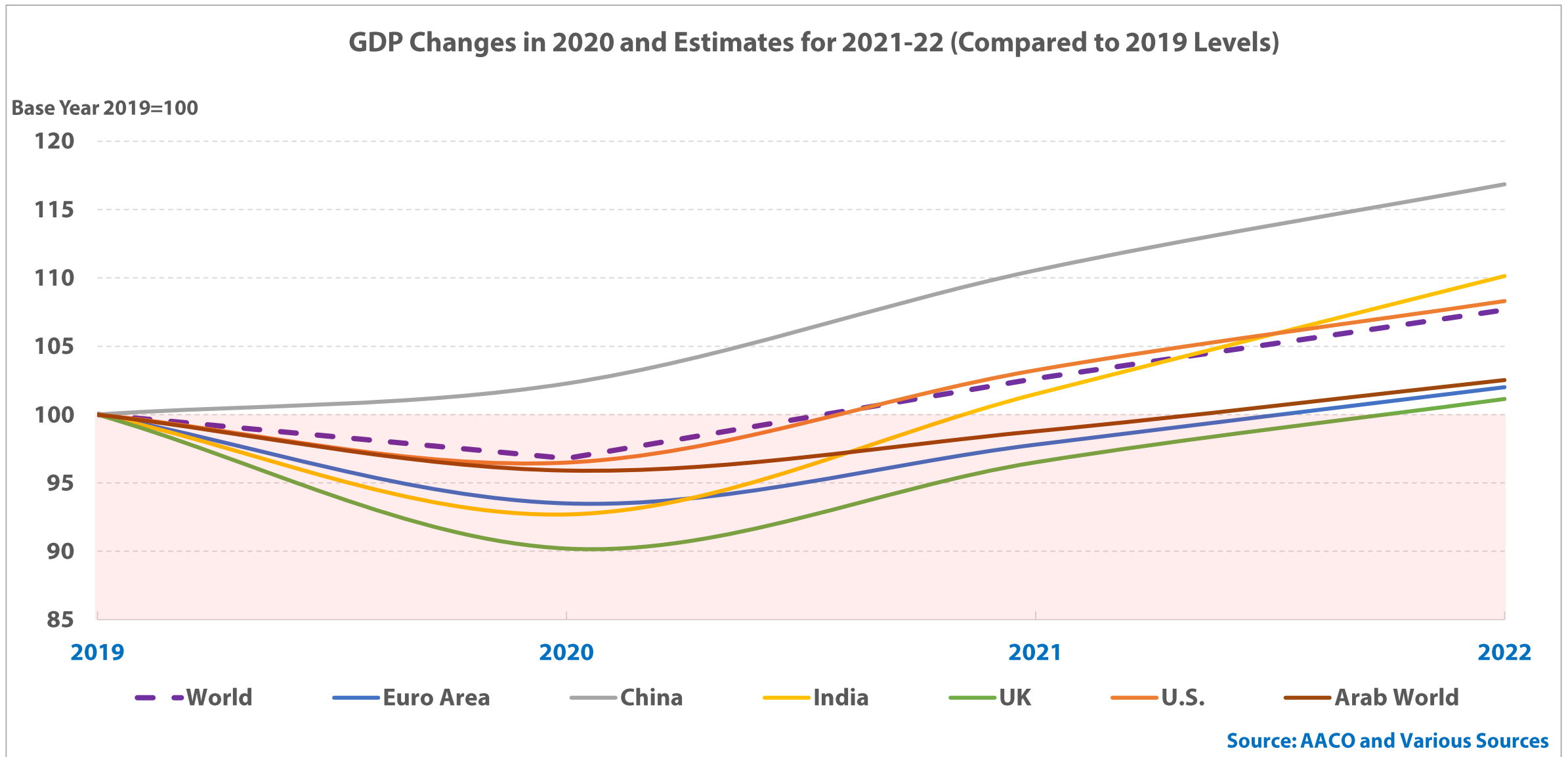


# How will a Data-driven Mindset Support Airlines' Recovery

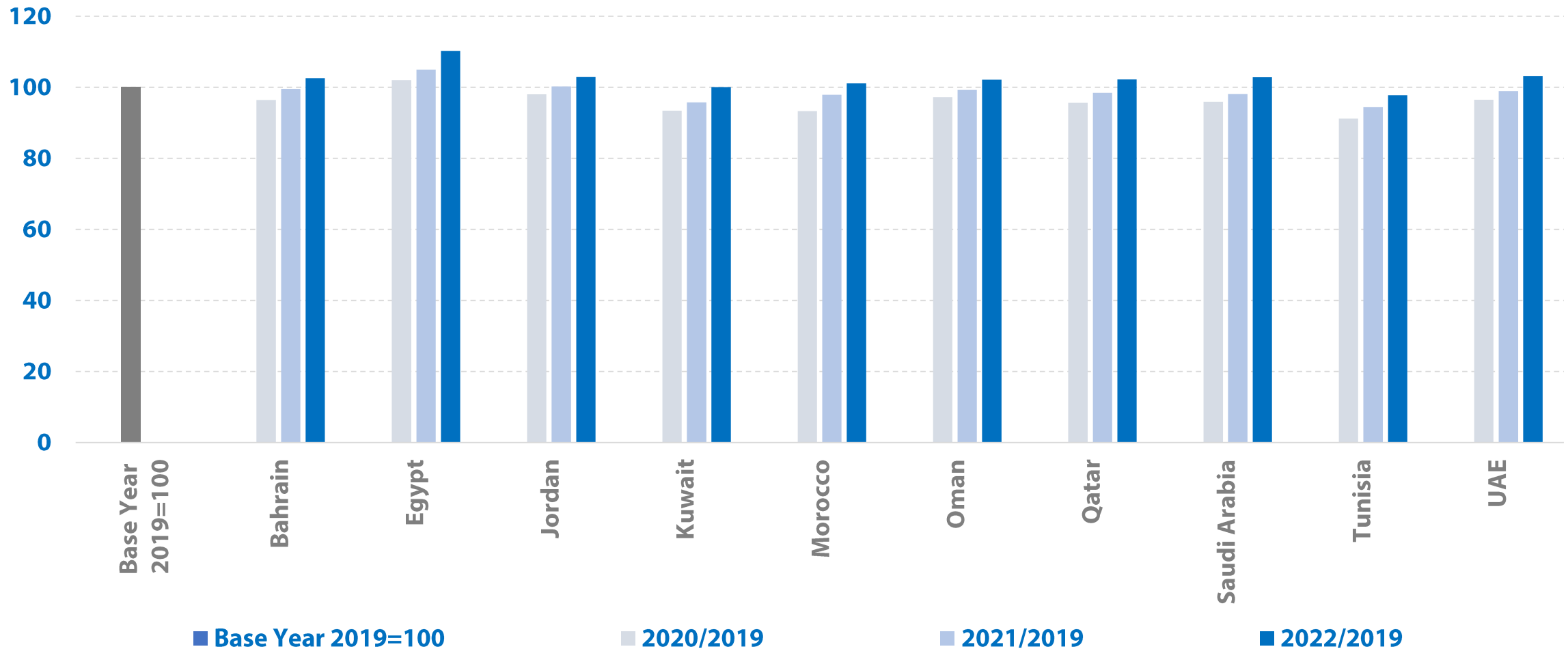
Presented by Walid Elhoss

# Global Economic Recovery to 2019 Levels between 2021 - 2022



# Positive but Different Recovery Speeds Expected Across some Arab Countries

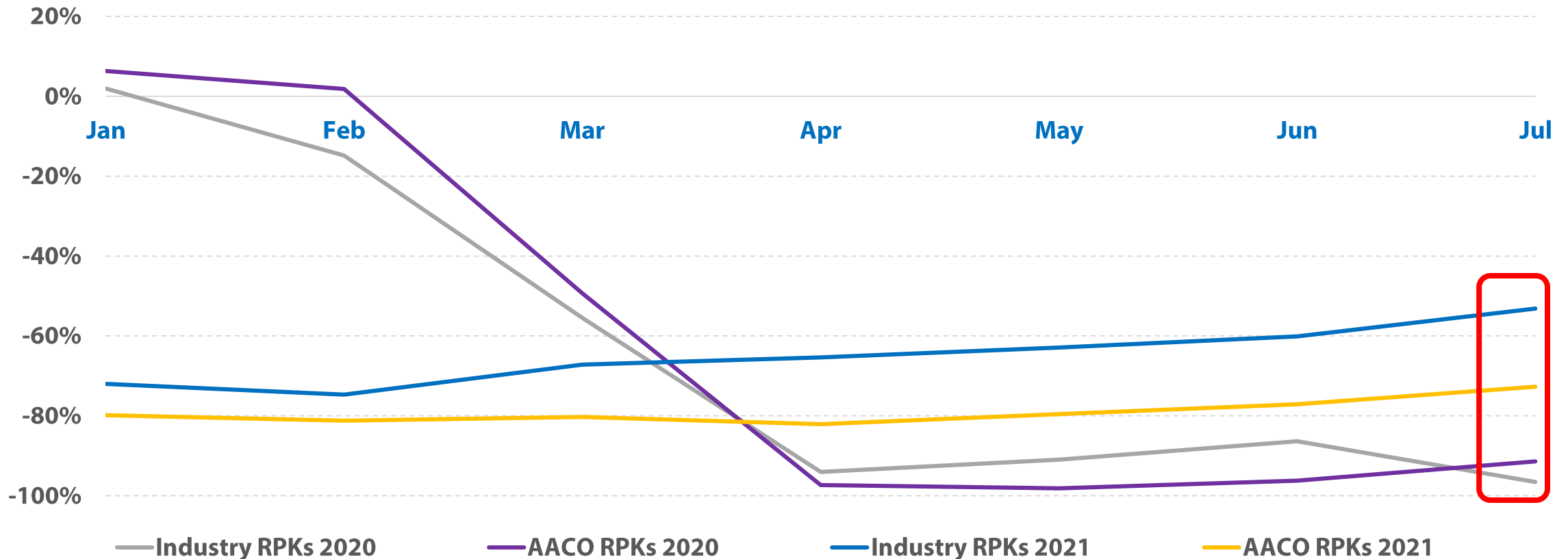
GDP Changes in 2020 and Estimates for 2021-22 (Compared to 2019 Levels) in Some Arab Countries



Source: AACO and Various Sources

# Travel Demand Remains Weak During H1-2021

Monthly Change in Total Passenger Traffic Measured in RPKs for the Industry and AACO Members in the first half of 2021 & 2020 compared to 2019

