

CASS

CENTRE for AEROSPACE & SECURITY STUDIES

2020

Global Aviation and Aerospace in a Post-Coronavirus World



Webinar Report

3 September 2020

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CONTENTS

I.	Introduction	3
II.	Executive summary.....	3
III.	Key takeaways	4
IV.	Policy recommendations	5
V.	Summary of proceedings	6
	Introductory remarks.....	6
	Welcome remarks.....	7
	Keynote address	7
VI.	Question and Answer Session	11
ANNEXURES		
	Annex I Press release	13
	Annex II Media coverage.....	15

I. INTRODUCTION

The Centre for Aerospace and Security Studies (CASS) organized a webinar titled 'Global Aviation and Aerospace in a Post-Coronavirus World' on 3 September 2020. **Professor Dr Karl Moore**, a senior Canadian aviation analyst and Associate Professor in the Desautels Faculty of Management at McGill University, Canada was the Keynote Speaker. The session was moderated by **Dr Usman W. Chohan**, Director (Economic Affairs and National Development) at CASS.

The webinar aimed to answer the following key questions:

- How do major companies, such as Canada's Bombardier, perceive the Coronavirus' impact on their growth and bottom line?
- What did the virus teach us about global airlines' management, in terms of excess stock buybacks, capital expenditures, growth projections, and their asset base?
- How large a part is there for state intervention in terms of regulation, travel restrictions, and stimulus measures?
- What sort of post-recovery growth can be envisaged in developed and emerging markets?
- Development work around an Aviation City is underway in Pakistan. What benefits of this model are there for an emerging market and economy?

II. EXECUTIVE SUMMARY

COVID-19 has brought global air traffic to an almost complete standstill. To cope with the pandemic, countries restricted air travel, closed borders and airports. Airlines grounded their fleets. Any strategic plans that airlines, operators or airport managers had for renovations or expansion were put on hold.

The main goal now for the global aviation and aerospace industry is to address how air traffic will recover following the current crisis and what this means for the civil aircraft manufacturing industry, the supply chain and aftermarket support businesses. Return to normality will be slow. Airlines that manage to overcome the crisis will not

initially schedule the same capacity and frequency of flights as before the crisis. Aircraft manufacturers have already announced a reduction in the rate of production of some of their models in order to adapt to the drop in demand.

Organized on Zoom, the webinar was structured to understand the challenges faced by the global aerospace and aviation sector in the context of Coronavirus and how the sector can plan and prepare for a post-corona world. It provided a multitier perspective from impact of the pandemic on the growth and bottom line of major countries to discussion on the scope of management in aviation, rationale for state intervention, growth in developed and emerging markets, and the opportunities offered by aviation cities build on the idea of an aerotropolis. A comprehensive discussion/Q&A session followed the keynote presentation, which offered plausible policy recommendations for the ailing global sector.

It was recommended that to cope with the fall-out, there is a need for governments to develop hybrid models that support the aviation sector at large, in addition to providing tailored instruments to particular major carriers. Such a hybrid model will need to be comprehensive, stakeholder-specific, and/or regulatory and operational. Whether it is a developing country like Pakistan or a country like Canada, governments need to focus on both financial relief and regulatory relief packages for the aviation sector.

III. KEY TAKEAWAYS

- i. There is significant scope and prospects of development of aerospace and aviation sector in Pakistan both in the short and long run. This is a great opportunity for the country to utilize its maximum potential and position itself as one of Asia's more important economies.
- ii. The aeronautical complex in Pakistan at Kamra could be exploited for commercial use, but global best practices and models need to be studied for this idea to become viable.
- iii. Pakistan is getting significant investment from China under its Belt and Road Initiative. What's unfolding in Asia with the various roads is a pivotal opportunity for Pakistan to consider how it connects with the rest of the world in an effective way.

- iv. The typical airport is likely to operate differently in a post-COVID-19 environment. Smaller, leaner airlines will potentially rely more on hub and spoke networks to connect their networks. While this may reduce the overall number of flights, more pronounced peak hours may be one result. Further, social distancing may have lasting implications and utility and must be accounted for in future plans and design.
- v. Considerations for passenger processing facilities may come in the form of more queue area per passenger and fewer touch points. Technology is one partial solution to reduce touch points, but airports will, by definition, still be a public gathering place. As a result, additional mitigation will be required to create a comforting and safe experience for travellers.
- vi. Given the financial constraints imposed by the pandemic, mitigation measures must be considered in the context of minimizing capital and operational costs.
- vii. Airlines and airport operators will continue to preserve cash and delay many investments until traffic recovers to sustainable levels.
- viii. There is deep industry frustration as government policies such as closed borders, travel restrictions and quarantines continue to annihilate travel demand.

