

COVID-19

Outlook for air travel in the next 5 years

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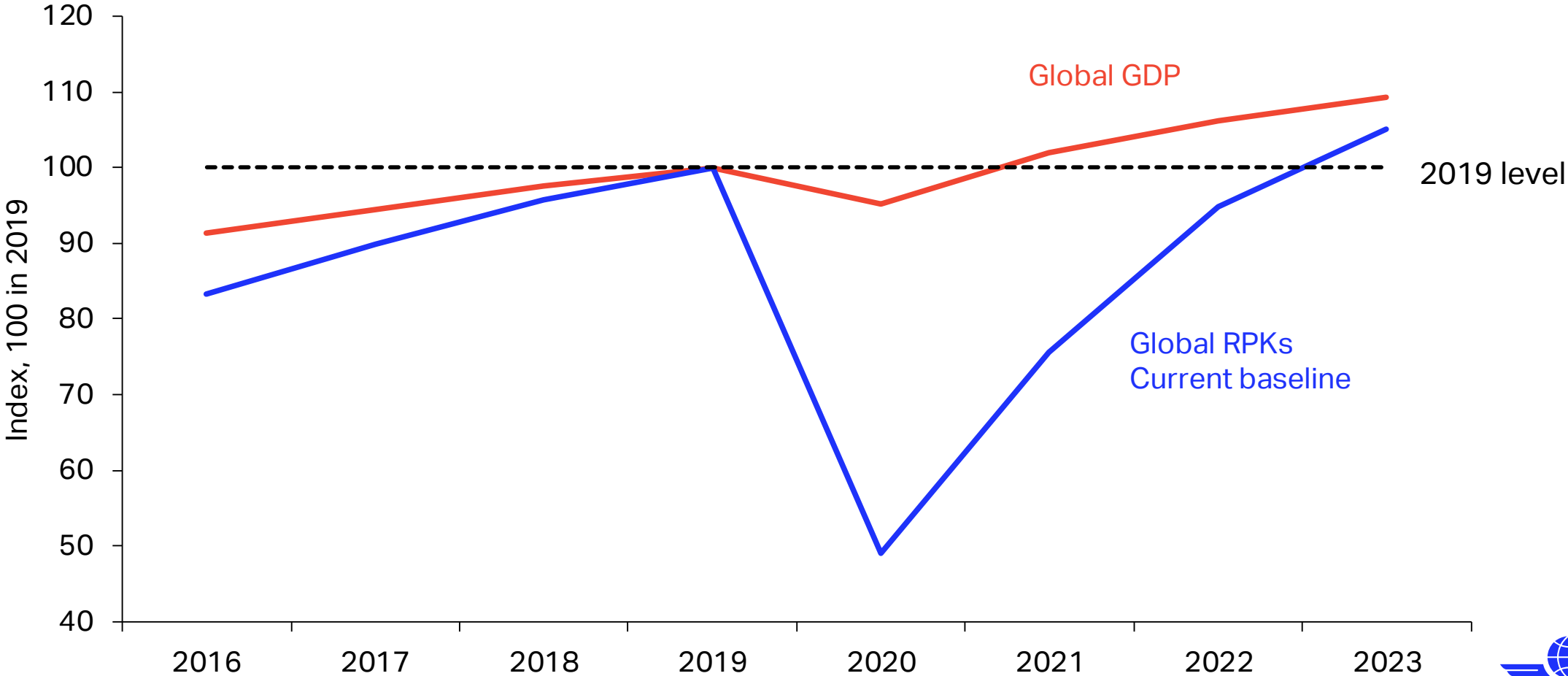
13th May 2020



