
IATA revises COVID-19 impact up to US\$252B

By **Rick Lundstrom** on March, 25 2020 | Airline & Terminal News



In an [updated analysis](#) released yesterday, the International Air Transport Association (IATA) yesterday stated the COVID-19 pandemic could cause industry passenger revenues to plummet US \$252 billion or 44 percent below 2019's figure.

"This is in a scenario in which severe travel restrictions last for up to three months, followed by a gradual economic recovery later this year," said the Association.

IATA's [previous analysis](#) of up to a US\$113 billion revenue loss was made on March 5, 2020, before the countries around the world introduced sweeping travel restrictions that largely eliminated the international air travel market.

"The airline industry faces its gravest crisis. Within a matter of a few weeks, our previous worst case scenario is looking better than our latest estimates. But without immediate government relief measures, there will not be an industry left standing. Airlines need \$200 billion in liquidity support simply to make it through. Some governments have already stepped forward, but many more need to follow suit," [said IATA's Director General and CEO, Alexandre de Juniac](#).

The latest analysis envisions that under this scenario, severe restrictions on travel are lifted after three months. The recovery in travel demand later this year is weakened by the impact of global recession on jobs and confidence. Full year passenger demand (revenue passenger kilometers or RPKs) declines 38% compared to 2019. Industry capacity (available seat kilometer or ASKs) in domestic and international markets declines 65 percent during the second quarter ended June 30, compared to a year ago period, but in this scenario recovers to a 10 percent decline in the fourth quarter.

Region of Airline Registration (2020 vs. 2019)	% Change in RPKs (2020 vs. 2019)	Estimate. Impact on PAX Revenue (US\$ billions)
Africa	-32%	-4
Asia-Pacific	-37%	-88
Europe	-46%	-76
Latin America	-41%	-15
Middle East	-39%	-19
North America	-27%	-50
Industry	-38%	-252