IV. POLICY RECOMMENDATIONS

- i. There is a pressing need for continued collaboration amongst global and domestic airport operators, airlines, and policymakers.
- ii. Governments must work together to implement measures that will enable economic and social life to resume, while controlling the spread of the virus. They need to work together to urgently find ways to re-establish global connectivity by reopening borders and to continue with relief measures to sustain airlines during the COVID-19 crisis.
- iii. While government relief has been a critical lifeline for the aviation industry, additional financial buffers against failure will be critical, and these must not increase already ballooning debt levels.
- iv. The most urgent regulatory relief is a global waiver on the use-it-or-lose-it 80-20 slot rule. The severe uncertainty in the market means that airlines need the flexibility to adjust schedules to meet demand without the pressure of being

penalized for not using allocated slots. Airlines cannot afford to fly empty planes when market demand drops. Similarly, they cannot pass up revenue when opportunities open up.

- v. It is important to develop COVID-19 testing measures that will enable the reopening of borders by reducing the risk of COVID-19 importation to what is acceptable to public health authorities with accuracy, speed and scalability that also meet the exacting requirements for incorporation into the travel process.
- vi. There is need to improve quality aviation infrastructure commensurate with the level of predicted growth.
- vii. The aviation industry requires PACE plans i.e., Primary, Alternate, Contingency and Emergency plans that can be utilized at a moment's notice.
- viii. Good governance models for air transport such as integrated institutional, regulatory and policy frameworks are a need of the hour.

V. SUMMARY OF PROCEEDINGS

INTRODUCTORY REMARKS

In his introductory remarks, **Dr Usman W. Chohan**, Director at CASS, pointed out that one of the economic sectors most gravely affected by the coronavirus pandemic has been the global aerospace sector. The public health and economic effects of the virus and concomitant lockdowns has translated into grounded aircraft, falling commercial passenger traffic (down by -40% in some cases), closed airports, massive layoffs, and reduced business activity (up to half of pre-COVID levels).



He informed that although some governments have attempted to protect their flag carriers with billions of dollars in stimulus, aviation companies themselves forecast severe declines as late as 2023-25.

WELCOME REMARKS

Air Chief Marshal (R) Kaleem Sadaat, President CASS, stated that the world had been so drastically impacted by the Coronavirus that it had brought the mightiest to their knees.



He was of the view that major powers had failed to deal with the challenge in an effective manner due to which travel, tourism, hospitality and airline industry had been the worst affected. He added that most schools remain closed and nobody wants to open them because it could lead to a second wave. He was cognizant that technology and the e-commerce companies had benefitted from the Coronavirus; and referred to the situation as a battle of survival wherein ‘vacations’ had changed to ‘staycations.’

President CASS remarked that a number of airlines had gone bankrupt because they were not provided government support. 5000 widebody planes had been permanently grounded; and the 747s and A380s were the prime victims of this cut down. Emirates Airlines, which had 115 of 242 A380 that were flying, was expected to retire 40% of them; Boeing is likely to cut down production by 50% and Airbus by 30%.

A complete shutdown would reduce carbon emissions by 950 million tonnes but the global Gross Domestic Product (GDP) would shrink by 3.6% with 57% less tourism. The situation is not going to change in the near future because of differences in domestic and international policies. Uncertainty leads to bad business.

KEYNOTE ADDRESS

While providing a bird’s eye view of the airline and aviation industry outlook based on interviews with aviation executives and his own experience, **Professor Dr Karl Moore** stressed that it is going to be challenging for the airline industry around the world until COVID-19 health concerns improve and the global economy recovers.



He shared that in the wake of the pandemic, travel, tourism, and migration may take years to return to previous levels. In the meantime, cross border digital flows would serve as the connective tissue of the global economy.

***Global passenger traffic will not return to pre-COVID levels until
2024.***

Dr Moore was of the view that delayed recovery has been due to a number of factors, including renewed outbreaks of COVID-19 in a number of countries such as the United States. In total, around 40% of global air travel markets are affected. Stop-start quarantines are having much the same effect as lockdowns. In addition, corporate travel budgets are expected to be constrained as companies continue to face financial pressures. Though historically GDP growth and air travel have been highly correlated, surveys suggest this link has weakened, particularly with regard to business travel, as video conferencing appears to have made significant inroads as a substitute for in-person meetings.

