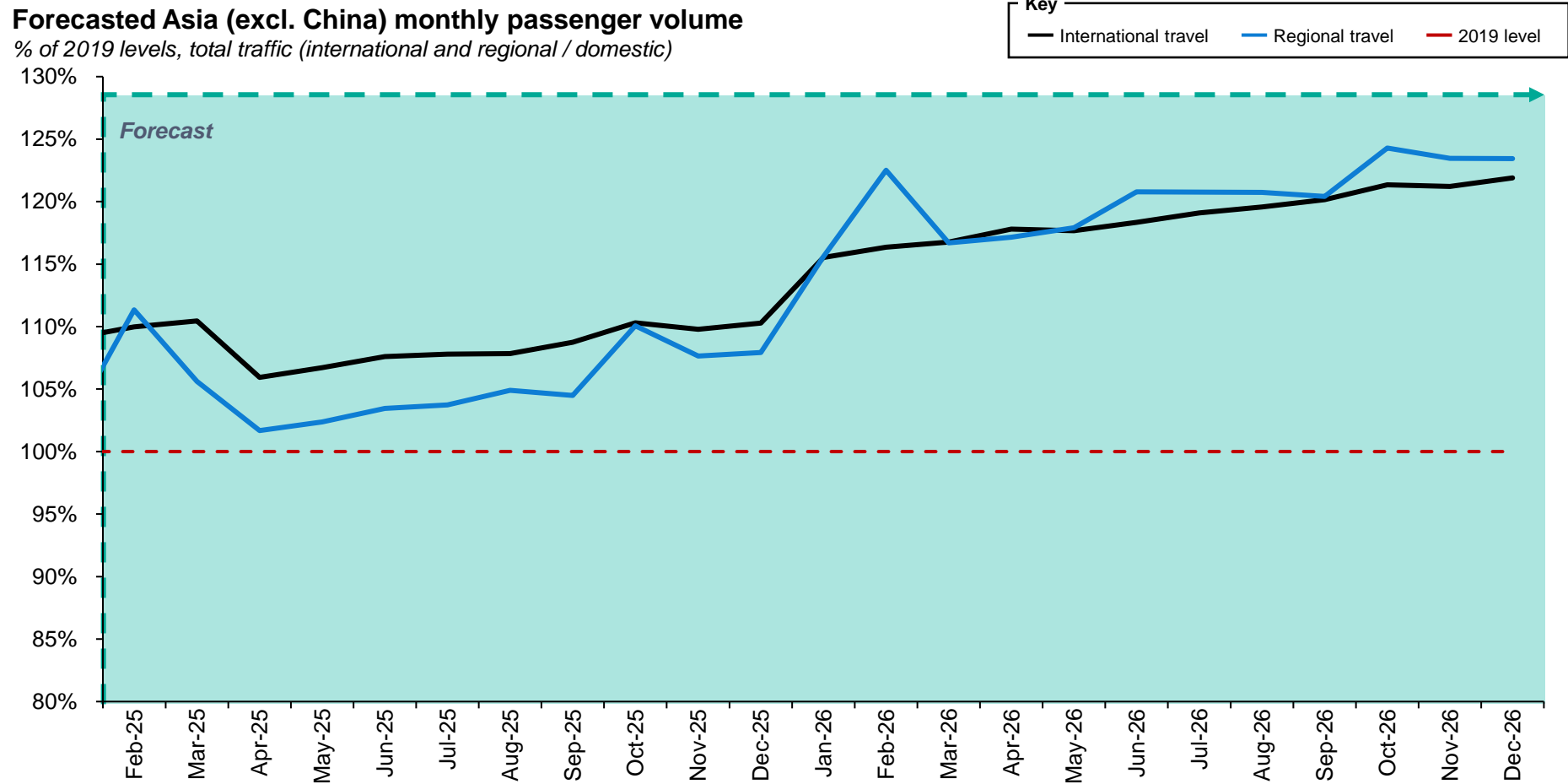


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Regional Outlook – Asia (excl. China), 2025F – 2026F

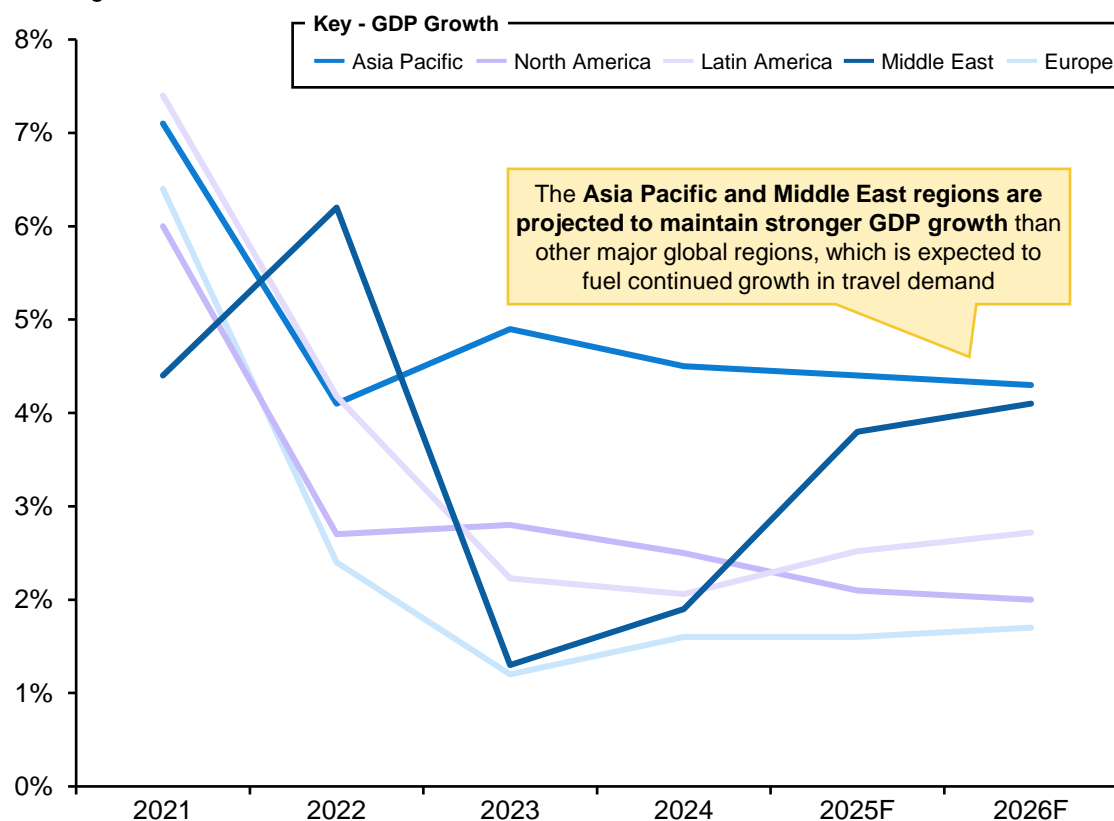


Asia: Socioeconomic Trends

Due to strong GDP growth and rising consumer demand, Asia is projected to become the world's largest aviation market within the next decade

GDP Growth in APAC and the Middle East remains strong¹

% Change - GDP



Key socioeconomic factors driving travel demand in Asia



Continued GDP growth

Income growth, particularly in APAC, is expected to outpace other regions, with millions entering the middle class each year. "Catch-up growth" is projected to open air travel to previously untapped customers.



Emerging travel hubs

Emerging markets have seen rapid population growth in cities, creating new sources of demand. Urbanisation will not only increase volumes, but also shift travel patterns, encouraging the formation of new travel corridors.



Shifting demographics

Emerging markets with younger populations, such as those in South and Southeast Asia, are poised to see the largest increases in demand, supported by rising incomes and increased access to air travel.



Infrastructure investments

Continued investment in aviation infrastructure, including new and expanded airlines, airports and routes, will enable higher passenger numbers by improving the ability to service demand for air travel.

Asia: Growth of the Middle Class

The expansion of Asia's middle class, particularly across APAC, is expected to fuel demand for travel in the long run as new customer groups gain access to air travel

The APAC region is the fastest-growing region for middle-class expansion



Foreign investment into Asian countries is on the rise, with ASEAN's share of global FDI increasing to 17% in 2023 - up from an average of 6% between 2006 and 2015.



The region is playing an **increasingly prominent role in global trade**, with real exports and imports in 2024 growing by 3.4% and 3.6%, respectively - outpacing global averages of 1.8% and 2.2%. Asia Pacific accounts for nearly 60% of all preferential trade agreements (PTAs) currently in force worldwide.



