



ICAO

UNITING AVIATION

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

Montréal, Canada  
7 April 2020





- **Introduction, background and situation overview**
- **Global level analysis**
  - Impact on International Passenger Traffic
  - Impacts on Airports, Cargo and Tourism
- **State level scenario analysis**
  - China
  - Republic of Korea
  - Italy
  - Iran (Islamic Republic of)
- **Appendix: Scenario assumptions**

The preliminary estimates indicate the COVID-19 impact on scheduled international passenger traffic during first half 2020, compared to Baseline (originally-planned):

- Overall reduction of **41 to 51% of seats offered by airlines**
- Overall reduction of **443 to 561 million passengers**
- Approx. **USD 98 to 124 billion potential loss** of gross operating revenues of airlines

Biggest overall impact is expected in Europe and Asia/Pacific, followed by North America and Middle East.

If the current-level of contraction continues to September 2020, airlines would lose over USD 35 billion gross operating revenues every month in the 3rd quarter 2020, hitting summer travel peak season, especially in Europe and North America.



| ICAO

UNITING AVIATION

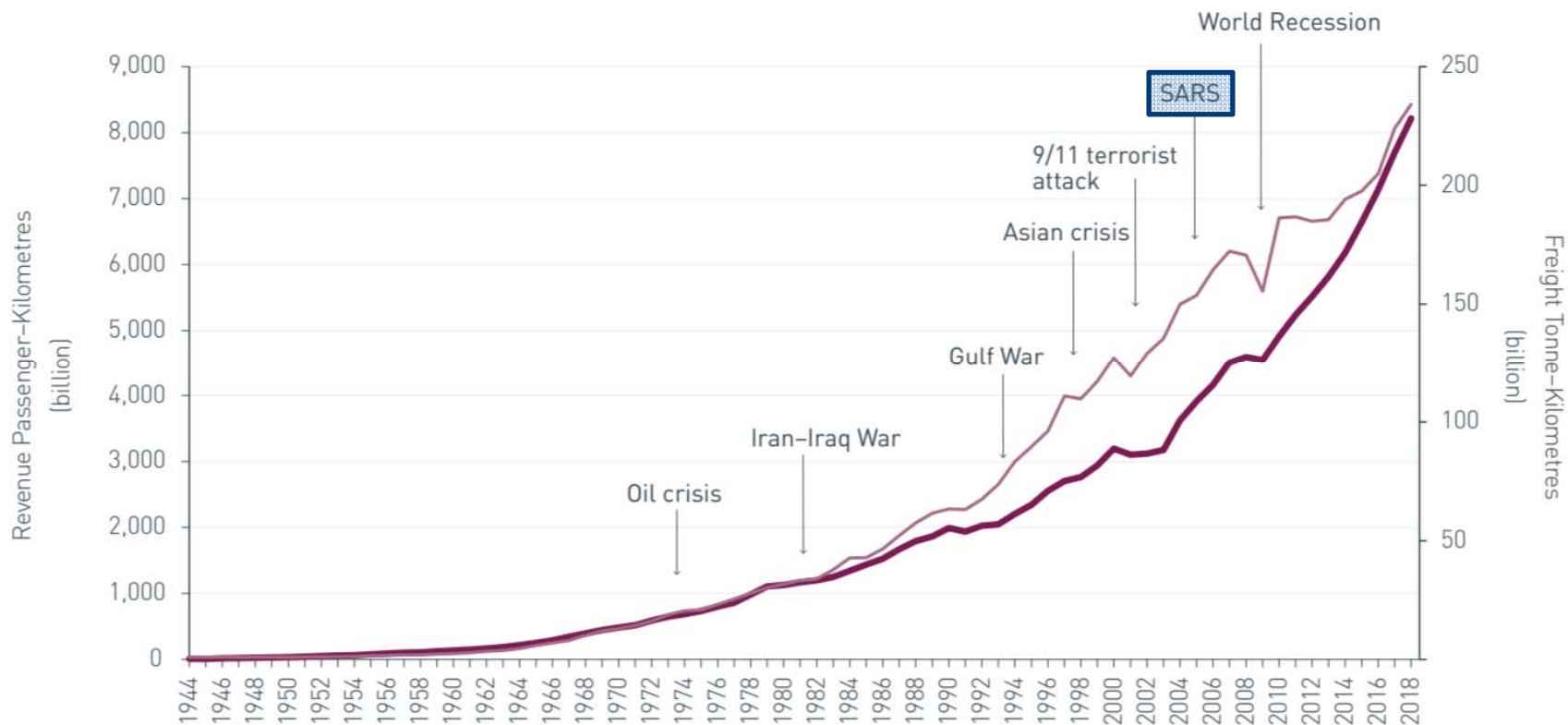
## **Introduction, Background and Situation Overview**



ICAO

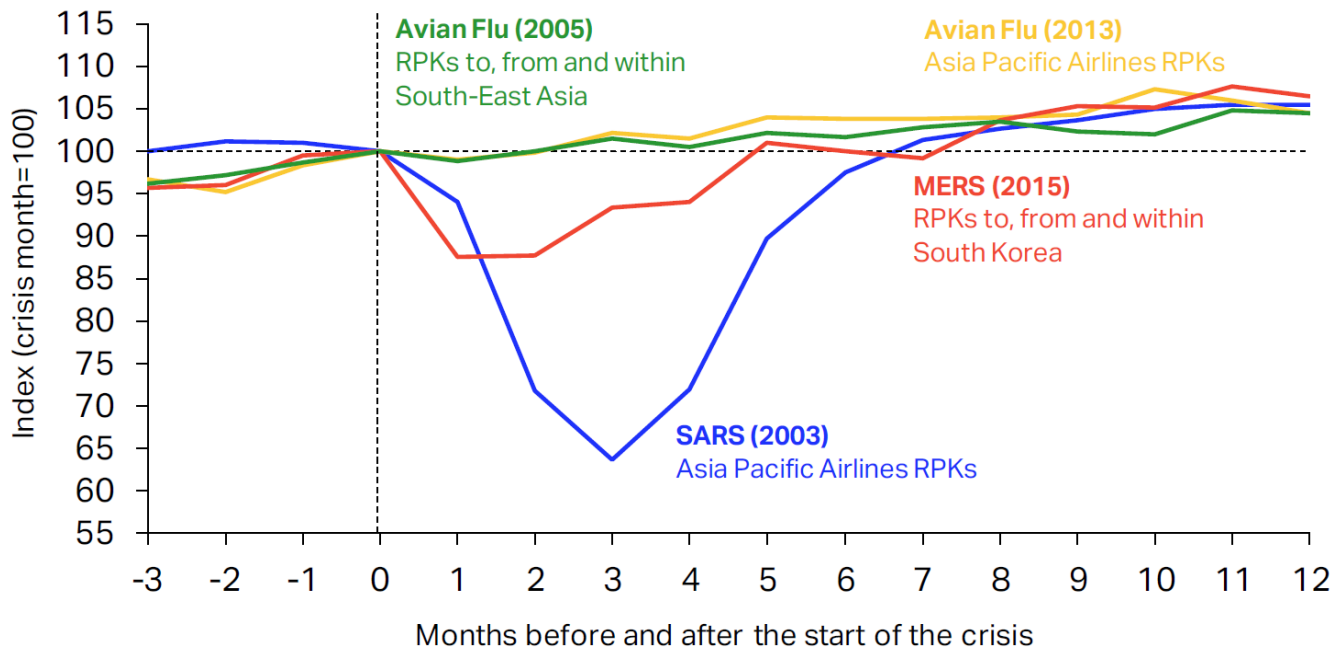
UNITING AVIATION

## Air traffic has been vulnerable to external factors including disease outbreaks



# Previous outbreaks/pandemics had a V-shaped impact on aviation

## Impact of past outbreaks on aviation

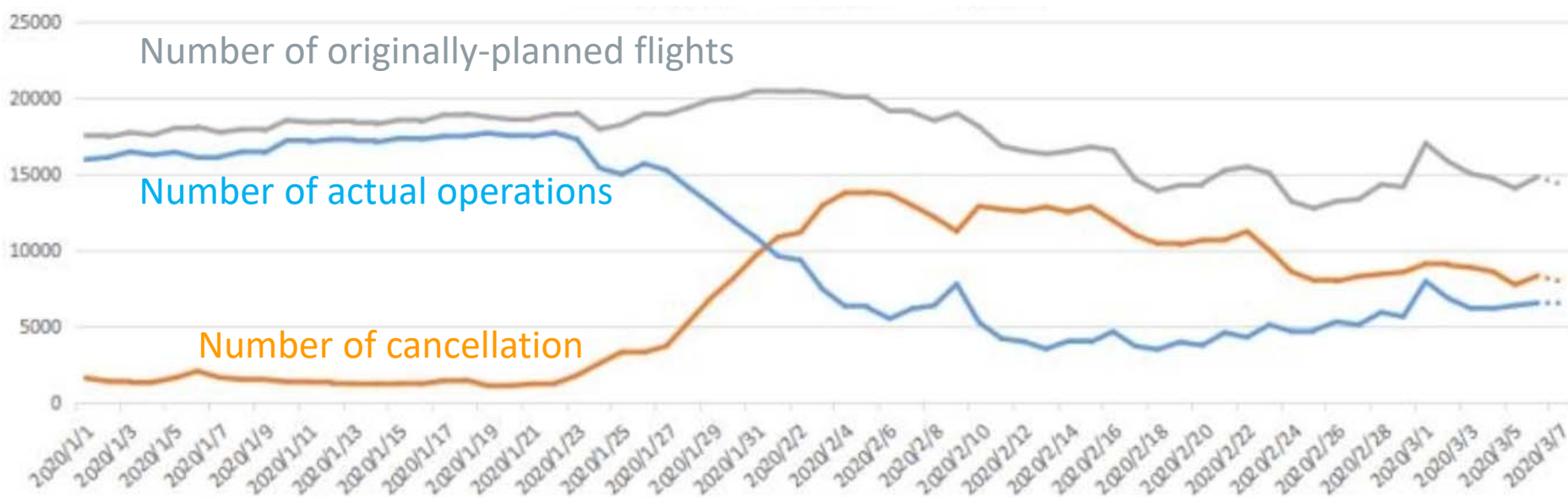


History shows that SARS has the most serious impact on traffic. At the height of the outbreak (May 2003), monthly RPKs of Asia-Pacific airlines were 35% lower than their pre-crisis levels. Overall in 2003, Asia-Pacific airlines lost **8% of annual RPKs** and **\$6 billion of revenues**.

Source: IATA Economics



## COVID-19 outbreak has impacted air traffic for China starting from late 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

# A surge of COVID-19 confirmed cases occurred in several States by late February 2020

February 2020 International passenger seat capacity

| Country/Territory                | Capacity change from originally-planned |
|----------------------------------|-----------------------------------------|
| China                            | - 10,532,219 -61%                       |
| Hong Kong SAR of China (CN)      | - 2,363,320 -36%                        |
| Republic of Korea                | - 1,717,147 -19%                        |
| Japan                            | - 1,592,429 -15%                        |
| Thailand                         | - 1,452,478 -15%                        |
| Taiwan, Province of China (CN)   | - 1,446,686 -23%                        |
| Singapore                        | - 807,608 -12%                          |
| Viet Nam                         | - 731,936 -16%                          |
| Macao SAR of China (CN)          | - 721,489 -64%                          |
| Philippines                      | - 646,104 -18%                          |
| United States                    | - 620,296 -3%                           |
| Malaysia                         | - 448,172 -8%                           |
| Indonesia                        | - 426,102 -10%                          |
| Russian Federation               | - 317,890 -5%                           |
| Cambodia                         | - 307,968 -4%                           |
| Turkey                           | - 277,868 -21%                          |
| Italy                            | - 268,846 -3%                           |
| United Arab Emirates             | - 253,548 -2%                           |
| Australia                        | - 241,284 -5%                           |
| United Kingdom                   | - 188,864 -1%                           |
| Iran Islamic Republic of         | - 169,782 -18%                          |
| France                           | - 157,998 -1%                           |
| Myanmar                          | - 147,487 -21%                          |
| Germany                          | - 145,561 -1%                           |
| India                            | - 116,823 -2%                           |
| Morocco                          | - 108,186 -5%                           |
| Qatar                            | - 99,338 -2%                            |
| Canada                           | - 96,231 -1%                            |
| Lao People's Democratic Republic | - 71,910 -21%                           |
| Finland                          | - 71,413 -4%                            |
| <b>World total</b>               | <b>- 27,848,643 -8%</b>                 |

February 2020 excluding from/to China, Iran, Italy and Korea

| Country/Territory  | Capacity change from originally-planned |
|--------------------|-----------------------------------------|
| Turkey             | - 198,068 -3%                           |
| Singapore          | - 167,046 -3%                           |
| Russian Federation | - 163,237 -3%                           |
| Malaysia           | - 121,931 -3%                           |
| Indonesia          | - 116,273 -3%                           |
| Morocco            | - 85,922 -4%                            |
| United Kingdom     | - 83,417 0%                             |
| France             | - 68,186 -1%                            |
| Iraq               | - 67,359 -9%                            |
| Thailand           | - 64,123 -1%                            |
| Viet Nam           | - 60,708 -3%                            |
| United States      | - 52,419 0%                             |
| Lebanon            | - 51,639 -7%                            |
| Libya              | - 50,977 -27%                           |
| Qatar              | - 39,735 -1%                            |
| Tunisia            | - 35,473 -5%                            |
| Saudi Arabia       | - 30,901 -1%                            |
| Czechia            | - 28,105 -2%                            |
| Puerto Rico (US)   | - 26,854 -2%                            |
| Cambodia           | - 26,018 -4%                            |
| Finland            | - 23,399 -1%                            |
| Jordan             | - 22,697 -3%                            |
| South Africa       | - 21,734 -2%                            |
| Romania            | - 20,729 -1%                            |
| Denmark            | - 19,692 -1%                            |
| Algeria            | - 19,020 -2%                            |
| Israel             | - 18,776 -1%                            |
| Greece             | - 16,930 -1%                            |
| Poland             | - 16,860 -1%                            |
| Uzbekistan         | - 16,113 -4%                            |
| <b>World total</b> | <b>- 1,758,542 -1%</b>                  |

In February 2020, international passenger capacity **reduced by 8%**, mainly related to traffic from/to States experiencing an early outbreak and countries deeply interconnected to China.

State/Territory with 100 to 999 confirmed cases\*

State/Territory with 1,000 to 9,999 confirmed cases\*

State/Territory with 10,000 to 49,999 confirmed cases\*

State/Territory with 50,000 or more confirmed cases\*

\*: Coronavirus Disease 2019 (COVID-19) Situation Report by WHO (29 February 2020)



# COVID-19 Pandemic was declared and accelerating in March 2020

| March 2020                     | International passenger seat capacity   |                    |             |
|--------------------------------|-----------------------------------------|--------------------|-------------|
| Country/Territory              | Capacity change from originally-planned |                    |             |
| China                          | -                                       | 14,734,300         | -82%        |
| Italy                          | -                                       | 6,852,300          | -60%        |
| Republic of Korea              | -                                       | 6,511,100          | -70%        |
| Japan                          | -                                       | 5,686,700          | -50%        |
| Germany                        | -                                       | 5,331,200          | -28%        |
| Hong Kong SAR of China (CN)    | -                                       | 5,305,300          | -76%        |
| United Kingdom                 | -                                       | 4,617,500          | -18%        |
| United States                  | -                                       | 4,451,400          | -45%        |
| Thailand                       | -                                       | 4,261,200          | -19%        |
| Taiwan, Province of China (CN) | -                                       | 4,026,700          | -62%        |
| Spain                          | -                                       | 3,289,600          | -23%        |
| United Arab Emirates           | -                                       | 3,172,100          | -43%        |
| Singapore                      | -                                       | 3,106,000          | -24%        |
| France                         | -                                       | 2,839,300          | -22%        |
| Turkey                         | -                                       | 2,769,000          | -34%        |
| Viet Nam                       | -                                       | 2,564,200          | -55%        |
| Malaysia                       | -                                       | 2,424,100          | -41%        |
| India                          | -                                       | 1,926,300          | -27%        |
| Saudi Arabia                   | -                                       | 1,734,900          | -31%        |
| Switzerland                    | -                                       | 1,626,200          | -44%        |
| Philippines                    | -                                       | 1,567,900          | -26%        |
| Indonesia                      | -                                       | 1,402,000          | -32%        |
| Netherlands                    | -                                       | 1,125,900          | -15%        |
| Canada                         | -                                       | 1,119,300          | -28%        |
| Austria                        | -                                       | 1,081,500          | -18%        |
| Russian Federation             | -                                       | 1,058,200          | -23%        |
| Australia                      | -                                       | 1,027,200          | -14%        |
| Portugal                       | -                                       | 1,000,500          | -29%        |
| Belgium                        | -                                       | 968,400            | -20%        |
| Qatar                          | -                                       | 948,100            | -22%        |
| <b>World total</b>             | -                                       | <b>128,121,250</b> | <b>-33%</b> |

| March 2020           | excluding from/to China, Iran, Italy and Korea |                   |             |
|----------------------|------------------------------------------------|-------------------|-------------|
| Country/Territory    | Capacity change from originally-planned        |                   |             |
| Germany              | -                                              | 4,710,781         | -28%        |
| United Kingdom       | -                                              | 4,084,431         | -20%        |
| United States        | -                                              | 3,521,657         | -15%        |
| Spain                | -                                              | 3,099,403         | -24%        |
| United Arab Emirates | -                                              | 2,750,347         | -23%        |
| France               | -                                              | 2,479,599         | -22%        |
| Turkey               | -                                              | 2,358,866         | -32%        |
| Singapore            | -                                              | 2,142,201         | -37%        |
| Thailand             | -                                              | 1,838,257         | -30%        |
| India                | -                                              | 1,790,906         | -26%        |
| Saudi Arabia         | -                                              | 1,724,927         | -31%        |
| Malaysia             | -                                              | 1,597,372         | -34%        |
| Switzerland          | -                                              | 1,502,847         | -26%        |
| Netherlands          | -                                              | 1,051,113         | -16%        |
| Indonesia            | -                                              | 1,045,548         | -29%        |
| Austria              | -                                              | 1,045,431         | -28%        |
| Japan                | -                                              | 1,035,369         | -23%        |
| Portugal             | -                                              | 983,469           | -24%        |
| Canada               | -                                              | 956,400           | -13%        |
| Denmark              | -                                              | 876,192           | -27%        |
| Poland               | -                                              | 850,737           | -23%        |
| Belgium              | -                                              | 840,973           | -28%        |
| Israel               | -                                              | 812,842           | -40%        |
| Qatar                | -                                              | 787,304           | -18%        |
| Viet Nam             | -                                              | 784,206           | -35%        |
| Sweden               | -                                              | 727,937           | -24%        |
| Egypt                | -                                              | 720,015           | -26%        |
| Russian Federation   | -                                              | 719,641           | -14%        |
| Morocco              | -                                              | 674,209           | -30%        |
| Australia            | -                                              | 674,096           | -18%        |
| <b>World total</b>   | -                                              | <b>64,184,832</b> | <b>-22%</b> |

In March 2020, COVID-19 and its impacts have gone global. International passenger capacity **reduced by 33%**, with significant reduction not only in States experiencing an early outbreak but also at the worldwide scale.

