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# COVID-19 International Market Update

August 18, 2020





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VP, Research & Analytics







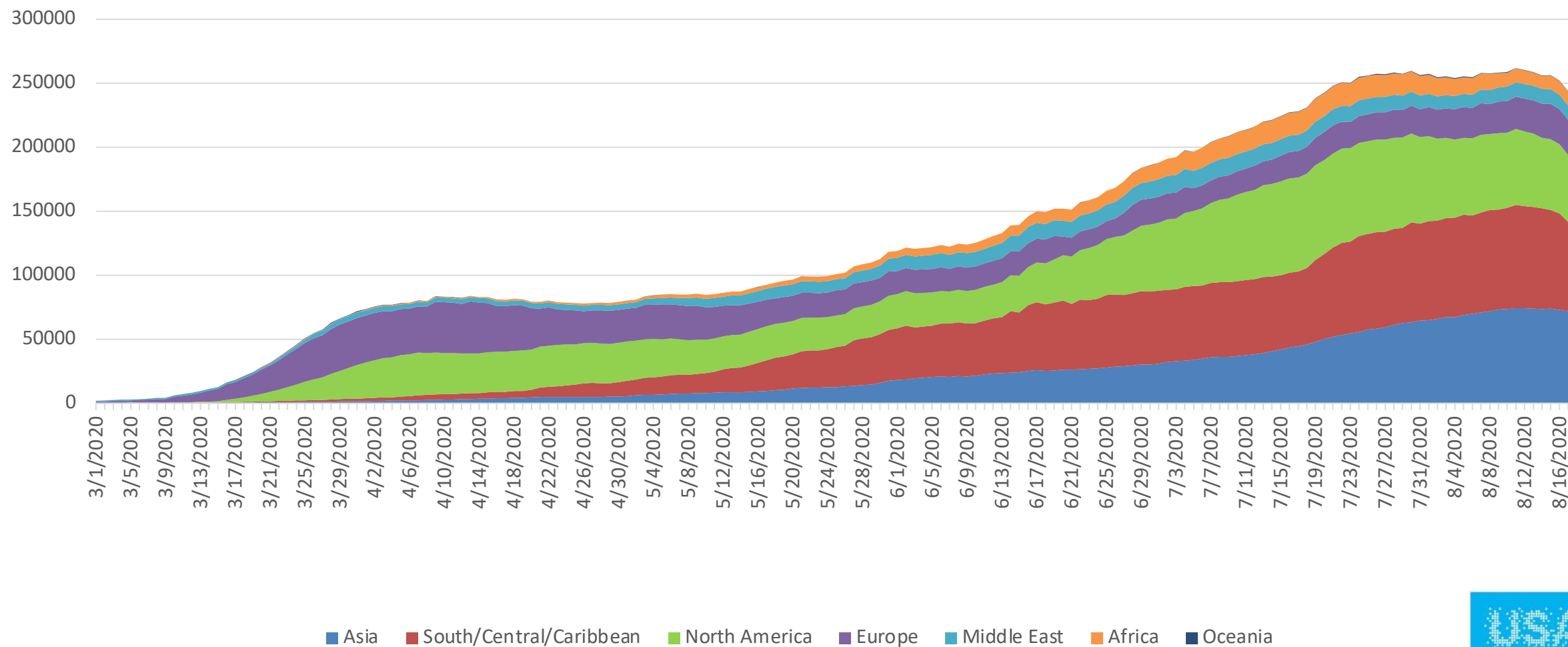




# **Pace of Coronavirus (Covid-19) Contagion**



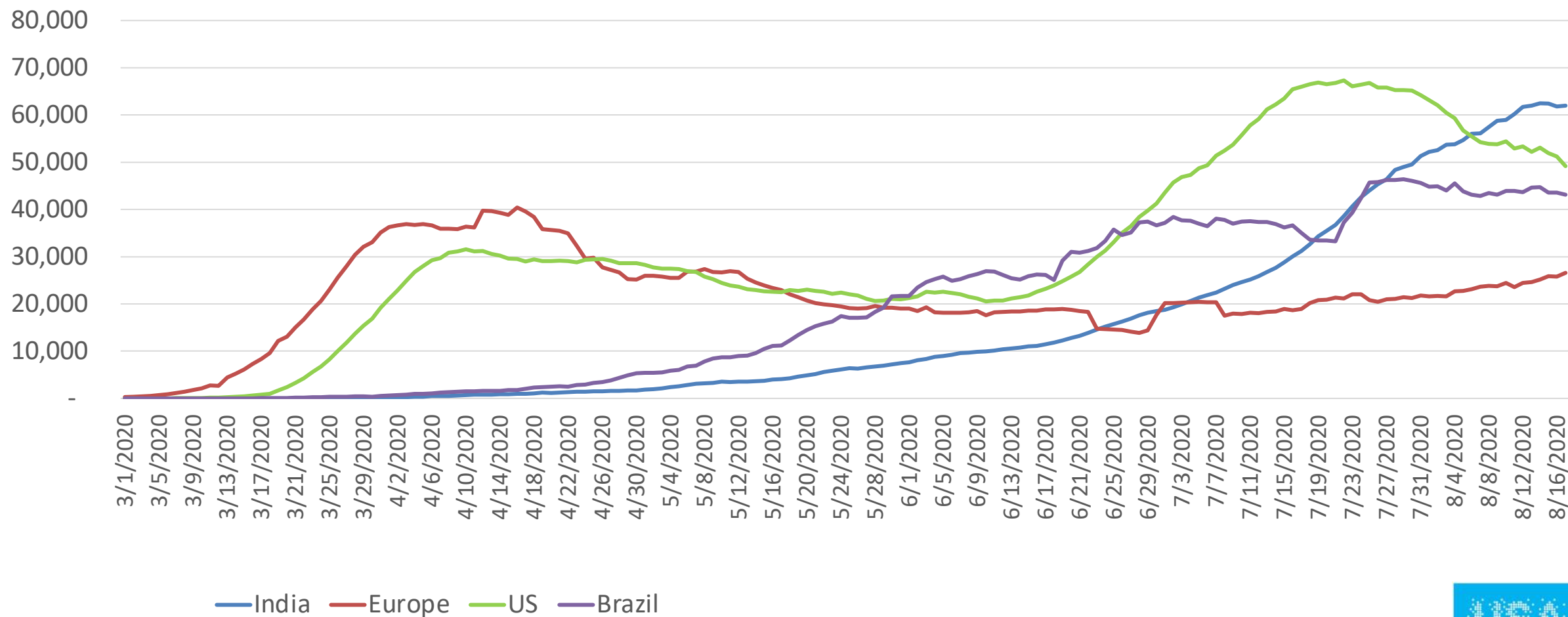
# New Confirmed Cases (rolling average over 7 days)



Source: Johns Hopkins



# Daily New Confirmed Cases (rolling average over 7 days)

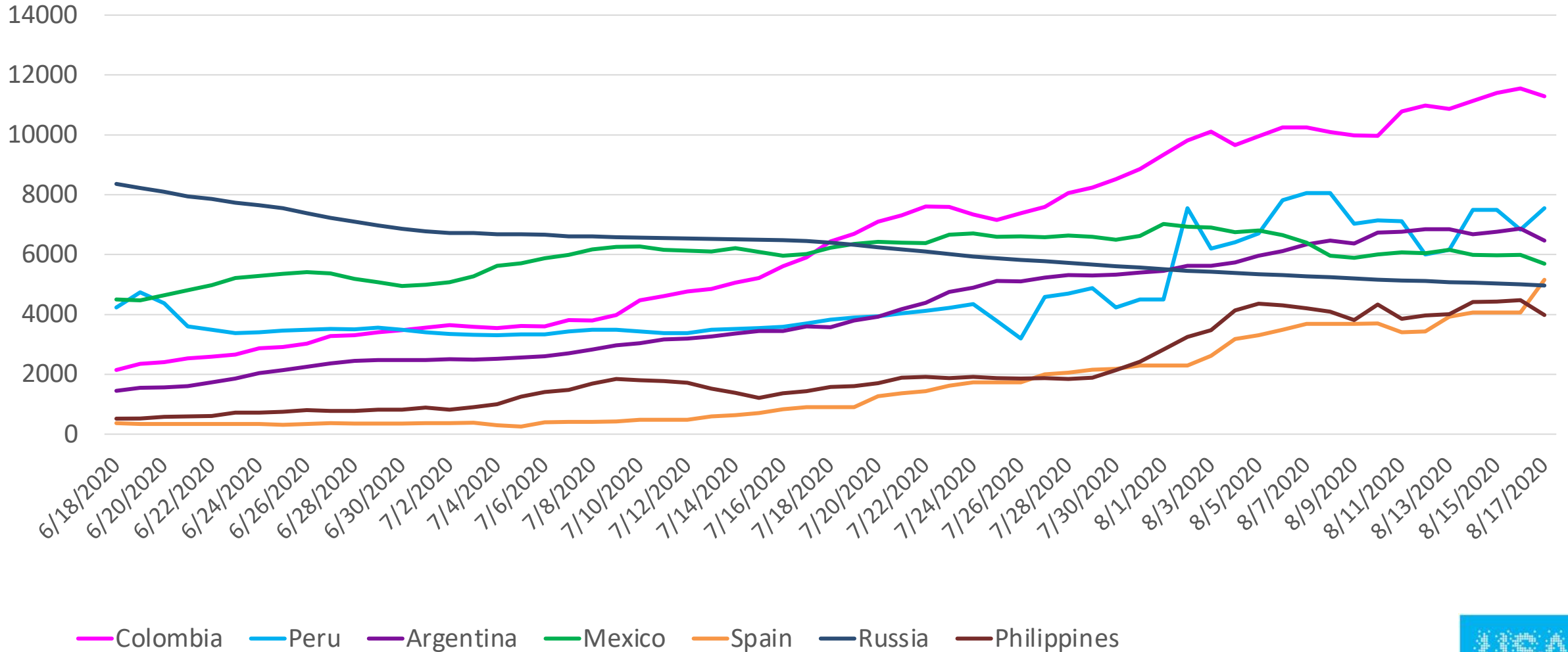


Source: Johns Hopkins



# Daily New Confirmed Cases

(rolling average over 7 days)

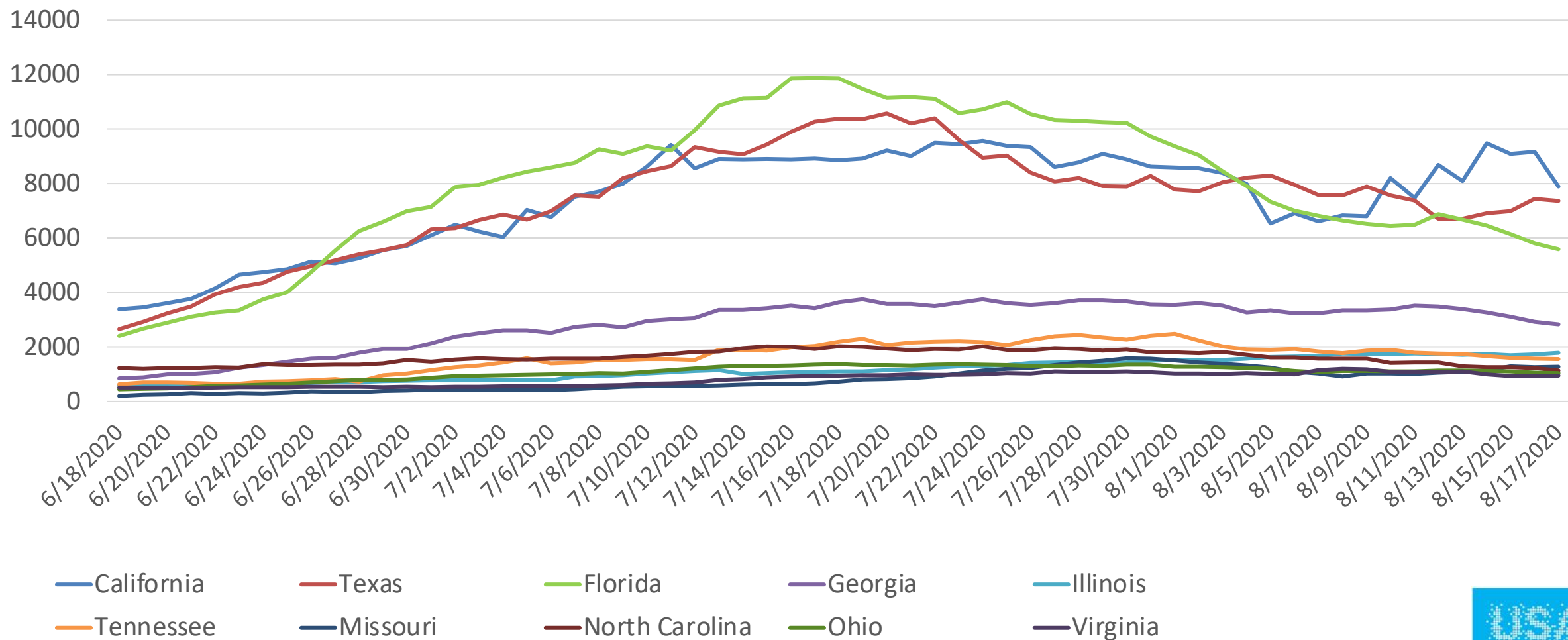


Source: Johns Hopkins



# Daily New Confirmed Cases - Top 10 States

(rolling average over 7 days)

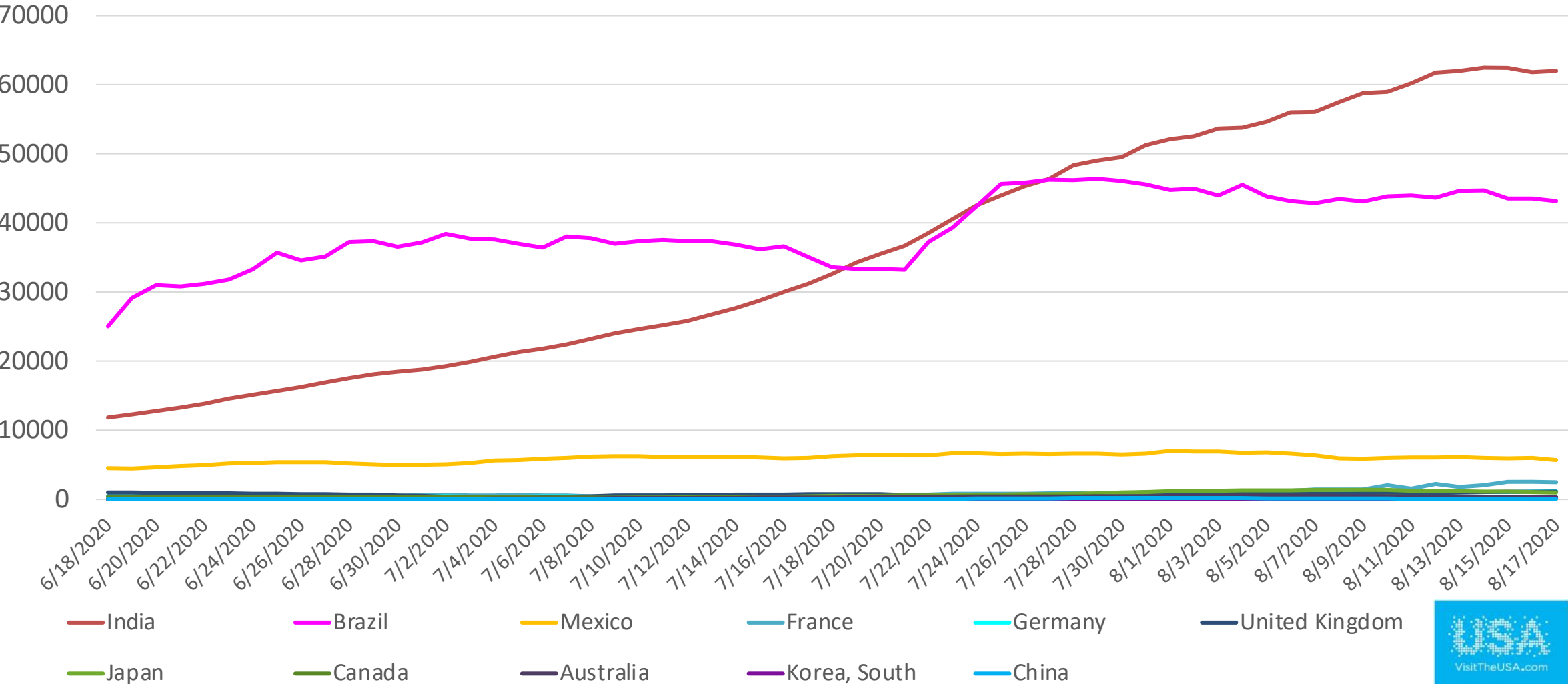


Source: Johns Hopkins



# Daily New Confirmed Cases

(rolling average over 7 days)



