

Informal Video Teleconference – APAC - COVID 19 ATM Operations and Contingency co-ordination

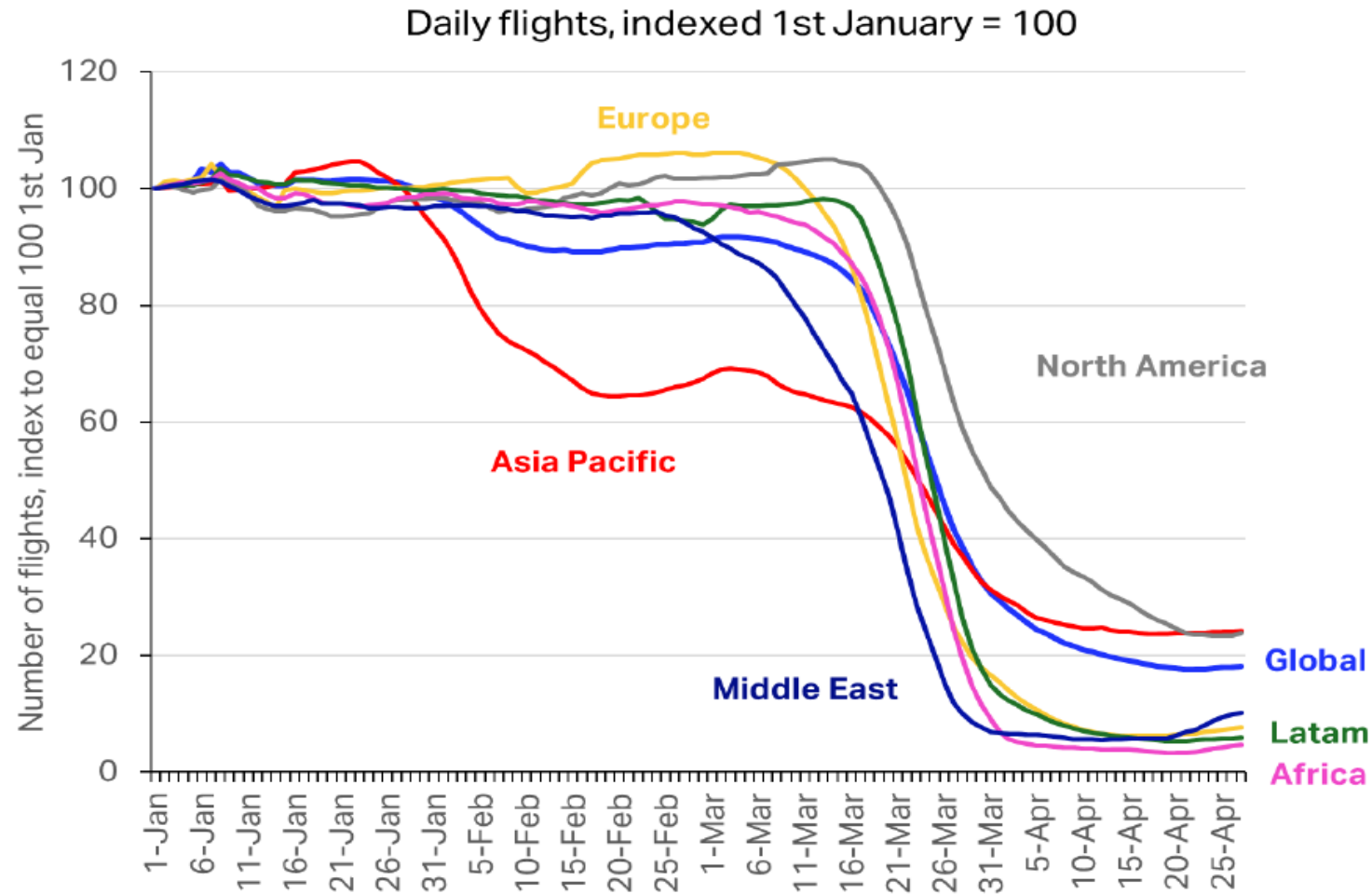
BRIEFING:

