

COVID-19

Wider economic impact from air transport collapse

Brian Pearce

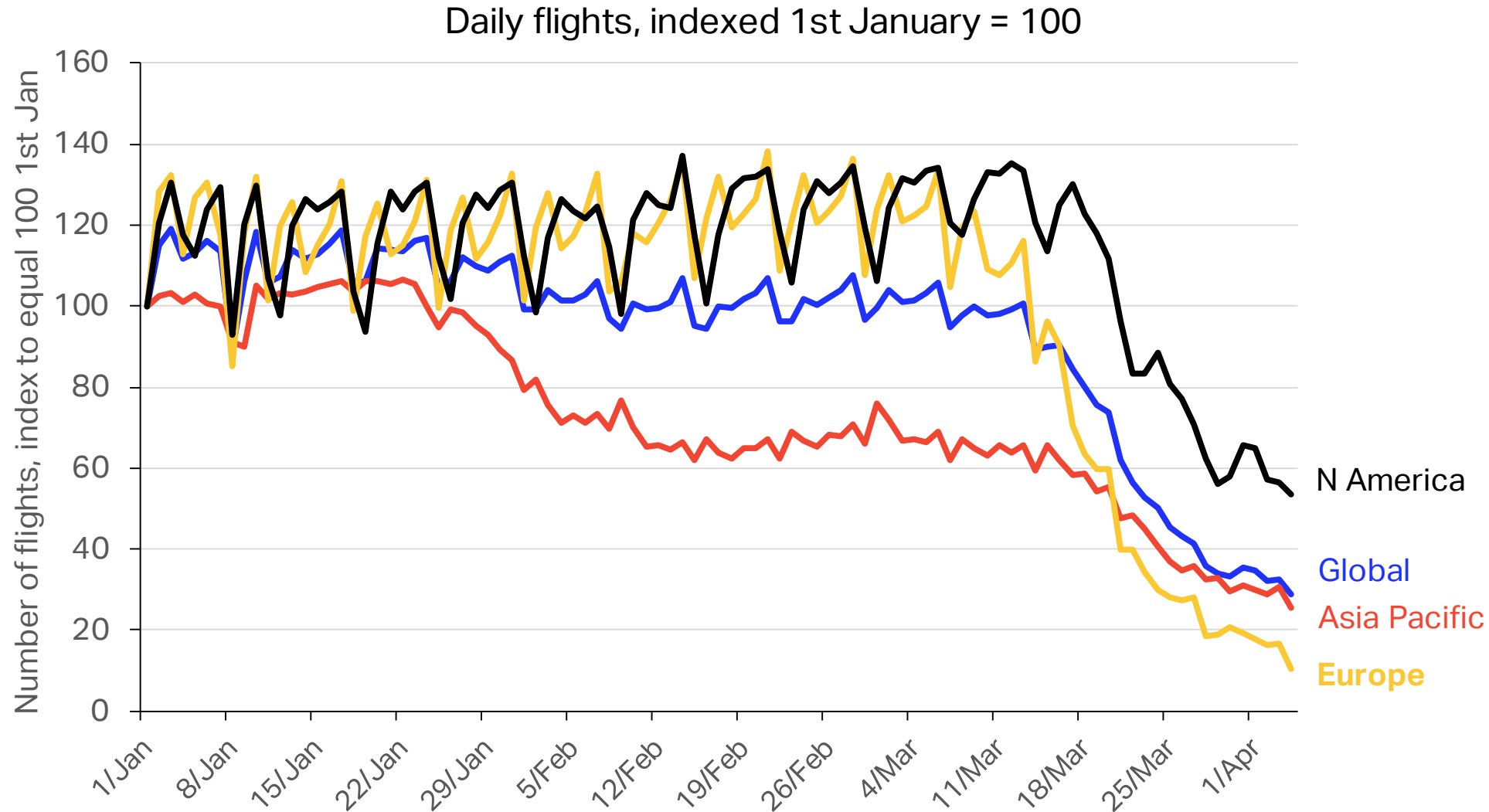
Chief Economist

7th April 2020



