

# PRICES OF FLIGHT TICKETS EXPECTED TO REMAIN STABLE



According to the travel industry forecast for 2015 by a consulting firm Advito, the flight demand will grow next year due to the improvement of the world economic situation.

Many regions, especially in Asia and Europe, will experience growing competition on short-haul routes operated by low cost carriers (LCC) and on long-haul routes by airlines from the Middle East.

Airlines and businesses don't want to lose customers with increased prices. Aviation price increases are substantially above the rate of inflation. **According to Advito, in some markets the prices will remain unchanged or even go down.**

U.S. market is an exception however, because the competition was reduced through consolidation. Airfares are thus quite high in some markets. Airlines in the U.S are also planning to increase their prices.

Similarly to the last year, hoteliers are expected to increase prices at an average of about 6-8% in 2015. Advito predicts that North America and Europe will witness steep rise in hotel prices for those customers who do not manage their bookings with their preferred suppliers.

New hotels in Asia will increase the rates moderately but they will broaden the scope for negotiating with travelers. In contrast, **Latin America does not keep pace with the demand and higher inflation drives the prices up.** In cities where demand is particularly high, for example New York, 2015 prices will increase more than in the rest of the world.

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