

State of Aviation – Post COVID-19

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MET/R WG/12 Meeting & MET/ATM Seminar
1-5 May 2023

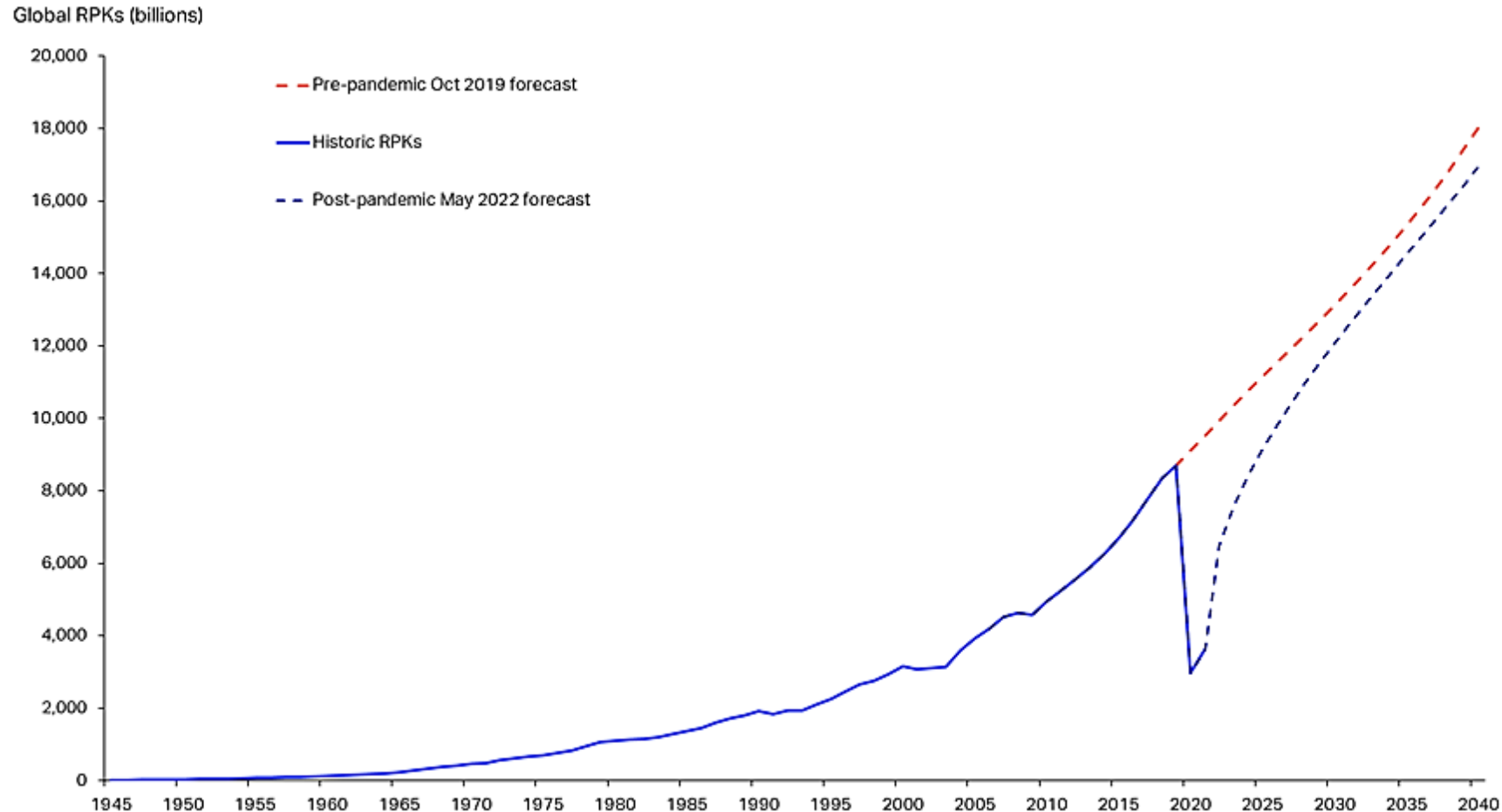


Update on COVID-19 impact on airlines



The greatest shock to aviation in its history

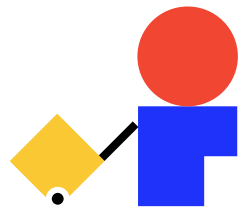
Global RPKs, with pre-pandemic (red) and current forecasts (blue), billion



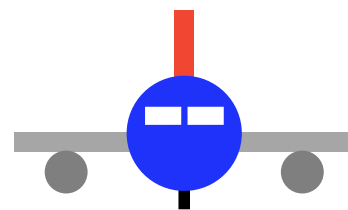
- “Lost” travel between 2020 and 2022 is equivalent to 1.8 x 2019 RPKs.
- In 2040, if our current forecast is realized, traffic would still be 6% below our pre-pandemic forecast.

Source: IATA Annual airline traffic statistics, IATA Economics/Tourism Economics.

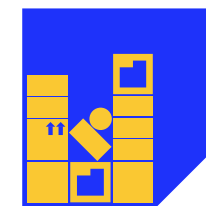




passengers
(millions)



flights



value of goods
carried (billions)

Every
day in ...

