

Tuesday, 14 July 2020

Traffic Situation & Airlines Recovery

- 12,793 flights on Tuesday 14 July (+38% with +5,229 flights compared to Tuesday 30 June) reaching 37% of 2019 levels. Significant increase on 1st July, however, level remained stable since then.
- Significant increase since 1st July for many airlines in particular for Ryanair with 927 flights on 14 July which experienced one of the highest growth over the last 2 weeks with +285% (i.e. 686 flights) together with easyJet (+319%), Vueling (+533%), Volotea (+370%) and TUI Jet (+411%).
- High growth over the last 2 weeks too for Air France (+108%) and British Airways (+100%).
- Expect to reach 55% of 2019 levels after mid-August with 21,000 flights, in line with latest traffic scenarios published by EUROCONTROL on 24 April.
- Significant increase in southern States over the last 2 weeks with +125 for Spain Continental, +132% for Spain Canarias, +72% for Italy, +115% for Greece, +107% for Portugal. To be noted +115% for Ireland.
- All-cargo flights stable. Business aviation recovering faster reaching -17% (15% of total flights on 14/7).

Traffic Flows & Country Pairs

- The major traffic flow is the intra-Europe flow with 11,028 flights on 14 July. Traffic flows have increased over the last 2 weeks. Intra-Europe flights increased by 42% but are still -60% vs 2019.
- Top 8 flows are domestic flows. Flows to/from southern European countries are showing significant increase over the last 2 weeks (Germany-Spain +153%, UK-Spain +169%, France-Spain +134%, Italy-Spain +173%, Germany-Greece +218%, UK-Italy +174%). To be noted Germany-Turkey with -12%.

Situation outside Europe

US	<ul style="list-style-type: none"> • Domestic traffic is slightly improving since early May with a visible increase on 1st July reaching -56% of 2019 on 5 July. International flows remains very low at some -86% except flows to/from Mexico. • After significant drop at the end of March, slight recovery at New York JFK and San Francisco.
China	<ul style="list-style-type: none"> • Domestic traffic is constantly increasing since mid-April reaching 10,588 flights on 12 July, close to its level prior the COVID crisis. International traffic and overflights remain stable and low. • Traffic is recovering at Beijing airports since early July after the sudden drop mid-June because of COVID-19 outbreak. Traffic is recovering at Wuhan since early April
Middle East	<ul style="list-style-type: none"> • Since early April, Intra-Middle-East traffic is slightly recovering with 911 flights on 13 July, as well as International traffic (with 759 flights) after having dropped from some 3,000 before mid-March. • Traffic at main airports is slightly recovering since mid-March but remains much below the situation before COVID. Riyadh showed a sharp increase on 1st June

Airport Information

- Paris/CDG was the busiest airport with 573 dep/arr flights on 14 July.
- Significant increase for many airports but particularly for southern airports like Barcelona (+160%), Palma de Mallorca (+146%), Ibiza (+128%), Lisbon (+145%).
- After a bottom of 64,000 passengers at European airports on 11 April (-99% vs. 2019), the situation is gradually improving to some 1.6 million on 5 July (-81% vs. 2019) after a sharp increase on 1st July.

Economic

- **Jet Fuel price:** was around 200 US cents per gallon early 2020. Dropped to a minimum of 41cst/gal on 24 April. Since then, constant increase reaching 106cst/gal on 10 July with traffic recovery (+ 59%).
- **En-route air navigation charges:** After a bottom of 73M€ for April flights (i.e. -89% compared to plan), the amount billed for en-route charges went up to 95M€ for May flights and to 120M€ for June flights (-84% compared to plan). It must be noted that this increase is smaller in relative terms than for IFR flights due to the increase of narrow body flights (and thus flights with lower weight).

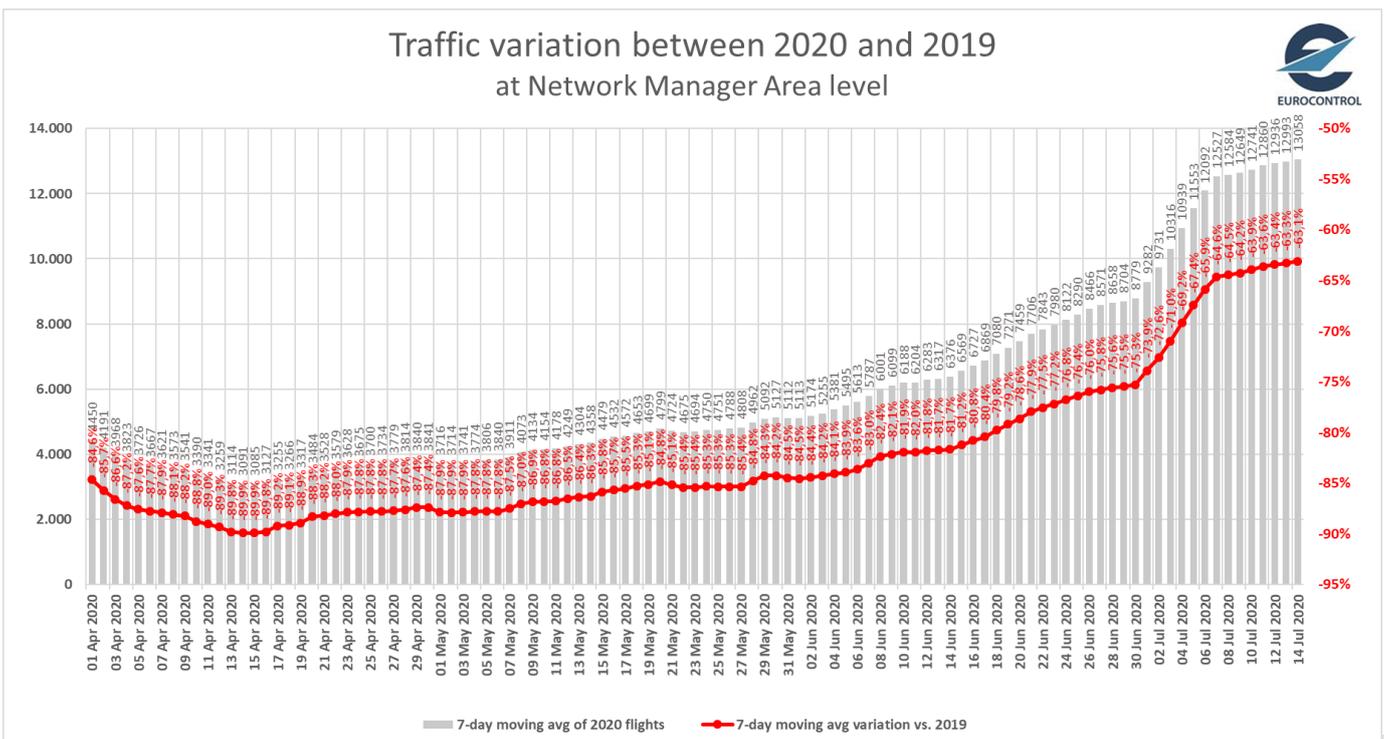
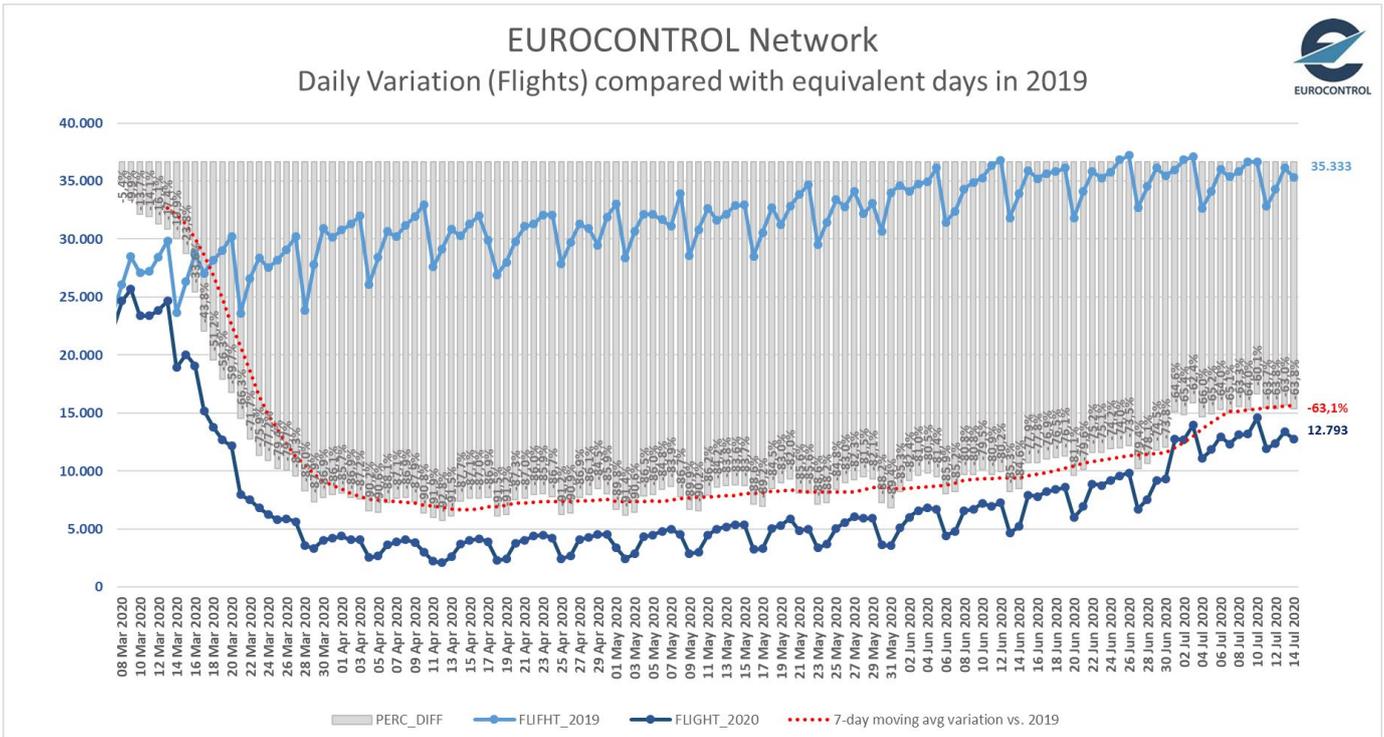
COVID19 Impact on European Air Traffic

