

COVID-19

Passenger market remains weak while air cargo strengthens

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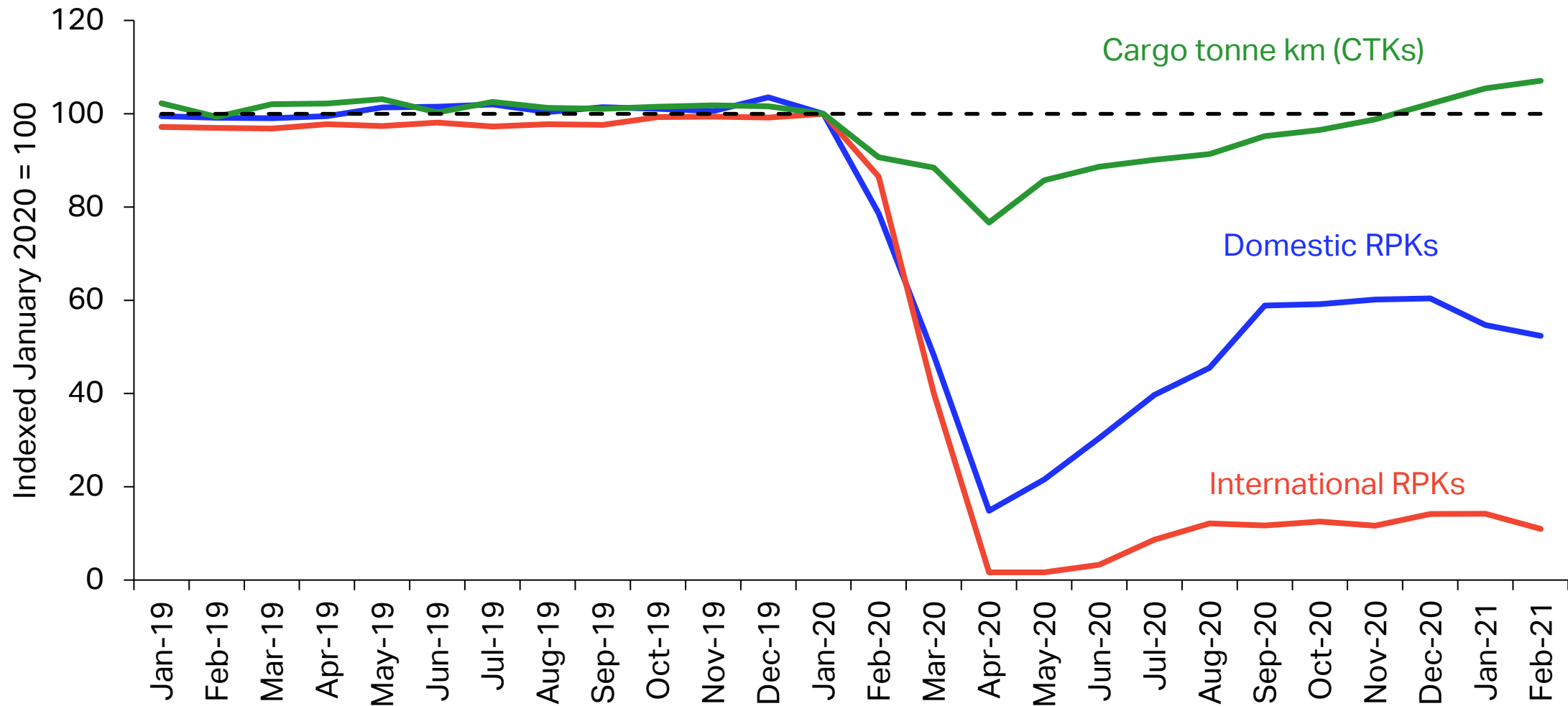
7th April 2021



Air cargo volumes strong but air travel shrinking again

International RPKs -88.7%, domestic RPKs -51%, CTKs +9% (all vs Feb19)

