

Joint ICAO and WFP Aviation Safety
Campaign Webinar on

Regional Cooperation during COVID-19 Crisis and Business Continuity Challenges

Blair Cowles – IATA

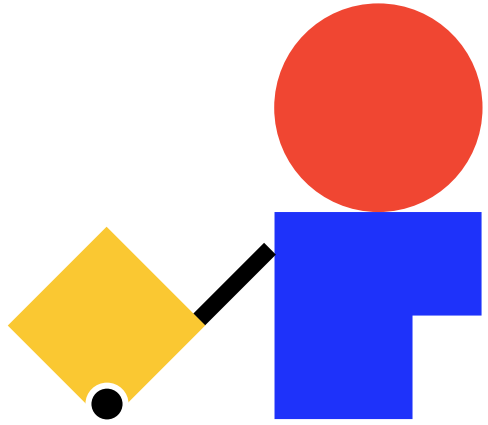
August 2021



Update on COVID-19 impact on airlines

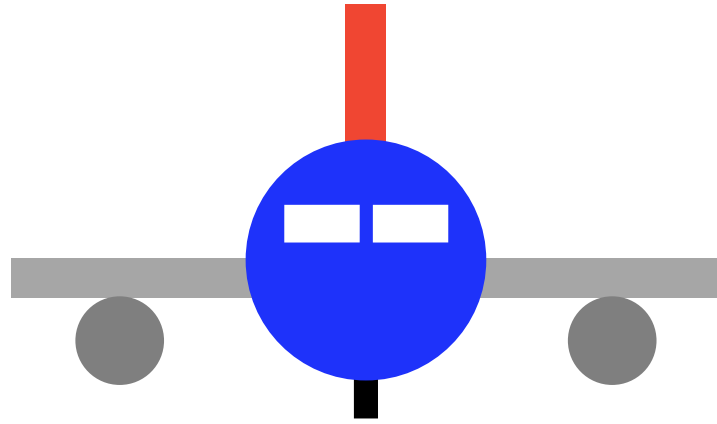


Pre COVID, every day in 2019...



12.4

million
passengers



106,600

flights



\$17.8

billion worth of
goods carried

The global air transport industry:

87.7 million

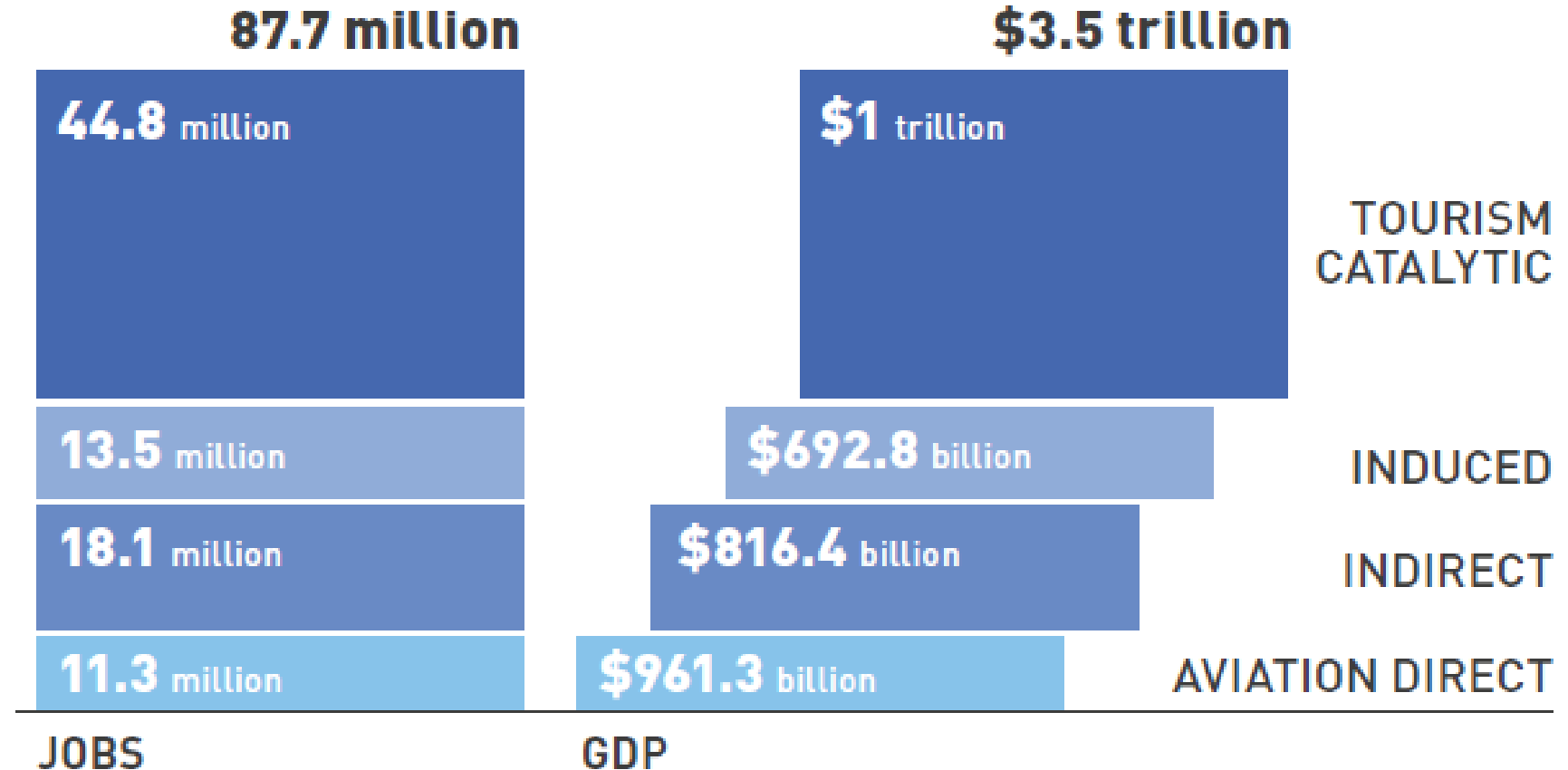
Jobs supported by aviation worldwide

\$3.5 trillion

Aviation's global economic impact (including direct, indirect, induced and tourism catalytic)

4.1%

Global GDP supported by aviation



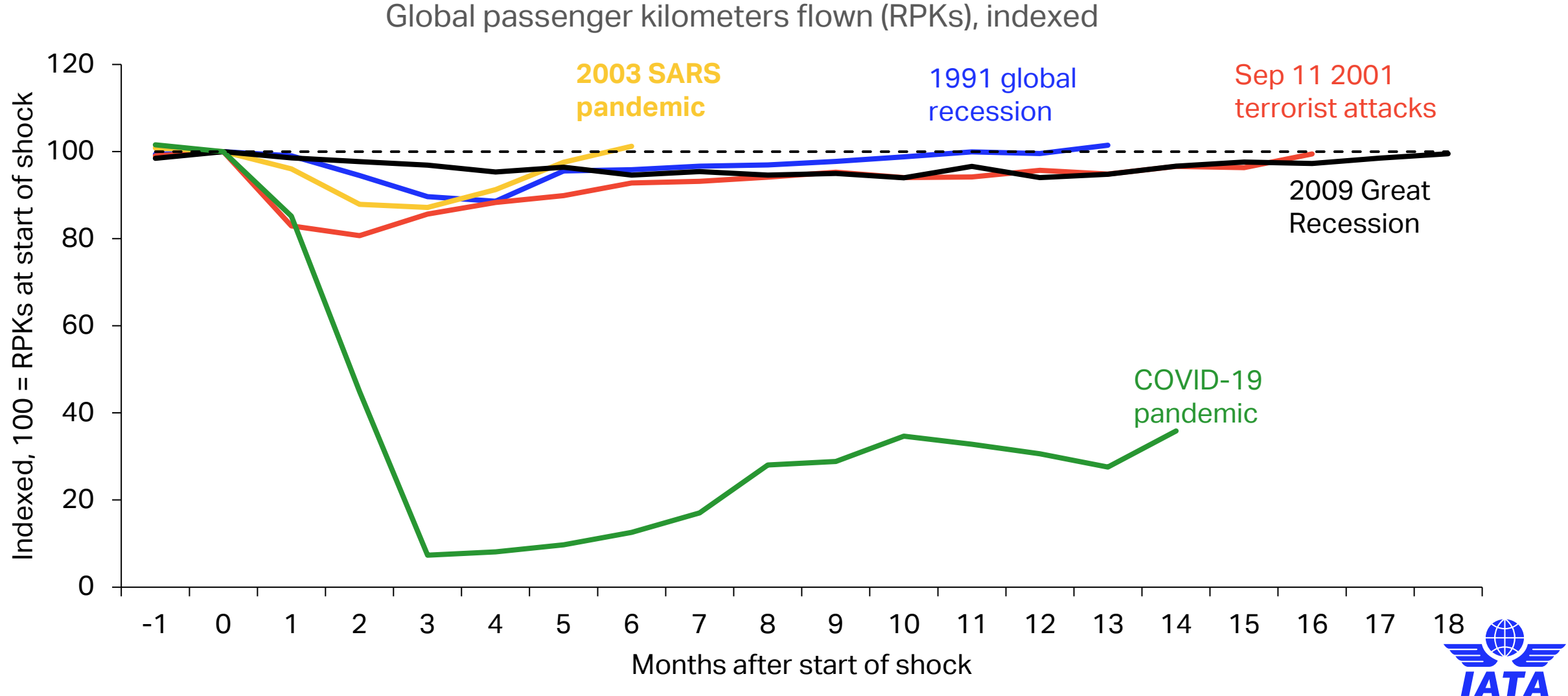
In Asia Pacific, air transport supports...



