

# H7 RBP Passenger Forecast: Airline community update

Prepared for the CAA on behalf of the  
London (Heathrow) Airline Consultative  
Committee (LACC) by IATA Economics

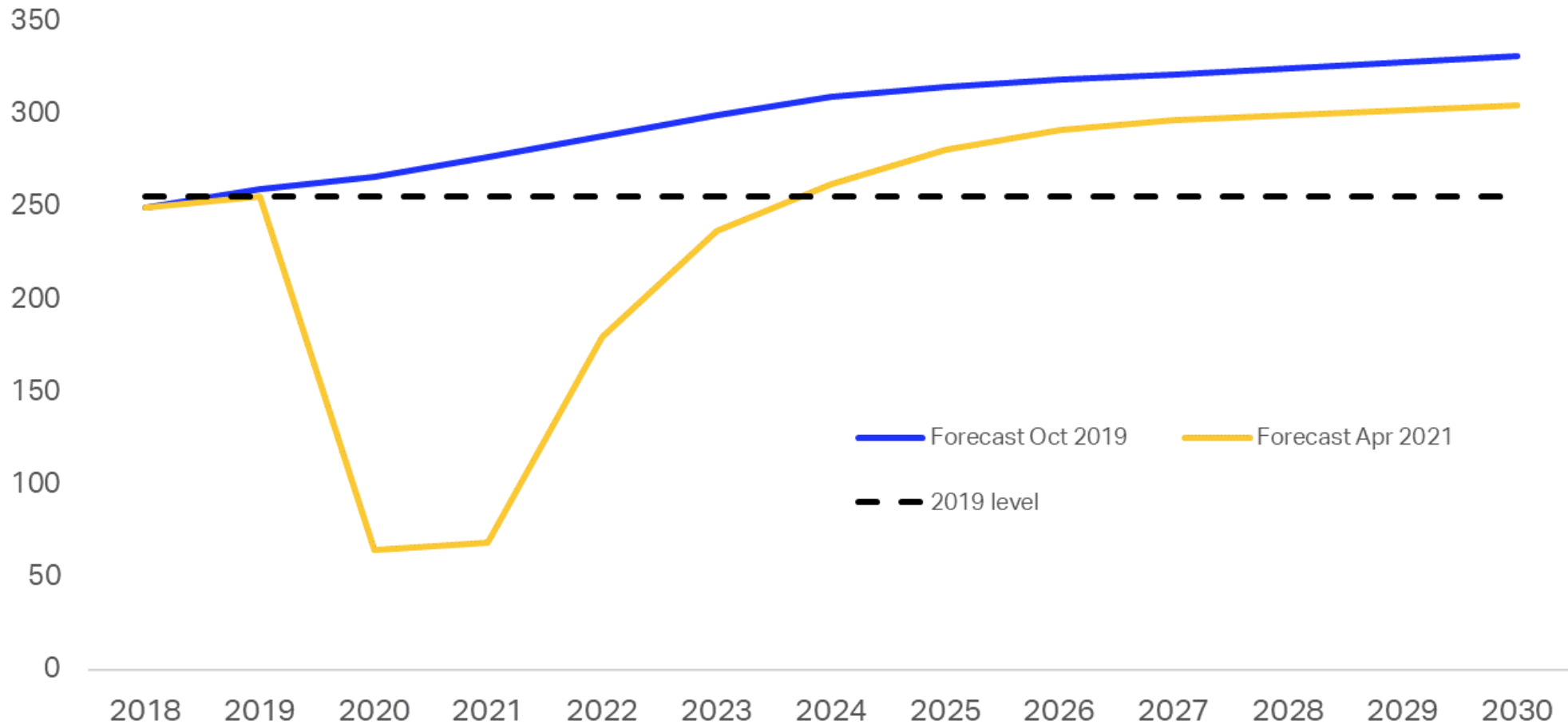
Presented 23<sup>rd</sup> June 2021



# UK O-D market expected to recover pre-crisis level in 2023-2024

## LHR should out-perform given