Air travel may recover more slowly than most of economy

Global RPKs recover 2019 levels in 2023, 2 years behind GDP recovery

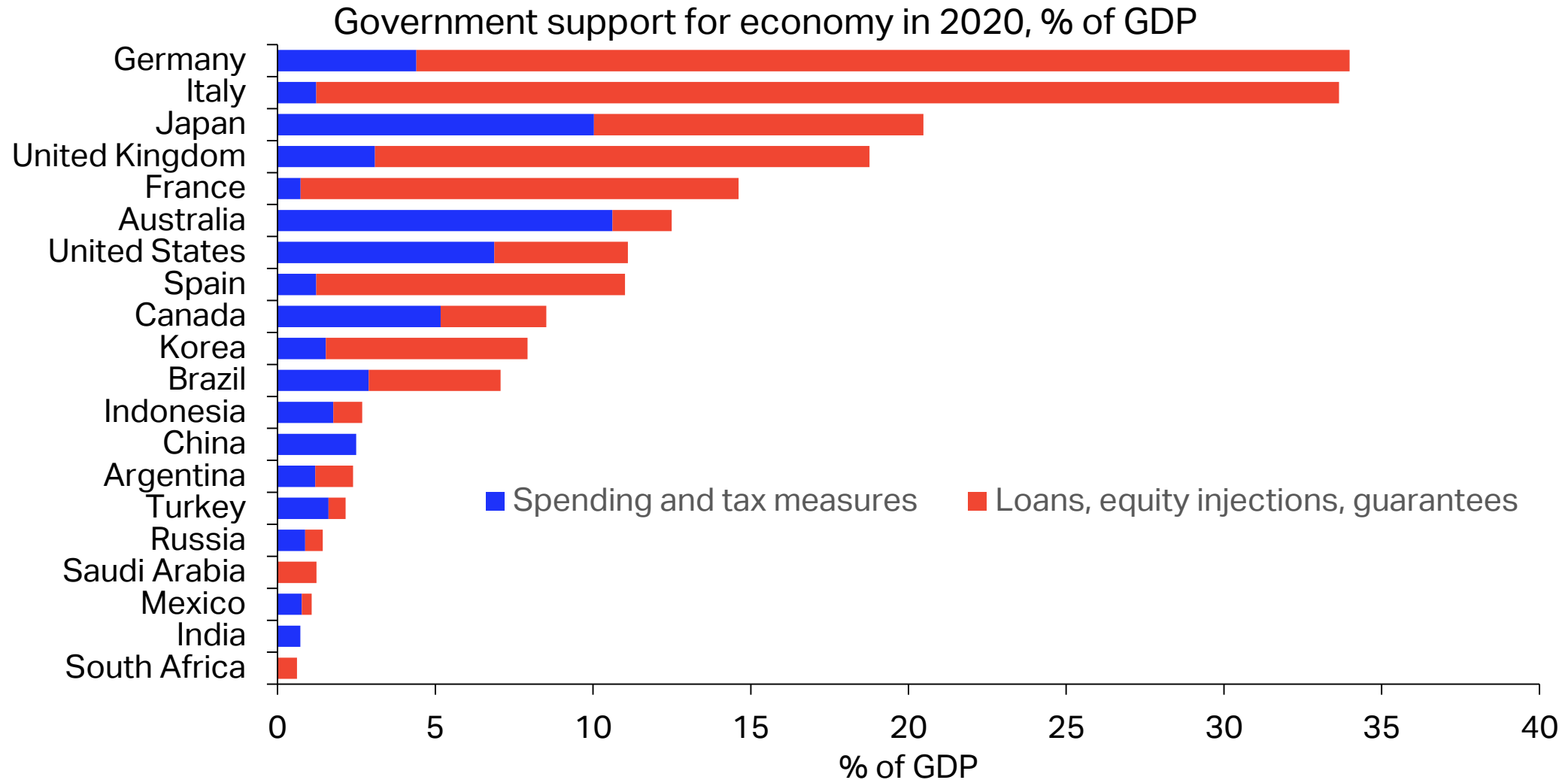
Global GDP and global RPKs, indexed to equal 100 in 2019



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

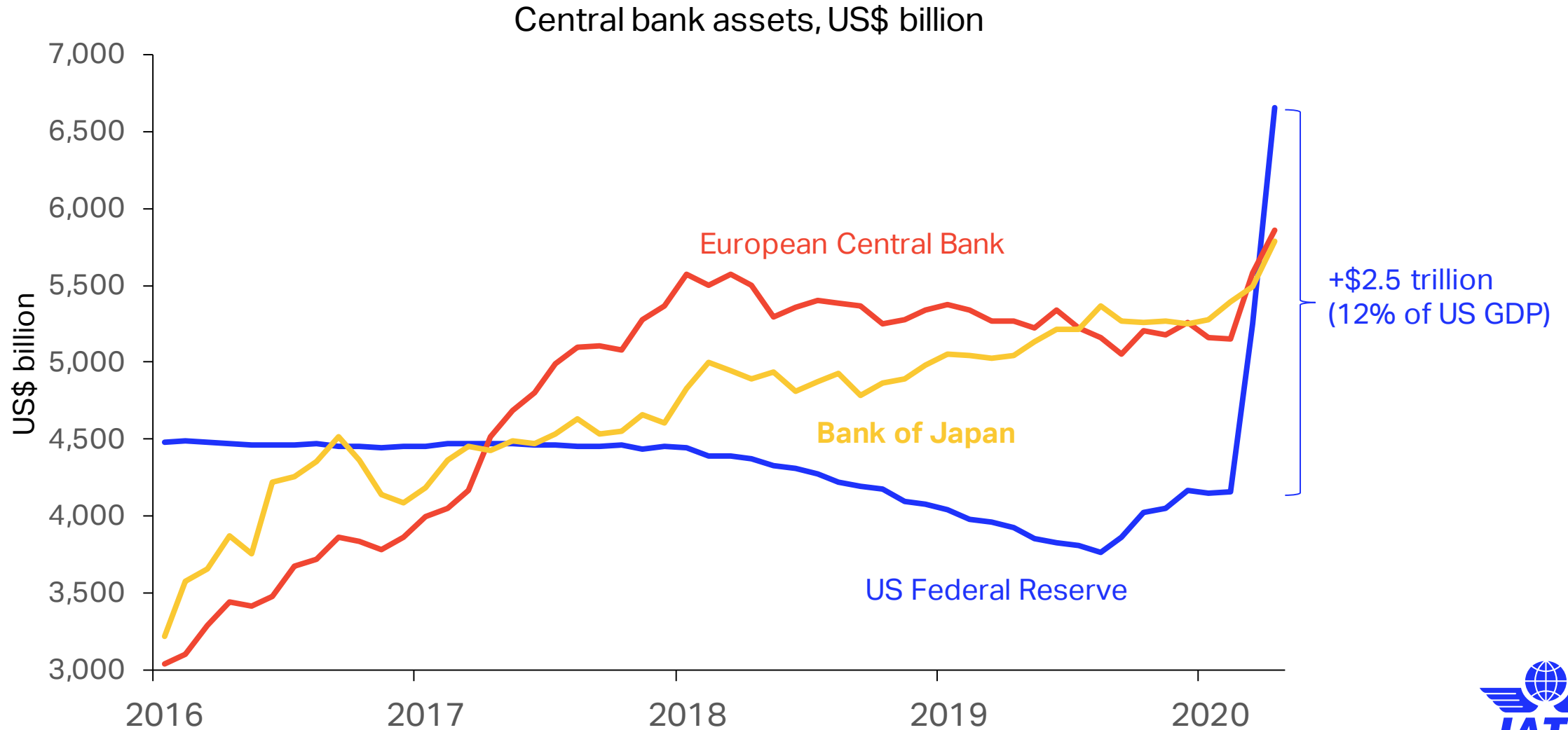
Governments have provided unprecedented support

