



# COVID-19

## Video Conference

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# A halving of RPKs is expected in globally in 2020, meaning a revenue loss of US\$314 billion

Region of airline registration	RPKs 2020 (vs 2019 year-on-year change)	Passenger revenue \$ billion 2020 vs. 2019 levels
Asia-Pacific	-50%	-113
North America	-36%	-64
Europe	-55%	-89
Middle East	-51%	-24
Africa	-51%	-6
Latin America	-49%	-18
<b>Industry</b>	<b>-48%</b>	<b>-314</b>

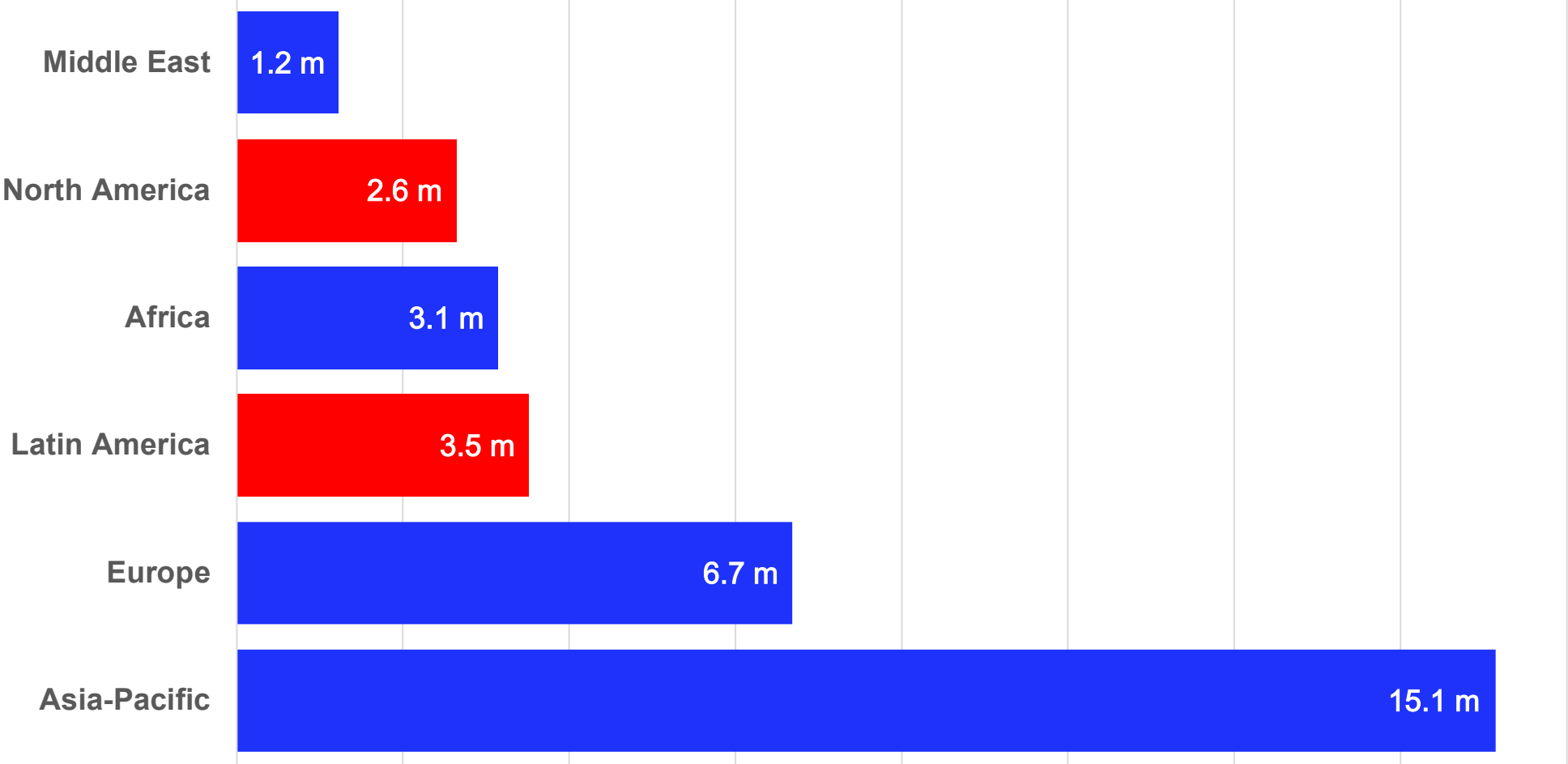
Note: This assumes, as in the previous impact assessment, that the domestic lock-down lasts 3 months, until the end of Q2. But international travel restrictions are assumed in this assessment to be reduced more slowly, with only 50% of pent-up international RPKs recovered by Q4 (after reduction due to recession impact).



