

# COVID-19

**Air travel slows in  
September, but cargo  
speeding up**

Brian Pearce

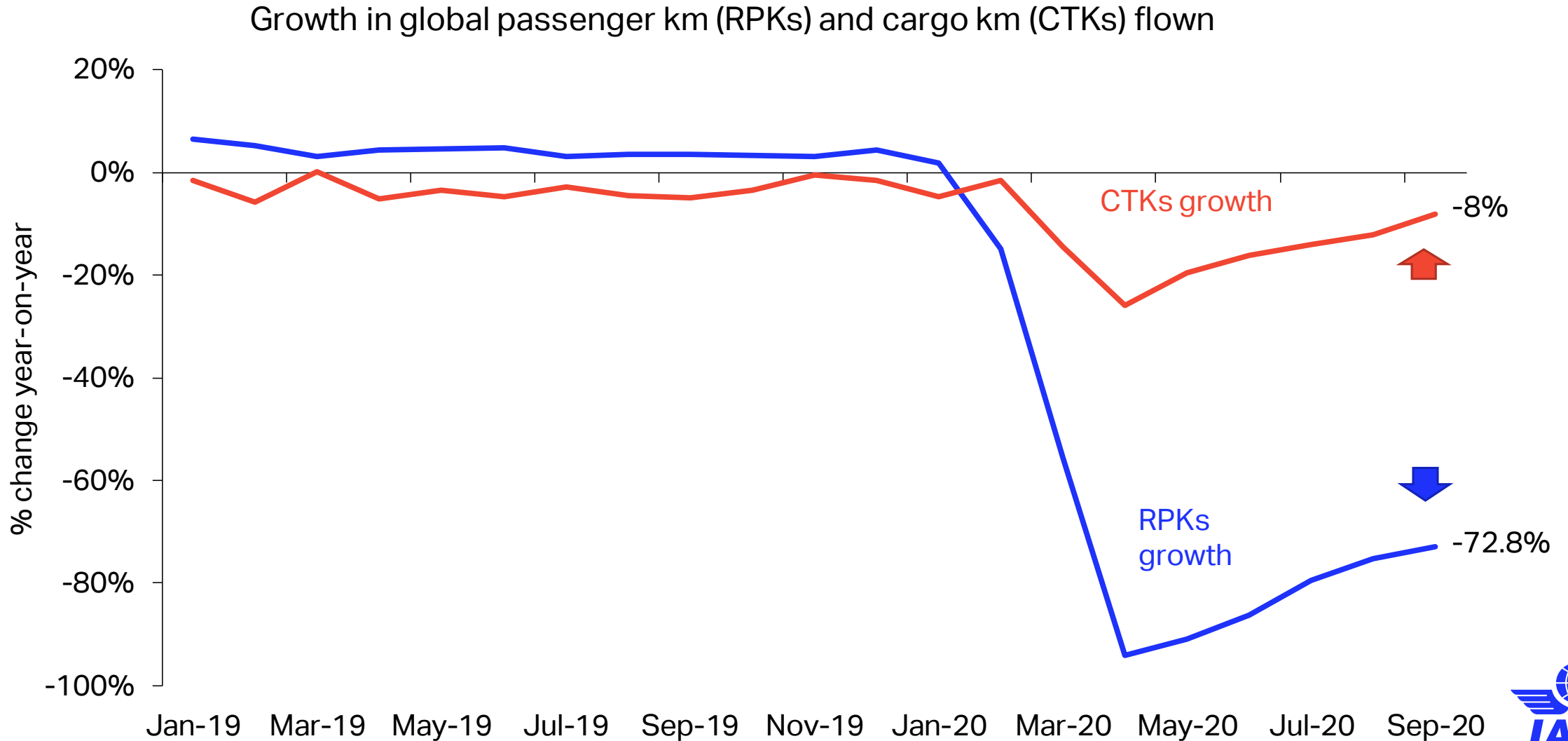
Chief Economist

4<sup>th</sup> November 2020



# Air travel recovery stalling but cargo strengthens

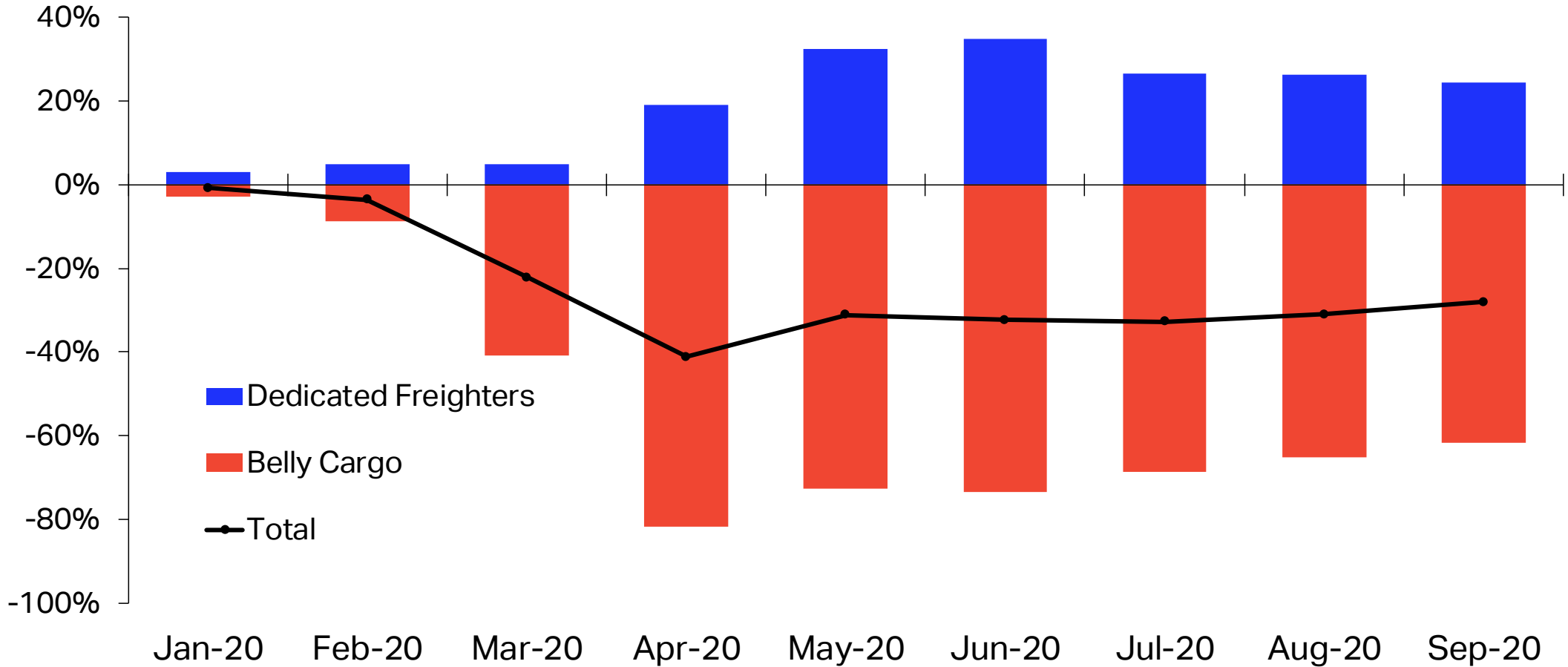
## Rise in global RPK growth slowed in September, but cargo accelerated



