

OUTLOOK FOR WORLD AIRLINES LOOKS BLEAK



Experts anticipate the effects of the crisis to last until 2011. Airlines all over the planet are likely to face huge losses.

In these times of crisis, it hardly comes as a surprise that a certain segment of the so-called luxury travel industry would be struggling. What may be more surprising, however, is the fact that it seems that airlines from all around the planet are going through an extremely tough period and are set for an even tougher one.

Despite the lowering of fuel prices, **airlines are suffering huge losses** and the IATA, an internationally renowned travel association, predicts that the rot will last until 2011. Contrary to popular belief, airlines charging for toilets, lying about the weight of luggage, charging ludicrous prices for drinks and trying to squeeze every penny out of passengers are not matters of greed. In fact, they seem to be survival attempts.

Asia Pacific is the hardest hit region in terms of losses, where the loss column shows 1.7 billion US dollars. This horror story continues in Europe, where the loss figures have been fluctuating around the 1 billion dollar mark. Total global losses for a one-year period for airline companies are set to equal **4.7 billion US dollars**. Even worse, the amount of **traffic is set to drop by almost 12%** this year. Environmentalists would welcome this news, yet the downside means that many more people will start using cars. The global situation is even worse for the airlines than after the terrorist attacks of September 11, 2001.

To take an example in Europe, it is worth looking at Air France, which has announced that they are suffering losses of up to 200 million Euros per year. This is just one example of an airline in trouble; the world is beginning to be full of them.

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