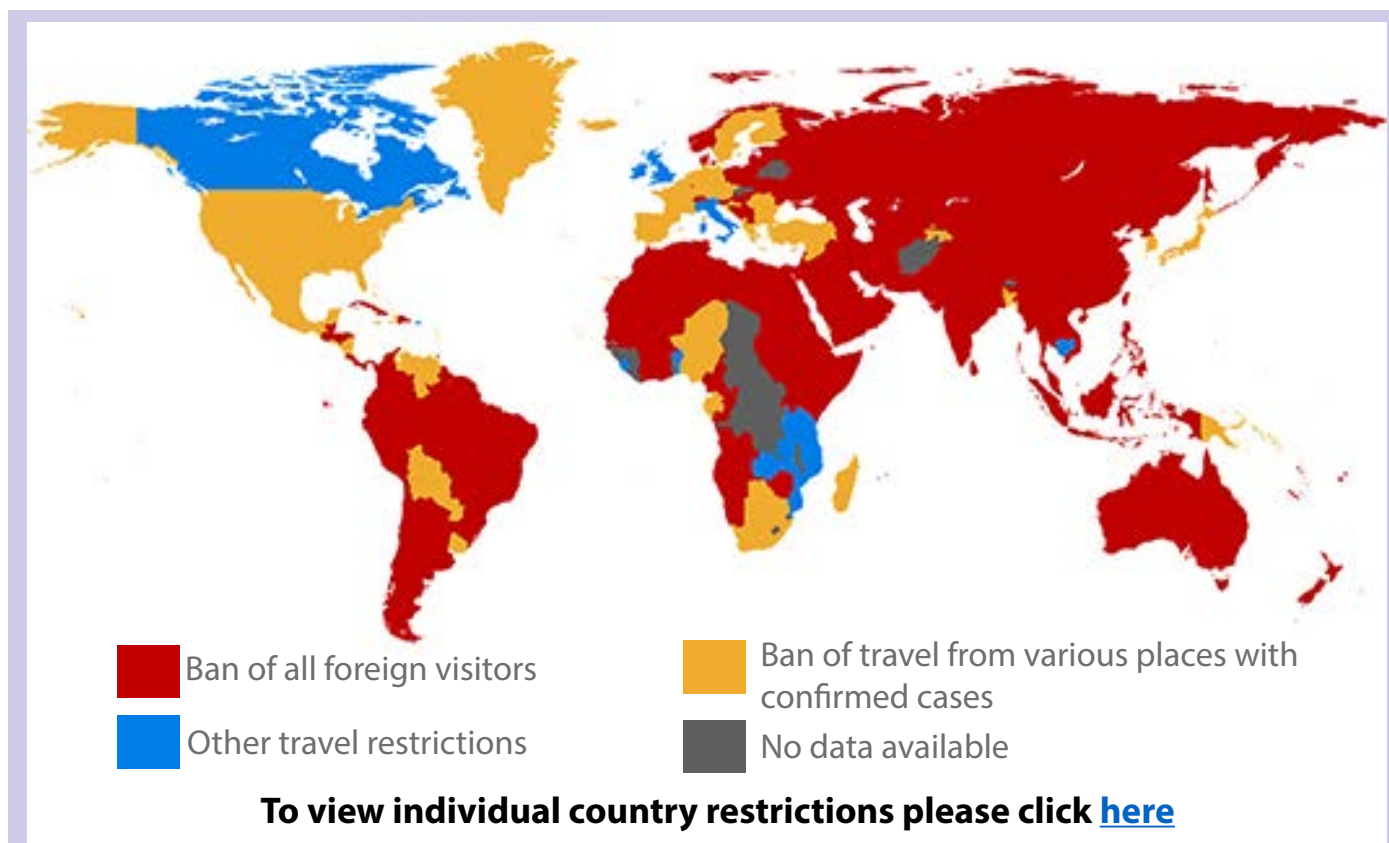


# **Impact of COVID-19 Pandemic on Aviation**



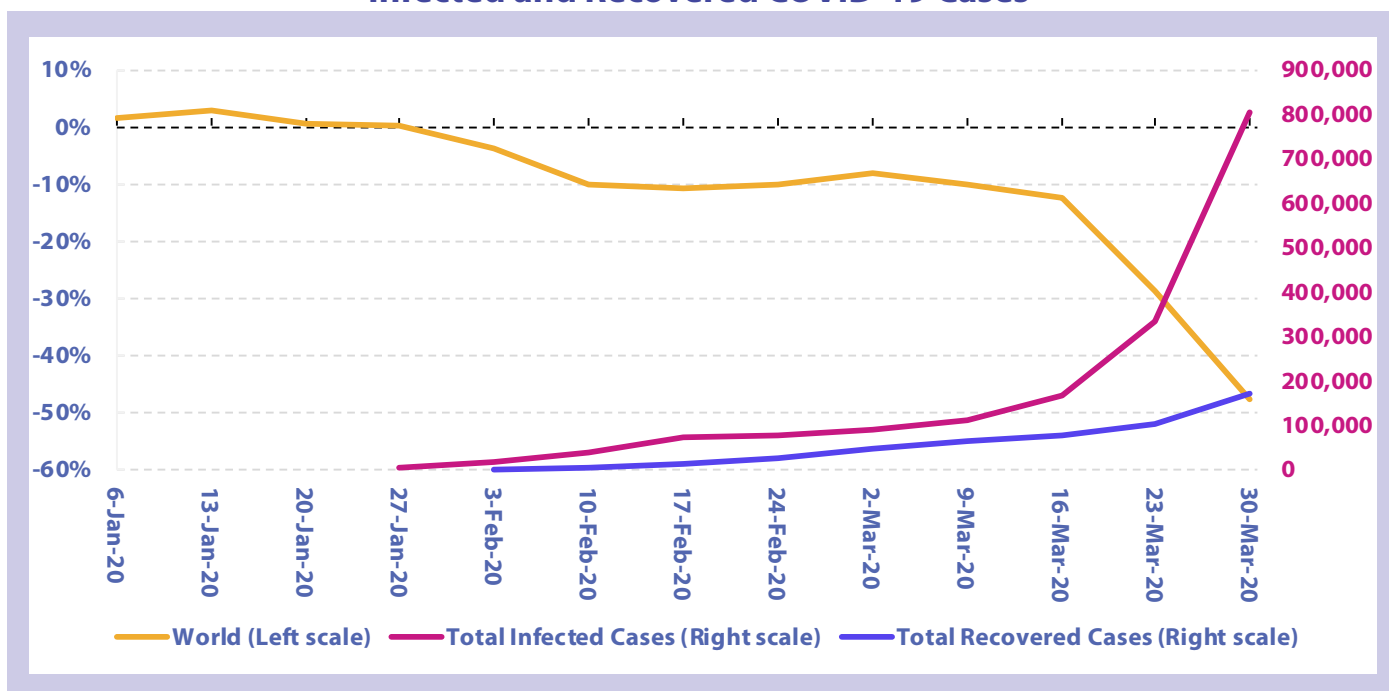