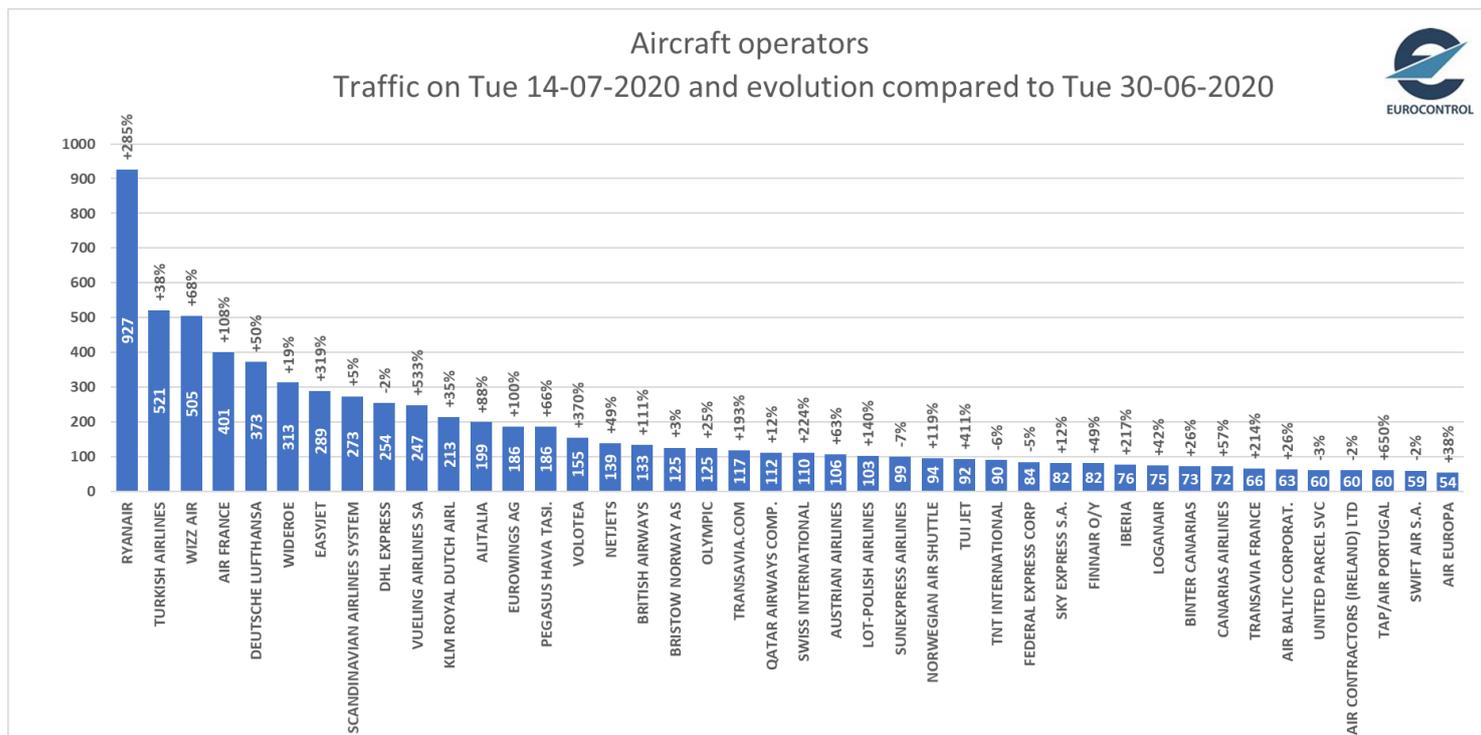
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1. Traffic Situation and Airlines Recovery

- 12,793 flights on Tuesday 14 July, (+38% with +5,229 flights compared to Tuesday 30 June). This is about 37% of 2019 levels. Steady increase of flights since mid-April (+300%) reaching -63.1% compared to 2019 on a 7-day moving average Significant increase on 1st July for many airlines. However, level remained stable since then.





- **Restart plans for key European airlines:**

- **airBaltic** announcing plans to operate 82 routes in summer 2021, 21% year-on-year network growth, with 15 new or resuming services from Riga that had been postponed owing to COVID-19 returning in 2021.
- **airBaltic & Icelandair** beginning a new codeshare agreement on 13 July, expanding mutual access to eastern European destinations and the US from their Keflavik and Riga hubs.
- **Air France** reporting plans to resume flights from Paris to 14 North American and 9 South American destinations in September and October 2020. Overall the airline expects to have restored services to 85% of its normal route network by the end of the summer 2020, increasing gradually its offer to 50% of originally scheduled flights by end-September, and 60% by end October.
- **Alitalia** planning to increase seat capacity by 29% month-on-month in August to more than 1 million seats. With 75 routes to 52 airports, Alitalia aims to recover around 45% of pre-COVID-19 capacity.
- **Austrian Airlines** planning to increase capacity from 20% to 40% of its normal schedule between mid-July and end October, with 11 routes restored in August/September.
- **Condor** restoring flights from Munich to 8 European holiday destinations as of mid-July.
- **easyJet** planning to return to operations at all its UK bases across July and August, flying 50% of its 1,022 routes in July, and 75% in August. The airline is also restoring flights from Croatia to 6 European destinations between 20-25 July.
- **Finnair flying** as of mid-July to 7 domestic, 23 European and 2 Asian routes.
- **Jet2.com** restoring 200+ services between mid-July and end-August, including services from Scotland to Spain.
- **KLM** set to benefit from a € 3.4 billion state aid measure consisting of a state guarantee on loans and a subordinated state loan following European Commission approval on 13 July.
- **LOT Polish Airlines** restoring intercontinental services from Poland and Hungary to 11 destinations between mid-July and 1 August.

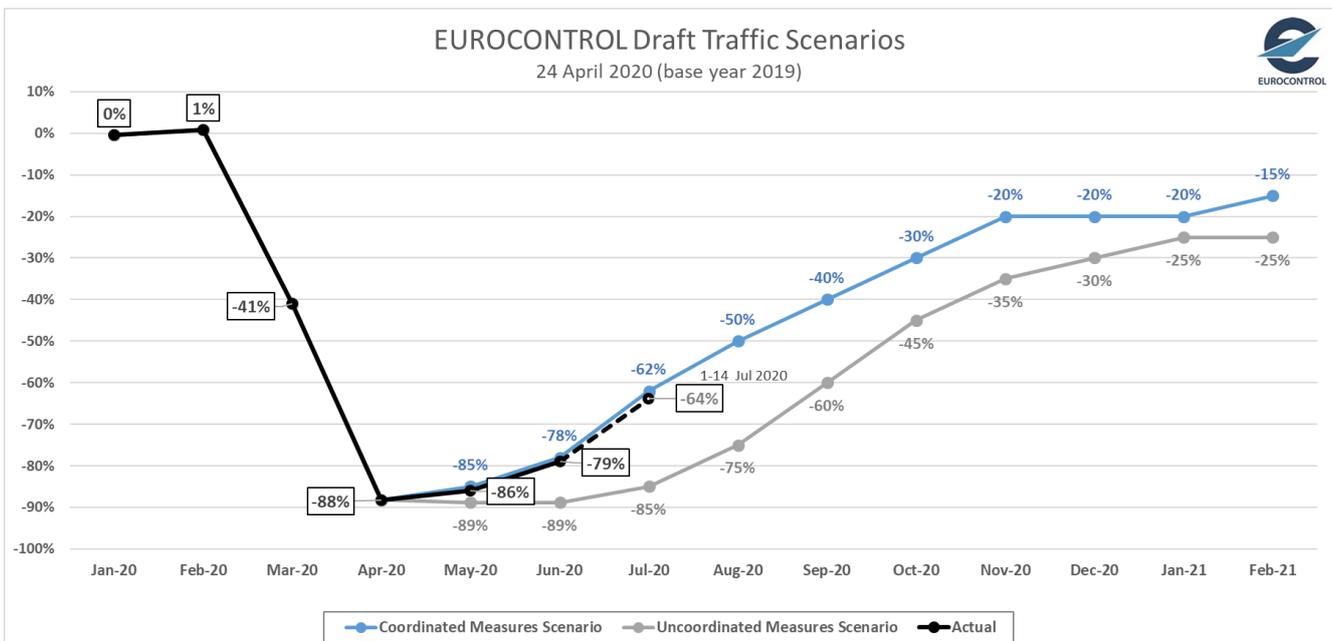
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- **Lufthansa** announcing the launch of a new entity, Ocean, to operate long-haul flights to tourist destinations, with the new brand based on Edelweiss's business model.
- **Ryanair** restoring services from Bristol to 30 destinations including 1 new city, but planning to axe 1,000 flights between Ireland and UK in August/September unless quarantine controls are lifted.
- **Turkish Airlines** restoring intercontinental flights progressively, with 43 routes resuming in July and 39 in August.
- **Wizz Air** delaying return of services to 9 destinations from Belgrade from mid-July to start-August.