# As peak season arrives the problem is a lack of capacity

## Lack of passenger fleet belly capacity creating serious shortages

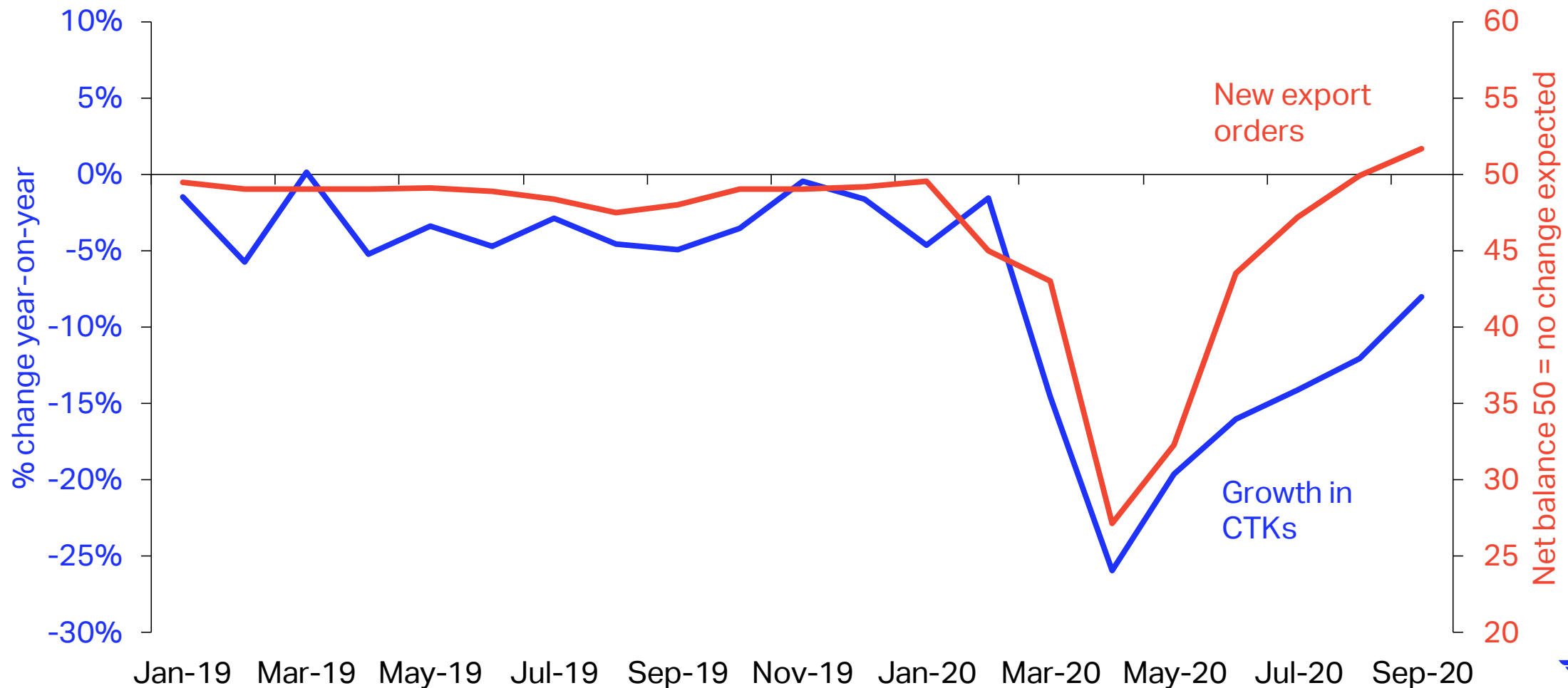
International ACTKs, % year-on-year