IATA MAY 2020 - COVID 19 Impact Forecast



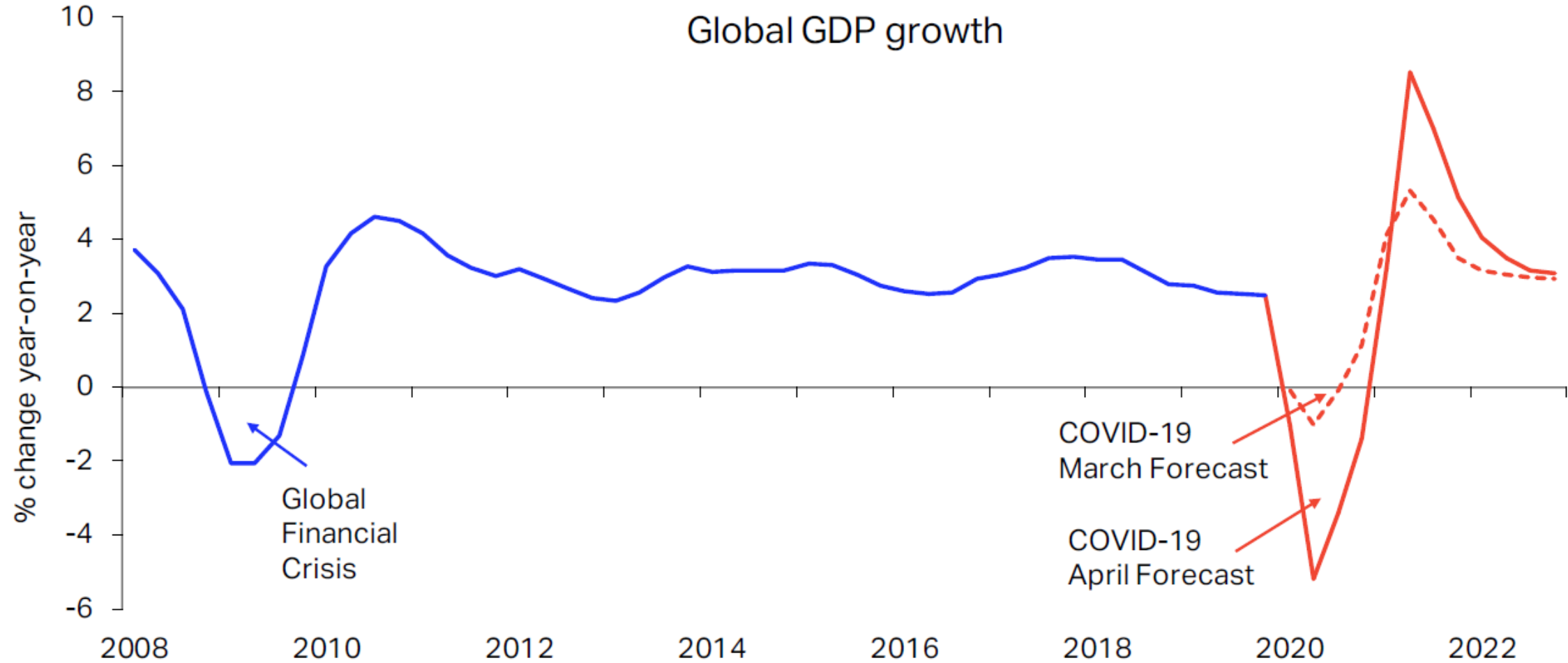
Worldwide flights were 72% lower at the end of Q1

