

FORECAST HIGHLIGHTS 2006-2017

The 2006 forecast for commercial aviation anticipates small gains, but in the longer run, the industry is expected to grow significantly. System capacity - the overall yardstick for how busy aviation is both domestically and internationally - will increase just 0.9 percent this year, as legacy carriers cut back on flights. Capacity in international markets will rise 5.9 percent.

Domestically, capacity is expected to shrink 0.7 percent, triggered by cutbacks made by legacy carriers in their fleets. This creates a ripple in regional carrier capacity, which get feed from the legacy carriers. Regional carrier capacity had grown by as much as 20 percent per year since 2003. This year, the growth will be about 4.5 percent. Likewise, revenue passenger miles will increase just 0.2 percent. Enplanements will shrink 0.2 percent.

The size of domestic aircraft will decline this year by 1.4 seats. Legacy carriers continue to replace their wide-body and larger aircraft with smaller, narrow-body planes. Additionally, demand for 70-90 seat aircraft will continue to increase, which furthers the decline in the overall number of seats per aircraft. Conversely, passenger trip length will increase this year by almost 3 miles.

General aviation is expected to receive a boost from relatively inexpensive twin-engine microjets, which may redefine “on-demand” air taxi service. Next year, 100 microjets will join the fleet, growing to 400-500 per year through 2017. The number of general aviation hours flown will also increase by 3.2 percent per year through 2017.

The FAA continues to be optimistic about the future. Since 2000, the industry has been battered with 9/11, the spread of the Severe Acute Respiratory Syndrome (SARS), and record high fuel prices. An important yardstick, though, remains the number of passengers that traveled. Last year, that number was a record 739 million, up from 690 million the previous year. U.S. commercial aviation remains on track to carry one billion passengers by 2015. In addition, international traffic is growing almost 2 percent faster than domestic traffic. The remaining formidable hurdle for the commercial aviation industry as a whole will be the price of oil.

In the long run, inexpensive tickets, a strong national economy, and increasing demand for seats aboard aircraft should bode well for the industry and consumers.