



# Industry Monitor

The EUROCONTROL bulletin  
on air transport trends

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- European flights increased by 3.0% in January 2019 compared with January 2018. For 2018 as a whole, total flights in Europe rose 3.8%. Preliminary data for February show average daily flights up 2.4% on February 2018.
- New seven-year forecast (2019-2025) predicts 12.7 million IFR flight movements in Europe in 2025; this is 15% more than in 2018. The flight growth rate for 2019 is forecast to be 2.8%.
- Brent crude oil prices climbed to a monthly average of €57 per barrel in February from €53 per barrel in January.

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### FLIGHTS JANUARY 2019

**+3.0%**



ECAC

### FORECAST 2019

**+2.8%**



ECAC

### TICKET PRICES JANUARY 2019

**-0.1%**



EU28

### OIL PRICES FEBRUARY 2019

**€57**

↑ up from €53  
in JANUARY 2019



EUROPE

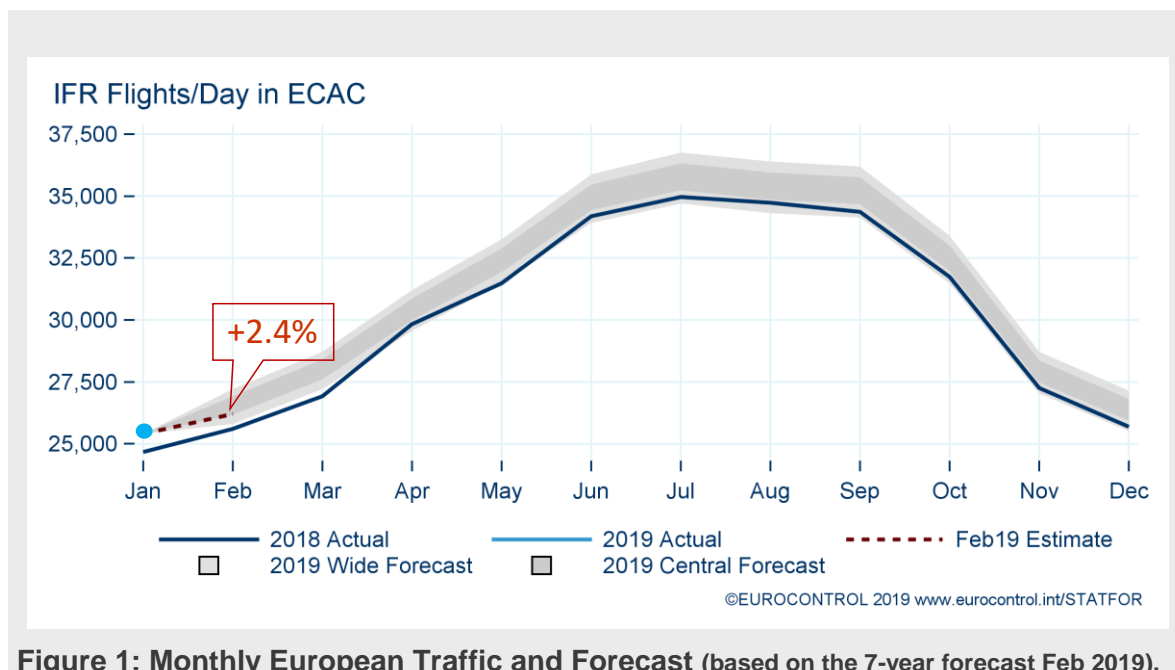


Figure 1: Monthly European Traffic and Forecast (based on the 7-year forecast Feb 2019).

## EUROCONTROL Statistics and Forecasts

### Air transport trends in Europe in 2018

In 2018, the number of flights in Europe (ECAC) increased by 3.8% (vs. 2017), driving the total number of flights controlled above 11 million (30,142 flights per day on average), an all-time record. Second half of the year was in line with the high-growth scenario of the February 2018 forecast. Airlines, helped by strong demand for flights, maximised their load factors and the total number of passengers carried reached record heights as well. The overall positive trend in 2018, however, hid some local disparities: Germany and Spain were the busiest contributors to the local traffic (excluding overflights) growth in Europe while UK and Sweden recorded losses in their respective local traffic (EUROCONTROL/STATFOR, February).

