

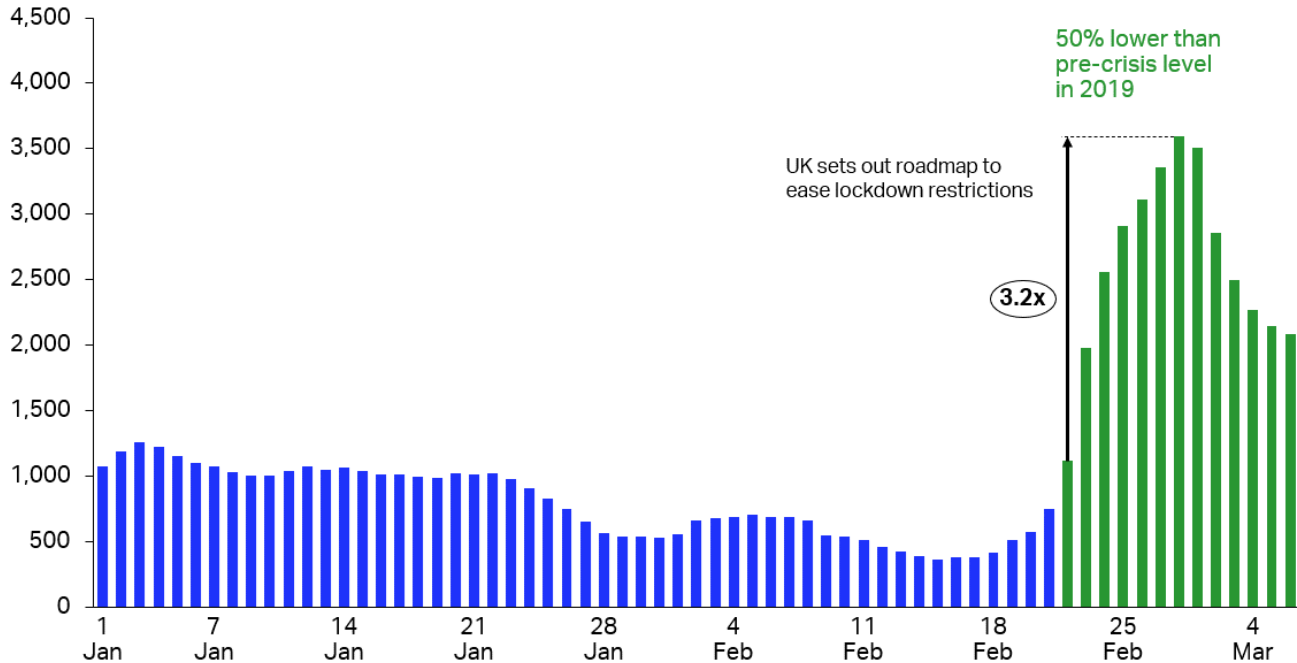


IATA Economics' Chart of the Week

12 March 2021

Setting roadmap brings optimism for summer travel recovery

Passenger bookings between the UK and Spain & Greece for July-August (7 day moving average)



Source: IATA Economics using DDS data

- In the [previous week's chart](#), we showed that travel demand deteriorated further in January, driven by a tightening of travel restrictions all around the world. Limited recovery in travel is possible starting March but both Q1 and Q2 will be weaker than expected at the beginning of this year. Hence, this makes the recovery in the summer period critical for the industry as airlines will continue to burn cash until a meaningful recovery is seen.
- Today's chart specifically looks at the bookings from UK to Greece and Spain for the summer period. Daily bookings from UK to Greece and Spain for summer period more than tripled following the news that UK set out a roadmap to ease lockdown restrictions. This illustrates there is a pent-up demand for travel despite uncertainties.
- [In our previous analysis](#), we identified two possible recovery scenarios for the second half of this year based on the progress in vaccination in the developed economies and the removal of travel restrictions. Scenario 1 assumed that travel restrictions will be lowered, following the vaccination of the healthcare and vulnerable populations, leading to a sharp rise in travel. Recent booking behavior of UK travelers suggests that the demand for travel is indeed alive. However, bookings are still 50% of pre-crisis levels, which is consistent with our scenario 1 recovery profile i.e. RPKs reach 42% of pre-crisis levels in 4Q21. Nevertheless, better coordination between governments to restart the international travel is critical for widespread recovery.

Terms and Conditions for the use of this IATA Economics Report and its contents can be found here: www.iata.org/economics-terms
By using this IATA Economics Report and its contents in any manner, you agree that the IATA Economics Report Terms and Conditions apply to you and agree to abide by them. If you do not accept these Terms and Conditions, do not use this report.

IATA Economics
economics@iata.org