2019

12.4

106,600

\$17.8

2020

5.0

46,400

\$16.4

2021

6.0

54,900

\$20.7

2022

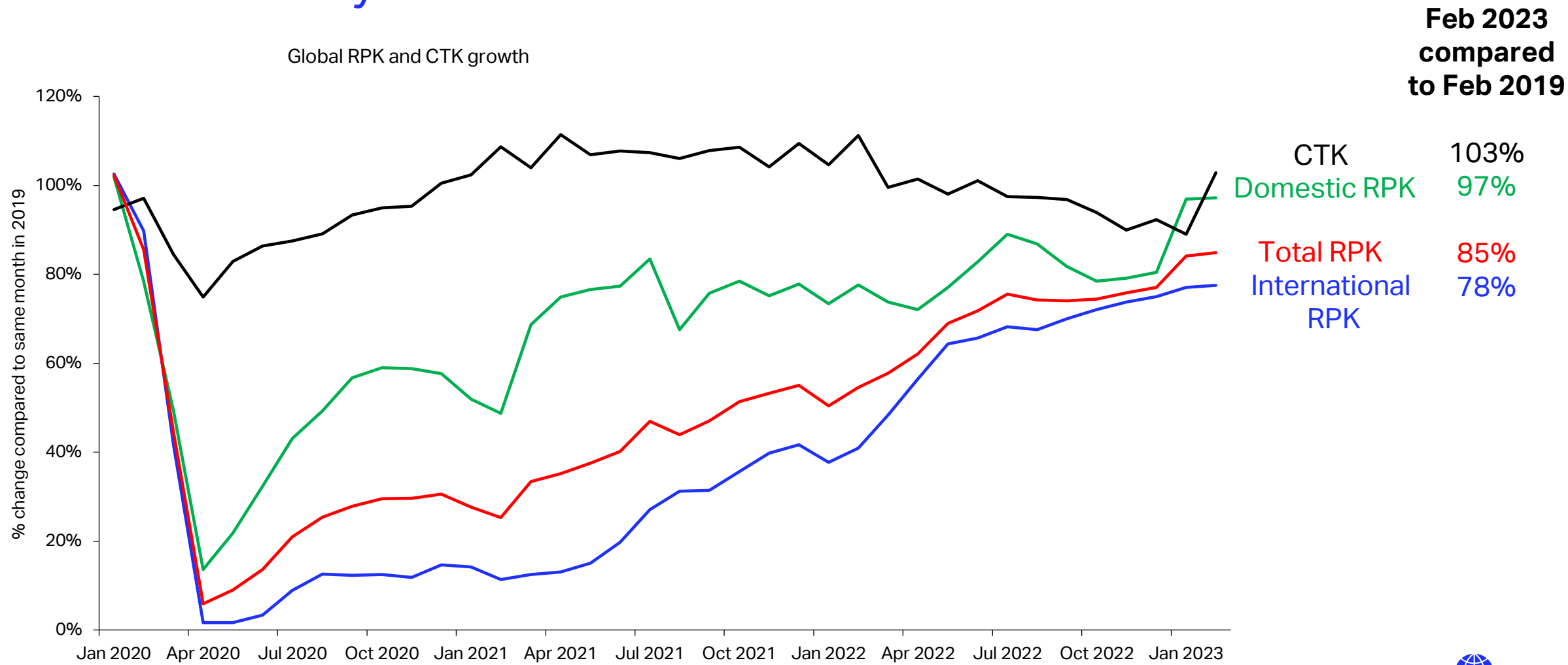
9.4

76,300

\$22.9

Recovery remains on track

RPKs are currently at 84% of 2019 levels

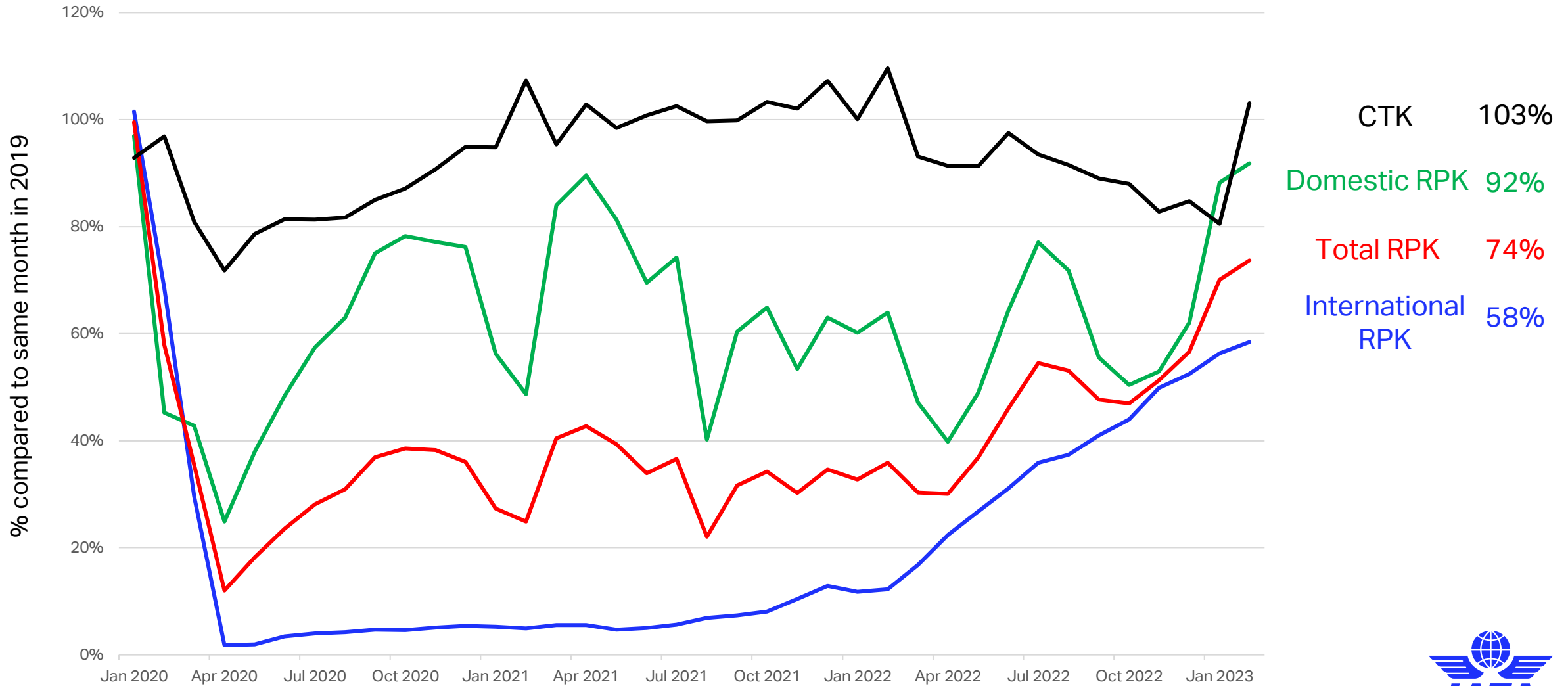


Source: IATA Monthly Statistics; traffic



Status of recovery in Asia Pacific

Feb 2023
compared
to Feb 2019



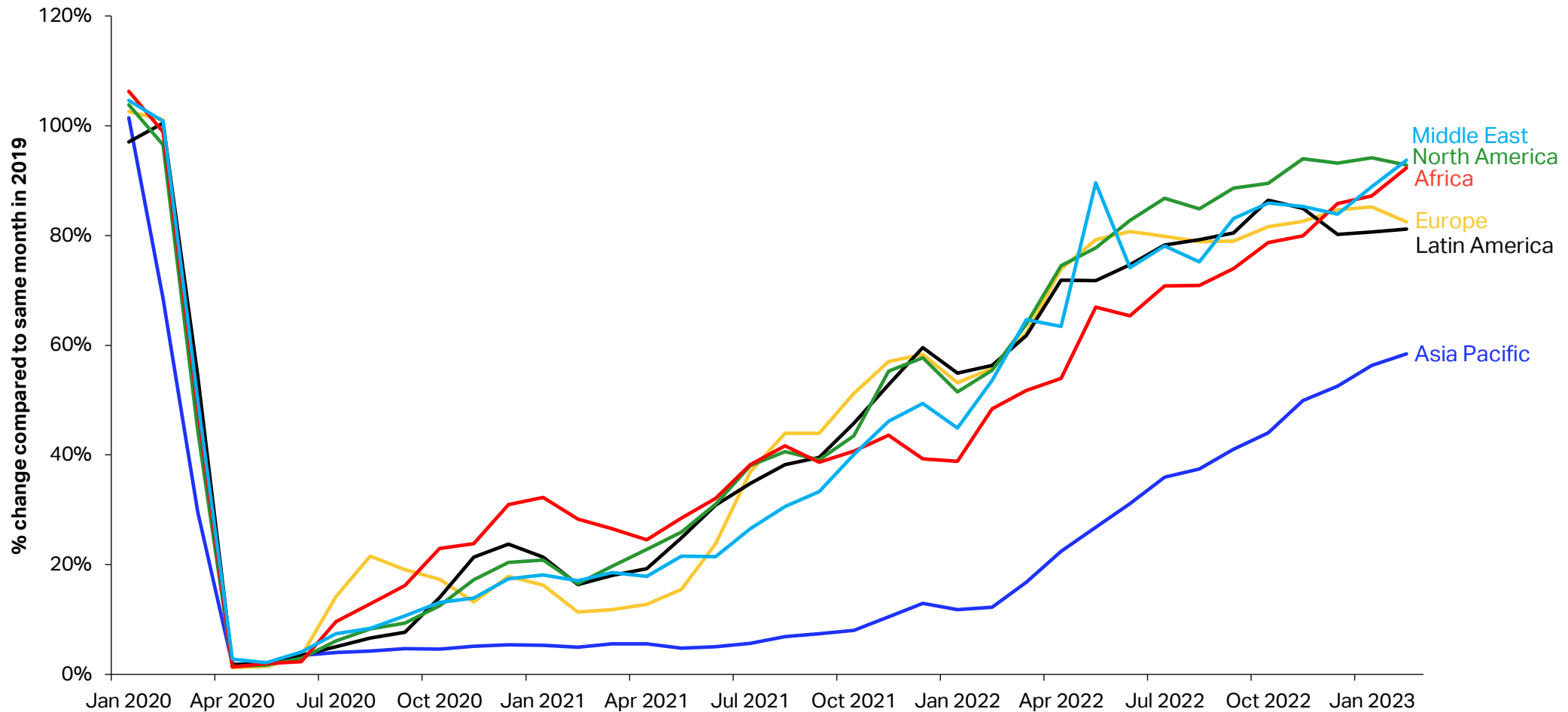
Source: IATA



International traffic on the rise

Asia Pacific traffic in Feb 2023 at 58% of pre-COVID levels

Growth in international air travel, RPKs by market

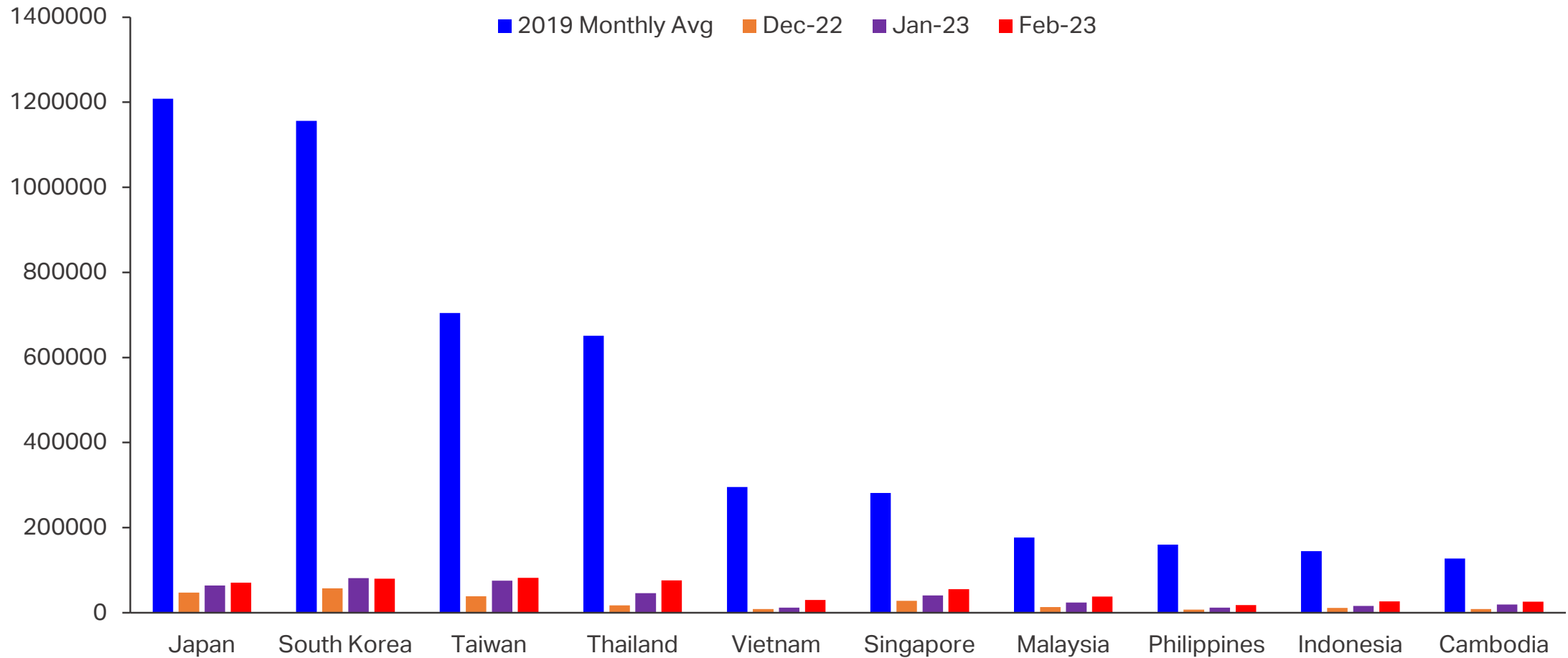


Source: IATA Monthly Statistics; traffic by **airline region of registration**



International traffic recovery reliant on Chinese traffic

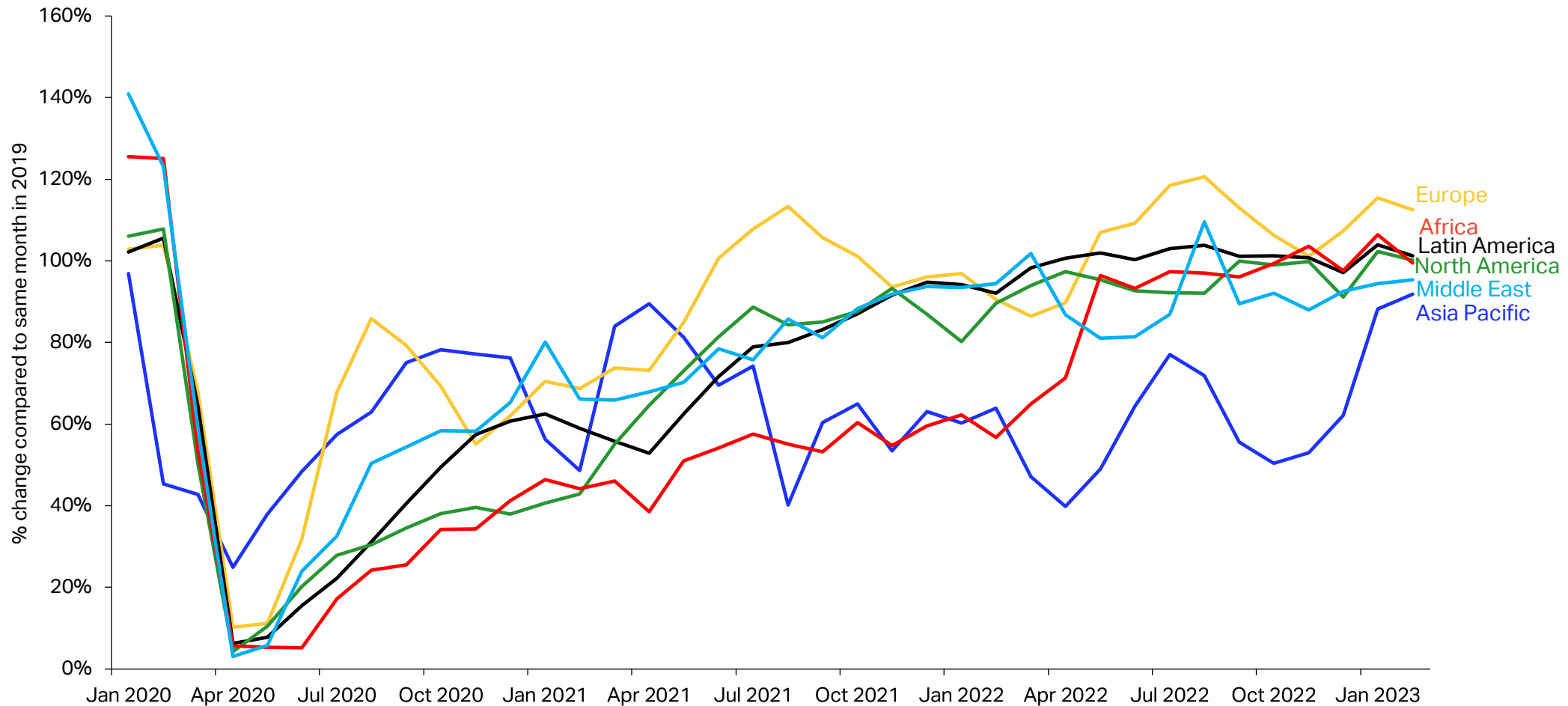
Ticket sales in China's top destination countries in Asia after reopening vs. 2019



