

ForwardKeys quantifies summer air traffic chaos

21st July 2022

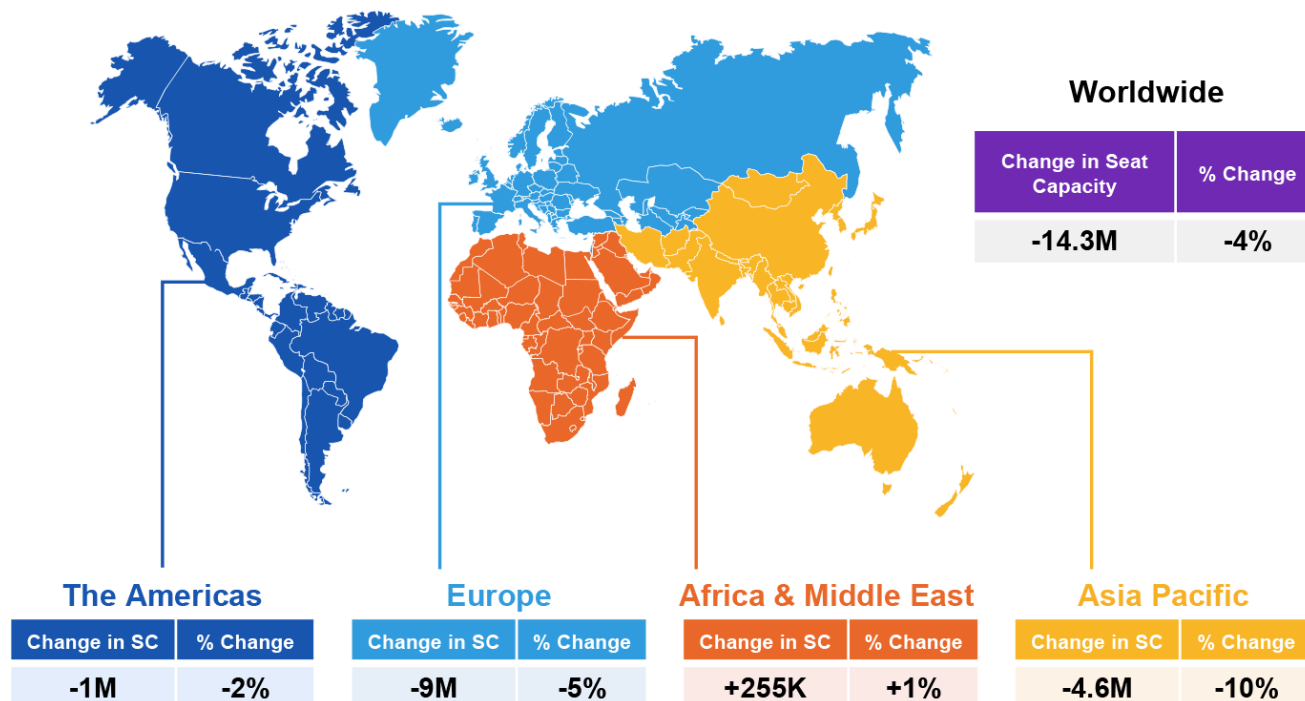
Airlines cancelling flights: what's the real impact?

In recent weeks, news of airlines cancelling flights and images of long queues at European airports have dominated mainstream media, with many travellers reported having missed their flight due to lengthy delays even after check-in. To shed light on how bad the situation really is, ForwardKeys has taken a closer look at air traffic disruption by analysing recent cutbacks in capacity around the world.

ForwardKeys' analysis began with a comparison of the number of scheduled seats available in July and August, as of 30 May, with the situation six weeks later, on 11 July. The bottom line is a global reduction in capacity of 4%, which equates to 14.3 million seats. The continent worst affected in relative terms is Asia Pacific, which has seen capacity cut by 10%, or 4.6 m seats, followed by Europe – the worst affected in absolute terms – with a capacity reduction of 5%, or 9 m seats. The Americas have lost 2%, 1 m seats. In Africa and the Middle East, capacity is almost unchanged.

