

Wednesday, 19 August 2020

Traffic Situation & Airlines Recovery

- 15,871 flights on Tuesday 18 August (+1.3% and +206 flights compared to Tuesday 4 August) reaching 45% of 2019 levels.
- Friday 14 August was peak traffic day since 18 March with 18,244 flights, 51% of the 2019 levels.
- Despite noticeable schedules increases recorded on holiday destinations as of the beginning of August, the steady traffic increase has now stopped since the 7th of August and there is increased uncertainty with regard to September/October period as a result of recent airline announcements (e.g. Ryanair and easyJet) to reduce capacity due to the introduction of State restrictions.
- Traffic to Mediterranean destinations (Spain, Italy, Greece and Turkey) is now stable after previous growth.
- Ryanair remains the busiest carrier with 1,450 flights on 18 August (+0% on 4 August) followed by easyJet (896 flights, +3%), Turkish Airlines (621 flights, -3%), Wizz Air (532 flights, +2%), Air France (431 flights, +7%) and Lufthansa (421 flights, -4%). SAS recorded the biggest growth with +17%.
- Traffic in Europe in August (-52%) is currently in line with the EUROCONTROL “coordinated” scenario.
- Business Aviation reached 2% above 2019 levels on 15 August. All-cargo stable at 12% above last year’s levels. Low-cost and Traditional stable while Charter increased to -52% over the last week.
- The latest European NOP 2020 Recovery Plan (published on Fri 14 August) had indicated that traffic could potentially be close to 60% of the 2019 levels on peak days in September. However, there is an increased chance of this projection being downgraded as it is highly dependent on the evolution of State restrictions which are now being imposed/re-instated.

Traffic Flows & Country Pairs

- The main traffic flow is the intra-Europe flow with 13,641 flights on 18 August. Traffic flows between Europe and Russia Federation drastically increased over the last 2 weeks (+373%).
- Domestic flows are still dominating (8 of the top 10 flows). Stabilization of the flows to Mediterranean countries. Domestic flows within Sweden increased by 28% to reach 178 flights on 18 August. The flow between UK and Spain decreased by -13% compared to 2 weeks ago.

Situation outside Europe

US	<ul style="list-style-type: none"> • Domestic traffic is stable on last week, ie -46% below 2019 levels on week ending on 9 August. • International flows remain very low at some -77%, except flows to/from Mexico.
Asia / Pacific	<ul style="list-style-type: none"> • Chinese domestic flights, while affected by Hagupit Typhoon early August, are now -25% below pre-COVID levels (20/01/2020), reaching 10,691 flights on 16 August. • No indication of international traffic recovering since early-March (72% below pre-COVID levels).
Mid-East	<ul style="list-style-type: none"> • Both international and domestic flights are smoothly recovering in the Middle-East area, with some continued signs of flattening.

Airport Information

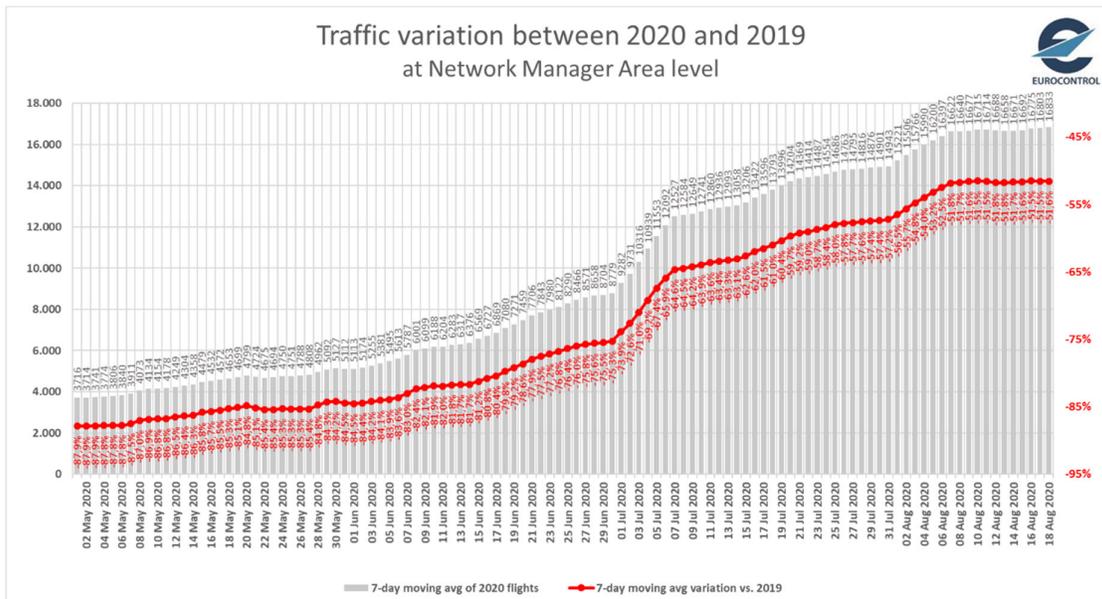
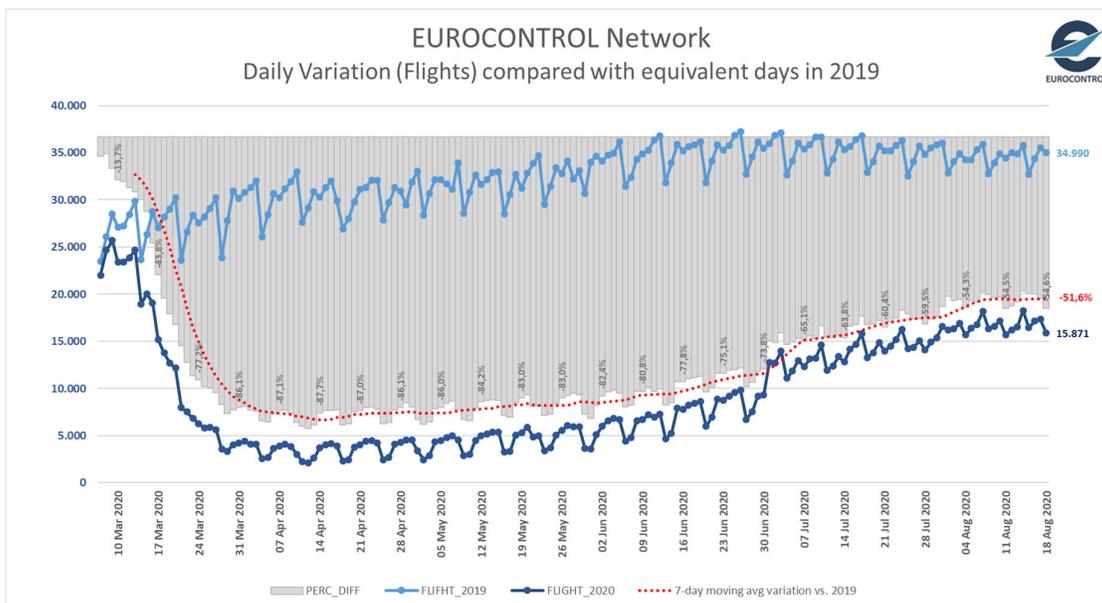
- Amsterdam was the busiest airport with 713 flights (departures & arrivals) on 18 August, followed by Paris CDG (669), Frankfurt (486), Athens (449), Madrid (437) and Istanbul Grand (427).
- Most airports showed a limited growth (and even negative for some) compared to 2 weeks before with the exception of Antalya (+43%) mainly due to restoration of flows from/to Russia.
- In July, passenger traffic across the ACI European airports declined by 78% (vs same month in 2019). The recovery at airports (passenger) is slower than what was initially expected by the association.

