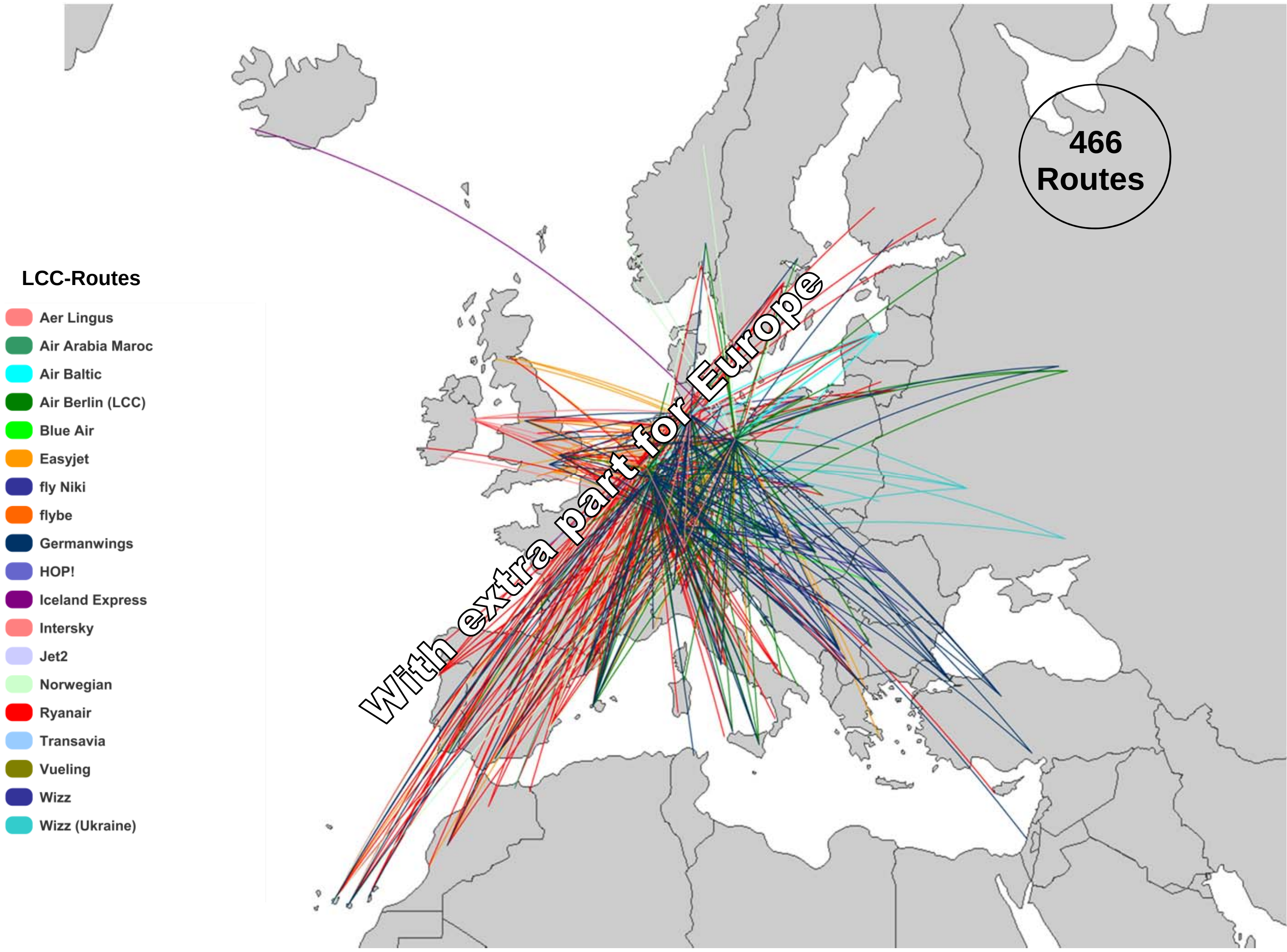
Deutsches Zentrum für Luft- und Raumfahrt e.V. in der Helmholtz-Gemeinschaft

Low Cost Monitor 1/2014

- A DLR-Analysis -



The current Low Cost Carrier Market in Germany

Spring 2014

Current Low Cost Carrier Market in Germany in 2013/2014

The Low Cost Carrier (LCC) market has been an inherent part of the German air transport market. The Low Cost Monitor published by DLR informs twice a year on key features of low cost carrier traffic and current developments in this market segment. These are in particular the number and relative importance of low cost carriers and their supply, including air fares, and passenger demand for low cost transport services. The description of the low cost supply in the current monitor is based on a reference week in the winter timetable 2014. Passenger data refer to the year 2013.

Airlines

- Airlines involved in the low cost business design their offer quite differently. Due to this inhomogeneity only a few distinctive criteria can be defined for the low cost market segment, such as low fares, their general availability and direct sale via the internet. Thus, in some cases, a certain scope of discretion arises when allocating an airline to the LCC segment. Furthermore, amalgamations of business models are seen in several airlines that further complicate the accurate assignment to the low cost market segment. For this issue of the Monitor the authors classify currently a number of 19 airlines (among all airlines operating on German airports) that offer entirely or predominantly low cost offers. These are in detail (s. also Tab. 1):

  Aer Lingus (EI) (www.aerlingus.com), Fleet: 37 Aircraft (A320: 29, A321: 4, A319: 4)
  Air Arabia Maroc (3O) (www.airarabia.com), Fleet: 5 Aircraft (A320: 5)
  Air Baltic (BT) (www.airbaltic.com), Fleet: 26 Aircraft (B737: 13, D8: 12, A319: 1)
  Air Berlin (AB) (www.airberlin.com), Fleet: 88 Aircraft (A319/20/21: 41, B737: 46, ATR: 1)
  Blue Air (JOR) (www.blueair-web.com), Fleet: 8 Aircraft (B737: 6, MD8: 1)
  Easyjet (U2) (www.easyjet.com), Fleet: 197 Aircraft (A319: 138, A320: 59)
  flybe (BE) (www.flybe.com), Fleet: 59 Aircraft (D8: 37, E: 22)
  Germanwings (4U) (www.germanwings.com), Fleet: 55 Aircraft (A319: 41, A320:7, C: 7)
  HOP! (A5) (www.hop.fr), Fleet: 102 Aircraft (ATR: 21, E: 46, CRJ: 35)
  Iberia Express (I2) (www.iberiaexpress.con), Fleet: 15 Aircraft (A320: 15)
  Intersky (3L) (www.intersky.biz), Fleet: 7 Aircraft (D8: 3; ATR: 3, E: 1)
  Jet 2 (LS) (www.jet2.com), Fleet: 49 Aircraft (B737-300: 38, B757-200: 11)
  Niki (HG) (www.flyniki.com), Fleet: 22 Aircraft (A320/A321: 15, E: 7)
  Norwegian (DY) (www.norwegian.no), Fleet: 91 Aircraft (B737: 87; B787: 4)
  Ryanair (FR) (www.ryanair.com), Fleet: 297 Aircraft (B737: 297)
  Transavia (HV) (www.transavia.com), Fleet: 28 Aircraft (B737: 28)
  Vueling (VY)(www.vueling.com), Fleet: 72 Aircraft (A320: 68; A319: 4)
  Wizz (W6) (www.wizzair.com), Fleet: 42 Aircraft (A320: 42)
  Wizz Ukraine (WU) (www.wizzair.com), Fleet: 4 Aircraft (A320: 4)
  WOW (X9) (www.wowair.com), Fleet: 3 Aircraft (A320: 3)

