COVID-19

Air travel update: Optimism with caution

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Strong global economic rebound favorable for air cargo
Cargo tonne km (CTKs) flown are 9.4% above pre-crisis level (May19)

Volumes, indexed to equal 100 in January 2019

Source: IATA Economics using data from Netherlands CPB
Global air travel (RPKs) sustains recovery in May -62.7% in May21 (vs May19), but lagging the rise in consumer confidence.

Source: IATA Economics using data from IATA Statistics and Refinitiv Eikon Datastream
Domestic recovery strong, but international is still weak
Int’l RPKs -85.1%, while domestic RPKs -23.9% (May21 vs May19)

Source: IATA Economics using data from IATA Statistics
Domestic recovery varies dependent on virus control
China and Russia domestic rose above pre-crisis levels, US on track

Source: IATA Economics using data from IATA Monthly Statistics
International bookings jumped ahead of holiday season
Int’l bookings rose from very low base with significant forward uncertainty

Source: IATA Economics using data from DDS
Covid-19 variants are new source of uncertainty
Not only searches for flight bookings are rising but also ‘Covid variants’

Google searches worldwide for 'COVID-19', 'COVID variants' and 'Skyscanner'

Index, 100 = peak popularity for the search term

Demand is fragile amidst COVID-19 variant concerns
Surge of bookings from the UK to Portugal reversed in a month

Forward bookings, UK - Portugal travel

% change vs the same period in 2019, 7-day MA

May 7th: UK announce Portugal to be added to green list
June 3rd: UK announce Portugal to be removed from green list

Source: IATA Economics using data from DDS
Recovery in the H2 is crucial to reduce the cash burn. Stronger H2 will reduce cash burn but +ve cash flow delayed to 2022.

Airline industry cash burn, USD billion per quarter

- Source: IATA Economics Airline Industry Financial Forecast update, April 2021
Contacts

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