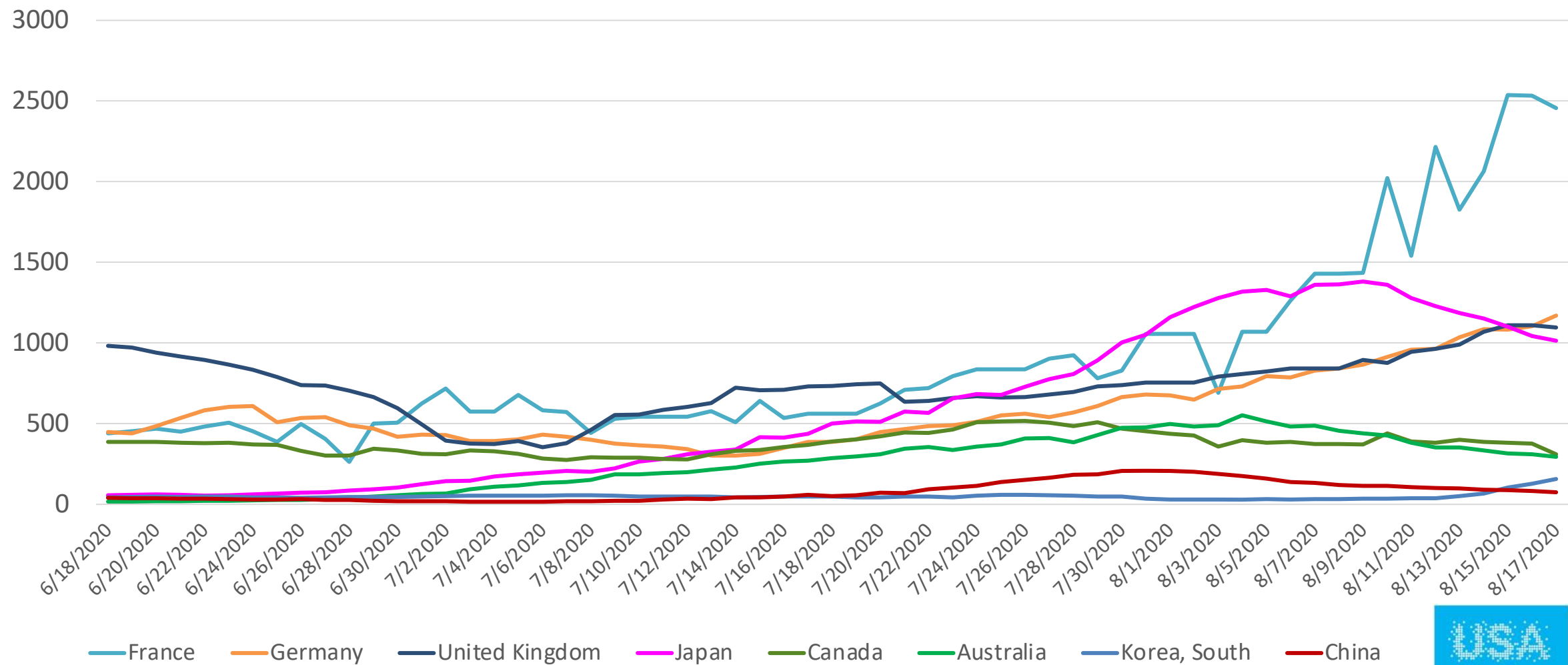
Source: Johns Hopkins





# Daily New Confirmed Cases

(rolling average over 7 days)



Source: Johns Hopkins



# Current Relative Conditions

## Accelerating

UK  
France  
Germany  
India

## Flattened

Brazil  
Mexico  
Japan  
Australia  
Canada

## Decelerated

China  
South Korea

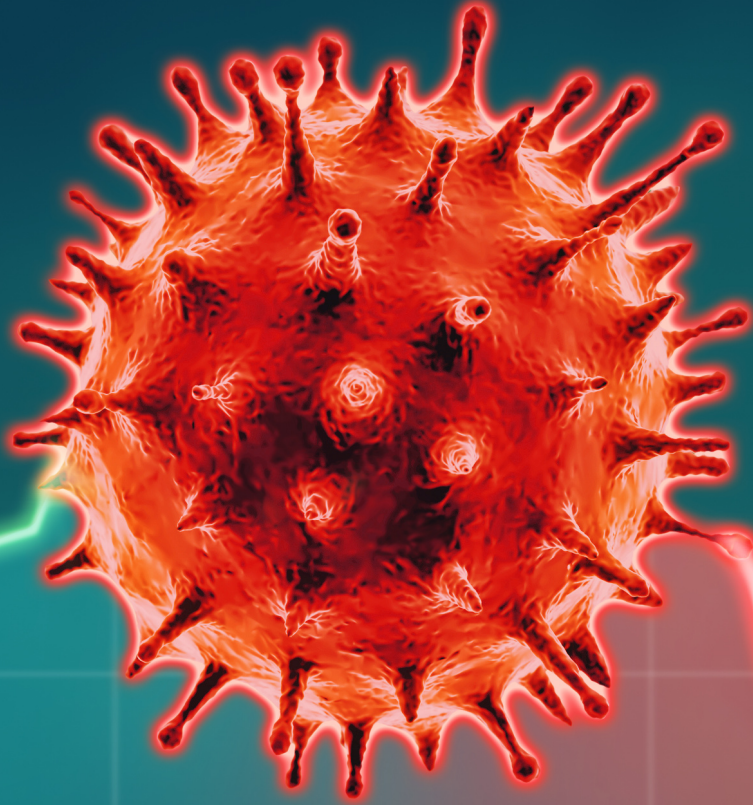


## Different Types of Coronavirus Tests

	Molecular Test	Antigen Test	Antibody Test
<b>Also known as...</b>	Diagnostic test, viral test, molecular test, nucleic acid amplification test (NAAT), RT-PCR test, LAMP test	Rapid diagnostic test (Some molecular tests are also rapid tests.)	Serological test, serology, blood test, serology test
<b>How the sample is taken...</b>	Nasal or throat swab (most tests) Saliva (a few tests)	Nasal or throat swab	Finger stick or blood draw
<b>How long it takes to get results...</b>	Same day (some locations) or up to a week	One hour or less	Same day (many locations) or 1-3 days
<b>Is another test needed...</b>	This test is typically highly accurate and usually does not need to be repeated.	Positive results are usually highly accurate but negative results may need to be confirmed with a molecular test.	Sometimes a second antibody test is needed for accurate results.
<b>What it shows...</b>	Diagnoses active coronavirus infection	Diagnoses active coronavirus infection	Shows if you've been infected by coronavirus in the past
<b>What it can't do...</b>	Show if you ever had COVID-19 or were infected with the coronavirus in the past	Definitively rule out active coronavirus infection. Antigen tests are more likely to miss an active coronavirus infection compared to molecular tests. Your health care provider may order a molecular test if your antigen test shows a negative result but you have symptoms of COVID-19.	Diagnose active coronavirus infection at the time of the test or show that you do not have COVID-19

