

COVID-19

Updated Impact Assessment

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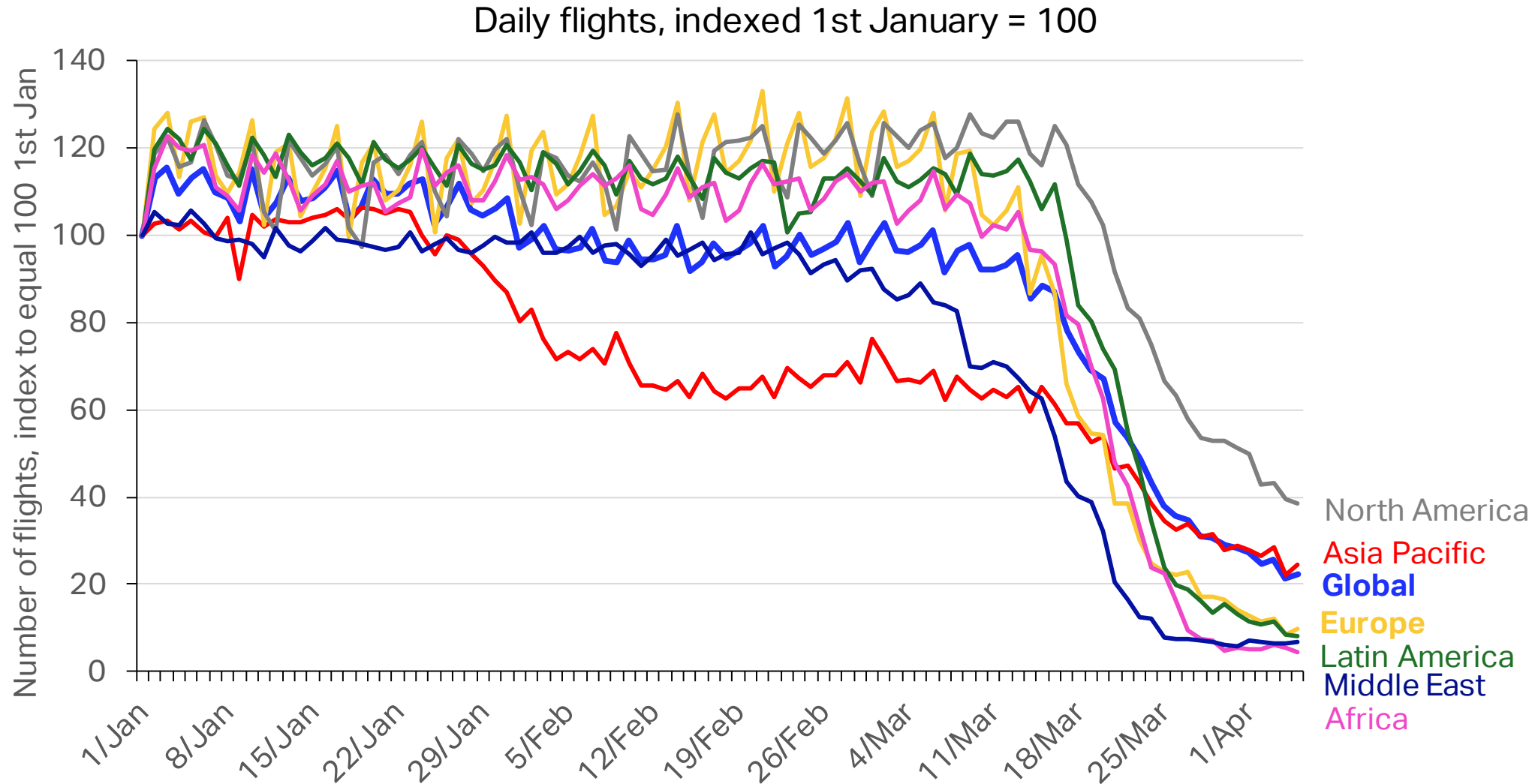
Three weeks ago we estimated this COVID-19 impact

Based on a 65% fall in worldwide flights in March, economic recession forecasts at the time, and a relaxation of travel restrictions through H2