Worldwide flights were 70% lower at the start of Q2

Further decline possible as restrictions rise in a number of regions

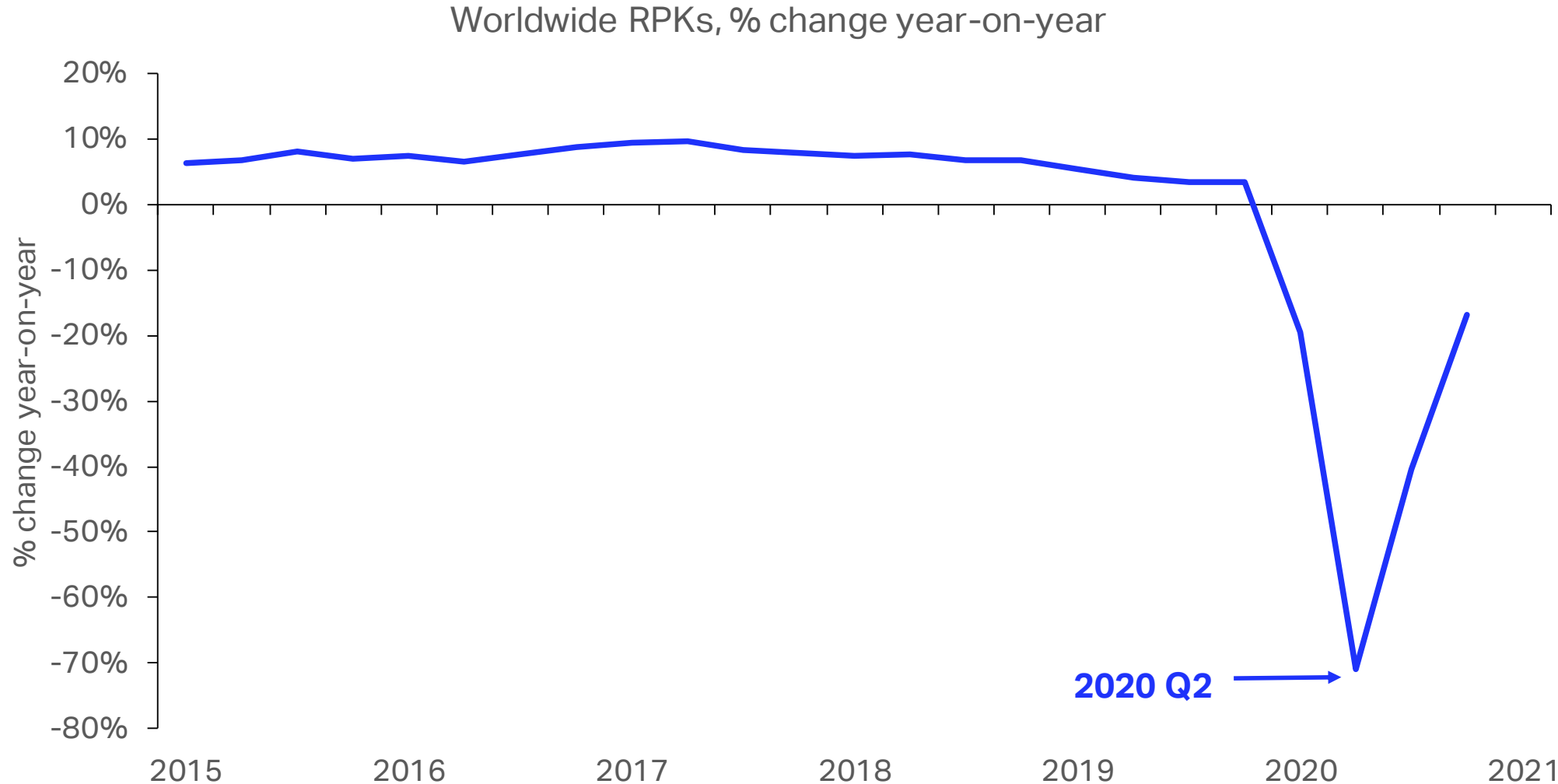