Source: U.S. Food & Drug Administration

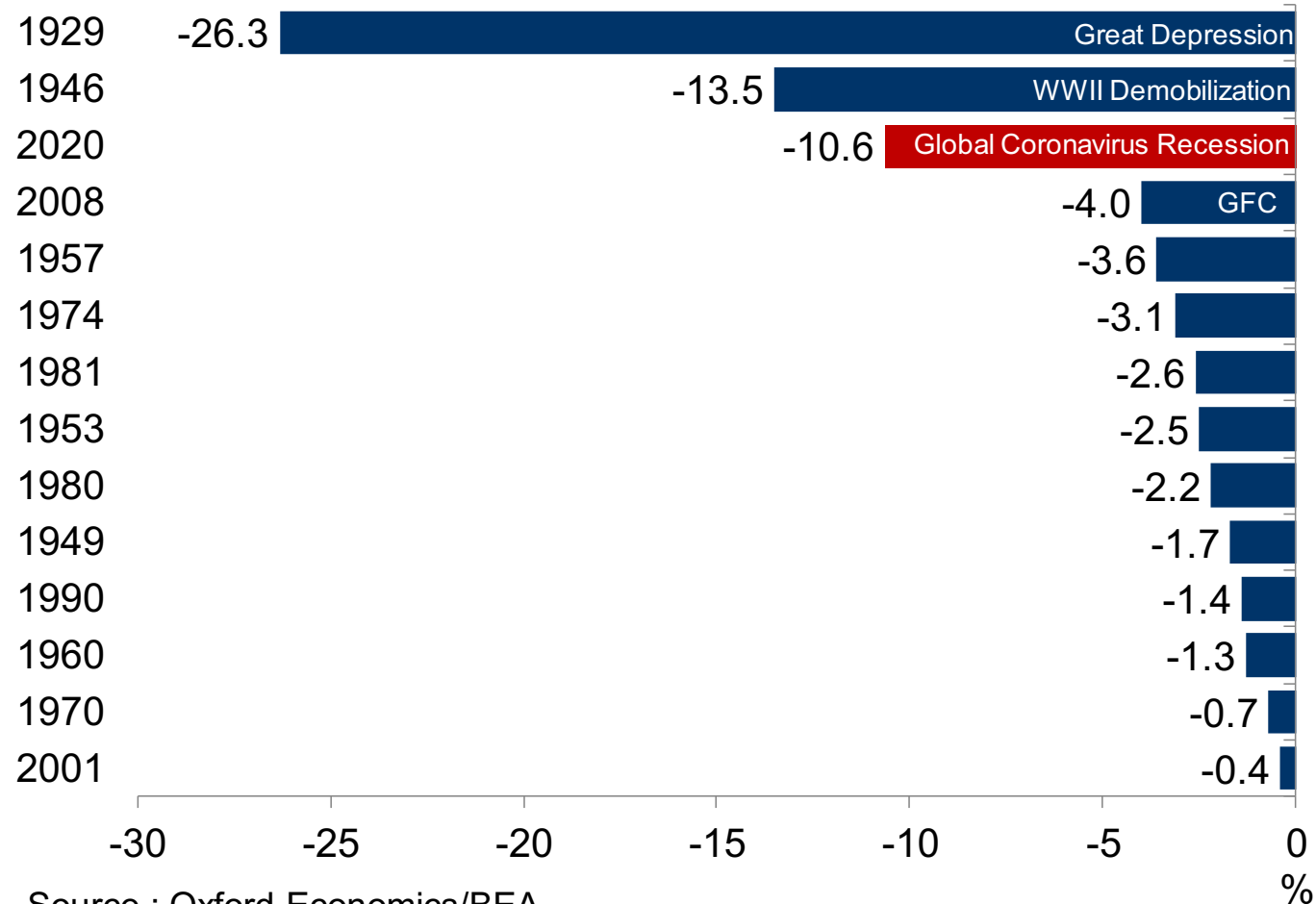
# Economic Impact





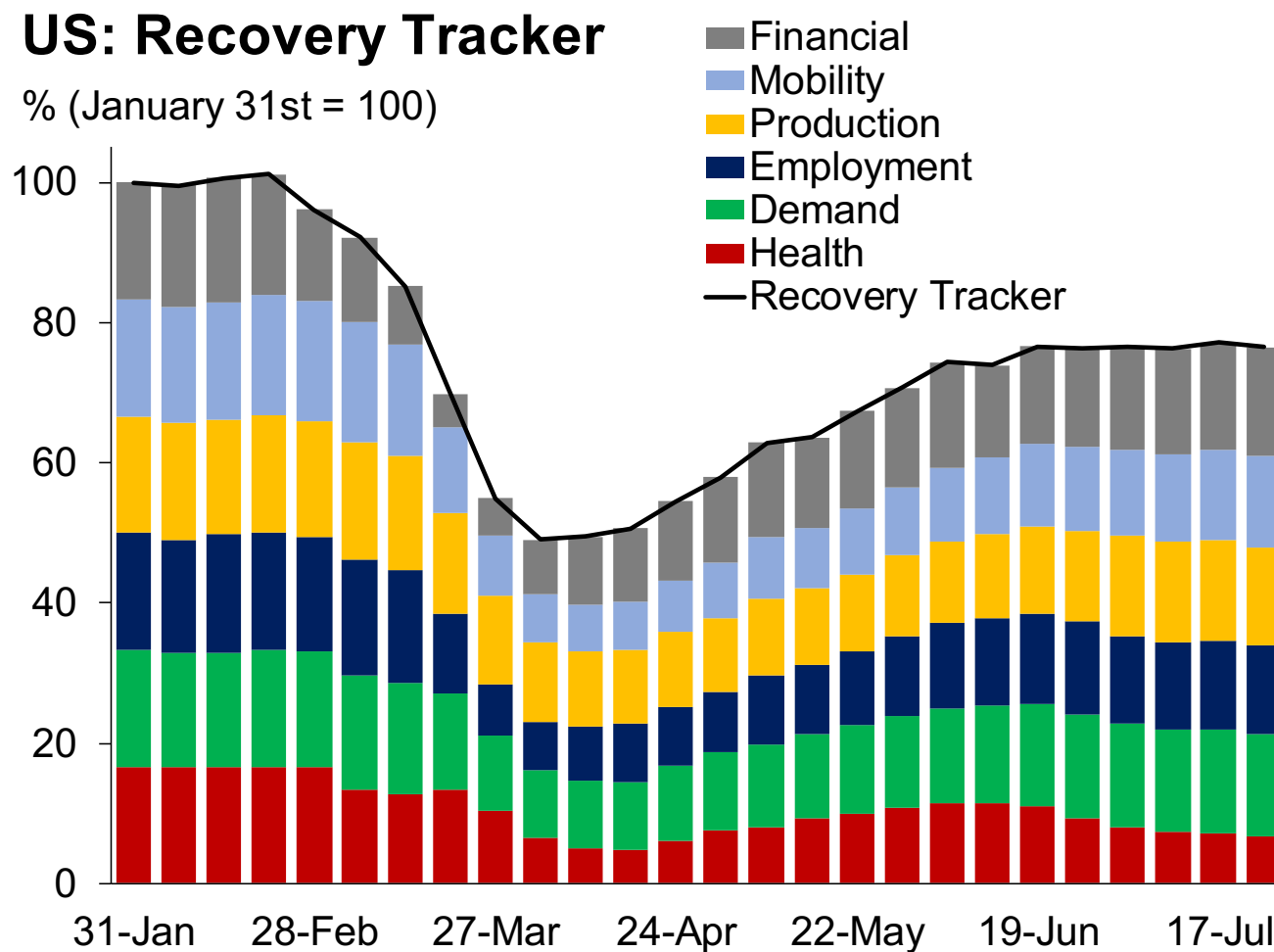
# Comparison of US Recession Periods

## US: Cumulative GDP decline during recessions



Source : Oxford Economics/BEA

# US Recovery Tracker stalls on surge in Covid cases



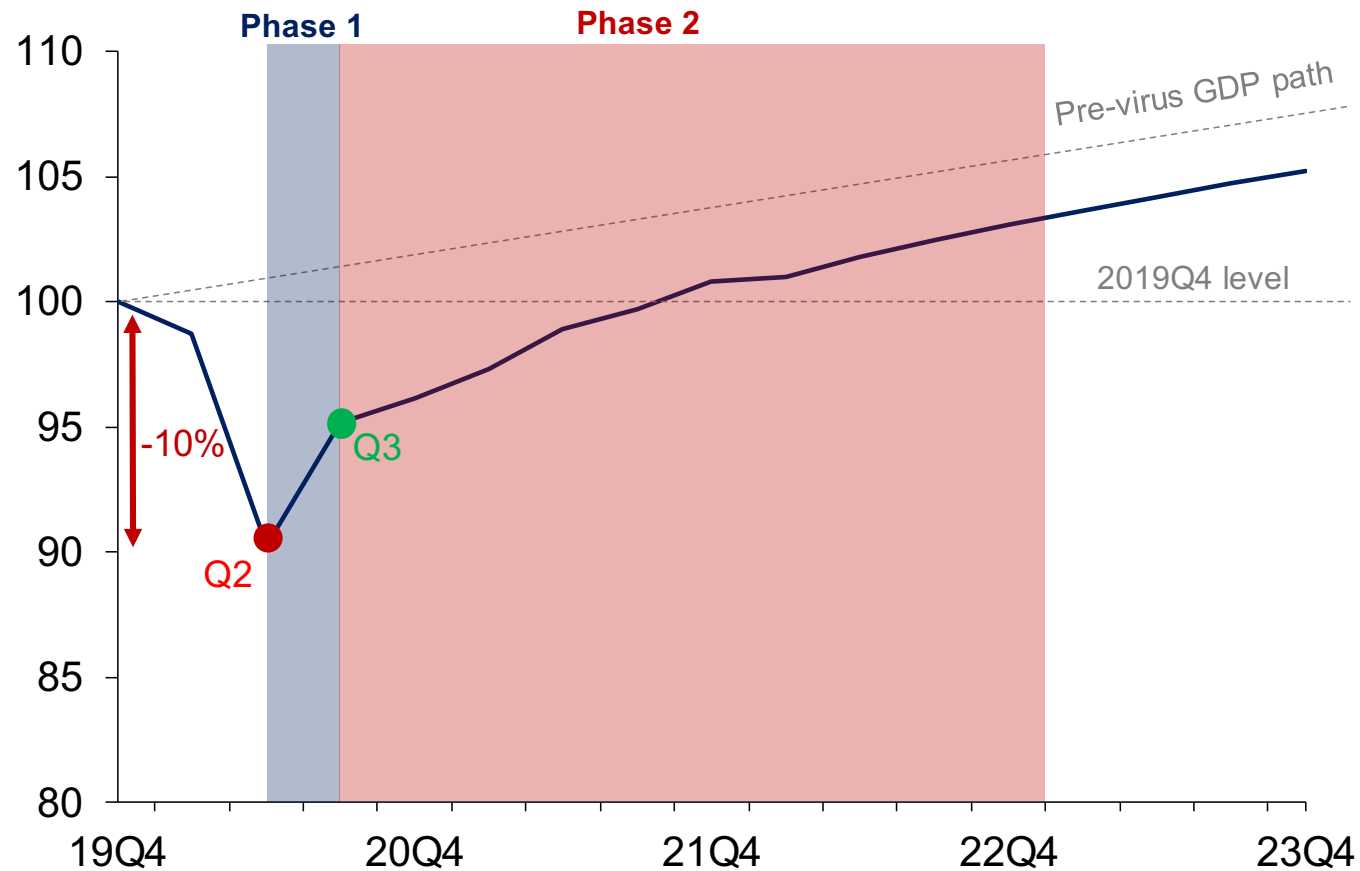
Sources: Oxford Economics



# A two-phased recovery

## Deepest US recession since WWII

GDP Q4 2019 = 100



Source : Oxford Economics

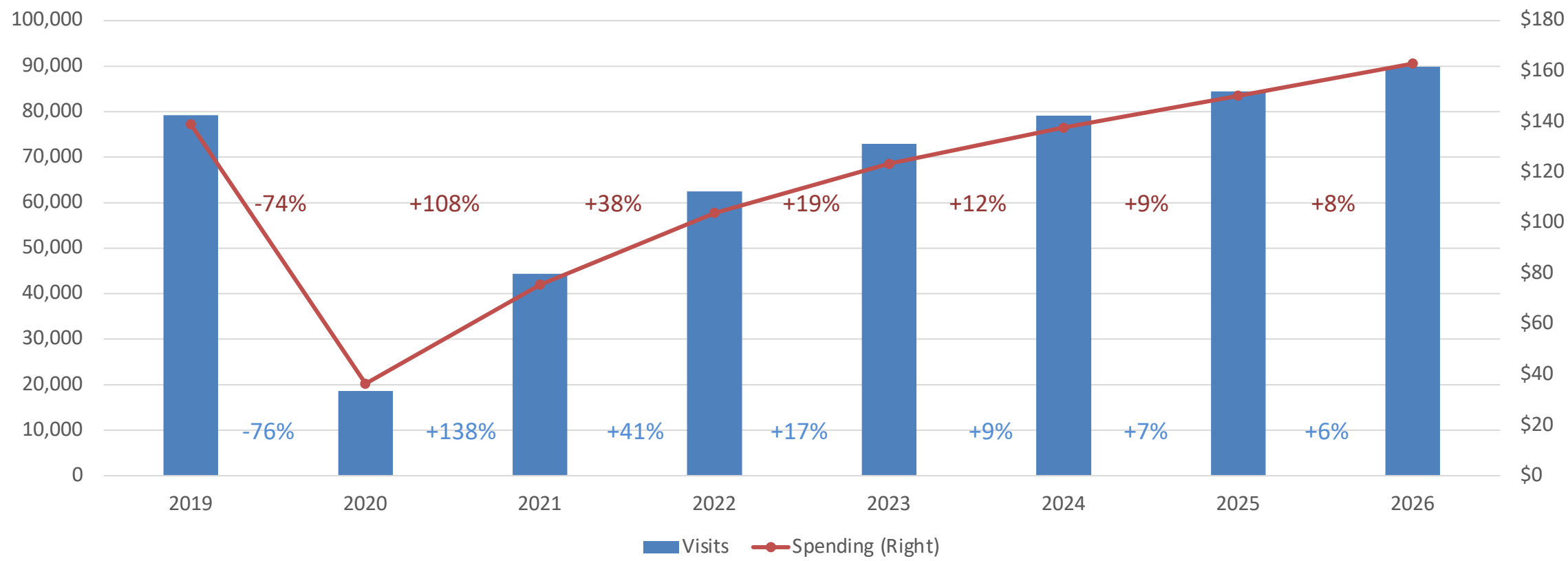
# Global GDP Growth Projections

World GDP growth % change on previous year						
	2018	2019	2020	2021	2022	2023
<b>Real GDP</b>						
<b>North America</b>						
United States	2.9	2.3	-4.2	3.9	3.4	2.3
Canada	2.0	1.7	-7.2	7.3	4.5	1.7
<b>Europe</b>						
Eurozone	1.9	1.2	-7.9	6.1	3.2	1.9
Germany	1.5	0.6	-6.1	5.2	3.2	1.2
France	1.8	1.5	-10.2	7.3	3.5	3.0
Italy	0.7	0.3	-9.3	5.7	2.8	1.4
UK	1.3	1.5	-10.9	10.3	3.5	1.9
EU27	2.1	1.5	-7.3	5.9	3.2	2.0
<b>Asia</b>						
Japan	0.3	0.7	-6.0	2.8	3.1	2.0
Emerging Asia, excl Japan	6.1	5.2	0.0	7.6	5.1	5.1
China	6.7	6.1	2.0	8.1	5.1	5.1
India	6.8	4.9	-5.7	8.7	5.6	6.0
<b>World</b>	3.2	2.5	-4.5	5.8	4.0	3.3
<b>World 2005 PPPs</b>	3.6	2.8	-4.2	6.1	4.3	3.8
<b>World trade</b>	4.9	0.4	-9.1	7.5	5.1	3.8
<b>Commodity Prices</b>						
Brent Oil (\$/bl)	71.1	64.4	41.2	49.9	51.9	55.2

Source: Oxford Economics



# US International Visits and Spending (million visits, \$ billions)



Source: Oxford Economics



# Consumer Sentiment





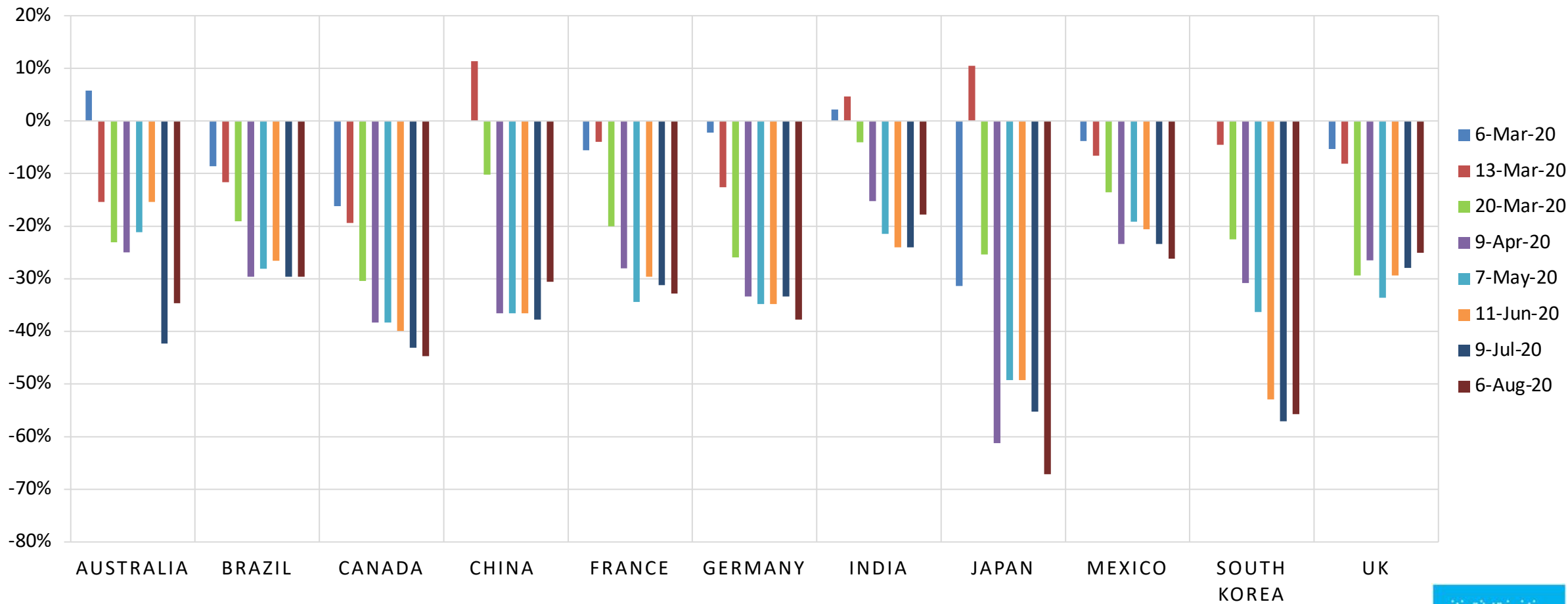
Anxiety remains  
elevated





# Likelihood to Travel Internationally in the Next 12 months

(% Change over 2019 average)



Base: All respondents  
Source: Engine/ORC Custom Study



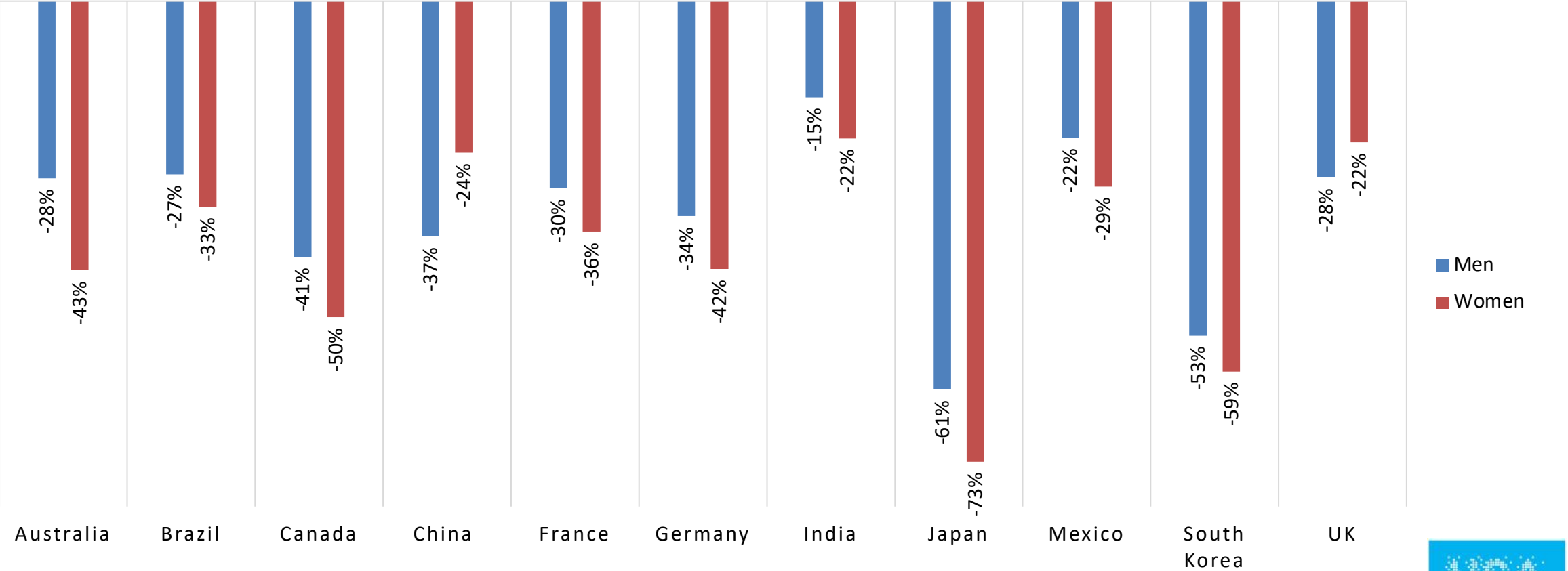
# Gender Differences



# Likelihood to Travel Internationally in the Next 12 months: By Gender

(August 6<sup>th</sup>)

(% Change over 2019 average)



