

IMPACTS OF THE GLOBAL PANDEMIC ON THE AVIATION INDUSTRY OF THE EUROPEAN UNION

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IMPACTS OF COVID ON PASSENGER AIR TRANSPORT

1

Similar to other branches of the economy, passenger air transport is affected by economic crisis, natural disasters, armed conflicts, terrorist attacks or economic recession

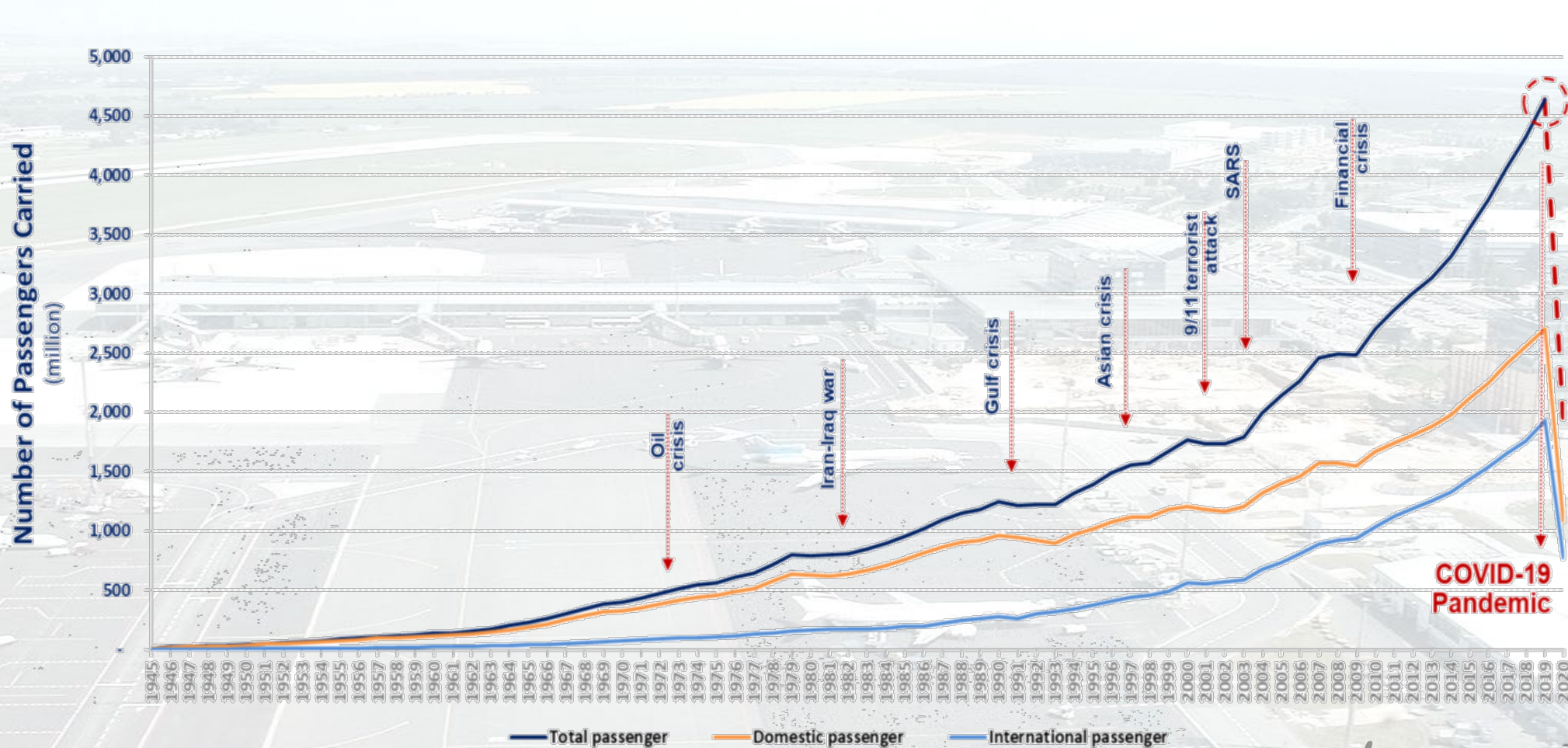
Loss of 632 to 648 million passenger's

2

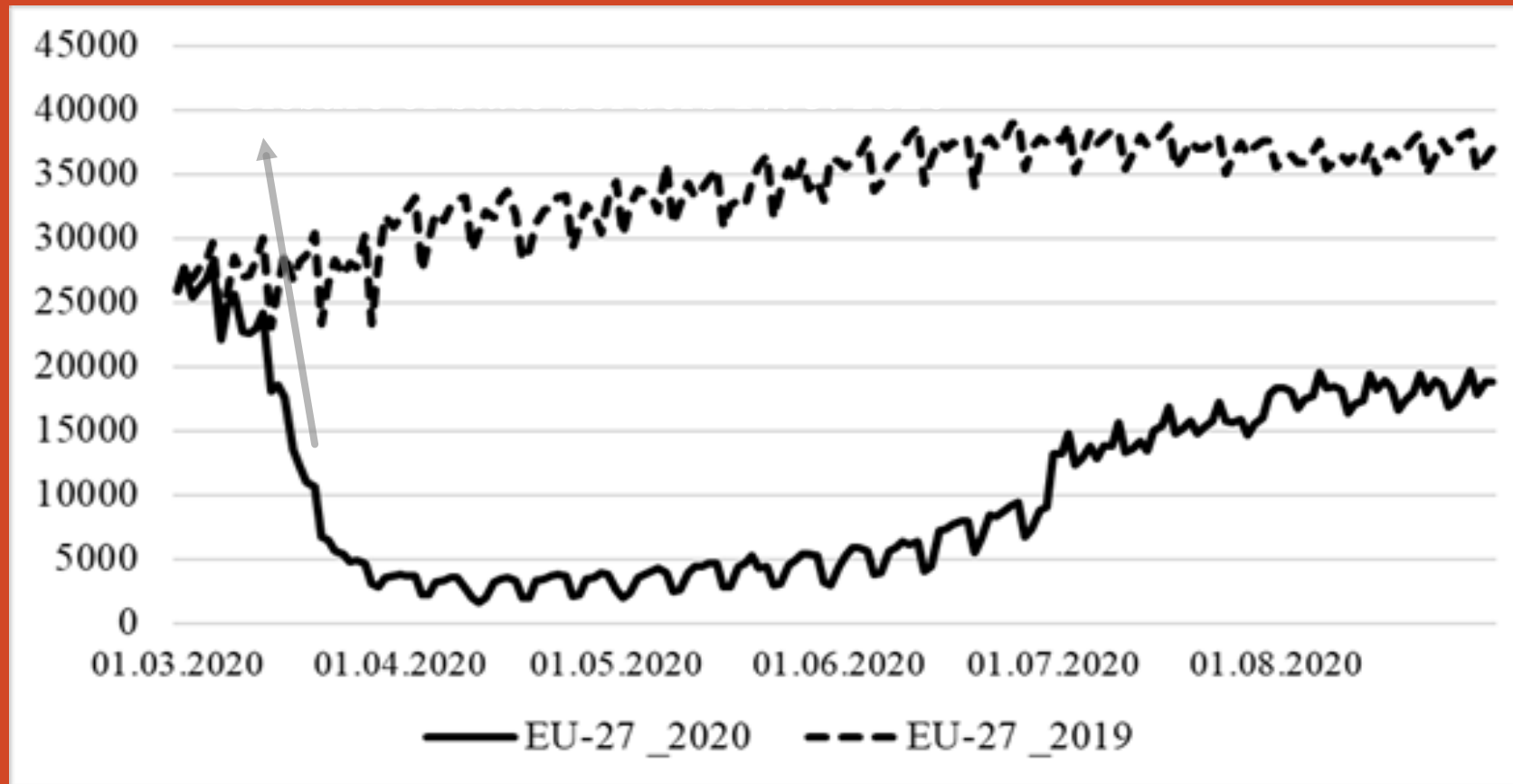
The extent of the impact of the epidemic on the development of flight numbers SARS 2003 - 2005 - 90% COVID19 EU27 - 90%



