

# AIRLINE BUSINESS DAILY

BRINGING YOU THE NEWS FROM THE 14TH WORLD ROUTE DEVELOPMENT FORUM IN KUALA LUMPUR

It's time for a change – crisis could provide momentum for consolidation

## AIRLINES CALL FOR FISCAL DISCIPLINE

BY NICHOLAS IONIDES

**M**ore fiscal discipline is needed in the airline sector with fuel prices at high levels and demand falling amid the credit crunch, according to panellists at the Routes Leaders' Forum yesterday.

"If we just continue doing things as usual, it is untenable in a world where oil prices are at \$100 a barrel," said Malaysia Air-

lines managing director Idris Jala.

"We need to innovate beyond the normal day-to-day things we do. We cannot keep doing it the way we have been doing them."

Idris and other panellists said in addition to focusing more on cost control and trying to be disciplined with capacity growth, deeper structural change is needed.

Vijay Poonoosamy, vice presi-

**We need to innovate beyond the normal day-to-day things we do**

**Idris Jala** – managing director, MAS

dent international affairs at Etihad, said airlines have done well to live in a world of high fuel prices and

"what it did is compel the industry that we had to be financially and commercially viable".

He added: "The challenge now is the demand curve. Discretionary travel is going to go down."

As a result airlines and other industry players need to press for deeper structural change, such as easing ownership restrictions to allow for consolidation.

"Airlines that want to consolidate should be allowed to do so," said Hans Mitterlechner, director of airport investment group Macquarie.

Justin Symonds, global head of transportation and logistics at ABN Amro, added that "you need to create a level playing field in the industry" in part by changing the "ludicrous legacy" of bilateral air services and allowing for more access to capital in the industry.

He said that with fuel priced at \$100 per barrel this has been "providing momentum to consolidation", although "there needs to be a classic burning platform" before regulators look at pushing through deep change.

Association of Asia Pacific Airlines director general Andrew Herdman added that it is not all doom and gloom, however, as the industry will keep growing.

"We still have pent-up demand for new aircraft to come in," he said. "There will be a dip in demand but this industry will still keep growing." ■

### Malaysia revs up for 'wheelie' big event

The siting of the Sepang motorsport circuit next to Kuala Lumpur's new international airport has already given a boost to passenger numbers.

And this weekend the airport is steeling itself for a huge invasion of motorcycle fans as the world MotoGP championship comes to Sepang.

On the Routes' host booth they are already celebrating as hospitality girls Carace Kwan and Angeline Yap try their hands on one of the high speed machines displayed here yesterday.



#### INSIDE THIS ISSUE

|                  |         |                     |         |
|------------------|---------|---------------------|---------|
| Leaders' Forum   | Page 4  | Embraer odd-man-out | Page 12 |
| Marketing awards | Page 8  | Climate change      | Page 18 |
| Lovely Prague    | Page 10 | Currying favour     | Page 22 |

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A new chapter in Spanish aviation begins later this month when the country's first private airport opens for business. And a team is at Routes ready to do business with airlines of all kinds.

The opening of Central Ciudad Real (CQM) airport – it goes operational on October 23 with an official ceremony four days later – marks the end of a long battle to create Spain's first private airport.

The backers of the airport have overcome regulatory and political opposition to build CQM, which will become an aviation city and a

## Airport opening heralds new era for Spanish aviation

multi-modal facility connecting air, (high speed) rail and road.

Only a year ago, at Routes in Stockholm, the airport was being marketed under the name Madrid South. However, opposition from city politicians led to the name change.

The new name reflects the airport's location at the centre of the Iberian peninsula.

"We consider ourselves an alternative gateway to Madrid," said Luis Llorens, External Rela-

tions Manager with CQM. "Now we are open for business with a different philosophy to other Spanish airports. This will be business to business and we intend that our customers will be partners in a win-win relationship."

Llorens said that customers will help shape the final structure of the airport, particularly in its Logistics and Commercial Centre. The centre is designated as a base for a range of activities, from aeronautics, to commercial and hotels.

CQM has already attracted two airlines – Air Nostrum operating two routes (Barcelona and Las Palmas) and Air Berlin which will operate to Palma, Majorca.

The airport has a 4km runway and an ILS-Cat III rating. It will be operational 24 hours a day. It has a 28,000 m<sup>2</sup> passenger terminal and a 6,100 m<sup>2</sup> cargo terminal.

Llorens said that he is currently talking to airlines of all types, both Europe-based and those from Asia. ■

# Routes hands baton to Beijing

Organisers look forward to a showcase event in another fascinating and hospitable Asian city

BY ALAN PEAFORD

Beijing will host next year's Routes – the 15th World Route Development Forum – and Beijing Capital International Airport (BCIA) is looking forward to welcoming delegates to the showcase event.

BCIA's Wang Tao says the new airport expansion for terminal 3 will be complete by then and following the success of the Olympics earlier this year, the Chinese flagship airport is ready to welcome the industry.

After four years' construction the new Norman Foster-designed T3 is the world's largest airport building – covering more than a million square meters – and will eventually accommodate an estimated 50 million passengers a year by 2020.

The dragon-shaped building

**"With the opening of T3, Beijing is now working towards world hub status"**

**Mike Howarth** – chief executive, RDG

has three sections all connected by an automated people mover that will carry 8,000 people an hour high above the airport. "Passengers will have great views," says Wang.

The terminal will have direct fast rail connections to Beijing city centre, taking less than 20 minutes. There will also be Asia's largest car park with capacity for 10,000 cars.

The Routes event will be at the new convention centre close to the airport where there are already a number of five star hotels.



**A taste of things to come. Chinese musicians entertain Routes delegates in KL**

"We will be running shuttle buses from the airport to the hotels and convention centre for those people that stay in the city," says Wang.

Routes organisers, RDG's chief executive Mike Howarth says "the region is a powerhouse of global air transport and, in 2009, it is likely to be the world's major growth area. With the opening of T3, Beijing is now working towards world hub status and for Routes' delegates, the event will be located in one of the most accessible and dynamic cities in the world."

Look out at 13.00 today at the Beijing stand for the official handover when Zhang Zhizhong, GM of capital airports and Dong Zhiyi, GM of BCIA will be inviting delegates to the next event.

Speaking at the Leaders' Forum yesterday, Zhang said that air transport growth for China will continue through 2020 when it expects to have 20% of the world's air movements. ■



**Left: Zhang Zhizhong, GM of capital airports**

## AIRLINE BUSINESS DAILY

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**Got a story?**

Come and see us in the Hospitality Lounge 1 overlooking Networking Hall 1

# Open Skies is a success, but more progress needed

Leaders from both sides of the Atlantic want pact to go further

BY MIKE MILLER

US-EU Open Skies, which took effect in April, has been a resounding success, according to officials on both sides of the Atlantic, although more advances are necessary for the industry to realise true progress.

Speaking at the Routes Leaders Forum yesterday, British Airways CEO Willie Walsh called trans-Atlantic Open Skies a "success" because "carriers that have wanted to gain access to Heathrow have done so and the consumer has benefited from greater choice." He noted that the five new airlines that have entered previously restricted London Heathrow airport have added 22% trans-Atlantic capacity since April.

Chief US negotiator John Byerly, who is the State Department's deputy assistant secretary for transportation affairs, said "all of this has led to more choices for consumers and it has led to more legal stability now." He added that the US-EU accord "provides an important precedent for the rest of the world."

