

# US Delta reorganises its operations

Delta Air Lines in the USA is "merging" its low-cost brand, Song, into its main fleet and carrier and reorganising its services to offer 11 new transatlantic routes. The changes are all part of the airline's bid to emerge from financial difficulties and Chapter 11 bankruptcy protection and represent the largest international expansion in Delta's history.

The new routes, which will be introduced during 2006, are to the Middle East and Europe – from Atlanta to Tel Aviv, Düsseldorf, Copenhagen, Edinburgh, Athens, Nice and Venice; and from New York to Budapest, Dublin, Manchester and Kiev. "This is a cornerstone of the transformation plan in Delta – shifting assets to mar-

kets where we are doing well," said Loren Neuenschwader, spokesperson for Delta.

Meanwhile, Song will become defunct from May 2006 but aspects of the service will be adopted by Delta Air Lines, which will redeploy the Song aircraft on busier routes from May, away from the domestic leisure market destinations that Song specialised in. The on-demand video service at Song, for example, will be made available in 100 Delta aircraft during the year.

"As part of our restructuring, we have the opportunity to deploy Song aircraft seasonally to more profitable flying – including into our hubs – and to further simplify our operations while expanding the great travel experience on Song to more Delta customers," said Jim Whitehurst, Chief Operating Officer for Delta. "We've learned a lot from Song and have already incorporated many of its positives into Delta. Features like new leather interiors, new uniforms, a simplified fare structure and faster turn times have resulted in 11 consecutive months of year-over-year improvement in customer service ratings at Delta."

Meanwhile, although commentators suggest the demise of Song will put pressure on United Airlines' Ted, Southwest Airlines, the USA's largest low-cost carrier, reported third-quarter earnings up by 91 per cent in 2005. It starts services from Denver International Airport in the New Year. ●

## Eva Air launches Hello Kitty jet

TAIWANESE CARRIER, Eva Air, has decorated one of its passenger aircraft inside and out with characters from the Hello Kitty range, hoping to appeal to the parents of younger clients who are obsessed with the cartoon characters. A special website, translated into both Japanese and Chinese, has also been created to market this particular aeroplane, which flies to Fukuoka in Japan from Taipei daily.



Passengers booked on the aircraft receive specialised luggage tags and duty-free shopping and at the time of going to press, Eva Air was working to organise package tours to Fukuoka to visit Harmony Land, the make-believe world where the characters reside, as well as other attractions. ●

## EU and US closer to pact

LONG-RUNNING TALKS between the European Union (EU) and the USA have seen the agreement of a first-stage deal in negotiations regarding opening up air rights between the European trading bloc and the USA. Previous talks fizzled out in 2004 but this time, progress has been made, according to Stefaan de Rynck, a European Commission spokesperson.

"There was good progress on government support and subsidies, over what we call state aid, in terms of recognising the negative effects of state aid on competition," he said, adding that the next round of talks in Washington would address traffic rights that govern eligibility to fly to certain destinations.

John R Byerly, US Deputy Assistant Secretary of State for Transportation Affairs, added, "There is full agreement that there should be service by every European and every American carrier between all points in Europe and all points in the United States. Mergers will be facilitated by these open European traffic rights." He also said that a separate decision regarding foreign investment in US carriers was expected soon. ●

## Travel Update

- **Vietnam Airlines** had a good year in 2005, with a rise in revenue of close to 30 per cent in the first nine months of the year. The carrier said the Vietnamese economy had grown and more people had visited the country.

- Finnish air carrier **Finnair** has announced it is adding a seventh aeroplane to its Asian services this month, as demand for Asian services looks set to increase further. Asian traffic currently makes up one quarter of Finnair's total revenue for air services.

- **LAN Argentina** begins its first international service on December 1, flying from Buenos Aires to Miami. "Our daily non-stop flight linking Miami and Buenos Aires will be an opportunity to offer our passengers a highly valuable and competitive service with the highest standards of quality, safety and service that distinguish all LAN airlines," said Paul Petrelli, General Manager of the airline.

- **Malaysia Airlines** raised fuel surcharges further in October by an extra US\$4 and also announced that it had dropped its plans to start services to India and China as part of cost-cutting measures. It had previously pencilled in services to Amritsar, Cochín, Fuzhou, Guilin and Shenzhen.

- **Japan Airlines** has announced that it will join the Oneworld global alliance to increase its route network and improve its standing. Its main rival in Japan, All Nippon Airways, is a member of rival grouping, Star Alliance.

- **Tourism statistics** have been released which reveal the impact the London bombings had on tourism spending patterns in the UK capital city. While more tourists visited the UK in August 2005 than in August 2004, attendance figures at central London attractions were down by almost a quarter in the same month, according to the London Visitor Index, and even in September, numbers were still down by between 10 and 15 per cent.

- The **Beijing International Travel and Tourism Market** to be held in April is hoping to help widen the boundaries of the outbound Chinese travel market. Outbound departures from China are reported to be growing by 25 per cent each year currently, and from 20.22 million travellers in 2003, 100 million departures are predicted by 2020.

- The **British government** has announced that it will not implement a UK£1 (US\$1.8) levy on all air passengers leaving the UK. The Civil Aviation Authority (CAA) had proposed the move to protect travellers if their airline went into receivership while they were overseas. "The attractions of the CAA scheme are outweighed by disadvantages," said the Department of Transport in a statement, underlining that the government did not organise compulsory refund schemes for other industry sectors.