

## Europe

## October - December 2006 Forecast



## Passenger Numbers by Overall Route (millions)

	Jul-Sept '06	Jul-Sept '05	% change	Oct-Dec '05	Forecast
Europe	72.50	69.26	4.67%	59.84	62.64
Intercontinental	20.72	19.99	3.60%	17.58	18.22
Total	93.21	89.26	4.43%	77.42	80.86

Compared to the previous quarter, passenger numbers for both domestic and intercontinental markets continues to increase. Note that passenger numbers in both markets have continued to increase when compared to the previous seven quarters indicating a very strong growth of travel and tourism market in Europe region.

## Passenger Numbers by Seat Class (millions)

	Jul-Sept '06	Jul-Sept '05	% change	Oct-Dec '05	Forecast
First	3.31	3.17	4%	2.75	2.87
Business	19.07	16.84	13%	14.61	16.54
Economy	70.84	69.25	2%	60.07	61.44

Overall, the passenger numbers in all three seat classes continue to increase. With the addition of Finnair, passenger numbers in Business class saw a significant increase of over 13% compared to the corresponding period of last year.

## Passenger Numbers by Carrier (millions)

	Jul-Sept '06	Jul-Sept '05	% change	Oct-Dec '05	Forecast
Air France/KLM	19.62	18.7	4.89%	17.12	17.96
Alitalia	6.75	6.70	0.67%	-	-
British Airways	9.89	9.72	1.78%	8.52	8.67
Finnair	1.96	1.79	9.44%	1.76	1.93
Iberia	7.35	7.65	-4.00%	6.56	6.30
Lufthansa	14.77	14.19	4.08%	12.45	12.95
SAS Group	10.14	9.32	8.80%	8.95	9.73
easyJet	9.32	8.49	9.78%	7.41	8.14
Ryanair	11.48	9.48	21.11%	8.61	10.42

Overall, the major European carriers saw little change over the year; Finnair and SAS Group being the exception and showing an overall growth of 9.44% and 8.80% respectively. The low cost carriers continue to have outstanding growth, particularly Ryanair saw growth rates in excess of 21%. Iberia is the only carrier that saw a small dip compare to the previous quarter.

## Travel Catering Research Centre Quarterly Report

### Estimated Complimentary Meal Numbers by Route (millions)

	Jul-Sept '06	Jul-Sept '05	% change	Oct-Dec '05	Forecast
Europe (non-domestic)	23.92	22.45	6.58%	18.56	19.78
Europe – Africa	4.54	4.30	5.50%	3.96	4.17
Europe – Middle East	2.05	2.19	-6.76%	1.80	1.67
Europe – Atlantic	16.48	16.15	2.04%	13.49	13.80
Far East/Australasia	7.08	6.40	10.75%	6.31	6.99
Totals	54.14	51.55	5.03%	44.17	46.39

Overall, the rate of growth in meal numbers has been about 5% in comparison to the same period in 2005. Across the figures, Middle East was down by over 6% compared to the same quarter of 2005 whereas Far East/Australasia and Europe (non-domestic) have continued to show a good growth.

## Headlines

### SAS

The one class concept with only Economy Class is implemented on Blue1's route between London Stansted and Helsinki.

The one class concept is also in use on Blue1's domestic routes and on Blue1's intra-European routes, except for Berlin to Helsinki, Hamberg to Helsinki and Zurich-Helsinki and all Scandinavia-Finland routes.

In Economy Class Blue1 offers Café1, which means more freedom of choice for the passenger. From a broad selection of meals and drinks passengers can choose what to eat and drink on board at favorable prices.

<http://www.scandinavian.net> October 2006

### Virgin Atlantic

Virgin Atlantic, the pioneer of the Premium Economy cabin, is to reinvent the product in a GBP 12 million revamp which includes a new wider seat - the largest in its class – and additional services to woo business and leisure passengers alike. The new additional services include dedicated cabin crew, a redesigned meal service and dedicated amenity kit. They will also receive a soft fleece blanket and a fruit bowl service, where passengers can help themselves to fruit throughout the flight.

Due to Premium Economy's popularity Virgin Atlantic has increased the number of Premium Economy seats on its fleet by one third in the past 18 months. In September 2006, Virgin Atlantic won the Best Premium Economy Award at the Business Traveller Awards.

10 October 2006 #794.CAT14

### Austrian Airlines

Austrian Airlines cut its long-haul fleet from 16 to 10 aircraft, resulting in route eliminations and likely job reductions.

According to media reports in Austria, the airline is expecting a loss from its long-haul operations of €80 million (\$102.1 million) for this year, widened from a loss of €75.9 million last year. It is reported that its long-haul program has come under "increasing commercial pressure," noting that the share of passengers who transfer from the current long-haul network onto medium-haul flights is 14% and that long-haul services generate only 7% of its overall revenue.

As a consequence of the fleet downsizing, services to Shanghai will be terminated from Jan. 7, flights to Phuket, Mauritius and Colombo/Male will end in April and flights to Kathmandu will terminate in May. Austrian media is reporting that 700-1,000 employees are expected to lose their jobs as a result of the fleet reductions

<http://www.atwonline.com/news/story.html?storyID=6973> November 3, 2006

## Travel Catering Research Centre Quarterly Report

### Explanations

#### **Passenger Numbers by Route**

*The data in this table is derived from the Monthly Traffic Snapshots found on the Association of European Airlines (AEA) web pages.*

*% change - This compares the last full quarter of this year with the same quarter in the previous year.*

*Forecast - The forecast is based on the trend derived from the equivalent quarter of the previous year and the percentage change in the last full quarter.*

#### **Passenger Numbers by Seat Class**

*The data in this table is derived from data found on Euromonitor's web pages. The seat class data is defined by country and is then applied to the major carrier for that country.*

#### **Passenger Numbers by Carrier**

*The data in this table is derived from the individual carrier's websites.*

*% change – Please see above.*

*Forecast – Please see above.*

#### **Estimated Complimentary Meal Numbers by Route**

*The data in this table is calculated by taking the total passenger numbers provided by the AEA (this specifically excludes budget airlines and charter passenger numbers) and applying a multiplier to provide an estimate of the total number of meals provided to passengers. The multipliers used are based upon consensus meal values agreed upon by a panel of experts and are subject to change on a monthly basis.*

*% change – Please see above.*

*Forecast – Please see above.*