The European Commission's director general for energy & transport, Olivier Onidi, said that while the initial pact did not go far enough, it did show that "the two largest markets can form an agreement."

Walsh said that while the industry should take comfort in



British Airways' Walsh speaking at the Routes Leaders' Forum

**"Is the German government ready to have Lufthansa owned by another country? We need to get those answers"**

**John Byerly -**  
US State Department

Open Skies progress, "we should have gone further in the initial agreement," adding that the industry needs to have the tools to consolidate in a "sensible" way. Part of that solution is for governments "to back out of" airline shareholdings. "If you have ambition to compete on a global scale, you now need to undertake com-

plex structures to do so. That needs to change," Walsh said.

Byerly asked whether Europe is ready for the cross-border consolidation that it demands. "Is the German government ready to have Lufthansa owned by another country? We need to get those answers."

Walsh said the pending American Airline/British Airways antitrust immunity application in front of US authorities should be approved, since it comes after competing airlines in the Star and SkyTeam alliances received immunity. "If we don't see this going through, it would be a major step backward" for US/EU ties. ■

## OIL TRADING VOLATILITY LIKELY TO CONTINUE

The global credit crunch is resulting in reduced speculative activity in oil trading although panellists at the Routes Leaders' Forum yesterday were in agreement that volatility will remain.

Justin Symonds, global head of transportation and logistics at ABN Amro said: "A positive... is that some of the speculative activity is going to go out of the market."

Idris Jala, Malaysia Airlines' managing director and a former senior executive with oil giant Shell, said he believes there is no shortage of oil and gas today and much of the increased prices in recent years has been the result of fear and geopolitical issues, which resulted "in an opportunity for a lot of speculative activity to come in".

He said this has "driven prices well beyond what is connected to reality", but the global credit crunch that has badly affected many of the world's financial institutions "may help to spiral the price down" due to less speculative activity.

So what was the bet of industry leaders on the first session entitled Living With High Oil Prices as to where the price of oil will be in a year from now?

Symonds expects it to be at \$107 per barrel, Etihad's Victor Poonosamy \$100, Macquarie's Hans Mitterlechner \$85, Idris \$80 and the Association of Asia Pacific's Andrew Herdman \$80. ■

## Emissions: regulators "ready to take control"

Either the aviation industry comes up with a clear position on controlling emissions or regulators will impose control, Routes Leaders Forum on climate change and aviation was told yesterday.

Max Moore-Wilton, chairman of Sydney Airport Corporation, said that the current global financial turmoil had transformed the relationship between the private sector and government regulators.

"The world has changed in the past few weeks and this issue is coming into the regulatory framework," he said. "They (the regulators) don't care for market solutions."

"This is about aviation emissions from aircraft and that is where we need a very clear position, otherwise the regulators will take control. I don't mean that they 'may' take control but they 'will.'"



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# Fraport thinks big with massive 'work-in-progress'

Plans address concern about major hub status

BY ALAN PEAFORD

The Fraport booth in the centre of the Routes networking village has a clear look of work in progress.

A cement mixer, sand and a clear sign of 'men-at-work' draw delegates in.

"It's all for a good reason," says Fraport's Sigrun von Kienle. "Frankfurt Airport is undergoing massive expansion to meet the demand we have from airlines that want to come to the airport."

"The airport is in a tightly confined area and expansion is being very carefully planned."

Expanding capacity at Frankfurt Airport requires construction of a new landing runway, a third passenger terminal (Terminal 3), and a new maintenance hangar for the new A380 long-haul widebody aircraft.

According to representatives on the booth, the expansion plans – which are being considered by the German authorities – are vital if the airport is to retain its position as a major European hub. "We need to have the work complete by 2011," Von Kienle says.

Germany's legacy carrier Lufthansa and its Star Alliance partners account for the lion's share of traffic at FRA but because of continuing airline demand for slots and the long-term growth in international air transportation, FRA will face a



Digging in: Fraport's Sigrun von Kienle lends a hand

capacity bottleneck over the coming years.

With 54.2 million passengers in 2008, it ranked eighth in the league table of the world's largest airports. On the European level, it is number two in terms of both passengers and freight.

Frankfurt accounts for about 32% of the total German passenger air traffic and for about 63% of the total airfreight traffic. "With currently more than 70,000 peo-

ple working at the airport, FRA is the biggest employment complex at a single location in Germany," the company says.

But without the expansion, Fraport is concerned it would lose its place as a European hub to other major airports.

"In view of the growing competition with other European hub airports, sustainable growth in capacity by expanding our airport is indispensable. ■

## Fujairah seeks Etihad link

Fujairah international airport has launched a new strategy to bring scheduled services to the UAE emirate and is at Routes 2008 hoping to develop links to Etihad and its Abu Dhabi base.

"We recognise that we cannot compete with Dubai. It just won't work," said Charles Hajdu, strategy and business development manager, Fujairah international airport, yesterday.

"You need to find your own niche. We are not going to try to take operators from Dubai but plan to find other operators."

At present, Fujairah is a significant cargo airport with some passenger charters serving the tourism industry on the east coast of the UAE.

"Our aim now is to increase the number of charter flights and to attract one or two scheduled services," said Hajdu, adding that possibilities included Bahrain, Doha and India.

He said he would be keen to forge a link with Etihad and its Abu Dhabi hub.

"I am interested in talking to them about the possibility of laying on a coach service from Fujairah to Abu Dhabi. Passengers are currently bussed from Dubai to Abu Dhabi.

"It's a simple and obvious thing to do. You could start with one coach a day and once you got to four or five coaches a day, you could switch to an aircraft."

The emirate is a favourite destination for family holidays, attracting many people from Russia, northern Europe and the GCC. ■

## Oz's Jetstar flies to NZ

Qantas Airways subsidiary Jetstar is to start serving New Zealand's largest city, Auckland.

Jetstar will serve Auckland from both the Gold Coast and Sydney from 28 April '09 using Airbus A320s. Flights will be operated daily on both routes.

Gold Coast-Auckland will be a new route for the Qantas Group. Qantas itself already serves

the Sydney-Auckland route and will continue to operate four daily services, says Jetstar.

Air New Zealand and Virgin Blue's Pacific Blue currently operate on the Gold Coast-Auckland route, according to Innovata. Operating on the Sydney-Auckland route are Aerolineas Argentinas, Air New Zealand, Emirates, Lan and Qantas.

■ More about Auckland's success on page 24



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Routes' marketing awards go glitteringly geographical

# And the winners are...

BY ALAN PEAFORD

For the first time the coveted Routes Airport Marketing awards were based on geographical regions rather than airport size and last night, at a glittering awards dinner, held at KL's fabulous Titiwangsa Lake Garden and sponsored by OAG, airports from around the world were recognised by their peers for excellence.

During the event trophies were received by Bahrain international airport, which was voted best in the 'Middle East & CIS' category and Gold Coast airport, which won the 'Asia Pacific' category.

John C. Munro Hamilton international airport of Canada picked up an award for best airport in the 'Americas', while Jomo Kenyatta international airport in Nairobi was crowned best of its kind in 'Africa'. In the 'Europe' category, two winners were chosen: Athens international airport and Brussels airport.

"The Airport Marketing



European award winner Athens airport's Georgios Karamanos with the AB Daily distribution girls sponsored by the airport

Awards are highly prized by recipients, because they are voted for by their industry partners – the airline network planning community," says Alan Glass, President and CEO of OAG, who presented the awards.

