

IATA reports greater demand in July, but still far from 2019

Both international and domestic travel demand in July showed significant improvement from June, but remained far below 2019 levels, according to the International Air Transport Association (IATA).

The association suggests that government-imposed travel restrictions continue to delay recovery in international markets.

Vaccines and borders

“As the Northern Hemisphere summer travel season draws to a close it is clear that too many governments missed the opportunity to apply a risk-based approach to managing their borders. The growing number of fully vaccinated travelers and the prevalence of testing provided the chance to restore international connectivity and bring much needed relief to economies that are heavily reliant on travel and tourism. Instead, governments continued to behave as if it was the summer of 2020. Economies and the labor force will pay the price for decisions that were made not based on science, but on political expediency. Governments have rightly urged their populations to be vaccinated; now governments need to have confidence in the benefits of vaccinations—including the freedom to travel,” said Willie Walsh, IATA’s Director General.

“July results reflect people’s eagerness to travel during the Northern Hemisphere summer. Domestic traffic was back to 85% of pre-crisis levels, but international demand has only recovered just over a quarter of 2019 volumes. The problem is border control measures. Government decisions are not being driven by data, particularly with respect to the efficacy of vaccines. People traveled where they could, and that was primarily in domestic markets. A recovery of international travel needs governments to restore the freedom to travel. At a minimum, vaccinated travelers should not face restrictions. That would go a long way to reconnecting the world and reviving the travel and tourism sectors,” said Walsh.

Total demand

Total demand for air travel in July 2021 was down 53.1% compared to July 2019, but this is a significant improvement over June, when demand was 60% below June 2019 levels.

In July, international passenger demand continued very low at 73.6% below July 2019, but June 2021 showed 80.9% lower demand than June 2019.

Total domestic demand was down 15.6% versus July 2019, an improvement over the 22.1% decline recorded in June over June 2019.

All regions showed improvement, though July traffic data from Africa was not available.

Russia posted the best result for another month, with RPKs up 28.9% vs. July 2019.

International passenger markets

July 2021(% chg vs the same month in 2019)	World share¹	RPK	ASK	PLF (%-pt)²	PLF (level)³
Total Market	100.0%	-53.1%	-45.2%	-12.4%	73.1%
Asia Pacific	38.6%	-62.7%	-54.1%	-15.4%	67.5%
Europe	23.7%	-56.5%	-46.5%	-16.5%	72.5%
Latin America	5.7%	-44.5%	-40.5%	-5.8%	79.3%
Middle East	7.4%	-73.2%	-57.5%	-30.0%	51.3%
North America	22.7%	-28.5%	-24.7%	-4.5%	84.1%

¹% of industry RPKs in 2020 ²Change in load factor vs 2019 ³Load Factor Level

North American carriers: International demand was down 62.1% compared to the same period in 2019. This is a significant improvement over June's 69.4% decline versus two years ago. Capacity sank 52.0%, and load factor dipped 18.6 percentage points to 69.3%.

European carriers: International traffic 64.2% lower than July 2019. June's traffic for these carriers was 77.0% lower than in 2019. Capacity dropped 53.8% and load factor fell 19.9 percentage points to 69.0%.

Latin American airlines posted a 66.3% drop in July International traffic compared to 2019, an improvement over the 69.8% decline in June compared to June 2019. July capacity fell 60.5% and load factor dropped 12.6 percentage points to 72.9%, which was the highest load factor among the regions for the ninth consecutive month.

Middle Eastern airlines posted a 74.5% demand drop in July compared to July 2019. June's decrease over 2019 was 79.2%. Capacity declined 59.5%, and load factor deteriorated 30.1 percentage points to 51.3%.

Asia-Pacific again showed the worst figures, with international traffic down 94.2% compared to July 2019, an insignificant change from the 94.7% drop registered in June 2021 versus June 2019. This region continues to have the strictest border control measures. Capacity dropped 86.0% and the load factor was down 48.2 percentage points to 34.3%, by far the lowest among regions.

Domestic passenger markets

July 2021 (% chg vs the same month in 2019)	World share¹	RPK	ASK	PLF (%-pt)²	PLF (level)³
Domestic	54.2%	-15.6%	-10.7%	-4.8%	81.4%
Australia	0.7%	-75.4%	-61.0%	-30.8%	52.4%
Brazil	1.6%	-19.6%	-18.0%	-1.7%	83.1%
China P.R.	19.9%	-2.5%	6.2%	-7.0%	77.9%
India	2.1%	-59.4%	-47.1%	-20.1%	66.5%
Japan	1.4%	-53.9%	-36.1%	-20.0%	51.8%
Russian Fed.	3.4%	28.9%	34.8%	-4.0%	88.2%
US	16.6%	-7.7%	-7.1%	-0.6%	88.7%

¹% of industry RPKs in 2020 ²Change in load factor vs 2019 ³Load Factor Level

US domestic traffic was down just 7.7% in July 2021 compared to July 2019, much improved from a 14.0% decline in June versus June 2019.

Australia's domestic traffic went in the opposite direction, from a 51.4% decline in June 2021 vs 2019 to a 75.4% decline in July versus two years ago, amid stricter domestic lockdowns in response to a spike in the Delta variant.