# Buoyant September orders for exports of manufactures

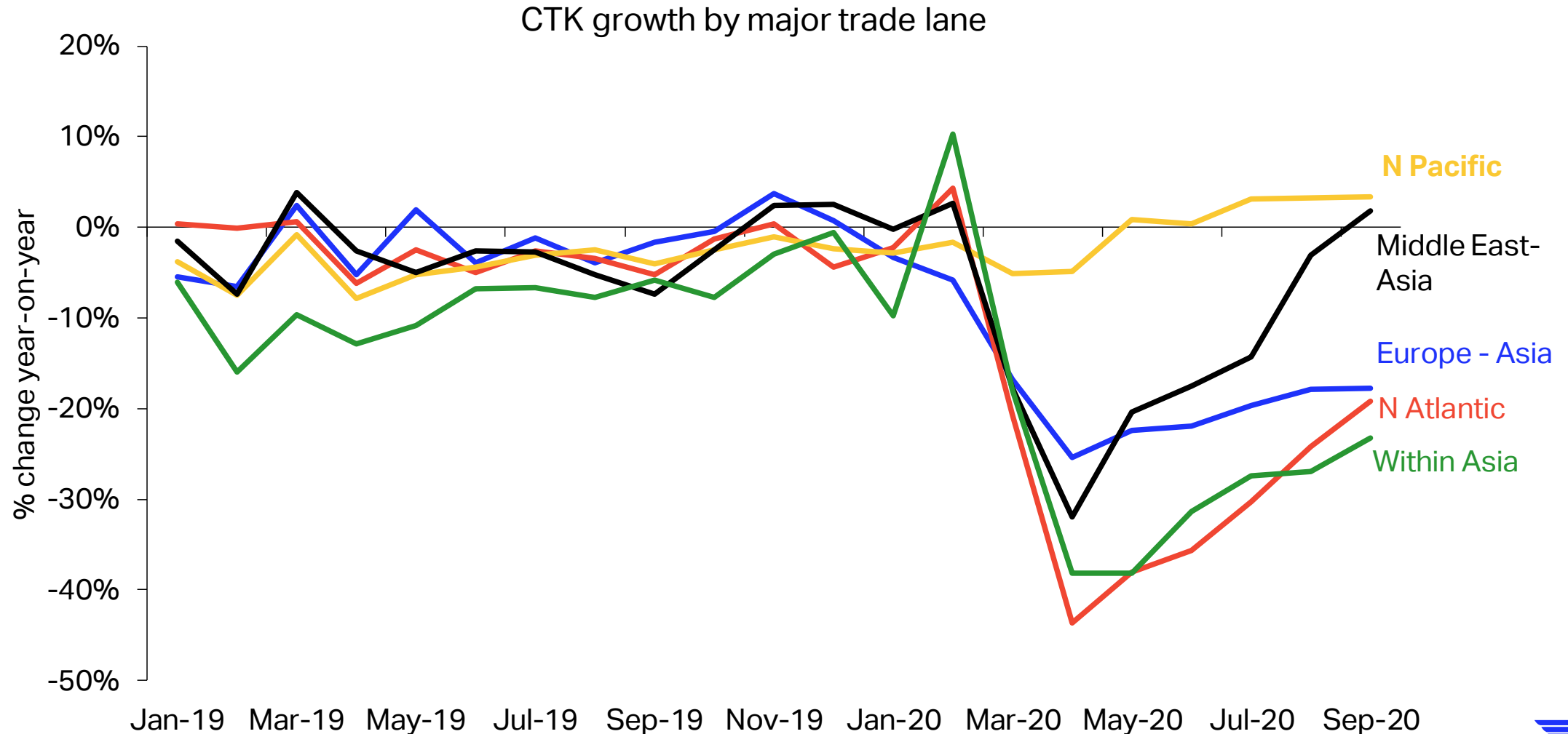
## Export orders good indicator of strength of demand for air cargo service

