



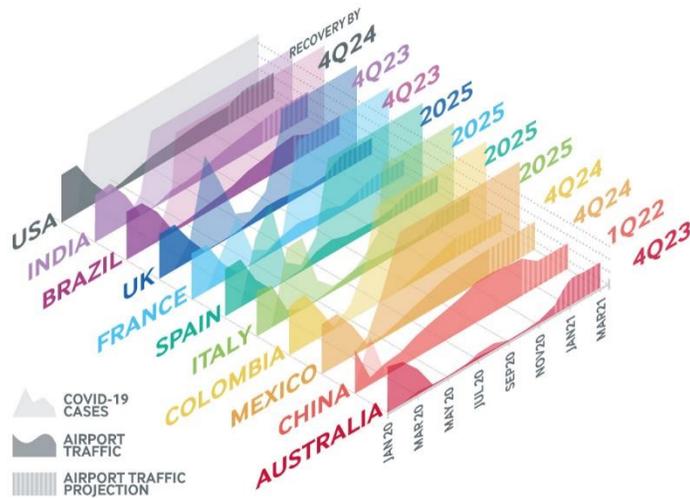
# Global Airport Traffic Tracker: 1Q21 Update

Travel Restrictions and New Infection Waves Limit Recovery Despite Vaccine Rollout

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## Travel Restrictions and New Infection Waves Limit Recovery Despite Vaccine Rollout

### Historical and Estimated Traffic Volumes



Source: Fitch Ratings.

### Related Research

[Europe's Airports Under Pressure to Keep Charges Competitive \(April 2021\)](#)

[North American Airport and Airline Pressures to Ease, Accelerating Recovery Later This Year Virus Variants, Travel Restrictions and Vaccine Rollouts Present Uncertainties \(March 2021\)](#)

[Fitch Ratings 2021 Outlook: Latin American Infrastructure \(December 2020\)](#)

[Fitch Ratings 2021 Outlook: U.S. Transportation Infrastructure \(December 2020\)](#)

[Fitch Ratings 2021 Outlook: Asia-Pacific Transport Infrastructure \(November 2020\)](#)

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The coronavirus pandemic is significantly affecting the global economy and the transportation sector. Airport traffic in most countries partially recovered from peak contractions, but recovery is uneven from market to market and full normalization remains some way off. In this quarterly report Fitch Ratings monitors the recovery of major airports globally and compares their performance.

### Airport Performance Takeaway

Fitch Ratings Case (FRC) estimates forecast prolonged recoveries before returning to 2019 levels. Recovery estimates now range from 4Q23 to 2025, reflecting a one- to two-year delay since the last report, although the timing and shape of recovery is uncertain and risks remain.

All airports improved from pandemic troughs, although monthly recoveries vary widely by region from 60% of 2019 levels in Mexico to 11% in Italy as of December 2020. Most regions recovered in the 33% to 43% range of 2019 levels, on an annualized basis, with Australia at 25% and Mexico at 51%. European and Australian traffic levels suffered the most, while traffic levels in the U.S. and Latin America (LatAm) declined less.

### Regional Traffic Recovery Varies

The pace of recovery of passenger numbers across regions reflects differences in traffic profiles between leisure and business travel and domestic and international travel. Factors such as government support, travel restrictions, competition and airlines' strength, vary.

Some airlines have gone bankrupt and many face liquidity issues. Fitch will continue to monitor government assistance for carriers, how airlines respond to the crisis, and whether the pace of sector recovery is impaired by the airlines' financial challenges.

### Stay Home Orders and Lockdowns Persist

New COVID-19 variants and surges in the number of cases caused additional or prolonged lockdown measures, which could linger as vaccine roll outs remain slow and uneven on a global basis.

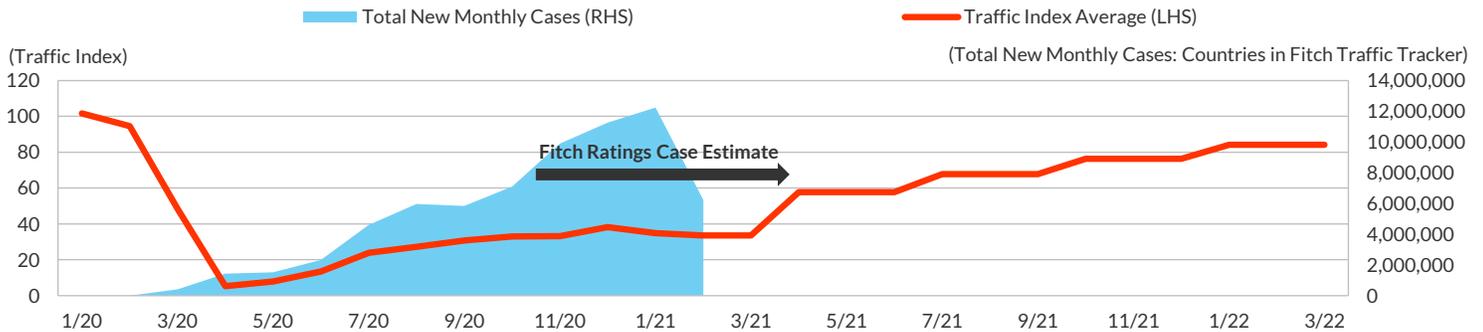
Air travel patterns will likely change in the next few years, created by a general decline in demand stemming from the risks of continued national- and state-imposed travel restrictions. Domestic and leisure travel are showing signs of recovery in contrast to continued softness in international and business travel.

Continued travel restrictions and corporate policies limiting business travel contribute to a temporary decoupling of the typically strong ties between GDP growth and air traffic.

Vaccine rollouts will likely be the main catalyst of traffic recovery in the next year or so. This will allow countries to reopen and airports to remain operational, while providing greater consumer confidence for a return to air travel.

## Continued Recovery Tempered by Slow Vaccine Rollouts and Travel Restrictions

### Average Traffic Index and Total New Monthly Coronavirus Cases



Source: Fitch Ratings, World Health Organization, airports and entities listed in each country in Fitch Traffic Tracker.

#### Fitch Ratings Cases Show Recovery Expectations

We have included the time to recovery under the latest FRC in the country charts, adding visibility to our traffic recovery expectations on a country by country basis, given the expected evolution of the pandemic. The timing and shape of recovery in any given country is broadly uncertain and we may adjust our expectations as the pandemic evolves.

#### Recovery is at Different Stages

As shown in the global indexation chart above, Fitch estimates, on average, recovery to around 84% by 2022 with a full recovery in 2024. We expect some variation, however, in recovery timings for different countries or regions from 1Q22 in China to 2025 in much of Europe.

Fitch expects traffic in the majority of countries in the tracker to recover by 2024 or 2025. This represents a delay of around one- to two-years in the maximum recovery period from our expectations at the time of the last report. The forecast materially lags our assumptions for general economic recovery in the U.S. and Eurozone as detailed in the latest [Global Economic Outlook - March 2021](#).

