

A BUSINESS TRAVEL UPDATE FROM **SPRINGDALE TRAVEL** 958 MONTLIMAR DRIVE MOBILE, AL 36609 800-874-0550 / 251-476-5095

Airlines

Airlines Do Better in 2010, But Weather Hurts Them

You can't win for losing in the airline industry. Business last year was the best it's been since before the 2008 recession, according to a just-released International Air Transport Association report on 2010. But severe weather in the U.S. and Europe put a dent in that recovery, with storms on both sides of the Atlantic shaving an estimated one percent off traffic numbers in December alone. As a result passenger demand grew just 4.9 percent over December 2009, significantly lower than the 8.2 percent growth recorded in November. Hardest hit was Europe, which saw December growth slow to 3.3 percent. However, demand for passenger business was up 8.2 percent and load factors were up 2.7 percent. What regions of the world saw the most growth? The Middle East, where business grew 17.2 percent. (Source: IATA press release).

Airfares Go Up

Airfares in the U.S. increased 10.7 percent to \$340 in the third quarter, according to the U.S. Department of Transportation's Bureau of Transportation Statistics. Newark-Liberty, NJ, had the highest average fare, \$469, while Atlantic City, NJ, had the lowest, \$153. That sounds like a healthy jump until you compare today's fares to those in 2000. When adjusted for inflation, third-quarter 2010 fares in 1995 dollars were \$238, down 19.8 percent from the average fare of \$297 in the third quarter of 2000, the inflation-adjusted high for any third-quarter since 1995. (Source: DOT press release).

Airlines Expected to Reap Highest Profits in a Decade

AirlineFinancials.com is estimating the eight largest U.S. airlines will report \$3.95 billion in profits from \$122.2 billion in revenues for year 2010, with their average net profit margin projected at 3.3 percent. Assuming these projections are accurate, this would be the highest annual profit in more than 10 years and the second highest annual revenue ever reported. It will also be the first time in a decade that the airline industry will have a fourth quarter profit and a profit over three consecutive quarters. All the airlines reported a profit for 2010 and the fourth quarter, except American. The carriers covered include Delta, American, United (including Continental), US Airways, Southwest, JetBlue, Alaska and Air Tran. (Source: AirlineFinancials.com.)

GoGo and Ford Offer You Free Facebook Inflight in February

GoGo Inflight Internet and Ford Motor Company are offering travelers flying on GoGo-equipped aircraft free access to Facebook for February. Participating airlines include AirTran, Alaska, American, Delta, United, USAirways and Virgin America. To use it, turn on your device (after the aircraft is above 10,000 feet), select the GoGo wireless network, open your browser and click on the Ford/Facebook banner. (Source: GoGo press release).

The Front of the Plane is Filling Up

The front of the plane is filling up again, according to the International Air Transport Association. Premium class seats are up 16 percent in the Far East, up 10 percent between Europe and the Far East and up 9 percent on the North Atlantic. Despite the improvement, premium business is still below late 2007 levels. Mexicana's bankruptcy continues to have an impact in Central America, where premium travel is down 63 percent. (Source: IATA press release).

Hotels

Slow Hotel Recovery Keeps Rates Flat in U.S.

The U.S. hotel industry ended 2010 with occupancy increasing, but with average daily rates staying flat, the latter being good news for budget-conscious business travelers. While the number of people booking hotel rooms matched or sometimes even exceeded pre-recession levels, rates stayed flat because people were booking later and group business has yet to return. However, that probably will change in the second half of 2011, according to STR, a major hotel research company. (Source: STR press release).

Car Rental and Rail

Amtrak Offers Free Wi-Fi on Cascades Trains

Passengers on Amtrak Cascades routes traveling between Vancouver, B.C., and Eugene, Ore., can now use Amtrak Connect Wi-Fi Service. More than 838,000 travelers rode Amtrak Cascades in 2010. Wi-Fi service on Amtrak Cascades trains is during the introductory period, after which the policy will be reviewed based on customer demand and system performance. Amtrak also offers free Wi-Fi on all Acela trains and is considering adding it on other routes. (Source: Amtrak press release).

Enterprise, Hertz Add Volts to Fleets

Enterprise Rent-A-Car and Hertz have added Chevrolet Volt extended-range electric vehicles to their fleets. Hertz rented its first Volt in Manhattan; Enterprise rented its first Volt in southern California. Enterprise has been installing charger stations at select locations in Southern California. (Source: Enterprise, Hertz press releases).



Spotlight On...

Business Travel Recovery

Business travel spending, a key indicator for the overall health of the U.S. economy, is expected to grow this year, according to the latest Business Travel Quarterly Outlook - U.S., according to the National Business Travel Association Foundation.

- * ***Overall business travel spending should increase by 5 percent in 2011***
- * ***It grew an estimated 2.3 percent in 2010, after plummeting 14.1 percent in 2009***
- * ***International travel should surge by 16.9 percent, driven by exports***
- * ***Group business spending, which is recovering slowly, should increase 3.2 percent***
- * ***Total trips for 2011 are projected to be 109.9 million, 8.6 percent higher than in 2010.***

Source: NBTA press release

Springdale Travel is committed to providing you with useful information on the latest developments in the travel industry. The above information has been compiled from a variety of sources and is updated monthly.