

COVID-19 impact on the Asia Pacific Region

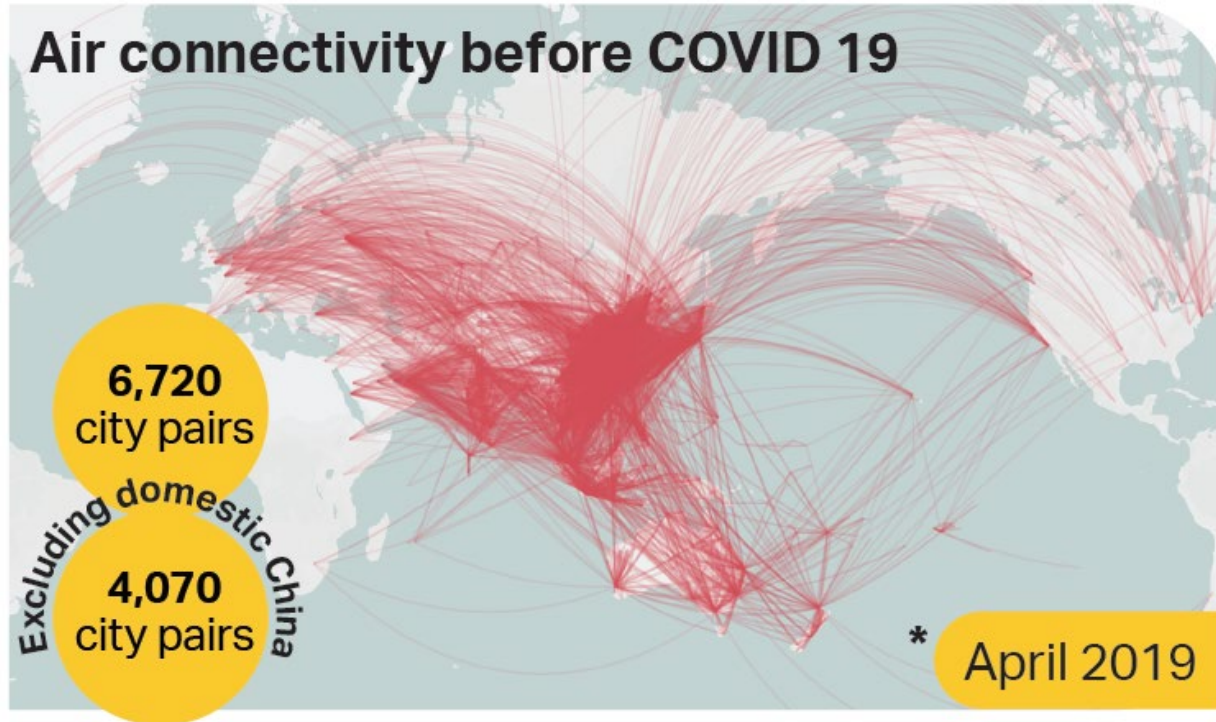
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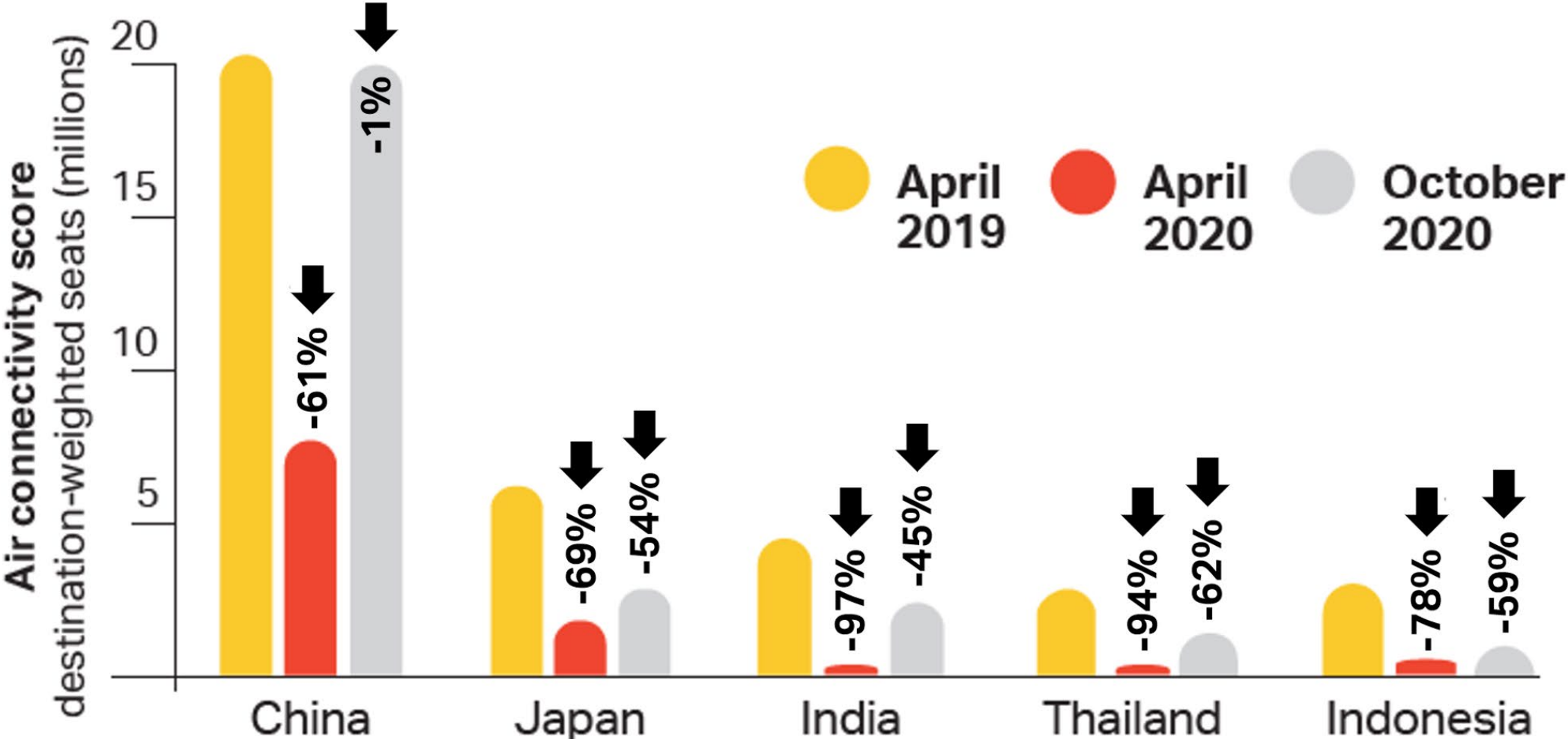
25 November 2020



