Thursday, 30 July 2020

**Traffic Situation & Airlines Recovery**
- 14,911 flights on Wednesday 29 July (+5% with +736 flights compared to Wednesday 15 July) reaching 42% of 2019 levels. Since mid-July, we have observed significantly slower growth rates than at the beginning of July; the curve appears to be flattening.
- Traffic development in Europe in July is in line with the EUROCONTROL “coordinated” scenario for July.
- New cases in some countries have led to travel restrictions being continued or re-imposed. Likely to slow down the recovery (eg. UK imposing quarantine on travellers from Spain).
- Ryanair remains the busiest carrier with 895 flights on 29 July (+3% on 15 July) followed easyJet (610 flights, +83% owing to expansion out of UK), Turkish Airlines (602 flights, +6%), Air France (434 flights, -2%) and Wizz Air (429 flights, -14% following adaptations related to new travel restrictions).
- All-cargo flights slightly above 2019 levels. Business Aviation recovering fast (13% below 2019 levels, accounting for 14% of total traffic). Low-cost 65% below 2019 levels, recovering slightly faster than Traditional (68% below).
- The latest European Network Operations Plan 2020 Recovery Plan (published before the UK restrictions on Spain) expects traffic to reach 60% of the 2019 levels on peak days after mid-August.
- Once airlines have reflected the impact of the recent increases in new cases and associated travel restrictions/advice, then this will affect the forecasts in future versions of the Recovery Plan.
- IATA has stated that the *global* recovery will be slower than expected with passenger numbers not returning to 2019 levels until 2023 and RPKs not reaching this level until 2024.

**Traffic Flows & Country Pairs**
- The main traffic flow is the intra-Europe flow with 12,730 flights on 29 July. All traffic flows increased over the last 2 weeks except flows with Asia/Pacific and Middle-East.
- Domestic flows are still dominating: 8 of the top 10 flows are domestic. Double digit growth for flows from/to South Europe. Some domestic decreasing over the last two weeks (eg. Norway, Germany, France).

**Situation outside Europe**

**US**
- Domestic traffic is slightly improving since early June, stable on last week now 49% below 2019 levels on 19 July. International flows remains very low at some -79% except flows to/from Mexico.
- Three major US Carriers reported US$ 5.2 billion losses for Q2.

**Asia/Pacific**
- After a one-month hiatus (virus resurgence in Beijing area), Chinese domestic flights started to increase again, reaching 11,500 flights on 27 July, now only 20% below pre-COVID levels.
- Even if the volume of international flights in China is less important than the domestic one, the international traffic remained at 70% below pre-COVID levels since early March.
- Japanese airlines forced to reduce planned frequencies due to increase in new cases.

**Middle East**
- Both international and domestic flights are smoothly recovering in Middle-East area, with some signs of flattening.
- Traffic between Europe and Middle-East recorded a slight decrease over the last two weeks (-6%).

**Airport Information**
- Paris/CDG was the busiest airport with 720 flights (departures & arrivals) on 29 July, followed by Amsterdam and Frankfurt. Istanbul Grand and Palma de Mallorca now joined the top 5 airports.
- The number of passenger at ACI airports passed the 2-million bar during the 2nd half of July (still 79% below 2019 levels).
- Biggest European airlines reported load factors ranging between 50% and 70% for June 2020.
1. Traffic Situation and Airlines Recovery

- 14,911 flights on Wednesday 29 July, (+5% with +736 flights compared to Wednesday 15 July). This is 42% of 2019 traffic levels. Based on a 7-day moving average, a 57.4% decrease is recorded compared to 2019. Significant step change on 1st July for many airlines. Since mid-July, we observed much slower growth rates and even a flattening of these rates. Several countries in Europe experienced an increase in COVID cases which resulted in some travel restrictions/quarantine being sustained, or re-imposed (eg. UK-Spain).
NOP Recovery Plan (published before latest announcement by UK of quarantine for passengers from Spain):

- Based on the assumption that the States will continue to ease travel restrictions as announced, and due to the fact airlines started operating their revised Summer schedules, traffic was expected to approach 18,000 flights by the end of July, going up gradually to 20,500 flights in August and beginning of September. During the second half of August, the traffic would reach 60% of the traffic on peak days compared to 2019. A significant increase was expected for all parts of the European network with some areas reaching up to 70% of the 2019 traffic. The traffic outlook was impacted to a certain extent by new restrictions being added over the past two weeks.

