

# BUSINESS TRAVELS HELP AIRLINE INDUSTRY



Record-breaking passenger numbers have helped to reduce airline losses. Most of the newly generated income is now coming from business travelers. The losses are still, however, quite high.

The airline industry, on a global scale, has had to face many limitations in recent times. News has generally been bad for standard airlines and budget airlines due to a combination of many factors. **The global crisis has persuaded many people not to travel by air**, which was considered a luxury in the past. Unwilling to pay numerous extra charges, many passengers in the UK have stopped using budget airlines and businesses have cut their expenses by employing video conferencing.

However, the situation has improved recently as **the traffic out of Stansted and Heathrow is 4.4% up this year. Pre-tax losses have been narrowed by 75.5% and the number of business travelers has risen significantly**. Business travelers are, of course, better for airline companies, as they tend to be less adverse to price increases and also tend to spend more. Business class is a welcome treat and a way of spoiling customers. Even though extras on board can be quite expensive, they are not paid by business travelers but by their employers. That is why such customers are not so careful with money.

This year's disasters such as the eruption of the volcano in Iceland and BA strikes have served to stunt the original recovery from the global financial meltdown. **Despite these setbacks, airline companies seem to be moving in the right direction now**. If the volcanoes around Europe and North America remain inactive and BA staff gets paid on time, there is no reason to believe why airlines should not make a full financial recovery from the horrors of recent times.

Date: 2010-11-08

Article link: <http://www.tourism-review.com/airline-industry-boosted-by-business-travels-news2477>