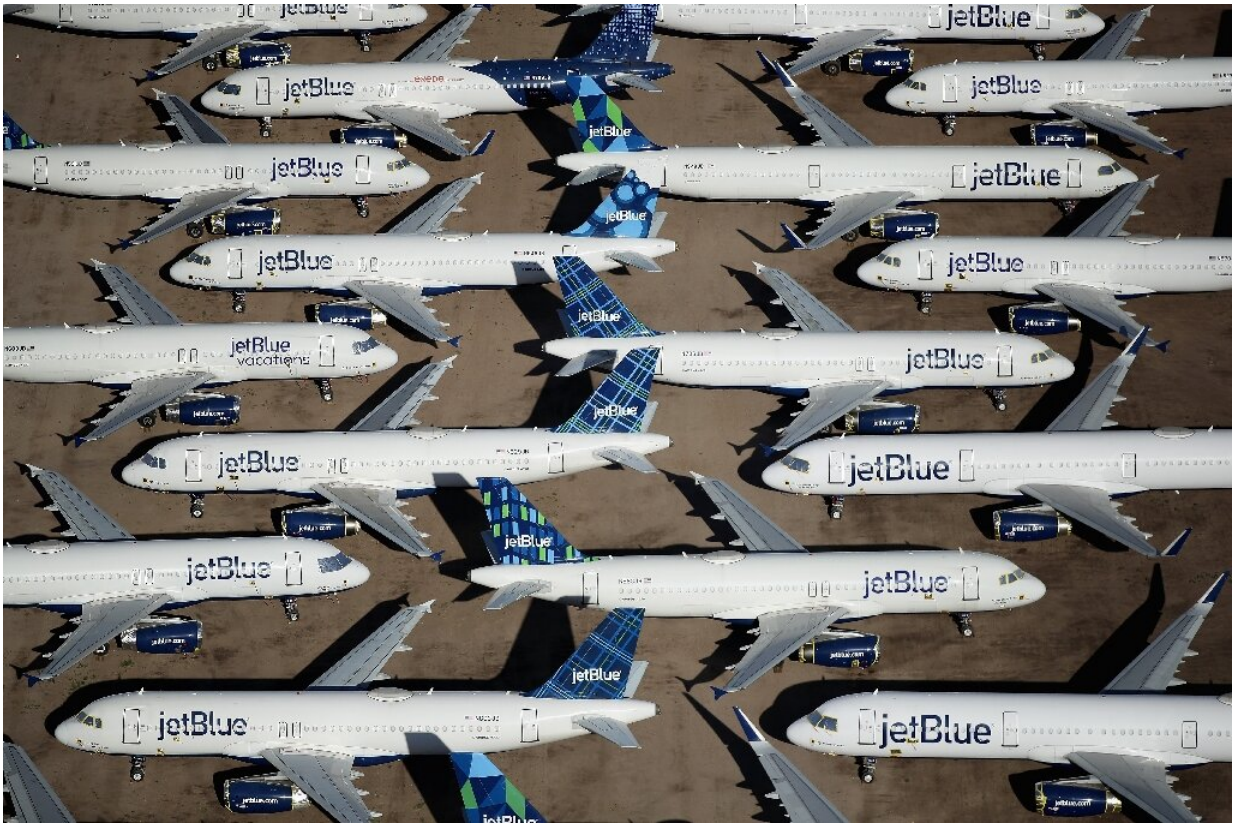


Airlines need another \$70-80 bn to survive: IATA chief

November 20 2020, by Sonia Wolf



Travel restrictions imposed during the first wave of the crisis forced many airlines to ground almost their entire fleets

Airlines need up to another \$80 billion to survive, the head of the industry's trade association told a French daily on Friday, as many

countries tighten restrictions to confront another wave of coronavirus infections.

"For the coming months the industry is estimated to need \$70-\$80 billion (59 to 67 billion euros) in additional aid," the head of the International Air Transport Association (IATA) Alexandre de Juniac told La Tribune.

"Otherwise they won't survive."

Airlines are one of the sectors worst hit by measures adopted by governments to slow the spread of the coronavirus, but they have also received an estimated \$160 billion in aid.

"The longer the crisis lasts, the greater the risk for bankruptcies," de Juniac was quoted as saying by the daily.

"Nearly 40" airlines "are in a very difficult situation or are under [bankruptcy protection](#) or administration," he added.

Travel restrictions imposed during the first wave of the crisis forced many airlines to ground almost their entire fleets. Many governments stepped in with various forms of aid such as loans, cash injections, and support for furloughed workers.

While traffic picked up as restrictions were eased, it has begun to slow again in recent weeks as the circulation of the coronavirus has surged in numerous countries.

IATA expects traffic to be down by 66 percent for 2020 as a whole.

It believes the traffic won't return to its 2019 level before 2024—an estimation based on the expectation of a vaccine becoming available in

mid-2021.

It forecasts the revenue of airlines to come in at \$419 billion, half of the 2019 level.

De Juniac now expects airlines to suffer losses in the order of \$100 billion, up from previous estimates of \$87 billion.

Asked about whether the crisis would encourage consolidation in the sector, de Juniac said that in order for that "the companies need the means to buy one another" but that at the moment "they are in [survival mode](#)".

But he said there were likely to be fewer airlines as carriers go bust and that the ones which survive are likely to be smaller as they close routes and sell off aircraft.

"We'll have smaller companies, but they will probably be pretty strong, dynamic and ready to go. And once they do, I think the recovery will be quick and strong," said de Juniac.

The comments by de Juniac come days ahead of IATA's annual meeting that will bring together representatives of 290 airlines throughout the world.

© 2020 AFP

Citation: Airlines need another \$70-80 bn to survive: IATA chief (2020, November 20) retrieved 19 April 2024 from <https://techxplore.com/news/2020-11-airlines-bn-survive-iata.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.
