

# IATA perspective on restart

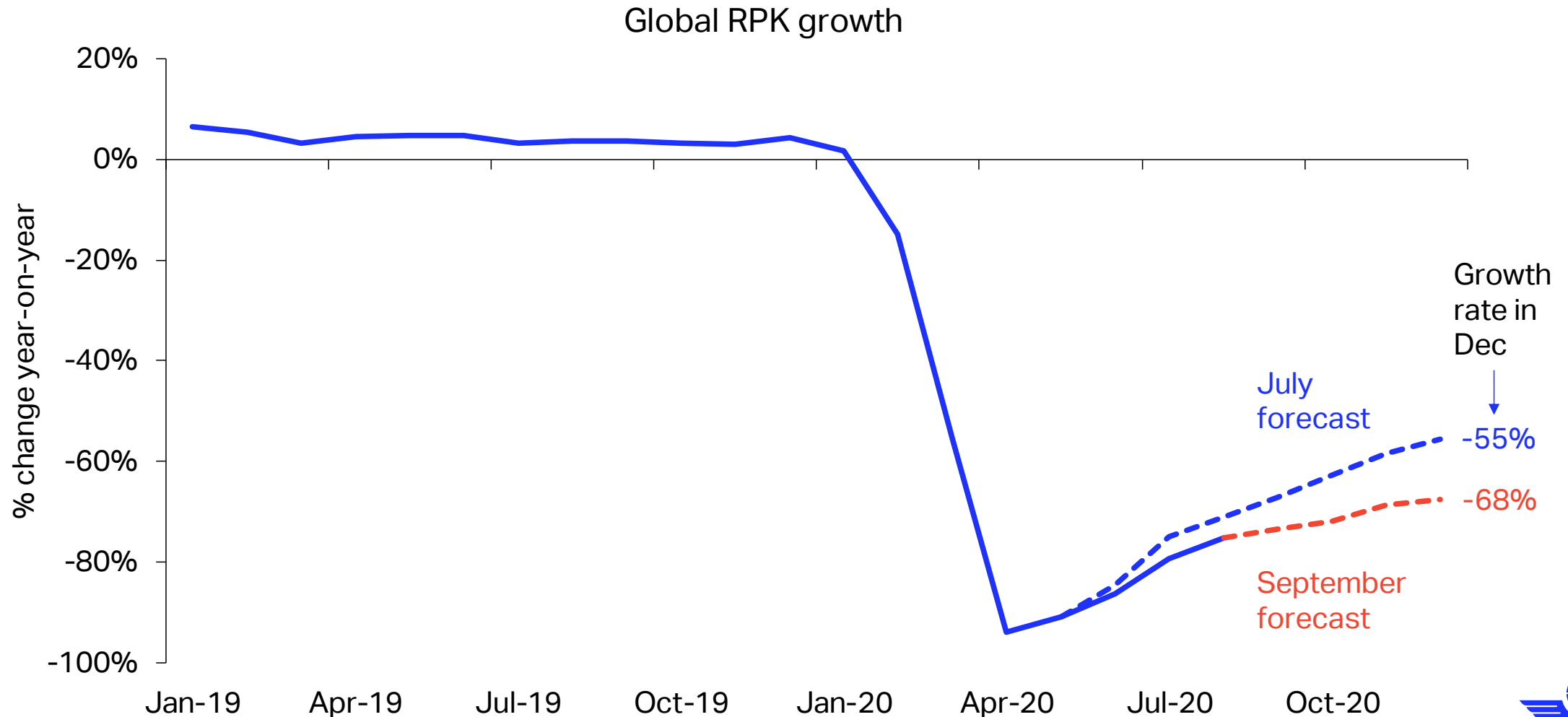
Presentation to the  
50<sup>th</sup> Annual General Meeting of the  
Airlines Association of Southern Africa  
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**Sebastian Mikosz**  
Senior Vice-President  
Member and External Relations



