

# COVID-19

**Weak year-end for  
air travel and outlook  
is deteriorating**

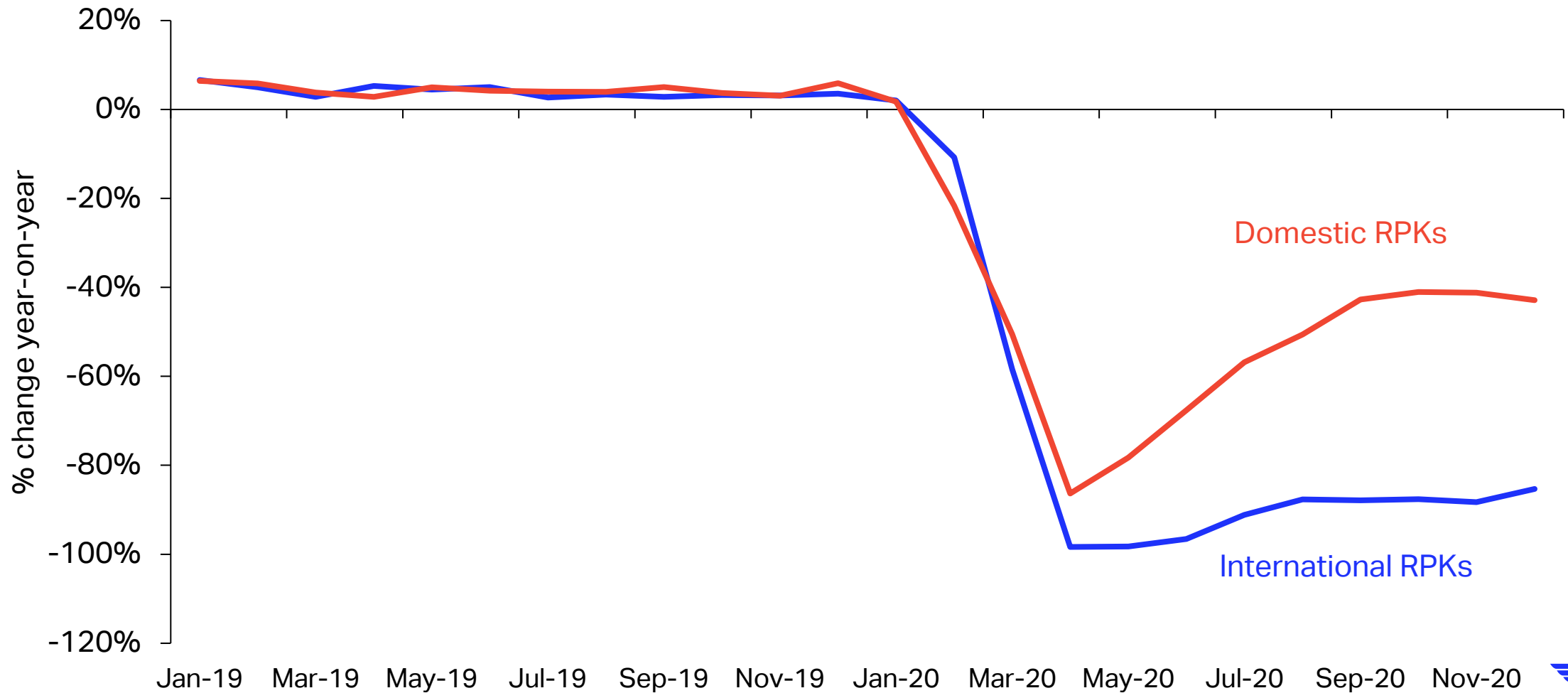
3<sup>rd</sup> February 2021



# Air travel recovery in 2020 stalled after the summer

RPKs ended year down 70%: domestic -43%, international -85% y-o-y

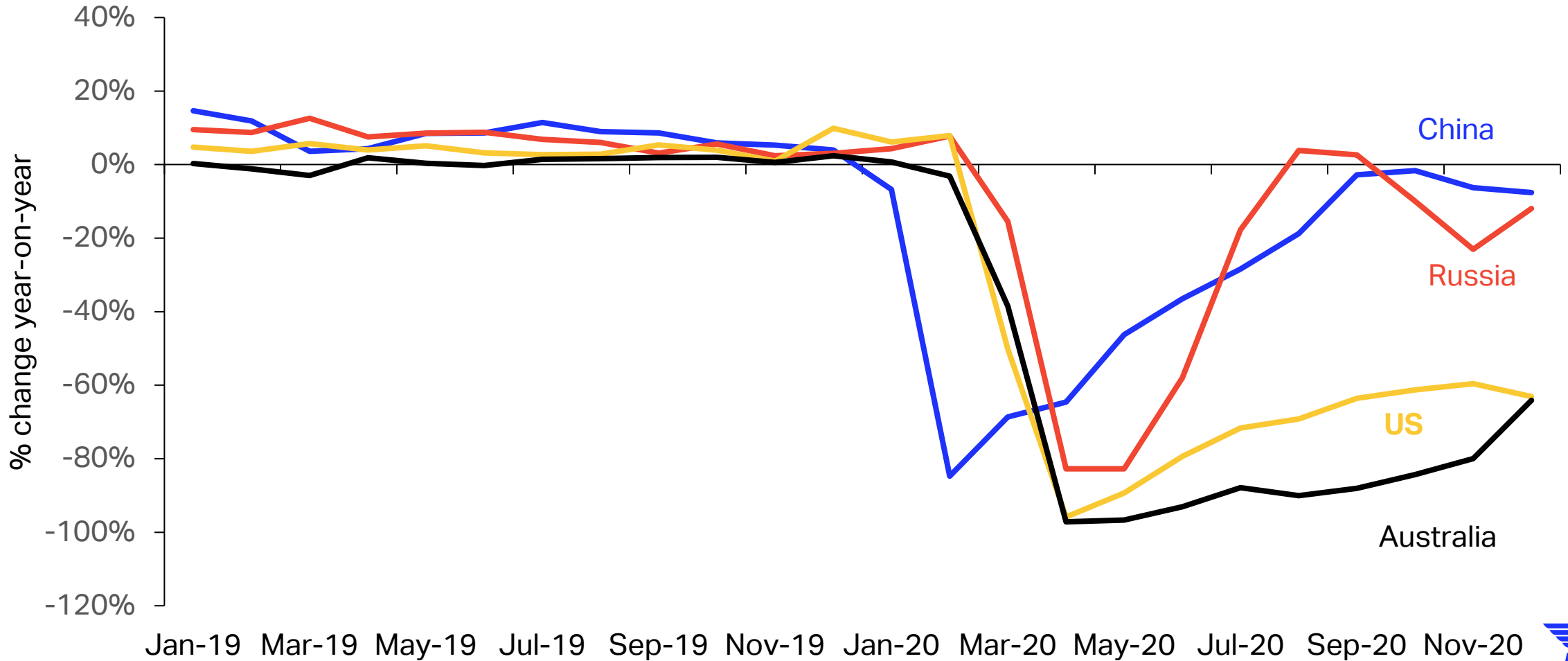
Growth in international and domestic RPKs



