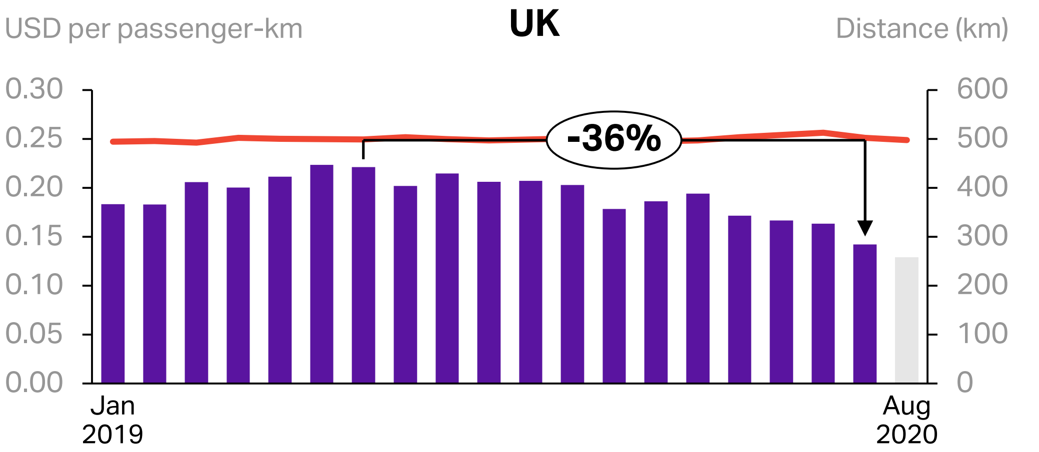
Analysis of yields for selected domestic markets

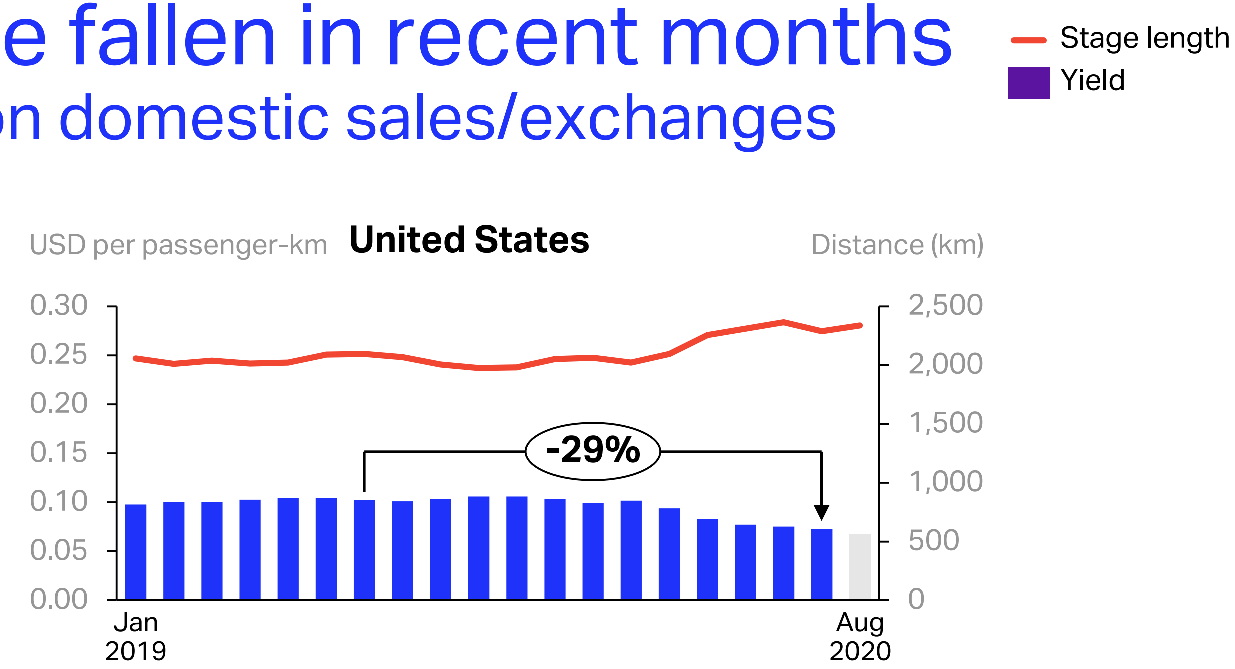
Prepared for the London (Heathrow) Airline Consultative Committee

