

Flying Low Cost around the World

World Low Cost Airlines Congress 2005

Amsterdam RAI

15 and 16 September 2005

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This year's World Low Cost Airlines Congress was recently held in Amsterdam, the Netherlands. A host of senior low cost airline managers showed up during this two-day event to discuss developments in low cost air transport. The convention is a large gathering where low cost airlines can meet each other, as well as meeting many suppliers to the sector, ranging from consultancy firms to airports and information technology providers. It serves as a must-attend for everyone who works in the industry.

The convention was divided into four

carriers reveals a system that is bankrupt. It would have been interesting if the business executives that represented the USA, would have shared their vision on how to resolve this alarming market situation, which could affect the low cost carriers in the end as well.

Europe has other market characteristics compared to the USA since low cost carriers are a relatively new phenomenon – the biggest players are Ryanair and EasyJet that have offered low fares for some ten years now.

Furthermore, the European market is more fragmented than the USA in terms of language, culture, demography and regulation. Ten Central and Eastern

many Asian low cost carriers have commenced operations in the last couple of years. Thus, the sector is still emerging in Asia but it seems to have tremendous opportunities for growth.

All sessions during the convention included contributions from low cost airlines, which mainly dealt with their unique company characteristics and successes. However, not only the number of new entrants to the low cost market is high, there are also many companies that fail in making low cost air travel a success, which ultimately forces them to leave the market. It would have been interesting if companies also paid some attention to failures as this may be really instructive to managers of start-up carriers.

The World Low Cost Airlines Congress was an interesting event to those actively involved in the field. Numerous case studies and practical examples were discussed. However, it would have been interesting if the convention also included some discussions about the state of the air transport industry on a broader scale, about legal provisions that governments should take to improve the system or about the 'optimum' flight length for a low cost flight.

The 2006 edition of this prestigious congress is scheduled to take place in London, United Kingdom. Attendance is highly recommended for everyone with an interest in low cost air transport.

regional symposia that dealt with the most important geographic areas of the world, next to several sessions on specific business topics. The level of maturity of low cost airlines in the global air transport industry varies by region, thanks to differences in (de)regulation, welfare, geography and demography.

The maturity of low cost carriers in the United States is the most advanced of all regions, mainly thanks to deregulation that had taken place already 30 years ago. Leaving out the consistent profits made by 'good old' low cost carrier Southwest Airlines for example, the US air transport industry at large is suffering badly. The continuous filing for Chapter 11 by US legacy

European countries have entered the European Union just last year, which is why these markets are still emerging.

Although Europe is a fragmented but geographically rather small area, Asia on the other hand is even more fragmented, covering a far larger area with a population ten times higher than that of Europe or the US. However, the deregulation and liberalization process in Asia is by far not as advanced as it is in the US and Europe, which provides the low cost carriers in the region harder challenges to survive. Notwithstanding these difficulties, the region has already a multinational low cost carrier: AirAsia with bases in Malaysia and Thailand. However,

