

# Flight prices decline as local airlines competition takes off

Travelstart, the online booking portal, reports that flight prices have decreased by as much as 39% on some domestic routes since last year.



Image: [www.travelstart.co.za](http://www.travelstart.co.za)

The online booking company compared January and February 2015 flight prices against the same period last year and found that 14 local routes to be cheaper than what they were in 2014. Of the 18 routes analysed, only 4 are more expensive than what they were at the same time last year.

## Routes which are cheaper now than what they were last year

Route	Average Fare Price 2014	Average Fare Price 2015	Percentage Decrease
Cape Town - George	R2089	R1278	-39%
Cape Town - Port Elizabeth	R2522	R1562	-38%
George - Cape Town	R1805	R1135	-37%
Port Elizabeth - Cape Town	R2296	R1547	-33%
Johannesburg (O.R. Tambo Airport) - Port Elizabeth	R2372	R1713	-28%
Port Elizabeth - Johannesburg (O.R. Tambo Airport)	R2185	R1576	-28%
Johannesburg (O.R. Tambo Airport) - Cape Town	R2535	R2083	-18%
Cape Town - Johannesburg (O.R. Tambo Airport)	R2228	R1863	-16%
Johannesburg (O.R. Tambo Airport) - George	R2213	R1927	-13%
George - Johannesburg (O.R. Tambo Airport)	R1745	R1561	-11%
Durban - Cape Town	R2182	R2057	-6%
Johannesburg (O.R. Tambo Airport) - Durban	R1724	R1675	-3%
Cape Town - Durban	R2041	R2010	-2%
Durban - Johannesburg (O.R. Tambo)	R1497	R1488	-1%

Travelstart attributes the decrease in domestic fares to the entry of [FlySafair](http://www.flysafair.co.za) who commenced operations in October 2014.

"We've noticed a trend where airfares on previously monopolized routes have come down significantly since last year", said Russell Jarvis from Travelstart. "It's interesting to note that most of the routes where there was a marked decrease in prices are all routes where FlySafair now have a presence".

Of the 18 routes analysed, the top 10 which have significantly reduced in price since 2014 are routes operated by newcomer, FlySafair.

The information shows consumers paid 39% less for a flight from Cape Town to George in January/February 2015, while the popular commuter route from Johannesburg to Cape Town was on average 16% less than what it was at the same time last year.

FlySafair, the carrier touted as South Africa's "true low-cost airline", initially struggled getting off the ground being met with restraint from competitors such as Comair (BA/Kulula). The High Court in Pretoria ruled in favour of the rival airlines, granting an interim interdict against FlySafair which delayed the airlines' entry into the market by a year.

While the marked decrease in flight prices is welcomed, Travelstart says consumers should be wary of hastily accepting current prices as a sign of things to come. "FlySafair's low prices are typical of a launch strategy whereby an airline decreases prices on the routes they operate in order to gain some market share from competitors".

## Routes which are more expensive now than what they were last year

Route	Average Fare Price 2014	Average Fare Price 2015	Percentage Decrease
Bloemfontein - Johannesburg (O.R. Tambo Airport)	R2384	R2560	+7%
East London - Johannesburg (O.R. Tambo Airport)	R1782	R1851	+4%
Johannesburg (O.R. Tambo Airport) - Bloemfontein	R2740	R2813	+3%
Johannesburg (O.R. Tambo Airport) - East London	R2185	R2225	+2%

While the competition FlySafair has created in a market which was up until recently dominated by only two major players and their subsidiaries is welcomed, consumers should consider FlySafair's extra baggage fees which did not form part of the information released by Travelstart.

While charging an additional amount for luggage is consistent with the true low-cost carrier business model, these extra charges were not factored into the flight prices displayed above.

Independently owned low-cost carrier Skywise, which finally took to South African skies on 5 March after suffering numerous licensing issues, joins the now healthily competed and high traffic route between Johannesburg and Cape Town with their twice daily flights.

"We eagerly anticipate the impact of Skywise's entry into the market, and hope to see prices move even further in the favour of consumers as the six major domestic airlines in South Africa try to remain competitive", said Jarvis.

## More people flying

Travelstart's information indicates demand for domestic air travel has increased since last year with bookings on the popular commuter route between Johannesburg and Cape Town increasing by 38%.

13 of the cross-section of domestic flight routes analysed have increased in demand indicated by bookings made on the Travelstart website.

"The demand on popular routes such as Johannesburg - Cape Town again indicates consumers shouldn't hastily accept

the current lower prices we are enjoying as being set in stone".

Demand for the route between George and Cape Town, one which FlySafair operates, has increased by 120% since 2014.

Route	Percentage Increase In Bookings
GRJ - CPT	+132%
CPT - GRJ	+120%
PLZ - CPT	+86%
CPT - PLZ	+60%
JNB - GRJ	+40%
JNB - CPT	+38%
CPT - DUR	+34%
CPT - JNB	+34%
PLZ - JNB	+22%
JNB - PLZ	+21%
DUR - CPT	+16%
GRJ - JNB	+16%
JNB - ELS	+1%

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