

## Traffic forecasts

Traffic forecasts are the primary driver of an airport's business plan and a fundamental element of long term revenue, resource and capacity planning. Through the use of a number of well calibrated and continually refined models, a wealth of industry knowledge, and a highly experienced team, AviaSolutions has the ability to develop reliable and accurate passenger forecasts that will drive your business.

## Short Term forecasts for individual route decisions

AviaSolutions is able undertake short term forecasts that can look from current demand to around 1 – 2 years ahead. This enables the identification and prioritisation of target markets and potential operator types and provides analysis and route traffic forecasts to support engagement with airlines.

## Long term forecasts for airport master plans and due diligence

We can also undertake long term forecasts looking up to 30 years ahead. These are key to developing business plans for existing businesses or for underpinning the business case of a potential airport investment. As part of this process we can also determine traffic by route, equipment type, time of day, traffic mix etc.

## Detailed analysis of each market sector

A detailed market assessment underpins our traffic forecasts. We employ a number of techniques to assist in 'building the picture' of the market including:

- Catchment analysis including socio-economic profiling.
- Historical market analysis utilising market demand data derived from actual passenger statistics, survey data, tourism statistics, Origin and Destination data and schedules data.
- Airport infrastructure constraints and aeronautical charges.
- Examination of external economic and regulatory factors.
- Airline perceptions of the marketplace.

## Passengers, cargo, air transport movements and busy hour rates

A number of analytical techniques are used to produce robust and realistic forecasts. We have developed a toolbox of forecasting techniques utilised depending on the nature of the forecast required including:

- Traffic Allocation model.
- Gravity modelling.
- Econometric modelling including elasticity of demand and economic growth.
- Time series.
- Peer benchmarking.
- Network gap analysis.
- Peak period and design day modelling.
- Sensitivity analysis.



AviaSolutions supports a number UK regional airports in the development of short term route specific forecasts. Over the last 5 years, short term forecasts have been developed for a number of routes which:

- Facilitate engagement with airlines to discuss the opportunities of prospective routes out of the airport leading to negotiations on future investment.
- Enable assessment of the potential traffic demand in terms of catchment, market size, and passenger journey purpose.
- Inform the route assessment framework to determine the high level economic and social benefits on a route by route basis.
- Support negotiation with airlines and airports on the nature of any investment.

A German airport appointed AviaSolutions as an independent traffic advisor to provide comprehensive long term traffic forecasts as part of the implementation of a new International Airport Project. This involved:

- Thorough independent analysis of the market, including an assessment of traffic growth trends, key market risks, opportunities, economic conditions, catchment demographics, exposure to possible airline failures, competition issues and pricing implications.
- Detailed traffic forecasts over a 30 year period based on a systematic approach linking socio-economic, technical and other assumptions to short and long-term traffic projections including scenario analyses based on a variety of sensitivities.
- Revenue forecasts and advice to the management on aeronautical charges assumed in the business plan.
- Development of air transport movement forecasts and design day schedule.