concentration of operations at key hubs

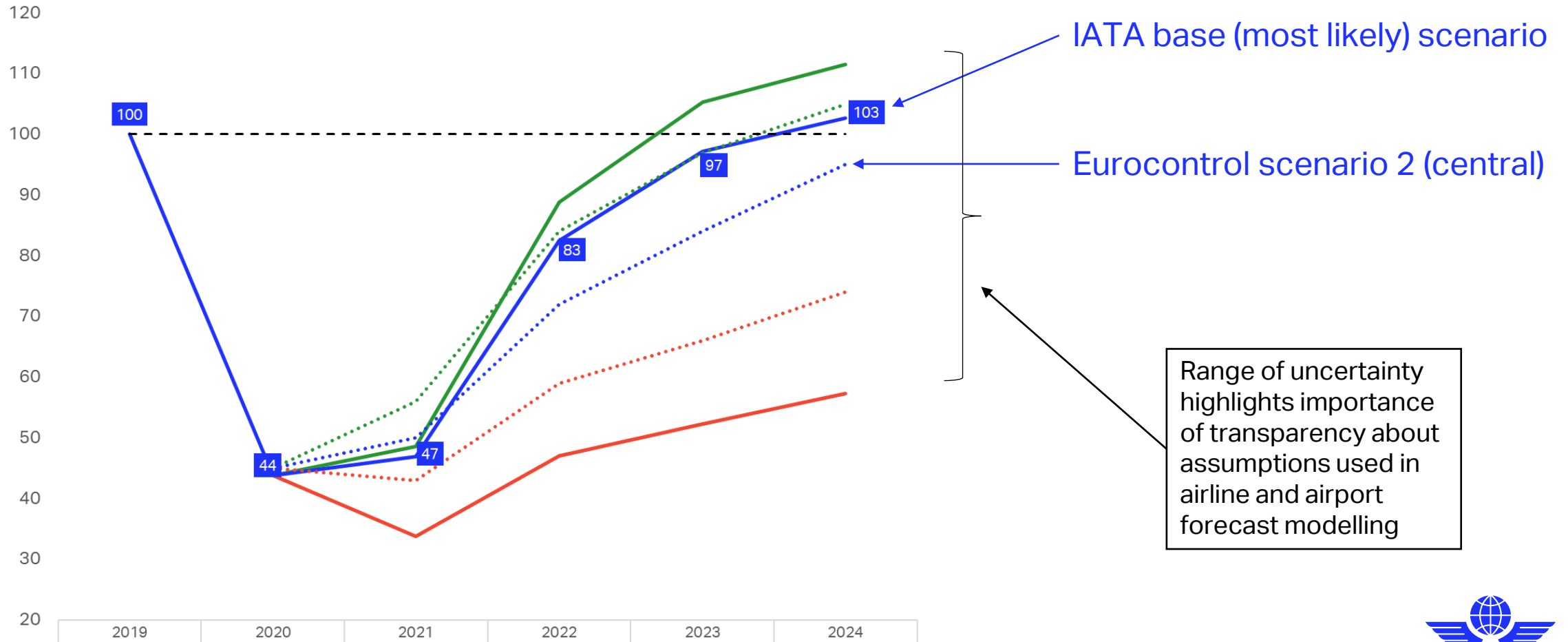
Forecast UK O-D passengers, millions



# IATA baseline expectation within range of Eurocontrol scenarios 1 & 2

## Transparency on modelling assumptions key given uncertainties involved

ATMs Europe - IATA forecast May 2021 with Eurocontrol comparison  
(Index 2019 = 100)



