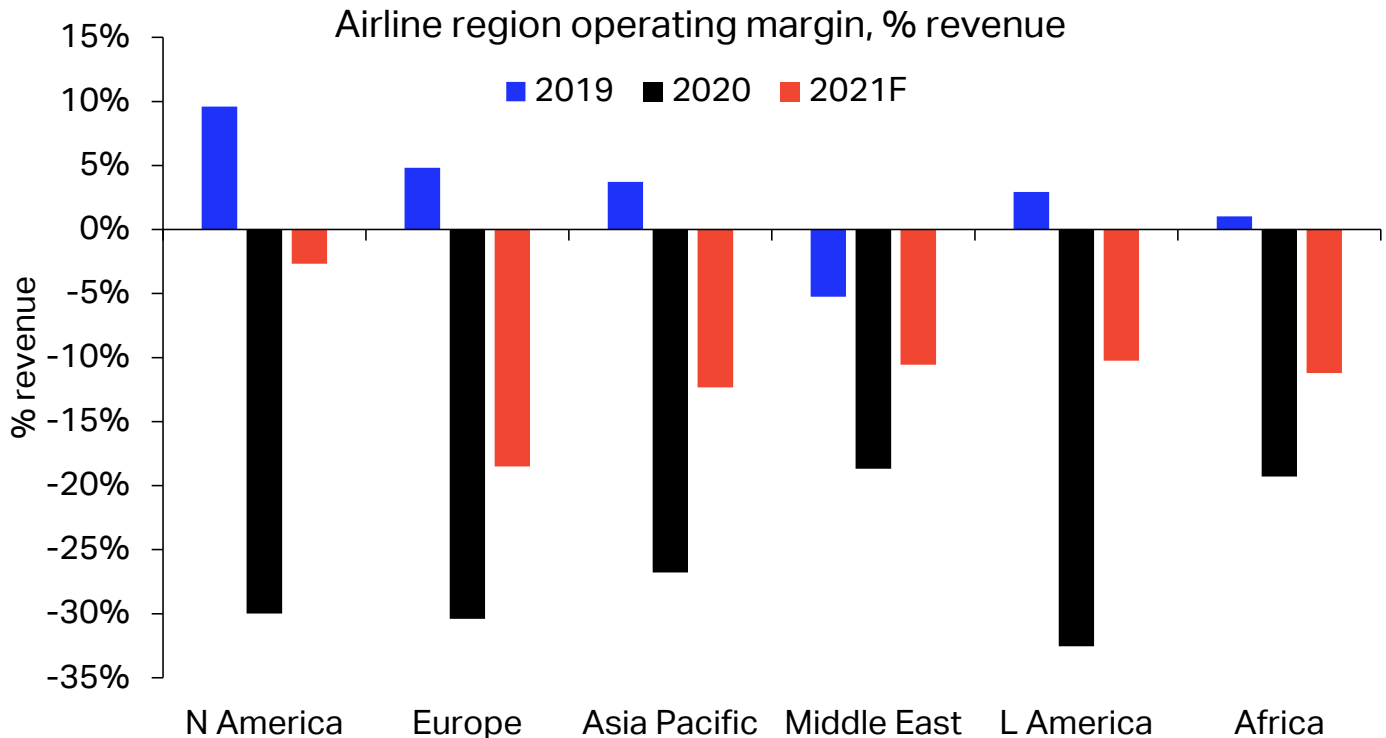




IATA Economics' Chart of the Week

23 April 2021

Airline losses shrink in 2021 but at very different regional rates



Source: IATA Economics Airline Industry Financial Forecast Update - April 2021

- This week, we released our [updated outlook](#) for the global airline industry. The weaker start to the year for passenger business due to surge in virus cases and travel restrictions together with vaccination delays has impacted our forecast. Although we expect airline losses to shrink in 2021 compared to 2020, financial performance will be worse than what we expected in our December forecast (2021 net post-tax losses forecast at \$47.7bn vs \$38.7bn in the December forecast).
- In 2021, financial performance will be more varied across regions compared to 2020. Regions with large domestic markets and rapid vaccine rollout will perform better in 2021. North America is expected to be the best performer in terms of operating losses among all regions with the support of the recovery in the large US domestic market and faster vaccine rollout so far. On the other hand, Europe is expected to have the weakest operating financial performance due to slower vaccination and subdued international travel due to travel restrictions.
- Operating margins will be less varied across other regions (-10% to -12% of revenues). In Asia Pacific, large domestic markets such as China and Australia will be supportive but the recovery in international passenger revenues will be limited due to a risk-averse approach to travel restrictions in the countries that control the virus. Latin America will also benefit from large domestic markets, but new virus variants and slow vaccine rollout will be a barrier for the recovery in international travel. In Africa, the main challenge will be very slow vaccination since the region has relaxed international travel restrictions by more than the other regions.

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IATA Economics
economics@iata.org