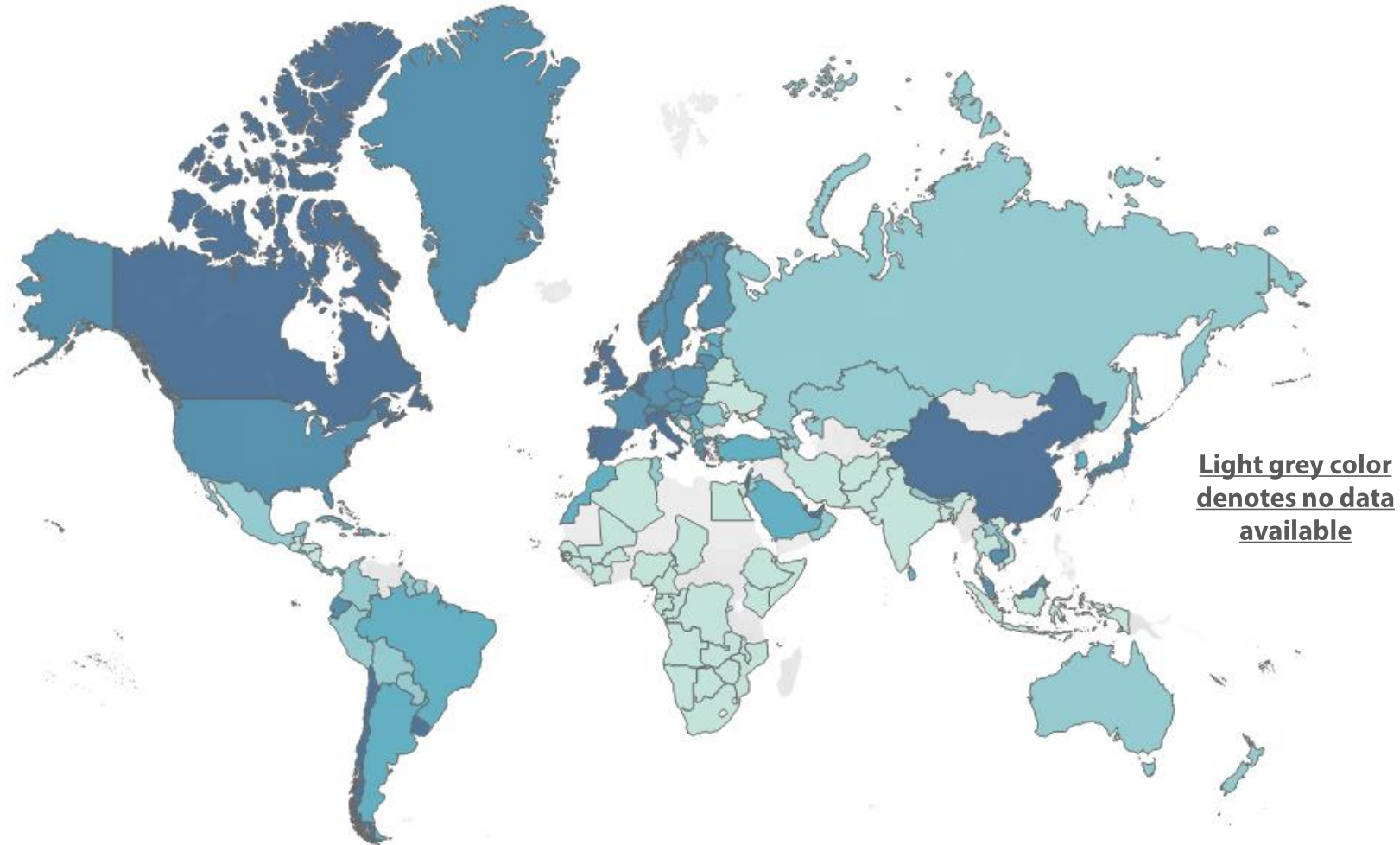


The disparity in the change in traffic between the industry and AACO Members is mainly due to the strong recovery of major domestic markets (especially in the U.S. and China), which is less applicable in the Arab market where the share of domestic markets from overall traffic is minimal.

Source: AACO, IATA

