COVID19 Impact on European Air Traffic
EUROCONTROL Comprehensive Assessment

EUROCONTROL

Thursday, 5 November 2020

Traffic Situation & Airlines Recovery

- **11,679 flights on Wednesday 4 November, (-9% with -1.210 flights over 2 weeks) reaching 42% of 2019 levels.**
- The 7-day moving average is -54.8% compared to 2019. [Note: It temporarily increased over the last week due to the difference in winter seasons between 2019 and 2020.]
- **On 4 November, EUROCONTROL published the latest STATFOR Forecast for the period 2020-2024**. In the most optimistic scenario, traffic is forecast to return to 2019 levels by 2024. However, **in the second scenario (most likely), 2024 traffic would only be at 92% of the 2019 figure**. In the third scenario, traffic in 2024 would be 75% of the 2019 figure and would not reach numbers seen in 2019 until 2029.
- **October traffic was -56%**, in line with the scenarios. However, **the situation will deteriorate** as a result of the second wave of the pandemic. A number of large network carriers have indicated to EUROCONTROL their intentions to further reduce capacity during the months of November and December and some have already decreased their capacity (**see in particular Air France, easyJet, Vueling and Lufthansa**).
- **Turkish Airlines was the airline with the highest number of flights** with 591 flights on Wednesday 4 November showing a decrease of -5% over 2 weeks with -32 flights, followed by Ryanair (511 flights, -5%, -25 flights), KLM (366, -4%, -17), Lufthansa (360, -19%, -87), SAS (338, -1%, -5), Widerøe (330, +2%, +5), Pegasus (319, -0%, -1), Air France (304, -38%, -188), British Airways (297, +1%, +4) and DHL Express (286, +1%, +4).
- Over 2 weeks, **most large airlines decreased their capacity**: **Air France** (-188 flights), **easyJet** (-162), **Vueling** (-92), **Lufthansa** (-87), Wizz Air (-71), Eurowings (-66), Turkish airlines (-32). Only a few like Qatar airways Iberia, and Emirates increased increased their capacity.
- Compared to 2019, Widerøe operated at -15% on Wednesday 4 November followed by Pegasus (-26%), KLM (-46%), Turkish Airlines (-53%), British Airways (-67%), Ryanair (-71%), Air France (-73%), Wizz Air (-75%), Lufthansa (-76%) and easyJet (-89%).
- In terms of Departure/Arrival traffic, **the ranking of the Top 8 busiest States is stable with the exception of France which moved to the 3rd rank, replaced the UK**. Compared to 2019, Spain was -71% on Tuesday 27 October, the UK (-69%), Italy (-64%), Germany (-62%), France (-55%), Turkey (-52%) and Norway (-36%).
- After a fast recovery since mid-April reaching 2019 level in August and decreasing afterwards, Business Aviation is stabilized at -10% vs. 2019. All-cargo remains globally stable at 2019 levels (+9%).

Traffic Flows & Country Pairs

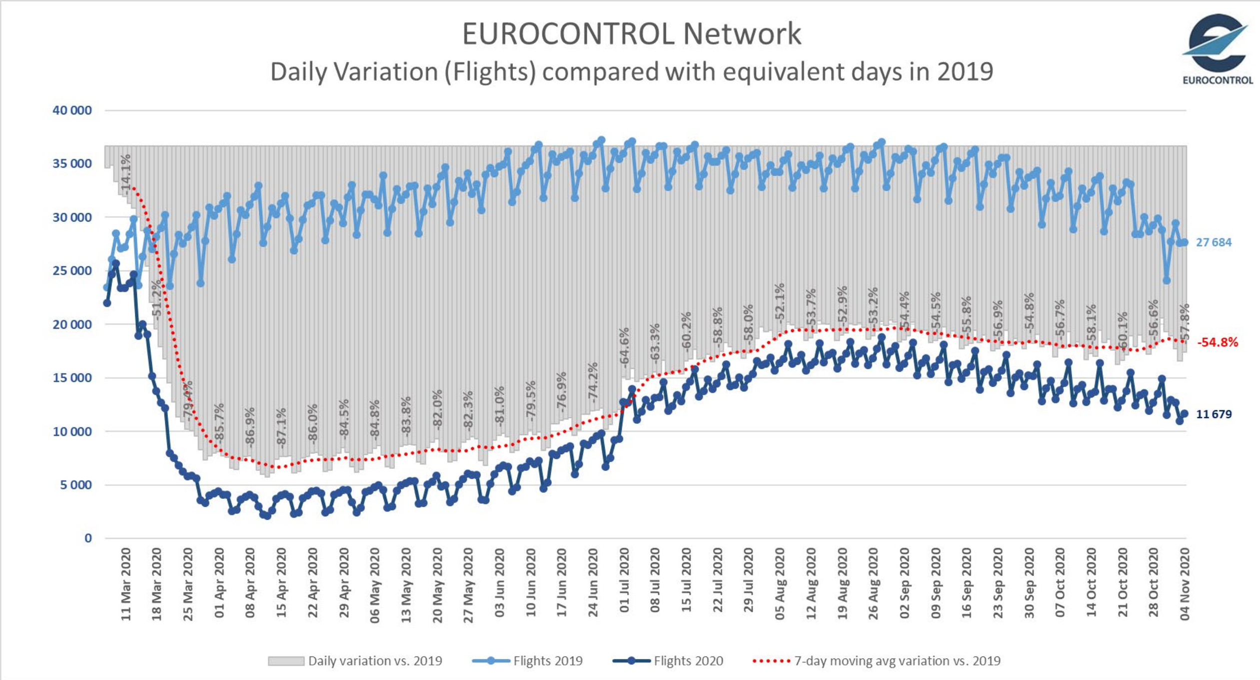
- **The intra-Europe flow is the main flow** with 9,063 flights on 4 Nov (-12% over 2 weeks). Top traffic flows with Europe were with **"Middle-East"** (535 flights, +1%) followed by **"Asia/Pacific"** (421 flights, +18%).
- From the top domestic flows, Sweden (+13%), the UK (+8%) and Norway (+1%) showed an increase over 2 weeks. **All other domestic flows decreased** like in Greece (-20%), Spain (-17%), Germany (-17%), France (-13%), Turkey (-9%) and Italy (-4%). **The busiest non domestic flows** were **Germany-UK** (145 flights, -5%), Turkey-Russia (129 flights, -20%) and Spain-UK (128 flights, +2%).
- Compared to 2019, domestic flows within Spain and Germany were -56% on 4 Nov, followed by the UK (-54%), Sweden (-50%), Greece (-49%), France (-46%), Italy (-37%), Turkey (-36%) and Norway (-17%).

