

Determinants of longhaul flight viability from secondary airports and the implications for airport planning and management

A Discussion of the Presentation by Sven Maertens

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Outline

- ▶ Viability of Longhaul Flights from Secondary Airports – Experience
- ▶ An Additional Perspective on the Subject
- ▶ A Brief Look into the Future



Viability of Longhaul Flights from German Secondary Airports – The Experience

Currently operated longhaul flights (>4000km):

From Hamburg: DXB, JFK (Emirates), EWR (Continental)

From Berlin-Tegel: JFK (Delta), EWR (Continental), ULN (Mongolian Airlines)

From Düsseldorf: DXB, JFK, BKK, PUJ, CUN, RSW, MIA, CPT, MRU, MBA, MBJ, AZS, VRA, WDH (LTU), DXB (Emirates), ATL (Delta), EWR, ORD (Lufthansa/Privatair), SID (Hapagfly)

From Cologne: GIG (BRA), EWR (Continental)

From Stuttgart: ATL (Delta)

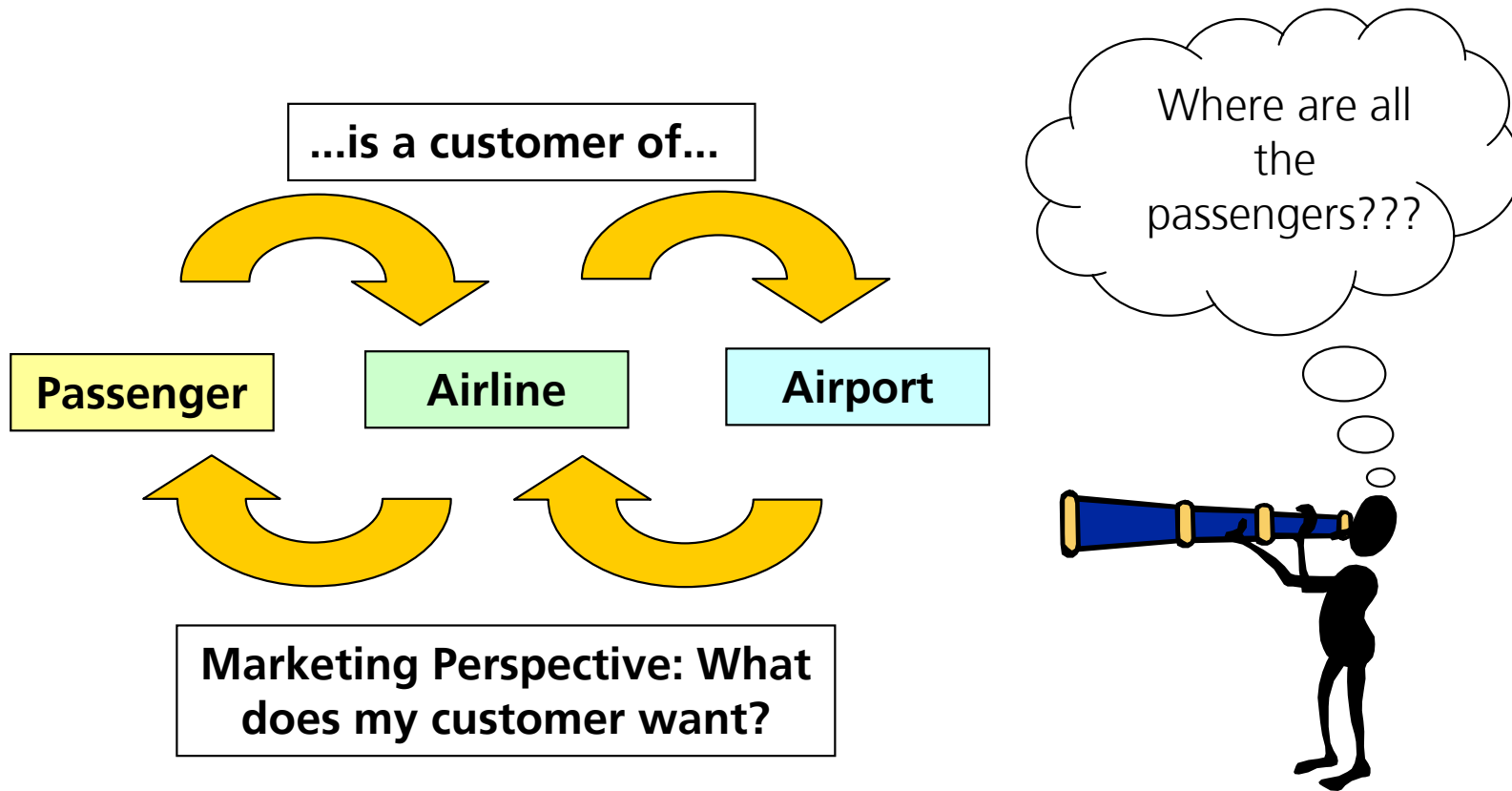
Viability of Longhaul Flights from German Secondary Airports – The Experience



