

Supporting  
European  
Aviation



# EUROCONTROL Forecast Update 2021-2027 European Flight Movements and Service Units Three Scenarios for Recovery from COVID-19

STATFOR - Oct 2021



NETWORK  
MANAGER




# The October 2021 forecast is a 7-year forecast that covers the horizon 2021-2027

The October 2021 forecast takes into account the following updated inputs:

 Traffic trends: Current traffic flows still strongly impacted by COVID-19.

 Economic growth: Latest revision of the economic forecast (Oxford Economics August 2021 release).

 Update of the existing three scenarios accounting for COVID-19 impact and timing of recovery.

This forecast replaces the May 2021 forecast and covers 7 years.

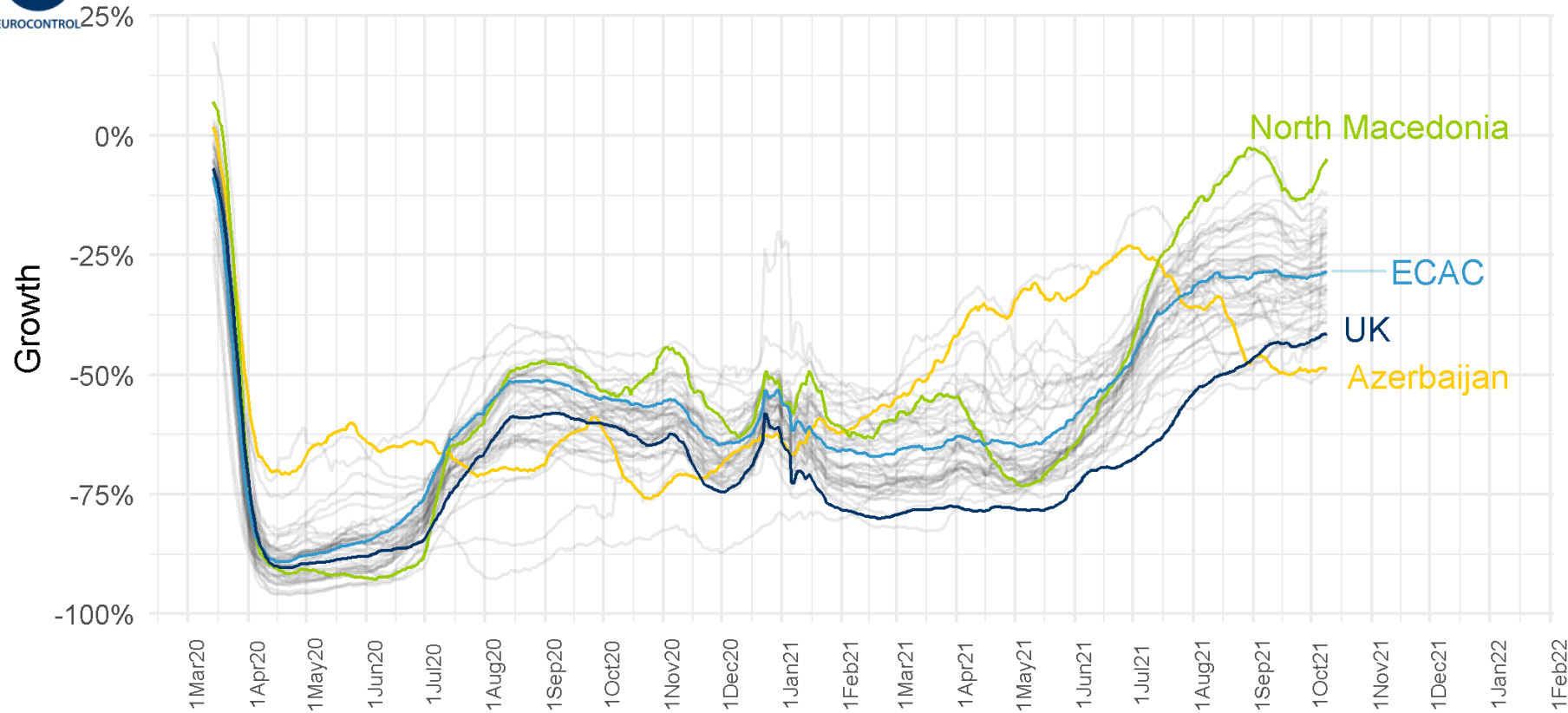


# Traffic trends

Since the beginning of 2021, there were 50% fewer flights than in 2019



Recent trends in flights in European airspace

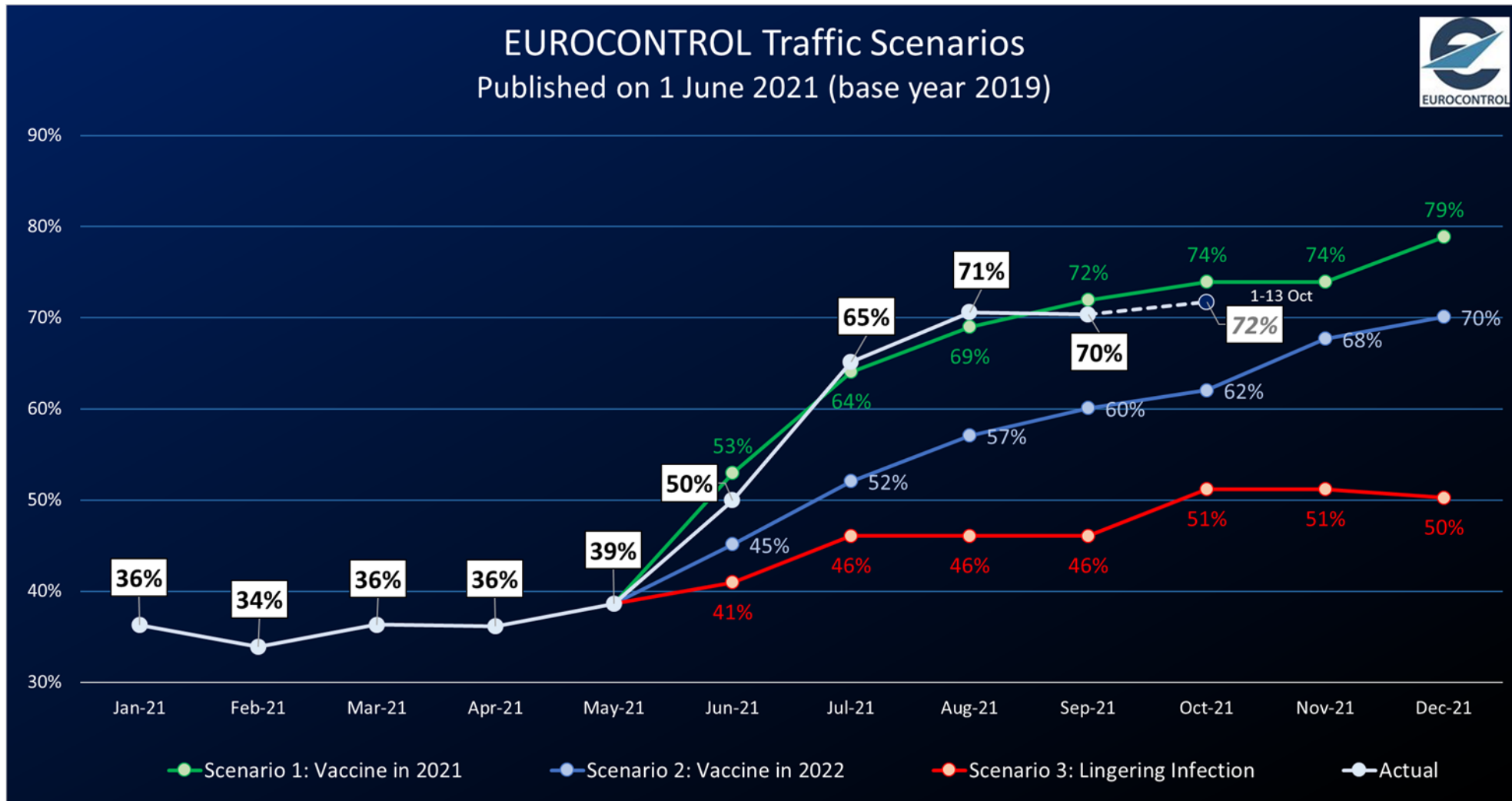


Each line is a national airspace. Smoothing: 14 steps.



