

Air Passenger Forecasts: 2020 Falls, Expected Recovery and Long-Run Opportunities

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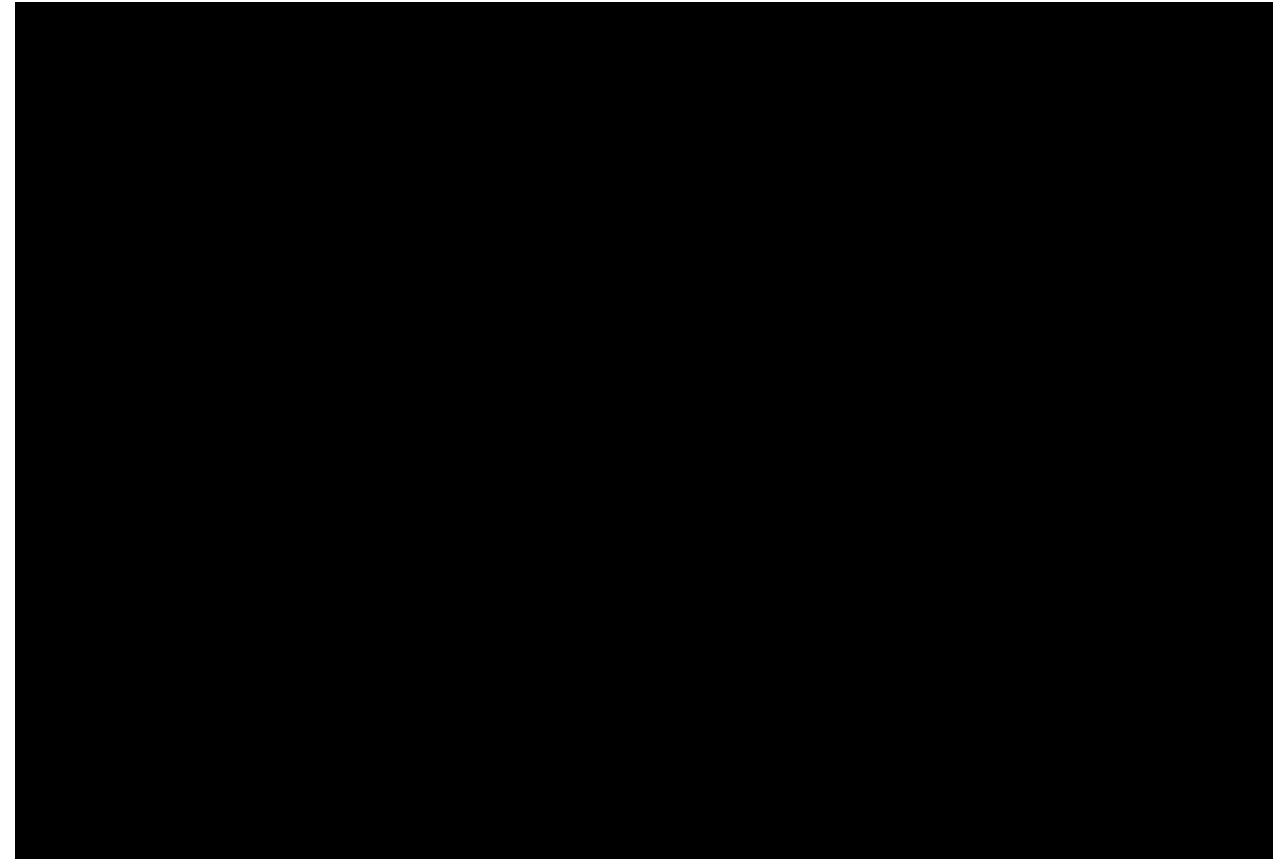
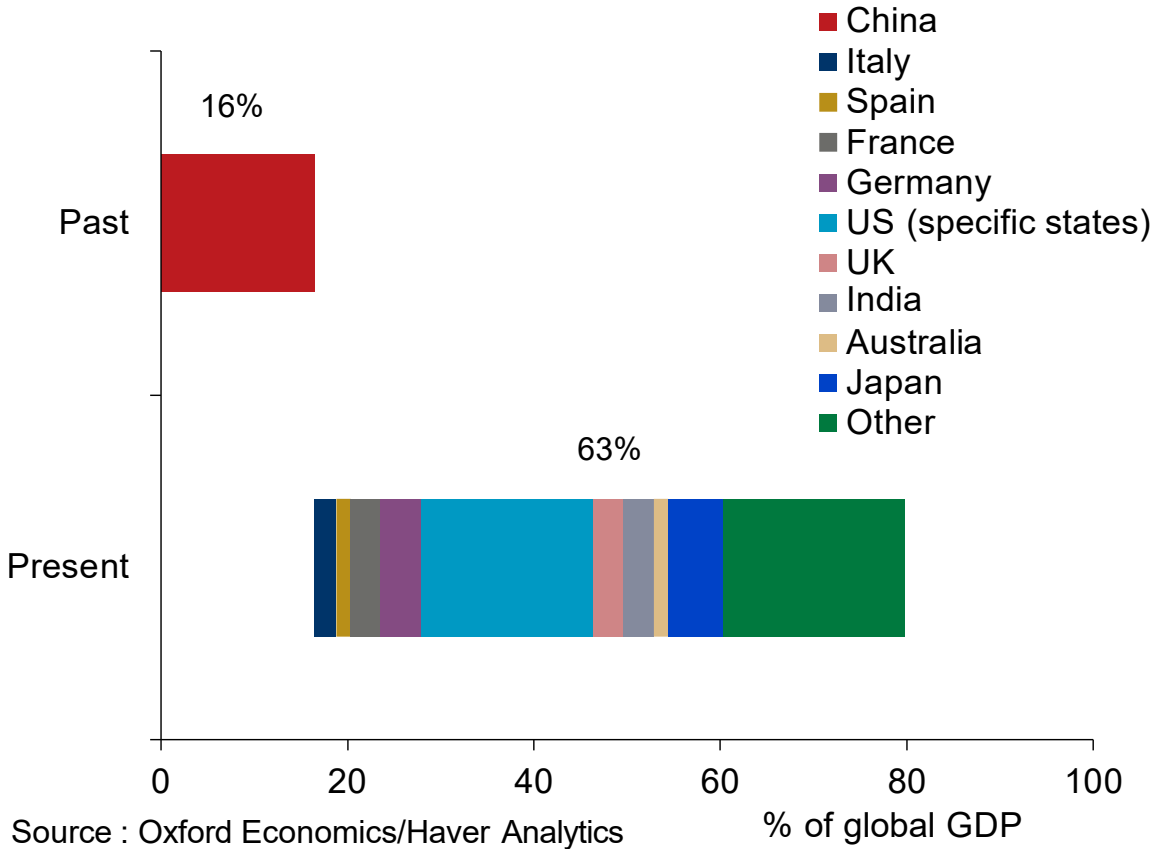
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Global lockdowns are having a very large impact on economy and travel

