

ANZ/Ansett to get closer to SIA

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AIR NEW ZEALAND (ANZ) and its Australian subsidiary Ansett are to "re-launch" later this year in a move which will see the ANZ group develop closer ties with part-owner Singapore Airlines. The group is also planning to modernise its fleet and revamp its route network as part of the plan, while SIA may increase its ownership of the group and take a direct stake in Ansett.

ANZ chief executive Gary Toomey says in a television inter-

view that he wants the airline to get closer to SIA, its Star Alliance partner and 25% shareholder. "It's a great opportunity for us to leverage off their product, their technology and the commercial relationship," he says.

Toomey adds that ANZ is looking at adopting SIA strategies and technologies to increase efficiency, and is studying ways of allowing SIA to increase its holding, currently at its upper limit. SIA has talked of increasing its stake to 40%. "There may be opportunities through some hybrids and other

forms of financing, which may not be as effective as straight equity, but which might get us by for some time," he says.

Toomey says he wants to "change the culture" of the ANZ group "to make sure that people now see our organisation as a successful one", and that this will see it cater more to high-yield passengers. Ansett's new long-haul routes will reflect this, with the likely launch of services to Los Angeles and Tokyo.

Australian and New Zealand press reports meanwhile cite ana-

lysts as claiming that SIA is also looking at taking a direct stake in Ansett, with the Singapore carrier saying only that this is "speculation". Ansett is 100%-owned by ANZ.

The New Zealand airline - hitherto an all-Boeing operator - confirms that it is considering Airbus and Boeing options for its new fleet, but will not comment on specific types. It or Ansett may take on leased Airbus A340s, possibly ex-Singapore Airlines (SIA) aircraft, understood to be the subject of talks between all three carriers. □

Cathay to buy chunk of in-flight web specialist

CATHAY Pacific has bought 10% of in-flight e-mail and internet services company Tenzing Communications after injecting \$10 million into the Seattle-based company for which it is as yet the only customer. The investment came via Cathay's wholly owned Taikoo Aviation Technologies.

The move is unusual for an airline, but is in line with Cathay's plans to invest HK\$2 billion (\$256 million) in internet-based projects over the next three years. The Hong Kong-based carrier is the

launch customer for Tenzing's services, which will be offered on all of its 62 widebodies, allowing passengers to send and receive e-mail in-flight and browse web pages stored on a server on the aircraft.

Access to in-flight e-mail and "internet-type" services is regarded as the latest must-have by many in the in-flight entertainment industry, with a rash of companies emerging to offer such services. Air Canada, Singapore Airlines and Scandinavian Airlines have signed to test Tenzing services, but only

Cathay has placed a firm order.

Cathay director information management and e-business, Ian Riddell, says the investment "recognises that in-flight connectivity for air travellers will become an essential part of the service over the coming decade". The tranche represents Tenzing's second round of funding; shareholders include venture capital groups Deutsche Bank, Riverside Management Group, TH Lee and ITOCHU, a Japanese group with a number of aerospace interests. □

Zeevi pulls plug on grounded Balkan Bulgarian



Balkan's fleet - which includes Tu-154s - has been grounded by owner Zeevi

BALKAN Bulgarian Airlines ceased operations last week after majority owner Zeevi group of Israel stopped funding the carrier. It is not clear whether Balkan will be able to resume operations,

although Zeevi says efforts are being made to allow it to do so.

Balkan was grounded on 14 February, two days after Zeevi filed a \$230 million suit against the Bulgarian Government, claiming

it had been misled before its decision to buy 75% of the airline. Zeevi acquired the stake in 1999 after agreeing to take on \$30 million of Balkan's debts and provide \$100 million funding within five years, but sources suggest the government tried to modify these terms to include the transfer of \$120 million of debt, while raising taxes and fees paid by Balkan.

Zeevi and the government recently held talks which broke down, leading to the filing of the suit at the international arbitration court in Paris. Balkan operates three Boeing 737-300s and two -500s, plus a single Tupolev Tu-154, two ATR 42s, two Antonov An-24s and four An-12 cargo aircraft. □

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++ American Airlines Cargo has purchased an undisclosed stake in internet-based wholesale airfreight marketplace **Global Freight Exchange** (GF-X), boosting its capital to over \$85 million. GF-X, which includes British Airways World Cargo, Cargolux Airlines, Emirates SkyCargo, Lufthansa, Swisscargo and numerous freight forwarders, went live last October. **++ Aerospace internet marketplace PartsBase** suffered a \$13.5 million loss last year, after a \$5.9 million loss in its first year, on sales of \$4.1 million (\$362,000 in 1999). To reduce costs, the exchange has cut its workforce from 217 to 140, largely removing sales staff. Subscriptions, averaging \$1,620 a year, total 4,756, with 632 added in the last quarter. Fewer customers than expected renewed. **Continental Airlines** is the latest subscriber. **++ Aeroexchange** has launched with an initial four products: strategic sourcing, inventory management, maintenance management and rotatable reliability information. Virgin Atlantic and Mexicana have joined the exchange, making 15 airline members. **++ After a test period, Avolo** has launched a catalogue on its parts and services internet marketplace. It facilitates requests for quotes and transactions.