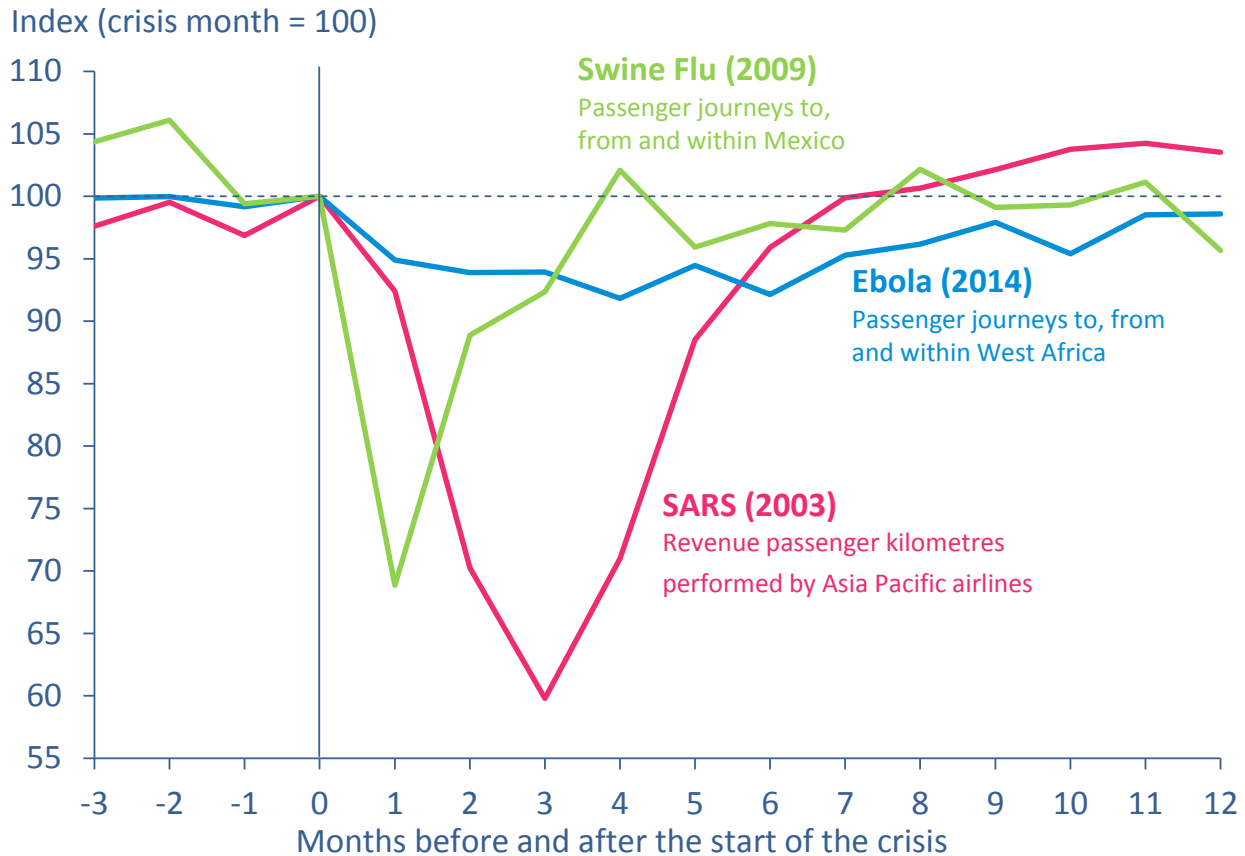




IATA ECONOMICS' CHART OF THE WEEK

5 FEBRUARY 2016

PASSENGER MARKETS HAVE PROVEN TO BE RESILIENT TO SHOCKS



Sources: IATA [Monthly Statistics](#), IATA [PaxIS+](#)

- Previous global health shocks have had big near-term impacts on air passenger traffic to and from the most affected countries and regions. Passenger traffic carried by Asia Pacific airlines fell by 40% in the months following the SARS outbreak in 2003, and Mexican passenger traffic plunged by over 30% in the immediate aftermath of Swine Flu too.
- Of course, such losses of business can take a heavy financial toll on airlines: we estimate that the knock-on impacts of the SARS outbreak to have cost Asia Pacific airlines \$6 billion in lost revenues over the course of 2003 (see [here](#)).
- Moreover, no two shocks are the same. The impact of Ebola on traffic was much shallower but longer lasting than in the cases of SARS and Swine Flu. (This largely relates to the fact that leisure traffic – which is more substitutable than business and government-related trips – is less important to the West African market than in the other cases.)
- However, the key point is that air passenger markets have proven themselves to be highly resilient to such shocks in the past (see [here](#) for detailed analysis on the resilience of the global passenger market). Indeed, as shown in this week's chart, passenger traffic typically tends to bounce back fully to its pre-shock level within six to nine months.

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