Global lockdowns



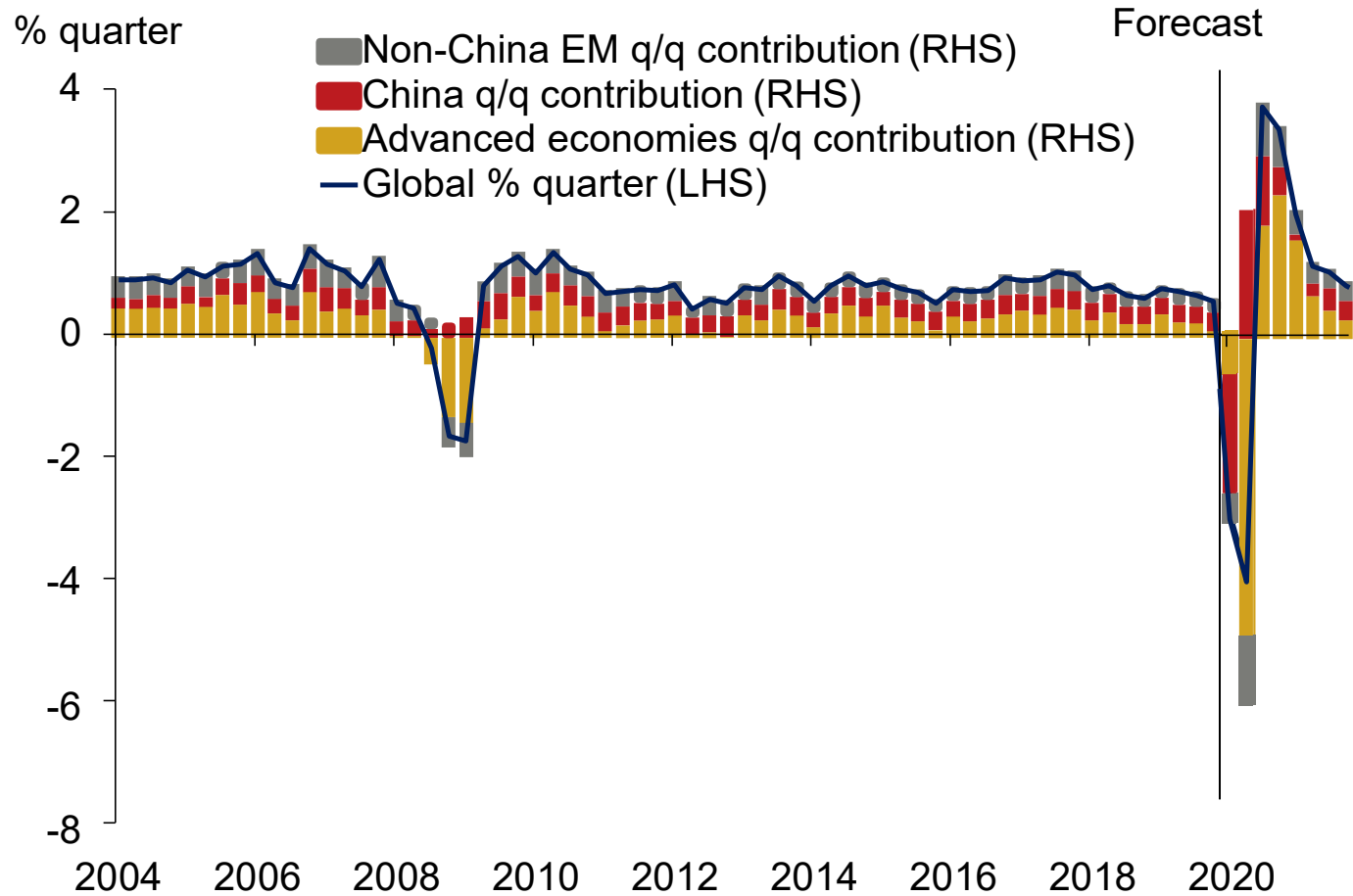
Source: IATA Economics using FlightRadar24 data

Questions: Use the question panel on the right



Immediate economic impact will be greater than during GFC

World: GDP



Source : Oxford Economics/Haver Analytics

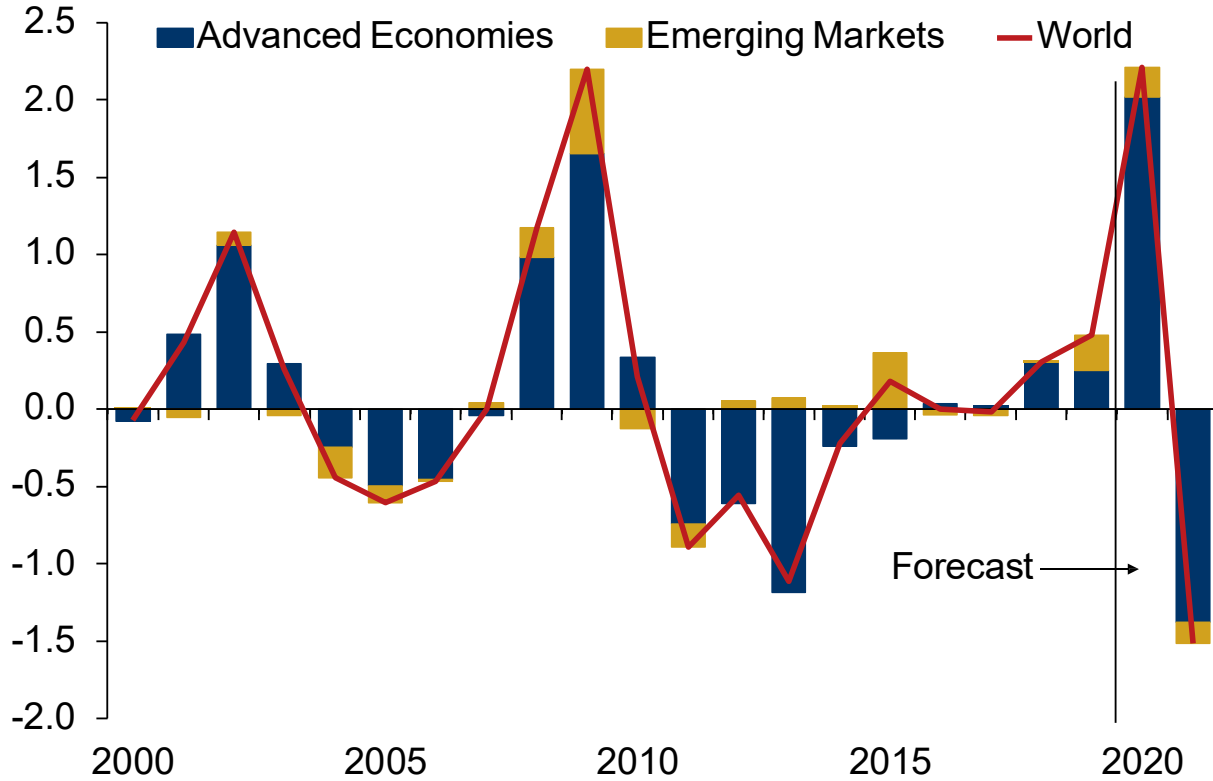
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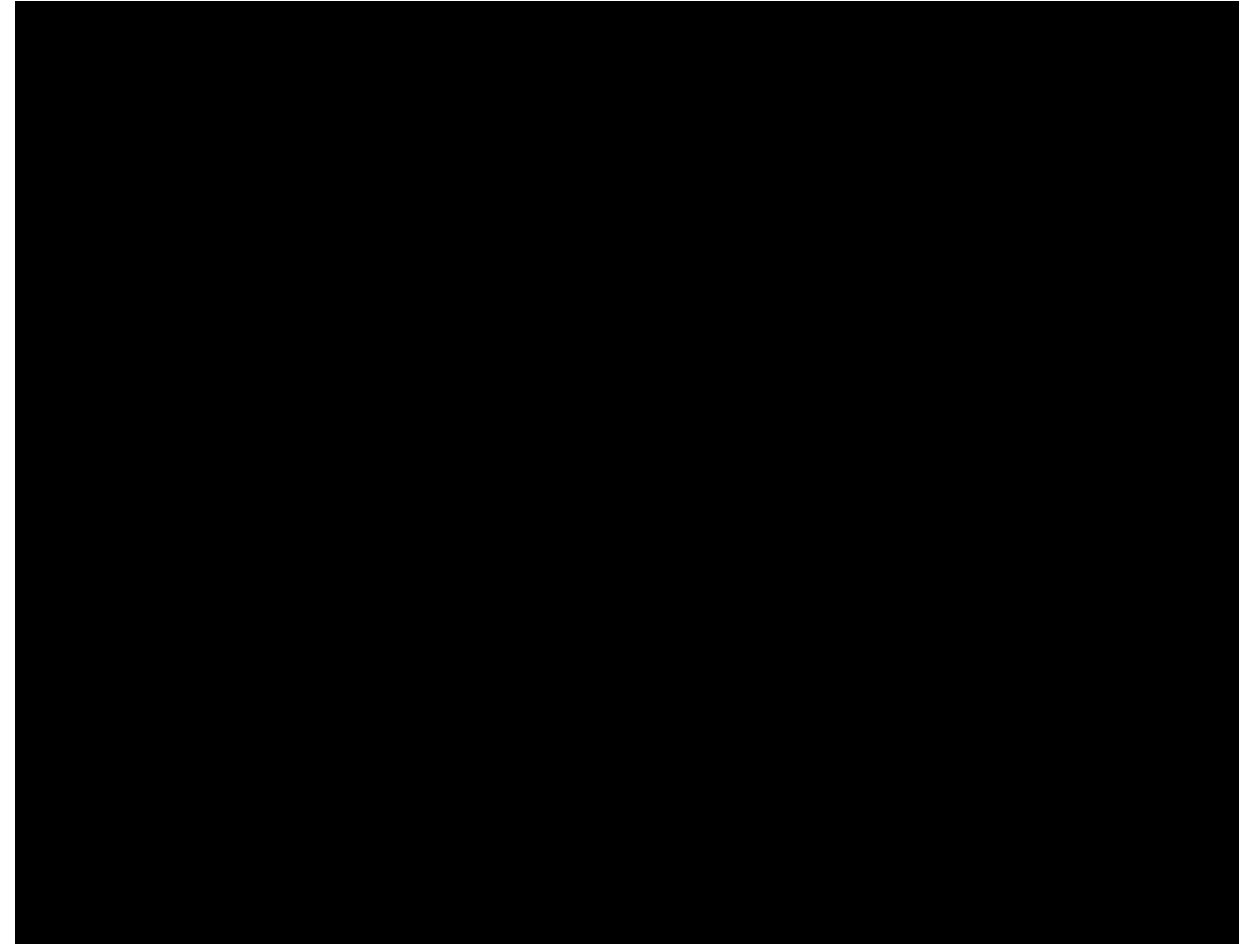
Policy stimulus is providing vital support for recovery

