

IATA expects aviation traffic recovery in 2022

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Montreal : The International Air Transport Association (IATA) expects a sharp aviation industry recovery worldwide in 2022 following huge financial losses incurred by airlines during the last two years due to Covid-19 pandemic.

The major airline industry trade body IATA announced their foresight in a report on October 4.

"We expect 2021 losses to be nearly USD 52 billion-cut dramatically from the USD 138 billion lost in 2020. Losses will further reduce in 2022-to about USD 12 billion," said Willie Walsh, Director General, IATA during the group's annual general meeting.

"In total, the Covid-19 crisis will cost aviation USD 201 billion in losses before we return to profitability in 2023," he added.

Speaking at the group's AGM at Boston, Walsh said that governments need to better manage border restrictions as increasing numbers of people resume confidence in flying.

"Travel restrictions bought governments time to respond in the early days of the pandemic. Nearly two years later, that rationale no longer exists," Walsh claimed.

"Covid-19 is present in all parts of the world. And there is little evidence to support ongoing blanket border restrictions and the economic havoc they create," he noted.

In a separate statement, IATA said that vaccinated travellers should not face any barriers to travel and that testing should enable those without access to vaccines to

travel without quarantine.

The industry body said that there is an urgent need for simplification of the various measures governments are using to manage the risks of Covid-19.

"There is far too much complexity in the way borders are re-opening. The potential for a global re-connect could be hijacked by bureaucracies favoring stand-alone made-at-home solutions over approaches that work across borders," Walsh added.

Meanwhile, IATA expects air cargo to recover above the 2019 levels and record strong growth in 2022 with the support of strong global trade.

"Cargo volumes, which are already above pre-crisis levels, are expected to increase further on the back of capacity improvements as passenger capacity picks up," IATA said in the statement.

The airline body also expects North American airlines to return to profitability in 2022, ahead of other regions.

"The fast recovering large US domestic market will continue to be supportive in 2022. In addition, the pick-up in regional traffic (North America to Latin America) and the reopening of North Atlantic travel will be supportive. In 2022, net profit is forecast to be USD 9.9 billion," it said.

On the other hand, airlines from Asia Pacific may take a little while to return to profitability as these carriers have been impacted by strict government regulations with travel restrictions remaining very tight, vaccination rollout is diverse and slower compared to Europe and North America, especially in emerging countries in Asia-Pacific, IATA added.