



News

- Latest News
 - [Travel News](#)
 - [Ask Skift AI Chatbot](#)
 - [Travel News Blog](#)
 - [Skift Ideas Blog](#)
 - [State of Travel 2023](#)
- News By Sector
 - [Hotels](#)
 - [Tourism](#)
 - [Online Travel](#)
 - [Airlines](#)
 - [Short-Term Rentals](#)
 - [Artificial Intelligence](#)
 - [Tour Operators](#)
 - [Business Travel](#)
 - [See All Sectors](#)
- Stay Connected
 - [Free Skift Newsletters](#)
 - [Skift Podcasts](#)
 - [Airline Weekly News](#)
 - [Skift Meetings News](#)
 - [Daily Lodging Report](#)

Skift Pro

Access exclusive travel
research, data insights,
and surveys

[Subscribe Now](#)



Events

- Upcoming Events
 - [Megatrends New York](#)
 - [Megatrends London](#)
 - [Skift India Summit](#)
 - [Skift Global Forum](#)
 - [View All Events](#)
- Event Information
 - [Subscriber Access](#)
 - [Sponsorship Opportunities](#)
 - [Frequently Asked Questions](#)
 - [Event Highlights](#)



Research

- Latest Research
 - [Modern Airline Retailing and the Evolution of Airline Distribution](#)
 - [A Deep Dive into Google Travel Part II: U.S. vs Europe in 20 Charts](#)
 - [U.S. Travel Tracker: Q3 2023 Highlights](#)
- Research By Sector
 - [Tourism](#)
 - [Technology](#)
 - [Hospitality](#)
 - [Consumer Habits](#)
 - [See All Sectors](#)
- Featured Tools
 - [State of Travel 2023](#)
 - [Skift Travel 200](#)
 - [Short-Term Rental Top 250](#)
 - [Travel Health Index](#)
 - [Hotel Tech Benchmark](#)

Skift Research

Access exclusive travel research, data insights, and surveys

Subscribe Now

- [Advertise](#)



Featured stories left to read

Skift Pro subscribers get unlimited access to essential travel industry news

[See My Offer](#)

 [Login](#)
[Airlines](#)

Airlines Heading Into 2024: More Passengers, Profits, Orders

Ajay Awtaney, Skift

January 1st, 2024 at 12:21 PM EST

Skift Take

Airlines saw capacity and passenger traffic recover to pre-Covid levels and opened up their checkbooks to sign deals for their long-term future with new aircraft.

— *Ajay Awtaney*

Share



Global aviation had a dream run in 2023. Everything that went wrong during the pandemic seemed to reverse – and then some.

It wasn't all smooth. Airlines went bankrupt ([Go First](#)), mergers got announced ([Hawaiian and Alaska Airlines](#)), alliances got blocked ([JetBlue and American Airlines](#)), turnaround plans got implemented ([Air India](#)) and legendary CEOs moved on ([Ahmed Al Baker](#)).

But the industry has a strong set-up heading into 2024. Here's where things stand.



The Daily Newsletter

Our daily coverage of the global travel industry. Written by editors and analysts from across Skift's brands.

Sign Up

More Capacity, Passengers and Profits

While passengers complained about high airfares, they continued to travel as if there was no tomorrow. Airlines responded by adding capacity as quickly as possible.

According to an [OAG report](#) in December, global seat capacity for 2023 was just 3.7% behind 2019. In the first quarter of 2024, OAG expects it to be 2.9% *ahead*.

IATA, the aviation industry body, said passenger load factors were at 84.2% in the third quarter, just shy of levels in the same quarter of 2019 (84.5%).

Except for the Asia-Pacific region, IATA said, the world returned to pre-Covid traffic levels in 2023. Asia-Pacific is expected to get there in 2024.

The return of traffic has also meant a return to profitability for the airlines. For 2023, IATA expects an industry-wide net profit of \$23.3 billion after three years of losses.

Airlines were generous with profit-sharing. Singapore Airlines, which posted its highest profits in history, handed out roughly eight months of pay as profit-share and bonus to the staff. Emirates gave away six months' pay.

Airlines Continue to Invest

On the back of record profits, [airlines rushed to place orders](#) with Airbus and Boeing. We don't have a final count yet, but there are more than 2,900 aircraft orders with them after [several deals](#) in December.