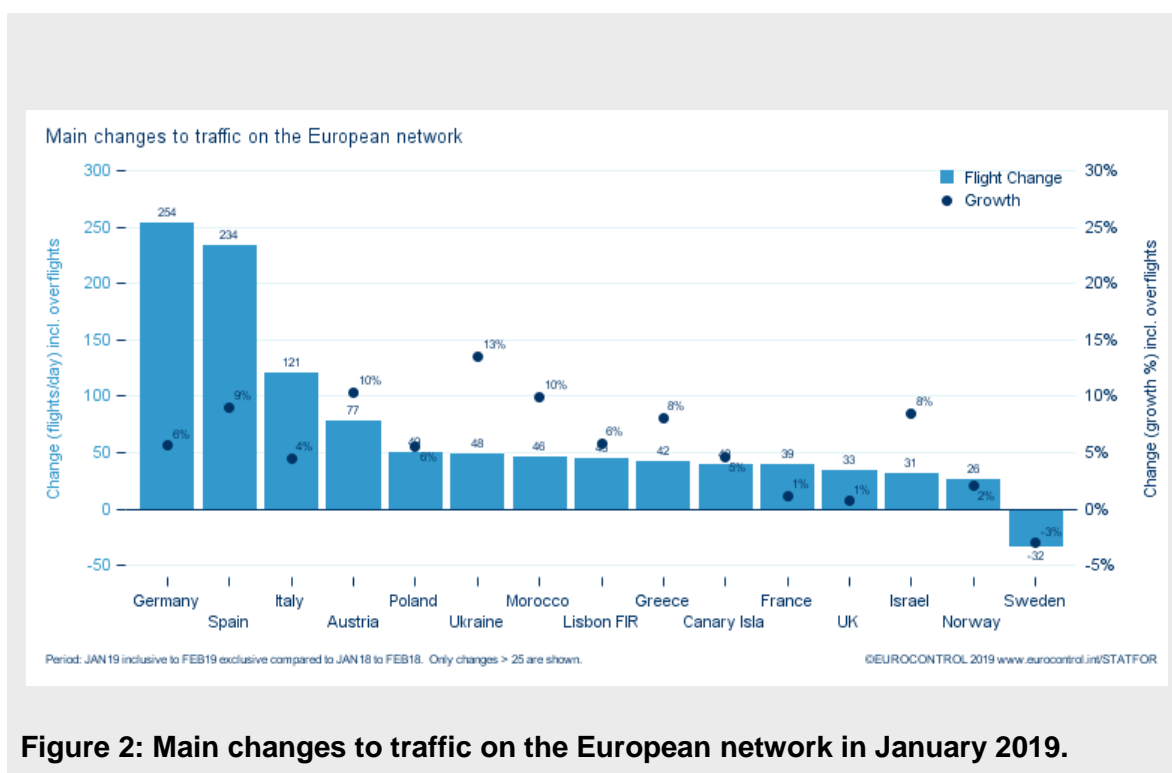
### European flights in January 2019 and forecast February 2019

European flights (ECAC – European Civil Aviation Conference area) increased by 3.0% in January 2019. Preliminary data for February show average daily flights up 2.4% on February 2018 (Figure 1).

The **low-cost** segment had the fastest growth and recorded an increase of 5.7% (+402 flights/day). The **charter** segment was up by 5% and was followed by the **traditional scheduled** segment which grew by 3.2% and was the main driver of growth with 442 additional flights per day. The **all-cargo** segment declined by 6.5% owing mainly to a weak internal flow within Europe (down 7.7% on January 2018) whereas the **business aviation** segment was down by 3.4% due to a decrease of flows to and from Europe and the Russian Federation, the North Atlantic and Middle-East regions.

The **top five external partners** in average daily flights on flows in both directions were the **United States** (823 flights, up 4.3%), the **Russian Federation** (729 flights, up 7.1%), the **United Arab Emirates** (350 flights, up 4%), **Egypt** (259 flights, up 23.7%) and **Qatar** (203 flights, up 9.2%).

The **top five airlines adding the most flights to the European network** on a daily basis compared with January 2018 were Ryanair (+124 flights), easyJet UK (+80 flights), Eurowings (+49 flights), LOT (+45 flights) and Vueling (+42 flights).