  (A: Airbus, B: Boeing, C: Canadair, D: Dash, E: Embraer, F: Fokker, MD: B/McDonnell, S: Saab)

  In this study flights of *Condor* were not included, although they also publish some low cost flight offers, but for which an unambiguous assignment to the low cost sector is difficult because only selected flights can be booked directly and at low prices. This contradicts the very idea of low cost carriers according to which all flights, or at least a large number of seats, should be available for being bookable online at a low price generally available and essentially determined by the remaining advance-booking period or the day of travel and booking situation. *Air Berlin* is one of a “grey zone” carrier in which several business models are applied. In this former charter airline, which had an early intervention with the *"City Shuttle"* in the low cost market, determining low cost routes has become more difficult, in particular after the acquisition of *DBA, Gexx* and *LTU* as well as through the cooperation with *Walter* (*LGW*) airline and after joining the Oneworld airline alliance. This way, only the previous low cost routes of these companies are considered, as well as routes that correspond to these, however not those to typical holiday locations, including to North Africa or other intercontinental connections. Some new additions of *Air Berlin,* outsourced by *TUIfly,* have included various city pairs, several of which, however, were already abandoned by *Air Berlin* some time ago.

  Overall, the number of low cost carriers has remained almost constant in the German market compared to last summer. *While Air One, Corendon* and *Transavia France* went out of business, the new French carrier *HOP!* has entered the German market. This airline has been the emerging result of a merger of several regional carriers under the roof of *Air France*; *HOP!* is now competing with other LCC’s in the domestic and European market. Another addition since last summer are flights offered by *Iberia Express*, an LCC as a spring-off of *Iberia*, which also offers low priced flights in the European market. These flights are, however, cannot yet be identified as low cost flights in flight schedules, since they are listed as *Iberia* flights and not flights of *Iberia Express*. Summarizing we can see that more and more former national flag carriers found their own low cost affiliates to meet the growing competition among carriers in domestic and international markets.

The fleet size has increased slightly for most airlines. *Ryanair* operates 297 aircraft of the type 737-800 with just under 190 seats on most aircraft in the German and European low cost market. Hence *Ryanair* now owns a total of a similar number of aircraft as Germany's largest airline *Lufthansa* (*Lufthansa* and *Lufthansa CityLine*: 338). These are, however, five to ten aircraft less than in the last year. *Ryanair* states as a problem the acquiring new aircraft from Boeing. *Easyjet* as the second largest low cost carrier in Europe has operated for some time a relatively constant fleet of 195 aircraft of the type A319/A320. As part of the transformation to the "*New Germanwings*" and the acquisition of aircraft formerly operated by *Lufthansa*, this company has enlarged the fleet last year by around 20 aircraft to a total of 55 aircraft of type A319/320 and Canadair jets. *Norwegian* is one of the first low cost carriers with more than four aircraft of the type Boeing B787, offering long distance flights to destinations in North America and Asia.

Carrier Ranking (s. Tab. 1): Based on the number of flights offered (departures) in one week in January 2014, *Air Berlin* is, with its low cost segment with over 1,700 departures, by far the largest low cost carrier in Germany, the flight volume has increased by 5 % as compared with the previous year. The number of routes, however, has been reduced with around 14 % even more strongly. This is, inter alia, due to a comprehensive programme of *Air Berlin* to consolidate the company, which includes the withdrawal of several regional airports, too.

While in recent years up to 2008 generally high annual growth rates were recorded in the low cost sector, a reversal was evident in the summer of 2008 when the growth rates declined significantly. This decline continued also until summer 2009. Since the beginning of 2010, after another period of consolidation, growth rates in most airlines were positive again – a trend that continued in the summer of 2010. Since early 2011, however, there is a renewed decline in the number of departures offered. In July 2011, these values were approximately 11 % below those of 2010, which is also partly due to the introduction of the air passenger tax in Germany as of January 1, 2011. After a further sharp decline in 2012, this trend seems to be slowed down, because with about 3,500 flights in one week in January 2013 about the same number of flights were offered as in 2012. In January 2014, there were even 16 % more flights than in 2013, and thus the same number of flights as in 2011, but still significantly less than in the peak year of 2008 (4,455 flights). The main reason for the recent increase in flights is the takeover of LH flights by *Germanwings*.

In the ranking follow *Germanwings* (1193 flights) and *Ryanair* (368 flights). *Germanwings* has increased the number of flights through the acquisition of decentralized *Lufthansa* routes in Germany and to countries outside of Europe (except from the Frankfurt and Munich airports), if compared to the previous year, by around 60 %. Overall, a reduction has occurred of low cost flights from Niederrhein and Hannover and a shift of flights in Berlin from Schonefeld airport to Tegel airport. The supply at Hamburg and Cologne was increased greatly from 209 and 376 to 507 and 433 flights per week. *Ryanair* has increased the number of flights by 7 % after having reduced the supply sharply in 2011 and further on in winter and spring of 2012 and 2013. After *Ryanair* has increased the number of flights on a high level during the economic crisis in 2008/2009 while almost all other major low cost carriers have reduced their supply of flights during that period, the airline closed all German domestic flight connections in March 2011. Also on other routes *Ryanair* reduced their supply since 2010 (661 flights) to 343 flights per week in 2013. In January 2014, 368 flights (+7 %) were offered, however, in March 2014, *Ryanair* has again reduced the supply by 17 % (s. DLR: Global Aviation Monitor, March 2014).

The supply of flights of *Easyjet* in the winter of 2014 has gone down by 4 % compared to the previous year, the number of routes served, however, has increased. Ranked position 5 and 6 are the Austrian airline *Intersky* and the Hungarian airline *Wizz*. Ranked 7th is *Norwegian* with 64 flights per week. The airline has raised the supply by 40 %. The places 8 and 9 are taken by *flybe* and *Air Lingus*, followed by the Spanish carrier *Vueling*, which has increased the offer significantly by the merger with *Clickair* in the follow up of the bankruptcy of *Spanair*. *Air Baltic* is ranked 11th. The number of flights of the remaining low cost carriers is well below 40 flights per week.

- **LCC Market Shares** (s. Fig. 1): The seven largest of the 19 low cost carriers currently represent around 94 % of the German low cost market. *Air Berlin* accounts for about 43 % (- 4 %) of all flights. *Germanwings* follows with 29 % (+ 7 %), then *Ryanair* with 9 % and *Easyjet* with 8 %.

