

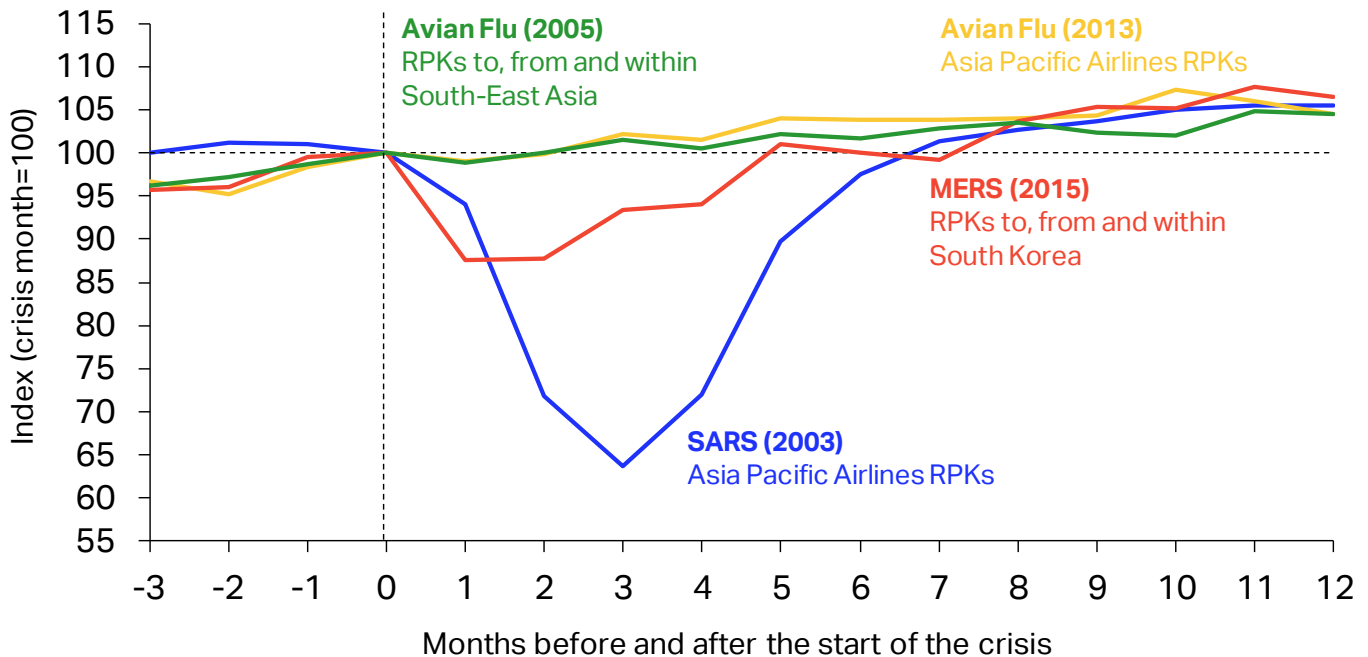


# IATA Economics' Chart of the Week

24 January 2020

## What can we learn from past pandemic episodes?

### Impact of past outbreaks on aviation



Source: IATA Economics

- An outbreak of novel coronavirus, identified in Wuhan (China), has been at the topline of news this week. In this week's chart, we take a closer look at some past episodes of health outbreaks to draw some insights on the possible impacts on air travel.
- History shows that SARS has been the most serious epidemic impacting traffic volumes in the recent period. At the height of the outbreak (May 2003), monthly RPKs of Asia-Pacific airlines were c.35% lower than their pre-crisis levels. Overall in 2003, the loss of confidence and fears of global spread impacted both business and leisure travel to, from and within the region, resulting in Asia-Pacific airlines losing 8% of annual RPKs and \$6 billion of revenues.
- On the other hand, the 2005 and 2013 episodes of avian flu had a much milder and short-lived impact and air travel rebounded quickly as the fears of global spread of virus eased. In the most recent episode of MERS Flu, which was focused more on a single country, the initial impact was a sharp slowdown, i.e. a 12% decline in monthly RPKs to, from and within South Korea in the first month of the outbreak. However, air travel volumes began to recover after two months and had returned to pre-outbreak levels within 6 months.
- In the past, the airline industry has proven resilient to [shocks](#), including [pandemics](#), as today's chart shows. Even in the outbreak of SARS, monthly international passenger traffic returned to its pre-crisis level within nine months. Nevertheless, the very strong growth of the Chinese air transport market over recent years means that an additional 450 million passengers fly to from and within China per year compared with a decade ago. The timing of this outbreak also coincides with New Year celebrations and China's busiest travel season. While there are risks that this outbreak could cause a sizeable disruption, history indicates that any effect on air transport would be temporary.

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