

1. What is a "Global" Carrier?

Before one can discuss globalization of the airline industry, the concept of a global carrier must be defined. Some carriers provide services on many continents, and might even completely circumnavigate the globe. Most of these are *international carriers*. They carry passengers between countries, but most of their customers originate from the carrier's home base. Some carriers, Pan Am for example, may have fifth freedom rights allowing them to transport passengers between "foreign" countries. But again, if the passengers they carry are largely from the home country, perhaps they should not be considered global carriers. In this paper, the term international carrier will be used.

A few carriers go a step beyond in that they may primarily transport patrons from countries other than their home base. These are the *sixth freedom carriers*. They fly passengers from one "foreign" country to another, but via their home base. The Netherlands's KLM is a good example. Its' home population is small, but by developing sixth freedom routes, it has been able to build a formidable traffic base. An example from the Asia Pacific region is Singapore Airlines.

The operation of a sixth freedom carrier is hub and spoke. However, the operation is of a single hub. Single hubs have a good ability to provide feed traffic into the system from medium and sometimes small communities which are short air distances from the hub. However, the further one gets from the hub, the more likely it is that the carrier is transporting O-D passengers only:⁹⁸ they do not have the ability to collect

⁹⁸ O-D stands for origin-destination. O-D traffic differs from "connecting" traffic which travels through a station/airport, but originates/destines elsewhere. A Toronto resident travelling to London England would be a Toronto O-D passenger. A Timmins resident travelling to London via Toronto is not a Toronto O-D passenger.