

WORLD AIRLINES SET FOR EVEN MORE DISASTROUS PERIOD



British magnate Richard Branson has predicted the worst period ever for the world's airlines. According to the IATA, a number of factors are contributing towards the downfall in the airline industry. The world airline industry is now set in "survival mode".

Airlines all over the planet have been suffering for some time now. However, the International Air Transport Association has suggested that the next couple of years could actually turn out to be the worst for the airlines. **9 billion USD losses are expected to follow on from 10.4 billion USD losses from last year.** The passengers are, naturally, to blame yet more specific blame has been placed on the shoulders of pandemic fears, an array of accidents, falling demand and collapsing yields.

Falling demand has been accounted to the world financial crisis and the willingness of a multitude of companies to cut down on the frequency of business travelling and the amount they spend on the air travel. Indeed, budget airlines are in nowhere near as much trouble as the so-called regular airlines. Whereas business class tickets used to be a pleasant reward for hard-working employees, they are now strictly banned in most company guidelines. On a similar note, video conferencing has soared in popularity, thus nudging aircraft out of the market.

There are, unfortunately, no facts for optimism. Even slashing ticket prices would not be deemed helpful for obvious reasons. WTM Vision conference's market analysis has suggested that airlines companies have around 3 years to wait for recovery. Western Europe should begin to recover next year whereas North America would most probably have to wait until 2011 for signs of a recovery. More frequent accidents are even leading some people to believe that flying is no longer safer than driving.

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