The difference is explained by faster recovery prospects in China and India, where the FRCs consider full traffic recovery by 1Q22 and 4Q23, respectively. This is in contrast to slower recovery anticipated in France, Italy, Spain and the U.K., where recovery is expected by 2024–2025.

LatAm countries, Australia and U.S. FRCs expect traffic recovery timings to vary from 2023 to 2024. The difference among FRCs in each country is due to factors including the current recovery, the stage of development of each market, propensity to fly, GDP projections, and past recovery from another crisis.

Asian domestic traffic already reached a near full recovery, while Europe, Canada and South America are well below, with the U.S. in between. The chart above provides a summary of all countries in the tracker.

#### Strict Country-Wide Lockdowns Lead to More Traffic Declines

For European countries in the tracker, along with Australia and Colombia, there was a strong inverse relationship between cases and traffic during new peaks in monthly cases. The strictness and extent of lockdowns affected, and is likely to continue affecting, the severity of traffic declines.

#### Vaccine Roll Outs Paramount to Traffic Recovery

The Centers for Disease Control and Prevention (CDC) relaxed restrictions on April 4, updating its guidance to support fully vaccinated people resuming travel. This could have an immediate effect on U.S. and domestic traffic. The guidance may have a trickle-down effect on international traffic and other regions as vaccinations ramp up and more of the population receives doses.

#### Structural Shifts Are Limited but Evolving

Fitch believes there is some degree of structural shift in volume dynamics for some infrastructure assets, including airports. However, the extent to which the landscape fundamentally changed can only be truly discerned once pandemic conditions pass.

Certain transportation assets, including airports, are exposed to potential changes. See our [The Next Phase: How Coronavirus-Related Changes Could Permanently Alter the Global Public Finance and Infrastructure Landscape](#). However, Fitch does not expect these structural shifts to be significant enough to materially alter the near-term industry fundamentals.

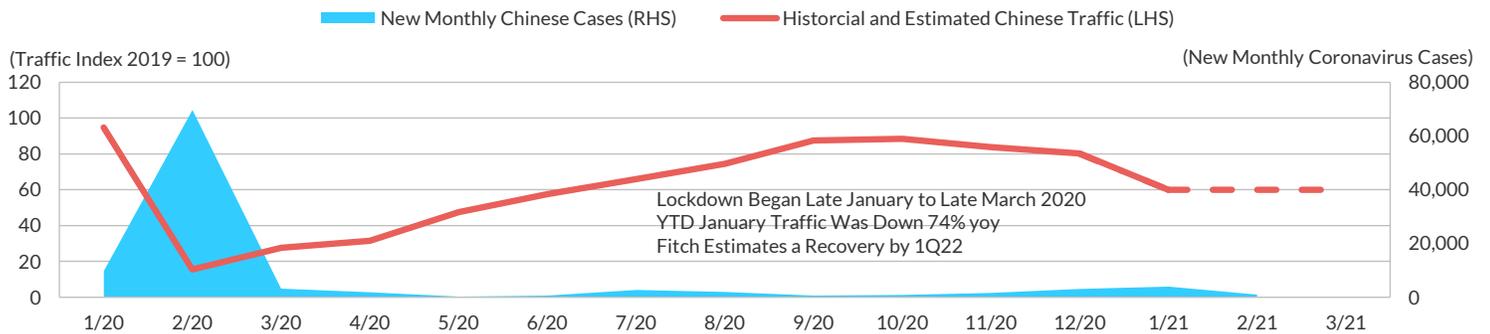
#### Basis of Preparation

All charts use monthly data and the current FRC for recovery timing estimates.

China

China

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Civil Aviation Administration of China, World Health Organization.

Traffic Recovery is Underway, Very Few Cases in China

Fitch expects the full recovery of traffic by 1Q22, barring any meaningful increase in new cases, as the rate of infections was brought well under control. China’s air traffic in 2020 was 63% of 2019.

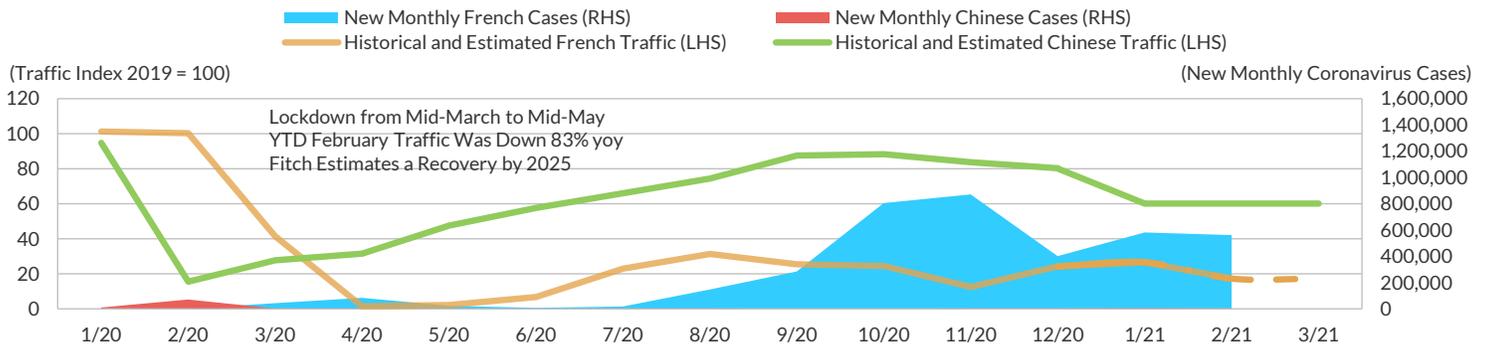
Key Points

- We anticipate full recovery to 2019 levels by 1Q22.
- The domestic market in China had a swift recovery in 2020 by surpassing 2019 levels in September 2020. However, Beijing and Shanghai experienced lower recovery due to a slower rebound in international traffic. Beijing air traffic in January 2021 is 78% lower than traffic in January 2020 and Shanghai is 69% down for the same period. We expect the recovery to continue in China for the rest of the year, driven by the robust rebound of domestic travel.
- China administered 120 million doses of the coronavirus vaccination as of March 2021 and aims to complete vaccination for 40% of its population by June 2021.
- China started to phase out the stimulus announced during the pandemic and is targeting GDP growth of 6% in 2021.
- The Civil Aviation Administration of China (CAAC) expects 2021 passengers to be at 90% of pre-coronavirus levels. There was a second outbreak of the virus in early 2021 during the lunar new year, which resulted in restrictions thereby bringing down domestic travel. However, passenger traffic is on the path to recovery again and a 90% passenger traffic goal implies improvement in international passenger traffic.
- China introduced a coronavirus vaccine passport, which would contain details of coronavirus vaccination with the aim to increase foreign business travel. The country also relaxed its borders to allow travelers from the Philippines, Indonesia and elsewhere outside Southeast Asia in again, provided they have taken Chinese-made coronavirus vaccines.

Europe: France

France

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Aeroports de Paris (Paris CDG and Paris only airports), World Health Organization, Civil Aviation Administration of China.