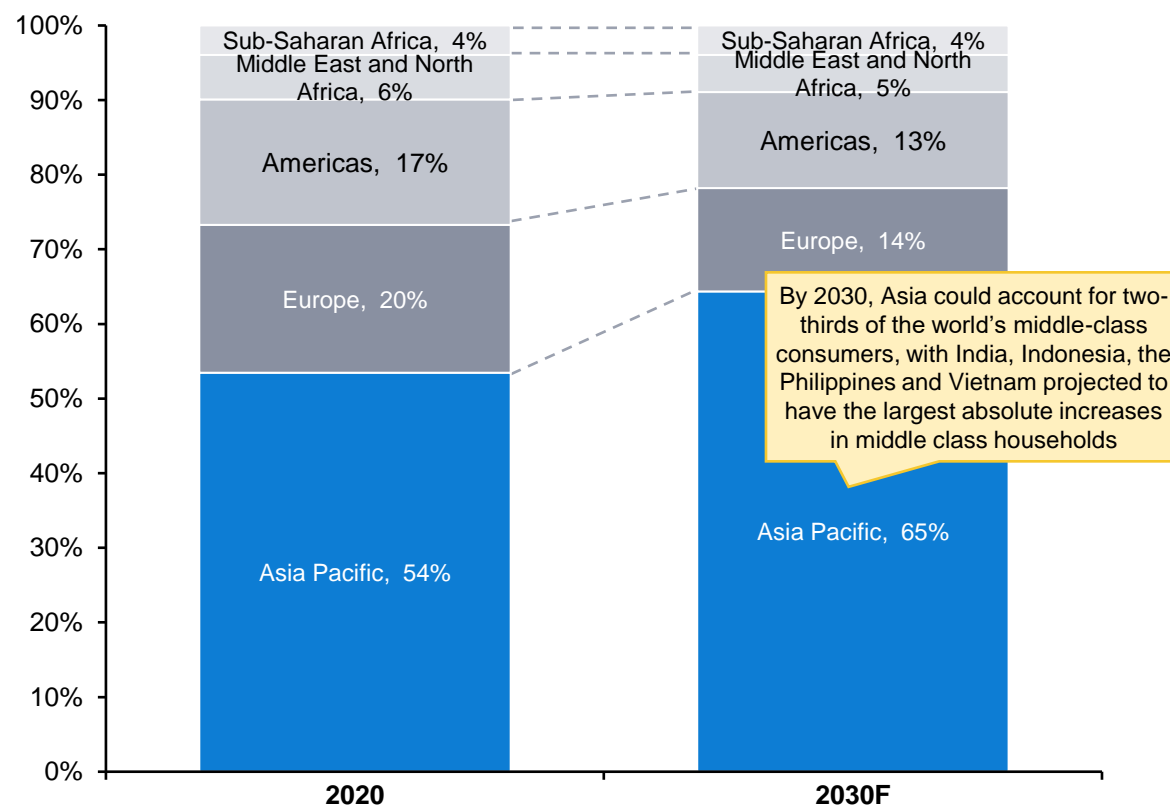
Most countries are expecting **real wage growth in 2025**, although to varying degrees. Salary growth is projected to be highest in India, reaching approximately 9.5%.



Against the backdrop of an ageing population, Asia is set to be home to **c. 53% of the world's youth** aged 18 to 24, representing c. 470 million new entrants to the workforce. This demographic will represent a **major driver of consumption in the long term**.

APAC is expected to host the largest middle class population in the world

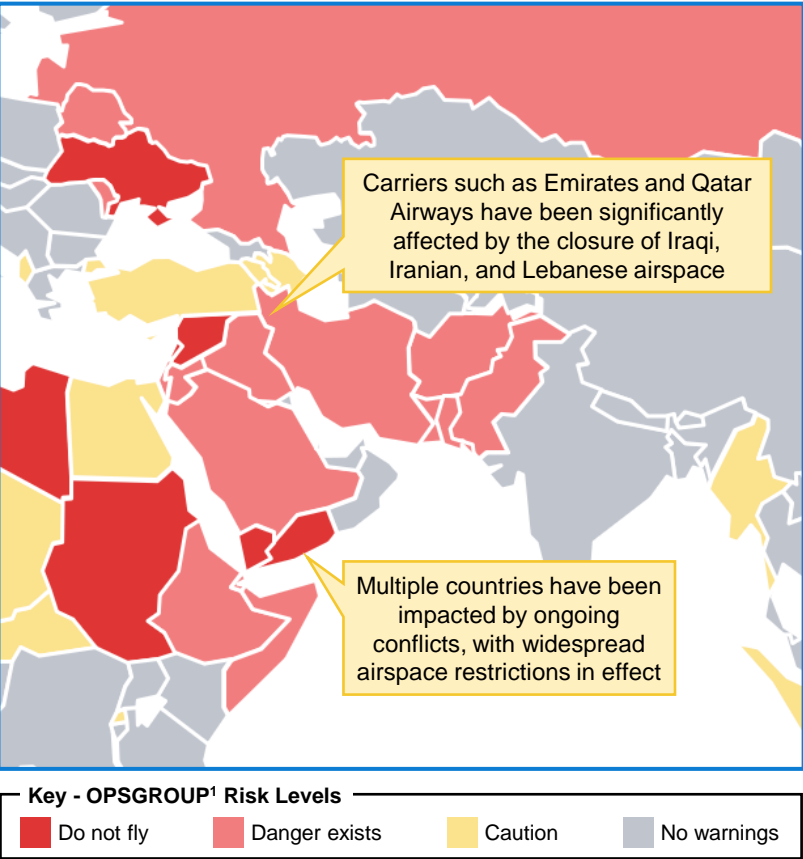
% of share of global middle class



Asia: Middle East Conflict

Ongoing conflicts in the Middle East continue to disrupt flight routes and airspace access, driving up fuel costs and dampening passenger demand

Flight risk levels in the Middle East



Multiple countries in the region, including Israel and neighbouring countries, have **closed or restricted airspace to Wester and international carriers** – forcing airlines to reroute long haul flights to and from Europe and Asia.



Major carriers have suspended services to Tel Aviv and surrounding areas due to safety concerns brought about by the current Gaza conflict, reducing connectivity to the region and disrupting business travel.



Fears of conflict escalation across the Middle East have impacted oil markets and increased the **volatility of jet fuel prices** – increasing costs for airlines and fares for passengers.



Disruptions to maritime shipping through the Red Sea resulting from the conflict in Yemen has **forced key shipping routes to divert** – affecting flows of aircraft components, spare parts, jet fuel and cargo.



The overall sentiment towards the broader Middle East region has been negatively affected by the multiple conflicts, exacerbated by accidents involving military shoot-downs of passenger aircraft – travellers are **opting for alternative destinations**.

Asia: Behavioural Consequences

Although wide regional variation has been observed in the rebound of air travel across Asia, the long-term growth outlook remains optimistic, underpinned by a rapidly growing middle class

Leisure travel

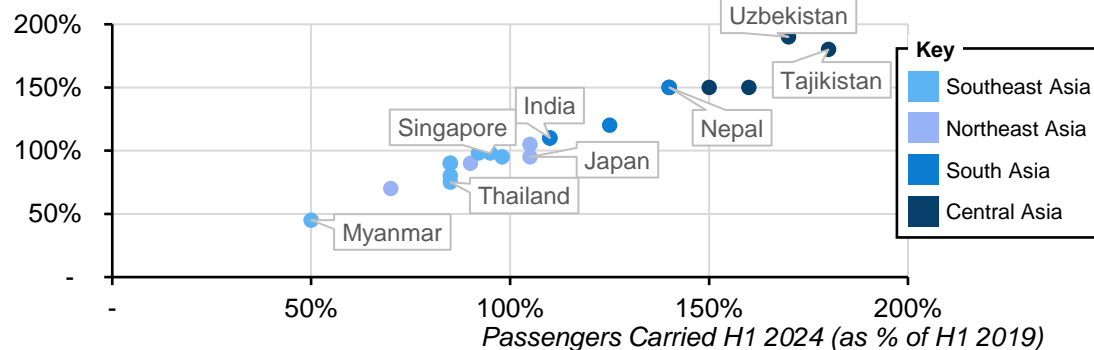
Air travel recovery has shown distinct regional variation – Central Asia demonstrated a strong recovery last year, while several regions, particularly in Southeast Asia, still lingered below pre-COVID levels.

Affordability and safety were cited as the key drivers influencing the decision to travel domestically amongst Southeast Asian travellers, with more than half (55%) of respondents willing to travel domestically¹.

However, long-term growth prospects remain strong, supported by **a rapidly expanding middle class**. India's middle-class is expected double over the next five years, with additional, notable projected income growth in Vietnam (24%), the Philippines (17%) and Thailand (14%).

Available seats and passenger volumes, by country and region

Available Seats H1 2024 (as % of H1 2019)



Business travel

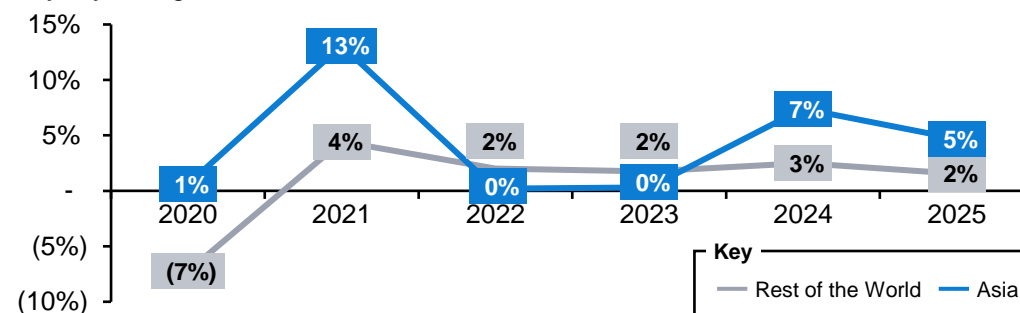
2024 has seen strong growth, with 78% of business travellers in Asia-Pacific reporting a higher volume of trips than in 2023 and 30% noting a significant increase.