# Domestic markets showed there is a demand to fly

## China and Russia markets near full recovery, but others revealed fragility

Growth in domestic market RPKs



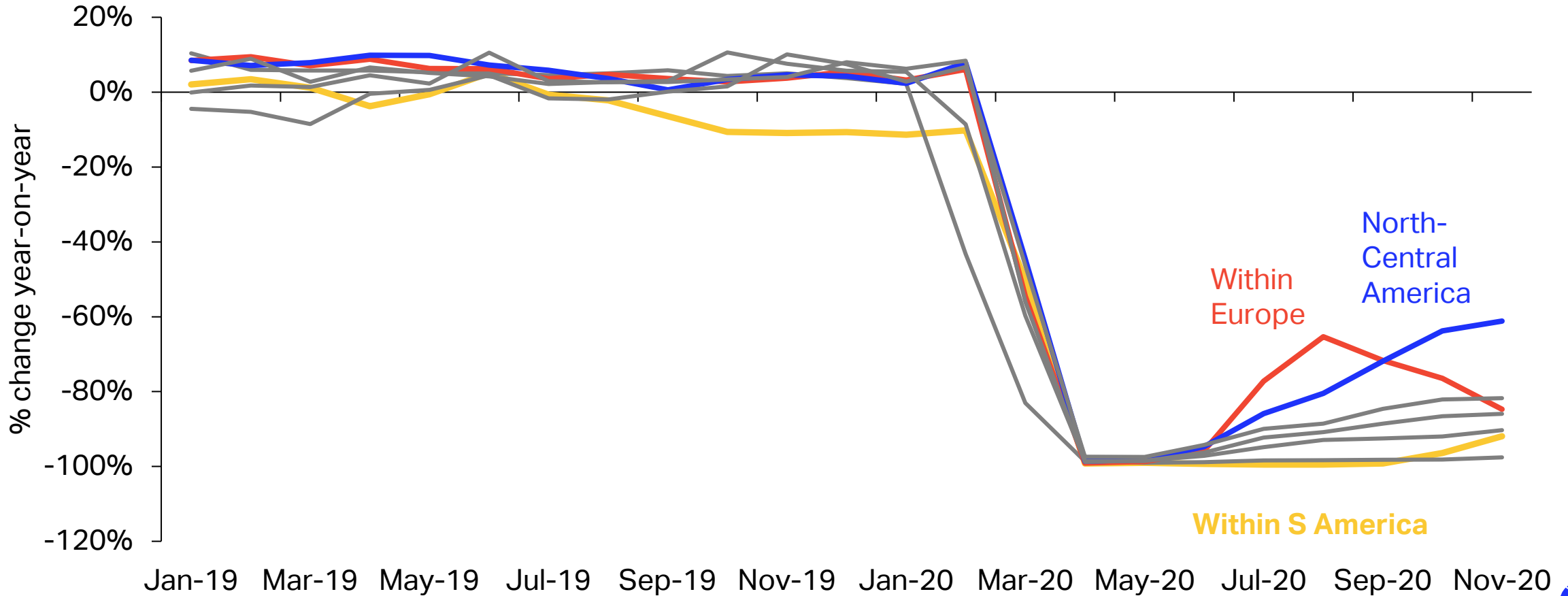
Source: IATA Economics using data from IATA Statistics



