

# TRAVEL MARKET REPORT

Produced by Research & Intelligence

June 2025



# Travel Market Report

Welcome to the latest edition of the *Travel Market Report*, brought to you by BCD Travel's Research & Intelligence team.

This quarter's *Travel Market Report* begins with a summary of the International Air Transport Association's (IATA) latest outlook for the airline industry in 2025 and compares it to the predictions for this year that the organization made at the end of 2024.

Sticking with airlines (and IATA), we present an update on the performance of the global airline industry so far this year.

The airline theme continues with a review of airline start-ups and failures in 2024, with a consideration of the factors behind such low numbers.

Turning to our own primary research among travel buyers and managers, we outline how they interact with data to improve their travel programs, summarizing the key points from a recently-published study.

We're also about to publish a new report detailing how travelers may expect to pay for their daily needs when visiting Southeast Asia. We've included a summary of our main findings and recommendations for travelers when visiting Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

## The Research & Intelligence team



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# Global airline industry outlook

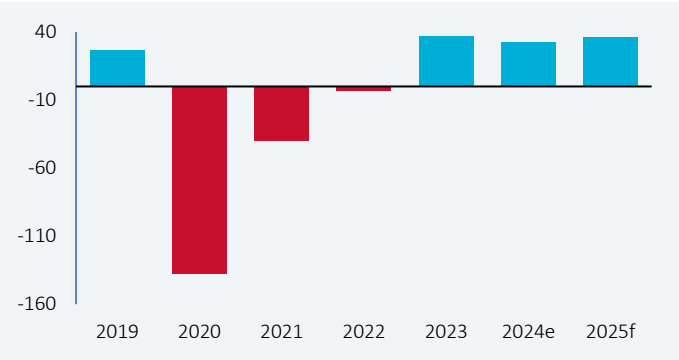
## Outlook for 2025

The International Air Transport Association (IATA) has updated its outlook for the global airline industry, which it last published in December 2024. In its June 2025 update, it has lowered its expectations for total airline industry revenue this year from \$1 trillion to **\$979 billion**.<sup>1</sup> Rather than the 4.4% growth previously forecasted, it now believes airline revenues will increase by just **1.3%** in 2025. This represents a marked slowdown from the **6.3%** growth estimated for 2024.

Some regions' airlines will post stronger revenue growth, with Asia Pacific, Europe and the Middle East likely to deliver increases of **3-4%** in 2025. Global revenue growth will be held back by the Americas. IATA expects revenue in Latin America to dip by **1.3%**, but it anticipates a **3.4%** decline in North America.

IATA has also adjusted its profitability forecasts, but the changes appear more benign. While it has revised down from 16% to **11%** its forecasts for net profit growth, this partly reflects base effects, with 2024's profits proving to be higher than previously expected. IATA has only lowered its profit numbers for 2025 from \$36.6 billion to \$36.0 billion. In light of minimal revenue growth, profits are set to hold up rather well, underpinned by lower fuel prices and rising load factors.

Global airline net income US\$ billion



## Regional prospects for 2025

**Africa** – despite high operational costs, sustained demand for air travel should support **8%** growth in traffic. But net profits should be **flat** vs 2024.

**Asia Pacific** – following strong 17% growth in 2024, a **9%** traffic increase is projected for 2025. Visa relaxations will further support growth. Net profits should rise by **23%**, much quicker than the 13% predicted previously

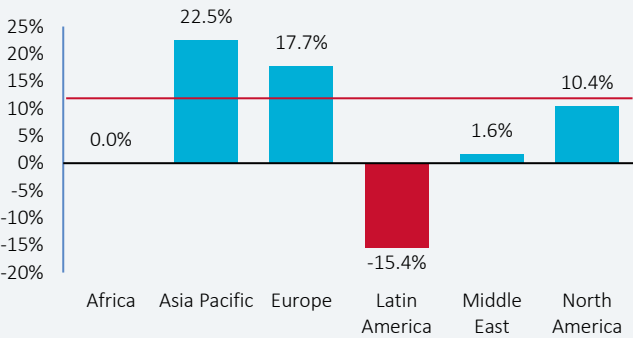
**Europe** – low-cost carriers should drive **6%** traffic growth. A stronger euro should lift profitability. At \$11.3 bn, industry net profits should be higher than 2024's \$9.6 bn, but lower than the \$11.9 bn previously forecasted for 2025.

