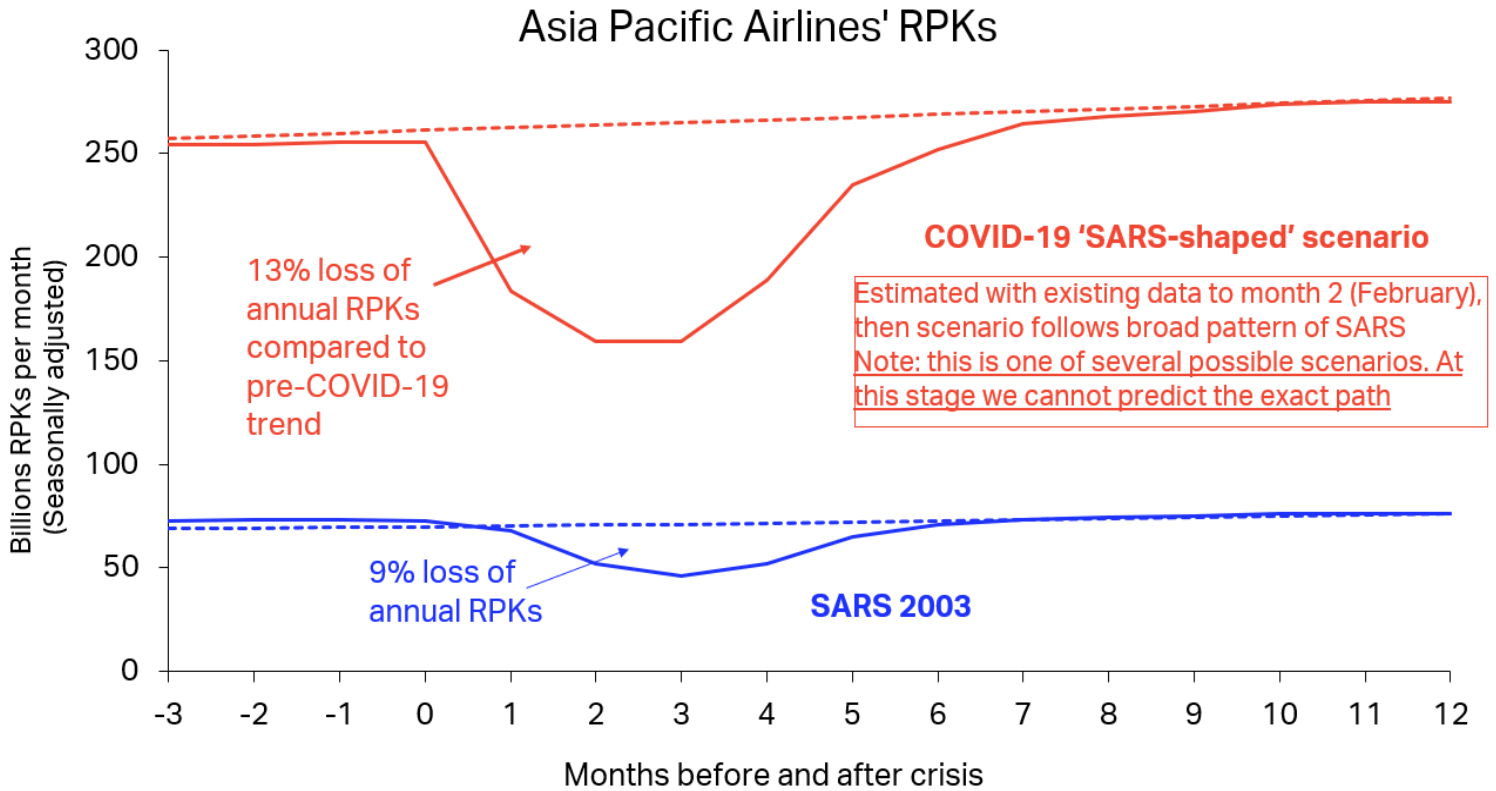




## COVID-19: Initial data point to a larger impact than SARS



Source: IATA

- In our recent [chart of the week publications](#) we have considered various perspectives related to the coronavirus outbreak. As the situation continues to develop, we continue that theme again this week, focusing on the impact of COVID-19 on Asia Pacific airline traffic under one potential scenario. Since the evolution of the outbreak remains uncertain, our scenario follows the broad pattern of the previous SARS epidemic. Under this scenario, we estimate the possible initial decline in RPKs using the existing data to date (February).
- During SARS, airlines based in the Asia Pacific region lost 9% of their annual RPKs, resulting in a 5.1% decline in RPKs in 2003 compared to the prior year. Since the time of SARS, however, China's economy (and air transport market) has grown considerably; the share of China in the global economy has increased by almost four times to 16% in 2019. Moreover, the initial January and February air passenger traffic data indicate a sharper decline (year-on year c.60% in domestic and international passengers) than was observed in the SARS outbreak.
- With SARS, the low point of demand occurred after three months, and traffic recovered to pre-crisis levels after six to seven months. Applying a similar trajectory to COVID-19, the scenario suggests a 13% loss of annual RPKs compared with the pre-crisis trend in 2020 for Asia Pacific airlines.
- In turn with the recovery after seven months, this fall translates into an 8.2% decline in Asia-Pacific airline RPKs for the year as a whole compared to 2019. Although lower fuel prices would offset some of the financial impact, under the assumption of stable yields, the loss in passenger volumes indicates a \$27.8bn loss from passenger revenues for the Asia Pacific region overall, with most of this loss (\$12.8bn) expected to come from China. [Our COVID-19 initial impact assessment contains further details.](#)

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IATA Economics  
[economics@iata.org](mailto:economics@iata.org)