

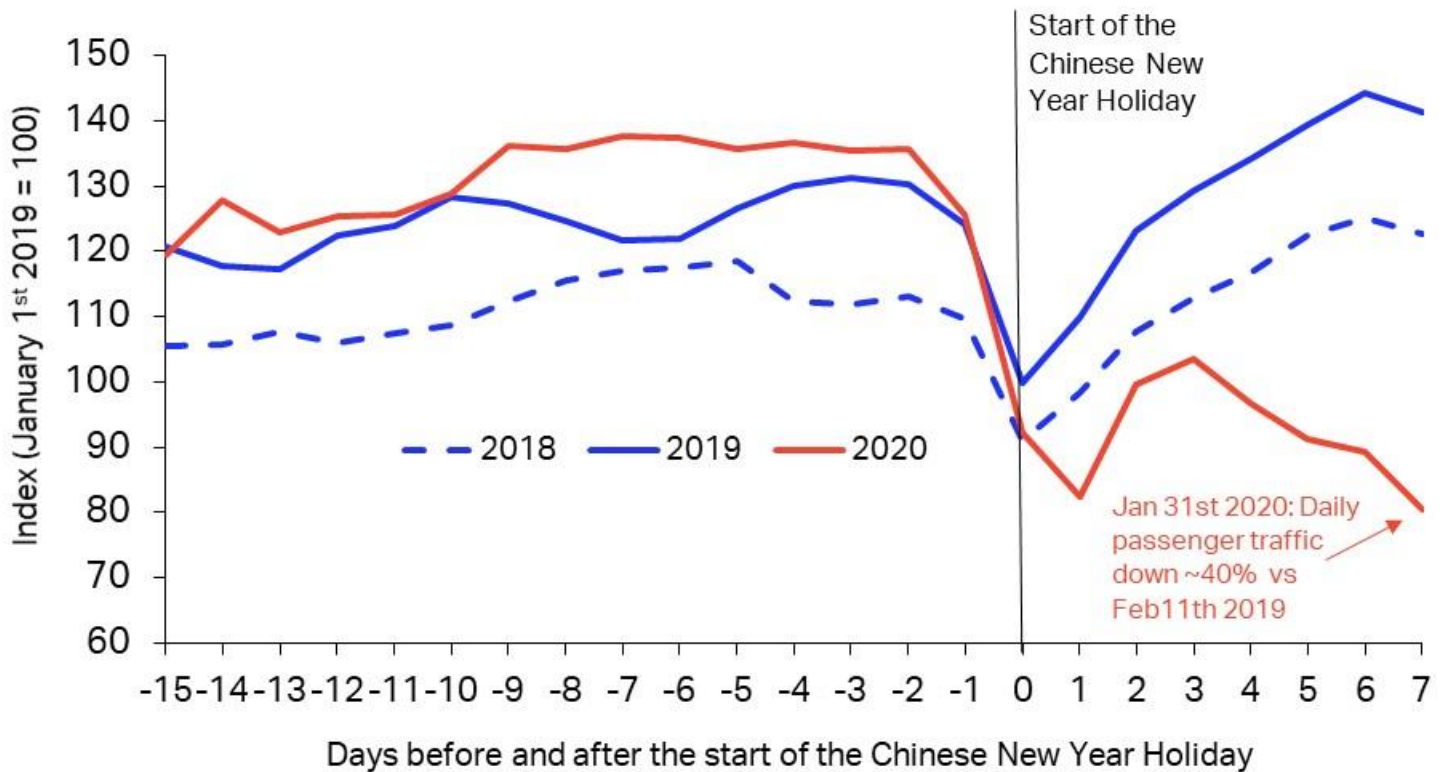


IATA Economics' Chart of the Week

07 February 2020

The impact of the novel coronavirus on air travel demand

Daily China Passenger Traffic (Domestic+International)



Source: IATA Economics using DDS data

- In the chart above, we have shown the air travel demand in the days before and after the Chinese New Year holiday. Since there is a seasonal pattern due to this holiday period, we have used the experience from 2018 and 2019 to show what we would have expected air passenger demand to be like, had there been no outbreak. We have indexed the daily passenger numbers to be equal to 100 on the 1st January 2019 for the three timeseries shown in the chart.
- In the previous years, following the start of the holiday, passenger demand (China domestic + China international) had a continuously increasing trend. This year, two weeks before the holiday, passenger demand had been following a similar pattern (even higher in some days). However, passenger volumes declined sharply following the closure of Wuhan Airport and World Health Organization's declaration of the coronavirus as an international public health emergency. Our daily data shows that on Jan 31st, daily passenger volumes were c. 40% lower compared to where we would expect them to be at the similar stage (i.e. the week after the start of the holiday).
- China is the second largest domestic market in terms of RPKs that we regularly track. Hence, the continuation of this downward trend and its potential spillover to the region implies a sharp slowdown in Asia-Pacific RPKs in the short-term (look at our previous [paper](#) where we show that the typical recovery period was around six months).

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