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Air connectivity recovery incomplete and uneven

Travel restrictions, war in Ukraine and a stop-start recovery suppress connectivity to Great Recession levels

Brussels and Rome, 22 June 2022: On the eve of its 32nd Annual Congress and General Assembly, ACI EUROPE is today publishing the Airport Industry Connectivity Report for 2022, which reveals that the recovery of European air connectivity from the COVID-19 pandemic is uneven and still difficult. This reflects the combination of yet not fully lifted travel restrictions, the impact of the war in Ukraine and structural changes in the aviation market.

The results are telling in terms of the true nature of recovery from a traveller perspective – it is a more complex measure than simple flights or passenger numbers. The different indexes used measure the full extent of the air connectivity available from every European airport in terms of destinations and the direct and indirect flights available through hubs. They also measure the connectivity enabled by hub airports.

Total Air Connectivity still back at 2009 levels

More than 2 years into the COVID-19 pandemic - and despite an upsurge in passenger volumes this Summer – **total air connectivity** across the European airport network still remains **-29%** below pre-pandemic (2019) levels. This means as of June 2022, air connectivity in Europe is back to where it was in 2009 – when the Great Recession hit.

However, this hides significant divergences between national markets – with **Greece** being the only country having now achieved a full recovery in its air connectivity, closely followed by **Turkey (-3%)**.

Amongst larger EU+ markets, **Spain (-23%)** is best performing, followed by the **UK (-28%)**, **Italy (-32%)** and **France (-34%)**. **Germany (-39%)** comes last.

At the other end of spectrum, **Ukraine** has lost all of its air connectivity and **Russia's (-62%)** and **Belarus' (-78%)** air connectivity are clearly hit by international sanctions.

Direct connectivity vs. indirect/hub connectivity

While **direct connectivity** is finally getting closer to pre-pandemic levels at **-15%**, **indirect connectivity** and **hub connectivity** still stands much behind at **-36%** and **-34%** respectively. This reflects the distinctive patterns of the recovery in air traffic – which has been driven by leisure/VFR demand and fuelled by ultra-LCCs' capacity expansion, and with travel restrictions still remaining in place (to varying degrees) on many intercontinental markets.

In particular, while **direct connectivity within Europe** now stands at **-16%** compared to pre-pandemic (2019) levels, **direct connectivity between Europe and Asia Pacific** remains less than half **(-52%)** what it used to be.

A structural shift that looks set to stay

One of the report's notable finding is that the European market has experienced a structural shift, with **Low-Cost Carriers (LCCs)** now accounting for **40%** of direct air connectivity, up from 27% pre-pandemic (2019). Full Service and other carriers' share has decreased from 73% to 60%.

Faster direct connectivity recovery for smaller & regional airports

Small & regional airports (Group 4 category – less than 5 million passengers) have recovered connectivity faster but their future gains are more uncertain. The report shows that whilst **33% of them** (had recovered their pre-pandemic **direct connectivity** levels as of June 2022, only one **of the largest airports** (Group 1 category – more than 25 million passengers) had done so – Palma de Mallorca, which serves primarily an intra-European tourist market.

Amsterdam Schiphol, Istanbul and London Heathrow best for direct connectivity

In absolute terms, **Amsterdam Schiphol (-10%)** this year again holds the top spot in terms of direct connectivity, followed by ever resilient **Istanbul (-5%)**, and **London Heathrow (-13%)** climbing back up from the 7th position to the 3rd compared to last year.

Lisbon (-4%), **Athens (-6%)** and **Istanbul Sabiha Gokcen (-6%)** have almost recovered their pre-pandemic direct connectivity, and **London Gatwick (-8%)** and **Dublin (-7%)** are also coming close, having rejoined the top 20 league after dropping off last year.

Top 20 global Hub connectivity league dominated by European airports

In terms of **hub connectivity**, European **Major hubs (-26%)** showed significantly more resilience than both **secondary hubs (-51%)** and **niche & small** hubs (-35%) - thanks to the critical mass of their based network airlines and their diversified route network.

At the global level, European airports are back on top of the league this year. 9 out the top 10 airports for hub connectivity are from Europe.

Frankfurt (-29%) has regained its pre-pandemic (2019) position as the top Global airport for hub connectivity. **Istanbul** comes to the 2nd position, having actually increased its hub connectivity by **+11%** compared to pre-pandemic (2019), followed by **Amsterdam Schiphol (-33%)**, which also regains the 3rd position it held before the pandemic.

This is a reversal of the 2021 standings, when the closure of most intercontinental markets had resulted in North American airports dominating the top 20 league of global hubs in 2021 - thanks to their reliance on a vast and largely unconstrained domestic market.

Europe's air connectivity: an essential element of economic competitiveness and social cohesion

Olivier Jankovec, Director General of ACI EUROPE said, *"Covid-19 accelerated the changes in the market landscape for airports, where competitive pressures are increasing across the board as we see footloose carriers, which today includes both the ultra-low cost carriers and also the low-cost brands of network carriers, intensively bargain with airports."*

"This report is a crucial part of the jigsaw as we recover. Europe's air connectivity is an essential element of both its economic competitiveness and social cohesion. With both societal and regulatory pressures on aviation, ensuring an understanding of the value of air connectivity by all our partners is important."

This points also to the importance of ensuring that slot allocation rules reflect the connectivity needs of airport communities, while ensuring fair and open market opportunities, Jankovec added.

Christiaan Behrens of SEO Amsterdam Economics, whose indexes are the basis for this report, said, *"The Connectivity Index, built using SEO's NetScan model, was designed for a world where traffic shocks were known to exist, but nothing the size and length of COVID-19 was imagined. During these challenging times, the Connectivity Index has served its purpose even more, to help airports track how they serve their communities, and sense-check whether the airports' strategies are enabling more connectivity for people."*

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