# Global Impact

## Countries Imposing Travel Restrictions In Response To The COVID-19 Pandemic



Source: IATA, Various News Agencies, AACO

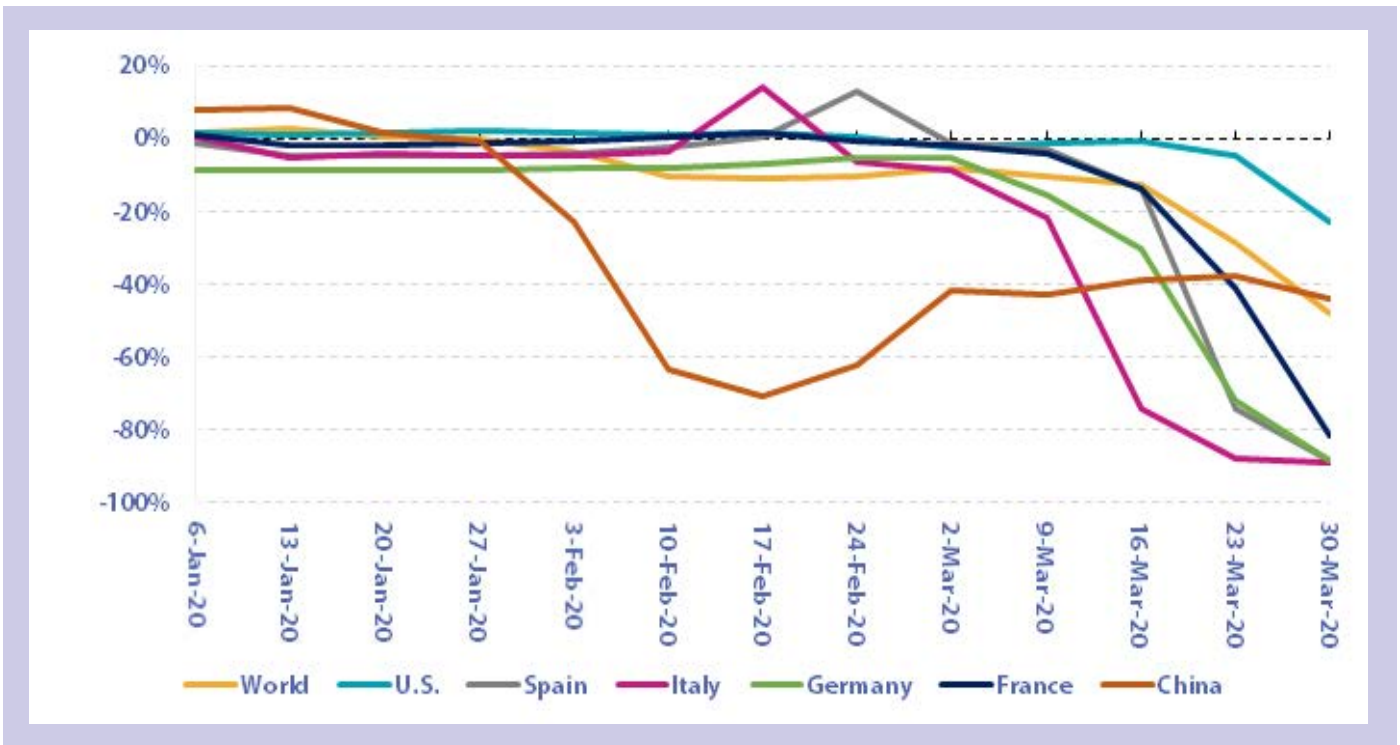
### Year-on-Year Weekly Change in Capacity (Seats) Globally vs. Global Infected and Recovered COVID-19 Cases\*



