

Rise of the smaller airlines

 By Rob Baker

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At the start of this year I made [22 predictions for travel in South Africa](#), one of which was that I expected a new airline to start up. This prediction is coming true, but in a completely unexpected way.



There are four airlines that are trying to get licences to operate scheduled flights in South Africa and take on the big players like Kulula and Mango Airlines on the major routes - they are 1time Airline, fastjet, Skywise Airline and FlySafair. My expectation was - and still is - that we'll see one and maybe two of them in the sky by the end of this year. What I didn't expect was to see the proliferation of small airlines expanding into the less served secondary routes in the country. This is terribly good news for passengers flying on these quieter routes, which have historically only had one airline on them, charging monopolistic prices.

Blu Crane gets going

Blu Crane Aviation got going in February 2013 when it launched flights from Port Elizabeth to East London. Not everybody wants to drive the route and, up to then, Airlink had a monopoly on PLZ-ELS flights. At the start of this year Blu Crane turned things up a notch, when it announced it would also be flying from Port Elizabeth to George. All great news for those living in the Friendly City.

SA Express and Airlink go toe to toe

Publicly SA Express and Airlink deny that they're in a price war. However, the facts show that up to the end of September 2013 they avoided flying on each other's routes. Then, in September 2013, SA Express announced that it would be launching flights in direct competition with Airlink on the routes from Cape Town to George, OR Tambo to Pietermaritzburg and OR Tambo to Nelspruit. Airlink responded that it "feels strongly about being taken on by a technically insolvent state-owned airline using the taxpayer's funds to compete with us unequally." Airlink soon announced that they would be flying from JNB to Bloemfontein, JNB to Richards Bay and JNB to Kimberley, all routes on which SA Express had previously had a monopoly.

Fly Cemair

The south of Durban has had its nose out of joint since flights were moved from Durban International Airport to King Shaka International Airport to the north of the city. The pain was somewhat soothed when Fly Cemair launched flights from Johannesburg to Margate over the summer season, although it was only seasonal. At the start of February, much to the delight of those who love "Plett", Fly Cemair then announced that it would be launching flights from Johannesburg to Plettenberg Bay and from Cape Town to Plettenberg. The lives of the wealthy holidaymakers who enjoy its beaches just got a whole lot easier, as they do not have to drive from George or Port Elizabeth Airport.

Phakalane Airways

Phakalane Airways was the first mover this year, announcing on 22 January that it would be launching flights from Kimberley to Upington and Springbok. The airline's launch was a high-end affair, with political bigwigs from the Northern Cape government attending en masse.

Fly 88

The latest to enter the fray is Fly 88 (previously known as Studio 88 Aviation), which announced this month that it would be launching flights from Johannesburg's Lanseria Airport to the Kruger Mpumalanga International Airport in its Beechcraft 1900D turboprops, for those wanting to spend a weekend in the Kruger. It had been approached by Ramsay Travel Africa, and so what's especially great is to see an international group trying to get things going in South Africa. With the weakness of the rand, South Africa is becoming an increasingly cheap holiday destination for international tourists.

All this new competition must be ringing alarm bells for Airlink and South African Express, which make a living out of serving these types of flight routes. Whilst competition is great for passengers, for shareholders it eats into profits.

ABOUT ROB BAKER

Rob Baker is a semi-retired investment actuary who spends his time running South Africa Travel Online (www.southafrica.to) and doing freelance writing.

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