



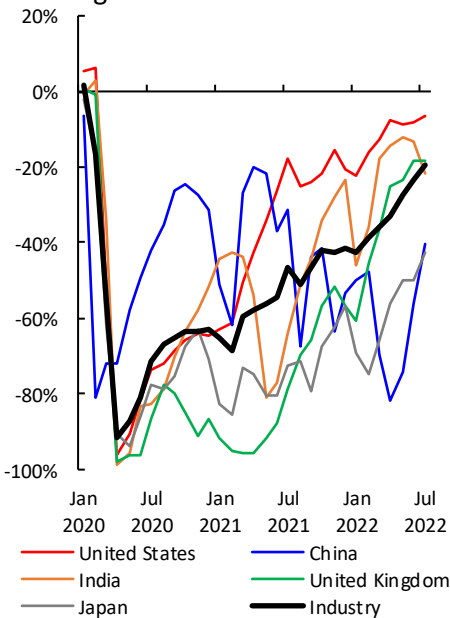
IATA Economics' Chart of the Week

7 October 2022

Hong Kong's reopening boosted bookings in one night

Panel A. Passenger traffic

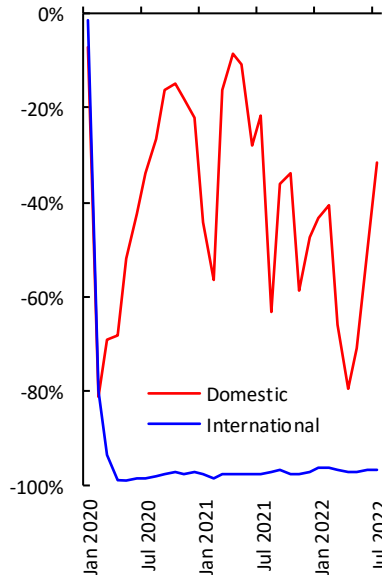
% change from 2019



Source: IATA Economics.

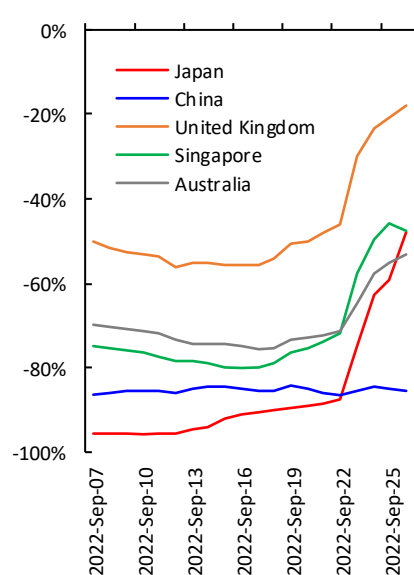
Panel B. China Passenger Traffic

% from 2019



Panel C. Ticket bookings from HK

(7 day MA, % from 2019)



- Total industry air passenger traffic (Panel A, black line) has seen a solid recovery since of the 2020 depth of the Covid-19 crisis. Among the five countries with the highest total air passenger traffic before the pandemic, the US is leading in the recovery, followed by India and the United Kingdom. China and Japan are the relative laggards as of July, a month during which both countries maintained restrictions on foreign visitors.
- In China, where a zero-Covid policy has been strictly imposed, domestic air passenger traffic experienced highs and lows following several waves of localized lockdowns in new pandemic hotspots. The lowest level of domestic travel was reached in April 2022 when Shanghai was locked down, at around only 20% of the pre-pandemic level. With stringent testing and quarantine requirements, international traffic has remained at extremely low levels since onset of the pandemic, representing a mere 2-3% of pre-pandemic levels as of July (Panel B).
- After more than two years of severe pandemic measures of its own, Hong Kong lifted quarantine requirements on 30 September. This followed Japan's announcement to reopen to foreign tourists one day prior, and these moves boosted ticket booking from Hong Kong to Japan dramatically, seeing them rise four-fold in one single night. Ticket bookings from Hong Kong to other top destinations, such as the United Kingdom, Singapore, and Australia, also increased sharply following Hong Kong's reopening, although they remain well below pre-pandemic levels (Panel C). As many of China's travel restrictions remain in place, tourism to and from mainland China is limited, and ticket bookings from Hong Kong to mainland China are still depressed, in stark opposition to the evolution elsewhere.
- The encouraging picture painted by this instant boost to travel in the wake of Hong Kong's decision is that as soon as China decides to follow suit, the country could quickly regain its position as the world's second-largest aviation market.

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