COVID-19

Air travel slows in September, but cargo speeding up

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Chief Economist

4th November 2020
Air travel recovery stalling but cargo strengthens
Rise in global RPK growth slowed in September, but cargo accelerated

Growth in global passenger km (RPKs) and cargo km (CTKs) flown

Source: IATA Economics using data from IATA Statistics
As peak season arrives the problem is a lack of capacity
Lack of passenger fleet belly capacity creating serious shortages

Source: IATA Economics using data from IATA Statistics
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

Source: IATA Economics using data from IATA Statistics and Markit
Air cargo strength varies a lot by major trade lanes.
Most buoyancy seen on N Pacific and from Asia via the Middle East.

Source: IATA Economics using data from IATA Statistics
Business confidence has been strong but 2\textsuperscript{nd} wave risk October readings +ve for air cargo, but damage from Europe lock-downs

Source: IATA Economics using data from Markit
2nd 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

Source: IATA Economics using data from ECDC
Domestic air travel improved but international slowed

2nd waves COVID damage international with renewed travel restrictions

Source: IATA Economics using data from IATA Statistics

Growth in passenger km flown, domestic & international markets

% change year-on-year

-120% -100% -80% -60% -40% -20% 0% 20%


Domestic RPKs

International RPKs

-43.3%

-88.8%

Source: IATA Economics using data from IATA Statistics
Huge divergence between domestic markets remains. Russia and China fully recovered, but limited progress in US & Australia.

Growth in passenger km flown on domestic markets

Russia: 2.7%
China: -2.8%
US: -65%
Australia: -89.3%

Source: IATA Economics using data from IATA Statistics
2nd wave caused reverse in Europe international revival
N-Central America market rising but <10% of within-Europe market

Source: IATA Economics using data from IATA Statistics
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

IATA Economics analysis based on data from DDS
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

<table>
<thead>
<tr>
<th>Country</th>
<th>Change 1-15 Oct 2020 vs. 2019</th>
</tr>
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<tbody>
<tr>
<td>Argentina</td>
<td>-98%</td>
</tr>
<tr>
<td>Suriname</td>
<td>-98%</td>
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<tr>
<td>Paraguay</td>
<td>-98%</td>
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<tr>
<td>Venezuela</td>
<td>-97%</td>
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<tr>
<td>Uruguay</td>
<td>-92%</td>
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<tr>
<td>Brazil</td>
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<td>Argentina</td>
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<td>Chile</td>
<td>-81%</td>
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<td>Panama</td>
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<td>Peru</td>
<td>-78%</td>
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<tr>
<td>Costa Rica</td>
<td>-75%</td>
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<tr>
<td>Nicaragua</td>
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<tr>
<td>Colombia</td>
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<tr>
<td>Caribbean</td>
<td>-59%</td>
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<td>Ecuador</td>
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Source: IATA Economics using data from DDS
Contacts

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