

The future of aviation

The UK has a successful aviation industry. Heathrow is one of the great hub airports of the world. Several other leading airports are substantial generators of jobs and an important part of the connectivity of a trading nation. The UK manufactures smaller planes and wings for large passenger jets. It has a number of important airlines offering good choice of carrier, route and fares. The large and successful UK service, tourist and leisure sectors need easy access to the UK for clients and partners.

Today the airline and civil aviation industry is one of the worst hit by the pandemic and the measures to contain it. There are many bans on flying in various countries around the world, and many people no longer wish to fly to countries that may not welcome visitors for the time being. There are also issues over how social distancing rules can be applied to the tight spaces inside the fuselage of a passenger jet.

So what does the future hold for this group of businesses? Will there be a permanent diminution in people flying around the world, with more virtual conferences and meetings? Will there be more national and less international leisure and tourism? Should the industry be planning for less volume, or will there be the usual bounce back as the virus fades?

During the period of gradual relaxation, what steps could the airline industry take to allow flights with greater social distancing? How practical is it to cut numbers on a flight, and what will that do to the economics of flying? Can the airlines increase the proportion of a plane given over to cargo? What damage is the collapse of passenger numbers doing to the economics of air freight?

It looks likely a larger number of older planes will now be retired. Cash strapped airlines are likely to avoid new commitments to buy new planes and to look for legal ways to cancel planes they had discussed buying. Airports will also struggle financially, as their revenues are badly depressed by the reduction in flight numbers and the small numbers of people using terminals and taking advantage of the shops. How should the different parts of the industry be financed from here?