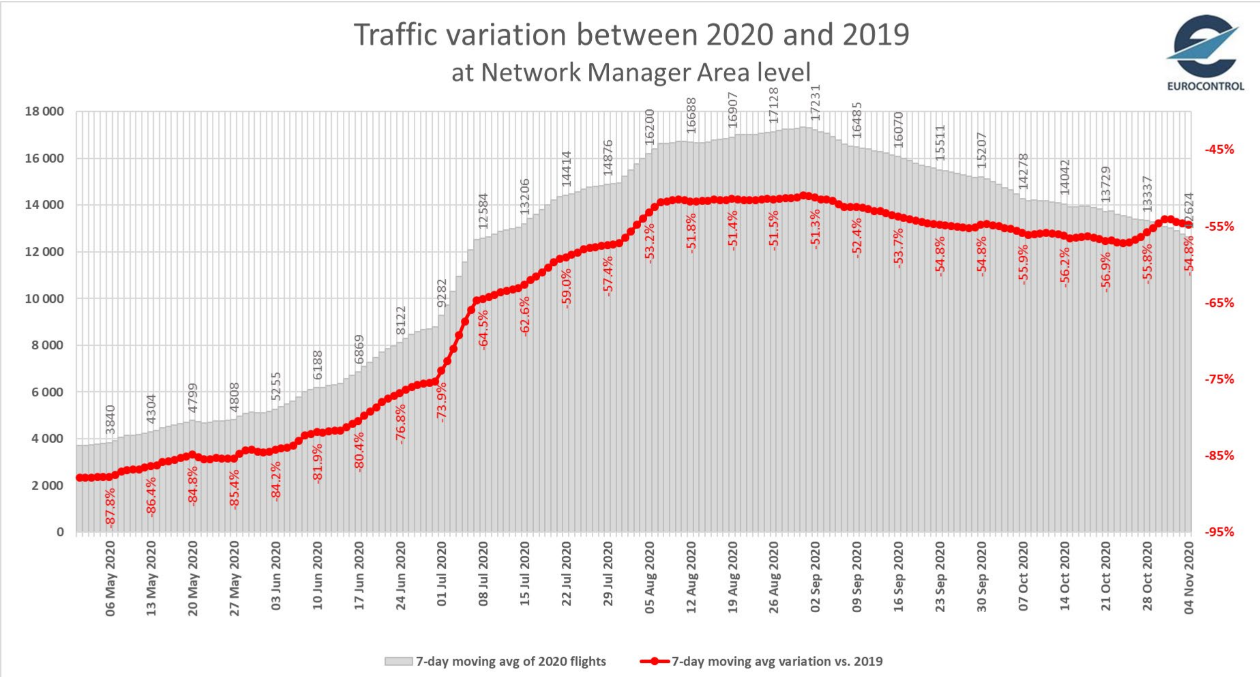
Airport Information

- After having reached -69% in August compared to August 2019, passenger traffic started to decrease since mid-August to reach **1.8 million passengers** on Sunday 25 October (-73% compared to 2019). Overall, since 1st January 2020, Europe experienced a **loss of 1.4 billion passengers** over 2019 (-79%).
- **Amsterdam was the busiest airport** with 554 Dep/Arr flights on 4 November (-11% over the last 2 weeks) followed by London/Heathrow (516, +4%), İGA Istanbul Airport (509, +7%), Paris CDG (461, -10%), Frankfurt (445, -15%), Istanbul/Sabiha (413, -4%), Madrid (351, +4%), Oslo (337, -4%) and Munich (299, -14%).
- From the top 10 airports, **İGA Istanbul Airport showed the largest increase** (+7%) over 2 weeks, followed by Madrid (+4%) and London/Heathrow (+4%). **All other airports reported a decrease** like Frankfurt (-15%), Munich (-14%), Athens (-13%), Amsterdam (-11%), Paris CDG (-10%), Istanbul/Sabiha (-4%) and Oslo (-4%).
- Compared to 2019, Athens operated at -48% on 4 November, London Heathrow (-61%), Amsterdam (-58%), İGA Istanbul Airport (-57%), Paris CDG (-65%), Frankfurt (-67%), Roma (-68%) and Madrid (-70%).

1. Traffic Situation and Airlines Recovery

- 11,679 flights on Wednesday 4 November (-9% with -1.210 flights compared to Wednesday 21 October). This is 42% of 2019 traffic levels. Based on a 7-day moving average, the decrease is -54.8% compared to 2019 which is now degrading again after an increase during one week. This increase was due to the start of the winter season in 2019 (with less traffic as seen on the light blue line) which was not compensated by a real winter season in 2020 (see dark blue line). Since Tuesday 3 November, both easyJet and Air France are removing a significant number of flights and our information show that many other airlines are going to follow the same path in November and December.





EUROCONTROL STATFOR Forecast for the period 2020-24

- On 4 November, EUROCONTROL published the latest STATFOR Forecast for the period 2020-2024. This is a required input for SES States to support their Performance Scheme obligations. Forecasting is never easy and of course, on this occasion it is an even bigger challenge due to the very volatile environment. It comes with greater caveats than normal due to the evolving COVID-19 situation.

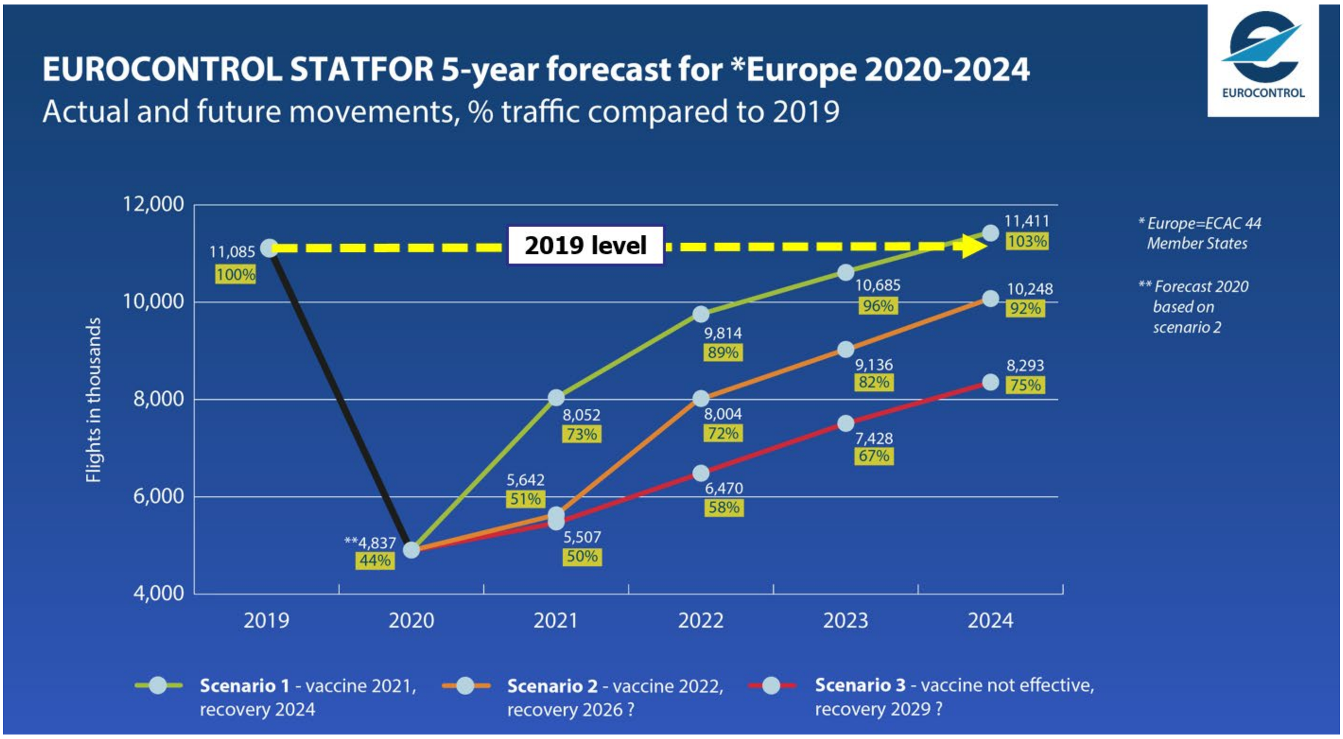
- In the most optimistic scenario, traffic is forecast to return to 2019 levels by 2024. However, in the second scenario (most likely), 2024 traffic would only be at 92% of the 2019 figure. In the third scenario, traffic in 2024 would be 75% of the 2019 figure and would not reach numbers seen in 2019 until 2029.

- It is based on 3 headline scenarios:

  - Scenario 1 – Vaccine Summer 2021: Vaccine widely made available for travellers (or end of pandemic) by Summer 2021, with traffic only returning to 2019 levels by 2024.

  - Scenario 2 – Vaccine Summer 2022: Vaccine widely made available for travellers (or end of pandemic) by Summer 2022, with traffic only returning to 2019 levels by 2026.

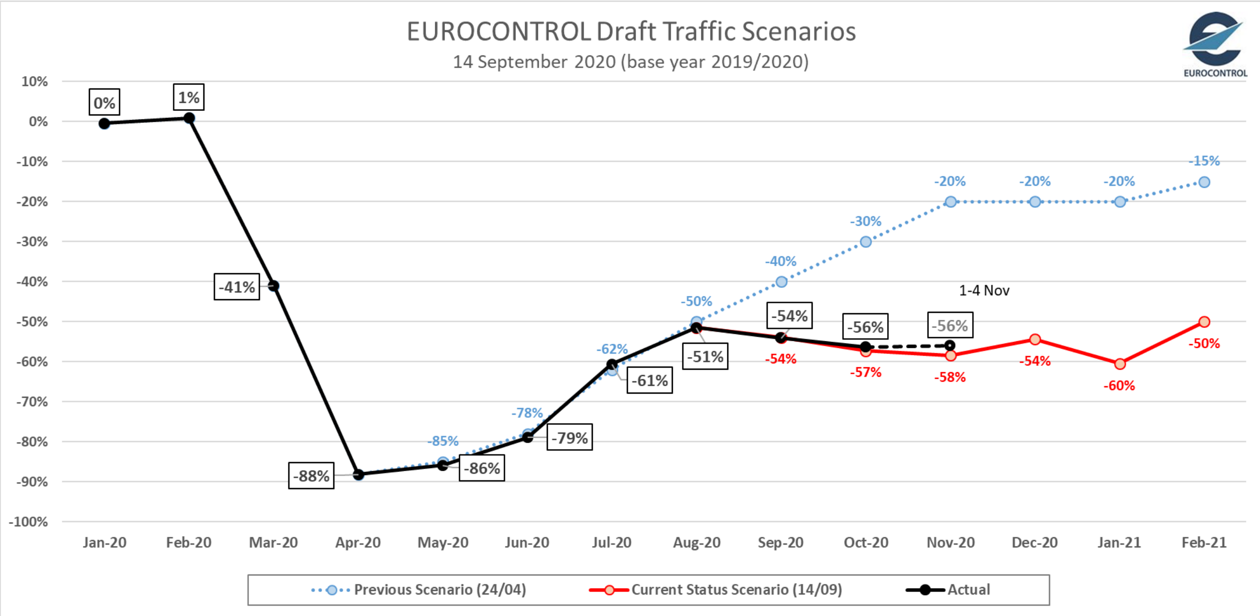
  - Scenario 3 – Vaccine not effective: Lingering infection and low passenger confidence, with traffic only returning to 2019 levels by 2029.