Asia's rise as a business hub **presents substantial opportunities to drive travel demand**. The region is home to 18 of the 20 fastest-growing business corridors². This demonstrates **deepening interdependence among Asian economies**, fostering business opportunities and relationships, fuelling demand for business travel.

Looking forward, **business travel spend is also expected to grow**, with Asia and Latin America emerging as the two regions where the highest proportion of business leaders anticipate an increase spend¹.

Merchandise export growth is expected to exceed the rest of the world

% y-o-y change





China

China has faced significant economic headwinds with lasting effects on travel demand; trade tensions are adding further pressure

China's air travel recovery is being shaped by a combination of structural economic pressures and external geopolitical risks.

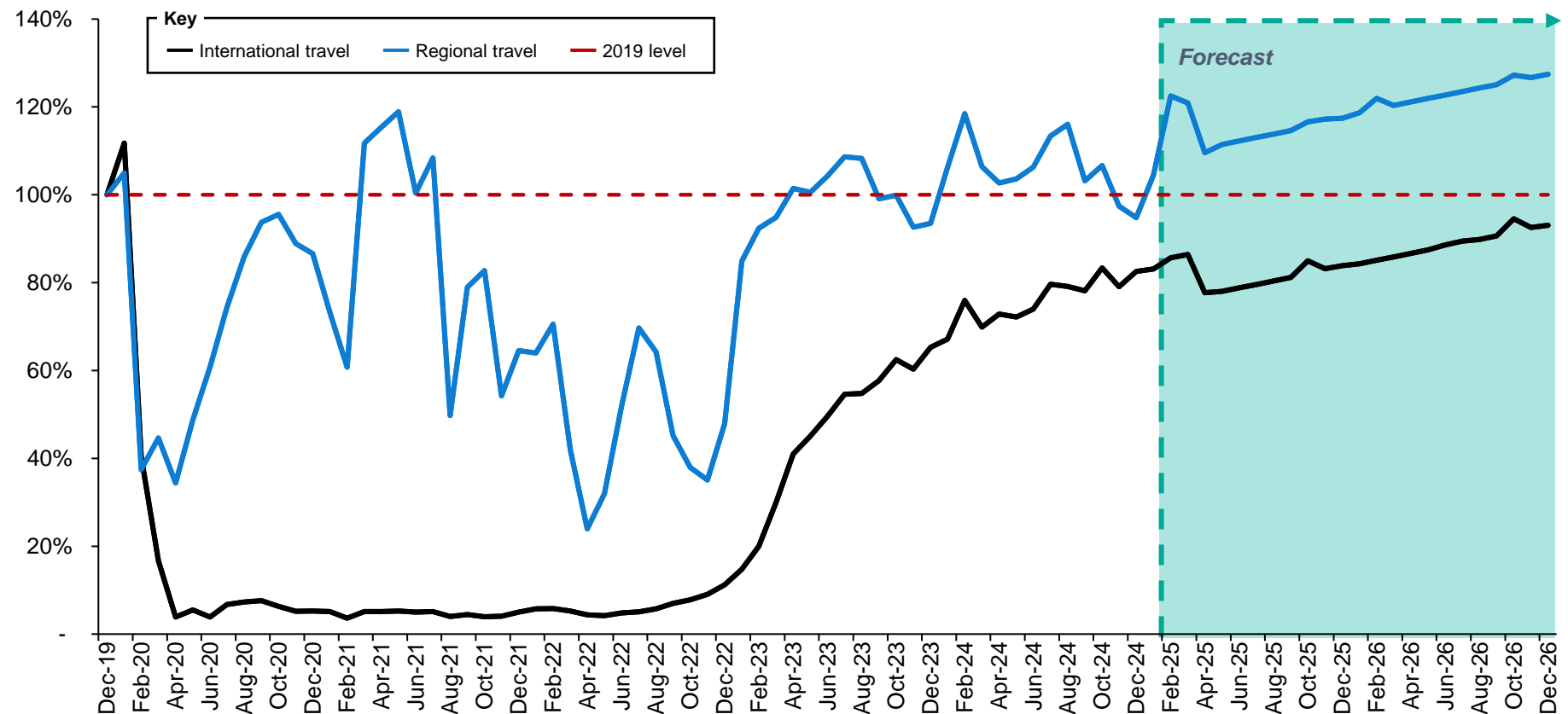
Domestically, weak income growth, a slowing property sector and high youth unemployment have impacted consumer confidence and reduced discretionary spending, particularly in sectors like tourism and air travel.

These challenges are being exacerbated by escalating trade tensions with the U.S., including steep tariffs and retaliatory measures, which are expected dampen international travel demand in the medium term.

Regional Outlook – China, 2019 – 2026F

Forecasted China monthly passenger volume

% of 2019 levels, total traffic (international and regional / domestic)



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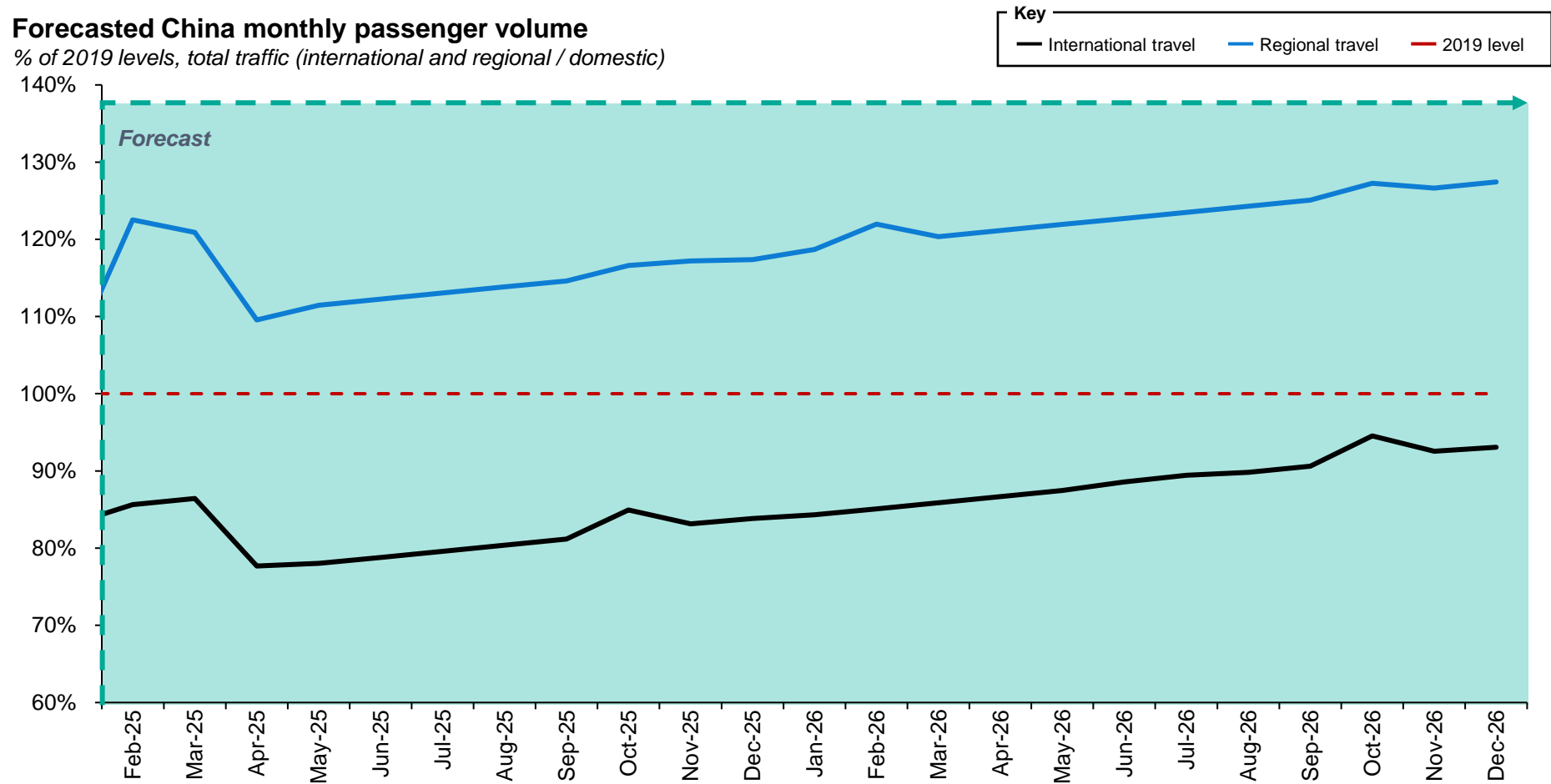
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Forecasted China monthly passenger volume
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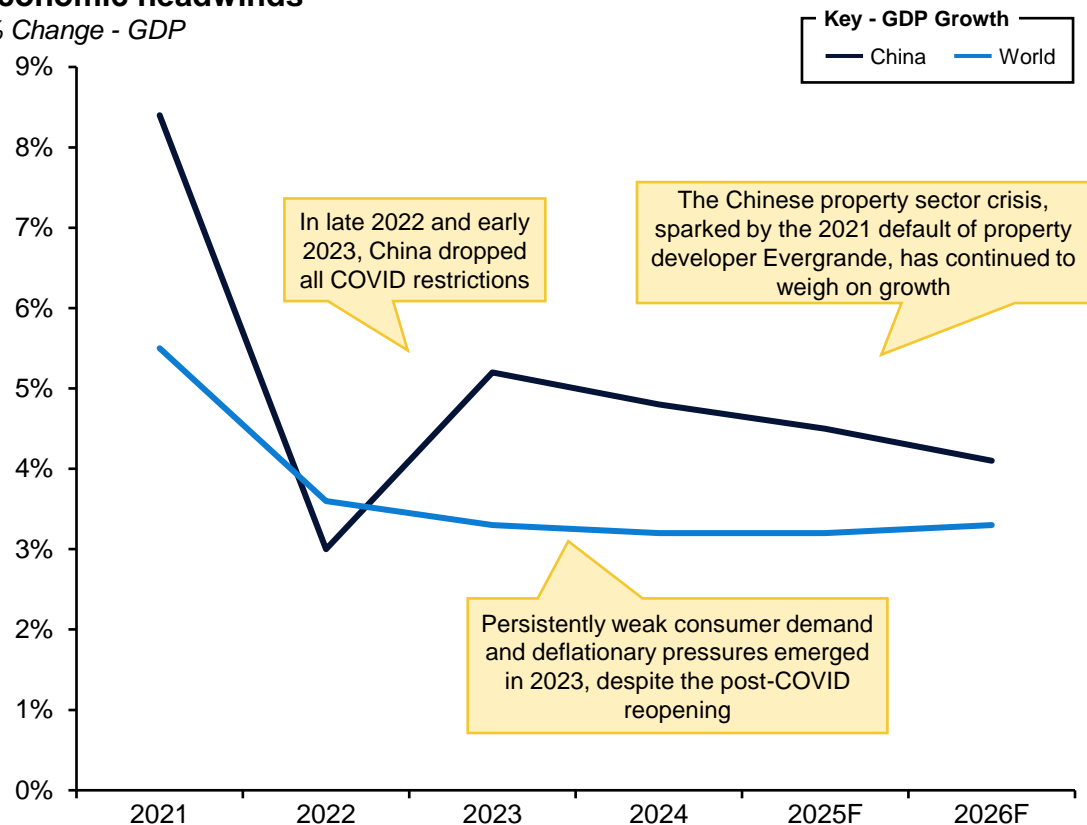