Export orders for manufactures and growth in cargo tonne KM flown



# Air cargo strength varies a lot by major trade lanes

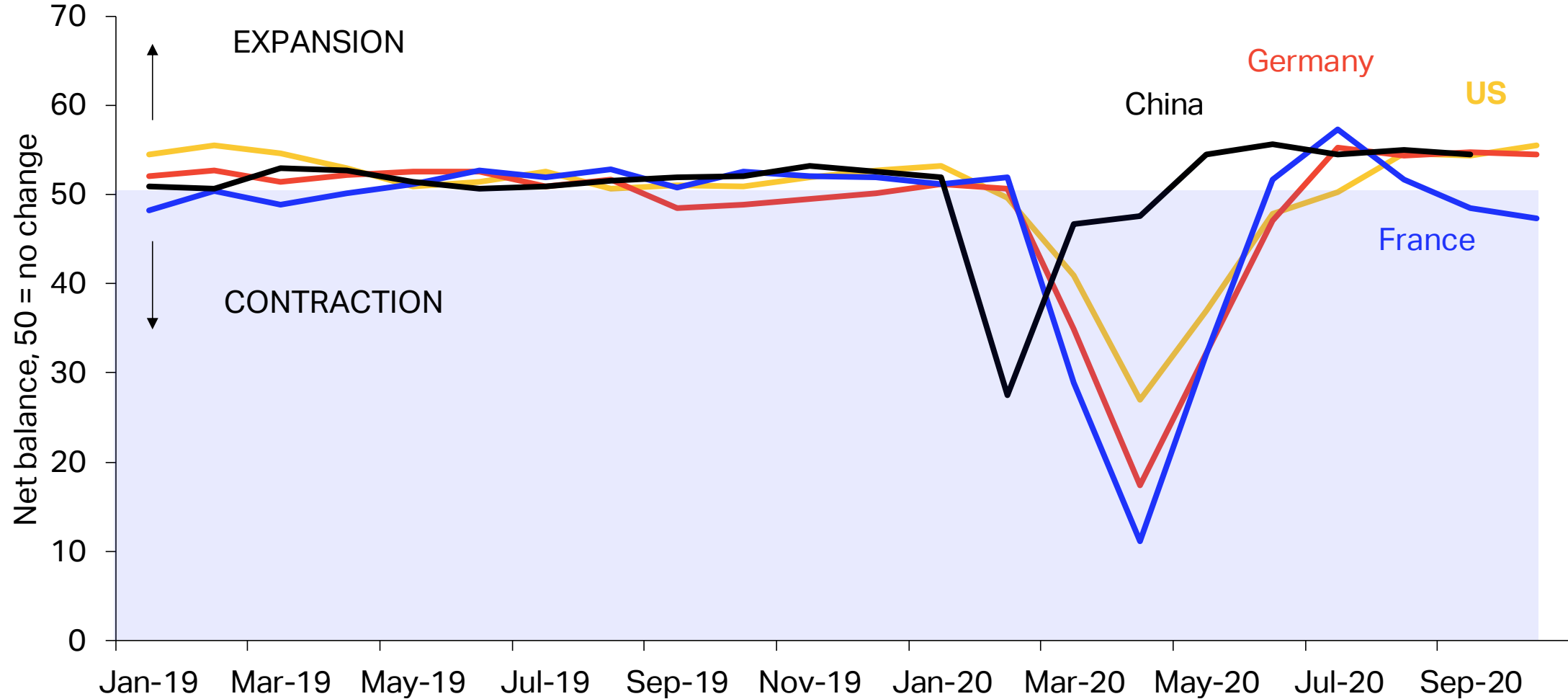
## Most buoyancy seen on N Pacific and from Asia via the Middle East



