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## **Fitch: Recent Virus Variant and Russia-Ukraine Fallout Marginal for Airports**

Fitch Ratings-London/New York/S?o Paulo/Singapore-28 March 2022: The Omicron variant is barely causing a ripple to airport traffic recoveries worldwide in the final quarter of 2021 according to Fitch Ratings, and the rating agency does not anticipate the Russia-Ukraine conflict to create major fallout for the sector, according to the agency's latest Global Airport Tracker.

Most European airports outside Russia are not likely to be drastically affected by the loss of direct air traffic to and from Russia. Restrictions on airspace access, however, could affect some routes. 'The potential impact of geopolitical tension on inflation, GDP, consumer confidence, increased jet fuel costs and the propensity to fly is a secondary consequence of the conflict that could pause the positive momentum of air travel recovery,' said Fitch Senior Director Seth Lehman.

While more countries have relaxed their travel restriction policies in recent months, the above conditions could push back already delayed prospects for European airports with vacillations in coronavirus cases keeping passenger traffic below 50% of 2019 volume in fourth-quarter 2021. The U.K. and Italy are still feeling many of the effects.

By contrast, U.S. airports saw average recoveries near 90% in fourth-quarter 2021 even as the Omicron variant further delayed a return to normal operations. Domestic and leisure-focused airports saw or surpassed new highs while international gateways still lagged. Canadian airport traffic struggled for most of 2021, though recently announced easing of government restrictions should result in improving trends in 2022.

China's zero-coronaviurs policy and an increasing number of cases depressed recovery last quarter. Conversely, domestic traffic buoyed recovery for India and Latin America closer to U.S. numbers with Colombia and Mexico (above 90%) leading the charge. Brazil lagged somewhat, reaching 80% of 2019 volumes in December.

Fitch's 'Global Airport Traffic Tracker: 4Q21' is available at '[www.fitchratings.com](http://www.fitchratings.com).'

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