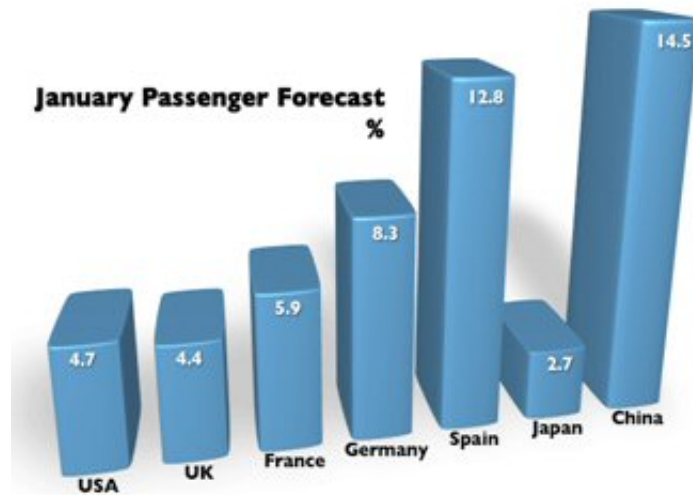


Travel Demand Set to Reach New Peaks

2007-12-11

Passenger numbers in January look set to break new growth records across all regions, for a variety of different factors and with many of the usual downsides. The latest consistent international and domestic passenger data is from ACI. It relates to the largest airports in October and shows total passenger numbers rising by 6.2% in the month and international passengers by 8.3%.



November actual data is still rather sparse except in the USA where airlines representing almost half of total traffic have declared a 2.2% passenger increase. Compared with performance at the same reference point in October, traffic growth has slipped by almost two percentage points. Airport data for last month is too sparse for consideration.

European Growth Surge

The driving force behind the latest forecasts is the buoyancy in international demand and is producing January and Quarter 1 projections of considerable strength. Next month international travel demand will grow by just a fraction over ten percentage points and in the first Quarter of 2008 it could move ahead by over 11%.

There are two components of the surge. The smaller airports are growing faster than their larger rivals and Ryanair is an important element in many passenger configurations. Last month Ryanair reported a passenger increase of 23%, its best month since March. In only three of the eleven months of this year has the airline dropped its growth rate below the 20% point mark thereby producing a cumulative year on year increase of 21%.

Many of the larger airports have, until recently, experienced somewhat subdued growth rates. But in October the top 20 produced international passenger increases of 7.3% and are forecast to grow by 8.2% in January. Within that top 20 there are to be some cracking performances from, for example, Madrid, Munich and Malpensa. It is the overlay of growth in the largest airports on the solid base of low-cost demand which has created the latest forecast peak.

A Stumble in the USA?

January passenger numbers are expected to rise by 4.7% at the total level, domestic growth, however, will be a little more restrained at 4.4%. But the American forecasting difficulty is not the depth of market data but its topicality and the most topical is not the bringer of the best market news. Airline data for the month of November indicates a further slow-down in the rate of total passenger growth. The information is partial in that it relates to carriers representing just under half of the expected traffic for the month. The sample is self-selecting and is biased towards the largest airlines which are not necessarily the fastest growing.

Nevertheless, these carriers are reporting a 2.2% pax increase over 2006. At the same point in October, and for the same airlines, the rate of increase was 3.8%. In August it had been 6.7% and has been sloping downwards in every month since. The forecast module, based on October data, is indicating a 4.7% total passenger rise for the first Quarter of next year and that may now be over-stated as could be the full year forecast of 3.8% for domestic passengers.

Source: [*Air4casts*](#)

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