Wage subsidies, grants and loans should allow strong GDP rebound



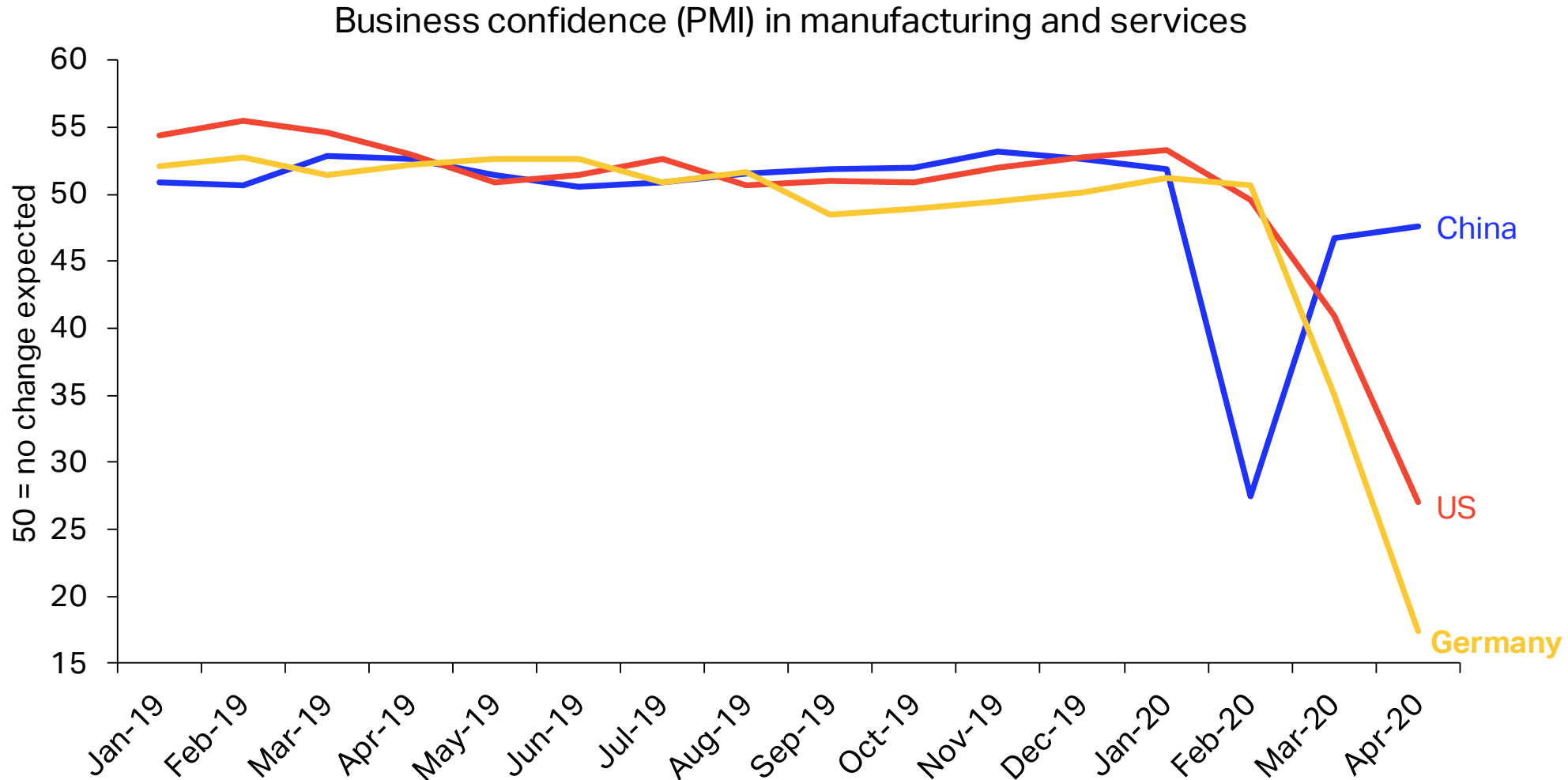
Central banks have also injected cash into economies