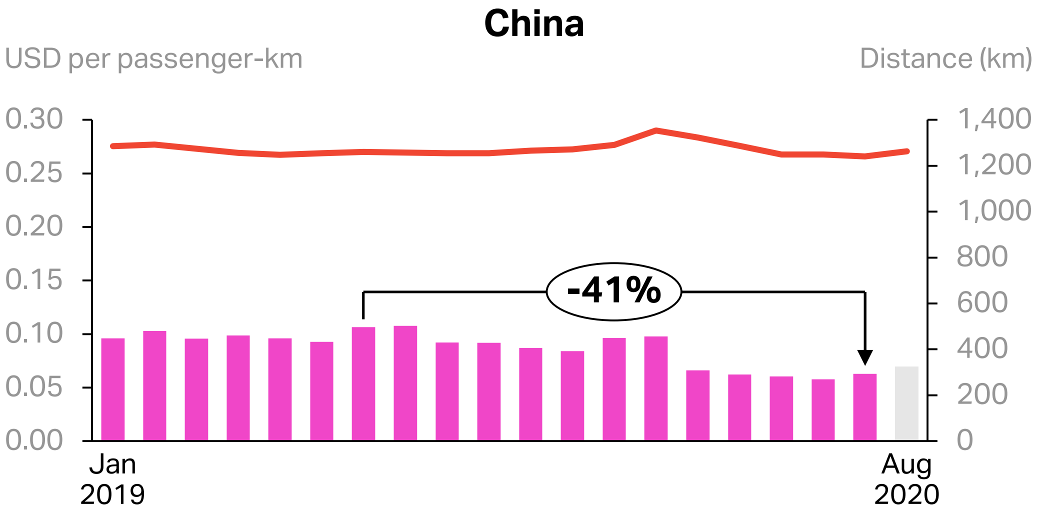
by IATA Economics

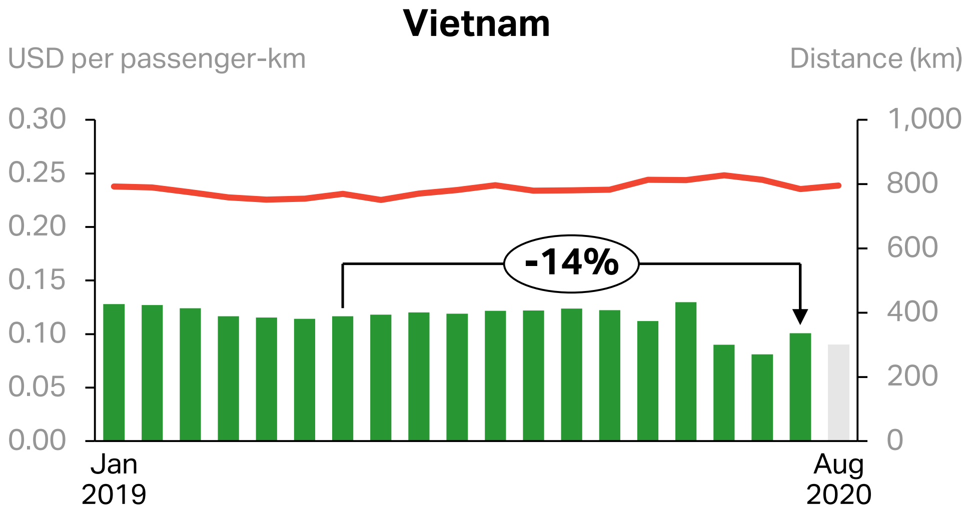
On domestic routes, yields have fallen in recent months

