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Humin Daver
Director,
LAS Goldair
Joint venture between LAS Ground Force and Goldair Handling is winning business at Indian airports

His Excellency
Akbar Al Baker
Group Chief Executive,
Qatar Airways
Gulf carrier prepares for the soccer World Cup as traffic recovers, the network builds and profits return

Bryant Francis
Director of Aviation,
Oakland International Airport
Location on San Francisco Bay puts airport on the map to attract transatlantic service

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After a bumper summer what does the winter hold?


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Editor's NOTES

Mark Pilling
editor@evaint.com

British Prime Minister Sir Winston Churchill is credited with first saying, "Never let a good crisis go to waste." It is believed he was referring to the post-WWII political environment in the lead-up to the formation of the United Nations.

This phrase, which has become something of a business cliché, is being overworked as businesses emerge from the pandemic gloom of the past few years. Some will truly restructure and pursue radically different strategies. Others will roll out a trusted method and stay their previous course. No one answer fits all, of course.

Where is crisis-induced change likely, possible or even good? The most obvious answer is aviation's sustainability drive and the target to achieve net zero carbon emissions by 2050. Everyone is on that mission as they should be.

The focus for airlines , though, is on network restoration. There are few revolutions in the quest to fill airplanes again. It will take new sustainable aviation fuels and new propulsion technologies for change to take hold. Engineering boffins are on the case.

Airports are not much different but they have less room for manoeuvre. Their business model is more rigid, and many are saddled with new debt to pay off. Most have frozen or cancelled development plans and new capacity can wait, for now.

There is a desire for reinvention though. The reform of airport charges is a key area as Luis Felipe de Oliveira, director general of ACI World, explained to delegates at the joint *Airline Ground Services Summit* and *Airport Services Association Leadership Forum* held in Athens during September..

For de Oliveira, the current regulatory framework is too rigid and needs to be replaced with a more commercial approach that includes risk sharing between airports and airlines. "We need to rethink airport charges," he said. "In good times the charges go down, in bad times charges go up." This is counter-productive, he argues.

Money will also be a topic of conversation at the upcoming Routes World event in Las Vegas, but Airlines will expect airports and tourism bodies armed with talk of incentives and marketing support on offer rather than charges reform.

After a hell of a summer, marked by resurgent passenger numbers on the one hand, and horrific operational disruption for many on the other, delegates in Athens wondered what the winter months will bring and about the prospects for 2023. Keynote speaker, Mehmet Nane, chairman of Turkey's Pegasus Airlines, is pessimistic because the pent-up demand seen in 2022 will have dissipated by next year. "I have serious doubts about 2023 being a year of continuing recovery. The footsteps of recession are coming, starting in China."

For the ground services industry, the gathering in Athens highlighted an industry struggling to deliver a quality service, let alone make money. Most players have been in crisis mode all year and business will remain acutely difficult for months to come. Experienced staff have left the industry in droves, and nobody knows how to replace them.

The last word goes to Aviapartner managing director Richard Prince, speaking at the CEO panel in Athens: "We need to restore a level of pride and respect to our industry. This means turning a transaction at an airport today into a service. If we don't, lowcost wins and we become a transaction industry. We've got to bring back that sense of service."

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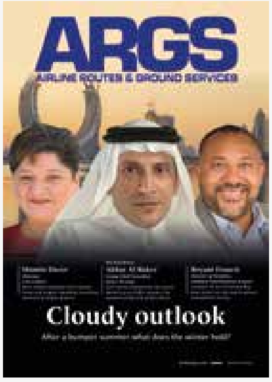

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Contents / AUTUMN 2022

44

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ANA sets a new course

All Nippon Airways is emerging from the pandemic with a fresh business model, new technologies and a new hybrid carrier – AirJapan – as it seeks to return to growth as soon as possible. *Tony Harrington* reports

On the eve of its milestone 70th anniversary, Japan's largest airline group, ANA, is reinventing itself. Having edged back from the Covid abyss, the company is not just rebuilding but reshaping for a rapidly evolving future featuring changes in customer preferences; new technologies, markets and risks; and a non-negotiable requirement to achieve net zero emissions by 2050.

Like most of the airline industry, ANA was forced by the pandemic to slash spending, rationalise activities and rethink past practices to ensure future resilience. These and other economic measures, together with the start of a market recovery, helped the group to return a modest profit in the three months to 30 June 2022, the first quarter of its new financial year. This was the first positive result in 10 quarters.

But what is really reflected in the ANA Group's financial turnaround is not simply a 'back to normal' outcome

ANA was the third Asia-Pacific carrier to return the Airbus A380 to service this year, putting it to work on the Tokyo Narita to Honolulu route (photo: Airbus).

At the helm of the ANA Group is its president and chief executive officer, ***Koji Shibata*** *(photo: ANA).*

"Even through Covid, we always maintained our environmental goals," said ***Chikako Miyata,*** *ANA's chief sustainability officer (photo: ANA).*

Hideki Mineguchi, *AirJapan president (photo: ANA).*

as it emerges from Covid. Far from it: the result also delivers the first dividends of a new business model, which increasingly will reshape the style and substance of the group's passenger service on the ground and in the air. The new approach includes a new 'flexible fleet' strategy to more closely match capacity and product to demand, as well as the creation next year of AirJapan, a hybrid airline which will sit between the company's full-service carrier ANA and its low-cost unit, Peach.

The ANA Group has also continued throughout the pandemic to look beyond the horizon. It has worked with strategic partners to develop and test a range of new technologies, from robots which can speedily sort, stack and optimise the loading of luggage onto planes, to autonomous and zero-emission airport vehicles, trials of delivery drones, an 'air taxi' partnership with US-based Joby, and the rollout of contactless transit through terminals to enhance both efficiency and hygiene for travellers.

A key plank of the group's future strategy is collaboration with a diverse mix of industry leaders in the race help neutralise aviation's contribution to global warming, by participating in a long list of national and international projects designed to progressively deliver low-emission practices and technologies.

"Even through Covid, we always maintained our environmental goals," said Chikako Miyata, ANA's chief sustainability officer. "We want not just to recover from Covid, but to recover in a way which is green."

Communication is key

"At the core of our ESG (environmental, social and governance) programme, we believe that the first and most important thing is to communicate with our stakeholders to help determine what ANA's role is in society," said Miyata. "We need to look at how the business is able to reduce any negative impacts, and how we can make positive impacts. Most of our CO2 emissions – 99% – are from the operation of our aircraft, so we have been working on improving operations, and how we can achieve carbon neutrality in 2050."

On the day it announced its first-quarter return to profitability, ANA also detailed a package of "transition strategies" including new fuels, partnerships and programmes designed to help the company achieve both sustainable growth and environmental improvement through interim actions to 2030, en route to net zero emissions in 2050.

"We are dedicated to achieving our sustainability goals by 2050 and are making investments in multiple areas to meet our commitments," said ANA Group's president and chief executive officer, Koji Shibata. "Sustainability is a top priority for ANA and by establishing transition strategies we hope to lead the airline industry forward into a carbon-neutral future."

Of course, a sustainable future needs a stable foundation. The fragile first-quarter financial results reflect not only the scale of the pandemic's impact on the ANA Group, but also the scale of actions required to continue recovery and recreate a robust business.

For two-and-a-half years, the group's earnings have been critically depressed, and although losses eased significantly in FY21 after spiking the previous year, the company remained deeply in the red until it finally crept back to black in Q1.

In lockstep with global trends, domestic air travel in Japan has recovered far faster than international traffic, while cargo has thrived and continues to be a significant driver of ANA's turnaround, with demand for freight space at a premium – particularly for high-value shipments including vaccines, automotive parts, semiconductors and electronic equipment – and boosted even more by the pandemic's disruption of global sea freight operations.

However, unlike most other markets,

Japan persisted with stringent anti-Covid measures well into 2022, seriously delaying recovery of the country's air transport sector at a time when demand for flights was surging, and ANA Group's competitors were increasingly reactivating flights.

"While we recognise that Japan's border restrictions are [intended] to minimise the spread of Covid, we expect further relaxation of restrictions to speed up in Japan, such as the limit on number of entries per day, required tests and visa requirements, in order to revitalise the Japanese economy," said Shibata.

"Before Covid, approximately 140,000 people per day entered Japan. Since June, the number has increased to 20,000 people per day, but it is still only one-seventh of what it used to be," he explained. "We believe there is increasing interest to visit Japan, and the weaker yen poses a great opportunity. Group tours to Japan restarted from June, but the entry of foreigners for tourism purposes, including individuals, is critical for Japan." At publication time, easing of restrictions was widely believed to be imminent.

Toyko Haneda International Airport is Japan's prime hub for domestic services (photo: Tokyo Haneda Airport).

Connectivity rebuild

Inextricably linked to the reopening of borders is the re-establishment of aviation connectivity, said Shibata, including through global partnerships such as Star Alliance, of which ANA is a key member. "Many airlines have reduced their networks and fleets in the wake of Covid," he said, "making connections between carriers even more important."

Other factors impacting recovery – but impossible for Japan to control – include continued diversions around Russian airspace, routinely the most efficient path between Japan and Europe, resulting in a 15-20% increase in operating costs due to longer flight times and higher fuel consumption on the airline's limited long-haul services.

All these factors, together with the need to financially rebuild, address evolving customer requirements and embrace technological advances, have helped shape ANA's new business structure, which, as well as driving growth in a new trading environment, is also centred on the capability to respond quickly and effectively to changing circumstances.

The first stage of the strategy has been collaboration between full-service ANA and low-cost Peach on a range of efficiency initiatives, including joint scheduling, shared sales and marketing resources, and a flexible fleet strategy.

The foundational element of this new internal partnership has ANA focused mainly on higher yielding business traffic, transferring many leisure travellers and destinations to Peach.

The larger carrier has temporarily codeshared on its low-cost carrier sibling, enabling the group to maintain connectivity and increase revenues while shrinking overall capacity. The share shift has more than tripled Peach's Q1 passenger journeys year on year, boosting passenger load factors (+20.2 points, from 46.8 to 67), and approaching a quadrupling of Q1 revenue versus 2021.

While the codeshare will soon be terminated, the group is now exploring ways to directly sell Peach flights via ANA platforms, providing the LCC with much greater market exposure.

AirJapan launches

As well, in recognition of changing customer needs, AirJapan will launch in the second half of 2023, using 'mid-body' Boeing 787-8 aircraft to serve short-haul international markets across Asia and Oceania, the latter a collective of countries including Australia, New Zealand, and island nations of the South Pacific and Melanesia.

Under the slogan 'Fly Thoughtful', AirJapan will offer a hybrid product which combines low fares with comfortable cabin space, enabling passengers to customise their journeys with more of what they want and less of what they do not – a higher fare delivering full service, or a lower price with fewer inclusions.

While specific details of AirJapan's network, fleet size and frequencies are still to be revealed, the Asia and Oceania regions accounted for almost one-third of ANA's international passenger revenue


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ANA will launch its new hybrid carrier AirJapan in 2023 (photo: ANA).

before the pandemic erupted, a pointer to the potential scale of the new airline.

"Our goal is to create a completely new kind of air travel experience that is neither a full-service nor a low-cost carrier, combining the best of both worlds while also featuring Japanese-style ideas and quality," explained Hideki Mineguchi, president of AirJapan. "We will provide select options that customers actually want from the services offered by full-service carriers. Customers who prefer a simple trip and do not require additional options can reduce their travel costs."

Underpinning the restructuring of its airline brands, and helping drive its new approach, the ANA Group will also greatly increase its use of customer data, said Shibata.