Region of airline registration	RPKs 2020 % yoy	Passenger revenue \$ billion 2020 vs. 2019 levels
Asia-Pacific	-37%	-88
North America	-27%	-50
Europe	-46%	-76
Middle East	-39%	-19
Africa	-32%	-4
Latin America	-41%	-15
Industry	-38%	-252

Worldwide flights now down almost 80% by early April

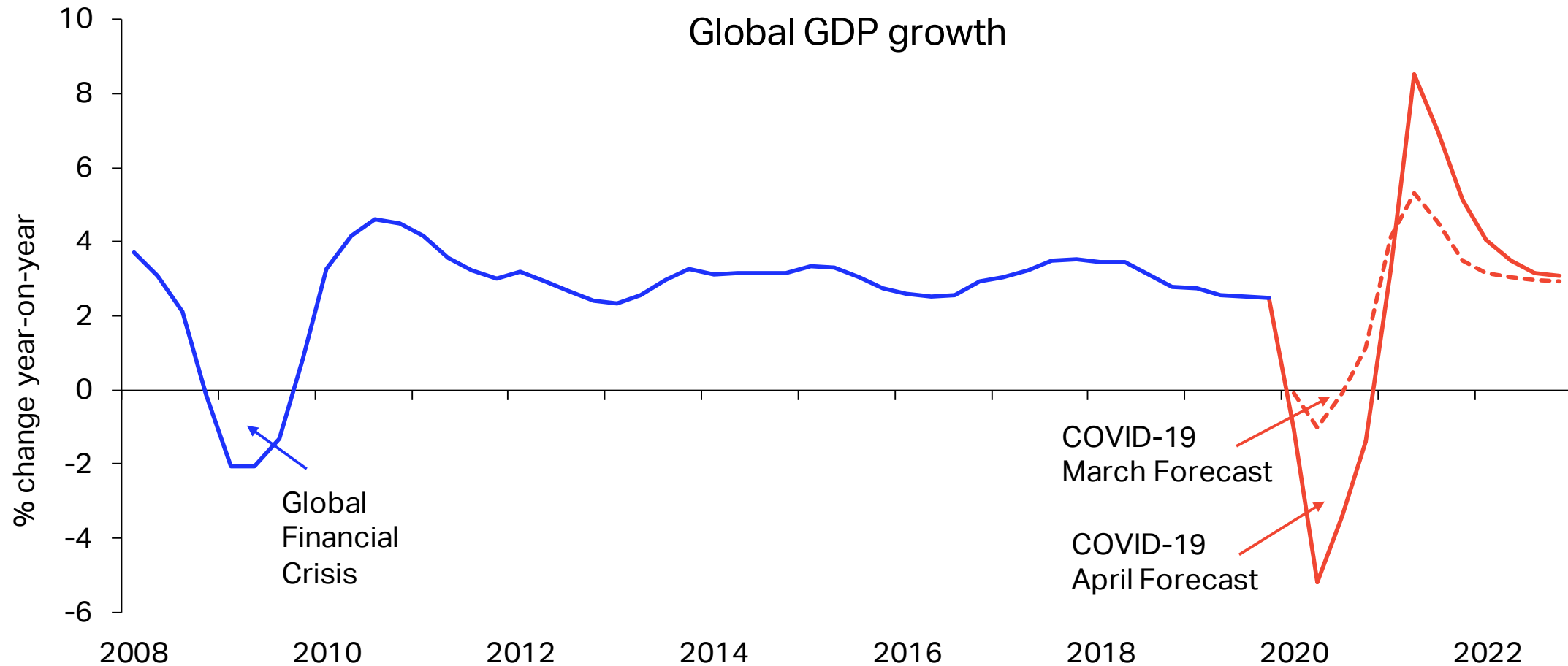
Industry virtually grounded outside US and Asia domestic markets