Economic

- **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 reach 255M€ for July flights (-69% compared to plan). It must be noted that this increase is smaller in relative terms than for IFR flights (-61%) due to the increase of narrow body flights (and thus flights with lower weight).

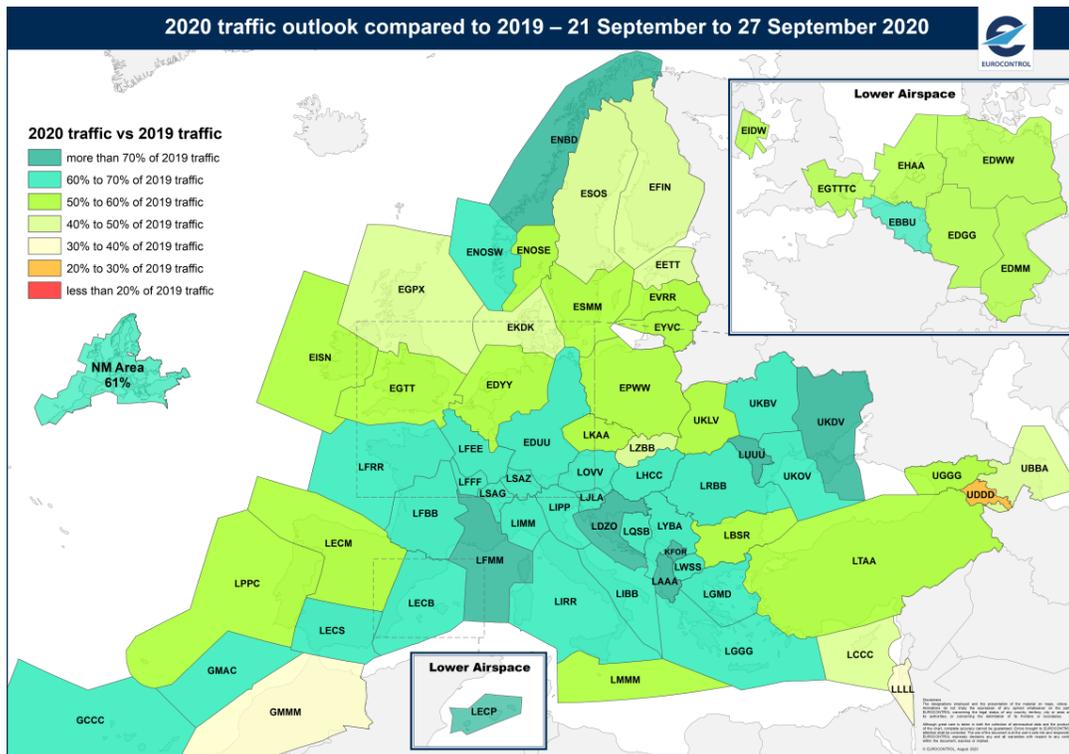
1. Traffic Situation and Airlines Recovery

- 15,871 flights on Tuesday 18 August, (+1.3% with +206 flights compared to Tuesday 4 August). This is 45% of 2019 traffic levels. Based on a 7-day moving average, the decrease is 51.6% compared to 2019 which is now stable since 7 August.
- After a significant step change on 1st July for many airlines, the first days of August showed a step change too but much more limited. However, the steady traffic increase which was started on mid-April has now stopped since the 7th of August and there is increased uncertainty with regard to September/October period as a result of recent airline announcements (e.g. Ryanair and easyJet) to reduce capacity due to the introduction of State restrictions.
- Friday 14 August was a peak day (18,244 flights), and traffic levels reached above 51% of 2019 levels for the first time since 18 March.



NOP Recovery Plan (dated 14 August):

