

Economic Update

August 2022



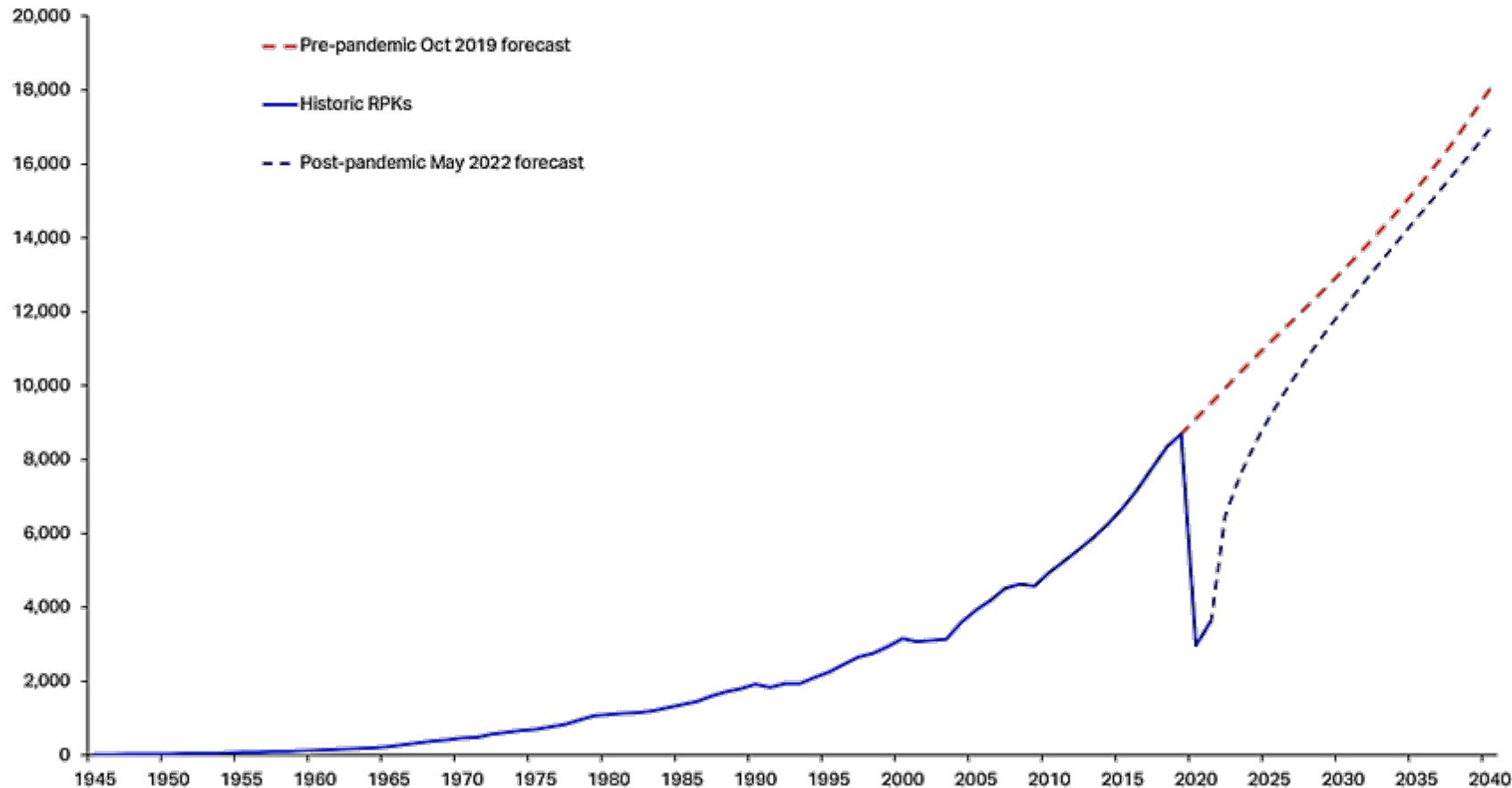
Blair Cowles – IATA Asia-Pacific



The greatest shock to aviation in its history

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

Global RPKs (billions)



- “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.