"The new service model is an initiative based on customer demand, and not simply a cost-cutting process," he said. "We will build a business foundation to expand market share ahead of competitors during the recovery phase by leveraging the strengths of the ANA, Peach and AirJapan brands. In this new business structure, we will also establish a platform that leverages our valuable customer data assets and strengthens our non-airline-related business."

An ANA 'Super App' is scheduled for launch by the end of 2022 to centralise customer interaction across the airline group, as is ANA NEO, a new games-based interactive platform that will enable users to virtually explore travel destinations and shop using connected smart devices.

Process technology will also be enhanced. Check-in machines for domestic flights will be replaced with "a one-stop, stress-free experience on smartphones". Inflight meals will be ordered online. And contactless passage through airports will be enhanced, using facial recognition technology for processes including security checks and aircraft boarding.

Fleet planning

Optimising the group's fleet will also be key to maximising efficiencies and reducing emissions. Since the start of the pandemic, the combined ANA-Peach fleet has fallen from 303 to 272 aircraft. But from next year it will start growing again, with a target of 285-290 planes by FY25, and confirmed plans for up to 50 new Boeing jets – 18 widebody Boeing 777-9s for delivery between 2023 and 2029, up to 30 narrowbody 737-8 Max aircraft from 2025, and two 777-8 freighters from 2028, all of them low-emission models to meet expected growth while also replacing older, less sustainable jets.

Emissions reductions will also come from new operational practices, technologies, ideas, partnerships and targets, continuing a commitment ANA first made over a decade ago to be among the industry's leaders in cutting harmful emissions. The group has announced four climate transition strategies leveraging operational, technical and infrastructural developments, the use of sustainable aviation fuel and other "potential clean energy sources", emission trading schemes, and "negative emissions technologies" based on removal of CO_2.

ANA is committed to using SAF for at least 10% of its fuel consumption by 2030, with almost 100% coming from low-carbon sources by 2050. It has purchased or trialled a range of alternative fuels and continues to explore advancing technologies such as Direct Air Capture (DAC), through which CO_2 is extracted from the atmosphere and transformed into carbon-neutral liquid fuels.

Japan wants a domestic SAF production capability by 2030, but will still require significant volumes of imported supplies, particularly as enviro-initiatives increase, enabling companies to offset their travels by buying SAF equivalent to the volume of fuel burned on their business flights, forcing up demand.

ANA currently sources its SAF from US-based LanzaJet Inc and the Finnish renewable energy group Neste. "In the future, we're also looking at the possibility of investing in some suppliers," said sustainability head Miyata.

In March, in an act of environmental bipartisanship, ANA and its main competitor, Japan Airlines, joined ACT FOR SKY, a collaboration of major industrialists committed to expediting the development, commercialisation, promotion and use of SAF produced in Japan from feedstocks including animal oils and fats, used cooking oil, woody biomass, municipal solid waste, exhaust gases and CO_2.


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ANA has partnered with Airbus on a research project to investigate the development of hydrogen aircraft and infrastructure which, while not a concept currently on the airline group's radar, is intended to help diversify future pathways to net zero emissions by 2050 – the 'never say never' approach.

The group has also joined forces with Boeing to explore the development and use in Japan of sustainable aviation technologies including electric, hybrid, hydrogen and other so-called novel propulsion systems – again, not a commitment, just a consideration – and is working separately with Toyota Motor Corp and Joby, a leading US developer of eVTOL (electric vertical takeoff or landing craft), better known as air taxis, to investigate infrastructure, pilot training, flight operations, public acceptance, and regulatory approvals for these craft ahead of the 2025 World Expo in Osaka. Recently, it also paired up with the global convenience retailer 7-Eleven to trial drone deliveries of supplies in Japan.

Additionally, in an act of forward thinking not replicated by many of its competitors, ANA protected jobs throughout the pandemic, so that it was sufficiently resourced to restart operations as travel resumed post Covid. It also anticipated a future shortage of pilots, and therefore continued to employ them throughout the pandemic, despite freezing other new hires.

The sum of these dramas and developments is a long way from ANA's beginnings in December 1952, when Japan Helicopter and Aeroplane Transport Company was established, commencing services early in 1953 with a pair of helicopters. The All Nippon Airways brand was created in 1957, and through multiple mergers and successive steep challenges over 70 years, the company has grown to become Japan's largest airline, and one of the most progressive members of the global air transport community.

Emerging from Covid and rebuilding in its wake has been, and continues to be, the group's steepest challenge; barring another global meltdown of pandemic proportions, achieving net zero emissions by 2050 is its next big, long task.

ANA is committed to reaching that milestone, and beyond that yet another:

JAL operates Airbus A350s on its regional routes from Japan (photo: Airbus).

The sun begins to rise for JAL

Japan Airlines is nearing a long-awaited return to profit, having reported a significant easing of Covid-caused losses in its first financial quarter of 2022.

Citing increased vaccination rates and greater domestic acceptance of "a post-Covid lifestyle", the airline group expressed confidence that the worst was over, with travel demand increasing as restrictions reduced.

"As society shifts toward a balance of social economic activities and Covid prevention, both international and domestic passenger demand have been steadily recovering," the airline said.

External uncertainties persisted, including continuation of the Russia–Ukraine conflict and increased costs of raw materials – specifically, fuel. "However," announced JAL, "we will strive all together to achieve our performance target of 80 billion yen (US$605 million) in EBIT."

A key driver of recovery in the three months to 30 June was the removal of stringent state-of-emergency restrictions in the Tokyo metropolitan area and elsewhere in Japan. Despite ongoing restrictions on international passenger arrival numbers, JAL's international volumes have started to rise with the resumption of business travel from Japan. Cargo business also continued to perform strongly.

Group revenue for the first quarter increased by 102.1% year on year to 268.8 billion yen ($2 billion), while operating expenses were up by 40.7% year on year to 303.0 billion yen ($2.3 billion).

The loss before financing and income tax (EBIT) was 27.5 billion yen ($206 million), a reduction of two-thirds from the EBIT loss of 82.6 billion yen ($619 million) in the previous year, while the loss to the owners of the parent company was 19.5 billion yen ($146 million) versus 57.9 billion yen ($434 million) in Q1 2021.

Fuel costs for the quarter totalled 69.8 billion yen ($523 million), up by 163% year on year as both operations and fuel prices rose, while the yen depreciated sharply.

International passenger revenue for the group's full-service airlines was 62.4 billion yen ($467 million), up by a massive 457%, but off a depressed base. This included strengthening flows between Asia and North America, via Japan.

Domestic passenger revenue for the quarter reached 88 billion yen ($659 million), up 131%, supported by promotional campaigns with local governments and rail operators to encourage travel back to Tokyo after the easing of emergency restrictions.

The group's three low-cost carriers, ZIPAIR Tokyo, Spring Japan and Jetstar Japan all performed well in an improving market. ■

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2025

100%
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2030

100%
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2045

Greece has had a bumper summer season, with destinations like Vouliagmeni, a seaside suburb 20 km south of Athens city centre, finding great popularity (photo: via AIA).

Promotion drive

One of this summer's traffic success stories is Greece and Athens International Airport (AIA). Can this performance be sustained through the winter and into 2023? Mark Pilling talks to AIA's Ioanna Papadopoulou.

On 10 September, Greek Prime Minister Kyriakos Mitsotakis delivered a boost to the country's tourism sector that was music to the ears of airports, airlines, hotels and travel service providers of all shapes and sizes.

Tourism suffered badly during the pandemic but has surged this summer and the government will plough money into promoting Greece as a destination to sustain soaring traveller numbers. "In order to extend the tourism season into the winter we will approve additional support," Mitsotakis told delegates at the 86th Thessaloniki International Fair.

Sponsored by the Greek Ministry of Tourism and undertaken by the Greek National Tourism Organisation (GNTO), the initiative will see "co-promotion" of the country through joint advertising with airlines and tour operators until March 2023.

The government's move was one of several measures announced by Mitsotakis to provide an economic stimulus for Greece in the face of high inflation and rising energy costs.

The co-promotion applies to airlines operating across Greece, not only Athens, and covers mainland and island destinations alike. The initiative is supported by Athens International Airport (AIA), as well as Fraport Greece, which manages and operates 14 regional airports around the country.

"Most probably we have learnt to live with Covid and all the different waves and the surges," explained Ioanna Papadopoulou, director of communications and marketing at AIA. "Everybody realised that summer 2022 was the summer of true restart and they tried working on the winter season as well because the seasonality effect is something we have been discussing.

Re-growth story

"Before the pandemic we have been working with the tourism authorities and other tourism stakeholders in promoting Athens as a city break year-round destination; it had worked in the past in terms of synergies and co-operation," said Papadopoulou.

Prior to the pandemic, the attraction of ancient capital Athens and the country's beautiful Mediterranean islands had led Greece to enjoy a halcyon period of traffic growth. "2019 had been the sixth consecutive year in a row of spectacular success and spectacular growth in passenger traffic numbers and flight numbers," said Papadopoulou.

A new traffic high point of 25.5 million passengers was established at Athens International in 2019. The airport was becoming so successful that its notional capacity of 26 million was easily within reach and plans were afoot for major expansion to handle more.

As 2020 arrived and Covid-19 took hold these plans were frozen and AIA, like everyone else in the air transport value chain, went into crisis mode, later replaced by today's recovery mode.

For Greece and AIA, the traffic recovery has been rapid. "ACI figures show that

AIA is preparing a new incentive scheme to be unveiled at Routes World (photo: AIA).

Athens was in the top three of the fastest-growing European metropolitan airports this year so far," said Papadopoulou.

"Our summer has been really good," she added. Travel restrictions dampened performance in the first four months of 2022, with AIA seeing passenger numbers 19% to 48% below the same months in 2019. But from May to August the picture has improved swiftly. August numbers were just 8.5% below the same month in 2019 and as ARGS closed for press, throughput in September was doing well too.

The big worry is what will happen as the slower winter season arrives. "We are all wondering how the winter is going to look," said Papadopoulou. "The news that we have from our airlines is that forward bookings are in a very good place so we hope this will continue."

Ensuring that momentum continues is now key, and why government support is so welcome to the travel sector. Greece has undertaken annual co-promotional campaigns in the past, but this is the first time it has focused specifically on the winter. "This was an idea we have been working on with these teams [the Ministry of Tourism and the GNTO] for quite some time, and finally this came to fruition this winter. This is good news," said Papadopoulou.

AIA's first aim is simple: "We would like to see airlines scheduling the capacity they had in 2019," said Papadopoulou.

Full details of the government's support are still to be unveiled but discussions are underway between airlines and the GNTO with an incentive for those that keep the same flight levels this winter as 2019, and more for those that exceed that level. The support comes in the form of government funding to promote the destination, paid to the airline, which is then matched by the carrier.

Bringing together all parties to promote Athens and Greece is a critical part of the mix. “The important element here is the partnership and close co-operation with the Ministry of Tourism, the GNTO, and the tourism stakeholders,” Papadopoulou noted. This strategy worked well in pre-pandemic years and included the formation of Athens and Partners, a destination-marketing organisation with a mission to create a unified Athens brand, promoting the city as a business destination, targeting higher spending visitors, and increasing the average length of stay.

New incentives

AIA has been communicating the government’s new winter support opportunity with airlines, and it is now “restructuring our incentives, as well, taking into consideration the prevailing market conditions,” said Papadopoulou. This is on top of the help given by the GNTO.

AIA has been listening to its airline partners as it reshapes its incentives. “We go back to the needs of the airlines because it is a different environment,” said Papadopoulou. At a high level, airlines are asking for marketing support to promote the destination to drive ticket sales. The desire is also to see a simpler and more targeted scheme.