Global: Fiscal impulse

Ppts of potential GDP



Source : Oxford Economics/Haver Analytics



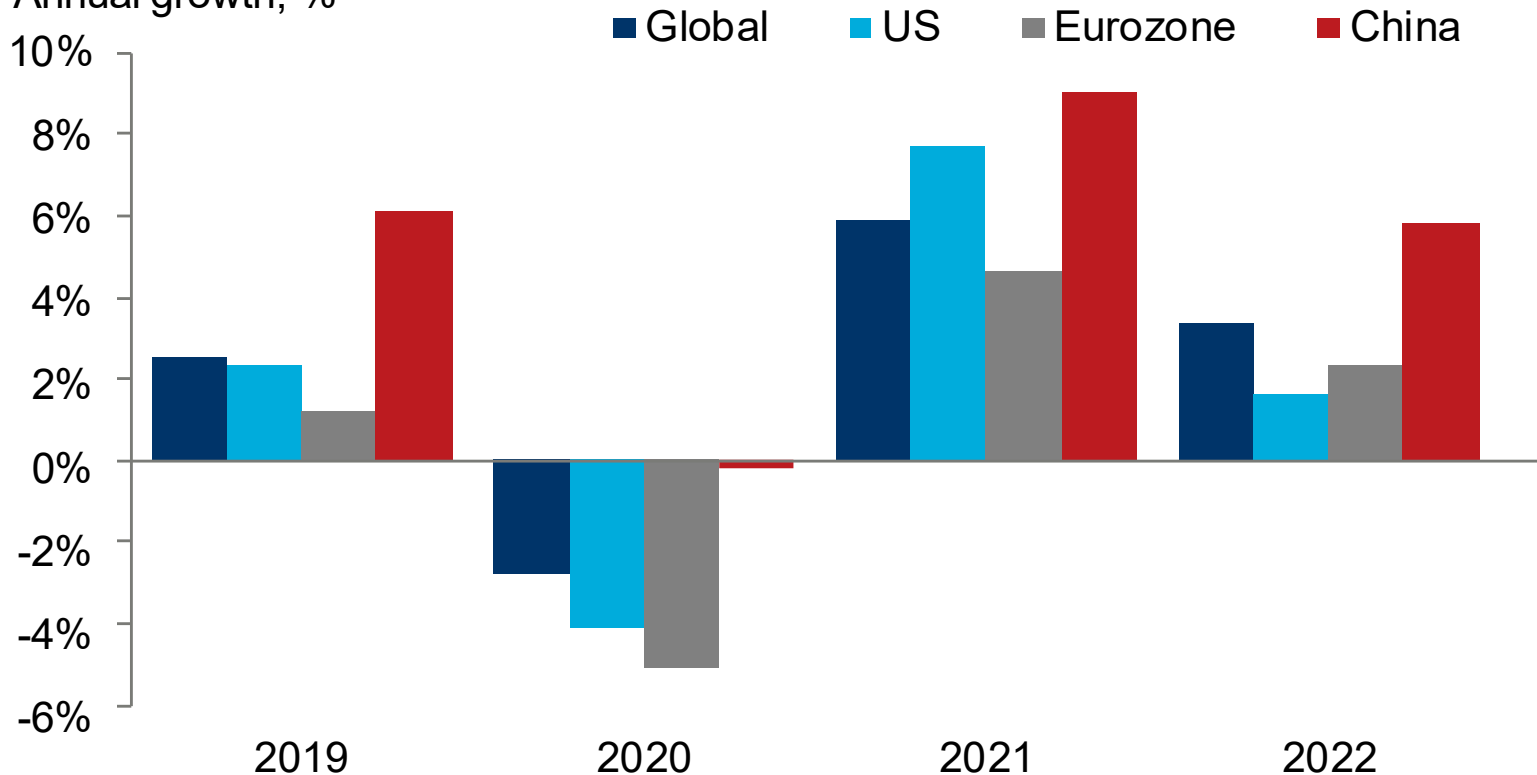
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Expected growth in recovery but impacts will be felt into the medium term

Global GDP Outlook

Annual growth, %



Source: Oxford Economics

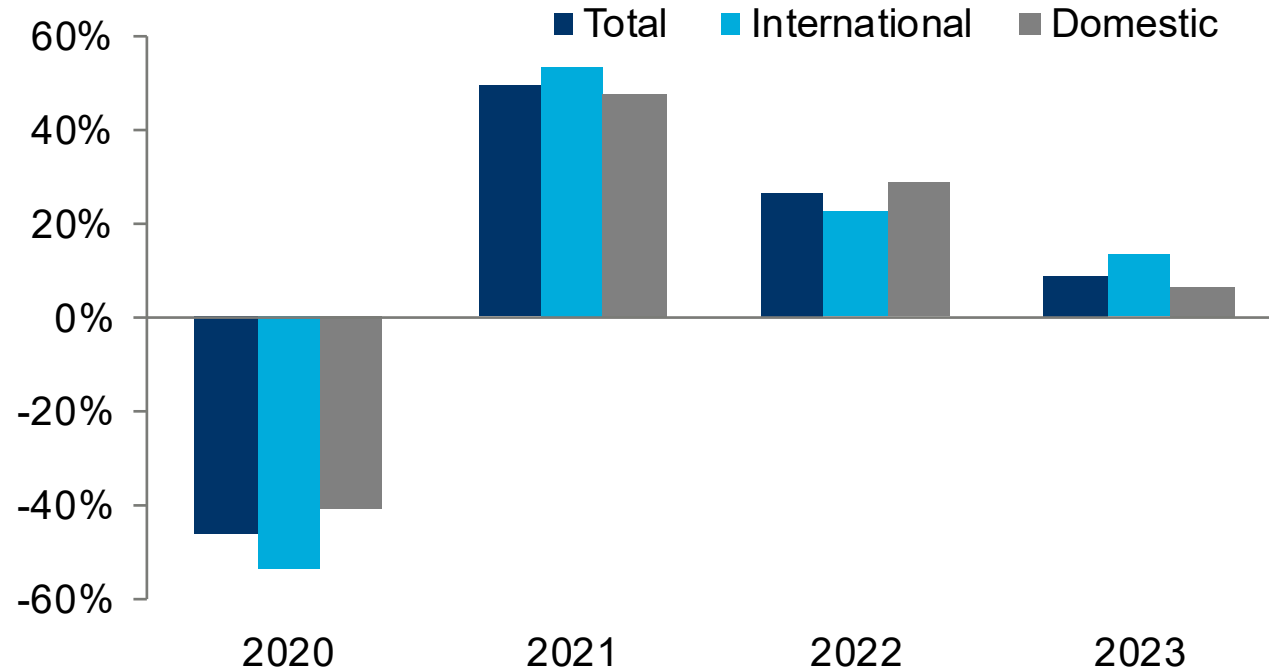
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Travel will fall more sharply than the wider economy

