COVID-19
June data and revised air travel outlook

Brian Pearce
Chief Economist
28th July 2020
Air travel upturn continued in June but surprisingly weak

Global RPKs -86.5% yoy in June vs -94.1% at April low point

Source: IATA Economics using data from IATA Statistics and Markit Purchasing Managers Index
June upturn narrowly based on domestic markets
China domestic travel growing but little growth on international markets

Growth in RPKs by region of registration

Source: IATA Economics using data from IATA Statistics
Border restrictions have not yet been widely relaxed. The few travel corridors (e.g. EU) only source of international air travel.

Source: IATA Timatic (www.iatatravelcentre.com)
Load factors remain at all-time lows in most regions. June domestic load factors 62.9% but international only 38.9%.

*Data from 1990 onwards*

Source: IATA Economics using data from IATA Statistics
Traffic not growing as fast as airlines adding capacity
Cash burn continuing as load factors still below breakeven

Source: IATA Economics using data from IATA Statistics
Unexpectedly weak demand a growing restart problem
Airline flights and schedules show faster rebound expected

Global RPKs and ASKs, % change year-on-year

Based on bookings
Based on flights
Based on schedules

Source: IATA Economics using data from IATA Statistics, DDS, FR24 and SRS Analyser
Businesses are confident GDP growth will rise sharply
But business travel on hold so this will not be an immediate boost

Source: IATA Economics using data from Markit
Consumer confidence remains much weaker
Leisure travel unlikely to recovery without confidence restored

Source: IATA Economics using data from IATA Statistics
The outlook for global GDP could take different paths. We’ve explored optimistic and pessimistic scenarios for the economy.

Global GDP, US$ trillion, 2015 prices

- **Baseline forecast**
- **Faster vaccine/testing scenario**
- **2nd wave COVID + financial crisis scenario**

Source: IATA Economics using data from Oxford Economics Q2 Global Scenarios Service
RPK forecasts downgraded; 2019 regained only by 2024
75% growth now forecast for 2021 but RPKs still 36% below 2019 levels

Source: IATA/Tourism Economics ‘Air Passenger Forecasts’ July 2020
Contacts

economics@iata.org
www.iata.org/economics