As of April 27th, flights further reduced by 82% relative to January 1st 2020



Recession now expected to be much deeper in 2020

Economists' revised forecasts expect output loss twice as large as GFC



IATA estimates a halving of global RPKs in 2020

With lower yields that means a \$314 billion or 55% fall in passenger revenues

- In **Asia Pacific**, RPKs are expected to drop 50% and passenger revenue by US\$113 billion in 2020, compared to 2019
- COVID-19 could result in a 51% loss in passenger volumes and US\$14.3 billion loss in passenger revenue for the air transport market in **Australia** in 2020
- The disruptions in air travel from COVID-19 could reduce about 362,000 jobs and US\$35.1 billion in Gross Domestic Product (GDP) supported by the air transport industry in **Australia**

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

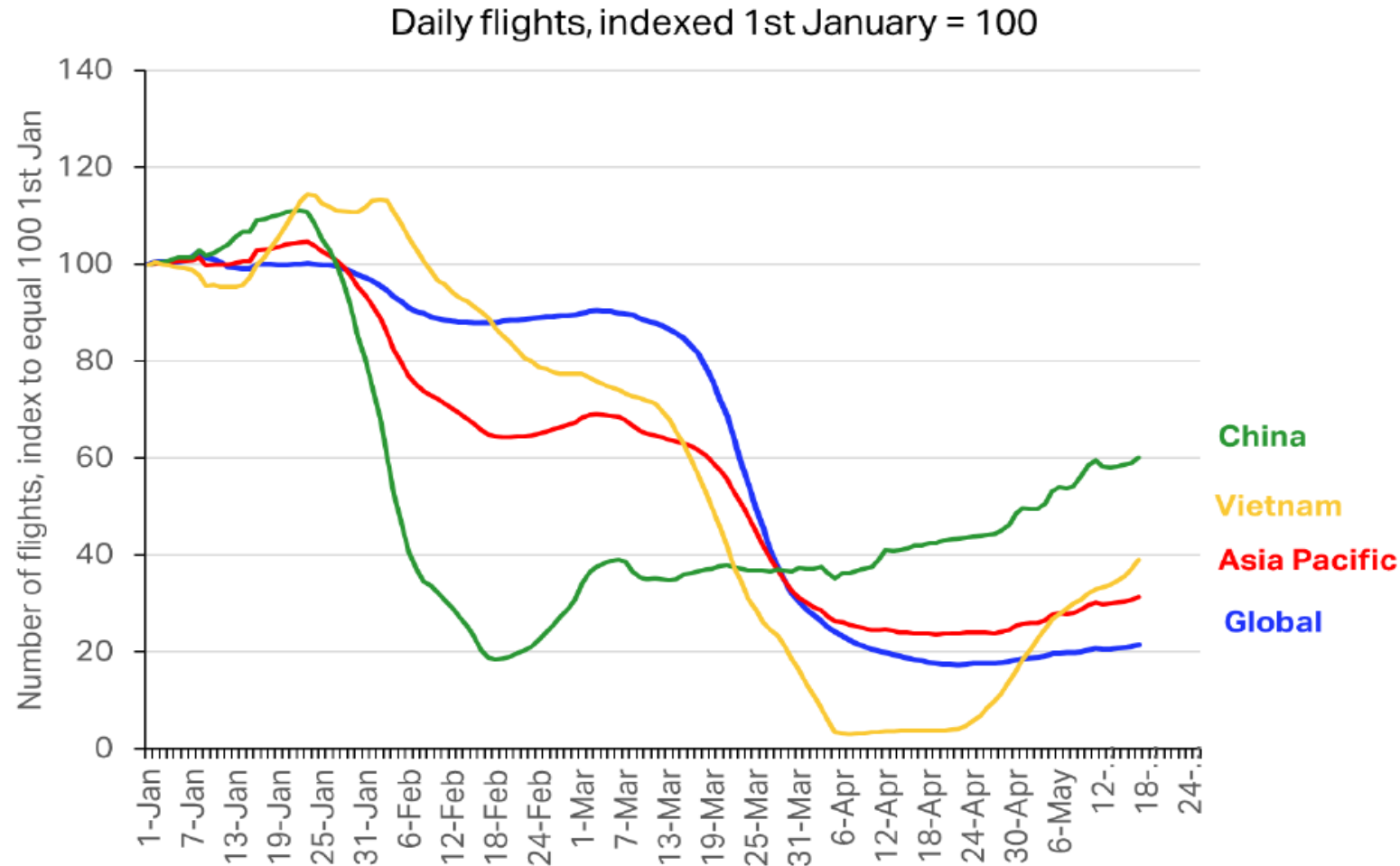
6 international RPKs recovered by Q4 (after reduction due to recession impact).