# Traffic trends

Current traffic growth is in line with previous Scenario 1



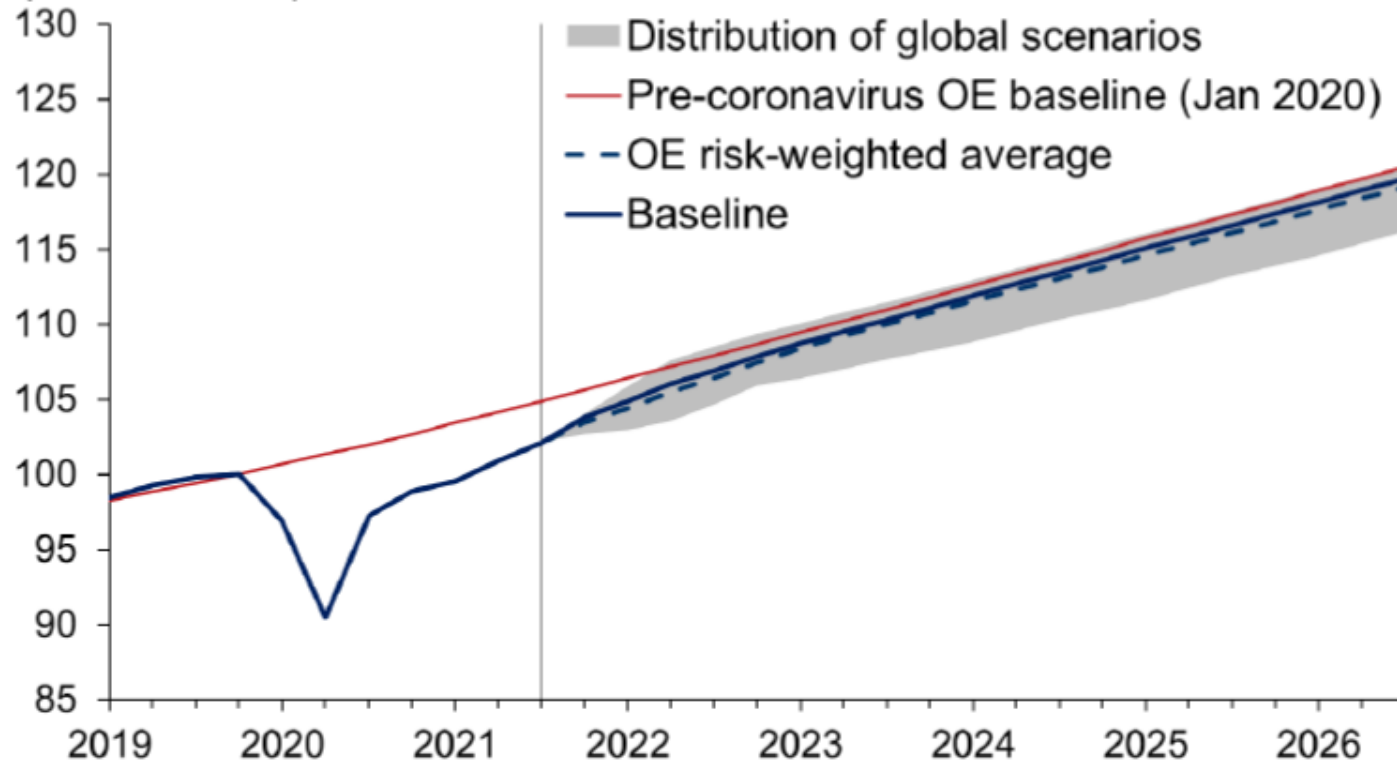


# Macro-economic impact

Risk to the GDP forecast still lie to the downside

## World: GDP

(Q4 2019=100)



Source : Oxford Economics/Haver Analytics

Three scenarios are considered with greater or lesser long-term economic damage:

- **Consumer boom:** Consumer spending quickly their savings accumulated during the pandemic fueling a sharp consumer-led rebound in the global economy
- **Base scenario**
- **Return of inflation:** Deteriorating outlook for inflation with a sharp and sustained rise in bond yields



