COVID-19

Air travel update: Optimism with caution

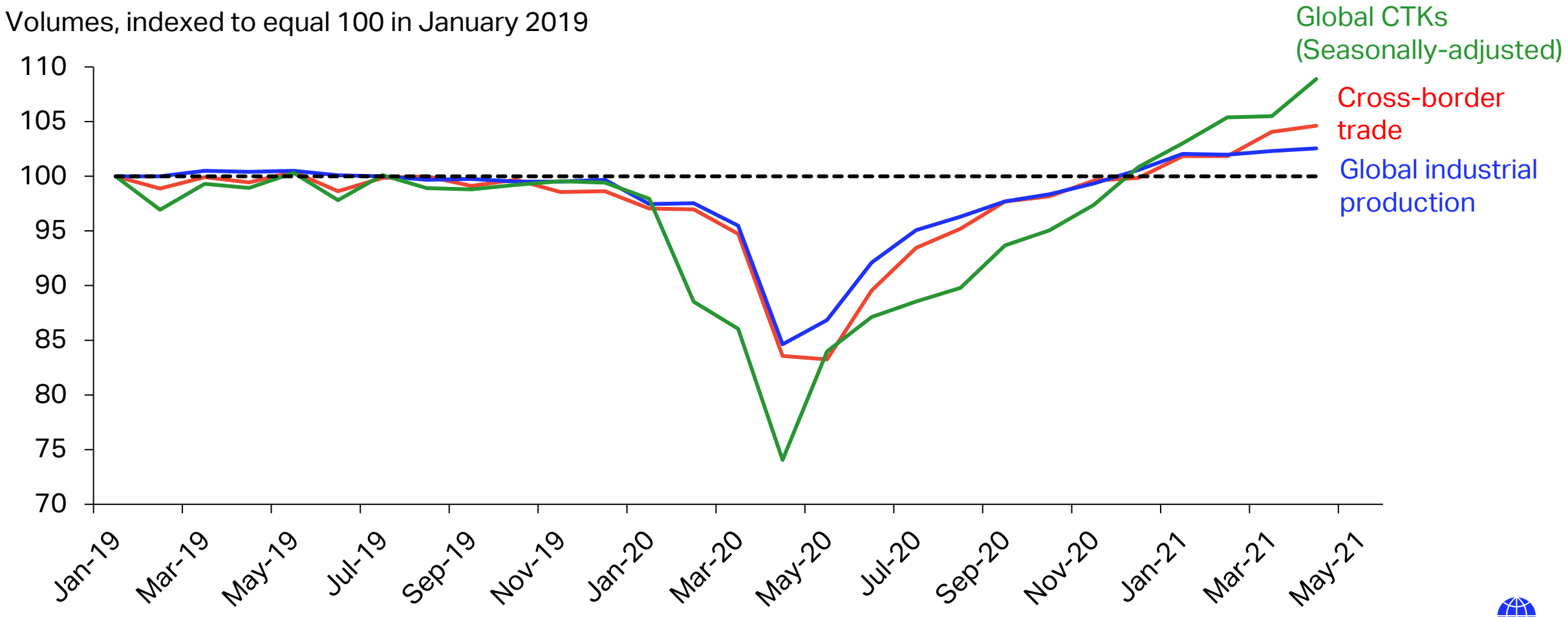
Ezgi Gulbas

Senior Economist

7th July 2021

Strong global economic rebound favorable for air cargo

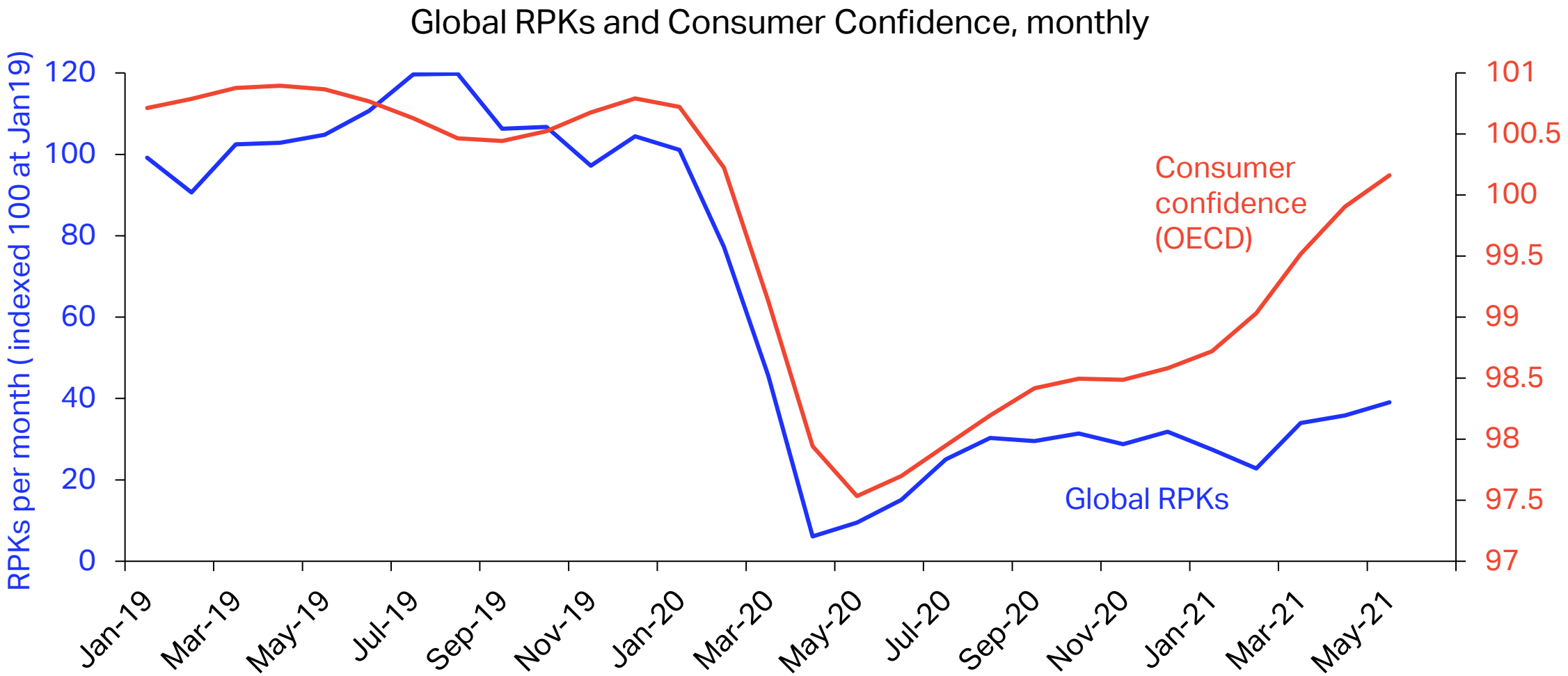
Cargo tonne km (CTKs) flown are 9.4% above pre-crisis level (May19)



