

COVID-19: The Impact on Global Air Travel

Weekly coverage reports

COVID-19 IMPACT

COVID-19 has severely impacted the global aviation industry with restrictions placed by governments on air travel in an effort to stop the spread of the virus.

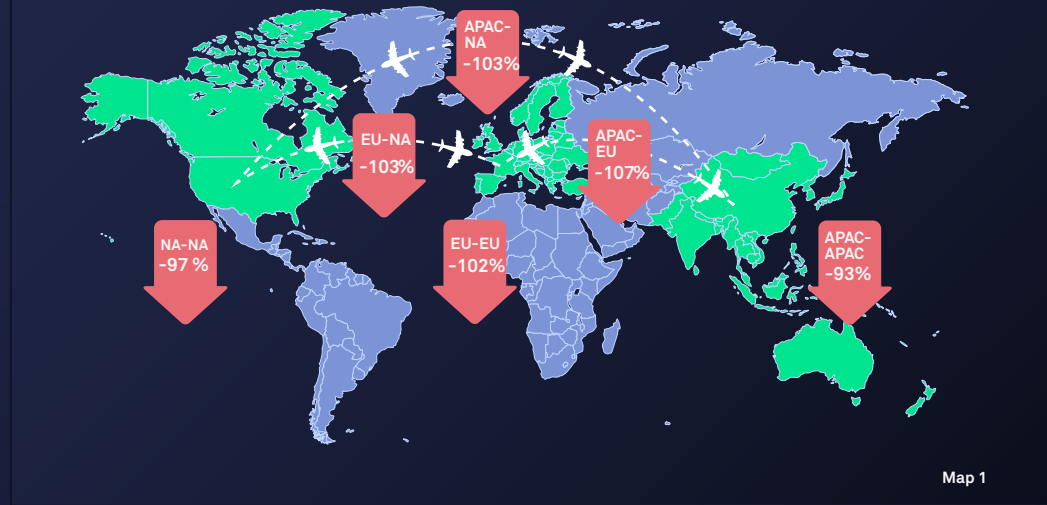
Many airlines around the world have been forced to pause operations, or drastically reduce their capacity for the lockdown period. But what are the repercussions on the air travel industry's revenues? When do travelers and airlines expect to start moving again?

Skytra, an Airbus company, has created three metrics to shine a light on how the industry's revenues have been impacted. Firstly, we look at the value of tickets issued over the past week compared to the same week in 2019 and how this has evolved over the past three months as COVID-19 spread in different regions of the world. Secondly, we look at the cumulative change in ticket revenue which helps to understand the effect of the shutdown as it continues. Our third metric illustrates customer and airline sentiment for the upcoming months, so each week we will see how much travel is being booked for the rest of 2020.

Skytra has evaluated these metrics using the Skytra Price Indices and methodology. These are derived from our ticketing database that includes IATA DDS (Direct Data Solutions) covering 83% of worldwide air travel by value.



Change in value of tickets sold in week 26 March – 1 April



Map 1

For the week 26 March - 1 April, refunds are close to or have even outstripped ticket issues in most of the regions of the world, so compared to 2019 the value of ticket issues is close to or more than **100%** lower.

APAC - Asia-Pacific
EU - Europe
NA - North America



Covid-19 hit airline ticket sales in a gradual effect across the globe

The below charts clearly illustrate how the different regions have been influenced over time as the virus impact has worsened and caused governmental restrictions on all forms of travel.

