COVID-19

Outlook for air travel in the next 5 years

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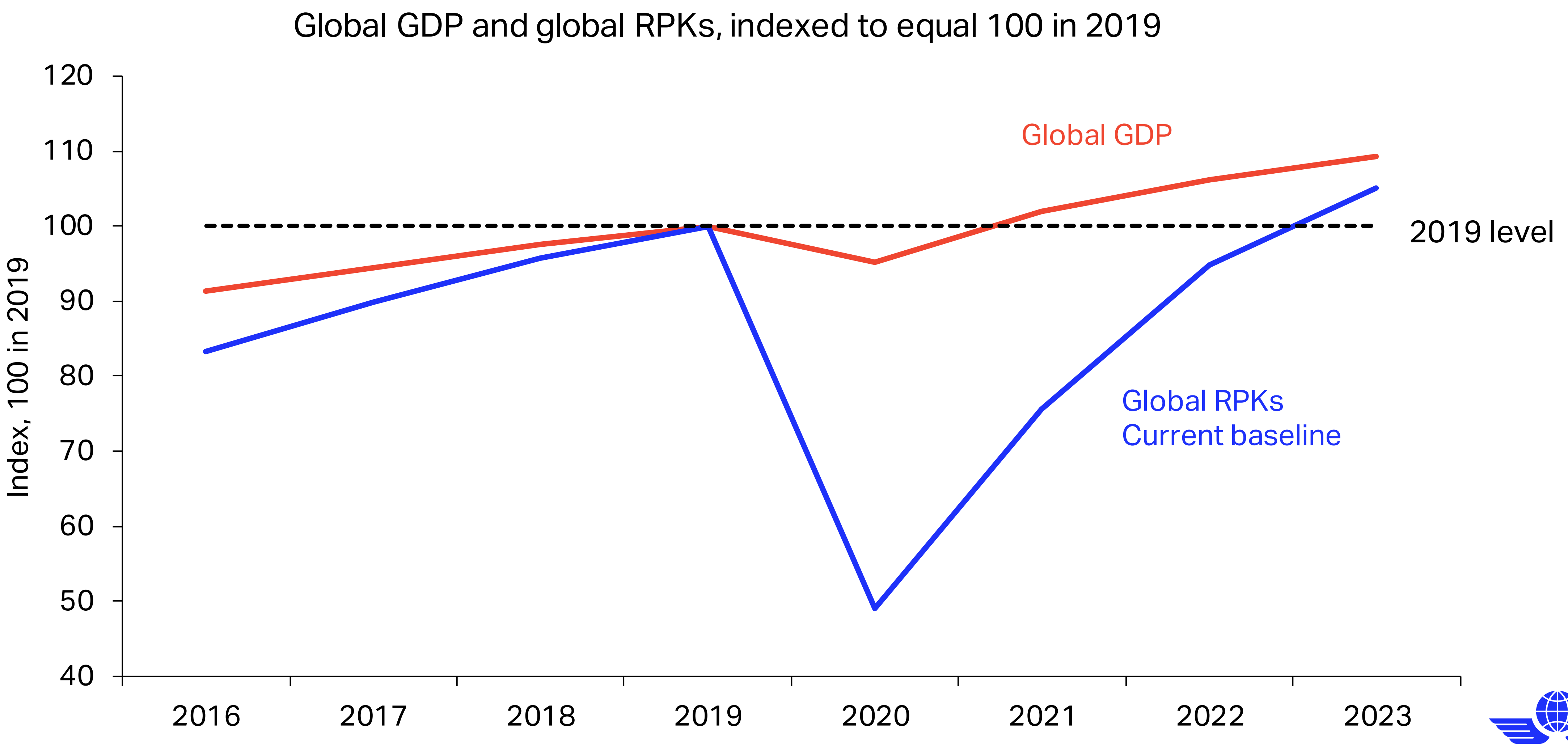
IATA