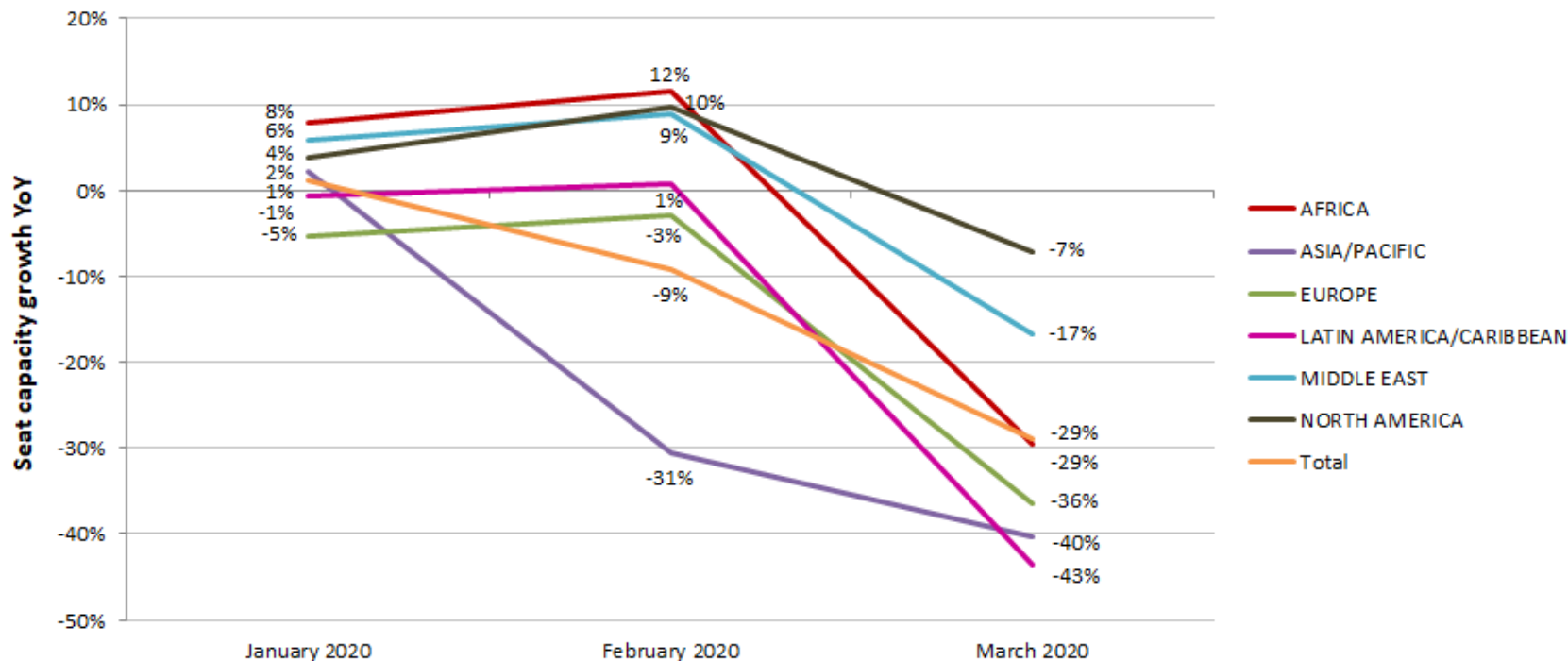
|  |                                                        |
|--|--------------------------------------------------------|
|  | State/Territory with 100 to 999 confirmed cases*       |
|  | State/Territory with 1,000 to 9,999 confirmed cases*   |
|  | State/Territory with 10,000 to 49,999 confirmed cases* |
|  | State/Territory with 50,000 or more confirmed cases*   |

\*: Coronavirus Disease 2019 (COVID-19) Situation Report by WHO (31 March 2020)



## Air traffic reduction no longer limited to initial outbreak countries

Seat capacity by region (total international and domestic passenger traffic)





ICAO

UNITING AVIATION

# The world reached 1 million confirmed COVID-19 cases in April 2020

## April 2020 International Passenger Capacity

| Country/Territory              | Capacity change from originally-planned |            |      |
|--------------------------------|-----------------------------------------|------------|------|
| United States                  | -                                       | 21,557,584 | -83% |
| United Kingdom                 | -                                       | 21,235,923 | -86% |
| Germany                        | -                                       | 18,224,155 | -87% |
| China                          | -                                       | 16,736,861 | -95% |
| Spain                          | -                                       | 16,325,328 | -90% |
| Italy                          | -                                       | 12,773,521 | -94% |
| France                         | -                                       | 12,665,023 | -86% |
| United Arab Emirates           | -                                       | 10,459,077 | -84% |
| Japan                          | -                                       | 8,831,422  | -82% |
| Turkey                         | -                                       | 8,382,426  | -89% |
| Thailand                       | -                                       | 7,760,359  | -89% |
| Republic of Korea              | -                                       | 7,693,465  | -86% |
| Hong Kong SAR of China (CN)    | -                                       | 6,865,671  | -93% |
| Canada                         | -                                       | 5,992,516  | -86% |
| Netherlands                    | -                                       | 5,941,882  | -76% |
| Switzerland                    | -                                       | 5,570,641  | -89% |
| Taiwan, Province of China (CN) | -                                       | 5,525,036  | -86% |
| Singapore                      | -                                       | 5,381,950  | -76% |
| India                          | -                                       | 5,370,956  | -76% |
| Russian Federation             | -                                       | 5,255,365  | -79% |

| Country/Territory | Capacity change from originally-planned |           |      |
|-------------------|-----------------------------------------|-----------|------|
| Portugal          | -                                       | 4,754,437 | -91% |
| Malaysia          | -                                       | 4,414,246 | -75% |
| Australia         | -                                       | 4,040,547 | -90% |
| Mexico            | -                                       | 3,850,152 | -73% |
| Austria           | -                                       | 3,619,644 | -87% |
| Viet Nam          | -                                       | 3,616,033 | -85% |
| Qatar             | -                                       | 3,481,091 | -74% |
| Saudi Arabia      | -                                       | 3,479,000 | -64% |
| Indonesia         | -                                       | 3,331,153 | -78% |
| Ireland           | -                                       | 2,965,760 | -76% |
| Belgium           | -                                       | 2,867,742 | -75% |
| Greece            | -                                       | 2,840,328 | -87% |
| Denmark           | -                                       | 2,619,276 | -72% |
| Poland            | -                                       | 2,607,927 | -59% |
| Philippines       | -                                       | 2,291,853 | -66% |
| Sweden            | -                                       | 2,171,121 | -69% |
| Brazil            | -                                       | 2,151,062 | -90% |
| Israel            | -                                       | 2,086,074 | -86% |
| Morocco           | -                                       | 2,008,158 | -82% |
| Norway            | -                                       | 1,974,693 | -71% |

**World total** - **325,552,503** **-85%**

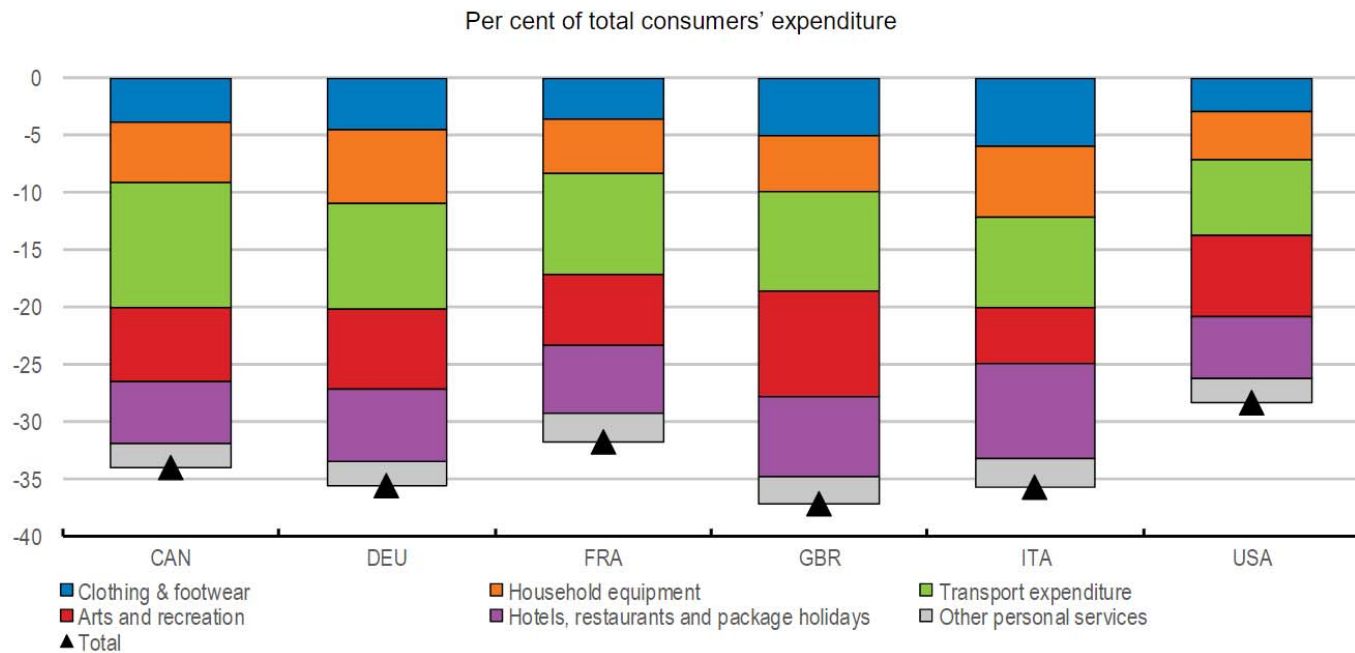
In April 2020,  
international  
passenger  
capacity so far  
reduced by  
**85%**

|  |                                                        |
|--|--------------------------------------------------------|
|  | State/Territory with 100 to 999 confirmed cases*       |
|  | State/Territory with 1,000 to 9,999 confirmed cases*   |
|  | State/Territory with 10,000 to 49,999 confirmed cases* |
|  | State/Territory with 50,000 or more confirmed cases*   |

\*: Coronavirus Disease 2019 (COVID-19) Situation Report by WHO (6 April 2020)

# Sharp decrease in consumers' expenditures for air travel due to containment measures

**The potential initial impact of partial or complete shutdowns on private consumption in selected G7 economies**





## Global Level Analysis

Figures and estimates herein is preliminary and subject to substantial changes.  
The analysis will be updated with the situation evolving and more information available.

## COVID-19 impact scenarios: Indicative V- and U-shaped paths

Three scenarios to measure the possible impact of COVID-19 outbreak on scheduled **international passenger** traffic worldwide for **first half of the year 2020 (1Q and 2Q 2020)**:

- ❑ **Baseline:** hypothetical situation without COVID-19 outbreak, i.e. originally-planned
- ❑ **Scenario 1:** V-shaped path, quick recovery from May 2020
- ❑ **Scenario 2:** U-shaped path, prolonged contraction to June 2020

Assumptions used for each scenario are summarized in **Appendix**

- Given a rapidly changing environment, Scenarios 1 and 2 are merely indicative of two possible paths out of many. The exact path will depend upon various factors, inter alia, duration and magnitude of the outbreak and containment measures, availability of government assistance, consumers' confidence, and economic conditions.
- Scenarios 1 and 2 are differentiated in terms of **supply (output)** and **demand (spending)** conditions, mainly, a) the timing and scale of airline capacity decline and recovery, and b) the degree of consumers' confidence for air travel that can be translated into demand or load factor.

## Impact on International Passenger Traffic

The preliminary estimates indicate the impact in terms of **scheduled international passenger traffic during first half 2020** compared to **Baseline (originally-planned)**:

### Scenario 1 (V-shaped path)

- Overall reduction of **41% of seats offered by airlines**
- Overall reduction of **443 million passengers**
- Approx. **USD 98 billion potential loss** of gross operating revenues of airlines

### Scenario 2 (U-shaped path)

- Overall reduction of **51% of seats offered by airlines**
- Overall reduction of **561 million passengers**
- Approx. **USD 124 billion potential loss** of gross operating revenues of airlines



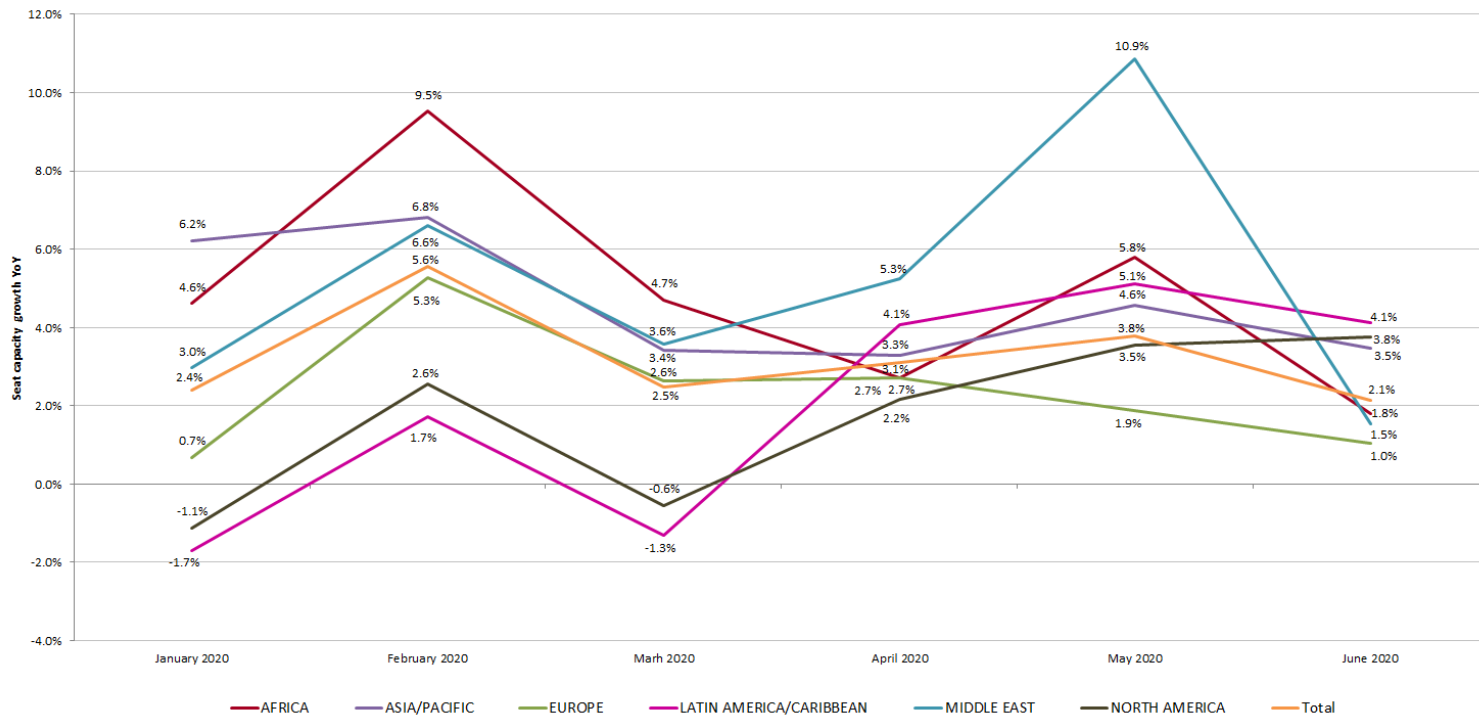
## Biggest overall impact in Europe and Asia/Pacific, followed by North America and Middle East

| Region                  | Scenario 1 (V-shaped)<br>compared to Baseline (originally-planned) for first half 2020 |                            |                                        | Scenario 2 (U-shaped)<br>compared to Baseline (originally-planned) for first half 2020 |                            |                                        |
|-------------------------|----------------------------------------------------------------------------------------|----------------------------|----------------------------------------|----------------------------------------------------------------------------------------|----------------------------|----------------------------------------|
|                         | Seat Capacity (%)                                                                      | Passenger number (million) | Gross passenger revenue (USD, billion) | Seat Capacity (%)                                                                      | Passenger number (million) | Gross passenger revenue (USD, billion) |
| AFRICA                  | -32.0%                                                                                 | -14.81                     | -5.15                                  | -42.2%                                                                                 | -19.69                     | -6.85                                  |
| ASIA/PACIFIC            | -46.4%                                                                                 | -140.38                    | -33.01                                 | -55.7%                                                                                 | -168.88                    | -39.82                                 |
| EUROPE                  | -41.4%                                                                                 | -197.62                    | -34.29                                 | -53.1%                                                                                 | -254.61                    | -44.29                                 |
| LATIN AMERICA/CARIBBEAN | -31.3%                                                                                 | -24.01                     | -5.41                                  | -40.9%                                                                                 | -31.87                     | -7.18                                  |
| MIDDLE EAST             | -35.3%                                                                                 | -31.07                     | -8.78                                  | -45.4%                                                                                 | -40.50                     | -11.45                                 |
| NORTH AMERICA           | -37.0%                                                                                 | -34.73                     | -11.17                                 | -47.7%                                                                                 | -45.28                     | -14.56                                 |
| <b>Total</b>            | <b>-40.8%</b>                                                                          | <b>-442.62</b>             | <b>-97.80</b>                          | <b>-51.4%</b>                                                                          | <b>-560.84</b>             | <b>-124.14</b>                         |





