

Asia to be future focus

Low-cost carriers thrive

ANOTHER low-cost carrier is launching from the UK at the end of March. BMI British Midland is behind the idea, and it plans to launch the new airline, as yet unnamed, from its East Midlands base with flights to France, Spain and Portugal. A company spokesperson reported that fares could start at UK£25 (US\$36) one-way.

Meanwhile, fellow low-cost carrier, Go, has announced that it is to make East Midlands Airport in Derbyshire its third UK base in 2003, and low-cost carrier, Buzz, owned by KLM Royal Dutch Airlines, is to launch nine new French destinations, also from the end of this month.

And in Australia, Qantas' low-cost international subsidiary, Australian Airlines (see *Language Travel Magazine*, December 2001, page 11) has announced it will be based in Cairns, giving a much-needed boost to the local aviation industry. The airline expects to bring in 350,000 inbound tourists in its first year. □

Despite the drop in worldwide travel following the September 11 events in the USA last year, the market will pick up again, according to World Tourism Organisation (WTO) forecasts, and it has singled out the East Asia region as the area to watch for future growth.

"The growth of East Asia and the Pacific is going to be so strong that tourist arrivals in the region will be worth about 25 per cent of the world total [by 2020]," said Peter Shackelford, WTO's European representative. Currently, the region accounts for 14 per cent of all tourist arrivals.

Some airlines are capitalising on the potential of Asia – especially China, which is set to become a prime tourism destination. All Nippon Airways in Japan has announced that it is focusing its operations on Asian routes, to improve its competitiveness. The airline plans to raise the number of flights between Tokyo Narita and other Asian countries to 60 per cent of total international flights. Meanwhile, Air France is developing a new cabin service

training system designed to better understand Asian flyers and compete with Asian airlines. Aircraft crew will be taught relevant language skills, customs and history, as the carrier seeks to make headway in what it has deemed an "increasingly important market".

Jacques Clabaut, Air France's Southeast Asia and Australia Regional Director, said Asian clients were very different and they expected very high standards of service. "There is much more difference between an

Indian and Korean person than between French and German or even French and South American... all Asian cultures are so different from each other."

John Koldowski, at the Pacific Asia Travel Association, said, "While traffic from Europe generates a little under 30 million arrivals to Pacific Asia annually, the intra-regional volume is more than double that and [growing]. Little surprise then that airlines are looking to the region for growth over the longer term." □

Open skies is a hot topic

PHILIPPINE Airlines (PAL) is urging the USA to postpone the implementation of an open skies agreement with the Philippines, warning that such a move could kill off the country's national aviation industry.

PAL President, Avelino Zapanta, said that because PAL was still in receivership, it would be unable to compete with US carriers if an open skies agreement goes ahead. "[US carriers]

are able to [lower] the price [of fares] because they are assisted by the government," he said.

In further news, Air Canada has sent letters to the relevant Transport Ministers in the USA and Canada calling for a single aviation market. "We need a market solution as a means to foster a competitive environment in the Canadian domestic market," wrote Robert Milton, Air Canada's President. □

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● A new **Irish airline** plans to start flying from Shannon to Moscow in Russia, in a deal with the Russian carrier, Aeroflot. Skynet Airline, which is financed by Irish and US investors, is scheduled to be launched in the spring.

● President Kim Dae-jung in **Korea** has given the go-ahead to a project to build a high-speed rail link between Seoul and Pusan, in an effort to increase Incheon Airport's appeal as a strategic business hub in Asia. Kang Hong-bin, Vice-Mayor of Seoul, said South Korea's location gave it an opportunity to serve as a bridge between Japan, the second richest country in the world, and China, the fastest growing economy.

● A new service between **Salt Lake City** in the USA and **Hermosillo** in Mexico was launched by AeroMexico in De-

cember, while American Trans Air (ATA) begins a service this month from Chicago to Guadalajara. "Guadalajara has emerged as a strong business [aviation] hub and is considered a gateway to several western Mexico vacation resorts," explained Don Moonijan, ATA Vice President of Marketing.

● **Irish low-cost carrier, Ryanair**, is said to be planning to set up a base near Stockholm in Sweden, according to a report in the *Financial Times*.

● **Virgin Atlantic** is reported to be considering a new low-cost pan-African airline that would aim to encourage more Africans to travel by air. Richard Branson, the airline's Chairperson, said such a carrier would be able to charge lower prices to major destinations in Africa.

● A rescue package was agreed late last year for **Air New Zealand**, after it hit financial problems which saw it write off Ansett Australia (see *Language Travel Magazine*, December 2001, page 10). The New Zealand government will now own 82 per cent of the carrier, while Singapore Airlines decreases its stake.

● **Mexico's airline** pilots have applauded a decision by the Mexican government to give airlines financial aid to help them cope with rising insurance costs. Last year, the government had expressed concern that Mexican carriers would be unable to compete with US carriers who were receiving generous financial aid (see *Language Travel Magazine*, January 2002, page 11).

● While many **airlines** are still struggling to maintain profitabil-

ity, there are some encouraging signs – away from the buoyant no-frills sector – that things are slowly improving within the aviation industry. The typical drop in international traffic on European airlines in December 2001 compared with the previous year was less than in November, while similar figures were reported in the USA, where the US Air Transport Association said November figures were better than October.

● **Qantas** is to reinstate flights from Sydney to New York and increase Sydney services to Hong Kong, in response to an increase in demand for travel. Meanwhile, **United Airlines** will begin new flights next month linking Tokyo and Taipei. "We believe these flights will prove popular with both local and connecting customers," said Rono Dutta, United Airlines' President.