Base: All respondents  
Source: Engine/ORC Custom Study



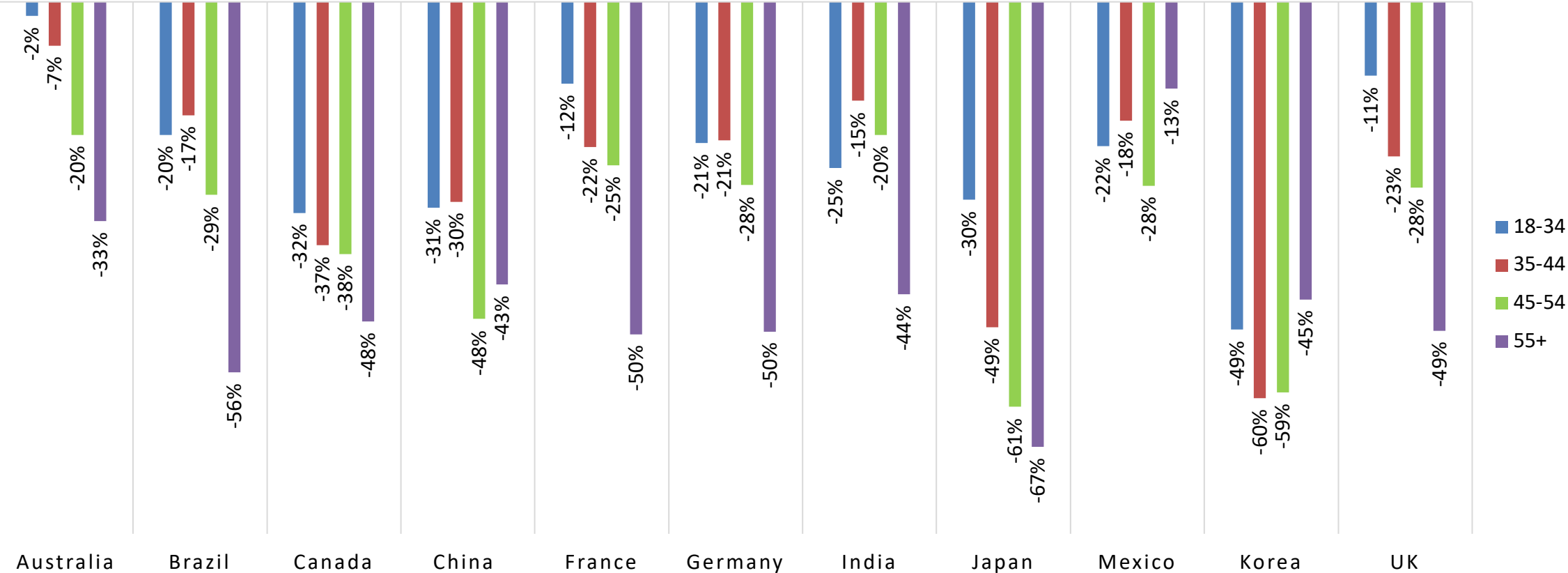


# Age Factors



# Likelihood to Travel Internationally in the Next 12 months: By Age

## (% Change over 2019 average) JUNE



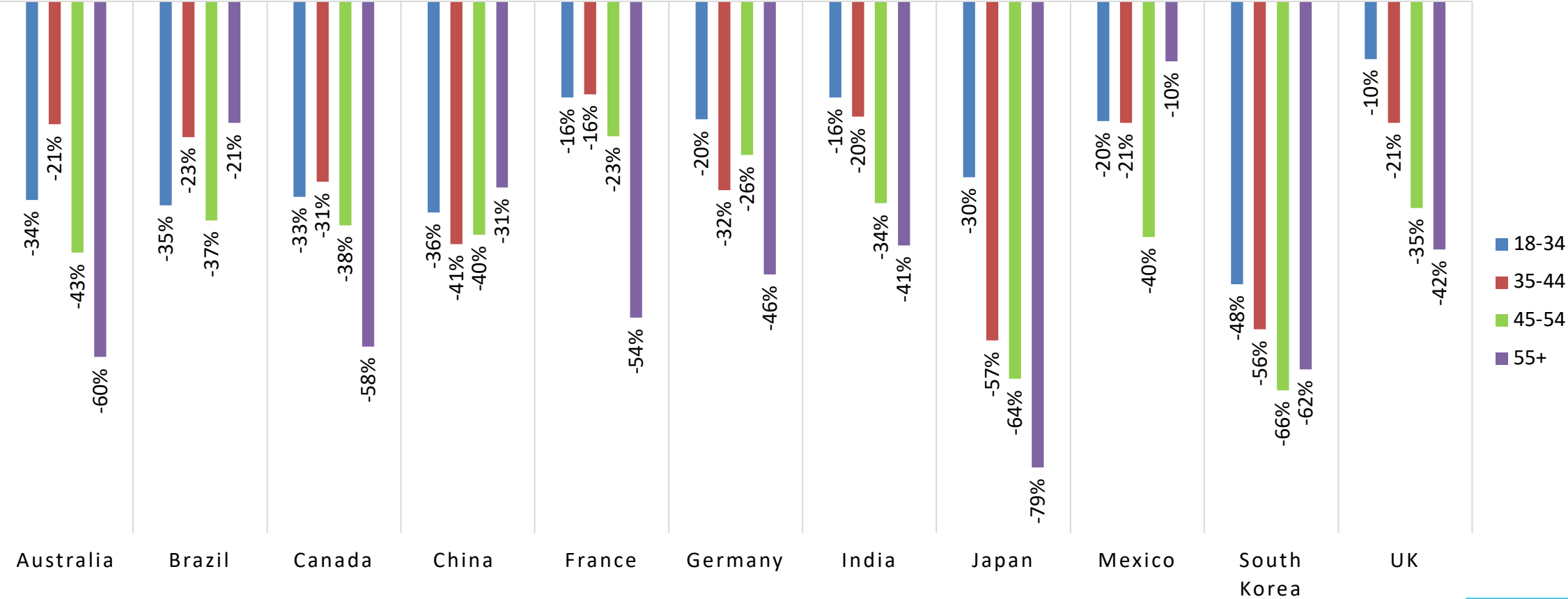
Base: All respondents  
Source: Engine/ORC Custom Study





# Likelihood to Travel Internationally in the Next 12 months: By Age

(% Change over 2019 average) JULY

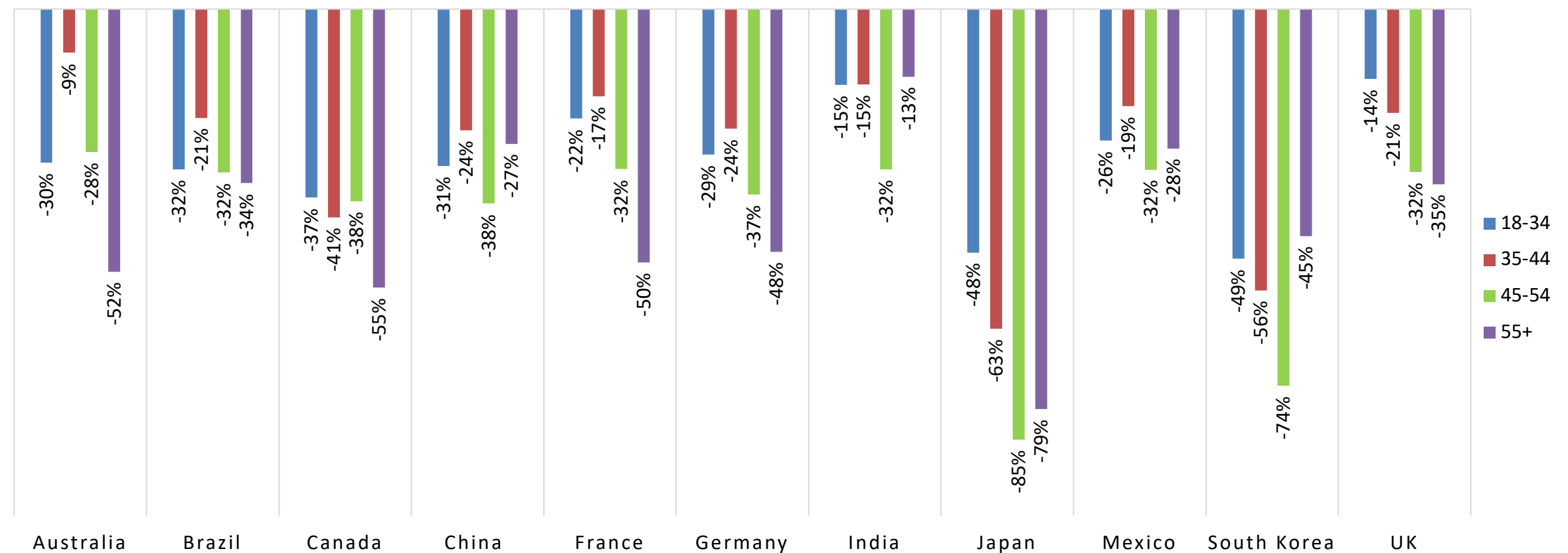


Base: All respondents  
Source: Engine/ORC Custom Study





# Likelihood to Travel Internationally in the Next 12 months: By Age (% Change over 2019 average) AUGUST



Base: All respondents  
Source: Engine/ORC Custom Study



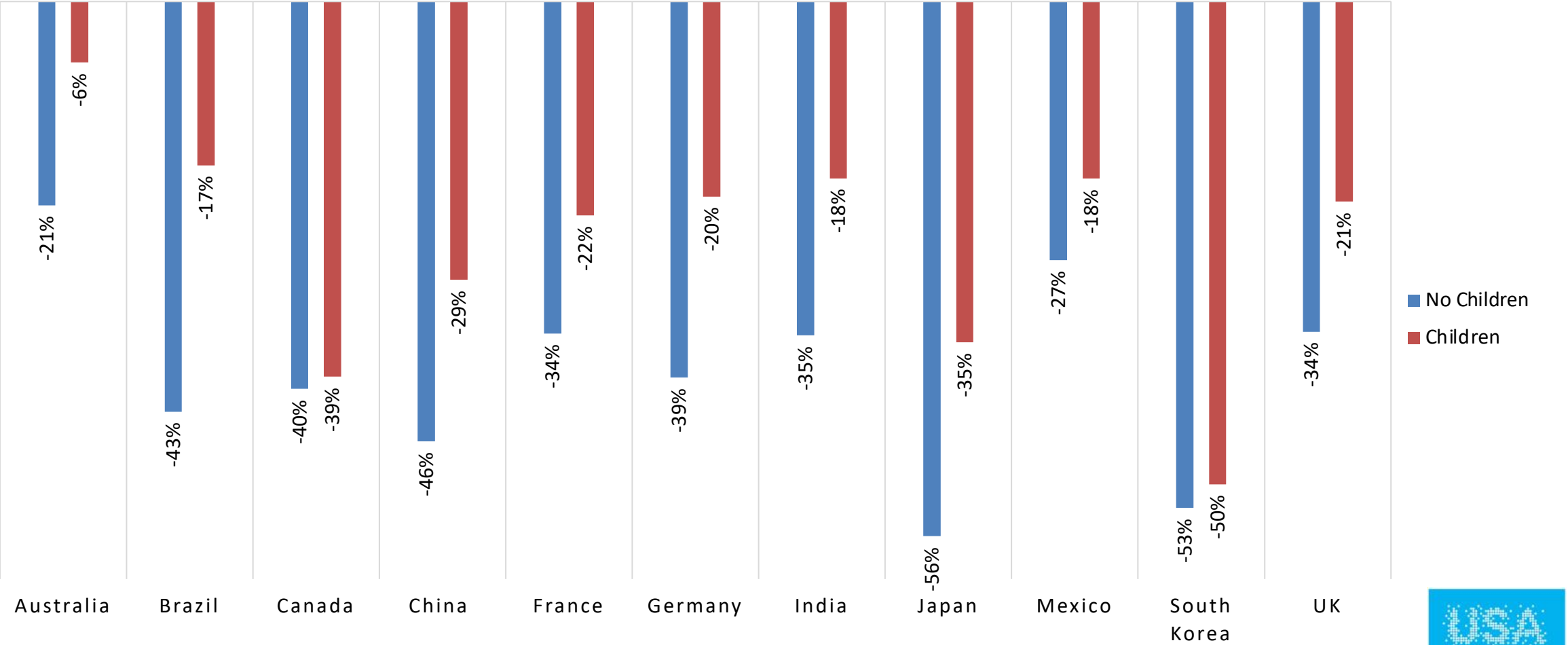






# Likelihood to Travel Internationally in the Next 12 months: By Children in Household JUNE

(% Change over 2019 average)



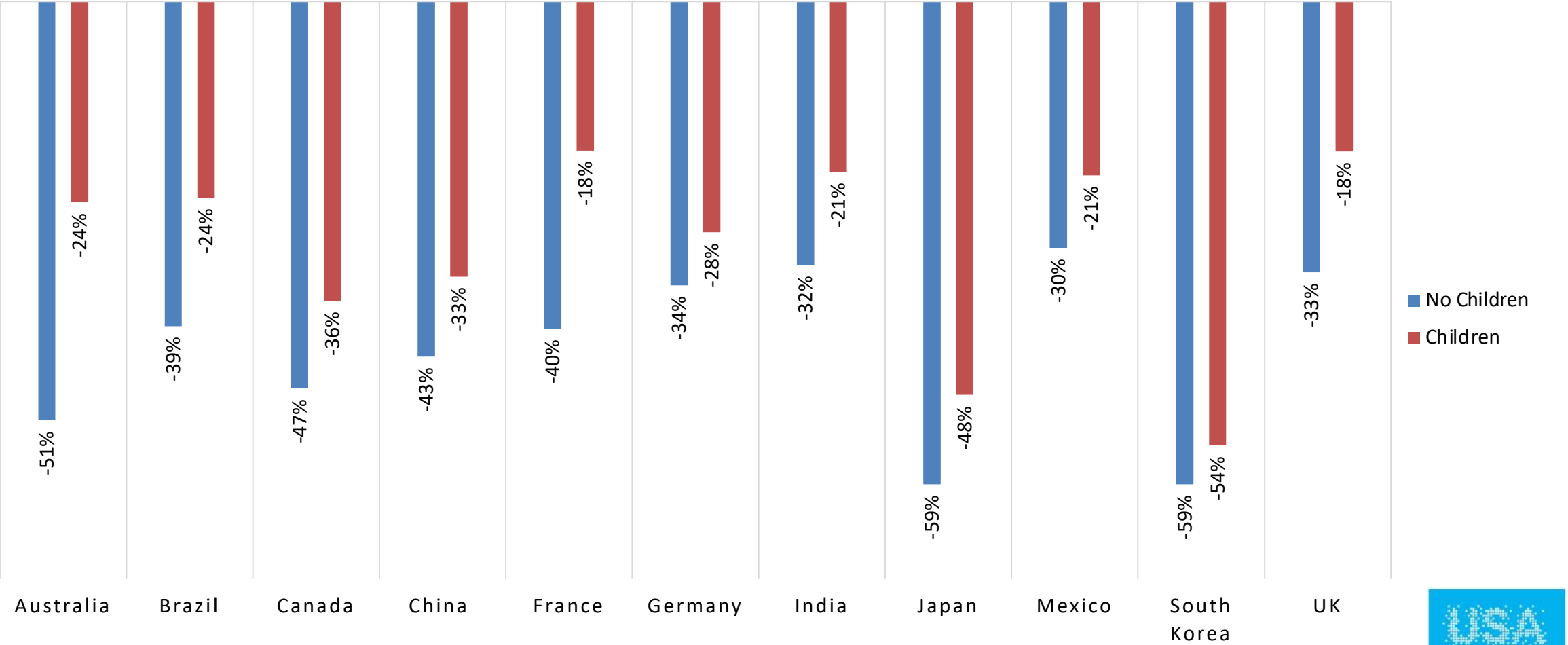
Base: All respondents  
Source: Engine/ORC Custom Study





# Likelihood to Travel Internationally in the Next 12 months: By Children in Household JULY

(% Change over 2019 average)

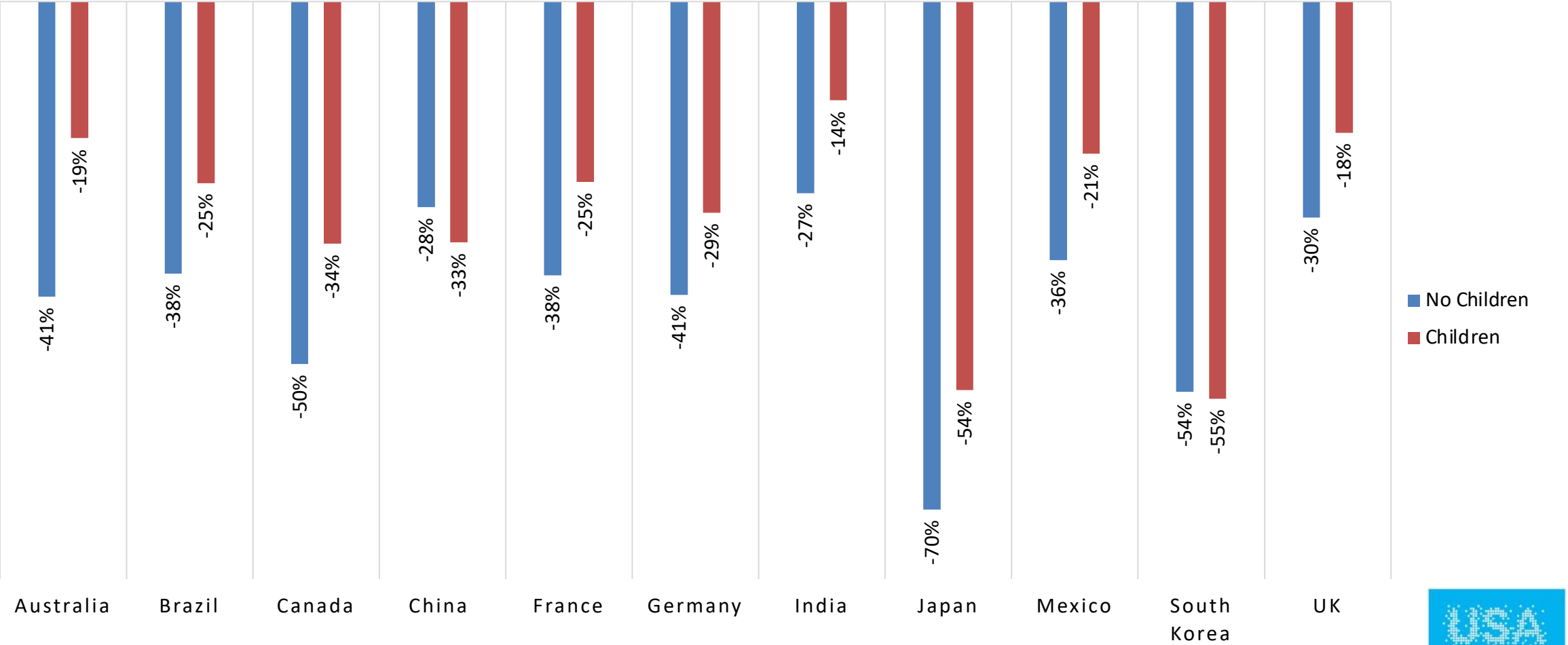


Base: All respondents  
Source: Engine/ORC Custom Study



# Likelihood to Travel Internationally in the Next 12 months: By Children in Household AUGUST

(% Change over 2019 average)