- **Overall situation against EUROCONTROL traffic scenarios:** June traffic is in line with the EUROCONTROL traffic scenario of 24 April with -64% compared to July 2019 for the first 14 days of July.

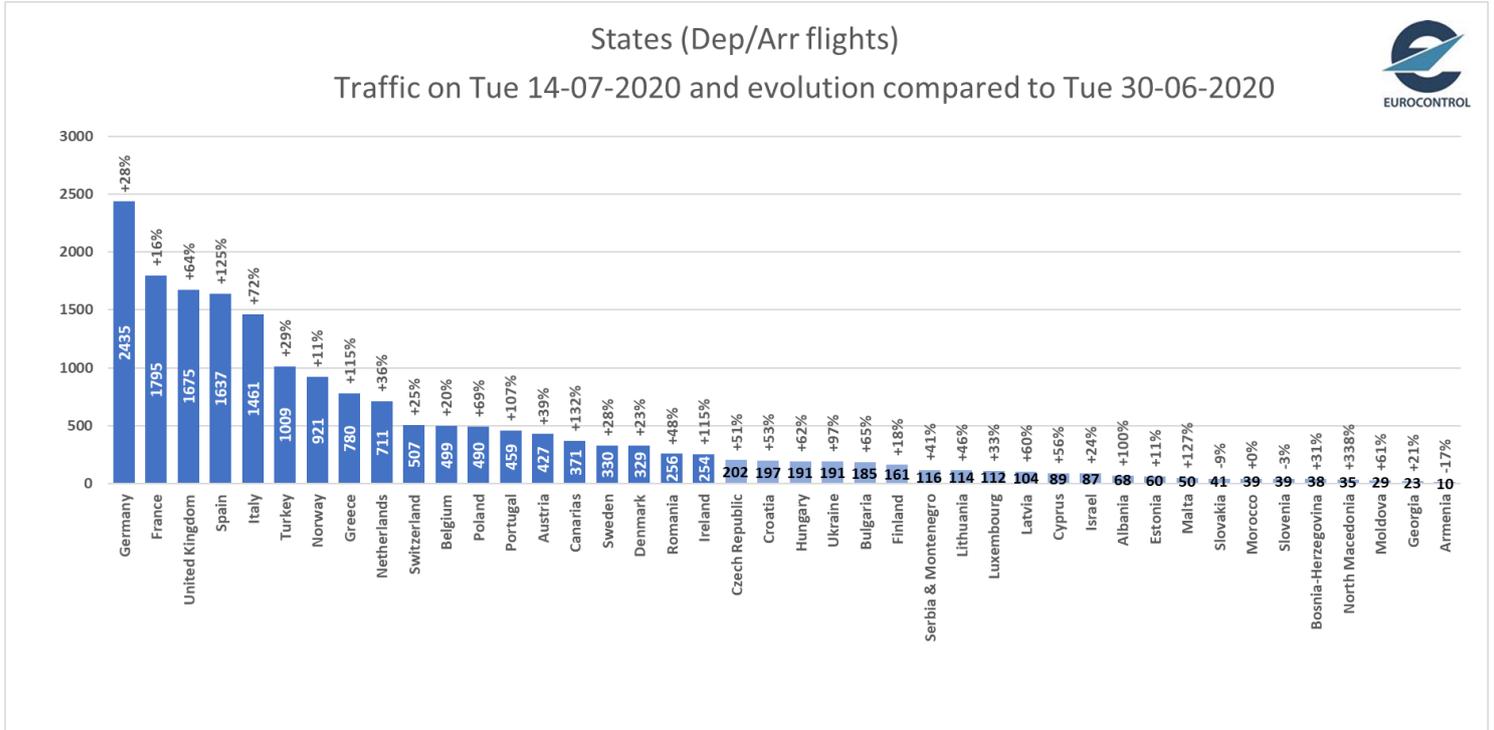


- The ranking of States is progressively back to the ranking before COVID. As last week, there is a significant increase in southern States over the last 2 weeks with +125% for Spain Continental, +132% for Spain Canarias, +72% for Italy, +115% for Greece, +107% for Portugal. To be noted +115% for Ireland.