# International markets revival stifled by travel restrictions

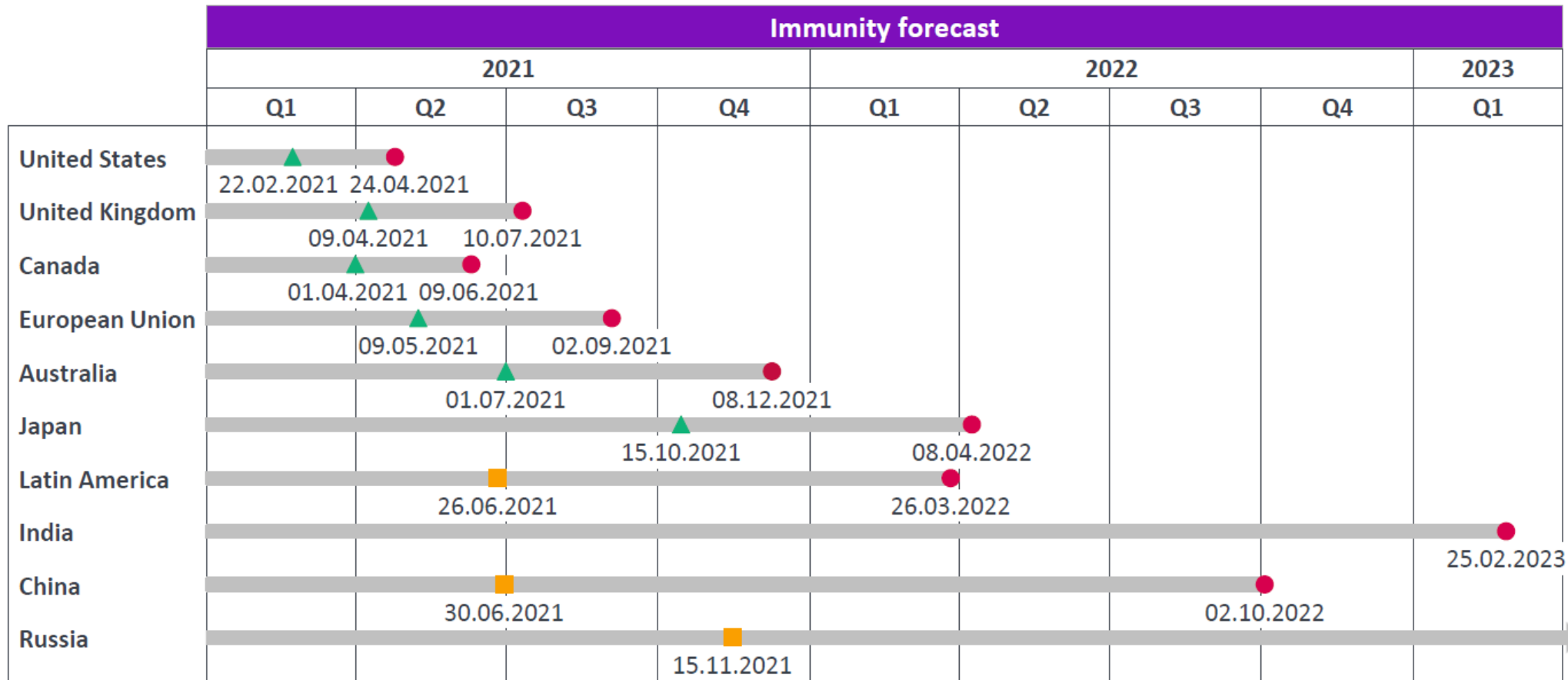
## Revival only seen in travel bubbles and where quarantine rules relaxed

Growth in international RPKs by market segment



# 'Pre-variant' herd immunity projections look promising