Slight Recovery in Late 2020, Early 2021 but the ‘Third Wave’ of the Pandemic is Looming

France experienced a slight relative traffic recovery from December 2020 to January 2021 with traffic down 75% yoy, compared with down 88% yoy in November 2020. However, recent data indicated a rise of the ‘third wave’ of the pandemic as of March 31, 2021.

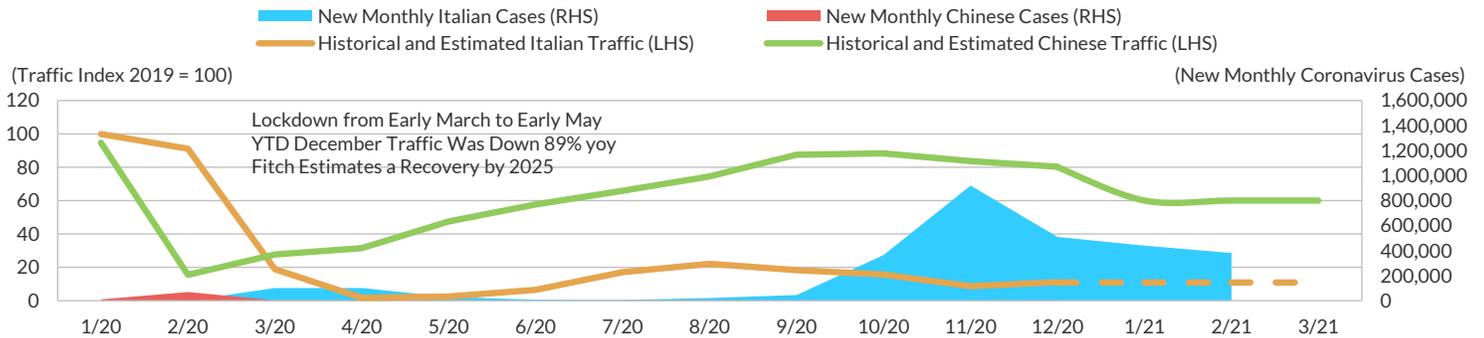
Key Points

- Fitch expects traffic to recover to 2019 levels by 2025.
- Traffic declined 69% yoy in 2020 and continued to fall in 2021 dropping 74% yoy in January 2021 and 83% yoy in February 2021, which is slightly better compared with other European countries.
- New daily coronavirus cases reached a peak in October 2020 at around 54,000 cases and fell to around 10,000 cases as of YE 2020. Currently, cases are on the rise with 39,000 instances as of March 31, 2021. France adheres to a ‘soft’ lockdown approach trying to find balance between pandemic control and the negative economic effects of a full lockdown. However, due to the ‘third wave’ of the pandemic on March 31, France announced a full nationwide lockdown until at least the end of April. New measures include closure of shops, except for those selling food and pharmacies, a ban on travel farther than six miles from home and closure of schools for three weeks.
- Frances’s vaccine roll out was relatively slow starting on Dec. 27, 2020 and, as of March 31, 2021, about 7.8 million people received the first vaccine dose, or 12% of the total population, and 2.7 million received two doses. The French government is targeting full immunization of half of the population by the end of summer 2021.
- The government continues its plan to inject EUR40 billion in 2021 and another EUR70 billion in the economy by 2022. France announced in March new corporate tax relief measures and extended accelerated refunds of corporate income tax credits into 2021. The government introduced a EUR20 billion guarantee program, which provides long-term funding to facilitate new investments.

Europe: Italy

Italy

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Aeroporti di Roma (Fiumicino and Ciampino airports), World Health Organization, Civil Aviation Administration of China.

Traffic Remains Depressed While Coronavirus Cases Are on the Rise

Total passenger traffic was down 77% yoy in 2020 with international travel affected the most amid lockdown measures. The number of coronavirus cases and associated death started to increase, as of March 31, 2021, indicating the 'third wave' of the pandemic.

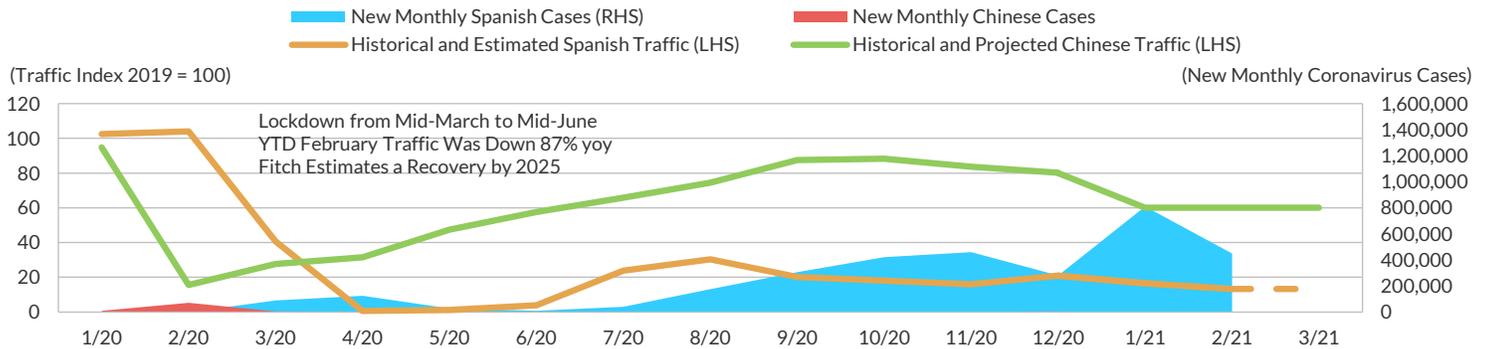
Key Points

- Fitch expects traffic to recover to 2019 levels by 2025.
- Traffic declined 77% yoy in 2020 with international travel affected the most at 80% yoy, while domestic traffic performed relatively better falling 67% yoy.
- New daily cases reached a peak in November 2020 at around 35,000 cases and fell to around 12,000 cases as of January 2021. Currently, cases are on the rise with 23,000 instances as of March 31. Due to the 'third wave' of the pandemic in 1Q21 Italy reintroduced strict lockdown measures. A tiered system is used where 'red' regions apply full stay-at-home orders with all non-essential shops closed, while in 'orange' regions people are banned from leaving their town and on April 4 the entire country will go into a national lockdown.
- Italy's vaccine roll out was slowed by the decision to suspend use of the AstraZeneca vaccine amid reports of blood clot development after receiving the vaccine. About 6.6 million people received the first vaccine dose, or 11% of the total population, and 3.1 million received two doses as of March 31. The government is targeting full immunization of half of the population by the end of summer 2021.
- The Italian government introduced measures worth EUR108 billion in 2020. Additional support measures worth EUR32 billion were announced in March 2021, including canceling old tax bills of up to EUR5,000, a one-off payment to affected businesses and self-employed, relief on social security contributions for self-employed professionals and unemployment benefits. The government also extended restrictions on layoffs until October.

Europe: Spain

Spain

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.  
Source: Fitch Ratings, Aena, World Health Organization, Civil Aviation Administration of China.

