

BUSINESS CLASS FARES TUMBLE WITH OPEN SKIES



March 2008 was one of the most significant months in the history of airline relations between the EU and the USA. Before the so-called “open skies” agreement was signed, only three airlines could fly in Atlantic air space, namely: Virgin Atlantic, British Airways and American Airlines. As a result of the agreement all EU-based carriers are allowed to fly from any city in EU member countries to any US city. The US-based airlines gained the same access to

airports in the EU.

The 30th March agreement has been seen as a way for the US and EU to combat soaring fuel prices and cancel out unnecessary burdens on both sides. Apart from the likely increase in traffic, the price differences are particularly interesting today as well as in months and years to come.

One of the biggest differences is in the prices of business class tickets. If the truth were told, business class tickets are overpriced all over the world. Even top businessmen are now unwilling to pay three times as much than economy class passengers just because they have a little more leg room, they receive two juices instead of one and the toilet is not as occupied as usual. After the open skies agreement, prices dropped for business class passengers by as much as 25%. For the link between LA and Seattle the prices dropped by 9%. This is, naturally, a result of current increased competition and greater level of competition.

The basic fact in Europe is that, since the introduction of budget airlines, the prices of the regular airlines have been forced down. As a result, luxury on board is slowly becoming a thing of the past. As “open skies” has opened up new possibilities for airlines in both continents along with new competition, this trait is sure to ensue in America too.

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