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

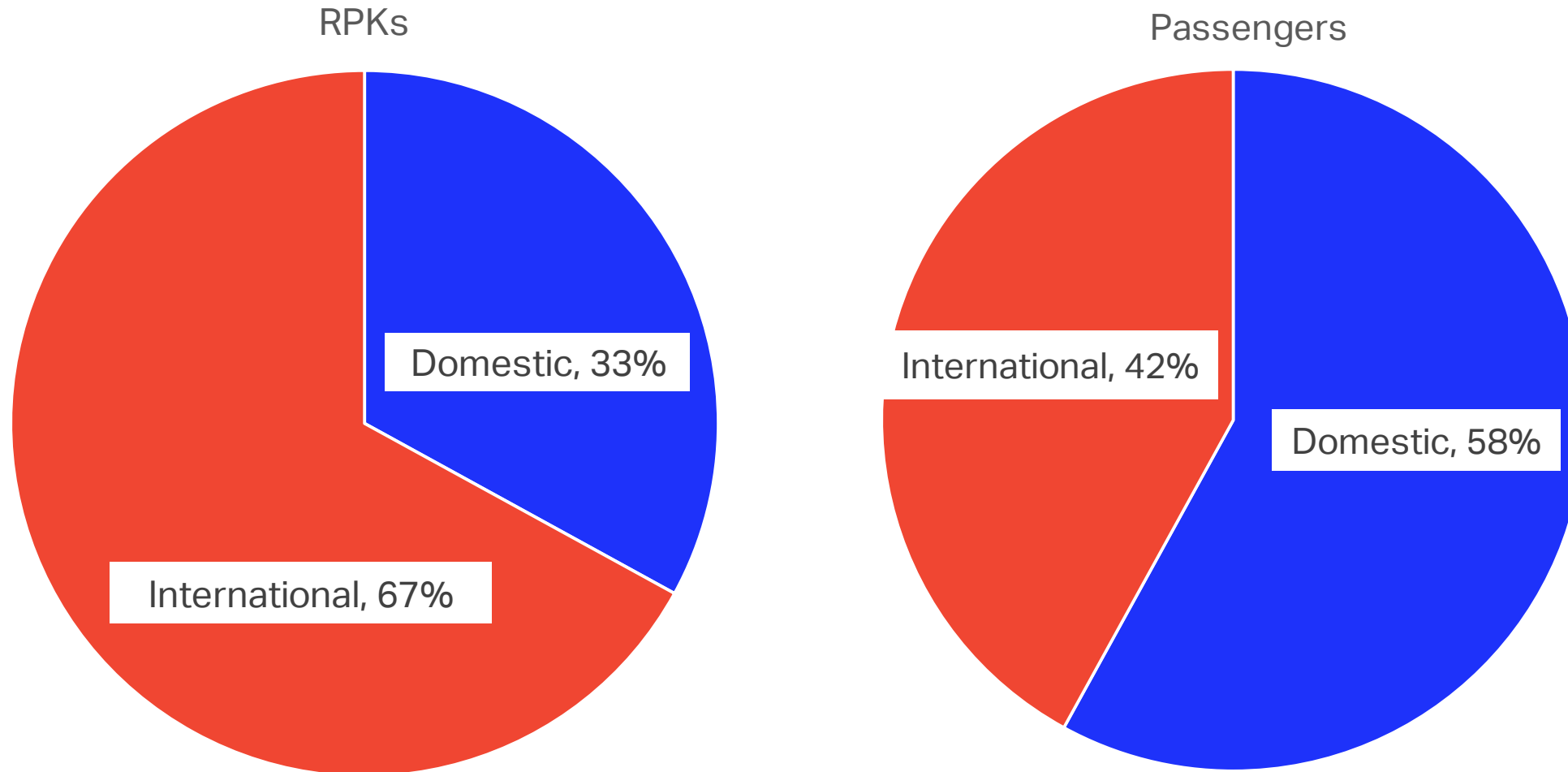
Economists' revised forecasts expect output loss twice as large as GFC



