

COVID-19

Downgrade for global air travel outlook

Brian Pearce

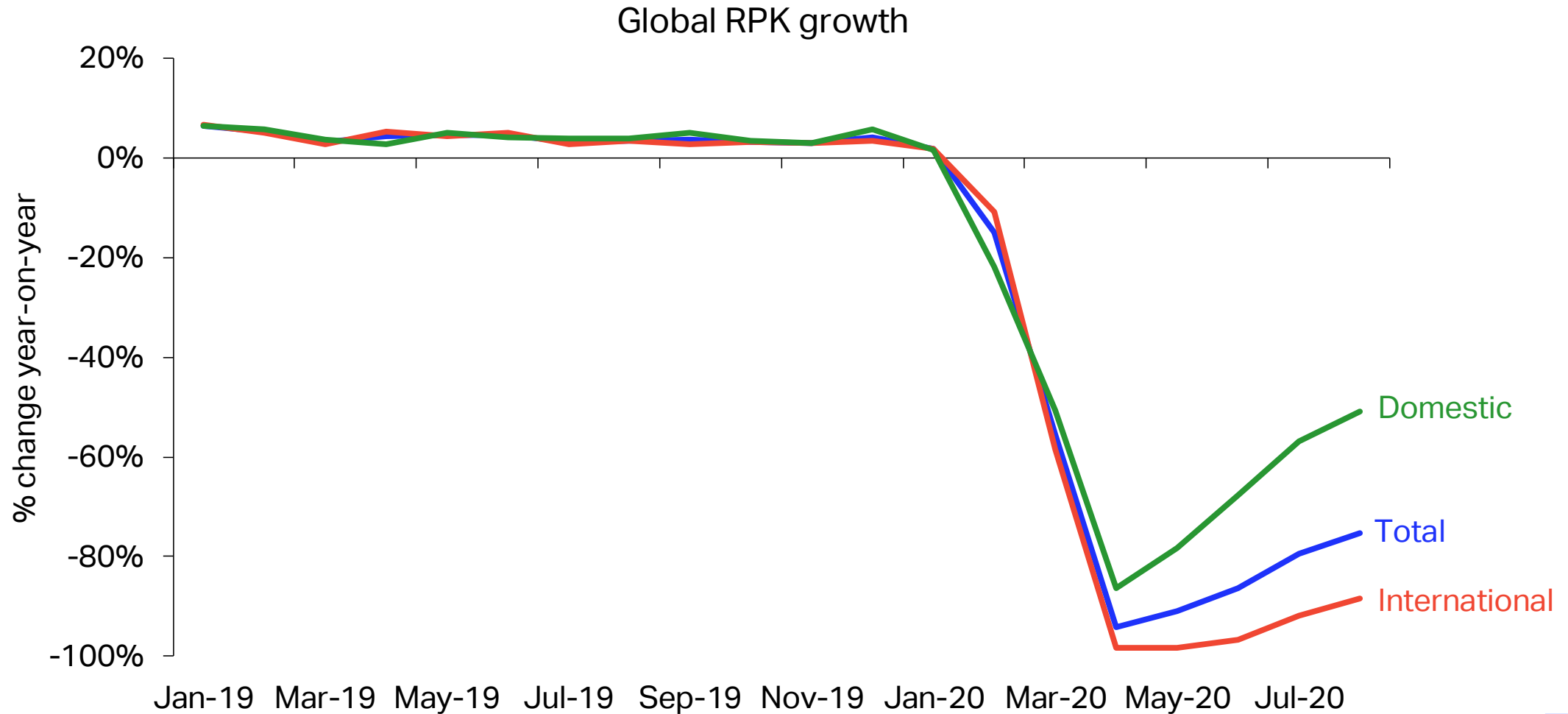
Chief Economist