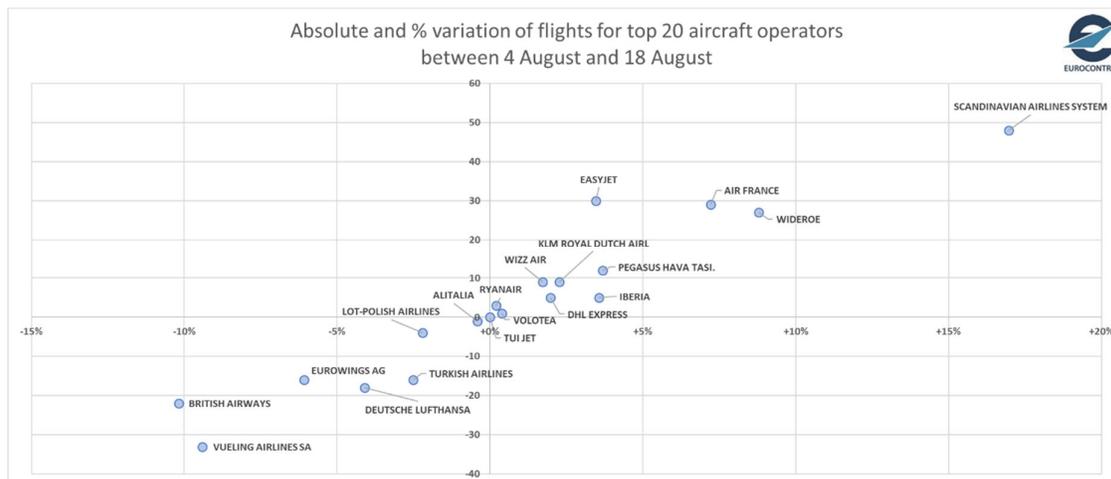
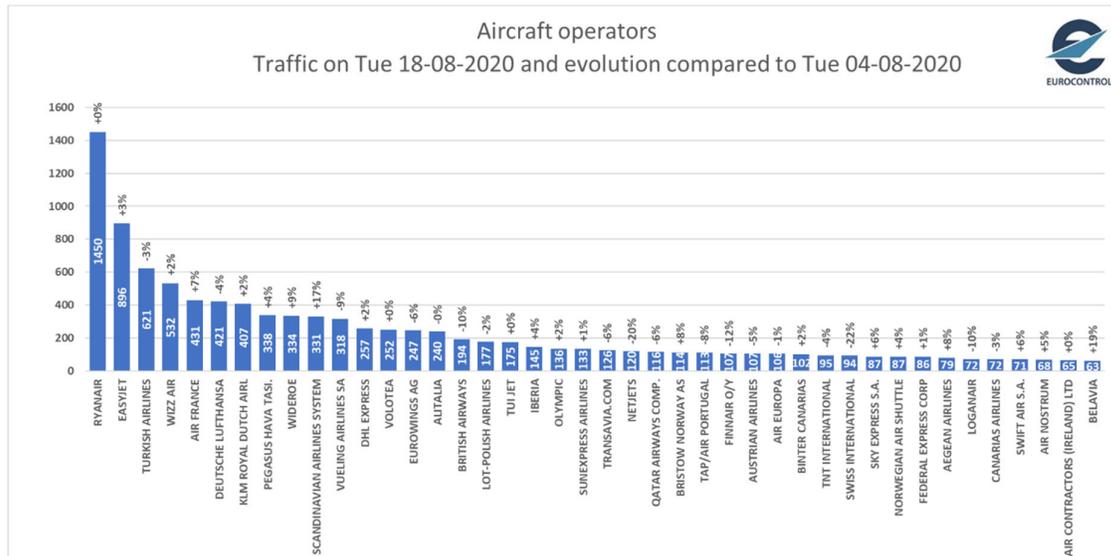
- The latest European NOP 2020 Recovery Plan (published on Friday 14 August) had indicated that traffic could reach up to 20,500 flights for some peak days in August, and may potentially go higher than 22,000 flights on some peak days in September 2020 (or close to 60% of the 2019 levels). It remains highly dependent on the evolution of State restrictions.
- However, due to more recent airline announcements (e.g. Ryanair plan to reduce capacity by 20%), there is an increased chance of this projection being downgraded as it is highly dependent on the evolution of State restrictions which are now being imposed/re-instated.



- General stabilisation of the traffic for most airlines. Ryanair was, by far, the airline with the highest number of flights with 1,450 flights on Tuesday 18 August but with a similar level as on Tuesday 4 August. easyJet, the 2nd busiest operator with 896 flights on 18 August, increased its capacity by 3% (on Tuesday 4 August).
- The traffic for other Low-cost carriers stabilized too over the last two weeks, with Pegasus (+4%), Vueling (-9%), Eurowings (-6%), Wizzair (+2%), Volotea (+2%) and Wideroe (+9%).
- Compared to two weeks ago, SAS is the traditional carriers which has most increased its capacities (+48 flights, +17%). Air France has increased by 7% adding 29 flights, KLM (+2%, adding 9 flights) and Iberia (+4%, adding 5 flights). On the other side, Turkish airlines (-3%), Lufthansa (-4%) and British airways (-10%) reduced their capacity.
- Airlines adding the highest number of flights, when comparing Tuesday 18 August with the same day two weeks ago, were: SAS (adding 48 flights) followed by easyJet (+30 flights), Air France (+29 flights), Wideroe (+27 flights), Pegasus (+12 flights) and Belavia (+10 flights).

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News from key European airlines:

- **Ryanair** reducing capacity by 20% during September and October as booking weaken, with a particular focus on Spain, France and Sweden
- **Volotea** delaying launch of two routes from the summer to October/December
- **British Airways** achieves agreement in principle with unions at Heathrow; resuming services to Bridgetown, Tel Aviv and Islamabad
- **Finnair** reducing frequency on European network in September (compared to August) – as a result of lower than expected demand
- **LOT Polish Airlines** postponing the resumption of some services (Belgrade, Skopje, Yerevan, Podgorica & Russia) following Poland's extension of ban on air services to certain countries
- **TUI** reports forward bookings for summer 2021 are very promising – significantly higher than 2019 bookings for 2020. Announces details of compensation agreement with Boeing – including the deferral of 61 deliveries of 737 MAX aircraft
- **easyJet** completes a sale and leaseback programme for 23 aircraft, raising £608million

