

**Aviation
Group
News**

**AVIATION BUSINESS
OFF and ON THE RAMP**

During the year many stalwart Aviation SIG members left the Kingdom for new pastures, this includes Roy James of RR, gone to Japan, Wing Commander John Bartram to the UK and most recently our long time colleague Bob Bryant, who has relocated to Qatar. We send greetings and best wishes to all ex-Aviation SIG members who over the years gave the SIG not only their time and effort but raised many interesting topics of discussion. We wish them all every success in the future. At the last meeting in September the SIG group were very pleased to welcome the new Director of Trade & Investment Barry Lowen and his wife Karin.



by Max Fletcher & Roger Smith



This is of course the centennial year of the first powered flight back in 1903 by the Wright brothers Flyer. It can be argued that aviation is probably the most significant advance in technology, which affects every one of us on a daily basis.

Almost as old are some of the associations that exist today, the one we all know is the International Air Transport Association (IATA, formed in 1919). In particular this association offers members benefits that range from trade shows, publications, town hall meetings, and conferences, standards/benchmarking, collective buys, representation in industry and government meetings, legal advice, consultancy and training. For the general passenger the IATA is most interested in your rights and complaints.

Earlier this year we saw some of the aerospace world gathering for the 45th Paris Air Show, generally one of the highlights of the Aviation calendar, however due to industry malaise after 11 September 2001 and the political problems caused by the war in Iraq, the show was a very low key affair. Members who usually visit and report on this event did not attend this year, in part due to financial constraints. The next significant air show and meeting will be held in Dubai from the 7th to 11th December 2003. Rolls Royce will hold an international conference on the 6th December before the show and it may be of interest to members to note that the Dubai Rugby 7's start on the 5th December – so book early.



We all know that the aviation business in general has seen some major upheavals since 2001 and faced some serious problems particularly with falling revenues. However, we can report that the FAA have released an interesting forecast, indicating that Companies that anticipate

change and take an integrated approach to installing new air traffic control systems, exploit new aircraft technology and employ a consistent common sense approach can facilitate the industry's recovery. This years forecast predicts passenger enplanements of 646.9 million in 2003, increasing to 737,6 million by 2006.

Air Cargo is also expected to grow at rates higher than those predicted for passenger traffic, with domestic and international revenue ton-miles increasing at rates of 3.9 and 5.8% respectively over a 12 year forecast period.

On to Royal Air Force activities. Initial RAF assessments of the upgraded Panavia Tornado GR4 indicate the recent improved strike fighter and its new weapons will provide a solid foundation for the UK's future strike capability. There is no indication that the RSAF are considering any upgrade of their aircraft but it is early days yet and the alternate may be very expensive. There is much discussion about the new Hawk and future training requirements of the RSAF and again the end user is looking at several other options (notably from China and India) but UK manufacturers remain hopeful.

Locally, Qatar Airways has announced major orders for up to 30 aircraft including Airbus A330s, A340-500/600s, and Boeing 777-300ers, having already taken delivery of a VIP configured A340-500 to be used for government business.

Internationally the maladies faced by the industry since 2001 have persuaded most carriers to review a policy of airline alliances. The 'one-roof' concept pursued by global airlines for ticketing and passenger-handling activities is now well established. This is much harder to replicate when it comes to joint tendering for ramp services. However on the ramp, ground-handling operations has been one of the most active areas of cooperation, no doubt because it was recognized that results could be achieved fairly quickly. How these alliances will affect the cost of passenger travel we can only wait and see. In April, four 'One World' alliance members which include American Airlines, Finnair, Iberia and British Airways came together in April, relocated their major European Hub to Zurich Airport in what was one of the largest co-location exercises in the past 4 years. With a management company based in Vancouver and sharing facilities at some 25 other airports such as Schiphol and Miami. According to the airlines PR, this kind of consolidation was a natural step as members turned to the alliance to help them reduce cost when the market first began to soften some 3 years ago. Of course, the events of 9/11 accelerated that need dramatically.

Finally, we had a visit by the Red Arrows flying the new Hawk 128, they called in at Tabuk in October on the return journey from the far east.