

Newsletter EAP – March 2002

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

Air Traffic Promotion Group Basel – A non-profit organization powered by aviation professionals !



NEWS



TOPICS

HIGHLIGHTS

- Charter Flights - Update
Scheduled Flights - Update
Financial news – News from Embraer
Traffic Report February 2002
- "No-frills" taking off at the EAP ?
SWISS headquarters – the figures

FINANCIAL REPORTS - Basel reported a small surplus of 2.5 mio. Euro in fiscal year 2001. Swissair shares worth 23 mio. Euro had to be written-off as bad investment. 55 mio. Euro in profit was budgeted in fiscal 2001.

NEWS FROM EMBRAER - Embraer 145 HB-JAU and JAV are now carrying SWISS livery. ERJ-170s are able to take off from short runways at BRN, LCY and LUG, also from RWY 26 (1'820 m) at the EAP.

CHARTER FLIGHTS - UPDATE

ASA HAS RECEIVED ITS OWN AIRBUS A-310-300 IN FINAL LIVERY (zebra tail) on Sunday March 10. The aircraft still carried German registration D-AHLC. Eventually, the final Kenyan registration will be 5Y-VIP.

SCHEMULATED FLIGHTS – UPDATES

SAAB 2000 ARE SCHEDULED TO REPLACE BRASILIA's on the daily flights to Clermont-Ferrand (CFE). The services are operated by Air France Régional. The 50-seater Saab 2000 will start flying on April 2, 2002.

HAPAG LLOYD is a longstanding customer at the EAP. Efforts to build a competitive European travel industry in 2000 paved the way for new giants with their own aircraft fleets. **DIFFERENT LOOKS ON HAPAG's AND BRITANNIA's FLEETS** are marking Preussag's approach with Touristik International and Thomson Travel Group under its umbrella. A two-shaded light blue is dominating the 77-strong Boeing fleet of both carriers. It signals a clear departure from the traditional orange (Hapag) and dark blue (Britannia Airways).

Other competitors are Airtours (FTI, Scandinavian Leisure with Airtours International), C & N (Neckermann with Condor), and Thomas Cook with JMC Airlines as a close ally of C & N. All groups have a hold on Continental Europe.

SWISS' HEADQUARTERS – THE FIGURES

The office building of SWISS is close to be fully operational. The former headquarter of 6'400 sqm. of hangar facility and 300 multi-functional offices will be complemented by additional infrastructure ; new offices soon to open, car parking for 1'900 vehicles in Summer 2002, and hangar space of 7'250 sqm. for the entire Embraer fleet in Summer 2003.

Who is going to work there and in which function ? SWISS is maintaining three bases at BSL, GVA and ZRH. Company presence in terms of management functions is being marked at Basel and Zürich. The chart below is indicating the number of business entities based at Basel. They represent about 2'600 jobs within a 9'700 strong SWISS workforce.

Working areas

CEO & Staff Functions	60
Corporate Services	310
Corporate Communications	30
Finances	240
Strategy & Network	110
Product & Services	150
Cargo Operations & Sales	20 (Europe & Africa ex BSL with a personnel of 162 system-wide)
Passenger Sales	70 (at Zürich 280)
Human Resources	35
Flight Operations	80 (ie. Embraer, Avro and Saab Chief Pilots and instructors)
Aircraft Maintenance Embraer/Avro/Saab Basel	500 (700 at large)
CrossCat Training Center Basel	40
Pilot Crews	460 (1'100 at large)
Cabin Crews (F/A)	500

PS : Call centers are located at Basel, Geneva, Lugano and Zürich. Ticket accounting and clearance is now with SWISS' Finances at Basel. German sales and support is based at Freiburg (Germany) with a staff of 32.

FEBRUARY 2002 TRAFFIC REPORT

			Jan thru Feb	October thru January in %
Scheduled passengers	177'306	- 12%	348'773	- 12% (Oct -13%, Nov -12%, Dec -16%, Jan -13%)
Charter passengers	29'472	- 13%	48'123	- 26% (Oct -24%, Nov -35%, Dec -40%, Jan -40%)
EuroCross passengers	37'424	- 13%	74'440	- 11% (Oct -18%, Nov -15%, Dec -14%, Jan -9%)
Total passengers	208'100	- 12%	398'556	- 14% (Oct -15%, Nov -15%, Dec -19%, Jan -17%)
Total movements	6'749	- 10%	13'826	- 12% (Oct -10%, Nov -13%, Dec -15%, Jan -15%)

The decline in overall passenger volumes seems to slow down. Hapag (HLF) resumed its full Winter schedule after a halt of some services to Spain in January. LH and HLF figures show again two-digit growth rates (Feb +24% or 19'006 pax). German passengers are now transferring at the EAP since Munich was again introduced as LH-destination in September 2001. (Sep thru Feb + 5'720 pax).