Source: IATA Economics using data from Netherlands CPB

Global air travel (RPKs) sustains recovery in May

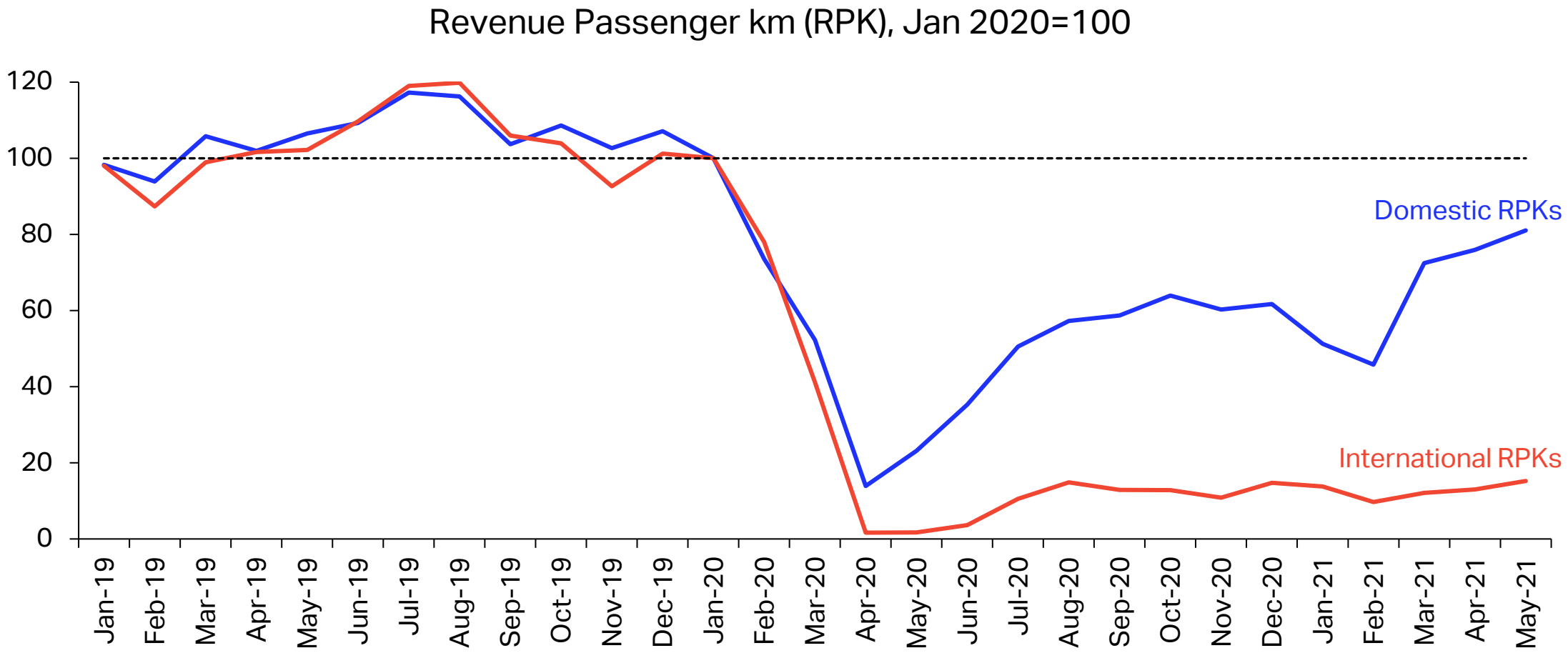
-62.7% in May21 (vs May19), but lagging the rise in consumer confidence



