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Airline Industry - Part 4

The Global Airline Industry: The World's Greatest Airports ©

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Welcome back to another edition of Economag on EnglishWaves. Our theme at the moment is the airline industry. Having looked at the history and the different categories of the industry, it's time to consider a critical piece of aviation infrastructure: airports. Airport capacity, network size and structure are significant factors in the industry, and bear important consequences for each airline's operations.

In an age of increasing air travel, the need for bigger and better airports is constantly evolving. This comes as a result of a strong increase in demand for air travel in regions such as Asia, Africa and South America, coupled with increased competition among airlines servicing strategically important regions in the world. This is exemplified in the fantastic growth of mega-airports such as Dubai, Doha and Singapore. For example, in 2014 alone, more than 70 million passengers passed through Dubai International Airport – that's more than the population of a country like France! Compare that to 2004, when fewer than 25 million people passed through the airport. However, the title of the world's busiest airport has been held by the same contender for the past decade: Atlanta's Hartsfield-Jackson International Airport, which in 2014 served more than 96 million passengers.

Where do increased competition and greater demand come from? First, geographic location plays a significant role. It's no surprise that there's correlation between the fact that Dubai, Singapore or Atlanta are pretty central, geographically speaking, in their respective regions, and that their airports serve large numbers of passengers. Atlanta serves as an ideal port of entry into the United States given its proximity to most other major US destinations. Similarly, Singapore is a gateway into South East Asia. Dubai, in particular, is well located given its proximity to Europe, Africa and the Middle East.

Second, many countries have ratified the Open Skies convention, meaning foreign based airlines are permitted to carry passengers between two points of which either one is not in the airline's 'home country'. Larger airlines have been quick to capitalize on this, meaning increased demand for airport capacity at the world's aviation hubs. An example of this would be Air France transporting passengers between New York in the United States, and London in the United Kingdom. Prior to Open Skies, countries would only allow their own carriers to carry passengers in and out of their air space, so in other words, the only airlines allowed to carry passengers to Paris from London would be French or British airlines.

There are several mega-airports planned or under construction across the world, including expansions to Beijing, Incheon and Dubai's airports. Doha's Hamad International Airport is to completely replace the city's older one. In many cases, it will be a city's second (or even third) international airport. China is even planning the world's first nine-runway airports.

In our next episode we'll look at the future of the aviation industry, and the trends that are likely to shape commercial flight as we know it. Stay tuned to Economag on EnglishWaves.