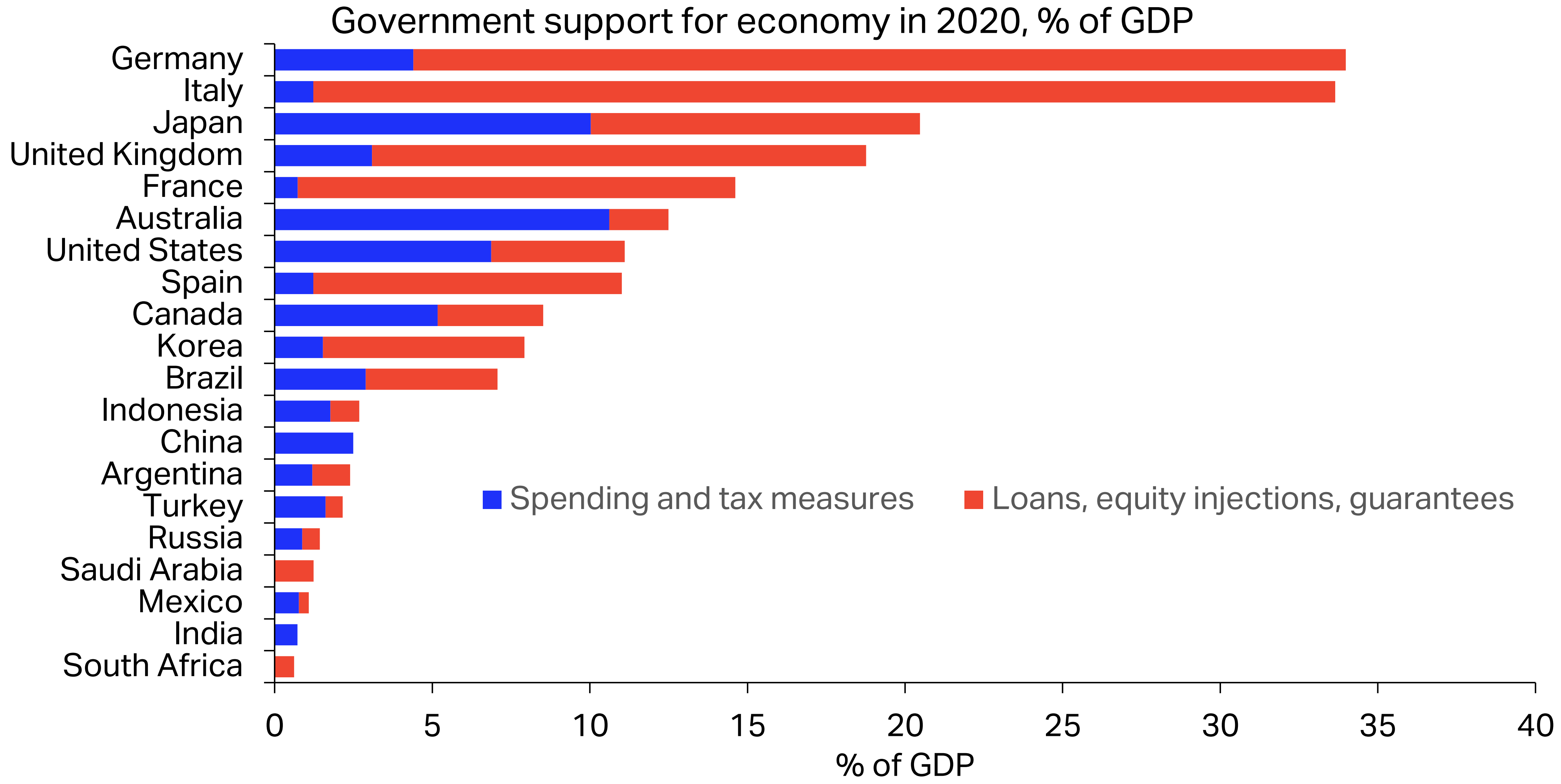
Air travel may recover more slowly than most of economy

Global RPKs recover 2019 levels in 2023, 2 years behind GDP recovery



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

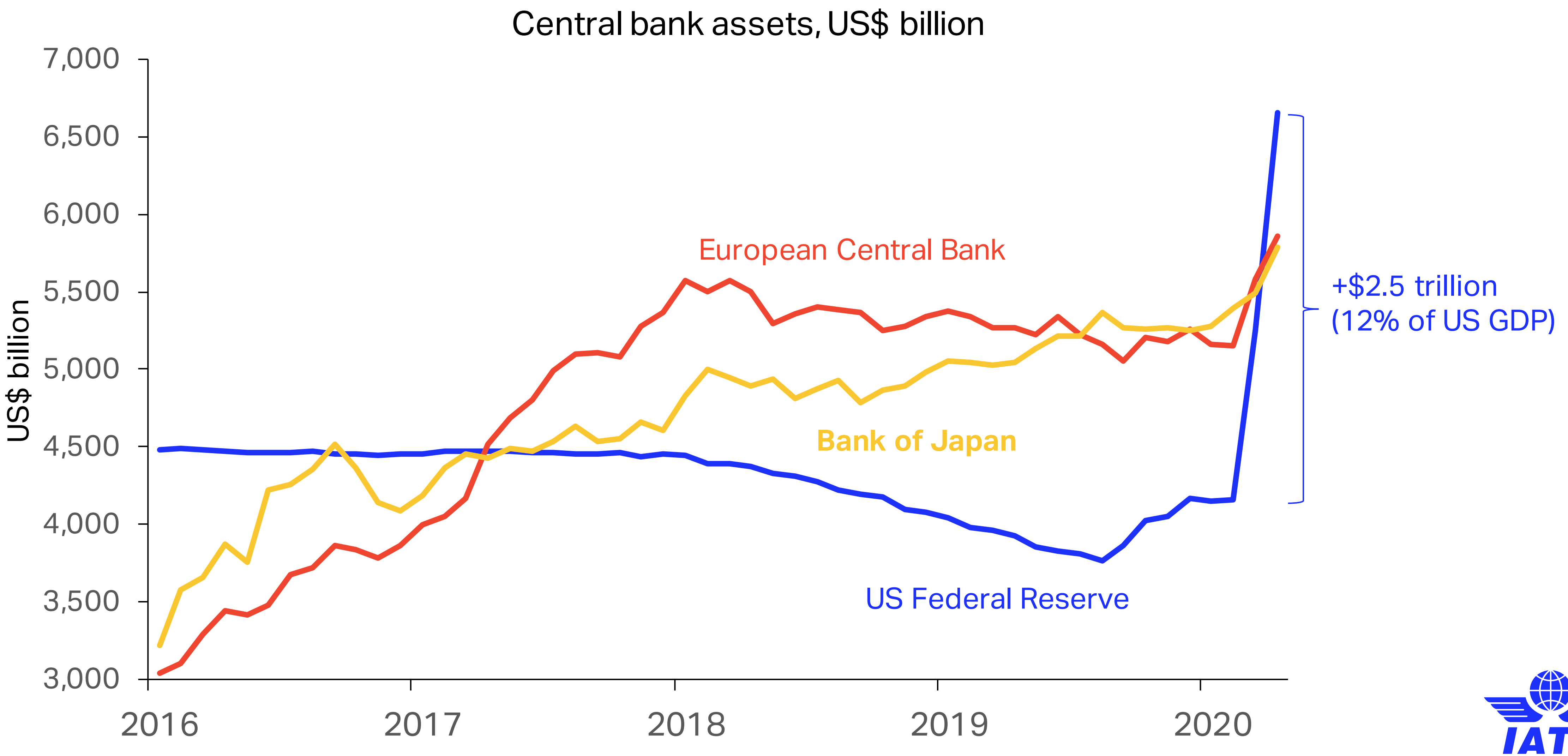
Governments have provided unprecedented support
Wage subsidies, grants and loans should allow strong GDP rebound