Source: EUROCONTROL STATFOR - Five-Year Forecast 2020-2024

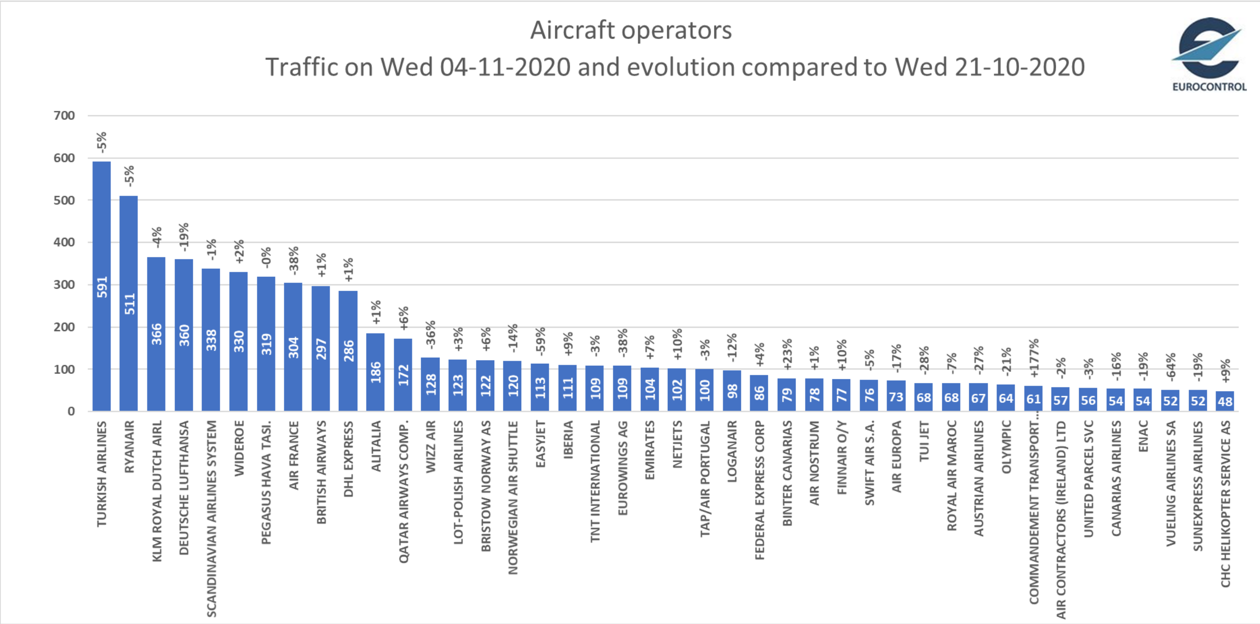
Overall situation against EUROCONTROL traffic scenarios:

- Under its new "Current Status Scenario" (published 14 September), the total number of flights expected in Europe is anticipated to be 55% lower than in 2019, a drop of 6 million fewer flights compared to 2019.
- **October traffic was -56%**, in line with the scenarios and the same for 1-4 November. However, the situation is going deteriorate as a result of the second wave of the pandemic. Some have already decreased their capacity (in particular Air France, easyJet, Vueling and Lufthansa. See the Airlines section below).

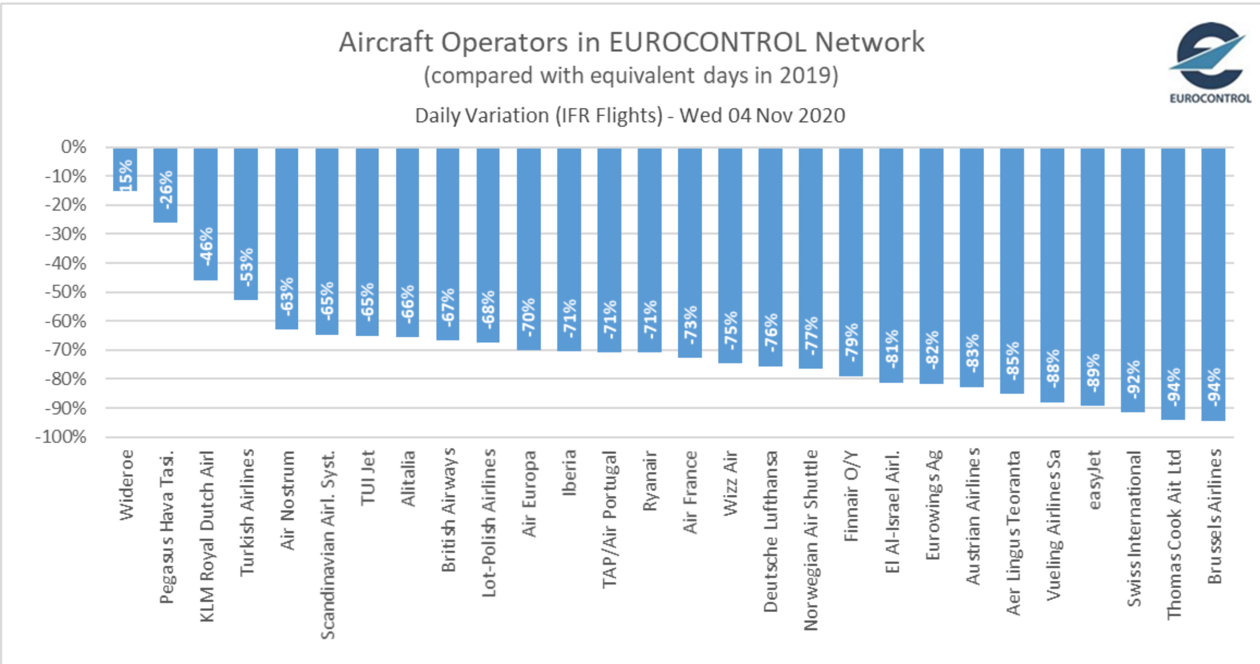


European Airlines:

- Turkish Airlines was the airline with the highest number of flights with 591 flights on Wednesday 4 November showing a decrease of -5% compared to Wednesday 21 October (-32 flights), followed by Ryanair (511 flights, -5%, -25 flights), KLM (366 flights, -4%, -17 flights), Lufthansa (360 flights, -19%, -87 flights), SAS (338 flights, -1%, -5 flights), Widerøe (330 flights, +2%, +5 flights), Pegasus (319 flights, -0%, -1 flight), Air France (304 flights, -38%, -188 flights), British Airways (297 flights, +1%, +4 flights) and DHL Express (286 flights, +1%, +4 flights).
- Compared to two weeks ago, most big airlines decreased their capacity: Air France (-188 flights), easyJet (-162), Vueling (-92), Lufthansa (-87), Wizz Air (-71), Eurowings (-66), Turkish airlines (-32). Only a few like Qatar airways Iberia, and Emirates increased increased their capacity.



- Compared to 2019, Widerøe operated at -15% on Wednesday 4 November followed by Pegasus (-26%), KLM (-46%), Turkish Airlines (-53%), British Airways (-67%), Ryanair (-71%), Air France (-73%), Wizz Air (-75%), Lufthansa (-76%) and easyJet (-89%).



