



## Could Air Canada Make You Rich This Decade?

### Description

**Air Canada** ([TSX:AC](#)) shares were up marginally in mid-morning trading on April 12. The stock has dropped 9.4% over the past month. Canada's largest airliner has been forced to weather turbulent conditions over the past year. Today, I want to discuss whether this reeling stock can make investors rich over the course of the 2020s.

## How Air Canada made investors a fortune in the 2010s

Air Canada proved to be one of the best growth stocks to own on the **TSX** over the course of the 2010s. This is not the first time Canada's top airliner found itself in crisis. The airline industry was in dire straits in the wake of the 2007-2008 financial crisis. Unfortunately, this came just after the industry had started to recover following the September 11, 2001 attacks.

Shares of Air Canada fell below the \$1 mark in the early part of the previous decade. The company veered close to bankruptcy but managed to maneuver itself back into the black. Investors who kept faith and bought into these dips were richly rewarded in the years that followed. Investors who bought \$5,000 in Air Canada stock in the beginning of the 2010s would have seen that investment grow by 3,680% to \$184,000 as at December 31, 2019. If you held Air Canada in a Tax-Free Savings Account (TFSA), you would have walked away with a mouth-watering amount of tax-free gains.

Back in March, I'd [discussed](#) whether Air Canada was a bargain or a bust in the current environment? To determine that, we need to look at the broader airline sector.

## What is the state of the airline industry today?

When the seriousness of the pandemic became apparent in the spring of 2020, the airline industry braced for major turbulence. Air Canada predicted that it would take roughly three years for its business to recover. By the end of 2020, multiple promising vaccine candidates were on deck to be distributed across the globe.

Unfortunately, Canada has lagged its major allies and put together a disappointing vaccine rollout. Canada's leadership has said that millions of doses will be available by the early summer. Frustrations have grown as Ontario, the country's largest province, has entered its third lockdown in April.

In early March, there were high hopes that the government and Air Canada were on the verge of a bailout agreement. However, these talks have seemingly cooled in recent weeks. Investors are eagerly waiting progress on a bailout that was originally announced all the way back in November 2020. When it does arrive, it should succeed in injecting some optimism into a flailing sector.

## Should you buy Air Canada right now?

Last month, I'd suggested that uncertain conditions in the air travel space made it [difficult to speculate](#) on Air Canada's immediate future. When Canada does finally catch up to its peers with its vaccine rollout, there will not be a snap back to normal. It will likely take several years before passenger traffic will reach what we saw prior to 2020.

Regardless, I'm still looking to stash Air Canada for the long term. It has dramatically improved its balance sheet after the crisis it faced in the early 2010s. The outlook for the airline industry still looks strong in the decades ahead. Investors who can weather turbulence in the short-term should buy Canada's top airline stock today.

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