Institute of Transport Economics
Norwegian Centre for Transport Research

Summary:

International and domestic air travel in Norway 2013

TØI Report 1335/2014
Author(s): Jon Martin Denstadli, Harald Thune-Larsen and Petter Dybedal
Oslo 2014, 72 pages Norwegian language

In 2013, there were 21.6 million single journeys by air between Norway and international destinations (scheduled and non-scheduled flights combined) and 14.9 million single domestic journeys. This represents an annual growth of 8.0 per cent (international) and 2.5 per cent (domestic) for the period 2011-2013. International traffic growth has primarily been driven by increased holiday and leisure travel by Norwegians. This type of travel accounted for more than half of the increase in international air travel between 2011 and 2013. 66 percent of international travel to/from Norway is now for leisure purposes. In the domestic market, too, leisure travel has grown at a higher rate than business travel in the last two years, and now represents 50 percent of domestic trips.

Domestically, SAS is still the biggest operator, with 46 per cent of the market. For travel between Norway and international destinations however, more passengers chose to fly with Norwegian than with SAS in 2013.

About the survey

In the 2013 Air Travel Survey (RVU 2013), some 140,000 passengers responded to questions about their travel. The survey covers all domestic air travel and all travel between Norway and international destinations, with the exception of traffic to/from Moss Airport Rygge. Moss has international traffic of some 1.85 million passengers that is not included in our data. Domestic traffic to/from Moss is however included, through the data collected at Avinor's airports.

Domestic air traffic

In 2013, Norwegians made an average of 2.7 single domestic air journeys, up from 2.6 trips two years ago. As previously, it is the population of North Norway that travels most by air domestically, the population of Finnmark being the most frequent travelers with an average of 7.6 air journeys in 2013. However, the largest increase is seen for the population in Trøndelag who made 4.4 domestic air journeys in 2013, up from 3.7 in 2011.

SAS is still the largest airline on the domestic network, with a market share of 46 per cent. Norwegian has 37 percent of the market and Widerøe 17 percent. Traffic growth for Widerøe was 6.2 percent per year in the period 2011-2013. Corresponding figures for SAS and Norwegian was 2.1 and 2.8 percent respectively.

Altogether, domestic air travel grew by 2.5 percent per year from 2011 to 2013, which is significantly lower than the 4.1 percent annual growth in the 10 year period 2003-2013.

Travel for private purposes comprises 50 percent of domestic air travel in Norway and 50 percent is business traffic. In the period 2003-2013 business travel grew at a rate of 3.2 percent per year and leisure travel 4.3 percent.

There is now direct competition on most of the major domestic routes. From Oslo Airport Gardermoen (OSL), the only routes that do not have competition between the airlines are those to Kristiansund (operated by SAS) and Bardufoss (operated by Norwegian). On 10 of the 13 main routes from OSL with competition, SAS is the largest airline. The three routes with higher market shares for Norwegian are Oslo-Molde, Oslo-Harstad/Narvik and Oslo-Bergen.

SAS is still the market leader in the business segment. In 2013, 51 percent of all domestic business passengers chose SAS. Norwegian is the largest operator in the leisure segment (44 percent of domestic leisure passengers travel with Norwegian).

Average fare for domestic journeys in 2013 was NOK 2 000,-. Business travelers paid an average fare of NOK 2 272, and leisure travelers paid NOK 1 754 (estimates are based on fares reported by the individual respondents). This gives and estimated increase in fares of 11 percent between 2011 and 2013.

Air traffic between Norway and international destinations

International scheduled air traffic from Avinor's airports grew by as much as 18 percent between 2011 and 2013. This is more than four time the growth in domestic travel. Leisure travel is the main driver of the growth in international traffic. In the period 2003-2013, the number of scheduled air leisure trips increased from 4.3 to 10.5 million. In the last two years, the number of leisure travel is up by 1.8 million. Business travel has grown at a significantly lower rate, up from 3.3 million journeys in 2003 to 5.4 million journeys in 2013. Leisure travel constitutes 66 percent of international scheduled air travel, compared to 55 percent in 2003. The growth in international traffic is being particularly driven by Norwegian leisure travelers, who accounted for more than half of the traffic growth in 2003-2013.

Norwegian is the largest operator with a market share of 33 percent in 2013. SAS had 30 percent of the market. Low cost airline Wizz Air opened routes from Norway in 2009, and has now a market share of three percent (400 000 PAX).

14 percent of international traffic is to intercontinental destinations. North-America is still the most popular destination, although Asia is experiencing the largest growth. As previously, New York is the single most popular intercontinental destination. Seven of the top 15 intercontinental destinations are in North America.

35 percent of the total number of tourist arrivals into Norway are done by air, and air travel has represented 63 percent of the growth in incoming tourism since 1998. The UK and Germany are the biggest markets for incoming air tourism.

Fares to/from international destinations have generally been falling since 2003, especially in the business market. The difference between fares paid by business and leisure travelers on the same routes is declining, and the price ratio leisure/business is reduced by 20-40 percentage points during the last 10 years. On average, business travelers to European destinations paid NOK 3 850 in 2013 and leisure travelers NOK 2 400.