...46.7 million
jobs and
\$944 billion
of GDP

Demand shocks do not usually have long-lasting impacts

Previous shocks cut 5-20% from RPKs but recovered after 6-18 months



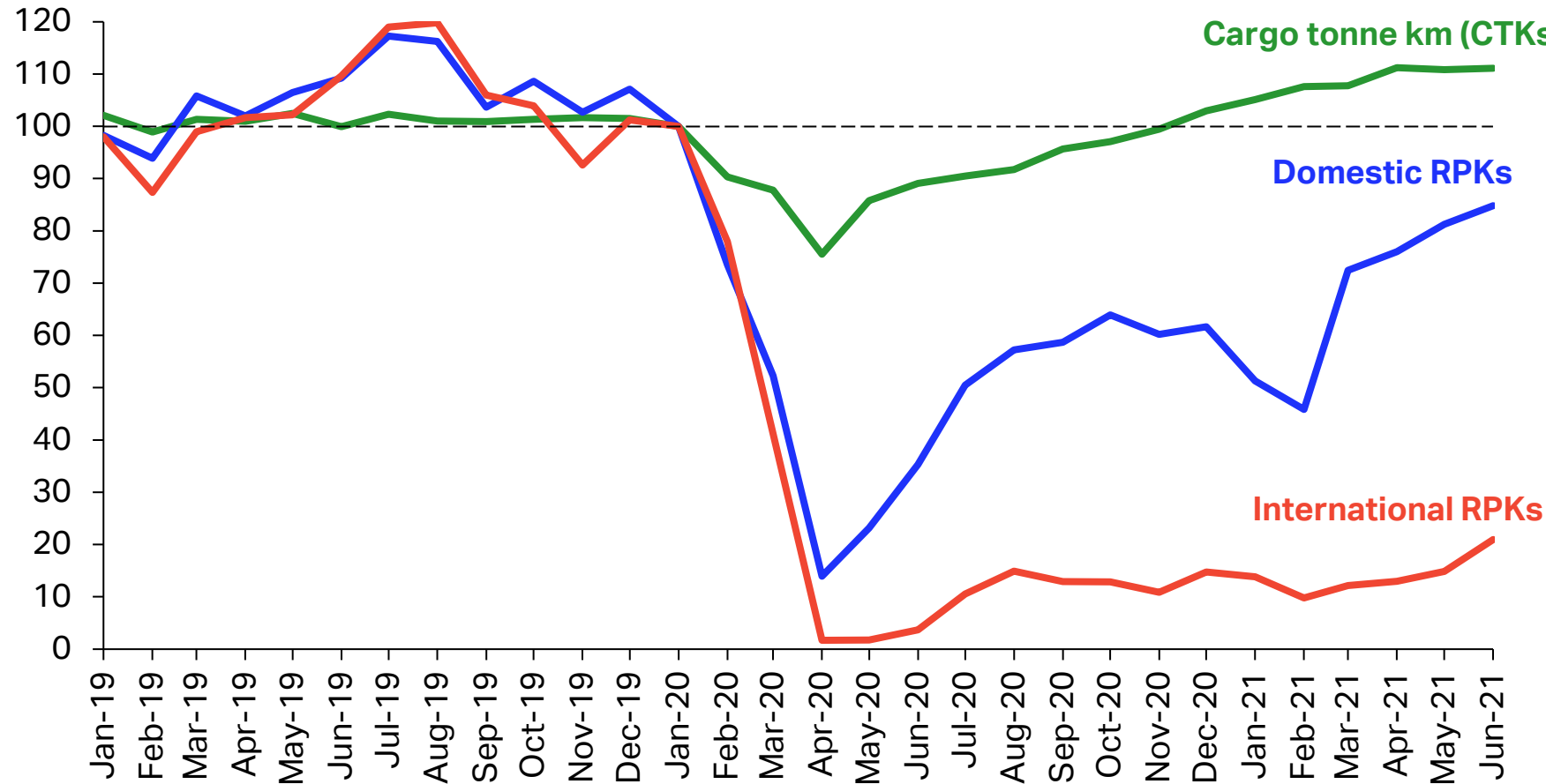
Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.



Mid-year but not mid-of the crisis for international travel

Int. RPKs -80.9%, domestic RPKs -22.4%, CTKs +9.9% (Jun 21 vs Jun19)

RPKs and Seasonally adjusted CTKs (indexed, Jan 2020 = 100)



1st Half 2021 vs 1st Half 2019

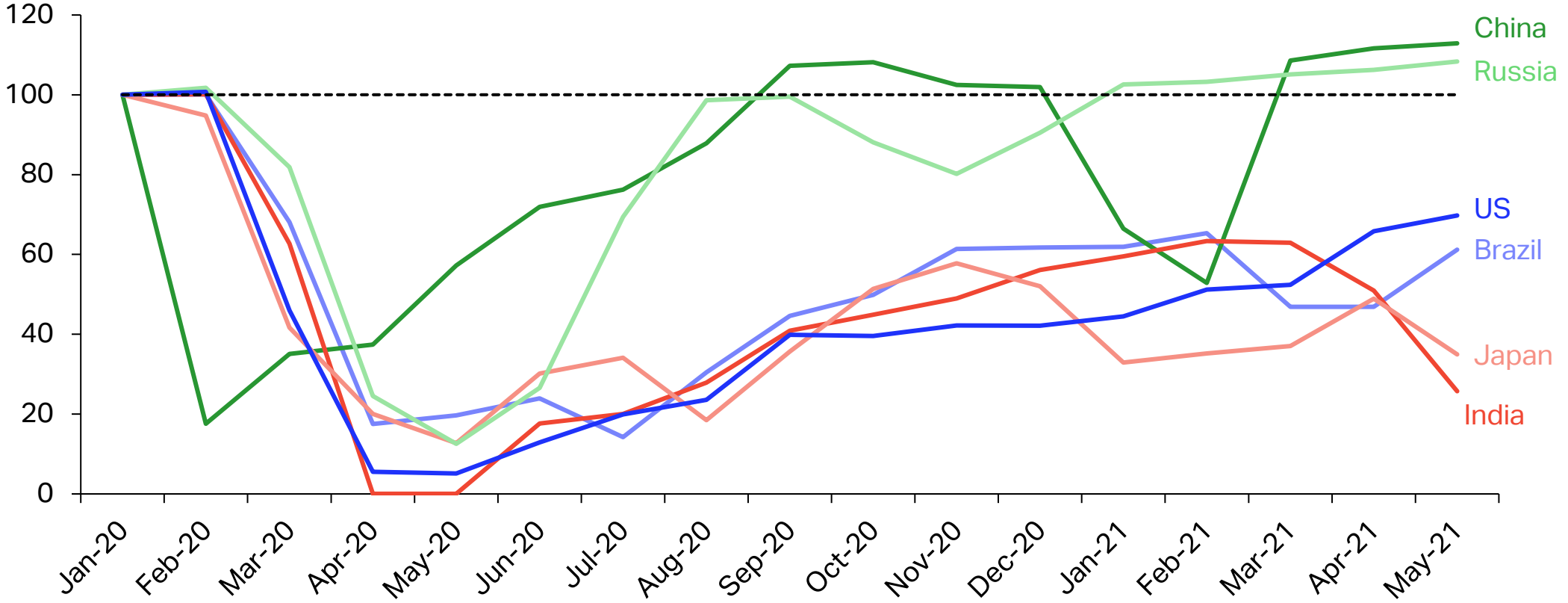
- ✓ **Revenue Passenger Kilometers (RPKs): -66.7%**
 - ✓ **Domestic: -33.1%**
 - ✓ **International: -85.8%**
- ✓ **Cargo Tonne Kilometers (CTKs): +8.0%**



Domestic recovery varies dependent on virus control

China and Russia domestic rose above pre-crisis levels, US on track

Domestic RPKs, seasonally adjusted indexed Jan 2020=100

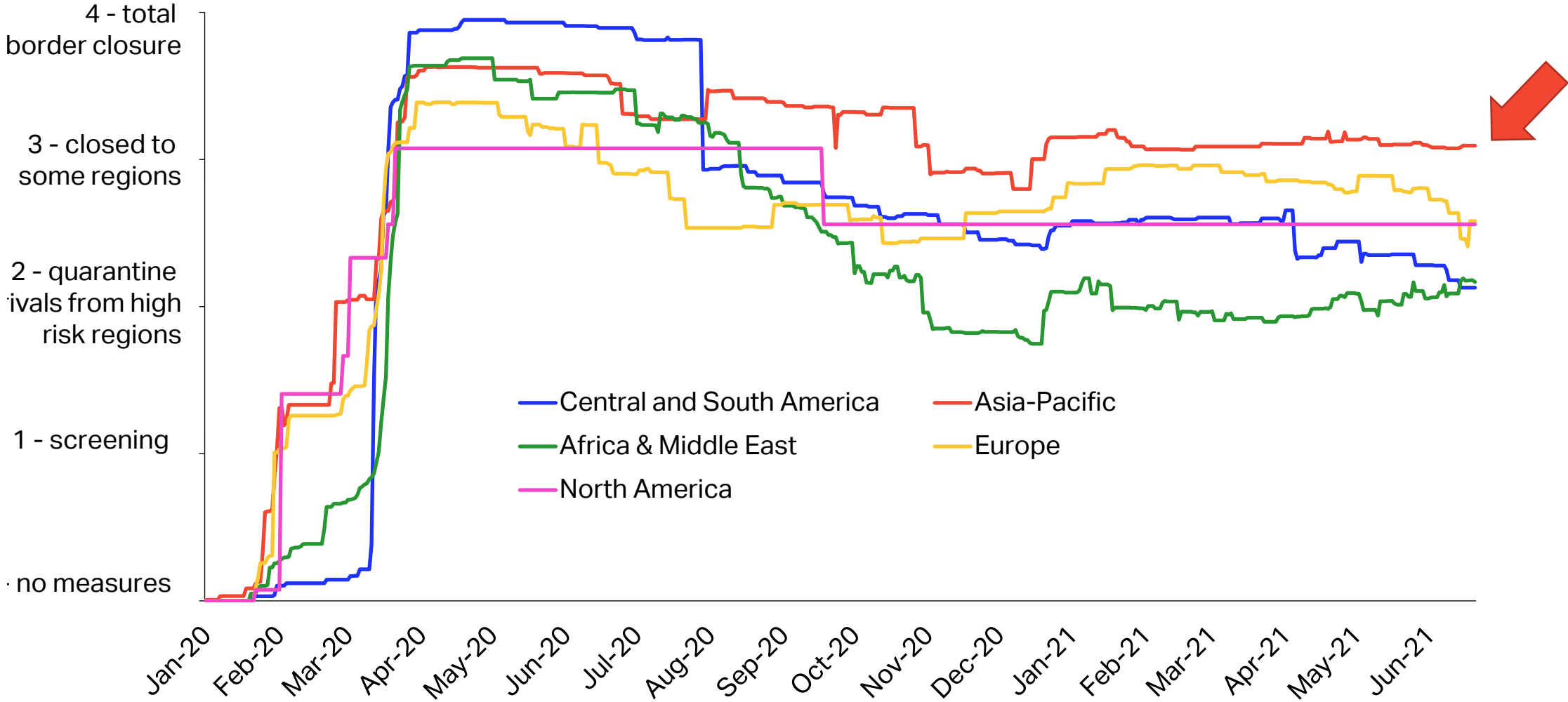


Source: IATA Economics using data from IATA Monthly Statistics

International travel restrictions remain high

Most international air travel markets are at less than 25% of 2019 RPKs

International travel stringency index weighted by population (Jan 2020 - Jun 2021)



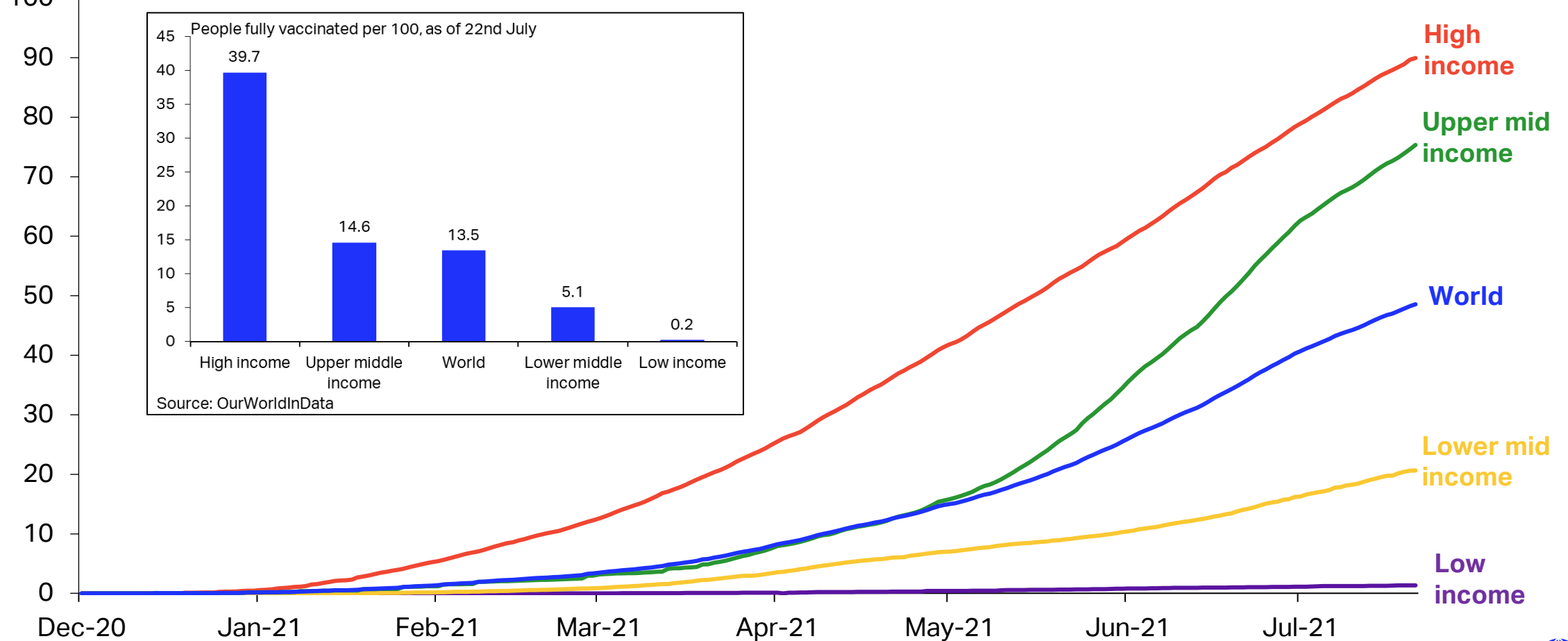
Source: IATA Economics analysis based on Oxford University data