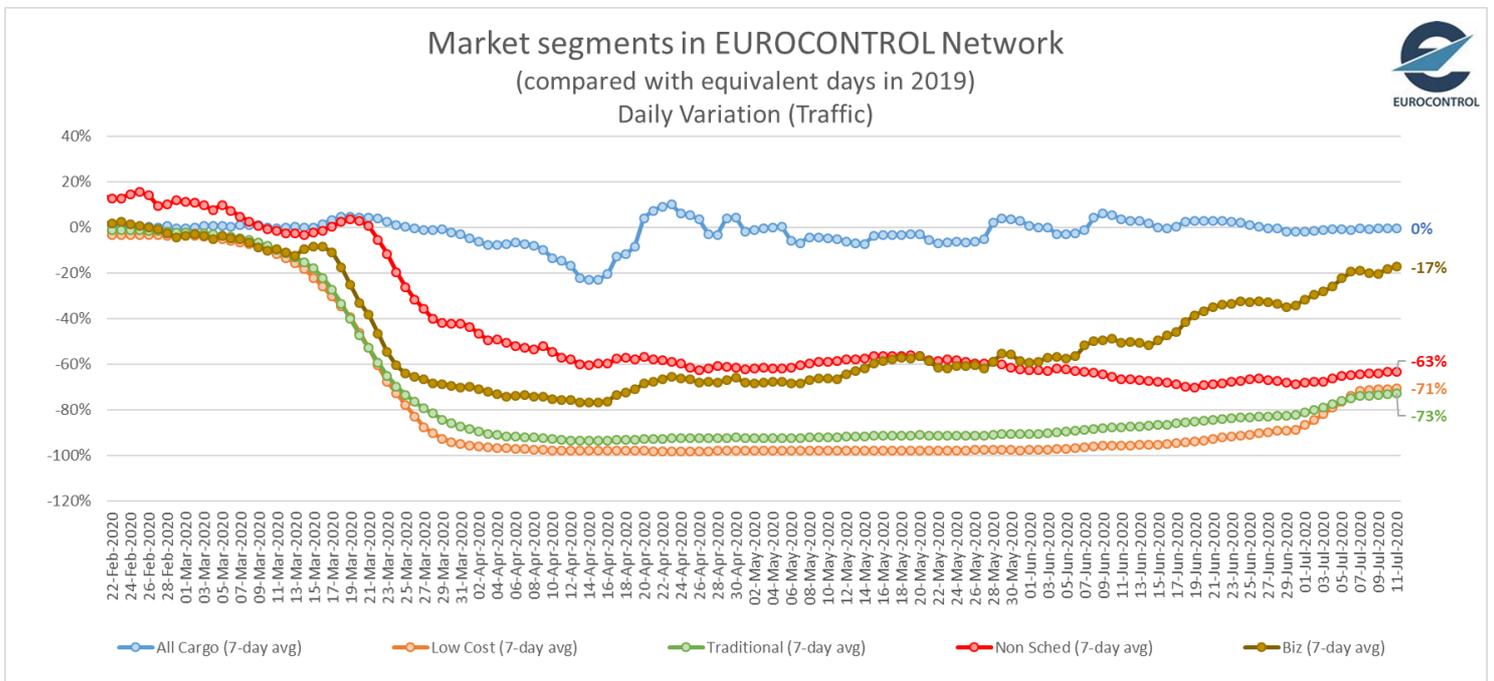


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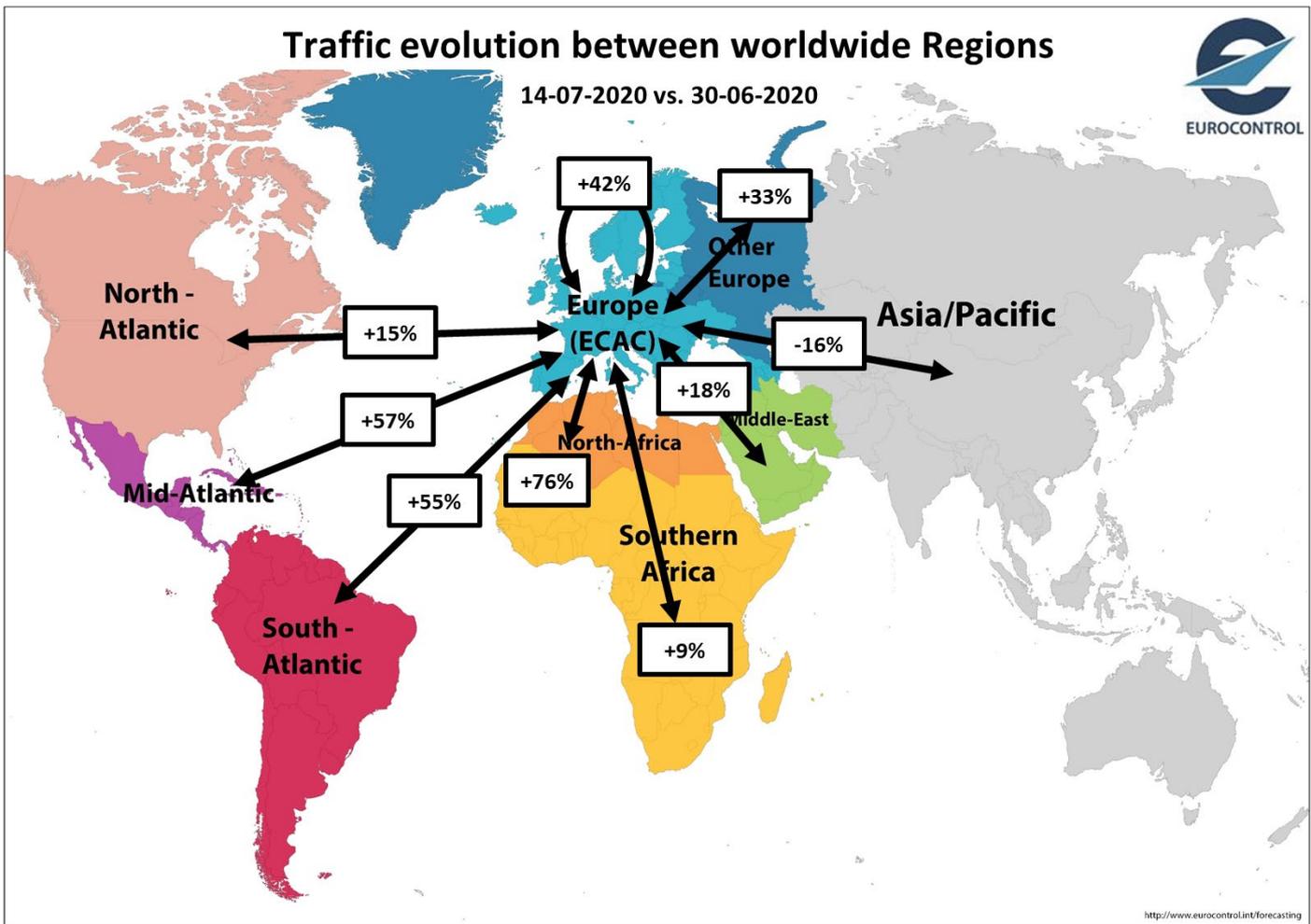
- When considering market segments, while all-cargo flights remained stable during the crisis, business aviation is recovering faster reaching -17% (representing 15% of total flights on 11 July).



2. Traffic Flows & Country Pairs

- The major traffic flow is the intra-Europe flow with 11,028 flights on 14 July. Traffic flows have increased over the last 2 weeks. Intra-Europe flights increased by 42% but are still -60% vs 2019.

REGION	30-06-2020	14-07-2020	%	vs. 2019
Intra-Europe	7777	11028	+42%	-60%
Europe<->Asia/Pacific	304	254	-16%	-69%
Europe<->Mid-Atlantic	28	44	+57%	-73%
Europe<->Middle-East	277	326	+18%	-80%
Europe<->North Atlantic	299	345	+15%	-76%
Europe<->North-Africa	100	176	+76%	-85%
Europe<->Other Europe	130	173	+33%	-86%
Europe<->South-Atlantic	22	34	+55%	-82%
Europe<->Southern Africa	119	130	+9%	-58%



ECAC = 44 European States.

COVID19 Impact on European Air Traffic

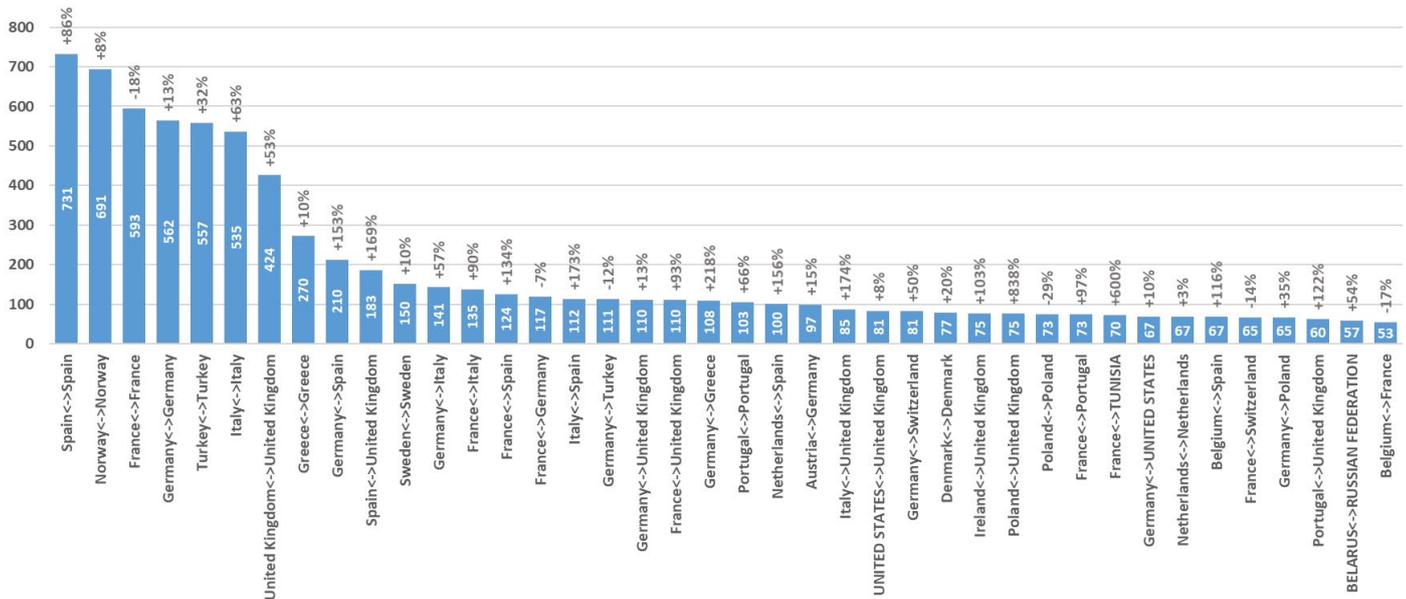
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- Domestic flows are still the most important (i.e. the top 8 flows are domestic). However, the flows to/from southern European countries are showing significant increase over the last 2 weeks (Germany-Spain +153%, UK-Spain +169%, France-Spain +134%, Italy-Spain +173%, Germany-Greece +218%, UK-Italy +174%). To be noted the decrease for Germany-Turkey (-12%).

