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Airline Industry - Part 5

The Global Airline Industry: Trends Toward The Future ©

by Pierre Vercueil

Welcome back to another edition of Economag on EnglishWaves. Our current theme is the airline industry – we’ve taken a brief look at the history of aviation, the costs and revenue structures of airlines, and the world’s current and planned airport infrastructure. We conclude by considering what the industry will most likely look like in the future, and the current trends that point to that trajectory.

In the short run, and from a business point of view, the number of global airlines is most likely set to dwindle. The oil price might be low right now, yet it’s certainly not static, and market volatility has made the playing field difficult for many smaller airlines. Efficiency and greater profits lie in transporting greater numbers of passengers at a time, thus exploding demand for larger planes such as the Airbus A380 or A340. In the future there may be fewer airlines, but they’ll each be larger, and more financially stable. In other words, an airline going bust overnight might become a very rare occurrence.

Technology will be key to the industry’s longer-term future. Better fuel efficiency, lighter materials for airplane bodies and new engine types will all help aviation become more accessible to the general public in the form of lower prices and shorter travel times. Most recently there’s been much talk about the introduction of windowless planes. Interior electronic panels will reveal the surroundings up in the air with the help of sophisticated camera technology.

Better technology also implies increased automation, together with lower labor costs for the industry. Mobile boarding apps, as well as automated bag drops and check-in mean you and I will have less and less human contact during a journey, but also that someone else will be without a job. On the other hand, technology can also impact the demand for air travel. If business travelers are most important to airlines, then technology that renders business travel unnecessary will lower overall demand. For example, video conferencing technology has continually improved to the point that intercontinental meetings now effortlessly take place. Google’s ‘put me there’ immersion technology even has the potential to make flying obsolete for certain purposes.

What about the very long-term? Engineering behind reducing the environmental footprint of flight has come a long way. In April 1979, the first manned aircraft to fly on solar power alone set off for a three-minute journey, managing to reach an altitude of 12 meters. Fast-forward 35 years to the early hours of the 9th of March 2015 when the solar-powered aircraft Solar

Impulse 2 became the first airplane to circumnavigate the globe using only the sun's energy. The advancement of solar technology has moved and continues to move at an exponential rate, with solar-powered machines becoming more and more commonplace. Notwithstanding, it's unclear whether we'll be boarding a transcontinental airliner powered by the sun alone anytime soon.

This draws to a close our look at the global airline industry. Join us again next time for a brand new theme - stay tuned to Economag on EnglishWaves.