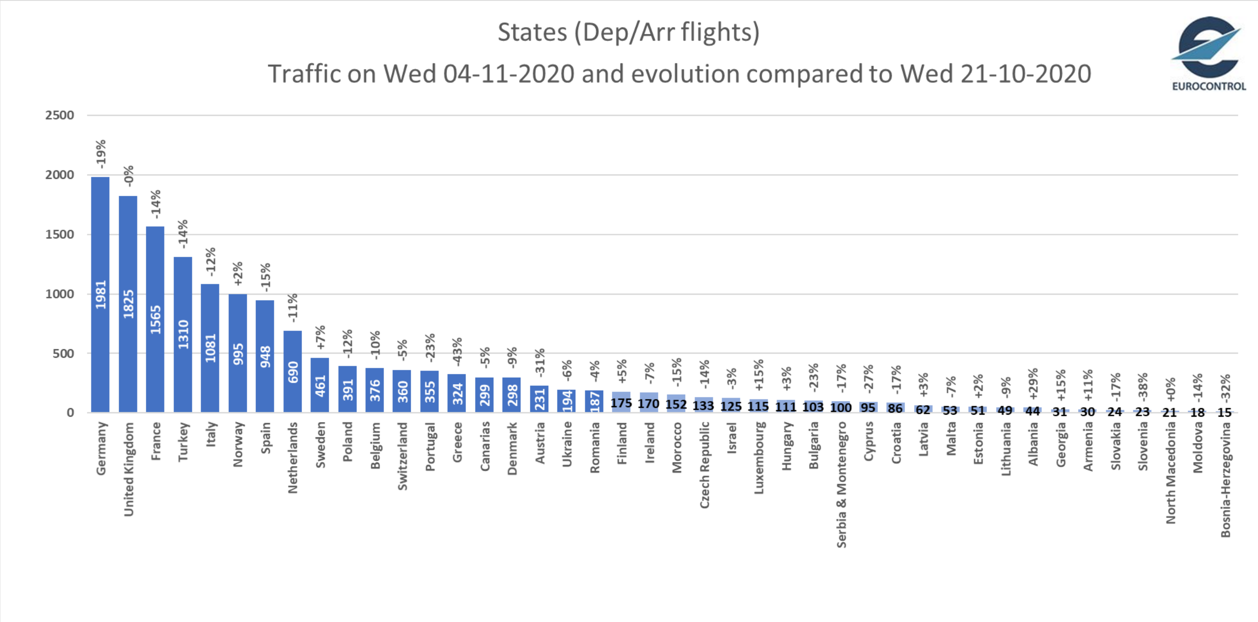
News from key European airlines:

- **Air France-KLM** recorded an operating loss of €1,046 million in Q3 2020; reports pax down 70% with a load factor of 46.2%; Air France down 68%, KLM down 76% and Transavia down 63%. CFO comments that the partnership is ‘extremely deep’ but the group will have to solve ‘the question of equity’.
- **easyJet** reported to be cutting over 400 staff and halve the number of aircraft based in Berlin.
- **Finnair** reports €514 million loss for 9 months to end September; its personnel will decline by 1,100. Moreover, Finnair provides complimentary COVID-19 insurance package.

- **IAG** reports passengers down 81% in Q3 20202, with a load factor of 48.9%. British Airways down 85%, Iberia down 77%, Aer Lingus down 93%, Vueling down 73%; completed capital increase in October with proceeds of €2.7 billion.
- **Jet2.com** suspending services to Greece until the end of March and Cyprus until mid-February.
- **KLM** restructuring proposal rejected by Netherlands Ministry of Finance; pilot union subsequently agrees to employment contribution and the Ministry will now re-evaluate.
- **Lufthansa Group** says a recovery to 50% of 2019 levels could be possible in 2021 depending on vaccine availability and widespread testing capacity.
- **Ryanair** starting four domestic services in Spain in December; suspending operations from Ireland West Airport from 14 November to 13 December. It projects 38 million passengers in 2021 (152 million in 2019); expects to take delivery of approx. 30 737 MAX aircraft by summer 2021; passenger numbers down 70% in October to 4.1 million, with a load factor of 73%.
- **TUI UK** suspending departures from England and Wales from 5 November until December.
- **Vueling** reaches agreement with pilots on wage reduction.
- **Wizz Air** launching services from the UK to Spain and Portugal; October passengers down 69% to 1.1 million, with a load factor of 66%.

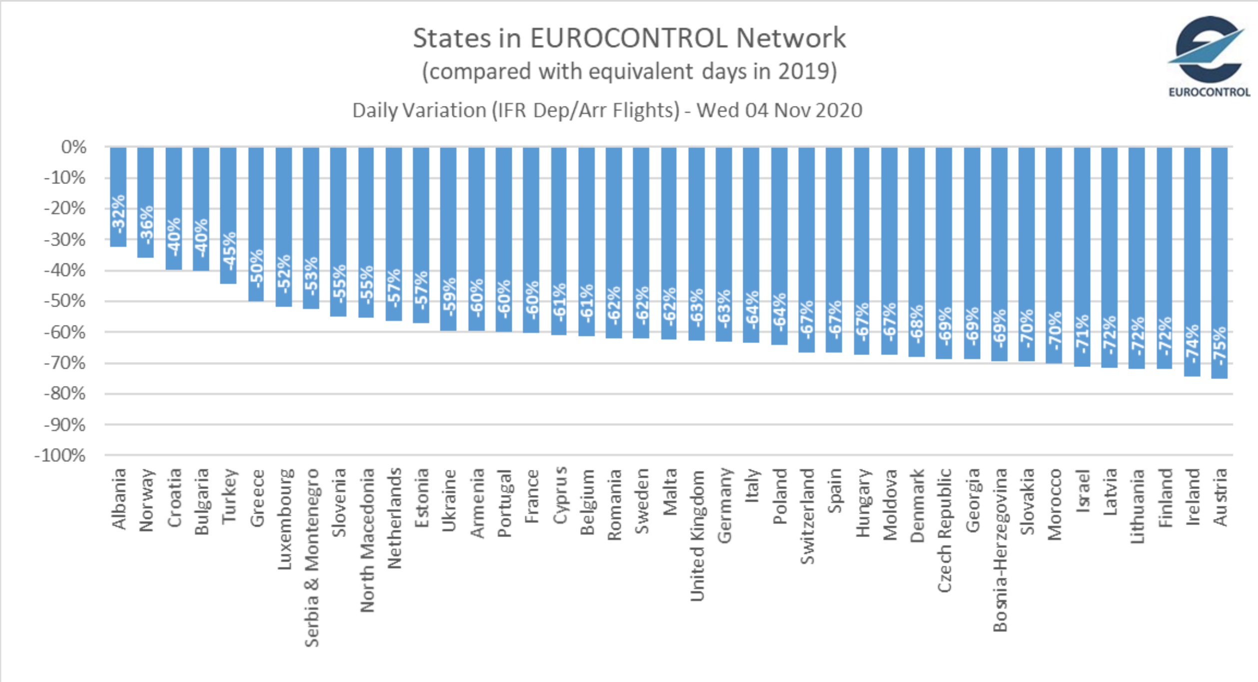
States

- Based on traffic levels, the Top 8 busiest States[1] is stable with the exception of France which moved to the 3rd rank. Germany had 1981 flights on Wednesday 4 November (-19% over 2 weeks) followed by the UK (1825, -0%), France (1565, -14%), Turkey (1310, -14%), Italy (1081, -12%), Norway (995, +2%), Spain (948, -15%) and the Netherlands (690, -11%).



- Compared to 2019, Departure/Arrival traffic in Spain was -67% on Wednesday 4 November, Italy (-64%), Germany (-63%), the UK (-63%), France (-60%), Turkey (-45%) and Norway (-36%).

[1] excluding overflights.

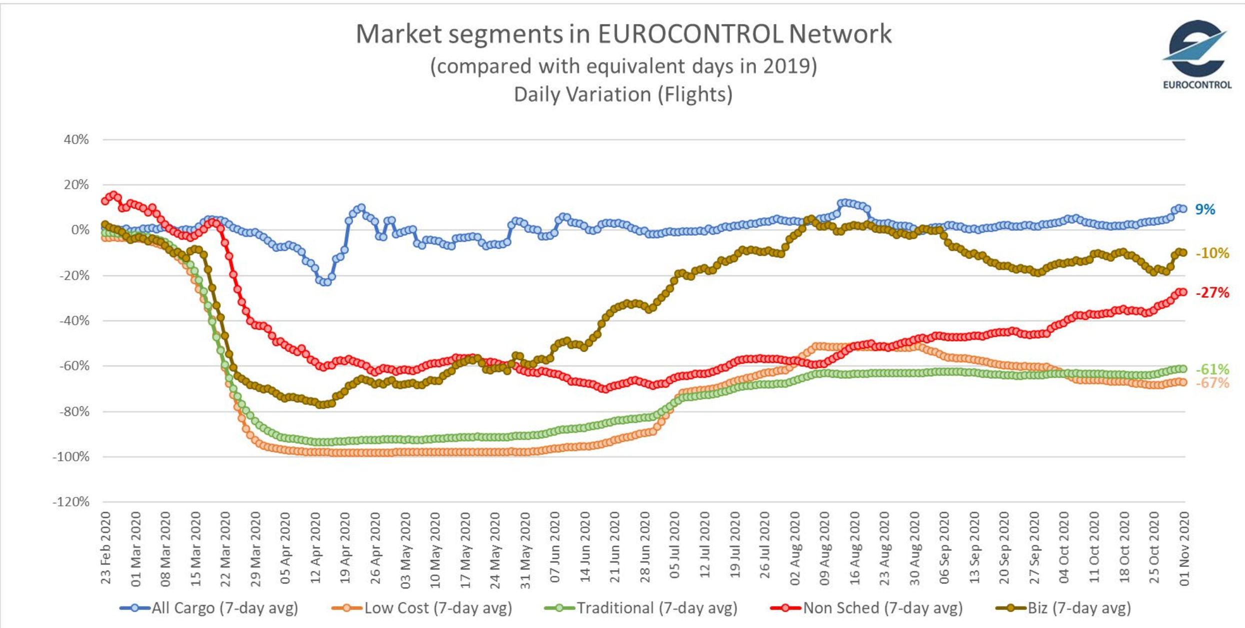


News from Manufacturers:

- **Boeing** deliveries down 55% in Q3 2020 to just 28 aircraft – generating an operating loss of $1.3 billion and net negative cash flow of $4.8 billion; intends to cut another 11k positions in addition to the 20,000 already gone.
- **Airbus** delivered 145 aircraft in Q3 2020 with a net loss of €767 million.

