

Figure 1: A flow chart of the welfare effects of open-skies agreements

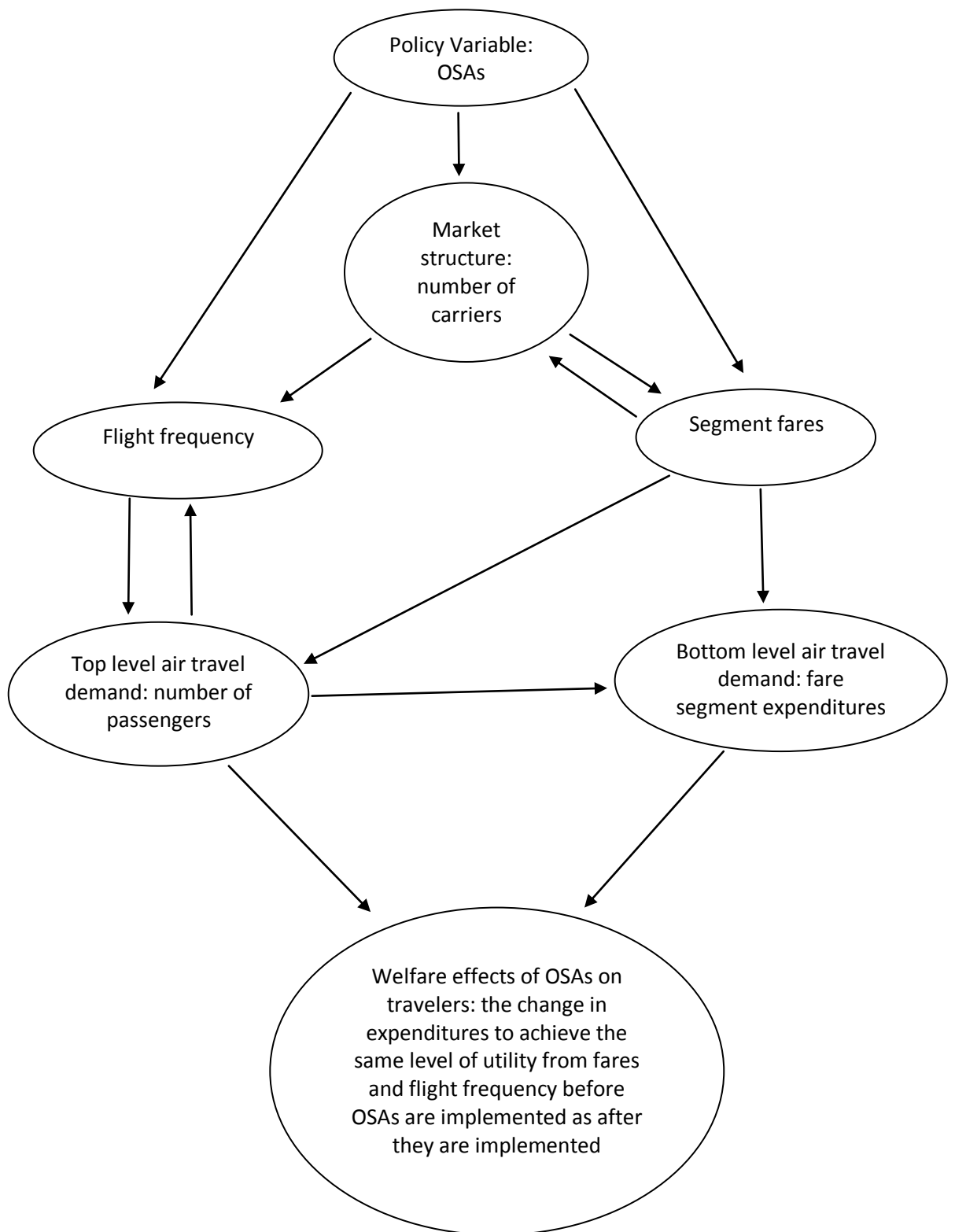
