

By: **Oliver Smith**

American airlines collected more than £5 billion in extra charges last year, according to research released this week.

Several US airlines have introduced baggage charges on domestic flights

The figures – compiled by the Bureau of Transportation Statistics – indicate an increase of 42 per cent compared with 2008, and provide further evidence of a growing trend towards higher booking fees and baggage charges, even among full-service airlines. About a third of the £5 billion came from baggage charges.



A report issued earlier this year by Airsavings, a US-based airline consultancy, claimed that as a result of the global financial downturn carriers were increasingly adopting the business models used by no-frills airlines, such as charging for checked baggage, choosing a seat or on-board entertainment.

Since 2008, Delta, American Airlines and US Airways have introduced charges of £15, £16.50 and £13.50 respectively for checking in an item of luggage on board a domestic flight. British Airways recently introduced charges of £32 to check in a second bag on a long-haul flight, and up to £60 to reserve a specific seat. Spirit Airlines, the American no-frills carrier, has gone a step further, recently proposing a £30 charge for carry-on luggage.

Raphael Bejar, co-founder of Airsavings, said the higher extra charges imposed by US airlines are being mirrored in Britain, and passengers can expect further increases following the recent rise in oil prices and the financial fallout from the recent closures of European airspace.

Last month Ryanair announced that it will increase its baggage charges by a third – to £40 per bag per return flight – during the peak travel months of July and August. The Irish airline has increased some of its extra charges by 700 per cent since 2006. It collected £413.8 million in ancillary charges during the final nine months of last year.

EasyJet raised £127 million through ancillary revenues during the final quarter of 2009, an increase of more than 20 per cent compared with the same period in 2008.

The International Air Transport Association (IATA) estimates that nearly £40 billion – at least 12 per cent of worldwide airline revenues this year – will be generated by ancillary charges.