The ORBIS award for corporate social responsibility went to GMR Group for enhancing the quality of life in the communities most closely affected by the building of the new airport in Hyderabad. ■

## ROLL CALL | WINNERS:

**Europe: Winners:** Athens int'l airport and Brussels airport. **Highly Commended:** Manchester airport

**Africa: Winner:** Jomo Kenyatta international airport (Kenya Airports Authority). **Highly Commended:** Julius Nyerere int'l airport; Cairo int'l airport

**Americas: Winner:** John C. Munro Hamilton int'l airport. **Highly Commended:** Dallas/Fort Worth int'l airport;

Newark Liberty int'l airport

**Asia Pacific: Winner:** Gold Coast airport, Australia.

**Highly Commended:** Singapore Changi airport

**Middle East - CIS: Winner:** Bahrain int'l airport.

**Highly Commended:** Abu Dhabi Airports Company; Moscow Domodedovo airport

**Orbis Award: Winner:** GMR Group

## BAA SEES NEW INTEREST IN STANSTED

BAA, which manages seven airports in the UK, is seeing increased interest in London Stansted from Air Asia X and other carriers looking for alternatives to over-congested Heathrow and Gatwick.

"Air Asia X has said publicly that they are interested, and we hope they will choose us," said BAA group marketing manager, airlines, Justin Baines.

"We are talking with several Asian carriers about Stansted." Last week BAA received approval for additional passenger throughput at Stansted, which will raise its capacity to 35 million.

With the multi-airport offering, Baines believes that the choice of airports in England or Scotland depends on the business model of the carrier.

"Some airlines have a more point-to-point focus, and others want the connections of Gatwick or Heathrow," he said. Stansted makes sense for more point-to-point service by airlines that might not be included in a major alliance.

BAA's recent news has been that Gatwick is up for sale, and the group is starting to handle formal inquiries. But Baines noted that selling Gatwick "by itself will not change the capacity situation in London". ■



CEO Jeanine Roberts presents a breath of fresh air from MediaLounge

# Smoking lounge ads up to free solution

BY MIKE MARTIN

But for a glitch in logistics, delegates to Routes 2008 would now be able to sample a high-tech' smokers lounge planned for demonstration at the show.

The four lounges never made it, but the team from MediaLounge is still talking passionately about how their product can transform things at airports – and it does not cost the airport anything.

Airports get the MediaLounge free while the company makes its money by selling advertising space that is displayed on the structure.

"We had a problem on the logistics so the MediaLounges did not arrive," said MediaLounge chief executive Jeanine Roberts. "However, we are talking to a lot of people and we have found a lot of interest in the product already."

The first MediaLounges are scheduled for installation at Riga and Dubrovnik early in 2009 and talks are underway with a number of airports.

That includes airports in the UK where the blanket anti-smoking legislation imposes a com-

plete ban in all public places.

"What is interesting is that many UK airports are very interested in the product and we are talking to them even though the law as it is written means at the moment they cannot use the MediaLounge. However, I believe that there is some lobbying going on to try to modify the law."

The MediaLounge works as an air cleaner, continuously cleaning the surrounding air. At its heart is a suite of five filters that remove particles, odours and gases to a level of 99.9%. ■



# Passengers will 'love' Prague's new runway

'Friendly' airport targets customer satisfaction

BY MIKE MILLER

Prague Airport expects to spread more love as it adds a new runway, an additional train link to the city centre and adds customer service training to make its passengers even more satisfied.

The airport has secured permission to develop a new 3,500-metre runway that will take two years to secure planning permission and an additional two years to build. The planned opening will be either 2012 or 2013, Prague airport's CEO Miroslav Dvorak told *Airline Business Daily*.

"Green issues are being dis-

cussed and we are spending a lot of money to change the windows and add soundproofing to the local community around us," he said. "We want to be a friendly airport, and that includes how we develop the new runway and how we deal with the local people who live nearby."

The airport expansion coincides with the ongoing campaign of 'love' that the city and airport are using to show their friendliness. Their first use of 'Prague loves you' began last year and this theme has been carried on at Routes. It's likely that a "side campaign of 'Prague Loves Your



Aircraft' may be added next year", added Dvorak.

Prague, which already has non-stop service to 128 destinations, is branching out from its mostly Central European service pattern to attract more nonstop services from Asia.

Prague has nonstop passenger service to Seoul on Korean Air, and a cargo service to Taipei on China Airlines, and Dvorak believes airlines in China, Taiwan and Japan will be looking at

**Prague loves you! From left: Alesia Bylena, Aida Asimovic, Naomi Wing and Marina Tyrykina**

Prague as a point of future service. "We are growing, and not everyone is growing," he noted. Prague is expected to experience a 7.5% boost in seat capacity during 2008. The country is trying to keep pace as well, with the Czech Republic adding 100km of new roads each year in the Central European country. ■

# Copenhagen targets low-cost carriers

BY MIKE MILLER

As airlines cut costs in all sectors, Copenhagen airport believes its new low-cost terminal will be the solution. The airport is targeting low-cost carriers and those seeking a lower rate operating into a new terminal with new rules.

Airlines can receive a 50% discount if operating into the new CPH Swift terminal, which was just announced this month. "Our airlines are very competitive on prices, and we are offering this terminal to accommodate them," said Tina Bendix, Copenhagen's marketing coordinator.

The terminal is planned for summer 2010 completion and Ryanair already has expressed publicly its intention to explore using the new terminal. Swift could accommodate an additional three million passengers, on top of the 21.4 million al-



ready using the airport. They expect to break ground for the terminal in January 2009.

But the airport is adding several efficiency requirements for an airline to receive a 50% discount. Airlines must have a 30-minute turnaround on flights into Swift, which will not have any jetbridges. Airlines will have

to meet a 90% check-in self-service threshold as well. Most of the passengers will have to check in via the Internet, mobile phone or at self-service kiosks.

Copenhagen also does not want transit passengers at the new terminal. "It's about being fast and efficient, for the airlines as well as for us," said Bendix. ■

**Taking aim: Copenhagen's Ole Wieth Christensen – darting in with some competitive prices at the new low-cost terminal**

## IN BRIEF

### SOFIA'S RAPID GROWTH CONTINUES

Sofia Airport is continuing its rapid growth in passenger traffic having doubled its passenger numbers over the past four years. And for the first time in the airport's 70-year history, the traffic will exceed three million.

Around 1,000 scheduled, charter, cargo and business aviation flights take off and land at Sofia Airport every week connecting Bulgaria to the major European capitals. The network of direct air routes covers 65 destinations.

Having established partnership relations with 45 airlines, the airport is attracting new carriers and enjoying particular success with the low cost carriers.

# Special mission for ‘odd man out’

Embraer uses Routes as the perfect networking venue

BY MIKE MARTIN

They are neither airport nor airline, but a major aircraft manufacturer – Embraer is at Routes 2008 on a major networking mission.

A team from aircraft manufacturer Embraer’s regional office in Singapore is at Routes making contact with route planners from the airlines. It wants to know their current thinking on route planning and to promote the cause of its E-Jets regional aircraft family.

“It is not the main point of the show, but there are a lot of airlines here and it gives us an opportunity to find out more about what they are thinking,” said Priscilla Doro Solymossy, airline market analyst with Embraer.