# Passenger revenues not expected to recover quickly

By year-end RPKs only 1/3 of normal levels and yields down sharply

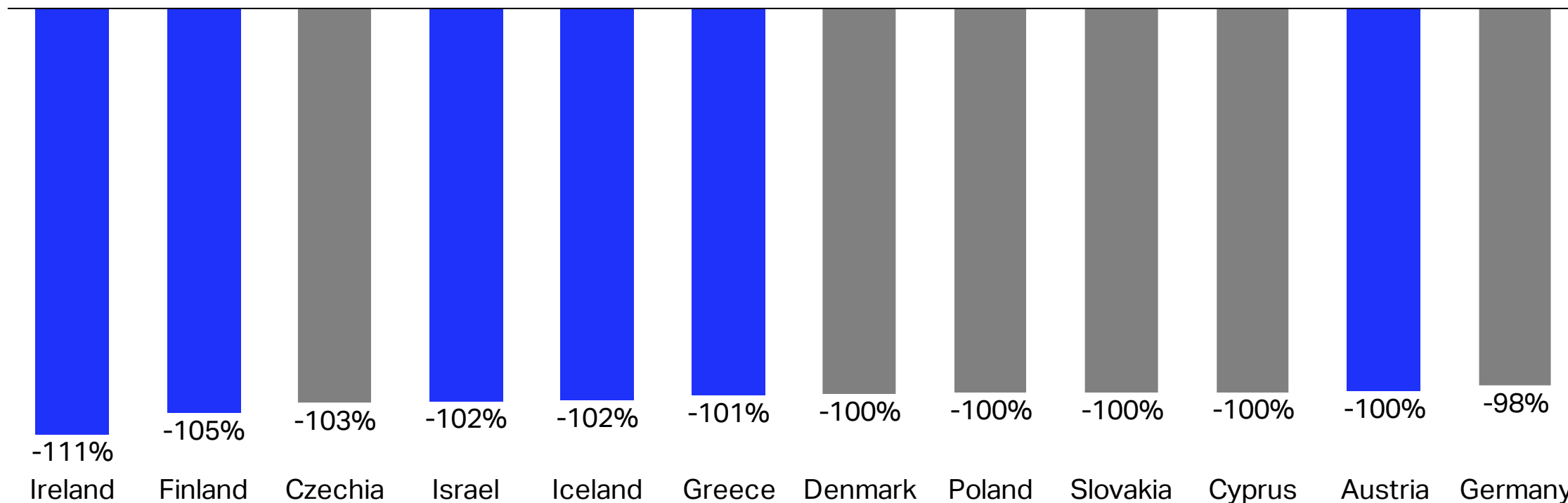


# Quarantine means no travel even if borders are open

## Evidence from Europe shows no rise in booking if quarantine required

YoY change in net bookings (sales net of refunds) by country, 1-17 May 2020

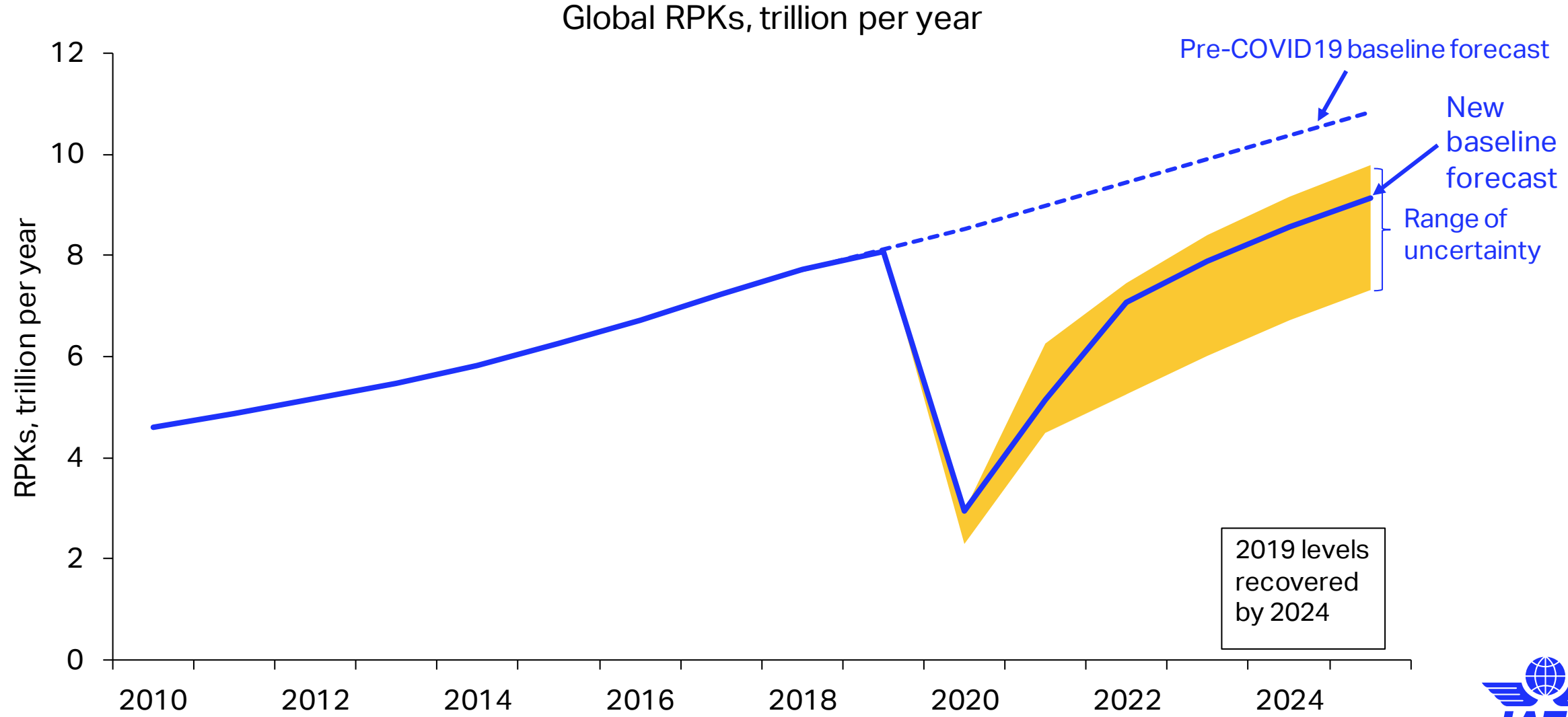
■ Full travel ban (foreign nationals)  
■ Entry allowed but quarantine





