BOOK REVIEW

Foundations of Airline Finance: Methodology and Practice

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Foundations of Airline Finance: Methodology and Practice
Bijan Vasigh, Ken Fleming, and Liam Mackay
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With deregulation of aviation industry movement and separating regulator from operator, a need has risen to treat airlines, airports, and air traffic controls as non-governmental entities that must operate in new standards and according to new measures. Governments as well as private sector had to learn new language. The new language is the market language using numbers, facts, financial indicators that are foreign to the aviation industry. Indicators like NPV, VC, MC, and FC are unknown to aviation industry. On the other hand, long gone is the day when airlines can write off their debt as governmental loss. With open market and new competitors airline must learn how to count before spend. The lessons first were learned in USA since it was the first to privatize, then Europe, now the rest of the world. Alas, no one was prepared for the new language: finance, accounting, etc. Although, finance and accounting did exist long before airlines, still, airlines have so many special properties that make applying the same methods of accounting and finance very difficult. From the womb of aviation industry came three authors, and wrote a textbook that will elevate the pains of airlines & regulators, so they can both speak the language of finance and accounting. The textbook is “Foundations of Airline Finance: Methodology and Practice”.

The authors of the book come from the womb of the aviation industry Dr. Bijan Vasigh is Professor of Economics and Finance in the College of Business at Embry-Riddle Aeronautical University and Managing Director of the Aviation Consulting Group, LLC. He worked on a NASA Research Grant for “Determination of Statewide Economic Benefits of the Small Aircraft Transportation System (SATS).” He is also a member of the Air Transport Research Society (ATRS) Global Airport Benchmarking Task Force. Dr. Ken Fleming has extensive experience in aviation economics and operations research. He is a published and recognized expert in Aviation Economics

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