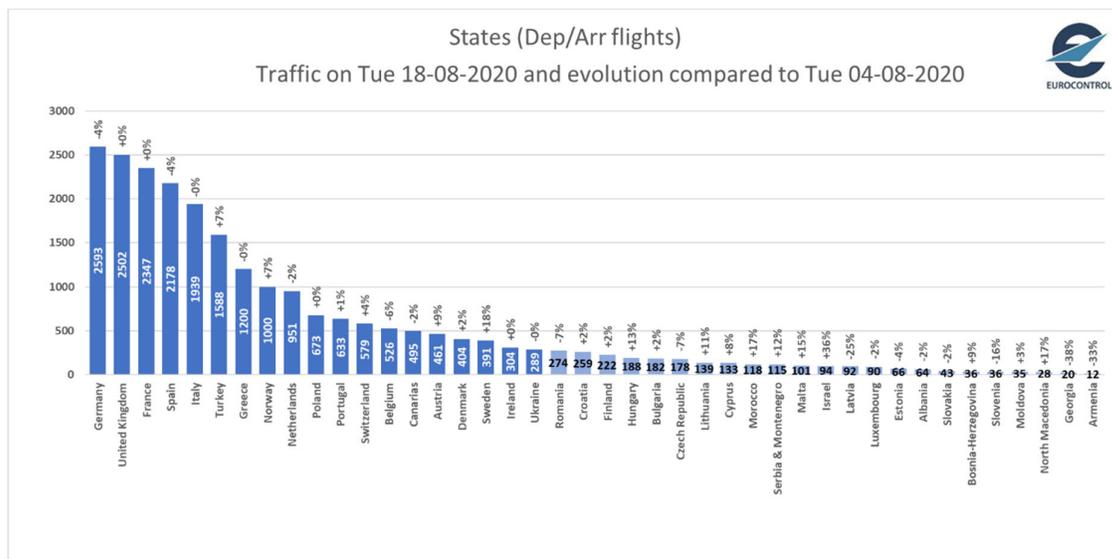


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- **Wizz Air** expanding Latvian operations from October and introducing services between Lviv and Rome/Madrid
- **Turkish Airlines** reports an operating loss of H1 2020 of \$442 million; postpones services to Newark & Vancouver to October
- Based on traffic levels, the Top 5 busiest States¹ is unchanged from one week to another and includes Germany (-4%), UK (+0%), France (+0%), Spain (-4%), Italy (-0%) and Turkey (+7%). Flows between North-West Europe and Southern Europe have stabilized over the last 2 weeks. Over the top 20 States, only Sweden recorded a double-digit increases in flight growth compared to two weeks ago.



¹ excluding overflights.

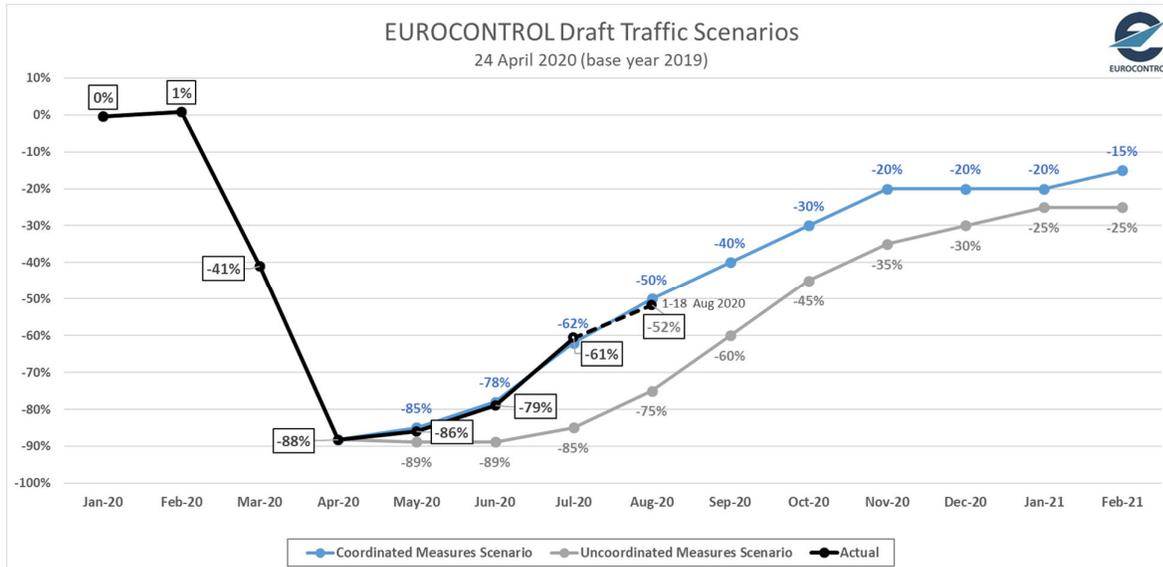


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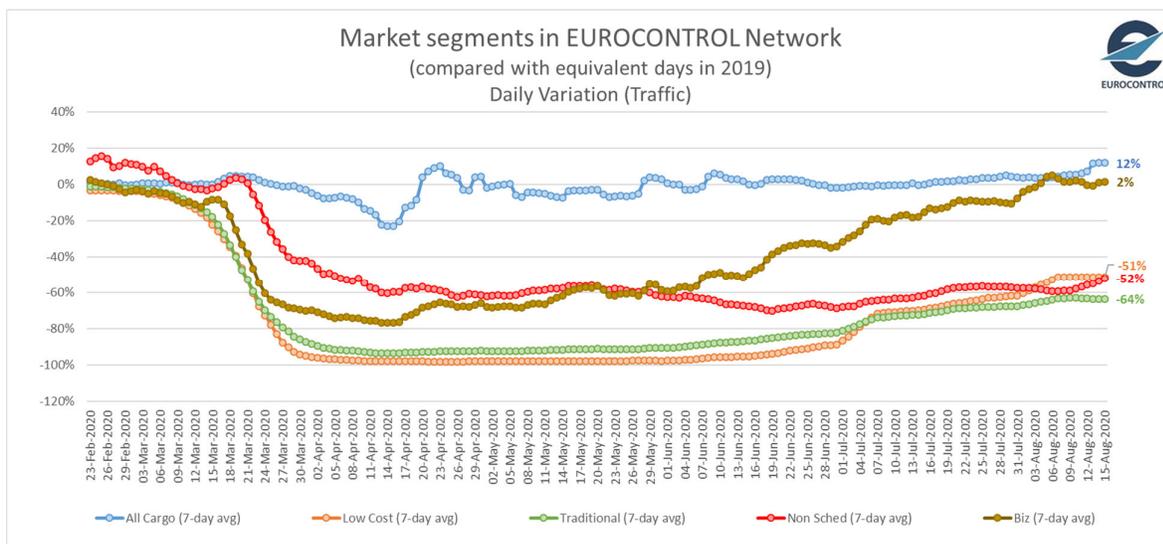
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- Overall situation against EUROCONTROL traffic scenarios:** The number of flights for the first 18 days of August 2020 was 52% below 2019 levels and is currently in line with the EUROCONTROL traffic scenario of 24 April. ("Coordinated Measures Scenario").