Airport congestion hampers post -Covid air traffic recovery

Airport chaos: European travel runs into pandemic cutbacks

By KELVIN CHAN and MIKE CORDER June 24, 2022

European labour strife, staff shortages disrupt summer travel

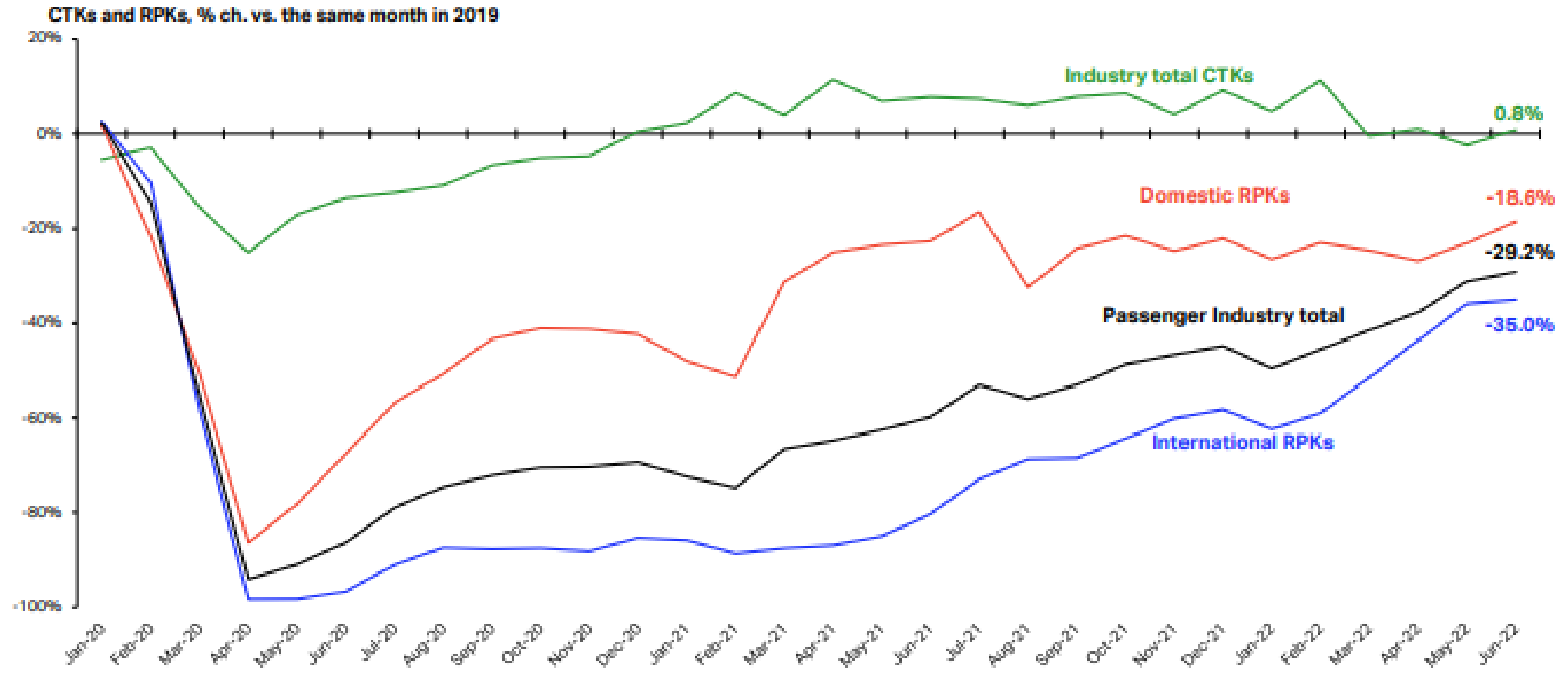
By Allison Lamper

Travel plans to or across Europe? Prepare for long lines

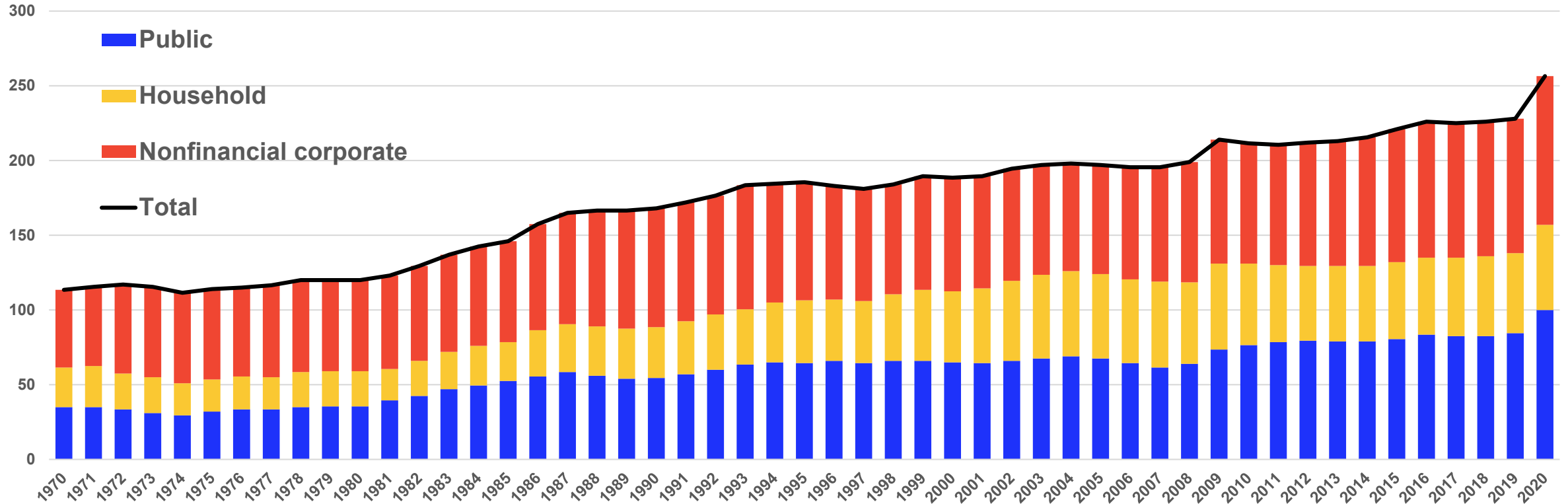
June 23, 2022 · 5:24 AM ET

Germany to deploy temporary foreign workers to ease staff shortage at German airports, Bild am Sonntag reports

The recovery in global air traffic continues



Global debt at historic highs



- 2020 debt increase highest in 50 years.
- Public debt now 40% of total global debt, the highest share since the mid-1960s.
- Advanced economies and China accounted for more than 90% of the **USD 28 trillion debt surge in 2020**.

Source: IMF Global Debt Database, Global debt, % of GDP.