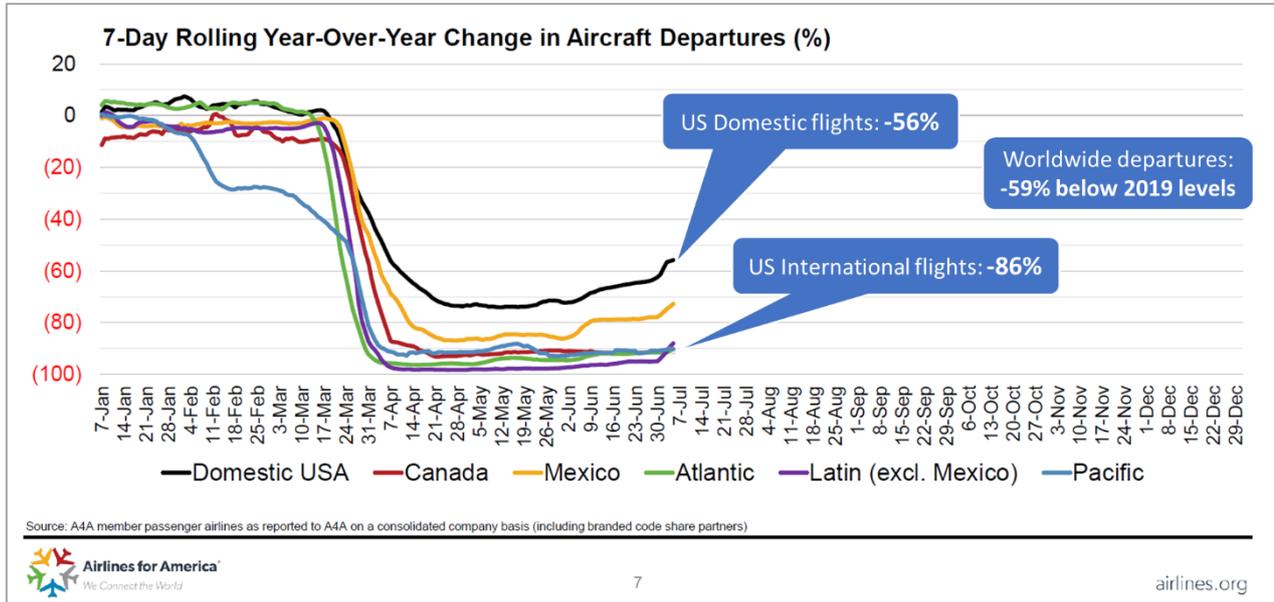
Top 40 Country-Pairs (Dep/Arr flights).

Traffic on Tue 14-07-2020 and evolution compared to Tue 30-06-2020

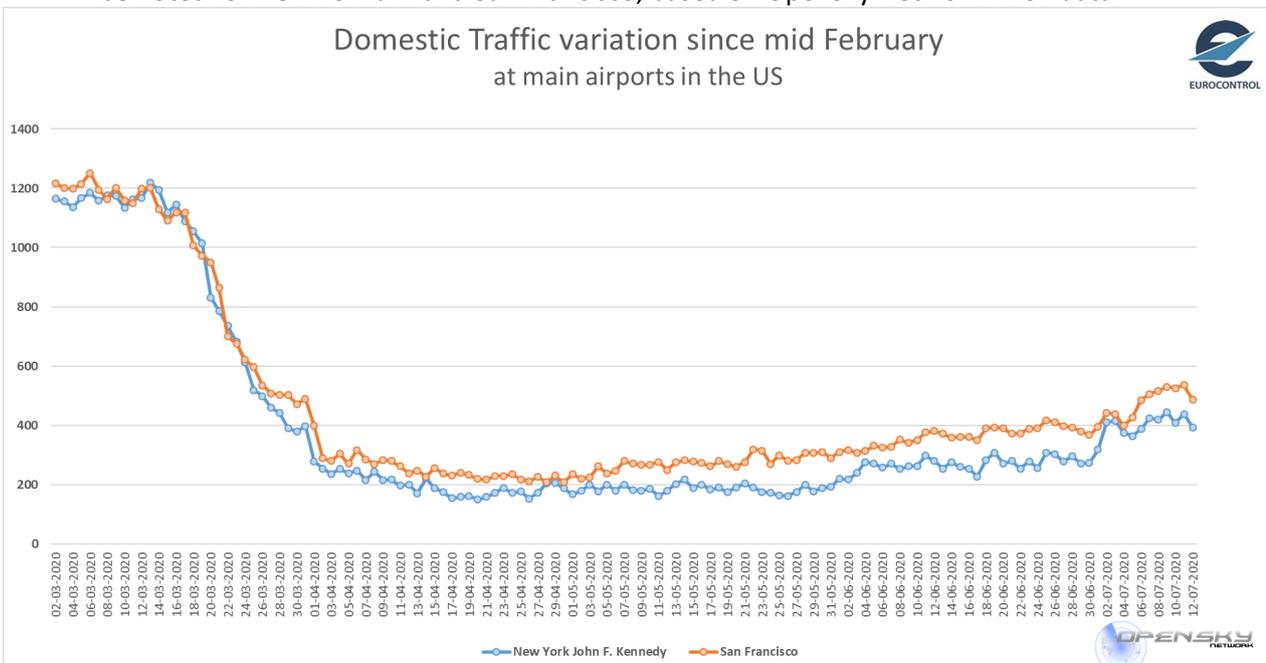


3. Situation outside Europe

- United-States:** After a significant drop of traffic in the US by the end of March, Domestic traffic has slightly improved since early May with a visible increase on 1st July reaching -56% of 2019 in week ending July 5. International flows remains very low at some -86% except flows to/from Mexico.



- After a significant drop of traffic in the US at all airports at the end of March, a slight recovery can be noted for New York JFK and San Francisco, based on OpenSky Network ADSB data.

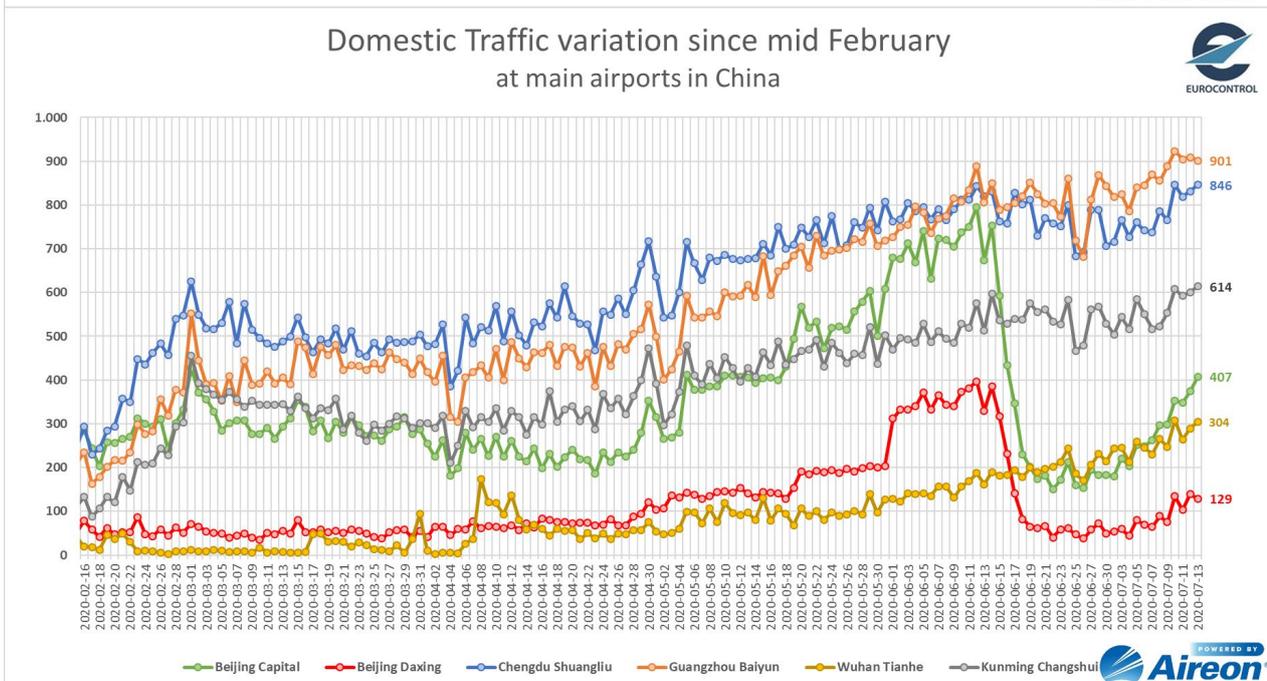
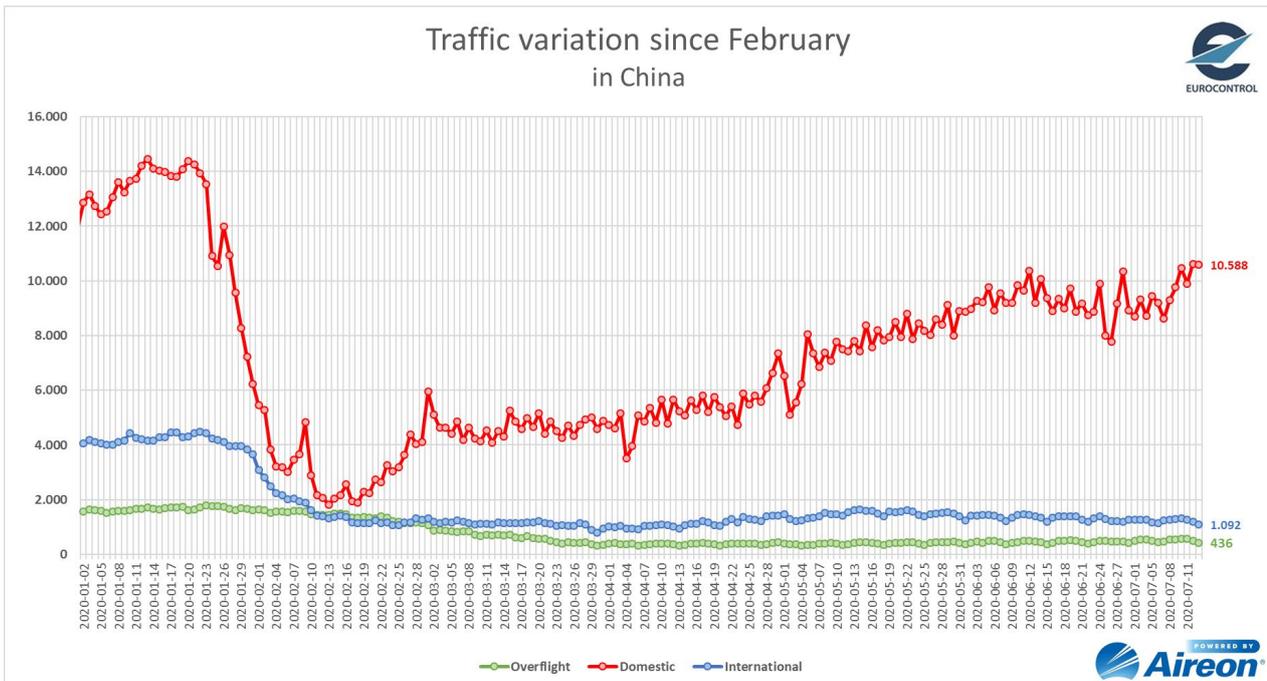


