

Data Insight

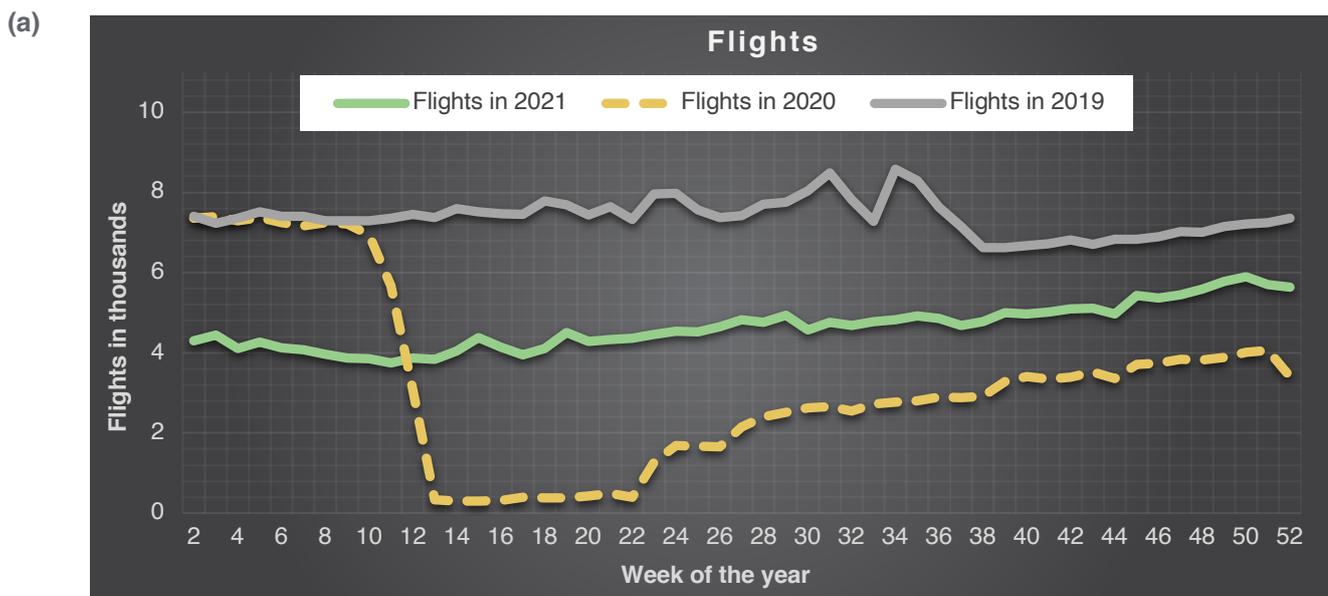
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Post-COVID Recovery of Air Traffic in Saudi Arabia

The dramatic drop in air traffic caused by the COVID-19 pandemic and the related travel restrictions has significantly impacted the aviation industry in Saudi Arabia and around the world. The sector has suffered considerable losses due to the reduction in passenger traffic. According to the International Civil Aviation Organization (ICAO),¹ international air passenger traffic reduced by 60% from 2019 to 2020, leading to a decline of 66.3% in airport revenues and a reduction in international tourism revenues of \$1.3 trillion. The gradual removal of travel restrictions and the introduction of vaccinations in 2021 have had a positive impact on the aviation industry, including in Saudi Arabia. However, significant concerns remain about the sector’s resilience, the speed of its recovery, and its short-, medium-, and long-term growth prospects. This insight examines the recovery of air traffic in Saudi Arabia by looking at the weekly² demand and supply data for the years 2019-2021 from the General Authority of Civil Aviation (GACA).

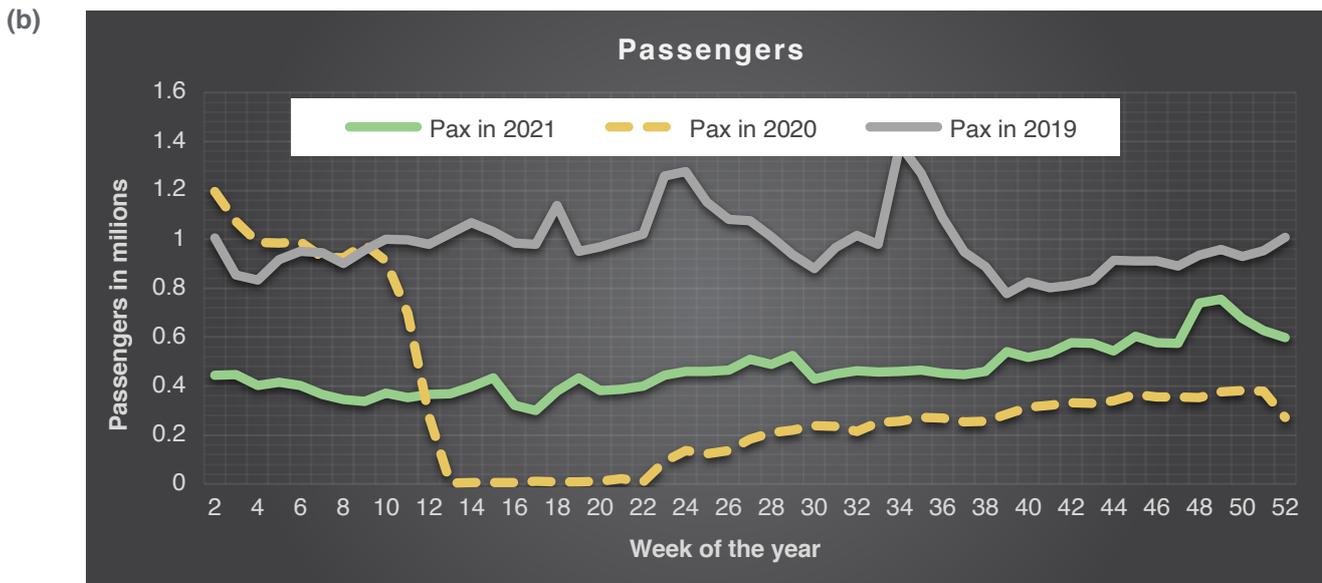
Progress in Saudi passenger aviation demand and supply

Figure 1. Number of domestic and international (a) flights and (b) passengers departing from Saudi airports each week from 2019 to 2021.



