

*U.S. airline fares surge 18.6% in
April as travel demand picks up*



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New York, May 12 (RHC)-- After two years of pandemic-related travel restrictions, a wave of re-openings has spurred a surge in demand for plane travel. But consumers rushing to plan their summer vacations

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Airline fares soared 18.6% in April, according to the Bureau of Labor Statistics' latest read on the Consumer Price Index (CPI) out Wednesday.

The jump marks the largest increase since the inception of the series as a component of the public transportation index in December 1963 and further builds on March's 10.7% monthly rise in airfares. On an annual basis, airline fares logged a 33.3% increase from the same time last year, the largest 12-month rise since the period ending December 1980.

Higher prices for air travel come amid a surge in fuel prices and pent-up demand for travel as COVID restrictions ease, also standing high amid broader inflationary pressures that have hit consumers at the grocery store, gas station, and housing market.

"The unleash of pent-up demand has been a major driving factor, as the desire for air travel is coming back more aggressively than anticipated," Vivek Pandya, lead analyst at Adobe Digital Insights, said in a note.

Prices for air travel were among the largest contributors to core CPI, which excludes energy and the similarly volatile food category. While headline consumer prices cooled to 0.3% on a monthly basis from 1.2% in March, core prices rose more than expected at 0.6%, compared to the 0.4% consensus economist estimates had projected.

"One of the main drivers of the upside surprise was a record 18.6% increase in airline fares, which added 13 basis points to core CPI alone and reflected a boost from reopening pressures," economists at Bank of America said in a note Wednesday.

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