

COVID-19

June data and revised air travel outlook

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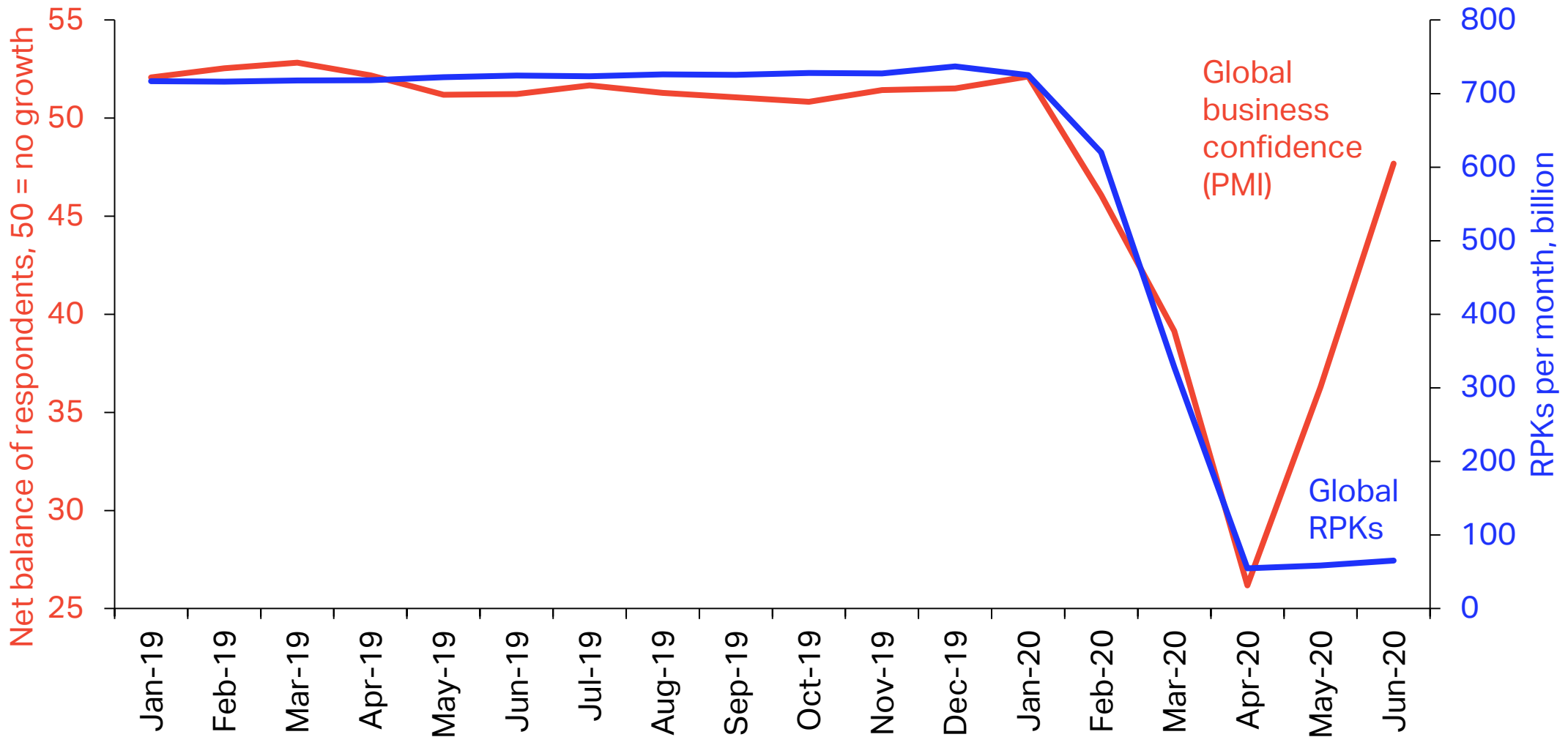
28th July 2020