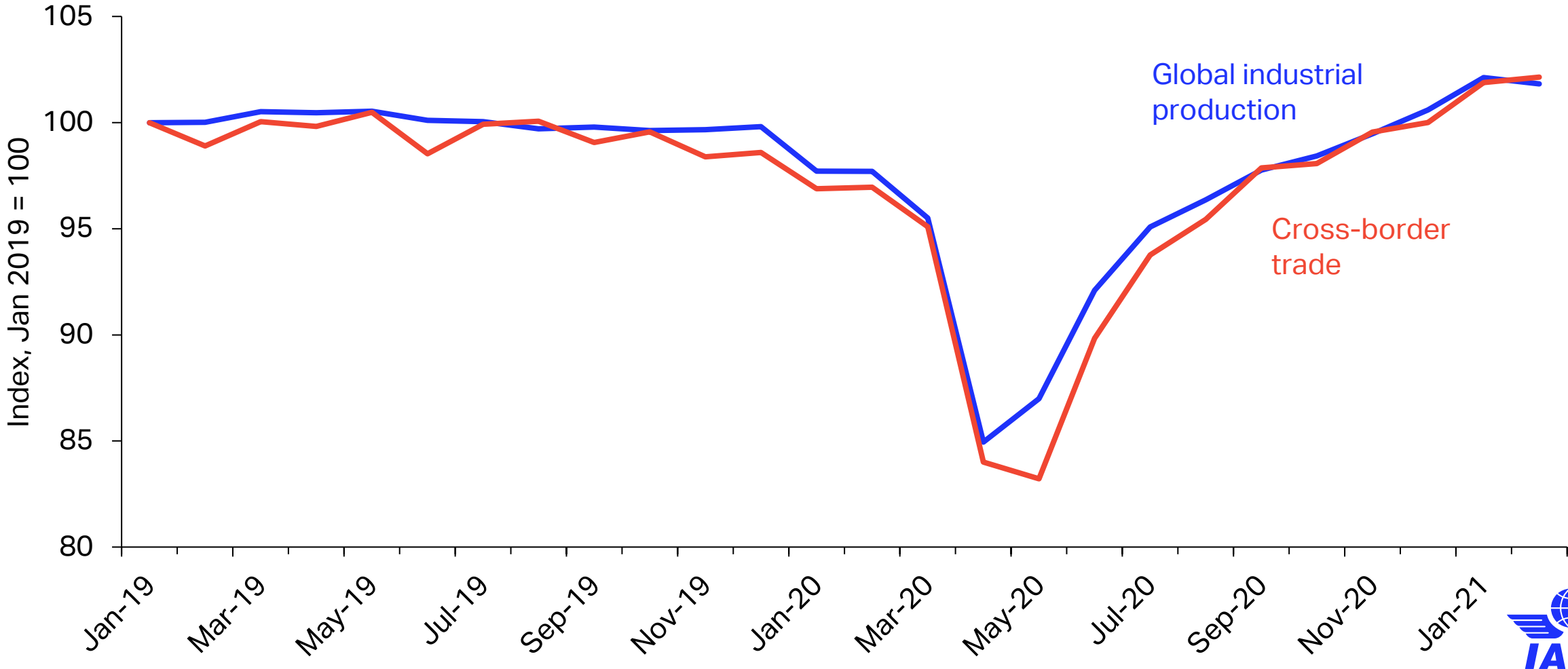
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# Global economy already back above pre-crisis output

