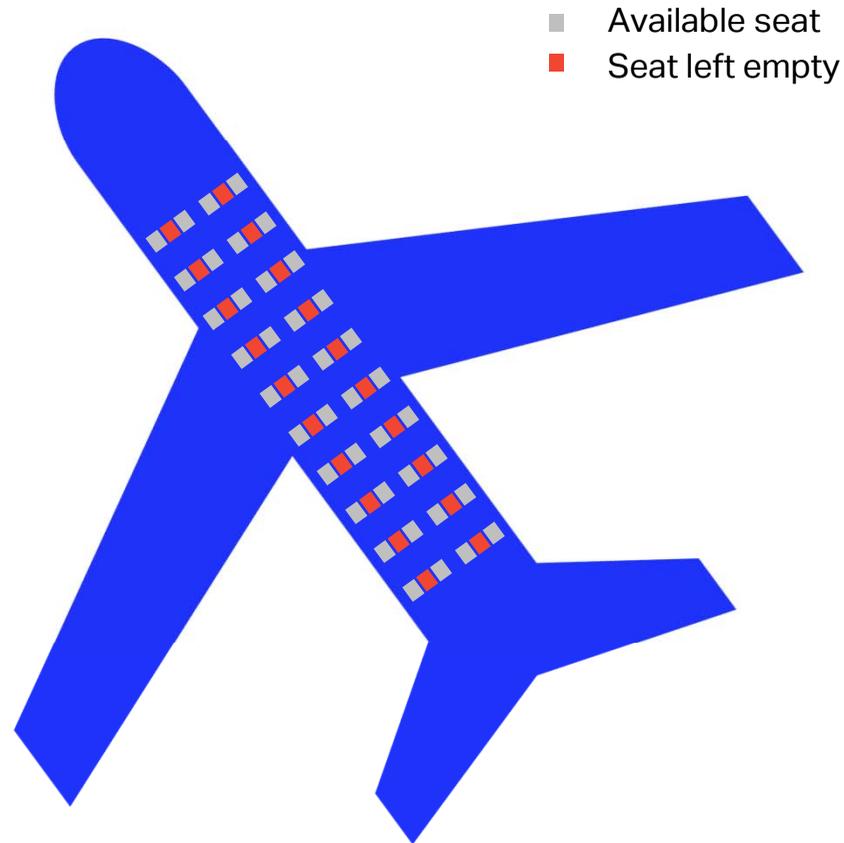


# The economics of keeping the middle seat empty

The potential impact of social distancing requirements on board of an aircraft

# Social distancing on board of an aircraft could result in setting a ceiling for load factors at 67%

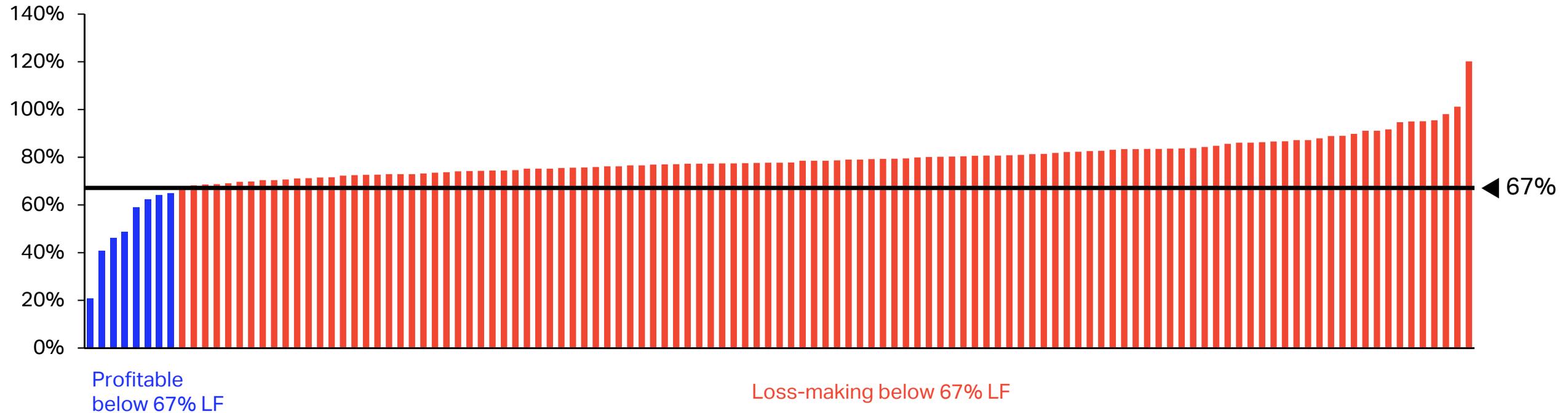
Aircraft with a 3-3 seat configuration, if middle seats have to be left empty