29th September 2020



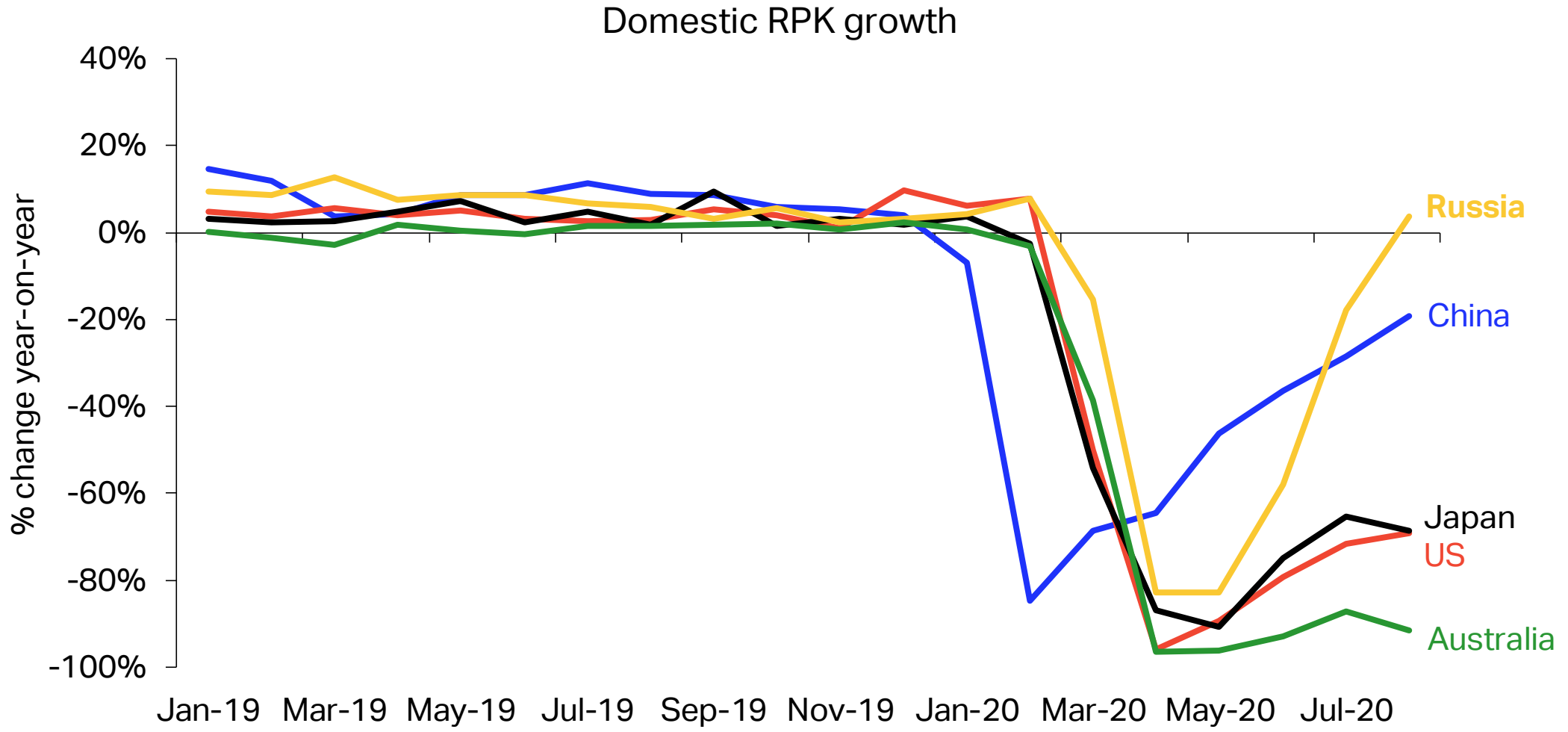
Pace of air travel recovery slowed in August