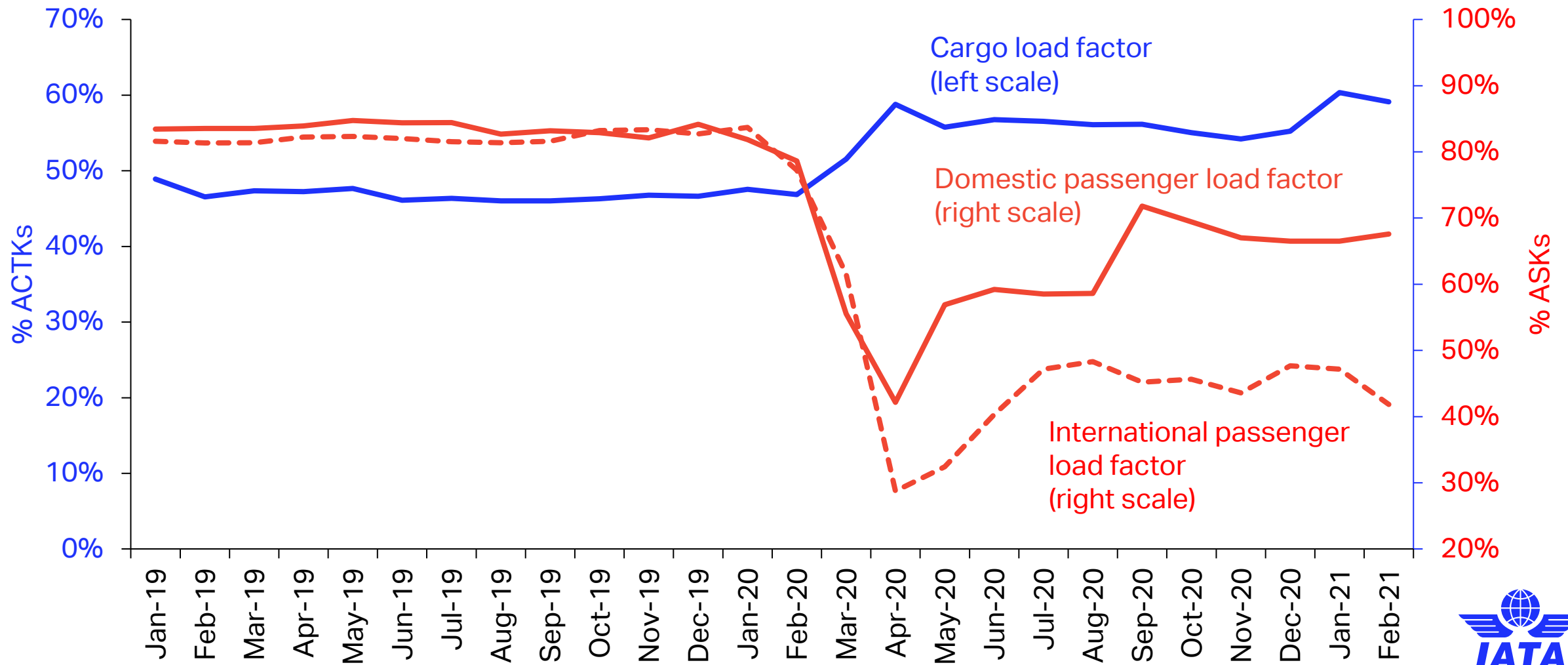
Cargo tonne km (CTK) and passenger km (RPK), Jan 2020 = 100



Airlines unable to stop cash burn with these load factors

Major problem for cash burn is sub-50% international pax load factor

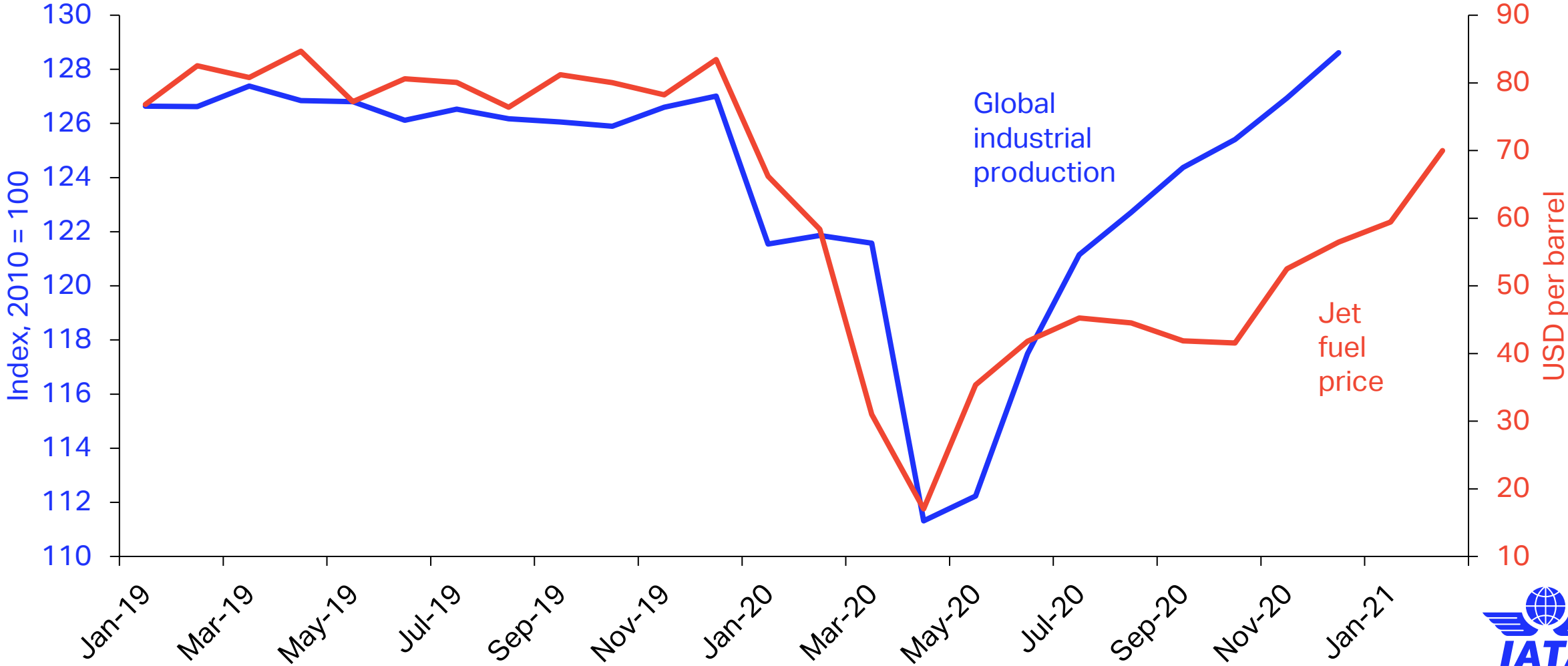
Passenger and cargo load factors, % of capacity



