

Air Travel Development in Southeastern Europe Obstacles and Chances

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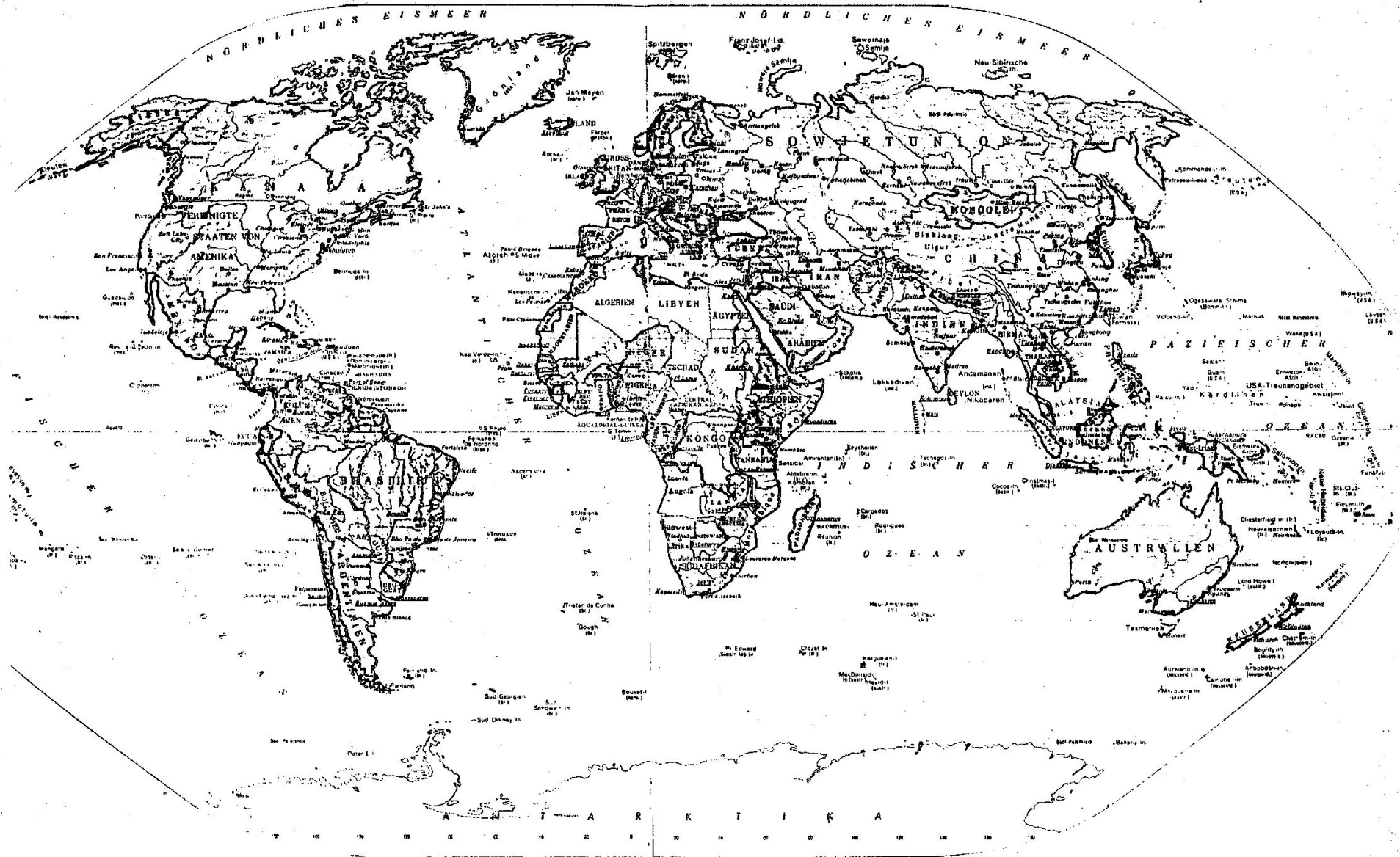