The US Federal Reserve has added cash equivalent to 12% of US GDP



Business confidence has rebounded in China

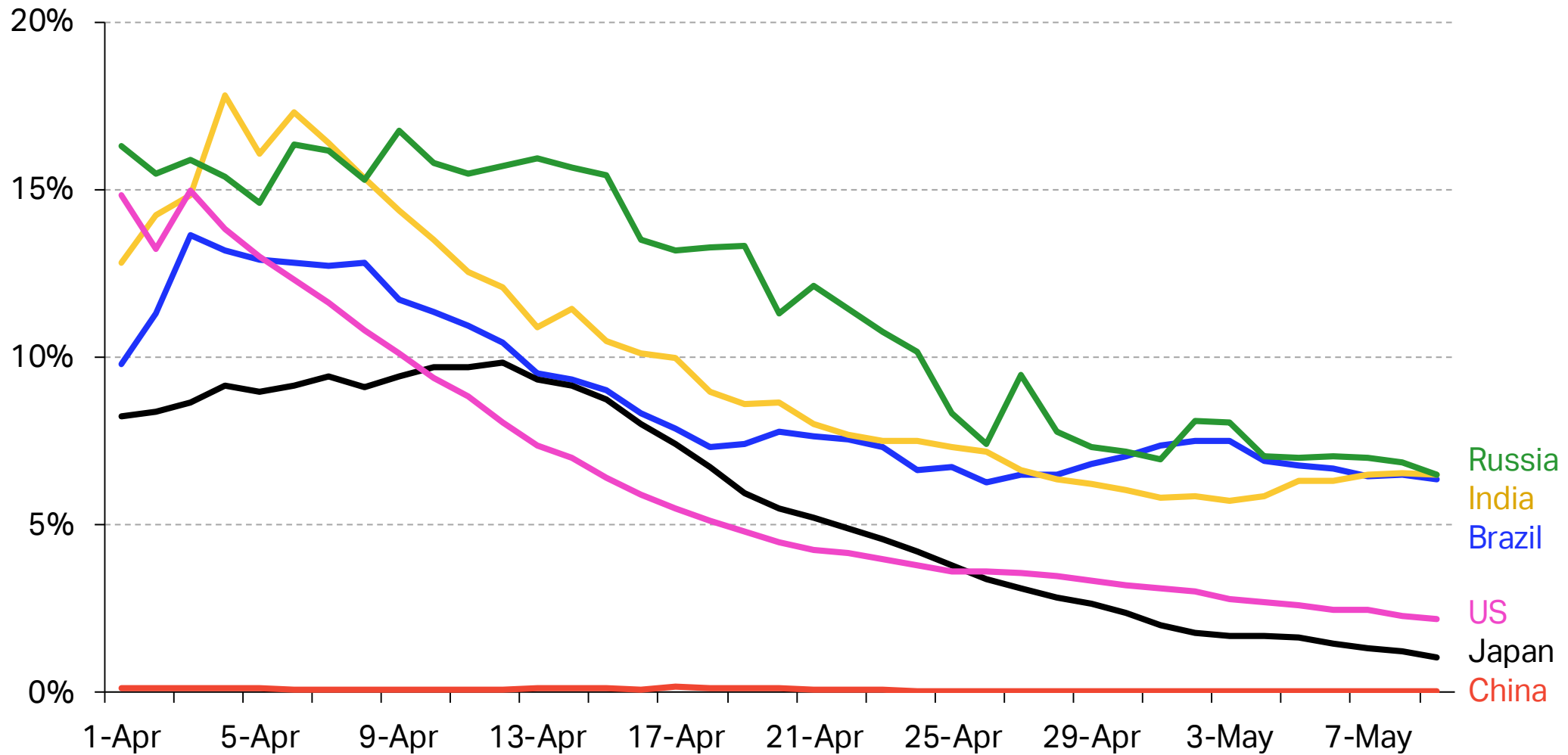
As lock-down relaxed in China 'V-shaped' rise of business confidence



