SKYTRA

COVID-19:
The Impact on Global Air Travel

Weekly coverage reports: Week commencing **13 April**

COVID-19 IMPACT

COVID-19 has severely impacted the global aviation industry with restrictions placed by governments on air travel in an effort to stop the spread of the virus.

In the second week of Skytra's COVID-19 coverage report we share the same COVID-19 related metrics which we have complemented by the Skytra Price Indices, which measure the average price* of air travel per kilometer in the different markets around the world. We share two different views: first, we compare the price of air travel per kilometer in 2020 so far with the preceding three years., second, we look at how the ticket prices have changed each year from January 1st onwards.

By looking at the data this way we can identify the impact on ticket pricing of the crisis. What we can observe, is a significant drop of as much as 30% in some regions. It will be interesting to see how airlines will be pricing tickets in the coming months depending on their commercial strategy and how the demand evolves in the different regions.

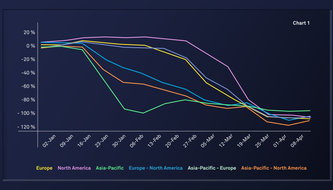
As the previous week, our three specific COVID-19 metrics are as follows:

- **Value of tickets issued** over the past week compared to the same week in 2019 and how this has evolved over the past three months as COVID-19 spread in different regions of the world.
- **Cumulative change in ticket revenue** which helps to understand the effect of the shutdown as it continues.
- **Customer and airline sentiment** for the upcoming months, so each week we will be seeing how much travel is being booked for the rest of 2020.

Skytra, a 100% Airbus company, has evaluated all these metrics using the Skytra Price Indices and methodology. These are derived from our ticketing database that includes IATA DDS (Direct Data Solutions) covering 83% of worldwide air travel by value.

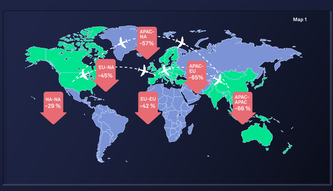
*Skytra Price Indices data is compiled of economy class data only

Weekly ticket sales per region 2020 vs 2019



The trend identified in our previous report has continued this week with refunds keeping pace with ticket sales in most markets around the world so effectively revenues for the industry have dropped by 100% or more than 2019 for this past week.

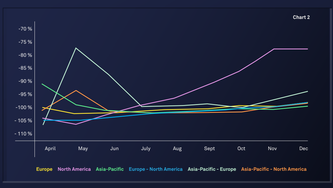
Cumulative ticket sales compared to 2019



Due to the continuing crisis the cumulative impacts on the industry's earnings continued this week.

NA	North America
APAC	Asia-Pacific
EU	Europe

Booking behavior for future flights: Wait and see

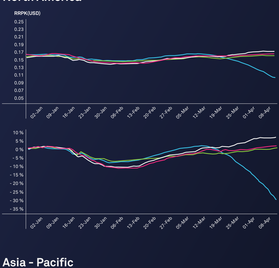


Ticket sales for upcoming months remain generally low with a drop of ca. 100% when compared to 2019. Again refunds are outstripping sales, leading to values of less than -100% when compared to 2019. The world continues to wait and see what happens as the crisis unfolds with the exceptions being for routes Asia to Europe and Asia to North America where the past week has seen a slight rise in sales for May, although still 78% less than last year.

As we saw last week the North American market continues to see a certain level of sales for the final quarter of the year, although once more this is significantly lower than last year.

Skytra Price Indices: the price per kilometer of air travel for economy class

North America



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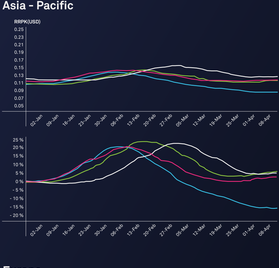
While both the Asia Pacific and North American markets started the year well in terms of pricing as the COVID-19 crisis took hold we saw prices soften as in most markets, as any remaining capacity in service is being discounted. While the Asia-Pacific market seem to have bottomed out about 15% lower than could be expected for this period we can see that the trend in North America and Europe continues with prices down 30% and 25% respectively.

- 2017
- 2018
- 2019
- 2020

Asia - Pacific



Europe

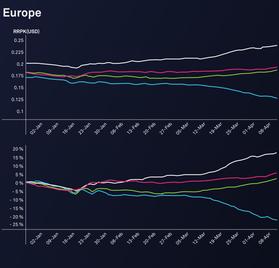


Chart 3

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