Continued weakness on international markets holding back recovery



Huge variations on domestic air travel markets

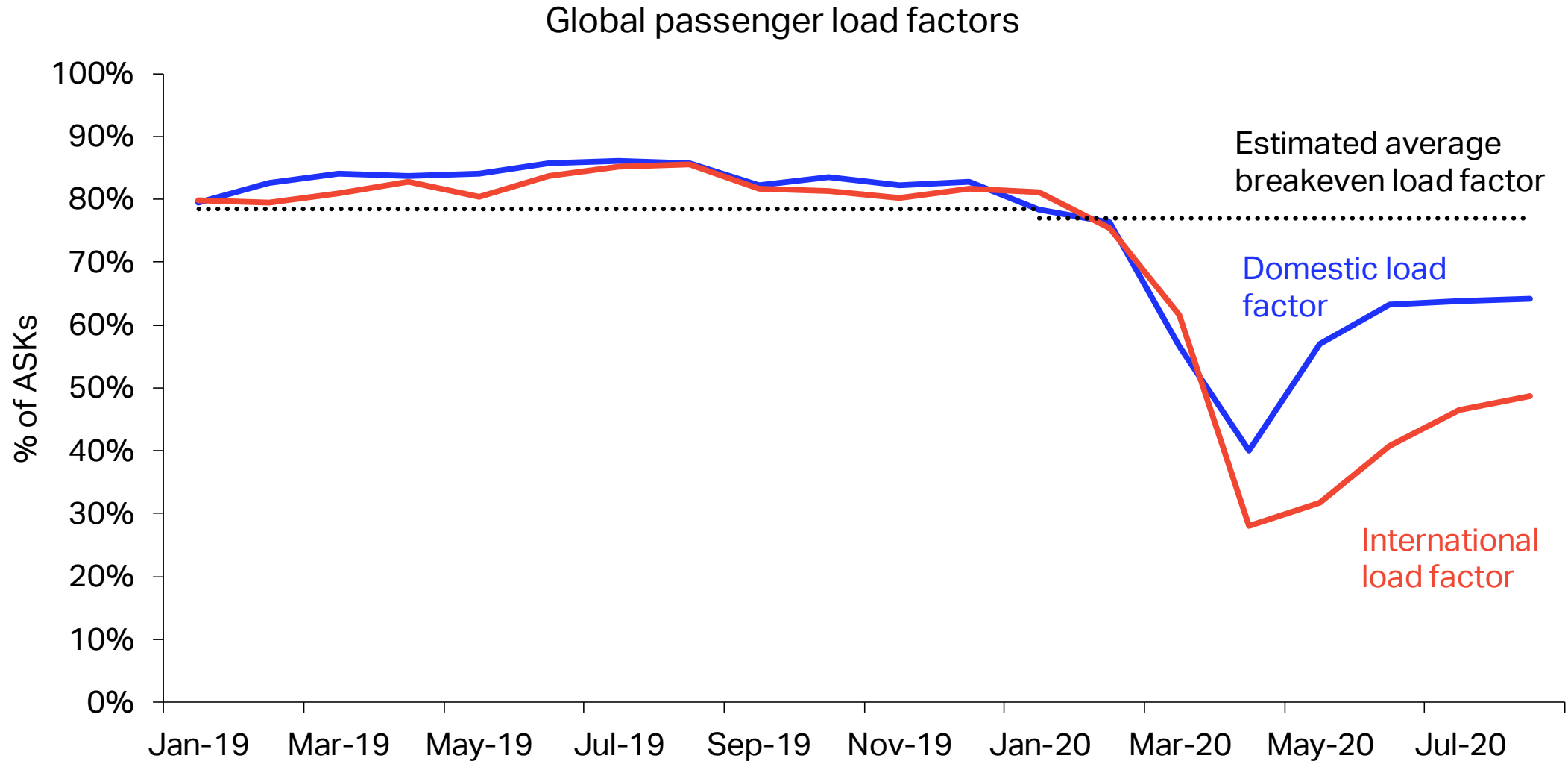
Russia recovered pre-crisis levels, while Australia remains grounded