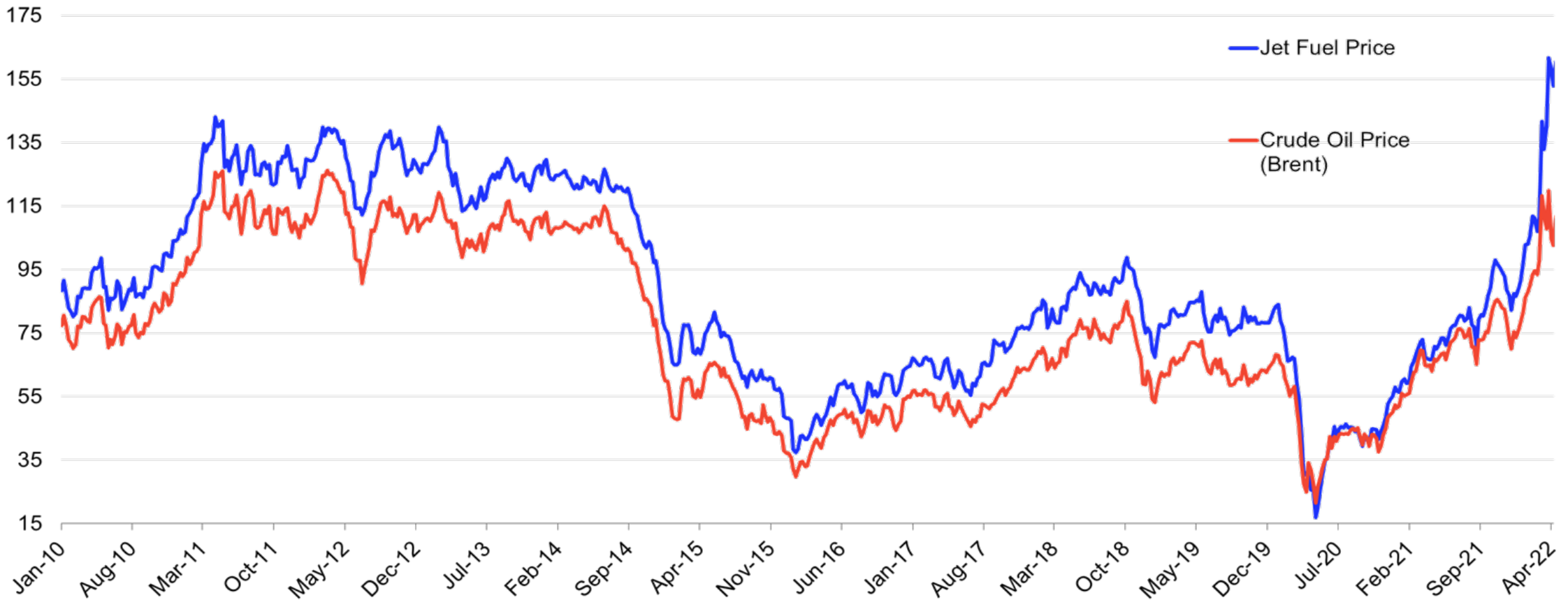


Costs are a key industry challenge this year

Fuel, infrastructure, labor, interest rates

Jet Fuel & Crude Oil Price (\$/barrel)