**Figure 2: Main changes to traffic on the European network in January 2019.**

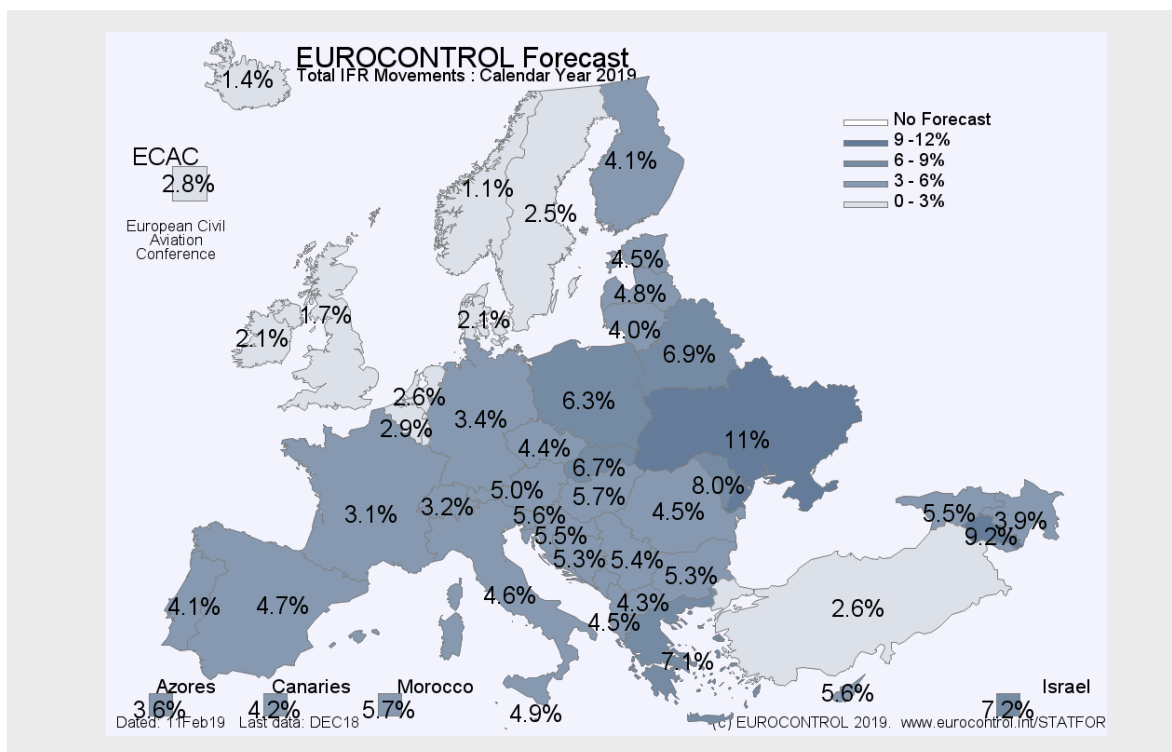
## Main contributors to flight growth in Europe in January 2019

Four countries added more than 50 flights per day to the European local traffic (excluding overflights) growth in January 2019 (vs. January 2018). These four states accounted for 45% of the local traffic in Europe. **Germany** was the top contributor and added 254 daily flights owing to its dynamic internal flow as well as its flows to and from Spain and Turkey mainly. **Spain** (excl. Canary Islands) came next and added 234 daily flights partly due to its strong internal flow along with its flows to and from Germany, Italy, UK, Austria and Canary Islands. **Italy** was the third contributor to the network and added 121 daily flights owing to its internal flow and to its flows to and from Spain, Germany and UK. **Austria** contributed to the extent of 77 extra flights per day due to its strong international arrival/departure flow which was up 11% with main increases in its flows to and from Spain, Germany and Italy (Figure 2).