'V-shape' economic recovery has driven cargo demand

Global output back above pre-crisis levels but has pulled fuel costs up

Global industrial production and jet fuel prices

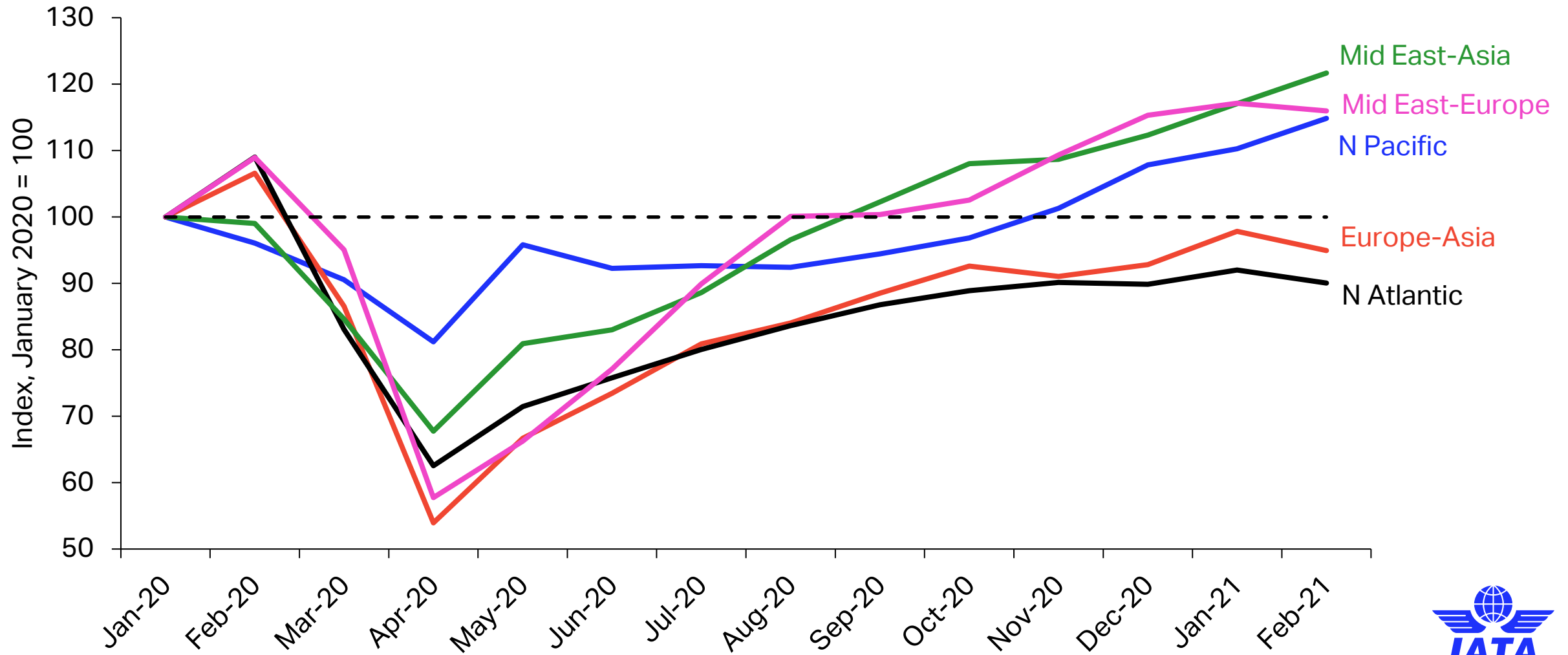


Source: IATA Economics using data from Refinitiv Datastream and Platts

But not all trade lanes are equally strong

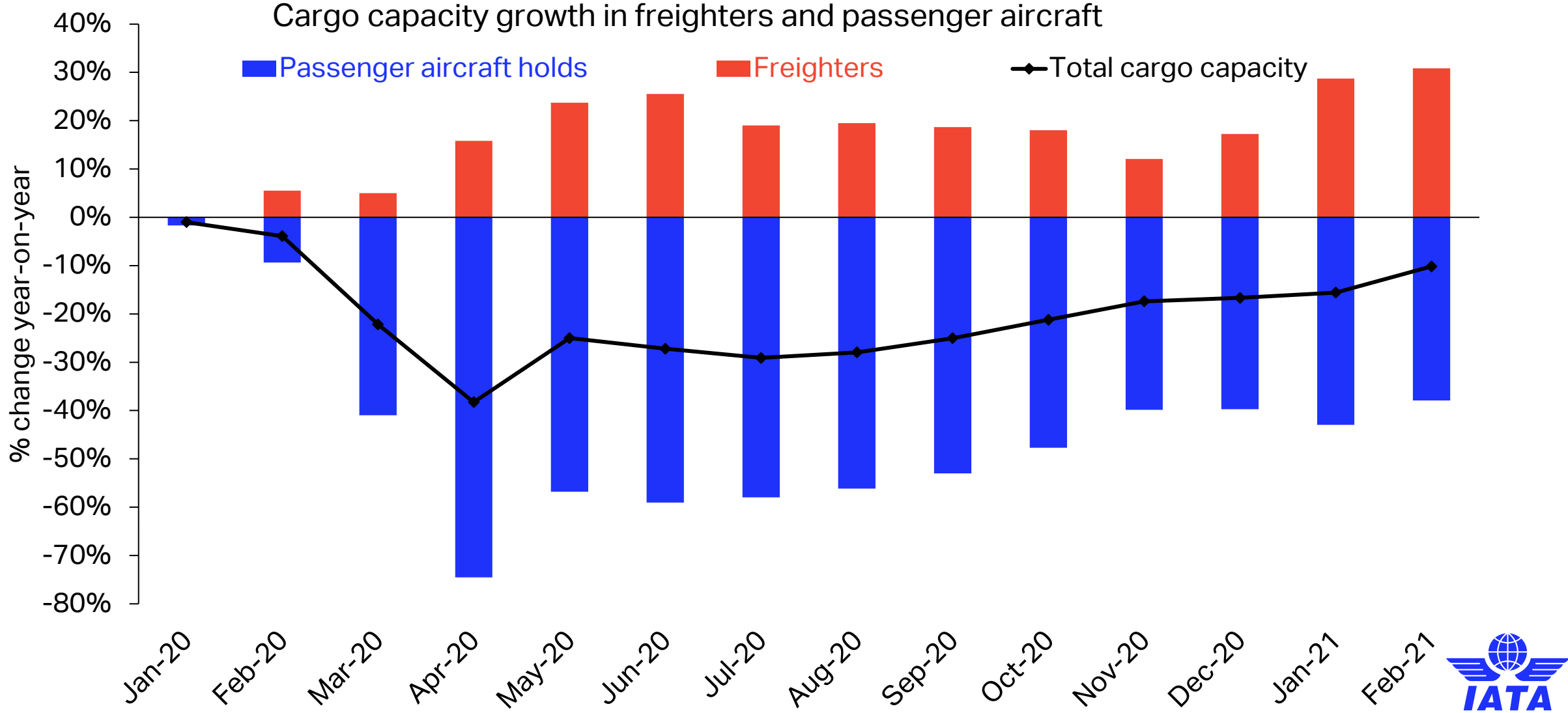