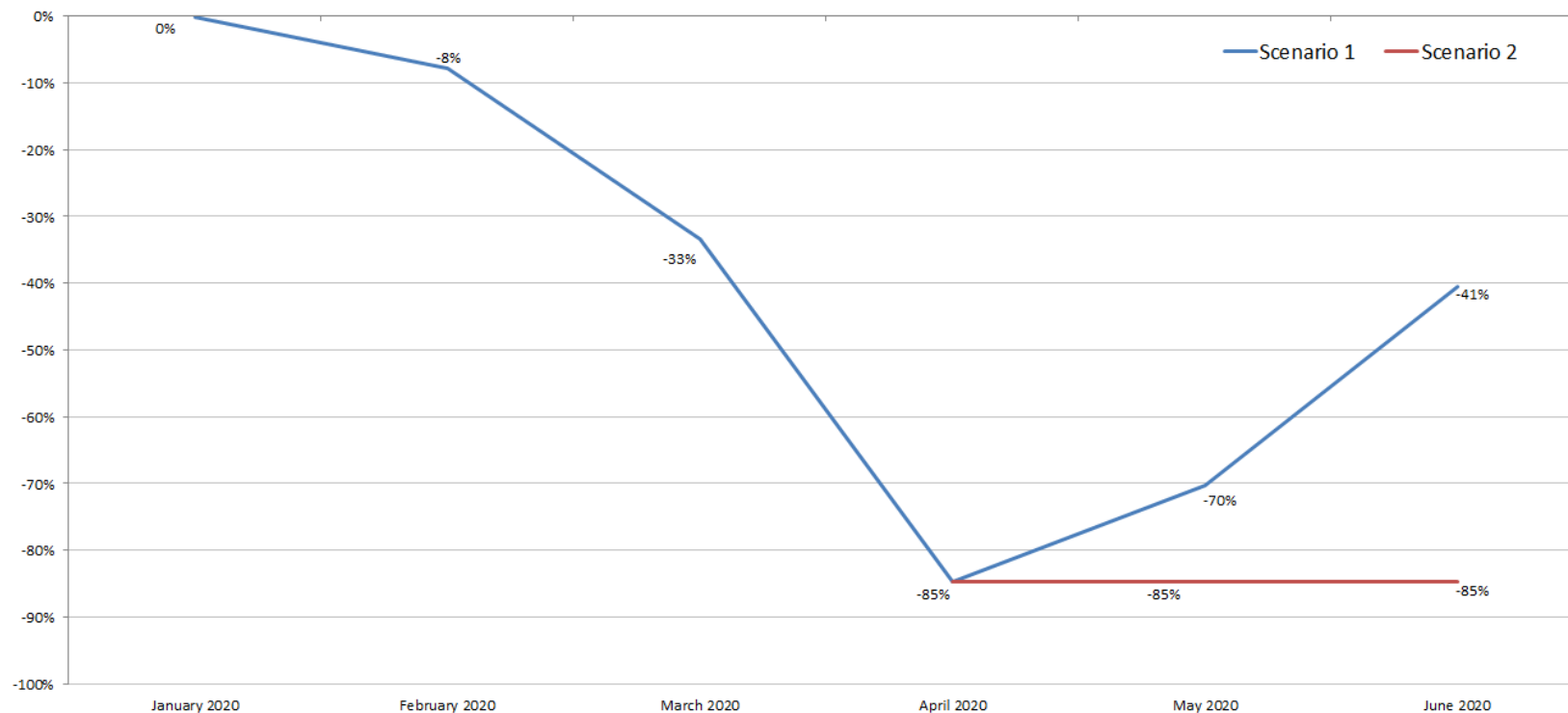
# Baseline: 3% seat capacity increase (year-on-year) globally for first half 2020



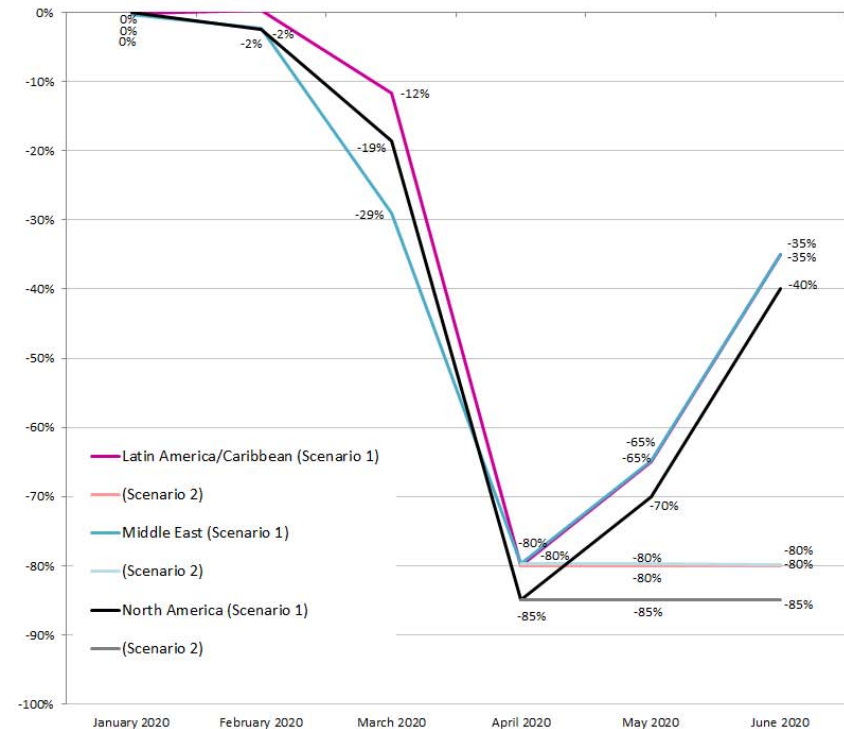
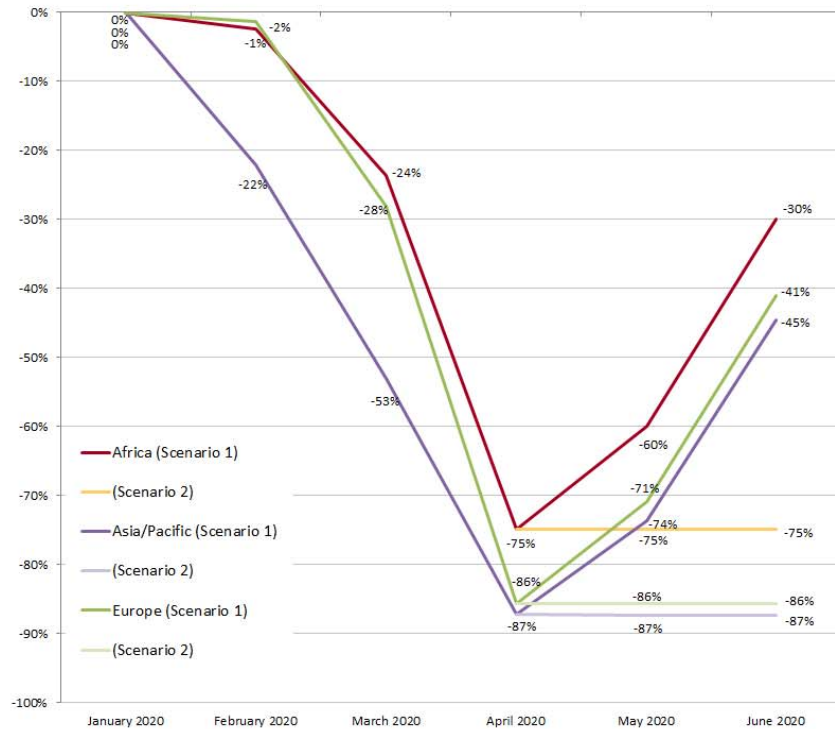
A total of YoY 3.2% seat capacity increase originally - planned for 1Q 2020 compared to the same period of 2019 (scheduled international passenger set number)



## Scenarios 1 & 2 show 41 to 51% seat capacity reduction in first half 2020 from Baseline



## Break-down of seat capacity by region

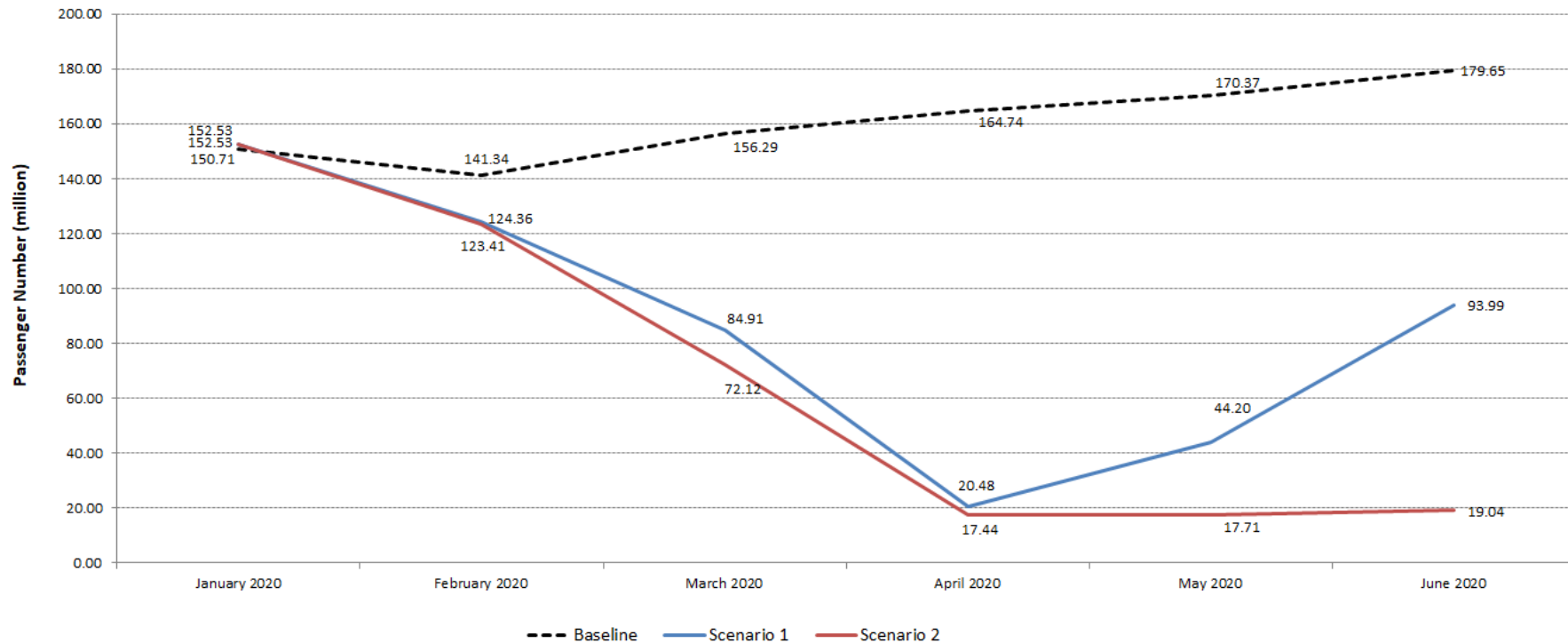




ICAO

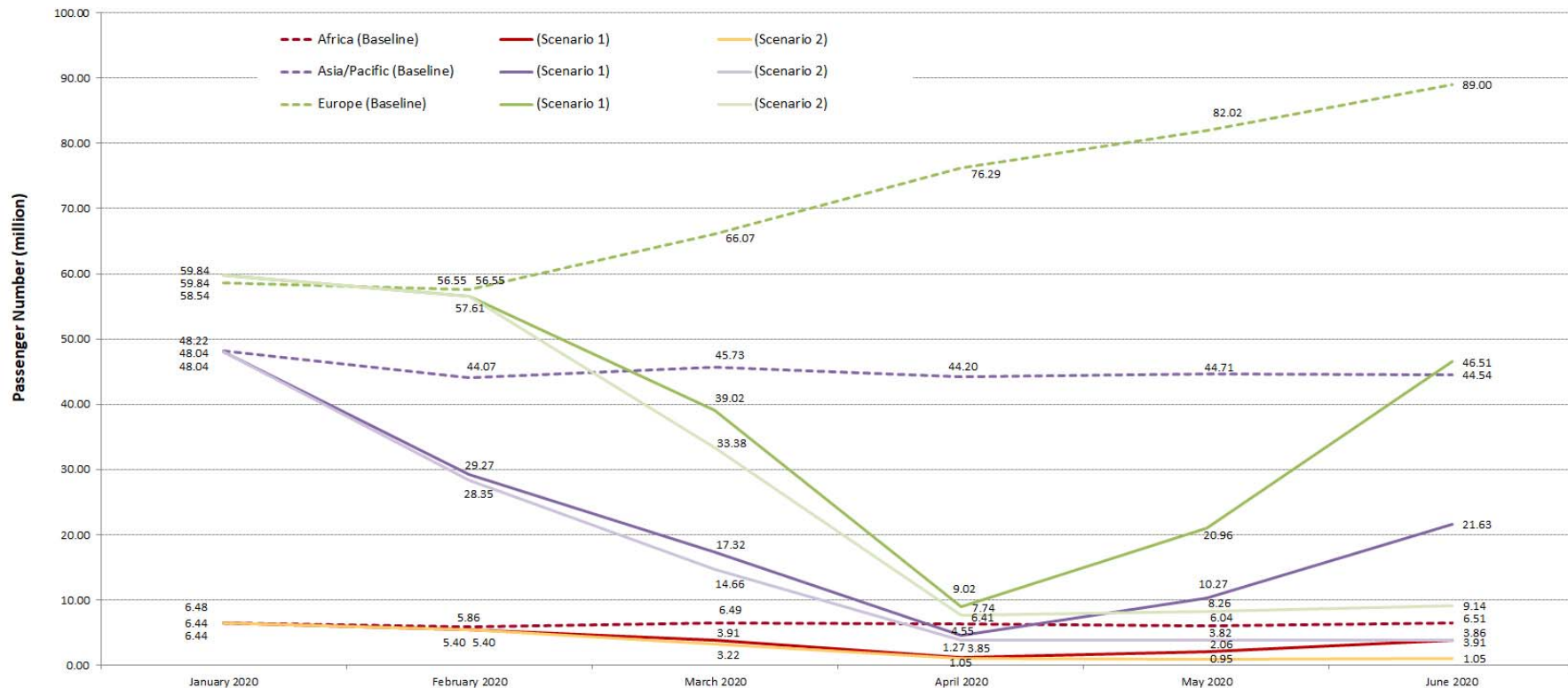
UNITING AVIATION

## A total of 443 to 561 million passenger reduction in first half 2020 compared to Baseline

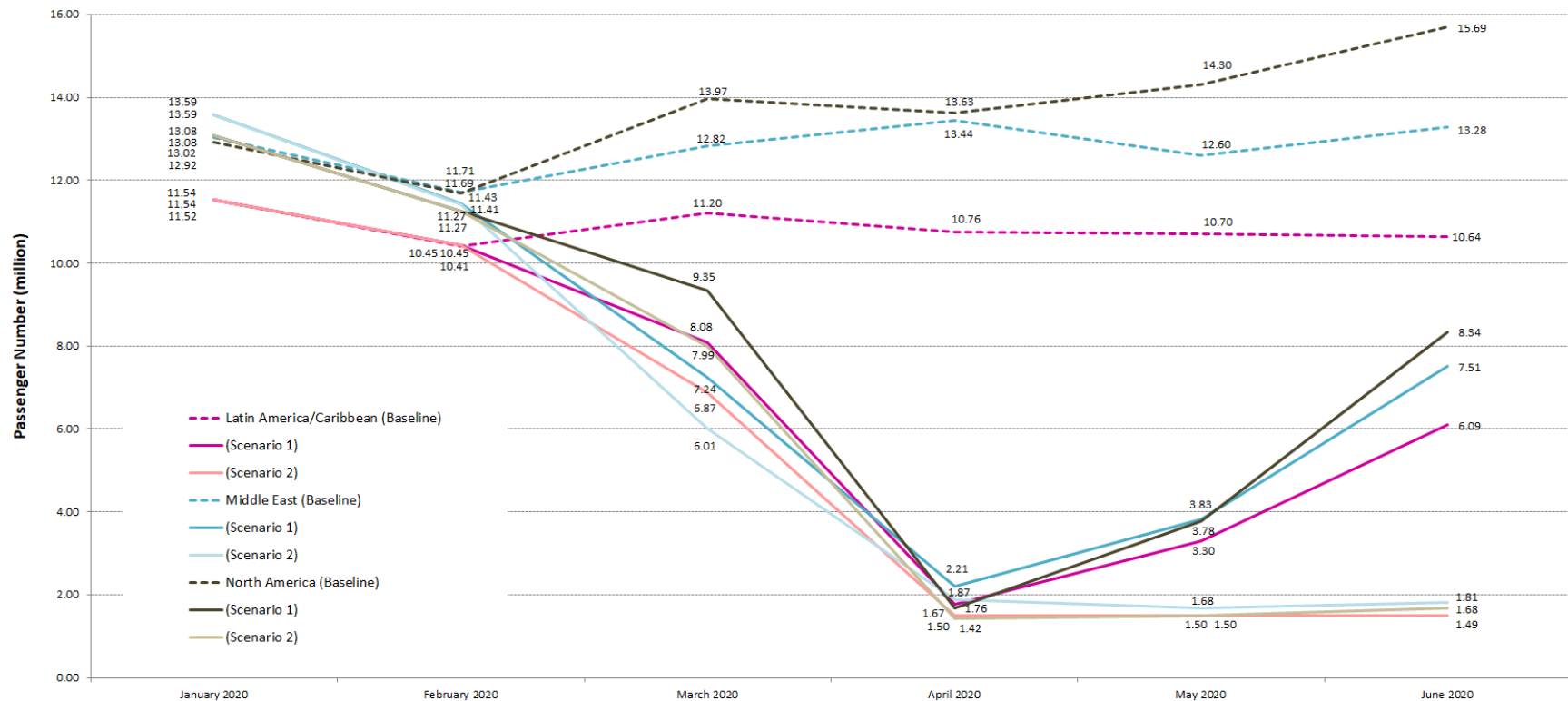


Note: Number of international passengers departing from each country and territory, which are aggregated at the regional level to avoid double counting