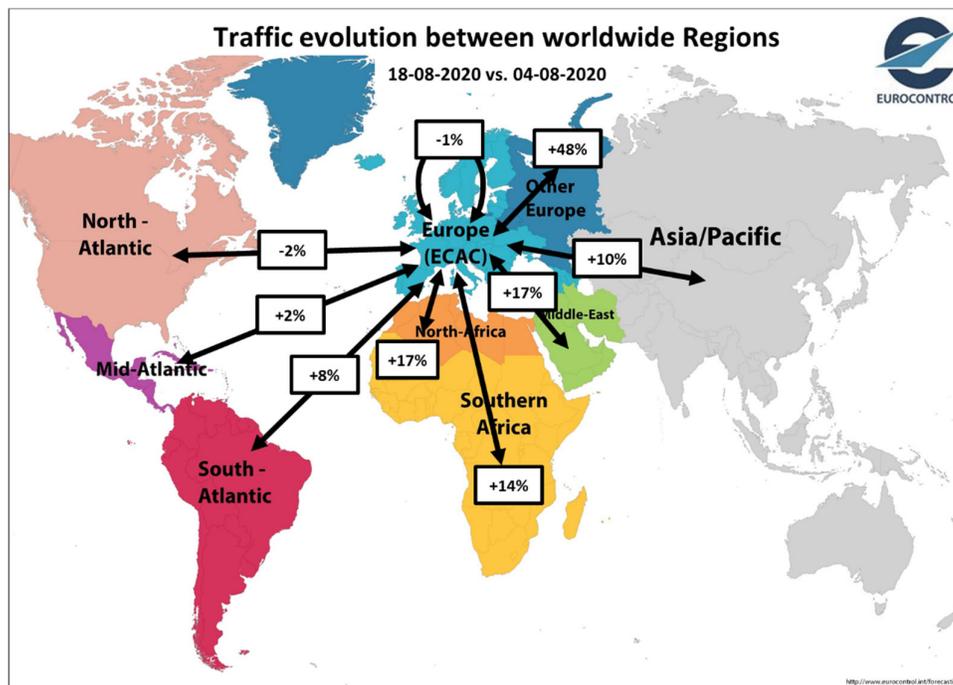
- When considering market segments, the Business Aviation flights are now above the 2019 levels (+2%). This recovery is specific to the fact that, since the restart, the BizAv operators have been attracting a new clientele, ready to pay a little bit more to fly from less crowded airports and less busy aircraft in order to minimise health risk concerns. All-cargo flights remained quite stable during the crisis and are now 12% above the 2019 levels (on 15 August).
- Low-cost recorded a faster recovery (-51% vs 2019) than the other two segments (Traditional: -64% and Charter: -52%) over last week. However, both Low-cost and Traditional have shown a plateau over the last 2 weeks while Charter started to increase again.



2. Traffic Flows & Country Pairs

- The major traffic flow is the intra-Europe flow with 13,641 flights on 18 August, which decreased by -1% when compared to two weeks before (on 4 August).
- Traffic flows between Europe and “Other Europe” (mainly Russian Federation) recorded a 48% increase within the last two weeks. The North Atlantic flow decreased by -2% while the other major flows recorded a 2 digit increase with North Africa (+17%), Middle-East (+17%) and Asia/Pacific (+10%). The flows with North-Atlantic, Middle-East and Other Europe have similar traffic levels and are the main partners with Europe.

REGION	04-08-2020	18-08-2020	%	vs. 2019
Intra-Europe	13.724	13.641	-1%	-49%
Europe<->Asia/Pacific	241	266	+10%	-67%
Europe<->Mid-Atlantic	50	51	+2%	-69%
Europe<->Middle-East	319	372	+17%	-79%
Europe<->North Atlantic	382	374	-2%	-73%
Europe<->North-Africa	248	289	+17%	-76%
Europe<->Other Europe	231	341	+48%	-73%
Europe<->South-Atlantic	37	40	+8%	-80%
Europe<->Southern Africa	136	155	+14%	-49%



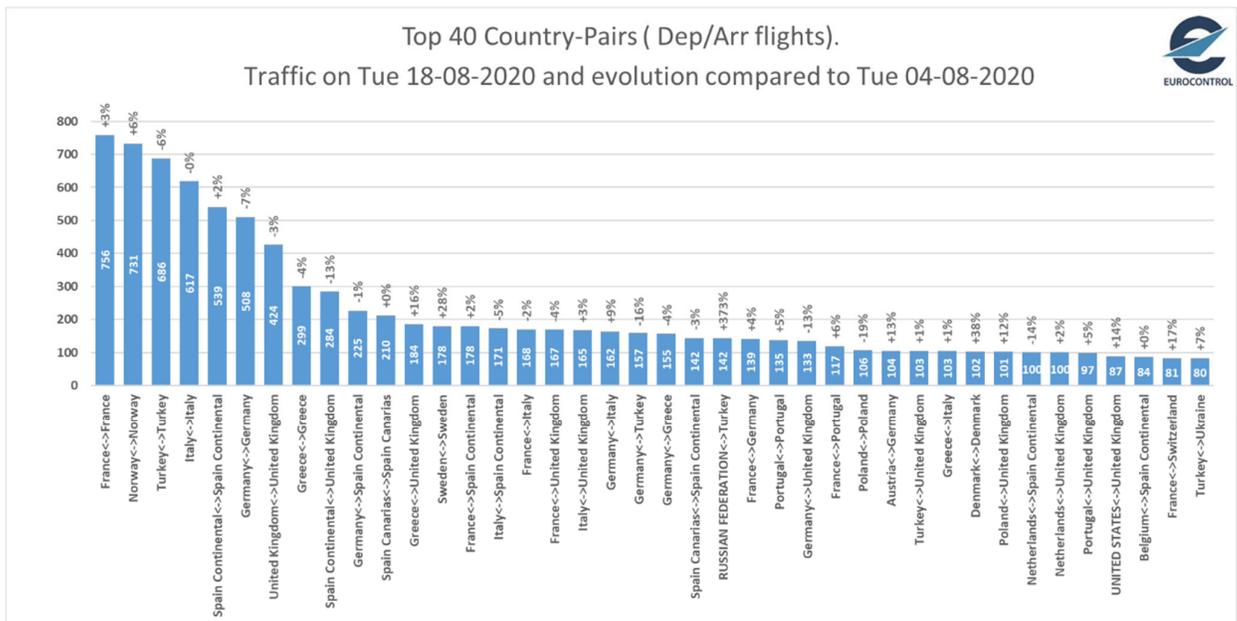
ECAC = 44 European States.

