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Highlights In This Issue

Perspective

LCCs: The Ticketing Evolution

In a single decade, Low-cost carriers (LCCs) have become the most popular form of short-haul travel, transforming the aviation sector by forcing established airlines to change their business models due to LCCs' increased popularity and fiercely competitive pricing.

With rapidly expanding 'no frills' services and the increased popularity of low-cost travel, there is growing pressure on LCCs to constantly improve their customer service and general logistical efficiency in increasingly innovative ways. In order to maintain lower prices and stay on top of one of the most competitive global markets, LCCs have started looking at alternative ticketing and check-in methodologies.

LCC's place emphasis on direct sales of tickets, especially over the internet therefore avoiding fees and commissions paid to travel agents. With the same goal of reducing costs, LCCs also encourage the use and issuance of electronic tickets as well as using common-use self-service (CUSS) kiosks.

Newer, ground-breaking technologies such as mobile boarding passes and tickets, which have been used with great success in the live entertainment and sports industries, are also being implemented within the aviation sectors. Radio Frequency Identification (RFID) is another emerging technology which is being trailed, less for boarding passes and more for baggage management and customer tracking within airports.

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Perspective: The Ticketing Evolution

The advantages of these technologies for LCCs are transparent and substantial. E-ticketing, m-ticketing and CUSS kiosks all offer an airline an acute competitive edge over any of their business rivals and fit in well with the LCCs' image of being at the forefront of emerging technologies which work to the mutual benefit of both the passenger and the carrier.

Electronic Tickets and Online Check-in

The International Air Transport Association (IATA) has been developing the programme of 'Simplifying the Business' over a number of years. This includes a drive to e-ticketing and an introduction of standardised barcoded boarding passes.

The move to barcoded boarding passes has opened up the opportunity of 'print-at-home' boarding passes. As there is no need for specialist magnetic strip enables printers, passengers can now print off boarding passes on their home or office printers. Many airlines have now introduced this service which has extended the reach of on-line check-in, this cuts operational costs of handling, printing and posting traditional paper boarding passes.

To support the barcoded boarding passes, airports and airlines have installed the appropriate scanning equipment and solutions to allow the new boarding passes to be scanned at the fast bag drop, security and the gate. As the barcodes follow IATA standards, common solutions can be installed at airports and shared by all airlines.

However convenient 'print-at-home' boarding cards are, they still restrict the passenger to a web-based, online check in, with access to a printer. What happens on the passenger's return journey or when they are on the move? As online check-in is commonly restricted to 24 hours prior to a flight, passengers need to check-in at their hotel, conference centre, or remote office for their return.

What is required is a solution to deliver IATA compliant barcoded boarding passes direct to a passenger's mobile phone.

Mobile Phone Boarding Passes

Mobile phone boarding passes offer passengers the ultimate in customer efficiency, versatility and convenience and offers the airline several important benefits. Early attempts at mobile barcode solutions often used proprietary barcode formats or simple 1D barcodes. These still needed to be scanned at check in to produce a paper based boarding pass. However, with the rise of picture messaging or MMS technology IATA compatible barcodes can now be successfully delivered to mobile phones.

By implementing barcodes which are compliant to IATA specifications, the solution does not require airlines to install expensive, new infrastructure and systems. The existing systems put in place to support the paper based barcoded boarding passes can be used. IATA has recognised this potential move to mobile technology and is actively monitoring its progress.

Mobile boarding passes offer huge benefits to passengers and airlines. For those intending to fly; as well as having their boarding pass delivered instantly to their phone and being streamlined to boarding without queuing, passengers no longer have to carry or print out numerous pieces of paper to fly and this system enables last-minute purchases resulting in improved customer service.

All the customer needs to do is present their mobile boarding pass, which is a message on their phone incorporating a 2D barcode, to the airline staff and security for scanning. The scanner checks the barcode against a database of valid barcodes and passenger identification and then they proceed boarding as usual.

Example of a mobile phone boarding pass

Source: Mobiqa, Mar-07

For an LCC, by implementing mobile ticketing technology, carriers are able to drive online check-in, reduce the cost of check-in staff, secure customer loyalty by providing better customer services and increase revenues from cross-selling opportunities. In the low cost spirit, mobile ticketing dramatically cuts operational and handling costs for the carrier by eliminating the need to print and post traditional paper tickets.

Mobile boarding passes take advantage of existing infrastructure and scanning devices so setup and integration is a minimal disruption and involves little costs to the airline.

One of the barriers to setting up mobile boarding passes is the perception of compromised security. This, however, is a misplaced concern as the usual security checks are still in place. Passengers still need to carry a passport or some form of formal identification for checking. The passenger's details are encoded in the barcoded boarding pass and are verified several times against a database of valid barcodes and passenger information before they are allowed to board the plane and the usual security scanning and x-ray of hand luggage still apply to these passengers.

Mobile boarding passes present a special offering specifically to LCCs. Many business travellers use LCCs for short-haul flights between, for example, European city pairs. Many of these travellers have handheld luggage and book their flights at the last minute for meetings and conferences.

By offering mobile boarding pass capabilities LCCs are better able to cater for this valuable customer base as well as drawing new customers away from less technologically able airlines.

Mobile boarding pass undoubtedly represents the future of airline boarding by delivering all of the benefits with very few costs. With partnerships pioneering the field in this technology and low cost airlines such as Nok Air adopting this mobile barcode solution, IATA's vision to eliminate paper ticketing should soon be a reality.

Common-Use Self-Service (CUSS) Kiosks

Common-use self-service kiosks (CUSS) are gradually become more popular in airports. CUSS is a shared kiosk offering a more convenient option for passenger check-in whilst allowing multiple airlines to maintain branding and functionality. Passengers using CUSS achieve faster check-in, can check-in remotely - reducing airport congestion and provides a common interface for all airlines resulting in greater ease of use for customers.

The advantages to LCCs include the ability to share the costs using common-use terminals, cost effective deployment of CUSS kiosks at smaller airports and reduced airport counter requirements. As CUSS kiosks have delivered undeniable, tried and tested benefits over tradition check-in procedures, over 44 airlines worldwide now offer CUSS with more than 100 other airlines developing the technology. IATA believe that implementation of self-service kiosks have saved airlines US$ 1 Billion at 40% market penetration with the average industry per check-in saving at US$2.50, (Source: IATA, February 2007).

An Evolution Overview

With new technologies evolving all the time promising to cut queues and operational costs as well as providing a superior customer service to other airlines, which road should LCCs take and what guarantees are there for each solution's claims?

The answer will no doubt be a combination of each of the three solutions: e-tickets, mobile boarding passes and CUSS kiosks. Printing and sending traditional magnetic strip boarding pass is already becoming a thing of the past with 'print-at-home' surpassing paper tickets in 2006, taking 70% of the portion of tickets compared to only 40% in 2005, (Source: IATA, January 2007).

It could be argued that LCCs, instead of taking their lead from the better established airlines, they should pre-emptively harness the benefits from these alternative methods of ticketing. Their customers are the correct profile to gain most benefit from these technologies compared to long-haul passengers with lots of luggage who usually book their tickets months in advance.

Whatever way you choose to look at it, mobile boarding passes, e-ticketing and CUSS kiosks are already a part of the aviation ticketing evolution. Regardless of what percentages they dominate over with regards to ticket proportions, all three technologies represent the future of airline ticketing and could potentially represent a hugely advantageous business opportunity for LCCs further enhancing their popularity and innovative status among travellers today

Perspective provided by Mobiqa Mobile Ticketing Solutions

mobiqa
mobile ticketing solutions

Quotes Of The Week

Virgin America: *"Virgin America is American-owned and American-operated. It is certainly not Richard Branson's airline. Today's order puts us one giant step closer to flying. We look forward to finally get our wings — it will be a huge win for our employees, investors, supporters, and the traveling public."* Gareth Edmondson-Jones, spokesman. Source: Virgin America, 20-Mar-07.

Virgin Blue: *"This is the biggest undertaking the airline has taken and a huge risk. For the first time in Australia's aviation history, we'll have two flag carriers flying the Pacific route to the US"*, Brett Godfrey, CEO. Source: The Australian, 22-Mar-07.