COVID-19 OUTLOOK



DEVELOPMENT AVIATION INDUSTRY



IMPACTS OF COVID ON PASSENGER AIR TRANSPORT

4

According to an estimation of the IATA, the global passenger air transport market lost 20% of its revenue in 2020. Due to lacking demand it was expected that by the end of June 2020 the air travel would lose 61 billion dollars total, 35 billion due to cancellation of unrealized flights (ticket return)

5

The planes have been grounded, for years it is only repatriation or freight transport. Airlines have the cost of position on the flight paths (hold slot) → empty flights

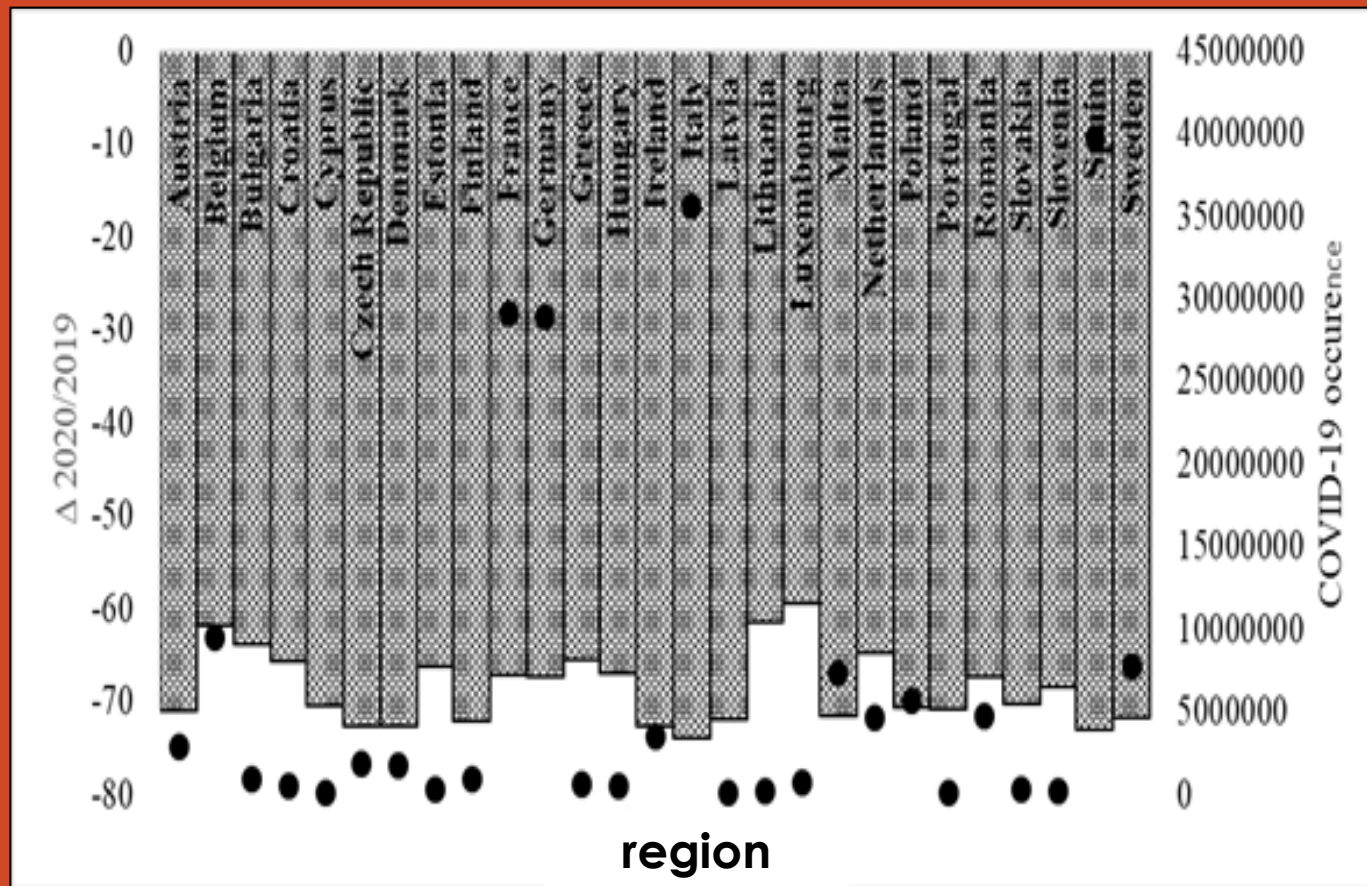
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Example of a flight company FLYBE in Ireland has ceased activity, possible termination of some airlines,