Air travel upturn continued in June but surprisingly weak

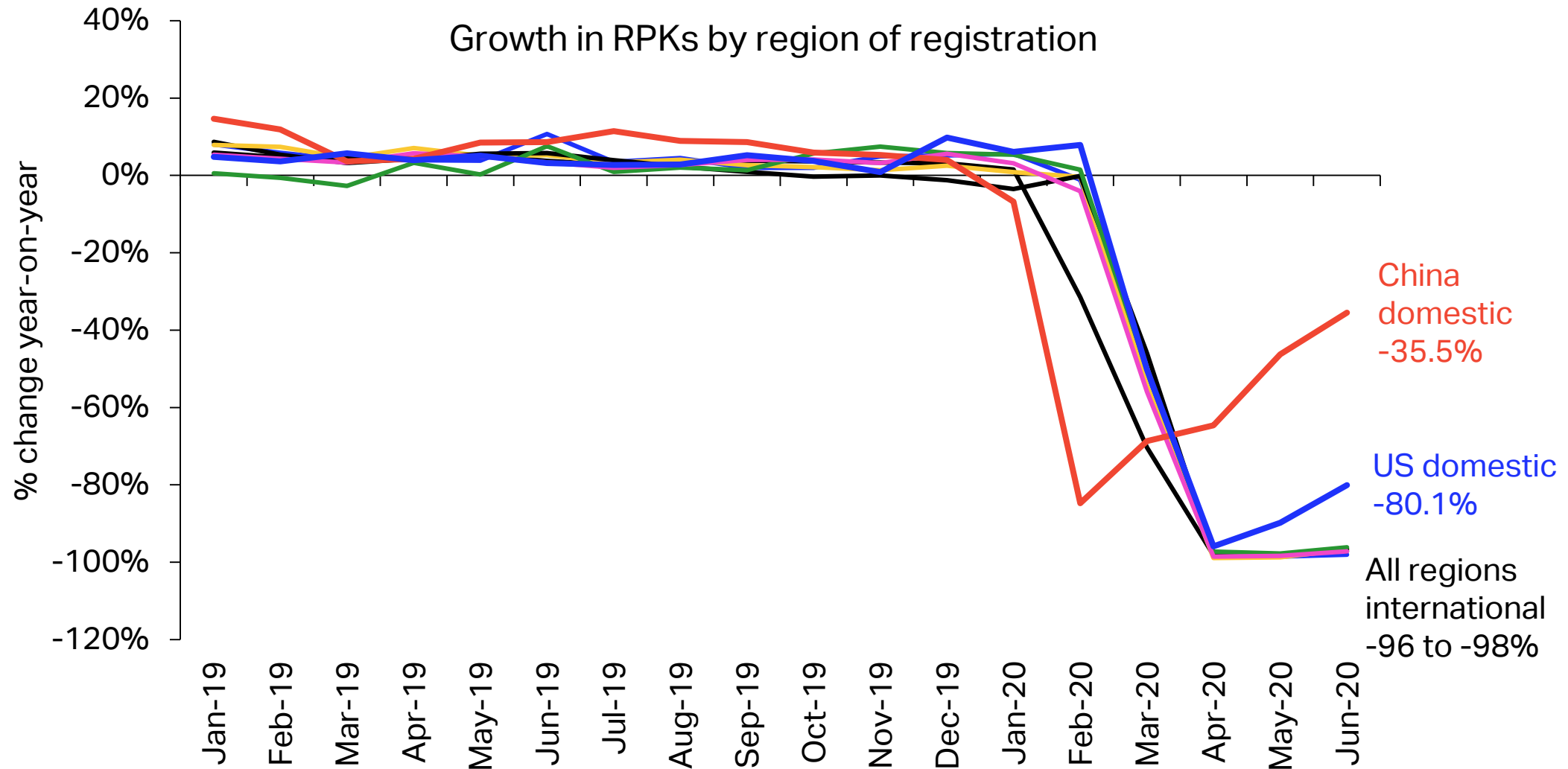
Global RPKs -86.5% yoy in June vs -94.1% at February low point