- Once airlines have reflected the impact of the recent increases in new cases and associated travel restrictions/advice, then this will affect the forecasts in future versions of the Recovery Plan.

- Ryanair was by far the airline having the highest number of flights with 895 flights on Wednesday 29 July. This corresponds to a 3% increase on Wednesday 15 July, meaning that Ryanair has operated roughly the same traffic volumes over the last two weeks. Easyjet, the 2nd largest European carrier in terms of number of flights, has posted an 83% increase as the airline has largely expanded from/to UK but also its domestic flights in France and Italy.

- The busiest traditional carriers have been operating the same traffic levels too, reporting either modest growth rates or slight declines compared to two weeks ago: Turkish Airlines (602 flights, +6%), Air France (434 flights, -2%), Lufthansa (417 flights, +3%), SAS (295 flights, +4%), KLM (229 flights, -2%).
• The airlines adding the highest number of flights, when comparing Wednesday 29 July with the same day two weeks ago, were: easyJet (+83%, adding 277 flights) followed by Volotea (+69% adding 96 flights), Pegasus (+31%, adding 65 flights), Transavia (+98%, adding 48 flights).

• Carriers operating in Morocco (after the restart of domestic traffic and some international flows) recorded high growth rates too (e.g. Royal Air Maroc +80%). On the other hand, we note declines (when comparing Wednesday 29 July with Wednesday 15 July) for Wizz Air (-14%, 70 flights less). Wizz Air operated some changes and reduced its number of flights on specific flows (eg some flows from/to Poland or Romania) adapting to the new travel restrictions.

• Global Passenger forecast: IATA released an updated global passenger forecast. In the base scenario, passenger traffic (RPK) will not return to pre-COVID-19 levels until 2024 while passenger numbers are not expected to return to 2019 levels before 2023. Both forecasts (RPK and pax) show a recovery a year later than previously projected. This is explained by slow virus containment in the US and developing economies, reduced corporate travel, weak consumer confidence (IATA, 28 July 2020).

• News from key European airlines and airports:
  o Aegean Airlines aims to restore 50% of its normal network from August
  o Brussels Airlines received €290 loan from Belgium Government
  o Condor planning to resume some long haul routes in early October
  o easyJet reopening its Bordeaux base on 2 August with plans to increase its services from Bordeaux to 60% of scheduled levels.
  o Jet2.com suspends services to Faro, mainland Spain, the Balearics and the Canaries (but will operate flights back to the UK)
  o Finnair reports €267 million operating loss in H1 2020
  o Iberia is reported to be close to agreeing the acquisition of Air Europa at a price half that originally envisaged.
  o LOT Polish Airlines scheduling some long haul services from November
- **Ryanair Holdings** reports loss (after tax) of €185 million in April to June 2020 with the number of passengers falling from 42 million to 0.5 million. It hopes to receive up to 40 737 MAX aircraft before the summer of 2021.

- **TAP** announces approx. 500 weekly flights in August on 66 routes and close to 700 in September on 76 routes – which represents around 40% of TAP’s pre-COVID19 operations.

- **TUI UK** suspends mainland Spain services

- **Turkish Airlines** resuming services to Guangzhou and to San Francisco, delays reopening service to Newark

- **Wizz Air** launching 14 Ukraine-Italy services (with some starting from 14 August) as well as services from Ukraine to Hungary and Germany; expanding Varna base with third aircraft and nine new services.

- **Frankfurt Airport** reports passengers down 79.7% in the week 20-26 July, with aircraft movements down 66.1%.

- **Groupe ADP** reports EBITDA of €39 million for H1 2020, 95% down on last year. It does not expect a return to 2019 traffic levels until between 2024 and 2027.

- Based on traffic levels, the ranking of States is progressively getting back to the ranking before COVID. Top 5 busiest States\(^1\) includes Germany (+3%), France (+7%), UK (+15%), Spain (+11%) and Italy (+6%). The previously noticeable increase in Southern States (over two weeks) is still observed but to a lesser extent: Turkey (+17%), Greece (+15%), Portugal (+11%) and Spain Canarias (+9%).

\(^1\) excluding overflights.