# Herd Immunity will be Extended until 2022... Maybe more?

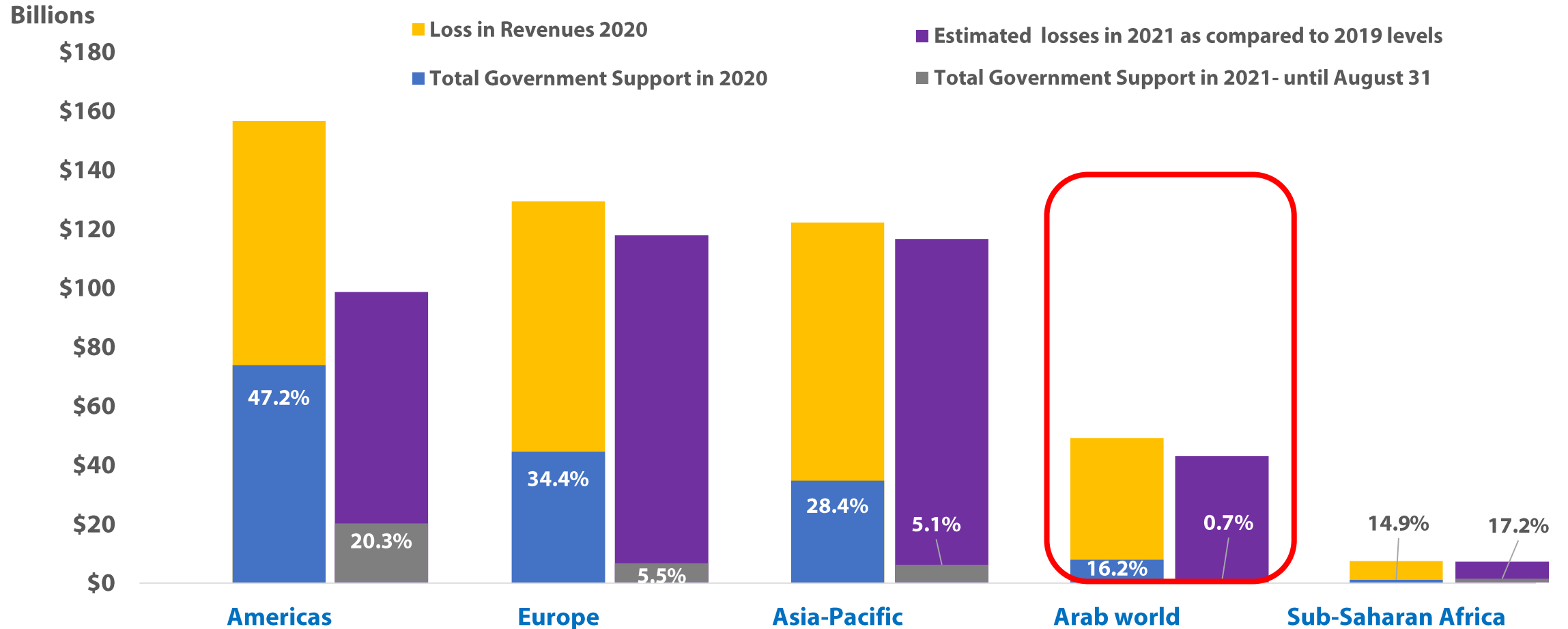
Share of People who are Fully Vaccinated from COVID-19 from Total Population in Some Countries (Until 5, September)



Source: Our World in Data, AACO

# More Government Support is Needed to Fuel Airlines' Recovery

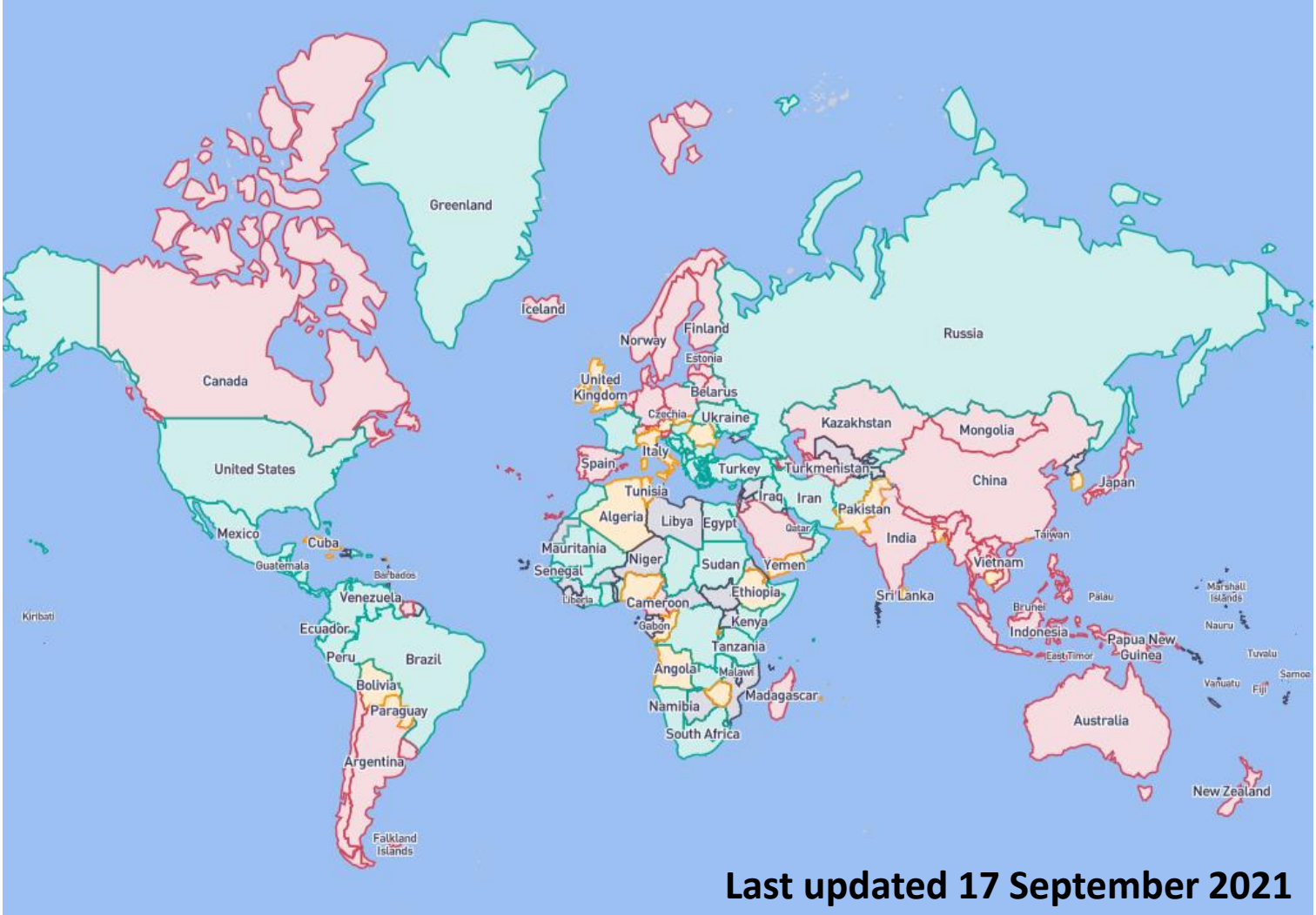
Loss of Revenues for Airlines Versus Confirmed Government Support in 2020 & 2021



