

Flying High , yet so low

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We have all probably heard about the uncertainty of various industries during a pandemic , but that one particular industry , that needs a greater part of our attention right now

is the aviation industry . As we all can see from our own naked eyes, that the Aviation Sector of every nation has been the most drastically affected due to this pandemic.

With social distancing becoming a standard norm after a pandemic this severe , there'll be quite a considerable change in the course of the aviation history and the way we fly will be drastically different from before .

A considerable reformation in the policies in response to the COVID-19 pandemic regarding the number of passengers accumulated, the price per ticket as well as the employment of pilot and technical staff required might take place, as what our third eye views. The players involved in the industry might follow the social distancing norms to an extent, thus a bare minimum of around 30 percent seats might remain unoccupied which will lead to a considerable

amount of surge in the pricing, thus affordability will be a big problem for the majority and we might see a huge negative demand shock, and even companies may prefer to reduce their fleet size and the number of flights to a specific destination , making operating such a business less lucrative . Airline companies will have no option left other than augmenting their price level since they'll have to cover up their operating costs with lesser number of passengers and even would have to revive their situation which has been left in deep waters because of the pandemic.

This might see a lot of airline companies transforming its planes to cargo planes , making freight industry a more competitive one . The company might even consider a social policy requiring passengers to wear proper masks and thus hindering any passenger without a mask from boarding the plane. Another pertinent factor that will accentuate the negative demand shock will be the fear and panic instilled in the travellers. People won't even be comfortable travelling within their own country, thus restricting travelling only for business, medical and educational purposes mainly,

International travel being as scarce as hen's teeth. Another major visible impact will be the loss of jobs of pilots and other staff , who will not have relevant skills for other tasks , thus making the unemployment rate higher than the natural rate . A report by IATA had claimed that there will be a \$314 billion revenue decline , and this fall has already been mirrored in various prime airlines like Delta etc.

With all airline companies moving towards bankruptcy, massive consolidation is to be expected and may prove to be beneficial financially in order to cover up the operating costs. With WTI crash in the past month, companies that took advantage of the situation may be in benefit. This chain reaction would also lead to complete annihilation of several other industries , travel industry being a major one. Countries which totally rely on tourism for continuity of life , will be shattered.