Source: IATA Economics using data from the IMF's World Economic Outlook, April 2020

Central banks have also injected cash into economies

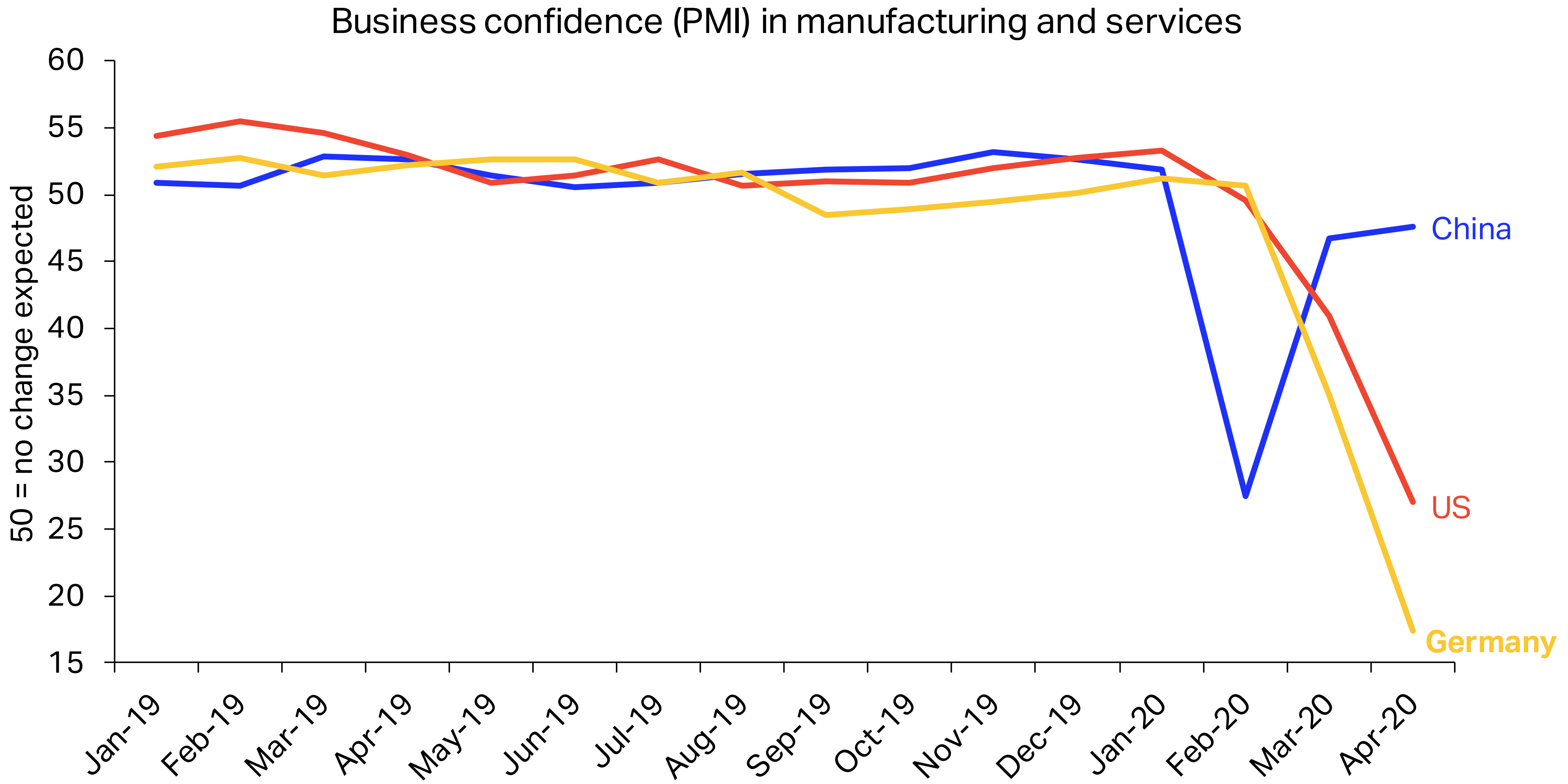
The US Federal Reserve has added cash equivalent to 12% of US GDP