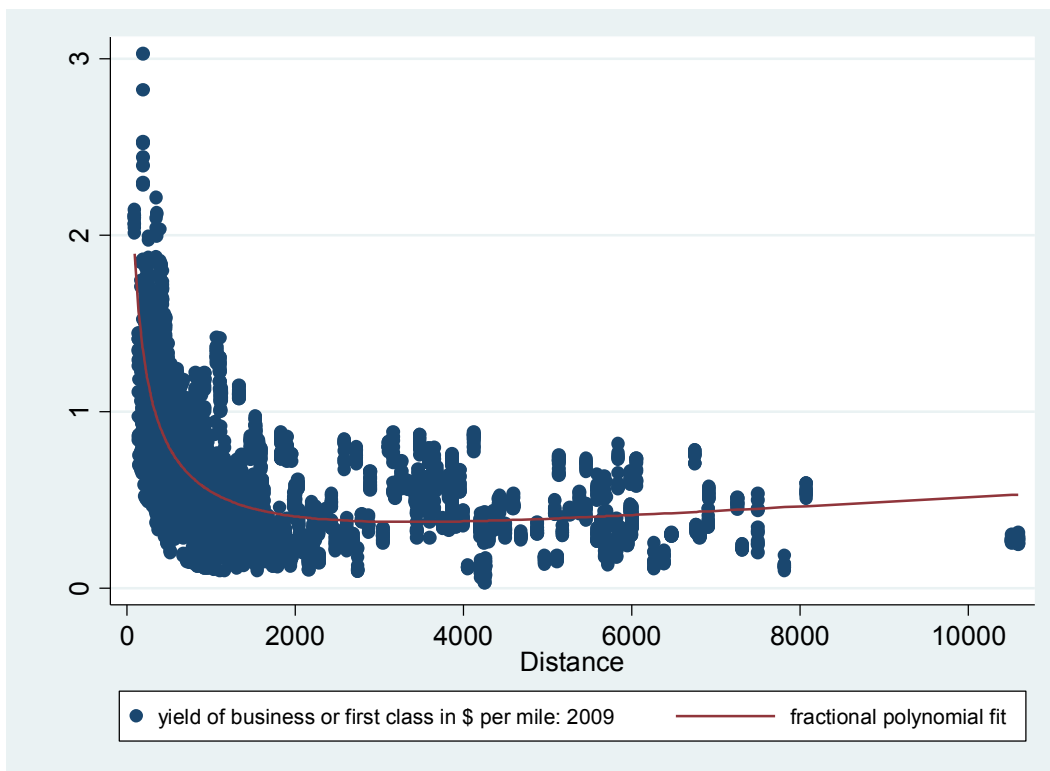
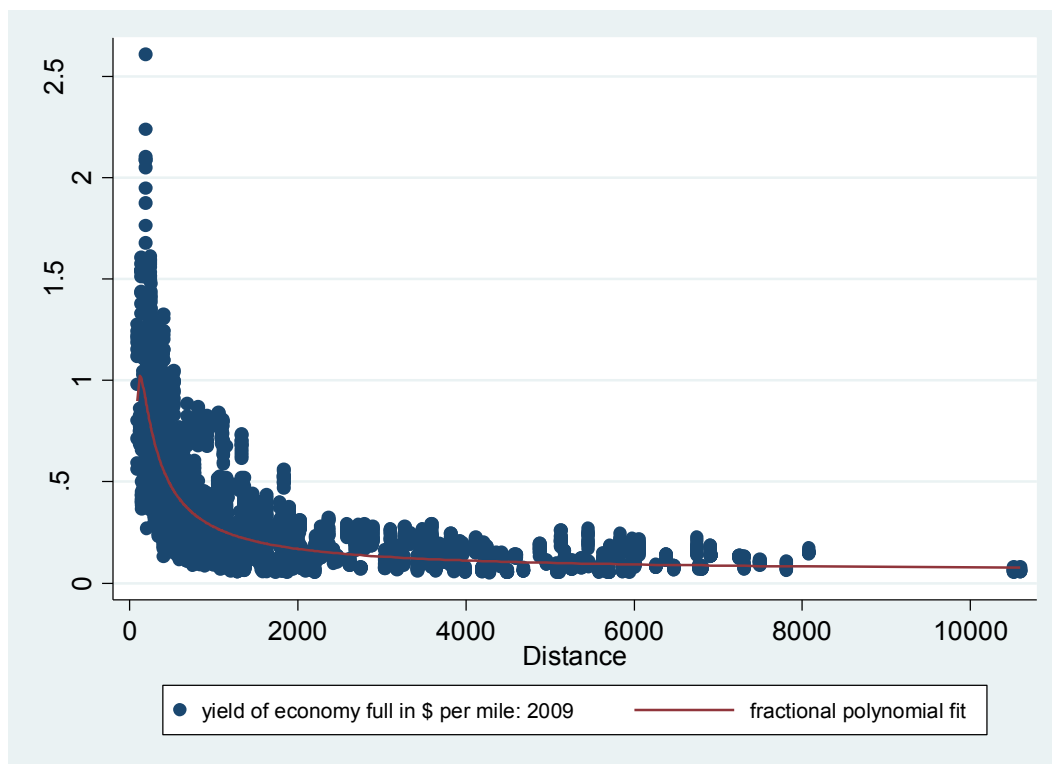