# 3.5 million jobs are at risk in Latin America/Caribbean

Due to the disruptions to air travel caused by the spread of COVID-19

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



27 April 2020

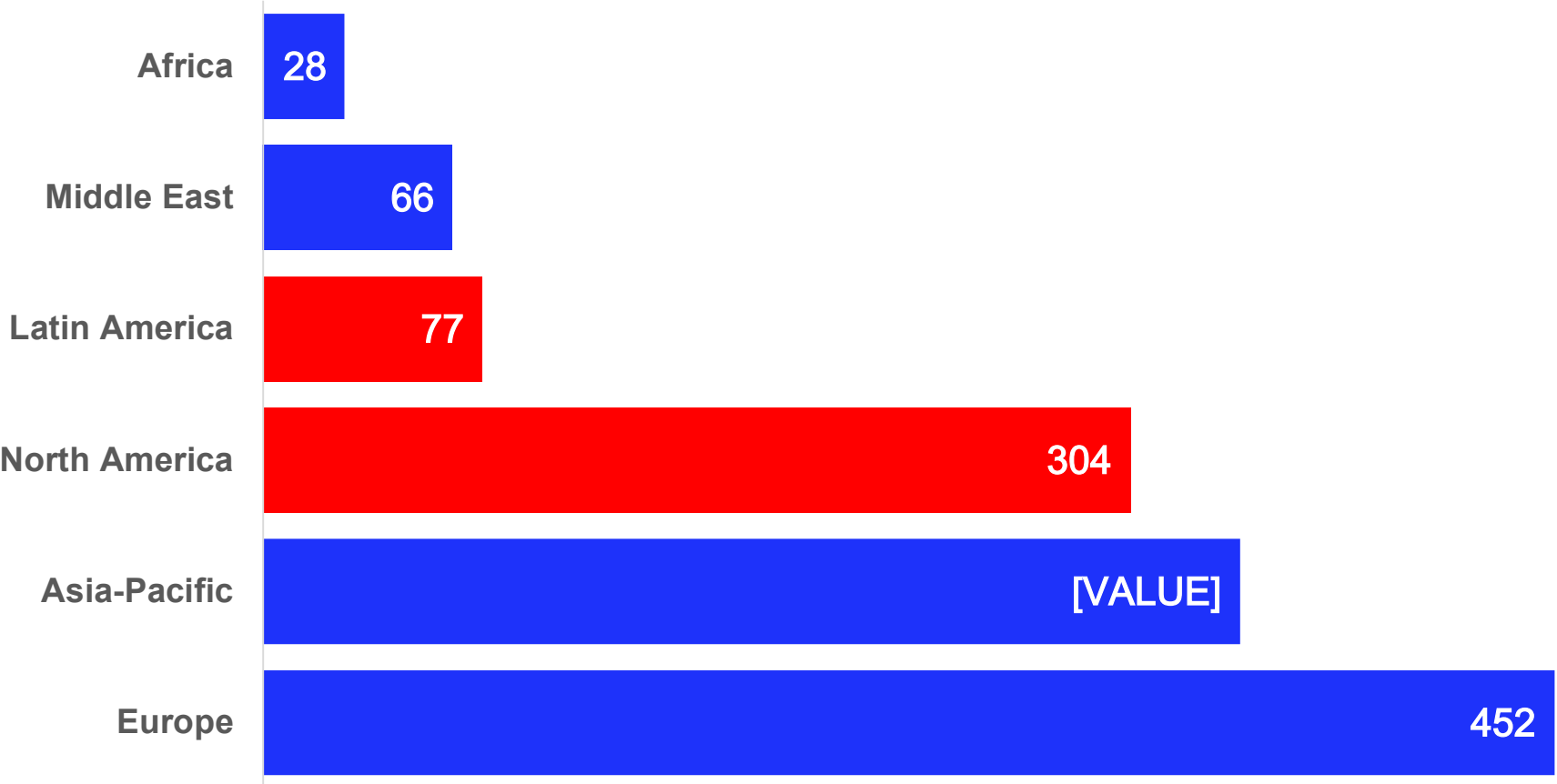
Source: IATA Economics analysis; data from Aviation Benefits Beyond Borders (2018)



# US \$ 77 billion in GDP is at risk in Latin America/Caribbean

Due to the disruptions to air travel caused by the spread of COVID-19

GDP supported by air transport at risk due to COVID-19  
(USD billion)



