

- *Access to Public Infrastructure:* Incumbent carriers may have advantages in that they have access to airport facilities (ticketing counters, gates, office space) and to takeoff and landing "slots," while potential competitors are not able to obtain such access.
- *Economies of Traffic Density:* The more traffic which can be carried in a given market, the lower per passenger costs tend to be. Carriers seem to need to achieve at least the traffic densities (traffic or flights per city served) of Air Canada and Canadian Airlines International Limited, in order to compete internationally.
- Just as mergers resulted in the formation of large air carriers from small carriers in both Canada and the United States, forces are at work which could result in some form of union between carriers of different countries. This phenomena is referred to as *globalization*.
- The airline industry has a strong seasonality characteristic with peak month air traffic roughly double that of the trough month.
- The airline industry is procyclical, meaning that its traffic varies with a greater swing than that of the economy as a whole.
- Airlines have high operating leverage, meaning that small traffic increases can result in a large increase in profits, and traffic decreases can result in large losses.