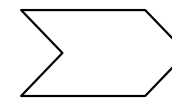
- Launched Düsseldorf – Shanghai and Düsseldorf – Beijing in May 2004
- Once weekly service (Beijing later three times weekly)
- Shanghai: PAX LF in 9 of 14 months below 70%, 6 months even below 60%
- Beijing: PAX LF in 11 of 18 months below 70%, 6 months below 60%
- Strong seasonality: PAX LF in winter months dropped below 50% (same for DUS-JFK)
- Services ceased in Oct 2005

Conclusion: It is difficult to launch longhaul flights even from secondary airports with a strong catchment area

An Additional Perspective on the Subject



“Which factors determine the supply of longhaul flights at Europe’s secondary airports?”



Airline Perspective



An Additional Perspective on the Subject

An Airline Perspective on prerequisites to launch long-haul flights:

- 5-7 times weekly services to attract premium passengers
- Mix between business/ethnic/leisure travellers to avoid strong seasonality
- Own/Alliance hub at one end to achieve mix of O&D and transfer passengers
- Passenger Load Factors >70%, unless strong premium class sales
- An attractive frequent traveller programme

Minimum number of passengers required p.a.:

757-200: >33.000 PAX/year at a max. economic range of ~6.500km

767-300ER: >39.000 PAX/year at a max. economic range of ~8.500km

777-200ER: >48.000 PAX/year at a max. economic range of ~11.500km

- Operational Requirement: Distance within limits to load additional cargo (literature says 15-25% of total revenue originates from belly cargo)

An Additional Perspective on the Subject

- ▶ Travellers on intercontinental city pairs not yet served directly in 2005:

City Pair	Travellers	Distance (in km)
BER-BKK	20,700	8,605
HAM-BKK	20,381	8,815
BER-TYO	19,812	8,963
DUS-TYO	18,518	9,354
HAM-SIN	14,592	10,153
STR-NYC	14,538	6,312
HAM-CHI	14,215	6,851
HAM-LAX	14,162	9,109
BER-LAX	14,049	9,350
BER-SIN	13,241	9,930



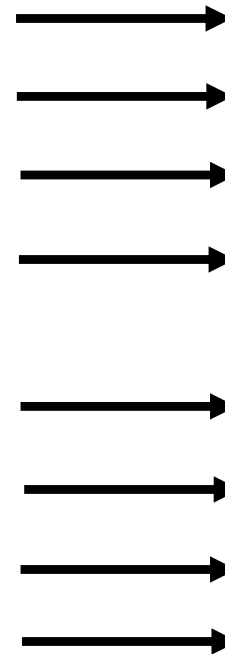
Only two city pairs are suitable to be served by B767-300ER, maybe also by B757-200

Source: German Air Transport Statistics

An Additional Perspective on the Subject

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All but two city pairs may be served by A330-200.

Source: German Air Transport Statistics

Against all odds...