Solving health challenge critical for international travel

Until vaccine, opening borders to travel requires fall in COVID-19 risk

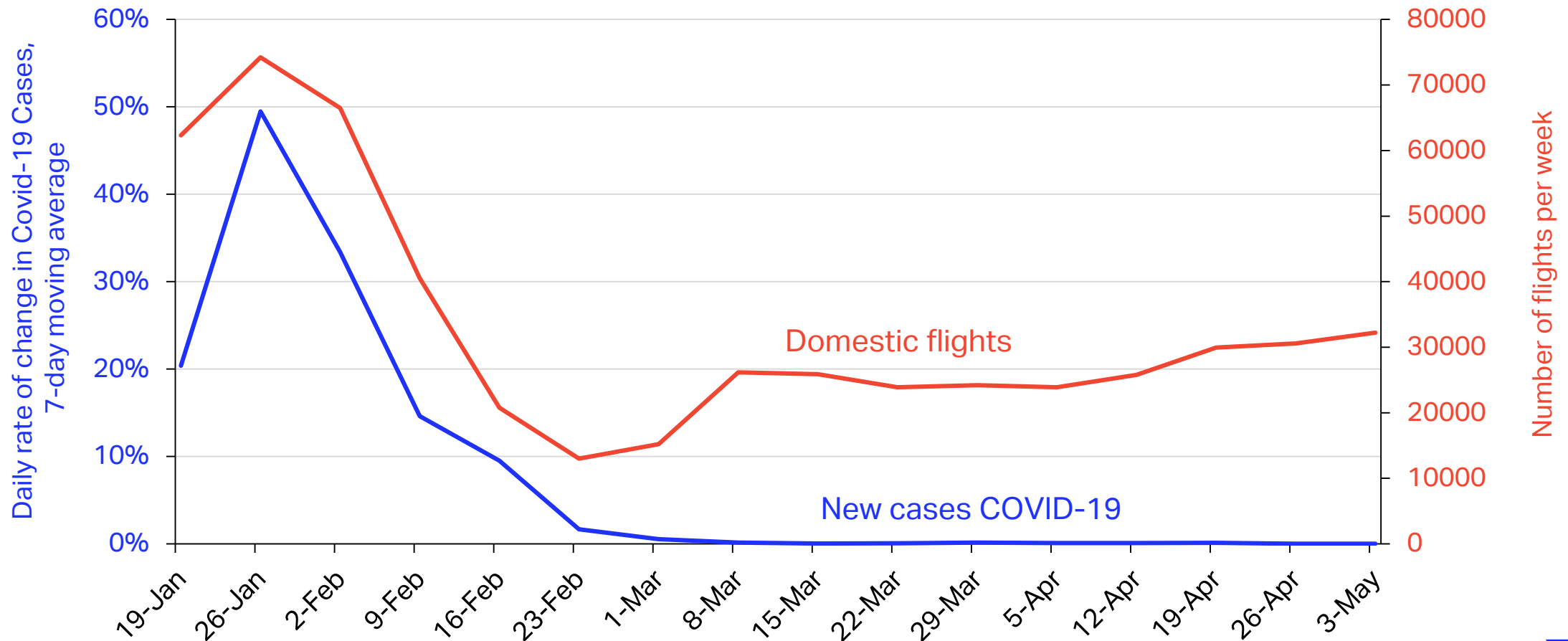
New COVID-19 cases, % of total cases, 7-day moving average