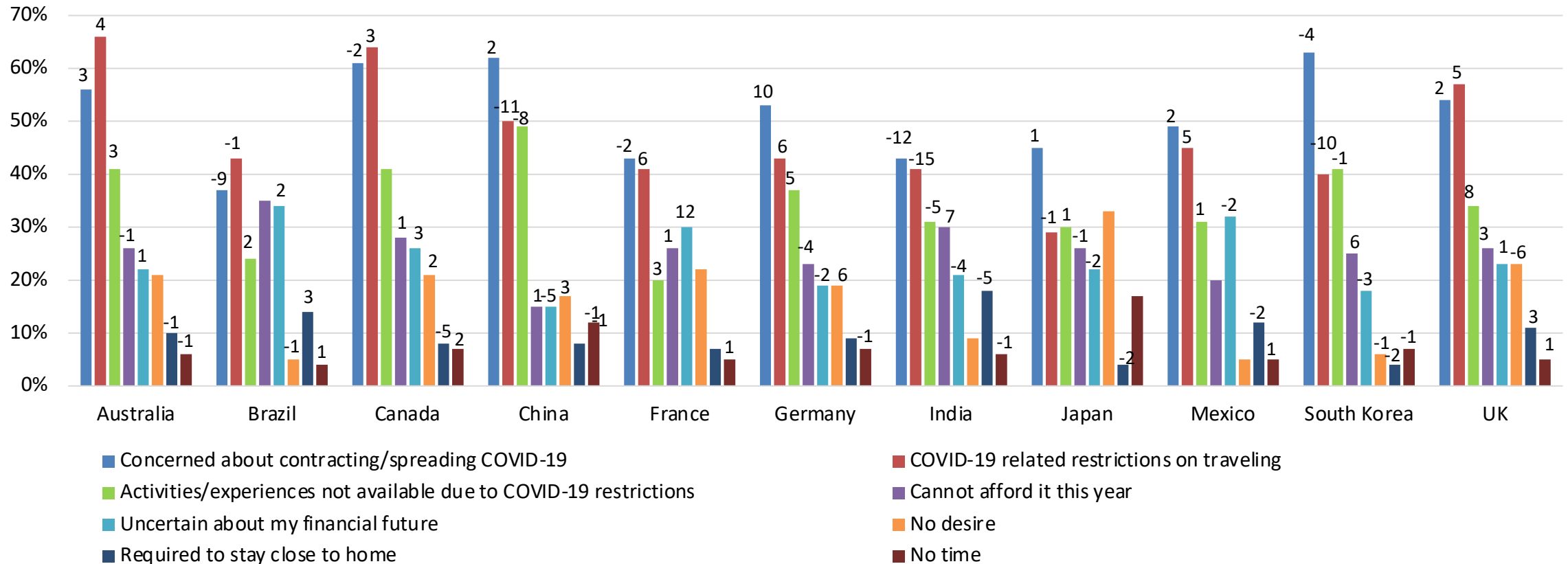


Base: All respondents  
Source: Engine/ORC Custom Study





# Reasons for Not Traveling Internationally in the Next 12 Months: August 6th (PPS Difference over July 9th)



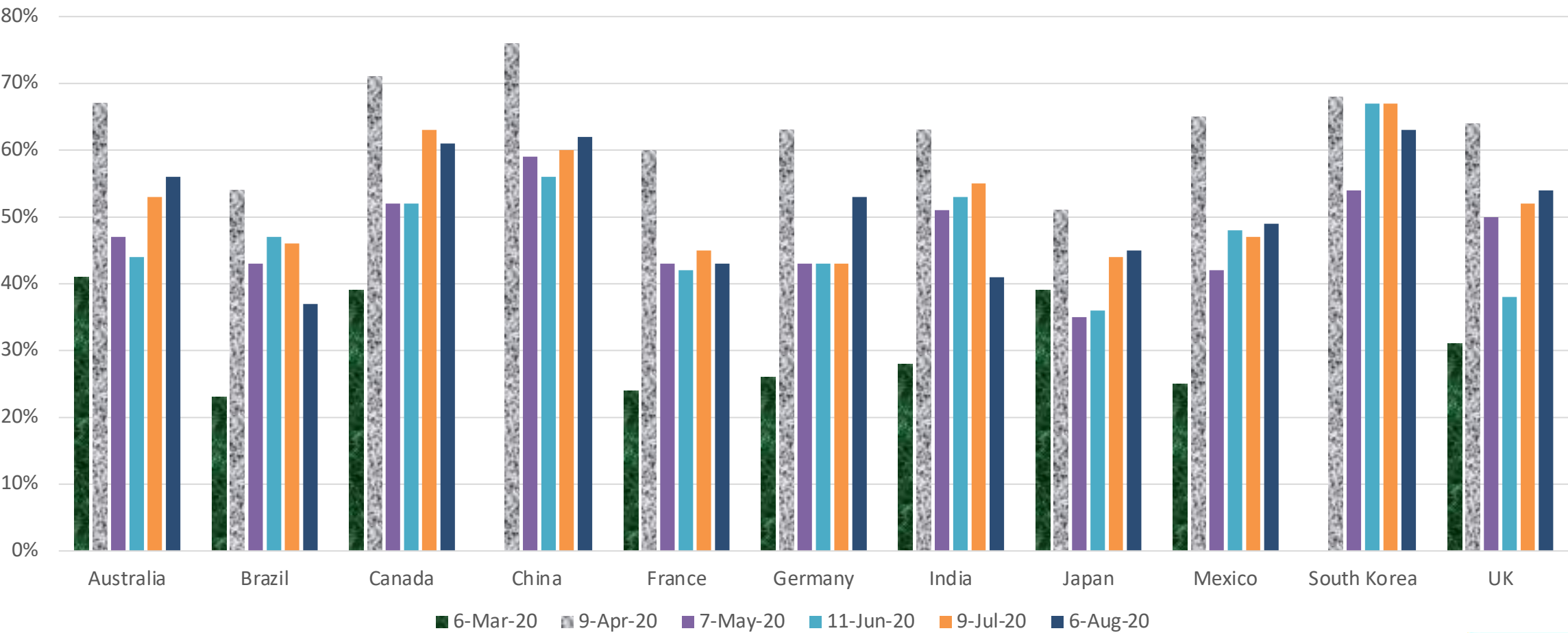
\*Concerned about contracting/spreading COVID-19 replaced "Concerned about the Spread of COVID-19"

Base: Respondents who are unsure/unlikely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study



# Reasons for Not Traveling Internationally in the Next 12 Months: Concerned about spread of/contracting COVID-19



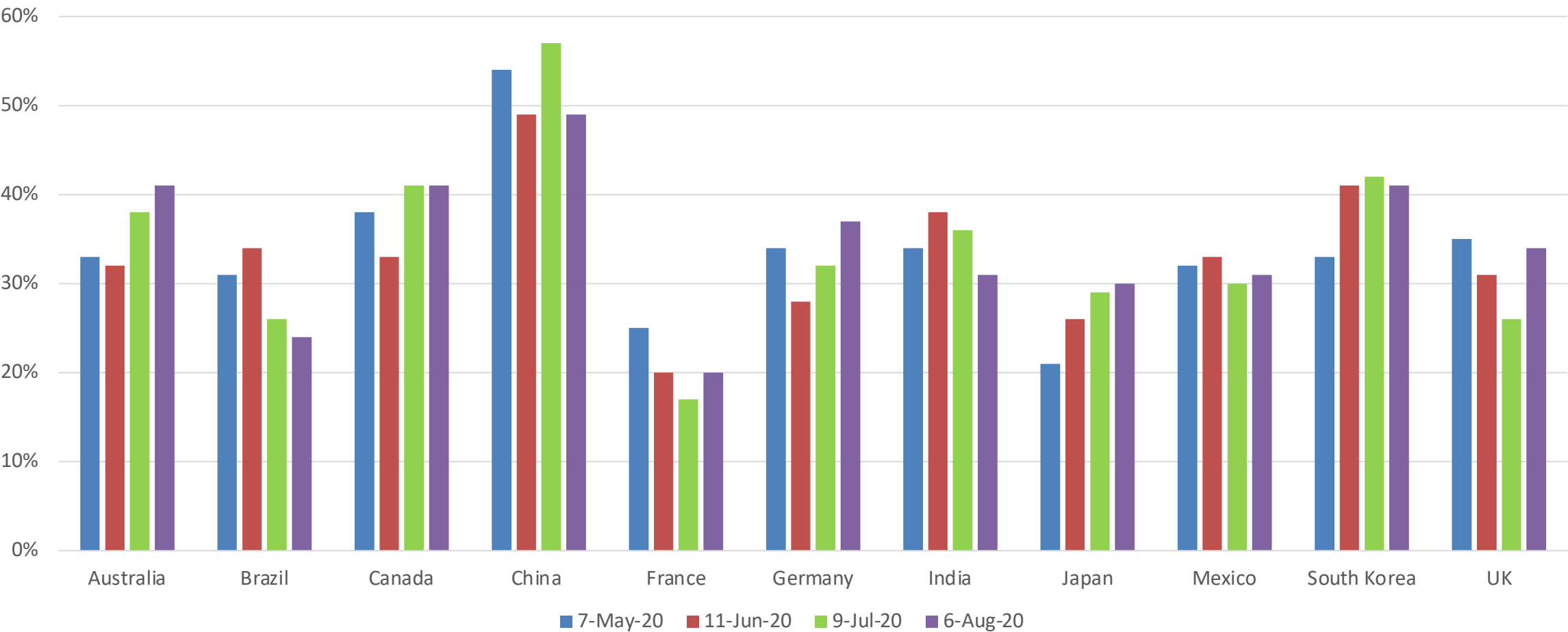
\*Concerned about contracting/spreading COVID-19 replaced “Concerned about the Spread of COVID-19” starting in May

Base: Respondents who are unsure/unlikely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study



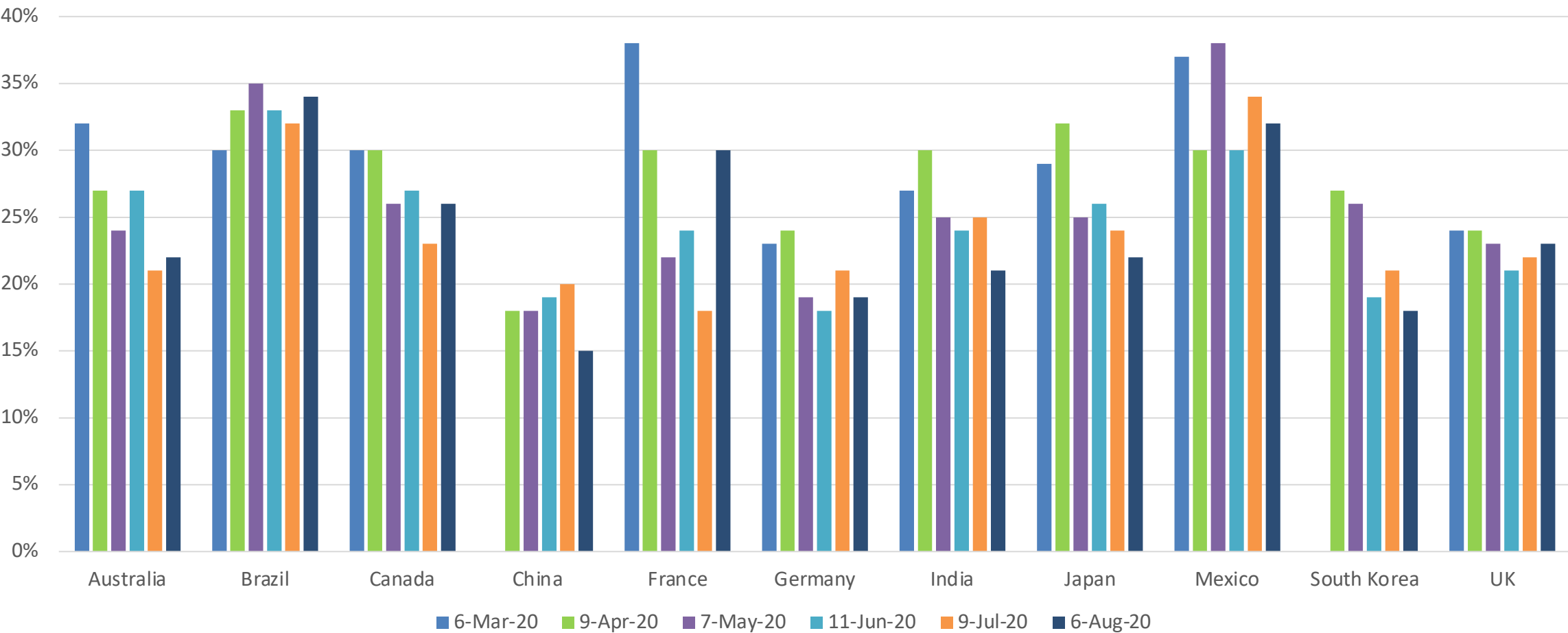
# Reasons for Not Traveling Internationally in the Next 12 Months: Experiences/Activities not available due to COVID-19 Restrictions



Base: Respondents who are unsure/unlikely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study



# Reasons for Not Traveling Internationally in the Next 12 Months: I am uncertain about my financial future



Base: Respondents who are unsure/unlikely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study