Source: IATA Economics using data from IATA Statistics and Refinitiv Eikon Datastream

Domestic recovery strong, but international is still weak

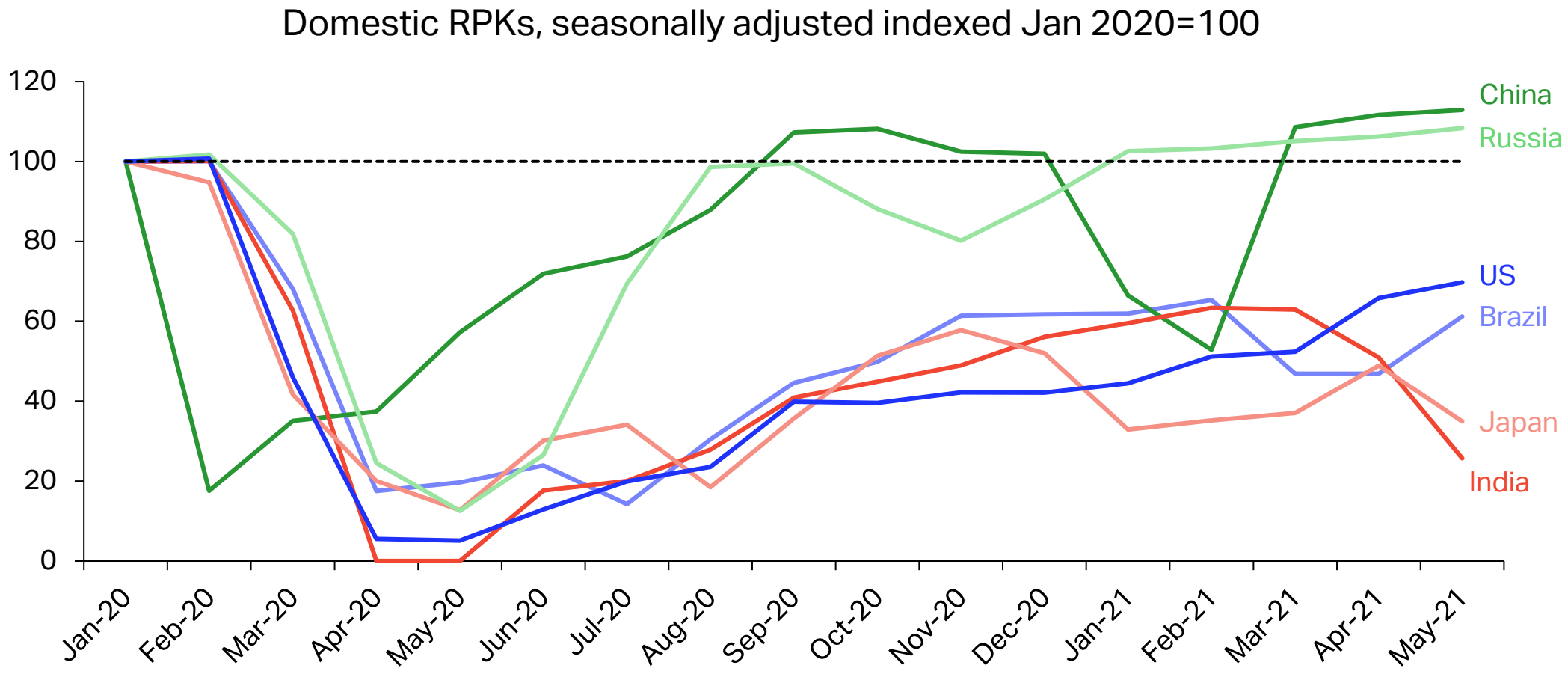
Int'l RPKs -85.1%, while domestic RPKs -23.9% (May21 vs May19)