Domestic traffic recovering

Asia Pacific traffic in Feb 2023 is at 92% of pre-COVID levels

Growth in domestic air travel, RPKs by market

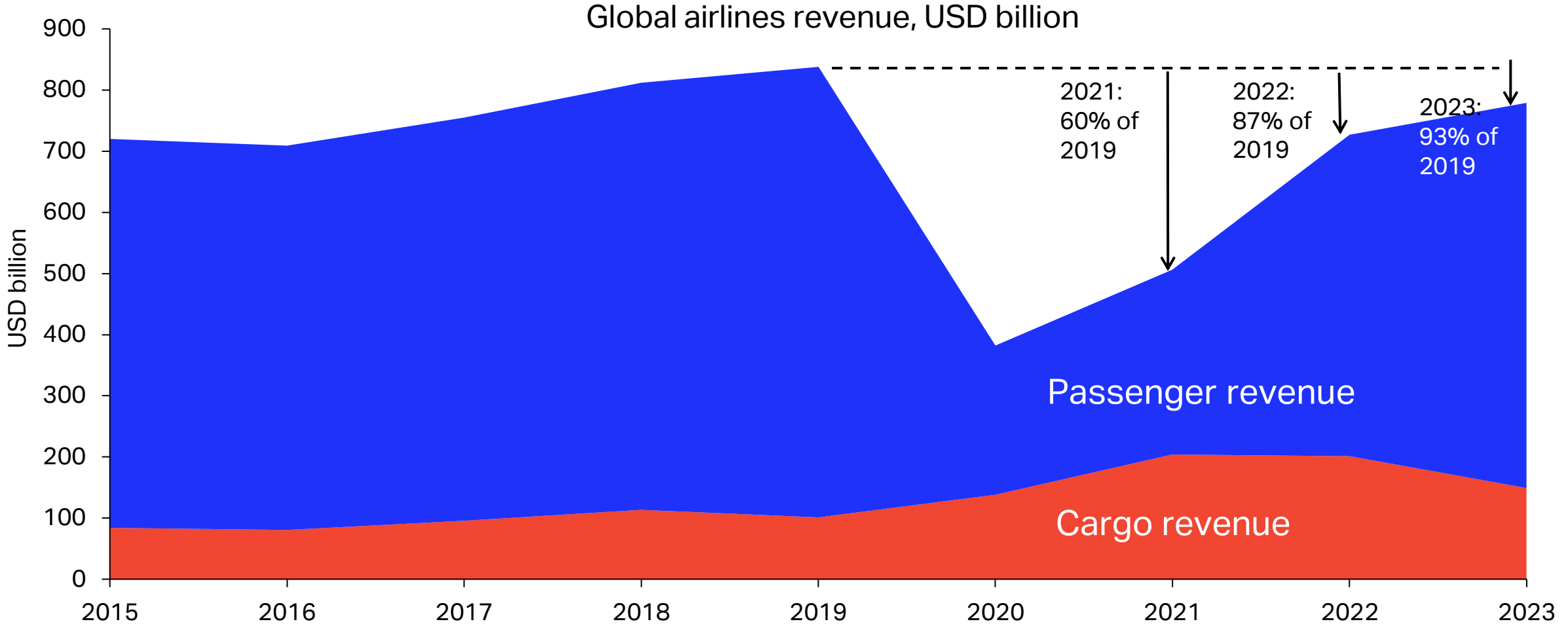


Source: IATA Monthly Statistics; traffic by **airline region of registration**



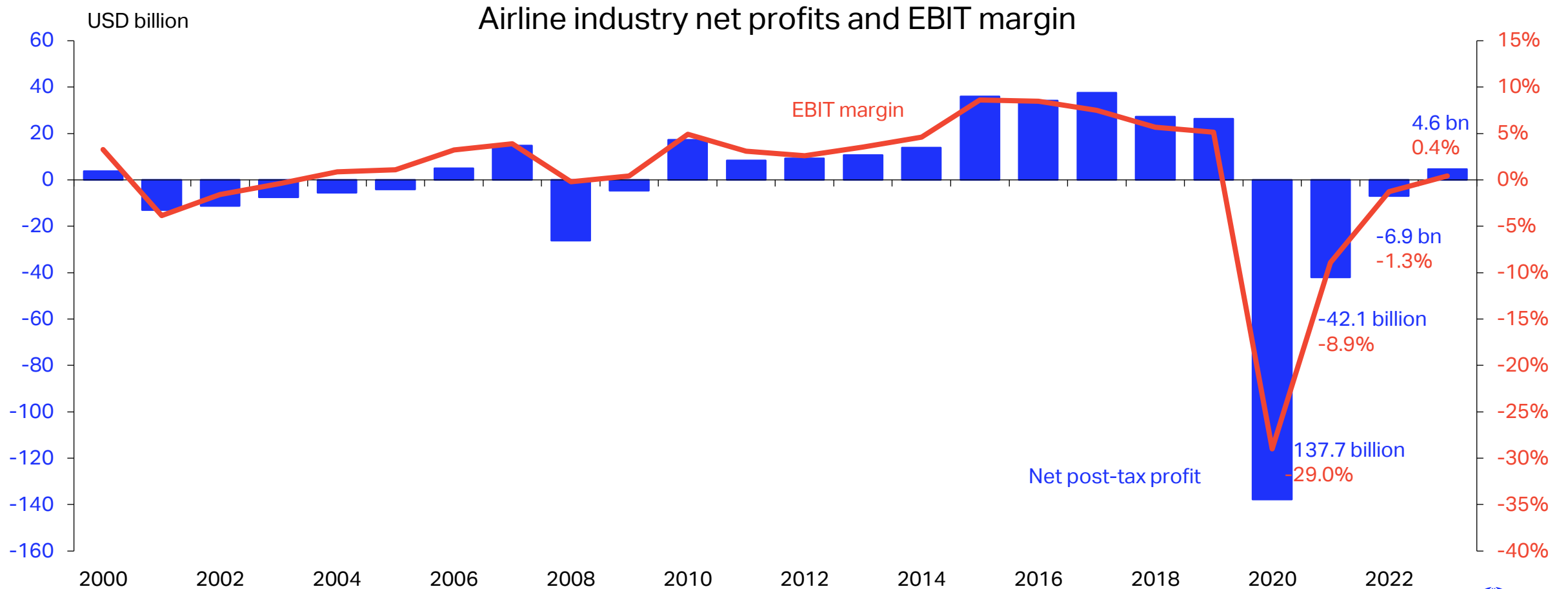
Industry revenue is rising

With cargo revenue moderating but higher than in 2019



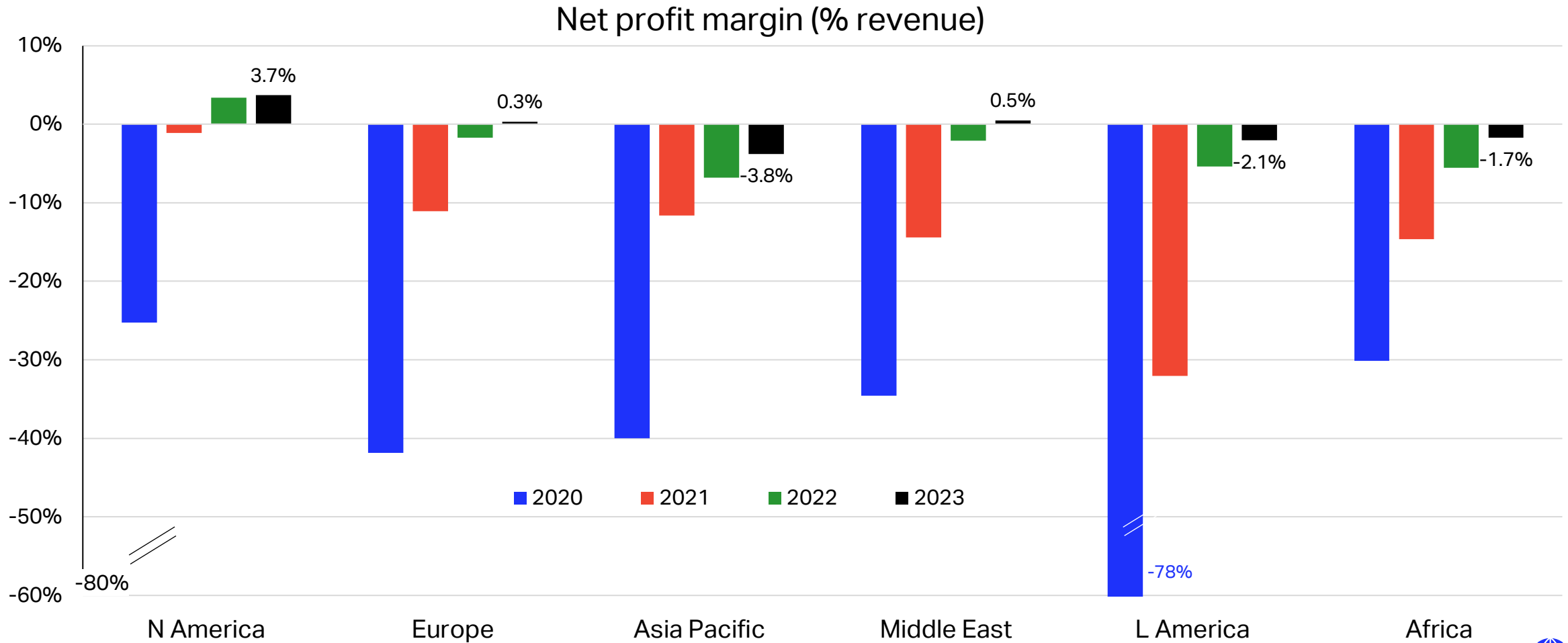
Financial performance improves strongly

With the industry returning to profitability in 2023 - global net profit of \$4.7 billion



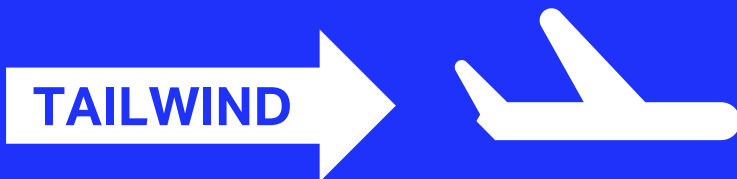
North America only profitable region in 2022

