



ICAO

UNITING AVIATION

Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis

Montréal, Canada

17 March 2020





- Introduction and Background
- Scenario Analysis: **Mainland China**
- Scenario Analysis: **Hong Kong and Macao SARs of China and Taiwan, Province of China**
- Summary of Scenario Analysis and Additional Estimates: **China**
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- Scenario Analysis: **Italy**
- Scenario Analysis: **Iran (Islamic Republic of)**
- Preliminary Analysis: **Japan and Singapore**
- Preliminary Analysis: **Transatlantic between United States and Schengen Area**



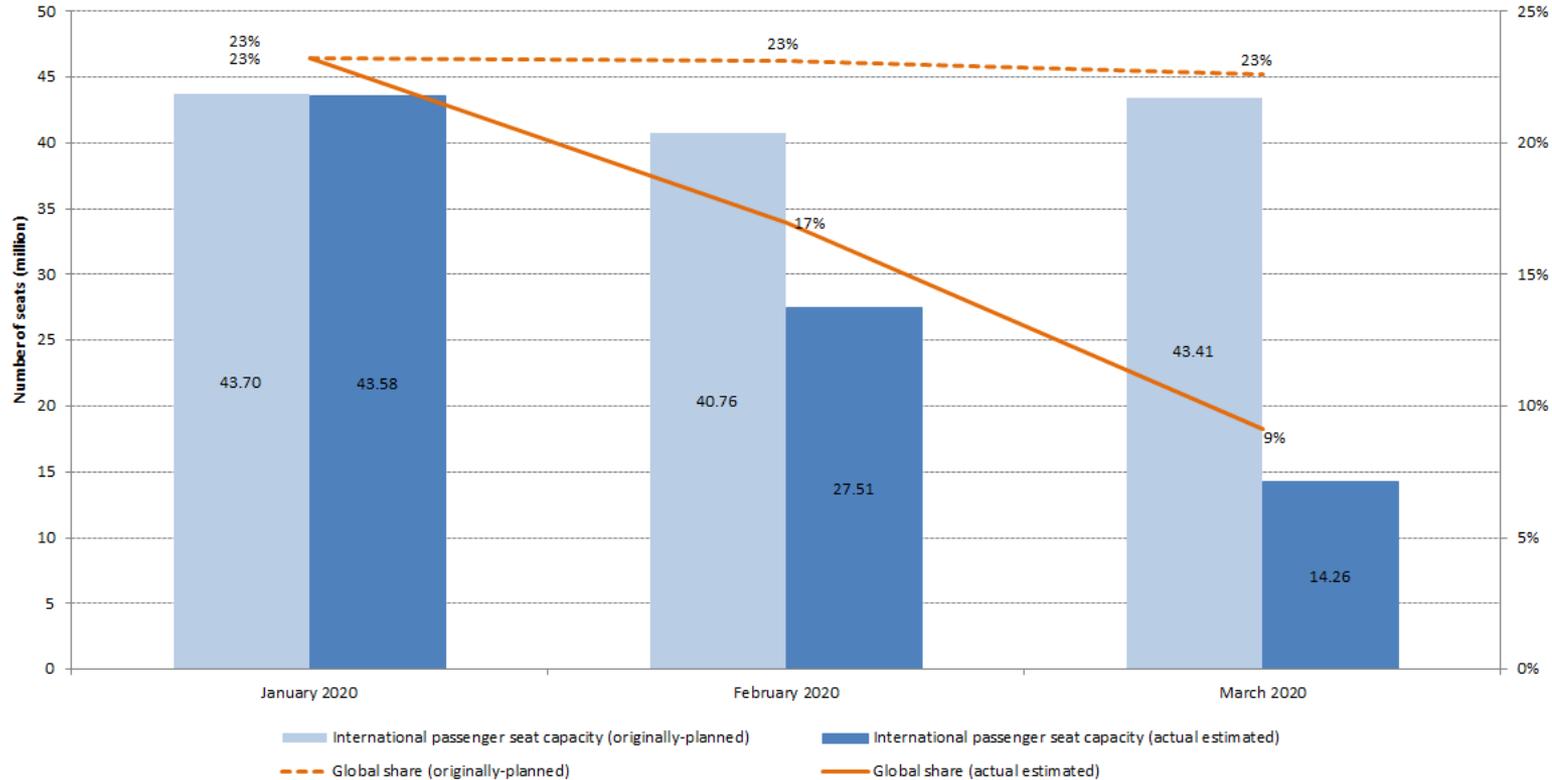
Estimated impact of COVID-19 outbreak on scheduled **international passenger** traffic during **1Q 2020** compared to originally-planned:

- **China (including Hong Kong/Macao SARs and Taiwan Province):** 39% seat capacity reduction, 29.9 to 31.8 million passenger reduction, USD 6.7 to 7.2 billion loss of gross operating revenues of airlines
- **Republic of Korea:** 29% seat capacity reduction, 6.4 to 7.0 million passenger reduction, USD 1.3 to 1.4 billion loss of gross operating revenues of airlines
- **Italy:** 22% seat capacity reduction, 6.1 to 6.6 million passenger reduction, USD 0.7 to 0.8 billion loss of gross operating revenues of airlines
- **Iran (Islamic Republic of):** 25% seat capacity reduction, 600,000 to 640,000 passenger reduction, USD 92 to 100 million loss of gross operating revenues of airlines

* *Coronavirus Disease 2019 (COVID-19) Situation Report by WHO as of 10 March 2020*



Global capacity share of 4 States dropped from 23% in January to 9% in March 2020

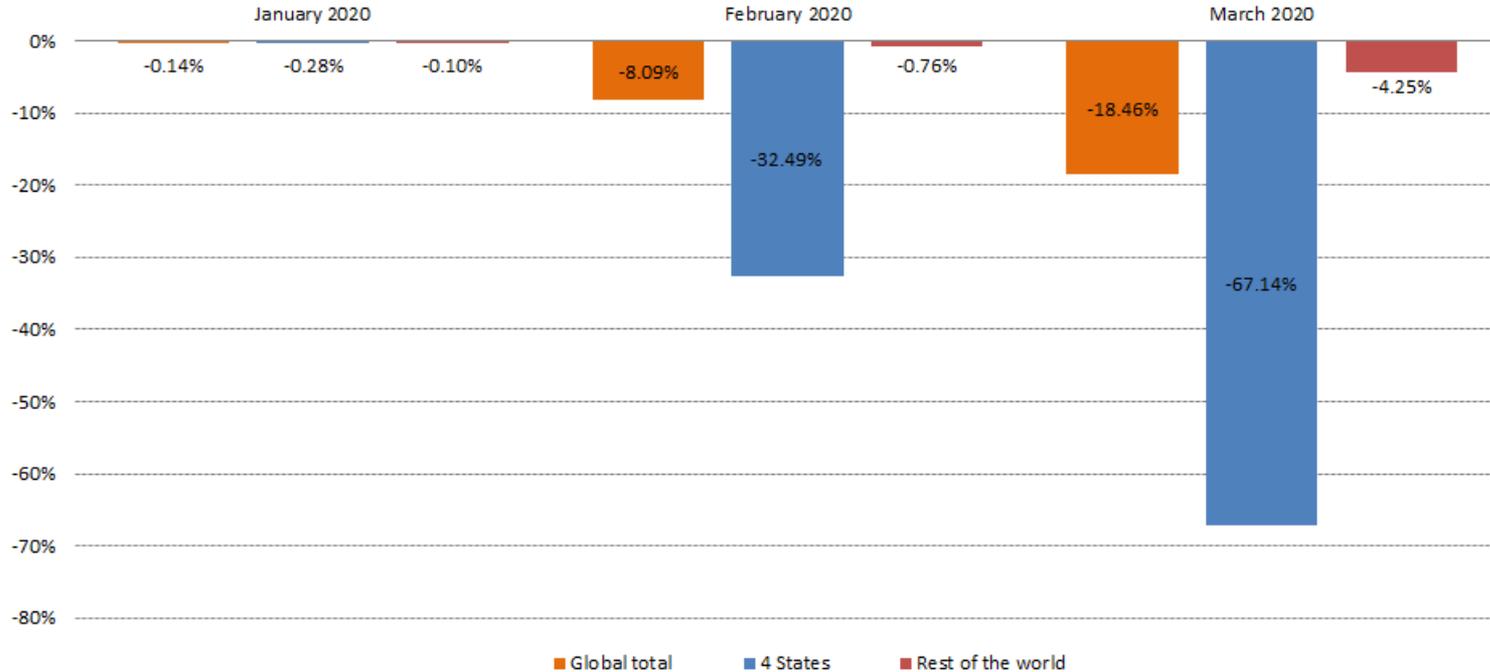


- Number of seats offer by airlines for scheduled international passenger traffic;
- 4 States combined with the exclusion of route overlaps



4 States have represented a significant portion of international capacity reduction in 1Q 2020

Reduction of international passenger seat capacity from originally-planned

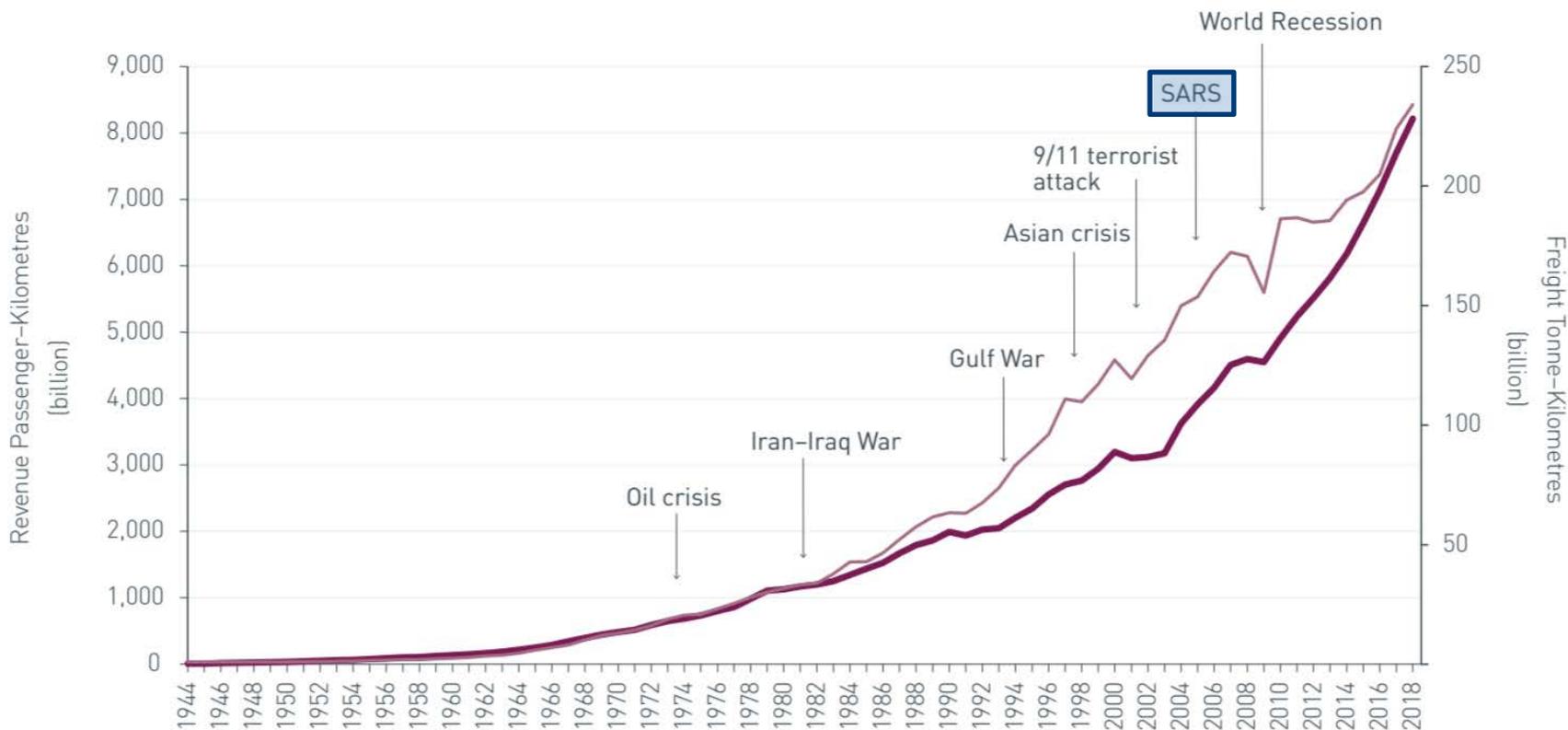




Introduction and Background

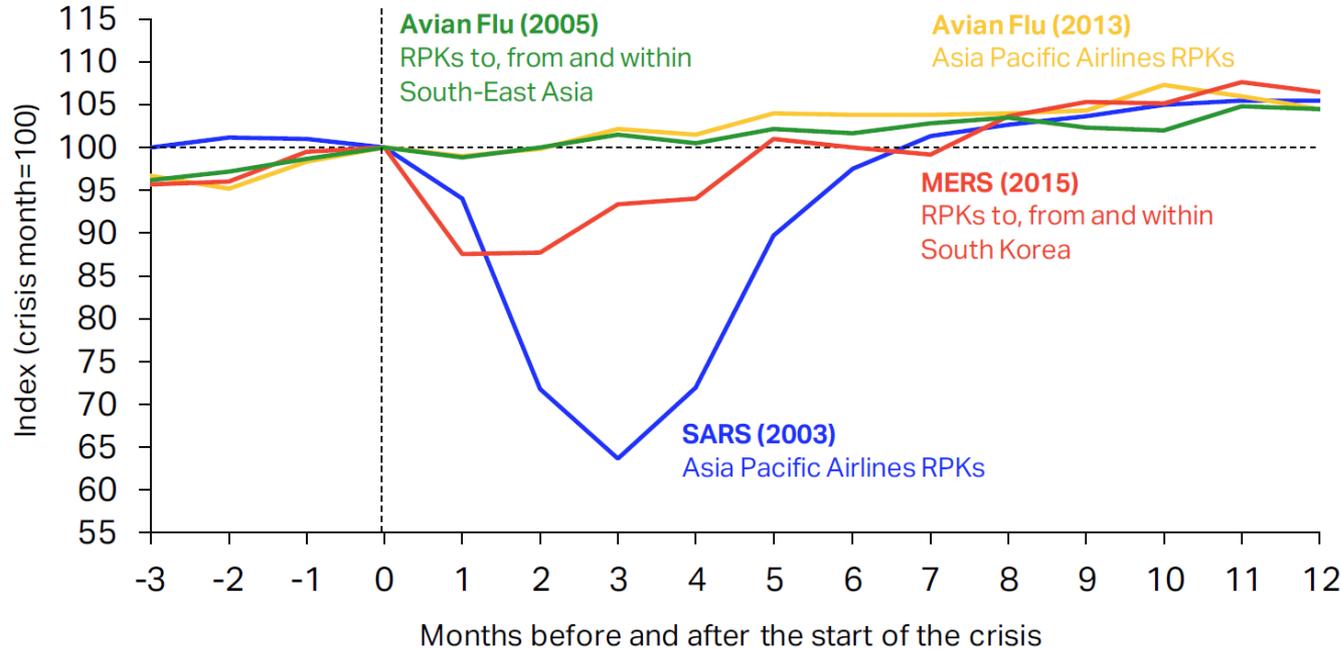


Air traffic has been vulnerable to external factors including disease outbreaks



What can we learn from past experience? SARS, Aviation flu and MERS

Impact of past outbreaks on aviation



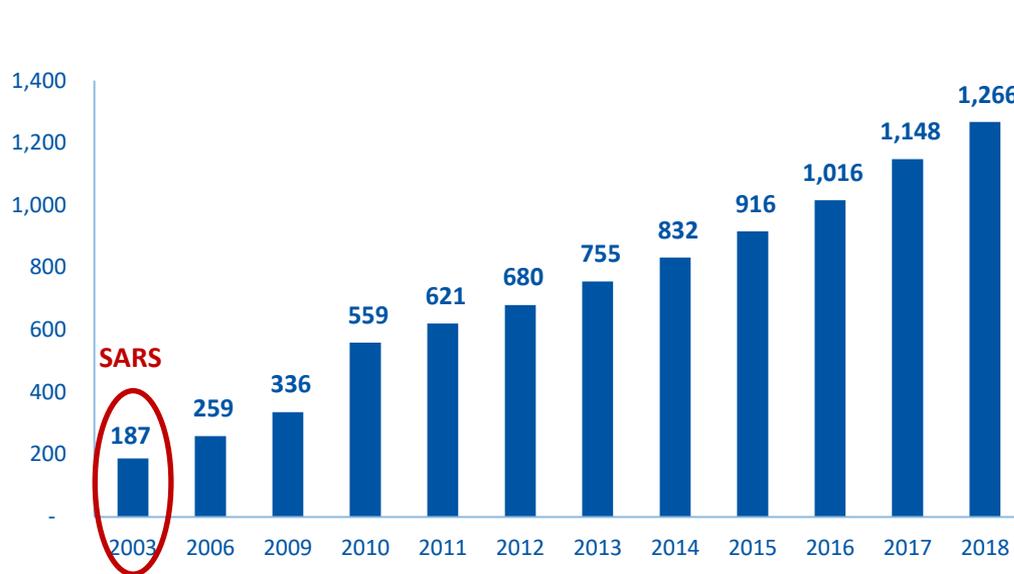
History shows that SARS has the most serious impact on traffic. At the height of the outbreak (May 2003), monthly RPKs of Asia-Pacific airlines were 35% lower than their pre-crisis levels. Overall in 2003, Asia-Pacific airlines lost **8% of annual RPKs** and **\$6 billion of revenues**.