## Reduction in travel restrictions will depend on efficacy against variants



20% population immunised

Healthcare and high-risk population immunised

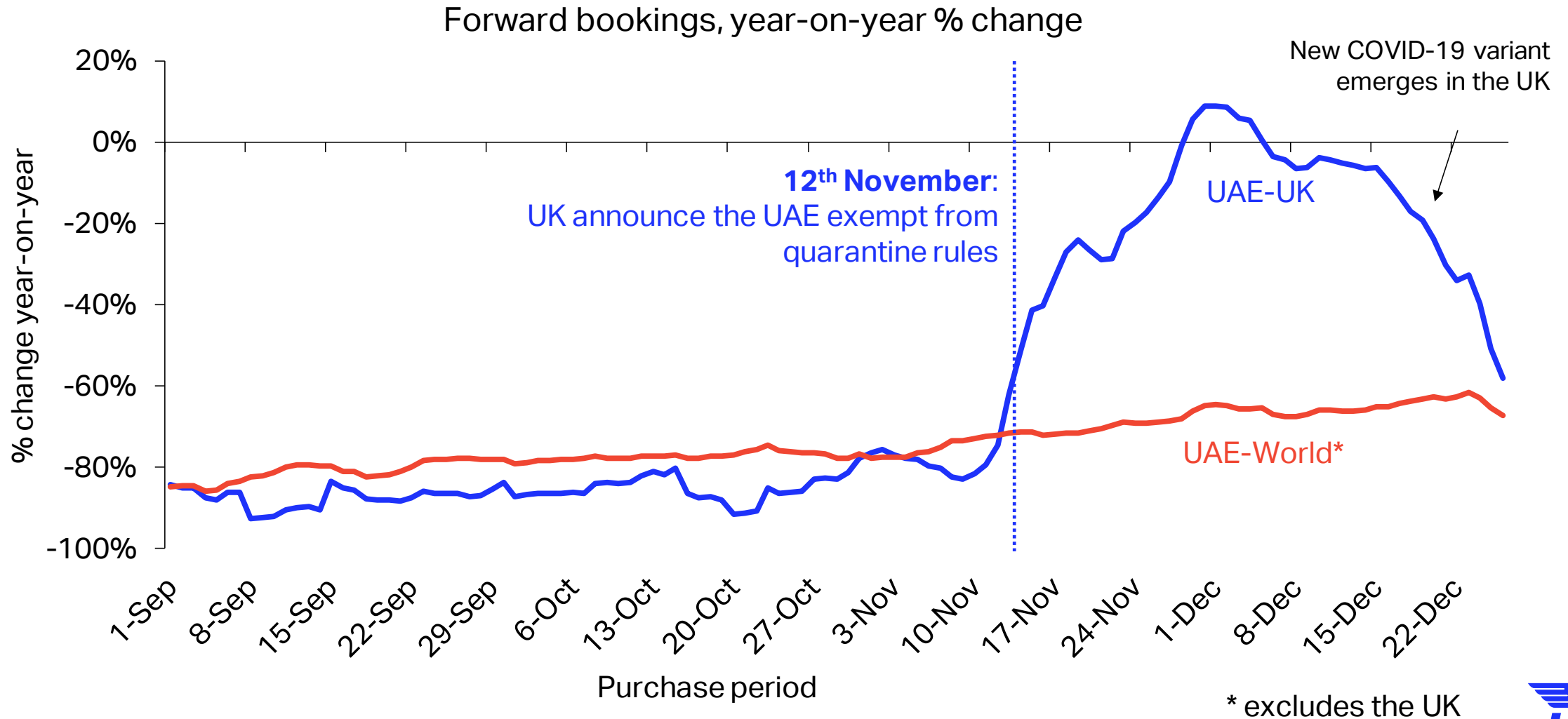
Herd immunity estimate, based on current supply deals, with domestic production supplied first