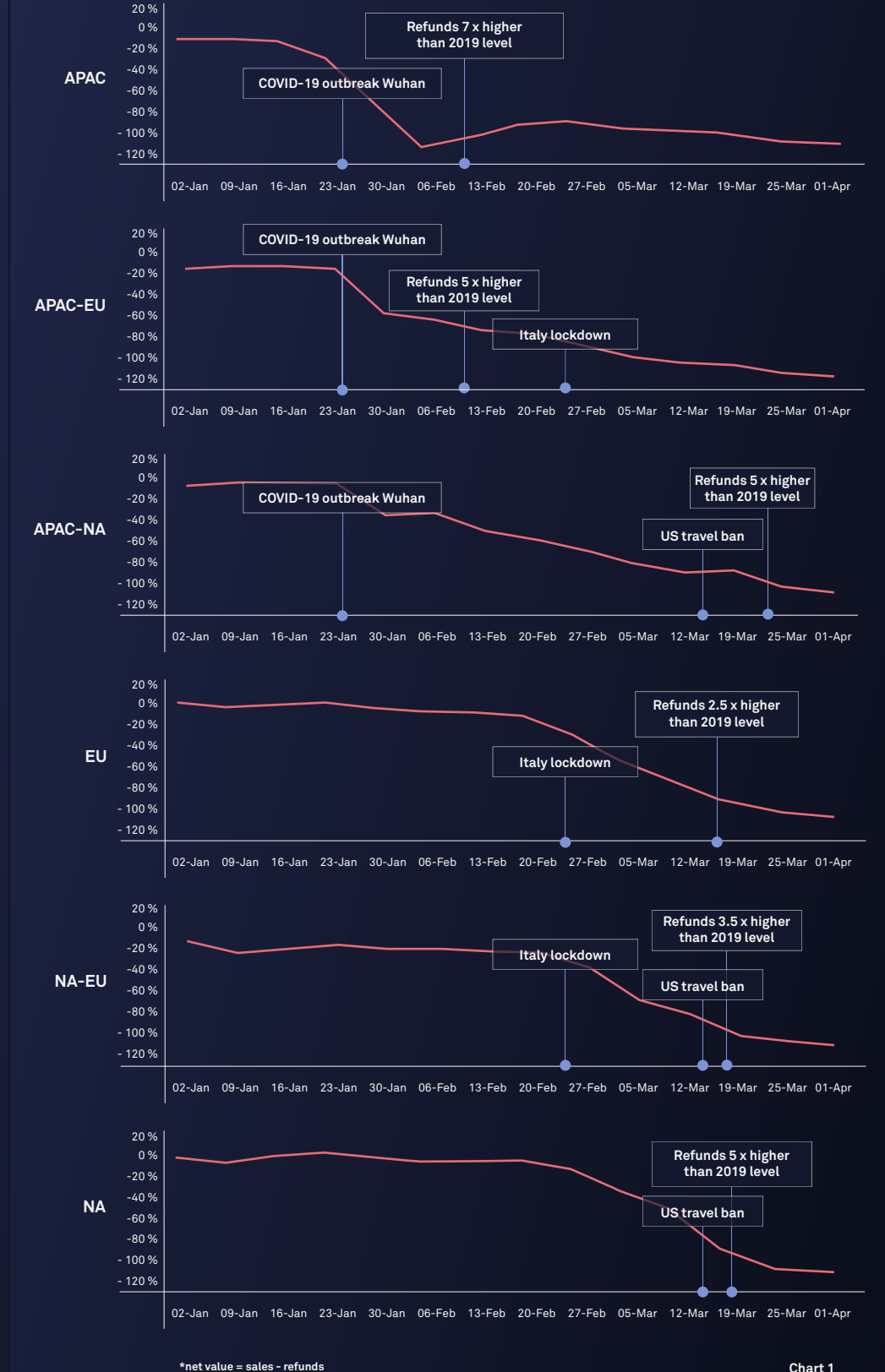


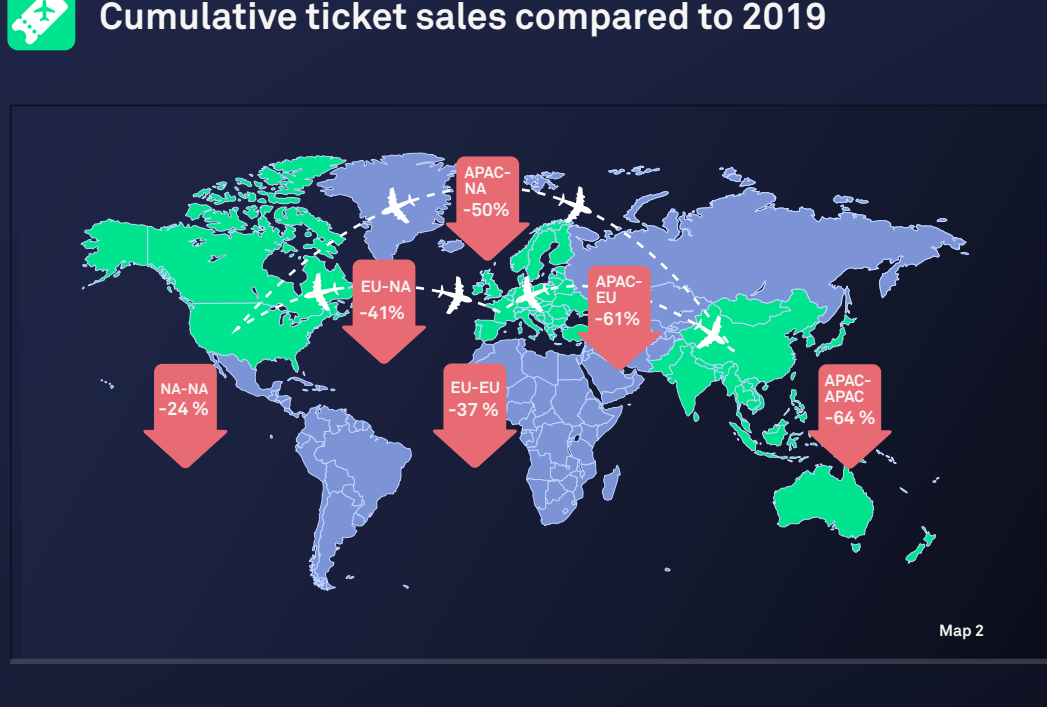
Chart 1

Whilst ticket sales in early 2020 had started in line with 2019 for most regions, Covid-19 has had a radical effect as it has spread across the world. The first region affected was unsurprisingly, Asia-Pacific. From mid-January, ticket sales started to decline eventually dropping to 93% by week 14 (26 March - 1 April) compared to the same week in 2019.