Americas

US

Frontier reports Denver connecting traffic lower in early 2007. Frontier Airlines reports that connecting business traffic has decreased during Jan-07 and Feb-07, due to travellers avoiding the city because of carry-over effects from the severe Dec-06 snowstorms. The carrier, which lost an estimated USD13.2 million in revenue due to disruptions to its operations from the storms, has seen a "decrease in bookings on the connect side of our business," according to CEO, Jeff Potter.

Meanwhile, the carrier has announced it expects to expand the contribution of international services by more than 20% of total revenue by 2009, with turboprops accounting for 6.3% and regional jets accounting for 8.4%. Frontier has invested USD40 million in its new Westminster-based subsidiary, Lynx Aviation, which will initially operate 10 Q400 turboprops to destinations within 650 miles of Denver.

Frontier Airlines to operate to Jacksonville. Frontier Airlines announced (19-Mar-07) plans to launch daily Denver-Jacksonville service in Jun-07 – see Route Changes Table for more information. The airline operates to four other Florida cities - Ft Lauderdale, Ft Myers, Tampa and Orlando - from its Denver hub and is the first carrier to offer non-stop, direct daily service between Denver and Jacksonville.

Allegiant expands from Las Vegas and Orlando. Allegiant Air announced plans to launch services from Las Vegas and Orlando to Gulfport in Jun-07 – see Route Changes Table for more information.

JetBlue appoints new head of operations for JFK. JetBlue Airways appointed (20-Mar-07) Alex Battaglia to the role of VP of JetBlue's operations at JFK Airport, effective 02-Apr-07. Mr Battaglia previously spent 24 years with Delta Air Lines, eventually becoming of Director-JFK Operations for the network carrier. JetBlue is currently constructing a new terminal facility at New York JFK International Airport, designed to support up to 250 daily services from 26 gates. The new terminal will be linked to the Eero Saarinen building at Terminal 5, and the project is expected to be complete by the end of 2008.

JetBlue takes delivery of 100th A320. JetBlue Airways took delivery, on 23-Mar-07, of its 100th A320 aircraft, featuring a one-of-a-kind 100-themed blue livery. The carrier launched operations with A320 equipment in Feb-00 and has recently entered a programme to downsize the fleet to 150-seat capacity, offering up to 36 inches of seat pitch for some seats, but, importantly reducing cabin crew required by one. The carrier has an additional 78 A320s on firm order, as well as 50 A320 options through to 2013. JetBlue complements its A320 operations with a fleet of 25 E190 regional jets and has an additional 76 E190 on firm order, as well as options through to 2015.

Source: JetBlue

Focus: Virgin America takes a "giant step"

Virgin America received (20-Mar-07) tentative approval of its application for a domestic licence, after the US Department of Transport (DoT) found that the carrier's plans to significantly reconfigure its ownership and management structure put it "back on track" to meet strict US citizenship tests under Federal law.

The announcement marks a reversal in the DoT's stance and represents a major step forward for the Virgin America towards its goal of operating domestic services. On 27-Dec-06, the DoT found that the carrier's original application failed to meet US ownership and citizenship criteria. The carrier then filed a revised plan, significantly altering its ownership structure. The DoT has now tentatively found the revised application will fully meet US ownership rules, provided the carrier "fully executes the proposed changes".

The DoT Order proposes that Virgin America finalise changes offered by the company to address concerns about its control and citizenship, and to "satisfy certain other pre-launch conditions".

Under the carrier's revised proposal, it has offered to implement a series of structural reforms to address US ownership and control laws. These included the removal of the Virgin Group's veto power over certain contracts and expenditures, amendments to loan agreements with the Virgin Group, and a restructuring of its Board, as well as revision of trademark licenses and establishing a voting trust to administer the Virgin Groups' equity interest in the carrier.

Another major point was the carrier's offer to replace its current CEO, Fred Reid, whose "longstanding association with foreign investors had raised concerns about who would control the new carrier". The DoT wants the carrier to replace the Mr Reid with a new CEO "who has no prior affiliation" with the Virgin Group, a move which would "substantially alleviate" concerns regarding effective control of the airline.

According to Virgin spokesman, Gareth Edmondson-Jones, the DoT Order puts the carrier "one giant step closer to flying". Virgin America plans to meet with its shareholders immediately in order to address the conditions and receive final approvals.

Spirit Airlines launches to Port-au-Prince. Spirit Airlines launched three times daily Ft Lauderdale-Port-au-Prince (Haiti) service on 22-Mar-07, and announced plans to increase frequency to daily frequency in May-07 – see Route Changes Table for more information.

Zoom Airlines "halfway" to launching London-Bermuda service. Zoom Airlines received (25-Mar-07) permission from the Government of Bermuda to launch London Gatwick-Bermuda services. The carrier is in the process of obtaining approval and operating licences from the UK Civil Aviation Authority. Once all necessary regulatory steps have been followed the carrier expects to announce a year-round route schedule. Zoom also expects to commence New York JFK-Bermuda in Jun-07.

Continental Airlines expects 5% capacity growth in 2007. Continental Airlines CEO, Larry Kellner, announced (21-Mar-07) that the carrier expects to increase system-wide capacity by 5% in 2007, down from the carrier's 8.9% increase in capacity in 2006, but within the airline's expected range of 5% to 7%. The carrier increased capacity above its target range in 2006 due to "competitive issues", but expects capacity growth at the lower end of its target as it expands into new markets and addresses competition in the New York region from LCC, JetBlue.

American and Delta lead network carrier fare increase. American Airlines and Delta Air Lines raised (22-Mar-07) fares by USD5 per sector on continental United States services, the fourth major attempt to raise fares in 2007. United Airlines, Northwest Airlines and US Airways followed the increase the following day, citing higher fuel costs. US domestic LCCs have not yet matched the move, prompting some network carriers to partially roll back the increase in secondary markets.

CANADA

WestJet signs preferred airline agreement with Wal-Mart. WestJet announced (21-Mar-07) it entered a preferred airline partnership agreement with Wal-Mart, the world's largest commercial retailer. The relationship will establish WestJet as the retailer's preferred supplier, allowing the LCC to provide transportation and group services to Wal-Mart business travellers, significantly increasing the carrier's market share for Wal-Mart's domestic and transborder business.

WestJet intends to leverage the new relationship to broaden its appeals to corporate business travellers. The carrier is seeking to become an increasingly attractive option for business travel by Canadian and multinational corporations, competing with Air Canada for higher yielding business fares.

LATIN AND SOUTH AMERICA

Gol more than doubles growth in Argentina. Gol reports revenue on its Argentinean routes increased 186% year-on-year to USD68.1 million for the 12 months ended 31-Dec-06. Gol's Argentine operations represent approximately 4% of the carrier's total revenue in 2006. The carrier sold approximately 375,000 tickets in Argentina, up 128% year-on-year.

Gol: *"Gol's successful operations in Argentina demonstrate the strong demand for high quality air transportation and accessible fares in South America,"* Tarcisio Gargioni, VP of Marketing and Services. Source; Gol, 19-Mar-07.

The carrier expanded Argentine operations significantly through 2006. In Jan-06, the carrier launched services to Cordoba and Rosario, and then followed with Buenos Aires-Santiago (Chile) and Buenos Aires-Asuncion (Paraguay) routes in Sep-06 and Dec-06 respectively. 2007 will be another year of expansion in Argentina for Gol, with the carrier already launching Buenos Aires-Lima-Santiago service in mid Feb-07, and the prospect of more routes to come.

Gol increases bond offer to USD225 million. Gol completed (20-Mar-07) the issue of USD225 million of ten-year overseas bonds through financing subsidiary, Gol Finance. The carrier originally offered USD200 million, but increased the amount due to strong demand from European and American investors. The issue was coordinated by Morgan Stanley and rated 'BB+' by Fitch Ratings. The carrier plans to use the funds to finance the acquisition of new B737 next-generation aircraft and to support existing financing from the US Exim Bank.