Source: IATA Economics using data from FlightRadar24



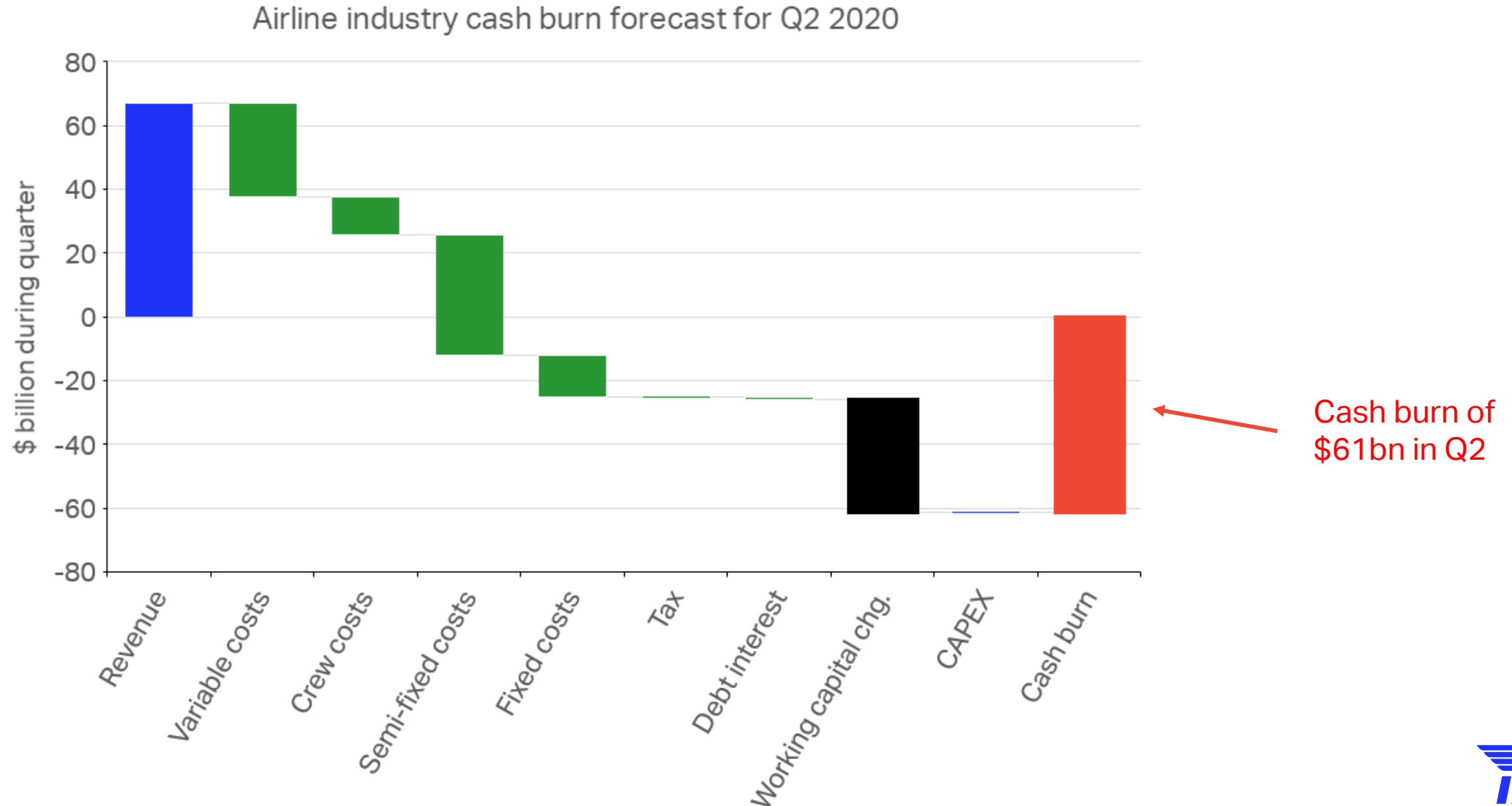
We are forecasting a 70%+ y-o-y fall in RPKs in Q2