Market Segments:

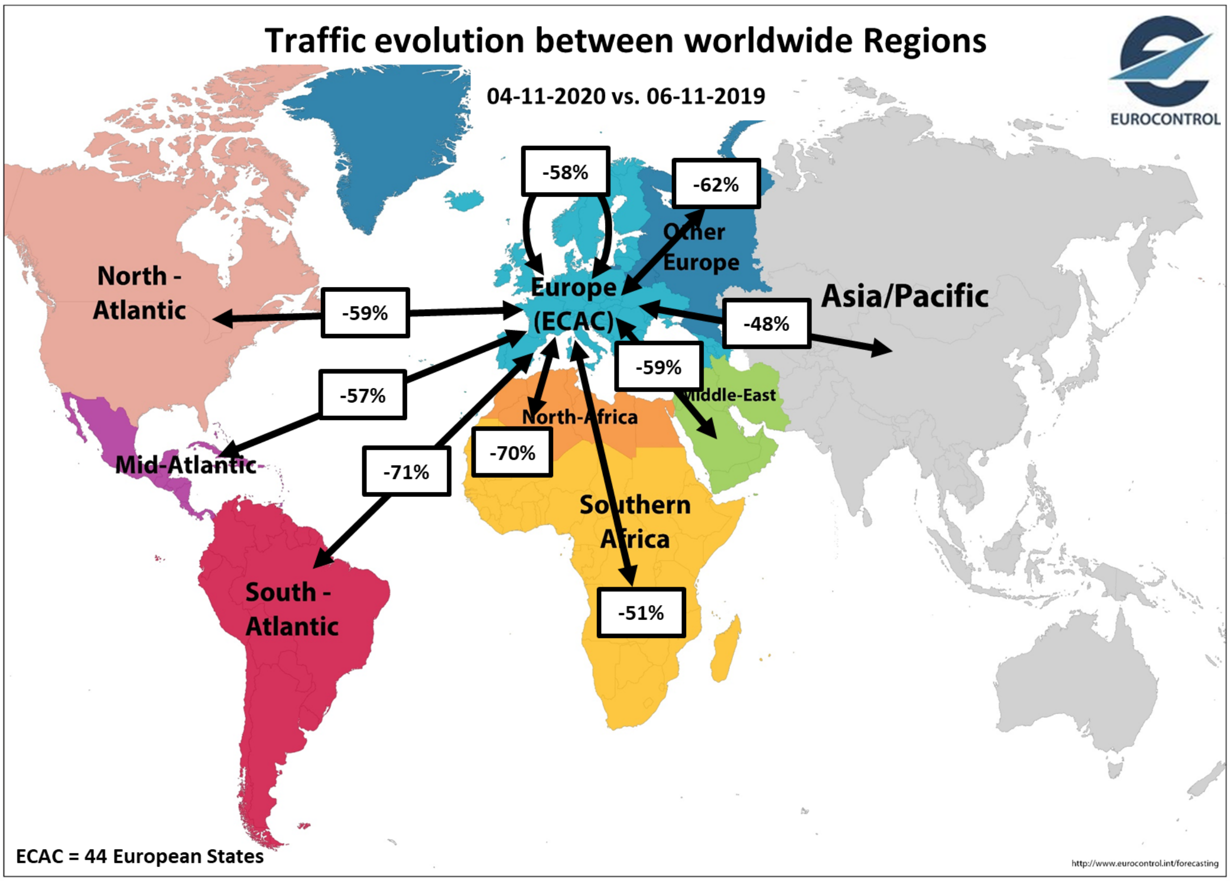
- After a fast recovery since mid-April reaching 2019 level in August and decrease afterwards, Business Aviation is stabilized at -10% vs. 2019. All-cargo remains globally stable at 2019 levels (+9%). Low-cost flights decreased since early September reaching -67% vs 2019. Charter flights are increasing since October reaching -27%.