“The route planners are a very important part of the process, so it is very useful to meet them and maybe discuss their requirements, or even just to exchange business



You’ve got to hand it to them: Priscilla Doro Solymossy and Bernard Tan of Embraer – on a major networking mission at Routes

cards.” Solymossy said that there are airlines at the event that Embraer is not currently in contact with and she hopes to touch base with them during Routes.

The Embraer team is also keen to promote its recently-launched [www.eforefficiency.com](http://www.eforefficiency.com) website.

The site enables airline users to make a comparative analysis of the performance of existing aircraft against the Embraer E-Jets family.

“There are a lot of older aircraft operating in Asia, aircraft like the Fokker 100 and the older Boeing 737s and they are not being pro-

duced anymore and will need to be replaced,” said Solymossy.

“The high cost of fuel is a big issue at the moment, as is environmental performance. The website is a very useful tool that can clearly demonstrate the benefits of aircraft replacement.” ■

# ASM spreads its expertise widely

BY ALAN PEAFORD

Route Development consultancy ASM, (Booth N21) announced two major projects in the Caribbean and in China yesterday at the show.

Both the St. Lucia Tourist Board and Macau’s international airport have asked the firm to assist them in developing market opportunities and potential. The projects are focusing on the introduction of

new air services to boost tourism and the local economy.

Macau airport is seeking to develop a five-year route development strategy covering the period from 2009 to increase the airport’s revenue and productivity.

“The wider south China market, especially Macau, is a very exciting and promising market,” says John Grant, managing director of ASM. “With our analysis we want to help

Macau Airport to identify a strategic marketing plan to strengthen its position in the region.”

The St. Lucia Tourist Board has appointed ASM to increase the number of passengers by 50% – recognising the vital link between air services and tourist development. Over the next few years, there will be a significant increase in the hotel bed stock on the island with the introduction of further high-end properties.

Despite an increase in visitors from North America and Europe, the island’s aviation environment has recently undergone significant upheaval and disruption. As a result of the reduction of American Eagle services from San Juan, traditionally the hub airport for mainland US, and the consolidation of intra-Caribbean carriers, the number of visitors from other points in the region has been impacted. ■



Dipping into China and the Caribbean: Mark Clarkson (left) and Tony Griffin of ASM at the show

## IN BRIEF

### ROUTES SOLVES HIDE-AND-SEEK RIDDLE

Routes has launched a new free service to help airports find new airlines quickly. Hosted on the event’s official website [Routesonline.com](http://Routesonline.com), ‘Airline Opportunities’ allows airports to load both their new route opportunities and routes that are soon to be withdrawn. Airlines can then search these routes and assess which city pair is right for them.

For airports, it is vitally important that a new airline is found, before the current carrier ends the service. In this way the market remains in place rather than passengers having to find new ways to do the journey. On ‘Airline Opportunities’, airports can literally put a route opportunity back into play within seconds. ■



## Amman and Brussels to be linked again

Europe's 'capital city' is to resume air links with Jordan following the announcement that Royal Jordanian will recommence flights between the Jordanian capital Amman and Belgium, from 1 April 2009.

Royal Jordanian will serve the route twice weekly, on Saturdays and Wednesdays, using Airbus A319s that were recently added to the fleet.

Brussels says the route will stimulate relations between Jordan and Belgium, facilitate business and serve the Jordanian and Arab communities living in Belgium. Royal Jordanian suspended services to Brussels in 2003.

The introduction last year of direct freighter services between Brussels and Amman proved very successful, and Wilfried Van Assche, CEO of Brussels airport, says there is no doubt that the new passenger flights will be very popular with both business and leisure passengers.

Brussels airport currently handles 17.8 million passengers and 780,000 tons of freight annually, linking the European capital with 225 destinations worldwide that are served by 96 different airlines: 80 passenger airlines and 16 full-freighter airlines. ■

# Vegas makes room for more

Bets on future success mean big changes for Vegas

BY ALAN PEAFORD

One of the most famous cities in the world is still under-served by international airlines – but that should soon change.

Las Vegas is adding 30,000 new hotel rooms over the next few years (“that’s the same number of rooms as the whole of Cancun”, says the city’s vice president of international brand strategy John Bischoff) as well as opening a new terminal at McCarran airport.

The expansion will give Las Vegas 170,000 hotel rooms by 2012 when the new terminal opens. For the past two decades Vegas has been the fastest growing city in the USA and increasingly one of the leading domestic tourism destinations.

“We are also seeing a growing number of international visitors,” says Bischoff. “But there are still too few international airlines serving the route.”



Virgin Atlantic began direct flights from London in 2000 and achieved daily flights in 2006 with impressive loads and yield according to Cathy Tull, vice president of strategic planning for the Vegas convention and visitors authority. Condor fly from Germany, Korean Airways and a number of Canadian and Mexican airlines fly direct. Phillipine Airlines also serves the city with one stop in Vancouver.

“We think there are many op-

portunities particularly from China and elsewhere in Asia,” says Bischoff.

While many people would think of Vegas in its role as the gambling capital of the world, Bischoff is anxious to sell the fact that there is much more to do.

“We have three key strands,” says Bischoff, “entertainment, fine dining and retail. There are seven Cirque du Soleil shows for example, we also have many of the leading restaurateurs of the world” ■

## DFW adds new runway bypasses

BY MIKE MILLER

Dallas/Fort Worth International Airport, which has been developing its own natural gas business under the airport’s runways, is adding new perimeter taxiways to improve airline block times and increase safety margins.

The southeast airfield runway bypass is under development and DFW “eventually will do the same for all four airport corners,” said Christopher Minner, DFW assistant

vice president. By limiting cross-runway taxiing, DFW hopes to improve the level of safety for airlines.

DFW, which this year gave Routes a two-year commitment as ‘meeting hall sponsor’, has been using its newfound natural gas revenue to advance capital projects throughout the airport, such as the taxiway project. “It’s unique that we have this new revenue and we want to use it wisely to pay down debt and advance as many projects

as possible,” said Bill Frainey, DFW assistant vice president.

Frainey believes DFW will see a smaller passenger seat decline this year than other airports its size in the USA saying that current figures show just a 5% drop. “But we may do better than that,” he said.

The airport has experienced a steady growth in business to Asia, with non-stop passenger services to Tokyo and Seoul, and an extensive cargo network. ■

## New report on airport privatisation

UK-based air transport consultant and writer David Bentley – an associate with organisers RDG – has just published the latest in his series of management reports on airport privatisation and financing that began in 2000. The first two were published by Euromoney and the latter two by the Centre for Asia Pacific Aviation.

This fifth report is self-published and is aimed partly at the North American market where the first privatisa-

tion of a major airport is taking place, with the 99-year lease on Chicago’s Midway airport.

Bentley says: “Despite occasional hiatuses brought about by the terrorism of September 2001 – and the ‘credit crunch’ now – there is still an appetite among investors globally to acquire airports, and the number of investors is growing.”

Current deals include London Gatwick; Charleroi-Brussels South, Belgium; and St Petersburg Airport. ■



# Climate change is a game changer

Aviation's increasing carbon footprint will add pressure on the industry

BY MIKE MARTIN

Climate change threatens aviation and tourism business growth and the industries must develop strategies to meet the challenges. Even if the industries manage to maintain growth, they will be impacted in a range of ways.

That was the message from Professor Callum Thomas of the UK's centre for aviation and the environment, speaking yesterday at the 1st annual Tourism and Air Service Development Summit at Routes 2008.