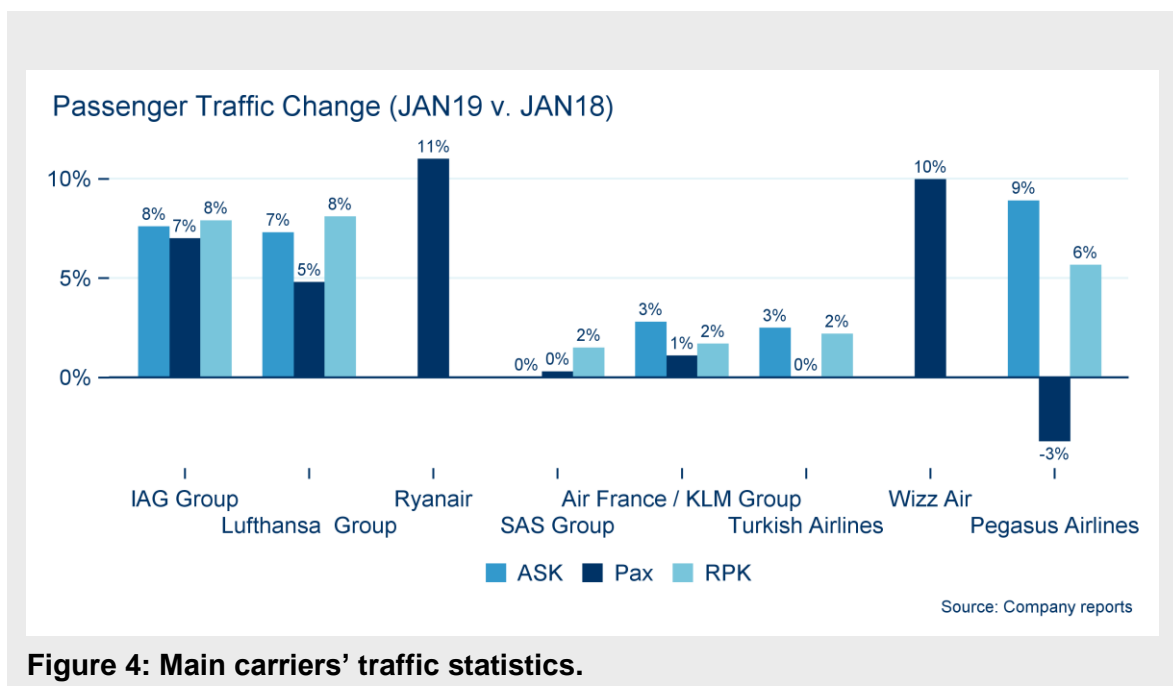
On the negative side, **Sweden** saw 32 fewer flights per day owing to its weak internal flow which decreased by 6.3% in January 2019 (vs. January 2018) (EUROCONTROL/STATFOR, February).

## All-causes airline delays in January 2019

Based on data from airlines for delays from all causes, the average delay per flight on departure was 11.5 minutes in January 2019, this was an increase of 0.9 minute per flight when compared to January 2018 when the average delay per flight was 10.6 minutes. Analysis of the delay causes shows that reactionary delay contributed 4.8 minutes to the average delay per flight in January 2019. In January 2019, 39.8% of the flights departed within the 5 minutes threshold before or after the scheduled departure time (STD); a decrease of 1.2 points from 41.0% compared to previous year. Flights delayed by more than 30 minutes from all-causes increased from 9.1% to 9.9% (EUROCONTROL/CODA, February).



## Forecast of IFR flight movements (2019 – 2025)



## Other Statistics and Forecasts

IATA reported that European scheduled passenger traffic (RPK) increased by 6.6% in 2018 compared with 2017 although slower than the 9.4% growth in 2016. Total capacity grew at a slower pace than RPK and increased by 5.9% with a load factor surging to 85% (+0.6 pp on 2017) to be the highest worldwide (IATA, 7 February).

ACI Europe reported that overall passenger counts at European airports increased by 6.1% in 2018 compared with 2017, a moderate growth compared with the 8.5% growth rate of 2017 (vs. 2016) owing to mixed signs on the economic backdrop in Europe and geopolitical tensions worldwide. Overall aircraft movements rose by 4% in 2018 (vs. 2017), faster than in 2017 (+3.8% on 2016) (ACI Europe, 6 February).