To be joined by Europe and the Middle East in 2023



Turbulent times

- Easing and lifting of travel restrictions
- Willingness to travel
- Cargo
- Business model developments
- The possibility of energy abundance



and

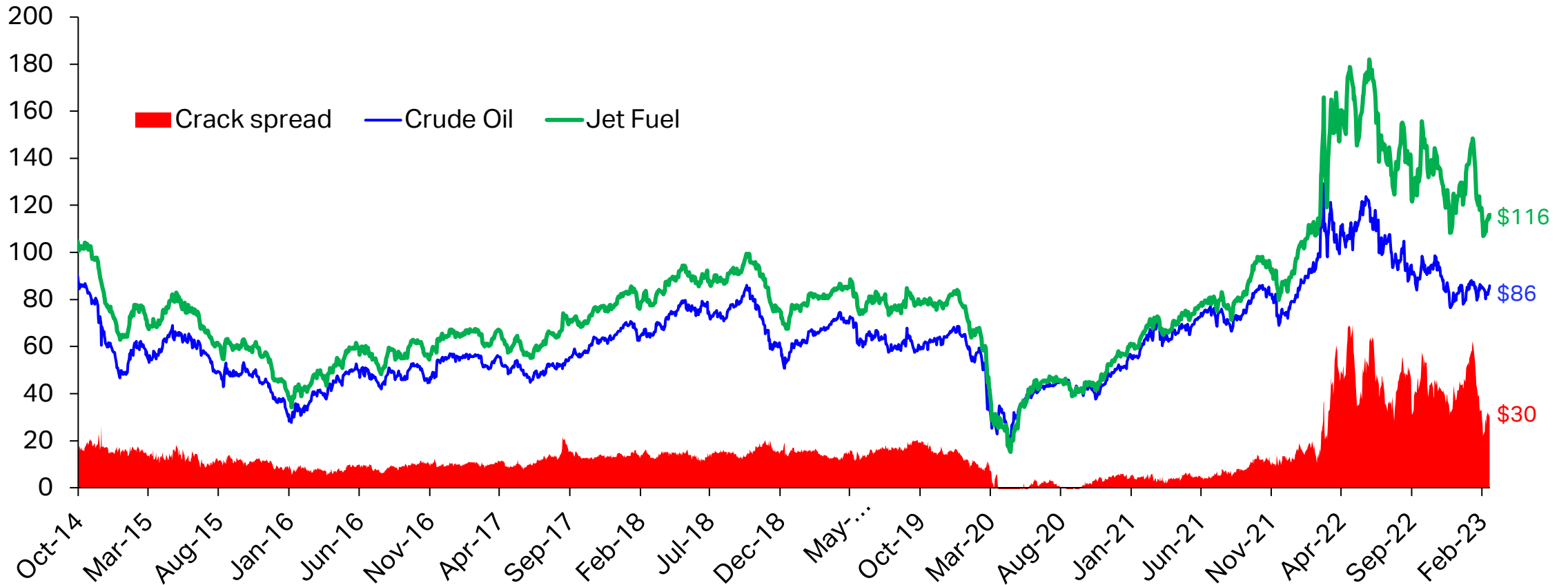
- Debt burden and cost
- Labor costs
- Energy costs
- Climate change costs
- Geopolitical conflict



We expect oil-price volatility and a high crack spread

Jet fuel price and crude oil price through 03-Mar-23

USD per barrel



Source: IATA Sustainability & Economics, S&P Global, Refinitiv Eikon data

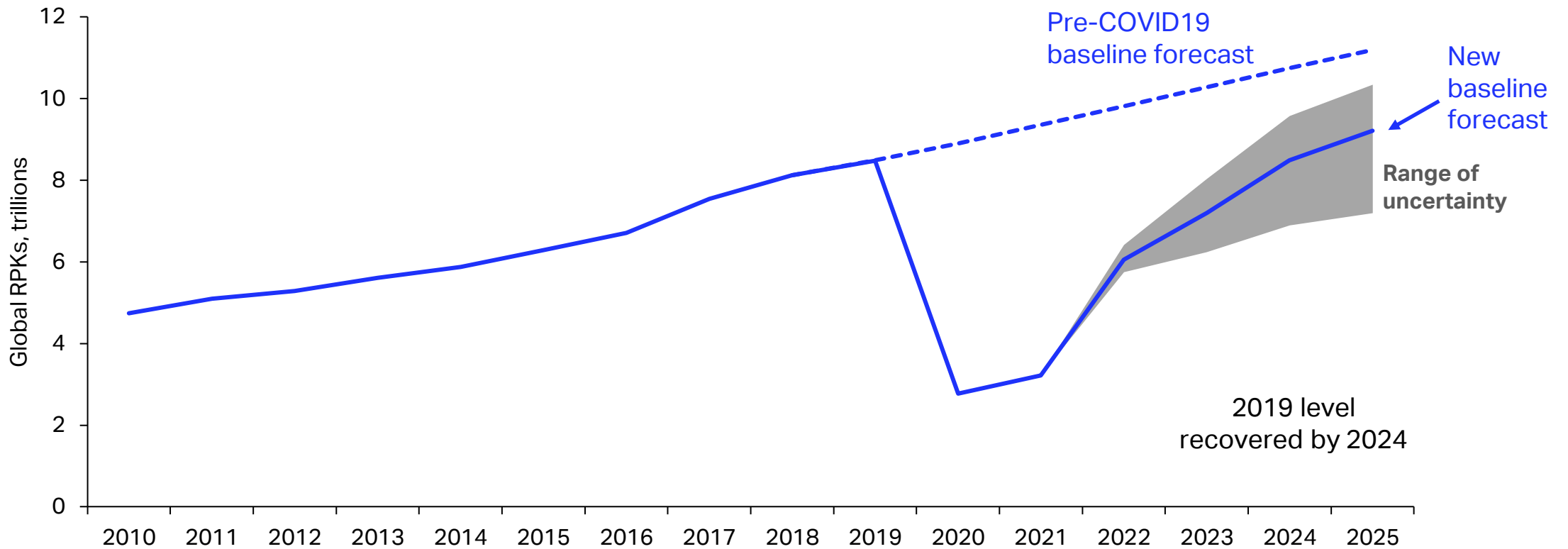


Forecast



Passenger traffic expected to recover in 2024

Risks are still tilted to the downside

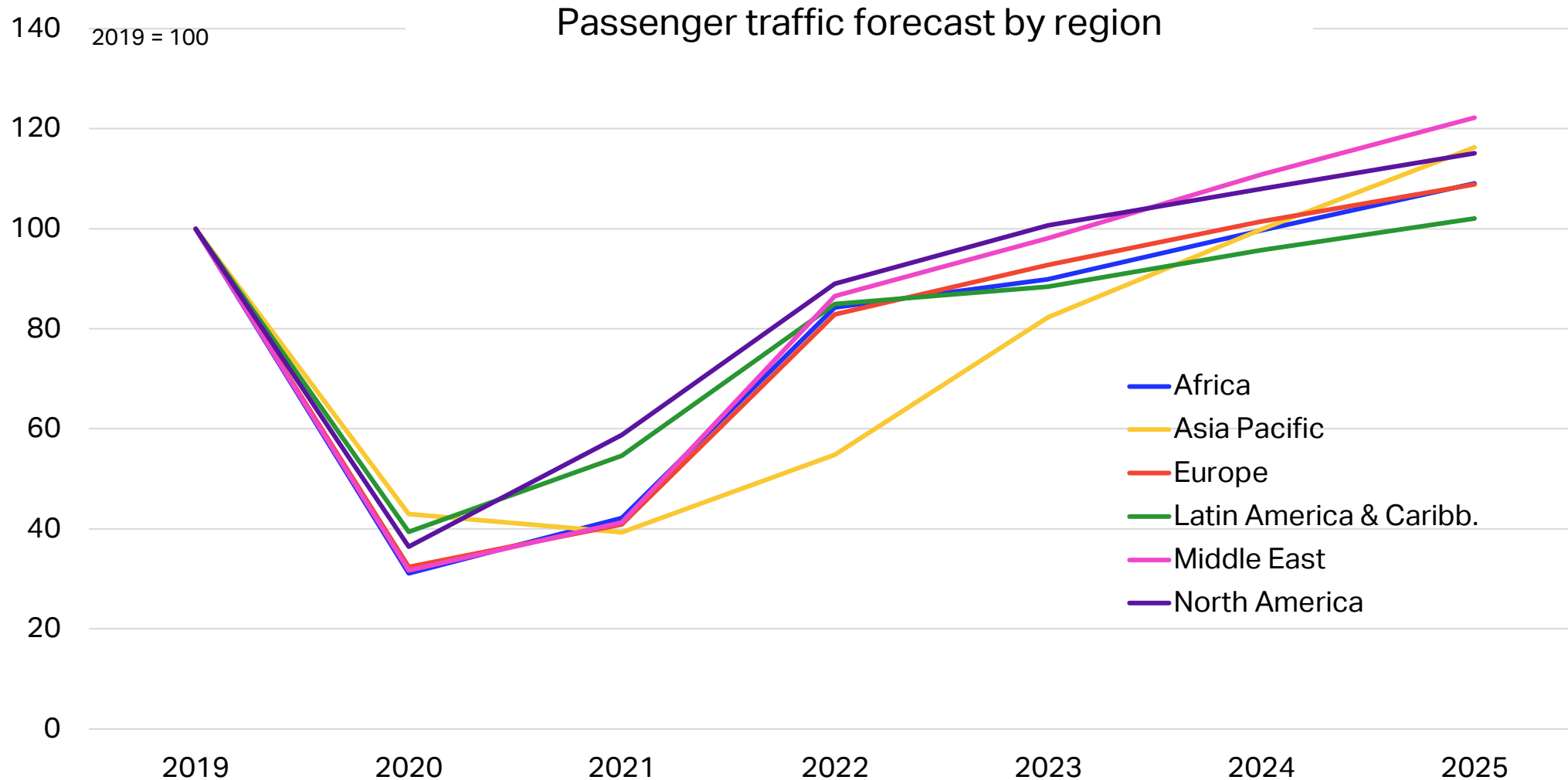


Source: Tourism Economics/IATA Sustainability & Economics



Asia Pacific lags in the recovery in the short term

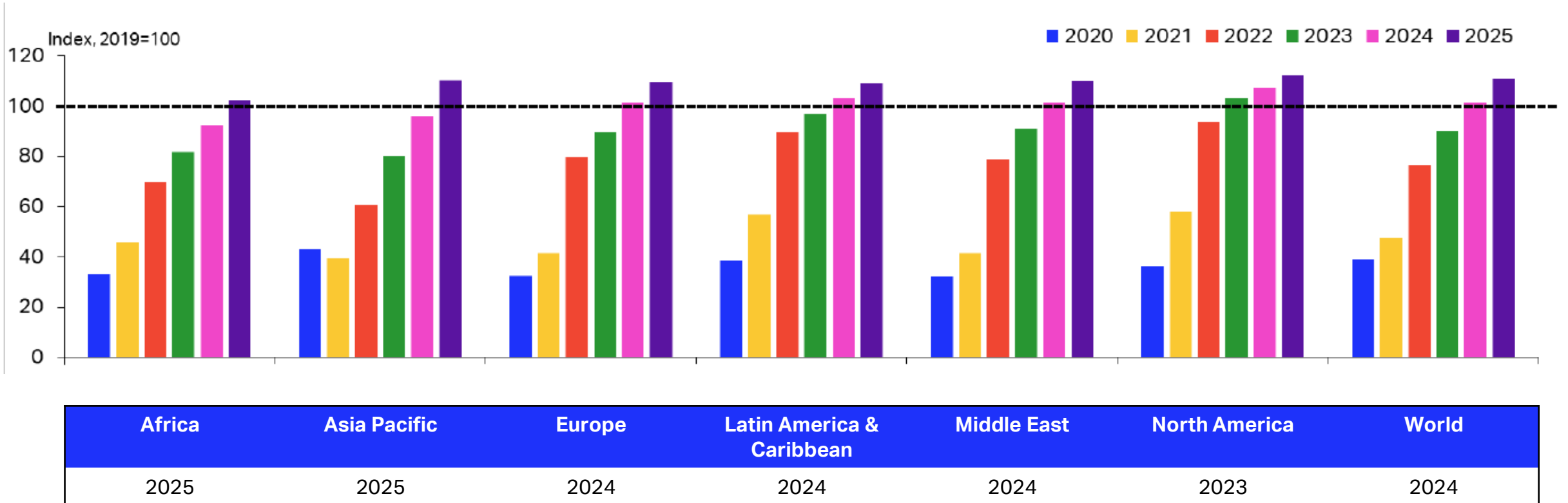
North America to recover in 2023, Asia Pacific in 2025



