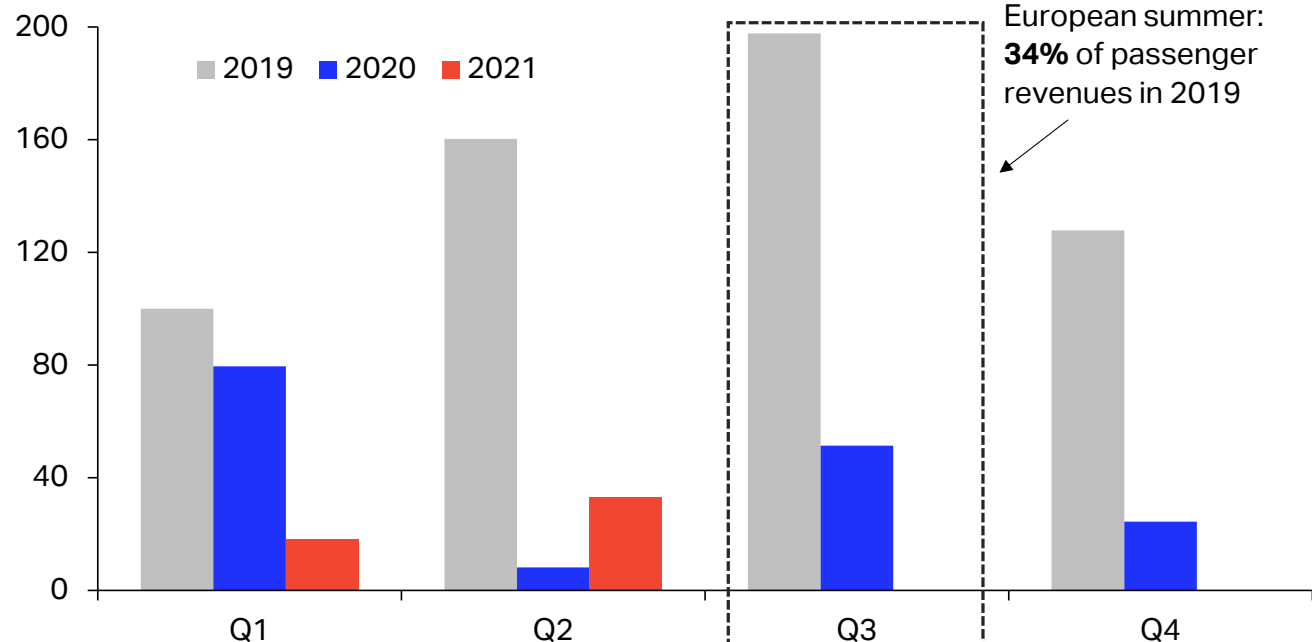


## European airlines: How important is summer travel?

### Passenger revenues\* - Within Europe

Indexed, Q1 2019 = 100



\*base revenues, excluding ancillaries and surcharges. Domestic & international included.

Source: IATA Economics using DDS data, May & June 2021 are estimated

- This week we published [Air Passenger Monthly Analysis](#) with May 2021 data where we showed that air travel sustained its recovery. Global revenue passenger-kilometres (RPKs) contracted by 62.7% vs. the pre-crisis period (May 2019) – an improvement on the 65.2% decline in April. However, the industry-wide picture hides differences across key regions. While North America was the best performer and Asia Pacific also fared better than the industry average (largely due to the US and China domestic recovery), Europe remained weak in May, with European RPKs down almost 80% vs. the pre-crisis levels.
- With most of the international travel still closed, European airlines need to rely on the recovery in the intra-European market where the borders have been slowly opening up. This week's chart shows that developments over the next months will be crucial in this market, since Q3 has historically represented a peak season and a key source of passenger revenues there (34% of the total in 2019). Note that year 2020 was different, with most revenues accumulated already in Q1 as the effects of the pandemic started to be felt only since February. Although there was an uptick in Q3 as some markets briefly reopened, passenger revenues were still ~75% below 2019 levels.
- For now, the bookings for intra-European travel indicate that summer 2021 should be better than the summer 2020, which is good news for European airlines' financials. However, there are still a lot of uncertainties. In our recent [analysis](#) we showed that although there is a significant pent-up demand for travel, it is extremely volatile depending on government policies. This means that travel restrictions need to be eased in order for airlines to utilize the pent-up demand this summer.