Source: IATA Economics analysis based on data from IATA Statistics

Load factors remain well below breakeven

Airlines need to boost load factors to stop burning through cash

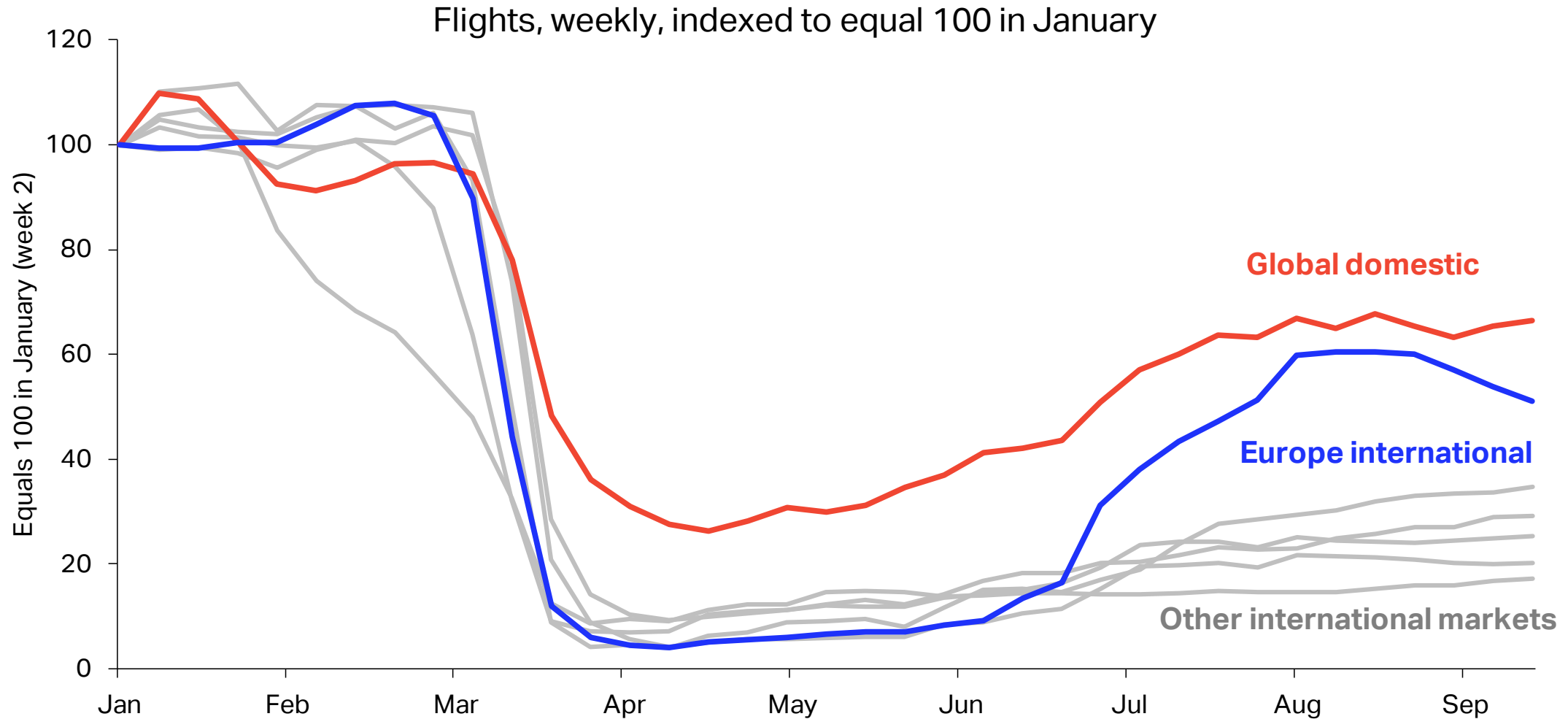


Source: IATA Economics analysis based on data from IATA Statistics