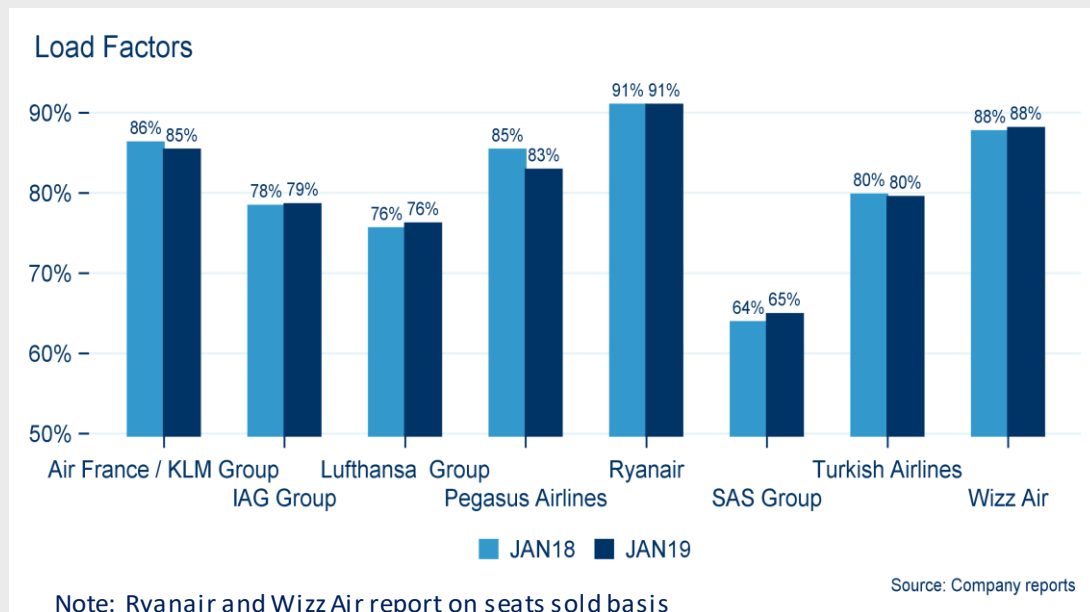
## Passenger airlines

### Traffic Statistics: 2018 in a nutshell

With fuel costs relatively manageable when they were planning (late 2017), and a favourable economic context, airlines brought capacity to the network in 2018. The Europe-wide available seat kilometres grew by 5.8% in 2018. Building on post-crisis efforts (restructuring and concentrating on filling-up the aircraft), European airlines posted passenger load factors of 85% (a 0.6 pp increase on 2017), the highest of all regions as Europe remains one of the most competitive area in the world (IATA, 7 February and EUROCONTROL/STATFOR, February).

### Traffic Statistics: January 2019

Figure 4 and Figure 5 compare January 2019 figures with January 2018 figures for most of the main European carriers (with the exception of easyJet which now reports monthly passenger statistics within its quarterly reports). In addition to the number of passengers (PAX), passenger capacity is measured in available seat kilometers (ASK), traffic is measured in revenue passenger kilometers (RPK) and load factor as a percentage (%).



**Figure 5: Main carriers' load factors.**

## Capacity, costs and jobs

[Austrian Airlines](#) has unveiled its new strategy plan “#DriveTo25” after a successful restructuring phase and a return to profit in 2018. The airline will increase its fleet from currently 36 Airbus A320 family aircraft to 46 aircraft by 2021 when it will also have phased out its 18 Bombardier Q400 aircraft. Austrian wants to strengthen its position at Vienna and better compete with low-cost airlines (Austrian, 17 January).

It is reported that Vienna-based [LEVEL](#) will take over the Amsterdam base from [Vueling](#) next spring. LEVEL will base three Airbus A320 aircraft at Amsterdam and take over most of Vueling short-haul routes from the Dutch airport (Air Transport World, 16 January).

[Norwegian](#) has launched a cost-cutting programme called #Focus2019 which aims at focussing on profitability instead of growth. The airline plans to reduce its route portfolio, sell aircraft and postpone aircraft deliveries. Six bases will be closed in Spain (Palma de Mallorca, Gran Canaria, and Tenerife), Italy (Rome Fiumicino) and US (Stewart, Providence). It will also review the operations of its Boeing B737-800 and –MAX8 fleet which will impact European routes but also US-Middle East routes, effective April (Norwegian, 29 January & 7 February).

[Air France](#) has rebranded routes operated by its regional subsidiary [Hop!](#) to Air France Hop in an attempt to simplify and unify the existing Air France brand portfolio. Air France also projects to dissolve [Joon](#) brand launched in December 2017 and to integrate the millennial airline's 15 aircraft and 11 routes into Air France's fleet and network (Air France, 10 January).

[Aeroflot's](#) low-cost subsidiary [Pobeda](#) is reportedly increasing its fleet from current 26 Boeing B737 family aircraft to 50 aircraft (4 B737-800 and 20 B737 Max 8) to be delivered from June 2019 to 2022. The carrier plans to increase its route network by 30% to 120 destinations. In 2018, Pobeda operated 72% of its flights to 16 European countries (Russian Aviation Insider, 30 January).

[Lufthansa Group](#) will recruit circa 5,500 staff in the course of 2019 among which up to 500 pilots and 1,300 flight attendants at [Lufthansa's](#) hub in Munich and at [SWISS](#) in Zürich (Lufthansa, 1 January).



