



Challenges

Australia could be one of the **last domestic** markets to recover

Australia's international market has been more impacted and recovered **more slowly** than the global average.

↓ **84%**

top 10 domestic routes combined*

↓ **98%**

scheduled international passengers*

40%

of all international passengers were overseas visitors**

The pandemic has cost **AU\$29b**

to Australian carriers in revenue*

The pandemic has cost **100m**

passengers to Australian carriers*

AU\$60b

economic impact of having virtually no visitors over the last 19 months*



Opportunities

By the end of the year domestic traffic could reach 70% of pre-COVID levels.

Overall Australian carriers should be able to recover international traffic faster than the total market.

In the international market, leisure traffic is likely to recover faster than business traffic.

The domestic market could fully recover, reaching 100% of pre-COVID traffic, in April 2022.

Australian carriers will benefit from a stronger preference for international non-stop services.

The pace of the recovery will gradually pick up in 2022.

FUTURE PASSENGER EXPECTATIONS

2022 will be very challenging for all international airlines. An international recovery in terms of traffic or profitability for any Australian carrier is not likely until at least 2023.

Airlines will also need to adjust to changes in passenger preferences and expectations.

- Connected technologies are particularly important in rebuilding passenger confidence.
- Airline digitalization has accelerated during the pandemic, continuing a trend that started prior to COVID-19. There is still a lot more work to be pursued in this area.
- Australian carriers need to continue to invest in a wide range of new technologies in order to boost passenger confidence.

* Based on the first 19 months of the pandemic.

** Based on 2019, prior to the pandemic.