- Dismissal employees: for example Lion 2600, Lufthansa 26000
- Dismissal considerations: for example Smartwings 600, Air France 7500



AVERAGE YEAR-ON-YEAR CHANGE MARCH - AUGUST 2019/20



Highest year-on-year decrease of landings and departure:

- Spain (74%),
- Italy (73.1%)
- Czech Republic (73.9%)
- Luxembourg (59.4%),
- Belgium (61.9%) s

COVID 19 occurrence: 31.8.2020

- Spain (462 858)
- France (302 175)
- Italy (269 214)
- Germany (302 175)
- Romania (87 540)

MEASURES AND SUPPORT IN AIR TRANSPORT IN THE EU

	Support	Condition of support
Air France	7 mld. €	Loan guarantees, subsidies, government investments
Lufthansa	9 mld. €	9 billion rescue package WSF * 20% stake and 2 seats on the supervisory board, restructuring, surrender of market share
Austrian Airlines**	450 mil. €	Government investment € 150 million, loan guarantees € 300 million
Alitalia		Full takeover by the state
Condor	550 mil. €	Loan guarantee (of which € 256 million is intended for refinancing a bridging loan from 2019)
Norwegian Air Shuttle	270 mil. € ¹	Loan guarantee, conversion of bonds into shares (1.1 billion €)
Airline SAS	137 mld. €	State guarantee
Smartwings	36,8 mil. € ¹	Credit guarantee, Management share



SUPPORT

1

Introduction of so-called seat maps, which effectively block some seats in order to maintain a social distance in the future -> inefficient use of capacity -> financial loss of society

2

Mandatory masks in alarm halls, some airlines and on board aircraft require mandatory wearing of veils both for staff and passengers.

3

At airports, disinfection tunnels or body temperature measurement stations could soon be available.

THE RELATIONSHIP BETWEEN COVID19 AND EU27 FLIGHT NUMBERS

Tadini a Pivo → there are direct links between tourism and air transport.