The growth in tourism has been phenomenal in recent times and will continue to grow, but will increasingly come up against a range of challenges posed by climate change, he said.

"In the whole of 1950, around 14,000 British people went to Greece. Now, more than that arrive on a wet Wednesday in March," he said.

"When you see the dramatic changes that happen in just a decade you can see that major change can create whole economies or make them disappear. Much of the economy of southern Europe is dependent on



Far-reaching consequences: Professor Callum Thomas throws out the climate change challenge to the industry

tourism." Thomas pointed to the impact of the SARS epidemic and two Gulf wars on the industry. "The magnitude of climate change means it will be a more significant event than any of these."

He pointed to the commitment by several governments dramatically to reduce levels of CO<sub>2</sub> emissions, the growing awareness of the general public in many countries and the activism of the environmental lobby, most recently targeting travel agents for protest action.

With IATA calling for a carbon neutral goal by 2020 and a carbon free industry within 50 years, the aviation world will never be the same, said Thomas. "People would have laughed at me if I had suggested this five years ago. They would have locked me up!"

One result will be that the cost of travel will increase, he said. Another will be a climate change-related shift in travel patterns.

With some scientists warning that temperatures in southern Europe could hit 45 degrees in sum-

mer, the traditional tourist migration to those regions in August could end and the high season shift to spring and autumn. Worse, areas of southern Europe could become uninhabitable.

"Climate change threatens aviation and tourism growth," said Thomas. "We need to integrate tourism planning and aviation planning and begin to anticipate how climate change will affect all of these things not in 100 years time, but in ten, 20, 30 or 40 years time." ■

## Dubai vision "will weather financial crisis"

BY MIKE MARTIN

Dubai's aviation and tourism business community is confident that the strength of its industry and continued demand for international travel will see the emirate through the present financial crisis, Anita Mehra Homayoun, vice president marketing and corporate communications, Dubai Airports, said yesterday.

Speaking at the first Tourism and Air Service Development



Anita Mehra Homayoun

Summit, she said that Dubai's extraordinary development had been won against a background of two gulf wars, the 1990s financial crisis in Asia and the SARS epidemic.

"We took incredible decisions during these times," she said. "We decided to buy the largest number of Airbus A380s (of any airline) at the time of the gulf war. We are still very positive and we will continue to do that."

Homayoun outlined the Dubai Airports marketing strategy behind the amazing growth of Dubai International Airport which in 1960 handled 10,000 passengers on 776 flights. Last year, the airport hosted 123 scheduled airlines linking 210 destinations.

Under government plans, Dubai is targeting 15 million tourists a year by 2015 and is already nearly half way there with an estimated seven million expected for 2008.

Homayoun said that Dubai had been enjoying consistent double digit growth in excess of that of China and India. While it has be-

come synonymous with mega projects such as the Palm islands and the world's tallest tower, she said that part of the marketing approach was to focus on other aspects of Dubai as a destination.

These included a focus on traditional Arab culture, sports and retail-related events. Famously, an event called Dubai Summer Surprises was launched in the hottest weeks of the year, when temperatures can hit 45 degrees or more. The strategy was highly effective, attracting many visitors from the neighbouring GCC (Gulf Cooperation Council) countries. ■

# Small country is thinking big

Swaziland building infrastructure for tourist boom

BY ALAN PEAFORD

It is one of the smallest countries on earth, but Swaziland is investing in a new international airport and is determined to put itself on the map for international airlines.

"We are at Routes for the first time," says the ministry of economic planning's principal aviation manager, Solomon Dube. "We think there are many opportunities for international airlines, especially those that are looking for an alternative to South Africa for visitors wanting to experience a safari holiday."

The planned new airport at Sikhuphe in the heart of Swaziland is closer to South Africa's Kruger national park than the existing entry point at Johannesburg. It is even closer to Swazi-

land's own Hlane and Mlawula national reserves on the border with Mosambique where, Dube says, the big five (buffalo, lion, leopard, elephant and rhino) are plentiful.

"Swaziland is a very safe place for tourists and to do business," says Dube. The new airport will improve transport links in the county with cargo and freight facilities to enable an efficient means of exporting indigenous products such as fruit, livestock and sugar.

The new terminal at Sikhuphe will feature a high thatched roof in the style of a traditional building. "The government wanted something that would blend in well and get the support of the people," says Ju-liang Trigg from Vector Management, the com-



Hats off to Swaziland: Solomon Dube calls for more international links

pany masterminding the design and marketing of the new airport. The high roof also allows a reduction in air conditioning, reducing environmental impact.

The new airport has a 3,600m

runway – a kilometre more than the existing airport at Mbabane. "This will allow long haul aircraft to come direct. At the moment the airport is served by Swazi Air Link to South Africa only." ■

# A taste of things to come from Sweden

BY ALAN PEAFORD

A chance comment at the Routes event in Dubai two years ago has led to an exciting new franchising operation being unveiled at this year's event.



Cheers: Gourmet offering from chef Leif Mannerstrom and Karin Aman

During the Dubai Routes, booth designer Hans Lian introduced a demonstration of Swedish food prepared by top Swedish chef Leif Mannerstrom to enhance the booth of the Scandinavian exhibitors. "We had some visitors from Russia who wanted to know more about the food stand and we realised we had a potential good business idea," Lian says.

The result is Andersson Food and Akvavit, a franchise concept offering Scandinavian gourmet food to airports.

Leif Mannerstrom is here at KL demonstrating the type of food that will be offered including pickled herring, smoked salmon with vasterboten cheese, smoked game with horseradish and skagen with bleak roe.

"Food and Akvavit offers light food and some of our special spiced schnapps which is ideal for people waiting for a flight.

With a 150 square metre area we can offer a trendy and inviting environment with something really special," says Karin Aman, project manager.

The first of the Scandinavian lounges opened at Gothenburg Landvetter airport in May and a second is currently under construction at Stockholm Arlanda and will open next month.

"The concept will work anywhere in the world," Aman says. "We hope that Airports visiting Routes will come and look and see what is possible."

Chef Mannerstrom is recognised around the world as being at the top of his profession as well as being an expert in Scandinavian cuisine and traditional preserving methods. "It is good to get people to experience this food," he says. ■

## New routes

Compared to this time last year, 2,092 new routes have been launched or reinstated. A total of 17,463 flights now operate on these new routes every week, with a combined capacity of 1.8 million seats according to OAGback Aviation Solutions.

The company has conducted an historical analysis of its schedules database over the past year to identify world rankings of all new routes.

Topping this global chart with the highest number of operations is the route between Port of Spain and Tobago airports in Trinidad & Tobago with 281 flights per week, all operated by Caribbean Airlines. This route is also at number one when all new services are ranked by capacity, offering 14,838 seats per week.



For more show news, images and videos go to: [flightglobal.com/ab](http://flightglobal.com/ab)



REPORT | NICHOLAS IONIDES

# CURRYING FAVOUR

Hyderabad is looking into whether it should instigate expansion plans



**Happy times ahead: (From left) Hyderabad's Krishna Kumar G, Raveen Pinto and Subhash Murikenchery at the show, looking forward to future expansion**

India's Hyderabad Airport has launched studies to determine when expansion work should begin as passenger and cargo throughput has continued to grow at healthy rates since its March opening.

Chief commercial officer A. Viswanath told *Airline Business Daily* that the airport expects to complete its studies early next year and he expects expansion work to begin in two to three years.