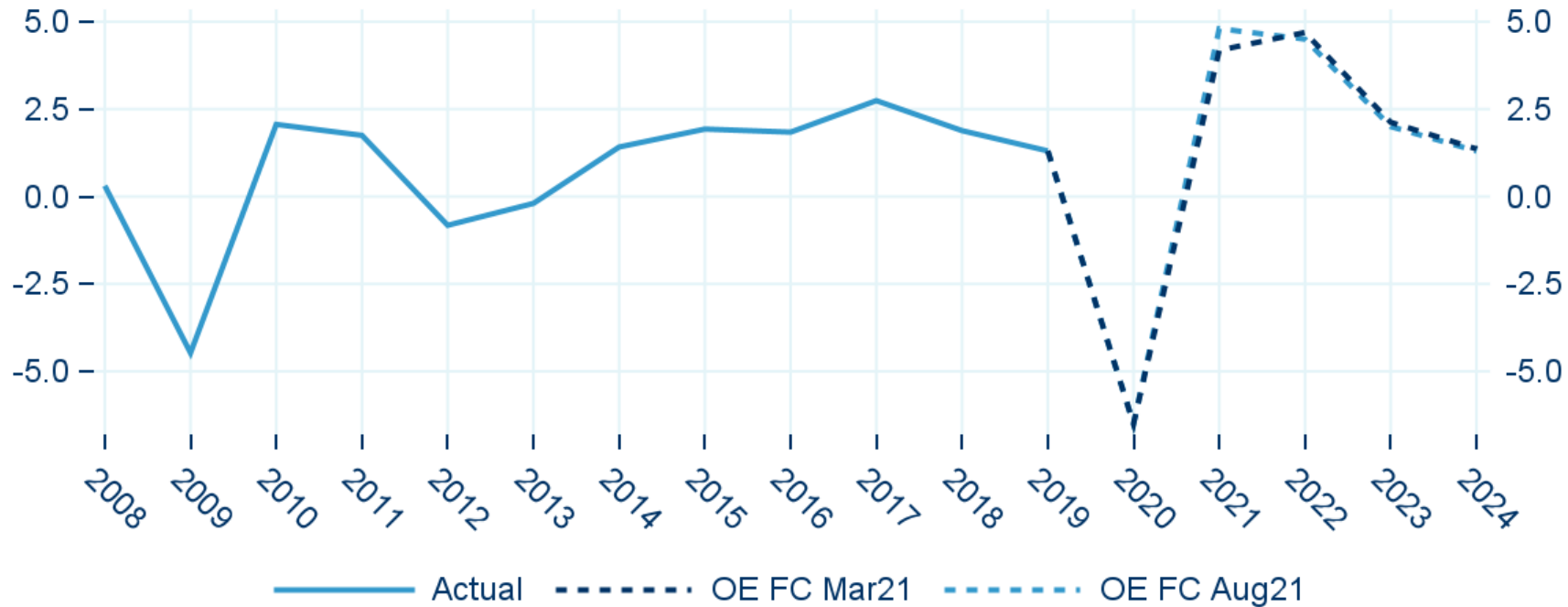


# Macro-economic impact

The GDP baseline forecast for 2021 has been slightly revised upward

## GDP Growth (%)

Zone = Euro Area



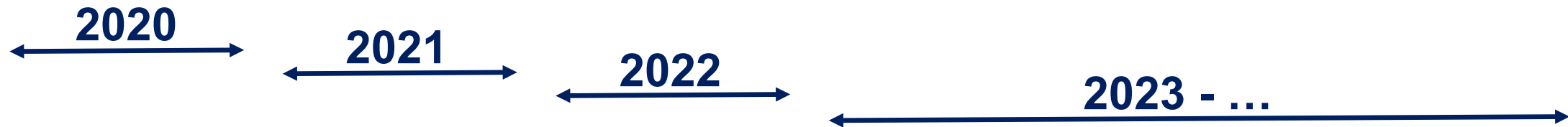
Source: Oxford Economics, Release: March 2021

The rise in Covid-19 cases due to the **spread of the Delta variant** is the key global concerns of the economic growth in Europe as well as in the rest of the world.



# Scenario Update COVID-19 recovery

## Drivers of the recovery during the forecast horizons



### Epidemiology

- Vaccines roll-out
- Vaccines effectiveness
- Non-pharmaceutical interventions

### Impact on aviation

- Travel restriction
- Coordinated approach
- Recovery of long-haul
- Consumer behaviour shifts by travel purpose (business travel, VFR, leisure)
- Ability of airports to restart (supply-side)