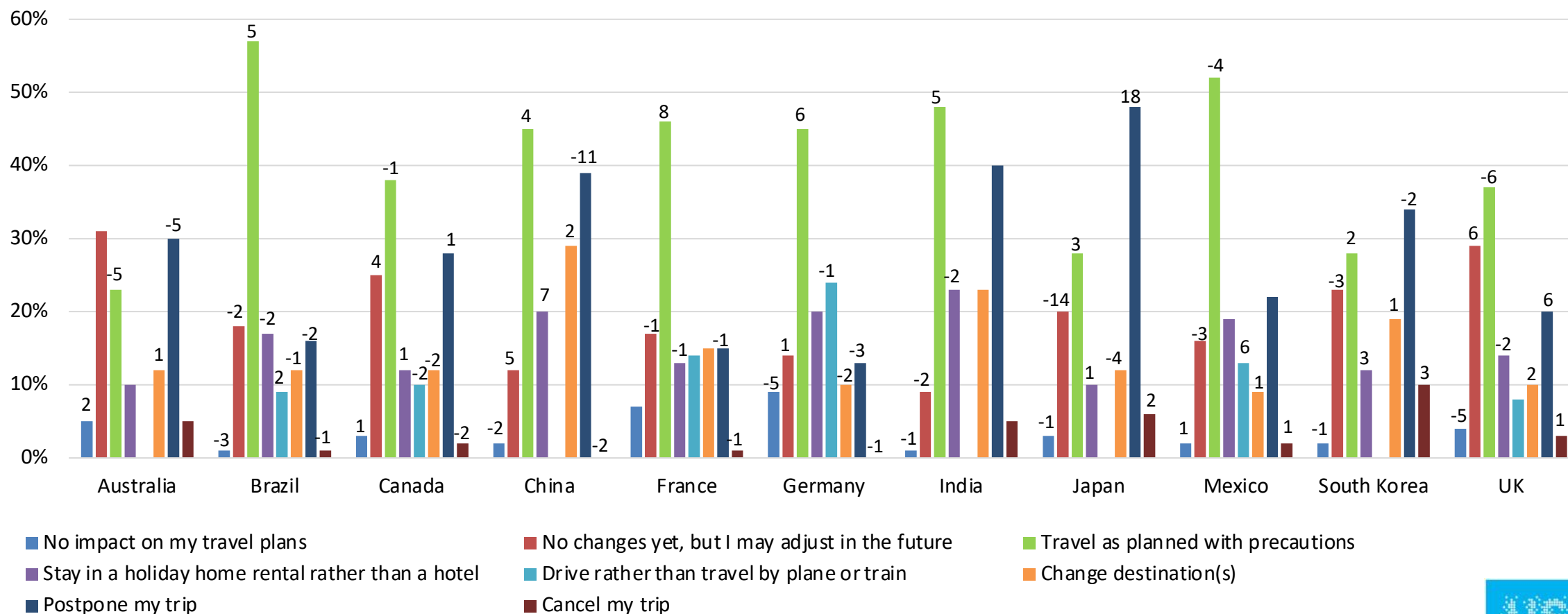




# Vacation Planning



# Travel Changes due to COVID-19: August 6th (PPS Difference Over July 9th)



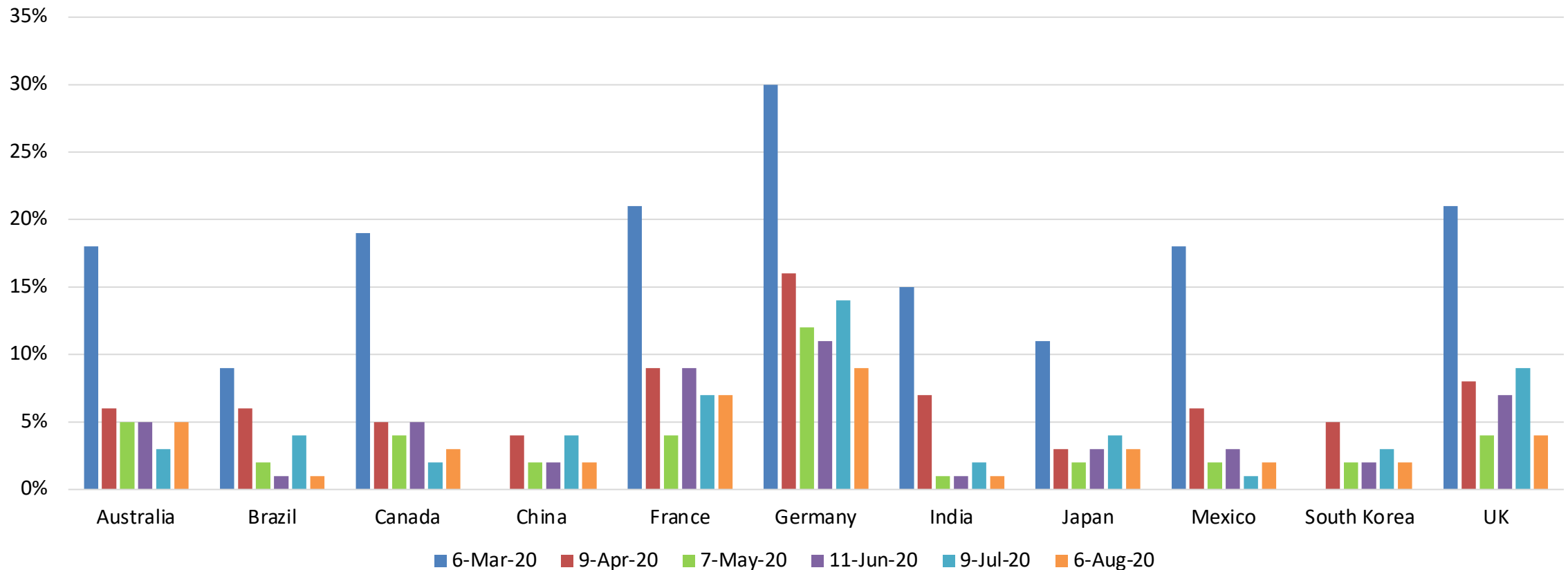
\*Driving was excluded in Australia, China, India, Japan and Korea

Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study



# Travel Changes due to COVID-19: No Impact on Travel Plans



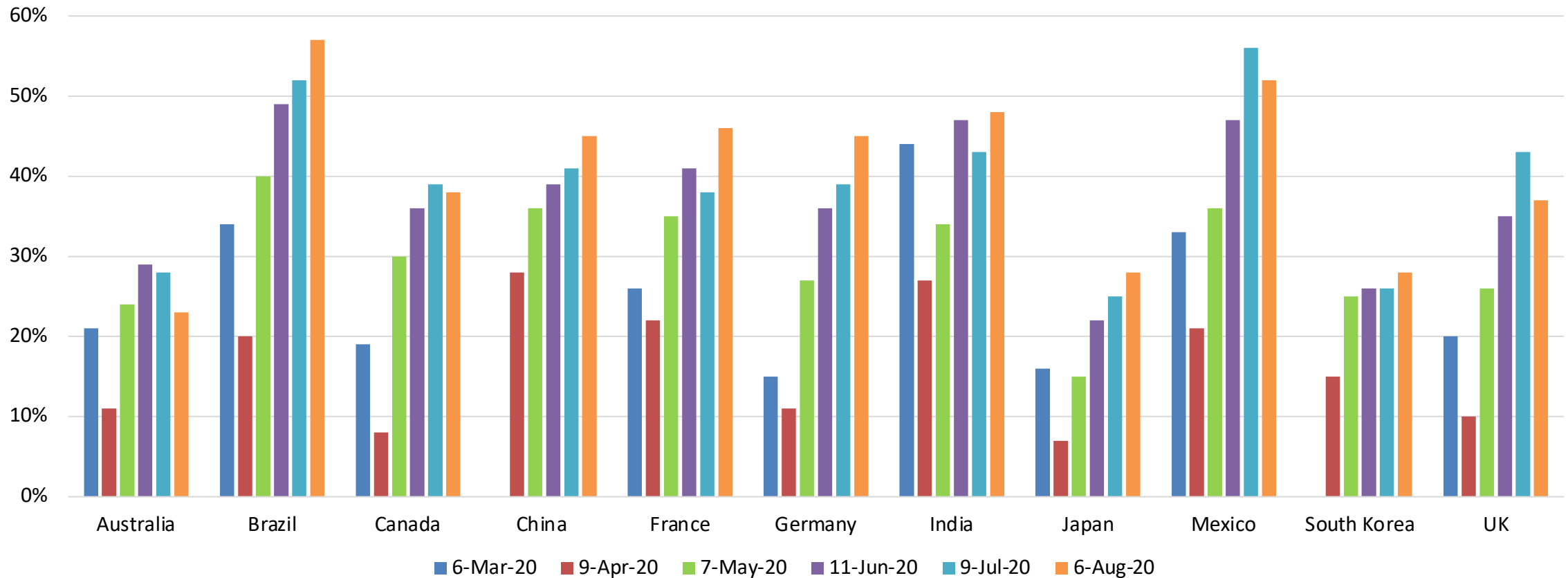
Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study





# Travel Changes due to COVID-19: Travel as Planned with Precautions

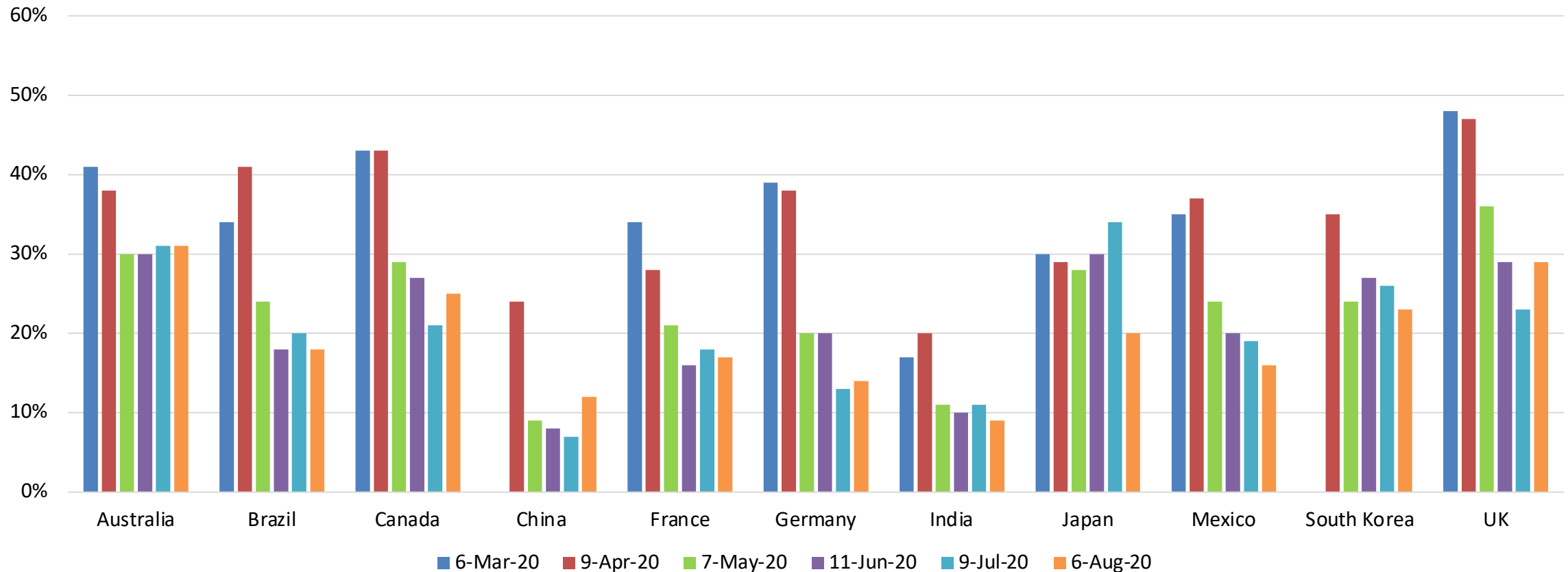


Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study



# Travel Changes due to COVID-19: No Changes Yet, May Adjust in the Future

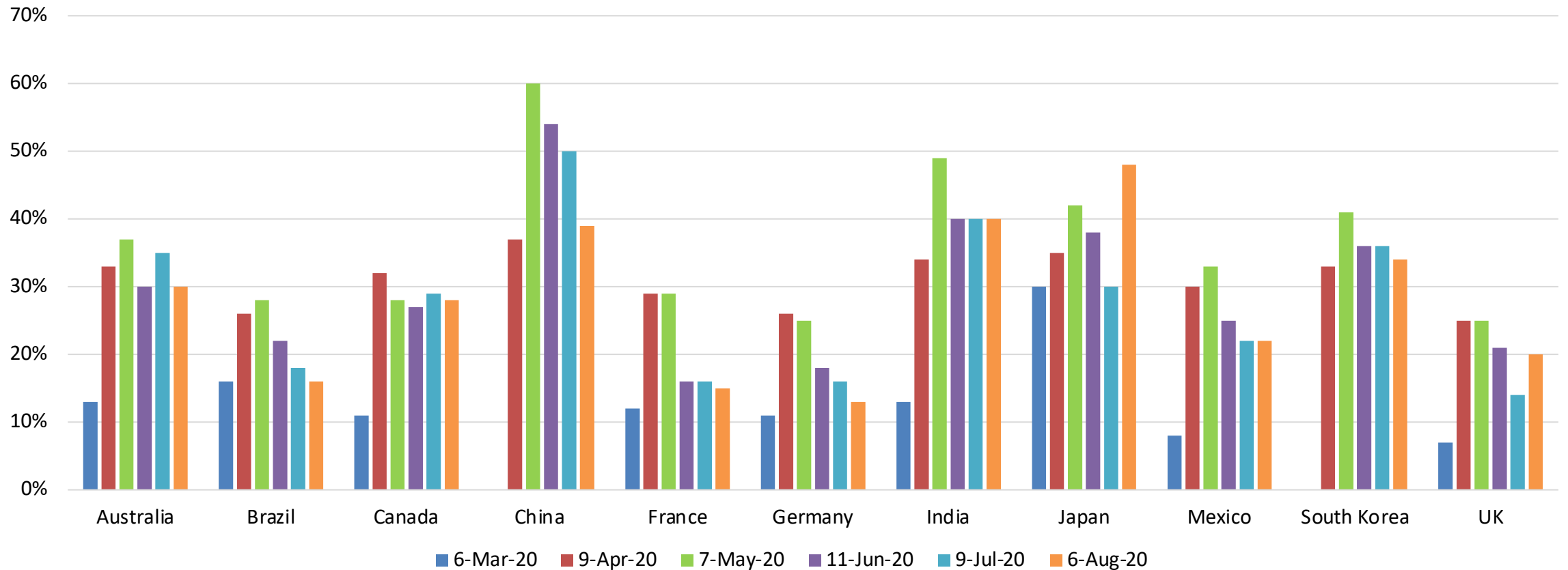


Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study



# Travel Changes due to COVID-19: Postpone Trip



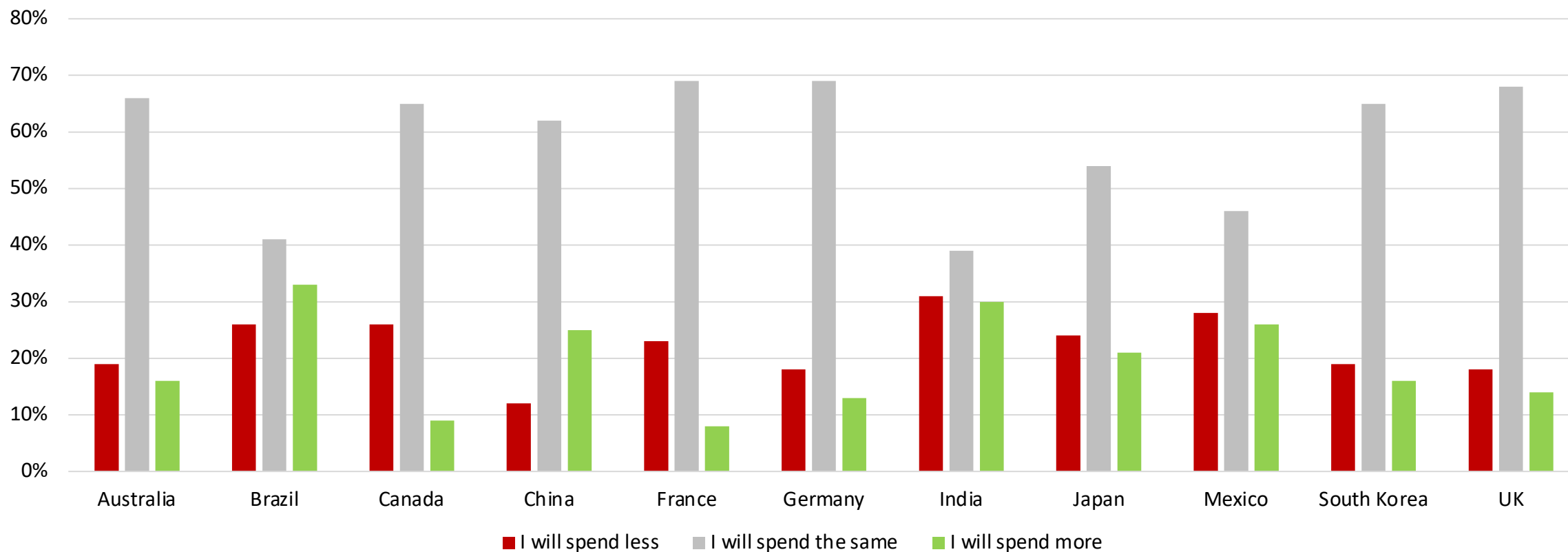
Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study