Global Air Passenger Growth

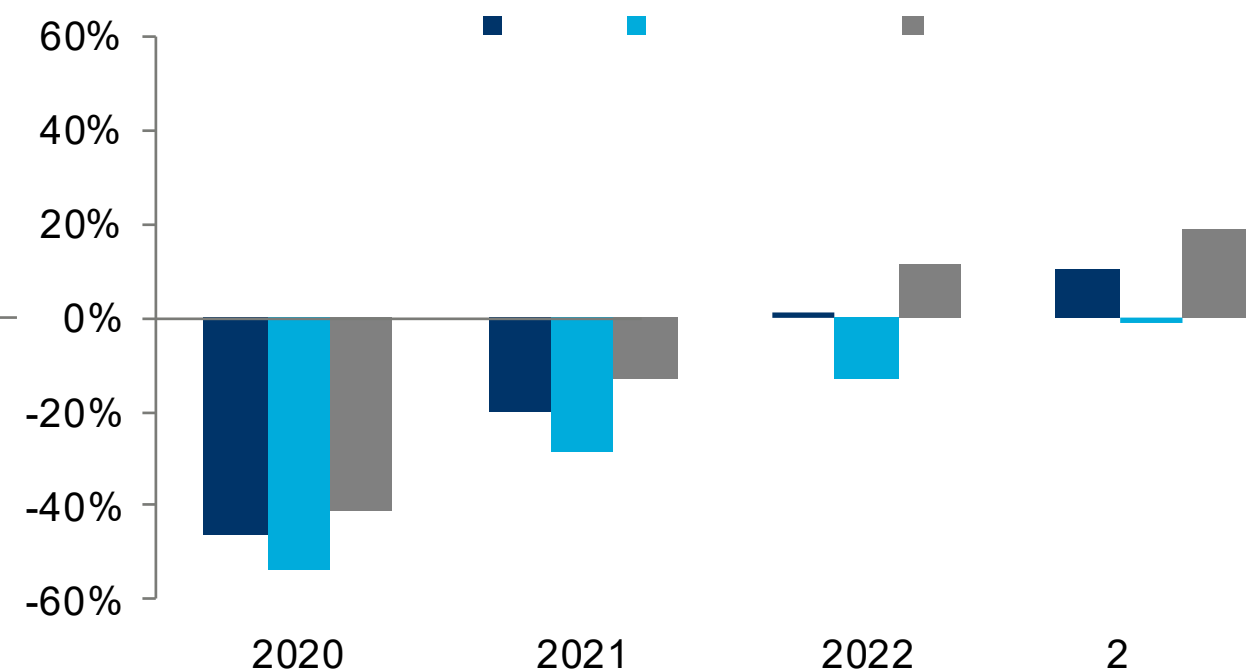
Annual growth, %



Source: IATA, Tourism Economics

Global Air Passengers Relative to 2019 Levels

Annual growth, %

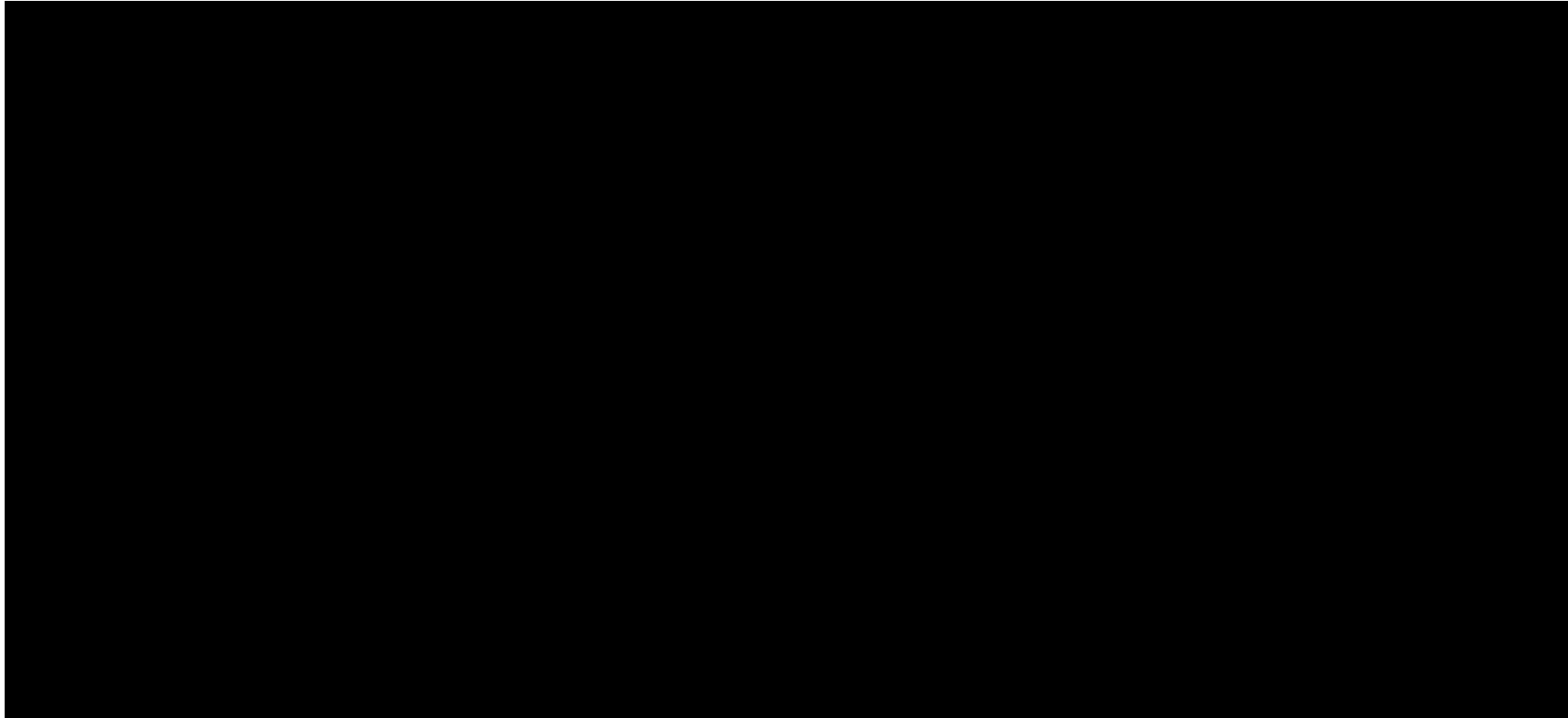


Source: IATA, Tourism Economics

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The dramatic fall in the number of flights has occurred across all regions

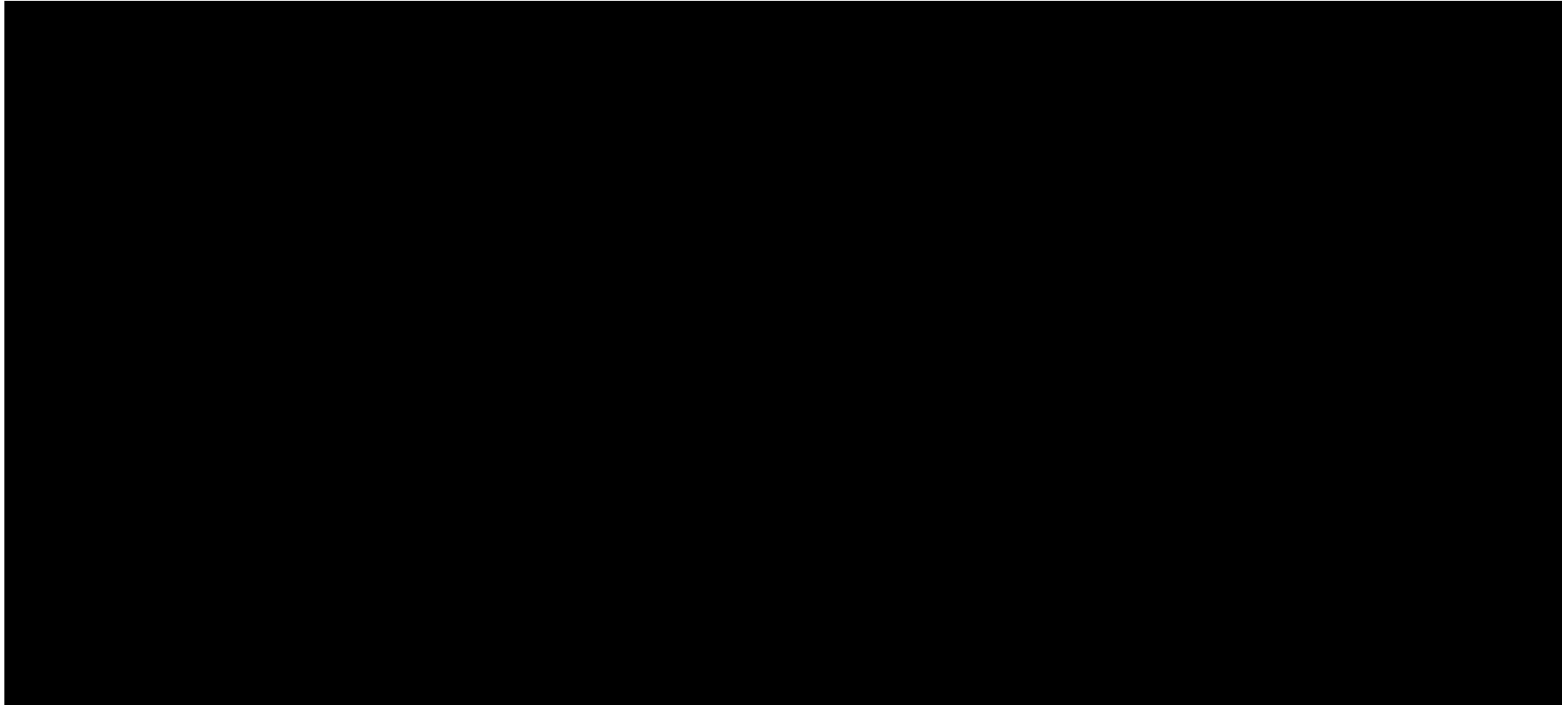


Source: IATA using FlightRadar24 data

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The typical airline had 2mths of cash available at the start of the year