**Latin America** – Brazil's proposals for VAT on airline tickets will weigh on airline performance in the region's largest market. IATA expects profits to be **15%** lower.

**Middle East** – economic growth will support **6.4%** growth in airline traffic. But delivery delays of wide-bodied aircraft will prevent the region's airlines from fully taking advantage. Net profits should increase slightly, rising by **1.6%** to \$6.2 billion.

**North America** – the slowdown in U.S. economic growth will hit airlines. While demand may be flat, net profits may still rise by **10%**. But this is much lower than the earlier forecast of 17% growth.

Regional net income growth in 2025



(1) [IATA](#), Global Outlook for Air Transport, June 2025

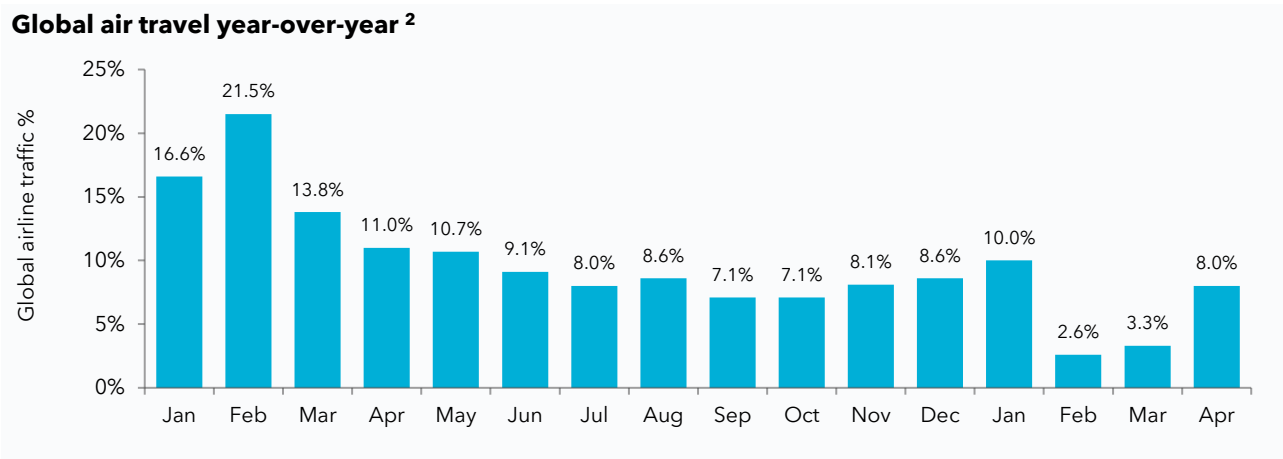


# Update on global airline traffic

## North America weighs on global performance in 2025

Global airline traffic increased by 8% year-over-year in April, overturning the weak results seen in the previous two months.<sup>2</sup> It also restored growth in air travel to the 7-10% trend established over eight months up to January 2025. However, year-over-year comparisons would have been boosted by the later timing of Easter, which shifted from March in 2024 to April this year.

International traffic was the main driver of industry growth in April, with its 10.8% increase in demand outpacing the 3.3% rise in domestic travel. This surge in traffic led to an improvement in occupancy, with airline load factors rising by 1.7-points to 84.1%.



Year-to-date numbers provides a better feel for market development, ironing out Easter's timing difference effects. So far in 2025, global airline traffic has grown by 6.0%, with all regions performing well, except North America. While other markets have grown by 6-9%, traffic in North America has been flat.