Source: IATA Economics using data from IATA Statistics

Domestic recovery varies dependent on virus control

China and Russia domestic rose above pre-crisis levels, US on track

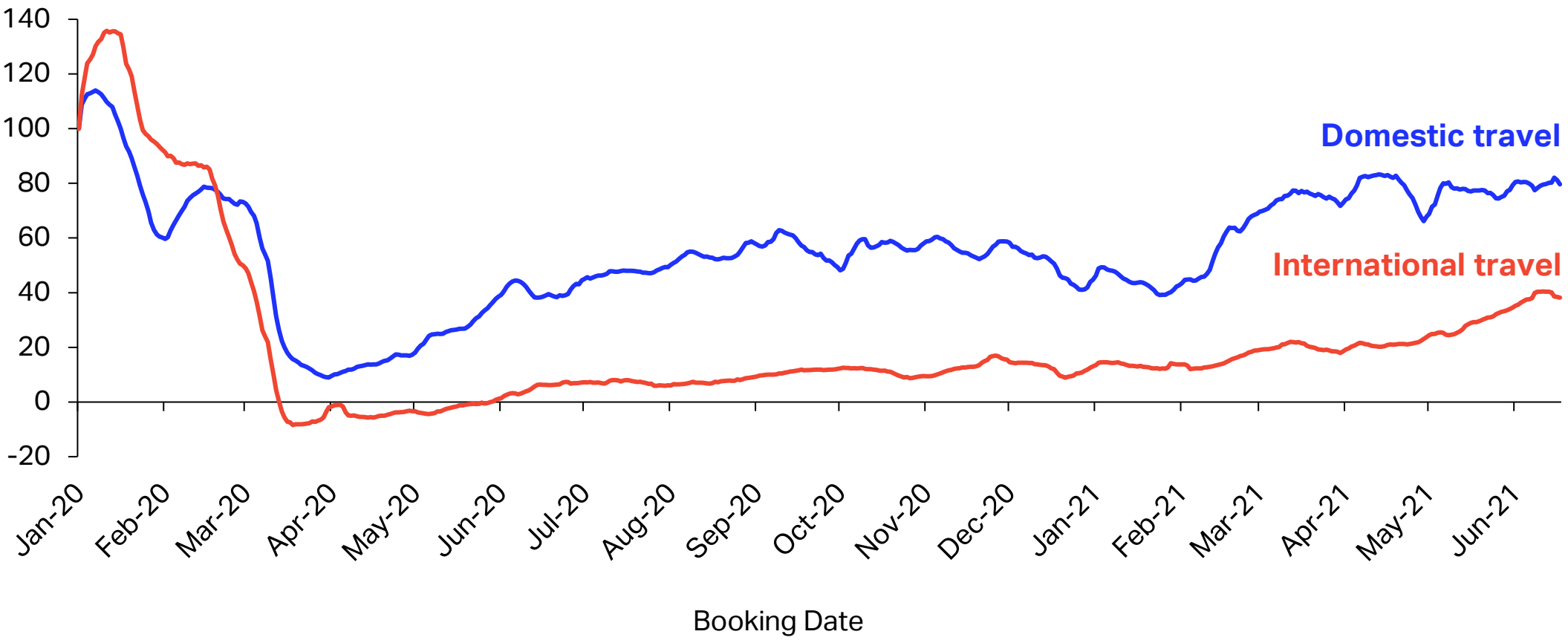


Source: IATA Economics using data from IATA Monthly Statistics

International bookings jumped ahead of holiday season

