

Impressum: a private initiative edited by Nicholas Degen and Willfried Schmid, monthly published, worldwide circulation by e-mail, supported by professionals & associated members of the aviation industry. contact : 41 61 302 57 75 or 41 61 263 77 71. (Pictures from Mr. F.J. Hug)

Watch & Jewellery makers had their annual showcase at the **BASELWORLD** (April 3-10).

Weak traffic was expected as bad economic data and Iraq did not suggest big turnouts. Additionally, the Severe Acute Respiratory Syndrome (SARS) took its toll on visiting traders and buyers. Biz jet movements were heavy nevertheless.

The (SWISS) arrival/departure window displayed 71 aircraft (2001: 91 airplanes).

Specific data like the range of aircraft was not on display. Based on other sources (JP's airline fleets) Jet Aviation, NetJet Europe, TAG Aviation and many others operated Bombardier Challenger, Global Express jets, Cessna Citation, Dassault Falcon 20, 50, 2000 and Gruman Gulfstream IV/V.

Bulgari's BASELWORLD show saw daily staff/trader shuttles between Rome, Milan and the EAP by EuroJet Italia either with Citation V, Learjet 31 and Falcon 20 jets. Lufthansa and Transavia Holland operated B-737-500/800. See movements

www.worldairnews.ch

PAX NUMBERS 1st Quarter

Schedule 485'640 - 14%

Charter 97'185 +14%

Total 583'709 - 10%

shares by scheduled carriers

Swiss 239'142 (303'973)

French 163'001 (181'202)

German 68'316 (61'808)

Others 14'567 (14'782)

shares by charter carriers

Swiss 14'151 (14'524)

French 18'668 (5'244)

German 8'234 (6'776)

Others 56'132 (58'838)

aircraft movements

Schedule 16'300 - 10%

Charter 1'107 +13%

Air Taxi 1'036 + 2%

comment: AF pilots went on strike. Passenger drop of -12% can be attributed to a four day walk-out (-8'200 pax). Avione pushes French charter figures.

SCHEDULE UPDATES - AIR FRANCE will commence flights ex Marseille to the EAP starting May 12 with Embraer ERJ-135 (MRS dep. 13.30, EAP arr. 14.40 dep. 15.10, MRS arr. 16.20, day 1 to 5). Services to Bastia are also scheduled (AF 5094/5095 at Day 6).

GERMANIA will launch regular services from Palma to the EAP once a week starting in June with Fokker 100 (fares to Palma are at 77 Euro). www.germaniaairline.de More flights are planned in near future, we will keep you updated.

HAPAGLLOYD EXPRESS wants a third hub near France and Switzerland. Six airports are on the watchlist (Baden-Airport/EAP/Lahr/Strasbourg/Stuttgart/Zürich). Decisions are due in July.

KHALIFA is out of business or even considered bankrupt. The remaining fleet of ATR-42 and 72 has been grounded due to financial shortcomings (insurance coverage, severed credit lines etc.). Algerian politics may have had a heavy hand in this game. Khalifa had a successful start as scheduled carrier. Flights ex EAP reported good loads (in 2002 about 30'000 pax). Smaller scale operations may follow (Antinea charters).

SWISS is putting the blame on SARS, the Iraqi war and weak economies around the globe as the bottom lines for falling passenger demands. Düsseldorf (LX 1002/1003) will be stopped in May (31 flights). Links to Barcelona (LX 1936/1937), London City (LX482/483), Manchester (LX 376/377) and Munich (LX 1121/1125) will be affected in May (BCN 9 flights cancelled, MAN 25 flights cancelled. LCY 29 flights cancelled. MUC 31 flights cancelled).



CHARTER UPDATES

The weekend of **APRIL 11, 12, 13** marked the beginning of the Summer charter season with 50 flights mainly heading to Mediterranean destinations.

Estimated capacity of seats contracted by major tour operators for the Summer season : **Avione** : *Aeris 27'700, Axis 16'800, NordiAirlink 27'400, **FTI** (longhaul ops.) : *LTU 13'700 (FTI medium-range ops. not available), **Starter** : Iberworld 57'600, **TUI** : Hapag Lloyd 60'100, **African SafariClub** : ASA 9'200 (*via Paris (Aeris) and German gateways (LTU)).