Air connectivity in Asia Pacific has been seriously disrupted by COVID-19

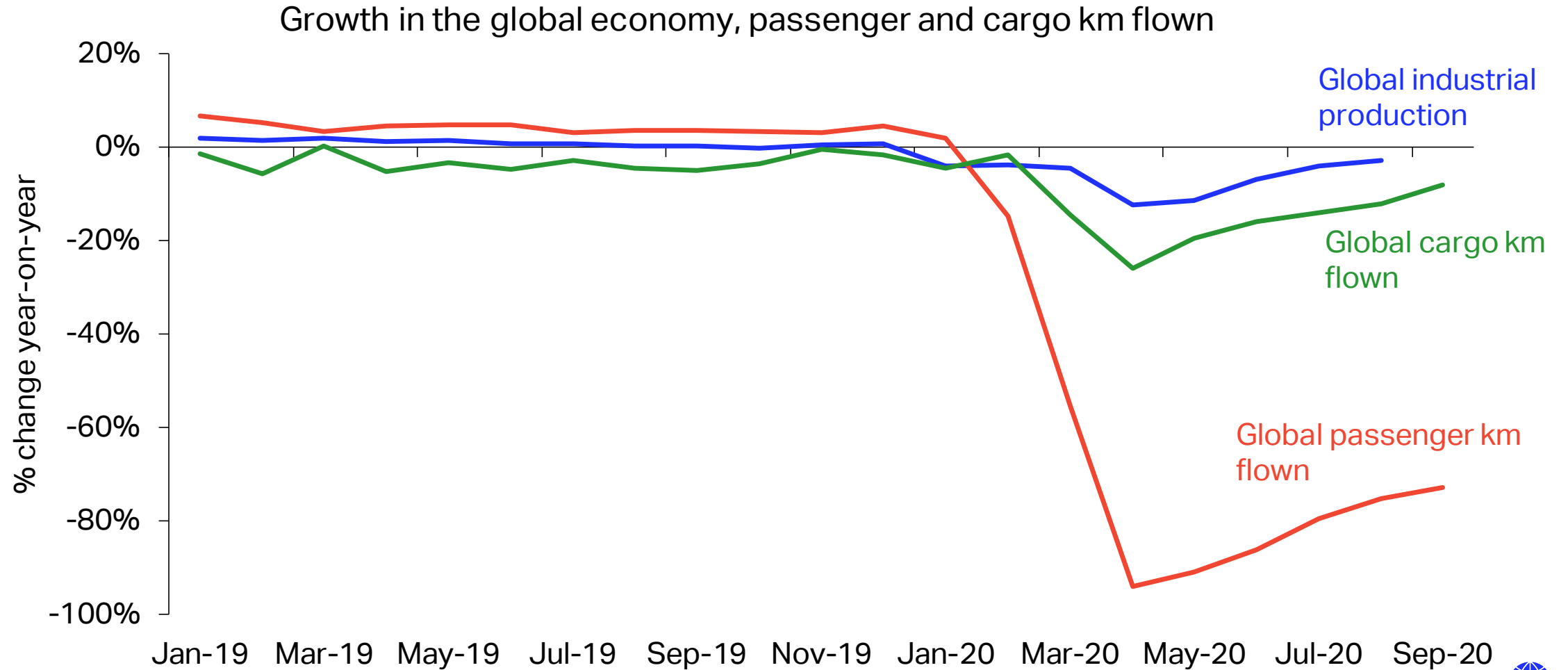


Disruptions to air connectivity in top 5 most connected countries in Asia Pacific



Air travel recovery stalling but global economy stronger

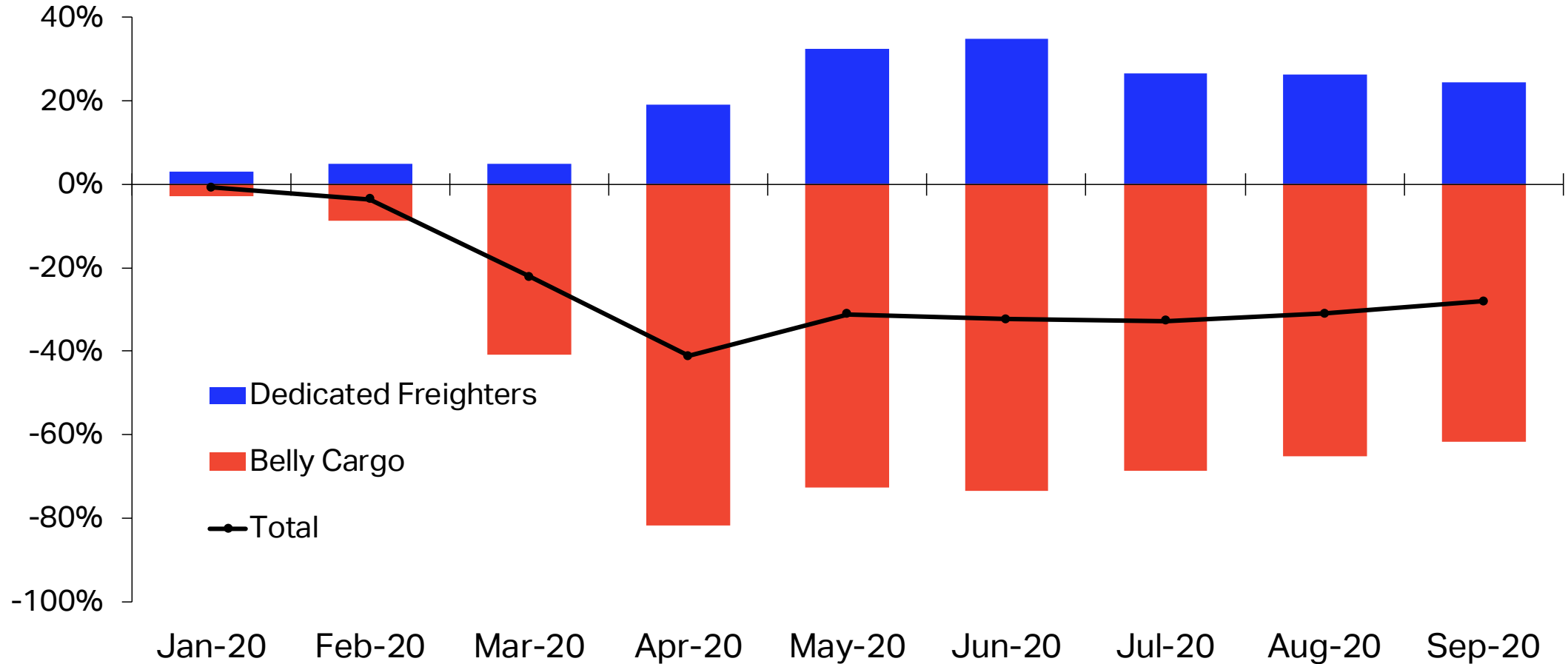
Recovering global economy boosting air cargo but not air travel



