Three weeks ago we estimated this COVID-19 impact based on a 65% fall in worldwide flights in March, economic recession forecasts at the time, and a relaxation of travel restrictions through H2.

<table>
<thead>
<tr>
<th>Region of airline registration</th>
<th>RPKs 2020 % yoy</th>
<th>Passenger revenue $ billion 2020 vs. 2019 levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>-37%</td>
<td>-88</td>
</tr>
<tr>
<td>North America</td>
<td>-27%</td>
<td>-50</td>
</tr>
<tr>
<td>Europe</td>
<td>-46%</td>
<td>-76</td>
</tr>
<tr>
<td>Middle East</td>
<td>-39%</td>
<td>-19</td>
</tr>
<tr>
<td>Africa</td>
<td>-32%</td>
<td>-4</td>
</tr>
<tr>
<td>Latin America</td>
<td>-41%</td>
<td>-15</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td><strong>-38%</strong></td>
<td><strong>-252</strong></td>
</tr>
</tbody>
</table>

Worldwide flights now down almost 80% by early April
Industry virtually grounded outside US and Asia domestic markets

Daily flights, indexed 1st January = 100

Source: IATA Economics analysis based on data provided under license by FlightRadar 24. All rights reserved.
Recession now expected to be much deeper in 2020
Economists’ revised forecasts expect output loss twice as large as GFC

Global GDP growth

% change year-on-year

Global Financial Crisis
COVID-19 March Forecast
COVID-19 April Forecast

Source: IATA Economics using data and forecasts from Oxford Economics
Post lock-down return to air travel likely to be in stages
We assume domestic markets open in Q3 but international slower to open

Share of global air travel in 2019

Source: IATA Economics using data from IATA Statistics
Recession alone would push global RPKs down 8% in Q3
This excludes the travel restrictions and confidence effects of COVID-19

Source: IATA Economics using data and forecasts from Oxford Economics and IATA
2020 H2 ‘restart’ slow leaving RPKs down 33% yoy by Q4
Domestic markets assumed to open in Q3, international much slower

Global RPK quarterly profile, % change year-on-year

-90%
-80%
-70%
-60%
-50%
-40%
-30%
-20%
-10%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%


Global RPK growth

Impact of the recession
Q4 50% recovery international markets, reduced by recession
Q3 recovery domestic markets, reduced by recession impact

Source: IATA Economics using data and forecasts from Oxford Economics and IATA
That implies a halving of global RPKs in 2020. With lower yields that means a $314 billion or 55% fall in passenger revenues.

<table>
<thead>
<tr>
<th>Region of airline registration</th>
<th>RPKs 2020 (vs 2019 year-on-year change)</th>
<th>Passenger revenue $ billion 2020 vs. 2019 levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>-50%</td>
<td>-113</td>
</tr>
<tr>
<td>North America</td>
<td>-36%</td>
<td>-64</td>
</tr>
<tr>
<td>Europe</td>
<td>-55%</td>
<td>-89</td>
</tr>
<tr>
<td>Middle East</td>
<td>-51%</td>
<td>-24</td>
</tr>
<tr>
<td>Africa</td>
<td>-51%</td>
<td>-6</td>
</tr>
<tr>
<td>Latin America</td>
<td>-49%</td>
<td>-18</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td><strong>-48%</strong></td>
<td><strong>-314</strong></td>
</tr>
</tbody>
</table>

Note: This assumes, as in the previous impact assessment, that the domestic lock-down lasts 3 months, until the end of Q2. But international travel restrictions are assumed in this assessment to be reduced more slowly, with only 50% of pent-up international RPKs recovered by Q4 (after reduction due to recession impact).

Source: IATA Economics
Contacts

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www.iata.org/economics