

Swine Flu and Impact on Air Travel

Raphael Bejar, CEO of Paris-based Airsavings, “The swine flu outbreak is the latest challenge to be endured by the already vulnerable commercial air travel industry. While it is too early to assess the full impact the flu strain might have on airlines or other industrial sectors - we can be certain that if this crisis does reach pandemic status, economic prospects in the airline and travel sectors will decline quickly. The airline industry is supporting any preparatory initiatives designed to halt or control the spread of the virus’s reach, along with any initiative meant to mitigate the effects of the outbreak. We applaud all efforts made to preempt panicked reactions by both consumers and public agencies. In light of the World Health Organization raising its pandemic threat level from 3 to 4, we hope that any travel restrictions- which will by their definition depress demand for air travel- prompted by the move will be surgically localized and as short-lived as possible.

If the swine flu crisis expands and travel restrictions are implemented, large air carriers with long transoceanic routes will be showcased as casualties of the crisis. But before legacy airlines feel the effects, the regional carriers that serve the affected areas will see rapid declines in passengers and revenues. The primary affected region- Mexico- is already experiencing an enormous decline in arrivals due to uncertainty arising from the escalation in drug cartel violence. Low cost carriers like Mexico’s Volaris, which operates more than 650 flights in the region each week, are experiencing an immediate drop in demand. If the crisis spreads, the pain shared by airlines will also spread in concentric circles from the outbreak’s epicenter: first the regional lines and low-cost airlines in the immediate area, then the national carriers, then the large international legacies. Hopefully this flu can be contained before lasting economic illness sets in.

To discuss the economic detail to the airline and travel sectors in more detail with Raphael Bejar, please contact Vanessa Horwell at 001. 305.749.5342 x 232 or vanessa@thinkinkpr.com

About Airsavings

Created in 2001 by airline industry professionals to serve the growing needs of mid-sized airlines in cost reduction and ancillary revenue generation, Airsavings is a group buying service focusing on fast growing airlines. By combining the purchasing volume of participating airlines, Airsavings was the first to apply to the airline industry a successful concept already in use in the auto, chemical and hospitality industries. Airsavings group buying expertise, combined with the knowledge of airline internet booking engines, has uniquely positioned Airsavings in the area of ancillary revenues - now a vital lifeline for airlines. Airsavings proprietary industry platform called AirlinePlus, enables carriers to deliver a multitude of ancillary services found most useful and with the greatest potential for mass adoption and profitability. For more information, please visit www.airsavings.net.