## Global industrial production and trade 2% above 2019 levels by February

Global industrial production and cross-border trade, indexed

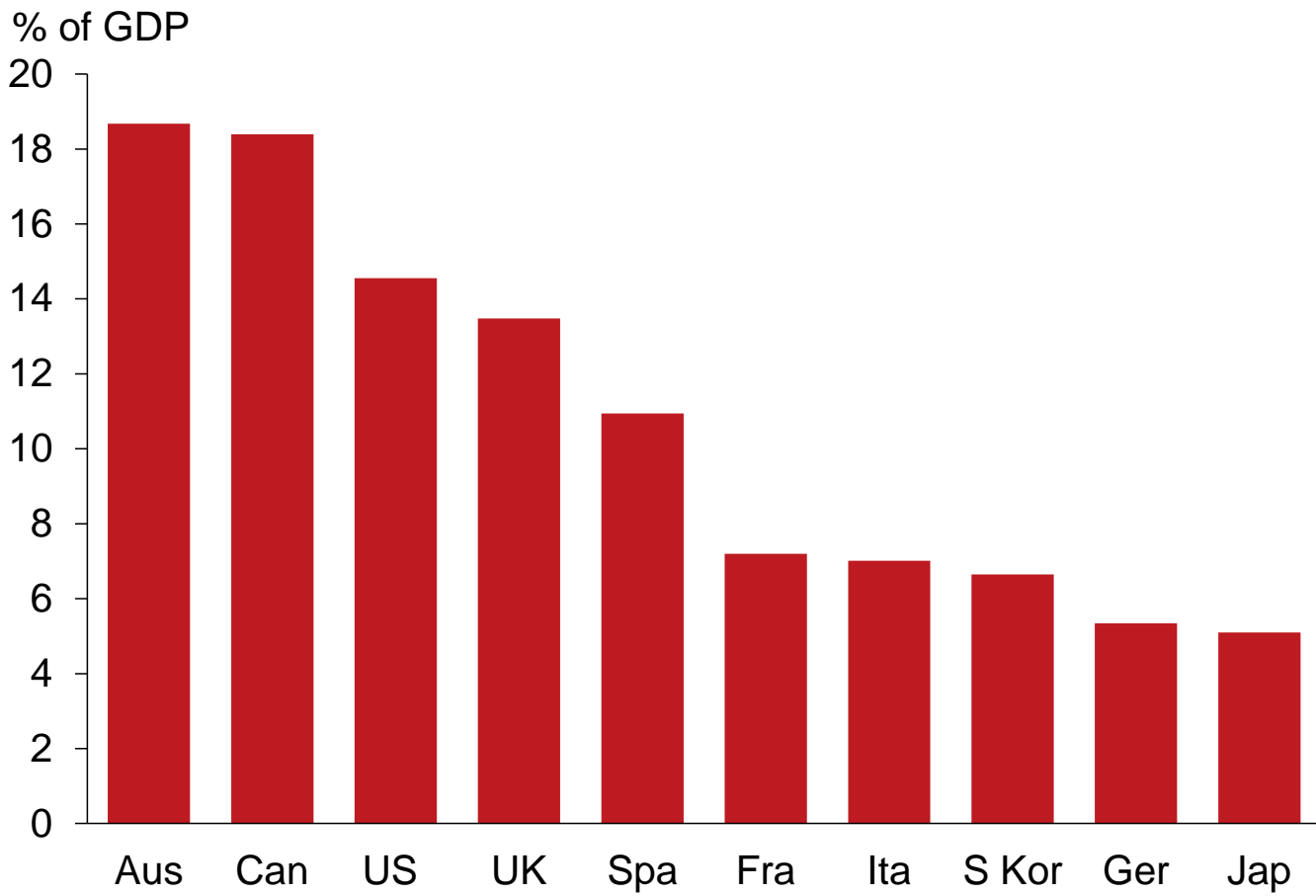


Source: IATA Economics using data from ICAO, IATA Statistics and OECD

# Consumers have accumulated savings to spend

In some markets (US, UK) consumers 'excess' savings exceed 10% of GDP