Average yield and route distance based on domestic sales/exchanges





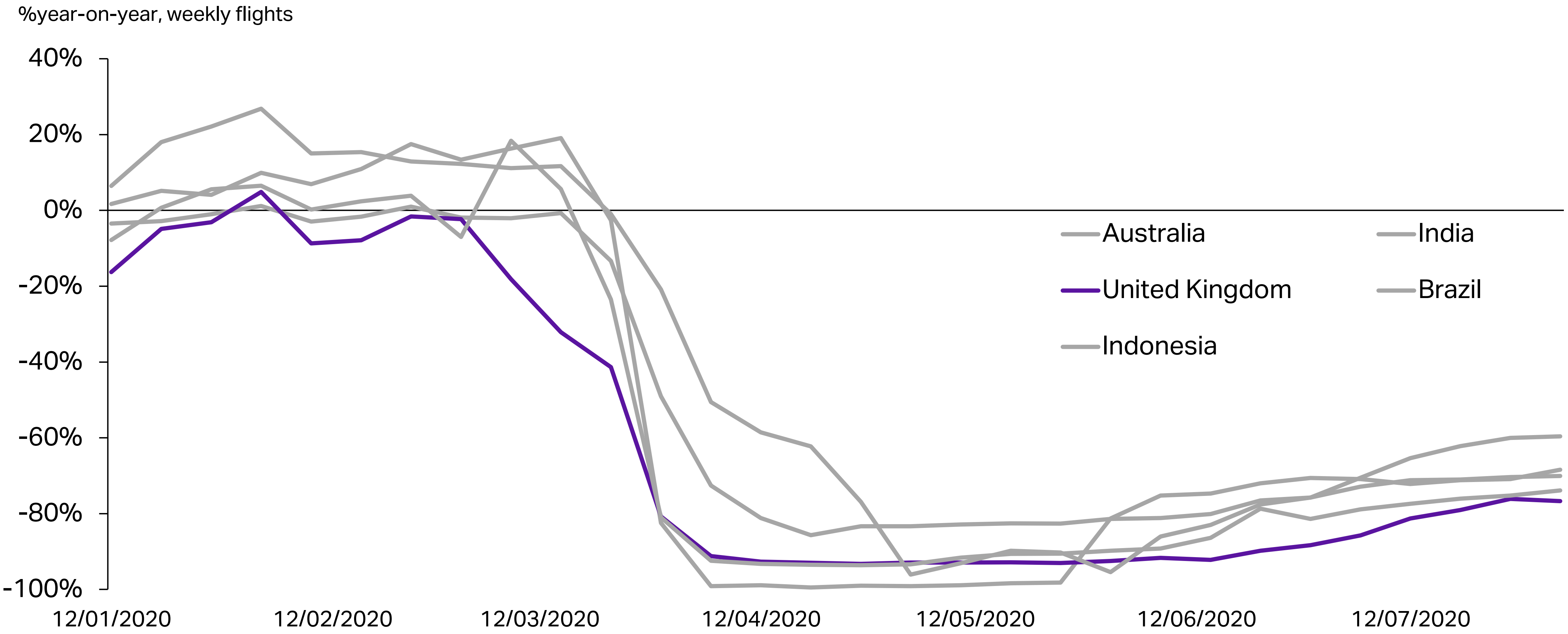




IATA Economics analysis based on data from DDS

Note: Data used includes sold and exchanged tickets (refunds excluded)

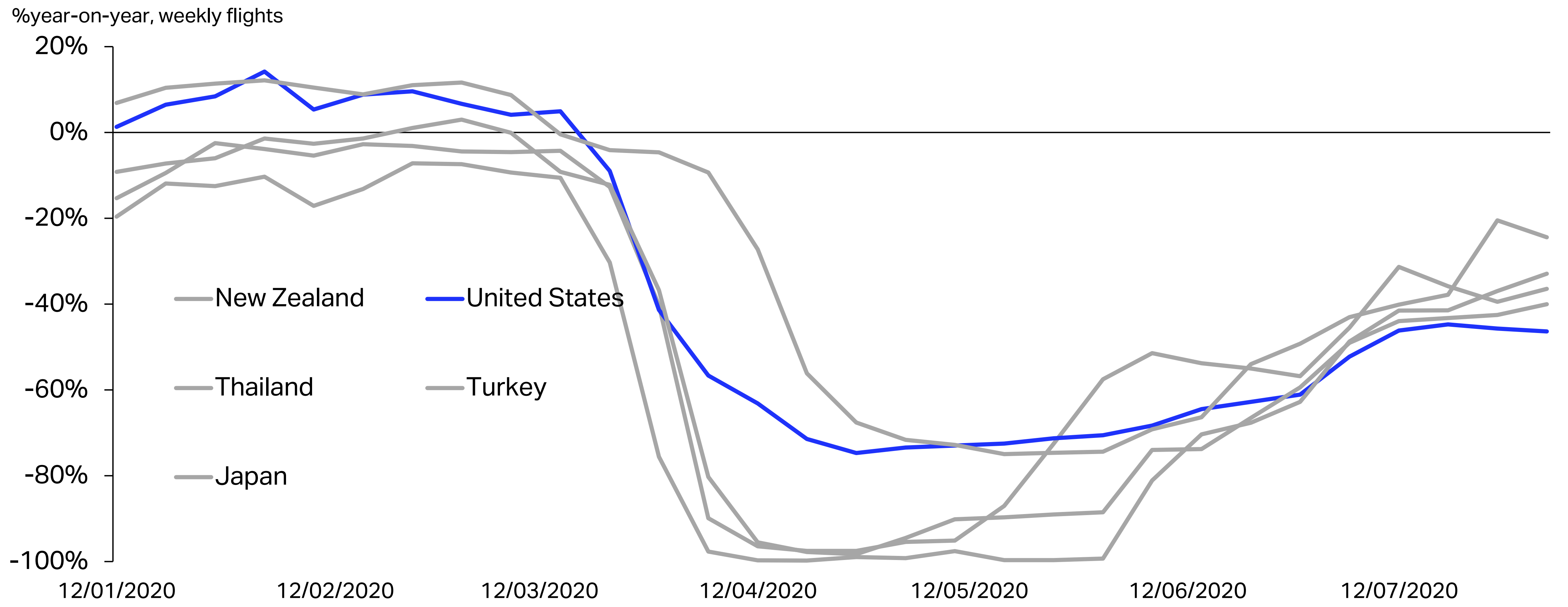
Domestic markets with slow recovery
Still at -60% to -80% compared to the previous year



Source: IATA Economics analysis based on data provided under license by FlightRadar24.