# Break-down of passenger number by region (1)



## Break-down of passenger number by region (2)

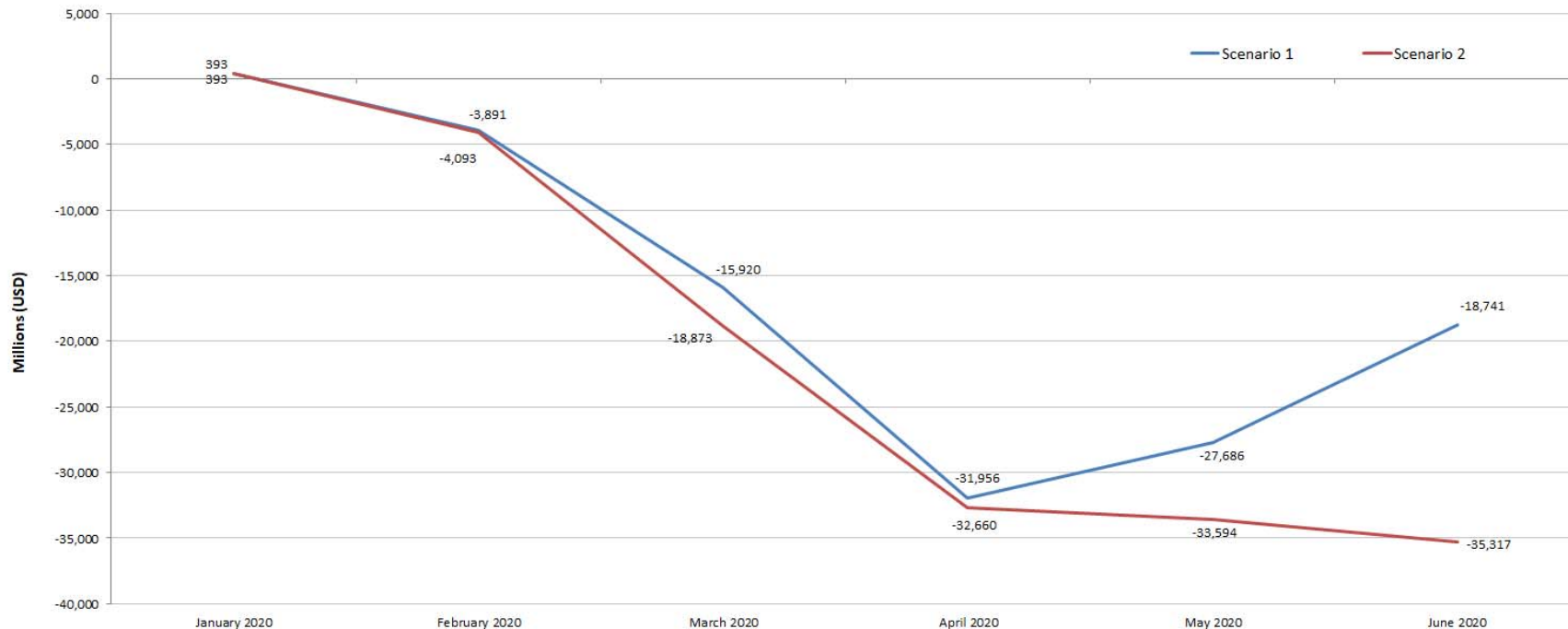




ICAO

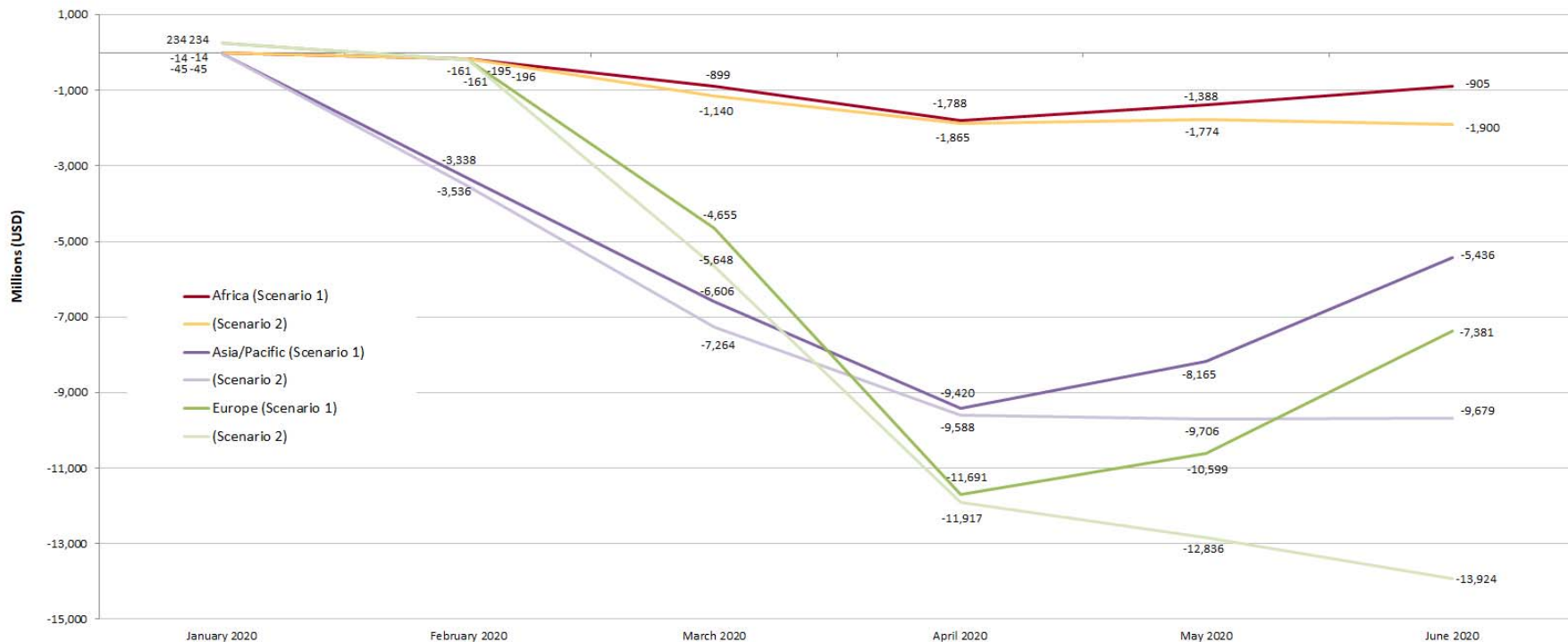
UNITING AVIATION

## Approx. USD 98 to 124 billion loss of airline revenues in first half 2020 compared to Baseline



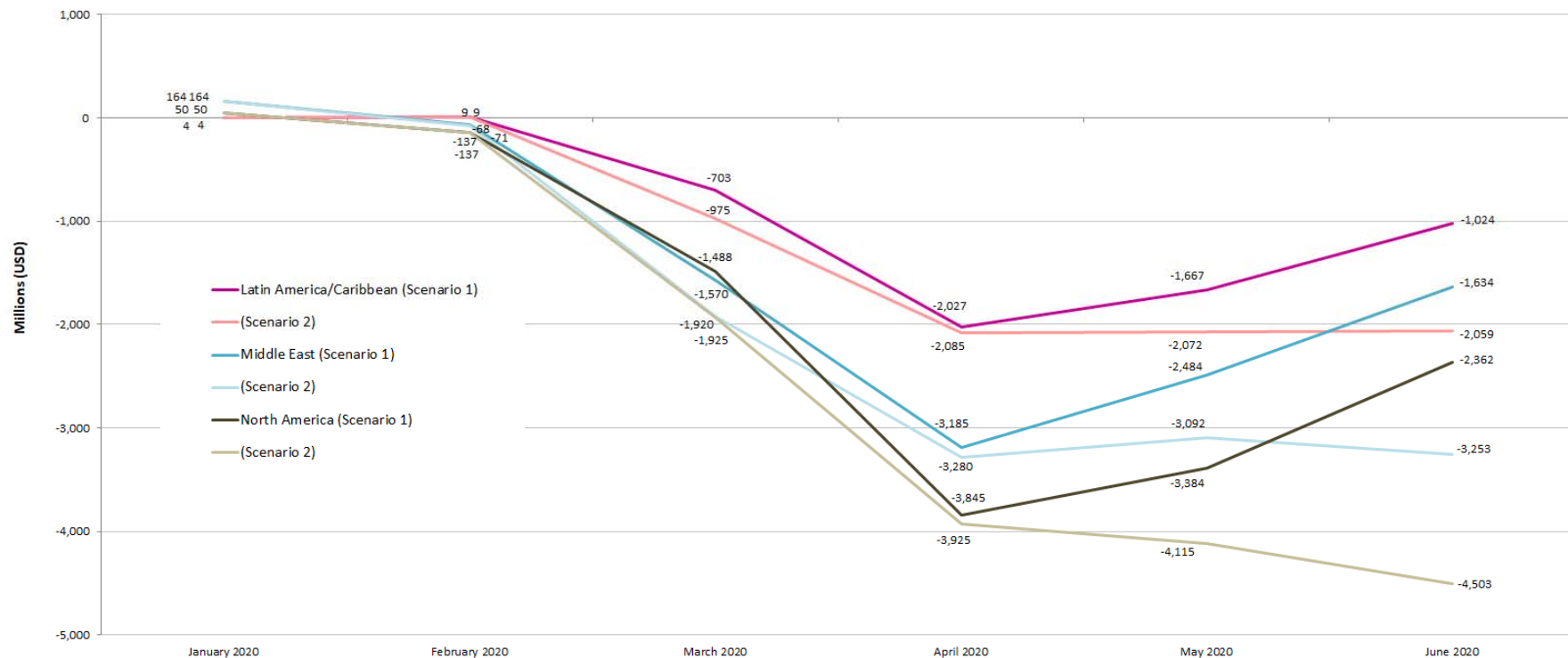
Note: The above revenues are gross passenger operating revenues of all airlines serving international routes from each country and territory, which are aggregated at the regional level (revenues of international routes to each country and territory were removed to avoid double counting).

## Break-down of revenue reduction by region (1)



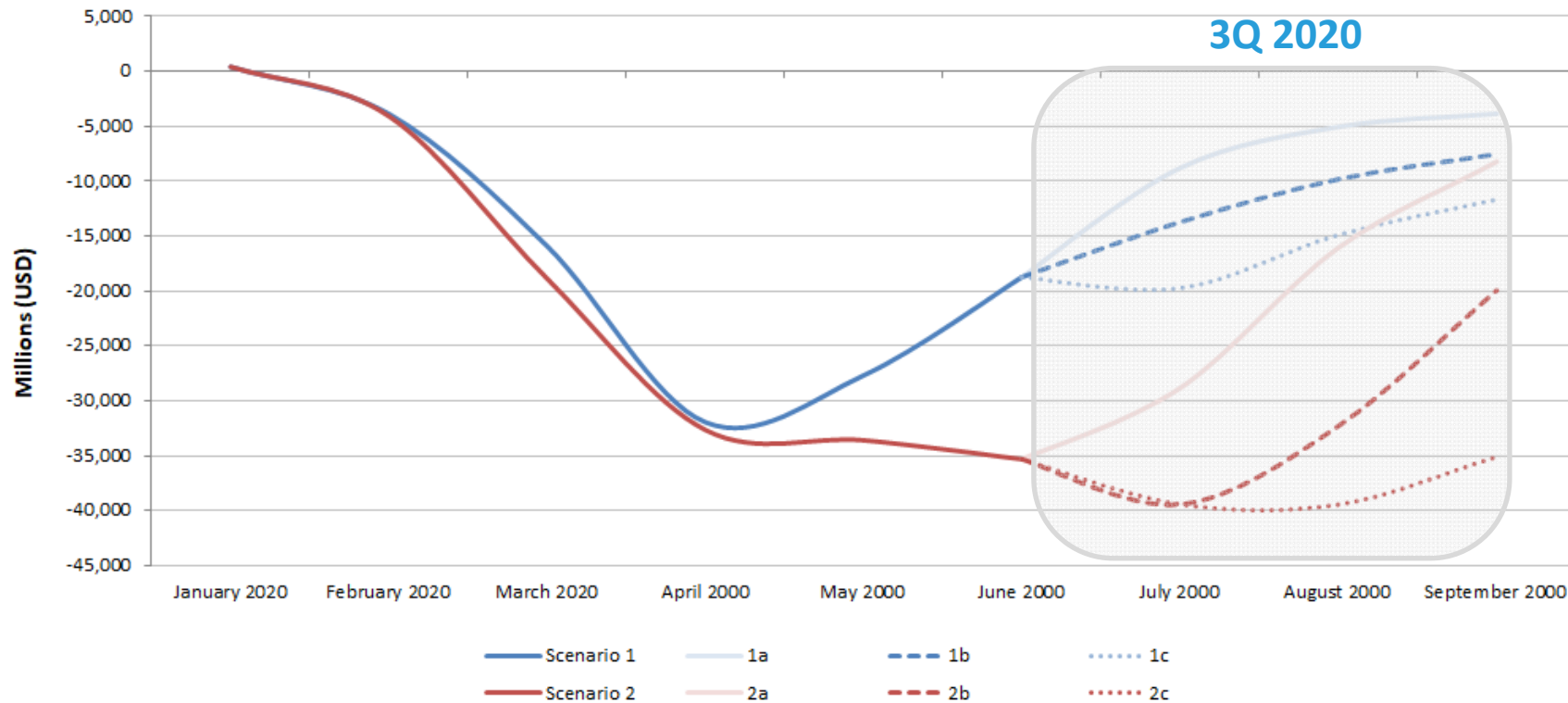


## Break-down of revenue reduction by region (2)





## Possible paths for 3Q 2020 although recovery prospects are still very uncertain



## If Scenario 2 contraction continues to 3Q 2020, over USD 35 billion would be lost every month

The exact path (depth, length and shape) depends on various factors, inter alia, duration and magnitude of the outbreak and containment measures, availability of government assistance, consumers' confidence, and economic conditions.

| Scenario | Gross passenger revenue (USD, billion) |                                          | Description                                                                                                                                                         |
|----------|----------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | from Jul to Sep<br>(3Q 2020)           | Total from Jan to Sep<br>(1Q to 3Q 2020) |                                                                                                                                                                     |
| 1a       | -17.76                                 | <b>-115.56</b>                           | Strong rebound of capacity growth but no full return of consumers' confidence in travel during 3Q 2020                                                              |
| 1b       | -31.12                                 | <b>-128.92</b>                           | Deceleration of capacity recovery without full return of consumers' confidence in travel during 3Q 2020                                                             |
| 1c       | -46.33                                 | <b>-144.13</b>                           | A minor dip in July 2020, followed by slow progression of capacity recovery and return of consumers' confidence in travel                                           |
| 2a       | -53.15                                 | <b>-177.29</b>                           | Quick recovery from July 2020 by following the recovery path similar to but even faster than 2Q 2020 of Scenario 1 because of summer season                         |
| 2b       | -91.68                                 | <b>-215.82</b>                           | Downturn (lock-down) continuing to July 2020 but quick recovery starting from August 2020 by following the path similar to 2Q 2020 of Scenario 1                    |
| 2c       | -113.98                                | <b>-238.12</b>                           | Downturn (lock-down) continuing to September 2020, i.e. the same situation as 2Q 2020 and hitting summer travel peak season, especially in Europe and North America |



## Comparison with full year estimates by IATA: 3-month lock-down scenario

The analytical difference between ICAO and IATA estimates:

- **Period:** first half 2020 (ICAO) and full year 2020 (IATA)
- **Traffic:** international only (ICAO) and both international and domestic (IATA)
- **Regional break-down:** by all traffic from/to States in each region (ICAO) and region of airline registration (IATA)
- **Baseline:** originally-planned i.e. 2020 business as usual scenario (ICAO) and 2019 level with 2020 airline schedules (IATA)

| Region of airline registration | Revenue Passenger Kilometres (RPKs) - both international and domestic for full year 2020 | Gross passenger revenue - both international and domestic for full year 2020 |
|--------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
|                                | year-on-year % change from 2019 level                                                    | USD billion, compared to 2019 level                                          |
| AFRICA                         | -32%                                                                                     | -4                                                                           |
| ASIA/PACIFIC                   | -37%                                                                                     | -88                                                                          |
| EUROPE                         | -46%                                                                                     | -76                                                                          |
| LATIN AMERICA/CARIBBEAN        | -41%                                                                                     | -15                                                                          |
| MIDDLE EAST                    | -39%                                                                                     | -19                                                                          |
| NORTH AMERICA                  | -27%                                                                                     | -50                                                                          |
| <b>Total</b>                   | <b>-38%</b>                                                                              | <b>-252</b>                                                                  |

<https://www.iata.org/en/publications/economics/>



## **Impacts on Airports, Cargo and Tourism**

**Figures and estimates herein are quoted from the analyses of the Airport Council International (ACI), ICAO and the World Tourism Organization (UNWTO).**



## Airport may lose approx. USD 76 billion for full year 2020 (estimated by ACI)

| Region                  | Passenger number - both international and domestic for full year 2020 |               | Airport revenue - both aeronautical and non-aeronautical for full year 2020 |             |
|-------------------------|-----------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------|-------------|
|                         | million and % change from 2020 "business as usual" baseline scenario  |               | USD billion and % change from 2020 "business as usual" baseline scenario    |             |
| AFRICA                  | -77                                                                   | -32.5%        | -1.5                                                                        | -35%        |
| ASIA/PACIFIC            | -1,465                                                                | -42.1%        | -23.9                                                                       | -48%        |
| EUROPE                  | -894                                                                  | -35.0%        | -24.6                                                                       | -42%        |
| LATIN AMERICA/CARIBBEAN | -244                                                                  | -34.0%        | -4.0                                                                        | -38%        |
| MIDDLE EAST             | -157                                                                  | -36.5%        | -5.7                                                                        | -43%        |
| NORTH AMERICA           | -790                                                                  | -37.7%        | -16.9                                                                       | -49%        |
| <b>Total</b>            | <b>-3,627</b>                                                         | <b>-38.1%</b> | <b>-76.6</b>                                                                | <b>-45%</b> |