Int'l bookings rose from very low base with significant forward uncertainty

Bookings all future travel dates , 7 days moving average
Indexed at Jan, 20=100

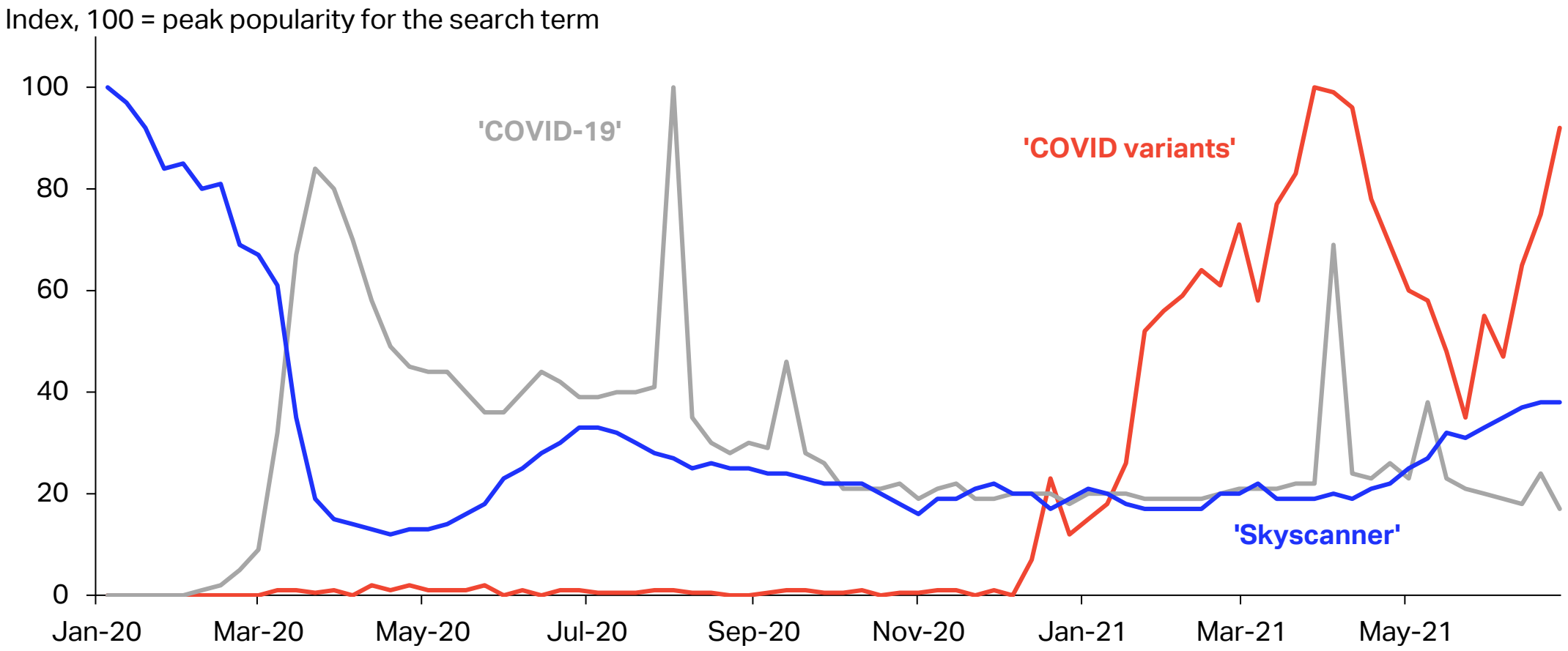


Source: IATA Economics using data from DDS

Covid-19 variants are new source of uncertainty

Not only searches for flight bookings are rising but also ‘Covid variants’