Domestic markets with moderate recovery

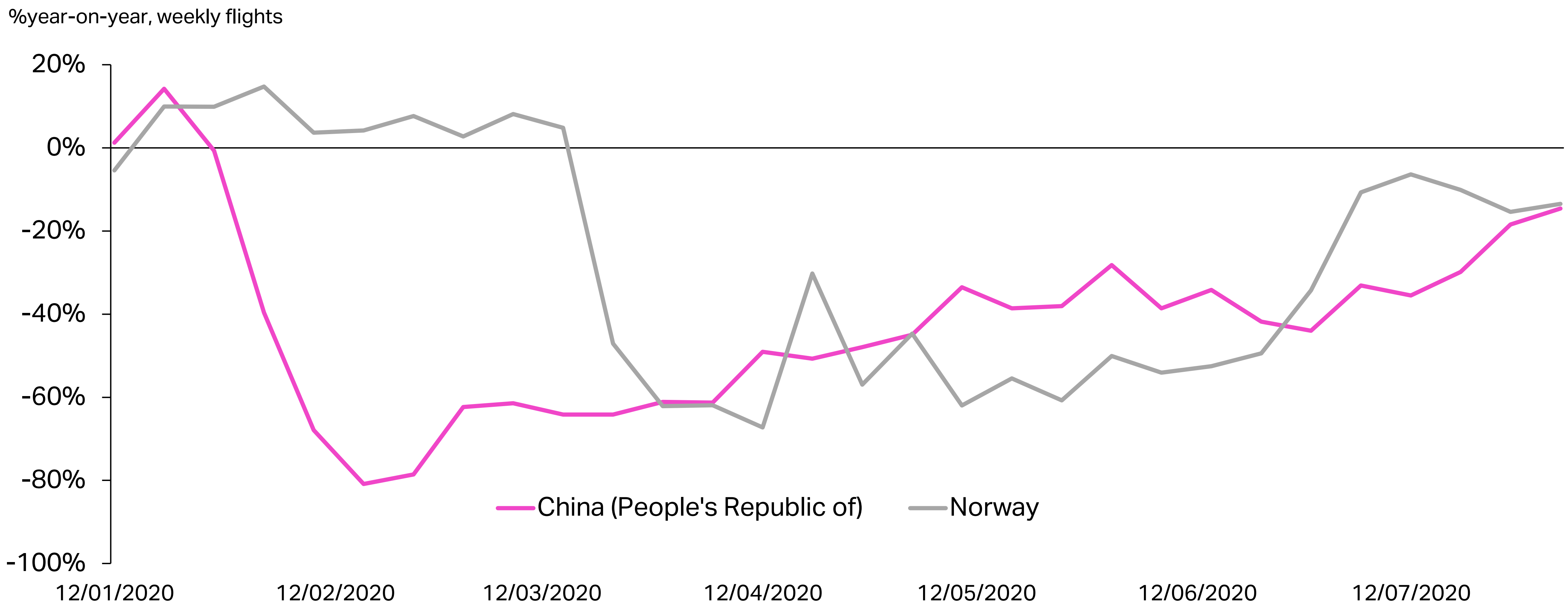
Presently at -20% to -45% compared to the previous year



Source: IATA Economics analysis based on data provided under license by FlightRadar24.