### Macro-economic impact

GDP



# Scenario Update COVID-19 recovery

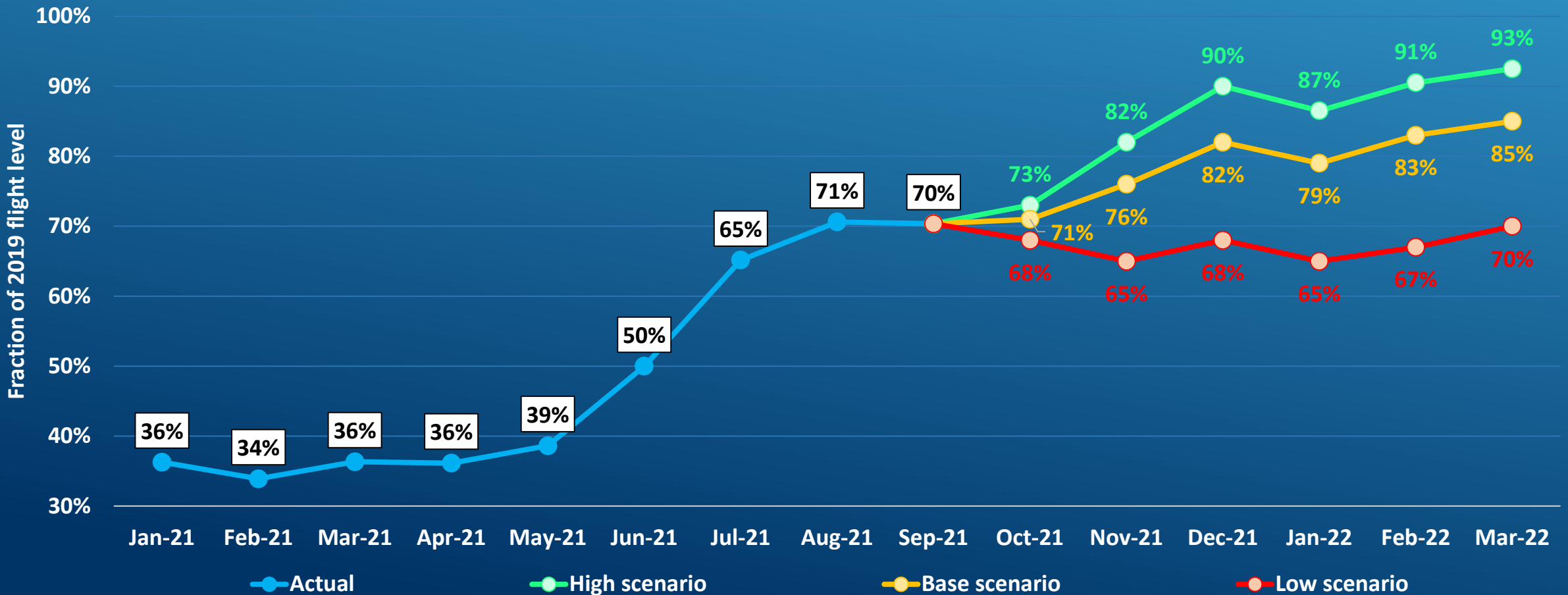
Optimistic and pessimistic scenarios are explored

	High scenario	Baseline scenario	Low scenario
	Recovery to 2019 level in mid-2023	Recovery to 2019 level by end 2023	Recovery to 2019 level after 2027
Epidemiology	<ul style="list-style-type: none"> <li>Efficient vaccination campaign within Europe and globally</li> <li>Reliable vaccine (also against variants)</li> <li>Effective test-trace-isolate programme</li> </ul>	<ul style="list-style-type: none"> <li>Vaccine roll-out reaching herd immunity levels within Europe</li> <li>Reliable vaccine (also against variants)</li> <li>Effective test-trace-isolate programme</li> </ul>	<ul style="list-style-type: none"> <li>Patchy uptake of vaccine</li> <li>Need of updated vaccines</li> <li>Frequent reintroduction of lockdowns and mask mandates</li> </ul>
Specific impact on aviation	<ul style="list-style-type: none"> <li>Less travel restriction</li> <li>Coordinated interregional approach</li> <li>North-Atlantic flows restarting during November 2021</li> <li>Asia-Pacific/India Q2 2022, Middle-East Q4 2021, Australia flows Q3 2022</li> <li>Good passenger confidence</li> <li>Savings glut/Pent-up demand</li> <li>Faster bounce-back of business travel</li> <li>Airports well able to bring back capacity</li> </ul>	<ul style="list-style-type: none"> <li>Limited travel restriction</li> <li>Coordinated European approach</li> <li>North-Atlantic flows restarting during November 2021</li> <li>Asia-Pacific/India Q3 2022, Middle-East Q1 2022, Australia flows Q4 2022</li> <li>Relatively good passenger confidence</li> <li>Savings glut/Pent-up demand</li> <li>Business travel return to pre-COVID19 levels in 2023</li> <li>Airports well able to bring back capacity</li> </ul>	<ul style="list-style-type: none"> <li>Strong travel restriction</li> <li>Coordinated European approach</li> <li>Long-haul flows restarting as of end 2022</li> <li>Demand is bouncing back for 60-70% of travelers but reluctance to fly for rest; Permanent drop in propensity to fly; Growing environmental constraint</li> <li>Airport difficulties to operate as pre-COVID</li> </ul>



