

# China to restrict airline growth

The Civil Aviation Administration of China (CAAC), the country's aviation regulator, has announced that it will not accept any new airline applications until 2010.

The ban comes at a time when the Chinese airline industry is experiencing phenomenal growth and, despite domestic passenger numbers growing by 16.7 per cent in the first half of 2007, the regulator believes the ban is a necessary one.

Over the last few years, many new carriers – including Okay Airways, Spring Airlines and Juneyao Airlines – have launched domestic services in the Chinese Republic, piling

the pressure on other domestic carriers such as China Eastern and Air China.

Meanwhile, the regulatory body also intends to cut the number of flights operating out of its busiest hub, Beijing International, in a bid to reduce air congestion before the 2008 Olympic Games. However, exceptions will be made for freight airlines, Chinese made-aircraft and airlines that fly to less developed parts of China.

Air traffic at Beijing International – which is currently undergoing expansion in preparation for the Olympics – has risen by as much as 19.6 per cent this year and concerns about airport resources struggling to keep up with demand are said to be the root cause of the flight cuts.

A spokesperson for the CAAC confirmed, "To guarantee safety and ensure the good, quick, healthy and well-ordered development of the industry, the civil aviation department has decided to control the number of flights, permission for market entry and rate of airliner growth."

Market growth in China has attracted the likes of Boeing and Airbus in the past, not to mention Singapore Airlines, which recently announced its intention to expand within the Chinese market. ●

## LAX airport expansion

LOS ANGELES International Airport (LAX) has been given the go-ahead to design and construct a new US\$1.2 billion terminal. The new ten-gate terminus will be equipped to handle the next generation of super jets and will also enable the hub to serve more lucrative transpacific, Latin and European routes.

The expansion is the latest project underway at the airport and officials believe such development is necessary if the port

is to remain a global competitor. City Councillor, Janice Hahn said, "Many of the airlines are buying the larger planes and were looking to go to other airports [that could accommodate them]. This [project] sends a message to the airline industry that we want a world-class airport."

The new terminal, which will be situated to the west of the main Tom Bradley terminal, will also consist of an underground network linking the new 10-gate infrastructure with the main terminal building.

Meanwhile, the Tom Bradley terminal, the largest terminal at LAX, is also undergoing renovations and modifications are said to have cost in excess of US\$700 million. The new face-lift is said to include a new US\$140 million baggage screening system, an environmentally friendly electrical system and a second gate, also capable of handling the new Airbus 380.

The Los Angeles International Bradley Terminal handled over nine million travellers in 2006, 53 per cent of LAX's total international passenger traffic. ●

## The end of the paper ticket

ACCORDING TO the International Air Transport Association (IATA), paper airline tickets will soon become a thing of the past. Giovanni Bisignani, Director General of IATA, said, "In just 278 more days, the paper ticket will become a collector's item."

The organisation, which represents over 270 airlines in 140 nations, confirmed that by 1 June 2008 all airline tickets would be issued electronically. However, 84 per cent of IATA passengers already fly without paper tickets after the association lobbied for e-ticketing nearly three years ago.

IATA believes the move will not only help slash airline costs but will also help off-set the effects of global warming, saving approximately 50,000 mature trees per year, as Bisignani explains. "We are changing an industry with tangible benefits for travellers, agents, airlines and the environment," he related. Consumers enjoy the convenience and flexibility of paperless travel and agents have the opportunity to broaden the scope of their business and serve their customers remotely."

Meanwhile, China looks set to become the first country in the world to operate an entirely paper-free ticketing system ahead of the 2008 Olympic Games. ●

## Travel Update

- Plans for a new terminal at **Malaysia's Kuala Lumpur International airport** are reported to be underway. A new passenger terminal, capable of turning over 30 million passengers per year, looks set to handle many of the nation's budget airlines. Deputy Prime Minister, Najib Razak, said that the new addition would replace an existing facility and would be ready by 2010.

- Easyjet**, the low-cost European budget airline, has announced how it will add another two routes to its catalogue of flights this winter. A daily flight from London Luton to Hamburg in Germany will commence service from November and a three-times-a-week service from the East Midlands to Palma in Majorca will be available from February 2008. In total, 46 new routes have been added by the carrier this winter, a growth of 14 per cent on the previous year. Other routes include Belfast to Barcelona, Madrid to Paris and Brussels to Berlin.

- According to the **Malta Tourism Authority** (MTA), passenger statistics are the best on record for over six years. Passenger traffic has increased by 10.4 per cent, with 633,242 UK travellers visiting Malta so far this year. Chris Fenech, Director of the UK and Ireland MTA, said, "The overall growth can be attributed to a combination of increased awareness of the variety Malta has to offer, year-round events and low-cost carriers entering the market."

- Virgin Atlantic** Chairman, Richard Branson, has announced that he will hold off buying "fuel thirsty" four-engine planes in a bid to ease spiralling fuel costs and to lessen the impact of air travel on the environment. In April, the airline also stated that it would be buying 15 of Boeing's new fuel-efficient 787 jets with two engines – the Boeing aircraft are alleged to burn 27 per cent less fuel than the Airbus A340s. Branson told reporters, "Global warming has become a priority, but it also takes good economic sense to be eco-friendly."

- The number of **Korean** vacationers hit an all-time high recently with over three million travelling overseas during the July and August period. The Korean Airport Authority reported that there had been a 10.8 per cent increase in the number of passengers travelling out of Incheon International airport, which saw 2.8 million passengers journey from the hub. The most popular destinations included China, Japan and North America.

- Air New Zealand** has posted a net profit of more than NZD\$214 million (US\$149 million) for the year end, more than double what was achieved the previous year. Despite the imminent arrival of Pacific Blue, the low-cost subsidiary of Virgin Blue, Air New Zealand has managed to attract strong passenger growth by offering cut-price fares on many of its domestic routes. Overall, passenger numbers are reported to have risen by 4.9 per cent and net profit looks set to continue to grow.



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