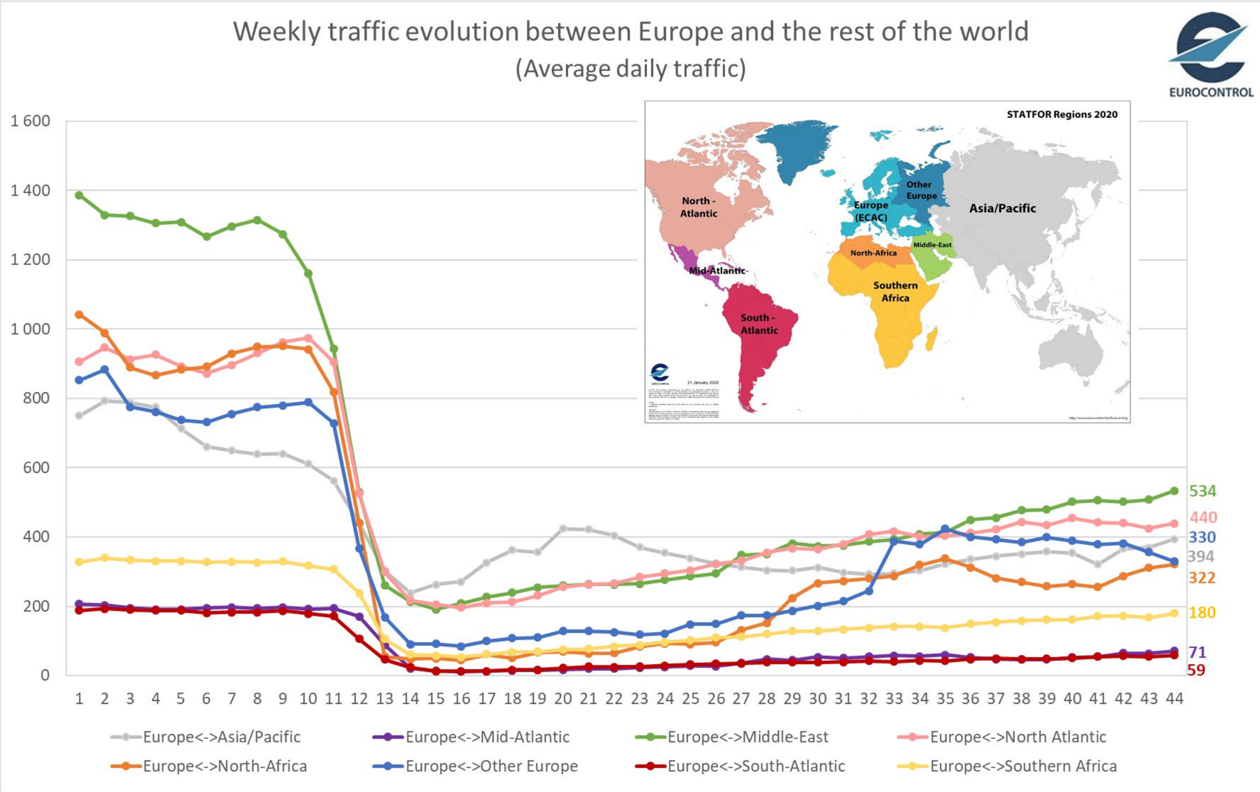


2. Traffic Flows & Country Pairs

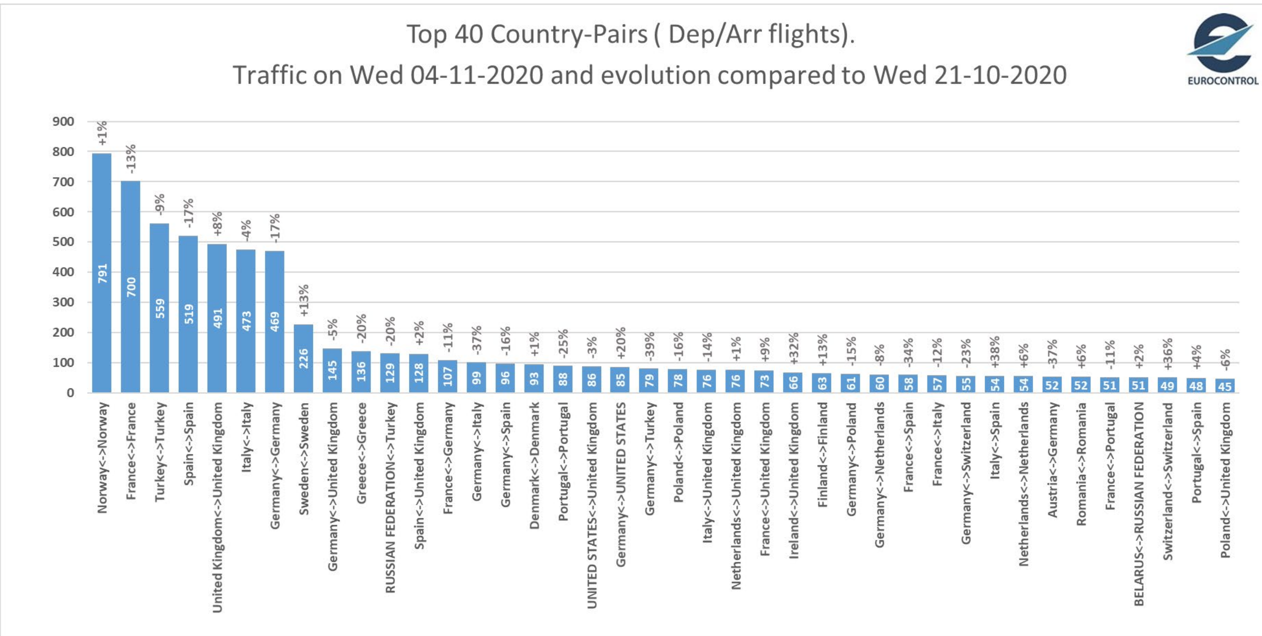
- The main traffic flow is the intra-Europe flow with 9,063 flights on Wednesday 4 November, which is decreasing (-12%) over 2 weeks.
- The top traffic flows with Europe were with “Middle-East” (535 flights, +1%) followed by “Asia/Pacific” (421 flights, +18%), “North-Atlantic” (400 flights, +2%), “Other Europe” (341 flights, -6%) and “North-Africa” (260 flights, -10%).
- Intra-Europe flights are at -58% compared to 2019 while all other flows are at -60%.

REGION	21-10-2020	04-11-2020	%	vs. 2019
Intra-Europe	**10 316**	**9 063**	***-12%***	***-58%***
Europe<->Asia/Pacific	357	421	*+18%*	*-48%*
Europe<->Mid-Atlantic	58	67	*+16%*	*-57%*
Europe<->Middle-East	532	535	*+1%*	*-59%*
Europe<->North Atlantic	394	400	*+2%*	*-59%*
Europe<->North-Africa	289	260	*-10%*	*-70%*
Europe<->Other Europe	362	341	*-6%*	*-62%*
Europe<->South-Atlantic	58	53	*-9%*	*-71%*
Europe<->Southern Africa	164	161	*-2%*	*-51%*
Non Intra-Europe	**2 214**	**2 238**	***+1%***	***-60%***

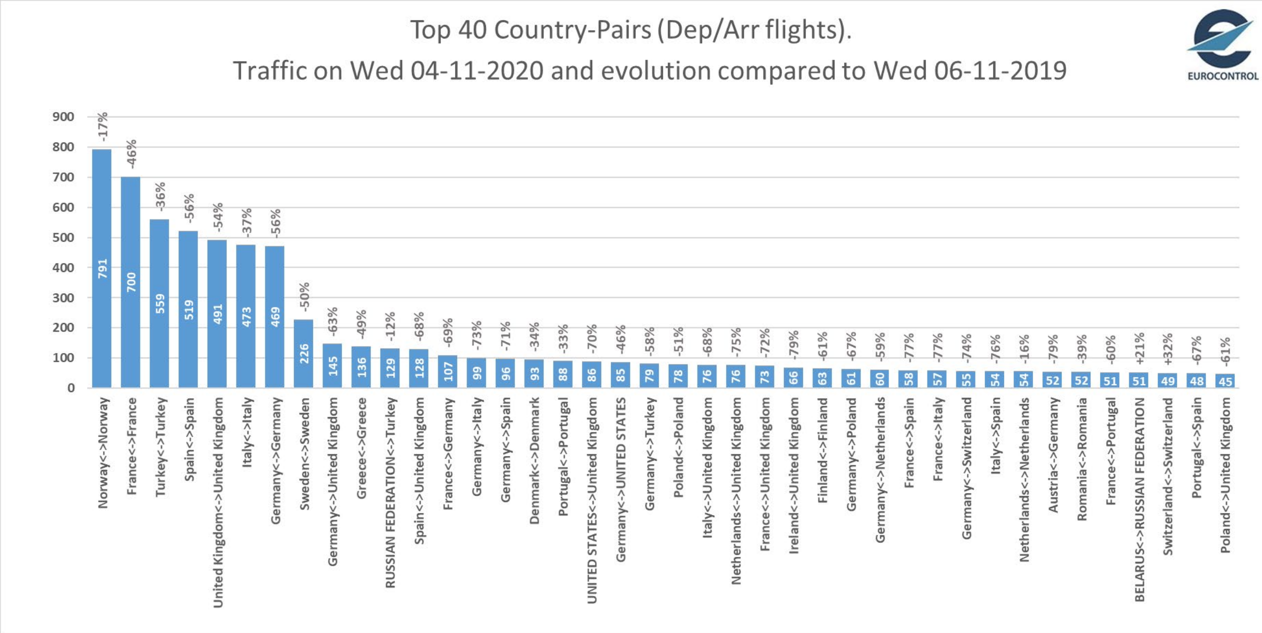




- Domestic flows are the most active flows (i.e. 9 of the top 10 flows are domestic). From the top domestic flows, Sweden (+13%), the UK (+8%) and Norway (+1%) showed an increase over 2 weeks. All other domestic flows decreased like in Greece (-20%), Spain (-17%), Germany (-17%), France (-13%), Turkey (-9%) and Italy (-4%).
- The busiest non domestic flows were Germany-UK (145 flights, -5%), Turkey-Russia (129 flights, -20%) and Spain-UK (128 flights, +2%).

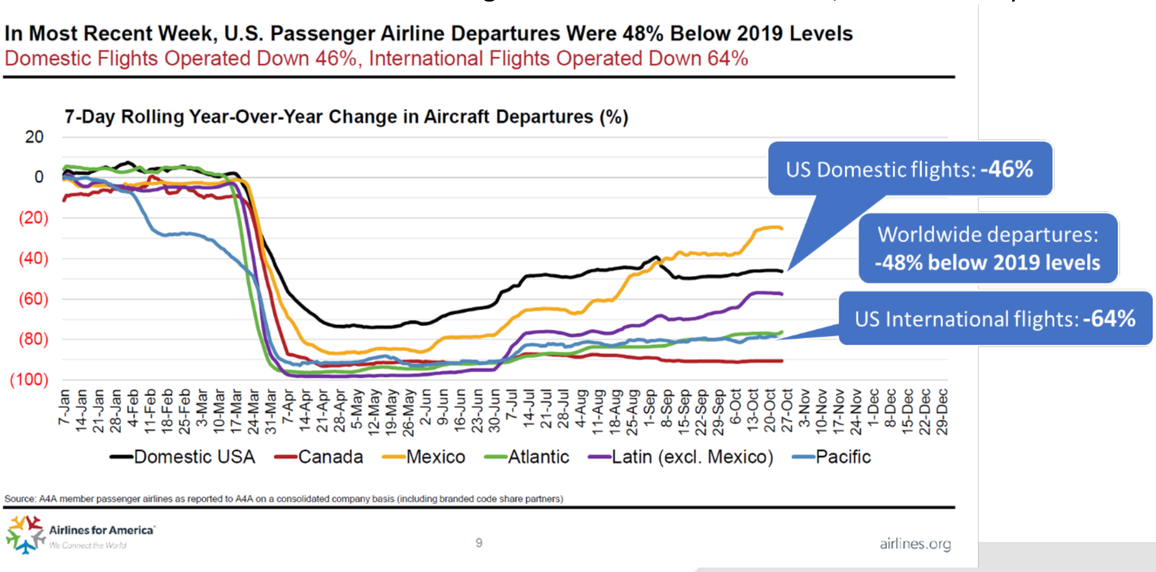


- Compared to 2019, domestic flows within Spain and Germany were -56% on Wednesday 4 November 2020, followed by the UK (-54%), Sweden (-50%), Greece (-49%), France (-46%), Italy (-37%), Turkey (-36%) and Norway (-17%).