Asia Pacific lags in the recovery in the short term

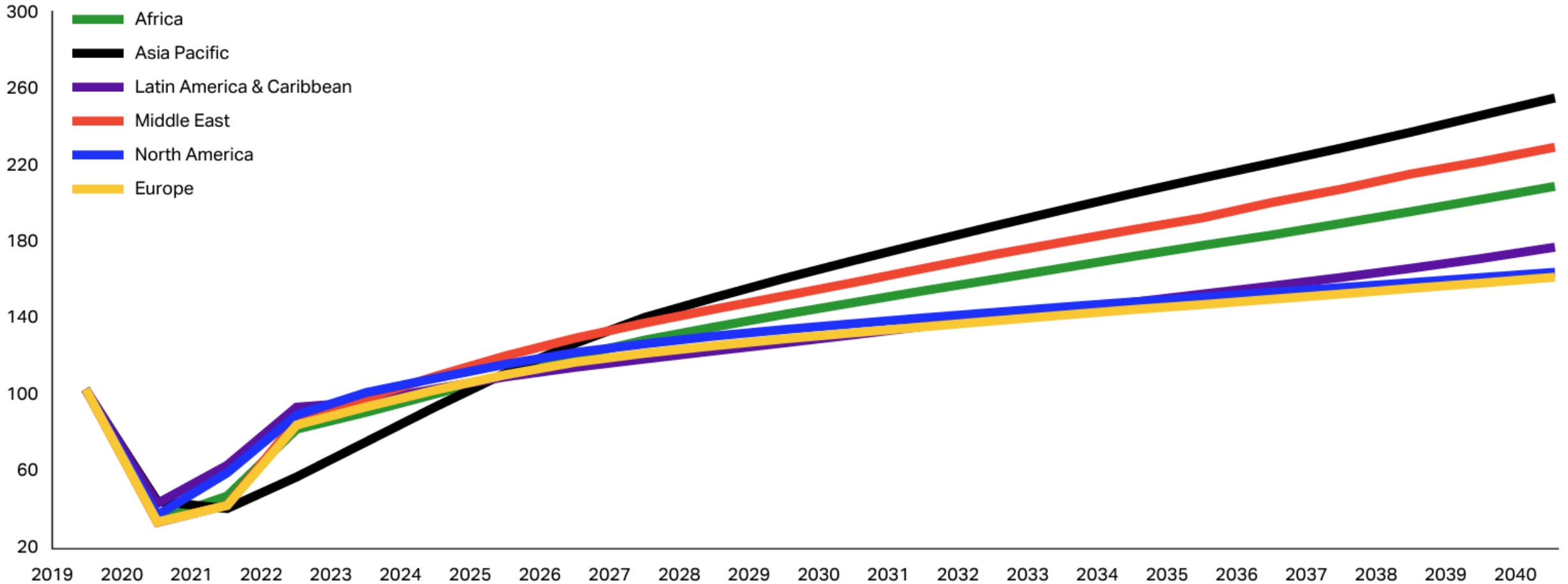
North America leads

Passenger traffic forecast by region



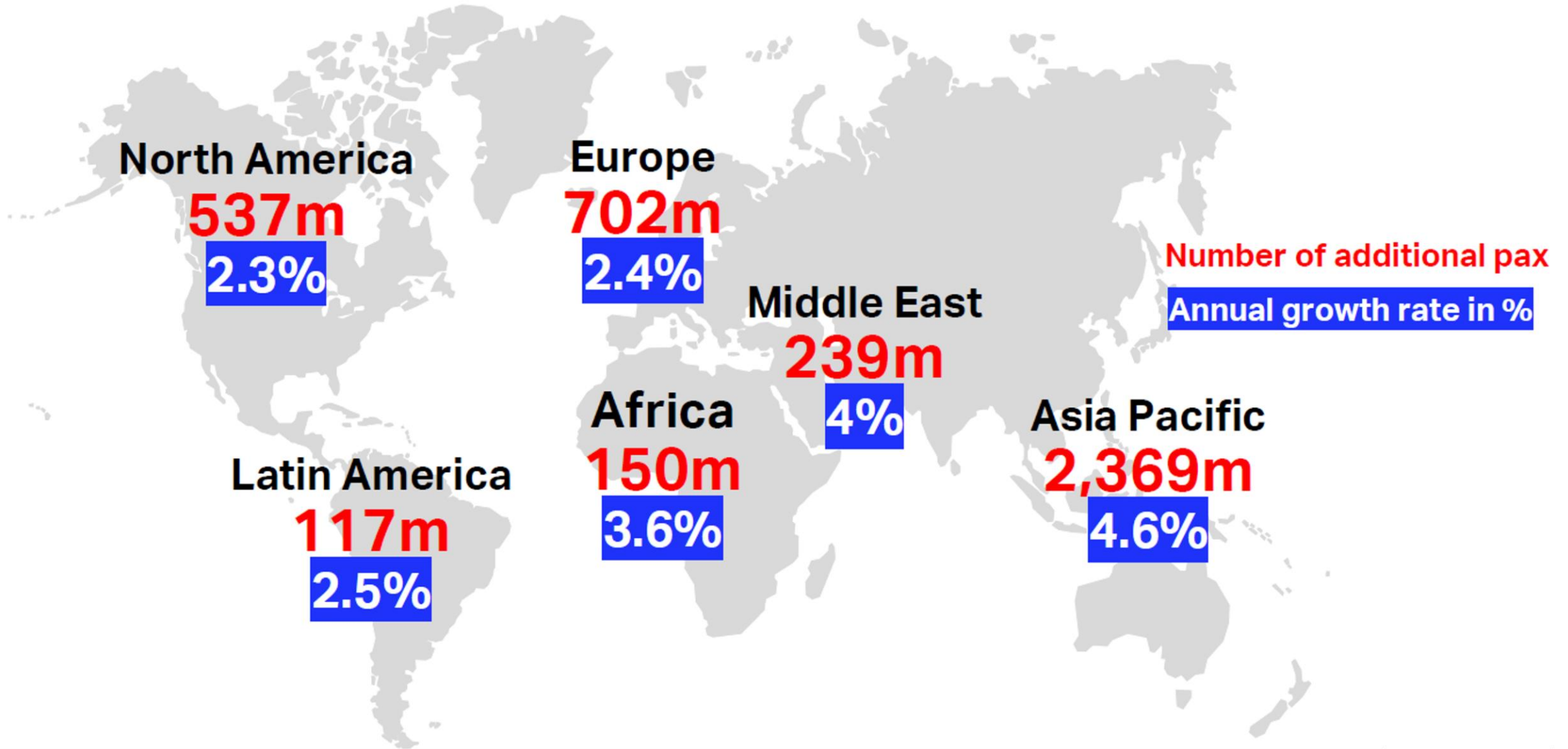
Asia Pacific to lead traffic growth in the longer term

Passenger traffic per region, indexed, 2019 = 100



Source: IATA, Tourism Economics Air Passenger Forecasts

Asia Pacific to lead traffic growth over the next 20 years



Update on COVID-19 impact in Asia-Pacific



In Asia Pacific, air transport supports:



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



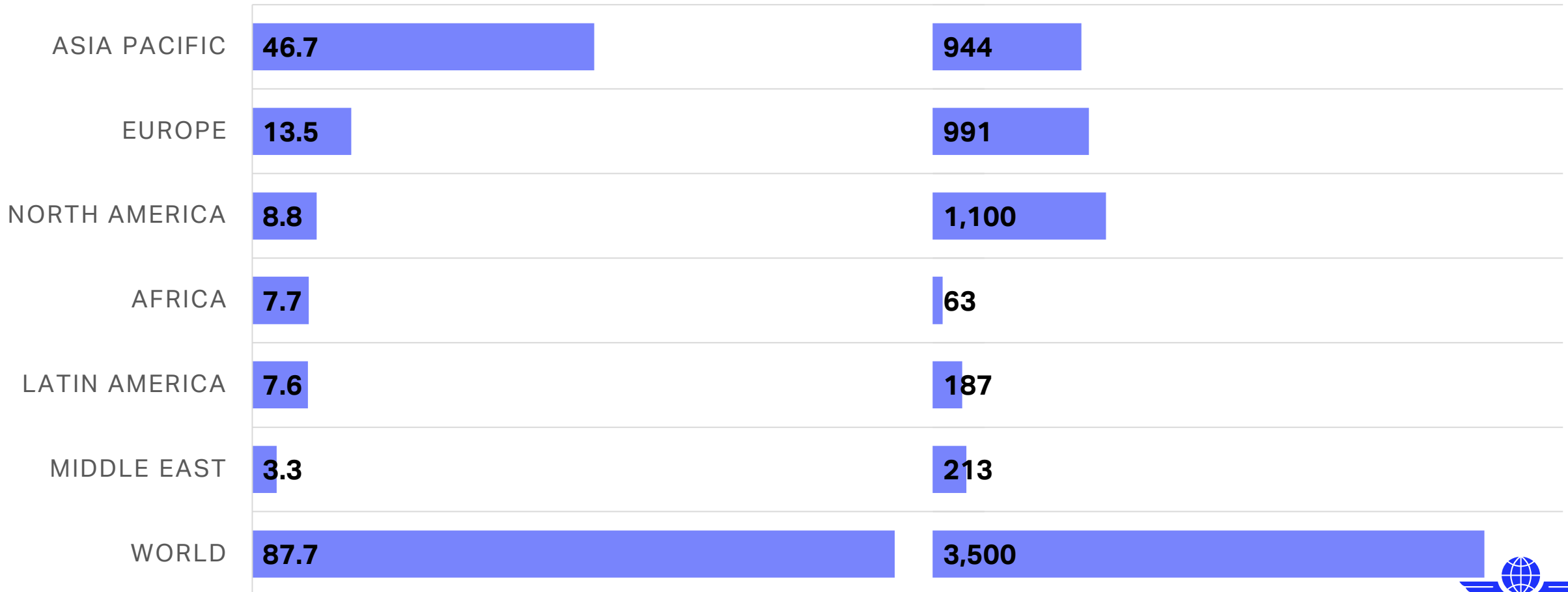
Jobs and GDP supported by air transport pre-COVID-19

Employment supported by air transport

Full Time Equivalents, millions

GDP supported by air transport

USD, billions



Source: IATA Economics using data from ATAG (2020).