Having interviewed key aviation industry experts, Prof. Moore highlighted some of the major issues. Citing Brian Pearce, Chief Economist at IATA, he shared that all the previous pandemics had seen this 'V shape' recovery but the COVID-19 pandemic was different since there is a global recession and that's going to delay any kind of recovery.

Long-haul will be the last segment of the market to recover.

Based on his interviews, Dr Moore shared that the unanimous view was travel restrictions would be lifted on a phased-basis, with domestic running first, and then regional. Giving the example of China, he pointed out that Chinese carriers' traffic was down 28.4% compared to July 2019. Recovery had slowed modestly in June amid new virus outbreaks, but resumed its pace from mid-July; while Russian airlines' domestic traffic was down 17.7% in July, dramatically improved compared with 58% decline in June. 'Demand has been supported by low domestic fares and a boom in domestic tourism', he said.

Discussing air traffic scenarios for 2020 to 2023 and analyzing potential winners and losers for summer 2021, Dr Moore highlighted that according to Bain and Company, COVID-19 had triggered an involuntary global restructure of commercial aviation.'

However, he was not optimistic that the 2019 market would return until 2024 due to unemployment and low GDP impacts on consumer behaviour; new outbreaks and general unpredictability; and looming government-mandated lockdowns.

Since cash depletion will remain the biggest risk, reassessing how much capital is required and how much more is needed is vital.

According to Dr Moore, passengers' travel expectation and preferences are also changing with more focus on hygiene, physical distancing, overall feelings of safety and transparency despite there being inconsistency across customers.

For an aviation industry comeback, he recommended the International Air Transport Association (IATA)'s three-point plan to safely reopen borders:

1. Implement the ICAO take-off guidance universally.
2. Build on the solid work of ICAO Council's Aviation Recovery Task Force (CART) by developing an agreed common framework for states to use in coordinating the safe re-opening of their borders to aviation.
3. Develop COVID-19 testing measures that will enable the re-opening of borders by reducing the risk of COVID-19 importation to what is acceptable to public health authorities with accuracy, speed and scalability that also meet the exacting requirements for incorporation into the travel process.

He informed that IATA has been calling on governments to work together to urgently find ways to re-establish global connectivity by re-opening borders and continue relief measures to sustain airlines during the COVID-19 crisis. He viewed calls from IATA as a sign of deep industry frustration as government policies such as closed borders, travel restrictions and quarantines had annihilated travel demand.

While appreciating the airlines for doing a good job, choosing the right path, and approaching the right people, he warned that commensurate government response could be disastrous for the aviation industry. He was in agreement with IATA's Director General and CEO Alexandra de Juniac that:

It's time for governments to work together to implement measures that will enable economic and social life to resume, while controlling the spread of the virus.

Discussing the Canadian model, Dr Moore informed that in Canada there are no subsidy programmes for regional air services to improve regional connectivity. The only support Canada provides is limited safety-related capital funding for regional airports that can potentially lower the costs of providing airport services from and to those airports. Canada occasionally launches ad hoc infrastructure programmes that can improve the economics of smaller airports, but funding is uncertain.

The speaker identified InterVISTAS work on how governments around the world are supporting the aviation sector in disrupting times and four different models of support available: comprehensive, hybrid, stakeholder-specific, regulatory and operational. According to Dr Moore, there is a need for governments to develop hybrid models that support the aviation sector at large, in addition to providing tailored instruments to particular major carriers. Such a hybrid model will need to be comprehensive, stakeholder-specific, and/or regulatory and operational.

It was also pointed that with airlines grounding most, if not all of their fleet, due to the closure of country borders and the consequent collapse of air travel demand, there has been a knock-on effect on other players in the ecosystem. Airports have been especially impacted by falling aeronautical and non-aeronautical revenues.

Airports serve as an important part of the economy. The immediate imperative of all airports is to ensure financial viability by reducing variable costs. During this global disruption, airports will be required to rethink their normal business and operational processes in a few key areas such as social distancing; health screening; touchless passenger processing; and flexibility in recovery plans.