Strongest trade lanes between Asia & N America and over M East hubs

Cargo tonne km flown by major trade lane, indexed Jan 2020=100, segment basis



And cargo faces a continuing capacity shortage

Freighters highly utilized but much capacity in passenger fleet is grounded



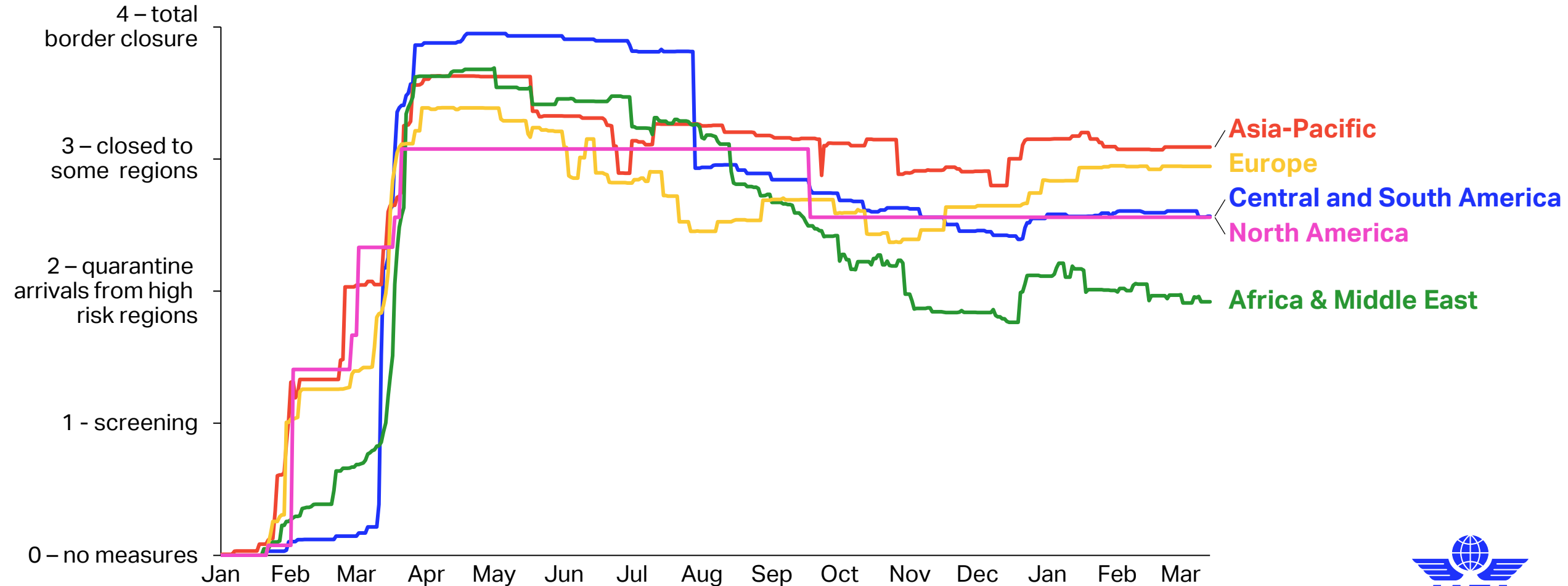
Source: IATA Economics using data from IATA Monthly Statistics