- Due to the outbreak of COVID-19, many governments have put in place strict **social distancing** requirements
- Some have suggested lately that airlines should **leave empty seats between passengers** in the aircraft
- For example, with the popular 3-3 seat configuration, this would mean leaving the **middle seats** empty on both sides of the aisle
- If this was pursued, airlines could fly with a maximum of two-thirds of their seats filled, i.e. a **maximum 67% seat load factor**

# With their current pricing, most airlines would be loss-making if they were not allowed to fill a third of their seats

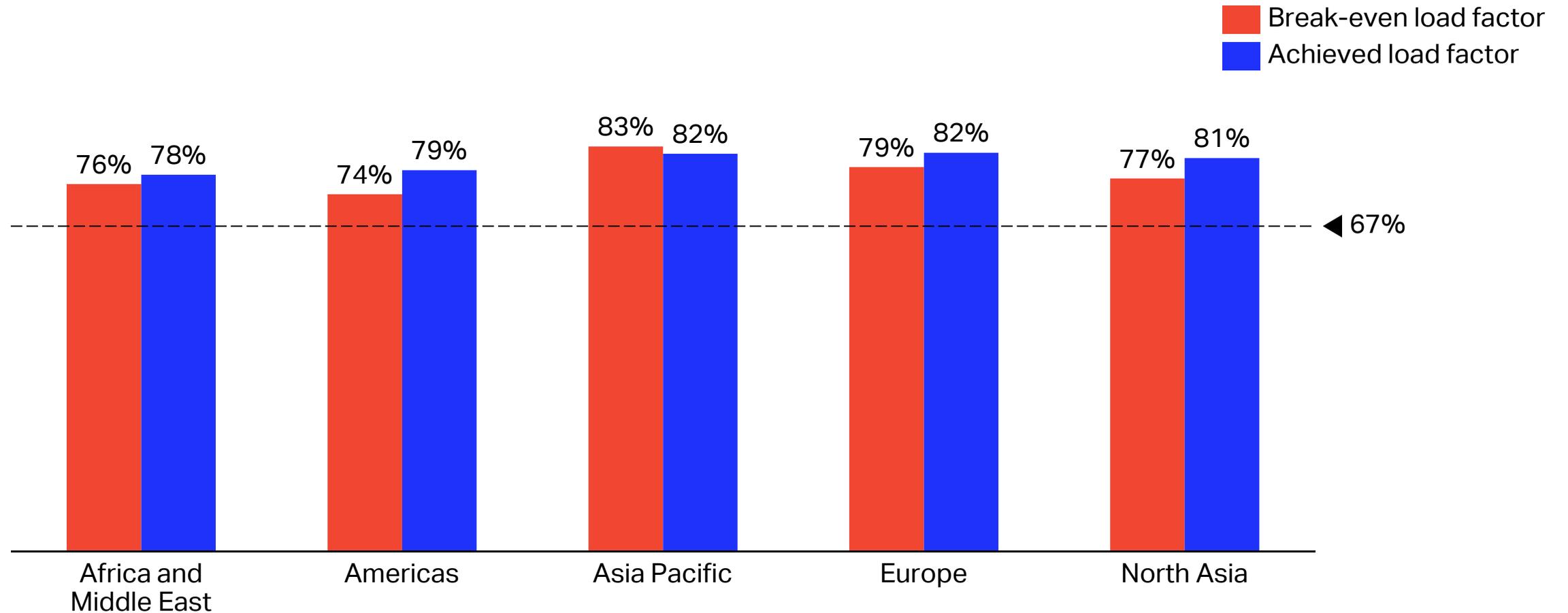
Break-even load factors (LFs) of 121 airlines, most recent year available (%)



- Of a sample of 121 airlines, only **8 could break even at load factors below 67%**
- **The other 113 airlines**, with their current pricing policies, **would become loss-making** at load factors below 67%