ASIA PACIFIC

Asia Pacific flight departures 70% lower at the end of Q1

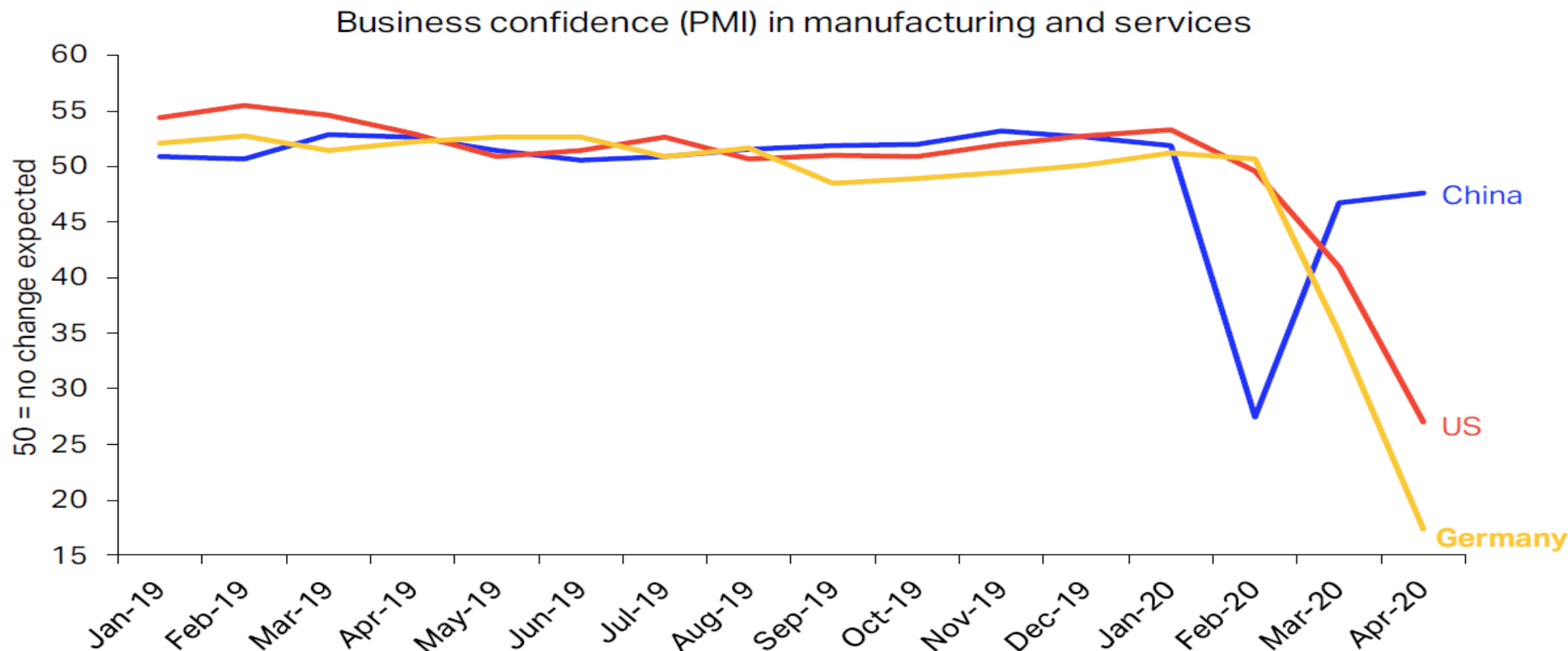
As of May 17th, flights further reduced by 69% relative to January 1st 2020



