

THE IMPACT OF COVID-19 ON GROUND HANDLING SERVICE

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Abstract. Currently, all countries around the world have been shocked by the spread of the corona virus. This virus is spread through droplets, vomites, and for some cases it could be spread by touching contaminated surfaces like; keyboards, toilet seats, door handles, and also from the sinks. Because of the rapid spread of the virus, most countries have to close their borders and shut down almost all of their activities to stop the spreading of COVID-19. This study aims to see the impact of COVID-19 on ground handling services. Service on ground handling has dropped dramatically because of COVID-19 pandemic. Therefore, efforts are needed by PT XYZ to survive from this pandemic. The main focus of this research is to find out the effect of this pandemic towards ground handling companies. The study used descriptive and qualitative method. Data was collected through direct observation in the field, interview with one of the employee and literature studies. The result of this research there has been a significant decline in domestic and international flights, which has led to a decrease in operational activities on ground handling. Therefore, the company is forced to impose various policies such as stopping operational equipment leases and dismissal of employees to reduce costs that must be incurred by the company.

Keywords: Ground Handling, COVID-19, Pandemic, Impact, Reduce Costs

Introduction

The Ministry of Transportation has predicted that the national aviation industry is expected to develop and be solid in the future. Related to developments in the aviation industry, the potential of the business services in the aviation sector is also significantly showing an improving and vibrant prospect. PT XYZ is one company that handles services in the aviation sector such as; cargo, warehousing and passenger luggage (ground handling). Ground handling is knowledge and skills in handling apron aircraft, handling passengers, and luggage at terminals and cargo, and post at the cargo area (Atmadjati, 2019). The ground handling operations represent the airside activities at airports in charge of processing passengers, cargo, facilities and supplies at and around parked aircraft (Fitouri-trabelsi et al., 2015). These service providers depend on aircraft that are going in and out of the airport.

COVID-19 is an acute respiratory disease caused by a zoonotic coronavirus that has just emerged. A positive-sense single-stranded RNA virus named Coronavirus-2 Severe Acute Respiratory Syndrome (SARS- CoV-2). As a response to the COVID-19 outbreak, more and more countries across the globe have been closing down borders and restricting travel since the start of 2020. This virus is a highly contagious and is currently spreading across the world, with a daily increase in the number of countries affected, confirmed cases and deaths from infectious diseases (Union et al., 2020). This virus seems to have an enormous impact on the airline industry as a whole. Air travel can return more slowly than many of the other economy Global RPKs recover 2019 levels in 2023. (IATA & Pearce, 2020).

As the consequence of this pandemic, flight cancellations occur; aircraft groundings, travel bans and border closures are quickly felt in lower load factors and yields for airlines, at the other hand airports lose their non- aeronautical revenues (Voltes-Dorta & Pagliarib, 2012). Airlines are not only sector that is affected by this pandemic, but airport service companies like PT XYZ are also affected. The closure of flights except for cargo flights caused a decrease in the amount

of PT XYZ ground handling was quite significant. This decline makes the company suffered a substantial loss. The International Air Transportation Association (IATA) stated that the air travel industry would lose US\$113 billion if the COVID-19 outbreak was not quickly contained (Ozili & Bank, 2020).

Method

The data in this study are secondary data and primary data. Secondary data is research data obtained through intermediary media or indirectly in the form of books, records, evidence that already exists, or archives both published and not publicized. Secondary data used in this study were the data related to the spread of the COVID-19 virus and some PT XYZ data. Besides the data used were obtained directly from the original source in the form of interviews, surveys from individuals or groups (people) as well as the results of observations of an object, event or test results (objects), which are also called primary data. The primary data used in this study were direct interview with PT XYZ employees.

In this study, the population of the research was taken from companies that are affected by COVID-19. While the sample taken is the company that provides Ground Handling Services PT XYZ. The research method used was a qualitative research method where the research method carried out through problem analysis and interviews with employees of PT XYZ. This research used a descriptive method by quoting journals related to this research topic.

Discussion and Result

The first problem is the decrease in the number of ground handling services. Before COVID-19, PT XYZ could serve up to 7.956 aircrafts, nevertheless, during COVID-19 it only served around 435 aircrafts.

Table 1. Number of Flights Handled

Year 2020	Jan	Feb	Mar	Apr	May	Jun
International	5.100	4.469	2.891	299	283	281
Domestic	2.489	2.227	1.782	130	98	123
Chartered	7	20	27	46	60	31
Total	7.596	6.716	4.700	475	441	435
% to Jan 2020	100%	88%	62%	6%	6%	6%

Source: Ground Handling Company

The data above show a decrease of almost 95% in ground handling services. Because of the travel bans around the world, the bans might interrupt the delivery of needed items also give false alarm to the countries (Devi, 2020). This causes a drastic decline in revenue for the company considering the company focuses its services on ground handling.