Domestic markets with faster recovery

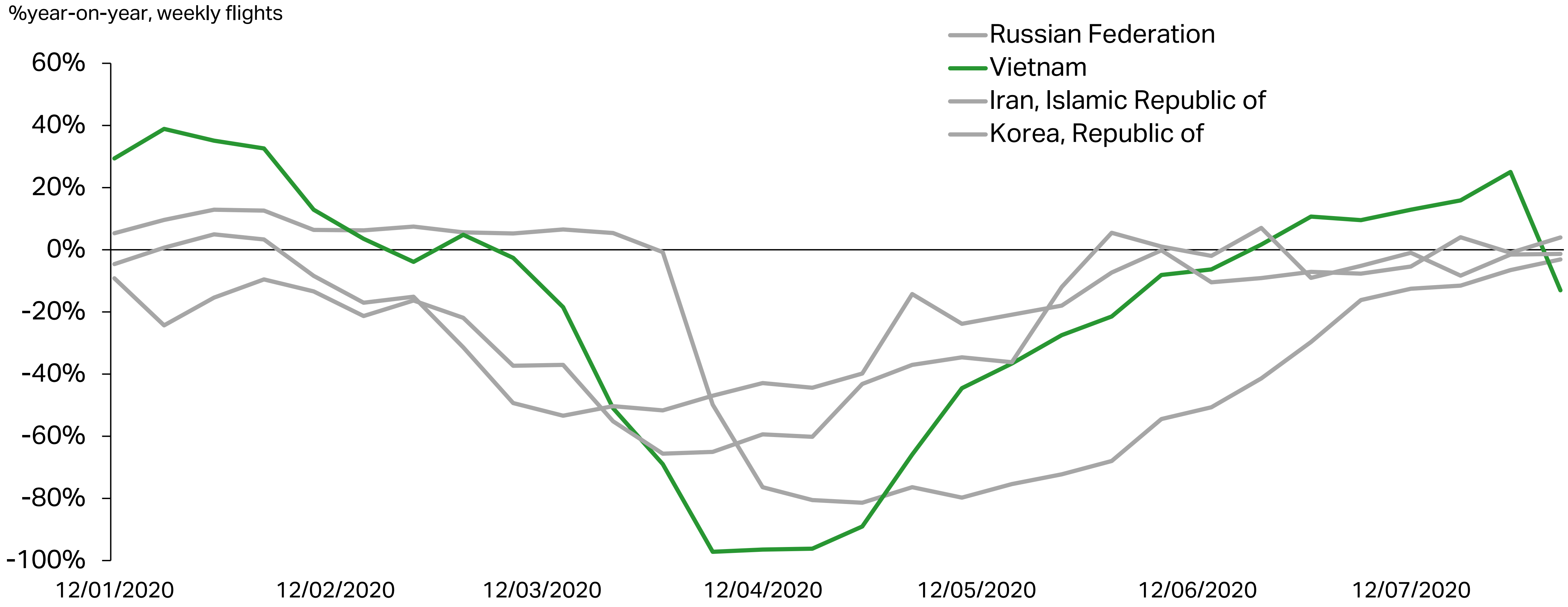
Presently at -10% to -20% compared to the previous year



Source: IATA Economics analysis based on data provided under license by FlightRadar24. All rights reserved.

Domestic markets with flights close to last year

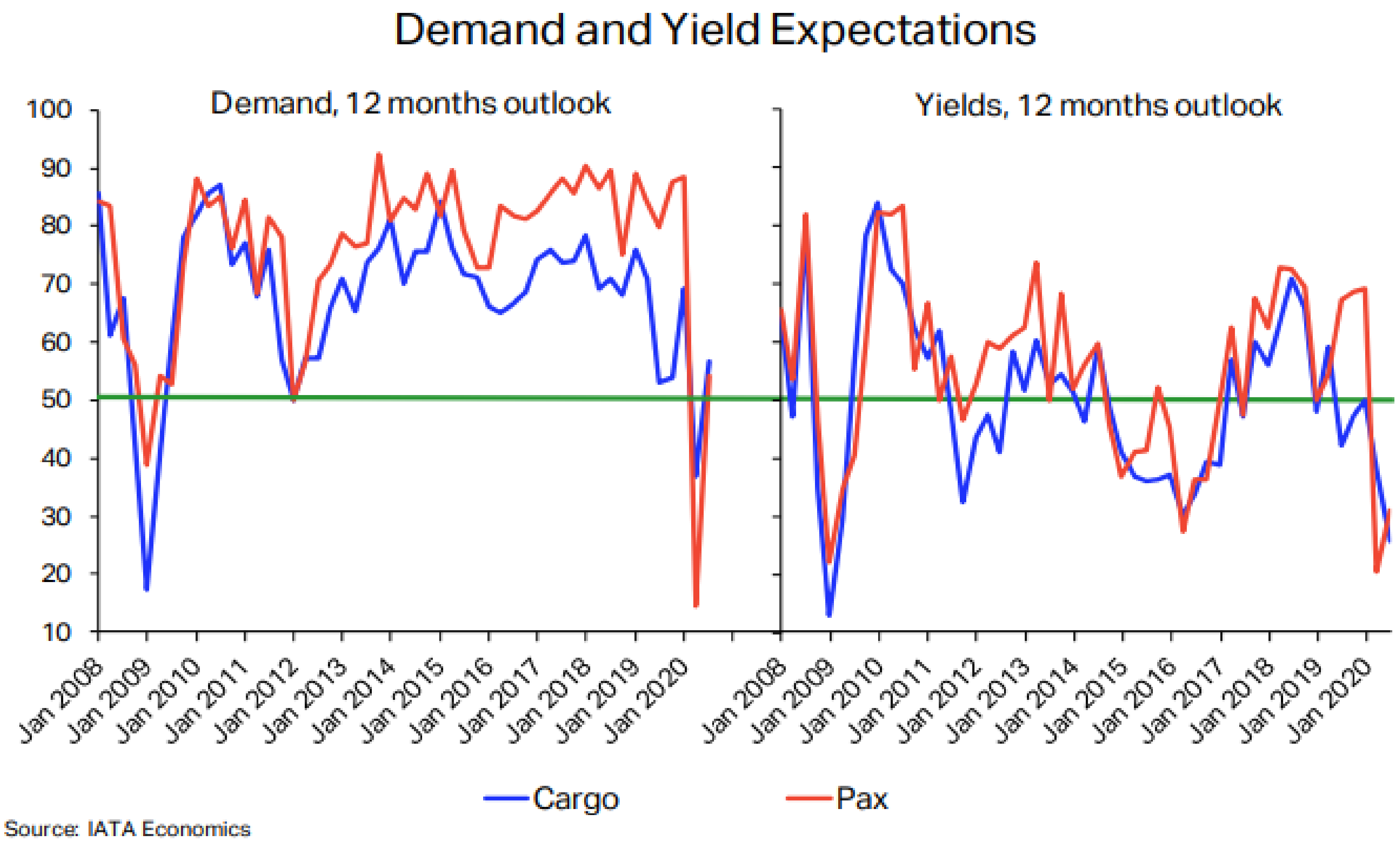
Vietnam 25% higher y/y at the beginning of August, declining recently