# Business confidence has been strong but 2<sup>nd</sup> wave risk

## October readings +ve for air cargo, but damage from Europe lock-downs

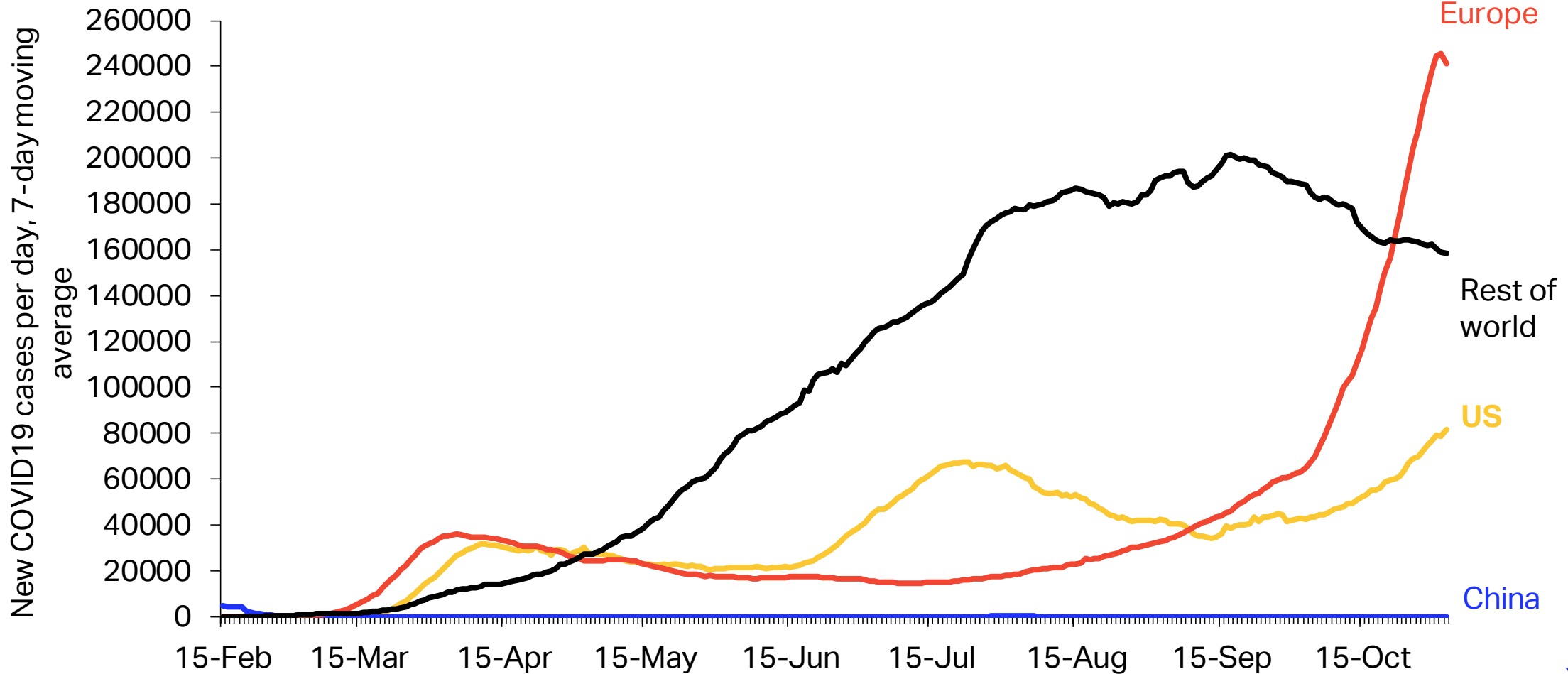
Business confidence in manufacturing and services (PMI)



# 2<sup>nd</sup> waves hitting air travel in many developed markets

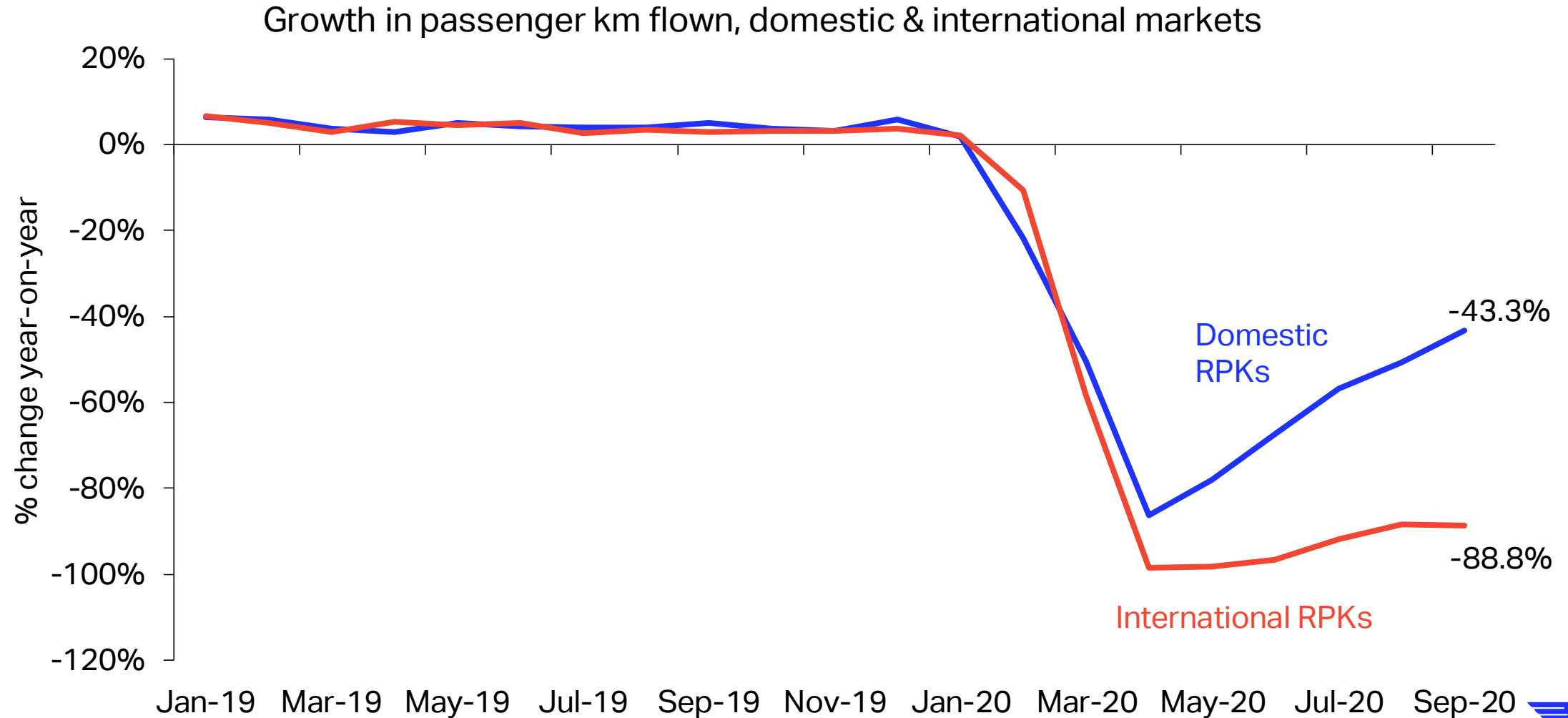
## Large rise in COVID cases in Europe leading to renewed lock-downs