Source: IATA Economics using data from Refinitiv Datastream

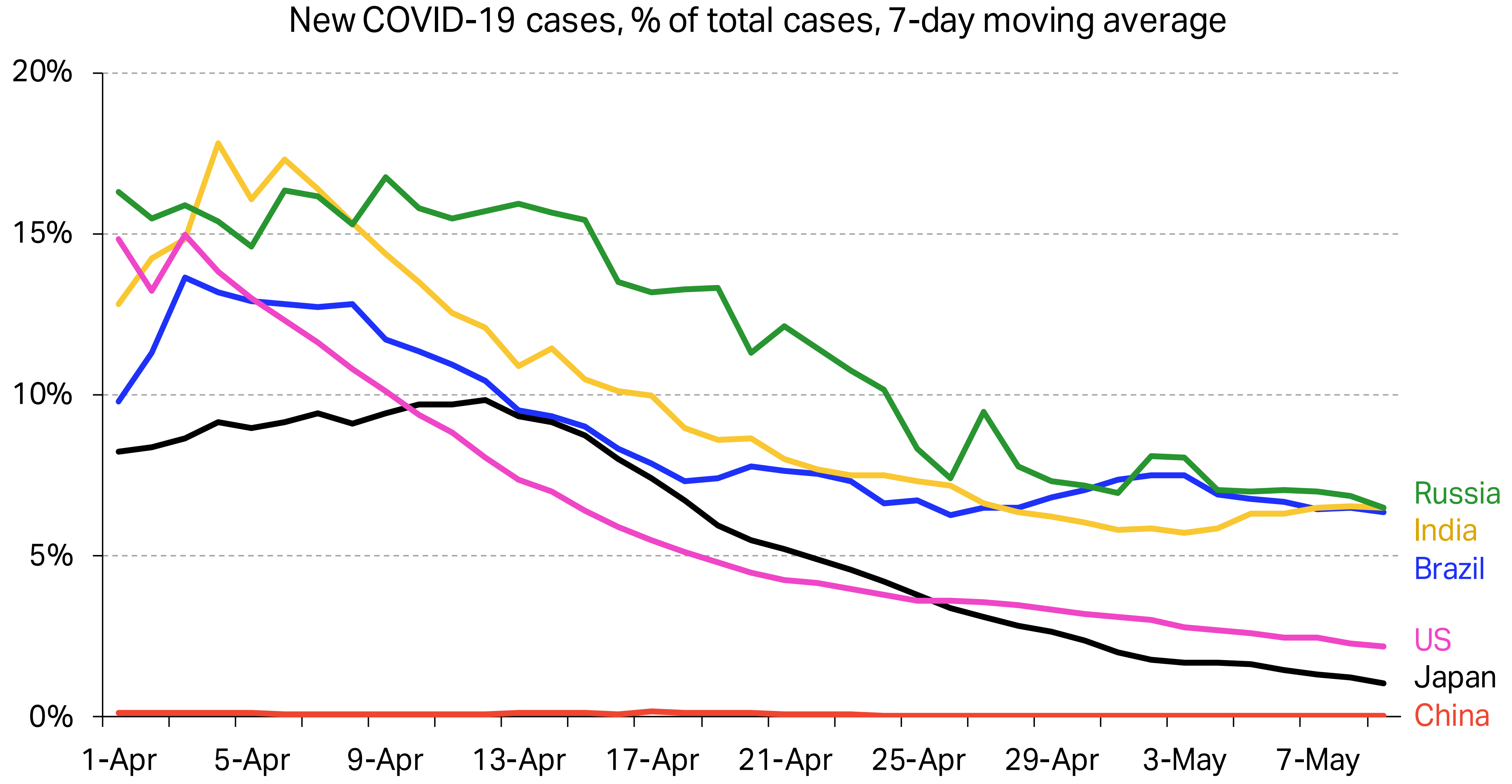
Business confidence has rebounded in China