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- China:** Domestic traffic is constantly increasing since mid-April reaching 10,588 flights on 12 July, close to its level prior the COVID crisis. On the contrary, international flights are stable over the same period (with 1,092) as well as overflights (with 436). After the significant and quick drop of traffic mid-June due to the local COVID-19 outbreak at Beijing Capital and Daxing airports which saw a decrease of 76% (resp. -81%), traffic is recovering since early July. At Wuhan airport, traffic is recovering since early April.

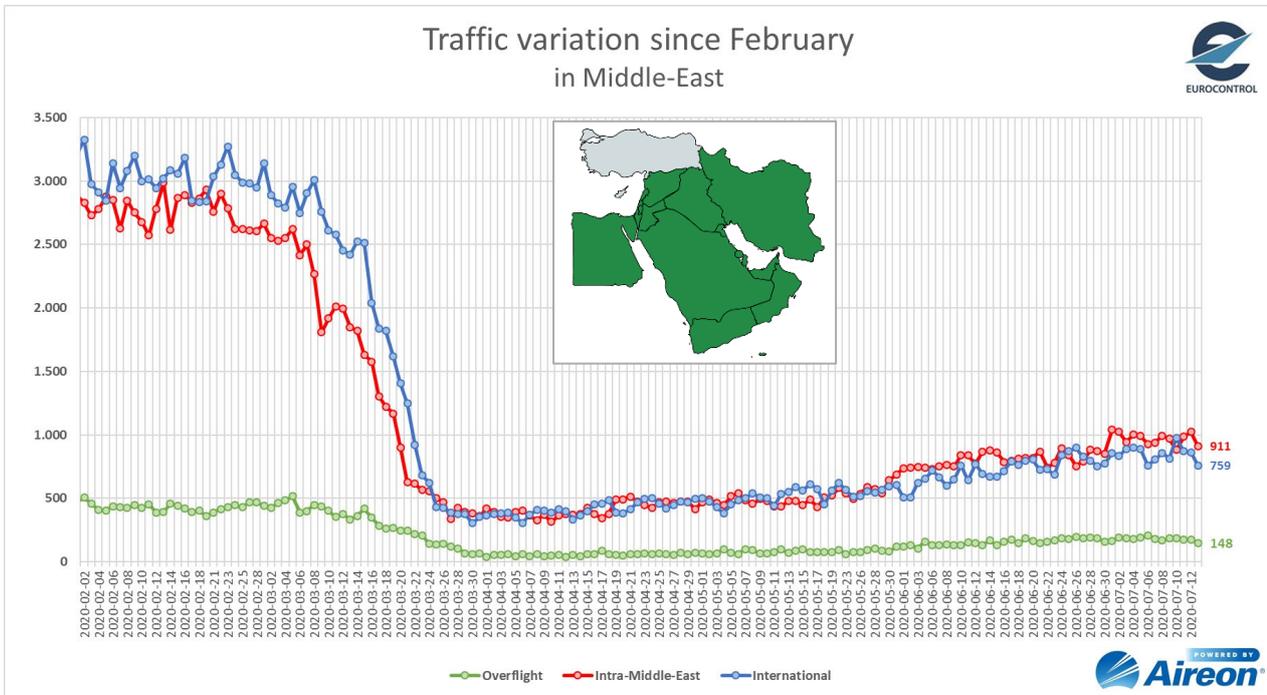


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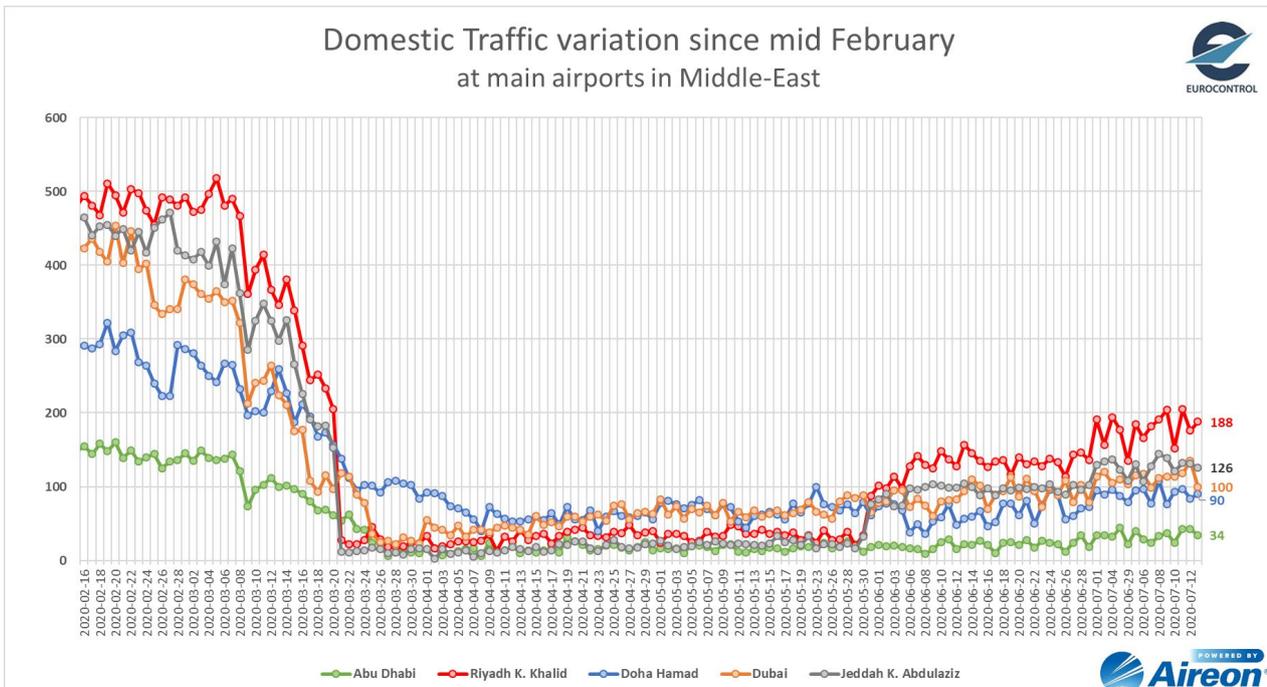
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- Middle East:** International and intra-Middle-East traffic dropped quickly around mid-March from some 3,000 flights a day to 400. Since the beginning of April, Intra-Middle-East traffic is slightly recovering reaching 911 flights on 13 July, as well as International traffic (with 759 flights).



- Traffic at main airports is slightly recovering since mid-March but remains much below the situation before COVID. Riyadh showed a sharp increase on 1st June followed by a smaller one on 1st July.



- **Restart plans for key worldwide airlines:**

US

- **American Airlines** restoring limited services to Europe, with 15 routes resuming in October. Flights to Central and South America restored, with 4 routes resuming in August, 7 in September and 9 in October; and 3 routes restored to Asia Pacific.
- **Delta Airlines** restoring services to Europe with 2 routes resuming in July, 16 in August, 10 in September and 9 in October, with a further 24 routes set to return over the summer without a date as yet. Overall, the airline expects to restore 1,000 flights in both July and August.
- **JetBlue Airways** continuing to block middle seats on larger types and aisle seats in smaller types until 8 September.
- **Southwest** delaying return to international services to 1 January 2021; unused middle seat policy set to remain until end-September.
- **United Airlines** reporting capacity down 65% year-on-year in August, a 10% improvement on July, with around 40% of scheduled flights set to operate in August.

Middle East

- **Emirates** restoring services progressively, with 5 routes resuming between mid-July and mid-August. This will bring the airline back to serving 58 destinations, 20 of which in the EUROCONTROL area. Emirates also hopes to return all of its A380s back to service by April 2022.
- **Etihad Airways** planning to restore flights to 58 destinations by end-August, bringing the carrier up to 45% of pre-COVID capacity.
- **Wizz Air Abu Dhabi** launching operations from its new base in October to 6 destinations, 5 of which are in the EUROCONTROL network.

