Aci Europe: Airline bankruptcies & risk aversion limit traffic growth in September

Brussels, 15 November 2019: European airport trade body, ACI EUROPE today released its latest air traffic report for September & Q3 2019, measuring all of commercial aviation flights: full service, regionals, low cost and charter.

On average, the growth in passenger traffic across the European airports stood at +2.2% in September – down from +3.4% in August. The growth in Q3 stood at +2.6% - down from +4.3% in H1. Meanwhile, freight traffic kept declining for the 11th consecutive month at -2.8% (-3% for Q3) and aircraft movements barely increased at +0.8% (+1.1% in Q3).

Olivier Jankovec, Director General of ACI EUROPE commented: "The passenger traffic growth dynamic keeps softening, and there is no recovery in sight for a depressed freight traffic. While these figures account for worsening macro-economic & trading conditions, they also reflect the fact that 4 European airlines went bust in September. More generally, Europe's airports see airlines limiting capacity & network development and focusing on protecting their yields. That trend is getting more acute as we have entered the Winter season - with the grounding of 737MAX as well as ATM limitations clearly not helping."

WEAKEST EU MARKET IN 6 YEARS

The impact of the bankruptcies of Aigle Azur, XL Airways, Thomas Cook and Adria Airways was mostly felt in the EU market, where passenger traffic grew by +2% - the weakest monthly performance in 6 years. The airports most affected by these airline market exits included Ljubljana (-9.6%), Paris-Orly (-9.4%), Fuerteventura (-9.2%), Glasgow (-7.7%), Las Palmas (-6.1%), Corfu (-4%), Newcastle (-3.7%), Kos (-3.3%), Tenerife South (-3.1%) and Heraklion (-2.7%).

Amongst EU national markets, Latvia (+11.4%) was the only one achieving double-digit growth, while Estonia & Luxembourg (+9.6%), Austria (+9%), Hungary (+8.6%), Poland & Malta (+7.6%), Finland (+6.4%) and Portugal (+6.2%) still significantly outperformed the EU average. At the other end of the spectrum, Slovenia (-9.6%), Bulgaria (-7.9%), Sweden (-2.1%), Slovakia (-1.1%), the UK (-0.7%), Germany (-0.4%) all posted passenger traffic losses - while Greece (+0.3%), Denmark (+0.5%) and Cyprus (+0.6%) barely grew.

Amongst capital & larger EU airports, the best performances came from Milan-Malpensa (+33.5% - partly due to the closure of Milan-Linate for runway refurbishments), London-City (+11.9%), Riga (+11.4%), London-Luton (+10.7%), Vienna (+10.4%), Budapest (+8.6%), Lisbon (+7.3%), Madrid (+7.1%), Prague (+6.7%) and Helsinki (+6.6%).

NON-EU MARKET BETTER

Airports in the non-EU market saw passenger traffic expanding by +3%, in September - driven by Ukraine (+28.8%), Armenia (+18.7%), North Macedonia (+16.5%), Albania & Serbia (+13.7%).

Iceland (-34.2%) continued to be severely affected by the bankruptcy of WOW and other airlines' capacity adjustments, with the latter also impacting Georgia (-9.9%). Meanwhile, Russia slightly outperformed the non-EU average (+3.4%) – and gains were rather limited in Switzerland (+0.6%), Turkey (+1.8%) and Norway (+2.3%).

Amongst non-EU capital & larger airports, the highest increases in passenger traffic came from Kyiv-Boryspil (+27.6%), Yerevan (+18.7%), Tirana (+13.7%), Belgrade & Skopje (+11.9%) and Minsk (+11.2%).

MAJORS & SMALLER REGIONAL AIRPORTS UNDERPERFORMING

The growth in passenger traffic at the Majors (top 5 European airports) remained weak in September at +1.2% (compared with +1.3% in August). Paris-CDG achieved the best performance (+4.8%), even becoming the busiest European airport during the month with more than 6.81 million passengers. Istanbul (+1.8%), Amsterdam-Schiphol (+1.4%) and Frankfurt (+1.3%) grew at a much lower pace, while London-Heathrow (-3%) was affected by industrial action at British Airways.

Smaller regional airports (less than 5 million passengers/annum) significantly underperformed at -0.7% - reflecting once again the fragility of their markets when trading conditions deteriorate.

Apart notable exceptions including Kharkiv (+66.3%), Targu Mures (+65%), Turku (+46.8%), Friedrichshafen (+43.7%), Kutaisi (+34.7%), Mostar (+25.3%) and Zadar (+25.2%), the best performance amongst regional airports came from larger ones (more than 5 million passengers/annum) such as Krakow (+31.7%), Bologna (+24.6%), Sevilla (+19.6%), Nantes (+13.2%), Bordeaux (+11.6%), Bilbao (+11.4%) and Porto (+10.6%).

FREIGHT DOWNTURN - EU FOCUSED

As in the preceding months, the downturn in freight traffic in September is entirely concentrated on the EU market (-4.4%) with non-EU airports making significant gains (+4.8%).

During Q3, airports welcoming more than 25 million passengers per year (Group 1), airports welcoming between 10 and 25 million passengers (Group 2), airports welcoming between 5 and 10 million passengers (Group 3) and airports welcoming less than 5 million passengers per year (Group 4) reported an average adjustment +2.4%, +4.1%, +2.2% and +0.7%.

The airports that reported the highest increases in passenger traffic during Q3 are as follows:

GROUP 1: Vienna (+13.2%), Antalya (+12.5%), Moscow SVO (+9.4%), Lisbon (+7.7%) and Madrid (+7.3%).

GROUP 2: Milan MXP (+26.2%), Kyiv KBP (+25.8%), Porto (+11.3%), Moscow-Vnukovo (+8.9%) and London-Luton (+8.4%).

GROUP 3: Krakow (+29.8%), Sevilla (+20.2%), Nantes (+16.8%), Bologna and Bordeaux (+13.1%) and Riga (+12.6%).

GROUP 4: Targu Mures (+113.5%), Ohrid (+53.8%), Turku (+52.9%), Kharkiv (+42.1%) and Nis (+39.9%).