Jet fuel and crude oil price, USD per barrel

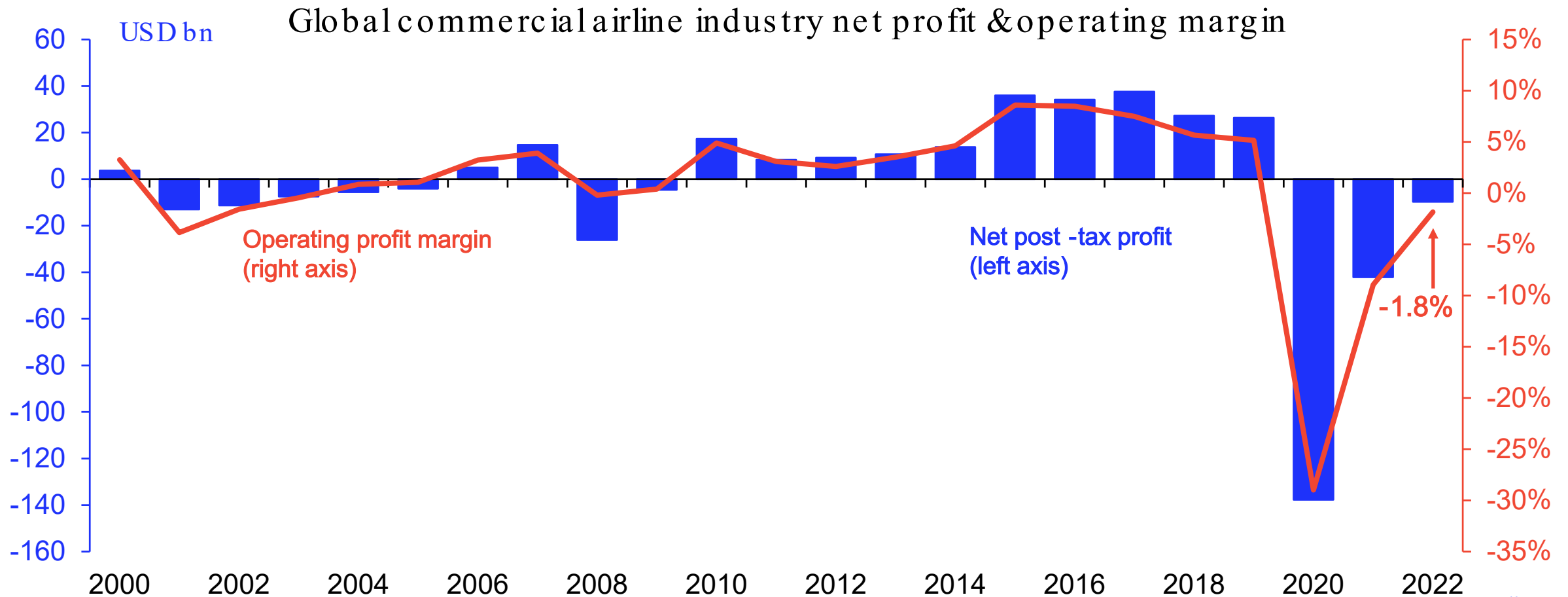


Source: S&P Global, Refinitiv Eikon.