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**States (Dep/Arr flights)**
Traffic on Wed 29-07-2020 and evolution compared to Wed 15-07-2020

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- **Overall situation against EUROCONTROL traffic scenarios:** July traffic is in line with the EUROCONTROL traffic scenario of 24 April. The traffic for the 1-29 July 2020 period is 61% below the same period in 2019.

![EUROCONTROL Draft Traffic Scenarios](image)

- When considering market segments, while all-cargo flights remained stable during the crisis, business aviation is recovering faster being only 9% below 2019 levels (representing 14% of total flights on 25 July). Low-cost and traditional flights (~72% of the total) are respectively 64% and 68% below 2019 traffic levels.

![Market segments in EUROCONTROL Network](image)
2. Traffic Flows & Country Pairs

- The major traffic flow is the intra-Europe flow with 12,730 flights on 29 July. All traffic flows increased over the last 2 weeks except flows with Asia/Pacific and Middle-East. Traffic levels on flows between Europe and North-Atlantic increased by 8% but intercontinental traffic levels are still 74% below 2019 levels. Traffic levels between Europe and North-Africa have significantly increased (+35%) owing notably to the restart of traffic in Morocco (domestic) and Egypt. Intra-Europe flights increased by 5% but are still -53% vs 2019.

<table>
<thead>
<tr>
<th>REGION</th>
<th>15-07-2020</th>
<th>29-07-2020</th>
<th>%</th>
<th>vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intra-Europe</td>
<td>12,167</td>
<td>12,730</td>
<td>+5%</td>
<td>-53%</td>
</tr>
<tr>
<td>Europe&lt;-&gt;Asia/Pacific</td>
<td>302</td>
<td>298</td>
<td>-1%</td>
<td>-63%</td>
</tr>
<tr>
<td>Europe&lt;-&gt;Mid-Atlantic</td>
<td>40</td>
<td>43</td>
<td>+8%</td>
<td>-74%</td>
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<tr>
<td>Europe&lt;-&gt;Middle-East</td>
<td>428</td>
<td>409</td>
<td>-4%</td>
<td>-77%</td>
</tr>
<tr>
<td>Europe&lt;-&gt;North Atlantic</td>
<td>345</td>
<td>373</td>
<td>+8%</td>
<td>-74%</td>
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<td>Europe&lt;-&gt;North-Africa</td>
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<td>-79%</td>
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<tr>
<td>Europe&lt;-&gt;Southern Africa</td>
<td>125</td>
<td>150</td>
<td>+20%</td>
<td>-54%</td>
</tr>
</tbody>
</table>

ECAC = 44 European States.
Domestic flows are still the most active flows (i.e. 8 of the top 10 flows are domestic). Like last week, some of these domestic flows started to record decreases (France, Norway, Germany). The flows between Spain (cont. & islands) and UK recorded important increases over the last 2 weeks (+37%) but this was prior to the UK Government imposing\(^2\) a quarantine on passengers from Spain (incl. Balearic and Canaries). The exceptional growth between Greece and UK is explained by the recent restart of the flow (from 66 flights on 15 July to 125 flights on 29 July).

\(^2\) see Jet2.com and TUI UK announcements above.
3. Situation outside Europe

- **United-States:** After a significant drop of traffic in the US by the end of March, US domestic traffic has slightly improved since early June with a noticeable step change on 1\textsuperscript{st} July reaching -49% of 2019 in week ending July 26. International flows remain low at -79% except flows to/from Mexico.

After a significant drop of traffic in the US at all airports at the end of March, a timid recovery can be noted for New York JFK, San Francisco, Seattle and Los Angeles. Interestingly, Dallas FW and Atlanta seem to have experienced the same step change as in Europe from 1\textsuperscript{st} of July. These data are based on OpenSky Network ADSB data.

- **China:** The number of domestic flights collapsed from end-January (~14,000 flights) and started recovering since end-February. This smooth recovery has been hindered mid-June as virus resurgence in Beijing areas (see below) led to a drop and then, a stagnation of traffic levels for
roughly one month. Very recently, Chinese domestic flights started to increase again, reaching 11,504 flights on 27 July only 18% below pre-COVID levels. The number of international flights remained stable over the same period (with 1,161 flights, i.e. 70% below pre-COVID levels). The same is true for overflights (464).