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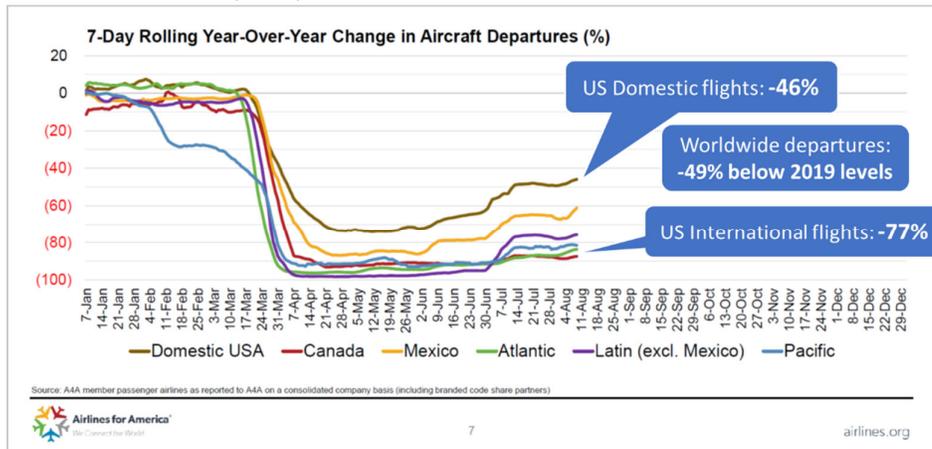


- Domestic flows are still the most active flows (i.e. 8 of the top 10 flows are domestic).
- The flow between UK and Spain (-13%) is one of the busiest non domestic flows and started to decrease compared to 2 weeks ago. Other flows with Spain (Germany -1%, France +3%) were also stabilizing while the flow between UK and Greece showed a +16% increase.
- As noted previously, the domestic flows within Sweden increased by 28% to reach 178 flights on 18 August.
- As noted previously, flow between Russian Federation and Turkey increase by +373%, owing to the restart of the Russian flows.

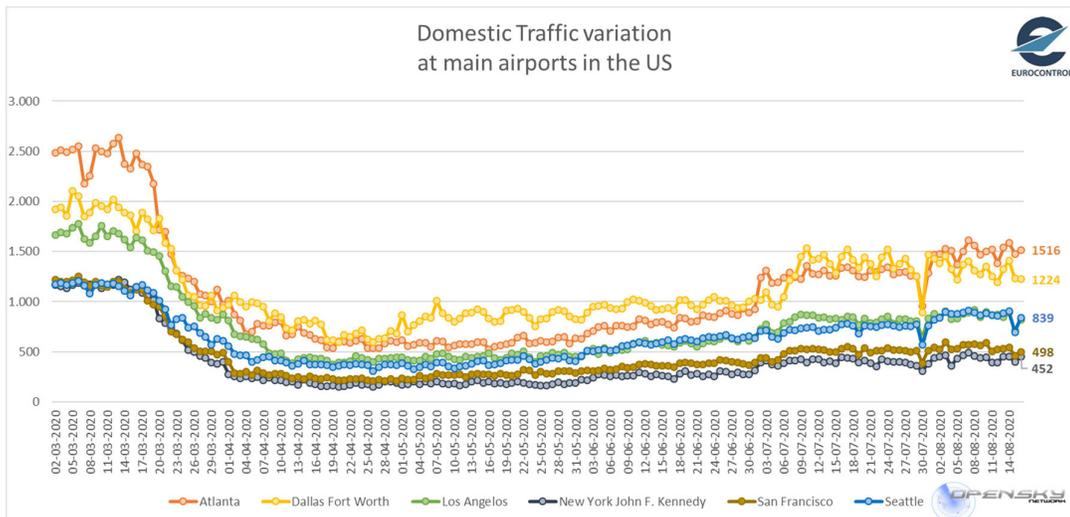


3. Situation outside Europe

- 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 1st July. The domestic flow remained on a plateau at -46% of 2019 for July. International flows remained low at -77% except flows to/from Mexico (-60%).



- After a significant drop of traffic in the US at all airports at the end of March, a recovery has been recorded for the biggest US airports. Dallas FW and Atlanta have experienced some of the same step change as in Europe from 1st of July. Very slow increase since then for these airports, except maybe for Atlanta which recorded a small step change early August. But the data are difficult to read due to the drop on 30 July (impact of weather restrictions across the shown airports). These data are based on OpenSky Network ADSB data.



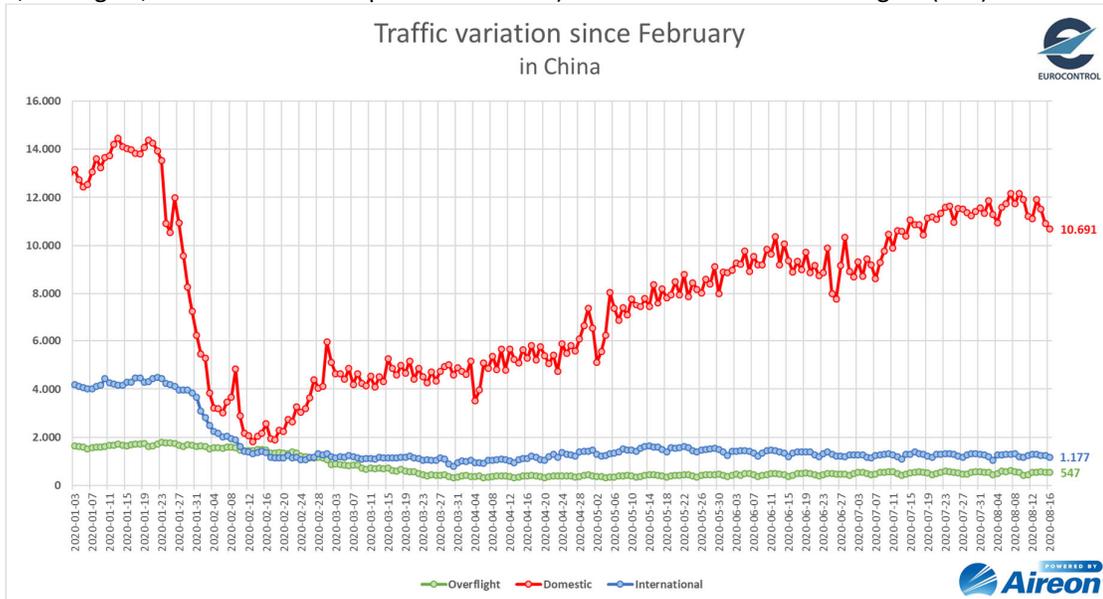
- China:** The number of domestic flights collapsed from end-January (~14,000 flights) and started recovering since end-February. This smooth recovery has been hindered mid-June as virus resurgence in Beijing areas (see below) led to a drop and then, a stagnation of traffic levels for roughly one month. Very recently, Chinese domestic flights started to decrease to 10,691 flights after having reached a maximum of 12,168 flights on 9 August only 13% below pre-COVID levels. Domestic traffic was slightly affected early August with the effect of Typhoon Hagupit, hitting the