**Ryanair** plans to move to a group structure similar to that of IAG Airlines Group with the aim to become more cost and operationally efficient. A small management team will oversee the development of four airline subsidiaries, Ryanair DAC, Laudamotion, Ryanair Sun and Ryanair UK. Ryanair will receive over 200 Boeing B737 Max aircraft of which 110 units in 2Q19 (Ryanair, 4 February).

**Condor** will add six aircraft (one Airbus A321, two Boeing B757 and three Boeing B737 aircraft) to operate a fleet of 41 short- and medium-haul aircraft from German airports to Turkey, Greece, Italy, Croatia and the Balearic islands in summer 2019. Condor will also operate 17 long-haul aircraft (16 Boeing B767-300ER and one Airbus A330 aircraft) transferred from Thomas Cook Airlines UK to Germany (Condor, 31 January).

UK regional airline **Flybe** was reportedly sold on 21 February to Connect Airways consortium which comprises **Virgin Atlantic**, **Stobart Air** and Cyrus Capital. Flybe routes and aircraft should operate under a Virgin brand (BBC News, 22 February).

## Failures

**Germania** filed for insolvency and ceased operations on 4 February blaming increasing oil prices, weakness of the euro against the US dollar, delays in aircraft deliveries and maintenance issues. Germania operated a fleet of 37 aircraft serving more than 60 holiday destinations in the Mediterranean, North Africa and Middle East (Germania, 5 February).

UK regional airline **Flybmi** ceased operations and filed for administration on 16 February owing to rising fuel and carbon costs but also to the uncertainty caused by the imminent Brexit. Flybmi served 25 European cities with a fleet of 17 regional jet aircraft (Flybmi, 16 February).

**PrivatAir SA** (Switzerland) along with its German subsidiary, **PrivatAir GmbH** filed for insolvency and ceased operations on 5 December 2018. Privatair operated business jets and scheduled flights on behalf of major European airlines (PrivatAir, 5 December 2018).

## Routes, Alliances, Codeshares

**Wizz Air** will expand its network with the launch of 19 new routes in Summer 2019 as follows:

- Republic of North Macedonia: 4 routes from Ohrid to Dortmund, Malmö, Memmingen and Milan Malpensa and 4 routes from Skopje to Bremen, Karlsruhe, Larnaca and Turku;
- Romania : 5 routes from Timisoara to Billund, Doncaster, Karlsruhe, Nuremberg, Memmingen;
- Georgia : 6 routes from Kutaisi to Eindhoven, Bari, Copenhagen, Basel-Mulhouse, Tallinn and Charleroi (Wizz Air, 24 & 31 January).

[Ryanair](#) which owned a 75% stake in [Laudamotion](#) since March 2018 has now fully acquired the Austrian low-cost carrier. Laudamotion currently operates a fleet of 19 Airbus A320 family aircraft with plans to increase it to 25 for Summer 2019 and to 30 in Summer 2020. Laudamotion will operate from four bases this Summer with the launch of 20 new routes:

- 1) Vienna: 8 aircraft (increasing to 11 in Winter 2019)
- 2) Dusseldorf: 7 aircraft
- 3) Stuttgart: 3 aircraft
- 4) Palma de Mallorca: 2 aircraft (Ryanair, 29 January).

The European Commission has approved an expanded transatlantic joint venture between [Air France-KLM](#), [Delta](#) and [Virgin Atlantic](#) whereby Air France-KLM will acquire a 31% stake in Virgin Atlantic. Delta which owns a 49% stake in Virgin Atlantic has operated a joint venture between UK and USA since 2013. Virgin Atlantic will be able to codeshare on Air France-KLM from UK to Paris CDG and Amsterdam (EUROPA, 12 February).

[Ryanair](#) will open its first three bases in France in 2019, starting with Bordeaux (two aircraft, 23 new routes) and Marseille (two aircraft, 16 new routes) in Summer and followed by Toulouse (2 aircraft, 11 new routes) in Winter (Ryanair, 20 February).

Scottish regional [Loganair](#) has taken over six routes from [Flybmi](#) which ceased operations on 16 February. These routes include three destinations from Aberdeen to Bristol, Oslo and Esbjerg, two destinations from Newcastle to Stavanger and Brussels and City of Derry Airport to London Stansted (Loganair, February).

[Corendon Airlines](#) will launch five new routes from Bremen to Rhodes, Heraklion, Hurghada and Antalya in April (routesonline, 15 February).

