

# Crash landing: Global air transport hit hard by virus

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The COVID-19 pandemic has battered the air transport sector by all but grounding planes, resulting in layoffs, bankruptcies and rescue plans.

The International Air Transport Association (IATA) has estimated global airlines will lose \$314 billion (286 billion euros) in 2020 revenues.

That's a 55 percent dive compared to 2019, and [air traffic](#) will not bounce back to where it stood before the virus until 2023, the IATA says.

Here's a recap of some of the major casualties.

## **Gone under**

Latin America's largest airline LATAM, which has more than 42,000 employees, became the latest carrier to file for bankruptcy on Tuesday.

It entered into a voluntary reorganisation under Chapter 11 protection in the United States, which allows a company that is no longer able to repay its debt to restructure without pressure from creditors.

This comes just two weeks after Colombia's Avianca, which has 20,000 staff, also filed for bankruptcy in the US to reorganise its debt.

Cash-strapped giant Virgin Australia also collapsed on April 21, going into administration.

The airline had appealed for a Aus\$1.4 billion (\$930 million) loan to stay afloat, but the government refused to bail out the majority foreign-owned company.

The pandemic has also led to the collapse of South Africa's Comair and South African Airways (SAA), Britain's Flybe and four subsidiaries of Norwegian Air Shuttle in Sweden and Denmark.

## **Jobs slashed**

Air Canada plans to lay off more than half of its workforce, or at least

19,000 employees. British Airways will shed 12,000 jobs or 30 percent of its workforce, US Delta Air Lines will carry out 10,000 redundancies (11 percent), while Scandinavia's SAS will lay off 5,000 jobs (40 percent).

Other job losses will come at United Airlines in the US (3,450 officials), Britain's Virgin Atlantic (3,150), Ireland's Ryanair (3,000) and Aer Lingus (900), Icelandair (2,000), Brussels Airlines (1,000), Hungary's Wizz Air (1,000) and Fiji Airways (758).

The damage to the air sector extends beyond the airlines.

US plane manufacturer Boeing has announced 16,000 layoffs, or 10 percent of its workforce in the civil aviation sector. In the engine sector, US manufacturer General Electric and Britain's Rolls-Royce have also slashed 12,600 and 9,000 jobs respectively.

## **Governments to the rescue**

German airline group Lufthansa struck a nine-billion-euro (\$9.8 billion) rescue deal with the government on Monday, under which Berlin will become its main shareholder.

Also in Germany, charter firm Condor, a subsidiary of bankrupt travel agency Thomas Cook, secured 550 million euros in loans, underwritten by the state.

France and the Netherlands have rushed to the rescue of Air France-KLM with a plan of between nine and 11 billion euros.

Most of the big American air companies have asked for support from a massive \$2.2 trillion US stimulus package intended to help impacted industries, of which \$50 billion is earmarked for the civil aviation sector.

Italy has decided to nationalise Alitalia.

Britain has pledged a 600-million-pound (\$740-million) public loan to Easyjet.

Switzerland has guaranteed 1.2 billion euros in loans to Swiss and Edelweiss, two subsidiaries of Lufthansa.

New Zealand has loaned some NZ\$900 million (\$551 million) to Air New Zealand.

Dubai and Turkey have also announced that they will come to the aid of Emirates and Turkish Airlines, but have not yet provided figures.

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