Open Letter from the International Air Transport Association (IATA) to the G20 Leaders on the occasion of their Extraordinary Meeting, 26 March 2020

The spread of the COVID-19 pandemic around the globe and the resulting government-mandated border closings and travel restrictions have led to the destruction of air travel demand, unprecedented stress levels on global markets and deep concerns for the future of the global economy.

Air transport services are going to be essential to facilitate the recovery of the global economy from the COVID-19 pandemic. The rapid connections between cities are essential to the modern economy, sustaining global supply chains, as well as developing country industries such as perishable horticulture and tourism. 35% of international trade is flown by air, 57% of international tourists travel by air and each airline job contributes to 24 more in the wider economy.

While airlines have substantial expenses which are fixed and cannot be reduced, they are taking every measure possible to mitigate the cash drain by cutting avoidable costs. Furthermore, as the crisis has worsened, many airlines have been paying out more in refunds than they have received in new booking revenues. As a result, the average two-month cash reserves held by airlines are rapidly being exhausted. As the global trade association for the air transport industry representing 290 members and 82% of global air traffic, we have estimated the cash shortfall globally at approximately US $200 billion.

As the world’s premier forum for economic cooperation, the G20 is uniquely positioned to demonstrate leadership and encourage governments around the world to act quickly to prevent irrecoverable damage to international connectivity.
Governments have the tools to prevent the loss of essential air transport connectivity by urgently providing, or facilitating the provision of, financial support, and some G20 members already have acted, including Australia, Brazil and China. Direct financial support, loan or loan guarantees and tax relief are all programs that can provide both immediate and medium- to long-term assistance to the airline industry and its employees. These measures are required urgently and, in order to be successful, need to be included in a comprehensive rescue package.

Aviation has not only made globalization possible, it has successfully lifted more than 1 billion people from poverty since 1990 and it continues such efforts by contributing to 15 of the 17 UN Sustainable Development Goals. Without the global connectivity provided by aviation, the post-pandemic economic recovery and progress towards securing the well-being of our global community will be seriously impeded.

I thank you, Excellencies, for your urgent consideration of this recommendation.

Respectfully,

Alexandre de Juniac
Director General and CEO
International Air Transport Association