# Air transport industry & network will be smaller

Even with vaccine in 2021 may take several years for air travel to recover

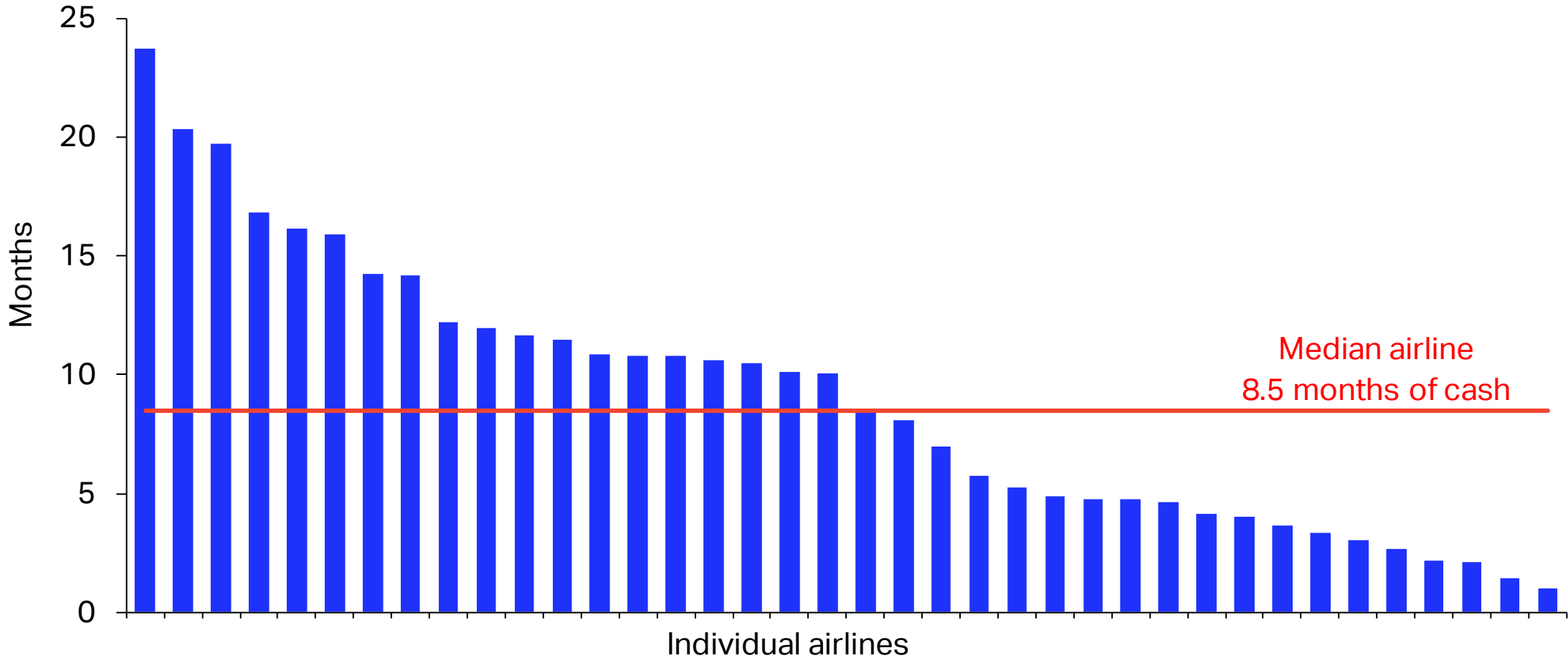


Source: IATA/Tourism Economics 'Air