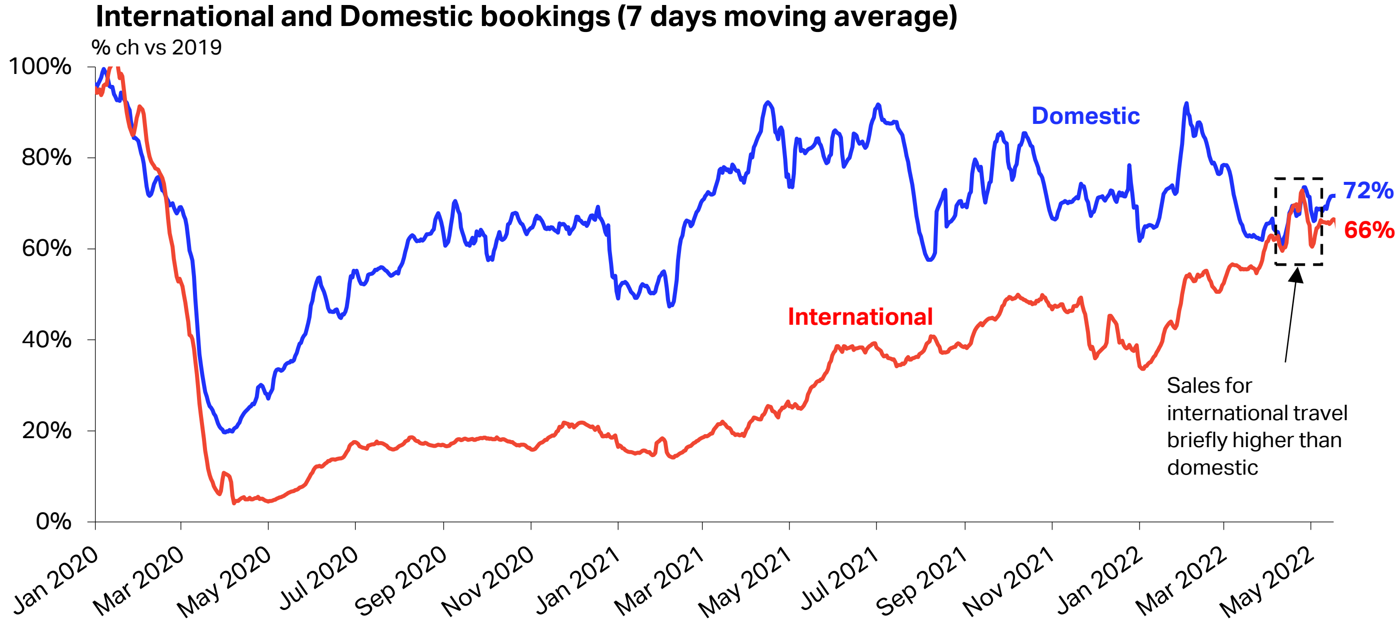
IATA Economics' Chart of the Week

3 June 2022

International bookings are boosted by summer vacation travellers and fewer restrictions



Source: IATA Economics based on data from DDS

- International and domestic bookings are on the path to recovery, both being predominantly influenced by the ability to travel. Various geographies are still limited in this capacity, because of war in Europe and COVID-related travel restrictions.
- After a short setback in domestic sales in February, mainly driven by COVID-19 outbreaks and lockdowns in Asia, domestic sales are growing again. International sales have been increasing steadily since the beginning of 2022 and notably, since restrictions were lifted in Europe* and America.
- The rather novel development is that the gap between international and domestic bookings is narrowing. As travel restrictions were the most limiting to international travel, the past two years of air traffic recovery was primarily thanks to domestic travel.
- Currently, the lightening burden of travel restrictions and strong pent-up demand is allowing international bookings to catch up. Presently, international and domestic sales are at 66% and 72% of 2019 levels respectively. Ticket sales for international travel even exceeded domestic travel for a few days in early May. With the northern hemisphere's summer approaching, people are planning their holidays and are eager to travel abroad.
- However, there is still a high degree of volatility and uncertainty, which has translated into shorter lead times in bookings. Through April and May, around 92% of international and 96% of domestic bookings were for the travel up until September. Of this, 43% of international and 63% of domestic bookings were for travel in April and May vs 49% of international and 33% of domestic bookings for summer travel (Jun-Sep). Only 8% of international and 4% of domestic bookings were for travel beyond September. This evolution shortens the horizon over which airlines can plan their services with some degree of visibility and it can thus introduce greater uncertainty in operations.

*Travel within EU is considered as international travel

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