China: Socioeconomic Trends

Over the past few years, China's economy has faced significant structural headwinds that will have a lasting effect on consumer welfare

GDP Growth in China rebounded post-COVID but faces persistent economic headwinds¹

% Change - GDP



Key socioeconomic factors slowing growth in China



China: Impact of U.S. Tariffs

Ongoing trade tensions with the U.S. are expected to further impact economic growth in China, with knock-on effects likely to dampen consumer confidence in the medium term

China's response and economic impact from U.S. tariff escalation



The U.S. has announced a baseline 10% tariff on all imports, though **China faces the highest rates** and has not been exempted from the 90-day pause - facing an **effective total tariff rate above 100% on Chinese goods**.



Trade tensions remain heightened as **China has taken retaliation measures**, so far placing an **125% retaliatory tariff on U.S. goods**



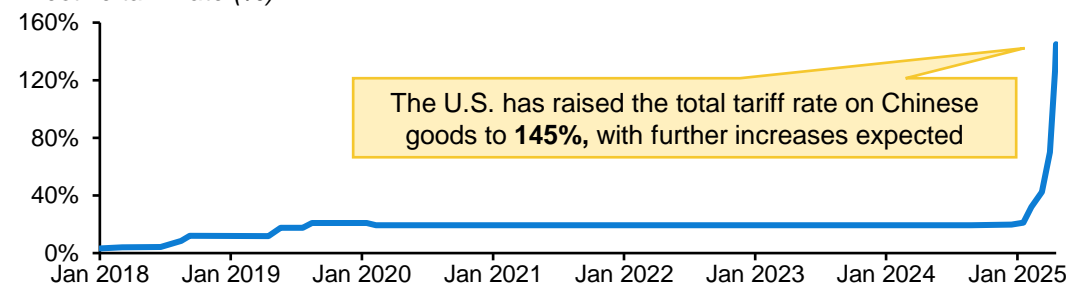
Tariffs affect c. 70% of China's exports to the U.S., particularly consumer goods, machinery and electronics. **Exports may fall by 10%, placing 1.9% of GDP at risk**.



Trade tensions are expected to weigh on tourism, with **rising prices reducing appetite for travel**. In 2024, c. 1.6 million Chinese travellers visited the U.S. - still well below pre-COVID levels (c. 3 million) - and this subdued level may persist

U.S. tariff against China have reached unprecedented levels

Effective tariff rate (%)



Teneo envisions three potential outcomes from U.S. trade disputes for Chinese air travel



Scenario 1: Symbolic U.S. victory

- Trump strikes a quick deal with China in which limited concessions are offered to the U.S. to secure suspension of the most damaging tariffs, but allows him to claim symbolic wins
- Underlying tensions are likely to persist, meaning aviation demand will likely remain subdued throughout 2025 as consumers and businesses remain cautious



Scenario 2: Prolonged negotiations

- Trump uses tariffs as leverage in long trade negotiations with China. This entails a drawn-out process, with incremental unwinding of tariffs tied to progress on structural issues
- Aviation demand is expected to remain muted in the medium term as uncertainty continues to weigh on travel decisions, investment planning, and route expansion

Baseline assumption used in forecast modelling



Scenario 3: Permanent economic decoupling

- Hardliners push for economic separation from China with tariffs escalating. The U.S. and China move into distinct economic spheres of influence, driving wider trade realignment
- Travel demand would be disrupted beyond U.S.-China routes, affecting global corridors. Airlines, manufacturers and the aviation sector in China would face prolonged challenges

China: Behavioural Consequences

China experienced strong domestic travel growth amid slower economic recovery and ongoing geopolitical tensions with the West, which is likely to weigh down international travel for the foreseeable future

Leisure travel

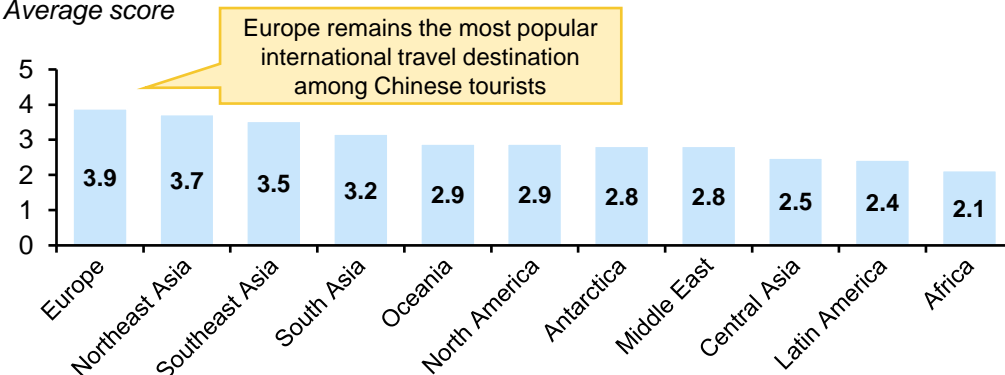
China experienced a **surge in domestic travel**, with 2024 passenger traffic surpassing 2019 levels by 13%. However, **international air traffic remains below pre-COVID levels**, reaching 88% of 2019 volumes in 2024.

Cost-consciousness and economic pressures (see p. 38) are driving domestic travel, with recent surveys showing that respondents cited “abundant domestic travel options” and “high cost of international travel” as the top reasons for travelling domestically.

Despite a preference for domestic travel, international travel is expected to recovery slowly. 45% of travellers plan to increase the number of outbound trips in 2025¹ and interest in traveling to other regions has also grown in H2 2024 vs. H1 2024.

