TØI report 974/2008
Authors: Jon Martin Denstadli
Mattias Gripsrud
Arne Rideng
Oslo 2008, 84 pages Norwegian language

Summary:

International and domestic air travel in Norway 2007

Recent years have seen strong growth in international and domestic air traffic in Norway. In 2007, some 12.75 million domestic and 14.8 million international single trips were taken. This represents a growth of 24 percent for domestic travel and 56 percent for international air travel between 2003 and 2007. The development is caused by increased competition between airlines, leading to lower fares, the establishment of new, direct routes to and from foreign destinations, and stable economic growth in Norway and the rest of Europe.

On the domestic market, SAS continues to be the biggest operator with 61 percent market share, whilst Norwegian has 24 percent and Widerøe 13 percent. However, Norwegian has gained a significantly higher market share on some of the main routes. Oslo-Bergen and Oslo-Trondheim are the two biggest in this respect, with over 1.6 million passengers each, and where Norwegian has a market share of 44 percent. 56 percent of domestic traffic is business, an increase from 52 percent in 2003.

SAS is also the biggest operator internationally with 34 percent of the market, whilst Norwegian has enjoyed the strongest growth over the last four years to reach a 20 percent share. Holiday and leisure traffic has seen the biggest growth – 59 percent of international air travel to/from Norwegian airports is related to holiday/leisure or visiting friends and family.

About the study

This survey is the latest of a series of surveys conducted by Avinor (former Luftfartsverket) since 1972. The aim is to supplement passenger statistics with data on air passengers and their travelling habits. Avinor, its subsidiary Oslo Lufthavn (Oslo Airport) and Transportøkonomisk Institutt (Institute of Transport Economics) have partnered for the study, which has been financed by Avinor and Oslo Lufthavn.

In principal, the study covers all domestic flights in Norway and between Norway and foreign destinations. Data were collected during certain weeks throughout the year to allow for seasonal variation. For international flights, 70,704 interviews were conducted at 10 airports (charter passengers included), and 42,288 interviews were conducted for domestic traffic.

The report can be ordered from:
Institute of Transport Economics, Gaustadalléen 21, NO 0349 Oslo
Telephone: +47 22 57 38 00 Telefax: +47 22 60 92 00

Trip frequency and customer base

Air travel accounted for 7 percent of domestic passenger transport work in Norway in 2007, and was the major form of transport for long domestic and international journeys. The 2005 Norwegian Person Travel Survey showed that 45 percent of all domestic travel over distances in excess of 300 km was undertaken by air, a percentage believed to be much higher today.

Trip frequency is defined as the number of air journeys undertaken within a given area within a year divided by the population of the same area. For Norway, trip frequency in 2007 was 1,7 journeys for international travel and 2.4 journeys for domestic travel. Residents of Oslo and Akershus travel most abroad, whilst people living in Northern Norway made the most domestic air trips during the year.

The customer base is defined as the number of people making at least one air journey in a given year. The customer base for international air travel in 2007 was estimated to 2.85 million persons, of which 1.5 million were resident in Norway. The figures for 2005 were 2.5 million and 1.4 million respectively. The customer base for domestic air travel was 1.5 million, a little lower than in 2003. Traffic growth between 2003 and 2007 was therefore not due to growth in the number of travellers, but to increased trip frequency.

Domestic air traffic

This report breaks down the domestic route network into trunk and regional routes. Trunk routes are covered by SAS and Norwegian in competition, and by SAS alone. Widerøe dominates the regional routes. The routes most subject to competition in 2007 were those from Oslo to Stavanger, Bergen, Trondheim, Bodø, Harstad/Narvik, Tromsø and Alta, plus Bergen–Stavanger and Bergen–Trondheim. All others were operated by SAS alone.

There is little difference between trunk and regional routes with regard to purpose of travel and business relationships. 13% of all journeys are to and from work, of which 22% are oil and gas related. The airports in Kristiansund, Stavanger and Haugesund have a particularly high proportion of oil industry-related flights.

Ticket prices have changed little between 2005 and 2007, although the study revealed that passengers pay more on the trunk routes in Southern Norway due to lack of competition. On the other hand, prices have probably decreased on some routes between Southern and Northern Norway, where Norwegian has entered into competition with SAS.

Men clearly make up the majority of domestic travellers in Norway, even though the proportion of women has risen. Women only accounted for 25% in 1987, a proportion which had grown to 39% by 2007. An increased number of private journeys and the fact that women have gained a stronger position within business are the reasons for this trend. In terms of age, the majority of passengers is evenly spread through the 20-60 age range, but it is worth noting that 13% of air travellers now are over 60, compared to just 6% in 1992.

Air traffic between Norway and foreign destinations

Oslo Airport (OSL) is retaining its position as the national hub for international air travel with 72 percent of the passengers departing from OSL. This proportion has remained unchanged since 2003. However, there is increased competition from neighbouring airports (Sandefjord and recently Moss), but also due to the expanding route network offered by other airports.

Between 2005 and 2007, foreign traffic has grown by three million trips. Up until 2005, there was a steady increase in the number of leisure trips at the expense of business-related journeys, but this seems to have stabilised around 60 percent leisure and 40 percent business. Work-related travel has seen a major growth in journeys to and from work, and foreign workers account most of this growth. Among foreign residents, 15 percent of the total number of journeys is to/from work, whilst the corresponding figure for residents in Norway is four percent.

Copenhagen, London (London City, Heathrow, Gatwick and Stansted combined) and Stockholm are the three biggest destinations for foreign traffic, and represent the final destination for a third of all international flights from Norway. Among other destinations are Amsterdam, Paris and Aberdeen, which have all experienced rapid growth the last two years, as has Warsaw, which has replaced Prague as the biggest destination in Central Europe.

In recent years, a number of new routes have been established leading to a decrease in transfer abroad. Only 29 percent of passengers now need to change planes abroad to reach their final destination, compared to 36 percent in 2005. Copenhagen continues to be the biggest transfer hub, but Amsterdam has had the strongest growth the last two years and is now equal to London as the hub for flying to and from Norway.

Air travel plays a decisive role in bringing tourists to Norway. The number of foreign tourists travelling by air when visiting Norway has grown steadily over the last 10 years, from 14 percent in 1995 to 31 percent in 2005 and 34 percent in 2007. Lower prices and more direct routes are major factors in this trend. Great Britain is easily the biggest market, but the USA has shown stronger growth the last two years. Americans take their holidays in a concentrated two-month summer period. There is also a lot of inbound tourism by air from Germany, Denmark, Sweden and France.

The number of women on international flights has grown steadily since 1986, when it was 25 percent, and has now stabilised at around 40 percent. Women take more private journeys than men. In 2007, 54 percent of leisure travel abroad was undertaken by women. On the business market, the difference was much greater although the number of women travellers is growing slowly but steadily. In 2007, women accounted for 25 percent of business travellers, against 17 percent in 1992.

The number of one-day trips (out and back the same day) is 4 percent and has remained stable since 2005. Such journeys are mainly taken by business travellers and on routes within Scandinavia.

Air passengers paid consistently less for foreign travel in 2007 than in 2005, regardless of whether travelling for business or pleasure.