Global RPKs and global business confidence, monthly



June upturn narrowly based on domestic markets

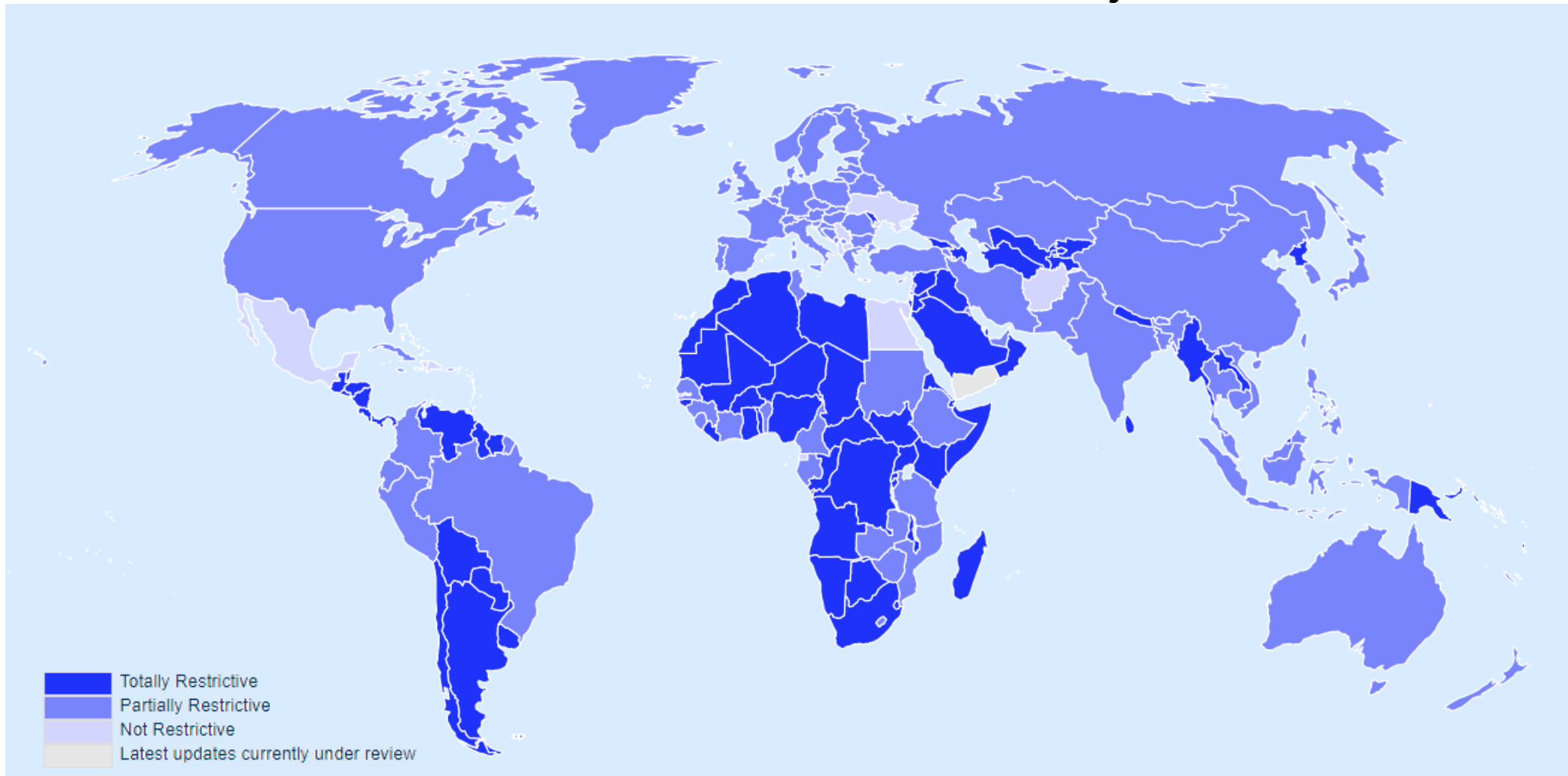
China domestic travel growing but little growth on international markets