Source: Airfinity research shown at 8 Dec IFPMA conference <https://www.ifpma.org/resource-centre/slides-airfinity-5th-global-biopharma-ceo-top-execs-virtual-press-briefing-covid-19-8-december-2020/>

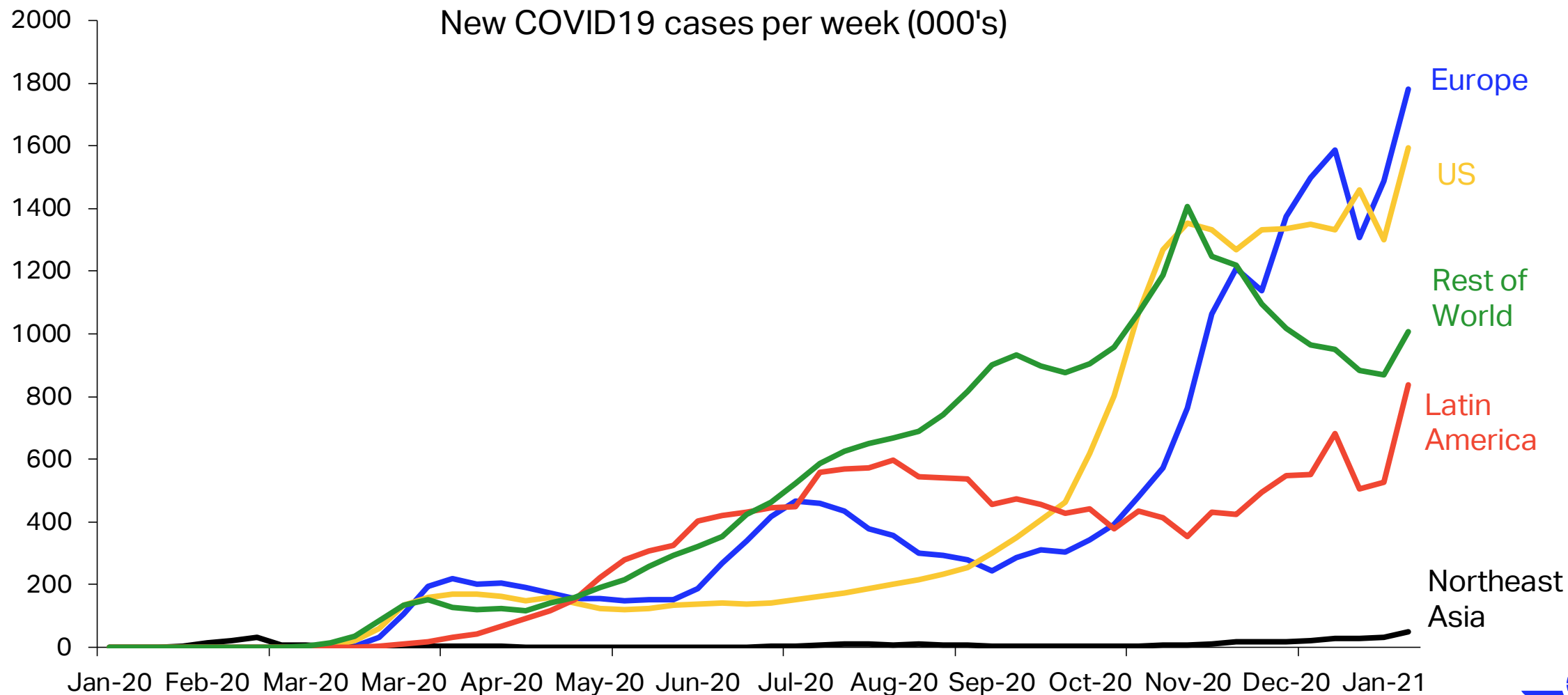
# Substantial pent-up demand but vulnerable to shocks

