

AIR TRANSPORTATION

PRELIMINARY FIGURES FROM THE INTERNATIONAL CIVIL AVIATION Organization (ICAO) indicate total operating revenues for the world's scheduled airlines of \$307 billion in 1999, up from \$296 billion in 1998. Operating profits fell to \$12.5 billion from \$16 billion, due in part to a 5% increase in operating expenses which grew to \$294 billion in 1999. The "net result" for 1999 (which accounts for income taxes and a number of other factors in addition to flight operations, such as: interest payments, subsidies, and the financial performance of affiliated companies) was \$7.5 billion, down from \$8.2 billion in 1998. As a percentage of operating revenues, the net result fell for the second year—down to 2.4% in 1999 from 2.8% in 1998.

Worldwide traffic growth remained strong in 1999. ICAO's preliminary statistics showed an increase of 5.8% in total ton-miles performed (passengers, baggage, freight, and mail) to 253 billion. The world's airlines carried 1.56 billion passengers (up 5.9%) and 31 million tons of freight (up 6.5%). The passenger load factor returned to 69%, up from 68% in 1998.

After recording an all-time high of \$9.3 billion in 1998, operating profits for U.S. air carriers fell sharply (16%) to \$7.9 billion, according to preliminary figures from the Department of Transportation. The 1999 profit comprised revenues totaling \$118 billion (up \$4.9 billion) and expenses totaling \$110 billion (up \$6.3 billion).

Domestic operations accounted for 76% of U.S. airline revenue, which reached \$91 billion, up from \$86 billion the previous year.

International operations generated revenues of \$28 billion, up \$839 million.

U.S. air carriers experienced traffic gains in domestic and international operations. In 1999, U.S. scheduled airlines flew a record 87 billion revenue ton-miles, which compares with 82 billion in 1998. Passenger ton-miles totaled 65 billion (up from 62 billion), and cargo ton-miles amounted to 22 billion (up from 20 billion).

Total boardings increased 3.7% to a record 635 million passengers for U.S. scheduled air carriers in 1999, with 582 million in domestic operations and 53 million in international operations. The revenue passenger load factor dropped slightly for domestic service to 70%, but rose for international operations to 74%.

The fleet of turbine-engined aircraft in airline service increased

by 1,126 to 24,128, according to the annual "Air World Survey," sponsored by Exxon International. The turbojet fleet grew 832, while the number of turboprops increased 216. Turbine-powered helicopters in airline service rose 5.7% to 1,449. The total number of U.S.-built aircraft in world airline service was 13,537, or 56.1% of the total. With the exception of a brief rise in 1998 to 57.1%, the

U.S. share has declined steadily since 1986. U.S. manufacturers produced 67.5% of the 15,453 jet aircraft in service.

The U.S. air carrier fleet grew 1.4% in 1999 to 8,228 aircraft. The turbojet fleet grew by 219 to 5,630. The number of turboprops declined 44 to 1,788, according to data from the Federal Aviation Administration.

