

## Budapest Airport recovering following Malev demise

Tuesday, 20 November 2012

Budapest Airport (BUD) is hoping to attract new long-haul routes after completely restoring its point-to-point traffic following the demise of national carrier Malev Hungarian Airlines (MA) earlier this year (ATW Daily News, Feb. 6).

Speaking to ATW at the World Route Development Forum, BUD head of route development Patrick Bohl said, "When Malev went bankrupt in February, we lost 40% of our traffic by passenger numbers and our task was to replace that lost traffic as soon as possible."

Bohl described the airport's recovery as quite amazing. "All in all, point-to-point is now up 15%. That is more than last year when we had Malev, but obviously we have lost quite a lot of transfer traffic," he said. "This is probably the best recovery any airport has seen when they lost a national carrier."

BUD now has an increased number of budget airline customers, but Bohl said this has not eroded the airport's revenues because these carriers pay more than the lost transfer passengers.

However, BUD has lost its two long-haul links. These were New York JFK, flown by American Airlines, and a Beijing route operated by Hainan Airlines. "Budapest is the largest unserved destination in Europe out of JFK and the same is true for Toronto," Bohl said. "A number of routes which are served today from these airports actually have a smaller market size than Budapest."

He added that a number of Asian cities, including Beijing, Seoul and Tokyo, offer strong potential. "Obviously, with the economic situation in Europe, it is difficult for every airport in Europe to attract investors, but over time we definitely see [the long-haul routes] coming back."

When MA failed, BUD consolidated flights from its dedicated low-cost terminal into the newer Terminal 2 (ATW Daily News, May 15). Terminal 2, which opened in March 2011, has capacity for around 10 million passengers and it is currently handling around 8.4 million.

"We have closed the old Terminal 1, at least temporarily," Bohl said. "It is hard to say when it will re-open. At the moment, we expect it will probably take four years to reach the capacity limit [of Terminal 2], but it could be longer. We will then reassess the situation."

BUD did not expect to use Terminal 2 for low-cost operations, so it immediately introduced a new set of boarding processes allowing low-cost carriers to board passengers without an airbridge. This will be further expanded this winter, when the airport will open two new walkways, leading to eight basic gates for Schengen and non-Schengen flights. Budget carriers will be given a €2.90 (\$3.80) per passenger discount for using this facility.

In 2011, BUD handled 8.9 million passengers. "At the moment, we are 4.6% down on passengers in the year-to-date," Bohl said. "Traffic is very volatile. We will close the year well above 8 million, but we probably won't exceed last year's figure."

(ATW.com)