Source: IATA Economics

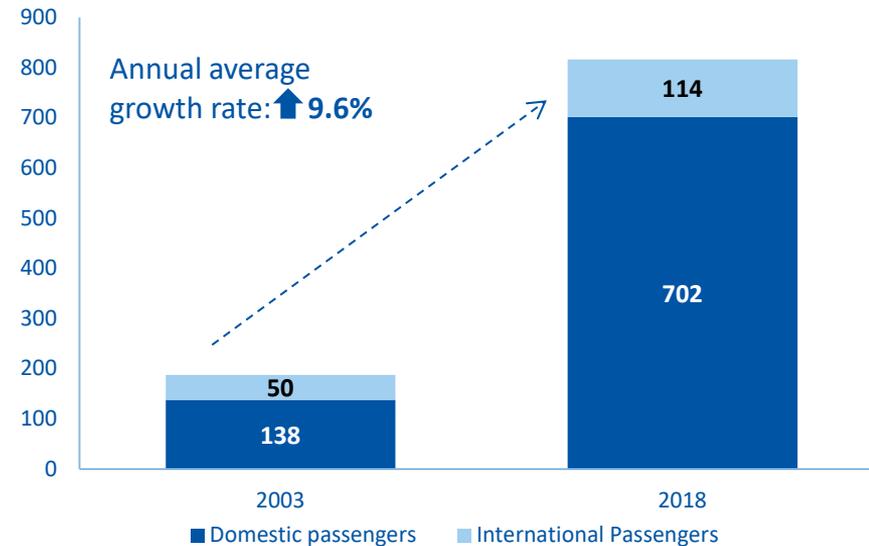


Chinese international traffic more than doubled since 2003 SARS spread

Total number of passenger moved through Chinese airports 2003-2018 (million of passengers)

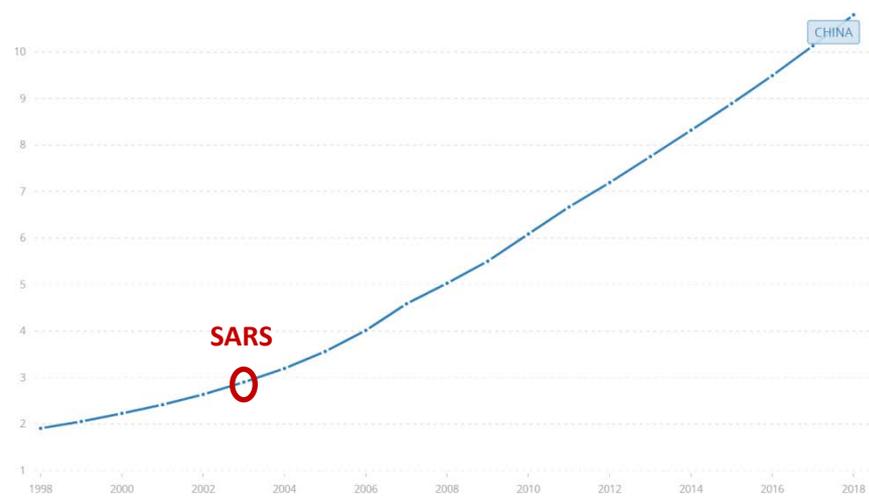


Passengers move to/from Chinese airports 2003 vs 2018

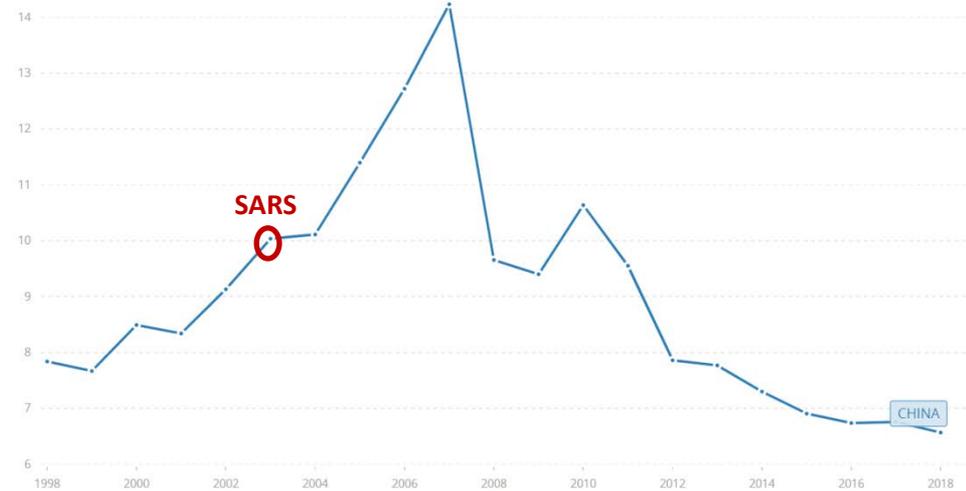


Chinese economic size quadrupled since 2003 but growth rate slowed down

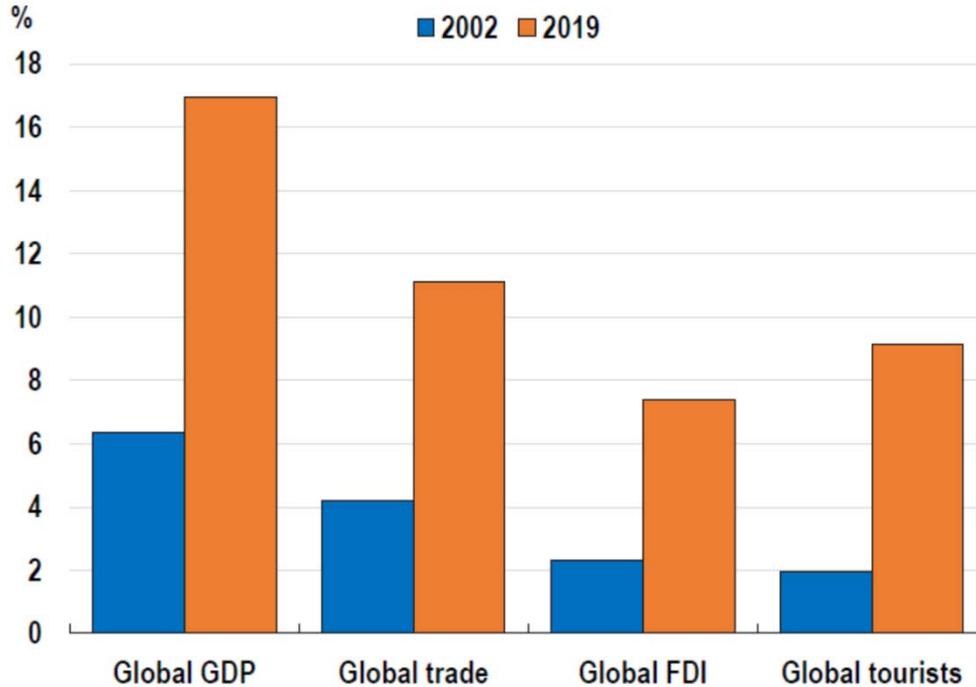
GDP of China (constant 2010 USD, trillion)



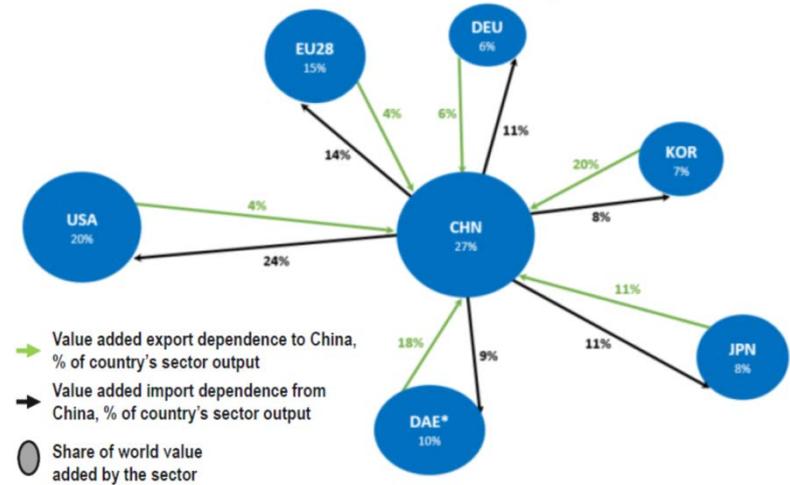
GDP Annual Growth of China (%)



Share of China in world



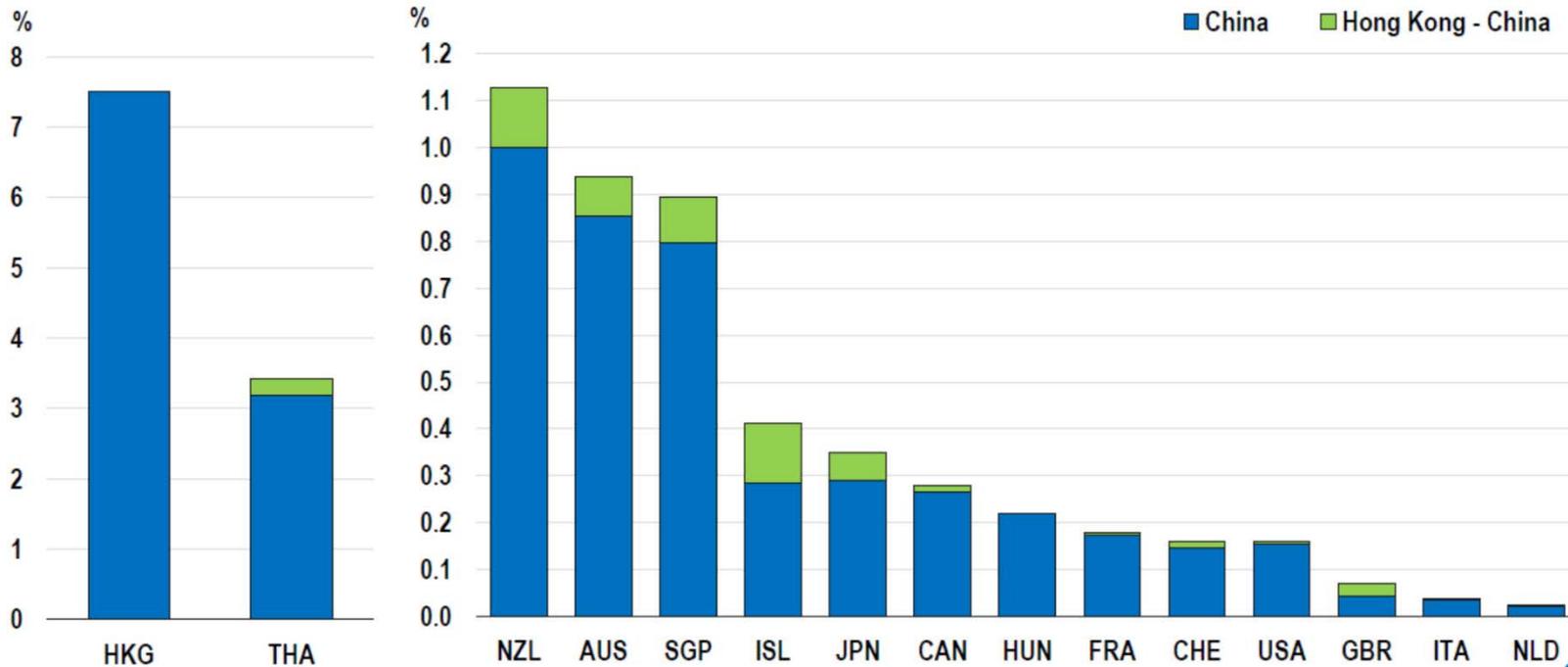
Computers, electronics and electrical equipment sector



Value added trade flows between China and key partners

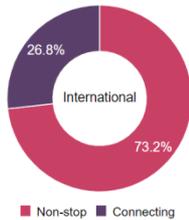
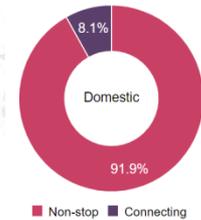
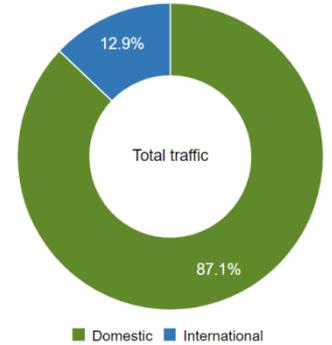
Travel services to China and Hong Kong-China, as a share of GDP

2018



Air connectivity of China in terms of O-D passenger movement

Major international air traffic originating from People's Republic of China in 2018



