Airport/Airline Trends 2018

AIRPORT COUNCIL SPRING MEETING CINCINNATI, OHIO
MAY 15-17, 2019 BY JOHN MEANS
It was another good year despite...

- There were “headwinds” in our industry yet most airlines had another great year
- Headwinds included:
  - Increases in fuel cost
  - Increases in labor cost
  - Rising maintenance cost
- Yet most prospered
  - Why?
Annual Operating Revenues US Airlines

Revenues have consistently grown with aviation demand within U.S. driving bigger planes, and need for bigger terminals and facilities.
Annual U.S. Passenger Revenues vs. Profits ($Millions)

Profits have not always been a given despite increased revenues often due to fuel & infrastructure cost, PFCs & CFCs have helped tremendously.
Market demand has been on a steady increase since 1998.
Load factor has been a major profits driver despite decreasing fares and increasing fuel prices.
Over 10 Million Jobs in America Driven by Airline and Cargo Transportation
5 Cent of Every American Dollar of GDP is Driven from Aviation Industry
2.4 Million Passengers transported daily
58 Million Tons of Cargo transported daily
24,794 flights scheduled daily
99.4% of flights scheduled are completed daily (most canceled flights due to weather)
Airfares fell 16% from 2000 to 2015
125% Higher Fuel Efficiency from 1978-2018 drives greatest gains in a/c sustainability
Implications for the future

- Expect continued price pressures on U.S. Domestic Fares to drive carriers to choose more investment in International Routes
- International flight increases drive more demand for bigger international gates and facilities to support the larger aircraft that service these flights
- Cargo will likely continue to increase as the retail market migrates towards internet shopping model via Amazon and others
- Skilled labor in facilities, maintenance crafts, and building services will continue to be constrained
- Sustainability demands for higher efficiency in buildings, fuel consumption, and environmental protection will likely continue
Questions?

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