

Summary:

Growth potential at Bergen, Ålesund and Kristiansand airports

The Civil Aviation Administration (CAA) requires updated forecasts for civil aviation in Norway, both at the national level and for individual airports. The basis for CAA's work is the forecasts derived from the national passenger transport model (NPT), and the more informal estimates from the time series model FØNIX. NPT and FØNIX do, however, pay little consideration to local motive forces. The aim of this project has been to supplement the model-based forecasts by identifying and including local forces in the projections.

The end result of the project is a forecast for the future development of domestic traffic at Bergen, Ålesund and Kristiansand airports in the period 2001-2010. The forecasts are based on the projections in the NPT, which can be considered as reference forecasts. Our aim is to evaluate and possibly correct the NPT forecasts. We do, however, not consider the NPT model as such, but assume that it takes into consideration the essential dynamics of current trends and "normal" motive forces in an acceptable manner, included the general maturation and saturation process, and future price elasticities.

Market development

Norwegian domestic air traffic has been largely characterised by continuous growth and development. This feature also characterises those airports that are the subject of this report. Further, when considering the airports' market structure, the main impression is that these are notably similar. Some more than 60 percent of the passengers travel in connection with work (varying between 60 and 66 percent); 55 percent pay the full fare (variation between 53 and 61 percent), about one third pay for the ticket themselves (variation between 30 and 35 percent), and, with the exception of Kristiansand airport, about 10 percent considered alternative means of transport. Differences are essentially dependent upon travel associated with oil and natural gas operations. This varies considerably, from 21 percent at Bergen airport to only 6 percent at Ålesund airport.

Growth potential 2001-2010

The NPT forecast indicate that Bergen airport will achieve a growth of 4.6 percent during the period 2001-2010, while that of Kristiansand and Ålesund airports will be 4.0 and 3.3 percent respectively. In the case of Bergen no local forces were observed suggesting any particular divergence from the NPT forecast. It should be

noted, however, that there is a growth potential in increased oil and gas activity. Bergen may become a more important region for oil operations, which may provide the basis for increased growth of work-related travel. However, there is no basis for assuming that this will be of exceptional character or extent, and we do not recommend that the NPT forecast be changed.

Concerning Ålesund airport there are indications that work-related journeys are approaching saturation. We do, however, believe that there is a growth potential in the leisure/holiday market. The basis for this potential is increased competition and improved availability of discount fares. As a conclusion we propose that the annual growth rate for Ålesund airport in the NPT forecast, be adjusted upwards from 3.3 to 4.0 percent.

In Kristiansand air travel will enter into considerable competition with the train. The introduction of high-speed trains on the southern Norway line (Sørlandsbanen) will make the train an attractive competitor to the plane. In our view the NPT forecast for Kristiansand airport is too high when the Norwegian State Railways' plans for Sørlandsbanen are taken into consideration. There is little doubt that the reduced travel time resulting from the introduction of the high-speed trains create a large potential for the transfer of traffic from plane to train, and that this trend will conflict with the NPT estimates. With reference to calculations undertaken by Asplan-Viak, the introduction of the high-speed trains on Sørlandsbanen has a potential to capture between 10 and 15 percent of today's traffic over Kristiansand airport. We would recommend, therefore, that the NPT forecast for Kristiansand airport are adjusted downwards by 1 percent for the period 2000-2010, i.e. from 4.0 to 3.0 percent average annual growth.

The Delfi survey

In addition to the individual airport studies, a Delphi-survey was conducted among experts in Norwegian civil aviation. The aim of this survey was to assemble viewpoints from experts on the future development of Norwegian civil aviation. The Delphi-survey is primarily considered as a contribution towards qualifying the NPT forecasts for total domestic transport, and takes only limited consideration of the individual airports.

For the period 2001-2010 the NPT forecasts provide annual growth rates of 4.1 percent for total domestic transport. The expert panel's estimates have an average slightly below this, amounting to 3.5 percent for the period 2000-2005, and 2.8 percent during 2006-2010. However, these estimates vary. Nevertheless, the panel is in agreement that the growth rate will decline relative to that observed throughout the 1990s, and the majority is also of the opinion that growth will be greatest for leisure travel.