Details at airports level in China illustrate the significant and quick drop of traffic mid-June due to the local COVID-19 outbreak at Beijing Capital and Daxing airports. Chengdu and Guangzhou were slightly impacted too, but to a limited extent. Since early July, the number of flights at affected airports is picking up again.
**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 slowly recovering reaching 1,011 flights on 27 July, International traffic follows the same path (845).

Traffic at main Middle-East airports is slowly recovering since mid-April but remains far below the situation before COVID-19. Riyadh and Jeddah showed a strong increase on 1st of June followed by a more limited one on 1st of July. Riyadh is still 60% below pre-COVID levels.
News and Plans for key worldwide airlines/airports:

**Russia**
- **Aeroflot** to resume London and Istanbul services from August.
- **Russia’s International Airports Association** reported passengers at the country’s largest airports decreased 40% year-on-year on 18/19 July, compared to a decrease of 90% in May and April – and 76% in June.

**US**
- **OAG** reports US scheduled capacity remains steady.
- **United Airlines** reports $1.6 billion operating loss in Q2 2020.
- **American Airlines** reports $2.5 billion operating loss in Q2 2020.
- **Southwest Airlines** reports $1.1 billion operating loss in Q2 2020.

**Middle East, India& Africa**
- **Emirates** resuming services to Stockholm from 1 August.
- **Emirates** to resume services to Nairobi, Baghdad and Basra in August.
- **South African Airways** continuing to reduce the size of its fleet, returning another four aircraft to lessors.
- **Air India** operating repatriation flights from Australia and US in August.

**Asia/Pacific**
- **CAAC** reports Chinese airports pax down 52.6% y-o-y in May 2020. However, on 23 July flight frequencies were 80% of pre COVID-19 levels, with 1.27 million passengers and a load factor of 73.6%.
- **China Eastern Airlines** stated its daily domestic frequencies increased from a low of 200 during the peak of coronavirus pandemic, to 2000 as of mid Jul-2020, which is 80% of its normal capacity and expects to recover to 94% of normal capacity by the end of July. Together with Shanghai Airlines, it will operate 22 international services in August, including flights to Heathrow, Amsterdam, Paris CDG, and Frankfurt.
- **JAL** reducing its planned domestic frequencies in August due to increase in new cases.
- **ANA** reduces planned frequency in August from the planned level of 88% to 77%.

4. **Airport Information**
- Paris CDG was the busiest airport with 720 dep/arr flights on 29 July, followed by Amsterdam and Frankfurt. On Wednesday 29 July, these airports recorded however 53% (CDG) and 65% (AMS and FRA) less traffic than the same day last year.
- Istanbul Grand and Palma de Mallorca (+17%) have now joined the top five airports (instead of London Heathrow and Athens, a week ago).
- Some dynamic growth for many airports but particularly for southern Europe airports like Palma de Mallorca (+17%), Istanbul Sabiha (+33%), Malaga (+24%), Antalya (+38%) still record solid growth over two weeks…but these are subject to change with the recent travel restrictions for some States (eg Spain).
After having reached an all-time low value of 60,356 passengers at European airports on 18 April (i.e. -99% compared to 2019), the number of passenger has started to increase again. During the second half of July, the number of passenger at ACI airports passed to 2 million passengers bar and amounted to ~2.15 million on 19 July (still 78% below 2019 levels).

**European Load Factors:** some airlines have posted load factors for June 2020 ranging from 52% (SAS and Wizz Air) to 67% (Turkish Airlines) or 71% (Pegasus). Ryanair reported 61%, being 35 percentage point below its June 2019 levels.\(^3\)

\(^3\) Ryanair is reporting Load Factors based on seats sold, not passengers on board.
5. Economic

- **Fuel Price**: After having been at around 200 US cents per gallon (cts/gal) at the beginning of 2020, the jet fuel price dropped to a low of 41 cts/gal on 24 April. Since then, together with the traffic recovery, the jet fuel price has been risen again and it remained just above 100 cts/gal in July.

- **GDP forecast**: GDP forecast for Europe has slightly been revised downwards for Q2 2020.
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](http://www.eurocontrol.int/Economics/DailyTrafficVariation) (or via the COVID-19 button on the top of our homepage [www.eurocontrol.int](http://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](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](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.