Scheduled Seat Capacity for global international arrivals

between July and August 2022, as of 11th July 2022; compared with the 30th May



Source: ForwardKeys Seat Capacity Data

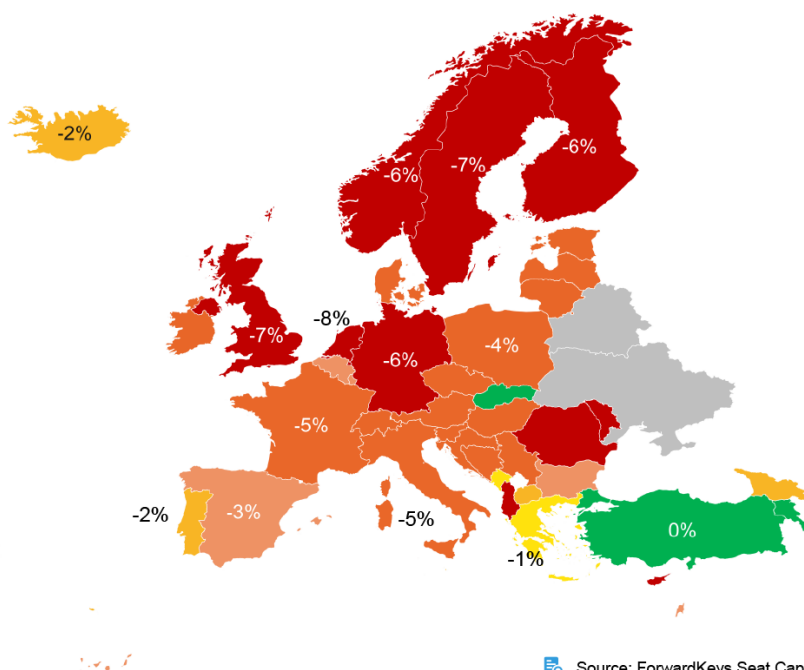
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Cancelled flights by European destination city

A closer look at Europe reveals that scheduled intra-European seat capacity has seen a reduction of 5% across the continent, with the Netherlands and the UK experiencing the largest reductions, at 8% and 7% respectively. These are followed by Sweden at 7% and Germany at 6%. An analysis of the major European destinations (those with a market share of 2% or greater) reveals that Amsterdam is the capital of air traffic disruption, having experienced a 11% drop in seat capacity for July and August. It is followed by London and Milan, down 8%, Frankfurt, down by 7%, Istanbul down by 6% and then by Copenhagen, Rome and Munich, all down by 5%.

Scheduled Seat Capacity for intra-European arrivals

between July and August 2022, as of 11th July 2022; compared with the 30th May



Destination City		Change in Seat Capacity	% Change
Amsterdam		-541K	-11%
London		-1.1M	-8%
Milan		-259K	-8%
Frankfurt		-253K	-7%
Istanbul		-269k	-6%
Copenhagen		-135K	-5%
Rome		-135K	-5%
Munich		-136K	-5%
Dublin		-131K	-4%
Vienna		-132K	-4%

* Destinations with shares >2%

Source: ForwardKeys Seat Capacity Data

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Cancelled flights by carrier type

In general, legacy carriers have experienced slightly larger capacity reductions (-6%) than low-cost carriers (-5%), but it is a low-cost carrier, EasyJet, that tops the list in absolute terms for cancelled flights, with a reduction of 9%, equating to 1.4 m seats. British Airways has seen a 13% reduction in capacity, followed by SAS with 11% reductions. Eurowings is the next worst-affected airline, also with a 10% reduction, or 526 thousand seats. These are followed by KLM, Wizz and Lufthansa all with 7% reductions.

Scheduled Seat Capacity for intra-European arrivals

between July and August 2022, as of 11th July 2022; compared with the 30th May



Airline	Change in Seat Capacity	% Change
BRITISH AIRWAYS	-700K	-13%
SAS	-352K	-11%
Eurowings	-526K	-10%
easyJet	-1.4M	-9%
KLM	-381K	-7%
Wizz	-739K	-7%
Lufthansa	-588K	-7%
SWISS	-124K	-4%
TURKISH AIRLINES	-471K	-4%
Austrian	-74K	-3%

