

NEWSLETTER *EAP* MAY 2004

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TRAVEL WARNINGS HIT KENYA'S TOURISM. The country's game parks made Kenya a favourite destination among tourists, unrivalled by other African destinations such as Namibia and South Africa. This has changed for several reasons according to a Financial Times market report. Namibia, South Africa and Tanzania have spent substantial amounts of money on upgrading their infrastructure and marketing efforts in the northern hemisphere. In contrast, Kenya has been struck by wide-spread corruption, pre-election violence dating back to 1997 and travel warnings issued by the UK, the United States and Germany after some fatal incidents such as the bombing of a hotel and the near-miss of an Israeli airliner by a rocket attack. Also, the Kenyan government neglected environmental issues related to its game parks.

Arrivals at Nairobi airport dropped dramatically from 600'000 before the decline set in to 335'000 in 2003. At Mombasa the number of tourists was halved from the 1996 peak. Kenya Tourism Board is now trying to find new strategies to alter this situation as tourism accounts for the biggest single source of foreign exchange. Kenya may have an advantage over its rival South Africa in that it tends not to „urbanise“ its wildlife and instead emphasises the adventure factor.

The crisis has also hit African Safari Club (ASC) which specialises in safari trips from European gateways such as EuroAirport. To make matters worse, 50% of its hotel capacity was lost to fires. Special efforts and money were required to compensate for the losses of hotel beds for the Winter season 2003. The number of departing passengers of 7'111 in 2003 was down from 13'764 in 2002. The situation is improving again according to Travel Inside. ASC is reporting an improved turnover (+47%) and pre-bookings for July and beyond show a strong upsurge. Five weekly departures from Europe, two flights originating at EAP, are scheduled.



Pictures: Marc Seidel

PASSENGER FIGURES to selected destinations in 2003 (departing local passengers only, estimates provided by BfS)

Destination	in 2003	in 2002	in 2001
Constantine	7'599	11'656	5'702
Barcelona	18'410	18'490	18'843
Djerba	13'878	16'495	14'371
Hurghada	3'767	2'633	9'837
Las Palmas	17'932	17'598	17'790
Luxor	5'394	4'456	4'560
Lyon	25'652	20'351	17'611
Marrakech	8'226	8'537	9'748
Monastir	16'773	11'251	23'676
Teneriffa	18'691	19'598	18'796

easyJet is capturing an increasing share of London traffic. After nine weeks of operations the carrier has picked up about 15,000 boardings on both legs to and from Stansted.

Compared to 24,000 passengers in the same period of 2003, BA and SWISS have also improved their loads to Heathrow in April and May 2004. The airport has just released destination figures for both London Heathrow and Stansted : 42'000 passengers for April and May 2004.

NOVARTIS will start construction of its **CORPORATE JETPORT BASEL** in July.

On May 8, 2004, the SUPER CONNIE „Star of Switzerland“ gave the honour to 3,000 spectators and EuroAirport by first passing by at low altitude, circling base and approaching runway 26, followed by an immaculate landing. It was a very special moment for all, some had tears in their eyes as N73544 taxied to its parking position in front of the new SWISS hangar. The SWISS Brass Band provided a fitting musical background while the airport fire brigade unveiled a gate of water were the “most beautiful plane in the world“ passed through. A truly magical moment !

NEW PASSENGER TAXES will be applied which are taking into account volumes generated by airlines, customer loyalty and two service levels. The basic charges are fixed as follows

€ 5.50 for domestic flights	CHF 10.30 for all flights under SWISS
€ 6.30 for intra-European flights	flights under SWISS traffic rights
€ 6.65 for international flights	traffic rights

Airlines wishing to benefit from new charges must agree to volumes set by the airport. The scale of charges will gradually decline if the volume exceeds 250,000 passengers annually. When loyalty contracts are signed, they will have to meet projected targets. Carriers outperforming their business plans will be honoured with additional discounts setting in on the fourth year of operation. Finally, airlines can choose from two service levels (1 & 2) which are defined by the airport. The airport is offering a number of calculation models to airlines.

The EuroAirport-based **COMPLETION CENTER** of **JET AVIATION** has struck a deal with an undisclosed customer to build a customised interior in a Boeing B767-300. The company says thanks to its full-scale replica of an aircraft cabin built on request, the job has been awarded to Jet Aviation. A spokesperson also told Flight International that it is the first-ever completed mock-up of this size. Construction took about six weeks and its costs are estimated to have exceeded \$300,000. The owner is believed to be Russian millionaire Roman Abramovich who will use this 30-seater long-range aircraft for business and leisure travels.

“6'000 SQUARE METERS TAKE-OFF LENGTHS FOR HIGHFLYING BUSINESS VENTURES” is the latest attempt at making better use of parts of the emptied SWISS building at EuroAirport. SPG/Intercity is looking for a new tenant mix in the older section of the former Crossair maintenance and office facilities on behalf of SWISS.