For cargo, the problem is a lack of capacity

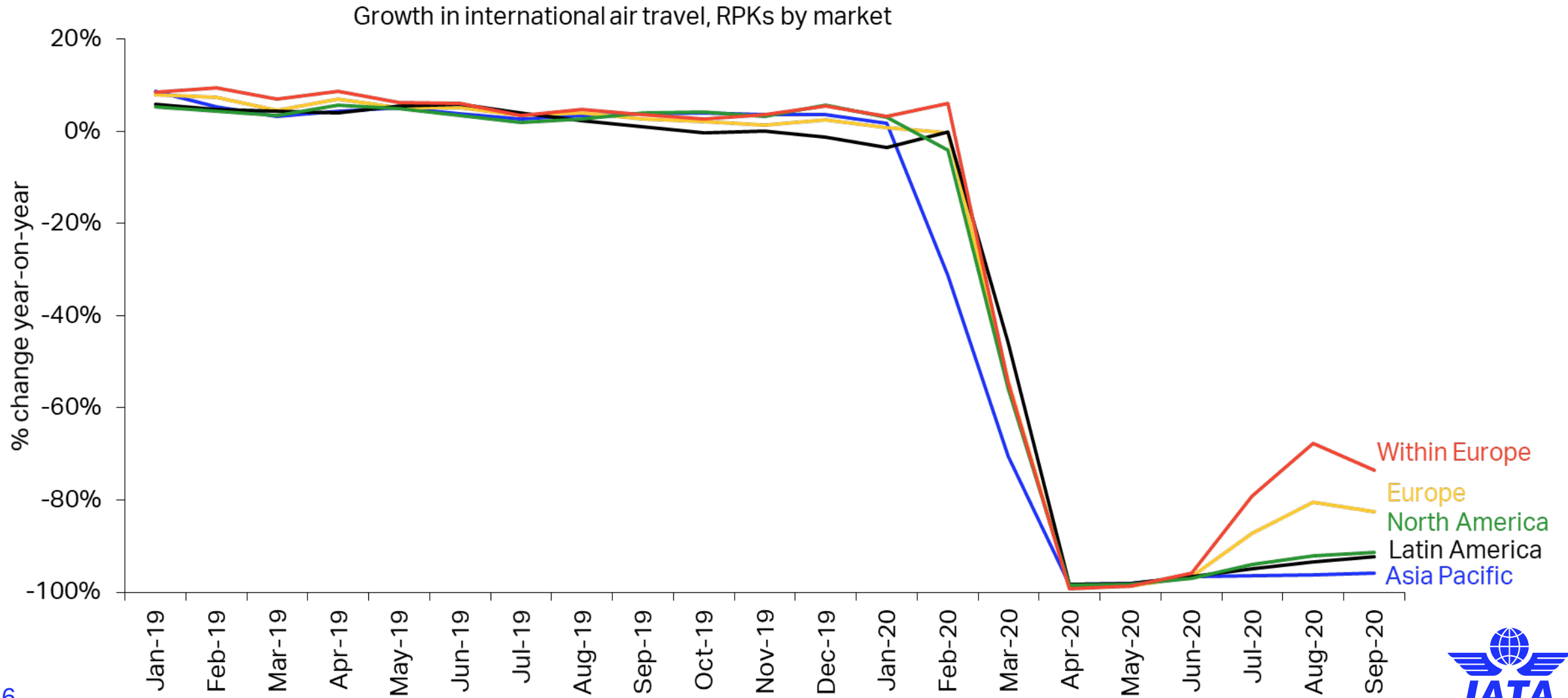
Lack of passenger fleet belly capacity creating serious shortages