Transport Services

- **Routes** (s. Tab. 1 and 2, and Fig. 2): Overall, 466 different low cost routes have been served from German airports to domestic and international destinations in a sample week in January 2014. These are 43 routes more than in early 2013, corresponding to an increase of +10.2 %. After numerous route closings in the last years, route expansion continues again in 2014, triggered primarily by the transfer of LH-routes to *Germanwings*, but also by the network growth of *Norwegian* and *Vueling*. During the 6 years of strong low cost market development between 2003 and 2007, about 100 routes were added every year. However, during the financial crisis 2008/2009 the number of new routes opened declined to a value of about 50. In early 2009, the number of routes decreased for the first time, however, already in summer of 2009 there was again a growth of routes which continued until spring of 2011, in order to reach the highest value so far of about 500 routes in a winter schedule period. The financial crisis had severe economic impacts on airline business and airlines were affected to a different degree. However, when the financial crisis had been finally overcome, the introduction of the air passenger tax in Germany placed a new economic burden on the air traffic sector. *Ryanair* managed to expand their network from 118 routes in winter 2009 summer 2008 to 139 routes in summer 2011, i.e. plus 26 new routes, while a few smaller airlines went bankrupt. *Ryanair* reduced their number of routes to 107 in 2012, maintained this number of routes in 2013 and strengthened the network in 2014 to 121 routes. New airports in the supply of *Ryanair* are Dortmund, Nuremberg and Muenster/Osnabrueck.

  Easyjet, however, stagnated at a level of between 40 and 50 routes for a while. Only five new routes were added compared to 2013. Because of *Germanwings'* new strategy to handle the former decentralized traffic of *Lufthansa* (excluding flights from Frankfurt and Munich), their network grew significantly by almost +60 % to over 135 routes, particularly at the airports of Hamburg, Stuttgart, Berlin and Cologne/Bonn. These routes, however, have been served before, through the transfer to *Germanwings* they are counted as low cost carriers now. It should be noted that in the German domestic traffic a route is taken into account twice (e.g. MUC-DUS as well as DUS-MUC).

  Air Berlin continued the consolidation of their network which had started in 2011. The number of routes thus, declined also this year by about 14% compared to 2013, the flight supply, however, has increased.

  Until 2010, *Air Berlin, Germanwings, Ryanair* and *Intersky* continually introduced new domestic routes. However, since 2011 more and more domestic routes have been given up, and this reduction continued also in 2014 when 10 % less routes were served within Germany as compared to the year before. New routes were opened in 2013 to a number of Eastern European countries, e.g. Estonia. Traffic increased to Latvia and Hungary, too. In addition, traffic to France, the UK, Spain, Austria and Switzerland grew as well.

  Competition Direct competition between low cost carriers is still very low. Only on 35 out of a total of 466 routes (8%) several low cost carriers are competing, thus, 92 % of all airport-airport routes are served by just one carrier.

- **Flights** (s. Tab. 1): A total of approximately 4,000 flights were operated by low cost carriers in a particular week in January 2014, which means an increase of 500 flights compared to 2013. The number of flights has increased thus by 16.3 %, the number of seats by 13.9 %, but the number of routes only by 10.2 %. Thus, the network grew only marginally, with a stronger growth of the number of seats and frequencies.

- **Seats** (s. Tab. 1): Average seat capacity per flight was 150 on a total of 4077 flights. Average seat capacity has declined compared with the year before (153 seats), caused among others by the expansion of *Germanwings* with the Airbus A320, a 144 seater, and the fact that since last year former LH Canadair Regionaljets with around 90 seats have been employed. It can be seen that the typical average aircraft size employed by low cost carriers is of around 150-160 seats. However, *Ryanair* employs only B737-800 aircraft that have a significantly greater seating capacity of 189 seats, well above those of typical European legal carriers. Looking at the fleet composition of particular carriers one can see that more and more smaller aircraft have been taken out of service. The typical aircraft is the Airbus A319/320 or the Boeing B737. Only few companies such as *Intersky* or *flybe* still have smaller propeller aircraft in their fleets.

- **Destinations** (s. Tab. 2): The ranking of the destinations still shows a high market share of domestic air traffic: 45 % of all departures of low cost carriers from German airports are domestic flights. However, these 70 routes (= 35 airport pairs) make up only about 15 % of all routes. On average, 26 low cost flights per week are offered on a route in German domestic traffic. This is a much higher value than last winter when only 21 flights per week were offered.

  In the winter months, the UK and Spain are second and third in the ranking, with around 400 or 300 departures. Austria is in the fourth place ahead of Italy and Switzerland. Poland, Sweden and Ireland follow on the ranks 7 to 9 and then Norway, Russia and France. Thereby one can find a stronger increase of flights in some cases or a smaller reduction in others respectively than the increase in routes. For instance, the number of routes went down by 10 % in Germany while the number of flights increased by 14 %. Similarly for the traffic to Italy and Poland. Overall, the low cost carriers from Germany currently serve destinations in 36 countries. There are more routes offered to a number of Mediterranean countries and Eastern Europe. In 2014, Cyprus and Estonia have been added to the low cost network.

- **Airports** (s. Fig. 3): Due to the hub functionality and peak hour capacity constraints, Germany's busiest airport Frankfurt plays only a minor role in the low cost network in winter of 2014. Thus, only 85 low cost flights (around 2 %) were operated, mainly by *Air Berlin* and *Niki*. The airport Cologne/Bonn counted 433 take offs (75 % of the total number of take offs), an increase of about +8 % compared to 2013. This means that Cologne/Bonn is the third largest low cost airport in Germany. Because of a strong traffic growth in Hamburg this airport has now reached the second position. The largest German low cost airport is Berlin-Tegel with 796 flights, this means an increase of +27 % compared to 2013. This is mainly a result of *Germanwings'* transfer of flights from Schonefeld to Tegel. The low cost share in Schonefeld is still around 78 %, whereas in Tegel it is 55 %. Despite the fact that low cost traffic is declining on some German airports, like e.g. Berlin-Schonefeld and Niederrhein due to reduction of Ryanair flights, Berlin-Tegel has managed to increase the supply of low cost flights by about 170 flights per week, mainly because of the transfer of flights of *Germanwings* from Schonefeld. Airports that have experienced a traffic decline in last years, like e.g. Hamburg and Cologne, have returned to the growth path this year. Among the smaller airports, especially Bremen (*Germanwings* and *Ryanair*) and Niederrhein (*Ryanair*), have lost some traffic this year. The airports of Niederrhein, Dortmund, Luebeck, Hahn, Memmingen and Karlsruhe/Baden-Baden essentially handle only low cost traffic.

