

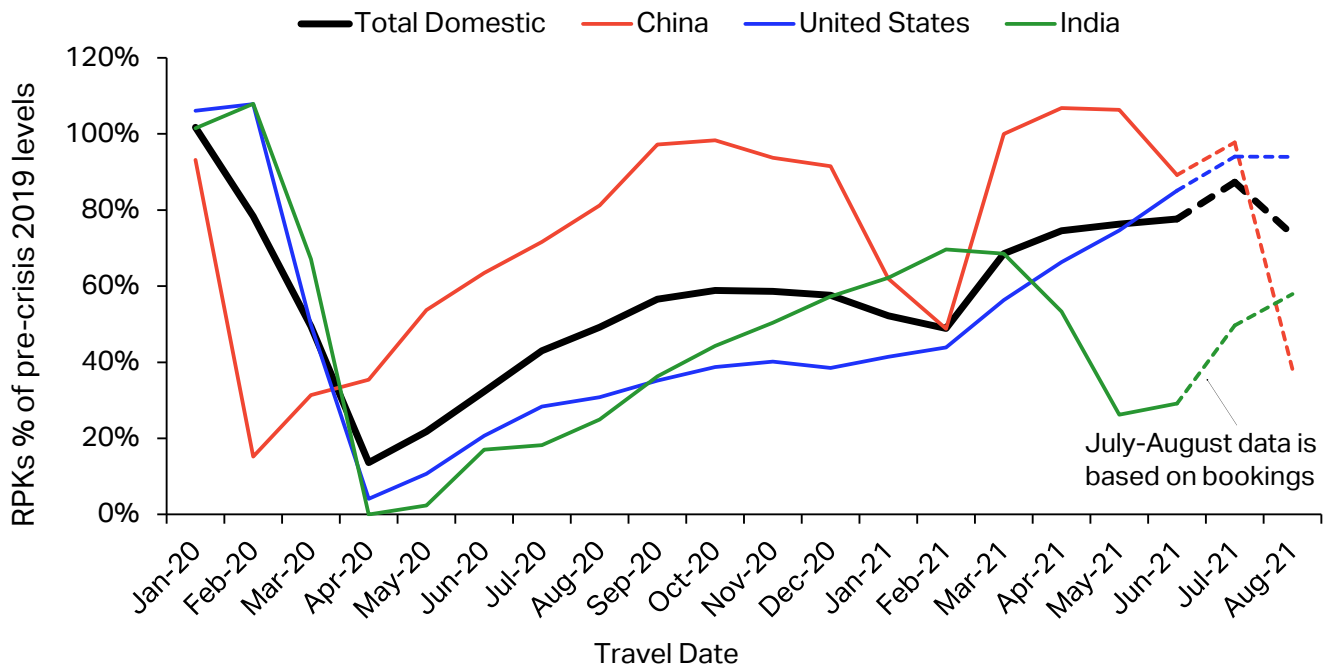


# IATA Economics' Chart of the Week

20 August 2021

## Weakening of China domestic market poses a risk to the recovery

### Domestic Traffic (Revenue Passenger-Kilometers)



Source: IATA Economics using IATA monthly statistics, DDS

- Our latest [monthly analysis](#) for June data showed that global domestic RPKs continued to recover with mixed regional performance. While domestic traffic weakened in China and Australia, traffic in Russia, the US and Brazil continued to trend upwards in June. However, since then the global number of COVID cases rose and resulted in a renewal of strict travel restrictions in some countries, especially in the Asia Pacific region. This week's chart looks at the course of domestic market traffic globally and in some of major domestic markets including July-August data indicated by bookings.
- Air traffic in China domestic market, which had a swift recovery after the end of lockdowns in March, experienced a sharp fall in August as the country has imposed strict domestic travel restrictions amid a growing spread of the Delta variant of coronavirus. The setback in domestic traffic in China domestic market is similar to the one experienced during the Chinese New Year in February 2021.
- However, it's not all bad news - other big domestic markets such as the US is experiencing much stronger recovery. Bookings for July and August travel indicate that RPKs in the US domestic air travel market reached c. 95% of pre-crisis levels as high vaccination rate in the country is balancing the impact of Delta variant on air travel. Moreover, domestic travel bounced back quickly following the ease of travel restrictions in India, which is one of the largest domestic markets. Booking data indicate that the domestic market reverted to April levels as of August in India with the ease of travel restrictions. However, as the share of China domestic market is substantial in the overall domestic market traffic (c. 30%), we might see a revert in global domestic traffic recovery in August.

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