Note: Economic impacts measure direct, indirect, induced and tourism catalytic impacts.



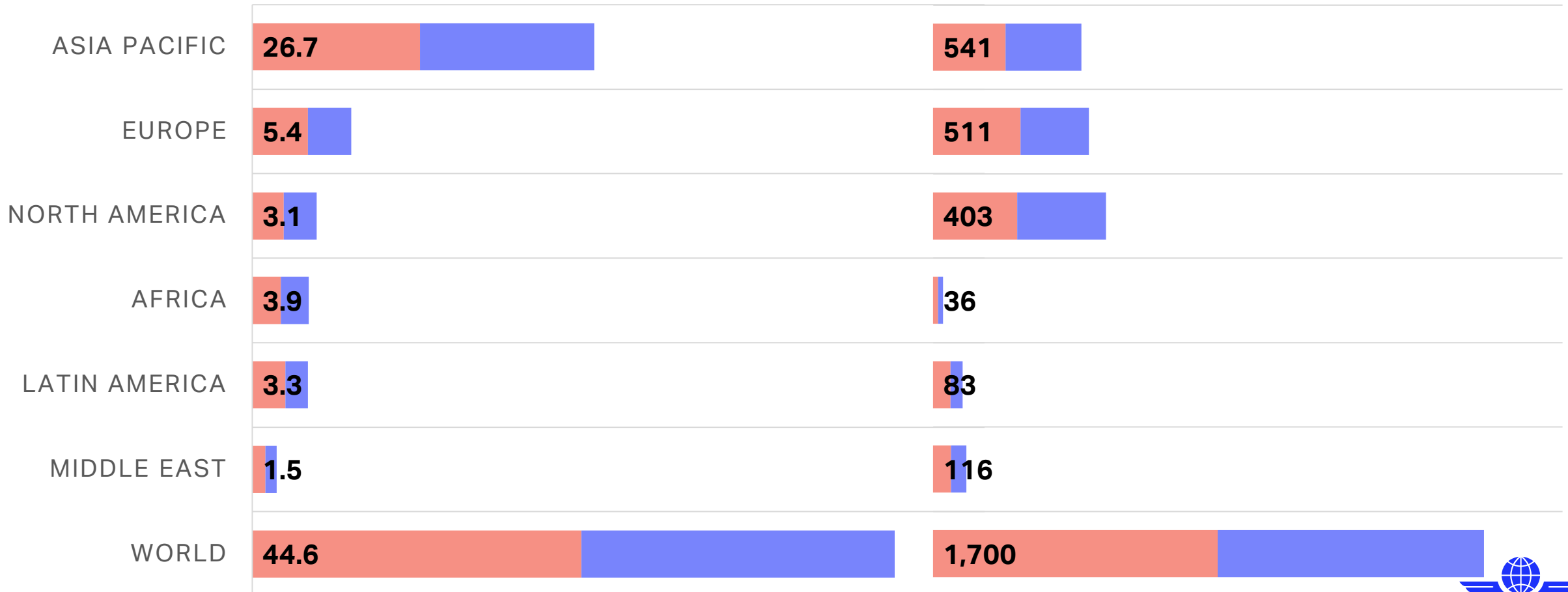
Jobs and GDP lost by end-2021 due to COVID-19

**Employment supported
by air transport at risk**

Full Time Equivalents, millions

**GDP supported
by air transport at risk**

USD, billions



Source: IATA Economics using data from ATAG (2020).

Note: Economic impacts measure direct, indirect, induced and tourism catalytic impacts.

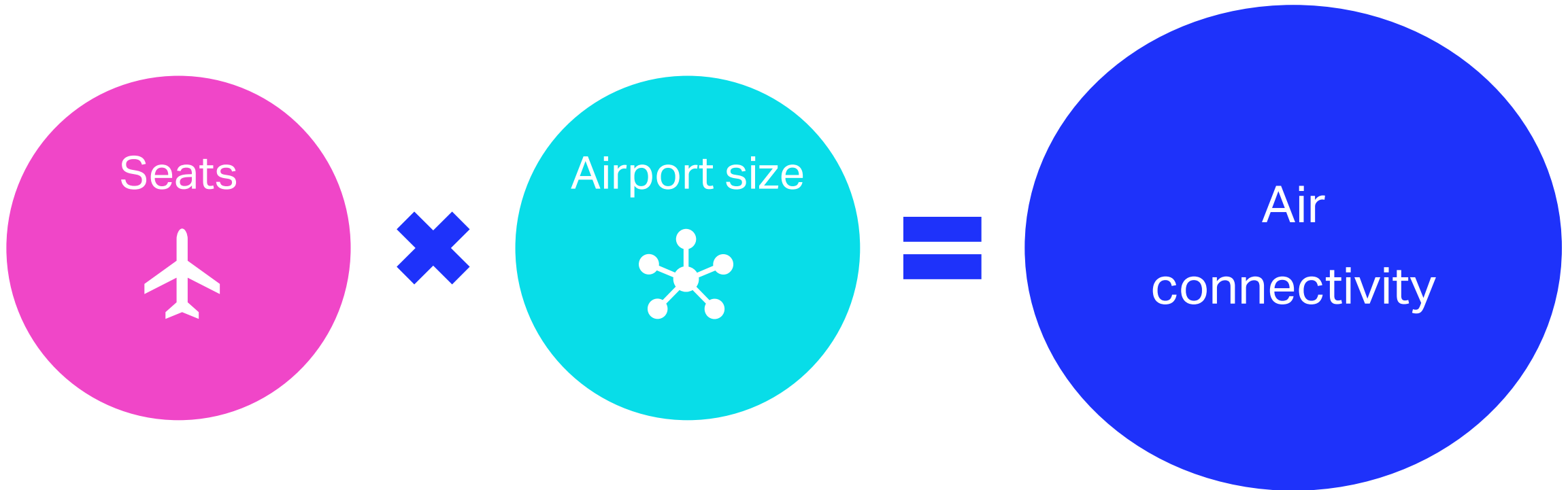


IATA Economics

**Air connectivity
Market reopening
(Asia Pacific)**



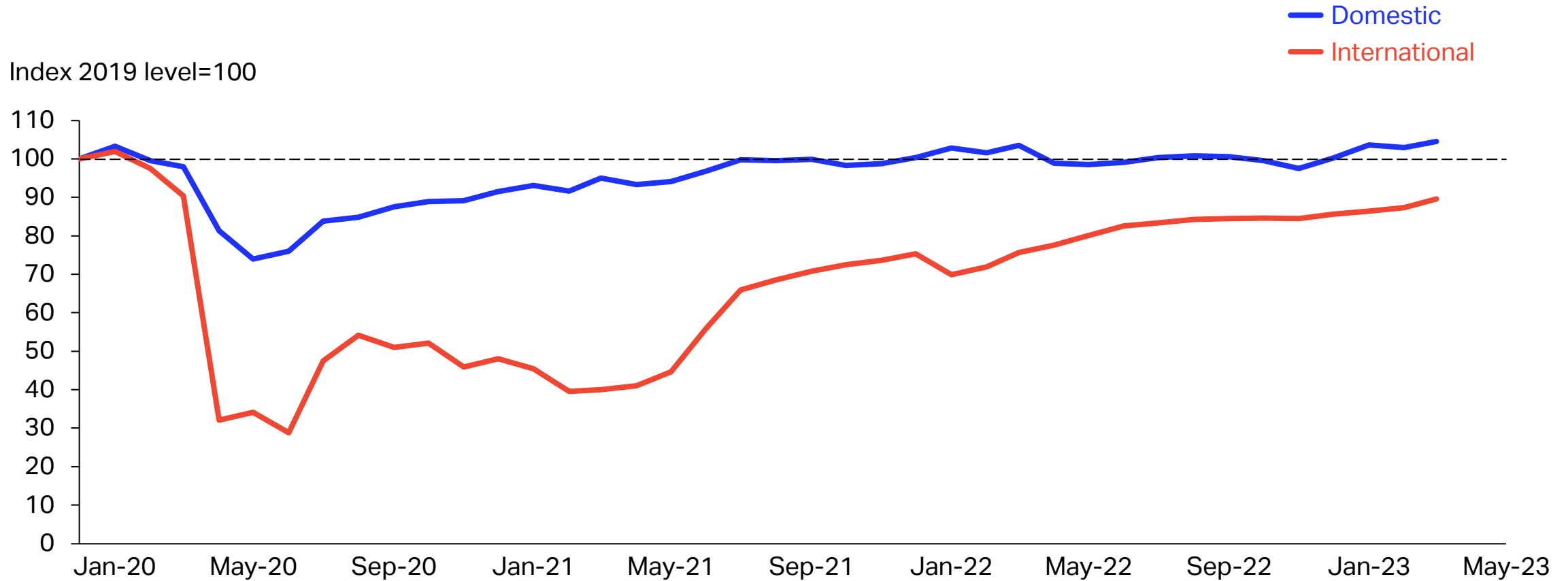
IATA Air Connectivity Index



The above is for illustration purposes only. For a full methodological explanation please refer to the [Air Connectivity report](#).

Global international routes in Mar 2023 at 90% of pre-crisis levels

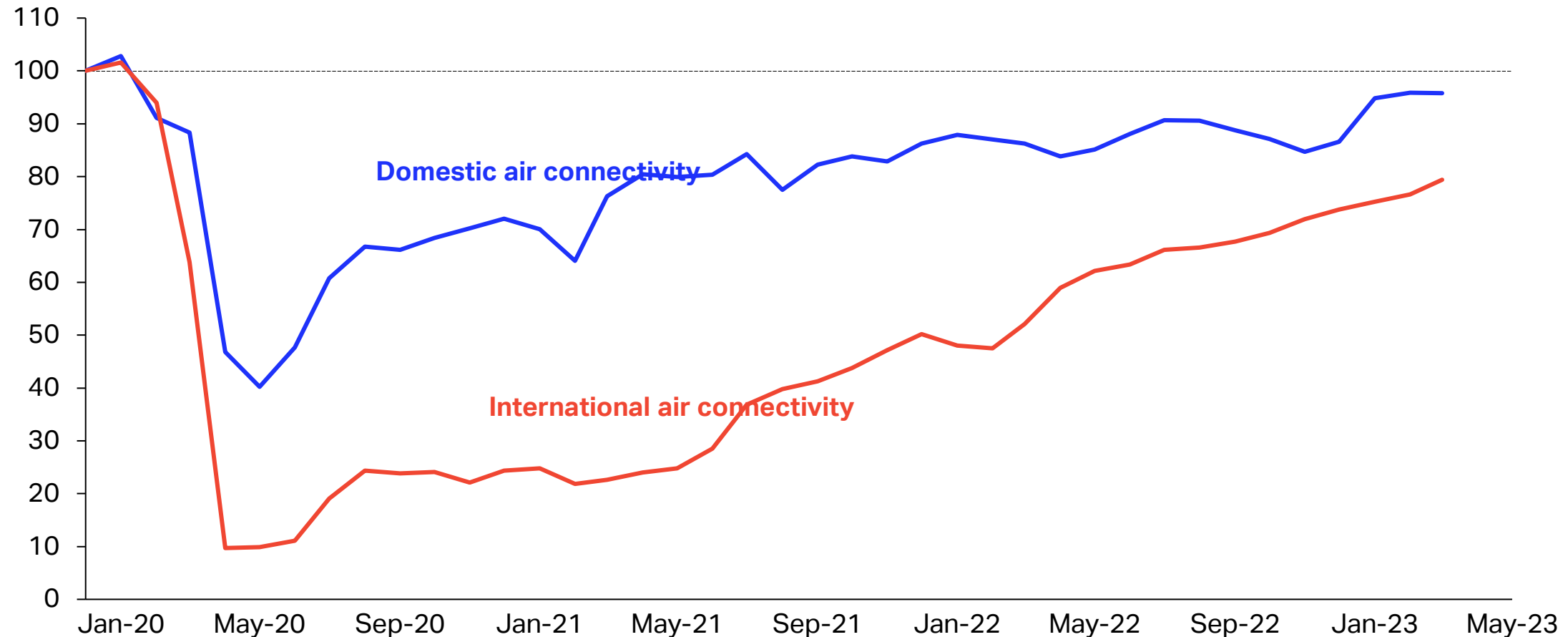
Global airport pairs, monthly Jan 2020-Mar 2023