## Bookings surged when quarantine relaxed, here for UK-UAE market



# Now COVID-19 cases have risen as new variants spread

## Virus control situation deteriorated in January as new variants spread



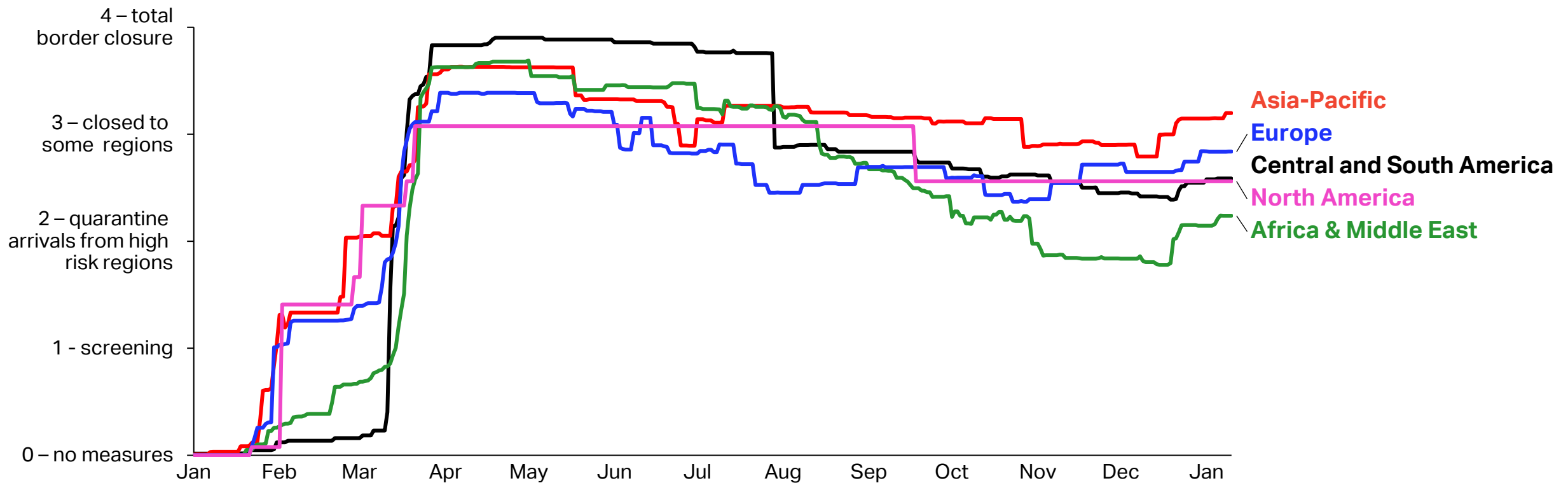
Source: IATA Economics using data from European Centre for Disease Control