Pace of vaccination a key driver of the forecast

Due to impact on gov restrictions. Now 13.5% fully vaccinated globally

Total doses given, cumulative by 100 residents

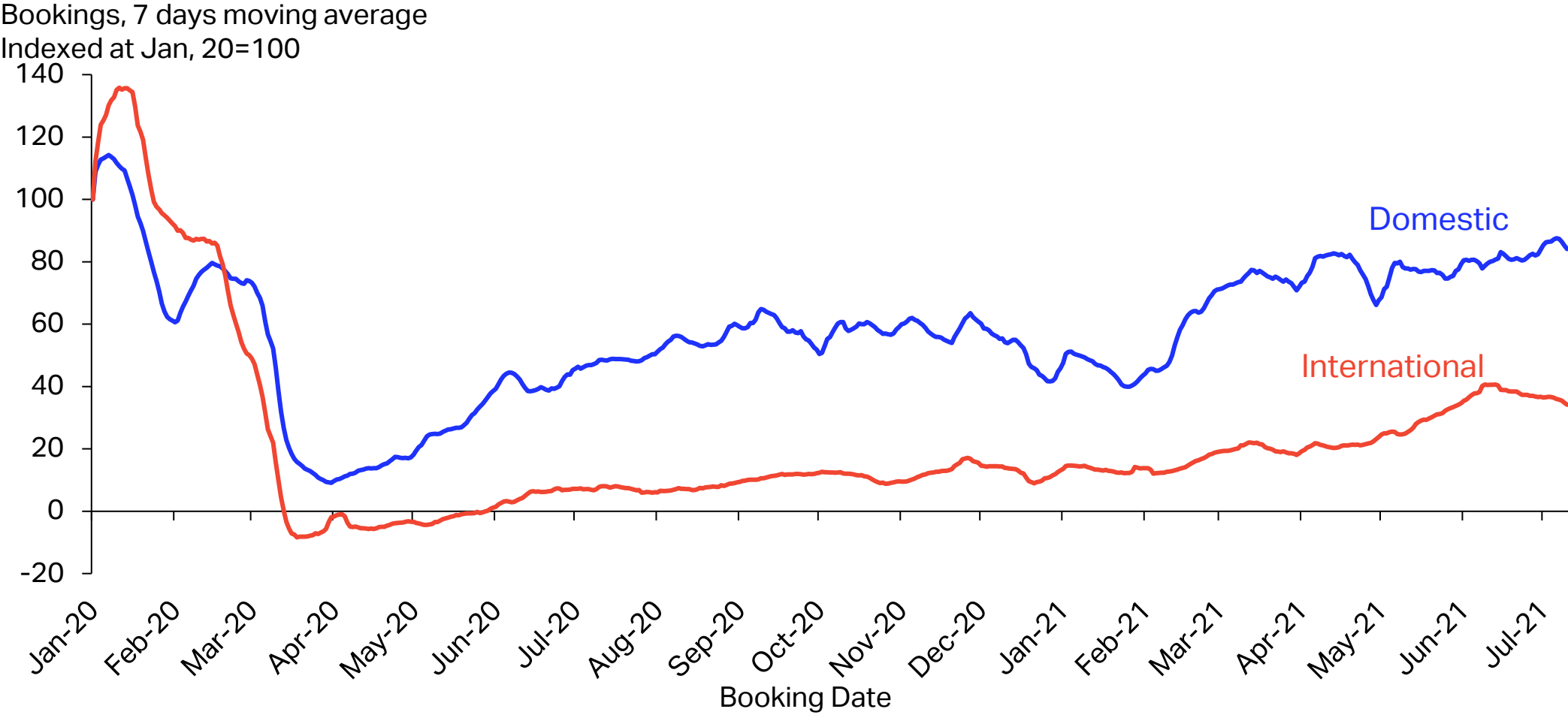


Source: Our World In Data



International bookings jumped ahead of holiday season

Int'l bookings rose from very low base with significant forward uncertainty



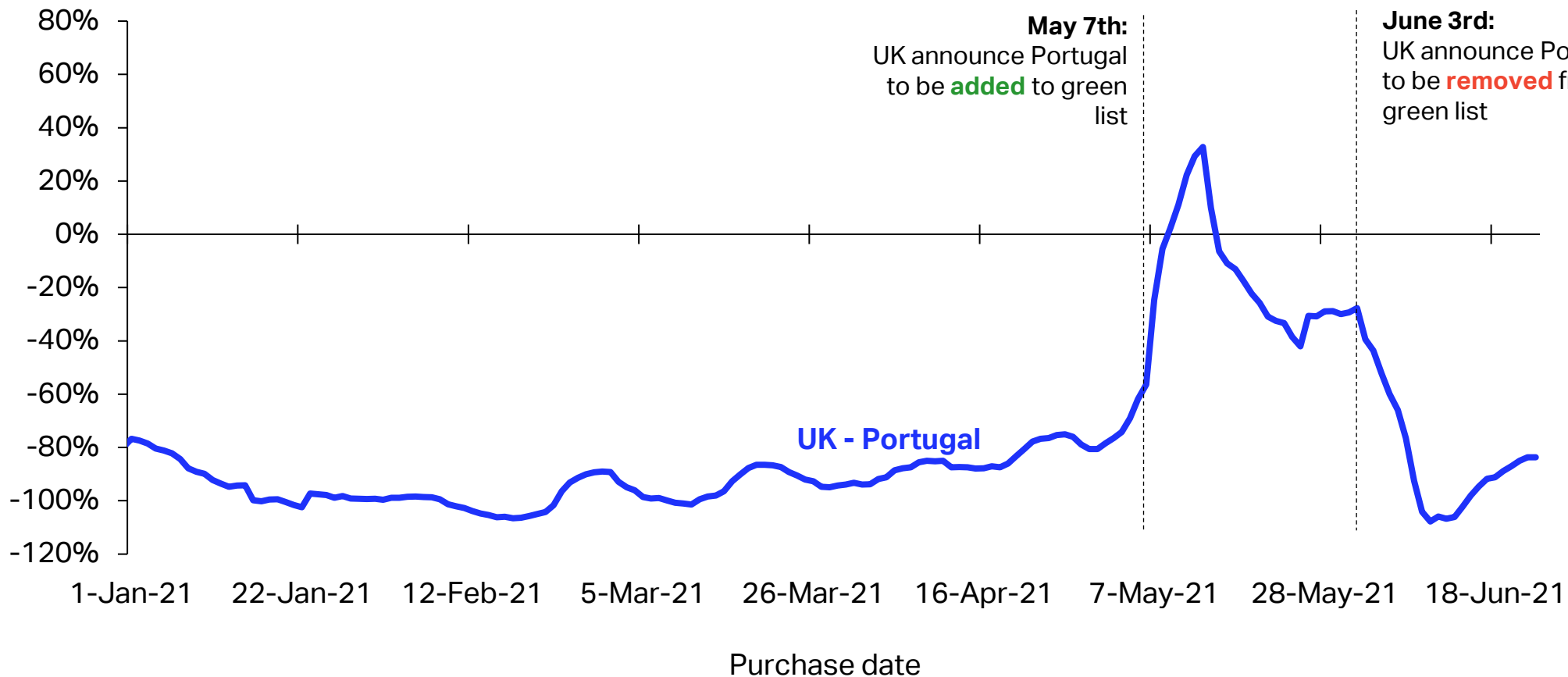
Source: IATA Economics using data from DDS

Demand is fragile amidst COVID-19 variant concerns

Surge of bookings from the UK to Portugal reversed in a month

Forward bookings, UK - Portugal travel

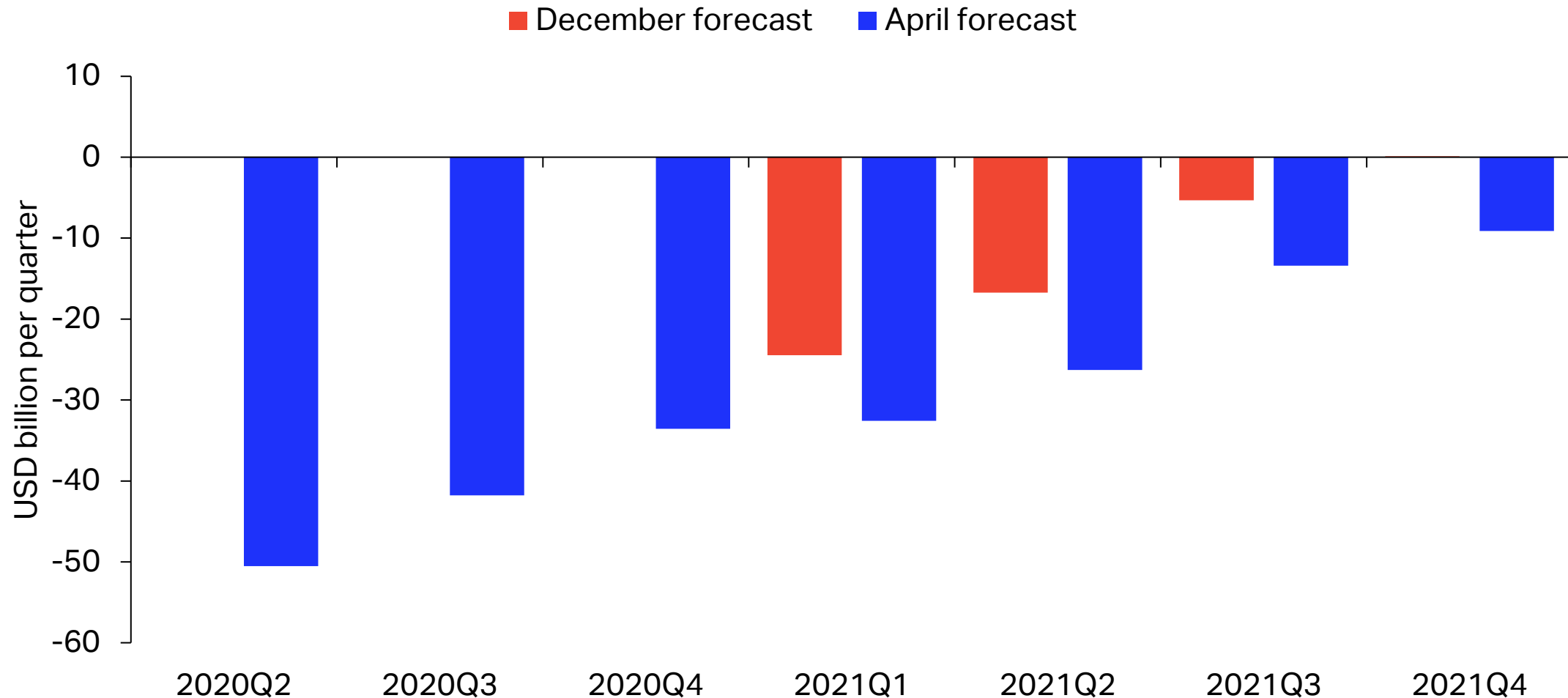
% change vs the same period in 2019, 7-day MA



