

Airline revenues forecast at half 2019 levels in 2021: IATA

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Many aircraft have been parked for months as the coronavirus pandemic has topped traffic numbers

Airline industry revenues are expected to remain 46 percent lower in 2021 than the \$838 billion booked in the last pre-coronavirus year of

2019, industry body IATA said Tuesday in a marked worsening of its forecasts.

Its previous outlook for a smaller drop of 29 percent "was based on expectations for a demand recovery commencing in the fourth quarter of 2020."

That is now unlikely to materialise because of renewed Covid-19 outbreaks and government restrictions in response, said the federation representing 290 airlines.

Over the full year in 2020, IATA forecasts a 66-percent drop in [traffic](#) compared to last year.

"The [fourth quarter](#) of 2020 will be extremely difficult and there is little indication the first half of 2021 will be significantly better, so long as borders remain closed and/or arrival quarantines remain in place," IATA director general Alexandre de Juniac said in a statement.

Even with drastic cost-cutting, airlines will need further government aid to avoid running out of cash, de Juniac said.

IATA also urged airports and [air traffic controllers](#) not to increase their prices to cover shortfalls from the vastly lower traffic.

And it warned that relief for airlines this year on fuel costs thanks to low oil prices is expected to fade away in 2021.

"Even if we maximize our cost cutting, we still won't have a financially sustainable industry in 2021," de Juniac said, adding that 1.3 million jobs were at risk in the [aviation industry](#) alone, with potential knock-on effects on millions more.

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