As lock-down relaxed in China 'V-shaped' rise of business confidence



Source: IATA Economics using data from Markit

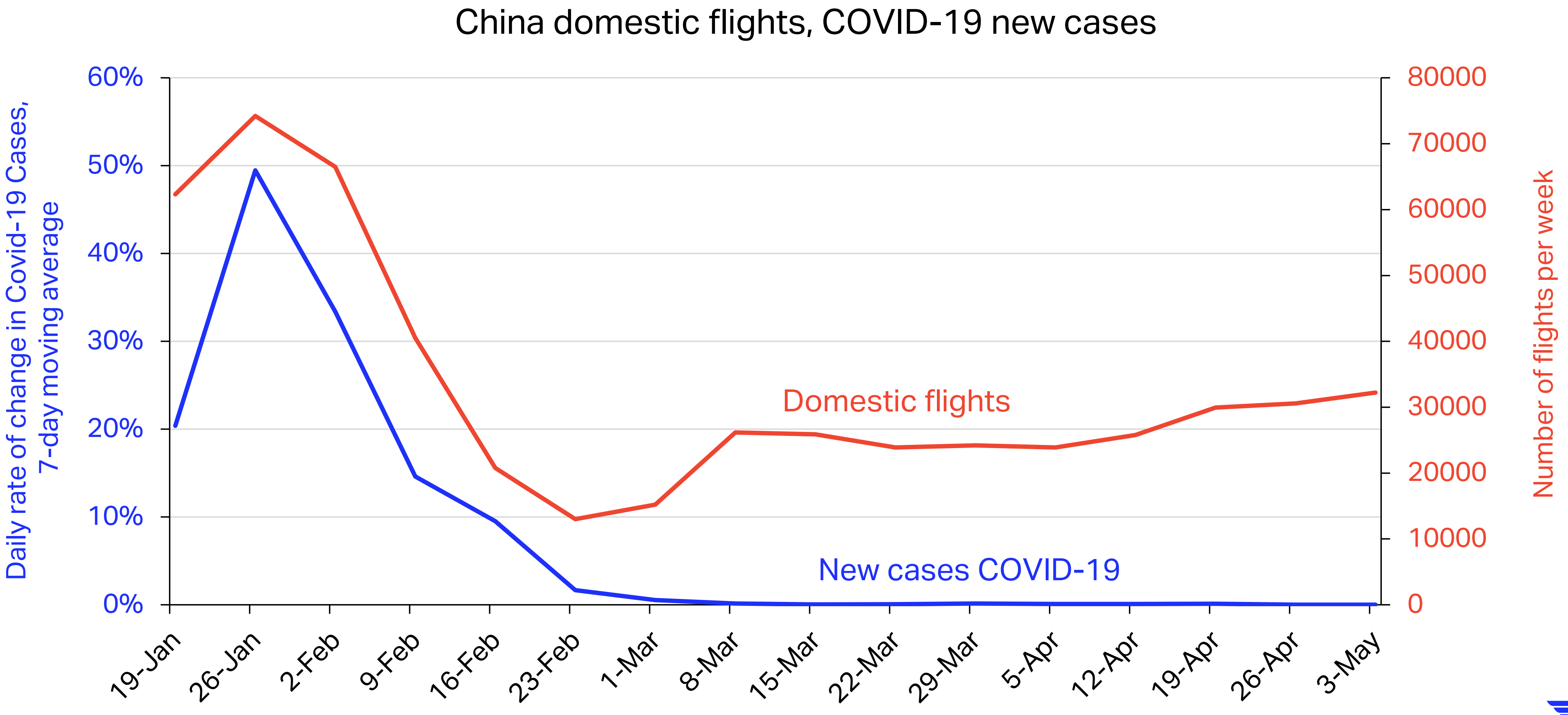
Solving health challenge critical for international travel
Until vaccine, opening borders to travel requires fall in COVID-19 risk



Source: IATA Economics using data from the World Health Organization (WHO)

