COVID-19

Air travel turns up but outlook uncertain

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Global air travel (RPKs) began to increase in May -91.3% y-o-y vs -94% in April, but lagging rise in business confidence

Source: IATA Economics analysis using data from Oxford Economics and Markit
Border restrictions have not yet been widely relaxed
This is one reason why international air travel has yet to resume

Current Border Restrictions, as of 30 June

Source: IATA Timatic (www.iatatravelcentre.com)
Only domestic air travel rose with most borders closed
No improvement in international as quarantine equivalent to travel ban

Source: IATA Economics analysis using data from Oxford Economics and Markit

Growth in RPKs by region of registration

China domestic -49.9%
US domestic -89.5%
All regions international -98.2 to -98.9%

% change year-on-year
Jan-19 Mar-19 May-19 Jul-19 Sep-19 Nov-19 Jan-20 Mar-20 May-20
All-time low for industry passenger load factor in May
But encouragingly China’s domestic load factor is rising significantly

*Data from 1990 onwards

Source: IATA Economics analysis using data from IATA Statistics
Businesses expect a ‘V-shaped’ economic recovery
Unfortunately, survey evidence suggests corporate travel will be weak

Source: IATA Economics analysis using PMI survey data on manufacturing + services firms from Markit
Whereas consumer confidence is still weak
Will be pent-up demand for VFR but leisure travel requires confidence

Source: IATA Economics analysis using national survey data from Refinitiv Datastream
Recent rise of COVID-19 cases weakened bookings. June bookings stronger than May (-77% vs -86%) but no clear trend.

Source: IATA Economics using data from DDS and WHO, COVID-19 cases displayed as 5-day rolling average.
Rising COVID-19 cases risk to international air travel
Emerging markets with rising cases + US international = 37% RPKs

Source: IATA Economics using data from WHO and IATA Statistics
Risk of slower recovery if EM+US international closed

December global RPK growth -36% in baseline but risk of -53%

Source: IATA Economics analysis
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