

TAP Air Portugal

A modern classic

Portugal's flag-carrier was founded 62 years ago. With its exciting but varied history, this Airbus carrier is now in a good position to continue to expand and achieve sustained profitability in the coming years.

It is night time in Lisbon as a TAP Portugal A320-200 approaches the airport. From its cockpit, the brightly lit Vasco da Gama bridge over the bay of Lisbon is clearly visible in the distance. Named after the famous seaman and explorer who established a sea route to India in the 16th century, the bridge spans 17 kilometres and is the longest in Europe. Flying in a wide arc above the sea, the twinjet lines up on the ILS approach to runway 35, the longer of the two runways at Portela airport. The airport, now located inside the city of Lisbon as a result of urban expansion, takes its name from the neighbouring

parish of Portela. It was at this airport that British and German aeroplanes stood next to each other during World War II. Portugal had declared its neutrality and Lisbon became a centre for smuggling people into and out of occupied Europe.

Today, only two of the original four runways remain, and the airport is bursting at the seams – not least because of TAP's busy flight schedule. Situated on the Tejo river, Lisbon is considered to be one of Europe's most fascinating capitals. It has gone from being an insider's tip to a major tourist destination.

29 of the 35 European low-cost carriers operate flights to Portugal, mostly to the main tourist locations such as Faro in the Algarve and Funchal. But the capital city, situated in the centre of the country, is also a prime destination for travellers and an international hub. Plans are already underway to build a new larger airport 50 kilometres north of Lisbon, near Ota. However, until it is ready to go operational around 2017, the current airport will continue to be modernised and extended.

It all began with two Douglas DC-3s

There are even plans to build a second terminal with new boarding gates and parking positions by 2010. In addition, Air Portugal intends to build a new maintenance hangar, even though it will only be in service for ten years at the most.

► 1945: TAP is founded

TAP is Portugal's flag-carrier and was founded in 1945. However, it was not the first Portuguese airline. Aero Portuguesa, which was half-owned by Air France, was founded before the war and operated flights to Tangier until it closed down in 1953.

On 19 September 1946, TAP commissioned two Douglas DC-3 Dakotas for the 500-kilometre flight from Lisbon to Madrid. As early as 31 December of the same year, flight operations began on the world's longest DC-3 route, a journey of 12,000 kilometres. A return flight took fifteen days, and the Dakotas made twelve stopovers on the way to their destina-



In 1962, TAP entered the jet age with the Caravelle

tion: Lourenço Marques, now called Maputo, the capital of Mozambique.

Even before the end of the 1940s, TAP began running scheduled flights to Paris and London with the new Douglas DC-4 'Skymaster' and extended the DC-3 route network to include Seville. In 1948 the airline also opened its first ticket office in Lisbon. It is interesting to note that the new airline took the unusual step of establishing international connections before setting up domestic routes. It was not until 1947 that TAP took over the route from Lisbon to Oporto in the north of Portugal from a

small airline called CTA (Companhia de Transportes Aéreos).

The company soon required additional capital to maintain and further expand its enlarged network. So the government partially privatised TAP in 1953, thus securing financial input from banks as well as from companies in the transport and other industries. In the same year, the airline set up flights to Tangier and Casablanca in Morocco. For flights to southern Africa, TAP commissioned its newly acquired Douglas C-54 Skymasters, as these could cover greater distances and were able to cross the Sahara

nonstop, thus significantly reducing the flight time required for the journey. In November 1955, a pair of Lockheed L-1049G Super Constellations were put into service on the 'imperial route' to Mozambique. However, the journey to Lourenço Marques remained a long one, lasting 22 hours even with what was the most advanced four-engine airliner at the time. Two years later, TAP also used its 'Super Connies' for flights to London and Paris.

In 1959 the airline decommissioned its DC-3s, so that by the beginning of the 1960s the TAP fleet consisted of three Douglas DC-4s,



A TAP Portugal Airbus A330-200 during take-off in Lisbon



From A check to D check: 'TAP Maintenance & Engineering' has the know-how and resources needed to handle a broad range of aircraft types

TAP previous aircraft types

The following is a list of aircraft used by TAP in the course of its 62-year history:

- Douglas DC-3
- Douglas DC-4
- Douglas C-54 Skymaster
- DeHavilland Comet 4B
- Lockheed L-1049G Super Constellation
- Sud Aviation Caravelle VI-R
- Boeing 707-320B
- Boeing 747-200
- Boeing 727-200
- Lockheed L-1011/500 Tristar
- Boeing 737-300

wards, the 707 route from Lisbon to New York became operational. The classic four-jet airliner was also temporarily used on the 'Friendship Flight' route to Brazil, a service soon ended in 1967.

