

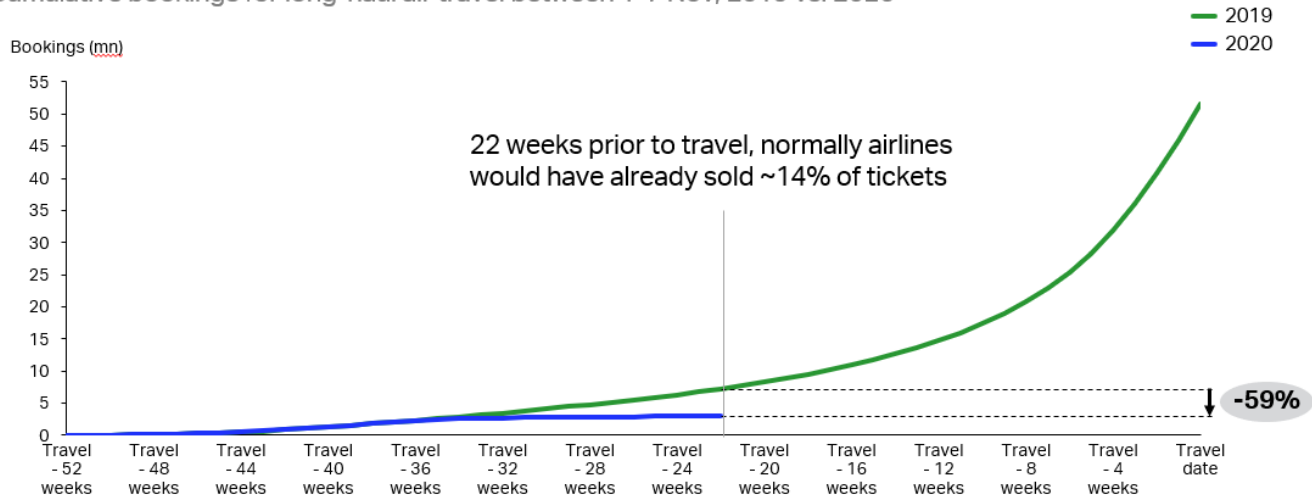


IATA Economics' Chart of the Week

19 June 2020

Airlines have little visibility of demand for the Northern Winter season

Cumulative bookings for long-haul air travel between 1-7 Nov, 2019 vs. 2020



Source: IATA Economics using DDS ticketing data

- As borders begin to open, airlines are currently planning their flight schedules for the Winter season which starts at the end of October. Airline revenue managers follow historical booking curves closely and adjust their plans and offers accordingly. However, planning is significantly more difficult in the current environment.
- Today's chart depicts the 2020 and 2019 booking curves for all long-haul flights scheduled for the week of 1-7 November. It is clear that demand has flatlined over the past three months, as a result of which cumulative bookings are currently 59% lower than they were at the same time last year.
- In addition, there has been a significant change in customer booking behavior. The high level of uncertainty has resulted in more passengers booking flights at the last minute. While only 18% booked their flights up to 3 days prior to departure in May 2019, this number has increased to 41% in May 2020. Simultaneously, the share of passengers booking over 20 days ahead has shrunk from 49% to 29%.
- It is also difficult to assess how quickly passengers will feel comfortable flying again. Our latest passenger survey suggests that, once the pandemic has subsided, more than half of the passengers would wait for 6 months or more before they fly again.
- Given the plenty of unknowns, airlines need more than the usual flexibility in planning their schedules. The current environment will require them to be agile and adapt to changes quickly. The level of flexibility they need is not usually afforded at the most congested (so-called Level 3) airports where there is normally such high demand that airlines are penalized if they fly less than 80% of their initial schedules (so-called 80:20 rule). These schedules would normally have to be finalized by 15 August, i.e. more than 2 months before the first and 7 months before the last flights of the season. In the current situation, airlines cannot be expected to know with certainty how demand for air travel will evolve in 2-7 months, therefore there is an urgent need to extend the waiver of the 80:20 rule at the world's slot coordinated airports.
- More information on this analysis can be found [here](#).

Terms and Conditions for the use of this IATA Economics Report and its contents can be found here: www.iata.org/economics-terms
By using this IATA Economics Report and its contents in any manner, you agree that the IATA Economics Report Terms and Conditions apply to you and agree to abide by them. If you do not accept these Terms and Conditions, do not use this report.

IATA Economics
economics@iata.org