Post lock-down return to air travel likely to be in stages

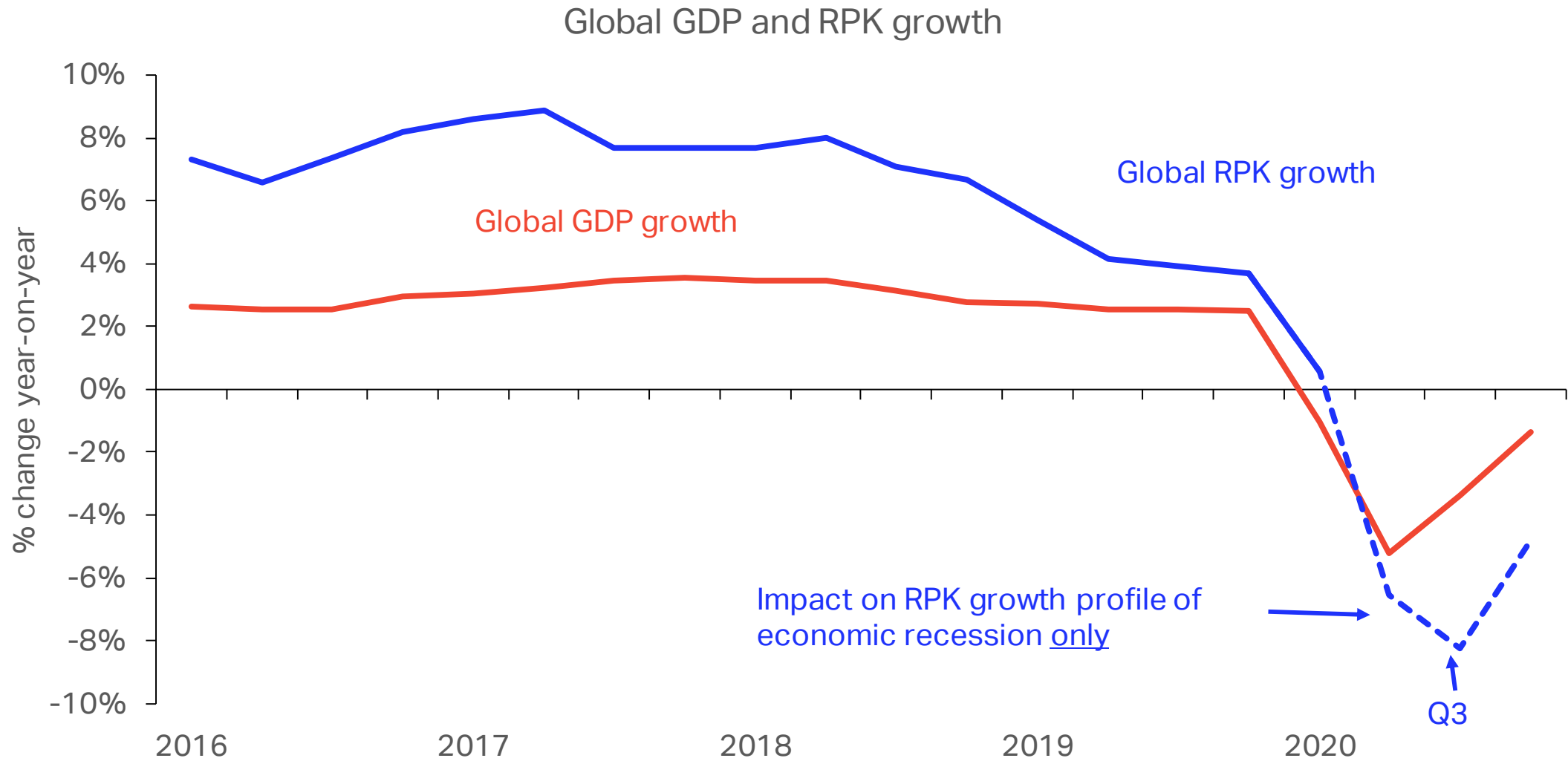
We assume domestic markets open in Q3 but international slower to open