Air connectivity of Wuhan airport in terms of O-D passenger movement



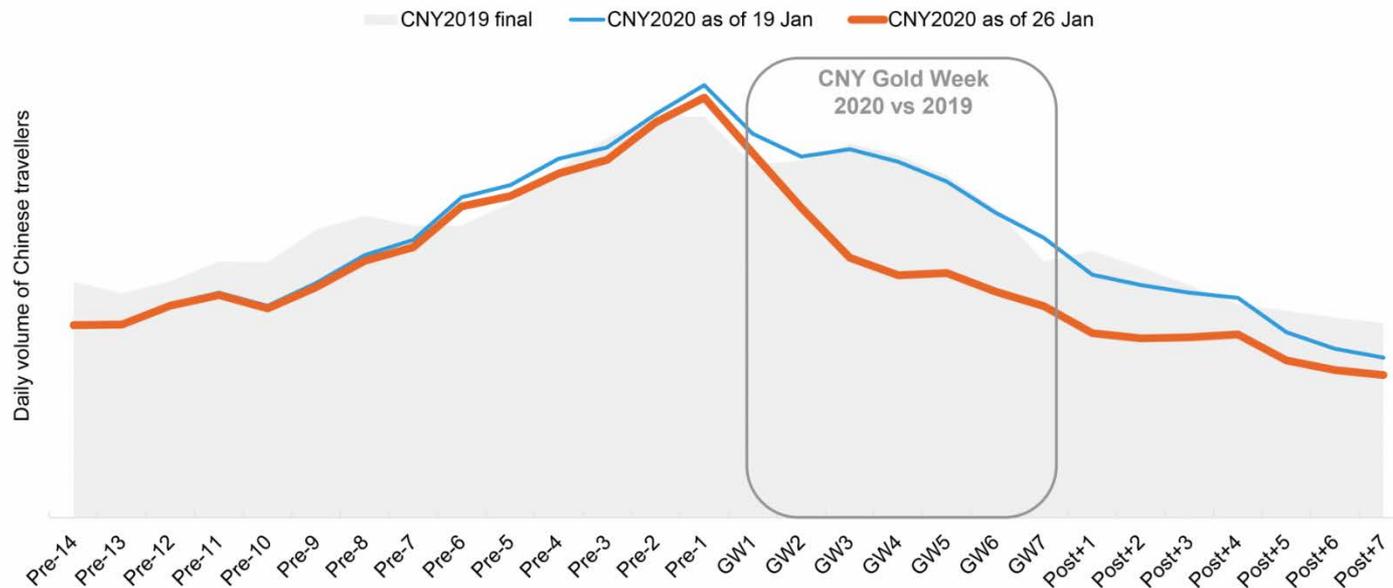
24,073,870
Total traffic



COVID-19 outbreak caused a substantial setback in flight bookings for Chinese New Year

Chinese air arrivals in worldwide regions for Chinese New Year, before vs one week after the travel restrictions

10 January – 6 February, Bookings made as of 19 January and 26 January 2020. Volumes of arrivals.



Travel dates from 10 January to 6 February 2020 vs. 21 January to 17 February 2020, according to bookings issued as of 19 January and 26 January 2020.
 Only considered pax staying 1 to 21 nights at destinations.
 Source: ForwardKeys air reservation data.



Flight cancellation has exceeded actual operations since 31 January 2020



Note: The above includes a) international from mainland China, Hong Kong SAR of China, Macao SAR of China, Taiwan, Province of China; b) domestic within mainland China, and c) regional between mainland China and Hong Kong SAR, Macao SAR and Taiwan Province



Scenario Analysis: Mainland China

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.



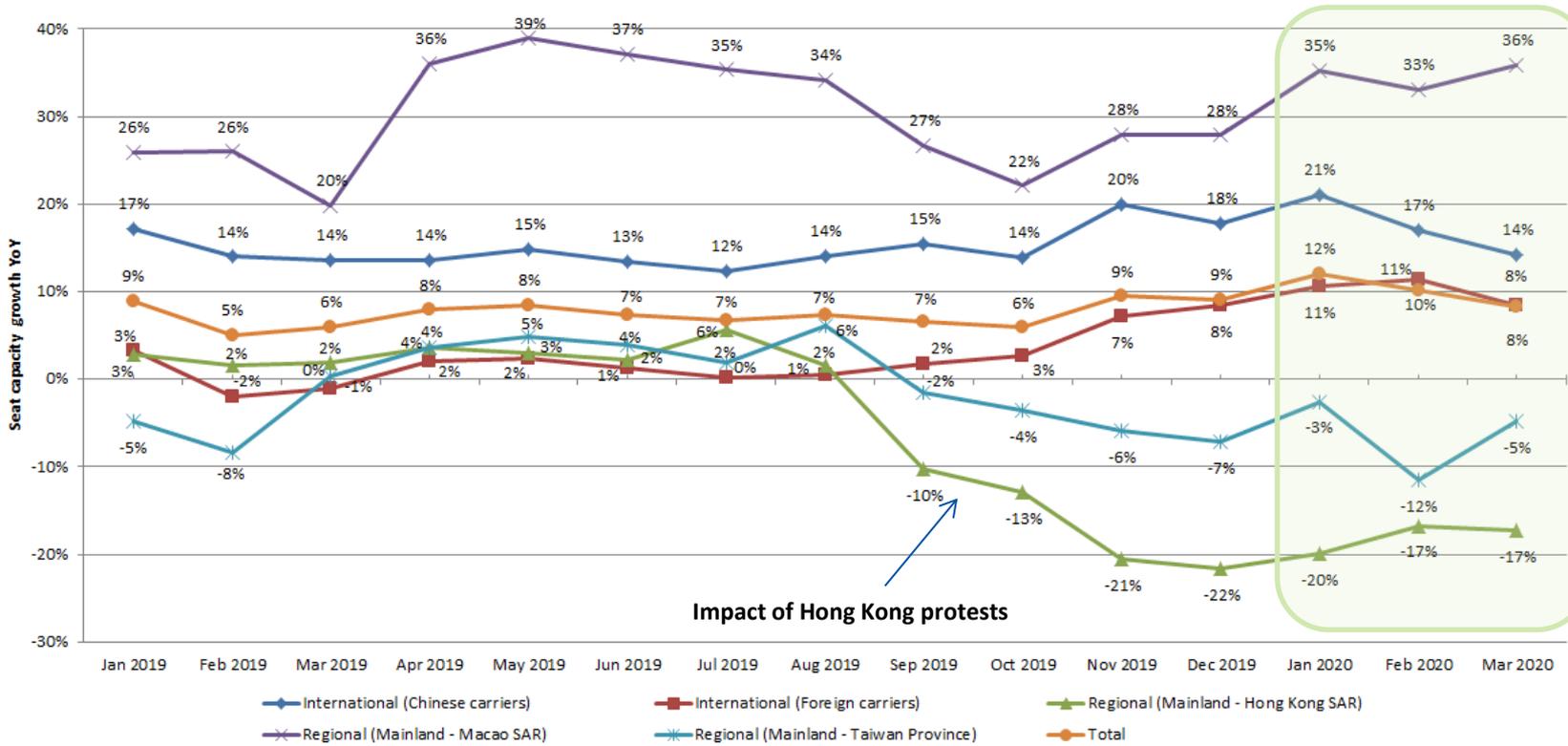
- **“International”** refers to scheduled international passenger services from/to mainland China excluding:
 - scheduled passenger services between mainland China and Hong Kong Special Administrative Region (SAR) of China, Macao SAR of China and Taiwan, Province of China; and
 - scheduled international passenger services from/to Hong Kong SAR, Macao SAR of China and Taiwan, Province of China
- **“Regional”** refers to scheduled passenger services:
 - between mainland China and Hong Kong SAR of China
 - between mainland China and Macao SAR of China; and
 - between mainland China and Taiwan, Province of China



- **Baseline (hypothetical situation without COVID-19 outbreak)**
 - Seat capacity: used "originally-planned" winter schedule
 - Load factor: applied 78% for Chinese carriers, 80% for foreign carriers and 87% for LCCs (both Chinese and foreign)
- **Scenario 1 (mild)**
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: applied the same % as baseline in January, 15 and 12 percentage points lower than baseline in February and March, respectively
- **Scenario 2 (severe)**
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: applied the same % as baseline in January, 25 and 22 percentage points lower than baseline in February and March, respectively



10% seat capacity increase compared to 1Q 2019

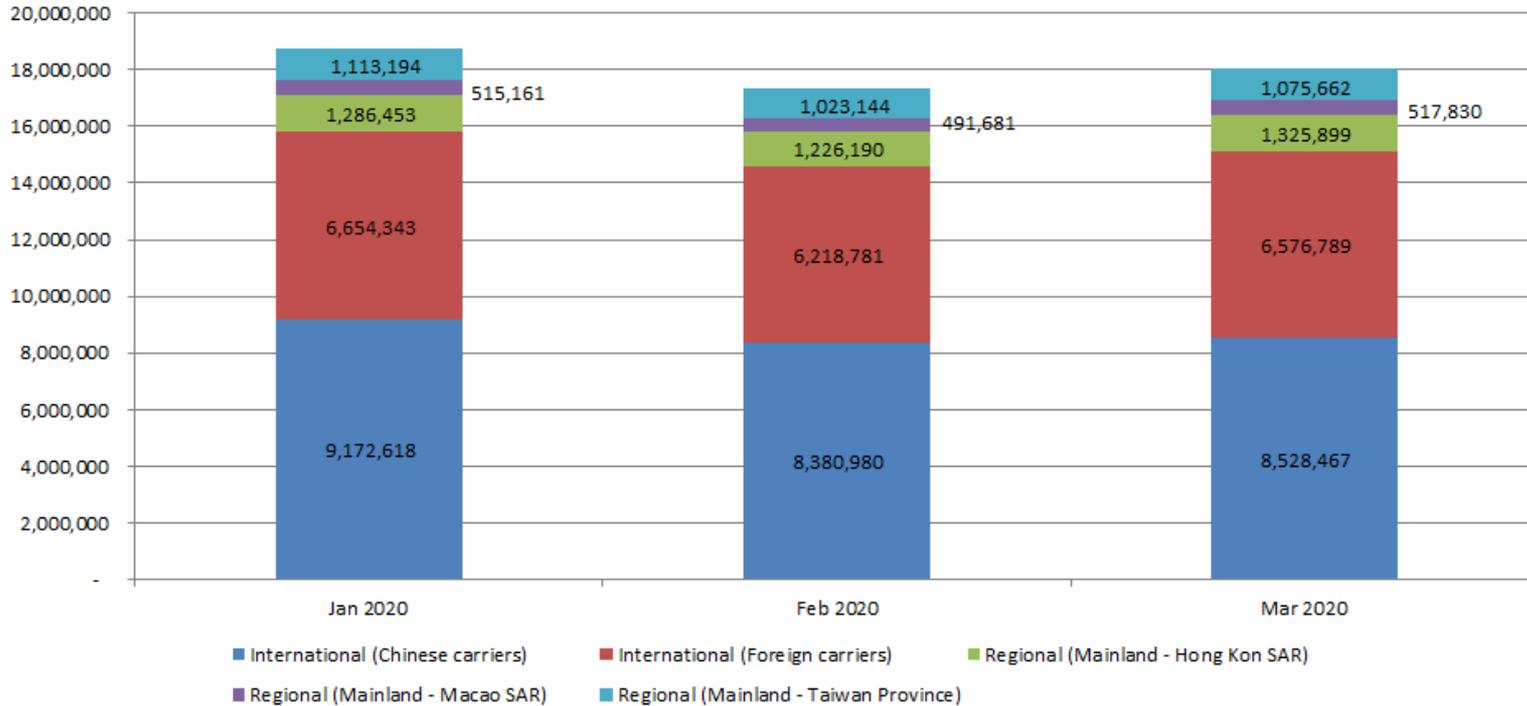


A total of YoY 10% seat capacity increase originally - planned for 1Q 2020 despite the reduction of capacity between mainland China and Hong Kong SAR and Taiwan Province

Impact of Hong Kong protests



Number of seats offered by airlines (1Q 2020 originally-planned)

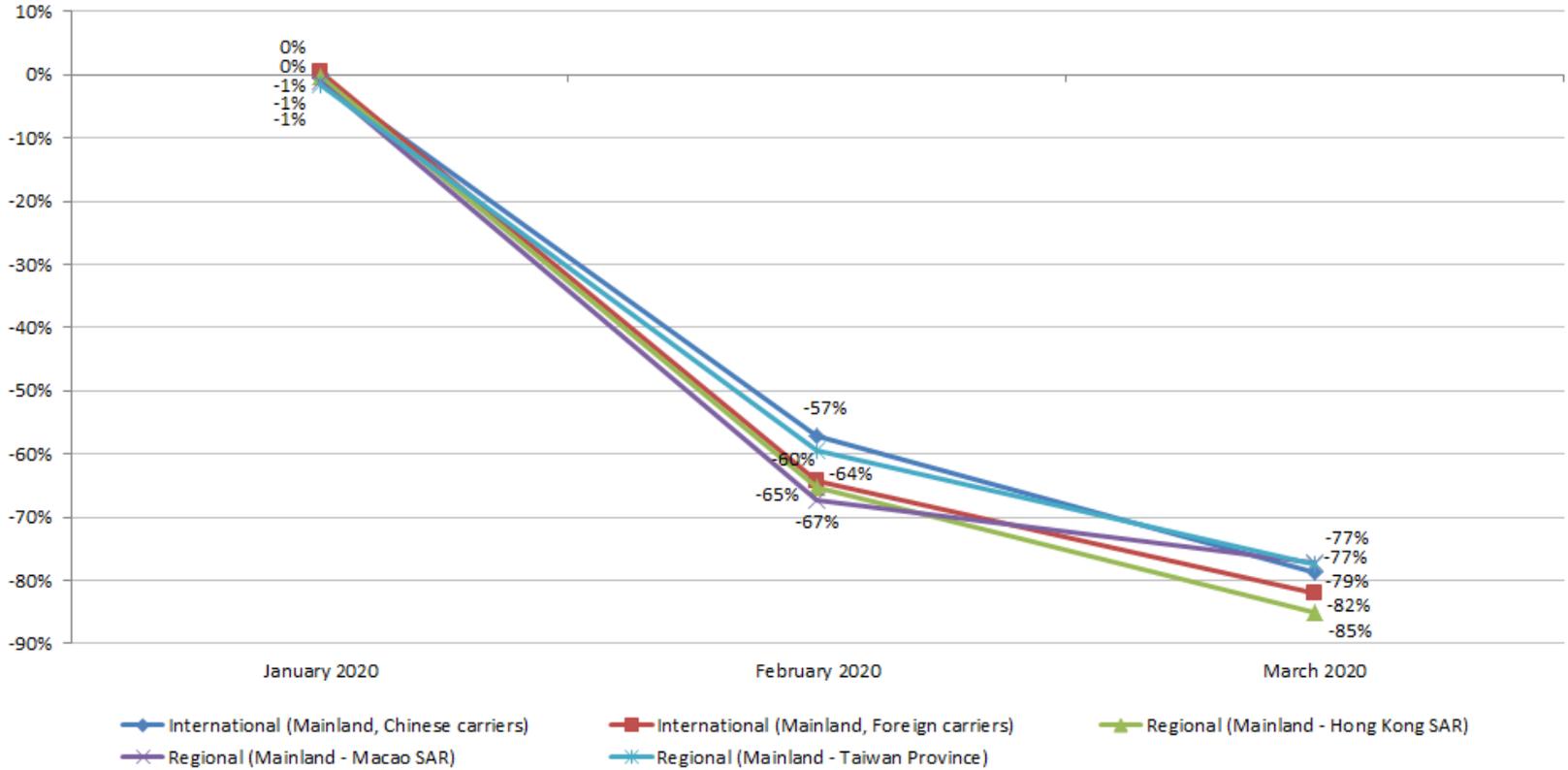


Capacity share 1Q 2020

- 48%: International by Chinese carriers
- 36%: International by foreign carriers
- 7% Mainland China - Hong Kong SAR
- 3% Mainland China - Macao SAR
- 6% Mainland China - Taiwan Province