North / South America Route Changes

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
North / South America						
Allegiant Air	Gulfport	Las Vegas	2	2	01-Jun-07	MD-80
Allegiant Air	Gulfport	Orlando	2	2	01-Jun-07	MD-80
Frontier Airlines	Denver	Jacksonville	7	7	15-Jun-07	B737
Spirit Airlines	Ft Lauderdale	Port-au-Prince	3	3	22-Mar-07	A321
Spirit Airlines	Ft Lauderdale	Port-au-Prince	4	7	01-May-07	A321
Zoom Airlines	New York JFK	Bermuda	1	1	01-Jun-07	B767

Source: Centre for Asia Pacific Aviation & various

Europe

UK / IRELAND

easyJet abandons plans for UK-Malta operations. easyJet has reportedly (20-Mar-07) ended negotiations to secure approval for the launch of London Gatwick-Malta service after it was unable to secure market support for the route from the Maltese Government. The carrier has been examining the route since Oct-05, and entered negotiations with tourism operators and the government regarding the route in 4Q06, following a decision by the government to encourage LCC access to Malta to boost flagging visitor numbers.

Meanwhile, the Maltese Government confirmed it is in negotiations with Click Air regarding the launch of Barcelona-Malta service in 2H07. In the past six months, Ryanair and Air Berlin have launched new services to Malta.

easyJet extends ground handling contract with Swissport. easyJet and Swissport International signed (20-Mar-07) an agreement extending their ground services support contract at EuroAirport Basel-Mulhouse-Freiburg until 2012. The carrier operates approximately 150 services per week from the airport to 18 destinations.

Monarch expands to Cyprus. Monarch launched London Luton-Larnaca (Cyprus) service on 26-Mar-07 – see Route Changes Table for more information. According to the carrier, the route is the first scheduled LCC service from the UK to Cyprus.

Ryanair enters five-year hotel booking agreement with Expedia. Ryanair entered (22-Mar-07) a five-year agreement with Expedia Private Label, a subsidiary of Expedia, to exclusively provide hotel accommodation for its passengers from the carrier's website. The agreement will provide Ryanair customers with access to 20,000 hotels at the carrier's 130 destinations across Europe. From 2008, the carrier will offer integrated tailor-made hotel deals into its flight booking process, although no further details have been released.

Ryanair launches scholarship programme. Ryanair announced (21-Mar-07) plans to provide engineering scholarships for third and fourth year undergraduates in aeronautical, mechanical and electrical engineering degree courses, designed to offer candidates educational support and experience in the operation of an LCC. The scholarship will also provide an opportunity for participants to take part in the Ryanair Technical Services three-year graduate training programme upon successful completion of their degree course, with further paid training and experience in the fields of avionics, powerplants, reliability, structures and systems.

Successful scholarship applicants will receive:

- Grant of EUR5,000 (paid in two instalments over a maximum of two years);
- Paid work in Ryanair's Technical Services group in Dublin during the Summer holiday period;
- Opportunity for employment in Ryanair's Technical Services 3 year Graduate Training Programme (allowing the candidate to qualify for an additional one-off bonus payment of EUR10,000).

Ryanair welcomes EU-US open skies agreement. Ryanair welcomed (22-Mar-07) the signing of an 'open skies' agreement between the EU and the US, stating that the "liberalisation of air transport delivers increased competition, better choice and lower airfares for consumers". The carrier used the signing of the agreement to repeat its call for the application of deregulation and liberalisation to airports, claiming consumers are "still paying for an absence of competition in this sector, which is bedevilled by protected monopoly airports."

Ryanair: *"Ryanair welcomes this 'open skies' agreement because Irish passengers will now enjoy greater choice and lower airfares on transatlantic routes. For years, prices have been too high on these routes because of Government controlled bi-lateral agreements,"* Ryanair statement. Source: Ryanair, 22-Mar-07.

CONTINENTAL EUROPE

Air France-KLM LCC hybrid to commence services in May-07. Air France-KLM's new low cost subsidiary, Transavia France, announced plans to commence operations in May-07, with services from Paris Orly to Porto. The French carrier is described by Air France as a "hybrid low cost scheduled and charter carrier".

Transavia France will be based at Paris Orly International Airport and offer low cost scheduled services to "popular tourist destinations", including Morocco, Tunisia and Spain, serving routes not currently covered by Air France's network. It will also offer charter services from Orly, sold directly via the existing Transavia website and call centre, as well as through tour operators to passengers in France and in the destinations served.

The carrier will operate B737-800 equipment in single class configuration. Operations will initially commence with four aircraft, building to ten, or possibly more, by 2010.

The new carrier is a competitive response to the increasing presence of LCCs in the French market, particularly Ryanair and easyjet, and an attempt to meet the rapidly changing expectations of the French travel industry. It will be registered in France, using French aircrew, but will utilise existing operational and maintenance expertise from Transavia (which is based in the Netherlands). It will be 60%-owned by Air France and 40% by Transavia.

SkyExpress announces new Russian route. SkyExpress, a Russian LCC start-up, announced (20-Mar-07) plans to launch Moscow-Tyumen (in central Russia) service in Apr-07 – see Route Changes Table for more information. The carrier plans to aggressively expand its route network through Russia and the CIS in 2007, and expects to operate a route network of 20 destinations with 18 B737 by the end of the year.

Sterling continues rapid expansion with new European destinations. Sterling announced (21-Mar-07) plans to launch services from Stockholm to Edinburgh and Amsterdam in Jun-07 and from Goteborg and Athens in late May-07– see Route Changes Table for more information. Since the beginning of Mar-07, the carrier, which recently took delivery of three B737-800 aircraft, has also announced plans to launch new routes to Berlin, Rome, Palma and London.

FlyMe Sweden to resume operations under new owner. FlyMe Sweden's bankruptcy administrator, Rickard Ström, stated (21-Mar-07) that a preliminary agreement for a takeover of the carrier should be finalised before the end of Mar-07. An unnamed company has registered to take over FlyMe Sweden's operations and reportedly meets the Swedish Civil Aviation Authority's requirement of at least USD43 million in capital.

Operations would resume with four of six FlyMe's B737 aircraft, with a reduced network. FlyMe staff were made redundant by the administrator on 20-Mar-07, but have reportedly been offered jobs with the new operator.

According to Bosse Andreasson, FlyMe Sweden's Operations Manager "all that remains is the licence from the Swedish Civil Aviation Authority" which could be granted as early as this week. FlyMe Sweden suspended services on 02-Mar-07 and announced plans to file for bankruptcy "as soon as possible" after an emergency rights issue failed to raise enough funding for the carrier to continue operations.

Flyme Bankruptcy Administrator: *"There is a preliminary agreement for a takeover of the business, and the conditions laid down in the agreement should be met within the coming week. The conditions have been laid down by the person or organization that will take over the business and by the creditors,"* Rickard Ström, Bankruptcy Administrator. Source: Göteborgs-Posten, 21-Mar-07.

Air Berlin to commence full dba integration from Apr-07. Air Berlin will begin to integrate dba operations from Apr-07, removing the carrier's livery from its fleet and matching fare structures, baggage allowances and general service standards to existing Air Berlin practices. As a part of the integration, the 'flexi fares' that currently offered by dba will be applied to Air Berlin's fare structure and made available through all of its sales channels.

The carriers' booking systems are expected to be fully aligned by the beginning of May-07, with the dba code being removed from all services after full integration, and being replaced by the Air Berlin code 'AB'. Through the takeover, Air Berlin gained access to dba's landing slots at Munich and Dusseldorf airports. The combined carrier will operate up to 600 daily services and handle 20 million passengers p/a.

Air Berlin: "*We have adopted the business quality of dba and combined this with the award-winning Air Berlin service. The result is our common business class for everyone,*" Joachim Hunold, CEO. Source: Air Berlin, 20-Mar-07.

Europe/Africa Route Changes

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
Europe/Africa						
Monarch	London Luton	Larnaca	4	4	26-Mar-07	A321
SkyExpress	Moscow	Tyumen	7	7	12-Apr-07	B737
Sterling	Stockholm	Edinburgh	2	2	01-Jun-07	B737-800
Sterling	Stockholm	Amsterdam	2	2	01-Jun-07	B737-800
Sterling	Goteburg	Athens	2	2	27-May-07	B737-800
Transavia France	Paris Orly	Porto	7	7	12-May-07	B737-800

Source: Centre for Asia Pacific Aviation & various

Asia Pacific/Middle East

SOUTH PACIFIC

Focus: Virgin Blue in for the long-haul

Virgin Blue ordered (21-Mar-07) six B777-300ERs, as well as an additional six options, and agreed to lease one aircraft of the same type from ILFC. The new aircraft will allow Virgin Blue to establish its much-anticipated long-haul operations, providing services from Australia to the US and other destinations.

