

2021 Aviation Industry Outlook

Entering 2021, the worst of the aviation industry's COVID-19 downturn may be behind us, but the pandemic's impact is not. Just how long its effects will linger is an open question, but the road to recovery looks long and winding.



\$118 billion

The global aviation industry suffered net losses of \$118 billion in 2020, according to the International Air Transport Association.

An additional \$38bn in losses are expected in 2021.

Unprecedented decline

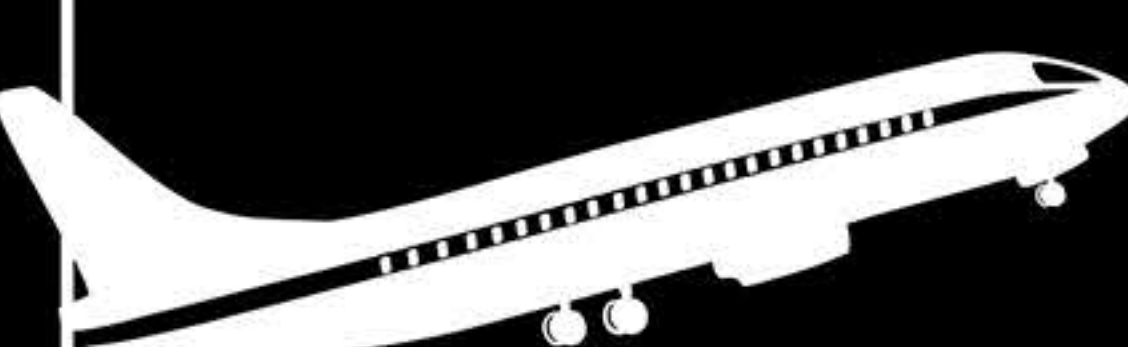

Passenger departures decreased by 61 percent, falling from 4.5 billion passengers in 2019 to just 1.8 billion in 2020.

“The pandemic and its consequences wiped out 21 years of global passenger traffic in a matter of months,” global aviation data firm Cirium reported.

61%

Flights halved

Airlines operated just 16.8 million flights in 2020, only slightly more than half of the 33.2 million flights operated in 2019.

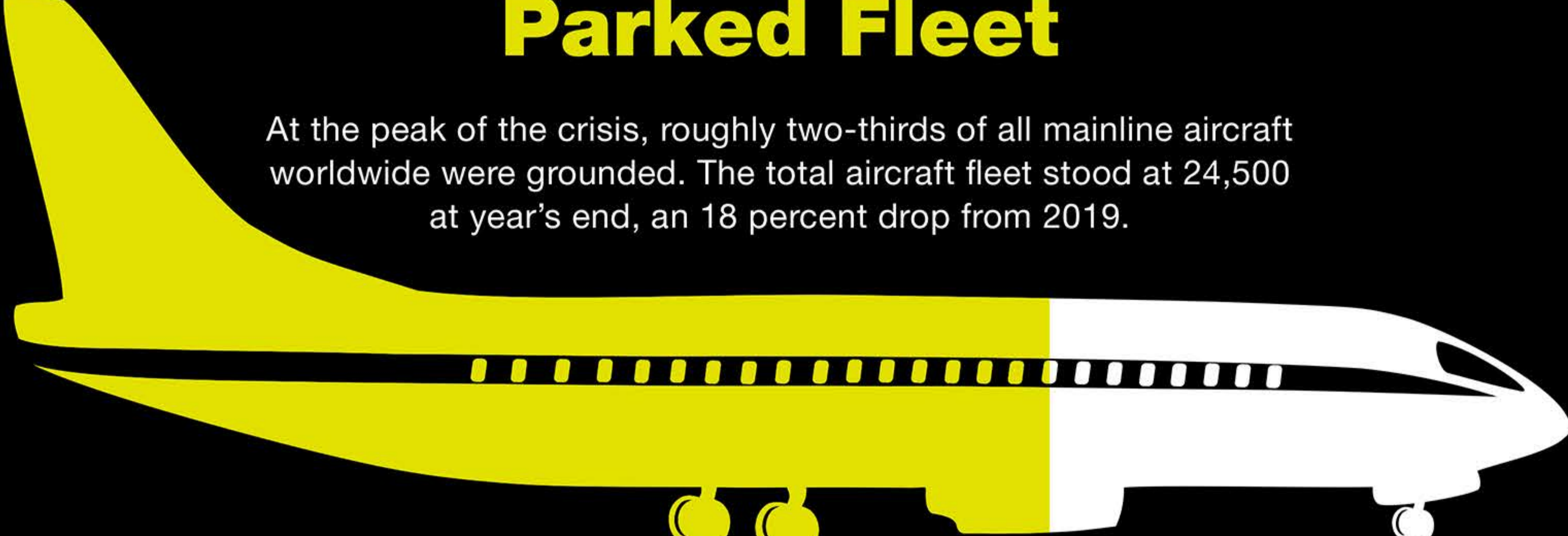
Closed borders

Due to border closures and steep drops in business travel, international flights accounted for only 23 percent of all air traffic in 2020.



