

Macroeconomics assignment

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Economical can be one of the major factors for the airline industry. Due to the rate of war and terrorist event, the growth rate of economy dramatic slowdown, capacity demand, which gains the low yield to the airline industry. Moreover, oil prices increase also affect their profits. The social sector, which are strongly from employment perspective and safety. The technology in airline industry is fast moving, however it's very costly.

Alliance gives the opportunity to the major airline to offer customer global route coverage. Ecological factor consists of recycling, the level of pollution and attitudes to the environment. For the airline industry, pollution tends to be very important. Legislation for the airline consist of employment laws, company law, tax law and their regulation. Redundancy, landing right, health and safety, which are all the airlines, should be considered as a legal factor.

Airline industry recovered and it become more attractive for investor.

Economical and political factor has always been and continues to be the two major external environmental drivers influencing the airline industry. A low cost carrier (also known as a no-frills or discount carrier) Is an airline that offers generally low fares in exchange for eliminating many traditional passenger services.

The model represented by the (LLC) or low cost carrier is not an innovation, some of the LLC are linked to major and traditional airlines companies, but its evolution has quickly become the dominant management model and through the development of the Internet has experienced the most growth. Though many airlines offer fares at a reduced rate on one or more of their

routes at reticular times, the simple act of offering cheap fares does not necessarily make them a LLC.

Low cost carrier with the specific aim of operating with a lower cost structure than traditional operators in order to create lower fares. Greater efficiency and cost savings have been achieved in a variety of ways, most notably through Increased aircraft and crew utilization aided by the use of aircraft operated in a single class with more seats than would be possible with business class. LLC tend to operate a single type of aircraft, a strategy that produces economies of scope in aircraft maintenance and flexibility in the use of crew.

Savings s achieved by selling tickets directly to customers (often through Internet and call centre ticket sales) and therefore by-passing travel agents distribution channels, re- engineered business processes and negotiation to gain reductions In airport Tourists such as business passengers with a need for frequent scheduling, inter- flight flexibility with differentiation being offered through personal space and comfort on-board, in flight entertainment and free food and alcoholic drinks, frequent flier programmer, free airport lounges and use of major city airports (typically with higher landing charges).