\*Data is based on published schedules

Source: OAG, Johns Hopkins University

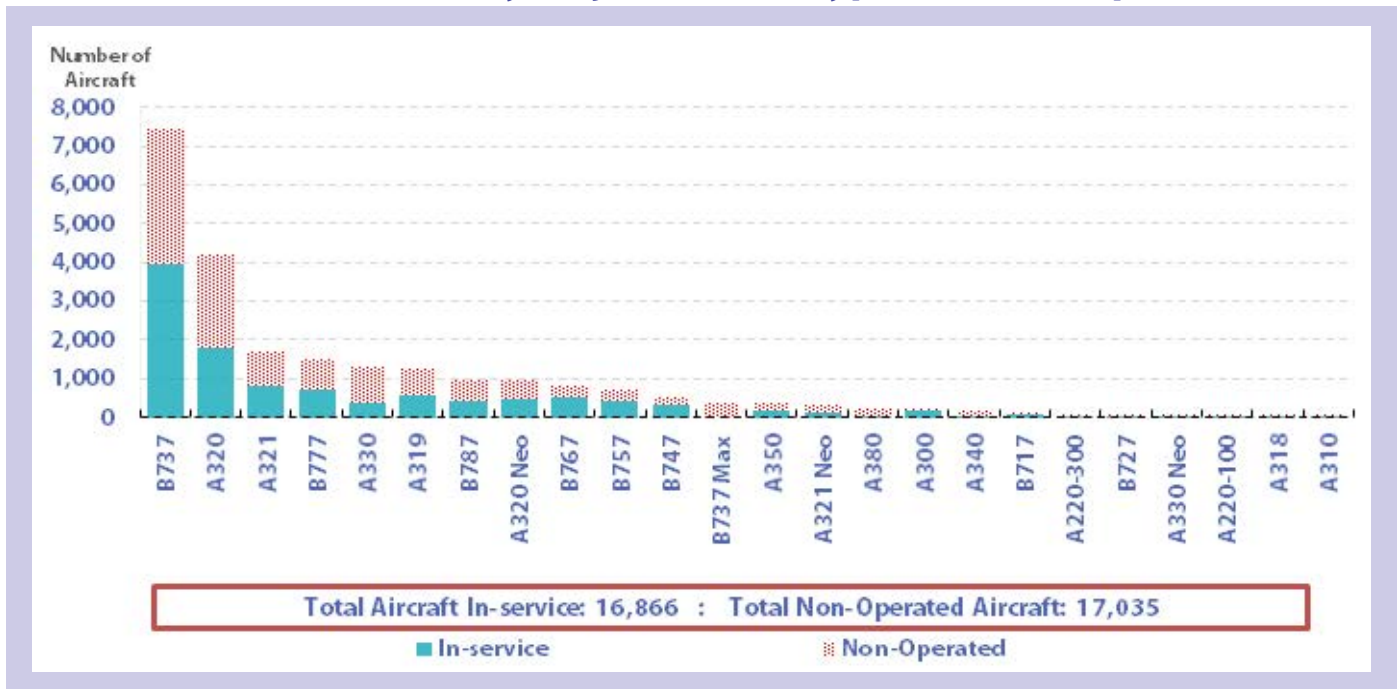
### Year-on-Year Weekly Change in Capacity (Seats) Globally and in the Six Countries with Highest COVID-19 Cases\*