International ACTKs, % year-on-year



International traffic in Asia Pacific worst performing

Resurgence of COVID-19 stopped further progress

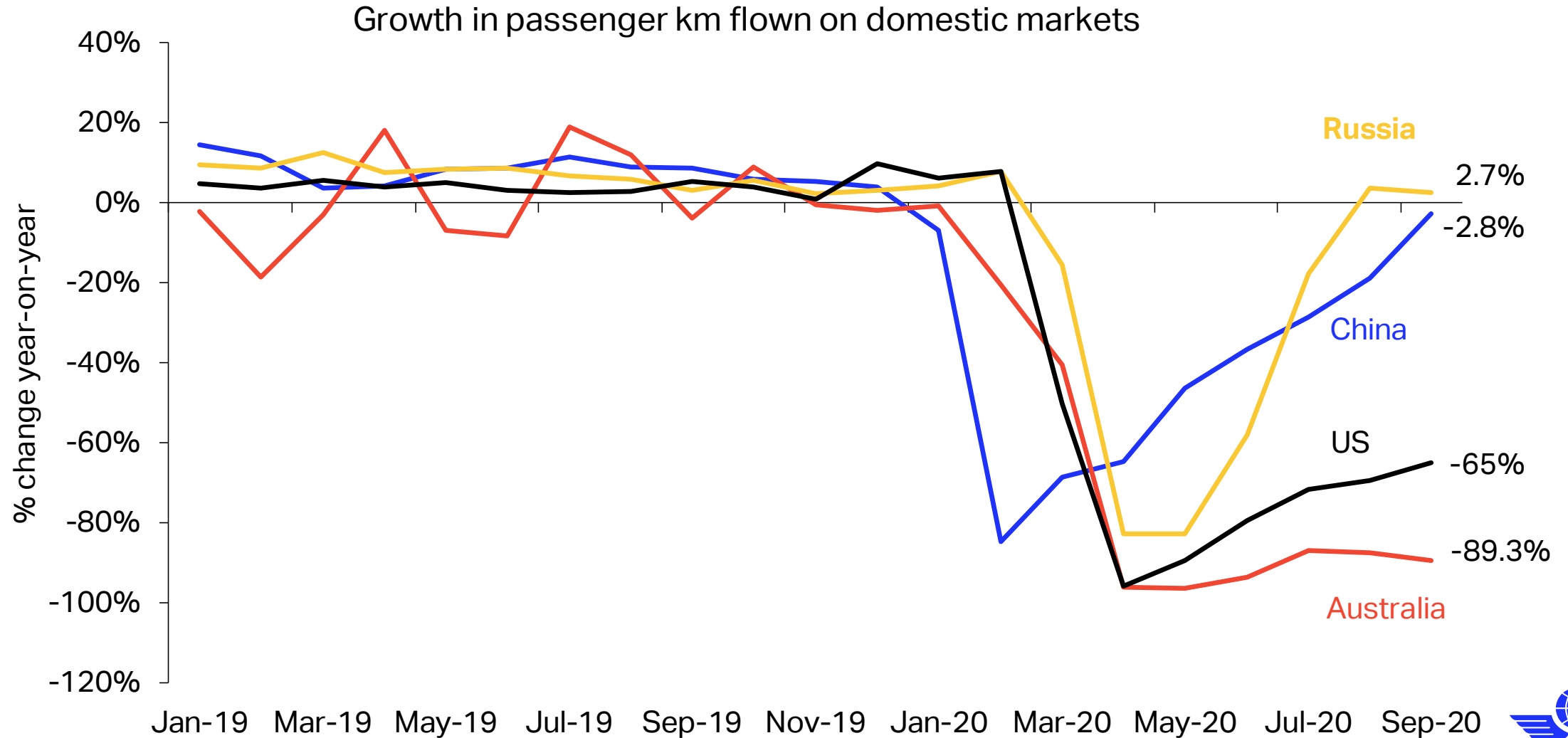


6 Source: IATA Monthly Statistics



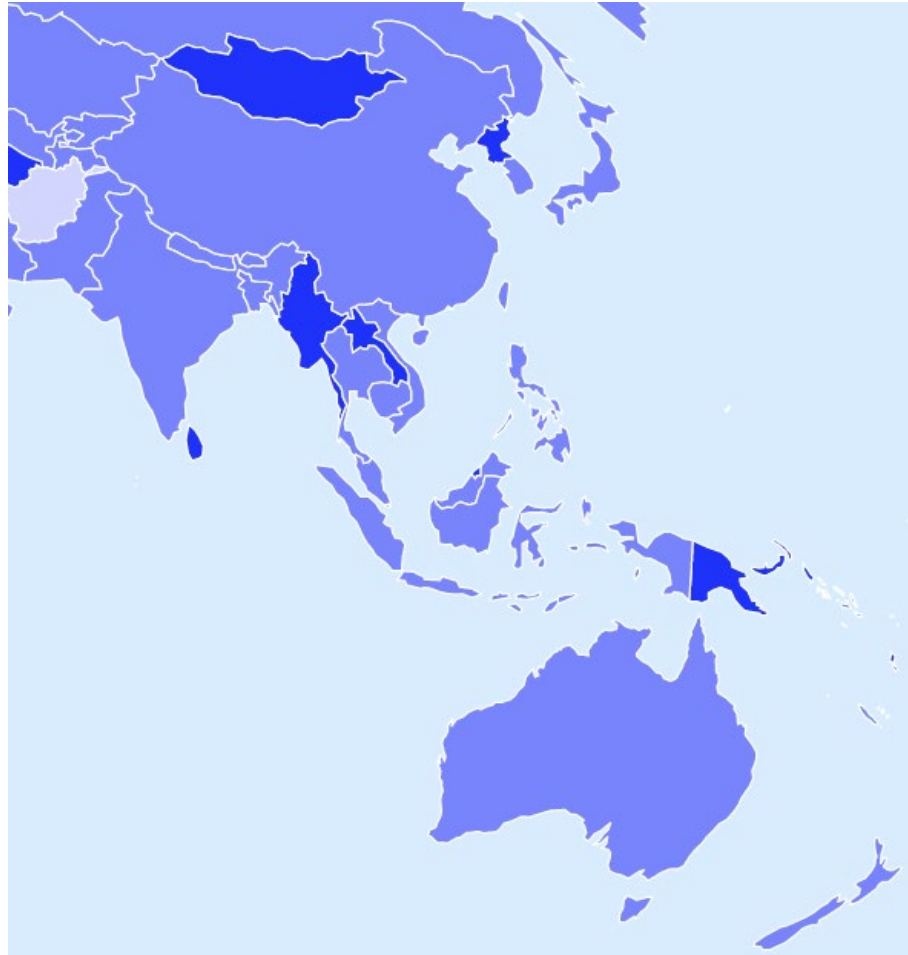
Huge divergence between domestic markets remains