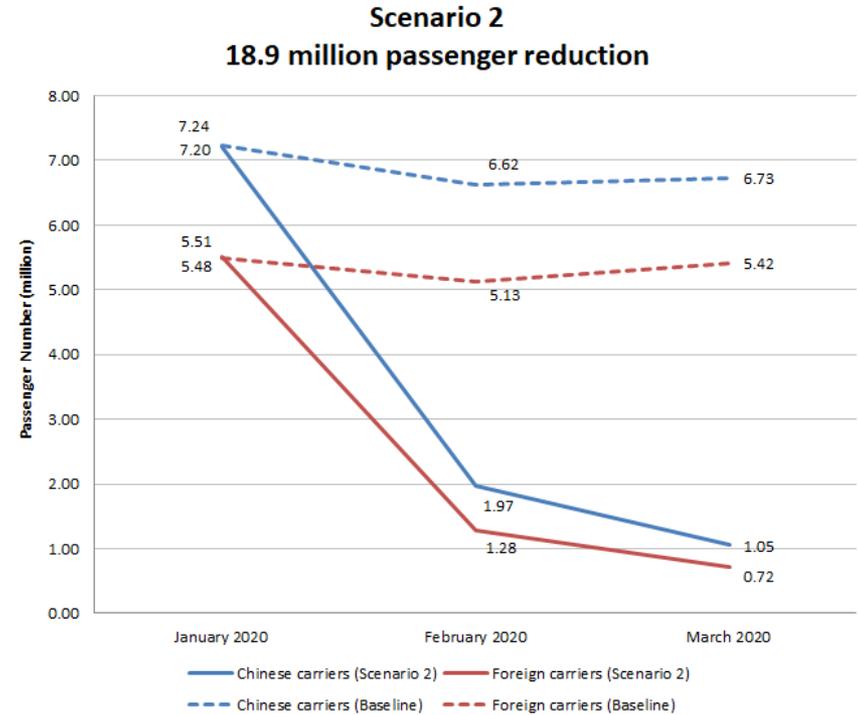
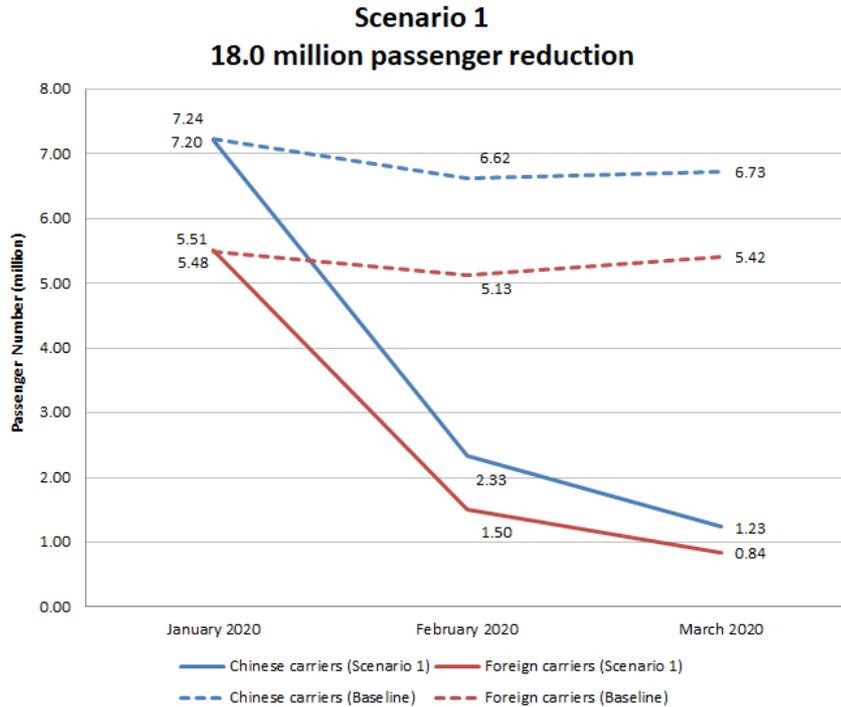


Scenarios 1 & 2: 46% seat capacity reduction from Baseline





18.0 to 18.9 million “international” passenger reduction in 1Q 2020 compared to Baseline



3.5 to 3.7 million “regional” passenger reduction in 1Q 2020 compared to Baseline

Scenario 1
3.5 million passenger reduction



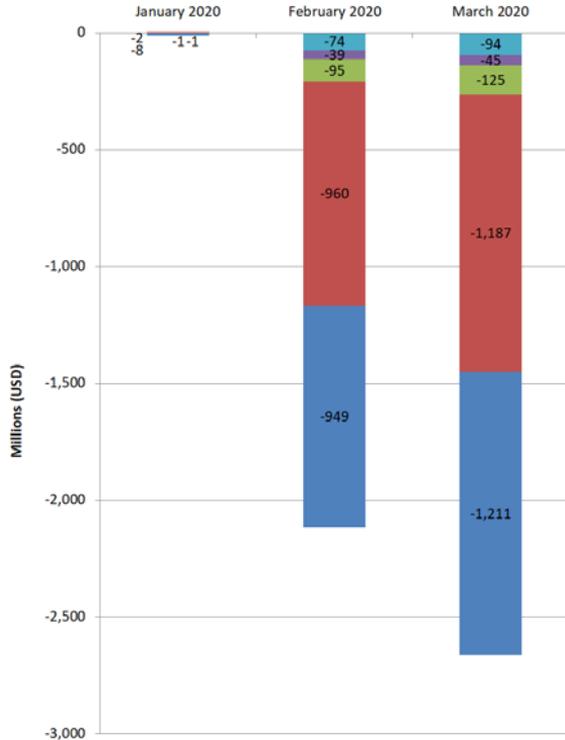
Scenario 2
3.7 million passenger reduction



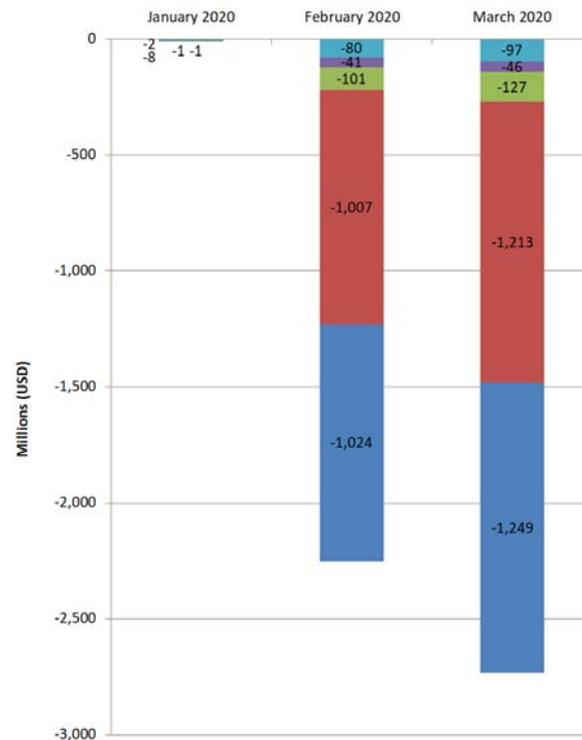


Approx. USD 4.8 to 5.0 billion potential loss of airline revenues for 1Q 2020 compared to Baseline

Scenario 1: USD 4.8 billion reduction



Scenario 2: USD 5.0 billion reduction



- International (Chinese carriers)
- International (Foreign carriers)
- Regional (Mainland - Hong Kong SAR)
- Regional (Mainland - Macao SAR)
- Regional (Mainland - Taiwan Province)

- International: calculated with an average fare of USD 250 per passenger based on traffic/financial reports of CA, CZ and MU with wide variations by destination (20% lower for LCCs);
- Regional: calculated with an average fare of USD 135 per passenger based on traffic/financial reports of CA, CZ and MU (20% lower for LCCs)



The preliminary estimates indicate the impact in terms of scheduled international passenger traffic from/to mainland China (including between mainland China and Hong Kong SAR of China, Macao SAR of China and Taiwan, Province of China) during 1Q 2020 compared to originally-planned:

- Overall reduction of **46% of seats offered by airlines**
- Overall reduction of **21.5 to 22.6 million passengers**
- Approx. **USD 4.8 to 5.0 billion potential loss** of gross operating revenues of airlines

Scope of analysis	Estimated Impact on									
	Number of seats offered by airlines (000)				Number of passengers (000)				Gross operating revenues of airlines (USD, million)	
	Scenario 1		Scenario 2		Scenario 1		Scenario 2		Scenario 1	Scenario 2
International from/to mainland China (Chinese carriers)	-11,600	-44%	-11,600	-44%	-9,800	-48%	-10,400	-50%	-\$2,170	-\$2,280
International from/to mainland China (Foreign carriers)	-9,400	-48%	-9,400	-48%	-8,200	-51%	-8,500	-53%	-\$2,140	-\$2,220
Regional between mainland China and Hong Kong SAR of China	-1,900	-50%	-1,900	-50%	-1,600	-53%	-1,700	-55%	-\$220	-\$230
Regional between mainland China and Macao SAR of China	-700	-48%	-700	-48%	-600	-51%	-700	-53%	-\$80	-\$90
Regional between mainland China and Taiwan, Province of China	-1,500	-45%	-1,500	-45%	-1,300	-49%	-1,300	-51%	-\$170	-\$180
Total	-25,100	-46%	-25,100	-46%	-21,500	-49%	-22,600	-52%	-\$4,780	-\$4,990



Scenario Analysis: Hong Kong SAR of China, Macao SAR of China and Taiwan, Province of China

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.



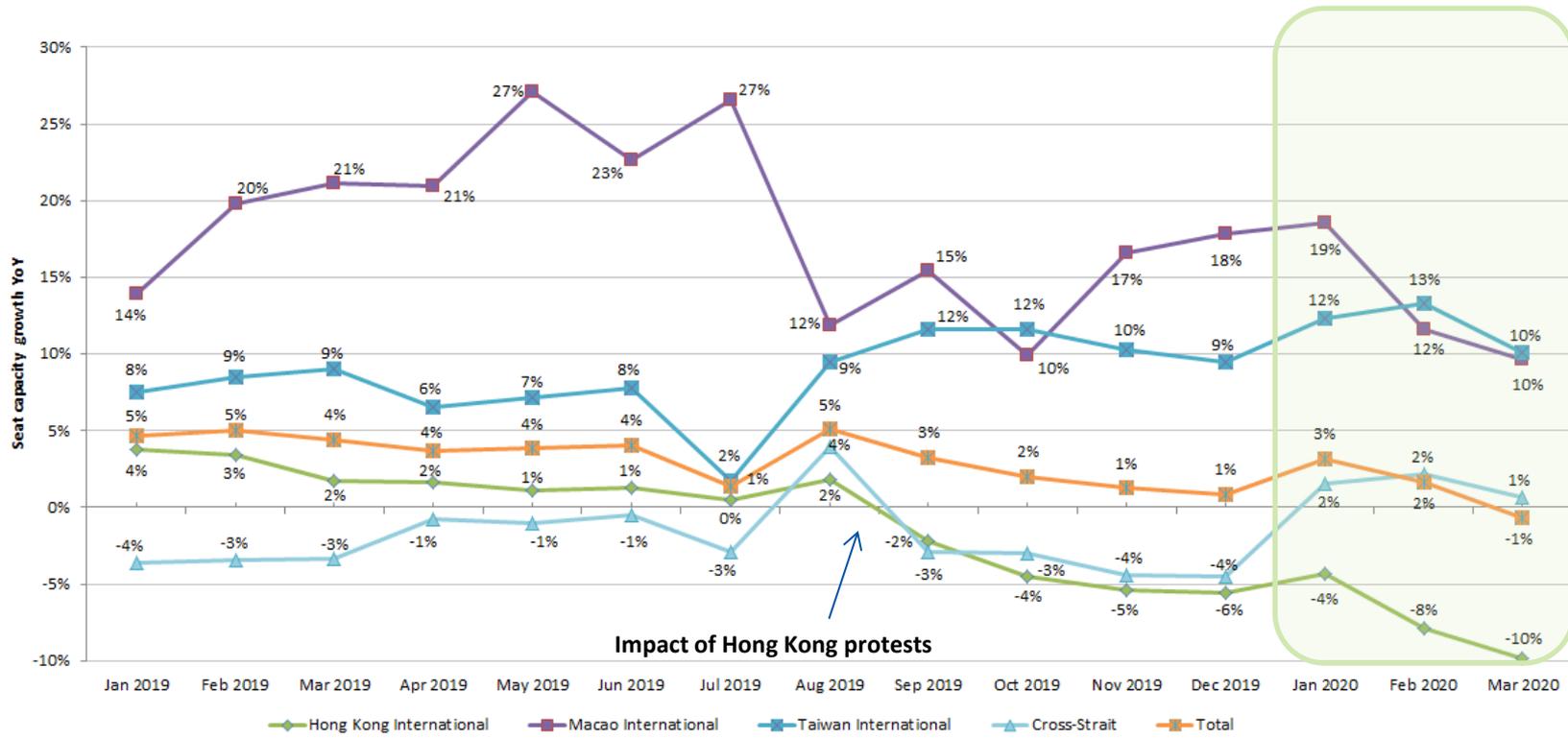
- **“Hong Kong International”** refers to scheduled international passenger services from/to Hong Kong Special Administrative Region (SAR) of China excluding:
 - scheduled passenger services between Hong Kong SAR of China and mainland China, Macao SAR of China and Taiwan, Province of China
- **“Macao International”** refers to scheduled international passenger services from/to Macao SAR of China excluding:
 - scheduled passenger services between Macao SAR of China and mainland China, Hong Kong SAR of China and Taiwan, Province of China
- **“Taiwan International”** refers to scheduled international passenger services from/to Taiwan, Province of China excluding:
 - scheduled passenger services between Taiwan, Province of China and mainland China, Hong Kong SAR of China and Macao SAR of China
- **“Cross-Strait”** refers to scheduled passenger services among Hong Kong SAR of China, Macao SAR of China and Taiwan, Province of China excluding:
 - **“Regional”** already included in the mainland China analysis



- **Baseline (hypothetical situation without COVID-19 outbreak)**
 - Seat capacity: used "originally-planned" winter schedule
 - Load factor: applied 80% except 87% for LCCs
- **Scenario 1 (mild)**
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: applied the same % as baseline in January, 15 and 12 percentage points lower than baseline in February and March, respectively
- **Scenario 2 (severe)**
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: applied the same % as baseline in January, 25 and 22 percentage points lower than baseline in February and March, respectively