Source: IATA Economics analysis based on data provided under license by FlightRadar24. All rights reserved.

Industry outlook for demand and yields diverge

The industry expects yields to remain low in the next 12 months



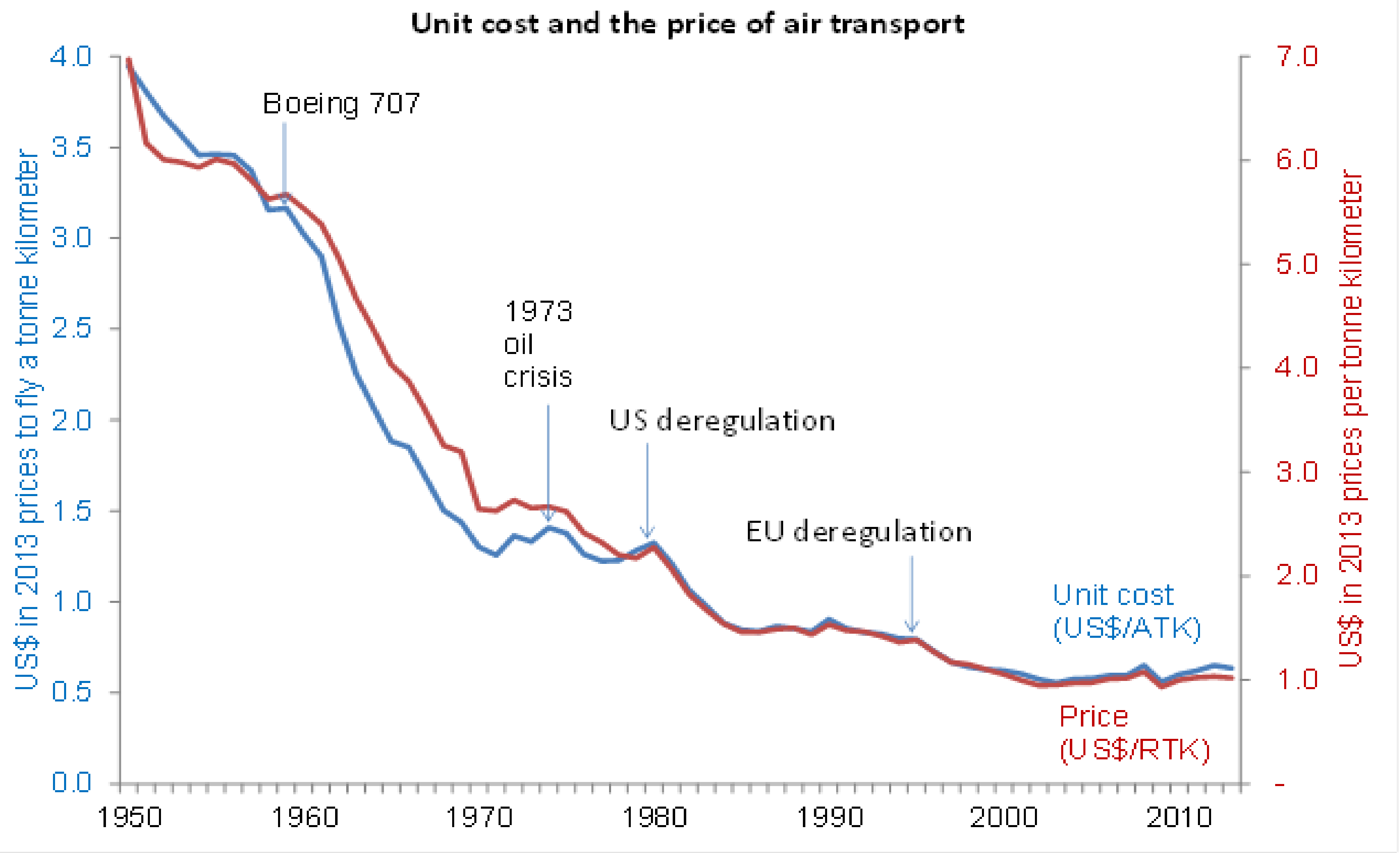
Source: IATA Economics Chart of the Week, 7 August 2020