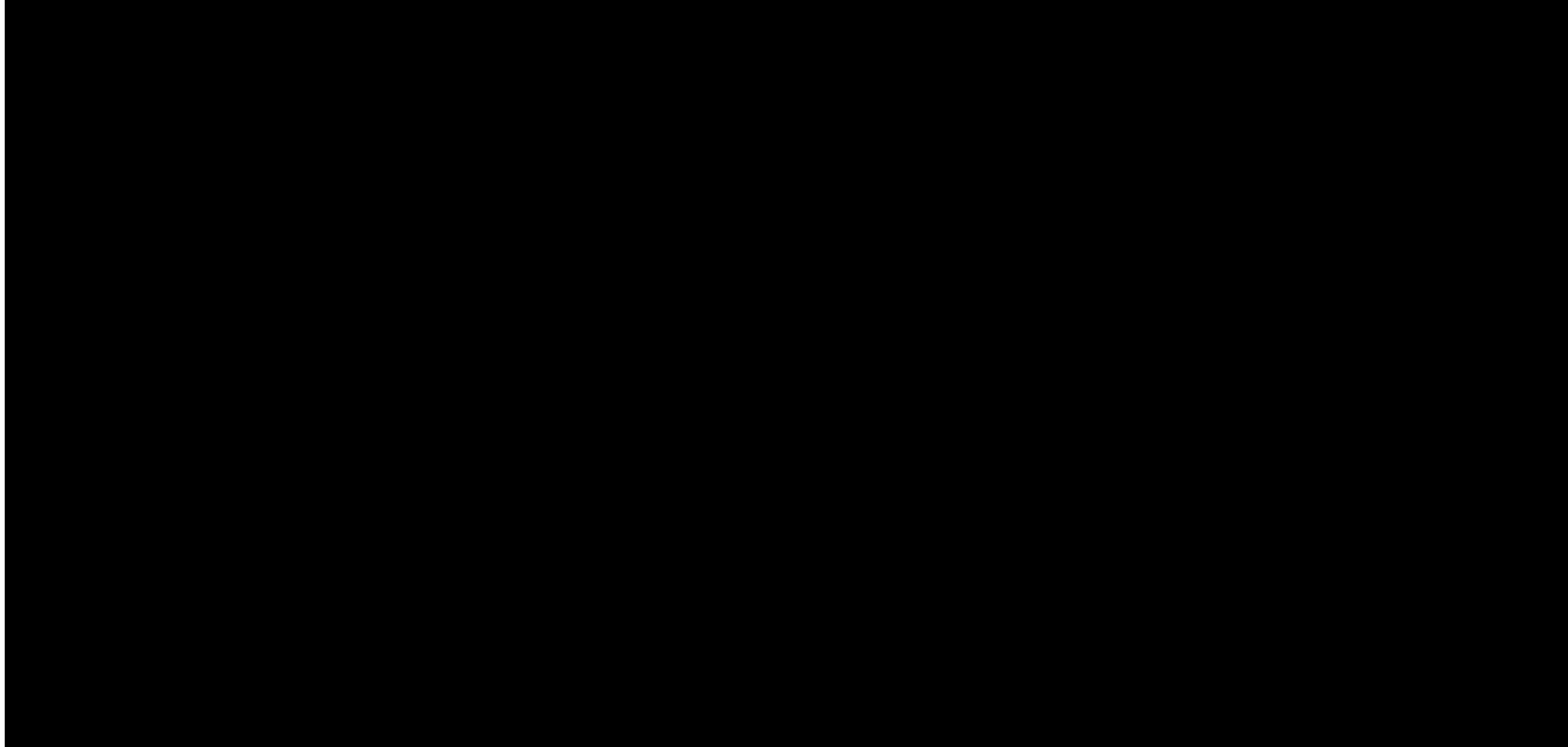


Source: IATA, The AirlineAnalyst

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Outside the top-30 airlines, debt levels remain high



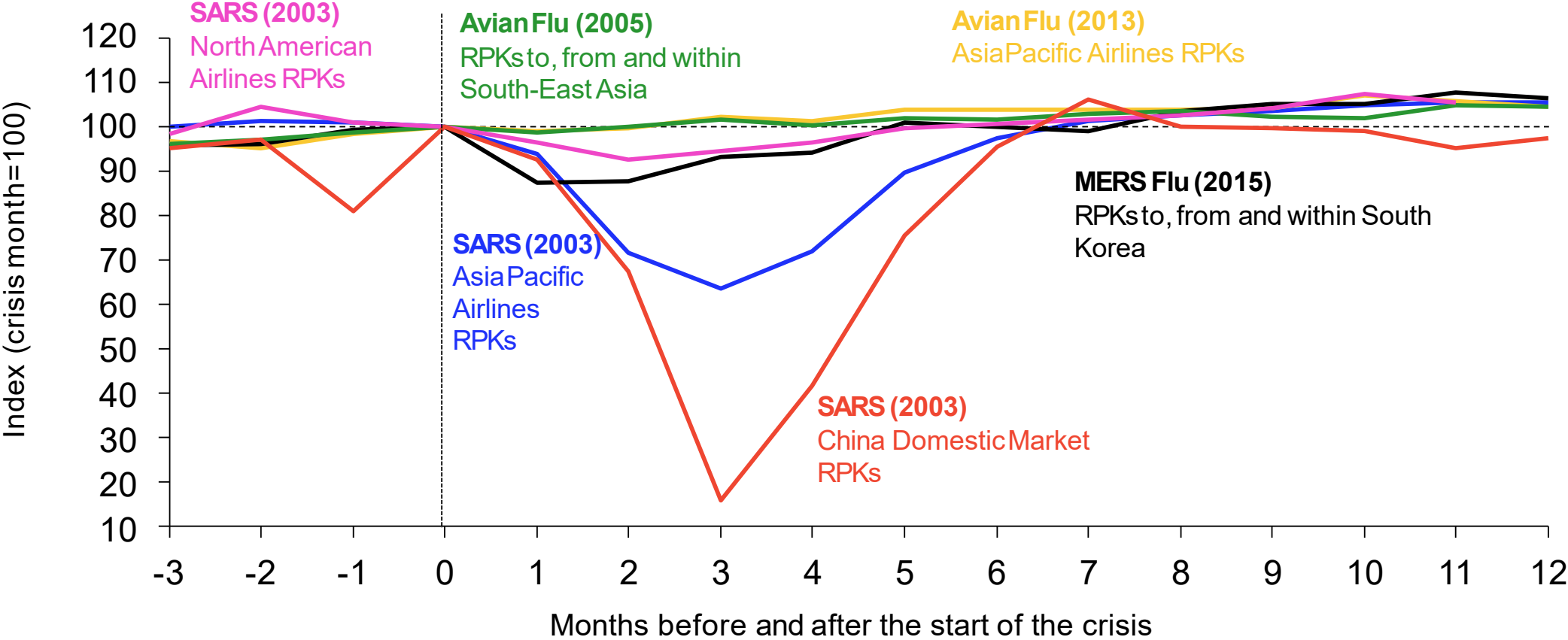
Source: IATA

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The usual v-shape recovery didn't involve a global recession

