

Popularity of turboprops continues

Shortage of good aircraft anticipated

"There is going to be a shortage of 'good turboprops' in the next year or two," Michael Magnusson, President and CEO of Saab Aircraft Leasing, stated during the Farnborough International Air Show in July. The popularity for new-generation turboprops shows no sign of abating, he said.

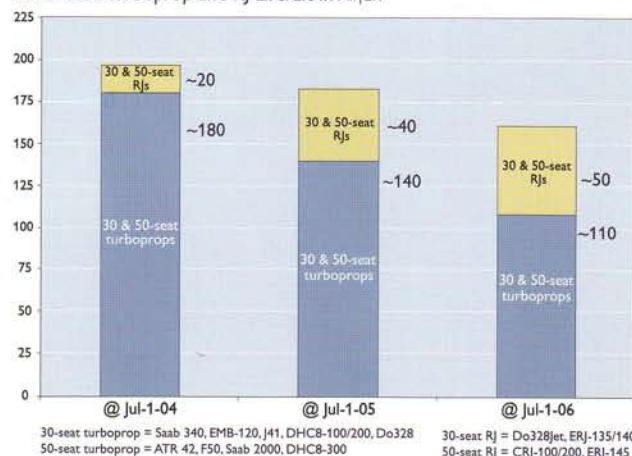
Saab Aircraft Leasing, in common with both Bombardier and ATR, is seeing a decline in its inventory, with escalating fuel costs making the turboprop more attractive again. Saab currently has nine Saab 340As in its inventory versus 30 just two years ago. By the end of this year it expects at least half of this current inventory to be back in service again. The last Saab 340B on the SAL inventory has been recently accepted by Regional Express (REX) of Australia. At the same time, REX has extended leases on four of its 340Bs and taken a five-year lease on the latest aircraft (No 229) (see related story on page 9).

"The more fuel prices increase, the more airlines are going back to turboprops," says Magnusson, highlighting that on a typical 200 nm sector the cost of fuel on a 50-seat regional jet is double that of a turboprop." He adds, the Saab 2000 can do 90% of what an RJ can do, for substantially less capital cost. Amid this background, lease rates for used turboprops have bottomed out and there has been a slight lift.

One key area of expansion at Saab Aircraft Leasing is the cargo variant aircraft. To date it has 17 orders for Saab 340 cargo aircraft and Magnusson believes this number will double in two years. There is considerable interest, especially from the US, Mexico, Canada, Australia and Eastern Europe (see cargo customer stories on pages 4 and 5).

Asked during the Farnborough media briefing whether there could

Advertised turboprop and RJ aircraft in Airfax



even be a new turboprop aircraft built in the Saab 2000 category, Magnusson said there really is no new technology on the horizon today and suppliers would be hard pressed to find something very different. "Greater use of composites perhaps, but even so, the cost of developing a new aircraft far outweighs the benefits," he opined.

SAL has a total of 190 aircraft in its portfolio. "You need to have some aircraft on the ground to respond quickly to an airline's needs," said Magnusson.

Carpatair is now the largest Saab 2000 customer

The Saab 340 and Saab 2000 have played a pivotal role in helping Romanian regional Carpatair develop its base at Timisoara Airport into an attractive and unique regional aviation hub. Carpatair is now the largest operator of the Saab 2000 with a total of 12 aircraft. The latest aircraft joined the fleet just a month ago, complementing the recent arrival of three Fokker 100 jets, the airline's first 100-seat aircraft. Both the Saab 2000 and Fokker 100 are set to take Carpatair into new territories as Romania presses ahead with its plans to join the European Union next year.

Every morning, Carpatair's Saab 2000s and two Saab 340s depart from 14 destinations in Romania, The Republic of Moldova and Ukraine. They meet at Timisoara, ready to take connecting passengers to 14 destinations in Western Europe. Each morning at 08:00, for just 20 minutes, the apron of Timisoara Airport is busy handling the arriving aircraft. Forty minutes later these aircraft are taking off for destinations in Italy, Germany and France. At 14:00, the fleet is back in Timisoara and after approximately 30 minutes, everything is ready for a new departure, this time back to the destinations in Eastern Europe.

"We are very pleased to be continuing the development of our business, now in its seventh year, with our partner Saab Aircraft Leasing," said

Carpatair CEO Nicolae Petrov. "In the next few years we plan to move out of the smaller 340 altogether, standardizing on the fast 50-seat turboprop and our larger jet aircraft."

With new international destinations including Paris Charles de Gaulle and Frankfurt commencing in May, last month Carpatair launched a new Business Class service for its domestic and international services, including the opening of a VIP transit lounge at Timisoara Airport. Here, business passengers are greeted with a welcome drink of champagne and orange juice, or similar. Inflight, an aperitif is served before the main meal. A wide variety of alcoholic beverages and soft drinks are available to complement the range of international and national menus.