CHINA:

Business confidence has rebounded in China

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

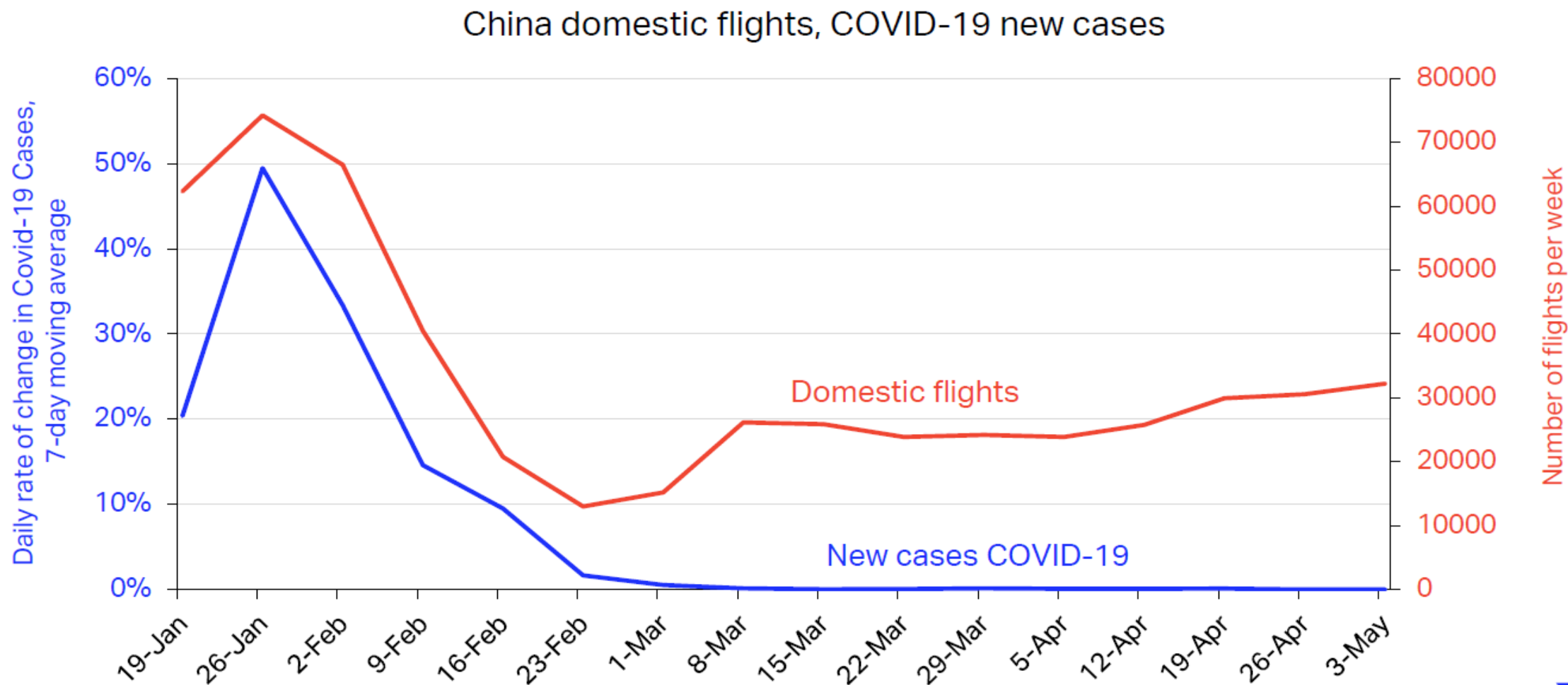


Source: IATA Economics using data from Markit



China domestic air travel lagging business confidence

