*Newsletter**EAP*** *November 2005*

Airtraffic Promotion Group Basel – www.aeronet.ch – eapnews@gmx.ch – Phone # (++41) 61 302 57 75

AIRFREIGHT – THERE IS MORE IN STORE. Clearly, if EuroAirport and its present and potential allies such as pharma and chemical companies would team-up more closely aircargo volumes handled at the airport will go up. Thus, it would benefit the entire transportation and logistics industry locally. Statements of this kind have been voiced at many occasions. And indeed, when looking at aircargo presently handled at the airport from the pharma and chemical sectors it represents only a small fraction of total airfreight produced in Alsace, Southern Germany and Switzerland. At many occasions Big Pharma is considered to be the top airfreight market by airlines, brokers and forwarders.

A study dating back to 2000 highlighted the disparity in the ratio of 1 to 3 between airfreight directed via EuroAirport and volumes shipped directly to other airports by road. The ex-works traffic is mainly orchestrated by airlines followed by brokers and forwarders convincing shippers to take advantage of better rates. During the period under scrutiny only 16'000 tons were shipped via the airport. Large volumes (estimated at 50'000 to.) were initially cleared as cargo by road and later on handled as airfreight prior to loading onto aircraft. Trends have not changed. Aircargo by road (road feeder services) has experienced a dip of 7% this year at EuroAirport.

Many agree that if only a fraction of the 50'000 tons ex-works would be loaded at the airport onto freighter and passenger aircraft it can make further services economically feasible such as Korean to Delhi-Seoul, Malaysian regularly to Shanghai and Pakistan/MNG Cargo with additional flights to Karachi or the return of Singapore Cargo. Generally, direct shipment by aircraft is generating most value in the logistics chain at airports.

Cargo classified as charter is playing a minor role at EuroAirport mainly because of lacking initiatives of local branch offices of globally operating forwarders such as DHL Danzas Air & Ocean or Panalpina. They are leaving this field to other offices within the corporate structure. Airfreight brokerage as an important sector in the making of charters is non-existing with the exception of Airnautic France at St. Louis. The company is operating from the airport when opportunities occur. Lately, eight AN124 freighters were contracted to airlift electronic hardware, machinery and Beaujolais Nouveau wine on behalf of producers located in the greater Basel area and in South Korea. Sources familiar with the airline-broker-forwarder-networks are confirming that this business is a person-to-person affair basically confined to a small number of professionals in charge.
Freight handlers are still waiting for efficient working conditions in the cargo area which has seen its heydays in the early 1970s. Despite of improvements the facility could not absorb volumes above 150,000 tons annually.

Special freight and General cargo being loaded at EuroAirport (An124 of Volga Dnepr and a B747-200 of Atlas Air). Pictures taken by W. Schmid

FRANCE approved a plan to impose a tax on airline tickets to finance aid for poor nations in spite of opposition from airlines. The tax may come into force in 2006 if agreed by parliament. It would charge €1 on short-haul and €4 on longer economy trips, €10 on business and first class tickets from France to European destinations as well as €40 on longer flights in these classes. Air France opposes the tax as discriminatory.
EuroAirport's bi-national status offers airlines EC and Swiss traffic rights. If the French tax would pose a threat to their business they can switch to Swiss rights. In such cases departure and arrival is Basel instead of Mulhouse. This should pose no illegal action in most cases as the bilateral accords between the EC and Switzerland covers air traffic as well. However, EasyJet has issued a warning that such a tax would hamper further expansion plan out of France. In the case of Basel-Mulhouse-Freiburg it would curtail routes to France (Paris and Nice).

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SKYEUROPE is the second low-cost carrier lured to EuroAirport on grounds of cost advantages and market potentials. The airline sees itself as leading carrier in Central and Eastern Europe pioneering affordable fares for its prime markets in Hungary, Poland and Slovakia. Also, regions in Western Europe which have invested substantially in the emerging economies of Hungary, Poland and Slovakia may see some gains in SkyEurope's fare structure as the airline has put airports such as Bratislava and Krakow on the map which for decades have been off-line and expensive to get to by legacy carriers. SkyEurope calls this policy helping to democratize air travel for small and medium-sized companies, and for people visiting friends and relatives in the east and west as well as for the sake of tourism.

Flights to Basel-Mulhouse-Freiburg
Have already reached load factors of close to 50% and regular bookings of carmaker Peugeot PSA taking 15 seats on each flight to Bratislava. Clearly, city-pairs from western airports to cities such as Bratislava or Krakow may pose a far greater appeal to many customers as they can avoid long travel times via big hubs to their onward destination which are often badly connected there.

Picture taken on 2.11.2005 by Joel Vogt

SkyEurope maintains four bases. Bratislava, Budapest, Krakow and Warsaw are each contributing 43%, 30%, 16% and 11% (in this alphabetical order) to the annual passenger volume coming close to 2.4 million since its debut in 2001. The airline is hoping to provide direct connections from EuroAirport to its bases and foremost to Budapest in due time. www.skyeurope.com

Other news
EASYJET welcomed 1 million passengers since 28 March 2004 and has integrated its 100th **AIRBUS A319 –**
***EUROAIRPORT** is* taking advantage of the surge in passengers marking 3 million travelers since January 2005.
EASYJET key figures: Profit before tax £68m – Passenger numbers at 29.6m (up 21%) – Total revenue per seat £38.66 (up 2%) – Ancillary revenue up 17% - Fuel cost per seat up 47% - Reduction in cost base minus 4% - 72 new routes added to network, giving a total of 212 routes – Strong growth in continental Europe, revenue up 78%, with Germany on track.
EUROAIRPORT **- RUNWAY UTILISATION** in the Third Quarter of 2005

Runway 16	landing	90%	departing	74,4%	Flights under Visual Flight Rules (VFR)	20%
Runway 34	landing	7,9%	departing	18,7%	Flights under Instrument Flight Rules (IFR)	80%
Runway 26	landing	1,9%	departing	6,9%		

TRAFFIC REPORT

Total Passengers		
October 2005 only	355,038	+38%
Year to date 2005 (January-October 2005)		
Scheduled Passengers	2,259,129	+37%
Charter Passengers	547,520	+ 7%
Total Passengers	*2,816,125*	*+30%*
General Airfreight in tons	5,655	- 27%
Expressfreight in tons	19,892	- 1%
Total Airfreight handled	*67,752*	*- 7%*
Total Movements	*70,857*	*+ 7%*

PASSENGER BOARDINGS ON SELECTED ROUTES
YEAR **2005** & 2004

Month	**06**	**07**	**08**	**09**	**10**
Liverpool	**6,414**	**7,322**	**7,571**	**5,225**	**5,867**
	6,081	7,205	7,346	6,224	6,709
LONDON :					
City	**5,739**	**4,522**	**4,449**	**4,719**	**5,197**
	0	0	200	3,008	3,595
Heathrow	**11,388**	**12,142**	**9,887**	**10,065**	**10,402**
	16,236	16,203	13,929	13,218	12,489
Luton	**14,921**	**15,852**	**15,384**	**14,155**	**14,907**
	0	0	0	0	0
Stansted	**7,363**	**8,178**	**7,975**	**7,428**	**8,009**
	7,334	7,933	7,938	7,458	7,836
Manchester	**2,805**	**1,750**	**1,659**	**2,658**	**2,254**
	2,513	2,464	2,413	2,758	2,540