China fully recovered, but limited progress in Australia



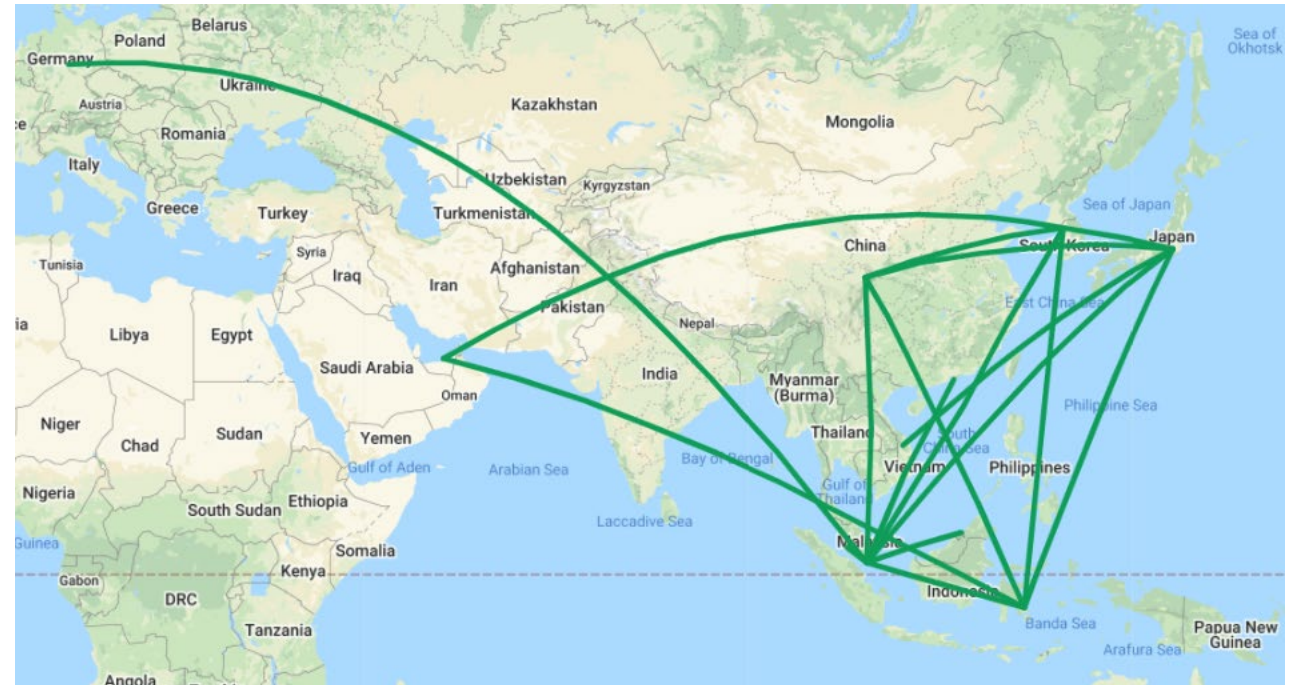
Traffic continues to be impacted by restrictive borders