## Regional perspective

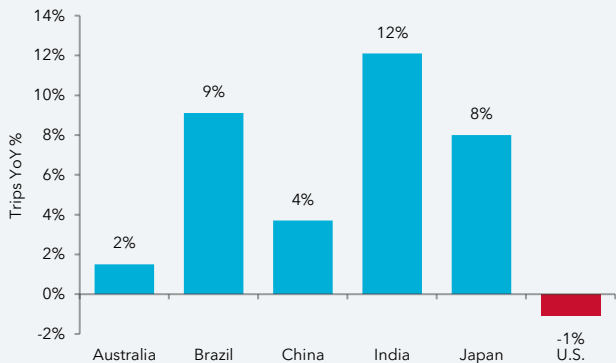
During the first four months of 2025, domestic air travel expanded by only 2.0%. But this masks some strong results from major markets including Brazil, India and Japan.

While Australia and China posted lower growth, the global average was depressed by the 1% decline in domestic air travel the U.S. market.

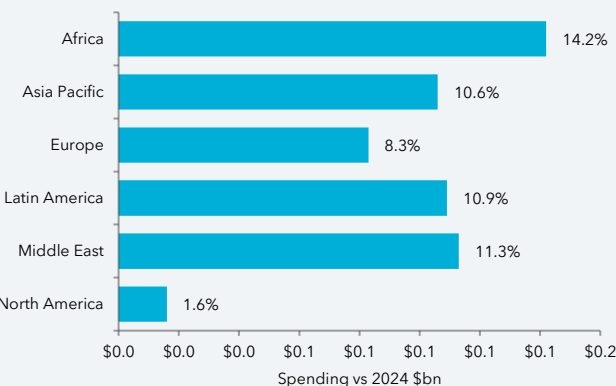
The weakness of the U.S. market is reflected in the regional numbers.

The Easter effect saw most regions deliver strong traffic growth in April. Even the mature European market posted an 8.3% increase. And yet demand in North America expanded by less than 2% year-over-year.

**Domestic growth Jan.-Apr. 2025 <sup>2</sup>**



**Regional growth April 2025 <sup>2</sup>**



# Airline start-ups and failures

## Fewer new airlines started and fewer failed in 2024

According to the International Air Transport Association (IATA), **28 new** airlines started operations in 2024.<sup>3</sup> At the same time, **19 ceased flying**. Both numbers were at their lowest levels in a decade, but 2024 still marked the fourth consecutive year with net growth in airline numbers.

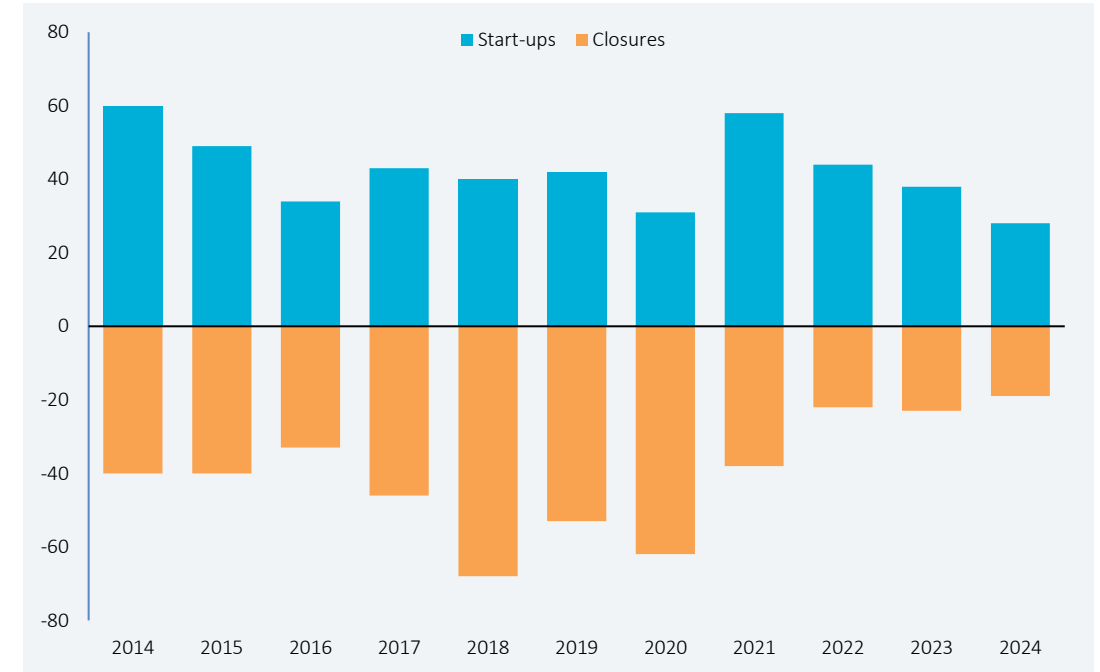
The 28 airline startups in 2024 was even lower than the **31** that took to the skies in **2020**, the first year of a global pandemic. Airline startups have been trending down since 2021's peak of **58**, a number which was inflated by reorganizations associated with the impact of the global pandemic, as multiple airlines restarted operations following restructuring. Re-emergence from bankruptcy protection will continue to boost start-up numbers in 2025, with Azul, Gol, Spirit Airlines and Thai Airways among the affected carriers.