The order book is largely tilted towards narrowbody aircraft, the primary workhorse for airlines with large domestic and regional networks. At the Paris Air Show, [IndiGo ordered 500 A320 family aircraft](#), securing the delivery pipeline through 2035. Other airlines placed orders for long-term capacity as well.

Over 1,300 aircraft were delivered in 2023. AirInsight estimates that Airbus delivered 728 aircraft in 2023, and Boeing delivered 491 aircraft, including freighters. Embraer delivered 61 aircraft, and ATR delivered 33.

China's Comac, which delivered its third C919 aircraft in 2023, also saw more orders

in 2023, with Brunei GallopAir ordering 15 aircraft in September.

Supply chain troubles continued to slow the delivery schedules. To meet the rush, Airbus converted its A380 final assembly line to an A320 family one. Moving forward, Airbus wants to be able to assemble 75 A320neo aircraft per month by 2026.

With high demand and slow deliveries, lease rates on narrowbody aircraft rose about 10% in 2023, according to Ishka Transaction Economics.

Oil Prices Down From Highs

Oil prices rose from their low point in the second quarter 2023. They moved higher again on the escalation of conflict in the Middle East but have since retreated.

IATA expects an average jet fuel price of around \$115.50 in 2023 and \$113.80 in 2024. While remaining elevated, both are below the \$135.60 level of 2022, which was largely driven by the Russia-Ukraine conflict.

Supersonic Flight Tests

We don't know yet if there will be a supersonic flight in 2024. [Boom Supersonic](#) had reported that it would be ready for its demonstrator, XB-1's first flight, in 2023. However, a late December 2023 update issued by Boom pushed the date to early 2024. Boom expects to operate up to 20 flights of the demonstrator before heading to supersonic speeds.

Since the Concorde was grounded for good in 2003, Boom Supersonic has been on a mission to develop an aircraft that flies at 1.7 times the speed of sound (current aircraft fly slightly slower than the speed of sound). Boom also wants to develop a plane that is commercially viable, unlike the Concorde. The demonstrator, XB-1, will demonstrate the proof of concept of all the technology involved, before rolling it out on a jet that will be able to fly 80 passengers, hopefully by 2029.

Share



Have a confidential tip for Skift? [Get in touch](#)

Ajay Awtaney, Skift

January 1st, 2024 at 12:21 PM EST

Tags: [airbus](#), [airline](#), [Boeing](#), [indigo airlines](#)

Next Story →

2

Free stories left
to read

Support high-quality

journalism covering the
travel industry

Subscribe to
Skift Pro

Already a subscriber?
[Login](#)



Airline Weekly

Join experts from across the aviation
industry who read Airline Weekly.
“It’s the only thing I read every week”
— Delta Air Lines, CEO, Ed Bastian

Get Your Subscription Now

Up Next

1**Airlines**

Lufthansa Group And EasyJet Go Shopping For Over 230 Aircraft

European carriers announced large orders before wrapping up for the holidays.

Ajay Awtaney, Skift | 2 weeks ago

**2****Airlines**

IndiGo Is First Indian Carrier to Carry 100 Million Passengers: India Report

IndiGo's 100 million passengers also underscores the massive potential of the Indian aviation sector. No wonder airlines are keen to tap into it.



Ashvita Singh, Skift | 2 weeks ago

3

Travel Booking

Q&A: IAG Loyalty CEO on the New Age of Customer Loyalty

With increased competition and the rise of personalization, loyalty has shifted from being purely transactional to focused on emotional connections with customers. As travel choices multiply, brands that create these genuine connections will be the ones leading the way.

IAG Loyalty + Skift | 4 months ago



Free Read

4

Tourism

Iceland Volcano Erupts With Minimal Tourism Impact

Today's podcast looks at Iceland's volcanic eruption, Uber's simplified expense reporting, and major aircraft orders.

Sean O'Neill | 2 weeks ago



Special Offer: Choose From Quarterly, Annual, or Two-Year Skift Pro

Subscription Plans

1 of 3 free stories left to read

Find the Plan That Fits

01 **Travel Sectors**

02 **Skift Brands**

03 **About Skift**

Follow Us

Facebook Instagram Whatsapp X LinkedIn YouTube Email

Help Center

Share a News Tip

