Interim Draft Report to the Minister for Transport, Tourism and Sport

Taskforce for Aviation Recovery

22nd June 2020

Introduction

The Taskforce has been invited by the Minister for Transport, Tourism and Sport to respond urgently with actionable proposals to protect the Irish aviation industry from permanent damage.

This Interim Report offers our initial recommendations. We intend to follow with a final report by early July which will give consideration to further measures to stimulate and rebuild the national aviation sector.

Ireland has had a leadership position in global aviation. While two highly regarded international carriers are the anchors of the national industry, Irish based enterprises manage over 60% of the entire global leasing market for aircraft, and Ireland has a significant international position in aircraft maintenance, repair and overhaul (MRO). The airports have been strategic enablers of this business growth and economic development, and are important economic engines in themselves.

As a result, Ireland is one of the most highly connected island nations, with both extensive short-haul and increasingly pervasive long-haul route networks. Dublin airport had 53 airlines operating in the summer of 2019. These routes not only give strategic advantage to the entire economy but also are viewed enviously by other jurisdictions.

The sector supports €8.9B of GDP including the airlines and associated supply chains (and €17.6B when the GDP generated by foreign tourists is included)[1]. There are more than 140,000 jobs supported by the air transport sector in Ireland: 39,000 direct, 25,000 in the supply chain, 11,000 supported by employee spending and 69,000 jobs supported in tourism[2]. These jobs are across Ireland, with particular hubs around the airports in Dublin, Cork, Shannon, Kerry, Knock, and Donegal, thereby also promoting balanced regional development.

On average across all EU airports, a gain or decrease of 1,000,000 passenger movements annually result in between 850 and 1,200 direct jobs created or lost (depending on the size of the airport)[3].

Much of the Irish achievement and leadership in aviation is now imperilled by the economic impact of Covid-19. Deeper and lasting damage is imminent. Without clear visibility on Government intentions as regards economic coexistence with the virus, the national aviation industry is struggling to plan the management and retention of its assets, including workforce, aircraft, routes and physical infrastructures.

The Taskforce courteously requests that the Minister brings the following Interim Recommendations to Government at the earliest opportunity, and for immediate action:

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[1] Oxford Economics on the air transport industry in Ireland, for the International Air Transport Association (IATA), 2018.
[2] Oxford Economics, same report.
[3] Intervitas Study on the Economic Impact of EU Airports, 2015.

1: Travel Restrictions

Urgently clarify the process and milestones to be reached to ease the travel restrictions which are currently in place for non-essential air travel.   This urgent clarification should then facilitate the easing of travel restrictions, ideally by 1st July 2020.

The Taskforce notes the extensive recommendations provided on 11th June by European Commissioner for Home Affairs, Ylva Johansson, in calling upon Members States to lift all border restrictions by 15th June last. Ireland is now significantly behind other Member States in this regard -- despite having equivalent or even better success in containing Covid-19.

2: Quarantine amelioration

Urgently clarify the process and milestones to be reached in ameliorating the current 14-day recommended quarantine period. This urgent clarification should then facilitate the lifting of the quarantine, ideally by 1st July 2020.

A 14-day quarantine period makes non-essential and discretionary travel challenging, and inhibits business related travel, which is critical for the Irish economy. The Taskforce notes that implementation of efficient test and trace regimes can provide effective alternatives to the current 14 day quarantine measure.

3: Code of Practice for Safe Air Travel

Urgently adopt a national Code of Practice for Safe Air Travel, which applies the Aviation Health Safety Protocols developed by the European Centre for Disease Control (ECDC) and the European Aviation Safety Agency (EASA) in the Irish context.

A code, aligning with the ECDC and EASA protocols, needs to be urgently concluded and published. This urgent conclusion and publication of the Code of Practice should then facilitate its implementation ideally by 1 July 2020.

4: Continue existing Covid-19 relief measures

Urgently confirm continuation of existing financial support measures, including in particular the Temporary Wage Subsidy Scheme to support employment where possible. The reduction in aviation activity over the summer will make the traditional loss-making winter period in aviation particularly challenging.

The Task Force requests that Government recognise the need to prioritise and implement these immediate actions to support the recovery of the aviation industry, because of the essential role of air transport in generally underpinning business and tourism, and in driving the wider national economic recovery from the shock of Covid-19.

We expect that our Final Report will complement and extend these Interim Recommendations.

Conclusion

International connectivity drives passenger volumes and business activity, and has a positive multiplicative consequence on the wider national economy. Widespread and affordable air access will continue to be vital for Ireland's economic growth , even more so after Brexit and in recovering from the impact of the Covid-19 pandemic.

Deploying valuable staff and expensive aircraft on any particular route requires a careful business judgement that the result will both be financially viable and sustainable. With Covid-19, the aviation sector is faced with new challenges, and is having to make business assessments on what route restorations are likely to have the least financial risk in the context of Covid-19. If Ireland is to rebuild connectivity, effective ways to stimulate airline capacity, domestic and international routes will need to be explored.

Consumer demand, including internationally, will need to be stimulated. Ireland needs to be seen as open for business and tourism within the context of the new realities which result from Covid-19. The Task Force notes and fully endorses the early initiatives by the Department's Tourism Recovery Task Force. Since Covid-19 outbreaks could affect an individual's travel plans, it needs to be clear in advance what assistance, rights and obligations would apply.

Ireland has built an envied leadership position in aviation, which has a considerable multiplier effect on almost all parts of the national economy. The various actors in the aviation value chain are deeply integrated, and all elements need to be viable if we are to rebuild and sustain our connectivity in the future. As an island nation with an open economy, the Task Force calls on the Government to prioritise the recovery of this critical industry which enables large scale tourism, international business and exports.

As an industry, we are proud of what we have achieved, together with Government and with the other sectors of our national economy.

Insightful, confident and collaborative national leadership is now urgently needed to re-stimulate Ireland's aviation industry.