Air Fares

- **Average Fares:** Fares of major low cost carriers in Germany vary and depend on the chosen destination as well as the advance booking period. Fares advertised by carriers are typically net prices; they normally do not including fees, taxes and other surcharges. Thus, they have only limited informative value. In order to provide information on total prices, low cost flights on 60 selected routes have been chosen and evaluated for 4 different advance booking periods: one day, one week, one month and three months. The selection represents a sample of approximately 10 % of all low cost carrier routes that were operated in the spring of 2014. The more or less stable sample allows for a comparison with the results of preceding analyses. For the current edition of the Low Cost Monitor 8 April 2014 was chosen as a booking date.

- Meanwhile, airlines do not show their net fares anymore. The mean gross fares computed for all combinations of routes and booking periods of the sample are for most cases between 70 EUR and 100 EUR. Average spring fares of most low cost carriers have been higher to spring 2013 as well as fall 2013. Furthermore, more expensive airlines sometimes have better on-board service (e. g. free drinks or magazines).

- **Average Fares related to Booking Periods:** Fares of low cost carriers vary greatly with the time between flight booking and actual flight date. Booking a flight one day before departure is likely to cost much more than booking a flight three months in advance. However, the difference is not as distinctive as it was a few years ago. The average gross fares of most low cost carriers at German airports vary between 70 EUR and more than 200 EUR for a flight booked one day in advance and between 60 EUR and 120 EUR for a flight booked three months in advance. These values, however, do not say anything about the number of tickets actually sold at these prices, because there is no reliable information that links fares offered to the number of seats that are sold at particular prices.

- A detailed analysis of low cost airfares in Germany can be found on the DLR website (www.dlr.de/fw).

Passenger Demand In the year 2013 a total of 203.2 million passengers have been handled at 26 international and regional airports. Thereof, 65.6 million passengers (departing and arriving) were transported by low cost carriers (see Table 3). This corresponds to a share of 32.3 %. However, this value varies greatly between airports. At Frankfurt, Germany's major hub airport, the low cost carrier share is less than 3 %, on the other hand, typical "low cost airports" like Hahn, Luebeck, Niederrhein, Memmingen, Karlsruhe/Baden-Baden and Dortmund are almost exclusively served by low cost carriers. The airports Berlin-Schonefeld and Cologne have a substantial share of low cost traffic as well.

The financial crisis 2008/09 led to a decline in traffic, but during 2010 – 2013 air traffic recovered. The analysis of demand for low cost traffic is based on the MIDT data of Sabre, the data may therefore not be fully compatible with the data which airlines have provided in previous years. Therefore information on the growth in passenger demand can only be provided with some caution. Taking the available data sources of both supply and demand together, one may conclude that the number of passengers carried in low cost traffic has increased by over 2 % in 2013 compared to 2012. This compared with a simultaneous growth of the total German air traffic of less than one percent. Thus, the proportion of passengers carried on low cost flights has risen by 0.4 percentage points.

Regarding the original domestic demand (without transfer traffic), low cost carriers on most German airports (Frankfurt excluded) have high market shares in intra-German traffic (see Table 4). Overall, about 45 % of passengers in domestic air traffic are transported by low cost carriers. Thus, the share has increased by 1.6 percentage points compared to 2012. At Cologne/Bonn airport, a large part of the total demand is served by low cost carriers. In contrast, domestic low cost travel from smaller airports like e.g. Hahn has been stopped since 2011. In Berlin-Tegel, the 5 million passengers on domestic services represent about 65 % of all domestic O-D passengers.

The current Low Cost Carrier Market in Europe

Aside from the detailed analysis of the German low cost carrier market, the main features of the European low cost carrier market are described as well. Beyond the airlines operating in the German market, more airlines can be identified in the European low cost carrier market. However, there is an increasing number of airlines that both operate in the classical regular and charter flight business as well as in the pure low cost segment, like e.g. *Air Berlin* in Germany. Hence, the distinction between classical airline carriers, holiday airlines and low cost carriers becomes increasingly blurred. As a result, this analysis cannot be considered to be complete and to yield clear cut results, but it is intended to provide an overview on the European low cost market. Low cost airlines, that belong to the European low cost sector, but do not operate at German airports:

Air Italy (I9) (www.airitaly.it), Fleet: 11 Aircraft (B737: 8, B767: 3) (now Meridiana)
Air One (AP) (www.flyairone.com), Fleet: 9 Aircraft (A320: 9)
Blue Panorama (BV) (www.blu-express.com), Fleet: 6 Aircraft (B737: 6)
Corendon (7H) (www.corendon.com), Fleet: 6 Aircraft (B737: 6)
Corendon Dutch (CND) (www.corendon.com), Fleet: 2 Aircraft (B737: 2)
Meridiana (IG) (www.meridiana.com), Fleet: 17 Aircraft (A320: 7, MD82/83: 10)
Transavia France (TO) (www.transavia.com), Fleet: 9 Aircraft (B737: 9)
Volare (VA) (www.volareweb.com), Fleet: 1 Aircraft (A320: 1)

Furthermore, there are non-European low cost airlines that enter the European market, e.g. *Flydubai* (FZ) (www.flydubai.com), Fleet: 36 Aircraft (B737: 36).

Overall, the number of low cost airlines operating in Europe has decreased slightly over the previous year. The Icelandic airline *Iceland Express* has been taken over by *WOW*. Also *Flybaboo* no longer operates under its own brand name but has been taken over by *Darwin Airline*. *Volare* has been integrated into *Alitalia*, *Air Italy* was taken over by the competitor *Meridiana*. The Malaysian long-haul low cost carrier *Air Asia X* has completely pulled back from Europe due to increased costs.

The largest European low cost airline is *Ryanair* with around 7,500 departures in January 2014 (see Table 5). This means an increase of almost 6 % over the previous year. The second largest company is *Easyjet* with more than 6,000 departures. *Easyjet* has reduced services in Europe by about 100 flights. However, while 70 new routes were added by *Ryanair, Easyjet's* flight route network has been expanded by only 55 routes. By far flights of *Air Berlin* follows, the airline has added capacity by 17 to around 2,800 flights. In contrast, *flybe* has reduced the number of flights by about 4 %. On rank 5 the low cost segment of *Air Berlin* follows with around 2,500 flights. Due to an increase of flights by around +60 %, *Germanwings* is on 6th place in winter 2014. Rank 7 is taken by *HOP!* with over 1,650 flights. This airline was transformed from several regional carriers under the roof of *Air France* into one new low cost carrier.

The consolidation in the field of low cost carriers still continues. While airlines such as *Clickair* have been integrated into larger low cost carriers such as *Vueling*, others such as *Windjet* went bankrupt in August 2012. While smaller companies are increasingly disappearing from the market, larger ones, and even *Easyjet,* can no longer expand their supply of flights in a way as a few years ago and have reduced their number of flights (-1.5 %). However, because of the positive market trend of European low cost traffic (+10 %), caused among others, by *Germanwings, HOP!* and *Norwegian*, the market share of *Ryanair* went down from 23.5 % to 22.5 %.

On the European level there is thus again an increase in the number of routes of over 9 % after a decline in the preceding year. This increase is almost as high as the corresponding one of Germany where the route network grew only by 10 %. The number of flights offered increased by around +10.5 % in Europe, this is also lower than in Germany (+16.3 %).