<https://aci.aero/about-aci/priorities/health/covid-19/>

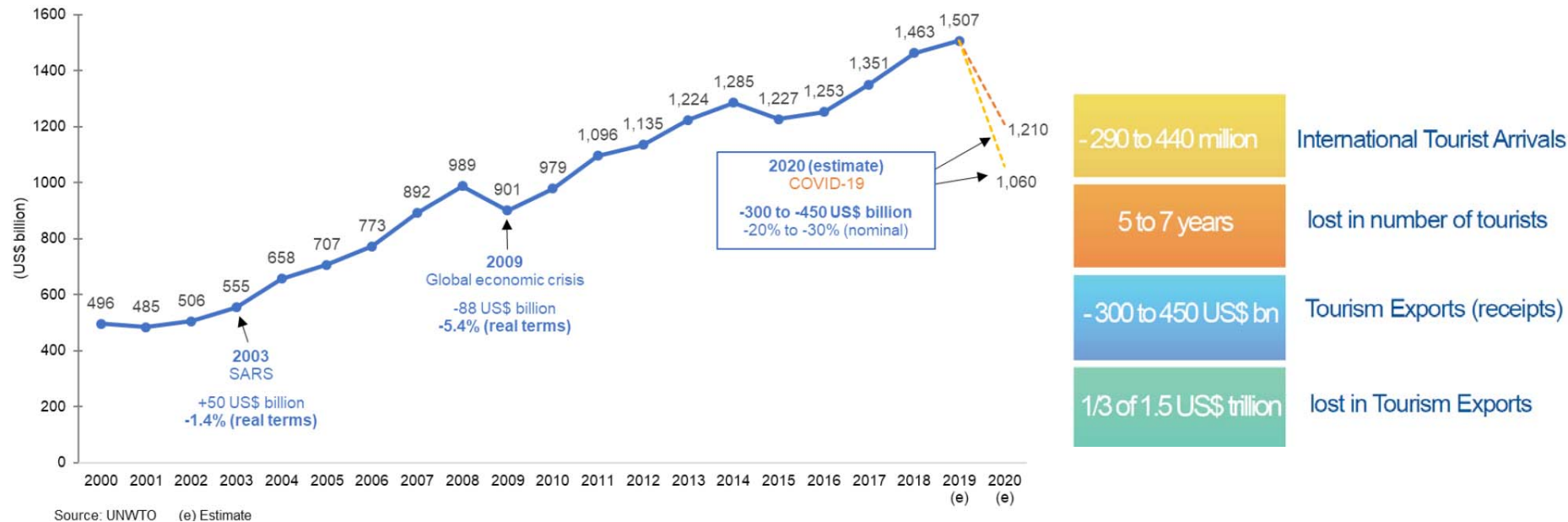
Air cargo throughput has decreased a total of 19% in March 2020 due to the withdrawal of passenger aircraft belly capacity while cargo freighters have provided additional, offsetting capacity

| Millions of Tons Transported |             |             |             |
|------------------------------|-------------|-------------|-------------|
|                              | March 2019  | March 2020  | Change      |
| Belly Cargo                  | 3.49        | 2.40        | -31%        |
| Freighter Cargo              | 1.48        | 1.61        | 9%          |
| <b>Net</b>                   | <b>4.97</b> | <b>4.01</b> | <b>-19%</b> |

Preliminary analysis indicates air cargo revenues have dropped 22% from USD 8.3 to 6.5 billion in March 2020 over the same period

# A loss of USD 300 to 450 billion in international tourism receipts for 2020 (estimated by UNWTO)

## 2020 forecast - international tourism receipts, world (US\$ billion)



<https://www.unwto.org/news/international-tourism-arrivals-could-fall-in-2020>





## State Level Scenario Analysis

Please note that **State level analysis will be replaced with route-group analysis** in due course, using ADS-B operational data.

## Estimated impact on 4 States with the highest number of confirmed cases\*

Three scenarios to measure the possible impact of COVID-19 outbreak at State level:

- ❑ **Baseline:** hypothetical situation without COVID-19 outbreak, i.e. originally-planned
- ❑ **Scenario 1:** V-shaped path, quick recovery from May 2020
- ❑ **Scenario 2:** U-shaped path, prolonged contraction to June 2020

Assumptions used for each scenario are summarized in **Appendix**

Estimated impact of COVID-19 outbreak on scheduled international passenger traffic from/to the following States during first half 2020 compared to originally-planned:

- **China (including Hong Kong/Macao SARs and Taiwan Province):** 58 to 67% seat capacity reduction, 87 to 100 million passenger reduction, USD 19.7 to 22.6 billion loss of gross operating revenues of airlines from/to the country
- **Republic of Korea:** 48 to 57% seat capacity reduction, 24 to 29 million passenger reduction, USD 4.9 to 5.9 billion loss of gross operating revenues of airlines from/to the country
- **Italy:** 54 to 64% seat capacity reduction, 36 to 42 million passenger reduction, USD 4.3 to 5.1 billion loss of gross operating revenues of airlines from/to the country
- **Iran (Islamic Republic of):** 41 to 49% seat capacity reduction, 2.2 to 2.8 million passenger reduction, USD 350 to 450 million loss of gross operating revenues of airlines from/to the country

\* *Coronavirus Disease 2019 (COVID-19) Situation Report* by WHO as of 15 March 2020



## China

The 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 first half 2020 compared to originally-planned:

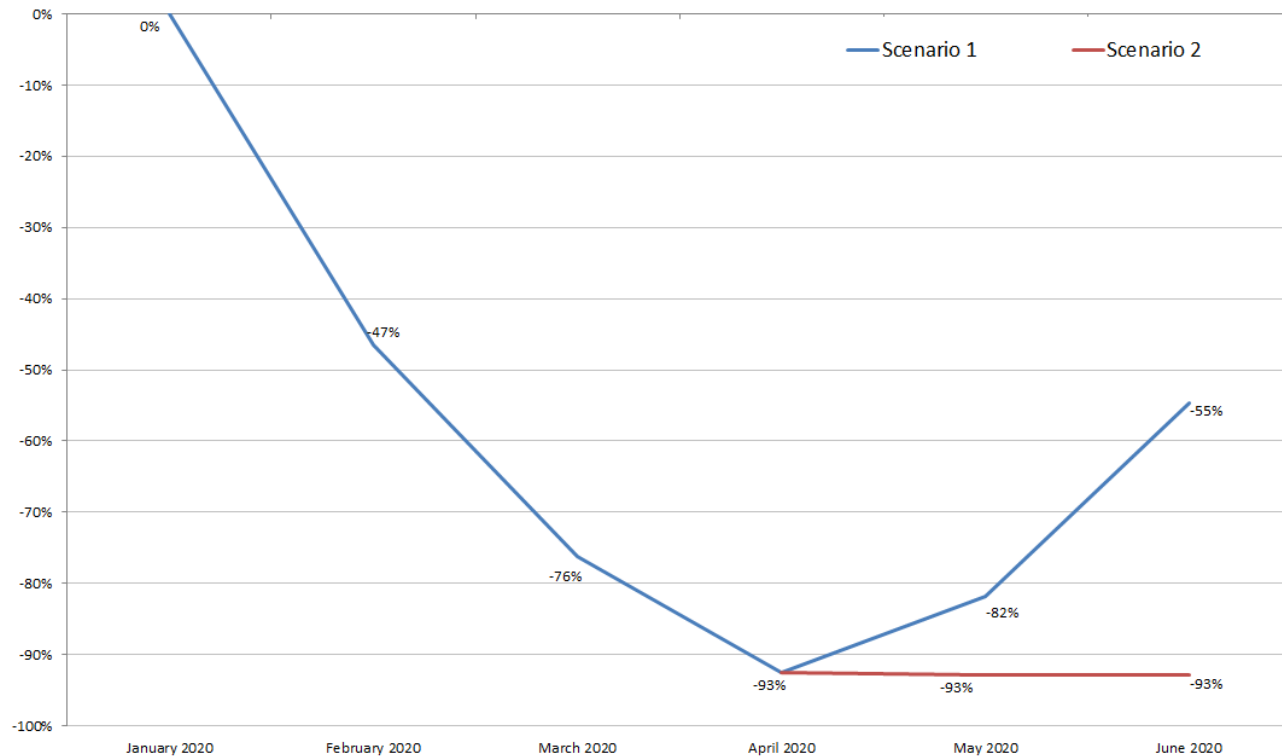
- Overall reduction of **58 to 67% of seats offered by airlines**
- Overall reduction of **87 to 100 million passengers**
- Approx. **USD 19.7 to 22.6 billion potential loss** of gross operating revenues of airlines



ICAO

UNITING AVIATION

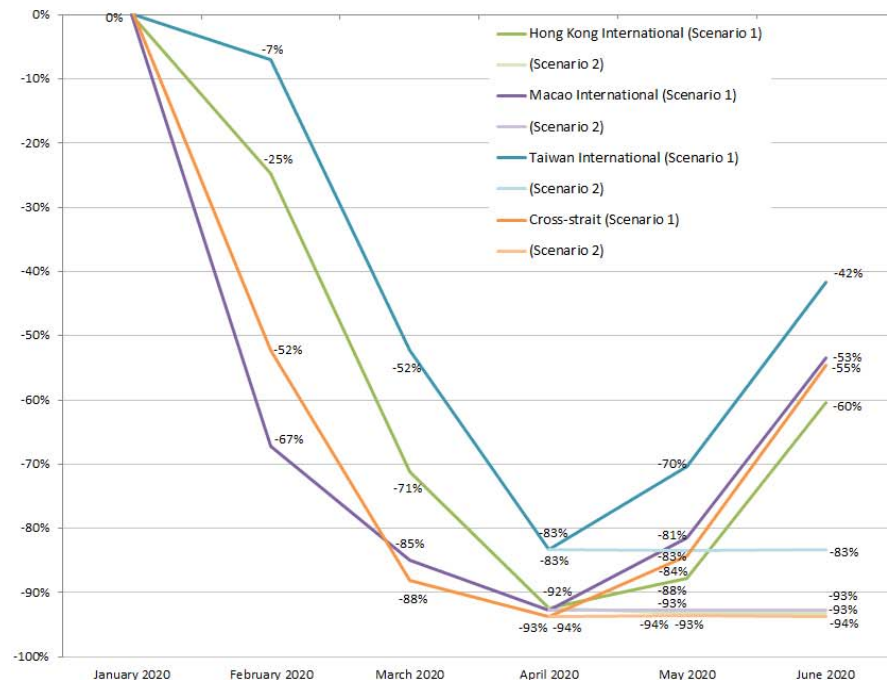
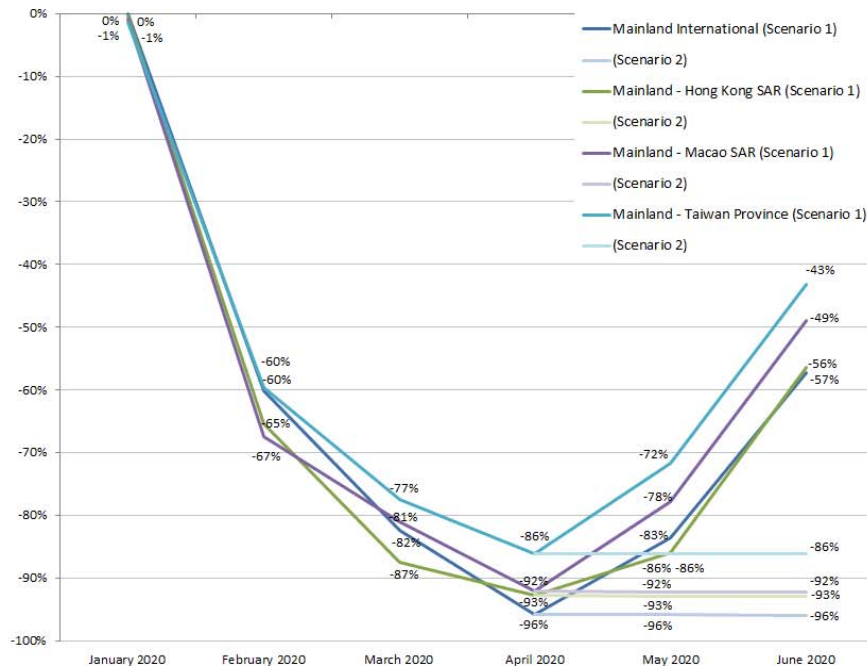
## A total of 58 to 67% seat capacity reduction in first half 2020 from Baseline



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



## Break-down of seat capacity by route

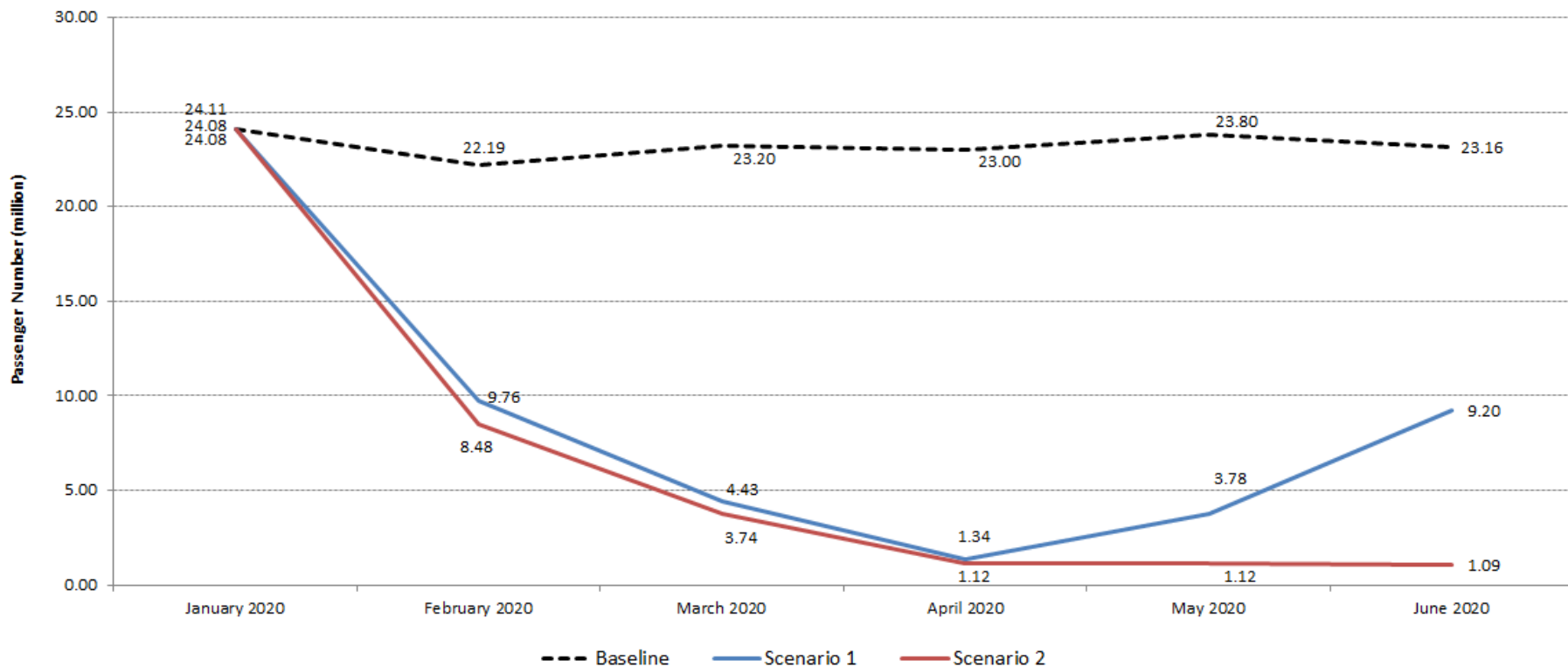




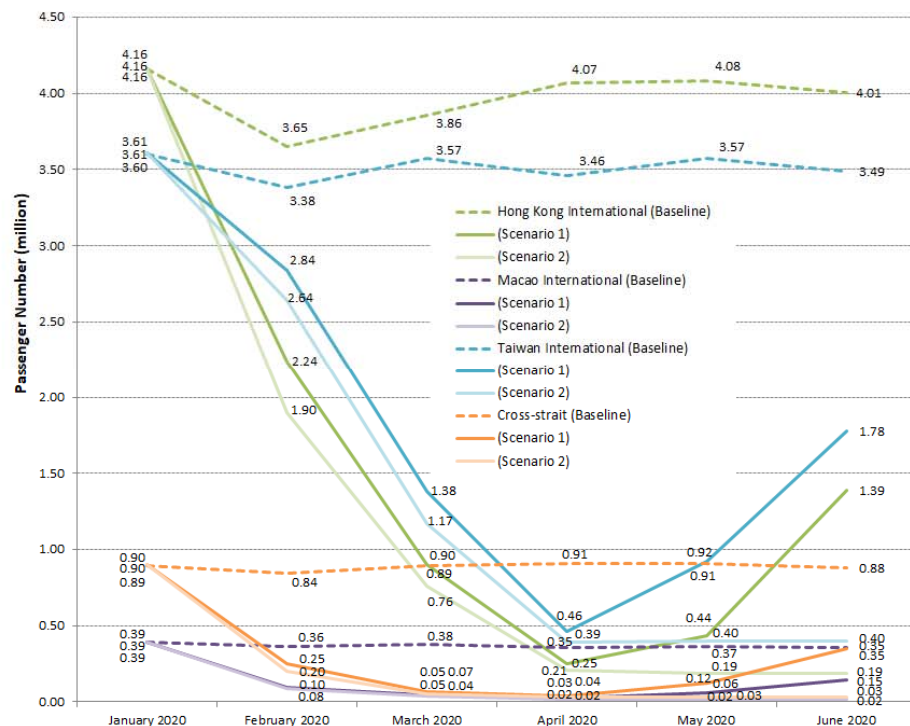
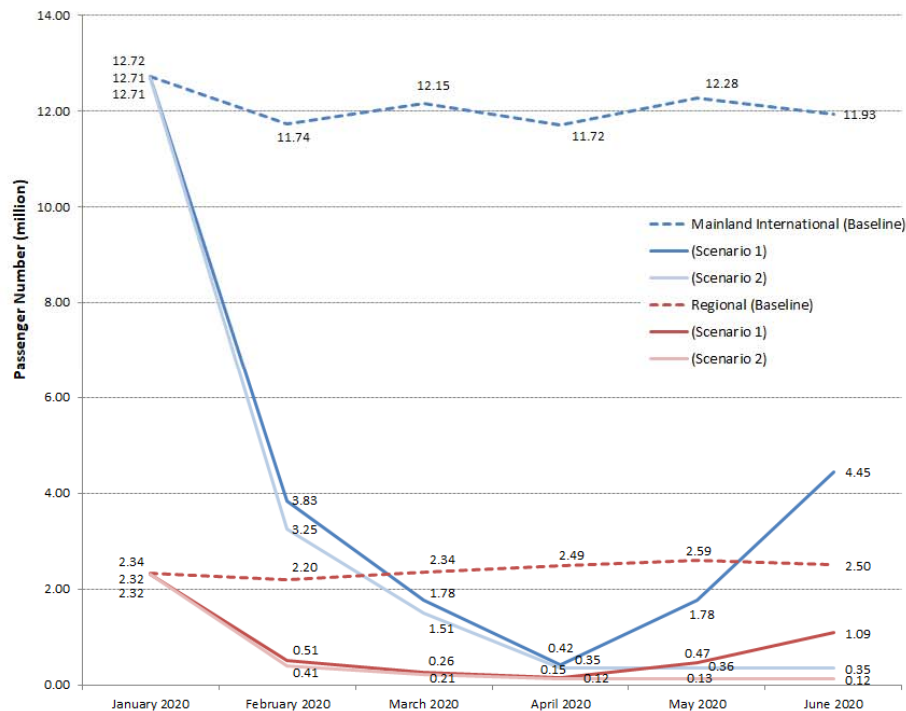
ICAO