- ▶ BRA opened twice weekly service CGN-GIG in 2006
- ▶ CGN-GIG had only **274** travellers in 2005
- ▶ No. of travellers from CGN to all Brazilian destinations: **2,255** in 2005!
- ▶ Served non-stop with B767-300ER at a stage length of **9,536km!**



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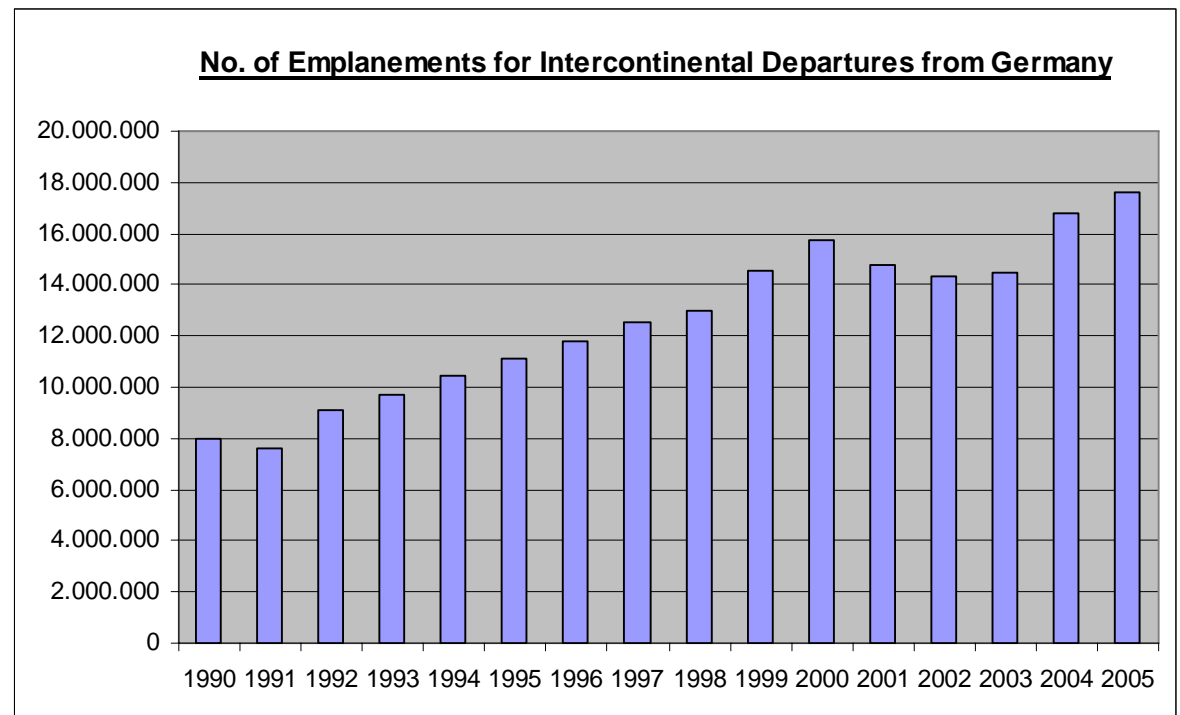
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A Brief Look into the Future...

Hypothesis: We will see more intercontinental services from secondary airports in future, because:

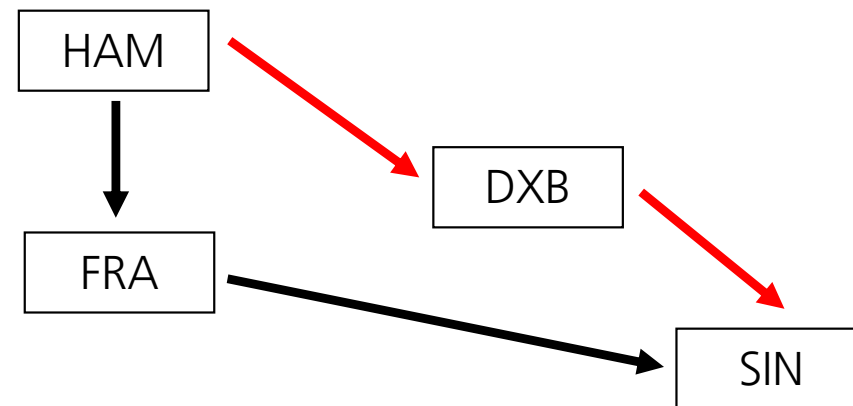
- **Growth of Demand**
- Shifting Traffic Patterns
- New Aircraft Types
- Potential of "Loose Hubbing"



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What will the Future bring ???

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- **New Aircraft Types**
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A Brief Look into the Future...

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- **Potential of "Loose Hubbing"**

- ▶ ViaBerlin
- ▶ ConnectCologne