Labels represent government support as percentage of airline losses

Source: Ishka, AACO, IATA

# On/off Border Restrictions are Hindering the Recovery of International



**64**

**Low restrictions**

You can visit these countries. You'll likely need proof of a negative COVID-19 test or vaccination to travel.

**34**

**Moderate restrictions**

Visiting these countries is possible, but you may have to quarantine on arrival or return. You might also need to show proof of vaccination or a negative test.

**56**

**Major restrictions**

Travel to these countries is not advised. Their borders may be completely closed to non-residents or non-nationals.

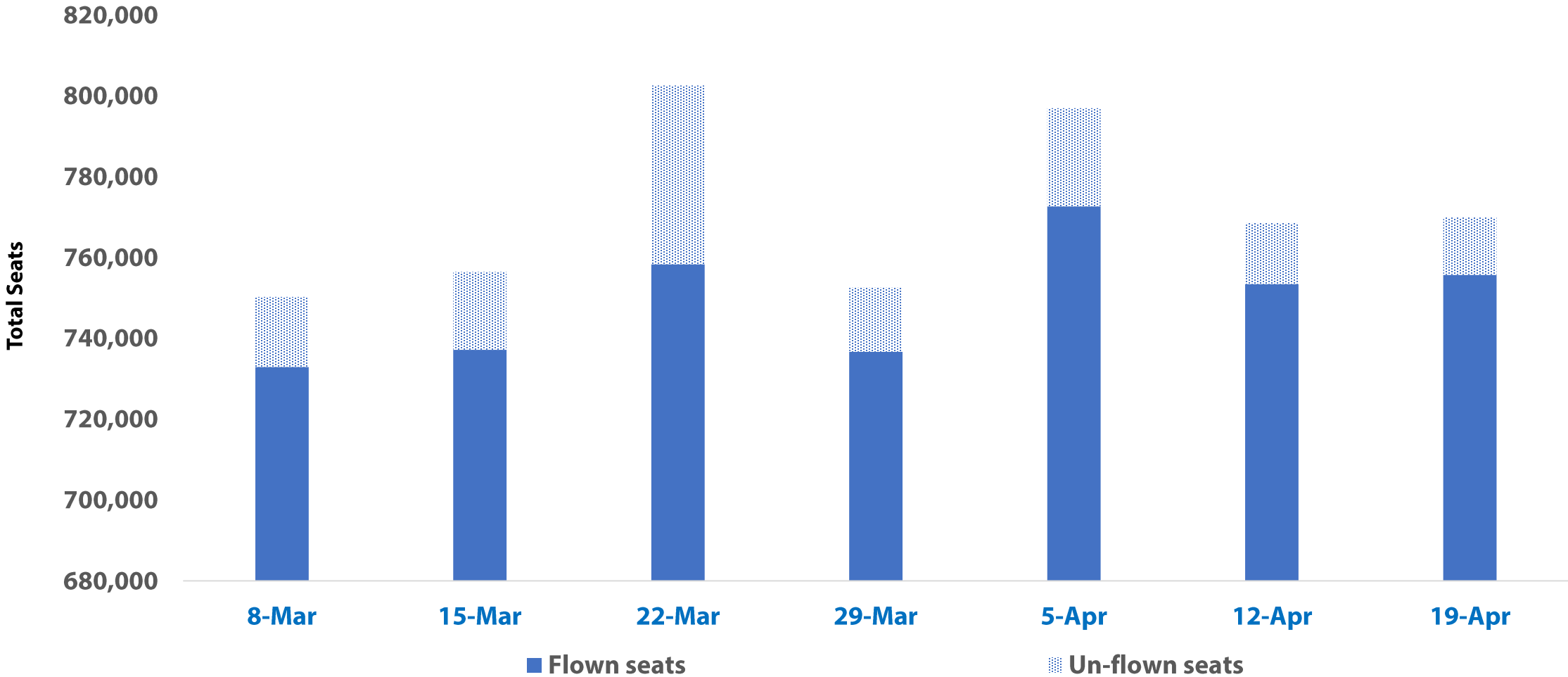
**6**

**Restrictions unknown**

Unfortunately, we do not have information for this destination. Please check with government sources for the most up-to-date travel advice.

