

Demand for air travel slows down in January

The International Air Transport Association (Iata) has announced that the recovery in air travel slowed for both domestic and international in January 2022 compared to December 2021, owing to the imposition of travel restrictions following the emergence of Omicron last November.



Image source: [Gallo/Getty](#)

- Total demand for air travel in January 2022 (measured in revenue passenger kilometres or RPKs) was up 82.3% compared to January 2021. However, it was down 4.9% compared to the previous month (December 2021) on a seasonally adjusted basis.
- January domestic air travel was up 41.5% compared to the year-ago period but fell 7.2% compared to December 2021 on a seasonally adjusted basis.
- International RPKs rose 165.6% versus January 2021 but fell by 2.2% month-on-month between December 2021 and January 2022 on a seasonally adjusted basis.

"The recovery in air travel continued in January, despite hitting a speed bump called Omicron. Strengthened border controls did not stop the spread of the variant. But where population immunity was strong, the public health systems were not overwhelmed. Many governments are now adjusting Covid-19 policies to align with those for other endemic viruses. This includes lifting travel restrictions that have had such a devastating impact on lives, economies and the freedom to travel," said Willie Walsh, Iata's director-general.

International passenger markets

European carriers' January international traffic rose 225.1% versus January 2021, which was up slightly compared to a 223.3% increase in December 2021 versus the same month in 2020. Capacity rose 129.9% and load factor climbed by 19.4 percentage points to 66.4%.

Asia-Pacific airlines saw their January international traffic climb 124.4% compared to January 2021, down significantly from the 138.5% gain registered in December 2021 versus December 2020. Capacity rose 54.4% and the load factor was up by 14.7 percentage points to 47.0%, still the lowest among regions.

Middle Eastern airlines had a 145.0% demand rise in January compared to January 2021, well down compared to the 178.2% increase in December 2021, versus the same month in 2020. January capacity rose 71.7% versus the year-ago period, and load factor climbed by 17.5 percentage points to 58.6%.

North American carriers experienced a 148.8% traffic rise in January versus the 2021 period, significantly decreased versus the 185.4% rise in December 2021 compared to December 2020. Capacity rose 78.0%, and load factor climbed by 17.0 percentage points to 59.9%.

Latin American airlines saw a 157.0% rise in January traffic, compared to the same month in 2021, an upturn over the 150.8% rise in December 2021 compared to December 2020. January capacity rose 91.2% and load factor increased by 19.4 percentage points to 75.7%, which easily was the highest load factor among the regions for the 16th consecutive month.

African airlines' traffic rose 17.9% in January 2022 versus a year ago, a slowdown compared to the 26.3% year-over-year increase recorded in December 2021. January 2022 capacity was up 6.3% and load factor climbed by 6.0 percentage points to 60.5%.

Domestic passenger markets

Japan's domestic demand was up 107%, which was the fastest year-on-year growth recorded, although, on a seasonally adjusted basis, January 2022 traffic slipped 4.1% from December.

India's domestic RPKs fell by 18% year-on-year in January, which is the biggest decline recorded for any of the domestic markets tracked by IATA. On a month-on-month basis, seasonally adjusted RPKs dropped by nearly 45% between December and January.

2022 vs 2019

Despite the strong traffic growth recorded in January 2022 compared to a year ago, passenger demand remains far below pre-Covid-19 levels. Total RPKs in January were down 49.6% compared to January 2019. International traffic was down by 62.4%, with domestic traffic off by 26.5%.

Russia-Ukraine conflict

January figures do not include any impact from the Russia-Ukraine conflict which began at the end of February. The resulting sanctions and airspace closures are expected to have a negative impact on travel, primarily among neighbouring countries.

- The Ukraine market accounted for 3.3% of European passenger traffic and 0.8% of global traffic in 2021.

- The Russian international market represented 5.7% of European traffic (excluding Russia's domestic market) and 1.3% of global traffic in 2021.
- Airspace closures have led to rerouting or cancellations of flights on some routes, mostly in Europe-Asia but also in the Asia-North America market. This impact is mitigated owing to greatly diminished flight activity since borders in Asia were largely closed owing to Covid-19. In 2021, RPKs flown between Asia-North America and Asia-Europe accounted for 3.0%, and 4.5%, respectively, of global international RPKs.

In addition to these disruptions, the sudden spike in fuel prices is putting pressure on airline costs.

"When we made our most recent industry financial forecast last autumn, we expected the airline industry to lose \$11.6bn in 2022 with jet fuel at \$78/barrel and fuel accounting for 20% of costs. As of 4 March, jet fuel is trading at over \$140/barrel. Absorbing such a massive hit on costs just as the industry is struggling to cut losses as it emerges from the two-year Covid-19 crisis is a huge challenge. If the jet fuel price stays that high, then over time, it is reasonable to expect that it will be reflected in airline yields," said Walsh.

"The past few weeks have seen a dramatic shift by many governments around the world to ease or remove Covid-19-related travel restrictions and requirements as the disease enters its endemic phase. It's vital that this process continue and even accelerate, to more quickly restore damaged global supply chains and enable people to resume their lives.

"One step to encourage a return to normality is to remove mask mandates for air travel. It makes no sense to continue to require masks on aeroplanes when they are no longer being required in shopping malls, theatres or offices. Aircraft are equipped with highly sophisticated hospital quality filtration systems and have much higher airflow and air exchange rates than most other indoor environments where mask mandates already have been removed," said Walsh.

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