25 countries/territories with travel restrictions

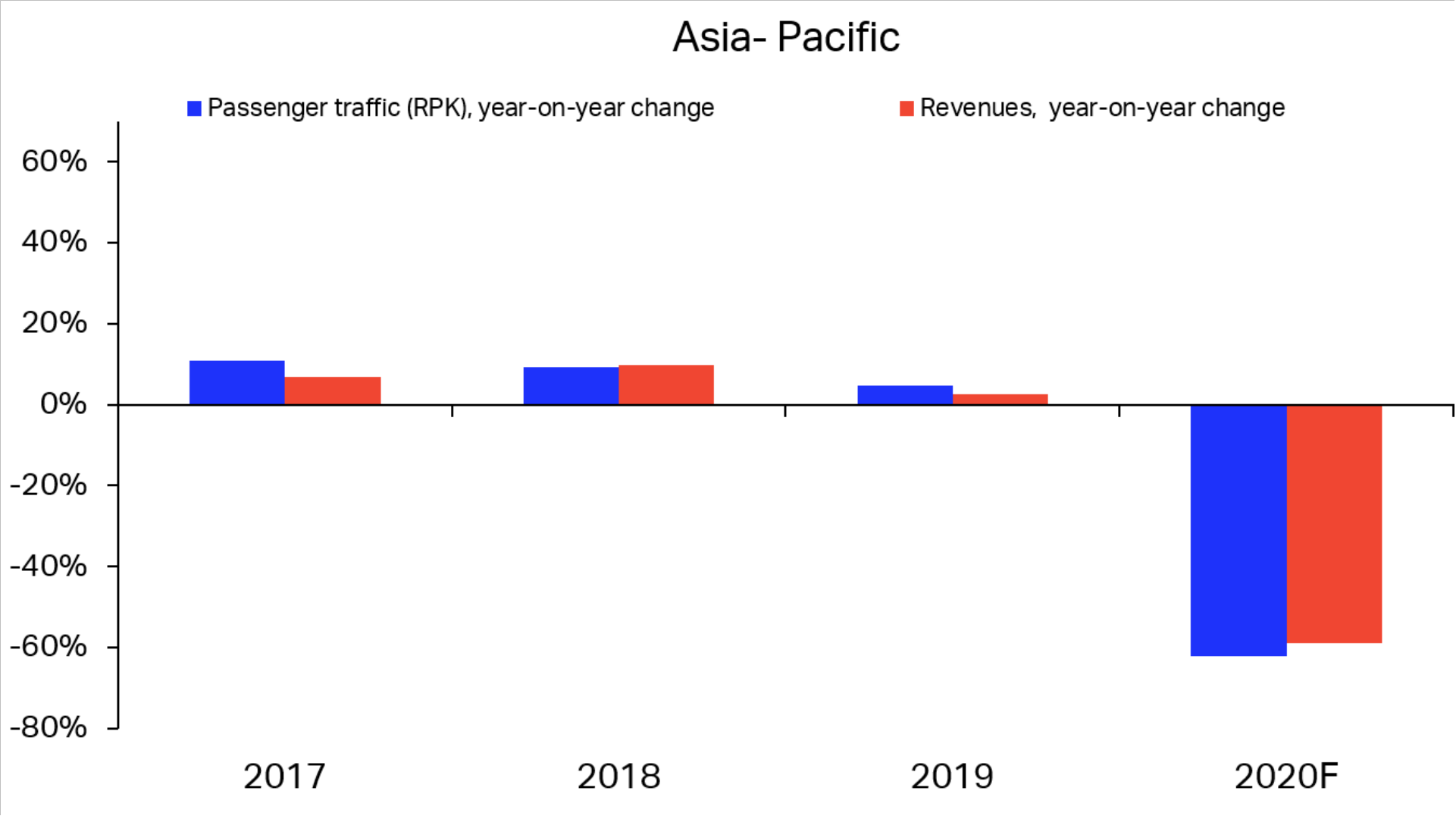


-  Totally Restrictive
-  Partially Restrictive

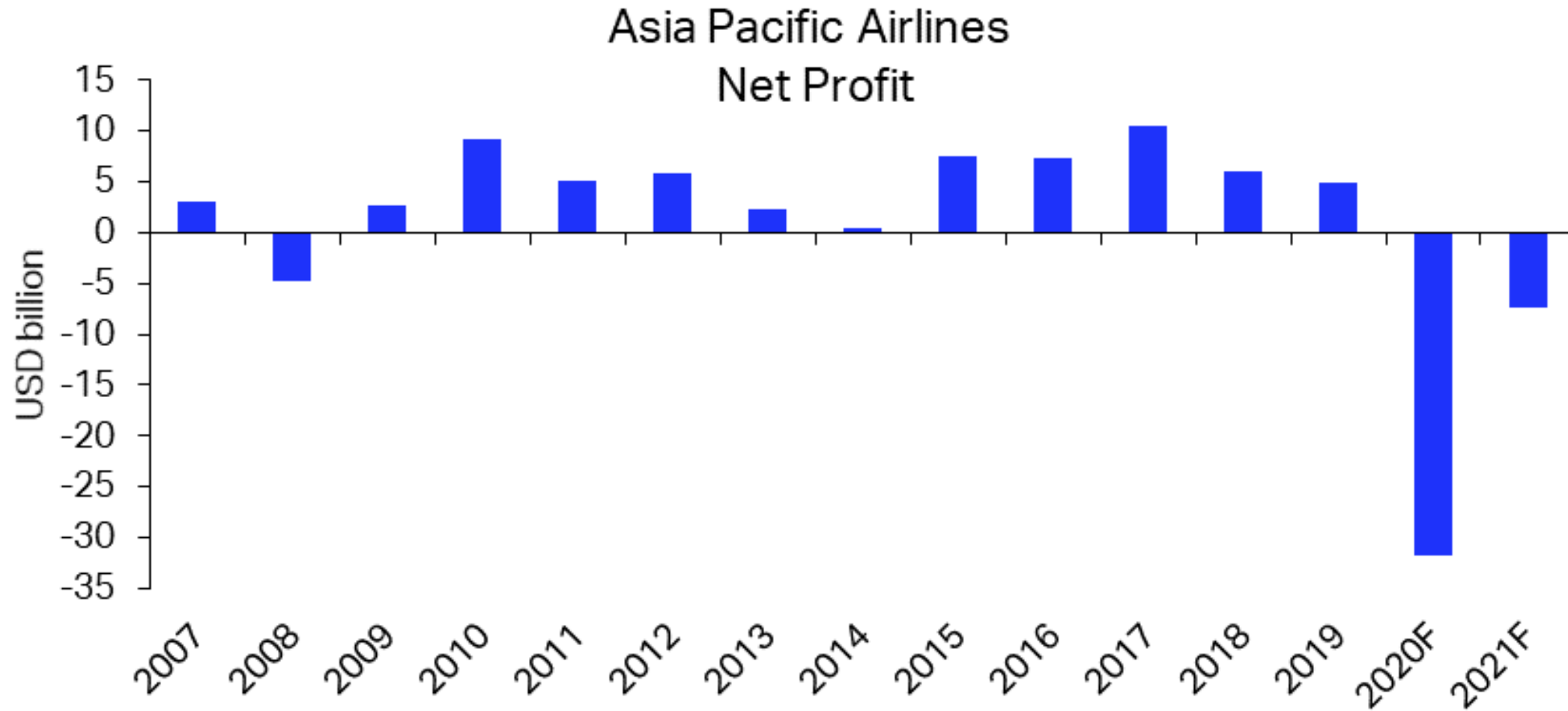
Overview of Asia Pacific Travel Corridors