# Un-flown Seats on Average Reach 5% of Total Actually Planned Seats

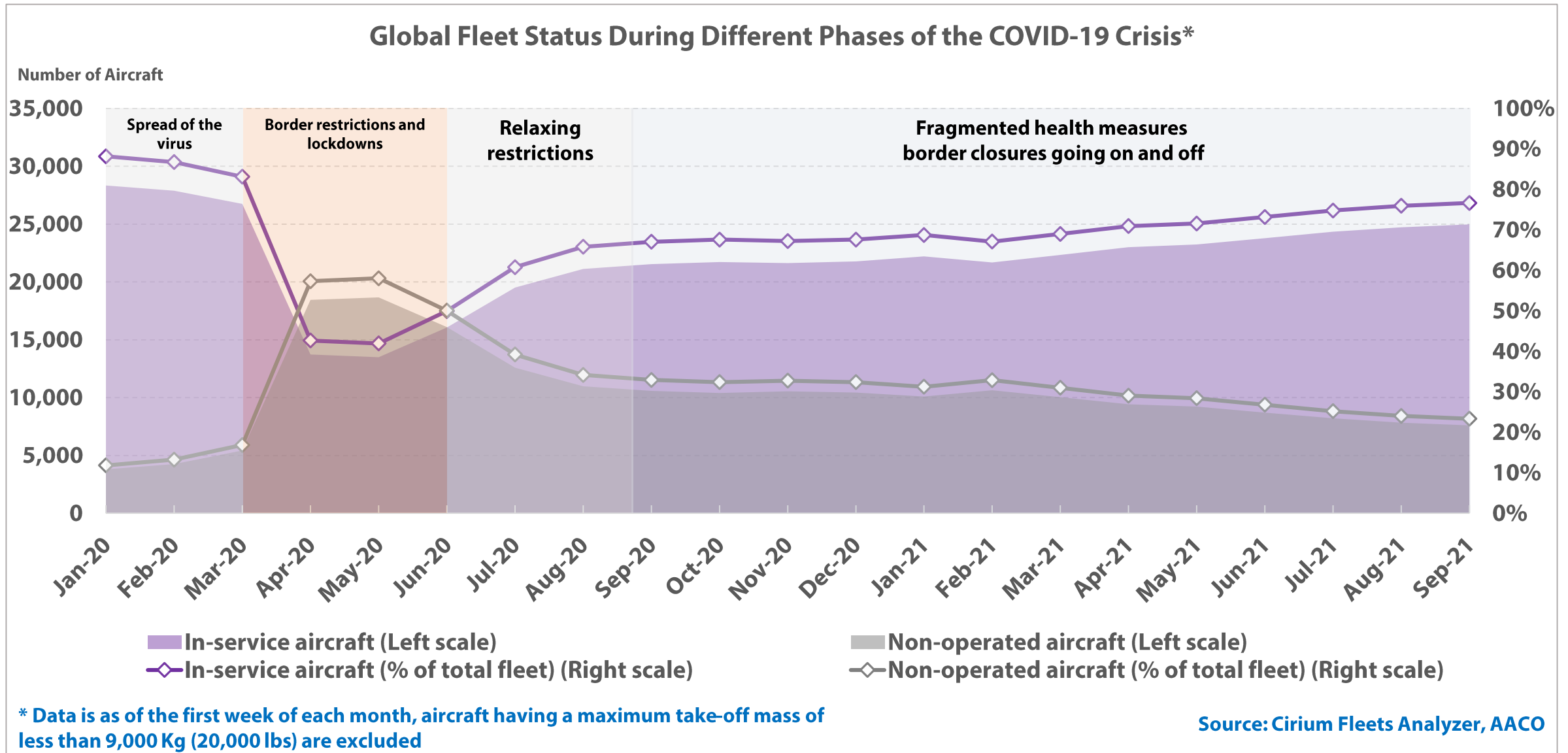
### Weekly Scheduled Capacity for AACO Members