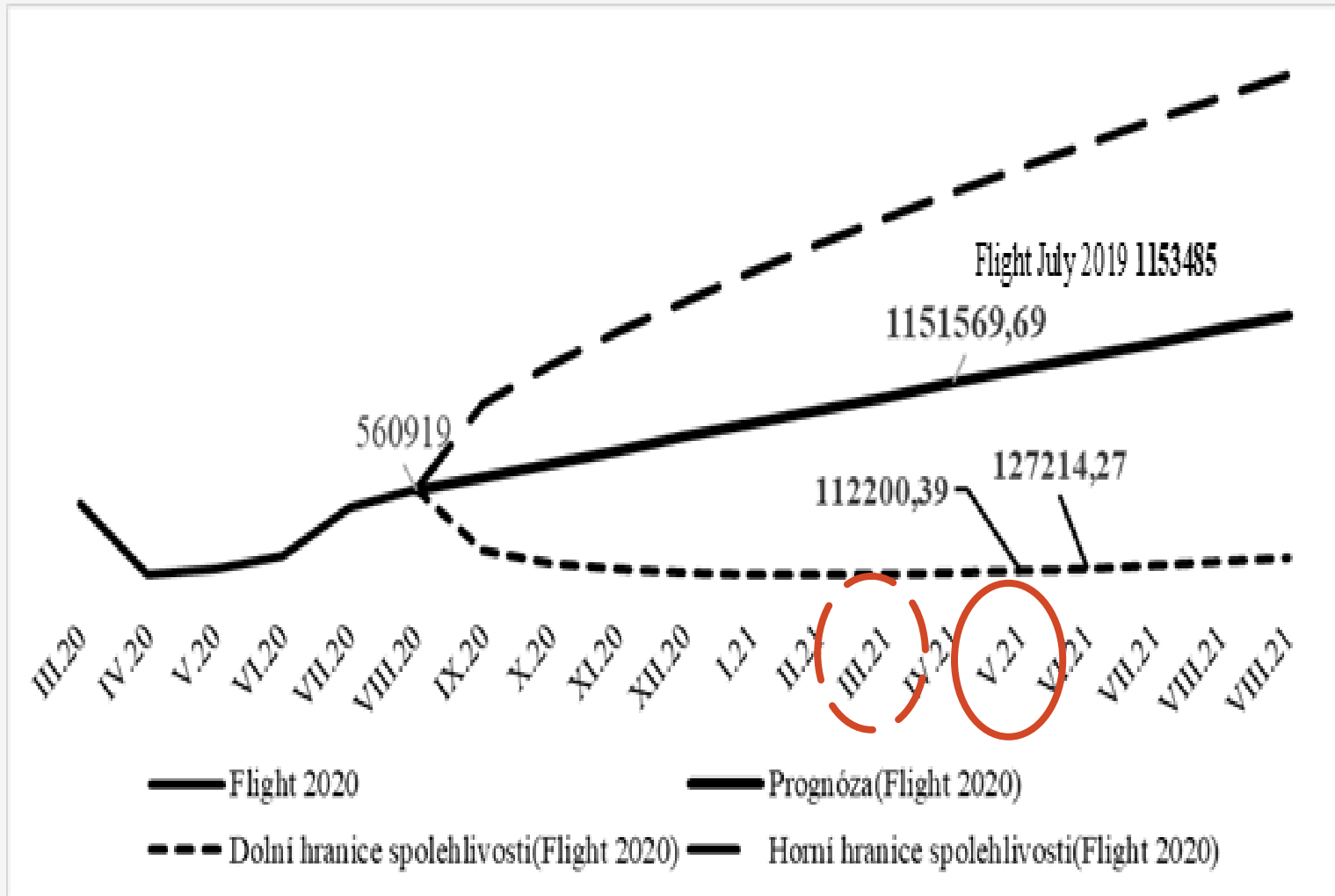
Correlation analysis

In the case of the COVID variables and the number of flights in 2019, there is a strong positive linear relationship. (Correlation coefficients were statistically significant (Sig. < 0.05).

We can state with some caution that massive travel, which is a characteristic manifestation of globalization, may be the cause of the spread of viral disease, which is carried out with a time lag.

Correlation (** Significant at the 0,01)		Daily values	
		COVID-OCCURRENCE	COVID DEATH
Pearson correlation	Flight 2020	0,069	-0,066
Sig 2-tailed		0,372	0,354
Pearson correlation	Flight 2019	0,869**	0,886**
Sig 2-tailed		0,000	0,000

