

AIRLINE INDUSTRY WELL ON THE ROAD TO RECOVERY



After its worst crisis ever, the airline industry is expected to make a much bigger recovery this year than expected. Only Europe will be left lagging behind as airline companies set off down the road to recovery.

High fuel prices, low ticket prices, no passengers...this is every airline company manager's nightmare scenario. The scenario was, unfortunately, a reality until very recent times. The representatives of many organizations felt sympathy for those involved in the industry, especially the redundant staff. However, Europe aside, the future looks brighter and **airlines are beginning to take off with an air of confidence and results are even better than originally expected.**

The International Air Transport Association (IATA) originally announced that the airline industry would earn \$2.5 billion in 2010. The announcement was made in June and now it seems wide of the mark. **Thanks to increased demand and better management, the profits are expected to be three times higher, \$8.9 billion.** In North America alone, profits are expected to be up to \$3.5 billion and not \$1.9 billion as originally thought. These figures are the result of cautious predictions in the first place and the newfound confidence in the industry as the dust settles on the crisis.

Europe is the only region left in the red, with losses expected to be around the \$1.3 billion mark. The figure is less than expected, yet still spells bad news. **The IATA stated that a full recovery is expected in Europe too,** it will just take a little longer. The IATA also placed stress on the fact that the airline companies should aim for long-term improvements and not just a mass of revenue for this year alone. Long-term stable profits will be the real sign of a total recovery.

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