Global airline industry: long-term trends in airline fares and costs

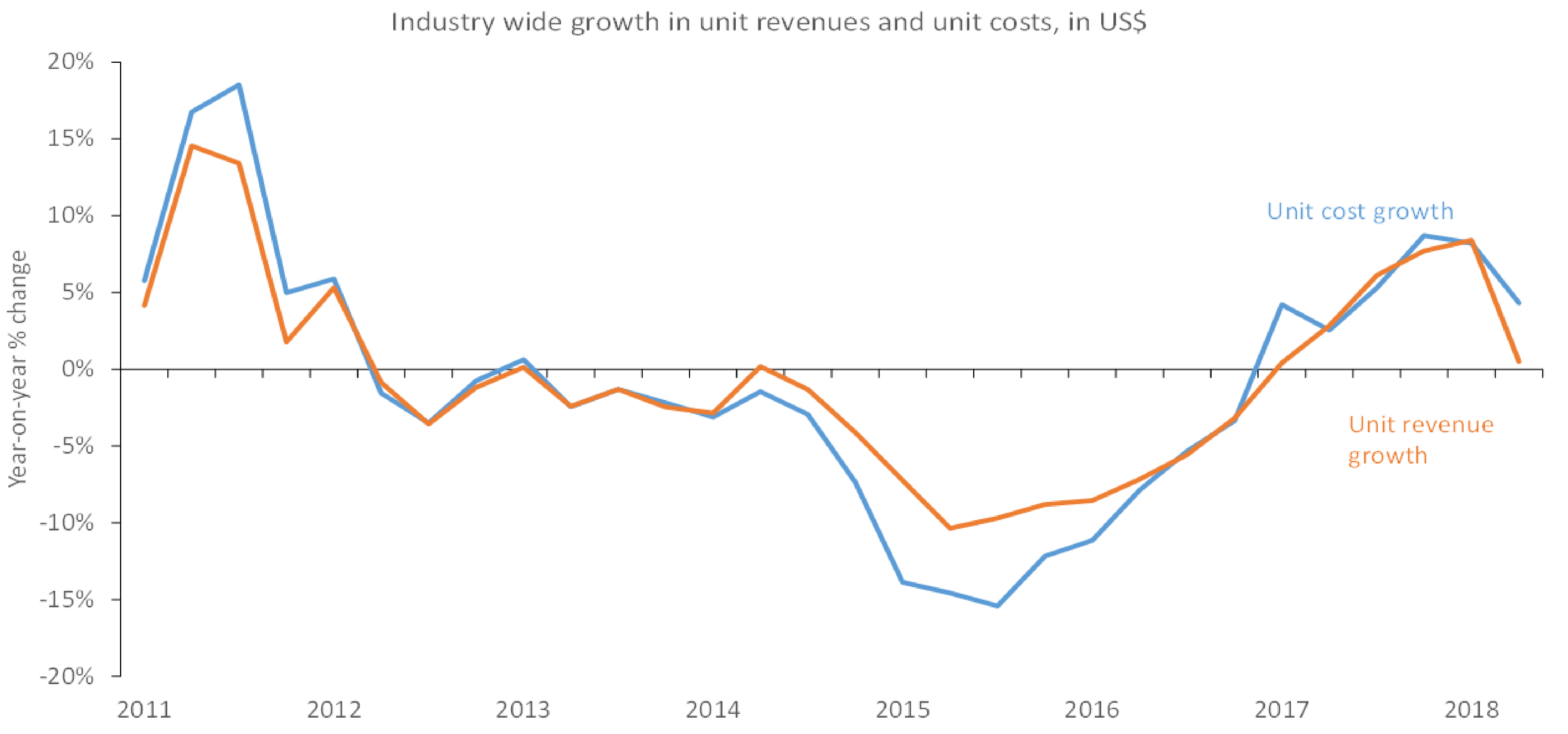
Prepared for the London (Heathrow) Airline Consultative Committee