Impact of past disease outbreaks on aviation



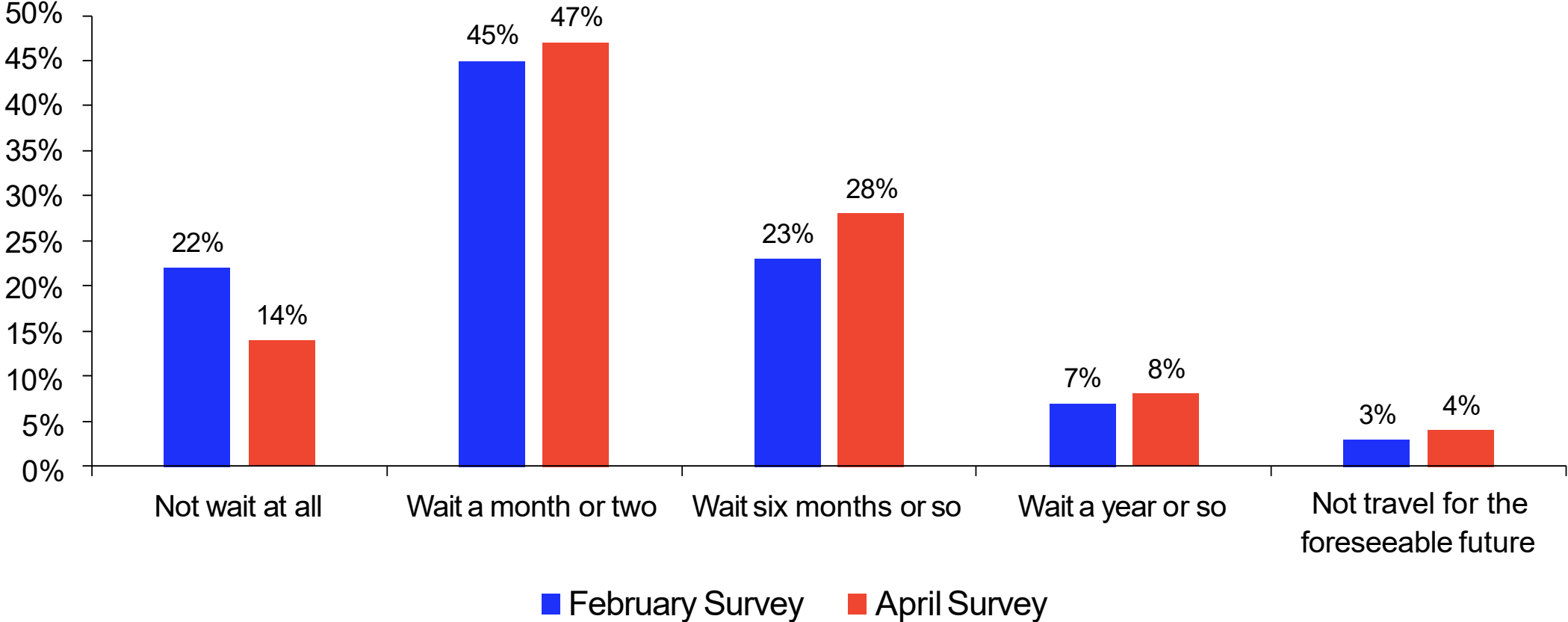
Source: IATA

Questions: Use the question panel on the right



Restoring passenger confidence will be crucial

Returning to Travel After Containment Announcement



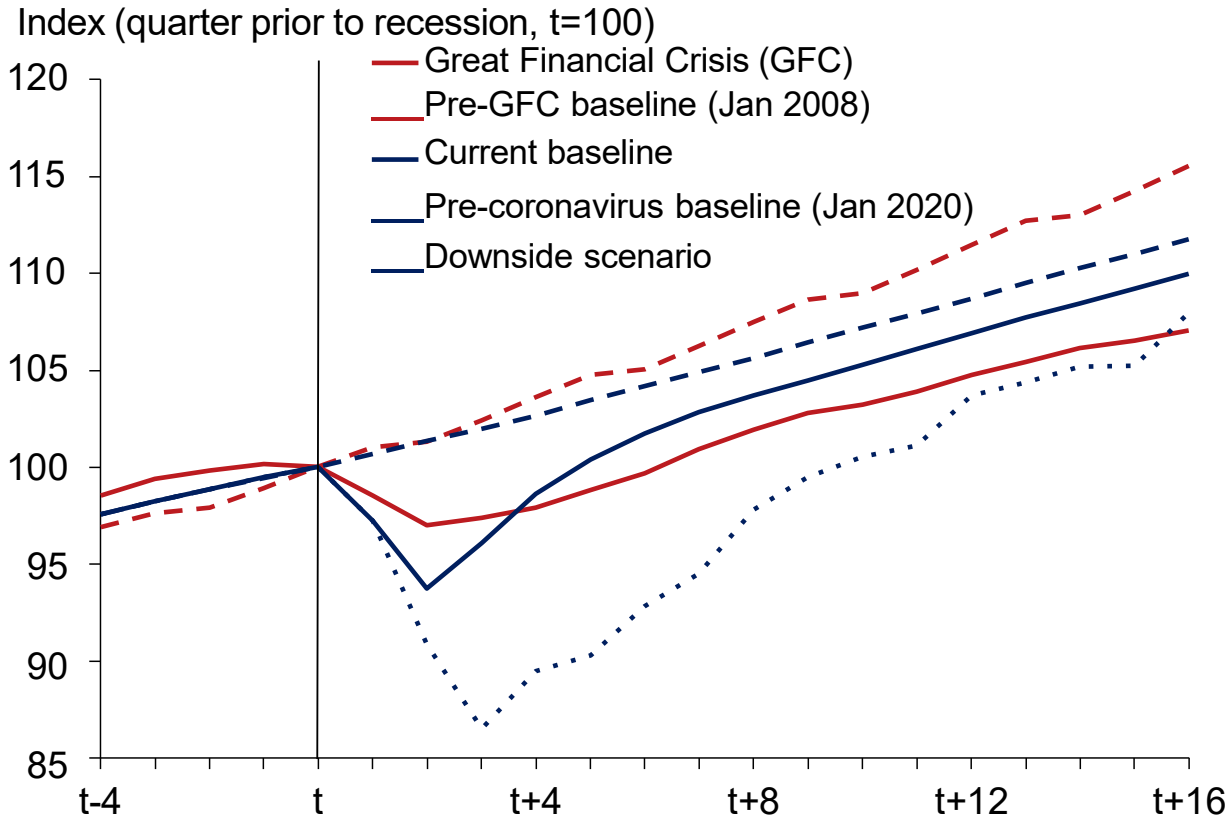
Source: IATA

Questions: Use the question panel on the right



Downside risk from larger and longer lockdown disruption

Global: comparing the forecast and GFC



Source : Oxford Economics/Haver Analytics

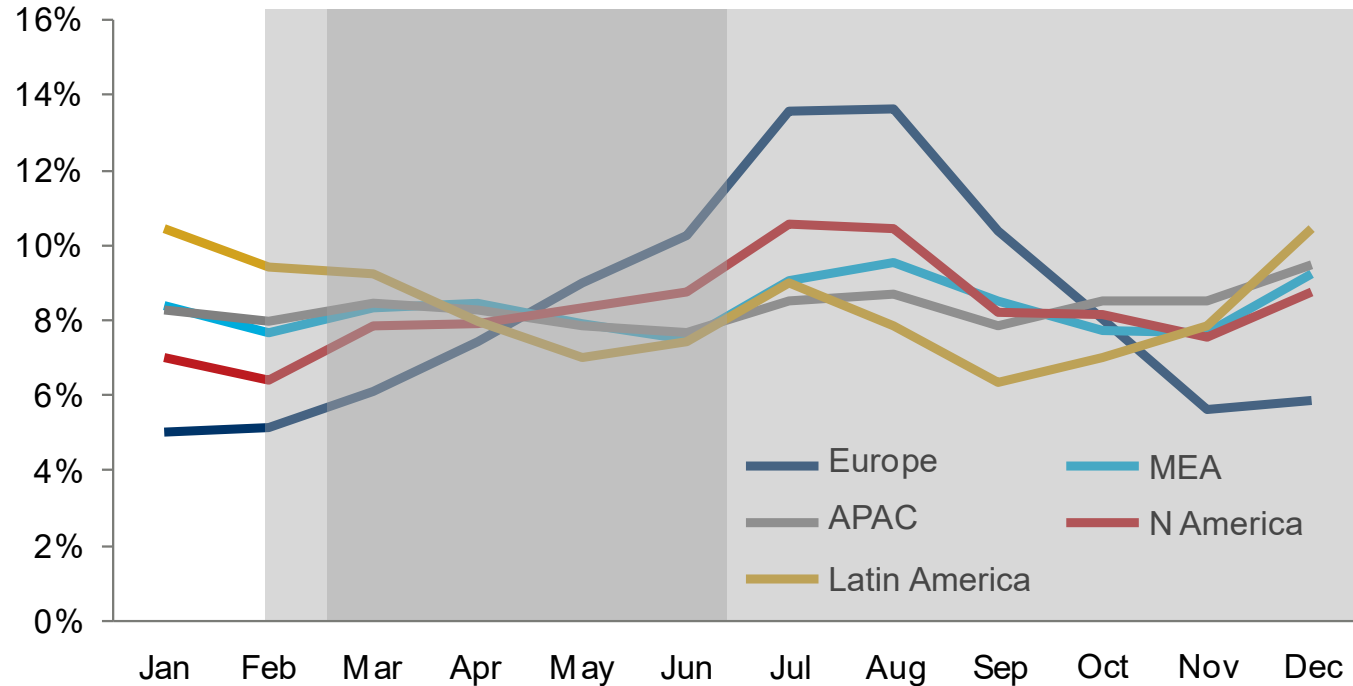
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Expected impacts in 2020 will be affected by duration and seasonality

Global arrivals: average monthly seasonality

% share annual arrivals, 2013-18



Source: UNWTO, Tourism Economics

Shading is expected duration of travel restrictions: dark shading is current restrictions, lighter is some easing

- Extent of restrictions into H2 will influence 2020 performance, as well as sentiment and economic drivers.
- Current travel restrictions are expected to remain for around 4 months.
- Some easing of restrictions for domestic and short-haul travel is expected to begin for peak summer months.
- Second wave of outbreak and lockdowns are a key risk.