\*Data is based on published schedules

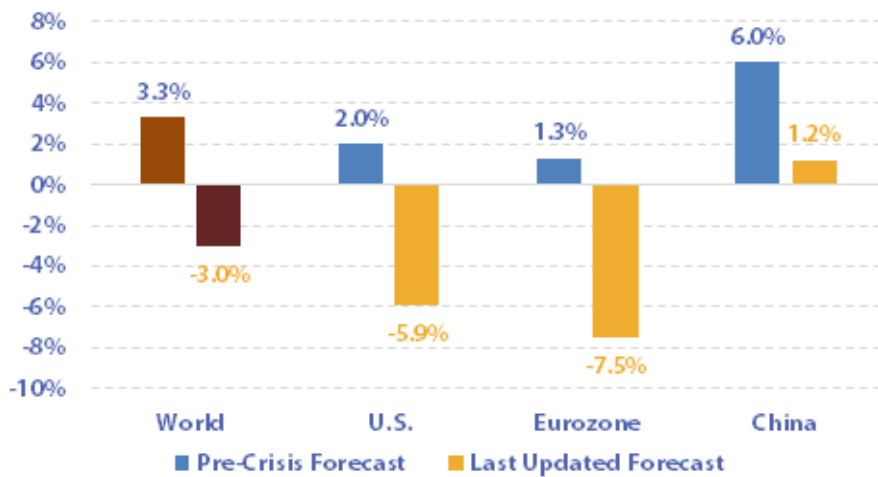
Source: OAG Analyzer, AACO

### Global Fleet Status by Major Aircraft Types (As on 6 April 2020)



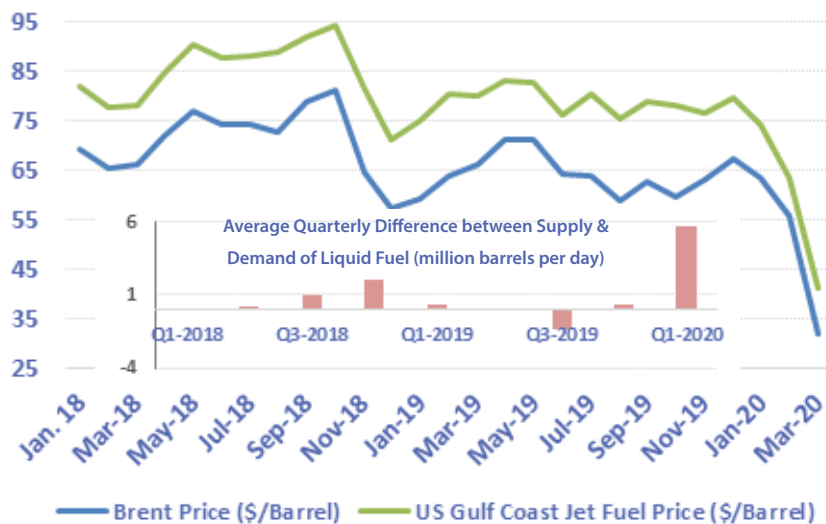
Source: Cirium Fleets Analyzer, AACO

**Updated Forecast of GDP Change for 2020 over 2019 Following the Development of COVID-19**



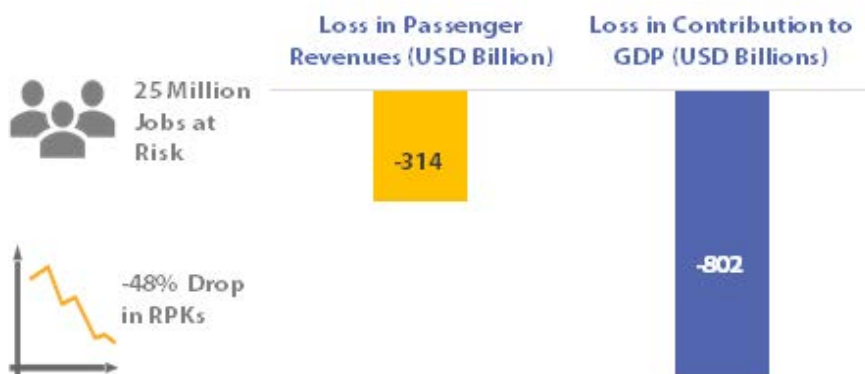
Source: IMF

**Oil & Jet Fuel Comparison (US\$ per barrel)**



Source: US Energy Information Administration

**COVID-19 Expected Impact on Aviation (Numbers are 2020 over 2019)**



Source: IATA, AACO

-The partial/total country lockdown implemented around the world to mitigate the COVID-19 spread led to drastic effects on the economy. The world as well as advanced economies are now expected to fall in a deep recession in 2020. On the other hand, the GDP forecast for China remains positive but is less than a quarter than its pre-crisis level forecast.

-Demand for oil and its derivatives plummeted in March 2020 following country lockdown, stay at home regulations, and oil price wars: The average daily global surplus in liquid fuel reached in March 2020 9.6 million barrels per day. This sent oil prices to historical lows at around US\$ 32 per barrel for Brent on average.