Global international air connectivity in Mar 2023 at 79% of pre-crisis levels

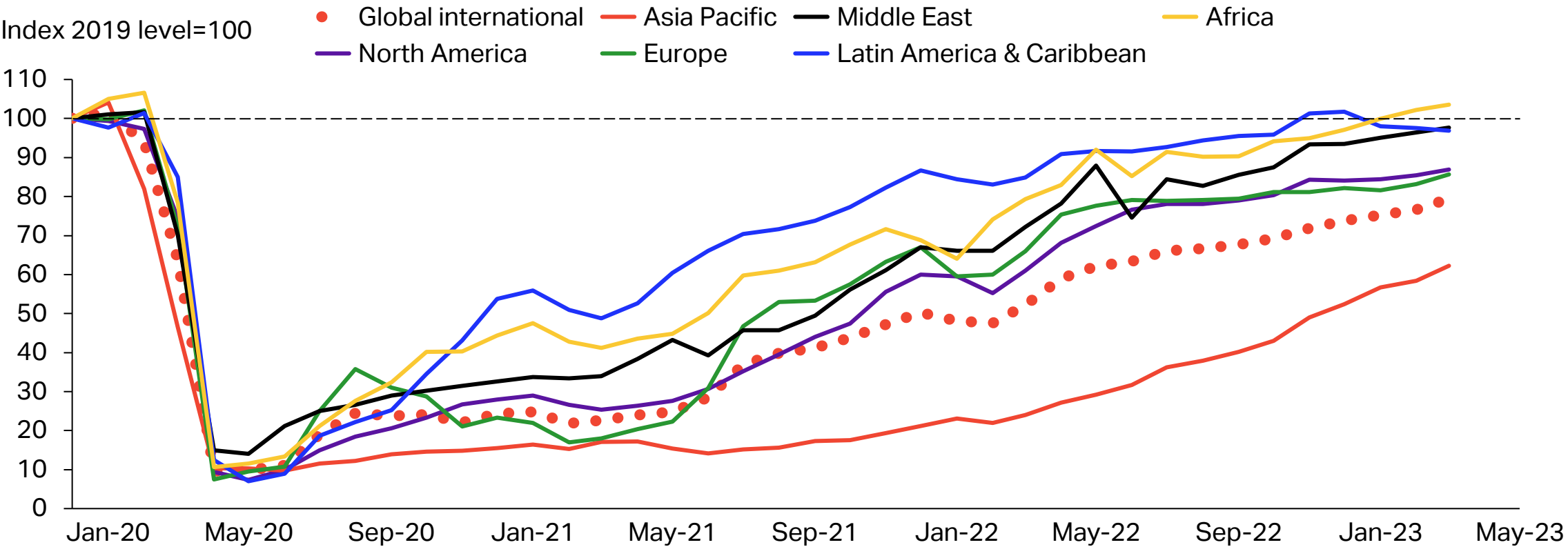
IATA Global Air Connectivity Index, monthly Jan 2020-Mar 2023

Index 2019 level=100



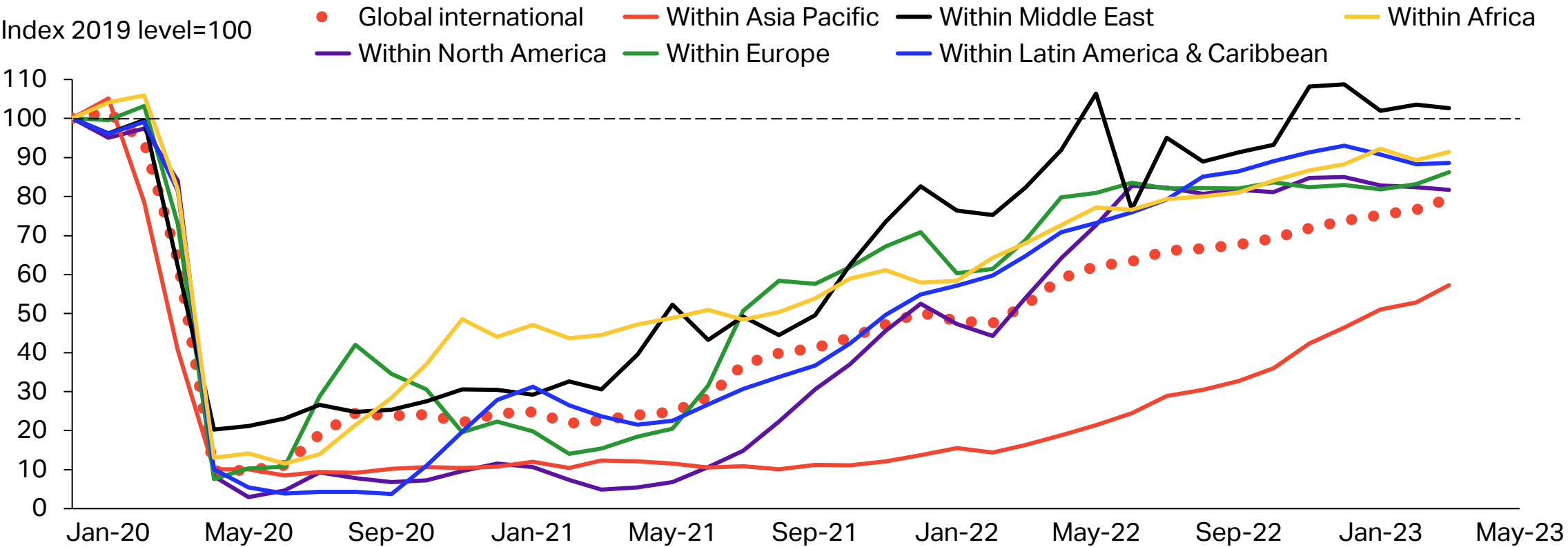
International air connectivity recovery by Mar 2023 varies significantly across regions

IATA International Air Connectivity Index by region for all international routes, monthly Jan 2020-Mar 2023



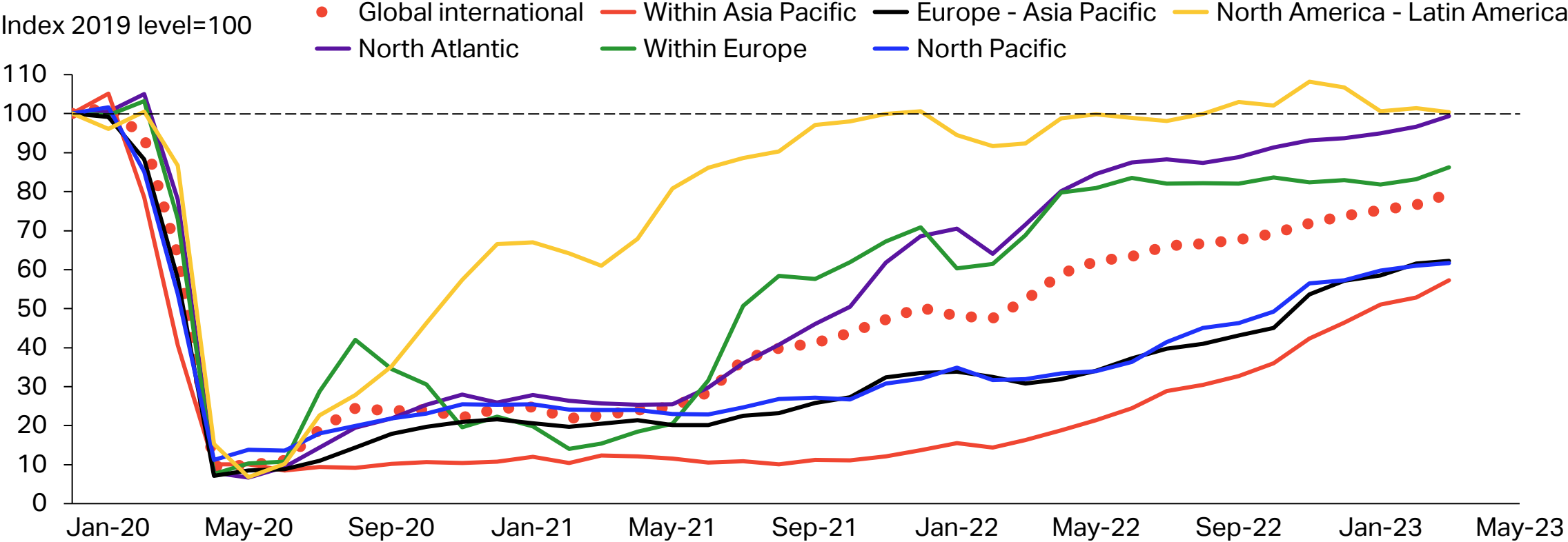
International air connectivity recovery within regions by Mar 2023 varies significantly

IATA International Air Connectivity Index for intra-regional international routes, monthly Jan 2020-Mar 2023