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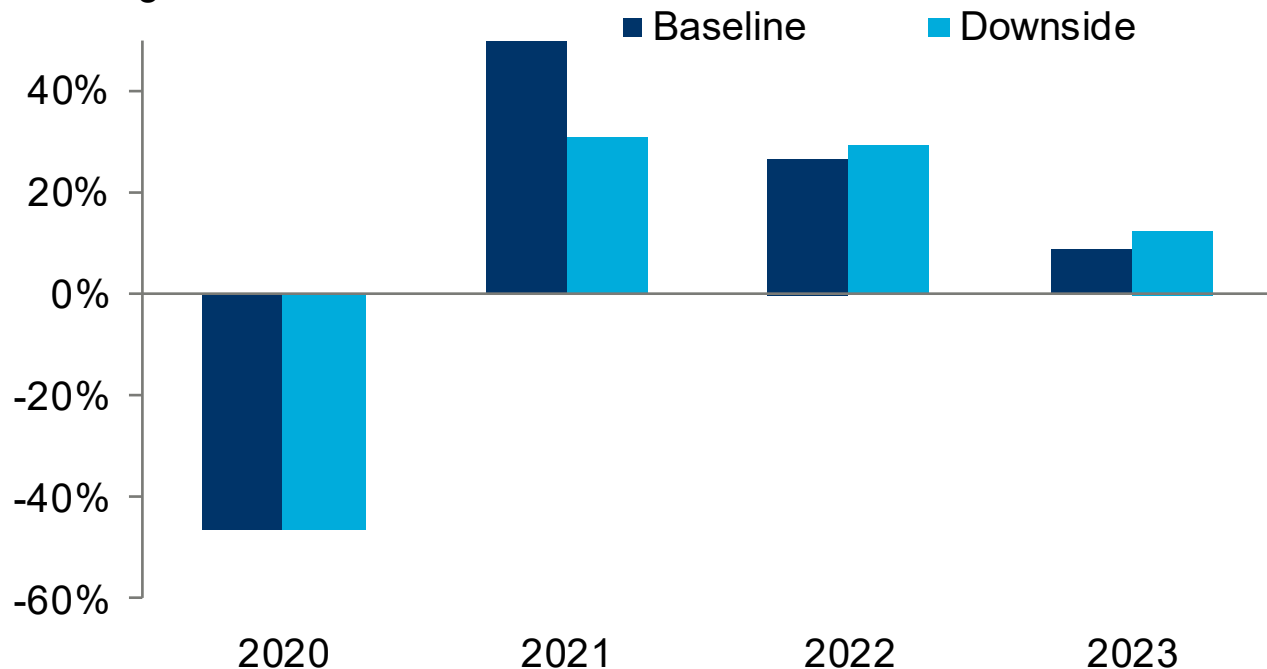
Downside scenario from economic drivers and reduced propensity to travel

Cumulative loss over 5 years: 1.6bn passenger journeys

Pre-crisis level recovered a full year later (2023 vs 2022).

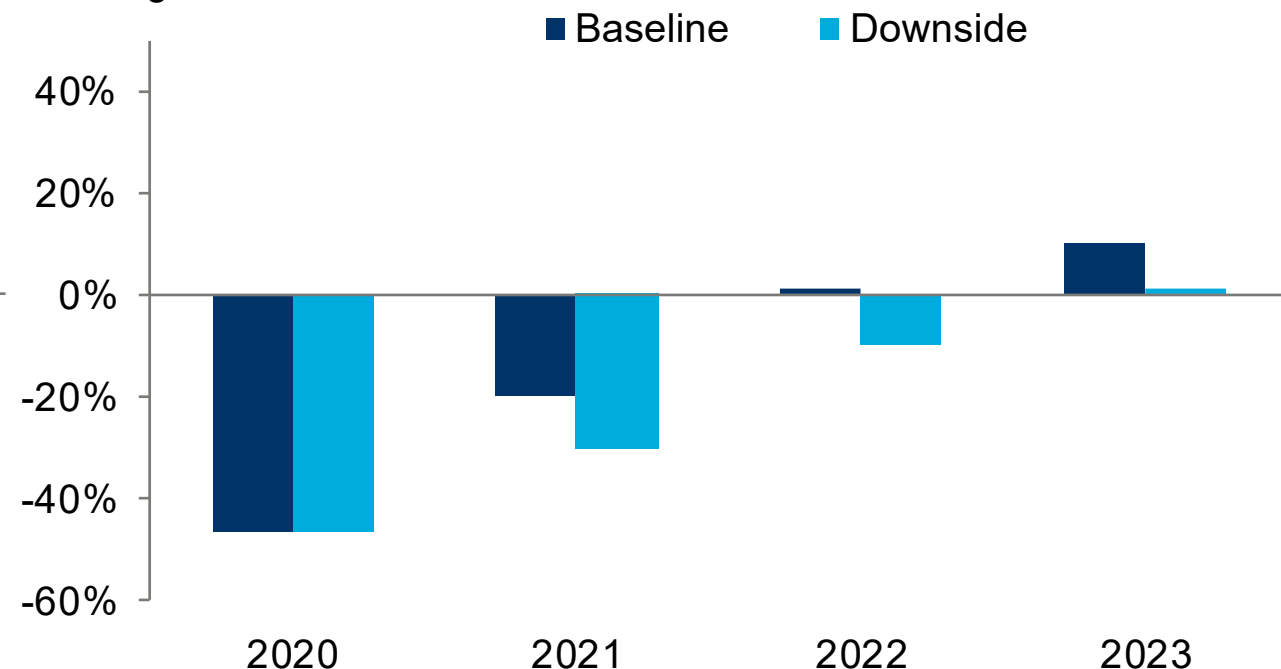
Global Air Passenger Downside Scenario

Annual growth, %



Global Air Passenger Scenarios Relative to 2019 Levels

Annual growth, %

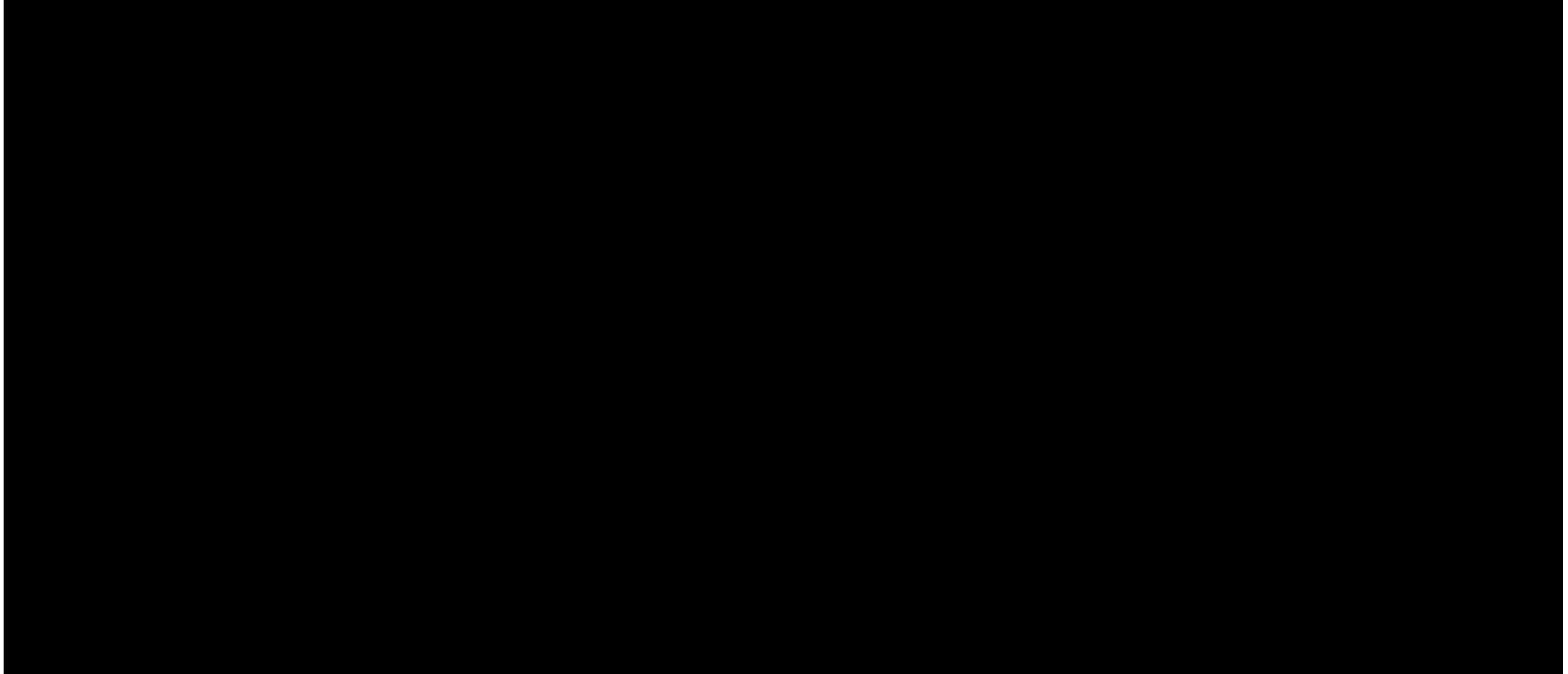


Source: IATA, Tourism Economics

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Regional profiles are similar with AsPac & AME recovering quickest...