Interest ratings among Chinese travellers for international destinations²

Average score



Business travel

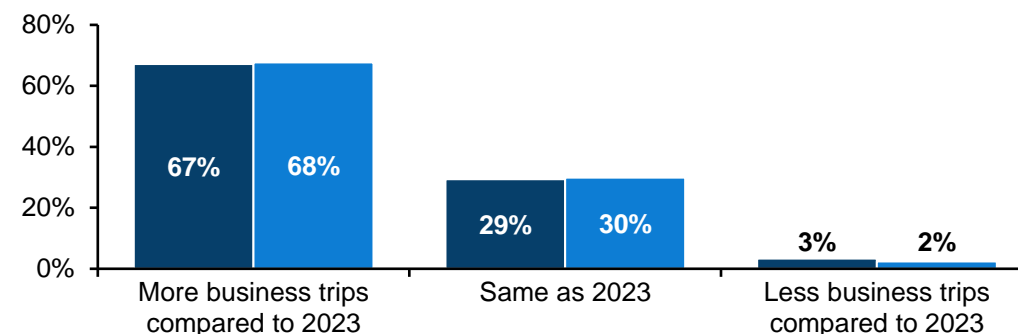
Business travel is steadily recovering, with 2024 levels expected to return to pre-COVID levels. According to a 2024 survey by Ctrip, 67% of respondents anticipate an increase in both domestic and international business trips.

Despite green shoots in business travel, **ongoing geopolitical tensions and imposed tariffs may weigh on demand** as business expansion of Chinese firms into the U.S., and vice versa, become more challenging.

However, the **ambition of Chinese businesses to expand overseas remains strong**, with 56% of enterprises surveyed³ indicating that they have expanded overseas or are planning to, and therefore the need for business travel remains positive.

Expected change in frequency of business travel, 2024

% respondents





Latin America

Latin America’s air travel outlook is supported by rising demand, though structural challenges constrain growth

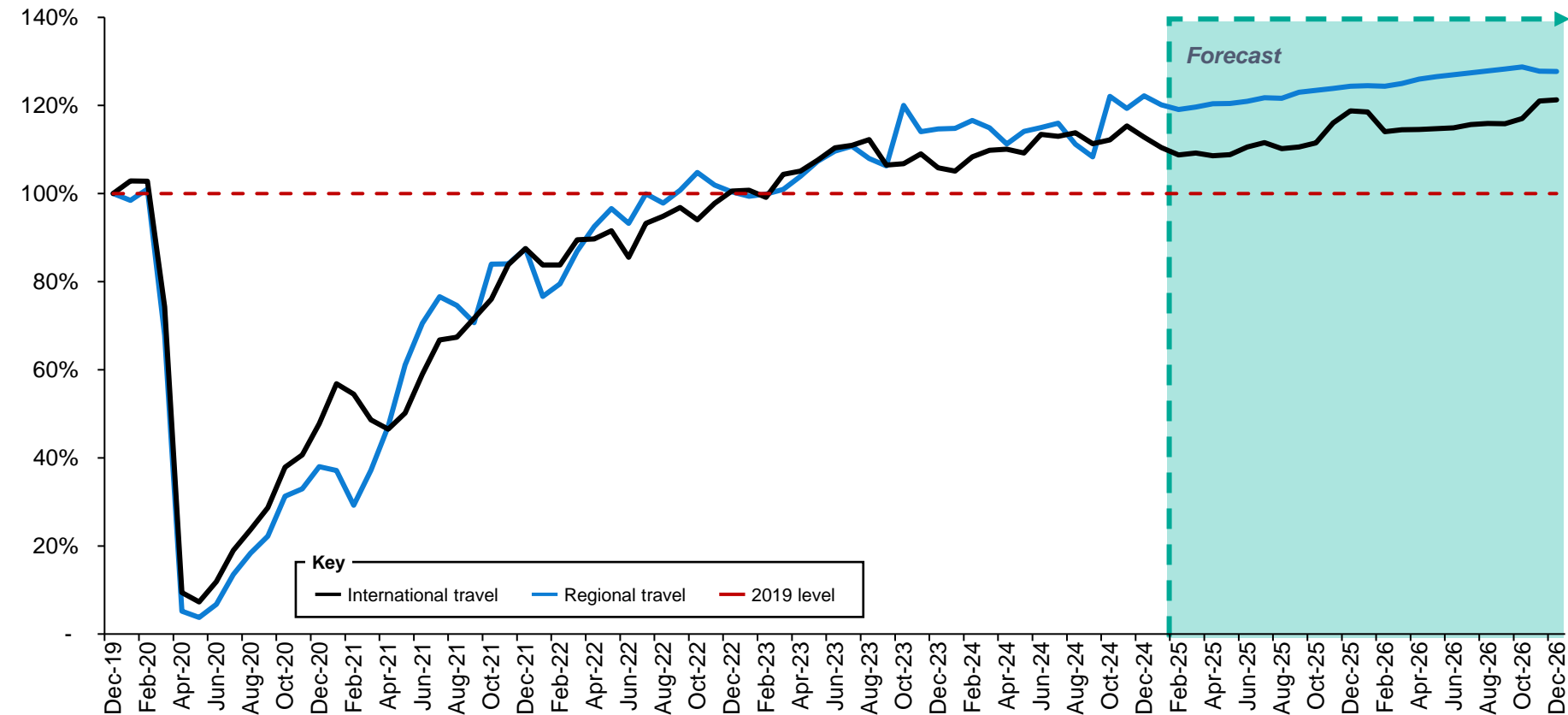
Across the region, there has been significant variance in economic performance, contributing to weaker long-term growth prospects. Political instability, underinvestment in infrastructure and persistent inequality continue to weigh on economic growth.

Currency volatility – impacting fare-setting – and rising tensions between the U.S. and Latin America, particularly around immigration policy, are constraining international travel demand, especially on key North American routes.

As a result, while domestic and intra-regional travel is expected to grow, the overall outlook remains volatile.

Regional Outlook – Latin America, 2019 – 2026F

Forecasted Latin America monthly passenger volume
% of 2019 levels, total traffic (international and regional / domestic)



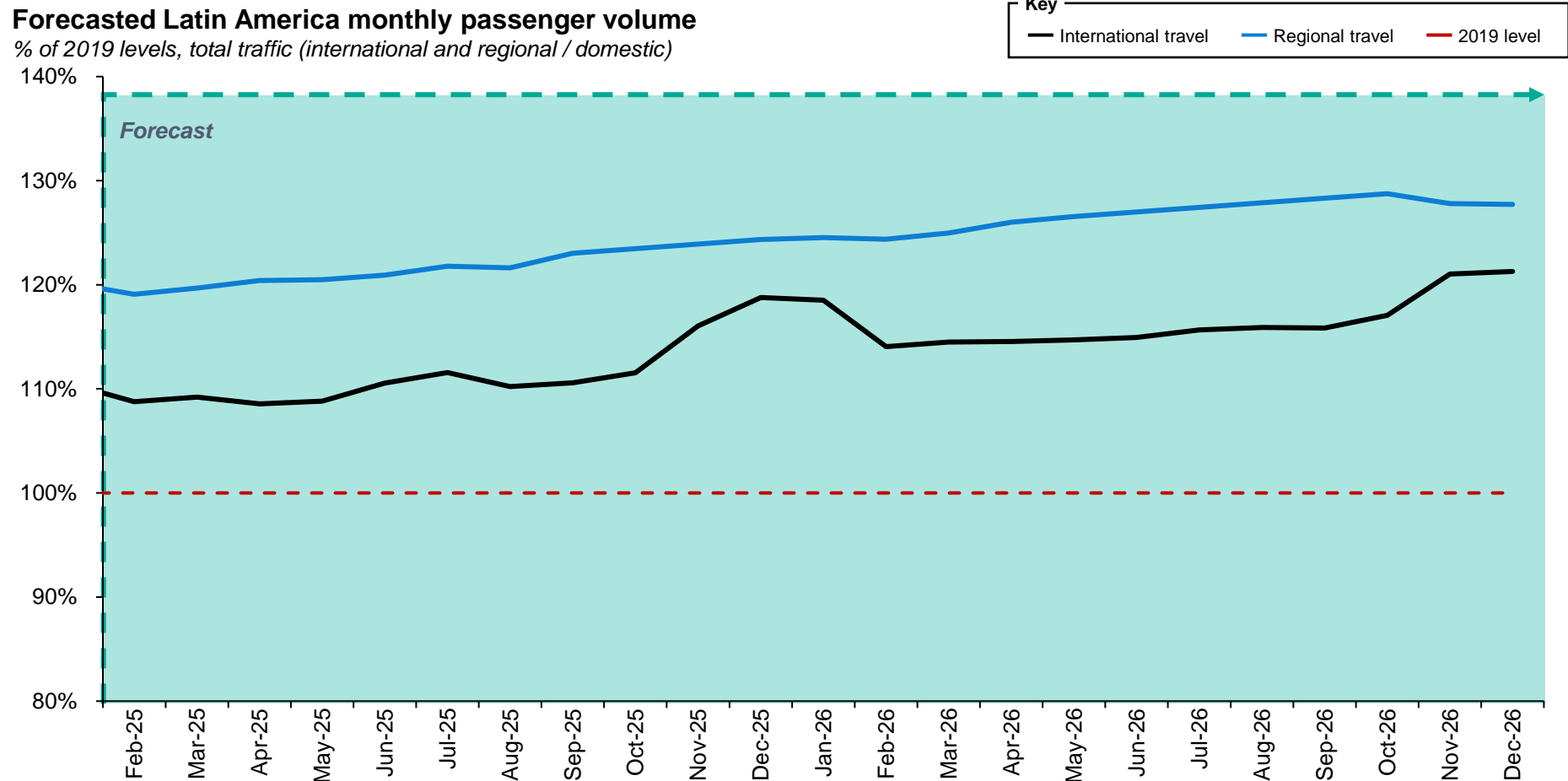
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Regional Outlook – Latin America, 2025F – 2026F