Wide-body passenger fleet still grounded by restrictions

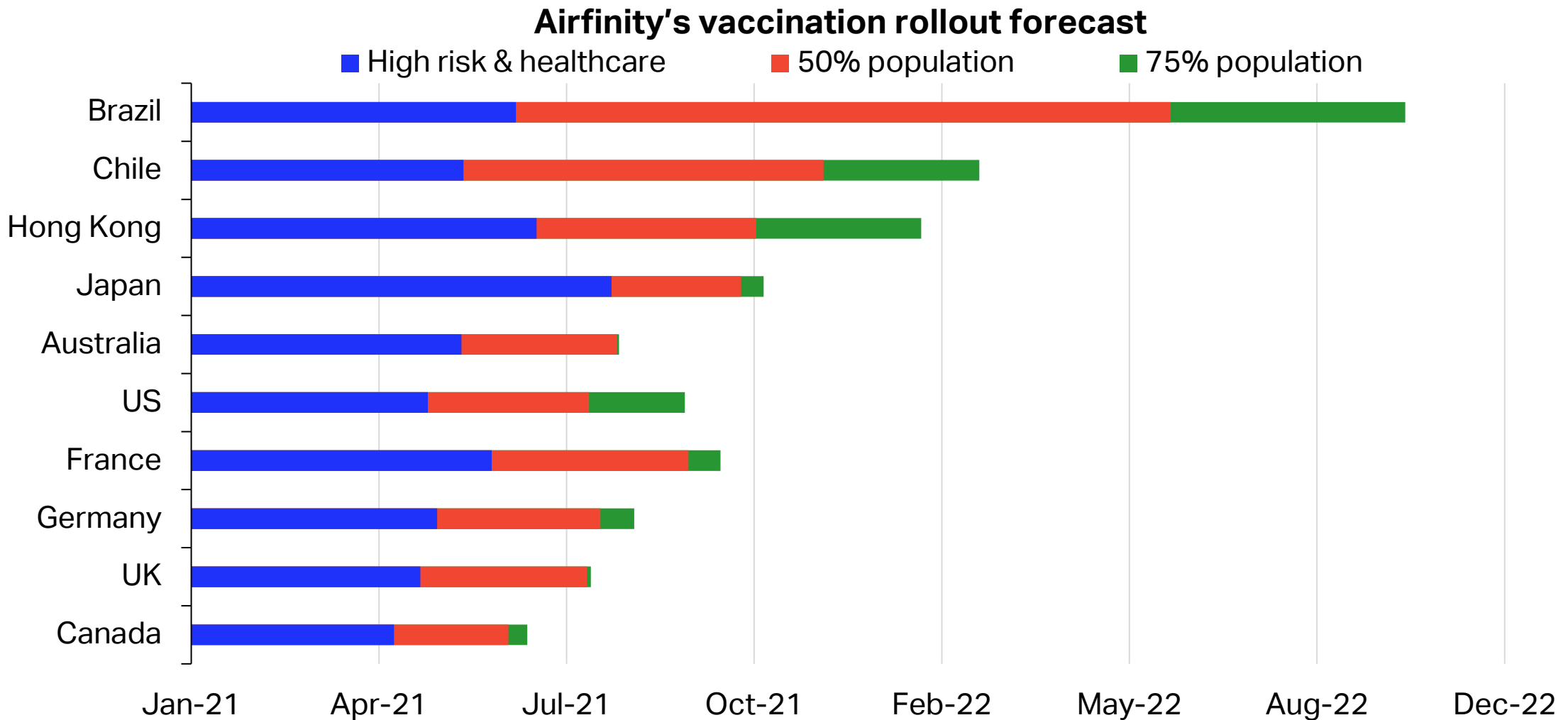
Travel restrictions tightened in January keeping international travel low

International travel stringency index weighted by population (Jan 2020-March 2021)