Air travel growth stalled in mid-August and September

Rising COVID-19 cases stopped further progress



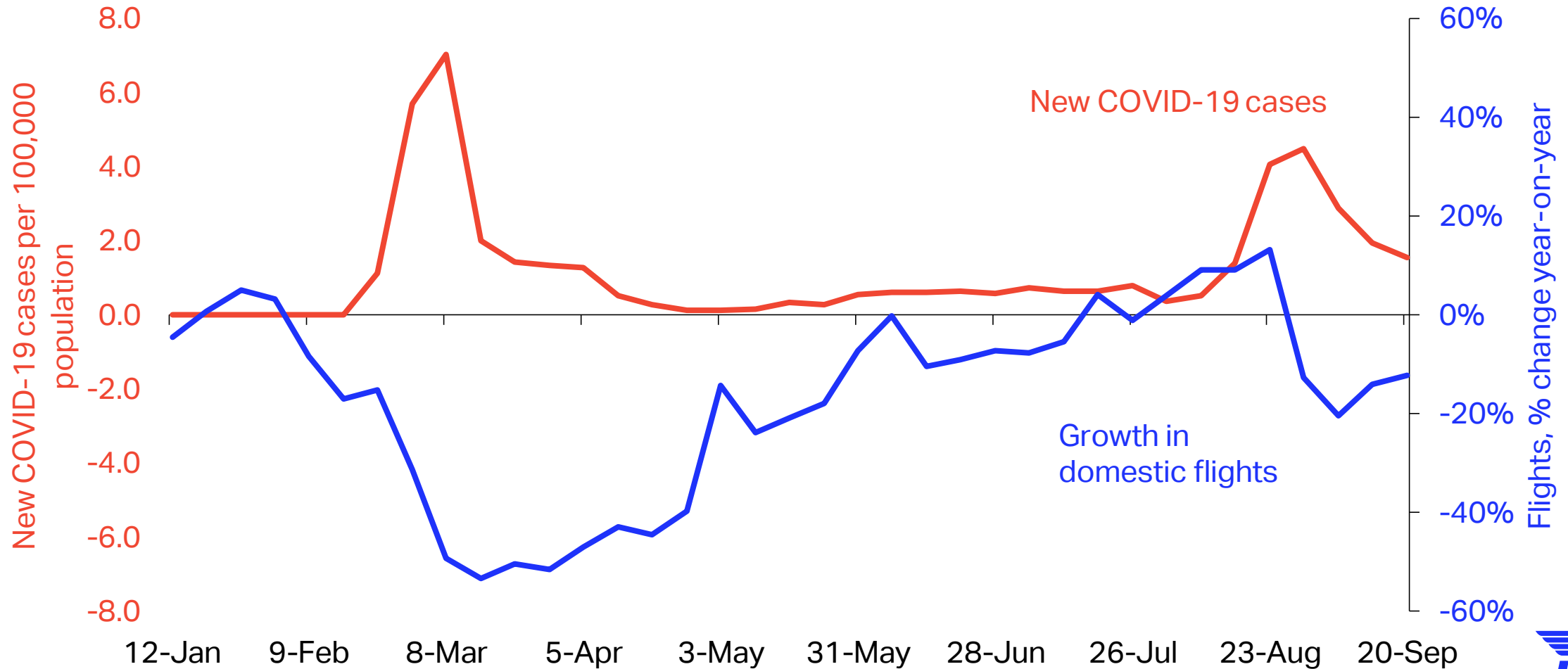
Source: IATA Economics analysis based on data provided under license by FlightRadar 24