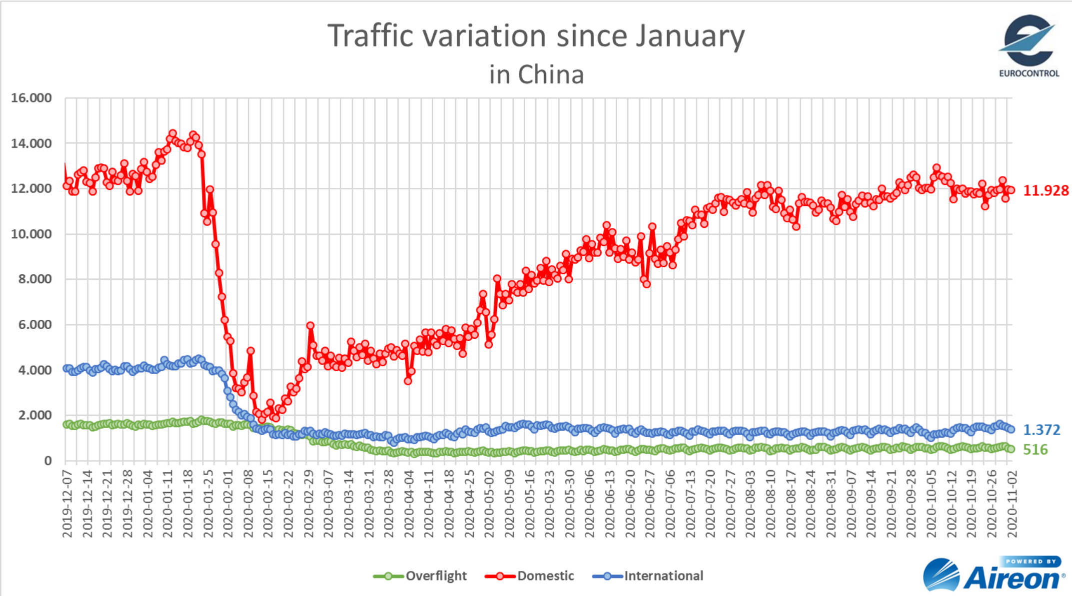


3. Situation outside Europe

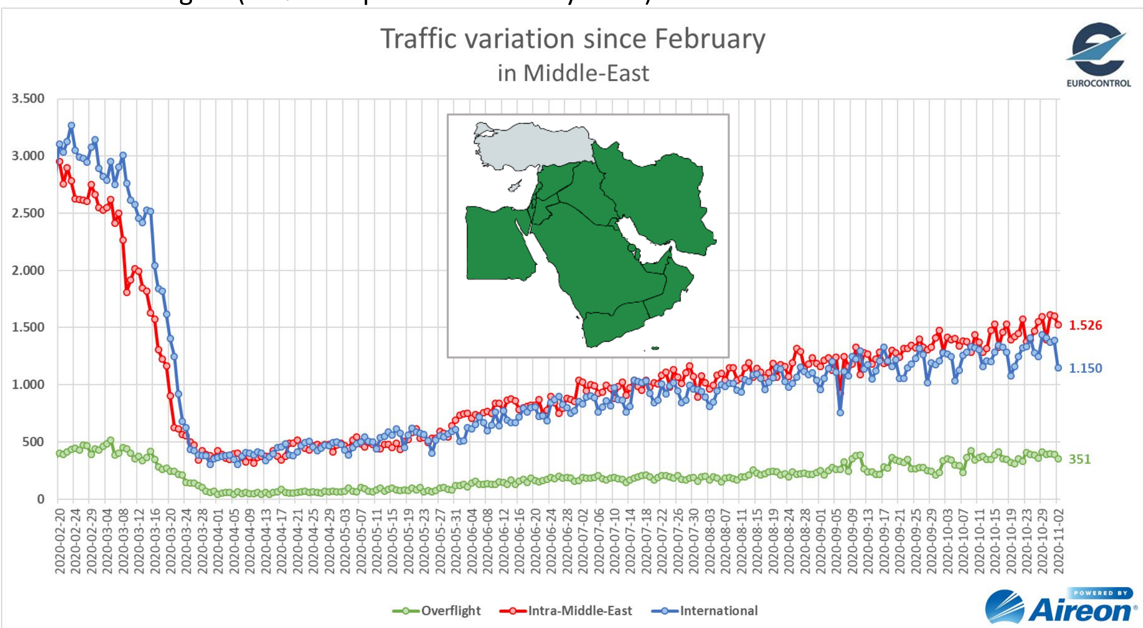
- **United-States (A4A members):**
  - US domestic traffic is stable at -48% of 2019 on 27 October. All flows like with Latin America and Mexico which showed a steady increase since early October have now stopped.
  - In week ending Oct 27, U.S. airlines passenger volumes was 63% below year-ago levels with Domestic Air Travel down 61% and International down 77%.
  - The domestic U.S. Load Factor averaged 60% in most recent week, versus 85% a year earlier.



- **China:**
  - Chinese domestic flights are now stable with 11,928 flights (-9% compared to 1st January 2020). International flights have been stable since March with 1,372 flights (-68% compared to 1st January 2020). The same is true for overflights with 516 flights (-69% compared to 1st January 2020).



- **Middle East:**
  - Since the beginning of April, Intra-Middle-East traffic has been increasing slowly reaching 1,526 flights on 2 November (-45% compared to February 2020). International traffic has been recovering at the same levels as domestic from early April with 1,150 flights (-62% compared to February 2020). Overflights have started to increase since the second week of September with 351 flights (-18% compared to February 2020).

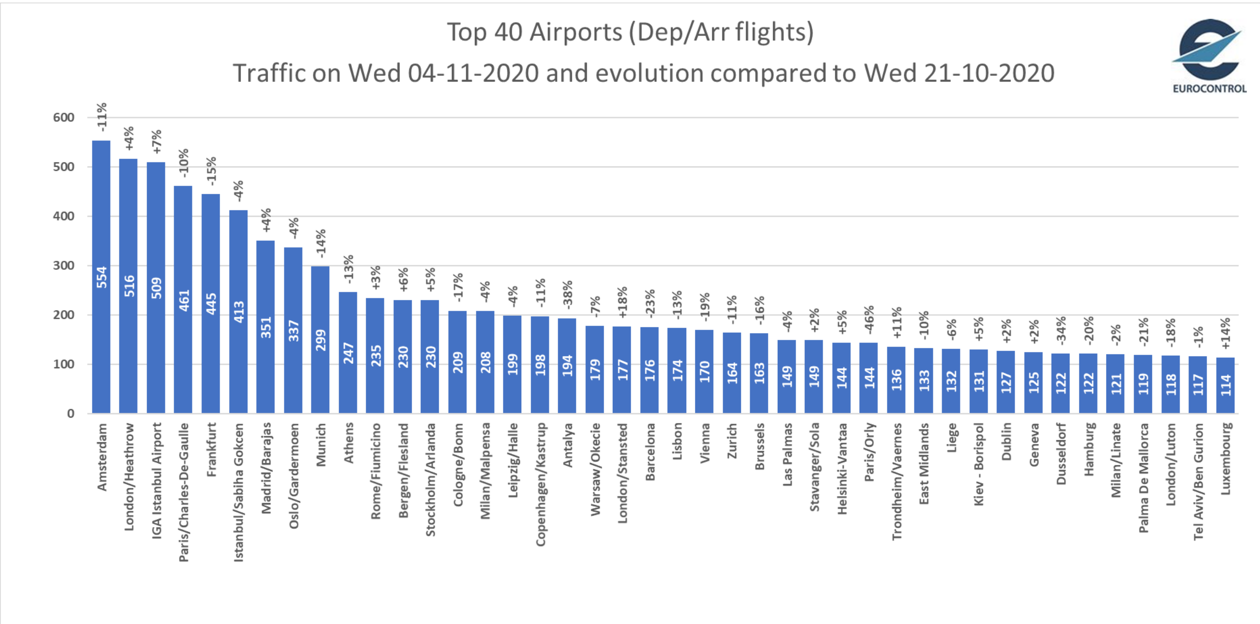


News for worldwide airlines and ANSPs:

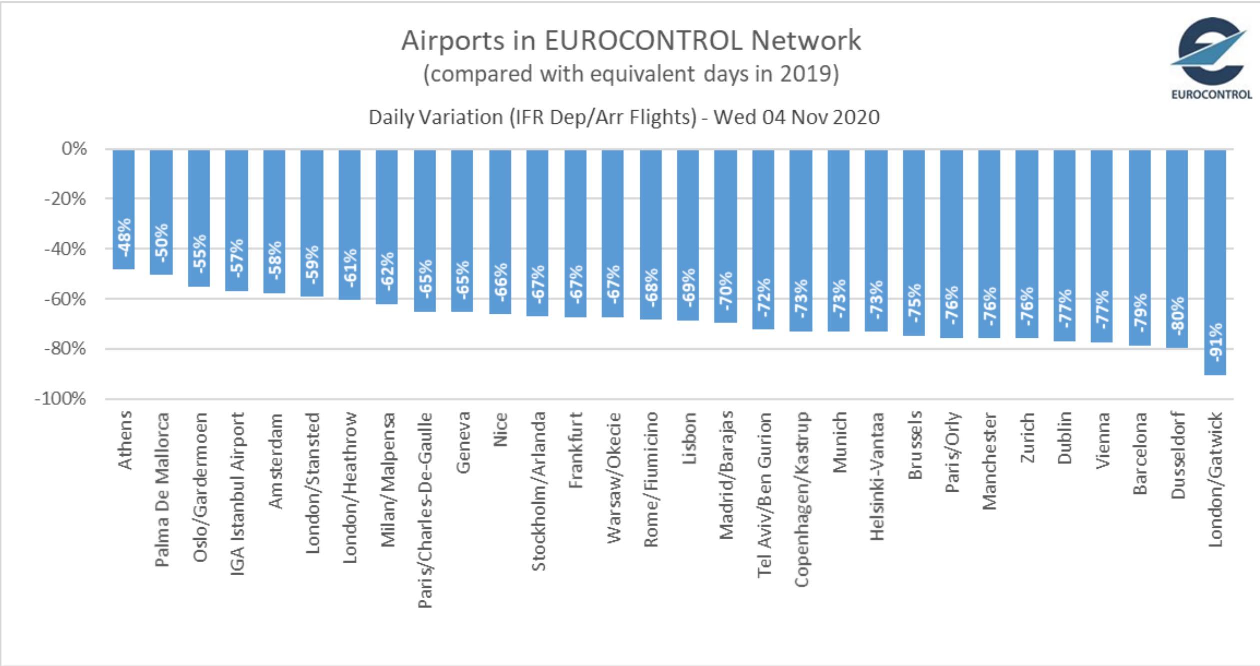
- **ANA Holdings** forecasting a net loss for 2020 of $4.9 billion; bringing forward retirement of 28 aircraft; states that it has ample cash.
- **JAL Group** international pax in September down 96.3%, domestic down 72.0%.
- **Kuwait Airways** receives first two A330-800s produced by Airbus.
- **South African Airways** to be relaunched under a PPP framework in H1 2021.

4. Airport Information

- Amsterdam was the busiest airport with 554 Dep/Arr flights on 4 November (-11% over the last 2 weeks) followed by London/Heathrow (516, +4%), İGA Istanbul Airport (509, +7%), Paris CDG (461, -10%), Frankfurt (445, -15%), Istanbul/Sabiha (413, -4%), Madrid (351, +4%), Oslo (337, -4%) and Munich (299, -14%).
- From the top 10 airports, İGA Istanbul Airport showed the largest increase (+7%) over 2 weeks, followed by Madrid (+4%) and London/Heathrow (+4%). All other airports reported a decrease like Frankfurt (-15%), Munich (-14%), Athens (-13%), Amsterdam (-11%), Paris CDG (-10%), Istanbul/Sabiha (-4%) and Oslo (-4%).



- Compared to 2019, Athens operated at -48% on 4 November, London Heathrow (-61%), Amsterdam (-58%), İGA Istanbul Airport (-57%), Paris CDG (-65%), Frankfurt (-67%), Roma (-68%) and Madrid (-70%).

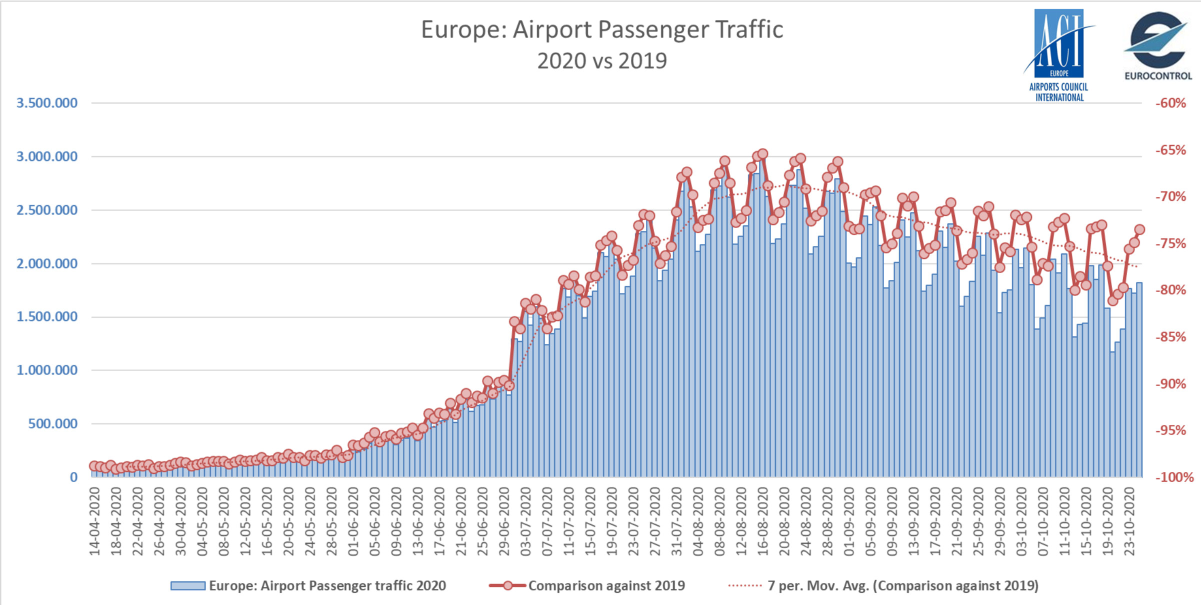


News from European and worldwide airports:

- **Berlin Brandenburg Airport** commences commercial operations; Tegel to close from 8 November.
- **Geneva Airport** reported to expect that passenger traffic in 2020 will be 70% down to 6 million.
- **JFK, Newark, LaGuardia airports** record decline in passengers in Q3 2020 of 84%.
- **London Heathrow** forecasts 37 million passengers in 2021, 54% down on 2019; advocating a fuel blending mandate to drive supply of SAF.
- **Munich Airport** and Lufthansa commit to the long term development of Munich Airport as a hub for intercontinental air traffic.

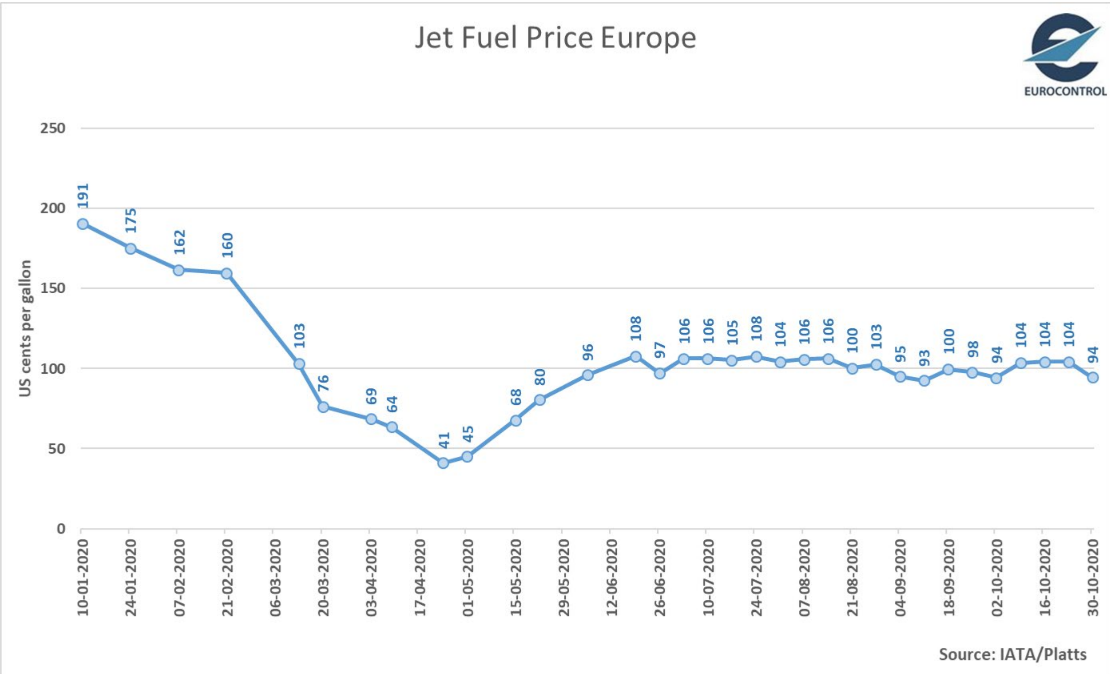
Passengers:

- According to **ACI**, passenger traffic has remained stable in the Summer at -69% over August compared to August 2019. On Sunday 25 October, ACI reported 1.8 million passengers compared to 6.9 on Sunday 27 October 2019 (i.e. -73%). Overall, since January 2020, Europe experienced a loss of 1.4 billion passengers over 2019 (-79%).



5. Economic, other factors

- **Fuel Price:** After having remained stable slightly above 100 cts/gal since early July, fuel price decreased to 94 cts/gal on 30 October 2020.



To further assist you in your analysis, EUROCONTROL provides the following additional information on a daily basis (<u>daily updates at approximately 7:00 CET for the first item and 12:00 CET for the second</u>) 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.