Financial performance improves to – USD 9.7bn

Highlighting the resilience of the industry

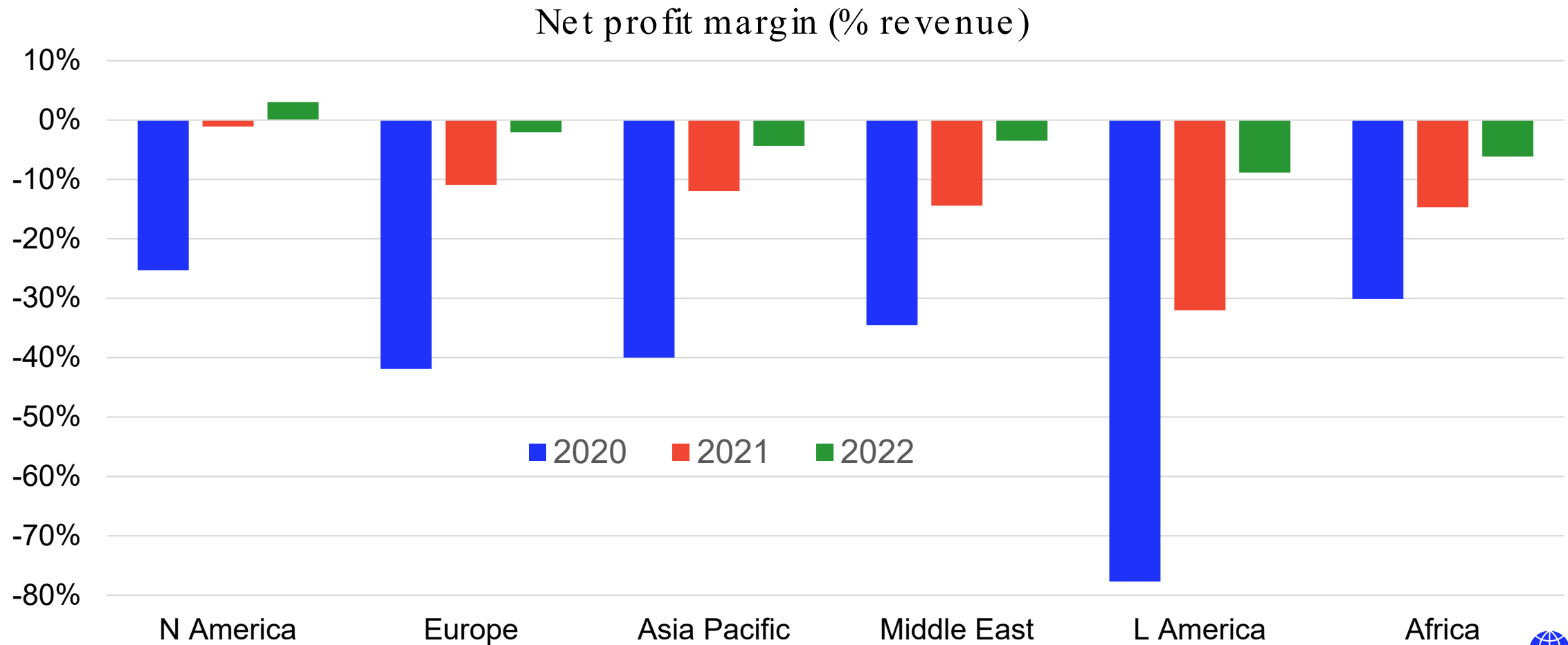


Source: IATA Economics.



North America returns to profitability in 2022

But financial performance is improving in all regions

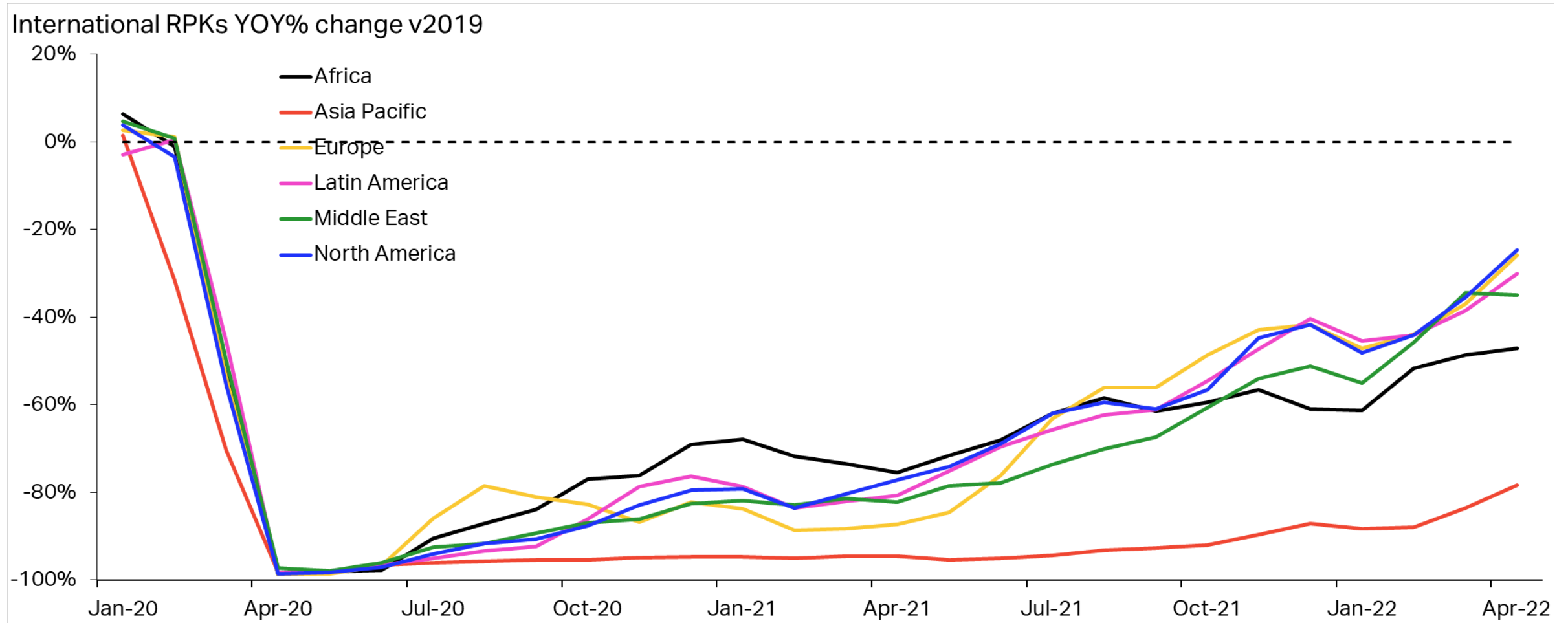


Source: IATA Economics.



