

RUNWAY REPORT

THE MOST IMPORTANT AVIATION NEWS FROM LAST WEEK.

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Key Points:

The past week's biggest news showcased notable growth in the aviation industry, indicating a positive future for professionals and students.

- Labor tensions at Boeing with a major strike impacting defense production.
- Regulatory progress including Senate funding for FAA initiatives, lower tariffs for aircraft parts.
- Challenges to the Aviation industry via crashes, outages & disruptions, and aviation tariffs.
- Europe - Canada air travel is trending fast, hitting record highs in Q2 of 2025.

U.S. and EU Agree on Tariff-Free Aerospace Trade

Recently, the United States and the European Union reached a provisional trade agreement to exempt aircraft and aerospace components from new tariffs. This agreement prevents the previously threatened 30-50% US tariffs on most EU goods from being applied to the aerospace sector, instead establishing a "zero-for-zero" tariff regime for aircraft and parts. The EU will also suspend its planned countermeasures against US tariffs for six months. This deal represents a significant relief for the globally interconnected aerospace industry, which is particularly vulnerable to trade barriers and supply chain disruptions. [Read More >>](#)



Boeing on Strike, Risking American National Defense

About 3,200 machinists in St. Louis, responsible for building Boeing fighter jets, initiated a strike after contract negotiations failed on wages and retirement benefits, marking the first such action in nearly three decades for the local union. Boeing rejected the last offer, which included a 20% wage increase over four years, a \$5,000 ratification bonus, increased vacation time and sick leave. The union deemed this insufficient, asserting that their members' skill and dedication warrant a better contract that ensures long-term stability and fairness across all seniority levels. This strike marks the first for the IAM District 837 since the 1908's [Read More >>](#)



NBAA Applauds Senate Passage of DOT Funding Bill

The NBAA highlighted that the bill addresses several key aviation priorities. These include providing \$22.4 billion for the FAA, with specific allocations for operations, facilities and equipment, and research and development. The bill also supports hiring 2,500 new air traffic controllers, which aligns with goals for modernizing the national air traffic control (ATC) system. Additional priorities addressed in the bill are the encouragement of DOT and FAA support for workforce development and trade policies, and support for the development of next-generation radar altimeters that are resistant to 5G interference. [Read More>>>](#)



Aviation Industry Faces High Anxiety Amid Challenges

The aviation industry is indeed experiencing significant turbulence in 2025, marked by a confluence of challenges. These include high-profile accidents, operational disruptions like outages, and the impact of tariffs.

Major challenges

1. Accidents

- Several major aviation incidents have occurred in 2025, including a mid-air collision in Washington, DC. This incident marked the deadliest air crash in the United States in 20 years.

2. Outages and disruptions

- Southwest Airlines experienced a system-wide operational failure on July 31st, 2025, causing significant flight delays and cancellations across the US due to an internet outage impacting dispatch and operations systems.

3. Tariffs

- New tariffs implemented in April 2025 by the US government are impacting the aviation sector, particularly impacting North Texas hubs like American and Southwest Airlines.
- Tariffs are driving up the cost of importing aircraft and parts, potentially increasing aircraft prices by more than 10%.
- Airlines like American and Delta have reportedly withdrawn their 2025 financial forecasts due to the uncertainty caused by these tariffs and their potential impact on travel demand.
- Some airlines, such as Delta, have paused deliveries from Airbus due to tariff-related concerns. [Read More >>](#)



Europe-Canada Air Travel Reaches Record High

Record levels of air travel are occurring between Europe and Canada in August 2025.

Key figures

- **Flights:** 4,276 scheduled one-way flights from Europe to Canada, a record high.
- **Seats:** Over 1.2 million seats are available, a 5% increase year-on-year compared to August 2024, and a 14% rise from pre-pandemic levels in August 2019.
- **Decade-long Growth:** The number of flights has surged by over 40% compared to August 2015.

Reasons for the surge

- **Popularity of Canada:** Canada's popularity as a long-haul summer destination for European travelers is growing.
- **Canadians Traveling to Europe:** A rising number of Canadians are also traveling to Europe.
- **Air Canada's Expansion:** Air Canada has been a key driver, expanding its Europe-Canada network by 8% this August, adding 112 extra flights and over 34,500 additional seats.
- **Growing European Hotspots:** Cities like Athens (63% increase in flights to Canada), Edinburgh (45%), and Madrid (35%) are experiencing significant growth in flights to Canada.

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