

# Airlines: connectivity, capacity and traffic essay

[Environment](#), [Air](#)



Even though there is a high degree of connectivity among some European states, a number of states only benefits from limited number of direct scheduled air services linking them to other European countries. This implies that intra European routes connectivity is still not established strongly among the states on the capacity almost all the routes capacity is provided by a single carrier since 1994, which is a very small margin. However the passenger capacity of members of the Association of European Airlines (AEA) had significantly increased by an average of 7.3% (available seat Kilometers) so that the RPK growth of 9.

0% was experienced that resulted in increased passenger load factors (PLF) up from an average 73.4% in 2003 to the 74.6% level reported for 2004. Intra-European passenger load factors were up only slightly at 65.

5% but long haul PLF increased by 1.6 points to 80.1%. Under traffic, the intra - European passenger flows accounted for around twenty three percent of the total world passengers in the year 2004 (Arnold, 2004). This figure implies that the European market was the second busiest behind the North American Market that realized twenty nine percent of the total worlds passengers. This was a good growth in the industrial sector even though a lot of competition was coming from the United States air transport industry.

Members of AEA experienced strong growth in passenger traffic during the year 2004. The number of passengers increased with almost five percent while the revenue passenger kilometers increased by almost twice that which reflects a strong growth on long haul markets, especially on routes between Europe and Asia/Australia/Asia, which indicates a nineteen percent

increase in RPK. Analysis on freight traffic carried by AEA carries shows that there was an increase in the number the year 2004. This was fuelled by growth of almost 12% on Far East and Asian routes (Arnold, 2004).

This was driven by buoyant export growth from china and other Asian manufacturing countries. High growth during the same year was also reduced in the South American routes. Financial Analysis On analysis of financial results in the year 2004, the thirty-three European airlines show some significant improvement. Despite the improvements that were shown in the financial results, the figures indicated still indicates that the operating margins were still very low. Some of the major airlines such as Alitalia, Swiss, Finnair and SAS were seen to be still making losses.

According to the analysis only the LCCs (4) and the charter airline (6) produced more satisfactory results. Aggregate of airlines reporting different financial year-ends: Largest part of FY falling in 2003 or 2004 based on IATA data for calendar year. The overall performance of the industry was still very low following the September 11, 2001 attack by terrorist. Given the over reliance on aircraft on operating lease, the low investment and equity reforms were capitalized by multiplying annual operating lease rentals by seven. Airports In most European airports traffic grew significantly year 2004.

The average increase in passenger traffic at ACI Europe's top twenty airports was close to 7% whereby a healthy growth was seen in Munich and London stansted, which recorded double-digit growth. Activity by low cost carriers was an important contributor to traffic growth at some other airports in

Europe which was more visible particularly in the accession states under this category only Prague, Bud-pest and Riga were analyzed. Prague and Bud-pest posted gains of 25% while Riga reported passengers traffic up by 50% over 2003 levels (Lewinsohn, 2005). Significant increase in operating revenues was also realized by many airports. For example, Flughafen Wien reported a fifteen percent increase, unique Zurich Airport reported fourteen percent increase and Athens international realizing thirteen percent increase. Polish Airports state enterprise and Czech Airports Authority were also not left out.

The two airports are regarded as the largest airport operators from the accession states, and they also reported strong growth in operating revenues in 2004. Air Traffic Control During the year, air space harmonization got under way with European Control initiating a formed consultation process on a common charging scheme, airspace design and the flexible use of airspace and then, towards the end of the year, commencing the procurement phase for its single European Sky implantation programme. After along debate, there was an establishment of a community air traffic control license. There was an increase in the number of total flight by Euro control whereby the figure increased by 4. 5% for 2004 compared to 2003 to reach almost nine million flights. Domestic traffic in the same year counted for around thirty seven percent of 2004 traffic and rose by just over 1% while international traffic was up by 7% (Millward, 2005).

The average delay per departure in this analysis was 10 minutes in the year 2004 and average delay per arrival was 10. 4 minutes, an increase of 4. 9%.

Around half of departure delays in 2004 were attributed to airlines, which indicates a nineteen percent to airports and eleven per cent to enroute flow control. Environmental issues. In 2004, the rate of pollution increased in amount of carbon dioxide (Co2) and NOX, emitted by major European airlines.

There was an increase by around 5.5% whereby the RPK the European airlines generated grew twice that rate. This significantly reflected a positive improvement in the rates of emissions. The development that led to reduction in emission of pollutants was as a result of improvement in fuel consumption measured in RTK per gallon.

Fuel consumption improved by an average of 3.8% among European airlines because of changes in fleet composition, network and load factor (Pullack, 2003). Consumer issues Consumer issues entail the number of trips that were made in the year 2004. Because of the fear of terrorist attack or insecurity, there was still a decline in the number of travelers opting for package holidays. Online bookings was later on developed to attract more passengers thereby stimulating the growth or increase in leisure travel.

On line booking through the Internet resulted in low fares and this led to the increase in the number of those who traveled.