
GlobalData: Global airline industry at a crossroads as it faces terminal decline

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The coronavirus has had a drastic impact on the airline industry forcing companies such as British Airways to cease operations at major airports with developments in the last few days placing the airline industry at a crossroads, says GlobalData, a leading data and analytics company.

Nick Wyatt, Head of R&A and Travel & Tourism at GlobalData, comments: “Which way the industry goes from here remains to be seen, but government action, or in some cases a lack thereof, will be a key determinant. The full force of COVID-19 is now being felt on a global scale and we’ve reached a critical junction with even the US domestic industry seeing waves of flight suspensions.”

GlobalData figures show that 157.7 million domestic trips in the US were made by air in 2019, making the country the second largest market globally behind China (517.2 million). This significant scale back of operations, in such a short period of time, is very telling and not sustainable for very long.

Last week, easyJet announced that its entire fleet is now grounded, Air Canada confirmed the furlough of 16,500 staff, British Airways announced a temporary stop to all operations at Gatwick and American Airlines made it clear that it wants to access \$12bn of government support funding.

Wyatt adds: “These are just a select few examples and such actions are not a coincidence. The industry is already approaching terminal decline in just a few weeks of this crisis unfolding and governments need to act before it’s too late.

Some are now acting with a sense of urgency, but too many remain too inactive. A crossroads has been reached and a wrong turn now will have far-reaching consequences for some of the world’s most well known and popular airline brands.”

(GlobalData)