Keynote Address

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IATA Asia-Pacific

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IATA in brief

- **International Air Transport Association**
- Some 290 passenger and cargo member airlines, representing 82% of global air traffic. 65 member airlines operate different business models from full service carriers.
- Founded in Havana, Cuba in April 1945.
- Head Office: Montreal, Canada
- Executive Office: Geneva, Switzerland
- Regional Offices: Madrid, Singapore, Beijing, Amman, Miami

Mission

- To represent, lead and serve the airline industry.

Vision

- Working together to shape the future growth of a safe, secure and sustainable air transport industry that connects and enriches our world.
The global air transport industry:

87.7 million
Jobs supported by aviation worldwide

$3.5 trillion
Aviation’s global economic impact (including direct, indirect, induced and tourism catalytic)

4.1%
Global GDP supported by aviation

Source: IATA
Every day in 2019:

- 12.4 millions passengers
- 106,600 flights
- $17.8 billions value of goods carried

In 2020:

- 4.9 millions passengers
- 44,900 flights
- $16 billions value of goods carried

Source: IATA
# of unique city-pairs down amid COVID-19

Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts, December 2020 update

Unique city-pairs and real transport costs

Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts, December 2020 update
International travel restrictions remain high
Most international air travel markets are at less than 25% of 2019 RPKs

Source: IATA Economics analysis based on Oxford University data
International traffic in Asia Pacific worst performing

Growth in international air travel, RPKs by market

Source: IATA Monthly Statistics
Air connectivity in Asia Pacific has been seriously disrupted by COVID-19

Source: IATA Economics based on data provided under license by FlightRadar 24. All rights reserved
# Jobs and GDP at risk due to COVID-19

<table>
<thead>
<tr>
<th>Region</th>
<th>Employment supported by air transport at risk</th>
<th>GDP supported by air transport at risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA PACIFIC</td>
<td>22.9</td>
<td>462</td>
</tr>
<tr>
<td>EUROPE</td>
<td>7.6</td>
<td>555</td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>4.3</td>
<td>535</td>
</tr>
<tr>
<td>AFRICA</td>
<td>3.9</td>
<td>32</td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td>4.5</td>
<td>110</td>
</tr>
<tr>
<td>MIDDLE EAST</td>
<td>1.8</td>
<td>115</td>
</tr>
<tr>
<td>WORLD</td>
<td>44.9</td>
<td>1,809</td>
</tr>
</tbody>
</table>

Source: IATA Economics using data from ATAG (2020).
Note: Economic impacts measure direct, indirect, induced and tourism catalytic impacts.
Airlines expected to post a $126.4bn loss in 2020; $47.7bn in 2021

Source: IATA Economics, April 2021 forecast update
Recovery in the H2 is crucial to reduce the cash burn. Stronger H2 will reduce cash burn but positive cash flow delayed to 2022.

Source: IATA Economics Airline Industry Financial Forecast update, April 2021
Demand shocks do not usually have long-lasting impacts. Previous shocks cut 5-20% from RPKs but recovered after 6-18 months.

Global passenger kilometers flown (RPKs), indexed

- 2003 SARS pandemic
- 1991 global recession
- Sep 11 2001 terrorist attacks
- COVID-19 pandemic
- 2009 Great Recession

Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.
Strong global economic rebound favorable for air cargo

Source: IATA Economics using data from Netherlands CPB
RPKs will recover to 2019 levels in 2023

Source: IATA/Tourism Economics Air Passenger Forecast, April 2021 update
Majority won’t travel if there’s a chance of quarantine

I will not travel if there is a chance I may be quarantined at my destination

- Agree strongly: 48%
- Agree somewhat: 37%
- Total: 85%

NB Numbers may not always add up due to rounding.

Q13. Do you agree strongly, agree somewhat, disagree somewhat or disagree strongly with the following statement?
Vaccination a key to re-opening travel

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree strongly</th>
<th>Agree somewhat</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having been vaccinated will make me more likely to travel by air</td>
<td>38%</td>
<td>43%</td>
<td>81%</td>
</tr>
<tr>
<td>Testing before air travel is an acceptable alternative for people who are not vaccinated</td>
<td>36%</td>
<td>43%</td>
<td>78%</td>
</tr>
<tr>
<td>People who have been vaccinated should be able to travel by air freely</td>
<td>32%</td>
<td>43%</td>
<td>75%</td>
</tr>
<tr>
<td>It is morally wrong to restrict travel only to those who are vaccinated</td>
<td>26%</td>
<td>32%</td>
<td>59%</td>
</tr>
</tbody>
</table>

NB Numbers may not always add up due to rounding.

Q22. Do you agree strongly, agree somewhat, disagree somewhat or disagree strongly with each of the following statements?
Majority would use an app for travel/health credentials

<table>
<thead>
<tr>
<th>Likelihood of Using Mobile App To Store Health Credentials</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very likely</td>
<td>50%</td>
</tr>
<tr>
<td>Somewhat likely</td>
<td>39%</td>
</tr>
<tr>
<td>Not too likely</td>
<td>6%</td>
</tr>
<tr>
<td>Not at all likely</td>
<td>5%</td>
</tr>
</tbody>
</table>
Advocacy for Safely Reopening Borders
Engagement with Governments on 4 key areas:

- Gradual reopening of borders
- Based on health situation and vaccination

- Easing of quarantine requirements for vaccinated travelers

- Testing in lieu of quarantine
- Crew Exemption

No border restrictions by 31 Dec 2021
Restoring confidence is key for safe reopening of borders and industry restart.
Thank you