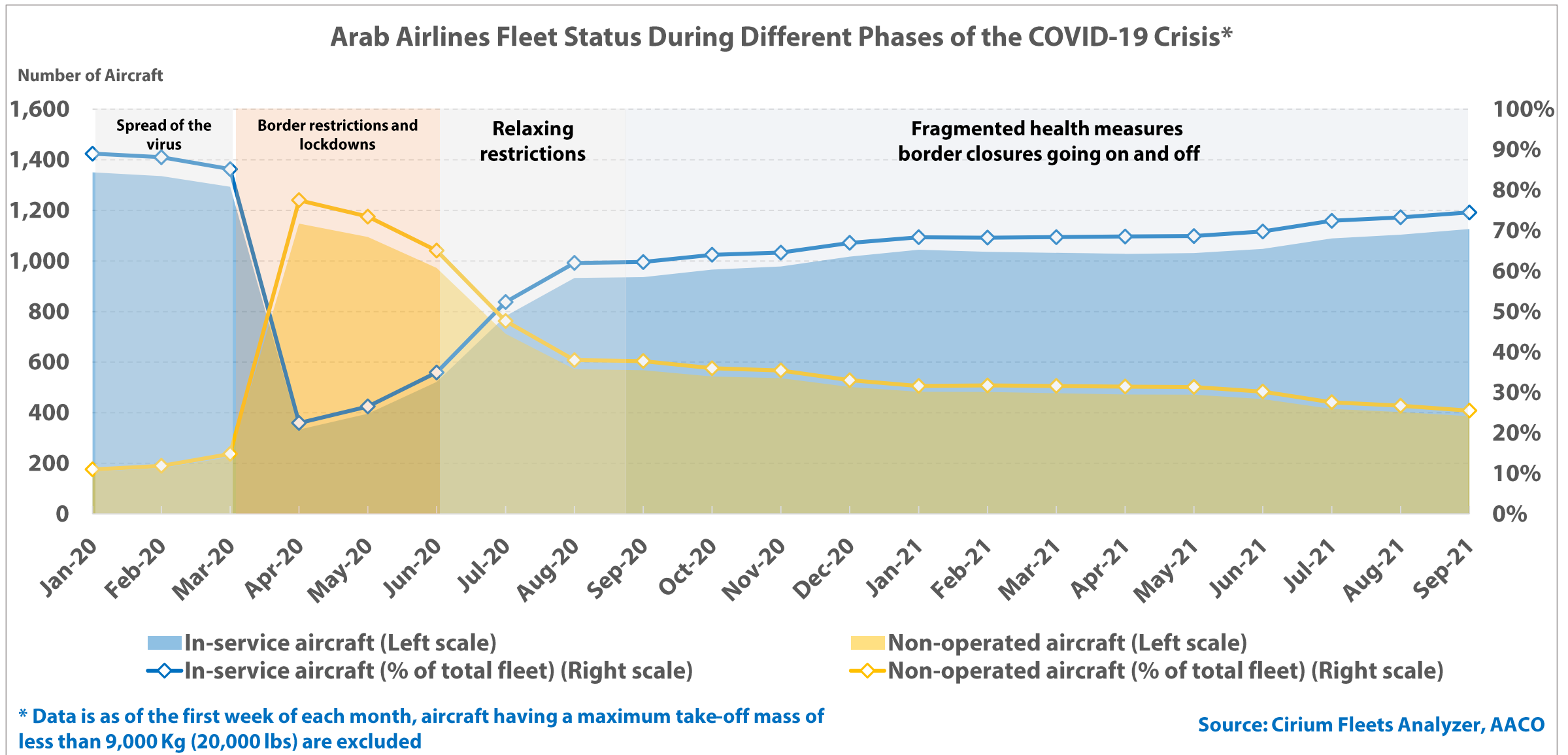
Source: AACO, SRS Analyser



# More Aircraft are in Service in 2021 compared to 2020 but Still Below Pre-crisis levels

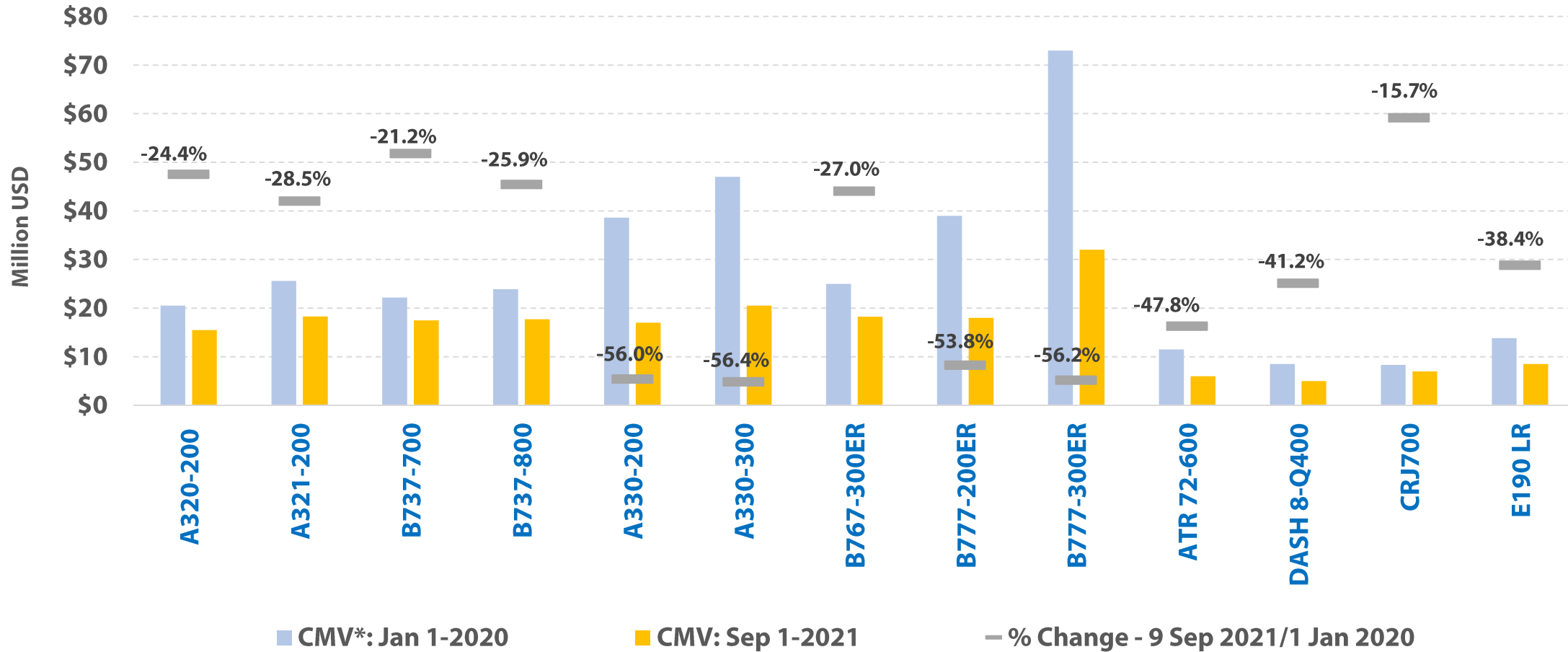


# .....Similarly for Arab Airlines



# Aircraft Values are Still Under Pressure

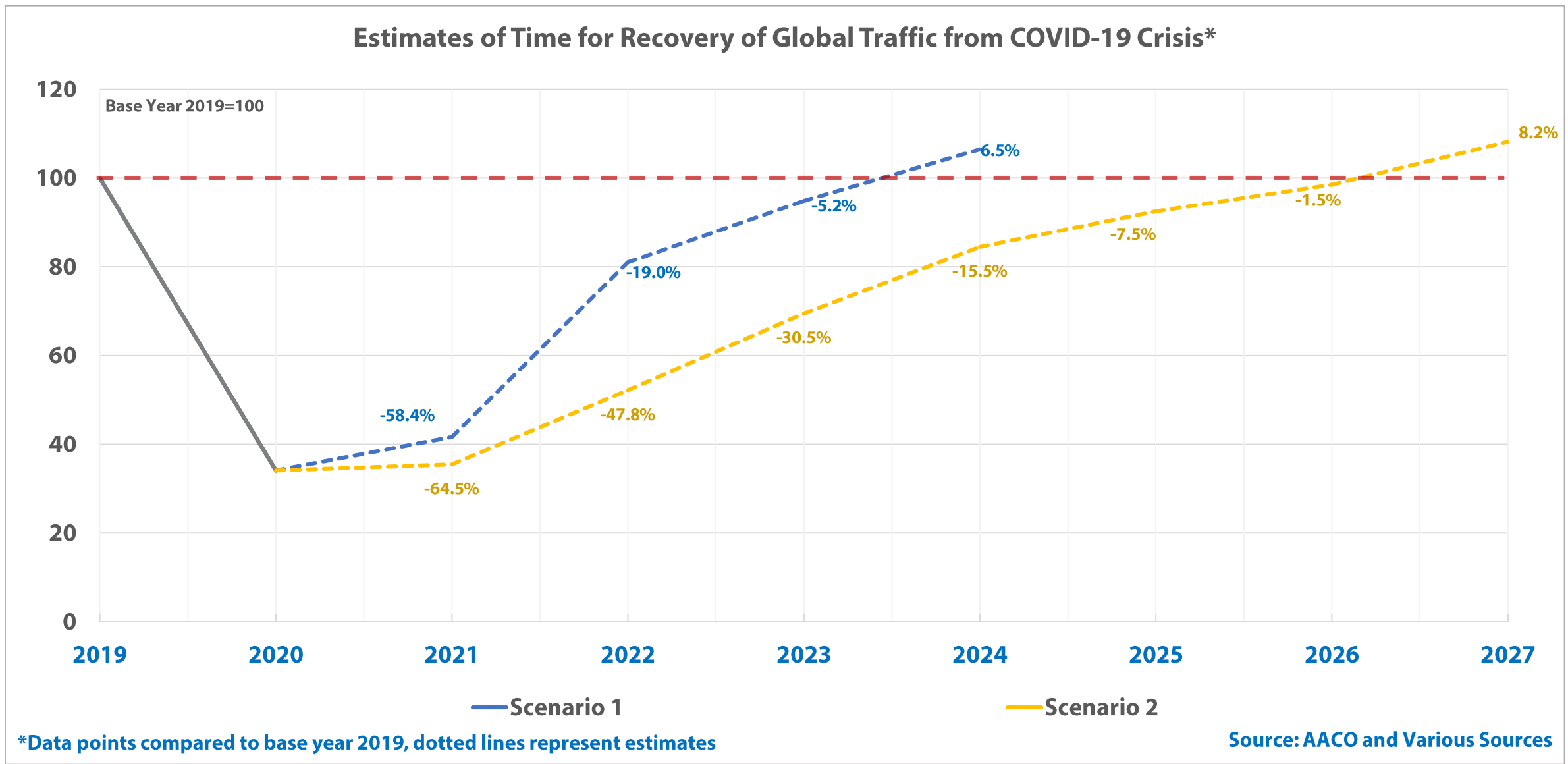
## Values for Some Widely Used Aircraft Types (10-Year-Old Aircraft)