Recovery in the H2 is crucial to reduce the cash burn

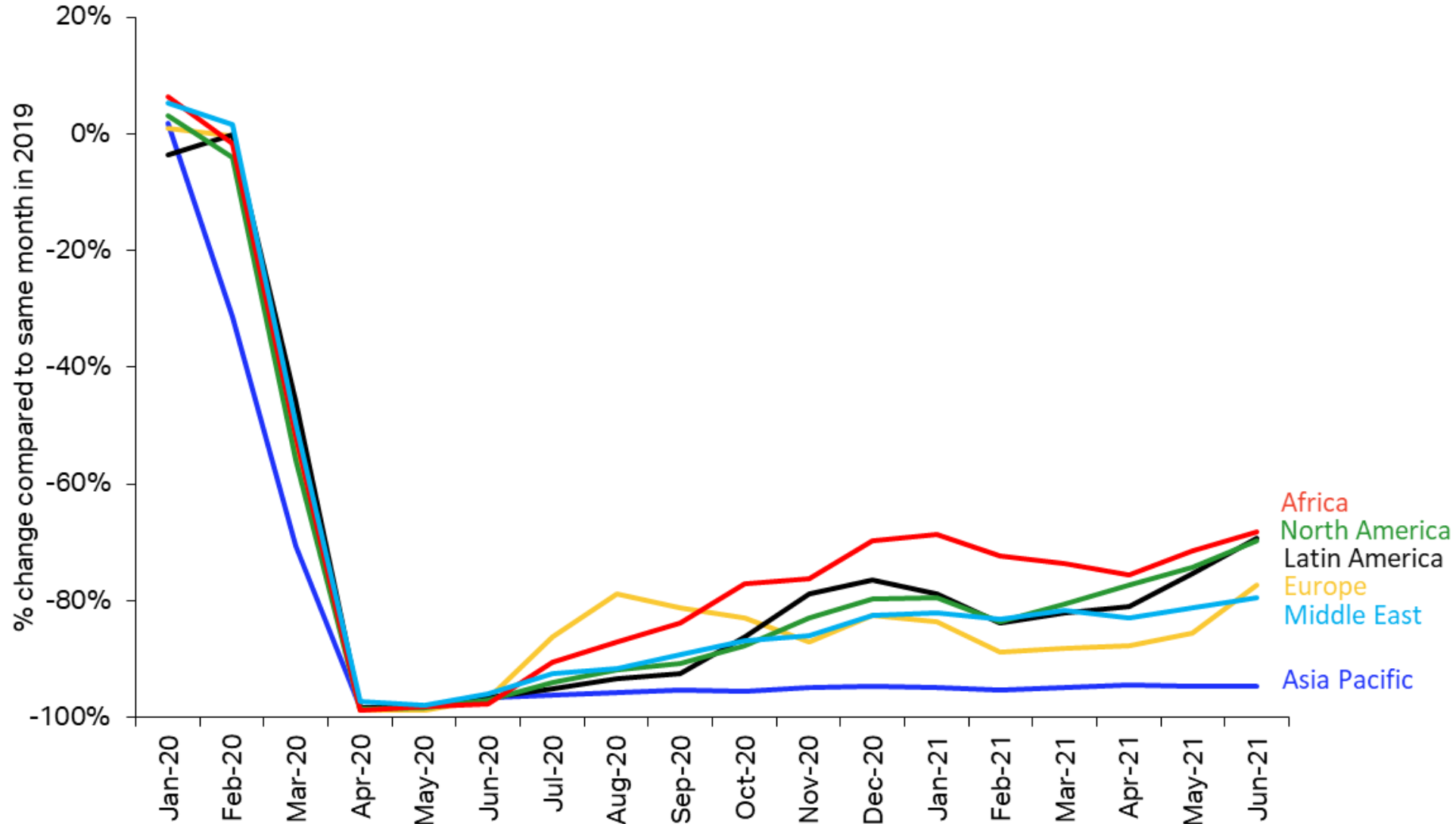
Stronger H2 will reduce cash burn but +ve cash flow delayed to 2022

Airline industry cash burn, USD billion per quarter



International traffic in Asia Pacific worst performing

Growth in international air travel, RPKs by market



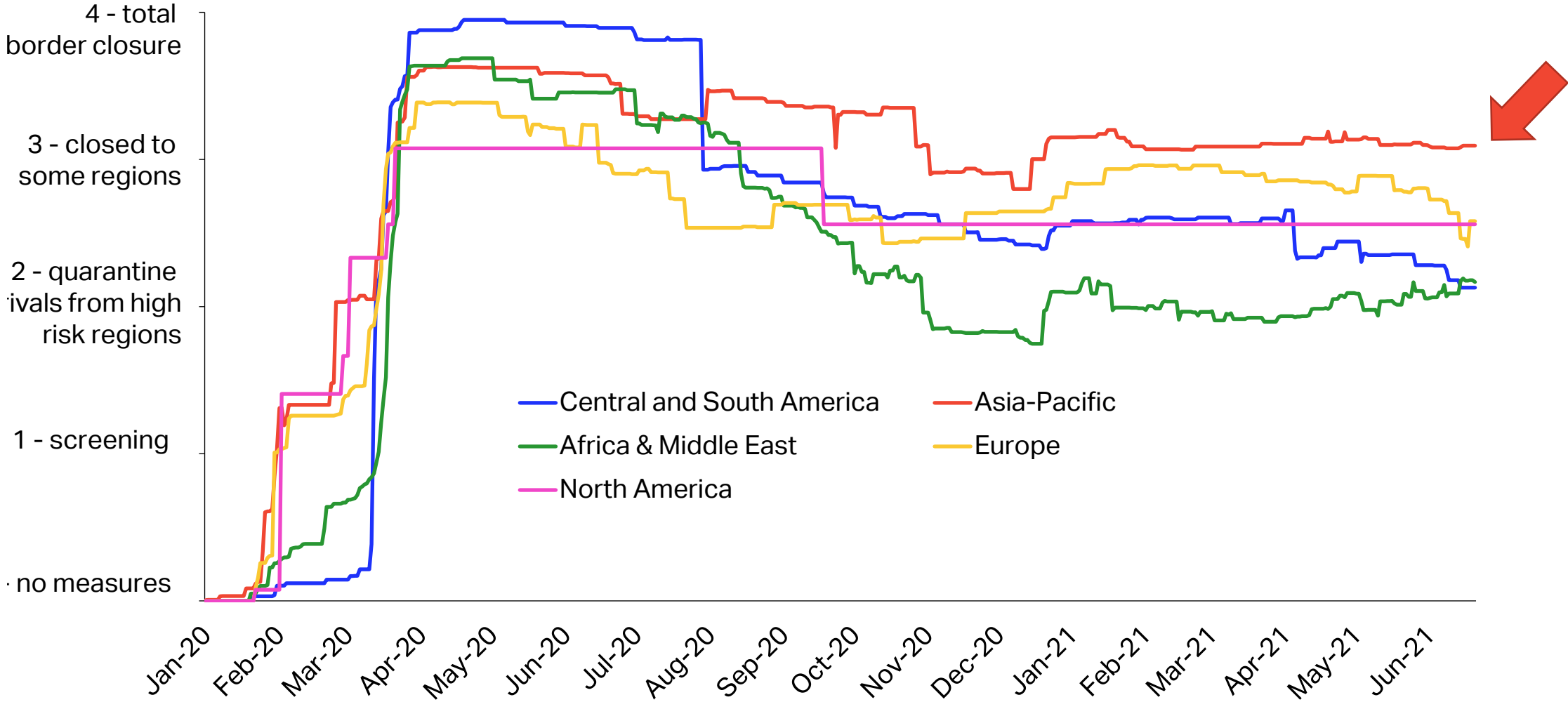
Source: IATA Monthly Statistics



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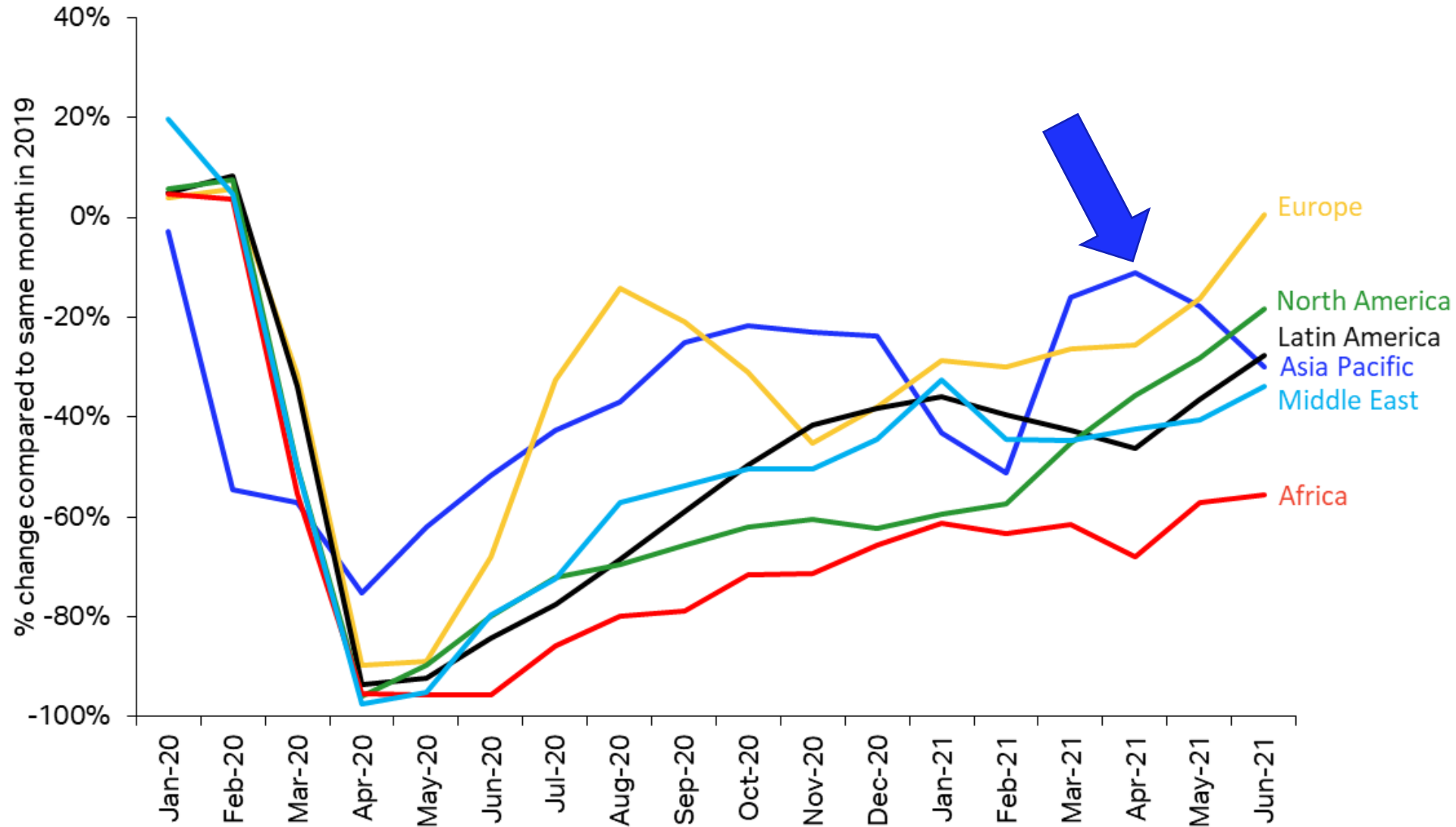


