

## **BALPA dossier: Covid & Aviation, August 2021**

Sixteen months after the first UK lockdown, half of the profitable summer season gone and with a patchwork of global restrictions and UK regulations still affecting travel, the aviation industry is in a perilous situation.

Aviation was [one of the first industries affected](#) and will be one of the last out of the crisis, remaining in effective lockdown well past the ending of formal restrictions for the rest of the country and economy on 19 July.

With the furlough scheme ending in a matter of weeks and most of the summer travel season gone, the aviation, international travel and tourism industry stand on a cliff edge.

***A sector specific extension to the furlough scheme must be announced urgently by Government to prevent dramatic job losses, lost economic activity across the UK and holding back the wings to the much-needed post-Covid recovery. It is the continued legal and regulatory restrictions on international travel that separates aviation from other sectors, justifying the extension.***

BALPA has produced this dossier to set out:

1. Aviation pre-Covid and why it matters to the UK's towns, cities and global standing
2. The impact of Covid-19 plus key challenges for recovery and ways Government can stimulate it
3. Pilot job losses: the bellwether for the industry
4. Case studies from UK pilots

### **1. Aviation in 2019 BC: Before Covid**

Before Covid-19, the UK was Europe's largest aviation market and the third largest aviation market in the world, after the USA and China. Nearly 300 million passengers travelled through UK airports in 2019 – a record number. The sector contributed £66bn to the economy (3.2% of the UK's GDP) and facilitated a further £26bn a year from tourism. Aviation also provided £8bn of tax revenue to the Treasury<sup>1</sup>.

The UK aviation sector employs about a million workers, with a further half a million jobs relying on aviation for the tourism sector. Research from July 2021 shows the vital economic footprint that aviation has on the UK: one in four constituencies has over 1,000 people employed directly by aviation companies, and 60% have over 500<sup>2</sup>. Since the beginning of the pandemic, over 60,000 jobs have been lost<sup>3</sup>.

International travel is not just about holidays, it is vital for people to visit family and close friends abroad and for businesses to connect to customers: it connects our world and facilitates our place in the world.

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<sup>1</sup> <https://www.aoa.org.uk/wp-content/uploads/2019/11/AOA-Manifesto-for-airports-2019.pdf>

<sup>2</sup> <https://airlinesuk.org/aviation-jobs-in-great-britain/>

<sup>3</sup> <https://travelweekly.co.uk/news/air/almost-62000-uk-aviation-jobs-lost-since-start-of-pandemic>

## 2. Like lead tied to a balloon: the impact of Covid on aviation

- During the depths of the UK's winter 2020 lockdown, passenger numbers plummeted 94%<sup>4</sup> and have a long way to go before recovery. High fixed costs of airlines and airports mean cash reserves being used and significant debts taken on in 2020: a repeat in Winter 2021 is not desirable and scaling down companies is a real likelihood.
- As a direct result of the pandemic, 3,000 UK pilots alongside tens of thousands of staff from the wider aviation industry were made redundant. ONS statistics show that 57% of remaining employees in passenger air transport companies are on furlough<sup>5</sup>, but with the scheme ending in under 7 weeks' time, BALPA is in negotiations with airlines to prevent further job losses.
- The industry remains tethered to the ground. Those not still a significant number of people not fully vaccinated who remain required to quarantine upon returning from almost all countries, especially younger families, and normal business travel patterns have not yet resumed. Confidence in international travel is low and the UK still does not always act on a passenger-friendly, four-nation basis, so significant barriers to the industry's recovery persist and will do for some time, painting a poor picture for quick recovery.
- The UK's approach provided little stability for airlines to plan ahead with any meaningful confidence and has resulted in jobs being lost to other countries: EasyJet re-based UK aircraft to Germany when Portugal was taken off the green list a few weeks after having been put on it. Government needs to accept its role in instilling confidence in the market once again<sup>6</sup>.
- On a global region level, the Europe – North America market is the least active compared to 2019 at -58% traffic levels. The UK Government must deliver on the supposed US-UK Taskforce to re-permit US – UK travel, which is vital<sup>7</sup> for recovery to the tune of £212 million a week, 20% of exports and £3.8bn in visitor spending.

***Comparing UK aviation to the rest of Europe, it is clear that we are amongst the worst hit. The UK Government must recognise that UK aviation has become the sick man of Europe. In July 2021:***

- The UK had the second lowest levels of traffic (-61%) compared to 2019. First is Finland (-64%). The UK stands in stark contrast to comparable economies including Spain (-32%), France (-28%), Netherlands (-17%)<sup>8</sup>.
- In July 2021, of the top 10 worst hit airports in Europe, 4 out of 10 are in the UK (Gatwick, Manchester, Heathrow and Stansted)<sup>9</sup>.

