

SWISS is reacting to competition from (UK) airlines. At the beginning of April 2005 a 4th daily flight to London-City (LCY) will be introduced most likely taking off at LCY early in the morning to capture outbound business to Basle. Again introducing Palma (5x), Valencia (4x) and seasonal flights to Ajaccio, Naples and Olbia suggest a reversal of older plans eliminating the EAP as hub-and-spoke airport. Problems of sitting on a large fleet of Saab 2000 hard to sell, Embraer 145 with bad economics and growing competition seem to suggest a change of minds. Still, impressions prevail that 50-seaters have little value for the airline. A negative business image, maintenance costs on grounded aircraft and unproductive crews possibly outweigh scrapping operations here altogether or freezing them at present levels with no return on investment.

Monty's flying Circus



BA RETURNS !

Terminal 4 speeds up transfer times at London-Heathrow

A splendid party accompanied by live music and a lush dinner for about 300 hand-picked guests provided the festive ambience for BA's return to the Greater Basle area with its own brand of aircraft. The country manager for Austria/Switzerland did not miss the opportunity in pushing BA as serious partner in terms of reliability and dedication of services. Head-on competition with Air France, Lufthansa, SAS and SWISS will be appreciated as it enriches the range of destinations available to the business community ex EuroAirport.

BrA is directing all Basle flights both arriving and departing to Terminal 4 which further reduces transfer times to 60 minutes when transferring to onward overseas connections at Terminal 4. Departures to Hongkong, Los Angeles, Johannesburg, San Francisco and Tokyo have been transferred to Terminal 1 with 75 minutes transfer time. All BA flights are serviced by AviaPartner at EuroAirport. The picture gallery reflects 40 years of BEA and BA presence at Basle with state-of-the-art aircraft spearheading new developments at their time of service.



Pictures by R. Kunadt



Traffic results January to October 2004 – current year projection and forecast of 2005

Passengers (schedule)	1,600,956	(1,423,695)	+12%	The EAP budgeted 2.3 million passengers for the current year which will be more than matched at the end of 2004 due to improved economic data. Initially, airport authorities foresaw a 5% increase for this year. Again, 5% in growth rates will be anticipated for the passenger volumes and expressfreight for 2005.
Passengers (charter)	472,798	(526,794)	-11%	
Passengers (transfer)	84,847			
Passengers (all sectors)	2,168,059	(2,178,607)	-0%	
Movements (passengers)	41,943	(49,086)	-19%	
Movements (taxi/general)	21,306	(24,324)	-14%	
Movements (airfreight)	2,971	(2,992)	-0.8	
Movements (all sectors)	66,220	(76,424)	-13%	
General airfreight (flown)	7,301	(5,186)	+41%	
Express airfreight (flown)	20,056	(19,591)	+2%	
Charter airfreight (flown)	445	(287)	+56%	
Total airfreight (flown)	27,802	(25,064)	+11%	
Total airfreight (trucked)	45,323	(43,000)	+5%	
Total airfreight handled	73,125	(68,064)	++7%	

Performance of selected destinations in 2004

Paris CDG	+ 5.5%	# of passengers	55,751	Plans to cancel coach service to Freiburg/Germany have been reversed. Freiburger Reisedienst has commenced serving this route 8 times a day with smaller coaches
Frankfurt	+ 2.3%	departing over	31,466	
Berlin Tempelhof	+ 8%	a six month time	13771	
Istanbul	+ 12%	(source: BfS)	6,839	

SWISSPORT BASLE has changed handling processes to cater to LCC needs. The measures taken have given it the status of outstanding performance by EasyJet.

SWISSPORT adopted a tool called „gain-on-ground“ five years ago that streamlined all procedures such as check-in, baggage handling, aircraft loading, pre-flight clearance. All measures combined guarantee that 20 minutes are sufficient for turnarounds while aircraft are on block (time spent with chocks on wheels). The company saved the industry 8,000 hours on ground time in 2003.

The „gain-on-ground“ concept includes:

- flexible resource management & cross-utilisation
- facilities such as local ticketing, stand-alone, remote check-in
- pricing per region, turnaround, seat-load-factor
- cost-plus-opportunities with nice-to-have features
- active support to develop new fast-track modules

COMPANY NEWS - SWISSPORT MILESTONE !