After acquiring the three-engine Europe Jet 727 in March 1967, TAP became the first European airline to own a fleet consisting solely of jet aircraft. Further destinations to be added to the company's flight schedule that year included Zurich, Copenhagen, Recife, Buenos Aires and Salisbury. The airline also installed its first computer in the same year, introducing the use of management programmes.

From 1968 to 1975, TAP continued to expand, setting up routes to Amsterdam, Frankfurt and Sao Paulo and opening a maintenance hall for engine inspections. The airline also began operating simulators for



Engine hall of the maintenance department at TAP Portugal

TAP The fleet

TAP now owns a fleet consisting entirely of Airbus aircraft, currently 48 in number. By 2015, the company's A330s and A340s are to be replaced by the A350 XWB.

A319-100	17
A320-200	15
A321-200	3
A310-300	6
A330-200	3
A340-300	4

the 707 and acquired additional Boeing aircraft of both types. In 1969, TAP launched an air-taxi service called Transportes Aéreos Continentais (which closed down in 1985) and acquired a stake in the airline SATA, based in the Azores. In 1971 several new facilities were opened and commissioned. Among them were the airline's new headquarters as well as a new maintenance hangar and a training centre.

One of the next destinations to be added was Montreal in Canada. Then, in 1972, the first Boeing 747 joined the TAP fleet. From that year on, the airline took charge of overhauling

the Jumbo's JT 9D engines itself, the only European airline technically capable of doing so.

In 1975, TAP was re-nationalised, and the fleet was supplemented with additional Boeing 727s. 1976 saw the launch of new services to Milan, Caracas in Venezuela, and Kinshasa in the African Congo.

In the following year, TAP suffered the only major fatal accident in its history. It was on a rainy day at Funchal airport that a 727 shot off the end of the wet runway, killing 131 passengers. This did not prevent the airline from winning the Technical Management Award in Lyon in 1978.

three DC-6s and five Lockheed Super Constellations. This meant that TAP was still a relatively small airline with a European market share of less than one percent.

From 1960 onwards, TAP also operated a flight to Brazil, Portugal's former colony. The connection was established with the help of the Brazilian carrier Panair and was labelled the 'Friendship Flight'.

The start of the new decade also marked the dawn of a new era of jet aircraft at TAP. Four Comet 4Bs were leased from British European Airways (BEA) and placed in service on the route between Lisbon and London. In 1962, however, TAP switched to a small fleet of self-owned Caravelle jets which initially flew between Lisbon and Madrid, and later also covered the new routes to Frankfurt and Munich. The airline also installed a

The first Caravelles arrive in 1962

Caravelle simulator shortly afterwards. In the same year, TAP ordered several Boeing 707s. These were delivered from 1965 onwards and were used on the route to Johannesburg, while the Caravelles flew between Lisbon and Brussels.

On 19 June 1964, 18 years after the first TAP flight, the airline welcomed its one-millionth passenger on board, and set up a new service to Funchal on Madeira along with several other routes. The delivery of the first 707 in

1965 marked the beginning of a new era of jet aircraft truly capable of long-haul flights. On 17 June, the TAP Boeing flew for the first time to Rio de Janeiro, a milestone in the history of the company. The aircraft touched down in Rio – exactly 43 years after flight pioneers Cabral and Coutinho landed their floatplane back in 1922. Soon after-



Tried and tested: the TAP Portugal A310-300

A TAP A320 touches down in Lisbon. A new major airport is to be built 50 kilometres north of the city



Interview Fernando Pinto, CEO of TAP Portugal

Planet AeroSpace: What do you think of Airbus's decision to completely redesign the A350?

Fernando Pinto: Airbus is extremely well-positioned on the market with its A320 family. These aircraft form the backbone of the company. But the A330 was also the queen of its own market. No-one had an aircraft as good as the A330 in this sector. Boeing then developed its 787, an excellent aircraft with a high degree of passenger comfort, and of course much more economical than the A330 – so Airbus had to follow suit. When it began developing the A350, Airbus soon realised that it would actually be similar to the 787, but not better. Which is why Airbus completely revised its design.

PAS: TAP was of course one of the original customers on the list for the A350. Did you ever consider switching to the 787?

F. Pinto: Yes. We considered this option. When we originally had to decide which type of aircraft to buy, we considered both types. But we had to opt for the best aircraft. After all, it is eventually supposed to replace our entire fleet of A340s and A330s.



