

July 21, 2014

## Airlines raked in \$31.5 billion in fees in 2013

Charging extra fees for checked bags, roomier seats, etc., has spread to nearly every airline worldwide

## This article is based upon a report issued by IdeaWorksCompany.

The latest study on passenger fees collected by the world's airlines reached a predictable conclusion: Airlines are pocketing more than ever.

The annual tally by IdeaWorksCompany, a Wisconsin-based consultant to the airline industry, found that 59 airlines collected \$31.5 billion in fees in 2013, compared with \$27.1 billion for 53 airlines in 2012.

More surprising, the study said the practice of charging extra fees to check bags, upgrade to roomier seats and collect loyalty reward points, among other charges, has spread to nearly every carrier in the world.

One of the last holdouts, British Airways, began last year to charge a checked-bag fee for short-haul flights from Gatwick Airport. The fee generated \$77 million in 2013, the study said.

But passenger frustration with fees may have finally forced some airlines to pull back on some charges.

One of the innovators of passenger fees, low-cost RyanAir from Ireland, recently lowered some charges and allowed passengers to bring a small second carry-on bag into the plane at no charge to improve its penny-pinching image.

"They have had a change of heart," said Jay Sorensen, president of IdeaWorksCompany. "They realized they can make as much money without being annoying."