

# Airlines have an even bigger nightmare than fuel - a runway shortage

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Pity the airlines: fuel prices are soaring, pilots are in short supply and political spats threaten global trade. And worse may be to come.



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With global passenger numbers forecast to almost double to 7.8 billion by 2036, runways, airports and even airspace could rapidly become

too crowded to cope. In Asia, which will contribute more than half of the extra flyers, many terminals are already full to bursting.



With the lack of runways hindering airlines' growth, airports may have to use their existing runways more efficiently.

*Photo: Alamy*

"Infrastructure is a bigger threat to the growth of airlines than the price of oil," Qatar Airways Chief Executive Officer Akbar Al Baker said in a television interview on Tuesday. "There is today a capacity shortage of more than a billion passengers across the globe."

At stake is the \$US2.7 trillion (\$3.4 trillion) that the International Air Transport Association estimates the industry contributes each year to the wider global economy, as well as the expansion plans of planemakers such as Airbus and Boeing and major airlines spanning British Airways to Dubai-based Emirates and Hong Kong's Cathay Pacific Airways.

"It's not just runways, it's also taxiing areas, it's parking stands," said Rico Merkert, professor of transport and supply-chain management at the University of Sydney's business school. "In some regions, economies will get slowed down by not having sufficient capacity."

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## Eastern squeeze

In Asia, eight of the top 11 terminals are already full, Asian Sky Group said in its 2017 infrastructure report. Of 1,017 airports across the region, Hong Kong faces the most severe constraints, and within the next two years, Beijing, Manila and Singapore will also max out, the study predicts.

"Airports themselves are so congested now, you can't get slots," Emirates President Tim Clark said in an interview. "So if you want to come to New York or Los Angeles or Hong Kong or whatever, there are no slots available."

Leaders of the world's airlines who gathered in Sydney this week for IATA's annual meeting were united in highlighting the so-called infrastructure deficit as a major brake on their expansion and, ultimately, world travel and trade.

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"We desperately need to have the appropriate infrastructure,' Alexandre de Juniac, the industry body's CEO, said in an interview. "Everywhere in the world there is an infrastructure issue that we think isn't properly addressed."

## Price gouging

While IATA said governments by their nature tend to build things slowly, Qantas Airways CEO Alan Joyce hit out at private airport operators for what he said amounted to the gouging of carriers and travellers.

At Flyadeal, the low-cost unit of Saudi Arabia's national carrier, the availability of landing and takeoff slots in the Middle East, rather than passenger demand, is partly dictating the choice of new routes.

"Places like Istanbul and Cairo, they do have slot challenges," its CEO Con Korfiatis said in an interview. "They're getting close to capacity." Flyadeal will target less constrained regional destinations this year, he said.

To be sure, the industry may be able to work smarter even without extra infrastructure. Many airports could, for example, use their runways much more efficiently, Brian Pearce, IATA's chief economist, said in an interview.

In London, Gatwick and Heathrow airports -- restricted by just one and two strips respectively -- each churn out about 40 takeoffs and landings an hour, whereas many other hubs manage just half that number.

Carriers could also use larger jets to maximise the number of seats per flight, Pearce said. Several operators at Heathrow have turned to Airbus SE's A380 superjumbo to do just that, though the model has struggled to garner sales more widely.

Pressure at the London hub, Europe's busiest, may be relieved after the British government decided this week to put plans for a third runway to a parliamentary vote.

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