"We are presently doing the capacity constraint study and by March we will come up with some plans for expansion of the airport," he said. "Around 2011 we will be looking at expansion."

The all-new airport opened in March to replace the southern Indian city's old airport, which was at capacity.

It currently has a design capacity of 12 million passengers annually and its first terminal was designed to allow for an increase to 20 million. A second terminal is planned for later stages along with a second runway, allowing for at least 20 more million passengers to be handled annually.

Viswanath said he expects initial expansion work on the first terminal to take between eight and 12 months, lifting capacity to 15 million passengers annually.

He said 7.8 million passengers are expected to be handled this financial year, up from 6.2 mil-

lion at the old airport in the last financial year and representing growth of more than 25%.

Cargo throughput is also forecast to increase this financial year by around one third, to 65,000t from 49,000t. Viswanath said there was a 42% increase in exports in the first half as the airport's longer runway means there are no longer payload restrictions.

Viswanath said despite the global economic uncertainty that has already seen many airlines cutting their capacity, Hyderabad airport has not been affected. He said Gulf Air and Air India Express have started serving the airport in recent months, while Air Arabia begins serving it this month and British Airways in December. Emirates has also increased its passenger services to three flights per day.

Lufthansa Cargo and Singapore Airlines' SIA Cargo have also begun serving the airport this year, adds Viswanath. "We have been doing very well this year," he said.

"In August and September passenger volumes slowed down more than we expected, but

**"Despite the global economic uncertainty that has seen many airlines cutting their capacity, Hyderabad airport has not been affected"**

in October international demand typically picks up and in November domestic picks up."

State-owned Airports Authority of India (AAI) operated Hyderabad's old airport but the new facility was built through a government-private sector partnership.

Energy and infrastructure group GMR has 63% of the joint venture behind the new airport. Malaysia Airports Holdings has 11% while AAI and the government of the Indian state of Andhra Pradesh have 13% each.

GMR and Malaysia Airports are also partners in the Indian capital Delhi's airport, which was privatised in 2006 through a long-term lease agreement. A new runway recently opened at Delhi while upgrade work on the international terminal was also completed.

Modernisation works are currently underway at the existing domestic arrival terminal while a new domestic terminal is also being built, in addition to a much larger new domestic and international terminal that is due to open in 2010.

Although demand has slowed in recent months, India's air transport sector has expanded rapidly since 2003 as new airlines have been launched and foreign carriers have been given additional rights to serve the country. ■

For more show news, images and videos go to: [flightglobal.com/ab](http://flightglobal.com/ab)



## MUMBAI TO HANDLE 40 MILLION

Mumbai's Chhatrapati Shivaji international airport is moving forward with plans to expand its new integrated terminal to handle 40 million passengers, up from the current 26 million.

With 650 current daily flights, the growth would mean topping 1,000 daily frequencies, a level unheard of just a few years ago. The infrastructure investments are being made to expand the every segment of the airport's operations for Mumbai, which already is India's largest international airport.

The facility expansion includes building 250% more jetbridges, to 66 total, and expanding parking stands from 84 to 106. In addition, Mumbai is in the middle of building 11 new taxiways, a new cargo complex and adding 8,400 new parking spaces. ■

## TIRUPATI GOES INTERNATIONAL

India's government is to open Tirupati airport in the state of Andhra Pradesh to international flights. The Ministry of Civil Aviation says the government has given approval for the existing domestic airport at Tirupati to be designated an international facility.

Tirupati is in the state of Andhra Pradesh and is a prominent city for religious pilgrimages. It has been growing in popularity as a tourist destination and the government says its airport has seen passenger throughput more than double over the past two years, "indicating very high potential".

The airport is able to handle Airbus A320-sized aircraft and its terminal building can accommodate up to 300 passengers at one time. The ministry says a proposal is under consideration for a runway extension. ■



REPORT | ALAN PEAFORD

# PIERING AT FINE FUTURE PROSPECTS

Auckland's new pier an investment in NZ's future

**T**he completion of a new US\$50 million international terminal pier at Auckland airport marks the next stage in the airport's development that will eventually provide for a projected 25 million passengers a year by 2025.

The new international pier was officially opened last Friday and becomes fully operational for passengers on 21 October.

Auckland Airport chief executive officer Simon Moutter says, "The new pier marks a significant milestone for New Zealand's gateway, providing the capacity and environment to support the country's tourism, travel and trade, both now and well into the future."

It has been designed with expansion in mind and to accommodate the next generation of larger sized planes, including the Airbus A380.

"The new pier will greatly improve service to passengers by giving us the ability to handle more aircraft at peak times and offering further world-class facilities in Auckland for the travelling public" Simon says.

All passengers will benefit from the extra aircraft capability as it will reduce the number of situations where passengers are bussed to and from aircraft.

Four years in the planning, the new pier has been built to meet increasing passenger numbers and to accommodate the much antici-

pated arrival of aviation's super-jumbo, the Airbus A380.

Auckland airport is ready to roll out the welcome mat from 1 February 2009 when Emirates begins a daily A380 service between Dubai, Brisbane and Auckland. Auckland Airport is the only airport in New Zealand that can host the double-decker aircraft.

The completion of the new pier ends a major construction phase at the international terminal. In April 2008 a new arrivals area opened, greatly increasing the facilitation of arriving passengers, followed by the completion of the expanded border agency screening hall in July.

The airport has gone out of its way to create an authentic 'Kiwi feel' for passengers from the moment they step off the aircraft. Throughout the arrivals and departure halls is some specially selected imagery of unique wildlife and plant life, bringing the great outdoors to life and hinting at just some of what New Zealand has to offer.

## STUNNING VIEWS

Large windows in the pier offer an insight to the busy airport environment as well as out to the stunning Manukau Harbour. On the departure level is a sculpture by New Zealand artist Konstantin Dimopoulos encouraging passengers to reflect on their idea of New Zealand.

Auckland Airport's new international pier is also setting a trend in environmental design featuring solar heating for public toilet hot water and rain water harvesting, with an estimated 4,000m<sup>3</sup> of recycled rainwater per year expected to be collected from the roof. The pier has highly filtrated air and carbon dioxide sensors and underwent a 'flushout' period to reduce levels of dust, odours and chemical contaminants. ■



Pacific blue to serve Kiwis

Pacific Blue begins flying its newest trans-Tasman route today from Auckland to Sydney. It announced a jump in capacity on the Tasman in July, offering daily flights from Auckland to Melbourne and nine flights a week from Auckland to Sydney using 180-seat Boeing 737-800 aircraft. The move prompted the airline's competitors to drop their lead-in fares on the routes significantly.

The airline's commercial GM, Adrian Hamilton-Manns says that Pacific Blue has been in a strong growth phase in the past 12 months, launching a New Zealand domestic airline and announcing a range of new international routes and destinations.

"Our combination of a modern fleet, high quality service and affordable fares has struck a chord with New Zealanders. We're very happy with the support Kiwis have shown for us as we've introduced real competition into the domestic market, and we're confident of their continued support on our international services.