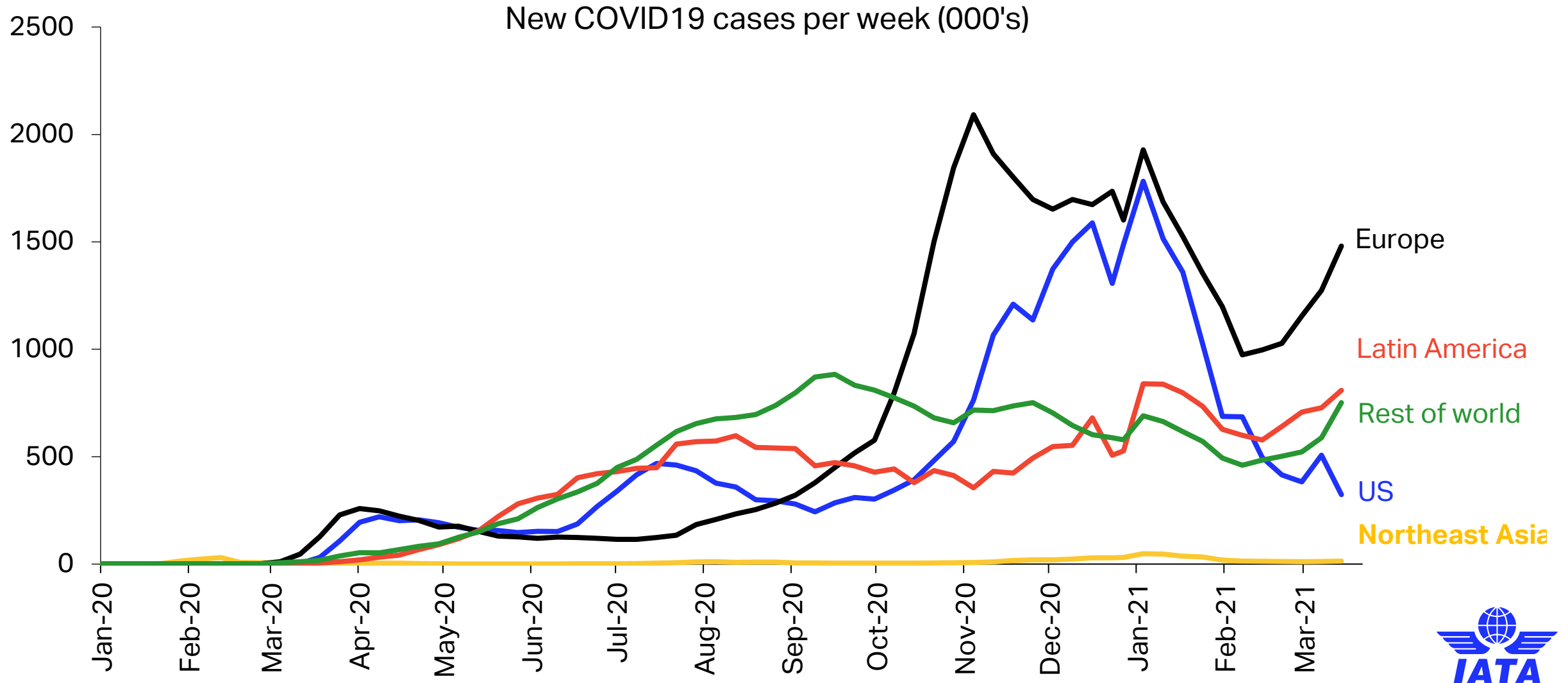
Vaccine rollout should allow some markets to open in H2