AIA’s current programme is an extensive set of 14 different incentives, for example the launch of new routes, starting niche routes, fifth freedom traffic rights, and delivering low fares. The hope is to reveal the new scheme shortly and talk to carriers at Routes World in Las Vegas in October about how it can help. “We think this will be a good value proposition for the airlines,” said Papadopoulou.

Traffic forecast

Although AIA forecasts on the conservative side, the initial prediction for 2022 in total [a projection developed in partnership with IATA’s forecasting team] was for over 20 million passengers this year, but it is going to be much better than that, said Papadopoulou. The outcome will depend on performance in the final quarter of the year, where the outlook remains cloudy.

Home-based carriers Aegean Airlines and Sky Express are leading the recovery in Athens. Star Alliance member Aegean operates domestically and across Europe and to Middle East destinations with a fleet of 55 Airbus A320 family aircraft. It has a 48% market share at Athens. The second-largest carrier at the airport is Sky Express, which has a fleet of eight A320s and 12 ATR turboprops.

Aegean has committed to a winter schedule that is 97% the size of its winter 2019 schedule. Sky Express, meanwhile, used the pandemic as an opportunity to grow beyond its domestic network with the launch of connections to Larnaca, Brussels, Paris, Rome and London.

Services to these five destinations continue year-round and recently Sky Express announced the addition of Munich, Sofia and Milan for the winter season. Passenger numbers are now 110% above its 2019 figures and its market share at AIA has risen from just 2.5% in 2019 to 13% today. “We are also expecting to see other airlines at least reaching close to the levels they had in 2019,” said Papadopoulou.

This summer, the best-performing international markets at AIA have been the USA, Austria, Israel and Hungary. These have grown in the April-August 2022 period by 49%, 32%, 22%, and 13%, compared to the same months in 2019.

US market booms

Papadopoulou described the performance of the USA-Athens market as “stellar”. In summer 2021, Athens welcomed New York JFK with American Airlines, Atlanta with Delta Air Lines and Washington DC with United Airlines. With the addition of Boston in May 2022, Athens is connected to seven airports in the USA (three more than 2019), serving six cities, with non-stop services offered by four airlines, operating 63 weekly departures or nine daily departures.

Attracting long-haul service is always important for any airport, but for Athens, where local carriers do not operate beyond Europe or the Middle East, the ability to woo international players is critical. “For an airline to add a widebody service to the Athens market it means that the airline is confident that they can fill the seats; and they do,” said Papadopoulou. “Long-haul routes are a priority to us.”

In general, some 80% of travellers that arrive at AIA come to visit Athens, with the remainder spending up to 24 hours in the city before travelling to other destinations in Greece. The attraction of the Greek market this summer has seen the arrival of LOT, TUS Airways, Air Albania, Condor, BA Euroflyer, Flyr and Jet2.

AIA is known for its creative advertising campaigns, and 2022 is no different with its Guardians of the Marketron imagery depicting the airport’s marketing team (photo: AIA).

Targets markets

Target markets for AIA are more service to the USA, India, Thailand and South Korea, said Papadopoulou. The latter three do not have direct service to Athens at present. Pre-pandemic, services to Delhi and Shanghai were close to being launched, but both were axed.

AIA, Aegean, Sky Express and handlers like Goldair Handling took strong actions to mitigate the effects of the pandemic, most significantly to avoid mass lay-offs. This enabled Athens and most Greek airports to avoid the travel disruption seen at several other European and international airports as demand picked up. This was a critical factor in Greece being able to welcome the return of traffic without major hiccups.

AIA’s priority is to get the message out about the attractiveness of Greece and Athens as destinations, the government’s support package and its own revised incentive programme. Las Vegas and Routes World is the perfect place to hear the Athens story.

And, as a footnote, AIA has been shortlisted for the Routes World Marketing Awards 2022 that will be unveiled at the event in October. ■

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India's new handler

Humin Daver, director of LAS Goldair Handling (photo: EVA International Media).

One of India's newest handlers, LAS Goldair: a joint venture between LAS Ground Force and Goldair Handling, is up and running. Director Humin Daver spoke to *ARGS* reporter *Olivia Pilling*.

The year 2022 is a landmark for Indian services joint venture LAS Goldair Handling as it launches operations at two Indian airports. "We have already established ground handling services at two airports in India, along with a team of airline professionals starting with Bagdogra International Airport earlier this year and followed with Udaipur Airport being launched in September," Humin Daver, director of LAS Goldair Handling, told ARGS.

The services concession agreement was signed between the joint venture company and the Airports Authority of India (AAI) in December 2021. The agreement spans 10 years, during which LAS Goldair Handling will be responsible for the ground operations for scheduled and charter airlines at Bagdogra International Airport.

The joint venture is forecast to invest around US$2.5 million during the contract period to ensure seamless, end-to-end service delivery. As Bagdogra is the gateway to the north-east of India, this was a prestigious deal that showcases the expertise of both partners in the joint venture. LAS Goldair Handling currently holds the status as the only private company providing ground handling services at Bagdogra.

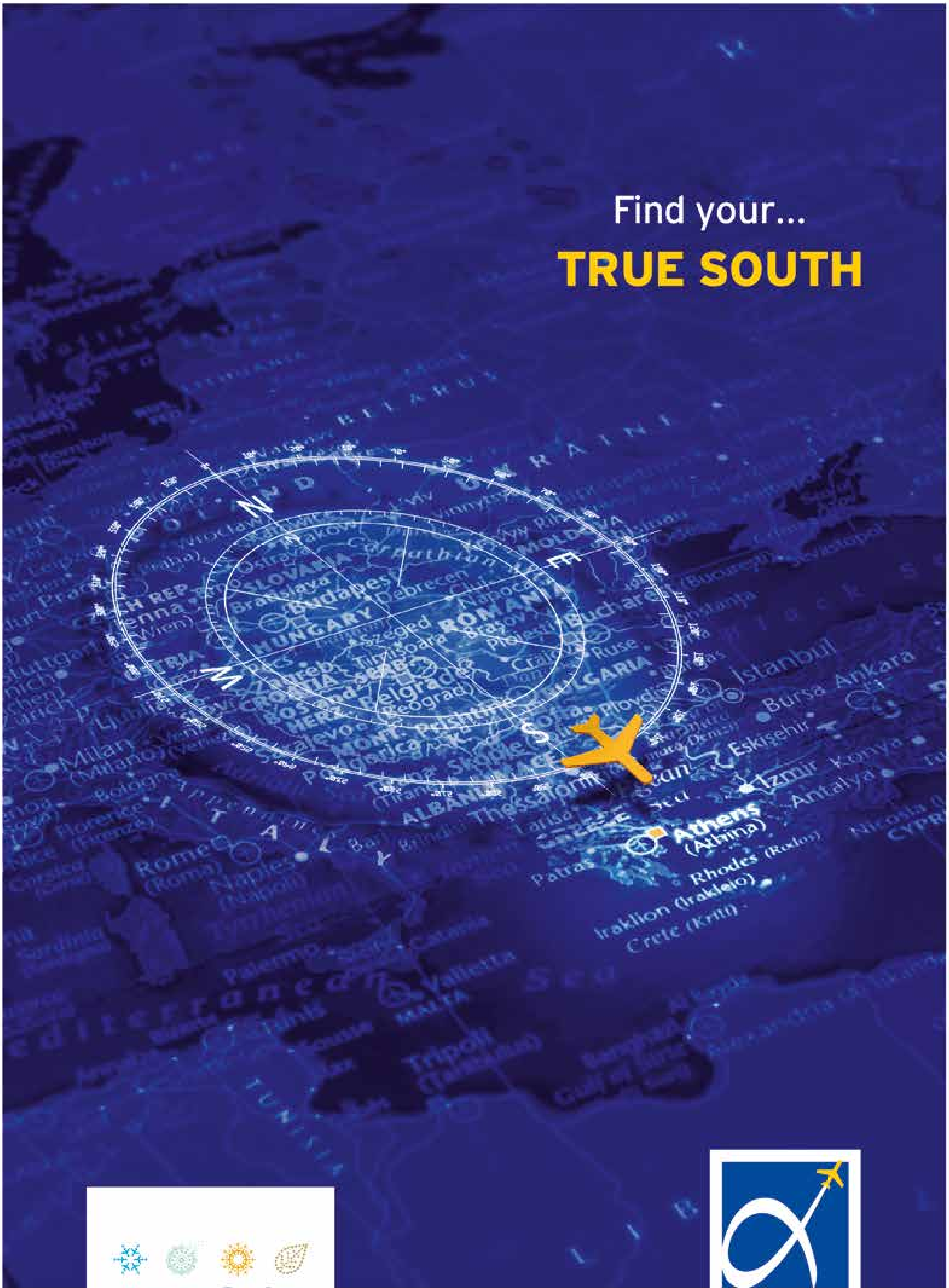
"The most important reason for setting up a joint venture with Goldair Handling was to establish European standards of ground handling services at major airports in India," said Daver. "Goldair Handling will bring its international airline connections and relationship to the partnership in India, making it a preferred choice for airlines who demand the highest quality of customer service and on-time performance, with the use of world-class ground support equipment that meets airline SLAs (service level agreements)."

LAS Group is an established aviation group that provides ground handling services for commercial airlines, aircraft interior MRO, and air cargo operators as well as logistics and freight forwarding across India. LAS Group customers include both domestic airlines in India and major international airlines such as the recently privatised national carrier, Air India.

Athens-based Goldair Handling is one of the leading suppliers of ground handling services in south-east Europe, offering a full range of passenger, ramp, aircraft, cargo, and mail services. Launched in 1992, it also provides airline representation, flight supervision and crew administration, as well as VIP, executive aviation and airport lounge services.

Winning tenders

LAS Ground Force began a joint venture with Goldair Handling seven years ago to establish international standards of ground handling services for airlines at Indian airports. In 2021 the joint venture was finally successful in being awarded a ground handling licence for four major



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airports in India: Chennai, Goa, Bagdogra and Udaipur.

After Bagdogra, the next stopover for the company is Udaipur, in the north-west of India in Rajasthan province. Udaipur is a popular tourist destination in India, home to the City of Lakes, and attracts domestic travellers and foreign tourists alike.

Besides the normal tourist season, cities in this region witness significant footfall during winter due to the wedding season, and Udaipur is a popular choice for destination weddings in India. As many as 600 charter flights are expected to arrive in the city from September 2022 onwards. LAS Goldair has almost completed its hiring drive to ensure that it has enough resources and talent to offer top-of-the-line ground handling services to airline companies once the wedding season in Udaipur starts, said Daver.

Upaipur, called the City of Lakes, is a popular tourist and wedding destination.

Growth market

The joint company set up between LAS and Goldair is headed by Burzin Manek Daver, chief executive officer of LAS Group, and Andreas Fotakis, commercial director of Goldair Handling SA. The board of directors for the group holds three full-time directors from LAS and two directors from Goldair Handling.

"Our aim is to establish services at major airports in India starting with four airports and progressing to a total of 40 airports in India," said Daver.

Indian aviation is one of the fastest-growing aviation markets globally, with 15% year-on-year passenger growth forecast and with a host of new airports being planned. Indian airports have already surpassed pre-Covid passenger numbers. India has also seen the arrival of new players, such as Akasa Air, and the relaunch of older names like Air India and Jet Airways.

A major player in the country is Tata Group which has four airlines under its ownership: Air India, Air India Express, Vistara and Air Asia India. It has significant plans to grow its fleet in the next decade. All four players are LAS Goldair Handling customers.

The joint venture with Goldair Handling "has signed ground handling agreements with domestic and international airlines for the two airports that have commenced operations in India", said Daver.