New COVID19 cases per day, 7-day moving average



# Domestic air travel improved but international slowed

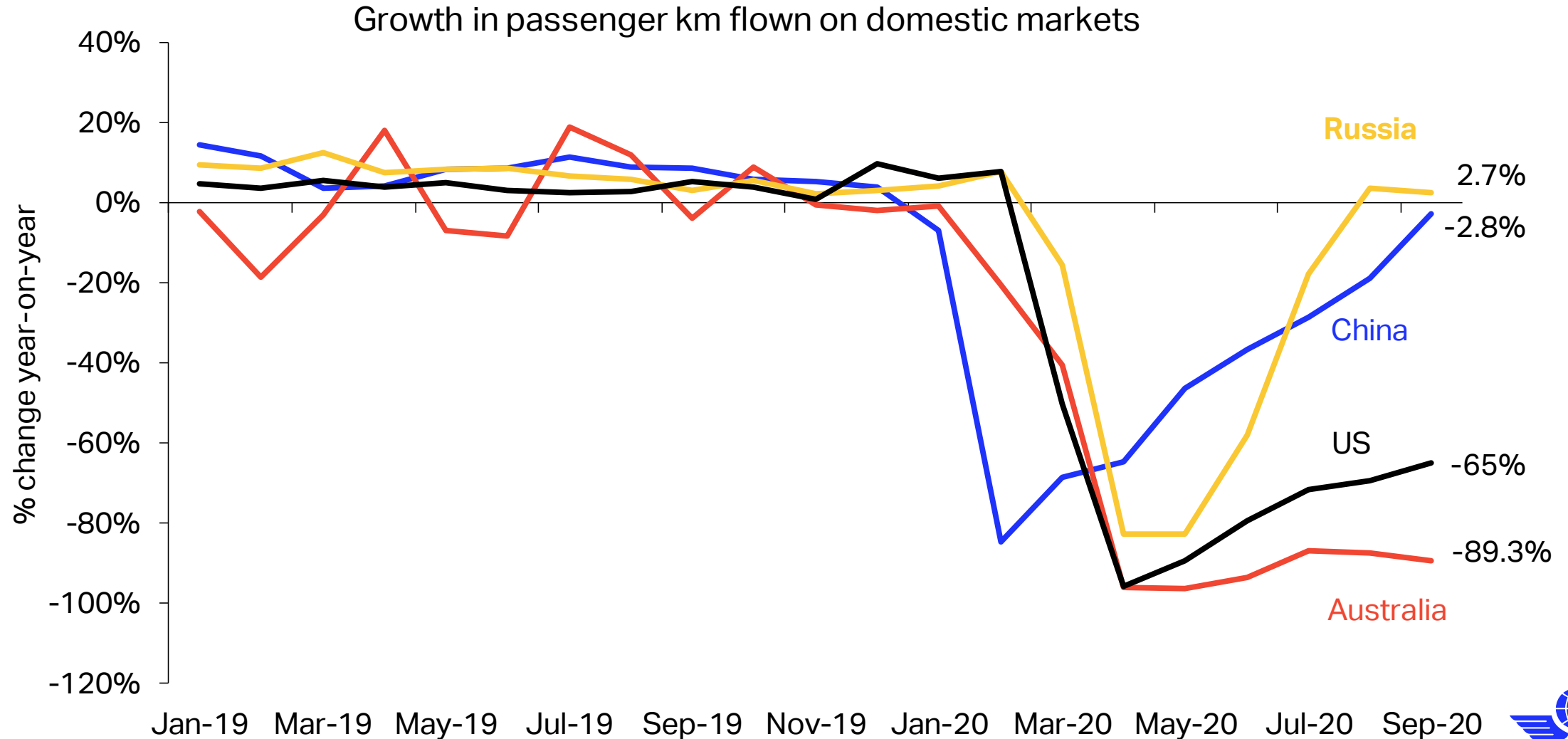
## 2<sup>nd</sup> waves COVID damage international with renewed travel restrictions





