

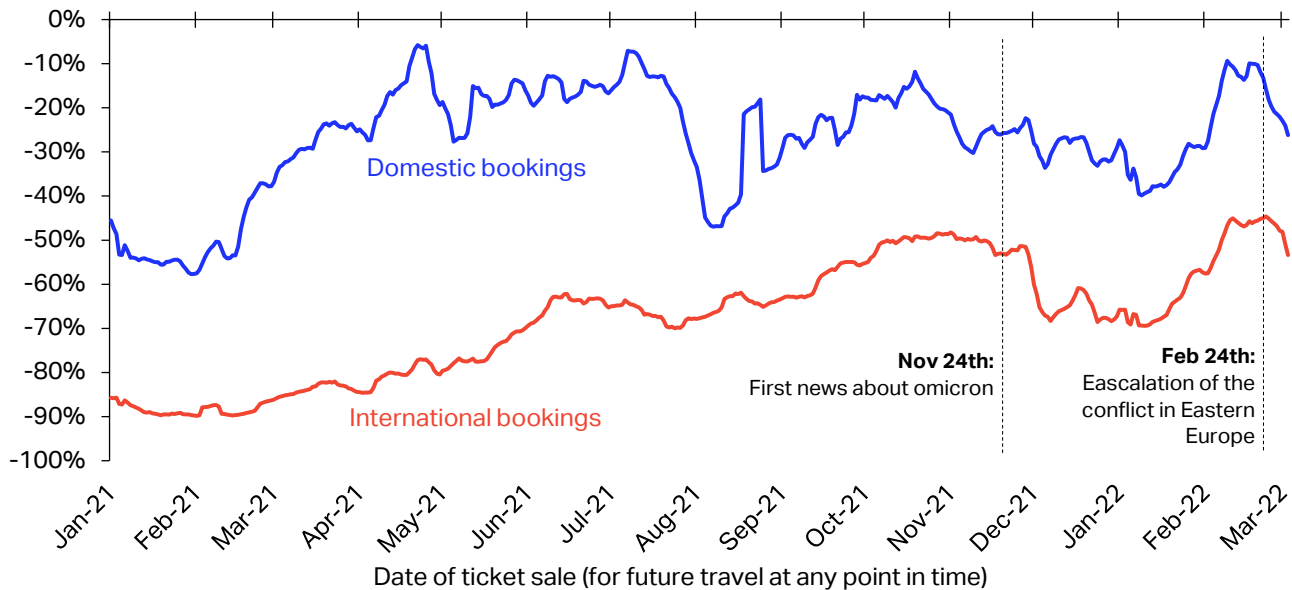


# IATA Economics' Chart of the Week

11 March 2022

## Ukraine conflict results in downturn in airline bookings

Passenger ticket sales, 7-day moving average in %ch vs. 2019



Source: IATA Economics using DDS ticketing data (3 Mar 2022)

- The escalation of the conflict between Ukraine and Russia has significant implications on the aviation industry. Governments have adopted economic sanctions that specifically target the industry and closed large areas of air space, fuel is trading at a historical high and fear of continued warfare is affecting the already fragile air passenger demand. This week's chart focuses on how demand responded to this new crisis in the first week of armed conflict.
- The weeks preceding 24 February, demand for air travel was on a dynamic upward trajectory recovering from the Omicron wave of COVID-19. Domestic bookings neared 90% and international bookings exceeded 50% of pre-crisis levels.
- However, the week starting 24 February saw bookings decline by 8% compared to the week prior. This decline could be observed in both domestic and international bookings - 8% and 9% respectively. Domestic travel was clearly affected in Russia and Ukraine, however some of the fall in domestic demand can be attributed to the seasonal reduction in Chinese domestic travel after the New Year holidays.
- The decline was sharper in the wider Europe region where there were 14% fewer bookings made the week starting 24 Feb than the week before. The largest drops in demand could be observed for travel to and from Eastern European countries. Ukraine and Moldova both closed their air space completely, and saw negative net bookings, i.e. more refunds than new ticket sales that week. Russia also closed its air space to certain countries' carriers, and there bookings declined by 52%.
- While the countries neighbouring Ukraine have seen a drop in demand from incoming travellers, they have also seen a surge in bookings for outbound flights by refugees from Ukraine. Some low-cost airlines have reported increasing capacity out of these countries to Western European destinations. Booking data available to IATA also suggests a surge in demand for travel to countries with sizeable expatriate population in Ukraine. For example, bookings have increased to India, Nigeria, Georgia and Morocco departing from Poland, Hungary and Romania.

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