"We are strong on the general aviation market, including chartered flights and non-scheduled operators who frequent the airports where the partnership has been established with modern ground handling equipment and trained personnel for carrying out ground handling services as per the tender award," she added.

LAS Goldair's plans to grow its network in India include major metro city airports like Mumbai, Delhi, Kolkata, Bangalore and Hyderabad. It is also introducing 'meet and greet' services along with services for passengers with restricted mobility, plus passenger lounge services, at major airports in India later this year.

"Since LAS Group has been well established in India for over 40 years and entrenched in the aviation industry, we have managed the challenges of implementation of the joint venture with our European partner very well," said Daver.

"It has been a learning experience, moving ahead with the partnership, which is built on mutual trust and respect for each other," she added. "Foreign investment coming into India has its fair share of procedures with several compliance requirements, which was one of the major hurdles faced by the partnership in the initial set-up stage, which is progressing well."

"The companies have similar philosophy and working cultures since we both are family-owned and closely held companies with huge emphasis on human capital and a friendly environment for employees to work and excel at in Indian airports," explained Daver.

Humin Daver has headed the aviation training business for LAS Group for the past 15 years; during her tenure, she has set up training colleges and conducted aviation training courses. She currently sits as chairman of LAS Ground Force, one of the four main business units of LAS Group. Daver comes from an entrepreneurial aviation family – her husband Burzin Manek Daver has headed up the LAS Group for 40 years and is the second generation of the family to run the business.

Looking forward, LAS Goldair is "preparing for handling the winter schedule which commenced in India in September, and since the first two airports are tourism-friendly destinations, we expect a high volume of business arising from chartered flight operations." ■

Route planning executives focused on longerhaul services met in London at the Air Service World Congress.

Connecting at the Congress

Billed as a unique platform to rebuild long-haul and regional connectivity, the rebooted Air Service World Congress event in London was an intimate yet effective network planning opportunity. *Olivia Pilling and Mark Pilling* report.

The first post-pandemic World Airline: Air Service World Congress took place at Heathrow in mid-July. It would have been the fifth event in the series if not for an enforced Covid cancellation last year. The conference welcomed over 250 delegates, including 45 airlines, with 60 airports and tourism authorities in attendance and exhibiting.

The conference began on Wednesday 13 July with a presentation from Paul Bobson, vice-president airline service development from Washington Dulles International Airport, who addressed the geopolitical uncertainties, global economic concerns and operational failures across the industry. Whilst the outlook seemed somewhat pessimistic in some respects, Dulles has been able to report some positive news with the addition of four new destinations: Togo, Nigeria, Jordan and Barbados.

Airports and tourist authorities took centre stage in the 1-2-1 meeting room, a hub of burbling activity throughout the conference. The platinum sponsors of the event, Ontario International Airport and Oakland International Airport, promoted their traffic recovery and ideal locations at the event (see subsequent articles), all eager to see the fruits of their growth this summer.

The Washington DC metropolitan area was promoted as America's fastest-growing population during the pandemic, Ontario was hailing its interconnectivity to all of California's major attractions, and Oakland touted its ideal location to serve the San Francisco Bay area with convenient road and rail connections.

In further presentations, Umut Gungor, network planning specialist at Turkish Airlines gave a dynamic roundup of the industry's pre- and post-pandemic capacity changes. Turkish performed better than many during Covid and outlined how it adapted its services throughout the pandemic, increasing cargo capacity where restrictions inhibited passenger revenue and boosting passenger capacity where the summer peaks were building the quickest.

Finally, the dark arts of slot trading were explained by Chris Bosworth, an independent consultant, and former head of the UK's Airport Coordination Ltd. ■

Oakland bounces back

From his office window at Oakland International Airport, Bryant Francis has an uninterrupted view of the beautiful San Francisco city skyline. "Where we are located is the beginning of the story for Oakland because we are literally in the middle of an area that is home to eight million people," explains Francis, who has been director of aviation at Oakland since 2016.

While some cities have airports located many miles from the centre of the city they serve, Oakland is the opposite, situated on the shores of the San Francisco Bay and just a few miles away over the waters of the bay is its neighbour, the larger San Francisco International Airport (SFO). "It is an education process to help route planners understand where Oakland is geographically located and is a big part of introducing Oakland to foreign flag carriers," explained Francis in an interview with *Airline Routes & Ground Services* magazine.

Making that introduction is one of the key reasons Oakland is a platinum sponsor of the Air Service World Congress in London. Today the airport's destination map is almost exclusively a North American one, with a handful of services to Mexico with Volaris, and a long-standing seasonal service to the Azores, the islands in the Atlantic.

***Bryant Francis**, director of aviation at Oakland International Airport*

Francis and his head of marketing John Albrecht were at the event seeking to bring transatlantic service back to Oakland. "We continue to have dialogue with a number of carriers, both US-based and foreign flag carriers, about opportunities to serve the San Francisco areas via Oakland," said Francis.

For five years up to 2019, Scandinavian carrier Norwegian had carved out a significant presence at Oakland, serving seven markets non-stop, despite taking a decision to move to SFO just prior to its demise. "We had a great five-year run with Norwegian and believe there is a strong case in Oakland service being restored to a major European market. We know summer 2023 is in play right now as carriers have not finalised their 2023 schedules so it is a good time to be in discussions," said Francis.

As Oakland eyes a transatlantic service there are also several markets at home that could support additional capacity by main carrier Southwest Airlines or by other airlines, said Francis. The Bay Area around Oakland is booming, with significant residential construction and many businesses moving into the area, he added.

Traffic is returning at pace to Oakland, with it reaching around 80% of pre-pandemic levels by mid-year. The strongly locked down California market is recovering more slowly than other US states in traffic terms, but traffic numbers "give us reason to feel good about the future", said Francis. At its peak in 2019, Oakland handled over 13 million passengers, a figure which had grown to 8.8 million in 2021 and will climb again this year.

In terms of network, Oakland is connected to 43 cities with non-stop service. Southwest has opened new routes to Palm Springs, Santa Barbara, Eugene, and Bellingham this year and Spirit Airlines is also growing. Two routes on Oakland's wish list are Orlando and Baltimore, long-haul domestic routes that were served prior to the pandemic but have not re-started yet. “We hope to have them back in 2023,” said Francis.

As it resumes its growth path Oakland is also in the early stages of planning a major terminal modernisation and expansion. It is in the complex phase of environmental planning and approval at state and federal levels at present, with this expected to be completed in the next 18-24 months, said Francis. It will be towards the end of the decade when the terminal project makes its debut.

“We are looking to improve the level of service at the existing facility and add a number of gates making us better prepared to service more customers into the future,” said Francis. ■

Oakland’s close proximity to downtown San Francisco is illustrated in this shot across the Bay from the airport’s perimeter (photo:Oakland International).

Costa Rica: a central attraction

Hermes Navarro del Valle from the Institute of Costa Rican Tourism Institute (ICT) spoke to *ARGS* on the growth and aims for this Central American country over the next 10 years at Air Service World Congress.

Valle, the chief of tourism investment and airline relations for the ICT, hailed Costa Rica as a relaxation and wellness destination, explaining that the country wants to promote recharging individuals, rather than phones, in a post-pandemic technology-centric world. By travelling to Costa Rica tourists can reconnect with themselves, family, nature and animals. “After the pandemic this is what we all need,” said Valle.

Costa Rica has seemed to crack the code for recovery for tourism since the pandemic, with its general market returning with a 90% load factor – partly due to the lifting of Covid-19 restrictions. Costa Rica’s government removed PCR test requirements to enter the country, believing it was a misleading measure of Covid-19 safety and preferring to favour other safety measures like social distancing, sanitising and ventilation. The proportion of customers flying back to the US after testing positive on a pre-return flight PCR test was as low a 0.17%.

The US market returned first, with airlines such as Alaska Airlines, Spirit and later Frontier recording strong traffic, especially from Texas, California, Nevada and Florida. Canadian airlines such as Air Canada, WestJet, and Air Transat bounced back with services from Toronto.

The recovery on European routes has been the strongest, however; volumes of travellers from the UK came back slowly but surely, with numbers for April up 15% since 2019, and May up 12.6% since 2019. The German market was 18.5% higher in May compared to 2019. The Swiss market also returned swiftly fuelled by the Swiss government’s decision to relax Covid-19 restrictions relatively early compared to other markets, and its commitments not to reinstate them once they had been lifted.

Valle’s 10-year plans set out ambitious growth for the ICT. His main targets are for more long-haul flights to destinations in Europe, such as the Netherlands, France and the UK. Within the next five years he aims to crack into the Brazilian market, fortify Italian connections and resurrect the Israeli market, which despite natural increases in the past year, remain a priority for further growth. Valle also wants to see flights to the Middle East by 2032, via a connection in Barcelona, Madrid, or Rome. However, he anticipates that it will be a challenge to make these routes economically feasible.

As the head of tourism for the ICT, Valle is also thinking long term about the safety and popularity of Costa Rica as the economic effects of the pandemic wear off and traffic fully returns. Matters under consideration include how to handle customers without Covid-19 vaccinations – a logistical and healthcare challenge for the country. ■

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Southern California dreaming

Mark Haneke, a well-known veteran of the networking planning circuit, was at the 2022 Air Service World Congress with a new post and a new airport to promote. Just weeks before arriving at the London event he had been named chief marketing and air service strategy officer at Ontario International Airport (ONT).

As he joked to *ARGS*, this is the Ontario in California, not the Canadian city, a common mistake which Haneke is growing accustomed to correcting. Haneke was attracted to the Ontario challenge for several reasons. “I think the airport has a good story to tell. If people want to travel to southern California but don’t want the hassle and traffic of LAX (Los Angeles International Airport), Ontario offers an alternative,” he said.

The Ontario International Airport Authority (OIAA) took control of the airport from Los Angeles World Airports in late 2016, giving the region’s authorities responsibility for developing its local airport after years of traffic declines. The plan was paying off. Passenger volumes had improved prior to the pandemic, reaching nearly 7 million in 2019, a mark last achieved in 2005.

The pandemic dented progress, but the recovery is well underway. Ontario should hit about 6 million passengers this year, with traffic exceeding 500,000 in the three months prior to the London event – higher than 2019 levels, said Haneke. “My vision is that Ontario will be to LAX what Newark is for JFK” with the airport offering a growth alternative to the congested hub.

The airport has an inland location some 40 miles from downtown LA due east of LAX and just a 90-minute drive to San Diego, with excellent interstate highways on the doorstep. The road network has attracted UPS, FedEx and Amazon who have built up a huge logistics hub at Ontario.

The airport also does not have the physical restraints others in the region have. For example, it has two runways, one 11,000m long and the other 12,000m. It also has two terminals, with room for a third. This means no slot restrictions and 24/7 flying – an enticing prospect for airlines, and a strong foundation for further capacity growth, explained Haneke.

***Mark Haneke** is the newly appointed chief marketing and air service strategy officer at Ontario International (photo:Ontario International Airport).*

Southwest is the largest airline at Ontario.

A significant factor in the airport’s growth is the increase in residents moving in, many of them coming from Los Angeles and Orange counties. There is “a shift in California for people to move inland to make their money go further; they want a change in lifestyle", remarked Haneke.

The largest carrier at Ontario is Southwest Airlines, which has about 37% of the market, while Frontier Airlines has a strong presence with a base there too. There is room for more low-cost carrier growth on domestic service and potential for further Mexican destinations, both beach and VFR markets, said Haneke

“There are opportunities to grow more leisure markets here, especially where today there is only service from LAX,” he added, with Ontario offering a complementary southern California destination.

