

Troubles in the air in Asia

Easyjet to expand services

THE UK-BASED low-cost carrier, Easyjet, is to increase its services over the next year, in preparation for major expansion plans at London's Luton airport.

EasyJet's Chief Executive, Ray Webster, said that the airline was currently in negotiations with several possible new bases in Europe. "Many of these new airports are likely to be served from Luton, which will see a significant degree of expansion in the next 12 months," he said.

Two new services to Marseille and Toulouse from London Gatwick have also launched. □

Security in the sky

US PILOTS have called for an end to delays in training cockpit crews in the use of guns, amid fears that this could compromise security in the air.

The Allied Pilots Association (APA) claims that the Federal Flight Deck Officer Programme, which trains air crew in the use of firearms, is operating at reduced capacity after the training centre

Many airlines in Asia have reported continuing losses for the second quarter of 2003, blaming the knock-on effect of the Sars outbreak and the Iraq war. One of Asia's most profitable carriers, Singapore Airlines, announced its first ever quarterly loss in the three months to June 2003, reporting a loss of SG\$312 million (US\$176.9 million), compared with profits of SG\$478 million (US\$271 million) in the same period last year.

Japan's All Nippon Airways also reported a loss of JPY18.32 billion (US\$156.8 million) for the first quarter, although the company is standing by its forecast of

was shifted from Glynco, Georgia to Artesia, New Mexico. The Artesia training ground is 269 miles from the closest major airport in Albuquerque and pilots must pay all of their travel, lodging and daily expenses.

China has also announced plans to use policemen disguised as crew members in a measure to step up security on flights. □

full-year net profits of JPY15 billion (US\$128.4 million).

China was the country worst affected by the Sars epidemic and this is reflected in the performance of its air carriers, one of which, China Southern, reported a first-half loss of CNY1.23 billion (US\$148.5 million) – worse than expected. The airline observed that in May, 83 per cent fewer passengers were using the

airline than in the same month in the previous year.

However, some Asian airlines were also reporting signs of recovery for the rest of 2003. Andrew Huang at Philippine Airlines, which reported first quarter losses of US\$18 million, commented, "We are starting to show some signs of recovery in August and my forecast is we will turn in a profit in August." □

BA stops flights to Saudi Arabia

THE UK flagship carrier, British Airways (BA), suspended all flights to Saudi Arabia in August this year after reports that a terrorist group was intending to target a British plane in the capital city of Riyadh.

Fears of a heightened terrorist threat came after maps and documents were found by security forces after an armed clash with militants in Riyadh earlier this year. The sources revealed that the group was keeping Riyadh airport under surveillance and intended to target a British plane. BA immediately suspended all flights to Riyadh and

Jeddah, which normally both receive four flights a week.

Geoff Want, Director of Safety and Security at BA, said at the time of going to press, "As a matter of precaution, we have decided to suspend all flights to Saudi Arabia and we will continue to liaise closely with the British government."

In a statement on its website, BA said that it would not resume services until it was satisfied that it was safe to do so. Saudi Arabia Airlines agreed to accept passengers with British Airways tickets and pledged extra flights for passengers if required. □

Travel Update ● Travel Update ● Travel Update ● Travel Update

● India has become the latest country to jump on the low-cost carrier bandwagon with the launch of **Air Deccan**, which aims to undercut other carriers' fares by 50 per cent. The carrier has started by offering one daily service to Hubli and Mangalore from Bangalore and aims to expand quickly to 20 flights a day, serving destinations in the south of India.

● The fortunes of **Air New Zealand** received a huge boost this year with the posting of its first full-year profit for four years. Net profits for the year ending in June were NZ\$165.7 million (US\$94.4 million) compared with a loss of NZ\$319 million (US\$181.9 million) a year ago. The carrier was rescued from collapse by a massive cash injection from the

government two years ago and is currently in talks concerning a proposed alliance with Qantas.

● Merger talks between Brazilian airlines **Varig** and **TAM** were put in jeopardy with the resignation of Varig's Chief Executive, Roberto Macedo, who had held the post for just four months. Varig said that the merger negotiations would continue in the hands of a committee made up of three executives.

● China's Civil Aviation Authority has approved a merger between **Air China**, **China Southwest** and **Zhejiang Airlines**, which gives the flag carrier a 26 per cent share of the Chinese market. The merger is part of a major consolidation of the country's airline industry which aims to create

three major airline groups based around **Air China**, **China Southern** and **China Eastern**.

● **Air Canada** is to introduce a simplified fare structure and add a pricing category used by its domestic no-frills subsidiary, **Tango**, to its transatlantic services by the end of this year, in order to boost transatlantic business.

● Australia's busiest airport, **Sydney Kingsford Smith**, has ruled out plans for a second airport to cope with a tripling of its passenger traffic over the next 20 years. Passenger numbers are forecast to rise to around 68.3 million by 2023/24.

● Finland's national carrier, **Finnair**, has acquired an 85 per cent stake in Swedish domestic

airline, **Nordic Air**, and the airline plans to make it the leading budget operator in the region. Henrik Arle, from Finnair, said, "Up to now, there has been a monopoly at work on many busy flight routes in Scandinavia. We want to ... offer passengers a low-cost alternative."

● Colombia's second largest airline, **ACES**, has been grounded after shareholders put the carrier into liquidation. All ACES routes will be covered by another Colombian airline, **Avianca**, which will honour passenger tickets. Juan Emilio Posada Echeverri, President of umbrella group, the **Summa Alliance**, said, "Evidently, the circumstances of the world aviation crisis were too serious. The reality of the situation overwhelmed us."