Passenger traffic to drop by 62%; revenue by 59% in 2020



Airlines expected to post a \$31.7bn loss in 2020; \$7.5bn in 2021

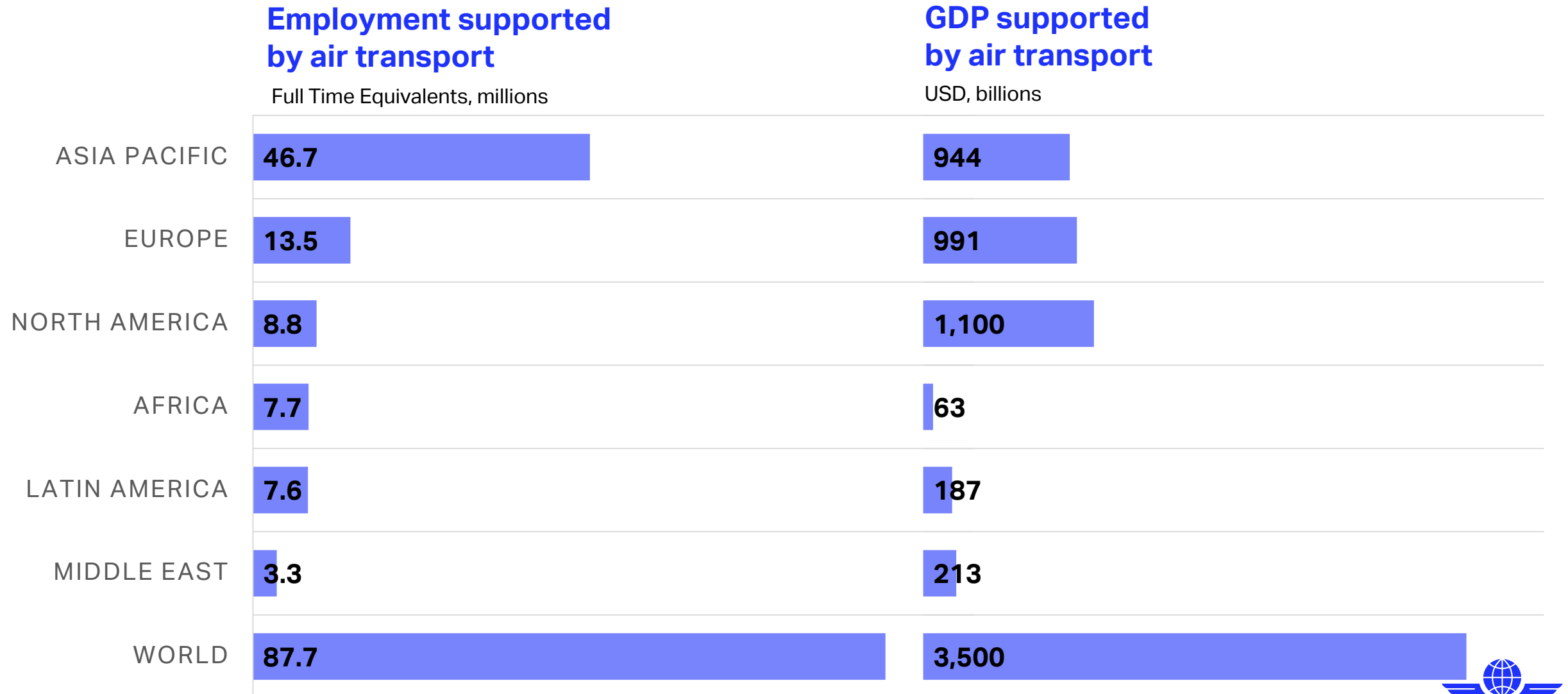


Impact on Asia Pacific Airlines

Asia Pacific	2019	2020	2021
Net post tax profit	+\$4.9 billion	-\$31.7 billion	-\$7.5 billion
Profit per passenger	+\$2.90	-\$36.40	-\$6.30
Profit margin	+1.9%	-30.2%	-5.3%
Demand growth (RPK)	+4.7%	-62.0%	+50.0%
Capacity growth (ASK)	+4.4%	-55.1%	+38.4%

Global	2019	2020	2021
Net post tax profit	+\$26.4 billion	-\$118.5 billion	-\$38.7 billion
Profit per passenger	+\$5.80	-\$66.04	-\$13.78
Profit margin	+3.1%	-36.2%	-8.4%
Demand growth (RPK)	+4.2%	-66.3%	+50.4%
Capacity growth (ASK)	+3.4%	-57.6%	+35.5%

Jobs and GDP supported by air transport pre-COVID-19



¹² Source: IATA Economics using data from ATAG (2020).
Note: Economic impacts measure direct, indirect, induced and tourism catalytic impacts.