The large Taiwanese population in the region has been linked with capital Taipei with a weekly China Airlines service for a couple of years, which Haneke hopes may increase in frequency as traffic grows, and the airport is talking with other transpacific carriers.

At present, Ontario has no service to Europe but Norwegian did find success prior to ending its operations pre-pandemic on service to London Gatwick. “London is a strong potential market – there is lots of leakage from our catchment to LAX,” said Haneke.

It is a matter of record that Norwegian start-up carrier Norse Atlantic Airways has filed paperwork with the US Department of Transportation for a potential service to Gatwick from Ontario beginning with the summer 2023 schedule.

Next phase

With a high-water mark of 7 million passengers annually as Ontario's best performance, Haneke is seeking to find what it takes to surge past that figure. “It is within our power to get to 10-12 million passengers per annum, but how do we unlock that and make that quantum leap?” he asked.

The answer will be a blend of attracting more low-cost players, tapping into leisure markets, more overseas service, and making the most out of a thriving air cargo market. A new dedicated cargo development officer position at Ontario has been created to increase cargo revenues further.

Haneke is also revamping and reshaping Ontario’s already competitive incentive scheme to make the airport more appealing to a broader range of carriers.

“Ontario International’s performance this year shows what full recovery looks like and we couldn’t be happier for it,” said Alan Wapner, president of the Ontario International Airport Authority (OIAA) Board of Commissioners. “With demand for air travel through ONT growing month after month, we are ramping up for more air service by opening all of our 27 aircraft terminal gates, providing travellers the seamless, efficient experience they’ve come to expect.” ■

Tampa's London leap

Virgin Atlantic will operate a Boeing 787 on its service to Tampa from London Heathrow (photo: Virgin Atlantic).

Tampa Bay's connection to the global business world took a big leap recently when Virgin Atlantic announced it was launching year-round direct flights between Tampa International Airport and London's Heathrow airport. The new service will start flying four times a week from early November and expand to daily service by the end of that month.

Tampa is now one of only four US airports that have non-stop links to both Gatwick and Heathrow, the others being New York's JFK, Boston's Logan International and Orlando International Airport.

"We are very excited about it," said Alex Heiter, director of air service development at Tampa, speaking during the Air Service World Congress that took place at Heathrow on 12-14 July 2022. The UK is Tampa Bay's second-largest inbound tourism market, behind Canada, with some 65,000 travellers annually pre-pandemic.

Heathrow has been on Tampa's radar for many years although the UK capital has been connected to the region via a

***Alex Heiter,** director of air service, Tampa International Airport.*

British Airways service to Gatwick since 1985, said Heiter. The route is operating daily with a Boeing 777 over the summer.

Offering more than 190,000 seats on the new route each year, Virgin Atlantic will be the only airline to connect the Tampa Bay region with Heathrow non-stop. More than 100 UK businesses are based in this area of west Florida. Tampa's chief executive, Joe Lopano, noted: "There's a huge upside for our thriving business community to now have a direct connection to the world's premier business airport."

"Florida is very much a firm favourite for our customers ever since our first flight to Miami back in 1986," said Juha Jarvinen, chief commercial officer at Virgin Atlantic. "With the popular theme parks and the stunning beaches of St Pete and Clearwater within easy reach, we know it's an area our customers will love to explore."

At the London event Heiter was promoting further links with Tampa. On the airport's wish list are destinations in northern England such as Manchester. Tampa is also seeking a reinstatement of its pre-pandemic route to Amsterdam, which was served by Delta Air Lines. A boost at the end of 2021 came when Lufthansa's Eurowings Discover started flying from Frankfurt (six per week) while Edelweiss operates twice weekly to Zurich. "Between these two carriers we have eight weekly services to two Star Alliance hubs which gives us a lot of connectivity," said Heiter.

Tampa's recovery in the wake of the pandemic has been impressive. It saw a 4% increase in traffic during May compared to pre-pandemic levels, and a 90% load factor on long-haul international flights to Europe, explained Heiter.

The improvement was partially fuelled by a busy 'Spring Break' season as well as an influx of people moving to the area. According to Heiter, 125 people a day relocated to Tampa during Covid, bringing high-quality jobs and helping augment the local traffic base. "This strong originating traffic makes us less seasonal and alongside our good business traffic component Tampa offers a well-rounded portfolio to reduce risk," he explained.

At the Congress, Heiter touched upon the staffing challenges the airport has been facing, especially amongst its concessionaires. The airport is combatting this issue with initiatives such as career fairs in partnership with airlines and others. Over 100 jobs were filled on the spot after just one such event, he noted. ■

Back to Las Vegas

The industry's most famous network development event Routes World returns to the glitz and glamour of Las Vegas for the first time in nine years. *Olivia Pilling* previews the October jamboree.

The Las Vegas Strip will feature on the itinerary of most visitors to the city.

The 27th World Route Development Forum will return to Las Vegas, Nevada, taking place from the 16-18 of October at the Las Vegas Convention Center. Voted the world's number one trade show location for 26 years running, the event returns for a second outing in "Sin City".

The party atmosphere of Las Vegas hasn't changed since Routes last came in 2013, but it has grown. The convention centre has an added two million square feet of exhibition space and an extra 6,000 hotel rooms to offer delegates.

Routes 2022 has 2,200 delegates attending, a leap forward from last year's Milan numbers, but not quite to pre-pandemic totals. At the peak in 2019, Routes welcomed 2,800 delegates to the Barcelona edition.

As many markets have reopened since last year, with delegates from the Asia-Pacific back in large numbers after being almost absent in 2021, it is gratifying for Routes to see the numbers start to recover compared to 1,700 who attended Milan. That was a show still heavily impacted by social-distancing and restrictions on travel worldwide.

Routes World brings together leading carriers, including Turkish Airlines, IAG, American Airlines, Qantas and Emirates, with 32% of the airlines coming from the Asia-Pacific market (96 airlines), followed closely by 22.7% from Europe (68 airlines). Airport attendees however are largely made up by European authorities, which make up 36.9% with 218 airports. Asia-Pacific follows behind with 172 airports and 112 from the Americas.

Any self-respecting visitor to the city will take a selfie at this spot

The inability of Chinese delegates to travel easily means delegates from this country will significantly lag pre-pandemic levels. However, there will still be substantial representation from Chinese airlines and airports as they seek to retain a presence this year, ready to return when travel restrictions are eased.

Most Chinese carriers are being represented by associates from North America, with 66 Chinese airlines being present. Whilst over 80% of the top Chinese airlines are represented at the event, Routes is confident they will be able to welcome Chinese carriers and authorities back in force in 2023.

In previous years events Routes has organised some virtual conferences to include the Asia-Pacific market, so the uptake in attendees in person from this region for Las Vegas is encouraging. "We've been able to bring most of the route development community back together which is really positive," says Ellie Wells, head of marketing at Routes.

Not only has Routes been pleased with attendee numbers, it is also pleased with the strength and seniority of the guest list. Up to 40% of airline attendees are senior management or above, 55% of airport attendees are senior management or above.

As usual the Routes conference programme features heavyweight names. The Powerhouse Panel: Lessons learned from the Pandemic, is moderated by Luis Felipe de Olivira, director general of ACI World, and features Kadri Samsunlu, CEO of iGA Istanbul Airport, Ali Mohammed Rajab, of the General Authority of Civil Aviation (GACA), Kingdom of Saudi Arabia, Mateo Estrella, of the Ministry of Tourism of Ecuador, and Peter Ingram, CEO of Hawaiian Airlines.

There will also be keynote interviews with Frontier Airlines CEO Barry Biffle, Juan Carlos Zuazua, CEO of VivaAerobus, and John Redmond, president of Allegiant.

The conference programme promises to be an engaging one, with sessions ranging from airline briefings and panel discussions to a masterclass on how to demonstrate the true potential of your market through data, leakage studies and traffic forecasts with ASM. A variety of networking breaks and Fast Track five-minute interviews will be taking place in between, for those all-important informal and short meetings.

Strong feedback

On so many levels delegates believe Routes is a great opportunity for global air connectivity expansion. Over 97% of Routes World 2021 exhibitors would recommend the event to industry partners and, in a major vote of confidence over 70% of Routes World airline delegates believed that the meetings held at the 2021 event had led to new routes.

This year there will be in the region of 10,000 meetings taking place, and with more representation from the Asia-Pacific market, the outcomes of the event will be exciting to watch.

This year's event sees the reintroduction of the Routes Awards, which aim to celebrate collaboration and highlight best practice within the route development world. The awards are voted for and judged by members of the route development community, and they have had a record-breaking number of votes since 2019, showing just how willing the community is to highlight and celebrate achievements.

The awards have five categories; airports, tourism authorities, airlines, individual leadership, and rising stars – the winners will be announced at the Routes World Networking Evening.

In last year's post-event survey, over 80% of delegates voted that sustainability at the event was very important to them. Routes has responded to this by committing to halving the waste generated at events by 2025, as part of their sustainability commitments. Sustainability is also incorporated into the conference themes and panel discussions.

Social whirl

The social scene at Routes promises to be exciting, with the welcome reception on the rooftop bar of the Sahara hotel on Saturday 15 October, and a "show-stopping" networking evening at the Zouk Resorts World will wrap up the event.

Delegates can also look further afield to socialise and enjoy Las Vegas outside of the event. Usher, John Legend, and Katy Perry are just a few of the biggest names from the pop scene playing around the week of the event.

If music isn't your thing, and you want to see a show, burlesque takes on a spooky theme with the Zombie Burlesque at Planet Hollywood or you could visit a 1920s prohibition themed bar on the strip for a few drinks to soak up the vibes of the Roaring twenties.

Whatever your work or play fancy, Routes World 2022 in Las Vegas will have it covered. See you there. ■

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Chronic pilot shortage hits US airports

An acute pilot shortage in the US is causing many cities to lose service – and the problem may get worse before it gets better, reports *Michael Miller*.

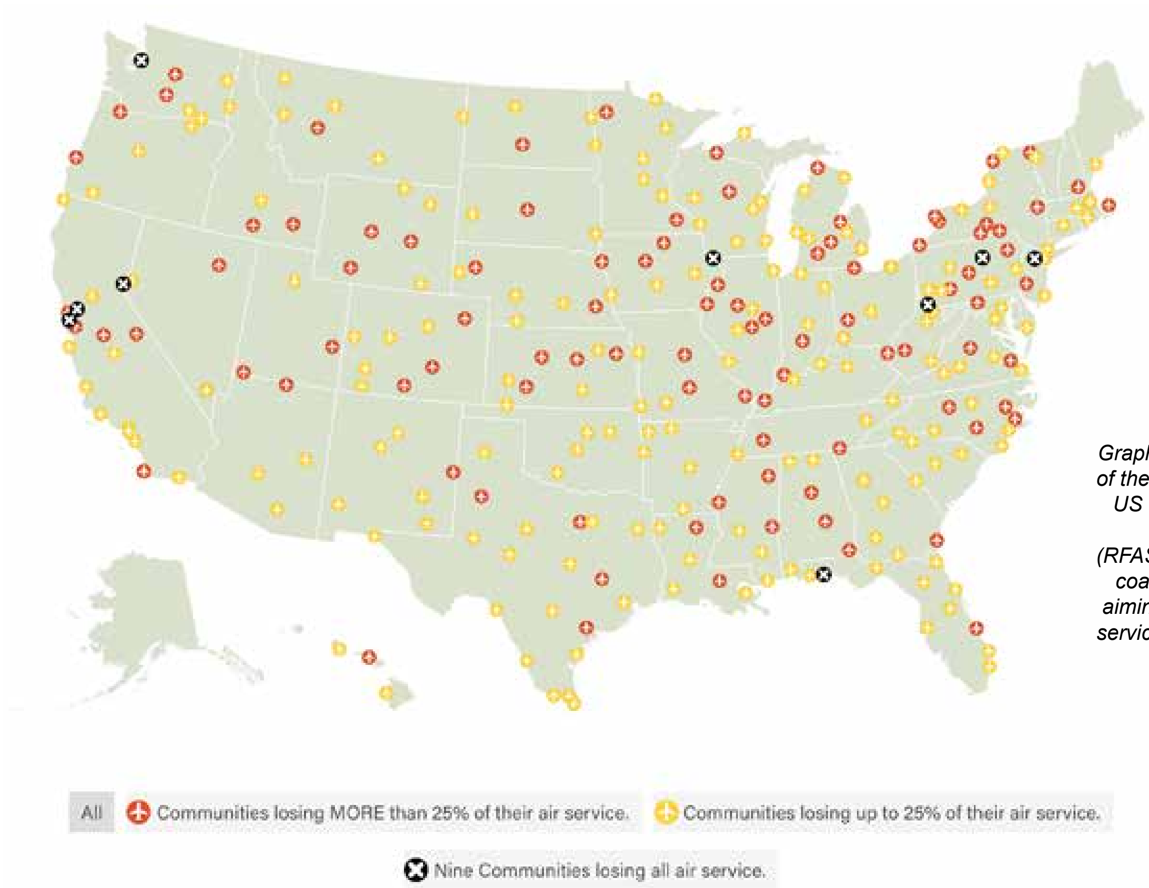
As of early 2022, 9,000 US pilots were reported to have retired during the pandemic, with at least 6,000 of those retiring early (photo: American Airlines).