China domestic air travel lagging business confidence

Rise in flights with return to work & VFR, but discretionary travel weak

China domestic flights, COVID-19 new cases

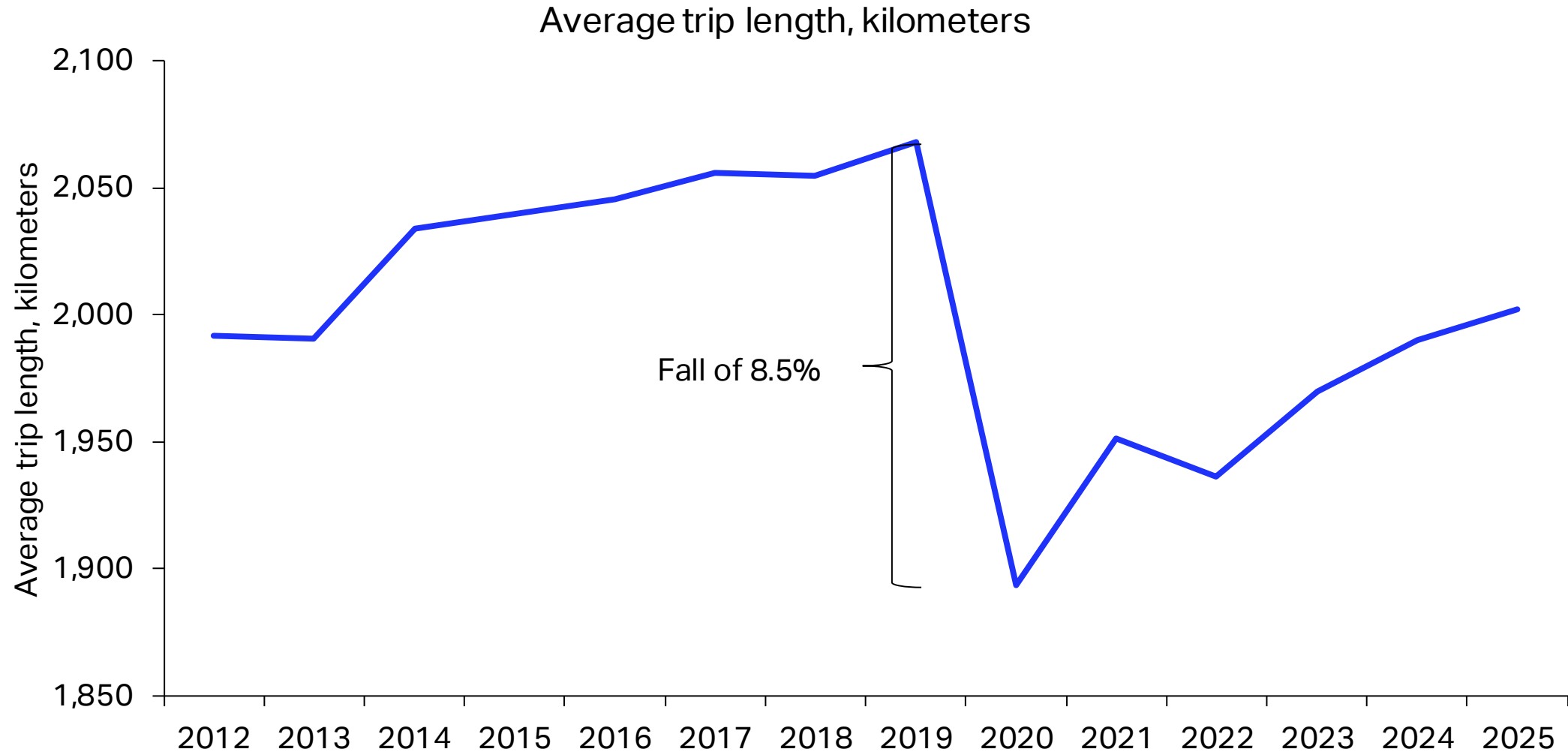


Source: IATA Economics analysis based on WHO data, and data provided under license by FlightRadar 24. All rights reserved.



Average trip length will fall sharply

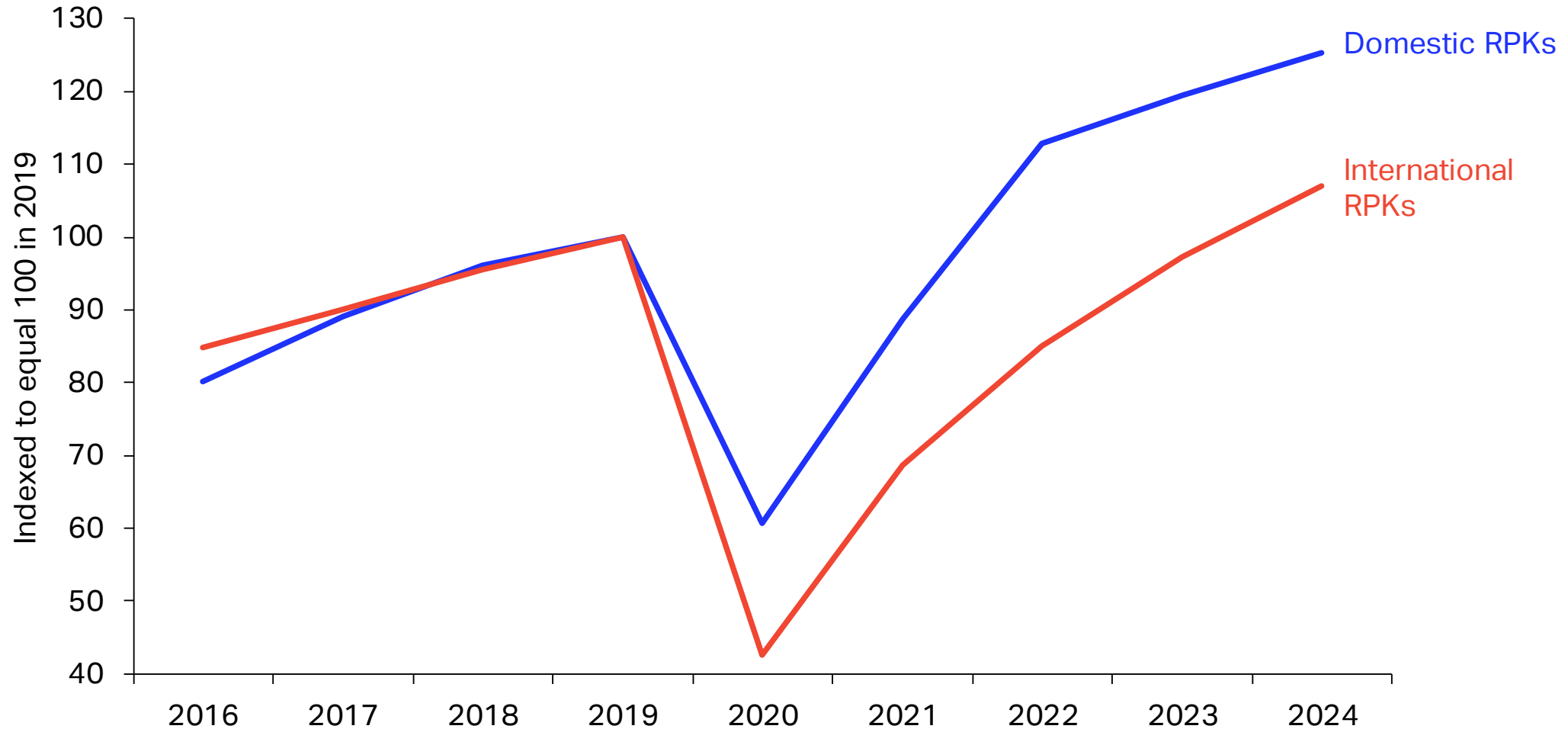
Domestic markets open first and initial preference for short-haul trips