Figure 2a: The relationship between yield and distance for first and business class in 2009



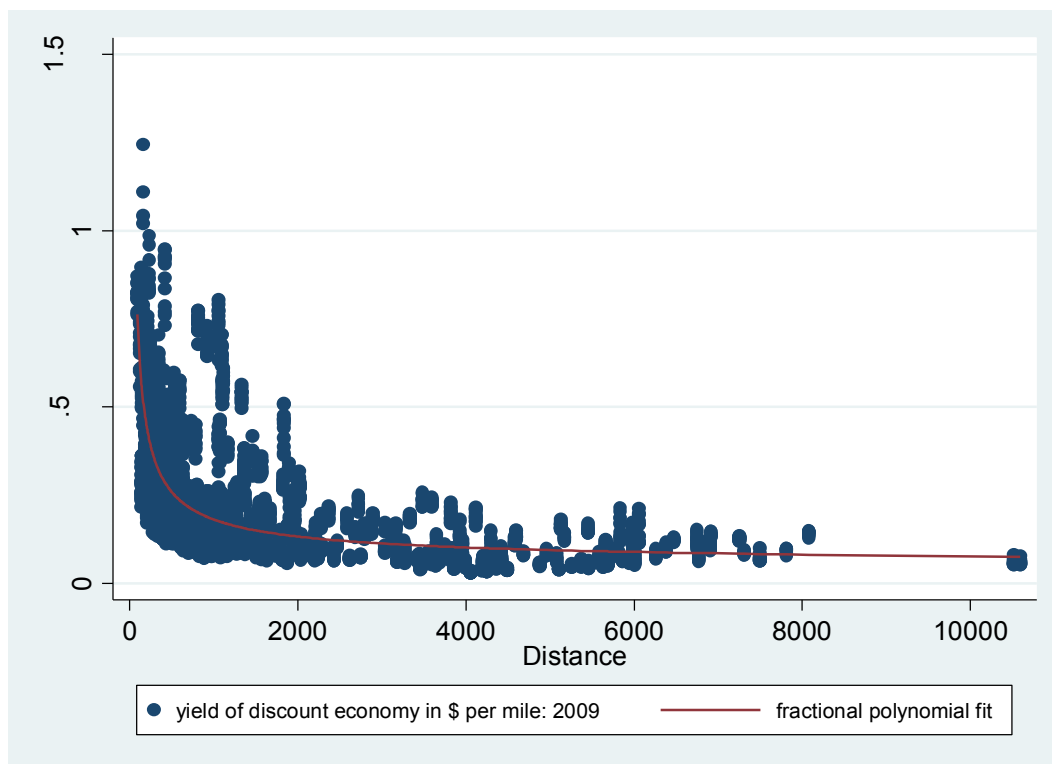
Note: The plots for other years in the sample have a similar pattern. The means of the yields in nominal \$US are: 0.58 in 2005, 0.60 in 2006, 0.64 in 2007, 0.67 in 2008, and 0.61 in 2009.

Figure 2b: The relationship between yield and distance for full economy in 2009



Note: The plots for other years in the sample have a similar pattern. The means of the yields in nominal \$US are: 0.34 in 2005, 0.34 in 2006, 0.36 in 2007, 0.37 in 2008, and 0.32 in 2009.

Figure 2c: The relationship between yield and distance for discount economy in 2009



Note: The plots for other years in the sample have a similar pattern. The means of the yields in nominal \$US are: 0.24 in 2005, 0.22 in 2006, 0.23 in 2007, 0.24 in 2008, and 0.21 in 2009.