PREDICTION OF PASSENGER AIR TRANSPORT



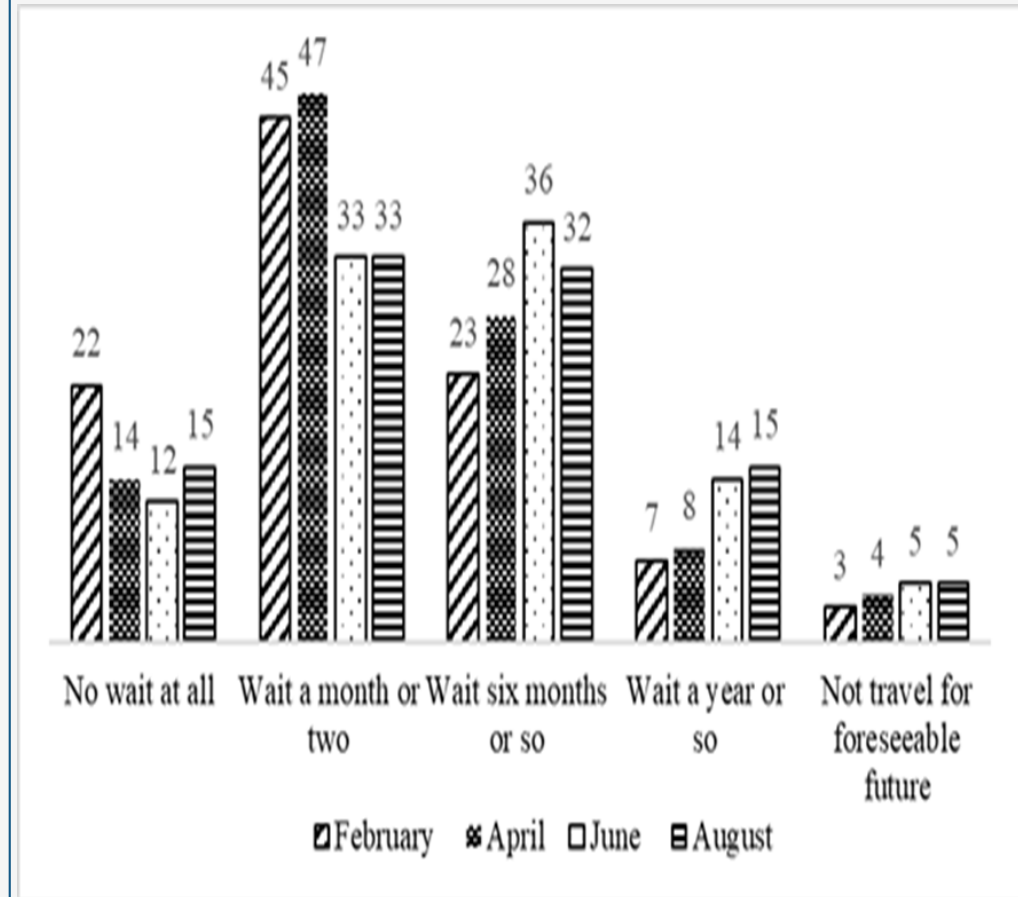
$$Y = -0,00005x^3 + 60,864x^2 - 3E+06x + 4E+10$$

$$R^2 = 0,8235$$

RESULTS AND DISCUSSIONS

- 1 The length of pandemic in the terms of aviation will be crucial.
- 2 People are reconciled with the measures of airlines and at the same time careful in the short future (see picture)
- 3 Consumer behavior is reflected in the development of air transport. It is assumed that air transport will not resume until the following year 2021, but will be 15-25% below the maximum of 2019
- 4 On the other hand, it is possible to agree that the paralysis of air transport has brought about the fulfilment of the strategic goals of sustainable development. The reduction of air traffic is thus clearly reflected in the reduction of the carbon footprint, the reduction of energy intensity

WILLINGNESS TO USE AIR TRANSPORT IN THE EVENT OF A PANDEMIC SITUATION



NEW TREND

1

Fictitious flights

Taiwan's Songshan Airport in Taipei has decided to provide people longing to travel abroad with an experience they have long lacked. Boarding the plane with everything. Up to 90 people can spend this holiday at once, but the plane will not leave the runway for a moment. People go through all the airport checks, board the plane, listen to the safety briefing and then get out again. Even so, there is great interest in the novelty, as shown by Reuters images. People enjoyed it on the plane, they also took a number of selfie pictures.

CURRENT TRENDS

With the onset of the second wave of COVID 19, the number of flights in the EU27 is falling again

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NEW SOLUTIONS

1 New seating arrangement

Instead of removing the seats from the planes, he wants to turn the middle seats and cover them with plexiglass or attach a Plexiglas's box to each seat.



CURRENT TREND

With the onset of the second wave of COVID 19, the number of flights in the EU27 is falling again and new forecasts of a revival of air traffic are appearing -> 2024