Source: IATA Economics analysis based on Oxford University data



Domestic traffic recovery in Asia Pacific has stumbled

Growth in domestic air travel, RPKs by market

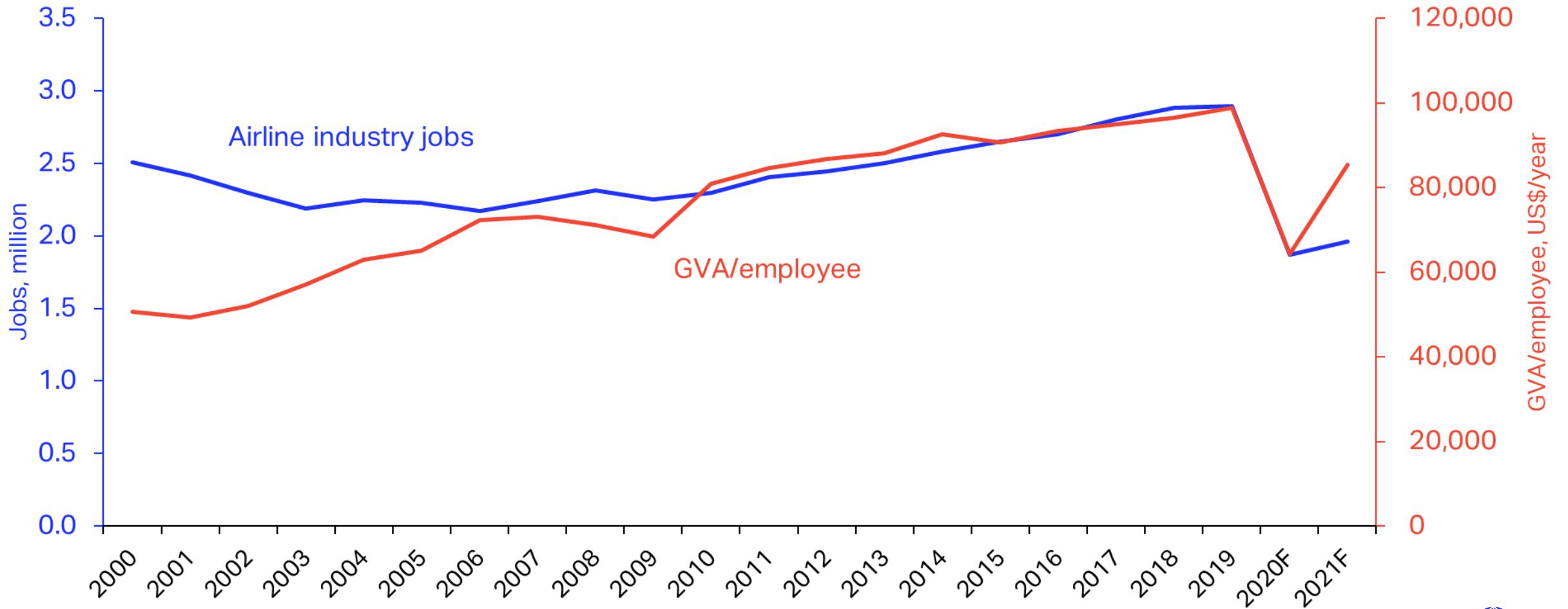


Source: IATA Monthly Statistics



Employment fell sharply amidst the crisis

Airline industry jobs and value added (GVA) per employee

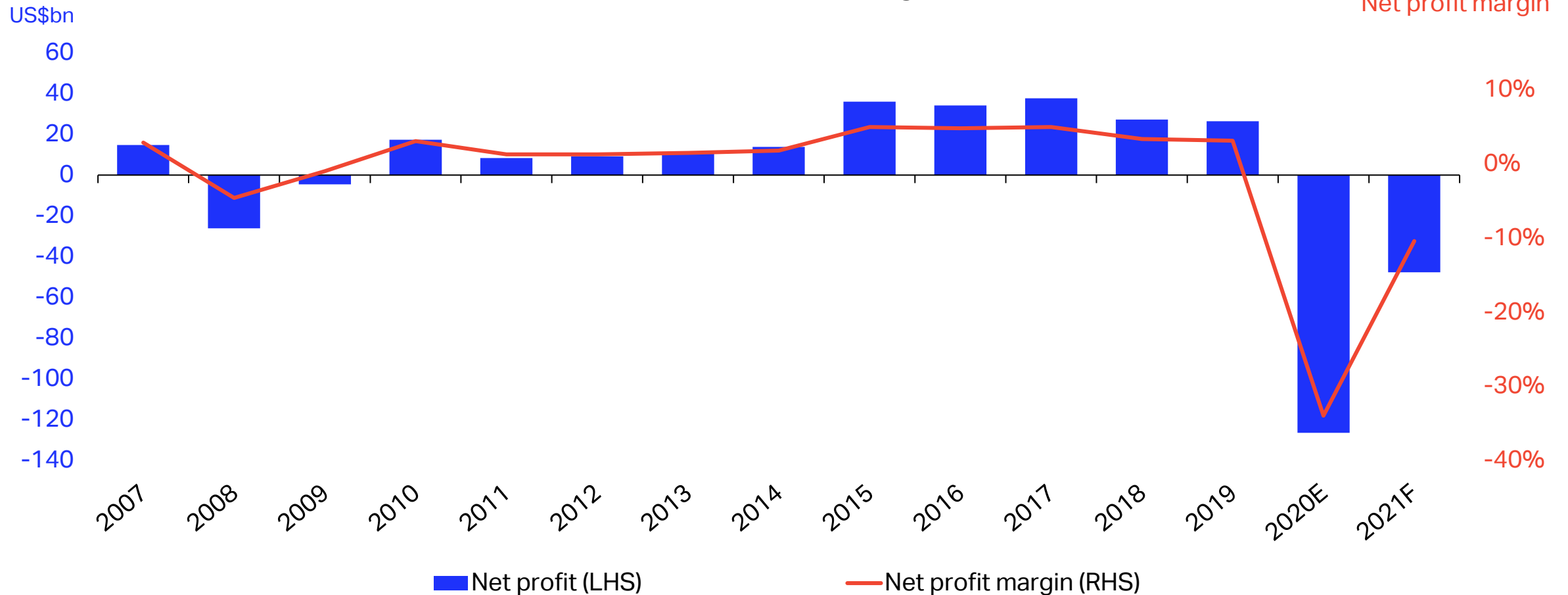


Source: IATA Economics using data from ICAO, ATAG, IATA forecasts, December 2020 update



Airlines expected to post a \$126.4bn loss in 2020; \$47.7bn in 2021

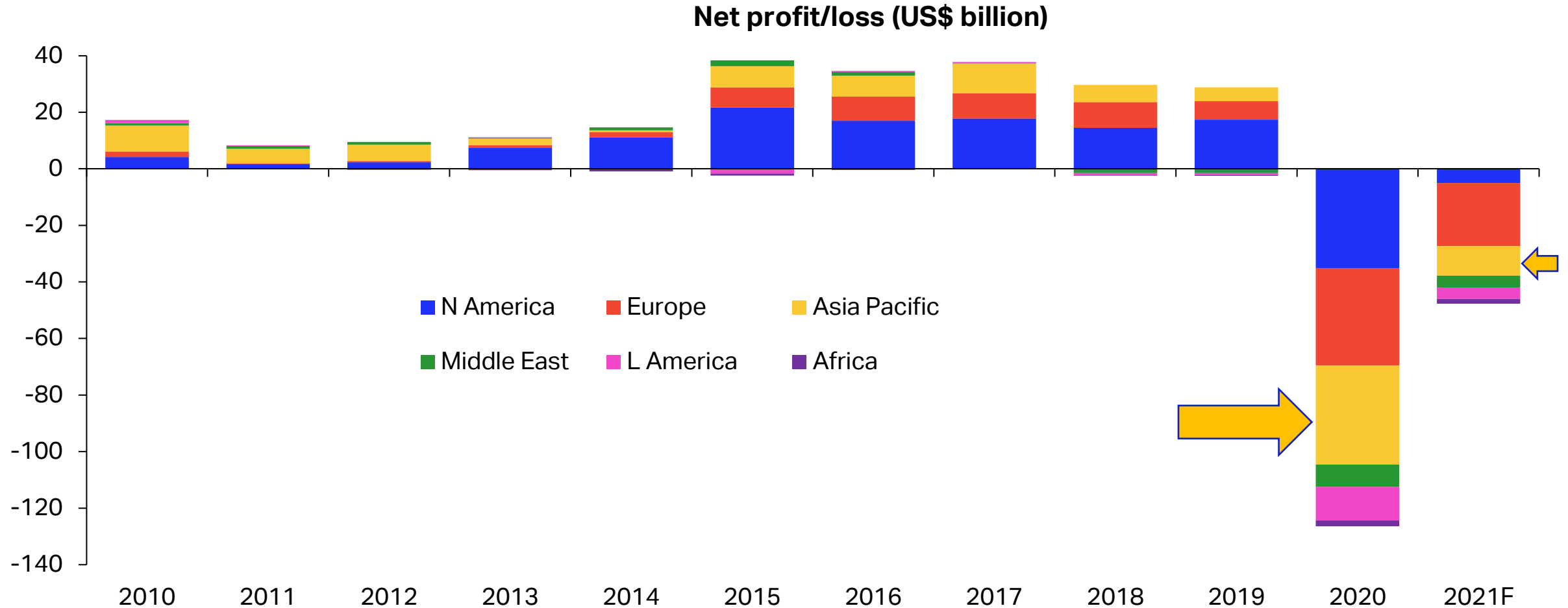
Net profit & Net profit margin - Industry