Passenger Forecasts' July 2020

# Even after large cash raise many airlines at risk

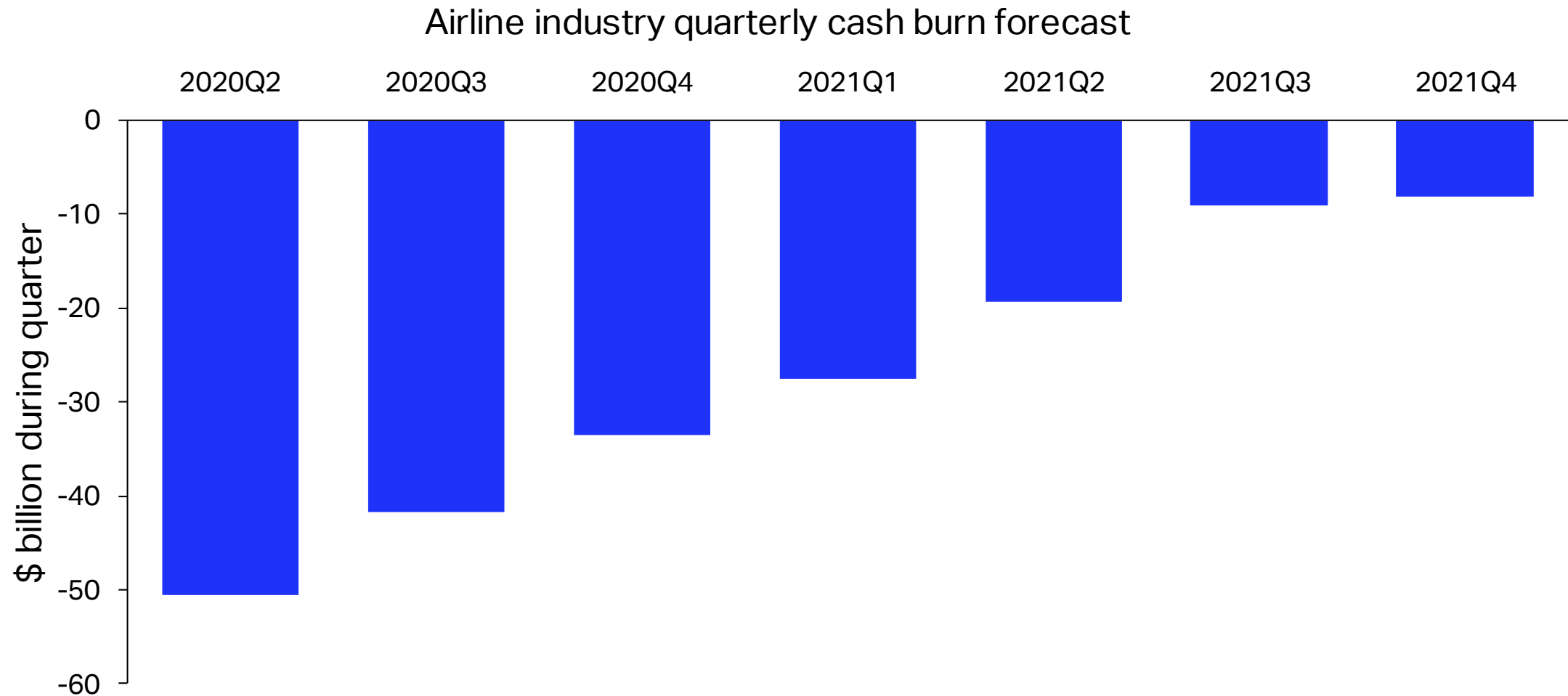
## Median airlines' cash would last just 8.5 months at H2 rate of cash burn