"Our strategy is always to look for markets that are under-served – not just in capacity but also in terms of value for money," he said. ■

**"The new pier marks a significant milestone for NZ's gateway, providing the capacity and environment to support the country's tourism, travel and trade"**



# TOP 10 ROUTES | BY SEATS OFFERED

## EUROPE – NORTH AMERICA

| RANK | AIRPORT 1       |      | AIRPORT 2         |      | SEATS<br>PER WEEK | LEAD CARRIERS     |                   |
|------|-----------------|------|-------------------|------|-------------------|-------------------|-------------------|
|      | NAME            | CODE | NAME              | CODE |                   | CARRIER 1         | CARRIER 2         |
| 1    | LONDON HEATHROW | LHR  | NEW YORK JFK      | JFK  | 74,380            | BRITISH AIRWAYS   | VIRGIN ATLANTIC   |
| 2    | LONDON HEATHROW | LHR  | LOS ANGELES       | LAX  | 40,707            | BRITISH AIRWAYS   | VIRGIN ATLANTIC   |
| 3    | LONDON HEATHROW | LHR  | CHICAGO O'HARE    | ORD  | 40,446            | AMERICAN AIRLINES | BRITISH AIRWAYS   |
| 4    | LONDON HEATHROW | LHR  | WASHINGTON DULLES | IAD  | 30,323            | UNITED AIRLINES   | BRITISH AIRWAYS   |
| 5    | PARIS CDG       | CDG  | NEW YORK JFK      | JFK  | 28,914            | AIR FRANCE        | AMERICAN AIRLINES |
| 6    | LONDON HEATHROW | LHR  | NEWARK            | EWK  | 26,665            | BRITISH AIRWAYS   | VIRGIN ATLANTIC   |
| 7    | LONDON HEATHROW | LHR  | SAN FRANCISCO     | SFO  | 24,153            | BRITISH AIRWAYS   | UNITED AIRLINES   |
| 8    | FRANKFURT       | FRA  | CHICAGO O'HARE    | ORD  | 23,501            | LUFTHANSA         | UNITED AIRLINES   |
| 9    | LONDON HEATHROW | LHR  | MIAMI INT'L       | MIA  | 23,223            | BRITISH AIRWAYS   | VIRGIN ATLANTIC   |
| 10   | LONDON HEATHROW | LHR  | BOSTON LOGAN      | BOS  | 22,250            | BRITISH AIRWAYS   | AMERICAN AIRLINES |

## EUROPE – ASIA

| RANK | AIRPORT 1       |      | AIRPORT 2    |      | SEATS<br>PER WEEK | LEAD CARRIERS      |                 |
|------|-----------------|------|--------------|------|-------------------|--------------------|-----------------|
|      | NAME            | CODE | NAME         | CODE |                   | CARRIER 1          | CARRIER 2       |
| 1    | LONDON HEATHROW | LHR  | HONG KONG    | HKG  | 47,375            | CATHAY PACIFIC     | BRITISH AIRWAYS |
| 2    | LONDON HEATHROW | LHR  | SINGAPORE    | SIN  | 37,859            | SINGAPORE AIRLINES | QANTAS AIRWAYS  |
| 3    | LONDON HEATHROW | LHR  | MUMBAI INT'L | BOM  | 26,328            | JET AIRWAYS        | BRITISH AIRWAYS |
| 4    | LONDON HEATHROW | LHR  | BANGKOK      | BKK  | 26,122            | THAI AIRWAYS       | QANTAS AIRWAYS  |
| 5    | LONDON HEATHROW | LHR  | TOKYO NARITA | NRT  | 22,288            | BRITISH AIRWAYS    | VIRGIN ATLANTIC |
| 6    | PARIS CDG       | CDG  | TOKYO NARITA | NRT  | 21,589            | AIR FRANCE         | JAPAN AIRLINES  |
| 7    | LONDON HEATHROW | LHR  | DELHI INT'L  | DEL  | 20,266            | BRITISH AIRWAYS    | AIR INDIA       |
| 8    | FRANKFURT       | FRA  | SINGAPORE    | SIN  | 19,474            | SINGAPORE AIRLINES | QANTAS AIRWAYS  |
| 9    | FRANKFURT       | FRA  | BANGKOK      | BKK  | 15,708            | THAI AIRWAYS       | LUFTHANSA       |
| 10   | PARIS CDG       | CDG  | HONG KONG    | HKG  | 14,860            | AIR FRANCE         | CATHAY PACIFIC  |

## NORTH AMERICA – ASIA

| RANK | AIRPORT 1      |      | AIRPORT 2     |      | SEATS<br>PER WEEK | LEAD CARRIERS      |                    |
|------|----------------|------|---------------|------|-------------------|--------------------|--------------------|
|      | NAME           | CODE | NAME          | CODE |                   | CARRIER 1          | CARRIER 2          |
| 1    | HONOLULU       | HNL  | TOKYO NARITA  | NRT  | 38,443            | JAPAN AIRLINES     | NORTHWEST AIRLINES |
| 2    | LOS ANGELES    | LAX  | TOKYO NARITA  | NRT  | 29,650            | NORTHWEST AIRLINES | SINGAPORE AIRLINES |
| 3    | SAN FRANCISCO  | SFO  | HONG KONG     | HKG  | 20,832            | CATHAY PACIFIC     | SINGAPORE AIRLINES |
| 4    | SAN FRANCISCO  | SFO  | TOKYO NARITA  | NRT  | 20,189            | UNITED AIRLINES    | JAPAN AIRLINES     |
| 5    | LOS ANGELES    | LAX  | SEOUL INCHEON | ICN  | 20,126            | KOREAN AIR         | ASIANA AIRLINES    |
| 6    | LOS ANGELES    | LAX  | TAIPEI        | TPE  | 19,898            | CHINA AIRLINES     | EVA AIR            |
| 7    | CHICAGO O'HARE | ORD  | TOKYO NARITA  | NRT  | 17,178            | UNITED AIRLINES    | JAPAN AIRLINES     |
| 8    | NEW YORK JFK   | JFK  | TOKYO NARITA  | NRT  | 16,408            | JAPAN AIRLINES     | ALL NIPPON AIRWAYS |
| 9    | LOS ANGELES    | LAX  | HONG KONG     | HKG  | 15,324            | CATHAY PACIFIC     | -                  |
| 10   | VANCOUVER      | YVR  | HONG KONG     | HKG  | 14,089            | CATHAY PACIFIC     | AIR CANADA         |

Source: INNOVATA.  
Data compiled by Flight Insight based on Innovata schedules for 20-26 October

# Viva Macau bucks trend

While others cut services, Korfiatis looks to augment the airline's offerings

BY NICHOLAS IONIDES

Many of the world's airlines may be looking to reduce capacity amid the global economic turmoil but Viva Macau is looking to buck the trend, with additional aircraft and new routes next year.

Chief executive Con Korfiatis told *Airline Business Daily* that the Macau-based carrier is looking to add a third aircraft late in the first quarter of next year, as well as a fourth in the third quarter and a fifth in the last quarter.

It is also looking to add frequencies on existing routes as well as add new routes, including to new markets such as India and the Middle East.

Viva Macau currently operates

two Boeing 767s from its Macau base, to Ho Chi Minh City, Jakarta, Okinawa, Sydney and Tokyo. It also operates seasonal services to two points in South Korea.

Korfiatis said that between now and the middle of next year it will be increasing frequency on all of its existing routes, after which it plans to add new routes.

Destinations it is looking at include points in the Middle East, India and Russia. He said the car-

rier is also looking to add more destinations in Australia, Indonesia, Japan and South Korea.

He said Viva Macau was hoping to add to its fleet this year but it had trouble finding aircraft until recently, when 767s became available on the lease market.

## CHANGES

"In 2007 we couldn't find anything but things have changed markedly in the past few months," he said, adding that he expects to firm up lease agreements soon on the additional aircraft.