The No. 1 country of origin and destination for low cost flights remains United Kingdom (see Table 6) with more than 7 thousand (+3.2 %) departures per week. Including domestic traffic, there are 840 destinations served across Europe in winter 2014. On the following places of the ranking (according to the number of flights offered) are: Italy, Germany and Spain, with more than 3,500 flights each. On the ranks 5 to 9 are France, Norway, Ireland, the Netherlands and Switzerland, with more than 750 flights.

More than 4,900 of the total of 4,400 different routes (91 %) are served by only one low cost carrier. Only around 404 routes are served by two low cost airlines, and more than two low cost carriers are competing on just 23 routes. This means that even in Europe the direct competition of low cost carriers on the same routes is still relatively low.

Because of a strong growth in supply of flights, among others by *Norwegian*, London-Gatwick (+9.8 %) has become Europe's largest low cost carrier airport with approximately 1,150 low cost carrier departures per week in January 2014 (see Figure 4). Barcelona (1,122 departures) and Dublin (1,103 departures) airports follow. The second London airport London-Stansted is on fourth place with 1,005 departures, followed by Berlin-Tegel, with 796 departures. The third London airport, London-Luton airport has 461 departures and is ranked 15th. Altogether the London airports offer 2,600 low cost flights, no other European agglomeration offers that many low cost flights a week. The following German airports are among the 30 biggest low cost airports in Europe: Hamburg (rank 11), Cologne/Bonn (rank 20), Dusseldorf (rank 22) and Stuttgart (rank 23), which offer more than 350 flights a week. Partly because of the transfer of LH-flights to *Germanwings* Hamburg has improved the low cost position from the 44th place to rank 11 in January 2014.

In the winter half-year of 2014, European low cost carriers have strenghtened their market share from 25 % (2013) to 27% of flights (see Figure 5). However, 73 % of all flights are still operated by traditional scheduled airlines and holiday charters. Smaller regional airlines play a role, too, but mainly in cooperation with a large company.

Recently there have been again tendencies to open up new intercontinental routes by low cost carriers. After *Air Asia X* had started in 2009 to offer low cost services from Asia to United Kingdom (Kuala Lumpur – London Stansted) and in 2011 to France (Kuala Lumpur – Paris) with an Airbus A340, these flights have been closed in 2012 due to increased costs. Now *Norwegian* makes a new attempt with modern aircraft of Boeing 787 type to open up the intercontinental market again for low cost services. In March 2014 about 100 flights have been offered by *Norwegian* to Thailand and North America. The routes served are those from Stockholm, Copenhagen and Oslo to Bangkok in Asia and to New York, Los Angeles and Fort Lauderdale in North America.

Mrz 14	Flights
Stockholm - Bangkok	12
Oslo - Bangkok	14
Stockholm - Fort Lauderdale	9
Stockholm - New York (JFK)	12
Stockholm - Los Angeles	1
Copenhagen - Fort Lauderdale	13
Copenhagen - New York (JFK)	7
Copenhagen - Los Angeles	6
Oslo - Fort Lauderdale	9
Oslo - New York (JFK)	17
Total	100

Low Cost Carrier Market in Germany											
		01/2014			01/2013			Change (%)			
Rank	Airline	Departures	Seats	Routes*	Departures	Seats	Routes *	Departures	Seats	Routes *	
1	Air Berlin	1,736	264,724	105	1,660	254,606	122	4.6	4.0	-13.9	
2	Germanwings	1,193	165,780	135	746	107,424	84	59.9	54.3	60.7	
3	Ryanair	368	69,552	121	343	64,827	107	7.3	7.3	13.1	
4	Easyjet	309	49,836	49	322	52,344	44	-4.0	-4.8	11.4	
5	Intersky	88	5,976	8	74	4,428	7	18.9	35.0	14.3	
6	Wizz	68	12,240	22	68	12,240	23	0.0	0.0	-4.3	
7	Norwegian	64	11,866	22	45	8,464	11	42.2	40.2	100.0	
8	flybe	48	3,984	6	50	3,896	7	-4.0	2.3	-14.3	
9	Aer Lingus	47	8,178	6	55	9,570	7	-14.5	-14.5	-14.3	
10	Vueling	44	7,920	8	20	3,600	3	120.0	120.0	166.7	
11	Air Baltic	41	3,075	5	42	3,921	5	-2.4	-21.6	0.0	
12	fly Niki	33	3,316	2	29	4,086	2	13.8	-18.8	0.0	
13	Wizz (Ukraine)	19	3,420	7	16	2,880	5	18.8	18.8	40.0	
14	Jet2	5	740	1	6	888	1	-16.7	-16.7	0.0	
15	Transavia	4	592	2	12	1,528	4	-66.7	-61.3	-50.0	
16	Blue Air	3	486	1	3	486	1	0.0	0.0	0.0	
17	WOW	3	450	1	2	300	1	50.0	50.0	0.0	
18	Air Arabia	2	324	1	2	324	1	0.0	0.0	0.0	
19	HOP!	2	100	1	0	0	0	-	-	-	
20	Air One	0	0	0	6	888	1	-100.0	-100.0	-100.0	
21	Transavia	0	0	0	2	372	1	-100.0	-100.0	-100.0	
	Total:	**4,077**	**612,559**	**503**	**3,503**	**537,072**	**437**	**16.4**	**14.1**	**15.1**	

Table 1: **Low Cost Carrier ranking according to the number of flights operated in Germany (during a particular week in January 2013 and 2014. domestic routes are counted twice. within Europe only in one direction).**