However, the carrier has to invest between two and six million Swiss francs in order to meet new French building codes before any rental deal can go through. A plan to open up the hangar for a trucking company fell through because of security concerns aired by the airport. Newsletter EAP sought to obtain additional information from SWISS/SPG Intercity about the strategy of putting this commercial property on the market. Unfortunately, both companies turned down our request for information. Questions such as – will SWISS agree to any rental agreements if potential competitors signal their interest – who has the final say (SWISS or EAP) – will this property be made available for lease European-wide and/or worldwide – will most likely provoke some controversy. The newly designated CEO of SWISS is seeing some urgency to move ahead in order to produce desperately needed cash. SWISS feels already the heat of rising fuel costs and a derailed business plan due to the energy situation hitting the airline industry and particularly those which have no fuel hedging. Top managers wish to get rid of the 50-seater aircraft fleet as a direct consequence of the new financial crunch. But, the three-year wetlease contract between SWISS and Crossair Europe cannot be as easily terminated as hoped without any commercial and political (French) fall-out.

COMPANY NEWS - HELLO has apparently received its AOC (airline operating certificate) which would allow a start of operations in early July. The carrier has its headquarters at the General Aviation Centre of EuroAirport. The likelihood that scheduled flights may be added maximising HELLO's fleet utilisation is growing by the day. Brussels, London or Paris-Orly are at the core of any route evaluation.

FTI and STARTER VOYAGES are mulling plans to co-operate more closely and may even entertain ideas how to commercialise the already contracted MD90 capacity of HELLO.

EL AL/Sun d'Or will commence a weekly charter flight to and from Tel Aviv, deploying a Boeing B757 on Tuesday from July 6 through August.

TRAFFIC REPORT 2004 - cargo figures in tons

Month	APRIL	MONTHS 1-4
Schedule Cargo	840 + 65%	2'093 +11%
Expresscargo	1'973+ 5%	7'889 + 3%
Total Cargo flown	2'828+18%	10'123 + 5%
Total Cargo trucked	4'200 - 2%	16'800 - 1%
Ttl. Cargo handled	7'026+5%	26'923 +1%
Total Movements	292 +13%	1'144 +5%
General Cargo	22 +175%	46 +44%
Expresscargo	270 0%	1'090 + 4%

MASKARGO switched its midweek flight from Wednesday to Thursday on May 27. The change of schedule is expected to give shippers extra time to consolidate more airfreight. The extension of the flight beyond Sydney to Melbourne may be an additional incentive to attract new customers. The airline reported a full house on its Saturday departure with 90 tons per flight. The Wednesday flight apparently received little support from Swiss shippers who wanted to see a change of schedule.

KOREAN AIR CARGO had a successful year 2003 with close to 4000 tons on its weekly freighter to Seoul and Japan.

TRAFFIC REPORT 2004 – local passenger figures

Month	APRIL	MONTHS 1-4
Schedule traffic	164'305 + 9%	547'704 -14%
-Swiss carriers	51'651 + 1%	174'792 - 18%
-French carriers	58'097 - 1%	218'142 - 1%
-German carriers	27'955 + 7%	95'935 + 5%
-other carriers	22'656 + 543%	44'995 +158%
Charter traffic	42'123 - 9%	107'635 -24%
-Swiss carriers	5'937 - 6%	7'323 - 64%
-French carriers	1'300 - 81%	7'131 - 59%
-other carriers	31'533 +15%	76'976 + 3%
Transfer Passenger	3'834	13'019
Transit Passengers	3'465	17'505
Biz-Jet traffic	654 +66%	2'435 + 93%
General Aviation	308 + 7%	776 - 3%
Total Passengers	207'390 + 5%	658'550 -16%
Total Movements	6'405 - 7%	23224 -34%
Schedule	3'542 - 12%	13'815 - 32%
Charter	465 + 1%	1'336 - 15%
Biz-Jet	448 +27%	1'453 + 5%
General Aviation	1'950 - 3%	6'620 - 20%

APRIL 2004 is the first month showing positive traffic results since October 2000.

The airport is hoping to reach a 5% increase in 2004. Most airlines are reporting better passenger loadfactors with the exception of Air France. The carrier is reported to loose passenger shares to Lufthansa.

Corporate business jet/propliner traffic is enjoying a new lease of life as many companies in the airport's catchment area are beginning to favour this means of transportation. Novartis, Roche and others have discovered the advantages of corporate jet travel – security, reduced travel time, and attractive airports such as Morristown, Trenton in New Jersey or Bedford, Massachusetts. New brands such as Club Airways are helping to put the EAP on the map.

Corporate shuttles to selected destinations may be a priority given the necessity of connecting all research and development centres by air operated by Big Pharma,

The **charter traffic** is missing last year's departures to the Caribbean formerly offered by FTI (LTU) and Avione (Aeris).