The handling agent celebrated its 10th anniversary with an all-day staff barbecue. While the landmark birthday is cause for celebration, the Basle station also has the accolade of being the first ground handling unit of what was then the Swissair Group to be rolled out as a stand-alone ground-handling entity. SWISSPORT has been the prime address for aircraft handling ever since.

KOREAN AIR CARGO picked up 60 to. of the 2004 vintage of Beaujolais Nouveau wine prior to Friday, 19 November. The date marks its introduction to the Asian market usually accompanied by special gags. The wine was loaded onto the weekly B747-400ERF cargo service bound for Seoul's Incheon airport.

EASYJET is reported of having applied for slots at Manchester (MAN). This move may suggest the departure from Liverpool airport at a larger scale. The Basle flight would also move to MAN if plans materialise.

LOW COST CARRIERS (LCC) COME OF AGE – This conclusion is reflected in a survey conducted by Arthur D. Little Aviation Competence Centre a consultant group based in the UK.

The authors give credit to Southwest Airlines of having successfully introduced a business model which has changed the world of commercial aviation around the globe. In the US LCCs are currently holding 20% of total traffic volume whereas in Europe their market shares are presently at 11% but rising to 20% within a few years. LCCs currently provide the main engine for industry growth, but how long is this likely to continue ? The Centre's projection indicate an overcapacity of carriers and seats outpacing actual demand that could drive a number of players out the market. Of the 40 to 50 low cost airlines currently operating in Europe as much as ten LCCs may stay alive. The same number of carriers successfully weathered their phase of introduction to the US market.

Supplier opportunities arise if the industry serving airlines such as airports and ground handlers are ready to adapt to new market parameters. Those airports most favoured by LCCs grow fastest. However, growth rates vary according to geographic region and airport types. The volatility of the LCC business is well documented by EasyJet's withdrawal from routes to Amsterdam, Copenhagen and Zurich. Instead of serving these gateways, the airline now prefers second-tier airports such as EuroAirport and sends its aircraft to Eastern Europe.

Studies show that airports must be consistent in keeping their costs down if they are to make financial headways at all. Optimum exploitation of non-aviation earning potential in retailing, business-meets-business features will be crucial to the airports' treasury that have made inroads in the LCC sector.

It is not only airports that can benefit from low cost carriers – ground handlers can also grow in parallel. They must offer ground services meeting the needs of this sector clearly driven by low costs, flexibility and creativity to develop new solutions and features. Short turnaround times are one of the key means of keeping costs down. Optimised ground handling processes will mean a key edge in attracting LCC business. Both airports and ground handlers must devote great care to LCC long-time attractiveness when developing new services and terminals.

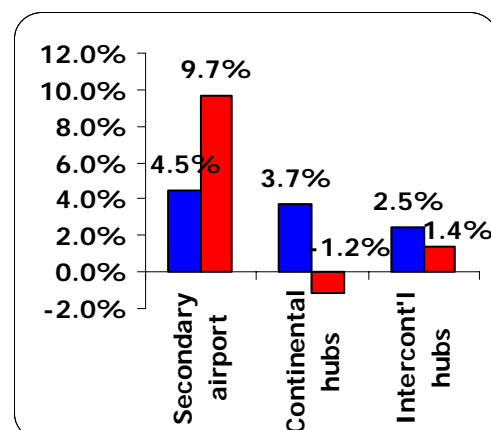
GROWTH PATTERNS of airports with or without low cost carriers in Europe

Low cost carrier airports are showing substantially higher-than-average growth rates. In Europe, the LCCs are only having a positive impact on growth in the secondary airport sector.

2nd and 3rd Quarter growth figures in % at EuroAirport in 2004, marking the arrival of EasyJet with services to Berlin-Schönefeld, Liverpool, London-Luton, Stansted

April + 5%, May 16%, June 7%, July +9%, August 0%, September +11%, October +7%, average growth +5.5%

The carrier is now holding 8% of total traffic generated in the period of January to September 2004



Legend → BLUE = No LCC services / RED = with LCC services