

Interview  
with a senior  
executive in  
the airline  
industry.

# Providing a lifeline to Corsica

Air Corsica has established itself as an important life-line to the communities of this Mediterranean island since it launched services in 1990.

**Luigi Vallero** speaks to **Hervé Pierret**, Director General of Air Corsica, about the carrier's current status, its biggest challenges and long-term plans.



*Air Corsica's Director General Hervé Pierret.*  
AIR CORSICA

**ALW:** How many passengers were carried by Air Corsica in 2014, and what is the forecast for the current year?

**HP:** We carried approximately 1.7 million passengers in 2014. Forecasts for the current year estimate a similar total, probably around 1.65 million, due to the maturity of the Corsican market where our operations are focused. The global air-sea market to and from Corsica has, in recent years, levelled out at around eight million passengers per annum, consisting of approximately three million by air and five million by sea. Also, the availability of suitable hotel accommodation on the island is also limiting any future growth. In addition, the increasing penetration of low-cost airlines has started to make a difference, with the air transport sector's share increasing

at the expense of sea journeys.

**ALW:** Air Corsica is operating from a relatively small home base, given the population of Corsica of around 305,000. How do you think the airline will develop its business in the next five to ten years?

**HP:** Ever since our inception in 1989 and our maiden flight a year later – initially flying an ATR 72-200 on the Corsica to Nice route – we have grown by adding more destinations from our four gateways at Ajaccio, Bastia, Calvi and Figari. We are focusing our efforts on serving these home bases, and we want this model to continue to be the backbone of our operations. We are also looking to open up more secondary destinations in France and to neighbouring countries, offering better direct accessibility for travellers. Always

keen to offer improved services to the mainland for islanders too, Air Corsica recently launched a twice weekly all-year round link between Ajaccio and Toulouse, this rising to a five times per week frequency during the peak summer season. This caters to the growing business relationships between Corsican companies and the aerospace industry based in the south-western French city. Likewise opening up more seasonal markets such as Ajaccio-Toulon, Figari-Nantes and Ajaccio-Liège – used as a hub for the Benelux nations as well as parts of north-western Germany – has shown some interesting results, and we'll continue to evaluate and open similar markets in the coming years. Forays into markets outside of Corsica, such as our Marseille-Milan service proved unsuccessful and we do not expect to repeat this any time soon.

*This former Air Berlin Airbus A320, F-HDMF (c/n 4463), flew with Air Corsica for just over a year with this special Tour de France colour scheme. The aircraft was returned to its lessor at the end of February 2014 and later joined Vueling as EC-MBM.*  
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#### Air Corsica Key Facts

<b>Headquarters:</b>	Ajaccio, Corsica
<b>IATA code:</b>	XK
<b>ICAO code:</b>	CCM
<b>Site web:</b>	www.aircorsica.com

**ALW:** The Corsica/France market is very seasonal. How is Air Corsica addressing this delicate issue?

**HP:** More than most other airlines around Europe, our services are dictated by the seasons. Roughly one third of the seats available throughout the year are deployed during the mid-June to mid-September peak period, which keeps our fleet constantly busy. We also have to wet-lease extra capacity from other carriers, usually Boeing 737s from Europe Airpost, but we have also leased 747-400s from Corsair previously, to cope with the exceptionally busy July/August weekend peaks. This has its positives and negatives. On one side this allows us to undertake heavy maintenance of our fleet during the winter downtime. Yet, to optimise aircraft utilisation, winter is also a period when we wet-lease out some of our fleet to help recover capital costs. To make this easier we have purchased all six ATR 72-500s from the manufacturer, and when one aircraft is not being used we either dry- or wet-lease it out to another airline. As far as our five-strong Airbus A320 fleet is concerned, two aircraft are owned and three are flown under operating leases. This includes an older

1997-vintage airframe, F-GHQE (c/n 115), which is more expensive to fly and is only used during the peak summer season.

**ALW:** How is Air Corsica responding to the continuously increasing competition from low-cost carriers (LCCs)?



**HP:** In recent years, like everywhere else, the Corsican market has been under attack from the LCCs. Except on public service obligation (PSO) routes, where only authorised airlines are allowed to fly and fares are set at predefined levels, the rest are open markets. In recent years we have seen an increasing number of carriers entering the market. Seasonality nevertheless is a major issue for everybody, and despite a few attempts by other operators to maintain a presence even during the lean winter months, the market cannot support too much capacity. During the last winter season many routes were being reviewed due to the lack in demand. So we have seen competitors trying to 'cherry-pick' the premium links during the high season and dramatically reduce their presence during the winter. Air Corsica has responded to this by aligning its fare structure with its rivals but with extra benefits, such as a 51lb (23kg) luggage allowance, reservation flexibility and a friendly in-flight service, including newspapers, as well as hot and cold drinks served with traditional Corsican biscuits and savouries.

