

Prolonged flight ban could cut aircraft sales by about 10,000

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Demand for new aircraft could drop by almost one-half in the event the coronavirus forces airlines to keep much of their fleets grounded for six months, according to a report by Roland Berger.

In Roland Berger's so-called "recession" scenario, airlines will likely need about 10,000 fewer new aircraft through 2030 than would have been the case without the pandemic, it said in a report on Wednesday. The best case is a "rebound," whereby fleets are grounded for two months, and just 790 fewer aircraft are delivered.

The consultancy firm's worst-case estimate is a grim prospect for investors in Boeing Co. and Airbus SE, which has seen factories making some of its best-selling models slow down from record rates. Planemakers are now pondering how to best handle the unprecedented production cuts. Airbus warned last month it wouldn't achieve its earnings goals this year, and Deutsche Lufthansa AG yesterday became the first major airline to slash its fleet.

Roland Berger outlined a mid-way "delayed curve" scenario persisting for four months, where 5,920 fewer planes are needed. The speed of recovery in the air-traffic market underpinned the consultancy firm's different scenarios. In the recession case, the market only recovers 80% of its strength by 2022, compared with a full recovery by the end of this year in the most optimistic situation. www.bloomberg.com