Share of global air travel in 2019



Recession alone would push global RPKs down 8% in Q3

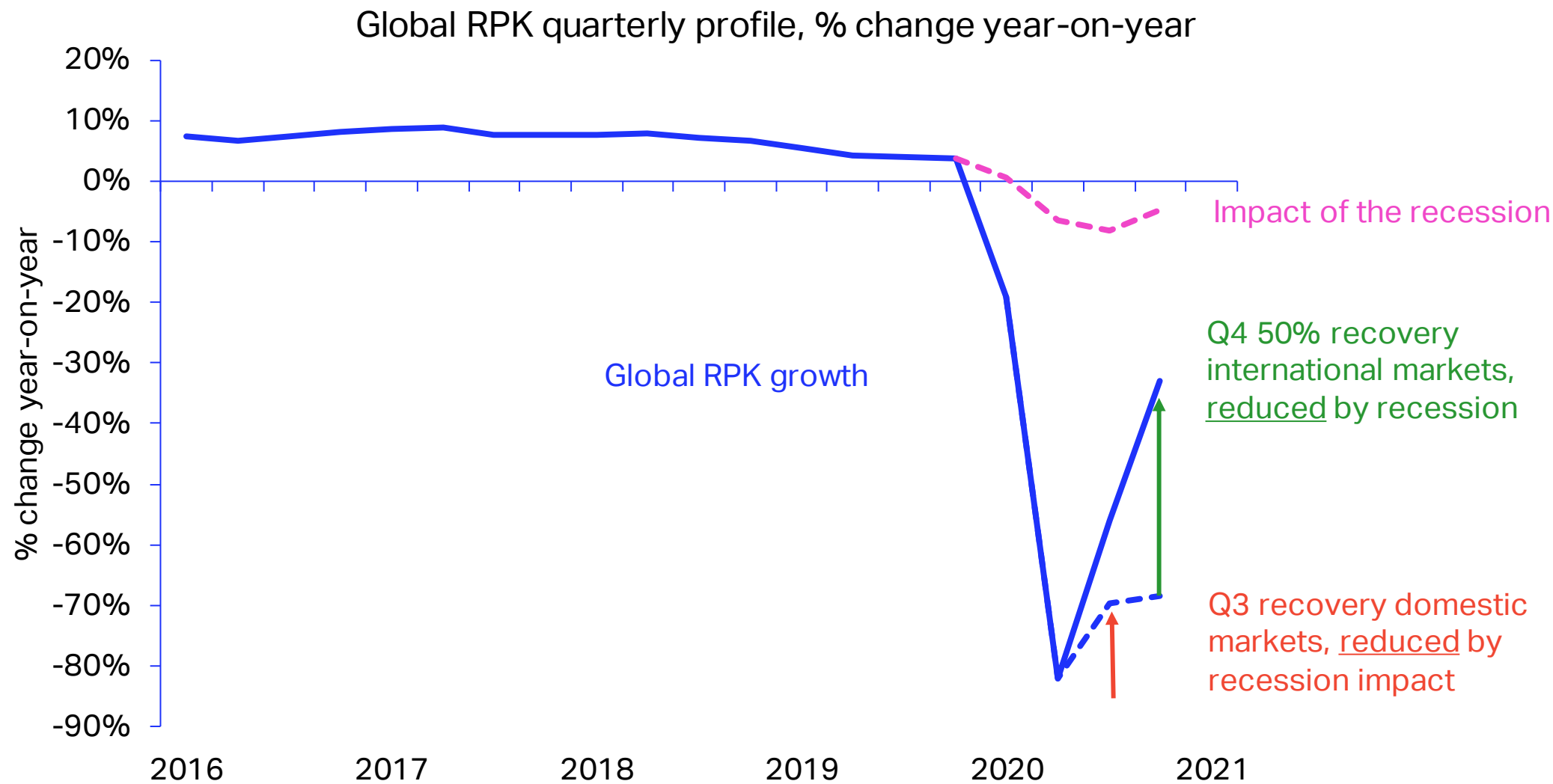
This excludes the travel restrictions and confidence effects of COVID-19



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



That implies a halving of global RPKs in 2020

With lower yields that means a \$314 billion or 55% fall in passenger revenues

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

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).

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