Since 2024, Asia Pacific and Europe have been the leading regions for airline launches as strong economic growth and market liberalization, respectively, have promoted start-ups. As a mature and consolidated market, North America saw only a relatively small number of new entrants.

The low number of airlines starting up in 2024 is largely the result of three factors:

- Global inflation, rising operating expenses and elevated borrowing costs have made it harder for new airlines to secure the investment and resources needed to launch operations.
- Supply chain disruptions continue to limit the availability of aircraft and spare parts, making it hard for new airlines to resource their operations.
- Geopolitical challenges, including conflicts in eastern Europe, Africa and the Middle East, have increased the headwinds facing air travel. What's more, new entrants must deal with stricter regulatory demands and operational complexity, added time and cost to start-up.

Airlines starting up or closing down <sup>3</sup>



IATA notes 19 airlines ceasing operations in 2024, comprising seven low-cost carriers, eleven full-service airlines and one cargo carrier. Just three of these closures involved transformation and merger, e.g. AirAsia India was absorbed by Air India Group. The remaining 16 were forced to cease operations by financial difficulties and intensifying competition.

(3) [IATA](#), Chart of the Week, Feb. 7, 2025

# Travel data and data analysis: travel buyer survey

## Travel buyers tell us how they interact with data to improve their programs

In this survey, we looked at the significance of travel data and explored the ways travel buyers can interact with data to improve their travel programs. Our findings are based on an online survey of 197 travel buyers worldwide, conducted in April 2025.

## Our findings, at a glance

### Travel program priorities

More than **eight in 10** travel buyers consider data analytics extremely or very important. Duty of care has lost its top position among travel program priorities, being overtaken by cost control and policy compliance.

When we talk about travel data, buyers see collaboration with TMCs and suppliers on their travel data and improved data quality as their major priorities.

### Travel data sources

Their TMC is a major source of travel data for most travel buyers, according to **nine out of 10**. Around **two-thirds** collect and analyze data from payment and expense solutions and from online booking tools.

### Challenges

Travel buyers consider data fragmentation and the need to make travel data proactive as their biggest challenges.

They believe traveler satisfaction, trip success rate and friction are among the key performance indicators that are not tracked well enough.

### Travel buyer portrait

While **two-thirds** of travel buyers interact with their data on a **weekly** or **daily** basis, one in 10 do so quarterly or less often.

Almost **three-quarters** believe they possess the skills and experience needed to interact with data, though **40%** interact with travel data only when absolutely needed.

**44%** love working with data and could spend hours analyzing numbers, while **56%** still prefer to leave working with data to the professionals.

**60%** regularly check their dashboards and analyze new data, and **49%** appreciate help with effective data visualization.

### Value provided by travel data

Data adds value to travel programs in different ways. Most buyers agree that travel data is essential for supplier negotiations, improving policy compliance and optimizing spend.