# Budget for Traveling Internationally in the Next 12 Months (August 6th)



Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study

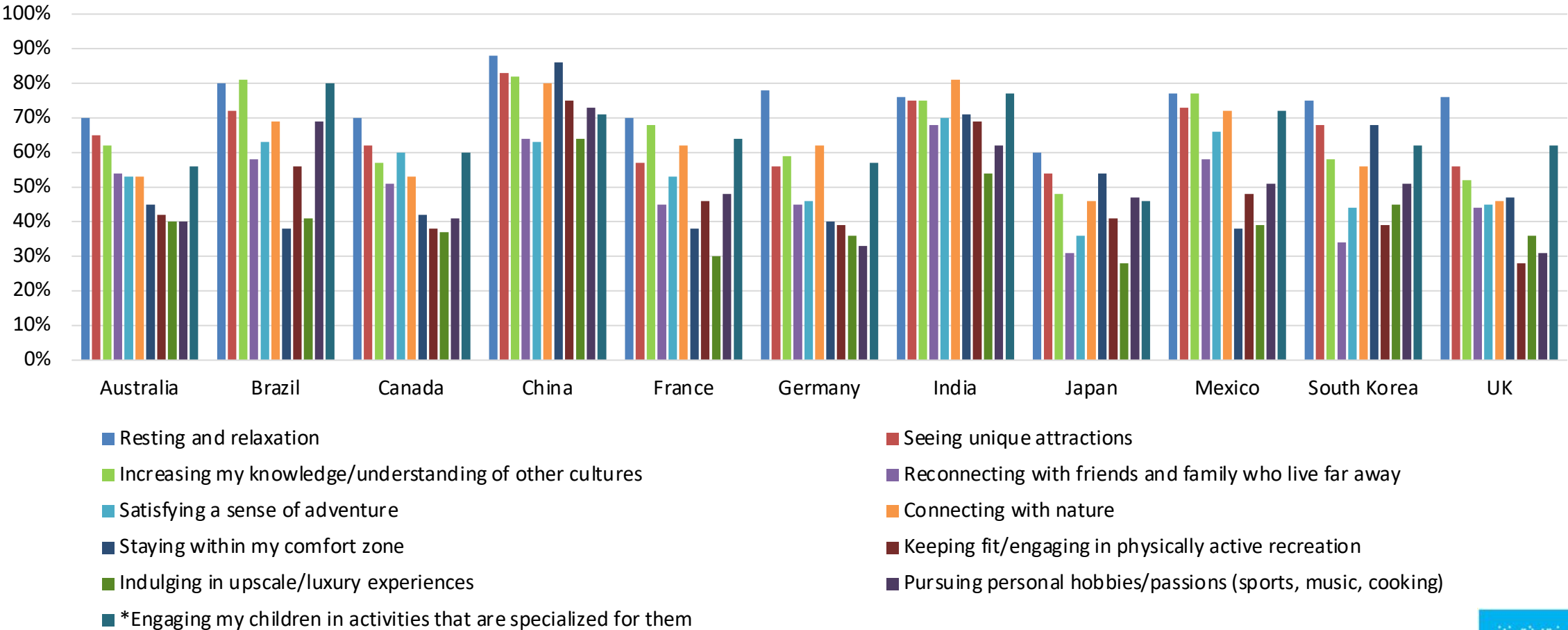








# Personal Considerations When Deciding International Destination (August 6th)

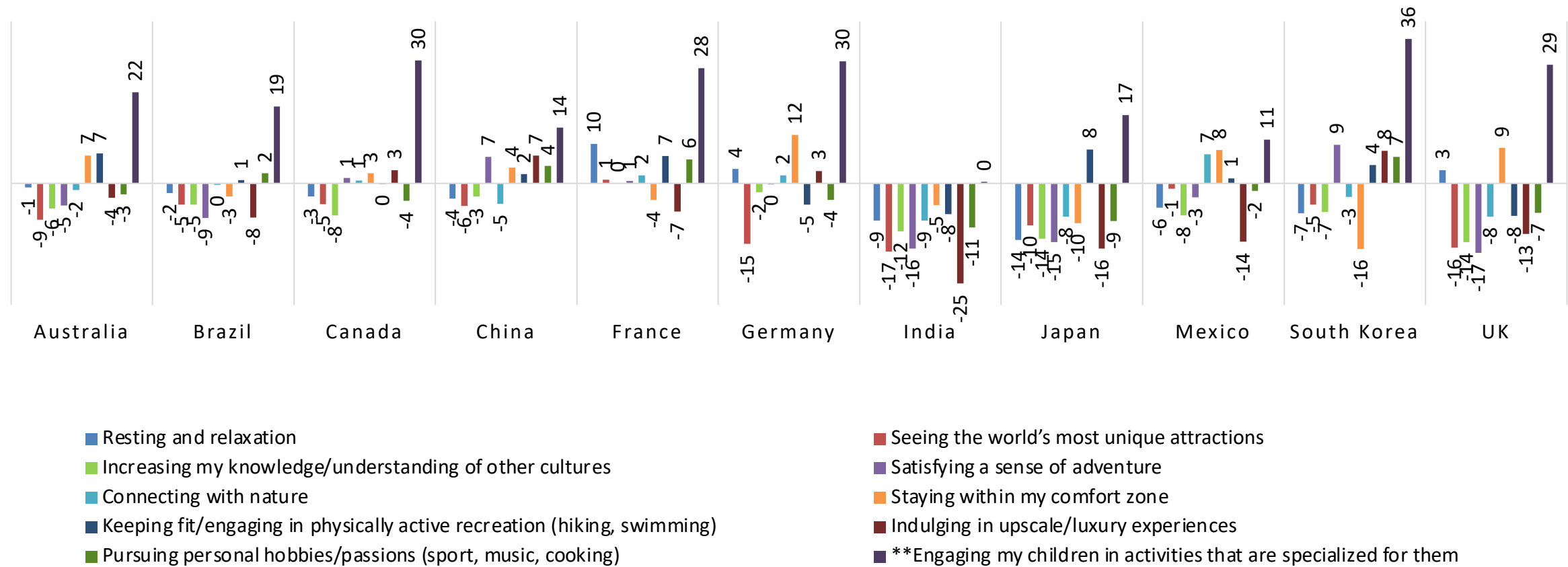


Base: Respondents who are likely to take an international trip in the next 12 months  
\*Base: Respondents who have children in the household and who are likely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study





# Personal Considerations\* When Deciding International Destination: Very Important and Extremely Important (PPS Difference Over 2019 Market Intelligence Study)



\*Market Intelligence Study excludes VFR

Base: Respondents who are likely to take an international trip in the next 12 months

\*\*Base: Respondents who have children in the household and who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study

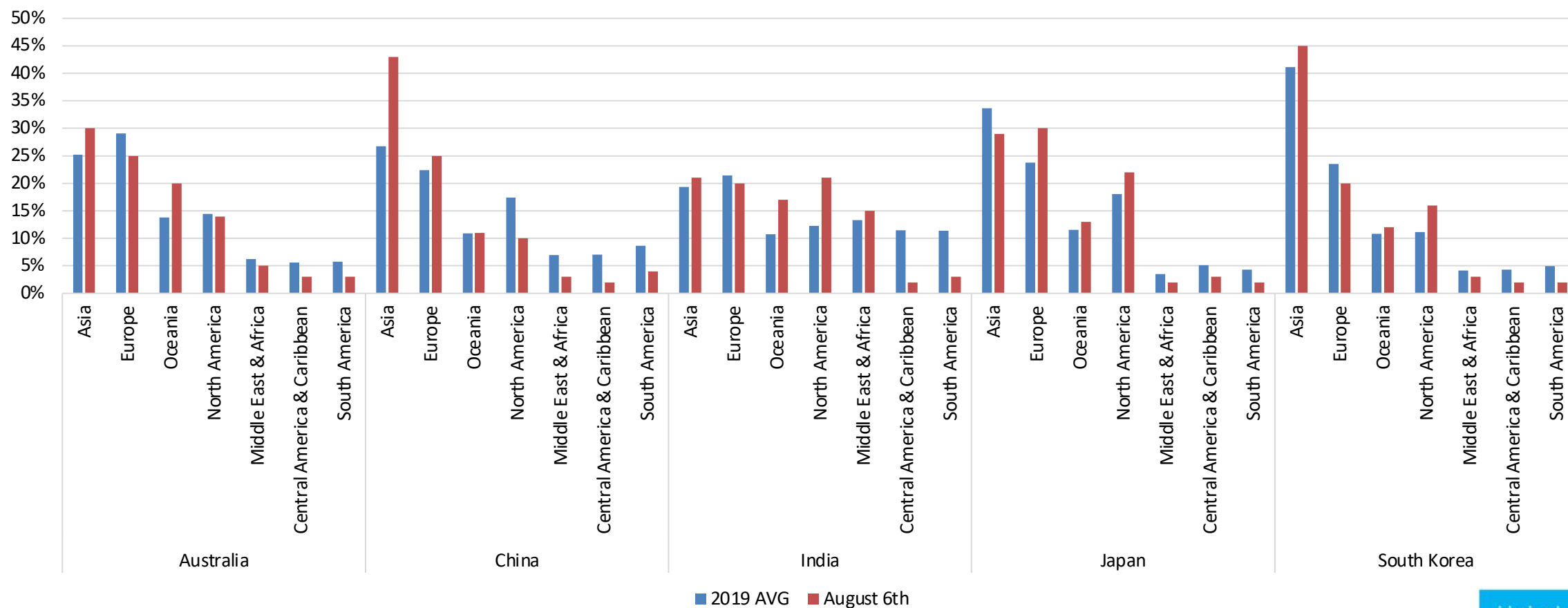








# Asia-Pacific: Destination Selection By Region (Compared to 2019)



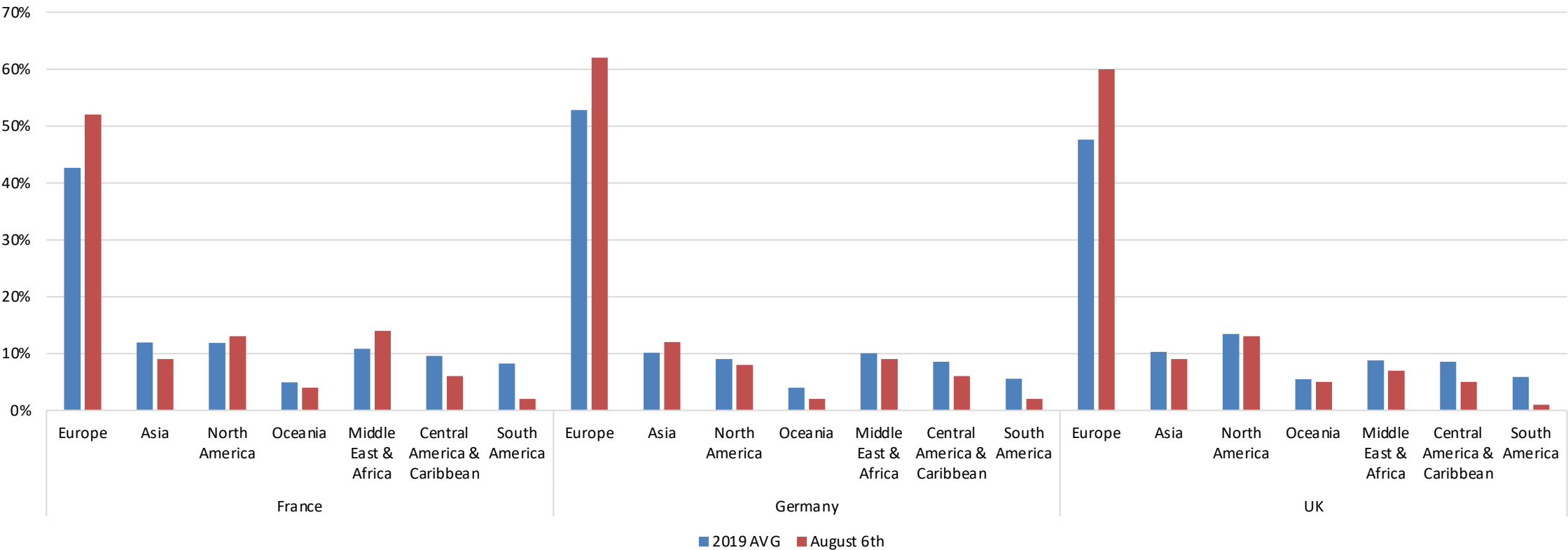
Base: Respondents who are likely to take an international trip in the next 12 months

Source: Engine/ORC Custom Study





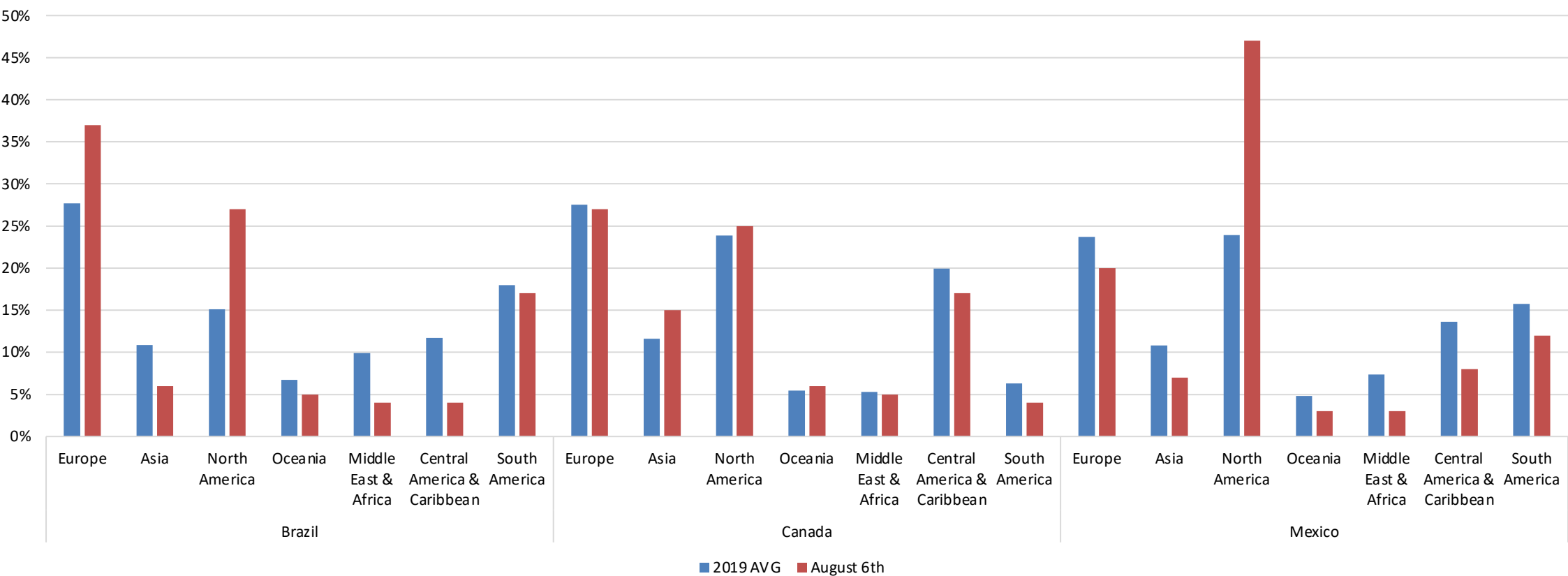
# Europe: Destination Selection By Region (Compared to 2019)



Base: Respondents who are likely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study



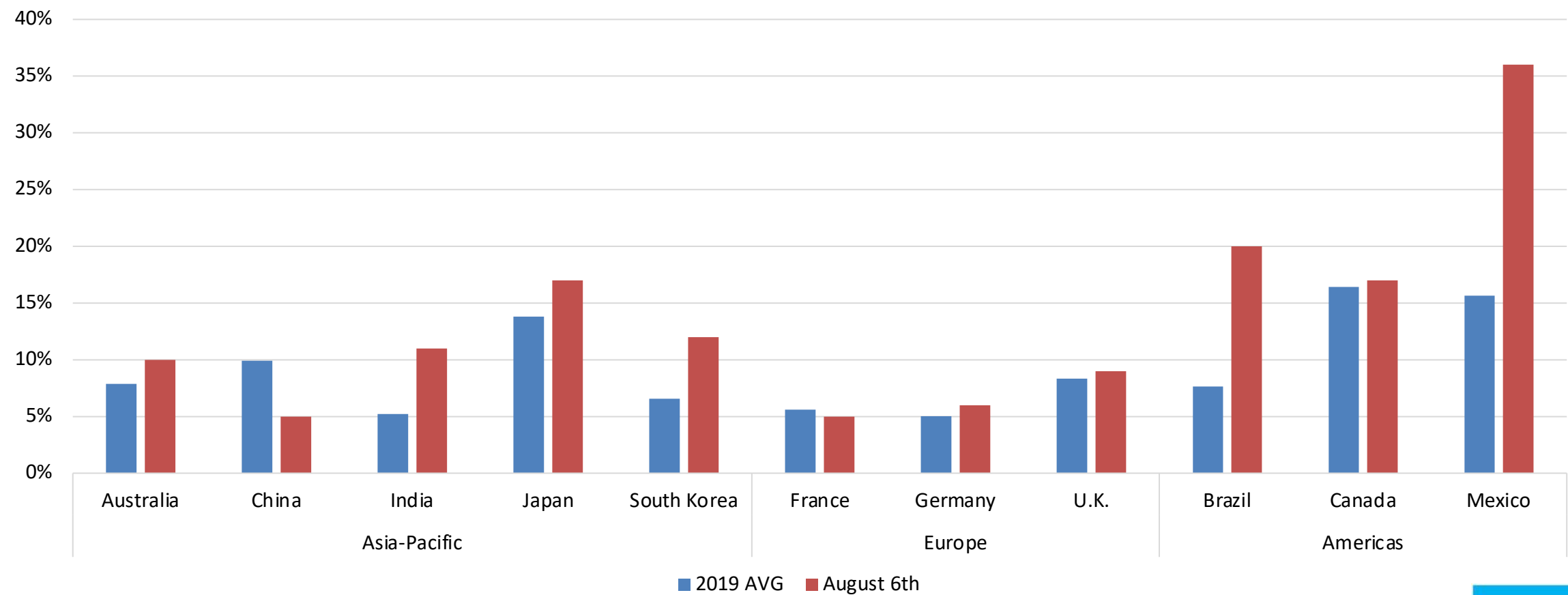
# Americas: Destination Selection By Region (Compared to 2019)



Base: Respondents who are likely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study