VI. QUESTION AND ANSWER SESSION

The following key issues were discussed in the Q/A:

1. If governments can provide assistance to the airline industry without serious long-term economic ramification, they should do so.
2. Even though airlines may be the largest single component of the ecosystem, they are by no means sufficient to ensure that the industry is able to recover after the COVID-19 shock. Airports have an equal role to play in the prospective recovery. Governments can implement an array of creative solutions to help airports to stay afloat such as grants and subsidies; secured financing; loans at preferential rates; and deferment of loan repayment contracted with the state.
3. There is significant scope and prospects of development of aerospace and aviation sector in Pakistan both in the short and long run. This is a great opportunity for the country to utilize its maximum potential and position itself as one of Asia's more important economies.
4. The aeronautical complex in Pakistan at Kamra could be exploited for commercial use, but global best practices and models need to be studied for this idea to become viable.
5. Pakistan is getting significant investment from China under its Belt and Road Initiative. What's unfolding in Asia with the various roads is a pivotal opportunity for Pakistan to consider how it connects with the rest of the world in an effective way.
6. In the awake of COVID-19, long-term job prospects for those wanting to study aviation are bleak.
7. Every crisis that has challenged the aviation industry, from 9/11 to SARS, has left an indelible mark on airport and airline operations. The coming year will require airports to deal with a new set of challenges of a magnitude never encountered before. It is critical to take a proactive, strategic posture.
8. Cargo remains somewhat robust alternative option for airlines to generate some revenue since the core passenger side has been suffering.
9. COVID-19 has also been challenging for leasing companies around the world. Looking ahead, there will be some narrow-body aircraft available from airlines which unable to survive the current crisis, but in terms of wide-body aircraft

supply, a lot of airlines and lessors will no longer require the aircraft they have on order.

10. This is a good time to launch massive stimulus in the economy for example to launch and accelerate green infrastructure packages that set targets for emission-free projects. For example, Canada regards COVID-19 as an opportunity to push for climate change and green transport.
11. Airlines in the developing world need to respond in an agile manner to the disruptions that have occurred because of the Coronavirus. They have to be very strategic in terms of management of their resources and planning. In order to recover, airlines have to make sure that they are positioning themselves effectively in terms of their staff, planes and fleet.
12. Post-Coronavirus chaos offers a unique opportunity to reframe the foundations of the global economy and the global airline industry. However, strong political will among public managers and public value creators will be needed to grasp this potential.

ANNEXURES

ANNEX I

CASS Webinar Press Release

3 September 2020

National domestic interests trumping global cooperation is a threat for the aviation industry. Since COVID-19 has had such a dramatic impact on the aviation and aerospace sectors, and since recovery is not expected for several years, there is a need for governments to develop hybrid models that support these sectors, including through specific interventions and longer term support. These industries face fundamental transformations, and so multi-stakeholder response must be dynamic, comprehensive, and might involve both regulatory and operational elements. Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors. These were some of the recommendations shared by Professor Dr Karl Moore, a senior Canadian aviation analyst and Associate Professor at McGill University, Canada while speaking on the webinar “Global Aviation & Aerospace in a Post-Coronavirus World” organised by the Centre for Aerospace and Security Studies (CASS), in Islamabad today. While providing a bird’s eye view of the airline and aviation industry outlook based on interviews with aviation executives and his own experience, Prof. Moore stressed that it is going to be challenging for the airline industry around the world until COVID-19 health concerns improve and the global economy recovers. He was of the view that it is time for governments to work together to re-establish global connectivity and facilitate the re-start of aviation. In this regard, he shared the International Air Transport Association (IATA)’s action plan including developing an agreed common framework for states to use in coordinating the safe reopening of their borders to aviation; and developing COVID-19 testing measures that will enable re-opening by reducing the risk of virus importation to what is acceptable to public health authorities with accuracy, speed and scalability that also meet the exacting requirements for incorporation into the travel process. 2 “The future of the aviation industry depends on continued collaboration amongst airport operators, airlines and policymakers,” he stressed. However, such collaboration was a long way

