

OAG Revises its 4th Quarter Analysis of Global Airline Activity Based on Updated Published Flight Schedules  
2008-10-08

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**Global Capacity Analysis Shows Slight Improvement With 5.2% Decline**

**Europe Capacity Cuts Double**

**6.5% Capacity Reduction within Asia Not as Bad as Earlier Analysis**

**Transatlantic and Transpacific Routes Switch from Growth to 3% Drop**

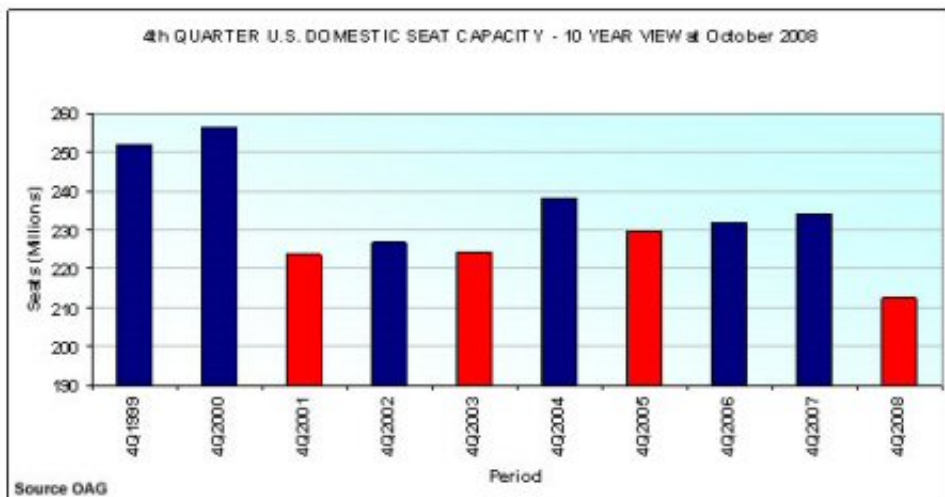
**Number of Airports Losing Air Service Altogether Still Above 200**

Continuing problems within the U.S. economy are impacting airline operations with worse than expected declines in airline capacity this winter, as the number of domestic flights is set to fall by almost 11% and capacity by 9% in the 4th quarter of 2008 compared to a year ago, according to OAG (Official Airline Guide) in its revised analysis of the global travel industry's published flight schedules.

The global picture has improved slightly, with the winter schedules showing a 5.2 % decline in capacity and a 6.1% decline in the number of flights. OAG's earlier analysis in August showed a 7% drop for both measures. The latest figures reveal that the world's airlines will offer 46.3 million fewer seats for October, November and December 2008, and 451,000 fewer flights.

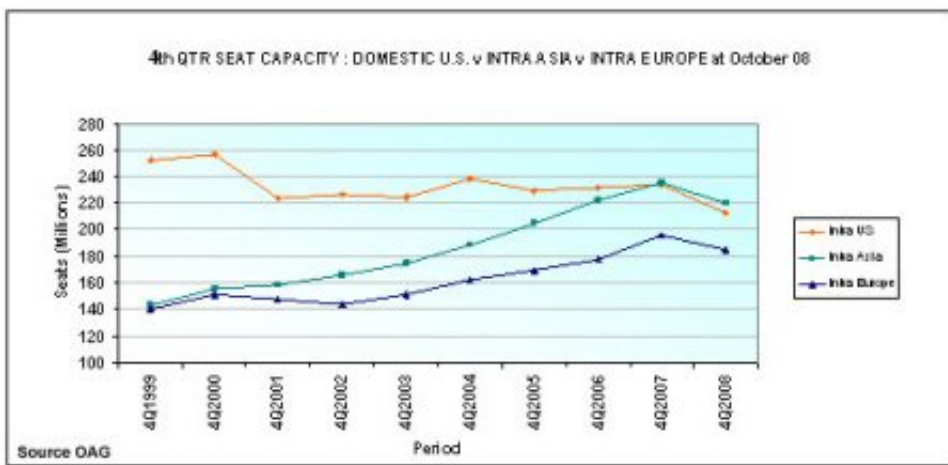
The U.S. domestic market will account for 21.4 million of the cutback in available seats, or 46% of the global decline, and a staggering 59% of the global drop in frequencies with 265,000 fewer flights.

The OAG analysis takes into account all future schedules filed by the airlines to date, to provide a comprehensive snapshot of planned airline activity for October to December 2008 with comparisons tracking back 10 years.



Flights and capacity within Europe are also showing worsening cutbacks. Figures for intra-Europe flights are now 5% lower than for Q4 2007 (forecast at -2.7% in August), and seat capacity is now 5.6% lower compared with the previous analysis drop of 2.8% a couple of months ago.

Earlier indications for Asia are not as bad as feared, although still worse than the global figure with a 6.5% fall in capacity and a 7.1% drop in the number of flights.



The effect of what is happening within the U.S. and Europe is seen by the shift on transatlantic and transpacific routes. In August, OAG figures showed that both were showing some growth. The latest figures reveal a capacity reduction of 2.9% for transatlantic capacity, reversing the earlier schedule analysis of 2% growth, and a drop of 3.1% on transpacific routes compared with the previous nominal rise of 0.2% year on year.

The impact of capacity cutbacks on the world's airports remains high. OAG's analysis reveals that 219 of the world's airports are losing scheduled air service altogether, compared to the August figure of 275. Of these, 33 are in the U.S. (15% of the global total), 94 (43%) are in the Asia Pacific region, and 45 (21%) are in Europe.

Steve Casley, Chief Operating Officer of OAG, said, "Our revised analysis of scheduled airline activity reveals a number of significant changes from two months ago, reflecting the dynamic nature of the airline industry compounded by significant economic turmoil in the global financial markets. While the global picture still shows a 5% drop in global capacity and a 6% drop in flights, this is somewhat less dramatic than the 7% fall our database showed previously. However, with economic problems now impacting both Europe and Asia this picture could change quickly as airlines are extremely vulnerable and quick to react to economic downturns and subsequent shifts in market demand."

"The scale of the decline in the U.S. market is worse than the previous schedule analysis showed, with airlines taking 265,000 flights out of operation this quarter. When you consider that the combined cuts from all the world's airlines totals 451,000 flights, then it really puts America's domestic capacity decline into perspective."

"We are seeing an interesting regional balance emerging, with European travelers facing double the number of capacity cuts identified in the August analysis, and Asian travelers with half as many now that all carriers have filed their winter schedules," continued Casley. "We shouldn't let this apparent improvement in Asia undermine the fact that 15.3 fewer million seats will be available within Asia compared to this time last year, a staggering figure by any measure. Asia has been the center of growth for many years, and this decline is a stark reminder that the global economic crisis is taking its toll on aviation and air travel."

"The situation at a regional level is having a big impact on intercontinental air service. While there are relatively minor declines in operations between Europe and Asia, both the transatlantic and transpacific routes have shifted from growth to a 3% decline in just a few weeks. This is all the more remarkable when you consider that airlines have a tendency to deploy their assets from domestic services to long-haul international markets in an economic downturn."

OAG is able to track these trends using its 30 year repository of future and historic airline schedules that is available to industry analysts around the world. This 10-year view of global frequencies and seat capacity isolates the supply-side of the airline industry to the 4th quarter of each year from 1999 forward.

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