

# Passenger sales fall, freight sector depressed

International air travel increased by 4,5% in August compared with the same month last year according to the International Air Transport Association, which warned that while monthly sales were up, the overall trend in the airline industry showed that sales were down by 6% in July, indicating a significant slowing.

Tony Tyler, Iata's director-general says that passenger markets had slipped but the freight business was showing signs of a more dramatic downturn. He attributes the decline to a slump in global confidence levels.

Tyler points out that African airlines showed an increase of 5,2% in passenger numbers but the increase in capacity among airliners was 6,3%, resulting in African airlines posting the lost seat occupancy of just 70%.

He says that while the European airlines had recovered strongly last month, with passenger sales up by 7,9%, they were also the hardest hit by the recession and were still recovering slowly from depressed sales for the past few years.

Tyler says the tourism market for passenger ticket sales remained depressed and the growth in sales was due to much greater business travel to international destinations.

He expects trading conditions to remain particularly tough for European and American airlines. Tyler has called on European governments to review the tax burdens that have been placed on airline operators and the aviation sector as a whole.

Meanwhile, *Business Week* says that predictions that the profits for airline operators that were forecast to total \$28-billion for the three years to 2012 appeared to be unsustainable as over-capacity and regulatory costs are hurting margins.

It says that margins for airlines could fall to just 0,8% of revenue next year.

Read the [full article](http://news.businessweek.com) on <http://news.businessweek.com>.

View [Iata's figures and forecast](#).