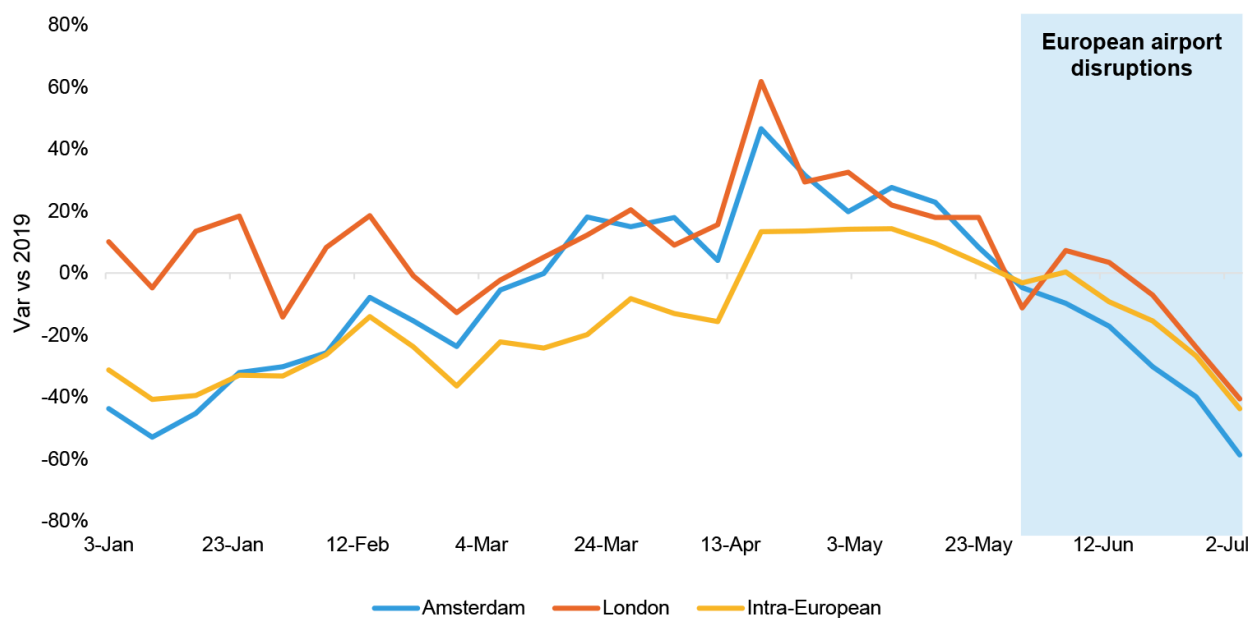
Source: ForwardKeys Seat Capacity Data

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Consumer reaction to the news and cancellations

The data shows that a fall in consumer confidence, which began in the last week of May, has rapidly worsened, with last-minute bookings in the week running up to 10 July down by 44% compared with 2019 levels. Bookings from Amsterdam were down by 59% and from London by 41%.

Air tickets issued from January to date for intra-European travel in July-August vs 2019



Source: ForwardKeys Air Ticket Data.

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The recent level of disruption to travellers' schedules is illustrated by a jump in the ratio of partial cancellations and modifications to total bookings. From 30 May to 10 July, it has almost tripled from 13% before the pandemic (in 2019) to 36% this summer, demonstrating the severe impact of the air traffic disruption on consumer confidence.

The collapse in last minute bookings and the increase in cancellations and modifications is having a significant negative impact on the travel industry's outlook for the summer. As of 30 May, total intra-European flight bookings for July and August were 17% behind 2019 levels. However, seven weeks later, on 11 July, they were 22% behind, a slowdown of 5 percentage points.

The relative slowdown has been far worse for Amsterdam and London. At the end of May, July– August bookings from Amsterdam were 9% behind 2019 levels and from London were 9% ahead. They have since fallen back to 22% and 2% behind respectively, which equates to a 13 percentage-point slowdown in bookings from Amsterdam and an 11 percentage-point slowdown from London.

Most affected destinations from Amsterdam and London

The destination suffering the greatest relative setback in its summer outlook as a result of the slowdown in last-minute bookings from Amsterdam is London, where bookings have slowed from 3% ahead of 2019 levels in the fourth week of May to 18% behind on 11 July – a drop of 21 percentage points. On the same metric (percentage point drop), London is followed by Lisbon, 18%; Barcelona, 15%; Madrid, 14%; and Rome, 9%.

Taking the same approach with London, the worst-affected destinations are Istanbul, to where bookings have fallen by 32%; Palma de Mallorca and Nice, 12%; and Lisbon and Athens, 7%.

On-the-book departures to key European destinations between July-Aug 2022 vs 2019



Departures from Amsterdam	Var vs 2019		% difference
	As of 30 May	As of 11 July	
London	+3%	-18%	-21%
Lisbon	+49%	+31%	-18%
Barcelona	+5%	-10%	-15%
Madrid	-1%	-15%	-14%
Rome	+2%	-7%	-9%
TOTAL	-9%	-22%	-13%

Departures from London	Var vs 2019		% difference
	As of 30 May	As of 11 July	
Istanbul	+66%	+34%	-32%
Palma Mallorca	+29%	+17%	-12%
Nice	+20%	+8%	-12%
Lisbon	-4%	-11%	-7%
Athens	+36%	+29%	-7%
TOTAL	+9%	-2%	-11%

Source: ForwardKeys Air Ticket Data.