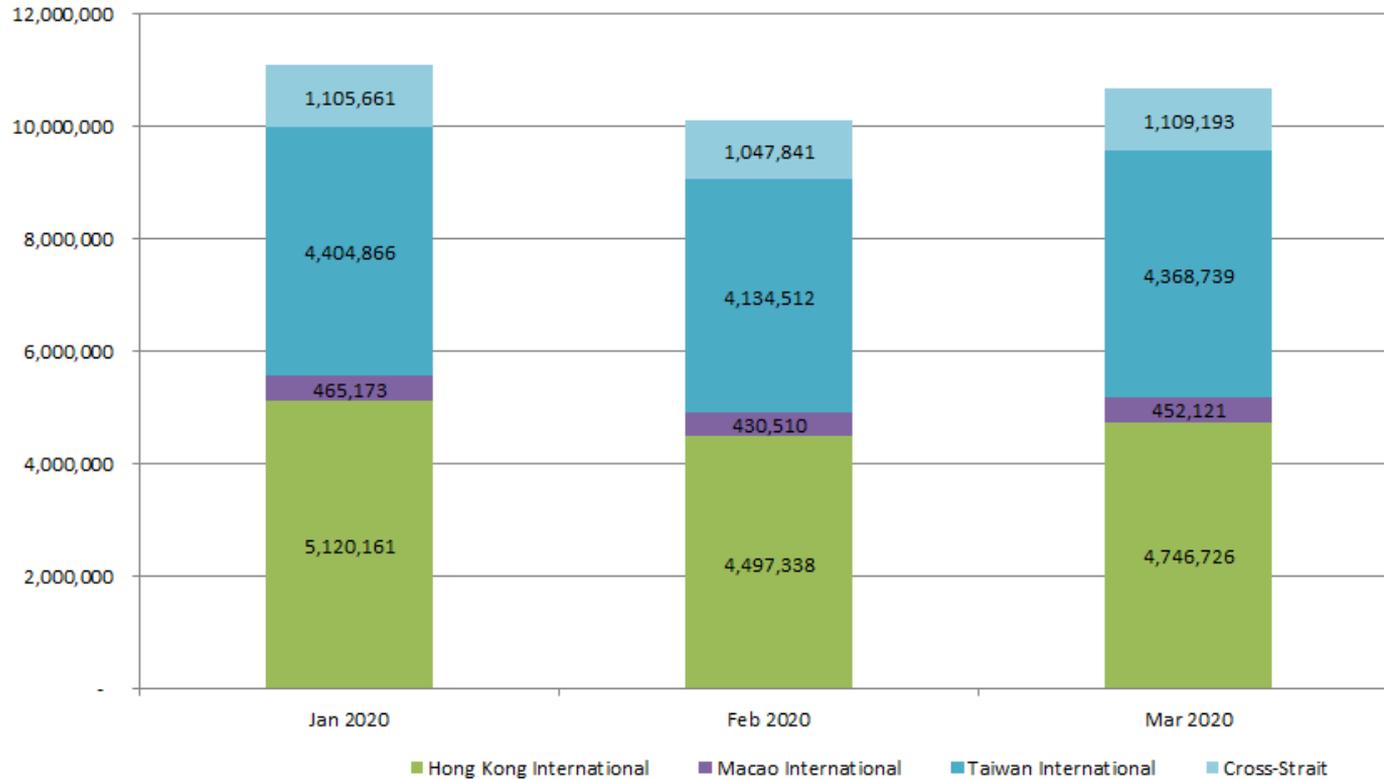
1% seat capacity increase compared to 1Q 2019



A total of YoY 1% seat capacity increase originally - planned for 1Q 2020 with the expectation of continued weak demand for Hong Kong SAR and Cross-strait services



Number of seats offered by airlines (1Q 2020 originally-planned)



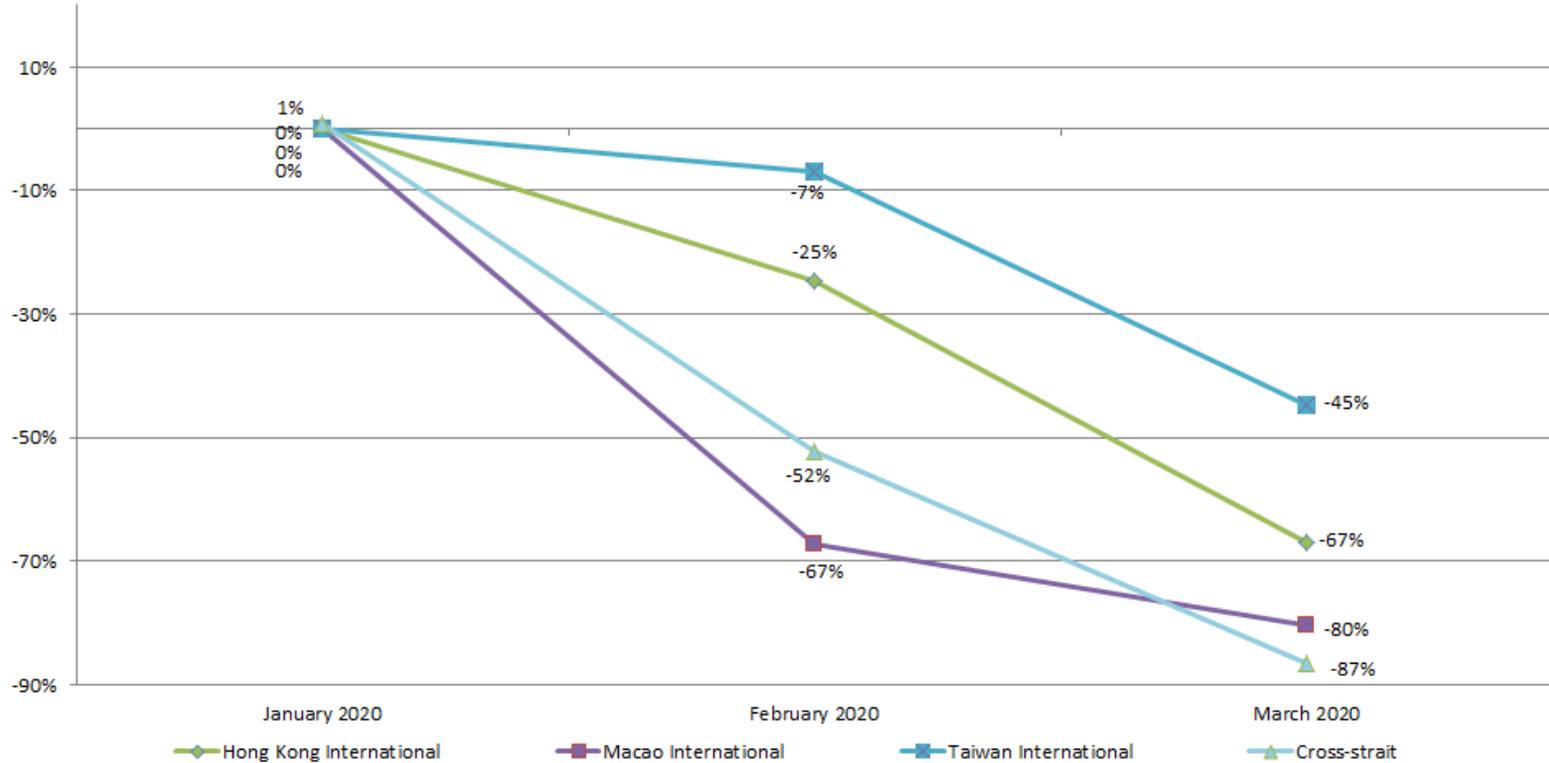
Capacity share 1Q 2020

- 45%: Hong Kong International
- 4%: Macao International
- 41%: Taiwan International
- 10%: Cross-Strait

Airlines originally planned to further reduce seat capacity in Hong Kong SAR due to the impact of Hong Kong protests and the continued trade tension.



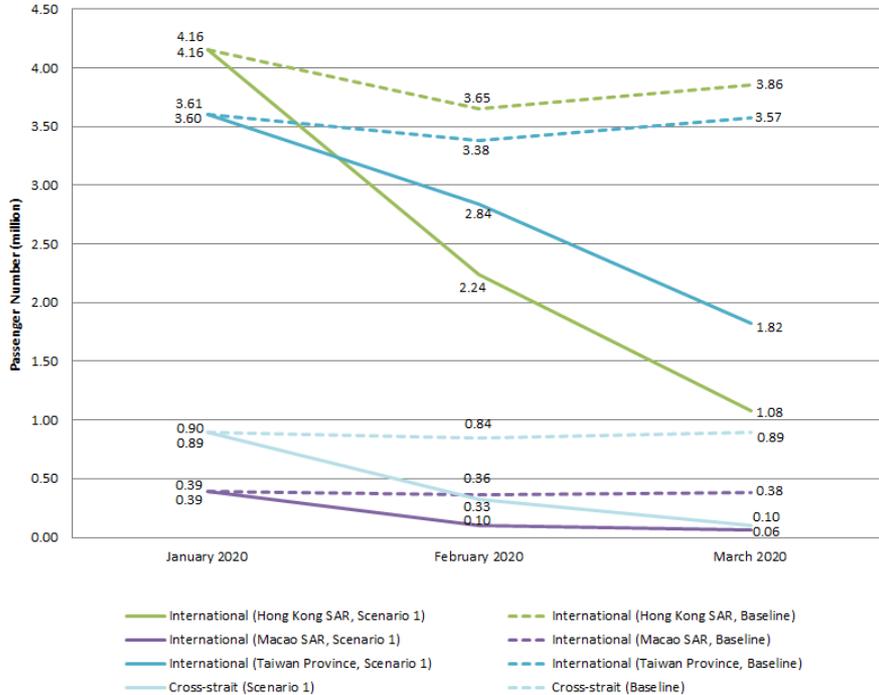
Scenarios 1 & 2: 27% seat capacity reduction from Baseline



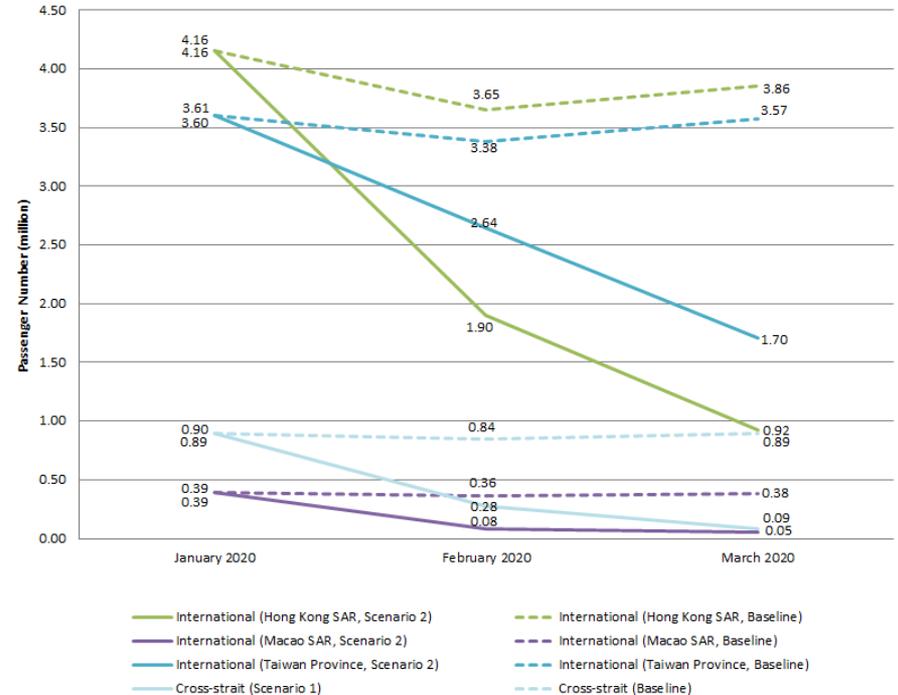


8.4 to 9.3 million passenger reduction in 1Q 2020 compared to Baseline

Scenario 1
8.4 million passenger reduction



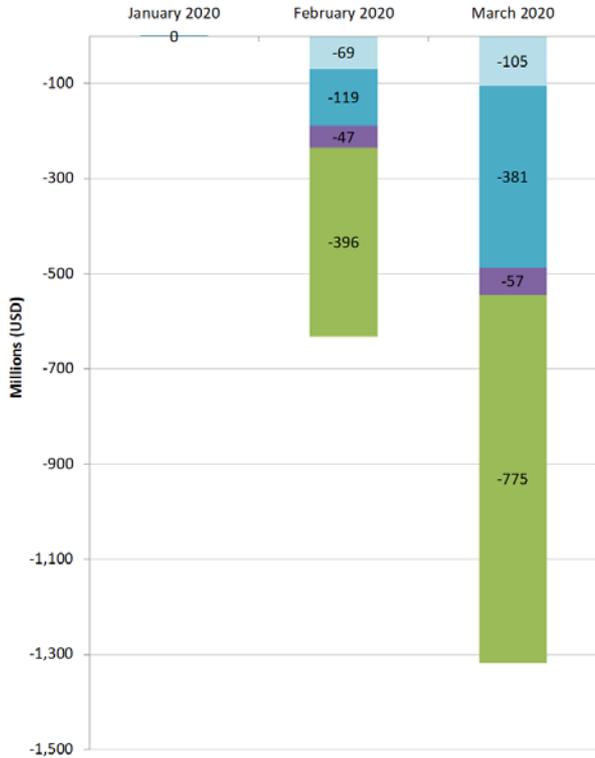
Scenario 2
9.3 million passenger reduction



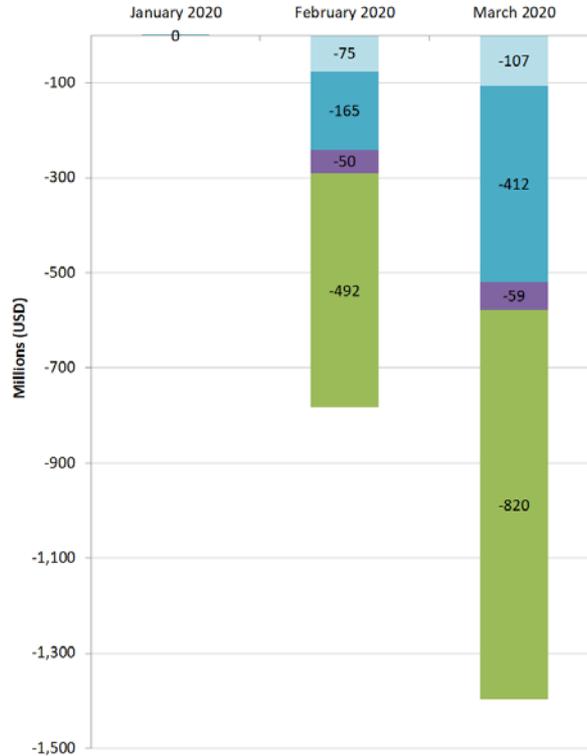


Approx. USD 1.9 to 2.2 billion potential loss of airline revenues for 1Q 2020 compared to Baseline

Scenario 1: USD 1.9 billion reduction



Scenario 2: USD 2.2 billion reduction



- Hong Kong International
- Macao International
- Cross-Strait

- Hong Kong International: calculated with an average fare of USD 287.6 per passenger with wide variations by destination (20% lower for LCCs);
- Macao International: calculated with an average fare of USD 172 per passenger (ditto);
- Cross-Strait: calculated with an average fare of USD 135 per passenger (ditto)



The preliminary estimates indicate the impact in terms of scheduled international passenger traffic from/to Hong Kong SAR of China, Macao SAR of China and Taiwan, Province of China, as well as scheduled passenger traffic among Hong Kong SAR of China, Macao SAR of China and Taiwan, Province of China, during 1Q 2020 compared to originally-planned:

- Overall reduction of **27% of seats offered by airlines**
- Overall reduction of **8.4 to 9.3 million passengers**
- Approx. **USD 1.9 to 2.2 billion potential loss** of gross operating revenues of airlines

Scope of analysis	Estimated Impact on									
	Number of seats offered by airlines (000)				Number of passengers (000)				Gross operating revenues of airlines (USD, million)	
	Scenario 1		Scenario 2		Scenario 1		Scenario 2		Scenario 1	Scenario 2
Hong Kong International	-4,300	-30%	-4,300	-30%	-4,200	-36%	-4,700	-40%	-\$1,170	-\$1,310
Macao International	-700	-48%	-700	-48%	-600	-51%	-600	-53%	-\$100	-\$110
Taiwan International	-2,200	-17%	-2,200	-17%	-2,300	-22%	-2,600	-25%	-\$500	-\$580
Cross-Strait	-1,500	-46%	-1,500	-46%	-1,300	-50%	-1,400	-52%	-\$170	-\$180
Total	-8,700	-27%	-8,700	-27%	-8,400	-32%	-9,300	-36%	-\$1,950	-\$2,180



Summary of Scenario Analysis: China + Additional Estimates

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.