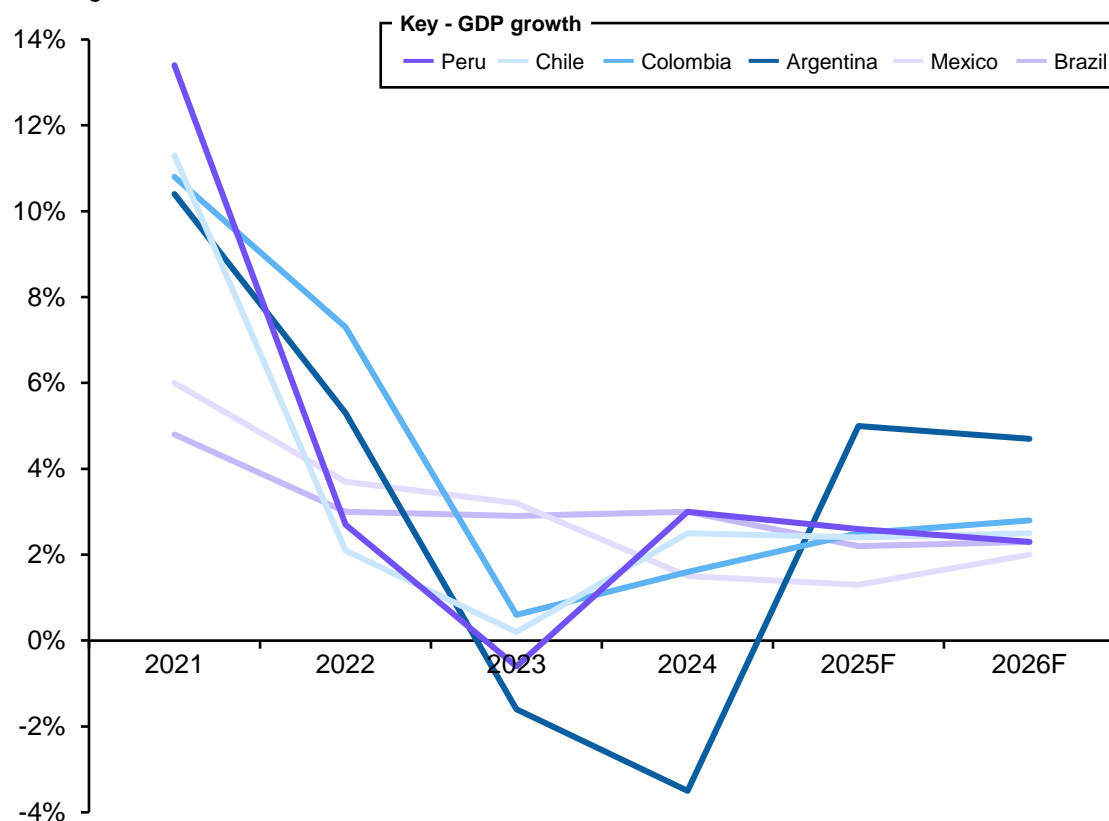


Latin America: Socioeconomic Trends

Latin America's consumption is supported by a growing middle class and favourable demographics – though macroeconomic uncertainties continue to pose challenges for the region

GDP Growth across Latin American economies remains volatile¹

% Change - GDP



Key socioeconomic factors impacting growth in Latin America



Persistent economic volatility

After COVID, **economic volatility** (as measured by standard deviation of real GDP growth rate) remained **1.5 times higher than the rest of the world**. Such volatility precipitates **poor long-term growth prospects**.



Demographic tailwinds

Latin America has a **young population**, with c. 25% of adults aged between 15 and 30. However, there continues to be significant challenges around **entrenched economic inequality** in the region.



Politically driven economic uncertainty

Persistent political instability across Latin America breeds a climate of uncertainty, with economic growth **lagging behind** other emerging economies. There is also a wider erosion of institutions, weakening **investor confidence**.



Rising middle class

Despite slowdowns in middle class growth trends in Latin America, it is still expected that **66% of the population** will be middle income by 2042. This is expected to **fuel growth in demand** for regional and international travel.

Latin America: Systemic Constraints

Latin America faces a range of structural constraints – including political instability, currency volatility, fragmented regulation and underinvestment in infrastructure – that reduce consumer and business confidence

Structural constraints pose several challenges for airlines



Political instability across Latin American countries creates uncertainty that **makes long-term planning difficult**. With large infrastructure projects being highly politicised, airports are often the target of new administrations.



Currency volatility causes demand friction when local currencies weaken, as many airline fares are priced in USD, with intra-year exchange rate fluctuations of up to 10% being common.



Underinvestment in infrastructure dampens economic growth and introduces instability in GDP growth, making the long-term planning of aviation infrastructure challenging.



Fragmented regulation across Latin America makes it **harder for airlines to operate cross-border flights** as individual countries have inconsistent policies, creating high compliance burdens.



Bureaucracy and political interference continue to constrain the competitiveness of Latin American airlines, driven by **excessive taxation (up to 50% of total fares) and legal liabilities** widely viewed as unfair.

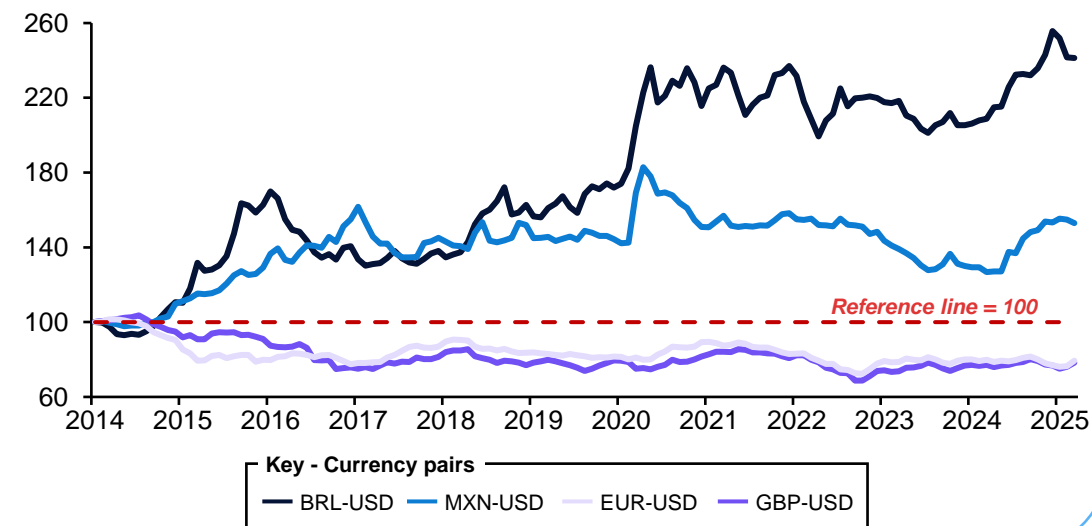
Over the past decade, instabilities in major Latin American currencies have posed a **significant challenge** to airlines conducting business in local currencies.

- “97% of our passenger revenue and other revenue were denominated in reais while 47% of our total operating costs and expenses were either denominated in or linked to U.S. dollars.”

GOL 2023 annual report

Exchange Rates – LATAM currencies vs comparators

Spot exchange rates, Jan-14 to Mar-25, indexed January 2014 = 100



Latin America: Behavioural Consequences

Demographic shifts and rising foreign investment present growth potential; however, this will be partially offset by economic challenges, political instability and infrastructure constraints

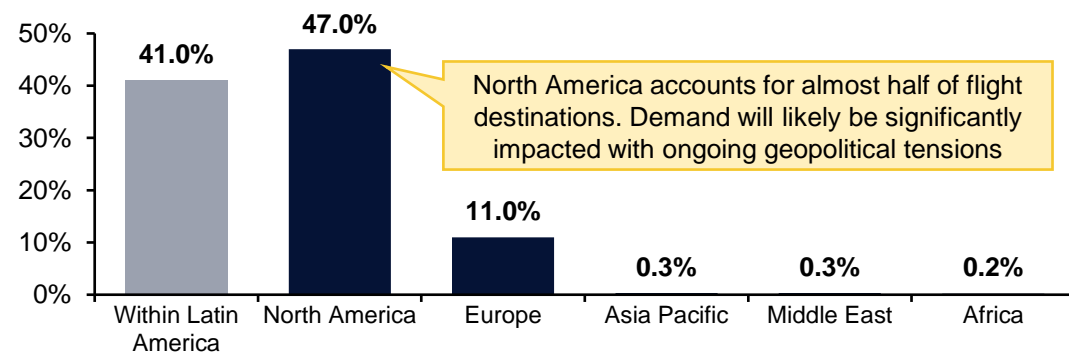
Leisure travel

Latin America's growing middle class is expected to drive long-term travel demand, with Brazil gaining c. 6 million middle-class households and Mexico c. 2.5 million by 2029. However, the price-elastic nature of leisure travel means **demand growth may be constrained by economic challenges**. Local currencies have weakened against USD and inflation continues to erode real disposable income.