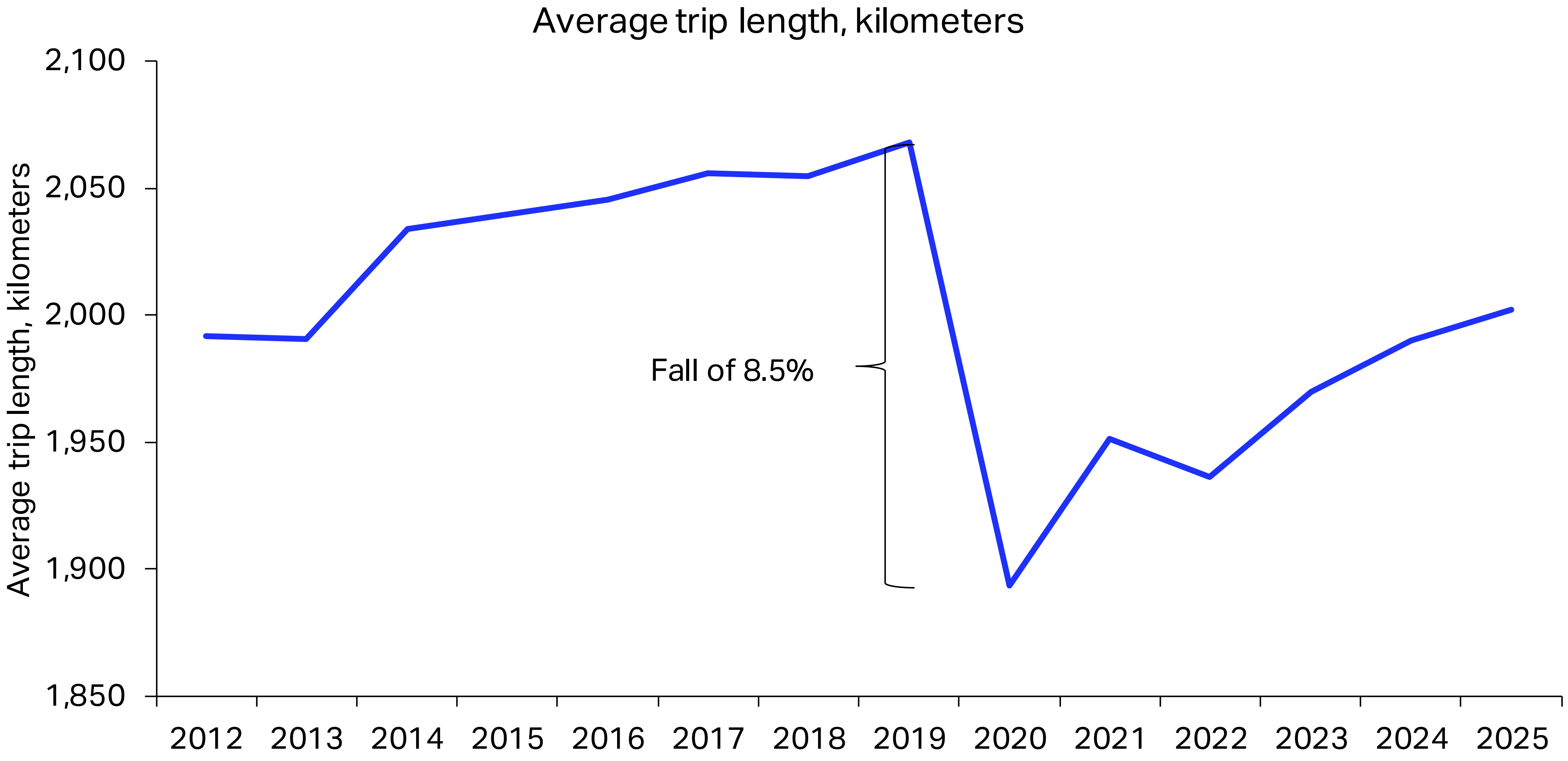
China domestic air travel lagging business confidence

Rise in flights with return to work & VFR, but discretionary travel weak



Source: IATA Economics analysis based on WHO data, and data provided under license by FlightRadar 24.

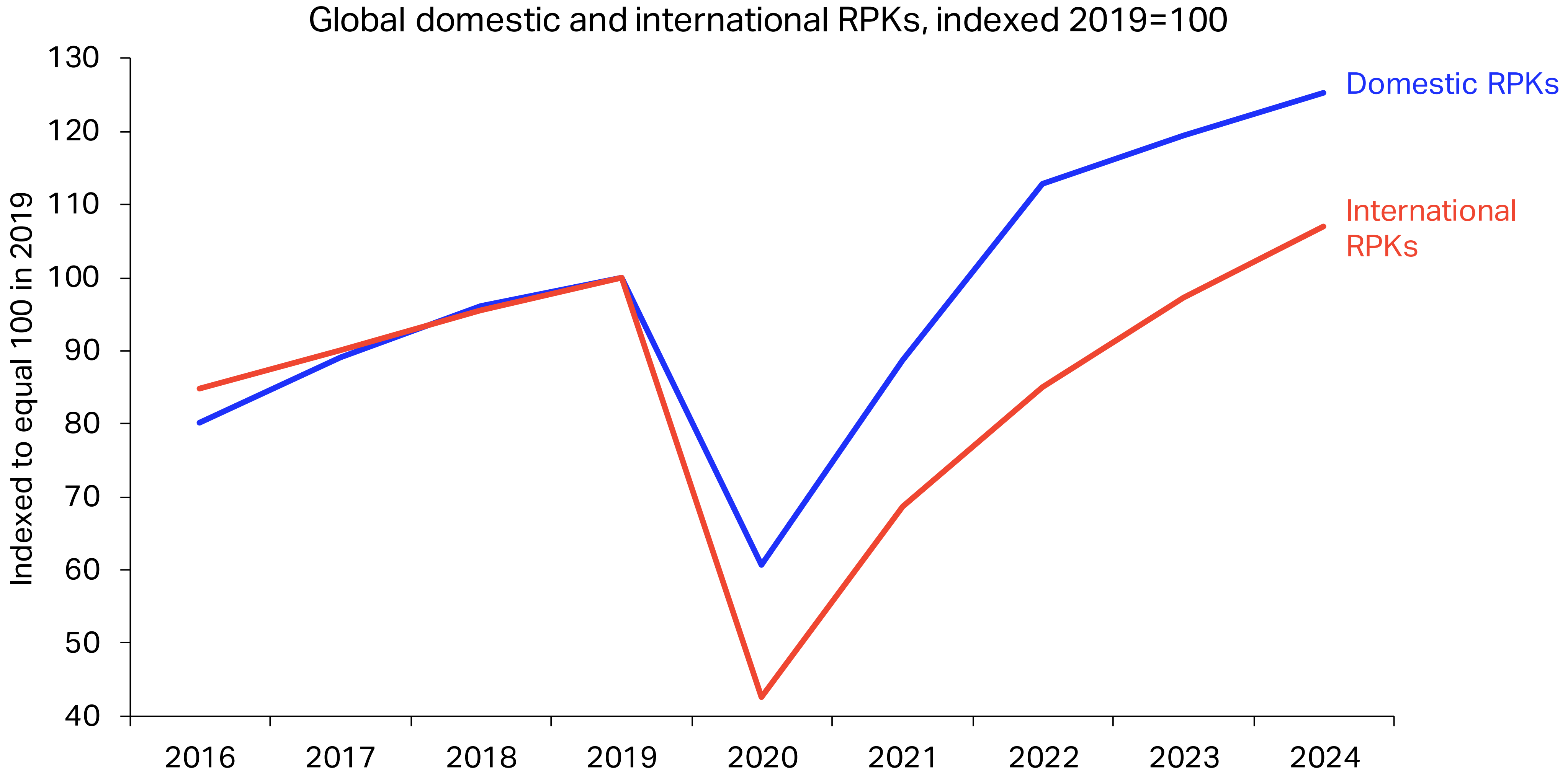
Average trip length will fall sharply
Domestic markets open first and initial preference for short-haul trips