- The direct impact of COVID-19 outbreak is expected to be greater than that caused by SARS in 2003 due to higher scale of flight cancellations and bigger economic size/air travel market of China
- The preliminary estimates indicate the impact in terms of scheduled international passenger traffic from/to China (including Hong Kong SAR of China, Macao SAR of China, Taiwan, Province of China, and cross-strait services) during 1Q 2020 compared to originally-planned:
 - Overall reduction of **39% of seats offered by airlines**
 - Overall reduction of **29.9 to 31.8 million passengers**
 - Approx. **USD 6.7 to 7.2 billion potential loss** of gross operating revenues of airlines
- The above estimates exclude, inter alia, the impact of traffic reduction related to air cargo, Chinese domestic, as well as other international services



Scope of analysis	Estimated Impact on									
	Number of seats offered by airlines (000)				Number of passengers (000)				Gross operating revenues of airlines (USD, million)	
	Scenario 1		Scenario 2		Scenario 1		Scenario 2		Scenario 1	Scenario 2
International from/to mainland China (Chinese carriers)	-11,600	-44%	-11,600	-44%	-9,800	-48%	-10,400	-50%	-\$2,170	-\$2,280
International from/to mainland China (Foreign carriers)	-9,400	-48%	-9,400	-48%	-8,200	-51%	-8,500	-53%	-\$2,140	-\$2,220
Regional between mainland China and Hong Kong SAR of China	-1,900	-50%	-1,900	-50%	-1,600	-53%	-1,700	-55%	-\$220	-\$230
Regional between mainland China and Macao SAR of China	-700	-48%	-700	-48%	-600	-51%	-700	-53%	-\$80	-\$90
Regional between mainland China and Taiwan, Province of China	-1,500	-45%	-1,500	-45%	-1,300	-49%	-1,300	-51%	-\$170	-\$180
Sub-total	-25,100	-46%	-25,100	-46%	-21,500	-49%	-22,600	-52%	-\$4,780	-\$4,990
Hong Kong International	-4,300	-30%	-4,300	-30%	-4,200	-36%	-4,700	-40%	-\$1,170	-\$1,310
Macao International	-700	-48%	-700	-48%	-600	-51%	-600	-53%	-\$100	-\$110
Taiwan International	-2,200	-17%	-2,200	-17%	-2,300	-22%	-2,600	-25%	-\$500	-\$580
Cross-Strait	-1,500	-46%	-1,500	-46%	-1,300	-50%	-1,400	-52%	-\$170	-\$180
Sub-total	-8,700	-27%	-8,700	-27%	-8,400	-32%	-9,300	-36%	-\$1,950	-\$2,180
Grand total	-33,700	-39%	-33,700	-39%	-29,900	-43%	-31,800	-46%	-\$6,730	-\$7,170



Domestic passenger services in mainland China in 1Q 2020

The preliminary estimates indicate the impact in terms of scheduled domestic passenger traffic within mainland China during 1Q 2020 compared to originally-planned:

- Overall reduction of **40% of seats offered by airlines**
- Overall reduction of **66.6 to 75.8 million passengers**
- Approx. **USD 6.7 to 7.6 billion potential loss** of gross operating revenues of airlines

Scope of analysis	Estimated Impact on									
	Number of seats offered by airlines (000)		Number of passengers (000)		Gross operating revenues of airlines (USD, million)					
	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2				
Domestic within mainland China	-76,100	-40%	-76,100	-40%	-66,600	-42%	-75,800	-48%	-\$6,460	-\$7,774
Assumption	Seat capacity is reduced by 3% in January 2020 and 60% in February and March 2020 from the originally-planned schedules (baseline)		Load factor is down from 83% (baseline) to 80% for 1Q 2020		Load factor is down from 83% (baseline) to 80% in January 2020, 58% in February 2020 and 65% in March 2020		Calculated with an average fare of USD 97 per passenger based on CANNNews.com.cn estimates		Calculated with an average fare of USD 102.5 per passenger based on traffic/financial reports of CA, CZ and MU	

PRELIMINARY



Potential loss of revenues from Chinese tourists to top 5 States in 1Q 2020

Top 5 States that Chinese traveller had the largest share		Baseline		Scenario 1		Scenario 2	
		Passenger number	Tourism revenue (in million USD)*	Passenger number	Tourism revenue (in million USD)*	Passenger number	Tourism revenue (in million USD)*
Australia		460,161	446.36	340,318	330.11	296,616	287.72
	Loss	-	-	-119,843	-116.25	-163,545	-158.64
France		240,523	233.31	137,867	133.73	120,670	117.05
	Loss	-	-	-102,656	-99.58	-119,853	-116.26
Japan		3,181,840	3,086.38	2,167,273	2102.25	1,855,034	1,799.38
	Loss	-	-	-1,014,567	-984.13	-1,326,806	-1287.00
Thailand		2,772,352	2,689.18	1,826,629	1771.83	1,589,458	1,541.77
	Loss	-	-	-945,723	-917.35	-1,182,894	-1147.41
United States		888,102	861.46	505,096	489.94	446,707	433.31
	Loss	-	-	-383,006	-371.52	-441,395	-428.15

- Data excludes Special Administrative Regions (SAR) of China (Hong Kong SAR and Macao SAR) and Taiwan, Province of China
- Calculated with average international tourism spending of China (USD 970) per tourist reported by UNWTO



Scenario Analysis: Republic of Korea

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.

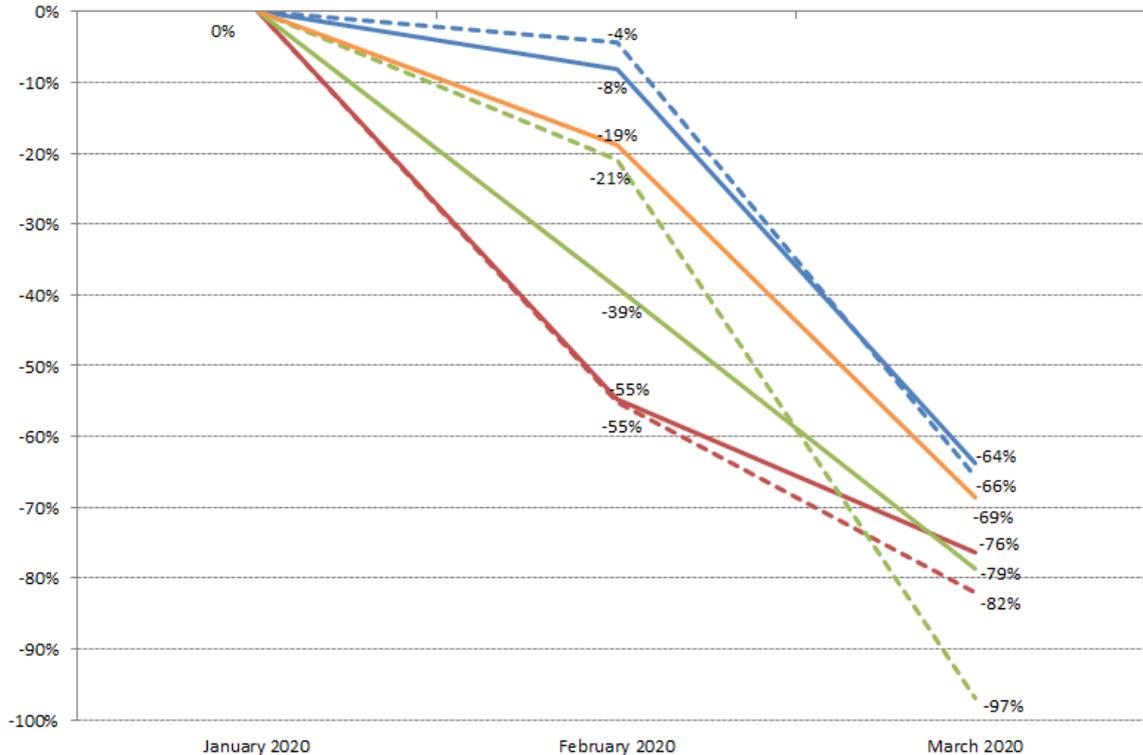


- Scope: scheduled international passenger services from/to Republic of Korea
- Baseline (hypothetical situation without COVID-19 outbreak)*
 - Seat capacity: used "originally-planned" winter schedule
 - Load factor: 80%
- Scenario 1 (mild)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: used the same percentage as Baseline
- Scenario 2 (severe)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: 10 percentage points lower in March (i.e. 70%)

*** Between Republic of Korea and China, Hong Kong SAR and Macao SAR of China:**
extracted the impacts involving Korea from the respective scenarios of China and Hong Kong/Macao SARs



29% seat capacity reduction in 1Q 2020 from Baseline

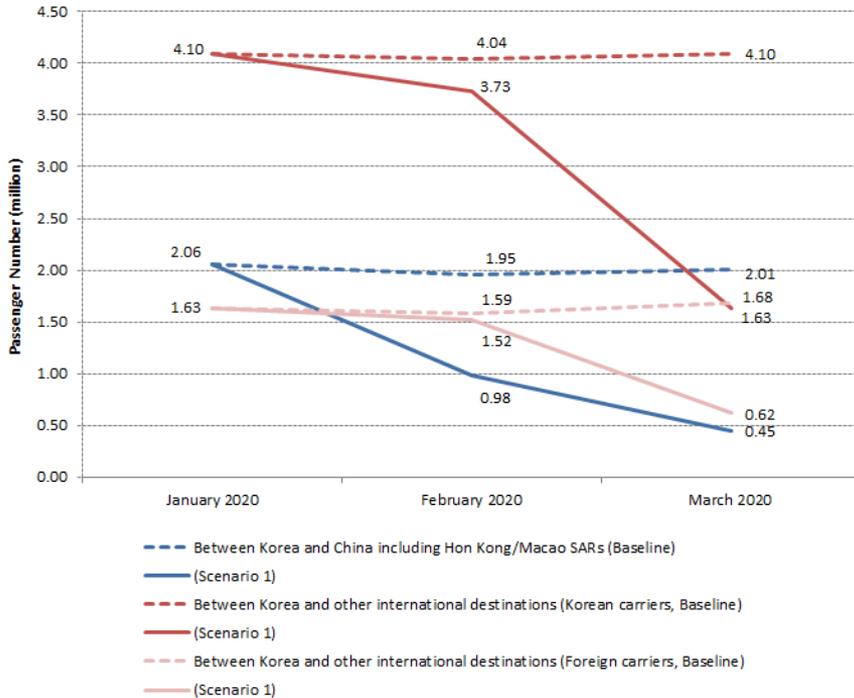


COVID-19 has started to impact airline operations from late February 2020 (except China routes)

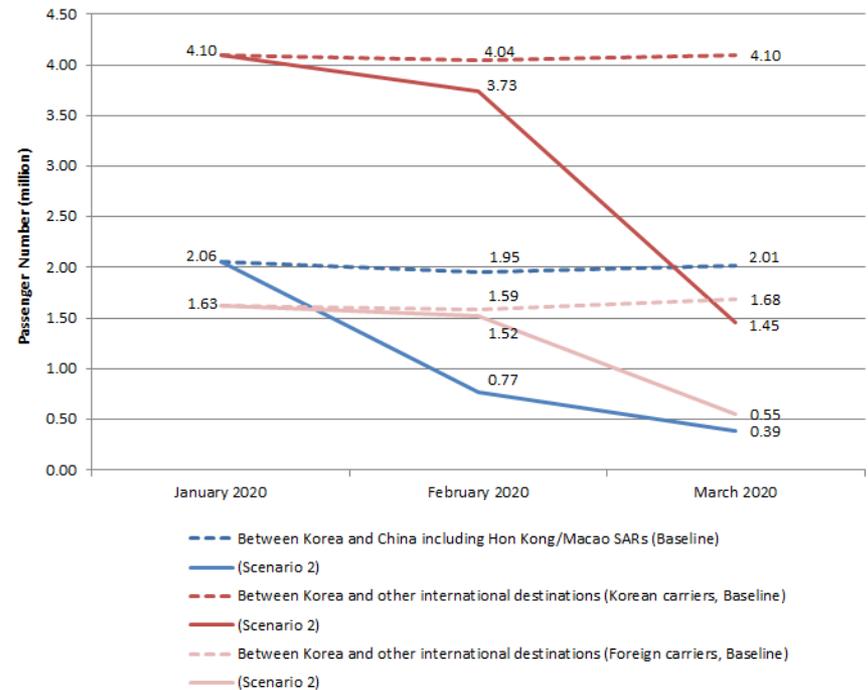
- Between Korea and China (Korean carriers)
- Between Korea and China (Foreign carriers)
- Between Korea and Hong Kong/Macao SARs of China (Korean carriers)
- Between Korea and Hong Kong/Macao SARs of China (Foreign carriers)
- Between Korea and other international destinations (Korean carriers)
- Between Korea and other international destinations (Foreign carriers)
- Total

6.4 to 7.0 million passenger reduction in 1Q 2020 compared to Baseline

Scenario 1: a total of 6.4 million passenger reduction for 1Q 2020 from Baseline



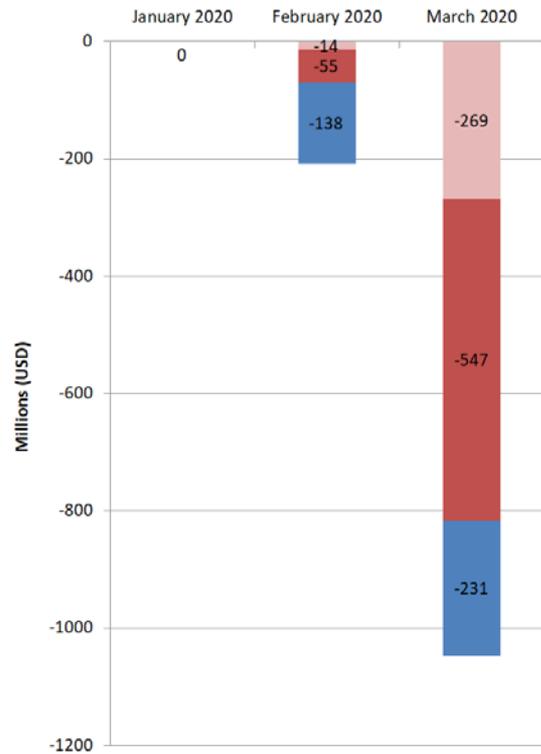
Scenario 2: a total of 7.0 million passenger reduction for 1Q 2020 from Baseline



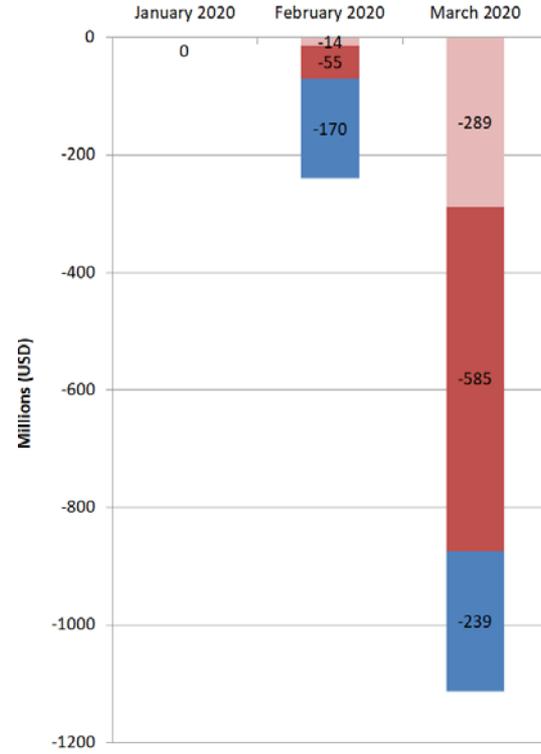


Approx. USD 1.3 to 1.4 billion potential loss of airline revenues for 1Q 2020 compared to Baseline

Scenario 1: USD 1.3 billion reduction



Scenario 2: USD 1.4 billion reduction



- Between Korea and China including Hon Kong/Macao SARs
- Between Korea and other international destinations (Korean carriers)
- Between Korea and other international destinations (Foreign carriers)

- Between Korea and China including Hong Kong SAR: extracted the impact involving Korea from scenarios 1 and 2 of China;
- Other internal destinations: calculated with an average fare ranging from USD 155 to 485 by destination (20% lower for LCCs)



Scenario Analysis: Italy

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.