Traffic Remains Depressed While Coronavirus Cases Subside

Total passenger traffic was down 83%–87% yoy for January to February 2021 amid lockdown measures. The number of coronavirus cases and associated deaths significantly declined as of March 31, 2021 from a new peak in February 2021.

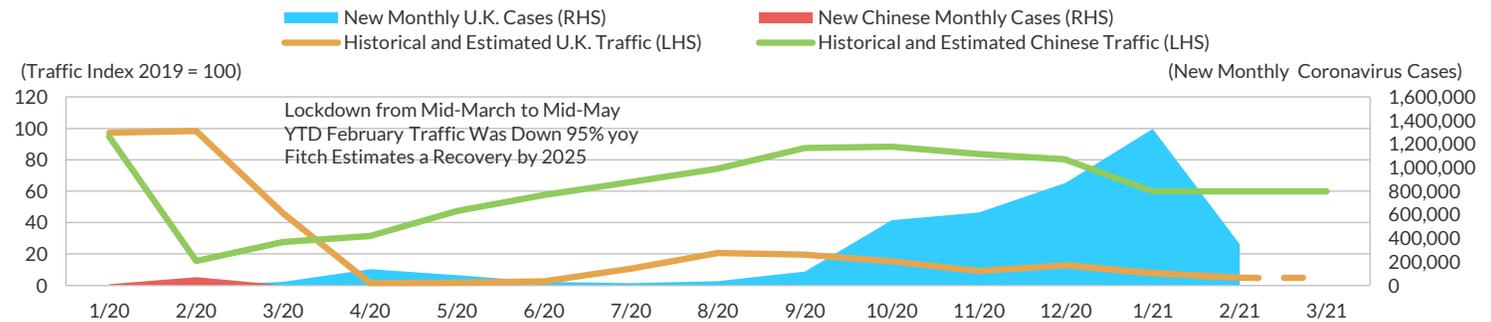
Key Points

- Fitch expects traffic to recover to 2019 levels by 2025.
- Traffic fell 72% yoy in 2020 and continues to fall in 2021 dropping to 83% yoy in January 2021 and 87% yoy in February 2021.
- New daily cases reached a new peak in February 2021 at around 47,000 cases and fell to around 4,000 cases as of March 31. Due to the ‘third wave’ of the pandemic in 1Q21 Spain maintains strict lockdown measures with mobility restricted between most of the country’s regions, a curfew and limits on social gatherings in open public spaces. Some of the regions opted to fully close hospitality and other non-essential activities. International travel is restricted to prevent the spread of new coronavirus variants to Spain.
- Spain’s vaccine roll out was relatively slow. About 5.2 million people received the first vaccine dose, or 11% of the total population, and 2.6 million received two doses as of March 31, 2021. The Spanish government is targeting full immunization of at least half of the population by the end of summer 2021.
- The Spanish government extended policy support measures enacted in 2020, including direct grants and injections, loan guarantees and subsidized loans, and selective tax advantages. The government also prolonged the Expediente de Regulacion Temporal de Empleo (ERTE), or Temporary Employment Regulation program in January 2021, under which states compensate 70% of employees’ salary and freeze layoffs in certain sectors. A direct aid package of EUR11 billion was announced in February 2021 in order to support small and medium-sized businesses by means of debt restructuring and capital injections.

## Europe: United Kingdom

### United Kingdom

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, London Heathrow airport, Manchester Airport Group (Manchester airport, Stansted airport, East Midlands airport), London Gatwick airport, World Health Organization, Civil Aviation Administration of China.

### U.K. Traffic Remains Close to Zero Amid Strict Lockdown

Total passenger traffic for U.K. airports was down 92%–99% yoy for January to February 2021, amid strict lockdown measures. The number of coronavirus cases and associated deaths significantly declined due to the lockdown and rapid vaccination.

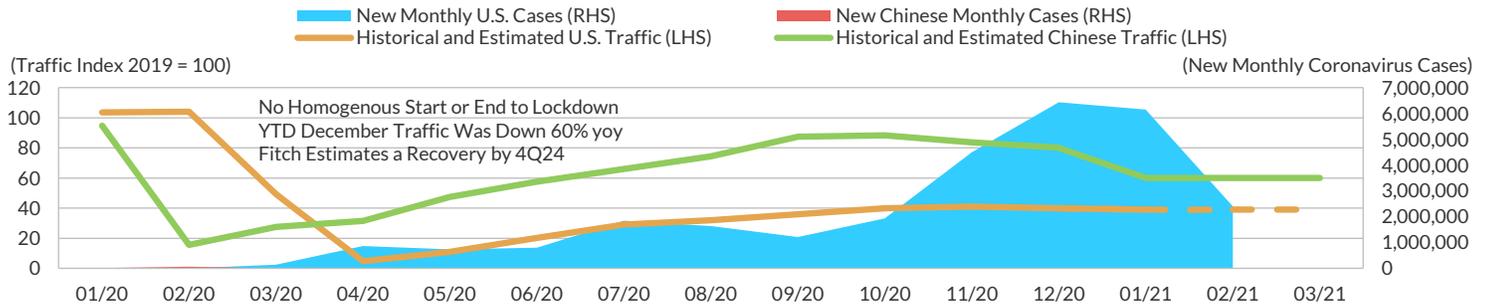
#### Key Points

- Fitch expects traffic to recover to 2019 levels by 2025.
- Traffic fell 75% yoy in 2020 and continues to fall in 2021 dropping to 92% yoy in January 2021 and 95% yoy in February 2021.
- New daily cases reached a new peak in January 2021 at around 60,000 but fell to around 5,000 cases as of March 31, 2021. International air travel is suspended at least until May 17, 2021 and only cargo flights and limited international flights are being operated. Passengers are required to have a reasonable excuse to leave the U.K., which effectively means a ban on international travel. International holidays are not permitted. New coronavirus cases and associated deaths are declining rapidly.
- The U.K. secured 460 million vaccine doses and remains one of the leading countries in vaccine roll outs. About 31 million people received the first vaccine dose, or 46% of the total population, and 3.8 million received two doses as of March 31. The U.K. government is targeting full immunization of half of the population by mid-summer 2021.
- The U.K. government extended existing support measures, including loan and grant support programs, business rate discounts, a reduced VAT rate for the hospitality and tourism sector, a stamp duty land tax 'holiday', and a job support furlough program with compensation of up to 80% of an employee's salary, up to GBP2,500. Eligible businesses in April 2021 will be able to apply for a one-off restart grant of up to GBP6,000. Tax relief also was extended with expected tax increases in 2023.

## United States

### United States

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Large hubs: Atlanta, GA; LAX; DFW; San Diego, CA; Miami, FL; Tampa, FL; Denver, CO; Las Vegas, NV; MWA (IAD and DCA). Medium hubs: St. Louis, MO; San Jose, CA; Hartford-Bradley, CT; Raleigh, NC; San Antonio, NM. Smaller hubs: Boise, ID; Birmingham, AL; Richmond, VA; El Paso, NM; World Health Organization; Civil Aviation Administration of China.