Even domestic markets sensitive to COVID-19 profile

2nd waves COVID-19 cause travel restrictions and damage confidence

Korea domestic air travel market

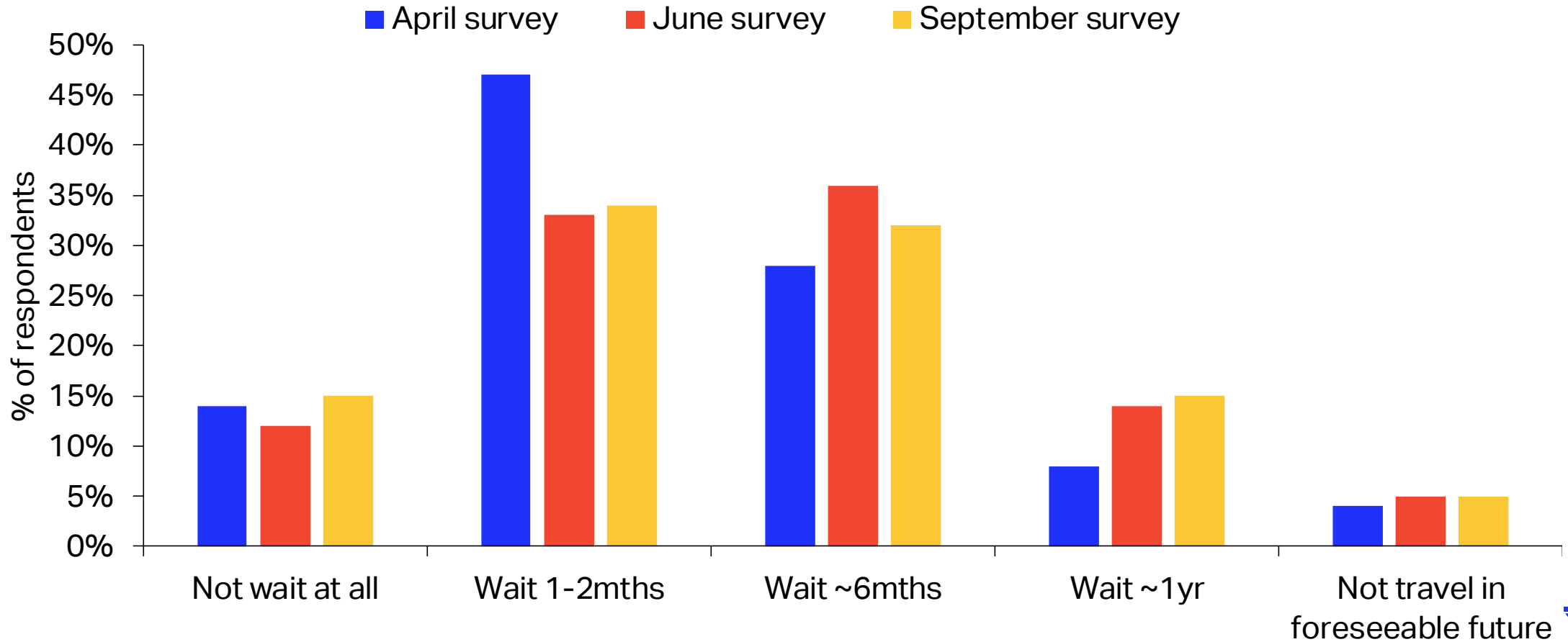


Source: IATA Economics analysis based on data provided under license by FlightRadar 24, WHO

There is a willingness to fly, but only 50% in 2020

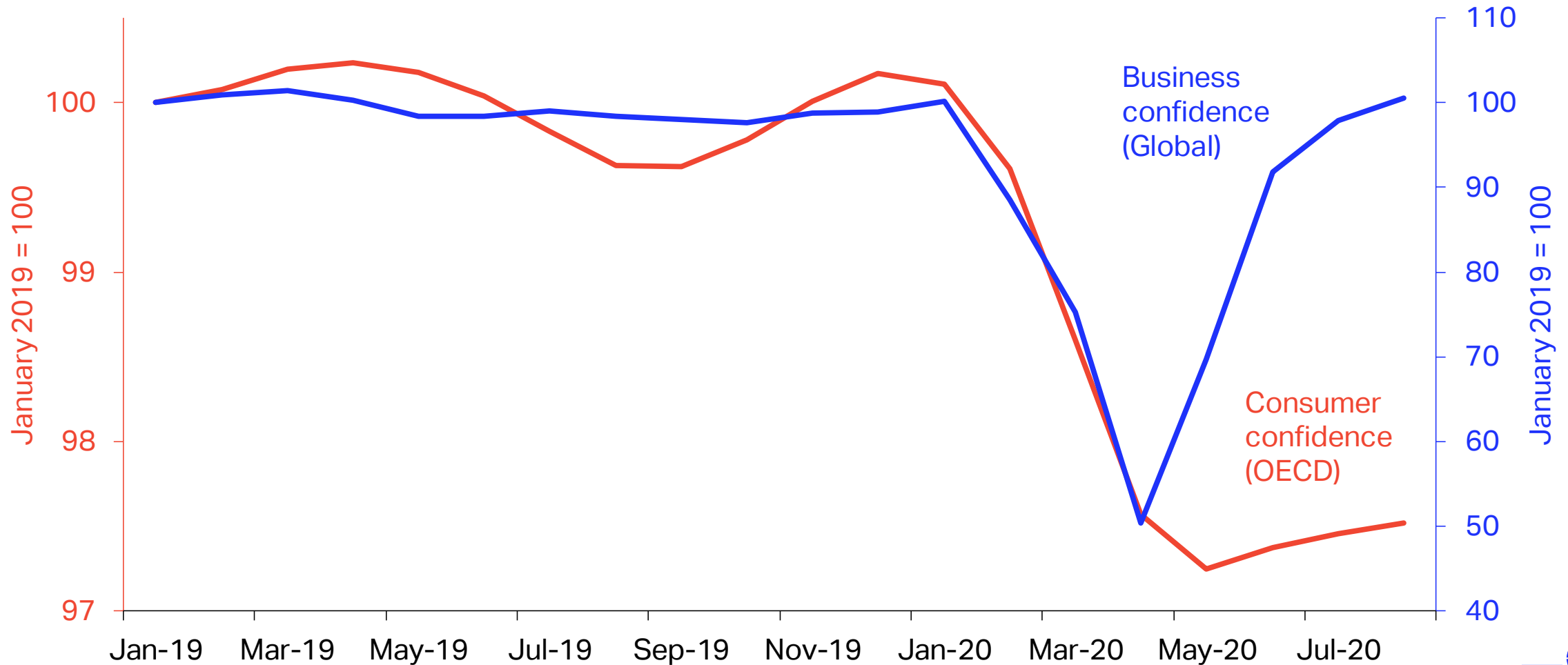
Consumer sentiment towards air travel did not improve in September