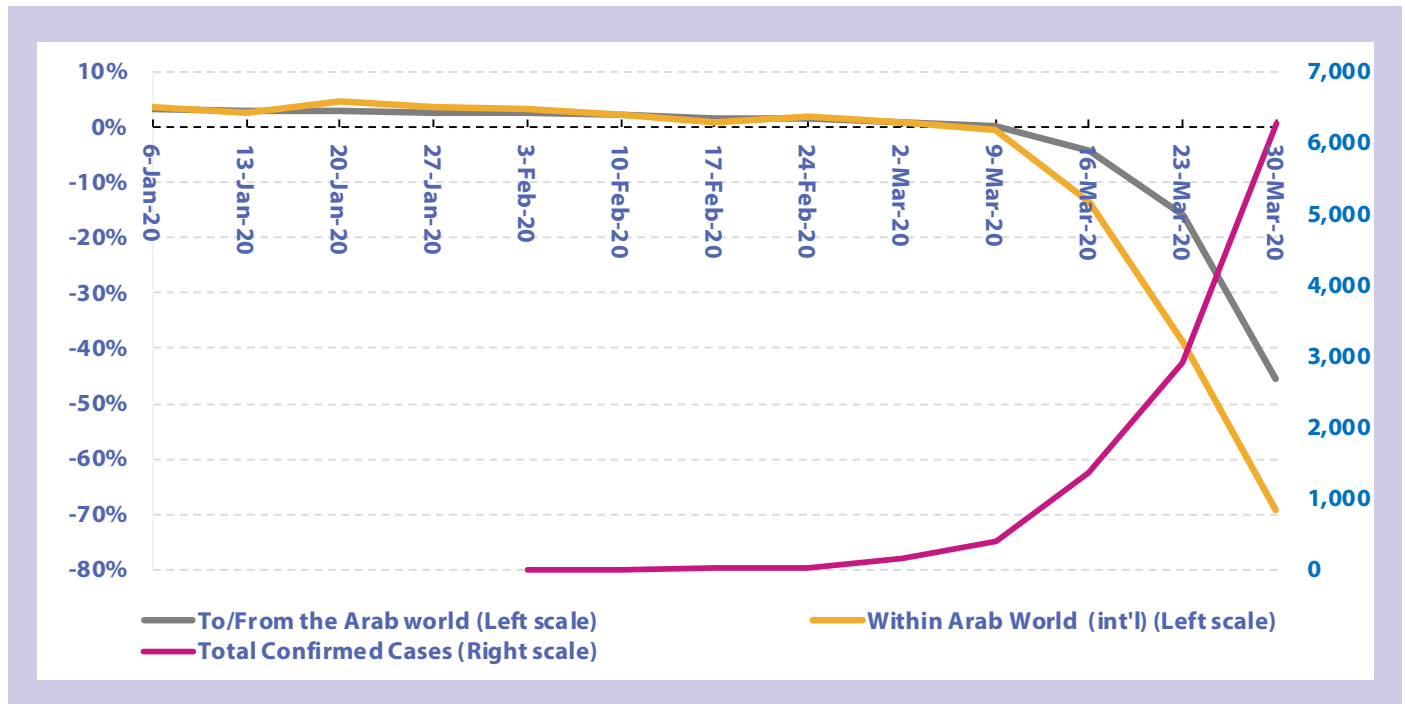
-The decrease in oil prices led to the decrease in jet fuel prices. Moreover, the margin between oil and jet fuel prices narrowed significantly following the decrease in demand on jet fuel as a result of the travel restrictions that grounded more than 50% of the global fleet and resulted in 95% drop in international passenger operations.

-The global implication of the COVID-19 pandemic on the global economy, and the almost full shutdown of commercial air transport is expected to lead to 48% decrease in global traffic in 2020, which will wipe US\$ 314 billion of airlines revenues, putting 25 million aviation jobs at risk, and putting further pressure on the global economy by wiping US\$ 802 billion from the contribution of aviation to the global economy.

-Accordingly, governments around the world are called upon to support airlines during this unprecedented crisis so that they can survive the crisis and support their workforce in order to return to playing their natural role in supporting the recovery of the global economy once the crisis recedes.

