AT A GLANCE

Requested by the TRAN committee

Study in Focus

European Parliament

Relaunching transport and tourism in the EU after COVID-19
Part III: Aviation sector

See the full study

The COVID-19 pandemic had **dramatic impacts** on the **aviation sector,** ranging from a **decrease in flight traffic** to a **severe loss in revenue** for airlines and aviation operators. This translated into **job cuts and difficulties for the recovery** of the sector.

By the end of 2020, almost 51% of the total European fleet were grounded. **European airlines** experienced **revenue losses amounting to €22.2 billion. European airports lost up to €33.6 billion**, as daily movements were reduced by 73% compared to 2019. In addition, **6.4 million direct aviation and supporting-aviation jobs in Europe have been lost**, and globally **4.8 million more will be under threat by the beginning of 2022**. The **stagnation** of economic **growth**, paired with **increasing costs** of safety protocols and the often **changing travel restrictions**, hints to a **long period of recovery** for the aviation sector.

Main observations

One of the key factors to relaunch the aviation sector is the ability to **restore consumer confidence** in air transport. When it comes to travel, surveys suggest that European consumers **prioritize sanitation measures over ticket prices.** While encouraging PCR testing is important to restart travel, **consumers would prefer to be vaccinated,** ideally travelling to destinations where other individuals are also vaccinated.

The study

provides with an overview of the repercussions of the COVID-19 pandemic on the aviation sector, as well as policy recommendations to address the challenges emerging from the crisis.

A series of measures may be implemented to increase travellers' trust. Firstly, **the use of self-service technologies** can limit unnecessary physical interactions between individuals. **Hygienic practices should be consistently implemented across aviation facilities**, accompanied by reliable information to make consumers aware of the premise's safety.

Some consumers do not travel due to the confusion surrounding the unharmonized entry requirements of Member States. In this sense, **the Travel Pass Initiative by IATA** and **chatbot technologies** can help inform travellers on travel restrictions. In addition, the **EU Digital COVID Certificate** will be pivotal in easing entry restrictions across EU Member States covering vaccination, test and recovery.

Projections suggest that **leisure trips will recover faster than business trips**. This prescribes a reevaluation of the airline's flight economics, potentially resulting in the disappearance or significant downsizing of the business class and the development of new flight networks. Furthermore, **the increasing demand for point-to-point flights threatens the existence of the hub-and-spoke model.**

Air freight demand has substantially increased. As a result, many airlines converted their passenger aircrafts into cargo planes. Further, **it is expected that in the long-run, the aviation operators will decide to cooperate more with each other to complement and enhance air travel services.**

The constant opening and closing of networks also resulted in last-minute changes to flight routes. To counter short-notice changes, airlines, airports and air navigation service providers (ANSPs) need **more flexibility in their scheduling**, as well as **better planning** for their **revenue management.**

Access this note

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Sustainability policies and initiatives are also crucial to relaunch the sector. Nonetheless, some goals will need to be adjusted in order to align with the financial struggles that aviation operators are currently sustaining.

Conclusions and policy recommendations

Firstly, **re-building passengers' confidence in air transport** is essential to resume demand. To do so, measures that provide consistency on the enforcement of sanitation measures and ensure effective communication with consumers should be applied. Furthermore, the **implementation of the EU Digital COVID Certificate,** travel packages and initiatives and digital solutions can encourage tourism and restore passengers' trust.

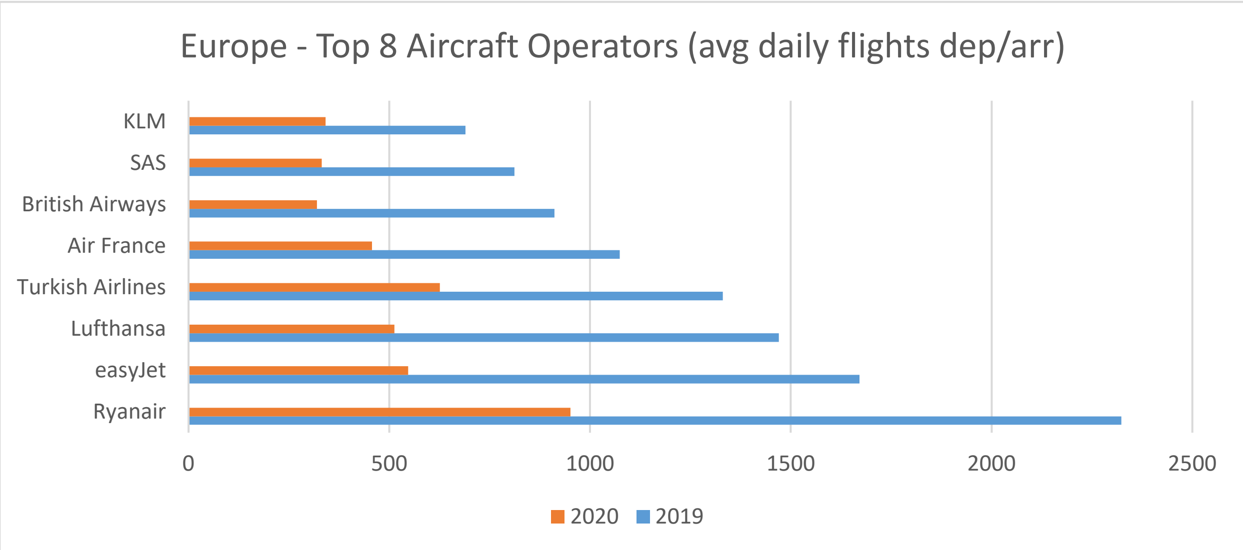
Secondly, **aviation operators should receive support through a wide array of means**, such as including aviation workers in vaccination plans, harmonizing guidelines to ensure safe and reliable travels, encouraging COVID-19 testing and financially sustaining the air transport industry via strategic plans.

Lastly, **existing policies tackling the green transition should be strengthened through targeted approaches**. For this, the correct allocation of EU funds, coupled with actions that foster support for the aviation sector, may ensure that decarbonization goals are achieved without disproportionately affecting specific market sectors.

Key areas for EU action

1. Re-building passengers' confidence in air transport
2. Supporting aviation operators
3 Ensure that decarbonization goals are achieved without disproportionately affecting aviation market sectors

Figure – Europe Top 8 aircraft operators



Source: *Eurocontrol. 'What COVID-19 did to European Aviation in 2020, and Outlook 2021' Aviation Intelligence Unit Think Paper #8*

The present note is based on the study *Relaunching transport and tourism in the EU after COVID-19 PART III: Aviation sector*, authored by: PANTEIA: Maria RODRIGUES, Emilia SANDRI, Ljubica KNEZEVIC, Tharsis TEOH Università degli Studi Roma Tre: Barbara ANTONUCCi, Nicole CUTRUFO, Lidia MARONGIU Publication: July 2021. © Image on page 1 used under the licence from Adobe Stock
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