from happening given domestic imperatives. “There are going to be some airlines that go bankrupt, and they are going to need a lot of government support to stick around,” Professor Moore warned. In his introductory remarks, Dr Usman Chohan, Director at CASS pointed out that one of the economic sectors most gravely affected by the coronavirus pandemic has been the global aerospace sector. The public health and economic effects of the virus and concomitant lockdowns has translated into grounded aircraft, falling commercial passenger traffic (down by - 40% in some cases), closed airports, massive layoffs, and reduced business activity (up to half of pre-COVID levels). He informed that although some governments have attempted to protect their flag carriers with billions of dollars in stimulus, aviation companies themselves forecast severe declines as late as 2023-25. Earlier, welcoming the participants to the webinar, Air Chief Marshal Kaleem Saadat (Retd.), President, CASS, said that the impact of the COVID-19 pandemic has been incalculable and it continues to remain so with the mightiest of the mighty like India and the United States having fallen prey to it. He said that while the aviation, tourism and education sector had been hard hit, others in areas like e-commerce had flourished with the increasing need for online work platforms. Sharing the latest figures, President Saadat said that airline passenger revenue loss estimates now reach USD 314 billion globally. “The international airline industry is estimated to experience a severe V-shaped decline throughout 2020 in terms of capacity, with cross-regional variances with respect to the severity of the decline. Such uncertainty leads to bad business,” he remarked. During the interactive Question/Answer session, Professor Moore said that the pandemic has blindsided much of the corporate world, and this will not be the last time that the world sees a “black swan” affect the economy. He lamented that despite the fact that the pandemic had cratered demand and hit the aviation sector beyond anything imaginable, the desired political will to find creative, collaborative solutions was lacking. “Just as 9/11 caused massive changes in security protocols at airports, COVID-19 will also lead to lasting changes in air travel evolution,” he concluded

ANNEX II**MEDIA COVERAGE**

1.

**05 September 2020****WEBINAR ON GLOBAL AVIATION, AEROSPACE IN POST-CORONAVIRUS WORLD**

Islamabad: Since COVID-19 has had such a dramatic impact on the aviation and aerospace sectors, and since recovery is not expected for several years, there is a need for governments to develop hybrid models that support these sectors, including through specific interventions and longer term support. These industries face fundamental transformations, and so multi-stakeholder response must be dynamic, comprehensive, and might involve both regulatory and operational elements. Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors.

These were some of the recommendations shared by Professor Dr Karl Moore, a senior Canadian aviation analyst and Associate Professor at McGill University, Canada while speaking on the webinar “Global Aviation & Aerospace in a Post-Coronavirus World” organised by the Centre for Aerospace and Security Studies (CASS), in Islamabad here on Friday.

While providing a bird’s eye view of the airline and aviation industry outlook based on interviews with aviation executives and his own experience, Prof. Moore stressed that it is going to be challenging for the airline industry around the world until COVID-19 health concerns improve and the global economy recovers. He was of the view that it is time for governments to work together to re-establish global connectivity and facilitate the re-start of aviation.

In this regard, he shared the International Air Transport Association (IATA)’s action plan including developing an agreed common framework for states to use in coordinating the safe reopening of their borders to aviation; and developing COVID-19 testing measures that will enable re-opening by reducing the risk of virus importation to what is acceptable to public health authorities with accuracy, speed and scalability that also meet the exacting requirements for incorporation into the travel process. “The future of the aviation industry depends on continued collaboration amongst airport operators, airlines and policymakers,” he stressed. However, such collaboration was a long way from happening given domestic

imperatives. “There are going to be some airlines that go bankrupt, and they are going to need a lot of government support to stick around,” Professor Moore warned. In his introductory remarks, Dr Usman Chohan, Director at CASS pointed out that one of the economic sectors most gravely affected by the coronavirus pandemic has been the global aerospace sector.

The public health and economic effects of the virus and concomitant lockdowns has translated into grounded aircraft, falling commercial passenger traffic (down by - 40% in some cases), closed airports, massive layoffs, and reduced business activity (up to half of pre-COVID levels). He informed that although some governments have attempted to protect their flag carriers with billions of dollars in stimulus, aviation companies themselves forecast severe declines as late as 2023-25.

Earlier, welcoming the participants to the webinar, Air Chief Marshal Kaleem Saadat (Retd.), President, CASS, said that the impact of the COVID-19 pandemic has been incalculable and it continues to remain so with the mightiest of the mighty like India and the United States having fallen prey to it. He said that while the aviation, tourism and education sector had been hard hit, others in areas like e-commerce had flourished with the increasing need for online work platforms. Sharing the latest figures, President Saadat said that airline passenger revenue loss estimates now reach USD 314 billion globally.

Courtesy: Afshan S. Khan

<https://www.thenews.com.pk/print/710410-webinar-on-global-aviation-aerospace-in-post-coronavirus-world>

2.