Source: IATA Economics, April 2021 forecast update



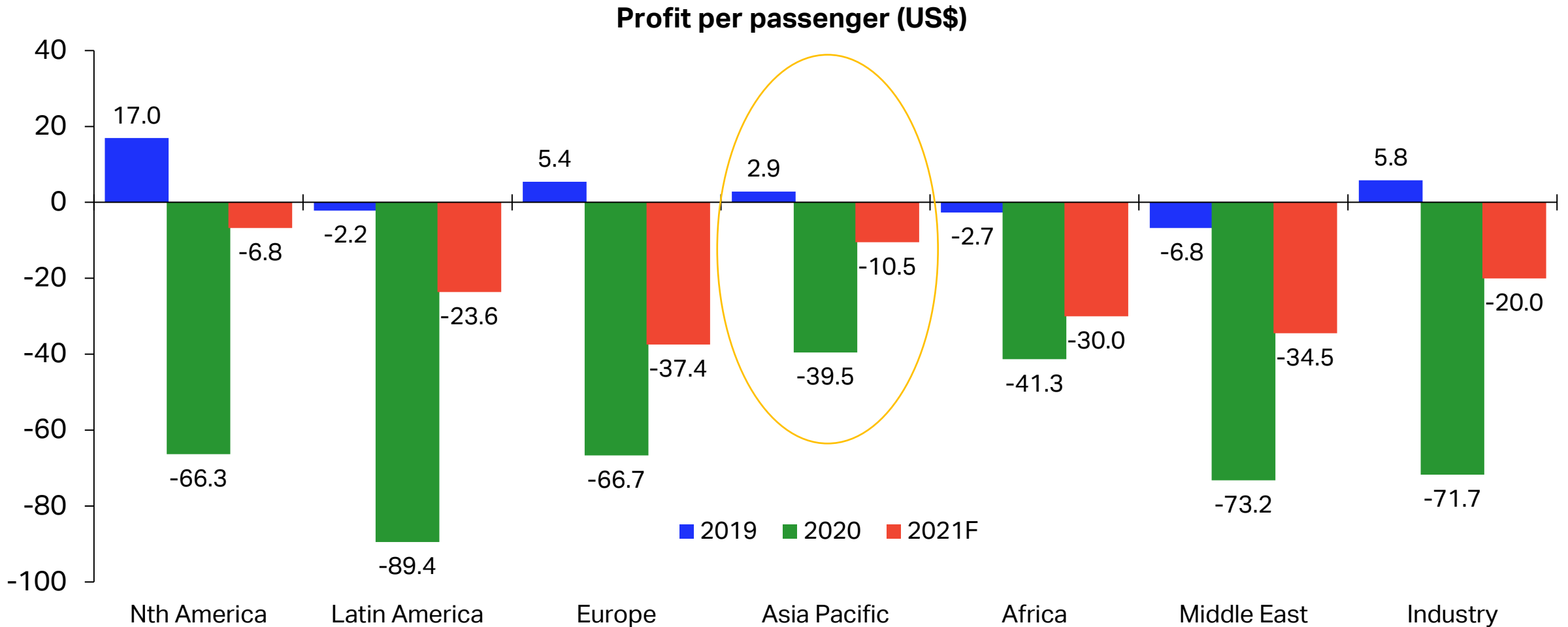
Driven largely by Europe and Asia Pacific



Source: IATA Economics using data from ICAO, The Airline Analyst, IATA forecasts, April 2021 update



Per passenger (net) losses show regional variation

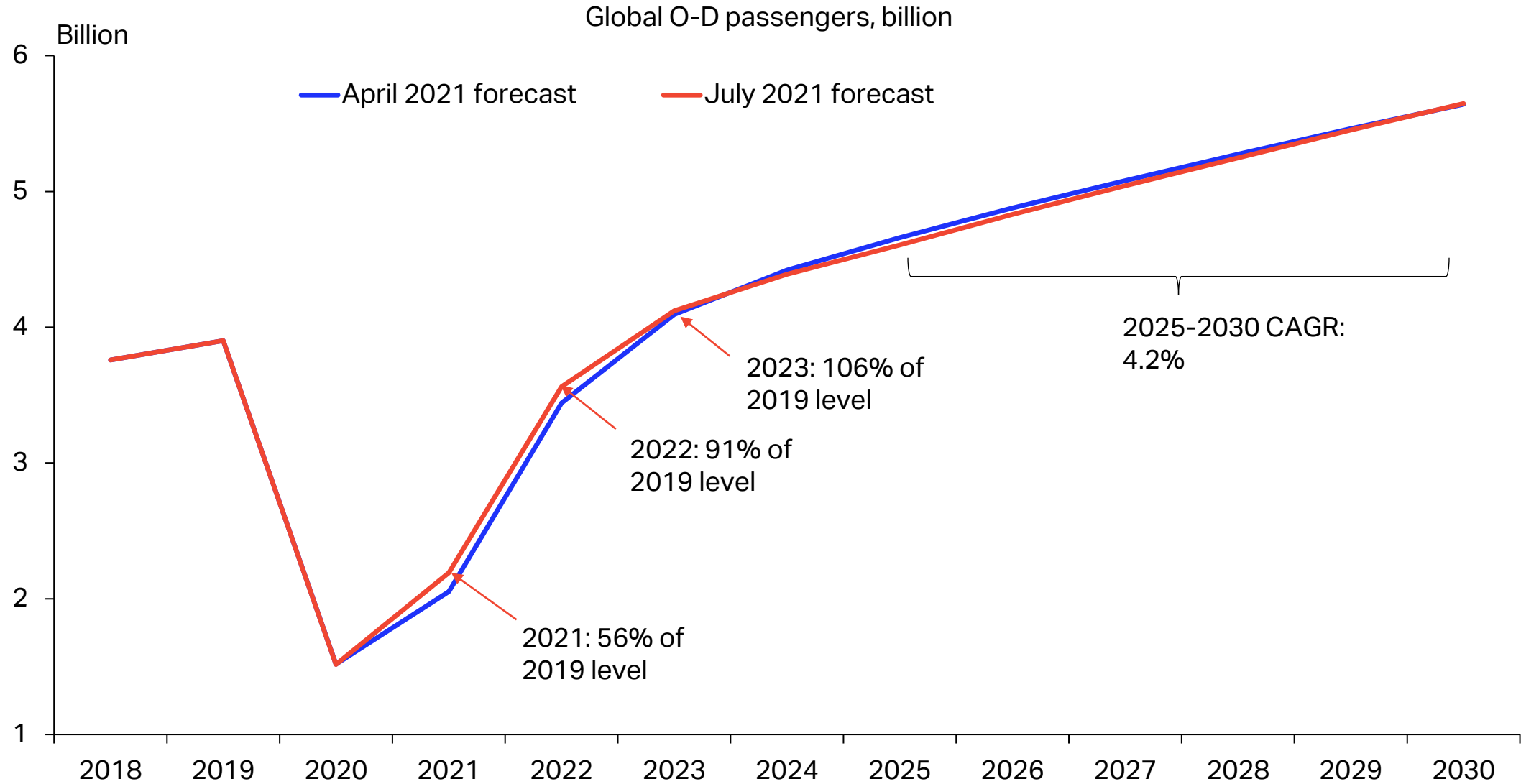


Source: IATA Economics, forecast update April 2021



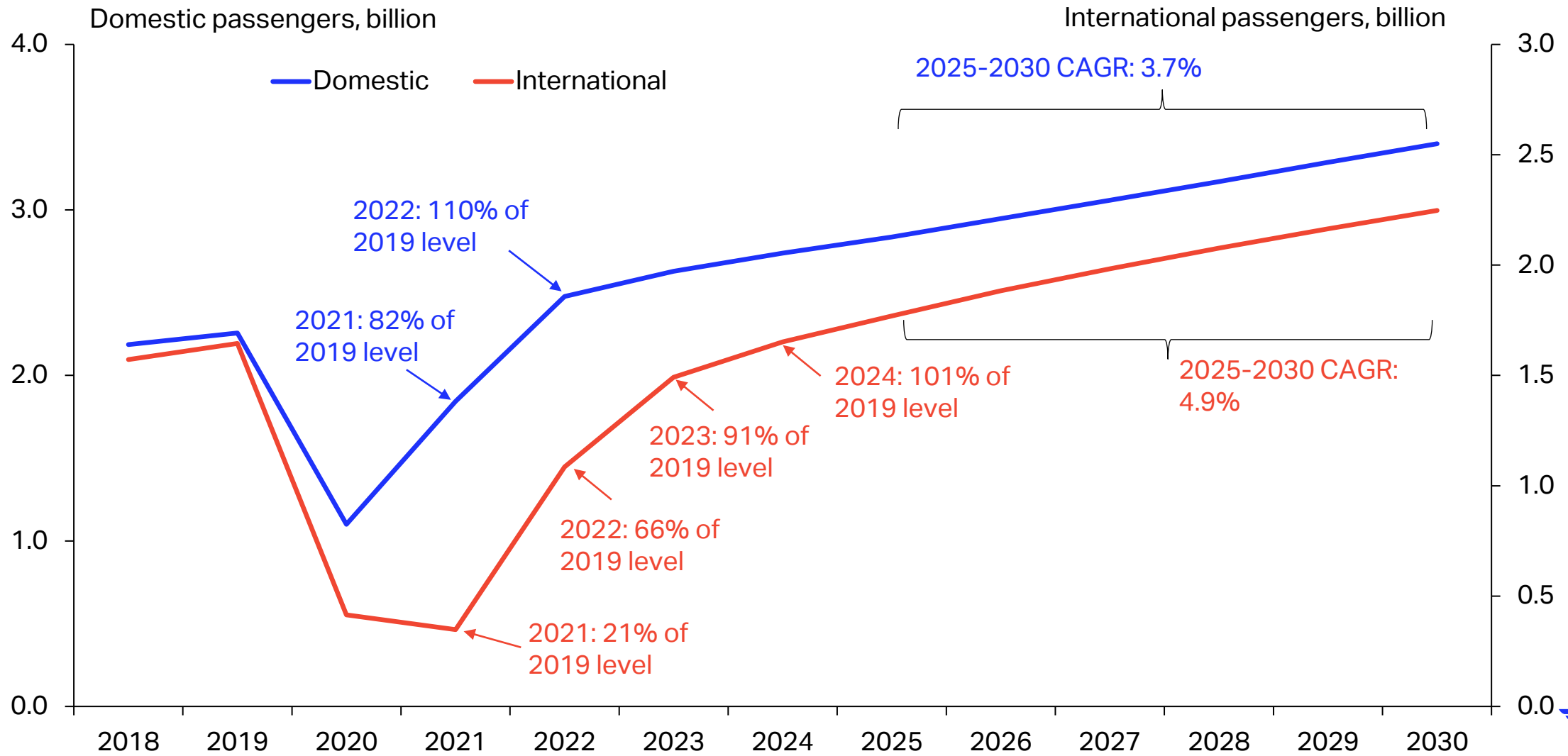
Slow start to global air travel recovery but strong 2022/3

Global O-D passenger numbers exceed 2019 levels by 2023

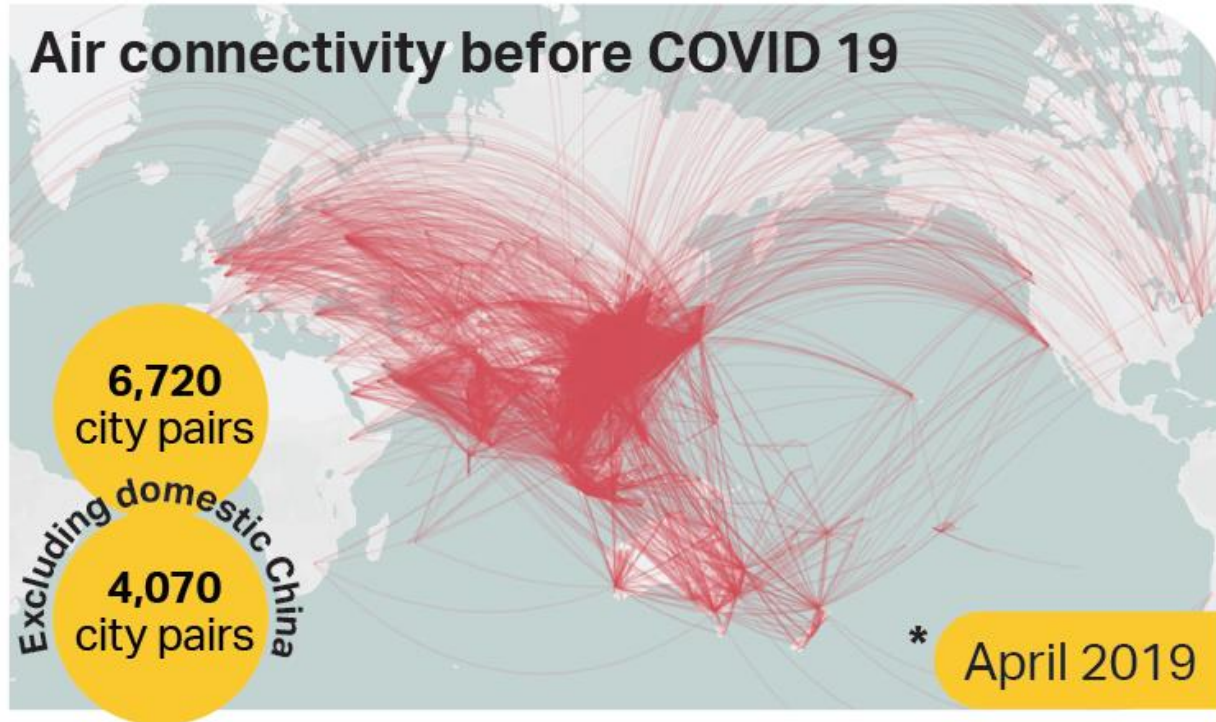


Rapid recovery in domestic air travel, unlike international

Domestic above 2019 level by next year. International not until 2024



Air connectivity in Asia Pacific has been seriously disrupted by COVID-19



Impact of COVID-19 in Asia Pacific:

- IATA estimates a final net loss of \$35.0 billion for Asia Pacific airlines in 2020. A net loss of \$10.5 billion is expected in 2021.
- Asia-Pacific airlines' international traffic in June 2021 was only around 5% of pre-COVID levels in June 2019. The region experienced the steepest traffic declines for an eleventh consecutive month. Capacity dropped 86.7% and the load factor was down 48.3 percentage points to 33.1%, the lowest among regions.
- The disruptions to air travel could put at risk up to **22.9 million jobs** and **\$462 billion of contribution to GDP** supported by the air transport industry and tourists arriving by air.



Emergency Response and Return to Service Planning



Pre-COVID ERP – January 2018



EMERGENCY RESPONSE PLAN

A template for Air Carriers

PUBLIC HEALTH EMERGENCY



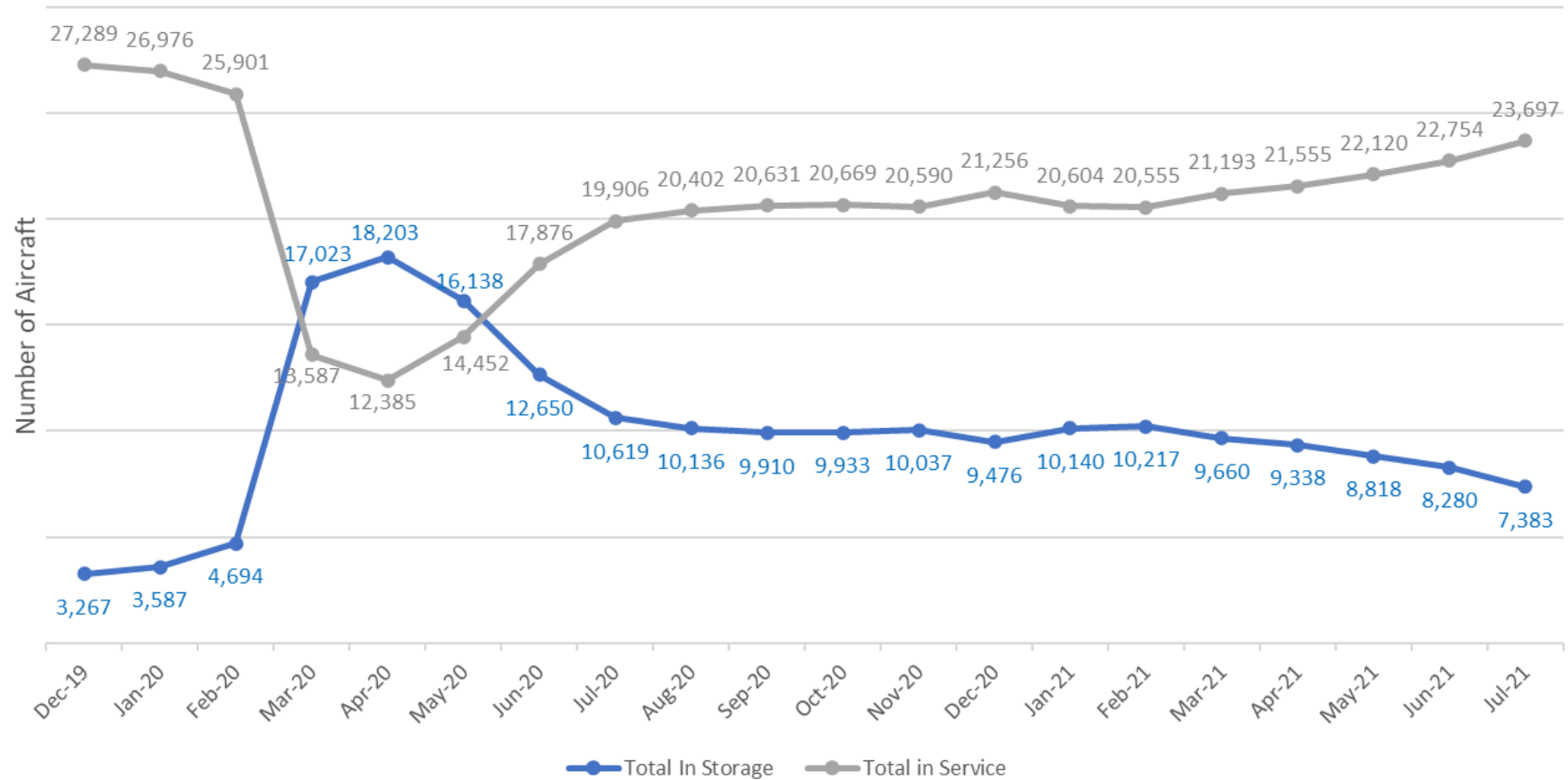
Pre-COVID ERP – January 2018

Emergency Response Checklist

Name: _____ Date: _____

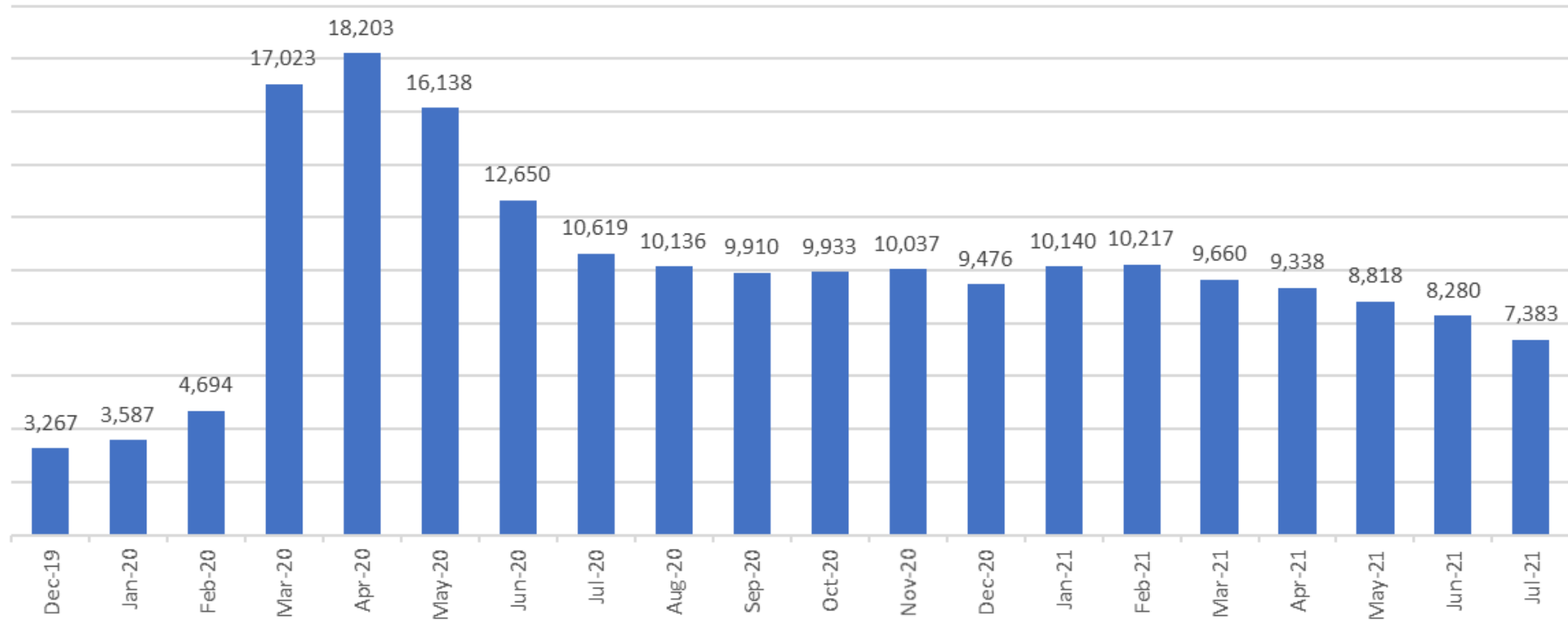
Task	Action	Date
<input type="checkbox"/>	For an international public health emergency (e.g. Avian Flu), Maintenance continues its regular activities and adapts any special procedures that are recommended by the Medical Representative as a result of information received from the public health authorities.	
<input type="checkbox"/>	If disinfection of an aircraft is required, ensure that personnel are using methods and disinfectants recommended by the Medical Representative and the aircraft manufacturers.	
<input type="checkbox"/>	Ensure that personnel involved in disinfecting the aircraft are provided with appropriate protective clothing and are properly briefed.	
<input type="checkbox"/>	Notify the Director Emergency Response when the aircraft has been disinfected.	