The negative effect on revenues was slightly delayed in other regions, following the spread of the virus. First affecting ticket sales of flights from Europe and North America to Asia-Pacific, eventually resulting in dramatic revenue falls in tickets for routes in Europe, Europe-North America and North America which fell by **102%**, **104%** and **96%** respectively.



Cumulative ticket sales compared to 2019



Map 2

Due to the fact that the Asia-Pacific market has experienced the longest COVID-19 related impact on flying the cumulative impact is so far the greatest, alongside travel to or from the region. This impact is also compounded by the fact that the crisis is taking place at the same time as the holiday season in parts of Asia, particularly China. If the crisis continues and particularly over any holiday period we expect to see similar negative effects repeated across the world.



Booking behavior for future flights: Wait and see

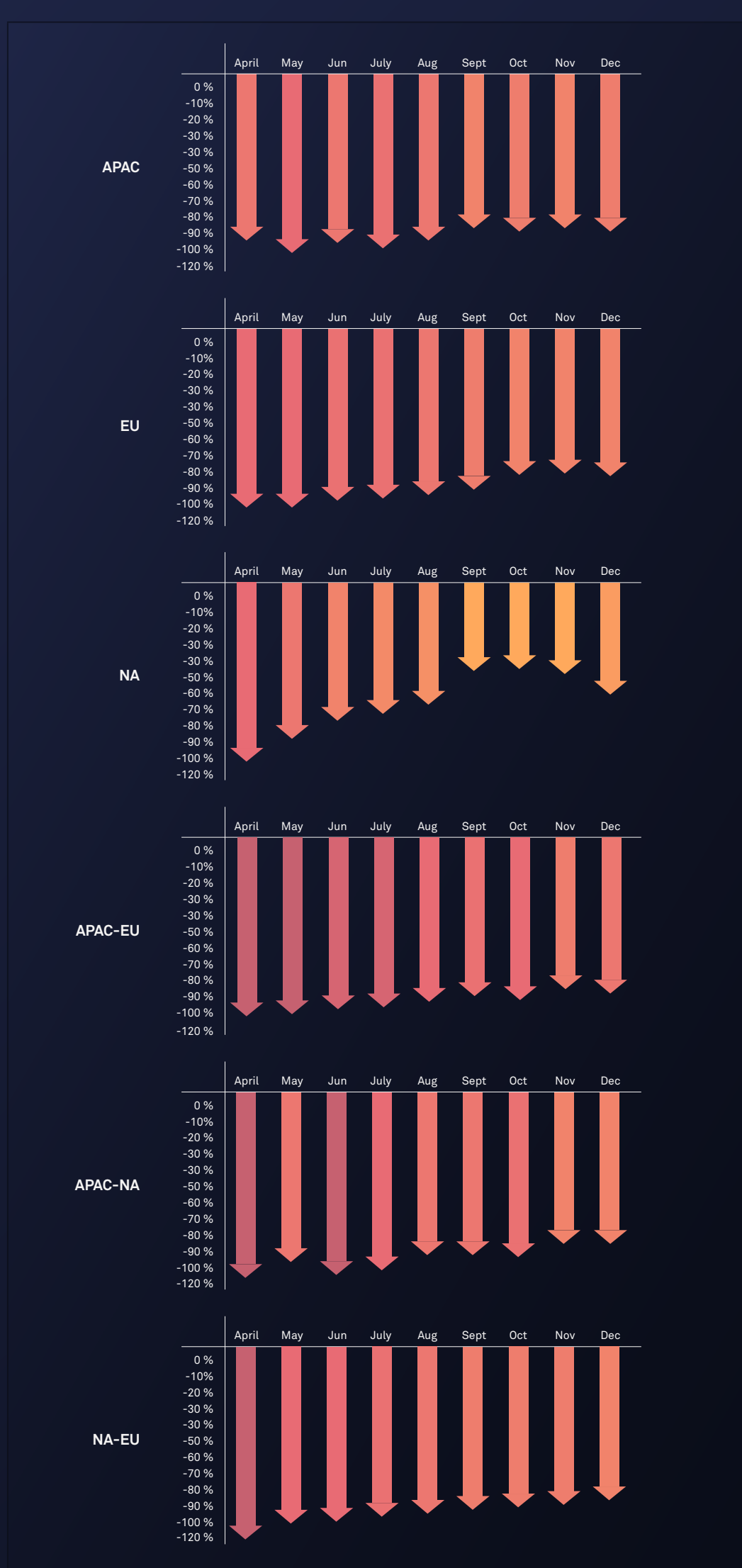


Chart 2

Ticket sales for upcoming months look similarly dramatic in all regions for April and May 2020 with a drop of ca. **100%** when compared to 2019. Again refunds are outstripping sales in certain markets for certain periods, leading to values of less than **-100%** when compared to 2019. While the market in North America is somewhat more optimistic for the autumn the rest of the world seems to be waiting to see what happens as the crisis unfolds