Worldwide flights were 70% lower at the start of Q2. Further decline possible as restrictions rise in a number of regions.

We are forecasting a 70%+ y-o-y fall in RPKs in Q2.

Revenue shock similar as lower passenger yields offset by cargo.

Cash burn may be over $60 billion in Q2
Some costs cannot be avoided and ticket refunds also burning cash

Many airlines running out of cash
Situation at start of this year - median airline only 2 months cash

Balance Sheet Liquidity
(Cash and Equivalents Coverage of Revenues*)

*Latest available 12 months cumulative revenues Africa, Latin America and the Middle East might not be representative due to small sample size.

Connecting cities by air will be critical for the recovery of 35% of international trade, supply chains, investment, and tourism.

End-March 2019

Source: IATA Economics using data from FlightRadar24, w/c March 25, 2019
Connecting cities by air will be critical for the recovery of 35% of international trade, supply chains, investment, and tourism.

End-March 2020

Source: IATA Economics using data from FlightRadar24, w/c March 30, 2020
Advanced economies depend on supply chains
Rapid air transport links critical for functioning of modern businesses

Source: IATA Economics using an image from wearemoblans.com
Emerging economies often depend on inbound tourism. The spending and investment driven by tourism industry can be critical.

Source: IATA Economics using data from World Travel and Tourism Council, 2019
The consequences are severe for the wider economy. Not just airlines, also 25 million jobs at risk throughout economies.

Note: these estimate are based on the full year 2020 impact assessment of a 38% decline in RPKs.

Jobs supported by air transport at risk due to COVID-19

- Asia-Pacific: 11.2 m
- Europe: 5.6 m
- Latin America: 2.9 m
- North America: 2.0 m
- Africa: 2.0 m
- Middle East: 0.9 m

Source: IATA Economics
Contacts

economics@iata.org
www.iata.org/economics