



How Volcanic Ash Is Impacting the Global Economy



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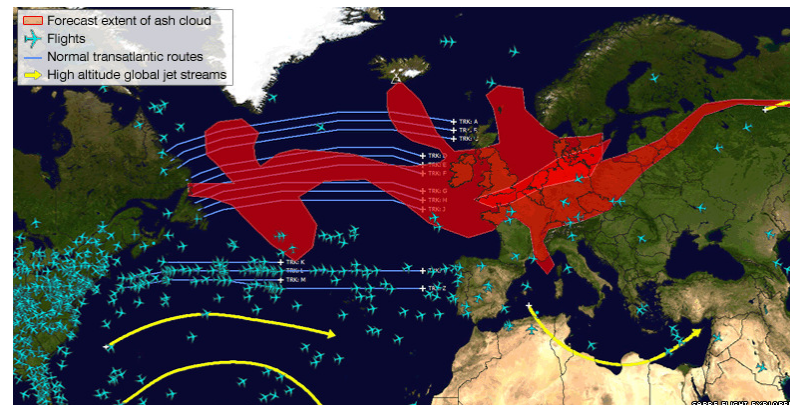
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May 2010

A massive disruption to travel

- On 14 April, 2010, Eyjafjallajokull spewed an ash plume which rose over three kilometres
- Largest breakdown in European civil aviation since World War II over the course of one week
- Dramatic losses have been realised by the aviation, hospitality, trade, and corporate sectors around the world
- Oxford Economics was asked by Airbus to estimate how the crisis affected the global economy