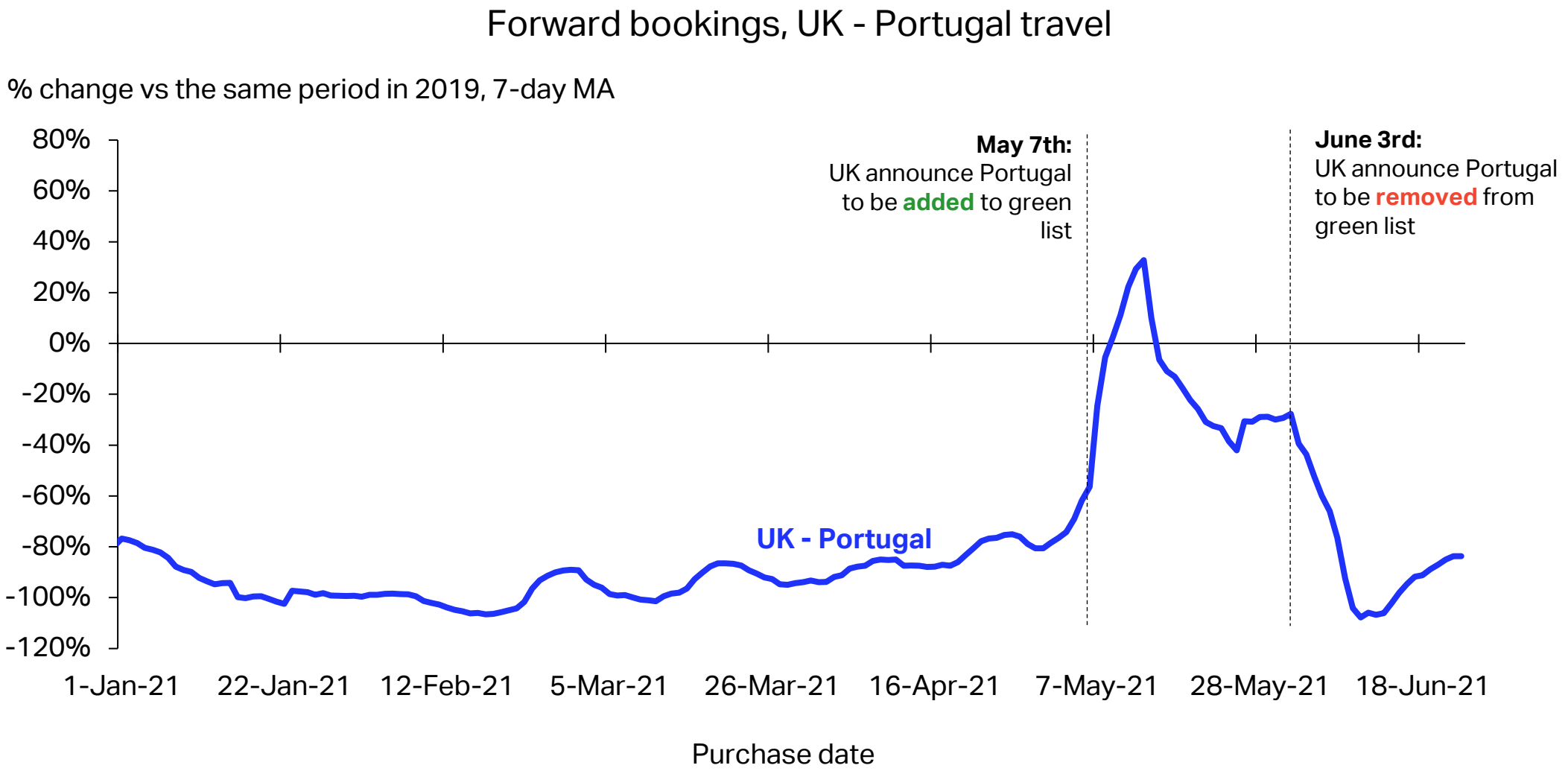
Google searches worldwide for 'COVID-19' , 'COVID variants' and 'Skyscanner'



Source: IATA Economics using Google Trends, search period between 1.1.2019-30.6.2021