Revenue shock similar as lower passenger yields offset by cargo



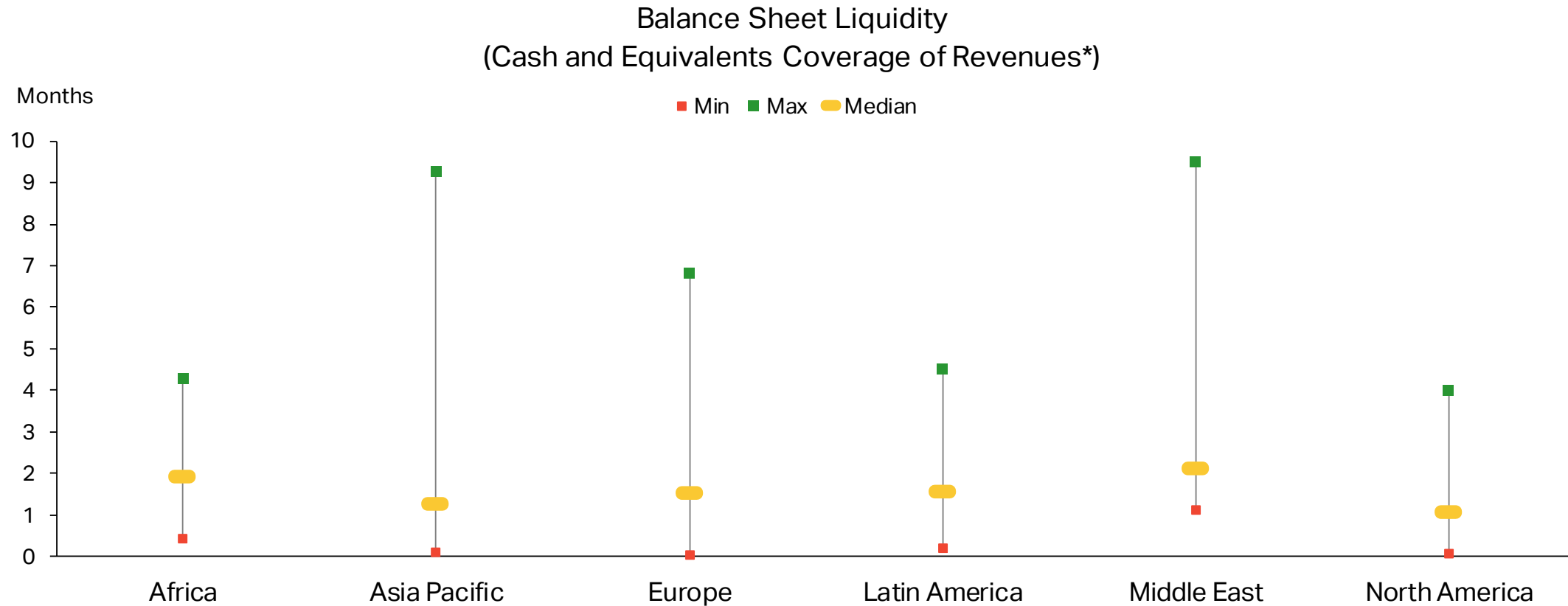
Cash burn may be over \$60 billion in Q2