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

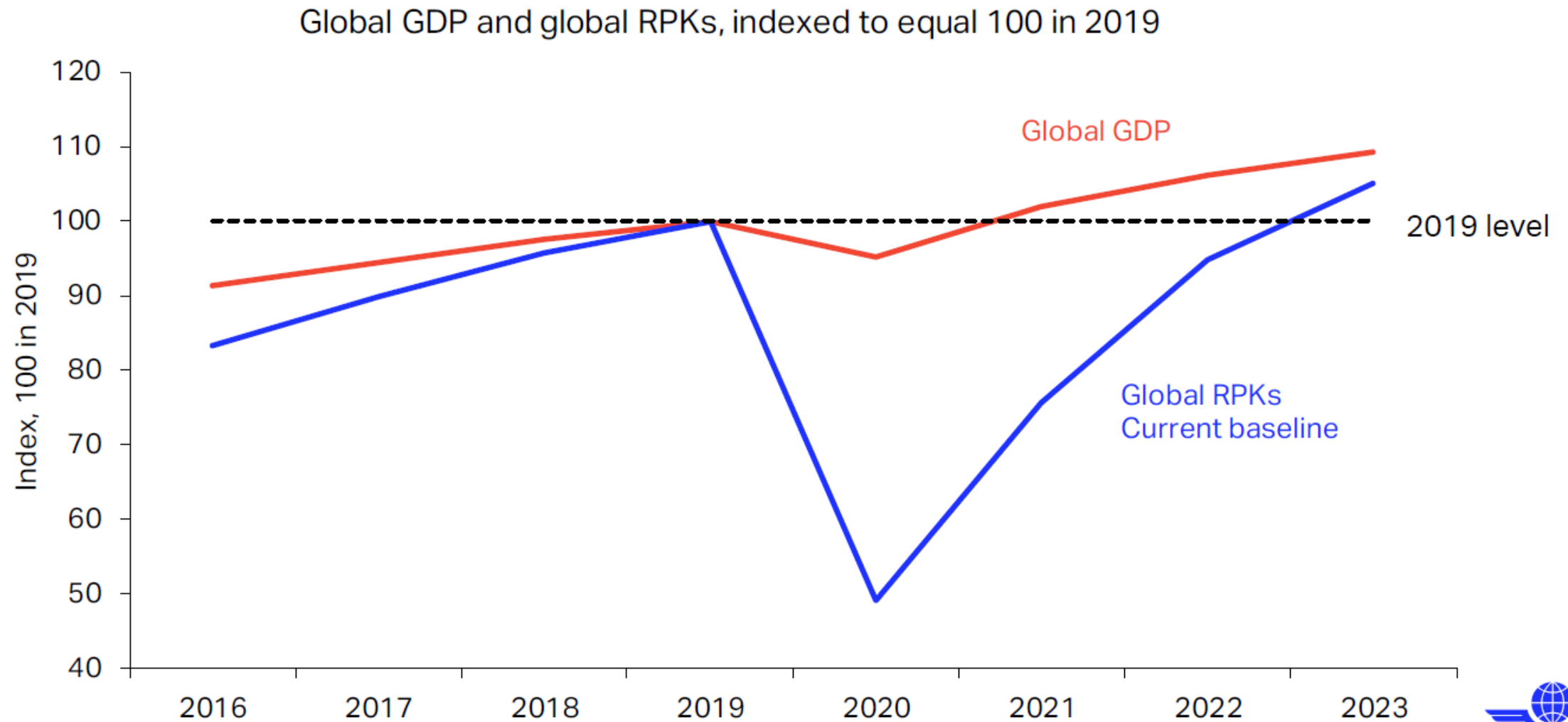


Source: IATA Economics analysis based on WHO data, and data provided under license by FlightRadar 24. All rights reserved.