Fernando Pinto

PAS: So you consider the A350 XWB to be the better aircraft?

F. Pinto: Well, that is difficult for us to assess at this stage, as we do not yet know what the finished product will be like. What we do know, however, is that the A350 XWB and the Boeing 787 will be equally economical to run. With regard to passenger comfort, the A350 XWB has the potential to be better, as it has a wider body. And despite the wider fuselage, the new A350 XWB design succeeds in over-

coming the problem of higher fuel consumption that would normally be expected to result from increased size and the attendant increase in drag. The more sharply swept wings of the A350 will enable it to fly just as fast as the 787, despite its larger hull. The A350 XWB will also offer excellent cabin comfort. All in all, it will be a very good aircraft.

PAS: Does this mean that the TAP fleet will continue to consist entirely of Airbus aircraft in the foreseeable future?

F. Pinto: At present, it looks as if this will be the case, yes. We have signed the contract and envisage owning two aircraft families in the future – the A320 types, and the 800 and 900 versions of the A350 XWB.

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In 1979 the company's management decided to rejuvenate the airline's corporate identity by changing its name from TAP to 'TAP Air Portugal'. Early in the 1980s, the airline began to phase out its classic Boeing 707s and 727s.

These models were replaced by B737s and Lockheed L-1011 TriStars. The oversized Boeing 747s were sold off, as TAP was not able to utilise the Jumbo's capacity to the full. At the same time, the company began to open up new business areas and signed a contract with Federal Express for the complete overhaul of 35 Boeing 727s. Meanwhile, the airline continued to expand its flight operations, carrying more than two million passengers in 1984.

Airbus finally came into the picture in 1987, when the first A310s were ordered for flights to a wide range of new destinations, including Athens, Toronto, Newark and Abidjan. These were followed by two orders in 1989 for the first A340s. In 1990, TAP passed the three million passengers mark – a milestone that was immediately overshadowed by the global economic crisis of the early 1990s. This had a particularly devastating effect on the air transport industry, causing TAP to suffer a loss of over 100 billion escudos (500 million euros) at the start of the decade. Because its 38 leased aircraft cost the company 15 billion escudos (75 million euros) in leasing fees in 1993, an order for four A340s was cancelled and the affiliated charter company Air Atlantis, founded in 1985, was closed down.



The future: TAP has set its sights on the A350 XWB to replace its current long-haul fleet

In 1995, the year of TAP's 50th anniversary, a third and fourth A340 went into service. The airline also launched a programme called 'TAP 2000' designed to prepare the company for future challenges. One year later, the company's management decided to purchase 22 aircraft of the A320 family – an order worth more than 450 million dollars. The airline also purchased an A319/320/321 simulator for its training centre in Lisbon. 1997 turned out to be the first year in a long time that TAP succeeded in making a profit. An eight million dollar surplus appeared on the

company's balance-sheet that year, despite a cumulative loss of 730 million dollars since the early 1990s.

TAP continued its restructuring activities until 1998, and proceeded to order additional single-aisle aircraft from Airbus. Six new Airbus planes were commissioned in 1999 alone. In the year 2000, the airline presented its 'Modernization of the Organization' Project (MOP), in the course of which the company was split into three business units: Airline, Handling and Maintenance. A new charter company called 'Linhas Aéreas Charter' was

created in January 2000 in partnership with the passenger and transport company Viagens Abreu. In the same year, TAP reached the five-million passenger mark.

Since 2000 the airline has operated under the direction of Fernando Pinto, the former CEO of Varig, the Brazilian carrier. It remains state-owned to this day.

An attempt at privatisation failed in 2001 when one of the partners, SairGroup, bailed out of the project. However, the new CEO intends to broach the subject more intensively from now on. Several feasibility studies are in progress, and the company currently stands a good chance of finding solvent partners.

Although the airline still made losses of 9.5 million euros in 2005, Pinto expects 2006 to show positive results. A 50 percent growth in revenue and operations over the past five years has attracted several potential investors, and the planned takeover of regional airline Portugalia is on the verge of completion. The deal is due to be signed and sealed before the end of March. Furthermore, the airline has reduced its workforce by ten percent since 2000 to a current level of 8500. This was mainly achieved by cutting back office jobs. In the case of pilots and aircrews, however, the numbers have increased, and even TAP is not entirely sure how to satisfy the rapidly growing demand for qualified staff in this area.

Alexis von Croy

A319 flight captain Rita Lopes on the TP557 flight from Munich to Lisbon



Images: AVC, TAP Portugal, Airbus