International travel gradually returning despite shocks

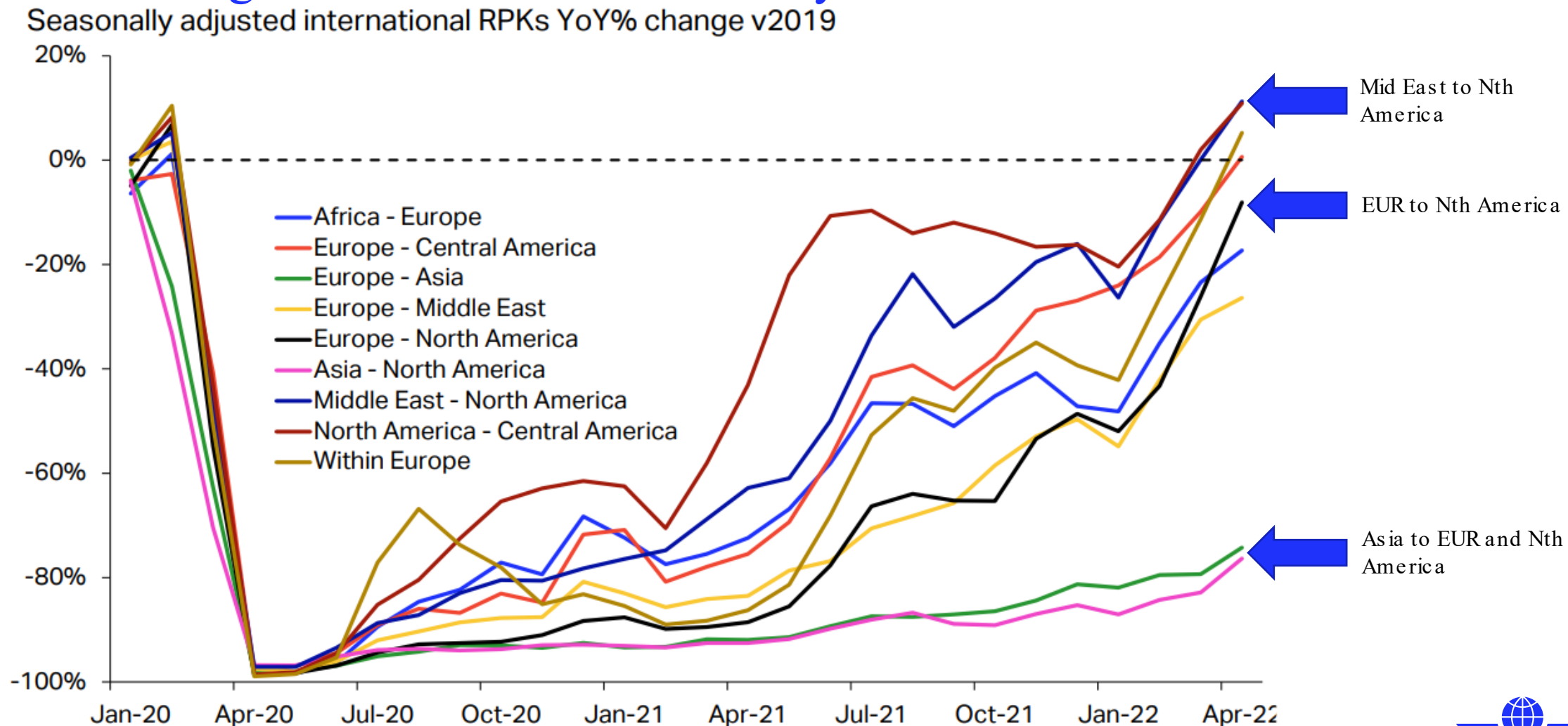
Asia Pacific lags the rest of the industry due to closed borders