Border restrictions have not yet been widely relaxed

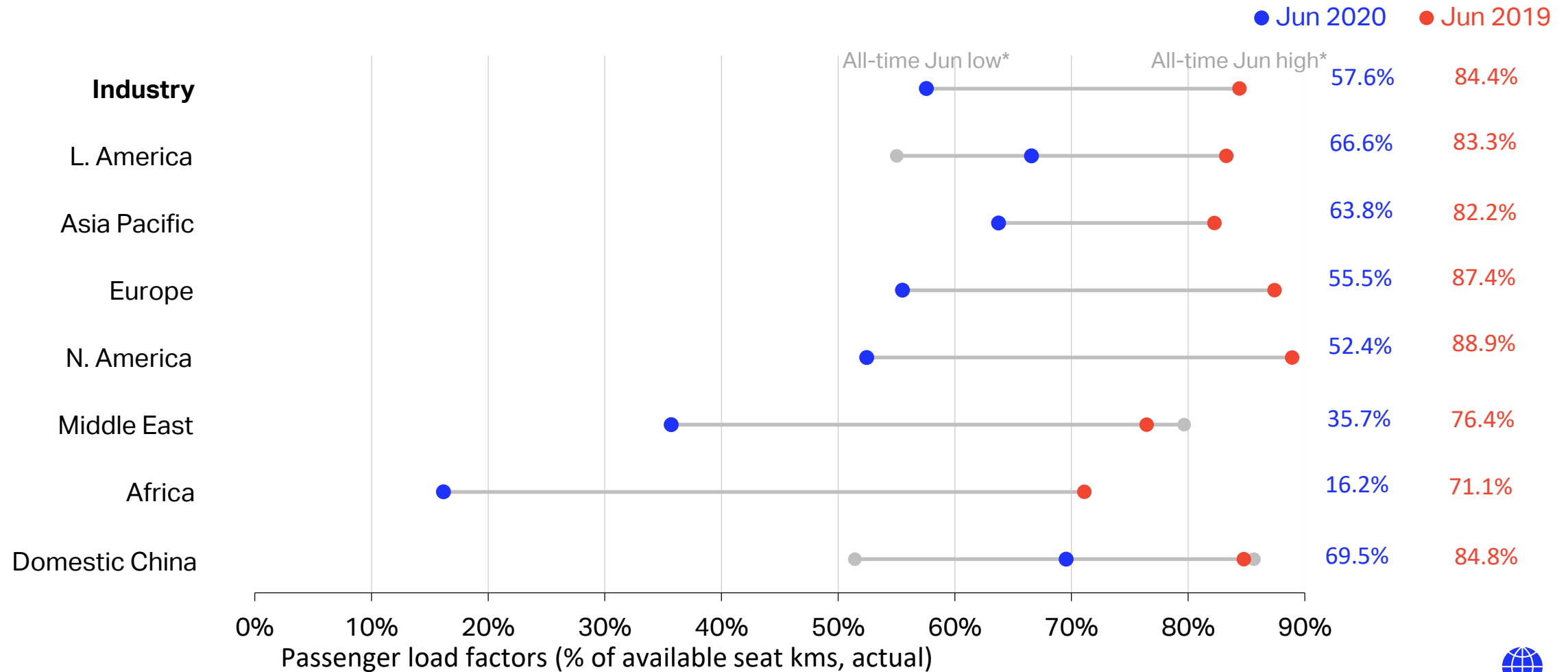
The few travel corridors (e.g. EU) only source of international air travel

