

Airlines - UK - August 2017

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“Airlines have enjoyed strong growth over the past two years. Cheap oil has kept fuel bills down, and the savings enabled airlines to cut fares. However, Brexit is casting a shadow on the industry. There are concerns over the Open Skies Agreement, airline ownership rules and declining consumer disposable income.”

– **Fergal McGivney, Travel Analyst**

This report looks at the following areas:

- The battle between low-cost carriers and full-service carriers
- Full-service carriers still dominate long-haul markets but low-cost carriers are gaining a foothold
- Google Flights usage is still small, but industry players voice concern
- Opportunities in the VFR (visits to friends and relatives) market

The airline market fared well in 2016, despite concerns about a slowdown in the second half of the year following the Brexit result, and the number of passengers carried overseas rose. Cheap fuel, the result of low oil prices, has enabled airlines to pass savings onto consumers in the form of low airfares. This has buoyed overseas air travel despite the weak Pound and higher inflation.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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