International RPKs will lag domestic air travel markets

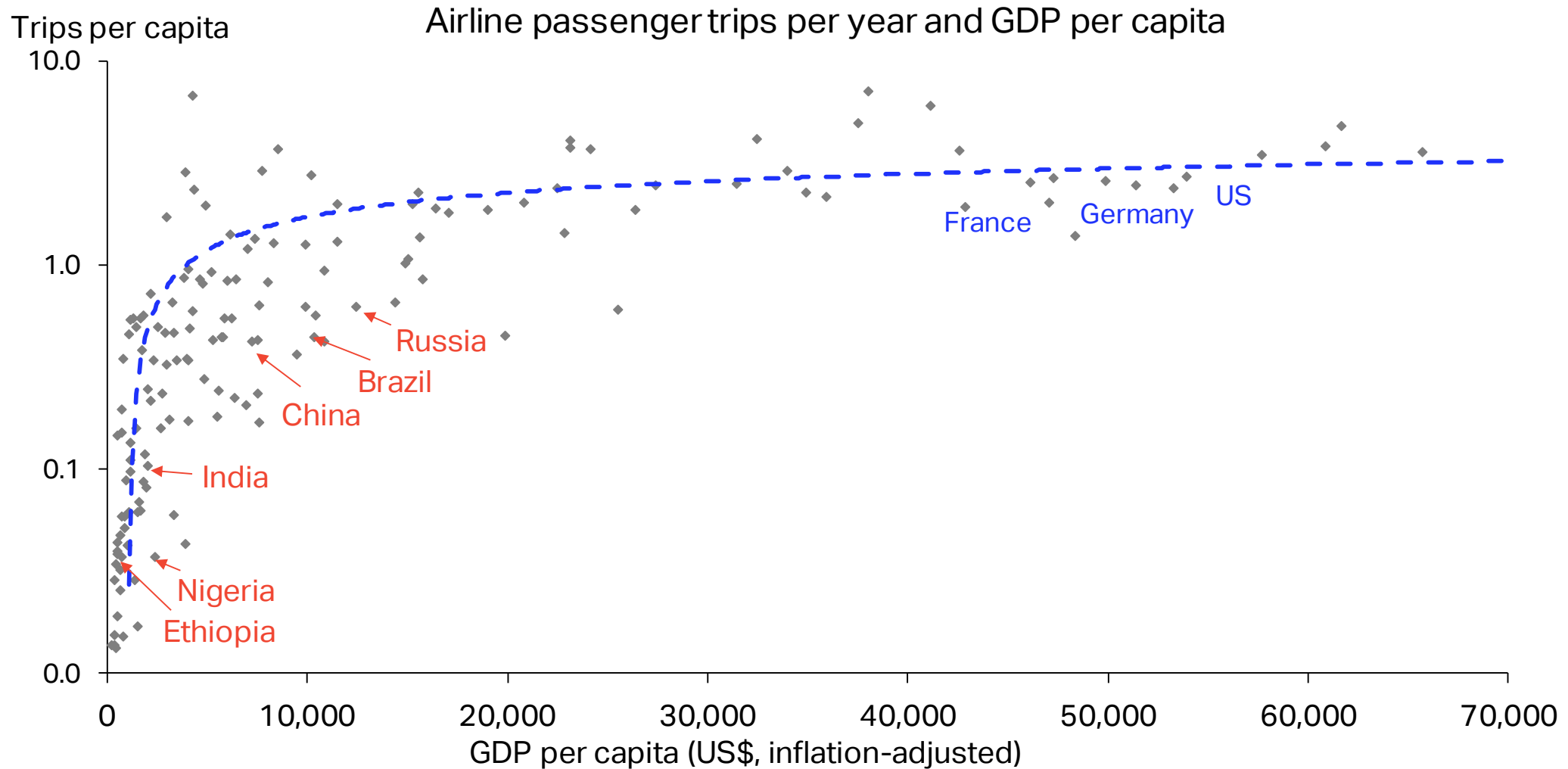
International air travel may not recover 2019 levels until 2023-24

