

Global airlines face USD 48b losses in 2021

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Dhaka: Global airlines face USD 48 billion losses in 2021 as it is struggling to recover from the Covid-19 pandemic.

Airline industry's losses are expected to amount to around a third of what the troubled sector saw in 2020.

Industry losses of this scale imply a cash burn of USD 81 billion in 2021 on top of USD 149 billion in 2020.

According to the International Air Transport Association (IATA), global airlines industry could face up to USD 48 billion in losses this year as the besieged airline industry is struggling to recover from the Covid-19 pandemic.

The new numbers, announced by IATA yesterday, are about 25 per cent worse than the global airlines body had previously expected. It had earlier forecast a USD 38 billion deficit.

The airline industry's losses are expected to amount to around a third of what the troubled sector saw in 2020, when it lost more than USD 126.4 billion as the spread of the coronavirus forced governments to shut borders.

"This crisis is longer and deeper than anyone could have expected. Losses will be reduced from 2020, but the pain of the crisis increases," IATA's Director General Willie Walsh said in a statement.

He added that travel restrictions imposed by governments still affect the demand for international travel. The agency now expects global traffic in 2021 to amount to 43 per cent of pre-crisis levels. According to the IATA, this marks an improvement compared to last year, but it is still "far from a recovery".