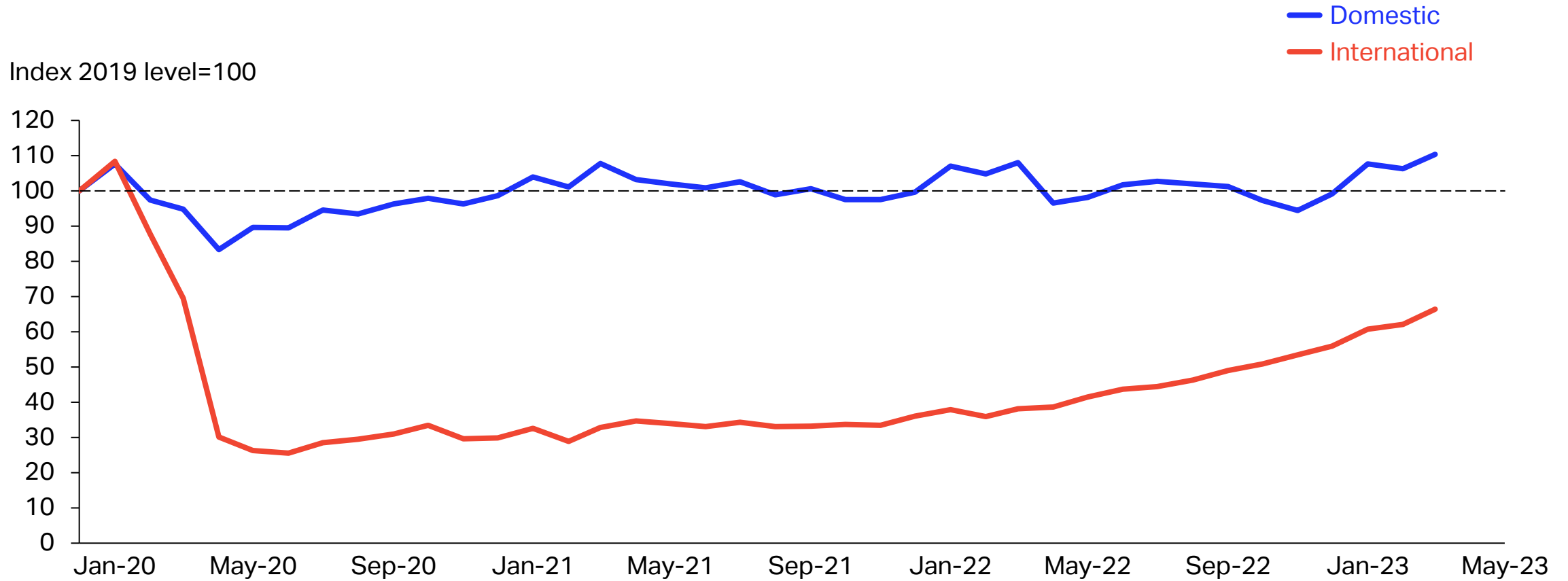
International air connectivity recovery by major route area by Mar 2023 varies significantly

IATA International Air Connectivity Index for selected route areas, monthly Jan 2020-Mar 2023



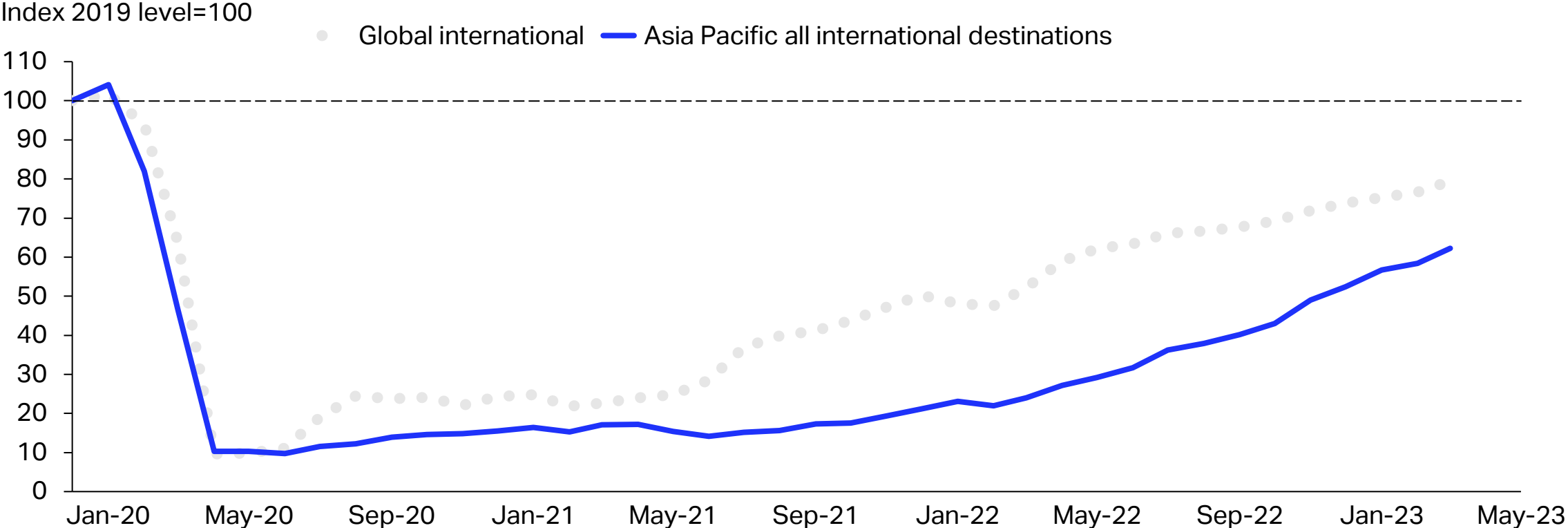
Asia Pacific international routes in Mar 2023 at 66% of pre-crisis levels

Airport pairs for Asia Pacific, monthly Jan 2020-Mar 2023



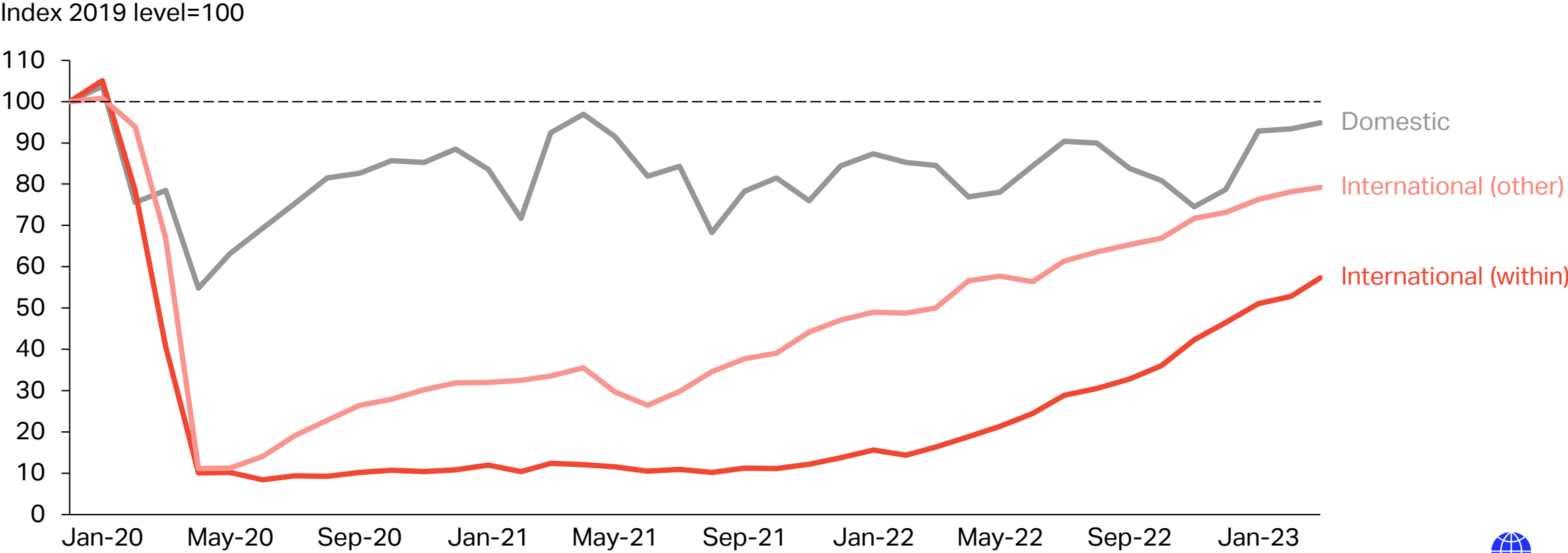
Asia Pacific total international air connectivity in Mar 2023 is 62% of pre-crisis levels

IATA International Air Connectivity Index, monthly Jan 2020-Mar 2023



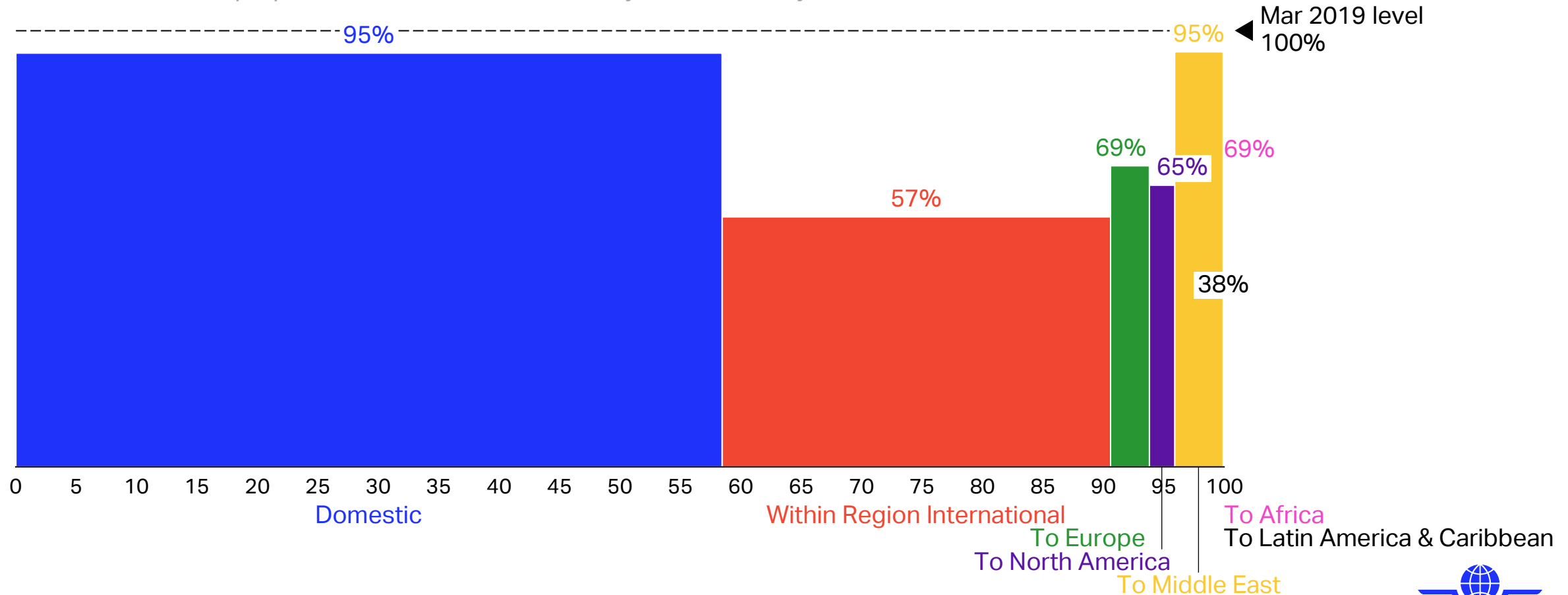
Within Asia Pacific international air connectivity in Mar 2023 is 57% of pre-crisis levels

IATA Air Connectivity Index for Asia Pacific by component, monthly Jan 2020-Mar 2023



Extent of recovery to Mar 2019 connectivity for Asia Pacific by Mar 2023

Asia Pacific connectivity recovery by route area in Mar 2023 as % of Mar 2019 level
Horizontal scale shows proportion of Mar 2019 connectivity contributed by each route area



IATA Connectivity Index using data from OAG



Thank you!

