EUROCONTROL Five-Year Forecast 2020-2024
European Flight Movements and Service Units
Three Scenarios for Recovery from COVID-19

STATFOR - November 2020
This forecast complements the short-term traffic scenarios

The traffic outlook for the future has been strongly impacted by COVID-19. This forecast takes into account the following updated inputs:

- Traffic trends: 65% fewer flights in March-October 2020 than the same period 2019
- Economic growth: Strong downward revision of the economic forecast (Oxford Economics October 2020 release)
- Three separate scenarios to account for COVID-19 impact and timing of recovery

This forecast replaces the Autumn 2019 forecast.
European traffic evolution and recovery from previous crisis

9/11 attack: 1.5 years recovery

Great Financial crisis: 8 years recovery

COVID-19 (≥6M flight loss): ? years recovery

Previous crisis:
- 9/11/2001: 0.2 million flights lost, 1.5 years to recover to 2001 levels
- GFC 2008/2011: 0.6 million flights lost, 8 years to recover to 2008 levels
- COVID-19 2020-?: > 6 million flights lost, how long will recovery to 2019 take?

Source: EUROCONTROL; Coverage: ECAC area
Traffic Trends
There were 65% fewer flights in March-October 2020 than in the same period of 2019, back to pre-1990 flight levels.

• Since the beginning of 2020 (January-October), average daily flights in Europe (ECAC area) remained 54% below the 2019 traffic levels (same period).
• ECAC flight growth is driven by larger States such as Germany, France and the Netherlands maintaining their traffic a little more strongly: a mix of repatriation, cargo and domestic flights.
• Norway is the State least affected thanks to its critical dependence on aviation connectivity and the strong recovery of domestic travel;
• Armenia and Israel, down by more than 80% since March, are the States most impacted.
• Latest news (lockdowns imposed by most European governments at the time of writing) result in traffic deteriorating at the start of winter.

Recent trends in flights in European airspace

Source: Eurocontrol. Each line is a national airspace. Smoothing: 7 days.
Economic Growth in Europe
The GDP baseline forecast shows a 7.5% contraction in 2020

GDP Growth (%)
Zone = Euro Area

Revision of -8.5% versus March 2020 forecast (unreleased)

Comparison of 3 GDP forecasts for Euro Area

Source: Oxford Economics, Release: 23 October 2020
Economic Growth of States

Most countries have seen their economic forecast revised downward during the full forecast horizon (2020-2024)

Cumulative Change in GDP growth

Cumulative change = The total net percent change of the GDP growth by State between the GDP forecast used in this forecast and the one used to produce the forecast in March 2020 (unreleased).

Source: Oxford Economics, Release: 23 October 2020
Scenario COVID-19 recovery
We opted for 3 separate scenarios considering all possible risks and their relative impacts

In building the scenarios, we took into account the following dimensions:
- Strength of the worldwide second wave of COVID-19
- Strength and timing of the public health restrictions and social distancing
- Availability ‘and uptake’ of vaccine/therapies with proven success in treating COVID-19
- Impact on the global economy ranging from a fast strong rebound to a financial crisis
- Possible differences in state aid and risks of bankruptcies in the aviation industry
- Potential reductions in demand to fly not only of business travellers (i.e. increased uptake of video conference,…) but also of leisure travellers (e.g. more-vulnerable groups).
Scenario COVID-19 recovery
Optimistic and pessimistic scenarios were explored

**Scenario 1**
**Vaccine Summer 2021**
Vaccine widely made available for travellers (or end of pandemic) by Summer 2021

**Recovery to 2019 level in 2024**

**From mid-2021:**
- Enough testing facilities for passengers.
- Relatively good passenger confidence. Some travelers still reluctant to fly (elder leisure, business class travelers).
- Airlines, especially LCCs, reasonably well able to invest and re-hire once demand returns.
- Some long-haul flows restarting quicker than others (e.g. North-Atlantic first).

**Scenario 2**
**Vaccine Summer 2022**
Vaccine widely made available for travellers (or end of pandemic) by Summer 2022

**Recovery to 2019 level in 2026?**

**From mid-2022:**
- Enough testing facilities for passengers.
- Relatively good passenger confidence. Some travelers still reluctant to fly (elder leisure, business class travelers).
- Airlines, especially LCCs, reasonably well able to invest and re-hire once demand returns.
- Some long-haul flows restarting quicker than others (e.g. North-Atlantic first).

**Scenario 3**
**Vaccine not effective**
Lingering infection and low passenger confidence

**Recovery to 2019 level in 2029?**

**From mid-2022:**
- Vaccine widely made available for travelers by Summer 2022, but uptake is patchy.
- Difficult for airlines to operate as pre-COVID-19: some regions are experiencing renewed outbreak phases, not at the same time, not with the same severity.
- Demand is bouncing back for 60%-70% of travelers but reluctance to fly for rest (fear and/or alternatives): permanent drop in propensity to fly.
EUROCONTROL STATFOR 5-year forecast for *Europe 2020-2024
Actual and future movements, % traffic compared to 2019

**Scenario 1** - vaccine 2021, recovery 2024
**Scenario 2** - vaccine 2022, recovery 2026?
**Scenario 3** - vaccine not effective, recovery 2029?

* Europe=ECAC 44 Member States
** Forecast 2020 based on scenario 2
### Flight Forecast

**Summary of flight forecast for Europe (ECAC)**

#### IFR Flight Movements (Thousands)

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<td>4,973</td>
<td>8,052</td>
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<td>4,811</td>
<td>5,507</td>
<td>6,470</td>
<td>7,428</td>
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#### Annual Growth (compared to previous year unless otherwise mentioned)

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<td>1.6%</td>
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<td>-56%</td>
<td>17%</td>
<td>42%</td>
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- ECAC is the European Civil Aviation Conference
- Leap year

Source: EUROCONTROL
EUROCONTROL 5-year forecast 2020-2024
Actual and future total en-route service units

**Forecast for CRCO16 (39 States)**

- **2019 Level**
- **Scenario 1: Vaccine 2021**
- **Scenario 2: Vaccine 2022**
- **Scenario 3: Vaccine not effective**

**Forecast for RP2 Region (30 States)**

- **2019 Level**
- **Scenario 1: Vaccine 2021**
- **Scenario 2: Vaccine 2022**
- **Scenario 3: Vaccine not effective**

Source: EUROCONTROL
## Service Unit Forecast

### Summary of total service units forecast

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<td>55,935</td>
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* CRCO16 refers to the EUROCONTROL Member States currently participating to the Multilateral Route Charges System.
** RP2 Region stands for the sum over all the 30 States that are involved in the EU-wide performance target setting for the second period, namely: 28 EU Member States plus Norway plus Switzerland.
*** Leap year

Source: EUROCONTROL
The risk behind Brexit: We have assumed that continued transport connectivity will be ensured. Businesses and individuals operating in the UK should therefore see no change to existing conditions after the transition period.

Future airspace and network changes (e.g. unexpected closures, new routes) and airlines’ changing choice of routes are not modelled by the forecast.

The economic recovery remains fragile.
Useful links

A presentation of the geographical definitions can be found in
Annex - Traffic Region Definitions

Connect to the
STATFOR Interactive Dashboard

Connect to the
Aviation Intelligence Dashboard

The forecast per state can be found in
Annex - Detailed Traffic Forecast

For further info, please contact the forecasting team
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