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

International RPKs will lag domestic air travel markets

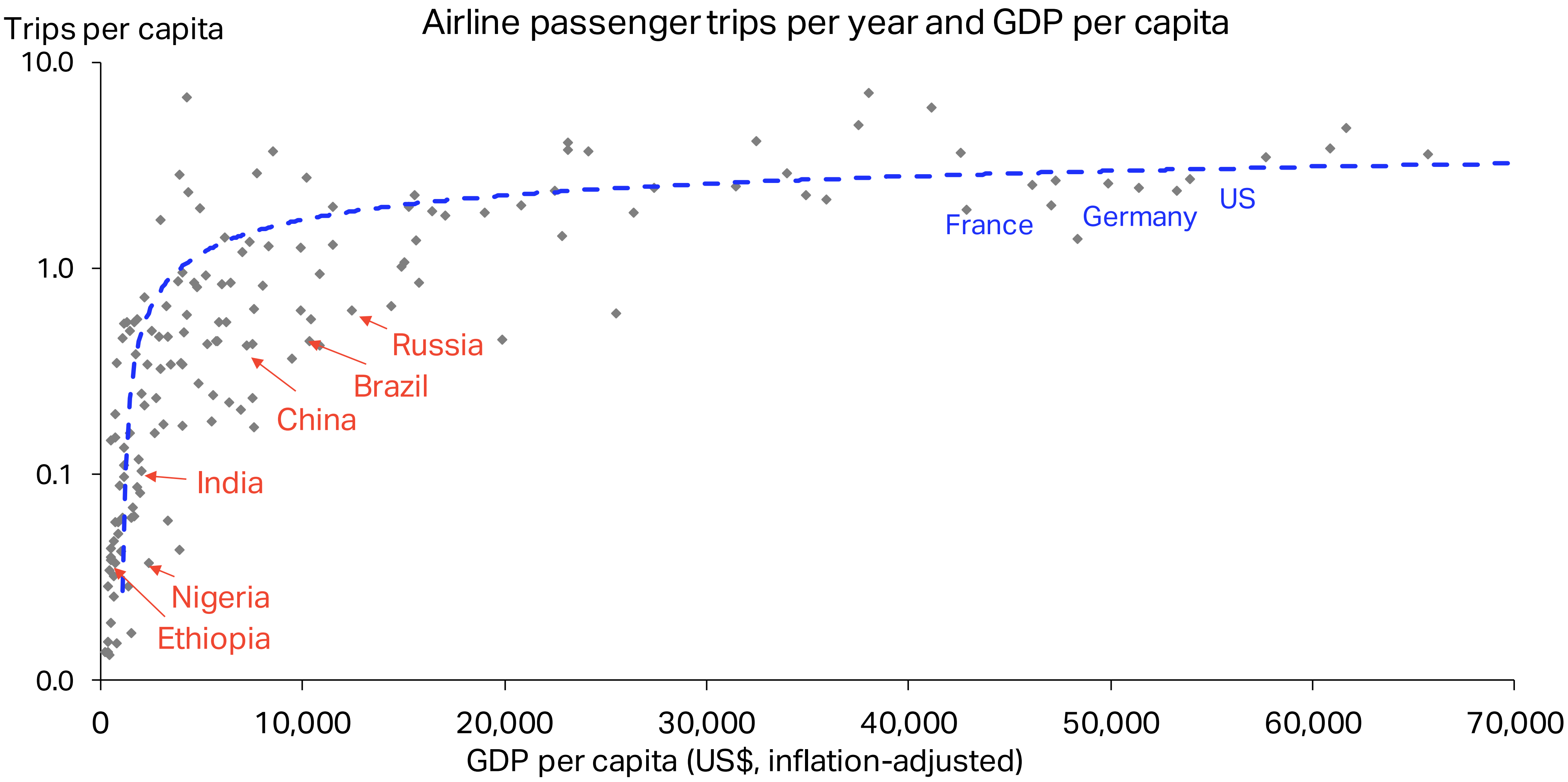
International air travel may not recover 2019 levels until 2023-24



