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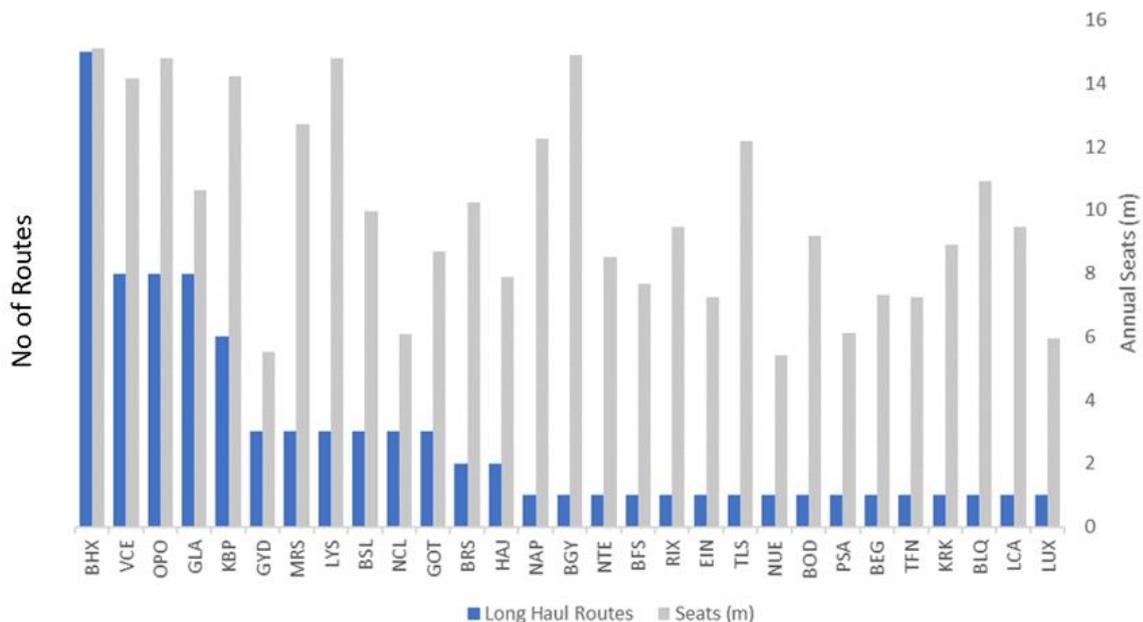
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## Global view, regional focus: Going for the Long Haul

Has there ever been more choice for air travellers flying beyond Europe’s borders from Europe’s regional airports? We think not. Travellers have a more comprehensive set of route options than ever before. From connecting via the Middle East to Asia and Australasia, to direct flights across the Atlantic, Europe’s regional airports have been working hard engaging with airlines to launch direct international services. In this short paper, we look at how long-haul connectivity has evolved for Europe’s regional airports\* and highlight any common themes.

While not every regional airport in Europe is engaged in the pursuit of long-haul services, there are many which are, determined to secure better connectivity for their local population and businesses. Sometimes this is driven by the knowledge that significant indirect traffic flows exist, perhaps as a result of links with diaspora communities or where there are commercial linkages between cities.

Long Haul Routes From Europe's Regional Airports



Data Source: OAG Analyser

There are 69 airports currently in Europe with between 5-15m annual seats which we have defined as regional airports. There are 84 long haul<sup>1</sup> routes operating from these airports in the 12 months to September 2019, concentrated across 30 airports. Birmingham (BHX) has most with 15 long haul routes. Of the airports with multiple routes, Glasgow (GLA) outperforms some of its bigger peers with 8 long haul services. The average is 3. Over the last five years, long haul routes from Europe’s

<sup>1</sup> We define long haul as routes which are over 6 hours and operate to destinations outside Europe



China is the biggest indirect market from Gothenburg with nearly 70,000 passengers in 2018. Thailand is also popular with over 61,000 indirect passengers, many of whom travel to Bangkok. As well as Swedes visiting Asia, there is a growing Asian diaspora in Sweden, with the latest census recording over 270,000 Asian immigrants in Sweden. Diaspora populations help support air services, and in some cases exist because of them.

Whilst the aspiration is always to have a year-round daily service, the reality is that often a seasonal service is a lower risk investment for the airline. Similarly, a less than daily service can be another lower risk way for an airline to commit to a service and let it prove its worth in their network. This is ably demonstrated by the Gothenburg-Doha Qatar Airlines route which started with five flights a week but has proved so popular that this winter it will increase to daily.

Krakov also found this with their Chicago service, which LOT Polish Airlines began operating in July 2017 on a low frequency, just once a week. The route increased to twice per week earlier this summer and now carries around a third of the 80,000 people who travelled between Krakow and Chicago in the last year. Krakow of course also benefits from a Polish population living beyond its borders who inevitably return home to visit family and friends.

### **Regional Route Growth Also Driven by Diaspora**

Chicago has the second largest Polish-American population in the United States with over 210,000 residents. This large diaspora is a key driver of the large Krakow – Chicago market and LOT Polish Airlines recently announced that the route will increase to 5 times weekly from Summer 2020. They will also launch a seasonal Krakow – New York route at the same time, which has the largest Polish diaspora in the United States. With around 210,000 people travelling between Krakow and the United States, and only two direct services so far, this is a market that will continue to offer potential but it will take time. So sometimes, slow and steady does win the race!

While both the Gothenburg route is operated by a Middle Eastern carrier, as we see above from both the Riga and Krakow examples, having a strong national carrier can help airports secure direct international routes. Just over half of the long haul routes in operation from these regional airports are operated by European carriers with 47% operated by overseas carriers. Of the 8 new routes, 5 are operated by overseas carriers, meaning at the moment they recognise the potential these regional airports offer and are driving growth.

### **Italian-US links boosted by Italian American population**

Two of Italy's regional airports also benefit from an overseas diaspora and have won new long-haul services in the last year. Naples recently secured a direct New York JFK service with United Airlines who started operating a daily service in May 2019. There are an estimated 200,000 Italian immigrants in the USA but many more who claim Italian heritage. Last year from Naples alone over 42,000 people travelled to New York and there is an indirect market of over 112,000 to the United States from Naples, meaning the United service should be well received. The second regional airport which benefits is Bologna which secured a direct Philadelphia service with American Airlines this summer which operates 3 times a week. Philadelphia has the largest Italian American population outside of New York with around half a million residents claiming Italian heritage so there is plenty of potential for the new service to grow.

Other recent regional success stories have come from Porto which secured a Middle East route to Dubai with Emirates, opening up more choice to the 138,000 passengers who currently travel to Asia and Africa indirectly.

Whilst long haul services are only ever likely to be a small proportion of a regional airport's network, that doesn't mean they shouldn't be pursued. Airports such as Lyon, Marseille, Bergamo, Naples, and Venice handle a similar amount of capacity as Birmingham and Glasgow but currently have just a fraction of the number of long haul routes their peers do. There may be a number of reasons for that, perhaps relating to the propensity to travel for the resident population or the existence of business or diaspora populations but for some of these airports the challenge is could they have higher aspirations for long haul connectivity?

Making year round operations work is undoubtedly challenging for regional markets, and whilst the presence of diaspora makes it possible for some markets to sustain seasonal low weekly frequency services, perhaps the goal for regional airports should be to look to services that connect them with a major connecting hub with an onward feed, as some of Europe's regional airports have done and reap the benefits of a fragmented demand market.