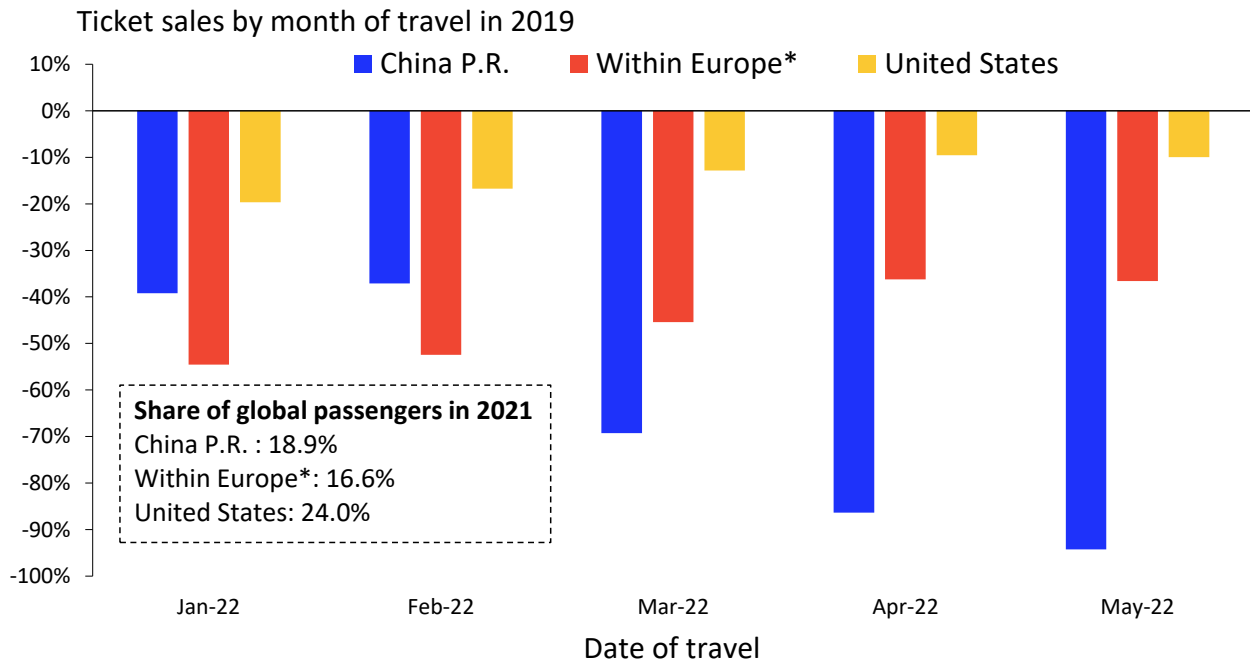




IATA Economics' Chart of the Week

29 April 2022

China's new COVID lockdowns hit domestic air travel



Source: IATA Economics using ticketing data from DDS

*Within Europe: Domestic and International within Europe, excluding Russia/Ukraine.

- Following the initial outbreaks of COVID-19 in early 2020, the Chinese airline industry quickly recovered to the 2019 levels as domestic travel restrictions were eased – in October 2020 domestic RPKs were only 1.7% below October 2019, and they were above pre-crisis in April and May 2021. Given the renewed lockdowns, the domestic market is again being heavily impacted, as the chart above clearly illustrates.
- The US domestic and the European internal passenger market have recovered substantially since the skies reopened. Ticket sales for travel during the months of January through May 2022 in the US range between 20% to 10% below 2019 levels, a strong reason for optimism as domestic US accounted for 24% of overall global passenger trips in 2021, the largest individual market in the world. Within Europe the corresponding range is down 55% to 37%, improving progressively over those months as demand is quick to respond to the easing of travel restrictions.
- In China, however, ticket sales by month of travel point to monthly passenger numbers dropping progressively between February and May, being a dismal 94% below the 2019 level in the month of May. While lockdowns prevent domestic flights, the strict travel restrictions also limit international flights to and from the country. As a result, international ticket sales were 97% below 2019 levels in each month between January 2022 and May 2022. In 2021, the Chinese domestic passenger market accounted for 18.9% of global passengers, a number that will most probably be lower in 2022.
- Events in China will have repercussions on global traffic numbers as well, given the importance of this large market in the world of aviation. However, the ongoing recovery in other domestic and international markets will at least dampen the impact, provided that travel restrictions continue to ease and that willingness to travel continues to offset economic risks.

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