## Uneven Recovery Based on Airport Type and State Due to Varied Local Lockdown Policies

Traffic declines were in-line with, or less severe than, most other observed countries for 2020. There was a sustained monthly recovery until October 2020, when traffic stalled due to an increase in cases. Recovery varies among airports with domestic, origination/destination (O&D) leisure-based airports in warmer climates faring best.

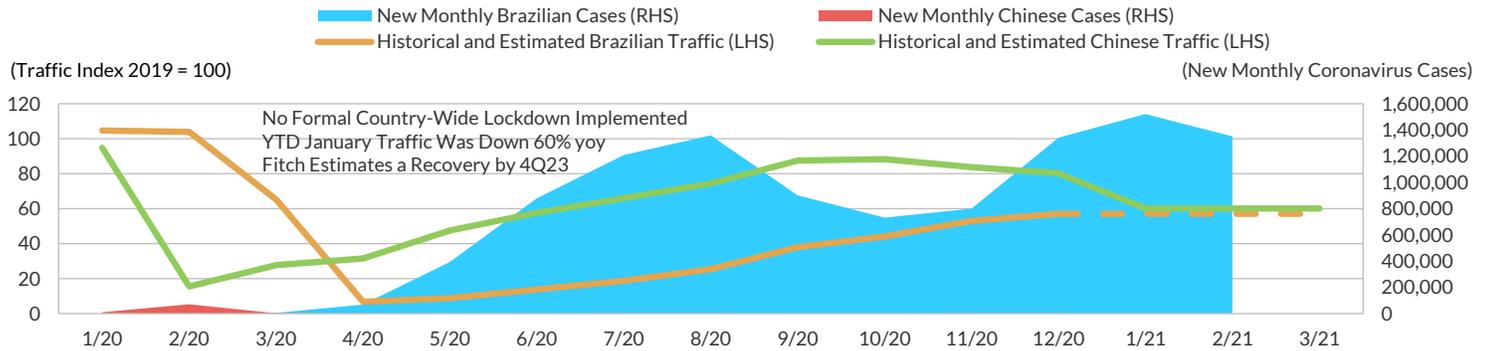
### Key Points

- Fitch expects traffic to recover to 2019 levels by 2024 on a calendar-year basis.
- Vaccine rollouts began in December 2020 and 16% of the population was fully vaccinated by March 31, 2021 and 29% at least partially vaccinated. About 2.83 million people are receiving a coronavirus vaccine every day and the president announced 90% of the adult population will be eligible and have a vaccination site within five miles of their home by April 19.
- Traffic declined 60% yoy in 2020 and gradually improved every month after declining 95% in April but plateaued at around 40% of 2019 levels for all of 4Q20. New variants and increased cases stalled an additional recovery during the initial weeks of 2021; however, signs of increasing demand are evident with more robust traffic to be seen in 2H21, as the U.S. reaches critical vaccination levels along with airline capacity additions.
- The initial lockdown timing in early 2020 differed among states but generally commenced in late March and early April. Reopening began in early May and June. Some states re-imposed restrictive measures in 4Q20 and these remained in some form through 1Q21.
- The U.S. government either passed or proposed three meaningful rounds of federal stimulus as of March 2021 with components linked to financially support both the airlines and airport sector with a USD2.2 trillion relief package in March 2020, USD900 billion in December 2020 and USD1.9 trillion in March 2021. The bills largely provide for unemployment benefits, one-time direct benefits to individuals, and aid to state and local governments, while providing relief for both airlines and airports totalling USD54 billion and USD20 billion, respectively.

Latin America: Brazil

Brazil

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Source: Fitch Ratings, Concessionaria do Aeroporto Internacional de Guarulhos, Aeroportos Brasil Viracopos, Aeroporto de São Paulo - Congonhas, Aeroporto do Rio de Janeiro - Santos Dumont, Infraero, World Health Organization, Civil Aviation Administration of China.

Strong Domestic Traffic Recovery, New Waves and Lockdowns Remain a Concern

Total passenger traffic in main airports in December 2020 and January 2021 are about 57% and 60% of 2019 levels, respectively. The number of total cases in the country increased significantly since February, with cities and states establishing stricter containment measures to avoid the total collapse of the health care system.

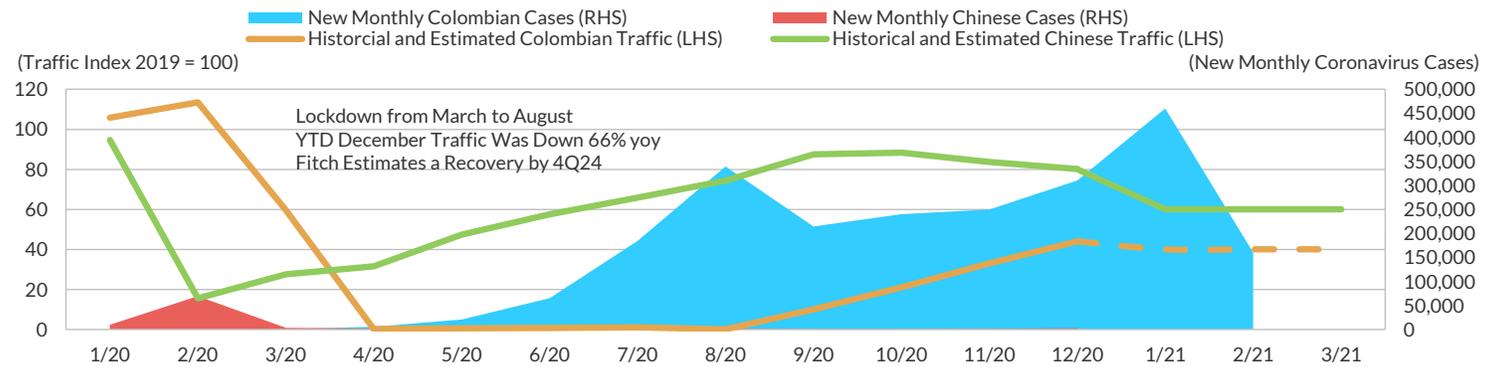
Key Points

- Fitch expects traffic to recover to 2019 levels by 4Q23.
- The pandemic in Brazil dramatically worsened since February, with stricter containment measures taken for the first time since the beginning of the pandemic in several cities. More than 20 million doses of vaccine were administered as of March 2021, which represents around 10% of the total population assuming one dose per person.
- There was strong domestic traffic recovery at 57% in January 2021 compared with January 2020. International traffic is mainly concentrated in three airports: Guarulhos, Galeão and Brasília. International traffic recovery to 2019 levels is expected by 4Q25; however, total traffic at these airports is expected to recover faster, albeit with a different traffic mix.
- The Brazilian grantor has been very active in supporting the airport sector during the pandemic by postponing and compensating amounts of concessions' fee payments to compensate lost revenues in 2020.
- On April 7, the Brazilian government auctioned three blocks of regional airports: South, Center and North blocks, for a total of 22 regional airports. From the government perspective, the auction's result was considered a success, since it attracted several competitors and the bids were much higher than the minimum concession fee stipulated for each block of airports, indicating sponsors believe in the recovery of the airport sector.