Some costs cannot be avoided and ticket refunds also burning cash



Many airlines running out of cash

Situation at start of this year - median airline only 2 months cash

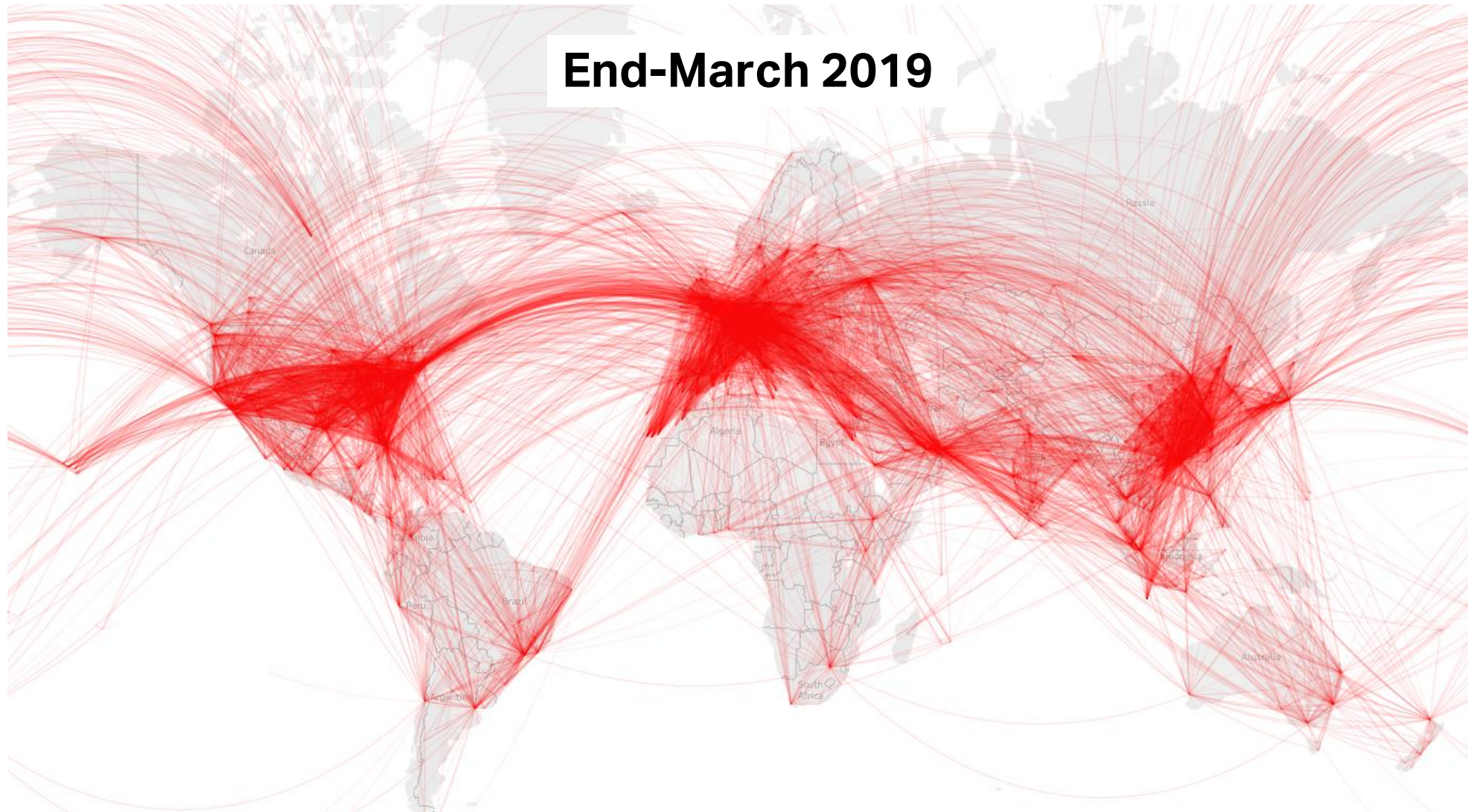


*Latest available 12 months cumulative revenues Africa, Latin America and the Middle East might not be representative due to small sample size.



