Airlines brace themselves for the climate change storm

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The aviation industry needs to prepare itself for a shift in consumer attitudes to air travel, according to Euromonitor International. Following recent media coverage the public is becoming increasingly aware of the damaging effects of carbon emissions on the environment, which in turn could have detrimental effects on the airline industry. Euromonitor International is now predicting slower growth in passenger numbers over the next 5 years as airlines are pinpointed as one of the major culprits in damaging the environment and inducing global warming.

UK airlines face green taxes

The main threat to the UK airline industry will be the introduction of green taxes or carbon emission charges. These could be implemented as early as 2008 if the UK government successfully persuades Germany to impose these charges while it holds the EU presidency.

Parita Chitakasem, travel and tourism industry expert from Euromonitor International comments, â€œSuch industry-wide taxes will be passed onto consumers and make travellers think twice about purchasing a weekend trip abroad, such as city-break flights to Paris or Barcelona. Short breaks have been the major driving force for short-haul air travel over the past two years and their possible decline, if taxes are imposed, will affect both budget and scheduled carriers alike.â€•

Budget carriers, already accounting for over 45 million airline seats sold in the UK alone in 2005, may need to diversify their low cost offering further to compensate for higher prices. National flag carriers will also be vulnerable to slower demand, a further challenge alongside the continued competitive threat of low cost carriers offering cheaper prices.

One industry's loss is another's success

Consumers, of course, will still want to travel, and are likely shift their preferences to other modes of transport. Euromonitor International predicts that the rail industry in particular will benefit greatly from the expanding number of environmentally-conscious travellers, and the potential success of promotional campaigns. A number of rail companies are already responding to this new opportunity with strong marketing campaigns highlighting the environmental benefits of taking the train. For example, Eurostar's advertisements claim that its journeys only produce one-tenth of the carbon dioxide emissions of an equivalent flight.

Going green will improve airline's chances

Euromonitor's Parita Chitakasem advises airlines to react to this challenge as early as possible, â€•The key to sustained, long term profitability lies in the airline industry submitting to the pressures arising from global warming concerns and taking steps to lower carbon emissions. In light of the growing number of environmentally-aware consumers, airlines with initiatives to reduce carbon emissions are expected to enjoy the most lucrative growth.â€•

A number of airlines have taken pre-emptive steps to ease consumer concerns and raise their green profile. BA has already imposed a voluntary green tax and Virgin Atlantic Airways has motioned to bring the industry together to discuss the climate change issue, hopefully paving the way for more green things to come. With 73 million outbound air passengers predicted from the UK by 2010, airlines are well advised to go green now, rather than green with envy when it is too late.

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