# EUROCONTROL short-term traffic scenario for \*Europe until March 2022

% traffic compared to 2019



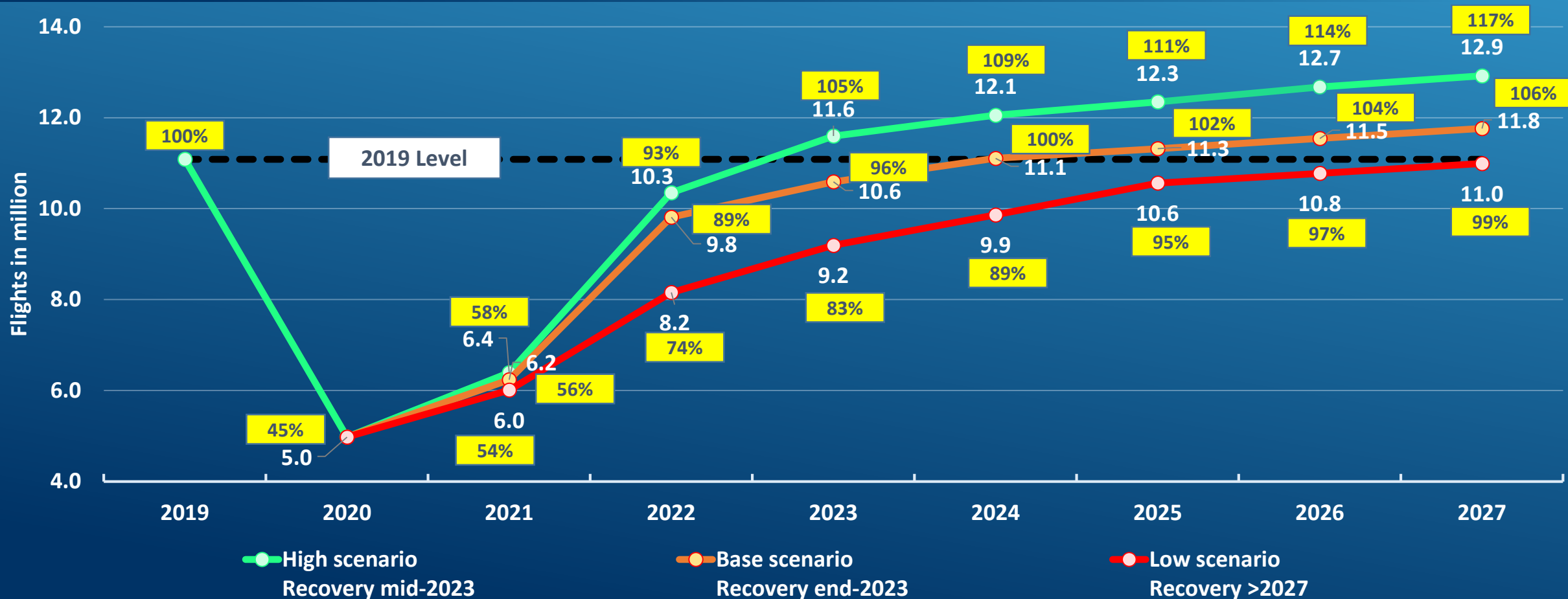
\* Europe = ECAC 44 Member States

Source: EUROCONTROL, Short-term traffic scenario October 2021

# EUROCONTROL STATFOR 7-year forecast for

## \*Europe 2021-2027

Actual and future IFR movements, % traffic compared to 2019



\* Europe = ECAC 44 Member States

Source: EUROCONTROL, 7-year Forecast October 2021

# Flight Forecast

## Summary of flight forecast for Europe (ECAC)

ECAC*		2014	2015	2016	2017	2018	2019	2020**	2021	2022	2023	2024**	2025	2026	2027	AAGR 2020-2027 (vs 2019)	AAGR RP3 2020-2024
IFR Flight Movements (Thousands)	High	.	.	.	.	.	.	.	6,392	10,349	11,595	12,054	12,348	12,676	12,919	1.9%	1.7%
