COVID-19

Airline industry cash burn now expected to continue through 2021

24\textsuperscript{th} February 2021
Bookings indicate a weak H1, before any vaccine boost. Bookings for future travel declining after mid-year rise in domestic travel.

Source: IATA Economics using data from DDS
Bookings for critical summer period remain weak
Pre-crisis only 7% summer travel booked by now, but still a concern

Source: IATA Economics using data from DDS
New COVID-19 cases remain high in most regions. New variants have meant virus control much harder than expected.

Source: IATA Economics using data from European Centre for Disease Control.
Causing renewed travel restrictions in all regions
Asia remains most stringent but travel barriers rising in all regions

International travel stringency index weighted by population (Jan 2020-Jan 2021)

Source: IATA Economics using data from Oxford University
2021 H1 will be weaker than expected in December. There is also a risk to H2 from policy response to new virus variants.

Global RPKs, billions per quarter

- Scenario 1: Travel restrictions lifted in developed economies once vulnerable vaccinated
- Scenario 2: Governments more cautious to relax travel restrictions

Dec forecast

2021 as a % of 2019

- 51%
- 38%
- 33%
Airlines’ cash burn worse than forecast in December
Delay in travel recovery implies 2021 cash burn of USD 75-95 billion

Source: IATA Economics

Global airline industry cash burn forecast, USD billion per quarter

Scenario 1: 2021 USD 75 billion
Scenario 2: 2021 USD 95 billion
Dec forecast: 2021 USD 48 billion

Source: IATA Economics
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IATA Media Update on COVID-19

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For questions:
You can use the chat feature, and the presenters will get to as many as possible.

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This session is recorded. It will be made available to you shortly after.
24 February 2021