Asia

- **AirAsia** continuing to resume progressively its domestic operations in its core Malaysia, Thailand, Indonesia, India and the Philippines markets, while looking to secure financing of €221 million. Despite rising load factors (60% in June, 70% expect. for July), remains hard-hit by Covid.
- **Cathay Pacific** announcing shareholder approval for a €4.43 billion government-backed bailout package, with restructuring plan to be completed by 4Q2020.
- **Japan Airlines** expecting a 70% recovery in domestic traffic demand in August, with 90% of scheduled domestic flights planned to operate. International traffic remains firmly down however, with European frequencies still reduced by 76% in August and 75% in September.
- **Malaysia Airlines & Japan Airlines** combining forces as of end-July as part of a delayed joint business partnership.
- **Philippine Airlines** restoring limited services from Manila to Australia, Asia, North America, the UK and the Middle East as of July, with seat distancing measures removed as of mid-July on domestic services.
- **Thai Airways** planning to resume international services on 1 September, a delay of 1 month.

Africa

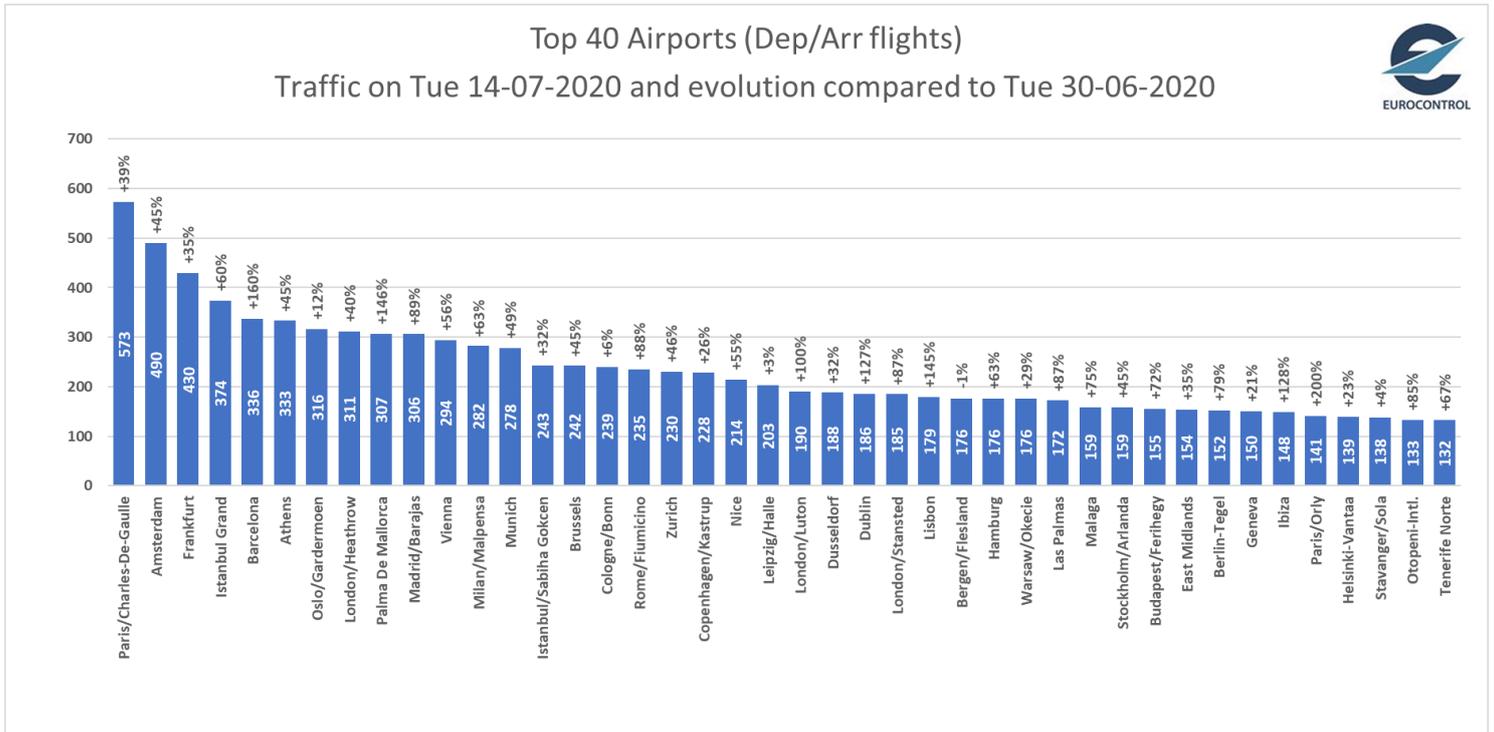
- **Kenya Airways** planning to resume domestic services on 15 July and international services on 1 August.

Latin America

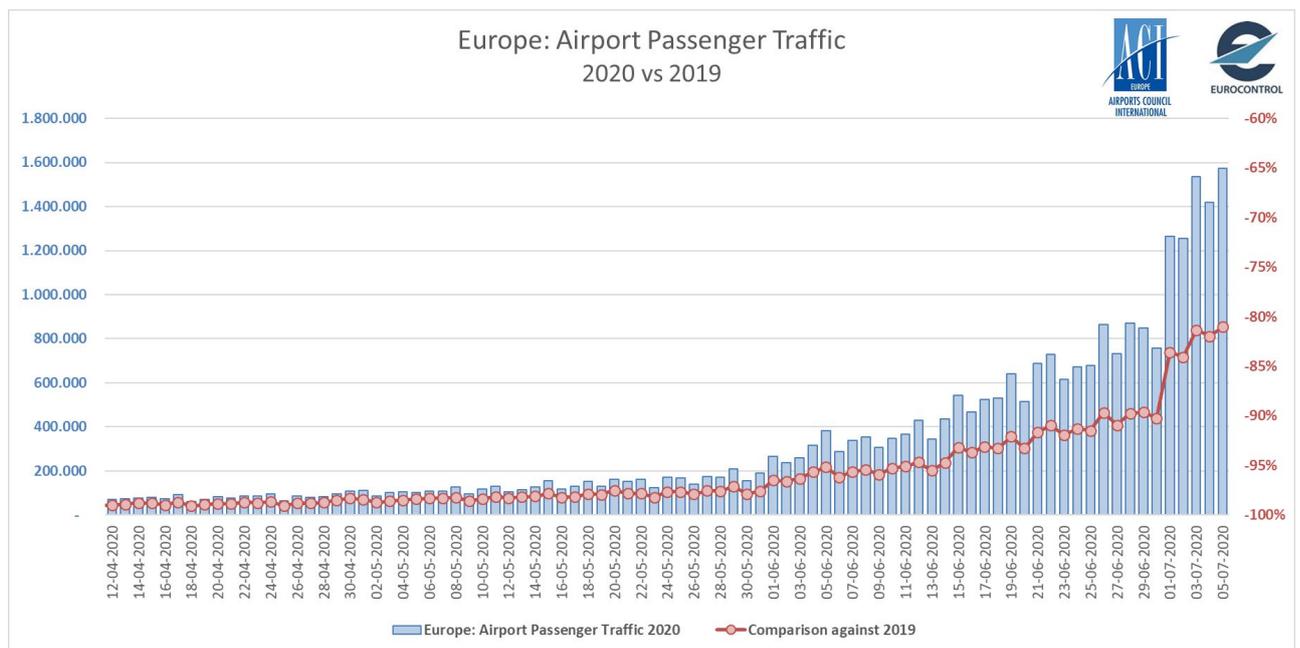
- **Gol** increasing from 120 to 250 flights in July, around 25% of last year's levels.

4. Airport Information

- Paris/CDG was the busiest airport with 573 dep/arr flights on 14 July. Here again, significant increase for many airports but particularly for southern airports like Barcelona (+160%), Palma de Mallorca (+146%), Ibiza (+128%), Lisbon (+145%).