¹ International Civil Aviation Organization (ICAO). n.d. “Economic Impacts of COVID-19 on Civil Aviation.” Accessed September 1, 2021. <https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx>.

² The first week of the year is removed for incomplete weekly data.



Source: KAPSARC analysis.

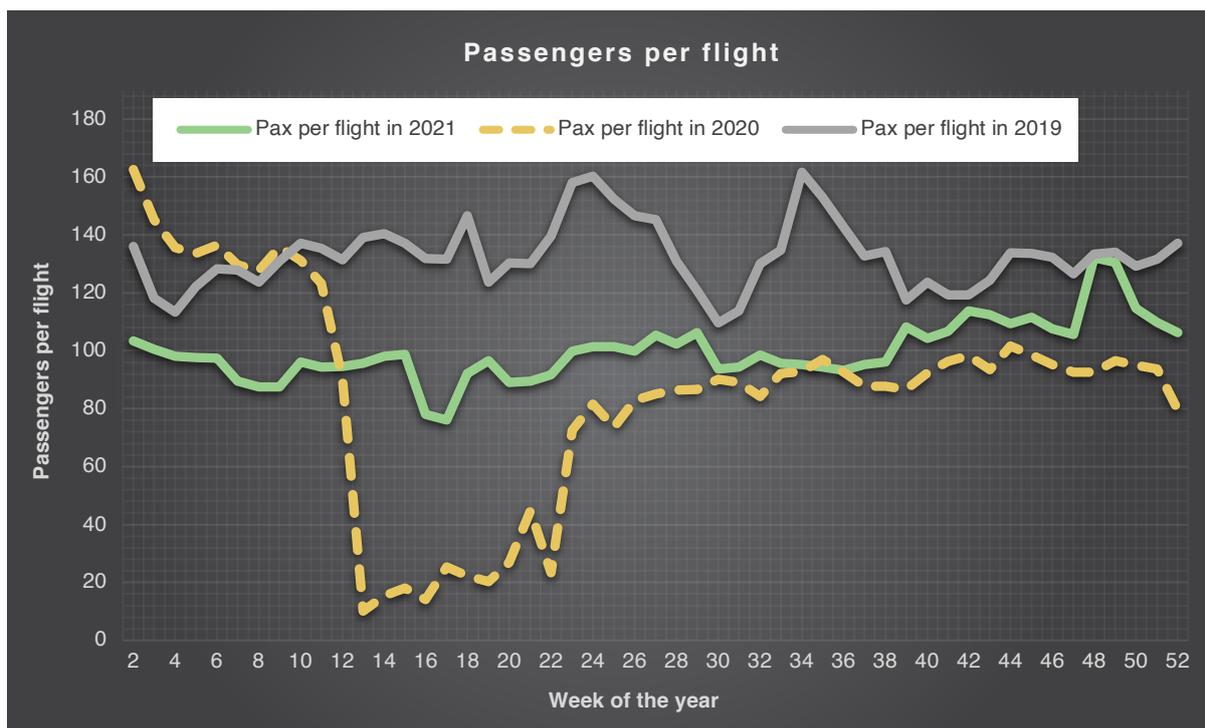
Figure 1 shows weekly Saudi passenger aviation supply and demand from 2019 to 2021 for both domestic and international routes. Saudi Arabia took precautionary measures to prevent the spread of COVID-19 even before the first case³ was reported in the country. It included prohibiting citizens and residents from traveling to China, and suspending flights to China (February 6, 2020 – week 7). This was followed by suspending the entry of all international Umrah pilgrims and tourists into the country (February 27, 2020 – week 9), and prohibiting the entry of individuals traveling via COVID-19-affected countries (February 28, 2020 – week 9). Following the discovery of the first case of COVID-19 in the country, additional measures to mitigate the virus transmission were put in place, such as the suspension of all international and domestic flights (March 15, 2020 – week 11), with a few exceptions.⁴ Some domestic flights gradually resumed on May 31, 2020 (week 22). Saudi Arabia partially lifted its international travel ban on September 15, 2020 (week 38). Travel restrictions for domestic and international flights have gradually eased as routes have resumed in accordance with the relaxation of travel restrictions. Figure 1 depicts a positive upward trend in 2021, with the majority of international travel bans lifted on May 15, 2021. The upward trend in aviation activity started around week 20 of 2021. A visual examination of the trends suggests that the Saudi Arabian aviation market is likely to fully recover to pre-pandemic levels in 2022.

³ March 2, 2020 (week 9)

⁴ Diplomats, medical personnel, and their families were exempt from the ban.

Progress in capacity utilization by Saudi aviation

Figure 2. Number of domestic and international passengers per flight departing Saudi airports each week from 2019 to 2021.



Source: KAPSARC analysis.

Aircraft capacity utilization, as shown in Figure 2, highlights that the country's load factor continues to be in a recovery phase. As expected, the COVID-19-related preventive measures reduced the number of passengers per flight in 2020 and 2021. However, from week 40 of 2021, passenger numbers per flight have risen, almost reaching 2019 levels.

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