Survey question: When will you return to air travel?



Consumers also concerned about economic future

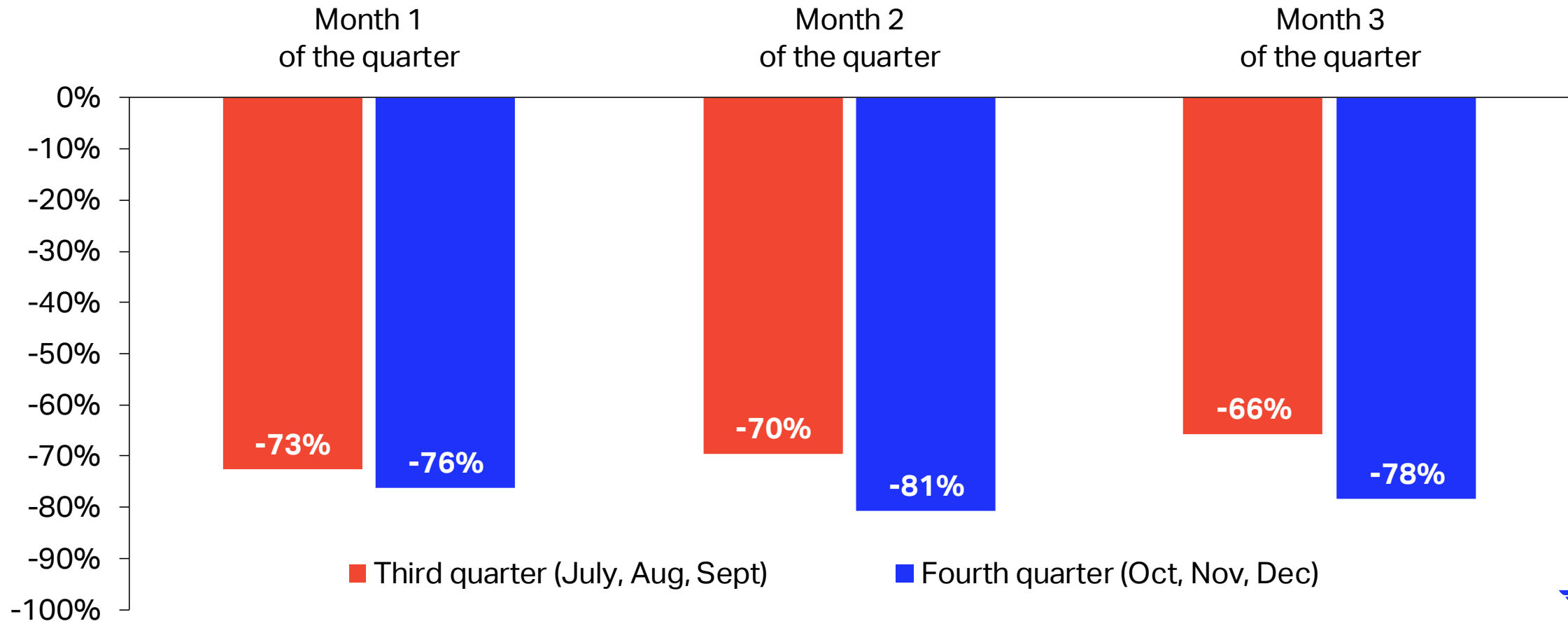
Business confidence recovered but job losses impacting consumers