Charter traffic is still depressed but less so. Players began operations in February (Aeris to La Romana, Dom.Rep) and Turkish charter airlines increased their frequencies to Antalya (OnurAir, Pegasus and Sun Express).



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TOPICS

THE EUROAIRPORT IS "OFF" FOR LOW FARE AIRLINES

The EAP may be by-passed by "no-frill airlines" ! All majors like Buzz, EasyJet and Ryanair are eager to establish on-line stations in France, Germany and Switzerland. But none of them see an urgency to act, nourishing any hopes of services ex EAP. When directly contacted, they are quick to confirm market potentials in the EAP's hinterland which they are ready to tap, of course – to feed their hub airports elsewhere.

Important factors like costs on ground, turnaround time for aircraft and passenger thruput from car parking to boarding may satisfy them at the EAP. Again, none of them have started to offer air services. According to market figures, the EAP is lacking affinity and leisure tariffs at seizable quantities ie. to the London area.

Presently, SWISS is the only airline serving both London Heathrow and the City Airport three times a day. On the Heathrow run the airline is in codeshare with British Airways. The passenger volume generated in 2001 was at 226'000 travellers. It is expected that the number would double if ample availability of „no-frill“ seats were offered. On SWISS about 70% are business travellers.

Yet, the number of business passengers transferring to the cheaper ticket segments is likely to grow with EasyJet's latest move to establish a Zürich hub, encouraged by Unique airport. This may lead to traffic erosions at the EuroAirport with severe consequences on network density to selected destinations in England and on the Continent if unmatched by SWISS or any „no-frill airline“. The alternative to pay less for one hour's flight to London is tempting (CHF 1'500 on business with SWISS and half or less of that on EasyJet).

Indeed, „no-frill airlines“ could stimulate competition which has practically come to a stop on the London route since BA's departure with own services in late 1999. The airport's list of destinations to add competition is ever growing : 1st London, 2nd Paris, 3rd Brussels, 4th Amsterdam...

Most „no-frills“ have set foot in different markets. None of them are up for a head-on confrontation with each other yet. EasyJet has a firm hold on Switzerland and is ready to declare a head-on fight with SWISS at Zürich. Ryanair is operating out of Frankfurt-Hahn airport, also ready to rallye against Lufthansa's dominance in Germany. BUZZ is courting the inner-French market with services connecting many off-road destinations with each other, still leaving Eastern France off-line. EasyJet's ambition to bite into the Paris-Orly market has been grounded for now by French authorities which refused to release slots from Air Lib.

If the EAP may ever be served by a low fare carrier is an open question at this time. High market potentials may not be the decisive argument at all. The EAP market (passengers and airfreight) is a strategic edge in filling passenger and aircargo capacities elsewhere. This situation remains unchallenged up to this day !

DESTINATION STATISTIC TOP 10

Scheduled destinations	2001	2000	1999 (1)
Paris Roissy & Orly	644'800	687'500	690'000
London Heathrow & City	226'000	239'900	245'400
Frankfurt	121'800	101'000	96'000
Palma de Mallorca	78'700	66'400	n/a
Geneva	76'200	72'400	68'500
Berlin Tempelhof	75'400	68'000	50'000
Vienna	70'600	59'300	55'500
Barcelona	69'400	73'700	62'600
Hamburg	65'200	60'600	45'400
Charter destinations	2001	2000	1999 (1)
Palma de Mallorca	80'500	90'700*	n/a
Antalya	74'200	42'700	26'800
Monastir	47'000	44'700	38'400
Heraklion	40'800	34'500	51'000
Mombasa	32'000	26'500	26'800
Djerba	29'300	27'600	28'000
Puerto Plata	28'000	40'000	32'000
Teneriffa	23'600	38'800*	40'600 (2)
Las Palmas	18'500	32'700*	45'400 (2)
Marrakech	19'400	18'300	19'000

(1) based on BFS reports (2) HLF as charter operator (*) HLF switch to scheduled operations in April 2000

NEWS FLASH

KHALIFA AIRWAYS JUST RELEASED ITS SUMMER SCHEDULE 2002. Two weekly flights to Constantine (CZL) will be offered until June 24. From June 25 thru September 15 two new destinations are being added with a total of six services a week : CZL at day 2, 4, 6, ORN at day 3 & 5, and ALG at day 1, operated by A-319.