# Causing renewed lock-downs and travel restrictions

## Governments responded to variants by virtually closing borders to travel

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



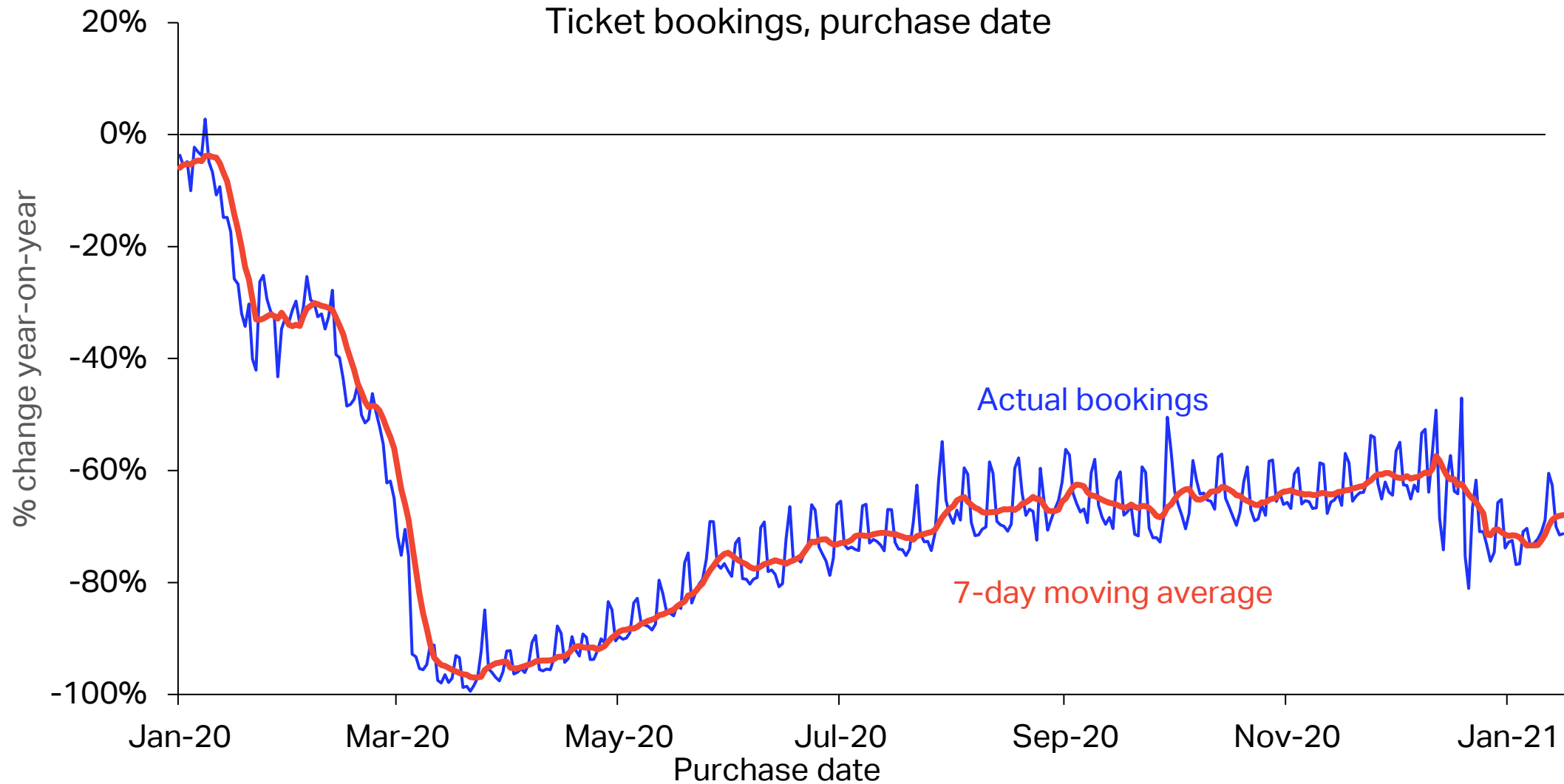
Source: IATA Economics using data from Oxford University





