



IATA REPORT: THE IMPACT OF 'BREXIT' ON UK AIR TRANSPORT

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The International Air Transport Association (IATA) released preliminary analysis of the financial and economic impact of the Brexit decision on the air transport industry.

“The Brexit vote has triggered much uncertainty—financial and otherwise. As leaders in the UK and the EU work to establish a new framework for their relationship, one certainty to guide them is the need and desire of people on both sides of that relationship to travel and trade. Air transport plays a major role in making that possible. There were 117 million air passenger journeys between the UK and the EU in 2015. Air links facilitate business, support jobs and build prosperity. It is critical that whatever form the new UK-EU relationship takes, it must continue to ensure the common interests of safe, secure, efficient and sustainable air connectivity,” said Tony Tyler, IATA’s Director General and CEO.

The main points of the report are:

The UK has voted to leave the EU – the so-called ‘Brexit’ scenario. Considerable uncertainty remains regarding the precise detail of the exit and it could be 2 years or more before these issues are fully resolved; prolonged uncertainty will influence both the magnitude and persistence of the economic impacts.

Preliminary estimates suggest that the number of UK air passengers could be 3-5% lower by 2020, driven by the expected downturn in economic activity and the fall in the sterling exchange

rate. The near-term impact on the UK air freight market is less certain, but freight will be affected by lower international trade in the longer term.

A big issue is with aviation regulation. The UK faces a trade-off between accessing the European Single Aviation Market and having the policy freedom to set its own regulations.

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