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provided technical support. "Without that co-operation it would have been impos-sible to start," Cano says.
The fleet now consists of five 737-300s, three leased from International Lease Finance Corp (ILFC) in the USA and two from GPA. The first 757 will be delivered in November this year, with two more following for the next summer season. Two more 737s are on schedule for 1989/90.

A lease or purchase decision for future acquisitions is imminent, Cano says. He ' would like to buy: the company needs tangible assets and a capital expenditure programme to offset against tax bills. But, as Hispania has found, getting Spanish bank financing for aircraft purchases will be a problem.
Air Europa, too, has seen the light in that it is a firm believer in the importance of service. Both Cano and Capt Irizar stress that Government legislation which pushes foreign tour operators towards Spanish airlines can work to their advan-tage only if the carriers offer a high enough standard of service.
The Government tries to insist that the tour companies book 30 per cent of their seats on a Spanish carrier, but most ignore

this. Spain does not stop nonconforming tour companies from coming in—it wants the foreign exchange—but it does insist that holidaymakers arrive and leave on the same airline. Thomson for one would prefer interchangeability, and, if it can sell Spanish airline seats, might try to conform. It could not sell Hispania's early Caravelle service, comments Bill Ridley, Thomson's head of aviation, but customer reaction to the 737 has been good.

Legislation alone is not enough. "It will help us—if we are performing in accord-ance with a higher standard. The key is the passenger, particularly in Germany because they are choosing the airline when they buy a holiday," Cano says. "Hispania does not need these regulations," Capt Irizar says proudly.
Tour operators as well as the airlines like the high utilisation possible from a Span-ish base. Flights can go into more restric-tive airports in, for example Germany or Scandinavia, between runs into the UK where the airports are open longer. Yields are lower on UK package tours, but the extra rotations compensate in part.
UK operators are more willing to pay in mixed currencies, Hispania says. It adjusts its currency income between

pounds, dollars, and Deutschmarks to cover its expenses in each currency, thereby eliminating any risk from exchange rate fluctuations. German tour companies usually will not pay in three currencies, and refuse to accept surcharges. Cano says that Air Europa is happy with income in sterling and Deutschmarks—the mark is strong enough to protect against movements by the dollar.

While Hispania is simply looking for a few scheduled services, Air Europa is more ambitious. Cano talks about flying to South America, Chile perhaps, where there is plenty of visiting friends and relations (VFR) traffic. He is enthusiastic about the future but, he says, not over-optimistic. "Air Europa is definitely the first serious project that has ever happened in Spain—the first charter with all-new aircraft". Hispania would proba-bly disagree. But the two are working towards the same goal, that of establishing Spanish charters as a viable and competi-tive alternative for foreign tour operators.

Canafrica
Madrid-based Canafrica is another rela-tive newcomer. Its claim to fame is that it is the smallest Spanish airline— adminstrative staff numbered seven last year—and the only one that has no debts. It took its name from its intended function—carrying cargo to the Canaries and Africa. In its first year and a half of operation it has flown no cans and few Africans, but has ferried Hadj pilgrims to Mecca, Juventus football players to Madrid, and sun-blistered UK tourists on package holidays to Spain.

By good or just lucky timing, Canafrica (Canafrica Transportes Aereos or CTA, to give it its full name) was started in time for a summer when there was a late book-ing rush and charter airlines had plenty of work to subcontract out. Canafrica managed to fill three leased DC-8s with 490hr flying a month, an average of 16hr a day. One aircraft was completely taken up by a Britannia contract, and the others flew for Aviaco, Tunis Air, Minerve, and Point Air. This year it has taken on a broker, Andaluz Air, to handle the contracting out.

It has practically no financial backing—its aircraft are all on short-term lease. The hirer pays for fuel and handling, and Canafrica's charges cover its maintenance, insurance, staff, and lease costs.

It was a gamble to start an airline with-out backing when so many others had been flash-in-the-pan ventures. "It was a sort of adventure," says Cristobal Valladolid, who founded the company with Santiago Abril, several years after they had served in the Air Force together. This summer's fleet line-up is two DC-8s, two DC-lOs, and two new MD-83s. The last are painted in the carrier's new blue logo, and labelled Canafrica, rather than CTA like the DC-8s and DC-lOs.

With a first-year profit under its belt,
Canafrica admits it has been lucky. The
fleet is nearly twice as big this year, says
Javier Maranon, who has taken over from
Valladolid, and it has work from tour
companies all over Europe. Q

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