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Source: IATA Economics analysis; data from Aviation Benefits Beyond Borders (2018)



# COVID-19 Impact on Air Transport in Latin America. In billion USD

Country / Region	Impact on revenues		Impact on aviation industry		Impact on wider economy	
	Revenue change (\$, 2020 vs 2019)	Revenue YoY Change (% , 2020 vs 2019)	Change in GVA (in USD Billion) - Impact on Aviation	Change in jobs	Change in GVA (in USD Billion) - Wider Impact	Change in jobs
Argentina	-2.9	-57%	-1.45	-17,600	N/A	N/A
Brazil	-9.3	-48%	-2.03	-73,700	-5.644	-270,700
Caribbean	-5.3	-43%	-0.74	-23,000	-6.450	-355,000
Chile	-2.2	-48%	-1.01	-13,700	-1.767	-57,000
Colombia	-2.2	-47%	-0.48	-32,800	-3.102	-253,500
Costa Rica	-0.7	-44%	-0.31	-4,200	-2.178	-63,400
Mexico	-6.4	-45%	-4.77	-117,100	-10.936	-537,800
Panama	-0.8	-74%	-0.98	-14,700	-4.632	-152,100
Peru	-1.6	-48%	-0.31	-15,740	-1.811	-126,000

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# Aviation plays a critical role in fighting this public health crisis

Repatriation of  
Passengers

3,500  
flights

620,000  
pax

Maintaining of Supply  
Chains via Cargo Flights

Transporting of  
Medical Workers

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# Introduction to



# Restart Plan

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# 4 Sets of problems to address simultaneously

## **Governments**

- Healthcare systems under pressure; Economies at a standstill
- Need to open up economy while mitigating risk of a second wave of COVID-19

## **Passengers**

- Currently unable to travel due to government restrictions
- Concerned about risk of contracting COVID-19 and also being stranded overseas
- Ability to travel likely to be further constrained by availability of disposable income

## **Airlines**

- Aircraft and licensed staff largely grounded
- Running out of cash fast
- Need to see borders reopen as soon as possible in order to resume operations
- Aim to maximize consistency of regulatory requirements and rational management of travel restrictions

## **Infrastructure Providers and Supply Chain**

- Loss of ATM and Airport capacity
- Authorized and Licensed staff largely grounded



# The restart plan - 4 phases

## Hypothesis:

Restart will follow different trajectories around the world based on the evolution of the outbreak

### **Immediate – Preparatory (Q2 2020)**

- Developing and putting in place measures and procedures in place to enable restart

### **Short term – Manual restart (Q3 2020)**

- Minimum measures in place to enable border reopening and resumption of operations
- Procedures unlikely to be normalized / automated

### **Medium Term – Temporary but systematized operations (Q4 2020 – Q4 2021)**

- Temporary arrangements in place; supported by SOPs etc.
- Consistent application and mutual acceptance

### **Long Term – Return to Business as Usual (Q1 2022 - )**

- Vaccine in place, with widespread uptake
- Removal of temporary measures

# The restart plan - 4 phases

## SYSTEM RESTART

### SYSTEM CAPABILITY

Ensure that airlines are able to restart operations once markets reopen

- **Slots** and schedules in place for when operations are resumed
- **Operational licenses** in place for when operations resume
- Necessary **certification** and airworthiness in place for when operations resume
- **Supply Chain** able to resume operation

### TRAVEL EXPERIENCE

Ensure that the passenger process supports the safe reopening of markets

- **Travel restrictions:** Consistent processes and procedures, including appropriate arrangements for crew
- **Onboard experience:** Passenger confidence that aircraft cabin is a safe and sterile environment
- **Airport experience:** Measures in place to ensure mitigation of transmission risks
- **Sanitization:** Cleaning practices reinforce mitigation measures

## DEMAND RESTART

### RESTORE CONFIDENCE

Governments and Passengers are confident to resume air travel

- **Managed restrictions:** Reciprocity / mutual recognition of measures
- **Comms and Guidance:** Increased passenger confidence
- **Access to travel insurance:** Corporate and personal insurance cover for COVID-19
- **Open destinations:** Resumption of operations in the wider tourism industry

### STIMULATE DEMAND

Boost travel demand with stimulus, incentives and lower costs

- **Financial relief:** Taxes, fees and charges reduced to stimulate demand
- **Incentives:** Direct support and destination-based incentives to boost travel and tourism demand
- **Destination marketing:** Tourism promotion to stimulate demand
- **Visa facilitation:** Simpler and cheaper visa procedures

# Thank you

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## Questions ?