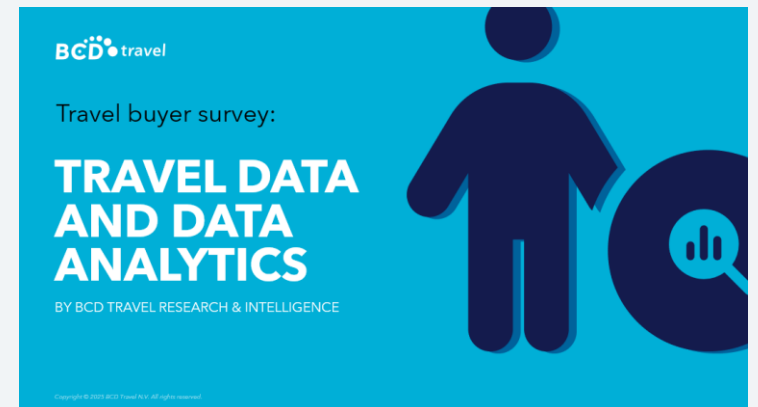
**Two-thirds** of travel buyers adjust their travel policies based on data, at least occasionally. A similar share use pre-trip/booked data to make necessary modifications before the trip, with **one in five** frequently taking action.

### Artificial intelligence (AI)

**Three-quarters** of respondents do not use AI for collecting, analyzing and reporting travel data. Of those who do, most deploy the tools provided by their employer. Saving time is the most valuable benefit offered by AI.

## Find out more

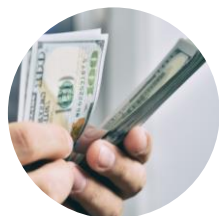
We've highlighted just some of the key findings from our traveler survey around hotels. You can find out much more detail in the [full report](#).



# Paying in Southeast Asia: at a glance

## How travelers should pay for their daily needs when on the road in Southeast Asia

In a soon-to-be-published report, we took a closer look at the payment options for travelers visiting six countries in Southeast Asia. Here's some of our key findings and recommendations.



### INDONESIA

- Contactless payment can help reduce fraud, but the transaction limits are fairly low.
- If bringing in cash, make sure the banknotes are in a good condition.
- Have small value notes on you for tipping and minor purchases.
- If taking a taxi, agree the fare in advance.

### MALAYSIA

- Card acceptance varies significantly across Malaysia.
- Be prepared to pay by either card or cash, with Grab as a useful backup.
- Make sure you have small denomination notes on you as retailers won't always have change.
- Many shops tend to prefer cash or Grab over card payment.

### PHILIPPINES

- Make sure you have pesos on you before heading outside the major cities.
- When changing money, bring your passport with you.
- Avoid public transportation and hail a Grab instead.

### SINGAPORE

- Singapore is heavily cashless. Card or mobile payment is accepted almost everywhere.
- Grab is not just a ride-hailing app. It's worth having to make QR-based payments.
- The MRT app is also useful for getting around Singapore.

### THAILAND

- You will need cash as it remains the top choice for payment.
- Expect to have to enter your PIN when making card payments.
- Don't be tempted by tuk tuks. Use ride-hailing or public rail services to get around big cities.

### VIETNAM

- Card and digital payment is growing, but you will need cash on you.
- You can only arrive with a small amount of local currency. Bring in a strong currency to exchange for Vietnamese dong.
- Doublecheck how much you're paying, as dong amounts include a lot of zeros.

### Want to know more about payment?

Check out our [Principles of Payment](#) education series to learn more about global payment options and how to best equip your travelers to cover expenses on the road.

[Exploring Payment Options](#) provides information on how to create the ideal payment mix.

[Virtual Payments](#) dives deeper into the newest form of payment available for travel programs.

### Want more ways to ensure payment acceptance in your travel program?

Here are some tips for working with your suppliers:

- Communicate your preferred methods of payment and ensure suppliers are ready to accept them in the markets where your travelers do business
- Understand how foreign transaction fees are managed to reduce unanticipated fees
- Use the power of your program to influence supplier acceptance policies



## Share your thoughts

Do you have any questions or comments regarding this report?  
Please email [Mike Eggleton](#) to share your thoughts.

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