Source: IATA Monthly Statistics

International travel gradually returning despite shocks

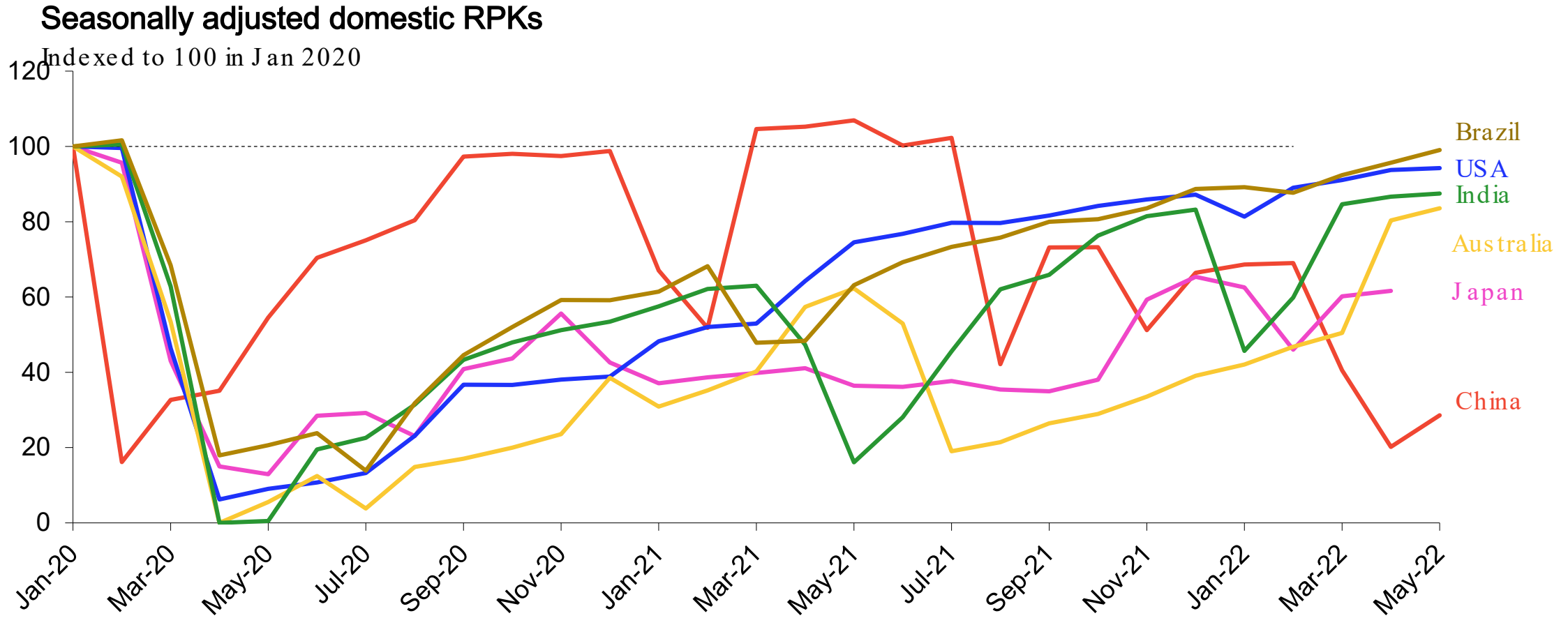
Asia Pacific lags the rest of the industry due to closed borders



Source: IATA Monthly route area statistics

Clear differences in recovery profiles remain

As new outbreaks impact, travel restrictions evolve & vaccination rates vary



Source: IATA Economics using data from IATA Monthly Statistics



Thank you

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