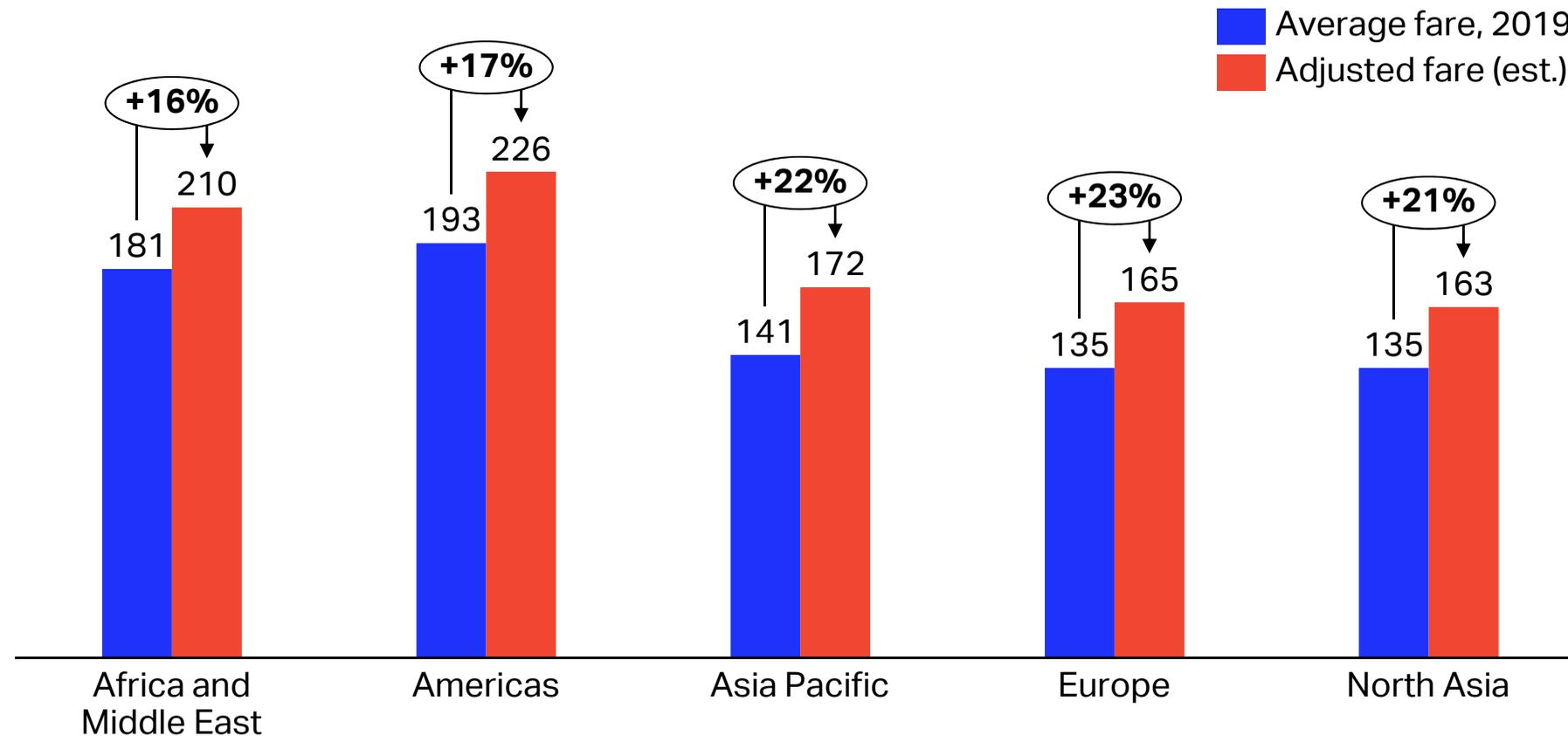
# Break-even and achieved load factors have been significantly higher than 67% across all regions

Break-even and achieved load factors of 121 airlines, by region (%)



# If airlines could only sell 67% of their seats, they would need to set fares at least 16-23% higher

2019 average base fares vs. estimated minimum average base fares if max. 67% of seats can be filled, keeping revenues constant



- To generate the same amount of revenues while selling fewer seats, airlines would need to increase fares
- Depending on the region and its baseline average achieved load factor, the fare increase would be at least 16-23%
- This is the most optimistic scenario where airlines manage to fill all seats made available on their aircraft (all the 67%)