Global domestic and international RPKs, indexed 2019=100



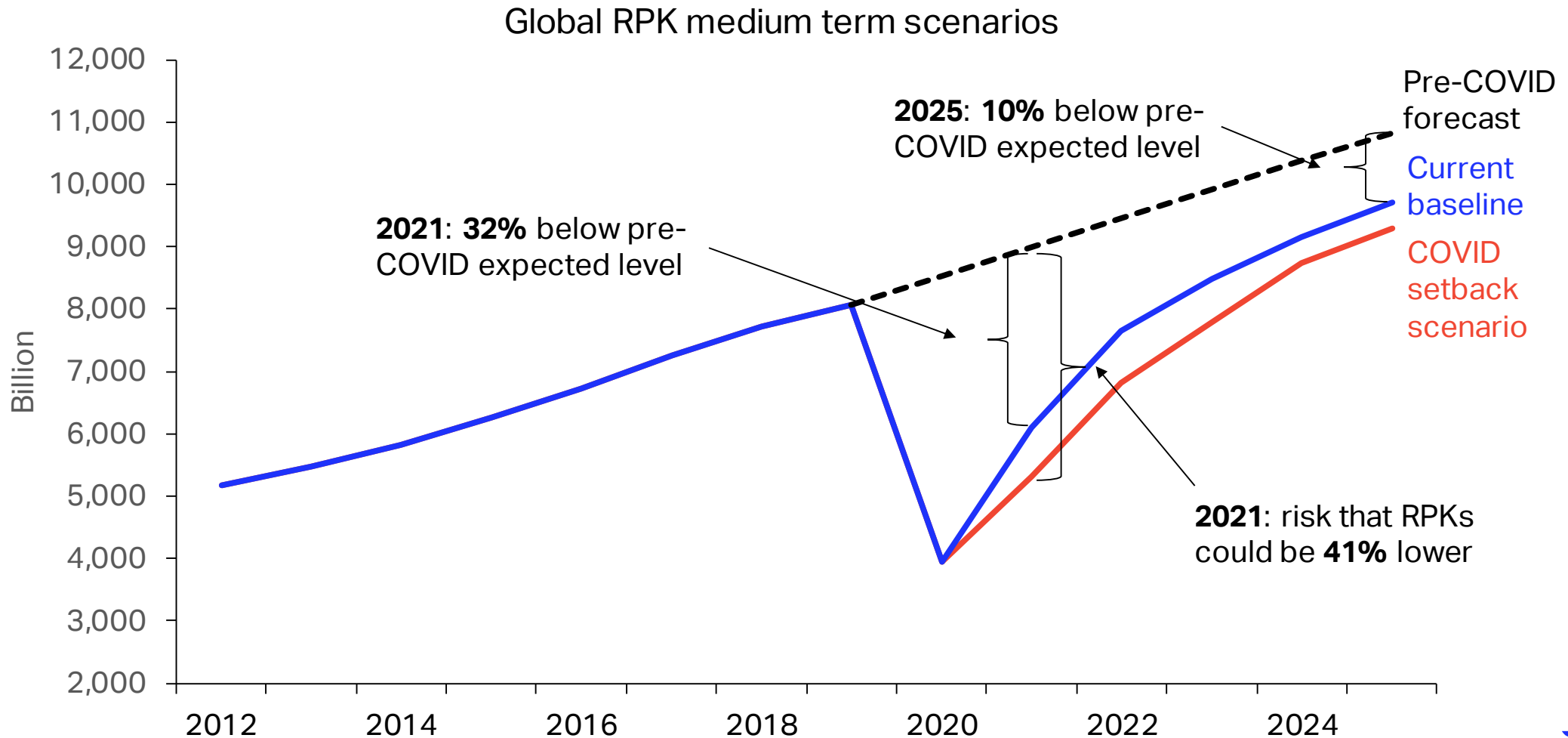
Long-term drivers for expanded demand remain

Populous emerging markets are still likely to want more air services



Return to growth post-COVID but at a lower level

Global RPKs forecast to be 32%-41% below expected levels in 2021



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