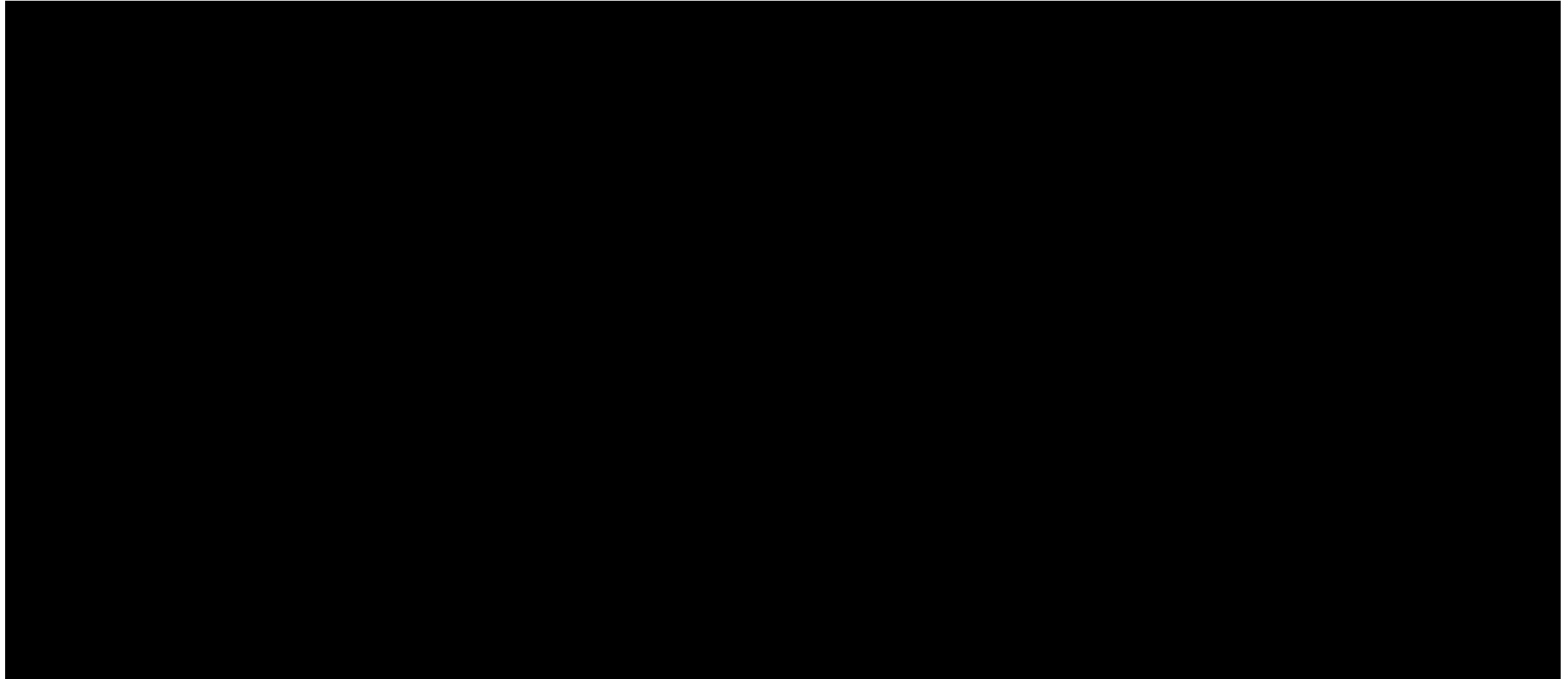


Source: IATA/Tourism Economics

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The long-run outlook remains robust...

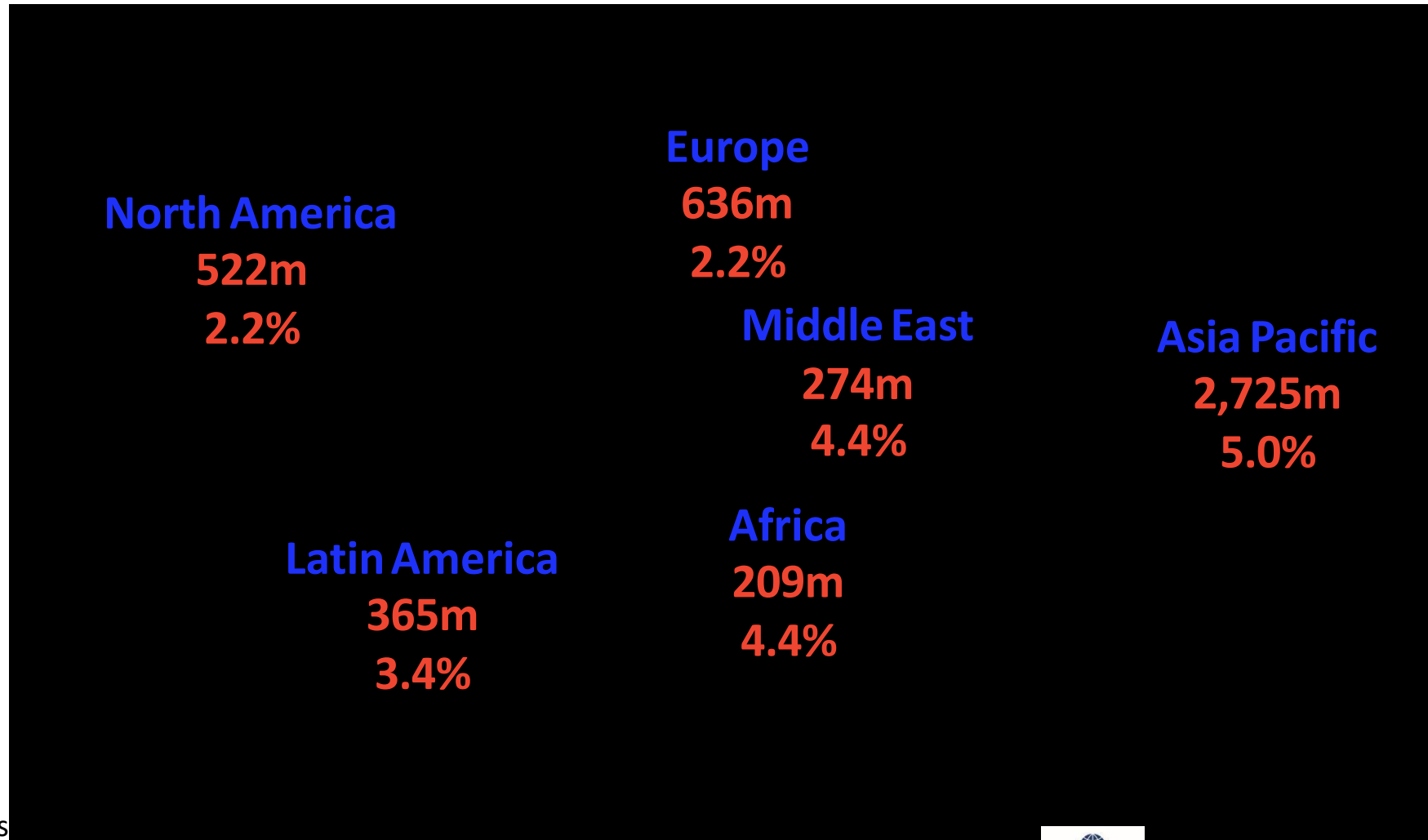


Source: IATA/Tourism Economics

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...with Asia Pacific continuing to lead the way



Source: IATA/Touris

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