UNITING AVIATION

## A total of 87 to 100 million passenger reduction in first half 2020 compared to Baseline



## Break-down of passenger number by route

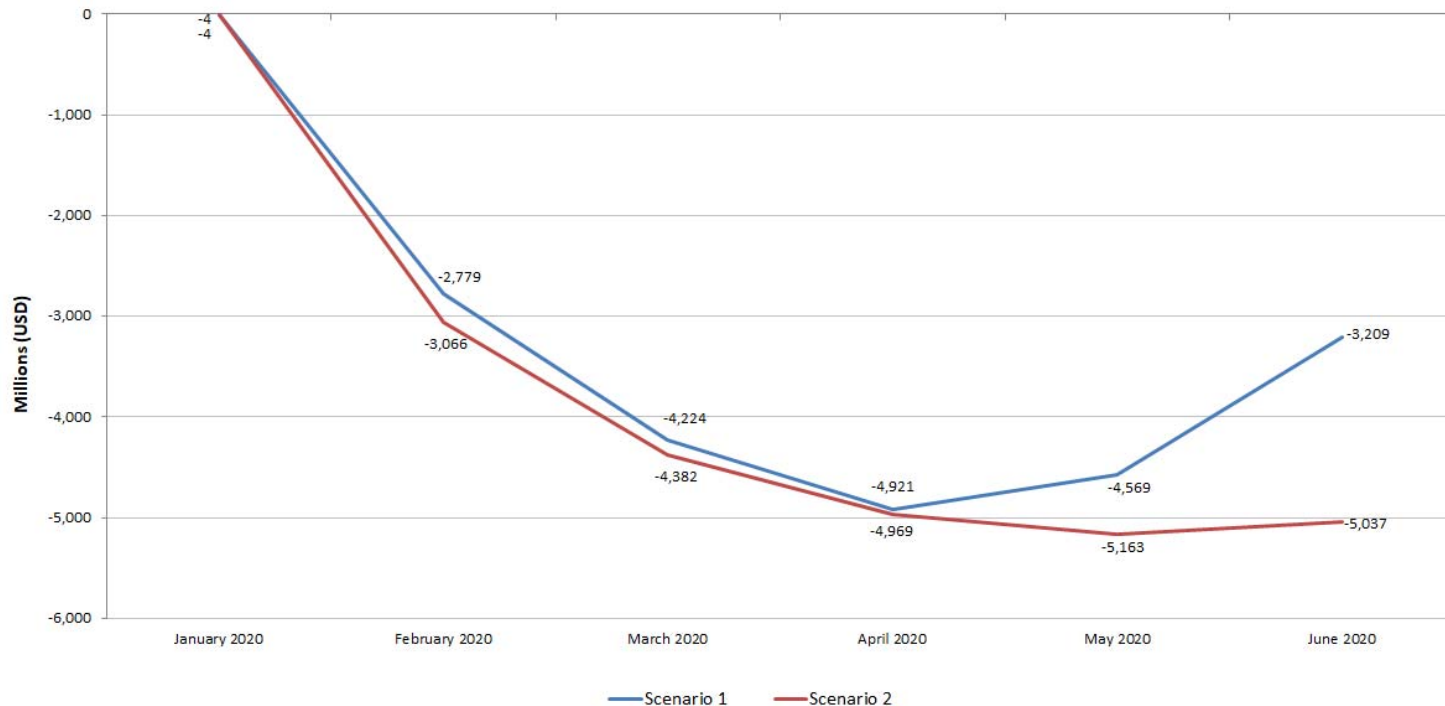




ICAO

UNITING AVIATION

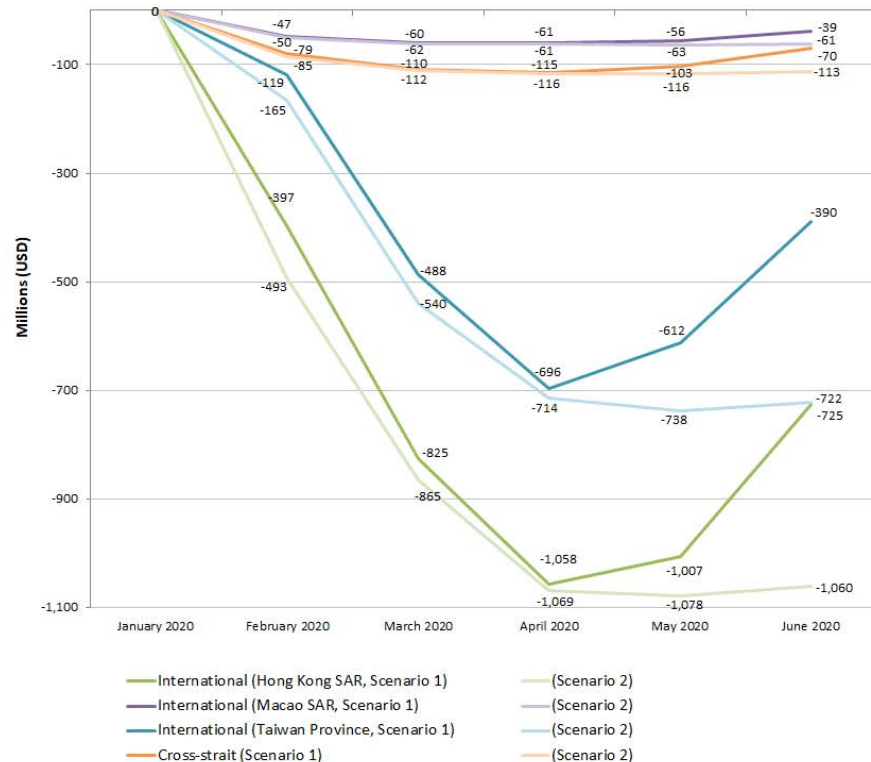
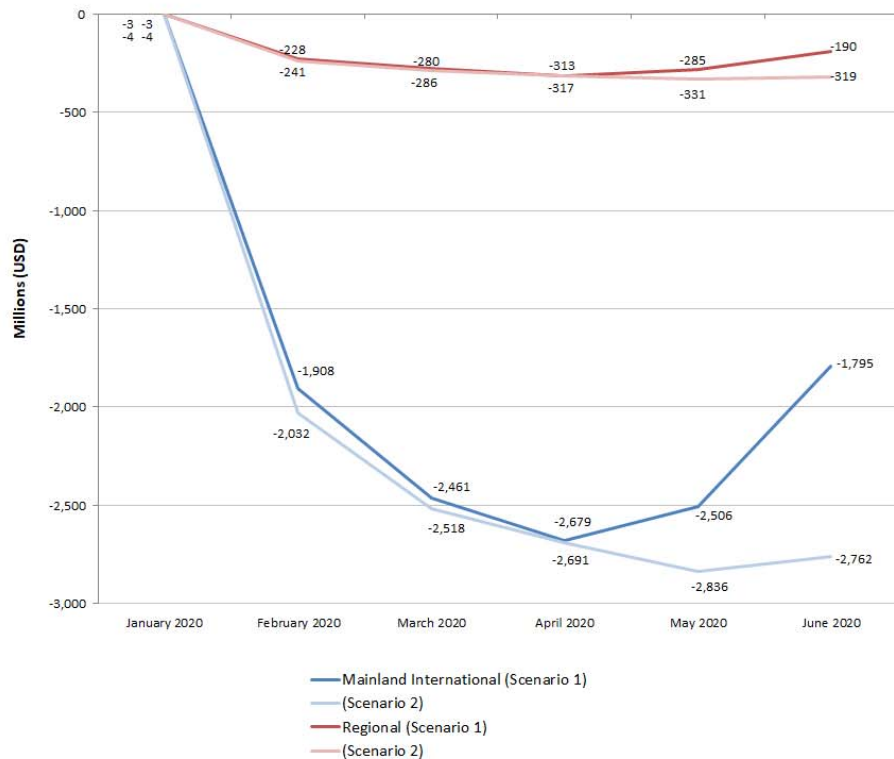
## Approx. USD 19.7 to 22.6 billion loss of airline revenues in first half 2020 compared to Baseline



- Mainland 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);
- Hong Kong and Taiwan 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)



## Break-down of revenue reduction by route



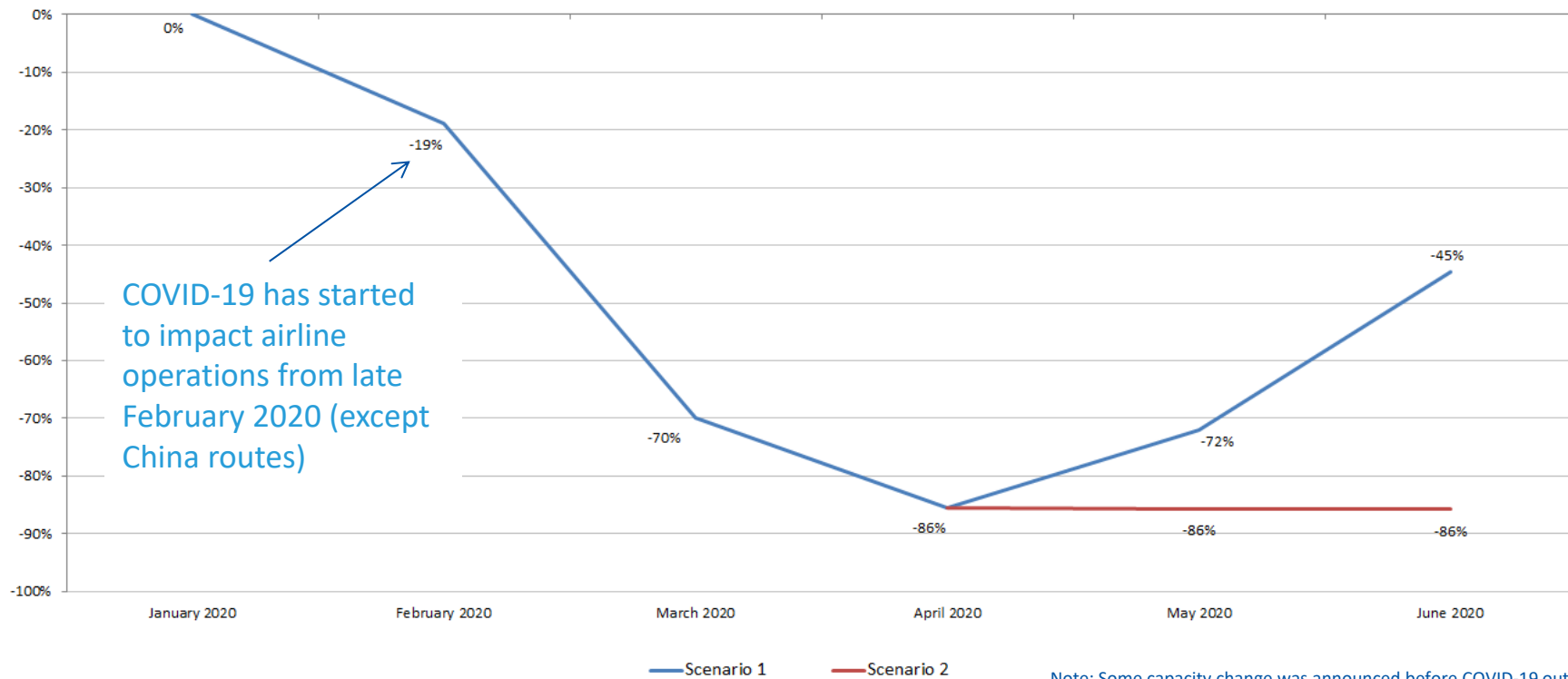
## Republic of Korea

The estimates indicate the impact in terms of scheduled international passenger traffic from/to Republic of Korea during first half 2020 compared to originally-planned:

- Overall reduction of **48 to 57% of seats offered by airlines**
- Overall reduction of **24 to 29 million passengers**
- Approx. **USD 4.9 to 5.9 billion potential loss** of gross operating revenues of airlines

