

NEWSLETTER EAP OCTOBER 2001

AIRPORT BASEL (SWITZERLAND)-MULHOUSE (FRANCE)-FREIBURG (GERMANY)

edited by airtraffic promotion group – a non-profit organization supported by aviation professionals

LATEST NEWS

SOURCES CLOSE TO THE BERLIN AND DÜSSELDORF AIRPORTS are being quoted by the Swiss periodical Jetstream which suggest a further expansion of the Lufthansa network at the EuroAirport. Two daily flights from the two cities may be introduced as early as Spring 2002. It is understood that Lufthansa CityLine would dispatch Canadair Regional Jets on both routes.

TACV CABO VERDE AIRLINES HAS STARTED THE WEEKLY SERVICE BETWEEN SAL AND THE EAP. In a news briefing loadfactors were reported good for the coming holiday season. On December 13 and 20 two turn-around flights are being scheduled with full loads. The regular schedule is SAL-AMS-EAP-SAL.

DHL WILL OFFICIALLY WELCOME THE BOEING B-757-200SF AT THE EAP ON NOVEMBER 25. Scheduled time of arrival is 19.30 hours. The aircraft has been commercially deployed to the EAP on various occasions. Originally it was planned to have the B-757-operation implemented by October 4. The shortage of available aircraft is being stated to have caused this operational delay.

AN ADDITIONAL STOP FOR THE EXPRESS SHUTTLE TO THE AIRPORT HAS BEEN INTRODUCED in order to offer more opportunities for boarding to passengers choosing the airways.

BROKER U.S. AIR SERVICE IS STILL MOVING AHEAD WITH PLANS FOR SERVICES EX EAP to destinations in Australia, Cuba, Thailand. Traffic rights are sought on the 5th and 7th freedom which have to be approved by the Swiss Aviation Authorities. Aircraft equipment is likely to be Boeing B-767-300 which would be operated under the airline operating certificate of Uzbekistan Airways. Flight operations are set for December 21. It is understood that 5th & 7th freedom traffic rights can be challenged by Swiss tour operator/airline groups. Cuba may be a subject for such intervention while Australia could sail unchallenged. The broker firm is headquartered in Miami, Florida with branch offices at the EAP and Munich. How the air services are being marketed will be a matter of further research.

AFRICAN SAFARI IS DEFINITELY MULLING AIRBUS 310-300 OPERATIONS. It is reported that ASA will wetlease an Airbus 310-300 from Hapag Lloyd within the next three weeks for an unspecified period of time. This may correspond with earlier news suggesting the sale of the lone DC-10-30 (5Y-MBA) and its replacement by Airbus equipment. The head of fleet planning with Hapag Lloyd is confirming the option of selling and/or wetleasing all its Airbus 310-200/300 versions in a possible revamp of the present long and medium-range fleet of aircraft.

STUDENTS OF THE EUROPEAN UNIVERSITY WITH A CAMPUS AT THE EAP have submitted a pr-concept which supports an improved general approach to the public by the airport. The paper was central for their degree in MBA (master of business administration). The students' initiative was supported by Crossair which also went out to convince the airport administration of the necessity of such a concept tool.

STATISTICS 2001 : OCTOBER 2001 REPORT need all details, please, let us know !

<u>Passengers</u>			<u>Airfreight</u>		<u>October</u>	<u>10 months</u>	
Scheduled	244'991	- 13%	Scheduled	1'965	-62%	40'986	- 6%
Charter	58'853	- 24%	Charter	73	-87%	1'472	- 42%
Total	304'246	- 15%	Express	2'008	+7%	18'597	+ 7%
EuroCross (January-October)	601'217	- 2%	Total flown	4'046	-47%	61'055	- 4%
Total (January-October)	3'128'967	-4%	Total volume	7'946	-35%	99'791	- 2%

Comments : The October statistics are reflecting the events around the fallen icon of Swissair as a national symbol and as a proof of Swiss efficiency. Making matters worse, Crossair suffered a blow in confidence in its services as uncertainties began to hurt the retail system. Credit card contracts were temporarily lost. The airline management partnership passenger sales contracts also started to crumble, leaving about 40% of sales coverage unattended for some time. Additionally, the wildcat strike by local French atc has struck the statistics by 3%.

In airfreight, Swisscargo's demise produced shrinking volumes of minus 47% in flown airfreight (-MH B-747F, GCO DC-10F). Successors to Swisscargo are not (yet) in sight. So, further decline is to be expected.

CARGO NEWS

IG CARGO IS A NEW GROUP LOBBYING FOR BETTER CONDITIONS FOR THE AIRFREIGHT INDUSTRY at the EAP. The group has been formed two weeks ago as many issues are pressing (value-added tax returns, the taxation problems, security and safety issues and the failing infrastructure which is 30 years of age with only minor improvements as of yet). Airlines (KE, LX), integrators (DHL), and forwarders (Danzas/AEI, Panalpina, GIN Transport etc.) are the driving forces among others.