Connecting cities by air will be critical for the recovery

35% of international trade, supply chains, investment, tourism



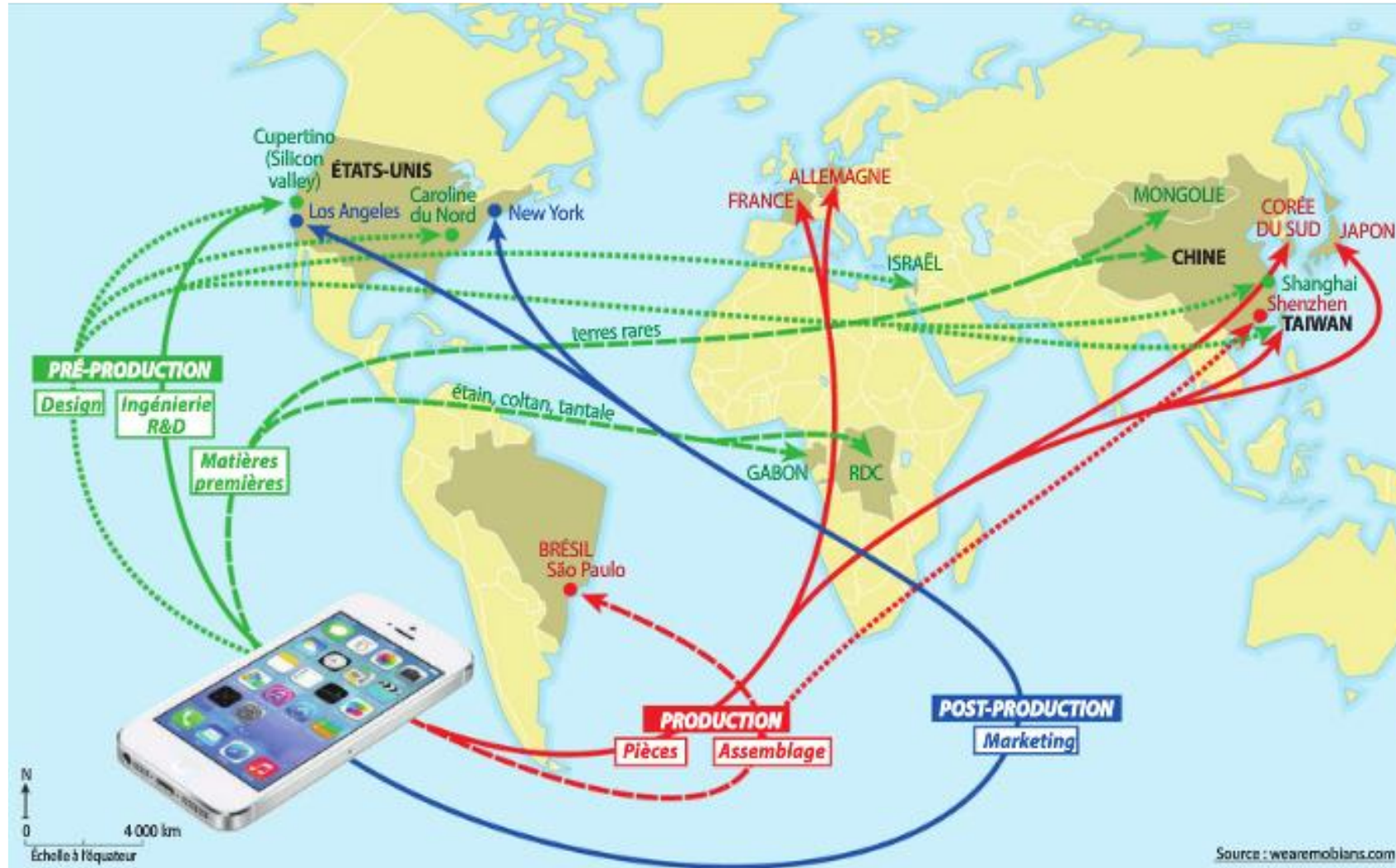