Virgin Blue CEO, Brett Godfrey, stated that the commitment, worth approximately AUD2.6 billion at list prices (including AUD400 million for the lease from IFLC) is a "significant milestone for Virgin Blue and for Australian aviation."

Plans for the long-haul operations have been accelerated recently. The new international airline, as-yet-unnamed, will be launched in 2008 and initially focus on operations between Australia and the West Coast of the US, although other destinations are expected to be announced following its launch.

The carrier has been working with US Government representatives regarding the regulatory approval process "for some months". The name of the new airline and updates on the regulatory process will be announced in the next few months. Virgin Blue's long-haul project team is currently recruiting other key management team members.

A risky undertaking?

According to Mr Godfrey, the long-haul carrier is "the biggest undertaking the airline has taken and a huge risk".

After enjoying 12 months of relatively stable capacity growth, in a benign domestic market, in the last six months the carrier has announced a significant series of capital investments in regional, mainline, and now international, equipment, in the face of rising competition.

In Feb-07, carrier announced a series of aircraft orders for its domestic fleet, following the announcement of plans by Singapore's Tiger Airways to enter the Australian domestic market. In addition to its firm orders for three E170 and 11 E-190 aircraft, (placed in Nov-06) it exercised options for a further three E190s and three E170s, scheduled for delivery in 2008 and 2009.

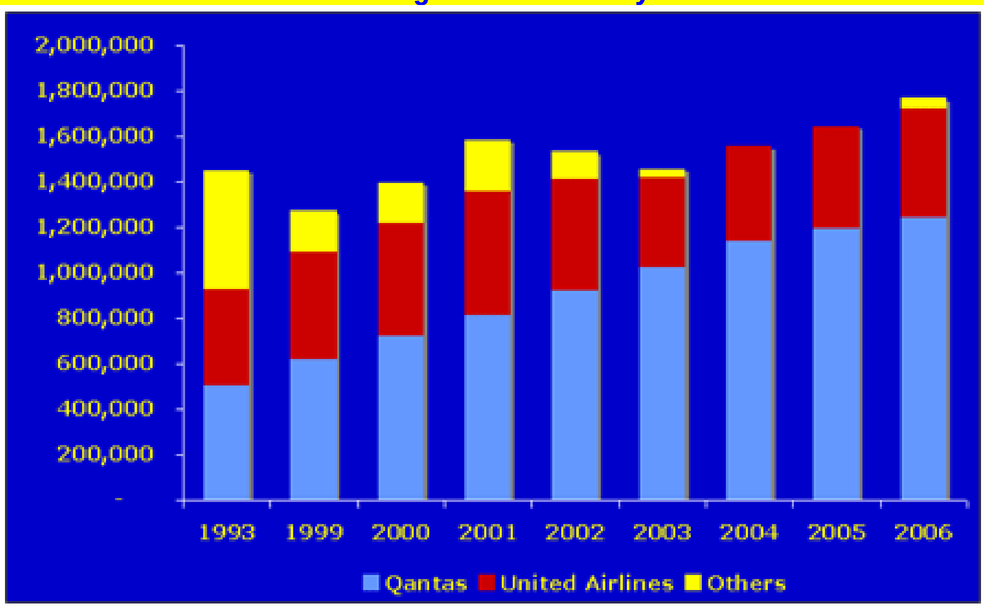
At the same time Virgin Blue announced plans to lease three B737-800s in 3/4Q07, and also ordered five B737-800's for delivery in 2010/11 as replacement capacity. The carrier will also retain for a further 12 months, two leased B737 aircraft, originally due for return in 2007.

And now for the Pacific

The move by Virgin Blue puts two Australian flag carriers on the Pacific route, bringing it directly into competition with United and Qantas, which has a dominant position in the trans-Pacific market. (The move however effectively closes the door on Singapore Airlines' Pacific aspirations, at least for the medium term).

The Pacific route expanded by 7% in the 12 months ended 30-Jun-06 to around 1.7 million passengers, of which Qantas has a 70% share. Passenger numbers on the route have expanded by just 22% since 1993 (when there were five players in the market, including Northwest and Continental), while Qantas has enjoyed 150% growth in its passenger numbers on the route in that period. United Airlines is carrying under 500,000 passengers p/a – virtually unchanged since 1999, after hitting a peak of 545,000 in the year ended Jun-01.

Australia-US route: Annual Passenger Numbers by Airline: 1993 to 2006



QF data for 1993 includes Canada. 2006 "other" traffic includes indirect Air New Zealand traffic via Auckland.
Source: Centre for Asia Pacific Aviation & DoTRS

With its new B777-300ER equipment, Virgin Blue will be aiming for market penetration of around 15% or higher, similar to what Air New Zealand used to enjoy, before it abandoned non-stop service on the route 2002. The carrier is expected to sever its codeshare partnership with United, which reportedly delivers around 40 passengers per day to the US carrier. To build a sustainable market share, Virgin Blue will seek to introduce some attractive fares, which will be welcomed by passengers.

As well as being a new direction for the New World Carrier, the considerable capital requirement involved in its long-haul expansion will increase pressures on majority owner, Toll Holdings, to review its continued stake in the airline.

SOUTHEAST ASIA

Thai AirAsia flies solo at Suvarnabhumi. Thai AirAsia confirmed (22-Mar-07) it would be the only Thai LCC to remain at Bangkok Suvarnabhumi Airport following the reopening of Don Muang on 25-Mar-07. Thai AirAsia operates approximately 80 daily services to nine domestic and ten international destinations

Thai AirAsia: *"By making Suvarnabhumi our hub for all services, we will make air travel easier for our guests. We offer them access to the AirAsia network, and convenience in connecting to domestic and international services"*, Tassapon Bijleveld, CEO. Source: Bernama, 22-Mar-07.

Nok Air to launch Bangkok-Bangalore service. Nok Air confirmed (21-Mar-07) plans to launch Bangkok-Bangalore service in Jun-07. The service was originally scheduled to commence in Oct-06. The carrier also plans to launch services to Hanoi, Ho Chi Minh City and Macau in 2H07 and expand overall capacity by 15% in 2007, boosting its fleet from six B737-400s to up to 11 by the end of the year.

Tiger Airways reduces frequencies to Manila. Tiger Airways reduced frequency to Clark (Manila) from 14 to nine times weekly on 25-Mar-07, "due to the continued uncertainty regarding the regulatory situation at Clark-Diosdado Macapagal International Airport" – see Route Changes Table for more information. Foreign carriers operating to the airport may be subject to restrictions under a Governmental Executive Order made in Aug-06, which revised an earlier 'open-skies' policy, issued in Jan-07.

Tiger Airways: "*It is with deep regret that we will not be able to commit any more destinations [to the Philippines] or additional flights to Clark until the current regulatory uncertainty is resolved. We urge the Philippine Government to move quickly on this issue,"* Tony Davis, CEO. Source: Manila Buletin, 23-Mar-07.

Adam Air under the eyes of Indonesian investment company. PT Bhakti Investama, an Indonesian investment firm, is reportedly (20-Mar-07) "seriously considering" acquiring a shareholding, or possibly taking over, PT Adam Sky Connection Airlines, the privately held parent of Indonesian LCC, Adam Air.

PT Bhakti Investama: *"Given our experience with Indonesian Air Transport [a charter carrier in which Bhakti owns an indirect stake], we're certain that we will be able to create positive synergies and improve the way Adam Air is run"*, Hary Djaja, President. Source: Jakarta Post, 20-Mar-07.

According to a Bhakti statement "all possibilities remain open", although any acquisition would be heavily dependent on the carrier's future growth. The investment firm reportedly plans to "shake up" the carrier as it examines opportunities to invest further in Indonesia's developing air transport market. The company already has a shareholding in Indonesian Air Transport, a charter carrier, through its 49% shareholding in media and telecom group, PT Bimantara Citra.