Nearly every segment of the airline industry wants to forget the summer of 2022, with all its delays, cancellations, staff shortages and consistent chaos at airports in many countries.

The US, however, has experienced an added layer of complication due to a self-inflicted pilot shortage stemming from a 2013 rule that upped the minimum pilot hours needed to fly a commercial aircraft to 1,500. In many other countries, a qualified pilot can be trained to hire after 250 hours.

The result has been an erosion of the number of pilots in the pipeline and a sizeable pilot shortage that has left 500 US aircraft on the ground. More than 300 cities across the US have experienced air service loss compared to the same period of 2019 (pre-Covid).

The difference between an Air France pilot flying Paris–New York and a Delta Air Lines pilot flying New York–Paris may not be visible to the passenger, but how they got there varies remarkably. The US forces its pilots to train two to four years longer to fly the same aircraft flown in Europe, Asia or Latin America.



Graphic showing the huge extent of the service loss at hundreds of US airports, produced by newly formed Rally for Air Service (RFAS), a Washington DC-based coalition of airlines and airports aiming to stop the pain of lost air service and spur changes to help pilot hiring.

Ten years after the US adopted the 1,500-minimum-hour requirement that led to this extended time to qualify to fly for a commercial airline, the pilot shortage is hampering airline efforts to grow and maintain any semblance of a regular flight schedule.

Enter the global Covid-19 pandemic's effect on travel and aviation, and the situation became even worse. US airlines (and those in other countries as well) offered early retirement options for pilots, as upwards of 75% of an airline's fleet sat on the ground. As of early 2022, 9,000 US pilots were reported to have retired during the pandemic, with at least 6,000 of those retiring early.

The US pilot shortage has shrunk air service in more than 300 cities across the US, with more airports expected to lose flights through the end of 2022 and into 2023.

The slow cutting of flights has come as larger airlines have been hiring regional airline pilots to fill their ranks flying bigger aircraft, while the regional carriers had little pipeline to draw from to replace those departing. The US Federal Aviation Administration said the US industry needs 14,500 pilots this year for passenger and cargo airlines. The most optimistic estimate is for 8,000 actual pilots to be ready and hired in 2022.

Nine US cities have lost all air service already, according to the Regional Airline Association (RAA), and another 27 cities have lost more than 50% of their flights (*see graphic*). A startling 188 US airports have lost at least 25% of their airline service, RAA said.

Headline news

Here is a selection of news headlines on the pilot shortage over the past few months.

- March 11, 2022: United is cutting 29 cities where it doesn't have the pilots to fly.
- May 23, 2022: Cape Air reduced flights within Montana due to lack of pilots.
- June 3, 2022: American Airlines CEO Scott Kirby said the airline parked 100 regional jets due to the pilot shortage.
- June 7, 2022: Major airlines report pilot shortage weighing on flights.
- June 16, 2022: Toledo, Ohio Largest US city losing air service.
- June 22, 2022: American Airlines ends service to four cities, citing pilot shortage.
- August 4, 2022: Pilot shortage hits regional airports.

"The real constraint is pilot hiring," Southwest chief executive Bob Jordan told *CNBC* in May 2022.

"I think the next two years are going to be very disruptive, especially disruptive for regional airlines," Republic Airways chief executive Byran Bedford told *The Washington Post* in April. Republic, the second-largest US regional airline with 223 jets, operates 950 daily flights from New York, Boston, Washington, Chicago, Charlotte and Philadelphia for United, American and Delta.

"It's a national issue," US Transportation Secretary Pete Buttigieg said when testifying to the US Congress in May 2022. "It's affecting the whole domestic aviation industry, but disproportionately affecting smaller regional carriers."

US regional airlines like Skywest are offering large bonuses to attract pilots, such is the recruitment issue at present, as seen in this recent screengrab from the airline's website.

Bleak outlook

Beyond the pandemic's effect, airlines are expecting pilot shortages to continue for at least the next two years. The number of parked aircraft has reached 500 and this number could rise to 817 by 2023, according to the newly formed Rally for Air Service (RFAS), a Washington DC-based coalition of airlines and airports aiming to stop the pain of lost air service and spur changes to help pilot hiring.

RFAS explained that the 817-aircraft shortfall prediction is derived directly from the pilot shortage: 14,500 pilots are needed, whereas just 6,335 pilots have been minted on average in recent years, leading to an 8,165-pilot shortfall. With 10 pilots needed per aircraft, the shortfall means 817 aircraft could be sitting on the ground by 2023.

While cities like Destin, Florida or Branson, Missouri or Akron/Canton, Ohio may not be top of mind for air service developers, each of those cities has been feeding larger domestic and international aircraft for years. In fact, Chicago O'Hare International airport saw 62% of its departures in 2020 from regional airlines, while Houston Bush Intercontinental airport has 55%.

Larger states like Michigan (60%), Pennsylvania (58%), Virginia (57%) and Ohio (56%) derive more than half of their flight departures from these shrinking regional airlines.

While some industry groups have called for pilot wage hikes, most were granted before the pandemic. The mean pilot salary in the US is $202,000 and even smaller airlines are seeing major pay boosts.

In June, American announced that pilots at its wholly owned regional carriers Envoy Airlines and Piedmont Airlines would receive a 50% pay boost, with new-hire first officer pay jumping from $51 per hour to $90. First-year captain pay rose from $78/hour to $146/hour. The $90/hour figure – a massive leap from $30/hour just five to seven years ago – is also the base pay for low-cost carrier pilots in the US.

Solutions

The pilot shortage has generated tremendous interest everywhere, from small cities to high-ranking politicians. US Senator Lindsey Graham has introduced legislation to raise the pilot retirement age from 65 to 67. This would alleviate the shortage only to a small degree, however, since international flights to most countries are restricted to pilots 65 and younger.

Republic, which operates its own bespoke pilot training academy LIFT, has proposed to the FAA a new intensive training structure whereby a new pilot could be minted at 750 hours instead of 1,500. In addition, several aviation groups have pushed for a relaxation of international visa requirements to allow more foreign-born pilots to come to the US.

The largest US regional airline, SkyWest Airlines with 558 aircraft, is also seeking approval of a plan to create a new subsidiary, SkyWest Charters, that would operate 30-seat jets to some of the markets that have lost air service.

Meanwhile, Dubuque, Iowa and Williamsport, Pennsylvania are waiting for any air service at all to return. While there has been progress to address the pilot shortage, solutions cannot happen too quickly for many communities. ■

About the author:
Michael Miller is an aviation consultant and former journalist and has contributed to *ARGS* over the past year. He has consulted for the Regional Airline Association.

The state of Qatar hosts the FIFA World Cup in November (photo: Qatar Airways).

Ready for the World Cup

The list of achievements for Qatar Airways in 2022 makes impressive reading. In the 25th year since it was relaunched in 1997 the Doha-based carrier posted record financial results, stepped in at short notice to host the prestigious IATA Annual General Meeting and was named the 'Airline of the Year' for 2021 at the Skytrax World Airline Awards

And to crown it all, in November Qatar will host the globe's premier soccer tournament, the FIFA World Cup. Naturally, Qatar Airways is FIFA's Official Airline Partner for the event, putting a bright spotlight on this dynamic Gulf carrier. It is in fact the first time the World Cup has been hosted in the Middle East.

"This year Qatar Airways Group celebrates a quarter of a century of history since its relaunch, whilst maintaining strong performance and growing profitability," said His Excellency Mr Akbar Al Baker, the airline's group chief executive, speaking in mid-June as it revealed its annual results. Al Baker has been at the helm of Qatar Airways since 1997, when it only had four aircraft, and has steered the airline to a leading position on the world airline stage.

"Our commitment to providing the greatest choices to our passengers, maintaining the highest levels of safety in the industry, and earning trust have made us proudly become the airline of choice for millions of travellers around the world," said Al Baker. "We have pursued every business opportunity and left no stone unturned as we aimed to meet our targets."

Remarkably, in a period when many airlines were in rebuilding mode and pushing towards profitability but still some way off returning to the black, the Qatar Airways Group achieved its strongest ever financial performance. For the year to the end of March 2022, it reported a record net profit of QAR 5.6 billion (US$1.54 billion). This is a rapid turnaround from the 2020-21 financial year, which showed a net loss of QAR 14.8 billion ($4.1 billion).

Qatar's strong performance came about because revenues from passenger and cargo services soared. Passenger revenue increased by 210% over the previous year, due to the growth of the Qatar Airways network, increase in market share and higher unit revenue, for the second financial year in a row, said the airline.

The carrier saw revenues climb to QAR 52 billion ($14.3 billion) during the 12-month period, which was higher even than pre-crisis levels in 2019. The airline carried 18.5 million passengers, an increase of 218% over the previous year.

No less impressive was the performance of Qatar Airways Cargo, which experienced revenue growth of 25% over the previous year – with cargo capacity (measured in available tonne kilometres) also up by 25%.

Network expansion

According to the airline: "These record earnings are the result of decisions made during the pandemic to expand Qatar Airways' passenger and cargo networks, with a more accurate forecast of the global market recovery, building further customer and trade loyalty and product excellence combined with strong cost control.

"Despite the challenges of Covid-19, the national carrier of the State of Qatar grew to more than 140 destinations in 2021/22, opening new routes including Abidjan, Côte d'Ivoire; Lusaka, Zambia; Harare, Zimbabwe; Almaty, Kazakhstan; and Kano and Port Harcourt, Nigeria in addition to resuming flights to key markets across Europe, Africa, the Middle East and Asia. The company has operated continuously the largest network among all Middle Eastern airlines, as measured by number of destinations as well as weekly flights."

Minister of State for Energy and Qatar Airways group chairman, His Excellency Mr Saad Bin Sharida Al-Kaabi, said: "Qatar Airways Group has demonstrated a robust role in the aviation industry, and these financial results are a clear indication of the Group's strong performance."

Qatar Airways was not only one of the first carriers to resume service to destinations as the pandemic-induced crisis subsided: in some cases it never stopped. The airline took a deliberate stance to remain flying as much as possible during Covid, earning a valuable reputation as a carrier that could be trusted as it repatriated thousands of stranded people. It still flew to 30 destinations even at the height of the pandemic.

