

Airlines headed for \$84 bln net loss in 2020: IATA

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International airlines are in line to make a combined net loss of more than \$84 billion this year in the wake of the coronavirus crisis which has decimated air travel, the International Air Transport Association said Tuesday.

"After \$84 billion net losses this year we forecast supplementary losses

of \$15 billion in 2021," the IATA said at a new conference, revealing the extent to which its 290 member carriers have been affected by the virus and the ensuing global lockdown designed to limit its spread.

"The losses this year will be the biggest in aviation history, over \$84 billion in 2020 and nearly \$16 billion in 2021," said IATA director general Alexandre de Juniac.

"By comparison, airlines lost \$31 billion with the Global Financial Crisis and oil price spike in 2008 and 2009. There is no comparison for the dimension of this crisis."

De Juniac said IATA research "shows that people will return to flying as soon as borders open" and carriers had to be prepared for an orderly resumption once demand returns in line with health guidelines.

"The outlook is challenging to say the least. But aviation is a resilient industry," De Juniac added. "With a globally harmonized and mutually recognized approach to the re-start measures, we can rebuild the confidence of travelers and kick-start the recovery in aviation and more broadly.

He added the sector hoped that a range of safety measures including more effective mass testing would "give governments the confidence to re-open borders without quarantine measures" as "if quarantine is introduced economies are effectively kept in lockdown for the purposes of travel."

But De Juniac warned of a growing debt burden as despite government relief measures that had grown by \$120 billion to \$550 billion—equivalent to some 92 percent of expected 2021 revenues.

The IATA warned in April that airlines faced an "apocalypse" without

state aid and forecast that revenues would fall by some 55 percent amid the sharpest falloff in passenger demand since the 9/11 attacks in the United States in 2001.

De Juniac said he hopes to see a more orderly resumption of service than on that occasion "when everybody essentially did their own thing and we have spent 20 years sorting out the differences."

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