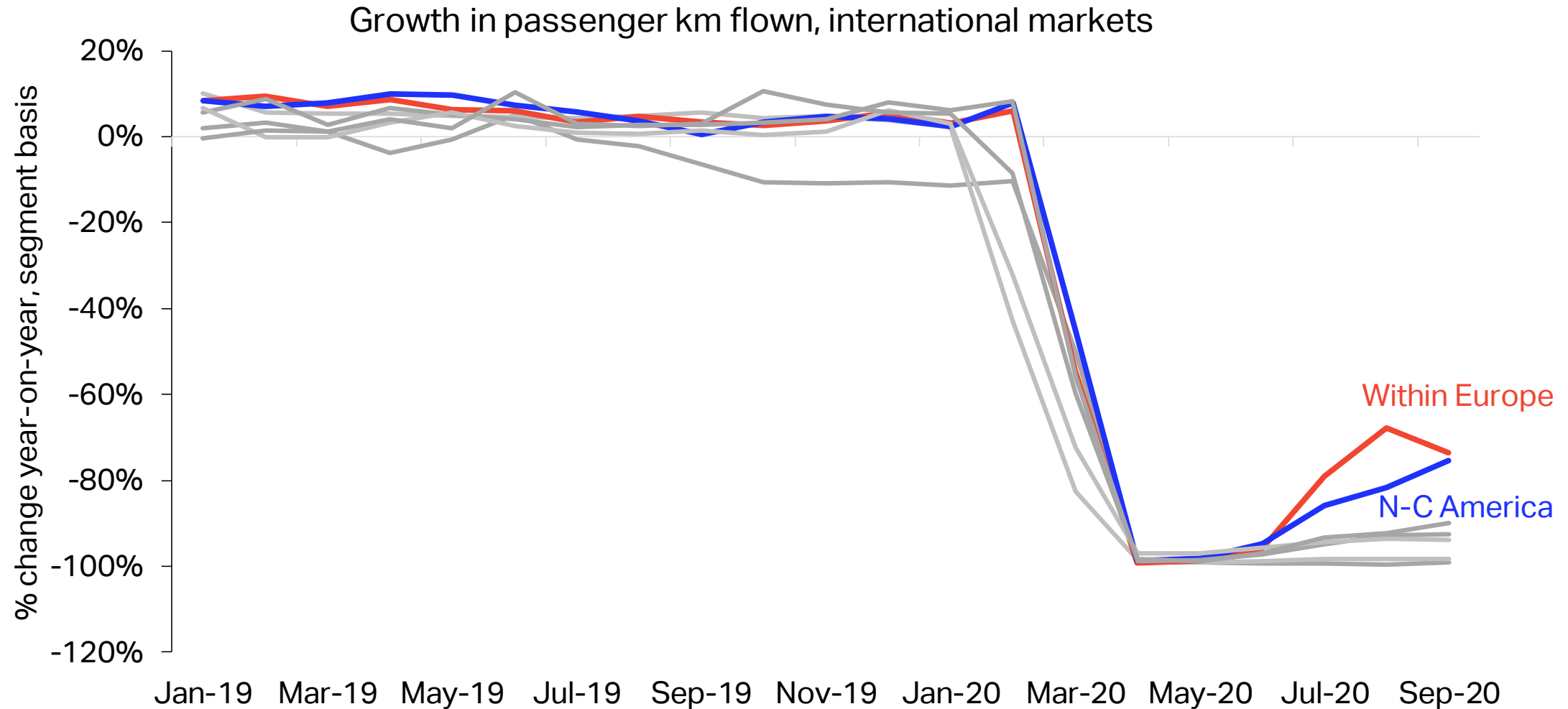
# Huge divergence between domestic markets remains