German charter airline [Sundair](#) will take over several routes from bankrupt [Germania](#) and base one Airbus A320 at Dresden for new flights to Crete, Rhodes, Kos in Summer along with flights to Egypt and the Canary Islands in Winter 2019. In addition, it is reported that Sundair will also base one Airbus A320 aircraft at Bremen and launch services to Palma de Mallorca, Gran Canaria, Fuerteventura, Antalya and Rhodes, effective end of August (Dresden airport, 7 February and routesonline, 15 February).

## Cargo

[DHL Express](#) will build a new hub at Copenhagen by 2023. The new facility will be able to handle circa 37,000 packages/hour, that is five times as many as today. Last year DHL purchased 14 Boeing B777 freighters and five Airbus A330 aircraft (DHL, 21 January).



Crude Oil and Fuel Prices



Figure 6: Brent and kerosene prices.

## Oil

### 2018 Overview

Oil prices were very variable during 2018 and averaged at €60 per barrel, starting at around €55 per barrel in January 2018, to increase to €70 early October, before falling down to €50 at the end of the year as some big producers (Russia, Saudi Arabia, Kuwait, Iraq and the US) suddenly increased their crude oil production to compensate for the anticipated decline of Iran oil exports resulting from US sanctions.

### Recent evolution

Oil prices climbed to a monthly average of €57 per barrel in February from €53 per barrel in January. Converted indices for Kerosene and Brent are shown in Figure 6.

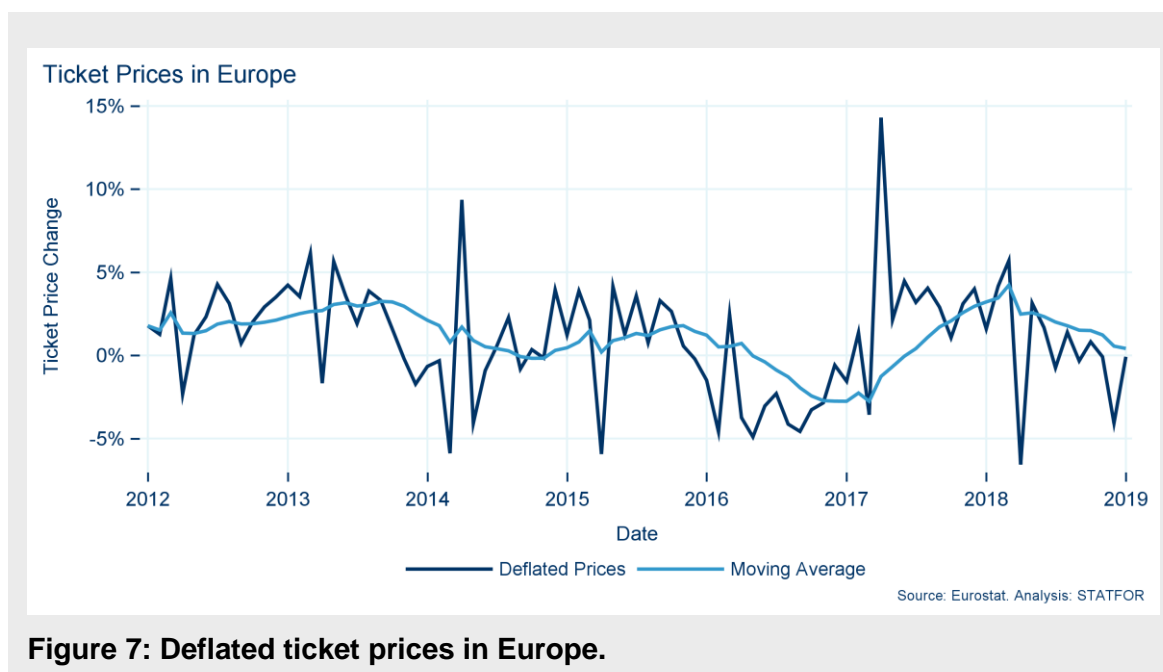
### Forecast 2019-2020

In its February short-term energy outlook, EIA forecasts Brent crude oil price to average \$61 per barrel in 2019 and \$62 per barrel in 2020 compared with an average of \$71 per barrel in 2018 (EIA, 12 February).

## Airports

### 2018 Overview

Frankfurt was the busiest European airport in 2018 in terms of average daily departures and passed Amsterdam due to the strong performance of low cost carriers which increased by 39% (+16 daily departures). Amsterdam ranked second although it decelerated and grew by a minor 0.6% in 2018 (vs. 2017) compared with a 3.9% growth rate in 2017 (vs. 2016) as it hits its capacity ceiling. Paris CDG ranked third (from second in 2017) with an increase of 1.1% on 2017. More statistics on busiest European airports can be extracted from the [STATFOR Interactive Dashboard \(SID\)](#) (EUROCONTROL/STATFOR, February).