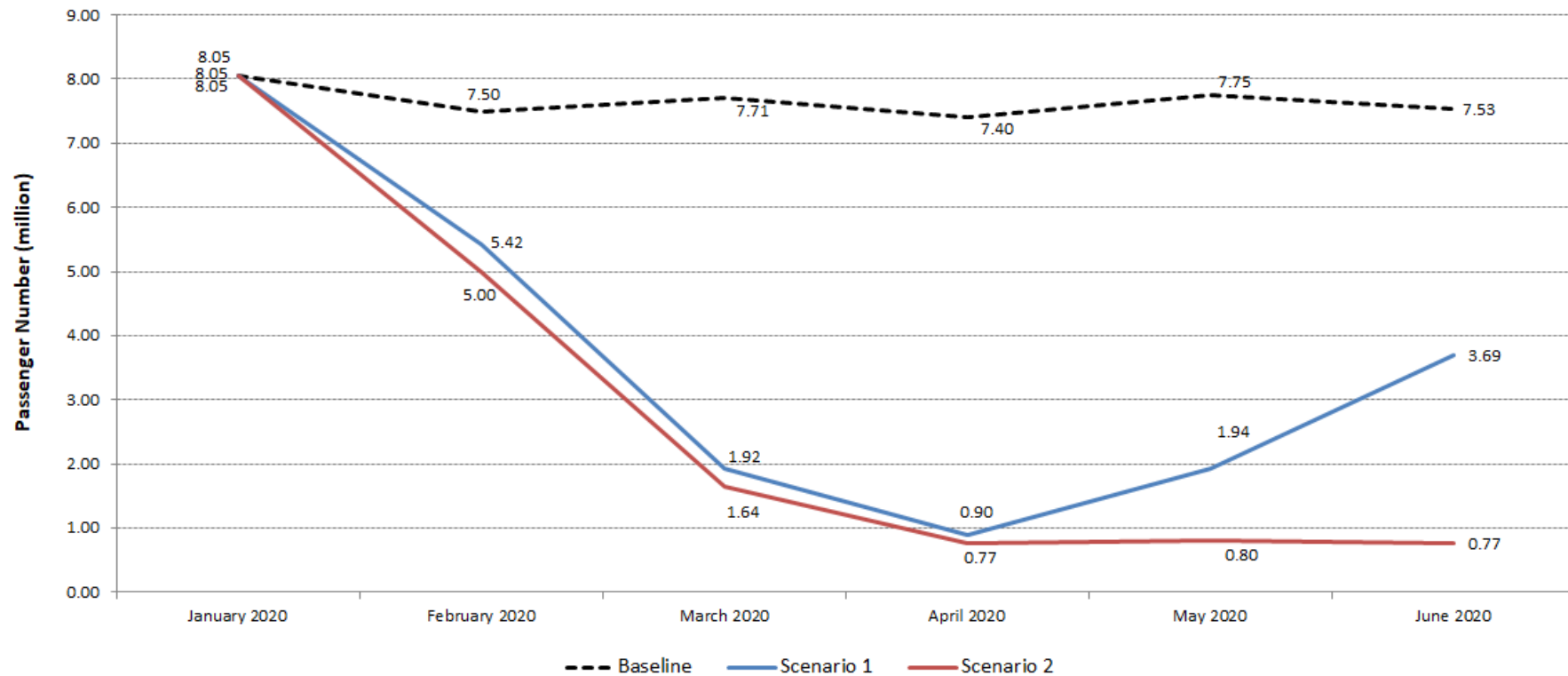


## 48 to 57% seat capacity reduction in first half 2020 from Baseline





## 24 to 29 million passenger reduction in first half 2020 compared to Baseline

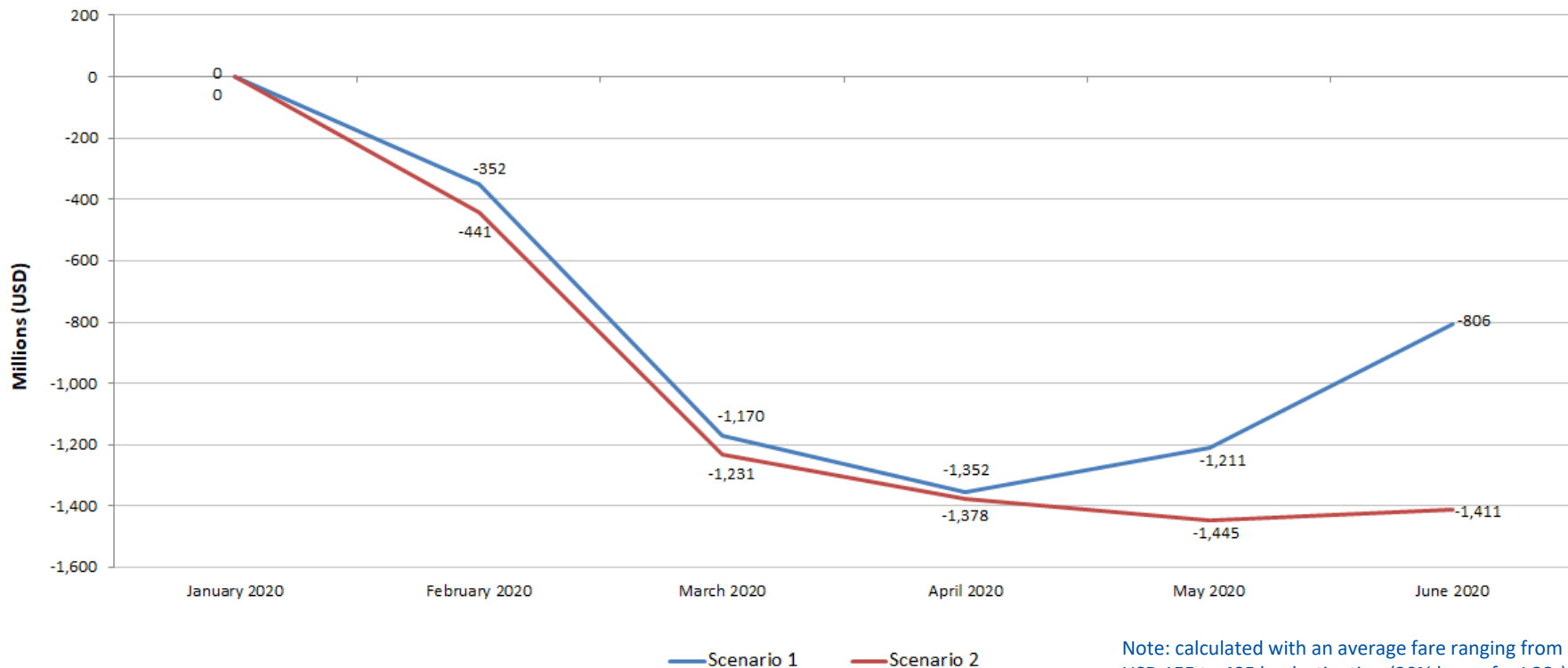




ICAO

UNITING AVIATION

## Approx. USD 4.9 to 5.9 billion loss of airline revenues in first half 2020 compared to Baseline





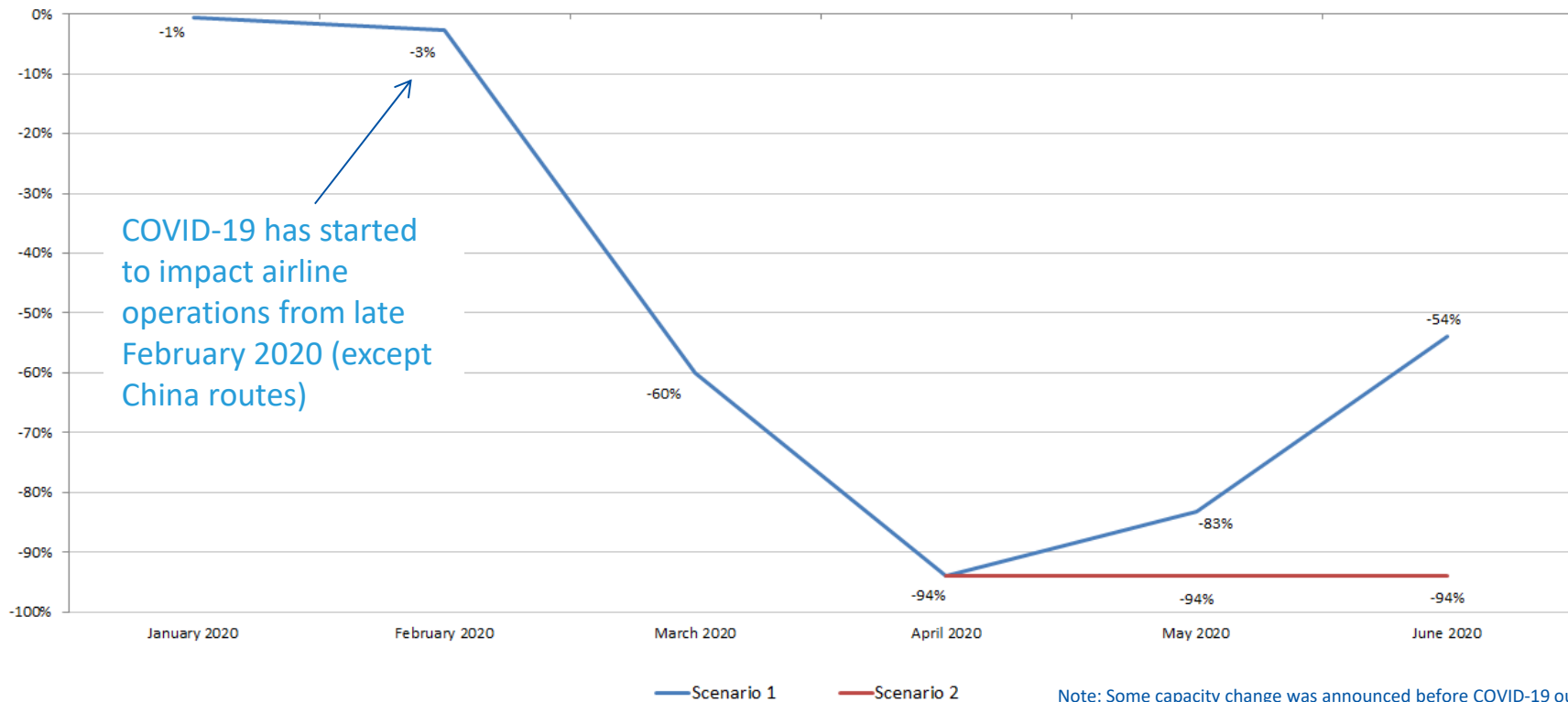
## Italy

The estimates indicate the impact in terms of scheduled international passenger traffic from/to Italy during first half 2020 compared to originally-planned:

- Overall reduction of **54 to 64% of seats offered by airlines**
- Overall reduction of **36 to 42 million passengers**
- Approx. **USD 4.3 to 5.1 billion potential loss** of gross operating revenues of airlines

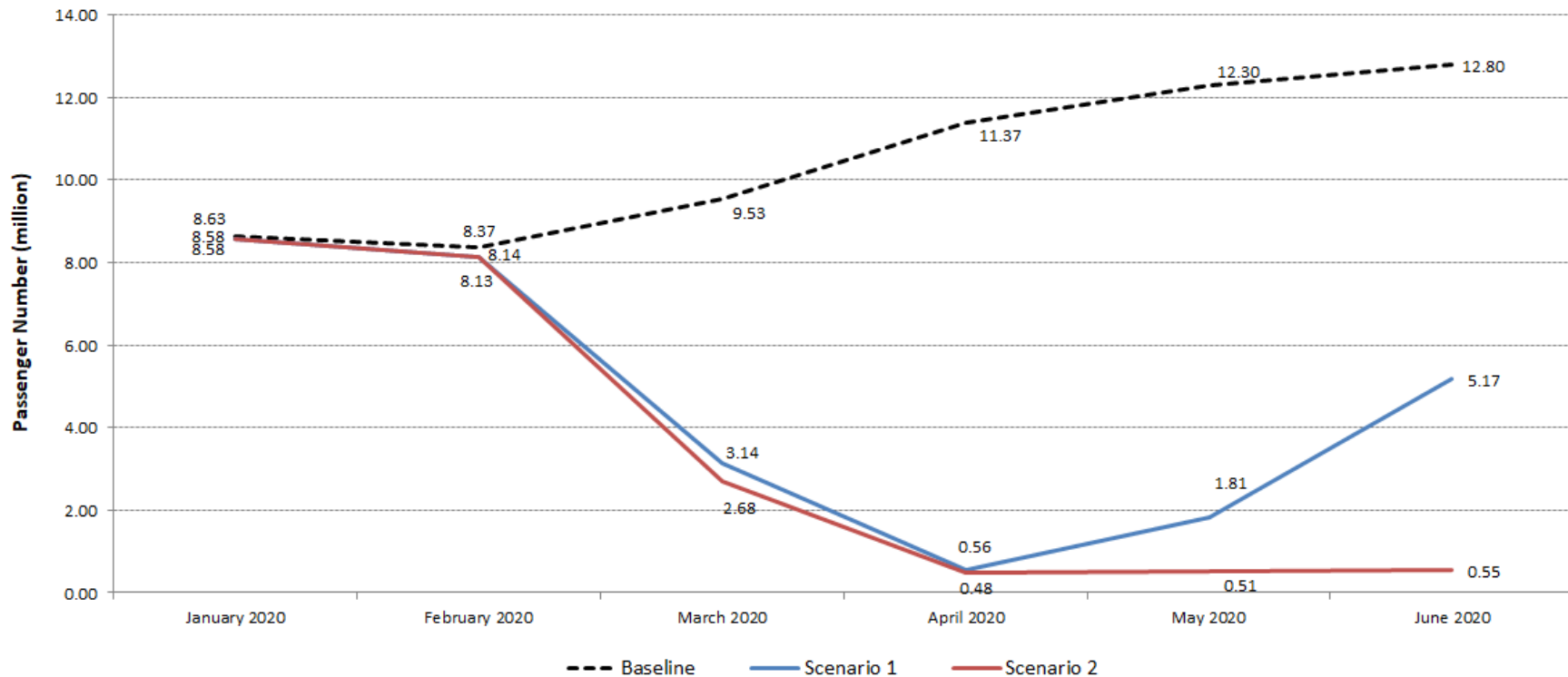


## 54 to 64% seat capacity reduction in first half 2020 from Baseline





## 36 to 42 million passenger reduction in first half 2020 compared to Baseline



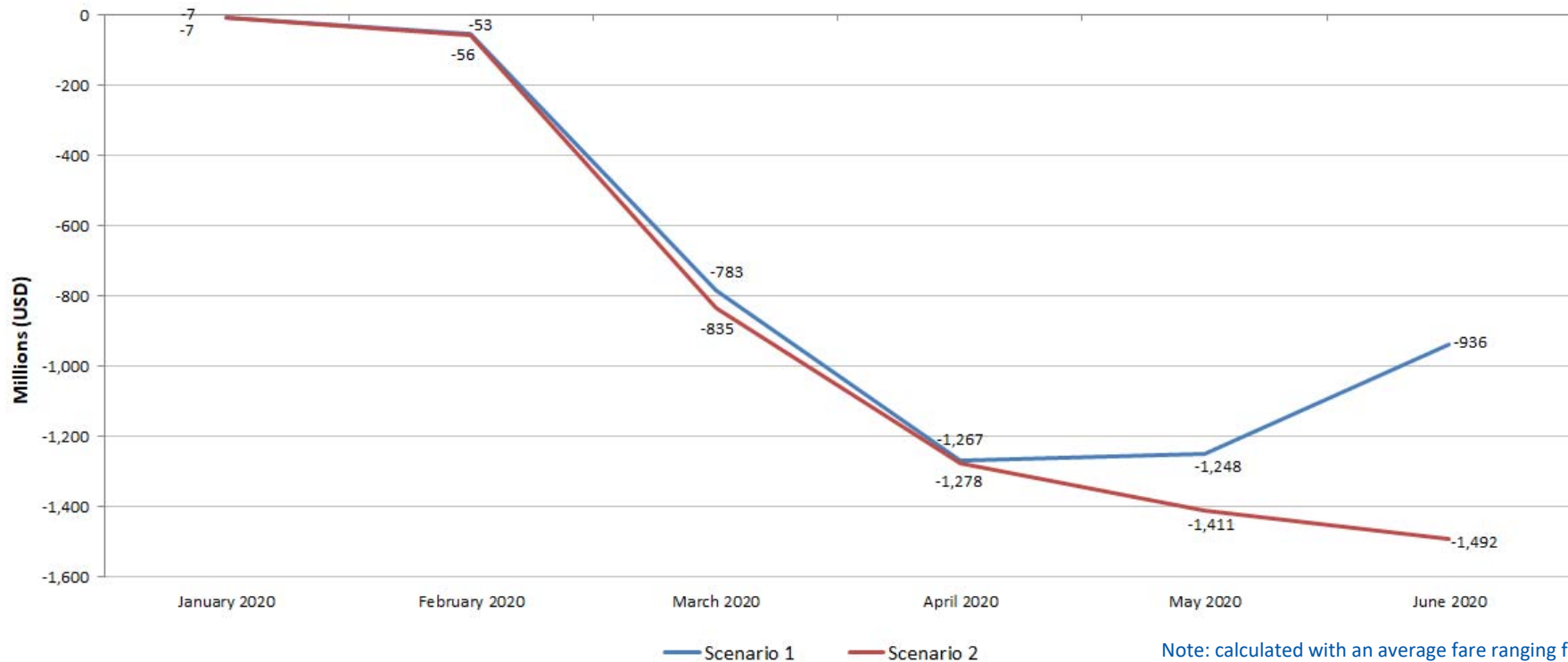




ICAO

UNITING AVIATION

## Approx. USD 4.3 to 5.1 billion loss of airline revenues in first half 2020 compared to Baseline



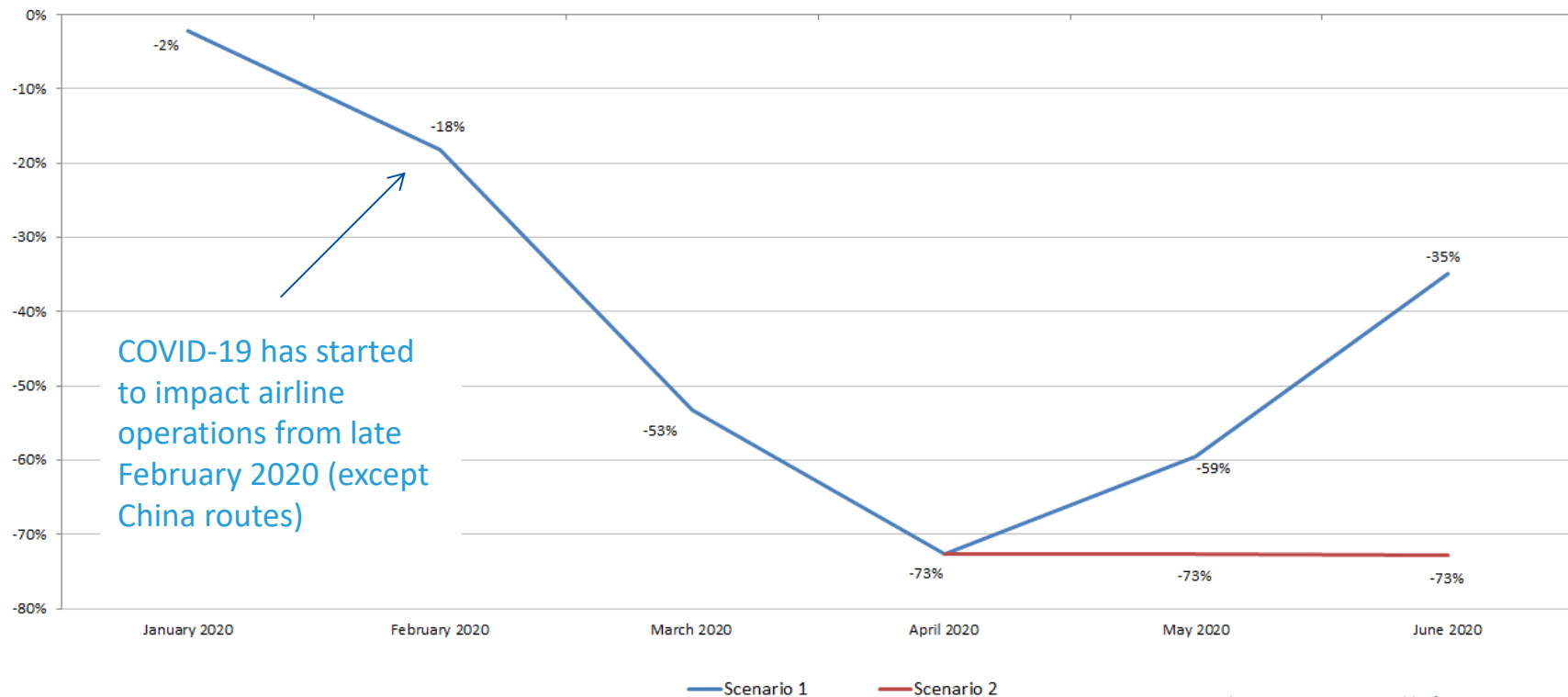
## Iran (Islamic Republic of)

The estimates indicate the impact in terms of scheduled international passenger traffic from/to Italy during first half 2020 compared to originally-planned:

- Overall reduction of **41 to 49% of seats offered by airlines**
- Overall reduction of **2.2 to 2.8 million passengers**
- Approx. **USD 350 to 450 million potential loss** of gross operating revenues of airlines



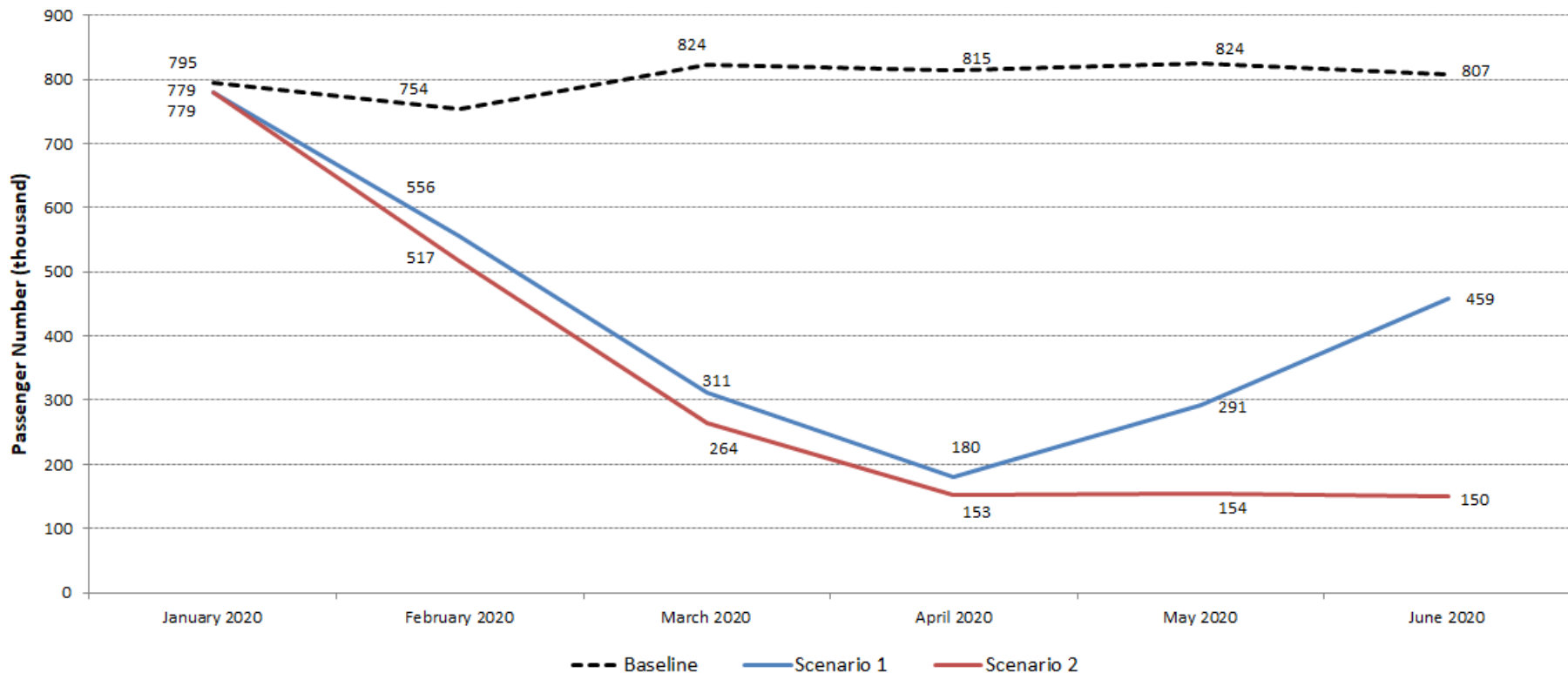
## 41 to 49 % seat capacity reduction in first half 2020 from Baseline