Current Border Restrictions, as of 24 July



Load factors remain at all-time lows in most regions

June domestic load factors 62.9% but international only 38.9%



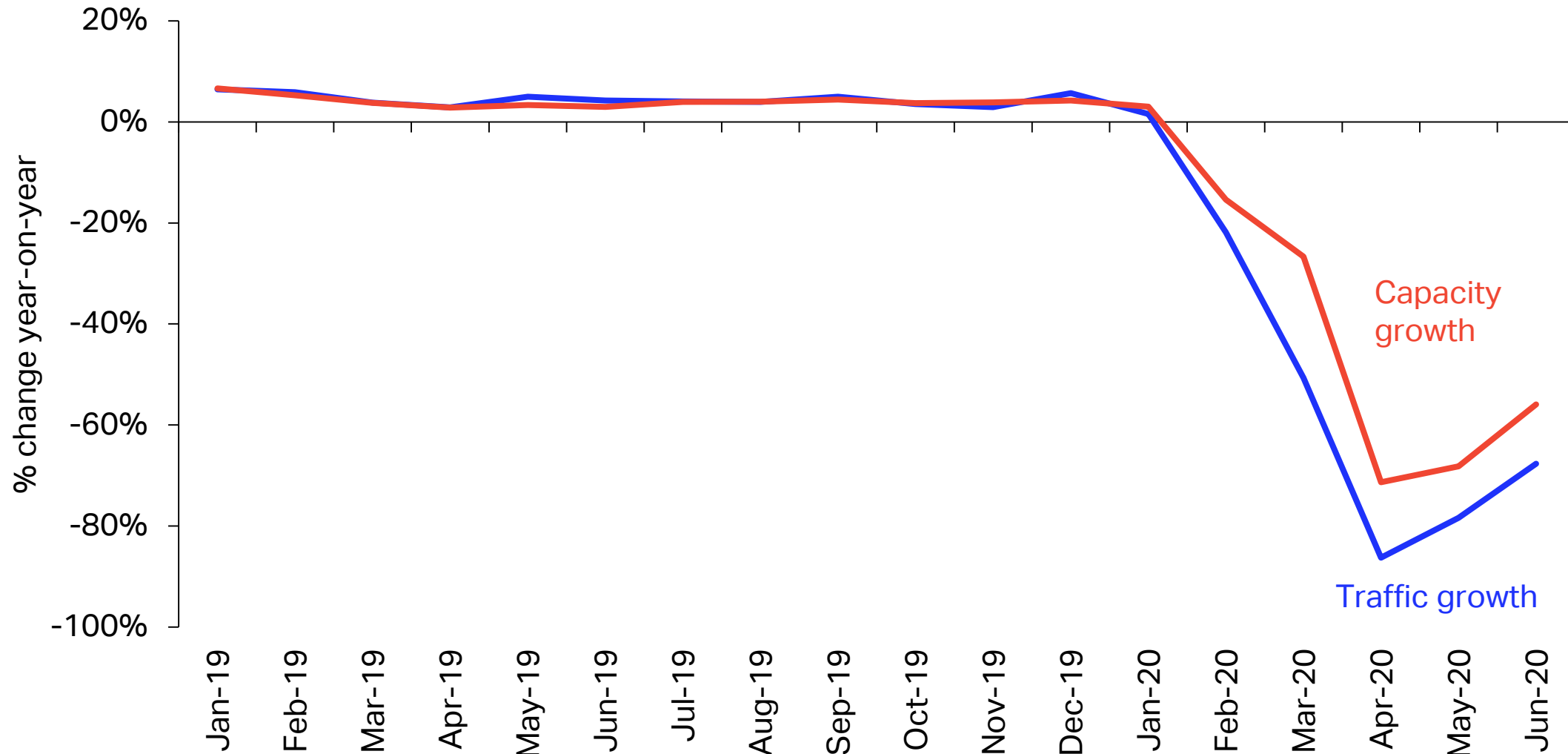
*Data from 1990 onwards



Traffic not growing as fast as airlines adding capacity

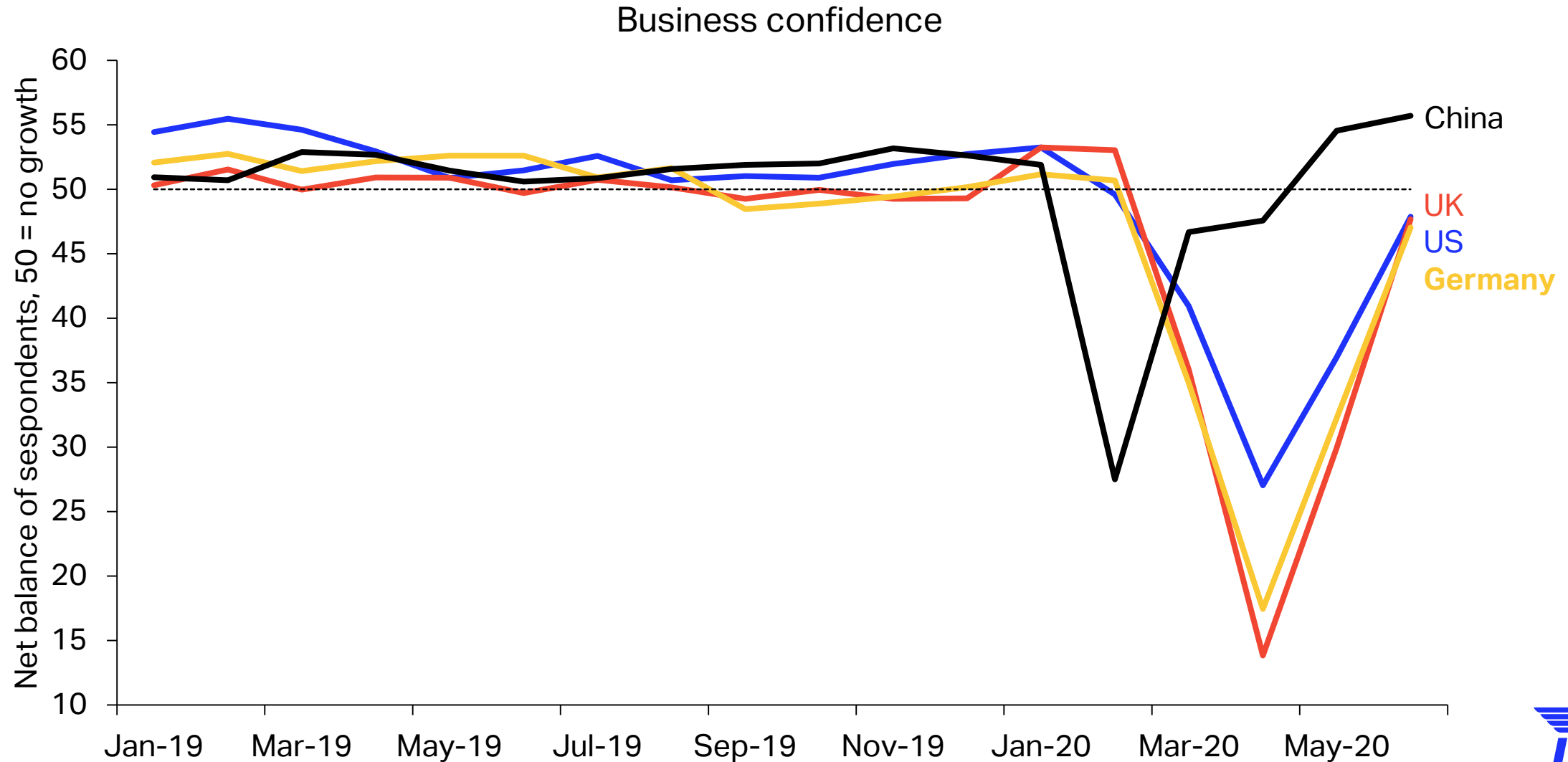
Cash burn continuing as load factors still below breakeven