05 September 2020

GOVTS URGED TO DEVELOP HYBRID MODELS TO SUPPORT AVIATION, AEROSPACE SECTORS

Since Covid-19 has had such a dramatic impact on the aviation and aerospace sectors, and since recovery is not expected for several years, there is a need for governments to develop hybrid models that support these sectors, including through specific interventions and longer term support. These industries face fundamental transformations, and so multi-stakeholder response must be dynamic, comprehensive, and might involve both regulatory and operational elements. Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors.

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During the interactive Question/Answer session, Professor Moore said that the pandemic has blindsided much of the corporate world, and this will not be the last time that the world sees a “black swan” affect the economy. He lamented that despite the fact that the pandemic had cratered demand and hit the aviation sector beyond anything imaginable, the desired political will to find creative, collaborative solutions was lacking. “Just as 9/11 caused massive changes in security protocols at airports, Covid-19 will also lead to lasting changes in air travel evolution,” he concluded

<https://dailylimes.com.pk/663020/govts-urged-to-develop-hybrid-models-to-support-aviation-aerospace-sectors>

3.



05 September 2020

CASS SEMINAR CALLS FOR HYBRID MODELS TO REVIVE VARIOUS SECTORS

ISLAMABAD: Since COVID-19 has had such a dramatic impact on the aviation and aerospace sectors, and since recovery is not expected for several years, there is a need for governments to develop hybrid models that support these sectors, including through specific interventions and longer term support. These industries face fundamental transformations, and so multi-stakeholder response must be dynamic, comprehensive, and might involve both regulatory and operational elements. Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors.

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Courtesy: Adnan Yousaf– Junior Journalist

<https://dnanews.com.pk/cass-seminar-calls-hybrid-models-revive-various-sectors/amp/>

4.



03 September 2020

AVIATION SECTOR TO BEAR BRUNT OF COVID-19; SLOW REVIVAL PROJECTED: SPEAKERS

ISLAMABAD, (UrduPoint / Pakistan Point News - APP - 3rd Sep, 2020) :The speakers at webinar organised by Centre for Aerospace and Security Studies (CASS) on Thursday highlighted that the aviation industry particularly the airlines were going to bear the brunt of COVID-19 pandemic as slow revival was projected till 2024 like pre-COVID situation. The CASS webinar was titled "Global Aviation and Aerospace in Post-Coronavirus world" hosted Professor Dr Karl Moore of McGill University who was expert in strategy and organisation.

Dr Karl Moore enunciated the major and minor impacts of the contagion outbreak with respect to countries like US, Canada and those of European Union having major chunk of aviation as part of their economy due to overwhelming tourism share. He added that the global experts predicted a decline in the corporate and leisure travelling whereas no complete death of the sector could occur. Dr Karl also quoted the International Air Transport Association (IATA) that estimated global passengers would not return to pre-COVID levels until 2024 as 40 percent of global air travel markets were affected including that of the US.

President CASS Air Chief Marshal (R) Kaleem Saadat in his thanking remarks extended his gratitude to Prof Karl Moore for his valuable insights on the subject of aviation industry in a complex scenario. He proposed that there was need to work out a mutually acceptable framework with all stakeholders on board to assist the stressed aviation sector.

<https://www.urdupoint.com/en/pakistan/aviation-sector-to-bear-brunt-of-covid-19-si-1019712.html>

5.

THE EXPRESS
TRIBUNE

05 September 2020

HYBRID MODEL MUST TO REVIVE AVIATION SECTOR

ISLAMABAD:

With the novel coronavirus (Covid-19) having such a profound impact on the aviation and aerospace sectors, with recovery not expected for several years, there is a need for governments to develop hybrid models which support these sectors through specific interventions. These were some of the recommendations shared by Professor Dr Karl Moore, a senior Canadian aviation analyst and an associate professor at the McGill University while speaking at a webinar on “Global Aviation and Aerospace in a Post-Coronavirus World”. The webinar had been organised by the Centre for Aerospace and Security Studies (CASS) in Islamabad on Friday.

Dr Moore said that the aviation and aerospace industries face fundamental transformations owing to the pandemic. Hence, it was critical to seek a dynamic and comprehensive multi-stakeholder response involving both the regulatory and operational elements. “Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors,” he said.

Providing an outlook of the airline and aviation industry based on interviews with aviation executives and his own experience, Prof Moore stressed that it will be challenging for the airline industry around the world until Covid-19 health concerns universally improve and the global economy recovers from its shock.

