

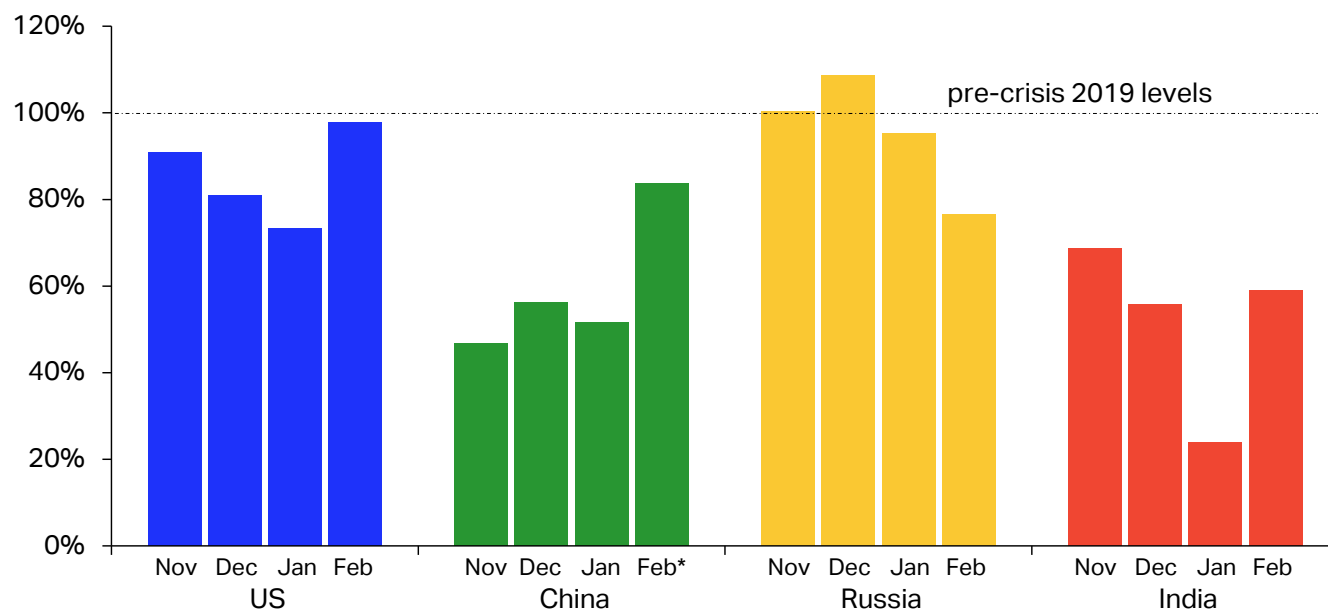


IATA Economics' Chart of the Week

18 February 2022

Domestic ticket sales lend support to cautious optimism

**Domestic ticket sales for future travel at any point in time,
% of the same month in 2019**



*adjusted for the timing of Chinese New Year, 1-9 Feb 2022 compared with 5-13 Feb 2019

Source: IATA Economics using DDS data, February ticket sales as of 9 February

- The four largest domestic markets saw their combined share of total traffic rise substantially during the crisis (50% of global passenger numbers in 2021 versus 34% in 2019). This means that their recovery from the Omicron wave will help to shape the industry-wide performance.
- Comparing forward bookings made between November 2021 and early February 2022 in these domestic markets with the same period in 2019, we can see that ticket sales rebounded in the US, China and India in early February after previous weakness caused by Omicron disruptions to demand, capacity and labour force. Since travellers tend to book closer to the travel date amid pandemic uncertainty, the increase in bookings bodes well for actual traffic volumes in February and March. The US has been the strongest performer with ticket sales for all future travel reaching 98% of 2019 levels in early February. In China, bookings were suppressed for several months (56% of 2019 levels on average) due to strict restrictions aimed to contain localized COVID outbreaks and avoid pandemic escalation ahead of the Olympic games. However, in February they rose to 84% of 2019 levels, in part thanks to increased travel demand around Chinese New Year celebrations that started on 1 February.
- Russia's domestic market has been the main outlier, with ticket sales made in February significantly weaker than in the November-January period. This can be partly explained by different timing of the Omicron wave. While in the US and India, cases have been falling from their January peak, the pandemic continues to escalate in Russia.
- To summarize, the recent rise in domestic bookings in three of the four key domestic markets gives a reason for cautious optimism about the near-term recovery in global domestic traffic. However, the evidence from Russia shows that the traffic improvement will not be broad-based across all markets. Moreover, it remains unclear how strong passenger traffic in China will be once Chinese New Year celebrations are over.

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