**Routes served by several carriers are counted twice.*

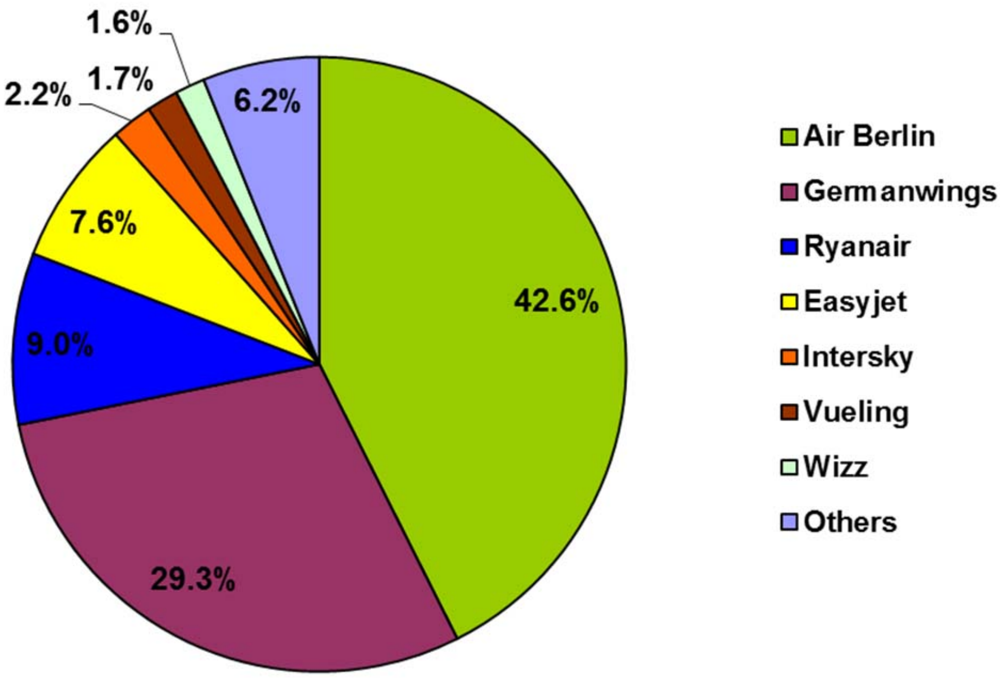


Figure 1: **Low Cost Carrier market share in Germany (according to number of flights operated in a particular week in January 2014)**

Low Cost Carrier Market in Germany										
		01/2014			01/2013			Change (%)		
Rank	Destination	Departures	Seats	Routes	Departures	Seats	Routes	Departures	Seats	Routes
1	Germany	1,857	270,690	70	1,630	239,744	78	13.9	12.9	-10.3
2	Great Britain	414	60,251	49	349	51,167	43	18.6	17.8	14.0
3	Spain	316	55,791	82	251	45,095	64	25.9	23.7	28.1
4	Austria	266	37,894	21	233	34,130	19	14.2	11.0	10.5
5	Italy	261	41,355	63	249	40,090	65	4.8	3.2	-3.1
6	Switzerland	153	22,704	10	123	20,082	8	24.4	13.1	25.0
7	Poland	83	11,230	12	62	9,410	14	33.9	19.3	-14.3
8	Sweden	77	11,305	11	55	9,246	11	40.0	22.3	0.0
9	Ireland	63	11,202	10	68	12,027	10	-7.4	-6.9	0.0
10	Norway	60	9,670	10	47	8,278	10	27.7	16.8	0.0
11	Russia	55	9,100	7	46	7,300	7	19.6	24.7	0.0
12	France	53	8,782	8	43	7,446	7	23.3	17.9	14.3
13	Denmark	49	7,426	3	49	7,508	5	0.0	-1.1	-40.0
14	Latvia	48	4,398	8	47	4,866	7	2.1	-9.6	14.3
15	Hungary	40	5,958	7	43	6,436	6	-7.0	-7.4	16.7
16	Netherlands	35	4,444	4	16	2,486	3	118.8	78.8	33.3
17	Portugal	33	5,988	12	25	4,494	8	32.0	33.2	50.0
18	Finland	25	3,825	3	17	2,802	3	47.1	36.5	0.0
19	Morocco	24	4,410	13	18	3,219	8	33.3	37.0	62.5
20	Belgium	23	2,880	2	23	3,444	2	0.0	-16.4	0.0
21	Romania	19	3,366	7	19	3,294	7	0.0	2.2	0.0
22	Ukraine	19	3,420	7	16	2,880	5	18.8	18.8	40.0
23	Greece	18	2,964	6	13	2,004	4	38.5	47.9	50.0
24	Serbia	15	2,340	8	18	2,736	10	-16.7	-14.5	-20.0
25	Turkey	15	2,178	11	1	136	1	1400.0	1501.5	1000.0
26	Bulgaria	14	2,220	4	6	1,080	2	133.3	105.6	100.0
27	Croatia	12	1,728	4	12	1,728	4	0.0	0.0	0.0
28	Lithuania	9	1,683	4	10	1,872	4	-10.0	-10.1	0.0
29	Macedonia	5	900	2	4	720	2	25.0	25.0	0.0
30	Czech	4	576	1	6	864	1	-33.3	-33.3	0.0
31	Bosnia	3	432	2	3	432	2	0.0	0.0	0.0
32	Iceland	3	450	1	2	300	1	50.0	50.0	0.0
33	Estonia	2	378	1	0	0	0	-	-	-
34	Israel	2	288	1	2	288	1	0.0	0.0	0.0
35	Cyprus	1	189	1	0	0	0	-	-	-
36	Tunisia	1	144	1	1	144	1	0.0	0.0	0.0
	Total:	**4,077**	**612,559**	**466**	**3,507**	**537,748**	**423**	**16.3**	**13.9**	**10.2**

Table 2: **Country of destination ranking according to number of flights in Germany (data of a particular week in January 2013 and 2014; for domestic travel each route is counted twice).**