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



## 2.2 to 2.8 million passenger reduction in first half 2020 compared to Baseline

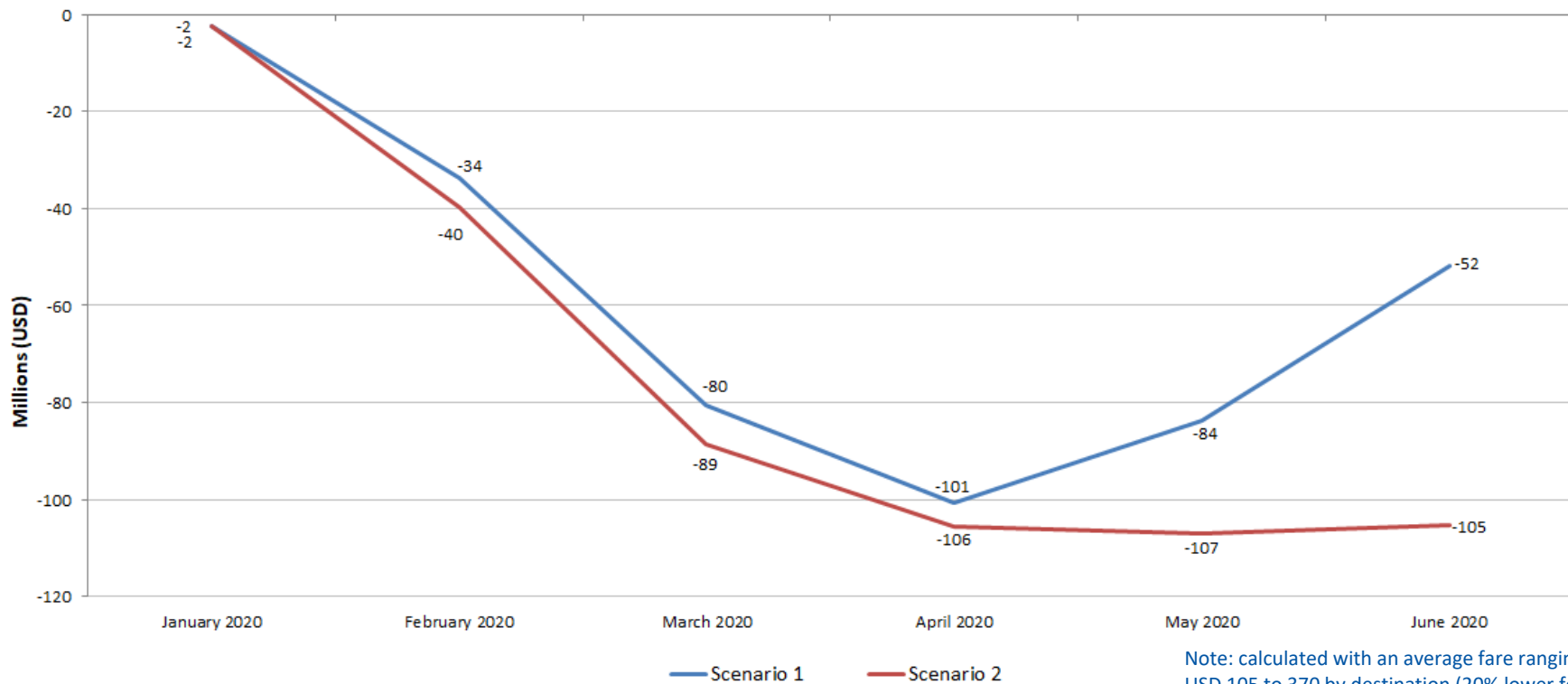




ICAO

UNITING AVIATION

## Approx. USD 350 to 450 million loss of airline revenues in first half 2020 compared to Baseline





ICAO

UNITING AVIATION

## **Appendix: Scenario assumptions**

| Assumptions<br>(Global) | Baseline (Originally-planned)                   |                                 | Scenario 1 (V-shaped)                                                                                |                                                    | Scenario 2 (U-shaped)                                                                                |                                                    |
|-------------------------|-------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------|
|                         | Seat capacity reduction from originally-planned | Passenger load factor           | Seat capacity reduction from originally-planned                                                      | Passenger load factor                              | Seat capacity reduction from originally-planned                                                      | Passenger load factor                              |
| January 2020            | 0%                                              | January 2019 results by region  | actual (estimated)                                                                                   | January 2020 results by region                     | actual (estimated)                                                                                   | January 2020 results by region                     |
| February 2020           | 0%                                              | February 2019 results by region | actual (estimated)                                                                                   | estimated based on airlines results already issued | actual (estimated)                                                                                   | estimated based on airlines results already issued |
| March 2020              | 0%                                              | March 2019 results by region    | actual (estimated)                                                                                   | 15 percentage points lower than Baseline           | actual (estimated)                                                                                   | 25 percentage points lower than Baseline           |
| April 2020              | 0%                                              | April 2019 results by region    | airlines' schedules filed in early April minus 1 to 5 percentage points, subject to update by actual | 15 percentage points lower than Baseline           | airlines' schedules filed in early April minus 1 to 5 percentage points, subject to update by actual | 25 percentage points lower than Baseline           |
| May 2020                | 0%                                              | May 2019 results by region      | 60 to 70 percentage points lower than Baseline, subject to update by actual                          | 10 percentage points lower than Baseline           | 75 to 85 percentage points lower than Baseline, subject to update by actual                          | 25 percentage points lower than Baseline           |
| June 2020               | 0%                                              | June 2019 results by region     | 30 to 40 percentage points lower than Baseline, subject to update by actual                          | 10 percentage points lower than Baseline           | 75 to 85 percentage points lower than Baseline, subject to update by actual                          | 25 percentage points lower than Baseline           |

# China (Mainland International and Regional)

| Assumptions<br>(mainland China) | Baseline (Originally-planned)                   |                                                 | Scenario 1 (V-shaped)                                                                               |                                                                                | Scenario 2 (U-shaped)                                                                               |                                                                                |
|---------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|                                 | Seat capacity reduction from originally-planned | Passenger load factor                           | Seat capacity reduction from originally-planned                                                     | Passenger load factor                                                          | Seat capacity reduction from originally-planned                                                     | Passenger load factor                                                          |
| January 2020                    | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | same as Baseline                                                               | actual (estimated)                                                                                  | same as Baseline                                                               |
| February 2020                   | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | 15 percentage points lower than Baseline (except 30 points lower for Regional) | actual (estimated)                                                                                  | 25 percentage points lower than Baseline (except 40 points lower for Regional) |
| March 2020                      | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | 15 percentage points lower than Baseline (except 30 points lower for Regional) | actual (estimated)                                                                                  | 25 percentage points lower than Baseline (except 40 points lower for Regional) |
| April 2020                      | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | maximum 5 percentage points more contraction from March reduction rate, subject to update by actual | 15 percentage points lower than Baseline (except 30 points lower for Regional) | maximum 5 percentage points more contraction from March reduction rate, subject to update by actual | 25 percentage points lower than Baseline (except 40 points lower for Regional) |
| May 2020                        | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | 15 percentage points improvement from April reduction rate, subject to update by actual             | 10 percentage points lower than Baseline                                       | same reduction rate as April, subject to update by actual                                           | 25 percentage points lower than Baseline (except 40 points lower for Regional) |
| June 2020                       | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | 30 percentage points improvement from May reduction rate, subject to update by actual               | 10 percentage points lower than Baseline                                       | same reduction rate as May, subject to update by actual                                             | 25 percentage points lower than Baseline (except 40 points lower for Regional) |



# China (Hong Kong SAR, Macao SAR, Taiwan Province and Cross-Strait)

| Assumptions<br>(Hong Kong SAR et al) | Baseline (Originally-planned)                   |                           | Scenario 1 (V-shaped)                                                                                                            |                                                                                                                            | Scenario 2 (U-shaped)                                                                                                            |                                                                                                                             |
|--------------------------------------|-------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                                      | Seat capacity reduction from originally-planned | Passenger load factor     | Seat capacity reduction from originally-planned                                                                                  | Passenger load factor                                                                                                      | Seat capacity reduction from originally-planned                                                                                  | Passenger load factor                                                                                                       |
| January 2020                         | 0%                                              | 80% (except 87% all LCCs) | actual (estimated)                                                                                                               | same as Baseline                                                                                                           | actual (estimated)                                                                                                               | same as Baseline                                                                                                            |
| February 2020                        | 0%                                              | 80% (except 87% all LCCs) | actual (estimated)                                                                                                               | 15 percentage points lower than Baseline (except 8 and 30 points lower for Taiwan Province and Cross-strait, respectively) | actual (estimated)                                                                                                               | 25 percentage points lower than Baseline (except 13 and 40 points lower for Taiwan Province and Cross-strait, respectively) |
| March 2020                           | 0%                                              | 80% (except 87% all LCCs) | actual (estimated)                                                                                                               | 15 percentage points lower than Baseline (except 30 points lower for Cross-strait)                                         | actual (estimated)                                                                                                               | 25 percentage points lower than Baseline (except 40 points lower for Cross-strait)                                          |
| April 2020                           | 0%                                              | 80% (except 87% all LCCs) | maximum 5 percentage points (except 20 point for Taiwan) more contraction from March reduction rate, subject to update by actual | 15 percentage points lower than Baseline (except 30 points lower for Cross-strait)                                         | maximum 5 percentage points (except 20 point for Taiwan) more contraction from March reduction rate, subject to update by actual | 25 percentage points lower than Baseline (except 40 points lower for Cross-strait)                                          |
| May 2020                             | 0%                                              | 80% (except 87% all LCCs) | 15 percentage points improvement from April reduction rate, subject to update by actual                                          | 10 percentage points lower than Baseline                                                                                   | same reduction rate as April, subject to update by actual                                                                        | 25 percentage points lower than Baseline (except 40 points lower for Cross-strait)                                          |
| June 2020                            | 0%                                              | 80% (except 87% all LCCs) | 30 percentage points improvement from May reduction rate, subject to update by actual                                            | 10 percentage points lower than Baseline                                                                                   | same reduction rate as May, subject to update by actual                                                                          | 25 percentage points lower than Baseline (except 40 points lower for Cross-strait)                                          |

| Assumptions<br>(Korea) | Baseline (Originally-planned)                      |                                                    | Scenario 1 (V-shaped)                                                                                         |                                                                                                       | Scenario 2 (U-shaped)                                                                                         |                                                                                                        |
|------------------------|----------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                        | Seat capacity reduction from<br>originally-planned | Passenger load factor                              | Seat capacity reduction from<br>originally-planned                                                            | Passenger load factor                                                                                 | Seat capacity reduction from<br>originally-planned                                                            | Passenger load factor                                                                                  |
| January 2020           | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | same as Baseline                                                                                      | actual (estimated)                                                                                            | same as Baseline                                                                                       |
| February 2020          | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | 8 percentage points lower than<br>Baseline (except 15 points lower for<br>China/Hong Kong/Macao SARs) | actual (estimated)                                                                                            | 13 percentage points lower than<br>Baseline (except 25 points lower for<br>China/Hong Kong/Macao SARs) |
| March 2020             | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | 15 percentage points lower than<br>Baseline                                                           | actual (estimated)                                                                                            | 25 percentage points lower than<br>Baseline same as Baseline                                           |
| April 2020             | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | maximum 10 percentage points<br>more contraction from March<br>reduction rate, subject to update by<br>actual | 15 percentage points lower than<br>Baseline                                                           | maximum 10 percentage points<br>more contraction from March<br>reduction rate, subject to update by<br>actual | 25 percentage points lower than<br>Baseline                                                            |
| May 2020               | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | 15 percentage points improvement<br>from April reduction rate, subject to<br>update by actual                 | 10 percentage points lower than<br>Baseline                                                           | same reduction rate as April, subject<br>to update by actual                                                  | 25 percentage points lower than<br>Baseline                                                            |
| June 2020              | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | 30 percentage points improvement<br>from May reduction rate, subject to<br>update by actual                   | 10 percentage points lower than<br>Baseline                                                           | same reduction rate as May, subject<br>to update by actual                                                    | 25 percentage points lower than<br>Baseline                                                            |

| Assumptions<br>(Italy) | Baseline (Originally-planned)                   |                                                 | Scenario 1 (V-shaped)                                                                               |                                                                                                                        | Scenario 2 (U-shaped)                                                                               |                                                                                                                         |
|------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
|                        | Seat capacity reduction from originally-planned | Passenger load factor                           | Seat capacity reduction from originally-planned                                                     | Passenger load factor                                                                                                  | Seat capacity reduction from originally-planned                                                     | Passenger load factor                                                                                                   |
| January 2020           | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | same as Baseline                                                                                                       | actual (estimated)                                                                                  | same as Baseline                                                                                                        |
| February 2020          | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | same as Baseline (except 15 and 8 percentage points lower for China/Hong Kong SAR/Taiwan and Korea/Iran, respectively) | actual (estimated)                                                                                  | same as Baseline (except 25 and 13 percentage points lower for China/Hong Kong SAR/Taiwan and Korea/Iran, respectively) |
| March 2020             | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | actual (estimated)                                                                                  | 15 percentage points lower than Baseline                                                                               | actual (estimated)                                                                                  | 25 percentage points lower than Baseline                                                                                |
| April 2020             | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | maximum 5 percentage points more contraction from March reduction rate, subject to update by actual | 15 percentage points lower than Baseline                                                                               | maximum 5 percentage points more contraction from March reduction rate, subject to update by actual | 25 percentage points lower than Baseline                                                                                |
| May 2020               | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | 15 percentage points improvement from April reduction rate, subject to update by actual             | 10 percentage points lower than Baseline                                                                               | same reduction rate as April, subject to update by actual                                           | 25 percentage points lower than Baseline                                                                                |
| June 2020              | 0%                                              | 80% (except 78% Chinese carriers, 87% all LCCs) | 30 percentage points improvement from May reduction rate, subject to update by actual               | 10 percentage points lower than Baseline                                                                               | same reduction rate as May, subject to update by actual                                             | 25 percentage points lower than Baseline                                                                                |

| Assumptions<br>(Iran) | Baseline (Originally-planned)                      |                                                    | Scenario 1 (V-shaped)                                                                                         |                                                                                                    | Scenario 2 (U-shaped)                                                                                         |                                                                                                     |
|-----------------------|----------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                       | Seat capacity reduction from<br>originally-planned | Passenger load factor                              | Seat capacity reduction from<br>originally-planned                                                            | Passenger load factor                                                                              | Seat capacity reduction from<br>originally-planned                                                            | Passenger load factor                                                                               |
| January 2020          | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | same as Baseline                                                                                   | actual (estimated)                                                                                            | same as Baseline                                                                                    |
| February 2020         | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | same as Baseline (except 15 and 8<br>percentage points lower for China<br>and Korea, respectively) | actual (estimated)                                                                                            | same as Baseline (except 25 and 13<br>percentage points lower for China<br>and Korea, respectively) |
| March 2020            | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | actual (estimated)                                                                                            | 15 percentage points lower than<br>Baseline                                                        | actual (estimated)                                                                                            | 25 percentage points lower than<br>Baseline                                                         |
| April 2020            | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | maximum 25 percentage points<br>more contraction from March<br>reduction rate, subject to update by<br>actual | 15 percentage points lower than<br>Baseline                                                        | maximum 25 percentage points<br>more contraction from March<br>reduction rate, subject to update by<br>actual | 25 percentage points lower than<br>Baseline                                                         |
| May 2020              | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | 15 percentage points improvement<br>from April reduction rate, subject to<br>update by actual                 | 10 percentage points lower than<br>Baseline                                                        | same reduction rate as April, subject<br>to update by actual                                                  | 25 percentage points lower than<br>Baseline                                                         |
| June 2020             | 0%                                                 | 80% (except 78% Chinese carriers,<br>87% all LCCs) | 30 percentage points improvement<br>from May reduction rate, subject to<br>update by actual                   | 10 percentage points lower than<br>Baseline                                                        | same reduction rate as May, subject<br>to update by actual                                                    | 25 percentage points lower than<br>Baseline                                                         |



ICAO

UNITING AVIATION

Contact: [ECD@icao.int](mailto:ECD@icao.int)



ICAO

North American  
Central American  
and Caribbean  
(NACC) Office  
Mexico City

South American  
(SAM) Office  
Lima

ICAO  
Headquarters  
Montréal

Western and  
Central African  
(WACAF) Office  
Dakar

European and  
North Atlantic  
(EUR/NAT) Office  
Paris

Middle East  
(MID) Office  
Cairo

Eastern and  
Southern African  
(ESAF) Office  
Nairobi

Asia and Pacific  
(APAC) Sub-office  
Beijing

Asia and Pacific  
(APAC) Office  
Bangkok

<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>

THANK YOU