EUROJET is a new Alsatian airline registered with the Chamber of Commerce's commercial register at Mulhouse. Initial funding is at 100'000 Euro, soon to be raised. The airline has also placed an application for AOC (Airline Operating Certificate) with the DGAC (Civil Aviation Authority of France). It is understood that EuroJet will operate a fleet of Boeing aircraft (B-737-300) as early as June 2003. Major customers to be are Avione Travel/flieg-ab-basel.de. Meanwhile, Nordic/Airlink and Axis are providing aircraft capacity (MD82, B-737-300) to run the tour operators' Summer program in April and May.

KORRIGENDA – our Summer 2003 charter outlook failed to report data concerning FTI's Medium-range program. FTI is holding major seat allotments on charters to Kos (SWISS Sun), Larnaca (Eurocypria), Antalya (SWISS Sun) and Monastir (Tunis Air) which will feed these charters throughout the season.



2002 AVERAGE YIELD PER PASSENGER AT A GLANCE (in CHF)

	<u>EAP BASEL</u>	<u>BU 2003</u>	<u>GENEVA BU 2003</u>	<u>ZÜRICH BU 2003</u>
Jan.	244	262 (262)	229	230 (230)
Feb.	254	269 (256)	234	243 (215)
Mar.	245	271	237	241
Apr.	249	277	227	218
May	237	274	235	230
June	250	279	232	221
July	207	250	211	221
Aug.	183	228	185	189
Sep.	239	272	231	227
Oct.	241	265	230	234
Nov.	249	286	235	236
Dec.	215	252	201	217

BU 2003 = businessplan for 2003 (businessplan met or missed). Your comments, please

EXPRESSCARGO VOLUMES AT A GLANCE 1992 – 2002

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003*
volume	8'371	8'706	10'207	11'984	13040	15'728	17'201	19'446	20'983	22'168	22'371	5'750
load/mo.	697	725	850	998	1'086	1'310	1'433	1'620	1'620	1'847	1'684	1'910

*January thru March 2003

shares by integrator in tons

DHL	2'366	2'845	4'116	5'148	5'548	6'984	7'421	7'700	7'667	8'150	n/a	n/a
FedEx	n/a	n/a	n/a	975	2'199	2'914	3'210	4'712	3'521	5'527	5'856	1'442*
TNT	n/a	2'357	2'360	2'457	2'649	3'469	4'201	5'136	5'924	4'755	n/a	n/a
UPS	n/a	1'519	1'547	1'443	2'649	2'312	2'284	2'535	3'565	3'700	n/a	n/a

aircraft capacity by integrator : FedEx A-310-2 = 40 to., DHL B-757-2 = 35 to., TNT TU-204 = 35 to., DHL/FedEx B-727-2 = 22 to./B-727-1 = 18 to., TNT BAe-146 = 11 to., L-188 = 10 to., UPS ATR-72 = 8 to., FedEx/UPS F-27 = 5 to 6 to., DHL CV-640 = 6 to.

DHL	CV640	L188	B727-1	B727-2	B727-2	B727-2	B727-2	B727-2	B727-2	B727-2	B727-2	B757	B757
FedEx	F27	F27	F27	B727-1	B727-2	B727-2	B727-2	B727-2	B727-2	B727-2	A310	A310	A310
TNT	BAe146	BAe146	BAe146	BAe146	BAe146	BAe146	BAe146	BAe146	BAe146	BAe146	TU204	TU204	TU204
UPS	F27	F27	F27	F27	F27	F27	F27	F27	F27	F27	F27	F27	ATR72

ZONE 4 SITE across the SWISS and Jet Aviation maintenance centers (see map) is now at center-stage for development. The airport hopes to generate new opportunities for fresh ideas and concepts.

The final tender to four bidders which already responded to the first tender in May 2002 are asked to present a businessplan by June 2003. The plan should offer strategies how to finance, build, market and operate this project. The EAP's Board will select the best offer by early Fall. Construction could start in Spring 2004.

