

■ **Northwest Airlines** will begin daily flights between Detroit and Nassau, Bahamas, on 18 December. It will also begin weekly services from Detroit to Montego Bay, Jamaica, increasing to four flights a week on 1 February when Northwest will also launch daily services between Memphis and Puerto Vallarta, Mexico.

■ **Ariana Afghan Airlines** has resumed services between Kabul and Frankfurt, via Sharjah in the United Arab Emirates and Istanbul, after a break of 20 years. It has also selected Sharjah as its hub for Middle Eastern and European operations.

■ **Gulf Air** is to operate four weekly flights from Bahrain to Paris, and three from Abu Dhabi to Paris, starting on 27 October.

■ **Alpi Eagles** will start four daily flights from Verona to Rome next month. It plans to add two Boeing 737-700s to its fleet of eight Fokker 100s.

■ **SN Brussels Airlines** began scheduled services linking Brussels and Angolan capital Luanda on 15 September and will add Abidjan, Ivory Coast, on 27 October. Both routes use Airbus A330-300s wet-leased from Birdy Airlines.

The Belgian carrier will also begin scheduled services between Brussels and Seville on 27 October operating a BAE Systems Avro RJ. Frequencies will be increased from two to three daily to Strasbourg and from four to five to Copenhagen.

■ **Air France** subsidiary Régional will start three daily services from Paris Charles de Gaulle to Aberdeen and Bristol on 27 October using Embraer ERJ-135s and ERJ-145s.

■ **BMI Regional** is to launch daily services from Edinburgh to Stornoway, in the Scottish Western Isles.

Meanwhile, **Bmibaby** has received clearance to operate daily flights to Geneva from East Midlands and Cardiff from 27 October.

Air Canada is to add services under codeshare with **BMI British Midland** from Toronto to London Heathrow, Manchester and Glasgow and to Heathrow from Calgary, Ottawa-Hull, Montreal, Toronto, Vancouver and St John's from 27 October.

CONVERSIONS BRENDAN SOBIE / WASHINGTON DC

747-400SF price slashed

Manufacturer aims for launch order as values tumble and IAI studies rival programme

Boeing is slashing the cost of 747-400 freighter conversions by almost \$10 million as it looks to boost interest in the programme to secure a launch order.

David Tamer, Boeing aircraft valuation and trading specialist, says the manufacturer has already reduced the list price for a -400 conversion from \$30 million to \$25 million and is aiming for the "low \$20 millions".

"The freighter guys want to get [the price] down," said Tamer at the Commercial Aviation Report US Valuation Conference in Washington DC last week.

Boeing has been working on a 747-400 Special Freighter (SF) conversion for many years, but neither it nor any independent specialist has yet launched a programme for the latest 747 variant, claiming used aircraft acquisition costs remain too high. But 747-400 used values have plummeted over the

past year, and about 10 of the 500 747-400 passenger and combi aircraft in service stand idle. United Airlines has six of its 44 747-400s parked and may withdraw more in an impending restructuring. Values could drop further if United goes ahead with a possible fire sale of 22 747-400s.

Aircraft valuation experts say conditions may ripen to support the launch of at least one 747-400 freighter conversion programme in the next 12 months. Israel Aircraft Industries (IAI) is studying a rival conversion programme for the 747-400.

Aviation Specialist Group president Fred Klein says cargo carriers are not willing to pay any more than \$60 million for a 747-400SF. Given Boeing's new conversion price, carriers need to find used passenger 747-400s for \$35-40 million.

Aircraft valuation experts say market values are still higher than

this, but the expected availability of some early model 747-400s next year could open up new opportunities. Four 13-year-old 747-400s are coming off lease from Singapore Airlines from next April, and experts estimate the aircraft will fetch \$35-45 million each.

It is widely believed Boeing has been in no rush to offer a competitively priced 747-400 conversion because it could undermine sales of new-build 747-400Fs, which now make up the bulk of new deliveries. However, with IAI's rival programme on the horizon, Boeing is keen to be the first into the market.

MergeGlobal consultant Brian Clancy expects the cargo market to bottom out in the third quarter of this year, and that traffic will return to 2000 levels next year. After that cargo traffic should again reach all-time highs, driving demand for additional large wide-body freighters.

COMPETITION

Cologne-Bonn's low-fare carrier overload forces Virgin Express to drop plans for a hub at the site

The prospect of increasing competition from low-fare start-ups at Cologne-Bonn airport has forced Virgin Express to abandon plans for a hub at the German airport.

The Brussels-based low-cost carrier unveiled plans earlier this year to begin operations from the airport in December. But German tour operator TUI and Lufthansa subsidiary Eurowings have reacted by

starting up no-frills operations there. Virgin's chairman David Hoare says: "A fares war is inevitable. This will be good for the German public, but our participation would be unprofitable."

Eurowings' operation, called Germanwings, has taken its first Airbus A319, and will launch at the end of next month. The TUI offering - a joint venture with

Germania called Hapag-Lloyd Express - will also start next month, using 737-700s.

Germanwings will operate five Airbus A319s and an A320 from Eurowings' charter fleet. The initial network encompasses services to Barcelona, Berlin Tegel, London Stansted, Madrid, Milan Malpensa, Nice, Paris Charles de Gaulle, Rome, Vienna and Zurich.



The first of five A319s for Germanwings has been transferred from Eurowings, ahead of next month's launch