# Impact on the Arab World & AACO Members

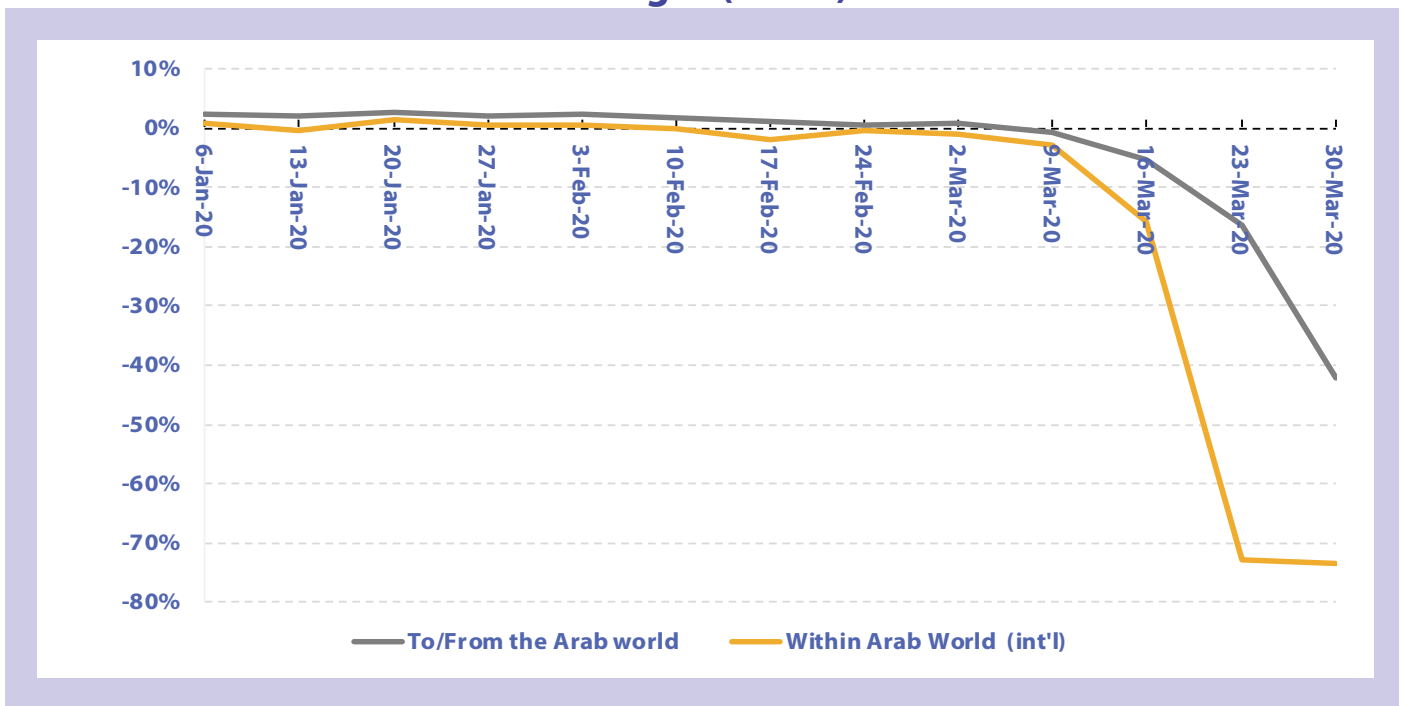
## Year-on-Year Weekly Change in Capacity (Seats) vs. Infected COVID-19 Cases in the Arab world \*



\*Data is based on published schedules

Source: OAG, WHO

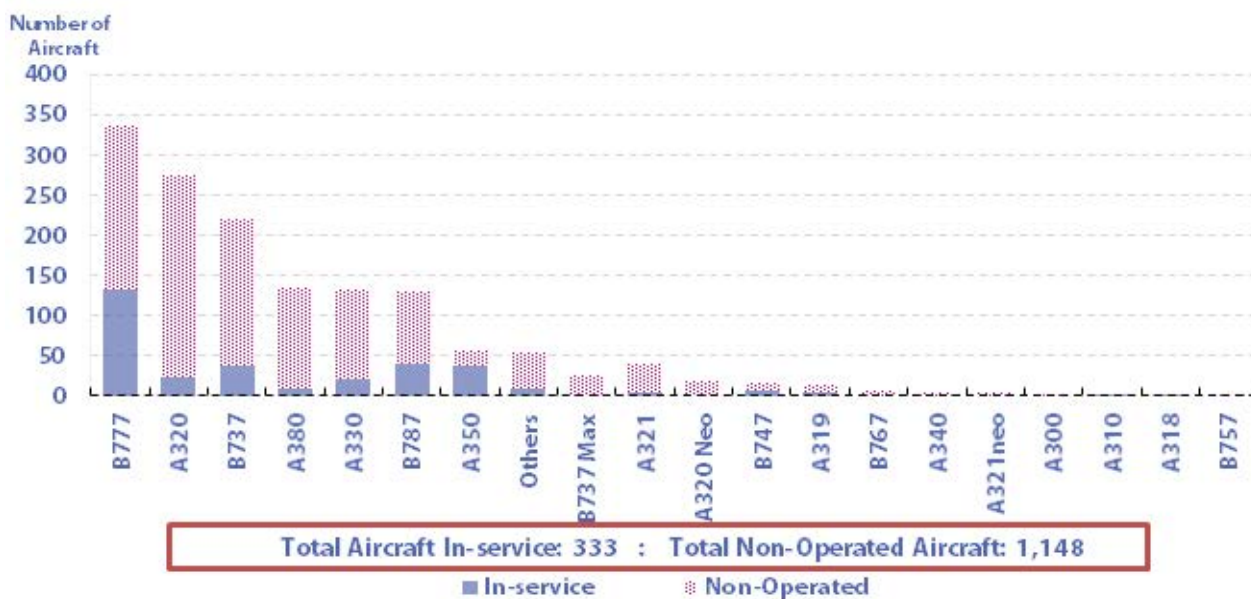
## AACO Members' Year-on-Year Weekly International Capacity Changes (Seats)\*