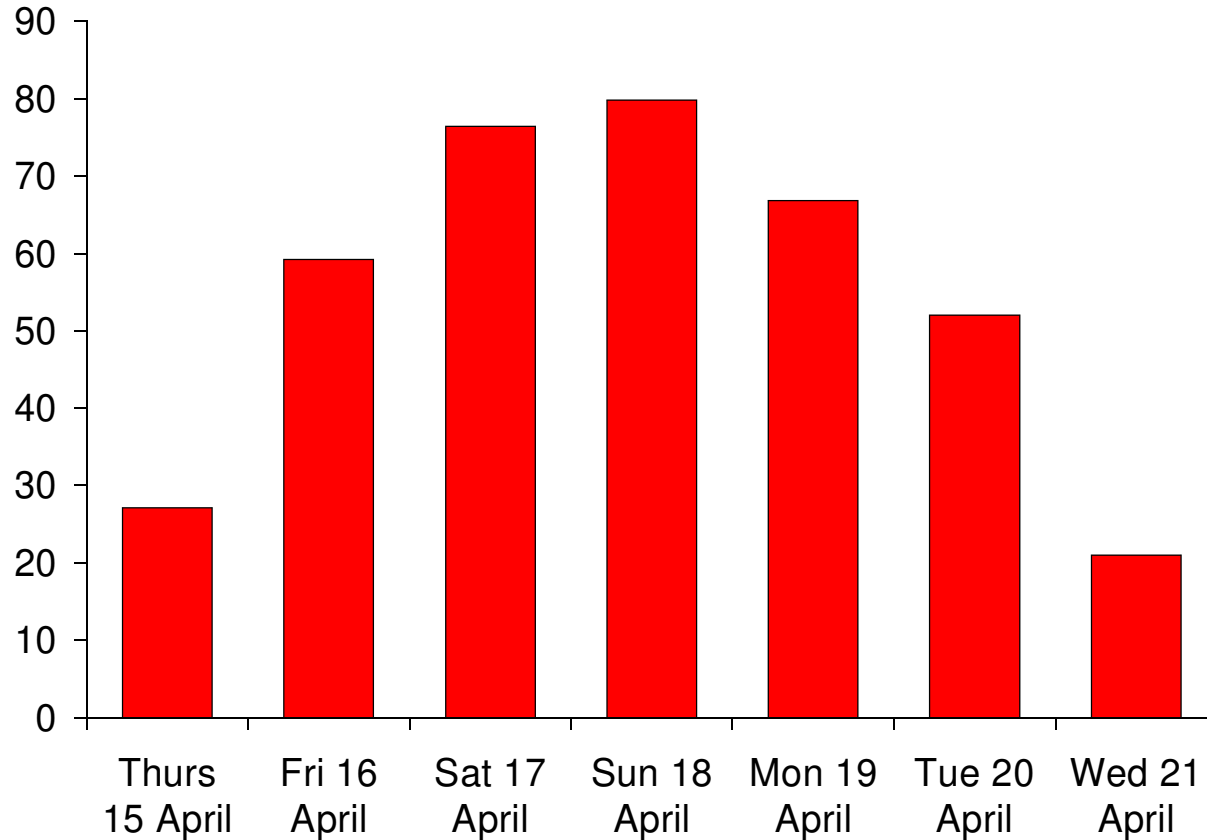


Source for graphic: news.bbc.co.uk

Over 100,000 flights cancelled in one week

European Flights Cancelled

% decline from same day previous week



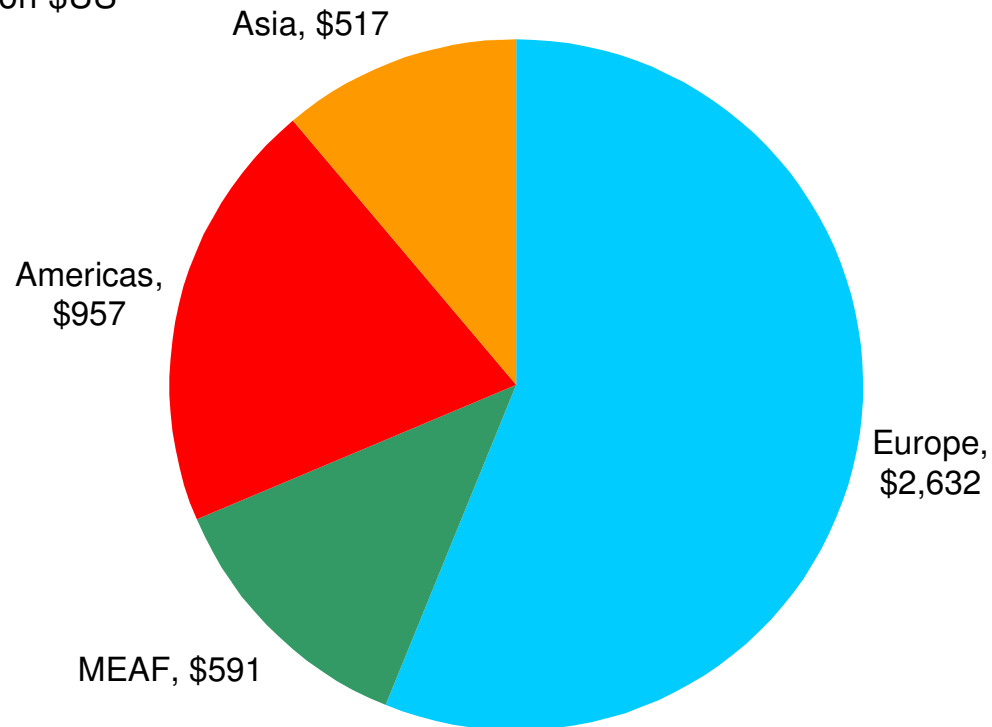
**Over 7 million
passengers
affected**

Source : Eurocontrol

Impact within a single one week

Total GDP Impact: \$4.7 billion

Million \$US

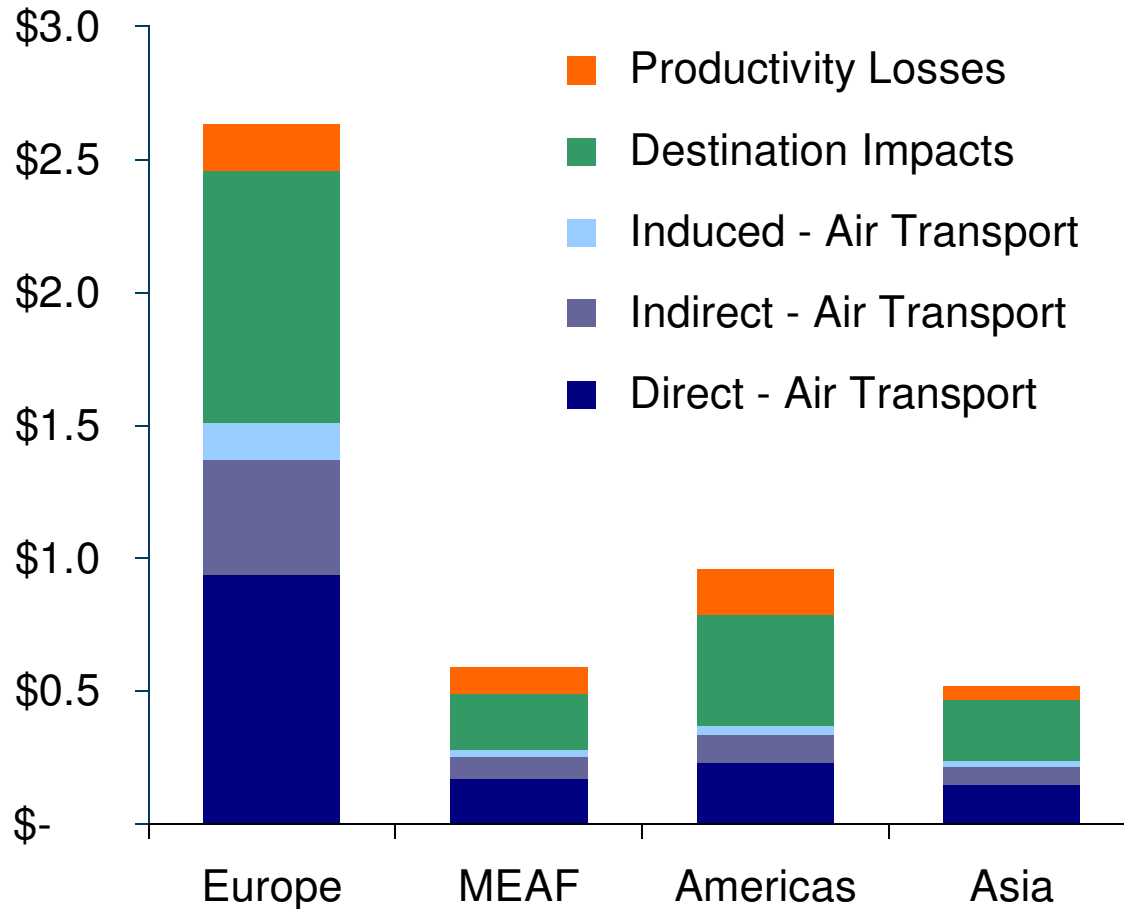


Source : Oxford Economics

Multiple levels of economic impact

