

NewsLetter EAP – JUNE 2003 - # 32

www.flieg-ab-basel.de is retailing all tour packages via internet. This helps to keep costs down and prices attractive. A new partner-organization has been started in Berlin www.flieg-ab-berlin.de. „Both website“ tour operators are relying on aircraft capacities chartered by Avione Travel which is again connected with a partner in Paris. The Paris-Basel-Berlin connection holds a promise for further action in the charter market. New destinations can be launched and matched with markets either via Berlin-Basel, Berlin-Paris and Basel-Paris. On the longhaul sector this is already common practice to Colombo/Male, La Romana and Puerto Plata. These links may also be helpful if traffic rights become a hot issue (ex EAP : BSL & MLH)

Vacation via internet is a new tool. Flieg-ab-Basel and Flieg-ab-Berlin are out to expand this retail channel as many requests under the info@flieg-ab-basel.de or info@flieg-ab-berlin.de are calling for new destinations.

The charter program has been quite steady in April and May and has gone up to normal status in June. B-767-300 are operated to the Dominican Republic, to Colombo/Malé (stopped in May and restarted in August), B-737-300/400/MD82/A320 to Greece (Corfu, Heraklion, Rhodos), Spain (Alicante, Malaga, Palma), Tunisia (Djerba, Monastir), and to Turkey (Antalya). Due to heavy demand additional charters will be offered to Heraklion starting July 9. Cyprus (Larnaca) is still up in the air for a possible rebound. Brazil (Fortaleza) Cuba (Varadero) and Mexico (Cancun) are next to be launched for November/December departures.

All partner organizations are harboring plans to expand their services by helping to feed new airline **EUROJET** which is on the way to get its own AOC by the French Civil Aviation Office (DGAC).

Our colleagues from www.worldairnews.ch have been informed that new B-737-300 equipment ex Deutsche BA is due to arrive at the end of June to commence the above charter work for the tour operator tandem. In most cases the airline is to replace AXIS Airline and at a later stage also AERIS when a B-767-300 is handed over to EUROJET.

The presently operated NordicAirlinK MD82 will serve as a back-up/stand-by aircraft which could pick up services to Algeria and to the Balkan.

PRESS REVIEW . FINANCIAL TIMES JUNE 25

SWISS – finally a European airline has cut its fleet by a third and will stop flying some unprofitable longhaul route. Unfortunately, the airline cutting is SWISS, so industry capacity is reduced only marginally. And SWISS may have already squandered its chance of recovery. Its previous plans were a fantasy – its future depends on persuading lenders to fork out another 500 millions in Swiss currency on the basis of new projections, which include positive cashflow from 2004.

Air France and Lufthansa will benefit from Swiss's withdrawal as more transfer passengers connect through Frankfurt and Paris rather than Zürich, but these are the least profitable travellers. The SWISS move at least recognises the flaws in the business model operated by most network carriers.

Yet with significant obstacles to cross-border mergers, there are limited options. Global alliance do not tackle the fundamental problems of overcapacity. SWISS wants to join an alliance, but cannot until its survival looks more assured. Airlines, one of the most cyclical sectors, have rallied as economic recovery expectations have grown. The sector will cruise along but may stall unless growth turns out stronger than suggested by most economic indicators.

CHARTER UPDATES

TUI & HAPAG LLOYD have put more capacity on the charter market.

Starting June 1, flights have been doubled on an irregular pattern throughout the week. The EAP is the last port of call before final destination in the Canary Islands (Las Palmas/Fuerteventura), Ibiza, Heraklion and Palma.

Flights are departing from airports like Berlin-Tegel, Bremen, Cologne, Erfurt, Frankfurt, Hannover, Nueremberg, Munich, Stuttgart to have additional passengers board the aircraft. Other t/o's and carriers are following suit like Thomas Cook (Condor) and Air Europa. About 20 additional charters have been registered in June.

In July 2002 such operations were started for the first time. Hapag Lloyd is servicing the charter market with 12 weekly B-737-800 departures during the Summer season.

Destination Turkey

DESTINATION OVERVIEW SUMMER 2003

airline	destination (June status)	flights a week	aircraft in service
MNG	Ankara	1	B737-400
	Antalya	1	
	Istanbul	2	
Onur Air	Izmir	1	
	Antalya	2	MD88
	Istanbul	2	A300
Pegasus	Izmir	1	A320/21
	Antalya	2	B737-400
	Istanbul	2	
Sun Expr	Izmir	1	
	Antalya	3	B737-800
	SWISS	Antalya	1
Turkish	Istanbul	2	B737-400
	Ankara/other dest.	ad hoc	B737-800

EXPRESS CITY AIRTRANSPORT has been set up and registered with the Basel Register of Trade. The company is to be the legal title for **SWISS Express**.

SWISS TABULA RASA ! the carrier is expected to axe all but 5 to 6 destinations ex EuroAirport. Which services/frequencies will remain is unclear.

Reports go that maintenance and office facilities are on the way to be emptied and replaced by costly rentals at Zürich Unique Airport (650 CHF per sqm. against 250 CHF per sqm. at the EAP).

New tenants can expect a lavish infrastructure with 14'000 sqm. in hangar space, 12 simulator training bays and office buildings. SWISS is sitting on these facilities for now till other airline or maintenance firms show up. It can only sell or rent the buildings to aviation-related operations. Jet Aviation, new airline EuroJet and not yet identified users may press SWISS for cheap deals, taking advantage of the carrier's weak position.

Impressum: a private initiative edited by Nicholas Degen and Wilfried Schmid, monthly published, worldwide circulation by e-mail, supported by professionals and associated members of the aviation industry.
contact : 41 61 302 57 75 or 41 61 263 77 71 or send us an e-mail to eapnews@hotmail.com