"Over 15 aircraft are now being marketed to us at rates that are 40% below what they were a year ago."

He added: "We do need to

**"Over 15 aircraft are now being marketed to us at rates that are 40% below what they were a year ago"**



**Con Korfiatis: Looking to add new aircraft and routes to Viva Macau's portfolio**

grow. We have had no economies of scale with two aircraft."

Viva Macau will be able to expand despite the economic turmoil as Macau is continuing to grow in popularity as a tourist destination, best known for its casinos, concluded Korfiatis. ■

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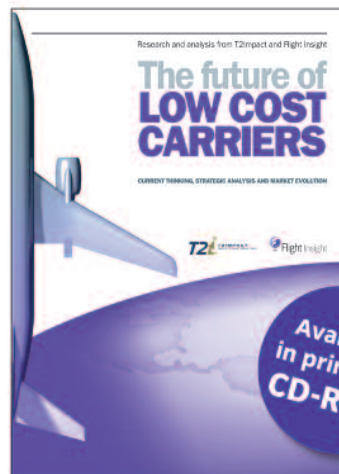
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# Global uncertainty puts MAS plans on hold

BY NICHOLAS IONIDES

**M**alaysia Airlines (MAS) has put longstanding plans for a sizeable widebody aircraft order 'on hold' amid the global economic uncertainty.

MAS has been looking at orders for dozens of new aircraft in the 150- to 200-seat size category for some time and originally planned to make a decision by the middle of this year, although this was later pushed back to the end of this year.

Managing director Idris Jala said on the sidelines of the Routes event in Kuala Lumpur that the order plan is now being deferred further. "We are still looking very intensely at the widebodies but it is clear that we will delay the process to look at what is happening in the market," he said.

MAS has been carrying out a wide-ranging restructuring since

Idris joined nearly three years ago and it has since placed orders for 737-800s for its domestic and short-haul international operations.

It has 35 737-800s on firm order as well as 20 options and deliveries are due to begin in September 2010. Idris says the 35 firm-ordered aircraft will all be for replacement purposes as it phases out ageing 737-400s, and a decision on options will depend on the state of the air transport mar-

ket over the next few years. If it decides it needs additional aircraft it may be able to get them from other carriers' orderbooks.

"The 35 on order are exactly enough to replace the existing aircraft that we are retiring," he said. "The additional capacity is the 20 options. We expect in the next year or so that the market will tank", resulting in overcapacity and order cancellations that may allow it to "pick up aircraft relatively cheap".



**Idris Jala: Being wise and not hurrying decisions in the uncertain climate**

## China crisis

China Eastern Airlines' financial situation has deteriorated further with the Shanghai-based carrier expected to make a third quarter loss larger than anticipated.

The Chinese carrier said in a statement to the Hong Kong stock exchange yesterday that high oil prices, a general slowdown in the aviation market and a "dramatic decrease in transportation demand during the third quarter" have led to a greater financial loss.

The Chinese Government's decision to clamp down on issuing tourist and business visas has led to a drop off in arrivals. China Eastern, which is one of the country's big three airlines, already posted a 212.5 million yuan (\$31 million) net loss for the first two fiscal quarters. ■

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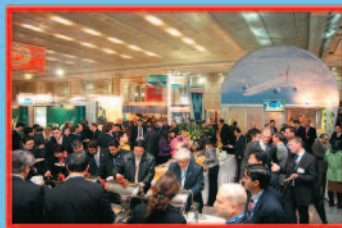
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Left: The Suria KLCC at the foot of the colossal Petronas Towers

SHOP 'TIL YOU DROP

# MEGA MALLS 'N' MARKETS

If you need to get that last minute gift before heading home KL has some huge shopping malls full of all the well-known global chain and designer stores, as well as housing entertainment venues and many restaurants and bars.

Mid Valley Megamall is exactly what it says – a mega mall with over 300 stalls, an 18 screen cinema and a bowling alley.

Berjaya Times Square is Southeast Asia's largest mall, which also houses an amusement park and multiscreen cinema. If you specifically want a designer label, Starhill Gallery is the place to go, remember your credit cards!

Kill two birds with one stone (if you haven't paid a visit to the colossal Petronas Towers at Suria KLCC) and visit the mall based at

the foot of the towers. If you're after electrical goods such as computers and laptops head to either Plaza Low Yat or Imbi Plaza located in the Golden Triangle.

If you want something more authentic KL has quite a few daily markets. Central Market (*Jalan Hang Kasturi and Jalan Cheng Lock: open 10am-10pm*) in China Town is housed in an art-deco building and is packed with bargain gifts and souvenirs available, from textiles and sculptures to clothes and handmade jewellery. You can even stop for lunch on the first floor at the Malay food court.

Chow Kit Market is full of household and everyday items but you can also pick up a songkok – a traditional fez.

If you're an early bird the huge

Pudu Market (*Jln Pasar Baharu*) is a great place to stroll and experience local market life, and will certainly wake your senses up.

It's not so likely you will buy a gift here as it is a massive, and frantic, food market selling everything from fruit and vegetables to all different kinds of fish and meat – with some perhaps not being to westerners' taste, such as a pig's penis!

You can also stop for some breakfast at neighbouring Pusat Makanan Peng Hwa, a 24-hour food market.

Each Saturday, the evening markets (*pasar malam*) spring to life in the streets around Little India and Kampung Baru, with an assortment of items available. It's also a great place to grab a bite to eat at one of the many hawker stalls. ■

## BATU CAVES

For something a little different to do after you have finished pounding the halls, how about a trip to the spectacular limestone Batu Caves.

Discovered in the 1890s, and situated seven miles north of Kuala Lumpur, there is a series of caves and cave temples – a sacred place for Malaysia's Hindus.

Fairly early on the caves' discoverer, K. Thamboosamy Pillai installed the consecrated golden murti (statue) of Sri Subramania Swamy in what is today known as the Temple Cave. And since 1892, the colourful Thaipusam festival (late Jan/early Feb) has been drawing huge crowds of devotees and spectators to the site.

Prepare for a little simian attention, as there is a large local monkey population, and a word of warning – if you are feeling a little jaded after the conference, note you will have to climb a steep flight of 272 steps to get to the main Temple cave, the ceiling of which is 100m high!

To get to the caves take Intrakota bus No 11D from the Central Market annexe or the Cityliner bus No 69 at Jalan Pudu. Taxis are also available anywhere around city.



## USEFUL NUMBERS | INFO

©Country Code:  
Malaysia – +60  
Area code: 3

**Emergency Services**  
Police/Ambulance – 999  
Fire and Rescue – 994  
**Hospital Kuala Lumpur**  
Jln Pahang  
©2615 5555  
www.hkl.gov.my

**Pharmacies** are easily located in KL, many in the shopping malls. The most common one is called Guardian.

**Health Risks:** Kuala Lumpur is generally safe from most sanitation-related diseases. However, it is still wise to take extra precautions. Make sure meat is cooked very well, avoid local dairy products and peel fresh fruit/raw vegetables. Tap water in the cities is considered safe, but it is wise to buy bottled water especially if you are staying on after the show and plan to travel to rural areas. Malaria is

present in Sabah, Sarawak and some remote areas in peninsular Malaysia. Use insect repellent when visiting the countryside.

**Tourist Information**  
Malaysian Tourist Centre  
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www.mtc.gov.my

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