

## Travelers fear high airfare following Trump's tariff hike

- A Monitor Report

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New York : Travelers are fearing to have more bad news in the coming days, after President Donald Trump decided to increase reciprocal import tariff, as passengers could be hit with more expensive airfare.

As per reports, analysts are warning travelers to be prepared for sky high airfare, following Trump's tariff hike. The new tariffs were initially supposed to come into effect on April 9, however, were paused for 90 days.

Experts believe the added cost of imports could hit the wallets of consumers. According to a report, the resulting hit to purchasing power could take real disposable personal income growth in 2Q-3Q into negative territory, and with it the risk that real consumer spending could also contract in those quarters.

The US stock market was mixed, as the stocks saw a dip earlier-hitting airlines hard. Both Delta Air Lines and United Airlines have seen their share prices fall by more than a third since the beginning of the year. Meanwhile, American Airlines is down by a staggering 44 percent.

Airline tickets have seen their prices lowered in recent months due to less demand, however, according to certain analysts, this is due to change soon. This is because tariffs are expected to be passed down to passengers in extra costs.

In a hearing at the Senate, Boeing CEO Kelly Ortberg revealed that 80 percent of the firm's airplanes are sold to customers outside of the US. He claimed, "Free trade is very important to us."

As per reports, investors concerned that the new import tariffs might be devastating to US aerospace firms may overestimate the risk.

Analysts claimed, as per reports, "Ultimately we see these cost increases being passed on to airlines, and the flying public, which logically will have a negative impact on passenger demand and airline profits."