***The Government needs to back its industry and give us a competitive edge: a waiver on Air Passenger Duty would do exactly that. It would be of minimal cost to the Treasury given such low passenger numbers yet would give the UK a sizeable competitive edge over European competitors.***

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<sup>4</sup> <https://www.caa.co.uk/News/2021-Quarter-one-flight-data/>

<sup>5</sup> <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-1-july-2021/coronavirus-job-retention-scheme-statistics-1-july-2021>

<sup>6</sup> <https://www.telegraph.co.uk/news/2021/06/15/easyjet-switches-planes-germany-europe-opens-foreign-travel/#:~:text=EasyJet%2C%20Britain's%20biggest%20budget%20airline,and%20other%20tourists%20to%20Spain>

<sup>7</sup> <https://airlinesuk.org/uk-economy-loses-32m-every-day-as-result-of-no-airbridge-with-the-us/>

<sup>8</sup> <https://www.eurocontrol.int/sites/default/files/2021-07/covid19-eurocontrol-comprehensive-air-traffic-assessment-22072021.pdf>

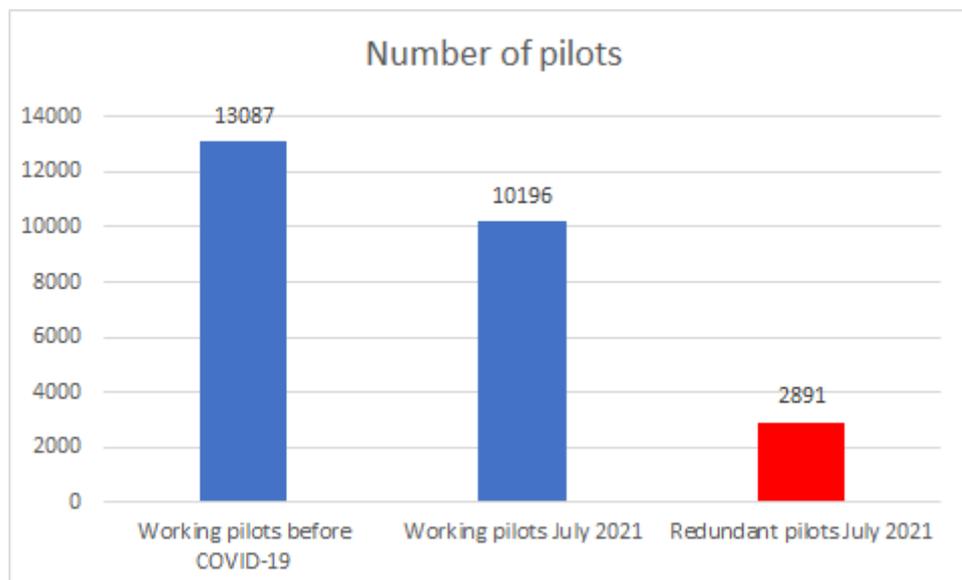
<sup>9</sup> <https://www.eurocontrol.int/sites/default/files/2021-07/covid19-eurocontrol-comprehensive-air-traffic-assessment-08072021.pdf>

### 3. Pilot job losses due to COVID-19

There are 3,000 UK pilots made redundant as a direct result of Covid-19, including highly experienced pilots, and from almost all airlines and types of operation around the UK.

The majority of the pilot workforce who were lucky enough to keep their jobs, are on furlough or on a reduced working pattern, reflecting the extremely low travel demand resulting from quarantine restrictions.

We believe that with the furlough scheme coming to its end, more highly skilled pilots are under threat of redundancy and/or having to accept unpaid leave from their employer.



### 4. Case Studies

#### Pilot 1: Sam Walkinshaw – furloughed, available for interview

*"I am a 49 year old, single female pilot without any family support. I am solely reliant upon myself for my financial situation.*

*I have been made redundant twice, overnight, in the last 4 years. I self-funded my aviation training in my 30's after deciding to change careers. In effect, I had the equivalent of a mortgage in training fees and I have worked hard to repay and received no government support throughout. Any financial stability I had was depleted by my redundancies and, since March 2020, as a result of reduced pay on the furlough scheme. I have cost the government nothing over my career until furlough.*

*The furlough scheme has certainly resulted in me having a roof over my head, but I have no reserve. I have no idea when I will be back flying and if my company decide they can't retain me after September I will have to sell my house as I will not be able to pay my mortgage.*

*I have not flown for 23 months since Thomas Cook ceased to trade.*

*I desperately miss flying, have felt the depths of lockdown without any company and live with the constant worry that not only will I lose my job this winter but also my home. There is no prospect of any other companies recruiting if the travel sector fails to catch up with the revenue that other sectors are now able to build back. There is a real threat, if I lose my job, that I will never fly again. My licenses will lapse and that will make me unemployable as a pilot.*

*I am hanging on by a thread, both financially and emotionally."*

## **Pilot 2: Jack\***

When Jack\* was made redundant from his UK Airline, he was weeks away from completing on the purchase of his first home. This is his story:

*"When I was made redundant, I was forced to pull out of buying my first home but had to cover the fees to the solicitor and surveyor and incurred other costs from having to pull out. This cost me several thousand pounds in fees which I had to pay in the immediate aftermath of my redundancy.*

*I live in Northern Ireland, and have a different redundancy support package to England, Wales and Scotland, and I was placed in immediate financial difficulty. The process is already very slow to get redundancy payments, and this was compounded by the effects of the pandemic.*

*Due to carrying out my Flight Training in Spain, I had only been living back home in Northern Ireland for 9 months which meant I wasn't eligible for jobseeker's allowance. I was eligible for universal credit, but this took 9 weeks to come in and is not a sustainable amount to live on. Northern Ireland also doesn't offer the same Rapid Relief Fund that pilots in England could receive to keep me current. I received just £300 to fund this, placing more pressure on me.*

*Due to the pandemic there were no jobs available, and I was unemployed from March to July. This was 3 months of financial hell.*

*I joined a food delivery company started by a friend, however this was zero hour, ad hoc work which left me in a financially unstable position. This role was finally made permanent in February, and I am now in a Business Development Role, but the 11 months since my redundancy has been an incredibly stressful and pressured time that was made more difficult by the lack of government support."*

\*Name changed for anonymity