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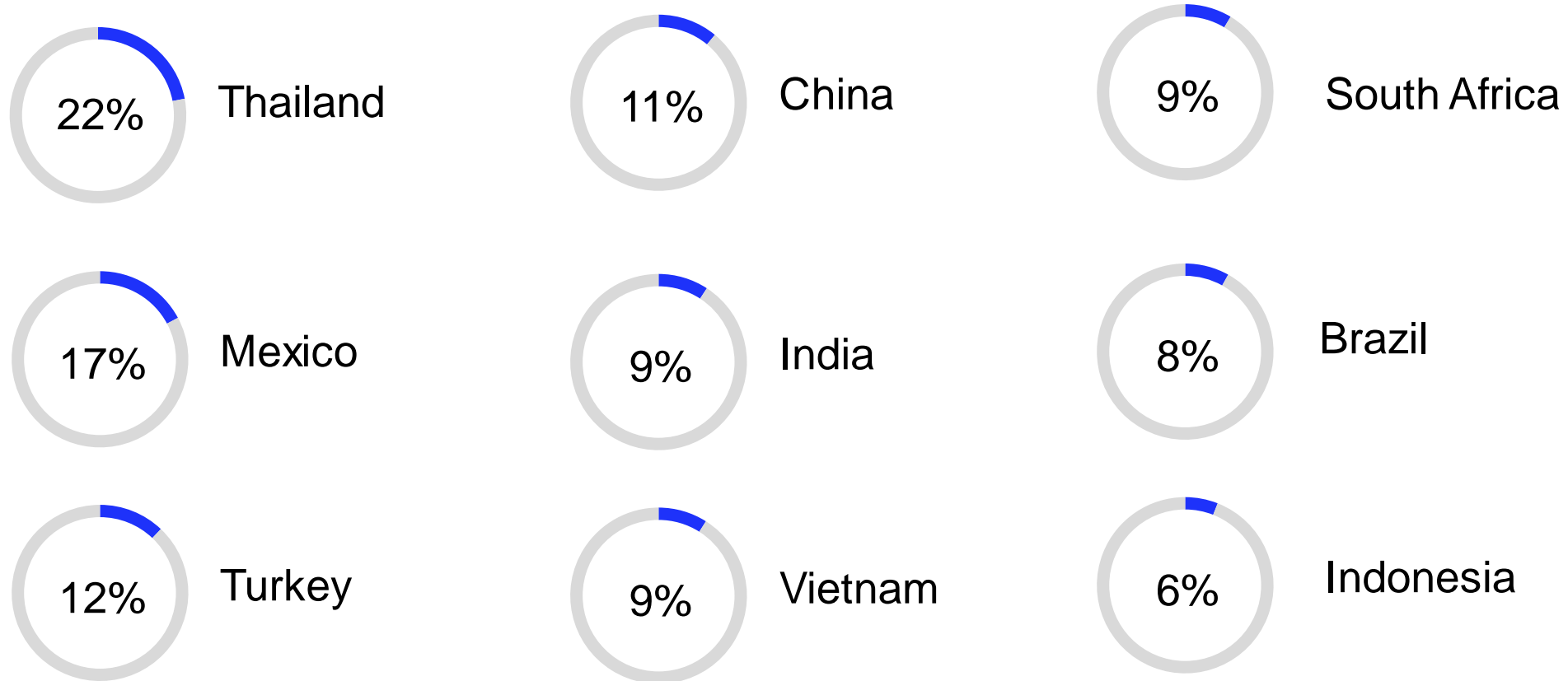
Advanced economies depend on supply chains

