Air travel down 60pc in 2020, aviation industry losses USD 370b: ICAO

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Dhaka: Over the course of last year, a dramatic fall of 60 percent in international air travel had been witnessed by the UN's air transportation agency.

This is due to the coronavirus pandemic that has battered the aviation and tourism industry all over the world. The report said the pandemic caused international air travel to drop to levels last seen in 2003.

The International Civil Aviation Organisation (ICAO) said on January 15 that as seating capacity fell by around 50 percent last year, that left just 1.8 billion passengers taking flights through 2020, compared with around 4.5 billion in 2019.

That adds up to a staggering financial loss to the industry of around USD 370 billion, "with airports and air navigation services providers losing a further USD 115 billion and USD 13 billion, respectively", said ICAO in a press statement.

As the coronavirus began its global spread, the air industry came to a virtual standstill by the end of March. Following widespread national lockdowns, by April the overall number of passengers had fallen 92 percent from 2019 levels, an average of the 98 percent drop-off seen in international traffic and 87 percent fall in domestic air travel.

There was a moderate rebound during the summer travel period, but recovery was short-lived. "Sectoral recovery became more vulnerable and volatile again during the last four months of 2020, indicating an overall double-dip recession for the year", ICAO said.

The report noted "a persistent disparity between domestic and international air travel impacts resulting from the more stringent international measures in force."

Domestic travel proved more resilient and was the main driver of any glimmer of recovery to the industry, particularly in China and Russia, ICAO notes, where domestic passenger numbers have already returned to the pre-pandemic levels.

Overall, there was a 50 percent drop in domestic passenger traffic globally, while international traffic fell by 74 percent, or around 1.4 billion passengers. The plunge in traffic, has put the entire industry's financial liability into question said ICAO, and threatens the viability of millions of associated jobs around the world.

It has also severely impacted global tourism, given that more than 50 percent of international travelers used to reach their destinations by plane.

ICAO said that the regional breakdown in losses showed a USD 120 billion loss year-on-year in the Asia-Pacific region, USD 100 billion in Europe, USD 88 billion in North America, followed by USD 26 billion, USD 22 billion, and USD 14 billion in Latin America and the Caribbean, the Middle East, and Africa, respectively.

The agency described the near-term outlook as one of "prolonged depressed demand, with downside risks to global air travel recovery predominating in the first quarter of 2021, and likely to be subject to further deterioration."

It does not expect any improvement until the second quarter of 2021, although this will still be subject to the effectiveness of pandemic management and vaccination rollout across the world.

In the most optimistic scenario, said ICAO, by June of 2021 passenger numbers will be expected to recover globally to 71 percent of their 2019 levels (or 53 percent for international and 84 percent for domestic flights). A more pessimistic scenario foresees only a 49 percent recovery (26 percent for international and 66 percent for domestic).