

**ROUTES**

**++** Yugoslavia's **JAT** resumed some international flights from Belgrade on 25 June. All flights had been suspended since 24 March, when NATO bombing of the country started. By 9 July, JAT expects to be flying to Cyprus, the Czech Republic, Tunisia and China, the airline says. Most of Europe may remain closed to JAT under the continuing economic sanctions. **++** The **US Department of Transportation** has tentatively awarded 17 more weekly round-trip flights to the three carriers designated to serve the US-China market. **FedEx** and **Northwest Airlines** each get four flights immediately and two more next April, while **United Airlines** will get five weekly frequencies next April. The allocations will enable FedEx to double its cargo service to China immediately, and allow Northwest to expand passenger services from Detroit to Beijing and Shanghai and offer new passenger services from Honolulu and cargo services from Anchorage. United plans to offer a non-stop service to Shanghai from San Francisco. The new flights are a result of a US-China air services agreement signed in April. Under the agreement, the USA can award 10 additional frequencies, as well as a new carrier designation, effective from 1 April, 2001. **++** **Qantas** is to boost services between Australia and Europe from October, when the carrier takes two more Boeing 747-400s. Three additional flights will be operated from Sydney via Melbourne and Singapore to London. **++** **Spanair** has begun a four-times-weekly service to Lisbon from Washington Dulles. **++** **Reno Air** will be integrated into **American Airlines** on 31 August, adding more than 150 daily non-stop flights to the carrier's US West Coast operation. American acquired Reno for \$124 million late last year. **++** From 13 July, **Shuttle America** will operate to New York's under-used Islip/MacArthur Airport and Norfolk, Virginia. The airline is to begin services in September to Boston via Hanscom Field in Bedford, Massachusetts.

# Eurowings aims to finance new regional aircraft with flotation

ANDREW DOYLE/NUREMBERG

**E**UROWINGS IS reining in capacity to bolster its bottom line ahead of an initial public offering (IPO), aimed at helping finance a \$1 billion fleet renewal. The carrier could order up to 40 new regional jets before the end of the year.

Dortmund-based Eurowings is to replace most of its 27 ATR 42 and 72 turboprops and its 10 British Aerospace 146s. It wants to take delivery of up to 40 new 50/100-seat regional jets from 2002 and is evaluating Fairchild Aerospace's 72JET family, Embraer's RJ-145 and RJ-170/190 and BAe's proposed RJ-X range.

The Bombardier Canadair Regional Jet is also a candidate for the 50-seat segment of the order, expected to be decided first and to involve around 15 aircraft. The 70- and 90/100-seat requirements are for 15 and 10 aircraft, respectively.

The airline could finalise a deal this year, but says it needs a partial flotation by 2002 to finance the acquisition because it will not be able to raise enough cash privately. The carrier is one of seven BAe



An IPO will fund Eurowings' fleet roll-over order for up to 40 jets

146/Avro RJ operators to have been offered the re-engined RJ-X, as BAe aims to secure commitments for a September launch.

Eurowings will retain 10 of the latest ATR 42-500 variant, of which five have been delivered. Its four Airbus A319s – which will grow to seven by 2002 – will be kept for charters.

The German regional's net profits fell by more than 40% to DM5 million (\$2.66 million) last year because of soft demand for its 24% extra capacity, coupled with a DM3.5 million exceptional charge

relating to the installation of satellite navigation systems in its BAe 146s. It forecasts a net profit of over DM13 million for this year.

"We are going to stop the strong growth to improve the results and get the right balance for an IPO," says Eurowings chief executive Richard Santner. Chairman Albrecht Knauf owns 94% of the Eurowings Group and is likely to retain a majority stake. The airline is a member of the Wings Alliance, but it remains unclear whether partners KLM and Alitalia would buy shares. □

## Start-ups look to profit from AeroPeru gap

**T**WO FOREIGN-backed Peruvian start-up airlines are preparing to fill the domestic and international void left by AeroPeru, as time runs out to rescue the bankrupt national carrier.

Chilean-backed LanPeru aimed to start scheduled services on 5 July and will be joined shortly by Central American-supported TransAm. The carriers have promised to commit an initial seven narrow-body jets to the market, to serve at least five Peruvian cities.

LanPeru has been granted an operating permit and will launch services with a single Boeing 737-200 operating from Lima to Cuzco and Arequipa. LanChile, which holds a 49% stake in the new carrier,

plans to provide a second 737 from 19 July.

TransAm is on the "verge of getting a permit and expects to operate domestically and internationally", says president Daniel Ratti. The carrier is to start with three 737-200Adv and two Airbus A320s on a five-year operating lease from Grupo TACA. "Grupo TACA is our partner and has the option to buy up to a 49% stake," adds Ratti.

Dry-leased 737s will be used domestically from Lima to Cuzco, Piura and Trujillo and on international services to Bogota, in Colombia; Caracas, in Venezuela; La Paz, in Bolivia; Quito, in Ecuador; and Santiago, in Chile. The A320s, initially to be wet-

leased, are for use on routes to Buenos Aires, in Argentina, Mexico City and Sao Paulo, in Brazil, as well as to Miami, Florida.

The government's decision to permit the entry of LanPeru and TransAm has been cited as the main reason for Continental pulling out of a 49% investment in AeroPeru. Creditors have given the airline until 12 July to find a new backer, or face liquidation.

Meanwhile, Continental is rumoured to have turned its attention to neighbouring Colombia, where Avianca is looking for a strategic partner. The Bogota-based carrier is understood to be looking to sell up to 30% to an international investor. □