## Stock of excess accumulated savings in 2020



Source : Oxford Economics/Haver Analytics

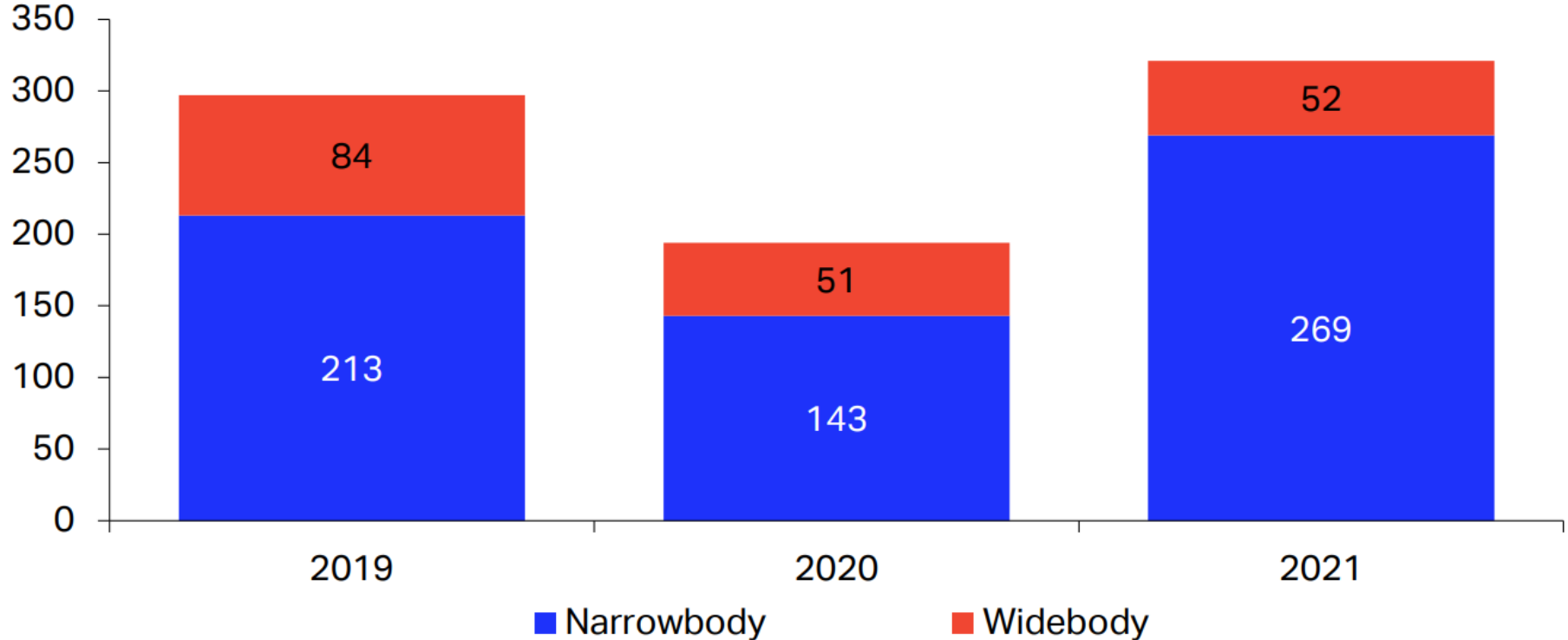


# Airlines preparing for recovery in demand by ensuring capacity available

Current European delivery schedule indicates 8% more aircraft to be delivered in 2021 vs 2019

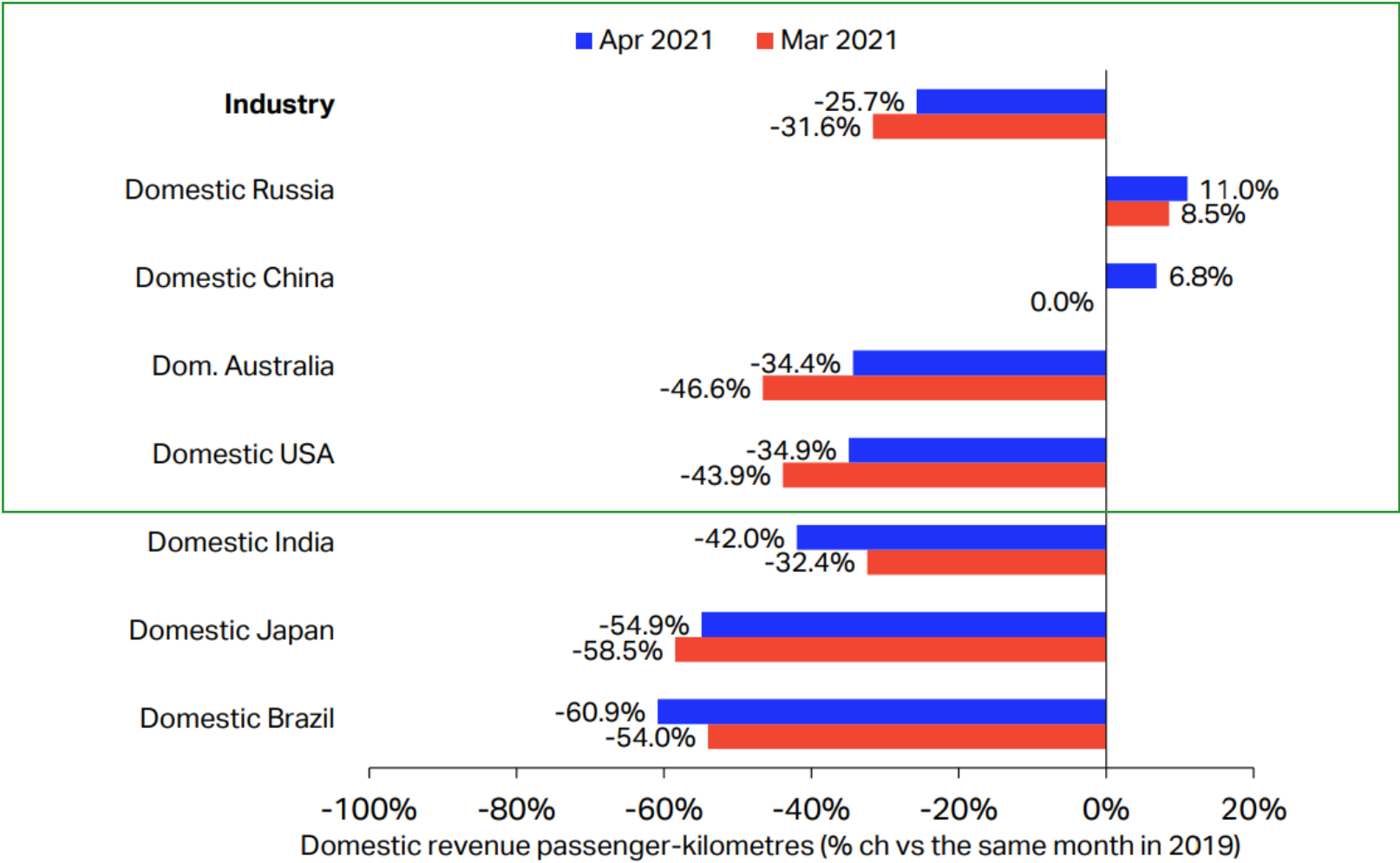
## Aircraft deliveries to Europe (as of May 2021)