# Next Trip Destination: USA (Compared to 2019)

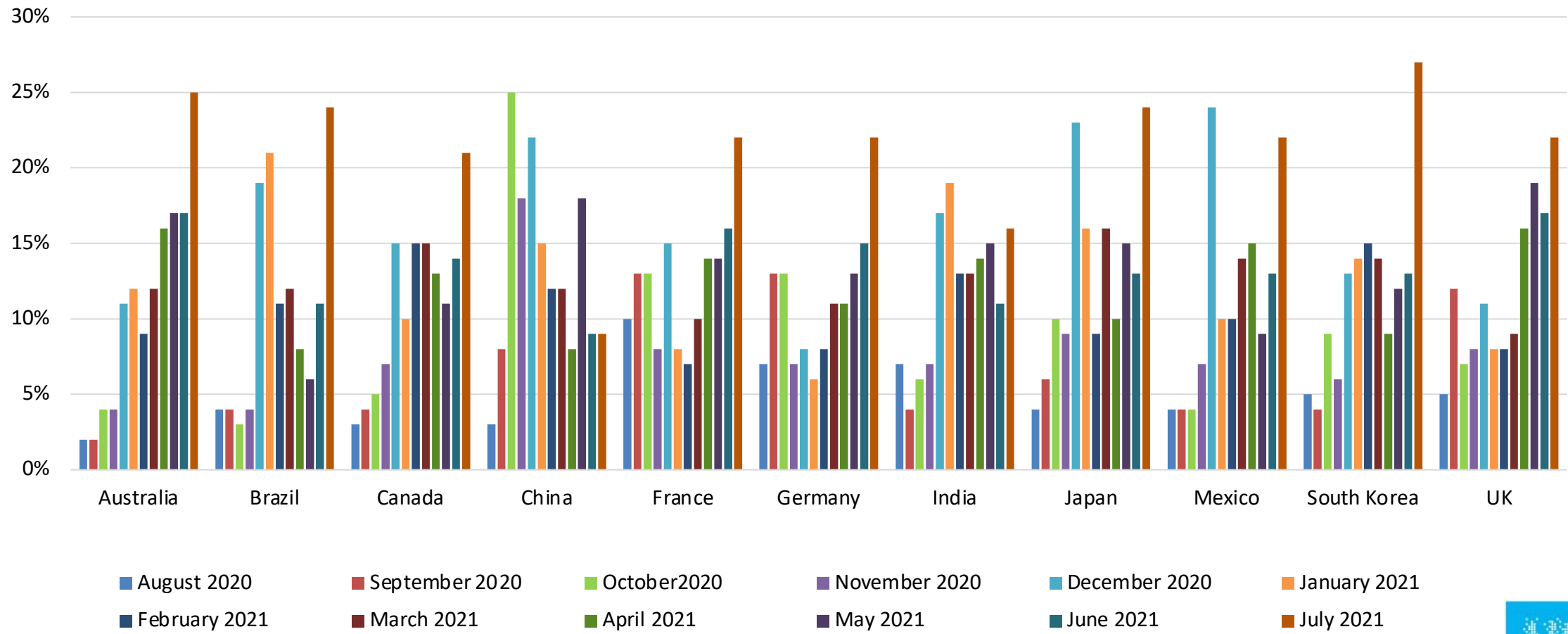


Base: Respondents who are likely to take an international trip in the next 12 months  
Source: Engine/ORC Custom Study





# International Trip: Planning Departure Month (August 6<sup>th</sup>) (Next 12 Months)



Source: Engine/ORC Custom Study

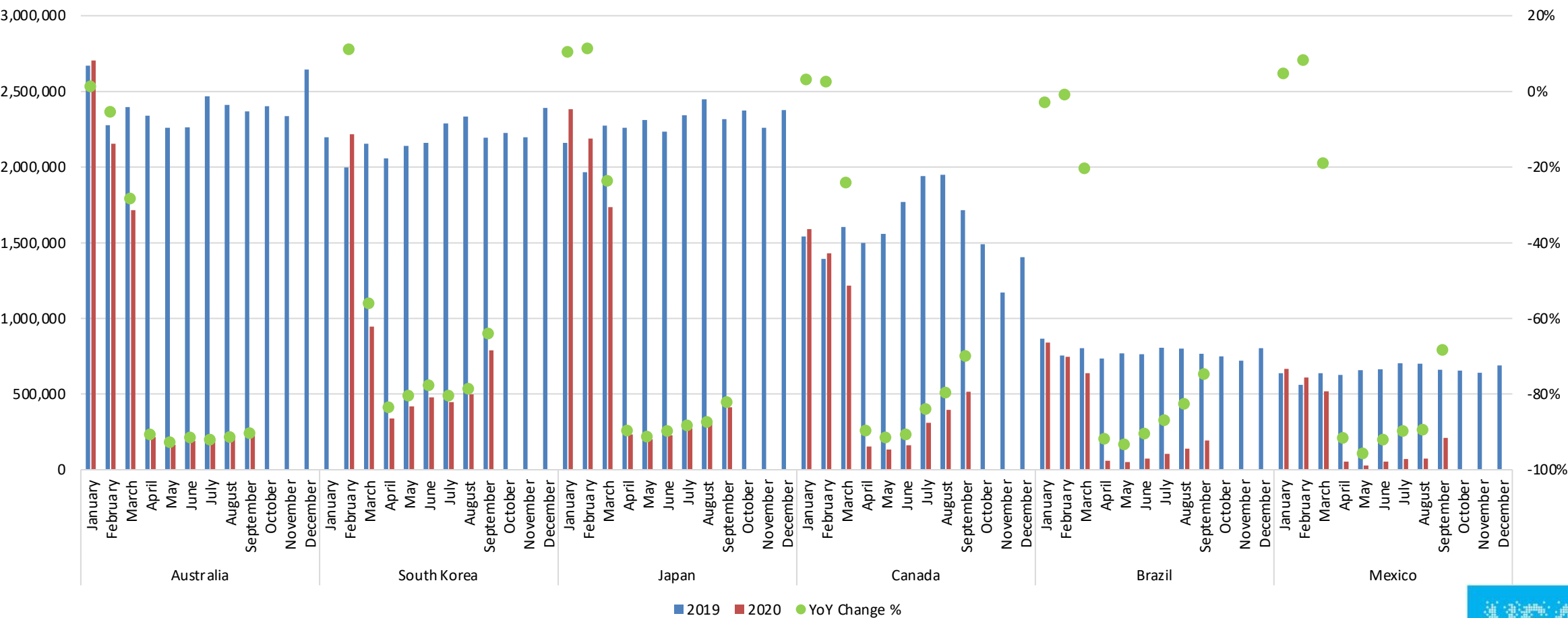




 DEPARTURES					
Time	Destination	Flight	Boarding	Boarding	Gate
	MADRID		GATE CLOSED		
	PARIS		BOARDING		
	MEXICO		CHECK-IN		
	AMSTERDAM		CHECK-IN		
			CANCELED		
			CANCELED		



# Long-Haul Outbound Operating Air Capacity Scheduled

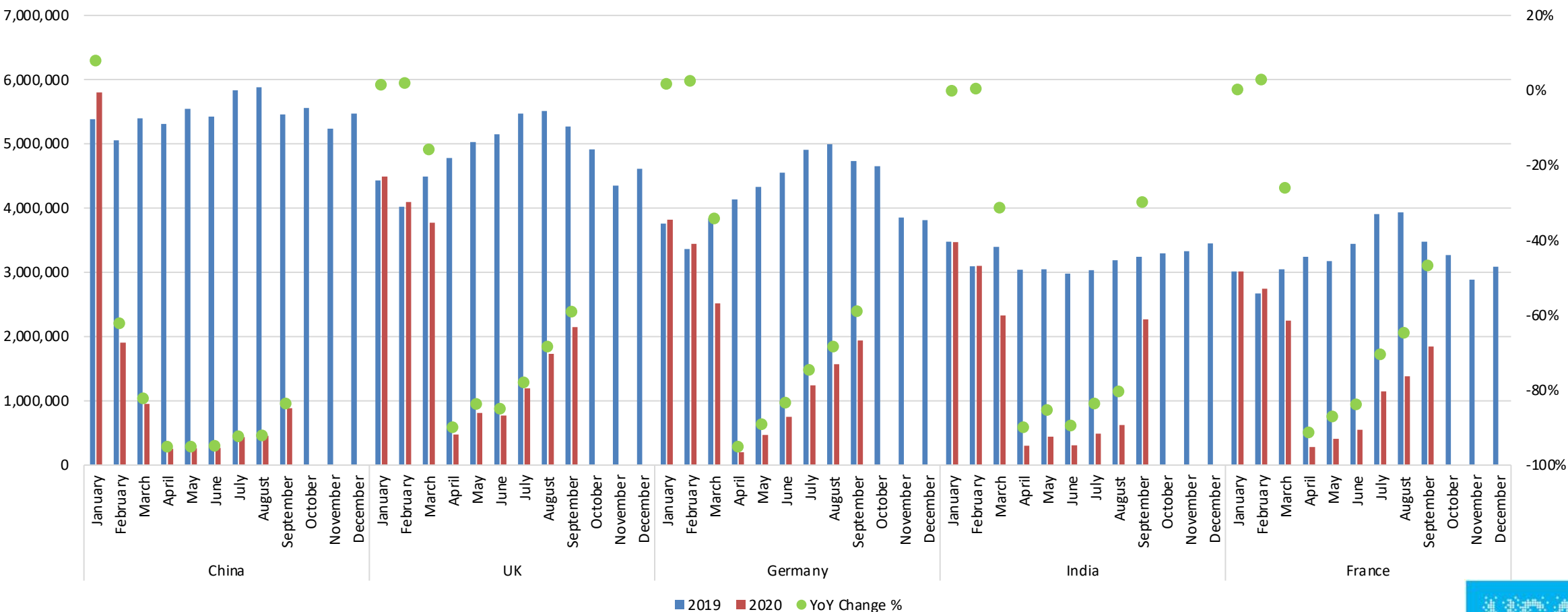


Source: Sabre, August 17, 2020





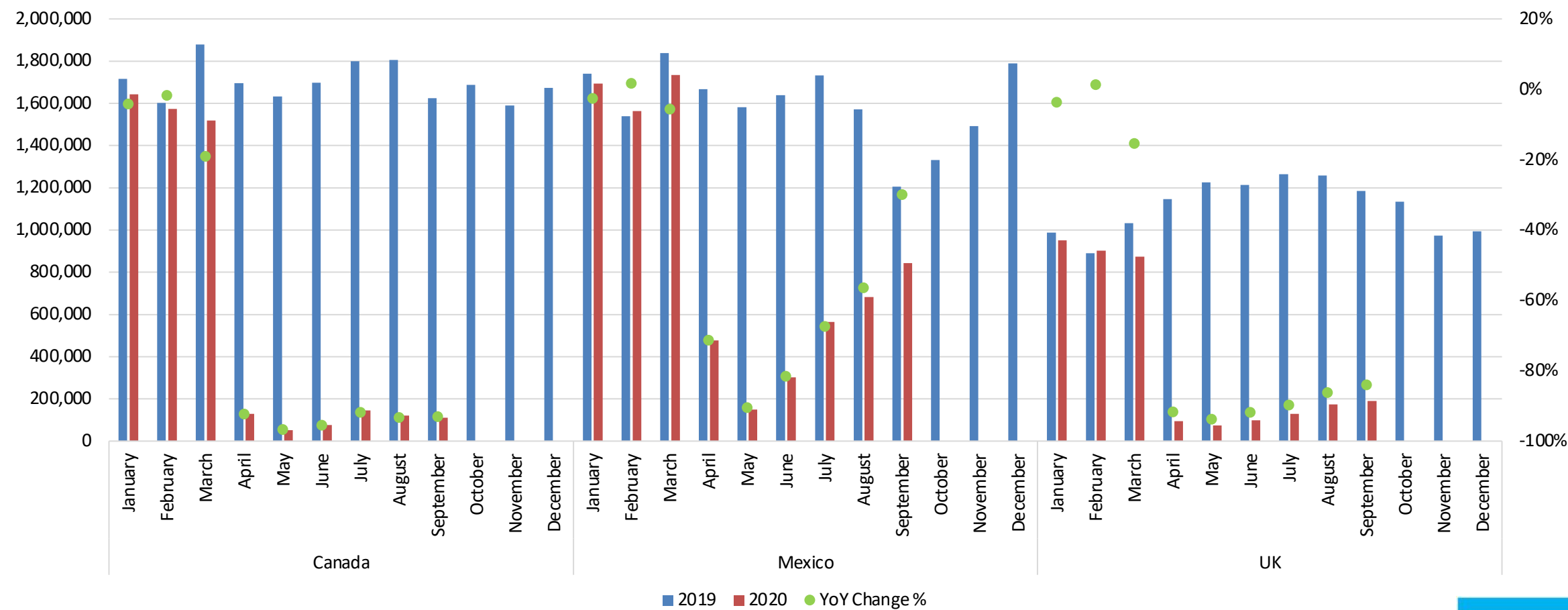
# Long-Haul Outbound Operating Air Capacity Scheduled



Source: Sabre, August 17, 2020



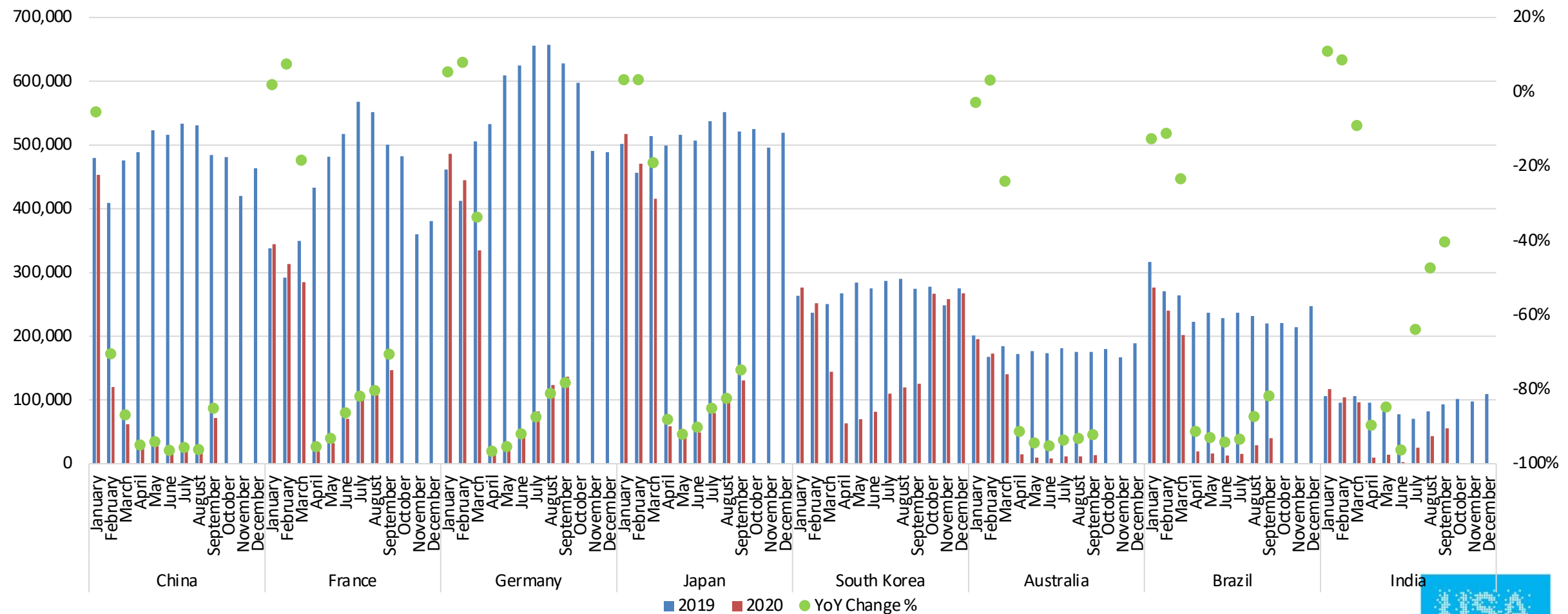
# USA Inbound Operating Air Capacity Scheduled



Source: Sabre, August 17, 2020



# USA Inbound Operating Air Capacity Scheduled



Source: Sabre, August 17, 2020







# International Travel Prerequisites

## POLICY- Freedom of Movement

- Lifting of restrictions and for most travelers, mandatory 2 week quarantine policies
- Low level of cases for both origin and destination

## PRODUCT - Reconfiguration and Availability

- Return of flight capacity
- Reopening and sufficient capacity of key attractions/activities

## POSITIVITY - Consumer Confidence

- Conditions are understood and risks/costs are at an acceptable level
  - May require willingness to be tested pre-entry and/or tracked in destination
  - Comfort with new processes and procedures that ensure distancing and hygiene



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