\*Data is based on published schedules

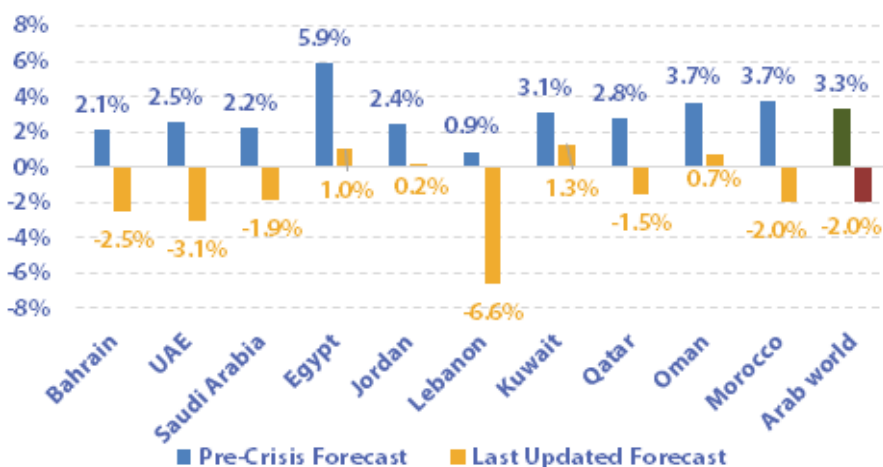
Source: OAG Analyzer, SRS Analyser, AACO

## AACO Members Fleet Status (As on 6 April 2020)



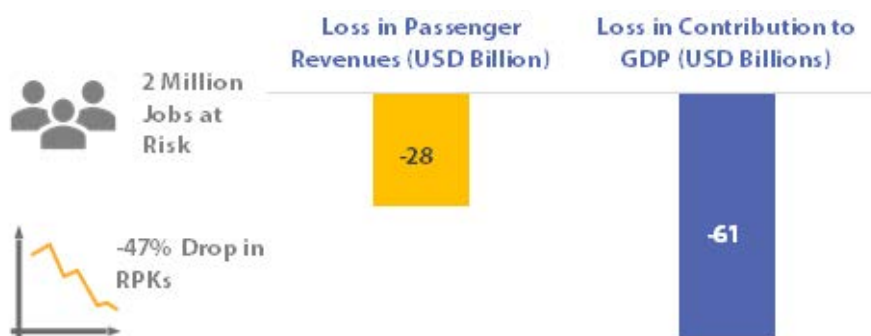
Source: Cirium Fleets Analyzer, AACO

### Updated Forecast of GDP Change for 2020 over 2019 Following the Development of COVID-19



Source: IMF

### COVID-19 Expected Impact on Aviation in the Arab World (Numbers are ( 2020 over 2019))



Source: IATA, AACO

-In the Arab world, the impact of the pandemic is exacerbated in many countries in the region by a multitude of issues such as low oil prices, conflict zones, etc... As such, many Arab countries are expected to fall in recessions in 2020, and the few countries skipping recession are expected to register very shy positive growth rates. Overall, the Arab world is forecast to record a GDP contraction of -2% in 2020 over 2019.

-Moreover, the COVID-19 pandemic is expected to lead to 47% decrease in Arab airlines' traffic in 2020, which will wipe US\$ 28 billion of air transport revenues, putting 2 million aviation jobs in the region at risk, and putting further pressure on the Arab economy by wiping US\$ 61 billion from the contribution of aviation to the Arab GDP.

-Accordingly, and since the contribution of aviation to Arab GDP is higher than the global average, governments in the Arab world are strongly encouraged to support airlines during this unprecedented crisis so that they can survive the crisis and support their workforce in order to return to playing their paramount role in supporting the recovery of Arab countries' economies once the crisis recedes.