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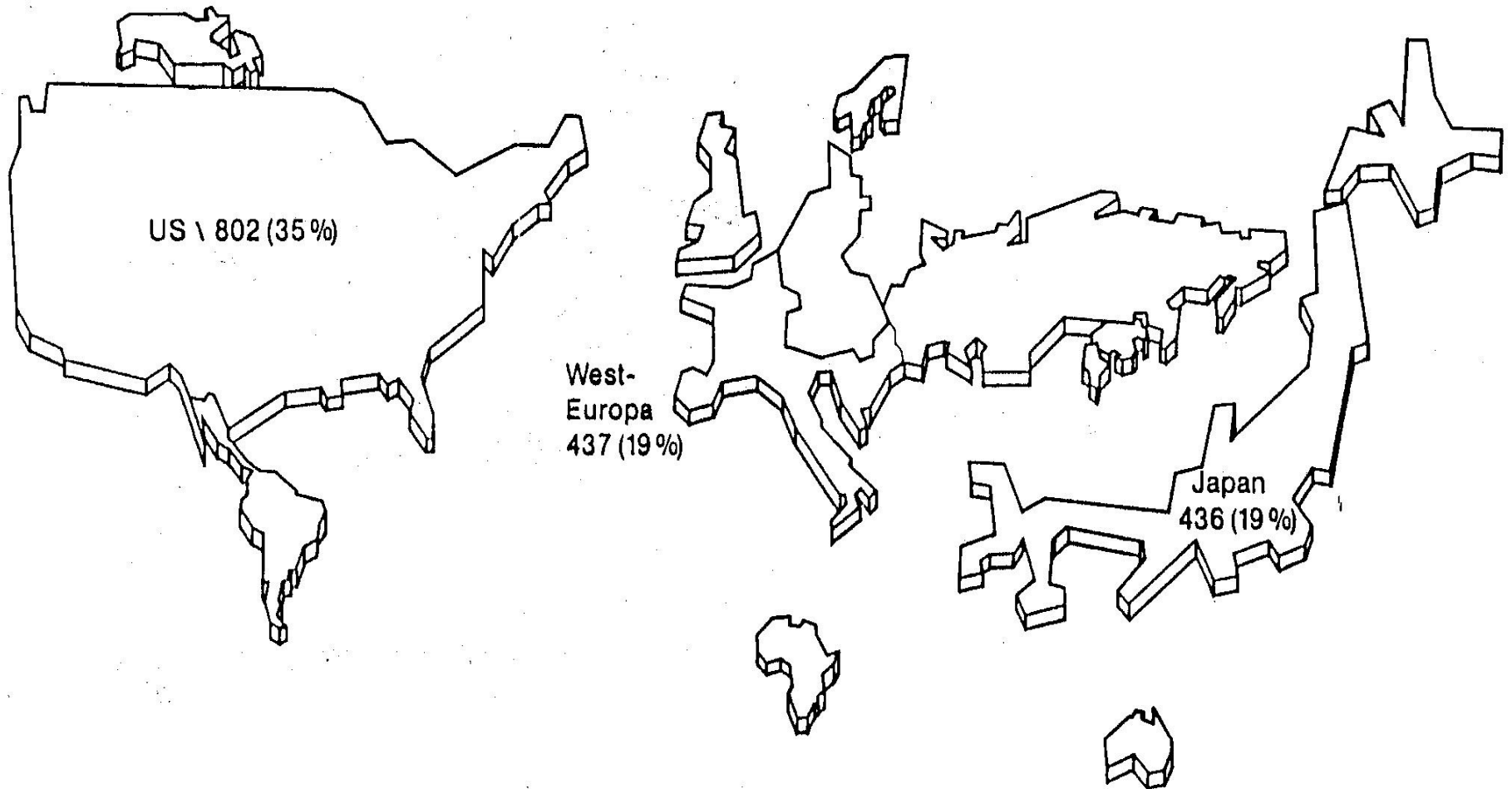
Is this the market we are looking at ?



