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Fitch Ratings: Global Airport Traffic Rebounds; Full Recovery Still Years Away

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Fitch Ratings-Austin-13 April 2021: Airport traffic is rebounding off of pandemic troughs in most countries, though Fitch Ratings' latest quarterly Global Airport Tracker report says the proverbial runway to normal will not be in sight for years.

Now reflecting a one- to two-year delay since its last report, Fitch now forecasts recovery estimates ranging anywhere from 4Q'23 to 2025 before airport traffic returns to 2019 levels. The obvious variable is new COVID-19 variants and surges in the number of cases, which caused additional or prolonged lockdown measures and could linger as vaccine roll outs remain slow and uneven on a global basis.

Most regions of the world saw improvements to between 33%-43% of pre-pandemic levels for calendar 2020. European and Australian traffic levels suffered the most, while traffic levels in the U.S. and Latin America (LatAm) declined less.

Air travel patterns will likely change in the next few years due to a general decline in demand stemming from the risks of continued national- and state-imposed travel restrictions. Domestic and leisure travel are showing signs of recovery in contrast to continued softness in international and business travel. "Vaccine rollouts will likely be the main catalyst of traffic recovery in the next year or so and will allow countries to reopen and airports to remain operational while providing greater consumer confidence for a return to air travel," said Director Jeffrey Lack.

Fitch will continue to monitor lockdown and business travel restrictions, government assistance for airports and airlines, how carriers respond to the crisis, and whether the pace of sector recovery is impaired by the airlines' financial challenges. 'Global Airport Traffic Tracker: 1Q21 Update' is available at 'www.fitchratings.com'.

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