Meanwhile, the Indonesian Transport Ministry released (22-Mar-07) its airline safety ratings report, which examined the performance of 20 passenger airlines against 20 criteria applied by the International Civil Aviation Organisation. Six scheduled airlines, including Adam Air, were found to be operating at the "minimal requirements of civil aviation safety regulations", with some regulations not implemented, which "may reduce safety". The six carriers received warnings to raise their standards within three months, or face suspension of operating licenses.

Cebu Pacific boosts Bangkok capacity. Cebu Pacific announced (22-Mar-07) plans to boost capacity to Bangkok by 75% in Apr-07 – see Route Changes Table for more information. The carrier, which commenced Manila-Bangkok service in Dec-06, is promoting Thailand as a shopping and leisure destination and expects strong load factors on the route over the Northern Summer.

INDIAN SUBCONTINENT

Air India Express takes over Bahrain operations. Air India Express launched Mangalore-Bahrain-Doha service on 25-Mar-07. The carrier will replace parent, Air India, on services to Bahrain, operating between Bahrain/Doha and Thiruvananthapuram, Kochi, Kozhikode, Mangalore and Mumbai – see Route Changes Table for more information.

Air Deccan expands to more non-metro destinations. Air Deccan announced (27-Mar-07) a major network expansion, launching new routes from Bhubaneswar, Chennai, Kolkata and Delhi to destinations including Bangalore, Chennai, Hyderabad, Vishakapatnam, Agartala, Jaipur, Udaypur, Jodhpur, Imphal and Dimapur – see Route Changes Table for more information.

Air Deccan to withdraw congestion surcharge. Air Deccan announced (26-Mar-07) plans to withdraw the USD3.50 per sector congestion surcharge from 28-Mar-07. (See the upcoming Apr-07 edition of the *Monthly Essential India* report on the looming 'congestion crisis' this Summer in India).

Air Deccan: *"The idea of putting up the surcharge was to draw the government's attention to the problem of congestion in places like Delhi and Mumbai. Now we will remove this term [but] fares won't drop because of this move"*, Captain GR Gopinath, Managing Director. Source: Times of India, 27-Mar-07.

Kuwait investors to establish Bangladeshi passenger airline. Aqeeq Aviation Holding, a Kuwait-based investment firm, acquired (21-Mar-07) a 49% shareholding in Bangladesh-based cargo carrier, Best Aviation Ltd, as part of plans to jointly establish a passenger airline.

Best Aviation: *"The number of air passengers travelling to and from Bangladesh has been growing at a rate of 15% in the last few years ... there is a huge potential for business here,"* M. Haiderruzzaman, CEO. Source: XFN-ASIA, 21-Mar-07.

Details of the new carrier include:

- Name: n/a;
- Launch: Jul-07;
- Base: Dhaka;
- Fleet: Two leased B737s initially, plus two more at a later date;
- Network: Two domestic (Chittagong and Sylhet) and six international destinations (Kolkata, Jaipur, Jeddah, Bangkok, Kathmandu and Dubai), subject to government approval;
- Approvals: Provisional operating licence received from Bangladesh's Civil Aviation Authority.

Indus Airways to operate new service. Indian start-up, Indus Airways confirmed (19-Mar-07) it is planning to operate Delhi-Chandigarh-Amritsar-Mumbai service and will announced frequency and launch details once it receives Indian Government approval.

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MIDDLE EAST

Focus: Air Arabia IPO update

UAE Government acquires 5% of Air Arabia. UAE Ministry of Finance acquired (22-Mar-07) a 5% shareholding in Air Arabia's IPO - the maximum legally permitted.

Abraaj Capital acquires strategic shareholding. Abraaj Capital, a private equity investment firm, will acquire (25-Mar-07) an undisclosed strategic minority shareholding in Air Arabia. Two senior Abraaj Capital executives will join Air Arabia's Board of Directors.

Arif Naqvi, Vice Chairman and CEO of Abraaj Capital, stated "the LCC segment is poised for rapid growth…with established airlines such as Air Arabia especially well positioned to benefit from strong demand for low-cost regional travel. Indeed, as a pioneer in the LCC space and with world-class management, Air Arabia has rightly earned a reputation as the clear leader in its field."

The carrier's IPO, which closes today, is also reportedly expected to be "substantially" oversubscribed.

Nile Airlines formed for Egypt-Gulf operations. Al-Tayyar Travel Group announced (25-Mar-07) the establishment of a new carrier, Nile Airlines, after receiving an operating licence from the Egyptian Government to operate services from Cairo to the Gulf region. The carrier expects to launch operations with three aircraft in Sep-07, and will have share capital of approximately USD50 million. The carrier expects to announced further details of its launch in the next few months.

Macadamias: Full service start-ups

MDLR aiming for Apr-07 launch. MDLR Airlines, an Indian full-service start-up regional carrier, announced (20-Mar-07) the following launch plans:

- Launch: Apr-07;
- Network: Initially six times weekly Kolkata-Ranchi-Delhi-Chandigarh. Expanding to Surat, Bhavnagar, Mumbai and Goa after launch;
- Fleet: Two BAe AVRO RJ-70s in two class, 70-seat configuration, later expanding to five RJ-70s;

The carrier is targeting a market of small and medium-enterprise corporate travellers, government officials and leisure travellers. Route development will focus on regional and secondary airports, taking advantage of the short field performance of the RJ-70 large and numbers of under-served city pairs.

According to President, Koustav Dhar, the smaller cities and non-metro areas have “huge potential that is yet to be tapped. MDLR is aiming to operate up to 40 aircraft by 2010, and is in discussions with Bombardier, Embraer and ATR regarding aircraft orders.

Asia Pacific, SAARC & Middle East Route Changes

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
Asia Pacific, SAARC & Middle East						
Cebu Pacific	Manila	Bangkok	3	7	Apr-07 to 16-Ju	-
Tiger Airways	Singapore	Clark Manila	-5	9	25-Mar-07	A320
Cebu Pacific	Manila	Taipei	7	7	13-Jun-07	A320
Air India Express	Mangalore	Bahrain-Doha	37705	2	2	B737-800
Air India Express	Mumbai	Bahrain-Doha	37705	4	4	B737-800
Air India Express	Thiruvananthapuram	Bahrain-Doha	37705	1	1	B737-800
Air India Express	Kochi	Bahrain-Doha	37705	2	2	B737-800
Air India Express	Kozhikode	Bahrain-Doha	37705	3	3	B737-800
Air Deccan	Bhubaneswar	Vishakapatnam	37706	7	7	A320
Air Deccan	Chennai	Agartala	37706	7	7	-
Air Deccan	Delhi	Jodhpur	37706	7	7	-
Air Deccan	Kolkata	Dimapur	37706	7	7	-

Source: Centre for Asia Pacific Aviation & various

Share Prices – 27-Mar-07

	Currency	Close 26-Mar	52 week range	1 week change
North & South America				
ATA	USD	2.69	1.89 - 13.31	11.16%
AirTran	USD	10.70	9.06 - 18.25	7.86%
Frontier Airlines	USD	6.12	5.66 - 9.08	Stable
GOL	USD	26.99	25.31- 41.25	1.39%
JetBlue	USD	11.69	8.93 - 17.02	Stable
Southwest	USD	15.00	14.61 - 18.20	Stable
US Airways	USD	47.58	36.19 - 63.27	2.57%
WestJet	CAD	15.04	9.18 - 16.09	0.33%
Europe				
Air Berlin	EUR	15.92	9.10 - 18.19	7.35%
easyJet	GBP	7.07	3.02- 7.30	4.67%
Ryanair	EUR	5.86	3.82 - 12.56	3.72%
SkyEurope	EUR	4.15	1.42 - 6.65	-6.74%
Asia Pacific				
AirAsia	MYR	1.72	1.30 - 1.97	8.86%
SpiceJet	INR	47.40	n/a	9.34%
Air Deccan	INR	97.05	64.10 - 158.3	-2.56%
Virgin Blue	AUD	2.67	1.50- 2.85	3.49%