- **tarmac for aircraft stands and taxiways**

connecting the stands with the EAP's runways (RWY 16, 34, 08, 26), **size : 120'000 sqm.**

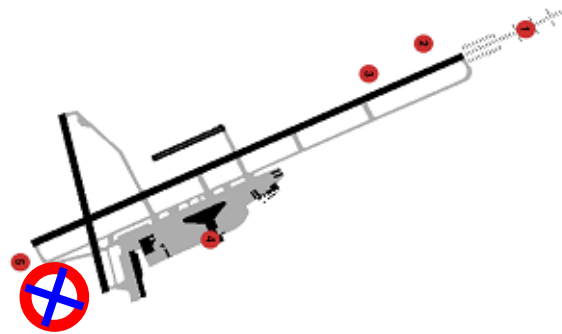
- ***commercial area, size : 35'000 sqm.**

with two initial planning sectors covering 10'000 sqm. each for multi-storey terminals, hangars etc.

- **public access area, size : 110'000 sqm.**

for car-parking, connecting with French and Swiss road systems

- ***under review** : a bonded area which would house customs services of Germany, France and Switzerland



There is a complexity to the project which requires a lot of skills to keep the „ship“ on track. The clear message that the bidding groups of companies in the final selection have to finance public access, terrain-adjustments (drainage, irrigation works) and tarmac/taxi-way constructions. Not all of them harbour any commercial value with aircraft stands and car-parking being the exception, eventually.

The entire scheme promises a number of testing fields with coordinating about 40 different stages which must be planned in a time-sensitive way. Other challenges laying ahead will be the monitoring of future developments in industries like Expresscargo, Maintenance/Repair/Overhaul (MRO) or Distribution/Warehousing.

MRO companies are facing major changes (Aviation Week). Expresscargo is showing robust signs (FT) and the distribution/warehouse sector at airports requires new formulas which are going beyond the windows for air-to-air or air-to-truck operations. We hope to report to you the integrators' view regarding the Zone 4 horizon in our Newsletter EAP May 2003. Edition.

A HELLO EASTER ADDRESS from the CEO down to the lower floors of SWISS has been sent. The basic message was that he has „a firm grip on the controls for a safe flight through stormy weather“. I am sure people were pleased to hear his strong words.

What does the CEO exactly mean with „a firm grip on the controls“ ? Slowly but surely, the airline is making itself a mockery in the eyes of airline managers. Stumbling blocks created in December 2001 like bad contracts with SR-pilots, extensive contracts with aircraft lessors, the departure from the Crossair cost base, the political credo to clinch to a large fleet of 26 longhaul aircraft feeding the hub ambitions at Zürich are leaving little breathing space. The impression that things are getting out of control is growing stronger by the day. As many odd developments gather pace the management appears to be fairly desperate for good arguments.

To many SWISS staff, news about 450 managers cashing in on extra bonus payments exceeding 2 mio. Swiss francs may reflect an immoral act. What is their justification to do so ? The airline is burning cash by the day of close to 3 mio. francs. It lost almost 1bn. francs in 2002 and many decisions taken will add to the daily cash drain at a faster pace than anyone may think of. Additionally, the latest controversy around cut credit lines with banks which amount to 400 mio. francs is putting SWISS at the brink of collapse with customer and supplier confidence as the next possible issue to heat up.

Other samples may also illustrate the size of cashburns at SWISS. Cutting pilot (LX) positions has made simulator training a 7-digit loss factor with slots reserved at other centers for instructions on RJ 85/100 simulators now going idle as candidates dropped out of sight.

Four operators are questioning the start of SWISS Sun with two leased A-320's and ex-SR-pilots in charge Their flight duty regulation offers little room for duty extension which is considered central to a profitable charter operation. Ex-LX pilots are in a fierce controversy with the management about this situation as their flight duty regulation is better suited for charter works. Piloting Airbus aircraft is a (Swissair) pilot domaine. SWISS is turning into a circus – **sadly enough the best are suffering the most when the circus hits the fan.**

Yours, Monty's Flying Circus