Widespread vaccination by mid-year only likely in advanced economies



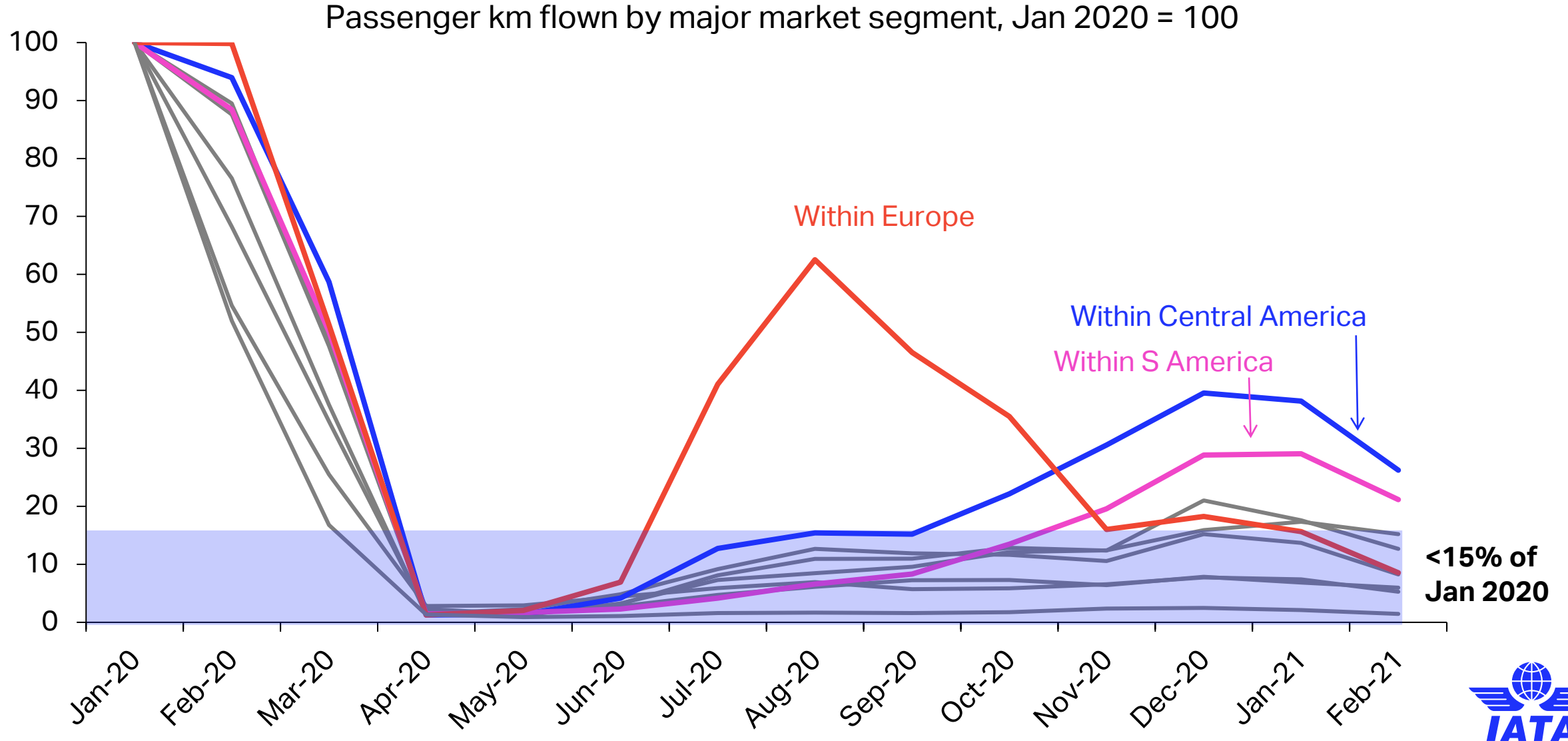
But virus control deteriorated ahead of wide vaccination

Virus variants difficult to control leading to even tighter travel rules



As a result international travel has worsened further

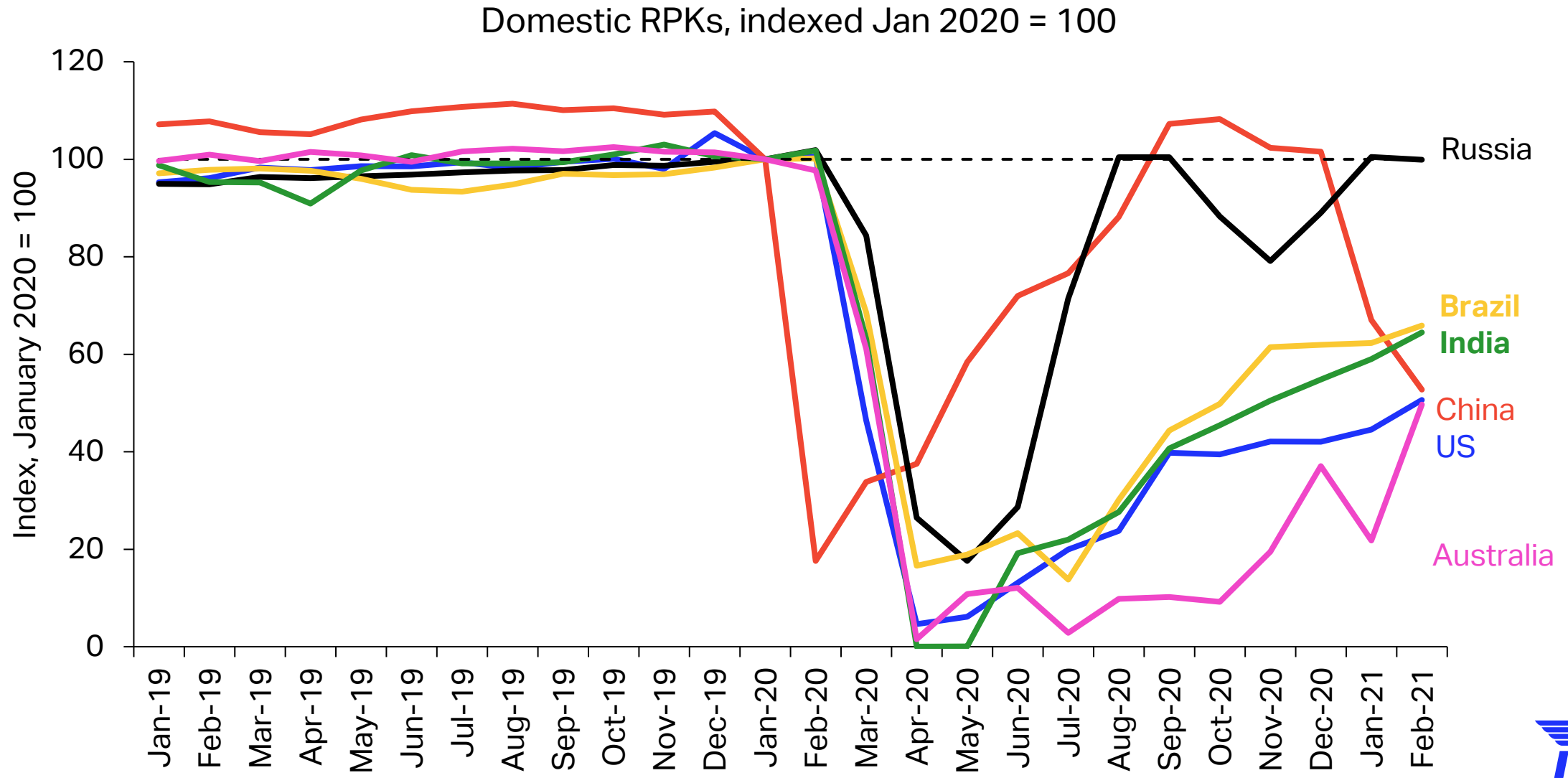
Majority of international air travel markets <15% of pre-crisis size in Feb



Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.

Domestic markets show pent-up demand but volatile

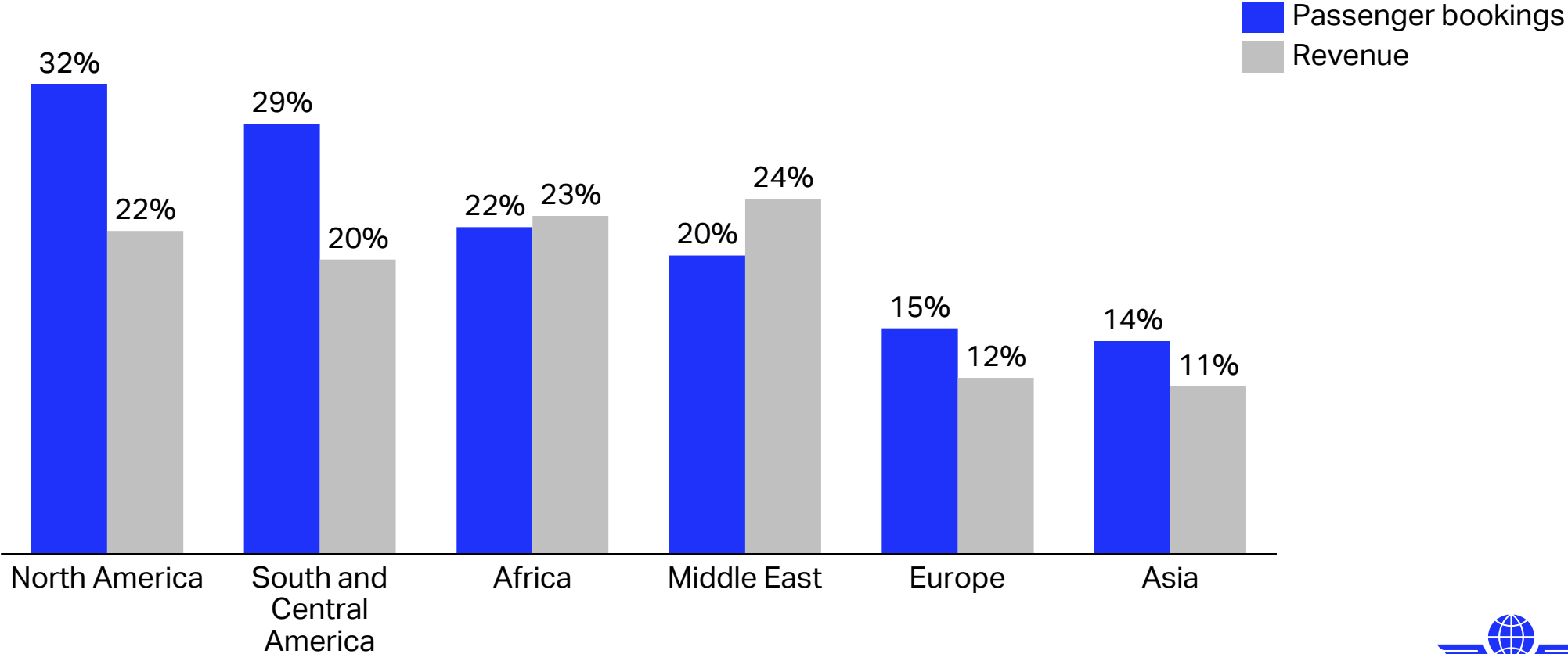
Russian market recovered but China halved (temporarily) & others slow



Bookings for critical (N) summer travel remain a concern

Wide variation from strong US domestic to weak Europe international

Net bookings for travel between May-September in 2021 as % of 2019, bookings made before 20 March each year



Source: IATA Economics calculations based on DDS data



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