

Airline blacklist for EU

Following a number of high profile air disasters earlier this year, the European Commission is planning to introduce a European Union (EU)-wide blacklist of airlines that will not be allowed to fly to EU countries due to questions about their safety record. The plan was introduced shortly after a Colombian charter plane crashed in Venezuela in August, killing 152 French nationals.

Under the new ruling, the 25 member countries of the EU would be required to identify airlines that have been banned from using their airports and

share the information with other EU countries. So far, France and Belgium have already identified 14 companies prohibited from using their airports and airspace. EU Transport Commissioner, Jacques Barrot, said, "As soon as the European Parliament has ratified this agreement, we think the European air safety agency will be able to organise this information sharing."

Reactions from the airline industry have been mixed. Anthony Concil, Spokesperson for the International Air Transport Association (Iata), said, "A blacklist does nothing to encourage air safety at all. So far it seems to be more of a political reaction than a thought-through way to further improve the already good safety record of the industry."

But David Henderson from the Association of European Airlines said that the list would be helpful if it was followed up by checks with authorities in the suspect airlines' countries to make sure standards were raised worldwide. "There is something wrong with the system that allows some countries to certify an airline that we in Europe don't think is safe," he said. ●

Airlines count cost of high oil prices

AIRLINES AROUND the world have been reacting very differently to continuously rising fuel costs, with some increasing fuel surcharges while others, such as Air Asia in Malaysia, consider a drop in fares.

Tony Fernandes, Chief Executive of low-cost airline Air Asia, said, "The key is to keep fares down. By selling more seats we can mitigate the effects of rising fuel prices. Our load factor is about 70 per cent. But if we can get up to 80-90 per cent we can cover our costs."

However, other airlines have adopted a more traditional approach to rising oil prices by passing on the increased costs to passengers (see *Language Travel Magazine*, September 2005, page 8). Canada's WestJet Airlines and Air Canada have both increased their fares in recent months, while American Airlines, Northwest Airlines, America West and JetBlue Airways in the USA have also jumped on the bandwagon.

Around the world, Air New Zealand, Japan Airlines and Cathay Pacific Airways have announced plans to increase fuel surcharges. Korean Air posted a US\$41.9 million net loss in the second quarter, which it blamed on fuel prices, and Thai Airways International also said that it would miss its profit target this year. Korean Air said, "Spending on jet fuels, which takes the lion share of total operating costs, jumped by 38.3 per cent from one year ago." ●

Singapore and Indonesia agree aviation deal

SINGAPORE AND INDONESIA have signed a memorandum of understanding to strengthen air links between the two countries. The development follows an earlier agreement between Singapore's Minister for Transport, Yeo, Cheow Tong, and Indonesia's Minister for Communications, Hatta Rajasa, to expand routes between Singapore and the two Indonesian cities of Jakarta and Denpasar.

The agreement will mean that Indonesian carriers will be able to fly to other destinations from Changi in Singapore and will also cater for the rising demand in travellers between the two countries.

Indonesia had earlier closed off four of its key cities to low-cost carriers due to an increase in competition, and the issue of whether Singaporean low-cost carriers will be able to fly to these cities will be discussed in further talks later on in the year.

Singapore has also agreed to expand air services between Singapore and the Indian cities of Calcutta, Bangalore and Hyderabad, with airlines from both countries being invited to start or add flights between these destinations. ●

Travel Update

- European low-cost carrier **Ryanair** has continued to offer cut-price tickets this year and has announced record first quarter results. It claims to have benefited from other carriers adding a fuel surcharge to prices but remained cautious for the end of year outlook, keeping its forecast unchanged.

- Consolidation in Asia's low-cost air industry is likely, with Singapore's **Valuair** close to striking a deal with rival **Jetstar Asia** at the time of going to press. It would be the first such merger in Asia's growing low-cost sector. Meanwhile, Jetstar Asia has launched services to Calcutta in India and said it is interested in also flying between Singapore and Cambodia.

- Polish low-cost operator, **Centralwings**, has increased its services from London Gatwick to Krakow and Warsaw from 11 to 16 per week. It has also launched the only direct Warsaw service from Edinburgh, Scotland and Shannon, Ireland. New services are also in operation from Katowice and Wroclaw in Poland to Dublin, Ireland.

- **British Airways** is adding destinations to its route network next year. Varna in Bulgaria, Izmir in Turkey, Reykjavik in Iceland and Tirana in Albania are all on the map for 2006. It is the first Icelandic service operated by the UK flag carrier. The company has also chosen to add Albania to the list because, it reports, there is a big market for travellers visiting friends and relations in the country.

- **France** has announced that from next year, a tax will be levied on all airline tickets in order to amass funds for Africa. At the time of going to press, no detail was available as to how much the levy would be, but up to €3 (US\$3.7) per ticket was a figure mentioned when EU finance ministers discussed the deal in May. Other countries have also pledged to consider such an option. At the World Trade & Tourism Council (WTTTC), the decision met with an unenthusiastic response. "It seems inappropriate to us that one specific industry sector, aviation, should be the vehicle for such funds to be collected," said a spokesperson for the council. "Encouraging people to travel has a beneficial effect on economies of developing nations, not only Africa but in Asia, Latin America and virtually every country of the world."

- The use of **e-ticketing** is rising, with 30 per cent of all tickets issued by airlines now issued as an online document, up from 19 per cent in 2004, according to a poll by technology firm Sita and *Airline Business* magazine. Overall, 70 per cent of airlines currently sell tickets electronically, with many low-cost carriers operating exclusively in an electronic ticketing environment. Other forms of technological innovation have proved slower to catch on however, although 44 per cent of airlines have reported an intention to offer some form of inflight connectivity by the end of 2007. Some airlines, such as Singapore Airlines, already offer the prospect of inflight Internet usage or live television.