Latin America: Colombia

Colombia

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Aeropuerto Internacional el Dorado, World Health Organization, Civil Aviation Administration of China.

Prolonged Colombian Traffic Recovery Begins as National Lockdown is Lifted

Colombia fared worse than many LatAm airports due to a six-month closure and more strict travel restrictions. National traffic is now beginning to drive a recovery, outpacing international recovery by factor of two.

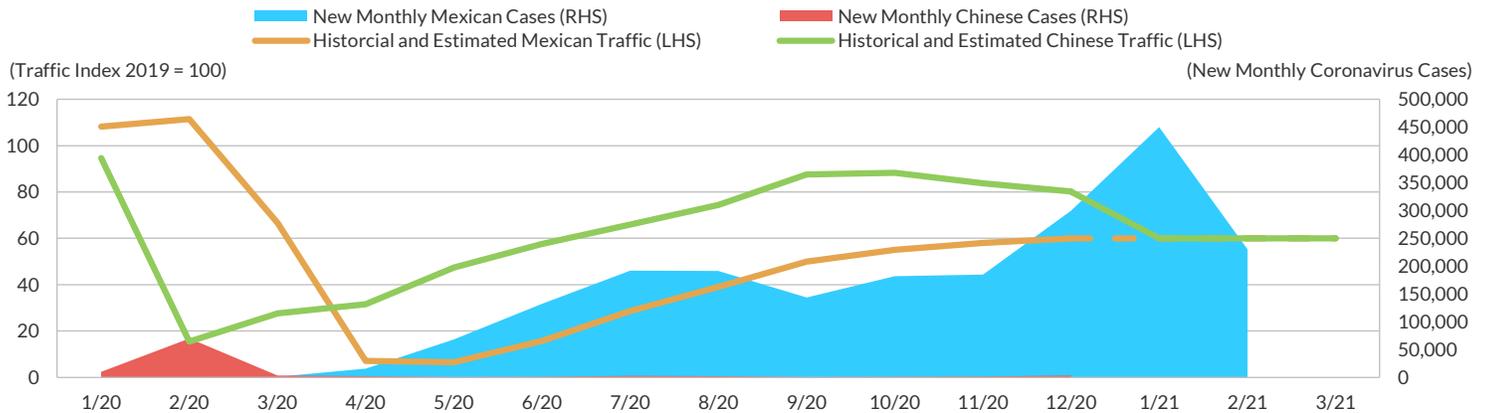
Key Points

- Fitch expects traffic to recover to 2019 levels in 4Q24. This is a longer recovery compared with our last tracker at 4Q22, given the current expectation of a slower traffic recovery not only in Colombia but also across LatAm.
- Around 2.1 million doses of vaccine were administered as of March 2021 to a population of around 129 million with about 3.7% of the population vaccinated with 0.5% fully vaccinated.
- Bogota’s airport, which accounts for approximately half of the country’s total passengers, experienced a 69% yoy decline in 2020. This was a more severe traffic reduction than observed in most LatAm airports, due to a six-month closure. The observed recovery is, for the most part, due to the performance of national passenger traffic, given El Dorado’s large O&D traffic base. National passenger traffic showed an average quarterly recovery close to 40% in 4Q20 compared with international passengers at around 20%. Fitch expects this trend to continue in 2021.
- Travel restrictions in Colombia were stricter than in most LatAm countries. The government imposed a national lockdown in March 2020 and suspended domestic and international air transportation with the only exceptions of humanitarian and cargo flights. The national lockdown was lifted on Sept. 1, 2020 and, since then, traffic has shown signs of recovery at around 35% in 4Q20 compared with 2019 figures.
- In an effort to alleviate the effects of the revenue lost between March and September 2020, when the airport was practically closed, the Colombian government through the National Infrastructure Agency granted El Dorado deferrals in the payment of concession fees and negotiations to extend the concession are underway.

Latin America: Mexico

Mexico

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Grupo Aeroportuario de la Ciudad de Mexico, Grupo Aeroportuario del Centro Norte, Grupo Aeroportuario de Sureste, Grupo Aeroportuario del Pacifico, World Health Organization, Civil Aviation Administration of China

Prolonged Traffic Recovery Despite No Formal Lockdown with Full Vaccination by 2022

Mexico fared better than many LatAm airports subject to closures; however, performance among Mexican airports may still vary greatly depending on demand profiles. Vaccinations are now underway as of December 2020.