Due to affordability constraints and political instability across the region, consumers may **opt for domestic and short-haul over international trips**. This is exacerbated by **recent deportations and tariff threats**, which have heightened U.S.-Latin America tensions – a large proportion of outbound international travel is to North America.

Distribution of flight destinations originating from Latin America

% of total scheduled flights



Business travel

Foreign investment has surged across Latin America in recent years, especially with growing China trade, both supporting demand for business travel. Business leaders in the region anticipate an increase in both travel volume and spend.

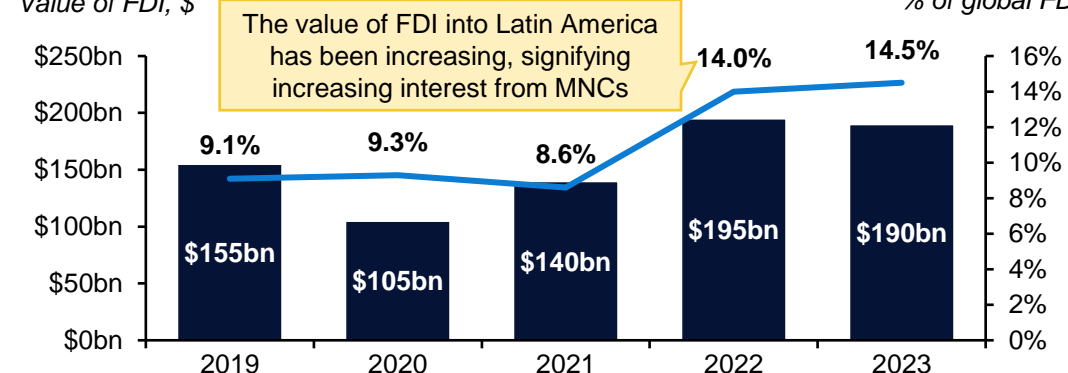
However, the potential for travel growth is **constrained by infrastructure limitations**. Closing the infrastructure gap to meet projected air transport demand through 2040 will **require an estimated \$94 billion investment**, double the pre-COVID requirement.

As with leisure travel, **political instability and safety concerns** may also hinder the appetite for travel as businesses seek to avoid risk and preserve resources.

Inflow and share of foreign direct investment to Latin America

Value of FDI, \$

% of global FDI



A man in a blue flight suit, black cap, and safety glasses is looking at a tablet. He is standing in front of a large aircraft engine. In the background, another person is visible working on the aircraft. The scene is set in a large hangar with a high ceiling and structural beams.

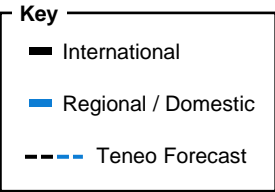
Section 04

Previous forecast accuracy review

Here, we compare the Teneo H2 2024 forecast with the actual passenger numbers to test our modelling accuracy

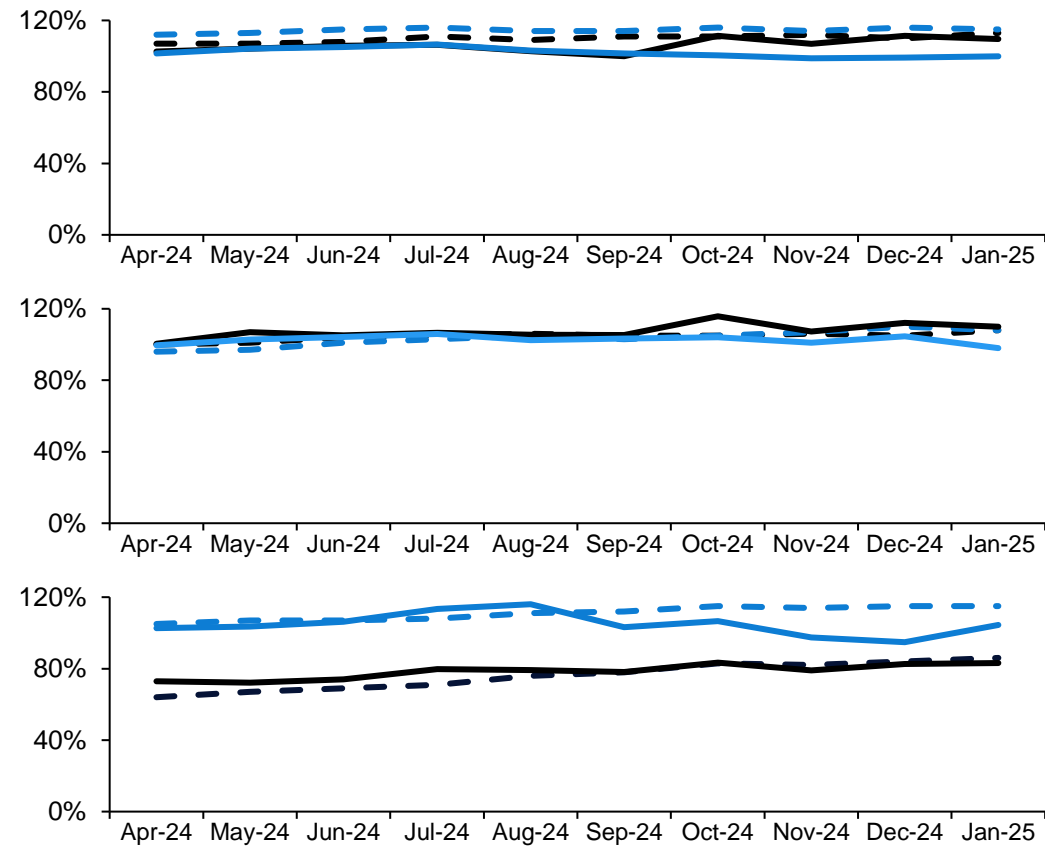
Across most regions, Teneo has accurately forecasted aviation demand, demonstrating modest growth in most regions.

One notable exception is regional travel in China, which suffered an unprecedented decline in passenger volume in late 2024.



H2 2024 Teneo Forecast Compared to Actuals in Key Regions [1/2]

Teneo H2 2024 forecast vs. actuals; North America, Europe, China, Asia
% of 2019 levels, total traffic (international and regional / domestic)



North America

Teneo's forecast slightly underestimated actuals, which pointed towards moderate growth across both international and regional segments, due to persistent economic uncertainty.

Europe (incl. UK)

Teneo's forecast was broadly in line with actual; however, the recovery was unexpectedly led by international travel, which took hold as LCCs such as Ryanair and Wizz Air saw a fall in profitability during the summer periods as yields fell.

China

International travel was broadly in line with Teneo's estimates as geopolitical tensions pushed leisure travellers towards regional and domestic destinations; regional travel deteriorated more than expected as the economic slowdown weighed more on consumers' minds than anticipated.

Here, we compare the Teneo H2 2024 forecast with the actual passenger numbers to test our modelling accuracy

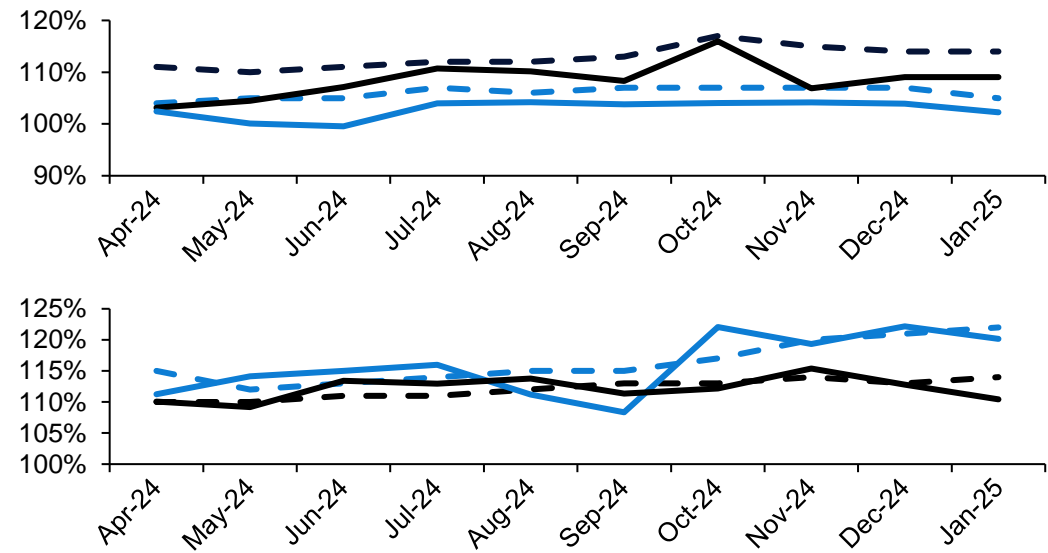
Across most regions, Teneo has accurately forecasted aviation demand, demonstrating modest growth in most regions.