Total GDP Losses Around the World

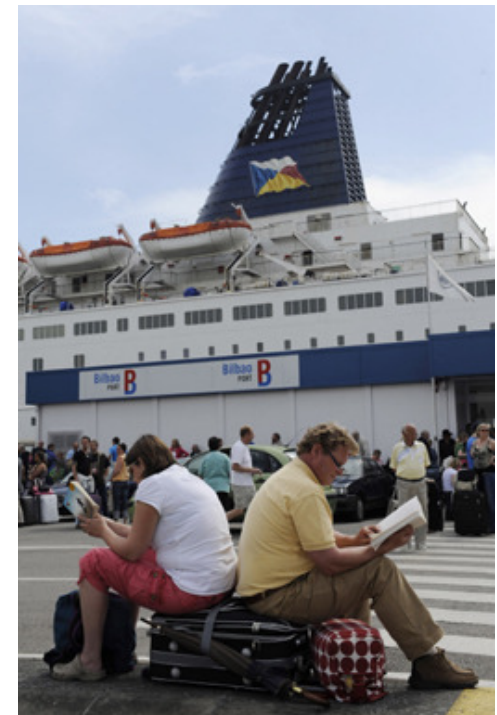
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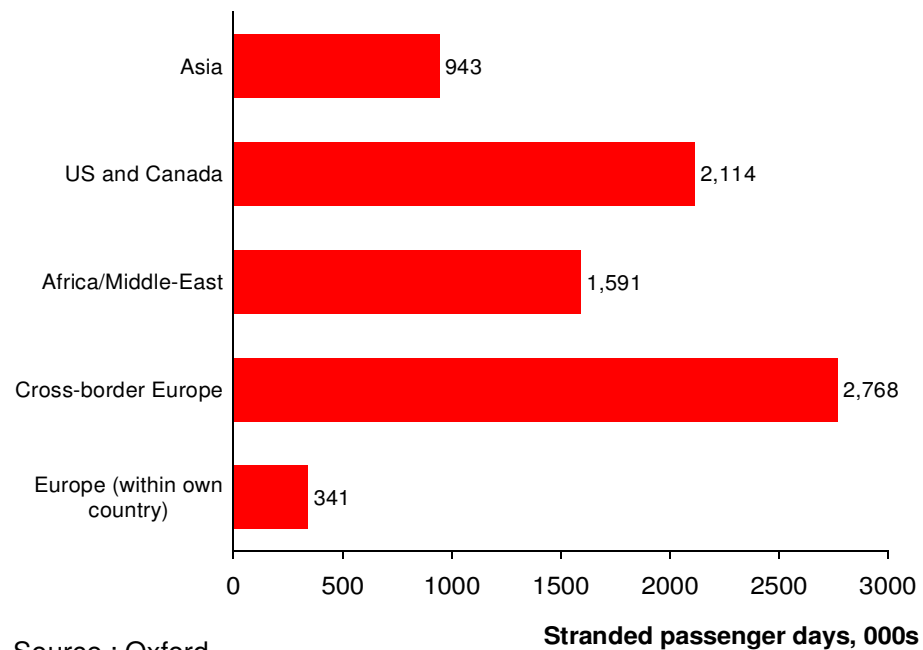
Source : Oxford Economics

More than just travel-related sectors!

- **Perishable goods losses:** \$65 million in Africa alone
- **Electrical parts and equipment:** over \$100 million
- **Productivity losses:** \$280-\$700 million GDP impact

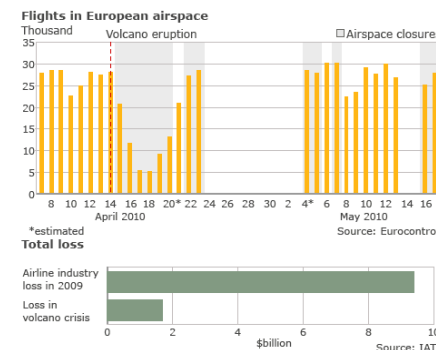
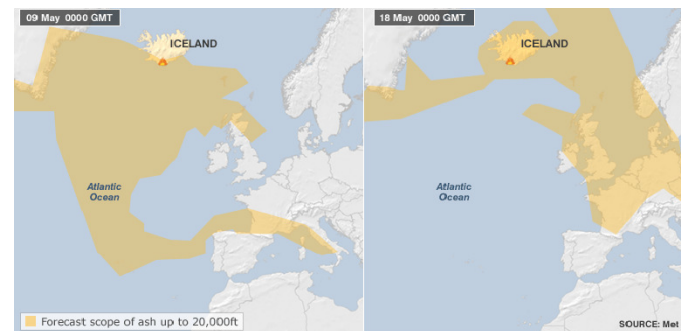


Stranded Passenger Days: Week 1



An ongoing crisis

- Since the massive airspace shutdown in the first week, another 5,000 flights have been sporadically cancelled
- This would add an additional 5% to the first week impacts on the basis of cancelled flights – ie \$250m extra lost GDP
- **So total cost now \$5 billion lost GDP**
- And these effects are continuing, creating ongoing uncertainty over future flight schedules which is damaging the global economy



Source for graphics: news.bbc.co.uk