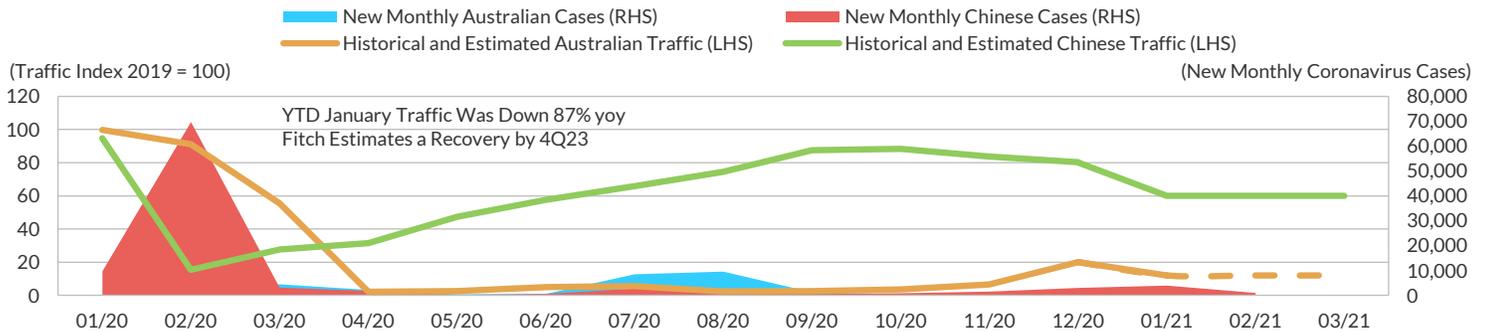
Key Points

- Fitch expects traffic to recover to 2019 levels as late as 4Q24, a more prolonged recovery compared with our last tracker of 4Q22. Full recovery at Mexican airports may significantly vary depending on each airport demand profile.
- Vaccines arrived in Mexico in December 2020. Administration started with health personnel and the elderly and will continue according to age group, finishing in 2022. Around 7.9 million doses of vaccine were administered as of March 2021 to a population of around 51 million with about 6% of the population vaccinated with less than 1% fully vaccinated.
- The overall traffic decline in Mexican airports was 51% yoy in 2020. This was milder than some other LatAm airports, which experienced higher declines due to closures, while Mexican airports never closed. Airports less dependent on international traffic performed better. Touristic airports have shown the greatest resilience, while those with larger shares of business travel fared worse.
- Our expectation for recovery for airports operated by Grupo Aeroportuario del Centro Norte (OMA Group) is in 4Q23. OMA's 2020 traffic was among the most favorable in Fitch's LatAm airport portfolio, benefitting from its large share of domestic and O&D traffic. We expect this trend to continue in 2021, although international passenger recovery should speed up with vaccine roll outs in 2021-2022.
- Mexico City airport slowed down, achieving only 40% of 2019 traffic by 4Q20. The stressed financial condition of the two largest airlines Aerovias de Mexico S.A. de C.V. (Aeromexico) and Interjet Airlines at 45% of demand supports the view of a more prolonged recovery.
- No formal country-wide lockdown was implemented in Mexico but some restrictions exist and vary among states. The tightening or relaxing of containment measures are based on a biweekly measurement of the number of infected people in each state.
- The Mexican government has not announced any support specific for the aeronautical industry. The government has undertaken a series of actions to strengthen the economy in general, such as the reduction in the interest rate benchmark to 6.0% by Banxico and the opening of a financing line to support SMEs through the relevant authorities for up to MXN250 billion or USD11 billion.

Asia Pacific: Australia

Australia

(Historical and Projected Traffic Index and Total New Monthly Coronavirus Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings; Sydney Airport; Melbourne Airport; Department of Infrastructure, Transport, Regional Development and Communications; World Health Organization; Civil Aviation Administration of China.

Slower Than Anticipated Recovery as Australian Cases Remain Low

Air traffic recovery in Australia was slower than anticipated due to an outbreak during December, which set back domestic recovery. International borders remain closed.

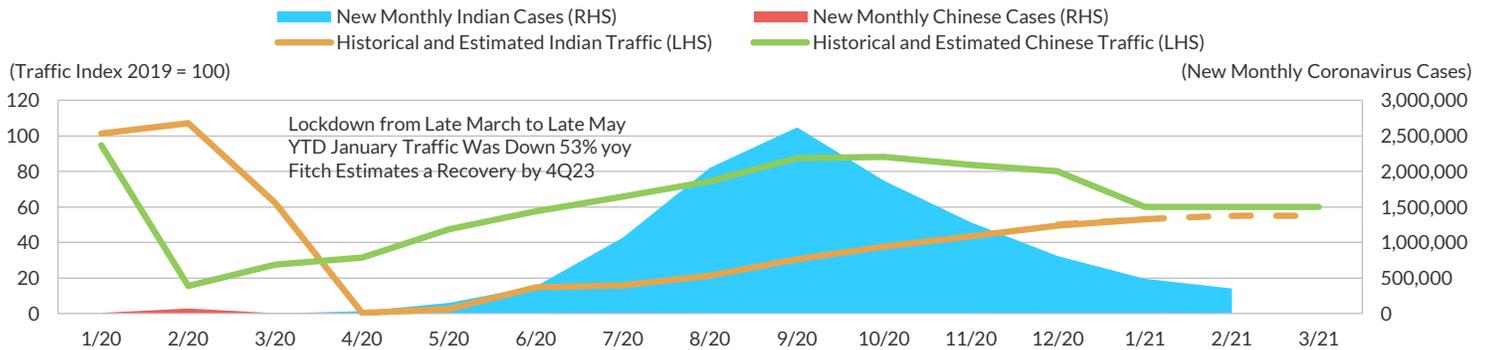
Key Points

- Fitch expects traffic to recover to 2019 levels by 4Q23.
- Australia started rolling out the Pfizer/BioNTech vaccine on Feb. 22, 2021. The population is around 25 million and 670,349 doses were administered as of March.
- Passenger traffic declined by 94% in January 2021 in Sydney compared with January 2020 and fell by 80% in Melbourne during the same period.
- Melbourne entered another lockdown in mid-February 2021, albeit of a much more limited duration. The government of South Wales eased some restrictions in May and June 2020 but then re-introduced some measures in the later part of 2020.
- Total approximate government support was around AUD90 billion. A six-month AUD70 billion JobKeeper program, which provides businesses with up to AUD1,500 a fortnight per full-time or part-time employee, or per casual employee that worked for the business for over a year. Official interest rates were lowered.
- The Australian government announced a new AUD1.2 billion support package for aviation and tourism sectors. The package includes 800,000 half price fares to encourage Australians to travel, job support for international aviation jobs and assistance for procuring loans at a lower cost in these sectors.

Asia Pacific: India

India

(Historical and Projected Traffic Index, and Total New Monthly Cases)



Note: Forecast is based on Fitch Ratings Case estimate.

Source: Fitch Ratings, Airport Authority of India, World Health Organization, Civil Aviation Administration of China.

India Saw Some Recovery in 4Q20 with Declining Coronavirus Cases

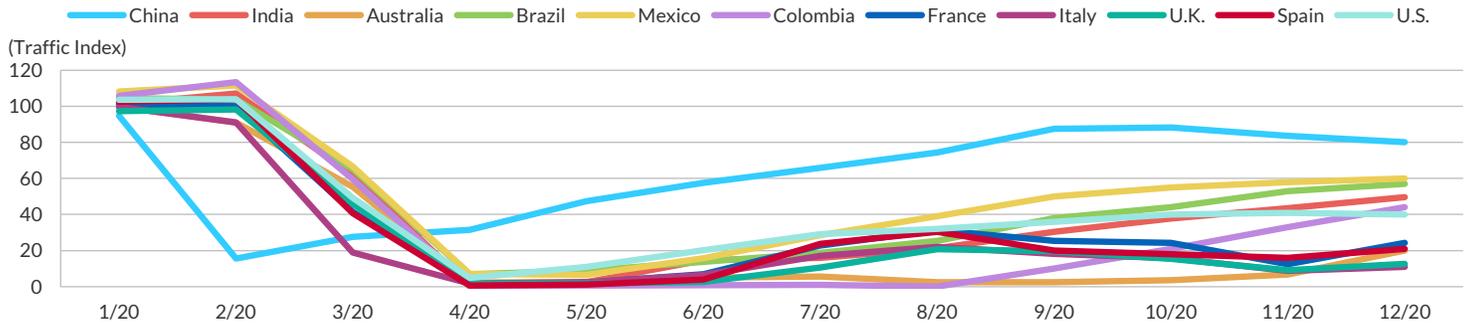
Total passenger traffic in January 2021 is about 53% of the traffic in January 2020. The number of cases in India declined since October 2020, albeit there was a spike across several states in recent months.

Key Points

- Fitch expects traffic to recover to 2019 levels by 4Q23.
- There was significant improvement in domestic traffic as airlines are progressively allowed to run at higher capacity, currently at 80%. Domestic air traffic at India’s largest airport, Delhi International Airport, rebounded steadily and is at 60% of pre-coronavirus levels in January 2021 compared with January 2020. International air travel is suspended to April 30, 2021 and only cargo flights and limited international flights under air bubble arrangements are being operated.
- India started rolling out Oxford-AstraZeneca’s Covishield and Covaxin vaccines and 65.1 million doses were administered as of March.
- The High Court allowed an interim suspension of revenue share payment in Delhi (45.99%) and Mumbai (38.7%) to the Airport Authority in December 2020 on account of the pandemic. The arbitration tribunal will make a decision, which is anticipated to happen before March 2022.
- The Budget 2021 had reforms aimed at opening the airspace in India, accelerating privatization of government owned airports and making India a hub for maintenance, repair and overhaul, which is likely to reduce the maintenance costs for airlines.