**ALW:** Air Corsica is well structured and organised, much like a larger



airline company. Does it intend to provide services to third parties as well as smaller operators?

**HP:** As far as maintenance is concerned, Air Corsica has been providing line maintenance support to other carriers using Ajaccio airport for some time. Another interesting feature that we have implemented in the last few years has been an agreement with ATR. During

the leaner winter months, we hire some of our pilots to the French-Italian aircraft manufacturer supporting its training and ferry flight operations. Likewise, some of our A320 cockpit crews have also been certified on the larger A330, and we have an agreement with Air Caraïbes which sees Air Corsica pilots flying for the French Caribbean carrier during the winter. Also, we offer medium- to long-term dry- and wet-lease services

to other airlines, this has been part of our DNA for many years now, and companies, such as Czech Airlines (CSA) and Meridiana fly have been among our repeat customers in recent years.

**ALW:** The current fleet is made up of ATR 72 and Airbus A320 aircraft. What are the airline's fleet plans for the future in terms of numbers and types?

**HP:** We're currently happy with our fleet size and mix. The ATR 72 family is a reliable and economical workhorse, especially when performing short PSO routes connecting the four Corsican airports with Marseille and Nice, as well as flying on longer but leaner rotations. The A320 is an optimal aircraft for our Paris Orly service, as well as flying some Marseille links and for the longer sectors such as to Liège. Our fleet is still young, with many aircraft being delivered new between 2005 and 2013, so we do not need to embark on a fleet modernisation plan until around 2020. Looking into the future we are nevertheless starting to evaluate with interest the new engine options [neo] of the Airbus and ATR families, the most likely candidates to replace our current fleet.

*Although Air Corsica's A320 fleet is relatively young, the airline is already starting to evaluate likely replacements with the new engine option (neo) being offered by the European manufacturer being the most likely option.*

*Air Corsica ATR 72-500, F-GRPQ (c/n 727), sits on the apron in the late evening sunshine.*

*Air Corsica's distinctive logo is emblazoned on the tail of one of the carrier's Airbus A320s.*  
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Air Corsica Current Fleet		
Type	Reg	C/n
Airbus A320-211	F-GHQE	115
	F-HBSA	3882
	F-HBEV	3952
	F-HZFM	5887
Airbus A320-216	F-HZPG	5906
	F-GRPI	722
	F-GRPJ	724
ATR 72-500	F-GRPQ	727
	F-GRPX	734
	F-GRPY	742
	F-GRPZ	745

Ground crews prepare Airbus A320, F-HZPG (cn/5906), for its next load of passengers.



**ALW:** Freight can be a major revenue generator, especially for an airline based on an island. How is Air Corsica addressing the cargo market?

**HP:** Although passengers are by far our major revenue component, freight also plays an increasingly important role, especially under PSO rules which state the airline has to support the lives of islanders. All our passenger flights – even on the ATR 72s – therefore carry cargo, which mostly consists of newspapers, magazines, pharmaceutical products and other items that require short delivery times. These flights are complemented by the 737 Freighter services operated by Europe Airpost from Ajaccio to Marseille and Paris. In 2014 alone we carried 2,500 tons of freight.

**ALW:** Air Corsica has a longstanding relationship with Air France, while Alitalia is another partner. Do you expect more code-shares to be forged with other airlines in the coming years?

**HP:** With a 13% stake in Air Corsica, Air France is not only our second largest shareholder, but also a major commercial partner, as well as General Sales Agent (GSA). The French flag carrier provides us with handling services and is also our heavy maintenance provider. Despite this, we maintain a complete independence in all our commercial policies. Co-operation with Air France extends to jointly flying – on a 50/50 capacity/revenue (including subsidies) basis – on all PSO rotations between Ajaccio, Bastia and Calvi to Paris

Orly, with some of the services flown by Air France aircraft and crews. While PSO links to Marseille and Nice are also operated under a free-flow codeshare agreement with Air France along with other seasonal routes. More recently Air Corsica has developed a bilateral free-flow codeshare agreement with HOP!, the domestic subsidiary of Air France, on seasonal links between secondary points in France and Corsica, as well as on connections beyond Marseille. Our partnership with Alitalia entails the Italian company placing its code on our seasonal twice-weekly rotations from Ajaccio and Bastia to Rome, as well as on connecting services via Nice. At the moment we do not envisage any more codesharing agreements, although we are constantly increasing interlining with other airlines.

Air Corsica's management team pose in front of the airline's first Airbus A320. Director General Hervé Pierret is second from left. AIR CORSICA



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