



■ Grounded – the Cologne route was axed a week after it was unveiled



■ New destination – within a fortnight, Maastricht replaced Cologne in the schedule

Can Southend Airport's success continue in a dog-fight with big boys?

By DAVID TRAYNER
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THE rise of Southend Airport is continuing under new owners Stobart Air with regular announcements of new flights to Europe and the Middle East.

When airline Flybe unveiled six new destinations to much fanfare last month, it brought the number of routes from south Essex to 15.

As Transport Secretary Patrick McLoughlin officially opened the airport's £10million terminal extension last month, Stobart Air boss Andrew Tinkler declared five million passengers would use the terminal by 2020 – more than double original projections.

Southenders are proud of the airport, which is bringing people to the town as its pier did a century ago, and the industry no longer mocks its designation as "London Southend Airport".

But there were red faces at Stobart Air and Flybe when they scrapped flights to Cologne, the best-known of the six new routes, just a week later as rival Ryanair revealed it would fly to the German city from Stansted.

The U-turn was a reminder Southend is yet to be in the same league as its north Essex rival, which was last year vying with Heathrow, Gatwick and London Mayor Boris Johnson's plans for an estuary airport, to be the South East's main hub.

And although Flybe is a household name in the UK, the hasty backdown demonstrated the relative clout of Ryanair, one of Europe's biggest carriers.

Dr David Howarth, of the



■ Partners – Stobart chief executive Andrew Tinkler (left) and his Flybe counterpart Saad Hammad

University of Essex, is co-author of the Politics of Airport Expansion in the UK: Hegemony, Policy and the Rhetoric of Sustainable Aviation.

He said: "Although the new flights at Southend were to be run through a franchise with Stobart Air, part of the Stobart Group which owns Southend Airport, it may well be that the prospect of operating in this increasing competitive market was enough for Flybe to put an

Many smaller airports have retreated back to niche routes. Southend appears to have bucked the trend

end to its plans to operate services to Cologne.

"In other words, it appears Ryanair's expansionist plans have put the squeeze on Flybe."

But Stobart Air acted quickly and Flybe announced within a fortnight that Maastricht, in the Netherlands, would replace Cologne in the schedule, showing the agility of both airline and airport owner in manoeuvring deftly around its bigger rivals.

So can Southend and Flybe go toe-to-toe with the big boys, like Stansted and Ryanair?

Dr Howarth, reader in social and political theory in the university's department of government, said: "The liberalisation of our skies, along with the privatisation and break-up of airport companies, has released new, competitive dynamics across the aviation industry.

"But in recent years, smaller airports have not fared well in the dog-fight to attract airlines to use their runways, especially given the economic crisis and rises in air passenger duty.

"As a result, many of our smaller airports have retreated back to operations on niche routes and have developed alternative income streams, including the provision of office accommodation.

"Nonetheless, Southend appears to have bucked the trend in recent years."

Increasing competition has not only affected airports, but has been a major driver in the restructuring of airlines.

Flybe is undergoing major restructuring, which may also have informed its decision to withdraw flights from Southend to Cologne. Flybe's management

has recently expressed its preference for developing new routes not served by other airlines.

Aviation experts believe Flybe and Stobart Air, whose fleet Flybe uses in Southend, can compete if they use their smaller size to stay "nimble".

Flybe may be lesser known than Ryanair, but its smaller aircraft mean it has lower fuel costs and it needs to sell fewer tickets to break even.

Ben Jacques, commercial manager for aviation consultants the International Bureau of Aviation, said: "It is possible for smaller carriers to compete with the big boys, although as Ryanair proves, it is normally prudent to only compete on routes where you can leverage a competitive advantage.

"For example, Flybe operates aircraft with a different "sweet spot" to Ryanair. By sweet spot, I mean the point at which an aircraft can be operated most profitably – Flybe operates smaller aircraft than Ryanair, with smaller fuel costs, but fewer seats, so it needs fewer seats to be filled to be at break-even if tickets are sold at the same price.

"When that sweet spot can be met, then Ryanair, or any other bigger carrier, will operate at potentially less profit than Flybe.

"Flybe's optimum model, flying a variety of routes at a given frequency, will be different to that of a bigger carrier which would fly bigger aircraft, but Flybe will have to work hard to maintain that route network in the face of competition from the bigger carriers."

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