

Airline industry needs another USD 80bn to survive pandemic

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London: The world's airlines need another USD 70-80 billion of government support to get through the crisis caused by the coronavirus pandemic. That's according to the head of the International Air Transport Association (IATA), which is the trade association for the world's airlines.

Director-General Alexandre de Juniac said that the sum was "on top of the USD 170 billion already granted". Extra funds would "bridge the gap" between now and June, he said. June is when he expects the first significant easing of travel restrictions, as the impact of vaccines begins to be felt.

Government travel restrictions and a huge fall in passenger confidence meant global demand for flights fell about 60 per cent last year, according to IATA figures. That means 2020 saw about 1.8 billion passengers fly, instead of the 4.5 billion in 2019. In an industry where profit margins were already thin it means airlines are estimated to have already lost USD 118 billion, with worse set to come.

More bankruptcies

Not all airlines have been able to withstand those losses.

de Juniac said about 35-40 airlines have disappeared already. Many of them are smaller regional carriers, including UK-based Flybe which disappeared early in the pandemic.

Others bigger companies, such as Thai Airways and South African Airways, have only survived thanks to large government bailouts and support programmes.

de Juniac added that in 2021 it is "likely to happen that we see additional bankruptcies", which is why more government support is needed.

He pointed out that greater choice benefits passengers, competition normally means lower fares . On top of that, before the pandemic, more than 65 million jobs depended on aviation.

For those airlines that are still flying, coronavirus vaccines are seen as essential for a recovery in international air travel.

IATA is developing a new app that it hopes will make it easier for passengers to fly, by managing proof of Covid testing and vaccines in a way that satisfies governments and airlines around the world. It hopes to launch the app as soon as the end of March

In the meantime, countries persist with having different requirements for testing and quarantines.