Speaking at this year's Arabian Travel Market, Al Baker said the pandemic had brought Qatar Airways to the attention of many. "Several million people travelled for the first time on Qatar Airways [during Covid], and this was a huge marketing benefit for us, because they saw the product," he stated. "Today, we have established our brand as an airline that is there for its passengers… We did a lot of things to let the people know that Qatar Airways is with them in good times and in bad times."

In addition to rebuilding its own network at pace, Qatar Airways has been busy sealing several strategic partnerships including codeshare agreements with a range of carriers to extend its reach. Deals signed this year feature South Africa's Airlink, Malaysia Airlines, Virgin Australia and IndiGo of India.

The role of cargo

On the cargo front, Qatar Airways was able to take advantage of the huge surge in air freight during the pandemic because of its large fleet of dedicated freighters. It also converted passenger aircraft that were grounded during the pandemic to transport cargo, in order to meet the huge demand for medical supplies, equipment and food.

Qatar Airways Cargo serves a global network of more than 60 freighter destinations and 150 passenger destinations utilising freighters, bellyhold passenger flights, passenger freighters and mini-freighters. The airline's freighter fleet includes two Boeing 747-8 freighters, two 747-400 freighters, 26 777 freighters and one Airbus A310 freighter. It also has an extensive road feeder service network.

Qatar Airways Cargo transported over 3 million tonnes of air freight in the financial year to March 2022 and secured an 8% share of the global market, it claimed. Up to that point it had transported more than 600 million doses of Covid-19 vaccines over the course of the pandemic.

***Akbar Al Baker** has been heading up Qatar Airways since 1997 (photo: Aviation Africa).*

While all airline CEOs are keeping a close eye on possible further disruption caused by new Covid variants, there is little doubt that global inflation, the spike in energy prices and the impact of the Russian invasion of Ukraine have fuelled uncertainty about the speed and resilience of the air travel recovery. This explains why at the industry level, Al Baker expects that demand will have rebounded to pre-Covid levels only by 2024 or 2025.

Aircraft shortages

Qatar Airways has of course bounced back much faster. In fact, its rise has been so swift that, coupled with the grounding of its 22-aircraft strong Airbus A350 fleet, the issue has been finding enough capacity to meet its network requirements.

Qatar's aviation regulator grounded the A350s after paint degradation problems were found on the widebodies. The airline is embroiled in a court case with Airbus over the issue.

The unavailability of the A350 fleet has meant that Qatar Airways has been forced to bring its decommissioned A380s back into service to provide enough capacity. A total of eight A380s are being restored to service, with seven being used operationally and one retained as a spare.

Qatar Airways is among several carriers that have unexpectedly and somewhat reluctantly brought the A380 back into service; Lufthansa, Air France, Korean Air, Qantas and British Airways have all needed the super-jumbo to meet demand. However, this is only a temporary measure for the Doha-based airline. When Qatar Airways takes delivery of new widebodies, and capacity grows again, the A380s in its colours will once more be retired.

As for cargo capacity, Qatar Airways is planning a significant expansion of its dedicated freighter fleet. In January it placed an order for up to 50 777-8 Freighters with Boeing, becoming the launch customer for the type. The order consists of 34 firm 777-8s with another 16 on option for a total investment of $20 billion at list price.

The carrier expects to take delivery of the first 777-8 in 2027. As part of the agreement, Qatar Airways converted 20 of its 60 orders for the passenger version of the 777X to the freighter version. At the same time, it ordered two current-generation 777 Freighters to augment its cargo capacity

Rwandan President ***Paul Kagame*** *stressed his country's support for air transport development (photo: Aviation Africa).*

The Rwandan connection

The deepest involvement in African air transport for Qatar Airways is a leading role in developing Rwanda's airline and airport operations.

In October 2019 the carrier took a 60% stake in the company developing a new international airport for Rwandan capital Kigali, and a few months later the airline's head Akbar Al Baker announced that it was negotiating a 49% stake in national carrier Rwandair.

Although the pandemic has delayed some progress on both projects, the commitment originally made between the state of Qatar and the Rwandan government to forge close ties on the aviation front remains strong.

At the 6th Aviation Africa Summit & Exhibition, held in the East African state in mid-September 2022, a scale-model of Kigali's Bugesera International Airport was unveiled. Originally the airport was due to open around this year, but design changes and delays caused by the pandemic have put this back to 2026.

The runway and ground works for the airport are well advanced. It will feature a 120,000 sq m terminal, in addition to VIP and cargo terminals, and maintenance facilities. It is planned to have the capacity to handle 8.2 million passengers and 150,000 tonnes of cargo a year.

Speaking at Aviation Africa, Rwandan President Paul Kagame reaffirmed the strong commitment the country has to aviation growth. "Rwandair serves 24 routes, 19 of which are regional. We intend to continue expanding within the continent and abroad," he said. "We are working together with our partner, award-winning Qatar Airways, and the new National Airport, Bugesera, which is currently under construction. This will become a regional hub for passengers and cargo."

The strategic co-operation between Qatar Airways and Rwandair began with an interline agreement signed in mid-2021. This has since been expanded into a codeshare deal and in December 2021 Rwandair launched a non-stop flight between Kigali and Doha.

Discussions on the equity stake are ongoing. At the Aviation Africa Summit, Rwandair chief executive Yvonne Makolo said she hoped it would be "finalized soon", but that the knowledge transfer and experience brought with its relationship with Qatar Airways, as well as what the partnership means to Rwanda, made it much more than simply a cash injection.

At Aviation Africa, Al Baker outlined the potential to develop Kigali as an African hub, citing the connectivity difficulties travellers face today.

"Africa has no hub... If I want to go from point A to point B, I go through point C. I have people from South Africa coming to Doha to go to UK. I have people coming from different regions of Africa, doing the same distance backtracking to get to a third country," said Al Baker. "And this is where we want to create an airport and an airline that will do service not only to one country, but to the entire African family." ■

Qatar Airways has a large widebody aircraft fleet, including this Boeing 777 painted into a retro livery (photo: Qatar Airways).

before the 777-8s begin to arrive.

For its narrowbody fleet needs, the carrier has also turned to Boeing. At the Farnborough Air Show in July, it ordered 25 Boeing 737 Max 10 aircraft with purchase options for a further 25 of the type. Qatar Airways has ordered the Boeing jet following the cancellation by Airbus of a deal for 50 A321neos. It was not disclosed when the first 737 Max aircraft will be delivered.

Making room at Doha

The huge influx of passengers anticipated for the World Cup in November has caused Qatar Airways to make a radical change to its services. For a month around the FIFA World Cup being held in Qatar from 21 November to 18 December, it will cut back or even cancel its route network from its Hamad International Airport hub in Doha to make room for the extra traffic the football tournament will generate. Over 30 destinations will be affected.

"At this time, we are sacrificing the Qatar Airways network for a period of 30 days," Al Baker told the closing press conference at the 78th IATA AGM. "There is such a huge rush during the FIFA [World Cup] we have to restructure entire banks of Qatar Airways services to accommodate all the other airlines that want to come," he said. The carrier will temporarily withdraw from "many destinations" to make room for overseas airlines to use the terminal and slots.

In May, Qatar Airways announced that several Arab carriers would operate over 180 shuttle flights to Qatar during the World Cup to bring supporters from regional capitals and cities and relieve the pressure on accommodation in Doha. The services will be operated into the old Doha International Airport, which will be reopened especially for the shuttles.

Ground handling

In August the airline's services subsidiary, Qatar Aviation Services (QAS), announced its partnership with IATA to become the first ground handler globally to join the new expansion of the IATA Environmental Assessment Programme (IEnvA) for ground service providers.

The IEnvA programme provides a framework for achieving environmental sustainability across all ground operations. It is an environmental management system initially offered to airlines that demonstrate equivalency to ISO 14001, the 2015 environmental management systems standard. It provides a structured approach to managing the environment, as well as reporting and mitigating environmental impacts. As a result, organisations are able to more formally incorporate sustainability and environmental compliance strategies into their operations.

Although its home base in Doha has avoided the operational disruptions seen on the ground at airports in Europe and the USA, Qatar Airways has been negatively affected in these regions. So much so at its London Heathrow operation that at the Farnborough Air Show in July Al Baker said the carrier is revisiting a plan to create its own handler at this airport.

For Qatar Airways 2022 will undoubtedly be viewed as a flagship year. The World Cup showcase for the state of Qatar and the prominent role of its flag carrier will put both firmly on the map and in the minds of travellers visiting this tiny nation or flying on the airline to other destinations. ■

Playing a central role

Swissport is centralizing some back-office tasks to make its operation more efficient and deliver cost savings.

***Sana Ezzoubir**, head of centralized services at Swissport, from her base in Casablanca, Morocco (photo: Swissport).*

It is not an easy task to turn a global crisis in the form of a pandemic into a successful lesson learnt and a new modus operandi. This is something that has certainly worked for Swissport, the international ground handling and cargo handling organization with 287 locations and over 47,000 employees globally. Swissport re-grouped and implemented a new strategy based on efficiency and cost savings, yet with operational excellency as top priority.

For any large enterprise, and especially those with globally dispersed operations performing the same function, one of the answers is a shared service center concept. In January 2022, Swissport took this idea forward with the formation of its Centralized Services department.

"The main goal was to reduce the resources and achieve the top level of services to any client globally, operated and managed from the central location in Morocco and Kenya and then executed at the requested station at any given location," explained Sana Ezzoubir, head of centralized services at Swissport, from her base in Casablanca, Morocco.

The newly set up operation quickly took on four focus areas: Centralized Load Control (CLC); Centralized Cargo Office (CCO); a project to standardize Salesforce handling contracts; and Global Centralized Service for Invoicing. The decision to locate the Centralized Services in Morocco and Kenya was based on the abundance of highly trained staff.

In addition, Morocco had already become the genesis of Swissport's centralized operation with its CLC team starting back in 2016 when Swissport signed the contract with Swiss Airlines as the launch operator for load control services delivered from Morocco. The second CLC operation was then created in Nairobi to ensure the sustainability for this critical function.

Growth plan

"We are well positioned with our CLCs in Morocco and Kenya to match the expected growth of the region in both ground and cargo handling," said Dirk Goovaerts, head of Central Europe, Middle East & Africa and Global Cargo Chair. "Our operational capacity allows us to promote those services beyond the region, simply to any client globally, who is seeking for improved efficiency."

The CCO team works to a data processing target of less than 20 minutes from receipt of the scanned AWB, to the data being entered into the Cargospot system. In addition, there is a data accuracy target of 99.5%. Both targets are exceeded on a monthly basis. Regular calls are held with CCO customers to ensure product satisfaction and to iron out any anomalies.

More centralization

Apart from the CLC, Swissport is looking at further opportunities to centralize, beginning with internal tasks. "We are currently discussing several other projects," said Ezzoubir. "We are looking into simple tasks that we can insource that we can set up as a new business unit."

Swissport believes it is unique amongst the global handlers in offering the Centralized Load Control service and is keen to expand its approach to centralization wherever the business benefits allow. ■

What is load control?

Load control is a standard part of any aircraft turnaround with teams calculating weight and balance and the trim for each aircraft supporting flight crews to operate their flight safely and efficiently. For each specific aircraft type and tail-number load control takes into account the passenger, bags, and cargo load, and the amount of fuel being uploaded. ■

Muscat International Airport should reach at least eight million passengers in 2022 (photo: Oman Airports).