Domestic RPKs and ASKs, % yoy



Businesses are confident GDP growth will rise sharply

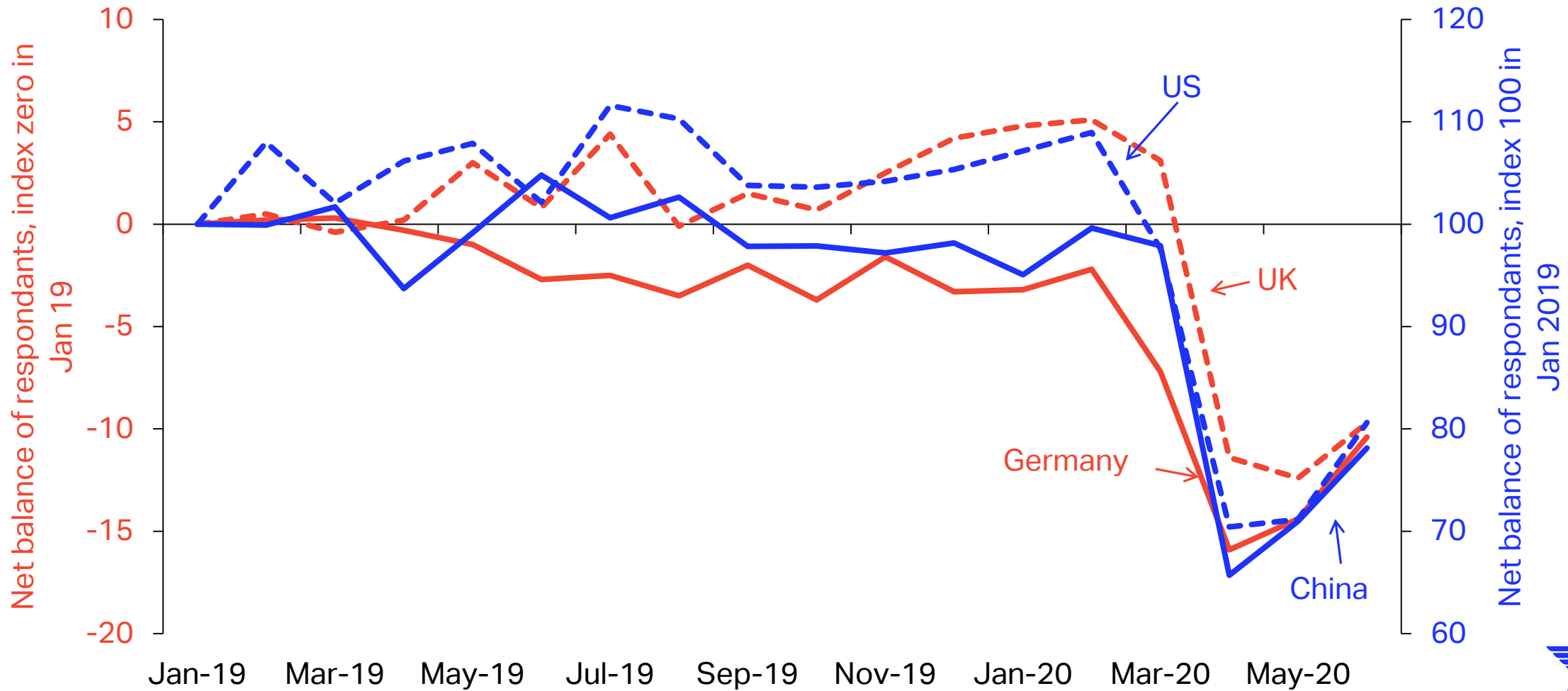
But business travel on hold so this will not be an immediate boost