Source: Yahoo Finance

Traffic

Passenger Traffic 2006/07

US LCCs		Sep	Oct	Nov	Dec	Jan-07	Feb-07
Southwest Airlines	RPMs (billion)	5.196	7.171	5.594	5.506	5.179	4.846
	% Change	*9.8%*	*7.2%*	*11.9%*	*10.3%*	*8.8%*	*3.3%*
America West*	RPMs (billion)	1.727	1.871	1.830	1.911		
	% Change	*-7.2%*	*-4.8%*	*-5.8%*	*-2.6%*		
JetBlue	RPMs (billion)	1.644	1.859	1.908	2.000	1.939	1.740
	% Change	*8.2%*	*16.3%*	*11.7%*	*8.1%*	*8.3%*	*3.2%*
AirTran	RPMs (billion)	0.950	1.089	1.128	1.221	1.093	1.109
	% Change	*11.6%*	*12.5%*	*15.4%*	*20.2%*	*18.5%*	*19.2%*
WestJet	RPMs (billion)	0.817	0.826	0.780	0.896	0.890	0.889
	% Change	*24.5%*	*24.1%*	*29.2%*	*21.5%*	*20.0%*	*22.2%*
ATA	RPMs (billion)	0.298	0.326	0.317	0.366	0.286	0.265
	% Change	*-37.6%*	*-35.4%*	*-26.2%*	*-15.4%*	*-10.4%*	*-0.5%*
Frontier	RPMs (billion)	0.616	0.669	0.644	0.607	0.637	0.631
	% Change	*11.3%*	*15.4%*	*12.3%*	*-2.2%*	*10.8%*	*10.6%*
Spirit	RPMs (billion)	0.299	0.335	0.373	0.400		
	% Change	*15.0%*	*25.1%*	*26.0%*	*16.2%*		
Jazz	RPMs (billion)	0.336	0.356	0.306	0.320	0.309	0.314
	% Change	*45.5%*	*39.1%*	*23.4%*	*25.5%*	*19.3%*	*18.5%*
US Full Service (Domestic traffic only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
American Airlines	RPMs (billion)	6.741	7.312	7.150	7.404	7.004	6.470
	% Change	*-3.8%*	*0.4%*	*-3.1%*	*-1.9%*	*-2.7%*	*-2.6%*
Delta Air Lines	RPMs (billion)	6.103	6.718	6.472	6.591	6.093	5.651
	% Change	*-12.2%*	*-5.5%*	*-8.4%*	*-4.0%*	*-5.2%*	*-5.0%*
United Airlines	RPMs (billion)	5.487	5.882	5.493	5.566	5.422	4.989
	% Change	*2.4%*	*3.9%*	*1.8%*	*-2.4%*	*2.2%*	*-1.8%*
Continental Airlines	RPMs (billion)	3.300	3.585	3.532	3.693	3.358	3.194
	% Change	*10.0%*	*8.0%*	*8.1%*	*5.4%*	*78.1%*	*80.7%*
US Airways*	RPMs (billion)	1.988	2.268	2.286	2.269	4.130	3.868
	% Change	*-0.4%*	*7.0%*	*12.4%*	*16.2%*	*5.3%*	*3.2%*
Northwest Airlines	RPMs (billion)	3.165	3.432	3.320	3.454	3.142	3.113
	% Change	*-3.3%*	*2.6%*	*5.2%*	*1.4%*	*2.7%*	*3.7%*
Air Canada	RPMs (billion)	1.123	1.046	0.87	0.978	0.92	0.871
	% Change	*-4.3%*	*-0.8%*	*6.7%*	*7.8%*	*5.3%*	*5.1%*
US Domestic Total		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Air Transport Association	**RPMs (billion)**	**36.48937**	**39.68494**	**38.6737**	**39.61671**		
	% Change	***-1.5%***	***2.1%***	***1.4%***	***1.1%***		

Brazil LCCs (Domestic data only)		Sep	Oct	Nov	Dec	Jan-07	Feb-07
GOL	RPKs (billion)	1.186	1.203	1.133	1.370	1.619	1.337
	% Change	*40.8%*	*33.2%*	*35.9%*	*42.1%*	*61.2%*	*55.3%*
GOL (International)	RPKs (billion)	0.120	0.130	0.131	0.156	0.225	0.229
	% Change	*150.1%*	*156.2%*	*146.4%*	*142.7%*	*174.0%*	*186.7%*
Brazil Full Service (Domestic data only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
TAM Linhas Aereas	RPKs (billion)	1.694	1.748	1.660	1.813	1.991	1.572
	% Change	*34.1%*	*26.8%*	*32.2%*	*21.2%*	*18.8%*	*31.2%*
Varig	RPKs (billion)	0.141	0.174	0.163	0.075		
	% Change	*-81.0%*	*-78.0%*	*-77.0%*	*-89.3%*		
Departmento de Aviacao Civil		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Brazil Domestic Total	**RPKs (billion)**	**3.276242**	**3.419104**	**3.21302**	**3.691449**	**4.216963**	**3.320442**
	% Change	***12.1%***	***8.7%***	***12.0%***	***13.8%***	***12.5%***	***16.1%***

Europe LCCs		Sep	Oct	Nov	Dec	Jan-07	Feb-07
Ryanair	Pax ('000)	3,537	3,732	3,162	3,361	3,135	3,206
	% Change	*17.0%*	*23.4%*	*15.0%*	*18.6%*	*23.5%*	*23.7%*
easyJet	Pax ('000)	3,011	2,935	2,554	2,638	2,573	2,647
	% Change	*9.8%*	*7.3%*	*11.2%*	*11.2%*	*11.1%*	*11.5%*
Norwegian	Pax ('000)	492	487	426	386	421	403
	% Change	*51.4%*	*49.3%*	*35.0%*	*36.5%*	*29.8%*	*27.9%*
SkyEurope	Pax ('000)	294	227	176	192	184	203
	% Change	*49.7%*	*49.7%*	*46.0%*	*39.6%*	*38.1%*	*39.5%*
Blue1	Pax ('000)	181	191	165	135	129	138
	% Change	*29.3%*	*33.6%*	*23.1%*	*21.6%*	*12.2%*	*22.1%*
FlyMe	Pax ('000)	80	82	74	64	61	
	% Change	*126.6%*	*56.8%*	*27.3%*	*30.3%*	*0.9%*	
Europe Full Service (Intra-Europe only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Air France/KLM	Pax ('000)	4,559	4,546	3,961	3,916	3,726	3,565
	% Change	*4.1%*	*6.5%*	*3.3%*	*3.0%*	*7.0%*	*7.0%*
Lufthansa	Pax ('000)	4,018	3,887	3,386	3,058	2,905	2,979
	% Change	*5.9%*	*7.4%*	*5.9%*	*7.1%*	*6.2%*	*7.0%*
British Airways	Pax ('000)	2,156	2,064	1,747	1,647	1,510	1,491
	% Change	*1.1%*	*2.0%*	*1.1%*	*-2.0%*	*-5.6%*	*-7.6%*
Finnair	Pax ('000)	406	365	334	318	327	330
	% Change	*5.2%*	*-0.7%*	*0.4%*	*1.6%*	*4.5%*	*4.2%*
Association of European Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Europe Total	**Pax ('000)**	**24,368**	**24,054**	**20,845**	**19,632**	**18,899**	
	% Change	***4.6%***	***8.2%***	***7.5%***	***7.8%***	***5.1%***	
Asia Pacific LCCs		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Virgin Blue	Pax ('000)	1,290	1,361	1,310	1,329	1,340	1,183
	% Change	*4.9%*	*10.0%*	*10.1%*	*10.0%*	*8.4%*	*12.5%*
Jetstar	Pax ('000)	635	657	608	635	692	
	% Change	*38.6%*	*36.6%*	*39.4%*	*27.3%*	*23.5%*	
AirAsia	Pax ('000)	639	660	736	877		
	% Change	*56.4%*	*74.3%*	*63.2%*	*70.6%*		
Thai AirAsia	Pax ('000)	224	263	265	314		
	% Change	*59.0%*	*50.7%*	*47.9%*	*56.4%*		
Indonesia Air Asia	Pax ('000)	143	162	166	173		
	% Change	*108.5%*	*114.4%*	*53.3%*	*77.8%*		
South Pacific Full Service		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Qantas (Domestic)	Pax ('000)	1,361	1,451	1,415	1,380	1,314	
	% Change	*-0.5%*	*2.8%*	*5.7%*	*-9.6%*	*4.2%*	
Air New Zealand (Shorthaul)	Pax ('000)	1,030	823	837	1,041	786	871
	% Change	*3.9%*	*3.1%*	*6.4%*	*6.0%*	*2.8%*	*5.6%*
Association of Asia Pacific Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
International Total	**Pax ('000)**	**10,079**	**11,331**	**11,214**	**11,836**	**11,859**	
	% Change	***1.5%***	***10.9%***	***13.2%***	***7.6%***	***3.9%***	