Passenger traffic and commercial aircraft movements at top five European airports (based on the number of flights in January 2019 (growth on January 2018) were as follows:

Rank	Airport	Passenger traffic	Aircraft movements
1	London Heathrow	5.9 million (+ 2.1%)	37.7K (- 0.9%)
2	Frankfurt	4.7 million (+ 2.3%)	37.7K (+ 2.3%)
3	Paris CDG	5.4 million (+ 2.9%)	37.6K (+ 2.7%)
4	Amsterdam	5.0 million (+ 1.7%)	37.2K (+ 0.2%)
5	Istanbul Ataturk	5.1 million (- 2.5%)	35.9K (- 1.0%)

Source: airport reports, February 2019

Heathrow has launched a public consultation on its proposed future airspace which includes the potential number of flights that the expanded airport could operate and the limits on night flights. Heathrow plans to change approaches to the airport to accommodate 25,000 additional flights a year before a third runway is built (Heathrow, 8 January).

New Israeli Ramon International Airport was inaugurated in January and is meant to replace Eilat and Ovda in the Red Sea tourist destination. It is currently served by 10 airlines including Ryanair, Wizz Air, Transavia, SAS, Finnair. Once fully operational, the airport will have the capacity to handle circa 2 million passengers per year doubling to circa 4 million by 2030 (Israel Airport Authority, January).

## Fares

Ticket prices in Europe decreased by 0.1% in January 2019 compared with January 2018, based on preliminary values. This is below the trend (12-month trailing average) shown in Figure 7. (Eurostat, 22 February).

**Note:** to eliminate the influence of inflation on euro figures, the ticket price is deflated with a price index. The STATFOR deflated ticket prices are estimated in 2015 constant euros. A detailed explanation of the mechanism can be found [here](#).

## Economy

In its [Winter 2019 \(interim\) European Economic Forecast](#), the European Commission estimations in the Euro area were as follows (comparison with Autumn 2018 in percentage points) (EUROPA, 7 February):

	Forecast 2018	Forecast 2019	Forecast 2020
GDP	1.9% (-0.2)	1.3% (-0.6)	1.6% (-0.1)
Inflation	1.7% (-0.1)	1.4% (-0.4)	1.5% (-0.1)

EU reported downward revisions for GDP growth in 2019 mostly for Italy, Germany, Luxembourg and the Netherlands.

## Aircraft Manufacturing

[Airbus](#) has announced it will halt production of the A380 by 2021. More than half of the A380 aircraft orders were for Emirates which has opted for smaller and more efficient A330 and A350 aircraft instead. Emirates has reduced an order from 53 A380 aircraft to 14 for the superjumbo to be delivered in 2021. As a result of this decision, Airbus had no substantial backlog and therefore no basis to sustain production (Airbus, 14 February).

[Airbus](#) recorded 747 net commercial orders in 2018 (down 33% on 2017) and delivered 800 aircraft (up 11% on 2017) of which 20 A220 aircraft, 240 A320 family aircraft, 386 A320neo family aircraft (vs. 181 A320neo in 2017), 49 A330 aircraft (including the first three A330 neo aircraft), 93 A350 XWB aircraft and 12 A380 aircraft. 17% of total deliveries were meant for the European market (Airbus, 9 January).

[Boeing](#) reported 893 net commercial orders in 2018 (down 2.1% on 2017) and delivered 806 aircraft (up 12.3% on 2017) of which 580 B737NG/B737 Max aircraft, 6 B747 aircraft, 27 B767 aircraft, 48 B777 aircraft and 145 B787 aircraft. 20% of total deliveries were destined to the European market (Boeing, 8 January).

[Embraer](#) delivered 90 commercial aircraft in 2018 (down 13.5% on 2017) of which 1 E170 aircraft, 67 E175 aircraft, 13 E190 aircraft, 5 E195 aircraft and 4 E190-E2 aircraft. Embraer expects to deliver between 85 and 95 commercial jets in 2019 (Embraer, 11 February).

[ATR](#) reported 52 firm orders in 2018 (vs. 113 in 2017) and delivered 76 turboprop aircraft (down 5% on 2017) (ATR, 31 January).



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