	Base	9,770	9,923	10,197	10,604	11,002	11,085	4,979	6,238	9,812	10,588	11,106	11,318	11,544	11,763	0.7%	0.0%
	Low	.	.	.	.	.	.	.	6,010	8,156	9,191	9,861	10,561	10,777	10,993	-0.1%	-2.3%
Annual Growth	High	.	.	.	.	.	.	.	28%	62%	12%	4%	2%	3%	2%	1.9%	1.7%
	Base	1.7%	1.6%	2.8%	4.0%	3.8%	0.8%	-55%	25%	57%	8%	5%	2%	2%	2%	0.7%	0.0%
	Low	.	.	.	.	.	.	.	21%	36%	13%	7%	7%	2%	2%	-0.1%	-2.3%

\* ECAC is the European Civil Aviation Conference

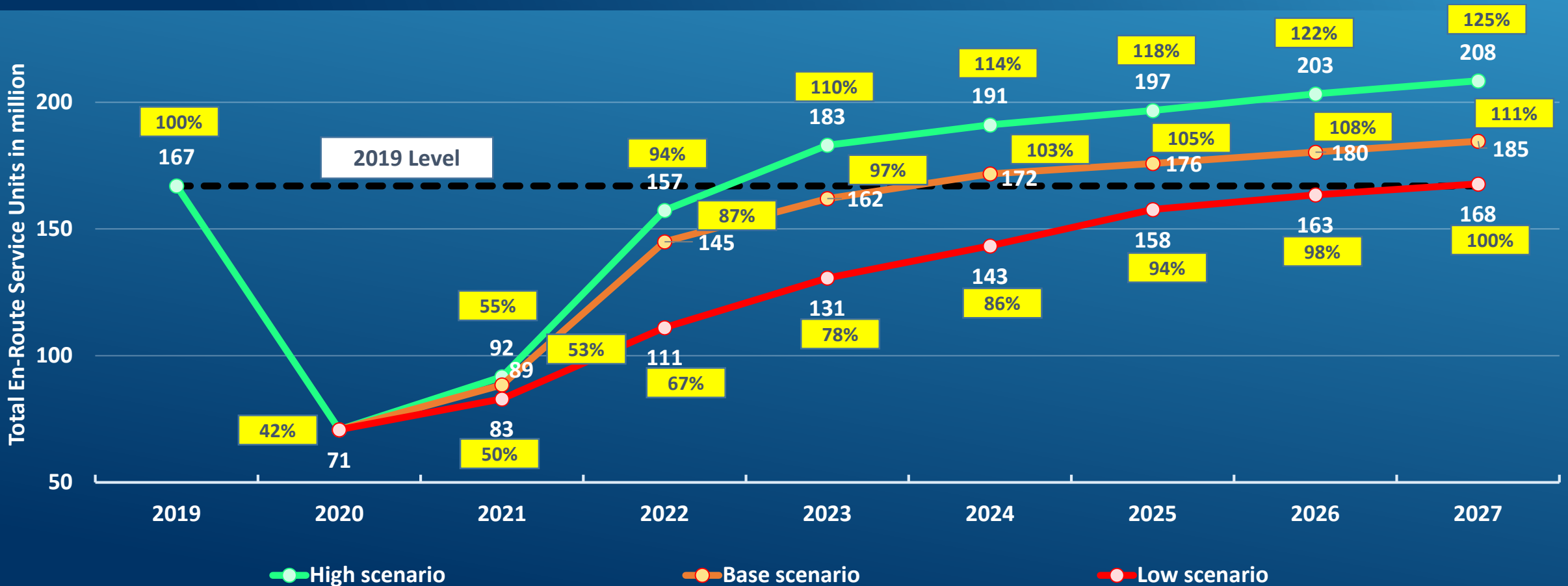
\*\* Leap year

Source: EUROCONTROL, 7-year Forecast October 2021

# EUROCONTROL STATFOR 7-year forecast for

## \*Europe 2021-2027

Actual and future total en-route service units, % traffic compared to 2019



\* Europe = CRCO Members (39 States)  
Source: EUROCONTROL, 7-year Forecast October 2021