Consumer confidence remains much weaker

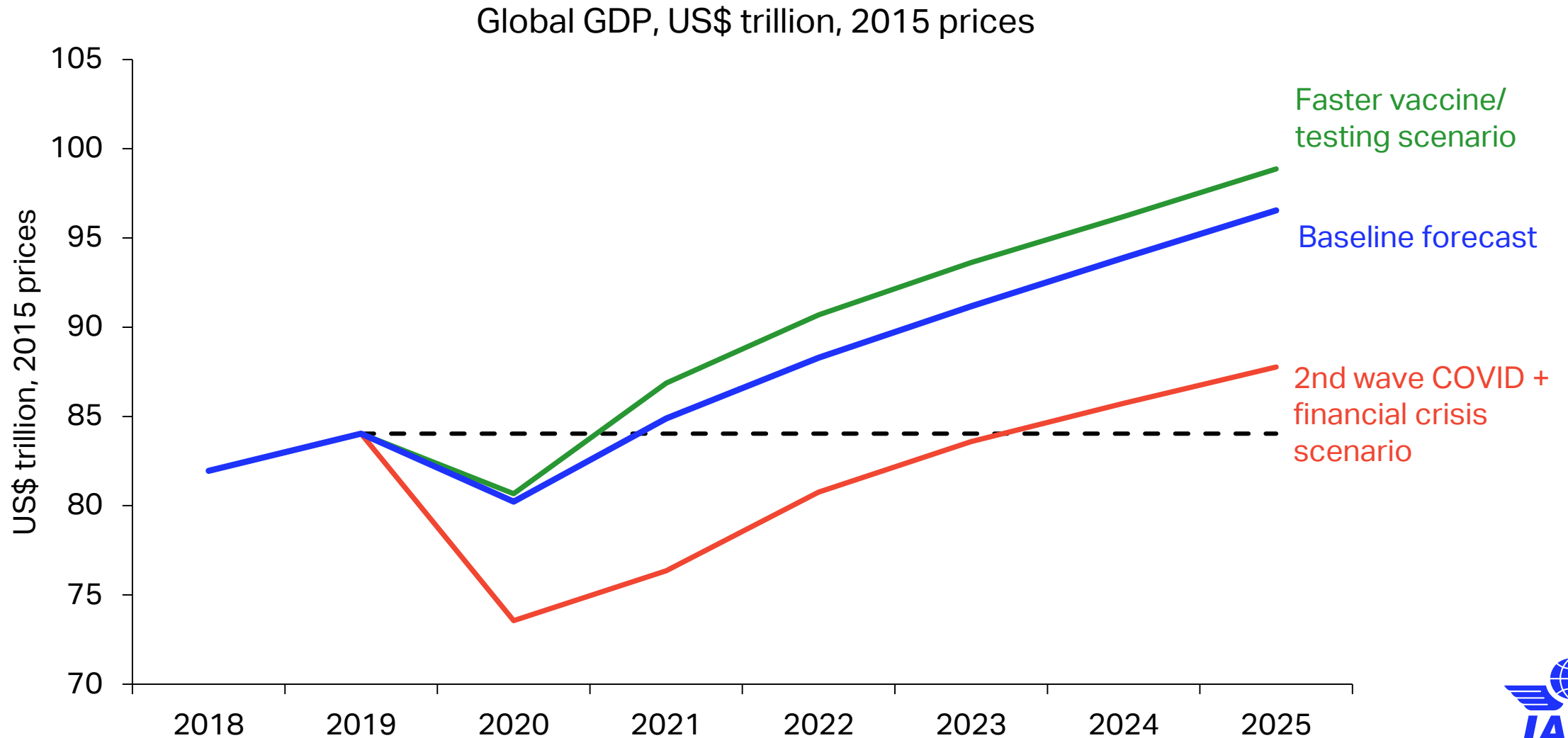
Leisure travel unlikely to recover without confidence restored