by IATA Economics

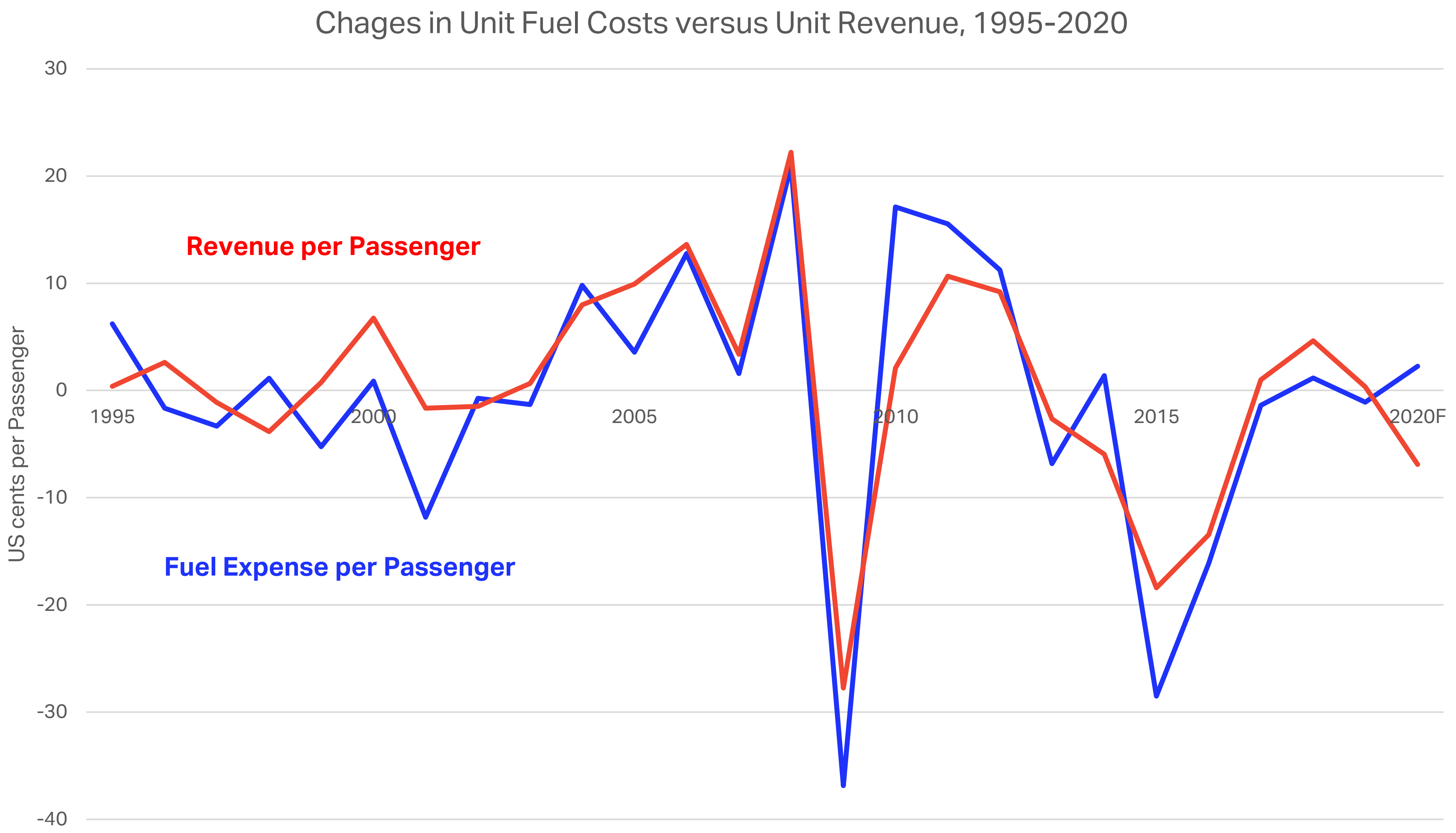
In the long term, strong positive correlation between airline unit cost and price



There is clear evidence of cost pass-through at the industry level



Fuel cost shocks have been historically passed through across the airline industry



IATA

Since 1970, the airline industry has passed on over 70% of the increase in unit costs