

Competition among Asian airports

South America to Sydney flights increase

AGENTS have been reporting that seat availability from South America to Australia, particularly from Argentina, is a problem, with not enough direct flights between these countries in the busy season. However, this issue looks set to improve as two carriers have announced that they will increase capacity from December.

Aerolineas Argentinas is adding a third weekly Buenos Aires to Sydney service, while LAN is adding a fourth service to its weekly schedule from Santiago in Chile to Sydney. Washington Vinales at Aerolineas Argentinas said that if demand held up, the carrier would also consider a further fourth weekly service out of the Argentinean capital.

Yendi Fuentes, LAN's Australian Marketing Executive, said, "I wouldn't be surprised if there was another service being prepared this time next year." □

With a number of low-cost carriers on the horizon in Asia, local airports are keen to attract their attention. Singapore is planning to build a US\$26.4 million airport terminal especially for budget airlines in the region, which should be ready by 2006.

"The decision to build a low-cost terminal was based on an agreement signed with Tiger Airways representing the airline's commitment to operate from the new terminal," announced the Civil Aviation Authority of Singa-

pore in a statement. Malaysia's AirAsia and Tiger Airways, owned by Singapore Airlines and the founder of Ryanair, are just two low-cost ventures starting services in the country (see *Language Travel Magazine*, August 2004, page 8).

Meanwhile, Hong Kong International Airport is offering a 50 per cent reduction on landing charges for airlines offering flights to a new destination from the airport for the first year of operation, followed by a 25 per cent discount in the second year.

"The renewed incentives will encourage existing and new carriers to connect Hong Kong International Airport with many more new destinations," said Howard Eng, spokesperson for the airport.

Earlier this year, AirAsia chose to use Chinese territory Macau as a base after reportedly deciding against flying to the international airport in Hong Kong because of its high charges.

In China, a new airport in Guangzhou, which opens this autumn, is also competing for new business from airlines. □

Low-fare airlines battle it out in Poland

A BATTLE between low-cost competitors seems likely in Poland in the near future, as Wizz Air has asserted that it will match quality and win on price when EasyJet expands eastwards this year. EasyJet starts services to Warsaw and Krakow from London this month.

"We have two strategies for competing with EasyJet; the first is to offer a product that's no worse than theirs, and the second is that we will always offer lower prices," said Wizz Chief Executive, Jozsef Varadi.

Meanwhile, Slovakian airline, SkyEurope, has secured

US\$12 million from European equity funds to finance its expansion plans. "This deal... will allow us to further expand [our] destination network and flight frequencies," said Christian Mandl, SkyEurope's Chief Executive. The airline flies from Bratislava, Warsaw and Budapest. □

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● New flights will soon be on offer from US cities to various locations in China, thanks to an agreement signed between the two countries. **Northwest Airlines** in the USA has gained permission to fly to Guangzhou in China from Detroit, via Tokyo, while **United Airlines** has gained permission to operate a new non-stop passenger service between Chicago and Shanghai.

● From November, **Singapore Airlines** is increasing flights between Brisbane and Singapore to 17 non-stop services per week. Meanwhile, since June, the airline has offered a non-stop service to New York from Singapore.

● **Emirates** is now flying from Dubai to Melbourne in Australia and then on to Christchurch in New Zealand. The new service operates three times a week. And **Air China** has launched direct services to Dubai from Beijing, also operating three times a week.

The airline also launched services to Munich from Beijing earlier this year.

● Chilean airline **LAN** and Mexico's Grupo Cintra, which owns **Aeromexico** and **Mexicana**, have formed a strategic alliance, allowing both carriers to fly to more destinations with more frequency in South America and Mexico. The two carriers will also share frequent flyer schemes. LAN, which has operations in Peru, Chile, Dominican Republic and Ecuador, announced its passenger traffic was up by 16.2 per cent in June on the previous year, citing greater demand for travel and new international routes.

● Polish airline **LOT** has announced it will cut its costs and reduce its workforce by 20 per cent by the end of 2006, in a bid to remain competitive in its new European Union operating environment. "Under the open skies

policy, competition for our most important market – Western Europe – is much heavier, and the number of passengers has not grown as fast as in other markets," said Marek Gabarek at the airline.

● The **USA** and **Indonesia** have signed an open skies agreement paving the way for unrestricted air access between the two countries. "The open skies agreement will connect our countries, our citizens and our economies, opening new opportunities for trade, tourism and investment," announced US Transportation Secretary, Norman Mineta in a statement.

● **Cardiff**, the capital city of Wales, has launched a discount card to enable visitors to the city to save money on travel and visiting tourist attractions. The Cardiff Welcome Card offers visitors to the city unlimited travel and discounts at tourist spots for a certain period; either one, two or three days.

● Spanish carrier **Iberia** has announced that from October, it will fly direct to some of its Latin American destinations, instead of flying via Miami, but that its direct routes will be limited. Direct flights will now operate to Guatemala and Panama while the Miami service will continue for onward flights with Iberia's oneworld alliance partners.

● **Air New Zealand** is spending US\$102 million upgrading its long-haul fleet, removing the first-class section and improving the economy class. The operation should be complete by the middle of next year. The airline has already made its domestic services a no-frills operation.

● **United Airlines** is to become the first aircraft carrier in the USA to resume direct air links with Vietnam since the Vietnam War. The first flight takes off in December from San Francisco, flying via Hong Kong.