Consumer confidence



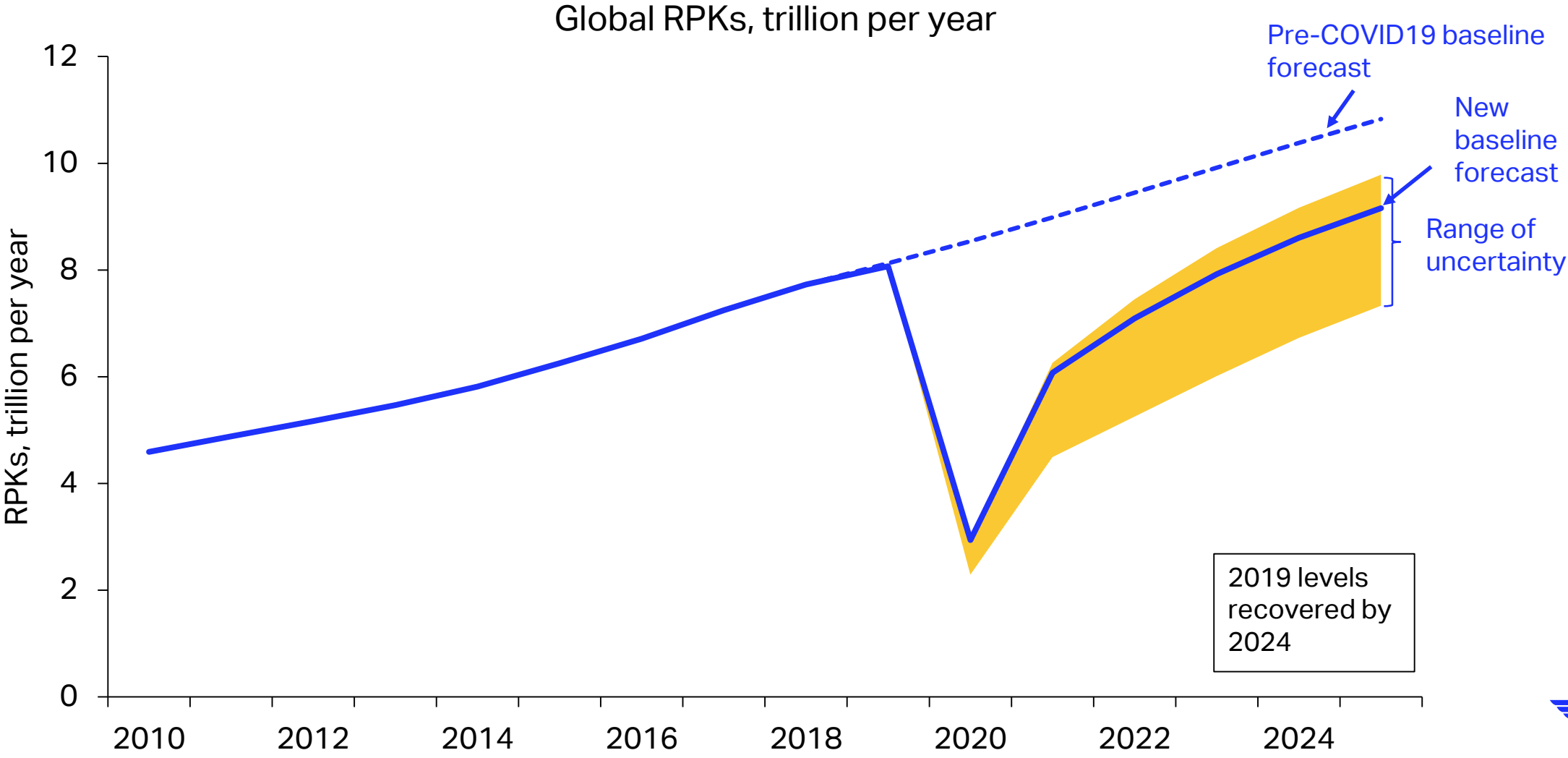
The outlook for global GDP could take different paths

We've explored optimistic and a pessimistic scenarios for the economy



RPK forecasts downgraded; 2019 regained only by 2024

75% growth now forecast for 2021 but RPKs still 36% below 2019 levels



Source: IATA/Tourism Economics 'Air Passenger Forecasts' July 2020

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