

Industry Fact Sheet
COMM 4335-W01
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Organization: Southwest Airlines
Industry: Commercial airline

Notable Characteristics

The commercial airline industry is part of a heavily regulated sector that brings billions of dollars of revenue to the global economy every year. Airlines face several kinds of challenges that can quickly escalate to major crises. From operational issues to cybersecurity risks, the commercial airline industry in domestic and global markets faces numerous issues that can disrupt operations, and affect millions of people.

The airline industry continues to grow each year, in terms of both revenue and the number of passengers served across the world. According to the International Air Transport Association (IATA), the airline industry is expected to achieve \$1.007 trillion this year in revenue, representing a 4.4% increase from 2024. The industry is also expected to serve up to 5.2 billion passengers in 2025, which is nearly 64% of the world's total population.

The United States holds the largest aviation market in the world. The U.S. airline industry generated over \$240 billion in revenue in 2024, a large portion of the total global revenue of \$966 billion generated last year. The United States alone served 876 million passengers in 2024, with the number continually growing each year.

Crisis History in the Airline Industry

The airline industry has experienced numerous crises over the years that have helped shape regulations in the industry, operational procedures, and develop new risk management

practices. These crises have been the result of various factors such as faulty equipment, weather related interruptions, and cybersecurity issues.

One major crisis that occurred that affected several airlines was the Boeing 737 MAX Crisis from 2018-2020 in which two 737 MAX aircrafts crashed and resulted in a total of 346 fatalities. Boeing Corporation is the manufacturer of the Boeing 737 MAX that many airlines internationally operate. The Lion Air Flight 610 in Indonesia in 2018 and Ethiopian Airlines Flight 302 in 2019 crashed due to the aircraft's MCAS systems malfunctioning causing the planes to nosedive. Because of these fatal crashes, all 737 MAX aircrafts were grounded until 2020 which affected airlines, including American and Southwest, across the world.

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<https://www.iata.org/en/pressroom/2025-releases/2025-06-02-01>

https://en.wikipedia.org/wiki/Boeing_737_MAX_groundings

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