Parked Fleet

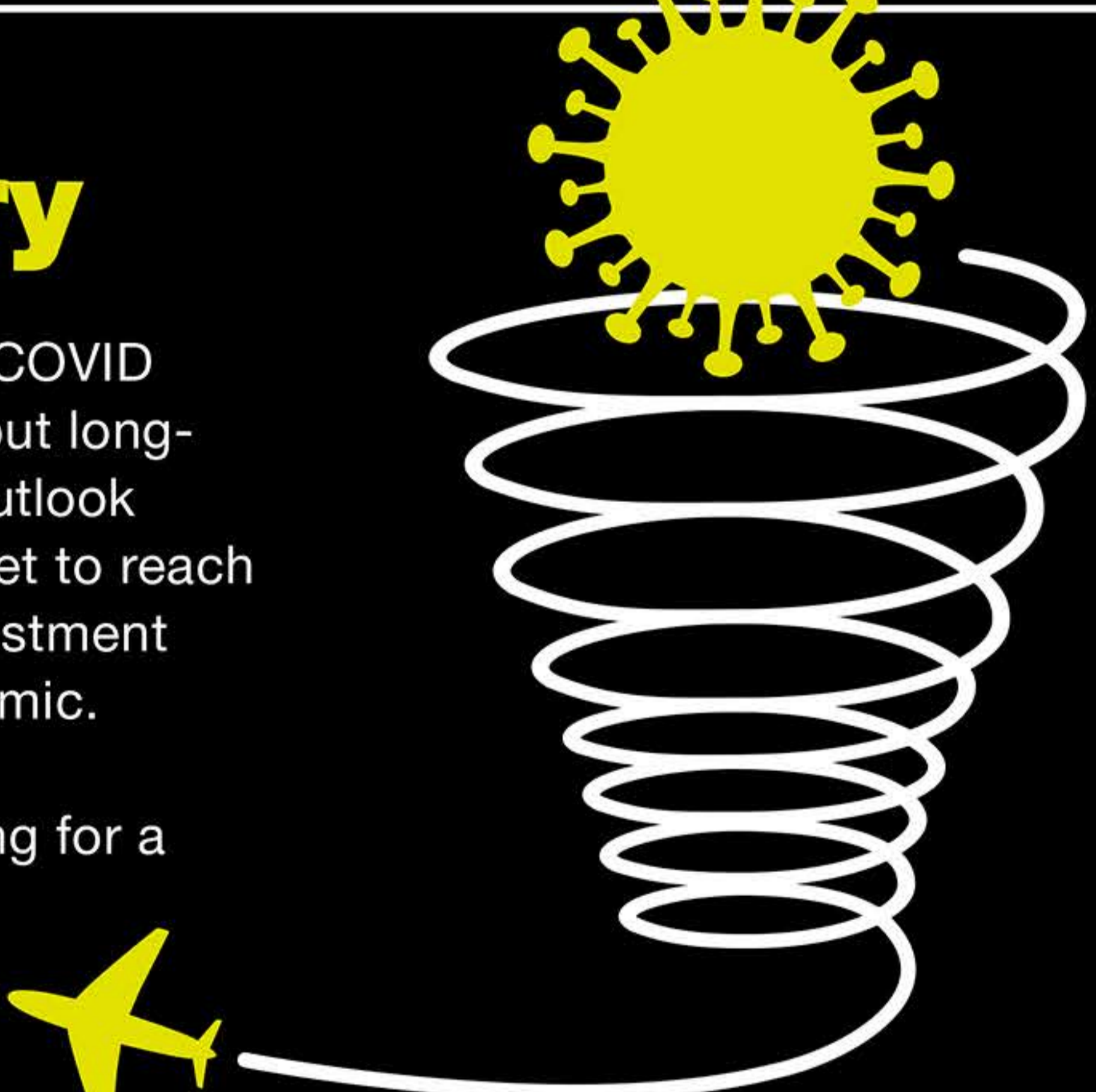
At the peak of the crisis, roughly two-thirds of all mainline aircraft worldwide were grounded. The total aircraft fleet stood at 24,500 at year's end, an 18 percent drop from 2019.



Long-term recovery


The global fleet is not expected to return to its pre-COVID fleet numbers until the end of 2022 at the earliest, but long-term forecasts are still bullish. In its 2020 Market Outlook released in October, Boeing expected the global fleet to reach 48,400 by 2039, only a four percent downward adjustment from its 20-year forecast released before the pandemic.

Airbus predicts a similar long-term expansion, calling for a total global fleet of 44,860 by 2038.



Aircraft retirements

More than 2,600 planes will be retired by the end of May 2021, a roughly five-fold increase over the number of aircraft retirements in a typical year. These accelerated retirements are likely to cause ripple effects throughout the MRO and aftermarket sectors.




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