Active AC vs Parked/Stored AC



Source: Cirium

Grounded fleet size continues to decrease in July 2021

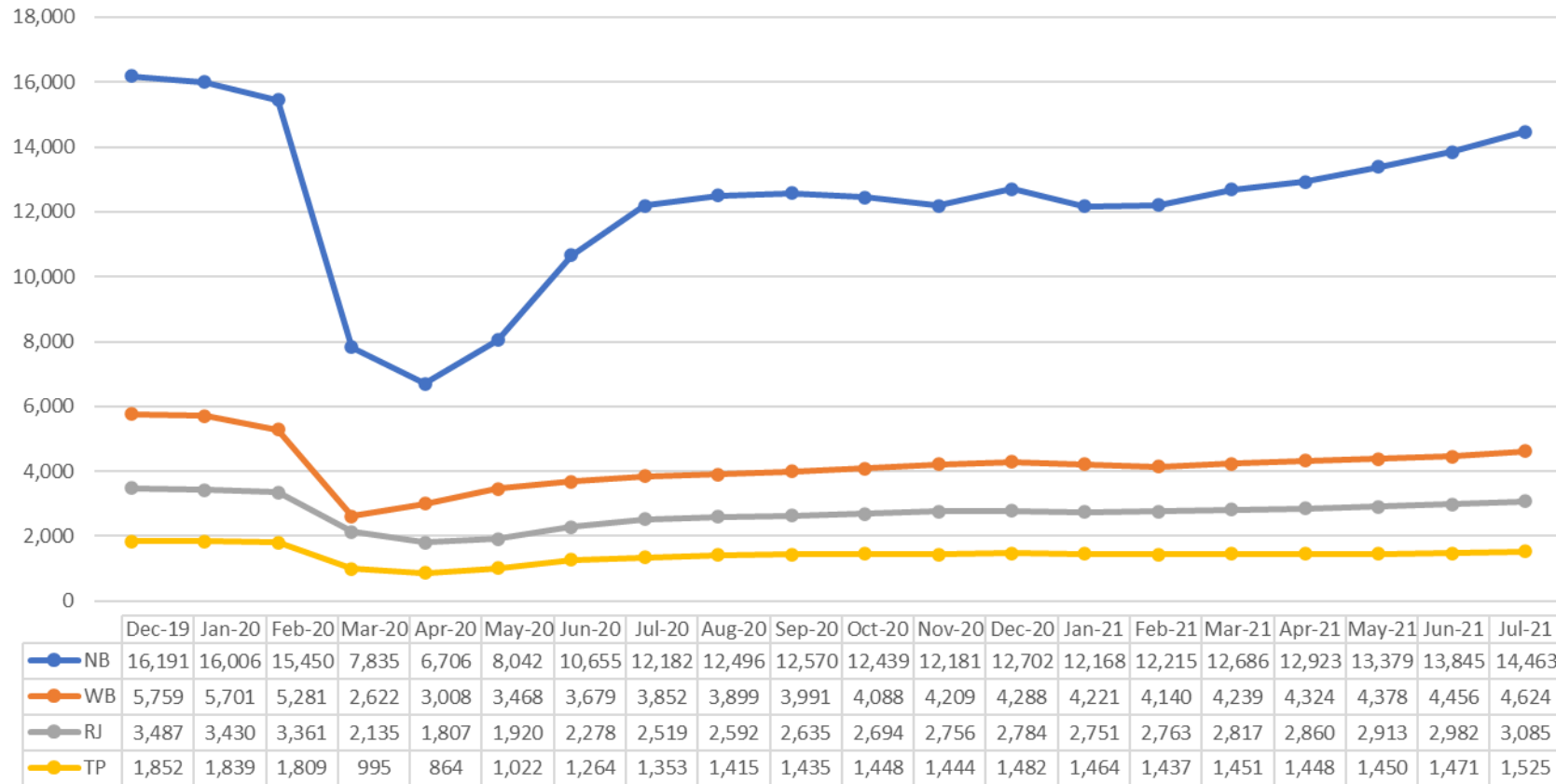


	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
AC Utilization (hrs/day)	>9	>9	>9	>9	5	<6	<6	6	<7	<7	<7	<7	<7	<7	7	<7	7	<7	<7	<7
PLF%	82.3%	80.3%	75.9%	60.6%	36.6%	50.7%	57.6%	57.9%	58.5%	60.1%	60.2%	58.0%	57.5%	54.1%	55.4%	62.3%	63.3%	65.8%	69.6%	n/a

Source: Cirium and IATA Economics



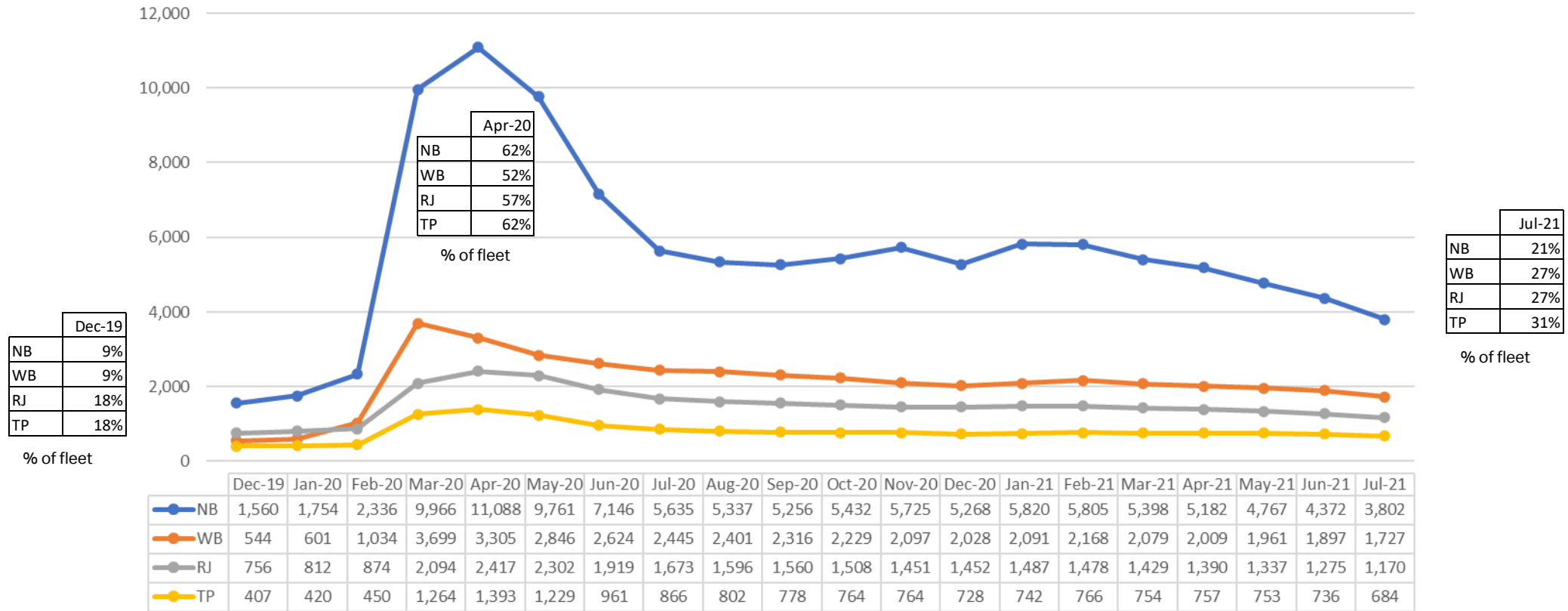
Active AC by AC category



Source: Cirium



Parked/Stored AC by AC category



Source: Cirium



Complexity of RTS

Establish a Safe and efficient pathway for return to service

- 1 Scheduled maintenance**
 - Acquit scheduled maintenance
 - Mandatory Instructions for Continuing Airworthiness (AD / ASB)
 - Overdue Maintenance / deviations → OEM Justification & Regulatory Approvals
- 2 De-Preservation**
 - De-preservation maintenance instructions per AMM / Service Letters
 - Open Defects acquittal; robbed parts
 - Loadable Software updates – NDB, Terrain DB..
 - Part power engine runs (80%)
- 3 Optimise**
 - Operational checks – Engine Cowl Thermal Anti-Ice /Bleeds / Isolation & Pack Valves
 - Lights – Internal/External/Cockpit/Emergency
 - Cabin readiness; Deep Clean, carpets, furnishing, galley equip, lavatories
 - External wash
- 4 Validate**
 - Maintenance Provider capabilities
 - Primary & Secondary flight controls incl. Spoilers, Speed brakes, Flaps, Slats
 - Extensive pre-flight checks – Critical systems & Alternate/Standby systems
 - Full Thrust Take-off
 - Verification (shake-down) non-revenue flight

IATA Resources

<https://www.iata.org/en/programs/covid-19-resources-guidelines/>



The screenshot displays the IATA website's navigation and content for COVID-19 resources. At the top, the IATA logo is on the left, and navigation links for 'ABOUT US', 'CAREERS', and 'CONTACT & SUPPORT' are on the right. A search bar is also present. Below the navigation, a red 'PROGRAMS' button is highlighted, with other menu items like 'POLICY', 'PUBLICATIONS', 'SERVICES', 'TRAINING', 'EVENTS', and 'PRESSROOM' visible. The breadcrumb trail reads 'Home > Programs > COVID-19: All resources'. On the left sidebar, under 'PROGRAMS', 'COVID-19: All resources' is selected. The main content area features the title 'COVID-19: Resources for Airlines & Air Transport Professionals' and a sub-headline 'Top on the Agenda'. A short paragraph describes the impact of the pandemic and the resources provided. On the right, there are social sharing icons and a statistics box showing 530K visitors/month and 2.2M page views/month. Below the statistics is a 'Related Links' section with a link to 'Economic impact of COVID-19 on aviation'.

ABOUT US | CAREERS | CONTACT & SUPPORT

Search this website

IATA

PROGRAMS | POLICY | PUBLICATIONS | SERVICES | TRAINING | EVENTS | PRESSROOM

You & IATA

Home > Programs > COVID-19: All resources

PROGRAMS

COVID-19: All resources

Reconnecting the World

Safely Reopening Borders

ICAO Cart/ IATA Guidance

Safely Restarting Operations

COVID-19: Resources for Airlines & Air Transport Professionals

The COVID-19 pandemic is having a huge impact on aviation and air travel industry. On this page, you will find resources to support airlines and other aviation stakeholders during the COVID-19 crisis and industry's restart.

Top on the Agenda

530K visitors/month

2.2M page views/month

See advertising opportunities on iata.org

Related Links

Economic impact of COVID-19 on aviation



IATA Resources

The screenshot shows the IATA website's 'COVID-19 All resources' page. The main heading is 'Safely Restarting the Aviation Industry'. Below the heading, there is a sub-section for 'Aircraft Operators' with a list of resources: 'Guidance for Managing Aircraft Airworthiness for Operations During and Post Pandemic, Ed.2 (pdf)', 'IATA Health Safety Standards Checklist for Airline Operators (link to form)', 'IOSA Guidance for Safety Monitoring under COVID-19 Ed.2 (pdf)', 'Fill in this form to access the IATA Health Safety Standards Checklist for Airline Operators (pdf)', 'Aircraft cleaning & disinfection during & post-pandemic (pdf)', 'Guidance for cabin operations during & post-pandemic (pdf) also available in Spanish (pdf)', and 'Guidance for Flight Operations during and Post-Pandemic (pdf)'. Below this, there is a section for 'Air Traffic Management' with five bullet points: 'Bulletin 1: Mitigating Human Factors Hazards in the context of the operating environment during and post COVID-19 (pdf)', 'Bulletin 2: Maintaining Competency & Training during Recovery? (pdf)', 'Bulletin 3: Flight Crew and ATCO Interface during Restart (pdf)', 'Bulletin 4: Traffic Management and Airport Operations During COVID-19 (pdf)', and 'Bulletin 5: Occupational Health and Safety in the Context of COVID (pdf)'. At the bottom of the page, there is a footer with the IATA logo and the text 'Our mission is to represent, lead and serve the airline industry'.

Aircraft Operators

- [Guidance for Managing Aircraft Airworthiness for Operations During and Post Pandemic, Ed.2 \(pdf\)](#)
- [IATA Health Safety Standards Checklist for Airline Operators \(link to form\)](#)
- [IOSA Guidance for Safety Monitoring under COVID-19 Ed.2 \(pdf\)](#)
- [Fill in this form to access the IATA Health Safety Standards Checklist for Airline Operators \(pdf\)](#)
- [Aircraft cleaning & disinfection during & post-pandemic \(pdf\)](#)
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- [Bulletin 4: Traffic Management and Airport Operations During COVID-19 \(pdf\)](#)
- [Bulletin 5: Occupational Health and Safety in the Context of COVID \(pdf\)](#)

Ground Operations

Position Paper: Restart of Ground Operations

- [Ground handling return to service \(pdf\)](#)
- [Guidance for ground handling during COVID-19 \(pdf\)](#)
- [Ground Handling - information about conducting ground operations in time of COVID-19 \(pdf\)](#)



Thank you!

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