2020 end June cash+cash equivalents/2020 H2 monthly cash burn



# Airlines not expected to turn cash positive until 2022

## Extended weakness of revenues will delay financial turnaround



# Covid-19 impact on Africa

**Regional impacts**

	Africa	Asia-Pacific	Europe	Latin America and Caribbean	Middle East	North America	World
<b>Employment supported</b>							
Pre-Covid	7.7 m	46.7 m	13.5 m	7.6 m	3.3 m	8.8 m	87.7 m
Post-Covid	3.2 m	22.2 m	6.5 m	3.7 m	1.6 m	4.5 m	41.7 m
<b>% change</b>	<b>-58%</b>	<b>-53%</b>	<b>-52%</b>	<b>-52%</b>	<b>-51%</b>	<b>-49%</b>	<b>-52%</b>
<b>Economic activity supported</b>							
Pre-Covid	\$63 billion	\$44 billion	\$991 billion	\$187 billion	\$213 billion	\$1.1 trillion	\$3.5 trillion
Post-Covid	\$26 billion	\$453 billion	\$465 billion	\$93 billion	\$108 billion	\$553 billion	\$1.7 trillion
<b>% change</b>	<b>-58%</b>	<b>-52%</b>	<b>-53%</b>	<b>-50%</b>	<b>-49%</b>	<b>-50%</b>	<b>-52%</b>
<b>Direct aviation jobs supported</b>							
Pre-Covid	440,000	4.2 m	2.7 m	722,000	595,000	2.7 m	11.3 m
Post-Covid	267,000	2.4 m	1.5 m	408,000	323,000	1.6 m	6.5 m
<b>Jobs at risk</b>	<b>172,000</b>	<b>1.8 m</b>	<b>1.2 m</b>	<b>314,000</b>	<b>272,000</b>	<b>1.1 m</b>	<b>4.8 m</b>

Source: ATAG, Aviation Benefits Beyond Borders 2020



# Industry Restart - #1 priority

**re-open borders, remove travel restrictions,  
and end quarantine measures**

- Travel restrictions hampering international traffic
- Resume international traffic, starting with core long-haul axes
- Unilateral re-opening does not work



# need change in mentality

## from risk elimination to risk mitigation

- Accept that there is no risk-free environment when it comes to importing COVID-19 cases, but the level of risk can be controlled
- Seek balanced approach between public health objectives and socio-economic objectives
- Many public health authorities already think along these lines; it is politicians who need to change their perspective

# testing is the key to progress

## **systematic, rapid testing of all international travelers before departure**

- To effectively mitigate the risk of importing COVID-19 cases
- Need international standardization and harmonization
- Create a global trust framework