One notable exception is regional travel in China, which suffered an unprecedented decline in passenger volume in late 2024.

H2 2024 Teneo Forecast Compared to Actuals in Key Regions [2/2]

Teneo H2 2024 forecast vs. actuals; Asia, Latin America

% of 2019 levels, total traffic (international and regional / domestic)

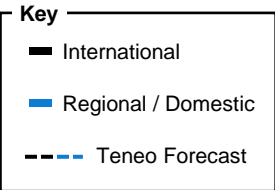


Asia (excl. China)

Teneo's forecast largely overestimated demand across Asia, largely due to the underestimated impact of inflation and currency volatility increasing costs and fares for airlines

Latin America

Teneo slightly overestimated demand in Q3 2024 primarily due to unforeseen currency depreciation in Argentina, Chile and Colombia as a result of global commodity trends and political instability. This increased costs and fares, reducing demand.



A low-angle, upward-looking photograph of several tall skyscrapers against a clear blue sky. An airplane is visible in the upper center of the frame, flying between the buildings. The perspective creates a sense of height and scale.

Section 05

Data tables

Forecast data tables – North America, 2019 – 2026F

Source data for the charts on pp.20-21

2019												2020												2021												2022											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec										
International	100%	98%	96%	62%	5%	4%	6%	13%	16%	17%	22%	25%	29%	27%	23%	29%	33%	39%	45%	52%	52%	48%	58%	64%	69%	60%	60%	67%	76%	80%	81%	86%	84%	85%	92%	90%	92%										
Regional	100%	107%	112%	64%	11%	14%	25%	30%	31%	34%	35%	37%	36%	39%	42%	52%	60%	67%	77%	84%	81%	79%	81%	86%	82%	78%	85%	89%	92%	94%	94%	92%	92%	96%	92%	94%	90%										

2023												2024												2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	88%	88%	92%	95%	96%	98%	100%	97%	97%	110%	104%	104%	101%	104%	104%	103%	104%	106%	106%	103%	100%	111%	107%	111%	110%	119%	118%	98%	98%	100%	101%	107%	106%	106%	105%	105%
Regional	96%	97%	96%	98%	97%	99%	103%	101%	101%	101%	102%	92%	102%	105%	99%	102%	104%	105%	107%	103%	102%	100%	99%	99%	100%	113%	112%	94%	92%	97%	98%	104%	101%	99%	102%	104%

2026												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	113%	114%	113%	113%	114%	116%	117%	116%	115%	115%	117%	114%
Regional	108%	107%	107%	107%	108%	112%	113%	113%	109%	110%	111%	113%

Key

Actuals

Forecast

Key	
Actuals	Forecast

Sources: Teneo research & analysis

Forecast data tables – Europe (incl. UK), 2019 – 2026F

Source data for the charts on pp.26-27

2019												2020												2021												2022											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec										
International	100%	101%	97%	58%	6%	7%	8%	15%	18%	18%	20%	17%	22%	23%	20%	20%	21%	23%	29%	38%	41%	41%	49%	53%	55%	51%	53%	58%	63%	74%	75%	82%	80%	81%	89%	83%	86%										
Regional	100%	99%	96%	57%	8%	10%	10%	31%	45%	36%	30%	21%	23%	20%	16%	16%	18%	22%	36%	53%	63%	57%	61%	68%	69%	56%	61%	68%	77%	83%	88%	92%	92%	90%	88%	84%	84%										

2023												2024												2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	85%	86%	88%	89%	97%	96%	100%	98%	98%	108%	97%	99%	96%	100%	98%	100%	107%	105%	107%	105%	105%	116%	107%	112%	110%	109%	110%	109%	109%	112%	113%	111%	110%	110%	111%	109%
Regional	79%	84%	88%	91%	93%	95%	100%	101%	97%	101%	94%	95%	86%	94%	96%	100%	103%	104%	106%	102%	103%	104%	101%	105%	98%	102%	102%	103%	102%	105%	104%	107%	104%	105%	105%	107%

2026												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	112%	112%	113%	113%	113%	115%	116%	116%	115%	115%	115%	113%
Regional	106%	106%	105%	106%	107%	109%	110%	110%	107%	107%	108%	109%

Key

Actuals

Forecast

Key	
Actuals	Forecast

Sources: Teneo research & analysis

Forecast data tables – Asia (excl. China), 2019 – 2026F

Source data for the charts on pp.36-37

2019												2020												2021												2022											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec										
International	100%	101%	96%	60%	9%	9%	12%	19%	22%	22%	22%	19%	22%	23%	23%	26%	28%	26%	30%	33%	37%	38%	43%	42%	47%	46%	47%	51%	58%	66%	71%	78%	79%	79%	83%	79%	82%										
Regional	100%	106%	100%	63%	20%	23%	25%	38%	36%	39%	40%	42%	43%	37%	41%	49%	49%	32%	32%	31%	30%	35%	43%	48%	52%	50%	51%	61%	66%	73%	73%	76%	75%	74%	76%	77%	82%										

2023												2024												2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	84%	84%	86%	90%	93%	96%	101%	100%	99%	105%	96%	98%	99%	102%	100%	103%	104%	107%	111%	110%	108%	116%	107%	109%	109%	110%	110%	106%	107%	108%	108%	108%	109%	110%	110%	110%
Regional	87%	89%	91%	91%	93%	92%	96%	97%	95%	95%	92%	92%	96%	102%	100%	102%	100%	100%	104%	104%	104%	104%	104%	104%	102%	111%	106%	102%	102%	103%	104%	105%	104%	110%	108%	108%

2026												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	116%	116%	117%	118%	118%	118%	119%	120%	120%	121%	121%	122%
Regional	116%	123%	117%	117%	118%	121%	121%	121%	120%	124%	123%	123%

Key

Actuals

Forecast

Sources: Teneo research & analysis

Forecast data tables – China, 2019 – 2026F

Source data for the charts on pp.43-44

2019												2020												2021												2022											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec										
International	100%	112%	40%	17%	4%	5%	4%	7%	7%	8%	6%	5%	5%	5%	4%	5%	5%	5%	5%	5%	4%	4%	4%	4%	5%	6%	6%	5%	4%	4%	5%	5%	6%	7%	8%	9%	11%										
Regional	100%	105%	37%	45%	34%	49%	61%	74%	86%	94%	96%	89%	87%	73%	61%	112%	115%	119%	100%	108%	50%	79%	83%	54%	65%	64%	71%	42%	24%	32%	52%	70%	64%	45%	38%	35%	48%										

2023												2024												2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	15%	20%	30%	41%	45%	50%	55%	55%	58%	63%	60%	61%	63%	72%	66%	73%	72%	74%	80%	79%	78%	83%	79%	83%	86%	86%	78%	78%	79%	80%	80%	81%	85%	83%	84%	84%
Regional	85%	92%	95%	101%	101%	104%	109%	108%	99%	100%	93%	93%	106%	118%	106%	103%	104%	106%	113%	116%	103%	107%	97%	104%	123%	121%	110%	111%	112%	113%	114%	115%	117%	117%	117%	117%

2026												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	84%	85%	86%	87%	87%	89%	89%	90%	91%	95%	93%	93%
Regional	119%	122%	120%	121%	122%	123%	123%	124%	125%	127%	127%	127%

Key

Actuals

Forecast

Key	
 Actuals	 Forecast

Sources: Teneo research & analysis

Forecast data tables – Latin America, 2019 – 2026F

Source data for the charts on pp.49-50

	2019												2020												2021												2022											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec											
International	100%	98%	101%	68%	5%	4%	7%	14%	18%	22%	31%	33%	38%	37%	29%	37%	47%	61%	71%	77%	75%	71%	84%	84%	87%	77%	80%	87%	93%	97%	93%	100%	98%	101%	105%	102%	100%											
Regional	100%	103%	103%	74%	9%	7%	12%	19%	24%	29%	38%	41%	48%	57%	54%	49%	46%	50%	59%	67%	67%	72%	76%	84%	87%	84%	84%	89%	90%	92%	86%	93%	95%	97%	94%	98%	101%											

	2023												2024												2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	99%	100%	101%	104%	107%	110%	111%	108%	106%	120%	114%	115%	115%	117%	115%	111%	114%	115%	116%	111%	108%	122%	119%	122%	120%	119%	120%	120%	120%	121%	122%	122%	123%	123%	124%	124%
Regional	101%	99%	104%	105%	108%	110%	111%	112%	106%	107%	109%	106%	105%	108%	110%	110%	109%	113%	113%	114%	111%	112%	115%	113%	110%	109%	109%	109%	109%	111%	112%	110%	111%	112%	116%	119%

	2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
International	125%	124%	125%	126%	127%	127%	127%	128%	128%	129%	128%	128%
Regional	119%	114%	115%	115%	115%	115%	116%	116%	116%	117%	121%	121%

Key

Actuals

Forecast

Sources: Teneo research & analysis