## Russia and China fully recovered, but limited progress in US & Australia



# 2<sup>nd</sup> wave caused reverse in Europe international revival

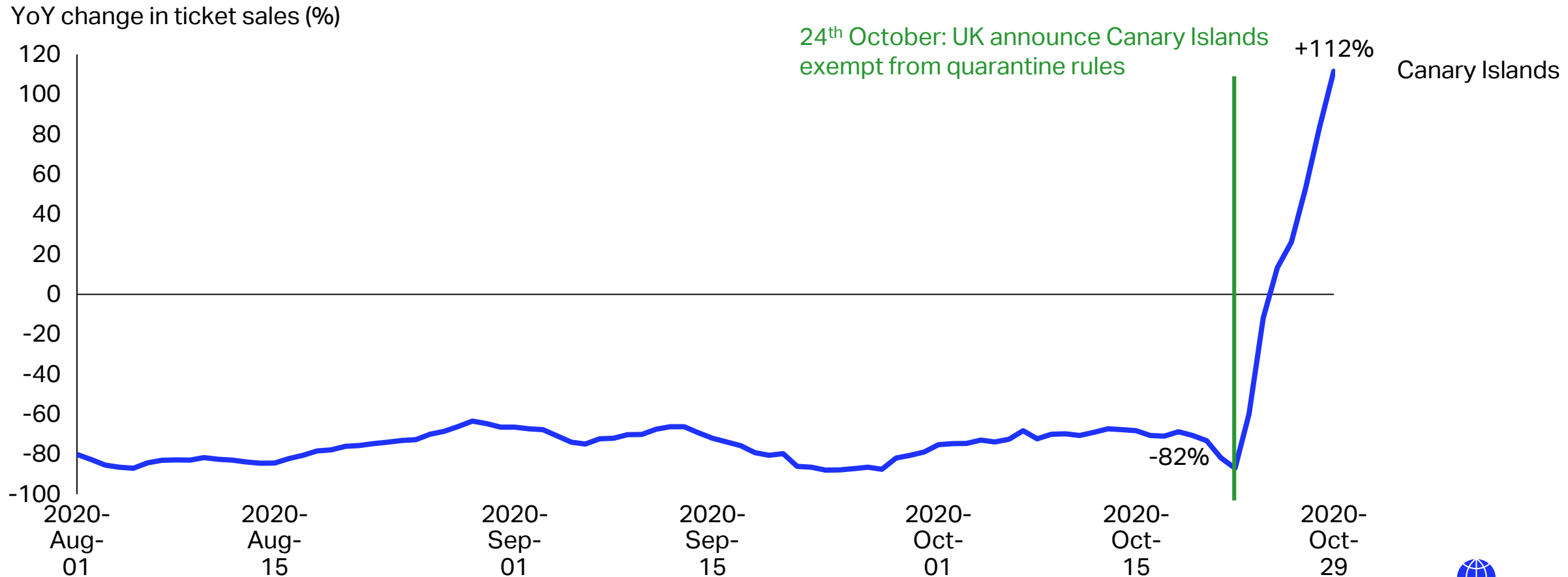
## N-Central America market rising but <10% of within-Europe market



# Clear signs of willingness to fly within Europe

## Surge in October bookings once UK drops quarantine for Canary Islands

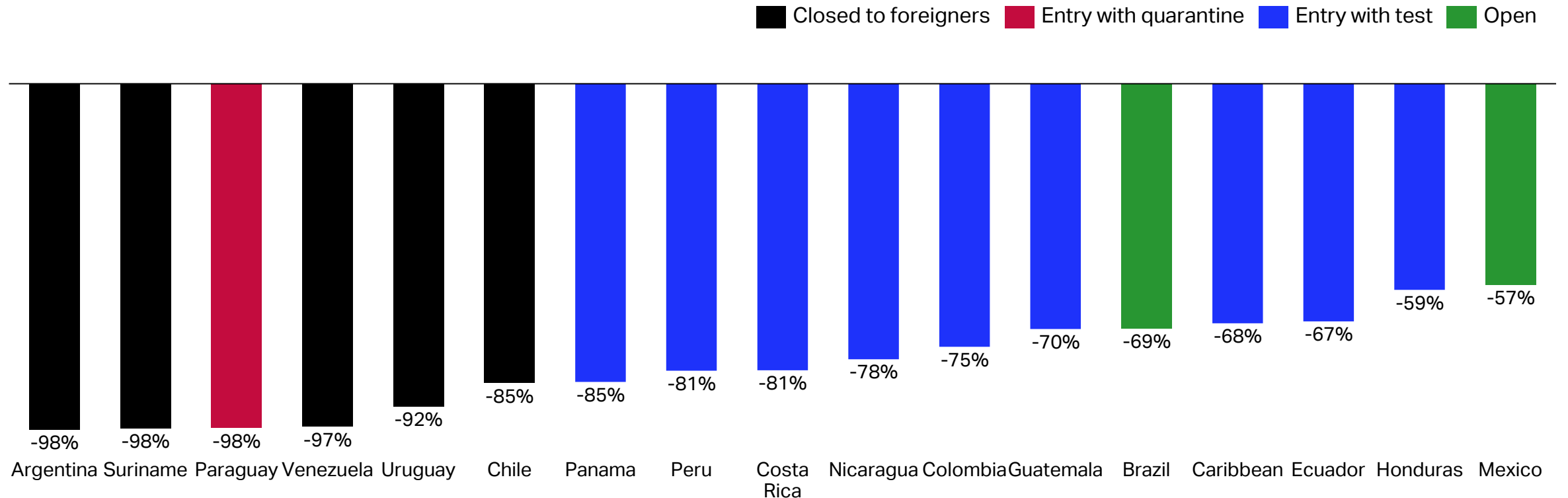
YoY change in ticket sales between the UK and the Canary Islands, Aug-Oct 2020



# Latin America shows entry with testing can boost travel

## October booking significantly higher if testing rather than quarantine

% change year-on-year in net bookings, 1-15 Oct 2020 vs. 2019



# Contacts

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