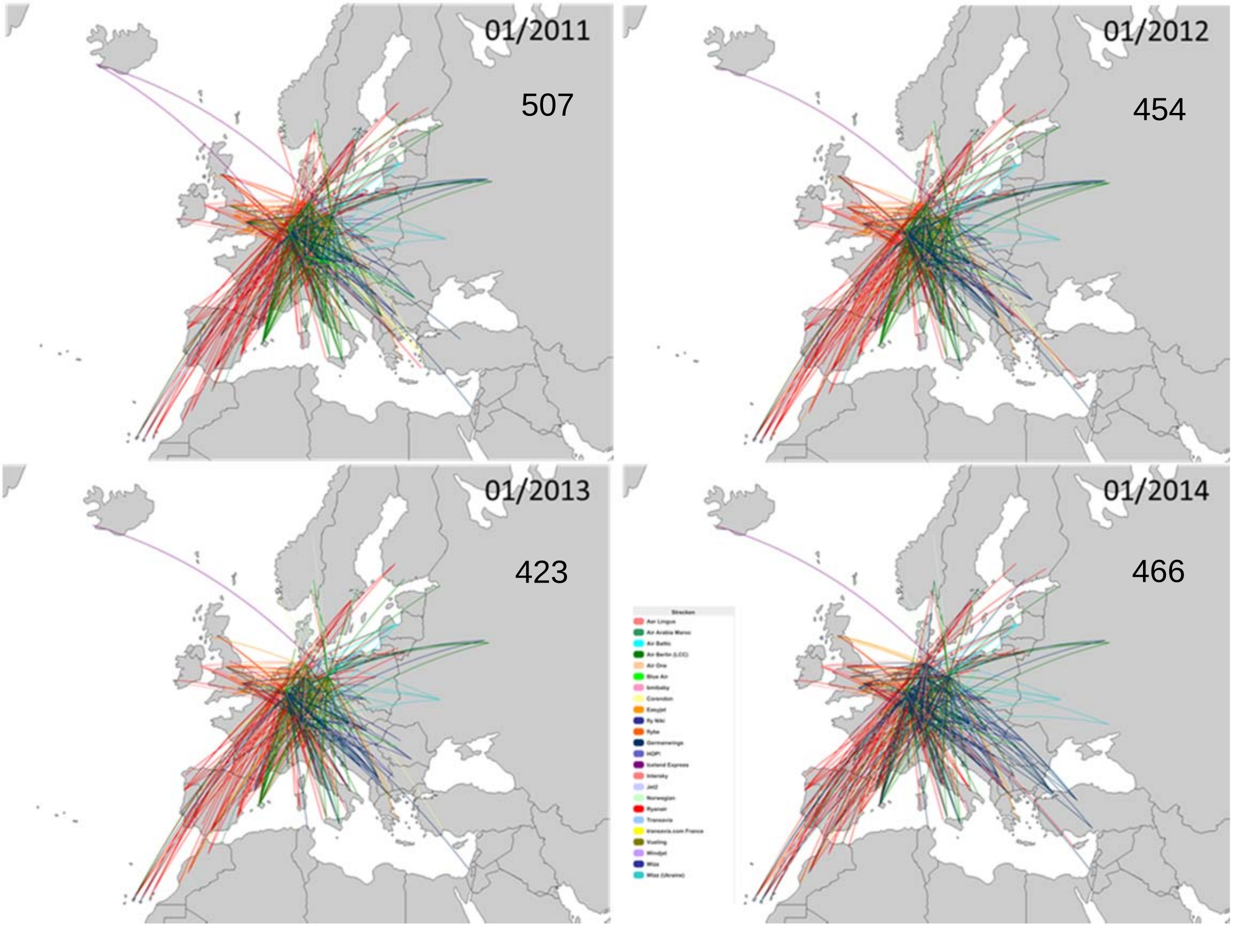


Figure 2: **Development of the LCC route network at German airports**

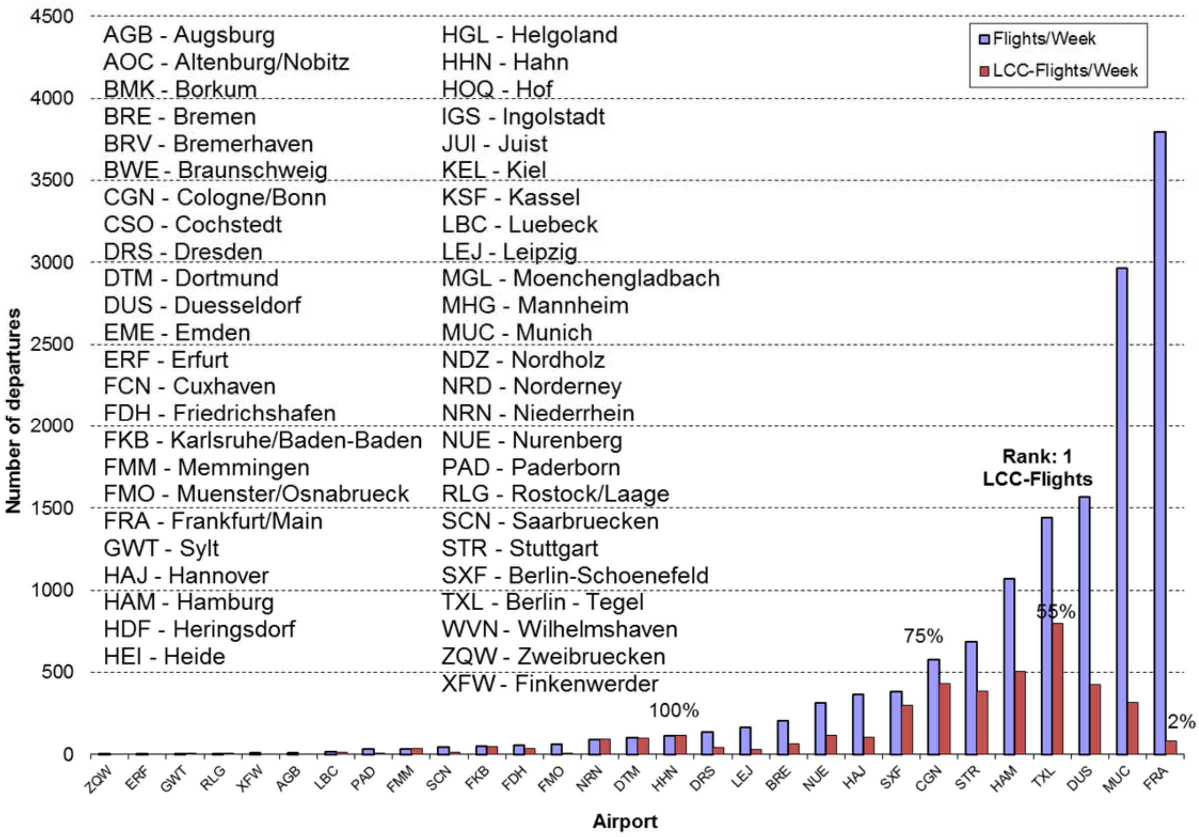


Figure 3: **Weekly supply of passenger flights at German airports in January 2014**

Low Cost Carrier Market in Germany			
Airport	**Passengers in 2013 (in 000)**		**LCC-Share [%]**
	Total	**LCC**	
TXL	19,582	11,062	56.5
DUS	21,207	7,646	36.1
CGN	9,058	6,826	75.4
MUC	38,554	5,760	14.9
SXF	6,714	5,361	79.8
STR	9,550	5,361	56.1
HAM	13,485	5,120	38.0
HHN	2,583	2,570	99.5
NRN	2,486	2,485	100.0
FRA	57,896	1,955	3.4
DTM	1,923	1,882	97.9
HAJ	5,215	1,702	32.6
NUE	3,296	1,548	47.0
BRE	2,606	1,382	53.1
FKB	1,055	1,049	99.4
LEJ	2,130	773	36.3
FMM	788	770	97.8
DRS	1,744	768	44.1
FMO	850	387	45.5
LBC	341	340	100.0
FDH	531	320	60.2
PAD	789	311	39.5
SCN	356	233	65.4
RLG	95	47	49.4
ZQW	143	27	18.8
ERF	207	0	0.0
Total:	**203,180**	**65,573**	**32.3**

Table 3: **Low Cost passengers per airport and market share of LCCs in 2013 (Reference: ADV, Sabre, DLR).**

Low Cost Carrier Market in Germany		
Airports	**Passengers in German domestic flights in 2013 (in 000)**	**LCC Share [%]**
TXL	4,949	65.4
MUC	3,305	35.3
DUS	2,365	52.9
CGN	2,307	77.6
HAM	2,267	44.3
STR	2,250	79.0
NUE	667	58.6
DRS	437	41.4
FRA	425	6.5
HAJ	252	23.1
LEJ	223	33.2
FKB	176	99.2
DTM	173	98.6
BRE	157	18.9
FDH	151	66.6
SCN	134	61.3
RLG	47	66.6
PAD	7	5.4
FMO	3	0.8
SXF	1	11.0
ZQW	0	0.6
FMM	0	0.1
ERF	0	0.0
NRN	0	0.0
HHN	0	0.0
LBC	0	0.0
Total:	**20,098**	**44.6**