# deliveries made & due



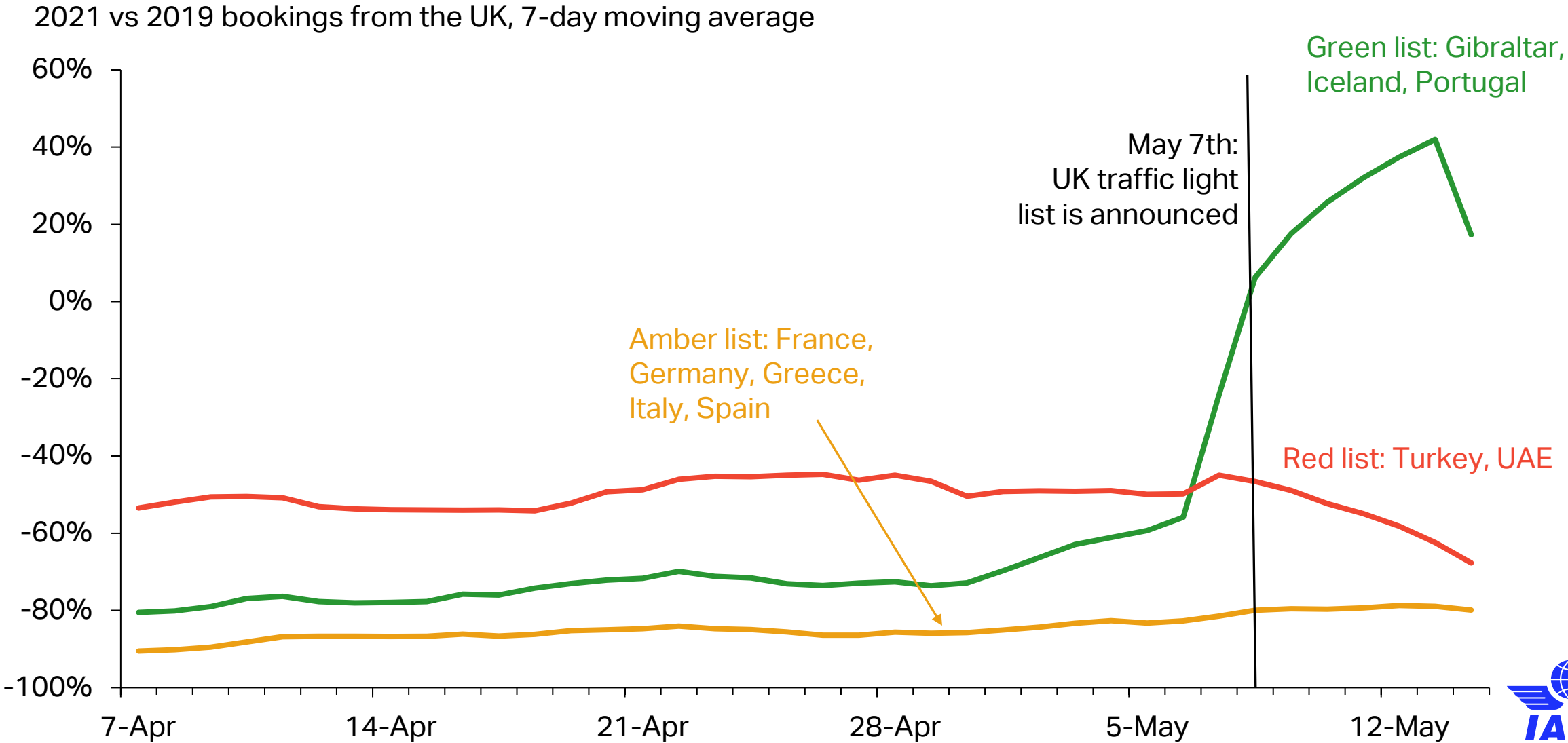
# Latest data confirms many domestic markets recovering quickly

Similar expectation on international markets once travel restrictions lifted



# Continued evidence of pent-up demand for leisure air travel

Latest evidence from surge of UK bookings for air travel to 'green list'



Source: IATA Economics using data from DDS