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

Long-term drivers for expanded demand remain

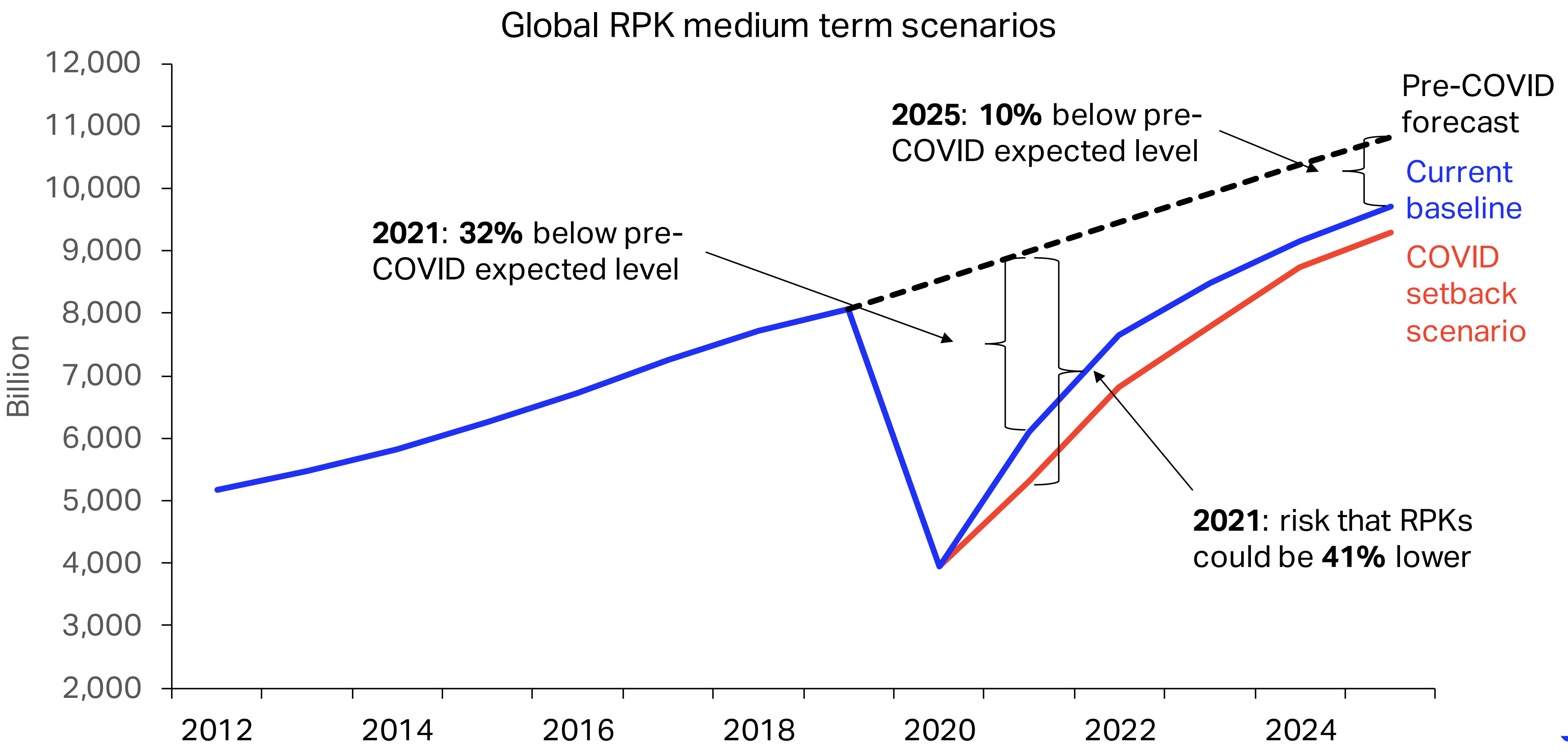
Populous emerging markets are still likely to want more air services



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

Return to growth post-COVID but at a lower level

Global RPKs forecast to be 32%-41% below expected levels in 2021



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

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