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Airlines made US\$33 billion from baggage fees worldwide last year, and they could make even more this year

This article is based upon a report issued by IdeaWorksCompany.

- Last year's estimate is up almost 15 per cent from 2022, and it's the first time it's crossed US\$30 billion since before the pandemic
- Carriers could be set to make even more this year, as several US airlines have upped their checked bag fees

Baggage fees alone were worth an estimated US\$33.3 billion to airlines last year.

That's according to a report from IdeaWorksCompany, a consultancy for airline ancillary revenues, and car rental firm CarTrawler.

IdeaWorks' report analyses revenue disclosures from around 120 major airlines around the world, before collating a global estimate.

The fees are mostly for checking baggage, as well as added costs for heavy bags and larger carry-ons.

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Back in 2019, baggage fee revenue was worth 3.7 per cent of airlines' revenue, whereas last year it was estimated at 4.1 per cent.

Total ancillary revenue – meaning the money airlines make from add-ons like choosing a seat or buying food – was estimated at US\$117.9 billion globally.

However, carriers could be set to make even more this year. Several US airlines have upped their checked bag fees in the past few months.

American Airlines announced last Tuesday its first increase since 2018. Passengers now have to pay at least US\$35 to check their bags on a domestic flight. That's US\$5 more than before.

The fee rises to US\$40 if you pay in person rather than online, and to US\$45 for a second bag.

United Airlines followed suit last Friday with a US\$5 increase for economy passengers on domestic flights.

Alaska Airlines also upped fees by US\$5 for passengers who booked after January 2.

But JetBlue had the highest increase, upping its fees by US\$10 for those who check their bags within 24 hours of departures.