

AIRLINES REDUCE THE NUMBER OF FLIGHTS BY 11% BUT INCREASE CAPACITY



In 2022, airlines face increased expenses and demand, prompting them to seek ways to improve their performance. They decided to decrease flights by 11% and instead use larger planes that raised their capacity by 4%. This strategy allowed airlines to serve almost the same number of passengers with fewer flights, resulting in increased profitability. The report 'Airline Economic Analysis 2022-2023' by Oliver Wyman confirms this and also notes that faster connections between flights or more non-stop services have reduced travel time by 55%.

The report highlights how various factors have impacted airlines, such as the ongoing geopolitical conflict in Ukraine, high inflation, rising labor costs, staff shortages, and a shift toward digital business meetings following the pandemic. Despite these challenges, there has been a gradual and continuous recovery in air travel demand since the spring of 2021. In fact, in 2022, most airlines have returned to profitability, with their performance improving notably in the second half of the year as travel demand increased.

The report also reveals that there has been a significant increase of 64% in global revenue per passenger-kilometre (RPK) in comparison to last year's data. However, despite these positive developments, daily passenger traffic at airports has not yet reached pre-pandemic levels and currently stands at 32% lower than 2019 figures.

In 2022, the demand for flights in Europe was 22% lower than in 2019, while the US saw a better recovery in December 2022, with only an 8% decrease from 2019 figures. However, this increase in demand has led to various issues, including difficulty in meeting demand, long wait times, and congestion at airports.

The COVID-19 pandemic has highlighted the personnel problem in the air transport industry across all professional categories. According to Oliver Wyman, this problem cannot be solved in the short term since these workers undergo rigorous background checks and aptitude tests before they can work, as they are responsible for the safety of numerous passengers.

Airport ground assistance and security controls have been identified as weak areas in the industry. Recruitment issues, lengthy accreditation processes, and many inexperienced workers have contributed to longer wait times for billing and control procedures. As a result, many airports have reduced the number of passengers and canceled flights. This has harmed punctuality, with the on-time departure rate falling by six percentage points in 2022 to 70%, down from 76%.

Date: 2023-07-28

Article link:

<https://www.tourism-review.com/number-of-flights-lower-but-the-capacity-is-higher-news13481>