

A380 market needs disruptive airlines

Amedeo's chief executive officer Mark Lapidus is hopeful the market for very large aircraft (VLA) can attract airlines that are more what he calls "disruptive" in their business plans.

He notes Malaysia Airlines is looking to use its existing Airbus A380 fleet for charter services with major Malaysian tour operators to help boost its revenue.

"What Malaysia Airlines is doing by reconfiguring on charter flights is interesting. But we need to capture more people who want to be disruptive like Norwegian is doing in the North Atlantic market with long-haul flights," Lapidus said at the 19th *Airfinance Journal* Annual Global Conference in Dublin.

"We need airlines that would use the A380 with the ability to sell very cheap tickets," he adds.

The A380 has made

headlines in the past as being a four-engine aircraft competing with twin-engine widebody aircraft in a high-fuel environment.

However Lapidus argues the A380, when "properly configured with 600- to 700-seats beats the economics in terms of unit costs of anything flying."

Lapidus notes one of the difficulties for the A380 is a geopolitical factor.

"With a highly competitive environment in the US and the Middle East, the 'big three' in the US see the A380 as a nuclear weapon that Emirates use against them very effectively."

Infrastructure is also a problem, he says. "What we have experienced is getting more acceptance among airlines is infrastructure driven and what gates airlines can get at airports."

He cites the fact that British

Airways cannot currently park any A380s in New York JFK as the reason why there are no operations between London Heathrow and JFK. "Hopefully that will change in time. But those processes require lots of time and advance planning," he adds.

To Lapidus the biggest factor that will drive this industry forward is consumerism.

"The VLA market is a reflection of what is happening globally. Global aviation is growing as people travel more."

Lapidus remains optimistic about the A380 market.

He cites Emirates as operating the A380 with between 470 and 615 seats, and using the aircraft differently.

"It is about getting more people to look at the A380 that way and not as a flagship aircraft as most airlines do. Their A380 is not part of their core business strategy."



Mark Lapidus, Chief Executive Officer, Amadeo