Source: Centre for Asia Pacific Aviation & company reports * US Airways report Combined traffic result from Jan-2007 (US Airways and America West Airlines)

Capacity

North America		Sep	Oct	Nov	Dec	Jan-07	Feb-07
Southwest Airlines	ASMs (billion)	7.732	8.135	7.788	7.992	8.120	7.257
	% Change	*10.1%*	*11.2%*	*10.5%*	*8.3%*	*8.2%*	*6.0%*
America West*	ASMs (billion)	2.329	2.407	2.324	2.478		
	% Change	*-5.4%*	*-5.4%*	*-5.6%*	*-3.4%*		
JetBlue	ASMs (billion)	2.265	2.360	2.360	2.600	2.547	2.176
	% Change	*15.8%*	*15.7%*	*13.2%*	*16.5%*	*17.1%*	*7.6%*
AirTran	ASMs (billion)	1.538	1.617	1.631	1.733	1.710	1.597
	% Change	*28.6%*	*22.1%*	*19.1%*	*19.4%*	*18.2%*	*20.2%*
WestJet	ASMs (billion)	1.086	1.103	1.064	1.148	1.173	1.081
	% Change	*17.2%*	*21.8%*	*26.6%*	*21.9%*	*19.4%*	*20.1%*
ATA	ASMs (billion)	0.400	0.410	0.410	0.462	0.405	0.350
	% Change	*-40.6%*	*-40.6%*	*-29.1%*	*-19.0%*	*-11.8%*	*-6.6%*
Frontier	ASMs (billion)	0.912	0.921	0.885	0.889	0.977	0.891
	% Change	*17.0%*	*14.1%*	*13.4%*	*1.7%*	*12.3%*	*13.8%*
Spirit	ASMs (billion)	0.427	0.442	0.480	0.549		
	% Change	*18.8%*	*26.2%*	*15.5%*	*15.2%*		
Jazz	ASMs (billion)	0.469	0.491	0.426	0.442	0.446	0.415
	% Change	*40.0%*	*37.2%*	*19.0%*	*20.8%*	*14.1%*	*13.4%*
North America Full Service (Domestic data		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
American Airlines	ASMs (billion)	8.883	9.149	8.749	9.223	9.272	8.182
	% Change	*-2.3%*	*0.1%*	*-4.7%*	*-2.1%*	*-2.3%*	*-3.8%*
Delta Air Lines	ASMs (billion)	8.300	8.571	8.287	8.464	8.319	7.455
	% Change	*-14.3%*	*-14.1%*	*-13.8%*	*-7.3%*	*-5.1%*	*-5.0%*
United Airlines	ASMs (billion)	7.038	7.273	6.966	7.044	7.083	6.321
	% Change	*3.7%*	*3.7%*	*2.7%*	*-1.5%*	*2.2%*	*-2.8%*
Continental Airlines	ASMs (billion)	4.063	4.316	4.193	4.514	4.299	3.959
	% Change	*7.0%*	*4.4%*	*4.2%*	*2.8%*	*5.1%*	*6.2%*
US Airways	ASMs (billion)	2.808	2.927	2.893	3.009	5.575	4.917
	% Change	*-0.3%*	*2.3%*	*4.2%*	*8.8%*	*-2.2%*	*1.6%*
Northwest Airlines	ASMs (billion)	4.027	4.200	4.120	4.338	4.121	3.890
	% Change	*-4.4%*	*1.4%*	*2.9%*	*-1.0%*	*3.3%*	*3.6%*
Air Canada	ASMs (billion)	1.407	1.287	1.087	1.204	1,166	1,041
	% Change	*-3.0%*	*-0.3%*	*3.5%*	*2.5%*	*1.3%*	*0.0%*

Air Transport Association		Sep	Oct	Nov	Dec	Jan-07	Feb-07
US Domestic Total	ASMs (billion)	48.86346	50.74753	49.0409	51.11166		
	% Change	-1.2%	-0.1%	-0.8%	-0.2%		
South America LCCs (Domestic data only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
GOL	ASKs (billion)	1.563	1.703	1.686	1.988	2.115	1.837
	% Change	40.5%	41.3%	46.0%	55.0%	54.4%	50.5%
GOL (International)	ASKs (billion)	0.166	0.202	0.216	0.275	0.329	0.328
	% Change	149.8%	196.2%	199.6%	221.4%	173.0%	171.5%
South America Full Service (Domestic data		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
TAM Linhas Aereas	ASKs (billion)	2.313	2.437	2.439	2.508	2.686	2.319
	% Change	27.4%	24.9%	31.9%	21.8%	23.1%	28.3%
Varig	ASKs (billion)	0.255	0.263	0.257	0.112		
	% Change	-76.1%	-76.6%	-75.4%	-88.7%		
Departmento de Aviacao Civil		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Brazil Domestic Total	ASKs (billion)	4.525427	4.838622	4.78563	5.264811	5.70313	4.897211
	% Change	9.4%	9.5%	14.9%	18.1%	13.2%	13.7%
Europe		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Norwegian	ASKs (billion)	0.53	0.538	0.46	0.422	0.45	0.411
	% Change	58.7%	60.1%	50.3%	51.3%	43.8%	45.7%
Blue1	ASKs (billion)	0.220	0.220	0.200	0.166	0.176	0.175
	% Change	56.0%	60.6%	49.3%	53.7%	49.2%	53.5%
FlyMe	ASKs (billion)	0.110	0.113	0.098	0.094	0.091	
	% Change	239.1%	177.1%	131.8%	160.6%	76.8%	
Europe Full Service (Intra-Europe only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Air France/KLM	ASKs (billion)	4.836	4.941	4.582	4.508	4.523	
	% Change	5.2%	7.6%	5.8%	4.2%	3.3%	
Lufthansa	ASKs (billion)	4.029	4.05	3.798	3.569	3,517	3,571
	% Change	5.9%	6.0%	8.6%	11.0%	9.8%	11.6%
British Airways	ASKs (billion)	2.652	2.693	2.491	2.342	2.526	2.309
	% Change	-3.1%	-2.0%	0.9%	-2.5%	-0.2%	-0.8%
Finnair	ASKs (billion)	0.678	0.622	0.612	0.576	0.636	0.623
	% Change	-4.2%	-9.4%	-2.6%	0.4%	4.5%	5.3%
Association of European Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Europe Total	ASKs (billion)	28.1340	28.8994	26.4901	25.5845	26.2717	
	% Change	3.3%	7.0%	7.6%	7.4%	5.3%	
Asia Pacific LCCs		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Virgin Blue	ASKs (billion)	1.794	1.875	1.802	1.868	1.863	1.667
	% Change	2.6%	5.8%	4.6%	4.2%	3.5%	5.8%
Jetstar	ASKs (billion)	0.941	0.959	0.977	1.213	1,321	
	% Change	53.5%	48.5%	60.2%	60.4%	70.6%	
Asia Pacific Full Service		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Qantas (Domestic)	ASKs (billion)	2.480	2.624	2.485	2.509	2,456	
	% Change	1.0%	6.2%	7.4%	6.2%	6.7%	
Air New Zealand (Shorthaul)	ASKs (billion)	1.486	1.122	1.114	1.437	1.114	1.105
	% Change	5.0%	-0.4%	-0.9%	0.2%	-1.1%	-3.9%
Association of Asia Pacific Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
International Total	ASKs (billion)	53.924	61.388	59.455	63.008	65.965	
	% Change	-0.8%	10.3%	10.4%	1.8%	1.8%	