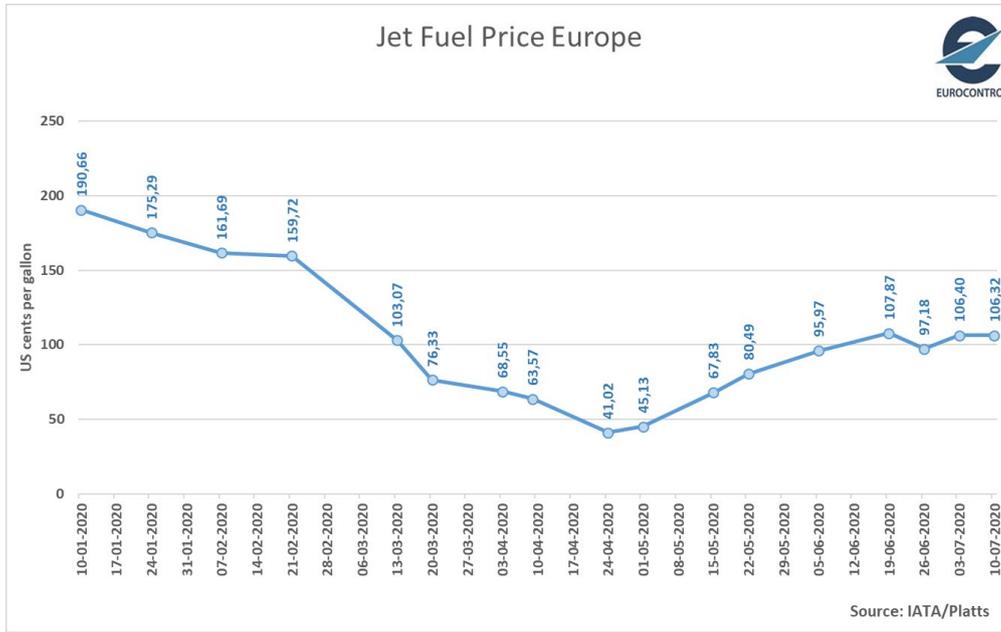


- After having reached a bottom of 64,000 passengers at European airports on 11 April (i.e. -99% compared to 2019), the situation is gradually improving to some 1.6 million on 5 July (i.e. -81% compared to 2019) after a sharp increase on 1st July.

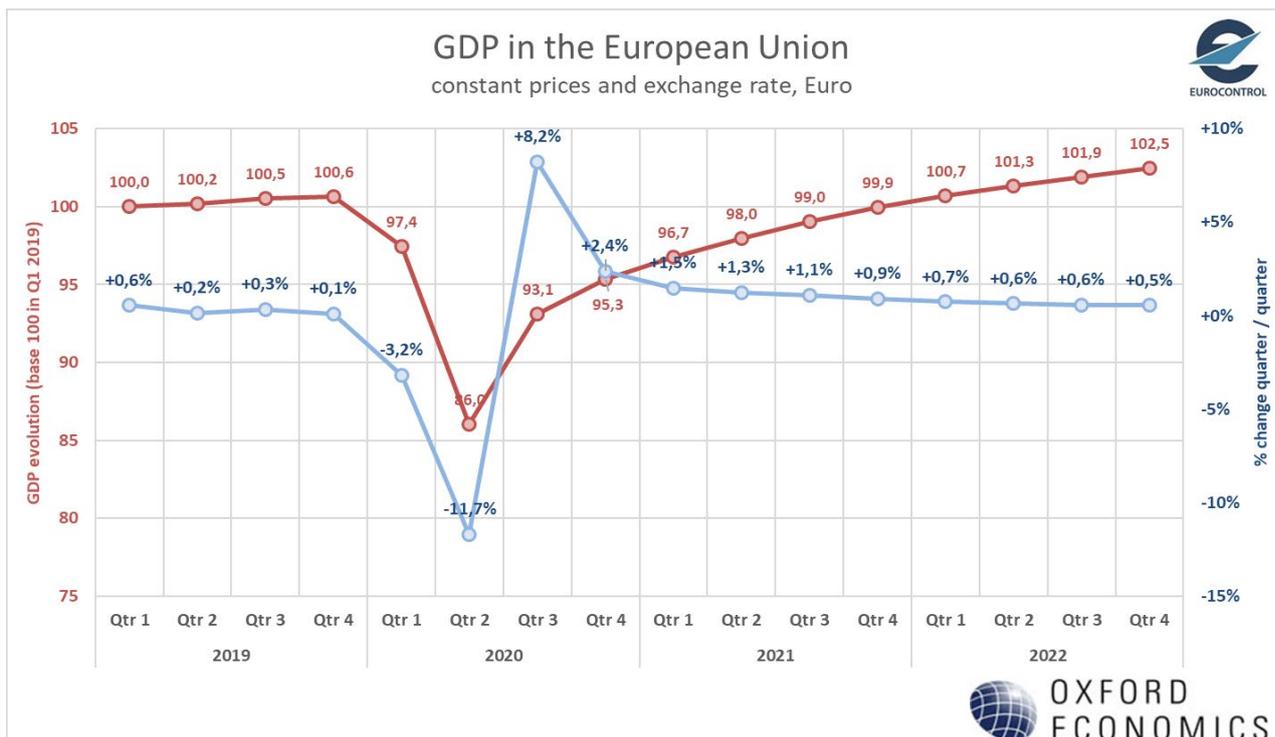


5. Economic

- Fuel Price:** After having been at around 200 US cents per gallon at the beginning of 2020, the jet fuel has dropped to a minimum of 41cst/gal on 24 April. Since then, accompanying the traffic recovery, the jet fuel price has constantly increased by 59% to reach 106cst/gal on 10 July.



- GDP in the European Union:** After a slightly positive evolution of GDP in each quarter of 2019, it dropped from -3.23% in Q1 2020 and should drop again by -11.7% in Q2. GDP is then expected to increase by +8.2% against Q2 in Q3 and then by +2.4% in Q4. GDP is then expected to increase by +1.3% against Q2 in Q3 and then by +2.4% in Q4. GDP is then expected to increase by a little bit more than +1% per quarter in 2021 and reach the level of Q1 2019 in Q4 2020.



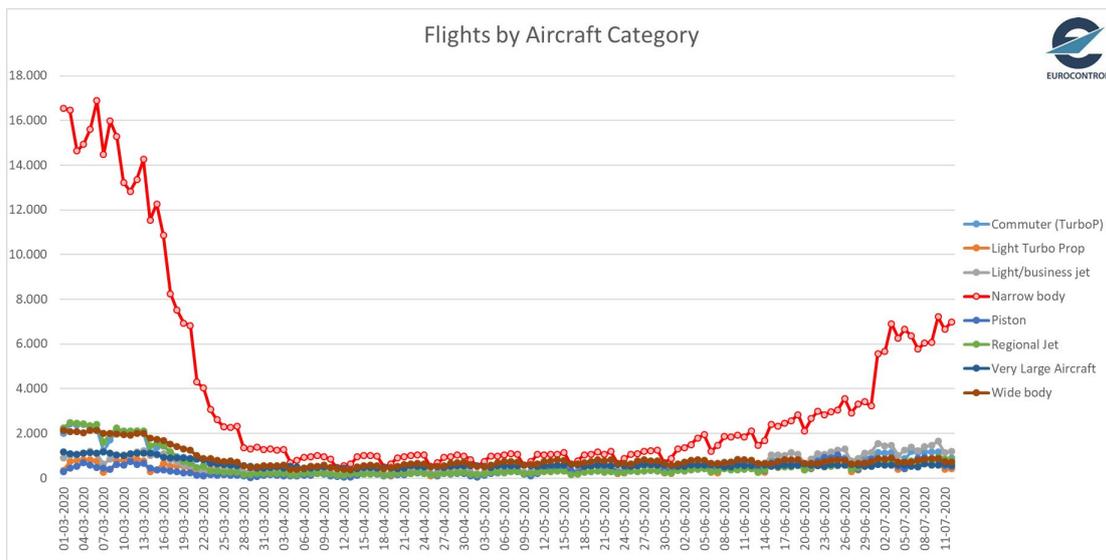
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- **En-route air navigation charges:** After a bottom of 73M€ for April flights (i.e. -89% compared to plan), the amount billed for en-route charges went up to 95M€ for May flights and to 120M€ for June flights (-84% compared to plan). It must be noted that this increase is smaller in relative terms than for IFR flights due to the increase of narrow body flights (and thus flights with lower weight).

Route Charges	Mid-Feb. billing	Mid-Mar. billing	Mid-Apr. billing	Mid-May billing	Mid-Jun. billing	Mid-Jul. billing
Total net chargeable amounts (VAT excl.)	547 M€	516 M€	357 M€	73 M€	95 M€	120 M€



To further assist you in your analysis, EUROCONTROL provides the following additional information on a daily basis (**daily updates at approximately 12:00 CET**) and every Friday for the last item:

1. EUROCONTROL Daily Traffic Variation dashboard:

www.eurocontrol.int/Economics/DailyTrafficVariation (or via the COVID-19 button on the top of our homepage www.eurocontrol.int)

- This dashboard provides traffic for Day+1 for all European States; for the largest airports; for each Area Control Centre (ACC); and for the largest airline operators.



2. COVID Related-NOTAMS With Network Impact (i.e. summary of airspace restrictions):

<https://www.public.nm.eurocontrol.int/PUBPORTAL/gateway/spec/index.html>

- The Network Operations Portal (NOP) under “Latest News” is updated daily with a summary table of the most significant COVID-19 NOTAMS applicable at 12.00 UTC.



3. NOP Recovery Plan:

<https://www.public.nm.eurocontrol.int/PUBPORTAL/gateway/spec/index.html>

- This report, updated every Friday, is a special version of the Network operation Plan supporting aviation response to the COVID-19 Crisis. It is developed in cooperation with the operational stakeholders ensuring a rolling outlook.

