

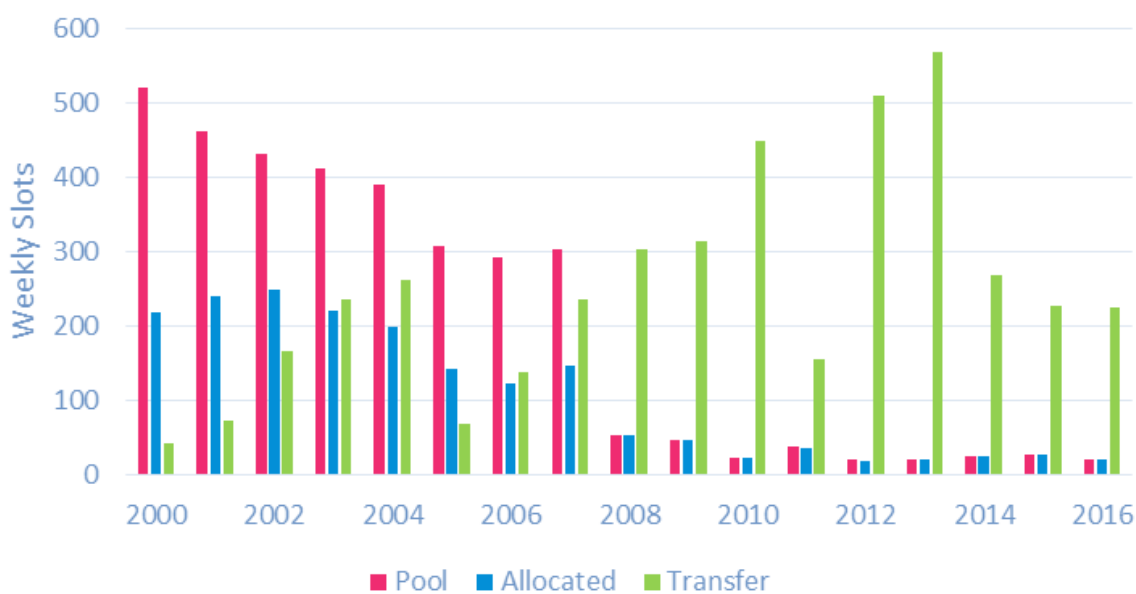


IATA ECONOMICS' CHART OF THE WEEK

30 SEPTEMBER 2016

SLOT RULES SUPPORT NETWORK FLEXIBILITY

Slot Activity at Heathrow Airport (2000-2016)



Source: ACL

- Airport congestion is a growing problem worldwide with over 180 airports worldwide designated as saturated (WSG Level 3). The problem is set to become more widespread as infrastructure development continues to lag demand growth.
- The IATA World Slot Guidelines (WSG) provide a global standard for the management of scarce airport capacity at congested airports. The purpose of the WSG to ensure that limited airport capacity is used as efficiently as possible and to maximize the value generated for consumers.
- While much attention is focused on how the WSG supports the primary allocation of slots, an equally important part of the WSG relates to the secondary swapping or transfer of slots. The swap or transfer of slots is essential to facilitate entry of new carriers and allow airlines to adapt route networks to changing consumer demand.
- This week's Chart of the Week demonstrates just how important the flexibility that this secondary swap or transfer is in the context of one of the world's busiest airports, London Heathrow.
 - The pink bars show the number of weekly slots that were available for primary allocation in each year. As can be seen, as of 2007 the airport essentially became completely full, with a sharp drop in the number of slots available for primary allocation.
 - From 2008 onwards, there was a sharp rise in the number of slots being transferred between airlines with a peak of nearly 600 slots per week being transferred in 2013 with an average of between 200 and 300 slots per week changing hands.
- Although a number of headline-grabbing slot trades worth significant sums of money have attracted media attention over the years, this week's Chart shows that the vast majority of slot swaps and transfers go under the radar and are a key part of enabling network flexibility at the world's busiest airports.

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IATA Economics
economics@iata.org