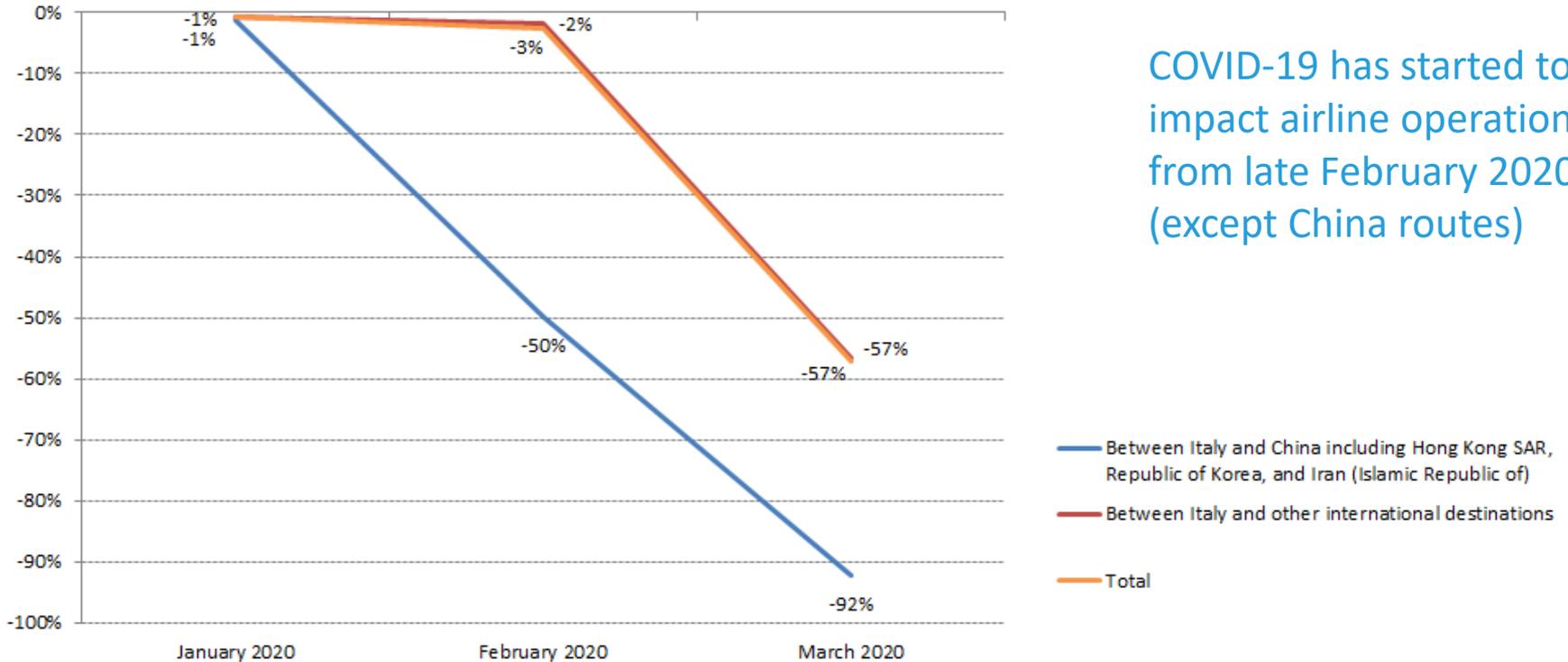


- Scope: scheduled international passenger services from/to Italy
- Baseline (hypothetical situation without COVID-19 outbreak)*
 - Seat capacity: used "originally-planned" winter schedule
 - Load factor: applied 80% (90% for short-haul LCCs)
- Scenario 1 (mild)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: used the same percentage as Baseline
- Scenario 2 (severe)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: 10 percentage points lower in March

*** Between Italy and China, Hong Kong SAR of China, as well as Republic of Korea:** extracted the impacts involving Italy from the respective scenarios of China, Hong Kong SAR and Korea

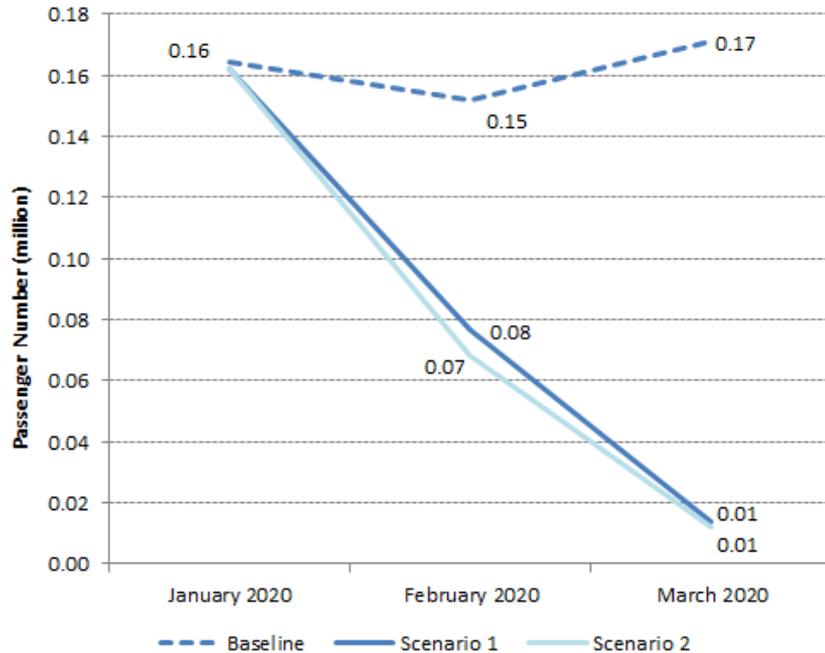


22% seat capacity reduction in 1Q 2020 from Baseline

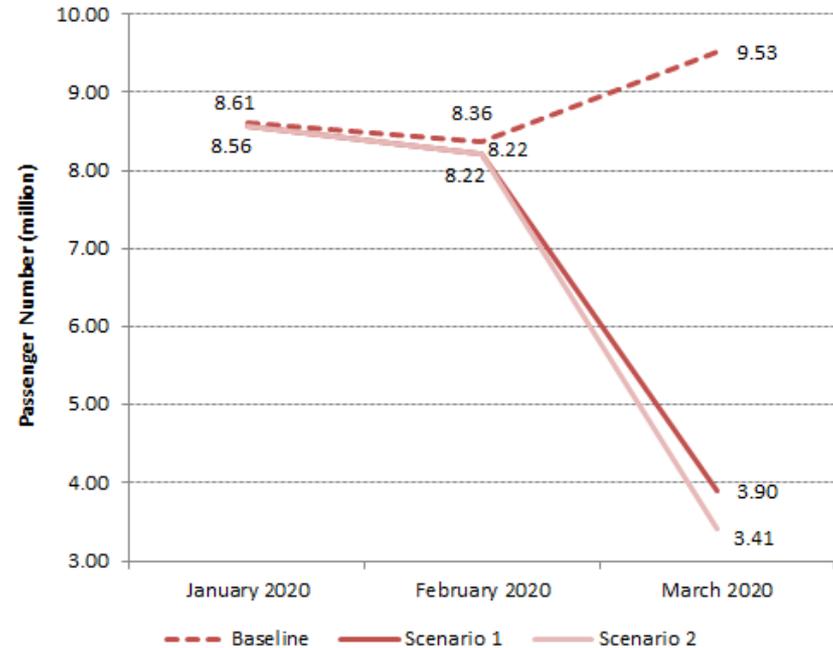


COVID-19 has started to impact airline operations from late February 2020 (except China routes)

6.1 to 6.6 million passenger reduction in 1Q 2020 compared to Baseline



Between Italy and China including Hong Kong SAR, Republic of Korea, and Iran (Islamic Republic of)

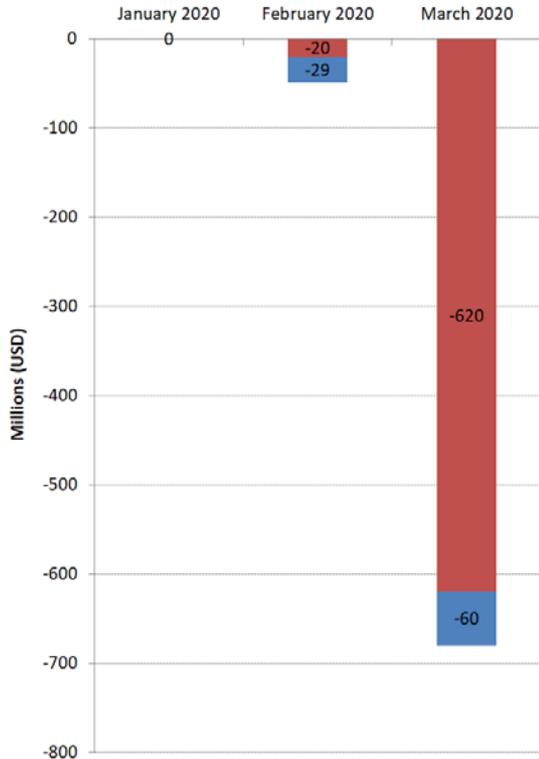


Between Italy and other international destinations

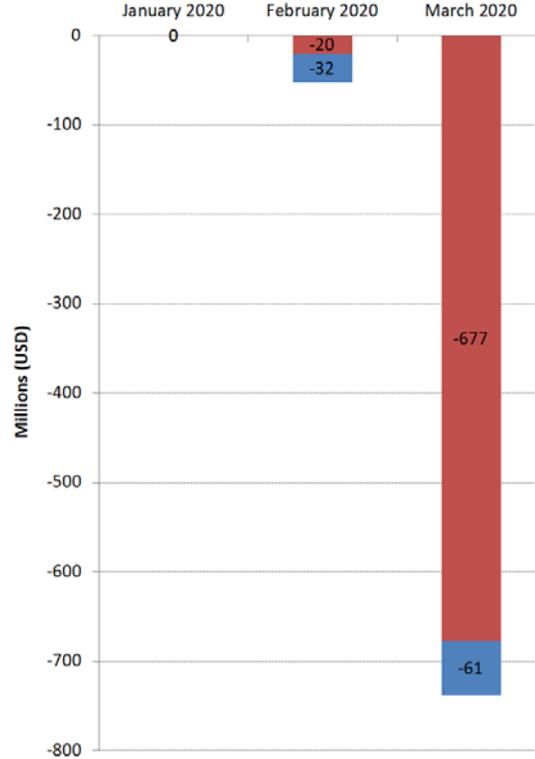


Approx. USD 0.7 to 0.8 billion potential loss of airline revenues for 1Q 2020 compared to Baseline

Scenario 1: USD 730 million reduction



Scenario 2: USD 790 million reduction



- Between Italy and China including Hong Kong SAR, Republic of Korea, and Iran (Islamic Republic of)
- Between Italy and other international destinations

- Between Italy and China, Hong Kong SAR and Macao SAR of China, as well as Republic of Korea: extracted the impacts involving Italy from the respective scenarios of China, Hong Kong/Macao SARs and Korea;
- Other internal destinations: calculated with an average fare ranging from USD 60 to 485 by destination (20% lower for LCCs)



Scenario Analysis: Iran (Islamic Republic of)

This is a preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.

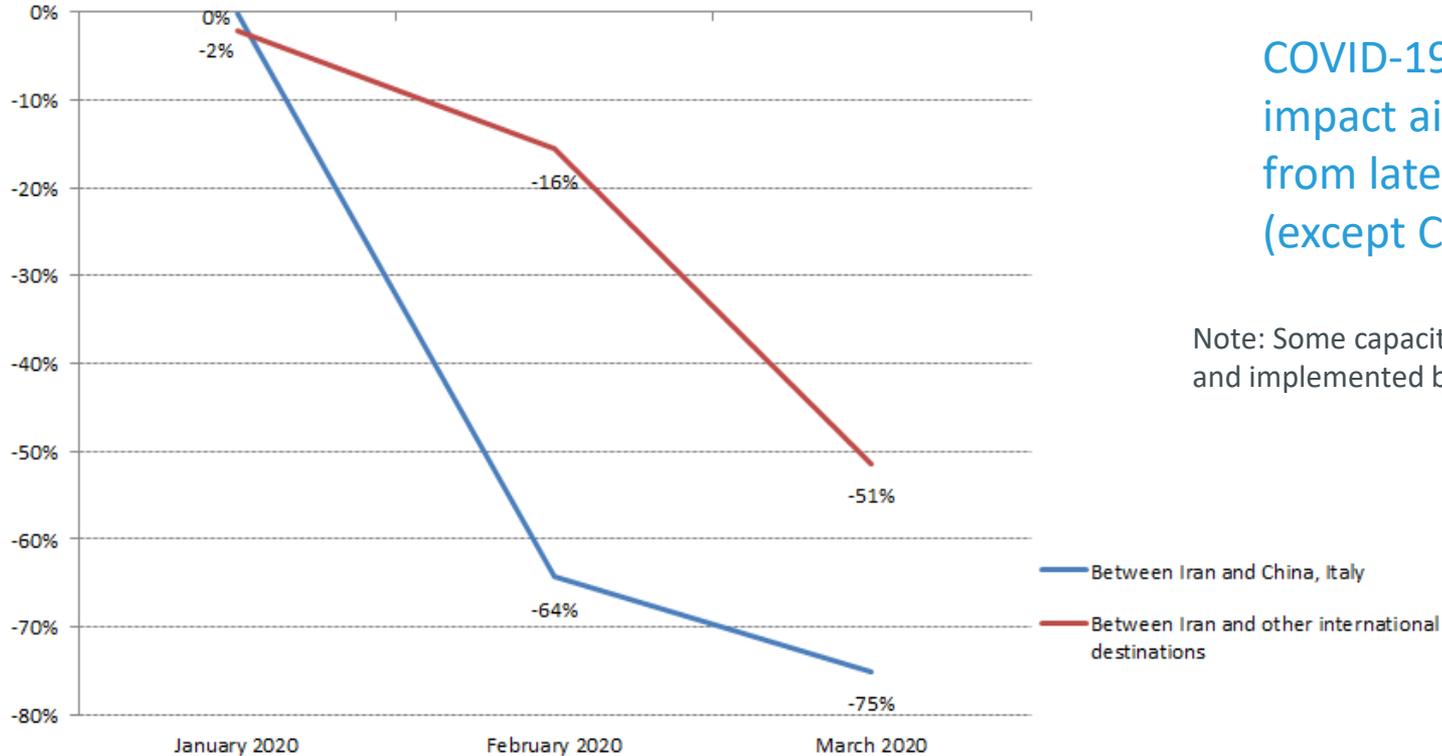


- Scope: scheduled international passenger services from/to Iran (Islamic Republic of)
- Baseline (hypothetical situation without COVID-19 outbreak)*
 - Seat capacity: used "originally-planned" winter schedule
 - Load factor: applied 80%
- Scenario 1 (mild)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: used the same percentage as Baseline
- Scenario 2 (severe)*
 - Seat capacity: estimated by airlines' schedule changes
 - Load factor: 10 percentage points lower in March (i.e. 70%)