Bookings data point to a weak fourth quarter for 2020

Comparison of bookings as of 10 days before start of the quarter ahead

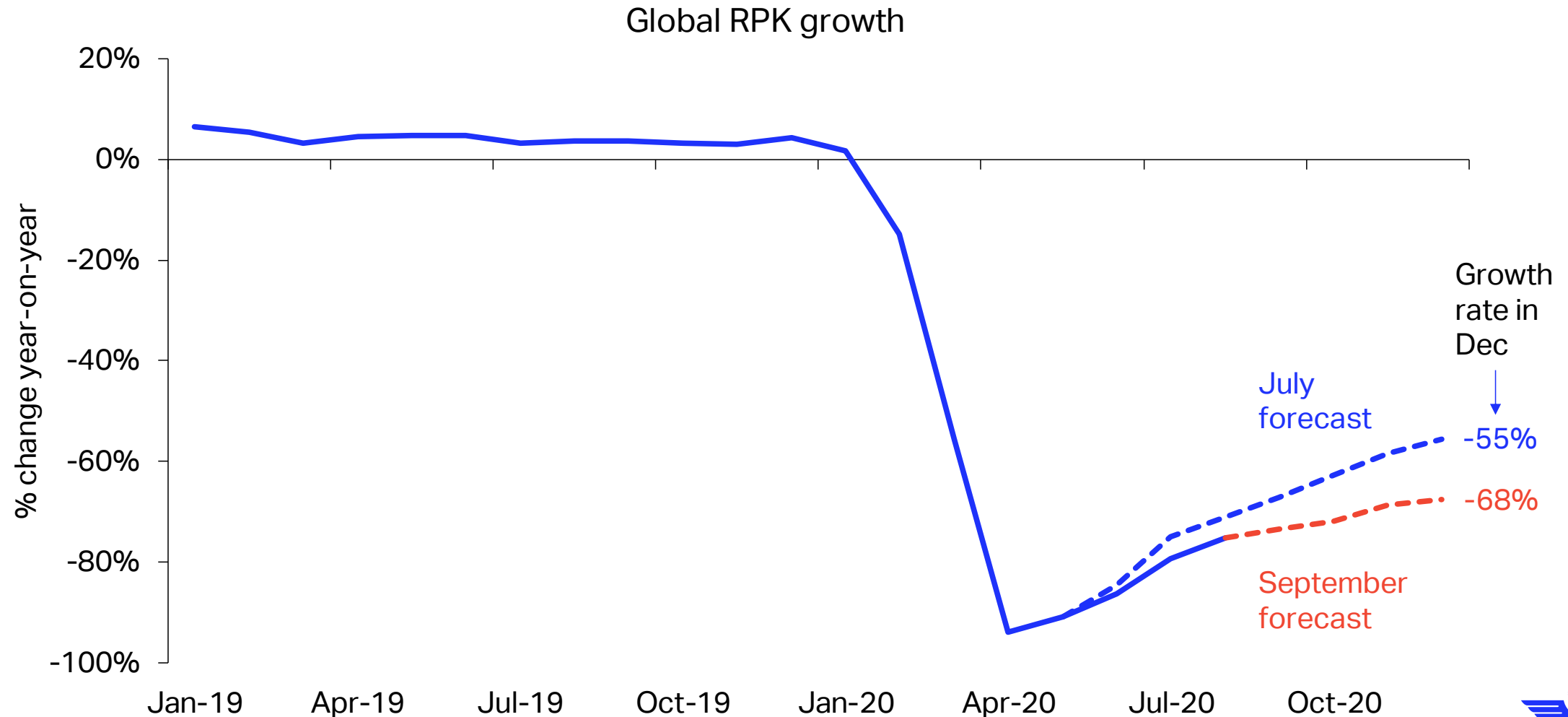
Forward Bookings for the Quarter Ahead
(% change vs the same period a year ago)



Source: IATA Economics using data from DDS

Air travel forecast downgraded for rest of this year

Slower growth to year end means 2020 avg. growth of -66% (was -63%)



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