Table 4: **LCC passengers on German domestic flights per airport and LCC share in 2013 (Reference: ADV, Sabre, DLR)**

Low Cost Carrier Market in Europe				
			01/2014	
Rank	Airline	Departures	Seats	Routes
1	Ryanair	7,480	1,413,720	1,587
2	Easyjet	6,017	972,468	890
3	Norwegian	2,799	506,441	475
4	Flybe	2,696	195,371	240
5	Air Berlin (LCC)	2,489	383,624	212
6	Germanwings	1,740	238,188	231
7	HOP!	1,654	103,176	128
8	Vueling	1,653	294,732	215
9	Aer Lingus	1,569	219,183	149
10	Wizz	1,457	262,260	453
11	Air Baltic	740	67,846	82
12	Transavia	504	84,637	132
13	Meridiana	475	74,822	74
14	fly Niki	289	42,894	53
15	Air One	239	35,138	34
16	Blue Panorama	205	34,278	31
17	Jet 2	168	27,298	82
18	Volareweb	165	20,608	20
19	Blue Air	146	23,316	48
20	Wizz Ukraine	140	25,200	45
21	Intersky	134	7,932	12
22	Transavia.France	113	21,354	38
23	flydubai	69	12,012	20
24	Air Arabia Maroc	67	10,854	23
25	WOW	60	9,000	10
26	Corendon	30	5,670	21
27	Corendon Dutch	15	2,835	10
28	Air Italy	1	242	1
	Total:	**33,114**	**5,095,099**	**5,316**

Table 5: **Ranking of the low cost carriers operating in Europa. according to number of departures in 01/2014 (figures for a particular week in January 2014; both directions of a route are considered).**

Low Cost Carrier Market in Europe				
			01/2014	
Rank	Country	Departures.	Seats	Routes
1	Great Britain	7,057	962,223	845
2	Italy	4,260	722,569	610
3	Germany	4,077	612,559	466
4	Spain	3,678	661,387	667
5	France	3,324	398,581	428
6	Norway	1,507	268,439	190
7	Ireland	1,406	221,863	145
8	Netherlands	816	130,856	156
9	Switzerland	790	123,539	112
10	Sweden	700	122,427	113
11	Poland	697	123,484	189
12	Denmark	547	87,416	68
13	Austria	529	77,430	86
14	Belgium	487	83,937	89
15	Portugal	467	82,239	96
16	Latvia	443	47,274	59
17	Finland	428	51,609	52
18	Hungary	293	51,282	53
19	Romania	275	47,868	81
20	Russia	171	26,752	29
21	Czech	139	22,794	31
22	Lithuania	132	21,326	35
23	Ukraine	132	21,362	35
24	Albania	88	13,793	7
25	Greece	83	14,609	22
26	Bulgaria	73	12,690	23
27	Turkey	66	11,033	32
28	Malta	62	11,382	25
29	Estonia	61	6,735	9
30	Cyprus	59	10,713	25
31	Serbia	50	8,374	21
32	Slovakia	44	8,189	11
33	Iceland	43	6,762	10
34	Macedonia	27	4,848	11
35	Georgia	22	3,804	7
36	Croatia	15	2,196	5
37	Moldova	14	2,447	6
38	Luxembourg	11	1,716	3
39	Bosnia	10	1,698	6
40	Slovenia	9	1,524	3
41	Armenia	7	1,218	1
42	Azerbaijan	6	1,056	2
43	Gibraltar	5	804	1
44	Belarus	4	292	1
	Total:	**33,114**	**5,095,099**	**4,866**

Table 6: **Ranking of the European countries according to the number of LCC departures in 01/2014. (Figures for a particular week in January 2014. both directions of a route are considered).**

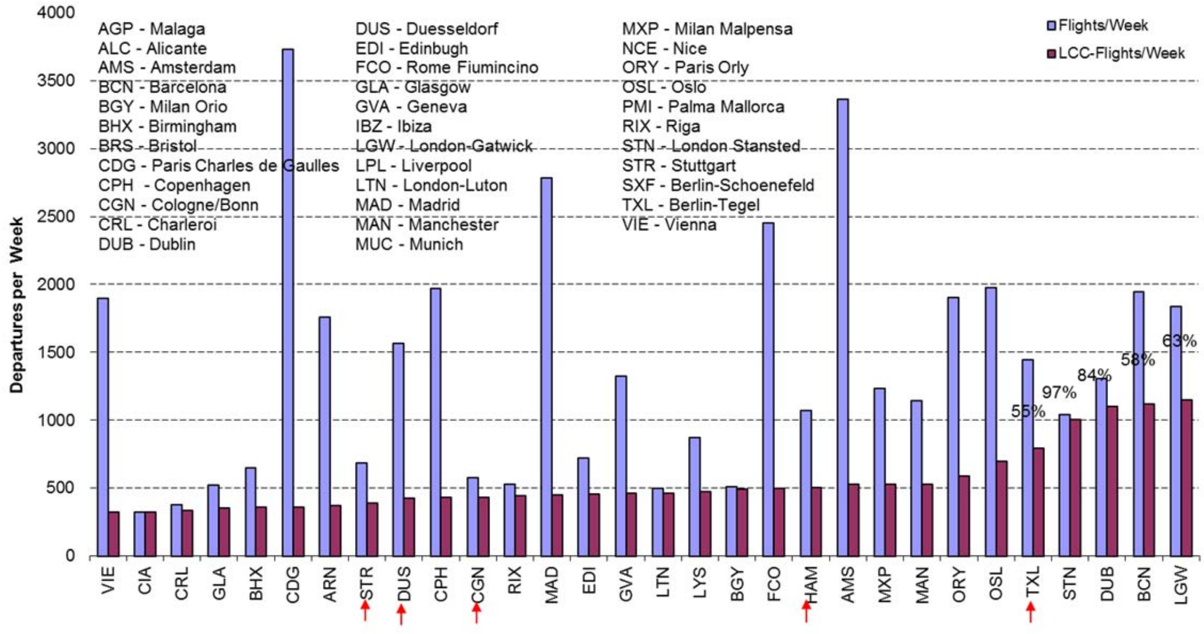


Figure 4: **Major LCC airports in Europe (according to number of departures per week in January 2014).**

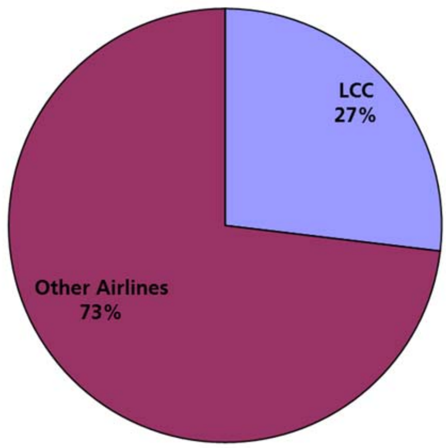


Figure 5: **LCC-Share of European air traffic (according to the number of departures in January 2014).**

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