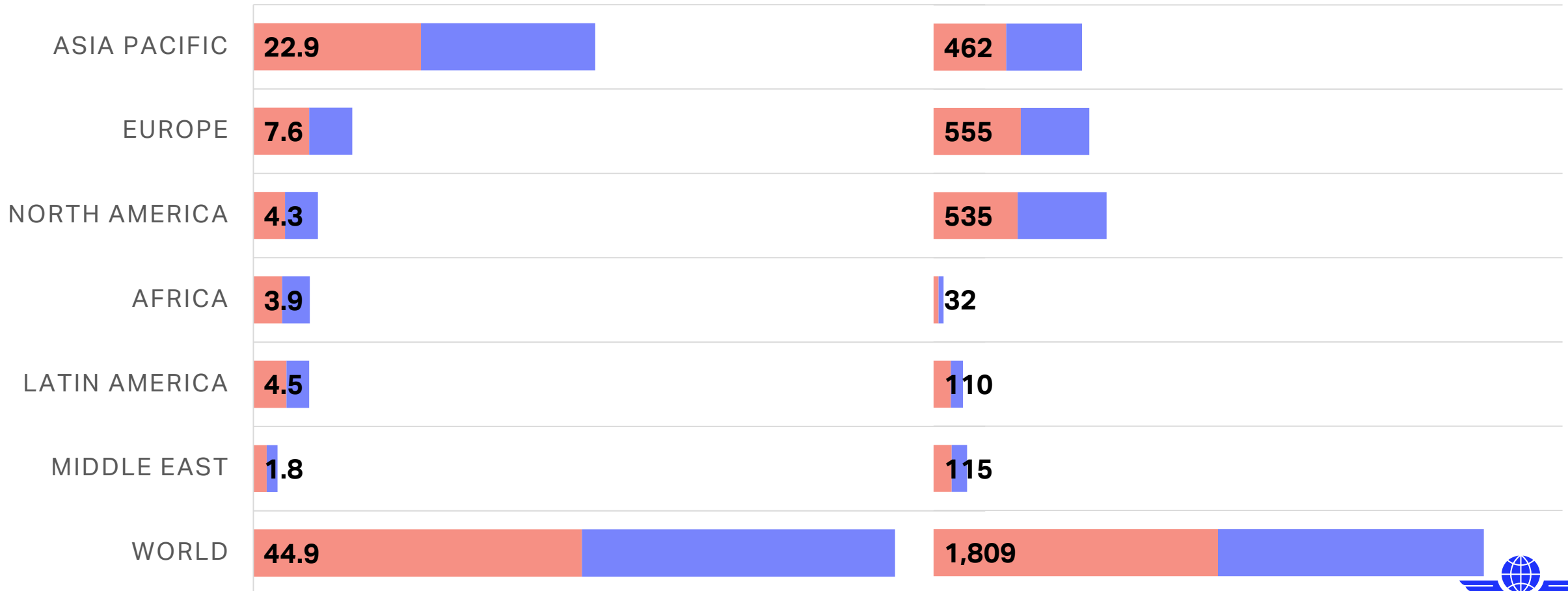
Jobs and GDP at risk due to COVID-19

**Employment supported
by air transport at risk**

Full Time Equivalents, millions

**GDP supported
by air transport at risk**

USD, billions



13 Source: IATA Economics using data from ATAG (2020).

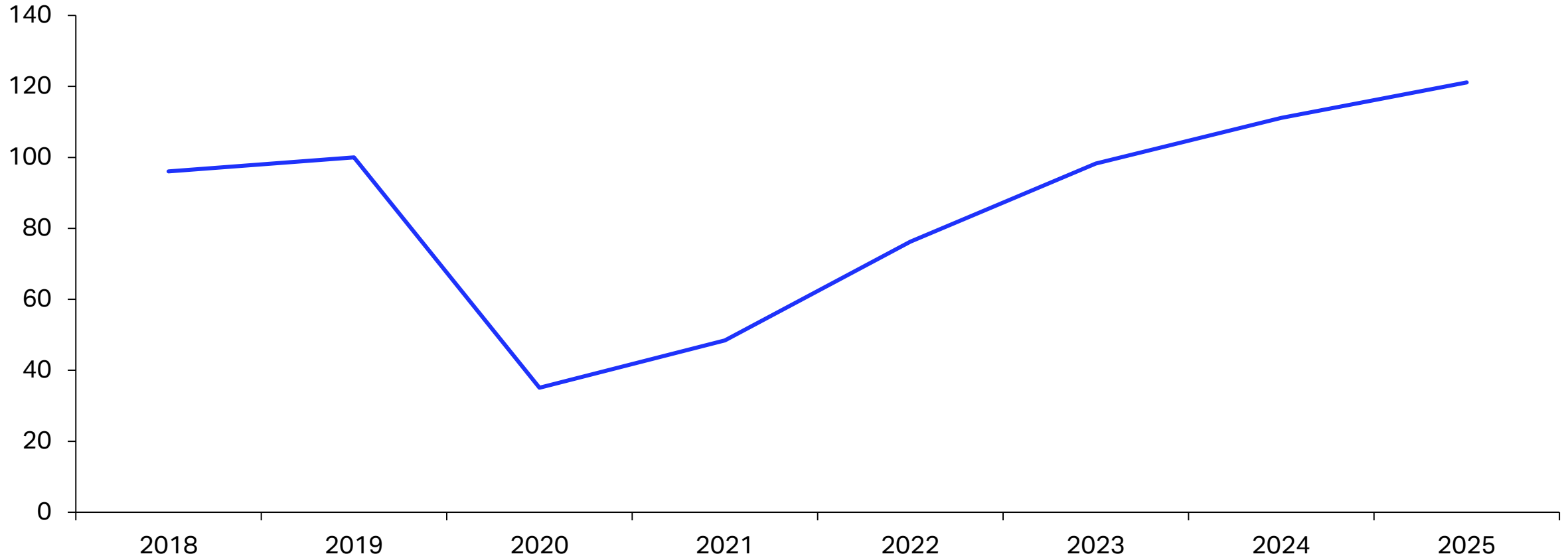
Note: Economic impacts measure direct, indirect, induced and tourism catalytic impacts.



Looking ahead, pax traffic will reach pre-crisis levels in 2024

RPKs - Asia Pacific

O-D passenger journeys, indexed 2019=100



Source: IATA/Tourism Economics Air Passenger Forecast, October 2020 update

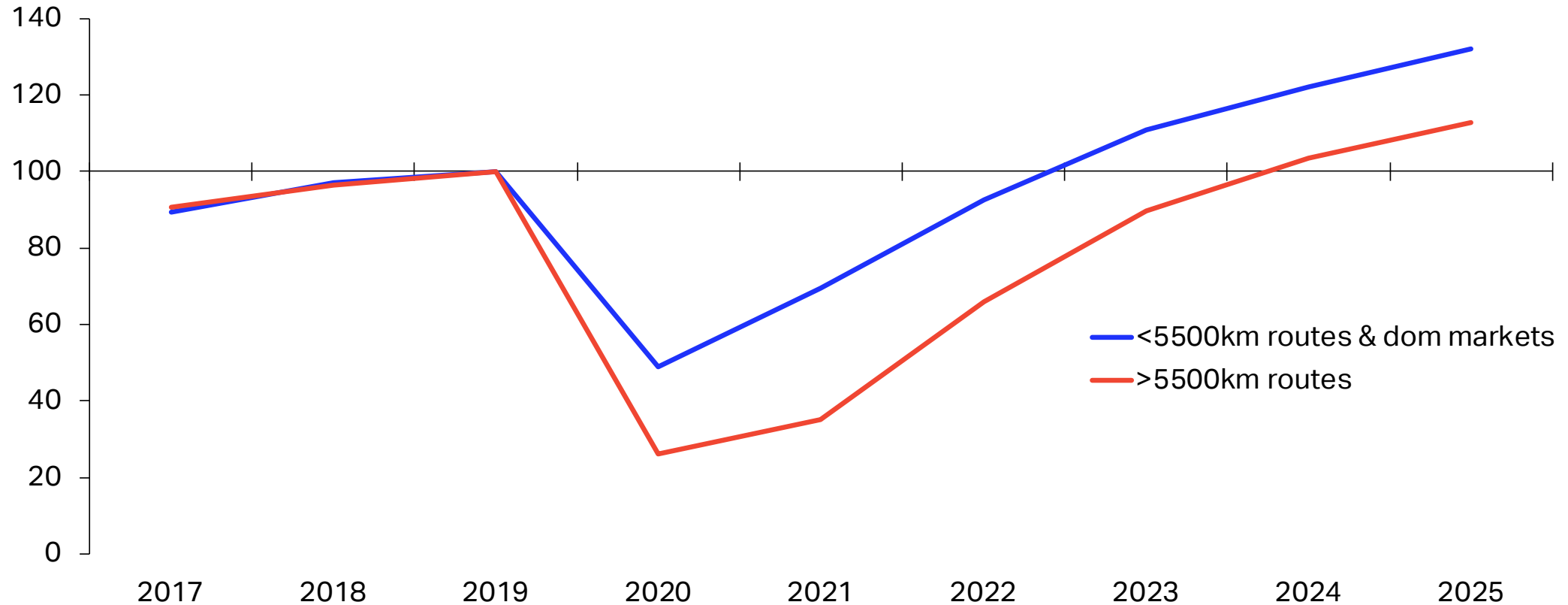


Short- & medium-haul markets to rebound faster than long-haul

Asia Pacific

Total passengers by segment length

Origin-Destination basis, indexed 2019=100



Call for action

- **Air Connectivity** provided by a strong air transport sector is **Key to the Recovery** of economies in Asia Pacific
- However, **International Air Travel** in Asia Pacific has been disproportionately affected by COVID-19
- IATA calls for **Continued Government Financial Relief Measures** to sustain airlines and to avoid massive job losses supported by the sector. Costs (Airport & ANSP Charges, Fuel Fees and Taxes) need to be kept low to achieve full growth potential
- **Open Borders with Testing instead of Quarantine** to enable travel. Technology solutions in contact tracing and testing verification can aid the recovery of aviation