

COVID-19 turning into crisis of unprecedented proportions for Europe's airports

ACI EUROPE

10 Rue Montoyer (Box 9)
1000 Brussels, Belgium
www.aci-europe.org

Brussels, 10 March 2020: While the impact of the COVID-19 epidemic was initially marginal and limited to those airports with air services to affected countries in Asia, its extension into Europe is resulting in airports across the continent now facing a full blown crisis.

Olivier Jankovec, Director General of ACI EUROPE said: *"For now, airports in Italy are clearly the most affected. Even before yesterday's decision to place the whole country under lock down, Italian airports were already confronted with a dramatic free fall in passenger traffic – with decreases exceeding -60% at most locations over the weekend. But what they are now bracing for is a total collapse in air connectivity and the prospect of losing most of their revenues. We urge the Italian Government to respond quickly and positively to the request Italian airports have made for emergency supporting measures."*

Beyond Italy, the situation for airports is rapidly deteriorating throughout Europe. Jankovec said: *"Airlines are drastically cutting capacity and cancelling air services as they respond to falling demand resulting from loss of confidence, changes to corporate travel policies, and governmental measures which directly or indirectly restrict mobility in their efforts to contain the spread of the virus. As a result, the COVID-19 epidemic is turning into a shock of unprecedented proportions for our industry. Apart from Italy, we cannot rule out that airports elsewhere might at some point also need relief measures to address cash flow pressures and keep fulfilling their role as critical infrastructure. This will require the support of Governments and the European Commission."*

ACI EUROPE's initial assessment¹ of the impact of the COVID-19 outbreak on the region's airport operators shows:

- **A loss of -67 million airport passengers in the first quarter of 2020**, representing a **-13.5%** drop in airport passenger footfall compared to a business-as-usual scenario.
- **An overall diminution of -187 million passengers for Europe's airports in 2020**, representing a decrease of **-7.5%** in a year which was predicted to see +2.3% passenger growth in a business-as-usual scenario.
- **In financial terms, a loss of -€1.320m in revenues in Q1 alone** compared to a normal financial quarter, as a result of lower aeronautical revenues, lower commercial (non-aeronautical) revenues, and foregone revenues from ground handling and other services.

Whilst the absolute priority for airports is the protection of passengers and staff along with co-operation with public health authorities and industry partners, this situation presents a unique set of operational and financial challenges.

Airports being critical infrastructure for the functioning of society, the need to keep them fully operational and maintain air connectivity is all the more relevant in times of health crises. This is made clear by the WHO (World Health Organization) in its COVID-19 recommendations to States². It is thus essential that, in adherence with these recommendations, Governments only consider travel bans and other measures interfering with air connectivity as a very last resort and for the shortest period of time.

Airports also need Governments to consider enacting ad hoc sanitary protocols for dealing with airport staff infections, since standard ones may compromise operational continuity and may thus not be suited for purpose. European co-ordination is needed in that regard.

On the financial side, the immediate cash flow pressures airports are facing are leading them adopt cost cutting measures – such as voluntary unpaid leave, recruitment freezes and deferral of non-essential investment. However, the extent and scope for mitigation measures at airports is limited. The fact that airports must remain fully operational in all of their components coupled with their predominantly fixed cost structures limit the extent to which they can reduce operational costs in severe downturns. And since airport facilities are by nature immovable, this means airports do not have the ability to redeploy their productive capacity to other markets.

Beyond the short-term impact on their financial standing, the COVID-19 epidemic could also have lasting implications – since future investments in sustainability, capacity and digitalisation all depend upon financially robust and stable businesses.

To face the crisis, a collaborative approach between airports, airlines and Governments and the EU is of paramount importance both now and as the situation develops.

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¹These Q1 and full year estimates are subject to revision over the coming weeks as the situation develops. ACI EUROPE is currently monitoring the extent of traffic losses with its members and plans to publish an additional assessment of the past 2 weeks in the coming days.

²[WHO "Recommendations for international traffic in relation to COVID-19"](#)

For more information, contact:
Virginia Lee, Director, Media & Communications, ACI EUROPE
tel: +32 2 552 09 82
Email: virginia.lee@aci-europe.org

*ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over **500 airports** in 45 European countries. Our members facilitate over 90% of commercial air traffic in Europe: **2.3 billion passengers, 21.2 million tonnes of freight** and **25.7 million aircraft movements** in 2018. In response to the Climate Emergency, in June 2019 our members committed to achieve **Net Zero** carbon emissions for operations under their control **by 2050**, without offsetting.*

EVERY FLIGHT BEGINS AT THE AIRPORT.