Source: Centre for Asia Pacific Aviation & company reports

Load Factors

North America		Sep	Oct	Nov	Dec	Jan-07	Feb-07
Southwest Airlines	PLF	67.2%	88.2%	71.8%	68.9%	63.8%	66.8%
	ppts Change	*-0.2*	*-3.3*	*0.9*	*1.2*	*0.4*	*-1.7*
America West*	PLF	74.1%	77.7%	78.7%	77.1%		
	ppts Change	*-1.4*	*0.5*	*-0.2*	*-2.1*		
JetBlue	PLF	72.6%	78.8%	80.8%	76.9%	76.1%	80.0%
	ppts Change	*-5.1*	*0.4*	*-1.1*	*-5.9*	*-6.2*	*-3.4*
AirTran	PLF	61.8%	67.3%	69.2%	70.4%	63.9%	69.5%
	ppts Change	*-9.4*	*-5.8*	*-2.2*	*0.5*	*0.6*	*0.7*
WestJet	PLF	75.3%	74.9%	73.4%	78.0%	75.9%	82.2%
	ppts Change	*4.4*	*1.4*	*1.5*	*-0.2*	*0.4*	*1.4*
ATA	PLF	74.5%	79.6%	77.2%	79.1%	70.7%	75.5%
	ppts Change	*3.6*	*6.4*	*3.0*	*3.3*	*1.2*	*4.7*
Frontier	PLF	67.6%	72.7%	72.8%	68.2%	65.2%	70.8%
	ppts Change	*-3.4*	*0.8*	*-0.7*	*-2.7*	*-0.9*	*-2.0*
Spirit	PLF	70.0%	75.8%	77.7%	72.9%		
	ppts Change	*-2.4*	*-0.7*	*6.5*	*0.6*		
Jazz	PLF	71.6%	72.5%	71.8%	72.4%	69.3%	75.7%
	ppts Change	*2.7*	*1.0*	*2.6*	*2.7*	*3.0*	*3.3*
North America Full Service (Domestic data		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
American Airlines	PLF	75.9%	79.9%	81.7%	80.3%	75.5%	79.0%
	ppts Change	*-1.1*	*0.2*	*1.4*	*0.2*	*-0.3*	*1.0*
Delta Air Lines	PLF	73.5%	78.4%	78.1%	77.9%	73.2%	75.8%
	ppts Change	*1.7*	*7.1*	*4.6*	*2.6*	*-0.1*	*0.0*
United Airlines	PLF	78.0%	80.9%	78.8%	79.0%	76.6%	78.9%
	ppts Change	*-1.0*	*0.1*	*-0.7*	*-0.7*	*0.0*	*0.7*
Continental Airlines	PLF	81.2%	83.1%	84.2%	81.8%	78.1%	80.7%
	ppts Change	*2.2*	*2.8*	*3.1*	*2.1*	*-0.2*	*-0.3*
US Airways	PLF	70.8%	77.5%	79.0%	82.1%	74.1%	78.7%
	ppts Change	*-0.1*	*3.4*	*5.8*	*11.4*	*2.7*	*1.2*
Northwest Airlines	PLF	78.6%	81.7%	80.6%	79.6%	76.2%	80.0%
	ppts Change	*0.9*	*1.0*	*1.7*	*1.9*	*-0.5*	*0.0*
Air Canada	PLF	79.8%	81.3%	80.0%	81.2%	78.9%	83.7%
	ppts Change	*-1.2*	*-0.4*	*2.4*	*4.0*	*3.0*	*4.1*
Air Transport Association		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
US Domestic Total	**PLF**	**74.7%**	**78.2%**	**78.9%**	**77.5%**	**79.7%**	
	ppts Change	***-0.2***	***1.7***	***1.7***	***1.0***	***1.9***	
South America LCCs (Domestic data only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
GOL	PLF	75.9%	70.6%	67.2%	68.9%	76.6%	72.8%
	ppts Change	*0.1*	*-4.3*	*-5.0*	*-6.3*	*3.2*	*2.2*
GOL (International)	PLF	72.3%	64.3%	60.6%	56.6%	68.4%	69.7%
	ppts Change	*0.1*	*-10.0*	*-13.1*	*-18.4*	*0.2*	*3.7*
South America Full Service (Domestic data		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
TAM Linhas Aereas	PLF	73.2%	71.8%	68.1%	72.3%	74.1%	67.8%
	ppts Change	*3.7*	*1.1*	*0.2*	*-0.4*	*-2.7*	*1.5*
Varig	PLF	55.3%	66.0%	63.7%	67.1%		
	ppts Change	*-9.8*	*-4.2*	*-4.4*	*-4.1*		
Departmento de Aviacao Civil		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Brazil Domestic Total	**PLF**	**72.4%**	**70.7%**	**67.1%**	**70.1%**	**73.9%**	**67.8%**
	ppts Change	***1.7***	***-0.6***	***-1.7***	***-2.6***	***-0.5***	***1.4***

Europe		Sep	Oct	Nov	Dec	Jan-07	Feb-07
Ryanair	PLF	86.0%	83.0%	79.0%	81.0%	71.0%	77.0%
	ppts Change	*-1.0*	*-2.0*	*-2.0*	*-1.0*	*-3.0*	*-1.0*
easyJet	PLF	86.5%	83.2%	80.5%	81.2%	74.9%	82.8%
	ppts Change	*0.1*	*-2.4*	*0.3*	*0.7*	*0.7*	*-0.9*
Norwegian	PLF	79.8%	76.2%	68.9%	70.4%	70.4%	76.2%
	ppts Change	*-0.1*	*-3.6*	*-4.6*	*-1.7*	*-1.8*	*-4.3*
SkyEurope	PLF	80.7%	76.1%	76.2%	76.9%	73.7%	86.2%
	ppts Change	*0.6*	*6.4*	*14.0*	*11.8*	*10.4*	*11.1*
Blue1	PLF	65.5%	70.0%	60.5%	65.7%	56.3%	58.9%
	ppts Change	*4.5*	*5.8*	*0.1*	*0.8*	*-3.9*	*0.1*
FlyMe	PLF	65.8%	65.9%	59.4%	56.2%	52.8%	
	ppts Change	*8.5*	*2.7*	*-8.7*	*-11.3*	*-4.7*	
Europe Full Service (Intra-Europe only)		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Air France/KLM	PLF	75.1%	71.8%	65.7%	66.4%	62.5%	63.6%
	ppts Change	*0.6*	*-0.1*	*-1.0*	*-0.2*	*-0.4*	*-0.7*
Lufthansa	PLF	71.1%	67.9%	62.2%	60.5%	59.7%	58.9%
	ppts Change	*1.3*	*2.7*	*0.9*	*1.0*	*0.6*	*0.0*
British Airways	PLF	78.1%	72.8%	63.7%	65.7%	55.0%	59.1%
	ppts Change	*4.8*	*4.8*	*2.5*	*3.1*	*-1.3*	*-2.0*
Finnair	PLF	69.2%	65.9%	59.9%	64.6%	58.9%	63.1%
	ppts Change	*6.9*	*4.8*	*3.5*	*3.1*	*0.9*	*2.5*
Association of European Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Europe Total	**PLF**	**74.2%**	**70.2%**	**63.4%**	**63.8%**	**59.3%**	
	ppts Change	***1.7***	***0.8***	***0.0***	***1.3***	***0.4***	
Asia Pacific LCCs		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Virgin Blue	PLF	83.7%	84.3%	82.9%	81.6%	83.3%	
	ppts Change	*2.3*	*4.1*	*4.2*	*2.7*	*2.1*	
Jetstar	PLF	82.3%	81.9%	75.4%	72.8%	79.2%	
	ppts Change	*3.3*	*2.8*	*1.7*	*0.2*	*-1.4*	
Asia Pacific Full Service		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
Qantas (Domestic)	PLF	80.0%	81.7%	81.3%	80.5%	80.7%	
	ppts Change	-1.2	-0.9	1.2	0.0	0.1	
Air New Zealand (Shorthaul)	PLF	72.4%	75.0%	74.2%	76.0%	81.0%	77.7%
	ppts Change	-1.0	1.3	4.8	2.8	3.8	6.8
Association of Asia Pacific Airlines		**Sep**	**Oct**	**Nov**	**Dec**	**Jan-07**	**Feb-07**
International Total	**PLF**	**74.5%**	**75.2%**	**75.2%**	**77.0%**		
	ppts Change	***1.0***	***2.7***	***2.9***	***3.1***		

Source: Centre for Asia Pacific Aviation & company reports