<https://tribune.com.pk/story/2262601/hybrid-model-must-to-revive-aviation-sector>

6.



04 September 2020

CASS SEMINAR CALLS FOR HYBRID MODELS TO REVIVE VARIOUS SECTORS

ISLAMABAD: Since COVID-19 has had such a dramatic impact on the aviation and aerospace sectors, and since recovery is not expected for several years, there is a need for governments to develop hybrid models that support these sectors, including through specific interventions and longer term support. These industries face fundamental transformations, and so multi-stakeholder response must be dynamic, comprehensive, and might involve both regulatory and operational elements. Whether we speak of emerging markets such as Pakistan or the developed world, governments need to focus on the financial viability and regulatory structures of the aviation and aerospace sectors.

These were some of the recommendations shared by Professor Dr Karl Moore, a senior Canadian aviation analyst and Associate Professor at McGill University, Canada while speaking on the webinar “Global Aviation & Aerospace in a Post-Coronavirus World” organised by the Centre for Aerospace and Security Studies (CASS), in Islamabad today. While providing a bird’s eye view of the airline and aviation industry outlook based on interviews with aviation executives and his own experience, Prof. Moore stressed that it is going to be challenging for the airline industry around the world until COVID-19 health concerns improve and the global economy recovers. He was of the view that it is time for governments to work together to re-establish global connectivity and facilitate the re-start of aviation. In this regard, he shared the International Air Transport Association (IATA)’s action plan including developing an agreed common framework for states to use in coordinating the safe reopening of their borders to aviation; and developing COVID-19 testing measures that will enable re-opening by reducing the risk of virus importation to what is acceptable to public health authorities with accuracy, speed and scalability that also meet the exacting requirements for incorporation into the travel process. “The future of the aviation industry depends on continued collaboration amongst airport operators, airlines and policymakers,” he stressed. However, such collaboration was a long way from happening given domestic imperatives. “There are going to be some airlines that go bankrupt, and they are going to need a lot of government support to stick around,” Professor Moore warned.

In his introductory remarks, Dr Usman Chohan, Director at CASS pointed out that one of the economic sectors most gravely affected by the coronavirus pandemic has been the global aerospace sector. The public health and economic effects of the virus and concomitant lockdowns has translated into grounded aircraft, falling commercial passenger traffic (down by – 40% in some cases), closed airports, massive layoffs, and reduced business activity (up to half of pre-COVID levels). He informed that although some governments have attempted to protect their flag carriers with billions of dollars in stimulus, aviation companies themselves forecast severe declines as late as 2023-25.

Earlier, welcoming the participants to the webinar, Air Chief Marshal Kaleem Saadat (Retd.), President, CASS, said that the impact of the COVID-19 pandemic has been incalculable and it continues to remain so with the mightiest of the mighty like India and the United States having fallen prey to it. He said that while the aviation, tourism and education sector had been hard hit, others in areas like e-commerce had flourished with the increasing need for online work platforms. Sharing the latest figures, President Saadat said that airline passenger revenue loss estimates now reach USD 314 billion globally. "The international airline industry is estimated to experience a severe V- shaped decline throughout 2020 in terms of capacity, with cross-regional variances with respect to the severity of the decline. Such uncertainty leads to bad business," he remarked.

During the interactive Question/Answer session, Professor Moore said that the pandemic has blindsided much of the corporate world, and this will not be the last time that the world sees a "black swan" affect the economy. He lamented that despite the fact that the pandemic had cratered demand and hit the aviation sector beyond anything imaginable, the desired political will to find creative, collaborative solutions was lacking. "Just as 9/11 caused massive changes in security protocols at airports, COVID-19 will also lead to lasting changes in air travel evolution," he concluded.

<https://islamabadpost.com.pk/cass-seminar-calls-for-hybrid-models-to-revive-various-sectors/>

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NHT NATIONAL HERALD TRIBUNE

04 September 2020

CASS CONDUCTS WEBINAR ON “GLOBAL AVIATION & AEROSPACE IN A POST-CORONAVIRUS WORLD”



of Saudi Arabia to Pakistan Nawaf bin Saeed Al-Malki meeting PTI leader Senator Faisal Javed in Islamabad.

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CASS conducts Webinar on “Global Aviation & Aerospace in a Post-Coronavirus World”

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MoU for Pakistan's first Madrassa-based