

More German budget operators

Taiwan flights dropped as profits fall

TWO major airlines have cut services that they operate to Taiwan because of falling sales on the route. Air Canada suspended its daily service from Vancouver to Taipei in October, saying that it would re-introduce the service in March next year. And Australian carrier, Qantas, stopped its twice-weekly Sydney to Taipei flight in November, also because of financial considerations.

Air Canada, which said it is considering other reductions in its service to Taiwan, commented, 'The suspension is based on commercial considerations as profits are low in winter.'

For travellers in Taiwan, there is at least some good news from an airline in Australia, however, because Cairns-based Australian Airlines - a subsidiary of Qantas - started services in mid-November to the Taiwanese capital.

In the USA, Delta Air Lines has also axed flights to Rio de Janeiro and Buenos Aires because of poor sales (see below). □

There will soon be more choice of competitive fares for language travel students in Europe travelling to and from Germany, as yet another carrier has entered the low-cost aviation battleground there.

Charter operator, Air Berlin, launched its City Shuttle service at the end of September, joining Ryanair, Buzz and Deutsche BA (likely to be acquired by EasyJet, see *Language Travel Magazine*, October 2002, page 6). City Shuttle offers flights from Berlin, Dortmund, Dusseldorf, Hamburg, Munster, Nuremberg and

Paderborn in Germany, as well as services to Barcelona, London, Milan and Vienna.

The airline promises competitive fares, as well as a food and drinks service on board. A one way fare from Hamburg to London was quoted at US\$39 at the time of going to press.

The growing competition has already resulted in one low-cost operator retracting from the German aviation market. Virgin Express, which had planned to start services from Cologne-Bonn Airport, has said it will now concentrate on expansion at Brussels.

'Our decision to continue our operational focus in Brussels and hold back on [plans for Germany] is based on common sense,' said David Hoare, the airline's Executive Chairperson. 'We believe that a fares war in the [German] market is inevitable, with the new entrants fighting for market share.' Lufthansa and German travel company, TUI, have also confirmed their intentions to launch no-frills operations in Germany. Lufthansa's venture is to be called German Wings, while TUI is launching under the Hapag-Lloyd Express banner. □

Continental modernises its approach

CONTINENTAL Airlines in the USA has announced a restructuring plan that will see it implementing low-cost ideals for many of its services. A US\$20 fee is to be charged for all paper tickets issued for domestic routes, while fees for other services will be charged to low-cost customers.

In the current environment of declining air fares, Continental

will retain its full-service product for higher-revenue customers, while adjusting services and fees to reflect customer demand for lower fares,' said a spokesperson at the airline.

Continental's domestic capacity is also being reduced and 11 aircraft will be phased out of service by the end of 2003. 'These initiatives are a necessary re-

sponse to the dramatic changes in the [US] marketplace, including continued deterioration of revenue and rising fuel, insurance and security costs,' said the airline spokesperson.

Despite cost-saving efforts, the airline has announced that it is to launch flights again from New York's Newark Airport to Caracas in Venezuela from December. □

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● **Air France** has launched two new routes to the UK from Paris. Flights to Aberdeen and Bristol from the French capital began in October. Christian Herzog at the airline stressed, 'This is not capacity we took out after September 11, these are new routes.' The airline has also announced that it is to postpone privatisation plans until market conditions are more favourable (see *Language Travel Magazine*, October 2002, page 6).

● The **Travel Industry Association of America** has urged the US government to consider setting up a national marketing board to promote tourism to the USA, with declining sales post-September 11 serving as a reminder of the need for industry coordination. There has been no national promotion body for tourism in the USA since the Travel and Tourism Administration was abolished

in the late 1990s.

● Lufthansa partner, **Cirrus Airlines**, has established the first air link between Leipzig in Germany and the UK with the launch of twice-daily services to London Stansted. The airport now offers a total of 14 routes to Germany.

● Afghanistan's national airline, **Ariana**, started services to Germany earlier this year with a once-weekly service from the capital, Kabul to Frankfurt. The service, which flies via Istanbul in Turkey and Sharjah in the United Arab Emirates, was the only scheduled service between Afghanistan and Europe at the time of going to press.

● **Ireland** has been affected badly by poor tourism sales, with US tourists in particular staying away this year, according to Tour-

ism Ireland. The all-Ireland marketing body estimates that the revenue created by US visitors was down by €100 million (US\$98.6 million) for the period between January and mid-August this year. Its study of more than 900 businesses also indicated that Dublin and the northwest were the worst hit areas.

● US carrier, **Delta Air Lines**, is axing its services from Atlanta to Buenos Aires and Rio de Janeiro because of falling sales on the routes. The services terminate on December 1 this year. Subodh Karnik at Delta said, 'Lower demand for air travel worldwide and the continued weak US and global economy has resulted in significant financial losses for these services. We have concluded it is better to focus our resources on those markets where we can be most competitive and

realise the greatest revenue generation opportunities.'

● **Air China** has announced a new UK service scheduled for next summer. From July 2003, a new Monday service will operate from London's Heathrow Airport to Beijing. 'The new service will give Air China daily non-stop services from Heathrow on new generation Boeing 747-400 aircraft,' said the carrier.

● **Singapore Airlines** has increased its services from Singapore to Australia and New Zealand for the southern hemisphere's summer season. It has increased its Brisbane flights to two per day and introduced an extra service to Sydney and Melbourne. Two additional weekly services to Christchurch in New Zealand have also been launched.