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The 5 percentage-point slowdown in intra-European bookings from the last week of May to 11 July is mirrored by a similar reduction in airline seat capacity over the same period. ForwardKeys reveals that scheduled intra-European seat capacity has seen a reduction of 5% across the continent, with Amsterdam and London experiencing the largest reductions, at 11% and 8% respectively.










A focus on the adjustment of available seats from Amsterdam we can see that 20% of the seat capacity from Amsterdam to Turkey has been reduced. The destinations next-worst affected in relative terms are Poland, 16%; then Ireland and the UK both 14%; Germany, 12%; Austria, 11%; and Switzerland, Denmark, and France, 10%.

Scheduled Seat Capacity for intra-European departures from Schiphol

between July and August 2022, as of the 11 July 2022; compared with the 30th May 2022



Destination	Change in Seat Capacity	% Change
Turkey	-62K	-20%
Poland	-16K	-16%
Ireland	-20K	-14%
United Kingdom	-117K	-14%
Germany	-47K	-12%
Austria	-9K	-11%
Switzerland	-13K	-10%
Denmark	-17K	-10%
France	-32K	-10%

Airline	Change in Seat Capacity	% Change
 BRITISH AIRWAYS	-26K	-22%
 TURKISH AIRLINES	-29K	-21%
 RYANAIR	-8K	-14%
 easyJet	-68K	-13%
 transavia	-60K	-12%
 KLM	-202K	-9%
 TUI	-14K	-8%
 Lufthansa	-6K	-6%
 vueling	-4K	-2%
TOTAL	-551K	-11%

Source: ForwardKeys Seat Capacity Data

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Expectations for future travel trends

Olivier Ponti, VP Insights, ForwardKeys, said: “One can think about this summer both positively and negatively. On the upside, it is encouraging to see a strong resurgence in demand following the pandemic, because the travel, tourism and hospitality industries badly need the business.”

“However, things have come back so fast that airports have struggled to cope; and airlines have been allowed to consolidate, which is causing chaos for the travellers whose flights are affected. While I am confident that airports will eventually succeed in recruiting the staff they need, there are a few trends that give cause for concern,” he continued.

“First is the increase in the price of oil, fuelled by the war in Ukraine, which will increase the cost of flying. Second is inflation, also a consequence of the war, which will likely leave most travellers unable to afford the fare. Third, the increased level of disruption seems to be dampening demand, as we are seeing a slowdown in internet searches for flight tickets and in bookings, plus an increase in cancellations.”

Do you want to know what impact travel disruptions have on your destinations of interest?



Destination Gateway

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Recovery

Chart the recovery of inbound travel by comparing the evolution of ticket sales with travel intent as indicated by flight searches.



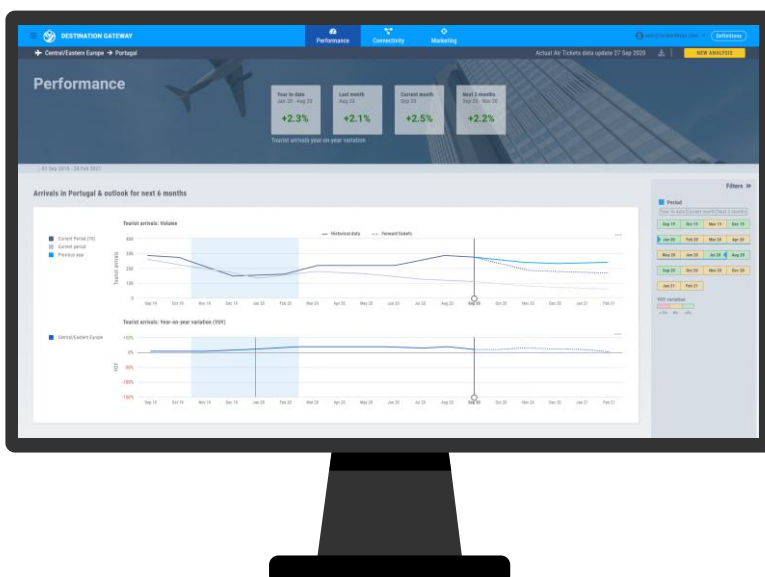
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