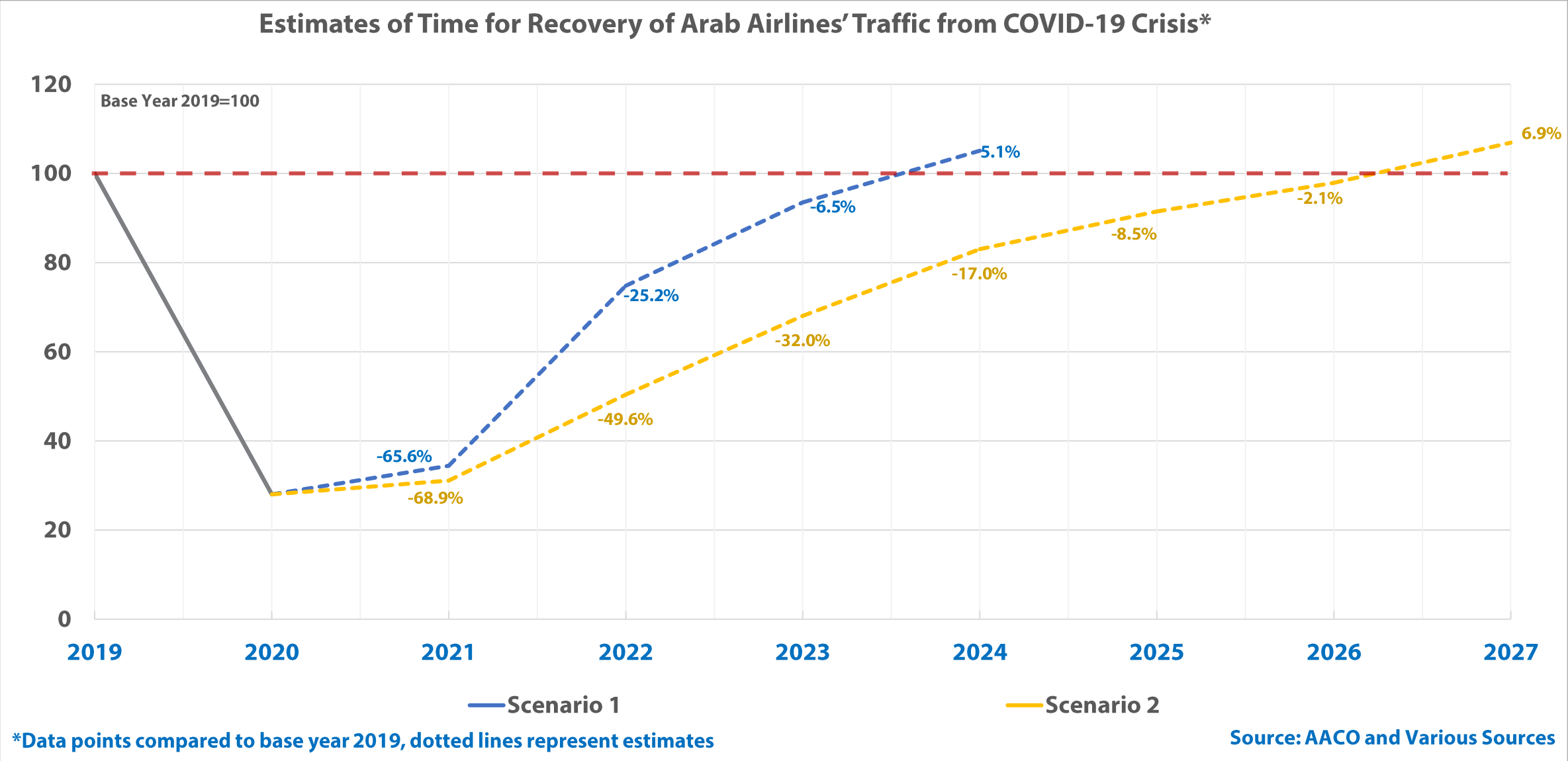
\*CMV: Current Market Value

Source: Ishka Global

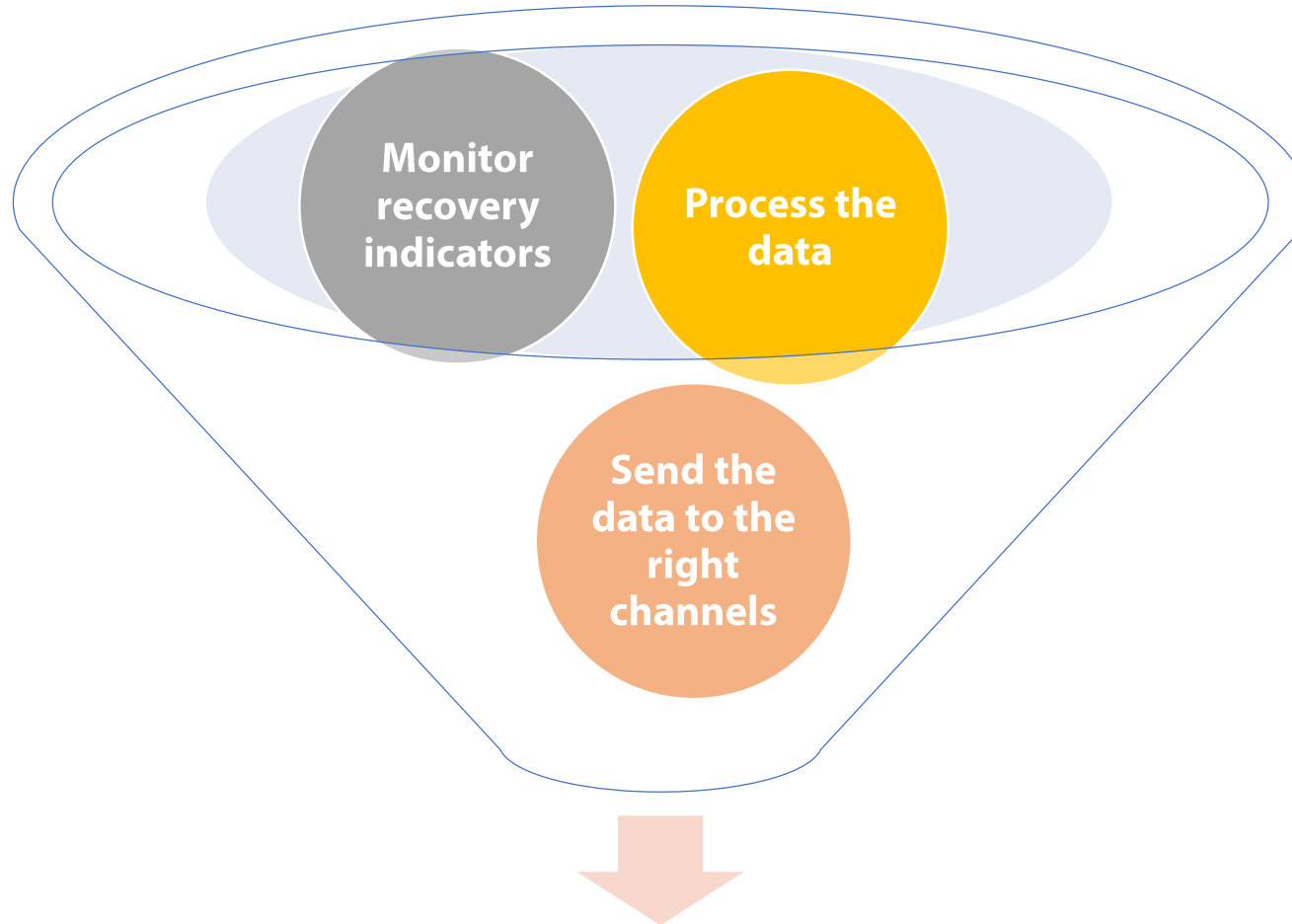
# The New Normal as COVID-19 Becomes Endemic.. Vaccination and Harmony in Regulations are Key to Speedier Recovery for Global Traffic



# The New Normal as COVID-19 Becomes Endemic.. Vaccination and Harmony in Regulations are Key to Speedier Recovery for Arab Airlines



# So..... What Can We Conclude?



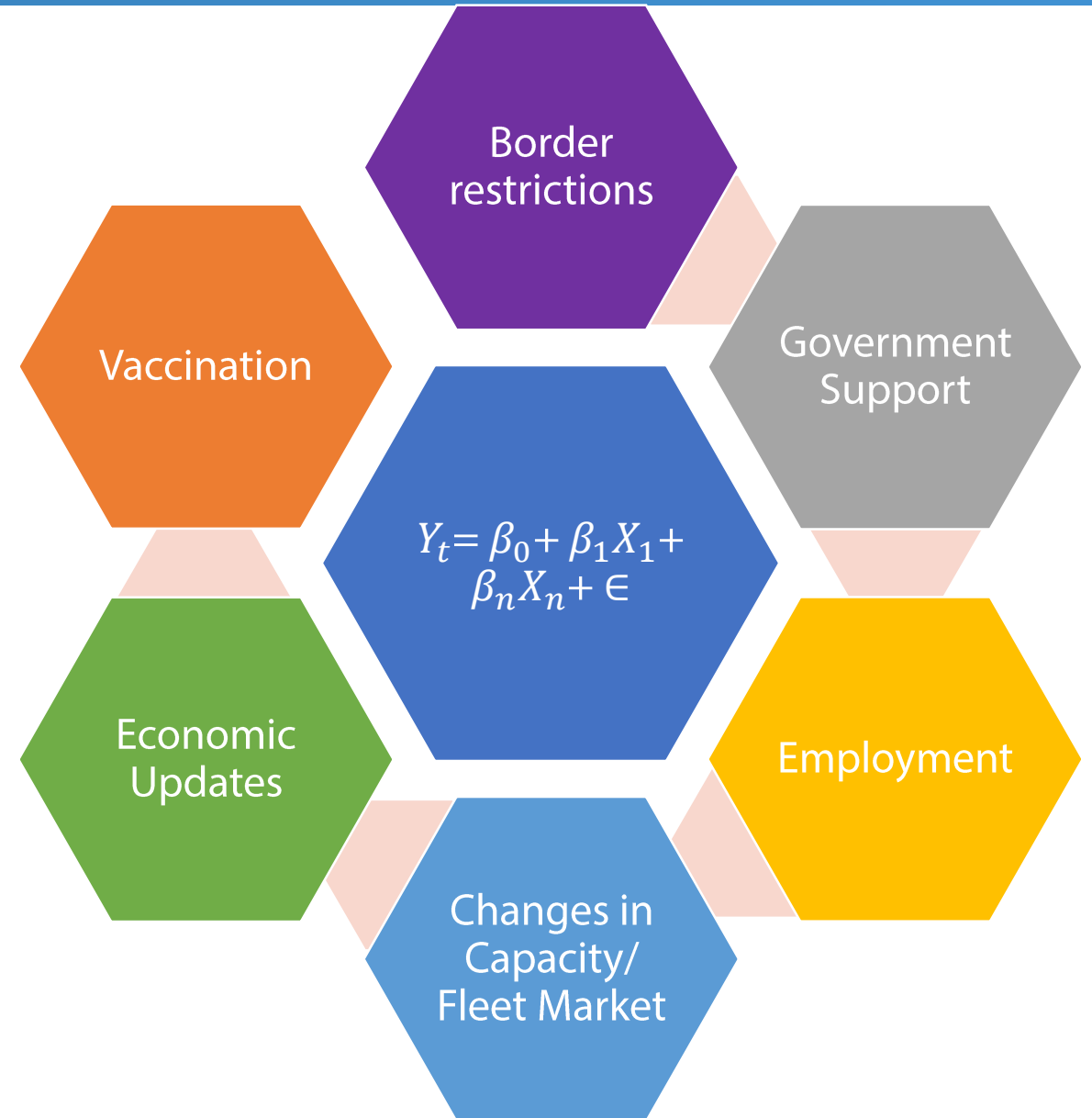
**Better Planning/Decision Making**

# So..... What Can We Conclude?

**Demand Forecasting Models are no longer the same, GDP per Capita, Population, Inflation and other factors which were included in previous forecasting models no longer suffice to show what's next**



**Airlines now should monitor the trends in the factors that would facilitate recovery from COVID-19**



**Thank You**

**Questions?**