Demand is fragile amidst COVID-19 variant concerns

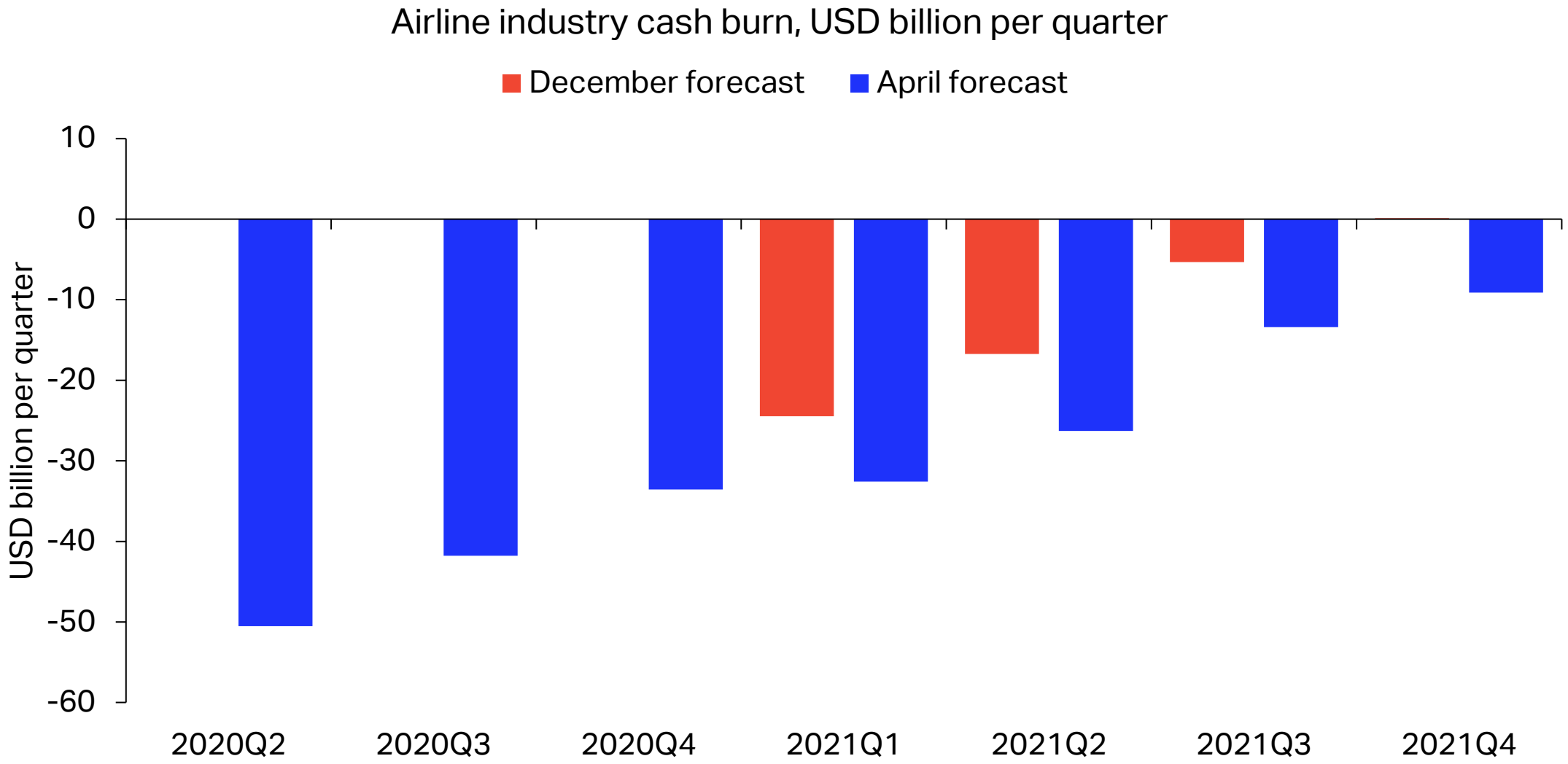
Surge of bookings from the UK to Portugal reversed in a month



Source: IATA Economics using data from DDS

Recovery in the H2 is crucial to reduce the cash burn

Stronger H2 will reduce cash burn but +ve cash flow delayed to 2022



Source: IATA Economics Airline Industry Financial Forecast update, April 2021

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