The formation of the IG CARGO must also be seen in the context of new airfreight opportunities at the three major Swiss airports at Basel, Geneva, and Zürich after the demise of Swissair/Swisscargo. Freighter services may be reinstalled (but where ?) as the new Swiss carrier (Crossair plus) is eager to pick up cargo shares. All three airports scramble for aircargo volumes. Better handling and more capacity can be expected at all three airports as Zürich's forced departure from the original top player gamble is evident.

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The Newsletter team is trying to go into details in terms of what might be at stake for both IG CARGO and the EAP. **Airfreight via the EAP has never experienced full strategic backing by any player.** There were rare occasions of airfreight-minded initiatives in the past. Danzas/AEI and Panalpina handle only small numbers at the EAP.

The actors in the cargo theater (airport, brokers, shippers, forwarders, airlines, handling agents) have to wrestle with burning issues (infrastructure and fiscalities) as well as with scenarios which promise better returns in the future.

Priority may go into **the expresscargo industry** only. Presently this strategy is being confronted with a shortage of funds in the airport's coffers to develop the site earmarked for this industry (zone 4 bis).

If this development ever gets a start, this would leave **general cargo** in the cold or in limbo at the least. They may be left with outdated and congested handling space.

The airport is considering general cargo as a volatile market. To some extent this may be true. By airline standards, however, Swisscargo's policies as broker and Swissair's cargo branch created more volatility than general cargo would suggest otherwise. This became clear when it started to shift around freighter operations between Basel, Geneva and Zürich, leaving everyone in doubt about the company's reliability.

The forwarding industry at the EAP must therefore decide what they wish to see in terms of **airline services and which level of commitment** this would require **from the forwarder guild.** Furthermore, this would **call for a masterplan** which clearly communicates the type of infrastructure required from the EAP or a private operator.

+ Questions : Should the **EAP be a platform to serve the local (Swiss) export markets only ?** or Should there also be **import activity into Switzerland and the neighboring markets ?** or Should the **EAP be a hub for special** (perishables, time-sensitive) **cargo** or **outsized goods** airfreighted by integrators and special freighters ? or Should the **EAP be an alternative to congested cargo hubs in Western Europe** (Southern Hub) ?

If such scenarios are to be contemplated, IG CARGO has to define the markets and the future weight it wants to apply. The Basel area is enjoying favourable benchmarkings such as central location, strong exports, a cluster of headquarters of the world's top forwarders (Danzas/AEI & Panalpina), and a positive ratio between costs and services rendered.

Still to agree on, **the IG CARGO and the forwarders involved have to go for a common agenda** (based on the least or the best common denominator).

Finally, **the IG CARGO may have to invest in manpower and funds** if a viable cargo platform is to succeed. The airport is clearly understaffed in view of the request for new opportunities expressed by the cargo industry.

Final question : How is the **investors' climate at the EAP** these days. Presently, mixed signals are on the receiver.

NEWS FOR AIR TRAVELERS

THE AIRPORT HOTEL SITUATION IS SET FOR IMPROVEMENT. The project to build an airport hotel got cleared when a grand casino concession was granted by the Swiss Government located next to the planned hotel complex. The hotel operator is going to be Crown Plaza as a company of Six Continents Holding. Services rendered will be of 4-star quality with 117 standard rooms, 117 business class and 20 premier class suites. Both the hotel and the grand casino will be ready for service in Spring 2003.

ENVIRONMENTAL CONCERNS

AIRPORTS HAVE TO LIVE WITH CRITICS opposing their daily operations. Off course, both sides are expecting qualified statements whenever conflicting interests arise. It is the job of airports to provide a platform for airtraffic. Likewise, it is a legitimate cause to call for restraining policies on behalf of all neighbors.

At the EuroAirport, the environmental lobbies seem to voice expectations which are clearly counter-productive to any constructive dialogue between the industry and their cause seeking feasible formulas which may lead to workable solutions for both sides. The environmentalists' fierce call for an end to any freighter operation (general cargo & expresscargo), to any longrange charter and scheduled passenger services, and a strict nightban for all flights between 22.00 and 07.00 hours is clearly signalling their lack of acquaintance with commercial aviation and its tight economic regime in order to make it. Some (political) representatives show little hesitation asking for favours when opportunities strike (free parking, discounted airfares, employment positions for families and friends). These manoeuvres have not been challenged in the public, nor has their lobbying found the kind of criticism it deserves.

NEWS ON CONSTRUCTION

JET AVIATION IS BUILDING A NEW OFFICE COMPLEX. The site will be home to departments like finance, human resources, logistics, and customer support. About 170 people are going to be moved to this facility which will be ready in early 2003. Construction costs are at 13 mio. Swiss francs.

The airport is holding another area of about 250'000 sqm. for commercial activities like maintenance, repair and overhaul on aircraft. Crossair and Jet Aviation have setup their maintenance operations to the South of the airport. The new area would require all the basics for a safe performance like road access, energy supply (water, electricity, heating), drainage capacity for contaminated substances etc. At this time available funds (70 mio. Swiss francs) are being channelled to the southern extension of the passenger terminal area.

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