

ACI says turning point for travel recovery may have arrived

Airports Council International (ACI) World has released data that shows we might be at turning point in travel recovery, despite slower-than-expected start and persisting financial challenges.

The association states that the easing in regulations in key markets is bringing about renewed optimism, and calls on the rest of the world to continue to ease restrictions using a science-based approach. This optimism continues despite the new geopolitical tensions arising this week.

ACI has released the projected growth forecast for the industry 2021–2040. While numbers in 2021 continued down more than 50% vs 2019, that number is expected to meet -36.1% in 2022 – down to be sure, but a considerable increase.

Of note:

As predicted, domestic traffic continued to drive recovery in 2021, reaching close to 3.4 billion passengers corresponding to 63.4% of 2019 levels.

International passenger traffic volume lagged significantly behind, reaching 27.8% of the 2019 level or down -72.2%.

This year's predictions

By end of 2022, travel will increase to the point of being 28.9% down compared to 2019, with 3.7 billion fewer passengers.

Domestic travel should continue its faster recovery this year for a total of 4.46 billion passengers, or 84% of 2019 volume.

Meanwhile international passenger volume should reach above 2 billion passengers for the year, moving the needle past 50% to reach 53.8% of 2019 volume.

While coffers are becoming slightly heavier, financial challenges persist for airports, with the global loss estimate at -US\$83.1 billion in revenues in 2021.

Before the devastation wrought by the pandemic, the airport industry was expected to generate more than US\$175.8 billion in revenues in 2022; current projected revenues are forecast to reach only 72.6% of 2019 levels.

For any chance that this momentum might progress, governments must continue to ease restrictions.

We must also consider that, while Covid-19 has impacted the travel industry beyond what anyone might have imagined two short years ago, the industry has always been affected by socio-political concerns from economics to armed conflict, and those concerns — which have for the most part been simmering in the collective back of mind — ramped up this week with the armed conflict in the Ukraine.

“Our thoughts are with the people and our colleagues in aviation impacted by the situation in Ukraine,” said ACI World Director General Luis Felipe de Oliveira. “As we have seen during the COVID-19 crisis, agility and adaptation is in aviation’s DNA. Airports are trained to handle crises and

the priority remains to keep people—travellers and staff—safe. This is the number one priority, always. Like many, we are hoping for a peaceful resolution to this crisis.

“On the global front, it has been almost two years since the World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic. However, we have now reached a potential turning point. The unprecedented global vaccination effort and latest recommendation from the WHO that governments ease travel restrictions could jumpstart the global economic recovery and that of air transport demand.

“Countries are now introducing measures for which ACI has been advocating for months: the implementation of risk- and evidence-based approaches for a safe return of travel. ACI now calls on governments worldwide to ease travel restrictions to restore travel, trade, and tourism. During this transitional phase, the ongoing commitment to the safe resumption of travel is critical, including that of national and international regulators.

“Despite the risks that exist, the industry remains confident that the potential for a recovery to 2019 levels within two or three years is foreseeable. Airport planners and investors are encouraged to make use of the latest ACI World Airport Traffic Forecasts 2021–2040, to leverage data-driven decision-making in their short-, medium-, and long-term sustainable planning.”