

## Airline Industry Suffering In Economic Slow Down

Some of the largest airplane manufacturing companies are showing significant drops from once record sales. This is evidence of how the fuel crisis is influencing the flight industry worldwide.

The problems of this industry aren't limited to the manufacturing industry. Four of the United States top airlines are already considering cutbacks. The methods for reducing costs in order to compensate for the costs consist of:

- \* Cutting flights
- \* Laying off employees
- \* Retiring older models

These cuts are all that is currently planned for this coming winter if fuel prices don't improve. It is assumed that the rest of the worldwide flight industry may follow. The major airplane manufacturers believe the demand for fuel-efficient models will remain strong.

With the discussions of corporate mergers and airlines facing bankruptcy, many experts predict a dark future in the flight industry for the next few years. Experts also believe the airline industry will continue to be weak until fuel prices improve.

The worries of fuel have already spread to Europe, and Spain is also taking action. There will be only two bases for flights in the country. Spanair announced cutting the staff by over 1,000. The airline company has also decided to leave many of its plans grounded during several of the late year months.

Ryanair is cutting back as well. The measures to counteract these hardships include cutting flights and suspending flights to several destinations for a little over a month.

The cutbacks have the airplane manufacturers concerned. It is only through more flights and a greater amount of traffic that the flight industry prospers. Cutting both appear to be negative indicators that the industry will diminish so long as they are in effect.

Asian companies have not shown the same problems as of yet. Experts believe the rising costs of fuel may reach that far if no resolution is found. European countries have not reached a point to make such cuts as America, but the more measures to cut costs are expected.

To add to the global concern in the flight industry, other countries are joining in the initial cuts. A German airline has already decided it will suspend the most unprofitable travel destinations. A major airline in Ireland has decided to ground a good fraction of its planes. The British experts have stated cuts will be made in that country this winter - which will probably affect the prices of the [cheapest flights](#)

The airline industry is hoping that these cutbacks at this point will soften the overall costs. They hope these preemptive measures will not have a long-term effect on the industry. The entire industry has lost over \$6 billion since 2003 due to the spiking costs of fuel and the lack of economic stimulation.

The fuel costs of this year has added to the disheartenment in the industry. There was actually a reported profit of over \$5 billion last year. This profit was the first of its kind since the terrorists attacks in 2001. Many in the flight industry are concerned as so often when a profit is made, another difficult situation arises.

Over 12 airlines have gone bankrupt just in the previous six months. This overwhelming shut down has been attributed to the fuel costs and a slowing demand. These factors together have created a difficult situation for the flight industry.

## About the Author

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