LONGER TERM

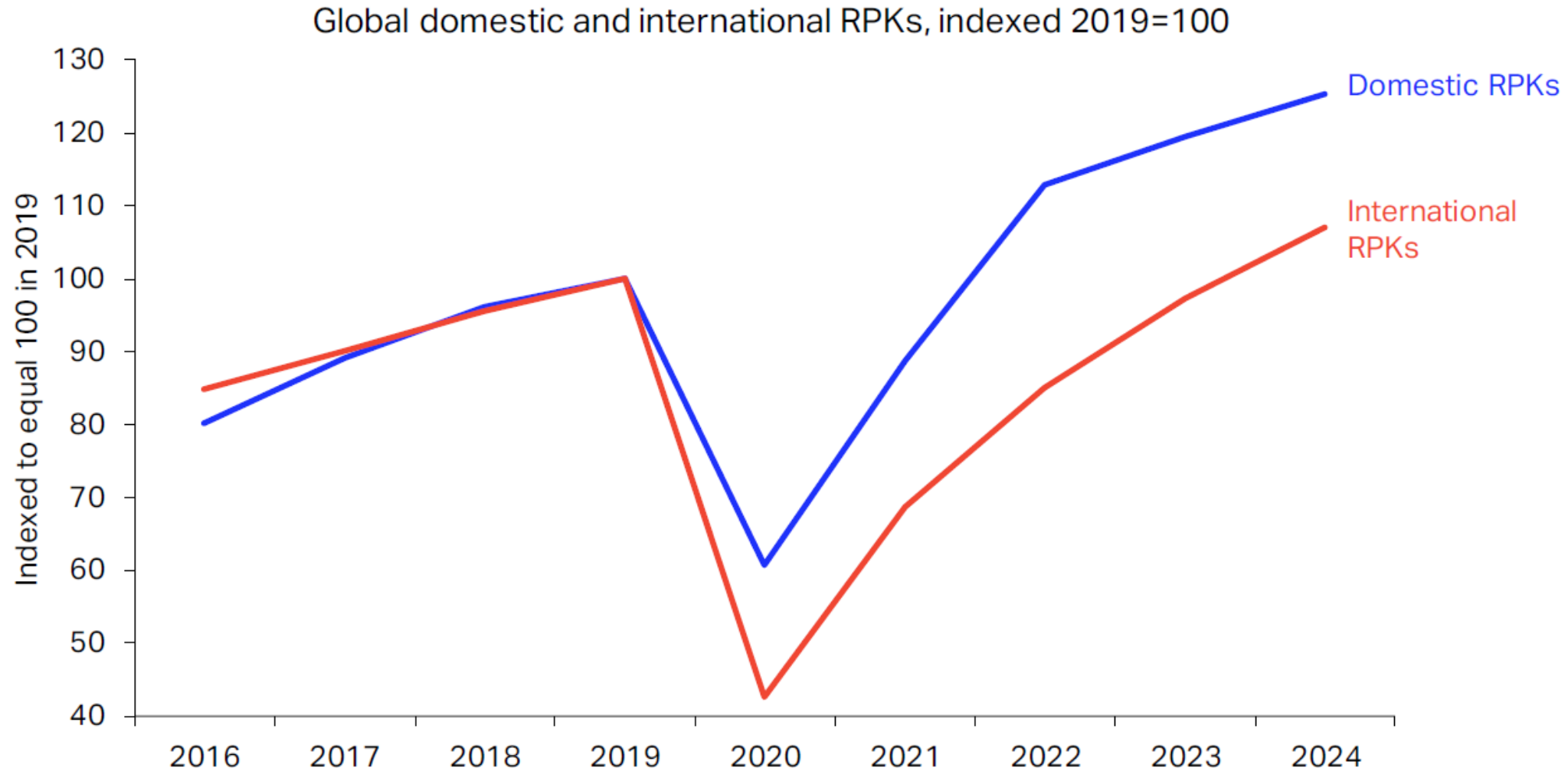
Air travel may recover more slowly than most of economy

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



International RPKs will lag domestic air travel markets

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



SOME ONGOING ISSUES:

- Re opening of borders
- Health check requirements imposed on international flights
- Ongoing quarantine requirements
- Social distancing on flights
- Public confidence in flying and visiting certain destinations
- Ticket costs

THANK YOU