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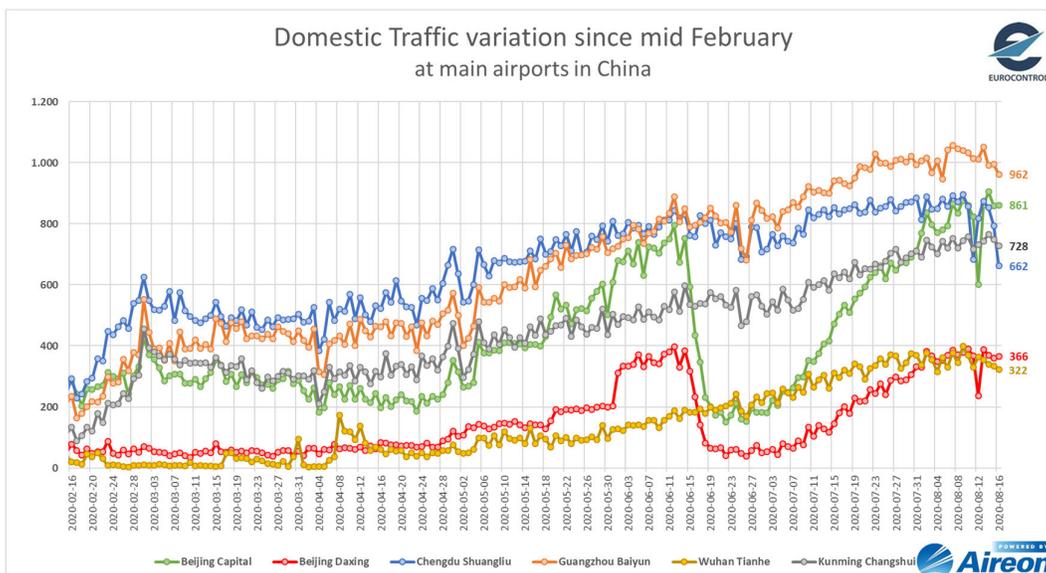
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Eastern coast. The number of International flights remained stable over the same period (with 1,177 flights, i.e. still 70% below pre-COVID levels). The same is true for overflights (547).



- Details at airports level in China illustrate the sudden drop of traffic mid-June due to the resurgence of COVID-19 outbreak at Beijing Capital and Daxing airports. Both airports are now back to mid-June levels. The five other airports shown in the graph are slowly increasing to pre-COVID levels. Shanghai Pudong was the airport the most affected by the Typhoon.

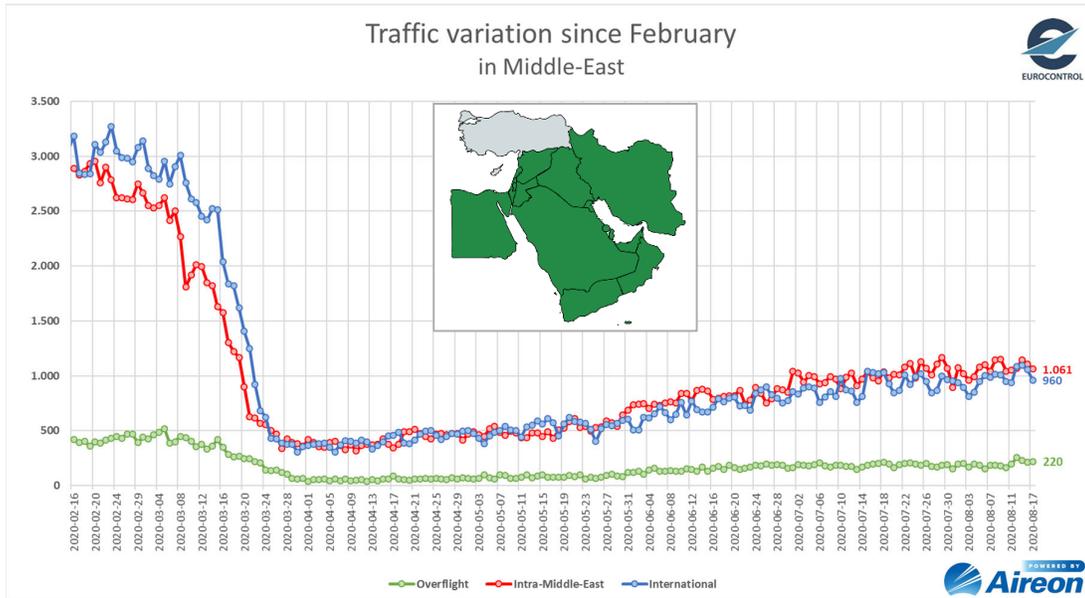


- **Middle East:** International and intra-Middle-East traffic dropped quickly around mid-March from some 3,000 flights a day to ~400. Since the beginning of April, Intra-Middle-East traffic has been increasing slowly reaching 1,061 flights on 17 August. International traffic has been recovering at the same levels as domestic from early April but is slightly lagging behind (960 flights per day on 17 August). Some travel restrictions are still in place for international flows.

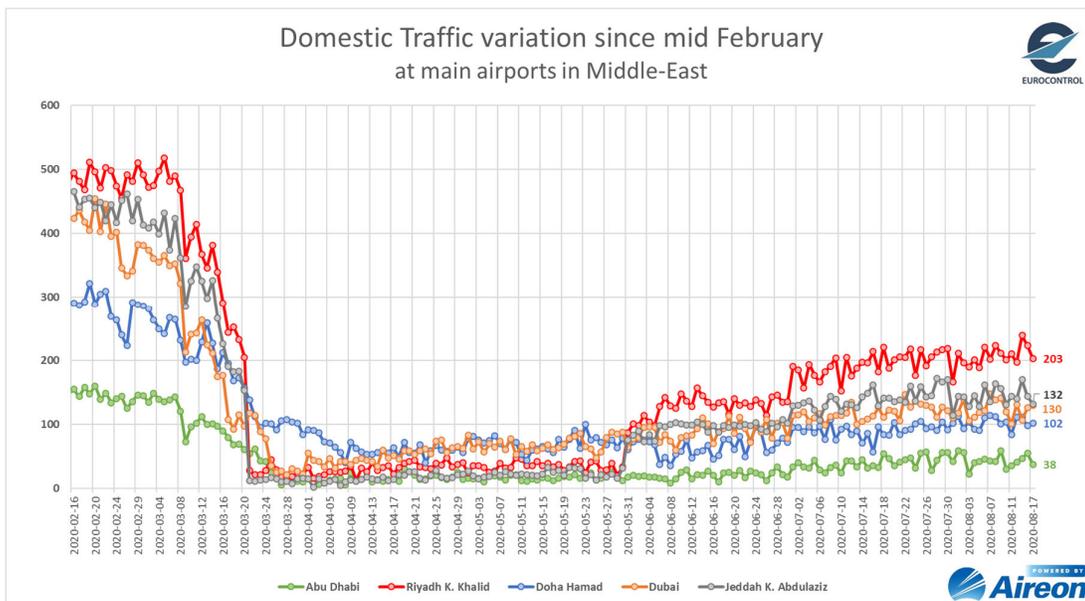


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- Traffic at main Middle-East airports has been slowly recovering since mid-April but remains far below the situation before COVID-19. Riyadh and Jeddah showed a strong increase on 1st of June followed by a more limited one on 1st of July but remained pretty stable since then.