... or geographically determined ?

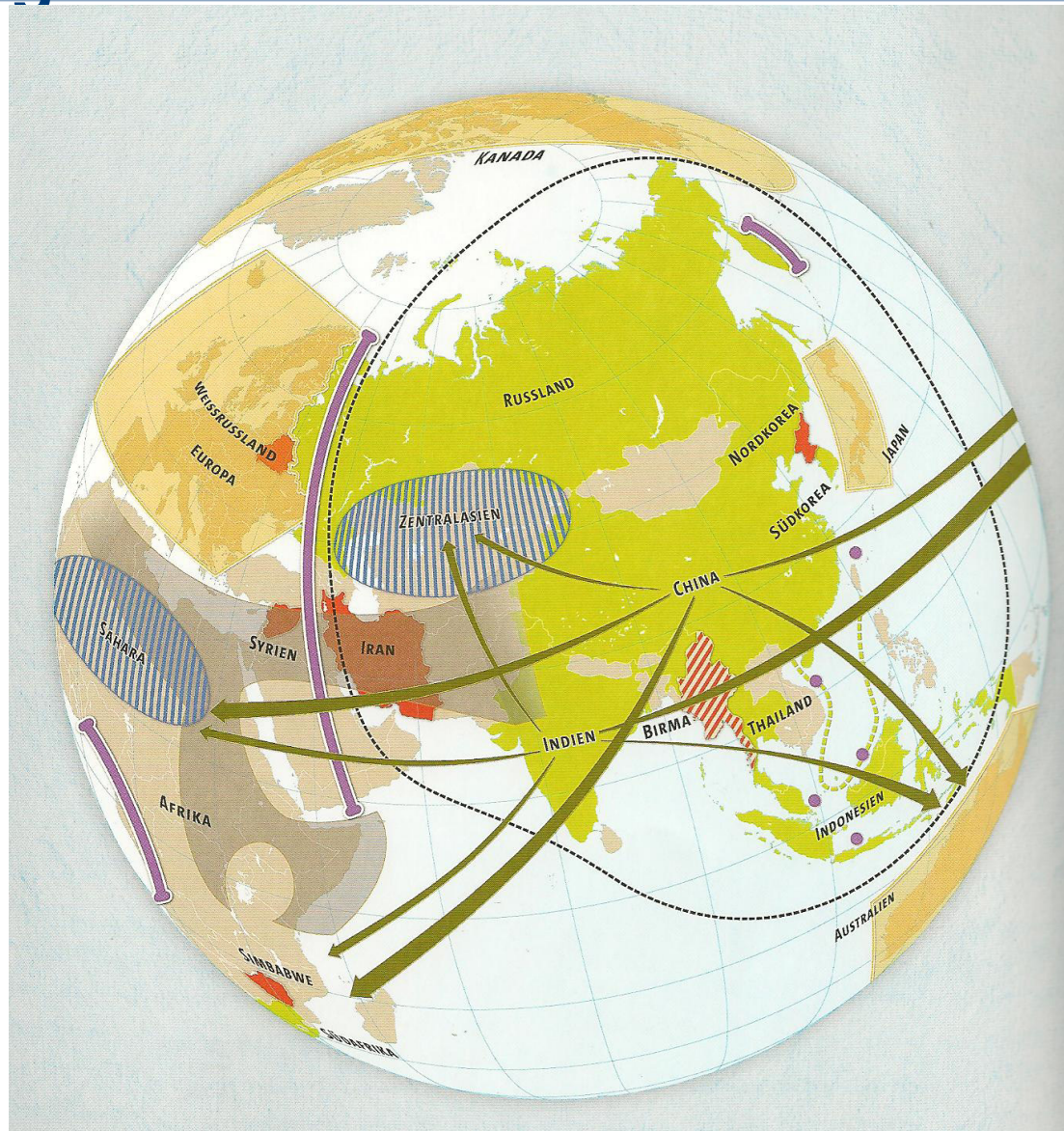


... or is it looking more or less like this:

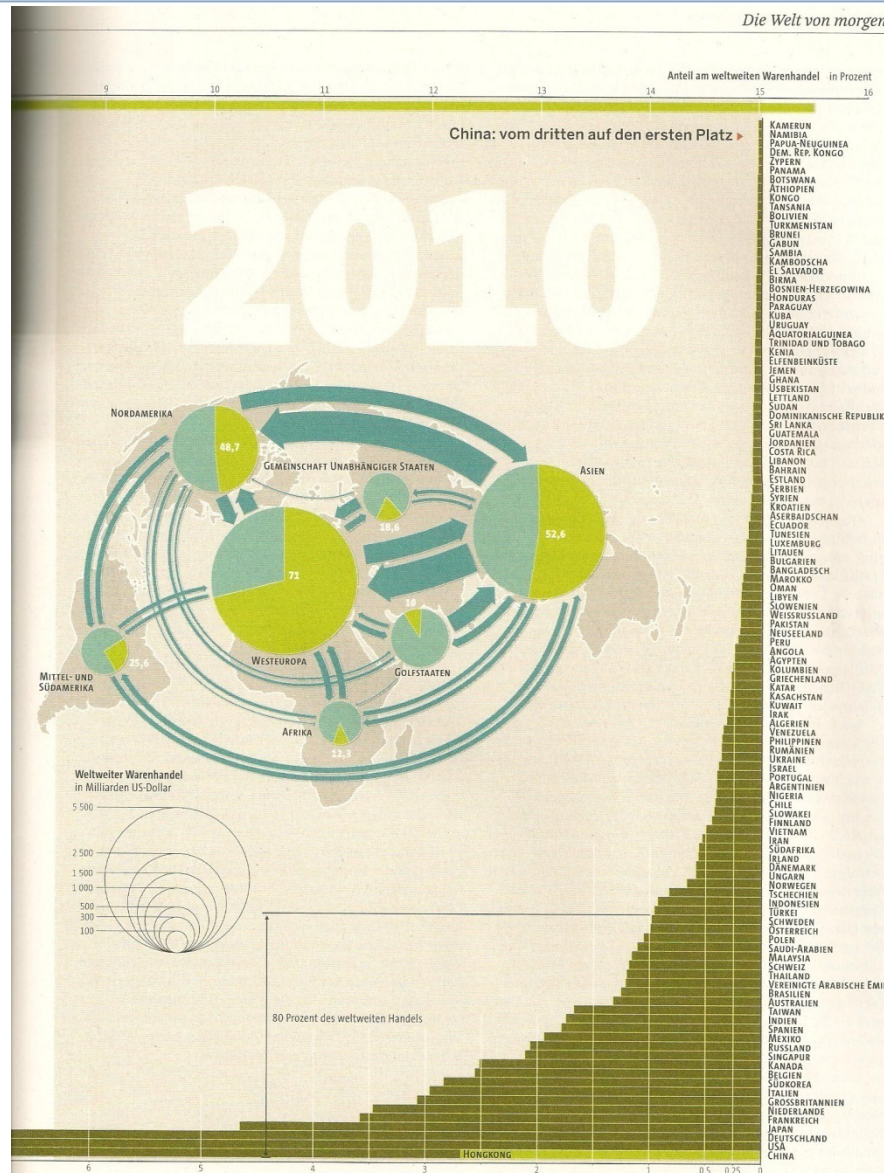


Fläche entspricht der Bedeutung des Elektromarktes

Shift in the last 25 years: Emerging markets in South East Asia



China: 1. Trading power worldwide



Time is money (Benjamin Franklin 1748)

Time and Money are closely interrelated:

- **Most people have time – but little money!**

The role of personal mobility in emerging economies:

- 1.) bike**
- 2.) motor cycles**
- 3.) cars**
- 4.) Air travel**

But THEY are the potential air service users!

Time is money (Benjamin Franklin 1748)

Time and Money are closely interrelated:

- **Most people have time – but little money!**
- **Few people have money – but no time!**

But these few people are the potential air service users!

An Austrian example – where I am coming from....

Time is money (Benjamin Franklin 1748)

Once the Prime Minister („Landeshauptmann“) of the Province of Carinthia – just on the other side of the mountain north of Ljubljana - asked the CEO of Austrian Airlines:

„Why do you have such a poor service to Klagenfurt – we are lost in the air ...“ and added:

„Look at the small city of Lugano in Switzerland, there you have a lot of frequencies to many places.“

Time is money (Benjamin Franklin 1748)

The CEO of Austrian Airlines was by no means reluctant to answer:

„If you make Klagenfurt a banking place like Lugano in Switzerland – by no doubt – we'll increase our frequency on the spot.“

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And what about Slovenija?

Adria Airways most frequent services are:

- 1.) Ljubljana – Frankfurt**
- 2.) Ljubljana – Zurich (close behind)**

Time is money (Benjamin Franklin 1748)

**But this accounts for the Business market only,
Why is it also difficult to establish a low cost
service in South East Europe?**

**Low Cost Carriers depend on a different source of
Pax using them: Holiday Travellers.**

**What is the wealth generated by people and the
Income distribution in the relevant countries?**

Time is money (Benjamin Franklin 1748)

And unfortunately here the countries in South East Europe are still lacking behind the European average in the development of Purchasing Power of people.

The remaining factors are political:

If you have a non EU-member state where the government is keen to develop their own airline – It will do so – with a very limited number of service.

Because running a scheduled service is expensive and depends heavily on the load factor achieved.

Time is money (Benjamin Franklin 1748)

But there is a new development due to worldwide Digitalisation:

The virtual Airline

It is based on the internet platforms where they are listed besides the established carriers.

They do not own aircraft or crew – they hire them on a spot basis – there is a demand market, so enough planes, Crew, etc. is available.

At the moment this business model applies to Business Class travellers who want a tailor made customized service and do not want to be squeezed in with low cost passengers of the economy section at the gate.

Time is money (Benjamin Franklin 1748)

This service aims at Business Class Pax who are able to pay about 1000 € or more for single Air fare within Europe – on average the double price compared to „ordinary“ business class services and rely heavily on their algorithms or artificial intelligence software to predict the relations of rising prices with regard to single journey business class fares.

These services do not use the normal Terminal – they use the exclusive General Aviation Terminals (GAT) at Airports where no melting up with other passengers takes place.

Time is money (Benjamin Franklin 1748)

**This service – once established – might create new
Niches for business travellers to South East
Europe – as well.**

Thank you for your attention!

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