Rapid air transport links critical for functioning of modern businesses



Emerging economies often depend on inbound tourism

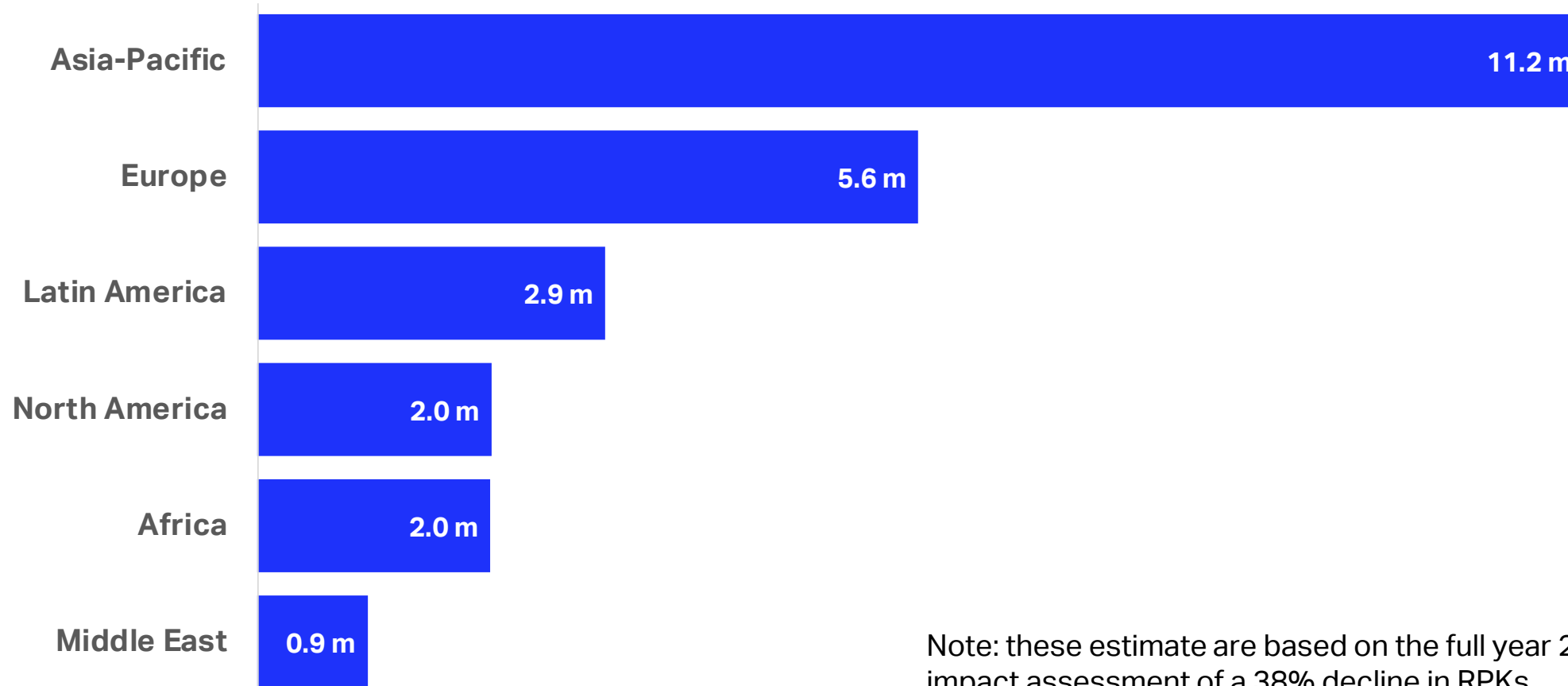
The spending and investment driven by tourism industry can be critical



The consequences are severe for the wider economy

Not just airlines, also 25 million jobs at risk throughout economies

Jobs supported by air transport at risk due to COVID-19



Note: these estimate are based on the full year 2020 impact assessment of a 38% decline in RPKs



Contacts

economics@iata.org

www.iata.org/economics