## Aggregate Data: Traffic Declines

### Fitch Airport Traffic Tracker



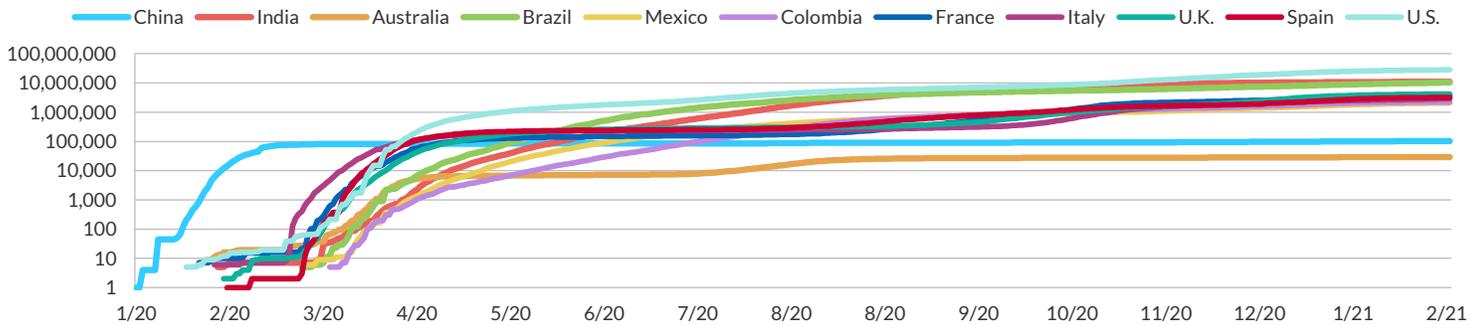
Source: Fitch Ratings.

### Most Countries, Except the U.S., Had the Lowest Traffic Levels in April

The chart above details traffic declines by country. The trough in China's traffic was in February, while for most countries it occurred in April. This suggests an approximate lag of around two months for other countries from the timing of the pandemic in China, where the virus originated.

## Aggregate Data: Evolution of Cases

### Total Coronavirus Cases



Source: Fitch Rating, World Health Organization.

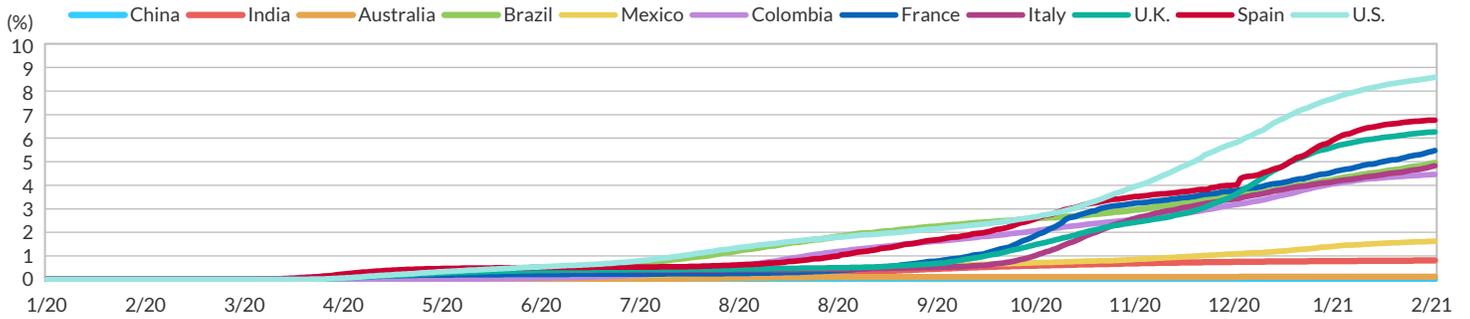
### Number of Cases and Speed of Outbreak Varies Significantly by Country

As shown above using a logarithmic scale, the number of cases and the speed of evolution of the pandemic in each country varied significantly. The U.S., India and Brazil recorded the highest number of total cases. Brazil and the U.S. have the highest cases as a percentage of total population.

## Aggregate Data: Evolution of Cases

### Coronavirus Cases

(As a Percentage of Country Populations)

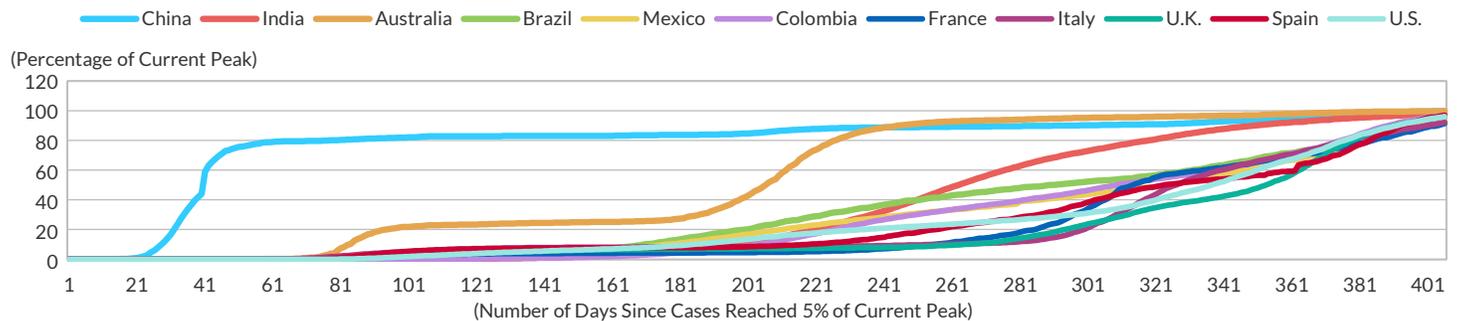


Source: Fitch Ratings, World Health Organization.

### Infection Rate is Below 9% of the Population Size

As shown in the chart above, the total number of cases, as a percentage of population, varies significantly by country with the U.S. having the highest rate of nearly 9% followed by India and the U.K. at around 6% and 5%, respectively. This compares unfavorably to the less than 2.5% for all countries as of the last report.

### Evolution of Cases



Note: Cases as a percentage of the total from the date when 5% of the current total had been reached.  
Source: Fitch Ratings, World Health Organization.

### Evolution of Reported Cases

The chart above shows the evolution of reported cases from the point at which total cases reached 5% of the current total. This gives an indication of the speed and evolution of the coronavirus pandemic in the different countries included in the tracker. The rationale of showing the pandemic's evolution from the point that cases were at 5% of the total is by this point the outbreak was gaining momentum and uses a standardized metric, although with some limitations.

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