

Booking of Airlines ticket for journey post lockdown during the current Covid-19

With the extension of the 21-day lockdown which commenced on 25th March 2020, to 3rd May 2020, the government of India has also barred any sort of passenger movement which also includes air transport as well.

Now as per the circular released by DGCA it explicitly mentions airlines should not be taking any booking for domestic or international flights until they receive orders from the government. This means airlines will not be able commence the operation of domestic/ International flights w.e.f the 04th of May 2020 until further notice.

Concluding Remarks

CARE Ratings earlier had given a call of negative 20%-25% growth during FY21 in terms of airlines passenger growth rate but given the increase in cases, its rapid spread and with more undetected clusters getting converted into corona hotspots, the tenacity of the end of the pandemic is uncertain and is showing no signs of abating. Even as a vaccine is yet to be found, lockdowns remain the only way to slow its spread. **We would be revising our earlier estimate and bringing it further down to a negative 30% growth in airline passenger traffic during FY21.** Passenger growth has been 13.7% during FY19 and 3.7% during FY20 (April-February).

- The lockdown which is supposed to end by 3rd May 2020 is most likely to get extended as the number of cases is on the rise and certain states are unable to flatten the curve of transmission. Till date 17,000 plus cases nationwide have been recorded.
- Metros which are the worst affected also account for more than half of the passengers handled. During FY20 (April-January) Delhi Mumbai, Bangalore, Chennai, Kolkata and Hyderabad airports accounted for 63% of the passengers handled.
- Even post the lifting of India's lockdown, passenger growth will face a sharp contraction considering the inhibitions of travelling anywhere till the pandemic scare has been settled fully in the domestic regions and internationally especially on certain routes.
- With the containment of the virus in the near future, countries including India will not be issuing visas soon fearing the rise of any exigency with the entry of foreign nationals.

COVID-19 has put a halt on major business operations which means there will be a considerable fall in income which will also discourage incurring of discretionary expenses like traveling for leisure and tourism. Airfares are also expected to increase as airplanes may accommodate only one passenger per row in order to maintain "social distancing".

Airlines Newscast

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