# Bookings for future travel are down significantly

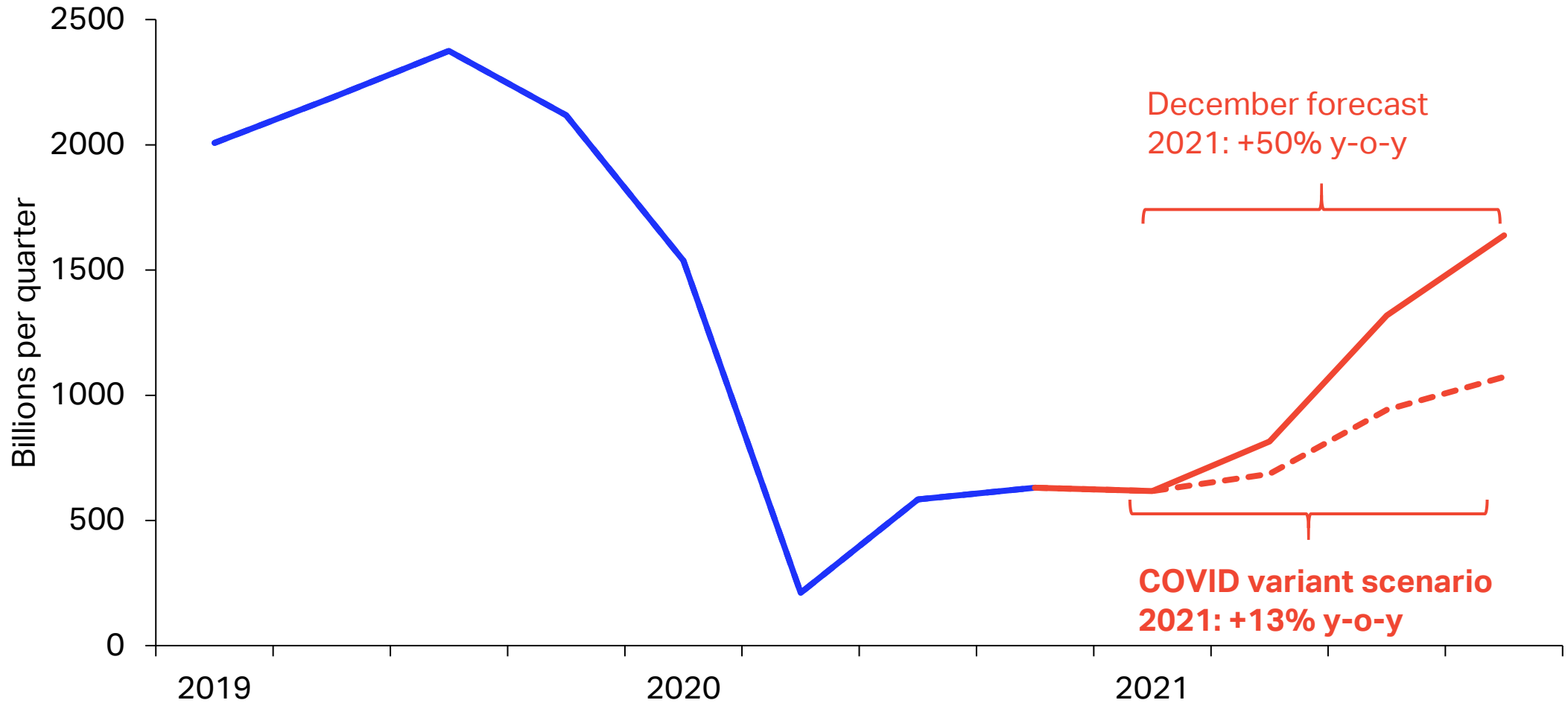
After improving to -60% yoy by end 2020, bookings are now down -70%



# RPK path depends on new variants and policy response

Risk that 2021 RPKs might only grow 13% to average 38% of 2019 levels

Global RPKs flown, billions per quarter



# Contacts

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