* **Between Iran (Islamic Republic of) and China, as well as Italy:** extracted the impacts involving Iran from the respective scenarios of China and Italy



25% seat capacity reduction in 1Q 2020 from Baseline

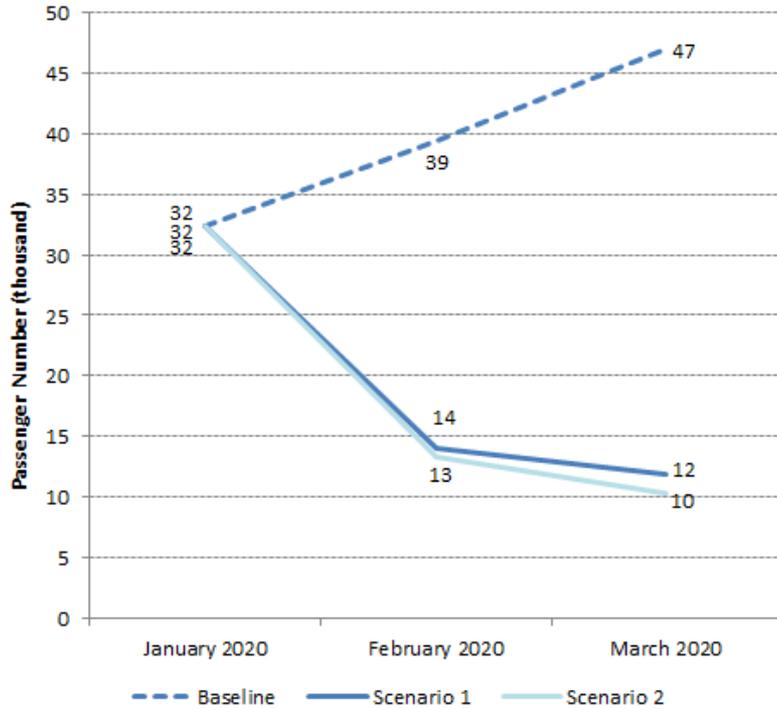


COVID-19 has started to impact airline operations from late February 2020 (except China routes)

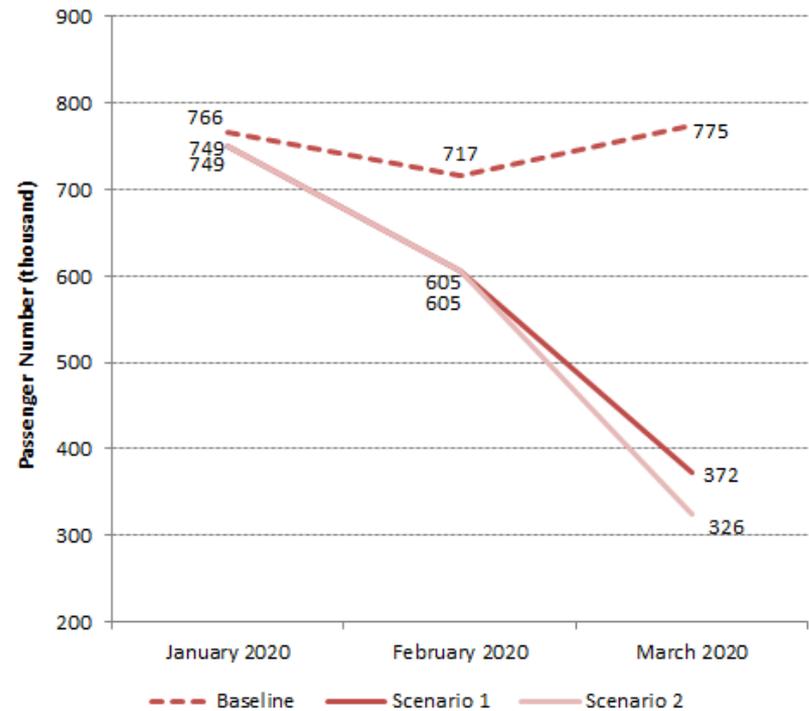
Note: Some capacity change was announced and implemented before COVID-19 outbreak



600,000 to 640,000 passenger reduction in 1Q 2020 compared to Baseline



Between Iran and China, Italy

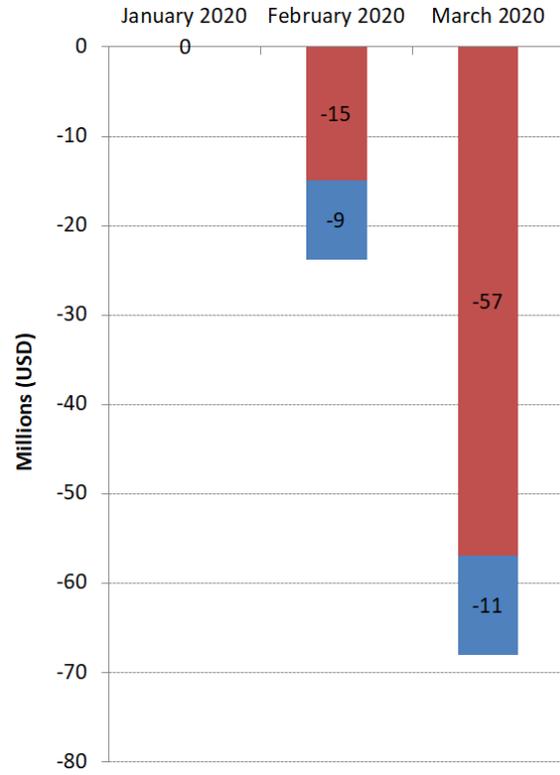


Between Iran and other international destinations

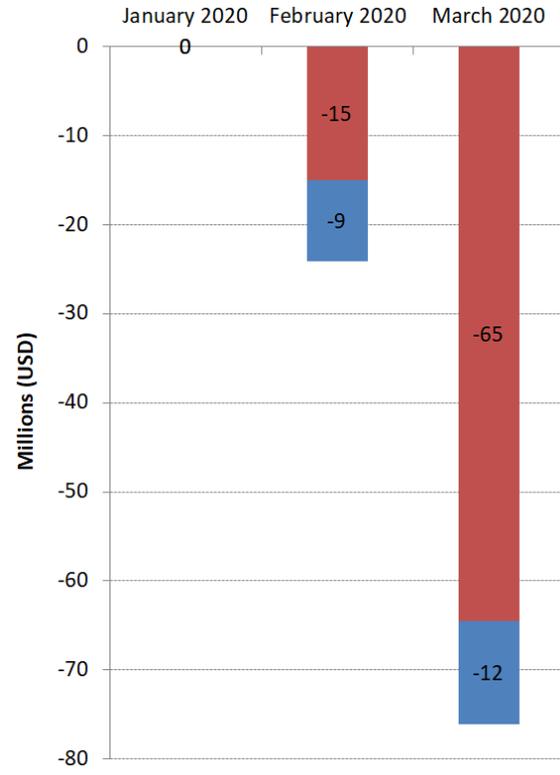


Approx. USD 92 to 100 million potential loss of airline revenues for 1Q 2020 compared to Baseline

Scenario 1: USD 92 million reduction



Scenario 2: USD 100 million reduction



- Between Iran and China, Italy
- Between Iran and other international destinations

- Between Italy and China, Italy: extracted the impacts involving Iran from the respective scenarios of China and Italy;
- Other internal destinations: calculated with an average fare ranging from USD 105 to 370 by destination (20% lower for LCCs)

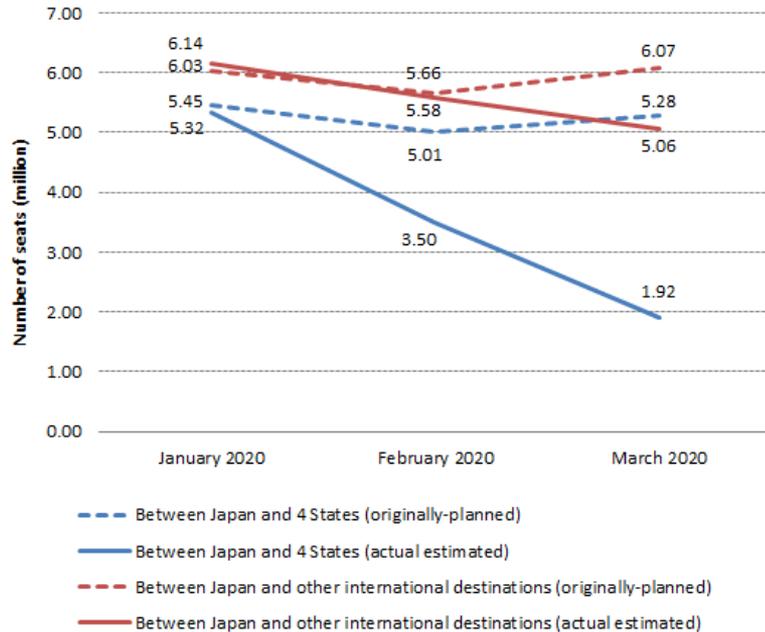


Preliminary Analysis: Japan and Singapore

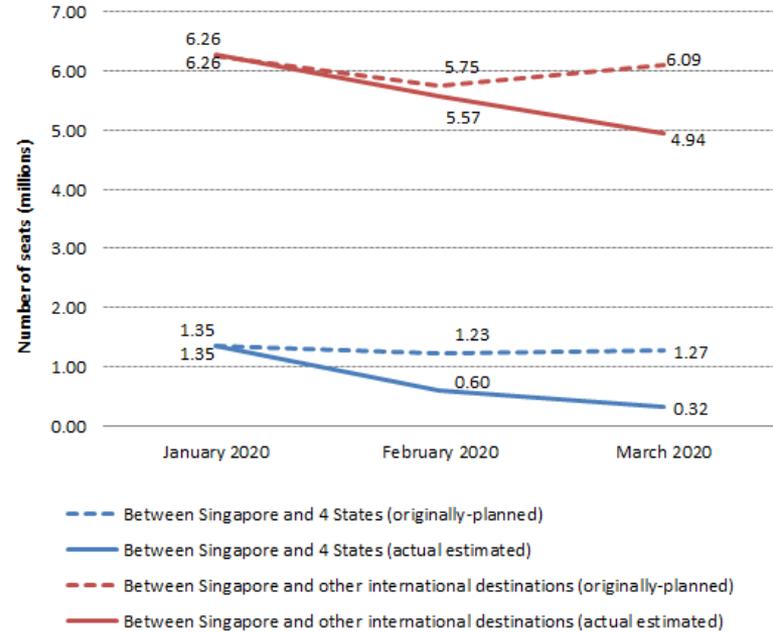
This section contains a very preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.

Japan/Singapore reported the second highest confirmed cases till mid-February*

International passenger seat capacity (Japan)



International passenger seat capacity (Singapore)



* *Coronavirus Disease 2019 (COVID-19) Situation Report by WHO*

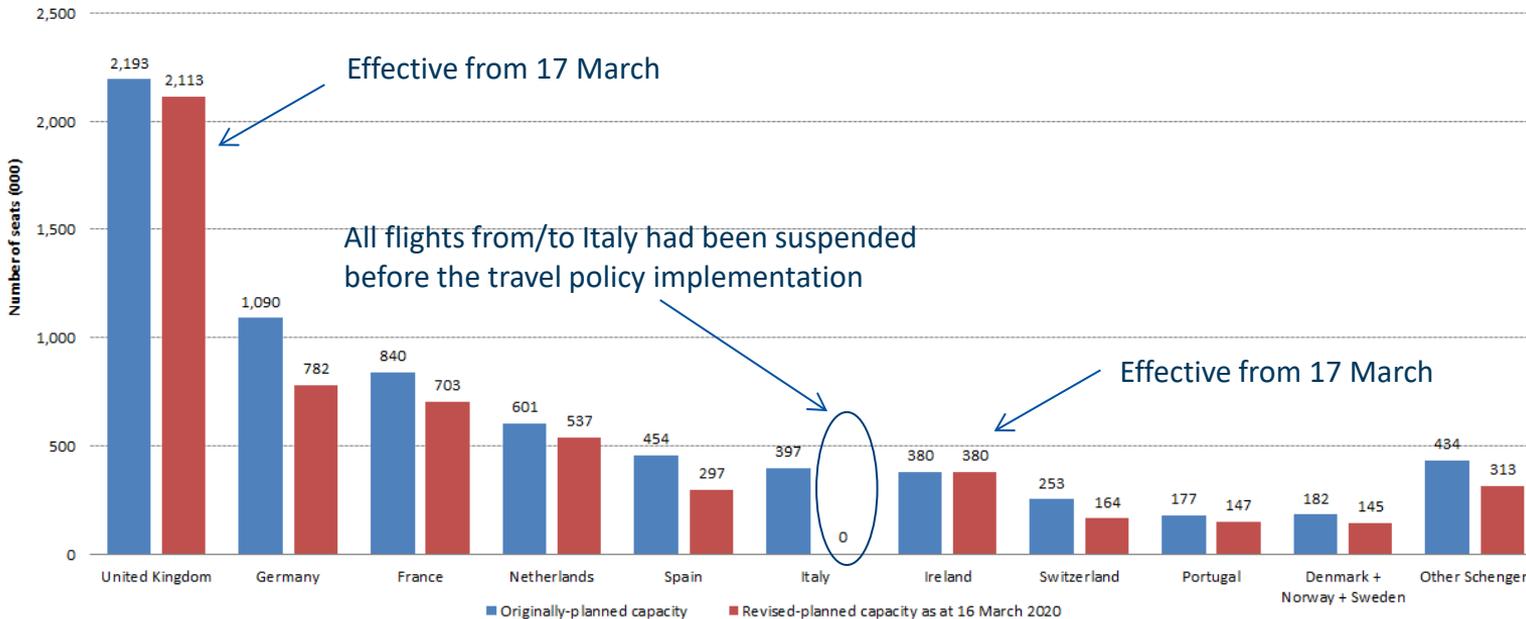


Preliminary Analysis: Transatlantic between United States and Schengen Area

This section contains a very preliminary analysis. Figures and estimates herein will be updated with the situation evolving and more information available.

19% capacity reduction so far since the announcement of U.S. travel policy

International passenger capacity between U.S. and Schengen Area + UK/Ireland
(for 30 days from 14 March with entry restrictions by the U.S. travel policy announced on 10 March 2020)



The U.S. travel policy would affect maximum approx. **5.5 million passengers** for one month if all the flights were suspended



ICAO

UNITING AVIATION

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THANK YOU

<https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx>

<https://www.icao.int/Newsroom/Pages/Economic-impact-estimates-due-to-COVID-19-travel-bans.aspx>

<https://www.icao.int/Security/COVID-19/Pages/default.aspx>

<http://www.capsca.org/CoronaVirusRefs.html>