# Service Unit Forecast

## Summary of total service units forecast

Total Service Units (thousands)		2014	2015	2016	2017	2018	2019	2020***	2021	2022	2023	2024***	2025	2026	2027	AAGR 2020-2027 (vs 2019)	AAGR RP3 2020-2024
CRCO States *	High	.	.	.	.	.	167,000	70,828	91,717	157,368	183,066	191,069	196,721	203,296	208,463	2.8%	2.7%
	Base	132,920	138,505	144,274	153,194	162,512	167,000	70,828	88,520	144,985	162,006	171,762	175,863	180,308	184,633	1.3%	0.6%
	Low	.	.	.	.	.	167,000	70,828	82,982	111,115	130,642	143,320	157,669	163,443	167,763	0.1%	-3.0%
RP2 Region **	High	.	.	.	.	.	137,800	57,694	73,995	131,563	151,638	158,581	163,012	168,119	171,956	2.8%	2.8%
	Base	111,670	115,063	120,208	126,928	134,016	137,800	57,694	71,371	121,449	133,945	142,144	145,316	148,716	151,967	1.2%	0.6%
	Low	.	.	.	.	.	137,800	57,694	66,829	92,495	107,865	117,930	129,712	134,063	137,297	0.0%	-3.1%
Annual Growth (compared to previous year)		2014	2015	2016	2017	2018	2019	2020***	2021	2022	2023	2024***	2025	2026	2027	AAGR 2020-2027 (vs 2019)	AAGR RP3 2020-2024
CRCO States *	High	.	.	.	.	.	.	.	30%	72%	16%	4.4%	3.0%	3.3%	2.5%	2.8%	2.7%
	Base	5.8%	4.2%	4.2%	6.2%	6.1%	2.8%	-58%	25%	64%	12%	6.0%	2.4%	2.5%	2.4%	1.3%	0.6%
	Low	.	.	.	.	.	.	.	17%	34%	18%	9.7%	10.0%	3.7%	2.6%	0.1%	-3.0%
RP2 Region **	High	.	.	.	.	.	.	.	28%	78%	15%	4.6%	2.8%	3.1%	2.3%	2.8%	2.8%
	Base	4.4%	3.0%	4.5%	5.6%	5.6%	2.8%	-58%	24%	70%	10%	6.1%	2.2%	2.3%	2.2%	1.2%	0.6%
	Low	.	.	.	.	.	.	.	16%	38%	17%	9.3%	10.0%	3.4%	2.4%	0.0%	-3.1%

\* CRCO States 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: 27 EU Member States plus Norway plus Switzerland plus UK.

\*\*\* Leap year

Source: EUROCONTROL, 7-year Forecast October 2021

# Additional Risks



The **economic recovery** remains fragile. Current forecast includes different economic forecasts (High: Consumer Boom, Base: Baseline, Low: Return of inflation) but a further deterioration of the economic situation (eg financial crisis) is a downside risk.



The **volatility in oil and fuel prices**: A surge in oil prices could lead in an increase of fuel cost, hence an increase of the ticket prices which is a downside risk.



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



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.



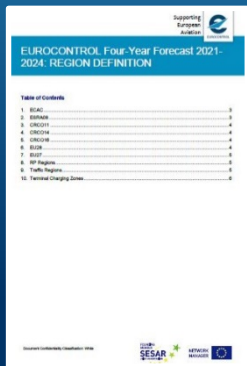
**Terrorist attacks, bans of one country on another one, wars and natural disasters.**

These are impossible to predict. Their impact on air traffic could however be a temporary one, or more significant.

\* Overflights are calculated from routes used over the Sep19 to Aug21 period; this is more significant for individual countries than for all ECAC.



# Useful links



A presentation of the geographical definitions can be found in [Annex - Traffic Region Definitions](#)

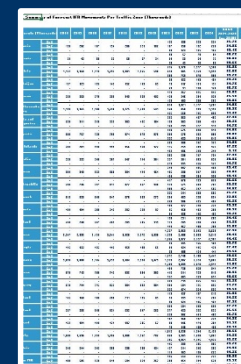


CURRENT	MONTH GROWTH	YTD CURRENT YEAR	YTD GROWTH
10,948.4	205.5%	9,703.0	-44.7%
10,613.1	202.3%	9,747.6	-44.7%
10,555.3	202.8%	9,439.4	-45.3%
9,772.6	183.7%	8,700.6	-47.1%
5,307.4	199.8%	4,754.5	-51.5%
2,341.6	267.2%	1,632.3	-47.0%

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 [statfor.info@eurocontrol.int](mailto:statfor.info@eurocontrol.int)

# SUPPORTING EUROPEAN AVIATION