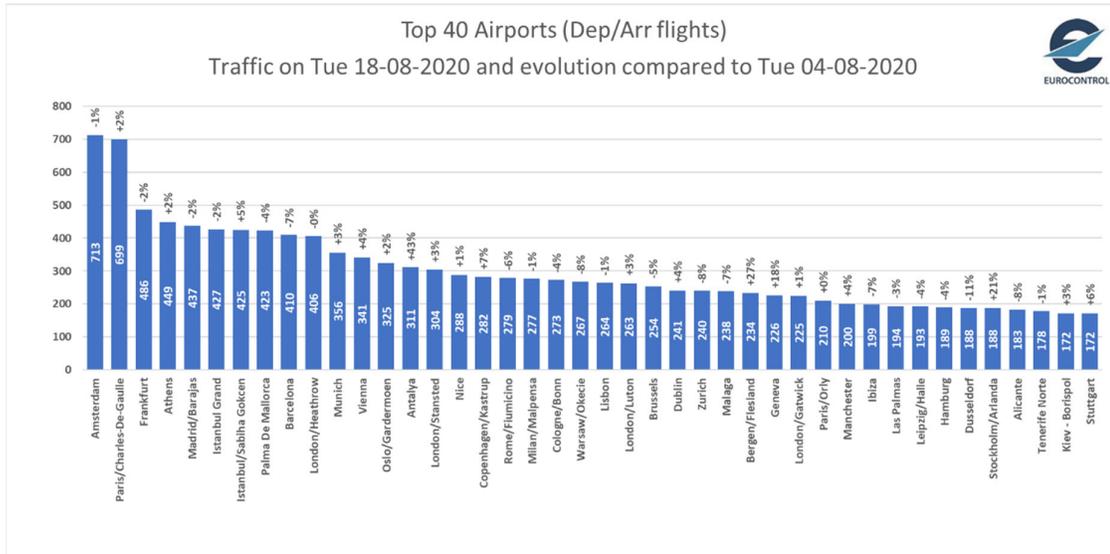
News and Plans for key worldwide airlines:

- Singapore Airlines** to resume Singapore/Istanbul service
- Cathay Pacific Group** reports an operating loss of \$1.1 billion for H1 2020
- United Airlines** adding up to 28 daily services in winter 2020 in response to demand
- ANA** to suspend 45% of planned domestic frequencies in September
- PIA** has its appeal against a six month EU ban rejected; now resuming services using aircraft chartered from Hi Fly



4. Airport Information

- Amsterdam is the busiest airport with 713 Dep/Arr flights on 18 August, followed by Paris CDG (699), Frankfurt (486), Athens (449), Madrid (437) and Istanbul Grand (427). Most airports posted a limited growth compared to 2 weeks before with the exception of Antalya (+43%) mainly due to restoration of flows from/to Russia. This ranking is in line with pre-COVID one but number of flights at these airports is nevertheless between 50%-60% below 2019 levels.



News and Plans for key airports:

- Antalya Airport** received 80 aircraft from Russia on 11 August (>23,000 Russian tourists) as services resumed
- London Heathrow** reports 860k passengers in July – 88% down on last year
- Istanbul Airport (IGA)** becomes the first airport to be accredited under ACI's new health accreditation programme.
- CAAC** reports that for 24 airports in northwest China in July, passengers were down 25.9% y-o-y, while aircraft movements were down 17.1%
- Brussels, Amsterdam and Stavanger airports** establishing COVID-19 testing centres
- ACI** reported on 7 August that, at passenger level, “[...] the traffic recovery has been slower than expected”. In July, passenger traffic across the European airport network declined by 78% (vs same month in 2019).
- 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 the bar of 2 million and reached 2.66 million on 2 August, still 69% below 2019 levels. On 2 August, France and Italy seemed to be recovering faster (resp. -61% and -62% below 2019) than Germany and UK (resp. -72% and -76% below 2019 levels).

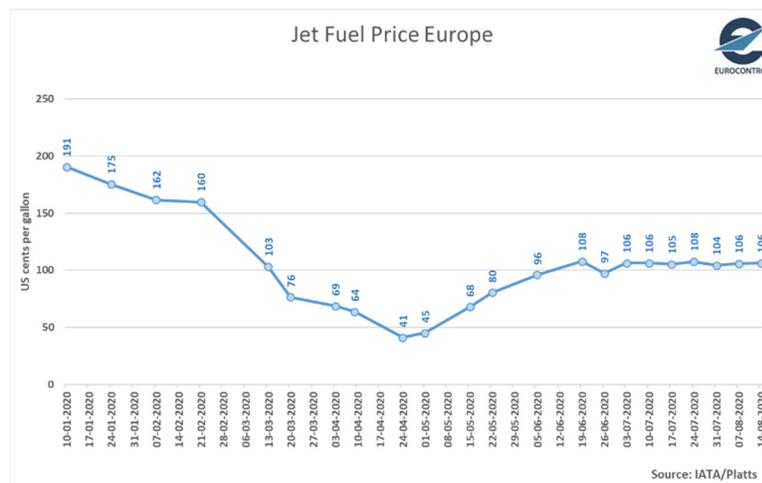


5. Economic, other factors

- 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 reach 255M€ for July flights (-69% compared to plan). It must be noted that this increase is smaller in relative terms than for IFR flights (-61%) 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	Mid-Aug. billing
Total net chargeable amounts (VAT excl.)	547 M€	516 M€	357 M€	73 M€	95 M€	120 M€	255M€

- 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 at around 106 cts/gal since the beginning of July.



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.