Culture trip

The Sultanate of Oman is gradually seeing traffic return at capital Muscat and tourist destination Salalah as networks rebuild and carriers add capacity. Mark Pilling reports

The streets of the colourful subtropical city of Salalah have been echoing to the voices of many European visitors over recent months. Travellers from a host of European countries like the blend of Arabic culture and beautiful scenery this part of south-west Oman offers.

As the Lonely Planet travel guide says: "All year round, Salalah's coconut-fringed beaches, banana plantations and sociable Dhofari culture offer an attractive flavour of Zanzibar in the heart of the Arabian desert."

The city's airport, managed by Oman Airports, has bounced back from the pandemic traffic crash faster than any other in the Sultanate of Oman. While capital gateway Muscat International Airport has only recovered to about 50% of 2019 levels, Salalah is back to 81% of that year's traffic level (figures for January to August 2022 compared to the same period in 2019).

The performance of Muscat contrasts with the powerful transfer markets in the Gulf of Dubai, Doha and Abu Dhabi, which have all recovered strongly, backed by the presence of the big three Gulf mega carriers (Emirates, Qatar Airways and Etihad Airways).

However, Muscat is growing again, boosted by the capacity return of national carrier Oman Air and six-year-old low-cost player SalamAir. According to Tibor Mihalka, senior manager of the route development team at Oman Airports, traffic for January to August 2022 reached 5.2 million passengers, a 170% increase over this period in 2021.

Although this is down on Muscat's peak traffic year of 2019, when it handled 10.7 million passengers in the January to August period, the rise is primarily down to the network rebuilding efforts of the two Omani carriers post-Covid, with the domestic market strengthening significantly, plus the influx of European charter services.

Popular Salalah

The story of Salalah is a positive one, with SalamAir launching new international routes and regional players adding seasonal services. From November, SalamAir will begin the first direct service from Oman to the Czech Republic, flying once weekly to Prague from both Muscat and Salalah. This is the carrier's second route to Western Europe; its first was a weekly summer service to Bosnian capital Sarajevo, launched in July 2021.

The attraction of Salalah to citizens of neighbouring Gulf Cooperation Council states also saw Wizz Air Abu Dhabi launch twice-weekly flights from the emirate in June. This route operated during the summer Khareef season, which takes place from June to September, taking advantage of temperatures that drop to below 25 degrees Celsius and deliver a weather experience unmatched in this part of the Gulf.

Bahrain's Gulf Air restarted similar services during the Khareef. It had begun serving Salalah in 2019, while a newcomer was Saudi Arabian low-cost carrier Flynas, which started seasonal services from Riyadh also in June.

"Salalah has seen a very good recovery and is expected to recover to 2019 traffic levels by the end of 2023," said Mihalka. The airport handled 783,000 passengers between January and August 2022. Its peak traffic year was 2018 when it saw 1.4 million passengers.

"We do a lot to promote Salalah with the government and the country's tourism agency," said Mihalka. The marketing season is opening with Oman Airports taking the Oman story to Routes World and the IATA Slots meeting this autumn. "We hope we can fix some airlines for winter 2023, with European charter operators of special interest. We are also going to the WTM [World Travel Market in November in London] to talk to tour operators," he added.

There are worries about the economic situation in Europe and whether this could impact bookings as people tighten their belts. One interesting aspect of the European market to Salalah is a shift of customers away from Scandinavia and Germany to markets like Slovakia, Poland and the Czech Republic, said Mihalka.

Muscat moves

Back at capital Muscat, a strong summer leads Oman Airports to be confident it can reach and even exceed its target of 8 million passengers this year. However, a full recovery of Muscat's traffic to its peak of nearly 16 million passengers achieved in 2019 could well take until 2027.

Flag carrier Oman Air has been restoring its network with its 40-strong fleet of Boeing 737 narrowbodies and 787 and Airbus A330 widebodies. One of the significant traffic drivers for the carrier is its transfer offer between Europe and destinations in the Indian subcontinent and into Asia-Pacific.

This product is returning as destinations like Bangkok, Manila, Jakarta and Kuala Lumpur feature again in Oman Air's schedule, often with increased frequencies. The carrier has also restored almost its entire pre-pandemic network to Europe with the only exception being its Manchester service.

The airline made a major strategic move in June when it was announced that it will join the oneworld Alliance, with implementation expected in 2024. Another strategic shift saw Oman Air and SalamAir agreeing in March to greater co-operation. The aim is to align their networks to facilitate growth.

The Omani government announced the Oman Vision 2040 plan in March 2021. It is a long-term strategy with several pillars to achieve better growth and diversification of the economy away from a heavy dependence on oil revenues.

A vibrant air transport sector will be a key element of Oman's transformation. One of the top priorities for Oman Airports is to see the return of players like Air France and British Airways, neither of which have brought Muscat back into their schedules yet. Lufthansa Group carrier Edelweiss did resume service to Muscat in November 2021, however.

Markets that Oman Airports is targeting include more destinations in central and Eastern Europe, the Balkan countries, Scandinavia and the Mediterranean. The tourism bodies will promote Oman to those "white spot" populations that are not as familiar with the country, said Mihalka.

"It is still the touristic segment that we believe can bring growth," said Mihalka. "This is the same untapped country. An unexplored, beautiful country with Arab heritage and Arab culture." ■

***Tibor Mihalka**, senior manager of the Oman Airports route development team (photo: Oman Airports).*

WELCOME TO
THE REUNION

Ground force

The ground services industry, led by the Airport Services Association (ASA), took a major step in its development at the inaugural ASA Leadership Forum, held in Athens in early September. *Mark Pilling* and *Olivia Pilling* report

***Atilla Korkmazoğlu**, ASA chairman*

***Fabio Gamba**, director general, ASA*

Taking control of their own destiny is something leaders in the services and handling industry have done for years with their own businesses. However, the ground handling sector has lacked a united voice to speak out on its behalf, leaving much of the narrative in the hands of others such as IATA.

That situation underwent a fundamental change in Athens at the Airline Ground Services *Global Networking Summit*, coupled with the *ASA Leadership Forum*. The forum was part of the *EVA International Media* organised Reunion event that brought together an aviation-related exhibition and conference on the subject of handling and cargo services that attracted 450 delegates and 33 exhibitors.

ASA grew to a membership of 45 companies during the pandemic years, which is remarkable considering the stress placed upon handlers who received little or no government support during this period, said Atilla Korkmazoğlu, ASA chairman and president ground handling and cargo (EMEA) of Turkish handler Çelebi. "We have seen remarkable resilience among services companies," he said.

"After two horrendous years of what I call 'ground zero', the [ASA] Board decided that a number of essential measures had to be put in place, urgently," said Fabio Gamba, director general of ASA. "We have all complained for years if not decades that this industry was prone to a race to the bottom, but we lacked the clout to fix it. The attitude of the authorities throughout the crisis opened our eyes. We needed a paradigm shift. This ASA Leadership Forum represents one of the first and most visible initiatives we have put in place; there are others, and they will be announced in due time," he added.

Up until the event in Athens, membership of ASA was limited to independent handlers, but the Board has changed that rule and opened membership to all forms of ground handling, not only independent ones. "We have realised that we have many more things in common than things that divide us and that it is time ground-handling, or should I call it, 'airport services provision' gives itself a unique voice," said Gamba.

At the Forum, Gamba and Korkmazoğlu announced the addition of two significant new members: Qatar Aviation Services and Aviapartner. ■

The Professionals

The CEO panel, from left to right: Richard Prince of Aviapartner; Steve Allen of dnata; Hassan El-Houry, chairman of Menzies Aviation; Warwick Brady of Swissport; Dave Dorner, chief executive of Çelebi; and Jost Lammers of Munich Airport.

A persistent theme at the *ASA Leadership Forum* chief executive panel was whether the industry will extract true learnings from the Covid pandemic. "The worst is behind us, but I am also worried about summer 2023, and my biggest concern is that there will not be much learning from this, not much will change," said Jost Lammers, chief executive of Munich Airport.

"The biggest lesson is that we are the most business-critical part of the airport system... and there is an opportunity for the industry to reset ourselves," said Warwick Brady, chief executive of Swissport. The industry was stunned at the amount of disruption caused by the lack of staff during the ramp-up, he said.

Put simply, part of the reset is that handling services cannot continue to be undervalued and so cheap. "If you need a quality service you need to pay the right price for it," said Brady. "My biggest wish is to push for higher prices at the end of the day," said Lammers. "We need more money in the system for ground handling to build up quality. Somehow, we need to find a way to do this jointly because the element of quality needs to be much higher."

Steve Allen, chief executive of dnata, is fearful that while this might be the result of a reset, "in two years' time a new handler could be set up that comes in and undercuts everyone." It is important that standards are established so that the bar to enter the market is very clear, for example on insurance coverage, he added. "If we allow a race to the bottom again then we are all in trouble."

Airports have a role to play when looking at their licensing regimes, and should license responsibly, said Brady. "If an airport opens to five or six ground handlers then everyone loses money," he noted.

According to Aviapartner managing director Richard Prince: "We need to restore a level of pride and respect to our industry. This means turning a transaction at an airport today into a service. If we don't, lowcost wins and we become a transaction industry. We've got to bring back that sense of service."

The way forward is "long-term partnerships where we can invest", said Allen. "We need to move away from transactional three-year contracts to seven-year investment cycles," said Prince.

"The opportunity we've got is to accelerate the process of outsourcing – leave the ground handling to the professionals," said Allen. Some carriers have said the disruptions have caused them to revisit insourcing. "Don't allow the industry to go into reverse," warned Brady. ■

The great resignation

Nick Careen** and **Candace McGraw

> “I have never seen anything like it in my 12 years [as chief executive],” Candace McGraw, who runs Cincinnati International Airport, told delegates at the *ASA Leadership Forum*. She was speaking on a panel titled: Brain & muscle drain. How can we turn ground handling attractive again?

Panellists sought to explain why the sector is suffering from a haemorrhage of workers and how it could tackle tough working conditions, low pay and a lack of skills recognition as the industry seeks to hire thousands of urgently needed employees. Janet Wallace, senior director cargo transformation at Air Canada, said the carrier is struggling to recruit. “We are far from where we want to be,” she said.

Many operators have not only shed large numbers of staff; veterans and their experience were a major loss too. Then the challenge turns to training. “The time to become competent is a real challenge,” said Wallace.

Nick Careen, senior vice-president operations, safety and security at IATA, was typically blunt in his assessment, with airlines at the root of the problem. “We went through a massive amount of outsourcing and then we were racing to the bottom,” he said. Despite ground services being one of the least expensive of airlines' major cost areas, carriers drove costs down and a blame culture on delays can be common.

Staff attrition rates at some airline handlers are high, as much as 75% in some cases, and Careen’s view is that “it is going to be a tough grind for the next year or so before we catch up.

“When coffee shops are paying more per hour than handlers, and when you are hired as a handler your gift is a midnight shift... That is going to have to change,” said Careen.

Competing on wages alone will not be enough, said McGraw. Her airport hiked pay by 15%, which stabilised attrition, but made less impact on hiring new recruits. Areas like providing good transport to a remote airport site and 24/7 childcare are important considerations and ones Cincinnati and local stakeholders are investigating. ■

The catch-box was a novel way of passing the microphone around for questions at the conference.

Speakers enjoyed a Welcome Breakfast on the roof of the Grand Hyatt overlooking Athens.

The ASA Board meeting in full swing.

In the ASA conference room, Rachel Yu-Ting Fan from IATA presents on the forecast for aviation recovery.

Turkish Airlines celebrates its 75th anniversary with a prize raffle.

A gorgeous sunset over the Bolivar beach bar – the host of the networking dinner party.

Delegates were treated to fantastic Greek meze at the beach bar dinner.