Table 1 explains that the percentage of flights handled slumped dramatically in March - April 2020, which the percentage of flights handled in March was 62% and in April the percentage was dropped to 6%. Surely this is a great loss for the company. Besides, the table also shows comparison between domestic and chartered flights. The most declining flights are international flights. This condition might be affected by the implementations of a lockdown system that is

applied in many countries, therefore, aircrafts are not allowed to enter or exit a country. Moreover, in several countries, international flights are collapsing because of the increased of COVID-19 cases (Lau et al., 2020).

The second problem is the closing of lounge services. Lounge, specifically airport lounge, is a space that is facilitated by the airport or even the airline company for some passengers while they are waiting for departure. The lounge can usually be used by business class and executive.

Table 2. Lounge Guests Handled

Year 2020	Jan	Feb	Mar	Apr	May	June
International & Domestic	34.556	21.696	14.514	446	60	223
Total	34.556	21.696	14.514	446	60	223
% to Jan 2020	100%	63%	42%	1%	0%	1%

Source: Ground Handling Company

The table above shows that the number of passengers using PT XYZ lounge services both domestically and internationally is 34.556 in January. This number continues to decrease every month and the most drastic decline happened in March – May 2020. In April it only served 446 passengers or around 1% of January. In March 2020 the amount of passengers handled was 14.514 and suddenly fell sharply to 446 passengers in April 2020 and then in May it dropped again to 60 passengers as the lowest point.

The data from table 2 also explain the effect of the government regulations to ground all commercial flights, both domestic and international that was released on April 24th. In June, the government began to loosen up regulations by implementing new normal policy so that the airlines can operate but with restrictions on aircraft transport capacity. This can be seen from the increase in passengers from May to June were in June there were around 223 passengers. This increase was only 1% compared to January.

The third problem is the reduction in the amount of airport cargo tonnage. Although the government did not close logistical flights, there was a very significant drop in cargo during the COVID-19 pandemic. This can be seen in the following table.

Table 3. Cargo Tonnage Handled – in Ton

Year 2020	Jan	Feb	Mar	Apr	May	Jun
International - Export	13.426	12.974	10.111	3.891	3.639	4.187
International – Import	10.943	10.620	11.617	6.364	5.164	6.665

International – Trans-shipment	2.018	1.611	1.652	112	30	48
Sub-Total International	26.387	25.205	23.380	10.368	8.883	10.900
Domestic – Outbound	521	559	518	625	781	651
Domestic – Inbound	13	13	8	31	27	17
Sub-Total Domestic	534	572	527	656	808	668
Total	26.921	25.778	23.907	11.023	9.641	11.568
% to Jan 2020	100%	96%	89%	41%	36%	43%

Source: Ground Handling Company

Table 3 gives information that in January, PT XYZ was able to get around 26.921 cargos per month as the highest point. Throughout January 2020 to June 2020, the number of cargo handled has gone down gradually since the government has not closed down cargo flights. From March - April, there has been a decline in cargo up to 50%. This is due to the number of factories/ home industries that close/ reduce their production. This becomes a disruption because of the factory closures all over the world that resulted in a decline in many sectors. They still have to pay debts while there is no income resource because of the restrictions (Baldwin & Mauro, 2020). However, at the end of June, the percentage of cargo has returned. This is because the government has reopened flights with the new normal policy.

The results of the research, many policies are implemented by the company. According to the informants from PT XYZ, the first step adopted by the company was to temporarily lay off some employees. This decision is in line with The World Travel & Tourism Council statement, which has alerted that 50 million jobs in the global may be at risk in travel and tourism sector (Nicola et al., 2020). Employees are allowed to return to work when the government has imposed a new normal policy for the employees. The interviewee said that not all employees were laid off, such positions as directors still working but with an on-off shift.

Then the second steps, for those who are still working in the company (security, cleaning service, and employees) are required to follow the health protocol established by the government. The employees are required to use personnel protective equipment (PPE) such as gloves, face shields, and face masks to prevent the spread of coronavirus (ILO, 2020). Also, the company provides a temperature measuring device to measure the temperature of workers who work in the office during this pandemic.

The third step taken by the company is cost-efficiency. The company has to cut their employee salaries by 40%. Furthermore, the company stopped leasing equipment ranging from equipment located at the airport to the office such as office cars. The last thing to do is to reduce operational costs such as water and electricity. The interviewee said that the reduction in operational cost was carried out to reduce the amount of company spending during the pandemic.

Conclusion

Based on an analysis of the study of the impact of COVID-19 on PT XYZ's ground handling, it can be concluded that COVID-19 influences company mobility which results in reduced revenue. A decrease of almost 95% in the ground handling sector of passenger aircraft both domestically and internationally. Cargo flights only dropped by around 50% because the government did not close the logistics path. The decline in the amount of cargo caused by many industrial companies closed. The company applies several businesses such as On Off Shift, providing body temperature scans for the workers, and stop vehicle/equipment rental to reduce the number of company expenses and their efforts to stop the spread of COVID-19.

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