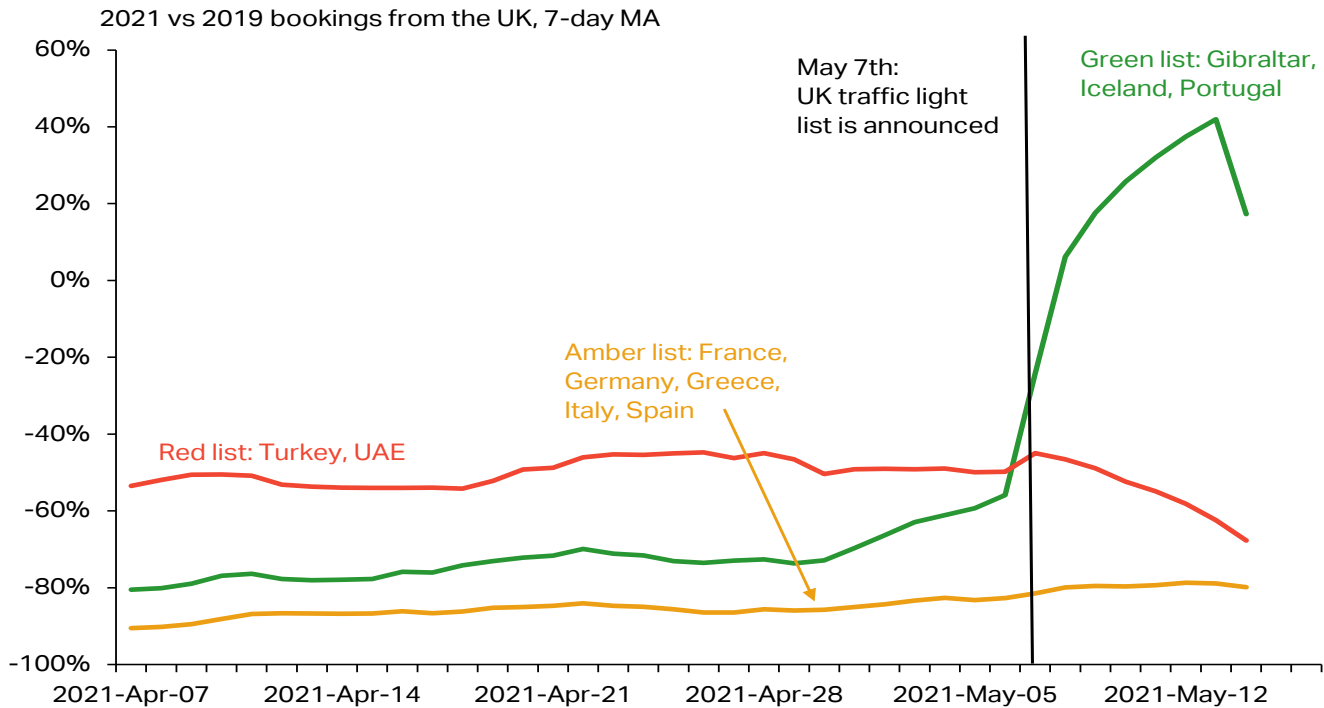




IATA Economics' Chart of the Week

21 May 2021

Europe summer travel awaits the green light



Source: IATA Economics using data from DDS

- As of May 17th, the United Kingdom has administered 84.5 vaccine doses per 100 inhabitants. Together with low new COVID cases, this has allowed the government to start lifting restrictions. A "Green list" of 12 territories to which travel without quarantine is allowed has been [published](#), initially on May 7th.
- The decision is critical mostly for European countries as long-haul travel is still restrained, For example, while Australia is on the green list, it remains off-limits from the UK as entry to Australia remains strictly controlled. The green line in the chart shows bookings from UK to Gibraltar, Iceland and Portugal. These leisure destinations represented ~6% of international Europe travel from the UK in 2019. Bookings to these countries made after the announcement rose significantly, c.40% above pre-crisis volumes.
- However, the "Amber list" and any moves from "Amber" to "Green" is crucial for the European summer recovery. Amber includes most of the main summer travel markets for the UK and the conditions of travel in Amber remain restrictive with a quarantine of 10 days – the five leisure destinations included in the chart amounted to 51% of international UK-Europe travel in 2019. Bookings to amber list countries stagnated at c.80% below pre-crisis levels after the announcement. Within the "Red list", bookings for travel to Turkey, as well the UAE – outside Europe but an important connecting market from the UK – declined after the decision was made.
- The strong increase in bookings for summer travel after the UK announcement illustrates that there is pent-up demand for travel. However, for the recovery suggested by the UK bookings to extend to other European markets, better cooperation between governments is necessary ahead of the approaching summer season. Airlines need transparency in order to plan their operations, and the stakes are high. In 2019, travel during the June-August period represented a third of total passenger revenues within Europe. Hence, securing those revenues will be important for airlines to limit losses.

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